

Poverty & Equity Brief

April 2025

COLOMBIA

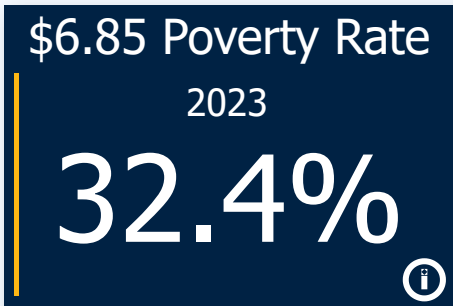
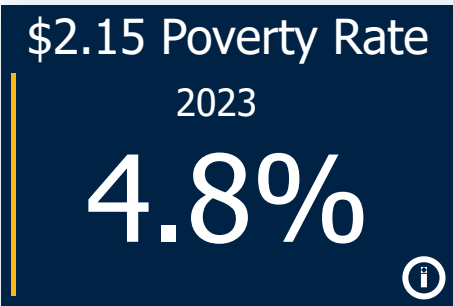
Since the abatement of the effects of the COVID-19 crisis, poverty has been on a downward trend. High economic growth in 2022 was accompanied by a continued labor market recovery. Employment and participation increased across population groups (by gender, ethnicity, and location), although with lower growth for rural areas and high-poverty regions. The share of the population living below the national poverty line declined from 39.7 percent in 2021 to 36.6 percent in 2022, although limited by inflation (food inflation reached 27.8 percent in 2022), which eroded labor income gains and led to stagnation of the national extreme poverty rate (at 13.8 percent in 2022).

In 2023, the official poverty and extreme poverty rates further declined (to 33 and 11.4 percent, respectively), both in urban and rural areas. The middle class expanded (national methodology), and inequality declined. This trend was driven by a rise in incomes (10 percent among the lowest quintile), mostly from labor market earnings. Multidimensional poverty also declined in 2023, with the highest deprivations remaining in education and informal employment.

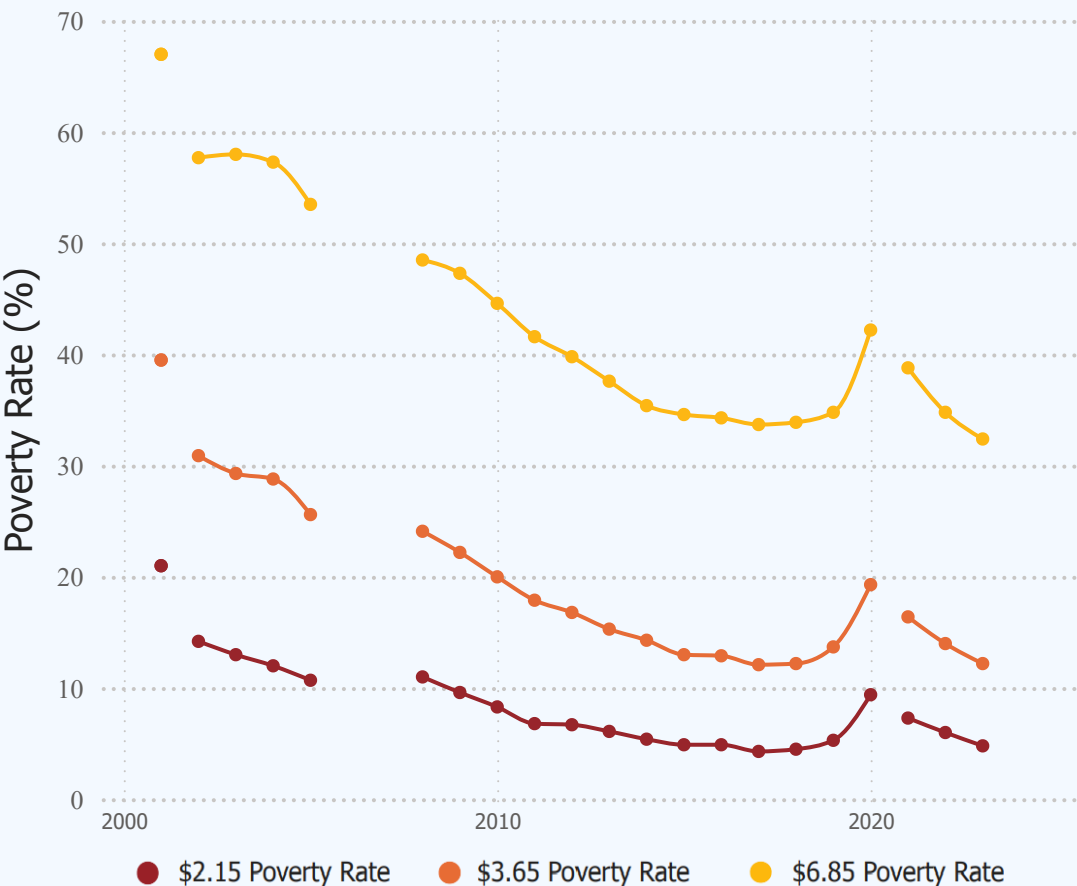
Labor markets improved slightly in 2024, with a 1 percentage point rise in employment by December (756,000 people), mostly benefitting large cities and women. However, 86 percent of new jobs were in self-employment — typically with lower productivity — and informality slightly increased, particularly in Bogotá. Moreover, the impact of social assistance restructuring remains unclear due to changes in targeting and benefits, as well as budget cuts due to a widening fiscal deficit. Using the internationally comparable poverty lines, the poverty rate is estimated to have slightly declined from 32.4 to 31.3 percent in 2024 (\$6.85/day, 2017 PPP). Regional and between-group disparities persist in Colombia, with Indigenous populations, Afro-Colombians and international migrants (mostly Venezuelan) experiencing higher poverty than others, as well as certain departments and cities. As the 2024 Poverty and Equity Assessment (“Trajectories”) documents, territorial inequalities in Colombia are wide and persistent, driven by a very unequal access to productive assets across the country, including human capital.

Poverty reduction is expected to be limited in 2025 — declining to an estimated 30.8 percent (\$6.85/day) — in line with an expected growth of 2.5 percent, potential impacts of fiscal consolidation, and policy uncertainty, which could affect private investment, job creation, and social transfers. Climate shocks may continue to affect households, particularly in Caribe and Pacífico.

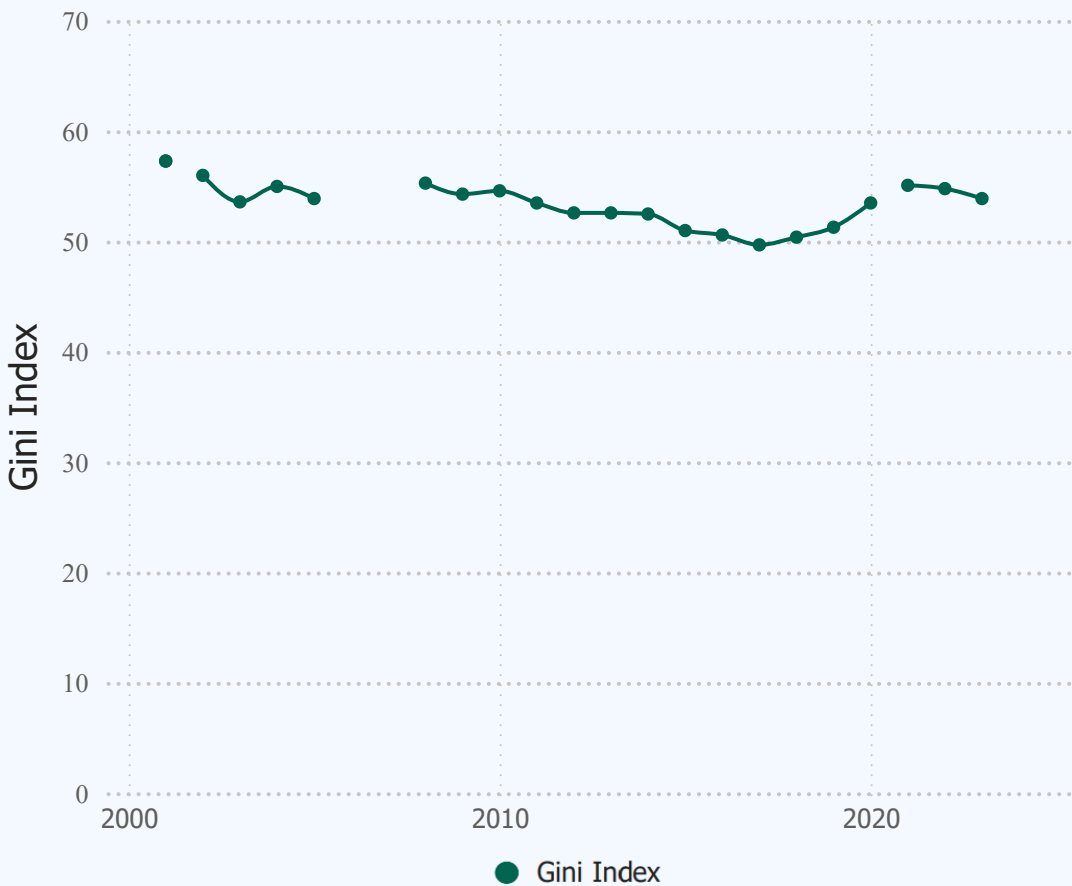
Promoting dynamic labor markets and adjusting social protection, such as expanding coverage and adaptiveness, would help build resilience. Structural challenges that limit upward socioeconomic mobility need to be addressed, including low quality of education, territorial disparities in opportunities, and low productivity and quality jobs.



Poverty Rate



Inequality



Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
National Poverty Line	16,708.2	33.0	2023
International Poverty Line (\$2.15/day)	2,529.9	4.8	2023
Lower Middle Income Class Poverty Line (\$3.65/day)	6,375.3	12.2	2023
Upper Middle Income Class Poverty Line (\$6.85/day)	16,931.9	32.4	2023
Multidimensional Poverty Measure		5.3	2023

Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)	Multidimensional Poverty Components	(% of Pop.)
Urban population	N/A	Daily income less than US\$2.15 per person	4.8
Rural population	54.8	At least one school-aged child is not enrolled in school	2.2
Males	31.5	No adult has completed primary education	5.0
Females	33.1	No access to limited-standard drinking water	2.7
0 to 14 years old	48.2	No access to limited-standard sanitation	6.5
15 to 64 years old	28.3	No access to electricity	1.3
65 and older	24.4		
Without education (16+)	52.7		
Primary education (16+)	37.8		
Secondary education (16+)	31.0		
Tertiary/post-secondary education (16+)	10.2		

Note:
N/A denotes a missing/removed value, while N/A* refers to a value which was removed due to having fewer than 30 observations.
The rates in the Poverty by Group table above are shown at the \$6.85 upper-middle income line.
Data for the Poverty by Group table is derived from a 2023 survey and data for the Multidimensional Poverty Components table is derived from a 2023 survey.

Poverty Data & Methodology

Colombia's official poverty figures are based on income and published once per year since 2002. The years 2006 and 2007 show no official data due to the transition between the Encuesta Continua de Hogares and the Gran Encuesta Integrada de Hogares, the official surveys to measure households' income. The estimates of the World Bank (WB) differ from the official in two aspects: (i) the WB does not include domestic workers as members of the household, and (ii) the WB adjusts the per-capita income for people living in rural areas using an adjustment factor of 1.15.

A new poverty series was launched by the Colombia statistics office in 2022 with an updated sampling frame from the 2018 Census, and thus far allowing comparisons between 2021 and 2023. Methodological changes included new sample stratification among municipalities, changes to sample size and distribution, among others. Estimates are expected to be revised backwards by the national statistics office to allow for a longer time series. The official per capita poverty line in 2023 was \$435,375 Colombian pesos, and the per capita extreme poverty line was \$218,846.

Harmonization

The numbers presented in the brief are based on the regional data harmonization effort known as the Socio-economic Database for Latin America and the Caribbean (SEDLAC) - a joint effort of the World Bank and CEDLAS from the National University of La Plata (Argentina). SEDLAC includes 18 countries and more than 300 household surveys since the 80s. Several Caribbean countries have not been included in the SEDLAC project due to lack of data. Since an income-based welfare aggregate is widely used in the region for official poverty estimates, income-based microdata is used for the Global Monitoring Database (GMD) and Global Poverty Monitoring. SEDLAC covers demographics, income, employment, and education. Terms of use of the data adhere to agreements with the original data producers.