

### Key results

On average in the OECD, 12.6% of individuals aged over 65 live in relative income poverty, defined as an income below half the national median equivalised household income. There is large variation between countries. Poverty rates are higher for older people than for the population as a whole, which averages 11.3%. However, this result is driven by a handful of countries. In 19 out of 34 OECD countries, old-age income poverty is lower than for the population as a whole.

According to the latest available figures, poverty rates of people aged over 65 were very high in Korea (50%), Australia (34%), and Mexico (27%). In contrast, the Netherlands and the Czech Republic have the lowest poverty rates: 2% and 3% respectively. Poverty rates are close to the OECD average of 12.4% in Austria, Belgium, Estonia, and the United Kingdom.

### Poverty among older age groups

Poverty among the “younger old” (aged 66-75) is less frequent than among the “older old” (aged 75 and over); the average poverty rates are 10.9% and 14.7%, respectively. The difference between the two is in double digits in Israel, Slovenia, Switzerland and the United States. There are many explanations for this pattern. Most significantly, as real earnings have tended to grow over time, each successive cohort of retirees has a higher starting benefit. Also, women predominate among the old. Nevertheless, in two countries – Luxembourg and Poland – the over 75s fare slightly better than their younger counterparts.

One important factor that explains the varying incidence of old-age poverty is the level at which safety-net retirement benefits are set. (See the indicator on “Basic, targeted and minimum pensions” in Chapter 5.)

### Poverty and gender

Older women are at greater risk of poverty than older men in all countries where breakdowns are available. The average poverty rate for men equals 8.4% and 12.4% for women. The smallest poverty gender gaps (less than 0.1% points) are observed in Ireland and Luxembourg. Differences are also small around 1 percentage point in France, Iceland and the Netherlands.

The largest gender poverty gaps are in Estonia, Slovenia and the United States where the poverty rates among women are between 8 and 12 percentage points higher than among men. But there are also significant

differences between 6 and 7 percentage points, in Germany, Hungary, Poland and Switzerland.

### Poverty and age

In 15 out of 34 countries, older people are more likely to be income poor than the population (Table 8.5). The largest differences between the two are found in Australia, Korea and Switzerland where older people have poverty rates that are 14 to 35 percentage points higher than the total population. In Korea, the reason for this is that the pension system has not fully matured, while in both Australia and Switzerland this is due to the fact that many pensioners take their accumulated pensions as lump sums rather than annuitising them to provide income streams. In the 15 OECD countries with old age poverty higher than total population's, old-age poverty rates average 20%. Older people are relatively less likely to be poor than the total population in another 19 countries. Most notably among these are Canada, Greece and Spain, where the old-age poverty rate is between 5 and 8 percentage points lower than the overall rate. In this group of countries the old age poverty equals 7% while the population poverty is 10%.

### Definition and measurement

For international comparisons, the OECD treats poverty as a “relative” concept. The yardstick for poverty depends on the median household income in a particular country at a particular point in time. Here, the poverty threshold is set at 50% of median, equivalised household disposable income. See OECD (2015) for more details on definitions and data sources.

### Further reading


OECD (2015), *In It Together: Why Less Inequality Benefits All*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264235120-en>.

### 8.3. Income poverty rates by age and gender

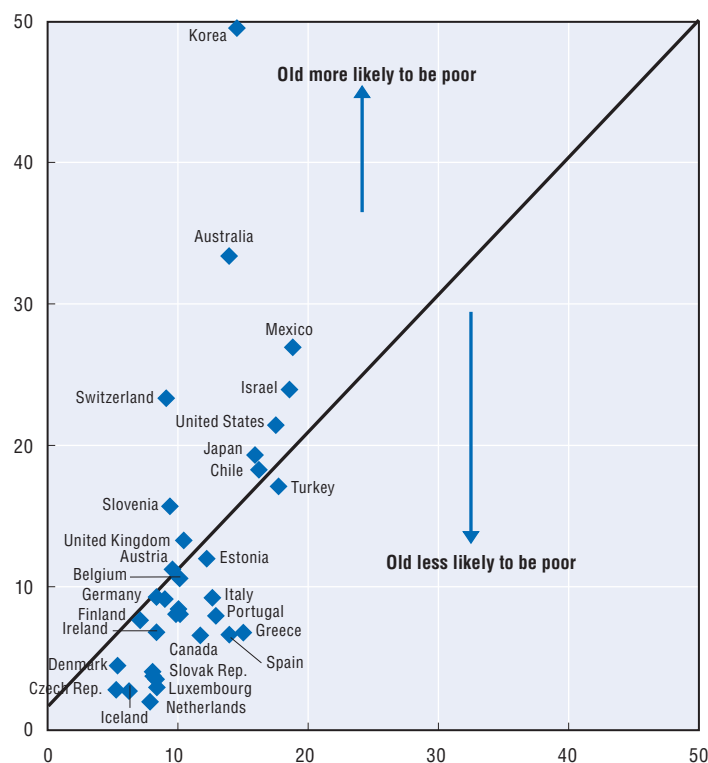
Percentage with incomes less than 50% of median household disposable income

	2012 or latest available						2012 or latest available						
	Older people (aged over 65)					Whole population	Older people (aged over 65)					Whole population	
	By age			By gender			By age			By gender			
	All 65+	66-75	76+	Men	Women		All 65+	66-75	76+	Men	Women		
Australia	33.5	30.5	37.8	31.0	35.7	14.0	Korea	49.6	46.1			14.6	
Austria	11.4	11.2	11.6	9.0	13.2	9.6	Luxembourg	3.0	3.2	2.7	3.0	3.1	8.4
Belgium	10.7	10.2	11.4	9.7	11.5	10.2	Mexico	27.0	25.3	30.0	26.0	27.9	18.9
Canada	6.7	6.6	6.9	4.9	8.2	11.8	Netherlands	2.0	1.8	2.3	1.7	2.3	7.9
Chile	18.4	17.7	19.3			16.3	New Zealand	8.2	8.0	8.5	5.5	10.5	9.9
Czech Republic	2.8	2.7	3.0	1.5	3.8	5.3	Norway	4.1	2.2	6.9	1.8	6.0	8.1
Denmark	4.6	2.7	7.4	3.1	5.8	5.4	Poland	8.2	10.4	5.6	4.4	10.5	10.2
Estonia	12.1	12.3	11.8	6.9	14.6	12.3	Portugal	8.1	6.4	10.0	6.8	9.0	13.0
Finland	7.8	4.1	12.7	5.1	9.7	7.1	Slovak Republic	3.6	3.2	4.3	0.7	5.3	8.4
France	3.8	2.7	5.0	3.0	4.4	8.1	Slovenia	15.8	11.7	21.3	8.7	20.7	9.4
Germany	9.4	8.1	10.8	6.3	12.3	8.4	Spain	6.7	6.4	7.1	5.7	7.6	14.0
Greece	6.9	5.9	8.1	5.6	8.0	15.1	Sweden	9.3	6.6	13.5	6.6	11.6	9.0
Hungary	8.6	7.8	9.9	5.0	10.6	10.1	Switzerland	23.4	18.8	30.5	19.8	26.4	9.1
Iceland	2.8	2.8	2.8	2.5	3.0	6.3	Turkey	17.2	15.9	19.3	15.9	18.3	17.8
Ireland	6.9	6.5	7.5	6.9	7.0	8.4	United Kingdom	13.4	10.9	16.6	10.9	15.5	10.5
Israel	24.1	19.7	30.0	21.2	26.4	18.6	United States	21.5	17.5	27.2	16.5	25.6	17.6
Italy	9.4	9.5	9.2	6.4	11.5	12.7	<b>OECD</b>	<b>12.4</b>	<b>10.9</b>	<b>14.7</b>	<b>8.4</b>	<b>12.4</b>	<b>11.3</b>
Japan	19.4	16.6	22.8			16.0							

Source: OECD Income Distribution Database, [www.oecd.org/social/income-distribution-database.htm](http://www.oecd.org/social/income-distribution-database.htm); 2013 for Chile, Finland, Hungary, Israel, the Netherlands and the United States. Korea 2009 and Turkey 2011.

StatLink  <http://dx.doi.org/10.1787/888933301209>

### 8.4. Income poverty rates by age



Source: OECD Income Distribution Database, [www.oecd.org/social/income-distribution-database.htm](http://www.oecd.org/social/income-distribution-database.htm).

StatLink  <http://dx.doi.org/10.1787/888933300866>



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