

Financial Accounts of the Household Sector: Sources, Compilation and some Results

The Netherlands

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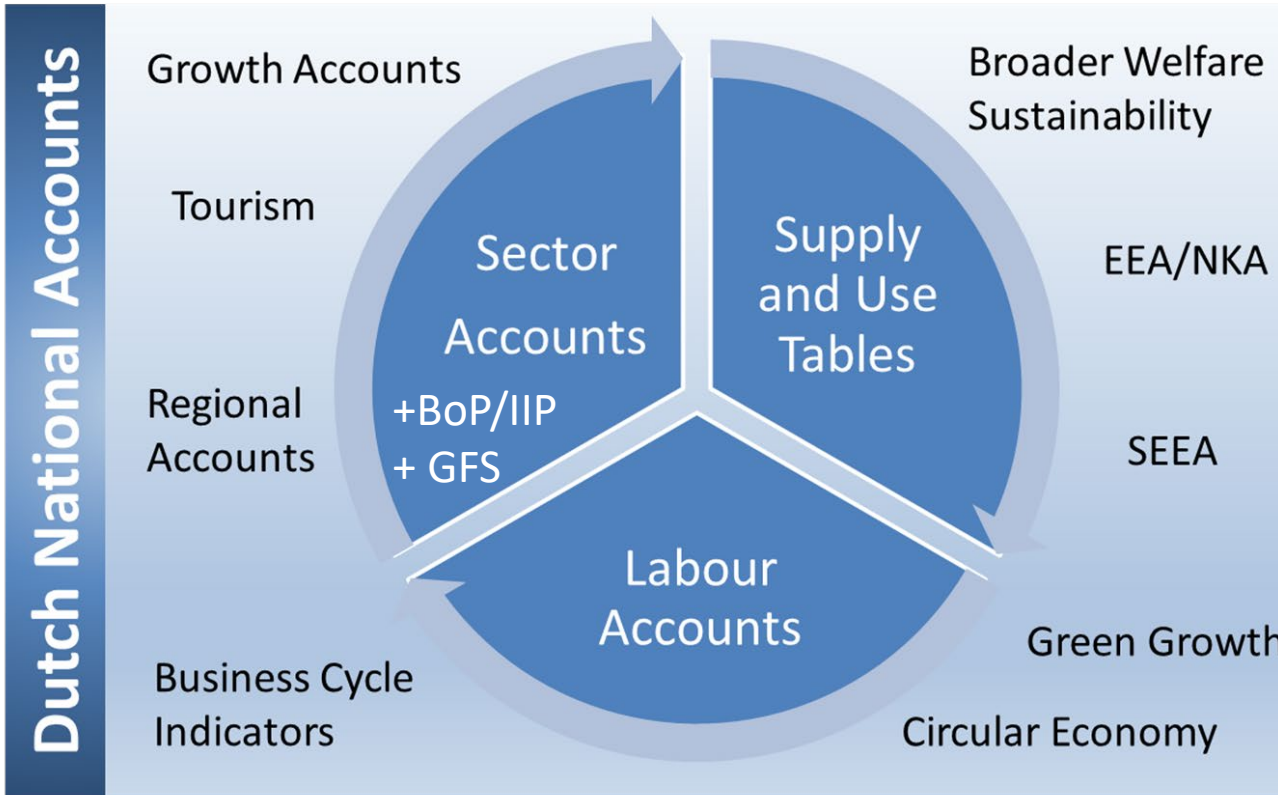
To start: a few characteristics of the Dutch National (Sector) Accounts

Characteristics of the Dutch Financial Accounts

- Annual and Quarterly Accounts
- Whom-to-Whom Matrices
- Vertical Consistency (checks) with other NA subsystems
- 4xQ = preliminary Annual Estimate
- Annual (benchmark) revision cycle (deviates from general update and (benchmark) revision policy Dutch National Accounts)
- Joint responsibility & production with Dutch Central Bank
- Used (amongst others) to fulfil ESA Transmission program, Macro economic Imbalance Procedure (MIP) and ECB Monetary Union Financial Accounts data requirements (MUFA)



The Dutch Framework for National Accounts



Subsectors in our (internal) process

- Non-Financial Corporations (S.11)
 - New development sub sectoring
- Financial Corporations (S.12)
 - Central bank (S.121)
 - Deposit-taking corporations (S.122)
 - Money Market Funds (S.123)
 - Non-MMF investments funds (S.124)
 - Other financial intermediaries, except insurance corporations and pension funds (S.125)
 - Financial auxiliaries (S.126)
 - Captive financial institutions and money lenders (S.127)
 - Insurance corporations (S.128)
 - Pension funds (S.129)
- General Government (S.13)
 - Central government (S.1311)
 - Local government (S.1313)
 - Social security funds (S.1314)
 - More detail (11 subsectors) at the start of the compilation process
- Households (S.14)
 - Including distributional accounts
- Non-profit institutions serving households (S.15)
- Rest of the World
 - S.2D: transactions related to foreign direct investment
 - S.2E: transactions related to securities
 - S.2O: other transactions



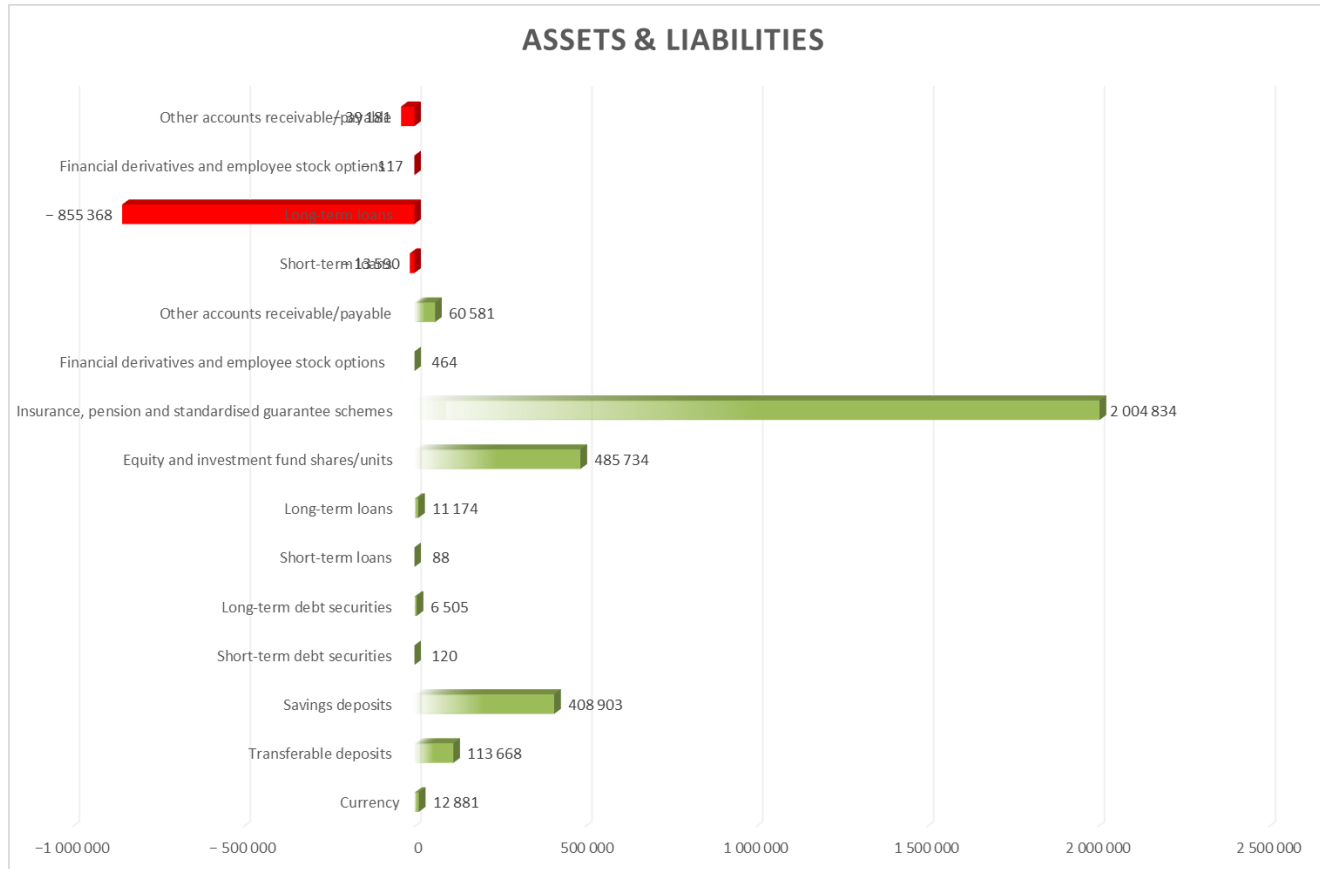
The Household sector: past and present



But first: a few characteristics (ultimo 2021)

- Net worth 2 196 696 mln euro
- Total Asset 3 104 952mln euro
- Total Liabilities 908 256 mln euro
- Largest share of assets: Pension entitlements, savings & deposits
- Largest share of liabilities: Loans, more specifically Mortgages (> 90%)

Composition of Household Assets and Liabilities



Non-Financial Assets

We also record non-financial assets in the Balance Sheets of Households

- Dwellings
- Land underlying dwellings
- Other non-financial assets

Compilation Practices: a broad overview



Compilation Practice before 2018

- S14 Household sector had a mixed set of sources
- For the Financial Accounts counterpart information was leading most of the time (using whom-to-whom matrices)
- Information obtained from Financial Institutions (Dutch Central Bank) was basically our main source
- E.g. for Loans and Deposits the Supervisory Information for Banks. And for pension entitlement the data from Pension Funds and Insurance Companies (including micro-data obtained directly from pension funds)



New Sources Administrative Data

- Statistics Netherlands Law allows Statistics Netherlands to gain access to (and use) all administrative data collected by Dutch
- Including income and wealth tax data
- On an individual level with identifiers to allow linking with our other data sources
- Of course, respecting and upholding all relevant (EU) privacy legislation



Which lead to...

- The development of a new and very detailed source for our income and wealth statistics
- Resulting in a microbase which not also serves our social statistics, but also provided an unique opportunity for our national accounts
- To (finally) develop an independent estimate for the household sector in the Dutch National Accounts
- Including establishing a micro-macro link
- Taking into account and building on international developments such as a growing demand for and development of distributional accounts (OECD, ECB, ESTAT, etc)



As of the 2015 Benchmark revision..

- We developed an independent estimate for the household sector based on this new source
- For income, wealth and (partly) consumption (household budget survey)
- For (part of) the financial and non-financial accounts
- And with flexibility to distinguish by household characteristics
- Policy use gradually picking up, but more potential left
- Changed the way we integrated the accounts, from residual approach to “strong source of information”
- Published for the first time in 2018



But also allowed us to...

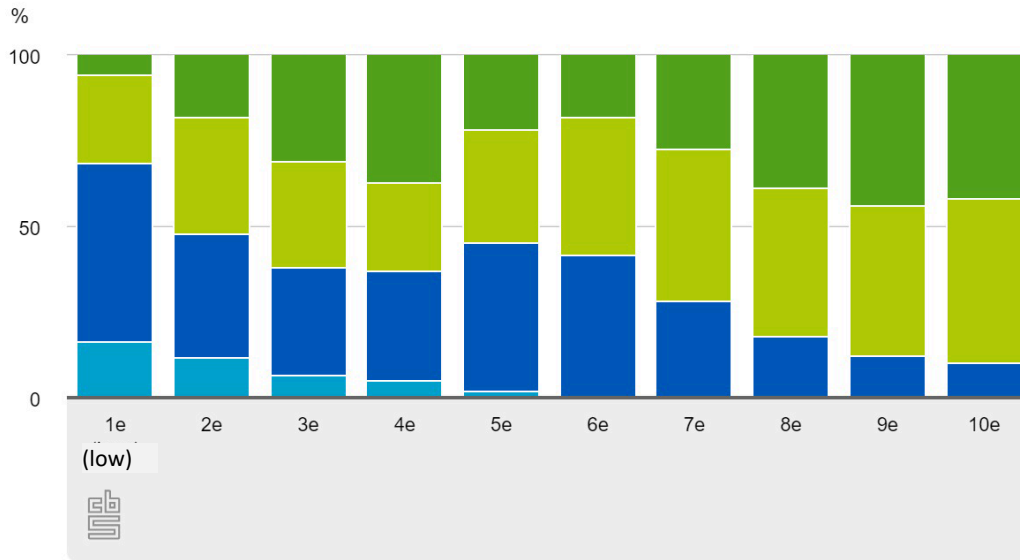
- Fill gaps, we had missed part of household net worth e.g. we discovered that approx. 25 billion euro of mortgages had been missed using only counterpart information
- Develop first (experimental) distributional accounts
- Contribute to pressing policy issues/question, like the (unequal) distribution of wealth in the Netherlands
- Anticipate the SNA update where distributional accounts will most probably become standard in the SNA2025 (?)

A major achievement but certainly not perfect

- What about underreporting?
- Tax return only contain for some instruments what is reported by citizens
- Missing parts, such as wealth embodied in (small) non-listed equity and companies (intended (tax reasons) or unintended)
- Wealth in “tax havens”, what is covered in our sources, but more importantly what is not?
- And how do we get the data, if possible at all?
- And what about “new instruments” like Crypto currencies? Or Household wealth “parked” in small enterprises?



**To conclude: a few results and examples
showing the possibilities of our new
(distributional) statistics**



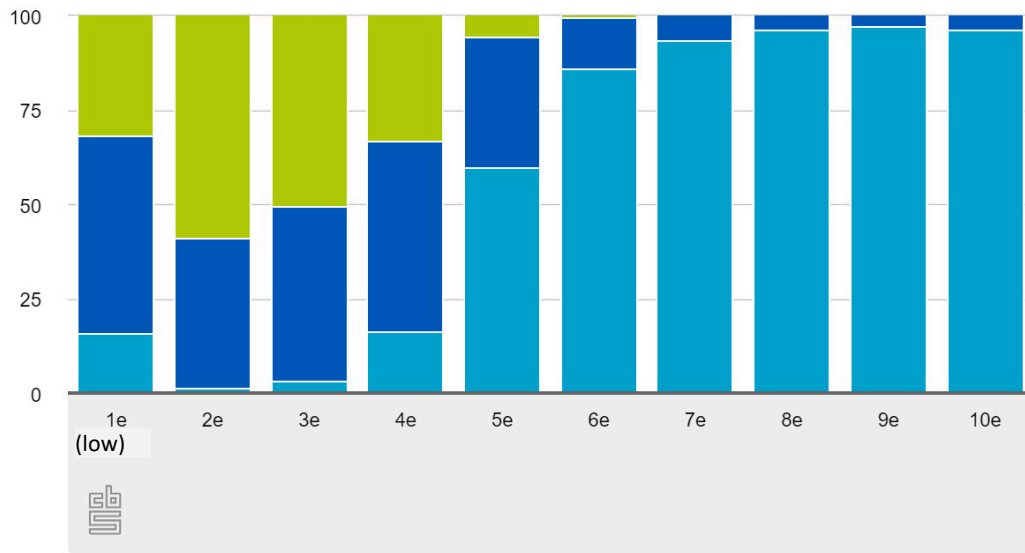
– **Age breadwinner (per 10% group)**

- < 25
- 25-45
- 45-65
- 65 and older

under 25 years 25 to 45 years 45 to 65 years 65 years and older

* Preliminary figures





– **Home ownership (10 percent group)**

- Owner occupied home
- Rent (with no rent subsidy)
- Rented (with rent subsidy)

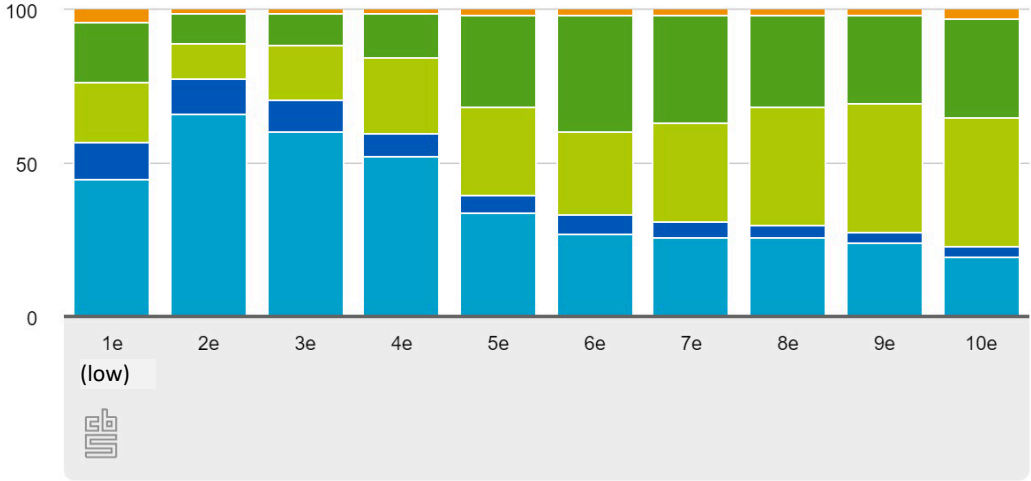
Own home Rent with no rent subsidy Rent with rent subsidy

* Preliminary figures



– **Type of household (10 percent group)**

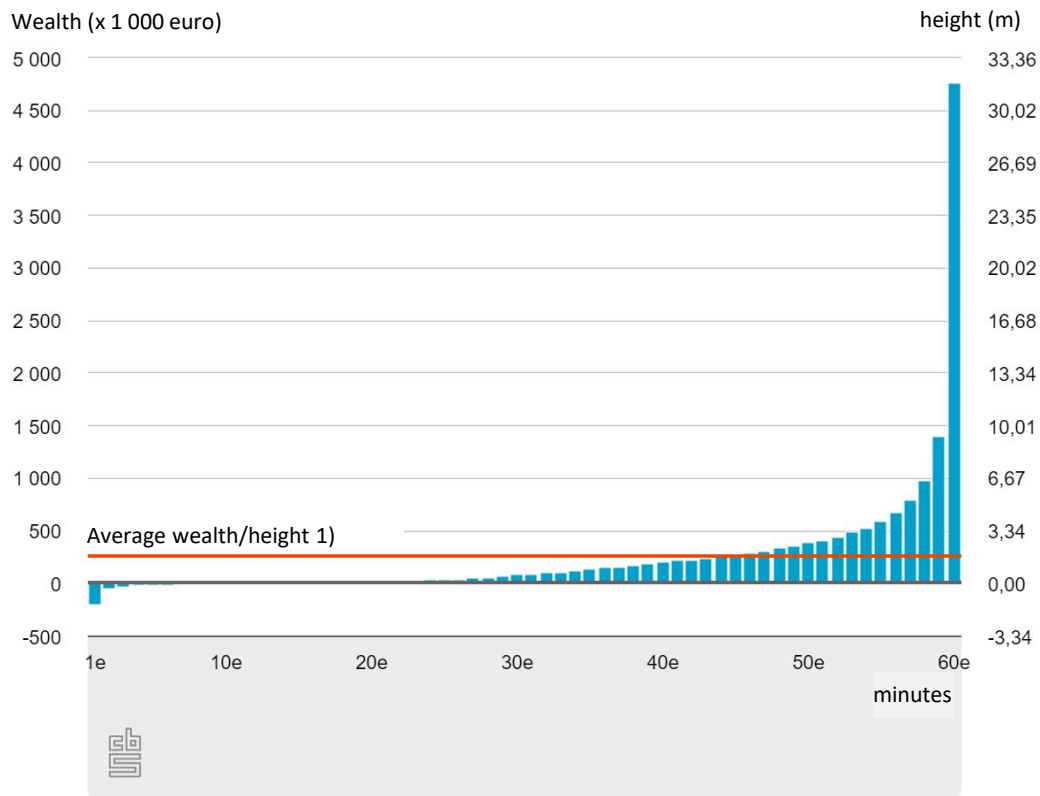
- Single person
- One parent family
- Couple without children
- Couple with children
- Other



- Single person household
- Couple without children
- Multi-person household, other
- One parent family
- Couple with child(ren)

* Preliminary figures





* Preliminary figures

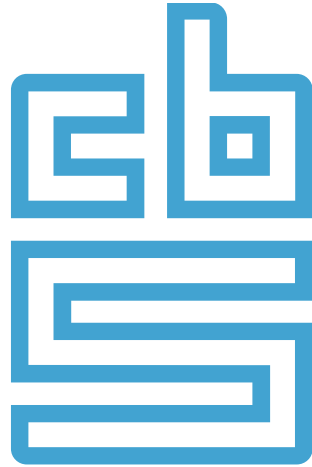
1) Average wealth: 260.8 thousands euro. Average height: 1.74 meters

- **Pen's Parade (1971)**
(the march of “dwarfs and giants”)
- Average financial wealth Euro 260.800 (=1.74 meters)
- Includes house and pension entitlements
- After 45 minutes the first with an above average wealth walk by
- The real “giants” only in the last minute



Thank you for your attention





Facts that matter