FALL 2025 UPDATE

MONITORING LIVING CONDITIONS IN UKRAINE

KEY TAKEAWAYS

This note outlines the status of living conditions in Ukraine during the fourth year of Russia's invasion of Ukraine, which began in February 2022, highlighting the conditions of, and impacts on, vulnerable groups. The findings in this note are based on a combination of official surveys prior to 2022, and unofficial data collected by UNICEF in 2023 and by the Listening to Ukraine surveys (L2Ukr) conducted by the World Bank during 2023–2025. The findings from 2025 highlight continuing elevated levels of both poverty and inequality.

The profile and needs of vulnerable groups (Internally Displaced People [IDPs], veterans, and/or people with disabilities due to Russia's invasion of Ukraine) are changing.

- About one-quarter of households have at least one household member who is either an IDP, a veteran, and/or has a disability, all of which are defined as vulnerable people in this note. One-tenth of households have at least one member who has become disabled due to injuries directly related to the current circumstances.

Vulnerable groups face larger labor market inefficiencies and barriers, resulting in uneven income growth.

- Widening inequality in household incomes is driven partly by labor market factors, such as lower employment rates affecting poorer households more and disparate impacts on employment across regions, while wages are rising rapidly in high-skilled sectors.

The work was supported by the Multi-Donor Trust Funds for Co-financing of the Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine Project, whose donors include Belgium, Finland, Germany, Iceland, Ireland, Japan, Spain, Switzerland, and the United States and by the Ukraine Relief, Recovery, Reconstruction, and Reform Trust Fund (URTF), including the Government of the United Kingdom within the framework of the SPIRIT project, implemented by the World Bank. This note was written by the Poverty & Equity Global Practice team for Europe and Central Asia Region comprising Obert Pimhidzai, Avralt-Od Purevjav, Britta Rude, Wondimagegn Mesfin Tesfaye, and Judy Yang, under the guidance of Ambar Narayan.

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

URTF
UKRAINE RELIEF, RECOVERY, RECONSTRUCTION AND REFORM TRUST FUND

- Despite high labor demand in some sectors, low labor force participation among the low-skilled and vulnerable groups suggests labor market mismatches are increasing in an economy that is being transformed by the current circumstances. These mismatches need to be addressed through demand-driven retraining programs, as well as systems that generate and operationalize labor market intelligence to connect workers to opportunities.
- Barriers to female employment further restrict the employability of women. Investments in the care economy are crucial to address the care burden faced by women and to ensure high-quality support for vulnerable groups. The care economy can also serve as a sector for job growth. Targeting vulnerable groups in labor market programs will be especially important.
- A growing share of households, especially among the poorest groups, relies on public transfers or pensions, making sustained public transfers, emergency support, and adaptive social safety nets critical for the survival of poor households.
- There is broad backing among the population to support vulnerable population groups, especially veterans and their families, making measures that ensure the integration of vulnerable groups, especially during times of reconstruction, a top priority in society.
- Spatial inequalities in income, food insecurity, loss of assets, and available jobs have become more visible and are factors to be taken into consideration in long-term reconstruction, and strategies must also account for shifting populations from migration and changes in economic centers.

BOX 1. LISTENING TO UKRAINE HOUSEHOLD PHONE SURVEY

The Listening to Ukraine (**L2UKR**) phone surveys were conducted by the World Bank in collaboration with the Kyiv International Institute of Sociology from April 2023 to December 2024 (excluding September 2024) and from May to September 2025. Each month, the L2UKR survey interviews between 1,500 and 2,000 households by phone, which makes it possible to cover all parts of Ukraine under Ukrainian cell service, which excludes the Luhansk oblast and Crimea. Thus, the survey also includes respondents from regions under active hostilities who remain accessible by phone, although the number of respondents in the Donetsk and Kherson oblasts is small and coverage is limited. When the data are pooled over several rounds, the results can be broken down with reasonable confidence by rural and urban areas, and by regions—except for the regions targeted by Russia's invasion of Ukraine, where survey coverage is limited. These households were originally drawn from a 2021 representative sample of the Ukrainian population. The same households are tracked over time until they drop out. When this happens, they are replaced by other randomly assigned households. However, attrition rates were extremely high. From October to December 2024, and from May to September 2025, all respondents were contacted through random digit dialing only. Q2-2025 refers to data collected during May and June 2025, and Q3-2025 refers to data collected during July, August, and September 2025.

Region groupings

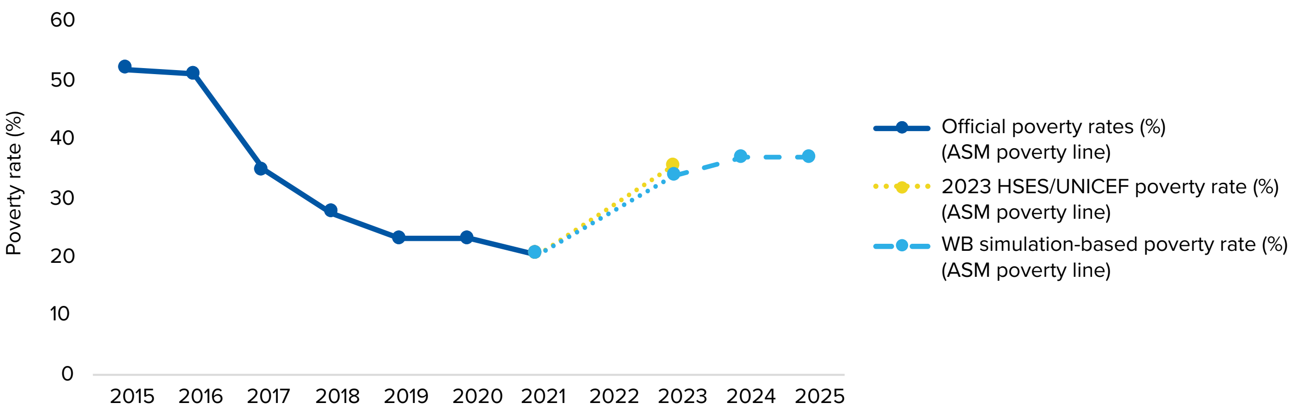
- Western Ukraine: Lviv, Ivano, Ternopil, Rivne, Volyn, Chernivtsi, Zakarpattia
- Southern Ukraine: Mykolaiv, Odesa
- Central Ukraine: Zhytomyr, Kyiv city, Kyiv oblast, Vinnytsia, Kirovohrad, Khmelnytskyi, Cherkasy
- Eastern Ukraine: Sumy, Chernihiv, Dnipropetrovsk, Kharkiv, Poltava
- Targeted oblasts: Donetsk, Zaporizhzhia, Kherson

MAIN FINDINGS

1 Poverty Remains High, Inequality Continues to Rise, and the Numbers of People in Vulnerable Population Groups Are Increasing

Poverty rates have remained elevated since February 2022. The poverty rate is estimated to be 36.9 percent based on microsimulations, during May and September 2025, when the latest data available were collected. This is in line with the simulated poverty rate of 37.0 percent for 2024.[1] This still puts poverty estimates in 2025 at similar levels as estimates based on two independent surveys collected in 2023, showing that national poverty rates have risen significantly following Russia's invasion of Ukraine (Figure 1, and see Box 2 for details on poverty estimation methodology).

Figure 1. Poverty rates have been rising since February 2022



Notes: See Box 2 for information regarding data sources. *Source:* HLCS, 2023 HSES, 2023/24/25 L2UKR.

The current situation continues to erode economic optimism and financial well-being. In Q3-2025, 51.5 percent of L2UKR respondents were optimistic about Ukraine's future economic situation in the next two to three years, a steady decline from 67.1 percent of respondents who felt optimistic in Q2-2023. Financial well-being has also taken a toll. In Q3-2025, 62.3 percent of respondents considered their financial well-being to be worse or much worse than prior to February 2022, compared with 60 percent in Q2-2023. Moreover, households' concerns over the cost-of-living are persistent in Ukraine, with 32.5 percent of households expecting price increases in the next 30 days in Q3-2025.

In parallel, households are increasingly experiencing damage to their assets, especially in the targeted regions. Because of the increasing number of attacks, households are experiencing greater damage to their assets. The share of households reporting some form of damage to their assets has increased from 17.5 to 21.8 percent between Q2-2024 and Q3-2025. As expected, the share varies significantly across regions, with nearly half of households in the targeted regions reporting damage in Q3-2025, compared with only 7 percent of households in the western areas of Ukraine. Households also report damage to their business premises, and agricultural land and structures. Those in the targeted regions are most affected. These numbers show that adaptive social safety nets and emergency support are crucial investments in Ukraine. Geographic targeting will be crucial when employing these types of interventions to prioritize regions in greater need.

1 These values are based on a 2024 actual minimum subsistence threshold of UAH 6,953 per adult equivalent and a 2025 actual minimum subsistence threshold of UAH 8,312 (using the average of May–July 2025).

BOX 2. UKRAINE'S POVERTY RATE: AVAILABILITY AND SOURCES

Measurement

- The welfare aggregate is household income per adult equivalent (pae).
- Poverty rates discussed in this note are based on the "Actual Subsistence Minimum poverty line" (ASM) published by the Ministry of Social Policy, in per adult equivalent terms.

Availability

- Pre-2022 poverty rates from 2015–2021 are calculated from official household surveys (Household Living Conditions Survey – **HLCS**) collected by the Ukraine State Statistics Service.

- In 2022, no surveys were collected and no poverty estimates are available.

- In 2023, two donor-financed surveys used different approaches and obtained similar estimates for poverty based on the 2023 ASM poverty line of UAH 6,166 per adult equivalent.
  - The National Academy of Sciences of Ukraine reported a poverty rate of 35.5 percent in 2023, computed using a UNICEF-financed household survey.
    - The Socio-Economic Status of Households in Ukraine survey (**HSES**) was conducted from December 2023 to February 2024 by the Institute for Demography and Life Quality Problems of the National Academy of Science of Ukraine, with UNICEF support. See Liudmyla Cherenko, "Measuring Poverty in the Conditions of War in Ukraine," Working Paper 1, Economic Commission for Europe Conference of European Statisticians, Workshop on Harmonization of Poverty Statistics, Geneva, November 27, 2024, Link.
  - The World Bank reported a similar simulated poverty rate in 2023 of 34.0 percent, based on micro-simulations using data from the 2020 HLCS and the 2023 Listening to Ukraine (**L2UKR**) phone surveys.
    - The estimated 2023 poverty rate in this note is higher than in a previous version which utilized a CPI-adjusted poverty line. This note utilizes the final 2023 ASM poverty line published by the government.

- In 2024, the World Bank estimated the 2024 poverty rate using the same microsimulation methodology as in 2023, resulting in a poverty rate of 37.0 percent.
  - The 2024 poverty estimate uses the actual subsistence minimum threshold of UAH 6,953 per adult equivalent.
  - The 2024 Listening to Ukraine phone surveys were collected monthly from January to December 2024, excluding September 2024.

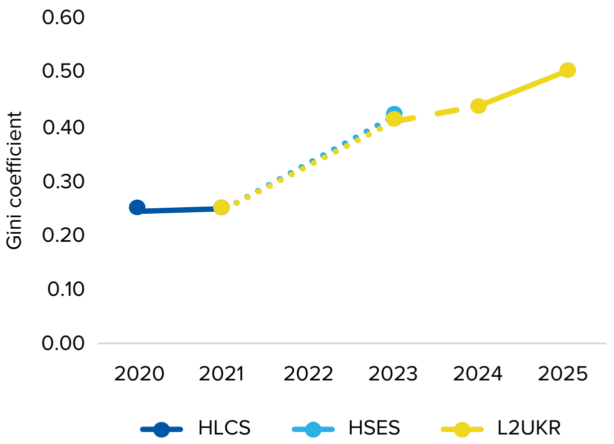
- In 2025, the World Bank estimates a preliminary poverty rate for part of the year at 36.9 percent. The 2025 preliminary poverty estimate uses the average actual minimum threshold of UAH 8,312, which is the average of months May–July 2025.

Households in the targeted regions are more prone to food insecurity, with worsening trends over time. Compared with other regions in Ukraine, households in the targeted regions are the most likely to report being unable to eat healthy and nutritious food, or having to skip a meal in Q3-2025. This share has increased significantly over time. While in Q3-2023 19.0 percent of households in the targeted regions reported an inability to eat healthy or nutritious food, this share increased to 30 percent in Q3-2025. Households also experience reduced food variety. In Q3-2025, 41.4 percent of those in targeted regions reported eating only a few kinds of food (compared with 35.4 percent in all of Ukraine). These shares significantly increased between 2023 and 2025 in the targeted regions.

A significant share of households in Ukraine has been directly affected by events beyond monetary well-being since February 2022. This is evidenced by the rise in vulnerable population groups (households with IDPs, veterans, or those who have become disabled since February 2022), with targeted regions reporting higher shares of vulnerable groups. In Q3-2025, around 9.4 percent of L2UKR respondents reported having at least one veteran in their households. Similarly, 9.2 percent of households have at least one disabled household member due to injuries related to the current circumstances.[2] Another 10.6 percent of households reported having at least one member with an IDP. Taken together, one-quarter of households reported having at least one member who is a veteran, became disabled since February 2022, or is an IDP. The share is highest in the targeted regions, with one-third of households having at least one vulnerable household member. In addition, 10.3 percent of households have at least one member living abroad, according to data from Q3-2025. Only one-quarter of these households expect members living abroad to return within the next 12 months.

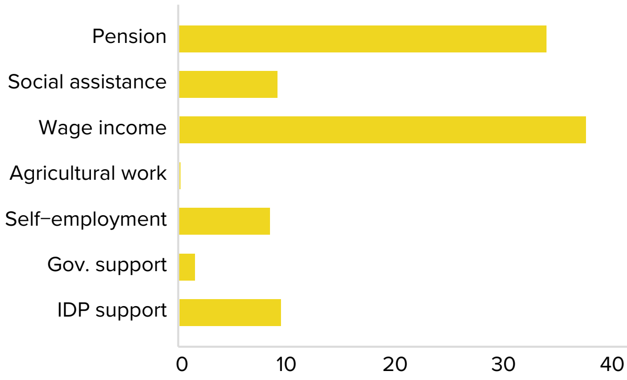
Income inequality is continuing to increase. Declining average household incomes at the bottom of the income distribution and growing incomes at the top of the distribution are leading to a wider spread of incomes and higher income inequality. As a result, inequality has risen during the period since February 2022. The Gini coefficient is estimated to have increased from 0.41 in 2023 to 0.44 in 2024, and 0.5 in 2025 based on the L2UKR surveys (Figure 2).

Figure 2. The Gini coefficient has continued to rise throughout 2023–2025



Note: Household income per adult equivalent in UAH 2024.
Source: 2020/21 HLCS, 2023 HSES, 2023/24/25 L2UKR.

Figure 3. Rising inequality between 2024 and 2025 is mainly driven by declines in labor incomes and pensions



Note: Shapley decomposition of changes in inequality between 2024 and 2025 based on real household income per adult equivalent in UAH 2024. The graph depicts the share of contributing factors. *Source:* 2024/25 L2UKR.

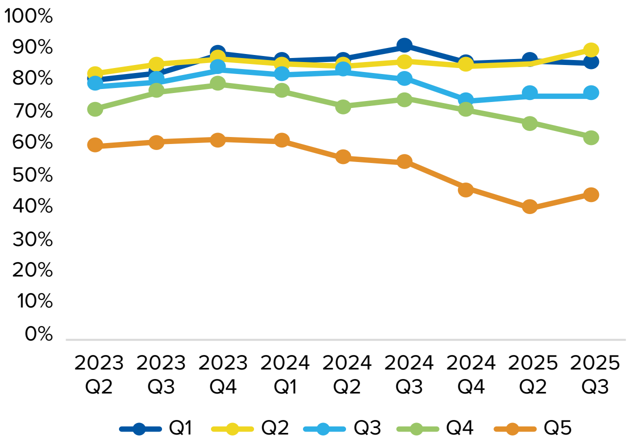
The leading cause of rising inequality is an uneven decline in labor incomes, with higher losses in wage income concentrated among those at the lower part of the income distribution (Figure 3). In Q3-2025, 35.0 percent of households in the bottom 20 percent of the income distribution (bottom 20) received some form of labor income (wages, agricultural income, and income from self-employment), which is 7 percentage points higher than in Q3-2024. However, the share of households reporting some form of labor income declined continuously among those in the second quintile of the distribution, from 40.1 percent in Q3-2023 to 27.2 percent in Q3-2025. In contrast, the share of households earning some form of labor income in the top 20 percent of the income distribution (top 20) remained relatively stable, with more than nine out of 10 households receiving labor income over the same period. The average amount of wage incomes per adult equivalent received by poorer households declined (both in real and nominal terms). In contrast, those in the top 20 experienced an increase in wage income per adult equivalent (both in nominal and real terms), contributing to rising inequality.

Uneven losses and gains in labor incomes are a manifestation of uneven impacts of Russia's invasion of Ukraine across economic sectors. Firm-level surveys conducted by the World Bank show that, while all sectors experienced negative sales growth between 2021 and 2022, some sectors recovered significantly in 2022–2023 (such as manufacturing, construction, mining, and real estate), while others did not (such as electricity, ICT, and transportation).[3] These dynamics can result in the redistribution of incomes across the welfare distribution.

2 In comparison, on average, 15 percent of respondents report a severe limitation due to general disabilities over the period Q3-2025 according to the L2UKR survey. These limitations are both related and unrelated to Russia's invasion of Ukraine. As expected, the disability share is higher in older age groups.
3 World Bank. 2024. Firms Through the War 2.0.

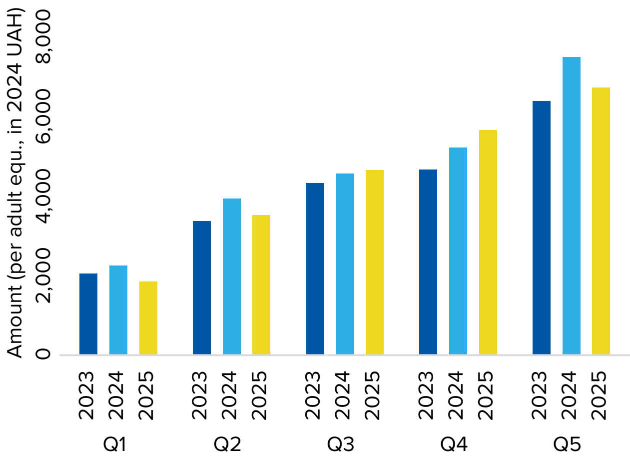
A decline in pensions in real terms, which affected poorer households more, further contributed to rising inequality between 2024 and 2025. While the share of households in the bottom 20 receiving pensions remained relatively stable over 2023–2025 (Figure 4), real pensions per adult equivalent fell significantly in the bottom 20 between 2024 and 2025 (Figure 5), further contributing to rising inequality. The fall in real pensions was driven by high inflation in 2025, which adversely affected purchasing power of poor households the most because they rely more on pension transfers for their income than non-poor households. Ensuring continued access to these transfers will be crucial in cushioning households from falling into poverty. In Q3-2025, 72.1 percent of households with vulnerable members reported receiving these types of public transfers, compared with 60.4 percent of households without vulnerable members. Similarly, the share of households with pensions or social assistance income was around 85 percent among the bottom 20 throughout 2023–2025, compared with a significantly lower and falling share in the top 20.

Figure 4: Share of households receiving pensions and/or social assistance, by income quintile and over time (2023–2025)



Source: L2UKR (2023–2025).

Figure 5: Average monthly pensions (per adult equ., in 2024 UAH) of those receiving pensions, by income quintile and over time (2023–2025)



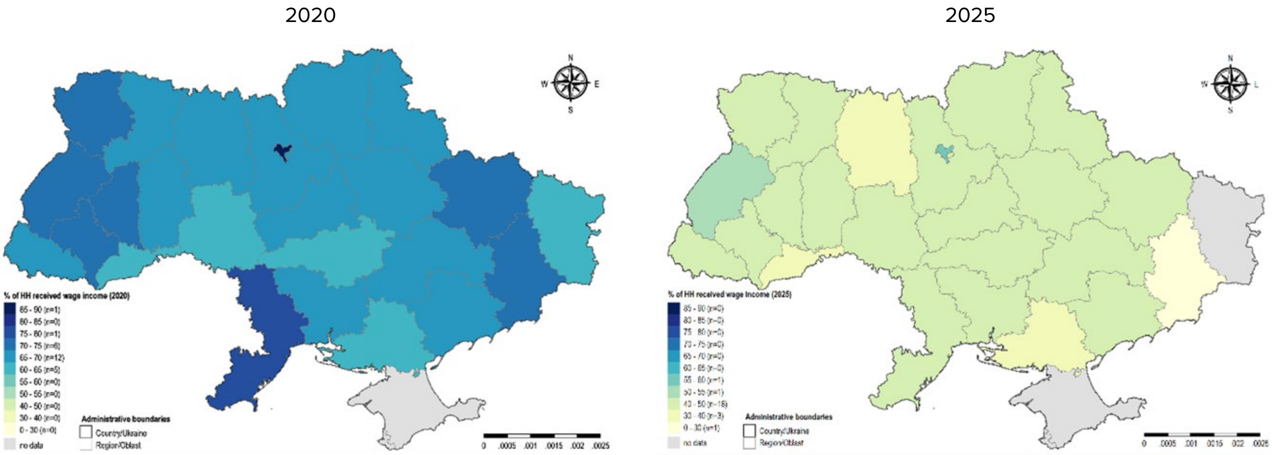
Source: L2UKR (2023–2025).

2 Skills Mismatches and Barriers to Employment for Vulnerable Groups Create Labor Market Frictions

Current conditions contribute to job losses and unemployment. One in 10 working age adults have lost their job during the period 2023–2025, and the share has slightly increased over time, from 11.5 percent in 2023 to 13.1 percent in 2025 (although there had been a slight recovery in 2024, with a share of 7.8 percent). Unemployment is both driven directly by the consequences of the circumstances since February 2022, such as displacement, destruction, occupation, or enlistment, as well as other structural factors such as pre-existing labor market frictions, poor skills match, economic reallocation and long-term inactivity. Unemployment remains persistently high even through 2025 and highest in the targeted regions. In Q3-2025, two out of 10 respondents of the L2UKR survey in the targeted regions had lost their job due to Russia's invasion of Ukraine, compared with 10.8 percent in western Ukraine and 13–14 percent in the rest of the country. These differences show that focused regional labor market policies will be crucial in the current context in Ukraine. Job losses are also more concentrated among poorer households and vulnerable groups, which partly explains the declining labor income among these groups.

Income inequality across regions has increased since 2022, partly related to shifts in employment patterns. Active hostilities and the destruction of infrastructure have shifted the population and the economy westward. The number of business entities officially registered in the targeted regions and in the Luhansk, Mykolayiv, Odesa, Sumy, and Kharkiv oblasts declined from 2021 to 2023, according to official statistics (SSS). Before February 2022, some of the main economic activities in eastern Ukraine were agriculture and manufacturing, which are difficult to relocate. The number of wage earners declined throughout the country between 2023 and 2024, but the decline was larger in eastern Ukraine than in western Ukraine. Over the 2023–2025 period, oblasts with the highest rates of households earning wage incomes are in the western oblasts and Kyiv city. The shift in economic activities toward western and central parts of Ukraine has increased income inequality across regions.

Figure 6. Percentage of households with wage incomes has declined throughout the country. In 2025, Kyiv city has the highest share of households with a wage income

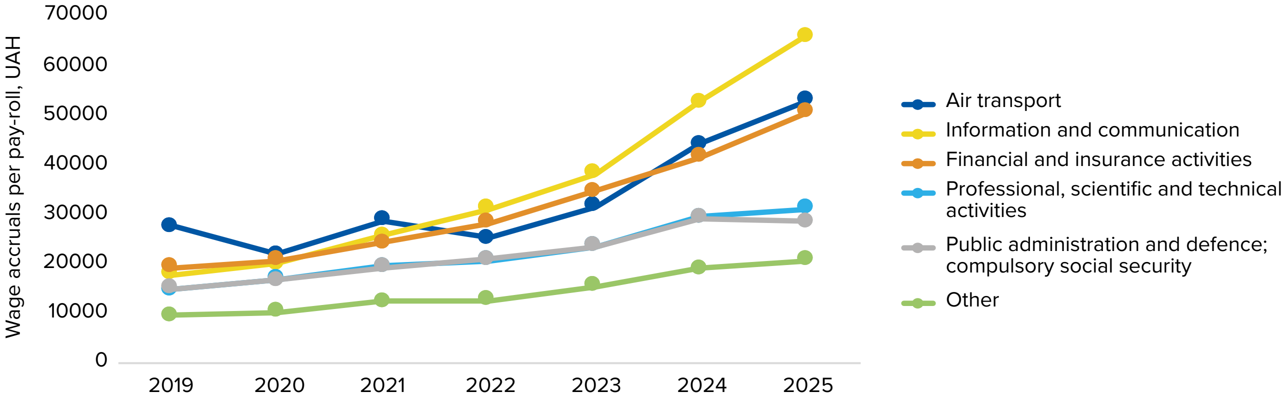


Source: 2020 HLCS, 2025 L2UKR.

Despite a high rate of unemployment overall, labor shortages persist in some growing skill-intensive sectors, resulting in faster real wage growth in some sectors such as technology, finance and defense-related sectors, while wages are declining in other sectors. Due to out-migration, long-standing demographic trends, and a larger active military, the civilian labor market is now much smaller. The size of the labor force (15–70 years of age) is estimated to have decreased by 16.8 percent from 2021 to 2023 (UNICEF, 2024). The share of firms that cite labor shortages as the most important problem increased from less than 20 percent in 2022 to over 60 percent by the end of 2024 (NBU, 2025). On-site jobs are especially difficult for firms to fill.[4] Labor shortages result in wage increases in the affected sectors, meaning higher wage growth for highly skilled workers. Among households still earning a wage income, high wage growth in some skill-intensive sectors (Figure 6) compared with low skill-intensive sectors that have experienced stagnant or declining real wages has exacerbated inequality.

4 World Bank. 2024. Firms Through the War 2.0.

Figure 7. Top-5 highest growth sectors: air transport, financial services and insurance, IT, public administration and defense



Note: Average monthly wages of regular employees by types of economic activity. *Source:* UKR State Statistics Service (SSS).

Despite high labor demand, skills mismatches create labor market frictions. Ukraine has a long history of skills mismatches, which introduce labor market frictions.[5] These have become more prevalent since February 2022, with a larger share of workers working in sectors outside their sector of education, and in jobs below or above their level of education.[6] Only 11.3 percent of workers were employed in jobs suited to their education level by late 2024, down from an already low 17.0 percent prior to February 2022.[7] In 2025, about one-quarter of IDPs said that someone in their household had taken on jobs with lower pay or requiring fewer skills as a way to get by.[8] Forward-looking, demand-driven retraining programs, as well as systems that generate and operationalize labor market intelligence, such as Labor Market Observatories, can address skills mismatches.

Vulnerable population groups are less likely to report labor income. For example, 30.7 percent of households with at least one member disabled by the circumstances since February 2022 report labor income, compared with 45.0 percent of households without a disabled member. Similarly, members in veteran households are more likely to be searching for a job. Households with veterans are also more likely to engage in self-employment. These numbers show that activating vulnerable groups into the labor market in the medium- to long-term will be critical.

Barriers to women's employment persist and lead to gender gaps in labor market outcomes, with new challenges emerging as a result of the fighting. Multiple barriers to female employment in Ukraine persist, including an unequal care burden, social norms and regulatory shortfalls.[9] These barriers have become more restrictive since February 2022, and new challenges to female labor force participation are emerging, such as increased care responsibilities for the disabled.[10] Gender gaps in labor market outcomes were already marked before 2022, with downward trends in employment and participation rates. The gender gap in labor force participation persists. It is especially stark for parents with young children. Only half of mothers with children who are 7 years old or younger work, whereas nearly all fathers of children in that age range work.[11] Childbirth and child care, as well as household chores, are almost uniquely cited by women as a reason to not look for a job, in contrast to men who mostly cite reasons of health and disability,[12] which reflects that the burden of care constrains women from being

5 World Bank. 2017. Skills for Ukraine.
6 World Bank. Forthcoming. Female employment in Ukraine.
7 World Bank. Forthcoming. Female employment in Ukraine.
8 IOM. 2025. Ukraine Internal Displacement Report. General Population Survey.
9 World Bank. Forthcoming. Female employment in Ukraine.
10 Ibid.
11 Ibid.
12 Ibid.

employed. Beyond child-care supply side factors, disruptions from the fighting have also curtailed demand and the use of child-care services. About 14 percent of households believe that their child is safer at home in the current conditions.[13] School disruptions impose further challenges on child-care provision during these conditions. Women are also more likely to care for the elderly. Ukraine also continues to score below the regional average on the Women, Business, and the Law Index, highlighting regulatory shortfalls.[14]

3 The Need for Social Support Is Growing as New Vulnerable Groups Emerge

Supporting veterans is a top priority. Half of the respondents of the L2UKR survey state that they see policies supporting veterans as the most pressing need in Ukraine, and think that military members and families should be prioritized, according to data from Q3-2025. Another 10 percent view support for IDPs as a priority. These numbers show a growing need to focus on population groups that have been most directly impacted by events over the past few years in Ukraine. Prioritization of policies should be equitable to avoid social frictions. Nearly one-third of respondents in the L2UKR survey see a loss of social cohesion, internal division, and political instability as one of the top-3 risks to rebuilding Ukraine.

Though most IDPs are unlikely to immediately return home, the majority of IDPs are not yet fully integrated into their new community. Only two out of 10 respondents in the L2UKR survey from Q3-2025 believe that IDPs are fully integrated in their new community, while half of them have never interacted with IDPs in their community. IDPs also require specialized support in finding affordable and secure housing. The destruction or damage of their homes is one of the top-3 reasons why households migrate, and one of the main reasons why they are not returning home.

Households continue to experience disruptions in their access to basic services, especially water. The share of respondents in the L2UKR survey reporting disruptions to their access to water supply continues to be high in Q3-2025, with 17.6 percent of households reporting these types of disruptions during the past 30 days. Those in the targeted areas and in the southern and eastern parts of Ukraine were especially affected. In addition, around 2 percent of households reported disruptions to their gas supply in the past 30 days in Q3-2025, and another 4 percent did not have access to electricity during the full 24 hours of the day. Rural areas were more affected than urban areas.

Measures that support access to basic services for vulnerable groups will be especially crucial. For example, households with vulnerable members are more likely to use healthcare services and more likely to pay out of pocket when they use them. In Q3-2025, one-third of households with vulnerable members paid out of pocket, compared with only one-quarter of households without any vulnerable members. Similarly, those with vulnerable members are less likely to obtain all the medicines that they need (82.1 versus 88.5 percent). Households with vulnerable members are also more likely to report disruptions in their water supply (20.3 versus 16.1 percent in Q3-2025). Therefore, policymakers should focus on developing policies that ensure access to basic services among vulnerable population groups.

13 Ibid.
14 Women, Business, and the Law 2024. Ukraine. https://wbl.worldbank.org/content/dam/documents/wbl/2024/pilot/WBL24-2-0-Ukraine.pdf

References

Cherenko, Liudmyla. 2024. “Measuring Poverty in the Conditions of War in Ukraine.” Working Paper 1. Economic Commission for Europe Conference of European Statisticians. Workshop on Harmonization of Poverty Statistics, Geneva, November 27, 2024.

IOM. 2024. Employment, Mobility and Labour Market Dynamics in Ukraine. Thematic Brief Series: Livelihoods and Economic Recovery. November 2024. iom_ukr_employment_november-2024_-1.pdf

NBU. 2025. Inflation Report, January 2025. https://bank.gov.ua/en/news/all/inflyatsiyniy-zvit-sichen-2025-roku

UNICEF. 2024. Report 1.6 Labor Market Indicators. White paper.

Data sources

Survey	
2020	• Household Living Conditions Survey – Ukraine State Statistics Service • Labor Force Survey – Ukraine State Statistics Service
2021	• Household Living Conditions Survey – Ukraine State Statistics Service
2022	No survey this year
2023	• World Bank Listening to Ukraine (L2UKR) (April–December 2023) • Household Socio-Economic Survey financed by UNICEF, requested by MOSP, analyzed by National Academy of Sciences (December 2023–February 2024)
2024	• World Bank Listening to Ukraine (January–December 2024, excluding September)
2025	• World Bank Listening to Ukraine (May-September 2025)