

# Household Balance Sheets in the Digital Age: What National Accounts Bring to the Table “Beyond GDP”

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## **Paper Abstract:**

Some analysts have questioned the usefulness of GDP as an indicator of economic growth and assert that it may be obsolete because it does not reflect welfare and wellbeing. Further, it appears to ignore externalities such as environmental degradation. While GDP has a limited scope, the *System of National Accounts (SNA)* in which it is embedded, provides a framework that can accommodate a broader set of indicators of wellbeing. The *SNA* can provide a range of detailed information on household economic behavior—well beyond the production and consumption of goods and services, as represented by GDP. It recognizes the importance of the full balance sheet, household income and expenditure flows, and the linkages to financial and nonfinancial assets, and liabilities. In this paper, we showcase this by presenting a framework through which an extended range of household assets can be developed through an extended (super) balance sheet. Such information can be presented to highlight characteristics by region, by gender, or distribution of income, and wealth. While in many countries data availability on the household sector is poor, the digital age presents new opportunities to analyze household behavior as households produce more services for the market and more granular data become available.