

## Insee Références collection "Income and wealth" - 2016 edition

This morning INSEE presented to the press the **2016 edition** of the *Insee Référence "Income and Wealth"*. It provides the latest information available on household income and wealth, inequalities in standards of living and poverty.



✓ **After the beginning of the crisis, the median standard of living fell slightly for five years, and the fall was more marked for those on the lowest incomes**

In 2013 in Metropolitan France, the median standard of living of the population stood at **20,000 euros a year** (or €1,667 a month). Between 2008 and 2013, due to the crisis, the median standard of living fell back **1.1%**. This slow reduction in the median standard of living between 2008 and 2013 was unprecedented in France over the period observed, 1996 to 2013. It remains moderate compared to the reductions observed in certain other European countries.

Since 2008, inequalities remained relatively stable: the gap widened under the effect of increased unemployment between 2008 and 2011, before being reduced again between 2011 and 2013, due in particular to the drop in income from assets held. **Low incomes have been the worst affected by the economic crisis: the first standard of living decile fell by 3.5% in constant euros between 2008 and 2013. The tax and benefit system, however, played the role of shock absorber**, limiting the impact of the economic crisis on the growth in inequalities between 2008 and 2011.

As for the **poverty threshold**, corresponding to 60% of the median standard of living of the population, it stood at **1,000 euros a month for a single person**. In 2013, **8.6 million people were poor, or 14.0% of the population**. This proportion fell back slightly in 2012 and 2013 (-0.4, then -0.3 points), but over five years, poverty has increased by 0.7 points. This increase in poverty, which is more moderate than elsewhere in Europe, mainly affects households in work, in particular manual workers, single-parent families and large families.

As regards wealth, in 2015 almost 94% of households held some private assets other than a current account: 90.1% in the form of financial products, 62.6% owned real estate and 15.0% some professional assets. **The proportion of households in Metropolitan France (16.5%) owning securities fell by 8 points compared to 2004, in favour of retirement savings plans (including life insurance), which were held by 44.2% in 2015.** Having a reserve in case of unforeseen events is the main reason for saving.



Our experts say....

**"A consequence of the economic crisis, the child poverty rate increased by +2.6 points between 2008 and 2012 before falling slightly in 2013 to reach 19.6%"**

*Julie Labarthe, Head of the Household Income and Wealth Division, INSEE*





√ Since the 1970s, changes in inequalities are explained less by socio-demographic characteristics

The level of inequalities fell sharply in the 1970s, then continued to fall but more slowly during the 1980s and until the beginning of the 1990s. It then increased in the 2000, but without returning to the 1970 level.

This profile is similar to that of the United States, where the level of inequality increased virtually continuously over the period, but differs from Germany, for example, which saw overall stability in inequalities until 1999, followed by a sharp rise until 2005, and then a more moderate fall.

Over the period, whatever the socio-demographic characteristic considered (age, socio-occupational category, etc.), the weight of inequality between each of these categories has fallen in favour of that of within each category.



Our experts say....

**"In spite of an upward trend in inequalities since the 2000s, France remains below the average for OECD countries in terms of inequality".**

*Antoine Boiron, Household Income and Wealth Division, INSEE*



Our experts say....

**"Taking account of mobility in standards of living only marginally changes the measurement of inequalities"**

*Jérôme Accardo, Head of the Household Resources and Living Conditions department, INSEE*

√ The variation in the distribution of living standards does not describe the distribution of individual changes

Between 2012 and 2013, the average standard of living fell by 1.7%, while the variation in the standard of living deciles remained between -1.8 and +1.1% inclusive.

For half of the population the standard of living increased, or fell, by more than 10% and it is the individuals situated at either end of the scale who experience the proportionally strongest variations. Thus, in the period 2007-2013, an individual who was 20% above the average standard of living in one year could still expect to be 16% above it the following year. An individual 20% below had still to expect to 15% below one year later.

All other things being equal, having a low standard of living increases mobility (the ratio is reduced to 16 points), as does exercising one of the Professions (reduction of 13 points) or having a postgraduate qualification (reduction of 7 points).

For most households, the standard of living varies because their earned income changes. But variation in benefits, for the poorest, and in income from assets held, for the best-off, also have a considerable impact.

The gap between an individual's current standard of living (that is to say that observed in the year) and that calculated as an average over several years is in most cases quite limited. Fluctuations in the standard of living do little to correct disparities in current income.

See also....

Another file:

- "Income disparities and segregation in large urban centres" which characterises the different urban centres according to the income structure of their inhabitants, in particular by considering the spatial distribution of these different populations.

And a set of information sheets providing key data, both general and specific, on households' income and wealth

See the complete publication on [insee.fr](http://insee.fr)

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