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20 years of SILC:
an analysis of subjective poverty

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ABSTRACT

SILC, the survey on income and living conditions, celebrates in 2023 its 20th anniversary, excluding the pilot study of 2003. Over the past two decades, BE-SILC has modernised and developed into a reliable provider of poverty statistics that are frequently used by policy makers. The diversity of indicators calculated based on this survey is enormous. The best-known and most important indicators are AROPE (risk of poverty or social exclusion), AROP (risk of monetary poverty), SMSD (severe material and social deprivation) and LWI (low work intensity). These are all objective measures of (facets of) the multidimensional poverty concept. On the occasion of this 20th anniversary, this analysis wants to focus on a subjective interpretation of poverty, via the indicator "subjective poverty". Initially, the indicator is looked at in isolation, identifying which population groups perceive themselves as more or less poor. The analysis then looks at subjective poverty as a risk factor for other dimensions of poverty. Finally, a deeper analysis of the "subjectively poor persons" is covered and we examine where exactly are the differences with the objective poverty indicators.

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ABBREVIATIONS

AROP   At risk of monetary poverty

AROPE   At risk of poverty or social exclusion

LFS   Labour force survey

LWI   Low work intensity

SILC   Statistics on income and living conditions

SMD   Severe material deprivation

SMSD   Severe material and social deprivation

INTRODUCTION

SILC, the survey on income and living conditions, celebrates in 2023 its 20th anniversary, excluding the pilot study of 2003. As part of this survey, about 6,000 households are surveyed annually based on a six-year rotating panel. This means that households participate in the survey for six consecutive years in a design where each year about one-sixth of the sample leaves the panel after having participated for six years, in order to make room for a new part of the sample that will participate for the next six years[1]. This survey is harmonised at European level and coordinated by Eurostat, the statistical office of the European Commission. Each Member State is responsible for its own implementation. In Belgium, Statbel, the Belgian statistical office, takes on this task. The SILC interview consists of a questionnaire at household level and individual questionnaires for all household members aged 16 or over.

Over the past two decades, BE-SILC has modernised and further confirmed its position as a reliable provider of poverty statistics. The diversity of indicators calculated based on this survey is enormous and reflected in its frequent use by policy makers and researchers. The best-known, most important and most used (for policy) indicators are AROPE (risk of poverty or social exclusion), AROP (risk of monetary poverty), SMSD (severe material and social deprivation) and LWI (low work intensity). These are objective measures of (facets of) the multidimensional poverty concept. By objective, we mean that fixed standards are used to determine whether or not someone is at risk of poverty[2]:

- AROP: if one has equivalent disposable income below the defined poverty threshold.
- LWI: if one lives in a household where less than 20% of the work-time potential is worked.
- SMSD: if one is unable to afford at least seven out of a list of 13 expenses.
- AROPE: if one faces at least one of the three poverty risks above.

So objective means that the person's perception is not taken into account. Some people feel poor, but are not considered as such based on these objective indicators. The reverse is also possible: people who would not consider themselves as poor at all, but are according to objective indicators. On the occasion of this 20th anniversary, this analysis wants to focus on a subjective interpretation of poverty, via the indicator "subjective poverty". This is about the respondents' own assessment, regardless of the objective indicators.

In SILC, subjective poverty is measured at household level as follows:

Introduction: *The following questions relate to the total disposable income of your household. The total disposable income of a household consists of (1) net wages, salaries and net income from self-employment, (2) benefits and family allowances, (3) additional income such as rent profits, interests, and other from all members of the household together.*
Question: *When you have the total disposable income of your household in mind, is it very difficult, difficult, rather difficult, rather easy, easy or very easy for your household to make ends meet?*

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[1] At the beginning of SILC, this longitudinal component consisted of a four-year rotating panel. In SILC 2019, a fifth year was added and from SILC 2020 onwards it is a six-year rotating panel.

[2] The definitions are available on the Statbel website.

Even though the question is formulated at household level, analyses of subjective poverty are done at individual level. For this, all household members (regardless of age) are assigned the household value[3]. The share of the population that indicates that it is very difficult or difficult to make ends meet is considered as subjectively poor. This indicator is also sometimes described as "struggling to get by".

It is not easy to obtain a 20-year series of BE-SILC data, due to the fundamental reform implemented with SILC 2019[4]. This reform was both methodological, with a revision of the weighting procedure, and substantive, with the use of administrative data for the majority of income variables. At the same time, the questionnaire was revised to better match administrative incomes on the one hand, and to accommodate future evolutions on the other[5]. Because of this reform, there is a break: data from SILC 2019 onwards cannot be compared with previous data. Compared to the substantive reform, the impact of the methodological reform is rather limited. Monetary indicators such as AROP and AROPE were affected by both reforms, but for non-monetary indicators, such as subjective poverty, the impact is limited to the methodology. This analysis takes this break into account, but that does not prevent us from examining the full time series for subjective poverty. So where possible, the 20 SILC years are taken into account. Only in the case of cross-comparisons with monetary variables is the analysis split between the first 15 years on the one hand and the five most recent years on the other.

During the SILC 2020 fieldwork, the Covid-19 pandemic broke out in Belgium. The measures taken to contain that pandemic had a substantial impact on the data collection and should also always be kept in mind when interpreting the results[6].

In Chapter 1, the indicator is looked at in isolation, identifying which population groups perceive themselves as more or less poor. The analysis then looks at subjective poverty as a risk factor for other poverty dimensions (Chapter 2). We conclude with a deeper analysis of the "subjectively poor persons" and a look at the cross-comparison between this subjective indicator and the objective poverty indicators[7].

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[3] This has an important implication when subjective poverty is broken down by individual characteristics later in this analysis. Indeed, the trends mainly reflect differences among single people. This is very clear with gender, for example. When a poverty indicator (subjective or not) is considered by gender, a male-female couple is cancelled out, as it were, because they both have the same poverty status.

[4] More information is available in the technical data on Statbel's website.

[5] Since SILC 2021, the survey has been organised under a new regulation, the IESS.

[6] More information on the impact of Covid-19 on SILC 2020 is available on Statbel's website.

[7] This analysis predominantly gives a general picture over the entire 2004-2023 time frame, but sometimes goes a little deeper to elaborate on a specific situation. SILC 2022 is often used for this purpose because they were the most recent data at the time of writing. The update with SILC 2023 only happened later.

1. Subjective poverty by vulnerable groups

In the first chapter, we take a general snapshot of subjective poverty that allows us to identify a number of vulnerable population groups. Initially, this is done by looking at the evolution of the subjective poverty indicator in isolation and then breaking it down by various socio-demographic background characteristics. The second step is to examine the extent of any overlap between the objective poverty indicators and the subjective indicator at the centre of this analysis. Finally, in this chapter, we look at subjective poverty in a longitudinal way to understand the persistence of poverty perceptions.

1.1 General picture

Before looking at the indicator as such, Figure 1 shows the evolution of the frequency distribution of the basic variable "making ends meet" in six categories. The largest groups are those for who it is rather easy and easy to make ends meet. These figures have also remained relatively stable over the years, except for a turbulent period with many developments between 2006 and 2009 in the share of Belgians who could easily make ends meet. The share of people who find it (very) difficult to get by has also remained rather stable over the past 20 years. However, it is striking that over the years there are more and more people who can make ends meet very easily, and fewer for whom it is rather difficult. In 2008, the banking crisis has had a clear effect on how difficult or easy it was for the Belgian population to make ends meet. There is a clear increase in the share of people for whom it is rather difficult, difficult or very difficult, and a decrease in the share of the population for whom it is (very) easy.

The high energy prices and subsequent inflation led to an increase from 2021 to 2022 within the "difficult", "rather difficult" and "rather easy" groups, stability for "very difficult" and a decrease for "very easy" and "easy". This means that more or fewer respondents indicated that it was difficult or easy to make ends meet, but says nothing about the perception of the situation. The stability for the response category "very difficult" does not necessarily mean that people in this group did not find it more difficult than in the previous year. It was already very difficult for them, and it is very likely that the high prices have made it even harder. Moreover, these cross-sectional figures do not provide any information on individual courses over time; it is not necessarily the same individuals for whom it is (very) difficult from year to year. This is why a longitudinal look at the situation will also be taken further in this analysis. In 2023, we see a return to the 2021 levels.

Figure 1: Variable "making ends meet" in six categories
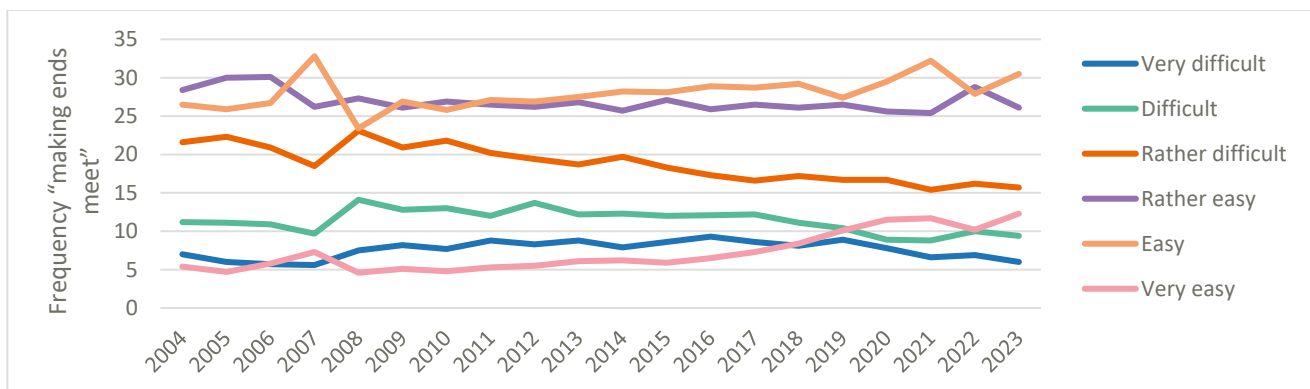
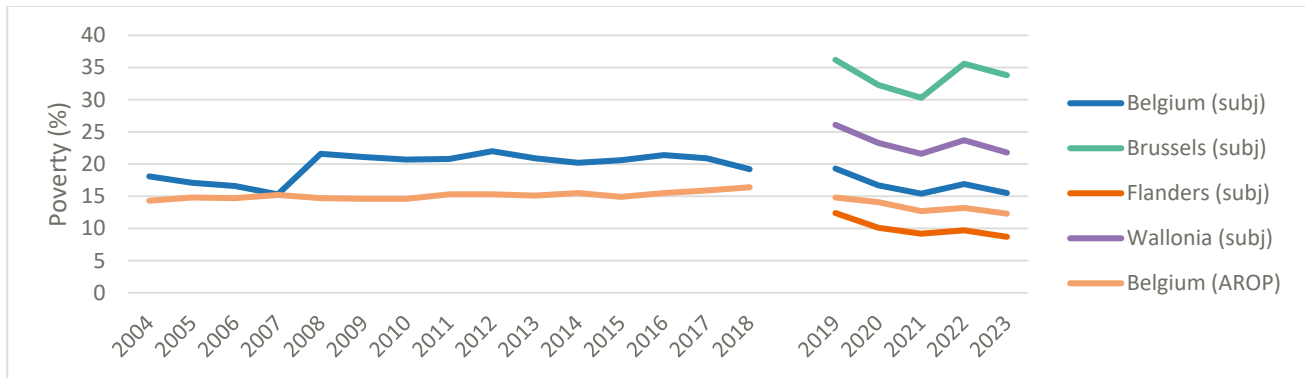*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

In 2004, 18.1% of the Belgian population said it was (very) difficult to make ends meet (Figure 2), which is here perceived as subjective poverty. A downward trend could be observed in the following years until the banking crisis that plagued our country in 2008 caused a sharp rise to 21.6% of the population. It would then take 10 years for the subjective poverty indicator to fall just below the 20% mark again, at 19.2% in 2018. The 2020-2021 Covid-19 period then saw another downward trend, to 15.4% in 2021. Because of the strict government measures taken during this period to prevent as much as possible the spread of the virus, part of spending opportunities were restricted (e.g. restaurants, travel, culture, school outings) which may have made it easier for part of the population to get by. High fuel prices and inflation caused another increase to 16.9% in 2022. This is about 1,932,000 people. 2023 is again approaching the levels of 2021, despite the ongoing energy crisis and inflation. The government's strong energy measures have contributed to this. Nevertheless, the levels in 2020-2023 remain lower than those of the pre-Covid period.

As also shown in Figure 2, there is a gap between subjective and objective poverty, materialised here with the AROP indicator. Both indicators do not evolve in the same way, with the subjective poverty indicator appearing more sensitive to pick up social evolutions. The aforementioned decrease in subjective poverty between 2004 and 2007, and the subsequent sharp rise in 2008, are not reflected in a decrease nor increase in the monetary poverty risk. An important explanation for the difference between the objective and the subjective indicator lies in the personal nature of the indicator. People take their entire situation into account when assessing their difficulties in making ends meet. The crisis will have played a role in this. In contrast, AROP is highly standardised and looks only at income, where a (short-term) loss of income does not necessarily imply falling below the poverty threshold.

AROP also does not take expenditure into account. This works for different populations in different ways. For example, retired people with rather low pensions may find themselves below the poverty threshold but still not experience poverty because they have few expenses. Consider, for example, the lack of a mortgage loan. On the other hand, Belgians with an equivalent disposable income above the poverty threshold may be heavily indebted, giving them de facto little to make ends meet, and feel poor. The high energy prices and higher prices (mainly for food products) in 2022 illustrate this very clearly. A significant increase of 1.5 percentage points in subjective poverty from 2021 to 2022 emerges as people felt the price increases in their day-to-day lives. With AROP, there was a non-significant increase of 0.5 percentage points. However, this increase from 2021 to 2022 was cancelled out in 2023.

Moreover, a subjective approach also implies that feelings of poverty depend on the standard of living used or desired. Persons with an identical equivalent disposable income - and assuming identical housing costs as well - may nevertheless have a different subjective perception of their situation, depending on their spending patterns (e.g. culture, restaurants, travel, designer goods). Cognitively, respondents also compare their own situation with that of their immediate environment. So individuals below the poverty threshold may find that they are nevertheless better off than those around them and consequently have no perception of poverty. The opposite is also true, Belgians with an income above the poverty threshold may make comparisons with their well-off acquaintances and conclude that they are struggling.

Figure 2: Subjective and objective poverty in Belgium and the regions

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Figure 2 also contains regional figures for subjective poverty as of SILC 2019[8]. It shows strong regional differences, with around a third of the population in Brussels saying they find it (very) difficult to make ends meet. In Flanders, it hovers around 10% and in Wallonia it is just over 20%. The downward trend at the time of the Covid-19 crisis and the subsequent rise at the time of high inflation in 2022 do occur in a similar way in each of the three regions, albeit slightly more strongly in Brussels, where pre-Covid levels are almost regained in 2022. In Flanders and Wallonia, the figures remain lower than before the Covid pandemic. The decrease in 2023 is also observed in every region, but is slightly less pronounced in Brussels than in the other two regions.

A similar diversity is also found when Belgium is compared with its neighbours (Figure 3), although a comparison is not easy because of several breaks in the time series in our country and in the neighbouring countries. The figures for Belgium and France are close to each other until 2022 included and broadly follow the same trends. Subjective poverty is significantly lower in Luxembourg, the Netherlands and Germany. In 2022, the difference between Belgium and the Netherlands even amounts to 10 percentage points. However, it is striking that this is completely the opposite of monetary (objective) poverty rates (AROP). Of all these countries, the figures are the lowest in Belgium. In 2022, it was 13.2% in our country versus 14.5% in the Netherlands, 14.7% in Germany, 15.6% in France and even 17.4% in Luxembourg[9]. In particular, the results for Luxembourg, a high-income country, show the implications of a relative poverty threshold set at 60% of the median equivalent disposable income. Whereas in Belgium the poverty threshold in 2022 was €16,388, in Luxembourg it was €27,186[10]. With an income just below the poverty threshold in Luxembourg, you are already into the 3rd income quintile in Belgium[11]. This contradiction shows particularly clearly the importance and necessity of looking at both objective and subjective poverty indicators.

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[8] Statbel does not disseminate SILC results at regional level until 2018 because the results obtained are not sufficiently accurate. A number of methodological improvements were made in SILC 2019 (administrative data for calculating the income and weights) that improved the accuracy of regional results, making it possible to start a regional series of figures with the figures of SILC 2019.

[9] Eurostat, table ilc_li02.

[10] Eurostat, table ilc_li01.

[11] BE-SILC 2022: upper limit 2nd income quintile is €24,591, upper limit 3rd income quintile is €30,478.

Figure 3: Subjective poverty in Belgium and in the neighbouring countries
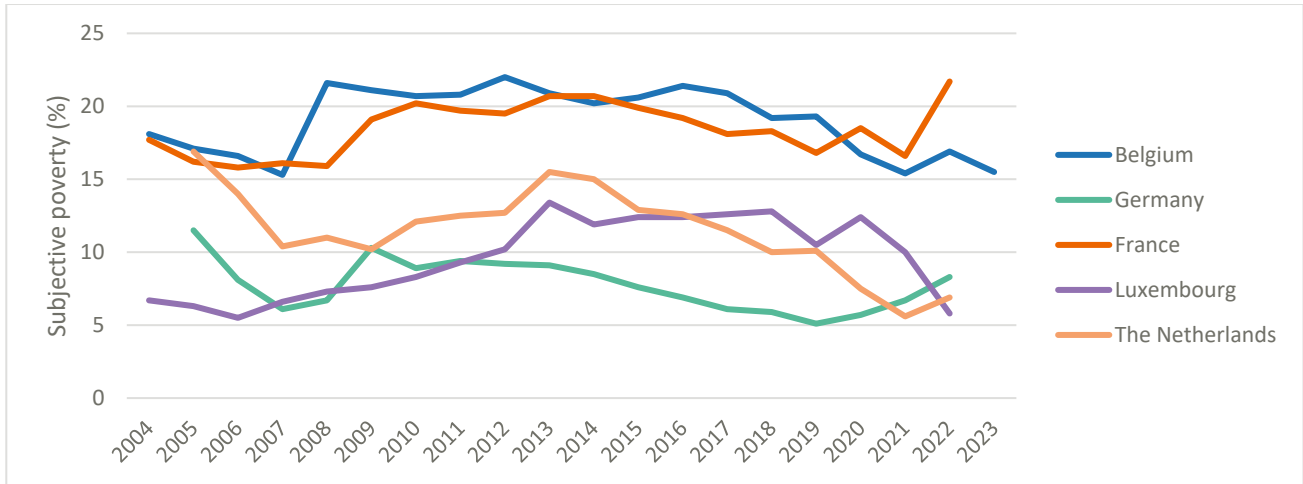
SILC 2016: Break in time series for Luxembourg and the Netherlands; SILC 2019: Break in time series for Belgium; SILC 2020: Break in time series for Germany, France and Luxembourg; SILC 2021: Break in time series for Luxembourg; SILC 2022: Break in time series for France and Luxembourg.

BE-SILC 2020: impact of the Covid-19 on the results
Source: Statbel and Eurostat, table ilc_mdes09

1.2 Socio-demographic background characteristics

Now that we have an general picture of the share of the Belgian population that finds it (very) difficult to make ends meet, we can move on to a breakdown by relevant socio-demographic background characteristics. These make it possible to identify vulnerable groups and to take a closer look at their situation. Successively, the following characteristics will be examined: gender, level of education, age, household type, tenure status, activity status, health problems and income quintile.

Figure 4 shows the trend for men and women separately. The figures show that women's subjective poverty is always slightly higher than men's, but this difference is not significant. Moreover, both groups largely follow the same trend.

Figure 4: Subjective poverty by gender
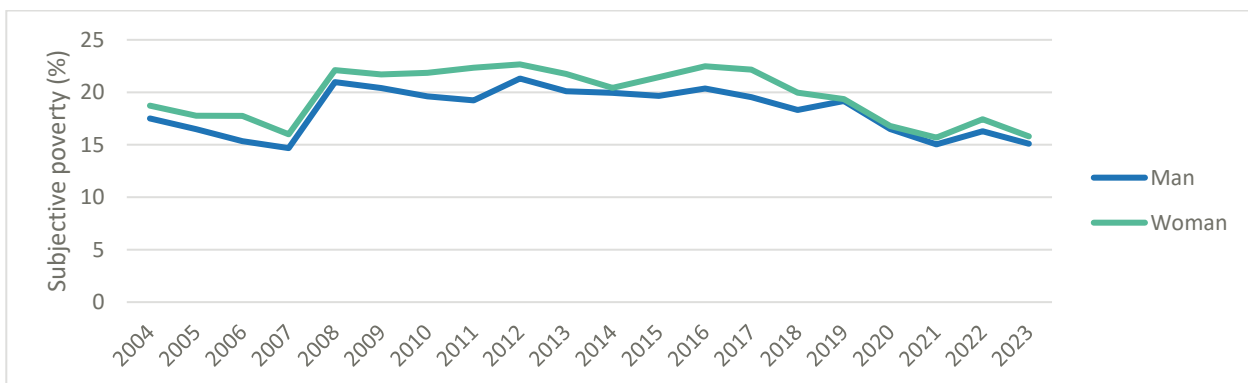
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

However, the same cannot be said when subjective poverty is broken down by level of education (Figure 5)[12]. Low-skilled people are significantly more vulnerable than medium- and highly-skilled Belgians. While the general increase following the banking crisis in 2008 occurs at every level of education, the impact has nevertheless been stronger among the most

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[12] Low = no diploma, primary education, lower secondary education Medium = upper secondary education, 4th grade vocational secondary education, 7th year general/technical/arts/vocational secondary education High= higher education (college, university), PhD.

vulnerable: subjective poverty rose among low-skilled people from 20.1% to 29.1%, while among the highly-skilled it was from 6.3% to 10.1%. Moreover, for the low-skilled, the trend from 2008 is slightly upwards until 2016 (from 29.1% to 32.9%) while it is virtually stable for the highly-skilled (from 10.1% to 9.4%). From 2016 to 2021, a steep decline sets in for the low-skilled - from 32.9% to 25.9% - followed by a sharp increase to 29.3% in 2022 due to the high inflation, and a new decrease in 2023. For highly-skilled people, this trend is more gradual.

Figure 5: Subjective poverty by level of education
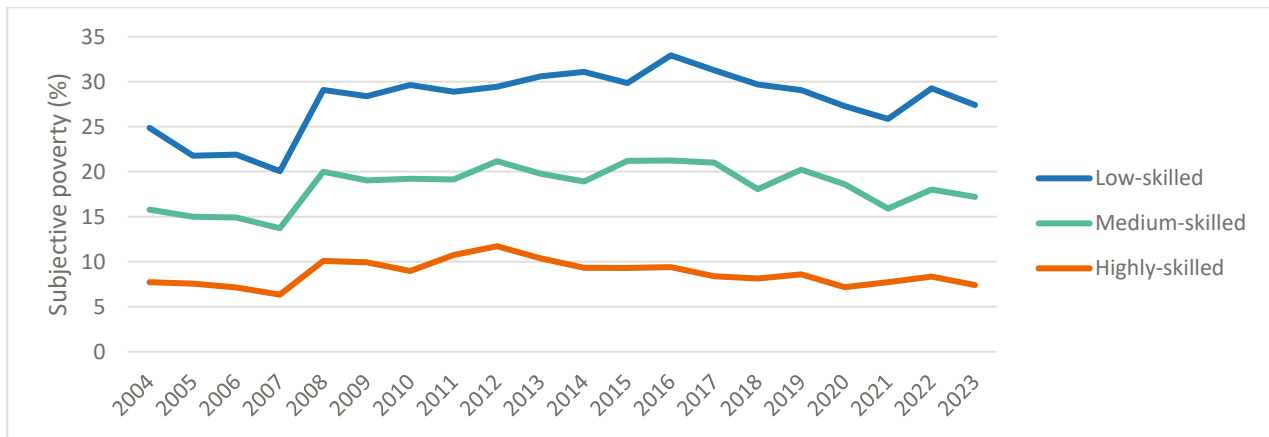
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

An analysis of subjective poverty per age is presented in Figure 6 and shows that, over the past 20 years, the older part of the population has felt less poor than the younger part. A striking result is the very sharp increase from 2007 to 2008 for the 16-24 age group, who becomes the most vulnerable group. It is this age group that struggled to enter the labour market for the first time during the banking crisis in 2008, notwithstanding that a strong increase was also recorded for the other age groups. The figures also show the problem of child poverty. Here, this is not about individual subjective perceptions of the children themselves, but rather those of (almost always) their parents regarding the entire household. In 2004, 21.9% of people aged 0 to 15 were living in household where it was (very) difficult to make ends meet. That figure slightly decreased to 18.6% in 2006, then rose above 25% in 2009 to continue flirting with that limit of a quarter of children in Belgium until 2017. From then on, a decrease began - also for the other age groups - which stopped in 2021.
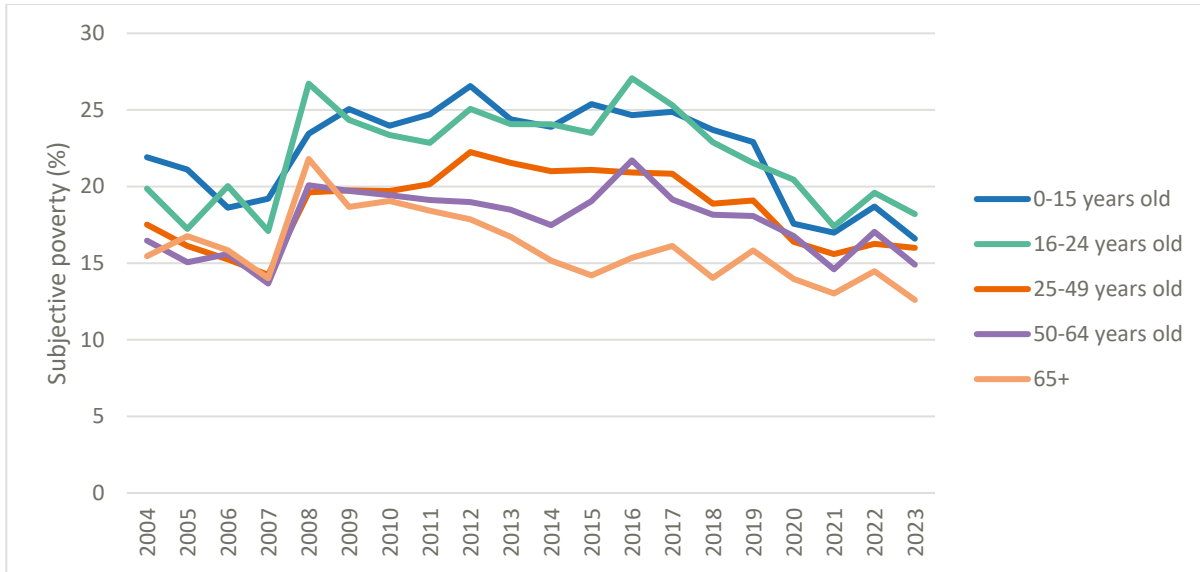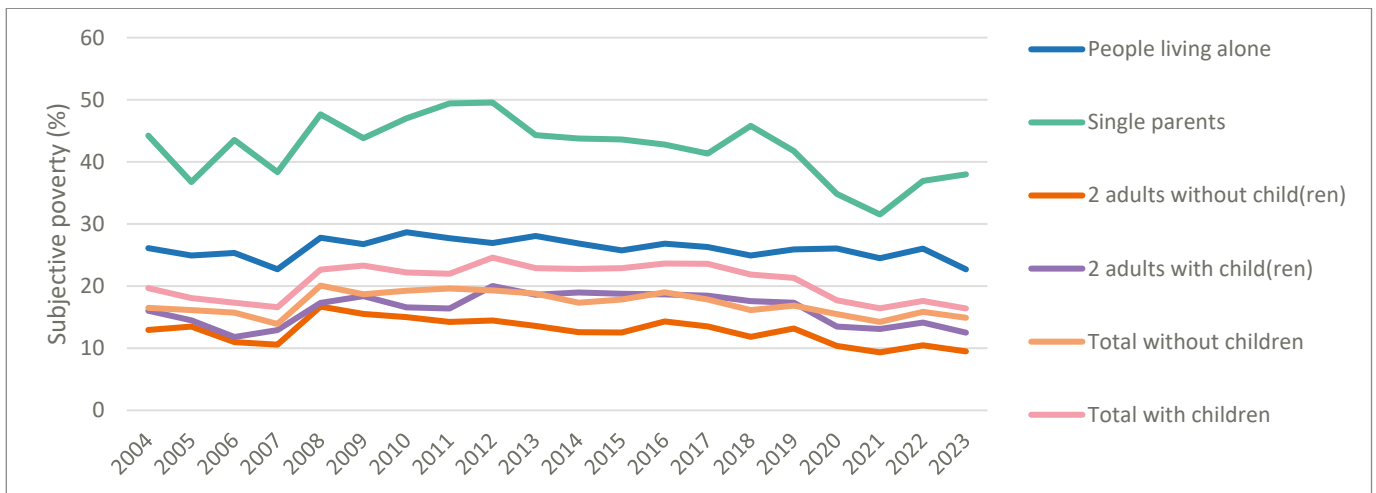
Figure 6: Subjective poverty by age

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Figure 7 shows that members of single-parent families are significantly more vulnerable to subjective poverty than Belgians living in another household type. Over the past 20 years, systematically more than 30% of them found it (very) difficult to make ends meet, with a peak at 49.6% in 2012. While the decrease that started during the Covid-19 period is more pronounced among them than among the other groups, the same is true of the increase in 2022 at the time of high fuel prices and inflation. An increase that, moreover, continues among them as only category in 2023. A second category experiencing difficulties are people living alone, with systematically more than 20% reporting difficulty each year. The figures also show that households without children report being poor less than households with children, but the differences are minimal.

Figure 7: Subjective poverty by household type

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Working seems to be a limiting but not 100% protective factor for subjective poverty (Figure 8). Over the past 20 years, about 10% of employed people reported having difficulties making ends meet. This is (a lot) less than the other groups, but still very high. Unemployed people struggle the most, that is a fact. However, their 20-year trend cannot be interpreted unambiguously. First, there is a break in the time series in 2013, since until SILC 2012 included, people in early retirement were considered as unemployed. Since 2013, they are counted among retired people. The increase observed in 2013 is

therefore caused by the removal of the less precarious group of people in early retirement from the category "unemployed". Second, the evolution between SILC 2020 and 2021 is the consequence of the Covid-19 pandemic. Indeed, the activity status is determined based on the income reference period (i.e. the calendar year before the SILC year). There was in 2020 extensive use of temporary unemployment. Therefore, the category "unemployed" in SILC 2021 not only included the long-term unemployed as in other years, but also people who were temporarily unemployed for more than six months. The latter group mainly lived in less precarious conditions than the long-term unemployed.

Over the years, the situation has worsened for the other inactives (i.e. inactive people who are neither unemployed nor retired), and at the same time, a slow improvement seems to be emerging for the retired. The increased participation of women in the labour market in recent decades, resulting in their higher pension amounts, could be the reason.

Figure 8: Subjective poverty by self-defined activity status
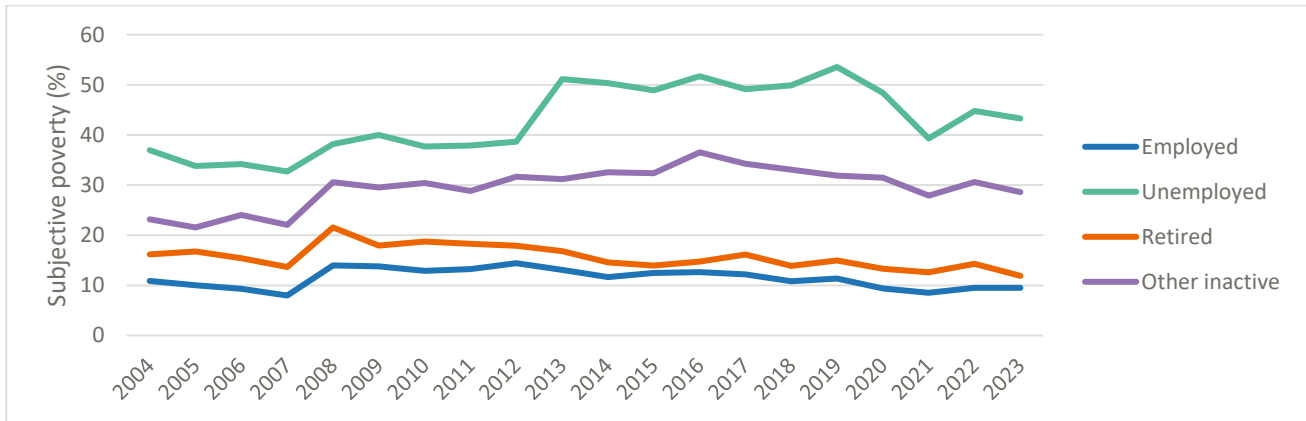
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results.
Break in SILC 2013 for the unemployed, impact of the Covid-19 pandemic on the figures for the unemployed in SILC 2021

For monetary poverty indicators, tenants are clearly more vulnerable than owners, and that is also the case for subjective poverty (Figure 9). For tenants, the figures vary between 31.5% (2007) as lowest point and 43.1% (2016) as highest point, but over the whole 20-year period, there is rather stability: 34.2% in 2004 and 35.3% in 2023. The same goes for owners; the lowest point was measured in 2023 with 8.1% of owners finding it (very) difficult to make ends meet, while the highest point was in 2008 with 16.4%. It is also striking that in the period 2008-2018, so during the banking crisis and its aftermath, the situation became more precarious from year to year for tenants, while it improved just slightly for owners. Since 2018, the same slow trend has continued for owners, while tenants have seen a reversal here with decreasing figures up to the Covid-19 period. However, the high inflation period that followed broke this trend and again raised the subjective poverty rate for both groups in 2022.

Figure 9: Subjective poverty by tenure status

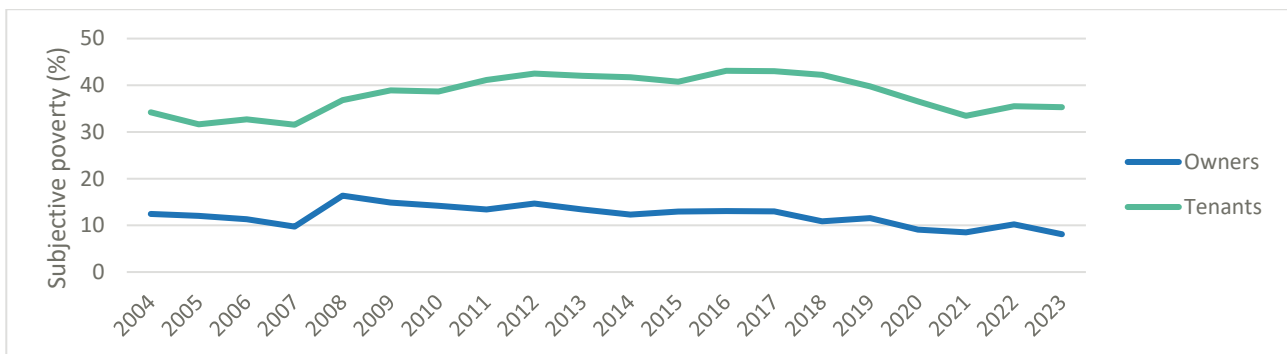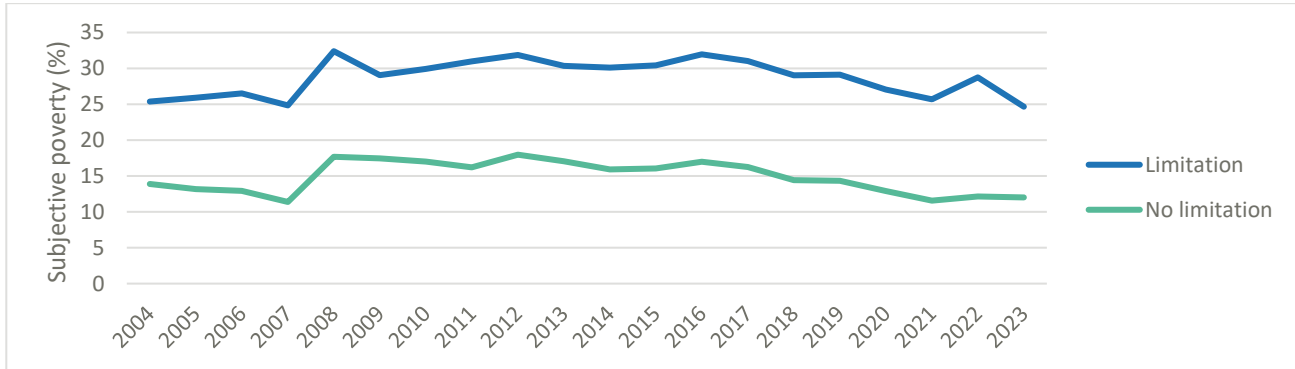*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

Also, people who have been (severely) limited by a health problem for at least six months in activities people usually do experience more difficulties in making ends meet than those for whom this is not the case (Figure 10). Again, we see in both groups a sharp rise in poverty perceptions at the time of the banking crisis in 2008, and from then on a rather steady decline until 2021, similar in both groups. The figure for people with disabilities fell by 6.7 percentage points from 32.8% in 2008 to 25.7% in 2021, and that for people without disabilities by 6.1 percentage points from 17.7% to 11.6%, respectively. The impact of the high fuel prices and subsequent inflation in 2022 was felt more acutely among the most vulnerable group, but became less intense in 2023.

Figure 10: Subjective poverty by health problems

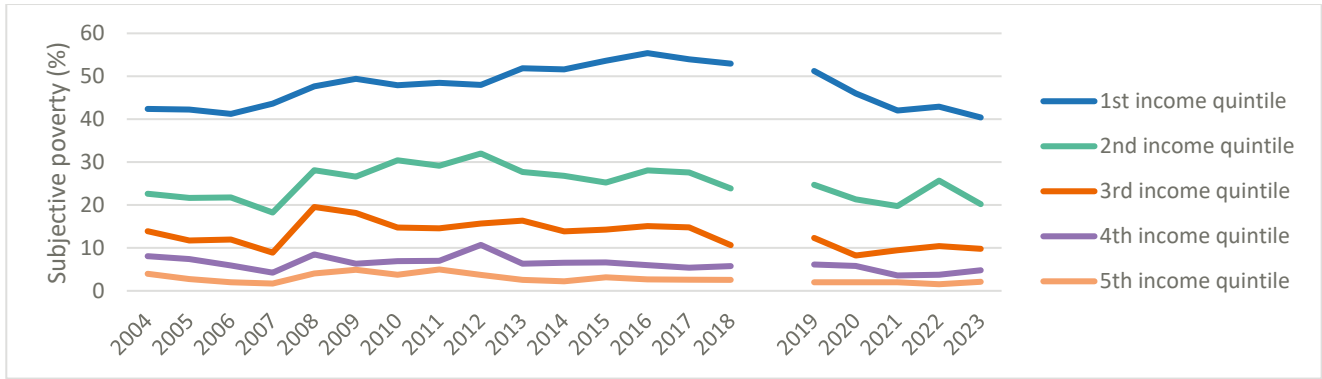*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

As final background factor, we take a look at the income quintile (Figure 11). For this purpose, the analysis is split into a trend before and a trend after the reform of SILC 2019. The figures lead to two main observations. A first, and obvious one, is that the higher the income, the fewer difficulties in making ends meet. The difference between the first and the fifth income quintile is the highest in 2016, with 52.7 percentage points. No less than 55.4% of people with the lowest income struggle to make ends meet, versus 2.7% of those with the highest income.

A second observation is that it is mainly those in the 2nd and 3rd income quintiles who felt the impact of the banking crisis in 2008. Both groups registered an increase of about 10 percentage points (9.8 and 10.6 respectively) in subjective poverty between 2007 and 2008. It is also notable that it is again those in the 2nd income quintile who felt the impact of the high energy prices and inflation in 2022. Whereas in 2021, 19.7% of people in this income quintile felt poor, this increased to 25.7% in 2022. The subjective situation of the first income quintile did not change from 2021 to 2022. As nuanced above, it is certainly possible that it also became more difficult for people with the lowest income. In 2021, 42% of them already found it very difficult to make ends meet. This group has not grown larger, but the difficulties within may have gotten worse. The figures for 2023 represent for all income quintiles a return to the level registered in 2021.

Figure 11: Subjective poverty by income quintile

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

1.3   Objective poverty indicators

Socio-demographic background characteristics that distinguish more vulnerable groups to subjective poverty from less vulnerable groups provide a general picture of the population groups for whom it is (very) difficult to make ends meet. But this does not say anything about their objective poverty situation. This is why the next section looks at the overlap between the objective and subjective poverty indicators. Whereas above the full 20-year time series could be analysed, the situation here is more complex. As already mentioned in the introduction, the reform of SILC 2019 caused a more substantial break in monetary indicators than in non-monetary ones. Therefore, for AROP and AROPE, the trends are split into two. Moreover, AROPE was modernised in response to the Europe 2030 goals. Very specifically, the severe material deprivation indicator (SMD) was replaced by severe material and social deprivation (SMSD) and the definition of low work intensity (LWI) was slightly modified. To still be able to analyse as long a time series as possible, we use the old indicators here, namely SMD, LWI and AROPE in the old definition.

Figure 12: Subjective poverty and severe material deprivation (SMD)

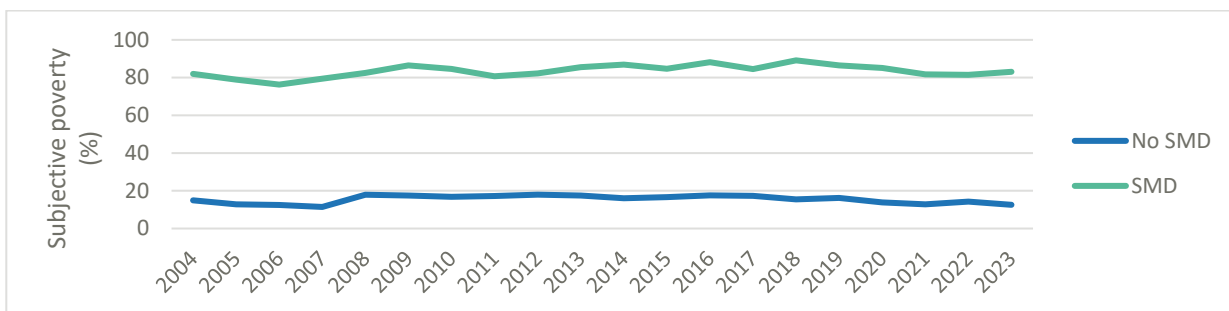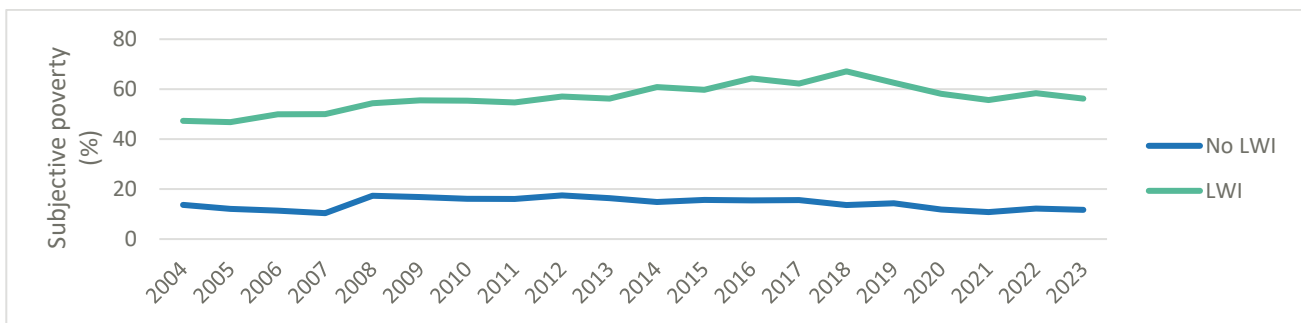*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

As shown graphically in Figure 12, there is a large overlap between severe material deprivation (SMD) and subjective poverty. Severe material deprivation is defined as the financial inability to afford at least four out of a list of nine items[13]. Of those who are not in such a situation, between 11.4% (2007) and 17.9% (2008) find it (very) difficult to make ends meet. This is still a significant number of people, but is considerably less than the share of people who do suffer from severe material deprivation. Their figure fluctuates between 79.5% (2007) and 89.1% (2018). In 2023, the difference between both groups amounted to 70.5 percentage points.

At the same time, this means that about 20% of people who are severely materially deprived do not report having great difficulty making ends meet. An additional analysis shows that in 2022, they were not be able to afford on average 4.3 items from the list. For Belgians who are both SMD and subjectively poor, the average amounts to 4.6 items. The phi coefficient is 0.35 and shows a significant (p <0.0001) slightly positive correlation between both variables in 2022.

Figure 13: Subjective poverty and low work intensity (LWI)

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

The gap between those with and without low work intensity is shown in Figure 13. The overlap between LWI and subjective poverty is very pronounced, with between 47.3% (2004) and 67.1% (2018) of those living in a household with low work intensity also feeling poor. For Belgians who are not in this LWI situation, it is between 10.4% (2007) and 17.5% (2012). Moreover, the gap between both groups has widened over time. Whereas it was still 33.7 percentage points in 2004, it rose to 44.5 percentage points in 2023. In 2018, the gap was even 53.5 percentage points. With a phi coefficient of 0.39 (p < 0.0001), this correlation is also slightly positive in 2022.

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[13] See the Definitions section on the Statbel website.

Figure 14: Subjective poverty and monetary poverty (AROP)

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

There is also a link between monetary and subjective poverty, but this is clearly not 1 to 1, as about half of the population at risk of monetary poverty does not find it (very) difficult to make ends meet (Figure 14). In very concrete terms, they have an income below the poverty threshold but still do not experience difficulties in making ends meet. This obviously implies, as can be seen in the figure, that about half of the AROP population does experience these difficulties. For the non-AROP population, the figures fluctuate just above 10%, which indicates that just over 10% of those with an income above the poverty threshold still feel poor. Furthermore, throughout the 2004-2018 period, the gap between the two groups has widened. A phi coefficient of 0.34 (p < 0.0001) also shows here a slightly positive correlation in 2022.

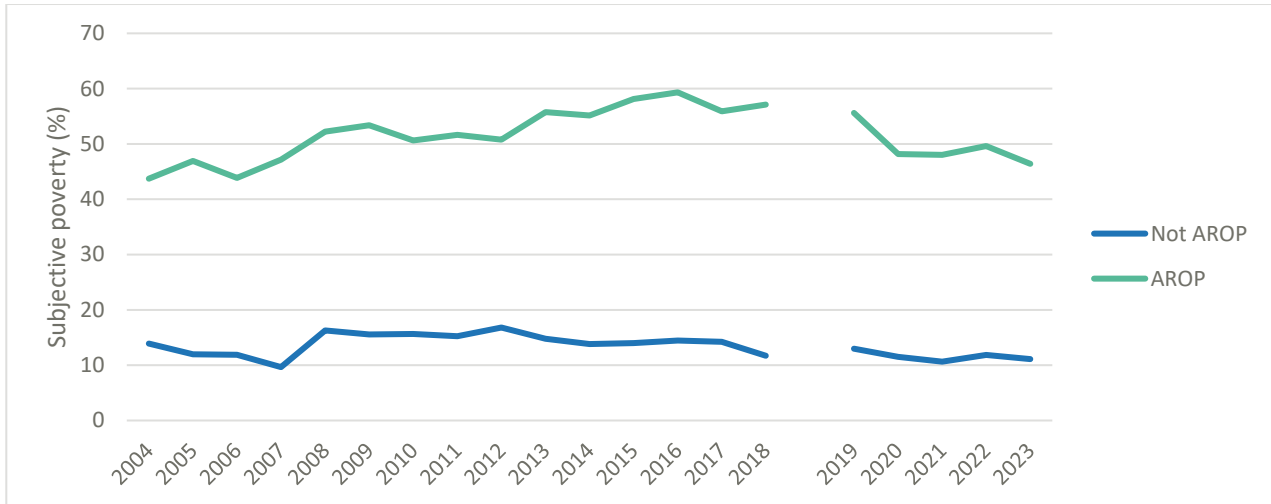**Figure 15: Subjective poverty and risk of poverty or social exclusion (AROPE)**
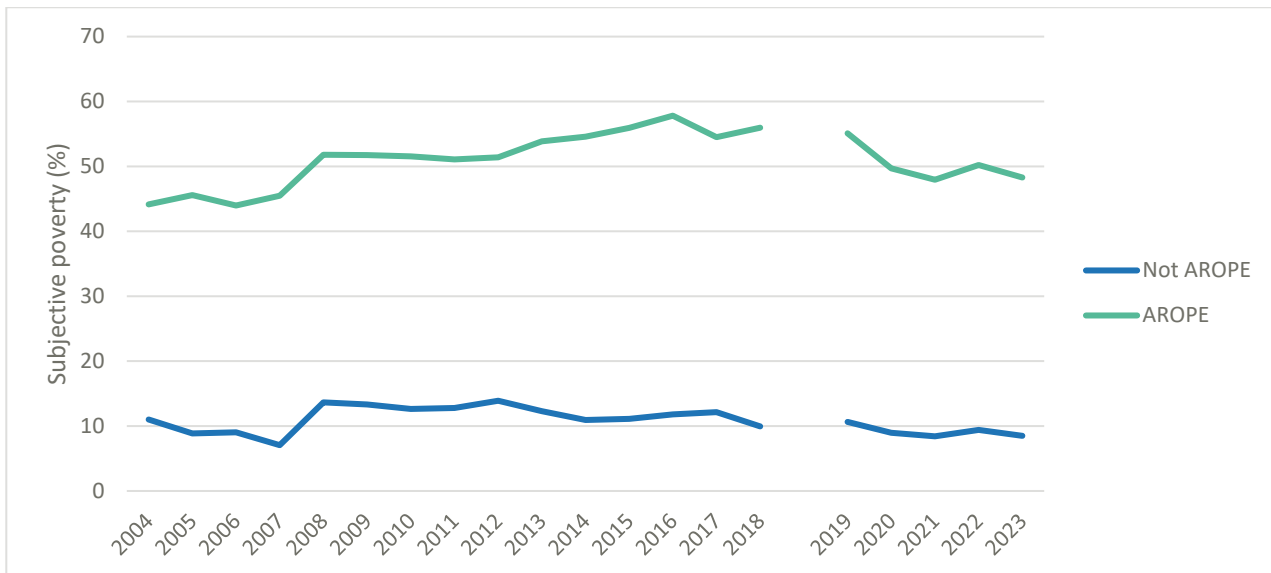
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Finally, in this section, we also look at poverty perceptions according to the AROPE situation (Figure 15). We use the old definition, which means that we refer to people who are at risk of monetary poverty and/or severely socially deprived and/or living in a household with low work intensity (according to the old definition). The figures are very similar to those of AROP, but the phi coefficient of 0.42 (p < 0.0001) for 2022 does show a slightly stronger correlation.

1.4   Longitudinal subjective poverty

SILC six-year panel also allows poverty to be viewed in a longitudinal perspective. For monetary poverty, there is the indicator "persistent poverty". It shows, for a specific year, how many Belgians are at risk of monetary poverty in that year and were also exposed to that same risk in at least two of the three preceding years. There is no such official indicator for subjective poverty, but persistent subjective poverty can be calculated in a similar way. An analysis based on SILC 2022 shows that 9.5% of the Belgian population was in such a situation, or 1,008,000 people. In very concrete terms, this means that about half of the 1,932,000 Belgians who found it (very) difficult to make ends meet in 2022 were already struggling (a lot) in at least two of the three previous years. When we go back just one year, we see that 57% of the persons in subjective poverty in 2022 were already so in 2021 (Table 1).

Table 1: Subjective poverty data crossed between 2021 and 2022 in %

		2022	
		No subjective poverty	Subjective poverty
2021	No subjective poverty	93.2	43
	Subjective poverty	6.8	57
	Total	100	100

Table 2 contains the longitudinal cross tabulation of the original variable "making ends meet" in six categories for SILC 2021 and 2022. First, we can see that the diagonal has the highest frequencies (except for the category "difficult"). This means that in 2022, most people remain in the same category as in 2021. Where there is a transition to another category, this is often an adjacent category. The row percentages also show that 81.7% of those who found it very difficult to get by in 2021 are still in the subjective poverty categories in 2022. At the same time, this implies that just under 20% (18.3%) did see their situation improve (fundamentally). For the "difficult" category, just under half (47.7%) remain in subjective poverty and just over half (52.4%) did experience an improvement. Reverse transitions have also occurred. 70.4% of those who found it rather difficult to make ends meet in 2021 remain outside the subjective poverty group in 2022, but for 29.6% of them, the situation has worsened.

Table 2: Variable "making ends meet" crossed between 2021 and 2022, in %

		2022						
		Very difficult	Difficult	Rather difficult	Rather easy	Easy	Very easy	Total
2021	Very difficult	**54.6**	27.1	10.3	4.7	2.3	1	100
	Difficult	19.9	**27.8**	34.2	10.8	6.25	1.1	100
	Rather difficult	7.1	22.5	**41.7**	21.3	7.3	0.1	100
	Rather easy	1.3	5.4	17.4	**51.7**	21.7	2.5	100
	Easy	0.4	2.1	5.3	31.8	**48.4**	12	100
	Very easy	0.5	0.7	1.3	11.7	42.2	**43.7**	100

Whereas Table 2 shows with row percentages the transitions from 2021, Table 3 shows the column percentages of that same analysis, making it possible to trace the origin of the subjectively poor persons for 2022. Again, we find the highest percentages on the diagonal, with another exception for the "difficult" category. Of all those who found it very difficult to make ends meet in 2022, 51.4% were already finding it very difficult in 2021, and an additional 25.5% were finding it difficult. 43% of the Belgians experiencing difficulties in making ends meet in 2022 were already in a situation of subjective poverty in 2021, which implies at the same time that this was not the case for 57.1%. However, most of them were already on the verge of subjective poverty at the time and indicated that they found it rather difficult to get by.

Table 3: Variable "making ends meet" crossed between 2021 and 2022, in %

		2022					
		Very difficult	Difficult	Rather difficult	Rather easy	Easy	Very easy
2021	Very difficult	**51.4**	18	4.1	1	0.5	0.6
	Difficult	25.5	**25**	18.4	3.2	1.9	1
	Rather difficult	15.3	34.4	**38**	10.6	3.8	0.2
	Rather easy	4.9	14.7	28.1	**45.7**	20.1	6.4
	Easy	2.1	7.1	10.4	34.6	**55.1**	38.2
	Very easy	0.8	0.9	1	4.9	18.6	**53.7**
	Total	100	100	100	100	100	100

Nevertheless, these longitudinal analyses show some mobility in the subjective perceptions of poverty. In any case more than in the monetary poverty risks. For information, Table 4 indicates that nearly 70% of those at risk of monetary poverty in 2022 were already in that same precarious situation the year before. By comparison, for subjective poverty the figure was 57%. Most of the mobility occurs among Belgians who find it (rather) difficult to make ends meet (cf. figures on the diagonal are lower than in the other groups). 41.7% of those who found it rather difficult to get by in 2021 were still in that situation in 2022. However, about the same number of people moved towards more difficulties (29.6%) and fewer difficulties (28.7%). The group of people who found it rather easy, easy or very easy to get by is fairly stable; few of them lean towards difficulties, but of course there are transitions within these groups.

Table 4: Monetary poverty crossed between 2021 and 2022 in %

		2022	
		No risk of monetary poverty	Risk of monetary poverty
2021	No risk of monetary poverty	95.9	30.5
	Poverty risk	4.1	69.5
	Total	100	100

1.5   Conclusion

The 20-year subjective poverty trend shows evolutions of subjective poverty during turbulent and calm periods in recent Belgian history; the impact of the banking crisis in 2008, as well as that of the Covid-19 pandemic in the 2020-2021 period and the sharp rise in energy prices in 2022 are visible. The banking crisis in particular has had a large impact on Belgians' perception of poverty. These crises made themselves felt within all population groups, but the most vulnerable groups still seem to be hit harder than less vulnerable ones. Moreover, the general picture shows that these most vulnerable population groups are the same as for the objective poverty indicators, namely the low-skilled, members of single-parent families, the unemployed, tenants, persons limited by a health problem and people with the lowest income. Even though there is a high correlation between subjective poverty and the objective poverty indicators, this relationship is not 1 to 1. So it is definitely worth it to compare both types of indicators to get a broader picture of the situation. Finally, this chapter also showed that some mobility in poverty perceptions is possible. Despite the fact that still 1,008,000 Belgians are in a situation of long-term subjective poverty, a part of the population still sees its situation evolving in the short term.

2   Subjective poverty as vulnerability

Whereas in the first chapter we looked at the subjective poverty indicator as a common thread across different population groups, the second chapter presents the reverse analysis. Vulnerability to subjective poverty is considered for a number of SILC indicators. First, the four objective key indicators SMD, LWI (old definition), AROP and AROPE (old definition) are covered. We then also look at the trend of subjective poverty as vulnerability for a number of indicators related to housing, health, inter- and intra-household transmission and social participation. For this, we use both the annual SILC indicators and variables collected on a less systematic basis via ad hoc modules. The choice of possible indicators is extremely wide; an exhaustive overview of all the possibilities far exceeds the objectives of this analysis. This is why we made a selection in order to give the most diversified picture of the situation. An important note here is that the trend of those in subjective poverty for these other indicators is subject to large sample variations. These variations should therefore be interpreted with caution.

2.1   Objective key indicators

In Chapter 1, the connection between subjective poverty and the four objective poverty indicators was already established. The analysis below confirms this connection, albeit from another perspective (Figure 16). Indeed, if a monetary poverty risk is a vulnerability factor for subjective poverty, it also goes the other way given that no causal relationships are examined here. To put things in perspective, the national trend is also shown for each of the indicators. Nonetheless, it remains interesting to note that people who struggle (a lot) to make ends meet are particularly vulnerable to the four best-known poverty indicators SMD, LWI, AROP and AROPE. The gap between those in subjective poverty and Belgians who do not consider themselves poor is wide for each of these indicators, ranging from a difference of about 22 percentage points for SMD to about 40 percentage points for AROPE.

Figure 16: SMD, LWI, AROP and AROPE and subjective poverty
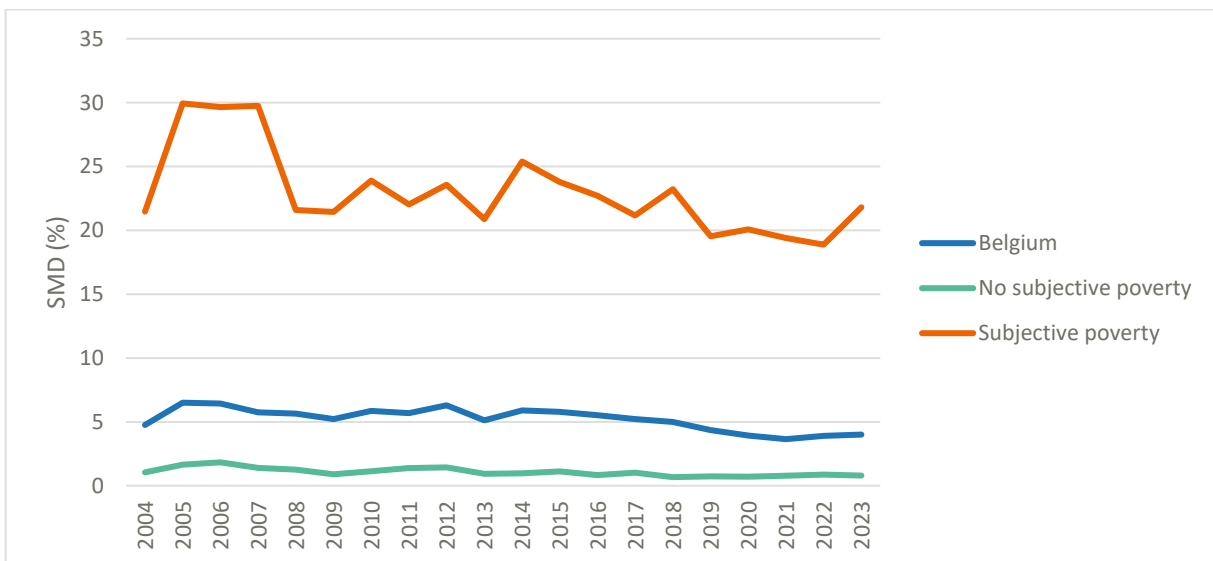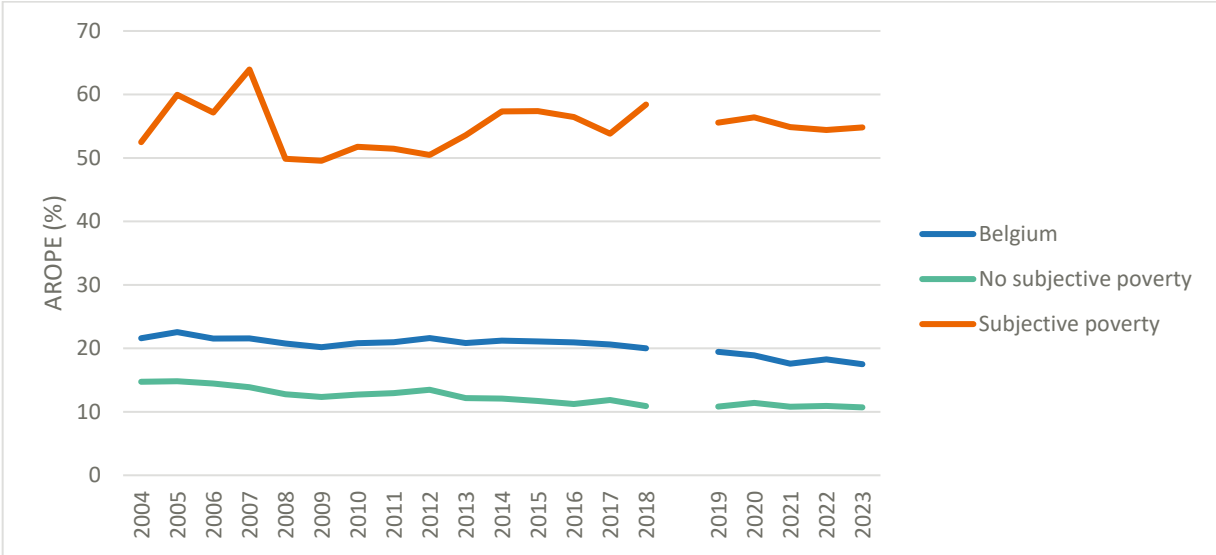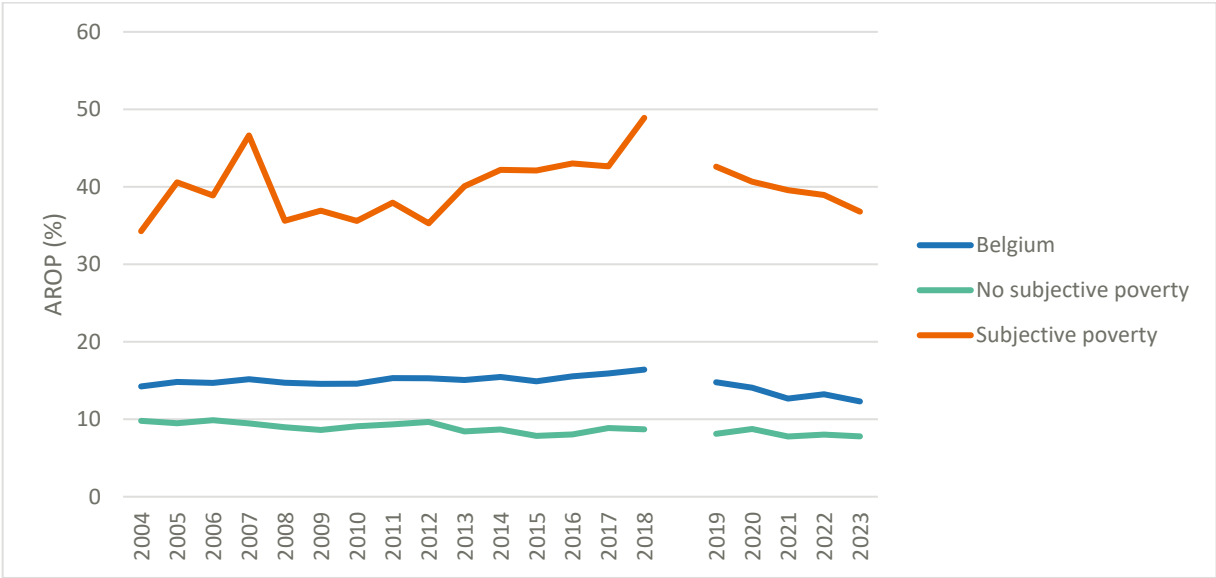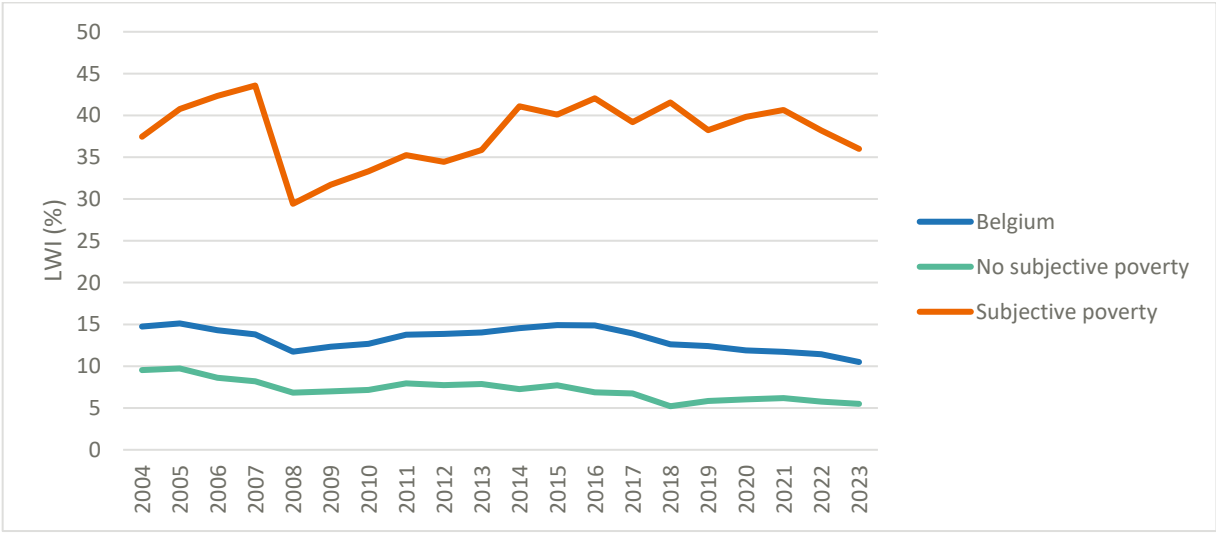
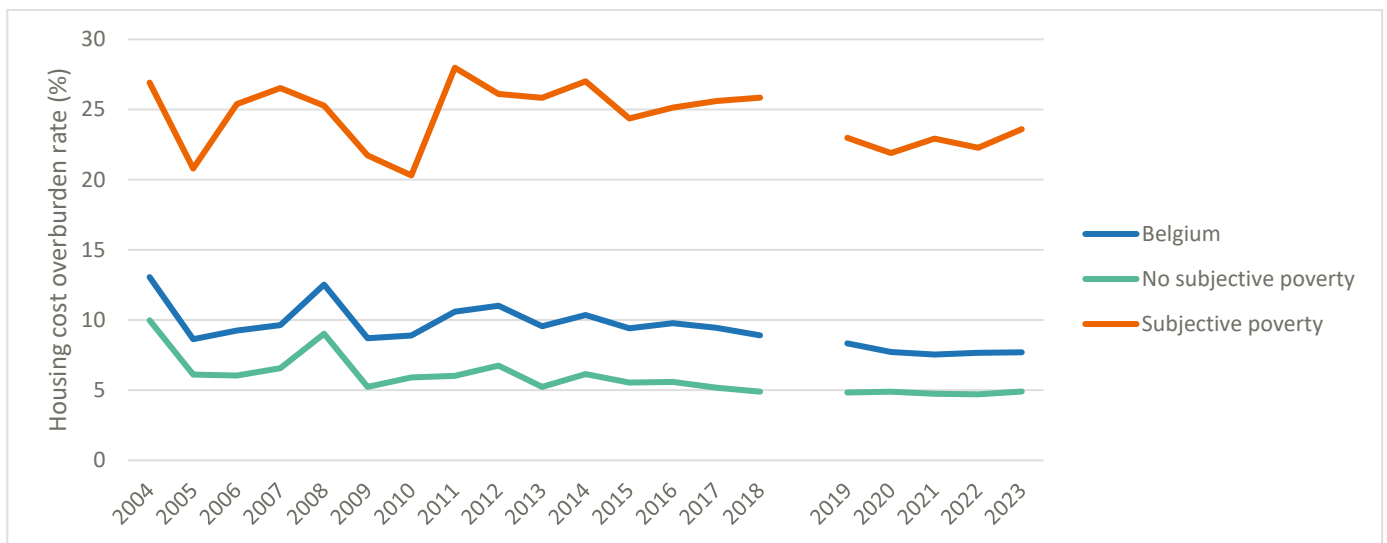*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

Moreover, for all four indicators, a turbulent initial period stands out, with strong fluctuations between 2004 and 2008 for those in subjective poverty. This trend is characterised by a sharp decrease from 2007 to 2008. It is no coincidence that this is the period of the banking crisis, during which we saw earlier that there was a sharp rise in subjective poverty, but not in SMD, LWI, AROP and AROPE. Specifically, this means that more people - who previously were not struggling to make ends meet and also did not have an objective poverty risk - started having difficulties to get by during this period, but were still not at risk of objective poverty. In other words, more people who are in less precarious circumstances (as measured by the objective poverty indicators) have entered the group of the subjectively poor persons. This has moved the line of those in subjective poverty closer to that of those not in subjective poverty, causing a clear decrease in the charts.

2.2   Housing

Things get more interesting when we bring new indicators into the equation. First is the housing cost overburden rate, an indicator that refers to the percentage of the population living in households where the total housing costs represent more than 40% of disposable income(Figure 17)[14]. At national level, this indicator hovers around 10% in the period 2004-2018 with an outlier in 2004 and also - not entirely unexpectedly given the financial crisis - in 2008. The figures from 2019 onwards are slightly lower, around 8%. The trend of those who have no (major) difficulties in making ends meet runs parallel to the national trend, about 3 percentage points lower. People in subjective poverty experience a housing cost overburden substantially more often; the figures fluctuate between 20% and 28%. In very concrete terms, this means that about a fifth to a quarter of the Belgian population for whom it is (very) difficult to make ends meet spend more than 40% of disposable income on housing costs. The same is true for about 5% of those who have no subjective perception of poverty.

Figure 17: Housing cost overburden rate and subjective poverty

*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

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[14] The definition is available on the Statbel website.

Figure 18 breaks down the indicator "Housing overcrowding rate" by subjective poverty situation. This indicator shows the share of the Belgian population who lives in a dwelling with too few rooms for the resident household members[15]. Because of a break in the time series, only data from SILC 2021 onwards are shown here[16]. Persons with a subjective perception of poverty are substantially more likely to live in a dwelling that is too small than people who have no (major) difficulties in making ends meet.

Figure 18: Housing overcrowding rate and subjective poverty
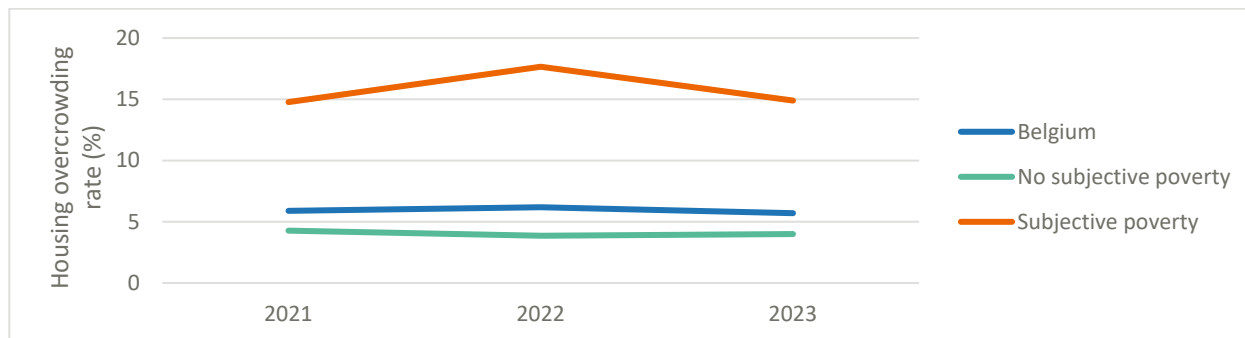
2.3   Health

In a next step, we take into account a number of health indicators. As opposed to all the above, the analysis here is necessarily limited to the part of the Belgian population aged 16 years and over. No annual health data are available in SILC for children. First of all, Figure 19 presents the share of the Belgian population aged 16 years and over who report being in very good, good or fairly good health, again broken down by subjective poverty situation. Overall, the figures show a predominantly good health of Belgians, even though fewer people who struggle to make ends meet report this good health than people who easily get by. Furthermore, the trends for both groups have been very stable over the past 20 years.

Figure 19: Good health and subjective poverty
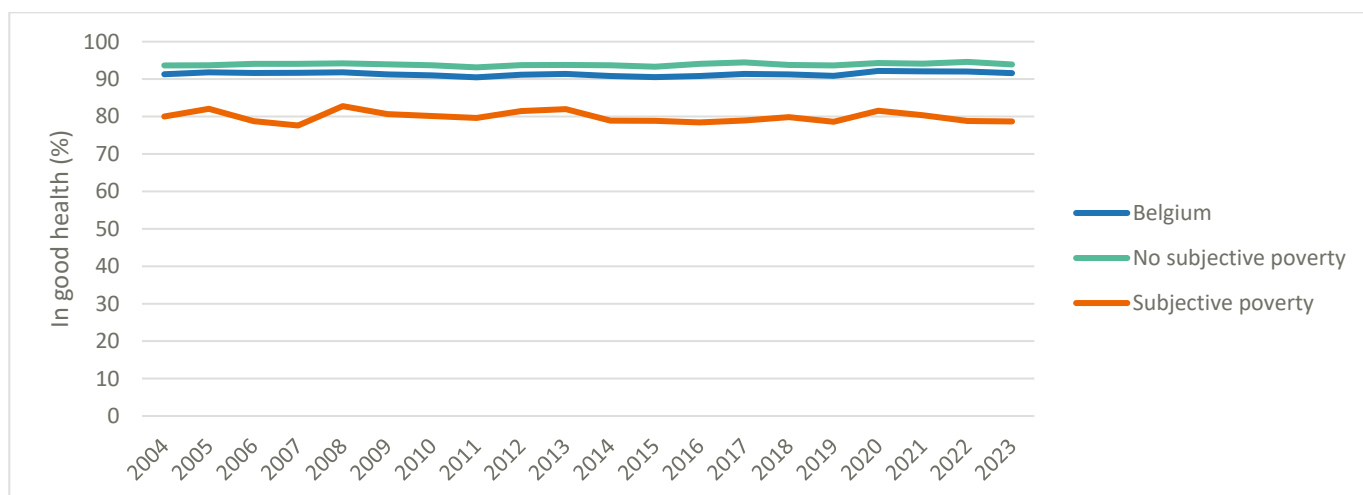
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

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[15] The definition is available on the Statbel website.

[16] Until 2015, the questionnaire materialised this indicator using several questions. The number of each separate type of room was asked. As of 2016, this indicator was measured via one general question. This has made the number of rooms reported decrease, resulting in an increase in the indicator. However, the question on the number of living rooms is asked only to new households as well as to panel households who indicated that their living situation had changed. Consequently, there is no direct break between 2015 and 2016, but rather a gradual one from 2016 onwards. Only with SILC 2021 did the last rotation group in the old method (started in 2015) leave the panel.

Also when it comes to a long-term illness or condition, the gap between both subjective poverty statuses is striking (Figure 20). National figures hover around 25% of the Belgian population aged 16 and over. Of those who find it (very) difficult to make ends meet, between 35% and 40% report a long-term illness or condition. Moreover, that figure has been gradually increasing in recent years, with 44.2% in 2022. The figures for Belgians making ends meet without (great) difficulty fluctuate between 21% and 24%, which is still a large proportion, but still substantially less.

Figure 20: Long-term illness or condition and subjective poverty
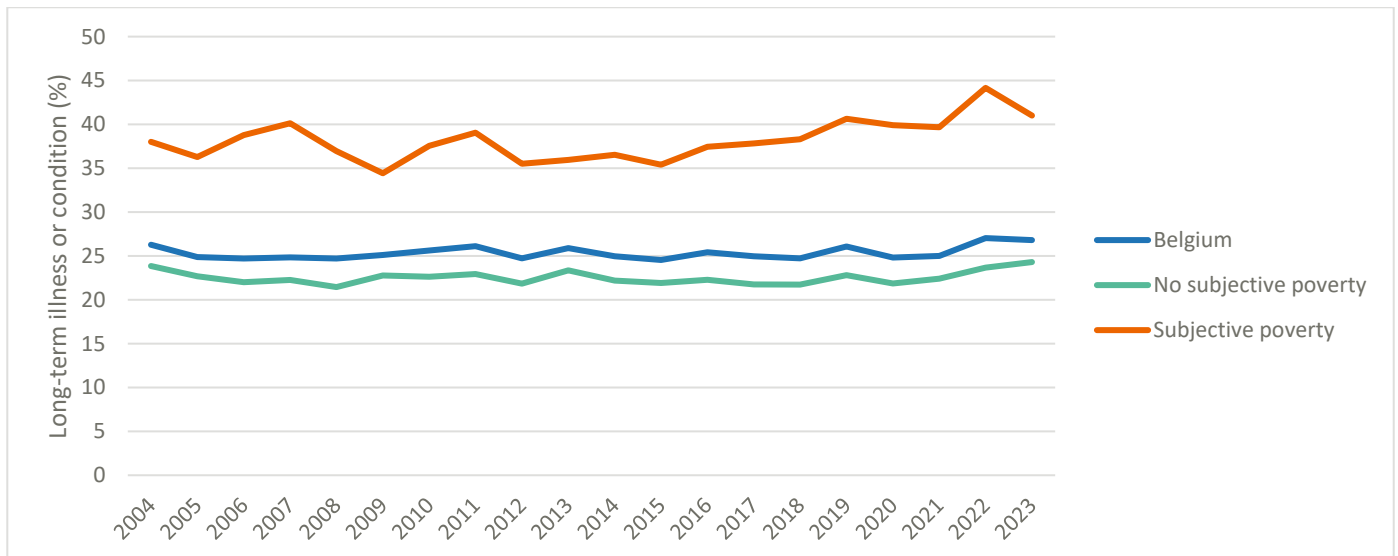
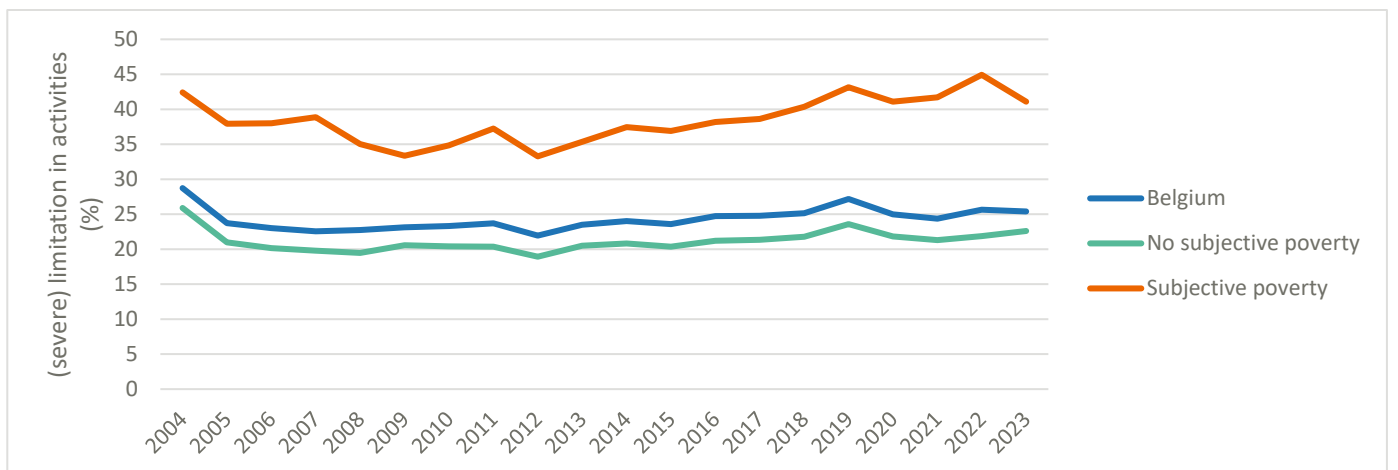*Break in BE-SILC 2019: the evolution should be interpreted with caution*

BE-SILC 2020: impact of the Covid-19 on the results

Figure 21 shows the share of the Belgian population aged 16 and over who experience (severe) limitations due to a health problem in activities people usually do. We observe the same trend as for the health indicators above. People in subjective poverty are more likely to be limited than those with no poverty perception. The figures vary between 33.3% (2012) and 44.9% (2022). In very concrete terms, this means that more than a third of those in subjective poverty are (severely) limited in activities people habitually do, compared to about a fifth of the non-subjectively poor persons. However, causal statements are not possible here. The analysis does not allow us to determine whether it is because of subjective poverty that one is in poorer health (e.g. insufficient resources to pay for the best medical care), or whether it is because of a poorer health that one has fallen into subjective poverty (e.g. because of high medical costs paid for the best medical care).

Figure 21: (Severe) limitation in activities and subjective poverty
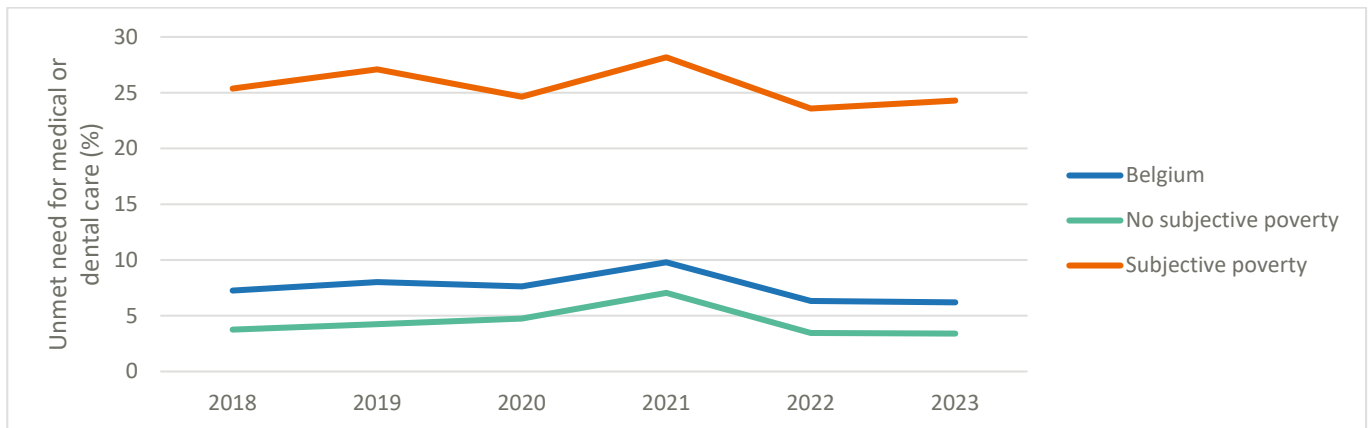

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Another health indicator is shown in Figure 22: the unmet need for medical or dental care for the population aged 16 and over. For this purpose, two indicators - the unmet need for medical care and the unmet need for dental care - were combined to have a sufficient sample size. Results are only available from 2018 onwards because only then was the distinction made between persons who were in need of care on the one hand (and may or may not have received it - as reflected in the indicator) and persons who were not in need of care on the other hand (and therefore outside the scope of the indicator). A similar trend stands out, persons in subjective poverty experience a fundamentally greater unmet need for medical and/or dental care than those who do not struggle to make ends meet. The figures hover around 25% for the former group, compared to about 5% for the latter.

Figure 22: Unmet need for medical or dental care and subjective poverty
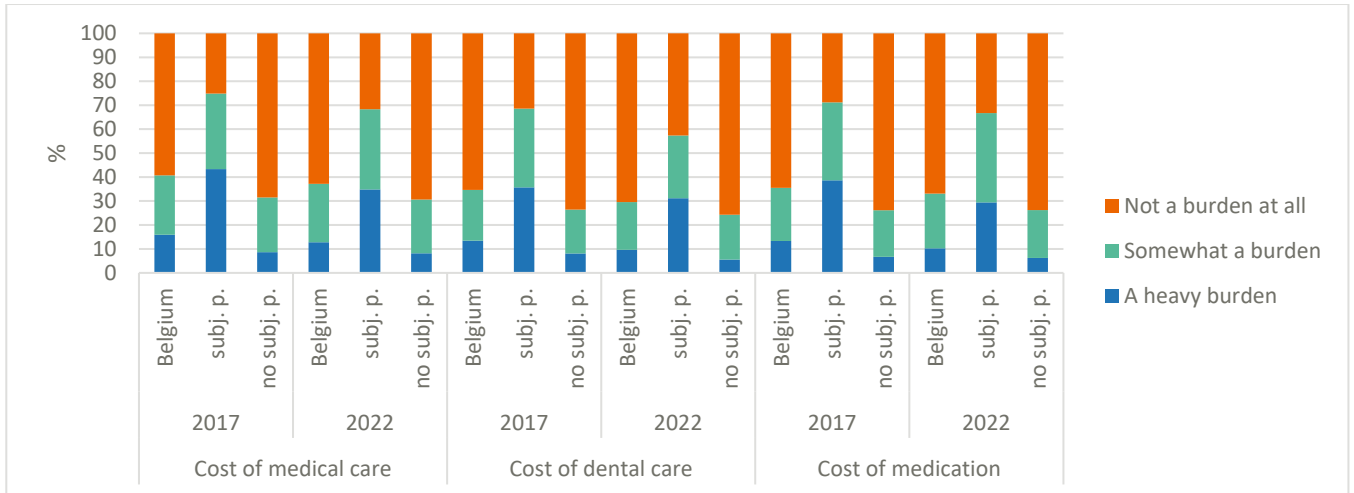

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Figure 23 shows the financial burden of paying for medical care, dental care and medication. Indeed, these questions were added as part of a module in SILC 2017 and 2022. At national level, between 59.3% (cost of medical care 2017) and 70.4% (cost of dental care 2022) of the population had no difficulty to bear these costs. Small differences can be seen between the two years and according to the type of cost, but the general picture is very similar. A breakdown by subjective poverty situation also gives a similar picture for each of the three cost types and for both years. As might be expected, those with a poverty perception experience significantly more difficulties in paying for medical and dental care and medication. For instance, costs for medical care are a (heavy) financial burden for 74.9% of the subjectively poor persons in 2017. This has decreased to 68.3% in 2022. Also for dental and medication costs, the figures are similar, with a similar decrease between 2017 and 2022: from 68.6% to 57.4% for dental care costs and from 71.2% to 66.7% for medication costs. However, this decrease should be interpreted with caution because of the break that occurred in SILC 2019.

Figure 23: Affordability of health care

Break in BE-SILC 2019: the evolution should be interpreted with caution

Questions on well-being are available in SILC 2013, SILC 2018 and SILC 2022[17]. Figure 24 gives the frequency distribution of the question on happiness for these three years. It shows that at national level, more than 70% of the population aged 16 and over report having always or usually felt happy in the four weeks prior to the survey. Moreover, an upward trend is emerging from 72.3% in 2023 to 79.1% in 2022 (leaving aside the break in SILC 2019). Again, a breakdown by subjective poverty status shows rather large differences between those with and without perceptions of poverty. For people without difficulties in making ends meet, the figures are close to or above 80%. The figure increases from 78.2% in 2013 to 84.5% in 2022 for people with no poverty perception who always or usually felt happy in the four weeks prior to the survey. For people who find it (very) difficult to make ends meet, the figures hover around 50%, with a much lighter increase from 49.9% in 2013 to 50.2% in 2018 and to 53% in 2022.

Figure 24: Frequency distribution of happiness per subjective poverty status
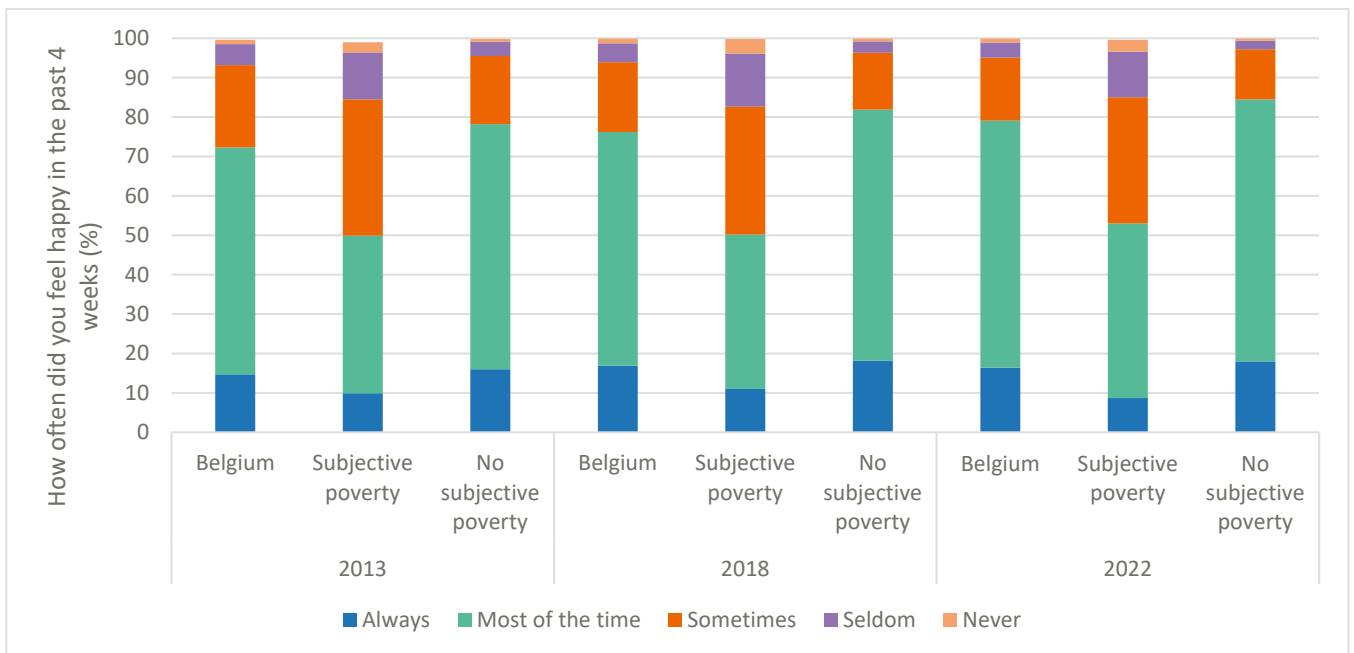
Break in BE-SILC 2019: the evolution should be interpreted with caution

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[17] Information regarding general life satisfaction and trust in others has been present annually since SILC 2021.

The same well-being module also surveyed general life satisfaction, satisfaction with financial situation and trust in others (Figure 25) in SILC 2013, 2018 and 2022 on a scale of 0 to 10. For each of these three variables, differences again stand out between Belgians aged 16 and over in subjective poverty versus not in subjective poverty. These differences are the greatest for satisfaction with financial situation. Where individuals with no subjective perception of poverty give an average score higher than 7 on the scale of 0 to 10, it is just 5 (2022) or less than 5 (2013 and 2018) for individuals with subjective poverty. While the differences for general life satisfaction and satisfaction with one's financial situation are rather in line with expectations, it is nevertheless striking that subjective poverty also extends further into interpersonal relationships; relationships that do not involve any financial aspects.

Figure 25: Average score on satisfaction per subjective poverty status
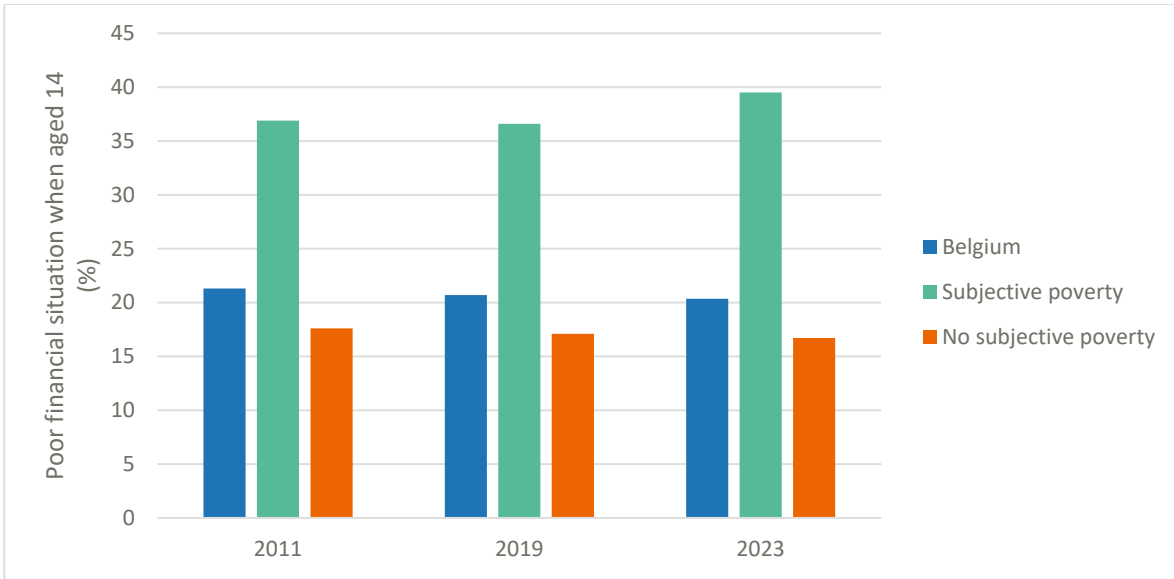

Break in BE-SILC 2019: the evolution should be interpreted with caution

2.4   Inter- and intra-household transmission

In 2011, 2019 and 2023, specific questions on intergenerational transmission of poverty were added to the annual questions. The results are presented in Figure 26 and show that people aged 25-59 with a current subjective perception of poverty were twice as likely to have experienced a very poor, poor or fairly poor financial situation during childhood than those in the same age group who are not currently in subjective poverty: about 35% versus 17%. The figures are very similar in 2011, 2019 and 2023. On the one hand, this indicates a high degree of intergenerational transmission of precarious situations. On the other hand, it also shows that about 65% of those (aged 25-59) who currently find it (very) difficult to make ends meet do not consider the financial situation of their household during their childhood as problematic.

Figure 26: Intergenerational poverty and subjective poverty

Break in BE-SILC 2019: the evolution should be interpreted with caution

In turn, the SILC 2010 module focused on sharing financial resources within the household. The frequency distribution of two variables is shown in Figure 27. At individual level, the share of personal income shared was examined for the population aged 16 and over. The results show that about 50% of Belgians aged 16 and above share all personal income with other household members. However, this share is a little lower for those in subjective poverty. In contrast, they are slightly more likely to keep their entire income private. There are also differences according to subjective poverty status in having or not having access to a bank account, even though it is only a minority in both groups that did not have such access in 2010. Finally, we can also note that people for whom it is (very) difficult to make ends meet are also more likely to have no personal income at all.

Figure 27: Frequency distributions module "intra-household sharing of resources" and subjective poverty
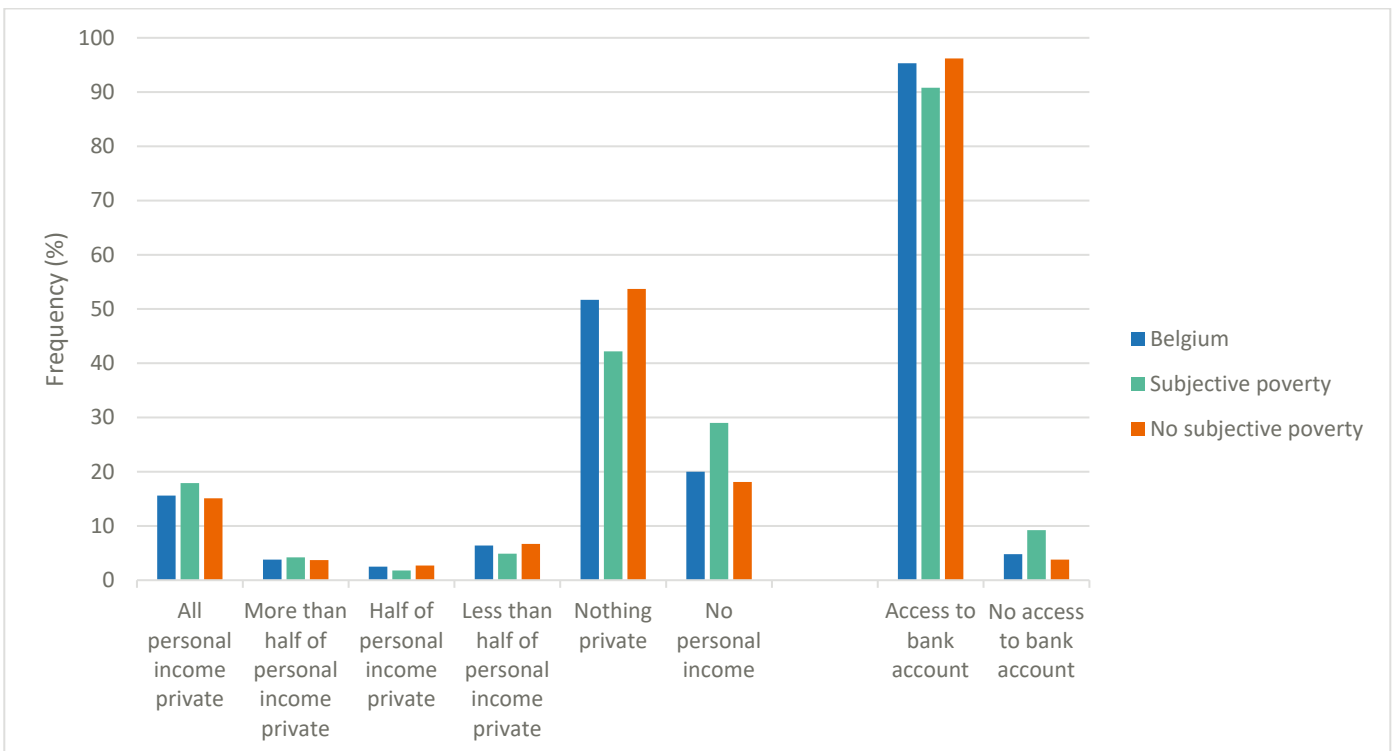
2.5   Social participation

A social participation module was added to SILC in 2006, 2015 and 2022. This module provides a broad overview of various forms of social participation for people aged 16 and over, focusing here only on contacts with friends and family (Figure 28). Specifically, it is about getting together physically and interacting from a distance (e.g. via phone, messaging or social media). Unlike almost all the figures we have presented so far, the differences according to subjective poverty status are less pronounced for social participation. However, the figures show slightly fewer people that find it (very) difficult to make ends meet who get together or have contact with friends and family on a weekly basis, but the differences are generally small in 2006 and 2015. Over the period 2006 - 2022, a striking trend does emerge (leaving aside the break in SILC 2019). We notice a decrease in the share of the population aged 16 years or over who meets physically on a weekly basis, on the one hand, and an increase in contacts with friends and family, on the other. However, this evolution is different for subjectively poor people and for people who are not in such a situation. Their share who physically get together with friends and family on a weekly basis has fallen more sharply than that of the non-subjectively poor people, resulting in larger differences in 2022: 44.5% of those in subjective poverty meet at least once a week, compared to 63.2% of the others. Moreover, for them, there is only a limited increase in the share who have weekly contacts with family and even a decrease in weekly contacts with friends.

Figure 28: Social participation and subjective poverty
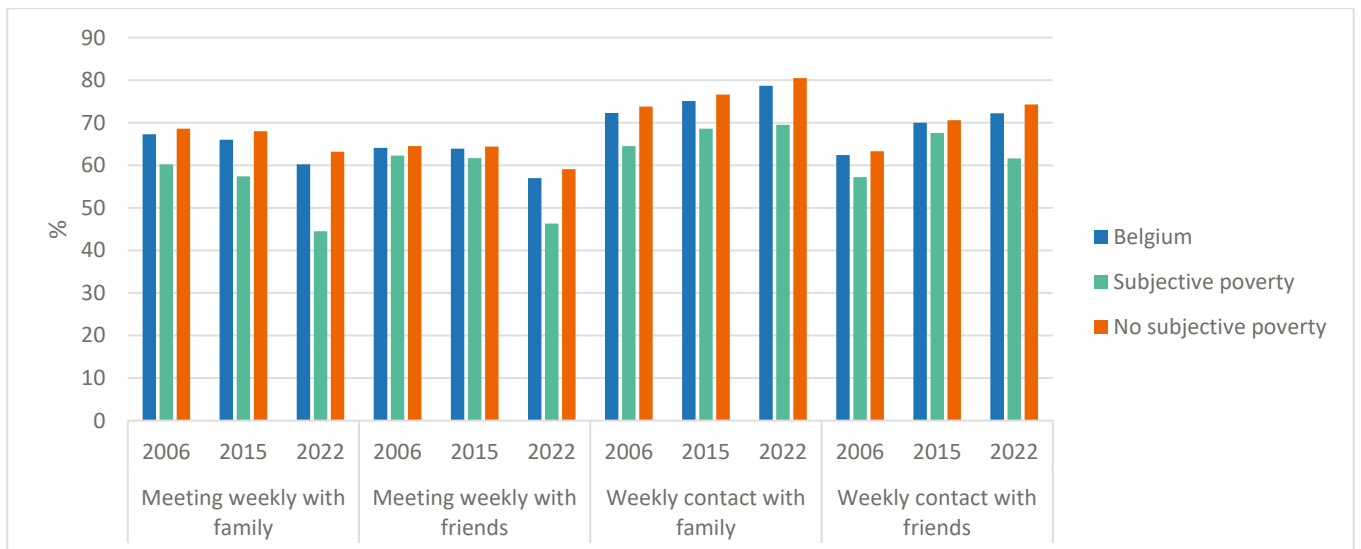
Break in BE-SILC 2019: the evolution should be interpreted with caution

Participation also includes access to childcare and formal training. That was the focus of the ad hoc module in 2016[18]. As indicated in Figure 29, the same trend stands out again when the subjectively poor persons are compared with Belgians who do not struggle to make ends meet. People in subjective poverty have a significantly harder time with childcare costs: 49.7% experience these difficulties, compared to 4.1% of the others. The same applies to formal education: 54.6% vs 4.4%. With regard to unmet needs, the gap seems rather small for childcare (10.8% versus 5.1%) and even absent for formal education (6.7% versus 5.4%).

Figure 29: Childcare variables and subjective poverty (SILC 2016)
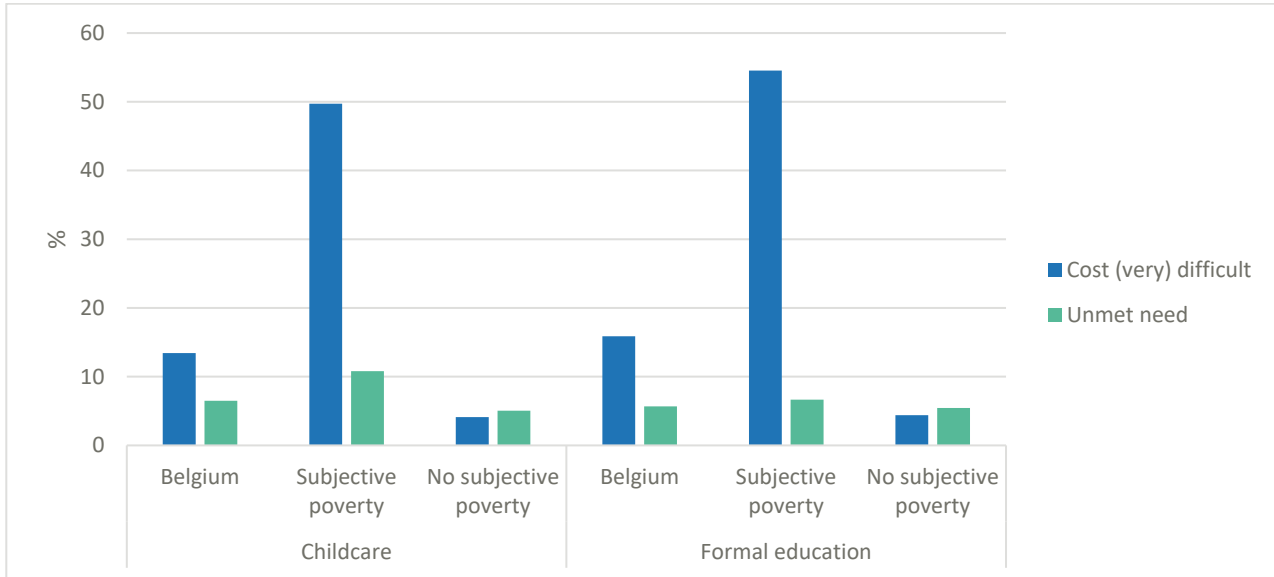
2.6   Conclusion

In this chapter, several poverty indicators were broken down by subjective poverty status. This shows that people who are struggling (a lot) to make ends meet not only have higher levels of the objective poverty indicators AROP, SMD, LWI and AROPE, but are also more likely to face precarious housing conditions: they are more likely to live in too small a dwelling, as well as to spend a large share of their disposable income on housing costs. In addition, they also appear to have poorer (mental) health and are more likely to suffer from limitations in their daily lives and long-term illnesses or diseases. Moreover, they do not always manage to meet their care needs (both medical and dental), and the financial costs of these care are greater. The questions about the situation during childhood also reveal that a larger share of them also lived in households with poor financial situation as children. Moreover, they also appear to have slightly less access to a bank account. Analyses in terms of social participation show a more nuanced picture: in 2006 and 2015, their gatherings and contacts with friends are about as frequent as those of people with no poverty perception. A gap does stand out in 2022, with individuals in subjective poverty having less frequent social contacts. The use of childcare and formal education is also lower among them. All in all, it appears that persons in subjective poverty experience more problems and exclusion in other life aspects than the people who are not in such a situation.

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[18] Childcare variables were collected at household level and the value was assigned to each household member regardless of age. In other words, the results are to be extrapolated to the entire Belgian population with children up to 12 years old in the household. For formal trainings, the same applies to the information on affordability, but the unmet need was collected at the individual level. Consequently, these results refer to the Belgian population aged 16 and over. The questions on affordability obviously refer only to the population that uses childcare and/or formal trainings and pays (part of) for it themselves.

3   Who are the persons in subjective poverty

Based on the previous chapters, we now have a good idea of who the subjectively poor persons are as well as the problems they face. In this chapter, we want to go a step further and look at the composition of the population of people in subjective poverty over the past 20 years to see whether there have been any changes and how these relate to broad societal trends. For this - and for the sake of readability - we limit ourselves to the background characteristics for which clear differences were identified in Chapter 1.

The distribution of education levels within the Belgian population and the population of the persons in subjective poverty is shown in Figure 30. This variable is only available for persons aged 16 years or older, so we need to extrapolate to this population. The over- and underrepresentation of certain groups can be read in the difference between the full and dotted lines in the same colour. It is notable here that the ratio of medium-skilled people in the national population is virtually the same as that among the subjectively poor population. In the latter group, we do see an overrepresentation of the low-skilled and an underrepresentation of the highly-skilled. This is no surprise, as the analysis in Chapter 1 already made clear that low educational attainment is a vulnerability factor for subjective poverty. The fact that the share of low-skilled people decreases and that of the highly-skilled increases has nothing to do with a change of the population within the group with subjective poverty, but rather with a social evolution. In 2004, at national level, about one third of the population was low skilled, one third was medium skilled and one third was highly skilled. Over the past 20 years, Belgium's educational attainment has increased; about 40% of the population is highly skilled and about 20% is low skilled. We see the same shift among the persons in subjective poverty.

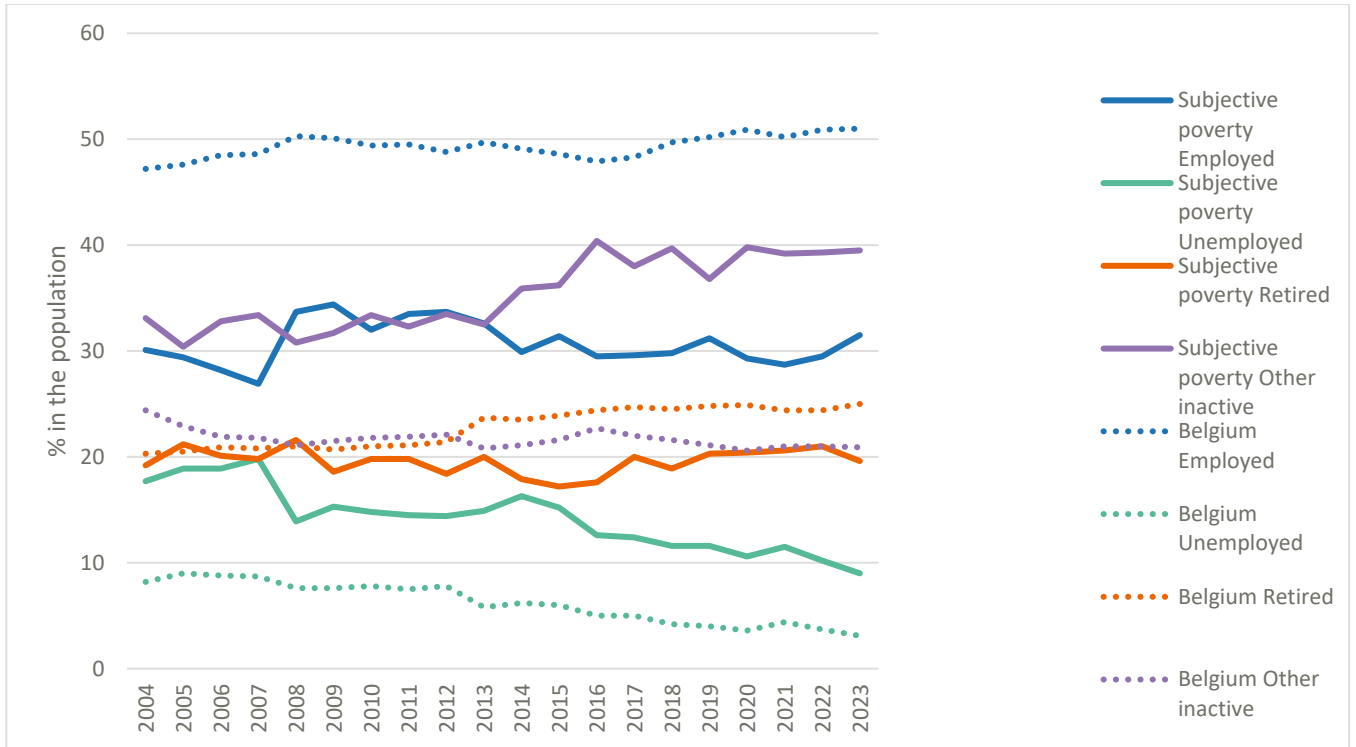**Figure 30: Breakdown by level of education**
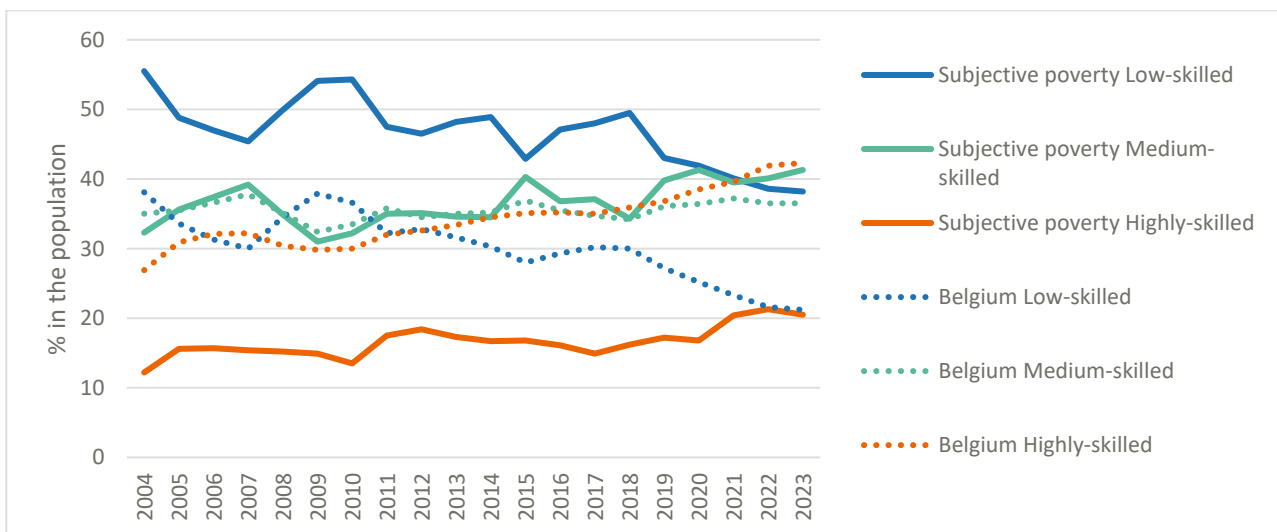
Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

As Figure 31 shows, unemployed and other inactive people are overrepresented in the subjective poverty group; employed people are then clearly underrepresented. The share of unemployed people is in decline. Since this trend occurs in both populations, it shows a social evolution and not necessarily a substantive change in who the persons in subjective poverty are. Moreover, this decrease is not (exclusively) caused by the change in definition in SILC 2013 (see above), as it continues even after 2013. While at national level the other inactives form a rather stable share in the population, we can see an increase among the subjectively poor other inactives. Whereas they accounted for 33.1% of the population with a subjective perception of poverty in 2004, it was 39.5% in 2023.
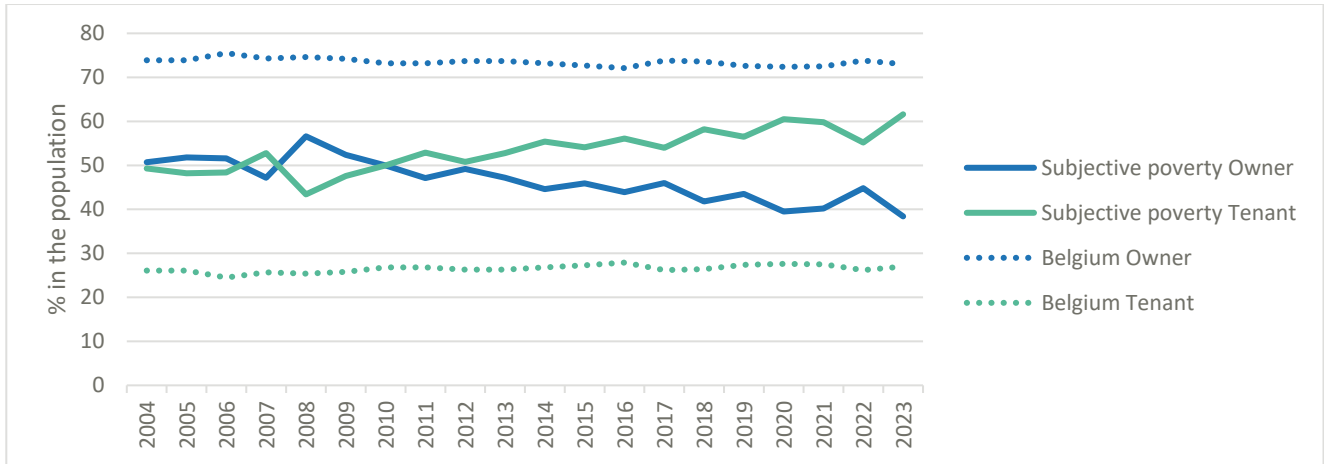
Figure 31: Breakdown by activity status

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

At national level, the breakdown between owners and tenants has always remained around 75% - 25% during the past 20 years (Figure 32). The ratio within the population experiencing subjective poverty looks completely different. In the early years of SILC, those for whom it was (very) difficult to make ends meet included about as many tenants as owners. These communicating vessels - as the total is always 100% - indicate an overrepresentation of tenants and an underrepresentation of owners. This over- and underrepresentation is present throughout the entire 20 years of analysis, yet has been subject to some evolution. First of all, we notice a peak in the share of owners at the time of the banking crisis in 2008. As we already saw in Chapter 1, this was a new low for owners in terms of subjective poverty. In very concrete terms, this means that more owners found it harder to make ends meet and consequently a higher proportion ended up in subjective poverty. This was also a more difficult period for tenants, but the increase from 2007 to 2008 was not as steep for them - aside from the fact that they have always been significantly more vulnerable than owners throughout the past 20 years. Then the tide turned, with 2010 being the tipping point. In that year, among the subjectively poor persons, there were again about as many owners as tenants, only to see the proportion of owners fall to about 39.5% in 2020. So at that time, 60.5% of the people in subjective poverty were tenants, compared to 27.6% in the Belgian population.
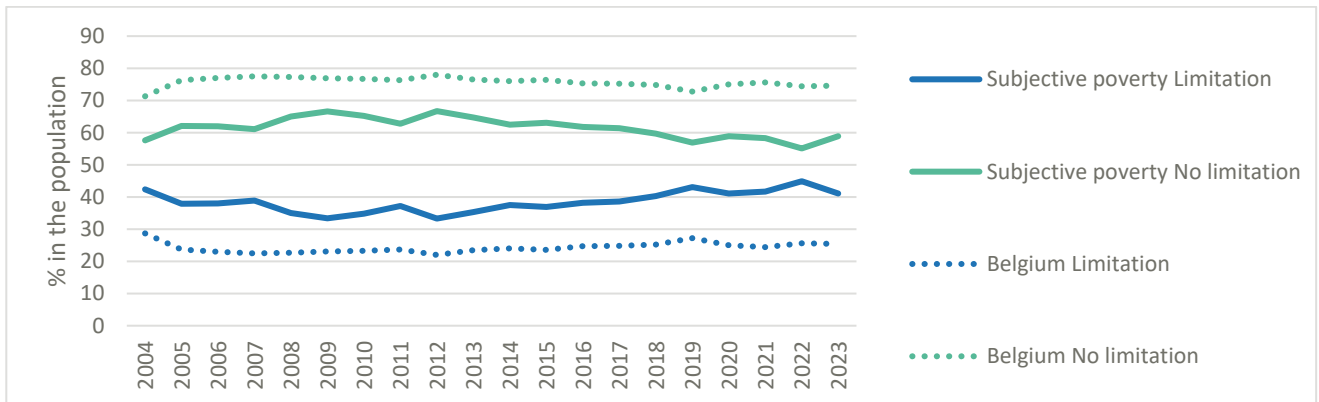
Figure 32: Breakdown by tenure status

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Figure 33 shows the distribution of people with and without a (severe) disability due to a long-term health problem. Since we already know from Chapter 1 that persons with disabilities have increased vulnerability, an overrepresentation of persons who feel (severely) limited in their daily activities is in line with expectations. Whereas at population level, between 22% (2012) and 28.7% (2004) annually reported feeling (severely) limited, this proportion rises to figures between 33.3% (2012) and 44.9% (2022). Especially since 2019, the overrepresentation is increasing. Whereas 25.6% of Belgians said they felt limited in such a way in 2022, the figure for those in subjective poverty is 44.9%.

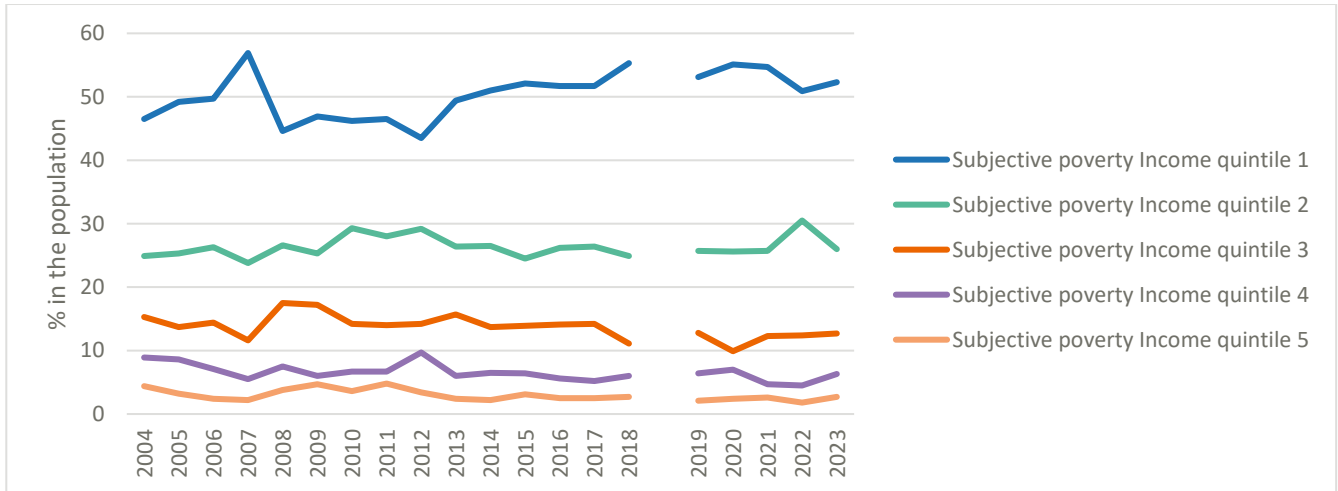**Figure 33: Breakdown by limitation in daily activities**

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Finally, the income quintile comes into play. In the population, each quintile obviously has a share of 20%. Figure 34 shows that this is not the case at all within the group in subjective poverty. There, we see an overrepresentation of the first two quintiles, with the first in particular taking up a very large share. Since 2014, it is even more than 50%. The sharp drop from 2007 to 2008 for the first quintile feels counterintuitive, but is due to the rise in subjective poverty during the banking crisis. Chapter 1 already showed that the increase in subjective poverty was the sharpest in the second and third income quintile. More persons from these quintiles joined the population of the subjectively poor persons at that time, which proportionally reduced the share of individuals from the first quintile.

Figure 34: Breakdown by income quintile

Break in BE-SILC 2019: the evolution should be interpreted with caution

BE-SILC 2020: impact of the Covid-19 on the results

Finally, we leave the focus on the Belgians in subjective poverty by putting their population in perspective with the population at risk of poverty or exclusion (old definition). The Venn diagram in Figure 35 shows the overlap between the objective and subjective poverty indicator. As noted several times throughout this report, there is an overlap between the two indicators, but it is not 1 to 1. Just over half of those with an AROPE status also experience difficulties in making ends meet. On the other hand, about half of the subjectively poor population also have an AROPE status. Logically, this implies that half of both vulnerable groups does not experience dual vulnerability.

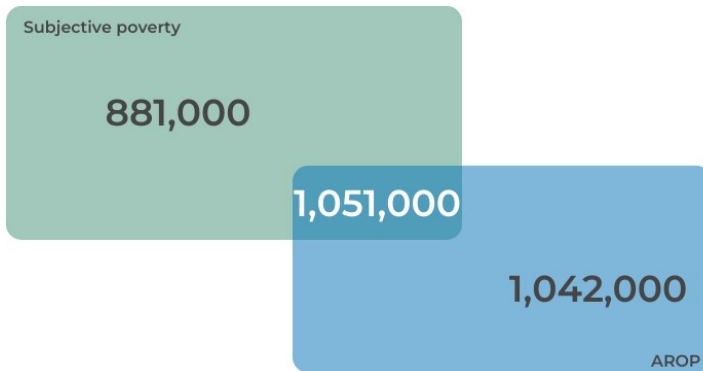**Figure 35: Venn diagram subjective poverty and AROPE (2022)**

Table 5 shows the four possible profiles of the intersection between the two variables. The last column presents, for reference, the distribution based on SILC for the entire population. For each profile, the sum is 100% by background characteristic. The four profiles differ greatly from each other in the composition of their population as well as the way they do or do not differ from the overall population. Moreover, this can vary from one characteristic to the other.

Regarding activity status, it is notable that individuals in an AROPE situation are more often in the "unemployed" and "other inactive" categories (overrepresented) and less often employed (underrepresented) than in the general population. However, there is an important difference according to the subjective perception of poverty for all inactives. The share of unemployed and other inactive people is even higher among those with both objective and subjective poverty. Whereas in the population about one fifth are in the "other inactive" category, this increases to more than half in AROPE and subjective poverty. For unemployed people, the increase is even sharper; 3.7% in the population to 16.7% in AROPE and subjective poverty, or 4.5 times more. Among retired people, a different trend is at play. They are overrepresented in the "AROPE and non-subjective" profile, and underrepresented in the "AROPE and subjective" profile.

This suggests that retired people are more vulnerable to objective poverty than subjective poverty, which is not illogical. Indeed, the AROPE indicator consists of three sub-indicators: LWI, SMD and AROP. Retired people often have no score for LWI because of their age. Their level of severe material deprivation is lower than the national rate (2.3% versus 3.9%), but they are at higher monetary poverty risk than the national figure (15.6% versus 13.2%). Thus, the AROPE situation is mainly captured through AROP, an indicator that looks only at income and not at expenditure and wealth. As mentioned earlier, it is possible that the retired experience less subjective poverty even though their income is below the poverty threshold because they have fewer expenses (e.g. for their dwelling[19]) and consequently feel that they are still making ends meet.

A comparison by activity status within the two non-AROPE profiles is less blatant. Persons with no poverty vulnerability are overrepresented in the "employed" group and underrepresented in the "other inactive" group. For individuals without AROPE but with subjective poverty, the proportions are only slightly different from the overall population.

Table 5: Subjective poverty profiles * AROPE (SILC 2022)

	AROPE Non-subjective	AROPE Subjective	Non-AROPE Non-subjective	Non-AROPE Subjective	Population
Employed	13.3%	14.1%	60.3%	47.9%	50.9%
Unemployed	10.2%	16.7%	1.5%	2.5%	3.7%
Retired	33.1%	15%	24.1%	28.1%	24.4%
Other inactive	43.4%	54.2%	14.1%	21.5%	21%
Owner	53.9%	31.2%	82.8%	60.9%	73.8%
Tenant	46.1%	68.8%	17.2%	39.1%	26.2%
Man	47.3%	48.4%	50.1%	46.9%	49.4%
Woman	52.7%	51.7%	49.9%	53.1%	50.6%
Low-skilled	40.9%	42.3%	15.5%	34.2%	21.7%
Medium-skilled	36.2%	41.2%	35.7%	38.7%	36.5%
Highly-skilled	23%	16.5%	48.8%	27.1%	41.9%
0 – 15 years old	16.6%	21.1%	18.9%	21.2%	19.1%
16 – 24 years old	10.8%	12.4%	9%	9.4%	9.5%
25 – 49 years old	23%	31.4%	33.9%	31.3%	32.5%
50 – 64 years old	21.2%	23.2%	20.1%	17.2%	20.2%
65+ years old	28.4%	12%	18.2%	20.9%	18.7%

The owner-tenant ratio is also very different between the four profiles and the Belgian population. Tenants are heavily overrepresented in the AROPE group: both for those in subjective poverty (68.8% versus 26.2% at the population level) and those not in subjective povertyr (46.1%). Furthermore, there is still a slight overrepresentation in the profile that is non-AROPE but finds it (very) difficult to get by (39.1%). With as consequence a strong underrepresentation in the profile without poverty (17.2%).

The gender distribution fluctuates slightly between the various profiles, but there is no strong over- or underrepresentation. The same cannot be said when education level is highlighted. Low-skilled people are overrepresented in all profiles with at least one poverty risk - offset by an underrepresentation of highly-skilled people. Finally, the differences by age are also less pronounced, with the exception of the over-65s, but this is tantamount to the trend we also saw among retired people.

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[19] HBS Survey 2020, Statbel.

4   Conclusion

This analysis aims to use the 20-year SILC data set to understand the part of the population in subjective poverty are as well as the problems they face. The official poverty indicators on which policy relies are (rightly) objective indicators. Indicators that use an objective limit or measure within a standardised framework and that are less dependent on the subjective interpretation of individual respondents. Nevertheless, this subjective interpretation of personal situations offers a richer story and deserves attention as well.

For this purpose, the subjective poverty indicator was considered separately by socio-demographic background characteristics in the first chapter. This analysis provided an insight into the population groups that are the most vulnerable to subjective poverty, namely the low-skilled, members of single-parent families, the unemployed, tenants, persons limited by a health problem and people with the lowest income. The number of people who find it (very) difficult to make ends meet is the highest in these groups. Moreover, other poverty risks also seemed to be a vulnerability factor. In turn, the longitudinal analysis showed some mobility and margin of improvement. In addition, the second chapter shows that subjective poverty is a vulnerability across a very wide range of life aspects; from housing to health and social participation. Finally, the third chapter showed that the proportions within the group with subjective poverty have not fundamentally changed over the last 20 years.

In conclusion, it appears that there is a link between objective and subjective measures of poverty, but that the two do not coincide and that it is worth it to complete the objective narrative with a touch of subjectivity.

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