

The gender side of the cost of living crisis

The Europe of Tomorrow: Gender Equality and the Economy

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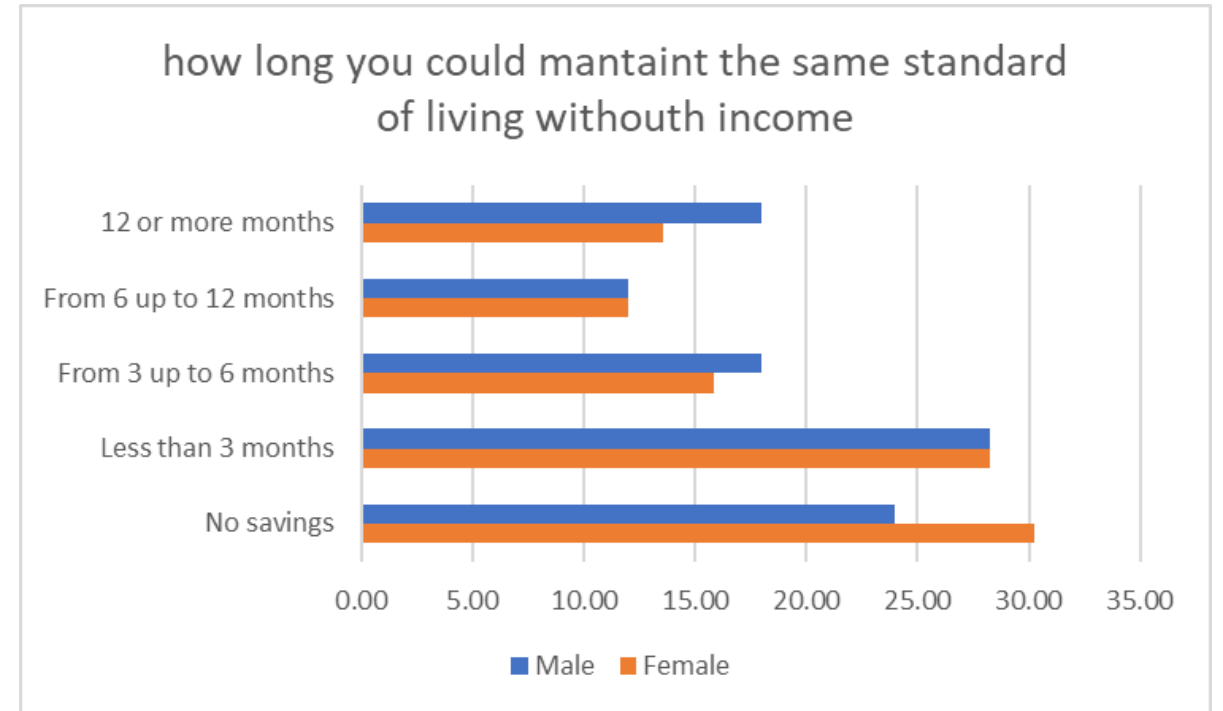
– 3 October 2022 –

The surge of cost of living

- European Union annual inflation was **9.8%** in July 2022, 8.9% in the EuroArea. A year earlier, the rate was **2.5%**.
- Across Europe, prices are rising significantly, driven up by high energy and food costs.
- In July, energy prices were up nearly 42% while unprocessed food was up 11.1%.
- The high prices have prompted the European Central Bank to raise interest rates for the first time in 11 years.
- The undesirable effect on population will be that mortgages will be more expensive, also on those who already have an open mortgage.
- **The cost of living crisis!**

The additional vulnerability of women.

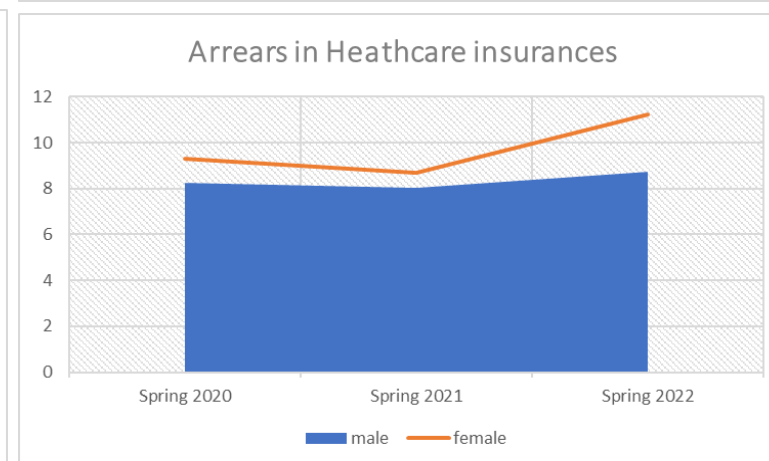
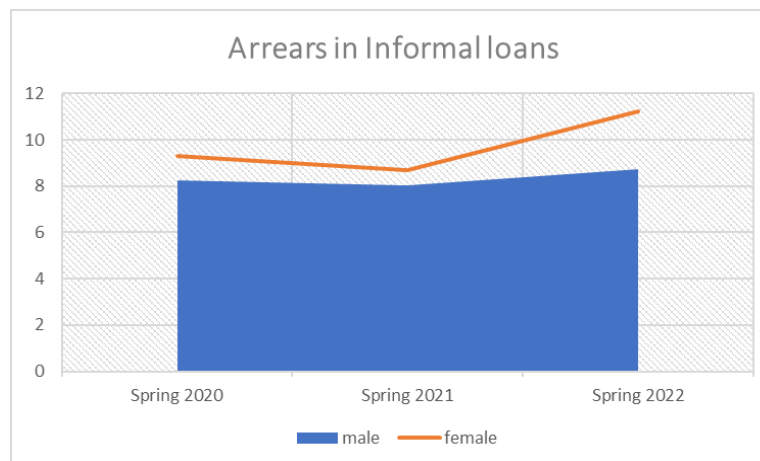
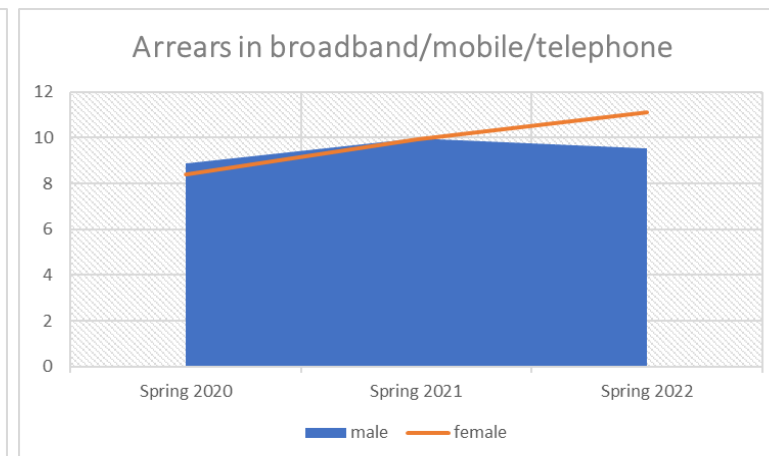
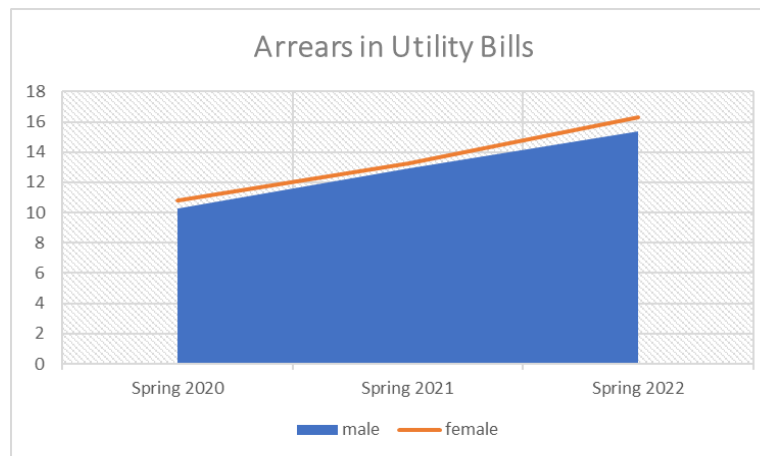
- As costs for housing, food, fuel and other basic necessities continue to rise, women continue to bear an inequitable financial burden.
- Women are more vulnerable to the surge of cost of living as:
 - they are more likely to be in low-paid job,
 - to work part-time
 - to have a low income than men,
 - they are more financial fragile,
 - more often spending a larger portion of their income on household goods that are susceptible to inflated prices.



Eurofound – Living, Working and Covid19, 5th wave

Additional vulnerability of women

- Living, Working and COVID-19 survey
- Higher share of women in arrears throughout the pandemic.
- A surge in Spring 2022, following the Russian aggression to Ukraine and the spike in the cost of energy.



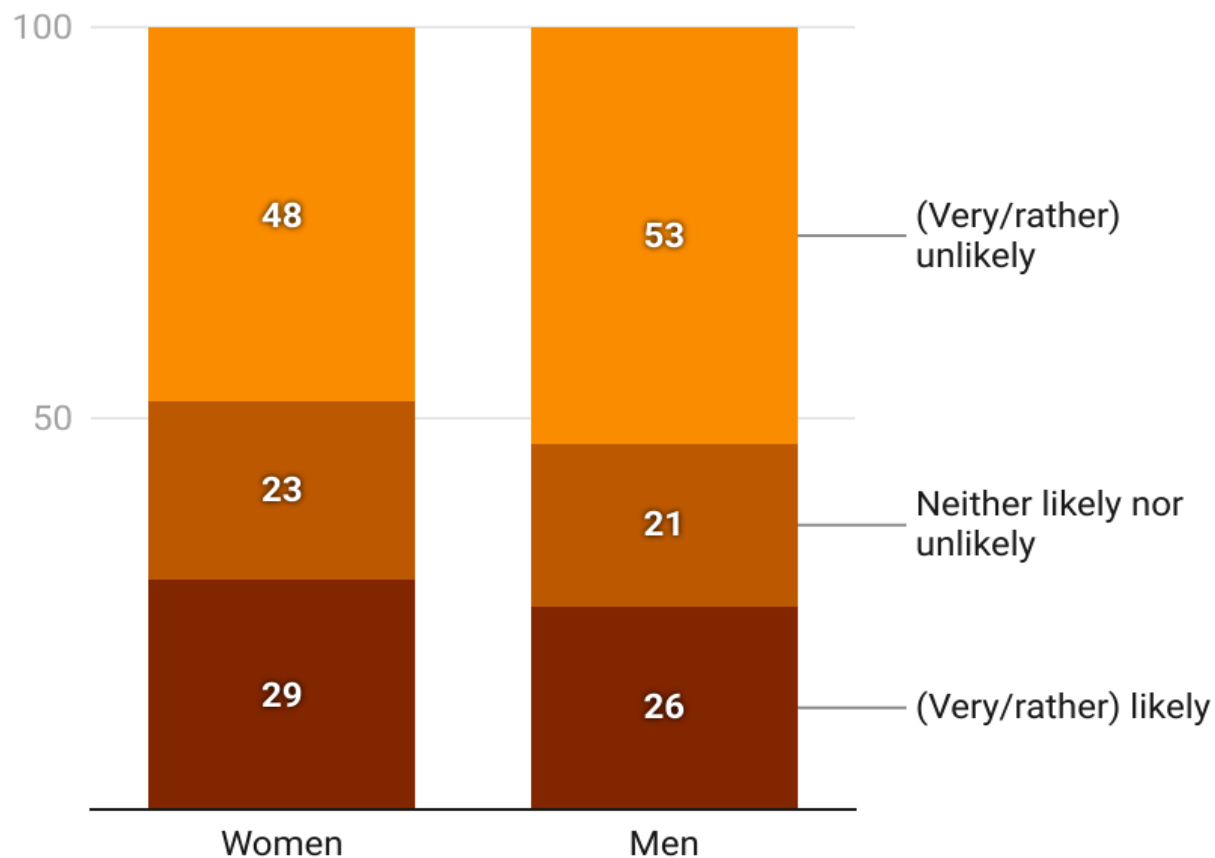
Eurofound – Living, Working and Covid19, 1st, 3rd and 5th wave

The energy poverty problem

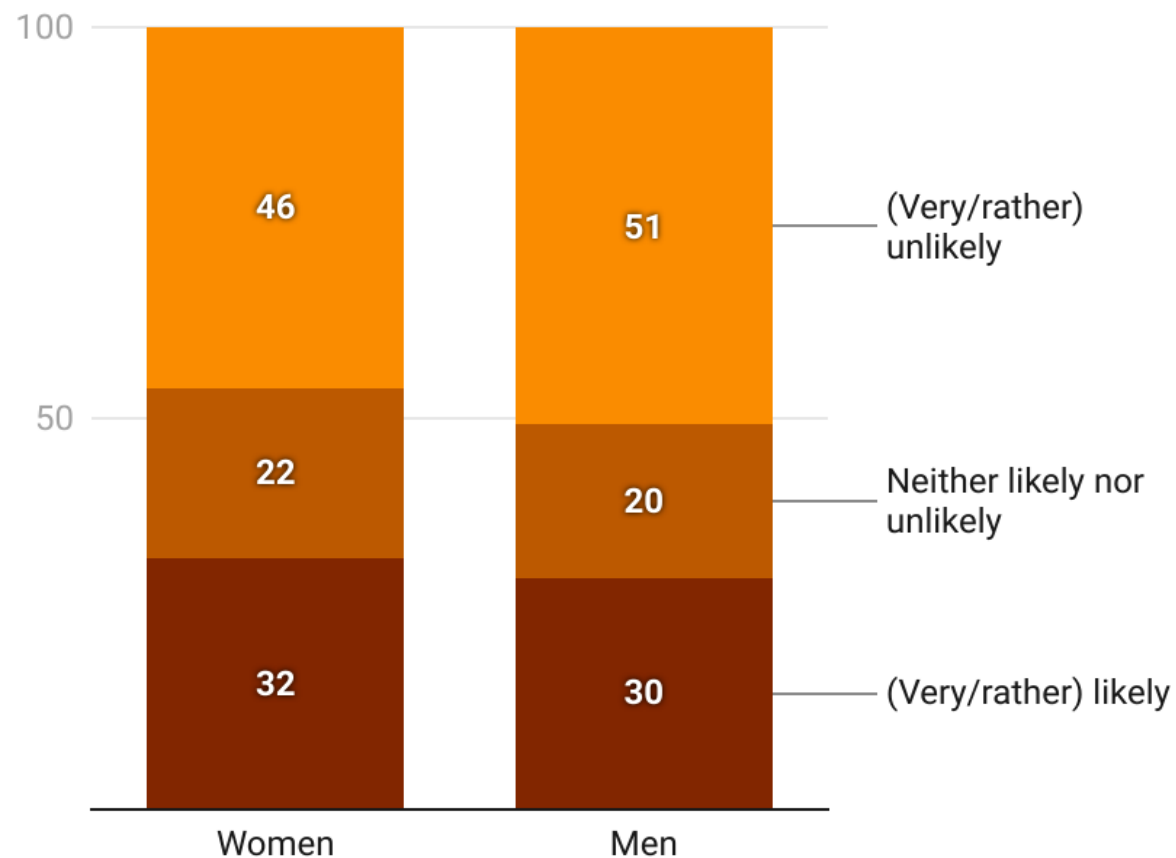
- **Energy poverty:** no shared definition but inability of attain an acceptable level of energy services due to the inability of meeting there requirements at an affordable cost.
- Energy poverty in Europe is reflected in the **more than 50 million people** who have difficulty paying their energy bills or have limited access to high quality energy because of low incomes.
- Uninsulated homes, inefficient appliances (like for heating, cooking, hot water) and high energy prices are main reasons for energy poverty in the European Union.
- Due to their lower average income, women may be at a greater risk of energy poverty than men.

Anticipated payment difficulties EU27 (%)

Energy bills (electricity, water, gas)



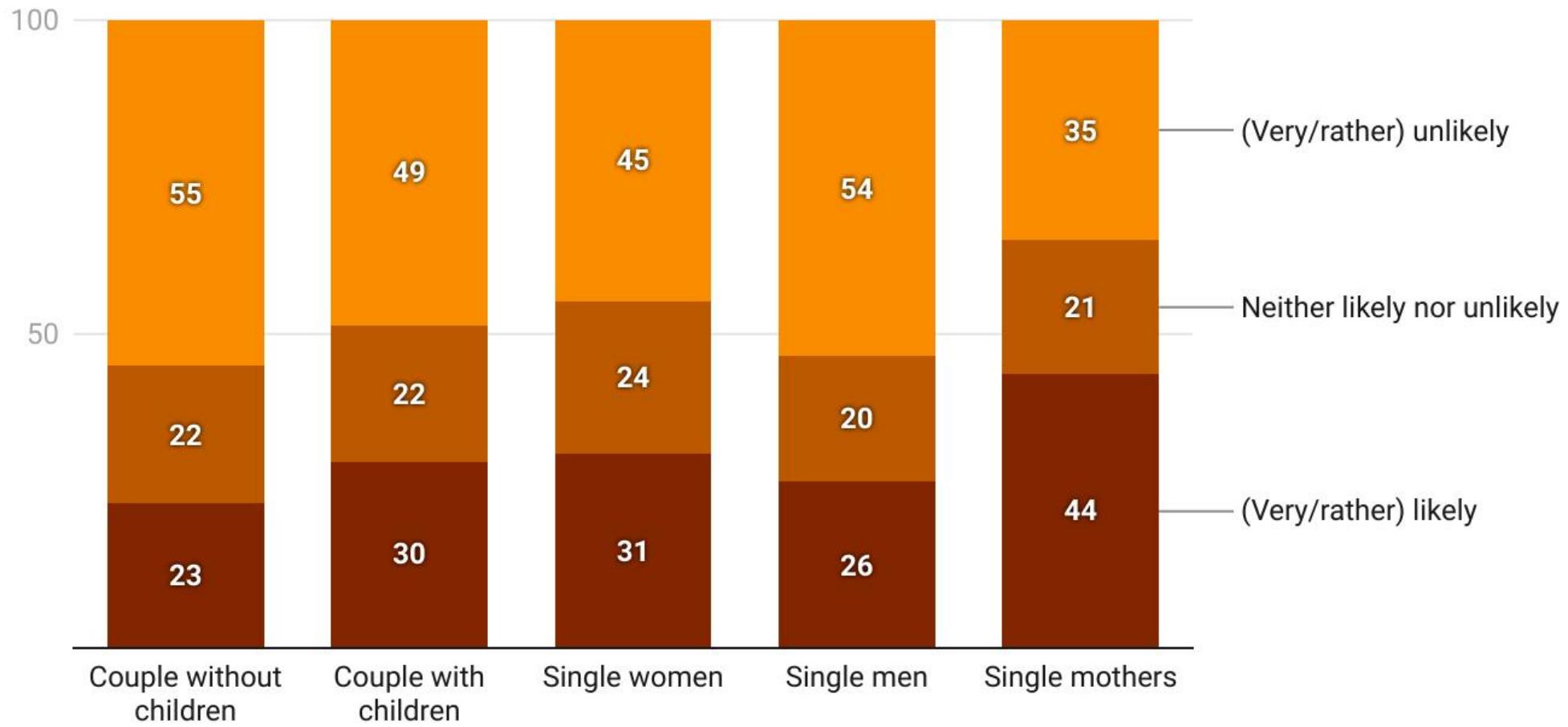
Car's running costs



How likely or unlikely is it that in the next 3 months your household will have difficulties with the following payments?

Source: Eurofound's Living, Working and COVID-19 e-survey (March-May 2022)

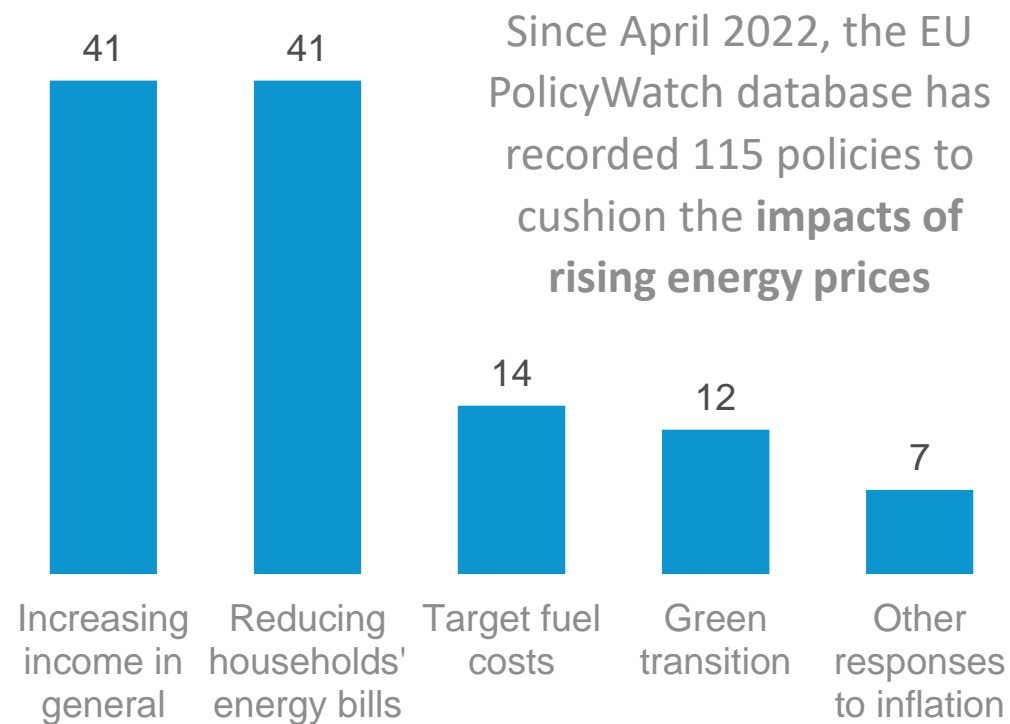
Anticipated payment difficulties energy bills (electricity, water, gas) EU27 (%)



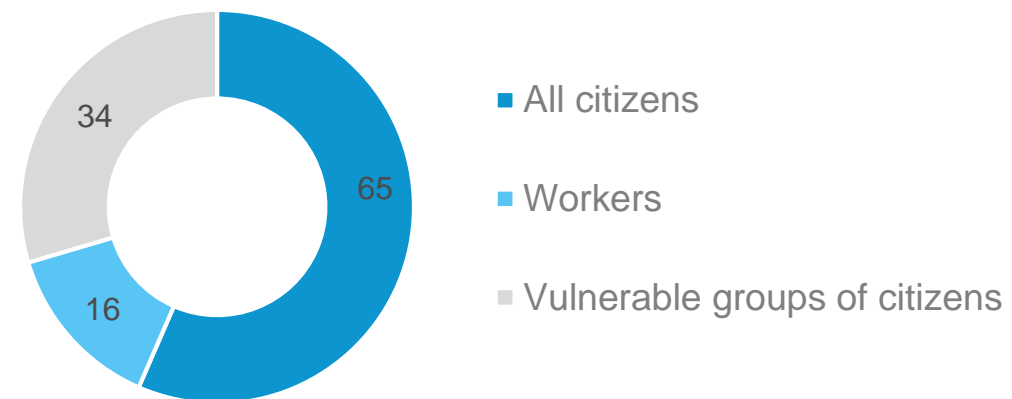
How likely or unlikely is it that in the next 3 months your household will have difficulties with the following payments? Utility bills (electricity, water, gas)

Source: Eurofound's Living, Working and COVID-19 e-survey (March-May 2022)

EU PolicyWatch - Policies to cushion the impacts of rising energy prices



Source: Eurofound EU PolicyWatch



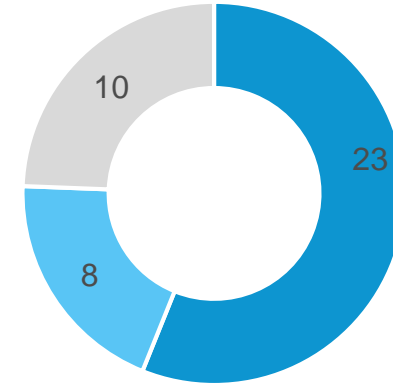
Most measures target all citizens, while targeted measures are commonly aimed at families, people on low incomes or on social benefits

Increasing incomes in general



Source: Eurofound EU PolicyWatch

Reducing households' energy bills



- Contributions to energy bills
- Price caps
- Energy tax reduction

Contributions to energy bills



There are 23 registered measures from 14 EU Member States (and Norway) that have established contributions to households' energy bills

Conclusions

- The increase of cost of living and of the energy prices put at risk the living conditions of all European citizens.
- According to Eurostat energy prices increased from 50% to 250% in Europe.
- Governments have acted promptly in order to provide income support to citizens as well as support in their energy bills.
- However, in the policies investigated we did not find a gender perspective.
- Therefore in order to develop an energy poverty eradication policy, a more gender-equal access to energy services will be established.