

Linking Macro and Micro Household Balance Sheet Data – time series estimation

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Currently, there are several international initiatives in linking micro and macro household balance sheet, income and consumption data. Thus far, the focus has been on creating distributional accounts for a single point in time. However, the real value added of such accounts for the central bank analysts' toolkits would be either to provide more timely information than the surveys or to provide time series which are not already provided by the surveys. Previous attempts to estimate distributional time series show that neither simple extrapolation nor interpolation based on previous distributions is enough to have reliable estimates on the changes in the balance sheets for various household groups.

The purpose of this paper is to develop more advanced tools combining micro and macro source for time series estimation. These tools would be used to produce timelier distributional indicators on household finance indebtedness and vulnerability, which is important information in the analysis of financial stability and the transmission of monetary policy for which timeliness is important. This paper is related to the work of the European System of Central Banks Expert Group Linking Macro and Micro Data for the Household Sector (EG-LMM).