



IFC Satellite Seminar on "Post-crisis data landscape: micro data for the macro world", co-organised with the Central Bank of Malaysia and the European Central Bank

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Financial behaviour of households under the lenses of distributional aspects: the OeNB's experiences¹

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¹ This presentation was prepared for the meeting. The views expressed are those of the author and do not necessarily reflect the views of the BIS, the IFC or the central banks and other institutions represented at the meeting.

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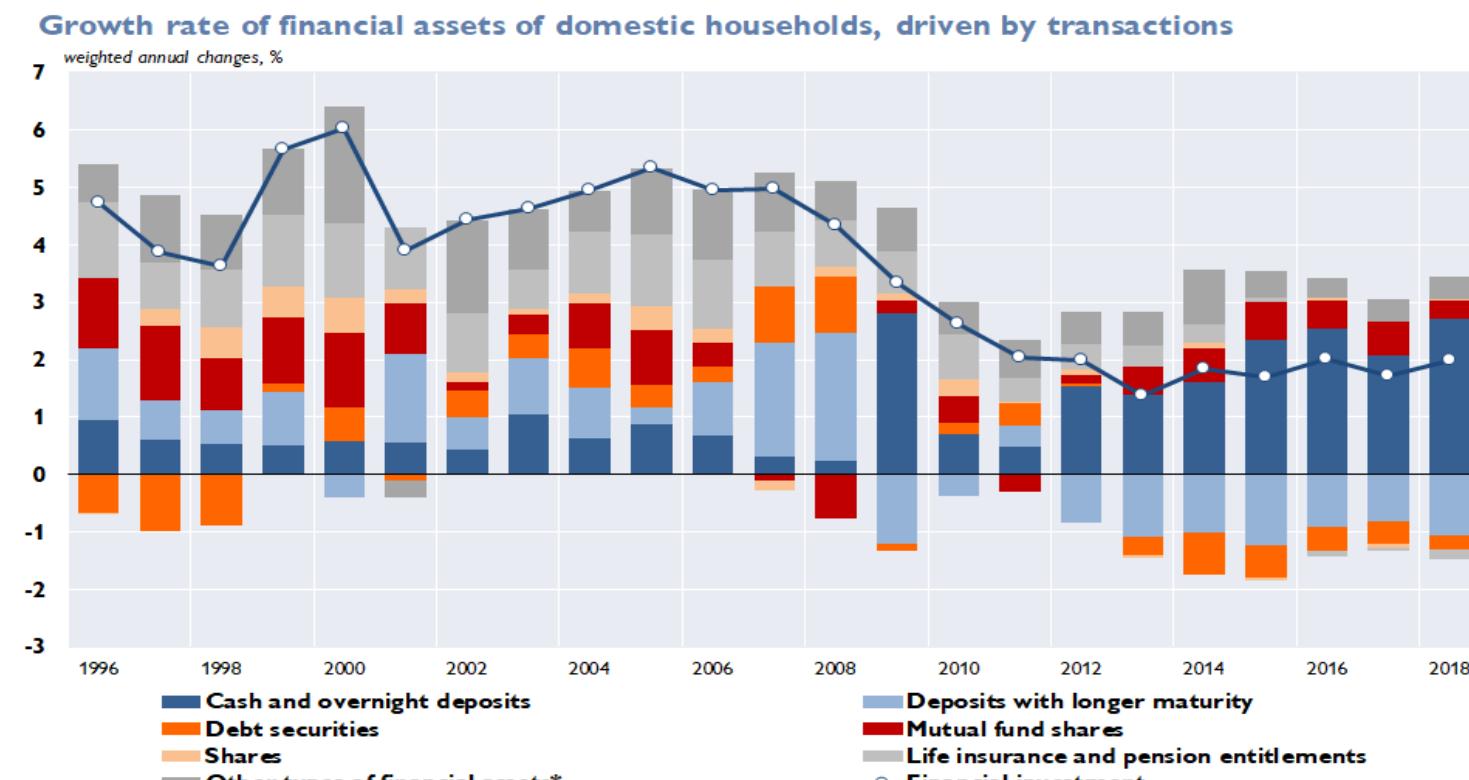
Background: Basic concepts of linking micro and macro

- Drill-down of macro statistics to micro data, aggregated in one statistical framework (using security by security data for BoP)
- Drill-down of different aggregates to micro data using a common data model (using loan by loan data for macro-economic statistics via loans in supervisory statistics)
- **Enrichment of aggregates by socio-economic characteristics
(Financial behaviour using information derived from household surveys)**

Recent development in the financial behaviour of households

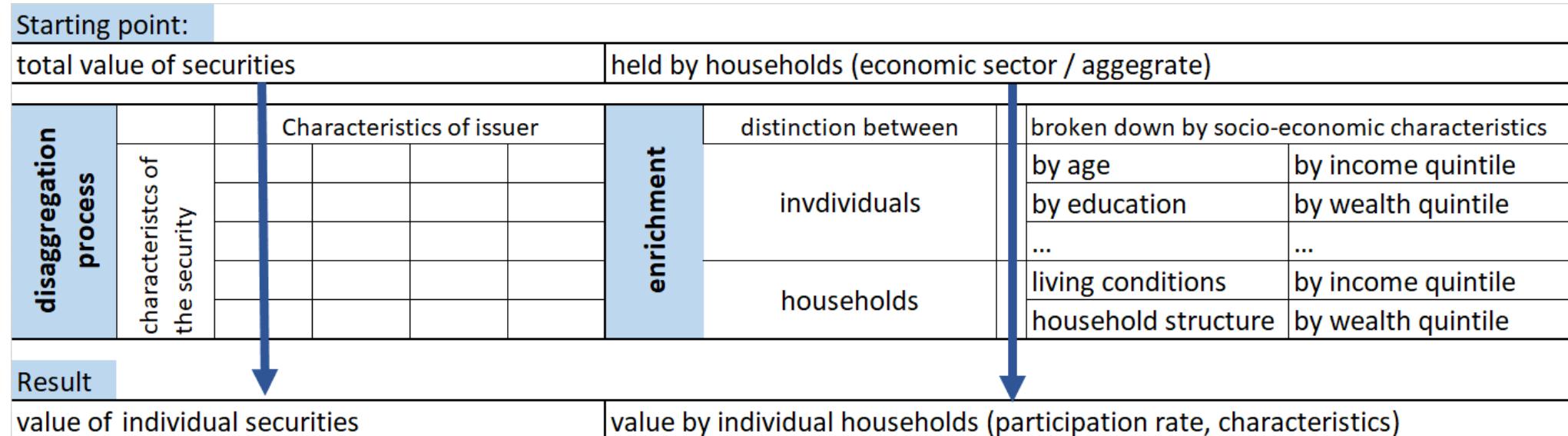
ÖNB

- Financial accounts data in Austria show shifts within deposits towards overnight-deposits and from debt securities to investment fund shares in most recent years against the background of nominal low interest rates.
- Financial accounts can easily explain which types of deposits or securities have been sold and bought
- **but not: how many and which households are responsible for the portfolio changes?**



Source: OeNB. *) Other equity, trade credits, non-life reserves, OTC financial derivatives and funds not yet paid

- Consequently, a link to distributional aspects in household survey data like HFCS can help to understand the financial behaviour and can be seen as enrichment of macro data by socio-economic characteristics in addition to disaggregate macro data as can be shown for securities



Agenda

- When analysing macro data using micro data as enrichment for socio-economic characteristics the question arise:
 - How comparable are individual (financial) instruments in HFCS compared with those of financial accounts (**methodological consistency**) ?
 - How comparable is the coverage of individuals (**scope consistency**) ?
- Based on our own experiences in the last ten years, the presentation will highlight the restrictions and benefits of such an enrichment in the case of Austria
 - For details on HFCS in Austria see: Publication by the OeNB at www.hfcs.at; especially “First results for Austria” on the Eurosystem HFCS 2017, January 2019 (wave 3)
For details on financial accounts in Austria see: “Manual on sources and methods for financial accounts data” published by the OeNB at www.oenb.at / statistics / data / financial accounts / downloads
 - For details on this exercise of comparison see: Micro and macro data: a comparison of the Household Finance and Consumption Survey with Financial accounts in Austria, Michael Andreasch and Peter Lindner; Journal of Official Statistics, Volume 32, Number 1, pp. 1-28, 2016

Conceptional comparability of financial instruments in HFCS and FA



Euro area and national
quarterly financial accounts

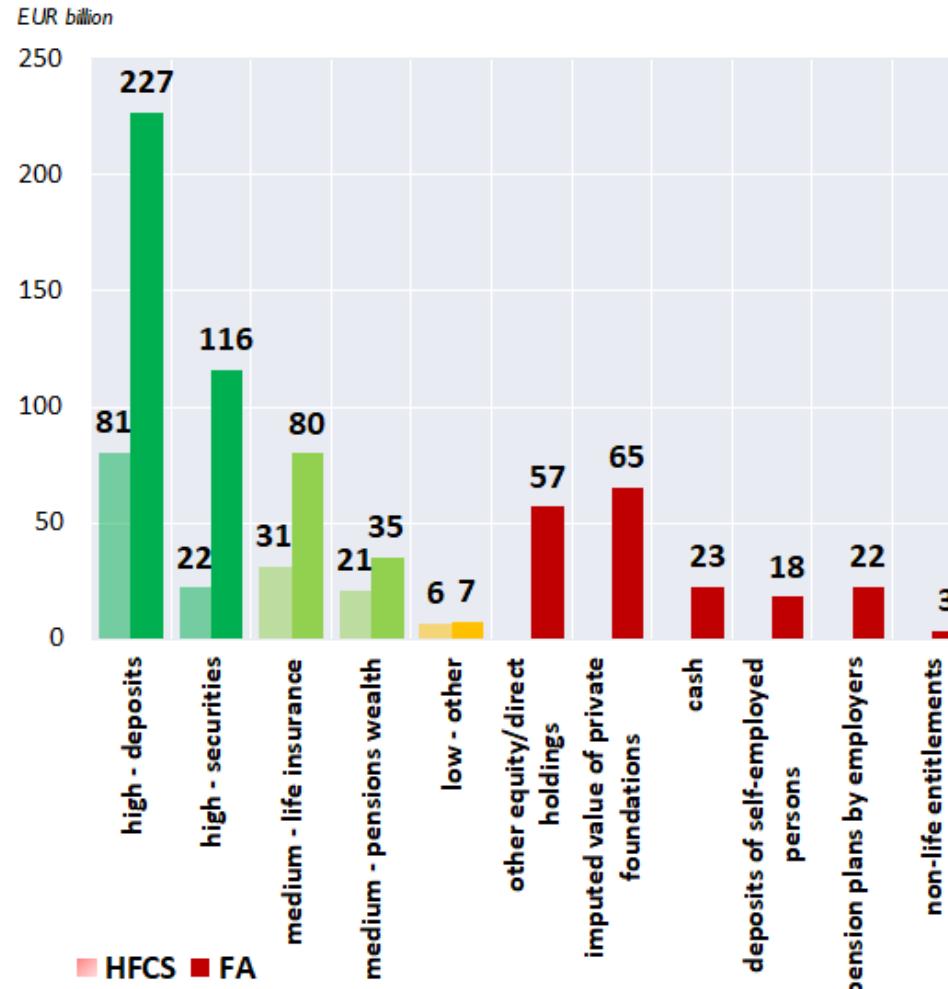
NA/FA (ESA 2010)	HFCS	Conceptual comparability
FINANCIAL ASSETS (+)		
F21 Currency	N/A	N/A
F22+F29 Deposits	Deposits	High
F3 Debt Securities	Bonds and other debt securities	High
F4 Loans	Money owed to household	High
F5 Equity and investment fund shares	Shares, publicly traded	Medium to High
	Investment in non-self-employed business	
	Investment in self-employed business ⁷	
	Mutual Funds	
F6 Insurance, pension and standardised guarantee schemes	Voluntary pension/whole life insurance schemes	Medium
	Occupational Pension Plans ⁸	Low
F7 Financial derivatives and employee stock options	Other financial assets	Low
F8 Other accounts receivable		
N/A	Managed Accounts	Low
LIABILITIES (-)		
F4 Loans	Mortgages and loans	High
	Outstanding debts on credit cards, credit lines and overdraft balances	
F8 Other accounts payable	N/A	N/A
FINANCIAL NET WORTH		

Financial accounts in Austria – value of comparable components

Components of financial wealth in financial accounts data



Structure of these components

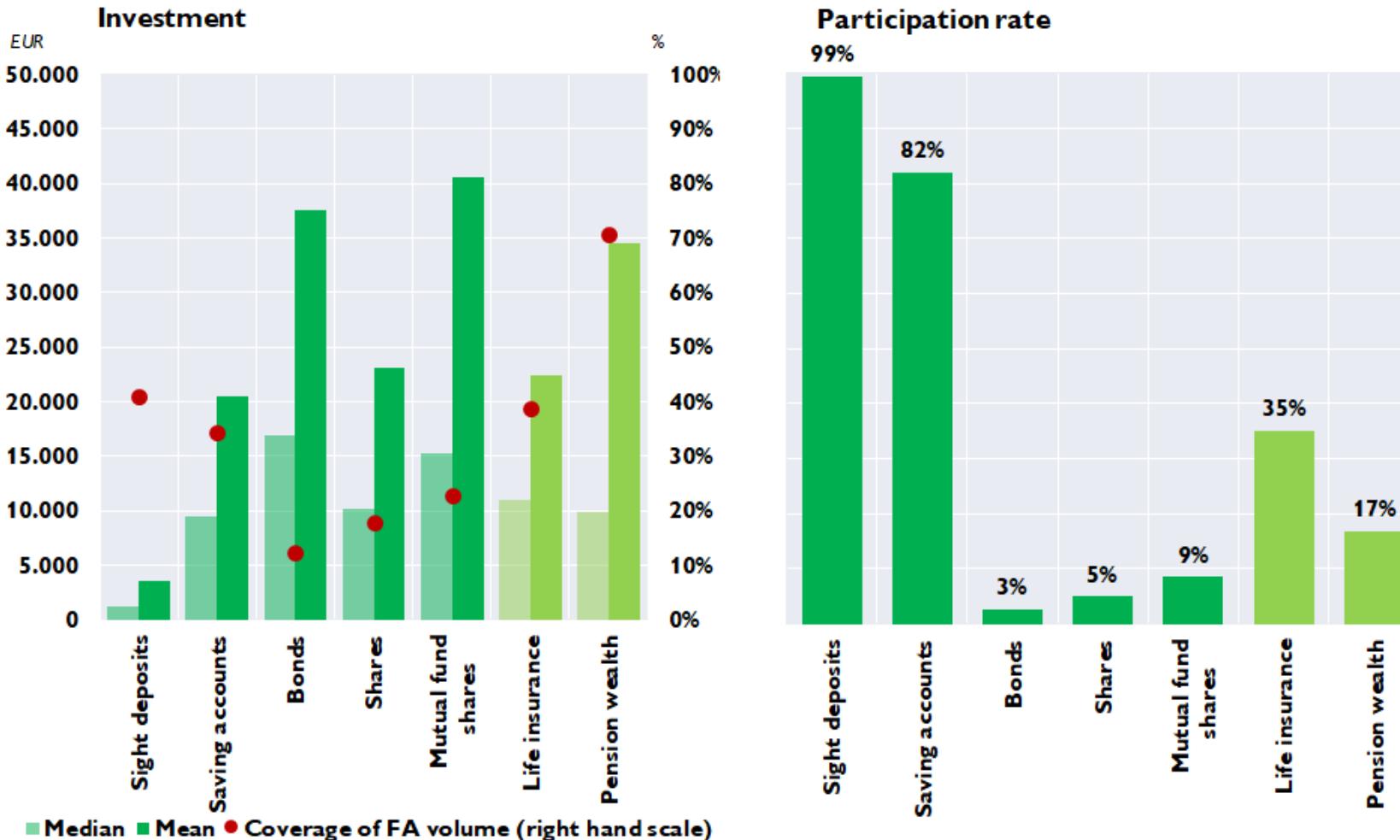


- More than 70% of total financial assets held by households are comparable
- Within the comparable instruments, deposits dominate the picture (approx. 50%)
- Bonds, shares and mutual fund shares (securities) account for 25%
- Followed by medium comparable life insurance and pension entitlements

Quelle: OeNB.

Structure of HFCS and FA data - Coverage of the volume in HFCS

Households' investment and the participation rate in comparable financial instruments



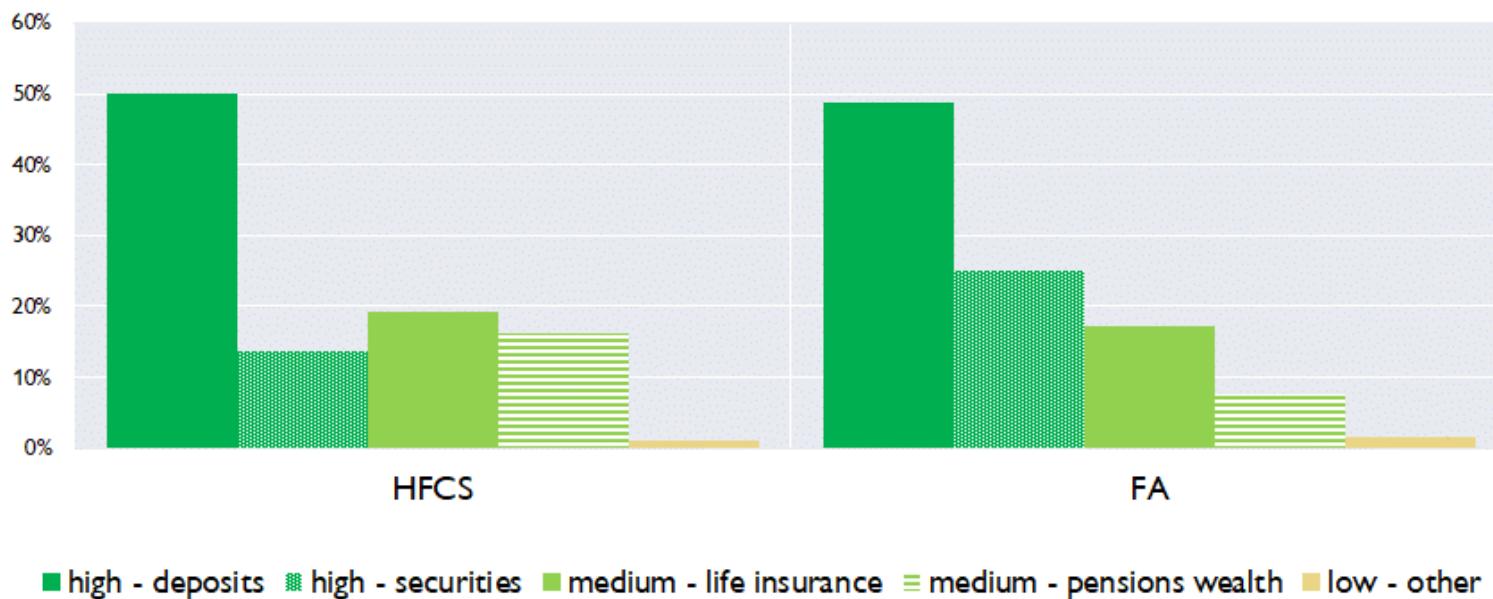
Source: OeNB (HFCS Austria, Financial Accounts)

- Obviously, nearly every household has a sight account with a bank with rather low investment
- Saving accounts are also widespread (participation rate 82%), the median value account for EUR 10,000 EUR.
- On the contrary, securities (bonds, shares mutual funds shares) are only held by less than 10% of households, but the mean value exceed the value for saving accounts
- Mean value of life insurance and pension wealth is close to the level of saving accounts, the participation rate stood at 35% and 17%, respectively

Structure of HFCS and FA data – Coverage of the volume in HFCS

Composition of comparable financial wealth in HFCS and FA

Structure of comparable financial wealth in Wave 3 (2017) within HFCS / within FA



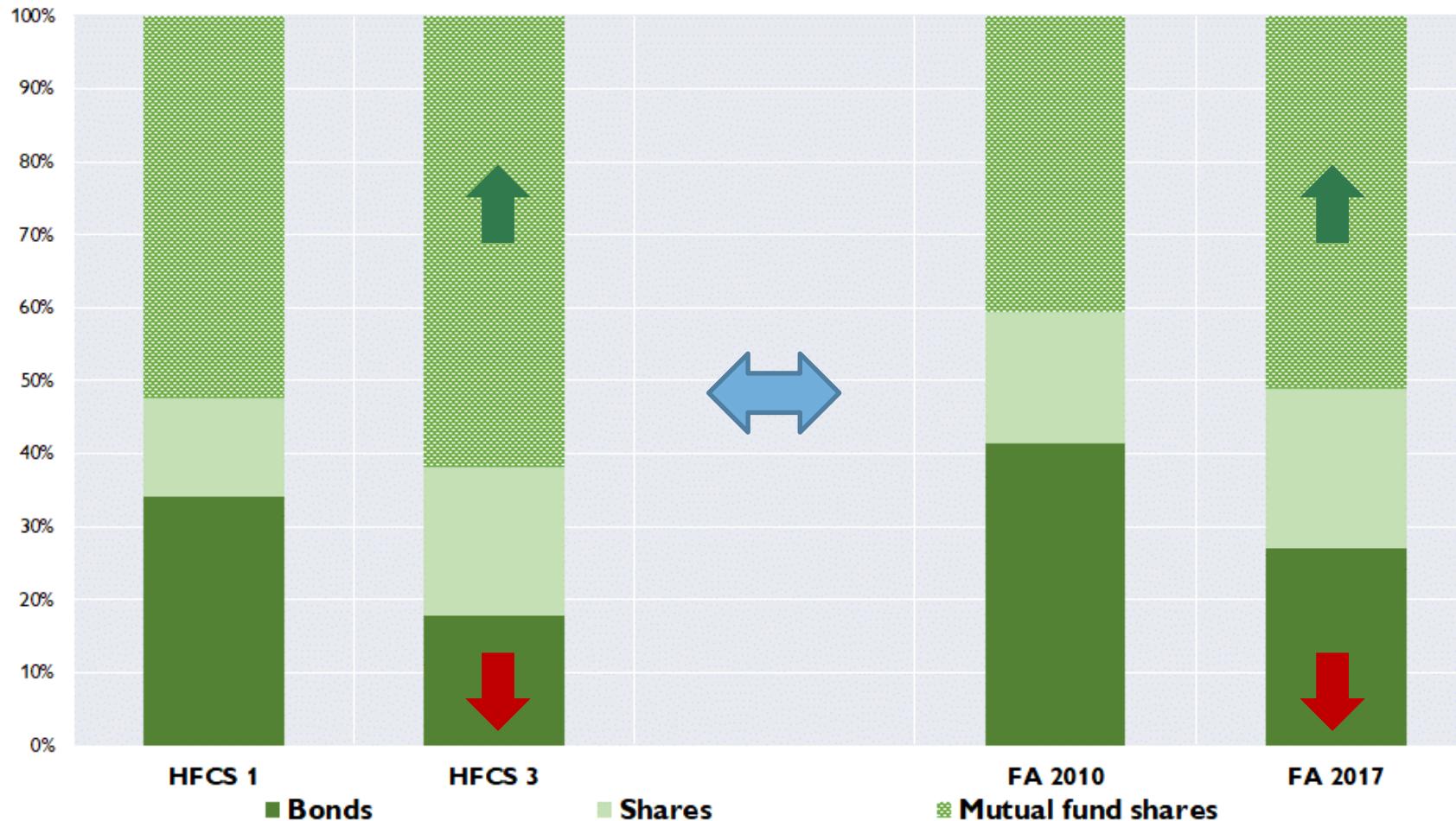
- Similar structure both in micro data and macro data allowing to bridge results from HFCS data derived from surveys every three years with financial accounts data (FA) compiled on a quarterly basis
- Deposits attribute more than 40% in both data sets
- Households held nearly at the same level (approx. 25%) securities and life insurance contracts.
- Together, highly comparable deposits and securities covered in HFCS data 64%, in the corresponding FA 75%

Source: OeNB. HFCS Austria 1st wave 2010, 3rd wave 2017, FA = corresponding macro data in financial accounts

Bridging the information between HFCS and FA for securities

Structure within the portfolio of securities held by households

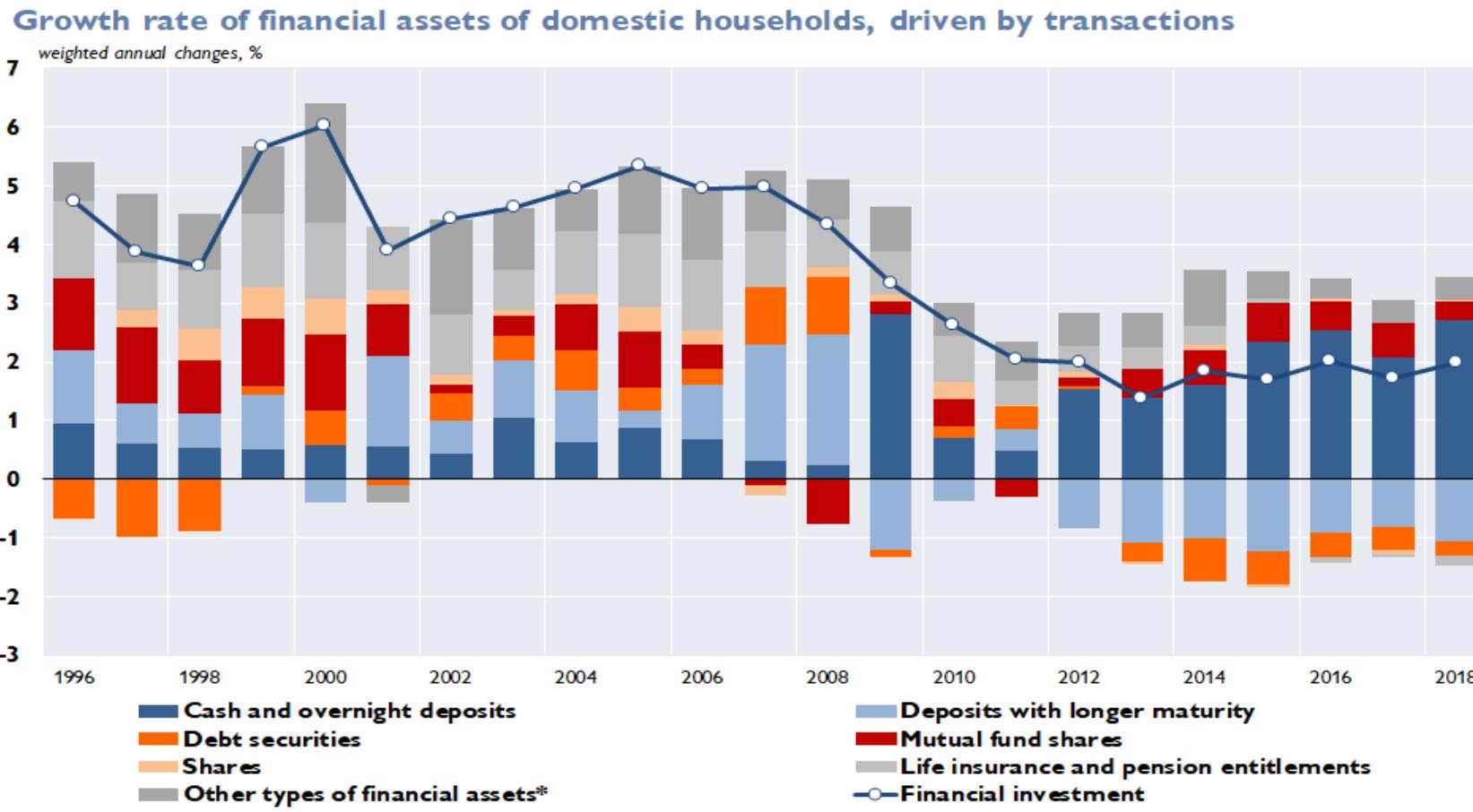
% of tradeable securities



Source: OeNB. HFCS Austria 1st wave 2010, 3rd wave 2017, FA = corresponding macro data in financial accounts

- Both data sets (HFCS and financial accounts) show a significant decrease of the importance of bonds within the portfolio of securities (around 15 percentage points)
- Simultaneously, the proportion of mutual fund shares increased by around 10 percentage points.
- 80% of the securities are held by wealthy households (4th and 5th net wealth quintile)

Back to the recent development in the financial behaviour of households: Enhanced analysis using combined information



- Indeed, due to comparability, we could identify that the shift from deposits with longer maturity to overnight deposits is a phenomena which can be observed for nearly all households (regardless of net wealth)
- While, less than 10% of the households are responsible for the shift from bonds to mutual funds shares (limited to households with higher net wealth)

Danke für Ihre Aufmerksamkeit

Thank you for your attention

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