



EXPERT GROUP ON DISPARITIES IN A NATIONAL ACCOUNTS FRAMEWORK

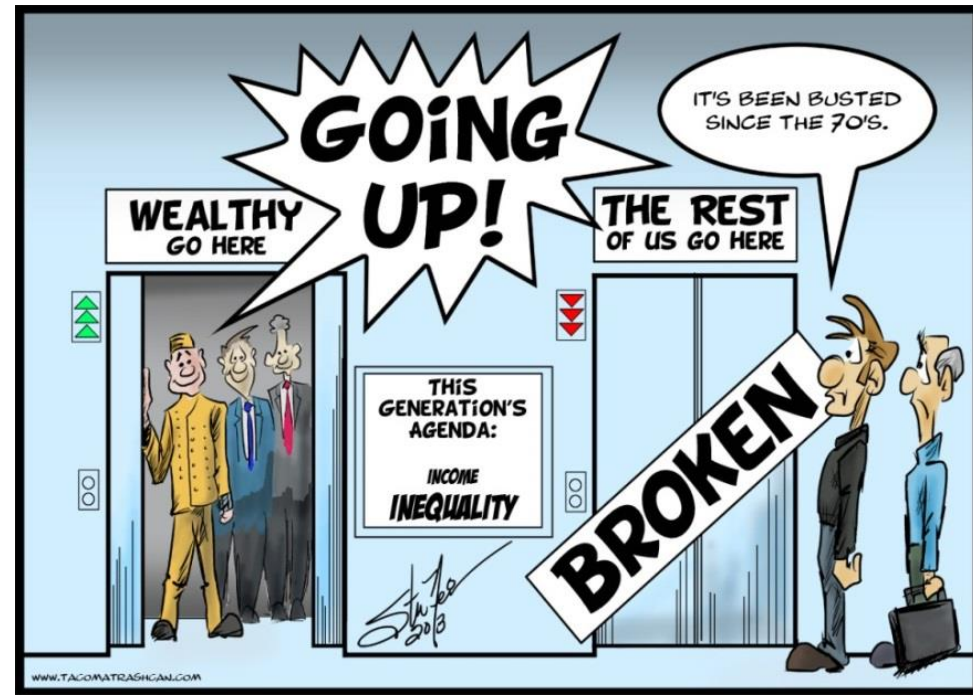
BEYOND GDP SPRINT MEETING OF THE UN
NETWORK OF ECONOMIC STATISTICIANS
VIRTUAL, 24 MARCH 2022

Presented by Jorrit Zwijnenburg (OECD)



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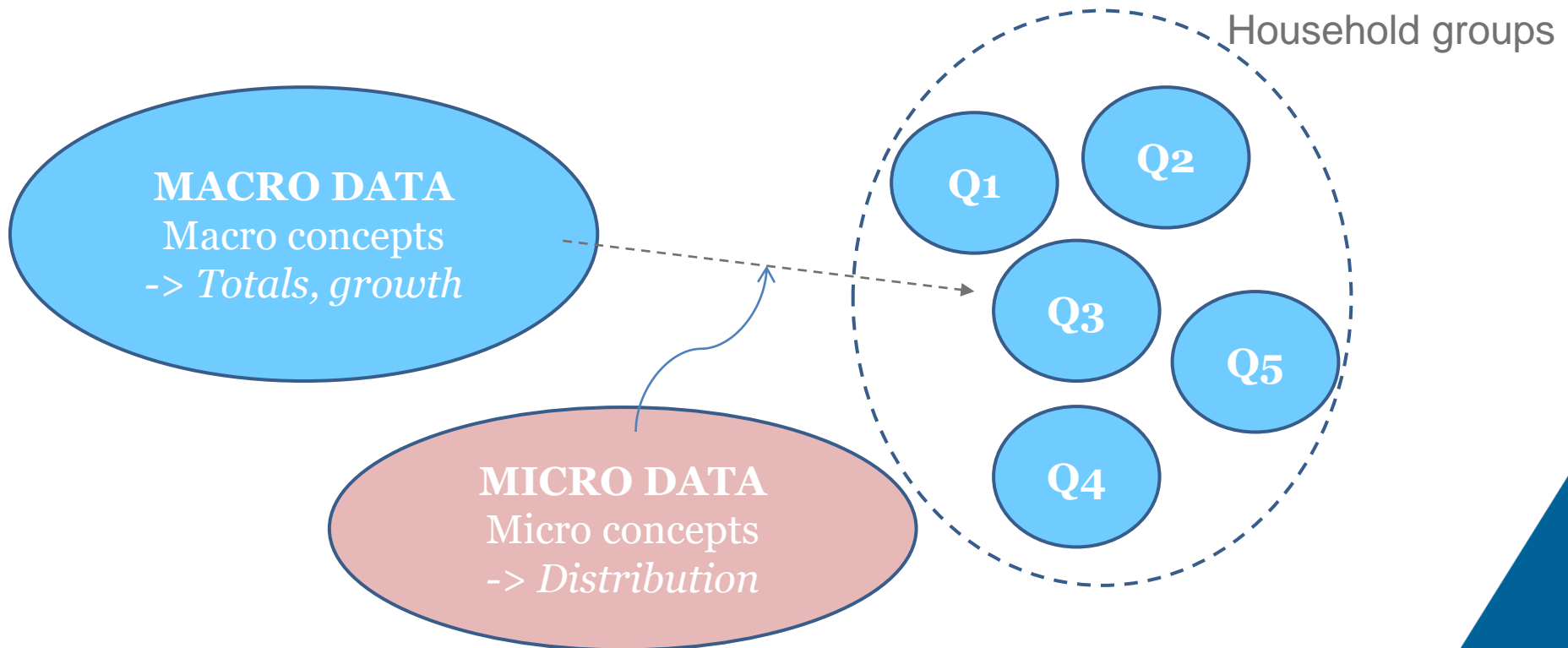
Background

- 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, ...
- Development of a **centralized approach** to compile results for countries not engaging in EG DNA work



Methodology



Methodology: Step-by-step approach

Step 1

- Adjust national accounts totals

Step 2

- Determine relevant variables from micro data sources in relation to the national accounts variables

Step 3

- Impute for missing elements and scale the micro data to the adjusted national accounts totals

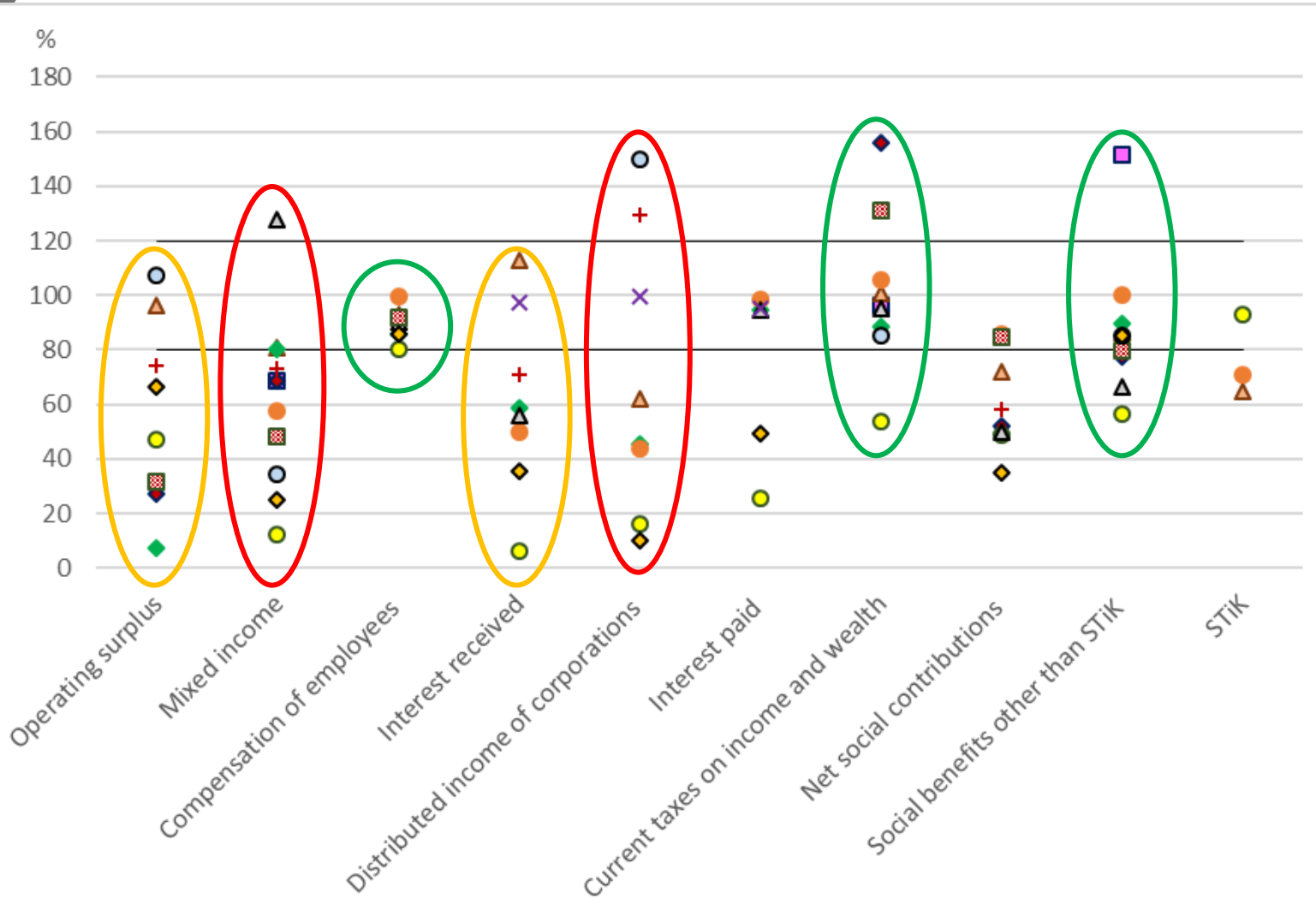
Step 4

- Cluster households

Step 5

- Derive relevant indicators for the household groups

Main challenge: 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

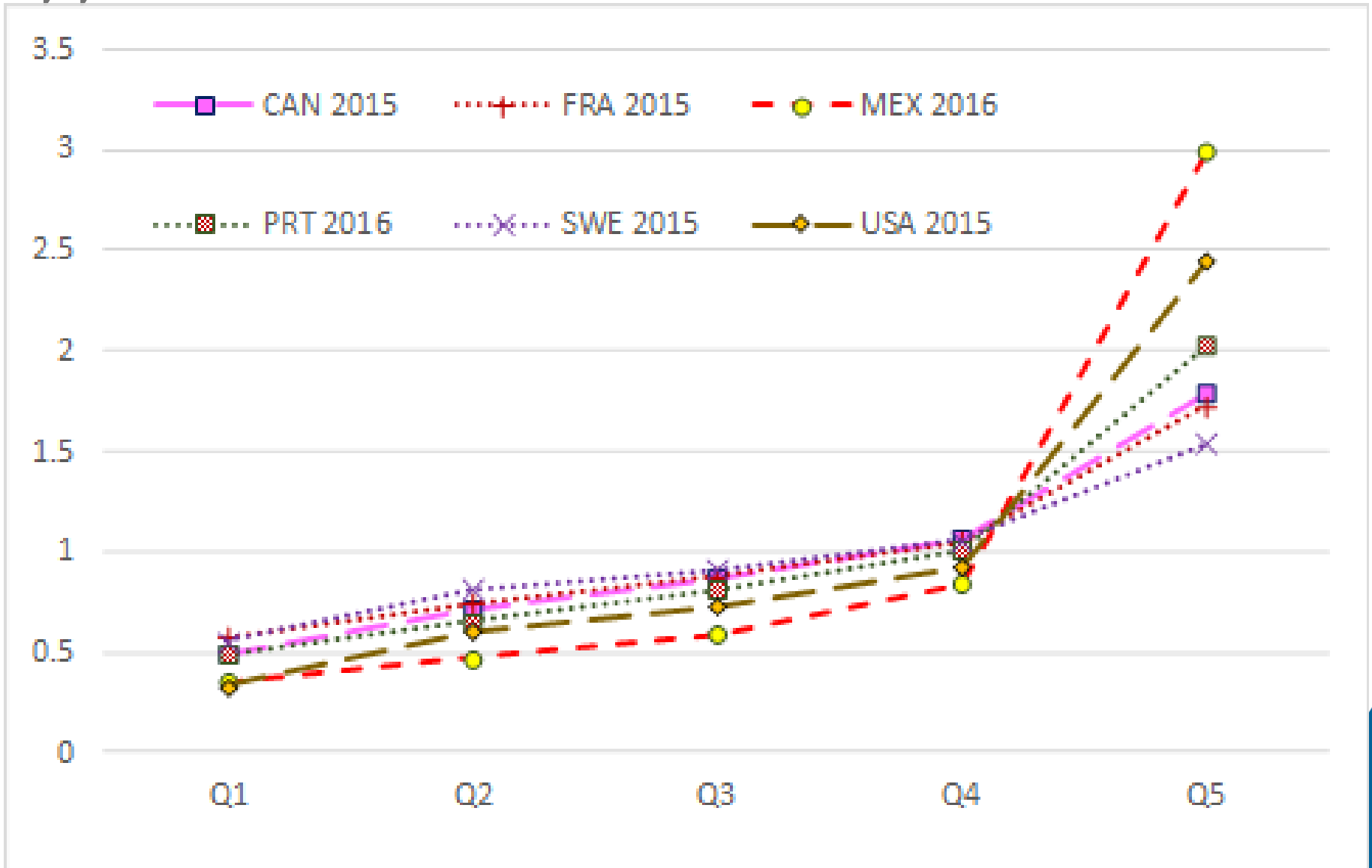
Prepared by the Statistics and Data Directorate of the OECD



Results

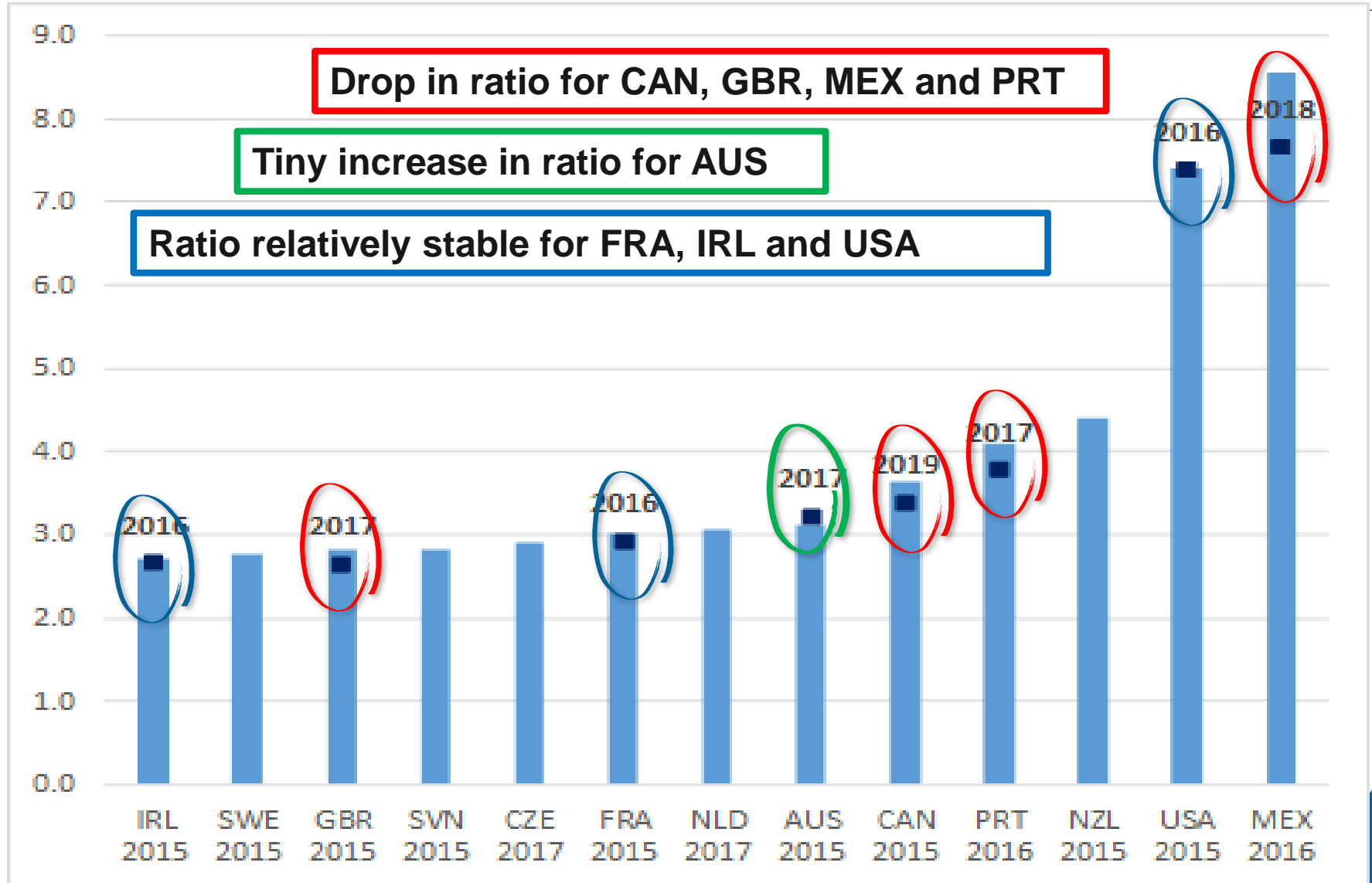


Ratio to average – Income results



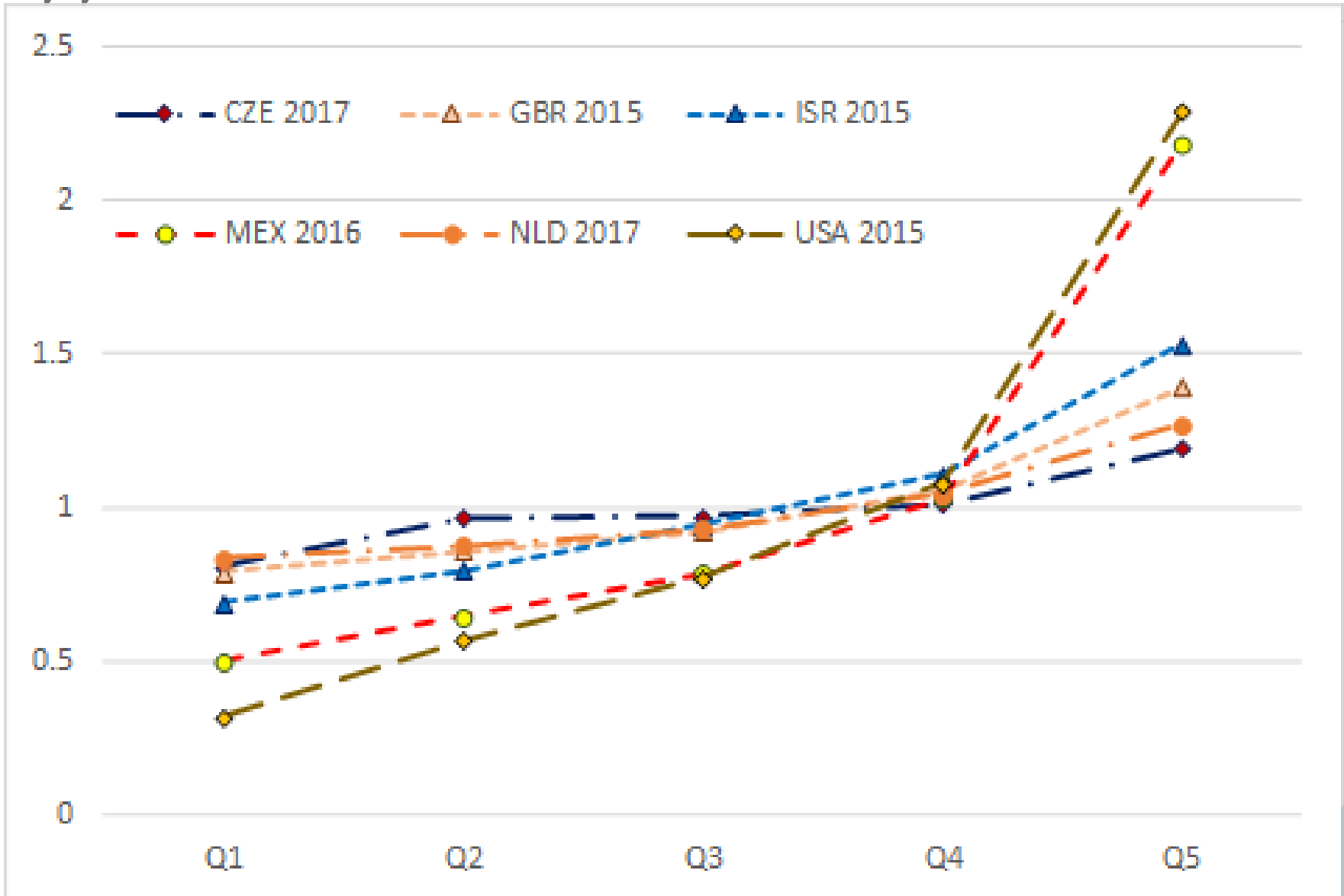


Ratio highest to lowest (Q5/Q1) - Income



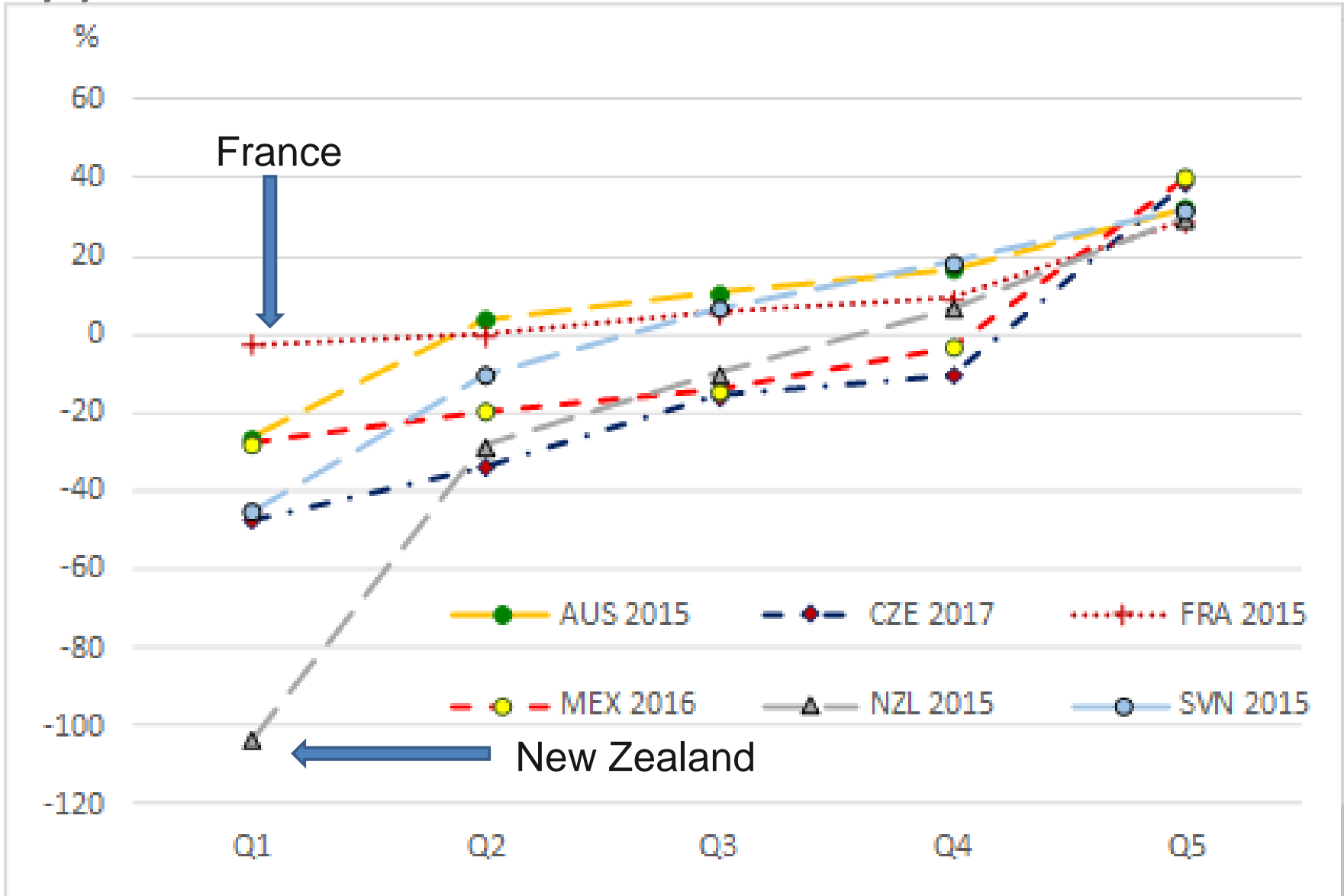


Ratio to average – Consumption results





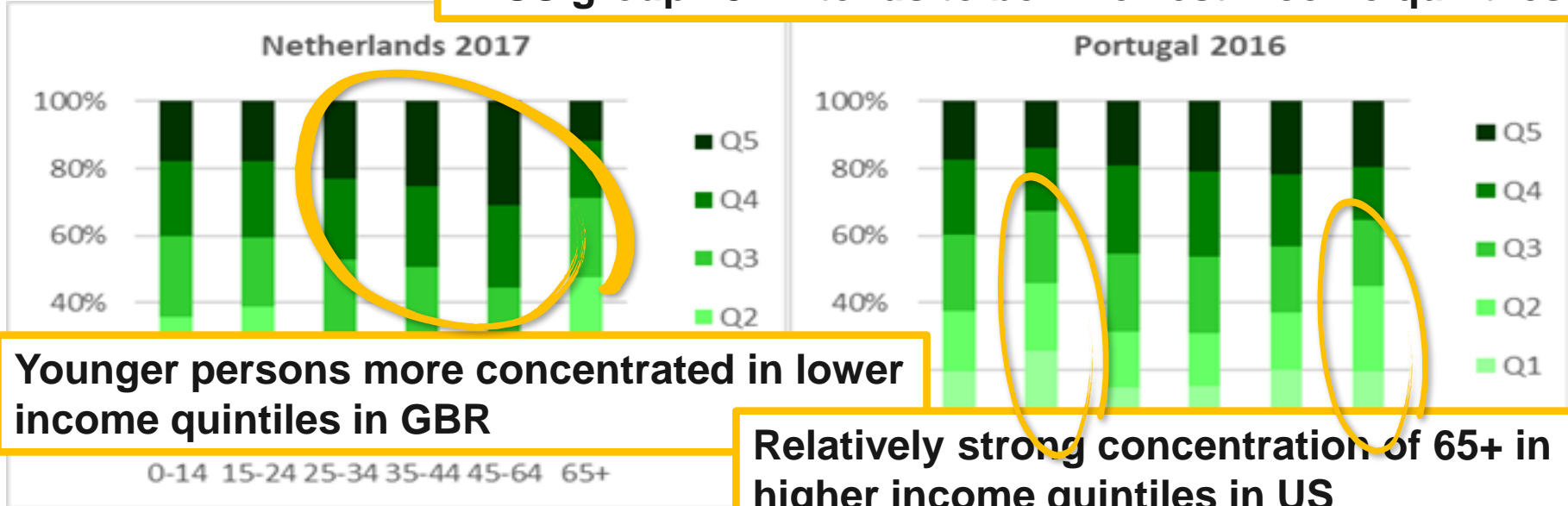
Savings results





Socio-demographic info – Breakdown by age

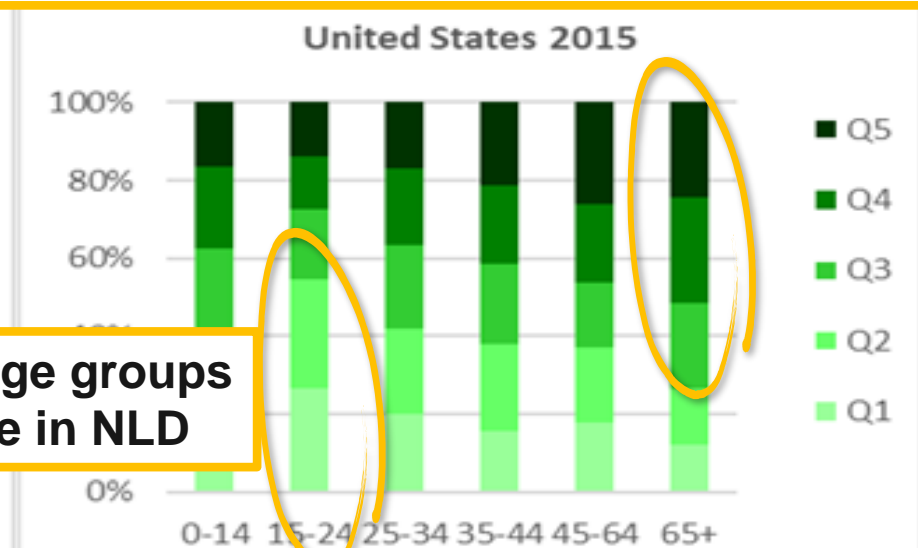
In US group 15-24 tends to be in lowest income quintiles



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



Distributions as part of the SNA update



Recommendations in area of distributional results

- Proposal is to **add a specific chapter** on compilation of distributional results
 1. Highlighting **importance** of distributional information
 2. Discussing **scope** of the work
 3. Presenting **main balancing items**, explaining where they may differ from SNA
 4. Presenting possible **breakdowns**
 5. Highlight **specific issues** in compilation of distributional results



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
- Engage in **wealth** distribution, in close collaboration with the ECB Expert Group on Distributional Financial Accounts



Thank you for your attention!