Wealth and Assets Survey
Introduction to the survey and results

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Aims of the Presentation

• To introduce the Wealth and Assets Survey
• To briefly outline its data collection and methodological processes
• To present some key findings from Wealth in Great Britain 2010-12 and Wealth and Income 2010-12
• And to describe future plans for the survey
The Wealth and Assets Survey (WAS)

• WAS started in 2006

• WAS is a longitudinal household survey

• Collects data on
  • Savings and debt
  • Property ownership
  • Financial assets
  • Physical assets
  • Pensions and saving for retirement
  • Attitudes to saving
  • Financial capability
  • Income

• From around 30,000 households in first wave
How it works: Survey Design

• Longitudinal household survey
• Revisit households every two years

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Wave 4</th>
<th>Wave 5</th>
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July 06–June 08  July 08–June 10  July 10–June 12  July 12–June 14  July 14–June 16

• Keep In Touch Exercise between waves
• New cohort added
**How it works: Sampling**

- Systematic random sample
- Over-sampling of wealthiest 10%
- HMRC flags addresses likely to contain high wealth
- Probability of selection increased by 3 times

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<tr>
<th>Deciles</th>
<th>Private Pension Wealth</th>
<th>Physical Wealth</th>
<th>Financial Wealth (net)</th>
<th>Property Wealth (net)</th>
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Types of Wealth

PROPERTY WEALTH (NET)

PHYSICAL WEALTH

FINANCIAL WEALTH (NET)

PRIVATE PENSION WEALTH
Uses

- Distribution of wealth amongst UK population
- Value and types of assets held
- Saving for retirement
- Factors associated with saving and borrowing
- Wealth through the life cycle
- WAS is a unique longitudinal source of wealth, asset and debt data
Wave by Wave

- Waves 1 and 2
  - Available from UKDS
- Wave 3
  - Reports published (Wealth in Great Britain, Wealth & Income)
  - Data to UKDS in July
- Wave 4
  - Year 1 processing
  - Year 2 data collection drawing to a close
- Wave 5
  - Questionnaire in the field
What’s new?

• Wave 3
  • Income data
• Wave 4
  • Unconditional £5 incentive for new cohort
• Wave 5
  • Questions added
    • e.g. Council Tax band, Amount of rent paid, Mortgage past pension age, Mortgage interest rate, Workplace pension reforms
  • Questions removed
    • e.g. Reason for equity release, Value of each vehicle (replaced with total for all)
Response Rates

New cohort: Apr13 48%, Apr14 54%
Quality assured data

- Checked & edited
- Linked
- Imputed
- Weighted
- Derived Variables added
- Ready for analysis
- Disclosure control
- Delivery to customers and UKDA
UK Data Archive and user documentation
UK Data Archive and user documentation
Why is wealth so important?

- Personal asset holding is evolving
  - more of the population now own some kind of personal wealth
  - composition of wealth is changing
- Social policy has encouraged research to look at a broad evidence base including wealth when assessing peoples living standards.
- However...data on wealth was traditionally sparse
- Consequently measures of household income are often used as the sole gauge of economic well-being
WAS – Publications to date

Wealth in Great Britain 2006-08
December 2009

Wealth in Great Britain 2008-10
December 2011 - July 2012

Short Stories Series 2008-10
Wealth of the Wealthiest, Property and Financial Debt Burden, Median Wealth Households, Inheritance

Wealth in Great Britain 2010-12
May 2014

Wealth and Income 2010-12
July 2014
Analytical Potential

- Households: 13,409
- Individuals: 27,972
- Eligible individuals: 23,190

Linked:
- All: 14,142
- W2: 29,61
- W3: 49,447

W3: 39,025
Distribution of total wealth between households: Great Britain, 2010/12

- 1% of households have wealth of £4,120 or more
- 10% of households have wealth of less than £13,100
- 10% of households have wealth of £918,100 or more
- Half of all households have wealth of more than £218,400

Source: Wealth & Assets Survey

www.ons.gov.uk
Aggregate total wealth: Great Britain, 2010/12

The sum of total wealth for all private households was £9.5 trillion

The wealthiest 10% of households owned 44% (£4.2 trillion)

Source: Wealth & Assets Survey
Some facts about wealth

% of households in Great Britain owned a personalised number plate in 2010/12.
Some facts about wealth

% of households in Great Britain had outstanding balances on a credit card in 2010/12.
Some facts about wealth

% of households in Great Britain owned property other than their main residence in 2010/12.

Office for National Statistics
Some facts about wealth

of households in Great Britain had no private pension wealth in 2010/12.
Analytical Potential

Households
- Linked all: 13,409
- Linked W2: 14,142
- W3: 21,451

Individuals
- Linked all: 27,972
- Linked W2: 30,641
- W3: 49,447

Eligible individuals
- Linked all: 23,190
- Linked W2: 24,898
- W3: 39,025
A longitudinal perspective of debt burden

![Graph showing the number of individuals with debt burden from 2006/08 to 2010/12. The highest number is in 2008/10, followed by 2006/08 and 2010/12.](image)
A longitudinal perspective of debt burden

![Bar chart showing individuals (thousands) for non-persistent and persistent debt burden across years 2006/08, 2008/10, and 2010/12. The chart indicates an increase in the number of individuals with debt burden, with a notable rise in 2008/10 and a slight decrease in 2010/12. The chart distinguishes between non-persistent debt burden (light blue) and persistent debt burden (purple).]
Why is wealth so important?

“Income and consumption are crucial for assessing living standards, but in the end they can only be gauged in conjunction with information on wealth”.

Report by the Commission on the Measurement of Economic Performance and Social Progress
Professors Joseph E. Stiglitz, Amartya Sen and Jean-Paul Fitoussi
14 September 2009
Measures of National Well-being Wheel
Wealth and Income, 2010-12

[Graph showing distribution of total household income and wealth across percentiles.]
Wealth and Income, 2010-12

Cumulative % Wealth/Income

Cumulative % Households

Total Wealth
Total Income
Future Developments

• Short Stories: Wealth and Well-being and Financial Capability
• Wave 3 microdata shortly available to users via UKDS/VML
• International comparisons: OECD tabulations and Luxembourg Wealth Study
• User Engagement
  - Ongoing Development of user documentation
  - “How to analyse the Wealth and Assets Survey” training courses
Any Questions?

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