

## **Micro and Macro Analysis on Household Income, Wealth and Saving in the Euro Area**

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The report on the Measurement of Economic Performance and Social Progress by Stiglitz, Fitoussi and Sen concludes that in the measurement of the welfare all the material components of welfare, i.e. consumption, income and wealth, should be covered. The report also emphasises that it is important to focus different aspects of the welfare, i.e. the analysis on material welfare should be done from the micro as well as macro perspective.

The report has been taken seriously in the international community and several experts groups have been established to investigate the linkage between micro and macro statistics. This allows giving a consistent picture of welfare from the micro and macro point of view and additionally, allows checking the plausibility of both micro and macro statistics. The focus has to date been on income and consumption as this is the area where there are most data sources available. The OECD and European Commission Expert Group on Disparities in National Accounts, which was established as a follow up of the Stiglitz, Fitoussi and Sen report, has started to investigate the linkage between national accounts and household surveys.

In the euro area, there are two main sources providing the necessary information: At the micro level, the Eurosystem Household Finance and Consumption Survey (HFCS) is in the process of collecting individual household data on wealth, income and consumption in all seventeen euro area countries. At the macro level, the Integrated Euro Area Accounts (IEAA) is an integrated accounting system also covering the three household dimensions, namely consumption, income and also wealth.

The purpose of this paper is to analyse in practice the relation between wealth and income using both the HFCS and the IEAA. To the extent possible from the available data sources, also some analysis on total consumption will be done. The paper also aims to create a first set of macroeconomic accounts that include wealth broken down by household groups. As the country coverage of the HFCS is not expected to be complete by the beginning of 2012 to do this exercise at euro area level, the aim in this case would be to cover as many euro area countries as possible.