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GENERAL INFORMATION

I - Unless indicated otherwise, figures have been computed by the Bank of Italy.

II - Symbols and Conventions:

— the phenomenon in question does not occur;

.... the phenomenon occurs but its value is not known;

.. the value is known but is nil or less than half the final digit shown.

Figures in parentheses in roman type () are provisional, those in parentheses in italics *()* are estimated.

III - The tables are identified both by a number and by an alphanumeric code that defines the content of the table in the database in the electronic archive in which information to be released to the public is held. A similar code identifies the different aggregates shown in each table.

IV - The methodological notes in the last part of the Supplement are identified by electronic codes that refer to the tables and, within each table, to the individual aggregates. Notes that refer to a single observation are also identified by the date of that observation.

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We are grateful to the participants to the conference "Household Wealth in Italy" held in Perugia, 16-17 October 2007, and in particular to ISTAT, for the useful suggestions and comments about the methods employed for the estimation of households' wealth.

HOUSEHOLD WEALTH IN ITALY, 1995-2005 [(1)]

1. Introduction

In 2005 the Bank of Italy started a research project on wealth, whose main objective was the creation of a database to provide estimates on Italian households' wealth, which are produced by using a widely accepted and transparent methodology.

The aim of this report is to describe the main results of the project[2], showing amount, composition and regional distribution of Italian households' wealth from 1995 to 2005 and the methodological aspects. [3]

Section 2 shows the findings concerning the amount of household wealth and its composition in 1995-2005. Section 3 reports wealth estimates in the Italian regions. Section 4 provides data on household wealth distribution derived from the Survey on Household Income and Wealth (SHIW). The methodological note (Appendix A) describes estimation methods relating to different wealth components and Appendix B contains the statistical tables.

2. Amount and composition of household wealth

In 2005 Italian households' total net wealth was about €7,800 billion, corresponding to about €345,000 per household and €134,000 per capita (Table 1B and 2B). [4]

Total net wealth, in nominal terms, rose between 1995 and 2005 by about 84 per cent (roughly €3,575 billion); the per capita growth rate was analogous, given the general stability of the population, but the per household rate was lower (60 per cent), the number of households having increased by about 16 per cent.[5]

As for 2006, not all the information needed to calculate net wealth and its variation *vis-à-vis* the previous year is available yet; counting only the components whose value for 2006 is

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[1] Prepared by G. D'Alessio, I. Faiella, R. Gambacorta and S. Iezzi. The database was set up by: L. Bartiloro, R. Bonci and L. Rodano for financial assets; I. Faiella, S. Iezzi and A. Neri for real assets; regional estimates were prepared by G. Albareto, R. Bronzini, A. Carmignani, D. Caprara and A. Venturini.

[2] The project was under the supervision of L. Cannari, G. D'Alessio and G. Marchese. Preliminary estimates and methods were discussed during the conference "Household Wealth in Italy" held in Perugia, 16-17 October 2007.

[3] Estimates of Italian household wealth have been produced over the years by a number of authors. Among others, see: M. Pantaleoni (1890), 'Dell'ammontare probabile della ricchezza privata in Italia dal 1872 al 1889', *Giornale degli Economisti* 1 (2nd series), 139-176, C. Gini (1962), *L'ammontare e la composizione della ricchezza delle nazioni*, Torino, UTET; C. Tresoldi and I. Visco (1975), 'Un tentativo di stima della ricchezza delle famiglie', 1963-1973, *Rivista di Diritto Finanziario e Scienza delle Finanze*, n° 4, 516-524; P. Pagliano and N. Rossi (1992), 'The Italian Saving Rate: 1951 to 1990 Estimates', in G. Marotta, P. Pagliano and N. Rossi, 'Income and Saving in Italy: a Reconstruction', *Temi di Discussione del Servizio Studi*, Banca d'Italia, n° 169; A. Brandolini, L. Cannari, G. D'Alessio and I. Faiella (2004), 'Household Wealth Distribution in Italy in the 1990s', *Temi di Discussione del Servizio Studi*, n° 530, Banca d'Italia. For an analysis of the main issues relating to wealth evolution, composition and distribution in Italy see L. Cannari and G. D'Alessio, *La ricchezza degli italiani*, Farsi un'idea, Il Mulino, 2006.

[4] Net wealth is obtained by adding real assets (dwellings, land etc.) and financial assets (deposits, securities, shares, etc.) and subtracting debts (loans, personal borrowings, etc.). For a comprehensive list of different components and their exact definition, see the methodological note.

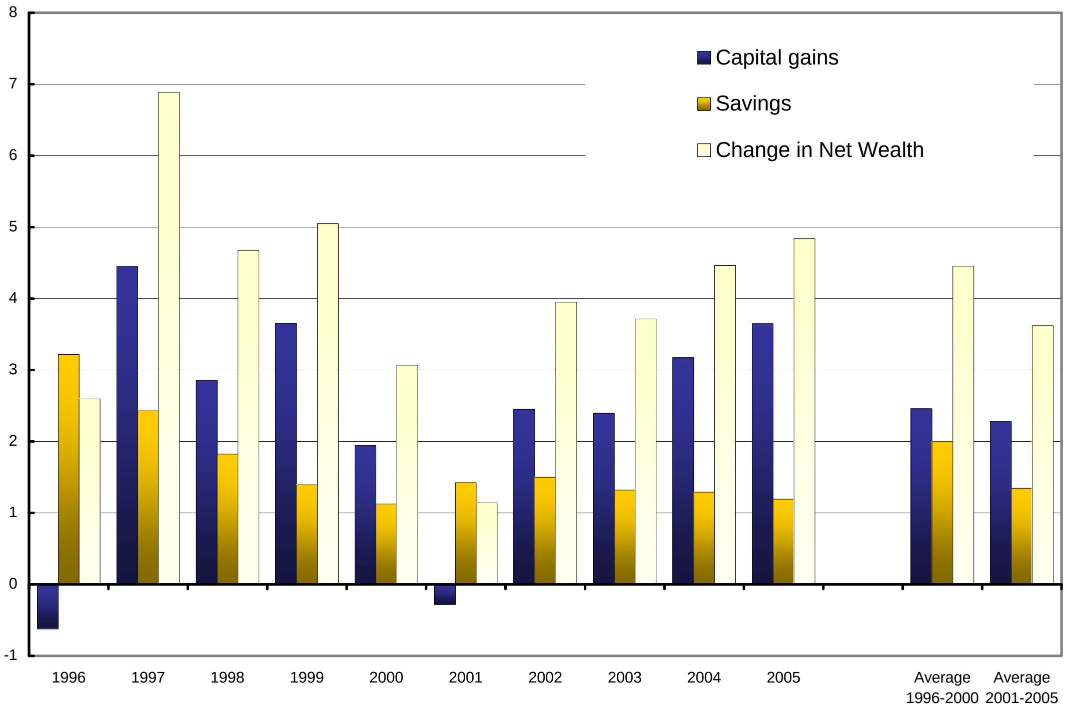
[5] The number of households was obtained by dividing the resident population (according to Istat data and excluding people in institutionalized settings, such as hospitals, rest homes, prisons or barracks) by the average number of household members provided by the SHIW; this estimate was then corrected to take account of the number of institutionalised persons from Istat. Data referring to years when the survey was not conducted are interpolated (the last year is extrapolated by assuming a linear trend).

available (dwellings, valuables and non-residential buildings, accounting for about 90 per cent of all real assets, as well as financial assets and liabilities) net wealth increased in line with the 1995-2005 yearly growth rate of about 6.3 per cent (Table 3B).

In real terms the growth of net wealth in the ten years is lower, but nonetheless quite strong.[6] Total net growth at constant (2005) prices was 51.2 per cent (about €2,649 billion) and per capita growth 47 per cent (€42,792), meaning an annual average growth rate of 3 per cent. The rate varied widely over the years, however, falling from 5.9 per cent in 1997 to 0.5 per cent in 2001 before recovering to 4.6 per cent in the following years (Table 2B).

Figure 1

Savings, capital gains and net wealth change
(as percentage of net wealth)



An increase in wealth is essentially due to savings and capital gains.[7] In the first half of the period under study (1995-2000) savings contributed to accumulation nearly as much as capital gains, but afterward capital gains became predominant accounting for up to 64 per cent of the net wealth increase. Considering the period as a whole, savings accounted for about 40

[6] Values at constant (2005) prices are obtained by using the household consumption deflator from national accounts. This indicator is preferable to the consumer price index since it contains information on some goods and services consumed by households but not included in the CPI (e.g. imputed rents).

[7] In theory, other factors can affect household wealth levels, such as wars and earthquakes (defined as “Other changes in assets account”). As far as Italy is concerned, these variations have not amounted to significant figures over the last years, allowing capital gains to be estimated as the balance between wealth increase and savings. From the perspective of a single household, other factors can be important in estimating changes in wealth. According to L. Cannari and G. D’Alessio (2006), *op. cit.*, bequests and other transfers received, considered at current prices, equal about one third of households’ net wealth. Taking into account the fact that, when receiving a transfer, one also benefits from property incomes, and assuming a rate of return of 2 per cent, inherited wealth amounts to more than 50 per cent.

per cent of the real growth in wealth, while the remaining 60 per cent is explained by the increase in assets prices (Table 3B and Figure 1). The contribution of savings is always positive, declining between 1996 and 2000 and holding essentially stable thereafter; capital gains fluctuate more significantly, making a negative contribution in two years (1996 and 2001).

The contribution of savings is always positive, declining between 1996 and 2000 and holding essentially stable thereafter; capital gains fluctuate more significantly, making a negative contribution in two years (1996 and 2001).

In a cross-country perspective, household wealth in Italy is quite high. [8] As far as dwellings are concerned, in 2005 Italian household wealth was 4 times disposable income, a figure similar to that of the UK, lower than in France, and higher than in Germany or the United States (whose ratio is between 2 and 3). Financial assets in Italy are almost 4 times disposable income, a slightly lower ratio than in the United States and the UK, but higher than in Germany and France, where they are nearly 3 times income. The liabilities of Italian households are equal to 66 per cent of disposable income, lower than that in all the other countries. Only in France, liabilities are below disposable income; in Germany, the United States and the United Kingdom they are higher (respectively 108, 135 and 155 per cent of disposable income) (Table 1).

Table 1

Household net wealth: an international comparison

(*Ratio of households' assets to disposable income*)

	2000	2001	2002	2003	2004	2005
			Dwellings			
US[(1)]	1.8	1.8	1.9	2.0	2.2	2.3
Germany[(2)]	2.9	2.8	2.9	2.9	2.8	-
France	2.9	3.1	3.3	3.7	4.3	4.9
United Kingdom	3.1	3.1	3.6	3.9	4.2	4.2
Italy	**3.4**	**3.4**	**3.6**	**3.8**	**4.0**	**4.2**
			Financial assets			
US[(1)]	4.6	4.2	3.7	4.1	4.2	4.3
Germany	2.7	2.7	2.7	2.8	2.8	2.9
France	2.8	2.7	2.6	2.7	2.8	3.0
United Kingdom	4.9	4.3	3.8	4.0	4.1	4.4
Italy	**3.8**	**3.6**	**3.5**	**3.5**	**3.7**	**3.8**
			Financial liabilities			
US[(1)]	1.03	1.07	1.12	1.20	1.27	1.35
Germany	1.14	1.11	1.12	1.11	1.09	1.08
France	0.77	0.78	0.76	0.80	0.84	0.87
United Kingdom	1.14	1.18	1.30	1.41	1.53	1.55
Italy	**0.53**	**0.52**	**0.54**	**0.57**	**0.61**	**0.66**

Source: National statistical offices, OECD, Eurostat. [(1)] Federal Reserve. [(2)] Bundesbank.

[8] International comparison must be cautiously evaluated as available information can be heterogeneous. For an evaluation of financial assets comparison, see L. Bartiloro, M. Coletta, R. De Bonis, *Italian households' wealth in a cross-country perspective*, presented at the Conference "Household Wealth in Italy", Banca d'Italia, Perugia, October 2007; for real assets, see R. Bonci, L. Cannari, A. Karagregoriou, G. Marchese, A. Neri, *Defining Household Wealth in Business*, IFC Bulletin, n. 25, March 2007.

The ratio of net wealth to disposable income was 8.5 in 2005; the ratio generally increased during the whole decade (Table 2B).

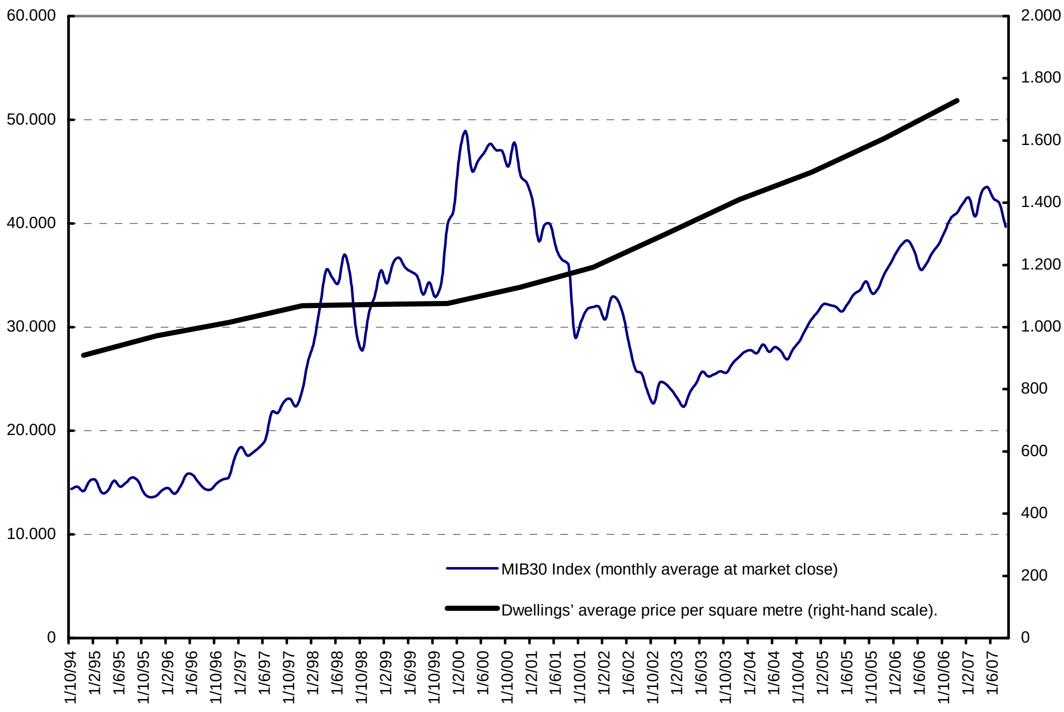
In 2005 real assets corresponded to 63.1 per cent of net wealth, amounting to €4,936 billion; financial assets to 44.6 per cent (€3,490 billion) and financial liabilities to 7.7 per cent (€601 billion) (Table 1B).

Variations in the incidence of real and financial assets on total net wealth are mainly affected by the real estate and stock markets (Figure 2). The share of financial assets increased between 1995 and 2000 from 41 to 50 per cent due to the strong performance of the stock market. The percentage of real assets decreased accordingly (64.7 per cent in 1995 and 57.1 per cent in 1999). After 2000 the share of real assets increased, rising from 59 per cent of net wealth in 2001 to 63.1 per cent in 2005.[9]

Figure 2

Stock market and real estate market

(*index number, euro per square metre*)



Source: Borsa Italiana; Cannari and Faiella (2007).

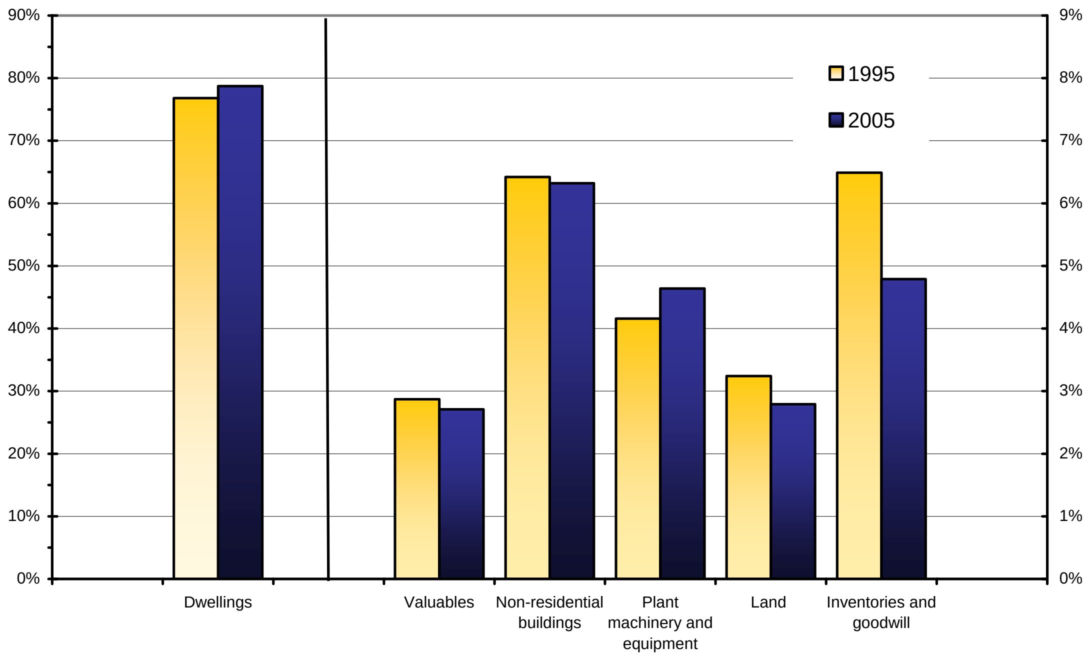
Financial liabilities increased continuously from 1995 to 2005, rising from 6 to 7.7 per cent of net wealth.

[9] This reflects, in addition to housing prices dynamics, an increase in the number of households owning their principal residence (from 12.6 million in 1995 to 15.1 million in 2005, according to the SHIW).

Real asset composition underwent minor changes (Table 3B); the share of real wealth relating to dwellings and plant equipment rose respectively by 1.9 and 0.5 percentage points, while that of land decreased (-0.4), as did inventories and goodwill (-1.7). The share of valuables and non-residential buildings remained essentially unchanged (-0.1) (Figure 3).

Figure 3

Real assets composition
(*percentages*)



Almost 68 per cent of financial assets is held in shares, bonds, government securities, equities and mutual funds. In the period 1995-2005 this figure increased by 30 percentage points. The share of financial assets invested directly by Italian households in Italian government bonds decreased by 15 points and that in currency and deposits also fell steadily (by 15 percentage points) (Table 3B and Figure 4).

The composition of households' liabilities also underwent major changes. The share of home mortgage loans rose from 20 to 38 per cent and that of consumer credit from 3.3 to 11.4 per cent; the share of "other loans" fell by 22 percentage points and that of trade debts and other accounts payable by 3.5 points. Insurance technical reserves are essentially stable (Figure 5).

Figure 4

Financial assets composition
(*percentages*)

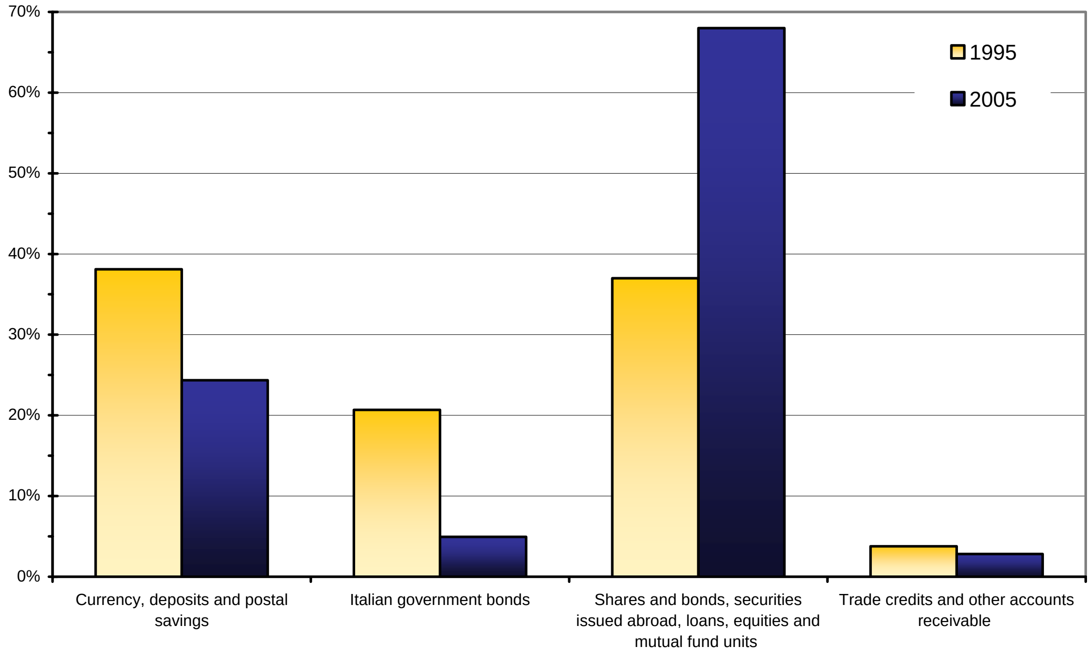
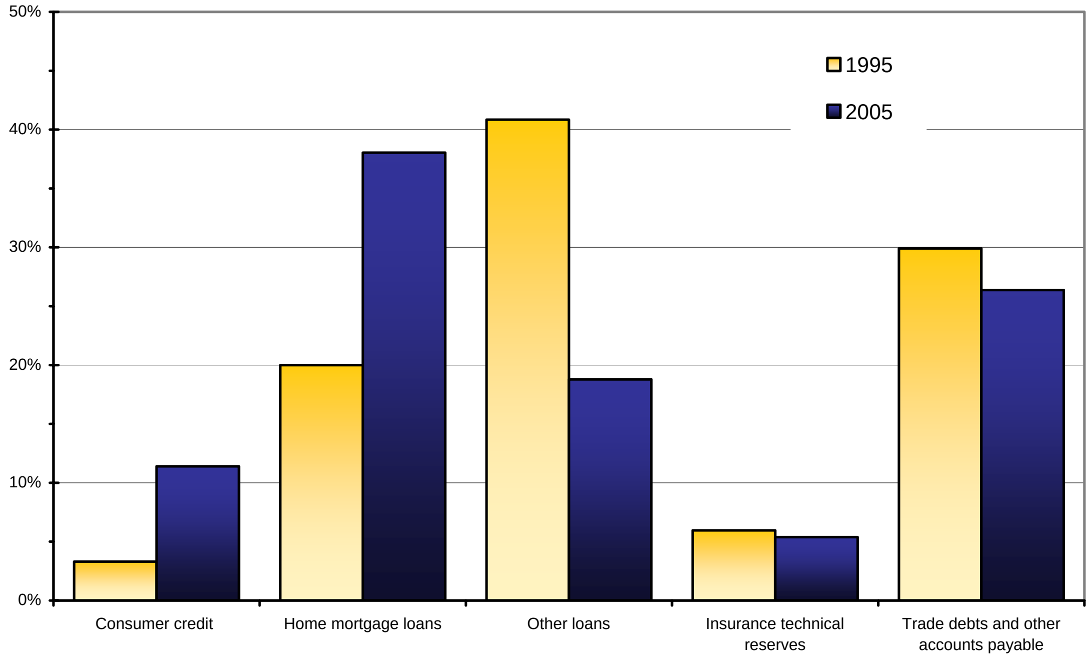


Figure 5

Financial liabilities composition
(*percentages*)



3. Wealth in the Italian regions

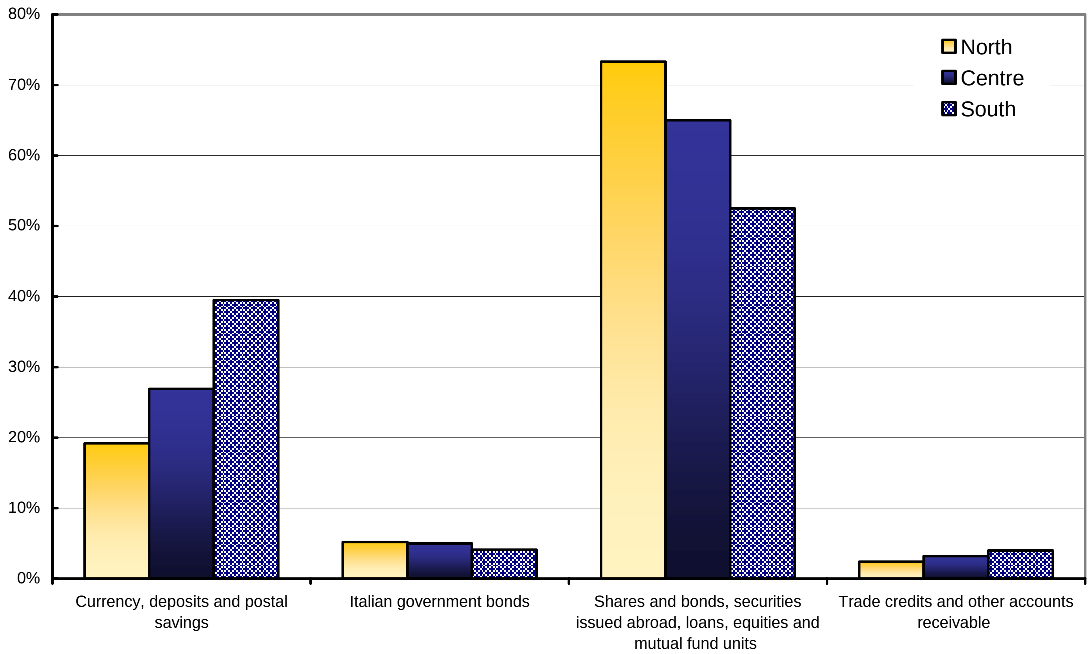
Estimates of per capita wealth confirm the long-standing territorial dualism detected by other welfare indicators as well. In 2005 per capita net wealth in the Centre and North of Italy (respectively €146,000 and €168,000) is about twice the figure for the South of Italy and Islands (€83,000; Table 7B). The geographical disparity in net wealth is more pronounced than in income; according to regional accounts, in 2003 central and northern regions' disposable income was about 50 per cent higher than in Southern Italy and the Islands.

Also the findings concerning wealth composition confirm the dualism of Italian economy: in the Centre and the South of Italy in 2005 the share of wealth held in real assets was about 10 percentage points higher than in the Northern regions; financial assets, on the other hand, amounted to 50 per cent of net wealth in the North, 41 per cent in the Centre and 37 per cent in the South and Islands.

There are also differences between South and North in financial assets composition (Figure 6). The share of currency and deposits is twice as high in the South as in the North. In the South, deposits amount to 18.7 per cent against 13 per cent in the North. The gap is even greater when postal savings are included (18.1 per cent against 4.4 per cent). On the contrary, in Northern households' portfolios we find larger shares of securities (7 percentage points more), shares (14.2 points), bonds (3.5 points) and mutual funds (4.1 points). Overall, households' portfolio composition in the South and Islands is oriented to less risky assets.

Figure 6

Financial asset composition in Italy in 2005
(*percentages*)

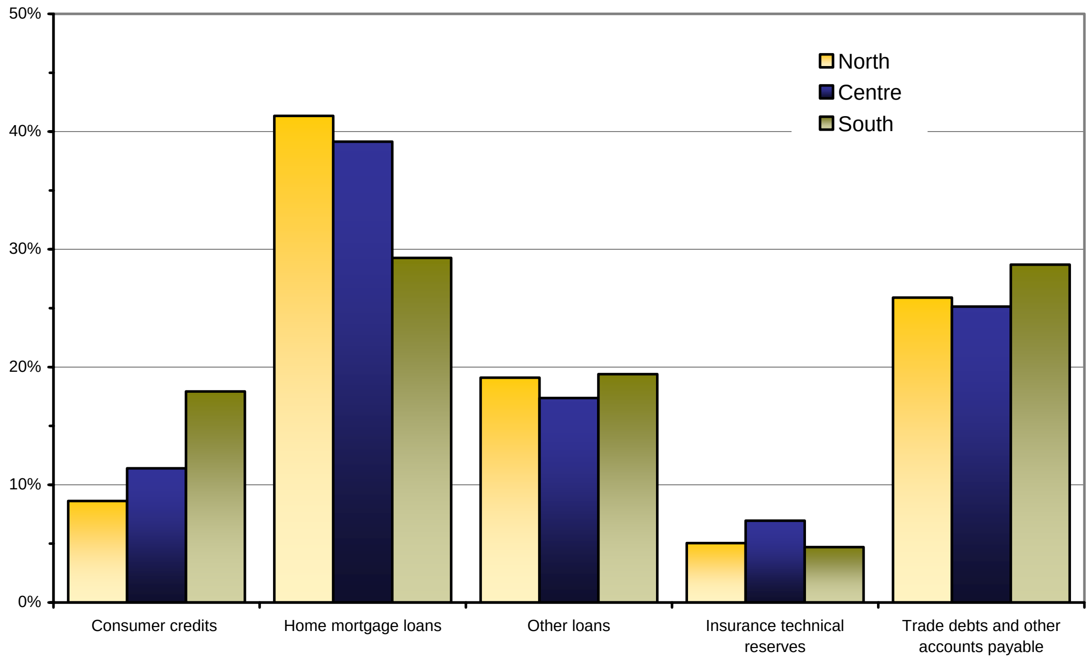


The small share of wealth held in financial assets in the South and Islands is due to the area's economic and social conditions. Portfolio composition tends to reflect the overall wealth level, since risky assets tend to increase with wealth. Besides, higher unemployment, uncertainty about expected income and weakness of the local productive system cause the residents of Southern regions to invest in less risky assets. In the South of Italy, also, lower social capital and poorer education are likely to discourage investments in risky assets.[10]

As far as financial liabilities are concerned, in the South and Islands consumer credit accounts for a larger share with respect to the rest of Italy (18 per cent against 8.6 per cent in the North), while home mortgage loans are comparatively more limited (about 29 against 41 per cent in the North) (Figure 7).[11]

Figure 7

Composition of financial liabilities in Italy in 2005
(*percentages*)



4. Wealth distribution

Information about wealth distribution is derived from the Survey on Household Income and Wealth (SHIW).[12] In terms of distribution, the reference period (1995-2004) can be divided into two phases.

[10] See L. Cannari, G. D'Alessio and M. Paiella, 'La ricchezza delle famiglie italiane: un'analisi territoriale', *Il sistema finanziario e il mezzogiorno*, 2006, edited by L. Cannari and F. Panetta, Cacucci.

[11]. For further details on the composition of financial assets and liabilities in Italian regions see G. Albareto, R. Bronzini, D. Caprara, A. Carmignani and A. Venturini, 'The real and financial wealth of Italian households by region', presented at the conference 'Household Wealth in Italy', Banca d'Italia, Perugia, October 2007. Some of the estimates presented in that paper are slightly different from those of the present report in which latest estimates of regional population are used.

[12] Information on wealth distribution, though only available at bi-annual frequency, has already been widely disseminated and discussed in the supplements illustrating the survey's main findings. Here we include this information in order to complete our analysis. See, for example, 'Household Income and Wealth in 2004', Banca d'Italia, *Supplements to the Statistical Bulletin: Sample Surveys*, No 7, January 2006, p.16

Between 1995 and 2000, the distribution of wealth became slightly more concentrated: the Gini index of net wealth rose from 0.618 to 0.631; the share of total wealth held by the wealthiest 10 per cent of households rose from 44.5 to 47.5 per cent (Table 5B). This was partly due to the increased incidence of financial assets in households' portfolios; the dispersion of their distribution is wider than that of real assets (because of Italy's very widespread home ownership). The Gini index for financial assets rose from 0.737 in 1995 to 0.809 in 2000.

In the subsequent period (2000-2004), the decline in financial market prices and the rise in house prices resulted in a greater incidence of real assets. In the same period there was a significant increase in the number of homeowners, hence an increase in medium and long-term borrowing: the Gini index of net wealth fell to 0.603 in 2004 from 0.631 in 2000, and that for real assets to 0.607 from 0.627. During these four years, the share of wealth held by the top 10 per cent households fell from 47.5 per cent to under 43 per cent.[13]

Geographically, the concentration of net household wealth measured by the Gini index is lower in the Centre (0.540) than in the North (0.601) or the South and Islands (0.626) (Table 7B). In all geographical areas, this concentration index is much higher for net wealth than for income.[14]

[13] For an analysis of capital gains' impact on wealth amount and concentration see L. Cannari, G. D'Alessio and R. Gambacorta, 'Capital Gains and Wealth Distribution In Italy', presented at the conference "Household Wealth in Italy", Banca d'Italia, Perugia, October 2007.

[14] See 'Household Income and Wealth in 2004', Banca d'Italia, *Supplements to the Statistical Bulletin* (new series) No 7, 2006.

METHODOLOGICAL NOTE

1. General aspects

Net wealth is the sum of real and financial assets, net of liabilities. Real (or non-financial) components are mainly tangible assets, such as dwellings, lands and valuables; however, they also include some non-tangible assets, such patents and business goodwill.

Financial assets, such as deposits, government securities and bonds, are instruments which entitle the owner, the creditor, to receive, without supplying any service or good, one or more payments from the debtor who is bound by the corresponding obligation. Financial liabilities, that is to say debts, represent the negative component of wealth and consist mainly of mortgage loans and consumer credit.

Wealth estimates are obtained for all households residing in Italy; the reference group for such estimates does not include non-profit institutions.[15]

In national accounts a distinction is made between aggregates accruing to households in their capacity of consumers (Consumer Households) and in their capacity of producers (of goods, non-financial services or financial services for sale provided that in the latter case their economic and financial behaviour does not correspond to that of a quasi-corporation; Producer Households). When establishing the classification of wealth items this distinction was taken into account. [16]

The net wealth estimate provided in this volume follows the aggregation scheme shown in Table A1.

Table A1

Net wealth aggregation scheme

A. Non-financial assets	**C. Financial liabilities**
A1 Dwellings	C1 Loans
A2 Valuables	C2 Insurance technical reserves
A3 Other real assets	C3 Trade debts
A3.1 Non residential buildings	C4 Other accounts payable
A3.2 Machinery and equipments	
A3.3 Inventories and purchased goodwill	
A3.4 Land	**Net wealth = A + B - C**
B. Financial assets	
B1 Currency	
B2 Bank deposits	
B3 Postal savings	
B4 Securities other than shares	
B5 Loans to cooperatives	
B6 Shares and other equity in corporations	
B7 Equity in quasi-corporations	
B8 Mutual fund shares	
B9 Insurance technical reserves	
B10 Other accounts receivable	
B11 Trade credits	

The following section describes the methods adopted to estimate non-financial components. Section 3 illustrates estimates on financial assets and liabilities. Section 4

[15] For purposes of comparison with other sources, recall that the ESA95 definition of the household sector includes non-profit institutions serving households, as do the Italian financial accounts.

[16] A detailed description of producer households and of the impact that this definition has on the classification of wealth components is provided in L. Cannari, I. Faiella, G. Marchese and A. Neri, *The real assets of Italian households*, presented at the conference "Household Wealth in Italy", Banca d'Italia, Perugia, October 2007.

describes the methodology used to estimate regional values of the different forms of wealth. The last section presents a comparison of the current estimates with those previously released by other authors.

2. Real assets

2.1 DWELLINGS

The estimate of housing wealth of Italian households consists of three components: a) the number of dwellings owned by the household; b) the average value of the households' dwellings floor area in square metres; c) the average house price per square metre. Housing wealth will therefore be estimated every year by multiplying these three components.

a) The number of dwellings owned by individuals is taken from 1991 census data. This number is updated to 2004 by using CRESME data on new buildings (owned by natural persons).[17] For the following years census data are updated using information from the "Osservatorio del Mercato Immobiliare" (OMI). The estimate does not include the value of dwellings owned by Italian households abroad, nor is it possible to obtain the value of houses located in Italy but owned by households residing abroad.[18]

b) Dwellings' average floor area results from 1991 and 2001 census data and is estimated on the basis of the trends highlighted by the data for the years following.

c) For price estimation the methodology of Cannari and Faiella is adopted.[19] The benchmark for 2002 is calculated by a composite estimator using information provided by the OMI,[20] together with data from "Consulente Immobiliare"[21] collected from Italian municipalities and processed using regression models. From 2002 onwards, price variations are obtained processing OMI data. For years before 2002, price variations are based on trends obtained from "Consulente Immobiliare" for provincial capitals and from trends observed on the basis of SHIW data for the other municipalities.

Housing wealth is corrected so as to include the sales of Government-owned housing to the household sector.

2.2 VALUABLES AND DURABLES

Valuables include non-financial goods not susceptible to physical deterioration in time, such as jewellery, antiques, works of art and collectibles. Their value is obtained by multiplying

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[17] The stock of dwellings estimated in this way is in line with the number of dwellings reported in the 2001 Census. The number of newly built dwellings based on CRESME includes an estimate of illicitly built dwellings.

[18] According to estimates from the Italian Foreign Exchange Office (UIC), the amount of investments in residential dwellings made by Italian households abroad, net of the investments made in Italy by foreign residents, is negligible.

[19] See L. Cannari and I. Faiella, 'House prices and housing wealth in Italy', presented at the conference 'Household Wealth in Italy', Banca d'Italia, Perugia, October 2007.

[20] Available online at: www.agenziaterritorio.it/servizi/osservatorioimmobiliare/index.htm

[21] Available online at: www.consulenteimmobiliare.ilsole24ore.com

the estimate of durable consumer goods by the estimator of the ratio between valuables and durables owned by households and derived from SHIW.[22]

The estimate of the stock of durables uses the perpetual inventory method applied to different sets of goods on the basis of expenditure flows and using various hypotheses on depreciation.[23]

In the national accounting system, durables are not included in the calculation of wealth, although to a certain extent they are similar to real assets; because they are important and commonly held by households, information on them is provided as a memorandum item.[24]

2.3 NON-RESIDENTIAL BUILDINGS

Non-residential buildings, together with land and other real assets described below, are included in producer households' real assets, i.e. assets owned by households in relation to business activity. This item includes the market value of properties owned by households for business purposes, such as offices, shops, laboratories, sheds/warehouses.[25]

The overall figure on stocks held by households is the product of the estimates for the following components for each type of building taken into account (offices, shops and laboratories, sheds/warehouses):

a) total number of non-residential buildings;

b) average floor area;

c) average price per square metre as the mean value of highest and lowest prices recorded within the municipalities for each type of building.

Number of units and prices per square metre were estimated by OMI data from the "Agenzia del territorio"; as for floor areas, SHIW data referring to 2004 were used.

Since the information available allows us to outline the time series only from 2002 onwards, the value of non-residential buildings for previous years is calculated on the basis of the ratio between their value and the overall value of dwellings and land. This ratio, which is about 7 per cent, appears to be stable in the 2002-2005 period and is comparable to that estimated on the basis of SHIW data.

2.4 MACHINERY AND EQUIPMENT

The evaluation of these components of households' wealth is carried out on the basis of investment data. First, an initial value of the net capital stock of households at current prices is

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[22] The ratio is calculated after winsorizing the numerator and denominator, using as threshold values the 1^{st} and 99^{th} percentile of their distribution.

[23] This method was developed in P. Pagliano and N. Rossi, 'The Italian Saving Rate: 1951 to 1990 Estimates', G. Marotta, P. Pagliano and N. Rossi, 'Income and Saving in Italy: a Reconstruction', *Temi di Discussione del Servizio Studi*, Banca d'Italia, No 169, June 1992.

[24] The inclusion of durables in real assets would be justified if the System of Accounts considered these goods as instruments of the production of services. On the contrary, accounting includes the whole expenditure for durables in final consumption. See, for example, V. Siesto, *La contabilità nazionale italiana*, Il Mulino, Bologna, 1996.

[25] The "warehouse" item recorded by OMI was excluded from estimates, since it mainly includes the houses' basement cellars.

estimated for 1990, the base year; producer household net investments, calculated by Istat and deflated by means of the implicit deflators of fixed investment and of depreciation, are then added.[26] An estimate of the amount of net capital at constant prices is obtained for every year. The net capital stock series at substitution prices is then reconstructed using relevant deflators calculated by Istat for the economy as a whole.

The following method is adopted to calculate the initial value of net fixed capital assets (in machinery and equipment) in the base year (1990). First, the ratio between producer households' investments and the overall amount of investment other than in building is computed; the mean of this ratio, calculated for the 1980s, gives an indication of producer households' share of total investment in the economy (excluding investment in building). This weighting is applied to the stock of net fixed assets calculated by Istat for the economic system as a whole (excluding building). This estimate assumes that the share of producer households' investments (excluding building) is a reasonable proxy of the capital held by producer households in relation to the overall figure for fixed capital assets (excluding building).[27]

2.5 INVENTORIES AND GOODWILL

The value of inventories for the whole economic system is calculated on the basis of a benchmark provided by Istat and referring to 1989. The changes in inventories at constant prices for each year as calculated by national accounts are then added.[28]

The share of business goodwill held by households is calculated by using the ratio between consumer households' production at constant prices and non-financial enterprises' output (non-financial corporations and producer households), assuming that inventories are proportioned to production volumes. In the 90s, this ratio averaged 21 per cent.

The data used to estimate goodwill were provided by Cerved archives, referring to small companies whose turnover is below a given threshold. Turnover is used instead of number of employees because Cerved archives information about the number of employees is often missing.

For each year, the threshold was established on the basis of average turnover per employee resulting from Istat data on companies' financial accounts (for enterprises up to 9 employees). For this subset of the Cerved sample, the average ratio between business goodwill

[26] In 2006 Istat presented a methodological review of the series of fixed investments by ownership branch, capital stock and depreciation. The new data are the result of the general review of the national accounts undertaken in accordance with EU rules, (see *Bollettino Economico*, No. 46, March 2006: 'Revisione delle metodologie di calcolo dei conti nazionali nell'Unione europea' and 'La revisione delle serie degli investimenti fissi per branca proprietaria, dello stock di capitale e degli ammortamenti'). One consequence of this review was the introduction of chained price indexes to substitute fixed base indexes (taking 1995 as the base year). Given that chained price indexes do not allow quantities to be added at constant prices (additive properties), we have used indexes that retain this property.

[27] The basis for this hypothesis is examined in L. Cannari, I. Faiella, G. Marchese and A. Neri, 'Real Assets of Italian Households', *op. cit.*

[28] As recalled earlier, chained price indexes do not allow quantities to be added at constant prices. Accordingly, the variation series of the inventories at constant prices which, prior to the 2006 review, was calculated as a residual, is now no longer available. The GDP deflator was used to deflate the series at current prices.

and fixed capital assets was estimated for 1995-2002.[29] This share, 9 per cent, was then applied to the stock of fixed capital assets (non-residential buildings and machinery and equipments) calculated by using national accounts data.

2.6 LAND

Land value is obtained by drawing a distinction between agricultural land and non-agricultural land. The value of agricultural land is provided, at a regional level, by the annual survey of the property market published on a yearly basis by the "Istituto Nazionale di Economia Agraria" (INEA).[30] In order to estimate non-agricultural land, the ratio of the value of non-agricultural land to that of agricultural land was estimated using SHIW (in 1991-2004 it averaged 11 per cent) and applied to the previous estimate. The eventual overall figure is used to estimate the share held by households, which is done by applying the percentage of agricultural land used by them according to the latest census on agriculture.[31]

3. Financial assets and liabilities

Data on the financial components of wealth are largely drawn from the Financial Accounts. The estimates presented here, however, generally diverge from them, for two reasons:[32]

a) non-profit institutions are not considered, whereas the Financial Accounts place them in the same sector as households (consumer and producers), following the classification used in the European System of Accounts (ESA95);

b) our estimates of net financial wealth take into account some items that are not yet considered in the Financial Accounts. In the case of assets, these are shareholders' loans to co-operatives and shares in quasi-corporations;[33] in the case of liabilities, trade debts.

In the following, we provide methodological information concerning the items *sub* (b).[34]

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[29] The estimate was made in two stages. First, the Company Accounts Data Service was used to calculate the share of goodwill in total intangible assets by class of intangible asset investment; then the estimates were applied to the Cerved data to obtain the total value of goodwill.

[30] The survey results are available online at www.inea.it/progetti/mercato_f.cfm.

[31] The general census on agriculture provides data on the farm area used according to the owner's legal form. The producer household sector was approximated taking into account sole proprietorships, agricultural associations and joint leases and some informal partnerships.

[32] The Italian Financial Accounts are published in the series *Supplements to the Statistical Bulletin – Monetary and Financial Indicators – Financial Accounts*, available in the Statistics section of the Bank of Italy's website. The underlying data, concerning both assets and liabilities of all sectors of the economy, can be downloaded from the Bank of Italy's data warehouse (BIP on line), available at http://bip.bancaditalia.it/4972unix/homebipentry.htm?dadove=corr&lang=eng.

[33] "Quasi-corporations" are unincorporated businesses holding a complete set of accounts, and whose economic and financial behaviour is clearly separated from the proprietor's. In the context of Italian law, the category of non-financial quasi-corporations includes several types of business partnerships: *società in nome collettivo*, *società in accomandita semplice*, *società semplici*, *società di fatto*, and sole proprietorships (e.g. craftsmen, farmers, individual entrepreneurs and freelance professionals), as long as they have more than five employees. If the number of employees is five or less, the appropriate classification is "producer households".

[34] For further details on the estimation of the financial components of household wealth, see the Methodological Appendix for any publication of the series *Supplements to the Statistical Bulletin – Monetary and Financial Indicators – Financial Accounts*, and the manual *The Italian Financial Accounts*, by L. Bartiloro et al., Bank of Italy, 2003, available at: http://www.bancaditalia.it/pubblicazioni/temist/cofin03/manual_financial_accounts.pdf.

3.1 MEMBERS’ LOANS TO CO-OPERATIVES

One of the main sources of funding for co-operatives is members’ loans, which are conceptually similar to personal savings accounts managed by the co-operative. Members can lend a certain amount of money to a co-operative, under provisions stipulated in its statutes and up to a limit established by the law (at the moment, slightly below €30.000 per member), benefiting from a favorable tax rate on interest payments (12.5 per cent).[35]

Nearly 34.000 Italian businesses, with a total of more than 10 million members, are part of two associations/cooperatives: Legacoop and Confcooperative. The former encompasses the majority of consumers’ co-operatives, normally larger than others both in terms of number of members and in terms of the volume of savings collected. In particular, balance sheets show that COOP Italia, the largest participant in Legacoop, collects more than 90 per cent of all members’ loans. For this reason, the estimate of these loans presented here is based on the value reported in COOP Italia’s balance sheet, subsequently revised upwards to take into account the loans collected by other co-operatives participating in Legacoop, and by those participating in Confcooperative.

3.2 EQUITY IN QUASI-CORPORATIONS

The value of quasi-corporations is evaluated starting from an estimate of net wealth per employee, based on the SHIW for the year 2004. This estimate is then multiplied by the number of employees of quasi-corporations, taken from Istat’s archive of active businesses (“Archivio Statistico delle Imprese Attive” – ASIA).

A time series is reconstructed using an indirect methodology, combining information from the Bank of Italy’s supervisory statistical reports and data from the Company Accounts Data Service (Cebi/Cerved). The estimation methodology is based on the calculation of yearly leverage ratios, i.e. ratios between bank loans received and net wealth, for small unlisted corporations, assuming a similarity between those and quasi-corporations in terms of credit leverage.[36]

3.3 TRADE CREDITS

For the period between 1995 and 2002, trade credits for producer households are estimated by reconstructing the characteristic credits-to-turnover ratios (Cebi/Cerved), and extrapolating the mean of these ratios to the total output of producer households as published by ISTAT. For the years after 2002, the reconstruction is based on indicators of average credit days by sector of economic activity, drawn from the Cebi/Cerved archives, and applied to the appropriate output value for producer households.

3.4 TRADE DEBTS

Like trade credits, trade debts for producer households are reconstructed based on Cebi/Cerved and ISTAT data, and different estimation methodologies are followed for different

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[35] As stated above, the Financial Accounts do not currently take into consideration members’ loans. In the near future, they will be recorded as assets for households and, simultaneously, as liabilities for non-financial firms (co-operatives specialising in financial services are not permitted to take members’ loans), under the “Short-term loans” category.

[36] See L. Rodano, L. Signorini, *Measuring the value of micro-enterprises*, presented at the conference ‘Household Wealth in Italy’, Banca d’Italia, Perugia, October 2007.

periods. In particular, for all years up to 2002 trade debts are based on the characteristic debts-to-purchases ratios. The mean of these ratios is applied to the total value of intermediate consumption by producer households. Starting from 2003, the reconstruction is based on the average of debt days by sector of economic activity, applied to the appropriate value of intermediate consumption for producer households.

4. The estimate of wealth at the regional level

Only a part of the estimates presented above are available with detailed territorial breakdown. For this reason, a methodology was created to reconstruct the regional distribution of a given phenomenon, starting from national information. As a general rule, national totals were allocated to regions based on a correlated indicator available at the regional level.[37]

4.1 REGIONAL ESTIMATES OF REAL ASSETS

Where the distribution of real assets is concerned, the integration of different sources is needed: the census, regional accounts, the SHIW, and estimates derived in previous studies.

Dwellings. For the price of dwellings, we use the index presented in Cannari and Faiella,[38] and available since 2002 at the regional level. For the calculation of regional prices before 2002, we use price variations as derived from data from the *Consulente Immobiliare* periodical publication. Information on the total floor area of occupied dwellings at the regional level is drawn from the 2001 Census. For years other than 2001, surface areas estimates are based on the rate of change of the net stock of regional capital in the real estate sector, calculated with the method of permanent inventory (the depreciation rate is taken from national data).[39] The value of unoccupied dwellings is allocated to regions using the regional shares of households disposable income, so as to take into account the fact that not all unoccupied dwellings are owned by residents.[40]

Valuables and durables. The stock of durables at the regional level is estimated starting from the value recorded in the initial year (calculated for 1995 in Cannari et al[41]), net of an annual rate of depreciation estimated at about 12 per cent, and brought forward with the implicit deflator for consumption in durables, as found in regional accounting. The regional stock of valuables is obtained using the distribution estimated for durables.

Non-residential capital stock. The non-residential capital stock by region is the sum of the stock of non-residential buildings and the value of plant machinery and equipment. The former is estimated using the information on capital stock in construction; the latter, based on

[37] This section is largely based on the methodological appendix of G. Albareto et al., 'The real and financial wealth of Italian households by region', *op. cit.* Previous estimates of regional wealth, obtained with analogous methods, can be found in L. Cannari, G.D'Alessio and A.Venturini, 'La ricchezza delle famiglie nelle regioni italiane', *op.cit. Rivista Economica del Mezzogiorno*, a. XVIII, 2003, n. 1-2, 47-85.

[38] L. Cannari and I. Faiella, 'House prices and housing wealth in Italy', *op.cit.*

[39] For the years 2004 and 2005, in the absence of regional data on the capital stock in residential buildings, surface areas are calculated by applying the growth rate for the national stock to the estimate for 2003.

[40] We assume that all occupied dwellings in a region are owned by residents. While this assumption may occasionally be violated, for example in the case of dwellings owned by non-residents and rented out, the number of exceptions is certainly quite limited.

[41] See L. Cannari, G .D'Alessio and M. Paiella, 'La ricchezza delle famiglie italiane: un'analisi territoriale', *op.cit.*

ISTAT data on capital in machinery, equipment, and means of transportation. The stock of regional capital of producer household is obtained by multiplying the net stock of regional capital by the share of employees per region and per sector, using data from the industry census and from ISTAT's regional accounts. The regional shares of non-residential buildings are obtained by inflating the stock at constant prices with price variations recorded for non-residential buildings. The regional shares of the capital stock of households in machinery are obtained starting from the stock at constant prices.

Inventories and goodwill of producer households. The shares used to allocate the national total to regions are estimated on the basis of information on regional value added. This value is obtained by weighting regional value added with the share of employees in producer households.

Land. Data are available at the regional level, from the survey conducted by the Italian National Institute of Agricultural Economics (INEA).

4.2 REGIONAL ESTIMATE OF FINANCIAL ASSETS

For the regional estimates of financial wealth, national data from the Financial Accounts were imputed to the various territorial units, mainly based on information on the geographical distribution of homogeneous items drawn from supervisory reports. [42] In some cases, different sources were integrated.

Currency. The allocation of the national total to regions is based on the regional distribution of GDP as provided by ISTAT.

Bank deposits. The allocation of the national total to regions is based on supervisory reports.

Postal savings. The component accruing to postal savings books and postal savings certificates is allocated to regions based on data provided by the "Cassa Depositi e Prestiti". These data are not disaggregated by sector, and we therefore hypothesize that all books and all certificates are held by households. For the component accruing to postal current accounts, the weights used for territorial allocation are calculated by multiplying the national stock of postal current accounts, as provided by the Ministry for Economics and by "Poste Italiane", by the weights relative to the number of postal current accounts for each territorial area as provided by "Poste Italiane". Finally, values are estimated for individual sub-regional areas based on data on bank deposits as found in supervisory reports.

Securities other than shares. The allocation of the national total to regions is based on the value of securities other than shares held by banks for their clients, both in custody and in individually managed portfolios, as found in supervisory reports.

Members' loans to co-operatives. The allocation of the national total to regions is based on the value of members' loans as provided by "Lega delle Cooperative" (2004).[43] Values are estimated for individual sub-regional areas based on the number of members in consumers' co-operatives as provided by "Lega delle Cooperative" (2005).

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[42] The estimate of household financial wealth by region is only available from 1998 onwards. The reason is as follows: it is only since then that supervisory reports adopt the ESA95 definition of households, which includes producer households.

[43] The data on members' loans refers to the largest 100 co-operatives, which represent the near entirety of the phenomenon.

Shares and other equity in corporations. The allocation of the national total to regions is based on the value of shares and other equity held by banks for their clients, both in custody and in individually managed portfolios.

Shares in quasi-corporations. The allocation of the national total to regions is performed based on the number of private partnerships and quasi-corporations, as found in the census of businesses (2001).

Mutual fund units. The allocation of the national total to regions is based on the value of Italian investment fund units held by banks for their clients, either in custody or in individually managed portfolios (source: supervisory reports).

Insurance technical reserves. The aggregate includes pension funds, life and casualty insurance reserves. Regional disaggregation of newly issued pension funds is based on the number of subscribers by area, as provided by the Italian Supervisory Commission on Pension Funds (COVIP); sub-regional disaggregation is based on disposable income from ISTAT. Regional estimates of the pre-existing funds are based on the number of bank branches in the area, as found in the bank register maintained by the Bank of Italy (SIOTEC). Regional estimates of life insurance reserves[44] are obtained summing up the last ten-year life insurance premiums paid, as provided by the Italian Supervisory Institute for Private Insurance (ISVAP).

Other accounts receivable. The national stock is disaggregated by region on the basis of the geographical distribution of deposits, as found in supervisory reports.

Trade credits. The national stock is disaggregated by region on the basis of full-time equivalent self-employment, as provided by ISTAT in the regional accounts.

4.3 REGIONAL ESTIMATE OF FINANCIAL LIABILITIES

Loans. The national stock is disaggregated by region on the basis of the geographical distribution of loans extended, as found in supervisory reports.

Insurance technical reserves liabilities. We assume that technical reserves are entirely composed of pension funds held by producer and consumer households' employees. Regional estimates are obtained using the number by region of producer households' employees working in the industry and service sectors, as provided by ISTAT in the 2001 census, and of consumer households' employees as provided by the Italian National Institute for Social Security (INPS) in their Observatory on domestic workers for the period 1999-2003. Weights for consumer and producer households are calculated using the full-time equivalent employment units estimated by ISTAT for the year 2000.

Other accounts payable. The allocation of the national total to regions is based on the distribution of regional GDP as provided by ISTAT.

Trade debts. The national stock is disaggregated by region on the basis of full-time equivalent self-employment, as provided by ISTAT in the regional accounts.

[44] The weight of casualty reserves in total insurance reserves is marginal, and data on casualty premiums are unavailable.

5. Comparison with previous estimates

This section compares the estimates presented in this report with the estimates for Italy processed in the past by Brandolini et al. (2004), Cannari and D'Alessio (2006) and those provided by the Bank of Italy and published by OECD (2007).[45] For ease of presentation, we list the sources referred to by the acronyms BCDF (Brandolini, Cannari, D'Alessio and Faiella), CD (Cannari and D'Alessio) and BI-OECD.

There are various causes for the differences between estimates: for example, there are differences in the definitions of wealth and in the methodologies for estimating some of the common items, in particular dwellings. Finally, it should be considered that the estimates can diverge due to the availability of new sources or modifications and revisions of data (for example, the census data).

Table A2 quantifies the divergences between the various estimates provided in 2002, the last year for which all the abovementioned sources are available, and enables a review of the factors that determine divergences in the values of total net wealth.

In absolute terms, without taking account of the effect of differences in the definitions adopted, in 2002 CD and BI-OECD report estimates 10 per cent higher than the current estimates; BCDF estimates are 2 per cent higher than the current ones. These results derive from the combined effect of a variety of factors that we will now briefly outline.

All the new estimates listed below report an overestimation of net wealth of 8.1 per cent, due to the inclusion of durable goods, and an underestimation of around 13 per cent, due instead to the omission of valuables, non-residential buildings, plant and machinery, inventories, goodwill and loans to co-operatives.

The BCDF estimates do not report land (3.5 per cent) and net financial assets held by producer households (5.3 per cent). Moreover, all three estimates considered overestimate dwellings by an amount equal to around 15 per cent of net wealth.

Taking account of all these factors, the estimates are reconciled, not counting residuals that we can impute to the revisions of the data. It is evident that this residual is greater in the BCDF estimates, which are also the least recent.

Aside from the definitions, the most important new development regards the estimate of residential dwellings. Previous estimates computed the price per square meter on the basis of data from "Consulente Immobiliare", the current estimates combine these with data from OMI.

The new estimates, compared with the past ones, attenuate some peculiarities of the Italian situation in the international context, such as the high ratio between net wealth and disposable income of households (for 2004 down to 8.2 from 9.5), and the share of real assets on gross wealth (for 2004 down to 58.3 from 65.3).

[45] See Cannari, D'Alessio and Paiella, *op. cit.* make regional estimates by drawing on the national totals in the estimates by Cannari and D'Alessio, *op. cit.*. The estimates published by the OECD in its Economic Outlook for 2007 are derived combining the data published in the Financial Accounts with the estimates of real assets provided by the Bank of Italy.

Table A2

Reconciliation between current and previous estimates, 2002

(index, 100 = net wealth based on current estimates)(*)

	BCDF	CD and CDP	BI-OECD(**)
Net wealth	102.1	109.1	111.2
Differences due to definition:			
Durable goods	8.1	8.1	8.1
Valuables	-1.8	-1.8	-1.8
Lands	-3.5	-	-
Non-residential buildings, plant and machinery, inventories	-8.5	-8.5	-8.5
Financial accounts: consumer households only	-5.3	-	-
Sole proprietorships	-2.5	-2.5	-2.5
Loans to co-operatives	-0.2	-0.2	-0.2
Differences due to estimation methods:			
Residential buildings	13.3	13.3	15.7
Other (residual)	2.5	0.7	0.4

(*)The values indicate the differences between old and new estimates. (**) OECD, Economic Outlook No. 81, May 2007.

STATISTICAL TABLES

Table. 1B

NET WEALTH COMPOSITION[(1)]

(millions of euros)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
						current prices						
Non-financial assets (a)	2,750,881	2,898,261	3,075,729	3,135,081	3,195,010	3,385,598	3,606,106	3,949,880	4,296,501	4,587,327	4,935,644	
Financial assets (b)	1,753,962	1,923,989	2,178,210	2,450,140	2,775,648	2,950,934	2,927,525	2,979,701	3,079,179	3,280,266	3,490,419	3,632,431
Financial liabilities (c)	255,008	279,977	308,009	328,748	362,465	405,091	424,061	457,528	495,686	546,995	601,344	654,205
Net wealth (d = a+b-c)	4,249,835	4,542,273	4,945,930	5,256,473	5,608,193	5,931,441	6,109,570	6,472,053	6,879,994	7,320,598	7,824,719	
						constant prices (2005 prices)[(2)]						
Non-financial assets (a)	3,350,191	3,390,431	3,548,707	3,570,377	3,591,737	3,712,478	3,883,289	4,180,331	4,442,554	4,666,006	4,935,644	
Financial assets (b)	2,136,082	2,250,712	2,513,169	2,790,334	3,120,303	3,235,847	3,152,549	3,153,548	3,183,851	3,336,526	3,490,419	3,564,110
Financial liabilities (c)	310,564	327,521	355,374	374,394	407,473	444,203	456,656	484,222	512,536	556,377	601,344	641,900
Net wealth (d = a+b-c)	5,175,709	5,313,621	5,706,502	5,986,317	6,304,567	6,504,122	6,579,182	6,849,657	7,113,868	7,446,155	7,824,719	

(1) See table 4B for the composition of items (a, b, c). (2) Values calculated using the consumption deflator.

Table. 2B

RATIOS

(euros)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
						current prices						
Per capita net wealth [(1)]............................	74,763	79,907	86,959	92,374	98,546	104,200	107,259	113,557	120,026	126,461	133,842	
Per household net wealth [(2)].....................	217,587	229,460	246,337	258,091	272,612	285,369	292,112	307,533	318,259	328,167	345,777	
						constant prices (2005 prices)[(4)]						
Per capita net wealth	91,050	93,477	100,332	105,200	110,783	114,261	115,504	120,183	124,106	128,630	133,842	
Per household net wealth	264,991	268,426	284,218	293,926	306,462	312,921	314,566	325,476	329,077	333,795	345,777	
Memorandum item:												
Net wealth / Disposable income[(3)]	***6.4***	***6.4***	***6.9***	***7.2***	***7.6***	***7.7***	***7.5***	***7.7***	***7.9***	***8.2***	***8.5***	

(1) Resident population according to Istat; (2) The number of households is obtained by dividing the resident population (excluding people in institutionalized settings, such as hospitals, rest homes, prisons or barracks) by the average number of household members provided by the survey on household budgets conducted by the Bank of Italy. Data referring to years when the survey was not conducted are interpolated; the last year is extrapolated by assuming a linear trend); (3) Households' disposable income is drawn from national accounts; (4) Values calculated using the national accounts' consumption deflator.

Table. 3B

HOUSEHOLD NET WEALTH
(*millions of euros at current prices*)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Dwellings	2,113,214	2,231,984	2,375,339	2,407,086	2,436,131	2,580,400	2,752,885	3,033,332	3,328,070	3,578,178	3,886,522	4,234,732
Valuables	78,945	81,809	85,155	87,708	95,437	104,272	111,100	117,850	124,327	129,860	133,844	137,854
Non-residential buildings	176,508	185,942	197,383	200,309	202,906	214,561	228,555	255,440	276,742	290,661	312,018	344,840
Machinery and equipment	114,524	121,956	131,597	143,019	155,491	169,804	183,513	198,027	208,985	219,309	229,041	
Inventories and purchased goodwill	89,092	94,251	98,742	103,199	106,610	111,060	115,341	121,791	127,567	132,895	137,641	
Land	178,597	182,320	187,514	193,761	198,435	205,501	214,712	223,440	230,811	236,424	236,577	
Non-financial assets (a)	**2,750,881**	**2,898,261**	**3,075,729**	**3,135,081**	**3,195,010**	**3,385,598**	**3,606,106**	**3,949,880**	**4,296,501**	**4,587,327**	**4,935,644**	
Currency	41,233	41,989	45,046	48,293	54,117	57,054	47,235	45,944	55,028	64,069	73,054	80,653
Bank Deposits	520,128	532,551	495,545	459,118	438,621	443,019	469,127	480,794	488,428	497,036	518,409	565,072
of which: transferable deposits	193,785	206,673	224,104	235,555	245,944	256,426	284,177	315,609	338,459	355,207	375,817	396,701
Postal savings	106,949	118,101	128,311	137,855	155,251	165,116	189,080	202,597	222,324	242,892	258,929	272,278
of which: transferable deposits.	3,872	3,316	3,042	4,731	2,697	2,771	7,469	8,568	13,102	17,556	20,479	22,088
Securities other than shares	435,103	512,757	551,643	513,678	436,361	504,671	563,131	623,525	625,887	675,887	648,678	659,668
Italian Government bonds	362,879	379,309	352,633	258,272	169,682	190,532	211,786	232,593	195,473	216,653	172,337	161,820
Italian corporate bonds	40,648	94,460	145,493	196,601	193,964	238,341	259,883	299,980	339,979	371,830	357,797	372,594
of which: issued by banks	36,523	88,257	139,784	190,094	188,336	228,108	244,657	271,765	296,705	333,575	312,021	322,294
Securities issued abroad	31,576	38,988	53,518	58,805	72,715	75,798	91,462	90,952	90,434	87,405	118,544	125,254
Loans to cooperatives	5,485	6,131	6,675	7,330	8,180	8,233	9,189	9,928	10,858	11,733	12,572	13,219
Shares and other equity in corporations	248,609	254,642	349,419	455,288	698,872	755,429	668,644	637,148	617,246	668,666	778,908	822,666
issued by residents	222,784	226,906	305,388	395,306	603,811	648,064	575,667	570,552	544,626	592,680	688,634	723,415
of which: listed shares	50,706	56,561	94,348	155,470	210,777	219,138	132,469	117,457	154,912	159,941	181,925	216,798
Issued by non residents	25,825	27,736	44,032	59,982	95,061	107,365	92,977	66,596	72,620	75,987	90,274	99,251
of which: listed shares	18,202	19,549	31,034	42,276	70,762	82,883	70,587	48,581	53,487	56,600	68,689	76,251
Equity in quasi-corporations	91,153	89,363	109,632	141,174	147,432	148,971	146,509	159,744	169,594	189,600	192,986	201,296
Mutual fund shares	67,397	105,604	195,160	369,093	478,665	453,454	388,011	326,535	338,819	320,607	330,869	303,098
Insurance technical reserves	171,832	191,183	217,136	246,406	288,999	329,554	369,804	412,488	467,754	521,142	577,643	611,202
of which: pension funds	101,559	107,819	114,412	120,551	129,657	138,813	148,119	157,067	166,822	177,672	191,014	200,662
of which: life insurance reserves	55,687	66,910	84,462	105,136	136,414	165,434	194,527	226,445	270,093	310,795	352,531	373,363
Other accounts receivable	9,581	10,147	10,583	10,658	11,475	12,705	5,397	7,062	6,937	7,486	11,638	14,656
Trade credits	56,492	61,521	69,060	61,247	57,677	72,729	71,399	73,936	76,304	81,148	86,734	88,623
Financial assets (b)	**1,753,962**	**1,923,989**	**2,178,210**	**2,450,140**	**2,775,648**	**2,950,934**	**2,927,525**	**2,979,701**	**3,079,179**	**3,280,266**	**3,490,419**	**3,632,431**
Total assets (a+b)	**4,504,843**	**4,822,250**	**5,253,939**	**5,585,221**	**5,970,658**	**6,336,532**	**6,533,631**	**6,929,581**	**7,375,680**	**7,867,593**	**8,426,063**	
Loans	163,536	173,966	185,275	202,196	231,291	252,389	267,396	293,295	320,916	364,676	410,323	455,637
Consumer credit	8,410	9,399	9,192	24,496	28,734	32,913	36,679	43,458	50,093	57,434	68,553	81,136
Home mortgage loans	50,969	54,217	59,241	69,947	89,669	116,310	126,281	141,308	163,608	195,281	228,826	256,168
Other loans	104,157	110,350	116,841	107,752	112,888	103,167	104,436	108,530	107,215	111,961	112,943	118,333
Insurance technical reserves	15,199	16,438	17,828	19,170	20,624	22,203	23,918	25,781	27,807	30,012	32,414	32,659
Trade debts	52,785	57,798	65,166	57,074	53,253	68,579	67,002	68,638	70,717	75,238	80,770	82,606
Other accounts payable	23,488	31,775	39,741	50,309	57,297	61,919	65,746	69,815	76,246	77,069	77,837	83,303
Financial liabilities (c)	**255,008**	**279,977**	**308,009**	**328,748**	**362,465**	**405,091**	**424,061**	**457,528**	**495,686**	**546,995**	**601,344**	**654,205**
Net wealth (a+b-c)	**4,249,835**	**4,542,273**	**4,945,930**	**5,256,473**	**5,608,193**	**5,931,441**	**6,109,570**	**6,472,053**	**6,879,994**	**7,320,598**	**7,824,719**	
Memorandum item: durables	*404,848*	*428,317*	*445,837*	*469,025*	*485,686*	*506,173*	*526,542*	*545,603*	*565,122*	*579,731*	*597,519*	*615,420*

Table. 4B

NET WEALTH ACCUMULATION
(millions of euros at 2005 prices) (1)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Net savings (2) (a)	171,067	138,586	109,191	87,829	73,168	93,669	102,648	93,885	96,205	93,317
Capital gains and other wealth variations (b)	-33,155	254,295	170,624	230,420	126,387	-18,609	167,827	170,327	236,082	285,246
Net wealth change (a+b)	137,912	392,881	279,815	318,249	199,555	75,060	270,475	264,211	332,287	378,563

(1) Values calculated using the consumption deflator. (2) Savings are drawn from National Accounts; capital gains and other changes in wealth are estimated by subtracting the savings from the overall variation in wealth.

Table. 5B

NET WEALTH DISTRIBUTION: 1995-2004

	1995	1998	2000	2004
Net wealth Gini inequality index	0.618	0.628	0.631	0.603
Non-financial assets Gini inequality index	0.629	0.638	0.627	0.607
Financial assets Gini inequality index	0.737	0.743	0.809	0.733
Financial liabilities Gini inequality index	0.908	0.937	0.925	0.922
Share of net wealth held by the richest 10 per cent	44.5	46.3	47.5	42.9
Share of net wealth held by the poorest 50 per cent	9.3	9.3	9.6	10.1
Percentage of household with negative net wealth	2.3	2.3	1.8	2.6
Memorandum item:				
Household income Gini inequality index	*0.363*	*0.375*	*0.362*	*0.353*

Source: calculations based on data from the survey on household income and wealth, annual archives.

Table. 6B

NET WEALTH IN ITALIAN REGIONS
(millions of euros at current prices)

Geographical areas	1998	1999	2000	2001	2002	2003	2004	2005
North	2,998,922	3,240,979	3,434,094	3,468,790	3,679,259	3,957,852	4,186,953	4,460,849
Centre	1,076,374	1,111,513	1,178,198	1,258,268	1,365,034	1,421,512	1,529,679	1,640,793
South and Islands	1,181,176	1,255,700	1,319,150	1,382,511	1,427,760	1,500,630	1,603,967	1,723,077
Italy	**5,256,473**	**5,608,193**	**5,931,442**	**6,109,570**	**6,472,053**	**6,879,993**	**7,320,599**	**7,824,719**

Table. 7B

NET WEALTH IN ITALIAN REGIONS: COMPOSITION AND DISTRIBUTION
(*millions of euros at current prices*)

Geographical areas	2005					2004
	Non-financial assets	Financial assets	Financial liabilities	Net wealth	Per capita net wealth *(thousands of euros)*	Gini concentration index (*)
North	2,603,944	2,184,134	327,228	4,460,849	168.3	0.601
Centre	1,111,124	664,661	134,993	1,640,793	145.8	0.540
South and Islands	1,220,576	641,624	139,122	1,723,077	83.2	0.626
Italy	**4,935,644**	**3,490,419**	**601,344**	**7,824,719**	133.8	**0.603**

(*) Calculations based on data from the survey on household income and wealth, annual archives.