



# Press release

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## ***Poverty not falling as rapidly in 2002***

Poverty has been falling in the Netherlands in recent years. In 2000 the number of low incomes fell to the lowest level since 1990. The other poverty indicators also show positive developments. The share of households living on a low income for a long time is down, the recurrent costs for the low incomes fell, and households on a low income were more positive about their own financial situation. Estimates made by the Social and Cultural Planning bureau further show that the percentage of low incomes have been falling since 2000 as well, which is partly due to the recent fiscal changes. In 2002 the decrease is levelling off: the share of low incomes is not slowing down as much as before.

These are some of the conclusions from the Poverty Monitor of 2002, a joint publication by Statistics Netherlands and the Social and Cultural Planning Bureau (SCP).

The Poverty Monitor uses three income thresholds to measure poverty: the low-income, the political and the relative international income thresholds.

### ***Number of low incomes decreasing***

In 2000 there were 801 thousand households living on an income below the low-income threshold. This was 12.3 percent of all households, the lowest figure for a decade. In the period 1990-1996 there was an increase of the number of households on a low income from 850 to 970 thousand. In the years 1997-2000 the number of low incomes fell, partly due to tax reforms. Estimates by the SCP showed that the decrease continued in 2001, but will be less in 2002. The share of households on a low income is estimated at 10.5 percent in 2002.

### ***Fewer households on long-term low income***

The number of households living on a low income for more than four years has also been falling. In 1997 the number of households on long-term low incomes was 435 thousand (6.9 percent), which was the highest level of the nineties. In 2000 there were 350 thousand households (5.4 percent) living on a low income for a long time.

[www.cbs.nl](http://www.cbs.nl)

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### ***Strong decrease among immigrants***

The share of low incomes among immigrant households fell strongly. There was a 6 percent drop between 1998 and 2000, reaching 33 percent. The poverty decrease was largest among Turkish households, namely 10 percent, followed by Moroccan households where poverty decreased by 8 percent. Despite these decreases, the percentage of households living on a low income was three times that among non-western immigrants than among the native Dutch in 2000.

### ***Position of one-parent families and older singles improving***

The position of one-parent families and older singles improved considerably. In 2000, 44 percent of one-parent families lived on a low income. In 1990 it was 55 percent. During the same period the percentage of older singles on low income fell by 10 percent. In 2000, 24 percent of single older women and 15 percent of single older men lived on a low income.

### ***Fewer households living close to the social minimum***

The number of households living on an income up to 105 percent of the social minimum fell in recent years, but not as fast. In 2000, 610 thousand households (9.3 percent) belonged to this group. Among them 230 thousand households had lived on a minimum income for at least four years in a row.

### ***Increase in relative poverty***

According to the international standard, relative poverty increased in 1999 and 2000. In the nineties the percentage of poor households hovered around 8.5 percent for a long time, according to this standard. In 2000 this increased to 9.7 percent. The international threshold is set at 60 percent of the median income in a country. Relative poverty in the Netherlands increased because average incomes increased faster than the lower incomes.

Compared to the other EU member states there is little relative poverty in the Netherlands, Denmark and Austria. The poverty percentage in Belgium and Germany is 1.3 to 1.4 times as high, whereas there are twice as many poor households in Greece and Portugal.

### ***Less recurrent costs***

The recurrent costs of households on a low income fell slightly. This is mainly due to modest rent increases and a new rent subsidy system during the second half of the nineties. In 1999/2000 households on a low income spent an average of 40 percent on recurrent costs, against 42 percent in the mid-nineties. Despite this decrease, the recurrent costs in 2000 took up a larger part of the budget than in the early nineties.

### ***Difficulties in making ends meet***

In 2000 one in four households on a low income stated that they had difficulties in making ends meet. This is the lowest percentage since the early nineties, when more than three in ten households on a low income indicated so. By the mid nineties their number had increased to more than four in ten low-income households.

### ***Concentration of low incomes in large cities***

A quarter of all households living on a low income resides in the four major cities. In 2000 Rotterdam was the city with the highest percentage of low-income households (22.5 percent). The percentage was also high in Amsterdam and The Hague. Outside the major cities there are relatively many low-income households in Friesland and Groningen.