

# **Disaggregating the Canadian National Accounts Using Microsimulation: Estimating Income and Consumption Disparities in the Household Sector**

Chantal Hicks  
Statistics Canada

Catherine Van Rompaey  
Statistics Canada

The Canadian SNA houses a fully integrated and coherent set of institutional sector accounts, covering the income, consumption, saving and wealth accumulation of households. Macro estimates are prepared in conjunction with all other economic sectors and draw on a broad variety of data sources. They benefit from the coherence analysis implicit in a macro-economic accounting framework. Micro data for the household sector are also integrated on an annual basis via Statistics Canada's Social Policy Simulation Model and its associated synthetic database. The Social Policy Simulation Database integrates household survey and administrative data to build synthetic household units, and also incorporates selected macro controls. The model and the database are used by policy analysts to analyze distributional changes in Canadian taxes and transfers. Recent efforts have been made, prompted by the OECD/Eurostat Expert Group on Disparities in National Accounts, to re-examine challenges in reconciling macro and micro estimates with a view towards developing distributional estimates for the household sector in the Canadian national accounts. These efforts tie in with the recommendations of the Stiglitz, Sen and Fitoussi report. This paper will briefly describe Canadian measures from a micro and macro perspective and highlight some reconciliation challenges. It will discuss a microsimulation framework allowing income, consumption and wealth to be examined in a coherent way from both micro and macro perspective. A synthetic database will be created, aligned conceptually with the SNA, and used to disaggregate macro estimates into various household groups. Distributions would exploit the Social Policy Simulation Database and serve to elaborate the micro foundations of the household sector in the Canadian SNA.

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