

The Distribution of Pension Wealth

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The concept of pension wealth has been extensively used by economists in theoretical and applied research since Feldstein's seminal paper (1974), but in recent decades, due to population ageing, it has attracted the attention from a wider scientific community and from policy makers. Pension wealth constitutes a significant proportion of total household wealth but few countries have a comprehensive measure of pension wealth at the individual level. This study present new and unique individual pension wealth data covering the whole Norwegian population. Wealth data has been collected that covers all three pillars; public pension scheme, occupational pensions (both public and private) and personal pension saving. For members of defined contribution (DC) plans the accrued value is used, but for defined benefit plans (DB) a sophisticated simulation model, the Norwegian micro-simulation model MOSART is used. With this model both the current accrued wealth can be calculated, as well as the present value of future pension wealth under realistic and detailed assumptions about job market behavior, choices of retirement age and individual expected longevity (based on socio-demographic characteristics). The data is used to analyze the distribution of individual pension wealth data and how it relates to the distribution of other personal wealth (both financial and real wealth).