

ANNEX I

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ECONOMIC COMMISSION FOR EUROPE
 CONFERENCE OF EUROPEAN STATISTICIANS
Group of Experts on Measuring Poverty and Inequality
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Workshop on Harmonization of Poverty Statistics to Measure SDG 1 and 10
 7 December 2022

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| Title of contribution | <i>Methodological approaches on how to measure risk of poverty with income and wealth</i> |
| Author Name | <i>Jorg Neugschwender & Piotr R. Paradowski</i> |
| Author Organization | <i>Luxembourg Income Study (LIS)</i> |
| Topic | <i>Assets-based poverty and inequality</i> |
| <p>Summary: <i>We propose to show the further development of integrating assets and income into a measure of poverty that we presented during the last meeting of the UNECE, but this time incorporating additional economic covariates to create a more multi-faceted breakdown that allows to refine the measurement of at risk of poverty. During the previous UNECE meeting, we exhibited indicators relying on solely two main dimensions: 1) relative income below the poverty line at 50 percent of the median and 2) insufficient financial assets to cover consumption for at least 3 months. Employing the Luxembourg Wealth Study (LWS) Database we presented for 18 countries the population shares for combinations of these two dimensions, and showed the changes in ranking of countries in terms of percentage of poor, when looking at different concepts.</i></p> <p><i>The proposed presentation aims to extend the scope for poverty analysis, by specifically looking at those who are asset poor, but not-income poor as an additional risk group. Taking into account the fact that some countries in our previous analysis showed very high rates of financial asset poverty, we introduce additional criteria to distinguish those who are at risk of poverty. Employing again the LWS Database, we seek to establish a common methodological approach that could measure economic insecurity in cross-national comparison. By combining the different dimensions of economic well-being such as income, non-financial and financial assets, debt burden, housing expenditure, and job security, we create a multidimensional index attached to the literature of economic insecurity (Bucks, 2011). We conclude by highlighting both the empirical and conceptual challenges associated with this approach and the availability of good data on income, wealth, labour market and housing. We seek to initiate the discussion on what the measure of economic security should have, having in mind that there is no consensus in the literature.</i></p> | |
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| <input checked="" type="checkbox"/> | Presentation |
| <input type="checkbox"/> | Paper |