ANNEX I

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I. ABSTRACT

Title	*Assets and income integration for poverty measurement*
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Topic	*Wealth in poverty estimates*

We propose to show how the Luxembourg Income Study integrated assets and income into a measure of poverty by utilizing, after a slight complement, an innovative method proposed by Brandolini, Magri and Smeeding in the *Journal of Policy Analysis and Management* (2010, vol. 29, issue 2). Employing the Luxembourg Wealth Study (LWS) Database that contains 69 datasets from 18 countries over the period 1995 to 2019, we demonstrate that joint income-wealth integration better describes the living standards of households than income poverty alone, showing not only a larger heterogeneity between countries, but also shifting the ranking of countries in terms of percentage of the poor. In particular, we provide some descriptive statistics of the household balance sheets at the aggregate level that show that the ranking of countries by wealth level tends to be loosely related to that based on mean income. We then exhibit the indicator that refers to the population share living in households whose equalized gross household income falls below the relative income poverty line at 50 percent of the median and who do not have sufficient financial assets to cover consumption for at least 3 months. We also assess income and asset poverty by gender of the respondent, age groups, education, household type and homeownership. Further, we proceed with the comparison of the asset and income poor households to those who are asset rich but income poor, as well as those who are asset poor and income rich. We conclude by highlighting both the empirical and conceptual problems associated with this integration, problems associated with the availability of good data and analytical tools for the integration of wealth into the measurement of poverty, but also with important potential sources of conceptual incomparability, especially when it comes to the integration of pension assets.