

ECONOMIC ASPECTS OF THE FUNCTIONING OF SOCIAL WELFARE HOMES IN POLAND

Magdalena BIEL

Jan Dlugosz University in Czestochowa, Faculty of Law & Economics; m.biel@ujd.edu.pl,
ORCID: 0000-0003-1199-8892

Purpose: Social welfare homes are one of the key elements of institutional social welfare. Their operation, and in particular the quality of the services they provide, is significantly influenced by the financial resources at their disposal. The aim of this article is to examine the economic aspects of the functioning of social welfare homes, including in particular their financing from public expenditure.

Design/methodology/approach: The article uses secondary data from the resources of the Central Statistical Office and the Ministry of Family, Labour and Social Policy. The research conducted in this article focuses primarily on the financial aspects of the functioning of social welfare homes, placing the expenditure on the functioning of these entities in the context of other public expenditure and relating it to the level of economic development of the country.

Findings: The analyses carried out showed an increase in public expenditure, both from the central budget and local government units, related to the maintenance of social welfare homes. Local governments play a particularly important role in this context, as they allocate approximately one-third of all funds earmarked for social assistance to the maintenance of social welfare homes. A significant burden here is the payment by municipalities for stays in social welfare homes – over the years, both the number of people eligible for such assistance and the average amount of such benefits granted have been increasing, which may pose a serious challenge to the entire system of financing social welfare homes in the future.

Research limitations/implications: The main limitation is the use of aggregated secondary data only, which in a way forces the use of generalizations and treats social welfare homes as a homogeneous category. However, even so, the analyses of public expenditure on the functioning of social welfare homes are noteworthy.

Originality/value: Most studies on social welfare homes focus primarily on the social or legal aspects of their operation. This study approaches the subject differently, focusing on public expenditure related to the operation of such facilities. This approach makes a significant contribution to the literature on the subject, expanding it to include aspects related to the financial burden on public budgets associated with the need to ensure the functioning of this form of social assistance.

Keywords: social assistance, social welfare home, public expenditure.

Category of the paper: research paper.

1. Introduction

In today's world, one of the important tasks of a state that cares about the welfare of its citizens is to provide assistance to people who are dependent, vulnerable and struggling with various life problems. This task is carried out through social assistance mechanisms and tools that support those who are unable to cope with difficult life situations on their own. This assistance can take various forms, from financial support, through material support, to providing care. Social welfare homes, i.e. facilities providing support and care to elderly and dependent people, play a very important role in this system. However, their operation involves significant costs, as residents must be provided not only with accommodation and food, but also with professional care, medication and other basic necessities.

In Poland, social welfare homes do not have a good image (Jurek, 2012), and their numerous shortcomings are often highlighted (Zawada, 2024), with one of the reasons for this being the insufficient financial resources available to these institutions. The results of an audit carried out by the Supreme Audit Office in 2025 also pointed to many problems in the operation of social welfare homes. A significant part of these problems concerns insufficient or incorrectly allocated funding (NIK, 2025).

The aim of this article is to examine the economic aspects of the functioning of social welfare homes, including in particular their financing from public expenditure. The functioning of social welfare, including in particular social welfare homes, is analysed in the literature on the subject primarily from a legal perspective (Szluż, 2020; Stopka, 2021; Sierpowska, 2024) and organisational (Grabusińska, 2013; Stolińska-Pobralaska, 2014; Michalak, 2017; Mitreğa, 2018; Budnik, 2020) and social (Szarota, 1998; Łojko, 2014; Łuszczynska, 2018), little attention has been paid to issues related to public expenditure incurred to maintain these facilities. This article therefore fills an existing research gap.

2. The social assistance system in Poland

The understanding of social assistance has changed over time; the concept itself only appeared at the beginning of the 20th century, but social assistance itself stems from centuries-old traditions of private charity, in particular that carried out by the Church (Nitecki, 2008). The institutionalised social assistance system run by the Polish state was established by the Act of 16 August 1923 on social welfare. According to its provisions, social welfare became the state's obligation towards all those who needed such assistance (Chaczko, 2016). In the following years and under different political systems, the assumptions of the system changed quite significantly (Sierpowska, 2008). Currently, the organisation of the social

assistance system and its tasks are regulated by the Act of 12 March 2004 on social assistance (Journal of Laws 2004 No. 64, item 593). The most recent legal act that significantly changes the institutional foundations of social assistance is the Act on the provision of social services by social service centres of 19 July 2019 (Gagacka, 2022).

Social assistance is defined in many different ways in literature and practice. According to the Social Welfare Act of 12 March 2004, it is "an institution of state social policy aimed at enabling individuals and families to overcome difficult life situations which they are unable to overcome using their own rights, resources and capabilities" (Journal of Laws 2004, No. 64, item 593, art. 2.1). In turn, the definition proposed by the United Nations indicates that social assistance is "a set of factors that help individuals, families, groups and communities overcome difficult social situations caused by ongoing changes" (Lustig, Mitreęa, Stępień-Lampa, 2018, p. 54). Łojko (2022, p. 129), on the other hand, believes that "social assistance is part of the state's social policy and, at the same time, the last link in the state's social policy, established to provide assistance to individuals and families who find themselves in difficult life situations that they are unable to overcome using their own resources". Dobkowski (2009, p. 167), in turn, points out that "social assistance is most often equated with cash benefits, benefits in kind and services – not of a universal nature —provided by various entities (primarily public ones) to people who find themselves in need and are unable to satisfy their basic needs on their own or with the support of their loved ones". Kaźmierczak presents a slightly different approach to this issue, pointing to the possibility of defining social assistance in a narrow and broad sense. In the narrow sense, it will constitute a catalogue of various goods provided by relevant organisations (mainly public) to those who need help because they find themselves in a difficult life situation. In a broad sense, however, social assistance is one of the basic social institutions that plays an important role in maintaining order and integration in the social system (Bozacka, 2022).

The primary goal and task of social assistance is to support individuals and families in their efforts to meet their basic needs and enable them to live in conditions that respect human dignity. In addition, the goals of social assistance can also be considered to include the independence of individuals and families, prevention through the avoidance of difficult life situations, strengthening the family, and the integration of beneficiaries into the community (Lustig, Mitreęa, Stępień-Lampa, 2018).

When characterising social assistance, two important features can also be pointed out. Firstly, social assistance is subsidiary in nature, which means that it is intended to support beneficiaries in meeting their basic needs, rather than completely replacing them. It should therefore only be provided when an individual is unable to cope on their own (Łojko, 2022). Secondly, its tasks are carried out through the cooperation of various public administration entities, social and non-governmental organisations, churches and religious associations, as well as natural and legal person (Nitecki, 2008; Lustig, Mitreęa, Stępień-Lampa, 2018).

The literature on the subject also indicates that the social assistance system performs several basic functions, which are (Kubów, 2010):

- Diagnostic function: concerns the identification of social needs and phenomena in a given environment.
- Social security function: concerns ensuring a decent existence for citizens.
- Rescue function: implemented through financial and non-financial support for people who, due to difficult life experiences, do not have a secure existence.
- Social education function: concerns the promotion of activities related to social assistance and the development of attitudes of shared responsibility for oneself and others.
- Socialisation function: concerns increasing social activity in the implementation of measures aimed at overcoming difficulties; such measures may include, for example, volunteering and participation in charitable activities.

The primary task of social assistance is to provide benefits. Social benefits are "all funds, material goods and services that serve to satisfy the individual needs of individuals and families, obtained without equivalent value, i.e. not constituting remuneration for work financed from public funds" (Lustig, Mitreğa, Stępień-Lampa, 2018). Article 36 of the Social Assistance Act indicates that these benefits can be divided into two basic groups: cash benefits and non-cash benefits (Journal of Laws 2004, No. 64, item 593). Cash benefits include allowances and loans, cash benefits for foreigners who meet certain conditions, as well as remuneration due to a carer for providing care, awarded by a court (Adamowicz, Borczyńska, 2016). Non-cash benefits include both benefits in kind and services in the form of community or institutional assistance (Szweda-Lewandowska, 2017).

The structure of the social assistance system in Poland currently consists of two main elements: government administration and local government institutions. Their task is to provide social assistance, which is carried out by bodies located at various organisational levels. Within the government administration, the most important bodies are the ministry responsible for social security (currently the Ministry of Family, Labour and Social Policy) and the social policy departments established at provincial offices. At the local government level, these tasks are carried out by regional social assistance centres established at marshal's offices, district social assistance centres and family assistance centres, as well as social assistance centres (at the municipal level) (Bozacka, 2022). The social assistance system also includes many specialised entities providing specific types of support. These are primarily social welfare homes, support centres, crisis intervention centres and specialist counselling centres (Kaczmarek, 2014).

The delegation of social assistance tasks to local government units is justified by two principles: subsidiarity and subsidiary. It is the smallest administrative unit, closest to the community, that has the best chance of correctly identifying needs and emerging problems and responding to them effectively. Therefore, it is the municipalities that are responsible for

implementing the widest range of social assistance tasks. Tasks that exceed the capabilities of municipalities are to be carried out by counties. Control over the functioning of social assistance is exercised by voivodes as representatives of the Council of Ministers in the field. They issue and revoke permits to operate social assistance facilities and control the quality of services provided by them (Sierpowska, 2008).

3. Social welfare homes as a key element of the social assistance system

The activities of social welfare homes are primarily regulated by two legal acts: the Social Welfare Act of 12 March 2004 (Journal of Laws 2004 No. 64, item 593) and the Regulation of the Minister of Labour and Social Policy of 23 August 2012 on social welfare homes (Journal of Laws of 2012, item 964). As indicated in Article 54 of the Social Welfare Act, "a person requiring round-the-clock care due to age, illness or disability, unable to function independently in everyday life, who cannot be provided with the necessary assistance in the form of care services, has the right to be placed in a social welfare home" (Journal of Laws 2004 No. 64, item 593, art. 54). A social welfare home (SWH) can be defined as "a traditional form of institutional social assistance in the form of round-the-clock or day care for people unable to live independently, who cannot be fully adapted to independent living in their place of residence due to their age, medical condition, life situation and family, housing and material conditions, despite the use of all forms of assistance" (Mitreęa, 2018, p. 598).

In accordance with the provisions of the Social Welfare Act, a social welfare home is obliged to provide its residents with living, care, support and educational services at the applicable standard, taking into account their individual needs. This is to be done while taking into account the freedom, privacy, dignity and sense of security of the residents and their level of physical and mental fitness (Journal of Laws 2004, No. 64, item 593). Living needs are met by providing accommodation, food, clothing, footwear and cleanliness. Care services include assistance with basic activities of daily living, personal matters and nursing care. Support services include social activation, facilitating contact with family, enabling participation in occupational therapy, satisfying religious and cultural needs, and activities aimed at helping residents become independent (Michalak, 2018).

Social welfare homes are very diverse, and individual facilities may be targeted at specific categories of people in need. Article 56 of the Social Welfare Act specifies the following types of social welfare homes (Journal of Laws 2004, No. 64, item 593):

- For the elderly.
- For people with chronic somatic illnesses.
- For people with chronic mental illness.
- For adults with intellectual disabilities.

- For children and young people with intellectual disabilities.
- For physically disabled people.
- For people addicted to alcohol.

However, according to the provisions of the Act, it is possible to combine different types of social welfare homes in the following configurations: elderly people with people suffering from chronic somatic illnesses; people suffering from chronic somatic illnesses with physically disabled people; elderly people with physically disabled people; intellectually disabled adults with intellectually disabled children and young people (Łuszczynska, 2018).

A specific group of entities is authorised to run social welfare homes, namely: local government units, the Catholic Church, other churches, religious associations and social organisations, foundations and associations, other legal person and natural person (Klepacki, 2018). However, in order to run such a home, it is necessary to obtain the consent of the voivode competent for the location of the facility. The voivode issues a permit for an indefinite period to facilities that meet all the requirements and standards specified in the law and enters the facility in the register of social welfare homes kept by him. This register is public and updated on an ongoing basis (Journal of Laws 2004, No. 64, item 593).

Although placement in a social welfare home requires an administrative decision by the local authority, the stay in the facility is not free of charge. The fee for the stay is currently set at the level of the average monthly cost of living – this cost is determined by the local authorities responsible for the given social welfare home and published in the provincial official journal (Journal of Laws 2004, No. 64, item 593). In the case of people placed in a social welfare home after 1 January 2004, the resident of the social welfare home is obliged to pay the fees in the first instance (however, this cannot exceed 70% of their income), followed by their family members (spouse, descendants, ascendants), and if the family does not have sufficient financial resources, the municipality is obliged to cover the shortfall (Iwański, Szafranek, 2024). However, payment for the stay of residents admitted before that date is made according to the "old rules", which means that the issues related to payment are slightly different. In this case, there is no obligation to pay imposed on the family members of the resident (the resident himself pays up to 70% of his income), but there is a specific subsidy from the state budget (NIK, 2025). Such double rules for financing social welfare homes greatly complicate their functioning.

4. Methods

This article is based on data from several sources. The first of these are reports on social assistance statistics published annually by the Ministry of Family, Labour and Social Policy. Reports from 2015-2024 were analysed. The second source is studies by the Central Statistical

Office on the functioning of residential social assistance facilities, also covering the years 2015-2024. Data on Poland's GDP and inflation rate also come from the Central Statistical Office.

The data obtained in this way was subjected to descriptive analysis and basic statistical analysis. Changes in public expenditure related to the functioning of social welfare homes were presented and analysed, and a spatial analysis of these expenditures was also carried out. Expenditures incurred for the maintenance of these facilities were also linked to GDP. Table 1 presents basic data characterising social welfare homes in the period under study.

Table 1.

Basic characteristics of social welfare homes in 2015-2024 (as at 31 December each year)

Year	Number of facilities	Number of places	Number of residents	Occupancy rate at the end of the year (%)	Residents in the reporting year	Number of employees
2015	853	80,759	79,300	98.19	n/d	54,531
2016	863	81,465	80,095	98.32	n/d	55,061
2017	859	81,242	80,436	99.01	n/d	54,469
2018	876	82,801	81,912	98.93	n/d	55,839
2019	875	82,840	81,795	98.74	95,423	54,909
2020	871	82,660	77,060	93.23	93,099	56,194
2021	897	84,200	79,919	94.92	93,282	56,121
2022	902	84,617	80,604	95.26	95,215	56,157
2023	904	84,584	81,570	96.44	96,441	56,863
2024	903	84,319	82,077	97.34	97,243	57,486

Source: own study based on data from the Central Statistical Office and the Ministry of Family, Labour and Social Policy.

The number of social welfare homes operating in Poland is generally on the rise (it increased by 50 in the analysed period), but slight fluctuations can be observed in some years. The largest increase in the number of facilities was recorded in 2021, which is quite an interesting phenomenon in the context of the COVID-19 pandemic that was ongoing at the time. The situation is similar in the case of the number of places (which seems natural), although slight decreases can be seen in the last three years, but on this basis it is still difficult to judge a more permanent downward trend. In the case of the number of residents, a significant decrease can be seen in 2020, which is obviously related to the most difficult stage of the COVID-19 pandemic. On the one hand, it caused many deaths among residents, and on the other, it significantly hampered and slowed down the admission of new residents (as presented in more detail in Table 2). This is confirmed by data on the total number of residents in the reporting year, which in 2020 was significantly lower than in the previous year. This number returned to its pre-pandemic level in 2022.

It is also worth noting that in all the years analysed, the occupancy rate of the homes was less than 100% at the end of the year. It was lowest during the pandemic, which is understandable, but since 2020, when the largest decline occurred, the occupancy rate of social welfare homes has been steadily increasing. The analysis of the occupancy rate of social welfare homes is important because the lower it is, the greater the financial problems of these units, which often calculate unit costs for the maximum number of residents. The pandemic period

was therefore particularly difficult in financial terms: on the one hand, lower occupancy, on the other, higher costs associated with the need to ensure increased security.

The number of social welfare home employees increased during the analysed period, but the rate of this increase was proportionally slightly lower than in the case of the number of facilities. The data indicate that after a fairly significant decline in the number of employees in social welfare homes in 2019, their number increased significantly in the first year of the pandemic, and this increase, although not as dynamic, continues. Interestingly, however, in 2021, the relatively large increase in the number of social welfare homes (and the number of places available in them) was not accompanied by an equally large increase in the number of employees – in fact, this number decreased.

Table 2.

Changes in the number of residents in social welfare homes in 2015-2024

Year	Admissions during the reporting year	Left during the reporting year	
		Total	The deceased
2015	11,796	11,397	9,585
2016	11,802	11,115	9,370
2017	12,543	12,071	10,195
2018	12,734	12,374	10,556
2019	12,633	12,615	10,681
2020	10,696	15,320	13,637
2021	13,694	11,890	9,999
2022	12,783	12,223	10,252
2023	13,387	12,403	10,275
2024	14,732	13,663	10,239

Source: own study based on data from the Ministry of Family, Labour and Social Policy.

The data in Table 2 confirm the earlier conclusions regarding the impact of the COVID-19 pandemic on changes in the number of residents in social welfare homes. They clearly indicate that in 2020 there was a significant decrease in the number of people admitted to social welfare homes, which was undoubtedly the result of restrictions introduced in connection with the pandemic. 2020 was also the only year in which the number of admissions was lower than the number of residents who left. What is more, more residents of social welfare homes died than were admitted to these facilities in that year. Death is the most common reason for a resident leaving a social welfare home, and 2020 was a record year in this sense. In subsequent years, these numbers returned to pre-pandemic norms, clearly indicating that the pandemic was a tremendous shock to the entire system.

5. Results and Discussion

Social welfare homes throughout Poland operate on the same principles, but their functioning and number are greatly influenced by regional conditions (Table 3).

Table 3.*Social welfare homes in the voivodships in 2024 (as of 31 December)*

Voivodship	Number of facilities	Number of places	Number of places per 1,000 inhabitants	Local government expenditure (PLN thousand)	Average expenditure per facility (PLN thousand)	Average expenditure per place (PLN thousand)
Dolnośląskie	68	6,129	2.14	695,965	10,234.8	113.6
Kujawsko-Pomorskie	49	4,127	2.08	528,628	10,788.3	128.1
Lubelskie	45	4,467	2.24	448,620	9,969.3	100.4
Lubuskie	23	2,234	2.30	315,142	13,701.8	141.1
Łódzkie	68	6,630	2.83	579,882	8,527.7	87.5
Małopolskie	94	8,220	2.40	856,762	9,114.5	104.2
Mazowieckie	107	9,936	1.80	1,053,827	9,848.9	106.1
Opolskie	29	3,048	3.28	284,111	9,796.9	93.2
Podkarpackie	54	4,942	2.40	456,909	8,461.3	92.5
Podlaskie	22	2,361	2.08	261,206	11,873.0	110.6
Pomorskie	45	4,385	1.86	489,065	10,868.1	111.5
Śląskie	102	8,991	2.10	840,286	8,238.1	93.5
Świętokrzyskie	42	3,898	3.37	365,956	8,713.2	93.9
Warmińsko-mazurskie	49	4,119	3.05	388,021	7,918.8	94.2
Wielkopolskie	68	6,527	1.88	767,657	11,289.1	117.6
Zachodniopomorskie	38	4,305	2.65	453,666	11,938.6	105.4
POLAND	903	84,319	2.25	8,785,703	9,729.5	104.2
Maximum	107	9,936	3.37	1,053,827	13,701.80	141.1
Minimum	22	2,234	1.80	261,206	7,918.80	87.5
Median	49	4,426	2.27	472,987	9,909.10	104.8
Mean	56.44	5,269.94	2.40	549,106.44	10,080.15	105.84
Standard deviation	25.53	2,209.14	0.48	224,099.81	1,549.89	13.98

Source: own study based on data from the Central Statistical Office and the Ministry of Family, Labour and Social Policy.

In 2024, there were 903 social welfare homes operating in Poland. The highest number was in the Mazowieckie and Śląskie Voivodships (over 100), while the lowest was in the Lubuskie and Podlaskie Voivodships (less than 25). The situation was similar in terms of the number of places available in these facilities. However, when looking at the number of places per 1000 inhabitants, the situation is slightly different. The highest number was in the Opolskie, Świętokrzyskie and Warmińsko-Mazurskie Voivodships (over 3 places per 1000 inhabitants), while the lowest was in the Mazowieckie, Pomorskie and Wielkopolskie Voivodships (less than 2 places per 1000 inhabitants). This indicates that in the Mazowieckie Voivodship, despite having the largest number of social welfare homes in Poland, their availability per capita is one of the lowest, which is obviously due to the large number of inhabitants. It should be emphasised here that the availability of places in social welfare homes throughout Poland is relatively low.

An analysis of local government expenditure on the operation of social welfare homes in individual voivodships also provides interesting conclusions. As might be expected, the highest expenditure was in the Mazowieckie Voivodship, where the largest number of these facilities operated, and the lowest in the Podlaskie Voivodship, where there were the fewest facilities.

However, the second highest expenditure was recorded in the Małopolskie Voivodship, although there were more social welfare homes in the Śląskie Voivodship. The situation is similar at the other end of the scale – the second lowest expenditure was incurred by the Opolskie Voivodship, although it had more facilities than the Lubuskie Voivodship. This clearly indicates that local government expenditure varies from region to region and is not directly proportional to the number of facilities.

An analysis of average local government expenditure per facility also confirms significant differences between voivodships, although in this case it should be remembered that individual social welfare homes also differ in the number of places they offer. By far the highest average expenditure per facility is in the Lubuskie Voivodship, which is almost PLN 2 million higher than in the next highest voivodship (which is the Zachodniopomorskie Voivodship). The lowest average expenditure per facility is incurred by local governments in the Warmińsko-Mazurskie Voivodship. The difference between the voivodships with the highest and lowest average local government expenditure per facility (Lubuskie and Warmińsko-Mazurskie Voivodships) is almost PLN 5.8 million. The situation is different in the case of average expenditure per place. It is by far the highest in the Lubuskie Voivodship, slightly lower in the Kujawsko-Pomorskie Voivodship, and the lowest in the Łódzkie Voivodship.

The differences in all the categories analysed should be considered significant, as confirmed by the statistical values presented in Table 3. They indicate large differences between the maximum and minimum values, significant discrepancies in the median and average values, and relatively high standard deviation values. While the several-fold difference in the number of facilities and places (as well as, to some extent, the amount of local government expenditure) between voivodships can be explained by the difference in the number of inhabitants in these regions, there is no such easy explanation for the other categories. They cannot be fully explained by differences in prices and living costs, although this is obviously one of the differentiating factors. The need for municipalities to cover part of the fees for people staying in social welfare homes, as well as the type and standard of individual facilities and the associated relatively high average cost of maintenance, certainly have a significant impact. However, such large regional disparities raise the question of how they can be reduced, especially in the case of average expenditure per place. It is assumed that social welfare homes are one of the more expensive forms of institutional care, so, especially in the case of several provinces with the highest expenditure, it is worth considering providing people in need with other forms of assistance, such as community self-help homes or much cheaper community care provided in their places of residence. It may also be necessary to reorganise the facilities operating in these areas in order to optimise their costs.

The expenditure incurred by local government units is not the only public expenditure related to the functioning of social welfare homes. State budget expenditure also plays an important role, for example in the form of targeted subsidies for the maintenance of residents

staying in social welfare homes under the so-called "old rules". Table 4 presents data on expenditure from both the state budget and local government units in the years 2015-2024.

Table 4.

Public expenditure related to the functioning of social welfare homes in Poland in 2015-2024

Year	State budget expenditure on social welfare homes			Local government expenditure on social welfare homes			Public expenditure on social welfare homes as a percentage of GDP
	thousand PLN	as a % of social assistance expenditure	as a % of total expenditure	thousand PLN	as a % of social assistance expenditure	as a % of total expenditure	
2015	843,401	5.74	0.2542	3,473,033	13.99	1.7682	0.2398
2016	870,413	2.54	0.2412	3,707,732	8.30	1.7996	0.2457
2017	892,983	18.98	0.2376	4,033,763	30.37	1.7525	0.2476
2018	906,872	19.82	0.2353	4,403,256	31.48	1.6976	0.2497
2019	930,029	20.04	0.2245	4,823,678	32.53	1.7215	0.2514
2020	986,492	21.09	0.1954	5,361,002	33.97	1.7915	0.2686
2021	889,822	19.42	0.1733	5,577,057	34.15	1.7651	0.2430
2022	875,418	11.78	0.1692	6,163,505	25.94	1.7418	0.2270
2023	1,221,040	22.76	0.1852	7,459,746	34.78	1.9378	0.2542
2024	1,246,388	14.57	0.1494	8,785,703	32.77	2.0326	0.2746

Source: own study based on data from the Central Statistical Office and the Ministry of Family, Labour and Social Policy.

Over the 10 years analysed, both state budget expenditure and local government expenditure incurred in connection with the operation of social welfare homes increased significantly (in the case of local government expenditure, this represents an increase of more than twofold). Local government expenditure showed an upward trend throughout the period, while in the case of central government expenditure, this trend reversed in 2021-2022, but already in 2023 there was a sharp increase in funds allocated to social welfare homes. However, it is much more interesting to analyse the size of these expenditures as a percentage of total social assistance expenditures, total budget expenditures and GDP. Any discussion of the share of social welfare home expenditure in total state and local government social assistance expenditure should be preceded by the information that, up to and including 2016, the "social assistance" section included expenditure on care and educational facilities, the "500 plus" child benefit (which began operating in 2016), family benefits, maintenance fund benefits, social security pension and disability insurance contributions, and expenditure on foster families. This explains the huge discrepancies in 2015-2016 compared to the rest of the period analysed. In other years, state budget expenditure on social welfare homes fluctuated around 20% of total social assistance expenditure. This shows that the costs associated with the operation of social welfare homes are a significant element from the point of view of the financial capabilities of the entire system. Expenditure on this type of activity is even more significant in local government budgets, where it accounts for approximately one-third of social assistance expenditure. The exception was 2022, when this share fell to approximately 25%, but this was due to a significant increase in other expenditure rather than a decrease in expenditure on social welfare homes.

When analysing data on the share of expenditure on social welfare homes in the total expenditure of the state budget and local government units, it can be seen that it is significantly more important in the latter case. Moreover, despite some fluctuations, this share increased by approximately 0.25 percentage points between 2015 and 2024, mainly due to a significant increase recorded in 2023-2024. For the state budget, expenditure on social welfare homes is of rather marginal importance, which is also constantly decreasing (with the exception of 2023, which was also a record year in terms of the share of expenditure on social welfare homes in total social welfare expenditure). This clearly shows that the growth in expenditure related to the functioning of social welfare homes is characterised by a much lower rate than the growth in other budgetary expenditure. The picture of expenditure on social welfare homes against one of the basic macroeconomic indicators, gross domestic product, is also interesting. The data presented in Table 3 show that, despite relatively significant fluctuations in individual years, these expenditures increased more than Poland's GDP over the analysed period (these expenditures, measured as a percentage of GDP, were higher in 2024 than in 2015). This indicator reached its lowest value in 2022, which was due to a decrease in state budget expenditure on this task and (above all) to the very high growth in GDP in that year. However, this does not change the fact that, given the size of GDP, public expenditure on social welfare homes is becoming an increasingly important (though still marginal) category.

Analyses of public expenditure on the operation of social welfare homes cannot be considered complete without examining how this expenditure has changed over time in terms of per facility and per resident. These data are presented in Table 5.

Table 5.

Public expenditure on social welfare homes per facility and per resident

Year	Average expenditure per facility	Average expenditure per resident	Dynamics of average expenditure per facility (previous year = 100)	Dynamics of average expenditure per resident (previous year = 100)	Base price index (previous year = 100)
2015	5,335,443.14	57,391.34	-	-	-
2016	5,304,918.89	57,158.94	99.43	99.60	99.4
2017	5,735,443.54	61,250.51	108.12	107.16	102.0
2018	6,061,789.95	64,827.23	105.69	105.84	101.6
2019	6,575,665.14	70,343.02	108.48	108.51	102.3
2020	7,287,593.57	82,370.80	110.83	117.10	103.4
2021	7,209,452.62	80,917.92	98.93	98.24	105.1
2022	7,803,684.04	87,327.22	108.24	107.92	114.4
2023	9,602,639.38	106,421.30	123.05	121.86	111.4
2024	11,109,735.30	122,227.80	115.69	114.85	103.6

Source: own study based on data from the Central Statistical Office and the Ministry of Family, Labour and Social Policy.

2016 and 2021 were the only years in which average expenditure per facility and per resident was lower than in the previous year, which, especially in the case of 2021, was due to the large number of newly established facilities (and, consequently, a larger number of residents). In this case, it can be said that public expenditure did not keep pace with the growth

of the sector. In other years, this expenditure increased, with a particularly large increase observed in 2023-2024. Throughout the analysed period, these expenditures (both per facility and per resident) more than doubled, which was naturally influenced by inflation. However, the data in the table clearly show that the growth rate of average public expenditures on social welfare homes was higher than inflation (except for 2021-2022), which on the one hand may be positive in the context of the functioning of these entities, but may also mean that the state, and especially local government units, must (contrary to the statutory assumptions) bear an increasing financial burden for the operation of this form of social assistance. The highest growth rate in average expenditure per facility was recorded in 2023, while the highest growth rate per capita was recorded in 2022. However, when the impact of inflation is excluded, the situation looks slightly different: the highest growth rate in expenditure per facility was recorded in 2024, and the highest growth rate per capita was recorded in 2020.

One of the reasons for the increase in local government expenditure is the need for municipalities to pay fees for residents of social welfare homes who are unable to cover the costs of their stay in a social welfare home themselves (even with the help of their families). Table 6 presents data on municipal payments for stays in social welfare homes in 2015-2024.

Table 6.

Municipal payments for stays in social welfare homes in 2015-2024

Year	Number of people granted the benefit	Number of benefits granted	Amount of benefits in PLN	Average amount of benefits in PLN
2015	50,293	498,242	1,094,765,522	2,197.26
2016	55,872	557,436	1,253,184,354	2,248.12
2017	59,355	589,598	1,419,580,625	2,407.71
2018	61,917	626,231	1,553,782,087	2,481.16
2019	63,915	657,556	1,731,820,504	2,633.72
2020	63,858	649,672	1,790,823,003	2,756.50
2021	64,170	654,866	1,980,574,969	3,024.40
2022	65,615	678,209	2,237,320,910	3,298.87
2023	68,057	696,978	3,022,630,996	4,336.77
2024	70,023	724,246	3,268,371,974	4,512.79

Source: own study based on data from the Central Statistical Office and the Ministry of Family, Labour and Social Policy.

The amount of benefits related to municipal payments increased almost threefold between 2015 and 2024, with the highest increase recorded in 2023 – it reached 35% compared to the previous year. The increase in local government expenditure is largely due to a significant increase in the number of beneficiaries who have been granted benefits consisting of municipal payments for their stay in social welfare homes. Over a period of 10 years, their number has increased by almost 20,000 people, which represents an increase of almost 40%. This has resulted in the number of benefits granted increasing by approximately 45%. However, this is not the only reason – the second, and perhaps even more important, reason is the fact that the average amount of the benefit has increased significantly. This, in turn, is due to increases in the average cost of living for a social welfare home resident – an increase that cannot usually

be covered by the residents themselves or their families, so municipalities have to pay more and more for their stay. The average amount of benefits more than doubled during the period analysed. This clearly indicates an increasing burden on municipalities in this category of expenditure, which may lead to even greater inefficiency of the entire system in the future.

6. Summary

Social welfare homes are an indispensable element of the Polish social welfare system, providing care for dependent people who cannot be helped in any other way. According to the assumptions of the act, their financing was to be shared between the state and the beneficiaries themselves (or their families). In reality, however, a significant part (and sometimes even the entirety) of the costs associated with maintaining individual residents of social welfare homes must be covered by public authorities. As a result, expenditure on this task is constantly growing and, although it represents a small fraction of total public expenditure, its importance in local government budgets has been increasing in recent years. Given the steadily increasing number of beneficiaries whose stay in social welfare homes is co-financed by municipalities and the increase in the average amount of such benefits, it can be assumed that this trend is likely to continue. At the same time, however, the availability of places in social welfare homes is insufficient and varies greatly from region to region. Significant budgetary constraints on local governments mean that a rapid increase in the number of these facilities and the places available in them is unlikely in the coming years.

Chronic underfunding of social welfare homes results in a decline in the quality of services provided, staff shortages (with inadequate remuneration) and many other problems. It should therefore come as no surprise that these institutions do not enjoy a good reputation among the public. However, changing their image requires significant investment and reorganisation of the entire financing system in order to optimise costs and ensure more even participation, or a significant increase in state involvement in financing these units. However, given the size of the budget deficit and public debt, and bearing in mind that public spending is currently focused on other areas, it is unlikely that there will be any significant increase in state involvement.

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