



METHODOLOGICAL EXPLANATION

Jana Vajda

DISTRIBUTION OF NATIONAL ACCOUNTS AGGREGATES BY HOUSEHOLD GROUPS

This methodological explanation relates to the data releases:

- Distribution of National Accounts Aggregates by Groups of Households, annually (First Release)



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1 PURPOSE

The purpose of the publication is to show the distribution of income, consumption, saving and real estate property of households according to (adjusted) national accounts aggregates by household groups and the calculation of inequality indicators. Adjusted aggregates exclude institutional households, while consumer adjusted aggregates also exclude consumption of non-residents consuming at home and include consumption of residents abroad by individual COICOP groups (classification of individual consumption by purpose).

Key statistics are adjusted disposable income, actual final consumption, saving, property of dwellings and other buildings as well as land owned by households by groups of households. These groups are income quintiles, types of households and groups of households by main source of income. Key statistics are also inequality indicators: ratio to the average and ratio maximum-minimum. The first one shows the average value of income or consumption or property of each household group relative to the average household value. The second indicator shows the average value of income or consumption or property for the income highest household group to the average value for the lowest one.

2 LEGAL FRAMEWORK

- [Annual Programme of Statistical Surveys \(LPSR\) \(only in Slovene\)](#)
- [National Statistics Act \(OJ RS, No. 45/95 and 9/01\)](#)

3 UNIT DESCRIBED BY THE PUBLISHED DATA

The units described by the published data are household groups: income quintiles, types of households and groups of households by main source of income. The distribution of most income and consumption categories as well as balancing items such as adjusted disposable income, actual final consumption and saving are published. In addition, net property of dwellings and other buildings and land owned by households are published.

4 SELECTION OF OBSERVATION UNIT

Coverage is full: all resident institutional units within the economic territory of the Republic of Slovenia that are in accordance with the Standard Classification of Institutional Units (SKIS) included in the household sector (S.14).

Distribution is based on the use of data from micro sources. For that purpose, the household sector as it is defined in SKIS and used in national accounts (NA) according to ESA is adjusted for non-private households, as they are not available in micro sources. It means that all institutional or collective households

(persons living in nursing homes and in prisons) are excluded (approx. 1%). Besides, they are not available in micro sources; also their behaviour, functioning and autonomy as well as their income, property and to some extent consumption are different from those in the private households.

The observation units are all resident households.

5 SOURCES AND METHODS OF DATA COLLECTION

From 2023 on, data are collected every year.

We use macro and micro data sources. The first ones are those that are distributed, i.e. income and consumption categories, saving, assets and liabilities, which for the purposes of our survey are called national accounts aggregates, as their values represent the income, consumption and asset categories of the households as a whole.

However, as mentioned, the population of the household sector is adjusted so that only private households are included. The second data sources are statistical surveys, by means of which the distribution by household groups can be carried out. A more detailed list of sources is as follows:

Macro data sources:

- 1) NA data on income and consumption in non-financial sector accounts, annual
- 2) NA data on various household final consumption expenditures according to COICOP classification for households
- 3) NA data on the stock of dwellings and other buildings (deducted for consumption of fixed capital) and on the stock of land owned by households at the end of the reference year
- 4) Data of the Bank of Slovenia (BS) on mortgages and other real estate loans

Micro data sources:

- 1) Survey on Living Conditions (EU-SILC) - is a combination of a personal interview with the Living Conditions (EU-SILC) questionnaire, administrative and other databases and SURS's own resources; personal interview with a questionnaire is conducted on the field and by phone, number of households in the sample (gross sample size) is approx. 12900.
- 2) Household Budget Survey (HBS) - is a combination of a personal interview with the Household Budget (HBS) questionnaire, diaries for recording daily expenditure, administrative and other databases and SURS's own resources; personal interview with a questionnaire is conducted on the field, number of households in the sample (gross sample size) is approx. 7400.
- 3) Real Estate Register (REN)

4) Household Finance and Consumption Survey (HFCS) - includes a personal interview with the questionnaire Household Finance and Consumption Survey (HFCS), the number of households in the sample (gross sample size) is approx. 6500.

For this statistical survey, we use an administrative source the Real Estate Register.

6 DEFINITIONS

Household sector (S.14) consists of individuals or groups of individuals as consumers and/or as entrepreneurs producing market goods and non-financial and financial services (market producers) or are producers of goods and non-financial services for their own final use. Households as consumers are defined as small groups of people who share the same living accommodation, who pool their income and assets and who consume certain types of goods and services collectively, mainly housing and food and are not necessarily related.

Gross disposable income of households is the income available for consumption or saving. It is the balance of primary income (operating surplus/mixed income plus compensation of employees plus property income received minus property income paid) and the redistribution of income in cash. The latter comprises social contributions paid, social benefits in cash received, current taxes on income and wealth paid, as well as other current transfers. The level of gross disposable income largely influences the level of household consumption, which is one of the key criteria of material wellbeing.

Gross adjusted disposable income of households is disposable income increased by social transfers in kind, which households mostly receive from the general government sector and, to a lesser extent, from non-profit institutions serving households (NPISHs).

Gross saving of households is that part of the household disposable income that is not used for final consumption. If household consumption exceeds disposable income, we are talking about negative saving.

Gross saving rate of households is the share of gross saving in the sum of disposable income and net adjustment for the change in pension entitlements and is expressed as a percentage. In the case of negative saving, we calculate the negative savings rate.

Final consumption expenditure of households according to the national concept is expenditure of resident households both at home and abroad used to meet individual needs directly. It includes expenditure on goods and services, consumption from own production by farmers and from garden production (mainly agricultural products), firewood and rent for owner-occupied dwellings (imputed rents).

Actual final consumption is the value of goods and services actually consumed by households, which means that it also includes the consumption of

social transfers in kind financed by the general government sector and non-profit institutions serving households (NPISHs).

Social transfers in kind are transfers usually by the general government units or, in rare cases, by NPISHs to households whether purchased on the market or produced as non-market output by government units or NPISHs. Examples of social transfers in kind (D.63) are medical or dental treatments, surgery, hospital accommodation, spectacles or contact lenses, medical appliances or equipment, and similar goods or services meeting social risks or needs. Other examples not covered by a social insurance scheme are social housing, dwelling allowance, day nurseries, professional training and similar goods and services in the context of social risks or needs. Outside the scope of social risks or needs are social transfers in kind that provide individual households with goods and services such as recreational, cultural or sport services.

Net real estate property is the value of dwellings, other buildings and cultivated land owned by households less all real estate liabilities.

Dwellings and other buildings of households include the associated land. We also consider buildings for business activities of sole proprietors.

Land under cultivation owned by households is agricultural land and forestry land (the value of timber is not included).

Liabilities for real estate property of households are mortgages and other real estate loans for the purchase, construction, renovation and extension of buildings.

Equivalent disposable income is obtained by dividing household disposable income by the number of consumption units, i.e. equivalent adult members of the household to take into account the size and composition of the household. The conversion to equivalent adult household members is performed according to the recommendations, i.e. using the OECD modified equivalence scale. It assigns the following values: 1 to the household head, 0.5 to each subsequent adult family member, and 0.3 to children under 14 (e.g. a four-member household consisting of 2 adults and 2 children under the age of 14 counts 2.1 equivalent adult members).

Income quintile is calculated on the basis of equivalent disposable income. The household is classified into an individual income quintile according to the amount of equivalent disposable income. Each quintile represents 20% of the total household population. The first quintile includes 20% of households with the lowest equivalent disposable income, and the fifth quintile 20% of households with the highest equivalent disposable income. In the same way, according to the amount of disposable income, we classify households into the second, third and fourth quintiles.

Type of household is determined by the size, i.e. the number of its members, and by composition, i.e. the age of the members and their status, whether a member is a child or an adult.

Main source of income of household is that which represents the largest share of the total disposable income available to the household. Most often, these are wages and salaries, income from self-employment, current transfers,

i.e. mostly pensions, and the last source, less frequently, net property income.

Scaling is the adjustment of the value of an individual variable in micro sources to the value of a variable in the macro source, i.e. aggregate in NA. Adjustment usually means an increase in value, as the value of the NA variable is usually greater than the value of the corresponding variable in the micro source. However, scaling can also mean a decrease in value, if NA variable is smaller than the value of the corresponding variable in micro sources.

Imputation means that in cases where in micro sources there is no corresponding variable for linking to an individual NA variable, i.e. NA aggregate, the value is imputed. There are several imputation methods for preparing the distribution results (proxy variable, information on socio-demographic characteristics, using the distribution of relevant balancing item).

Ratio to the average shows the average value of income or consumption or property of each household group relative to the average household value.

Ratio maximum-minimum (highest to lowest) shows the average value of income or consumption or property for the income highest household group to the average value for the lowest one.

7 EXPLANATIONS

7.1 CLASSIFICATIONS

Institutional units are allocated to sectors in accordance with the Standard Classification of Institutional Sectors (SKIS). You can read more about the classification at:

<https://www.stat.si/Klasje/Klasje/Tabela/6348>

7.2 DATA PROCESSING

DATA EDITING

Data editing was not performed.

WEIGHTING

Weighting was not performed.

SEASONAL ADJUSTMENT

Seasonal adjustment is not applicable.

DATA PROCESSING OTHER

Methodological explanation

The basic micro data source is the data of households and persons from the EU-SILC survey sample. Data from other two surveys (HBS and HFCS) and data from administrative source REN are linked to them.

The link between EU-SILC and HBS is based on the linking variables: disposable household income, household type and household housing status.

The link between EU-SILC and HFCS is based on the linking variables household type and household housing status.

The link between EU-SILC and REN is one-on-one, as the latter covers the entire population.

The whole process of compiling distributional results is based on five standard steps, which take place in the following order:

1. Adjustment of NA aggregates to the population of micro sources, which means exclusion of institutional households (persons in nursing homes and in prisons), exclusion of consumption of non-residents in the country and inclusion of consumption of resident households abroad by COICOP groups.
2. Determining relevant variables from micro sources in relation to adjusted national accounts variables
3. Imputation for those adjusted NA aggregates for which the corresponding variable in the micro sources is missing and scaling the available corresponding micro data or imputed data to the value of adjusted NA aggregates
4. Clustering households into household groups: income quintiles, household types and main source of income
5. Derivation of two distributional indicators for the household groups: ratio to the average and ratio maximum-minimum (Q5/Q1)

We publish distributional results for the most important income, consumption and wealth categories, as well as saving by income quintiles, by types of households and by the main source of income. The methodology for compiling distributional results within the national accounts framework is in line with OECD and Eurostat guidelines and handbook.

7.3 INDICES

Indices are not published.

7.4 PRECISION

The precision is not calculated.

7.5 OTHER EXPLANATIONS

8 PUBLISHING

From 2024 on, data are published every year:

SiStat Database: [GDP and National accounts](#) - Non-financial sector accounts - Distribution of income, consumption and wealth

Data are published in the form of absolute values at current prices in accordance with the OECD guidelines for the preparation of results, in relative values in % and as ratios - inequality indicators (ratio to the average, ratio maximum-minimum) for the most important aggregates (income, consumption, saving and wealth).

- First Release (GDP and national accounts, Non-financial sector accounts): »Distribution of National Accounts Aggregates by Groups of Households, Slovenia, 2019-2021«.
- EUROSTAT (Statistical Office of the European Union)
- The Organisation for Economic Co-operation and Development (OECD)

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

The revision policy for national accounts data is determined by the ESA 2010, so we do not determine the status of provisional/final data. Each publication of the distributional results is based on the revised NA data and the revised data of the Bank of Slovenia.

Methodological explanation on revision of statistical data is available on the website:

https://www.stat.si/StatWeb/File/DocSysFile/5299/General_ME_Revision_of_statistical_data.pdf

9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

There are no breaks in the time series, so all time points are comparable.

10 OTHER METHODOLOGICAL MATERIALS

Methodological materials on SURS's website are available at <https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>.

- Questionnaire:
 - SURS does not collect data for this survey by using a questionnaire.

European System of Accounts ESA2010

<https://www.stat.si/dokument/8437/ESA-2010.pdf>

System of National Accounts 2008, EC – IMF – OECD – UN – WB, New York, 2009

<http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>

Guidelines OECD, draft, July 2019

Handbook on compiling distributional results on household income, consumption and saving consistent with national accounts (draft version, March 2023)