



EXPERT GROUP ON DISPARITIES IN A NATIONAL ACCOUNTS FRAMEWORK

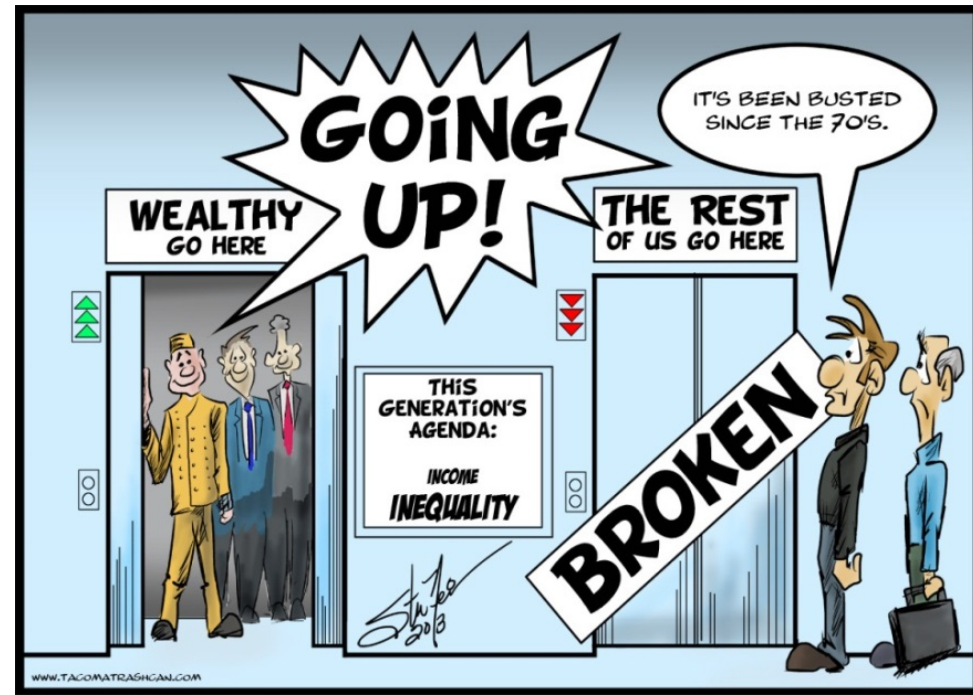
WORKSHOP ON
HOUSEHOLD DISTRIBUTIONAL ACCOUNTS
VIRTUAL, 4-5 NOVEMBER 2021

Presented by Jorrit Zwijnenburg (OECD)



Contents

- Background
- Aim of the project
- Methodology
- Main challenges
- Results
- Next steps





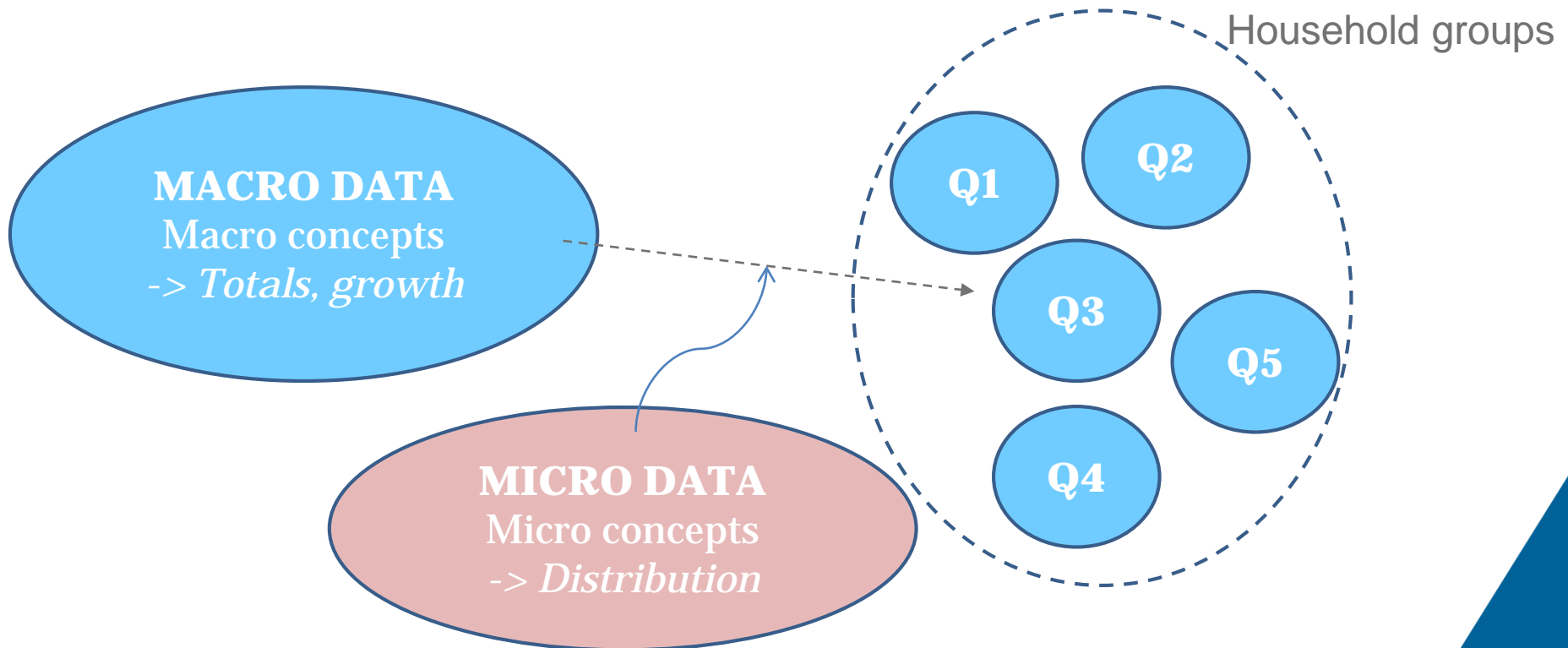
Background

- 2009: Stiglitz-Sen-Fitoussi report stresses the importance of distributional results
- 2011: Launch of OECD/Eurostat **EG DNA** to develop methodology to compile distributional results on income, consumption and saving within NA framework
- 2013: Publication of results from a **first exercise**
- 2015: **Second exercise** on basis of improved methodology
- 2017: Publication of results from the second exercise
- 2019-20: Expert group engaging in a **third exercise**
- 2020: **Publication** of results in Eurostat and OECD databases



Aim of the project

Develop methodology to produce **distributional** results for household **income, consumption and wealth** consistent with national accounts concepts using micro data sources





EG DNA: Objectives

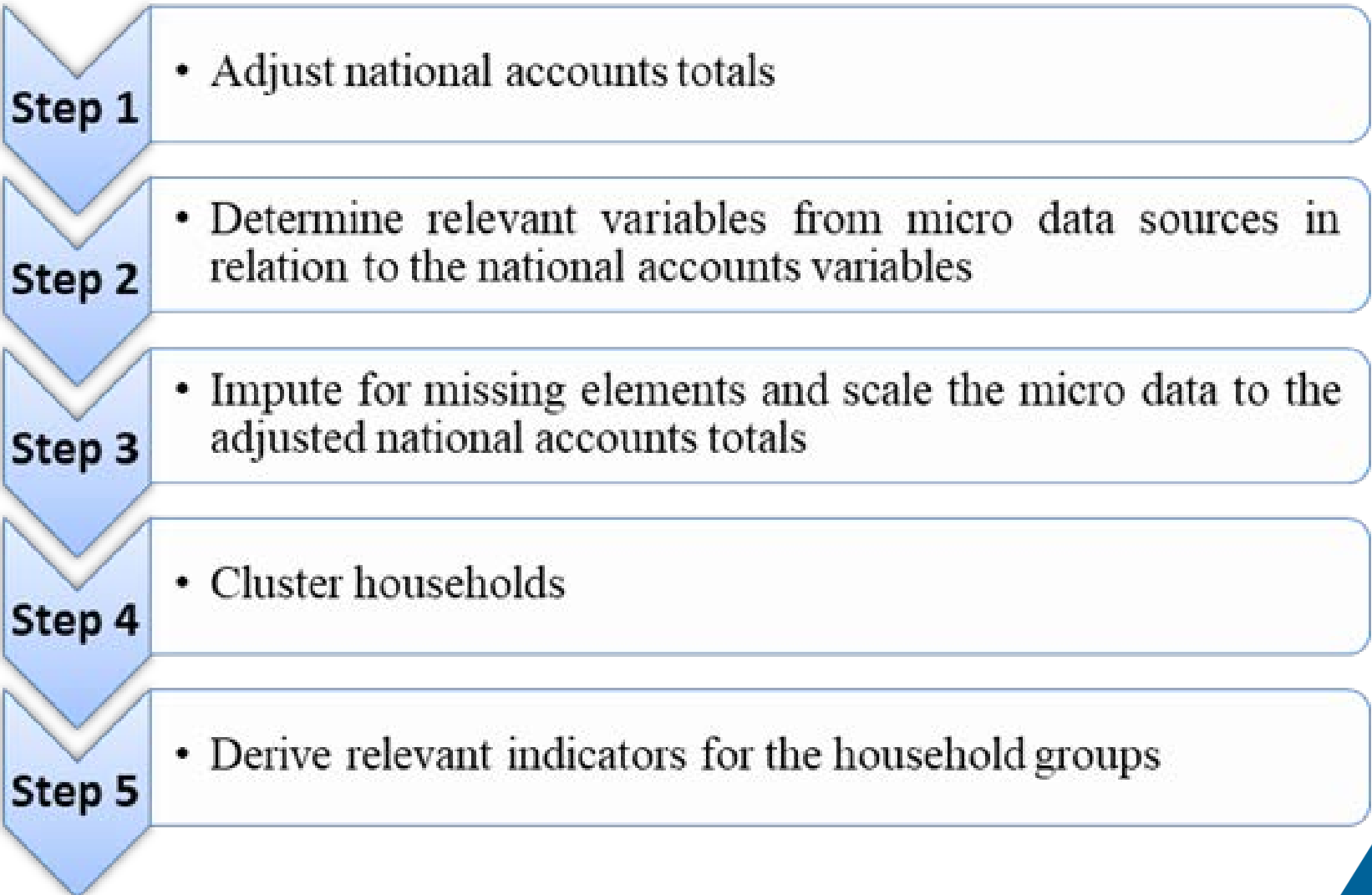
- Distributional results for three household groupings:
 - **Disposable income quintile** (5 groups)
 - **Main source of income** (4 groups)
 - **Household type** (8 groups)
- The unit of analysis is the **household**
- OECD-modified **equivalence scale** is used to allocate households to quintile groups
- Calculations **performed by members** of the EG DNA: AUS, AUT, BEL, CAN, CHE, CZE, FRA, GBR, IRL, ISR, ITA, JPN, KOR, MEX, NLD, NZL, PRT, SVN, SWE, USA, ...
- Also developing a **centralized approach** to compile results for countries not engaging in EG DNA work



Methodology



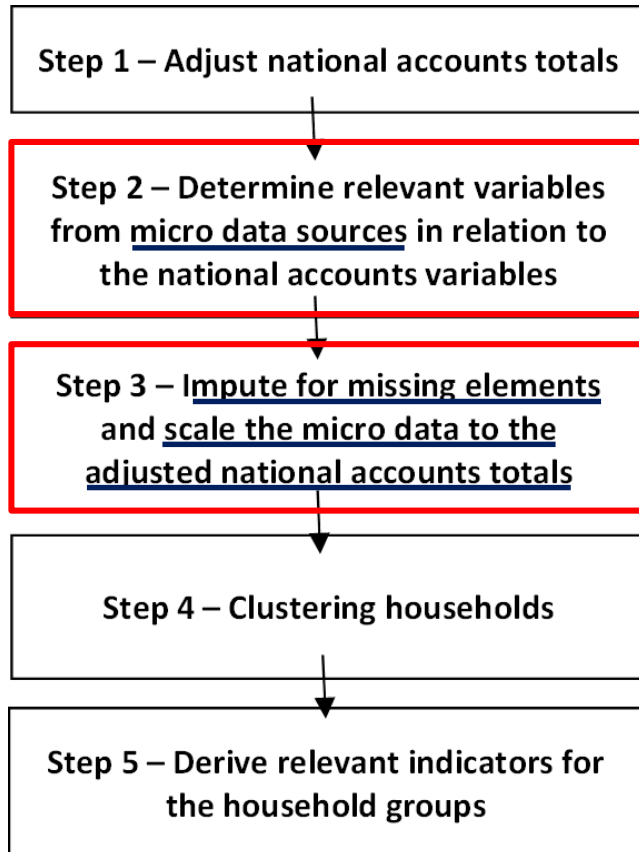
Methodology: Step-by-step approach





Main challenge: micro-macro gaps

Step-by-step approach:



Step 2: Important role for micro data in the compilation process

- Try to find best matching data sources
- Try to find matches for all NA items
- Re-classification of sub-items may be needed

Step 3: Any gaps between micro and macro aggregates will need to be bridged

- Try to find rationale for the gaps
- Allocate the gaps to the relevant households

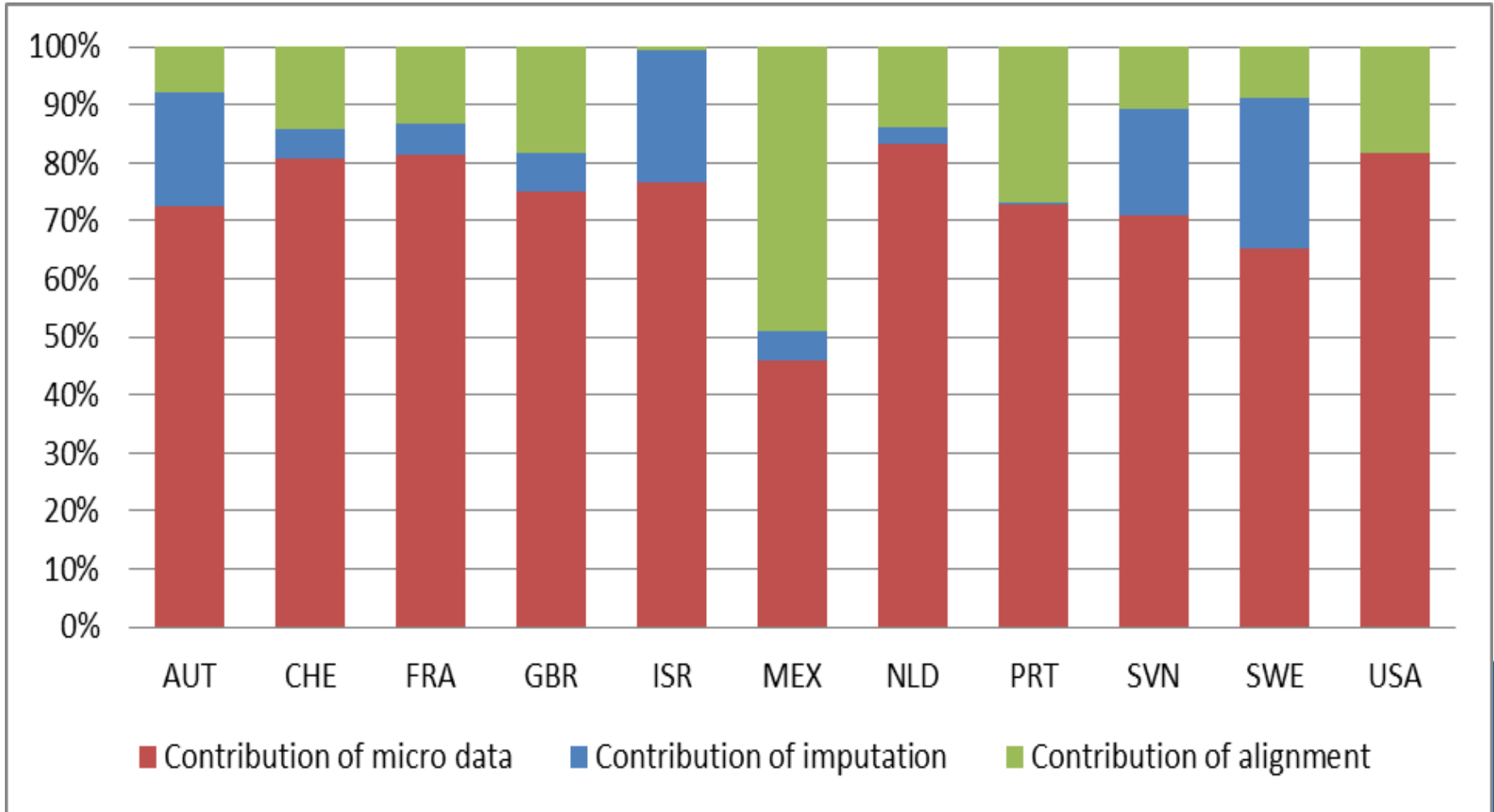
Overall: Distributional data are result of:

- Micro data
- Imputations for missing elements
- Alignment to NA aggregates

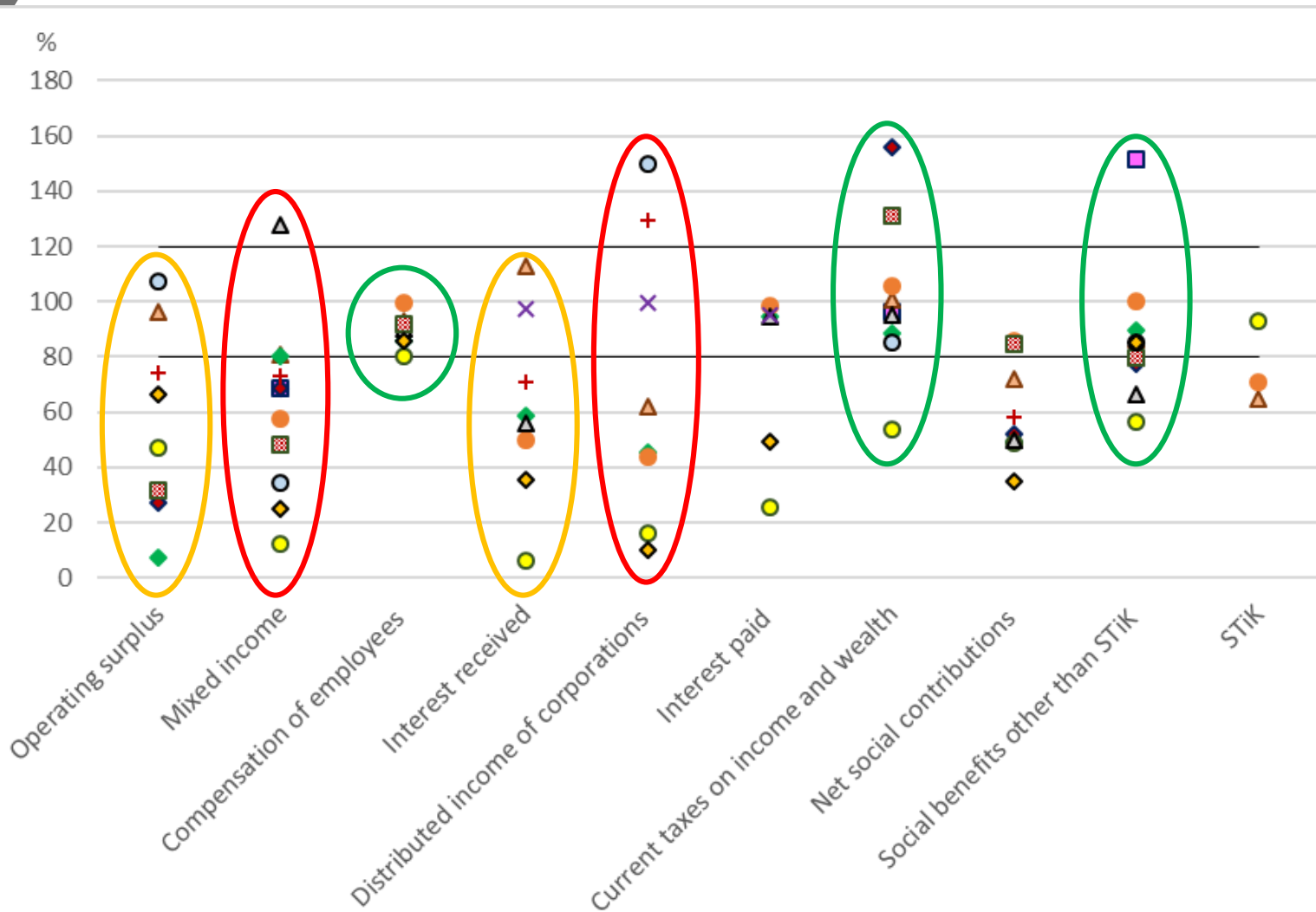


Role in compilation process

Contributions to adjusted disposable income flows



Main challenges: Micro-macro gaps



- CAN 2015
- ◆ CZE 2017
- + FRA 2016
- ▲ GBR 2015
- ◆ IRL 2015
- MEX 2016
- NLD 2017
- ▲ NZL 2015
- PRT 2016
- SVN 2015
- × SWE 2015
- ◆ USA 2015



Template and guidelines

- Data collected via a **template**
- Guidelines available to **assist compilers** in the process
- Covers various topics:
 - Step-by-step approach
 - **Linking data** across data sets
 - How to deal with **micro-macro gaps**
 - Issues for specific items
 - Operating surplus
 - Mixed income
 - Imputed social contributions
 - FISIM
 - ...
 - Guidance to fill out the template
- A **Handbook** is also in development

DISTRIBUTIONAL INFORMATION ON HOUSEHOLD INCOME, CONSUMPTION AND SAVING IN LINE WITH NATIONAL ACCOUNTS

GUIDELINES

Version - December 2020

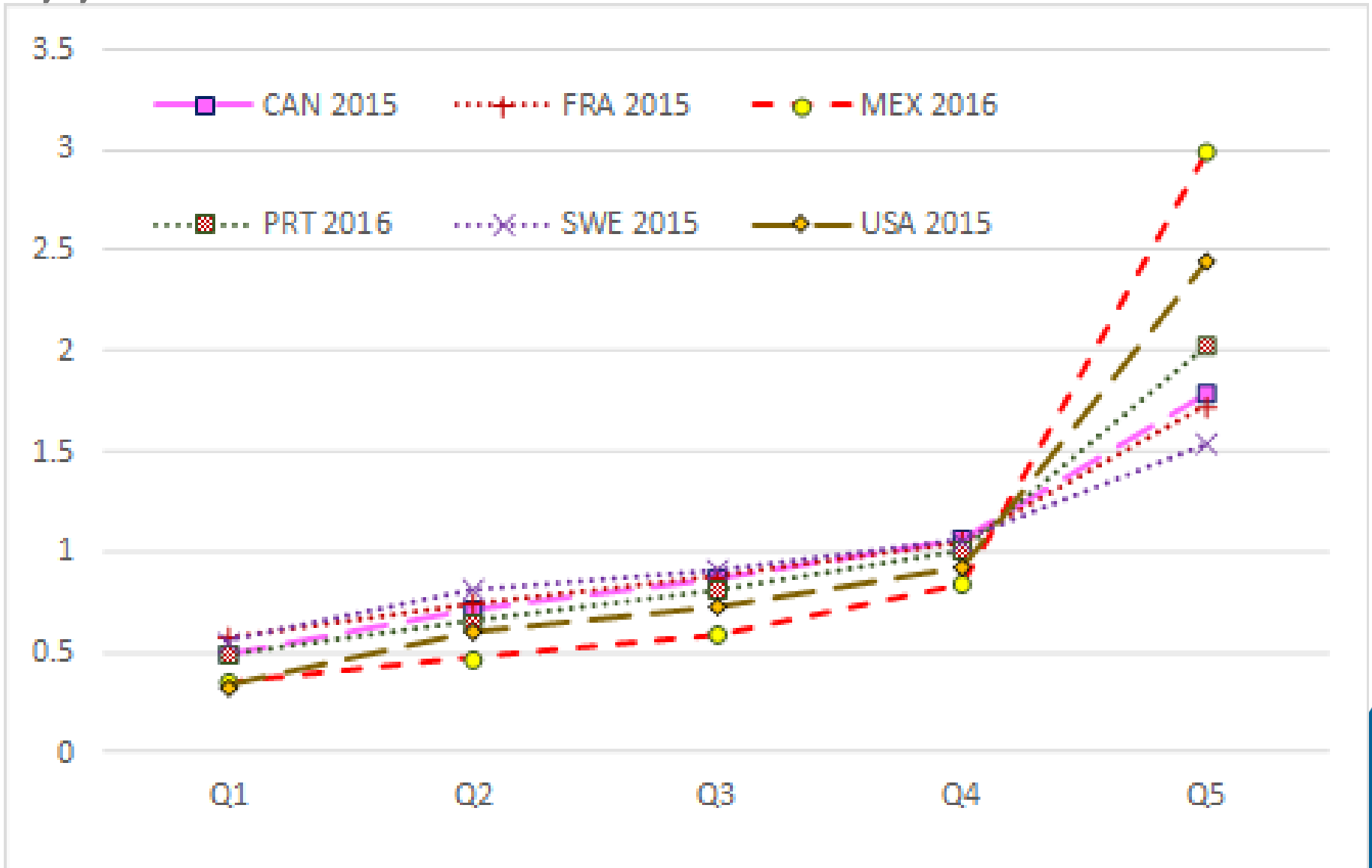
Prepared by the Statistics and Data Directorate of the OECD



Results

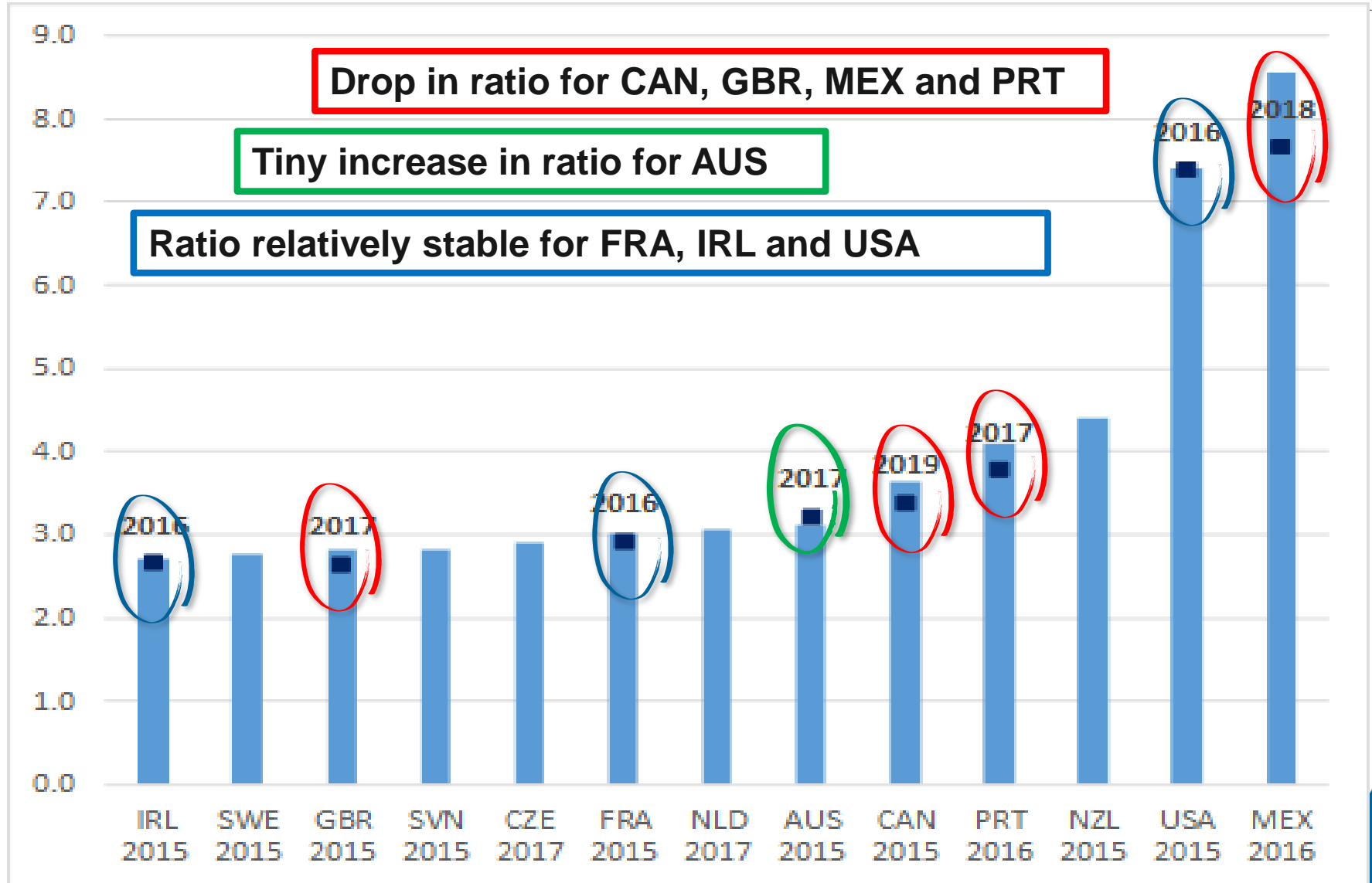


Ratio to average – Income results



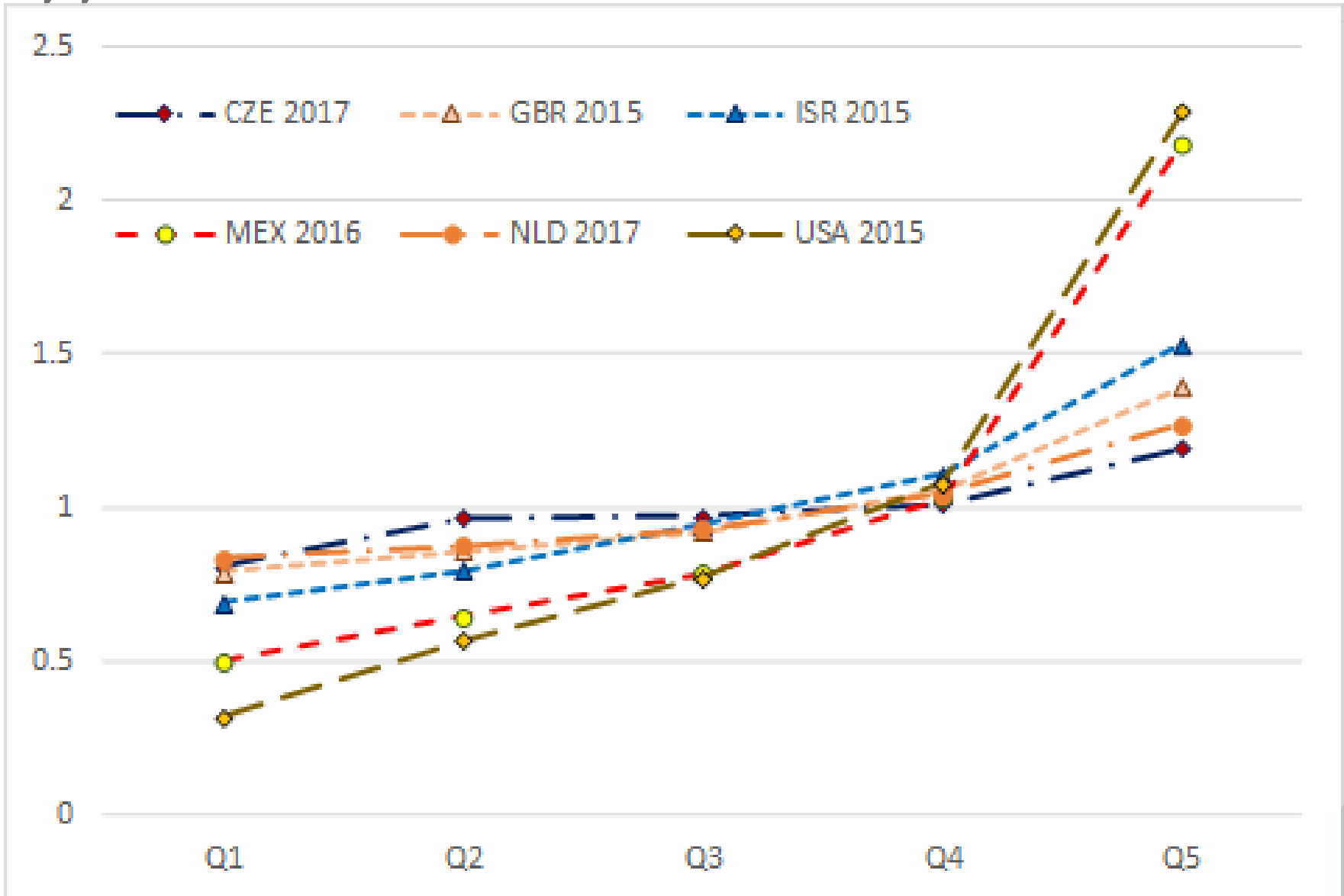


Ratio highest to lowest (Q5/Q1) - Income



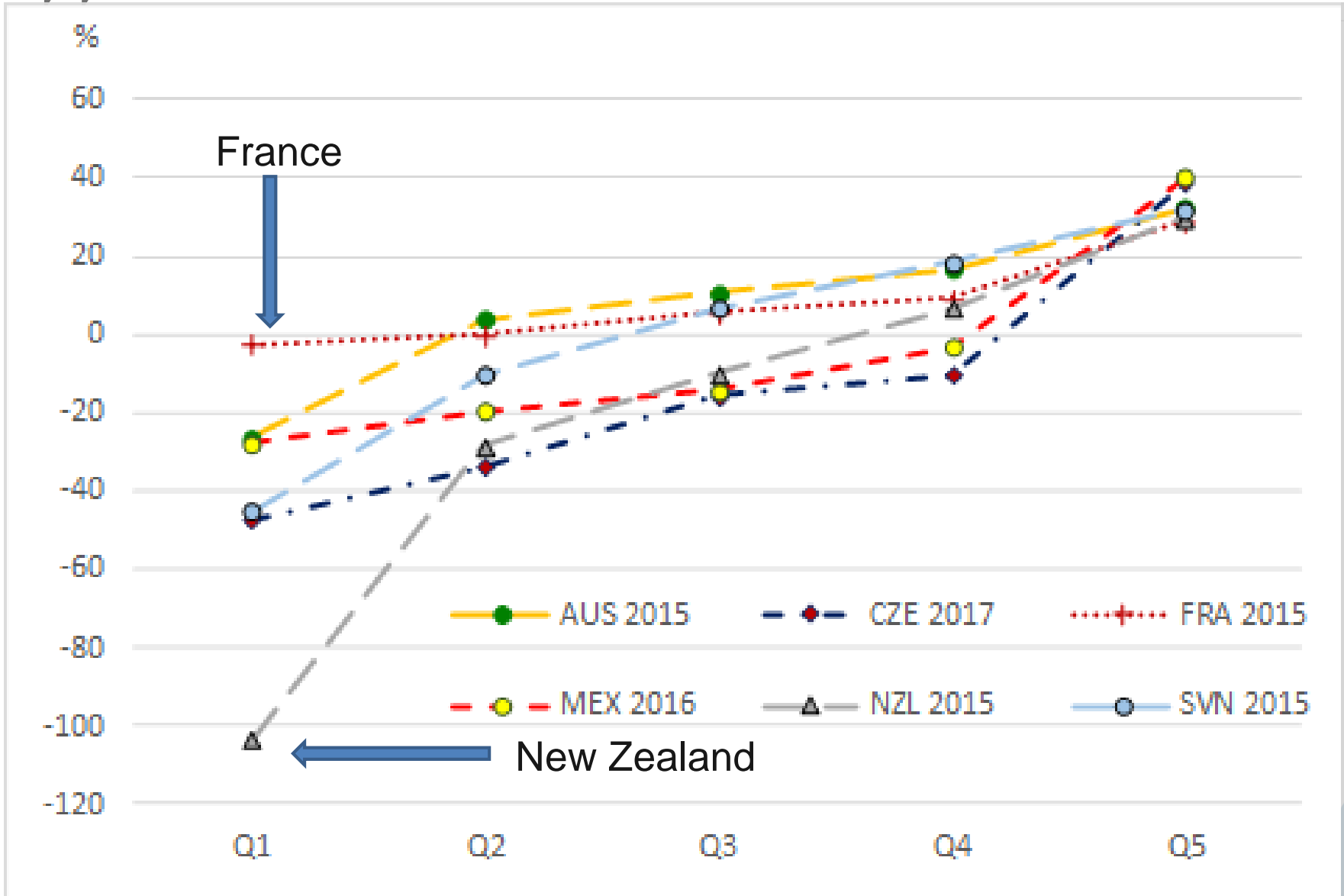


Ratio to average – Consumption results





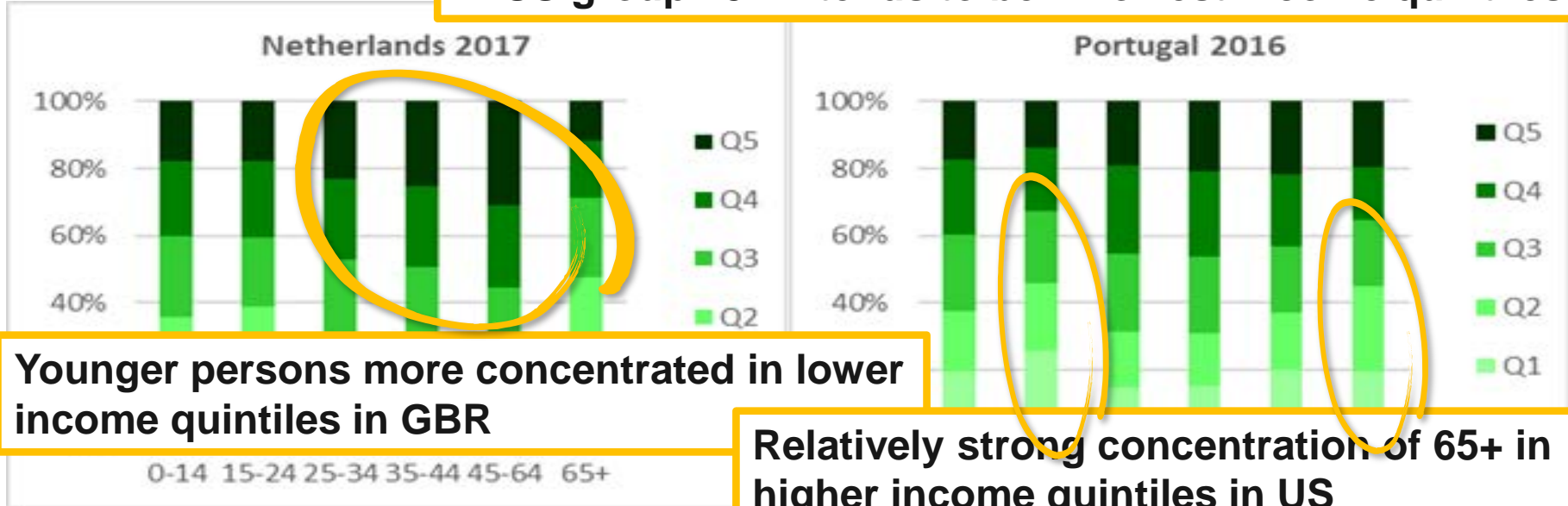
Savings results





Socio-demographic info – Breakdown by age

In US group 15-24 tends to be in lowest income quintiles



Younger persons more concentrated in lower income quintiles in GBR

Relatively strong concentration of 65+ in higher income quintiles in US

Homogenous composition in PRT, with slightly larger concentration of 15-24 and 65+ in lower quintiles



Persons in middle age groups have highest income in NLD



Next steps



Next steps

- Broaden the **range of countries**, amongst other via a centralized approach
- Explore possibilities to increase **granularity, timeliness** and **frequency**
- Further **improve methodology**, particularly in areas of micro-macro gaps and imputations



Thank you for your attention!