

Press release: 13 062-090/23

# Income gains and losses increase year over year in the fourth quarter of 2022

Quarter of respondents reported to be heavily burdened by housing costs

Vienna, 2023-05-04 – In the fourth quarter of 2022, the number of those reporting income losses did not increase further since the previous quarter. In a study by Statistics Austria on the social effects of crisis, price increases continued to be cited as the most important reason for subjective income losses. Around 17% of 16- to 69-year-olds reported having difficulty meeting their living expenses through their current income.

"In the fourth quarter of 2022, income dynamics have risen considerably compared to the last quarter of 2021: Both the number of people with subjective income losses and the number of people with income increases went up. The most frequently cited reason for the loss of income remains high inflation. Housing costs now represent a heavy burden for almost a quarter of people", explains Tobias Thomas, Director General of Statistics Austria.

## Income situation at the end of 2022 about the same as in the previous quarter

At the end of 2022, slightly more than one third of respondents aged 16 to 69 experienced a decline in household income in the past twelve months (see table 1). Thus, the share of people with reduced income did not increase further from the previous quarter and appears to be settling at a high level (Q3/2022: 35.9%, Q4/2022: 35.6%). The number of those reporting an improvement in their income situation also remained unchanged from the previous quarter at 20% (Q3/2022: 21%). Among multi-child households, the number of people with income losses rose again in the fourth quarter 2022 and almost reached previous year's level – after decreases in the third quarter, presumably due to one-off payments such as the "Schulstartgeld" (school start allowance), the "Klimabonus" (climate bonus) and anti-inflation bonus (Q4/2021: 37%, Q3/2022: 29%, Q4/2022: 35%).

Inflation remained the strongest reason for subjectively perceived income losses: In the fourth quarter 2022, as in the previous quarter, 32% of respondents who experienced income losses cited inflation as the main reason for the reduction in their income.

About 17% of the population aged 16 to 69 (about over one million people) found it difficult or very difficult to make ends meet with their household income in the fourth quarter 2022, while around 28% found it rather difficult to get by on their income. In contrast, about 55% of respondents found it easy to get by on their income.

31% of respondents expected their household income to decrease in the future. Thus, the assessment improved slightly compared to the previous quarter. However, the number of respondents who expected a further decrease in household income in the coming twelve months continued to be significantly higher than in the previous year (Q4/2021: 22%, Q3/2022: 34%, Q4/2022: 31%). Only 17% of all respondents believed their household income would improve over the next twelve months.

### Housing costs as a heavy financial burden for 1.5 million people

For just under a quarter of respondents (1.5 million people), housing costs (including energy) were a heavy financial burden. This is an increase of just under 10 percentage points compared to the fourth quarter of the previous year (Q4/2021: 14%, Q4/2022: 24%).

However, the proportion of individuals anticipating difficulties covering their housing costs fell slightly. At the end of 2022, 27% of 16- to 69-year-olds expected to be unable to pay their housing costs in the next three months, 3% less than in the previous quarter (Q3/2022: 30%). However, the proportion of people expecting to have difficulty paying their housing costs remains at an elevated level compared with the previous year (Q4/2021: 12%).

#### Lasting impact of previous experience with homelessness

The current issue of the survey also collected data on people who have experienced homelessness at least once in their lives. This group is projected to include about 369 000 people (with a statistical variation between 294 000 to 443 000 people; confidence interval: 95%).

Although the episodes of homelessness for these individuals often date back a long time, this group is much more affected by the current consequences of the crisis compared to the general population. Nearly one-third of the formerly homeless reported difficulty making ends meet on household income at year-end 2022 (total population: 17%). For 40% of the formerly homeless, housing costs represented a heavy financial burden (total population: 24%).

In addition, only 43% of the formerly homeless rated their health as good or very good (total population: 65%). Likewise, this group reported lower psychological well-being. Only just over one-third rated their life satisfaction as at least 8 on a scale of 0 to 10. In the overall population aged 16 to 69, this proportion is over 50%.

Detailed results and in-depth analyses of persons who have experienced homelessness in their lives can be found in the report "So geht's uns heute: Die sozialen Krisenfolgen im 4. Quartal 2022 – Schwerpunkt Erfahrungen mit Wohnungslosigkeit" ("This is how we are today: the social crisis consequences in the fourth quarter of 2022 – focus on homelessness"), issued jointly by IHS and Statistics Austria. The report is available in German language only on our <u>website</u>, along with other detailed results.

**Table 1: Financial Situation** 

Attribute		Q1/2021	Q1/2022	Q2/2022	Q3/2022	Q4/	2022
			in %	in 1 000			
Change in income (last 12 months)	Increase	15.7	19.8	19.9	21.4	19.9	1 260
	Unchanged	50.2	45.8	43.1	42.8	44.5	2 809
	Decrease	34.0	34.5	37.1	35.9	35.6	2 250
Making ends meet with the house- hold income	With great difficulty	5.4	4.7	5.4	5.4	7.4	471
	With difficulty	9.5	8.1	10.2	10.9	9.8	617
	With slight difficulty	24.9	24.9	26.8	27.1	27.7	1 752
	With slight ease	32.2	34.3	34.1	35.3	35.0	2 210
	With ease	18.0	17.9	15.7	15.1	13.4	845
	With great ease	10.1	10.1	7.9	6.1	6.7	423
Expected change in income (next 12 months)	Increase	18.2	17.9	14.8	15.5	16.8	1 065
	Unchanged	59.4	57.5	54.5	51.0	52.4	3 313
	Decrease	22.4	24.6	30.7	33.5	30.8	1 940
Total		100.0	100.0	100.0	100.0	100.0	6 318

S: STATISTICS AUSTRIA, survey "So geht's uns heute". Data as of 26.04.2023.

**Table 2: Burden of housing cost** 

Attribute		Q4/2021	Q1/2022	Q2/2022	Q3/2022	Q4/2022	
		in %				in %	in 1 000
_	Heavy burden	14.2	13.1	17.9	22.2	23.6	1 494
Burden of housing cost	Some burden	62.7	63.7	63.7	63.3	63.8	4 030
	No burden	23.1	23.2	18.4	14.5	12.6	794
Total		100.0	100.0	100.0	100.0	100.0	6 318
Expected difficulties paying for	Yes	12.0	13.8	18.9	30.4	26.8	1 691
housing cost (in the next 3 months)	ext 3 months) No	88.0	86.2	81.1	69.6	73.2	4 627
Total		100.0	100.0	100.0	100.0	100.0	6 318

S: STATISTICS AUSTRIA, survey "So geht's uns heute". Data as of 26.04.2023.

Table 3: Situation of people who have experienced homelessness

	Q4/2022				
Attribute	Formerly homeless in %	Total population (16- to 69- year-olds) in %			
Heavy burden of housing costs	39.7	23.6			
Payment difficulties expected for housing costs (in the next 3 months)	45.4	26.8			
(Great) difficulty in making ends meet with household income	32.7	17.2			
(Very) good general health	43.2	65.1			
High overall life satisfaction (8–10 on a scale from 0–10)	34.4	52.0			

S: STATISTICS AUSTRIA, survey "So geht's uns heute". Data as of 26.04.2023.

Information on methodology, definitions: The fifth data collection wave of the survey "So geht's uns heute" took place in November and December 2022. Approximately 3 300 respondents between 16 and 69 years participated in the survey. The study is co-financed by Eurostat and the Austrian Ministry for Social Affairs. Eleven other EU member states conduct similar pilot studies each quarter. The current results in Austria show the subjective public opinion of the fourth quarter 2022. The study focuses on personally experienced income losses; the subjective coping with the cost of life, personal well-being, and happiness. The quarterly study aims to identify the social effects of developments in the current crisis as early as possible. The sample was drawn from the Austrian civil register. Register data was not used in order to depict changes in the public opinion in a timely manner. The questionnaire can be found here (available in German only).

**Homelessness:** In the fifth wave of the survey, individuals were explicitly asked for the first time about times in which they did not have their own home. Homelessness was defined as a period in life in which people had no home available and therefore had to spend the night with friends, relatives, in emergency sleeping facilities or outdoors.

# If you have any questions on this topic, please contact:

Matthias Till, phone: +43 1 711 28-7106, e-mail: matthias.till@statistik.gv.at Lena Wittmann, phone: +43 1 711 28-8077, e-mail: lena.wittmann@statistik.gv.at

#### Media owner, producer and publisher:

STATISTICS AUSTRIA | Federal Institution under Public Law | Guglgasse 13 | 1110 Vienna | www.statistik.at

Press: phone: +43 1 711 28-7777 | e-mail: presse@statistik.gv.at

© STATISTICS AUSTRIA