

# Households' Wealth Composition Across OECD Countries and Financial Risks Borne by Households

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*The first section of this article presents a combined analysis of households' financial and non-financial balance sheets across OECD countries over the period 1995-2006, based on two OECD data collections – financial balance sheet accounts and households' financial and non-financial assets. The scope of the study mainly covers households' gross wealth (financial, dwellings and land) and therefore does not include debt. The second section, based on the OECD households' financial and non-financial assets database, analyses financial risks borne by households investing their savings either in investment fund shares, in life insurance reserves or in pension schemes, and how these allocations have changed and developed over time in various OECD countries.*

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## I. Introduction<sup>\*</sup>

### *Analysis of households' balance sheets as well as financial risks borne by households through their investments*

The first section of this article presents a combined analysis of households' financial and non-financial balance sheets across OECD countries over the period 1995-2006, based on two OECD data collections – financial balance sheet accounts and households' financial and non-financial assets (Table 7HA). The scope of the study mainly covers households' gross wealth (financial, dwellings and land) and therefore does not include debt. The second section analyses financial risks borne by households investing their savings either in *investment fund shares* (AF52), in *contracts in life insurance reserves or in pension schemes* (AF61). This study is based on data from the OECD households' financial and non-financial assets database (Table 7HA).

## II. Households' wealth composition across OECD countries over the period 1995-2006

### *Wealth composition reflects the behaviour and preferences of households*

This section focuses on the evolution of the share of each financial asset within the households' financial balance sheet over the period 1995-2006. It describes and characterises the behaviour and preferences of the households. The next section deals with non-financial assets and their importance in the global wealth of OECD households.

### *Structure of households' financial balance sheet over the period 1995-2006*

### *Twenty five OECD countries are included in this analysis*

Only twenty five OECD countries are included in this analysis. Table 1 presents the share of each financial asset – *Currency and deposits* (AF2), *Securities other than shares* (AF33), *Shares and other equity* (AF51), *Investment funds shares* (AF52), *Net equity of households in life insurance reserves* (AF611) and *Net equity of households in pension funds* (AF612) – in the households' financial balance sheet in 1995, 2000 and 2006, as a percentage of the total financial assets.

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Four years ago, following discussions on the importance of measuring the households' wealth and analysing their financial behaviour, the OECD Working Party on Financial Statistics decided to add to the joint OECD/Eurostat questionnaire on Financial Accounts, a more precise yearly table on households' financial and non-financial assets named 7HA. In order to better understand the financial risks borne by the households, this new data collection introduced a finer classification with the decomposition of two financial assets defined in the System of National Accounts (SNA 1993), the investment fund shares (AF52), as well as the various types of contracts in life insurance and in pension schemes (AF61), the evolution of which depends strongly on the developments of the market.

*In 1995****European and Japanese households held mainly currency and deposits, except the United Kingdom and the Netherlands***

The financial balance sheet of European and Japanese households was mainly made up of *currency and deposits* (AF2), in particular in the Slovak Republic, Finland, Poland, and Austria where the AF2 category represented more than 60% of the total financial assets. There were two exceptions to that trend in Europe: in the Netherlands and in the United Kingdom households preferred to invest either in *contract in pension funds* (42%) or in *life insurance reserves* (49%), respectively. Markets were already well developed for that type of financial assets in those two countries. Australia was just behind the Netherlands in terms of pension fund holdings (AF612) with 41% of total financial assets. Australia has relatively small public pensions and relies heavily on private pensions to support people's income in old age. On the American continent, households in Mexico and in the United States preferred to put their savings into *shares and other equity, except mutual fund shares* (AF51) (respectively 56% and 37%), these percentages are higher than in Portugal (30%), the Czech Republic (28%), Poland (25%), Hungary (25%) and Sweden (22%).

***Life insurance products were relatively well developed in France, Japan and Sweden***

In the United States and Norway, the share of pension funds (AF612) was not as high as in the Netherlands and Australia, but nevertheless represented one quarter of the households' financial balance sheet. In France, Japan and Sweden, *life insurance products* were already developed and represented more than 16%, and even 21% of the total financial assets in France. Those assets produced high yields without being too risky and were favoured by tax rules. Concerning *investment fund shares* (AF52), the highest share was held by French households (13%), followed by Spanish households (10%). These financial assets and, in particular, *money market funds shares* are attractive because they do not expose the investors to stock market risks and have a relatively low liquidity risk. Only in Belgium and Italy, *securities holdings* (AF33) represented almost 30% of the total financial assets.

*1995-2000****Holdings of shares and other equity rose with stock market performance***

During the 1995-2000 period stock markets showed a very strong performance. There was a general decline in households' holdings of currency and deposits (AF2), in particular in Finland, Italy and Sweden where *currency and deposits* decreased by more than 40% (55% in Finland). The portion of *shares and other equity* (AF51) in the total financial assets increased substantially. To a large extent, this reflects appreciation of stocks. The exception was in Mexico where households strongly increased their holding of *securities* (AF33) at the expense of their holdings of shares.

***Mutual funds shares increased, significantly***

In European countries and in the United States, holdings of *mutual funds shares* (AF52) greatly increased during this period, and

***so for some European households***

represented on average around 13% of the households' financial balance sheet in 2000. This increase was significant in Italy (fourfold), Austria (double), Finland (fourfold), Greece (double), Hungary (threefold), Norway (double), Sweden (double) and Belgium (less than double).

***Life insurance and pension funds rose, but at different levels***

During 1995-2000, *contracts in life insurance and in pension funds* developed at a brisk pace. However, the levels of these holdings were quite different across countries.

***UK households have highest share of life insurance reserves***

- Regarding *contracts in life insurance* (AF611), the most important increases were witnessed in three countries where, in 1995, households devoted a very small part (less than 3%) of their investment to this asset: Poland (+187%), Portugal (+152%) and Hungary (+83%); they were followed by Belgium (+64%) and Spain (+51%). However, the highest shares of *net equity of households in life insurance reserves* remained in the United Kingdom (51%) and France (27%), followed by Sweden, Japan and Korea with a share of more than 17% of total financial assets. With the exception of France, these countries did not however modify the level of their investment in AF611 between 1995 and 2000.

***Australian households hold the highest share of pension funds***

- Australian households continued to hold the highest share of pension funds (AF612) (48%) followed by the Netherlands (42%), Switzerland (33%), the United States (28%) and Norway (26%). In countries where households previously possessed a very small share of *pension funds*, their share grew significantly, such as in Hungary, the Czech Republic (+172%), Austria (+112%), Sweden (+38%) and Belgium (+25%). This component of the households' financial balance sheet varies across OECD countries depending on the pension system and the existence and availability of pension funds as well as on their seniority.

***2000-2006******After the stock market bubble burst, households preferred less risky financial assets***

From 2000 to 2006, the weight of *currency and deposits* in households' financial balance sheet still decreased but to a lesser degree than in the previous period. This can be explained by the burst of the stock market bubble that decreased shares prices and other equity. Households preferred to invest their savings in less risky financial assets. For some countries like Belgium, Greece, Italy, the Netherlands, Sweden, Switzerland and the United Kingdom, the share of *currency and deposits* even increased.

Table 1. Composition of households' financial balance sheet, in 1995, 2000 and 2006.

As a percentage of total financial assets

|                     | AF2                   |      |      | AF33   |      |      | AF51   |      |      | AF52               |      |      | AF611   |      |      | AF612                                     |      |      |
|---------------------|-----------------------|------|------|--|------|------|--|------|------|--------------------|------|------|---|------|------|---|------|------|
|                     | Currency and deposits |      |      | Securities other than shares, except derivatives |      |      | Shares and other equity, except mutual fund shares |      |      | Mutual fund shares |      |      | Net equity of households in life insurance reserves |      |      | Net equity of households in pension funds |      |      |
|                     | 1995                  | 2000 | 2006 | 1995   | 2000 | 2006 | 1995   | 2000 | 2006 | 1995               | 2000 | 2006 | 1995  | 2000 | 2006 | 1995                                      | 2000 | 2006 |
| Austria             | 61.9                  | 55.0 | 47.4 | 13.4   | 7.6  | 8.7  | 3.9  | 6.8  | 10.1 | 5.8                | 11.1 | 12.4 | 10.6  | 13.2 | 14.5 | 1.6                                       | 3.4  | 3.5  |
| Belgium             | 28.9                  | 24.1 | 28.3 | 29.4   | 21.6 | 9.1  | 18.4   | 22.0 | 24.0 | 8.7                | 14.9 | 16.7 | 6.4   | 10.5 | 19.4 | 1.4                                       | 2.1  | 1.7  |
| Czech Republic      | 52.6                  | 60.0 | 57.3 | 0.1  | 0.6  | 0.9  | 28.5   | 21.5 | 12.4 | 7.0                | 1.9  | 9.2  | 4.2   | 4.6  | 7.5  | 1.1                                       | 3.0  | 5.6  |
| Denmark             | 25.4                  | 21.2 | 19.9 | n.a.   | n.a. | n.a. | n.a.   | n.a. | n.a. | n.a.               | n.a. | n.a. | n.a.  | n.a. | n.a. | n.a.                                      | n.a. | n.a. |
| Finland             | 73.6                  | 32.9 | 29.7 | 5.8  | 1.1  | 1.1  | 2.7  | 39.9 | 35.6 | 0.9                | 3.8  | 9.0  | 9.7   | 7.5  | 9.0  | 0.0                                       | 8.9  | 9.2  |
| France              | 41.6                  | 33.4 | 29.1 | 5.9  | 2.9  | 1.4  | 10.7   | 18.3 | 19.9 | 13.4               | 11.3 | 9.4  | 20.9  | 27.3 | 32.2 | n.a.                                      | n.a. | n.a. |
| Germany             | 42.4                  | 34.2 | 33.9 | 11.8   | 9.0  | 10.6 | 11.0   | 16.1 | 12.9 | 7.2                | 11.3 | 11.6 | n.a.  | n.a. | n.a. | n.a.                                      | n.a. | n.a. |
| Greece              | 56.6                  | 43.8 | 48.4 | 18.2   | 7.9  | 11.4 | 9.3  | 30.8 | 28.2 | 6.4                | 11.9 | 5.9  | 1.4   | 1.6  | 1.8  | 0.1                                       | 0.1  | 0.3  |
| Hungary             | 55.3                  | 42.5 | 36.6 | 6.4  | 9.0  | 6.1  | 25.0   | 28.6 | 25.9 | 1.4                | 4.8  | 8.2  | 2.4   | 4.4  | 5.8  | 0.2                                       | 4.0  | 10.8 |
| IItaly              | 42.0                  | 24.7 | 27.9 | 27.1   | 18.5 | 19.8 | 15.4   | 27.6 | 24.6 | 4.2                | 16.6 | 9.1  | n.a.  | n.a. | n.a. | n.a.                                      | n.a. | n.a. |
| Netherlands         | 22.5                  | 17.6 | 20.6 | 3.4  | 3.2  | 3.0  | 16.6   | 21.4 | 14.1 | 3.9                | 4.7  | 2.0  | 9.7   | 9.2  | 10.5 | 42.1                                      | 42.3 | 48.1 |
| Norway              | 39.0                  | 33.1 | 29.7 | 0.6  | 1.1  | 1.4  | 8.9  | 11.4 | 11.8 | 3.1                | 6.2  | 5.3  | 9.0   | 8.9  | 7.2  | 26.2                                      | 26.4 | 28.4 |
| Poland              | 67.5                  | 59.6 | 47.8 | 2.0  | 0.8  | 2.5  | 25.2   | 22.3 | 24.0 | n.a.               | n.a. | 8.6  | 1.6   | 4.6  | 8.4  | 0.0                                       | 0.0  | 0.1  |
| Portugal            | 48.9                  | 44.2 | 37.1 | 0.9  | 4.8  | 7.0  | 30.4   | 26.0 | 26.5 | 6.1                | 8.4  | 9.4  | 2.7   | 6.8  | 11.6 | 6.5                                       | 7.0  | 6.3  |
| Slovak Republic     | 85.0                  | 83.4 | 58.7 | 0.9  | 4.8  | 1.9  | 4.6  | 1.6  | 5.1  | 0.0                | 0.0  | 6.5  | n.a.  | n.a. | n.a. | n.a.                                      | n.a. | n.a. |
| Spain               | 50.8                  | 39.8 | 38.1 | 3.6  | 2.5  | 2.4  | 19.8   | 26.7 | 29.7 | 10.1               | 13.7 | 12.1 | n.a.  | n.a. | n.a. | 4.5                                       | 5.8  | 6.1  |
| Sweden              | 29.1                  | 15.7 | 16.9 | 9.4  | 3.3  | 2.3  | 22.3   | 29.4 | 30.9 | 7.2                | 13.7 | 12.0 | 16.4  | 17.5 | 16.4 | 14.6                                      | 19.6 | 21.0 |
| Switzerland         | n.a.                  | 21.7 | 23.9 | n.a.   | 9.4  | 8.4  | n.a.   | 18.5 | 13.9 | n.a.               | 8.7  | 11.3 | n.a.  | 6.1  | 5.8  | n.a.                                      | 32.8 | 33.8 |
| United Kingdom      | 23.7                  | 20.3 | 26.0 | 2.1  | 1.5  | 0.8  | 16.1   | 18.2 | 10.2 | 3.7                | 4.9  | 4.4  | 49.3  | 51.1 | 54   | 0.0                                       | 0.0  | 0.0  |
| Australia           | 26.8                  | 21.9 | 20.1 | 2.7  | 1.4  | 0.6  | 13.3   | 19.4 | 19.3 | n.a.               | n.a. | n.a. | 10.5  | 4.4  | 2.6  | 40.7                                      | 48.2 | 53.2 |
| Canada              | 27.1                  | 19.4 | 19.1 | 7.1  | 5.0  | 2.1  | n.a.   | n.a. | n.a. | n.a.               | n.a. | n.a. | n.a.  | n.a. | n.a. | n.a.                                      | n.a. | n.a. |
| Mexico <sup>1</sup> | 28.0                  | 22.9 | 13.0 | 10.2   | 35.4 | 51.7 | 56.0   | 34.6 | 28.1 | 3.8                | 4.0  | 4.5  | 1.4   | 1.4  | 1.4  | 0.1                                       | 1.0  | 0.8  |
| United States       | 13.3                  | 10.3 | 12.4 | 9.7  | 6.5  | 7.2  | 36.9   | 39.2 | 32.4 | 8.1                | 11.1 | 13.5 | 2.6   | 2.5  | 2.7  | 26.7                                      | 27.8 | 28.4 |
| Japan <sup>2</sup>  | 49.6                  | 53.6 | 50.1 | 6.9  | 4.1  | 2.7  | 11.4   | 8.5  | 14.6 | 2.3                | 2.4  | 3.6  | 18.3  | 17.1 | 15.0 | 7.8                                       | 9.8  | 10.6 |
| Korea <sup>3</sup>  | n.a.                  | 54.4 | 47.3 | n.a.   | 8.2  | 9.9  | n.a.   | 14.0 | 18.7 | n.a.               | 0.4  | 4.5  | n.a.  | 17.3 | 18.0 | n.a.                                      | 1.8  | 2.1  |

1. 1997, 2000 2000 and 2005

2. 1995, 2000 and 2005

3. 2002 and 2006

Note: Highlighting indicates values of significance referred to in the text.

Source: OECD Financial Balance Sheet Accounts and Households' Assets Databases.

***Currency and deposits  
remain important***

In France, the decline in the share of currency and deposits (AF2) may be explained by the attractive *contracts in life insurance reserves*. Nevertheless, the proportion of AF2 in the households' financial balance sheet remains high in almost all OECD countries, except in the United States and in Mexico where it represents less than 14% of the total financial assets.

***The share of life  
insurance and pension  
funds continued to  
increase***

Globally, in OECD countries, shares of *net equity of households in life insurance reserves* (AF611) and *net equity of households in pension funds* (AF612) continued to increase until 2006. Three groups can be distinguished concerning these two assets combined in 2006: in the first group (United Kingdom, Australia, and the Netherlands), the weight of *net equity in life insurance reserves and in pension funds* exceeds 50% of total financial assets; the second group (Switzerland, Sweden, Norway, and France) presents a share of between 30 and 40%; in the third group made up of Japan, Belgium, Korea, Austria, Finland, Portugal, Hungary, the Czech Republic and Spain, households hold 13 to 25% of their savings in AF611 and AF612.

***The evolution of  
securities and shares  
varied across OECD  
countries, often held in  
mutual funds***

Regarding *securities and shares* (AF33, AF51 and AF52), evolution across OECD countries varied over the period 2000-2006. Households' holdings of *mutual fund shares* (AF52) were on average superior to the ones in *securities* (AF33), in particular in Belgium (17%), the United States (14%), Austria (12%), Spain and Sweden (12%). The smallest proportions of AF52 were observed in the Netherlands (2%), Japan (4%), the United Kingdom (4%) and Korea (5%). In Mexico, households preferred to invest massively in *debt securities* over the period 1997-2006 with a share increasing from 10% in 1997 to 52% in 2006. However, in 2006, in OECD countries, households' holdings of *shares and other equity* (AF51) remained predominant with extreme positions, such as in Finland where the share was 36% of total financial assets, while in the Slovak Republic the share was 5%. The evolution of the proportion of *shares and other equity* in the households' financial balance sheet depends significantly on stock market developments and performances.

***Households' non-financial assets***

***Ten OECD countries  
report non-financial  
assets***

The analysis of the share of non-financial assets in households' wealth can only be carried out for ten OECD countries: Australia, Canada, the Czech Republic, France, Germany, Italy, Japan, the Netherlands, the United Kingdom, and the United States. Among these ten countries, details on the distribution of non-financial assets between dwellings and land are only available for six countries. Table 2 illustrates the share of total non-financial assets in households' wealth over the period 1995-2006.

Table 2. **Share of non-financial assets in households' wealth (%)**

|                       | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>Australia</b>      | 72.8 | 71.6 | 71.8 | 71.6 | 71.4 | 72.9 | 73.4 | 77.9 | 79.3 | 79.5 | 77.7 | 75.8 |
| <b>Canada</b>         | 50.9 | 47.5 | 46.5 | 47.1 | 45.2 | 45.2 | 48.0 | 50.9 | 51.2 | 51.4 | 51.1 | 51.1 |
| <b>Czech Republic</b> | 61.7 | 63.5 | 63.3 | 63.7 | 65.2 | 66.4 | 66.9 | 66.3 | 67.2 | 67.7 | 68.9 | 70.0 |
| <b>France</b>         | 58.6 | 57.1 | 55.5 | 55.3 | 54.5 | 56.3 | 59.4 | 61.7 | 63.7 | 66.1 | 67.3 | 67.9 |
| <b>Germany</b>        | 73.3 | 72.5 | 71.0 | 70.0 | 68.5 | 68.6 | 68.0 | 69.1 | 67.1 | 65.6 | 63.6 | n.a  |
| <b>Italy</b>          | 65.9 | 64.8 | 63.4 | 61.1 | 58.3 | 58.4 | 60.3 | 62.4 | 63.9 | 64.2 | 64.6 | n.a  |
| <b>Japan</b>          | n.a. | 61.2 | 60.6 | 59.0 | 56.6 | 55.6 | 54.5 | 53.3 | 50.4 | 49.0 | 46.4 | n.a  |
| <b>Netherlands</b>    | 38.1 | 36.7 | 35.0 | 34.4 | 33.1 | 34.7 | 39.0 | 44.0 | 44.5 | 44.2 | 42.7 | 42.9 |
| <b>United Kingdom</b> | 49.3 | 49.9 | 46.6 | 48.0 | 46.4 | 50.4 | 55.2 | 63.8 | 64.8 | 66.3 | 63.6 | 64.8 |
| <b>United States</b>  | 35.2 | 33.6 | 31.4 | 31.0 | 29.8 | 33.3 | 37.1 | 42.6 | 41.0 | 41.9 | 43.4 | 43.1 |

Source: OECD Households' Assets Database.

*Households' non-financial assets are larger than financial ones in most cases*

Households use their savings and borrowings to purchase financial and non-financial assets. According to Table 2, the share of non-financial assets in households' wealth is superior to that of financial assets in most countries over the period 1995-2006, except in the Netherlands and in the United States.

*Share of dwellings predominates*

Among non-financial assets requested in the OECD households' financial and non-financial assets questionnaire (Table 7HA), dwellings (AN1111) take up an important share; they are predominant in four countries (please refer to Tables A14 to A17 in the Annex) and represent on average 77% of total non-financial assets in Italy, 75% in the Czech Republic, 59% in Germany and 46% in Canada. Dwellings are tangible produced assets; they are defined as "buildings that are used entirely or primarily as residences, including any associated structures, such as a garage".

*The share of land is more important in Australia...*

In Australia, the share of land (AN211) is greater and continues to increase over the period 1995-2006. Land is a tangible non produced asset defined as "the ground itself, including the covering soil and any associated surface waters over which ownership rights are enforced".

*...and in France*

In France, dwellings are predominant until 2003. However, since 2004, the share of land in total non-financial assets exceeds that of dwellings.



### III. Financial risks borne by households investing their savings either in investment fund shares, in life insurance contracts or in pension schemes

*A more detailed breakdown allows the analysis of the components of investment fund shares, insurance contracts and pension funds*

The study of the structure of households' financial balance sheet over the period 1995-2006 based on financial balance sheet data, distinguished those OECD countries for which households chose to invest their savings either in *investment fund shares, in life insurance contracts or in pension funds*. In this second study, financial risks borne by households investing in these types of financial assets are analysed thanks to data from the households' financial and non-financial assets database (7HA). This database introduced a finer classification through the decomposition of two financial assets defined in the System of National Accounts (SNA 1993), investment fund shares (AF52)<sup>1</sup> as well as the various types of contracts in life insurance and in pension schemes (AF61). This detailed classification is shown in table 3 below.

Table 3. Detailed nomenclature of the instruments AF52, AF611 and AF612

| SNA Code       | Financial Assets  |
|----------------|---|
| <b>AF.52</b>   | <b>Investment fund shares</b>                                       |
| AF.521         | Money market fund shares  |
| AF.522         | Real estate fund shares   |
| AF.523         | Bond fund shares  |
| AF.524         | Mixed fund shares   |
| AF.525         | Equity fund shares  |
| AF.526         | Other fund shares   |
| <b>AF.611</b>  | <b>Net equity of households in life insurance reserves</b>          |
| AF.6111        | Net equity of households in non-unit-linked life insurance reserves |
| AF.6112        | Net equity of households in unit-linked life insurance reserves     |
| <b>AF.612</b>  | <b>Net equity of households in pension funds</b>                    |
| <b>AF.6121</b> | <b>Pension plans managed by autonomous pension funds</b>            |
| AF.61211       | Defined benefit plans (DB)  |
| AF.61212       | Hybrid plans  |
| AF.61213       | Defined contribution plans (DC)                                     |
| <b>AF.6122</b> | <b>Pension plans managed by non-autonomous pension funds</b>        |
| AF.61221       | Defined benefit plans (DB)  |
| AF.61222       | Hybrid plans  |
| AF.61223       | Defined contribution plans (DC)                                     |
| <b>AF.6123</b> | <b>Insured pension plans</b>  |
| AF.61231       | Defined benefit plans (DB)  |
| AF.61232       | Hybrid plans  |
| AF.61233       | Defined contribution plans (DC)                                     |

Source: OECD Households' Assets database.

<sup>1</sup> In the additional yearly table 7HA: AF52 the term "investment fund shares" is used instead of "mutual fund shares".



### *Households' holdings in investment fund shares (AF52) and its sub-components*

*Investment funds are classified in five categories according to their main investment policy*

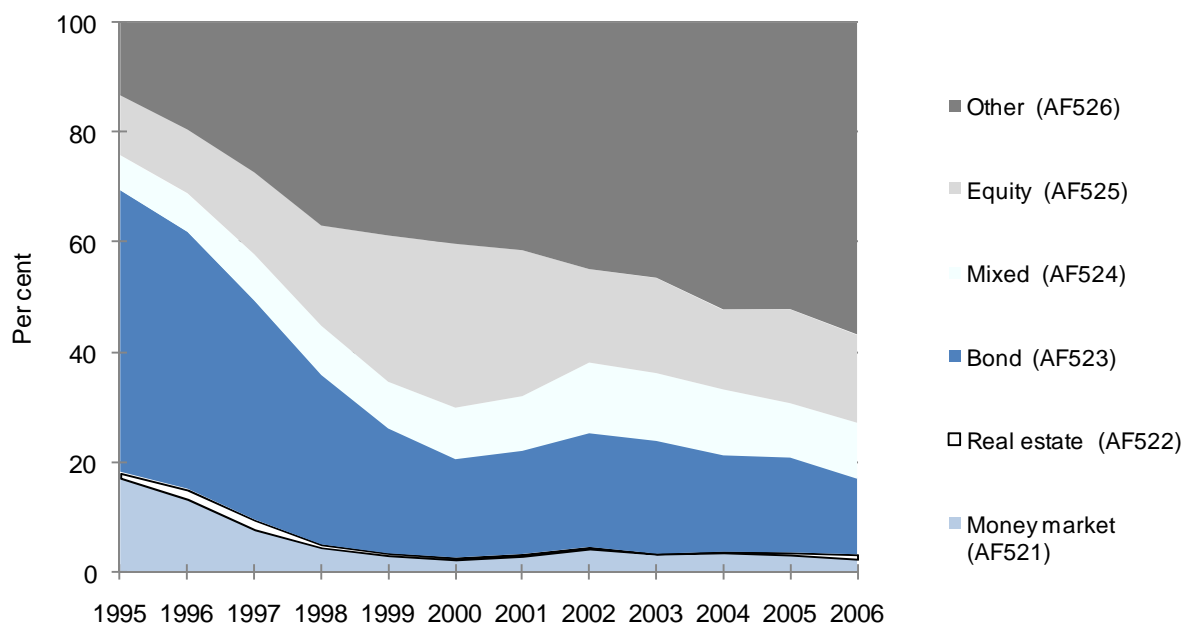
*Investment fund shares* are defined as “shares issued by a specific type of financial corporations, whose exclusive purpose is to invest the funds collected on the money market, the capital market and/or in real estate” (ESA95 § 5.96). These specific types of financial corporations correspond to collective institutions. In most countries, *investment fund shares* are broken down by kinds of shares that households hold in various types of investment funds, classified according to their main investment policy. Investment funds can be allocated to one of the five categories – *money market funds* (AF521), *real estate funds* (AF522), *bond funds* (AF523), *hybrid funds* (AF524) or *equity funds* (AF525).

*Investment funds shares increased in Belgium, the US, in Austria and in Sweden*

The proportion of *investment fund shares* (AF52) in the households' financial balance sheet increased substantially over the period 1995-2006 in Belgium, the United States, Austria, and Sweden. Figures 1 to 4 show the proportion of each type of investment fund shares as a percentage of total investment fund shares for these four OECD countries. Data corresponding to these figures are presented in the Annex.

Figure 1. **Composition of investment fund shares (AF52) in Belgium**

Components in per cent of total investment fund shares (AF52)



Source: OECD Households' Assets Database.

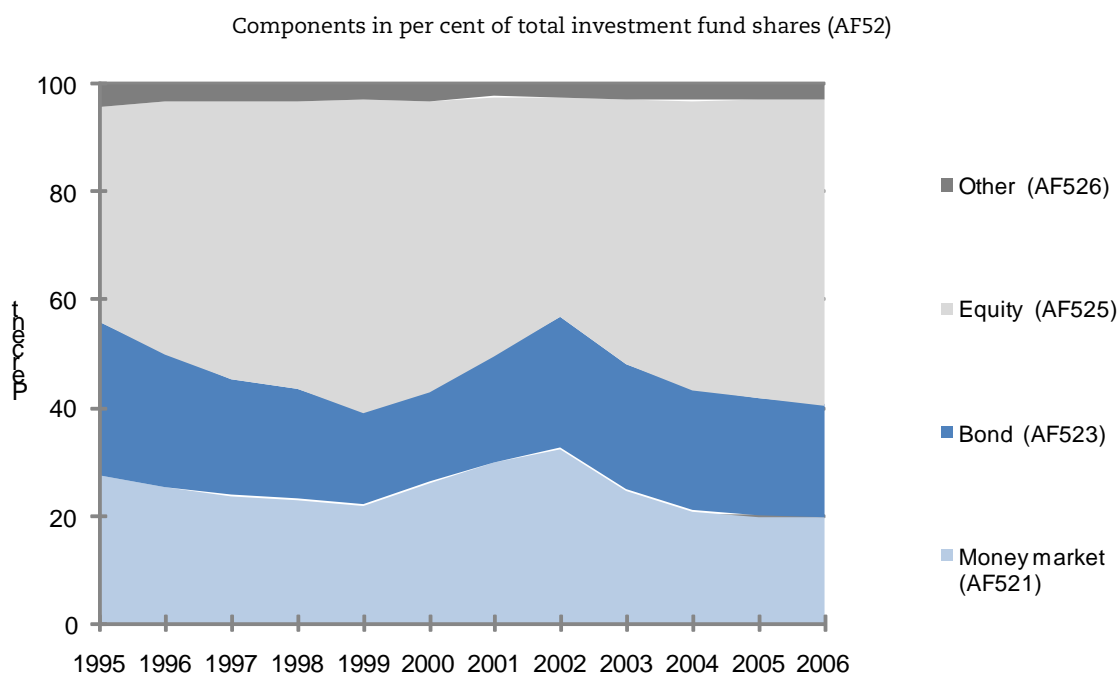
*In 1995, Belgian households invested mainly in bond fund shares, but that share has since dropped*

In Belgium, in 1995, households mainly held *bond fund shares* (AF523) (Figure 1). This type of investment fund mainly invests in securities on the bond market. They bear a number of risks (interest rate and credit risks) but tend to be less volatile and consequently less risky than *equity fund shares* (AF525) and often produce a regular income. However, over the 1995-2006 period, the share of AF523 decreased from 51% to 14% and in parallel the share of *other fund shares* (AF526) increased from 13% to 57%.

*Risk is difficult to assess*

This residual category (AF526) might cover any shares of funds for which no classification into the other five categories (AF521,..., AF525) is feasible. Therefore, it is difficult to assess the risk borne by Belgian households that invest in such a category unless the country specifies the type of funds included. Nevertheless, Belgian households hold 16% of investment funds shares in *equity funds shares* (AF525) in 2006.

Figure 2. Composition of investment fund shares (AF52) in the United States



Source: OECD Households' Assets Database.

*US households are mainly invested in equity fund shares...*

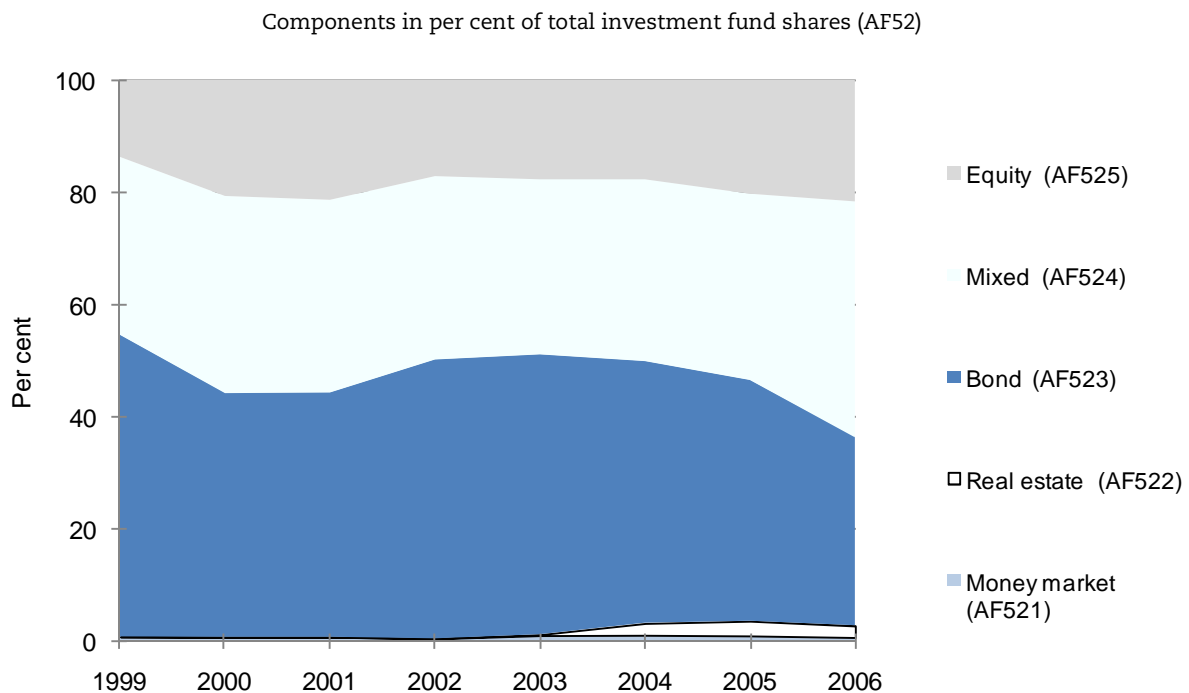
In the United States, *equity fund shares* (AF525) have the highest proportion in the total investment fund shares with 51% on average over the 1995-2006 period (Figure 2). *Equity fund shares* (AF525) are shares of investment funds that invest mainly in the equity market and represent a share of ownership in a company. Despite possible bad performances of companies, shares of *equity funds* have historically been a great source for increasing individual wealth and are considered as long term

investments. They offer the highest return potential but are subject to higher price volatility. The variation of the AF525 category is linked to stock market performances. Indeed, as can be seen in Figure 2, the percentage of equity fund shares (AF525) increased until 1999 and started to decrease in 2000, after the stock market downturn. In 2003, the percentage increased again with the stock market recovery.

*...but also hold relatively large amounts of bond as well as money market fund shares*

The share of *bond funds shares* (AF523) and of *money market fund shares* (AF521) is not negligible as they represent on average, respectively 22% and 25% of the total investment fund shares in the United States. *Money market fund shares* (AF521) are shares of open-end investment companies that invest mainly in money market instruments or in other transferable debt instruments with a residual maturity of up to one year, aiming at achieving an average money market return. Such assets can be treasury bills, other short-term and low-risk assets.

Figure 3. Composition of investment fund shares (AF52) in Austria



Source: OECD Households' Assets Database.

*Austrian households seem to have a preference for mixed fund shares...*

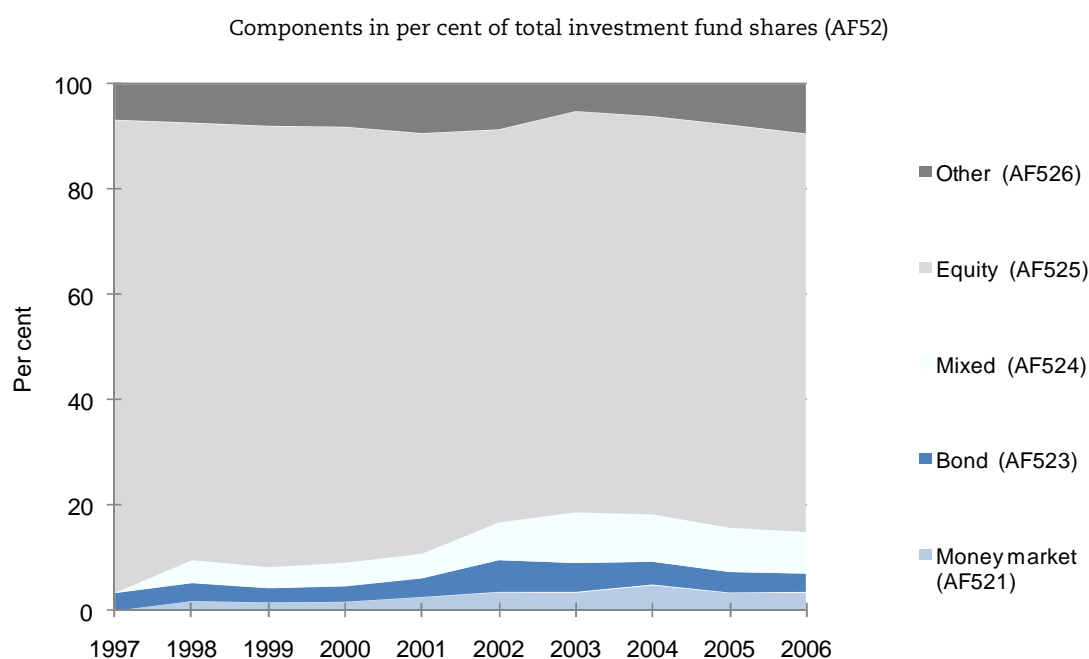
For Austria, the period under review begins in 1999 due to data availability. Figure 3 shows that three of the five categories of investment fund shares make up for almost all of the total: *bond fund shares* (AF523), *mixed fund shares* (AF524) and *equity fund shares* (AF525). The proportion of bond fund shares (AF523) decreased from 54% in 1999 to 34% in 2006, and in parallel, mixed (AF524) and equity

fund shares (AF525) increased from 31% to 42% and from 14% to 34%, respectively. Austrian households' preferences seem to tend toward the *mixed fund shares* category (AF524).

*...with both bond and equity characteristics*

This type of investment funds invest in various markets in a mix of securities (equities, bonds, as well as money market instruments) without any given preference for either instrument. They have the characteristics of both bonds and stocks, with the income potential of bonds and the growth potential of stocks. For that reason they are also called "*hybrid funds*". Over the 1999-2006 period, Austrian households chose to invest their savings in riskier assets (AF524 and AF525) in order to gain high returns.

Figure 4. **Composition of investment fund shares (AF52) in Sweden**



Source: OECD Households' Assets Database.

*Swedish households are mainly investing in equity fund shares*

Regarding Sweden, detailed data for the components of investment fund shares (AF52) are only available since 1997 in the households' assets database (Figure 4). In that country, the major component of investment fund shares is *equity fund shares* (AF525). Its share fluctuates between 90% and 76% during the period 1997-2006. Swedish households hold risky assets and long-term investments.

*Real estate fund shares are not very significant in the four reviewed countries*

A general remark can be made at this stage concerning holdings of *real estate fund shares* (AF522). None of the households of the four reviewed countries – Belgium, the United States, Austria and Sweden – presents high shares in this category (AF522). This type of investment

fund mainly invests in residential or commercial real estate to offer income and capital gains to its holder. Dividend income can even be potentially higher than that offered by equity investments and high-quality bonds.

***Mixed and equity fund shares are the most preferred categories***

This brief analysis seems to suggest that households investing in *investment fund shares* do so mainly with a preference for *mixed and equity fund shares* (AF524 and AF525), perhaps because of the potential relatively high returns offered in these categories.

***Households' holdings in life insurance reserves (AF611) and its sub-components***

***Life insurance contracts can be...***

The category life insurance reserves (AF611) is subdivided into Net equity of households in *non-unit-linked* life insurance reserves (AF6111) and Net equity of households in *unit-linked* life insurance reserves (AF6112). It is restricted to individual contracts, based on the vehicles in which the household invests rather than on the type of contract.

***...non-unit-linked, with risk borne by the insurance company ...***

*Net equity of households in non-unit-linked life insurance reserves* (AF6111) correspond to contracts in national or foreign currencies. They are mainly invested in bonds and their return is linked to the bond rates. In these types of contracts, where supporting instruments carry a guaranteed rate, the risk is clearly borne by the insurance company.

***...or unit-linked, with risk borne by households***

*Net equity of households in unit-linked life insurance reserves* (AF6112) are contracts whose guarantees are expressed by reference to one or more supporting instruments (shares of transferable or real estate securities). They vary as the values which are used as reference vary. The return on the capital invested is linked to the performance of an index or a financial portfolio. In these types of contracts, where instrument vehicles consist of securities, the risk is clearly borne by the subscriber.

***Insurance reserves are important in the UK, France, Belgium, Sweden and Austria***

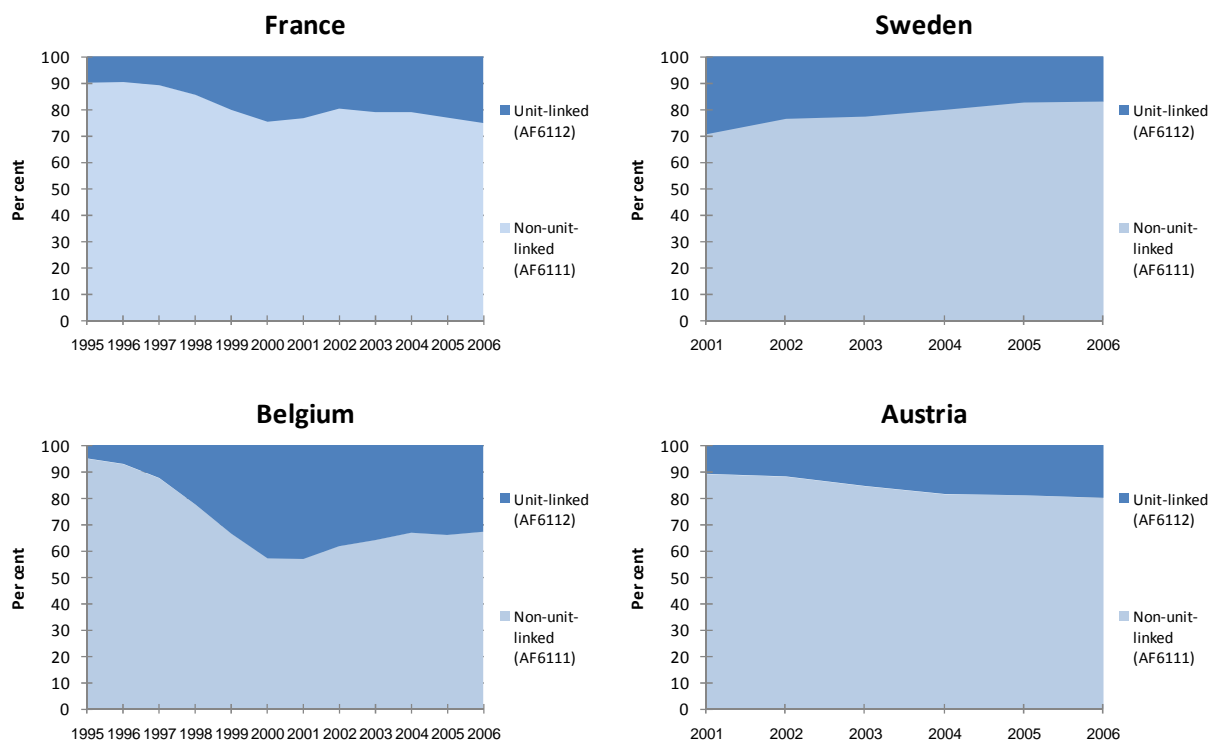
In the households' financial balance sheet, holdings of insurance reserves (AF611) are quite important in the United Kingdom, France, Belgium, Korea, Sweden, Japan, and in Austria. Unfortunately, only France, Belgium, Sweden and Austria are analysed in this section, because the components of AF611 (AF6111 and AF6112) are not available for the United Kingdom, Korea and Japan in the framework of the 7HA data collection.

***...but only the latter four countries report their components***

Figure 5 shows the share of each sub-category of AF611 as a percentage of the total AF611 for the four OECD countries mentioned above. Data corresponding to that figure are presented in the Annex. The reviewed period is 1995-2006. However, for Austria and Sweden, the period only begins in 2001.

Figure 5. Composition of life insurance reserves (AF611) in France, Belgium, Sweden and Austria

Components in per cent of total net equity of households in life insurance reserves (AF611)



Source: OECD Households' Assets Database.

***Non-unit-linked life insurance reserves are higher than unit linked ones***

The share of net equity of households in non-unit-linked life insurance reserves (AF6111) is largely superior to the one of net equity of households in unit-linked life insurance reserves (AF6112) for the four countries. In France, Belgium and Austria, the share of the unit-linked component (AF6112) is growing over the period while the share of non-unit-linked reserves (AF6111) is decreasing. In Sweden, the trend is reversed. In Belgium and France, the high shares of non-unit-linked (AF6111) insurance reserves have shown a declining trend over the period 1995-2006, even though in Belgium that trend was slightly reversed since the beginning of this decade. By the end of 2006, households in France and Belgium held more than 25% of their life insurance contracts in the unit-linked variety (AF6112); in Belgium this proportion reached 33%.

***Unit-linked contract holdings show pro-cyclical behaviour***

Over the period 1995-2006, the shares of unit-linked vs. non-unit-linked contracts seem to show a pro-cyclical behaviour. Households tend to increase their share of more risky unit-linked contracts (based on equity supports) when the markets show a good performance and to decrease it in a more bearish market environment.

### ***Households' holdings in pension funds (AF612) and its sub-components***

***Households pension fund holdings are in autonomous, non-autonomous or insured pension plans, which can be DB, DC or hybrid***

According to the SNA93 (§ 11.93), *net equity of households in pension funds* (AF612) is defined as net equity of households in “reserves held by funds established by employers and/or employees to provide pensions for employees after retirement.” There is a first distinction between *pension plans managed by autonomous pension funds* (AF6121), *pension plans managed by non-autonomous pension funds* (AF6122) and *insured pension plans* (AF6123). All these categories are funded pension plans, which means that they have accumulated dedicated assets to pay for the pension benefits. Then, there is a second distinction inside these three categories between defined benefit (DB) plans, defined contribution (DC) plans and hybrid plans. The latter have characteristics of both DB and DC plans.

***Analysis focuses on Australia, the Netherlands, the US and Sweden where pension fund holdings are high***

In 2006, Australian households held the highest share of pension funds (AF612) (53%) in their financial balance sheet, followed by the Netherlands (48%), Switzerland (34%), the United States (28%), Norway (28%) and Sweden (21%). The analysis focuses only on Australia, the Netherlands, the United States and Sweden as in Norway, *net equity of households in pension funds* (AF612) are essentially *pension plans managed by autonomous pension funds* and precisely *defined benefit plans*.

Figures 6 to 9 illustrate the variations of the share of each pension fund sub-category and, where possible, the variations of the share of each sub-category of autonomous pension funds (AF6121) and non-autonomous ones (AF6122), over the period 1995-2006. For data availability reasons, the reviewed period can be shorter. Data corresponding to the figures are presented in the Annex.

***In Australia, autonomous DC pension funds predominate***

In Australia (Figure 6), 100% of *net equity of households in pension funds* (AF612) are *pension plans managed by autonomous pension funds* (AF6121) of which 64% are defined contribution (DC) plans (AF61213), 30% are hybrid plans (AF61212) and 6% are defined benefit (DB) plans (AF61211). Regarding the variation of these financial assets over the period 1995 to 2006, the DB share (AF61211) decreased by 70% while the DC share (AF61213) increased by 21%; the hybrid share (AF61212) remained relatively stable.

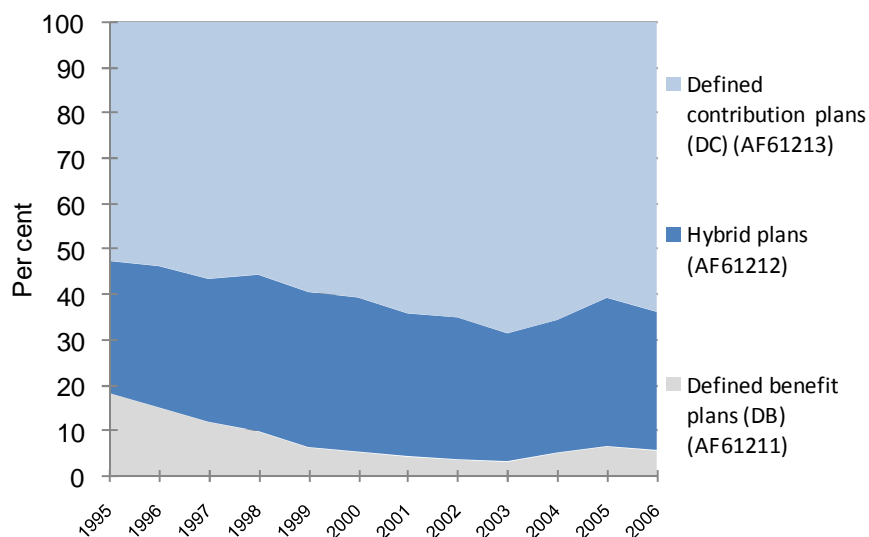
***DC plans are riskier for households***

According to the SNA93, *defined contribution plans* are “those for which the level of contribution is guaranteed, but benefits are directly dependent on the assets of the funds”. This kind of plan is sensitive to economic fluctuations and subject to the managers' financial ability. Defined contribution plans are also more flexible than *defined benefit plans* in term of labour mobility. In that case, the risk is entirely borne by the individual. Thus in this regard, Australian households are relatively more exposed to risks than most of their OECD peers.



Figure 6. **Composition of autonomous pension funds' plans (AF6121) in Australia**

Components in per cent of total pension plans managed by autonomous pension funds (AF6121)



Source: OECD Households' Assets Database.

***In the Netherlands, autonomous DB pension funds have the highest share***

In the Netherlands, the majority of *net equity of households in pension funds* (AF612) are *pension plans managed by autonomous pension funds* (AF6121), of which 99% are DB plans (AF61211), and 1% are DC plans (AF61213). Dutch households, contrary to their Australian counterparts, are hardly exposed to any DC risks, as they are primarily invested in *defined benefit plans* where the risk is mainly borne by the unit which is responsible for the investment risk and portfolio management. In such (DB) pension plans, the level of pension benefits promised to participating individuals is guaranteed. Benefits are not totally dependent on either the participants' contributions or the assets in the funds.

***Autonomous pension plans dominate over insured pension plans in Switzerland and the United States***

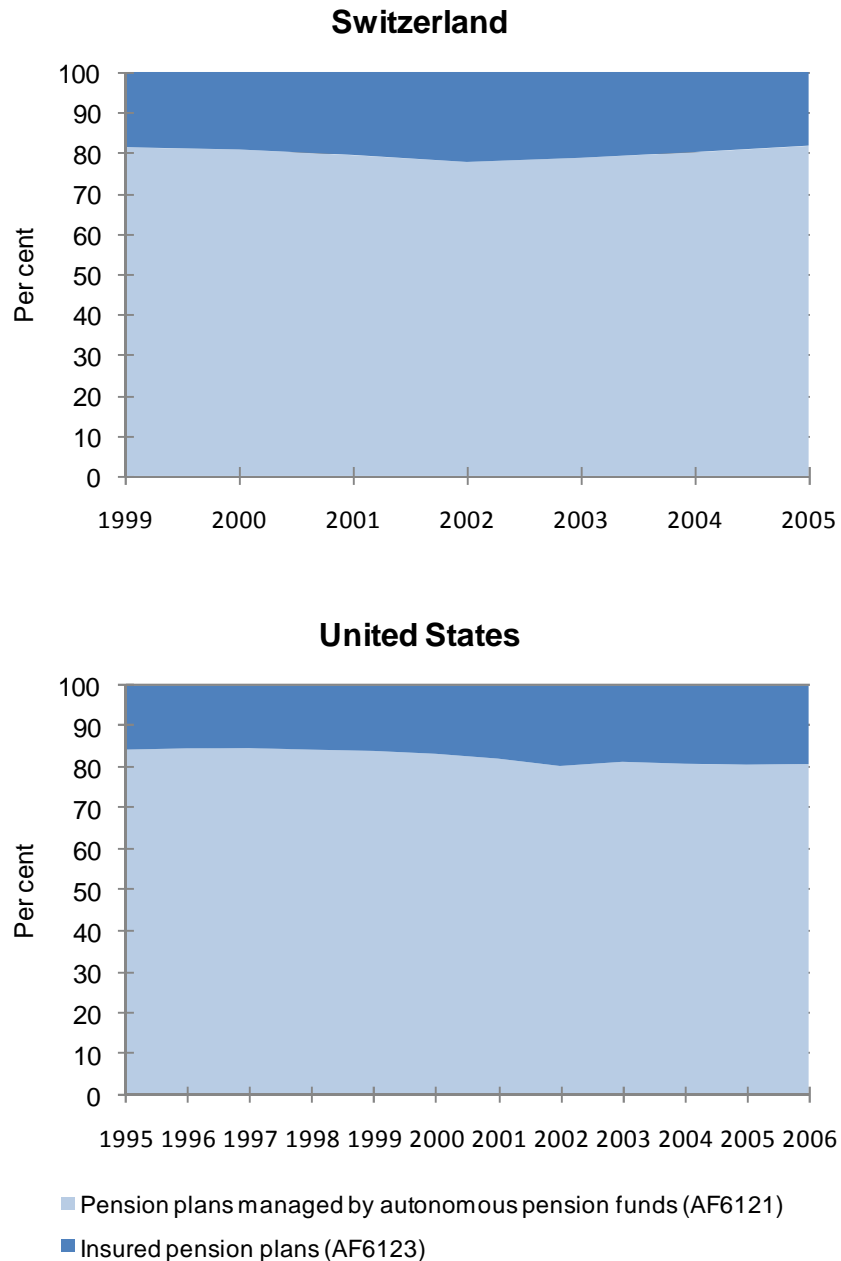
In Switzerland and in the United States (Figure 7), net equity of households in pension funds is divided into pension plans managed by autonomous pension funds (80%) and insured pension plans (20%). Insured pension plans correspond to contracts of retirement managed by insurance companies. They consist exclusively of insurance products. The insurer accepts significant insurance risk by agreeing with the policyholder to compensate him or her if retirement or reaching a specific age adversely affects the policy holder.

***In Switzerland plans are hybrid in all categories***

In Switzerland, 100% of pension plans managed by autonomous pension funds and 100% of insured pension plans are *hybrid plans* (AF61212 and AF61232). According to the methodological notes submitted by Switzerland, under these two categories are included *protected defined contribution plans*.

Figure 7. **Composition of net equity in pension funds (AF612) in Switzerland and the United States**

Components in per cent of total net equity of households in pension funds (AF612)



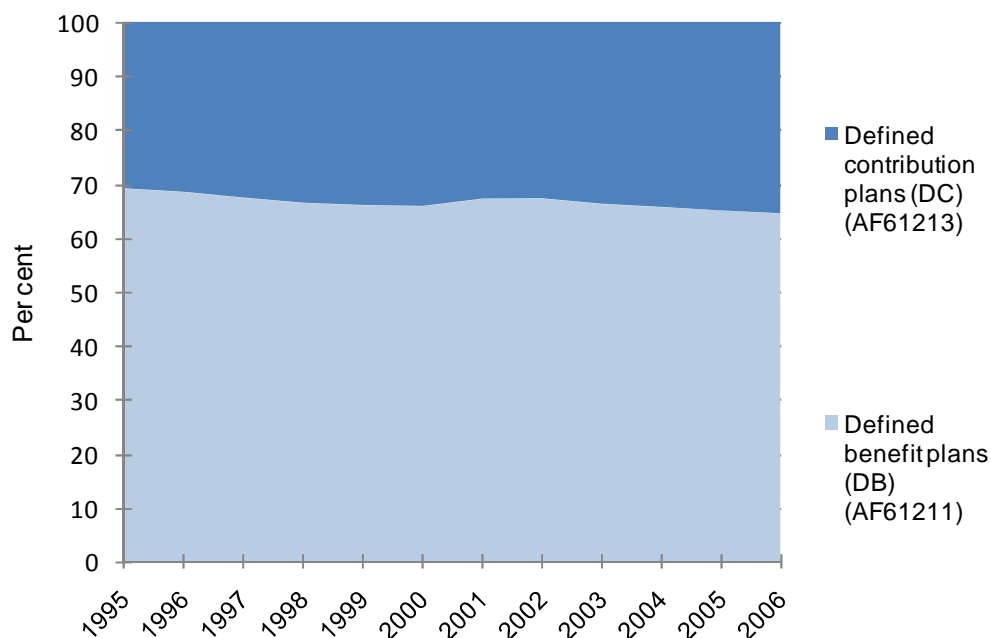
Source: OECD Households' Assets Database.

*In the US, DB plans predominate in the autonomous category*

Concerning the United States (Figure 8), 65% of pension plans managed by autonomous pension funds are *defined benefit plans* (DB) and 35% are *defined contribution plans* (DC). There is no detailed information on the breakdown of *insured pension plans*.

Figure 8. **Composition of autonomous pension funds' plans (AF6121) in the United States**

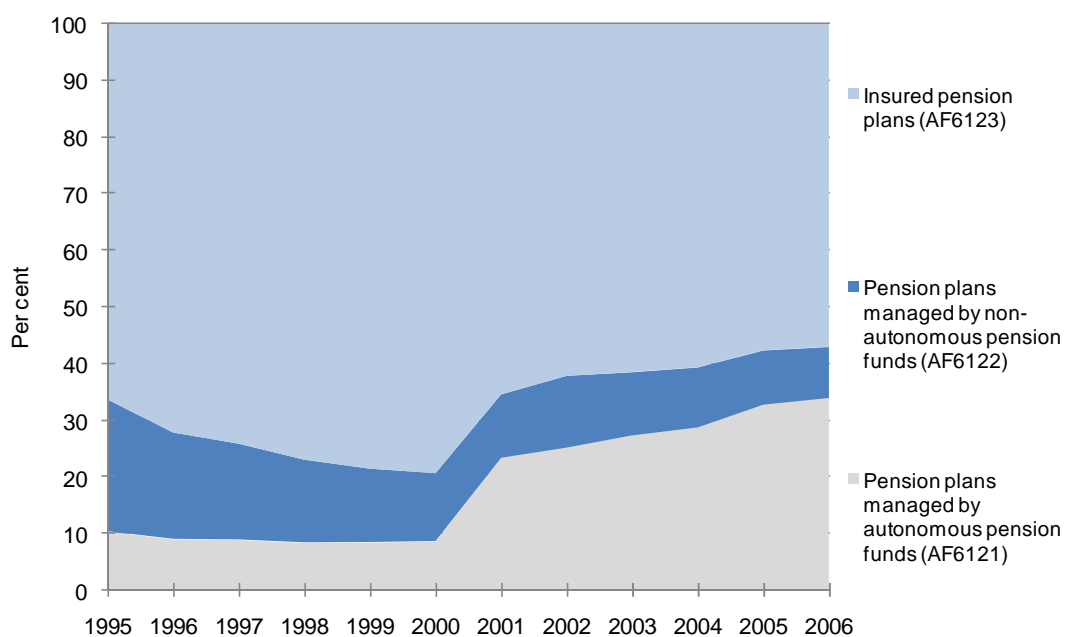
Components in per cent of total pension plans managed by autonomous pension funds (AF6121)



Source: OECD Households' Assets Database.

Figure 9. **Composition of net equity in pension funds (AF612) in Sweden**

Components in per cent of total net equity of households in pension funds (AF612)



Source: OECD Households' Assets Database.

*In Sweden, the share of insured pension plans decreased, but they remain the most important type of plan*

Finally, in Sweden in 1995, households held a 10% share of pension plans managed by autonomous pension funds (AF6121), a 23% share of pension plans managed by non-autonomous pension funds (AF6122), and a 66% share in insured pension plans (AF6123) (Figure 9). These shares changed substantially in the period from 1995 to 2006. Indeed, the share of autonomous pension funds (AF6121) increased substantially and reached 34% in 2006, while the share of non-autonomous pension funds (AF6122) declined to 9%. Households' holdings in insured pension plans (AF6123) decreased but remained predominant at 57% in 2006. There is no detailed information on the breakdown of the latter category (AF6123). Concerning autonomous pension funds (AF6121), in 2006 77% were defined contribution plans, exposing Swedish households to some pension benefit risks. Of the less important non-autonomous pension funds category (AF6122), 90% were defined benefit plans in 2006.

*Pension schemes differ across the five countries; plans are mostly managed by autonomous pension funds or insurance companies*

This study of five OECD member countries for which *net equity of households in pension funds* is important in the households' financial balance sheet shows that (i) pension schemes are different across countries and (ii) the majority of pension plans are managed by autonomous pension funds. Within this category, households prefer either *defined benefit* or *defined contributions plans* depending on the country. Pension plans managed by insurance companies are important in Sweden and not negligible in Switzerland and in the United States.

*People will need to save more for retirement*

The pension spending effort may increase significantly over the coming decades in response to population ageing. There is a trend towards a lower pension promise for today's workers than for past generations. This means that people will need to save more for their own retirement via private pension schemes or via life insurance contracts.

## Annex

### A1. Composition of investment fund shares (AF52): data corresponding to Figures 1 to 4 of the text

Table A1. **Composition of investment fund shares: Belgium**

*As % of AF52*

|                                  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Money market fund shares (AF521) | 17.4 | 13.5 | 7.9  | 4.6  | 3.1  | 2.4  | 3.0  | 4.4  | 3.4  | 3.7  | 3.3  | 2.5  |
| Real estate fund shares (AF522)  | 0.9  | 1.7  | 1.7  | 0.5  | 0.4  | 0.4  | 0.4  | 0.3  | 0.0  | 0.1  | 0.4  | 0.8  |
| Bond fund shares (AF523)         | 51.1 | 46.7 | 39.8 | 30.9 | 22.8 | 18.0 | 18.9 | 20.8 | 20.6 | 17.6 | 17.4 | 13.9 |
| Mixed fund shares (AF524)        | 6.3  | 6.9  | 8.3  | 8.9  | 8.5  | 9.3  | 9.9  | 12.8 | 12.3 | 11.9 | 9.9  | 10.1 |
| Equity fund shares (AF525)       | 11.0 | 11.7 | 14.9 | 18.1 | 26.4 | 29.7 | 26.3 | 16.9 | 17.2 | 14.4 | 17.0 | 15.9 |
| Other fund shares (AF526)        | 13.2 | 19.5 | 27.3 | 36.9 | 38.7 | 40.2 | 41.4 | 44.8 | 46.4 | 52.2 | 52.1 | 56.8 |

Source: OECD Households' Assets Database.

Table A2. **Composition of investment fund shares: United States**

*As % of AF52*

|                                  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Money market fund shares (AF521) | 27.4 | 25.3 | 23.6 | 23.1 | 22.0 | 26.2 | 29.9 | 32.6 | 24.8 | 20.9 | 19.8 | 19.7 |
| Real estate fund shares (AF522)  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Bond fund shares (AF523)         | 28.3 | 24.7 | 21.5 | 20.4 | 17.1 | 16.7 | 19.7 | 24.2 | 23.1 | 22.2 | 21.9 | 20.6 |
| Mixed fund shares (AF524)        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Equity fund shares (AF525)       | 40.2 | 46.9 | 51.6 | 53.3 | 58.0 | 53.7 | 48.1 | 40.5 | 49.3 | 53.7 | 55.3 | 56.7 |
| Other fund shares (AF526)        | 4.2  | 3.2  | 3.3  | 3.2  | 2.9  | 3.4  | 2.4  | 2.7  | 2.8  | 3.1  | 3.0  | 3.0  |

Source: OECD Households' Assets Database.

Table A3. **Composition of investment fund shares: Austria**

As % of AF52

|                                  | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|------|------|------|------|------|------|------|------|
| Money market fund shares (AF521) | 0.8  | 0.7  | 0.7  | 0.4  | 1.0  | 1.1  | 1.0  | 0.6  |
| Real estate fund shares (AF522)  | 0.0  | 0.0  | 0.0  | 0.0  | 0.2  | 2.2  | 2.6  | 2.1  |
| Bond fund shares (AF523)         | 53.8 | 43.6 | 43.6 | 49.8 | 49.9 | 46.7 | 43.0 | 33.7 |
| Mixed fund shares (AF524)        | 31.5 | 34.9 | 34.2 | 32.5 | 31.1 | 32.3 | 33.0 | 41.8 |
| Equity fund shares (AF525)       | 13.8 | 20.8 | 21.5 | 17.2 | 17.8 | 17.8 | 20.4 | 21.7 |
| Other fund shares (AF526)        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

Source: OECD Households' Assets Database.

Table A4. **Composition of investment fund shares: Sweden**

As % of AF52

|                                  | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|------|------|------|------|------|------|------|------|------|------|
| Money market fund shares (AF521) | 0.0  | 1.8  | 1.6  | 1.7  | 2.6  | 3.6  | 3.5  | 5.0  | 3.5  | 3.5  |
| Real estate fund shares (AF522)  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Bond fund shares (AF523)         | 3.3  | 3.3  | 2.6  | 2.9  | 3.5  | 6.0  | 5.4  | 4.3  | 3.8  | 3.4  |
| Mixed fund shares (AF524)        | 0.0  | 4.3  | 4.0  | 4.5  | 4.6  | 7.2  | 9.6  | 9.0  | 8.4  | 7.9  |
| Equity fund shares (AF525)       | 89.9 | 83.2 | 83.9 | 82.8 | 79.9 | 74.7 | 76.3 | 75.7 | 76.7 | 75.8 |
| Other fund shares (AF526)        | 6.8  | 7.3  | 7.9  | 8.1  | 9.3  | 8.6  | 5.1  | 6.1  | 7.7  | 9.4  |

Source: OECD Households' Assets Database.

## A2. Composition of net equity of households in life insurance reserves (AF611): data corresponding to Figure 5 of the text

Table A5. **Composition of net equity of households in life insurance reserves: France**

As % of AF611

|  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| Net equity of households in non-unit-linked life insurance reserves (AF6111) | 90.1 | 90.4 | 89.2 | 85.5 | 79.9 | 75.5 | 76.7 | 80.4 | 79.1 | 79.0 | 77.1 | 74.9 |
| Net equity of households in unit-linked life insurance reserves (AF6112)     | 9.9  | 9.6  | 10.8 | 14.5 | 20.1 | 24.5 | 23.3 | 19.6 | 20.9 | 21.0 | 22.9 | 25.1 |

Source: OECD Households' Assets Database.

Table A6. **Composition of net equity of households in life insurance reserves: Belgium***As % of AF611*

|  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| Net equity of households in non-unit-linked life insurance reserves (AF6111) | 94.9 | 92.9 | 87.6 | 77.6 | 66.6 | 57.4 | 57.2 | 61.9 | 64.3 | 67.0 | 66.2 | 67.3 |
| Net equity of households in unit-linked life insurance reserves (AF6112)     | 5.1  | 7.1  | 12.4 | 22.4 | 33.4 | 42.6 | 42.8 | 38.1 | 35.7 | 33.0 | 33.8 | 32.7 |

*Source:* OECD Households' Assets Database.Table A7. **Composition of net equity of households in life insurance reserves: Sweden***As % of AF611*

|  | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|
| Net equity of households in non-unit-linked life insurance reserves (AF6111) | 70.8 | 76.6 | 77.4 | 79.9 | 82.7 | 83.1 |
| Net equity of households in unit-linked life insurance reserves (AF6112)     | 29.2 | 23.4 | 22.6 | 20.1 | 17.3 | 16.9 |

*Source:* OECD Households' Assets Database.Table A8. **Composition of net equity of households in life insurance reserves: Austria***As % of AF611*

|  | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|
| Net equity of households in non-unit-linked life insurance reserves (AF6111) | 89.1 | 88.1 | 84.5 | 81.4 | 81.0 | 80.0 |
| Net equity of households in unit-linked life insurance reserves (AF6112)     | 10.9 | 11.9 | 15.5 | 18.6 | 19.0 | 20.0 |

*Source:* OECD Households' Assets Database.



### A3. Net equity of households in pension funds: data corresponding to Figures 6 to 9 of the text

Table A9. **Composition of pension plans managed by autonomous pension funds in Australia (AF6121) (Fig. 6)**

As % of AF6121

|   | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Defined benefit plans (DB) (AF61211)      | 18.3 | 15.2 | 12.0 | 9.9  | 6.4  | 5.4  | 4.4  | 3.7  | 3.3  | 5.2  | 6.6  | 5.7  |
| Hybrid plans (AF61212)                    | 29.1 | 31.1 | 31.5 | 34.5 | 34.1 | 34.0 | 31.4 | 31.2 | 28.2 | 29.2 | 32.7 | 30.5 |
| Defined contribution plans (DC) (AF61213) | 52.6 | 53.7 | 56.6 | 55.6 | 59.4 | 60.6 | 64.2 | 65.1 | 68.5 | 65.6 | 60.7 | 63.8 |

Source: OECD Households' Assets Database.

Table A10. **Composition of net equity of households in pension funds in Switzerland (AF612) (Fig. 7)**

As % of AF612

|  | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|------|------|------|------|------|------|------|
| Pension plans managed by autonomous pension funds (AF6121)     | 81.4 | 80.9 | 79.5 | 77.8 | 78.8 | 80.2 | 81.8 |
| Pension plans managed by non-autonomous pension funds (AF6122) | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Insured pension plans (AF6123)                                 | 18.6 | 19.1 | 20.5 | 22.2 | 21.2 | 19.8 | 18.2 |

Source: OECD Households' Assets Database.

Table A11. **Composition of net equity of households in pension funds in United States (AF612) (Fig. 7)**

As % of AF612

|  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| Pension plans managed by autonomous pension funds (AF6121)     | 84.4 | 84.7 | 84.8 | 84.4 | 84.0 | 83.3 | 82.2 | 80.4 | 81.5 | 80.9 | 80.7 | 80.8 |
| Pension plans managed by non-autonomous pension funds (AF6122) | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Insured pension plans (AF6123)                                 | 15.6 | 15.3 | 15.2 | 15.6 | 16.0 | 16.7 | 17.8 | 19.6 | 18.5 | 19.1 | 19.3 | 19.2 |

Source: OECD Households' Assets Database.

Table A12. **Composition of pension plans managed by autonomous pension funds in United States (AF6121) (Fig. 8)***As % of AF6121*

|   | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Defined benefit plans (DB) (AF61211)      | 69.2 | 68.5 | 67.4 | 66.5 | 66.1 | 65.9 | 67.3 | 67.3 | 66.3 | 65.7 | 65.1 | 64.5 |
| Hybrid plans (AF61212)                    | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Defined contribution plans (DC) (AF61213) | 30.8 | 31.5 | 32.6 | 33.5 | 33.9 | 34.1 | 32.7 | 32.7 | 33.7 | 34.3 | 34.9 | 35.5 |

*Source:* OECD Households' Assets Database.Table A13. **Composition of net equity of households in pension funds in Sweden (AF612) (Fig. 9)***As % of AF612*

|  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| Pension plans managed by autonomous pension funds (AF6121)     | 10.4 | 9.0  | 8.9  | 8.4  | 8.4  | 8.6  | 23.4 | 25.2 | 27.3 | 28.8 | 32.8 | 34.0 |
| Pension plans managed by non-autonomous pension funds (AF6122) | 23.3 | 18.8 | 17.0 | 14.7 | 13.0 | 12.0 | 11.3 | 12.7 | 11.2 | 10.6 | 9.6  | 9.0  |
| Insured pension plans (AF6123)                                 | 66.3 | 72.1 | 74.1 | 77.0 | 78.6 | 79.4 | 65.4 | 62.1 | 61.5 | 60.6 | 57.6 | 57.0 |

*Source:* OECD Households' Assets Database.

#### A4. Non-financial assets

Table A14. **Composition of non-financial assets in Australia***As % of total non-financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 39.0 | 39.1 | 37.5 | 35.6 | 35.6 | 35.2 | 37.2 | 34.1 | 33.0 | 31.7 | 32.6 | 32.4 |
| Land (AN211)       | 48.4 | 48.7 | 50.9 | 53.5 | 54.0 | 54.8 | 53.3 | 57.5 | 59.3 | 61.3 | 60.2 | 60.5 |

*Source:* OECD Households' Assets Database.

Table A15. **Composition of non-financial assets in Canada***As % of total non- financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 47.6 | 47.5 | 47.1 | 47.0 | 46.6 | 46.3 | 45.9 | 45.4 | 45.9 | 45.5 | 45.2 | 45.7 |
| Land (AN211)       | 26.1 | 26.3 | 26.8 | 27.0 | 27.5 | 27.9 | 28.9 | 30.2 | 30.9 | 32.6 | 34.0 | 34.9 |

*Source:* OECD Households' Assets Database.Table A16. **Composition of non-financial assets in Czech Republic***As % of total non- financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 75.7 | 76.6 | 76.9 | 77.7 | 77.3 | 76.7 | 77.2 | 77.5 | 77.8 | 78.3 | 76.3 | 73.9 |
| Land (AN211)       | 4.8  | 4.6  | 4.9  | 4.7  | 4.4  | 4.7  | 4.4  | 4.7  | 5.0  | 4.9  | 4.8  | 6.9  |

*Source:* OECD Households' Assets Database.Table A16. **Composition of non-financial assets in Germany***As % of total non- financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 57.3 | 57.1 | 57.6 | 57.7 | 58.2 | 58.8 | 59.6 | 59.1 | 59.8 | 61.7 | 63.0 | n.a  |
| Land (AN211)       | 27.2 | 27.7 | 27.3 | 27.3 | 27.0 | 26.3 | 25.6 | 26.3 | 25.5 | 23.6 | 23.7 | n.a  |

*Source:* OECD Households' Assets Database.Table A17. **Composition of non-financial assets in France***As % of total non- financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 63.3 | 64.5 | 66.4 | 65.8 | 61.1 | 59.9 | 56.9 | 53.5 | 49.9 | 45.2 | 42.4 | 41.4 |
| Land (AN211)       | 24.4 | 23.5 | 21.7 | 22.7 | 28.0 | 29.8 | 33.3 | 37.3 | 41.7 | 47.2 | 50.6 | 51.9 |

*Source:* OECD Households' Assets Database.Table A18. **Composition of non-financial assets in Italy***% of total non- financial assets*

|                    | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dwellings (AN1111) | 76.8 | 77.0 | 77.2 | 76.8 | 76.2 | 76.2 | 76.3 | 76.8 | 77.5 | 78.0 | 78.7 | n.a  |
| Land (AN211)       | 6.5  | 6.3  | 6.1  | 6.2  | 6.2  | 6.1  | 6.0  | 5.7  | 5.4  | 5.2  | 4.8  | n.a  |

*Source:* OECD Households' Assets Database.