



# The Distributional Financial Accounts of the United States

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G20 DGI-2 Virtual Workshop on Household Distributional Accounts

November 5, 2021

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Note: The analysis and conclusions set forth are those of the author and do not indicate concurrence by other members of the research staff, the Board of Governors, or the Federal Reserve System.



# The Distributional Financial Accounts (DFAs)

- The DFAs combine two Federal Reserve Board data products:
  - Quarterly aggregate measures of household wealth from the Financial Accounts of the United States (FA)
  - Triennial wealth distribution measures from the Survey of Consumer Finances (SCF)
- Key features of the DFAs:
  - ✓ Integrates detailed household-level data into a national accounting framework
  - ✓ Includes relatively high-frequency measures of the wealth distribution
  - ✓ Provides near-real time measures that can be used for studying recent changes in the wealth distribution



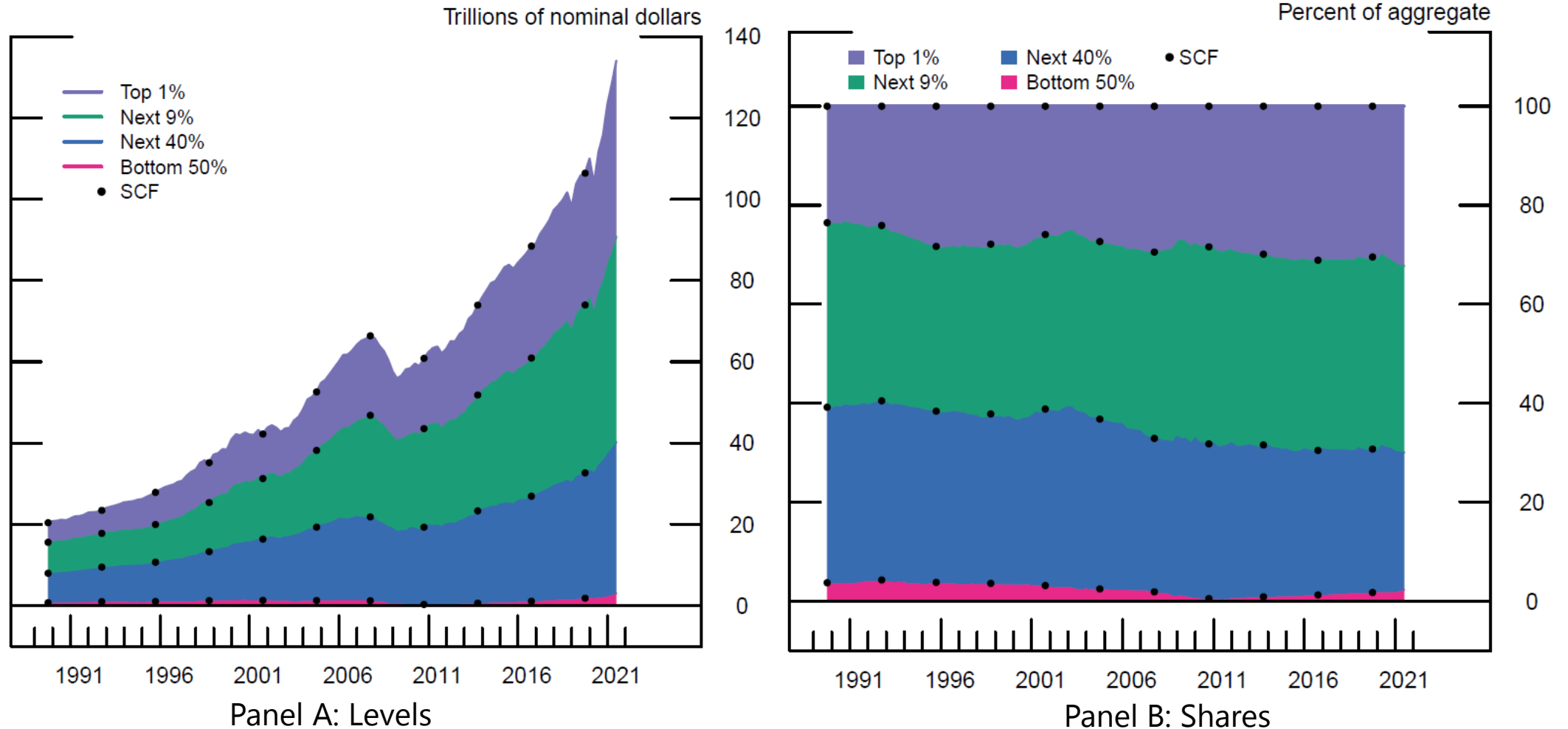
# DFAs: Construction

Apply the distributional information from the SCF to the aggregate wealth in the FA:

1. Match each component of FA wealth to an **SCF analog** measure (**reconciliation**)
2. For each part of the wealth distribution, interpolate and forecast the **SCF analog** in between SCF waves using temporal disaggregation
3. Apply quarterly shares derived from **SCF analog** to corresponding FA wealth component



# Net Worth by Wealth Percentile Group

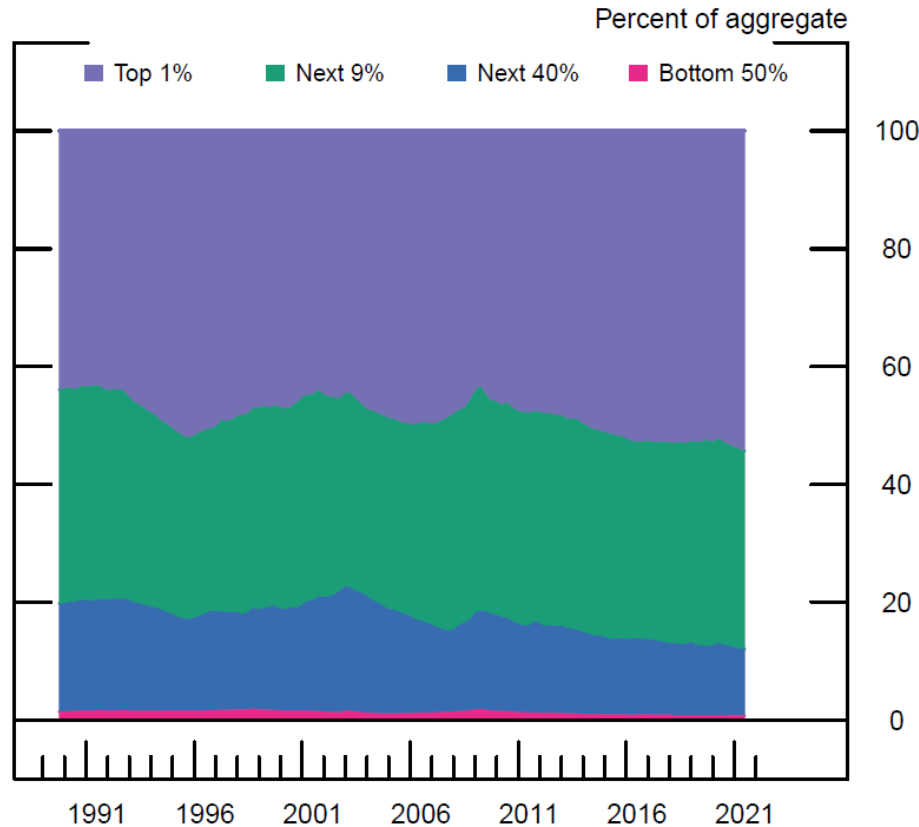


Source: Distributional Financial Accounts of the United States, October 1, 2021.



# Assets by Wealth Percentile Group

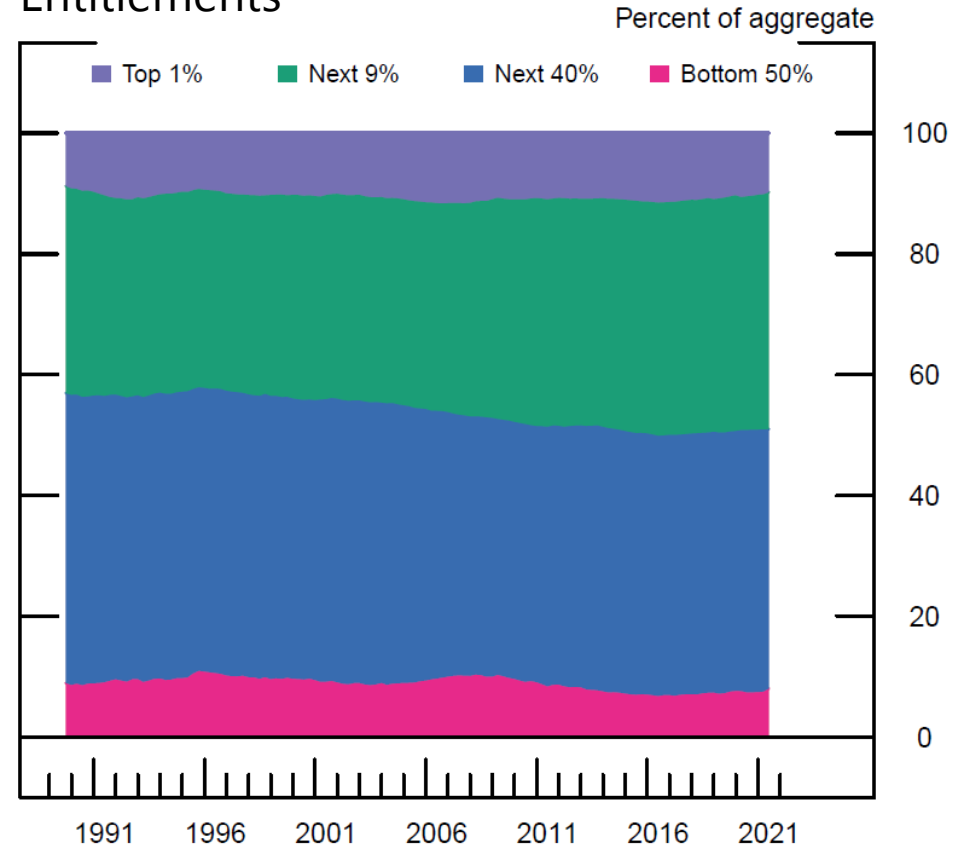
## Shares of Business Equity



Note: Include corporate equities, mutual fund shares, and equity in noncorporate businesses.

Source: Distributional Financial Accounts of the United States, October 1, 2021.

## Shares of Real Estate and Pension Entitlements

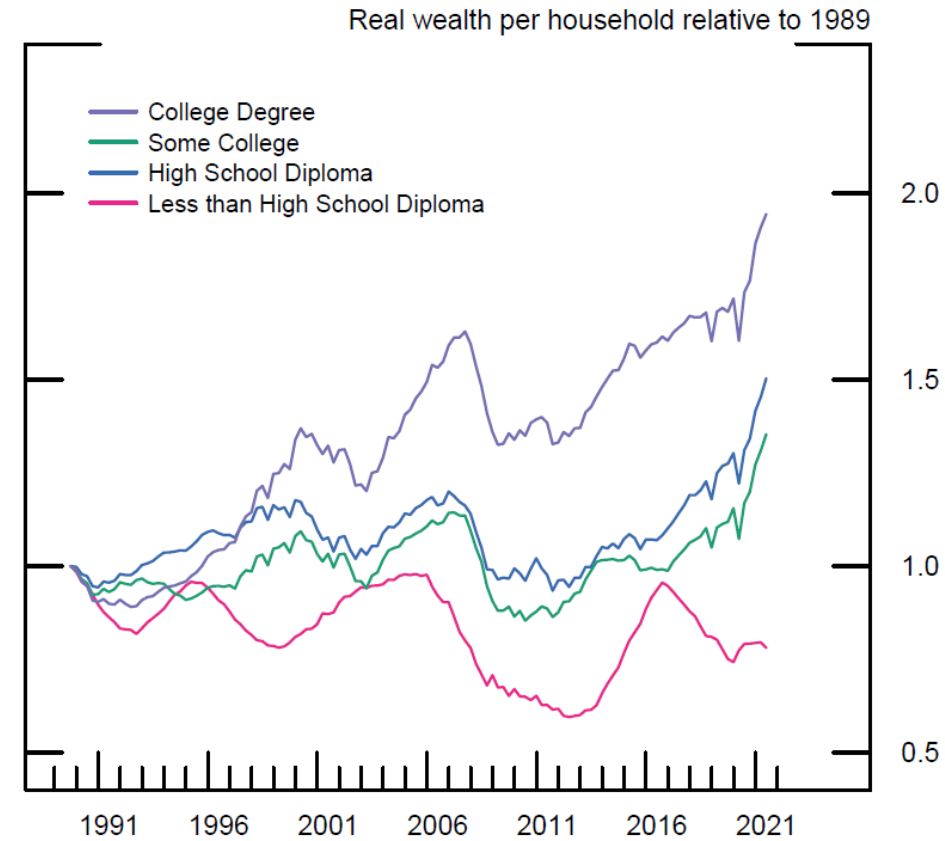


Source: Distributional Financial Accounts of the United States, October 1, 2021.

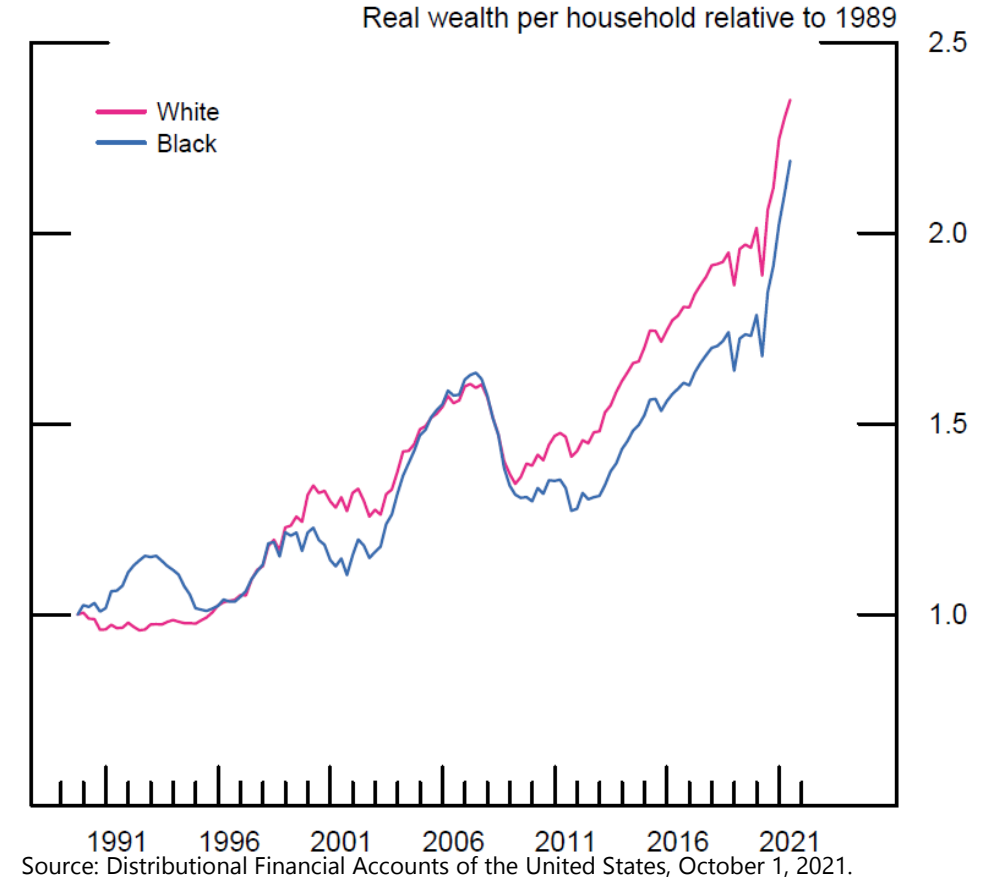


# Wealth by Demographics: Education and Race

## Wealth by Education



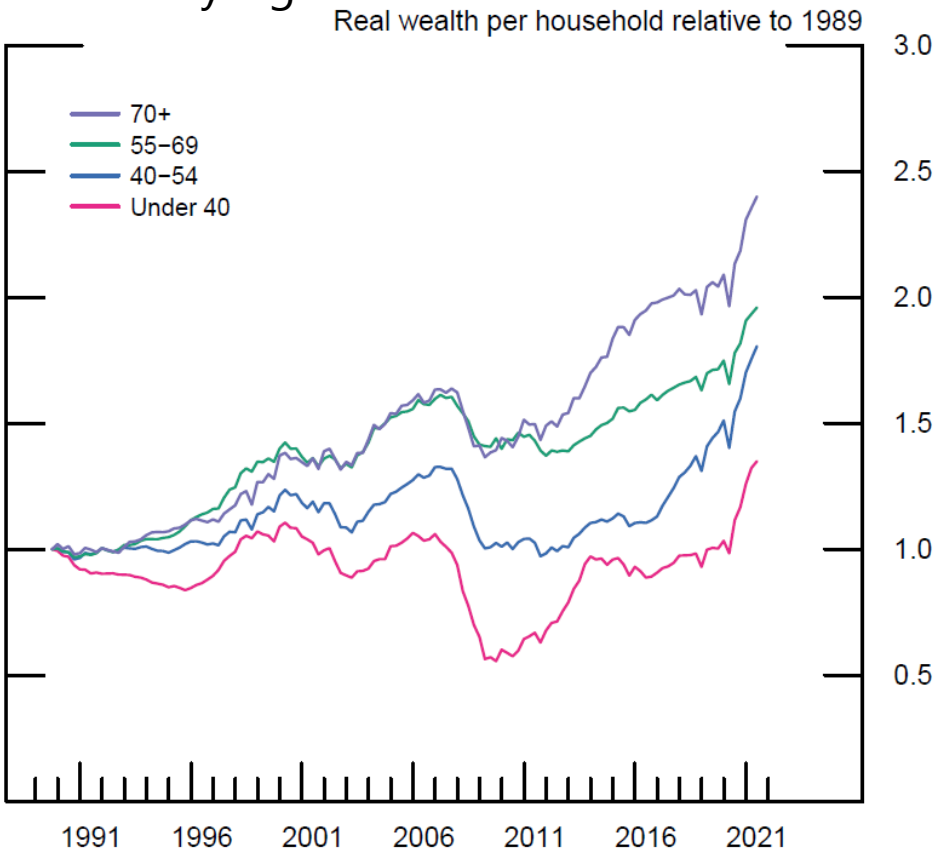
## Wealth by Race





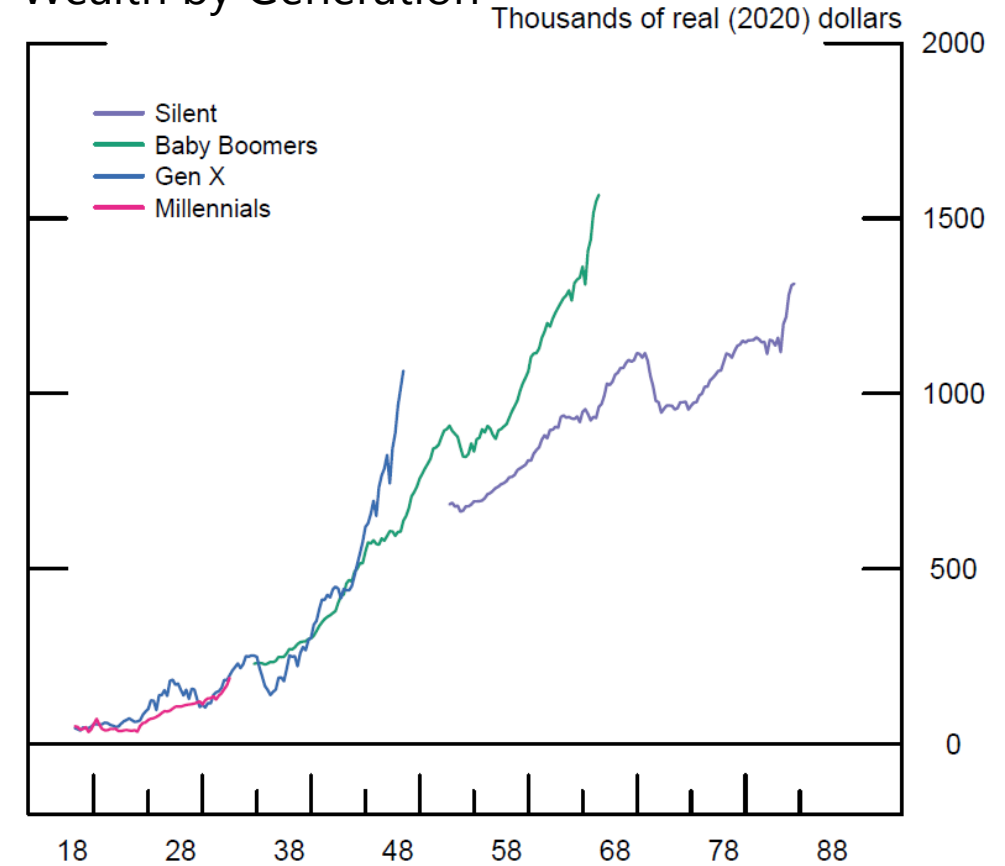
# Wealth by Demographics: Age and Generation

## Wealth by Age



Source: Distributional Financial Accounts of the United States, October 1, 2021.

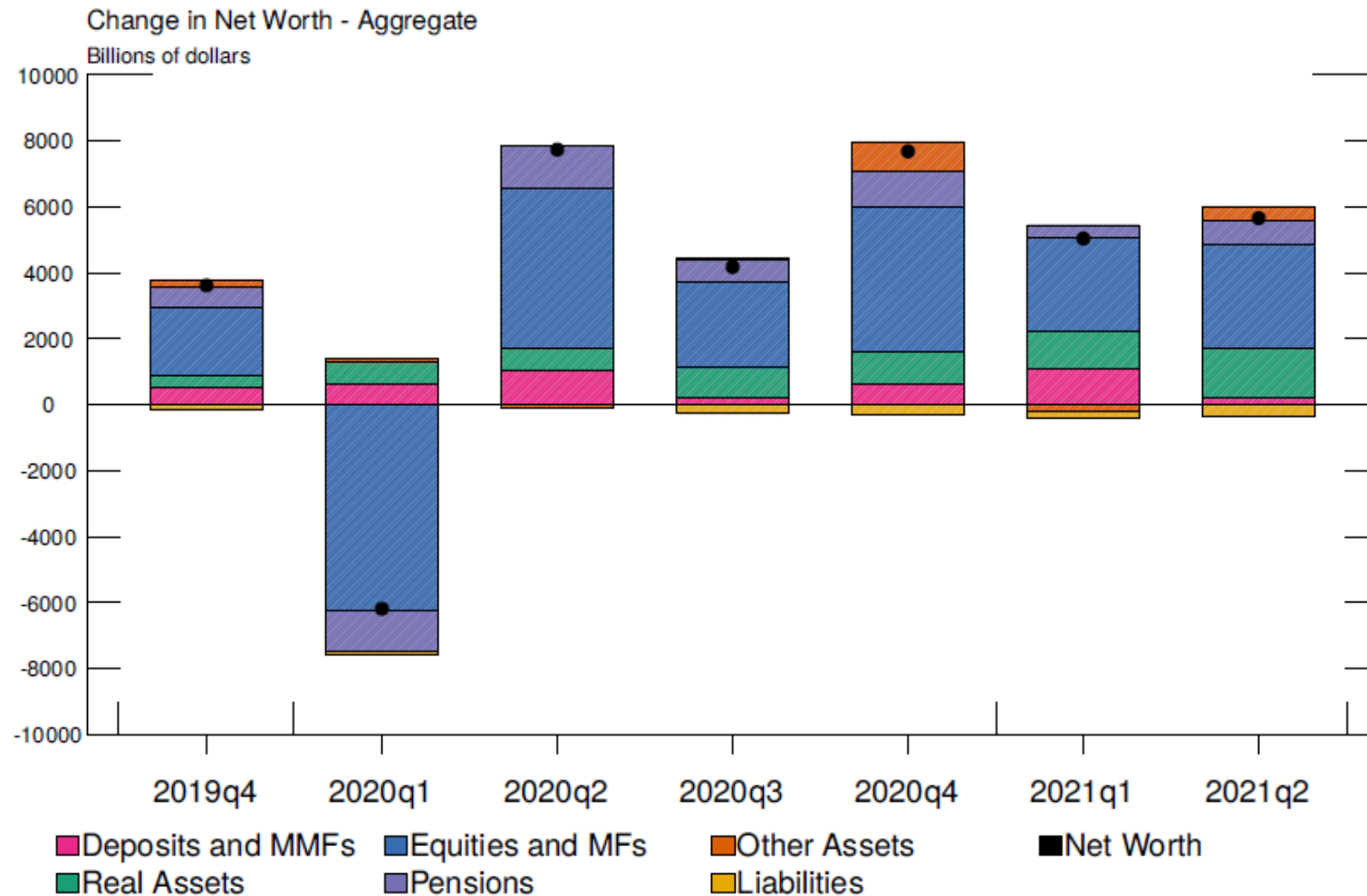
## Wealth by Generation



Source: Distributional Financial Accounts of the United States, October 1, 2021.



# Aggregate Household Wealth During COVID-19



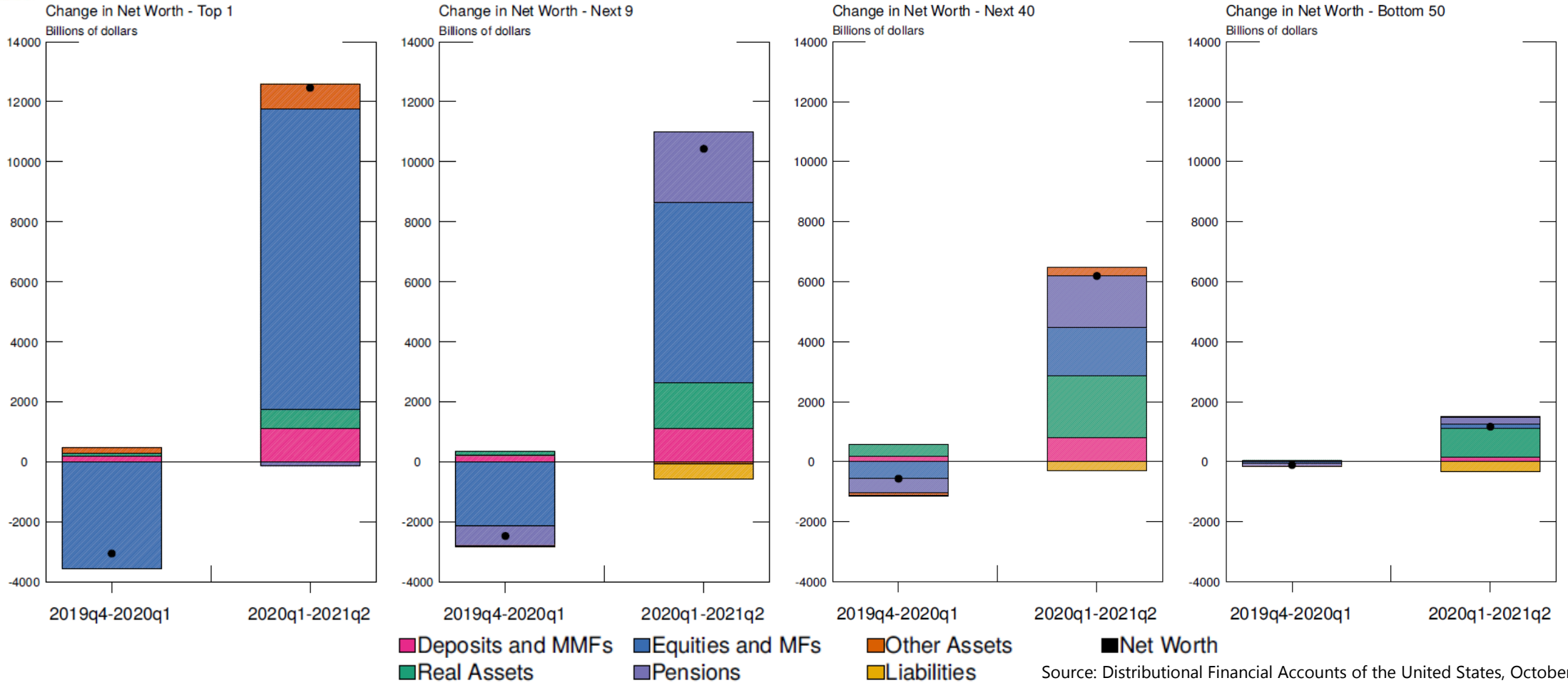
Source: Financial Accounts of the United States, September 23, 2021.

	Trillions
Assets	31.4
Equities and MFs	17.8
Real Assets	5.2
Pensions	4.2
Deposits and MMFs	3.2
Other Assets	1.0
Liabilities	1.1
<b>Net Worth</b>	<b>30.3</b>





# The DFAs in the Pandemic



DFA data, interactive visualizations, and related working papers available at:

<https://www.federalreserve.gov/releases/z1/dataviz/dfa/>



FEDS Note "Wealth Inequality and COVID-19: Evidence from the Distributional Financial Accounts" available at:

<https://www.federalreserve.gov/econres/notes/feds-notes/wealth-inequality-and-covid-19-evidence-from-the-distributional-financial-accounts-20210830.htm>



# Appendix: Reconciliation

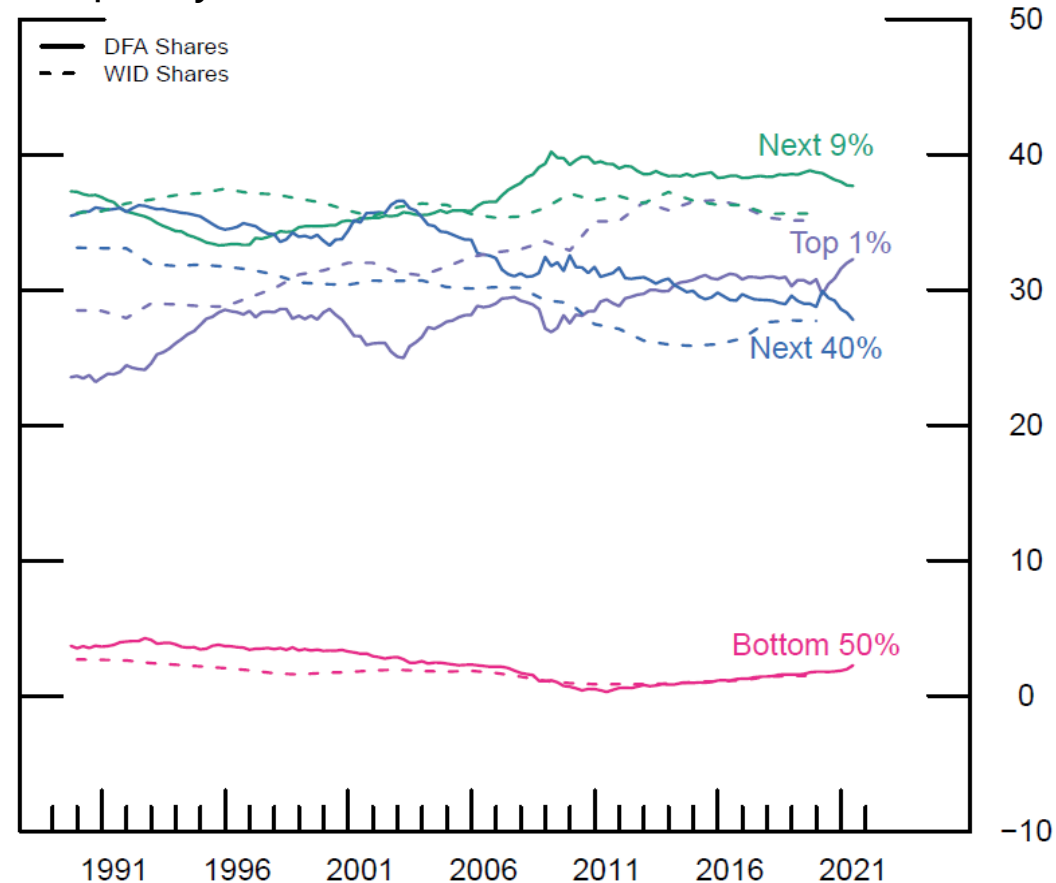
	<u>Average SCF/FA (%)</u>	<u>FA 2019:Q3 (\$M)</u>	<u>SCF 2019 (\$M)</u>
<b>Total Assets</b>	<b>102</b>	<b>121,817</b>	<b>125,051</b>
<b>Nonfinancial assets</b>	<b>104</b>	<b>35,350</b>	<b>37,409</b>
Real estate	114	29,658	33,719
Consumer durable goods	61	5,692	3,690
<b>Financial assets</b>	<b>101</b>	<b>86,467</b>	<b>87,642</b>
Time deposits and short-term investments	57	9,435	4,437
U.S. government and municipal securities	81	4,173	3,704
Corporate equities and mutual fund shares	131	26,843	29,833
Pension entitlements	100	27,372	27,329
Equity in noncorporate business	107	11,971	14,787
Other assets	92	6,672	7,553
<b>Total liabilities</b>	<b>84</b>	<b>15,431</b>	<b>14,065</b>
Home mortgages	91	10,414	10,744
Consumer credit	61	4,124	2,727
Other liabilities	96	893	594
<b>Net worth</b>	<b>105</b>	<b>106,386</b>	<b>110,986</b>

Source: Distributional Financial Accounts of the United States, October 1, 2021.



# Appendix: DFA Comparison to WID

Wealth Shares from the DFA and the World Inequality Database (WID)



Source: WID and Distributional Financial Accounts of the United States, October 1, 2021.