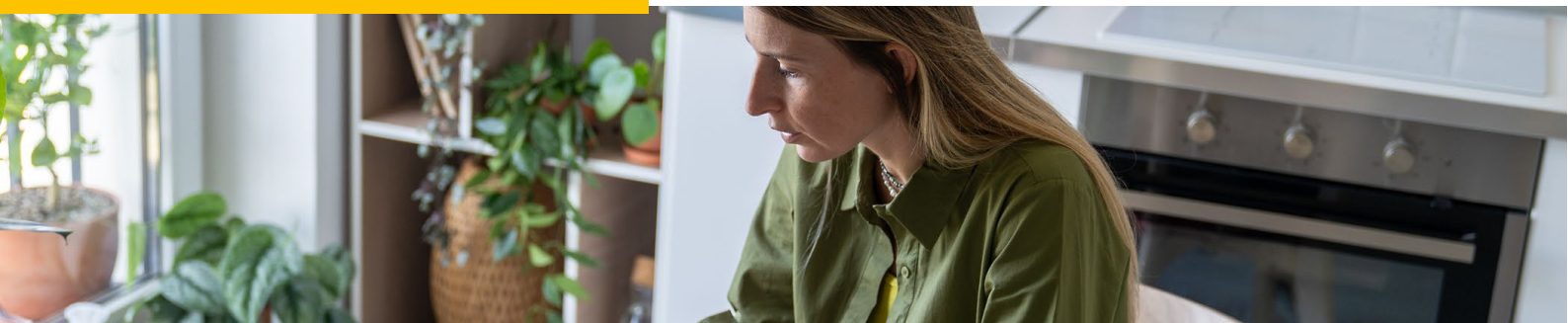




New generation of the SILC survey: on income, poverty and social exclusion

INEQUALITIES BETTER MEASURED, BUT PERSISTENT

Social statistics will take a major step forward in 2025. For the first time, the 'Household Income and Living Conditions' survey will incorporate administrative data. This methodological innovation paves the way for a new generation of more reliable and accurate indicators on living conditions in Luxembourg. According to this new approach, the monetary poverty rate stands at 14.8%, affecting around one in seven residents in 2025.

The 'Survey on Income and Living Conditions' (SILC) is a key reference for understanding the social reality in Luxembourg. Conducted annually, it details trends in income, poverty, health and well-being, and is an essential tool for guiding policies to combat poverty and inequality. In 2025, STATEC supplemented, for the first time, the data collected via the household survey questionnaire with administrative data centralised by the General Inspectorate of Social Security (IGSS). This integration significantly improves the quality, accuracy and robustness of the results. It will also reduce the response burden on participants by shortening the length and complexity of the questionnaire.

STATEC is therefore unveiling new indicators on income, inequality, poverty and social exclusion:

- **Median disposable income** stands at €6,522 per household.
- The **median standard of living** stands at €4,170 per person.
- The **inter-quintile ratio** (S80/S20) for income stands at 4.6; the wealthiest 20% of individuals have a standard of living that is, on average, 4.6 times higher than that of the poorest 20%.
- The **Gini coefficient**¹, which measures the level of inequality in living standards within a population, stands at 30.5% in 2025.
- The **monetary poverty rate** stands at 14.8%. Around one in seven people is affected by poverty in 2025.
- The **poverty line** stands at €2,502 per month for a single-person household.
- **Women remain more vulnerable than men**, with 15.4% of women and 14.2% of men at risk of poverty.
- **Young people are particularly affected**; more than one in five under-18s (22.2%) is currently at risk of poverty. Consequently, nearly 30,000 young people are affected by poverty, including around 17,000 children under the age of 12 (17.5%).
- Without social assistance (**poverty rate before transfers**), 26.5% of residents – one in four – would be at risk of poverty, compared with 14.8% after social transfers. The impact of social transfers thus amounts to nearly 12 percentage points.
- At European level, the measure of poverty risk has been broadened to include people affected by at least one of the following three dimensions: risk of monetary poverty (1), severe material and social deprivation

¹ This coefficient is equal to 0% in the case of perfect equality, and to 100% in the hypothetical situation where a single individual were to hold all the income.

(2), and very low work intensity within the household (3), in order to define the indicator of risk of poverty or social exclusion (At Risk of Poverty or Social Exclusion, AROPE). In 2025, the **rate of risk of poverty and social exclusion** stands at 18.2% of the total resident population, 14.8% for monetary poverty, 3.4% for severe material and social deprivation, and 5.5% for very low work intensity.

- The profile of households most at risk of poverty remains unchanged. In particular, 40.5% of **single-parent families** are at risk of poverty, as are 36.7% of couples with three or more children. Tenants (23.7%) and residents of Portuguese nationality (29.2%) are also among the most vulnerable groups.
- **The subjective poverty rate**, based on households' perception of their financial situation, stands at 21.6%.

This methodological improvement marks a new generation of the SILC survey. The integration of administrative data has a twofold effect: whilst, on the one hand, it results in a break in the statistical series², on the other hand, it improves the quality of income measurement, the representativeness of the sample and the statistical accuracy of the indicators. This new approach improves the measurement of income by reducing allocation inaccuracies, particularly between earned income and replacement income, and by limiting the non-declaration or under-declaration of certain components. Certain types of income and benefits — often sensitive, complex or occasional — are not always declared by households in surveys. This under-reporting affects all types of income, whether earned income — such as bonuses or income from self-employment, replacement income (unemployment, sickness or parental leave benefits) or certain significant social benefits, such as the Social Inclusion Income (REVIS) and the Cost-of-Living Allowance (AVC). Although under-reporting affects all income levels, the failure of low-income households to declare part of their income, particularly that derived from social benefits, leads to an overestimation of monetary poverty (by +2.7 percentage points) and an underestimation of the redistributive impact of social benefits, which can be corrected by using administrative data.

STATEC has embarked on a process of gradual innovation. The integration of administrative data from the General Inspectorate of Social Security (IGSS) marks a decisive first step. This process will continue: STATEC will continue to enrich its surveys with additional administrative sources, in order to reduce the burden on participants whilst ensuring an even more accurate representation of the reality of households' living conditions.

For further information

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² The inclusion of administrative data creates a break in the statistical series, preventing a direct comparison of indicators from the 2024 and 2025 waves. An estimate, using a comparable methodology, nevertheless suggests a slight decrease in the poverty rate from 18.1% in 2024 to 17.5% in 2025.