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ASSET INCOME AND SAVING IN NATIONAL TRANSFER ACCOUNTS

Vienna, November 22, 2017
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

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

⇒ 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
Saving as Residual

- Saving estimated at the end as residual
- $S = Y_L + Y_A + T - C$
- 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

-0.6 -0.4 -0.2 0 0.2 0.4 0.6 0.8 1 1.2 1.4 1.6

0 10 20 30 40 50 60 70 80

Age

-0.6 -0.4 -0.2 0 0.2 0.4 0.6 0.8 1 1.2 1.4 1.6

0 10 20 30 40 50 60 70 80

Age
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