

## ANNEX C

### *Differences between micro and macro measures of household wealth*

This Annex provides a comprehensive list of the differences between these guidelines for micro statistics on household wealth and those in the 2008 SNA for macro statistics on this subject. While the differences are identified and discussed throughout the document, they are gathered here, in one place, for the convenience of readers.

Table C.1 presents each of the differences, grouped according to the relevant chapter and topic in this manual. It also notes the adjustments needed to achieve alignment between the two frameworks.

The relationship between the macro statistics wealth components presented in the SNA and the micro statistics components recommended in Chapter 3 is shown in Table C.2. The macro and micro components are listed separately, and for each micro component the corresponding macro component is noted. For example, the Table C.2 shows that:

- The micro assets component “principal residence” corresponds to part of two macro components, “fixed assets” and “natural resources”. This reflects both the SNA’s separation of land from the buildings that stand on it, a distinction not made in the micro components, and the fact that the SNA does not separate buildings used as a household’s principal residence from other fixed assets.
- The micro assets component “equity in own unincorporated enterprises” corresponds to part or all of eight macro assets components and two macro liabilities components. This arises because the SNA does not separately report the assets (or liabilities) associated with some such businesses from other assets (or liabilities) of a household, and the micro statistics report all such equity investments together; the SNA separately reports the net equity for any such enterprises classified as “quasi” corporations in Equity and investment fund shares/units.
- The micro assets components “vehicles (non-business)” and “other durable goods (non-business)” do not correspond with any macro components, as the SNA does not recognise these goods as assets.
- The micro assets component “deposits” corresponds to part of the macro component “currency and deposits”. Currency is indistinguishably recorded in the residual micro component “other financial assets”.
- The micro assets components “shares and other equity” and “mutual funds and other investment funds” each correspond to part of the same macro component “equity and

Table C.1. **Differences between micro and macro statistics on household wealth**

|   |  |
|---|--|
| <b>Definition of household</b>                  | <p><i>Micro statistics</i></p> <p>A household is either an individual person or a group of persons who live together under the same housing arrangement and who combine to provide themselves with food and possibly other essentials of living. Three categories of household are separately distinguished: private households, institutional households, and other households. Domestic staff that live in the same dwelling as their employer are treated as members of the same household as their employer if they are boarders.</p> <p><i>Macro statistics</i></p> <p>The SNA definition of household has a different specification for multi-person households who share the same living accommodation: the resources to be shared by members must include “some or all income and wealth” and the members must collectively consume “certain types of goods and services, mainly housing and food”. Also, although the SNA defines institutional households in terms similar to the definition to be used in micro statistics, it does not separately recognise “private” households. Domestic staff that live in the same dwelling as their employer are treated as belonging to a separate household from their employer irrespective of whether or not they are boarders.</p> <p><i>Adjustments for alignment</i></p> <p>The differences in definitional detail preclude full alignment with statistics based on the SNA definition. Although the differences might be small in practice, they might be significant for certain types of wealth analysis.</p>                         |
| <b>Coverage of households</b>                   | <p><i>Micro statistics</i></p> <p>The statistical coverage of households is restricted to private households that reside in housing units and that are residents of the country to which the statistics relate. The statistics exclude institutional households, private households residing in collective living quarters, and non-resident households.</p> <p><i>Macro statistics</i></p> <p>The SNA covers all resident households in its household sector, including institutional households.</p> <p><i>Adjustments for alignment</i></p> <p>Full alignment with statistics compiled according to the SNA's coverage of households is not achievable, although approximate alignment might be possible in situations where SNA-based statistics contain separate details for institutional households.</p>  |
| <b>Selection of household reference person</b>  | <p><i>Micro statistics</i></p> <p>A set of ordered criteria for determining a household reference person (for purposes of classifying households) is suggested for consideration. The criteria are:</p> <ul style="list-style-type: none"> <li>one of the partners in a registered or <i>de facto</i> marriage, with dependent children;</li> <li>one of the partners in a registered or <i>de facto</i> marriage, without dependent children;</li> <li>● a lone parent with dependent children;</li> <li>● the person with the highest income;</li> <li>● the oldest person.</li> </ul> <p><i>Macro statistics</i></p> <p>The SNA considers that the household reference person should normally be the person with the largest income, although the person could also be the one who makes the major decisions with regard to the household's consumption.</p> <p><i>Adjustments for alignment</i></p> <p>It is not possible to align statistics based on the SNA's approach with those based on the “ordered criteria” suggested in this chapter. It is also difficult to generalise about the significance of the difference.</p>   |
| <b>Treatment of consumer durables</b>           | <p><i>Micro statistics</i></p> <p>Consumer durables are treated as assets and included in measures of wealth. They should also be recorded separately from other types of assets.</p> <p><i>Macro statistics</i></p> <p>The SNA excludes consumer durables from the definition of assets in its central framework, although it suggests they should be recorded in a memorandum item in the household balance sheet. It recognises that these goods may be treated as assets in satellite accounts.</p> <p><i>Adjustments for alignment</i></p> <p>Alignment with statistics compiled according to the central SNA framework can be achieved by omitting consumer durables from the asset aggregates in micro statistics on household wealth. This can be readily done, as consumer durables are to be recorded as a separate component of household assets.</p>   |
| <b>Classification of assets and liabilities</b> | <p><i>Micro statistics</i></p> <p>The standard components of household wealth are listed in Box 3.2 in Chapter 3. They are grouped into non-financial assets, financial assets and liabilities.</p> <p><i>Macro statistics</i></p> <p>The SNA balance sheet components are also grouped into non-financial assets, financial assets and liabilities. The definitions of each grouping are the same as those for micro statistics, with the exception of net equity in own unincorporated enterprises (some of the net equity position in the micro statistics for households may be reflected as component assets and liabilities in the macro accounts unless the enterprise has been classified as “quasi” corporate for macro statistics purposes). Within each grouping, the classification scheme differs in significant ways between the two sets of statistics. Table C.2 shows the relationship between the macro and micro components. While a number of micro statistics components correspond – either alone or combined – with a single macro statistics component, many do not.</p> <p><i>Adjustments for alignment</i></p> <p>While the asset and liability components for micro statistics can be aligned with the SNA's balance sheet components at a broad level, alignment at the component level would generally require additional data collection and/or the use of special estimation or modelling techniques. The more significant differences in classification relate to non-financial assets, but there are also differences for financial assets and liabilities.</p> |

Source: Chapter 3, “Standard concepts, definitions and classifications for household wealth statistics”.

Table C.2. **Relationship between standard components in macro and micro household wealth statistics**

| Category             | Macro statistics<br>SNA Asset and Liability Components<br>for all sectors, including household sector<br>(SNA, Table 13.1)  | Micro statistics<br>Standard asset and liability components<br>for households<br>(Chapter 3, Box 3.2)  | Correspondence<br>Macro statistics component<br>(whole or part)<br>to which micro statistics component<br>corresponds  |
|----------------------|---|--|--|
|                      |   |  |  |
| Non-financial assets | Produced: <ul style="list-style-type: none"> <li>• Fixed assets</li> <li>• Inventories</li> <li>• Valuables</li> </ul> Non-produced: <ul style="list-style-type: none"> <li>• Natural resources</li> <li>• Contracts, leasing, licenses</li> <li>• Goodwill and marketing</li> </ul>                        | Owner-occupied dwellings: <ul style="list-style-type: none"> <li>• Principal residence</li> <li>• Other owner-occupied dwellings</li> </ul> Other real estate<br>Consumer durables <ul style="list-style-type: none"> <li>• Vehicles (non-business)</li> <li>• Other durable goods (non-business)</li> </ul> Valuables<br>Other non-financial assets | } Fixed assets (part)<br>} Natural resources (part)<br>Not included in assets<br>Not included in assets<br>Valuables<br>Fixed assets (part)<br>Natural resources (part)<br>Contracts, etc. (part)  |
| Financial assets     | Monetary gold and SDRs <sup>1</sup><br>Currency and deposits<br>Debt securities<br>Loans<br>Equity and investment fund shares/units<br>Insurance, pension and standardised<br>guarantee schemes<br>Financial derivatives and stock options<br>Other accounts receivable                                     | Deposits<br>Bonds and other debt securities<br>Equity in own unincorporated enterprise<br><br>Shares and other equity<br>Mutual funds and other Investment funds<br>Life insurance funds<br>Pension and superannuation funds<br>Other financial assets   | Currency and deposits (part)<br>Debt securities (whole)<br>Fixed assets (part)<br>Inventories (whole)<br>Natural resources (part)<br>Contracts, etc. (part)<br><br>Goodwill, etc. (whole)<br>Other accounts receivable (part)<br>Equity and investment fund shares/units (part)<br>Loan assets (part)<br>Loan liabilities (part)<br>Other accounts payable (part)<br>Equity and investment fund, etc. (part)<br>Equity and investment fund, etc. (part)<br>Insurance, pension, etc. (part)<br>Insurance, pension, etc. (part)<br>Loans (part)<br>Currency and deposits (part)<br>Financial derivatives, etc. (whole) |
| Liabilities          | Monetary gold and SDRs <sup>1</sup><br>Currency and deposits <sup>1</sup><br>Debt securities <sup>1</sup><br>Loans<br>Equity and investment fund shares/units<br>Insurance, pension and standardised<br>guarantee schemes <sup>1</sup><br>Financial derivatives and stock options<br>Other accounts payable | Owner-occupied residence loans<br>Other real estate loans<br>Vehicle loans<br>Education loans<br>Other liabilities   | Loans (part)<br>Loans (part)<br>Loans (part)<br>Loans (part)<br>Loans (part)<br>Equity, etc. (whole)<br><br>Financial derivatives, etc. (whole)<br>Other accounts payable (whole)  |

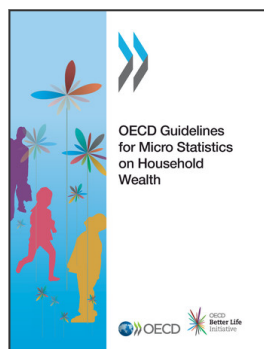
1. These SNA components are not relevant to households.

investment fund shares/units”; together the two micro components correspond to the whole macro component (excluding equity in “quasi” corporations in which the household works, which in the micro statistics are reported with all other such equity investments in own unincorporated enterprises).

- The micro assets components “life insurance funds” and “pension and superannuation funds” each correspond to part of the same macro component “insurance, pension and

standardised guarantee schemes”; together the two micro components correspond to the whole macro component.

- The micro liabilities component “principal residence loans” corresponds to part of the macro component “loans”. Four other micro components also consist solely of loans, while residual loans (e.g. credit card debt) are classified indistinguishably in the micro component “other liabilities”. Together the five micro components that separately identify loans could be expected to make up the bulk of the macro component “loans”.



From:

## OECD Guidelines for Micro Statistics on Household Wealth

Access the complete publication at:

<https://doi.org/10.1787/9789264194878-en>

### Please cite this chapter as:

OECD (2013), "Differences between micro and macro measures of household wealth", in *OECD Guidelines for Micro Statistics on Household Wealth*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264194878-16-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).