



Gabriel Quirós Head of Division Macroeconomic Statistics European Central Bank

A fresh look at Households:

The new Household Sector Report

European Statistics by the ESCB

Contribution to the World Statistics Day 2015

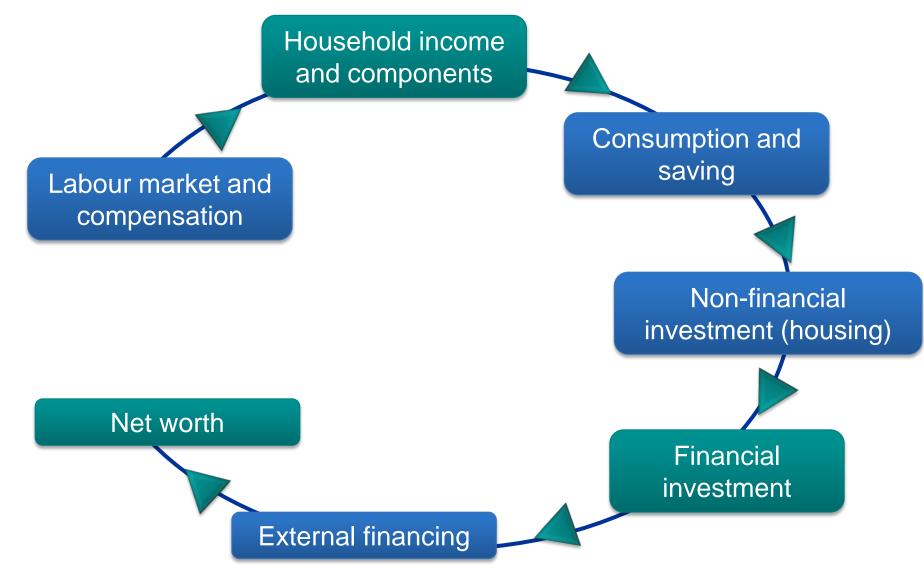
European Central Bank, 20 October 2015

Household Sector Report – a new approach

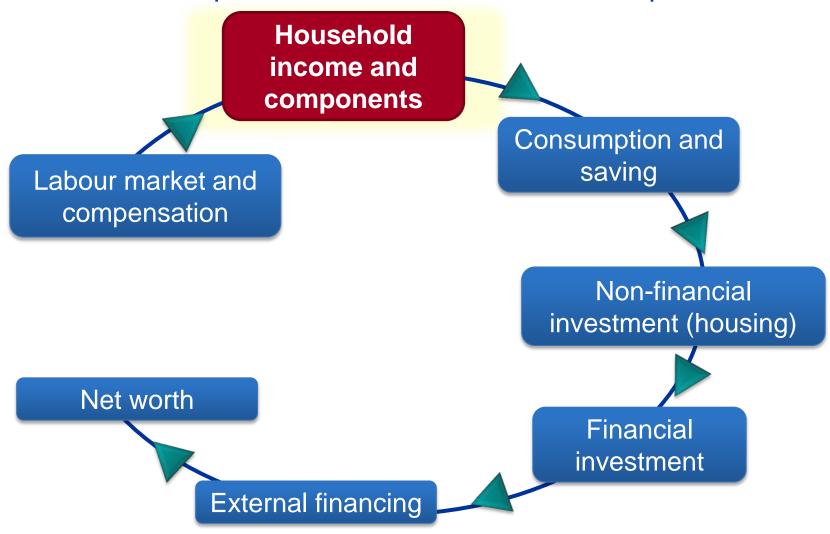
A new product, sourced by Quarterly Sector Accounts

- New regular quarterly publication as of early November, Q2 2015
- Focuses on a single sector of the economy: households
- Displays the entire cycle of household's economic and financial activity, through 8 key, headline indicators
- This presentation: Q1 2015, 3 headline indicators
- Euro area and country data: cross-country comparison
- Average Household/Per Capita, not distributional information (HFCS)
- Source: Sector Account Statistics

Structure of the report, 3 out of 8 headline indicators

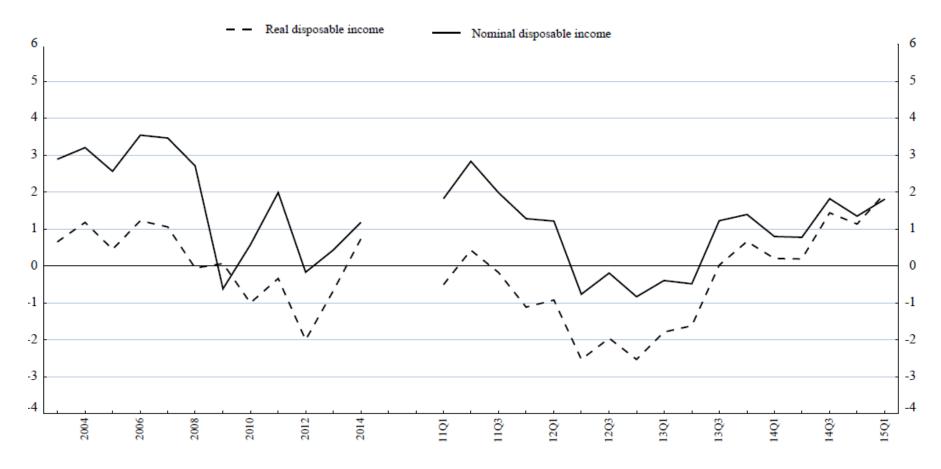


Household disposable income and components



Household disposable income: nominal and real

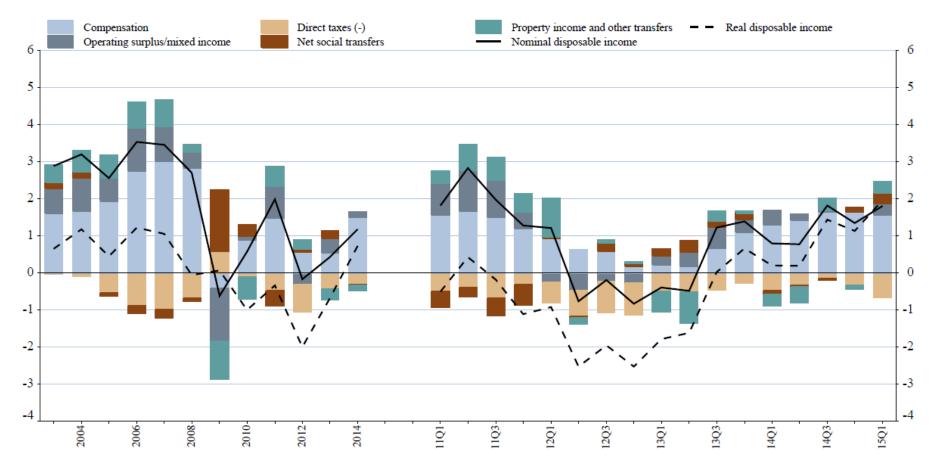
Euro area, (2003 – 2015 Q1, annual percentage change of nominal and real per capita disposable income)



 2% increase of real disposable income in 2015 Q1 on the back of overall flat price developments

Household disposable income: components

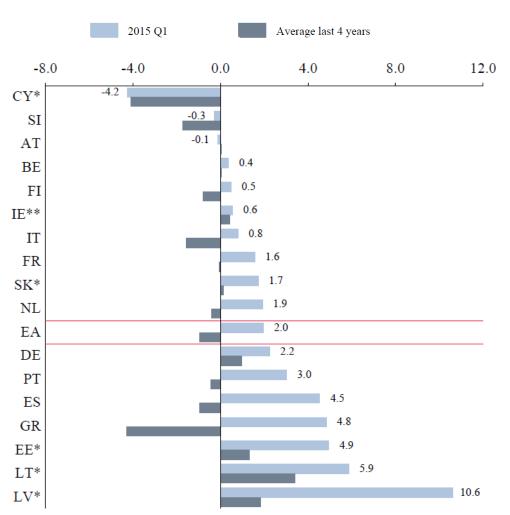
Euro area, (2003 – 2015 Q1, annual percentage change of nominal and real disposable income per capita, contribution of components)



 After declines of 2.5% in 2012, the recovery in disposable income growth has been driven by compensation.

Household real disposable income: changes by country

Annual percentage change (per capita values) Q1 2015 and last four years

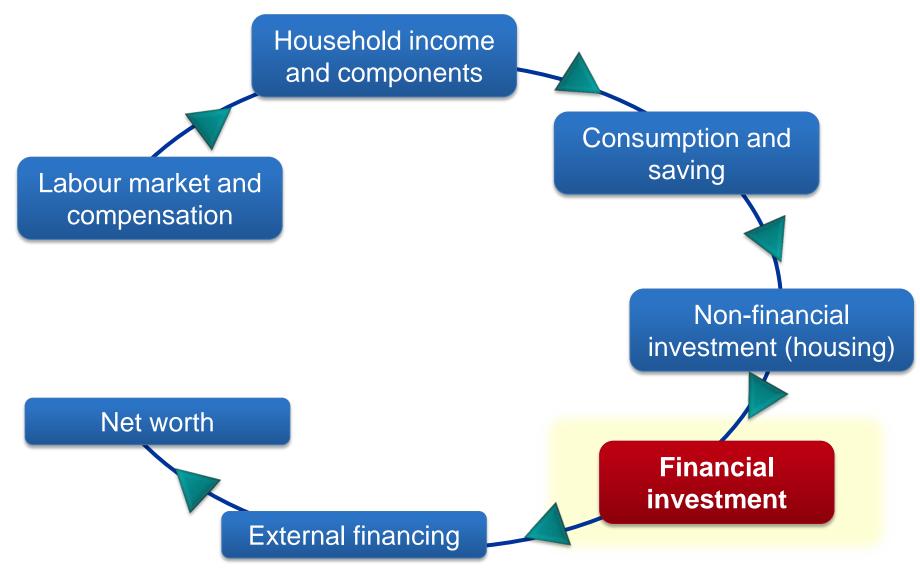






- Differences across euro area: four year averages as well as most recent quarter
- Positive growth in 2015 Q1 in most countries
- Differences in real disposable income across countries also due to differences in price developments

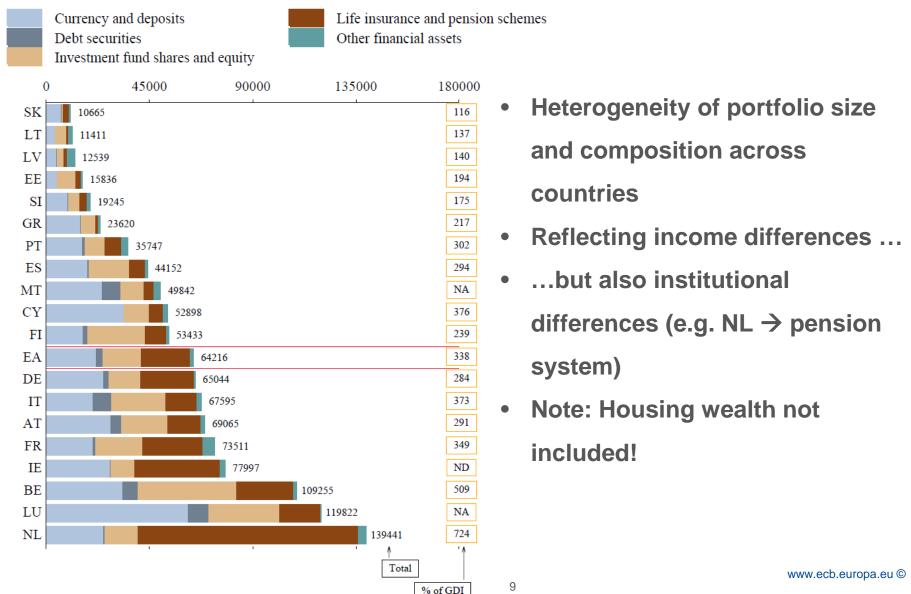
Household investments in financial assets



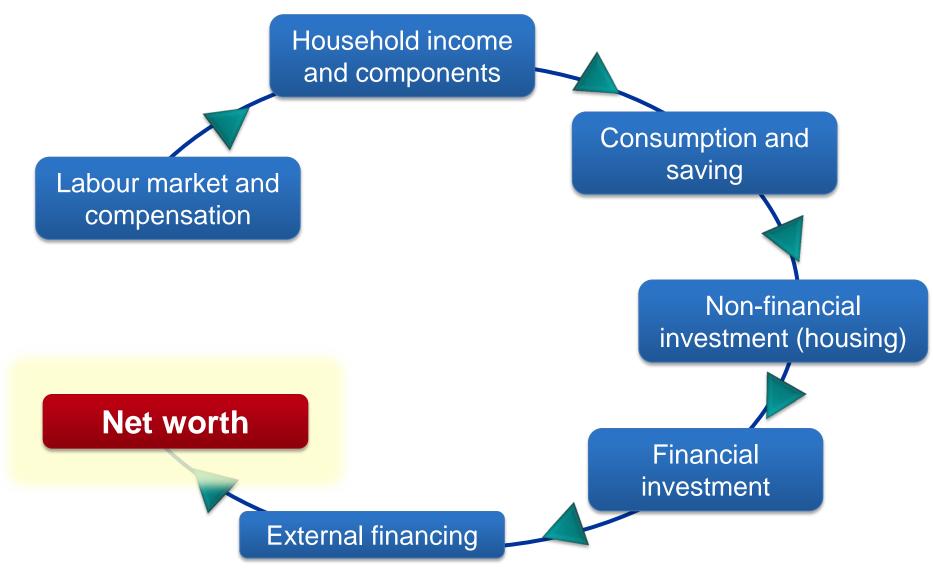
Household Sector Report- indicator 2: total gross financial wealth by asset type

Country perspective

Across euro area countries, total, euro per capita and % of disposable income

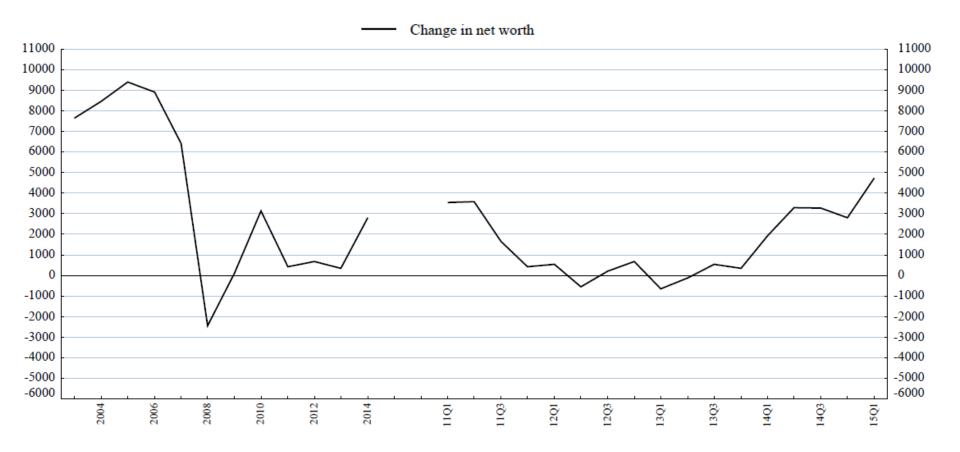


Household net worth (changes)



Household net worth, total changes (assets minus liabilities)

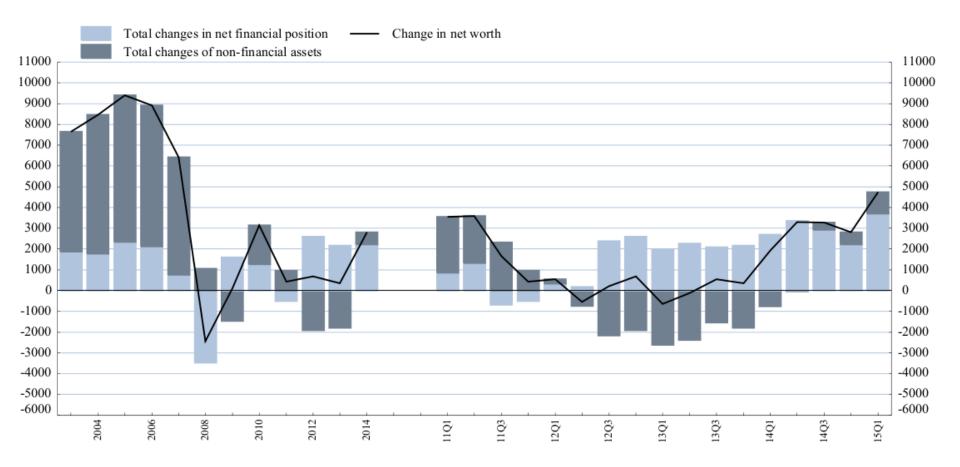
Euro area, (2003 – 2015 Q1, EUR per capita - annual changes and changes over four quarters)



 After a period of overall unchanged net worth, it is now in its second year of increase.

Household net worth, changes of non-financial and financial components

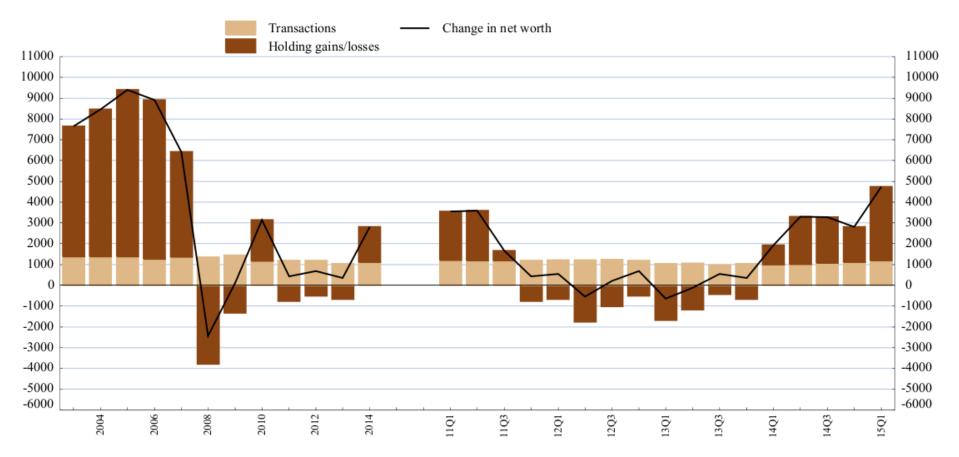
Euro area, (2003 – 2015 Q1, EUR per capita - annual changes and changes over four quarters)



 While both non-financial (housing) and financial components are now positively contributing to the change in net worth, the financial components recovered earlier.

Household net worth, changes due to transactions and holding gains/losses

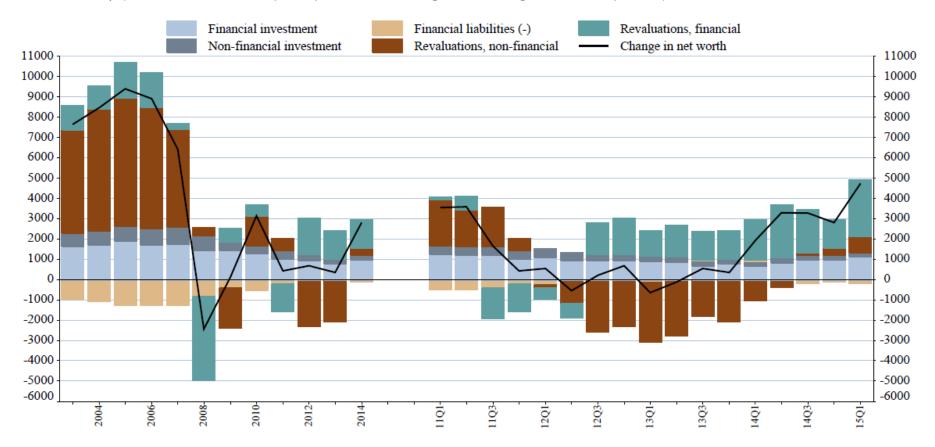
Euro area, (2003 – 2015 Q1, EUR per capita - annual changes and changes over four quarters)



 Price changes (holding gains/losses) have driven changes in net worth

Household net worth, all elements combined

Euro area, (2003 – 2015 Q1, EUR per capita - annual changes and changes over four quarters)



 Changes in total assets (financial and housing) minus changes in total liabilities, debt (loans)

Household net worth (changes) - country perspective

HOUSEHOLD NET WORTH ACROSS COUNTRIES

(EUR per capita, in the four years to 15Q1) **EURO AREA AGGREGATE** -45000 -30000 -1500015000 30000 45000 IE* -18474 GR* -16909 ES -12780 CY*-4876 High dispersion LV*-3901 SI-3615 (despite recent IT*-1386 broad recovery) LT* -897 PT* -307 Also reflecting SK* -230 the different EE* 2612 portfolio EΑ 6570 FR 7297 composition. AT 9329 FΙ 10206 DE 19277 BE Financial investment Revaluations, non-financial 24005 Non-financial investment Revaluations, financial NL33621 Financial liabilities (-)

What should users keep in mind?

- Differences across countries due to economic structure and developments as well as due to institutional factors (e.g. the pension systems, the rate of homeownership)
- The report shows data on a "per capita" basis in order to normalise the presentation, thus containing only "averages".
- No information on income and wealth distribution by household groups!
 - E.g. most households own deposits, but not all own shares, life insurance or dwellings.
 - The distribution of household income and wealth is explored in more detail in the Household Finance and Consumption Survey. The next survey results are expected towards the end of 2016.

Household Sector Report – release schedule

Release schedule

 The Household Sector Report will be published each quarter after the full publication of the Quarterly Sector Accounts

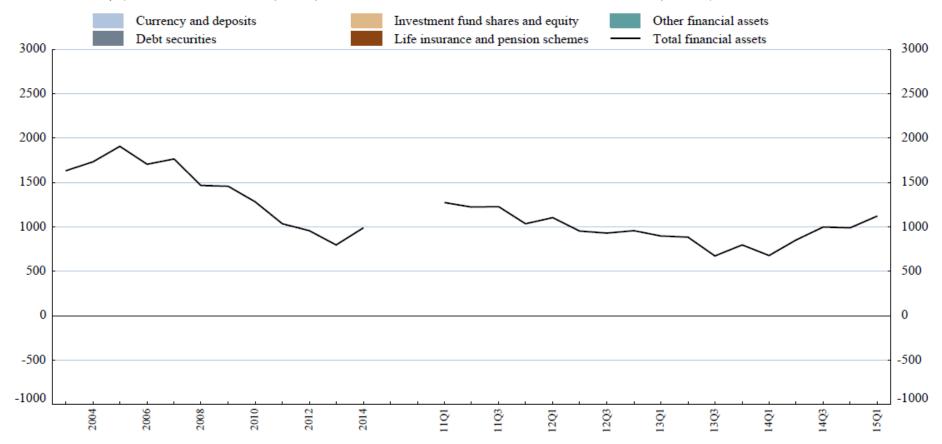
Data up to	Release date
2015 Q2	10 November 2015
2015 Q3	8 February 2016
2015 Q4	Second week of May 2016
2016 Q1	Second week of August 2016

- All source data are already available in the Statistical Data Warehouse (SDW)
- 10 November: the 15Q2 release of the Household Sector Report made available along with press release
- In case of questions, please contact:
 - EuroAreaAccounts@ecb.int
 - Aleksander.Kraj@ecb.europa.eu

Reserve slides

Household investments in financial assets

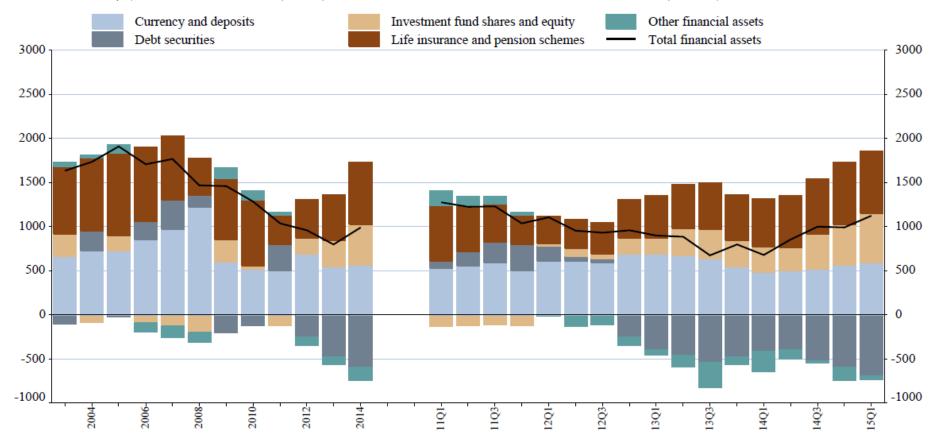
Euro area, (2003 – 2015 Q1, EUR per capita - annual transactions and transactions over four quarters)



Gradual increase of financial investment to EUR 1100 per capita, a little over 50% of the 2007 peak.

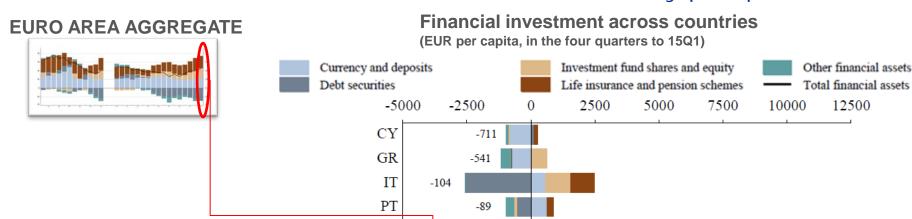
Household investments in financial assets

Euro area, (2003 – 2015 Q1, EUR per capita - annual transactions and transactions over four quarters)

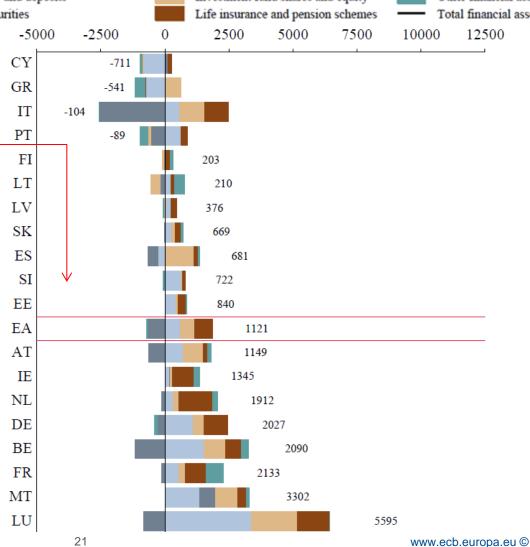


 Households are selling their debt securities in net terms, instead increasing their investment in equity as well as life insurance and pension schemes.

Household investments in financial assets - country perspective

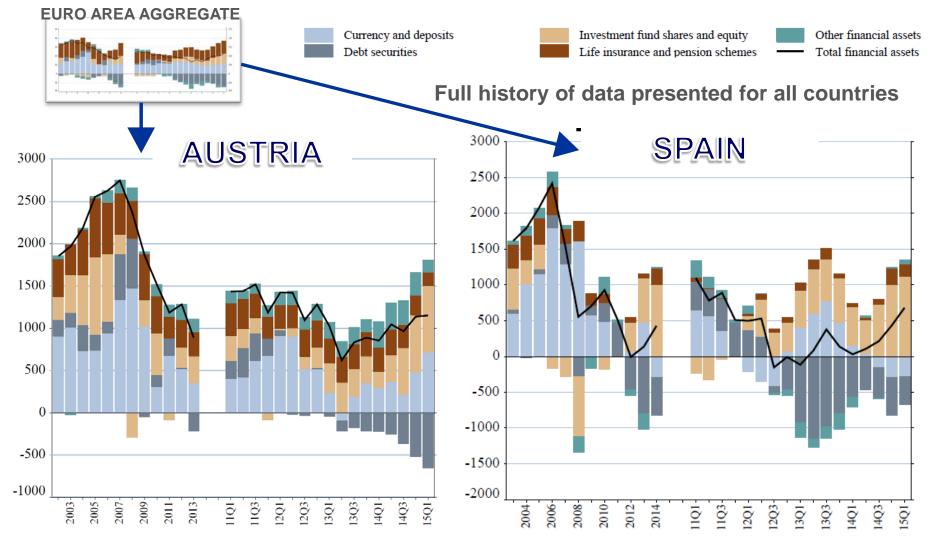


- **Heterogeneity of financial** investment
- Reflecting income differences ...
- ...but also institutional differences (e.g. NL → pension system)
- **Note: Housing wealth not** included!



Household investments in financial assets - country perspective

(2003 – 2015 Q1, EUR per capita - annual transactions and transactions over four quarters)



Household net worth (changes) - country perspective

