

DANMARKS NATIONALBANK

4 DECEMBER 2020

INDIVIDUAL-BASED PENSION STATISTICS, 2019

Considerable variation in Danes' pension savings

At the beginning of 2020, each Dane had average pension savings¹ of kr. 589 thousand, but considerable variation in savings is seen across the Danish population. About two-thirds of Danes have below-average pension savings, while the remaining third have savings above average.

The size of the pension savings reflects the individual's life cycle, with savings peaking around the time of retirement. This creates across-age variation. However, the variation cannot be attributed solely to age, as the pension savings are also unevenly distributed within the various age groups. For those aged 60-69, holding the largest share of the total pension wealth, the wealthiest 10 per cent, for example, own 34 per cent of the total wealth for the age group.

Most men at top of the wealth distribution

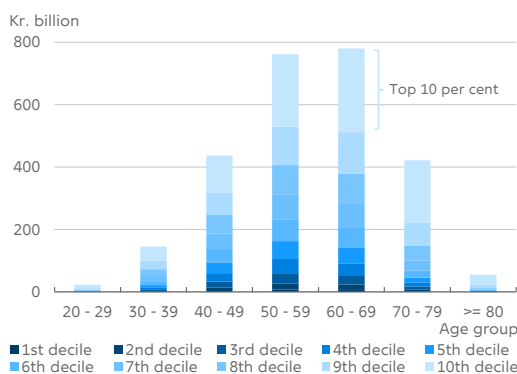
When looking at the distribution of pension wealth for all age groups as a whole, the 10 per cent of Danes with the largest pension savings own 43 per cent of the total pension wealth. By comparison, the 50 per cent of Danes having the smallest savings own just 8 per cent of the total pension wealth. In addition to age, the concentration of pension wealth in the upper deciles is influenced by a number of factors such as sex, wage income, collective bargaining agreements and willingness to save. For example, men are overrepresented among the 10 per cent with the largest pension savings (10th decile) with a 60 per cent share, and men also make up the majority in the 9th decile. The distribution in the 8th decile is equal, while women are overrepresented in the deciles with smaller savings.

Income and wealth go hand in hand

High income, large pension contributions and large pension savings tend to go hand in hand. If, for example, you look at employees² aged 50-59, no less than 46 per cent of Danes in the top decile of the wealth distribution are also found in the 10th decile of the income distribution³. At the other end of the distributions, 35 per cent of Danes in the lowest decile of the wealth distribution are also found at the bottom of the income distribution.

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Variation in pension wealth both between and within age groups



Note: Savings in life insurance companies, pension funds, company pension funds, LD, ATP and banks at year-end 2019.

¹ Savings in life insurance companies, pension funds, company pension funds, LD, ATP and banks for individuals aged 20 and up.

² Non-taxed retirement savings enter by 60 per cent.

³ See Statistics Denmark's socio-economic classifications.

³ Based on income data for year-end 2018 from Statistics Denmark.