

G20

DATA GAPS INITIATIVE 3

Rec. 8 and 9 - Household distributional information

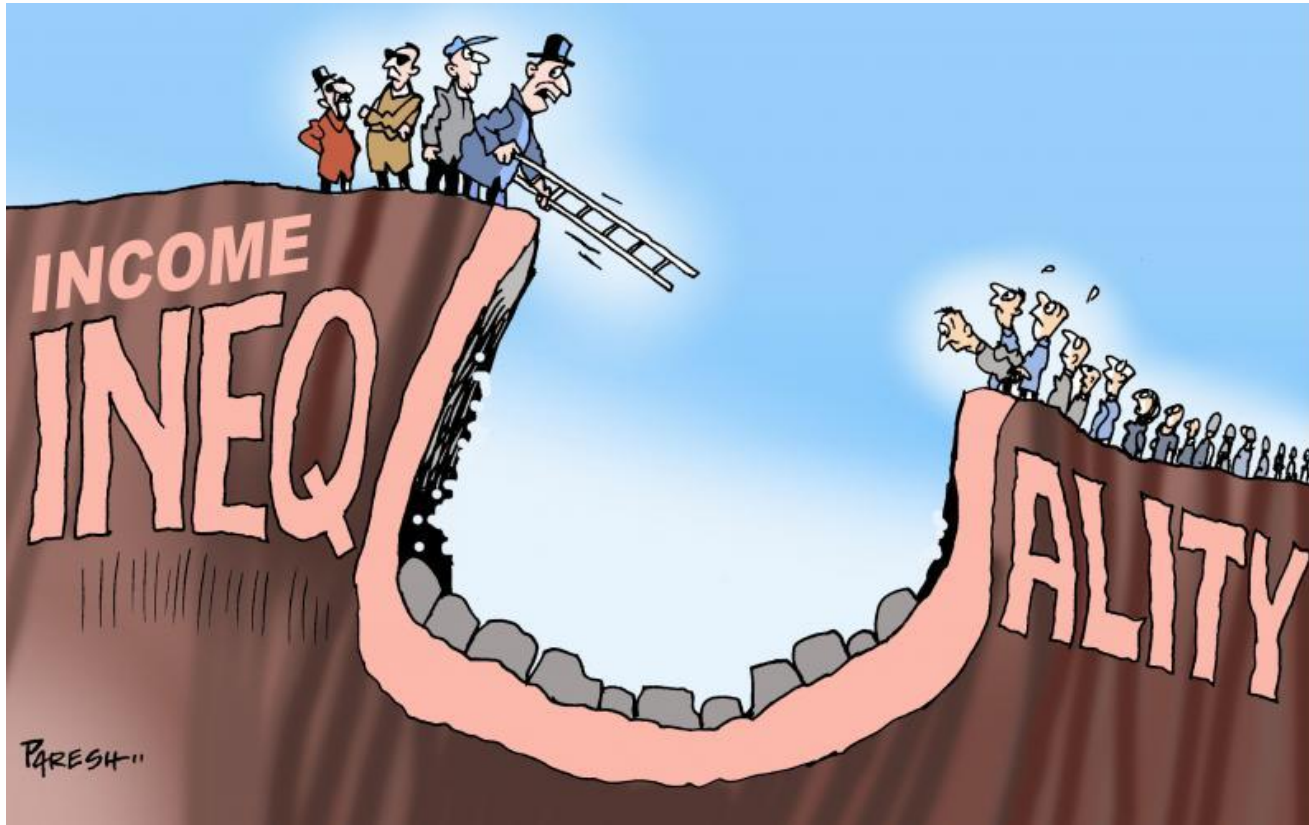
State of play

JUNE 12, 2024

Jorrit Zwijnenburg
OECD, Statistics and Data Directorate



Contents



- Introduction
- Recommendations 8 and 9
- State of play
- Next steps



Introduction

Introduction

- Strong policy interest in data on distribution of household income, consumption and wealth
 - ‘*Social inclusion and the fight against hunger and poverty*’ as one of main priorities for G20 Brazilian Presidency
 - Distributional analyses as regular complements to analysis of economic trends
 - Increasingly relevant for monetary policy, financial stability and social policy
- Recommendations 8 and 9 address these needs
- Results provide important insights who is benefiting from economic growth, how various groups contribute to wealth accumulation, and who may be affected by events or policy measures
- Building on existing work in these areas, aiming to further expand the country coverage, the level of detail, and the timeliness of the data



Overview of recommendations

Recommendation 8

Distributional results on [income](#), [consumption](#) and [saving](#) in line with national accounts totals
(Joint work by the OECD, Eurostat, IMF, UN and World Bank)

- Target:
 - By end-2024: Results for either 2021, 2022 and/or 2023 at [income quintile](#) level
 - By end-2026: [Annual results](#) within 1.5 year after the reference period for income distribution (and for consumption and saving if possible) at [income decile](#) level and, if possible, according to main source of income and by household type
- Second best:
 - By end-2026: Results, if possible, every 3 years, but [at least every 5 years](#), published within 4 years after the reference period for income, consumption and saving, at [income quintile](#) level

Recommendation 9

Distributional results on [wealth](#) in line with national accounts totals
(Joint work by the OECD, ECB, Eurostat and UN)

- Target:
 - By end-2024: Results for either 2021, 2022 and/or 2023 at [wealth quintile](#) level
 - By end-2026: [Annual results](#) within 1.5 year after the reference period at [wealth decile](#) level and, if possible, according to income decile and by household type
- Second best:
 - By end-2026: Results, if possible, every 3 years, but [at least every 5 years](#), published within 4 years after the reference period, at [wealth quintile](#) level

The slide features a solid blue background. In the top-left and bottom-right corners, there are decorative patterns of squares in three colors: white, dark blue, and light blue. The text "State of play" is centered in the middle of the slide in a white, sans-serif font.

State of play

Recommendation 8: Income, consumption and saving (1)

- Work is developed by [Expert Group on Disparities in National Accounts framework](#) (EG DNA)
- The group held two meetings since last global conference, focusing on:
 - [Country experiences](#) in compiling results (BEL, CHL, FRA, USA)
 - Further exploring [methodological issues](#) (e.g., linking data across ICW; how to account for interhousehold transfers; how to conduct sensitivity analyses; and develop nowcasting)
 - Development of [centralized R package](#) for compiling results
 - Next [data collection round](#)
- Also dedicated meetings for [new member countries](#)
 - Assisting them in setting-up their data collection
 - Sharing best practices
 - Engaging in stock-take exercises to explore available data and size of micro-macro gaps

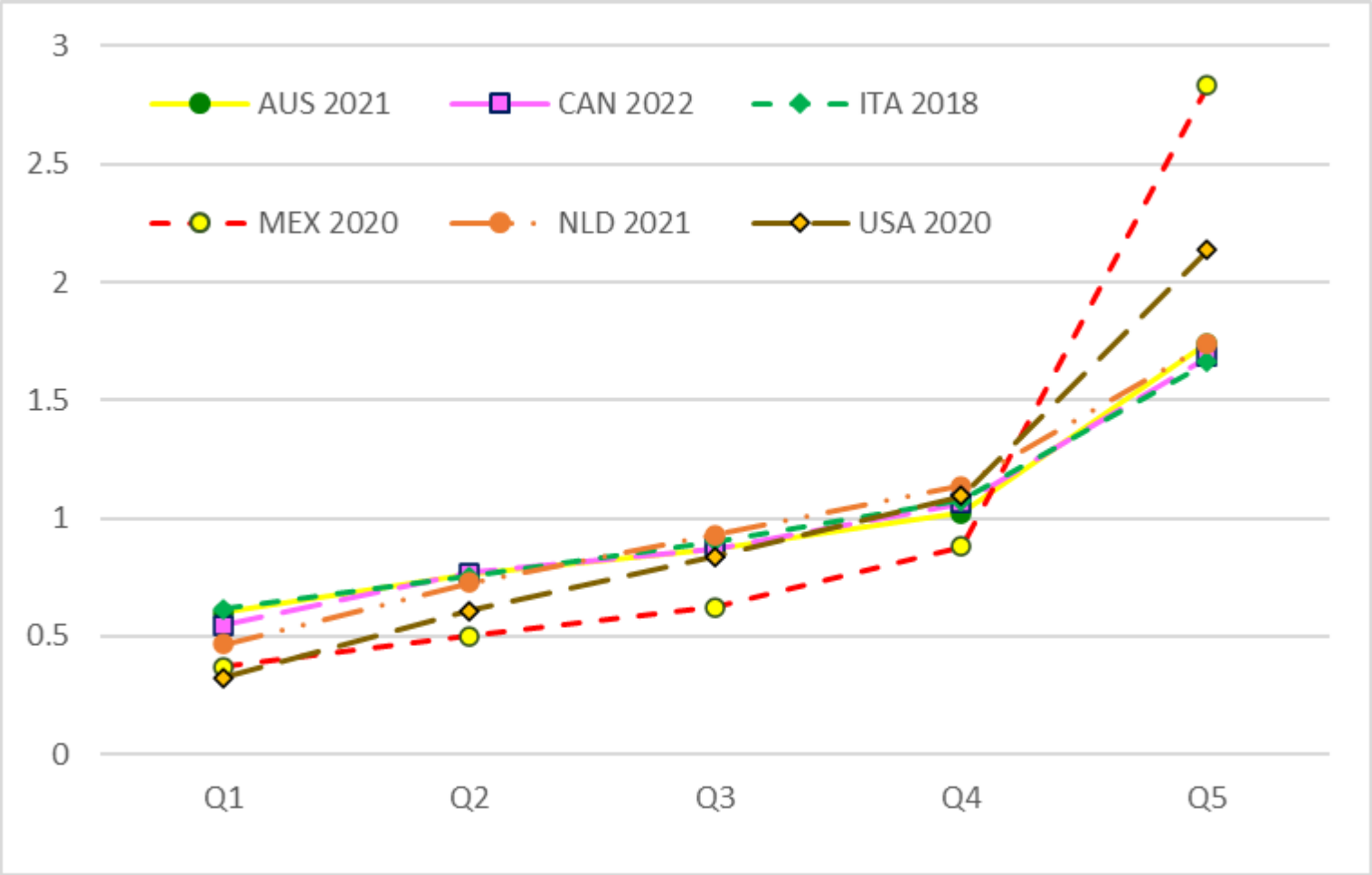
Recommendation 8: Income, consumption and saving (2)

- The group updated the [collection template](#)
 - More granular household groupings (e.g., decile and top percentile)
 - Additional sub-items (e.g., pension benefits, net measures, consumer durables)
 - Further streamlining of metadata collection
- [Handbook](#) on the compilation of distributional results was published early 2024
- Next [collection round](#) at end of 2024/early 2025
- Next meeting on [19-20 September](#), focusing on:
 - Country experiences in view of new collection round
 - Further methodological improvements
 - Update on other work streams



Recommendation 8: Income, consumption and saving (3)

Adjusted disposable income relative to the average of household sector as a whole



Recommendation 9: Wealth (1)

- Work is developed by the [Expert Group on the Distribution of Household Wealth](#) (EG DHW), building on the work of the ECB Expert Group on Distributional Financial Accounts (EG DFA)
- The group held [two meetings](#) since the last global conference, focusing on:
 - Determining the scope of wealth
 - Developing a collection template
 - Discussing methodological issues (e.g., how to deal with institutional households and equivalization; how to deal with micro-macro gaps; how to impute for missing items)
- The group engaged in [two stock-take exercises](#)
 - Assessing data availability at the micro and the macro level
 - Determining micro-macro gaps and need for imputations for a recent year
- The group developed a [collection template](#) for the short and the longer run
- The group drafted [first compilation guidance](#)

Recommendation 9: Wealth (2)

Work by the [ECB Expert Group on Distributional Financial Accounts](#) since 2015/16:

- First publication of **Experimental Distributional Wealth Accounts** in January 2024, now updated every quarter
- Combines ESCB [micro source](#) (Household Finance and Consumption Survey) and [macro results](#) of national accounts
- Focus on [time series](#) – need for interpolation and extrapolation of results
- Undercoverage of wealth in household surveys – need to [close gaps](#) (e.g. “missing rich”)
- [Methodology](#) tested [and sensitivity/revision analysis](#) carried out
- [Users](#) must be informed on assumptions and estimations involved
- Public release received [considerable attention by users and media](#)

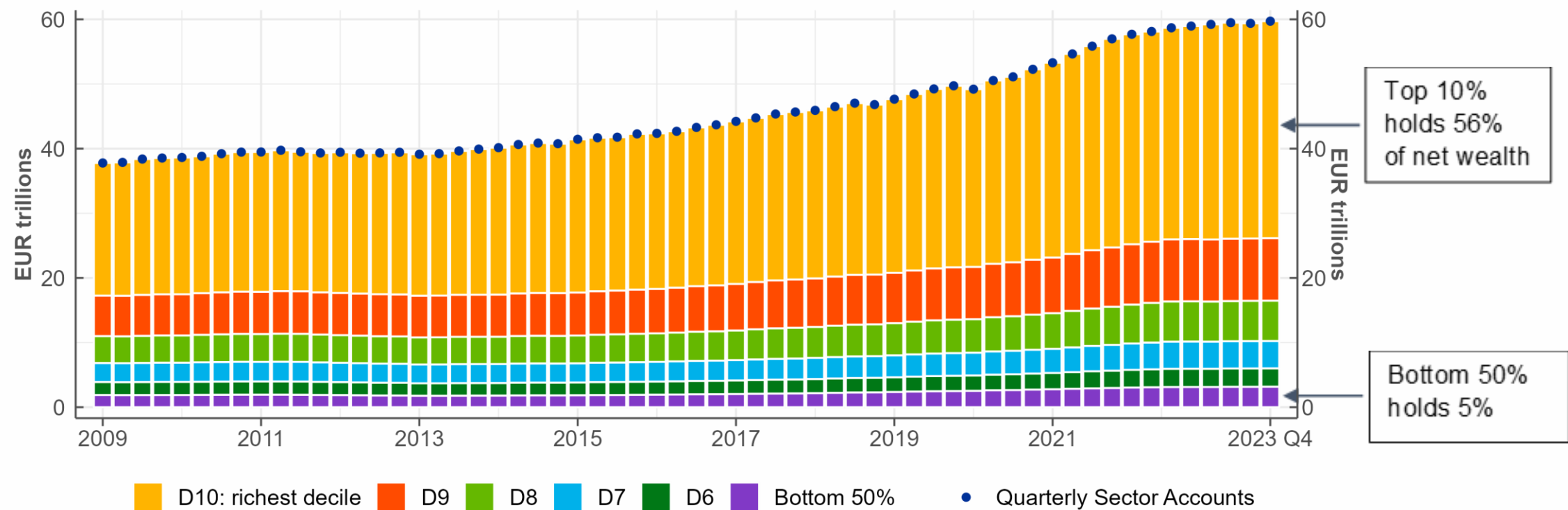
Recommendation 9: Wealth (3)

- ESCB Distributional Wealth Accounts:
 - Wealth concept target aligned to [core national accounts wealth items](#)
 - Close [co-operation with OECD EG DHW](#)
 - New ESCB statistics may also serve to meet [Recommendation 9](#) - many countries favor [fully consistent results](#)

Country coverage 2024	20 EU countries, euro area
Wealth coverage 2024	Most of financial assets and liabilities + non-financial business wealth + housing
Further developments	Research on missing items (currency and other occupational pensions) Country-specific improvements (e.g. supplementary data sources, further countries)

Recommendation 9: Wealth (4)

Household net wealth by wealth groups, euro area



Source: ECB

Recommendation 9: Wealth (5)

- EG DHW wealth scope:
 - Ideally, the wealth concept would include all relevant wealth items
 - However, looking at the feasibility, it has been decided to apply a step-by-step approach to achieve this over time

End-2024	Financial wealth + housing wealth
End-2026	Financial wealth + housing wealth + <i>business wealth + occupational pension wealth</i>
Beyond 2026	Further research on extending to <i>non-core national accounts items</i> (e.g., social security and consumer durables)

Recommendation 9: Wealth (6)

- First [collection round](#) at end of 2024/early 2025
- An in-person meeting will take place on [18-19 September](#), focusing on:
 - Exchange [country practices](#) in compiling distributional wealth results
 - Discuss specific [compilation issues](#):
 - How to deal with items for which micro data is lacking
 - How to deal with items that show large micro-macro gaps
 - How to link data across income, consumption and wealth
 - Discuss a possible [publication strategy](#)
 - Update group on developments in related work streams



Next steps

EG DNA: Tentative work plan

- 2024:
 - Q3: EG DNA meeting to further discuss methodological issues
 - Q3/Q4: Regional workshop in Latin America (together with recommendation 9)
 - Q4: **Intermediate target**: Estimates at income quintile level for 2021, 2022 and/or 2023*
- 2025:
 - Q1/Q2: Regional workshop in Asia (together with recommendation 9)
 - Q1+Q3: EG DNA meetings to finetune guidance and assist countries in compiling results
 - Q4: Finalise updated methodological guidance
- 2026:
 - Q1+Q3: EG DNA meetings to assist countries in compiling results
 - Q4: **Final target**: Annual estimates published within 1.5 years after reference period

* In view of benchmark revisions, many countries will only be able to provide data early 2025

EG DHW: Tentative work plan

- 2024:
 - Q3: EG DHW meetings to further discuss methodological issues
 - Q3/Q4: Regional workshop in Latin America (together with recommendation 8)
 - Q4: **Intermediate target**: Estimates at wealth quintile level for 2021, 2022 and/or 2023
- 2025:
 - Q1/Q2: Regional workshop in Asia (together with recommendation 8)
 - Q2+Q4: EG DHW meetings to finetune guidance and assist countries in compiling results
 - Q4: Finalise updated methodological guidance
- 2026:
 - Q1+Q3: EG DHW meetings to assist countries in compiling results
 - Q4: **Final target**: Annual estimates published within 1.5 years after reference period

* In view of benchmark revisions, many countries will only be able to provide data early 2025

The slide features a solid blue background. In the top-left and bottom-right corners, there are decorative patterns of squares in three shades: white, a medium blue, and a dark navy blue. These squares are arranged in a grid-like fashion, with some squares missing, creating a fragmented, pixelated effect.

**Thank you very much
for your attention!**