

Sweden in the LWS *

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Abstract:

This paper provides a discussion about the Swedish wealth data included in the Luxembourg Wealth Study. We discuss pension wealth in Sweden, pension wealth is the most important wealth item not included in the Swedish LWS data. We also review other missing and underreported wealth items in the Swedish data set and provide some information about the long-run trends in Swedish wealth concentration.

Keywords: Wealth data, Wealth distribution, Sweden

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1 Introduction

Sierminska *et al.* (2006) is the first working paper in the Luxembourg Wealth Study Working Paper series. It reports the first results using LWS data. One striking result from the analyzes of wealth data in the LWS database is that the highest Gini coefficient for the distribution of net wealth is found for Sweden and with United States closely followed, see the discussion in Brandolini (2006). This is quite the opposite from the common beliefs that Sweden should be a more egalitarian society than the US.

The other countries in the LWS database have a more equally distribution of wealth and Italy has the lowest value of the Gini coefficient. It is pointed out by the authors the results might be affected of different measurements methods and especially how pension rights are measured.

For our home country, the wealth data (LWS-SE) also show that Sweden is poorer than the other LWS countries. This challenges the (self) perception of Swedes although it probably does not cause an existential crisis. One objective of this paper is to shed light and perspective on why Sweden comes out in this way in the international comparison made possible by the LWS.

There are two main things to have in mind when studying the outcome for Sweden. The *first* is that important balance sheet items are **missing and underreported** in the Swedish data. The most important item is probably pension wealth. The *second* is that there are important aspects of **measurement** that can be discussed.

The present paper is structured as follows: In Section 2, the long-run trends in the concentration of wealth in Sweden are presented. In addition, wealth concentration as measured by LWS-SE is compared to the wealth concentration found using other Swedish wealth data sets. Missing and underreported wealth items in the Swedish LWS data are discussed in Section 3. However, pension assets is the main asset missing and in Section 4 a review of some features concerning pension wealth in Sweden are provided.

2 Long-run changes in the concentration of wealth in Sweden¹

Some recent studies of wealth distribution in Sweden have used data from household surveys collected in the last decades. Bager-Sjögren & Klevmarken (1998) and Klevmarken (2004), for instance, discuss the period 1984-98.² Other studies have used data from Statistics Sweden that combine register and survey data; see Agell *et al.* (1988), Jansson & Johansson (1988), and Andersson *et al.* (2002).³

There are three main sources that report longer historical trends for the wealth distribution in Sweden. First, Spånt (1978, 1979) studied the Swedish wealth concentration during the period

¹ This section very much builds on Ohlsson, Roine & Waldenström (2006), section 2.8.

² The main data sources in these studies are the Swedish Household Panel Surveys (HUS), five waves during the period 1984-98.

³ The main data sources are the Swedish Surveys on Household Finances (HINK/HEK). This is a population sample where data on wealth is taken from the taxation material and other administrative records, see Statistics Sweden (2006b). The main difference between HINK/HEK and HUS is, therefore, that the former combines register and survey data while the latter is a survey.

1920-75 using wealth tax statistics published in the Censuses and some special public investigations of the wealth distribution.⁴ Second, Statistics Sweden (2000, 2006a) provide wealth data for the period 1975-2004 from the HINK/HEK-database.

Third, Ohlsson *et al.* (2006) in several ways extend these available data using different primary sources. They, first, complement the years covered by Spånt with a number of years for which they have found satisfactory reference totals for 'total wealth' and data on distribution (sometimes only for the very top of the distribution as in 1937) in the tax statistics.⁵ They also present new series using the same type of tax data for as long as it remains available, which is the period 1978-1993. To this they also add observations based on similar data for the years 2000-02.⁶ Finally, they add the observation for the year 1800 reported by Soltow (1985)⁷ and the observation for 1908 reported in the Ministry of Finance (1910). Ohlsson *et al.* (2006) also complement the wealth tax returns based series with new data coming from estate tax material for 1873-77, 1906-08, 1954/55, 1967, and 2002-03.⁸

Figure 1 reports the shares of wealth for the top 1 percent of the wealth distribution and for the next 9 percent of the top decile. A first observation is that the wealth tax data and the estate tax data indicate similar patterns of development.

Looking first at the pattern over the 19th century, the observations indicate a relatively stable wealth distribution which by today's standards was very unequal. As there are no observations between 1800 and 1873, there is little that can be said about the development over this period but given the fact that industrialization is considered to have started around 1850 and to have accelerated around 1870; all possible major changes in the wealth distribution relating to the industrialization are probably included. The top 1 percent had 50-55 percent of total wealth during the period, while the next 9 percent had 35-40 percent.

Over the 20th century the picture is much clearer. Because of the multiple sources which overlap in time and, even though there is still uncertainty about the levels over time, the trends seem relatively certain. The long run trend in wealth concentration in Sweden over the 20th century is that the top decile has seen its wealth share drop substantially, from around 90 percent in the early decades of the century, to around 53 percent around 1980, and then recovering slightly to a level around 60 percent in recent years. The top deciles share of total wealth in the LWS-SE data for 2002 is 60.1 percent.

⁴ The material used was the censuses for 1920, 1930, 1935, 1945, 1951 and surveys done in 1966, 1970, and 1975. The surveys oversampled rich households so coverage for studying wealth concentration is likely to be good in these studies.

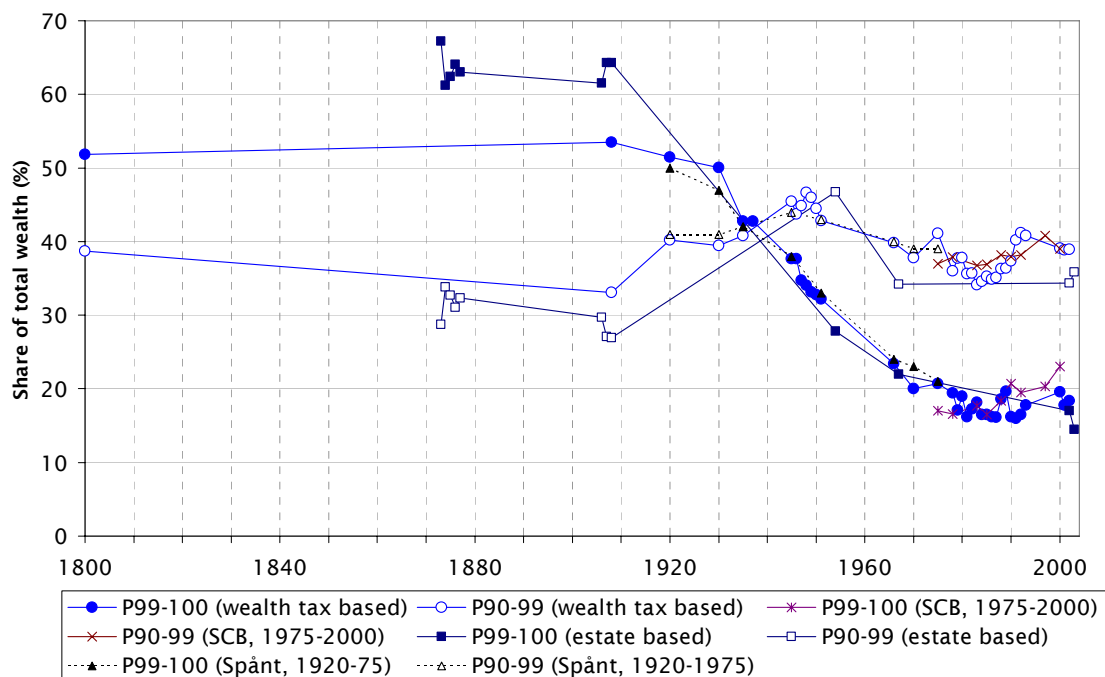
⁵ Statistics Sweden (1927, 1937, 1938, 1940, 1951, 1956).

⁶ The data for 2000-02 are taken from the LINDA database. LINDA is a register-based longitudinal data set for Sweden. It consists of a large panel of individuals, and their household members, which is representative for the population from 1968 and onwards.

⁷ This observation is based a wealth census carried out in the year 1800 and describes the wealth distribution for the population of males aged 20 and older.

⁸ The sources of the estate data are the Ministry of Finance (1879, 1910) and SOU (1957, 1969, 2004). The 1908 wealth data are based on applying the estate multiplier method to the estate data, see the Ministry of Finance (1910: 14-34).

Figure 1. Top decile wealth shares in Sweden, split up into a bottom 9% (P90-99) and a top 1% (P99-100) share, 1800-2003.



Source: Ohlsson, Roine & Waldenström (2006), Figure 7.

Figure 1 shows that the wealth shares for the top 1 percent and the next 9 percent evolved in different directions during the period 1910-50. The top percentiles share dropped from around 50 percent of total wealth in the beginning of the period to about 35 percent in 1950. The wealth share of the rest of the top decile, however, increased from 35 percent to 45 percent.

During the period 1950-80, on the other hand, both the top 1 percent and the next 9 percent experienced declines in wealth shares. The decrease was, however, larger for the top 1 percent, from a share of about 35 percent of total wealth to about 20 percent. The rest of the top decile saw a decrease from 45 to 40 percent.

The wealth shares have been relatively stable since 1980. Note, however, that the Statistics Sweden HINK/HEK data show a trend increase for the top percentile. The level is higher than in the LINDA and the estate data.

How do the LWS-SE data relate to these different wealth data sources? Table 1 reports measures of wealth concentration in Sweden using several different sources. The wealth share of the top 1 percent is 24.4 percent in the unweighted LWS-SE data, while the wealth share of the next 9 percent is 35.8 percent. Using sample weights gives lower wealth shares for the top decile and the top percentile. The wealth share of P90-P99, on the other hand, is higher when sample weights are used.

The LWS-SE data originates from the HINK/HEK survey sample. The wealth share of the top decile in the original sample is 59 percent. The table clearly shows that the LWS adjustments of the HINK/HEK data have reduced wealth concentration as measured as the wealth shares of the top decile and the top percentile.

Table 1. Wealth concentration in Sweden 2002, percent.

| data set | n of obs | unit | weights | share of wealth top 10 percent | share of wealth top 1 percent | share of wealth next 9 percent | share of share top 1/top 10 |
|----------------|----------|------------|---------|-----------------------------------|----------------------------------|-----------------------------------|--------------------------------|
| LWS-SE | 17,954 | household | no | 60.1 | 24.3 | 35.8 | 40.5 |
| | | | yes | 58.2 | 17.5 | 40.7 | 30.1 |
| HINK/HEK | 17,954 | household | yes | 59.0 | 18.0 | 41.0 | 30.5 |
| LINDA | 303,652 | household | no | 57.3 | 18.4 | 38.9 | 32.1 |
| | 787,973 | individual | no | 73.6 | 24.8 | 48.8 | 33.7 |
| estate reports | 95,238 | individual | no | 51.4 | 17.0 | 34.4 | 33.1 |

Note. The estate reports include joint wealth and the wealth of deceased spouses not previously transferred to heirs.

The HINK/HEK sample is a subsample from the LINDA register sample. It is clear from Table 1 the weighted version of the LWS-SE sample generates wealth shares much closer to those of the LINDA sample than the unweighted version.

The LINDA register sample consists of 3 percent of the Swedish population and the members of their households. The household definition is from the Total Population Register and does not necessarily correspond to the housekeeping unit definition used in HINK/HEK. LINDA and HINK/HEK use wealth data from the Total Wealth Statistics register where there are individual wealth data for all Swedes.⁹ The wealth shares for individuals are higher than those for households. This is not surprising.

We also have access to data on the wealth according to all estate reports of deceased registered during 2002. The wealth concentration among the deceased is similar to the wealth concentration among the living.

3 Missing and underreported balance sheet items

Going through the LWS variable list it becomes clear that there are several missing items in the Swedish data. For some of these variables there is register information available for all individuals in the country. In these cases would be possible to append the information to the present LWS-SE data set.

Health status, head, spouse (HLTHH, HLTHS)

There are no register data available on general health status. The Centre for Epidemiology at the National Board of Health and Welfare, however, has several registers that can be used for information on different aspects of health. The Hospital Discharge Register is one example.

The Living Conditions Survey of Statistics Sweden has subjective survey information on health status. This, however, concerns other people than those in the HINK/HEK surveys.

Age of parents, head, spouse (AGMH, AGFH, AGMS, AGFS)

There is register data available on birth years and death years of parents in the Population Register at the Tax Authority and the Total Population Register and the Multi-Generation Register at Statistics Sweden.

Inheritances received (INH1- INH3, YRINH1-YRINH3, INH4)

The Tax Authority's Inheritance Tax Register has information on inheritances received from July 2001 and onwards. This register also has information on bequests given if someone in the household has dies.

Business debt, business equity (BD, BE)

Not available.

Vehicles (VH)

The 1997 HINK/HEK survey included the value of cars. The aggregate value of the stock of cars was estimated to SEK 137.5 billion 1997. Table 2 reproduces all the information about car wealth reported in Statistics Sweden (2000). There were 3,703,000 registered cars 1997

⁹ Berg (2004) uses the register data set to give a very detailed picture of wealth in Sweden.

according to the Car Register. This number had increased by 9.2 percent five years later, there were 4,045,000 cars registered 2002.

The HUS survey also has information on cars. In the 1998 HUS survey, 83.2 percent of the households were car owners. This is considerably higher than the share reported in the 1997 HINK/HEK, which is 57.8 percent, see Table 2. The conditional mean for the household car value was SEK 69,400 in HUS which can be compared with SEK 50,500 in HINK/HEK.

There are many sailing boats and motor boats for leisure activities in Sweden. Statistics Sweden has never been collected the values of these and included these numbers in wealth statistics. There existed a boat register for a few years 1989-1991 and it will be reintroduced 2007. It is, therefore, difficult to have an idea of the number of boats in 2002 and even more difficult to estimate the value. What is known is the number of separate insurance policies for sailing and motor boats. According to the Swedish Insurance Federation there were 265 600 such policies sold 2002. It is not necessary to have separate policies for small boats as regular home insurance policies cover smaller boats.

The HUS survey, however, has information on boats. In the 1998 HUS survey, 19.6 percent of the households were boat owners. The conditional mean for the boat value was SEK 43,800.

Other durables, collectibles (DRCL)

No register information available except in the (few) cases when individuals (voluntary) have reported asset values in their tax returns.

Expenditures

Statistics Sweden has published several Family Expenditure Surveys over the years. There are surveys available for 1999, 2000, and 2001 (UTB99, UTB00, UTB01) but, unfortunately, not for 2002. There is information for 1,500 households each year, but the response rates were low, slightly above 50 percent. This was the reason why the survey was redesigned during 2002.

There are Household Budget Surveys available for 2003 and 2004 (HUT03, HUT04). In these waves, there is information for about 2,300 households each year. The response rate was higher than before, 58 percent.

There are also several underreported items. Some of these are:

Bank accounts, interest funds

Accounts yielding less than SEK 100 per year are not reported to the tax authorities and, therefore, not included in HINK/HEK. It is estimated that the aggregate balance on these accounts is SEK 40 billion. The bottom coding of this item is a main explanation to why the participation rate for this item is only 59 percent for Sweden in the LWS.

The working capital in self-employed's businesses

This asset is not subject to wealth taxation and is, therefore, underreported.

Foreign assets (financial and real)

It is believed that the underreporting of this item is in the order of SEK 500 billion.

Table 2. Car wealth in Sweden 1997.

| | sum SEK billion | share > 0 % | mean SEK thousands | conditional mean SEK thousands | P10 | P25 | P50 | P75 | P90 | P95 | P99 | top 10 | top 5 | top 1 | Gini |
|----------------------------|-----------------------|----------------|--------------------------|---|---------------|------|------|------|-------|-------|-------|--------|-------|-------|-------|
| | | | | | SEK thousands | | | | | | | % | | | |
| household | 137.5 | 57.8 | 29.2 | 50.5 | | | 9.0 | 41.0 | 87.8 | 120.6 | 183.4 | 46.2 | 28.4 | 8.0 | 0.696 |
| household, conditional | 137.5 | 57.8 | 29.2 | 50.5 | 9.0 | 17.5 | 34.7 | 70.0 | 114.8 | 152.9 | 208.4 | 31.6 | 18.6 | 5.2 | 0.474 |
| individual | 137.5 | 35.4 | 16 | 45.1 | | | | 18.0 | 54.7 | 88.7 | 158.4 | 63.2 | 40.8 | 11.6 | 0.815 |
| individual, conditional | 137.5 | 35.4 | 16 | 45.1 | 9.0 | 13.5 | 30.0 | 61.8 | 105.8 | 140.4 | 172.8 | 32.0 | 18.8 | 5.0 | 0.478 |

Source: Statistics Sweden (2000).

4 Pension wealth in Sweden

In this section we comment first on pension wealth for Sweden and secondly on calculations for Sweden presented in Table 5 in Sierminska *et al.* (2006).

We can learn from Table 2 in Sierminska *et al.* (2006) that neither “Life insurance” nor “Pension assets” are included among the wealth variables for Sweden. Omitting these two variables from the estimate of wealth might lead to a wrong conclusion about the both the level as well as about the distribution of wealth in Sweden. The OECD (2005) calculations of net and gross replacement rates of pension programs show that Sweden, Finland, and Norway are well above the average value for the OECD countries; Italy has the highest value while Canada, United Kingdom, and United States are accounted to the half of the average value. The same pattern for the mentioned countries is valid when it comes to the calculation of ratio of pension wealth to earnings.

High pension benefits and high pension wealth in Sweden according to the calculations of OECD can be an indicator for measurement error in the Swedish wealth survey and consequently in the LWS-SE. The next question is if we can get numbers on the measurement error? Yes, it is possible for the time being to get an estimate on aggregate level and data is available in the national balance sheet from Statistic Sweden and from the Social Insurance Office. An attendant question is if an estimate of the total pension wealth or should parts of it be included? This in turn depends on the design of the pension system and outermost the (research) purpose of the LWS database. At present is the variable for the balance of the “LI” (life insurance) and “P1--PA3” (pension asset) include for six of the ten countries in the LWS survey.

The Swedish pensions system rests, as in many other OECD countries, on three pillars: social security, mandatory occupational pension schemes and private life insurance policy. We give here a short account of the system to identify if they either are DC system (defined contribution) or of any other type. If the pension scheme is a DC system the pension wealth (technical reserves) should be (easily?) available. If the system is either DB (defined benefit) and/or PAYG system estimates of pension wealth are hard and more difficult to get and might not be included in the calculated total wealth variable. The three pillars consist of:

1. A rather new social security system (enacted 1999 and it will successively phase out the previous system) consists of two DC system and one DB (PAYG) system for basic pensions. One, the income pension, has been called a notional defined contribution (NDC) PAYG system and the other, the premium pension, is a funded DC system. Individual accounts have been set up to record how much each individual contributes to the two latter systems. The accounts in the NDC system are notional in the sense that contributions are not accumulated in individual funds, but used to pay today’s pensions. The premium pension system works as a private premium savings scheme or savings in a mutual fund with individual accounts and it is compulsory in the social security system.
2. Private employer-based occupational pensions in Sweden comprise of four different schemes: for white and blue collar workers and for government and local government employees. All these four schemes has either been transformed or are under transformation to DC system from previously in various degrees been DB system.
3. Since the early 1950s, Swedish tax law has classified private life insurance policy as either private pension insurance annuity plans (*privat pensionsförsäkring*) or endowment

insurance (*kapitalförsäkring* and *kapitalpension*). Both private pension and endowment insurance are DC system.

The occupational pensions scheme are almost of DC type and private life insurance policies are definitely of DC type and data of technical reserves for these two variables are available on aggregate level. For the social security system there is one DC system with available data on individual and aggregated numbers of technical reserves. The NDC system is not funded, so strictly speaking no technical reserves exists and that might be a reason for not include this measure of pension wealth in LWS database. Still the Social Insurance Office calculates the (notional) debt of pension system to each individual so it is in fact possible to get an estimate on the notional pension wealth for each individual and of course the aggregate number. The numbers for the pension wealth are displayed in Table 3 together with the wealth portfolio according to Statistic Sweden's survey for 2002.

According to Statistic Sweden's survey for 2002, total net wealth for Swedish households amounted to SEK 3,000 billion. If the asset values for the technical reserves for savings in private pensions, occupational pensions and premium pension are added to the surveys wealth figure net wealth will increase with more than one trillion or with more than 1/3. Savings in these pensions schemes matters thus a lot. More than two millions Swedes saved and half a million receive pensions from private pension schemes 2005. About 90 percent of the labor force (approx. 4½ millions) takes part in the schemes for occupational pension and premium pension. Note also that pensions wealth (technical reserves) from the NDC income pension in the social security system is huge; SEK 5.7 trillion which is 1.9 and 2.4 times bigger than the net wealth for Swedish households and GDP for Sweden, respectively.

The high participation rate in these pension schemes indicates that if this extra trillion from the DC systems are added to the wealth for Swedish households then the wealth distribution among household might be more even. One previous Swedish study reports a median value of the ratio of pension wealth (for the three pillars) to total gross wealth (including pension wealth) of 80 percent, Andersson *et al.* (2002). It is an important task to find out what the possibilities are to include the mentioned variables in the Swedish wealth survey and in the LWS database. Whether the technical reserves for NDC income pension from the social security system should or ought to be included as wealth for the households is a question that has to be considered and discussed.

Adding pension wealth to the Swedish survey?

The obvious question is if data for pension wealth is available so it can be included in the Swedish survey and consequently in the LWS-SE. After discussion with officials from Statistic Sweden the tentative conclusion is that data for premium and income pensions from the social security system should be less hard to get hold of. Social Insurance Office has previously admitted to merge data from its register with Statistics Sweden's yearly cross-section wealth survey for research purposes.

Data for private and occupational pension schemes might be harder to get. Those schemes are run by private insurance company or company set up by employers' organization and trade unions. Statistic Sweden has previously discussed with these companies about adding individuals technical reserves to the wealth survey but the companies did not approve for different reason. As we see it there are two and not mutually exclusive options of how to go about:

Table 3 Household wealth 2002, current prices - based on Statistics Sweden's wealth statistics*

| | Billions SEK | Percent | |
|--|---------------------|--------------------------|---|
| | | Share of gross wealth | Asset parti- cipation rate, individuals |
| Owner occupied houses | 1,863 | 43.1 | 28.6 |
| Condominiums | 388 | 9 | 11.1 |
| Holiday homes | 272 | 6.3 | 7.5 |
| Farm property | 333 | 7.7 | 4.4 |
| Multi-dwelling property | 158 | 3.7 | 0.4 |
| Other real estate | 42 | 1 | 1.8 |
| Σ Non-financial assets | <u>3,057</u> | <u>70.7</u> | <u>42.8</u> |
| Bank deposit | 402 | 9.3 | 41.9 |
| Money markets funds | 47 | 1.1 | 6.2 |
| Other funds (inc. equity funds) | 273 | 6.3 | 47.9 |
| Listed shares | 260 | 6 | 24 |
| Bonds and other securities | 76 | 1.7 | 9.7 |
| Taxed insurance (endowment policy) | 107 | 2.5 | 11.8 |
| Other financial and non-financial assets | 102 | 2.4 | 2.1 |
| Σ Financial assets | <u>1,164</u> | <u>26.9</u> | <u>70.9</u> |
| Gross wealth | <u>4,323</u> | <u>100</u> | <u>78.4</u> |
| Educational loans | 146 | | 14.8 |
| Other loans | 1,177 | | |
| Debt | <u>1,323</u> | | <u>52.2</u> |
| Net wealth | 3,000 | | 87.6 |

Aggregate numbers

| | | Extended net wealth | Percent of extended net wealth to net wealth of the survey |
|---------------------------------------|-------|------------------------|--|
| Technical reserves of | | | |
| Private pension savings (PA1)** | 469 | 3,469 | 116 |
| Occupational pensions savings (PA3)** | 561 | 4,030 | 134 |
| SSW: DC Premium pension*** | 59 | 4,089 | 136 |
| SSW: NDC Income pension**** | 5,729 | | |

GDP 2002 = 2371 billions

* Statistics Sweden (2004)

** Financial accounts, Statistics Sweden, <http://www.scb.se>

*** The Social Insurance Office (2006), p 8-9

- Supporting Statistic Sweden in starting up a new discussion with the insurance companies of the possibilities to merge the individuals' technical reserves for pensions with the wealth survey.
- Rough estimates can be made about technical reserves for individuals for private and occupational pensions using the Swedish longitudinal database, LINDA - a tedious work with many hours in front of a computer. Previous Swedish studies report result of pension wealth for occupational and private pension savings.¹⁰

Ratio of financial wealth for LWS-based estimate to aggregate national balance sheets for Sweden

In table 5 results from a comparison of the LWS-based estimate with their counterparts in the aggregate national balance sheets of the household sector are displayed. The ratio between the two estimates (LWS to national balance sheets) for financial gross wealth for Swedish households ends up in 32 percent. This is a very low and unexpected number for a country with very rich sources of available wealth data. The low number of the ratio is caused by the fact that balance sheet items included in the national balance sheet that are not included in the wealth survey for Sweden and consequently not in the LWS-SE. In the national balance sheets is the value of tenant ownership rights in housing co-operatives¹¹ and technical reserves for savings in private and occupational pension schemes included. These variables are not included in the LWS survey and if these three variables are deducted from the national balance sheet the ratio will rise to 70 percent. If we also deduct the wealth for the non profit institutions serving household, a sector not included in the wealth survey, we end up with an estimate of 78 percent.

Our calculations are shown in the following table and the following numbers for the variables for 2002 are used: According to the balance sheet gross financial wealth for Swedish households amounted to SEK 3,000 billions (see Table 3), the value of tenant ownership rights and technical reserves for savings in private and occupational pension schemes amounted to SEK 1,456 billions and the value of wealth for non profit institutions SEK 160 billions. All figures in current prices. The total population amounted to 8,940,788 individuals and the average exchange rate SEK/Euro was 9.1627.

| | |
|--|--------|
| 1. Adjusted gross financial wealth, national balance sheet, EUR per capita | 18,610 |
| 2. LWS-SE gross wealth, per capita in euros (from table 5) | 12,943 |
| 3. Ratio (2/1), percent | 70 |
| 4. Wealth non-profit institutions, per capita in euros | 1,962 |
| 5. Ratio $\{2/(1-4)\}$, percent | 78 |

¹⁰ See Anderson *et al.* (2002) for estimate of the balance of occupational pension savings and Flood (2004) for private pension saving.

¹¹ The value of ownership rights in housing co-operatives is included in the value of non-financial assets in LWS database for Sweden. Housing co-operatives is included in the non-financial sector in the national balance sheet for financial accounts for Sweden as a liability and as an asset for the household sector.

5 Concluding remarks

According to the data in LWS database the net wealth for the Swedish households is among the lowest for the 10 countries that take part in the Luxembourg wealth studies. Another result from the analyses is that Sweden has the highest Gini-coefficient for the distribution of net wealth. We have argued that underreporting wealth items drive these two reported results. We also believe that most important must be the underreporting of pensions wealth.

Our calculations show that net wealth will increase by $\frac{1}{3}$ if *private and occupational pension wealth* and the wealth from the *premium pension saving* in the defined contribution system for social security are added. The extended total net wealth figure will be SEK 4 trillions and per capita wealth will increase by € 13,300. If the pension wealth in the notional defined contribution social security system also is added the per capita wealth will increase with € 70,000.

There are also other explanations behind the low figure for net wealth in Sweden. Two of them are that *education* and *health care* to large extents are financed by the tax bill. This means that parents do not need to save as much for the children's education and that the compulsory social health insurance system reduces the motives to save or to pay for a sick insurance policy. This may have an impact on the net wealth for household and one should bear this in mind when countries are compared with each other.

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