

Household Wealth - What We Can Learn from Micro Data Registers

Gitte Frej Knudsen
Statistics Denmark

The paper presents the result from a project in Statistics Denmark about estimation of market values for household wealth based on micro data specified on individuals. Sector delimitation and the concept of value are due to the terminology in the European System of National Accounts (ESA95). Micro registers can be used for distribution analysis (by income, gender, age, family size, occupation etc.). The paper has focus on the following issues:

- Construction of a system to estimate market value for household wealth specified on individuals
- Analyses of owner occupiers' net wealth in the period 2004-2011 based on micro data
- Comparison between micro based market value and national accounts data on household real estate

Heading 1: Register for household wealth based on micro data

Registers based on individuals are a strong analytical tool to examine the distribution of wealth among different types of households. The micro based register constructed in the wealth project contains: Dwellings, Household cars, Debt, Financial assets (except pensions). The registers established in the project consist of micro based information about market value for dwellings and cars. The estimation of the market prices is based on information about actual sales on the market. Statistics Denmark has several kinds of micro data on individual level. Below is specified some of the possibilities. Using micro data it is possible to break down the national account household sector into more detailed groupings such as:

Individuals:

- Income
- Social status
- Family type
- Education
- Working place
- Etc.

The same is possible for the enterprises in the household sector:

Enterprises:

- Activity code
- Number of employees
- Turnover
- Etc.

The micro based register in the wealth project can use all the explaining variables at micro level, and it is possible to make many kinds of statistics analysis. The analysis in the project focuses on the owner occupiers' net wealth. Because of the financial crises this has become very interesting.

Heading 2: Benefit from micro statistics in the national accounts

The project makes reliable estimates of market values for owner occupied dwellings at micro and macro level. The conclusion is that national accounts can benefit from micro statistics.