ANNEX I

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I. ABSTRACT

Title	*Use of register data on wealth in Danish SDG poverty indicator*
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Topic	*Wealth in Poverty Estimates (+elements on subjective poverty)*

An often used indicator for measuring relative poverty is the number of people with equivalised disposable income below 50 per cent of the median equivalised disposable income. However, in Denmark only about a quarter of those below this threshold find it *difficult* or *very difficult* to make ends meet, when asked about it in the EU-SILC survey. This low share of subjective poverty among the "relatively poor" can likely be attributed to the high general levels of income and a well-developed public sector, which provides for basic needs such as schooling and health care. Another contributor is that a large part of those living in low-income households are doing so voluntarily. For instance, students living on their own, are often quite resourceful, have access to cheaper housing and for most it's only a set period of time with low income. Others may choose to live of their accrued wealth in periods with low or no income.

In 2014, Statistics Denmark developed a full population register on wealth. The register has excellent coverage of the value of real estate, vehicles & financial assets including pensions and debts at the individual level. However, cash, value of interior, non-declared wealth abroad and, most notably, non-traded stocks are not part of the register. The wealth register has become an important component in the primary SDG indicator on relative poverty in Denmark. This indicator is a multidimensional poverty indicator that combines low income (below 50 per cent of median) and net-wealth below the same threshold with the exclusion of students from poverty estimates. The share of the population falling below 50 percent of median income is 8.6 per cent. However, when students and those with wealth exceeding the poverty threshold are excluded from relative poverty estimates, this share is reduced to 4.4 per cent.

For this paper register data has been combined with survey-data from the Danish EU-SILC on subjective feelings of poverty. Preliminary results indicate that the inclusion of data on wealth helps significantly in excluding groups from poverty estimates that do not consider themselves poor.