Capturing wellbeing by disaggregating NTA and NTTA

United Nations Network of Economic Statisticians. Fourth Beyond GDP Sprint Meeting
Population, Society and Well-being: Socio-demographic disaggregation of National Accounts

Session 4: Disaggregating National Accounts by Age and socio-economic status

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→ importance of considering **time trends**

(Ex.1) Change in **disposable income** by age groups

→ going **beyond age specific values**

(Ex.2) Inter-age private transfers by **gender** and **family types**
Research Questions:

➢ How did aggregate per-capita income and its components change between 2008 and 2017?

➢ How do these changes differ between age groups and gender?

➢ What drives age-specific income trends: changes in employment, wages, or transfer income?

## GDP growth vs. change in disposable income

<table>
<thead>
<tr>
<th>Country</th>
<th>(1) GDP per capita (%)</th>
<th>(2) Primary income (PI) (%)</th>
<th>(3) Income tax ratio (% of PI)</th>
<th>(4) Benefit ratio (% of PI)</th>
<th>(5) Disposable income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
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<td>-3</td>
<td>2</td>
<td>2</td>
<td>-2</td>
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<tr>
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<td>-1</td>
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<td>-1</td>
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<tr>
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<td>16</td>
<td>0</td>
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<td>17</td>
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</tbody>
</table>

GDP per capita only declined in Greece and Italy, disposable income declined in 6 out of 9 countries.
Change (2008-2017) in disposable income by age groups
Change (2008-2017) in disposable income by age groups and gender
Components of change (2008-2017) in income by age and gender
Components of change (2008-2017) in income by age and gender
Micro-Macro Data issue:

- Differences between aggregate data from ESA and micro-data has implications for age-specific estimates.

- Paper includes analysis of age-specific estimates over time by type of income. Some differences can be explained by change in methodology, e.g. switch from survey to register based data or change in imputation method of asset income.
Ex.2 Private transfers by age, gender and parental status

Research Questions:

- Role of **families** in the intergenerational transfer systems?
- Specific role of **men** and **women** in intergenerational transfer systems?
- Disaggregation of private transfers by **parental status** and **age of youngest child**.

Private market transfers per capita
Disposable income and final disposable income: market

Final disposable income (after intra-household transfers) is much lower for parents.
Private non-market transfers per capita
Total work by type and age of child

Population with dependent children by age of youngest child

Population without dependent children

Age 0-4  Age 5-9  Age 10-14  Age 15+  Age 20-39, not in educ.  Age 40-64, not retired  Retirees

Hours per day

Non-market work for others  Non-market work for own consumption  Market work
Disposable income and final disposable income: **market** and **non market**

Population with dependent children by age of youngest child:
- Age 0–4
- Age 5–9
- Age 10–14
- Age 15+

Population without dependent children:
- Age 20–39
- Age 40–64, not in educ.
- Age 40–64, not retired
- Retirees

Y-axis: Euro

- **Net private transfer contributions**
- **Final disposable income (market + non-market)**
Data issue:

- NTA require **combination of income data and consumer survey data**
  challenge b/c of **different survey periods** (income-1 year, consumer survey -2 weeks for non-durable goods).
- We tried several methods (regression based, matching methods) – little difference in results
➢ Pronounced **differences in age specific income** and its change over time

➢ Importance to consider *within age group differences*, e.g. by family status

➢ Importance to consider **private transfers** when considering wellbeing