**Nowcasting risk of poverty in the EU**

Olga Rastrigina, Chrysa Leventi and Holly Sutherland

**Abstract**

The at-risk-of-poverty rate is one of the three indicators used for monitoring progress towards the Europe 2020 poverty and social exclusion reduction target. Timeliness of this indicator is crucial for monitoring the effectiveness of tax and benefit policies. However, partly due to the complicated nature of EU-SILC, estimates of the number of people at risk of poverty are published with a significant delay. This paper presents a method of estimating (‘nowcasting’) indicators of poverty risk using the tax-benefit microsimulation model EUROMOD. The model’s routines are enhanced with additional adjustments to the EU-SILC based input data in order to capture changes in the employment characteristics of the population since the data were collected. The nowcasting method is applied to seventeen EU Member States. AROP rates are estimated up to 2014 for ten countries and 2013 for the remaining seven countries. The performance of the method is assessed by comparing the predictions with actual EU-SILC indicators for the years for which the latter are available.