

Background document

According to recently released Eurostat data, the annual inflation in the Euro area reached a staggering 9.1 % (data for August 2022). Main component were the cost of energy (38,6%) and food (10,6%)¹.

Increases in pensions have not covered inflation developments in most of the European Union's Member States. This means that real pensions have fallen across Europe (see table below). For example, real minimum pensions in 2022 have fallen compared to 2021 by more than 18% in Hungary, 10% in Estonia, 8% in Portugal, 8% in Cyprus, 7% in Italy, 6% in Austria, 5% in France...

This comes on top of a dramatic situation for pensioners and old people that pre-existed the cost-of-living crisis, on the basis of recent Eurostat data, ETUI and ETUC research find:

The situation in 2021 was already dramatic:

- people aged 65 and over at-risk-of-poverty in 2021 (EU27): 19.6 % (17,7 million people)²;
- retired people at-risk-of-poverty in 2021 (EU27): 18.6 %³.

Already before the pandemic, the situation was not improving, on the contrary:

- Between 2015 and 2021, additional 3 million individuals over 65 is at risk of poverty (1.5%)⁴.
- Retired people at-risk-of-poverty (EU27) between 2015 and 2021 increased by 1,2 %.
Country-by country data available (below)
- The median income of those aged 65+ in EU27 only increased by 1,3% in 2021 compared to 2020, but inflation rose by 2,9% in 2021⁵.

Recent research by Eurofound found out that during the pandemic:

- the number of people struggling to make ends meet increased, especially for those over 65;
- older people encountered increasing challenges in accessing social and health care.

In the spring of 2021:

- 52% of people aged 65 and over had low levels of savings (up 5% since 2020)⁶ ;
- 45% of people aged 65 and over had difficulties in making ends meet (up 4% since 2020)⁷.

¹ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation_in_the_euro_area#Euro_area_annual_inflation_rate_and_its_main_components

² [Eurostat ILC_PEPS01N]

³ [Eurostat ILC_PEPS02N]

⁴ [Eurostat ILC_PEPS01N]

⁵ (own calculations based on Eurostat ILC_DI03 and PRC_HICP_AIND)

⁶ https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef21053en.pdf (pg 33)

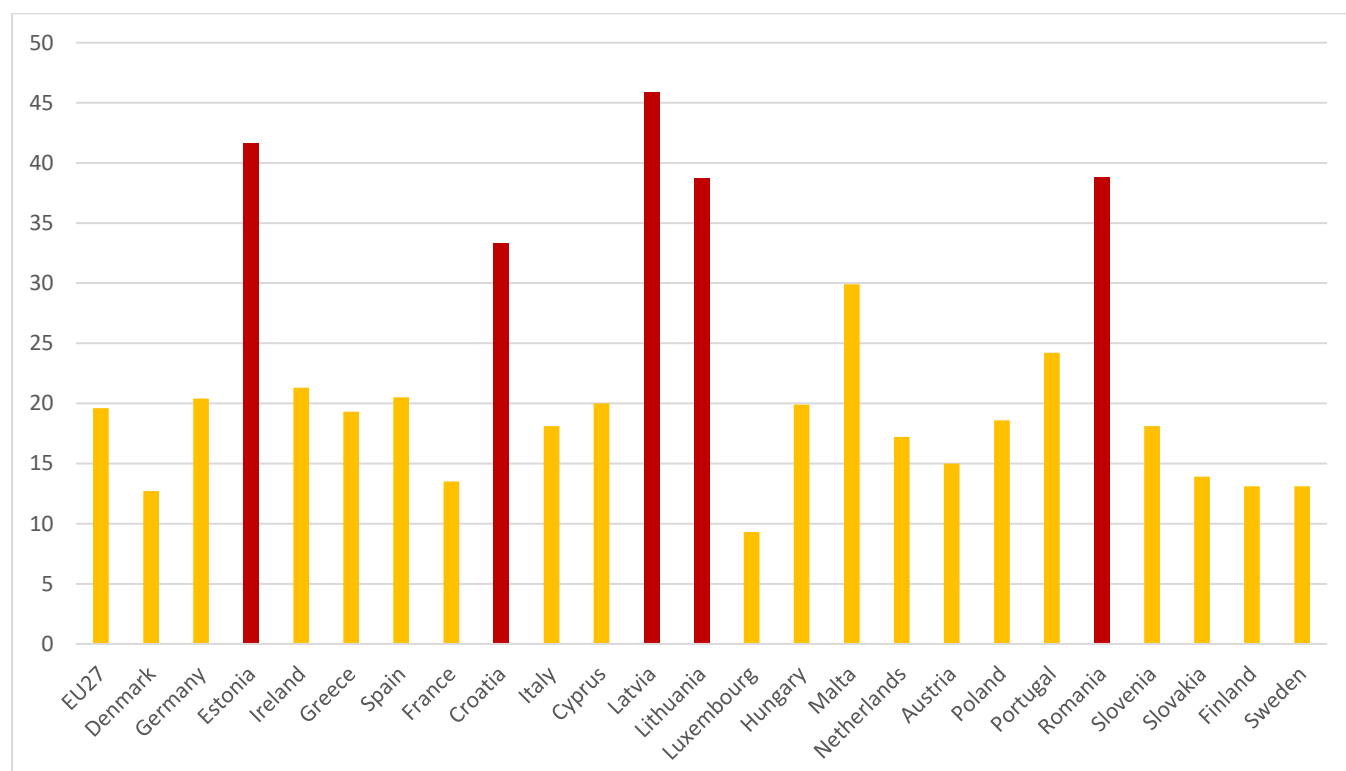
⁷ https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef21053en.pdf (pg 34)

Developments in real minimum pensions in selected Member States (national currencies):

	2021 (Jan)	2022 (Jan)	% change	% Inflation (aug 22)	% Real change in min. pension
Austria	1000	1030	2.950584	9.2	-6.25
Belgium	1325	1445	9.024906	10.5	-1.48
Cyprus	402	407	1.243781	9.6	-8.36
Estonia	222	255	14.86486	25.2	-10.34
France	646	653	1.083591	6.6	-5.52
Hungary	28500	28500	0	18.6	-18.60
Italy	558	568	1.792115	9.1	-7.31
Portugal	275	278	1.090909	9.3	-8.21
Spain	655	721	10.07634	10.5	-0.42

ETUI own elaboration based on MISSOC data (<https://www.missoc.org/missoc-database/comparative-tables/results/>)

Individuals over 65 at risk of poverty or social exclusion (%)



Source: Eurostat ILC_PEPS01N, data for 2021

Overall, in the EU, 19.6% of those aged over 65 are at risk of poverty, there is large variation among EU MS, in Estonia, Croatia, Latvia, Lithuania and Romania, the situation is even more dire, well over 30% of the population over 65 is AROP.

Retired people at risk of poverty or social exclusion (%)

	2015	2016	2017	2018	2019	2020	2021	Diff 2015 -2021
EU27	17,4	18	17,8	18,2	18,5	19,2	18,6	1,2
EU19	15	15,9	15,5	16,1	16,3	17,1	17	2
Belgium	14,8	16	15,8	15,8	15,6	18,9	17,9	3,1
Bulgaria	52,3	45,5	46,4	43,8	47	48,8	45,1	-7,2
Czechia	9,8	9,7	12,5	15,4	17,6	15,5	11,1	1,3
Denmark	10,1	9,8	9,9	10,4	10,5	12,2	12,9	2,8
Germany	18,1	19,2	18,3	19,5	19,4	21,3	20,6	2,5
Estonia	41,6	46	47,6	54,8	52	50	48,7	7,1
Ireland	17,2	17,4	15,7	20,3	19,3	18,3	21,1	3,9
Greece	14,8	14,3	15,3	15,9	16,3	15,2	15,2	0,4
Spain	12,5	13,8	16,1	17	15,4	17,3	16	3,5
France	10,4	10,6	10,1	10,6	12,6	11,9	12,7	2,3
Croatia	25,8	24,8	27,2	26,8	28,2	29,2	30,8	5
Italy	16,1	17,3	15,1	15	14,5	15,9	14,9	-1,2
Cyprus	18,3	21,6	22,8	21,7	25	23,3	20,5	2,2
Latvia	43,8	47,6	49,8	53,3	55,9	48,6	52,2	8,4
Lithuania	36,7	39,1	44,5	47	40,6	43,9	41,8	5,1
Luxembourg	6,5	8,1	9,8	7,4	7,6	7	9,8	3,3
Hungary	19,5	18,7	18,6	15,2	16,7	19,8	19,1	-0,4
Malta	21,8	23	23,1	25,8	27	23,9	25,4	3,6
Netherlands	7,3	11,1	11,8	13,1	13,5	12,6	17,5	10,2
Austria	14,4	13,3	13,2	14,1	15	15,2	15,3	0,9
Poland	15,2	14,7	16,4	17,6	19,1	19,5	19,1	3,9
Portugal	19,4	20,2	19,6	19,6	18,4	19,3	22,3	2,9
Romania	43	45,9	43,2	41,7	41,1	41,1	36,7	-6,3
Slovenia	18,8	19,1	18,7	20,1	19,7	21,4	18,7	-0,1
Slovakia	11,6	11,8	12,4	10,5	12,2	12,3	13,4	1,8
Finland	14	12,6	13,1	14	14,9	14,6	13,1	-0,9
Sweden	17,6	18	16,4	16,1	15,8	16,4	13,6	-4

Source: Eurostat ILC_PEPS01N

Persons over 65 at risk of poverty or social exclusion (in thousands)

	2015	2016	2017	2018	2019	2020	2021	Diff. 2015 - 2021
EU27	14.793	15.409	15.608	16.454	16.874	17.945	17.741	2.948
Belgium	331	352	358	364	357	441	410	79
Bulgaria	779	676	706	669	701	745	687	-92
Czechia	180	184	240	307	353	320	235	55
Denmark	101	94	104	108	112	137	150	49
Germany	2.847	2.971	2.885	3.172	3.126	3.531	3.476	629
Estonia	89	100	105	119	113	110	109	20
Ireland	96	115	105	140	136	134	155	59
Greece	388	373	418	438	472	452	455	67
Spain	1.204	1.341	1.617	1.790	1.593	1.934	1.855	651
France	1.270	1.380	1.294	1.404	1.653	1.631	1.879	609
Croatia	228	225	244	242	261	261	272	44
Italy	2.665	2.743	2.488	2.539	2.639	2.683	2.503	-162
Cyprus	20	25	28	27	32	30	27	7
Latvia	157	164	174	190	193	165	177	20
Lithuania	182	195	229	240	204	225	218	36
Luxembourg	6	7	10	8	8	6	7	1
Hungary	291	283	311	268	294	367	364	73
Malta	18	21	22	23	27	26	28	10
Netherlands	190	302	331	375	421	406	571	381
Austria	211	216	211	215	219	225	232	21
Poland	932	919	1.036	1.138	1.233	1.333	1.304	372
Portugal	457	476	468	478	457	488	559	102
Romania	1.539	1.624	1.597	1.585	1.600	1.599	1.435	-104
Slovenia	67	67	67	73	74	81	72	5
Slovakia	81	86	92	85	105	118	125	44
Finland	153	142	153	163	178	176	162	9
Sweden	310	330	317	296	312	322	273	-37

Source: Eurostat ILC_PEPS01N