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Hungarians are much more optimistic than before about their income situation, but still only a quarter of the population could afford an unexpected expense

According to the [Equilibrium Institute's](#) most recent opinion poll on poverty trends, the subjective income situation of Hungarians has improved overall, and they are more confident about the future than six months ago. However, only 25% of the population can say that they could easily spend 100,000 HUF (265 EUR) on an unexpected expense. 27% of the Hungarians earn less than HUF 200,000 HUF (530 EUR) net, which is not even enough to cover their meagre living expenses. Two-thirds of Hungarian households (67%) can only finance their expenses with minor or major difficulties. Nevertheless, a higher proportion of Hungarians than before say they have no problem paying their heating bills or putting meat and fish on the dinner table every other day.



One in three Hungarians could have problems keeping their homes warm in the next three months

According to the April 2023 research of the Equilibrium Institute, **62 percent of the Hungarian population will have enough money to keep their homes warm in the next quarter.** However, **nearly a third (28%) of those surveyed expect that paying the heating bill will sometimes be a challenge, and a further 5% say they will not have enough money at all to heat their home.** In terms of age, there is greater concern among people aged 60 and over, with a 6 percentage point higher proportion than the national average fearing that they will be unable to keep their homes at the right temperature from time to time.

In the next three months, do you think you will or will not have enough money to keep your own home warm at all times, i.e. at a temperature suitable for your home chores and sleep?

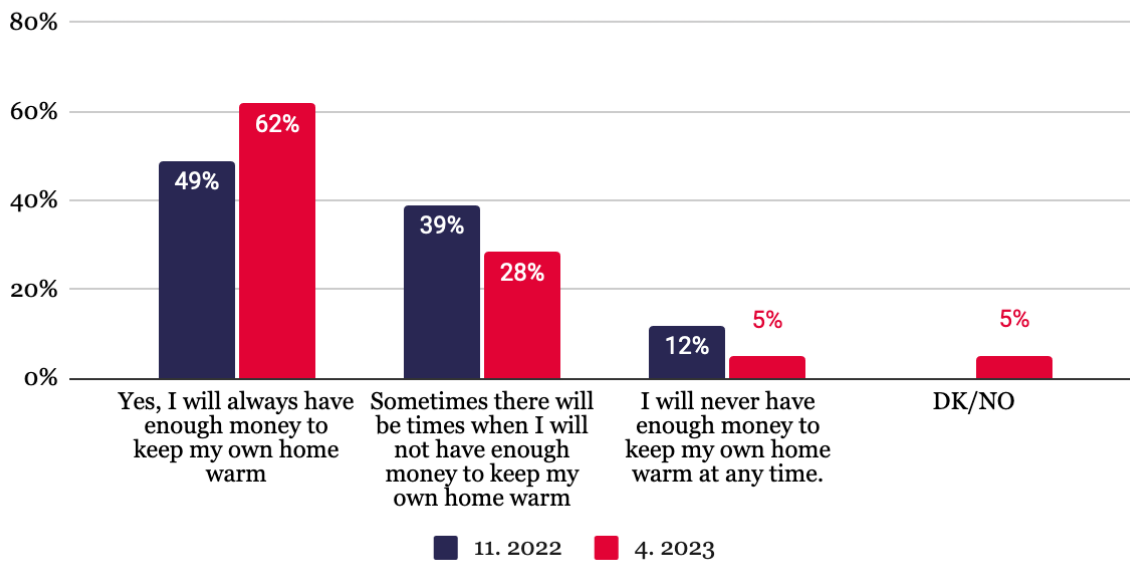


Figure 1.: In the next three months, do you think you will or will not have enough money to keep your own home warm at all times, i.e. at a temperature suitable for your home chores and sleep? | N = 1000; percentage

The trend over time is clear: people are much more optimistic about their heating bills than they were in November last year. The results are likely to be significantly influenced by the fact that the survey was conducted in the spring, with daily average temperatures rising, so that a good proportion of the population predicted falling heating bills.



More than two-thirds of Hungarian households expect no change in income in the next quarter

The Equilibrium Institute research shows that **more than two-thirds (68%) of Hungarian households expect no change in their monthly income and just under a fifth (17%) expect a decrease in income in the next three months.** Nine per cent of respondents expect their household income to increase in the next quarter. **The highest levels of optimism about income are found among those aged 30-39 (16%) and those with a high school diploma (14%) or a college degree (13%).** Overall, Hungarians are more optimistic on this dimension since November 2022.

Do you think your household's monthly income will increase or decrease in the next three months? Please think not only about your own income, but also about the income of all your family members living with you.

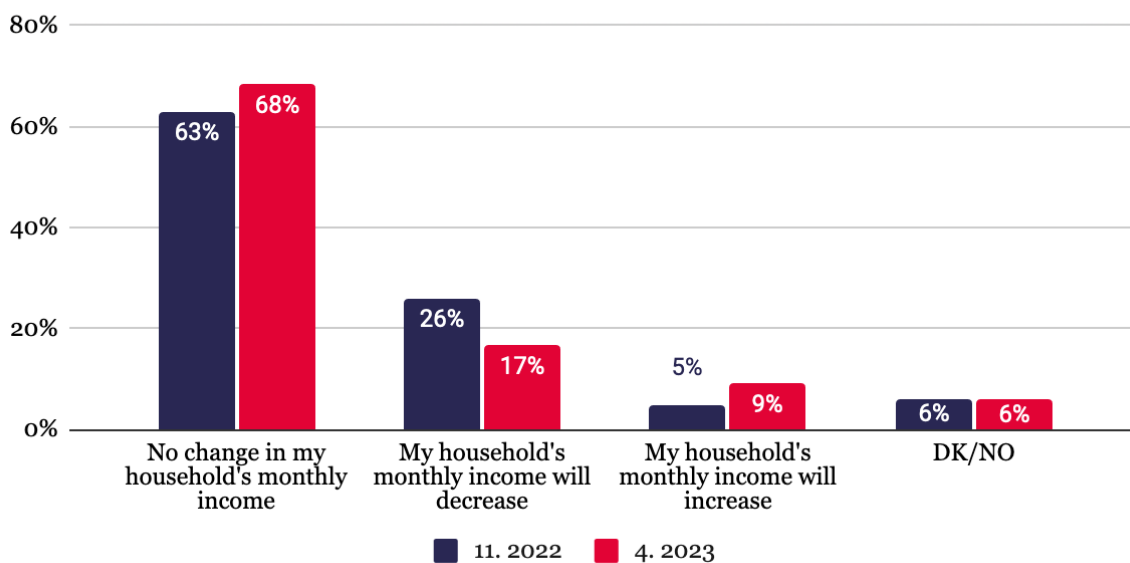


Figure 2.: Do you think your household's monthly income will increase or decrease in the next three months? Please think not only about your own income, but also about the income of all your family members living with you. | N = 1000; percentage



More people feel that meat or fish can be on the table every other day

Almost a third of Hungarians (58%) said they would have enough money to eat meat or fish every other day in the next three months, while 36% said the opposite. The results show that people of retirement age, i.e. those aged 60 and over, are the least likely to expect to be able to put some meat on their table at least every two days (45%). It is worth pointing out that this is the area where there has been the biggest shift in the last six months, with 15 percentage points more respondents saying they will have money to buy meat or fish, well above the margin of error.

For the next three months, do you think you can or cannot afford to eat meat or fish at least every other day?

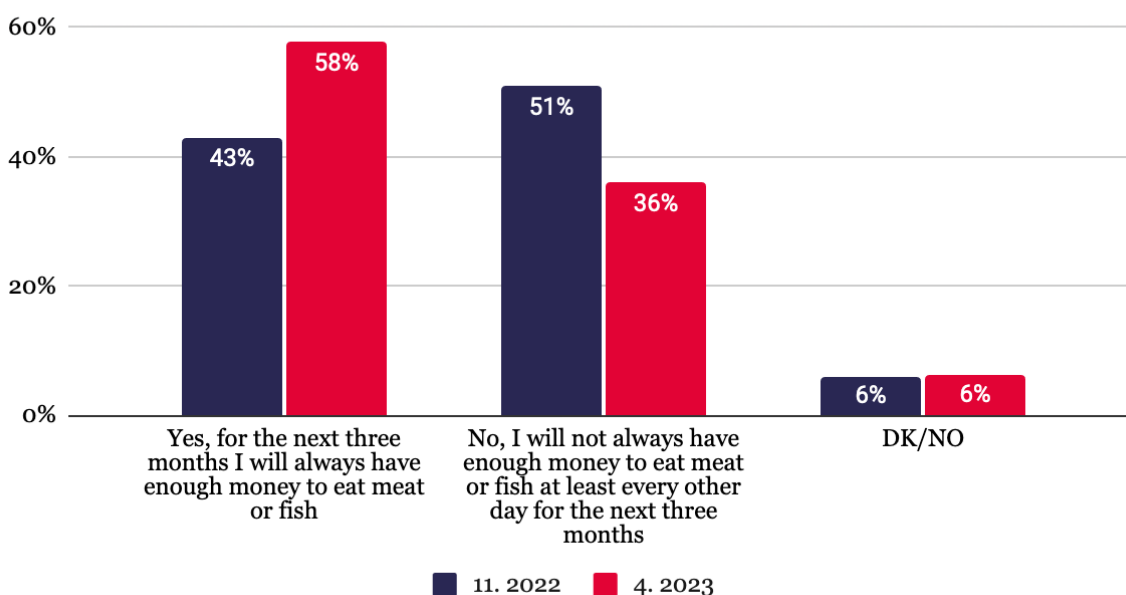


Figure 3.: For the next three months, do you think you can or cannot afford to eat meat or fish at least every other day? | N = 1000; percentage



Only a quarter of Hungarians could cope with a large unexpected expense

The results of the survey show that **42% of the adult population would have a problem paying a 100,000 HUF expense, but could still manage it on their own.** However, almost a third (29%) of respondents said they would not be able to cope at all with such an expense. **Only 25% of Hungarians can say that they would have no problem paying 100,000 for an unexpected expense.**

If you had an unexpected but unforeseeable expense of HUF 100,000 tomorrow, would you be able to pay the HUF 100,000 out of your own resources or would you not be able to pay the HUF 100,000?

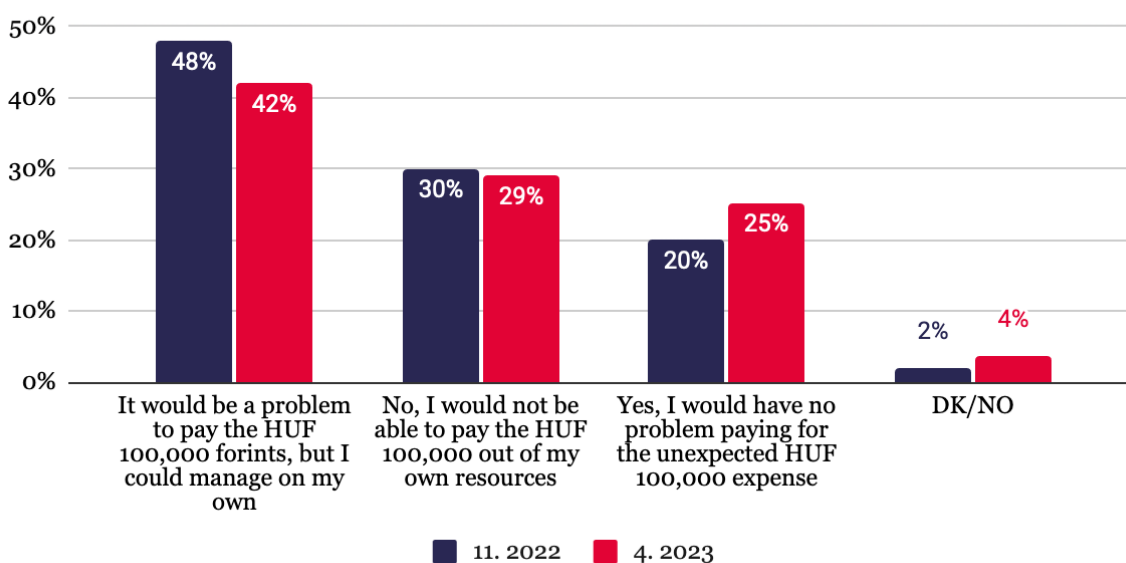


Figure 4.: If you had an unexpected but unforeseeable expense of HUF 100,000 tomorrow, would you be able to pay the HUF 100,000 out of your own resources or would you not be able to pay the HUF 100,000? | N = 1000; percentage

The over-60s also fare badly in this dimension: 38% would not be able to overcome such a challenge on their own. **In any case, there has been a positive shift in the last six months, as the proportion of those who would not be able to spend or would have problems paying 100,000 for an urgent expense has fallen.** Since November

2022, the number of those who would have no problem in such a situation has increased by 5 percentage points.



500 thousand forints per person for a carefree life

In the research of the Equilibrium Institute, we also looked at how much Hungarians need at an individual level to live a meagre, average or carefree life. The results show that a **typical Hungarian citizen would need 220,000 forints net (580 EUR) to live a meagre life. For an average life, Hungarians would need a net HUF 350,000 (930 EUR), and for a carefree life, a net HUF 500,000 (1330 EUR) per capita monthly.**¹

You alone would need how much money...

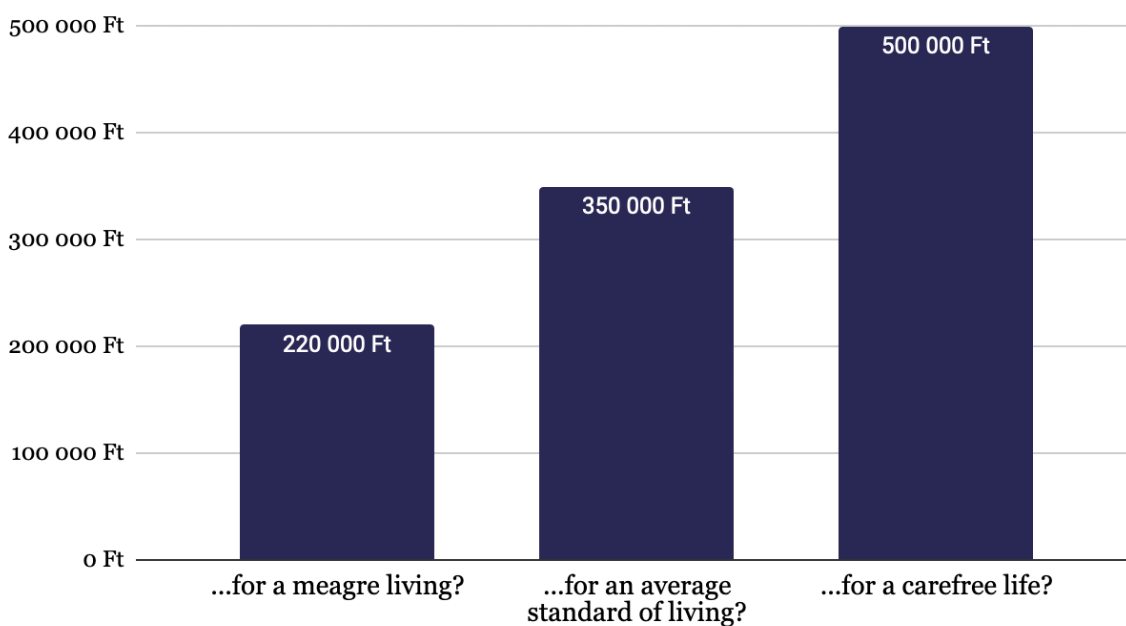


Figure 5.: Just for you alone, how much would you personally need for a meagre living; for an average living; for a carefree life? | N = 1000; median value of responses

However, it is worth pointing out that **27% of those surveyed earn less than HUF 200,000 net, which means that almost one in four of our fellow citizens, alone, without a spouse or family support, do not have the minimum income to live on.**

¹ In the November 2022 survey, we were still looking at the material needs of households, but for methodological reasons we will be looking at individual needs in the 2023 survey. For this reason, a comparative analysis will only be included in our report in the summer.

A further quarter of the population (26%) earns less than HUF 350,000 net, meaning that **more than half of Hungarian society does not have the monthly income needed for an average life. Currently, 3% of those surveyed have no monthly income and 13% take home less than HUF 150,000 net per month.** In April 2023, only 10 percent of Hungarians were in the income band needed for an average life (HUF 350-500,000), and **only 4 percent of the population earned the income needed for a carefree life.**

How much is your net income (what you receive) (salary/pension/grant) per month? Please include any extra work (second job, side job, casual income, etc.).

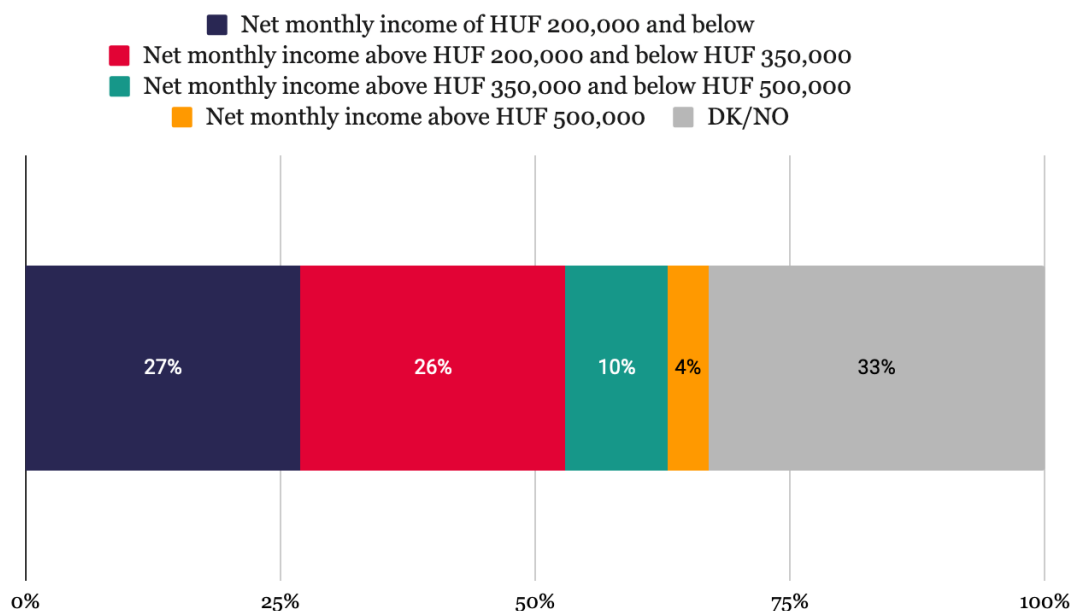


Figure 6.: How much is your net income (what you receive) (salary/pension/grant) per month? Please include any extra work (second job, side job, casual income, etc.). | N = 1000; percentage

It is also worth pointing out that higher educational attainment is typically associated with higher income expectations, and the opposite pattern emerges across age groups: **the older someone is, the lower their expectations.**

In your opinion, how can your household cover its normal expenses?

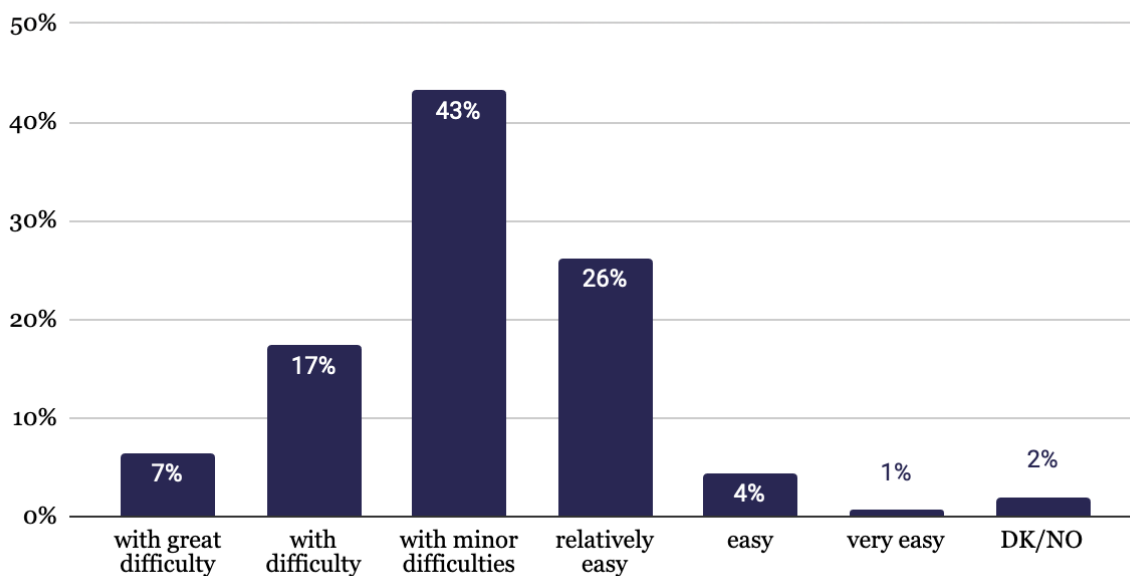


Figure 7.: In your opinion, how can your household cover its normal expenses? | N = 1000; százalék

The results show that 7 percent of households have great difficulty in meeting their usual expenses, while 17 percent have only moderate difficulty. The largest group, 43 percent, is made up of those who can do so with only minor difficulty. **Overall, two thirds of Hungarian households (67%) can finance their expenditure only with some difficulty.** That said, 26% of respondents manage their household's financial assets with relative ease, 4% with ease and 1% with great ease.

The next Equilibrium Institute poll on poverty and income will be published in summer 2023.



Methodology

Data collection period of the personal, representative public opinion poll: 4-14 April 2023. Number of respondents: 1000 people. Respondents collectively represent the country's population aged 18 and over. The survey data may differ by no more than plus or minus 3.2 percent from what would have been obtained if all eligible persons in the country had been interviewed. People are selected using a two-stage stratified random sampling method, which means that all adult Hungarian citizens have an equal chance of being included in the sample. Data was collected by ZRI Závecz Research.



About the research

Over the past 10 years, the Hungarian economy has experienced continuous and significant economic growth and real wage growth, with the exception of the COVID year 2020. As a result of these improving trends, poverty rates in Hungary have fallen according to all available statistics. However, in terms of actual consumption at purchasing power parity, Hungarians consumed 70% of the EU average in 2021, with only Bulgaria performing worse at 65%. This means that, according to the latest data, Hungary is the second poorest country in the EU. Moreover, Hungary is one of the biggest losers in the period 1995-2021: among the countries starting from the bottom third, Hungary's relative position has fallen the most, while our direct competitors have overtaken us (see Figure 8). Behind all this lies decades and cycles of inappropriate economic, educational and social policies. To help Hungary become a more competitive, prosperous and successful country, the Equilibrium Institute has made policy proposals to [strengthen Hungarian businesses](#), [improve education](#) and [reduce poverty](#).

Actual individual consumption among countries in the bottom third (purchasing power parity, 1995-2021)

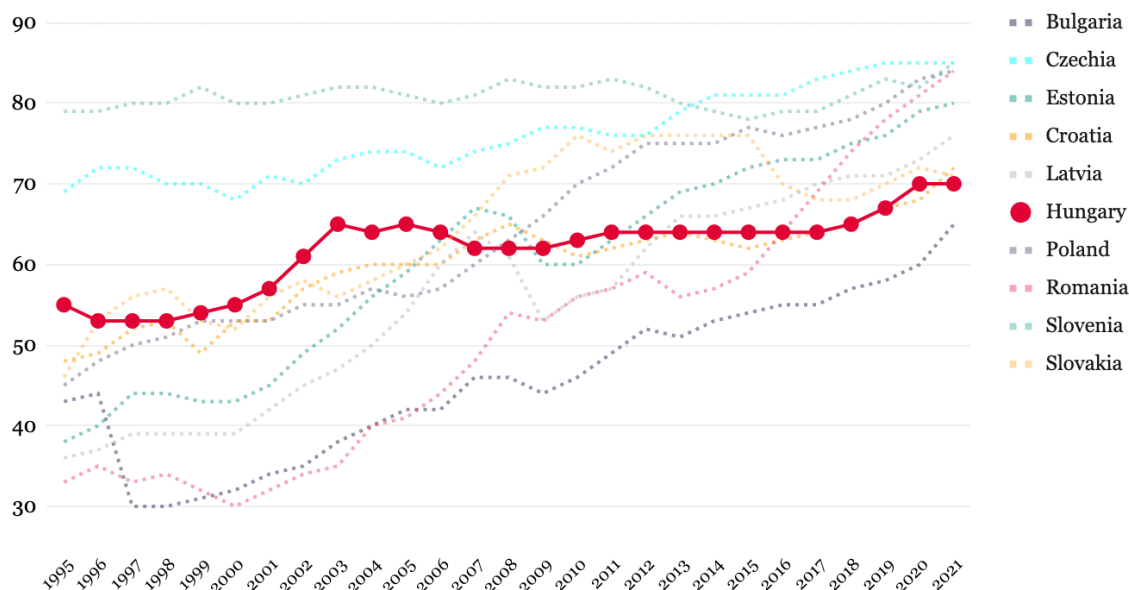


Figure 8.: Actual individual consumption among countries in the bottom third (PPP, 1995-2021) | Volume indices of real expenditure per capita; base = EU-27; base year = 2020; source: Eurostat

Due to the general rise in living standards over the past decade, the methodological and policy debates on domestic poverty, which used to be frequent, have diminished in the last few years. However, the steady rise in inflation in recent months, the energy crisis, fiscal adjustments, the freezing of EU funds and the expected stagnation of Hungarian economic growth are likely to reverse the improving trends. This could lead to a renewed increase in poverty in Hungary.

In order for decision-makers, state institutions, charities and NGOs to be able to respond adequately and in a timely manner, they need to be able to assess the scale of the problem, i.e. the process of poverty (or poverty reduction), the proportion of poor people in Hungary, the economic expectations of the population, more accurately and up-to-date than today.

The Equilibrium Institute intends to contribute to this task by conducting quarterly opinion polls, which are representative of the Hungarian population as a whole, to estimate the current level of poverty and the expected trends. While official statistics

show the extent of poverty in Hungary many months or even more than a year in advance, the Institute's quarterly reports are based on recent surveys from a few weeks earlier, allowing for faster reactions by decision-makers and the assessment of improving or worsening trends within a given year. Therefore, the data presented do not necessarily correspond to the Hungarian Central Statistical Office's poverty calculations and reflect the current situation and condition of the respondents.

In the regular survey, we look at the trend in the population's wealth or poverty through five questions:

1. In the next three months, do you think you will or will not have enough money to keep your own home warm at all times, i.e. at a temperature suitable for your home chores and sleep?
2. Do you think your household's monthly income will increase or decrease in the next three months? Please think not only about your own income, but also about the income of all your family members living with you.
3. For the next three months, do you think you can or cannot afford to eat meat or fish at least every other day?
4. If you had an unexpected but unforeseeable expense of HUF 100,000 tomorrow, would you be able to pay the HUF 100,000 out of your own resources or would you not be able to pay the HUF 100,000?
5. You are the only person who knows how much you need:
 - a. For a meagre living: ... HUF per month
 - b. For an average level of living: ... HUF per month
 - c. For a carefree life: ... HUF per month

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