

press release

No fall in poverty in 2010, increase expected in 2011 and 2012

The Hague, 6 December 2011

- No decrease in poverty risk in the Netherlands in 2010, despite slight economic recovery
- Poverty rate expected to rise in 2011 and 2012
- Poverty common among single-parent families, single persons younger than 65, income support claimants and children
- Increasing number of self-employed among the working poor
- One quarter of Dutch low-income households own their home.

These are a few of the conclusions from the Poverty Survey 2011 (Armoedesignalement 2011) is published today (Dutch only). In the report, researchers from Statistics Netherlands and the Netherlands Institute for Social Research/SCP present an up-to-date picture of the extent, development and consequences of poverty in the Netherlands. The Poverty Survey 2011 is the second in a new information series focusing on poverty in the Netherlands, and is a follow-up to the Poverty Monitor (Armoedemonitor) and the Poverty Bulletin (Armoedebericht), published jointly by the two institutes in 1997-2008.

Poverty thresholds

The report uses two main criteria for measuring poverty. Statistics Netherlands describes the risk of poverty on the basis of the low-income threshold. This threshold is adjusted annually in line with developments in prices, and thus represents a fixed level of purchasing power. The outcomes are described mainly at the level of households.

SCP uses a budget approach to measure poverty, which looks mainly at individuals. The main measure used is the modest but adequate criterion. This is a standard amount based on the minimum expenditure needed for food, clothing, housing and social participation.

Data

The main source of data on poverty is Statistics Netherlands' Income Panel Survey. The most recent figures from this Survey cover the period up to and including 2010. SCP used a microsimulation model to estimate the extent of poverty in 2011 and 2012.

No reduction in poverty in 2010

In 2010, the Dutch economy recovered somewhat from the deep recession. However, this was not translated into a reduced risk of poverty. Last year, 529,000 Dutch households (almost 1.1 million persons) were living below the low-income threshold; that is the equivalent of 7.7 percent of the total Dutch population, the same as in 2009.

According to the modest but adequate criterion, the proportion of people affected by poverty rose from 6.1 to 6.5 percent. In 2009 this concerned 960,000 people (living in 447,000 households); in 2010 this had increased to one million persons (462,000 households).

Small changes in long-term poverty

The share of households living on a low income for four years or longer showed a slight fall in 2010 compared with 2009 (2.4 percent versus 2.6 percent). Measured using the modest but adequate criterion, the proportion of people in long-term poverty increased slightly (+0.1 of a percentage point).

Rising poverty rates in 2011 and 2012

The forecasts suggest that the proportion of households living below the low-income threshold will increase by 0.4 of a percentage point in both 2011 and 2012. Taken over both years together, this means an increase of almost 60,000 households. This will take the number of low-income households in 2012 to an estimated 588,000 (8.5 percent).

Based on the modest but adequate criterion, the number of people in poverty is projected to increase by more than 70,000 in 2011, and by almost 55,000 in 2012 (+0.8 of a percentage point over both years). According to this criterion, the Dutch poverty rate has been rising since 2008, and will affect more than 1.1 million persons (7.3 percent of the population) in 2012. The increase in 2011 and 2012 is expected to be comparatively large among children and benefit claimants younger than 65 years.

Single-parent families often have a low income...

Single-parent families with only young children had to live on an income below the low-income threshold relatively most often (26 percent) in 2010. They also had the highest relative risk (8 percent) of staying in poverty in the long-term. In earlier years, single-parent families also consistently had the highest risk of poverty, though there is a clear downward trend in the proportion who have a low income.

... just as single persons and income support claimants

Single persons younger than 65 years also relatively often have an income below the low-income threshold (17 percent). Broken down by principal source of income, 65 percent of households claiming income support were at risk of poverty in 2010; 37 percent of these households had been on a low income for four years or longer.

Large share of children below the modest but adequate criterion

One in ten children under the age of 18 (327,000) lived in a family with an income below the modest but adequate criterion in 2010, a third of the total poor population. This is projected to increase to 11.1 percent (367,000 children) in 2012, the highest level since the start of the century.

Working poor increasingly self-employed

Based on the modest but adequate criterion, there were 317,000 working poor in the Netherlands in 2010, i.e. adults with employment as their principal source of income. Half of them (159,000) were self-employed. The share of this category of workers among the working poor (50 percent) is substantially higher than in 2000 (41 percent); the main reason for this increase is the rise in the total number of self-employed persons.

One quarter of low-income households own their home

One quarter of households with a low income owned their home in 2009. Six out of ten low-income self-employed households owned their home, compared with three in ten employees and just under four in ten pensioners. Virtually no income support claimants owned their home. The average value of the homes of low-income households was 228,000 euro, while the outstanding mortgage debt amounted to 176 thousand euro.