

The mobility into and out of poverty in 14 European Countries

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Long Abstract:

The paper analyzes aspects of poverty dynamics in 14 European Countries for the period 1994-2000, using the European Community Household Panel.

The first part of the paper presents the entry and exit poverty rates, along with the conditional, to the duration of spell, exit probabilities and re-entry rates to poverty. The probability of exiting poverty in t while being poor in $t-1$ takes its highest values in the Netherlands and Denmark (0.462 and 0.444, respectively), while the highest probabilities of entering poverty in t while being nonpoor in $t-1$ are reported in Spain (0.095) Greece (0.093) and Ireland (0.091). The results are very similar when using the 7 years balanced panel, instead of the unbalanced panel, implying that most probably attrition does not bias the poverty entry and exit rates. When controlling for the length of spell, 53% of all individuals entering a poverty spell in the EU, escape from it within the first year. However, 47% of them re-enter poverty within the next three years. In Finland and Ireland, 34% and 28% of all poverty spells last more than 3 years.

In the second part of the paper, mobility around the poverty line is studied through mobility indices, while mobility matrices are used to examine in which income group the poor find themselves in the years following the end of their poverty spell, allowing for poverty re-entries. The mobility around the poverty line, as measured by the Shorrocks index ranges from 0.34 in Luxembourg to 0.51 in Netherlands. 36% of all poverty exits in the EU are just 10% over the poverty line. Yet, almost 20% of the individuals that exit poverty in t , while being poor in $t-1$ reach and exceed the median income of their country in the first year of the non-poverty spell. When breaking the income distribution into 6 income groups (0%-19%, 20%-39%, 40%-59%, 60%-79%, 80%-99%, 100%+ of the

median equivalised income), the probability of escaping poverty in EU does not change in relation to the income group at the reference year. Thus, when starting (first year poor) from 0% to 19% of the national median equivalised income, the probability of having for the next three years a mean equivalised household income over the poverty line is slightly greater (0.579) than when starting from the second income group (0.535), and slightly less (0.597) than when the initial income is between 40% to 59% of the national median equivalised household income. In Netherlands, France and Spain, it is the poor in the lowest income group that have the greater chances of having a mean equivalised household income over the poverty line for the three years that follow the beginning of the poverty spell, while in all countries, apart from Germany and Portugal, the poor in the lowest income group have also the greater probability of reaching the highest income group (100+% of the national median equivalised household income) within the next three years.

The third part of the paper examines the first level causes for poverty entries and exits (income changes, demographic changes, etc), as well as the particular events associated with beginnings/endings of poverty spells using the Bane & Ellwood (1986) framework of analysis. The Bane & Ellwood methodology aims at identifying certain income or demographic events (e.g. decline in social benefits, death of a household members, divorce), which may be related to poverty entries and exits. In the current paper, the Bane & Ellwood framework has been modified in two main ways. First, there is a distinction between individuals that escape/enter poverty while staying in the same household in years $t-1$ and t (with the same or different head) and those who experience the end/beginning of the poverty spell in a new household. If the individual experiences the beginning/ending of the poverty spell in a new household or in an old household but with a different household head, the event of the creation of the new household or the event leading to the head change are considered as demographic events associated with poverty exit/entry. Second, for the individuals that remain in the same household with the same household head, I examine whether the main event associated with the poverty entry/exit is a demographic or an income event and in a second attempt, I also include (un)/employment events. The (un)/employment events are income events that are caused by (un)/employment events to a household member. In this way, an income decline/increase is included in the income events category only if the employment status of all household members remains unchanged. Both poverty entries and exits are associated more closely with income rather than demographic events. However, income events and especially changes in head's labor earnings seem to be closely associated with poverty transitions in Mediterranean countries, while demographic events seem to be relatively more important

in Finland, Denmark, the UK and Luxembourg. When adding employment events, the importance of pure income events declines by 17.6% for poverty entries (ranging from 8.8% in Belgium and 24.5% in Spain) and by 21.9% for poverty exits (ranging from 10.94 in Luxembourg to 39.17 in Ireland). In all countries employment events seem to be more associated with poverty exits than unemployment events with poverty entries.

Paper Results (in Tables)

Table 1 – Poverty Occurrence and Persistence (Countries Grouped by Welfare Regime)

	Non-poor	Transient poor	Long-term poor	Recurrent poor	Persistent poor	Total
Social democratic						
NL	76.21	23.79				100.00
		51.74	11.69	15.59	20.98	100.00
DK	72.59	27.41				100.00
		56.51	12.84	13.75	16.89	100.00
Corporatist						
D	70.69	29.31				100.00
		48.24	14.47	13.48	23.81	100.00
B	67.89	32.11				100.00
		45.94	11.96	15.04	27.06	100.00
F	67.60	32.40				100.00
		41.54	14.38	14.72	29.35	100.00
Liberal						
IRL	63.41	36.59				100.00
		40.75	11.45	14.29	33.51	100.00
UK	57.88	42.12				100.00
		41.81	12.84	15.05	30.29	100.00
South						
I	61.86	38.14				100.00
		35.68	11.88	17.67	34.77	100.00
E	61.38	38.62				100.00
		40.76	11.68	20.97	26.59	100.00
P	59.97	40.03				100.00
		35.20	11.34	14.11	39.35	100.00
EL	57.74	42.26				100.00
		34.50	12.57	17.91	35.02	100.00

Source: ECHP UDB (Dec 2003 - 2nd issue)

Note1: All cases have been weighted using the cross-sectional weights, while for calculating the EU figures, the cases have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).

Note2: The first row for each country adds-up to the total population, while the second one to the poor population only.

Table 2 – Annual Entry and Exit Rates into/out of Poverty

Country	Annual exit rate	Annual entry rate
A	38.07	5.82
B	36.86	6.48
D	38.24	5.19
DK	44.49	6.22
E	39.09	9.54
EL	32.10	9.39
F	32.60	6.55
FIN	33.01	5.60
I	33.75	8.01
IRL	31.45	9.16
L	30.37	4.23
NL	46.24	5.07
P	29.69	7.80
UK	34.13	7.95
EU	35.27	6.99
Total number of individuals at risk of exiting/entering poverty	140,831	706,259

Source: ECHP UDB (Dec 2003 - 2nd issue)

Note: The probabilities have been calculated using all spell endings observed in the unbalanced ECHP sample for waves 1-7, including the censored spells. All cases have been weighted using the cross-sectional weights, while the EU figures have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).

Table 3 – Conditional to the Duration of Poverty Exit Probabilities

Country	Annual exit rate from poverty after # years of being poor:			Cumulative percentage of individuals remaining poor for :			
	1yr	2yrs	3yrs	1yr	2yrs	3yrs	4yrs+
A	54.44	19.74	7.03	100.00	45.56	25.82	18.79
	54.44	43.32	27.20				
B	58.42	14.68	6.25	100.00	41.58	26.90	20.65
	58.42	35.31	23.25				
D	56.91	19.79	7.12	100.00	43.09	23.30	16.18
	56.91	45.94	30.58				
DK	57.42	16.02	9.79	100.00	42.58	26.56	16.77
	57.42	37.62	36.85				
E	53.75	19.87	8.77	100.00	46.25	26.38	17.61
	53.75	42.97	33.24				
EL	48.23	20.55	7.88	100.00	51.77	31.22	23.34
	48.23	39.70	25.26				
F	53.01	18.28	7.44	100.00	46.99	28.71	21.27
	53.01	38.91	25.92				
FIN	44.82	12.72	8.20	100.00	55.18	42.46	34.26
	44.82	23.05	19.32				
I	54.31	16.30	7.80	100.00	45.69	29.39	21.59
	54.31	35.67	26.53				
IRL	55.09	9.42	7.11	100.00	44.91	35.49	28.38
	55.09	20.98	20.04				
L	45.69	21.31	8.02	100.00	54.31	33.00	24.98
	45.69	39.24	24.30				
NL	63.54	15.16	6.50	100.00	36.46	21.30	14.80
	63.54	41.59	30.51				
P	53.45	14.21	5.67	100.00	46.55	32.34	26.67
	53.45	30.53	17.53				
UK	47.06	19.18	10.19	100.00	52.94	33.76	23.57
	47.06	36.23	30.19				
_EU	53.07	18.28	8.14	100.00	46.93	28.65	20.51
	53.07	38.96	28.42				
Total number of individuals at risk of exiting poverty at start of period	19,287	9,029	5,662				

Source: ECHP UDB (Dec 2003 - 2nd issue)

Note1: For calculating the conditional probabilities, the individuals are present for five consecutive years (first year non-poor, second year poor and then exit poverty after one, two or three years). The left-censored cases have been excluded by definition. All cases have been weighted using the cross-sectional weights, while for calculating the EU figures, the cases have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).

Note2: The first row for each country presents the exit rate as a percentage to the number of individuals at risk of exiting poverty (19,287), while the second as a percentage to the number of remaining poor at the start of each period.

Table 4 –Re-entry Poverty Rates

Country	Annual rate of re-entering poverty after # years of being non-poor following a poverty spell:			Cumulative percentage of individuals remaining non-poor for:			
	1yr	2yrs	3yrs	1yr	2yrs	3yrs	4yrs+
A	20.72	12.95	6.02	100.00	79.28	66.33	60.31
	20.72	16.33	9.07				
B	22.32	15.11	8.23	100.00	77.68	62.57	54.34
	22.32	19.45	13.15				
D	20.16	9.95	6.36	100.00	79.84	69.89	63.53
	20.16	12.46	9.10				
DK	27.55	11.70	6.89	100.00	72.45	60.75	53.86
	27.55	16.15	11.35				
E	35.07	13.22	7.90	100.00	64.93	51.71	43.81
	35.07	20.35	15.28				
EL	30.22	14.11	10.15	100.00	69.78	55.67	45.52
	30.22	20.23	18.23				
F	26.61	15.06	8.38	100.00	73.39	58.33	49.95
	26.61	20.52	14.37				
FIN	22.66	18.14	21.38	100.00	77.34	59.20	37.82
	22.66	23.45	36.11				
I	30.12	12.59	7.88	100.00	69.88	57.29	49.41
	30.12	18.01	13.75				
IRL	34.26	12.63	7.65	100.00	65.74	53.11	45.46
	34.26	19.22	14.41				
L	20.34	14.45	8.09	100.00	79.66	65.21	57.12
	20.34	18.15	12.40				
NL	26.62	9.51	8.67	100.00	73.38	63.87	55.20
	26.62	12.97	13.58				
P	24.03	12.67	11.12	100.00	75.97	63.30	52.18
	24.03	16.68	17.57				
UK	24.47	14.79	8.99	100.00	75.53	60.74	51.75
	24.47	19.58	14.79				
_EU	26.56	12.87	8.05	100.00	73.44	60.57	52.52
	26.56	17.52	13.28				
Total number of individuals at risk of re-entering poverty at start of period	19,746	14,156	11,572				

Source: ECHP UDB (Dec 2003 - 2nd issue)

Note1: For calculating the re-entry probabilities, the individuals are present for five consecutive years (first year poor, second year non-poor and then examine if the individual re-enters poverty after one, two or three years). The right-censored cases have been excluded by definition. All cases have been weighted using the cross-sectional weights, while for calculating the EU figures, the cases have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).

Note2: The first row for each country presents the re-entry rate as a percentage to the initial number of individuals at risk of re-entering poverty poor (19,746), while the second as a percentage to the number of individuals remaining non-poor at the start of each period.

Table 5 – Income Distribution when Exiting Poverty (3 income groups over the poverty line)

Country	Income Group			Total	Number of spell endings
	60%-79%	80%-99%	100%+		
A	55.68	21.20	23.12	100.00	1,801
B	62.02	17.62	20.36	100.00	1,931
D	60.77	20.62	18.61	100.00	3,802
DK	57.76	22.77	19.47	100.00	1,285
E	51.22	25.06	23.72	100.00	6,673
EL	51.03	25.26	23.72	100.00	5,008
F	67.07	19.14	13.79	100.00	4,072
FIN	62.92	20.57	16.51	100.00	1,043
I	51.02	24.34	24.64	100.00	6,840
IRL	66.02	19.06	14.92	100.00	2,583
L	75.42	16.56	8.01	100.00	1,004
NL	57.26	22.08	20.65	100.00	2,592
P	58.52	22.52	18.96	100.00	5,082
UK	60.40	19.34	20.26	100.00	4,156
_EU	58.02	21.67	20.31	100.00	47,872

Source: ECHP UDB (Dec 2003 - 2nd issue)

Table 6– Income Distribution when Exiting Poverty (6 income groups over the poverty line)

Country	Income Group						Total	Number of spell endings
	60%-69%	70%-79%	80%-89%	90%-99%	100%-149%	150%+		
A	35.93	19.75	13.04	8.16	19.42	3.69	100.00	1,801
B	40.61	21.41	11.38	6.23	12.71	7.65	100.00	1,931
D	37.15	23.61	12.09	8.53	15.25	3.36	100.00	3,802
DK	37.11	20.65	16.31	6.45	14.86	4.62	100.00	1,285
E	29.70	21.52	15.68	9.37	18.59	5.13	100.00	6,673
EL	31.73	19.30	14.09	11.17	17.27	6.44	100.00	5,008
F	42.38	24.69	12.09	7.05	10.14	3.65	100.00	4,072
FIN	40.36	22.56	12.22	8.35	13.95	2.56	100.00	1,043
I	32.08	18.94	14.53	9.81	18.65	6.00	100.00	6,840
IRL	42.15	23.87	13.35	5.71	11.46	3.46	100.00	2,583
L	48.99	26.43	11.03	5.54	7.20	0.81	100.00	1,004
NL	36.45	20.81	13.97	8.12	14.25	6.40	100.00	2,592
P	34.45	24.07	14.55	7.97	14.24	4.72	100.00	5,082
UK	39.83	20.57	12.41	6.93	13.39	6.88	100.00	4,156
EU	36.41	21.62	13.35	8.32	15.18	5.13	100.00	47,872

Source: ECHP UDB (Dec 2003 - 2nd issue)

Table 7 – Mobility Matrices

AUSTRIA	Income Group at the Reference Period			BELGIUM	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%	Income Group	0%-19%	20%-39%	40%-59%
0%-19%	16.63	2.97	0.74	0%-19%	4.88	3.74	1.01
20%-39%	11.02	19.50	3.67	20%-39%	2.31	15.84	3.61
40%-59%	17.94	24.18	32.96	40%-59%	11.03	18.69	33.59
60%-79%	18.86	30.09	32.66	60%-79%	24.19	27.22	35.00
80%-99%	10.49	13.16	11.89	80%-99%	16.14	10.30	12.40
100%+	25.07	10.10	18.08	100%+	41.45	24.21	14.40
Number of poor at the reference period	48	106	510	Number of poor at the reference period	44	132	562

DENMARK	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	**	4.03	1.25
20%-39%	**	11.93	5.24
40%-59%	**	25.53	33.78
60%-79%	**	23.03	32.01
80%-99%	**	16.61	14.71
100%+	**	18.87	13.00
Number of poor at the reference period	15	108	385

FINLAND	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	**	0.00	0.33
20%-39%	**	8.99	5.67
40%-59%	**	31.17	45.29
60%-79%	**	15.59	26.79
80%-99%	**	13.21	10.76
100%+	**	31.04	11.16
Number of poor at the reference period	14	36	151

FRANCE	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	3.37	1.27	1.34
20%-39%	14.70	13.71	5.39
40%-59%	15.95	35.43	35.81
60%-79%	17.21	22.65	34.66
80%-99%	12.67	13.00	12.91
100%+	36.10	13.93	9.88
Number of poor at the reference period	105	277	1,387

GERMANY	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	23.37	2.68	0.97
20%-39%	5.59	10.45	5.49
40%-59%	8.99	21.39	29.41
60%-79%	24.79	21.09	32.63
80%-99%	28.32	14.69	17.62
100%+	8.95	29.71	13.88
Number of poor at the reference period	64	246	1,158

GREECE	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	6.87	2.80	2.45
20%-39%	15.31	24.95	12.16
40%-59%	22.47	24.56	27.56
60%-79%	19.89	18.93	24.60
80%-99%	11.56	11.94	14.56
100%+	23.90	16.82	18.67
Number of poor at the reference period	211	500	1,478

IRELAND	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	**	3.29	0.76
20%-39%	**	8.60	3.98
40%-59%	**	42.89	42.44
60%-79%	**	16.26	26.92
80%-99%	**	15.30	13.27
100%+	**	13.66	12.62
Number of poor at the reference period	19	145	1,072

ITALY	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	12.00	4.91	2.24
20%-39%	13.16	20.51	8.50
40%-59%	23.84	19.62	29.44
60%-79%	14.11	20.61	26.74

LUXEMBOURG	Income Group at the Reference Period		
Income Group	0%-19%	20%-39%	40%-59%
0%-19%	**	**	0.00
20%-39%	**	**	2.06
40%-59%	**	**	42.38
60%-79%	**	**	38.19

80%-99%	12.10	14.54	15.34
100%+	24.80	19.82	17.74
Number of poor at the reference period	327	638	1,995

80%-99%	**	**	11.10
100%+	**	**	6.28
Number of poor at the reference period	9	17	299

NETHERLANDS	Income Group at the Reference Period		
	0%-19%	20%-39%	40%-59%
Income Group			
0%-19%	5.53	4.02	1.12
20%-39%	8.19	8.09	5.17
40%-59%	17.80	23.38	30.04
60%-79%	26.31	26.95	34.86
80%-99%	16.97	16.30	15.35
100%+	25.20	21.26	13.46
Number of poor at the reference period	144	144	579

PORTUGAL	Income Group at the Reference Period		
	0%-19%	20%-39%	40%-59%
Income Group			
0%-19%	19.36	6.39	3.19
20%-39%	9.31	19.03	7.54
40%-59%	19.05	22.20	29.34
60%-79%	15.21	20.65	27.45
80%-99%	16.79	16.88	12.20
100%+	20.28	14.84	20.28
Number of poor at the reference period	166	408	1,406

SPAIN	Income Group at the Reference Period		
	0%-19%	20%-39%	40%-59%
Income Group			
0%-19%	8.95	5.86	2.28
20%-39%	10.83	17.00	7.76
40%-59%	15.49	25.19	30.50
60%-79%	20.60	19.25	25.29
80%-99%	10.88	14.02	14.30
100%+	33.26	18.69	19.87
Number of poor at the reference period	254	582	1,823

UK	Income Group at the Reference Period		
	0%-19%	20%-39%	40%-59%
Income Group			
0%-19%	20.46	4.74	1.99
20%-39%	14.06	21.99	8.98
40%-59%	13.26	27.98	31.68
60%-79%	14.63	15.04	30.11
80%-99%	9.65	13.90	11.48
100%+	27.95	16.35	15.76
Number of poor at the reference period	151	351	1,221

EUROPEAN UNION	Income Group at the Reference Period		
	0%-19%	20%-39%	40%-59%
Income Group			
0%-19%	13.35	4.10	1.74
20%-39%	11.81	17.42	7.19
40%-59%	16.94	24.97	31.34
60%-79%	17.93	19.79	30.07
80%-99%	13.89	14.10	14.21
100%+	26.08	19.63	15.45
Number of poor at the reference period	1,571	3,690	14,026

Source: ECHP UDB (Dec 2003 - 2nd issue)

Note1: To be included in the analysis an individual needs to be present for 5 consecutive years. Being non-poor in the first year, poor in the second year and then study the mobility of his/her equivalised household income for the next three years. Thus, the above matrices are the mean matrices over a period of 3 years. For calculating the mobility matrices all cases have been weighted using the cross-sectional weights, while for calculating the EU figures, the cases have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).

Note2: When the figure is in italics the number of individuals at risk of exit is less than 50, when the figure is not reported (**), the number is less than 20.

Figure 1

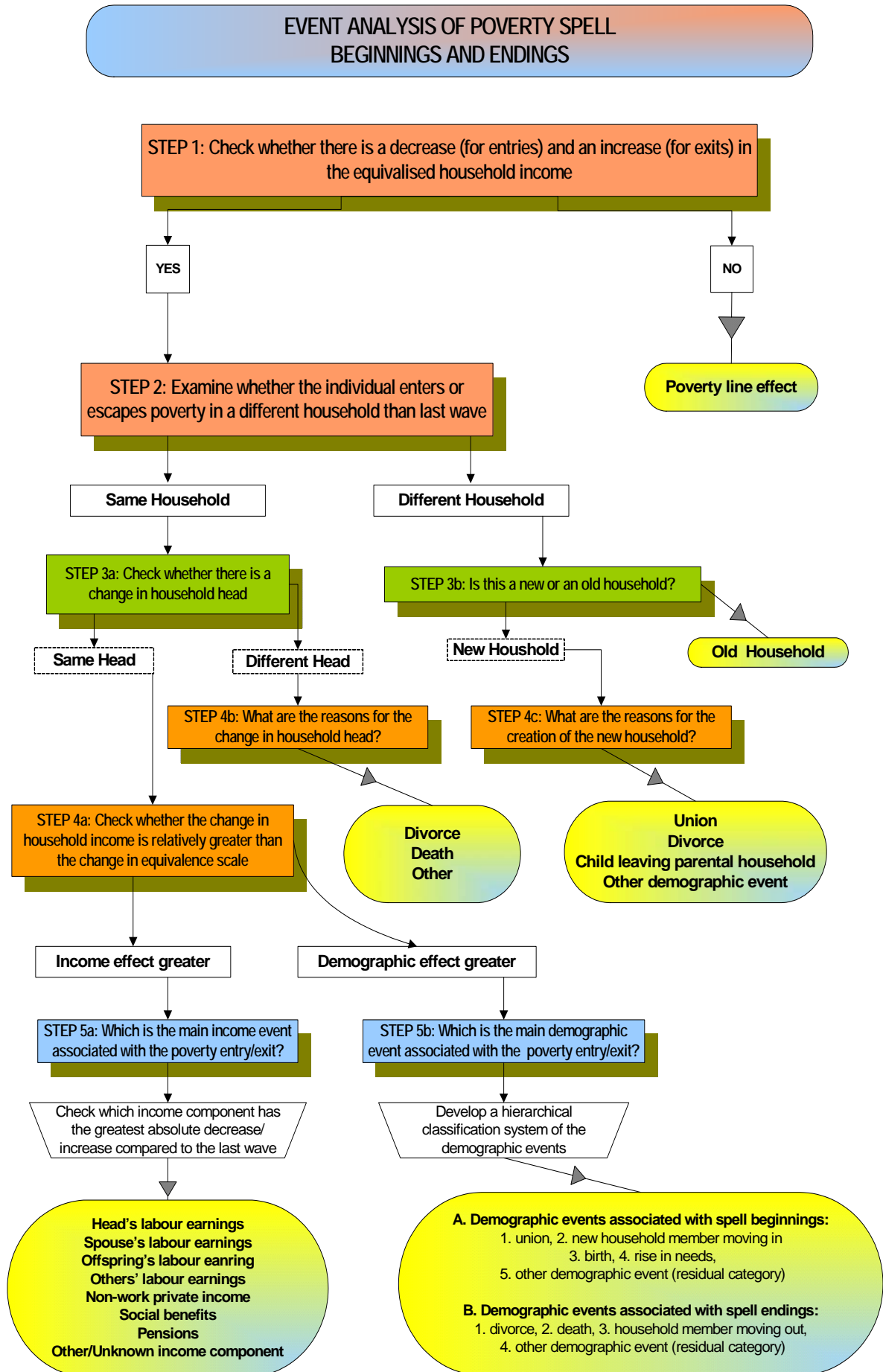


Table 8 – Events Associated with Poverty Entries (2 types of events)

Associated Event	Country														
	A	B	D	DK	E	EL	F	FIN	I	IRL	L	NL	P	UK	_EU
1. Same household	96.76	97.15	94.13	89.43	98.58	99.02	94.01	88.43	98.24	96.66	97.42	95.66	97.59	93.05	95.63
1.1 Same head	95.46	96.50	93.24	88.28	97.80	98.19	92.57	82.96	97.65	96.52	94.48	95.26	96.96	90.66	94.43
1.1.1 Income events (decrease in:)	93.51	93.35	91.31	86.19	96.38	96.48	89.86	82.12	95.76	91.99	88.60	92.01	95.06	86.34	91.93
Head's labour earnings	30.66	29.43	27.98	22.50	47.45	57.47	30.33	31.13	45.51	27.88	27.85	35.70	37.67	15.69	33.37
Spouse's labour earnings	18.00	4.83	10.14	11.92	6.95	5.70	9.00	12.91	6.02	6.52	8.63	9.65	9.90	8.98	8.38
Kids' labour earnings	6.18	2.87	7.43	1.28	5.15	7.67	3.42	2.53	5.16	9.66	13.41	1.00	9.83	3.85	5.17
Others' labour earnings	1.74	1.17	0.16	1.47	1.25	0.94	0.11	0.51	1.24	0.36	2.04	0.19	1.56	0.79	0.75
Non-work private income	3.71	8.41	5.47	5.08	5.22	6.19	6.86	3.28	5.38	2.77	4.97	3.08	5.68	4.96	5.49
Social benefits	15.76	15.48	15.10	15.76	15.64	5.97	21.02	14.43	11.92	26.25	22.16	19.44	14.52	18.68	16.15
Pensions	15.01	16.91	13.46	21.86	9.19	11.17	16.17	13.24	17.17	12.13	7.64	11.18	10.34	9.09	13.12
Other/Unknown income component	2.45	14.25	11.57	6.32	5.53	1.37	2.95	4.09	3.36	6.42	1.90	11.77	5.56	24.30	9.50
1.1.2 Demographic events	1.95	3.15	1.93	2.09	1.42	1.71	2.71	0.84	1.89	4.53	5.88	3.25	1.90	4.32	2.50
Union	0.09	0.26	0.58	0.41	0.08	0.10	0.19	0.28	0.05	0.01	0.21	0.92	0.01	0.45	0.28
Member moving in	0.40	1.46	0.21	1.62	0.53	0.99	1.06	0.21	0.33	1.05	2.46	0.76	0.54	1.90	0.83
Birth	0.70	1.08	0.80	0.00	0.41	0.32	1.05	0.23	0.75	2.42	1.62	0.22	0.66	1.45	0.88
Rise in needs	0.76	0.35	0.33	0.00	0.35	0.14	0.41	0.12	0.76	1.05	0.81	1.20	0.57	0.52	0.49
Other demographic event	0.00	0.00	0.01	0.06	0.05	0.16	0.00	0.00	0.00	0.00	0.78	0.15	0.12	0.00	0.02
1.2 Different head	1.30	0.65	0.89	1.15	0.78	0.83	1.44	5.47	0.59	0.14	2.94	0.40	0.63	2.39	1.20
Divorce	0.10	0.51	0.71	0.14	0.29	0.15	0.42	0.90	0.27	0.00	1.08	0.19	0.03	1.02	0.50
Death	0.09	0.00	0.00	0.00	0.06	0.17	0.00	0.12	0.22	0.06	0.27	0.00	0.14	0.13	0.09
Other	1.11	0.14	0.18	1.01	0.43	0.51	1.02	4.45	0.10	0.08	1.59	0.21	0.46	1.24	0.61
2. Different household	3.24	2.56	5.87	10.57	1.26	0.96	5.77	11.57	1.52	2.20	2.43	4.10	2.41	6.73	4.20
2.1 Old household	0.02	0.18	0.07	0.31	0.05	0.03	0.16	0.96	0.00	0.20	0.00	0.38	0.04	0.91	0.25
2.2 New household	3.22	2.38	5.80	10.26	1.21	0.93	5.61	10.61	1.52	2.00	2.43	3.72	2.37	5.82	3.95
Union	0.13	0.18	1.03	0.34	0.27	0.20	0.27	0.30	0.37	0.09	0.10	0.18	0.52	0.15	0.43
Divorce	0.00	0.90	0.63	0.90	0.01	0.02	0.40	0.24	0.18	0.04	1.03	0.35	0.52	0.14	0.28
Child leaving parental hh	2.37	0.75	3.02	7.49	0.27	0.48	3.64	6.51	0.47	0.95	0.72	2.56	0.00	4.42	2.33
Other demographic event	0.72	0.55	1.12	1.53	0.66	0.23	1.30	3.56	0.50	0.92	0.58	0.63	1.33	1.11	0.91
3. Poverty line effect	0.00	0.29	0.00	0.00	0.16	0.02	0.22	0.00	0.24	1.14	0.15	0.24	0.00	0.22	0.17
Total demographic effect	6.49	6.36	8.69	13.81	3.46	3.50	9.92	17.88	4.00	6.87	11.25	7.75	4.94	13.44	7.90
Total income effect	93.51	93.35	91.31	86.19	96.38	96.48	89.86	82.12	95.76	91.99	88.60	92.01	95.06	86.34	91.93
Total poverty line effect	0.00	0.29	0.00	0.00	0.16	0.02	0.22	0.00	0.24	1.14	0.15	0.24	0.00	0.22	0.17
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of spells	1,352	1,464	2,717	1,196	5,315	4,162	3,149	1,181	5,015	2,359	687	1,907	3,380	3,090	36,974

Source: ECHP UDB (Dec 2003 - 2nd issue)

Table 9– Events Associated with Poverty Entries (3 types of events)

Associated Event	Country														
	A	B	D	DK	E	EL	F	FIN	I	IRL	L	NL	P	UK	_EU
1. Same household	96.76	97.15	94.13	89.43	98.58	99.02	94.01	88.43	98.24	96.66	97.42	95.66	97.59	93.05	95.63
1.1 Same head	95.46	96.50	93.24	88.28	97.80	98.19	92.57	82.96	97.65	96.52	94.48	95.26	96.96	90.66	94.43
1.1.1 Unemployment events	13.30	8.84	22.05	15.44	24.48	19.80	14.20	14.89	15.51	21.45	11.78	14.90	21.01	14.18	17.60
Head	7.55	5.54	13.78	7.86	11.25	8.56	8.54	10.97	7.55	10.44	3.49	6.75	9.18	7.89	9.41
Spouse	4.47	1.89	5.39	5.85	5.40	5.53	3.72	2.53	3.48	4.96	4.67	5.48	7.62	4.25	4.53
Offspring	1.16	1.41	2.80	1.63	7.39	5.27	1.81	1.33	3.91	5.74	2.52	2.56	3.94	1.87	3.40
Others	0.12	0.00	0.08	0.10	0.44	0.44	0.13	0.06	0.57	0.31	1.10	0.11	0.27	0.17	0.26
1.1.2 Income events (decrease in:)	80.21	84.51	69.25	70.75	71.90	76.68	75.66	67.23	80.25	70.54	76.82	77.11	74.05	72.15	74.33
Head's labour earnings	24.71	25.19	17.05	15.87	33.35	44.77	23.20	24.05	37.62	19.85	23.02	28.51	30.69	11.14	24.85
Spouse's labour earnings	15.88	4.12	6.31	7.98	4.59	3.69	6.52	8.60	4.71	3.39	6.53	7.34	6.40	7.10	6.00
Offspring's labour earnings	4.90	2.40	5.28	1.28	4.18	5.24	2.62	1.61	3.46	6.30	12.69	0.41	7.78	3.03	3.83
Others' labour earnings	1.74	1.17	0.15	1.28	1.03	0.74	0.11	0.51	1.21	0.36	0.96	0.19	1.36	0.48	0.64
Non-work private income	2.99	7.05	4.78	4.51	4.67	5.48	6.38	2.85	4.32	2.75	4.97	2.72	5.07	3.86	4.74
Social benefits	14.59	14.42	12.22	13.51	12.13	5.44	18.81	13.15	10.25	20.63	19.50	16.21	12.86	16.57	13.80
Pensions	12.95	16.79	13.15	20.49	7.47	10.33	15.64	12.73	15.65	11.34	7.23	10.94	7.24	8.48	12.16
Other/Unknown income component	2.45	13.37	10.31	5.83	4.48	0.99	2.38	3.73	3.03	5.92	1.92	10.79	2.65	21.49	8.31
1.1.3 Demographic events	1.95	3.15	1.94	2.09	1.42	1.71	2.71	0.84	1.89	4.53	5.88	3.25	1.90	4.33	2.50
Union	0.10	0.26	0.59	0.41	0.08	0.10	0.19	0.28	0.05	0.01	0.21	0.92	0.01	0.45	0.28
Member moving in	0.39	1.46	0.21	1.62	0.53	0.99	1.06	0.21	0.33	1.05	2.46	0.76	0.54	1.90	0.83
Birth	0.70	1.08	0.80	0.00	0.41	0.32	1.05	0.23	0.75	2.42	1.62	0.22	0.66	1.46	0.88
Rise in needs	0.76	0.35	0.33	0.00	0.35	0.14	0.41	0.12	0.76	1.05	0.81	1.20	0.57	0.52	0.49
Other demographic event	0.00	0.00	0.01	0.06	0.05	0.16	0.00	0.00	0.00	0.00	0.78	0.15	0.12	0.00	0.02
1.2 Different head	1.30	0.65	0.89	1.15	0.78	0.83	1.44	5.47	0.59	0.14	2.94	0.40	0.63	2.39	1.20
Divorce	0.10	0.51	0.71	0.14	0.29	0.15	0.42	0.90	0.27	0.00	1.08	0.19	0.03	1.02	0.50
Death	0.09	0.00	0.00	0.00	0.06	0.17	0.00	0.12	0.22	0.06	0.27	0.00	0.14	0.13	0.09
Other	1.11	0.14	0.18	1.01	0.43	0.51	1.02	4.45	0.10	0.08	1.59	0.21	0.46	1.24	0.61
2. Different household	3.24	2.56	5.87	10.57	1.26	0.96	5.77	11.57	1.52	2.20	2.43	4.10	2.41	6.73	4.20
2.1 Old household	0.02	0.18	0.07	0.31	0.05	0.03	0.16	0.96	0.00	0.20	0.00	0.38	0.04	0.91	0.25
2.2 New household	3.22	2.38	5.80	10.26	1.21	0.93	5.61	10.61	1.52	2.00	2.43	3.72	2.37	5.82	3.95
Union	0.13	0.18	1.03	0.34	0.27	0.20	0.27	0.30	0.37	0.09	0.10	0.18	0.52	0.15	0.43
Divorce	0.00	0.90	0.63	0.90	0.01	0.02	0.40	0.24	0.18	0.04	1.03	0.35	0.52	0.14	0.28
Child leaving parental hh	2.37	0.75	3.02	7.49	0.27	0.48	3.64	6.51	0.47	0.95	0.72	2.56	0.00	4.42	2.33
Other demographic event	0.72	0.55	1.12	1.53	0.66	0.23	1.30	3.56	0.50	0.92	0.58	0.63	1.33	1.11	0.91
3. Poverty line effect	0.00	0.29	0.00	0.00	0.16	0.02	0.22	0.00	0.24	1.14	0.15	0.24	0.00	0.22	0.17
Number of spells	1,352	1,464	2,717	1,196	5,315	4,162	3,149	1,181	5,015	2,359	687	1,907	3,380	3,090	36,974

Source: ECHP UDB (Dec 2003 - 2nd issue)

Table 10 – Events Associated with Poverty Exits (2 types of events)

Associated Event	Country														
	A	B	D	DK	E	EL	F	FIN	I	IRL	L	NL	P	UK	_EU
1. Same household	97.22	97.34	97.46	92.47	98.30	98.87	96.95	91.92	98.43	98.61	99.04	98.91	98.48	93.96	97.09
1.1 Same head	93.69	93.96	92.15	88.54	95.60	95.63	91.19	84.04	96.11	95.84	91.20	94.84	94.98	87.48	92.72
1.1.1 Income events (increase in:)	88.55	88.74	88.09	82.00	93.51	93.91	83.12	75.04	93.70	90.30	81.28	90.71	88.66	82.66	88.40
Head's labour earnings	30.50	27.87	24.05	28.96	45.76	48.42	27.99	37.11	39.56	43.76	21.80	36.21	31.42	15.79	31.03
Spouse's labour earnings	17.70	6.74	10.60	9.53	8.66	7.88	10.71	13.63	9.26	8.92	15.91	10.99	14.54	9.58	9.97
Offspring's labour earnings	9.25	3.05	5.07	2.43	9.19	8.26	7.15	3.45	8.68	10.05	10.82	4.04	10.96	3.24	6.63
Others' labour earnings	1.90	0.21	0.29	0.44	2.25	0.48	0.71	0.14	0.87	0.11	1.56	0.52	2.47	1.14	0.98
Non-work private income	4.37	9.74	4.97	8.40	5.04	7.41	4.73	5.05	4.54	2.73	4.43	2.08	3.86	3.45	4.70
Social benefits	11.98	16.64	20.07	13.68	12.97	7.09	17.83	10.85	12.60	12.97	24.01	15.26	11.39	18.50	15.72
Pensions	10.82	14.22	15.60	14.75	5.77	13.22	11.30	2.82	14.47	4.48	1.97	10.86	7.71	7.94	11.10
Other/Unknown income component	2.03	10.27	7.44	3.81	3.87	1.15	2.70	1.99	3.72	7.28	0.78	10.75	6.31	23.02	8.27
1.1.2 Demographic events	5.14	5.22	4.06	6.54	2.09	1.72	8.07	9.00	2.41	5.54	9.92	4.13	6.32	4.82	4.32
Divorce	0.36	0.11	0.40	0.49	0.07	0.02	0.55	1.60	0.04	0.00	0.71	0.15	0.00	0.27	0.25
Death	0.86	0.74	0.60	1.41	0.60	0.47	0.61	2.15	0.30	0.68	0.92	0.00	3.31	0.64	0.64
Member moving out	3.92	4.37	3.06	4.64	1.42	1.23	6.91	5.25	2.05	4.86	8.29	3.98	2.85	3.91	3.42
Other demographic event	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.16	0.00	0.01
1.2 Different head	3.53	3.38	5.31	3.93	2.70	3.24	5.76	7.88	2.32	2.77	7.84	4.07	3.50	6.48	4.37
Divorce	0.82	1.14	0.64	0.40	0.10	0.24	0.88	0.84	0.10	0.60	1.67	0.52	0.65	1.00	0.55
Death	2.40	1.90	4.14	2.37	2.07	1.97	3.18	3.80	2.08	1.78	3.48	0.00	2.24	2.55	2.62
Other	0.31	0.34	0.53	1.16	0.53	1.03	1.70	3.24	0.14	0.39	2.69	3.55	0.61	2.93	1.20
2. Different household	2.52	2.39	2.39	6.82	1.45	1.10	2.98	7.70	1.57	1.39	0.62	1.09	1.23	6.04	2.82
2.1 Old household	0.67	0.34	1.40	3.14	0.30	0.17	1.31	1.69	0.05	0.58	0.25	0.63	0.52	4.28	1.41
2.2 New household	1.85	2.05	0.99	3.68	1.15	0.93	1.67	6.01	1.52	0.81	0.37	0.46	0.71	1.76	1.41
Union	0.05	0.17	0.06	0.15	0.12	0.22	0.15	0.26	0.30	0.16	0.00	0.07	0.31	0.03	0.14
Divorce	0.20	0.37	0.22	0.80	0.02	0.05	0.59	2.15	0.04	0.00	0.00	0.00	0.06	0.23	0.21
Child leaving parental hh	0.25	0.43	0.20	0.38	0.09	0.31	0.34	0.43	0.09	0.07	0.11	0.02	0.00	0.50	0.24
Other demographic event	1.35	1.08	0.51	2.35	0.92	0.35	0.59	3.17	1.09	0.58	0.26	0.37	0.34	1.00	0.82
3. Poverty line effect	0.26	0.27	0.15	0.71	0.25	0.03	0.07	0.38	0.00	0.00	0.34	0.00	0.29	0.00	0.09
Total demographic effect	11.19	10.99	11.76	17.29	6.24	6.06	16.81	24.58	6.30	9.70	18.38	9.29	11.05	17.34	11.51
Total income effect	88.55	88.74	88.09	82.00	93.51	93.91	83.12	75.04	93.70	90.30	81.28	90.71	88.66	82.66	88.40
Poverty line effect	0.26	0.27	0.15	0.71	0.25	0.03	0.07	0.38	0.00	0.00	0.34	0.00	0.29	0.00	0.09
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of spells	1,411	1,485	2,996	1,033	5,560	4,118	3,019	814	5,599	2,036	734	2,033	4,023	3,204	38,065

Source: ECHP UDB (Dec 2003 – 2nd issue)

Table 11 – Events Associated with Poverty Exits (3 types of events)

Associated Event	Country														
	A	B	D	DK	E	EL	F	FIN	I	IRL	L	NL	P	UK	_EU
1. Same household	97.22	97.34	97.46	92.47	98.30	98.87	96.95	91.92	98.43	98.61	99.04	98.91	98.48	93.96	97.09
1.1 Same head	93.69	93.96	92.15	88.54	95.60	95.63	91.19	84.04	96.11	95.84	91.20	94.84	94.98	87.48	92.72
1.1.1 Employment events	24.12	13.89	19.24	19.39	31.63	19.90	20.27	21.46	20.81	39.17	10.94	26.17	28.22	17.51	21.92
Head	9.21	4.92	10.69	9.01	8.66	5.12	7.07	14.64	4.67	18.08	3.87	12.74	7.95	8.73	8.09
Spouse	7.13	4.69	4.36	3.73	5.95	6.60	6.36	4.03	3.64	8.58	3.07	6.56	9.20	4.26	5.12
Offspring	5.01	4.28	4.18	6.65	15.93	8.03	6.84	2.79	11.85	12.43	4.00	6.67	10.26	4.41	8.34
Others	2.77	0.00	0.01	0.00	1.09	0.15	0.00	0.00	0.65	0.08	0.00	0.20	0.81	0.11	0.37
1.1.2 Income events (increase in:)	64.43	74.85	68.85	62.61	61.88	74.00	62.86	53.57	72.89	51.13	70.34	64.54	60.44	65.15	66.48
Head's labour earnings	22.04	23.04	15.72	14.88	30.02	38.81	20.56	24.12	31.65	22.91	17.05	25.27	20.63	9.67	21.88
Spouse's labour earnings	11.83	5.84	7.58	7.77	5.20	5.03	6.30	10.00	5.37	3.17	13.76	5.06	10.11	6.07	6.30
Offspring's labour earnings	4.71	2.46	2.61	2.01	5.54	5.43	3.69	1.59	5.39	5.68	8.61	1.20	6.87	1.93	3.84
Others' labour earnings	0.71	0.21	0.29	0.28	1.11	0.34	0.65	0.08	0.63	0.02	1.57	0.43	1.98	0.77	0.65
Non-work private income	3.96	8.46	4.50	8.40	4.14	6.34	4.13	5.05	4.27	1.46	4.44	1.95	3.34	2.99	4.17
Social benefits	9.91	13.93	17.45	11.26	8.82	6.31	14.77	9.20	10.62	8.17	22.47	12.17	7.96	16.42	13.02
Pensions	9.86	12.36	13.86	14.43	4.27	10.68	10.84	2.24	12.78	3.98	1.97	10.10	5.77	7.59	9.87
Other/Unknown income component	1.41	8.55	6.84	3.58	2.78	1.06	1.92	1.29	2.18	5.74	0.47	8.36	3.78	19.71	6.75
1.1.3 Demographic events	5.14	5.22	4.06	6.54	2.09	1.73	8.06	9.01	2.41	5.54	9.92	4.13	6.32	4.82	4.32
Divorce	0.36	0.11	0.40	0.49	0.07	0.02	0.55	1.61	0.04	0.00	0.71	0.15	0.00	0.27	0.25
Death	0.86	0.74	0.60	1.41	0.60	0.47	0.61	2.15	0.30	0.68	0.92	0.00	3.31	0.64	0.64
Member moving out	3.92	4.37	3.06	4.64	1.42	1.24	6.90	5.25	2.05	4.86	8.29	3.98	2.85	3.91	3.42
Other demographic event	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.16	0.00	0.01
1.2 Different head	3.53	3.38	5.31	3.93	2.70	3.24	5.76	7.88	2.32	2.77	7.84	4.07	3.50	6.48	4.37
Divorce	0.82	1.14	0.64	0.40	0.10	0.24	0.88	0.84	0.10	0.60	1.67	0.52	0.65	1.00	0.55
Death	2.40	1.90	4.14	2.37	2.07	1.97	3.18	3.80	2.08	1.78	3.48	0.00	2.24	2.55	2.62
Other	0.31	0.34	0.53	1.16	0.53	1.03	1.70	3.24	0.14	0.39	2.69	3.55	0.61	2.93	1.20
2. Different household	2.52	2.39	2.39	6.82	1.45	1.10	2.98	7.70	1.57	1.39	0.62	1.09	1.23	6.04	2.82
2.1 Old household	0.67	0.34	1.40	3.14	0.30	0.17	1.31	1.69	0.05	0.58	0.25	0.63	0.52	4.28	1.41
2.2 New household	1.85	2.05	0.99	3.68	1.15	0.93	1.67	6.01	1.52	0.81	0.37	0.46	0.71	1.76	1.41
Union	0.05	0.17	0.06	0.15	0.12	0.22	0.15	0.26	0.30	0.16	0.00	0.07	0.31	0.03	0.14
Divorce	0.20	0.37	0.22	0.80	0.02	0.05	0.59	2.15	0.04	0.00	0.00	0.00	0.06	0.23	0.21
Child leaving parental hh	0.25	0.43	0.20	0.38	0.09	0.31	0.34	0.43	0.09	0.07	0.11	0.02	0.00	0.50	0.24
Other demographic event	1.35	1.08	0.51	2.35	0.92	0.35	0.59	3.17	1.09	0.58	0.26	0.37	0.34	1.00	0.82
3 .Poverty line effect	0.26	0.27	0.15	0.71	0.25	0.03	0.07	0.38	0.00	0.00	0.34	0.00	0.29	0.00	0.09
Number of spells	1,411	1,485	2,996	1,033	5,560	4,118	3,019	814	5,599	2,036	734	2,033	4,023	3,204	38,065

Source: ECHP UDB (Dec 2003 - 2nd issue)

Notes for tables 8-11:

1. All spell beginnings/endings observed in the unbalanced ECHP sample for waves 1-7, including the censored spells have been used, apart from those spell beginnings/endings that were caused due to a decrease/decline of income, less than 5% under/over the poverty line.
2. All incomes have been averaged in relation to the national mean of the year in question.
3. All cases have been weighted using the cross-sectional weights, while for calculating the EU figures, the cases have been weighted using both the cross-sectional weights and the grossing-up factor (country population/sample size).