



Sociaal en Cultureel Planbureau

# Summary

## Poverty Survey 2018

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What is considered to be the minimum acceptable standard of living in the Netherlands changes over time. New developments can for example give rise to new needs, such as having access to the Internet. In other cases, things may simply become more expensive, for example renting a home. In order to be able to report up-to-date poverty statistics, this year the Netherlands Institute for Social Research (SCP) has looked again at what people in the Netherlands need as a minimum and what this costs. SCP has also carried out a new review to determine how much money people actually have to spend. Based on the new criteria, just over 980,000 people in the Netherlands were living in poverty in 2016. That is equivalent to 6% of the population, a significant reduction compared with 2013, when the figure stood at 7.6% and the period of economic recovery had not yet begun. Those most at risk of poverty are people on social assistance benefit, non-Western migrants and single mothers with underage children; more than 15% in each of these groups live in poverty.

In determining the minimum that people need, a 'modest but adequate' budget is used as a basis. This incorporates a 'basic needs' budget – the amount needed to cover expenditure on items such as food, clothing and housing – plus a minimal amount for recreation and social participation. The 'modest but adequate' budget is still fairly meagre; it does not include luxury goods such as a car or a foreign holiday, but it does allow for activities such as family visits or membership of a sports club. The recalibrated and updated SCP method for measuring poverty assumes a 'modest but adequate' budget of 1,135 euros per month for a single person. Two adults do not need double the income of a single person. Accordingly, the budget for two adults together is 1.37 times the budget for a single person. SCP has also revisited people's disposable income. Better account is now taken of elements such as rent benefit and expenses for healthcare and childcare. A number of additional poverty indicators have also been introduced, enabling any household assets and debts to be taken into account.

How large is a poor household's shortfall?

In 2016, the annual income of a household classed as 'living in poverty' was 2,300 euros less than the 'modest but adequate' criterion. This figure is based on the 'median' poor household, which means that half of these households have a shortfall greater than 2,300 euros, and half have a shortfall of less than 2,300 euros. The shortfall has increased over the last few years: prior to 2015 it was much less, at around 1,700 euros per year. One possible explanation for this is that economic growth has enabled those with a small shortfall to move out of poverty, while those who have been 'left behind' in poverty have a large shortfall.

Who is at risk of falling below the poverty line?

People on social assistance benefit, non-Western migrants and single mothers with young children are most at risk of being poor. In 2016, 5% of the total adult Dutch population were living below the poverty line; the figures for these three at-risk groups were 37%, 16%, and 16%, respectively.

A total of 280,000 children were living below the poverty line in 2016. That is almost 9% of all children in the Netherlands. As in the adult population, there are also differences between different groups of children; 25% of children with a non-Western background live below the poverty line, while the figure for children living in families receiving social assistance benefit is 55%.

The percentage of adults over the age of 65 living in poverty is 3%, well below the national average. However, age is still a factor: only 2% of persons aged between 65 and 75 years are living in poverty, but this rises to 9% for persons aged over 90.

Due to the methodological changes, the data from the Poverty Survey 2018 cannot be compared to the figures from earlier publications on poverty.