

Micro and Macro Estimates on Household Economic Resources: A Cross Country Data Reconciliation

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The report of the Commission on the Measurement of Economic Performance and Social Progress stressed the importance of focusing on the household perspective in order to provide better measures of people's well being (Recommendation 2). Whilst the System of National Accounts (SNA) provides a framework for the compilation and analysis of statistics on household income, consumption and wealth, the accounts depict conditions for an "average" household and, so, cannot describe differences between households. Average measures of household income per person give no information about how available resources are distributed across households, which is critical for the design of economic and social policies. Measures of the distribution of income, consumption and wealth are provided by micro data (surveys, administrative records, censuses). But the underlying concepts, definition, and statistical practices used in collecting micro data (and, so, therefore metrics created) may differ from those used in constructing macro aggregates. Recent studies in a number of countries, such as the Netherlands and France, show that the gap between micro and macro estimates of household income and consumption can be bridged. To capitalise on these experiences and to meet growing policy demands, the OECD and Eurostat created an expert group (of 25 countries) to devise an internationally comparable methodology that would allow the generation of distributional information on households consistent with national accounts estimates. This paper provides some early results of the work of the expert group. It presents the main differences (conceptually and empirically, for income, consumption and wealth) between the micro and macro sources available across countries participating in the expert group. The paper ends by presenting information on the set of assumptions and imputations required to produce income and consumption (distribution) indicators in a consistent way with national accounts aggregates.

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