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# ASSET INCOME AND SAVING IN NATIONAL TRANSFER ACCOUNTS

Ageing Europe – An Application of  
National Transfer Accounts for Explaining  
and Projecting Trends in Public Finances

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# Asset Income and Saving in NTA

**Interpretation:** What is captured in asset income?

**Data:** Data on asset income not very reliable

**Distribution:** Unequal distribution

**Saving:** Estimated as residual

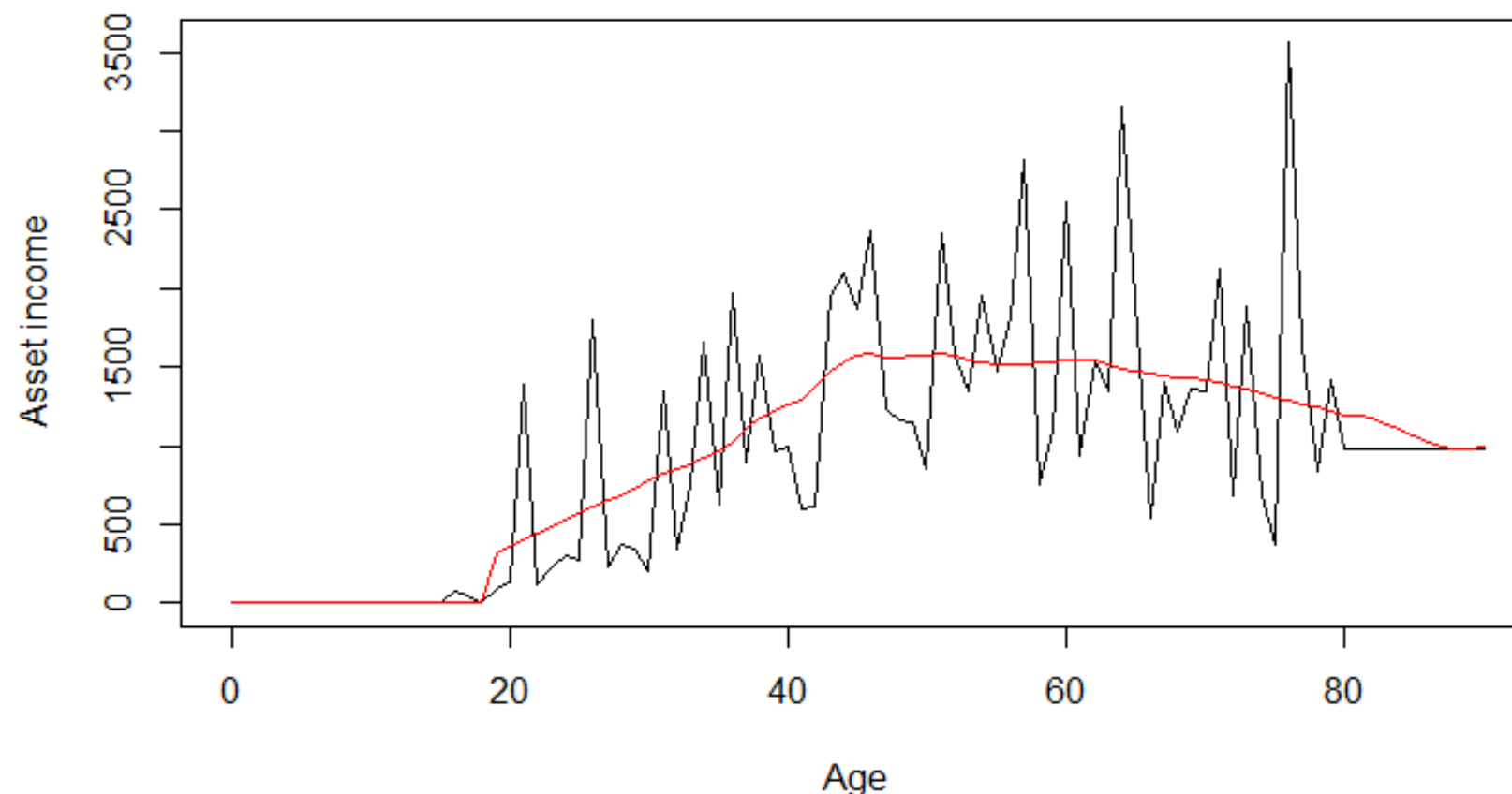
# Interpretation of NTA Private Asset Income

<b>Austria 2010</b>	Firms	Households
Net operating surplus	32,548	6,226
Net property income	-13,236	16,956
Capital share of mixed income		9,079
<b>NTA asset income</b>	<b>19,412</b>	<b>32,261</b>

⇒ **Only part of NTA asset income is distributed to households**

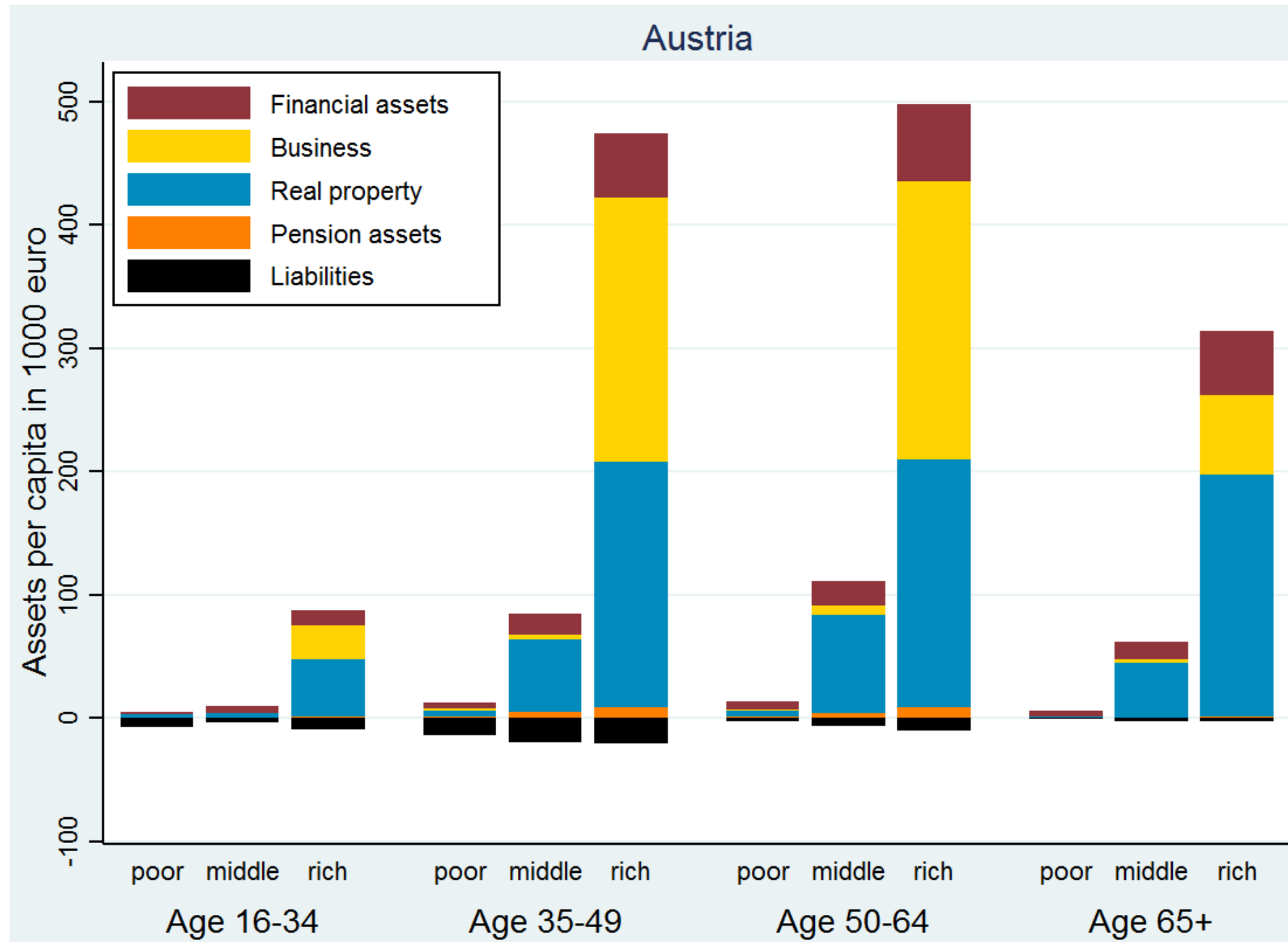
# Reliability of Asset Income Data

- Imputed rents (gross operating surplus of households) and mixed income well captured in EU-SILC
- Aggregate value of total EU-SILC asset income (interest, dividends, income from rented property). 4,153 million, observed ~ 8 million
- Total NTA asset income 51,000 million in total, 32,000 million received by households of which 17,000 are property income.



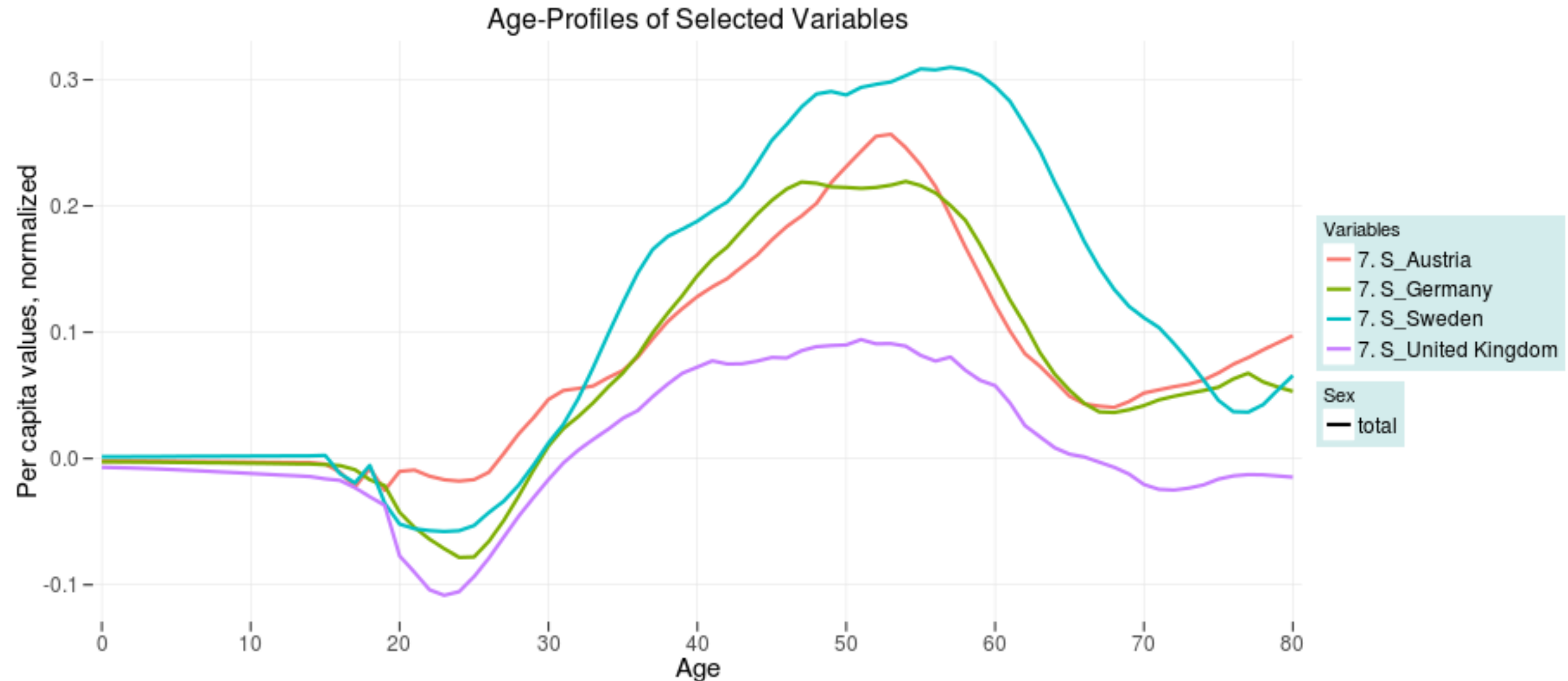
Source: EU-SILC  
2011 for Austria

# Distribution of assets

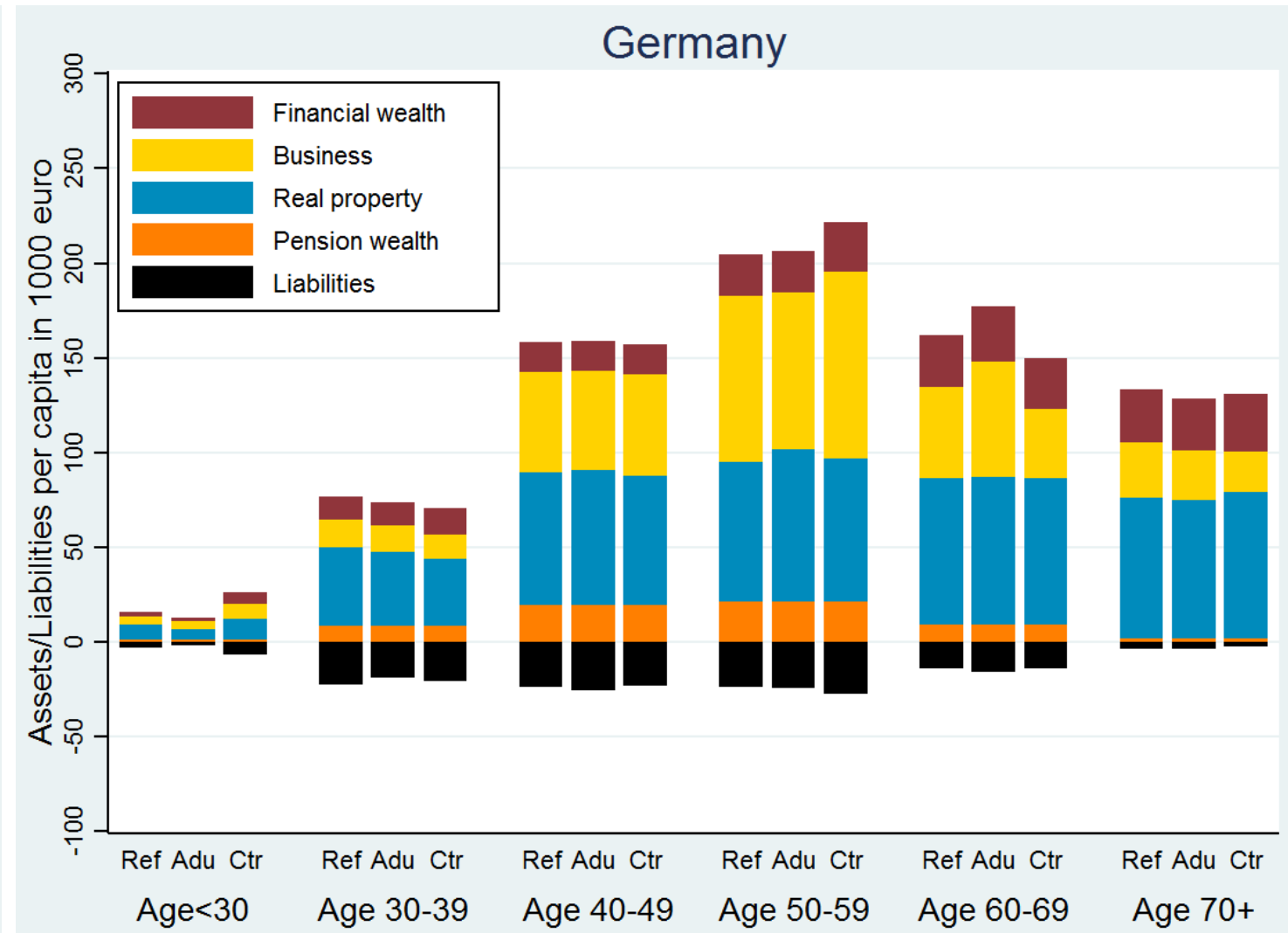
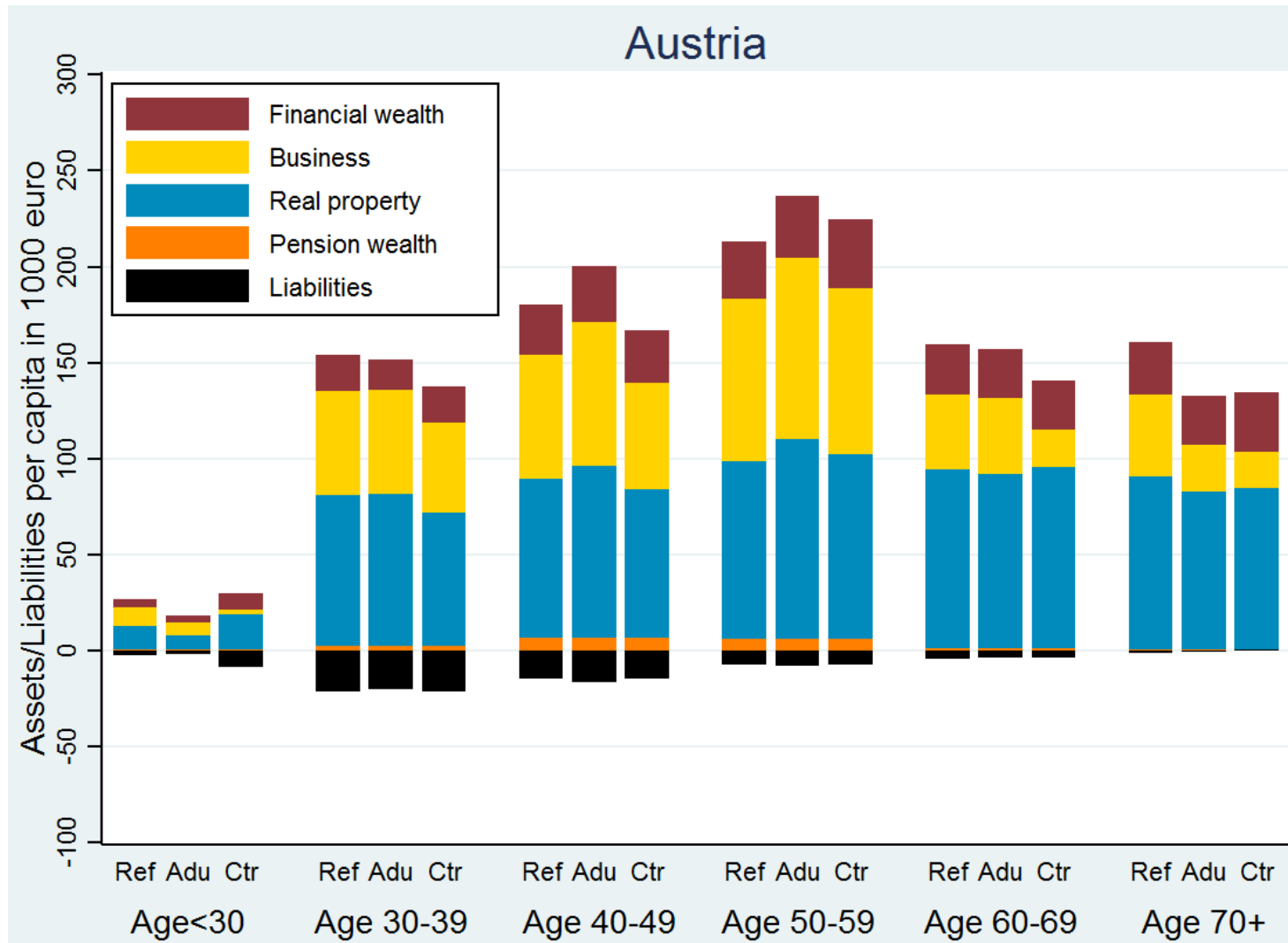


# Saving as Residual

- Saving estimated at the end as residual
- $S = YL + YA + T - C$
- Saving = Labour and asset income plus net transfers less consumption



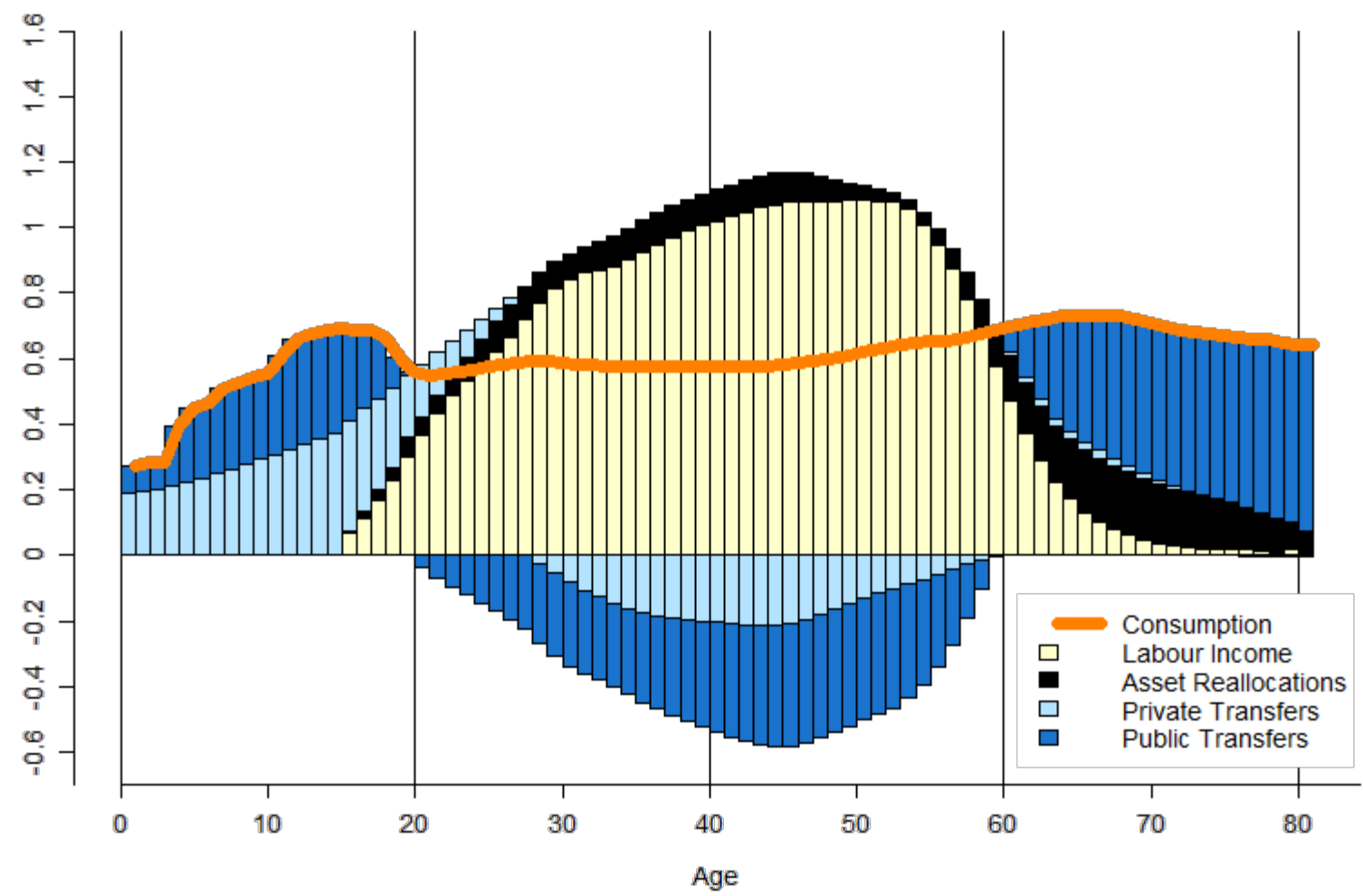
# Age Distribution of Assets



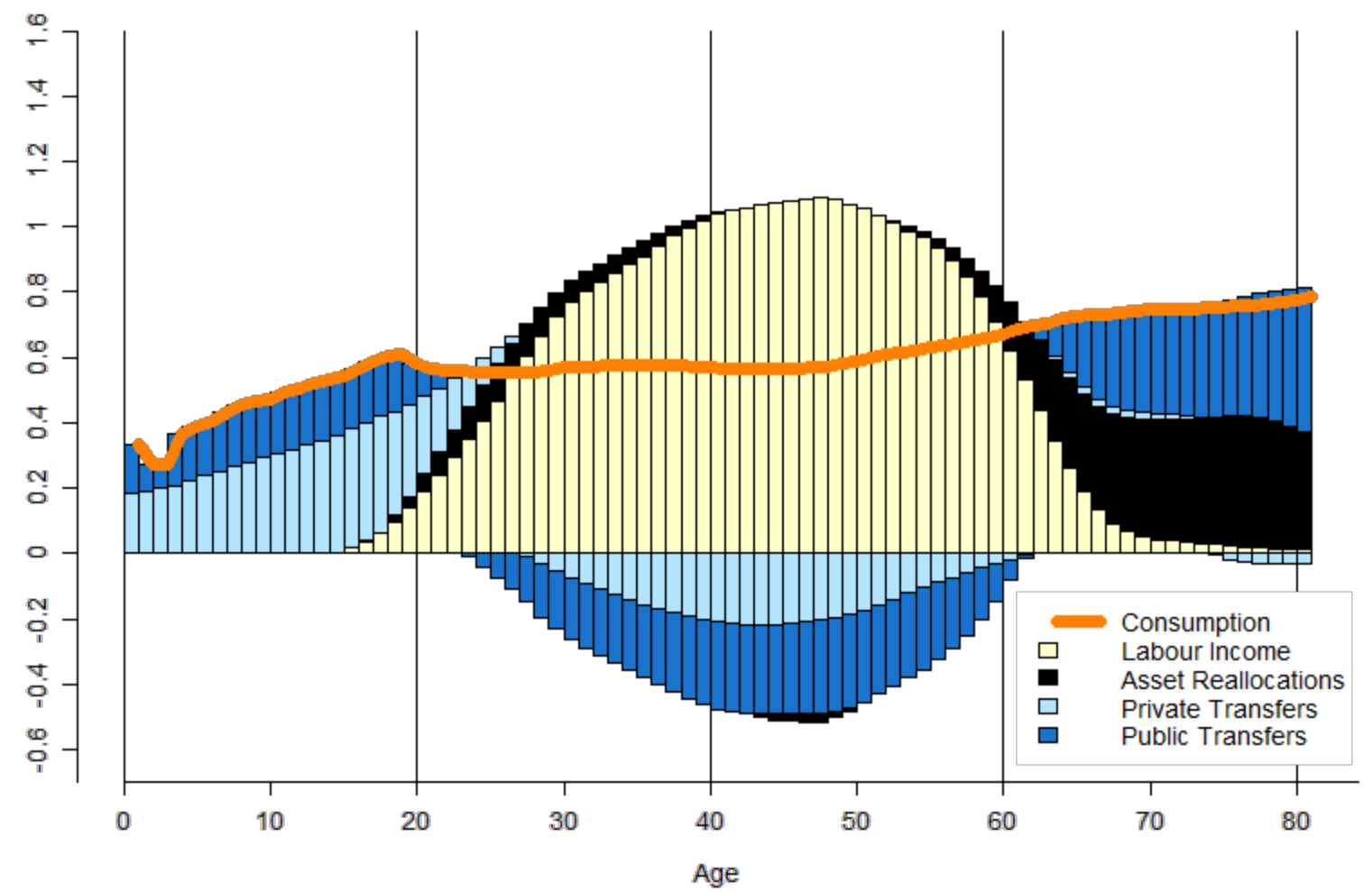
Source: HFCS, own calculations

# NTA pattern of asset based reallocations

Austria 2010



Germany 2010





# Conclusions

- Asset income not very well captured in surveys (especially EU-SILC)
  - Saving estimated as residual, capturing uncertainty from other profiles
- ⇒ **Take the asset income and saving age-profiles with a grain of salt**
- Unequal distribution: for majority of households asset income plays not role
  - NTA asset based reallocations capture important differences across countries

## **Future work for the NTA team:**

- Sensitivity analysis, confidence intervals for asset income
- Comparison with other data on assets and asset income