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# High income dynamics in the 1st quarter 2022

## Less household income for 35 %; 20 % had income gains

Vienna, 2022-07-05 – Although the number of people with income gains increased by around 4 percentage points compared to the previous quarter, still more people have experienced income losses (35 %) within the past twelve months than income gains (20 %) in the first quarter of 2022. About 13 % of the population reported having difficulty meeting their living expenses through their current income.

"In the first quarter of 2022 every third person of working age in Austria reported an increase in their household income in the first quarter of 2022, while every third person reported income losses. Again, the main reason for income losses were reductions in working time or the loss of a job. Already every fifth person with income losses named inflation as the reason for losses in real household income," explains Statistics Austria Director General Tobias Thomas.

### **Rising number of people with income gains and increased propensity to consume**

According to the survey on social crisis impact conducted in February and March 2022, 35 % of 16-69 year olds experienced a decrease in household income in the last twelve months. This figure almost unchanged against the previous quarter and continues to be significantly higher than the number of people with income gains. About 20 % of respondents had reported an increase in household income. The number of income gains thus increased by around 4 percentage points compared to the previous quarter, contributing to a stronger income dynamic.

Some 23% of respondents had planned major expenditures in the next twelve months than in the past twelve months, for example on furniture, cars or travel. This share also increased by around 3 percentage points compared with the previous quarter. Among people with income gains, the proportion planning to spend more was 35 %. By contrast, only 17 % of those with income losses planned to spend more.

### **Inflation gained importance in the assessment of income losses**

Despite significant improvements in the labor market, work-related changes remained the most important reason for income losses. For a total of around 36 % (42 % in the previous quarter), a reduction in working hours, lower earned income or a change or loss of job was responsible for a deterioration in the financial situation. However, around 21 % (17 % in the previous quarter) of respondents cited inflation as the main reason for losses in real household income.

### **Low-income groups were particularly affected by expenditure burdens and deprivation**

A total of around 13 % of all 16- to 69-year-olds (a total of 800 000 people) found it difficult or very difficult to make ends meet with their household income. Among people in low-income households (< €1 000 net monthly income, standardized to a one-person household), this share was 34%. A total of 13 % described housing costs (incl. energy) as a heavy financial burden; among persons in low-income households, the figure was 24 %.

In the first quarter of 2022, around 1.7 million persons (27 %) were unable to pay unexpected expenses of 1 300 euro from their own resources without borrowing or paying in installments. Among people in low-income households, this figure was 53 %. Around 1.5 million people (23 %) considered a vacation as financially unaffordable. Every second person in a low-income household (48 %) could not afford a vacation. Regular paid leisure activities (e.g., sports, concerts, movies, restaurants) were unaffordable for 19 %.

Among those with low incomes, the figure was 40 %. Around 14 % could not replace worn-out furniture for financial reasons. Among low-income individuals, the figure was more than twice as high, at 31 %. Affording smaller personal expenses each week (e.g., a movie ticket or ice cream) remained unaffordable for 774 000 people (12 % of all respondents or 28 % of low-income people). Meeting someone for dinner or drinks once a month (at home or out) was not affordable for about 9 % (or 19 % of low-income persons). Around 476 000 people (8 % or 17 % of people with low incomes) could not afford an adequate diet (a hot main meal with meat/fish or vegetarian every other day) for financial reasons. For financial reasons, 7 % (or 17 % of low-income persons) did not have a private car. 383 000 people could not afford to keep their home adequately warm in February and March 2022. This represents a share of 6 % and 14 %, respectively, among low-income persons. Replacing worn-out clothes with new ones was not affordable for 6 % (or 18 % of people with low incomes). A PC or laptop was not available for 4 % (or 12 % of low-income persons) for financial reasons.

Further detailed results on the population groups particularly affected by social crisis impact can be found in the results report and in the selected results tables on the [website](#).

**Table 1: Financial situation**

Merkmal	4th quarter 2021		1st quarter 2022		
	in 1 000	Quote in %	in 1 000	Quote in %	
Changes in household income (last 12 months)	Increased	982	15,7	1 240	19,8
	Remained the same	3 135	50,2	2 867	45,8
	Decreased	2 125	34,0	2 159	34,5
<b>Total</b>	<b>6 242</b>	<b>100,0</b>	<b>6 266</b>	<b>100,0</b>	
Making ends meet	With great difficulty	334	5,4	294	4,7
	With difficulty	596	9,5	507	8,1
	With some difficulty	1 555	24,9	1 561	24,9
	Fairly easily	2 007	32,2	2 151	34,3
	Easily	1 122	18,0	1 119	17,9
<b>Total</b>	<b>6 242</b>	<b>100,0</b>	<b>6 266</b>	<b>100,0</b>	
Financial burden due to housing costs	A heavy burden	884	14,2	820	13,1
	Some burden	3 915	62,7	3 994	63,7
	No burden	1 443	23,1	1 452	23,2
<b>Total</b>	<b>6 242</b>	<b>100,0</b>	<b>6 266</b>	<b>100,0</b>	

Q: STATISTICS AUSTRIA, Survey "So geht's uns heute". Data status 30.6.2022

**Table 2: Financial situation for low-income households (< 1 000 Euro)**

Merkmal	4th quarter 2021		1st quarter 2022		
	in 1 000	Quote in %	in 1 000	Quote in %	
Changes in household income (last 12 months)	Increased	100	10,5	66	7,6
	Remained the same	396	41,6	396	45,5
	Decreased	456	47,9	409	47,0
Total	952	100,0	870	100,0	
Making ends meet	With great difficulty	172	18,1	136	15,6
	With difficulty	214	22,5	160	18,4
	With some difficulty	312	32,7	319	36,7
	Fairly easily	164	17,2	164	18,8
	Easily	79	8,3	66	7,6
	Very easily	11	1,2	25	2,9
Total	952	100,0	870	100,0	
Financial burden due to housing costs	A heavy burden	297	31,1	209	24,0
	Some burden	513	53,8	530	61,0
	No burden	143	15,1	131	15,1
Total	952	100,0	870	100,0	

Q: STATISTICS AUSTRIA, Survey "So geht's uns heute". Data status 30.6.2022

**Table 3: Planned expenditures in the next 12 months**

	4th quarter 2021		1st quarter 2022		
	in 1 000	Quote in %	in 1 000	Quote in %	
Total	6 242	100,0	6 266	100,0	
Planned major expenditures in the next 12 months	Spend much less	841	13,5	838	13,4
	Spend a little less	1 314	21,0	1 206	19,2
	Spend about the same	2 864	45,9	2 801	44,7
	Spend a little more	898	14,4	1 023	16,3
	Spend much more	324	5,2	398	6,3

Q: STATISTICS AUSTRIA, Survey "So geht's uns heute". Data status 30.6.2022

**Table 4: Non-affordable expenditure (deprivation)**

	4th quarter 2021		1st quarter 2022	
	in 1 000	Quote in %	in 1 000	Quote in %
Unexpected financial expenses (1 300 Euro)	1 818	29,1	1 676	26,8
Vacation once a year	1 572	25,2	1 455	23,2
Leisure activities	1 166	18,7	1 214	19,4
Replace used furniture	786	12,6	869	13,9
Smaller personal expenses each week (e.g. ice cream, cinema)	679	10,9	774	12,4
Meeting someone for dinner/drinks once a month	485	7,8	551	8,8
Private car	441	7,1	432	6,9
Keep home warm	376	6,0	383	6,1
Main meal every other day	400	6,4	476	7,6
Replacing worn-out clothes	330	5,3	390	6,2
PC/Laptop	303	4,9	260	4,1

Q: STATISTICS AUSTRIA, Survey "So geht's uns heute". Data status 30.6.2022

**Table 5: Non-affordable expenditure (deprivation) for low-income households (< 1 000 Euro)**

	4th quarter 2021		1st quarter 2022	
	in 1 000	Quote in %	in 1 000	Quote in %
Unexpected financial expenses (1 300 Euro)	536	56,3	458	52,7
Vacation once a year	531	55,8	420	48,3
Leisure activities	415	43,6	351	40,3
Replace used furniture	259	27,2	267	30,7
Smaller personal expenses each week (e.g. ice cream, cinema)	235	24,7	242	27,8
Meeting someone for dinner/drinks once a month	161	16,9	169	19,4
Private car	174	18,3	144	16,6
Keep home warm	156	16,4	120	13,8
Main meal every other day	136	14,3	146	16,8
Replacing worn-out clothes	133	14,0	153	17,6
PC/Laptop	142	14,9	101	11,6

Q: STATISTICS AUSTRIA, Survey "So geht's uns heute". Data status 30.6.2022

**Methodological information, definitions:** The second wave of the "How we are today" data collection took place in February and March 2022 and was answered by 3 149 respondents aged 16-69. The study is jointly funded by Eurostat and the Ministry of Social Affairs. In a similar form, 11 EU countries are currently conducting repeated quarterly pilot studies. The current results in Austria show the subjective mood at the beginning of 2022, focusing on personally experienced income losses, the subjective coping with living costs as well as well-being and satisfaction. The aim of this quarterly survey is to be able to identify the social consequences of the current pandemic developments at an early stage. The sample was drawn from the central population register. In order to achieve a timely survey about the mood in the population, register data was not used. The questionnaire is available [here](#).

**Standardized household income:** Household income here consists of all monthly net income (including social and private transfer payments) of all persons in the household. In the case of multiple-person households, this income is standardized to a single-person household. For standardization purposes, an additional needs weight of 0.5 is assumed for each additional person aged 14 and over, and a needs weight of 0.3 is assumed for each child under 14. To achieve a standardized minimum income of 1 000 euros, a household with two adults thus needs 1 500 euros, while a household with one adult and one child needs 1 300 euros and a family of four with two adults and two children 2 100 euros for the same standard of living.

**For further inquiries please contact Directorate Social Statistics, Statistics Austria:**

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