

# Development and Prospect of the Expert Group Linking Micro and Macro Data for the Household Sector

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In view of the potential role that distributional data can play in explaining macroeconomic developments, the European System of Central Banks' (ESCB) Statistics Committee (STC) established an Expert Group on Linking Macro and Micro Data for the Household Sector (EG-LMM) in December 2015. The group consists of experts from the two domains, as well as from Eurostat and the Organisation for Economic Cooperation and Development (OECD). This group completed its first mandate in spring 2017 and the group with the second mandate started its work directly after this. The purpose of this paper is to present the work completed so far and to discuss how the work will be continued further.

The aim during this first mandate was to understand, quantify and explain the main differences between the Household Finance and Consumption Survey (HFCS) and the financial accounts (FA). The systematic comparison of the two sources distinguishes between two main explanatory factors: generic differences which potentially affect all or various components of wealth, and detailed instrument-specific differences in definitions and data collection. Based on this, the EG-LMM derived alternative concepts of adjusted wealth which cover items that have medium or high comparability between the two sources.

Three components of household wealth raise particular challenges. First, the concept of (self-employment) business wealth in the HFCS does not correspond to any single item in the national accounts. Second, only a small fraction of the total household pension wealth can currently be compared. Third, the EG-LMM considers it essential to cover the holdings of non-financial assets. The work during the second mandate has focused on solving remaining issues and further to develop distributional indicators for the Financial Accounts.