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WORLD BANK GROUP

POVERTY & INEQUALITY UPDATE

> "To reduce poverty, countries need broad-based economic growth, but also much more. Stronger investments in infrastructure, healthcare, education, skilling, and institutions are all critical to laying the foundations for people to escape poverty."

Luis-Felipe Lopez-Calva
Global Director for Poverty, World Bank Group

ONE IN TEN PEOPLE GLOBALLY LIVE IN EXTREME POVERTY

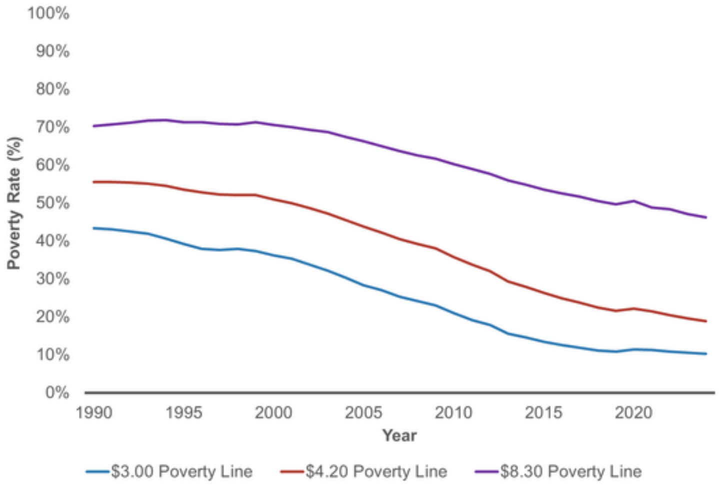
From 1990 to 2025, the total number of people worldwide living in extreme poverty declined from around 2.3 billion to around 831 million. The sharp decline over this period was largely driven by robust, broad-based economic growth in East Asia and South Asia.

However, the pace of global poverty reduction has slowed substantially in the last decade. Extreme poverty has become **increasingly concentrated in Sub-Saharan Africa and places affected by conflict and fragility**. Starting in 2022, the majority of people living in extreme poverty are in fragile and conflict-affected states.

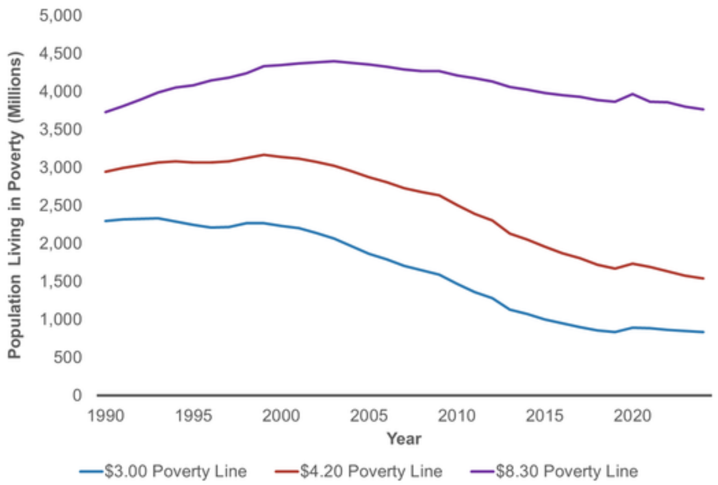
Globally, **poverty remains overwhelmingly rural**: nearly three-quarters of all people living in extreme poverty reside in rural communities. While extreme poverty has declined in both urban and rural areas, **the largest reductions have been in rural areas**, where extreme poverty fell from nearly 27% in 2013 to about 17% in 2023. Urban poverty fell more modestly during the same period, from nearly 8% to 6%.

At the higher poverty line of $8.30 per person a day, which is more relevant for upper-middle-income-economies, an estimated 3.7 billion people lived in poverty in 2025.

GLOBAL POVERTY RATE



GLOBAL POVERTY HEADCOUNT



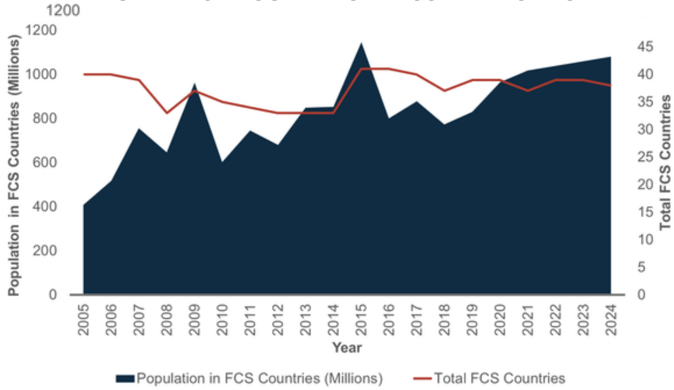
FRAGILITY AS THE EPICENTER OF GLOBAL POVERTY

More than 1 billion people currently live in countries classified as fragile or conflict-affected situations. This figure has more than doubled since 2005.

Extreme poverty in fragile or conflict-affected situations has also risen sharply. In 2024, an estimated 451 million people in fragile or conflict-affected situations lived in extreme poverty. Poverty in fragile or conflict-affected situations is five times higher than elsewhere.

Since 2022, the majority of the world's poor reside in fragile or conflict-affected situations countries.

TOTAL POPULATION LIVING IN FCS COUNTRIES AND NUMBER OF COUNTRIES CLASSIFIED AS FCS



In 2024, approximately 43% of the global poor lived in countries experiencing intermittent fragility, compared with 30% in countries never classified as fragile or conflict-affected situations, and 23% in chronically fragile countries.

Sub-Saharan Africa is at the epicenter of the poverty–fragility nexus. The region accounts for **71%** of the global population living in extreme poverty, with **45%** residing in fragile countries within the region.

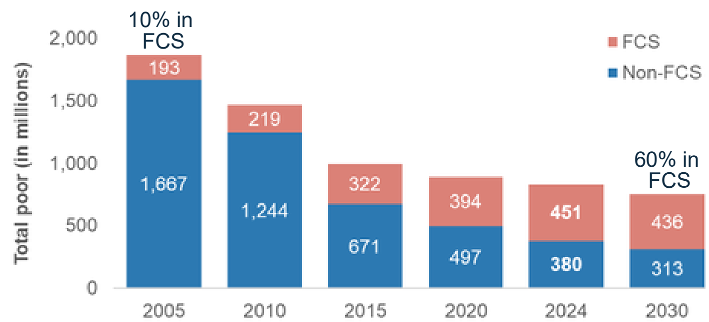
Fragile countries in Sub-Saharan Africa—particularly Nigeria and the Democratic Republic of Congo—will increasingly shape global poverty trends. **By 2030, half of the global population living in extreme poverty are projected to live in fragile states in Sub-Saharan Africa**, with one-quarter concentrated in just these two countries.

Under current economic growth trajectories, the extreme poverty rate in fragile or conflict-affected countries is expected to remain near 40% through 2050.

Breaking the poverty–fragility trap requires renewed focus on foundational investments and inclusive growth. Human capital deprivations in fragile or conflict-affected situation are deep and persistent, while large infrastructure deficits constrain productivity and inclusion,

Source: **Poverty and Fragility** (World Bank and UNU-WIDER, forthcoming)

NUMBER OF PEOPLE LIVING IN EXTREME POVERTY IN FCS AND NON-FCS COUNTRIES (MILLIONS)



ONE IN FIVE CHILDREN LIVE IN EXTREME POVERTY

In 2024, an estimated 412 million children aged 17 or younger were residing in households living on less than $3 a day. Globally, child poverty has been on a steady, if slow, decline since 2014, when an estimated 507 million children lived in extreme poverty.

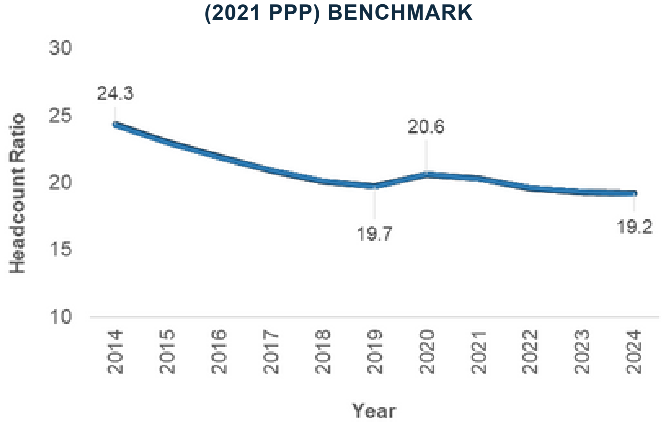
However, the pace of poverty reduction among children has been slower compared with the general population. **Children continue to be disproportionately affected,** comprising more than 50% of those in extreme poverty, although their share of the global population is only 30%.

Similar to the general population, extreme poverty among children is increasingly concentrated in Sub-Saharan Africa and places affected by fragility and conflict.

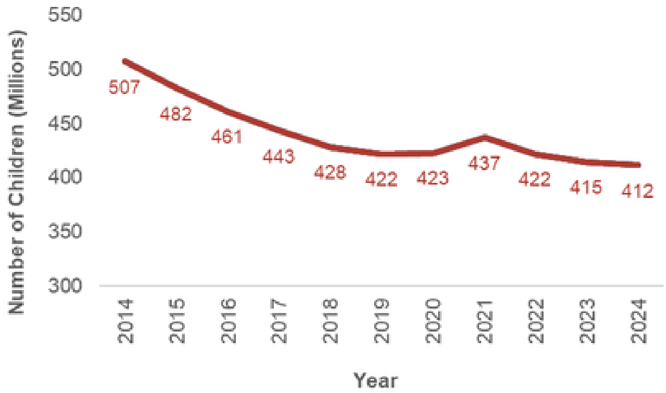
Child poverty rates vary substantially across regions. **Sub-Saharan Africa** is home to about 23% of the world's population of children, yet it is home to **three quarters (over 312 million)** of all children living in extreme poverty.

In 2024, the extreme child poverty rate in Sub-Saharan Africa remained the same as in 2014, around 52%.

EXTREME CHILD POVERTY RATE USING THE $3.00 PER DAY (2021 PPP) BENCHMARK



NUMBER OF CHILDREN (MILLIONS) IN HOUSEHOLDS LIVING ON LESS THAN $3.00/DAY



South Asia and East Asia and the Pacific are estimated to have experienced important reductions in the child poverty rate between 2014 and 2024. In South Asia, extreme poverty among children was cut by **more than half** in the last decade, with India seeing the largest reduction.

In contrast, extreme child poverty in the Middle East and North Africa region is projected to have almost doubled over the same period.

Addressing structural inequalities, strengthening social protection, and prioritizing vulnerable regions are essential to effectively tackling child poverty.

Learn more: **Global, Regional, and Select National Trends in the Progress against Child Poverty** (Policy Research Working Paper, World Bank and UNICEF)

OVER 400 MILLION WOMEN ARE LIVING ON LESS THAN $3 A DAY

Over the past decade, poverty among women has declined significantly in all regions of the world except Sub-Saharan Africa.

Globally, extreme poverty among women fell from **15.8% in 2014 to 11.4% in 2024**. The South Asia region accounted for the largest decline, followed by the Middle East, Pakistan, and Afghanistan region. In East Asia and the Pacific, extreme poverty among women is now below 5% across all age groups.

Yet, more than **400 million women around the world still live in extreme poverty,** on less than $3 per day, with three-quarters residing in Sub-Saharan Africa.

While global poverty rates for women and men are similar, at 11.4% and 10.9%, respectively, the risk of poverty differs over the life cycle, and women in their reproductive years remain disproportionately exposed.

In **Latin America and the Caribbean**, young women are **42% more likely** than young men to be living in poverty. For **the Middle East, Pakistan, and Afghanistan**, this figure is **29%**, and for **Sub-Saharan Africa**, it is **27%**.

The risk of poverty is deeply tied to household structure. **Single-mother households** represent about one-quarter of all households living in poverty, yet they account for only 31 million people living in poverty.

By contrast, most women in poverty live in **larger, multi-adult households with children**, which account for nearly 600 million people living in poverty.

The risk of poverty is also linked to the labor status of adults within the household. **Poverty rates are highest, at 21%, among households with no adult earners**.

On the other hand, **61% of people living in poverty are in households with multiple adult earners**.

Single-earner households face a lower poverty rate than multiple-adult households, largely because they tend to be more educated, urban, and have access to better jobs.

These findings underscore the importance of improving access to jobs for women in households with no earners, while raising earnings for women living in multiple-earner households.

Source: **Tracking Gender Disparities in Global Poverty: 2014-2024** (World Bank)

WHY ECONOMIC INEQUALITY MATTERS FOR DEVELOPMENT

Does economic inequality matter for development? This question was discussed at a July 2025 event with international experts and practitioners, among them **World Bank Group Chief Economist Indermit Gill**, who responded:

"How can it not? If you look at the aspects of inequality—you can talk about the inequality of opportunity, of income, of wealth, and of power—it matters a lot. It can really hurt development, if it's too high or unmanageable. But then, the real question is, what do you do about it? And is the cure often worse than the disease?"

High economic inequality in a country can limit people's ability to move up the socioeconomic ladder, and thereby slow progress toward broad-based growth and poverty eradication. Decreasing high levels of inequality, on the other hand, can spur economic development, strengthen human capital, and speed up poverty reduction.

We know that tackling economic inequality is essential for boosting shared prosperity and achieving key development goals. But when does inequality become too high? What policy solutions are most effective?

Read more in the blog: **Why Economic Inequality Matters for Development**

Learn more:
www.worldbank.org/poverty

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