

19. Composition of household portfolio

- In 2011, the three OECD countries with the largest household holdings of financial assets per capita were the United States, Switzerland and the Netherlands. In all three countries, net equity in pension fund assets accounted for a substantial part of the portfolio.
- From 2001 to 2011, the composition of household financial assets portfolio became more liquid and less risky in most OECD countries, due to recent economic developments. The proportion of both currency and deposits, and assets related to life insurance and pension funds held by households increased significantly in a large number of OECD countries, whereas, due to the increase of their risk aversion and also possibly due to holding losses, households divested themselves of shares and other equity.

Financial assets held by households form an important part of overall wealth and are an important source of revenue, either through the sale of those assets or refinancing, or as a source of property income (such as interest and dividends). The structure of financial assets held by households, which carry different risk levels and, as a consequence, may affect household wealth, constitutes a major input in economic analyses, such as studies of asset bubbles and analyses of welfare.

The percentages shown in Table 19.1 reflect the composition of the household portfolio as a share of total financial assets and indicate households' preferences in terms of financial investments as well as the financial risks borne by them. The types of financial assets held by households may vary considerably across countries, depending on cultural habits, economic situation and national rules.

Shifts in the composition of financial assets show changing household preferences. For example, an increase in currency and deposits may reflect greater risk aversion and a preference for less risky assets.

Definition

Financial assets held by households refer to the following categories: currency and deposits; securities other than shares, except financial derivatives; shares and other equity, except mutual fund shares; mutual fund shares; net equity in life insurance reserves; and, net equity in pension funds. It excludes financial derivatives, loans, prepayments of premiums and reserves against outstanding insurance claims, and other accounts receivable which are generally less significant.

Net equity in life insurance reserves; and in pension funds are typically managed by financial institutions as a counterpart to these funds, the financial institutions have liability towards households, which may, or in the case of defined benefit schemes, may not be equal to the available funds.

Changes in the stocks of financial assets over a period not only reflect net acquisitions of financial assets but also changes in valuations (holding gains and losses depending on the performance of financial markets), the financial assets most impacted by valuation changes being quoted shares.

Comparability

Comparability is generally good, but data are not always available or separately identifiable for all asset-types.

International comparability may also be hampered by institutional differences in the way pension systems are organised and operated in the various countries. In countries with highly funded pension systems, more pension reserves will be recognised and recorded as part of the assets of households.

The estimates shown in the table and figure that follow present statistics on a non-consolidated basis, except for Australia and Israel.

Source

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/22214461>.

Online database

OECD (2013), "Financial Balance Sheets", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/na-fbs-data-en>.

Further reading

Fesseau, M., F. Wolff and M.L. Mattonetti (2013), "A Cross-country Comparison of Household Income, Consumption and Wealth between Micro Sources and National Accounts Aggregates", *OECD Statistics Working Papers*, No. 2013/03, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5k3wdjrn7mv-en>.

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264027657-en>.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

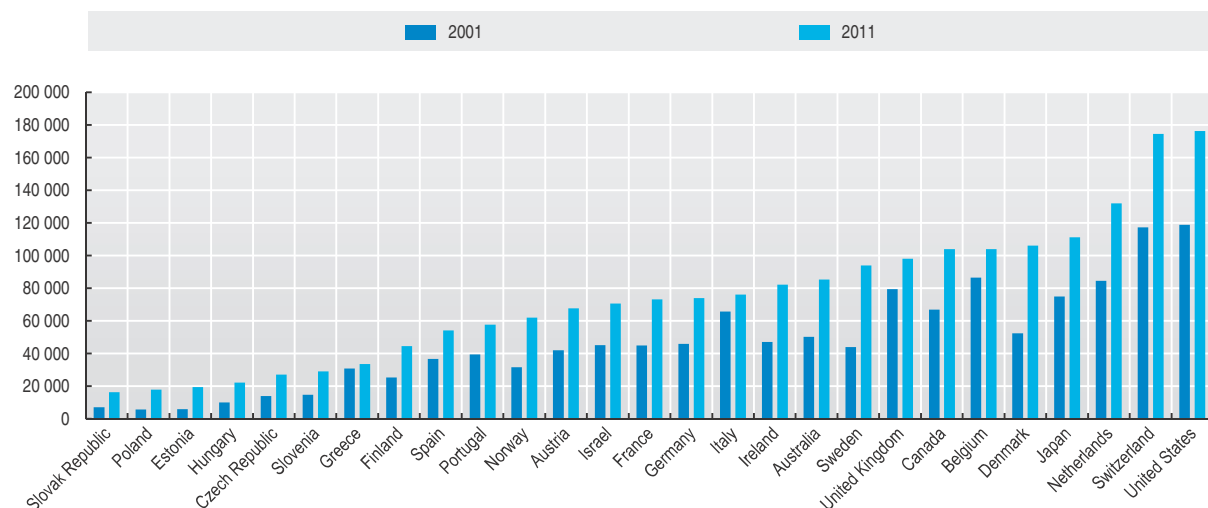
19. Composition of household portfolio


Table 19.1. **Composition of households assets portfolio**
Percentage of financial assets total

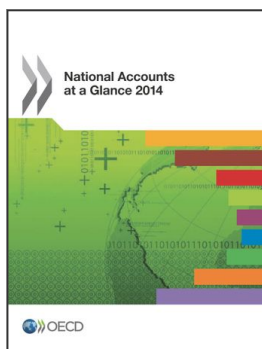
	Currency and deposits		Securities		Shares		Mutual funds shares		Net equity in life insurance reserves		Net equity in pension funds	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Australia	20.7	23.9	1.3	0.3	16.0	15.6	4.6	1.5	4.8	1.9	46.1	52.9
Austria	51.4	45.7	6.7	9.6	13.3	15.7	9.9	8.4	12.6	13.4	3.2	3.3
Belgium	21.8	31.9	19.4	10.9	26.7	19.8	15.0	10.8	10.6	22.0	1.8	1.4
Canada	22.7	25.6	5.4	2.0	13.1	19.6	14.9	15.4	..	..	..	..
Chile	..	13.1	..	0.0	..	22.1	..	4.8	..	12.3	..	46.8
Czech Republic	52.7	55.7	0.4	1.9	35.1	20.1	1.5	4.1	4.5	6.8	2.3	6.0
Denmark	21.7	19.2	..	3.6	..	17.0	..	6.8	..	27.2	..	23.1
Estonia	33.1	34.2	0.1	0.2	55.2	43.4	0.7	0.8	1.0	2.9	0.0	8.3
Finland	32.4	38.1	1.6	3.2	37.3	31.5	5.1	6.7	7.0	6.0	9.3	8.7
France	33.0	30.2	3.3	1.5	17.2	15.8	11.2	6.9	..	31.5	..	4.0
Germany	35.0	40.9	6.8	5.2	15.1	8.6	12.1	8.4	..	..	..	..
Greece	51.0	76.2	13.0	6.0	20.3	5.6	10.5	0.7	1.8	2.2	0.1	0.9
Hungary	41.3	39.4	8.5	6.4	28.5	30.4	5.1	8.2	4.5	5.8	5.1	4.0
Iceland	..	18.7	..	..	..	..	..	..	..	..	..	..
Ireland	34.4	40.0	0.3	0.1	29.1	15.2	0.0	0.0	12.1	19.3	22.6	22.7
Israel	35.7	22.1	7.6	12.3	13.6	16.6	0.0	5.5	7.6	9.8	29.3	27.6
Italy	24.6	31.5	18.8	20.0	26.3	19.4	14.9	6.6	6.4	11.7	4.9	6.3
Japan	53.9	54.4	3.7	3.6	6.4	6.7	2.2	3.9	16.4	14.2	12.2	12.7
Korea	..	46.5	..	8.9	..	17.8	..	0.3	..	19.6	..	2.0
Luxembourg	..	53.3	..	10.9	..	12.4	..	8.7	..	10.9	..	1.8
Mexico	18.9	..	45.5	..	27.3	..	5.1	..	1.5	..	1.1	..
Netherlands	19.5	23.2	2.7	2.1	17.8	9.7	4.3	2.4	9.1	11.1	43.0	49.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	34.2	32.0	1.6	0.6	12.3	10.0	5.4	4.2	7.9	4.0	25.9	31.0
Poland	62.1	46.4	0.4	0.6	15.0	19.5	0.0	5.4	5.3	5.3	0.0	18.5
Portugal	38.8	40.8	4.7	5.6	23.0	23.0	7.5	3.2	6.4	10.9	6.3	4.3
Slovak Republic	77.0	64.8	0.2	2.1	0.4	0.3	5.3	5.5	..	7.6	..	12.5
Slovenia	52.1	52.6	2.0	1.3	25.6	20.7	3.6	6.2	2.8	6.2	0.5	3.3
Spain	40.4	48.5	2.3	4.0	27.0	22.0	12.8	6.6	7.3	7.5	5.9	6.1
Sweden	16.1	16.6	2.6	1.6	22.8	32.6	12.8	7.4	17.5	11.4	19.7	26.0
Switzerland	24.8	31.8	9.4	6.7	15.2	10.8	8.8	8.4	6.4	5.0	32.5	34.0
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	23.2	29.0	1.8	0.8	14.8	10.9	4.7	2.4	51.3	52.4	0.0	0.0
United States	11.4	13.7	7.0	9.6	35.6	30.1	11.0	10.0	2.6	2.2	29.6	31.1
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888933002452>

Figure 19.1. **Financial assets of households per capita**
US dollars at current PPPs, 2001 and 2011



StatLink  <http://dx.doi.org/10.1787/888933001502>



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