
City of Vienna
Vienna is special.
Administrative Group for Public Health and Social Welfare

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# Table of contents

Preface .................................................................................................................. 6

1. Welfare in Austria and Vienna ................................................................. 9
   1.1. Overview of benefits ........................................................................... 10
       1.1.1. Social insurance, federal, and provincial benefits .......................... 10
       1.1.2. Benefits in cash and in kind ....................................................... 11
       1.1.3. Insurance, universal, and welfare benefits ..................................... 12
       1.1.4. Social expenditure by risk and function ......................................... 12
       1.1.5. Social expenditure and social expenditure-to-GDP ratio in Austria .......... 12
   1.2. Social welfare in Vienna ................................................................. 14
   1.3. Organisation of social welfare benefits and services in Vienna ............ 15

2. Work and unemployment ........................................................................ 16
   2.1. Situation analysis ........................................................................... 17
       2.1.1. Labour market and employment development .................................. 17
       2.1.2. Development of unemployment ..................................................... 22
   2.2. Services provided by the Administrative Group for Public Health and Social Affairs ......................................................... 22
       2.2.1. Labour market integration of basic benefit recipients ........................ 22

3. Income and poverty ............................................................................... 29
   3.1. Situation analysis ........................................................................... 30
       3.1.1. Income development and distribution .............................................. 30
       3.1.2. Development of consumer prices and taxes ..................................... 31
       3.1.3. Development of poverty and material deprivation ............................. 32
   3.2. Services provided by the Administrative Group for Public Health and Social Affairs ................................................................. 34
       3.2.1. Means-tested basic benefit in Vienna ................................................ 34
       3.2.2. Basic welfare support ................................................................ 44
       3.2.3. Debt counselling ...................................................................... 48
Preface by the Executive City Councillor

Dear readers,

The first Vienna Social Welfare Report was published in 2010, the European Year for Combating Poverty and Social Exclusion. That same year, means-tested basic benefit was introduced. The most significant improvements for recipients of means-tested basic benefit include the increased minimum standards for children as of 1 March 2011, full health insurance coverage and an electronic health insurance certificate (e-card), and support for labour market (re)integration.

The second Vienna Social Welfare Report describes these changes extensively and analyses their impact, causes, and backgrounds. It also provides information about other aspects of Vienna’s social policy, among them services for persons with disabilities, homeless persons, and persons in need of nursing care.

One of the key goals of Vienna’s social policy is the implementation of the Vienna Geriatric Care Concept. Other important objectives and future challenges include the implementation of the UN Convention on the Rights of Persons with Disabilities and the Vienna Housing First approach.

The City of Vienna has always been a pioneer in implementing innovative solutions in social matters. This requires constant critical evaluation of the status quo. The Vienna Social Welfare Report does both: It shows what we have achieved so far and what challenges we will face in the future.

Yours sincerely, Sonja Wehsely
Executive City Councillor for Public Health and Social Affairs
Preface by the Head of Municipal Department 24

Dear readers,

The 2012 Vienna Social Welfare Report is the second of its kind. We have improved its structure, layout and scope and placed a stronger focus on analysing the social and societal framework and developments that influence how social services are provided in Vienna. We have again devoted a comprehensive chapter to the means-tested basic benefit, which was just being introduced when the previous Social Welfare Report was published. Now we can report on our experiences and the developments so far. These analyses are located in the chapters Work and Unemployment and Income and Poverty.

As a new addition, we also present the first Vienna Wealth Report, which was kindly provided by the Austrian National Bank. These two reports provide a good overview of the social situation in Vienna and show how income and wealth are distributed in Vienna.

Agnes Berlakovich
Head of Municipal Department 24 - Health Care and Social Welfare Planning
Preface by the Head of the Social Welfare Planning Unit

Dear readers,

After one year of hard work, we can now present you the 2012 Vienna Social Welfare Report, which aims to provide the interested public with an overview of the social situation, the services and measures, and the specific challenges Vienna faces. In order to make this knowledge available internationally, an abridged version of the report has been translated into English. This publication is a summary of the 2012 Vienna Social Welfare Report.

The structure of the report has changed slightly from the 2010 Vienna Social Welfare Report: It is now organised by topics and not by individual measures and benefits, giving it a more analytical focus. This report is a qualified expert report on the social situation in Vienna by the Social Welfare Planning Unit. Together with more in-depth analyses and studies, the information in this report can be used as a basis for demand and service planning and to support political decision-makers in their work.

Providing a social safety net for the population has always played a very important role in Vienna. The city’s innovative and modern social welfare system supports people during difficult times in their lives and prevents social exclusion. Vienna provides a wide range of services, ranging from help in case of illness, social or financial emergencies or when there is a need for nursing or child care to support for people with disabilities and assistance for homeless persons. Exact planning is indispensable in order to provide sufficient support with an adequate quality and quantity of services.

Peter Stanzl
Head of the Social Welfare Planning Unit
Chapter 1

Welfare in Austria and Vienna

Austria has one of the highest social expenditure-to-GDP ratios worldwide, 29.3% (2011). In 2011, social and health care expenditure amounted to €88 billion excluding transfer payments. Approximately two thirds of social welfare services are cash benefits. The share of insurance-based and universal benefits is particularly high, especially old-age and illness benefits.

In contrast to federal and insurance-based benefits, the benefits provided at provincial level are predominantly in-kind and means-tested benefits.

The Province of Vienna is at the forefront of developments in Austria not only due to its unique situation as Austria’s only major city, but also because of its long tradition of social policy. Living in Vienna means receiving support even in difficult situations. Municipal Department 40, the Vienna Social Welfare Fund with its over 100 partner organisations, and many other institutions ensure social peace and balance in the city. In total, the City of Vienna invested more than €2.2 billion in social welfare in 2010 (not including health care and pensions).
1.1 Overview of benefits

The majority of benefits are regulated by federal and provincial laws. The responsibilities are divided among federal, provincial and local authorities and the social insurance institutions. Benefits can be provided in cash or in kind, depending on the intended effect and, in some cases, also on historical factors. Compared to other countries, in particular Scandinavian countries, Austria has a relatively high share of cash benefits.

1.1.1 Social insurance, federal, and provincial benefits

Austria’s federalist structure results in a distribution of responsibilities for benefits among different bodies and institutions. The majority of benefits are subject to social insurance law, including public pension insurance, health insurance, and work accident insurance. They are regulated by federal acts such as the General Social Insurance Act (ASVG). However, there are also many benefits that are regulated in provincial acts and differ widely between provinces (e.g. in the areas of basic benefit, nursing care and assistance). Provincial benefits are usually means-tested and funded by tax revenue.
1.1.2 Benefits in cash and in kind

Benefits can be divided into benefits in cash and in kind. Compared to the Scandinavian countries, Austria has a relatively high share of cash benefits, the majority of which are pension payments.

Some 70% of social expenditure 2011 consists of cash benefits, 30% are services provided in kind.\(^1\)

In Vienna, the ratio is the opposite: some 76% are made in kind, while approximately 24% are cash benefits. In-kind benefits are mainly provided in nursing care and support services, services for the disabled, the foster care system, and kindergartens. Benefits designed to help meet subsistence needs, in particular means-tested basic benefit and housing benefit, are predominantly in cash.

\(^1\) Cf. BMASK 2012.
1.1.3 Insurance, universal, and welfare benefits

Benefits can also be classified by scope: there are insurance-based, universal, and welfare benefits. Receiving insurance benefits requires the prior payment of contributions. Universal and means-tested benefits, on the other hand, are tax-funded and therefore less dependent on the labour market situation. Universal benefits are independent of income. While welfare benefits are means-tested, i.e., recipients have to explicitly prove their financial need, universal benefits are provided based on the assumption that certain circumstances in life generate a higher than usual financial strain (e.g., a need for nursing care). Insurance and universal benefits form the first social safety net, or tier of social welfare, while most welfare benefits belong to the second tier of social welfare.

<table>
<thead>
<tr>
<th>Insurance-based benefits</th>
<th>Universal benefits</th>
<th>Welfare benefits</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>health insurance</td>
<td>federal attendance allowance</td>
<td>means-tested basic benefit</td>
<td>services for people with disabilities</td>
</tr>
<tr>
<td>unemployment insurance (unemployment benefit)</td>
<td>child benefit</td>
<td>in-kind benefits (nursing care - social support)</td>
<td>youth welfare</td>
</tr>
<tr>
<td>work accident insurance</td>
<td>childcare allowance (partially dependent on income)</td>
<td>homeless assistance (social support)</td>
<td>childcare</td>
</tr>
<tr>
<td>pension</td>
<td>victims’ welfare assistance</td>
<td>basic welfare support</td>
<td>addiction and drug counselling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>housing assistance</td>
<td>debt counselling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>family subsidies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>equalisation supplement for pensioners</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>emergency welfare benefit from unemployment insurance</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Benefits by scope: insurance, universal and welfare benefits

Source: MA 24

1.1.4 Social expenditure by risk and function

The largest share of social expenditure by far goes to old-age pensions (43%) and health care (25%). The shares of family and child support services, unemployment benefits, services for the disabled, and benefits for surviving dependants, respectively, are between 6% and 10%. Only 1% of total expenditure goes to housing and measures against social exclusion.

The shares of old-age pensions and unemployment benefits increased from 1980 to 2010, while the shares of all other groups went down or remained unchanged.

1.1.5 Social expenditure and social expenditure-to-GDP ratio in Austria

In 2011, social expenditure in Austria (excluding transfer payments) amounted to approximately €88 billion according to the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK). This figure includes health care costs. Without these health care costs, the social expenditure was approx. €66.5 billion.

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A commonly used metric is the **social expenditure-to-GDP ratio**. In 2011, this ratio was 29.3%. The social expenditure-to-GDP ratio has remained relatively stable for many years, fluctuating between 26% and 28%. In 2008 and 2009, it increased slightly, but it has decreased again since 2010.

Austria has one of the highest social expenditure-to-GDP ratios in Europe, surpassed only by France and some Scandinavian countries.

The high quality of living and social peace in Austria are linked to this high ratio. Everybody benefits from the social welfare system, be it in childhood, adulthood or when they retire. The social welfare benefits contribute to a redistribution of wealth and a lower rate of people who are at risk of poverty. The 2010 **EU-SILC report** states that without these benefits, the Austrian at-risk-of-poverty rate would not be 12.1%, but 43%. The risk of poverty in Austria is among the lowest: the **EU** average is 16.4%.

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1.2 Social welfare in Vienna

The annual accounts for 2010 show that the City of Vienna spent some €2.2 billion (after deducting revenue, e.g. from co-payments) on social welfare benefits in the narrower sense.

### Table 4: Social welfare in Vienna: Expenditure 2010

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Expenses</th>
<th>Revenue</th>
<th>Net expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children, youth, and family, including kindergartens</td>
<td>€742,785,074.77</td>
<td>€83,129,470.26</td>
<td>€659,655,604.51</td>
</tr>
<tr>
<td>Means-tested basic benefit (welfare benefit)</td>
<td>€396,742,843.84</td>
<td>€35,116,608.91</td>
<td>€361,626,234.93</td>
</tr>
<tr>
<td>Nursing care; assistance for elderly, homeless, people with disabilities</td>
<td>€746,199,971.02</td>
<td>€25,848,033.74</td>
<td>€720,251,937.28</td>
</tr>
<tr>
<td>Integration and diversity</td>
<td>€9,728,988.86</td>
<td>€851,051.02</td>
<td>€8,877,937.84</td>
</tr>
<tr>
<td>Promotion of women’s issues</td>
<td>€8,770,873.32</td>
<td>€76,703.88</td>
<td>€8,694,269.44</td>
</tr>
<tr>
<td>Housing promotion</td>
<td>€818,668,763.26</td>
<td>€373,781,068.42</td>
<td>€444,887,694.84</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€2,722,896,615.07</strong></td>
<td><strong>€518,902,936.03</strong></td>
<td><strong>€2,203,993,679.04</strong></td>
</tr>
</tbody>
</table>

In 2010, the City of Vienna spent approx. €2.2 billion on social welfare benefits in the narrower sense.

Services provided for nursing care and assistance, services for the disabled and assistance for homeless persons (provided by the Vienna Social Welfare Fund - FSW) accounted for approximately one third of net social expenditure, while another third was spent on services for children, youth, and families, including kindergartens. Other large budgetary items are public housing subsidies, accounting for approx. 20% of expenditure, and means-tested basic benefit at 17%.

The net expenditure of the Administrative Group for Public Health and Social Affairs on benefits in 2010 was approx. €1.1 billion.

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1.3 Organisation of social welfare benefits and services in Vienna

The main benefits and services of the Province of Vienna are provided by three Administrative Groups: the Administrative Group for Education, Youth, Information and Sports, the Administrative Group for Housing, Housing Construction and Urban Renewal and the Administrative Group for Public Health and Social Affairs. In the Administrative Group for Public Health and Social Affairs, social affairs are mainly the responsibility of Municipal Departments 24 and 40 and the Vienna Social Welfare Fund (FSW). The Vienna Hospital Association (KAV), the Trust of the Vienna Homes for the Elderly (KWP) and the Psychosocial Services (PSD) also provide social services. The Vienna Substance Abuse and Drug Policy Coordination office is part of PSD.

Municipal Department 24 – Health Care and Social Welfare Planning (MA 24) is in charge of the strategic planning of Vienna’s health care and social welfare policies. The core tasks of the social welfare planning unit include reporting (e.g. Social Welfare Report), programming and requirements planning for means-tested basic benefit, long-term care and assistance, securing tenancy and services for homeless people, as well as services for people with disabilities.

Municipal Department 40 – Social Welfare, Social and Public Health Law (MA 40) provides social and public health services. It is the department in charge of social and public health law and acts as the legal department of the Administrative Group for Public Health and Social Affairs. It operates twelve social centres (as at November 2012) and is in charge of granting means-tested basic benefit. Until 31 December 2011, it was also in charge of provincial attendance allowance.

The Vienna Social Welfare Fund (FSW) is a legal entity with funds granted on a non-permanent basis and solely for non-profit purposes under the Vienna Provincial Foundation and Trust Act. FSW provides services for the Municipality of Vienna. The operation and finances of the fund are supervised by the City of Vienna. Based on funding directives, it supports organisations, projects and individuals. The three main operating areas of FSW are: long-time nursing care and assistance, assistance to the disabled, and assistance for homeless people.
The unemployment rate in Austria is very low compared to other European countries. Austria also remained relatively unaffected by the consequences of the economic crisis. For some parts of society, however, the situation on the labour market has become more difficult: people with a low education status, people with disabilities, and people who are difficult to place for other reasons. These people are at risk of having to either compete on a precarious and low-wage labour market or being permanently excluded from working life. The number of working poor is also growing. Therefore, a sustainable social and labour market policy is needed to create suitable jobs. Such a policy must also support integration into the labour market in a comprehensive way by resolving or at least mitigating social problems and providing financial support. Means-tested basic benefit and the Viennese project Step2Job are ways of implementing this approach of active inclusion. In future, the two parts of the social safety net – unemployment insurance and means-tested basic benefit – will become even more closely meshed.
2.1 Situation analysis

In the last years, the labour market in Vienna has undergone structural changes: While jobs were lost in the primary and secondary sectors, there was an increase in jobs in the service sector. This change was beneficial for some and detrimental for others. People with a low educational status or not enough flexibility with regard to working hours cannot keep pace with the growing demands. However, part-time workers – many of them women – saw their employment opportunities improved. Overall, we are seeing an influx of job seekers onto Vienna’s labour market. This is due, in part, to the higher female participation rate and the fact that older people are remaining on the labour market until a higher age. The volume of work, however, has hardly increased – there is mainly a shift from full-time to part-time positions, and there is a strong increase in new employment models. The number of working poor is rising, as is also evidenced by the development of incomes.

2.1.1 Labour market and employment development

The economic crisis of 2009 has left its marks on the labour market. Although Vienna was far less affected by the crisis than other federal provinces due to the large share of the service industry and economic stimulation packages, more than 100,000 Viennese were unemployed in 2010 and 2011. People younger than 25 and migrants were particularly affected. In all cases, unemployment and financial issues go hand in hand. Unemployment benefit and emergency welfare benefit are often not sufficient to cover subsistence needs, particularly in conjunction with the rising cost of living. Unemployed individuals are at an increasingly high risk of poverty and the number of unemployed people who need means-tested basic benefit as well is growing.

Income from work is the best protection from poverty. The prerequisite for a sufficient income is a good education. Although the level of education has increased considerably over recent years, the educational gap is growing.

The labour market

Vienna has Austria’s highest share of employees in the service industry. In 2010, 85.6% of all employees worked in the service industry in Vienna, the national average was 73.3%. The share is expected to rise to 86.9% in Vienna in the next years (national average: 75.2%).

Because of this unique situation, Vienna was not hit as hardly by the economic crisis as other provinces, as the crisis mainly affected the export-oriented market for tangible goods. However, the high share of service jobs means that jobs for low-skilled and unskilled workers are disappearing and employees are expected to be very mobile.

5 Cf. WIFO, Mittelfristige Beschäftigungsprognose für Österreich und die Bundesländer, 2012.
More high-skilled jobs

Vienna has a higher share of high-skilled jobs than the rest of Austria. 15.1% of employees in Vienna had a job that required a university degree, 23% worked in positions for upper secondary school graduates. The national averages were 10.1% and 20.9%, respectively.

Employment is expected to rise by 2.6% annually until 2016 in positions for university graduates and by 0.9% in professions that require upper secondary schooling. Only unskilled jobs will decrease by 2016. Therefore, good education and training is the key requirement for successful labour market participation.

Employment

The share of economically active persons in Vienna’s total population has remained unchanged at 73% since 1999. However, there have been changes in the gender structure. While in 1999, 81% of all 15 to 64-year-old males could be counted among the labour force, the share had sunk to 78% in 2011. Among women, on the other hand, the share of economically active persons rose from 65% in 1999 to 68% in 2011.

Table 5: Employment structure of people aged 15 to 64 (number of individuals and percentage)

<table>
<thead>
<tr>
<th>15 to 64-year-olds (absolute figures)</th>
<th>1999</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Economically active persons</td>
<td>414,900</td>
<td>348,100</td>
</tr>
<tr>
<td>of which employed</td>
<td>387,000</td>
<td>332,200</td>
</tr>
<tr>
<td>of which unemployed</td>
<td>27,900</td>
<td>15,900</td>
</tr>
<tr>
<td>Not economically active persons</td>
<td>97,600</td>
<td>190,300</td>
</tr>
<tr>
<td>Total</td>
<td>512,500</td>
<td>538,400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>15 to 64-year-olds (percentage)</th>
<th>1999</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Economically active persons</td>
<td>81%</td>
<td>65%</td>
</tr>
<tr>
<td>of which employed</td>
<td>93%</td>
<td>95%</td>
</tr>
<tr>
<td>of which unemployed</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Not economically active persons</td>
<td>19%</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

There are many reasons why people are not economically active, including retirement, permanent inability to work, education and training, military or alternative service, parental leave, and homemaking. There are two major reasons for the gender-specific developments: Women are economically active for longer than men and the number of women going into early retirement is sinking considerably faster than for men. Women are also less frequently permanently incapacitated, so the number of women in Vienna who are permanently unable to work is growing much slower than that of men.7

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6 The economically active population consists of (self)employed and unemployed people.
More economically active persons but not more work

The increase in the number of economically active persons does not mean that there is more work. The labour force has grown by 12.2%, but the volume of work has only risen by 3%. In fact, the number of actual working hours per person has even gone down by 10% (from 35.7 to 32.3 weekly hours). This implies that the available work is being distributed among more people and that more people are employed part-time. The considerable increase in minimal employment (+19%) between 2008 and 2011 also indicates that the labour volume is being distributed among more people. There are considerable gender differences with regard to minimal employment. Women are much likelier to only have minimal employment, but with more hours than men, while men more frequently work in minimal employment in addition to a regular job or their pension.

Working Poor

The term working poor is used to describe people who, despite being employed, do not earn enough to ensure subsistence. This can be the case if several people have to live on a single income or if the income is below the risk-of-poverty level because of part-time work. This level is calculated annually; in 2012, it was €1,031.

The number of working poor in Austria declined in 2009. However, many of them became unemployed and are at even greater risk of poverty than before. The number of working poor in Vienna has been increasing continuously since 2001 (in 2008, the figure for Vienna was approximately 10,000). The number of women among the working poor is growing.

2.1.2 Development of unemployment

Unemployment in Vienna

Due to the growing workforce, unemployment figures in Vienna are on the rise. However, the number of jobs is also increasing. The growth of the workforce is not only caused by demographic developments, but also by the easy access of people from the new EU member states to the labour market since May 2011 and growing female employment. This is particularly the case in Vienna, which is seeing an increase in immigration and has expanded childcare services (e.g. free kindergarten).

In 2010 and 2011, just over 100,000 people were unemployed (people registered as unemployed at the Public Employment Service Austria (AMS) and people participating in labour market qualification measures). All this is an increase by more than 27,000, or 37%, since 2001.
In 2010, the unemployment rate in Vienna was 8.8% (74,179 registered unemployed persons); by 2011 it had grown to 9.2% (79,152).

People at the beginning or end of their working life are especially likely to be unemployed. People who do not have the Austrian citizenship are also more frequently unemployed than Austrian citizens.

In 2011, 20,055 people were long-term unemployed.13 This is a long-term unemployment rate of 2.3%, or roughly 20% of all persons registered as unemployed or in training measures.

### Unemployment and means-tested basic benefit

Unemployment and the need for means-tested basic benefit are closely linked. When unemployment figures increase, so does the number of recipients of means-tested basic benefit. However, a reduction in unemployment rates does not equal a reduction in the number of recipients of means-tested basic benefit, as they are often not able to benefit from the improvements on the labour market (e.g. due to having a lower level of education, health issues, or being difficult to place).

Until 2008, the unemployment rate and the rate of recipients of means-tested basic benefit (which was called welfare benefit until 2010) developed nearly synchronously. In the crisis year 2009, unemployment was unusually high (+13% from the previous year), while the demand for means-tested basic benefit only began to rise in the following years. The delay is longer for men than for women.

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The figures show that as a result of the crisis year 2009 and the problematic situation on the labour market, a large number of people who were fit to work experienced financial hardship and had to apply for means-tested basic benefit – especially in 2010 and 2011. This effect was strengthened further when the new means-tested basic benefit scheme replaced the previous welfare benefit scheme in September 2010, as it has higher minimum standards than the previous system. The introduction of considerably higher minimum standards for children in March 2011 also increased the number of eligible recipients, in particular families with at least one income.

The debate about exploiting the welfare benefit system that we have seen in recent years is not justified. In many cases, the recipients are people who are fit and willing to work but whose situation is made difficult by changes on the labour market – not only the loss of jobs as a result of the crisis but also the growing demands concerning training and flexibility.
2.2 Services provided by the Administrative Group for Public Health and Social Affairs

2.2.1 Labour market integration of basic benefit recipients

The reintegration of recipients of means-tested basic benefit into the labour market has only in recent years become an important area of social policy. This is due not only to the increased overall number of recipients but also the strong rise in the share of recipients who are fit to work. The number of supplementary benefit recipients, in particular, has grown. Most of them receive the benefit to supplement unemployment benefits or emergency welfare benefit. This means that welfare benefit (now called means-tested basic benefit) is no longer only for people who are not fit to work or are difficult to place, but that its focus has shifted towards people who are not truly disengaged from the labour market. The changing requirements on the labour market have contributed to the exclusion of people who were previously not affected by unemployment (e.g. people with a low level of education). This creates a vicious circle: Long-term unemployment leads to social problems that make it even harder to return to the labour market.

Up until the late 1980s, welfare benefits (in all of Austria) were mainly focused on ensuring recipients’ subsistence. It was only in the early 1990s that the first projects for the reintegration of welfare recipients began. With its project Jobchance, the Province of Vienna was one of the first federal provinces to fund labour market integration measures. The Public Employment Service Austria (AMS) only offered very few measures for welfare benefit recipients and even excluded them from some programmes.

Despite being obliged to look for a job and to register at the AMS, only a part of welfare benefit recipients were registered with the AMS continuously. There were many reasons for this, e.g. illness, retirement application, disruptions in the receipt of welfare benefits, or a lack of penalties. The consequences of such interrupted registration histories were severe. Welfare benefit recipients very rarely achieved the status of long-term unemployed. However, that status is needed to be able to participate in certain measures. The study Erwerbspotential in der Sozialhilfe (Employment potential in welfare benefit recipients) shows that particularly clients with problems received insufficient support from the AMS and the City of Vienna.

The continuous increase in welfare benefit recipients, especially employable ones, prompted the City of Vienna to offer a wider range of measures. As part of the EU-funded programme Equal, new employment measures were developed for welfare benefit recipients. This was followed by the launch of several subsidised employment projects to complement Jobchance. A first pilot project for the reintegration of welfare benefit recipients was launched even before means-tested basic benefit was introduced. Step2Job was created to offer welfare benefit recipients training measures tailored to their individual needs and circumstances as well as help with social issues (e.g. debt counselling) and job placement.

14 Cf. Riesenfelder et al., Erwerbspotential in der Sozialhilfe, 2011.
The pilot project was targeted at welfare benefit recipients who received no AMS (unemployment) benefits (full welfare benefit recipients and recipients of a supplementary benefit without entitlement to AMS benefits, i.e. unemployment benefit or emergency welfare benefit). After a one-year pilot phase, the project Step2Job was extended to encompass all of Vienna with the introduction of the means-tested basic benefit. This made Vienna the first Austrian province that already had a tried and tested reintegration programme for recipients of means-tested basic benefit when it was introduced.

**Employment potential in means-tested basic benefit recipients**

The introduction of the means-tested basic benefit sparked a debate about welfare fraud and a lack of employment incentives. While the share of recipients who are fit to work has increased continuously over the last years, the public discussion neglects the fact that only some of the recipients are available to the labour market. In 2011, there were some 129,000 recipients. Half of them, approximately 64,900 people, were school children (compulsory schooling), pensioners (rent allowance recipients) and people who have been unfit to work for over a year or have reached regular retirement age but are not entitled to pension payments (permanent beneficiaries).

### Figure 1: Means-tested basic benefit recipients who are fit to work, 2011 (Vienna)

![Fig. 1: Means-tested basic benefit recipients who are fit to work, 2011 (Vienna)](image)

<table>
<thead>
<tr>
<th>Category</th>
<th>Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means-tested basic benefit recipients in 2011</td>
<td>129,020</td>
</tr>
<tr>
<td>Fit to work</td>
<td>54,487</td>
</tr>
<tr>
<td>Not fit to work or not placeable</td>
<td>32,536</td>
</tr>
<tr>
<td>Children (minor or still receiving child support)</td>
<td>41,997</td>
</tr>
<tr>
<td>Adults</td>
<td>87,023</td>
</tr>
<tr>
<td>Cash benefit recipients - full basic benefit</td>
<td>14,765</td>
</tr>
<tr>
<td>Cash benefit recipients - supplementary benefit</td>
<td>39,702</td>
</tr>
<tr>
<td>Cash benefit recipients</td>
<td>9,904</td>
</tr>
<tr>
<td>Recipients of rent allowance for pensioners</td>
<td>10,627</td>
</tr>
<tr>
<td>Recipients of permanent benefit</td>
<td>8,495</td>
</tr>
<tr>
<td>Recipients of assistance in exceptional circumstances</td>
<td>3,910</td>
</tr>
<tr>
<td>Income from employment*</td>
<td>9,624</td>
</tr>
<tr>
<td>No income from employment or AMS benefits</td>
<td>4,103</td>
</tr>
<tr>
<td>AMS benefits</td>
<td>25,575</td>
</tr>
<tr>
<td>Unemployment benefit</td>
<td>5,998</td>
</tr>
<tr>
<td>Emergency welfare benefit</td>
<td>18,775</td>
</tr>
<tr>
<td>No work permit</td>
<td>2,605</td>
</tr>
<tr>
<td>Temporarily unfit to work</td>
<td>789</td>
</tr>
<tr>
<td>Pension advances excluded</td>
<td>1,202</td>
</tr>
<tr>
<td>Other (pension advances excluded)</td>
<td>42</td>
</tr>
<tr>
<td>Family caregiver for relatives or children</td>
<td>1,155</td>
</tr>
<tr>
<td>Social environment</td>
<td>30</td>
</tr>
<tr>
<td>Age</td>
<td>214</td>
</tr>
<tr>
<td>Other issues making placement difficult **</td>
<td>1,164</td>
</tr>
</tbody>
</table>

*Sources of income are prioritised. A person with income from work and from AMS benefits is counted as having income from employment. Somebody who receives AMS benefits and has another source of income not from work is assigned to the AMS benefits group.
**Includes insufficient German skills, combinations of different issues (e.g. caregiver and age) and other issues not otherwise specified.
The number of recipients who are fit to work has seen an above-average increase, more than doubling since 2001. This can be attributed to the growing number of people receiving supplementary benefits. The 230% increase is nearly identical to the increase in recipients of supplementary benefits.

The share of people fit to work in all adult recipients has increased from 48% in 2001 to 69% in 2011. Many of them are unemployed people (on unemployment benefits or emergency welfare benefits) or working poor, among them large families and single parents.

### Employment projects

The main objective of the employment projects co-funded by the City of Vienna is the (re)integration of means-tested basic benefit recipients into the primary labour market. The projects offer participants paid employment and support in other matters. By the end of the project period, the participants are supposed to find permanent employment on the primary labour market. Subsidised employment in the projects helps stabilise the participants’ situation, lets them experience working life in a safe environment, and is intended to help them get into contact with potential employers. Step2Job and other counselling facilities assign participants to the projects. The employment projects are funded by the City of Vienna, the AMS, and the European Social Fund. The funding for 2012 amounted to approximately €2,150,000 after subtracting the calculated revenue of approximately €88,000.
Step2Job

The first pilot project for the reintegration of welfare benefit recipients into the labour market was launched before the introduction of the means-tested basic benefit. It was financed with funds from the European Social Fund and the AMS.

This project was directed at welfare benefit recipients from two districts of Vienna, Floridsdorf and Donaustadt, who were fit to work and available to the labour market. The project participants received no AMS benefits, i.e., they were either full welfare benefit recipients or recipients of a supplementary benefit without unemployment benefit or emergency welfare benefit. Therefore, the majority of participants were severely disengaged from the labour market and had either never worked before or not worked for a long time. Most of them also had gaps in their registration history with the AMS and were therefore rarely able to benefit from training measures offered by the AMS. Special attention was given to the diversity of services offered in the planning phase to best serve this target group. A case management approach was chosen. This allows not only comprehensive assessment of the potential and competencies of the clients but also facilitates a structured process focused on planning what kind of support the client needs and agreeing on the goals, organising the necessary support measures, monitoring and evaluating the process.

The overarching objective was to reintegrate the welfare benefit recipients into the labour market. Additionally, they were not only to get access to labour market measures but also be adequately prepared for them. With this comprehensive approach that encompasses all aspects of life related to labour market integration, clients would receive the necessary tools to re-join the labour market. The project was a low-threshold measure and included follow-ups and visits with the clients to ensure that it was well accepted and the completion rate was high.

The pilot project ran from September 2009 to May 2011. The maximum duration of participation was 12 months. 802 persons participated in the project. Ambitious targets were chosen.

Table 6: Employment projects, 2012 (Vienna)

<table>
<thead>
<tr>
<th>Name of project</th>
<th>Target group</th>
<th>Service</th>
<th>Duration</th>
<th>Compensation</th>
<th>Costs/funding 2010/11</th>
<th>Places</th>
</tr>
</thead>
<tbody>
<tr>
<td>Je_tzt (Caritas and Volkshilfe)</td>
<td>means-tested basic benefit recipients aged 18–35 (49) who are fit to work and have minor placement issues; little work experience; socially insecure; 50% migrant background; 50% women</td>
<td>employment project (30 hours): job orientation, assistance, coaching, training, work placement</td>
<td>01.01. – 31.12. 2012</td>
<td>approx. €790 net</td>
<td>Total costs approx. €720,000 Euro (ESF, AMS, MA 40); the City of Vienna funds the project with approx. €216,000 via MA 40</td>
<td>30</td>
</tr>
<tr>
<td>Job-TransFair-Train³ (bfi)</td>
<td>means-tested basic benefit recipients aged 18–35 (49) who are fit to work and have medium placement issues; no/little work experience; psychosocial assistance required; 50% migrant background; 50% women</td>
<td>employment project (30 hours): job orientation, assistance, coaching, training, work placement; employee leasing on the free labour market</td>
<td>01.01. – 31.12. 2012</td>
<td>approx. €800 net or employee leasing collective bargaining agreement</td>
<td>Total costs approx. €800,000 Euro (ESF, AMS, MA 40); the City of Vienna funds the project with approx. €210,000 via MA 40</td>
<td>52</td>
</tr>
<tr>
<td>markt_platz (Caritas)</td>
<td>means-tested basic benefit recipients aged 18–35 (49); multiple social problems; no completed schooling or training; mental and physical illnesses; 50% migrant background; 50% women</td>
<td>low-threshold employment project; job orientation, assistance, coaching, learning of work ethics</td>
<td>01.01. – 31.12. 2012</td>
<td>minimal employment: €4.20-5/h; ca. €790 net for 30 hours</td>
<td>Total costs approx. €630,000 Euro (ESF, AMS, MA 40); the City of Vienna funds the project with approx. €203,000 via MA 40</td>
<td>25</td>
</tr>
</tbody>
</table>
Approximately 45% of participants were employed for at least one day in the course of the project. Some 26% of participants were fully employed for at least 90 days during the first year after joining the programme. With this result, the target values were nearly achieved. People younger than 45 years, people with a better education status, non-Austrians, and people with no disabilities found jobs more easily. 27% of participants were able to improve their employability through further qualification measures and 6% were able to stabilise their situation. In approximately 8% of cases, the assistance and counselling in the project showed that labour market integration was not possible (e.g. due to illness, having to care for family members, or other reasons). In only 14% of cases was there no result. The second goal, getting as many welfare benefit recipients as possible to join the programme, was exceeded with a result of 81%.

In addition to these and other short-term objectives, the project was also intended to reintegrate participants into the labour market permanently and allow them to live without welfare benefit/means-tested basic benefit in the long term. Municipal Department 24 analysed the benefit histories of project participants.

As of 31 December 2011, 243 people no longer received means-tested basic benefit. 66% of them had not been receiving it for at least a year, the remaining 34% for at least seven months.

43% (104 people) were employed and 16% (38 people) received unemployment benefit. In addition, the number of people who received means-tested basic benefit in addition to income from gainful employment had increased by 39. This change is also reflected in the types of means-tested basic benefit people received. The share of supplementary benefit recipients increased from 46% at the time of joining the project to 58% by 31 December 2011 or at project completion, while the share of full benefit recipients went down from 53% to 41%.

This means that some 18% of participants (143 people) were sustainably integrated into the labour market. The majority no longer require means-tested basic benefit. The 38 individuals who were unemployed on 31 December 2011 had also been on the labour market for a considerable time, as they had become eligible for unemployment benefits. This increases the success rate by approximately 23%. This result is all the more surprising as some 60% of participants had received welfare benefits for three years or longer prior to the project.

15 This figure includes those who no longer receive means-tested basic benefit.
Despite this result, it is important to note that the duration for which someone has received welfare benefits has a strong correlation with the chance of successful reintegration. 84% of those participants who still receive welfare/means-tested basic benefit have done so for more than three years. This long duration highlights the problems this target group has. Approximately 45% of participants have three or more issues. Health-related limitations are very frequent, particularly in older people. In some 26% of cases, participants care for children or relatives to an extent that has an impact on possible employment (e.g. part-time or minimum employment only). This is considerably more frequent in women (45%) than in men (4%). Financial or housing problems are slightly less frequent. They are mostly found in those participants who are most difficult to integrate.

The counsellors of Step2Job suggested possible strategies for all problematic issues. As the project has a labour market focus, the solutions frequently focused on qualification and competence building (job applications and language skills). There is a very large overlap between the frequency of health problems and interventions and competence building. There was a relatively low number of intervention suggestions compared to the frequency of problems in the areas of caretaking and nursing and housing issues. The success rate (positive change) was over 50% for most of the suggestions.

23% of participants of the Step2Job pilot project are or were employed for a longer duration. The majority no longer need means-tested basic benefit.
Expanding *Step2Job* to all of Vienna

As it seemed evident that the pilot project would be successful, *Step2Job* was expanded to encompass all Vienna when the means-tested basic benefit was introduced (1 September 2010). Nine organisations now manage the project on behalf of the AMS. It was co-funded by the European Social Fund and the AMS until the end of 2012. From 2013, the AMS will be solely responsible for the funding of the project. Two counselling services (*Beratungs- und Betreuungseinrichtung (BBE)* and *Mindestsicherungs-Beratungs- und Betreuungseinrichtung (MBBE)*) will be combined and will apply the methods of *Step2Job*. *Step2Job*’s approach has been successful, as the accompanying evaluation showed.

The first results of the on-going evaluation of the rollout of *Step2Job* show that it not only has a very similar structure of participants as the pilot project, but is also similarly successful. As of 31 December 2011, more than 5,300 people had been accepted into the project and over 1,300 had begun working in the primary and secondary labour market. The AMS now also works with means-tested basic benefit recipients who also receive some type of AMS benefit. The national evaluation of the means-tested basic benefit will show what labour market effects the new measures have generated.

There are also other projects for people at the margins of the labour market, funded by the *City of Vienna* through the Vienna Employment Promotion Fund (*waff*), the Vienna Social Fund (*FSW*) and the Substance Abuse and Drug Policy Coordination Office Vienna (*SDW*), in which means-tested basic benefit recipients can participate.
People with no or a very low income can, under certain conditions, receive means-tested basic benefit or basic welfare support. These benefits are part of the second tier of welfare. For asylum seekers, basic welfare support is the only source of income, as they have extremely limited access to the labour market and, therefore, have no way of receiving other benefits (from the first tier of welfare). Some means-tested basic benefit recipients are not entitled to insurance-based benefits either. This can be because they have never worked in Austria for various reasons (e.g., people with disabilities, young people, people who have been granted asylum), have lost their entitlement to them (e.g., due to living abroad), or because their income is too low (e.g., working poor). The number of recipients of means-tested basic benefit, in particular, has grown strongly over the last years. This on-going trend indicates structural changes in the overall income situation. Because the at-risk-of-poverty rate has remained stable for many years, it is easy to overlook the growing inequalities in our society: People are becoming poorer and increasingly need benefits from the second tier of social welfare and supporting measures such as debt counselling.
3.1 Situation analysis

The incomes in Vienna have risen over the last years, but not everyone has benefited from that in equal measure. As part of this development, high incomes have grown while middle-class incomes are sinking by comparison. In 2010, there were 100,000 people more in the lowest quarter of incomes than six years previously. The degree to which people are affected varies according to the type of household; large families and single parents are increasingly experiencing financial hardship.

This development is also visible in the risk of poverty. While the at-risk-of-poverty rate for Vienna has remained constant over the last years, the number of manifestly poor people has grown. Again, families with children are particularly affected. Gainful employment alone is often not sufficient protection against poverty, and so there are many families who need means-tested basic benefit.

3.1.1 Income development and distribution

Since 1999, the gross income of employees in Vienna has grown by 19.9%, from €25,276 to €30,119 annually. However, not everyone benefits equally from this rise in income, as evidenced by the pay gap between the higher and the lower income brackets. The gross monthly income of people in the lowest quarter of incomes grew by 13.9% between 1999 and 2010. For men, the increase was particularly low at only 8%. During the same time, Viennese with a high income (the top quarter) had a gross monthly income increase of 25.7%.

Not only have the gross incomes had different growth rates, net taxation has seen a similar development. Families with children, which usually have a lower equivalised household income than individuals or couples without children, saw an increase by more than one percentage point, while single-person households with an above-average income paid the same in 2010 as in 2001.

This results in a shift in the income groups. The traditional middle class is shrinking continuously. While in 2004, 715,000 people, or 46% of Vienna’s population, were part of the middle class, the figure had sunk to 665,000 people, or 40% of the population, by 2010 – despite overall population growth.

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16 Manifestly poor people are those whose income is below the at-risk-of-poverty threshold and who are also materially deprived.
19 Income tax incl. statutory social insurance contributions paid by employer and employee minus social transfers as a percentage of total employment cost.
20 Equivalised household income is calculated as the total income of a household plus any income from capital and pensions as well as social transfers per household, divided by the weighted number of adults and children living in that household.
In 2010, there were 98,000 more people in the lowest income quartile than in 2004. These people have to live on an annual income of less than €15,570, or less than €1,300 a month. Many of these people are therefore living below or just above the poverty line and are potential recipients of financial aid such as means-tested basic benefit.

### 3.1.2 Development of consumer prices and taxes

Since 2000, the consumer price index has risen by 25%. That is an average annual increase of 2.3%. However, not all prices have grown equally. Price increases in the last 10 years were above average for alcohol and tobacco (+41.2%), housing, water and energy (+38.9%), and childcare and education (+40.1%). There is very little saving potential in housing, water, energy, childcare, and education expenses, and they affect families with children the most.

### Comparing wage and price increases

The problem becomes even more evident when the price increases over the last decade are contrasted with the wage increases in the same period. Since 2000, incomes have grown by 30.3%, which is sufficient to offset the increase of the consumer price index, which only grew by 25% during the same time. However, costs for housing, water, energy, childcare, and education have grown far stronger than the incomes.

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**Table 7: Number of people by income quartiles, 2004, 2009 and 2010 (Vienna)**

<table>
<thead>
<tr>
<th>Income quartiles</th>
<th>2004</th>
<th>2009</th>
<th>2010</th>
<th>Change in number of people 2004–2010</th>
<th>Change in share of people in percentage points 2004–2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>income quartile in €/year</td>
<td>number of people</td>
<td>share of people</td>
<td>income quartile in €/year</td>
<td>number of people</td>
</tr>
<tr>
<td>first income quartile</td>
<td>0–12,869</td>
<td>448,000</td>
<td>29%</td>
<td>0–14,879</td>
<td>525,000</td>
</tr>
<tr>
<td>second income quartile</td>
<td>12,869–16,968</td>
<td>354,000</td>
<td>23%</td>
<td>14,879–19,885</td>
<td>328,000</td>
</tr>
<tr>
<td>third income quartile</td>
<td>16,969–22,403</td>
<td>361,000</td>
<td>23%</td>
<td>19,886–26,615</td>
<td>339,000</td>
</tr>
<tr>
<td>top income quartile</td>
<td>from 22,404</td>
<td>406,000</td>
<td>26%</td>
<td>from 26,616</td>
<td>460,000</td>
</tr>
</tbody>
</table>
| Total             | 1,569,000        | 1,652,000       | 100%           | 1,664,000          | 95,000          | Rounding differences not corrected

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How severely this affects families with children becomes evident when the monthly equivalised income is contrasted with the monthly equivalised consumption.\textsuperscript{24} A comparison of households showed that families with three or more children and single parents not only have the lowest incomes (net income €1440 and €1480, respectively), they also, relatively speaking, have the highest share of monthly expenses. Families with three or more children spend 94% of their monthly income, and single parents even spend more than their monthly income. Single working men and couples without children, on the other hand, only spend about 85% of their monthly income on fixed costs.

### Material deprivation

Not everyone whose income is below the at-risk-of-poverty threshold is materially deprived as well. Material deprivation is defined as not being able to afford at least two of the following seven things:

- face unexpected expenses
- invite friends for dinner
- eat meat, fish, or a vegetarian meal of equal value every other day
- buy new clothes
- pay bills on time
- keep the home adequately warm
- get necessary medical attention

### 3.1.3 Development of poverty and material deprivation

#### Risk of poverty

According to \textit{EU-SILC 2010}, the at-risk-of-poverty threshold in Austria is at €12,371 (net income) annually or €1,031 per month.\textsuperscript{25} People whose incomes are below that threshold are at risk of poverty. In 2010, 12.1% of the Austrian population, or 1,004,000 people, were at risk of poverty.

The figures for Vienna were over 300,000 people, or 18% of the population. This was approximately the same as in the previous years.\textsuperscript{26}

#### Material deprivation in Vienna

People whose income is below the at-risk-of-poverty threshold but who are not deprived in at least two ways according to the definition of material deprivation are considered income poor. In 2010, this was the case for 120,000 Viennese. There are also people who have sufficient income above the at-risk-of-poverty threshold but still cannot afford at least two things on the list. This can, e.g., be the case if someone is heavily indebted. This is referred to as participation poverty. In 2010, the number of Viennese in this situation was 218,000. Manifest poverty refers to people whose income is below the at-risk-of-poverty threshold and who cannot afford at least two of the listed expenses. This was the case for 185,000 people in 2010.


\textsuperscript{25} Cf. Statistik Austria, Armut und Ausgrenzungsgefährdung in Österreich, 2012.

\textsuperscript{26} Because of the small sample size at the provincial level, the confidence interval is wide and does not permit a year-by-year comparison.
The share of people at risk of poverty in the total population of Vienna (at-risk-of-poverty rate) has remained at a relatively constant level of 13% to 18% over the last years. However, the distribution of types of poverty has changed. Participation poverty is declining, which means that the number of people whose income is above the at-risk-of-poverty threshold and who can afford the expenses listed above is growing. From 2004 to 2010, the ratio of Viennese without any deprivation to participation poor individuals shifted from 63:37 to 84:16. However, the share of manifest poverty is rising among those living below the risk-of-poverty threshold. In 2004, the ratio of manifestly poor to income poor was 59:41; by 2010 it had increased to 61:39. This shows that an increasing number of people whose income is below the at-risk-of-poverty threshold is also materially deprived and, e.g., cannot afford unexpected expenses, pay their bills on time or heat their flat sufficiently. The City of Vienna tries to help these people with targeted services such as the annual heating subsidy or assistance in exceptional circumstances.

Table 8: Risk of poverty and financial deprivation, 2004–2010 (Vienna)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Viennese not at risk of</td>
<td>none</td>
<td>834,000</td>
<td>959,000</td>
<td>973,000</td>
<td>1,153,000</td>
<td>1,067,000</td>
<td>1,127,000</td>
<td>1,142,000</td>
<td>37%</td>
</tr>
<tr>
<td>poverty</td>
<td>participation</td>
<td>488,000</td>
<td>441,000</td>
<td>352,000</td>
<td>161,000</td>
<td>301,000</td>
<td>243,000</td>
<td>218,000</td>
<td>-55%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,322,000</td>
<td>1,400,000</td>
<td>1,325,000</td>
<td>1,314,000</td>
<td>1,368,000</td>
<td>1,370,000</td>
<td>1,360,000</td>
<td>3%</td>
</tr>
<tr>
<td>Viennese at risk of</td>
<td>income poverty</td>
<td>103,000</td>
<td>113,000</td>
<td>139,000</td>
<td>129,000</td>
<td>110,000</td>
<td>103,000</td>
<td>120,000</td>
<td>17%</td>
</tr>
<tr>
<td>poverty</td>
<td>consistent poverty</td>
<td>146,000</td>
<td>91,000</td>
<td>137,000</td>
<td>148,000</td>
<td>170,000</td>
<td>180,000</td>
<td>185,000</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>249,000</td>
<td>204,000</td>
<td>276,000</td>
<td>277,000</td>
<td>280,000</td>
<td>283,000</td>
<td>305,000</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,571,000</td>
<td>1,604,000</td>
<td>1,601,000</td>
<td>1,591,000</td>
<td>1,648,000</td>
<td>1,653,000</td>
<td>1,665,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

Sources: Statistics Austria, EU-SILC 2004–2010, edited by MA 24

The ratio of Viennese with no deprivation to Viennese suffering from participation poverty has changed strongly over the last years: In 2004, it was 63:37, but by 2010 the ratio was 84:16.

The share of people at risk of poverty remains the same, but a growing number live in manifest poverty.
3.2 Services provided by the Administrative Group for Public Health and Social Affairs

3.2.1. Means-tested basic benefit in Vienna

The means-tested basic benefit was introduced in Vienna approximately 2 years ago (on 1 September 2010). In the political discussion and in the media, the main topic was welfare fraud. The impression given was frequently that it was a completely new benefit that was only waiting to be abused. In reality, it only replaced the previous welfare benefit and there were very few changes, at least in Vienna. Nevertheless, there was a marked increase in recipients. This is not only due to the increased minimum standards (more people entitled to receive it) and the easier application process, but also a development in incomes and unemployment that was evident for a number of years and may have been aggravated by the economic crisis. While the first two factors are intended, the third gives rise to concern: A growing number of people rely on benefits from the second tier of welfare for longer durations or permanently. The discussion about the increase in means-tested basic benefit recipients also obscures the successes of labour market programmes.

The City of Vienna modernised and improved its welfare benefit scheme before the introduction of the means-tested basic benefit. Many of the regulations and standards that are now used at the national level are based on the reforms and experiences of the City of Vienna. Therefore, recipients in Vienna encountered only small differences between the means-tested basic benefit and the old welfare benefit system.

In addition to increasing minimum standards (especially for children) and making legal improvements concerning the benefit and the granting process, the first and second tiers of welfare were closely meshed. All basic benefit recipients now have health insurance. Recipients who are fit to work are still required to find work. However, they now also have unrestricted access to the entire range of services and programs offered by the AMS. Due to the close cooperation with the AMS and the exchange of data, means-tested basic benefit now has a stronger labour market focus. Recipients who are fit to work and are not entitled to AMS benefits now receive compulsory assistance. If they refuse to participate, consequences can be applied sooner and more consistently thanks to the exchange of data.

Objectives of means-tested basic benefit

Means-tested basic benefit is a cash benefit for people with no or a very low income. Like the welfare benefit it replaced, means-tested basic benefit belongs to the second tier of welfare. It is not an insurance benefit and therefore not dependent on contributions. It is financed from general tax revenue. The responsibility for its administration rests with the provinces or municipalities.

Harmonisation

The agreement concluded between the federal government and each Austrian province pursuant to Art. 15a Federal Constitutional Law (B-VG) on a nationwide means-tested basic benefit forms the basis for the respective laws of the individual provinces. Its intention is also to harmonise the regulations con-
cerning the provision of basic material needs. Whether such a harmonisation has indeed been achieved is not yet clear, as the agreement concerned minimum standards and all partners to the agreement are free to offer additional services.

**Fight against poverty and social exclusion**

The agreement pursuant to Art. 15a Federal Constitutional Law (B-VG) formulated some objectives of the means-tested basic benefit, such as combating poverty and social exclusion and helping overcome them. The struggle against poverty and social exclusion can take the form of providing basic needs with means-tested basic benefit (or other welfare benefits) or of employment with a living wage. Integration into the labour market is given priority, which was not the case with the previous social welfare acts.

**Labour market reintegration**

The third objective of means-tested basic benefit is the reintegration of recipients into the labour market. Gainful employment is considered a crucial precondition for overcoming poverty and social exclusion. Although this integration is not always successful and minimum wage work often equals remaining in poverty (working poor), adequate support can help people gradually leave means-tested basic benefit behind them fully or in part. The agreement pursuant to Art. 15a Federal Constitutional Law (B-VG) provides the necessary basis for such intensive support for means-tested basic benefit recipients. With the introduction of the means-tested basic benefit, all recipients – including those who do not receive AMS benefits – have the same rights as recipients of unemployment benefit. This has improved the situation noticeably for recipients of full or supplementary benefits who are not entitled to AMS benefits (unemployment benefit or emergency welfare benefit), in particular. They receive far more assistance from the AMS (e.g. training) than was the case before the introduction of the means-tested basic benefit.

**Better access to means-tested basic benefit**

Another objective was to improve access to services and reduce the non-take-up rate\(^27\). Austrian and international studies show that people do not always apply for welfare or means-tested basic benefit even if they meet the requirements. This can mainly be attributed to factors that keep people from applying (e.g. claims regulations, 100% of assets included in calculation), information deficits and the to some extent stigmatising application process (feeling like a supplicant, a lack of anonymity particularly in more rural areas, having to disclose one’s income and personal circumstances, etc.). With the introduction of an allowable asset limit, a six-month exemption from asset realisation for assets that cannot be realised immediately (e.g. car or life insurance) and the abolishment of claims against relatives in the direct ascending and descending line\(^28\) and claims against income from work, some of these barriers were removed. The application process was also changed. In Vienna, (potential) recipients of unemployment benefit or emergency welfare benefit can file their application at the Public Employment Service Vienna (AMS) services and the labour market. They forward it to Municipal Department 40, which processes the application and issues the official administrative decision.

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\(^{27}\) Indicator for social welfare benefits that are not utilised despite eligibility.

\(^{28}\) In Vienna, no claims were made against relatives in the direct ascending and descending line (parents and adult children) even before the introduction of the means-tested basic benefit.
Meshing the first and second social safety nets

An objective that is not explicitly stated in the agreement pursuant to Art. 15a Federal Constitutional Law (B-VG) is a closer interleaving of the first and the second tiers of social welfare. The second big milestone in addition to the closer cooperation with the AMS is that means-tested basic benefit recipients now have full health insurance and can get medical care with their e-card (electronic health insurance certificate).

Organisation of means-tested basic benefit in Vienna

In Vienna, the scheme is managed in the social welfare offices of Municipal Department 40 for the different parts of the city. The employees of the social welfare offices provide information, verify that the requirements are met, issue official decisions, distribute means-tested basic benefit, register people with the health care insurance and also offer advice. In view of the rising demand in Vienna, the staff of MA 40 was increased and two new social welfare offices were opened in the first half of 2012.

Legal basis

The Vienna Basic Benefit Act (WMG) regulates the means-tested basic benefit for Vienna. Many stipulations of the agreement pursuant to Art. 15a Federal Constitutional Law (B-VG) on the introduction of a nationwide means-tested basic benefit were included or stated more precisely in the WMG. The Vienna Basic Benefit Act deviates from the agreement in the following respects:

- Higher means-tested basic benefit for people who have reached retirement age or have been unable to work for over a year (permanent benefits)
• No staggering of minimum standards; higher standards for minor children
• Fixed subsidy for housing costs (even for people who have lower or no housing costs)
• Additional rent allowance.

Eligibility

There were no changes in eligibility from the previous welfare benefit.

<table>
<thead>
<tr>
<th>Eligible persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austrian citizens</td>
</tr>
<tr>
<td>recognised refugees</td>
</tr>
<tr>
<td>persons with a subsidiary protection status</td>
</tr>
<tr>
<td>EUE/EEA citizens and Swiss nationals (under certain conditions)</td>
</tr>
<tr>
<td>third country nationals with a Permanent leave to remain - EC or a Permanent leave to remain for family members; or a residence permit that is valid as such, or a Residence permit for permanent residence – EC granted by another EU state</td>
</tr>
</tbody>
</table>

Table 9: Persons eligible for means-tested basic benefit in Vienna, 2010
Source: WMG-VO, 2010, edited by MA 24

Asylum seekers are not eligible for means-tested basic benefit. Instead, they receive basic welfare support. People who are not legal residents of Austria or who only come to Austria to get the benefit are not eligible for means-tested basic benefit.

Minimum standards and size of means-tested basic benefit

Art. 8 WMG defines the minimum standards. Singles and single parents receive 100% of the equalisation supplement reference rate. It is increased annually pursuant to Art 8 (4) WMG by the same percentage as the equalisation supplement reference rate for pensioners. This had been the case in practice for many years but was now enshrined in law. The minimum standards are determined annually by an ordinance of the Provincial Government. People who are fit to work receive their means-tested basic benefit 12 times annually, while there are 14 equalisation supplement payments.

<table>
<thead>
<tr>
<th>Minimum standards</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>singles and single parents</td>
<td>100%</td>
</tr>
<tr>
<td>married and cohabiting couples, per person</td>
<td>75%</td>
</tr>
<tr>
<td>children of full age eligible for child benefit and children of full age up to age 21 with no income or an income below the threshold for compulsory social insurance</td>
<td>50%</td>
</tr>
<tr>
<td>children (minors) eligible for child benefit</td>
<td>27%</td>
</tr>
</tbody>
</table>

Table 10: Minimum standards of means-tested basic benefit as of 1 January 2012 (Vienna)
Source: WMG-VO, 2012, edited by MA 24

Any other people of legal age living in the same household are considered a separate recipient household (e.g. grown children above age 21) and are treated like single-person households.

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29 If the total income of a pensioner is below a certain reference rate, they can apply for equalisation supplement to make up the difference. This is intended to ensure that pensioners have a sufficient minimum income taking into account their family and income situation.
Reciprocit household: definition

Means-tested basic benefit is always paid to a recipient household. A recipient household can consist of a single person or a couple living alone or with their children that are considered dependents. One actual household can consist of several recipient households (e.g. a 50-year-old woman and her 30-year-old son).

The current minimum standard for singles and lone parents is €773.26. This includes a basic subsidy for housing costs, which is usually 25% of the minimum standard. This means that singles and lone parents have to currently spend €193.32 to pay the rent. If the rent cannot be covered by the basic subsidy for housing costs, recipients can receive additional rent allowance.30 The size of the rent allowance depends on the number of people living in the household and can currently be up to €338; however, the basic subsidy for housing costs is deducted from this sum.

<table>
<thead>
<tr>
<th>Table 11: Minimum standards, 2010–2012 (Vienna)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum standards for basic benefit</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Singles and single parents</td>
</tr>
<tr>
<td>of which basic subsidy for housing costs</td>
</tr>
<tr>
<td>Couples (per person)</td>
</tr>
<tr>
<td>of which basic subsidy for housing costs</td>
</tr>
<tr>
<td>Children eligible for child benefit</td>
</tr>
<tr>
<td>of which basic subsidy for housing costs</td>
</tr>
<tr>
<td>Maximum additional rent allowance</td>
</tr>
<tr>
<td>3 or 4 persons</td>
</tr>
<tr>
<td>5 or 6 persons</td>
</tr>
<tr>
<td>from 7 persons</td>
</tr>
</tbody>
</table>

Source: MA 40, edited by MA 24

Rent allowance for pensioners

The rent allowance for pensioners is designed to support pensioners whose pension (usually with equalisation supplement) is low and rent is high. This is another benefit that only exists in Vienna.

Assistance in exceptional circumstances

In individual cases that merit it, the means-tested basic benefit system can assume one-time expenses for getting a place to live, pay rent or energy cost arrears, or back payments of pension contributions so that a person becomes eligible for a pension.

30 However, an application for housing assistance must have previously been filed with Municipal Department 50.
The principle of subsidiarity and the obligations of applicants

As with the previous welfare benefit, the principle of subsidiarity is applied to means-tested basic benefit. This means that means-tested basic benefit is subordinate to other sources of income. Art. 10 to 14 Vienna Basic Benefit Act stipulate the use of income, assets and labour. The applicants are also required to pursue claims unless doing so is futile or unreasonable. Various documents have to be attached to the application and applicants are required to participate in the proceedings.

With this information and these documents and various inquiries, MA 40 assesses the applicant’s eligibility. When calculating the amount of means-tested basic benefit the applicant will receive, they take the income of people living in the same recipient household into account. Some types of income, such as child benefit or attendance allowance, are not included in the calculations. In certain circumstances, recipients can also get a partial income exemption for income from work.

Any assets are also included in the calculations, as clients usually have to use them as well. An allowable asset limit was fixed at the fivefold of the minimum standard for single persons (2012: €3,866.30). There is also a six-month exemption on the realisation of assets (e.g. motor vehicles). This gives people not only the opportunity to receive means-tested basic benefit despite having some assets but also means that they do not have to sell them quickly and below value. However, if they are still receiving means-tested basic benefit after those six months (and have not, e.g., found a job), they have to realise their assets. Owner-occupied flats or houses do not have to be realised but a lien can be placed on them for later recovery of costs.
Poverty and means-tested basic benefit

Means-tested basic benefit was designed as a benefit for income-poor people. However, not all people in Vienna whose income is below the at-risk-of-poverty threshold receive means-tested basic benefit, as the at-risk-of-poverty threshold (€1,031/month after taxes) is higher than the minimum standard for means-tested basic benefit (€752 in 2011). There are also other benefits to secure subsistence (e.g. old-age pension with equalisation supplement).

Over the last year, the number of means-tested basic benefit recipients has grown continuously. While in 2004, there were 74,445 recipients in Vienna, the number had grown to 106,675 by 2010. This is a 43% increase. During the same period, there was a 22% growth rate in people at risk of poverty, with a 17% increase in income poverty and a 27% increase in manifest poverty. This comparison shows clearly that the Vienna means-tested basic benefit reaches its target group of income-poor and manifestly poor people.

People at risk of poverty in Vienna

Families with children, especially single-parent families, are particularly at risk of poverty. There has been an above-average growth in the number of children who are supported with means-tested basic benefit payments. While the number of means-tested basic benefit recipients grew by 27.7% (from 83,523 to 106,675) between 2006 and 2010, the number of recipients younger than 19 increased by 34.9% (from 25,161 to 33,952). The at-risk-of-poverty figures are similar. The share of children below age 19 who are at risk of poverty in Vienna increased by 19.5% between 2006 and 2010, while the increase in the overall population was only 10.5% (from 276,000 to 305,000 people). In March 2011, Vienna introduced the highest minimum standard for children in Austria, increasing it from €135.53 to €203.29 in order to support families with multiple children.

There are also other groups that are more frequently at risk of poverty than the average, such as women, in particular single mothers, and non-Austrian citizens. These groups are also overrepresented among means-tested basic benefit recipients (compared to their share in the overall population): single parents, families with three or more children and non-Austrian nationals.

For reasons of legibility we shall generally refer to means-tested basic benefit or basic benefit, although it was only introduced in Vienna on 1 September 2010, replacing the welfare benefit regulated by the Vienna Welfare Benefit Act.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic benefit recipients</td>
<td>74,445</td>
<td>78,854</td>
<td>83,523</td>
<td>88,629</td>
<td>93,547</td>
<td>100,031</td>
<td>106,675</td>
</tr>
<tr>
<td>People at risk of poverty</td>
<td>249,000</td>
<td>204,000</td>
<td>276,000</td>
<td>276,000</td>
<td>280,000</td>
<td>283,000</td>
<td>305,000</td>
</tr>
<tr>
<td>of whom income poor</td>
<td>103,000</td>
<td>113,000</td>
<td>139,000</td>
<td>129,000</td>
<td>110,000</td>
<td>103,000</td>
<td>120,000</td>
</tr>
<tr>
<td>of whom manifestly poor</td>
<td>146,000</td>
<td>91,000</td>
<td>137,000</td>
<td>146,000</td>
<td>170,000</td>
<td>180,000</td>
<td>185,000</td>
</tr>
</tbody>
</table>

Table 12: Risk of poverty and means-tested basic benefit, 2004–2010 (Vienna)
Sources: Statistics Austria, EU-SILC 2004–2010 and MA 40, calculated by MA 24
Development of services and costs

Since 2001, the numbers of individuals receiving means-tested basic benefit and of recipient households have more than doubled. The increase in the number of recipient households (+125.2%) was smaller than that of recipients overall (+152.6%). This indicates that recipient households were larger in 2011 (1.7 persons) than in 2001 (1.5 persons). This is mainly due to the rising number of families with many children and single-parent families who receive means-tested basic benefit.

The largest increase in individuals was in supplementary benefits. In 2011, there were more than 3.5 times as many supplementary benefit recipients or recipient households as in 2001. Supplementary benefit recipients are also the largest group in absolute figures at 92,660 individuals, or 72% of all recipients. There are two main reasons for the strong increase in 2011: Large incoming numbers (first-time and returning clients) and a large number of people moving from full to supplementary benefits.

However, the increase in full benefit recipients was below average. There was even, for the first time, a reduction in means-tested basic benefit recipients with no additional source of income in 2011. This can be attributed to the reinforced use of labour market programmes that allowed recipients to return to the labour market so that they no longer needed the benefit or only needed supplementary benefit to supplement their income.

Means-tested basic benefit (and previously welfare benefit) costs saw a similar increase during that time period. The total expenditure has more than doubled since 2000, while the expenditure for benefits in cash has quadrupled and was just under €351m in 2011 (without health insurance contributions).

The number of people receiving a supplementary benefit has grown strongest; they already account for three in four recipients of means-tested basic benefit overall.
In 2011, the average recipient household received €441 per month, of which €393 were the minimum standard payment including the basic subsidy for housing costs and €48 were rent allowance. However, the exact amounts differ considerably depending on the type of benefit. They are above average for full basic benefit recipients (€794 per recipient household including €27 rent allowance) and permanent beneficiaries (€695 per recipient household including €96 rent allowance). Recipients of supplemental benefit only receive €394 per recipient household, with an average rent allowance of €30. Recipient households that receive rent allowance for pensioners get €109 per month on average.

72,207 of the total 124,117 basic benefit recipients32, well over half of them, have a source of income.33 Four in ten recipients received support from the Public Employment Service (AMS). One in six recipients had income from gainful employment or a pension or received maintenance or alimony payments.

Statistical comparison of welfare benefit and means-tested basic benefit

The introduction of the means-tested basic benefit in September 2010 appears to have increased the take-up rate34. In 2009 and 2010, the share of new cases per month35 was approx. 2%. In 2011 it increased to 3% – 5% in the first quarter alone.

Only a small share of those who entered the means-tested basic benefit system for the first time in 201136 had become eligible due to the changes (higher payments for all and higher minimum standards for children). Most of these people would have already been eligible for welfare benefit before these changes due to their low income. There are strong indications that the introduction of
the means-tested basic benefit led to a decrease of the non-take-up rate. Only long-term observation can tell whether the economic crisis contributed to this increase as well.

This trend is also visible when comparing the data to that of previous years. In 2011, there were 28,492 new registrations in the means-tested basic benefit system. This is a share of approx. 22%. The share of returning clients\(^7\) in 2011 - just under 11% - was the highest since the City of Vienna began keeping electronic records. This means that not only are more people receiving means-tested basic benefits for the first time, more people have also returned to the system. If we compare this to the people who leave the system annually\(^8\), it becomes evident that less and less people manage to stay out of the support system for at least a full year.

The largest share of recipients is those with supplementary benefits, who account for 75% (92,660 persons). The growth in this category of benefits compared to 2010 was above average at 28.7%. There are several reasons for this:

- **One in four full benefit recipients become supplementary benefit recipients**
  3,327 individuals who received full basic benefit payments in 2010 had some form of income in 2011 and received supplementary benefit instead. This success can be attributed to the intensive labour market programmes.

- **More than one in three supplementary benefit recipients in 2011 received no benefits the preceding year**
  35,197 persons, or 38%, received supplementary benefits in 2011 but received no benefits in 2010. 14,223 persons, or 20% of all supplementary benefit recipients, were able to leave the means-tested basic benefit system in 2011.

\(^7\) Persons who received a benefit during the current year but not the preceding one. Somebody who received benefits in 2005, none in 2006 and registers again in 2007 is considered a returning client for 2007.

\(^8\) Persons who received a benefit during the previous year. Somebody who received benefits in 2006, none in 2007 and is in the system again in 2008 is considered to have left the system for 2007.
3.2.2 Basic welfare support

Vienna provides temporary care and assistance for asylum seekers and refugees in need of support and protection. This so-called basic welfare support is intended to secure basic human needs. Basic welfare benefits include housing in facilities of the basic welfare system or private flats, clothing, school materials, health insurance, information, advice and support. Basic welfare support is regulated by an agreement between the federal government and the provinces concluded in 2004. Due to the general price increases, it became increasingly difficult for asylum seekers and basic welfare support providers to cover their expenses with the funds they were given. Therefore, the federal government and the provinces agreed on an increase of benefit rates in 2012. Another challenge for asylum seekers receiving basic welfare support is that they have very restricted access to the Austrian labour market during their often very long asylum procedures and therefore cannot earn their own livelihood. If asylum is granted, it is often difficult for refugees to gain a foothold on the Austrian labour market as they have not previously worked on it. Since 2012, adolescent asylum seekers can take on an apprenticeship.

Status quo

According to the United Nations High Commissioner for Refugees, 44 million people worldwide were displaced by conflicts or fleeing from persecution in 2010. Europe and other Western industrialised countries are only marginally affected by the global refugee movements, as most stay in their own country or seek asylum in a neighbouring country. In 2010, there were 27.5 million internally displaced persons. Of the 15.4 million people who were forcibly displaced from their own country, four in five were being hosted in developing countries. Approximately 800,000 were waiting for their asylum application to be processed in 2010.

In 2011, a total of 227,400 asylum applications were filed in the EU, which is a 15% increase from 2010. This is mainly attributable to the conflicts in Afghanistan, the Ivory Coast, Libya, Syria, and Tunisia. Accordingly, the increase in applications was particularly high in southern EU member states such as Italy or Malta.

Asylum applications increased strongly in Austria as well in 2011: they were up by 30% from 2010. There were 14,426 applications in total, of which approximately one in four was filed by a woman. Nevertheless, the number of asylum applications is still markedly below the levels of 2002 (39,354 applications) to 2005 (22,461 applications).

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The marked reduction in applications during those years can mainly be attributed to the more restrictive federal legislation concerning foreign nationals. The applications also reflect the geopolitical situation. More than 50% of asylum seekers in Austria come from Afghanistan, the Russian Federation, Pakistan or Somalia. Compared to the previous year, asylum applications by people from Pakistan, Somalia, Afghanistan and Syria showed the strongest increases. 16,746 applications were processed in 2011 (contrasted to the 14,426 applications filed). Asylum was granted in 21% of cases.

Legal basis and objectives

Foreign nationals in need of support and protection are granted temporary care and assistance in Austria. The objective is to secure the basic human needs for food, clothes, housing, health, and education, in particular during the difficult time of an asylum procedure. As asylum seekers have very limited access to the Austrian labour market, it is nearly impossible for them to support themselves. In light of this, the basic welfare support not only plays an important role in providing for refugees but also helps safeguard social peace and prevent crime.

Asylum seekers, people granted subsidiary protection status, holders of humanitarian visa, and other non-Austrian nationals who cannot be repatriated for legal or factual reasons receive basic welfare support. If a person is granted refugee status, they continue to receive basic welfare support for four months. Refugees not living in basic welfare housing who cannot ensure their own livelihood can apply for means-tested basic benefit at the MA 40 social welfare office for their area. Refugees living in basic welfare housing receive no means-tested basic benefit during those first four months.

The legal basis for basic welfare support in Austria is the Agreement between the Federal State and the Provinces on Joint Measures for Temporary Basic Welfare Support for Aliens in Need of Support and Protection in Austria, which entered into force on 1 May 2004. In Vienna, basic welfare support was implemented in the Provincial Act on Measures of Temporary Basic Welfare Support for Aliens in Need of Support and Protection (asylum seekers, refugees, displaced persons and other persons who cannot be repatriated for legal or factual reasons) – Vienna Basic Welfare Act (WGVG).

Or as a result of a procedure to determine refoulement that shows that refoulement, deportation or repatriation are not possible in a given case.

The number of asylum applications grew markedly in 2012 (+30%). However, it is still far below the levels of 2002 to 2005.
Organisation and description of services

Upon entering the country, asylum seekers are first housed in a federal reception centre. They are then distributed among the provinces and housed there, either in basic welfare housing (with staff providing assistance and support) or privately. The responsibility for managing the services and providing basic welfare support in Vienna rests with the FSW, which has set up the Coordination Office for Basic Welfare Support Vienna.

The Caritas Vienna Service Office handles the provision of services and subsidies in coordination with the Coordination Office for Basic Welfare Support Vienna for people who receive basic welfare support and are housed privately. For basic welfare housing facilities, the Coordination Office for Basic Welfare Support Vienna handles the payments directly. The benefits of basic welfare support as defined in the Act are the following:

<table>
<thead>
<tr>
<th>Basic welfare support benefits</th>
<th>For people in basic welfare housing</th>
<th>For people with private accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation and meals €19/day</td>
<td>Accommodation allowance singles: €120/month</td>
<td></td>
</tr>
<tr>
<td>Spending allowance €40/month</td>
<td>Accommodation allowance families: €240/month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food allowance adults: €200/month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food allowance children: €90/month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spending allowance €40/month</td>
<td></td>
</tr>
<tr>
<td>General services</td>
<td>Support for clothing: according to need, max. €150/year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>School materials for pupils: according to need, max. €200/academic year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health insurance at the Regional Health Insurance Office for Vienna</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information, advice and counselling</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reimbursement of travel costs for summons to appear at public authorities or transfers</td>
<td></td>
</tr>
</tbody>
</table>

The table shows that financial support for this group of people is considerably lower than the current minimum standards of means-tested basic benefit. In 2012, the maximum rates for selected basic welfare support services, such as housing and meals or food allowance in private and basic welfare housing, were increased for the first time since their introduction in 2004. This at least partially compensated for the price increases in the intervening time.

Support and information for basic welfare support recipients

There are five organisations in Vienna (Caritas Asylzentrum, Diakonie – Evangelischer Flüchtlingsdienst, Verein Projekt Integrationshaus, Verein Ute Bock, and Volkshilfe Wien) that provide information, advice and support for people receiving basic welfare support. The City of Vienna also provides a range of information and support services for recognised refugees and persons granted subsidiary protection status.
Basic welfare support in the Austrian provinces

The Basic Welfare Support Agreement stipulates the distribution of asylum seekers across the country according to the population share of the federal provinces in relation to the overall population. Vienna is responsible for approx. 20% of people receiving basic welfare support. Vienna – in contrast to the other provinces – has consistently exceeded this target quota in the last years. In 2011, there were 5,195 basic welfare support recipients in Vienna (target: 3,616). This exceeded the target quota stipulated in the Basic Welfare Support Agreement by more than 43%.

This is not only due to a lack of appropriate housing facilities in the other federal provinces – many facilities are also too remote or unattractive for other reasons. Therefore, larger cities such as Vienna, Linz and Graz attract asylum seekers, refugees and people granted subsidiary protection status.

In Vienna, only marginally fewer people received basic welfare support in 2011 than in 2010. The strong decline of the previous years was not continued. Approximately 70% of recipients have private accommodation and 30% live in basic welfare housing facilities.

The majority of recipients are male, although the share of men has declined constantly over the last years while that of women has grown. While in 2005, the share of women receiving basic welfare support was 24%, it had increased to 39% by 2011.
3.2.3 Debt counselling

In a market economy, it is desirable that people incur debt. Making debt can be a conscious decision or happen involuntarily. The Austrian national debt was €227 billion in the third quarter of 2012. This equals a per capita debt of approximately €30,000 per citizen. The debt of private households has increased in Austria in the last years, as in many other countries. According to estimates, approx. 200,000 to 300,000 private households in Austria are over-indebted. Internationally speaking, Austrian households have relatively low debt. The 2010 Global Wealth Report shows that Austria has the second-lowest indebtedness rate worldwide at 57.7% (private debt in percentage of the GDP). Nevertheless, the number of people filing for personal bankruptcy continues to grow. Over-indebtedness often causes social problems or is the result of poverty and social marginalisation. Therefore, assessing and solving the debt situation is a part of nearly any social assistance or intervention measures.

Situation in Austria

Like in many other European countries, the data on over-indebtedness and people with financial problems in Austria is rather scarce. However, the 2008 EU-SILC ad-hoc module gathered data on debt, over-indebtedness and financial exclusion of private households. It shows that approximately half of the Austrian population lives in indebted households and that housing mortgages are the most frequent type of debt. The incidence of indebtedness decreases with age and increases with the level of income. Younger age groups (up to 39 years), single parent households, families with three or more children, third-country nationals, people with a low level of education, people with a low income and people living in private households with no or very limited income from employment are disproportionately indebted.

The data also show that 55% of the population live in private households that had serious or frequent minor financial difficulties during the last five years. 9% were in arrears with their debt payments at the time of the survey or at some time during the 12 preceding months. 1.5 million people (18%) live in private households where at least one household member has an overdrawn account.

Indebtedness vs. over-indebtedness

Debt is a value-free word. It merely states that someone has financial liabilities. Debtors are people who are in debt but can pay it off. Over-indebtedness, on the other hand, is a problematic debt situation where the income and assets do not leave enough after living costs to make the debt payments over a certain period or in the long term.

Unemployment as a risk factor for over-indebtedness

The 2012 Debt Report of the umbrella organisation of Austrian debt counselling services ASB Schuldnerberatungen GmbH showed that clients of debt counselling services frequently have a lower level of education and considerably lower income than the population average. For 55% of clients, an appren-

41 Cf. Steck et al. 2010.
triceship or VET school is the highest level of education, while 35% only completed compulsory schooling.

The number of unemployed persons seeking advice from debt counselling services is disproportionately high: 11 times their share in the general population. In 2011, 36% of clients were unemployed and 49% were employed. The main reasons for over-indebtedness are unemployment or pay cuts at 43%, followed by a lack of financial responsibility at 21% and failed self-employment or entrepreneurship at 18%. In many cases, there is more than one cause.

The 2011 Debt Report shows that debt counselling services are encountering the consequences of the economic crisis and the resulting problems on the labour market in their daily work. 43% of new clients across Austria said the cause of their debt problem was unemployment or a pay cut. In 2008, only 19% gave this as a reason. In Vienna, more than half of all new clients in 2010 and 2011 were unemployed. This shows that unemployment is a serious risk factor for over-indebtedness.

**Debt counselling services**

There are currently 10 officially recognised debt counselling services with 20 regional offices in Austria. These services operate on a public mandate, free of charge, and in a debtor-oriented way. Counselling is confidential and clients participate voluntarily and take charge of their own actions. It focuses on helping them to help themselves. The officially recognised debt counselling services have to meet certain quality criteria and may act on behalf of debtors in debt settlement proceedings.

In addition to providing advice to debtors, the debt counselling offices also do debt prevention work with a focus on schools.

**Debt settlement proceedings (private bankruptcy)**

If no out-of-court settlement can be reached between a debtor and their creditors, debt settlement proceedings (private bankruptcy) can be initiated on the application of the debtor or a creditor. The objective of the debt settlement proceedings is to give debtors who are willing to make an effort the opportunity to get out of debt and make a fresh start. The requirements are insolvency, a steady income, the commitment not to make any new debt, and the possibility of setting aside a certain amount for the monthly debt payments. When bankruptcy proceedings are initiated, any execution proceedings are stopped, interest is frozen, and available assets are liquidated. The debtor must present a payment plan to the creditors with a payment rate that amounts to the expected pledgeable income for the next five years. If the majority of creditors accept the offer and the payments are made as agreed, the remaining debt is cancelled. If the majority of creditors do not agree with the payment plan presented by the debtor, the court decides whether to initiate garnishment proceedings. Garnishment of earnings places strict demands on debtors, the creditors do not receive a predetermined rate and their agreement is no longer necessary. An appointed trustee manages the pledgeable income for a period of seven years and distributes it among the creditors once a year. During those seven years, at least

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10% of debt must be repaid. After the garnishment period, the court verifies that the creditors have received at least 10% of their initial claim. If this is the case, the debtor is discharged from the remaining debt. If this rate is not reached, the court will make an equitable decision concerning how much additional debt the debtor must repay.

The most common form of debt regulation proceedings is the payment plan. In 2011, the share of payment plans was approximately 72%, while garnishment of earnings was applied in 27%.

**Development of private bankruptcies in Vienna**

The number of debt settlement proceedings initiated and consultations provided by the Vienna Debt Counselling Service and the number of clients they accompany to court grow every year. Approximately 40% of all private bankruptcies are processed in Vienna. In 2011, 3,900 debt settlement proceedings were initiated in Vienna.

**Organisation and services of the Vienna Debt Counselling Service**

The task of the Vienna Debt Counselling Service is to provide advice concerning legal proceedings to people with debt problems on behalf of the City of Vienna. Together with the clients, they analyse their financial situation and develop solutions for the problems. They also provide support in preparing debt settlement proceedings (private bankruptcy) and accompany them during the proceedings. The fundamental requirements of the Vienna Debt Counselling Service include: clients must participate voluntarily, actively, and with sufficient motivation, they must disclose their income, assets and debt in full, and they must keep appointments and agreements reliably. The Vienna Debt Counselling Service does not offer or broker loans, provide financial support or co-sign loans. In 2011, the Vienna Debt Counselling Service provided advice to 9,105 individuals in 20,171 counselling sessions. In 2011, 3,900 debt settlement proceedings were opened in Vienna. In 2,793 cases, the Vienna Debt Counselling Service was consulted. 376 out-of-court agreements were achieved with clients in 2011.

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45 For information on debt and the application procedure see www.schuldnerberatung-wien.at.
Other services of the Vienna Debt Counselling Service

In 2010, the Vienna Debt Counselling Service introduced a new service in cooperation with selected banks, the managed bank account. Managed bank accounts are intended for clients of the Vienna Debt Counselling Service who have difficulties managing money and recognising financial priorities and are therefore at threat of homelessness. Two accounts are opened in the name of the client at one of the partner banks. The Vienna Debt Counselling Service is a co-signer on the income account, from which all important payments such as rent and costs are made. The rest is paid to the spending account and can be freely used by the client.

Developments

Clients by gender

The largest increase in clients was between 2007 and 2009 (+46%). In 2010, there was a slight reduction by 4%. The reason for this is that banks have become more cautious about granting loans since the economic crisis. The largest increase in new clients was in 2008 (+38% from the previous year). In 2009, there was a 12% reduction in the number of new clients. Over the last two years, the figure has remained relatively stable, with 5,200 people contacting the Vienna Debt Counselling Service for the first time. The overall ratio of women to men has remained stable over the last three years at 43:57.

Median debt by gender

The median debt of clients of the Vienna Debt Counselling Service continues to decline. It went down by 11% from approx. €47,000 in 2007 to €42,000 in 2011. This can be attributed to the lower median debt of new clients, which was €43,000 in 2007 and €37,000 in 2011. The median debt of men is higher than that of women both overall and among new clients.

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Median debt is determined by dividing the number of clients in half by amount of debt. Half of the clients will be in the top half and the other half will be in the bottom half, with the median separating them.
With the growing share of elderly people in the population, the number of people in need of nursing or home care is rising and their share compared to people who do not require care is growing. This brings with it an increasing demand for home care and nursing staff, an increase in the volume of services provided, and, as a result, higher costs.

The Vienna Geriatric Care Concept aims to both increase the capacity and to continuously improve the quality of services. This is done by building new intramural care facilities, replacing all old geriatric homes with new nursing homes of the Vienna Hospital Association by 2015, changing the approach of the Vienna Trust of Homes for the Elderly, and expanding and improving mobile and part-time intramural services in Vienna.

In view of the rising costs, the provision of home care and nursing services at the current level and an expansion of services requires the joint efforts of the federal government, the provinces, and the public insurance institutions. Alternative funding models must also be considered. The current funding system has three pillars: attendance allowance, clients’ own funds from income and assets, and welfare payments. Since 2011, parts of the home care and nursing services are co-financed by the Nursing Care Fund, which is jointly funded by the federal government and the provinces.

The objective should be not only an increase in funds for home care and nursing services, but also more cooperation between the health care and the nursing care sectors and an end to the use of clients’ welfare benefits to fund care, which is essentially a 100% property tax for lower income groups whose income and attendance allowance are not enough to cover the costs.
4.1  Situation analysis

The demographic forecasts for the next years indicate an increase in the elderly population not only in Austria, but in large parts of Europe. The number of elderly will grow in Vienna as well. At the same time, however, Vienna will become the federal province with the youngest population. The challenges this will bring should not be underestimated.

Compared to other countries, Austria already has a wide range of services, both financial benefits (attendance allowance) and benefits in kind (home care and nursing services). Vienna has a long tradition of providing home care and nursing services as well as a high coverage.

The share of elderly people will grow in Vienna as well. However, Vienna will become the federal province with the lowest average age by 2030 as a result of immigration, making it one of the few regions in Europe that are not only growing but also becoming younger.

A higher life expectancy does not necessarily mean an equal rise in home care and nursing demand. Instead, the onset of the need for care will be pushed back, with the duration for which home care and nursing are needed remaining approximately the same. Preventive health care and rehabilitation will become more important to stop the rising costs for home care and nursing. The provided services will also have to be adapted to the changing circumstances.

Fears of a shortage of nursing staff are therefore unfounded. However, there are challenges that all stakeholders must face:

- Closing gaps (e.g. by providing more mobile services and day centres) and expanding and developing services to meet the needs
- Coordination between the health care and social welfare system
- Acquiring additional funds for home care and nursing (new models of financing)
- Developing and improving the situation in home and nursing care professions and improving the situation of family caregivers.

The current discussion between the federal government and the provinces about a structural reform in this area should yield results by the time the next financial equalisation negotiations begin in order to secure the future of home care and nursing in Austria. Issues at the top of the agenda are funding (taxes versus insurance payments), expansion of services, ensuring that there is enough staff, and harmonising rates and core services.

At the last national conference of provincial social affairs officers in June 2012, the federal provinces agreed that the approach of the social welfare system (e.g. use of assets and requiring relatives to pay back the costs) should no longer be applied to care and nursing, provided that possible revenue losses were covered by an overall funding strategy.
4.1.1 Demographic development

The main cause for a need for home care or nursing services is age. Therefore, demographic development is of particular relevance in this context.

The number of people above age 64 in Vienna will increase from approximately 290,000 in 2010 to over 380,000 by 2030, which is an increase by over 30%. In the same time frame, the number of people older than 74 will increase from 126,000 to 185,000 and the number of above 84-year-olds will grow from 40,000 to nearly 60,000, which is a 50% increase in both groups.

When it comes to providing care for people who need it, the share of elderly people in the total population is also relevant. In Austria, the share of over 64-year-olds in the total population will increase from nearly 18% in 2010 to 24% in 2030. During that same period, the share of over 74-year-olds will rise from 8% to over 11%, while the share of 84-year-olds will increase from 2.2% to 3.6%. There will be regional differences in these developments.

The reasons for this growing older generation are the ageing of the baby boomers and the rising life expectancy. The further life expectancy of people who were 65 years old in 2000 was 16.4 years for men and 21 years for women. By 2010, it had increased to 17.7 years for men and 19.8 years for women.

4.1.2 New ways of living and working

It is not only demographic but also social changes that influence the demand for home care and nursing services. The rising housing standards and the availability of mobile, extramural, and part-time intramural care services allow people to remain in their homes longer. At the same time, the share of so-called informal care is declining due to changing family structures (growing number of singles, small families, etc.), the increased mobility of our society (relatives may not be available because they live far away), more flexible working hours, higher demands at work, and the growing number of women who work.

The share of informal care is expected to decrease further in the next years. Formal care and nursing services must therefore be expanded to make up the difference. The costs are not the only challenge - the way in which the services are provided is important as well. Expectations have grown due to more individualistic ways of life and the increasing self-determination of clients. A stronger focus should be placed on prevention and rehabilitation in order to avoid people needing care or assistance in the first place as well as on making services more flexible (e.g. permeability of mobile and intramural care and nursing services or combining informal and formal care).
Family caregivers

The overwhelming majority of people in need of nursing care in Austria live at home and receive assistance from their family. The Austrian Health Survey 2006/2007 showed that 76% of people above age 59 receive care from their family in the event of long-term illness or the need for nursing care, with an additional 3% being cared for by their friends or neighbours. In some cases, mobile services are used to supplement this assistance. A study by the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK) shows that this is the case in approximately a quarter of cases.

According to a WIFO (Austrian Institute of Economic Research) study on the financing of care in Austria, the informal care and nursing potential will decline for several reasons. The ratio of people of working age – in particular women between 40 and 59 years (the largest age bracket of caregiving daughters) – to people older than 74 will change drastically.

In Vienna, this ratio will continue to grow until 2013, when there will be just over four people, or two women, in the 40 to 59 age group to every person above 74 years. After that, the baby bust – the low birth cohorts of the early 1970s – will start to show their effect, which will be compounded by the ageing of the post-war baby boomers, so that by the 2020s there will be less than three people aged 40 to 59 to each person aged 75 or older in Vienna.

The reduction in care and nursing potential of family members will have to be mainly compensated by official services.

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Labour market participation of women

Labour market participation of women in Austria has grown markedly over the last decades. This trend is expected to continue in the coming years, in part due to the raising of the pension age for women to the same as men. The growing female employment is of great economic significance. However, it will lead to a reduction in informal care and nursing, which has so far been provided mainly by women of working age. In Vienna, this development began earlier than in the rest of Austria and its future impact will therefore not be quite as strong as in the rest of the country.

4.1.3 Persons in need of nursing care: developments

The number of people in need of nursing care in Vienna (and Austria) can only be estimated. The number of people receiving attendance allowance is a good indicator, but not all people who receive attendance allowance use home care and nursing services, and not all people in need of care receive attendance allowance. There is also a small share of people who use subsidised home care or nursing services without receiving attendance allowance. These are frequently people whose application for attendance allowance is still being processed. In some cases, social or mental problems may make it necessary to provide home or nursing care, but attendance allowance is often not granted. The number of clients of the Vienna Social Fund (FSW) can also only be considered an approximate indicator of the number of people in need of nursing care, as many people in Vienna receive care from their family or private services.

The number of attendance allowance recipients in Austria has grown nearly every year since its introduction in 1993. In 1993, approximately 300,000 people received attendance allowance. By 2000, the figure had risen to approximately 337,000, and by 2010, the total was 442,378 (a nearly 50% increase from 1993).\(^{50}\) The development was very similar in Vienna. The increase during the first years can be attributed in large part to a growing availability of information and acceptance of attendance allowance, while the increase during the last years is caused by demographic change.

\(^{50}\) Cf. BMASK, Österreichischer Pflegevorsorgebericht 2010, 2011.
In Vienna, 86,826 people received attendance allowance in 2010: 58,263 women and 28,563 men. 82% of all attendance allowance recipients in Vienna receive federal attendance allowance. Recipients of provincial attendance allowance are younger than recipients of federal attendance allowance. In the age cohorts 0-20 and 21-40, the majority of recipients receive provincial attendance allowance. From age 61, the situation is reversed, with more people receiving federal attendance allowance. This difference can be explained by the different types of eligibility. To receive federal attendance allowance, a person must receive some other federal benefit, usually pension payments. Children and younger people (e.g. employed people, means-tested basic benefit recipients, people with disabilities) who are not entitled to such a benefit receive provincial attendance allowance.

Overall, three in four people who received attendance allowance were above age 60. Particularly people above age 80 frequently receive attendance allowance (47%).

The share of lower levels of attendance allowance (1 to 3) is still larger than that of the higher levels. In Vienna, 75% of federal attendance allowance recipients are at these lower levels, while the Austrian average is only approximately 71%.

Calculating the growth of different age groups based on the demographic forecast of Statistics Austria indicates an expected increase in attendance allowance recipients of just over 35% between 2010 and 2030. The number of attendance allowance recipients should remain relatively unchanged until 2018 and should then begin to grow continuously from 2019 on due to the strongly growing age group of above 79-year-olds.
4.2 Services provided by the Administrative Group for Public Health and Social Affairs

The organisation and financing of home care and nursing in Austria is highly complex, in particular because of the country’s federal structure and the separation of social welfare and public health care into two different systems. In Vienna, however, access to nearly all benefits in kind is granted by the Vienna Social Fund (FSW), which is the central coordinating body for nursing and home care services.

The schematic below shows the service and financing structure of home care and nursing in Austria, taking into consideration the situation in Vienna. Benefits in kind are provided nearly exclusively by institutions and organisations recognised by the FSW (provincial level), in particular full-time and part-time intramural services.

The federal administration mainly provides attendance allowance (cash benefit) and services for family caregivers. In a few selected areas, the federal administration also provides benefits in kind (24-hour nursing care).

Attendance allowance is an earmarked benefit that is intended to be used solely to cover additional expenses incurred through care and nursing. Its goal is to give people who need nursing care some measure of independence and allow them to stay in their familiar environment, if possible. To be eligible, the person in question must be in constant need of care and assistance due to a physical, intellectual, or mental impairment or the impairment of one of the senses that is expected to last at least six months, and consistently need at least 60 hours of care per month. The need for care under the Attendance Allowance Act is
defined as needing both care (e.g. cooking, eating, taking medication, dressing and undressing, washing, etc.) and assistance (e.g. food shopping, going to the pharmacy, light cleaning, etc.). The size of the attendance allowance depends on the individual need for care and nursing services and is not affected by the causes of the need for care. There are seven levels of attendance allowance.

The threshold (hours of care required per month) for levels 1 and 2 and the size of the attendance allowance at level 6 were increased in January 2011. Another change occurred in 2012, when the provincial attendance allowance became the responsibility of the federal government.

<table>
<thead>
<tr>
<th>Level</th>
<th>Need for care in hours per month</th>
<th>Benefit in € per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>over 60 hours</td>
<td>154.20</td>
</tr>
<tr>
<td>2</td>
<td>over 85 hours</td>
<td>284.30</td>
</tr>
<tr>
<td>3</td>
<td>over 120 hours</td>
<td>442.90</td>
</tr>
<tr>
<td>4</td>
<td>over 160 hours</td>
<td>664.30</td>
</tr>
<tr>
<td>5</td>
<td>over 180 hours if there is an exceptional need for nursing care</td>
<td>902.30</td>
</tr>
<tr>
<td>6</td>
<td>over 180 hours if there is repeatedly a need for care during the day and night that cannot be provided at fixed times or if the constant presence of a caregiver is needed because there is a high risk of harm to the patient or others</td>
<td>1,655.80</td>
</tr>
</tbody>
</table>

Table 15: Levels and size of attendance allowance
Source: BMASK, edited by MA 24

The costs of in-kind benefits are covered by the clients (attendance allowance, income, in some cases assets), from the welfare benefit budget of the provinces (e.g. FSW subsidies), and, in some cases, from the public health care budget (e.g. medical home nursing care). The interface with the public health care system is not clearly defined and in need of reforms. This is particularly relevant in the case of rehabilitation, therapeutic aids, acute geriatric care, short-term nursing care, and transitional care. In some areas, in particular in intramural services, additional provincial funds are provided for the construction of facilities (e.g. housing promotion funds).

4.2.1 Intramural care and nursing facilities

Vienna has a high density of in-patient care facilities. The majority of assisted living and nursing facilities in Vienna are provided by organisations of the City of Vienna (the Vienna Hospital Association (KAV) and the Trust of the Vienna Homes for the Elderly (KWP)). However, the number of privately run facilities that are recognised and subsidised by the FSW has increased over the last years, leading to a wider diversity of services. The most important planning goal is to adapt the services to the changing demand in both qualitative and quantitative terms.

In 2010, Vienna had a capacity of approximately 17,400 residents in residential and care homes (subsidised services). Of the subsidised quota, 53% were provided by the KWP and 19% by the KAV, while 28% were from private providers. Of the approximately 6,449,900 days billed, some 50% were provided by KWP, approximately 20% by KAV, and the remaining approximately 30% by private institutions recognised by the FSW.
In the coming years, the capacity of residential care services will be increased. Medical nursing care services of the KAV (nursing care with round-the-clock medical attention) will be reserved for people who are severely ill and need not only nursing care but also the specialised medical services offered at these facilities, as well as for other specific target groups. For others, KWP is creating the new Innovative Residential and Care Homes, which focus more on the residential aspect. Following the complete reform of the city’s nursing homes (replacing the old geriatric homes with residential care facilities), the KWP is now also adapting to the changes in the structure of residents and society. The age of residents in KWP facilities and the amount of care and assistance provided have grown gradually over the last years. Most people also prefer to stay in their own home as long as possible. The better quality of housing and the wide availability of mobile services make this easier. As a result, KWP services are being increasingly tailored to the individual needs of the residents. In future, the KWP will predominantly offer assisted living. Purely residential facilities will be reduced. In this, the KWP follows the international trend towards reducing residential homes.

**Development of services and costs**

In 2010, a total of 22,850 people used intramural services of the City of Vienna. The majority of people in intramural care (approx. 13,700, or 60%) lived in nursing homes. Some 8,900 people (39%) were in residential facilities (assisted living). Short-term care or vacation relief for caregivers is used by approx. 1,000 people annually. Overall, the share of people in residential facilities has been decreasing over the last years.

### Table 16: Capacity of residential and care homes, 2010 (Vienna)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>KWP</th>
<th>KAV</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidised residential and care homes</td>
<td>17,400</td>
<td>9,180</td>
<td>3,270</td>
<td>4,950</td>
</tr>
<tr>
<td>Nursing care (including short-term care and vacation relief)</td>
<td>9,600</td>
<td>1,810</td>
<td>3,270</td>
<td>4,520</td>
</tr>
<tr>
<td>Residential facilities (with or without care services)</td>
<td>7,800</td>
<td>7,370</td>
<td>0</td>
<td>430</td>
</tr>
<tr>
<td>Days billed for residential and care services</td>
<td>6,449,880</td>
<td>3,271,100</td>
<td>1,258,000</td>
<td>1,920,780</td>
</tr>
</tbody>
</table>

Table 16: Capacity of residential and care homes, 2010 (Vienna)
Source: FSW, calculated by MA 24

### Table 17: Residents of intramural facilities, 2010 (Vienna)

<table>
<thead>
<tr>
<th>Services (subsidies can be granted for more than one service)</th>
<th>Number of clients</th>
<th>Change from 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and nursing care</td>
<td>22,850</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Nursing care beds in residential and care homes</td>
<td>7,570</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Nursing care beds with medical 24-hour care</td>
<td>6,160</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Assisted living for senior citizens</td>
<td>8,870</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Short-term care</td>
<td>670</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Vacation relief</td>
<td>310</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

Table 17: Residents of intramural facilities, 2010 (Vienna)
Source: FSW, annual report 2010, edited by MA 24

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51 The data used here is from the 2010 annual report of the FSW and differs slightly from the nursing care statistics collected pursuant to the Nursing Care Fund Act. These differences are mainly attributable to the time of evaluation. There are larger differences with regards to housing capacity, as the definition in the Nursing Care Fund Act is wider in scope and includes people in alternative housing as well. Including them in our calculations would increase the number of clients by 1,500.
The total cost of intramural care in 2010 was approx. €852 million, the net expenditure (after contributions and expenses paid back by family members) was €565 million.

**Residents of Vienna’s residential and care homes**

The sex ratio is similar in all intramural facilities, the share of women is around 80%. The only exception are special services in the area of housing (e.g. socially assisted living), which have more male clients than the others.

The number of people in intramural care who do not receive attendance allowance is negligible. In residential facilities, on the other hand, there is a large share of people who do not receive attendance allowance. Conversely, the share of people receiving level 5 or higher attendance allowance is very low in these facilities, only 7%. As a result, the residents of *KWP* facilities (residential) differ from people in intramural care by their attendance allowance level rather than their age. Of course, this is also connected to the way applications were made previously. Some people can afford a place in a residence facility without attendance allowance, but care is much more expensive and hardly anyone can afford it on a pension alone. Since 1 January 2012, *FSW* has been in charge of placement in *KWP* facilities as well. This is an important step towards the allocation of places according to need.

**4.2.2 Mobile home care and nursing services**

Every strategy plan of the last years has followed the principle of providing *extramural before intramural* care. Because most people prefer to stay in their own homes as long as possible and because of costs, this principle has top priority. The *Province of Vienna* has expanded its mobile services considerably. Approximately two in three people who receive home or nursing care in Vienna use mobile or part-time extramural (day care) services, with the rest in intramural care. *MA 24* commissioned a study to investigate whether this share will continue to grow and how demand will change in the coming years (e.g. more use of formal services instead of informal care).
The Vienna Social Welfare Fund (FSW) has been in charge of the coordination and funding of social services in Vienna with its Information Centre for Home Care and Nursing Services (bzP) since 2004. When someone applies for a subsidised service, a case manager of the competent bzP branch office makes a home visit to provide advice and information and to evaluate the care need of the applicant. The subsidised services are provided by an organisation recognised by the FSW. The clients’ wishes regarding which organisation becomes their service provider are observed whenever possible. After the external organisation has taken over care, the staff of the bzP can still be contacted by the client or their representatives if they wish to change something or if there are questions regarding their care.

In order to enable people to stay in their own homes even at an advanced age, there is a wide range of mobile home care and nursing services that can be used temporarily or permanently. The most important services are home nursing care, home help, and 24-hour nursing care. Others include meals on wheels, visiting and companion service, laundry services, cleaning services, and various counselling services.

Mobile home nursing care

The mobile home nursing care services provide nursing care in the patient’s home. There are two different kinds: medical home nursing care (MedHKP) and home nursing care (HKP).

Medical home nursing care

MedHKP is regulated by the General Social Insurance Act (ASVG) and is intended to replace hospital stays. It requires a doctor’s prescription and is provided by certified nursing staff. MedHKP can be granted for up to 28 days for each case of illness.

Home nursing care

If the illness or need for nursing care makes it necessary to provide care beyond the period for which MedHKP has been granted, home nursing care is available. It is provided by certified nursing staff and auxiliary nurses.
Home help

Home helpers contribute to maintaining and supporting people’s independence by assisting them with light housekeeping and activities of daily life, such as cleaning, shopping, and laundry. They also take care of basic needs and physical well-being, such as assistance with personal care, meal planning, and cooking. They play an important role as a link between the clients, their families, and other caregivers.

24-hour nursing care

If it is necessary to always have a caregiver in the house, an application for the subsidy for 24-hour nursing care can be filed with the Federal Social Welfare Office for the Disabled. The following requirements have to be met:

- Care provision contract in accordance with the Home Care Act or the Industrial Code.
- Eligibility for attendance allowance level 3 or higher.
- Maximum net monthly income for singles €2,500.
- Need for 24-hour care; this can usually be assumed to be the case for people receiving attendance allowance level 5 or higher. For allowance levels 3 and 4, the need for 24-hour nursing care must be confirmed by a medical specialist.

With a caregiver who is present round the clock, home care can be provided for nearly anyone. However, this is often not an option for several reasons:

- Relatives or other people must be available to help organise care.
- The flat must have at least one separate room for the caregiver.
- The client must be willing to share their flat with a caregiver.

Although the subsidy was raised some time ago, 24-hour care is only affordable with an above-average income or a high attendance allowance level. In addition to the care costs, the client must be able to afford rent and cost of living, which usually includes room and board for the caregiver.

Development of services and costs

Home help is by far the most frequently used mobile service (22,010 clients), followed by home nursing care (8,270 clients). With the exception of people using the cleaning services for large and demanding cleaning tasks and those receiving medical home nursing care, the vast majority of clients receive attendance allowance. The average age of clients is above 80.

<table>
<thead>
<tr>
<th>Clients</th>
<th>Number of services provided</th>
<th>Unit</th>
<th>Share of attendance allowance recipients</th>
<th>Average level of attendance allowance</th>
<th>Age (median)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting and companion service</td>
<td>5,620</td>
<td>hours</td>
<td>92.9%</td>
<td>2.80</td>
<td>82 y 3 mon</td>
</tr>
<tr>
<td>Meals on wheels</td>
<td>6,770</td>
<td>deliveries</td>
<td>92.0%</td>
<td>2.78</td>
<td>83 y 8 mon</td>
</tr>
<tr>
<td>Home help</td>
<td>22,010</td>
<td>hours</td>
<td>96.9%</td>
<td>3.59</td>
<td>82 y 0 mon</td>
</tr>
<tr>
<td>Home nursing care</td>
<td>8,270</td>
<td>hours</td>
<td>75.6%</td>
<td>3.03</td>
<td>79 y 4 mon</td>
</tr>
<tr>
<td>Medical home nursing care</td>
<td>8,330</td>
<td>hours</td>
<td>92.5%</td>
<td>3.56</td>
<td>81 y 7 mon</td>
</tr>
<tr>
<td>Cleaning service</td>
<td>3,760</td>
<td>hours</td>
<td>97.1%</td>
<td>2.46</td>
<td>77 y 5 mon</td>
</tr>
<tr>
<td>Special cleaning service</td>
<td>180</td>
<td>hours</td>
<td>50.6%</td>
<td>2.03</td>
<td>83 y 7 mon</td>
</tr>
<tr>
<td>Laundry service</td>
<td>460</td>
<td>deliveries</td>
<td>96.9%</td>
<td>2.80</td>
<td>79 y 6 mon</td>
</tr>
</tbody>
</table>

Table 18: Mobile services, 2010 (Vienna)
Source: FSW, calculated by MA 24
Additionally, 1,490 people received a subsidy for 24-hour care.

The gross expenditure for mobile services in 2010 was €202 million. The cost effectiveness level was 28%, amounting to a net cost of approximately €146 million for the Province of Vienna.

**Clients of mobile services in Vienna**

With the exception of the laundry service and the cleaning service, far over 60% of the clients of mobile services are women. However, the share of men is higher in this segment of services than in intramural care.

The Province of Vienna spent approximately €146 million on mobile services in 2010 (after deduction of contributions).
4.2.3 Part-time care: day centres

The *day centres for senior citizens* provide individual care and company from 7.30 am to 5 pm on weekdays. Structured daily routines, needs-based care, activities for groups and individuals, as well as social contacts help prevent loneliness and nurture the clients’ personal skills and abilities.

The clients receive care and support from social workers, ergotherapists and physiotherapists, home helpers, auxiliary nurses and licensed nursing staff and can participate in creative activities. If required, they can be transported there and home again with a transport service organised by the *day centres*. Clients can come up to 5 days a week, but can also visit on individual days.

Attending a *day centre* requires that the client is not bedridden. The financial contribution is calculated on an individual basis depending on the income, the level of attendance allowance, and the extent of services required. The exact amount is calculated by the *FSW’s Information Centre for Home Care and Nursing Services*. *FSW* subsidies can also be granted for privately operated day centres. The maximum daily contribution in 2010 was €16.86. In 2010, there were 17 *day centres for senior citizens* with a total capacity of 683.

All *day centres* are equipped to care for people with dementia. However, there are two additional centres that specialise in working with Alzheimer’s patients. The *FSW* also funds a day centre for stroke patients and one for multiple sclerosis patients, where staff can focus on their special needs.
Development of services and costs

The expenses in 2010 were 32% higher than in the previous year. However, it should be noted that these costs included the construction/renovation of two day centres. Gross expenditure in 2010 was approximately €18 million, net expenditure was €16.3 million.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Change from 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits (days) in all day centres</td>
<td>154,650</td>
<td>+9%</td>
</tr>
<tr>
<td>Visitors</td>
<td>2,010</td>
<td>+8%</td>
</tr>
<tr>
<td>Transportation for FSW day centres</td>
<td>22,200</td>
<td></td>
</tr>
<tr>
<td>Average days per month per client</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Average length of attendance</td>
<td>14 months</td>
<td></td>
</tr>
<tr>
<td>Average age of visitors</td>
<td>80 y 8 mon</td>
<td></td>
</tr>
<tr>
<td>Costs incurred by the FSW (rounded to €1,000)</td>
<td>17,977,000</td>
<td>+32%</td>
</tr>
</tbody>
</table>

Table 19: Key data on day centres in Vienna, 2010
Source: FSW, calculated by MA 24

Clients of the day centres in Vienna

As with intramural and mobile services, the majority of day centre clients (68%) are women.

Most clients receive attendance allowance at levels 2 to 4. People at higher levels very rarely go to day centres.
Homelessness is one of the most extreme forms of poverty. It can be caused by individual factors, such as illness or addiction, and by factors related to relationships with other people, such as separation or domestic violence. The situation on the labour and housing markets can aggravate issues. In order to address the needs of the clients, the City of Vienna has not only expanded the Vienna Homeless Services over the last years, but also improved their quality, as evidenced by the wider diversity of services and the closer cooperation with related domains, such as public health care. The multistage scheme of the Vienna Homeless Services is complemented by the housing first approach, which is currently being tested in several pilot projects.
5.1 Situation analysis

The housing market in Vienna is unique in many ways. With over 220,000 flats in municipal housing and approximately 180,000 flats built with housing subsidies, it is very different from the housing market in the rest of Austria and in other large European cities. Vienna has grown considerably over the last years and is expected to do so for years to come. The rising housing costs are becoming a problem for an increasing number of people, in particular those with a low income. The City of Vienna faces the challenge of increasing available housing in order to continue to ensure that it remains affordable for everyone in Vienna.

5.1.1 The housing market

It is difficult to analyse the Vienna housing market because there is no current data. Up until 2001, the number of flats and buildings was counted every 10 years during the population or housing census. Now data is no longer collected from the citizens but from the administrative registers (register census). The results of the first register census, conducted in 2011, are not yet available. The most current data on the housing stock in Vienna are the results of the 2006 pilot register census.

The table below shows the development of the population and the housing stock in Vienna between 1981 and 2006. The population increased only marginally from 1981 to 2001, and more than 80,000 flats were built in the same time frame. Between 2001 and 2006, the population increase was higher than the number of flats built. This strong population growth will continue in the coming years. Vienna’s population is expected to grow by more than 10% between 2010 and 2030.52

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (main residence)</th>
<th>Housing stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>1,531,346</td>
<td>821,174</td>
</tr>
<tr>
<td>1991</td>
<td>1,539,848</td>
<td>853,091</td>
</tr>
<tr>
<td>2001</td>
<td>1,550,123</td>
<td>908,310</td>
</tr>
<tr>
<td>2006</td>
<td>1,661,206</td>
<td>956,110</td>
</tr>
</tbody>
</table>


Between 2004 and 2010, the number of flats used as primary residence in Vienna rose by 6.5% from 794,000 to 846,000. Approximately three in four were rental flats and flats in housing cooperatives or in municipal housing, the rest were owner-occupied flats or houses.53

53 Including subletting and other forms of housing.
The structure of the housing stock in Vienna differs greatly from the market in the rest of Austria in two aspects:

- House or flat ownership is comparatively low: In the rest of Austria, the share of owner-occupied flats and houses is approximately 60% of primary residences, in Vienna it is 20%.
- The share of municipal housing is considerably higher than in the rest of Austria (16%).

The diagram shows the ownership status of primary residence households in Vienna. More than three quarters are primary tenants, and some 20% are in owner-occupied flats and houses. In 2010, 1.7% of households were sub-tenants, and 2.1% had some other form of housing.

5.1.2 Size and quality of flats

The quality of housing in Vienna has increased considerably in recent years. From 1996 to 2010, the share of category D flats went down from 12.9% to 4.9%, with a respective increase in category A flats. The share of category A flats grew by more than 14 percentage points to 91.2%. The share of category C and B flats has also decreased over the years and was 0.5% and 3.4%, respectively, in 2010.

Flats are divided into four categories:
- Category D: no running water and/or no toilet
- Category C: running water and toilet
- Category B: running water, toilet and bathtub/shower
- Category A: water, toilet, bathtub/shower and good heating.
The average size (floor space) of primary residences in Austria is 99.1 m². Vienna is below the national average at 74.5 m². Both in Vienna and Austria overall, the size depends on the ownership status. Owners of flats and houses have more room on average than tenants and sub-tenants.

Based on the average household size (2.0 persons in Vienna, 2.3 in Austria), the average floor space per person in Vienna is 37.5m², while the national average is 43.3m² per person.

5.1.3 Housing costs

In 2010, Austrians spent nearly €34 billion on housing (including water and energy costs), which is more than 22% of total consumer spending of Austrian households. This share has grown continuously over the past years. In 1990, it was 18%. This increasing share of housing, water, and energy in total consumer spending can be attributed to the increase in average housing space (from 30m² in 1990 to currently 43m² per person), the improved housing quality, and rising prices.

While prices in general have increased by some 20% since 2000, the cost of housing, water, and energy rose by 34.5% in the same time period. While the sub-index housing, water, energy and the overall index have developed similarly, housing costs have been increasing at a higher rate than the general prices since 2004.

In addition to the housing category, the size of the flat also has a strong influence on housing costs. For flats under 35 m², the relative expenses are some 25% above the Viennese average. This means that single-person households have above-average housing costs.

In 18% of Austrian households, housing costs made up more than a quarter of the total household income in 2010. Statistics Austria describes such a financial burden as an unacceptable share of housing costs. As might be expected, the share is higher in households that are at risk of poverty. Six in ten households at risk of poverty have an unacceptable share of housing costs.

In Vienna, the average rental costs in 2007 were 24.2% of the net household income. The highest rent burden was on women in single-person households (35%).


Caution is advised in interpreting the CPI. The sub-index housing, water and energy is based on Microcensus, i.e. survey, data. The design and way in which the survey was carried out was modified in 2004. These changes might, at least in part, be the cause of the strong increase in 2004 and later.

5.2 Services provided by the Administrative Group for Public Health and Social Affairs

5.2.1 Securing tenancy and preventing homelessness

The institutions of the Vienna scheme for securing tenancy provide advice and assistance to people facing eviction, thus playing an important part in reducing homelessness. Preventing homelessness is an important step towards stabilising the situation of the clients, it reduces later social costs, and it is less expensive than providing assistance through the Homeless Services. It is usually people facing financial problems who are in danger of being evicted. However, social issues are also a frequent cause of impending eviction. A comprehensive approach to preventing eviction must therefore start at an early stage and address all aspects of the problem. The Vienna scheme for securing tenancy is constantly being developed further, the most recent milestone being the Vienna Act on Securing Tenancy.

Legal basis and objectives

The objective of the Vienna scheme for securing tenancy is to prevent evictions and help people secure their tenancy for the long term. In order to achieve this objective, the counselling and information offices belonging to the Vienna scheme for securing tenancy provide various means of support. They work with the clients to help them keep their homes.

To assist them in contacting tenants facing eviction, the district courts have to inform the municipal authorities of any such proceedings pursuant to Art. 33a Vienna Tenancy Act (MRG). The municipal authorities have the right to pass such information on to private social institutions. The municipal authorities also have to be informed of eviction permits pursuant to Art. 569 GeO. In Vienna, this information is collected by the Centre for Securing Tenancy (FAWOS), which is operated by the charity Volkshilfe Wien on behalf of the City of Vienna.

The Vienna Act on Securing Tenancy (WSG) entered into force in June 2012. It regulates the cooperation between social institutions of the City of Vienna, such as MA 40, MA 11, FSW, PSD and wohnpartner, to secure tenancy in municipal housing.
Organisation

FAWOS is the backbone of the Vienna scheme for securing tenancy. It is operated by the City of Vienna and Volkshilfe Wien. The district courts inform FAWOS when eviction proceedings are initiated or an eviction notice and date is issued. FAWOS then sends the tenants a letter with information about the counselling centre for their area. Tenants in private flats or housing cooperatives receive advice and counselling directly from FAWOS. Tenants in municipal housing who have minor children are referred to Municipal Department 11. If there are no minor children living in the household, MA 40 handles the case.

Services

The counselling offices first analyse the situation and inform their clients of their rights and what they can do to resolve the problem. They also offer assistance with drawing up a household budget or negotiating a payment plan. If the financial situation is particularly dire, clients can also apply for assistance in exceptional circumstances, which is a part of the means-tested basic benefit scheme, to pay rent arrears.

Analysis of the general situation

The number of actual evictions went down from 2010 to 2011, although the number of eviction proceedings filed increased. In total, 2,789 evictions were carried out in Vienna in 2011, which is 60% less than in 2004. The ratio of eviction proceedings to actual evictions also reflects the success of the Vienna scheme for securing tenancy: While in 2004, one in four proceedings resulted in eviction, this was the case for only 13% of eviction proceedings in 2011.
Development of services and costs

In 2011, **FAWOS** wrote to 18,207 households informing them of the services of the **Vienna scheme for securing tenancy**. 11,817 of these households were in municipal housing. This was a reduction from the previous year, but the number is still considerably above that of 2009. Approximately 50% of households notified of the services of the **Vienna scheme for securing tenancy** contacted one of the offices.\(^6\) With advice and support, the Vienna institutions for securing tenancy were able to secure tenancy for 4,666 flats.

The cost of **tenancy-securing services** increased from €3 million to €5.3 million between 2005 and 2010 and went down slightly in 2011 to €4.9 million. The strong increase of more than 23% between 2009 and 2010 is mainly due to the higher number of households receiving support, particularly in municipal housing. In 2009, 3,534 households received financial support to secure their tenancy, while in 2011 the number was 4,829. This is a 37% increase.

The costs depend on the type of flat – municipal housing, privately owned flat or housing cooperative. The differences are considerable: For **MA 40**, which is in charge of municipal housing, the average cost per household was €1,043 in 2011, while **FAWOS**, in charge of private and housing cooperative flats, spent €2,319 on average per household.

\(^6\) There is no data concerning the number of households **MA11** successfully reached in 2011. The figure for 2011 has therefore been extrapolated from the ratio of contacted to reached households of previous years.
The most common reason for eviction is precarious employment/income.

Analysis of the target group

For more than 80% of clients of the Vienna scheme for securing tenancy in 2011, the reason for the impending eviction were substantial rent arrears. This is generally due to precarious employment and income situations and resulting debt. It is therefore no surprise that the share of people from social groups that are at risk of poverty is disproportionately high among the clients: 20.8% are single parents, 38.9% live alone.

43.1% of clients receive an AMS benefit (e.g. unemployment benefit or emergency welfare benefit). 35.6% have their own income from gainful employment or self-employment. 14% of clients receive a benefit under the means-tested basic benefit scheme.

5.2.2 Assistance for homeless people in Vienna

The Vienna Homeless Services system has diversified over the last years. In addition to short-term accommodation in night shelters and the long-time option of socially assisted living, there is a focus on different types of transitional housing. Transitional housing has the goal of preparing people for living on their own again and helping them move into their own home. Recently, mobile living assistance was introduced, which provides support for formerly homeless people when they first move into their own home and during difficult times. It is not only a tool for reducing the stay in institutional settings but also for ensuring that the Homeless Services are successful in the long term.

Legal basis and objectives

The objective of the Vienna Homeless Services is to provide suitable extramural services for homeless people as well as night shelters and housing where needed. The services aim to help people affected by homelessness stabilise their social, material and health situations. The next step is to enable them to live in their own home. Should it no longer be possible to integrate someone into the regular housing market, the Vienna Homeless Services provide permanent housing in specialised socially assisted living facilities.

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69 The data for this target group analysis was supplied by FAWOS. No similar evaluation was available for clients of MA 40 and MA 11 living in municipal housing.
In Austria, support for homeless people is the responsibility of the provinces and is regulated by the laws governing means-tested basic benefit. The municipalities are in charge of implementing the actual measures. The relevant Provincial Acts of Vienna determine that Austrian citizens and persons with equal status whose main residence is in Vienna or who live in Vienna and are homeless are eligible for these services.

**Organisation of services**

Since 2004, the Vienna Social Welfare Fund has been in charge of the operative planning and processing of services of the Vienna Homeless Services scheme. In most cases, the FSW supports the clients directly, but it can also provide direct funding to institutions and projects for night shelters, emergency beds and extramural services. The FSW decides whether to subsidise somebody based on an expert evaluation if all requirements pursuant to the Vienna Welfare Assistance Act (WSHG) and the FSW’s subsidising guidelines are met.

The Vienna Homeless Services system has two contact points for homeless people that place them in suitable facilities according to their needs. The Caritas of the Archdiocese of Vienna operates the counselling centre P7, which is a first point of contact for homeless people. It is in charge of placement in night shelters. The information centre for homeless people bzWO of the FSW has the central coordinating function in the Vienna Homeless Services system. It evaluates whether clients meet the requirements for direct support and places them in a housing facility that meets their needs.

If the application and the case history show that a client is eligible for support, the bzWO grants direct subsidies for a duration of two years, with the exception of the long-term housing scheme of socially assisted living, where the place can be granted for five years.
In the last years, the capacity and range of the Vienna Homeless Services have been continuously expanded to keep abreast with the demand. In 2011, the capacity of the Vienna Homeless Services was 4,687 across all the different services, which is a 74% increase from 2000. This expansion went hand in hand with the implementation of socially assisted living, which is a long-term housing option for formerly homeless people. In 2011, the development of socially assisted living was completed and it now has a capacity of 1,076. In transitional housing, the number of places in general temporary residential facilities was reduced in favour of assisted living in flats and targeted housing. Services for homeless people who are in acute need of assistance have also been expanded considerably in the last years.

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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Socially assisted living</td>
<td>40</td>
<td>258</td>
<td>258</td>
<td>376</td>
<td>400</td>
<td>412</td>
<td>520</td>
<td>751</td>
<td>775</td>
<td>774</td>
<td>1,078</td>
<td>1,076</td>
</tr>
<tr>
<td>Assisted living in flats</td>
<td>562</td>
<td>562</td>
<td>562</td>
<td>562</td>
<td>544</td>
<td>586</td>
<td>701</td>
<td>713</td>
<td>713</td>
<td>878</td>
<td>1,077</td>
<td>1,269</td>
</tr>
<tr>
<td>Targeted housing</td>
<td>299</td>
<td>259</td>
<td>259</td>
<td>271</td>
<td>271</td>
<td>338</td>
<td>343</td>
<td>321</td>
<td>323</td>
<td>322</td>
<td>379</td>
<td>382</td>
</tr>
<tr>
<td>Mother and child facilities*</td>
<td>236</td>
<td>267</td>
<td>267</td>
<td>297</td>
<td>341</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional housing</td>
<td>1,739</td>
<td>1,441</td>
<td>1,034</td>
<td>1,012</td>
<td>1,046</td>
<td>1,006</td>
<td>982</td>
<td>1,202</td>
<td>1,234</td>
<td>1,234</td>
<td>1,234</td>
<td>1,225</td>
</tr>
<tr>
<td>Night shelters</td>
<td>41</td>
<td>76</td>
<td>95</td>
<td>154</td>
<td>182</td>
<td>269</td>
<td>311</td>
<td>270</td>
<td>290</td>
<td>432</td>
<td>412</td>
<td>394</td>
</tr>
<tr>
<td>Total</td>
<td>2,681</td>
<td>2,596</td>
<td>2,208</td>
<td>2,375</td>
<td>2,443</td>
<td>2,857</td>
<td>3,493</td>
<td>3,611</td>
<td>3,907</td>
<td>4,477</td>
<td>4,687</td>
<td></td>
</tr>
</tbody>
</table>

*This responsibility was transferred from Municipal Department 11 to the Vienna Social Welfare Fund in 2007.

Table 21: Vienna Homeless Services, 2000-2011
Sources: FSW, edited by MA 24

Services

The services provided in the Vienna Homeless Services system range from low-threshold extramural services with a focus on information, counselling and support to higher-threshold transitional and long-term housing.

Night shelters

Night shelters are the most low-threshold service and give homeless people a place to sleep, shower and store their belongings until their situation has been assessed by the FSW. Night shelters are only accessible during the evening and night.

Transitional housing

These are temporary residential facilities with social workers, who prepare people for re-housing in their own flat or suitable long-term accommodation. The objective is to help people live on their own again within two years.

Assisted living in flats

Assisted living in flats requires a larger measure of independence from clients than other services. The target group are people who need some help getting on their feet, e.g. single parents, people with previous convictions, or families that have been granted asylum. In some of these services the clients can take over the rental contract after the assistance ends and stay in the same flat.
**Targeted housing**

*Targeted housing facilities* provide housing and care designed specifically for certain groups of people, such as people with mental health problems, young adults, alcoholics, women in mental or social crisis situations, and people with a short-term need for assistance. Here they are prepared for moving into their own home.

**Mother and child facilities**

*Mother and child facilities* are designed particularly for homeless mothers of legal age and pregnant women who need assisted living in order to stabilise their situation. The objective here, as well, is to enable them to live in their own home without assistance.

**Socially assisted living**

*Socially assisted living* is long-term or permanent housing for formerly homeless people who want to live independently but need assistance at times. In *socially assisted living facilities* they have their own little flat but can also benefit from assistance and care provided by internal and external services and a wide range of group activities.

**Other services of the Vienna Homeless Services scheme**

The *Vienna Homeless Services* scheme offers not only a wide range of short-term and long-term housing facilities but also various extramural services. The *FSW* subsidises day centres (*Gruft, Josi, Josi.Exil, Frauenwohnzimmer*) where homeless people can talk to social workers and use the washing, cooking and storage facilities. They also offer social activities and entertainment.

The *Vienna Homeless Services* offer basic medical and dental care (*LouiseBus, neunerHAUSARZT, neunerZAHNARZT*) as well as psychiatric care through the liaison service of the *Psychosocial Service (PSD)* and health counselling services (*FEM, MEN*).
Current organisational and service developments

Mobile living assistance

The mobile living assistance wohn:mobil provided by wieder wohnen helps shorten people’s stay in institutional settings by providing assistance when they move into their own home. The objective is to help them stay in the new flat and become integrated into their new living environment. If necessary, the wohn:mobil workers can organise measures to ensure subsistence and other support. The wohn:mobil workers come directly to the clients, who participate voluntarily.

Quality guideline

In June 2011, a General Guideline for Quality Assurance for Institutions of the Vienna Homeless Services Recognised and Subsidised by the FSW was introduced, which was prepared by the FSW and the Vienna Homeless Service providers and coordinated by the Umbrella Organisation of Vienna Social Institutions. The goal of this guideline is to ensure and further improve the quality of social work of the Vienna Homeless Services and to create transparency for clients, participating organisations and the FSW in terms of infrastructure, expertise and organisation.60

Housing First

In the Vienna government manifesto 201061, the decision was made to implement the housing first approach in the Vienna Homeless Services system. The new housing first services will replace existing services and continue the de-institutionalisation process started years ago.

Interfaces with other systems, such as the medical, psychiatric and care services and the institutions for securing tenancy, must be redefined and new standards of care (e.g. service and team structures) must be defined. Another goal is to find ways of providing a sufficient quantity of affordable housing. In autumn 2011, the Vienna Homeless Services commissioned a group of experts to adapt the housing first approach to suit Vienna’s specific situation. The FSW and the neunerHAUS association coordinated a working group that laid out the framework for implementing housing first. The Vienna housing first model is currently being tested in pilot projects.

Development of services and costs

In 2011, the night shelters, transitional housing and socially assisted living facilities had a total of 8,580 clients. There was hardly any change from the previous year. With the development of the range of services, the number of clients in night shelters has gone down, while assisted living in flats and mother and child facilities have seen an increase. The ratio of clients to capacity varies between the different types of services. This is due to the differing durations of

stay. While in 2011, one place in a night shelter was used by over eight clients on average, the ratio is just slightly above one person per place and year in socially assisted living.

The density of homeless people reflects the share of people accommodated in facilities of the Homeless Services in the total population. It also reflects the development of Homeless Services in Vienna: While the density of homeless people was 0.37% (a total of 4,990 clients) in 2005, it had grown to 0.60% (8,580 clients) by 2011.

In 2011, the FSW spent some €37.3 million in subsidies for the Vienna Homeless Services. This is an increase by 8.4% from 2009. In 2011, approximately 30% of the budget was spent on long-term socially assisted living and just over 60% was used for the different transitional housing programs.

### Analysis of the target group

#### Ratio of women to men

The majority of clients of the Vienna Homeless Services are male. Although the share of women has increased in the last years, approximately seven in ten clients are men. The share of women is particularly low in night shelters (20.7%) and transitional housing facilities (22.2%). These figures show the marked differences in how women and men deal with the difficult situation of homelessness. Male homelessness is visible, while women are more likely to try and...
avoid it by living in precarious circumstances, e.g. cohabitating out of necessity (hidden homelessness). To address this problem, targeted measures for women have been developed over the last years.

The sex ratio is rather balanced in assisted living in flats due to the target group (e.g. single parents and families who have been granted asylum). Due to the nature of the service, the share of women in mother and child facilities is very high, at 95%.

Duration of stay

In 2011, the average length of stay in facilities of the Vienna Homeless Services was 59.3 weeks.\textsuperscript{62}

Age

The average age\textsuperscript{63} of clients of the Vienna homeless services in 2011 was 42.3 years. Female clients are younger on average than male clients; the average age was 44 for men and 38.8 years for women.

\textsuperscript{62} The data pool for these evaluations consists of clients of legal age in transitional and permanent housing. No such data is available for clients of night shelters. Only concluded stays were used to calculate the duration of stay.

\textsuperscript{63} Only clients of legal age, age on 31 December 2011.
**Level of education**

The average level of education of clients in transitional and long-term housing is considerably lower than the Viennese average. In most cases, the highest level of education of clients is either compulsory schooling or an apprenticeship, although there are differences between men and women. Women are more likely to have attained a compulsory school-leaving certificate only, while men are more likely to have completed an apprenticeship. 13% of male and 12% of female clients of the Homeless Services have not completed any formal education.

**Nationality**

Three in four clients are Austrian citizens, 5.7% are nationals of other EU member states, and 18.5% are third-country nationals. 61.4% of female and 79.5% of male clients are Austrian citizens.

**Living situation before entering transitional or long-term housing facilities**

Only a small share of the clients was homeless before entering the transitional or long-term housing services. Half the men and 30% of women lived in precarious situations with friends or acquaintances. One in five clients had been previously staying in the low-threshold night shelters.

**Persons leaving transitional or long-term housing facilities**

44.9% of people who moved out of the facilities in 2011 were able to live independently in their own flat or a long-term housing facility. The success rate is considerably higher for women (53.1%) than for men (41.1%). 18.1% of clients broke off their stay early. 13% did not pay their contribution and in 7.5% the facilities terminated their stay due to violations of the house rules. Terminations for these reasons are far more common in men than in women. Women are more likely to move on to another support system from the Homeless Services.

**Housing after leaving the Homeless Services facilities**

Just under half of the people who moved out of Homeless Services facilities in 2011 moved into a flat of their own, usually in municipal housing. Private landlords play only a marginal role (6%) and clients hardly ever move into housing cooperatives. This clearly proves how important it is that the private and the non-profit housing markets become more accessible for clients of the Vienna Homeless Services.
By ratifying the UN Convention on the Rights of Persons with Disabilities, Austria committed itself to its implementation. The UN Disability Rights Convention has been in force at all levels of administration since 2008. So far, the convention has 193 signatory states, of which 125 have ratified it as of November 2012. In its first Country Report to the United Nations in October 2010, Austria stated that it was planning to draw up a National Action Plan for people with disabilities. The action plan would contain the guiding principles of Austrian disability policy until 2020 as well as concrete measures. The Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK) has now completed the National Action Plan on Disability, which was developed in a consultation process with organisations of people with disabilities, civil society, and local and regional authorities. The currently available services must be reassessed, evaluated and developed to ensure that people with disabilities can participate fully in social, cultural, economic and political life. The City of Vienna contributes to this goal with working groups tentatively titled UN Equality for All, which were set up in the Umbrella Organisation of Vienna Social Institutions in autumn 2012. These groups are developing new services for people with disabilities and expanding and diversifying existing services such as partially assisted living.
6.1 Situation analysis

Many families have a family member with a disability and nearly everybody experiences situations at some time during their life where they are temporarily or permanently impaired. In old age, everyone is impaired to some degree. According to WHO figures, approximately one billion people (15% of the world’s population) have some kind of disability. According to the 2007/2008 Microcensus, some 1.7 million people in Austria have a permanent impairment, which is approximately 20.5% of people living in private households. Some 630,000 people above age 16 are people with disabilities in the strict sense according to the 2006 EU-SILC survey. Disability is defined as a strong subjective impairment that makes everyday activities and life difficult over a span of at least six months.

6.1.1 Definition

Disability is a complex concept and people with disabilities are very heterogeneous. There are different definitions of disability. The perspective has changed from a purely medical approach to one that also considers social and environmental factors. Different laws also contain different definitions due to different objectives. All legal definitions, however, have one thing in common: A disability is an impairment that is non-temporary. The Federal Disability Act, the Vienna Equal Opportunities Act and the UN Disability Rights Convention all speak of limitations to social participation. Acts that address working capacity distinguish between different degrees of limited capacity to work.

Vienna Anti-Discrimination Act

The 2010 amendment to the Vienna Anti-Discrimination Act improved the protection of people with disabilities from discrimination in Vienna. It provides anti-discrimination measures for people with disabilities and their families. Another improvement is that people affected by discrimination can call on the Anti-Discrimination Office to mediate. The Anti-Discrimination Act also puts the Anti-Discrimination Office in charge of monitoring the adherence to the UN Convention on the Rights of Persons with Disabilities. Since June 2011, Vienna has had its own monitoring body in adherence to the UN Disability Rights Convention, making it a pioneer in Austria. The representatives sitting on the monitoring committee, who are not bound by directions, were appointed unanimously for a five-year term by the Vienna Provincial Government.

6.1.2 Situation of people with disabilities on the labour market

Pursuant to Art. 27 of the UN Disability Rights Convention, persons with disabilities have the right to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible.

The employment situation of people with disabilities is very difficult. As the 2008 Disabilities Report of the Austrian government shows, the risk of marginalisation and long-term exclusion from the labour market is higher for people with disabilities than for the general population. As a result of the economic crisis, the number of persons who are registered as unemployed under the Dis-
ability Employment Act/Provincial Disability Act or have a disability card grew by 25% in Vienna and by 19% in the Austrian average between 2008 and 2011. At the same time, total unemployment only grew by 8% in Vienna and went down by 5% at the national level.

In March 2012, 1,432 persons with disabilities were registered as looking for work with the Public Employment Service, which is a 17.2% increase from the same month of the preceding year. A Microcensus ad-hoc module survey (October 2007 to February 2008)\(^6\) showed that the labour force participation rate of people with disabilities who were of working age (15 to 64 years) was 58.5%, while that of people with no disabilities was 77.8%.

People with disabilities were more frequently unemployed (5.9%) than people without disabilities (3.8%). There was also a considerable difference between the average unemployment benefits. People with disabilities received 9.34% less per day on average (€23.30 vs. €25.70) in 2011 than people without disabilities.\(^6\)

According to the study Gender and Disability\(^7\), the labour market participation rate of women with disabilities is lower than that of men with disabilities, they are more frequently long-term unemployed and receive less unemployment benefit or emergency welfare benefit on average than men. In 2011, women with disabilities received 16.13% less per day on average (€20.80) than men with disabilities (€24.80).\(^7\) Women with disabilities also do not participate in support measures as often as men. Many are not actively searching for work, which is another reason why they are not as frequent in the statistics.

The nationwide labour market policy programme for persons with disabilities 2012-2013\(^2\) shows that small and medium-sized enterprises (SMEs) are becoming less willing to employ people with disabilities. SMEs were previously important allies in the integration of people with disabilities. This development means that employment opportunities are shrinking and there are also fewer opportunities for work placements and experience. Only 679 (~17%) of the 3,894 companies obliged to employ persons with disabilities\(^3\) did so in 2010. People with disabilities are therefore frequently dependent on suitable and targeted labour market policy measures. The key objectives are to help people with disabilities gain a foothold on the labour market and to create and preserve jobs. In 2012, the Federal Social Welfare Office for the Disabled will have a budget of some €160 million from federal funds, ATF, and ESF.

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### Obligation to employ persons with disabilities:

In Austria, employers who have 25 or more employees working on federal soil are obliged to employ at least one person with a recognised disability per 25 employees. Eligible disabled persons (e.g. blind people and wheelchair users) count for two. Employers who do not meet this obligation have to pay an annual equalisation tax to the Federal Social Welfare Office for the Disabled. These funds are earmarked for labour market integration measures for people with disabilities.

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\(^{6}\) Cf. Leitner 2008.

\(^{6}\) Online labour market data, AMS website, http://iambweb.ams.or.at/ambweb (30.08.2012).

\(^{7}\) Cf. Paierl 2009.

\(^{7}\) Online labour market data, AMS website, http://iambweb.ams.or.at/ambweb (30.08.2012).


6.1.3 Income situation of people with disabilities

According to the EU SILC report 2010 on Poverty and Social Exclusion in Austria, 12% of the overall population and 11% of people of working age are at risk of poverty. At 18%, people with disabilities of working age have a considerably higher risk of poverty. However, a disability does not necessarily have an impact on the overall risk of poverty of the whole household. The average risk of poverty for people living in households with at least one person of working age with a disability is 13%, only marginally above the general average. Benefits play an important role in balancing the loss of income from employment. Pension and benefit payment are important sources of income in households where one person of working age has a disability: nearly half their income is from public transfer payments. Welfare benefits and pension payments lower the risk of poverty in households with one person with disabilities from 57% to 13%. However, the risk of social exclusion is considerably higher at 29% than in the general population.

Risk of social exclusion

People are considered at risk of social exclusion if they are
- at risk of poverty
- living in considerable material deprivation according to the EU definition
- younger than 60 and living in a household with (nearly) no income from employment.
At least one of these conditions must be met.

6.1.4 Age and disability

The share of elderly and very elderly people is growing in Europe. Life expectancy continues to rise. In Vienna, the 60+ age group will grow by 21% between 2011 and 2025 and by 53% by 2050. This means that by 2050, nearly one third of the Viennese population will be 60 or older.

One of the great challenges of our future will not only be to meet the general needs of elderly people but also to consider the special needs of elderly people with disabilities. The group of elderly people with learning disabilities (previously labelled as mentally disabled) will grow increasingly as they age. So far, there were hardly any elderly people with learning disabilities. The reason for this is that people with disabilities born before 1945 were systematically murdered during the National Socialist regime. There is also a growing number of elderly people with disabilities living with elderly family members. These are predominantly adults with disabilities living in the same household as their parents, who in age are no longer able to care for their children. The current support systems mostly do not cater to the needs of elderly people with disabilities.

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6.2 Services provided by the Administrative Group for Public Health and Social Affairs

The Vienna Equal Opportunities Act (CGW), which entered into force in autumn 2010, is an important step in the implementation of the UN Disability Rights Convention. The objective of the act is to support people with disabilities in gaining equal and self-determined access to and participation in all areas of life, in particular in social, cultural, economic and political life. An easy to read version of the Act is available online. Vienna already has a wide range and high standard of disability services. Nevertheless, the political decision-makers have called for a further development of the range of services. Since autumn 2012, a working group in the Umbrella Organisation of Vienna Social Institutions consisting of people with disabilities, service providers and representatives of the FSW and MA 24 has been addressing the topics of working, housing, health care and accessibility/mobility/recreation.

Disability services are subsidiary, i.e. are applied after other services have been exhausted, and are regulated by the Vienna Equal Opportunities Act. The focus is on inclusion and the individual needs of people with disabilities. The FSW manages all disability services in Vienna. The central point of contact at the Vienna Social Welfare Fund is the Disability Services Information Centre. In 2011, the FSW had 10,630 clients with disabilities; that is 10.9% of all FSW clients.

Meaningful and well-founded data about people with disabilities and their living situations are necessary to develop services further. In 2012, MA 24 therefore commissioned a baseline survey on People with disabilities in Vienna. The results of the baseline survey People with disabilities in Vienna will make it easier to plan for future demand.

Expenditure for services for the disabled

Services for the disabled are the third-largest budgetary item for the social welfare departments of the City of Vienna after nursing care and related services and means-tested basic benefit. The services are constantly being expanded, which is also reflected in a growing budget and costs. In 2011, some €228 million were spent in total, which is a 14% increase from 2008. The largest increase in the period 2008-2011 was in education, information and personal assistance at just under 55%. At €101 million, housing is the most cost-intensive area of disabled services.

Services

There is a wide range of services for people with disabilities in Vienna that encompasses all areas of life. In addition to the large fields of early intervention, personal assistance, housing and employment, the FSW also funds interpreting services for the deaf, deaf-blind and visually and/or hearing impaired, disability aids to make daily life easier, and private schooling for children with a high degree of impairment. The City of Vienna also supports the active participation of people with disabilities in social life by providing financial support for transport services for recreational and other mobility needs, an annual ticket for Vienna Public Transport for deaf, blind and severely visually impaired people, public transport training for people participating in occupational therapy, mobility and orientation training for blind and severely visually impaired people, and various recreational activities such as excursions or sports.

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76 Art. 1 (1) Vienna Equal Opportunities Act (Vienna Provincial Gazette no. 45/2010).
6.2.1 Attendance allowance supplement for personal assistance

*Personal assistance* is a concept that emerged from the *independent living movement*. Its key objective is to enable people to lead a self-determined life as part of society. In Austria, the competences are shared by the federal government and the provinces. While *personal assistance* in the workplace, in federal schools and higher education is covered by the federal budget, the provinces are responsible for *personal assistance* in all other areas of life. In April 2008, the *Vienna attendance allowance supplement for personal assistance* was introduced for people with disabilities living in Vienna. It is the only one of its kind in Austria, making the Viennese system the best when it comes to ensuring that individual needs are met. The maximum amount paid in 2011 was just under €8,000.

**Legal basis and organisation**

*Personal assistance* is covered in Art. 14 Vienna Equal Opportunities Act. There is no legal entitlement to this benefit. It is provided based on the funding guidelines of the FSW and paid directly to the recipients, earmarked for finding and hiring a personal assistant.

**Services**

The *attendance allowance supplement for personal assistance* aims to give people with a high degree of physical disability the opportunity to lead a self-determined and self-dependent life. The task of a personal assistant is to provide support by doing the things their employer cannot do (e.g. support with personal care, household chores, recreational activities, communication, mobility, shopping and official appointments, maintaining their health). The size of the payment depends on how much assistance is required and the client’s attendance allowance level. There is also a co-payment. Recipients can choose to contract *personal assistance* as a service from service providers or employ their personal assistant themselves. Regular proof of the correct use of the funds must be provided.
Analysis of the target group

Attendance allowance supplement recipients by gender and in total

The number of people receiving the attendance allowance supplement for personal assistance continues to rise. Since its introduction in 2008, the number of recipients has grown by approx. 44%. Women make use of it more frequently than men, with an average ratio of 53:47.

Need for action, strategies and measures

Art. 19 of the Convention on the Rights of Persons with Disabilities states that States Parties to the Convention shall provide access to personal assistance necessary to support living and inclusion in the community and to prevent isolation or segregation from the community. Personal assistance models differ greatly between the Austrian provinces in terms of objectives, eligible recipients, requirements, the organisational form, the amount of subsidies, and to what extent income, assets and other cash benefits are taken into account.

The BMASK has set up a working group with representatives of the federal provinces and BMASK to standardise personal assistance. The National Action Plan on Disability provides that a concept for the nationwide uniform regulation of personal assistance in all areas will be drawn up by 2014 with the participation of people with disabilities.
6.2.2 Housing

People with disabilities or psychiatric disorders were long excluded from society and housed in institutions. They had no choice in where, how and with whom they lived. In the 1980s, the attitudes of society began to change. The Vienna Psychiatric Reform and the founding of ARGE Wohnplätze für Menschen mit Behinderung, an organisation for housing for people with disabilities, made new forms of living possible. As community-oriented housing facilities were expanded, many people were able to move from large institutions to shared or private flats. Today, the majority of people with disabilities live in their own flat or with their parents. Should this not (or no longer) be possible, they can make use of the City of Vienna’s wide range of partially and fully assisted living services.

Legal basis and organisation

The assisted living services regulated in Art. 12 Vienna Equal Opportunities Act allow people with disabilities to live a largely self-determined life. Since 2005, the FSW has been in charge of coordinating, planning and steering the housing options for people with disabilities.

Services

Partially assisted living

Partially assisted living allows people with disabilities to live in their own flat or a flat or flat share provided by a partner organisation of the Vienna Social Welfare Fund and to lead a self-determined and independent life. Depending on the residents’ needs, various forms of assistance are provided. This is determined in an assistance plan drawn up with the client.

Fully assisted living

People with disabilities who cannot live on their own due to the amount of care and assistance they need can live in assisted living facilities, e.g. shared flats. Fully assisted living entails not only accommodation and meals but also assistance and care where needed. A caregiver is present during the night on sleep-in duty. Living in a fully assisted living facility requires participation in occupational therapy.
Analysis of the target group

Partially assisted living

The number of people using the partially assisted living services is rising continually. It has increased by approximately 20% since 2008. From 2010 to 2011, the number grew by 6.5%. The female-to-male ratio has remained constant at an average of 45:55.

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>544</td>
<td>649</td>
<td>1,193</td>
</tr>
<tr>
<td>2009</td>
<td>563</td>
<td>707</td>
<td>1,270</td>
</tr>
<tr>
<td>2010</td>
<td>592</td>
<td>757</td>
<td>1,349</td>
</tr>
<tr>
<td>2011</td>
<td>648</td>
<td>789</td>
<td>1,437</td>
</tr>
</tbody>
</table>

Diagram 32: Clients of partially assisted living services, 2008–2011 (Vienna)
Source: FSW, edited by MA 24

Fully assisted living

The number of residents of fully assisted living facilities has remained relatively unchanged over the last three years. More than half of them (57%) are men.

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>785</td>
<td>1,027</td>
<td>1,812</td>
</tr>
<tr>
<td>2009</td>
<td>808</td>
<td>1,050</td>
<td>1,858</td>
</tr>
<tr>
<td>2010</td>
<td>802</td>
<td>1,077</td>
<td>1,879</td>
</tr>
<tr>
<td>2011</td>
<td>808</td>
<td>1,075</td>
<td>1,883</td>
</tr>
</tbody>
</table>

Diagram 33: Clients of fully assisted living services, 2008–2011 (Vienna)
Source: FSW, edited by MA 24

Development and share of clients of partially and fully assisted living

The developments in partially assisted living reflect the expansion of needs-based services. The share of clients in partially assisted living has increased steadily over the last years. While in 2006, their share was 35%, it had grown to 43% by 2011. This shows that the development is shifting from fulltime care to care that is oriented on the needs of the individual clients. This is in keeping with the UN Disability Rights Convention.
6.2.3 Labour market inclusion

Participation in economic life plays a significant role in our society. People are measured by their work and achievements. Paid work helps us secure our livelihoods, but work also means independence, autonomy and participation in society. Access to employment is crucial for people with disabilities to ensure full social participation and inclusion. Therefore, the City of Vienna funds vocational training and labour market inclusion measures in addition to those provided by the Federal Social Welfare Office for the Disabled and the Public Employment Service (AMS).

Legal basis and organisation

The FSW supports labour market inclusion measures for people with disabilities as stipulated by Articles 9 to 11 of the Vienna Equal Opportunities Act. In addition to occupational therapy, which provides a daily structure, it also funds vocational training and job and workplace inclusion measures.
Services

Vocational training

The transition from school to working life is often an enormous challenge for young people with disabilities. A number of partner organisations offer vocational training to ease this transition. The objective is to find them a job or apprenticeship or to improve their qualifications.

Apprenticeships

The integrated vocational training model allows young people with learning or other disabilities who cannot complete a regular apprenticeship to complete an extended apprenticeship or attain partial qualifications. The participants receive remuneration for their work during training.

Education benefit

After compulsory schooling and until age 35, people with impaired senses can apply for a benefit for education and training measures to cover additional expenses incurred because of their disability (e.g. learning aids, tutors, etc.). The maximum monthly benefit is €467.

Labour market inclusion office

It is often difficult for people with disabilities to find a job. In January 2012, the FSW began subsidising the labour market inclusion measure Integrationsfachdienst – Jobwärts, which is located with the youth employment organisation Jugend am Werk. This new project combines training and assistance, job coaching, and acts as a clearing house – services that were previously located elsewhere. The objective is to provide active support for people with disabilities so that they can gather work experience or learn a trade and gain a first foothold on the labour market. This is targeted at people entitled to occupational therapy who have the potential for integration into the labour market.

Subsidised jobs and mentoring

The Vienna Social Welfare Fund subsidises wages for people with disabilities who, due to the type or severity of their disability, do not receive wage subsidies from the Federal Social Welfare Office for the Disabled. The application can be filed either by the employee or the employer. This subsidy is intended to cover the loss in productivity resulting from the disability of the employee and to secure long-term jobs for people with disabilities.
**Occupational therapy**

People with disabilities between 15 and 65 years of age whose ability to work is so impaired by their disability that they cannot be integrated into the open labour market in the medium term or permanently can participate in measures that structure their daily life (occupational therapy). The day workshops are tailored to the needs of their clients and offer a wide range of activities: There are groups for work orders, home economics, creative activities, and groups for people who have a higher need for care, etc. Some institutions also offer special work training to support their clients in finding a job on the open labour market. Work at these day workshops is not subject to an employment contract and has no independent social insurance coverage. The participants receive a therapeutic allowance for their work.

**Analysis of the target group**

**Clients of wage subsidies and vocational training by gender**

As mentioned above regarding the employment situation of people with disabilities, there is a gender disparity in the users of these services. In wage subsidies, the share of women is approx. 39%, and in vocational training it is only approx. 33%. The number of all participants in vocational training has increased markedly since 2009, by approximately 47%.

**Occupational therapy participants by gender**

The majority (approx. 57%) of participants in occupational therapy are male. From 2010 to 2011, there was an increase by 24 men and a slight decrease (4 persons) in women.
Need for action, strategies and measures

In its government programme 2008–2013, the federal government defined the following goal: Equal opportunity and long-term access to employment with full social insurance and the examination of the possibilities to implement independent social insurance coverage for people in occupational therapy. The National Action Plan on Disability also includes the objective of providing full social insurance (health and pension insurance) for people with disabilities in occupational therapy by 2015. The BMASK has commissioned an external study for a more in-depth look at overall economic issues and instituted a working group of the BMASK and the federal provinces. The inclusion of people in occupational therapy in statutory work accident insurance has already been realised.
**Employment and unemployment**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>registered unemployed in Vienna 2011</td>
<td>79,152 persons</td>
</tr>
<tr>
<td>registered unemployed in Vienna 2010</td>
<td>74,179 persons</td>
</tr>
<tr>
<td>people in training measures in Vienna 2011</td>
<td>21,614 persons</td>
</tr>
<tr>
<td>people in training measures in Vienna 2010</td>
<td>25,844 persons</td>
</tr>
<tr>
<td>unemployment rate in Vienna 2011</td>
<td>9.2%</td>
</tr>
<tr>
<td>unemployment rate in Vienna 2010</td>
<td>8.8%</td>
</tr>
<tr>
<td>unemployment rate under 25-year-olds in Vienna 2011</td>
<td>11.3%</td>
</tr>
<tr>
<td>unemployment rate non-Austrian citizens in Vienna 2011</td>
<td>12.5%</td>
</tr>
<tr>
<td>long-term unemployed in Vienna 2011</td>
<td>20,055 persons</td>
</tr>
<tr>
<td>number of employees in Vienna 2011</td>
<td>795,000 persons</td>
</tr>
<tr>
<td>new forms of employment in Vienna 2010</td>
<td>1,651,700 contracts</td>
</tr>
<tr>
<td>at-risk-of-poverty rate of unemployed persons in Austria 2010</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Poverty and welfare benefits**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI 2010</td>
<td>121.1 (Basis = CPI 2000)</td>
</tr>
<tr>
<td>CPI 2011</td>
<td>125.0 (Basis = CPI 2000)</td>
</tr>
<tr>
<td>at-risk-of-poverty rate 2010 Austria</td>
<td>12.1%</td>
</tr>
<tr>
<td>at-risk-of-poverty rate 2010 Vienna</td>
<td>18.0%</td>
</tr>
<tr>
<td>at-risk-of-poverty threshold 2010</td>
<td>1,031 €/month</td>
</tr>
<tr>
<td>means-tested basic benefit recipients 2011</td>
<td>129,020 persons in 75,156 recipient households</td>
</tr>
<tr>
<td>permanent benefit recipients 2011</td>
<td>10,635 persons in 10,065 recipient households</td>
</tr>
<tr>
<td>rent allowance recipients 2011</td>
<td>8,509 persons in 8,102 recipient households</td>
</tr>
<tr>
<td>supplementary benefit recipients 2011</td>
<td>92,660 persons in 44,410 recipient households</td>
</tr>
<tr>
<td>full benefit recipients 2011</td>
<td>12,313 persons in 9,631 recipient households</td>
</tr>
<tr>
<td>recipients of assistance in exceptional circumstances 2011</td>
<td>4,903 persons in 2,948 recipient households</td>
</tr>
<tr>
<td>private bankruptcy proceedings initiated 2011</td>
<td>3,900</td>
</tr>
<tr>
<td>target quota basic welfare support Vienna 2011</td>
<td>3,916 persons</td>
</tr>
<tr>
<td>actual performance basic welfare support Vienna 2011</td>
<td>5,195 persons</td>
</tr>
</tbody>
</table>

**Home and nursing care**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finances</td>
<td></td>
</tr>
<tr>
<td>gross expenditure</td>
<td>€ 1,075,799,934.00</td>
</tr>
<tr>
<td>contributions and other payments</td>
<td>€ 341,228,512.00</td>
</tr>
<tr>
<td>other income</td>
<td>€ 3,619,842.00</td>
</tr>
<tr>
<td>net expenditure</td>
<td>€ 730,951,580.00</td>
</tr>
<tr>
<td>Recipients</td>
<td></td>
</tr>
<tr>
<td>clients receiving care, assistance or nursing</td>
<td>63,680</td>
</tr>
<tr>
<td>number of attendance allowance recipients in Vienna</td>
<td>86,826</td>
</tr>
</tbody>
</table>

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*Tab. 23: Employment and unemployment (Vienna and Austria)*
Sources: AMS, HV, Statistics Austria, edited by MA 24

*Tab. 24: Poverty and welfare benefit, 2010/2011 (Vienna and Austria)*
Sources: Statistics Austria, MA 40, FSW, edited by MA 24

*Tab. 25: Home and nursing care, 2010 (Vienna)*
Sources: FSW and BMASK; calculations: MA 24
### Housing and homelessness

<table>
<thead>
<tr>
<th>Flat in Vienna (main residences) in 2011</th>
<th>846,700 flats</th>
</tr>
</thead>
<tbody>
<tr>
<td>regular tenancy (share)</td>
<td>75.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average housing costs for flats in Vienna in 2010</th>
<th>€5.8/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>regular tenancy</td>
<td>€6.3/m²</td>
</tr>
<tr>
<td>owner-occupied flat</td>
<td>€3.2/m²</td>
</tr>
</tbody>
</table>

| Eviction proceedings in Vienna in 2011          | 22,294 proceedings |
| Households contacted by FAWOS in 2011           | 18,207 households  |

<table>
<thead>
<tr>
<th>Number of clients of FSW 2011</th>
<th>4,666 persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>secured tenancies (flats) 2011</td>
<td>4,687 places</td>
</tr>
</tbody>
</table>

| Vienna Homeless Services: capacity 2011         | 4,687 places  |
| Vienna Homeless Services: clients 2011         | 8,580 clients |
| night shelters                                 | 3,280 clients |
| transitional housing                           | 2,340 clients |
| mother and child facilities                    | 510 clients   |
| targeted housing                               | 750 clients   |
| assisted living in flats                       | 2,030 clients |
| socially assisted living                       | 1,230 clients |

### Disabilities and disability services

| People with disabilities worldwide 2011       | 1 billion people |
| People with disabilities in the strict sense in Austria 2008 | 630,000 people |
| Ratification status of the UN Disability Rights Convention 2012 | 112 states |
| expenditure disability services, 2011        | approx. €228m   |
| Number of clients of FSW 2011                 | 10,632 persons  |
| (excluding clients in projects receiving no direct funding and clients of the early childhood promotion at the Zentrum für Entwicklungsförderung) |
| budget of the employment programme 2012       | approx. €160m   |

| Tab. 26: Housing and homelessness, 2010/2011 (Vienna)  |
| Sources: BMI, FAWOS, FSW, Statistics Austria, edited by MA 24 |

| Tab. 27: Disabilities and disability services, 2011 (Vienna and Austria) |
| Sources: BMASK, FSW, UN, WHO, edited by MA 24 |
Abbreviations

A...
AMS ............... Public Employment Service Austria
ARGE ............ Working Group
ASVG ........... General Social Insurance Act

B...
BMASK .......... Federal Ministry of Labour, Social Affairs and Consumer Protection
BMWFJ .......... Federal Ministry of the Economy, Family and Youth
B-VG .......... Federal Constitutional Law
bzP ............ Information Centre for Home Care and Nursing Services of the FSW
bzWo .......... Information Centre for Homeless People

C...
CGW .......... Vienna Equal Opportunities Act
CPI ............ Consumer price index

E...
ESF .......... European Social Fund
EU-SILC .... Community Statistics on Income and Living Conditions

F...
FAWOS ........ Centre for Securing Tenancy
FSW .......... Fonds Soziales Wien – Vienna Social Fund

G...
GDW .......... Basic subsidy for housing costs
GeO ............ Rules of procedure for first and second instance courts
GmbH .......... Limited liability company under Austrian law

K...
KAV .......... Vienna Hospital Association
KWP .......... Vienna Trust of Homes for the Elderly

M...
MA .......... Municipal Department of the City of Vienna
MA 5 .......... Municipal Department 5 - Finances
MA 11 .......... Municipal Department 11 – Youth and Family Welfare Office (MAG Elf)
MA 24 .......... Municipal Department 24 – Health Care and Social Welfare Planning
MA 50 .......... Municipal Department 50 – Housing Promotion and Arbitration Board
MRG .......... Landlord and Tenancy Act

N...
NPO .......... Non-profit organisation

O...
OECD ........ Organisation for Economic Cooperation and Development

P...
P7 ............ P7 – service centre for homeless people operated by the Caritas of the Archdiocese of Vienna
PG .......... Attendance allowance
PSD .......... Vienna Psychosocial Services

R...
RH .......... Recipient households
RIS .......... Legal Information System for federal acts

S...
SDW .......... Substance Abuse and Drug Policy Coordination Office Vienna

U...
UN .......... United Nations
UNHCR .......... United Nations High Commissioner for Refugees

V...
VO .......... Ordinance

W...
waff .......... Vienna Employment Promotion Fund
WGKK .......... Regional Health Insurance Office for Vienna
WHO .......... World Health Organization
WIFO .......... Austrian Institute of Economic Research
WMG .......... Vienna Basic Benefit Act
WMG-VO .......... Ordinance governing the Vienna Basic Benefit Act
WSG .......... Vienna Act on Securing Tenancy
WSHG .......... Vienna Welfare Assistance Act
WSHG-VO .......... Ordinance governing the Vienna Welfare Assistance Act
WWH .......... Vienna Homeless Services


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If we look at these gross wealth groups alongside the distribution in Table 5, we can see that public housing is a strong substitute for the low degree of real wealth in Vienna. More than 80% of main residence owner-occupants in Vienna were also in the top 20% of gross household wealth. Conversely, over 45% of households in the bottom 20% and 30% of the middle 60% live in municipal housing. Flat ownership is not accessible to households with low income in Vienna. At the other end of the scale, two thirds of the top 20% own their home. The share of people renting their home decreases considerably with growing wealth.

### 1.7 Conclusions

This report provides a first look at the volume and distribution of private household wealth in Vienna. Due to the small sample size, we chose a cautious approach. A large top group was chosen (top 20%), which obscures the actual concentration of wealth in the top percentiles. A number of important questions could not be addressed in this brief report: What is the source of the wealth? Did the owners accumulate it through savings, inherit it, or receive it as a gift? These aspects shall be deferred to in-depth studies. The ECB will make the entire data for the Euro area available for such research purposes in the first quarter of next year.

The majority of households in Vienna have almost no wealth, while the top 30% hold nearly 92% of total net wealth. The smaller average household size (more single-person households) in Vienna and a lower home ownership rate than in the rest of Austria create larger inequalities in the distribution of wealth. The Gini coefficient (for net wealth) of 0.80 indicates a comparatively high degree of inequality.

#### Table 6: Average portfolios of household groups in Vienna

| Source: HFCS Austria 2010, OeNB. |
|---|---|---
| Real wealth | Financial wealth | Gross wealth |
| 0–20 | 21–80 | 81–100 |
| -867 | 49,495 | 650,095 |
| -1.785 | 5,976 | 33,435 |
| 918 | 55,471 | 683,531 |
| 734 | 27,048 | 179,458 |
| 185 | 28,424 | 504,073 |

#### Table 7: Owners and non-owners of residences in Vienna by type of household

| Source: HFCS Austria 2010, OeNB. |
|---|---|---|---|
| Owned fully owned | | | |
| 0.0 | 10.0 | 61.8 |
| Partially owned | | | |
| 0.0 | 0.5 | 6.0 |
| Rented housing cooperative | | | |
| 7.1 | 19.7 | 12.7 |
| Provincial or municipal housing | | | |
| 45.2 | 30.0 | 3.9 |
| Rental flat | | | |
| 40.3 | 36.8 | 13.3 |
| Free use | | | |
| 7.4 | 3.0 | 2.3 |

The composition of wealth in Vienna is also characterized by a strong substitution for low wealth, where nearly 80% of households own a municipal residence.
In order to evaluate the differences between households and their portfolios at different points of the wealth distribution, we divided the Viennese households into three groups according to their gross wealth: the 20% of households with the lowest gross wealth, the middle 60%, and the top 20%. We chose gross wealth as the shares of these groups in gross wealth would accumulate to 100%, whereas net wealth may be negative or even very large.

Diagram 2 shows the distribution. While the bottom 20% own approximately 80% of the total gross wealth, the top 20% own only 20% of the total wealth. The middle 60% own 60% of the total gross wealth.

The average portfolios of these three groups of households are very heterogeneous in terms of volume and composition. There is no typical Viennese household. The bottom 20% have nearly no wealth at all. In relative terms, they have more financial than real assets. Their net wealth is negative. In the middle group, real and financial assets are rather balanced, and the net wealth is nearly €50,000. The top 20% own predominantly real assets, of which 70% are owner-occupied main residences. The average net wealth is nearly €650,000. It is important to keep in mind that these average portfolios are not representative of the whole population. The middle group has approximately the same volume of real and financial assets. They have more than 60% real assets. Their net wealth is negligible. In the middle group, financial assets are nearly 40% of the total assets. The bottom 20% have nearly no wealth at all. In relative terms, the top 20% have nearly €650,000. It is important to keep in mind that these average portfolios are not representative of the whole population. The averages indicate how much of each component each household within that group of households would have if this component were distributed equally among all households. The shares of financial and real assets do not mean that this is the case for every household in an average household, but this does not mean that this is the case for every household in an average group. It is important to keep in mind that these average portfolios are not representative of the whole population. The averages indicate how much of each component each household would have if this component were distributed equally among all households. The shares of financial and real assets do not mean that this is the case for every household in an average group.
Because of the differences in ownership structure, the main residences of the households have to be considered carefully. Table 5 shows the different types of use: owner-occupancy, tenancy, and free use. There is a pronounced difference within the group of households renting their home compared to the rest of Austria. While the share of households living in housing cooperatives is quite similar, the households that do not own their flat live far more frequently in provincial or municipal housing (28% in Vienna as compared to 7% in the rest of Austria) or rental flats (33% in Vienna vs. 15% in the rest of Austria).
The concentration is highest for real assets. The top 30% of households in the real wealth category own nearly 96% of total real wealth. The concentration of wealth in the top 10% is enormous. The wealthiest 10% in each category own far more than half of the total of each wealth component, in the case of real wealth even more than two thirds.

The next analysis compares the composition of wealth of Viennese households with the rest of Austria (table 4). However, the estimates – in particular for less frequent (<10%) wealth components – should be interpreted with caution and – as stressed in 1.6.1 – seen as an indication with regard to the values for the rest of Austria and Austria overall. The estimates for more common wealth components are relatively precise even for Vienna.

Like in the rest of the country, motor vehicles are the most common real asset. However, the share of motor vehicles in Vienna is considerably lower than in the rest of Austria, where around 81% of households own one. Main residence ownership is the key difference between Vienna and the rest of Austria. While approx. 56% of households in the rest of Austria own their main residence, the figure is less than 20% in Vienna. Viennese households have slightly more direct investments in businesses in which at least one household member is active, but they tend to be farms less frequently than in the rest of Austria. Viennese households own real estate property other than their main residence a bit more frequently and these are more often allotment gardens and secondary residences than in the rest of Austria.

The portfolio of financial assets is very similar in Vienna and the rest of Austria, with the exception of lending money to other households, which appears to be a bit more common than in the rest of Austria. However, this difference should be interpreted with caution. 

The smaller share of households with collateralised debt in Vienna, on the other hand, is in accordance with the lower main residence ownership rate. The higher rate of uncollateralised loans and overdrafts is typical of young single-person households, which are more common in Vienna, and of households at the lower end of the wealth distribution.
The distribution measures show that inequalities are mainly caused by real assets. By real assets, but also other wealth components in Vienna are highly unequal. The distribution measures show that inequalities are mainly caused by real assets, but also other wealth components in Vienna are highly unequal.
In view of the statistical limitations of household surveys concerning private wealth, caution should be exercised in interpreting the data with regard to economic and social policy (e.g., they should be considered a valid source of information only for wealth up to the lower double-digit million euro range).

1.6.1 Limitations to the interpretation of data

Based on the HFCS data from Viennese households, we analyse both the participation rates in the wealth components and the value of the wealth components held. However, these can only be interpreted as estimates and/or in relation to the figures for the rest of Austria, i.e., to detect a tendency with regard to two questions:

(i) Do private households in Vienna hold a certain wealth component more or less frequently than households in the rest of Austria?

(ii) Do households in Vienna hold more or less wealth in these components than households in the rest of Austria and how is that wealth distributed among Vienna’s households?

1.6.2 Distribution of wealth in Vienna and the rest of Austria

Diagram 1 shows the percentiles of net wealth distribution in Vienna and the rest of Austria. We can see that close to 40% of Viennese households have no wealth at all. Generally speaking, the net wealth in Vienna is lower than in the rest of Austria up until the 90th percentile. This is mainly attributable to the differences in mean household size and the differences in household sizes in Vienna and the rest of Austria.

Net wealth in Vienna is lower than in the rest of Austria. This is mainly caused by differences in household size and household ownership patterns. While in Vienna, only about 20% of households own their main residence, in the rest of Austria, about 56% of households do so. The distribution of household sizes also differs greatly between Vienna and the rest of Austria. In Vienna, only about 35% of households are single-person households. In the rest of Austria, approximately 56% of households are single-person households.

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Net wealth in Vienna is lower than in the rest of Austria. This is mainly caused by differences in household size and household ownership patterns. While in Vienna, only about 20% of households own their main residence, in the rest of Austria, about 56% of households do so. However, the differences in household size and household ownership patterns are not only caused by differences in mean household size and the differences in household sizes in Vienna and the rest of Austria. In Vienna, only about 35% of households are single-person households. In the rest of Austria, approximately 56% of households are single-person households.
The sample size (2.380 in the HFCS Austria) and the lack of oversampling of the wealthy also make it harder to evaluate the distribution. Analyses that are possible for Austria as a whole are problematic for Vienna (sample size 430). Analyses of the upper margin (top 0.1% etc.) are impossible, as interesting as they would be with regard to questions of power and democracy. There is no statistical data on assets in the upper margin.

The higher the quality of wealth distribution data, the higher the inequality that will be measured because the distribution of data deficiencies is unequal as well. This is particularly striking where income from self-employment, investment income, and financial and real wealth – the typical resources of the wealthier – are concerned.

A definition that is analogous to that of poverty (60% of the median net equivalised income) would be misplaced. Were the same method used to define a richness threshold, it would be very low indeed, as the lower half of households has very little wealth. This would define a large number of people as rich. It is also important to note that this would define richness by income and not by wealth, which would be a mistake. There is no uniform measure for the poor wealth, which would be a mistake. There is no uniform measure for the poor wealth.
Comparison of wealth distribution in Vienna and the rest of Austria

Income and wealth distribution is usually measured with the Gini coefficient. The Gini coefficient is a distribution measure of inequality. Complete equality (everybody has exactly the same amount) is expressed as 0, while a coefficient of 1 expresses maximum inequality (one person owns everything).

However, the same Gini coefficient can be the result of very different distributions. Even the same Gini coefficient could represent a distribution where the risk of poverty starts at €9 and one where the poverty threshold is €500. When it comes to the distribution of wealth, the absolute level of wealth matters to the poor. In such a case, it is important that the emergency funds are sufficient (e.g. for dental surgery, broken household appliances, etc.).

The appropriate value for the Gini coefficient also depends on subjective assessments. There is no generally accepted optimum. This is resolved by observing changes over time: Does the distribution remain stable, does it become less or more equal? We will only be able to do so once we have the results of the second wave of HFCS data in 2014.
1.5 Distribution of Wealth vs. Distribution of Income

In Vienna, the HFCS cannot assess the distribution of wealth because wealth is not included in their data. Wealth distribution is far more unequal than income distribution. To assess wealth distribution, it is important to look at the very rich and their foundations, who are not included in the data. The distribution of wealth in Vienna is higher than in other countries, but this does not mean that people are richer. Public assets should be included in the assessment of wealth distribution, but so far, there is no convincing conceptual framework for this.

Wealth is a more permanent source of wealth than income. In order to assess the concentration of wealth, it is important to look closely at the edges of the distribution (top 1 percent, top 0.1 percent, top 0.01 percent). However, this is not possible with data from a sample with optional participation. It is important to note that the very rich (and, e.g., their foundations) are not included in this assessment of the wealth distribution in Vienna, as the HFCS cannot record their data (as explained in section 1.2).
Summary of the Vienna Wealth Report 2012

Wealth can fulfill different functions. The relative significance of those functions differs between urban and rural areas. Wealth can be transferred (as gift or inheritance). Economic power: (5) Power: clear wealth can bring social status and political and economic power. (4) Transfer: wealth can be transferred. (3) Provision: wealth can be spent in emergencies. (2) Use: real assets can serve as production or consumption. (1) Income generation: wealth can generate income from dividends, rents.

1.4 Functions of wealth

Wealth fulfills different functions:

(1) Income generation: Wealth can generate income from dividends, rents, leasing receipts, interest or distributed profits.
(2) Use: Real assets can serve for production or consumption.
(3) Provision: Wealth can be spent in emergencies.
(4) Transfer: Wealth can be transferred (as gift or inheritance).
(5) Power: Clear wealth can bring social status and political and economic power.

The relative significance of these functions differs between urban and rural areas. Wealth is subsidiary and only becomes important for many people when these three pillars no longer hold. If someone loses their job or needs nursing care, they need material support. When looking at private wealth we must therefore always consider how it is in interaction with public services. If public housing is available, there is no need to buy a house and take out a mortgage. If the public health care system works properly, there is no need to worry about medical bills. If public education is reliable, there is no need to worry about paying for educations.

It is important to consider public housing in the assessment of wealth. Municipal housing provides an alternative to owning real estate. When looking at private wealth, we must therefore always consider how it is in interaction with public services. If public housing is available, there is no need to buy a house and take out a mortgage. If the public health care system works properly, there is no need to worry about medical bills. If public education is reliable, there is no need to worry about paying for educations.

Some of these functions are highly important for everyone (income generation, use). Others are primarily important for the wealthy parts of the population (inheritance, power and status). Wealth increases the choices someone has.

The relative significance of the functions of wealth is likely to differ between urban and rural areas – a car may be less important in Vienna than in rural regions. The function of wealth is likely to differ between urban and rural areas.

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have different functions. Hence, we focus on five broad sectors of wealth, in a city like Vienna, they are:

1. Real estate
2. Financial wealth
3. Intangible assets
4. Environmental capital
5. Human capital

The five sectors are further divided into subcategories, such as ownership of real estate, shares, and inheritance. These subcategories are further expanded to include specific types of assets, such as apartments, houses, and shares in companies. The survey also includes a section on the valuation of assets, which is important for understanding the value of wealth in Vienna. The survey findings show that real estate is the most valuable asset, followed by financial wealth and intangible assets. Environmental capital and human capital are the least valuable assets, but they still play a significant role in the overall wealth of an individual.
1.2 Challenges in household surveys

Internationally, household surveys are the preferred instrument for gathering data on the wealth of private households. Banca d’Italia has been conducting such surveys since approximately the 1960s and the US Federal Reserve System for nearly 30 years. Now the ECB has also adopted this approach together with all the national central banks of the Euro area.

The HFCS is a household survey with voluntary participation. Therefore, it is not possible to gather comprehensive data on the upper margin of the distribution, particularly for financial assets. Estimates concerning wealth distribution that are made based on the HFCS data can therefore only be considered the lower margin of the actual distribution inequality (cf. the Austrian Federal Government’s Social Report 2012).

Voluntary surveys of household wealth have advantages and disadvantages. Both the voluntary participation and the use of interviews to gather data raise some concerns. However, there is no alternative to interviewing people directly when gathering data on wealth, as only very few countries (e.g. in Scandinavia) have official statistics on household wealth.

Household surveys have a middle-class bias: homeless people and residents of nursing and care facilities are not surveyed (because they are not part of a household) and the exceedingly rich rarely participate. While it is relatively inconsequential for determining overall wealth disparity whether people without wealth are surveyed, this is hardly the case with the wealthy part of the population, as wealthy people own a very high share of total wealth. Thus, data from the good distribution of total wealth can only be gathered from voluntary household surveys. However, because they are not part of a household and the exceedingly rich are not surveyed, because they are not part of a household and the exceedingly rich are not surveyed, because they are not part of a household.

Currently, several methods of improving survey results in this respect are not serious considered realistic, as measures such as abolishing banking confidentiality, requiring detailed information on private foundations, or the automatic exchange of information with financial institutes abroad are currently not seriously discussed in Austria.

It is particularly challenging to gather statistical data on financial assets and income from assets. Both the concentration of wealth and the number of nonresponses are particularly high in these areas, resulting in considerable underreporting of nonresponses are particularly high in these areas, resulting in considerable underreporting of nonresponses.

Voluntary household surveys, because of the voluntary participation, have official statistics on the distribution of wealth in society. However, there is no alternative to interviewing people directly when gathering data on wealth, as only very few countries (e.g. in Scandinavia) have official statistics on household wealth.

The HFCS is a household survey with voluntary participation.
Summary of the Vienna Wealth Report 2012

1. Distribution of wealth in Vienna: First results

1.1 Introduction

In autumn 2012, the Oesterreichische Nationalbank (Austrian National Bank) published the first ever data on the distribution of net wealth in Austria. The Household Finance and Consumption Survey (HFCS) makes it possible to analyse the complete wealth of private households and allows the analysis of wealth of private households based on the highest scientific standards. In Austria, there were previously no single surveys at the household level that collected data on real assets, financial assets, and debts. There was only one household-level survey that evaluated some data on real assets, financial assets, and debts. The Household Finance and Consumption Survey (HFCS) allows for the first time to analyse the complete wealth of private households and allows the analysis of the wealth of private households based on the highest scientific standards. In Austria, there were previously no single surveys at the household level that collected data on real assets, financial assets, and debts.


Distribution of wealth in Vienna

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Introduction

1.1 of the 2010 HFCS survey
Coordinated by the European Central Bank (ECB), the national central banks of the Eurosystem collect data on private households’ wealth, debt, income and spending in the Household Finance and Consumption Survey (HFCS). These data are important for the ECB and the national central banks to analyse financial policy and stability issues. The survey conducted by the Oesterreichische Nationalbank (OeNB) provides the first comprehensive data on private households financed in Austria. Despite the relatively small sample size for Vienna (approximately 430 households), the analysis has limited applicability. However, the HFCS data are the only source of microdata available to gain an impression of the financial situation of Viennese households.

Wealth is distributed less equally in Vienna than in the rest of Austria. This is particularly due to a different household structure (more single-person households) and a considerably lower home ownership rate. Due to the relatively small sample size for Vienna, the analysis has limited applicability. However, the HFCS data are the only source of microdata available to gain an impression of the financial situation of Viennese households.
Preface

Dear readers,

In the government manifesto of the Social Democrat-Green coalition government of the City of Vienna, we agreed to produce a poverty and wealth report for Vienna. The Vienna Social Welfare Report 2012 contains, for the first time, not only a description of the living and income situation of Vienna’s population but also data and analyses on the distribution of wealth in Vienna. While the Vienna Social Welfare Report provides a very detailed analysis of the living and income situation of Vienna, the Vienna Wealth Report is an important new source of information and data for our city.

Wealth inequality is a major and ongoing concern, and provide equal opportunities for all. The Vienna Social Welfare Report aims to address this issue by providing data on the distribution of wealth in Vienna.

In September 2012, the Austrian National Bank published a study on private households’ wealth based on a survey and other available data. The Austrian National Bank generously provided us with the necessary data to analyse the specific situation of Vienna.

The results are remarkable. The Viennese are less wealthy than the average Austrian. Ownership of real assets, in particular, is less frequent than in the other federal provinces due to the large amount of municipal housing in Vienna. However, the distribution of wealth is even more unequal in Vienna than in the rest of Austria. 40% of Viennese households have hardly any wealth, while the top 30% hold nearly 92% of the total net wealth. The disparity in wealth distribution is even more drastic than in income distribution.

Social problems are often the result of an unequal distribution of material or immaterial resources in a society and the resulting different opportunities in life. Therefore, it must be the objective of any responsible policy to combat social inequality and provide equal opportunities for all.

The Vienna Wealth Report is an important new source of information and data for the city of Vienna. The report will be an important tool for decision-makers and will help us to better understand the distribution of wealth in Vienna.

Yours sincerely,
Sonja Wehsely
Executive City Councillor for Public Health and Social Affairs

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Vienna, December 2012

Vienna is special.

City of Vienna

and Social Welfare

Administrative Group for Public Health

Wealth Report 2012

Summary of the Vienna

ED: Municipal Department 24

Band 6

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Summary of the Vienna Wealth Report 2012