



Inequalities between households in the national accounts: the French experience

Fabrice LENGART
INSEE, France





Breakdown of the French household accounts using surveys : data

- › The framework : national accounts
- › Reference year: 2003
- › Five surveys involved:
 - Incomes : SILC 2004, Tax income 2003
 - Consumption : Budget survey 2006, Health and Housing surveys, 2003 and 2002
- › 4 classification variables : standard of living, household composition, employment status and age of the head of the household



Breakdown of the French household accounts using surveys : resources

- › Beginning of the project : July 2007
- › First publications : June 2009 and November 2009
- › Joint work of National accountants and statisticians specialised in HH surveys
- › About 600 working days for the first step of the project : 12 persons, with 5 more directly involved



Breakdown of the French household accounts using surveys : methodology

- › 1. Comparison of estimates coming from micro and macro data sources

- › 2. Imputations on micro data, e.g.
 - Financial revenues : imputations based on behaviour pattern, using Wealth survey information
 - Public education expenditure : imputation of mean cost according to school level
 - Incomes from non observed economy and VAT fraud : imputations based on conventions

- › 3. Breakdown for each component of income and consumption, using distribution coming from micro data (collected or imputed) and benchmarking aggregates on national account figures

Result : the 20% richest households receive 40 % of the total amount of disposable income



Scope : ordinary households resident in mainland France, excl. Fisim.

Source : Insee, national account 2003, SILC2004, Tax Income 2003, Household Budget 2006, housing and health surveys.

Page 5



Result: ratio Q5/Q1 lower on average consumption expenditure than on disposable income

Disposable income by standard of living quintile in 2003

	Q1	Q2	Q3	Q4	Q5	All households
Annual equivalent amount per CU, in €	10 100	16 400	21 000	26 800	50 000	24 900

$Q5/Q1 = 5.0$

Consumption expenditure by standard of living quintile in 2003

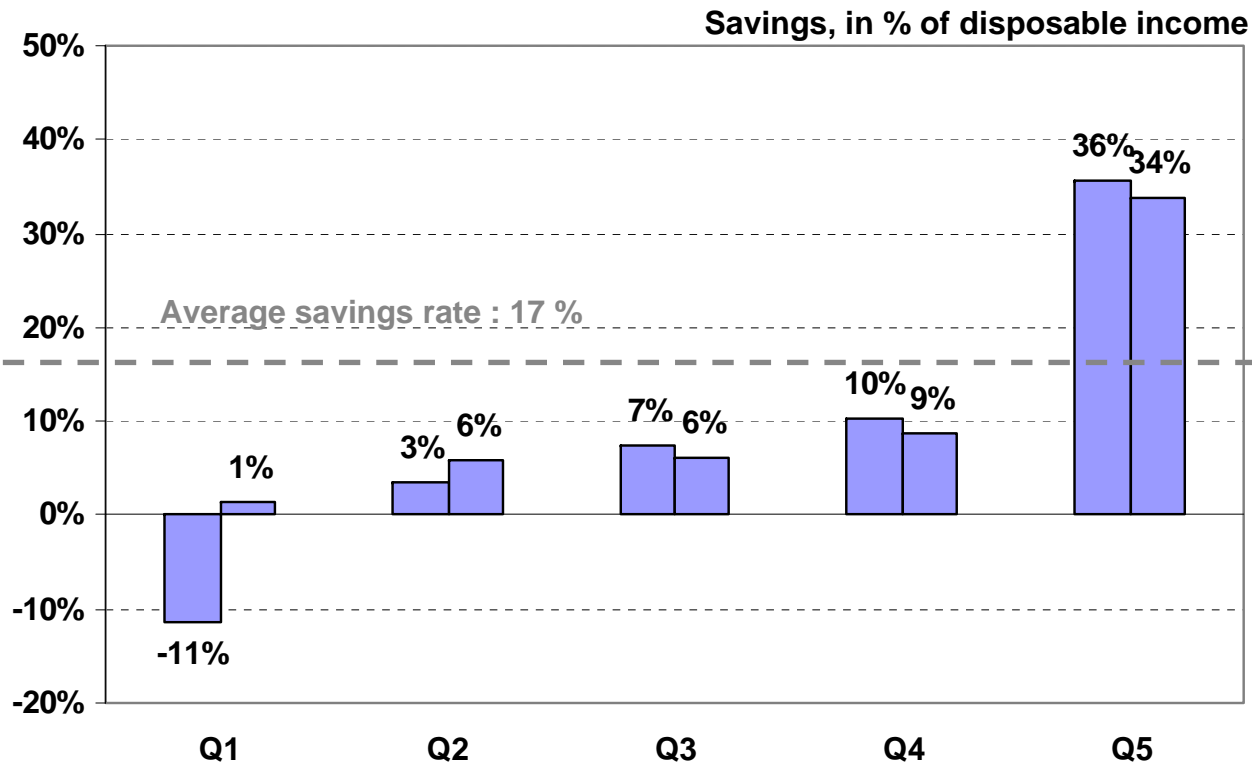
	Q1	Q2	Q3	Q4	Q5	All households
Annual equivalent amount per CU, in €	9 900	15 400	19 800	24 400	33 100	20 600
% of consumption expenditure						
of which : Food and non-alcoholic drinks	20	17	16	14	12	15
Leisure and culture	7	9	9	10	11	10

$Q5/Q1 = 3.3$

Scope : ordinary households resident in mainland France, excl. Fisim.

Source : Insee, national account 2003, SILC2004, Tax Income 2003, Household Budget 2006, housing and health surveys.

Result: 80% of savings come from the 20% richest households

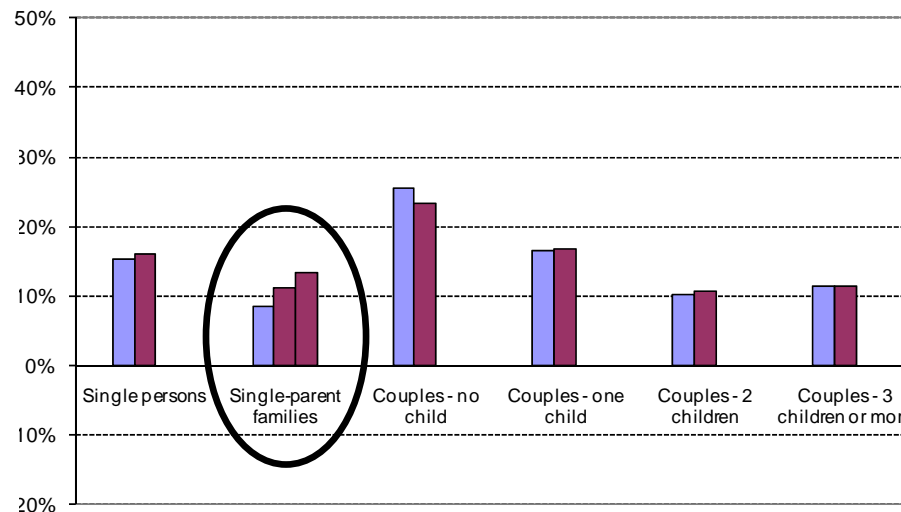
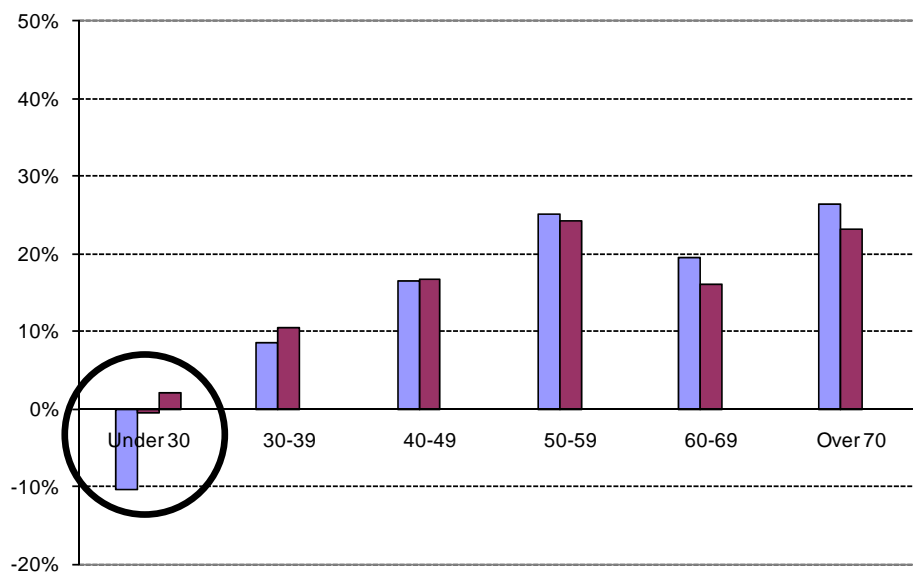
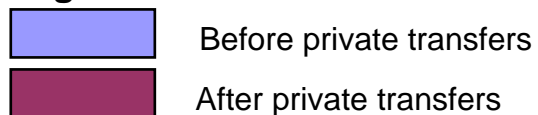


Two estimates depending on the readjustments made on the information collected in SHB concerning income (a variable used for the imputation of the « NA » standard of living)



Result : The youngest and single-parent families benefit from private transfers between households

Savings rate :



Scope : ordinary households resident in mainland France, excl. Fisim.

Source : Insee, national account 2003, SILC2004, Tax Income 2003, Household Budget 2006, housing and health surveys.



Result : social transfers in kind reduce inequalities

Income aggregates distribution according to standard of living quintile in 2003

In % (All households = 100)

	Q1	Q2	Q3	Q4	Q5	All households	Total (in billions €)
Primary income (1)	5	12	17	24	42	100	1 140,2
Disposable income (2)	8	13	17	22	40	100	993,4
Social transfers in kind (3)	25	21	19	18	18	100	229,5
<i>of which : health</i>	21	22	21	18	19	100	97,8
<i>education</i>	28	20	19	18	15	100	75,1
<i>housing allowances</i>	70	23	5	1	1	100	10,2
Adjusted disposable income = (2)+(3)	11	15	17	21	36	100	1 222,9

Scope: ordinary households resident in mainland France, excl. Fisim.

Source : Insee, national account 2003, SILC2004, Tax Income 2003, Household Budget 2006, housing and health surveys.

- › Q5/Q1: from 5.0 to 3.2 regarding adjusted disposable income
- › Q5/Q1: from 3.3 to 2.2 regarding actual consumption



Next steps of the project

- › A new classification variable for households (urban vs rural) (2011)
- › Breakdown of the balance sheet account by category (2011)
- › Time series: estimating real (PPPs) income changes by category over several years (2011-2012)