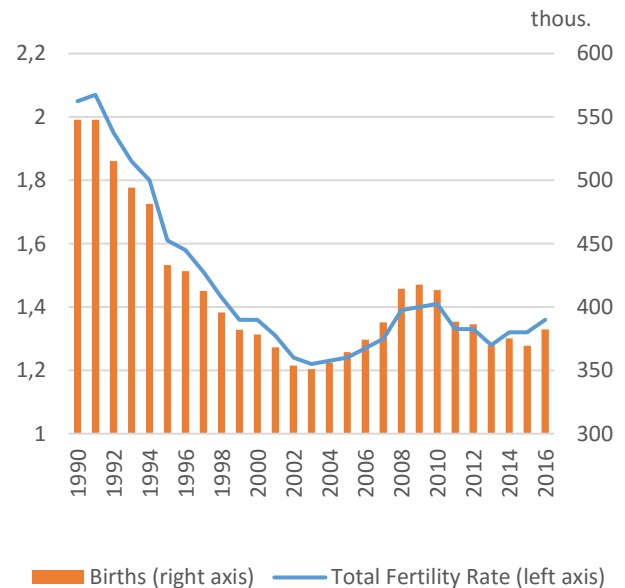


# Social and economic situation of households in Poland in the years 2015-2016 - Summary

## Demographic situation

- According to the preliminary data of the Central Statistical Office, at the end of 2016, the population of Poland amounted to 38,433,000, i.e. by approx. 4,000 less than at the end of 2015. The decline in the population was already recorded in the fifth consecutive year, but this process weakened. The rate of natural increase in 2016 (counted per 1000 population) was -0.1‰; a year ago, this coefficient was -0.7‰.
- In 2016, the fertility rate in Poland was 1.36 and was higher by 0.05 than in 2015. This coefficient in Poland has been systematically falling since 1989. Since 1997 its value has been below 1.5 and since 2001 it fluctuates around the value of 1.3.

Figure 1. Total Fertility Rate and number of births

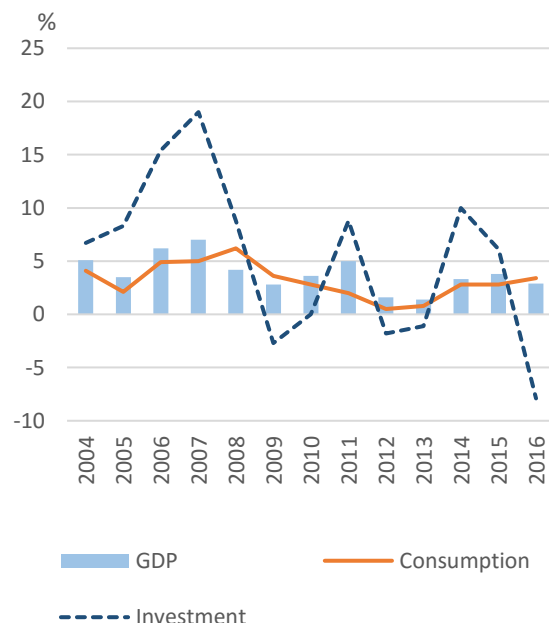


Source: Central Statistical Office data.

## Macroeconomic conditions

- In 2016, the GDP growth rate decreased from 3.8% to 2.9%, which was due to the negative investment growth, probably related to the initial stage of the implementation of the new EU financial perspective for 2014-2020.
- On the other hand, the total consumption dynamics accelerated from 2.8% to 3.4% in 2016, which meant that the trend persisted in 2010-2015, when the consumption dynamics did not keep up with GDP growth.
- In 2016, the continuation of positive tendencies on the labor market was observed, which was illustrated, among others, by decrease in the unemployment rate by 1.4 pp. to the level of 8.3%. The drop in the unemployment and the growing number of people working in combination with rising wages (both minimal and average) have certainly translated into improved financial conditions of households.

Figure 2. Real GDP, consumption and investment growth



Source: Central Statistical Office data.

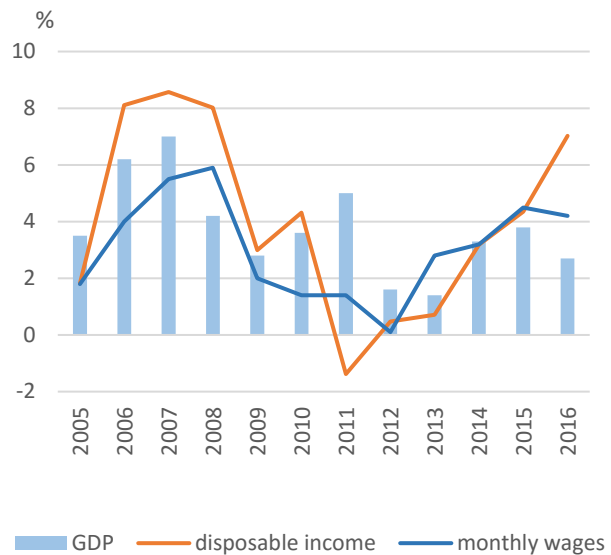
### Household income and poverty

- The level of the average monthly disposable income per person in 2016 amounted to PLN 1475 and was higher by 7.0% than in the previous year. In real terms, this was the highest dynamics since 2008 (the end of the economic boom period), when real income increased by 8.0%. The source of the real growth of revenues in 2016 was, first of all, the child support benefit introduced in the second quarter of 2016 (the "Family 500 plus" program).
- The highest increase in average income took place among marriages with 3 or more dependent children (by 25.2%), which was caused by the child support benefit introduced in 2016. At the same time it should be emphasized that the average income per capita in 2016 in these families was still at the lowest level (PLN 1051) among all types of families.
- The results of household budget surveys from 2016 show that both extreme poverty and relative poverty decreased among all socio-economic groups. This was mainly due, on the one hand, to the introduction of child support benefit, and on the other hand to the dynamic improvement of the situation on the labor market.
- It should be noted that the data from the 2016 household budget survey do not fully reflect the impact of the child support benefit on disposable income and the poverty measures. Appropriate explanations and the estimation of these data are presented in the Report (only Polish version, p. 17 and 23).
- The main factors invariably for years increasing the risk of falling into poverty are: the unemployment or low-paid jobs, the number of people living in the household, low education and diseases.

### Changes in the social policy

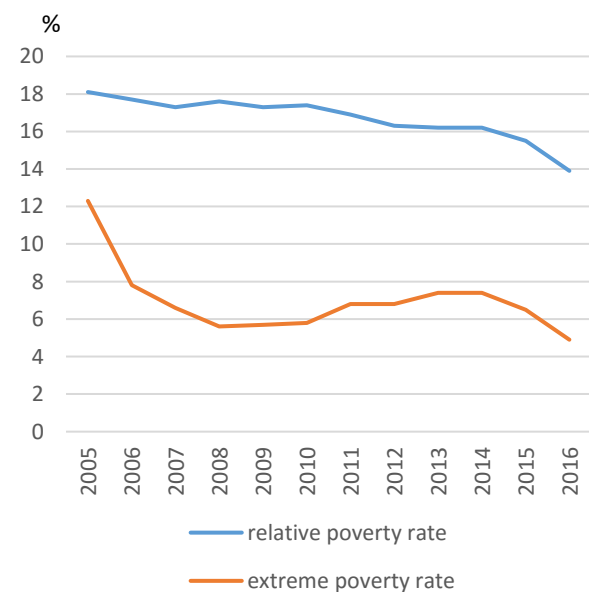
- In 2016, changes in family policy were mainly focused on financial support: introducing new child support benefit (Family 500 plus program) and parental benefit, also changes in the amounts and income thresholds entitling to family allowances, as well as the introduction of the principle "zloty for one zloty" to family benefits.
- In addition, in 2016, there was a one-time cash payment for some pensioners and people receiving pre-retirement benefits and allowances, bridge pensions or teacher compensation benefits. The payment of the supplement was a complementary solution to the valorization mechanism and its very low level in 2016. The amount of the supplement depended on the amount of benefits or benefits collected at the crossing point (from PLN 50 to PLN 400 net).

**Figure 3.** Real disposable income, wage and GDP growth



Source: MRPiPS calculations based on Household Budget Survey, Central Statistical Office data.

**Figure 4.** Extreme and relative poverty rates



Source: Central Statistical Office data.