

Nowcasting Household Income in Sweden

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In recent years, there has been an increasing need for more timely available statistics on income and living conditions. The EU-SILC is the main survey used to follow up policy decisions at EU level in this area. However there is a problem with timeliness for especially income based indicators, which in some countries like Sweden, are sourced from administrative registers with the effect being a time lag between the reference period and the time of reporting the indicators.

Eurostat is testing several options involving microsimulation and nowcasting but has also encouraged national statistical institutes to present national approaches for providing more timely indicators.

Statistics Sweden is already using a microsimulation model, FASIT (an abbreviation in Swedish for “Distributional Analysis System for Income and Transfers”), which has been developed to predict distributional and revenue effects due to changes in the Swedish tax-benefit system. However, due to different definitions of income, households, equivalence scales, calibrated weights etc between the Swedish national income distribution statistics and EU statistics it would not be possible to use this model to predict income indicators based on the Swedish EU-SILC. Through the financial support of Eurostat Statistics Sweden have had the opportunity to adapt the Swedish microsimulation model to the income definitions used in the EU-SILC and build a microsimulation model based on samples from the EU-SILC.

This paper describes this nowcasting approach running the Swedish microsimulation model based on data from EU-SILC in order to simulate the results for the income years 2013 and 2015. These estimates are evaluated both against available register based data and data from the Swedish EU-SILC.