

Rich and poor

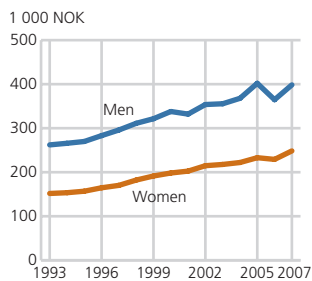
Transfers on the increase

The average income in Norwegian households was NOK 527 700 in 2006, more than double that of 1990. Almost 74 per cent of this is work-related (i.e. wages and income from self-employment). This proportion has fallen somewhat in recent years, while transfers such as pensions and family allowances today account for a larger proportion than previously.

Composition of household income

	1986	1990	1994	1998	2002	2006
NOK						
Total income	207 700	255 800	282 700	357 500	444 800	527 700
Wages and salaries	161 800	191 000	202 800	262 200	316 800	388 500
Property income	10 900	15 600	15 100	19 200	33 500	24 900
Transfers received	35 000	49 200	64 800	76 100	94 500	114 300
Per cent						
Total income	100.0	100.0	100.0	100.0	100.0	100.0
Wages and salaries	77.9	74.7	71.7	73.3	71.2	73.6
Property income	5.2	6.1	5.3	5.4	7.5	4.7
Transfers received	16.9	19.2	22.9	21.3	21.2	21.7

Average gross income. 2007 NOK



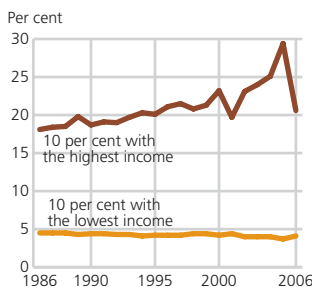
Women's income 60 per cent of men's

In 2007, the average gross income for all adults was NOK 322 500, with average assessed tax amounting to around 25 per cent. The fall in income for men in 2006 was mainly due to a reduction in earnings from self-employment and dividends as a result of new tax rules.

While average monthly earnings for women in full-time employment represent approximately 84 per cent of men's, women's gross annual income is only 60 per cent of men's. In 1984, the corresponding figure was 47 per cent.

The differences in annual income are much larger than the differences in monthly earnings primarily because there are fewer women in the labour force and they more often work part-time. Men also receive a relatively higher share of the capital income. In addition, the great majority of pensioners on a minimum state retirement pension are women.

Proportion of total after-tax income per consumption unit which falls to those with the highest/lowest income¹



Greater differences in income

The 10 per cent of the population with the lowest household income has remained stable at 4 per cent, while the 10 per cent with the highest income increased their share from 18.6 to 29 per cent in 2005. The fall in 2006 is related to the new tax rules introduced in that year, which affected the withdrawal of dividends.

¹ Students not included.

More people hold shares

The property account for households shows that real capital and financial capital have increased since 1986, but the main increase is in 'other financial assets' (shares, unit trust funds etc.).

Composition of household wealth. NOK

	1986	1990	1994	1996	1998	2000	2003	2006
Non-financial assets	147 900	182 900	202 000	226 400	240 200	260 600	289 700	388 500
Financial assets, total	135 800	176 300	192 800	217 000	284 200	352 800	391 400	579 400
Bank deposits	89 900	123 600	129 700	136 400	145 800	172 900	215 800	269 200
Other financial assets	45 800	52 700	64 100	80 600	138 400	179 900	175 600	310 200
Debts	217 800	284 200	281 500	316 200	353 900	415 000	536 100	771 900
Net wealth	65 900	75 000	113 400	127 200	170 500	198 400	145 000	196 000

These figures conceal large variations as do average figures generally, and the distribution of financial wealth is very uneven. In 2006, the 10 per cent of households with the greatest financial wealth owned more than two thirds of the total.

Heavy debt burden for many, but interest less important

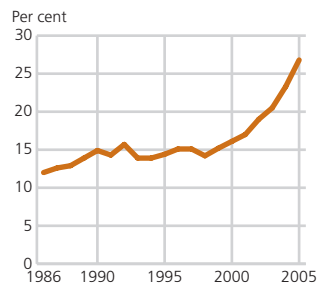
Average debt per household has soared in recent years, particularly since 2000, reaching NOK 772 000 in 2006. A total of 80 per cent of households had debt, and this share has increased somewhat in recent years. The share of households with a large debt burden – twice their income or more – rose to 16 per cent in 1992. This proportion then dropped somewhat, but has subsequently increased to more than 27 per cent. Furthermore, the share of persons in households with debt more than three times the household income was 13 per cent in 2005.

However, the significance of interest costs, which amounted to 13-14 per cent of income per household up to the beginning of the 1990s, has declined. This proportion has subsequently fallen due to lower interest rates.

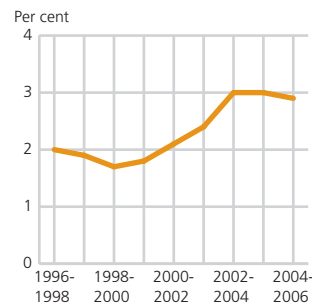
3 per cent with persistent low income

The proportion of people whose after-tax household income per consumption unit (OECD-scale) is below 50 per cent of the median income, is often used as a low-income threshold or poverty line. In 2005, this figure was 5.6 per cent and has increased somewhat. The share with a low income over a 3-year period was 3.9 per cent. Excluding students, the share is 3 per cent. The highest shares of persons with a low income are found in Oslo and non-central municipalities.

Percentage of households with debt twice the household income and more



Percentage of people with persistent low income¹



¹ Students not included.