The evolution of poverty in Luxembourg over the last 40 years… or so

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1

Sustainable Development Goal #1

SDG #1 Targets 1.1 & 1.2

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1.1 By 2030, eradicate **extreme poverty** for all people everywhere

1 NO POVERTY

SDG #1 Targets 1.1 & 1.2

1.1 By 2030, eradicate **extreme poverty** for all people everywhere

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages **living in poverty** in all its dimensions **according to national definitions**
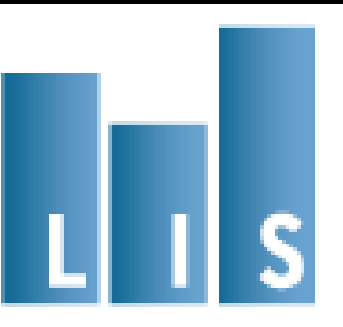
1 NO POVERTY

37 years of LIS data

The Luxembourg Income Study (LIS) provides a harmonized series covering 1985–2021

- Panel Study "Living in Luxembourg"
- EU Statistics on Income and Living Conditions

Representative household surveys of Luxembourg residents

Survey limitations: the most vulnerable not (well) covered (notably homeless, undocumented migrants, individuals in institutions...); self-reported information on resources; sampling variation ...

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Poverty numbers are ESTIMATES!

National poverty standards

Levels according to national standards

Trends over 37 years

Poverty profiles

National poverty standards
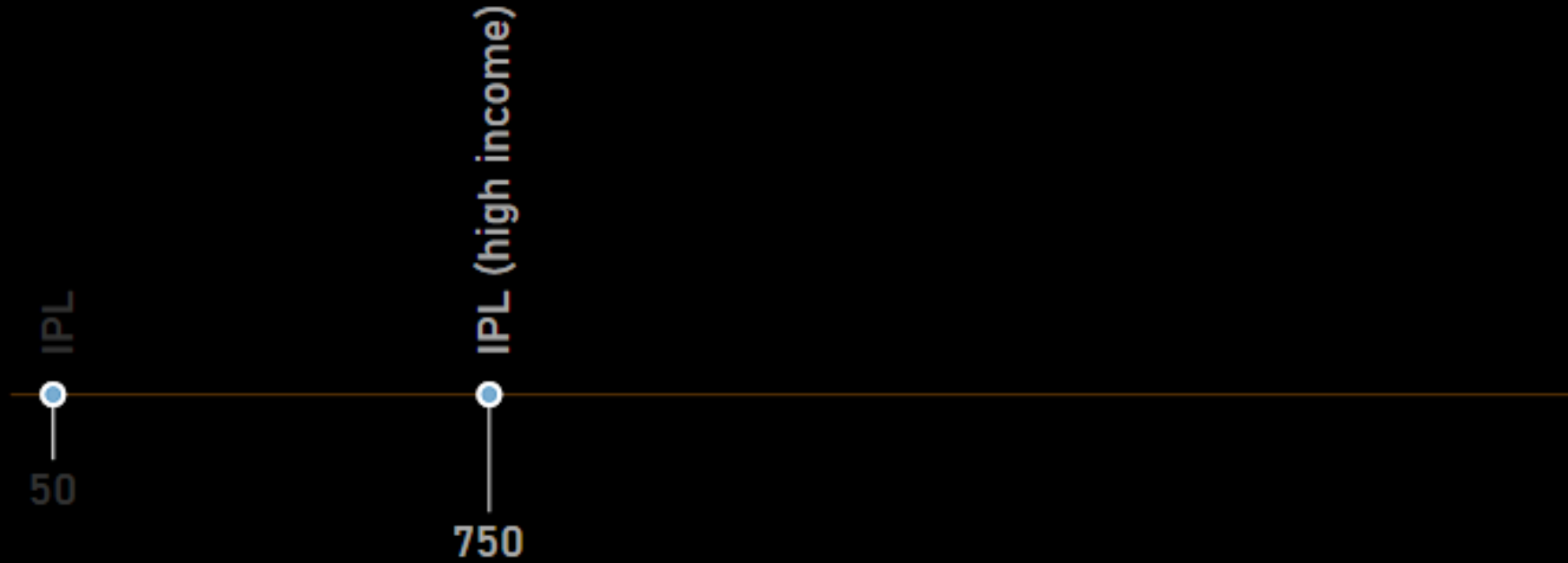
National poverty standards

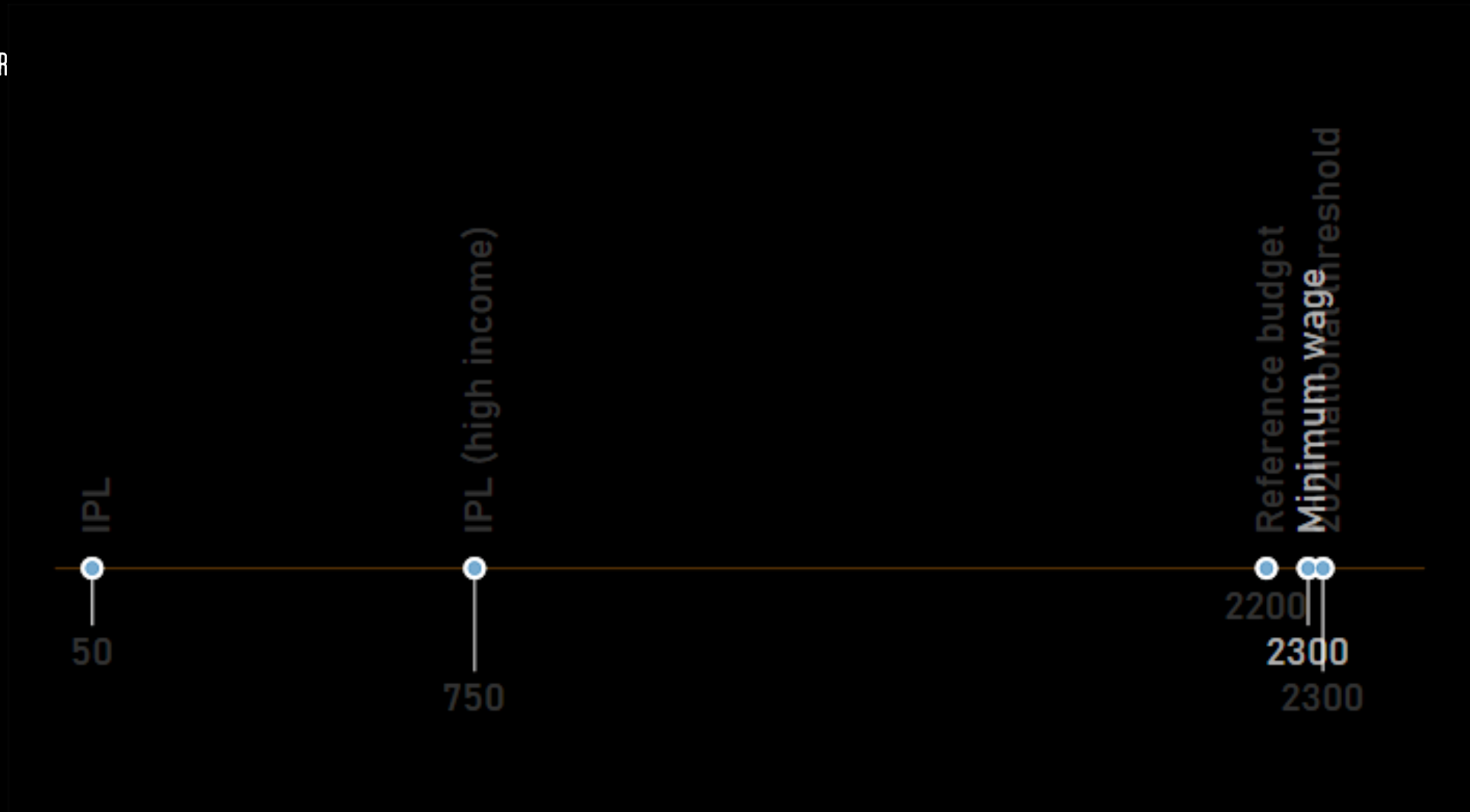IPL

50

National poverty standards

National poverty standards
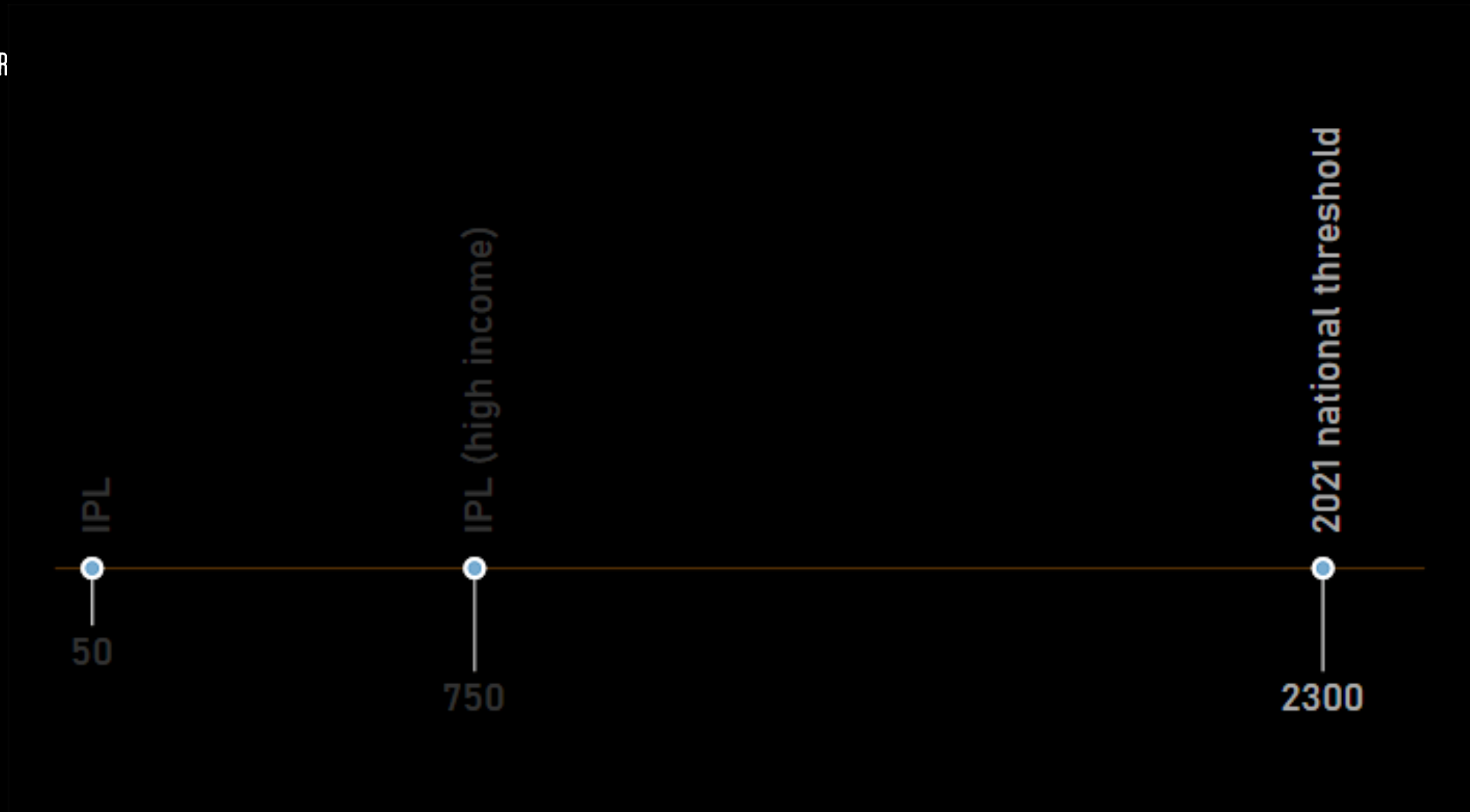
National poverty standards
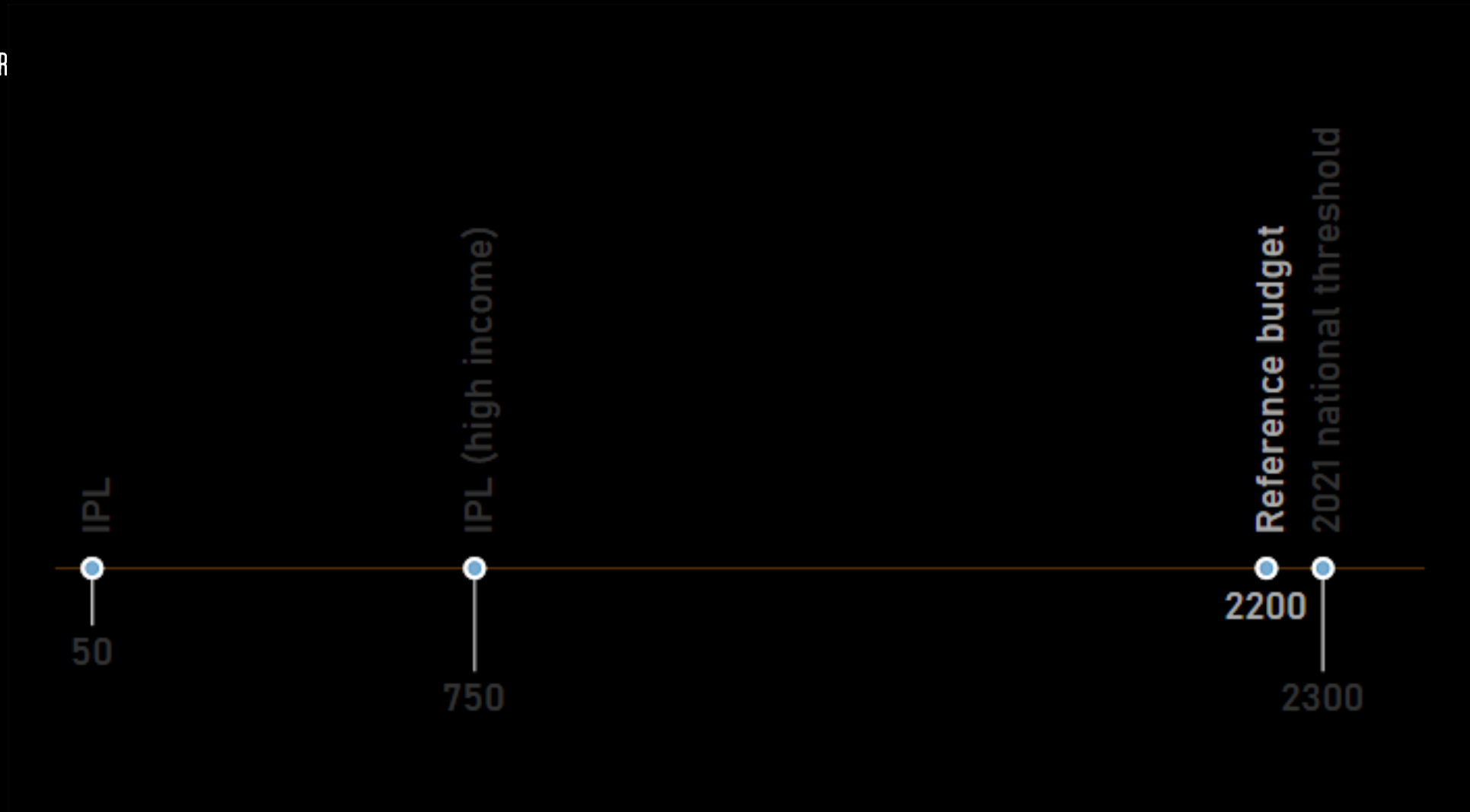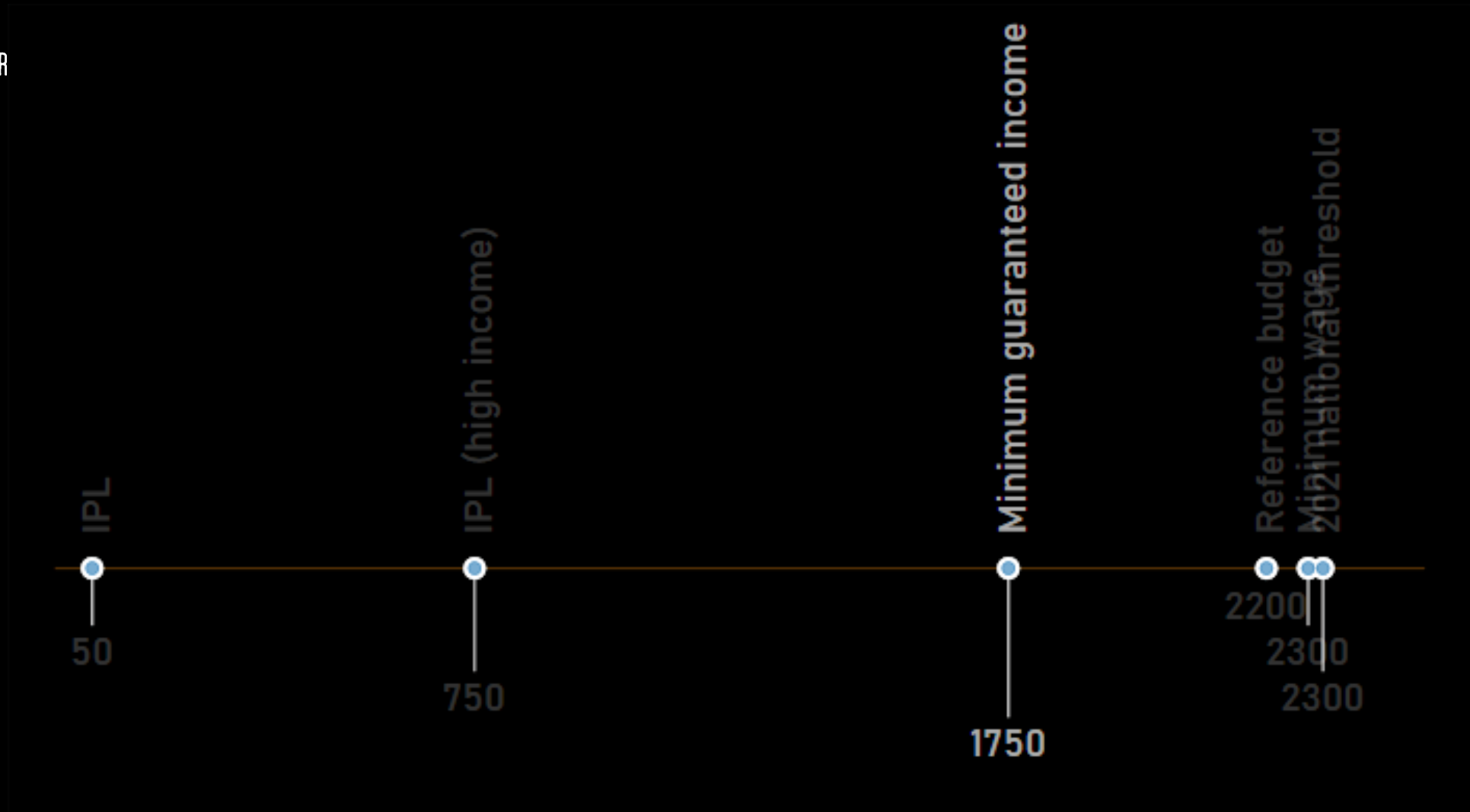
National poverty standards

National poverty standards

Poverty rates

Poverty rates

0%

Poverty rates
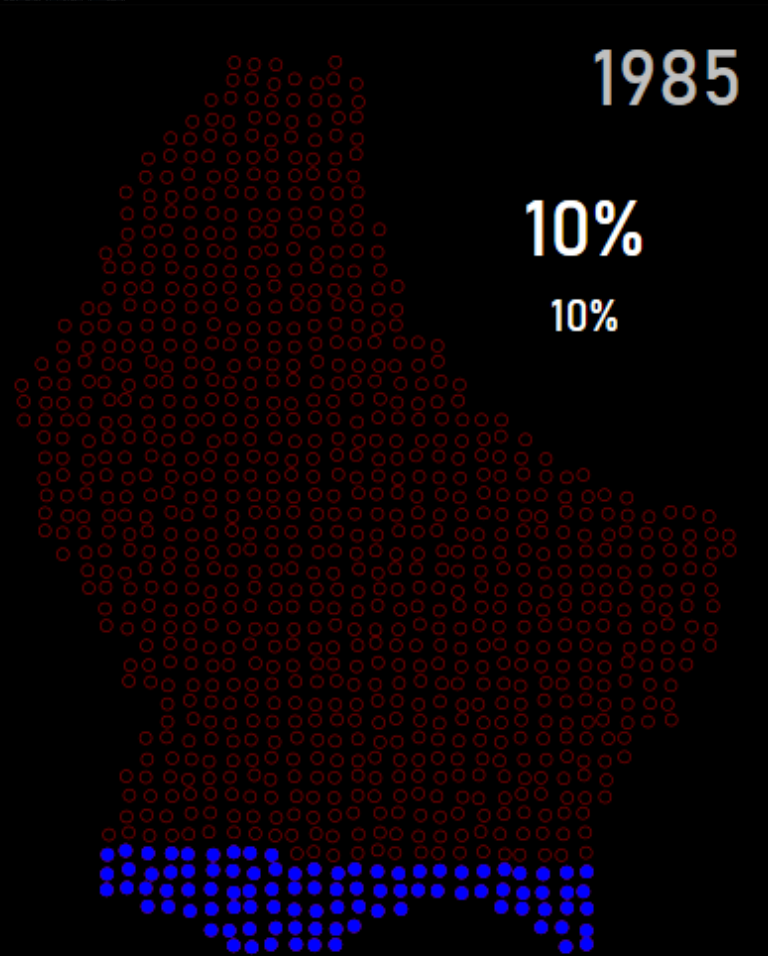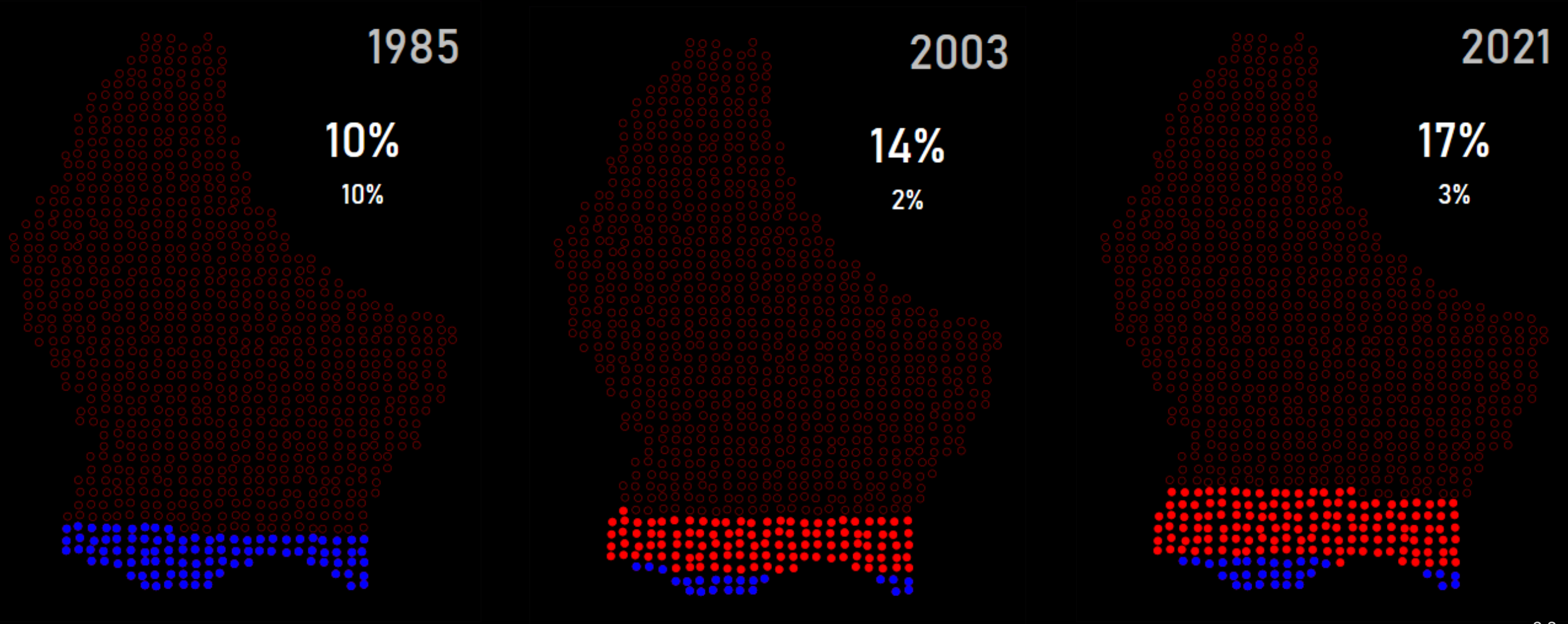
Poverty rates

0%

1%

17%

The evolution of relative poverty

The evolution of relative poverty
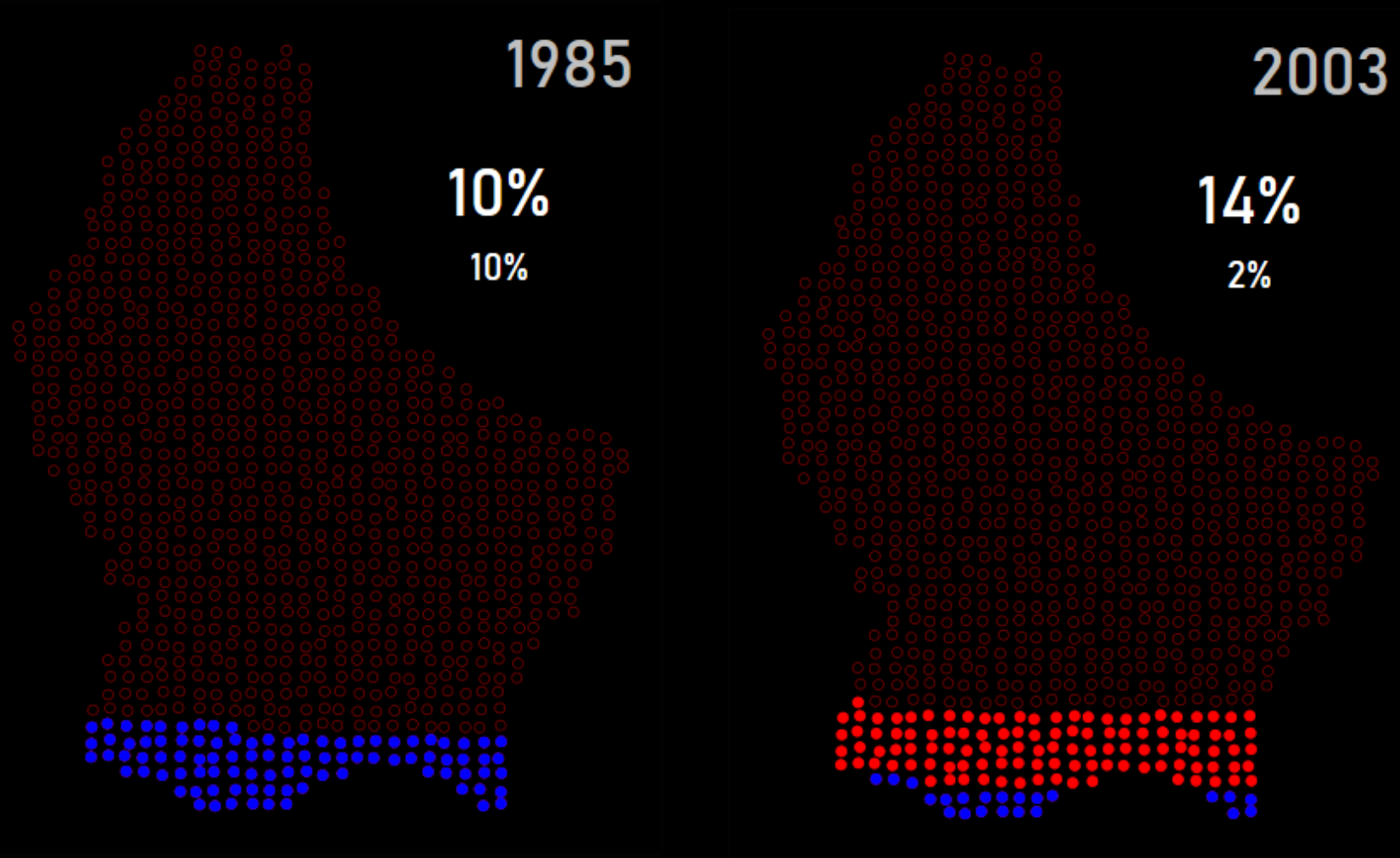
1985

10%

10%

The evolution of relative poverty
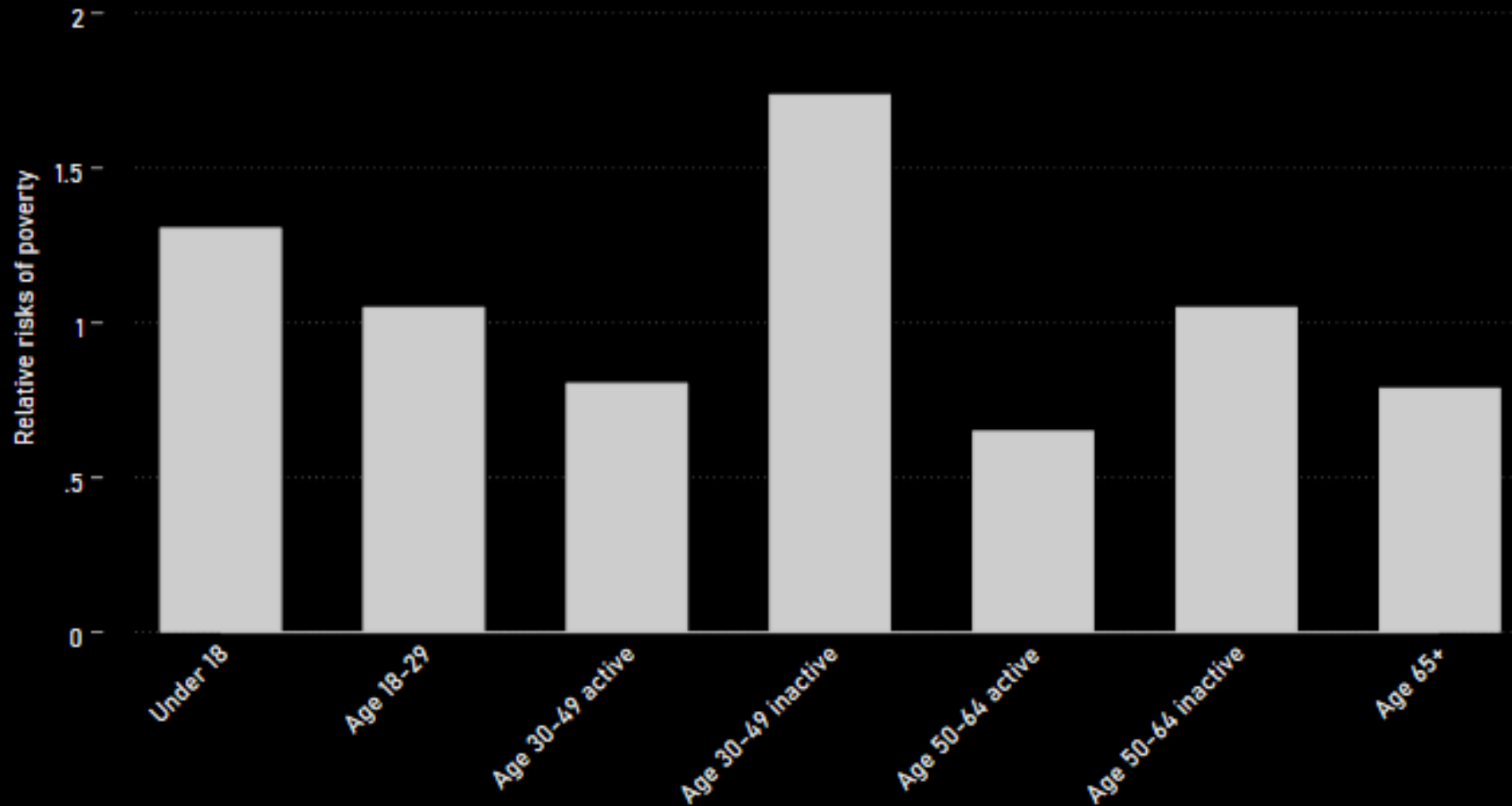

1985

10%

10%

2003

14%

2%

The evolution of relative poverty

8.3

Relative risk profiles
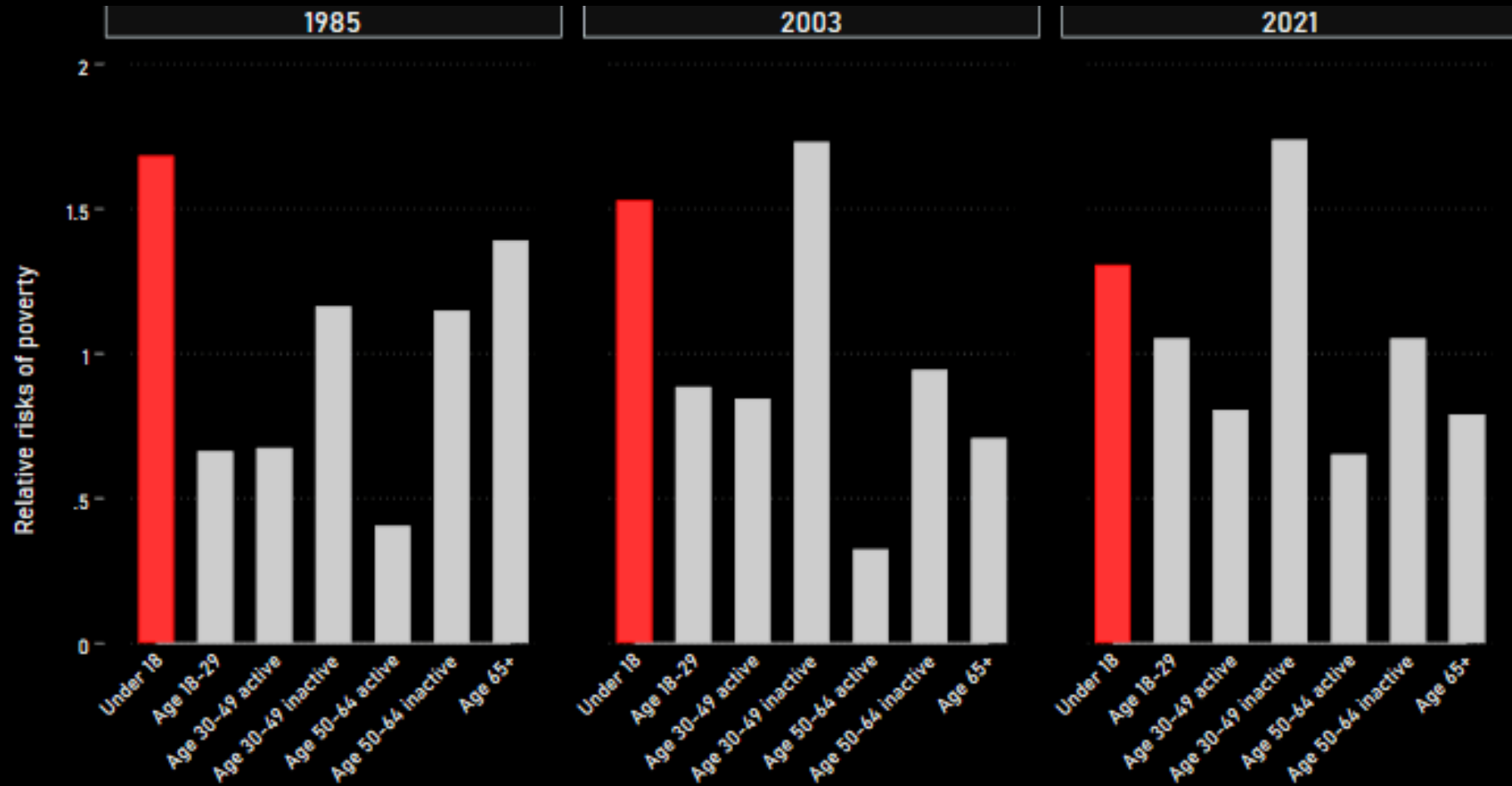
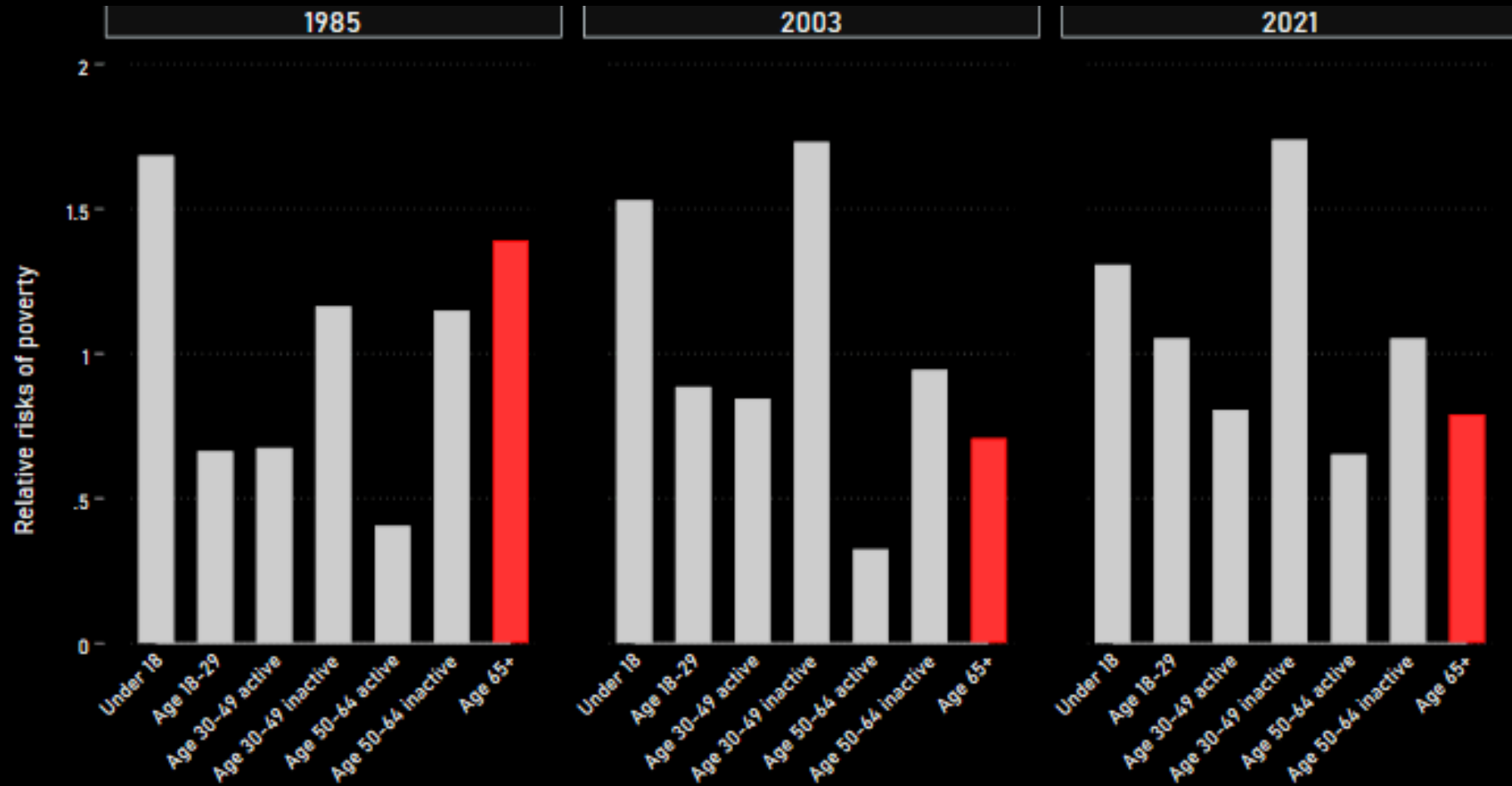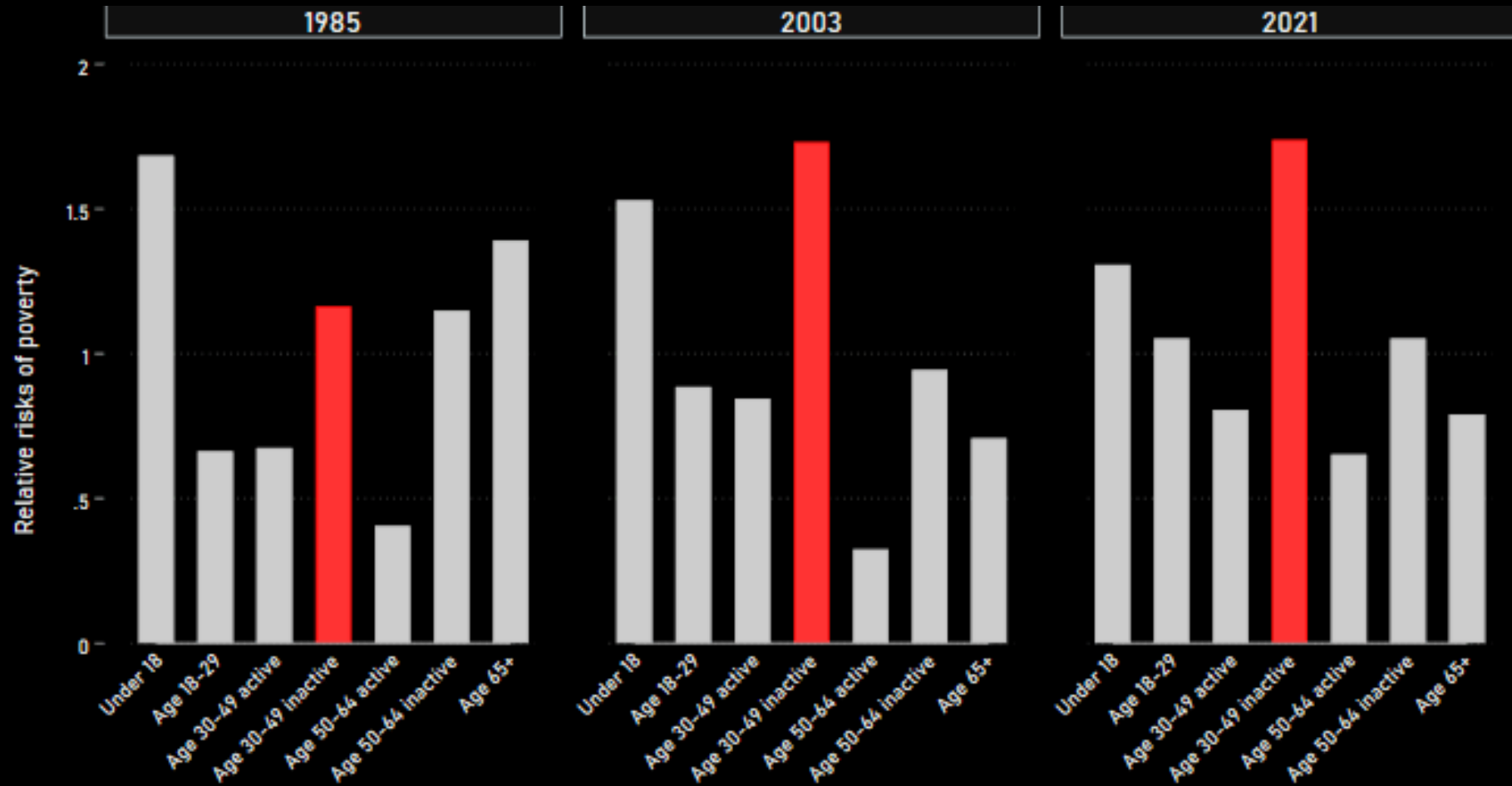# Relative risk profiles

Relative risk profiles
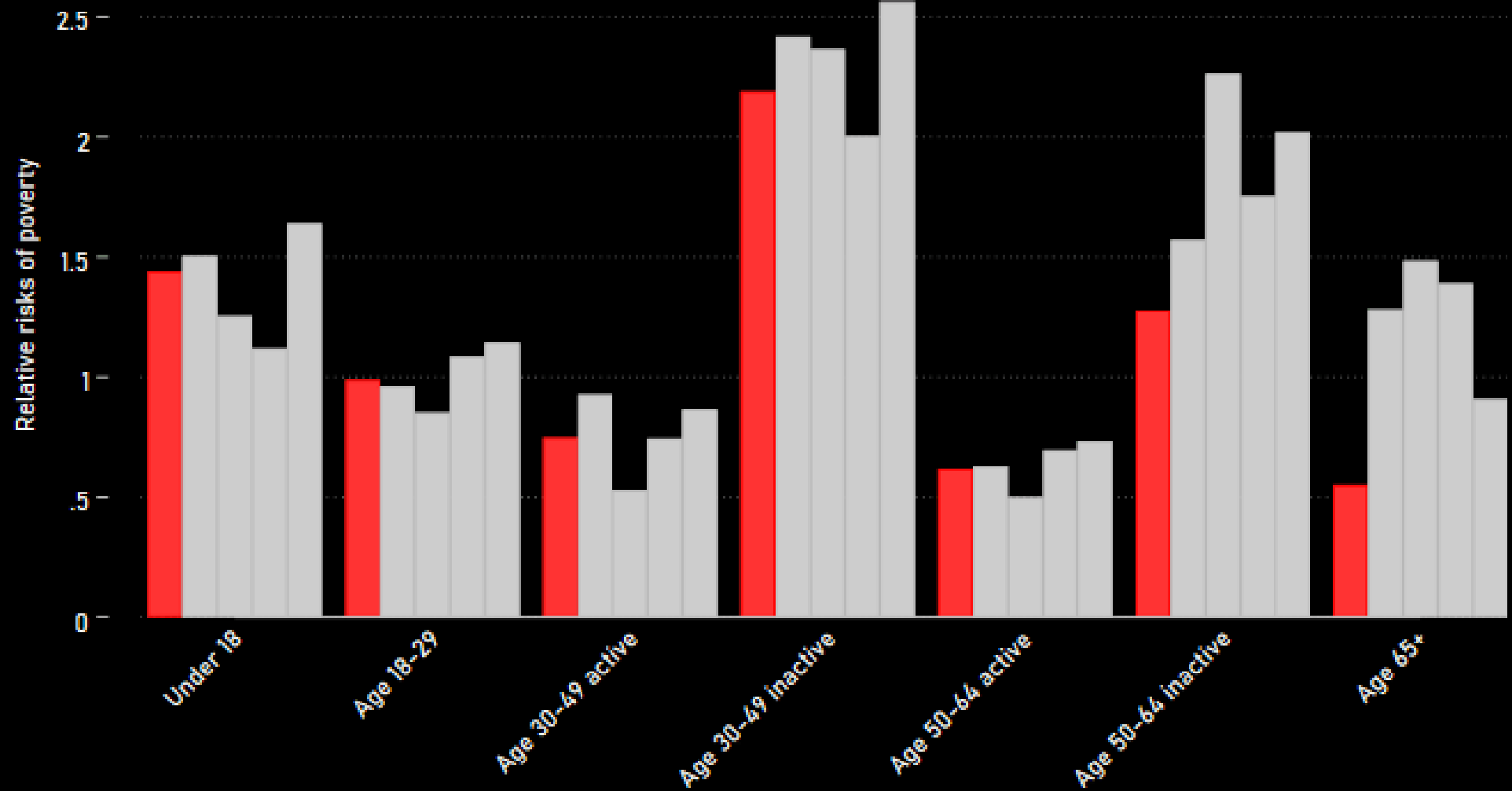
Relative risk profiles
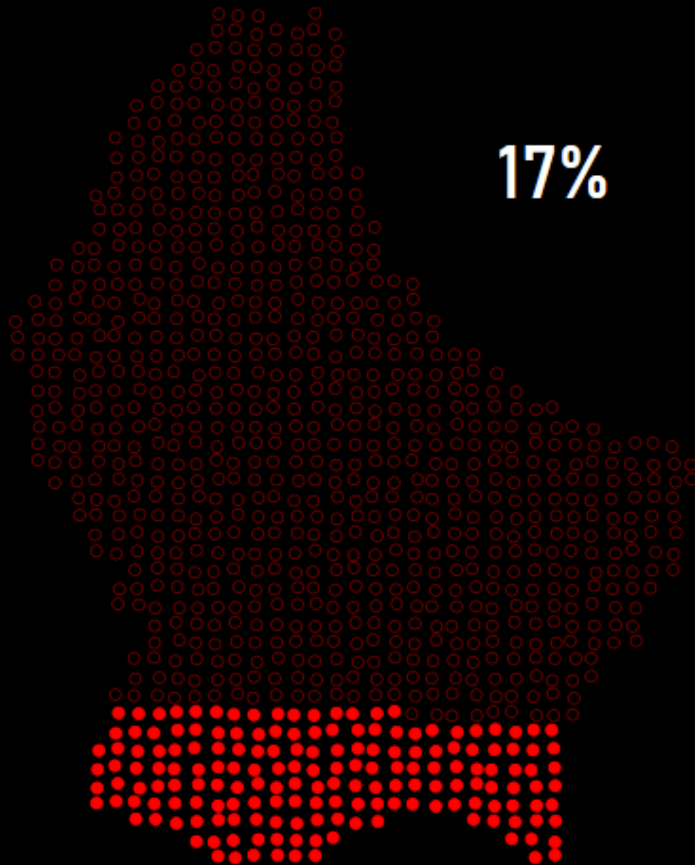
Relative risk profiles

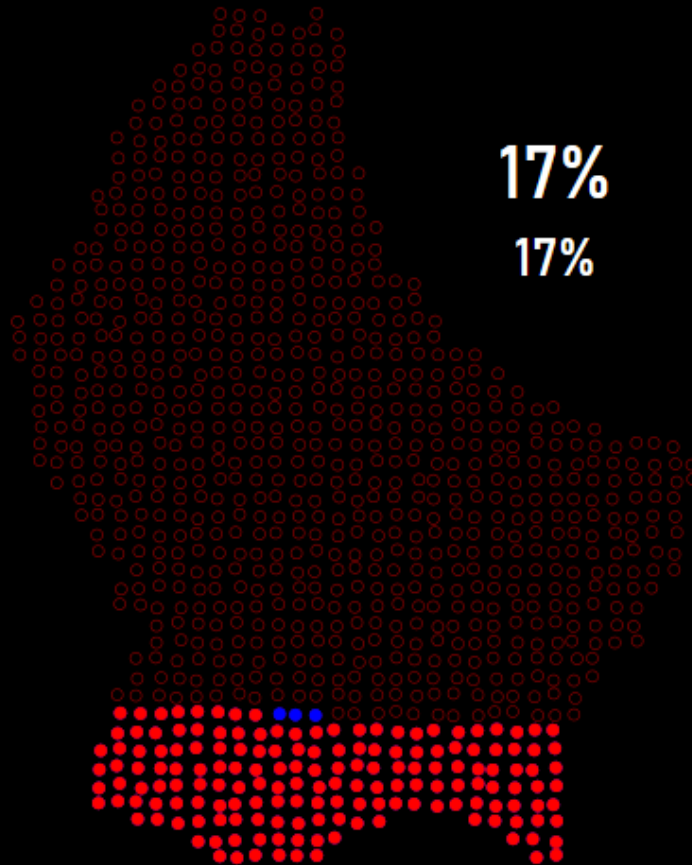# Relative risk profiles compared
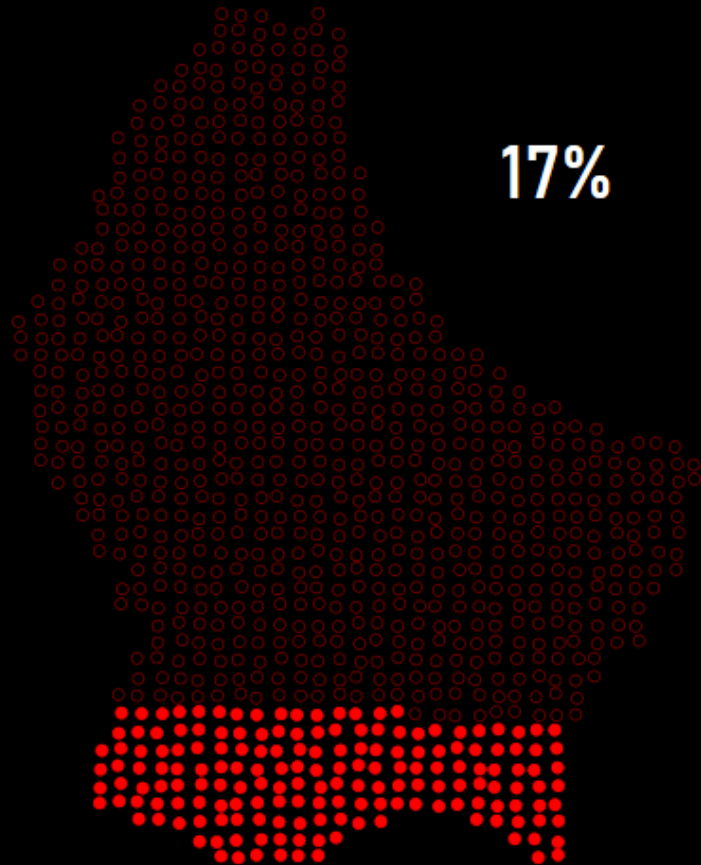
Relative risk profiles compared
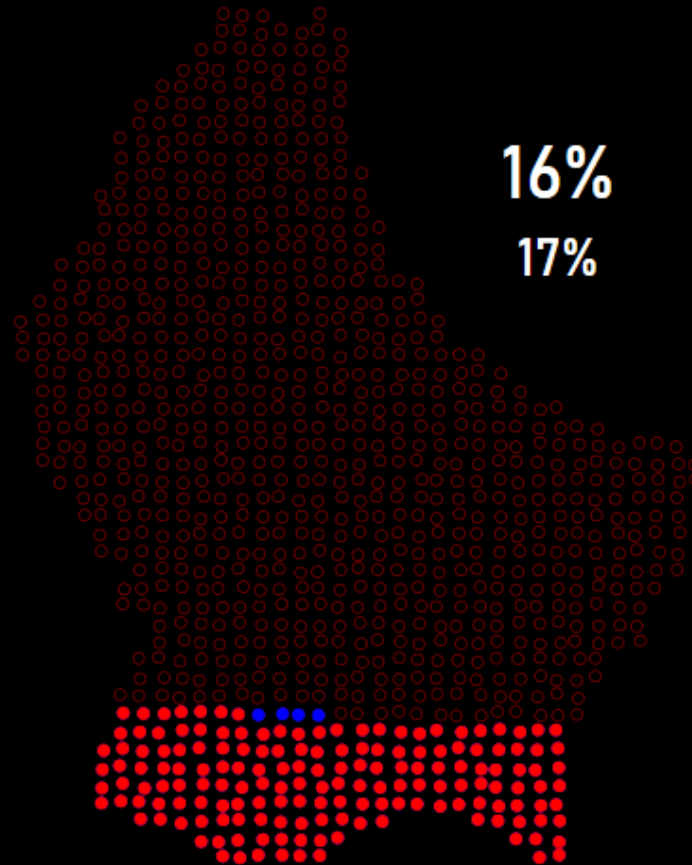
Counterfactual 2021 rates

Counterfactual 2021 rates

17%

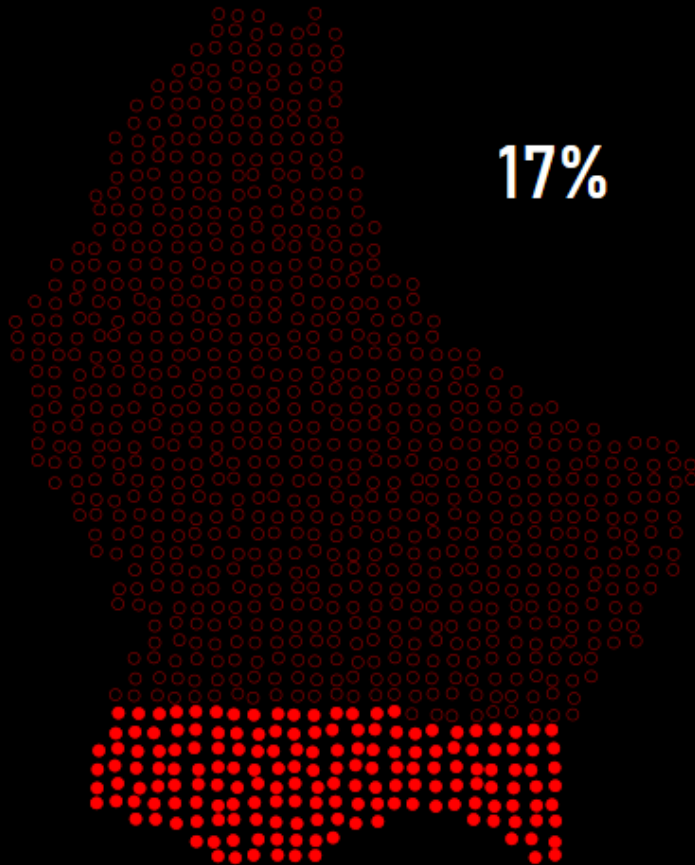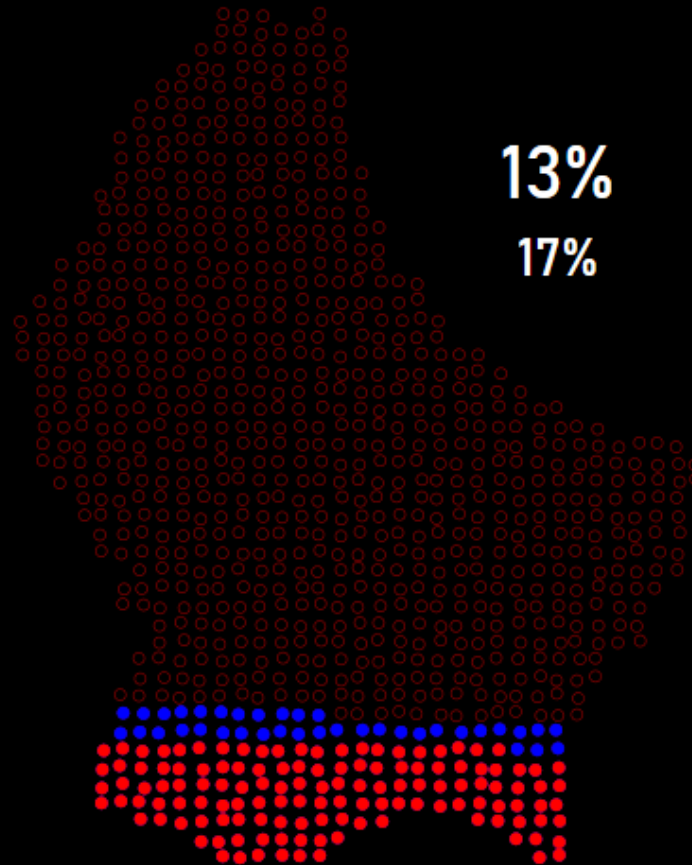# Counterfactual 2021 rates

17%

17%
17%

Ageing and family sizes
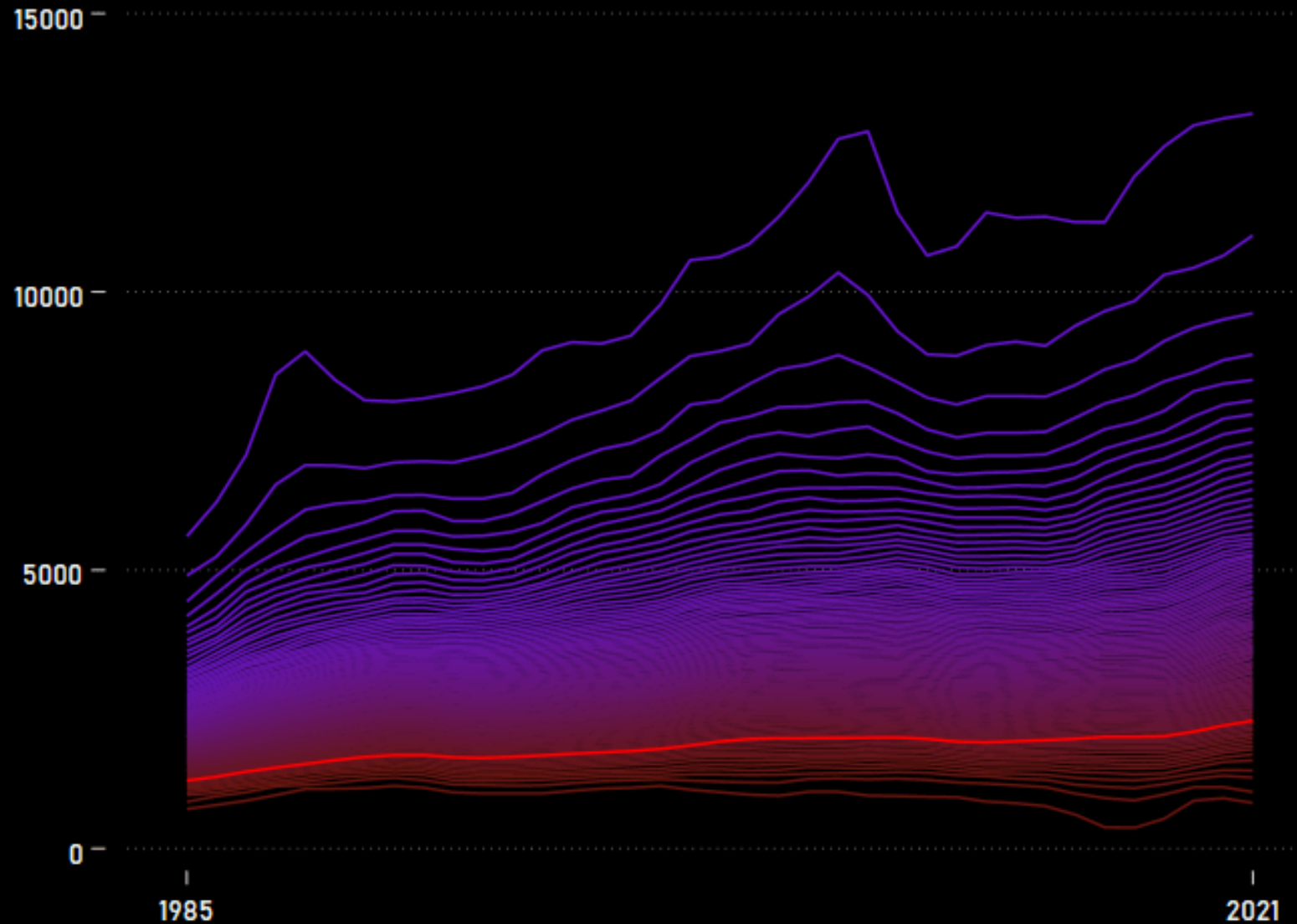
Counterfactual 2021 rates

17%

16%
17%

Ageing and family sizes
+ Non nationals

Counterfactual 2021 rates

17%

13%
17%
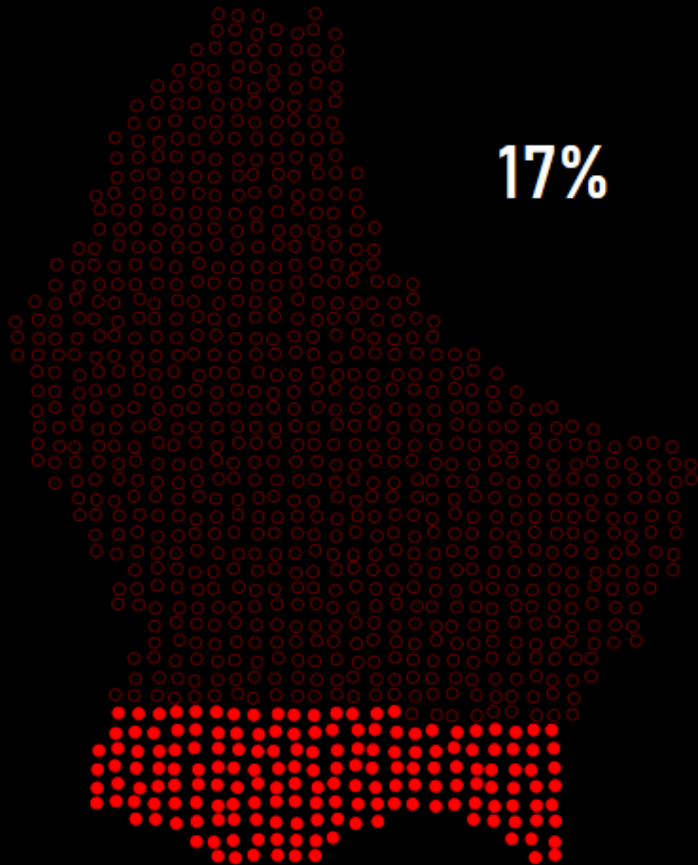
Ageing and family sizes
+ Non nationals
+ Education expansion

Trends in the overall income distribution

On the way to SDG #1 — No Poverty?

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Target 1.1

Eradicate extreme poverty?

In Luxembourg, (mostly) yes

On the way to SDG #1 — No Poverty?

Target 1.1

Eradicate extreme poverty?

In Luxembourg, (mostly) yes

Target 1.2

Cut poverty rates by half according to national standards?

No… not with our *relative* standards

a "good sign" – median incomes grow

… but an inequality issue – low incomes grow but not as fast as the median

On the way to SDG #1 — No Poverty?

Reducing **relative poverty** in rich countries is a matter of "inclusive growth" and empowerment of most disadvantaged populations

- Preserving and **promoting employment**
  - promoting new **skills** in the face of technological changes – education is essential!
- Maintaining social insurance and high **minimum income protection** standards