Spending on the means-tested minimum income benefit scheme

In 2016 spending by the Länder on the means-tested minimum income benefit scheme (MIB), i.e. living costs, housing and sickness benefit, totalled 924.2 million euros. This represented 1.3% of MIB resources (70.7 billion euros) or 0.9% of total Austrian expenditure on social protection amounting to 107.0 billion euros (cash benefits and benefits in kind, transfers, management and other; Source for social expenditure: Statistics Austria, ESSPROS, social expenditure). The sum of 872.4 million euros (94.4%) was spent on covering living costs and housing, and 51.8 million euros (5.6%) on sickness benefit. As was the case with the receipt of benefits Vienna accounted for most of this expenditure (583.4 million euros or 63.1%).

Approximately one third (33.9%) of spending on living costs or housing was paid out to ‘communities of dependence’ with children (no detailed breakdown of the figures is available for spending on sickness benefit by type of community of dependence). More than half this amount (56.1%) was spent on couples with children as opposed to on single parents (43.9%).

Starting in 2015, Austria (federal level) has been distributing school starter kits to pupils in households receiving means-tested minimum income. The aim of this measure, financed by the Fund for European Aid and cofinanced by Austria, is to reduce the costs for school children, in particular at the beginning of each school year, by distributing high-quality school materials and thus avoid stigmatisation and promote social inclusion in schools. Since 2015 approximately 120,000 school starter kits have been distributed, with a take-up rate of 78% and an impressive level of satisfaction among end recipients of 95%.

For more detailed reports on the numbers of persons or children supported by the MIB and on the minimum standards for MIB see: Children Supported by MIB or Minimum Standards for MIB

Spending on cash benefits under the MIB

for living costs/housing and sickness benefit; annual expenditure in euros
Annual totals, not including any return flows from cost reimbursement.

** Covering the cost of living and housing outside residential facilities.

*** Payment of health insurance contributions and any other expenses (e.g. deductibles).


Expenditure* for MIB - indexed

Index: year 2011=100

for living costs/housing and sickness benefit

* Annual totals, not including any return flows from cost reimbursement.

** Covering the cost of living and housing outside residential facilities.

*** Payment of health insurance contributions and any other expenses (e.g. deductibles).

Sources: Statistics Austria, Statistics for means-tested minimum income benefit and Ministry of Social Affairs, Statistics for means-tested minimum income benefit 2011-2016; Statistics Austria, National accounts – annual data; Statistics Austria, Consumer Price Index 2000
Expenditure for MIB by Länder

for living costs/housing and sickness benefit taken together, annual total in euros

Annual totals, not including any return flows from cost reimbursement.

Spending* on cash benefits from MIB by Länder - indexed

Index: year 2012=100
Covering living costs and housing outside residential facilities
Annual totals, not including any return flows from cost reimbursement. 
Note: 2012 was taken as the base year here, as in Styria expenditure can only be considered after 1.3.2011 (introduction of MIB). 

Spending on MIB in Austria (excluding Salzburg) to cover the cost of living/housing

Annual expenditure in euros

![Graph showing annual expenditure on MIB in Austria (excluding Salzburg) to cover the cost of living/housing from 2011 to 2016.]

Annual totals, not including any return flows from cost reimbursement.
As no data is available from the Land Salzburg for the categories shown here until 2013, all figures refer to total spending on living costs/housing (without sickness benefit) in Austria minus those in Salzburg.

* For example, a couple with a person of age with an entitlement to family allowance, living in the same household.

Pro rata spending for MIB in Austria (excluding Salzburg) to cover living costs/housing for communities of dependence with children

in % of total spending excluding Salzburg

![Graph showing pro rata spending for MIB in Austria (excluding Salzburg) to cover living costs/housing for communities of dependence with children from 2011 to 2016.]

Annual totals, not including any return flows from cost reimbursement.
Based on the annual totals, not including any return flows from cost reimbursement. As no data for the categories shown here is available from the Land Salzburg from the period up to 2013, all figures refer to total expenditure to cover living costs/housing (without sickness benefit) in Austria minus those in Salzburg.


Spending per community of dependence with children for MIB to cover the cost of living and housing

Annual expenditure in euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (also without children)</th>
<th>Total single parents (A)</th>
<th>Total couples (P) with children</th>
<th>A with 1 child</th>
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</table>

Annual totals, not including any return flows from cost reimbursement. The categories (single parent, couples) other than “Total” do not include Salzburg prior to 2014 (data not available). Between 2014 and 2016 persons were in some cases counted more than once in the categories in Salzburg so minor inaccuracies are present here. Salzburg was not deducted to ensure there is no divergence to the published figures. The “Total” figures have been adjusted to take account of these multiple counts.
Development

Since it was introduced in 2011, spending on MIB (living costs, housing and sickness benefit) has doubled (+99.3% until 2016). The biggest year-on-year increase of 23% was recorded in 2012 due to the fact that this was the first full MIB year (e.g. MIB was only introduced in Styria as of 1.3.2011). From then until 2016 it rose by an average of 12.8% per year or by 62.1% overall. As inflation averaged just 1.34% per year or 5.46% over the four years, spending in real terms adjusted for inflation rose by 53.7% between 2012 and 2016.

Spending on sickness benefit as a proportion of total spending on MIB has remained relatively stable at between 4.9% and 5.6% percent since MIB was introduced, peaking in 2016. For this reason, spending on sickness benefit rose (+68.9%) between 2012 and 2016 slightly faster than total spending on living costs and housing (+61.7%).

After Vienna, which received more than 60% of expenditure each year, (lowest figure: 62.7% 2015; highest figure: 65.6% 2012), spending was highest in Lower Austria and Styria (on average 7.5% and 7.2% respectively) and lowest in Burgenland (0.9% on average).

There have also been differences in regional growth rates since 2012. In Vorarlberg, Styria, Lower and Upper Austria the overall change up to 2016 was higher than the national average, and in Tyrol, Vienna, Salzburg, Carinthia and Burgenland lower than the national average. The biggest increase was seen in Vorarlberg (+104.8%), and the smallest in Burgenland (+42.6%).

With the exception of the year of introduction, slightly more than one third of all spending up to 2016 went each year to communities of dependence with underage children (the Land Salzburg has not been included in the figures reported below on spending by type of communities of dependence due to a lack of data; nor has sickness benefit expenditure been taken into account). Although this share declined by approximately 1 percentage point in 2015 and 2016 compared with the two previous years (from 34.7% to 33.8%), it is still not possible to speak here of a relevant trend.

There was however a shift in spending with regard to the family constellation of communities of dependencies with children that receive support, above all in the last two years. From 2011 up to and including 2014, more than half of all spending, which decreased slightly by 1.8 percentage points from 52.2% to 50.4%, was used for single parents. In 2015 and 2016 this share fell by 6.5 percentage points together to 43.9%, and couples with children on the whole benefited to a comparatively greater extent from the means-tested minimum income benefit scheme.

Accordingly, from 2012 to 2016 changes in total spending for single parents (+40.0%) were lower than average, and for couples with children higher than average (+82.9%).