



# Press release

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## *Disposable household income lower in 2010*

- Disposable household income 1.4 percent down
- Financial capital households almost back to pre-crisis level
- Number of mortgages taken out at lowest level since 1995
- Profits private sector considerably higher

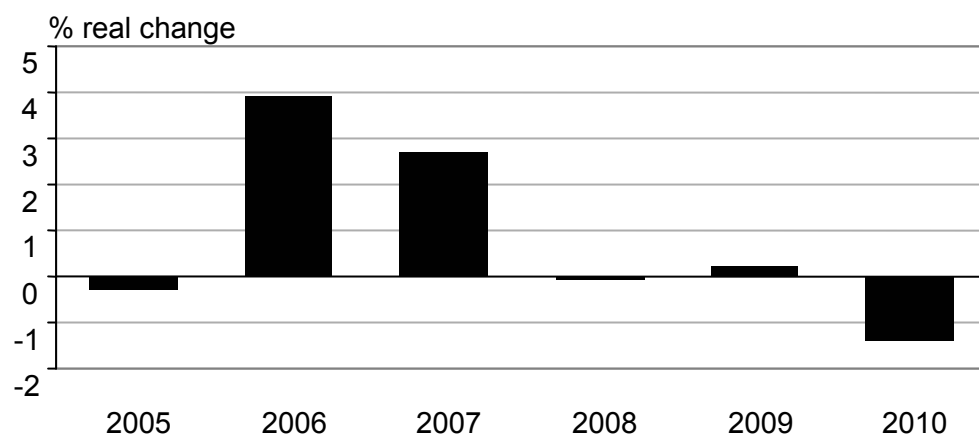
The disposable household income in 2010 was lower than in 2009. After correction for inflation, the decline was 1.4 percent, but consumer spending was 0.4 percent higher. One of the reasons for the lower disposable household income was the substantial increase in premiums paid for health care insurance. The disposable household income was also reduced because employment declined.

The financial capital of households, on the other hand, increased by 85 billion euro, largely offsetting the effects of the global financial crisis. Although many households sold at least part of their shares, the total value of shares owned by Dutch households was 13 billion euro up by the end of 2010 from the end of 2009 due to recovery of the financial markets. The value of investment portfolios owned by pension funds and life insurance companies grew by 85 billion euro due to higher share prices. At the same time, the total mortgage debt increased by 19 billion to 658 billion euro, which is the lowest increase since 1995.

Profits generated in the non-financial sector have improved considerably in 2010. Net profits grew by 29 billion euro to 109 billion euro and are almost back to the level of 2008. The growth is partly due to the fact that foreign subsidiary companies performed better. Results achieved with domestic production activities – the net operating surplus – rose by 8 billion euro to 83 billion euro. Non-financial companies paid off loans in 2010, just as they had done in 2009. On balance, they paid off 14 billion euro, mainly long-term loans, while new short-term loans were concluded.

Banks also realised higher profits in 2010. Dutch banks achieved a profit of 10.1 billion euro, as against a loss of 5.4 billion in 2008 and a modest profit of 1.2 billion euro in 2009. The high profit generated in 2010 is partly because the interest banks had to pay declined more (9 billion euro) than the interest they received on outstanding loans (6.3 billion euro). Foreign subsidiaries of Dutch banks also gained profits after a two-year period of losses.

### ***Real disposable household income***



***Source: Statistics Netherlands***