

## 4. Economic well-being<sup>1</sup>

The indicators relating to the Economic well-being domain<sup>2</sup> largely show an improvement compared to the previous year and, in some cases, compared to 2019 as well. The only exception is the absolute poverty indicator<sup>3</sup>, which remains broadly stable between 2022 and 2023 – due to the inflationary dynamics that have led to a loss of purchasing power for families – although it worsens compared to the pre-pandemic situation<sup>4</sup> (Table 1).

In 2023, the Italian economy grows by 0.9%, slowing down compared to 2022 (4.0%). The growth was mainly driven by domestic demand net of inventories, with consumptions and investments contributing in equal measure. From the point of view of the supply of goods and services, value added grows in constructions and in many tertiary sectors, while it falls in agriculture, in all mining and manufacturing undertakings, and in the rest of industrial activities. The growth in production activity was accompanied by an expansion of labour input and incomes<sup>5</sup>.

In 2023, gross disposable income per capita is 14.9% higher than in 2019, exceeding the levels prior to the pandemic crisis.

The latest available data<sup>6</sup> shows that the average income of families (EUR 33,798) started to grow again in 2021 both in nominal terms (+3%) and in real terms (+1%).

As the economy recovers from the severe contraction in 2020, the number of people in severe material and social deprivation decreases significantly<sup>7</sup> (4.5% in 2022 compared to 5.9% in the previous year), as does the population living in very low work-intensity households (9.8% as opposed to 10.8% in 2021), and the population in with severe housing deprivation, which is only slightly higher than before *COVID* (5.2% compared to 5.9% in 2021 and 5.0% in 2019). Compared to previous years, the housing cost overburden indicator, which is hardly sustainable for 6.6% of the population (7.2% in 2021 and 8.7% in 2019), also decreases.

1 This Chapter was edited by Clodia Delle Fratte and Francesca Lariccia, with contributions from Alessandro Brunetti, Claudia Cicconi, Stefania Cuicchio, Valeria de Martino, Daniela Lo Castro, Alessandra Milani and Carmela Squarcio. The box headed “The loss of purchasing power in the last five years” is edited by Francesca Ribaldi and the “Income support measures during the pandemic” box by Isabella Siciliani.

2 In this edition, no regard has been paid to the *Net average wealth per capita* indicator, for which no updated data differing from the previous edition is available.

3 The data set out in this report was processed on the basis of the estimate methodology defined within the scope of an ad hoc National Study Commission, chaired by the President of Istat and made up of representatives from the academic world, the Bank of Italy, experts from various bodies and from Istat. The 2021 data herein included differs from that which, again by reference to 2021, was published in the 2021 BES report. The new 2021 data is in fact reconstructed by taking into account the updated methodology for estimating absolute poverty and incorporates both the new developments introduced by the latest version of the classification of household consumption (COICOP 2018), adopted in the Survey on expenditure starting from 2022, and the reconstruction of population issued pursuant to the results of the permanent Istat population census.

4 To be able to grasp aspects of the economic hardship that cannot be explained merely by reference to the income or consumption level, the Economic well-being domain also includes non-monetary indicators, such as severe material and social deprivation, severe housing deprivation, great difficulty in making ends meet, very low work intensity and the economic situation of the household.

5 See the Press Release: <https://www.istat.it/it/archivio/294373> (in Italian).

6 For the 2022 Eu-Silc Survey 2021 income, see the Press Release: <https://www.istat.it/it/archivio/285632> (in Italian).

7 In accordance with the objectives of the Europe 2030 Strategy, from 2022 survey onwards the new indicators “Severe material and social deprivation rate - Europe 2030” and “Very low work intensity - Europa 2030” are disseminated instead of the old indicators “Severe material deprivation rate” and “Very low work intensity”. The old and new indicators are not comparable inter se. To allow a comparison with the year t-1, the new indicators have also been reconstructed for the 2021 survey.

In 2021, the disposable income inequality index decreases compared to the previous year, settling at a value of 5.6 (-5.1%, it was 5.9 in 2020), a level slightly below that observed in 2019 (5.7). The impact of income support measures (ordinary instruments – Citizenship Income – and extraordinary ones – emergency transfers) introduced to reduce poverty and inequality levels, was particularly relevant during the pandemic: without transfers to households, in 2021 the inequality index would have been 6.4, much higher than observed. The share of people at risk of poverty remains broadly stable compared to the three preceding years, at 20.1% in 2022.

The economic recovery also has a significant impact on the way households perceive their condition, to the extent that it reverses the negative trend recorded for some indicators since the beginning of the pandemic. The share of those who stated that their economic situation has worsened compared to previous year, 25.8% in 2019, grows in the following three years to reach 35.1% in 2022, an unprecedented level, before falling in 2023 (33.9%). The negative trend is also reversed for the share of people stating that have great difficulty making ends meet: from 8.2% in 2019 to 9.1% in 2021, it falls in 2022 settling at 6.9%, a figure also better than in 2019.

The situation is different when it comes to absolute poverty: the historical series of data reconstructed according to the new estimate methodology actually shows an increase in individual incidence from 7.6% of 2019. This figure was down from 2018 largely due to the introduction of the Citizenship Income, from which around one million households had benefited since the second quarter of 2019. In 2020, the individual incidence of absolute poverty jumps to 9.1% and remains stable in 2021. In addition to the economic crisis, the dynamics of the two-year pandemic period were influenced by the restrictive measures that affected the fall in consumption and the spending behaviour of households during the most difficult months of the pandemic. In 2022, the incidence resumed its growth, climbing eventually to 9.7%, largely due to the sharp acceleration in inflation which hits less well-off households harder. Indeed, their expenditure has not kept pace with price increases, including those for essential goods and services accounted in the absolute poverty basket. In 2023, according to preliminary estimates, the individual incidence remains substantially stable compared to the previous year (9.8%).

**Table 1. Economic well-being indicators: value for the latest available year and percentage changes compared to the previous year and 2019**

INDICATORS	Year	Value	Unit of measurement	Polarity	Percentage changes	
					compared to the previous year	compared to 2019
Gross disposable income per capita	2022	21,089	Euro	+		
Disposable income inequality (s80/s20)	2021	5.6		-		
People at risk of poverty	2022	20.1	%	-		
Absolute poverty (incidence) (a)	2023	9.8	%	-		
Severe material and social deprivation rate - Europe 2030 (b)	2022	4.5	%	-		
Severe housing deprivation	2022	5.2	%	-		
Great difficulty in making ends meet	2022	6.9	%	-		
Very low work intensity - Europe 2030 (b)	2022	9.8	%	-		
Housing cost overburden rate	2022	6.6	%	-		
Economic situation of the household	2023	33.9	%	-		

Source: Istat, Bes Indicators

Note: The green colour indicates improvement, red worsening and grey stability, taking into account the polarity of the indicator. The indicators have positive polarity if the increase in their value shows an improvement in well-being, negative polarity if the increase in their value shows a deterioration in well-being. For variations within  $\pm 1\%$  the indicators are considered stable in the reference period.

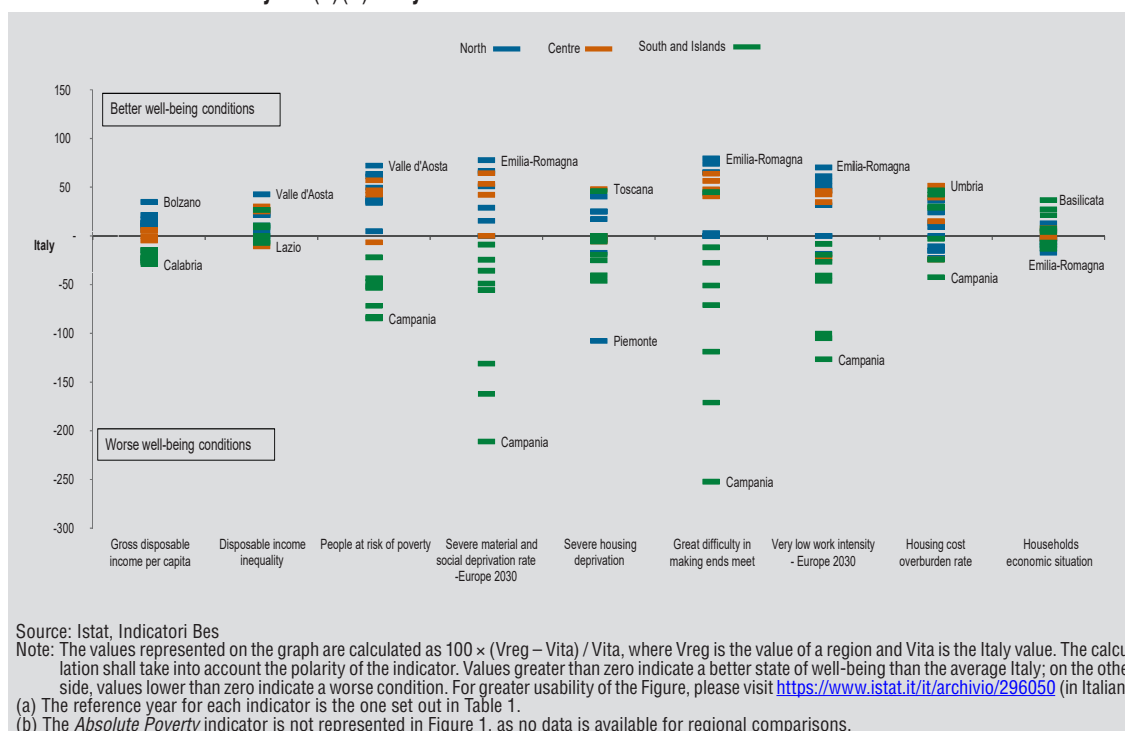
(a) Preliminary estimates. One should bear in mind that the percentage change from the previous year (2023-2022) is not statistically significant.

(b) 2019 not available.

From a territorial point of view, the indicators of the Economic well-being show a marked heterogeneity (Figure 1). Comparing the distance for the region or autonomous province from the national value for each indicator of the domain, it can be seen that Northern and Central regions have generally better conditions than the Italian average. The only exception is Basilicata, where only 21.4% say their economic situation has worsened compared with the previous year, compared with the national average of 33.9%. Emilia-Romagna is the region that most frequently shows better results than the Italian average; the widest range of variation is observed for the indicator of great difficulty in making ends meet which concerns 1.4% of people of those resident in Emilia-Romagna compared to 24.3% of those resident in Campania (6.9% in Italy). Conversely, the regions of the South and Islands, with a few exceptions, are often characterised by the most disadvantaged positions, especially in terms of the indicators of great difficulty in making ends meet and conditions of severe material and social deprivation. Campania is the region that records the most critical values, with the widest distance from the national figure (252%) for the indicator of great difficulty in making ends meet, which affects 24.3% Campania's inhabitants.

A more reduced territorial variability is detected for the indicators of disposable income inequality (for which the lowest value is observed in Lazio) and gross disposable income per capita (for with the best value is observed in the province of Bolzano).

**Figure 1. Economic well-being indicators: percentage differences between regional values and the Italian value. Latest available year (a)(b). Italy = 0**



### Disposable household income shows signs of recovery

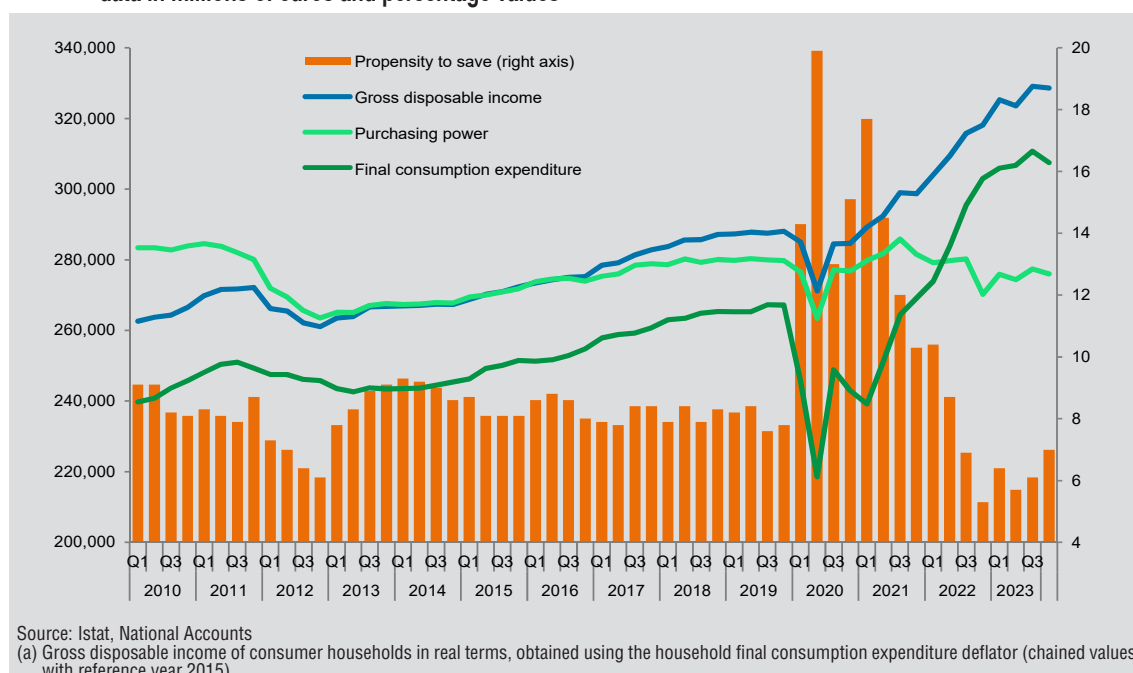
In the first quarter of 2023, the gross disposable income of consumer households increases by 2.2% in nominal terms and 2.1% in real terms, only marginally affected by the rise in price (+0.1% the increase in the implicit household consumption

deflator), while the final consumption expenditure increases, in nominal terms, by 1.0% (Figure 2). The propensity to save on the part of households, while continuing to decline in terms of trend, recorded for the first time an increase by 1.1 percentage points compared to the previous quarter, after several quarters of decline, settling at 6.4%.

In the second quarter, the disposable income of consumer households fell by 0.5% compared to the previous quarter, while consumptions rose by 0.3%. The increase in final consumption expenditure is reflected in a decline in the propensity to save, which, already below pre-*COVID* levels for several quarters, dropped by 0.7 percentage points compared to the previous quarter, settling at 5.7%. While the prices remained substantially stable, the purchasing power of households decreased by 0.6% compared to the previous quarter. In the third quarter, the disposable income of consumer households increased by 1.7% compared to the previous quarter, while consumptions increased by 1.3%. Household purchasing power, continues to recover after the sharp fall in the fourth quarter of 2022, rising by 1.1% compared to the preceding quarter. This recovery, which started in the first quarter of 2023, was interrupted by the slight decline in the following quarter; the same trend is observed for the propensity to save, which stands at 6.1%, up 0.4 percentage points on the previous quarter.

The fourth quarter of 2023 is the one that breaks the long sequence of negative trend variations in the propensity to save, as many as 10, standing at 7.0%, up compared to the previous quarter (+0.9 percentage points). In the last quarter of the year, the economic dynamics of the indicator implies a stronger decline in household consumption expenditure than in disposable income (-1.0% and -0.1% respectively in nominal terms). The purchasing power fell by 0.5% compared to the preceding quarter, showing a positive trend, for the first time since the first quarter of 2022. However, both the propensity to save and the purchasing power remain well below pre-*COVID* levels.

**Figure 2. Propensity to save (right-hand scale), gross disposable income (a), purchasing power, final consumption expenditure of consumer households (left-hand scale). I quarter 2010 – IV quarter 2023. Seasonally adjusted data in millions of euros and percentage values**



### The loss of purchasing power over the last five years<sup>1</sup>

After a period characterised by low inflation, with an average annual change of +0.6% in 2019 and even a negative change in 2020, the pace of consumer price growth gradually picks up in 2021, with a sharp acceleration in the following year. In 2022, in fact, consumer prices rise by an average of 8.1% per year, the highest increase since 1985 (when it was +9.2%), with a peak in the fourth quarter (+11.7%). After the period of rapidly rising inflation comes to an end, prices pressures in 2023 turned out to be quite moderate overall; over the course of the year, inflationary dynamics were rapidly reduced, falling to 0.6% in December (+5.7% the average annual growth in 2023). In the first two months of 2024, the trend rate of price change remains at very low levels (below 1%).

The strong inflationary push, starting in 2021 and culminated in 2022, was driven by the rising cost of agricultural commodities and, in particular, by the increase in oil and natural gas prices which had an impact on several consumer goods and services; the price increase phase has involved an increasingly larger number of products with an ever increasing weight.

Inflation decelerated rapidly in 2023, but this deceleration did not allow the effects of the previous acceleration phase to recover and cancel out. If we look at the cumulative effect of the inflation cycle over the period from 2019 (the year before the health crisis) to 2023, we see that the permanent effects are rather large and concentrated in specific sectors of the basket. From 2019 to 2023, the average level of the consumer price index (CPI) records an increase by 16.2%, with significant differences between the different areas of expenditure. The largest change, almost three times that of the general index, is that of Housing, water, electricity, gas and other fuels, with an increase by 45% mainly due to the prices dynamics of Energy goods. Also significantly above the overall index are Foods and non-alcoholic beverages, with a cumulative increase by 22.5%; they are followed by Transports and Hospitality and Catering Services, with average cumulative changes in line with the overall index (+16.5% and +16.3% respectively). The remaining basket sectors show increasingly smaller average changes, all the way down to the Communications division that records a price decrease of 10.1%.

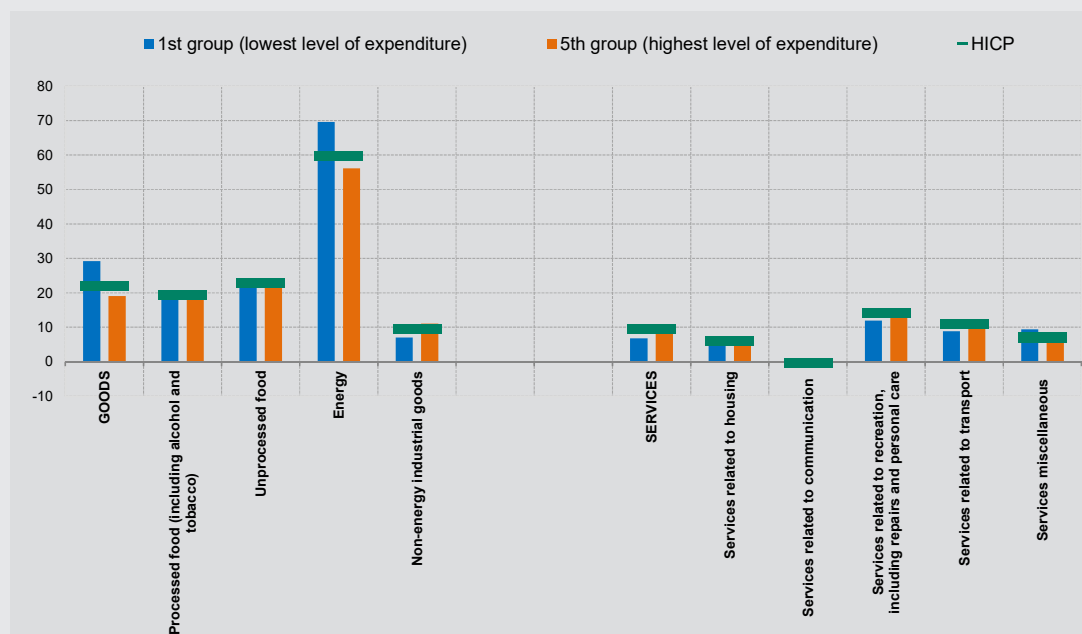
Overall, therefore, the permanent effects of the price increases have been quite significant: the purchasing power of money and thus household incomes reduced, with a negative impact also on savings. Furthermore, the increases have concentrated in certain sectors of the basket, which has meant that the impact on the population has also been diversified; the poorest segments of the population have suffered most, due to the different percentage composition of their consumption expenditure.

In order to assess the different effects of inflation on households according to their level of consumption, the population has been divided into five subgroups according to their equivalent expenditure: the first group includes households with the lowest level of equivalent expenditure, while the fifth group includes households with the highest such level.

<sup>1</sup> For further details, see the Press Release: [https://www.istat.it/it/files//2024/01/CS\\_Prezzi-al-consumo\\_Def\\_Dic2023.pdf](https://www.istat.it/it/files//2024/01/CS_Prezzi-al-consumo_Def_Dic2023.pdf) (in Italian).



Figure A. Italian harmonised consumer price index (HICP) by type of products and population expenditure subgroups. 2019-2023. Percentage changes



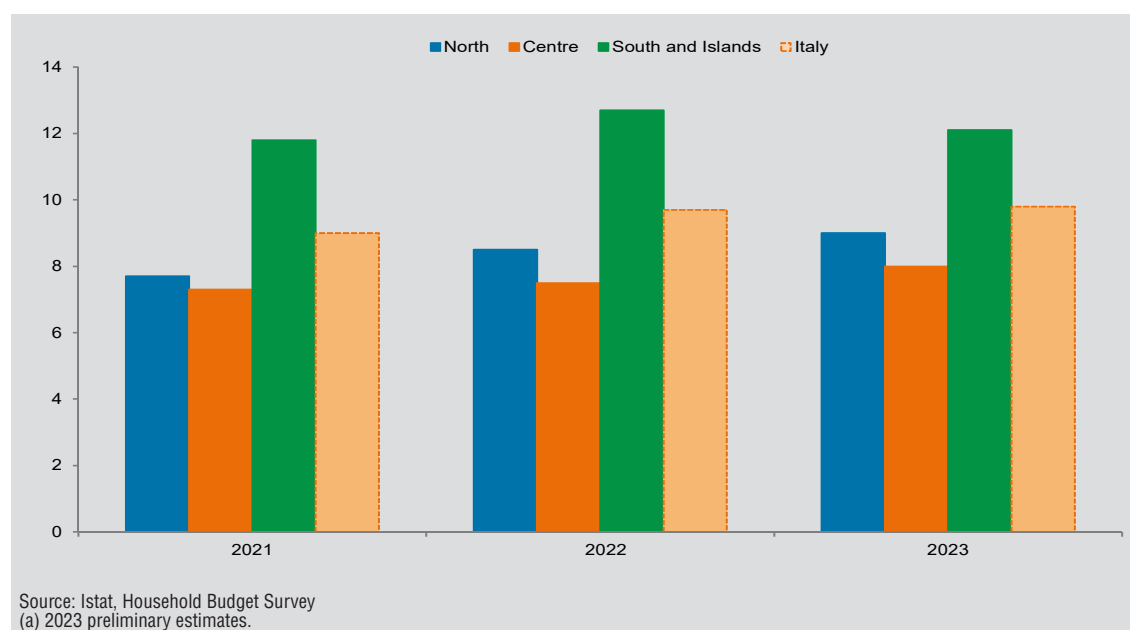
Source: Istat, Survey on consumer price

Over the period 2019-2023, the harmonised index of consumer prices (HICP) changed by 17.2%. The increase in inflation is generalised and affects all groups of households identified on the basis of their level of expenditure, but while for the population with a lower level of expenditure, and presumably more reduced economic resources, the cumulative increase in the index is 21.7%, for the last group of households the cumulative rate is 15.2% (Figure A). This is easily explained by the fact that the products that gave the greatest impetus to the inflation in its galloping phase are Energy Goods and Food, which absorb a larger share of the budget especially in households with lower expenditure levels. With the exception of 2020, energy products grew continuously over the period from +0.5% in 2019 to +14.3 in 2021, peaking in 2022 with a 51.3% rise, and then falling in 2023 to 1%. The cumulative increase over the five years is just under 60%. It follows that, during the period of maximum price increases, the inflation differential between the first and the last fifth of households was as high as 13.4 percentage points, as a result of energy goods accounting for between 13% and 16% of expenditure for households with a lower spending capacity, compared to 6-7% for those with a higher spending capacity. Another important item of expenditure, accounting for around a fifth of the budget of the poorest households, compared with just over 10% for the more affluent families, is Processed Foods, which is also experiencing a period of strong price increases, especially in 2023, with an increase by 19.3%. Conversely, Services, which account for a larger share of expenditure for households in the fifth group than for those in the first group, increase by 9.5%, therefore recording an overall more moderate price evolution.

### Absolute poverty substantially stable compared to 2022

According to preliminary estimates, households living in absolute poverty in Italy stand at 8.5% in 2023 (stable compared to the 8.3% in 2022 and up from the 7.7% in 2021), corresponding to around 5.7 million people (9.8%; stable compared to 9.7% in 2022 and up from 9.0% in 2021). The increase observed between 2021 and 2022 is largely due to the strong acceleration of the inflation (+8.7% the variation in the HICP index), the impact of which was particularly strong for the poorest households (+12.1% the annual change in prices estimated for the first fifth of households). In fact, despite strong growth in current terms, the consumption expenditure of this segment of the population, which also includes households living in absolute poverty, has not kept pace with inflation, resulting in a decrease by -2.5% in real terms in equivalent household expenditure. The incidence of individual absolute poverty by geographic breakdown remains highest in the South and Islands (from 11.8% in 2021 to 12.1% in 2023, peaking at 12.7% in 2022), while the North shows signs of worsening (from 7.7% in 2021 to 9.0% in 2023); the Centre confirms the lowest incidence values (7.3% in 2021, 7.5% in 2022 and 8.0% in 2023) (Figure 3). Preliminary estimates for 2023 confirm that large households have the highest absolute poverty levels (those with five and more components stand at 20.3%, reverting to the 2021 values), while the lowest level is discerned among households with two components. The presence of minor children continues to be the factor that most exposes households to hardship: the absolute poverty rate remains high for households with at least one minor child (12.0%, compared to 11.8% in 2022 and 11.0% in 2021); it increases with the number of minor children in the households and is significant for single-parent families with minors. In 2023, the incidence of individual absolute poverty for minors is 14.0%, the highest in the time series since 2014; the over-65s, instead, remain the population group with the least economic hardship, at 6.3%.

Figure 3. Individuals in absolute poverty by geographic area. Years 2021-2023 (a). Percentage values

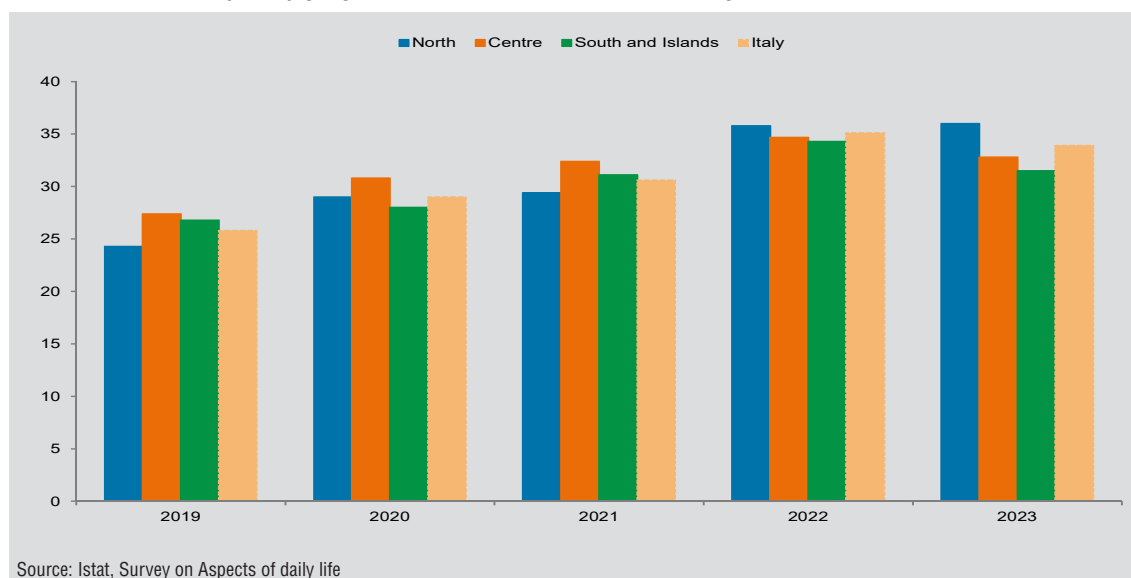


### Perception of the economic situation slightly on the rise in 2023

In 2023, for the first time since the beginning of the health crisis, the share of households reporting that their economic situation has worsened compared to the previous year drops (from 35.1% in 2022 to 33.9%), although it remains higher than the pre-pandemic levels (8.1 percentage points higher than in 2019) (Figure 4). This indicator had increased steadily since 2019 in all geographic areas.

At a territorial level, the decrease, compared to 2022, is mainly observed in the South and Islands (from 34.3% to 31.5%) while it is smaller in the Centre (from 34.7% to 32.8%). In the North, instead, the share of households reporting that their economic situation has worsened compared to the previous year remains higher (36.0%), fairly stable compared to 2022 (35.8%).

**Figure 4. Households reporting that the household economic situation has worsened or worsened a lot compared to the previous year by geographic area. Years 2019-2023. Percentage values**



### The new Europe 2030 indicators on the conditions of material and social deprivation and very low work intensity

The European Pillar of Social Rights proposes three EU-level targets<sup>8</sup> to be achieved within 2030 in the sectors of employment, skills and social protection, to guide national policies and reforms. To best capture the current socio-demographic situation in European countries, the AROPE indicator<sup>9</sup> remains the key monitoring tool in the coming years.

<sup>8</sup> The European Pillar of Social Rights sets out 20 fundamental principles and rights, which are divided into three categories: 1) equal opportunities and access to the labour market; 2) fair working conditions and 3) social protection and inclusion, with the aim of reducing the number of people at risk of poverty by 2030, including at least 5 million children.

<sup>9</sup> The Risk of poverty or social exclusion rate (AROPE) - Europe 2030 is the percentage of people who meet at least one of the following three conditions:

- 1) Live in households at risk of poverty;
- 2) Live in households in conditions of severe material and social deprivation (Europe 2030 indicator);
- 3) Live in households with low work intensity (Europe 2030 indicator).

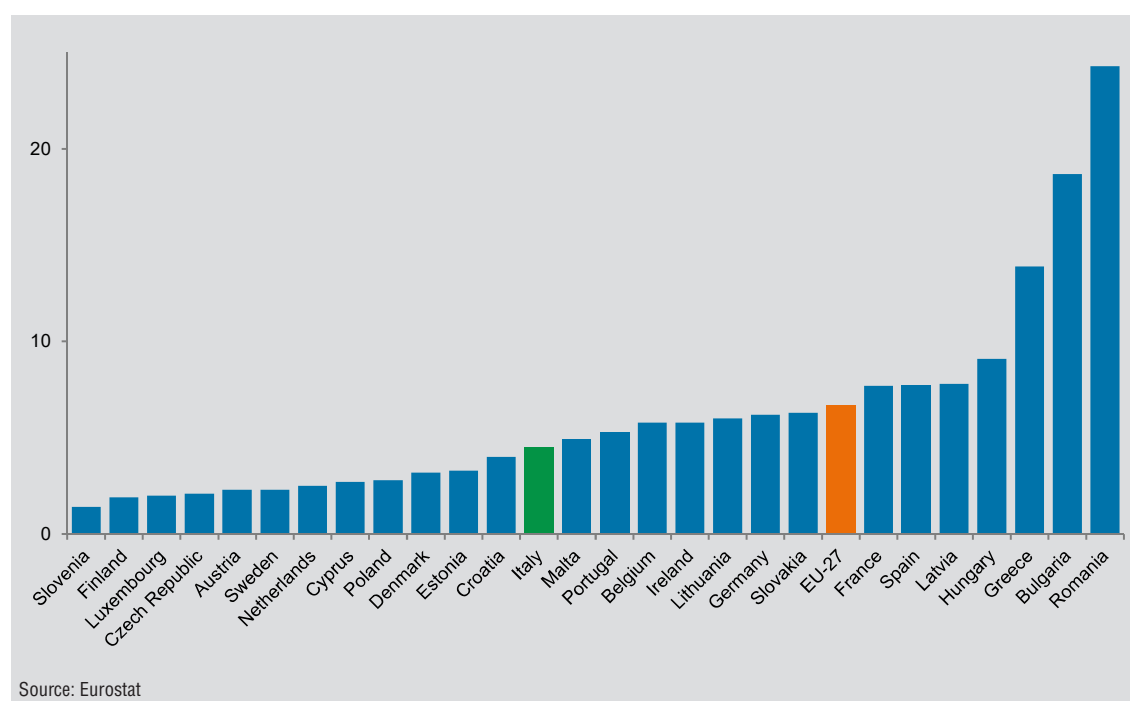


For this reason, the *Joint Report of the Employment Committee (EMCO) and of the Social Protection Committee (SPC)*, relying on the assessment of the previous Europe 2020 strategy, highlighted the need to review some components of the indicator, in particular material deprivation and low work intensity, while leaving the at-risk-of-poverty component unchanged.

The first indicator, defined on the basis of the presence of at least four out of nine symptoms of deprivation (and based on the presence in the dwelling of static elements such as TV, telephone and washing machine), has been replaced by the current “Material and social deprivation indicator – Europe 2030”. The new calculation is based on the presence of at least seven signs of material and social deprivation from a list of thirteen dimensions considered desirable or necessary for an adequate quality of life, with the aim of making the indicator more dynamic and capable to provide more details on the composition and intensity of the severity of the deprivation itself. In the new indicator, these signals relate both to the household as a whole (such as the capacity to face unexpected expenses or to keep the home adequately heated) and to specific individuals (such as the ability to afford regular leisure activities or to have an Internet connection at home)<sup>10</sup>.

In 2022, 4.5% of people in Italy are in conditions of material and social deprivation, compared to a European average of 6.7%. Among European Union countries, Romania (24.3%) and Bulgaria (18.7%) have the highest values of the indicator, far ahead of the other countries (Figure 5); Greece follows with around 14%. On the other hand, Slovenia and Finland are the countries where the share of people living in material and social deprivation is the lowest (below 2%).

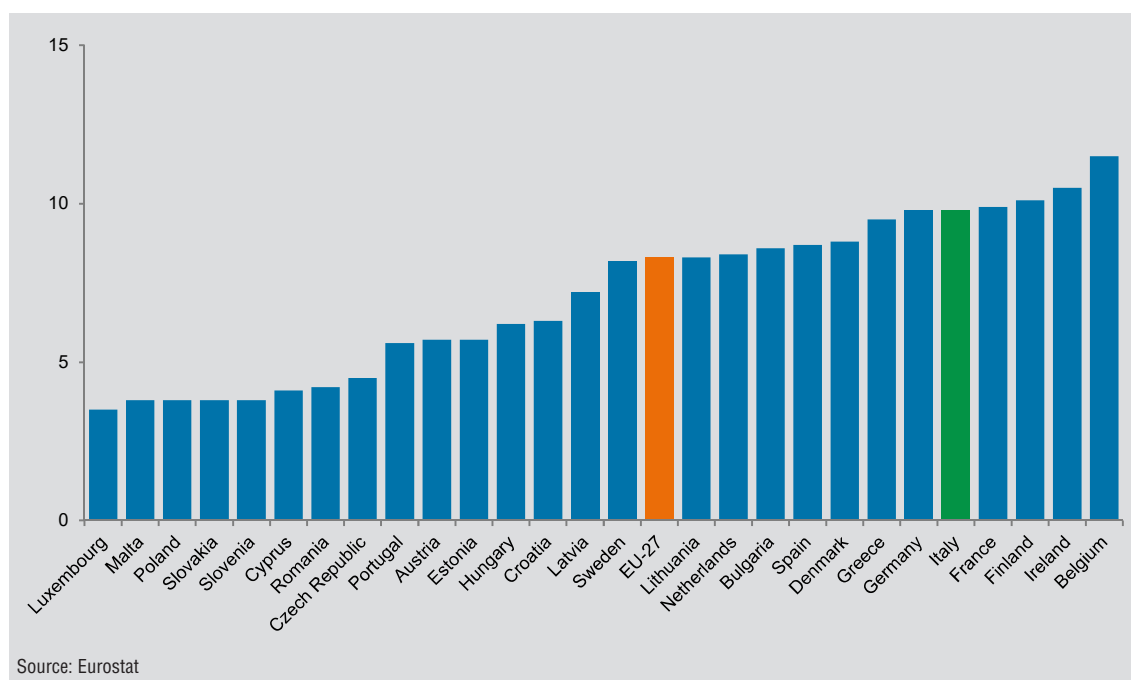
Figure 5. People in conditions of severe material and social deprivation – Europe 2030 for EU27 countries. Year 2022. Percentage values



<sup>10</sup> For the full list of signs of deprivation, see the description of the indicator in the section at the end of the Chapter.

Concerning low work intensity, the new Europe 2030 indicator maintains the objective of measuring the share of people living in households whose components have worked less than 20% of their potential. At the same time, however, several parameters have been modified, namely, the reference age, the threshold and the definition of pensioner, in order to adequately reflect current labour market characteristics. Among European Union countries, Belgium, Ireland and Finland have values of the indicator above 10% (11.5%, 10.5% and 10.1% respectively), compared to a European average of 8.03% (Figure 6). They are followed by France (9.9%), Italy and Germany (9.8%). Luxembourg, Malta, Poland, Slovakia and Slovenia are instead the countries with the lowest share of people in low work intensity (below 4%).

Figure 6. People in a condition of very low work intensity – Europe 2030 for EU27 countries. Year 2022. Percentage values



### Non-monetary indicators of living conditions improve, while income inequality is down

In 2022, all non-monetary indicators describing the living conditions of households show a significant improvement compared to the previous year.

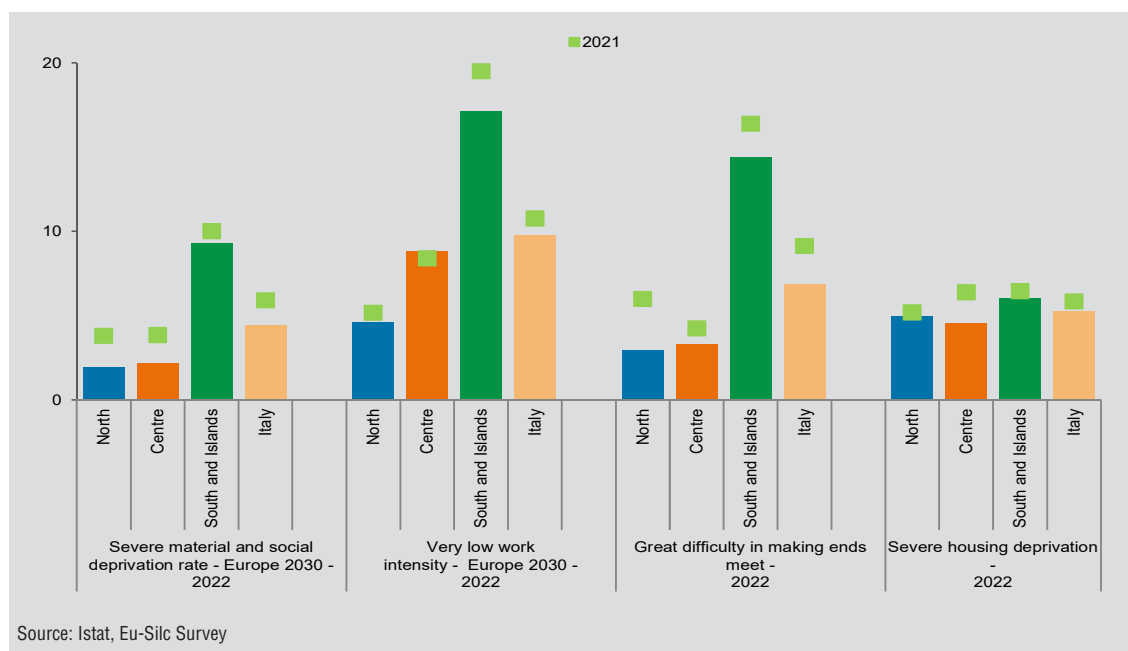
In particular, the share of people living in severe deprivation decreases from 5.9% in 2021 to 4.5% in 2022 (Figure 7). The share of people living in working-poor households also falls (from 10.8% in 2021 to 9.8% in 2022).

Furthermore, as already highlighted, there is an improvement in people's perception of their own economic situation: 6.9% of people, in fact, say that they have great difficulty in making ends meet, a lower share than both the previous year (9.1%) and the pre-*COVID* period (it was 8.2% in 2019). Housing conditions are also monitored at European level, in particular through an indicator to assess their adequacy.

In 2022, the percentage of people living in severe housing deprivation<sup>11</sup>, i.e. in overcrowded dwellings or in dwellings lacking certain services and with structural problems (ceilings, fixtures, etc.), also decreases compared to 2021 (from 5.9% to 5.2%) although it remains at a higher level than in 2019 (5.0%).

The general improvement in the non-monetary indicators observed at national level is also reflected in geographic breakdowns, although strong territorial disparities persist. The situation remains particularly critical in the South and Islands, where the share of people living in very low work-intensity households, although decreasing significantly (from 19.5% in 2021 to 17.1% in 2022), is still higher than in the rest of the country (Centre 8.8%, North 4.6%). Similarly, great difficulty in making ends meet is higher in the South and Islands (14.4% of individuals compared to 3.3% in the Centre and 2.9% in the North), although it is significantly lower than in 2021 (when it was 16.4%).

**Figure 7. Non-monetary indicators of living conditions by geographic area. Years 2021 and 2022. Percentage values**

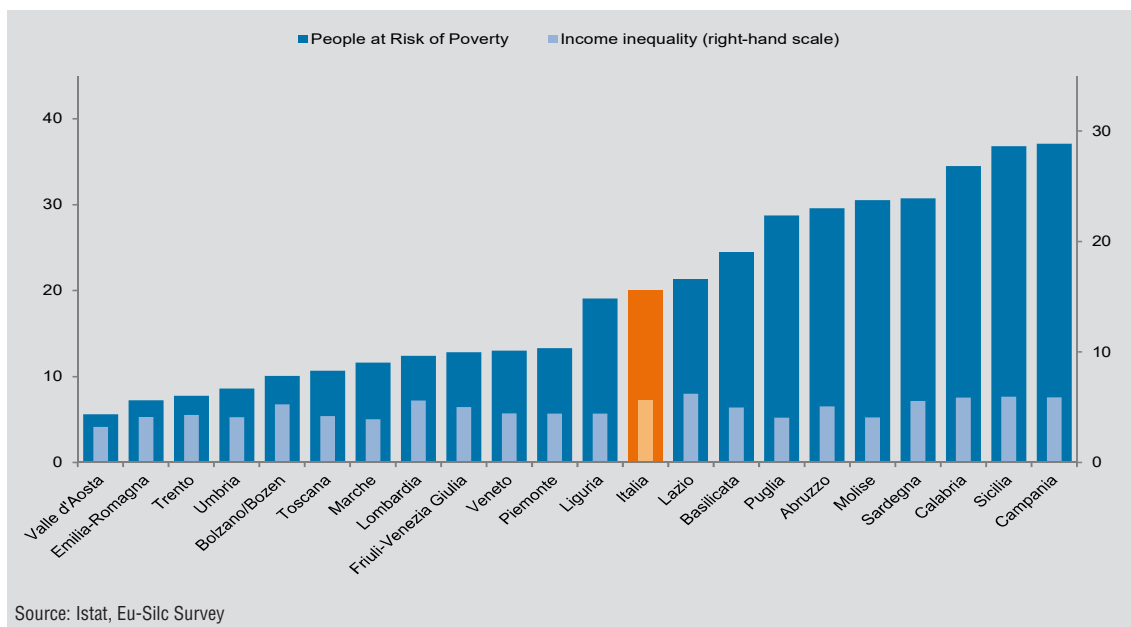


The “at-risk-of-poverty” indicator, calculated on the basis of 2021 income, also reveals marked territorial differences, compared to 20.1% of people with an equivalent disposable income below or equal to 60% of the median disposable income<sup>12</sup> observed at national level, this phenomenon affects around 37% of the population in Sicilia and Campania (Figure 8). In the southern regions, the higher poverty risk is also associated with higher values of the inequality index, i.e. the ratio between the income of the richest 20% of the population (S80) and that of the poorest 20% (S20), which exceeds the Italian average (5.6) in Calabria and Campania (5.9) and in Sicilia (6.0).

<sup>11</sup> In accordance with the methodology currently used by Eurostat, a dwelling is deemed overcrowded when it lacks a minimum number of rooms equal to: - a room for the family; - a room for each couple; - a room for each component aged 18 and over; - a room every two components of the same sex aged between 12 and 17 years; - a room every two components up to 11 years of age regardless of sex.

<sup>12</sup> The average equivalent income is estimated at EUR 11,155 (EUR 930 per month).

Figure 8. Income inequality (right-hand scale) and people at risk of poverty by region. 2022 survey year – 2021 incomes. S80/S20 income ratio and percentage values



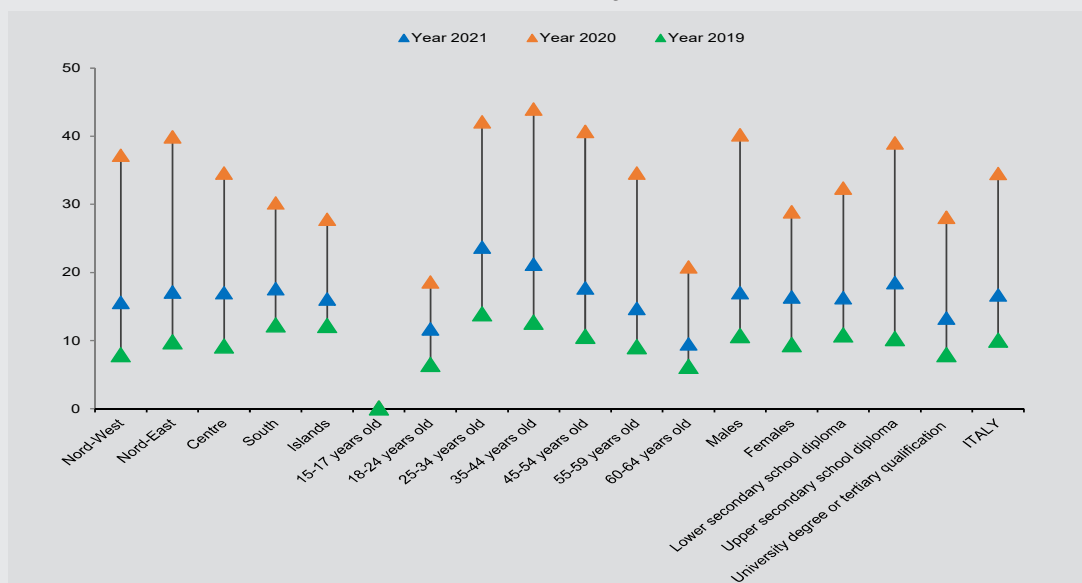
## INCOME SUPPORT MEASURES DURING THE PANDEMIC

The severe economic crisis that arose in 2020 and 2021 as a result of the health emergency induced by *COVID-19* was managed with a series of social safety nets and welfare support measures – in some cases designed on an ad hoc basis – that required the investment of a huge amount of public resources, amounting to around EUR 50 billion in 2020 alone<sup>1</sup>.

As regards benefits paid for job loss or job reduction<sup>2</sup>, which are part of the social protection function related to unemployment<sup>3</sup>, the beneficiaries increase from 10.0% of individuals aged 15-64 in 2019 to more than three times that percentage in 2020 (34.5%), before falling to 16.7% in 2021, still above the pre-pandemic level.

In 2020, when the safety net system reaches its peak of use, the highest shares of support measures were recorded among men (40.2%), 35-44 years-old (44.0%) and high school graduates (39.0%) (Figure B). At a territorial level, during the pandemic, the distribution of these benefits was greater, in central-northern regions than in southern ones, showing an opposite situation compared to the pre-*COVID* period: in 2020, in Marche 42% of 15-64 years-old made use of these social benefits, and the share also remains around 40% in Valle d'Aosta, the autonomous provinces of Bolzano and Trento, Veneto and Emilia Romagna. In the South and Islands, Abruzzo has the highest incidence (36%) and Sicily the lowest (26%).

**Figure B. Unemployment benefits recipients aged 15-64 by geographic area, age group, gender and education level. Years 2019-2021. Per 100 resident individuals aged 15-64**



Source: Istat, Income Statistical Register and Population Register

- 1 Inps, *Conoscere il Paese per costruire il futuro*. XXI Annual Report, Rome, Inps, 2022.
- 2 The analyses set out here have been supplemented by data from the Thematic Income Register (RTR) and the Basic Statistical Register of Individuals, Families and Cohabitations (RBI).
- 3 The analysis included the Redundancy Pay Fund (CIG), the New Social Insurance for Employment (NASpl), the *COVID* allowance for self-employed and atypical workers referred to in Decree-Law No.18/2020 as subsequently amended and supplemented, the *COVID* bonus for domestic workers and family collaborators mentioned in Decree-Law No. 34/2020, and early retirements.

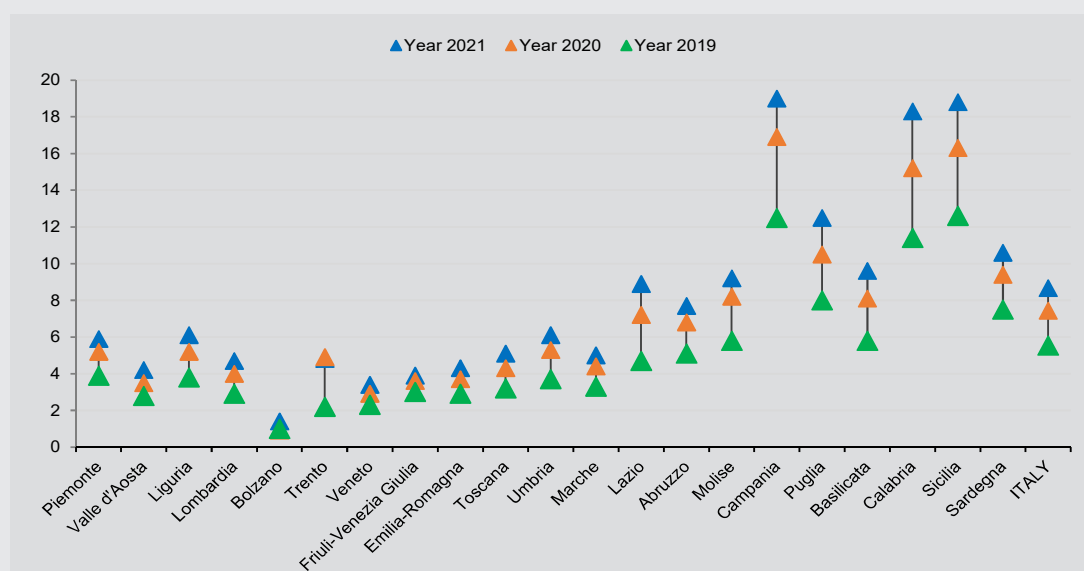


Transfers for protection against the risk of social exclusion<sup>4</sup> – intended for households in situations of severe economic hardship – also involved larger shares of beneficiaries during the pandemic years. While, 5.5% of households (1.5 million) received these subsidies in 2019, this share rose to 7.4% in 2020 and – in contrast to unemployment benefits – continue to rise to 8.7% in 2021.

In the pre-pandemic situation, the highest incidence of beneficiaries was observed in households where the reference person was up to 35 years old or had a low level of education (around 9% and 7% respectively); these are the households that suffered most the consequences of the health crisis, reaching shares of beneficiaries over 13% and 10% respectively in 2021.

At the territorial level, the provision of benefits to combat social exclusion is significant in the southern regions, where the largest increases are recorded during the health emergency (Figure C). In 2019, 13.0% of households in Sicilia and Campania received such benefits, followed by those in Calabria (11.4%). The incidence rose to around 16% in 2020 and more than 18% in 2021. At the other extreme are the autonomous provinces of Bolzano and Trento and Veneto, where at most 2 out of 100 households receive such subsidies in the pre-pandemic period. While in Bolzano the situation remained almost unchanged in the following two years, in Veneto the share of households receiving subsidies worsened and in Trento it even increased to 5%. Among central regions, Lazio has the highest incidence of assisted households (9% in 2021) and the highest increase in the number of households during the pandemic years.

**Figure C. Households receiving social exclusion benefits by region. Years 2019-2021. Per 100 resident households**



Source: Istat, Income Statistical Register and Population Register

<sup>4</sup> The analyses included the Citizenship Income and Pension referred to in Decree-Law No. 4/2019, the Emergency Income referred to in Decree-Law No. 34/2020 as subsequently amended and supplemented, the Inclusion Income referred to in art. 9 of Legislative Decree No. 147/2017, and the Shopping Card referred to in Decree-Law No. 112/2008.

### Indicators

1. **Gross disposable income per capita:** Ratio between gross disposable income of consumer households and the total number of residents (current prices).  
Source: Istat, National Accounts.
2. **Disposable income inequality (s80/s20):** Ratio of total equivalised income received by the 20% of the population with the highest income to that received by the 20% of the population with the lowest income.  
Source: Istat, Eu-Silc Survey.
3. **People at risk of poverty:** Share of population at risk of poverty, with an equivalised income less than or equal to 60% of the median equivalised income.  
Source: Istat, Eu-Silc Survey.
4. **Per capita net wealth:** Ratio of total net wealth of households to the total number of residents (in euros).  
Source: Bank of Italy, Financial accounts and household wealth (SHIW).
5. **Absolute poverty (incidence):** Ratio of people belonging to households with total consumption expenditure equal to or below the absolute poverty threshold value and total resident people.  
Source: Istat, Household Budget Survey.
6. **Severe material and social deprivation rate - Europe 2030:** Proportion of the population experiencing an enforced lack of at least 7 out of 13 deprivation items (6 related to the individual and 7 related to the household). List of items at household level: 1) capacity to face unexpected expenses; 2) capacity to afford paying for one week annual holiday away from home; 3) capacity to being confronted with payment arrears (on mortgage or rental payments, utility bills, hire purchase instalments or other loan payments); 4) capacity to afford a meal with meat, chicken, fish or vegetarian equivalent every second day; 5) ability to keep home adequately; 6) have access to a car/van for personal use; 7) replacing worn-out furniture. List of items at individual level: 8) having internet connection; 9) replacing worn-out clothes by some new ones; 10) having two pairs of properly fitting shoes (including a pair of all-weather shoes); 11) spending a small amount of money each week on him/herself; 12) having regular leisure activities; 13) getting together with friends/family for a drink/meal at least once a month.  
Source: Istat, Eu-Silc Survey.
7. **Severe housing deprivation:** Share of population living in a dwelling which is considered as overcrowded, while also exhibiting at least one of the housing deprivation measures. Housing deprivation is calculated by reference to households with a leaking roof, neither a bath, nor a shower, nor an indoor flushing toilet, or a dwelling considered too dark.  
Source: Istat, Eu-Silc Survey.
8. **Great difficulty in making ends meet:** Share of individuals in households that, considering all the available income, declare to get to the end of the month with great difficulty.  
Source: Istat, Eu-Silc Survey.
9. **Very low work intensity - Europe 2030:** People from 0-64 years living in households where the adults (those aged 18-64, but excluding students aged 18-24 and people who are retired according to their self-defined current economic status or who receive any pension (except survivors pension), as well as people in the age bracket 60-64 who are inactive and living in a household where the main income is pensions) worked a working time equal or less than 20% of their total combined work-time potential during the previous year.  
Source: Istat, Eu-Silc Survey.
10. **Housing cost overburden:** Share of population living in households where the total housing costs represent more than 40% of disposable income.  
Source: Istat, Eu-Silc Survey.
11. **Economic situation of the household:** Households reporting that their economic situation has worsened or worsened a lot compared to the previous year.  
Source: Istat, Survey on Aspects of daily life.

## Indicators by region and geographic area

REGIONS GEOGRAPHIC AREAS	Gross disposable income per capita (a)	Disposable income inequality	People at risk of poverty (b) (c)	Per capita net wealth (a)	Absolute poverty (incidence) (b) (d)
	2022	2021 (*)	2022 (**)	2020	2023
Piemonte	23,361	4.4	13.3	....	....
Valle d'Aosta/Vallée d'Aoste	23,385	3.2	5.6	....	....
Liguria	23,879	4.4	19.1	....	....
Lombardia	25,604	5.6	12.4	....	....
Trentino-Alto Adige/Südtirol	26,163	4.8	8.9	....	....
<i>Bolzano/Bozen</i>	<i>28,453</i>	<i>5.3</i>	<i>10.1</i>	....	....
<i>Trento</i>	<i>23,909</i>	<i>4.3</i>	<i>7.8</i>	....	....
Veneto	22,366	4.4	13.0	....	....
Friuli-Venezia Giulia	23,283	5.0	12.8	....	....
Emilia-Romagna	24,684	4.1	7.3	....	....
Toscana	22,392	4.2	10.7	....	....
Umbria	20,103	4.1	8.6	....	....
Marche	21,037	3.9	11.6	....	....
Lazio	22,280	6.2	21.4	....	....
Abruzzo	18,044	5.1	29.6	....	....
Molise	16,987	4.1	30.5	....	....
Campania	15,428	5.9	37.1	....	....
Puglia	16,242	4.1	28.8	....	....
Basilicata	16,355	5.0	24.5	....	....
Calabria	14,991	5.9	34.5	....	....
Sicilia	15,830	6.0	36.8	....	....
Sardegna	17,960	5.6	30.8	....	....
Noth	24,350	4.9	12.0	120,340	9.0
North-West	24,821	5.3	13.2	....	....
North-East	23,704	4.5	10.4	....	....
Centre	21,999	5.1	15.9	93,886	8.0
South and Islands	16,062	5.6	33.7	53,369	12.1
South	15,922	5.4	32.9	....	....
Islands	16,356	5.9	35.3	....	....
Italy	21,089	5.6	20.1	91,896	9.8

(a) In euros;

(b) Per 100 people;

(c) For Valle d'Aosta, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units;

(d) Preliminary estimates;

(e) For Liguria, Friuli-Venezia Giulia, Emilia-Romagna, Marche, Molise, Basilicata and Sardegna, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units;

(f) For Liguria, Trentino-Alto Adige, autonomous province of Trento, Friuli-Venezia Giulia, Umbria, Basilicata, Calabria and Sardegna, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units;

(g) Percentage of people in families who have great difficulty in making ends meet;

#### 4. Economic well-being

Severe material and social deprivation rate - Europe 2030 (b) (e)	Severe housing deprivation (b) (f)	Great difficulty in making ends meet (b) (g) (h)	Very low work intensity - Europe 2030 (b) (i)	Housing cost over-burden rate ((b) (l) (**))	Households economic situation (b)
2022	2022	2022	2022	2022	2023
3.2	10.8	6.7	5.2	6.0	38.2
..	..	..	..	..	36.2
3.8	3.9	2.4	11.6	7.6	32.0
1.5	4.3	1.8	4.3	8.1	34.7
..	4.0	1.6	4.3	7.5	32.4
..	..	..	4.8	7.3	29.5
..	6.1	..	..	7.6	35.0
2.2	3.1	3.9	3.8	4.2	34.9
1.6	3.9	2.4	6.7	5.7	37.0
1.0	3.9	1.4	2.9	5.0	39.7
1.6	2.7	2.5	5.3	5.6	31.2
..	5.2	3.0	5.6	3.2	34.8
2.1	5.5	4.1	6.4	4.0	34.8
2.6	5.4	3.6	12.0	8.2	33.0
10.4	6.2	11.8	11.7	4.7	36.2
5.6	..	10.4	10.6	3.8	31.3
14.0	6.5	24.3	22.2	9.4	24.7
7.0	7.6	7.7	13.8	3.5	32.5
4.9	5.4	3.8	12.4	6.8	21.4
11.8	2.8	18.7	19.6	8.2	26.7
6.1	5.5	8.8	14.3	8.2	37.3
6.7	7.3	15.1	20.1	4.6	38.4
1.9	5.0	2.9	4.6	6.4	36.0
2.2	6.0	3.2	5.2	7.4	35.4
1.6	3.6	2.6	3.8	5.0	36.8
2.1	4.5	3.3	8.8	6.5	32.8
9.3	6.0	14.4	17.1	7.0	31.5
10.7	6.1	16.3	17.8	6.9	28.4
6.2	5.9	10.4	15.7	7.3	37.6
4.5	5.2	6.9	9.8	6.6	33.9

(h) For Liguria, Trentino-Alto Adige, Friuli-Venezia Giulia, Emilia-Romagna, Umbria and Basilicata, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units;

(i) For Trentino-Alto Adige, the autonomous province of Bolzano and Molise, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units;

(l) For Molise and Sardegna, the data is statistically hardly significant, as it corresponds to a sample size ranging between 20 and 49 units; (\*) The indicator refers to the year when the income was achieved (2020) rather than to the survey year (2021);

(\*\*) The indicator refers to the survey year (2022), whereas the year in which the income was achieved is the previous year (2021).

