

Press release: 13 110-138/23

Social expenditure up 1.8% in 2022

Social expenditure-to-GDP ratio down to 30.5% of Austria's economic output

Vienna, 2023-07-07 – In 2022, social expenditure increased by 1.8% compared to the previous year to about €136 billion, according to preliminary calculations by Statistics Austria. As economic growth was significantly higher (+10.0%), the social expenditure-to-GDP ratio, which expresses social expenditure as a percentage of the nominal gross domestic product (GDP), fell to 30.5% (2021: 32.9%).

“Despite the increase in social expenditure to €136 billion, the social expenditure-to-GDP ratio – thus, the share of social expenditure to GDP – fell to 30.5% in 2022 due to the high economic growth. Following the pandemic years, there was a sharp decline in expenditure on unemployment benefit, unemployment assistance and short-time work allowance, while there was an above-average increase in family, health and old-age benefits as well as social benefits to combat social exclusion,” says Tobias Thomas, Director General of Statistics Austria.

Sharp decline in expenditure on social benefits in the labour market

Due to favourable developments on the labour market – a strong increase in employment and decrease in unemployment – and the expiry of various COVID-19 schemes, expenditure on unemployment benefit (-5.3%), unemployment assistance (-28.3%) and short-time work allowance (-83.1%) decreased significantly. On the other hand, more was spent on active and activating labour market policy measures than in the previous year (+5.1%). Total expenditure on labour market-related social benefits fell from around €12.0 billion (2021) to €7.2 billion (2022), and the share of total social benefit expenditure sunk from 9.1% to 5.5%.

Above-average increase in expenditure on other social benefits

Expenditure on social benefits at retirement age (old-age pensions, civil servants' pensions, occupational pensions, long-term care and nursing benefits) increased to €58.9 billion (+4.9%), while spending on health care for all age groups increased to €37.8 billion (+6.1%). The two main categories of expenditure (old age: 44.4%; health care: 28.5%) thus continued to increase (2021: 42.8% and 27.2%, respectively) and most recently accounted for almost three quarters (2021: 70%) of the total social expenditure (see table 1).

The largest increases occurred – not at least due to the one-off special payment of €180 per child granted in August in addition to the regular family allowance – in family benefits, for which €12.1 billion (+9.4%) were spent, as well as in social benefits for housing (housing and rent allowances) and for combating social exclusion (in particular minimum social income/social assistance and refugee assistance), which accounted for a total of €2.8 billion (+9.1%) in 2022. This represented 9.1% (family/children) and 2.1% (housing/social exclusion) of total social expenditure (2021: 8.5% and 1.9%, respectively).

Detailed results and further information on social spending can be found on our [website](#).

Table 1: Social expenditure, social expenditure-to-GDP ratio and social benefits 2000 to 2022

	2000	2010	2020	2021	2022 ¹
Social expenditure in million euro	59 606	87 497	129 401	133 787	136 130
Gross domestic product (GDP) ² in million euro	213 606	295 897	381 042	406 149	446 933
Social expenditure-to-GDP ratio in %	27.9	29.6	34.0	32.9	30.5
Social benefits ³ in million euro	57 854	85 130	126 634	130 921	132 645
Social benefits by function in %:					
- Sickness/health care	25.6	25.3	25.1	27.2	28.5
- Disability	8.2	7.2	5.6	5.4	5.4
- Old-age	40.4	42.7	42.4	42.8	44.4
- Survivors	8.2	6.6	5.1	5.0	5.0
- Family/children	11.3	10.8	9.1	8.5	9.1
- Unemployment	4.7	5.5	11.0	9.1	5.5
- Housing/social exclusion	1.5	1.9	1.9	1.9	2.1

S: STATISTIKS AUSTRIA, European System of Integrated Social Protection Statistics (ESSPROS).

1) Preliminary data. – 2) GDP at nominal values according to ESA 2010, National Accounts, June 2023. – 3) The difference between social benefits and social expenditure are administrative costs and other expenditure (e.g. interest).

Table 2: Expenditure for social benefits by function 2010 to 2022, in million euro

Function / Social benefit ¹	2010	2020	2021	2022 ²
Sickness/health care total, thereof:	21 560	31 726	35 635	37 808
- In-patient health care from health insurance, health institutions for parts of civil servants and administrative units	10 042	15 265	16 671	17 026
- Out-patient health care from health insurance, health institutions for parts of civil servants and administrative units	7 459	11 036	13 326	14 101
- Guaranteed remuneration by employers in the event of sickness	2 531	3 275	3 336	4 151
- Health care and rehabilitation from pension insurance	742	927	1 055	1 125
Disability total, thereof:	6 127	7 048	7 120	7 229
- Invalidity pension from pension insurance	3 012	2 565	2 475	2 380
- Social assistance for people with disabilities from Laender and municipalities	1 221	1 990	2 132	2 270
- Civil servants' pension from public bodies	803	787	811	840
- Long-term care allowance from central government and Laender ³	480	581	568	555
Old-age total, thereof:	36 392	53 676	56 080	58 854
- Regular old-age pension and invalidity pension from pension insurance	19 814	32 338	34 152	36 228
- Civil servants' pension from public bodies	8 227	10 729	11 046	11 450
- Minimum social income/social assistance from Laender and municipalities ⁴	1 416	2 927	2 989	3 169
- Early retirement pension for long-term contributions payers, corridor pension, for long-term insured persons and heavy work pension from pension insurance	2 819	2 560	2 761	2 869
- Occupational pension	1 905	2 504	2 543	2 580
- Long-term care allowance from central government and Laender ³	1 845	2 195	2 152	2 117

Function / Social benefit ¹	2010	2020	2021	2022 ²
Survivors total, thereof:	5 599	6 449	6 516	6 627
- Survivors' pension from pension insurance	4 352	5 262	5 367	5 488
- Civil servants survivors' pension from public bodies	991	992	959	951
Family/children total, thereof:	9 206	11 463	11 066	12 110
- Family allowance ⁵	3 447	4 222	3 587	4 178
- Nursery schools	1 553	2 555	2 645	2 884
- Child tax allowance	1 319	1 339	1 346	1 459
- Child-care benefit (incl. allowance/subsidy)	1 062	1 171	1 187	1 209
Unemployment total, thereof:	4 658	13 868	11 957	7 240
- Active and activating labour market policy measures ⁶	1 789	2 419	2 940	3 089
- Unemployment benefit ⁷	1 339	2 396	1 616	1 531
- Unemployment assistance ⁸	821	1 909	1 950	1 397
- Short-time working allowance	55	5 489	3 704	626
- Support for self-employed and artists ⁹	-	1 112	1 263	99
Housing/social exclusion total, thereof:	1 589	2 403	2 547	2 779
- Minimum social income/social assistance and aid for refugees from Laender/municipalities	763	1 689	1 765	1 932
- Housing and rent assistance, rent allowance	460	320	310	317

S: STATISTICS AUSTRIA, European System of Integrated Social Protection Statistics (ESSPROS).

1) Mentioned are the quantitatively most important social benefits within each social benefit function from a 2021 and 2020 point of view. – 2) Preliminary data. – 3) Since 2012, the state government is solely responsible for long-term care allowance. – 4) Out-patient, in-patient and partly in-patient social services (primarily net expenditure for residential homes for elderly). – 5) Family burdens equalisation fund (FLAF); incl. COVID-19 child bonus. – 6) Training measures, promotion of occupational and regional mobility etc. (active labour market policy measures) and passive measures of the unemployment insurance used for active interventions such as unemployment benefit and unemployment assistance for training (activating labour market policy measures); excl. short-time working allowance. – 7) Incl. Corona crisis lump-sum payment; excl. activating labour market policy measures (see footnote 6). – 8) Incl. Corona crisis lump-sum payment and temporary increase of unemployment assistance; excl. activating labour market policy measures (see footnote 6). – 9) Payments of the hardship fund for self-employed (sole proprietorships, micro enterprises, independent contractors) as well as of the social insurance fund and aid fund for artists (COVID-19 crisis management).

Information on methodology, definitions: In the EU, expenditure (and receipt) for social protection are compiled according to the methodology of **ESSPROS (European System of integrated Social Protection Statistics)**. Social protection expenditure (ident with the term social expenditure used above) encompasses social benefits, administration costs and other expenditure (e.g. interest) in the context of social protection systems (in Austria e.g. the statutory pension insurance or the Family burdens equalisation fund). Social (protection) expenditure are expenses of a **redistributive character**, namely no private expenses, no capital and life insurance systems, no private supplements and no employers' social benefits without redistributive character. In addition, social protection expenditure does not include expenditure for education, subsidising housing and fiscal benefits not primarily for social purposes.

Social benefits are recorded "gross": The value is equal to the benefit paid by the relevant social protection system without any deduction of income tax and other obligatory levies payable by beneficiaries. Social benefits are transfers to private household and individuals from social protection systems intended to relieve them from the burden caused by a number of **risks or needs**. ESSPROS has by convention eight risks or needs (the so-called **functions**) that may give rise to social protection (housing and combating social exclusion are presented summed up as one function). **Direct payments made by the beneficiaries** towards the costs of social benefits are not receipts of the social protection schemes but of the institutional units that provide these benefits. These payments are deducted from the value of the social benefits (e.g. prescription charges or payments made by the beneficiaries in the case of accommodating in residential homes for the elderly).

The Austrian **time series** comprise 1980, 1985 and the years from 1990 until the current reporting year. At present, the results for **2022** are still **preliminary** (the final expenditure together with the financing will be available in autumn). Data sources used for ESSPROS are closed accounts of administrative units and social security institutions, national accounts data, income and loss accounts of funds and insurances, various secondary statistics and other information. With regard to preliminary results, data on social expenditure and on social benefits from the federal government and from social security institutions are usually close to final values. Other sources may deviate because they are based on extrapolations using rates of change from the preliminary COFOG government expenditure (Laender and municipalities) or on estimates (occupational pension).

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

Social protection team, e-mail: sozialschutz@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