

Abstract

This thesis deals with asset poverty and examines whether current economic development reduces the threat of households falling into asset poverty and whether the gap between poor and rich households is widening. For that purpose, we use data obtained from the Slovak HFSC survey, which took place in 2014. Economic development between 2014 and 2019 is simulated using macroeconomic indicators such as inflation, unemployment rate, and others. Besides the OLS method, which shows the effect of examined independent variables on the average value of household assets, we also employ quantile regression to compare the difference in the influence of independent variables on different values of assets. Regression results suggest that, indeed, recent economic development in Slovakia might reduce the risk of asset poverty; however, this does not apply to all households. Economic development seems to be significant primarily for households with a higher value of assets, which may lead to a growing gap between wealthy and poor households.

JEL Classification C13, D31, I32, O11

Keywords asset poverty, economic development, poverty measurements, wealth

Title The Impact of Economic Development on Asset Poverty: Evidence from Slovakia