Statistics Canada / Statistique Canada

Do we have the data to understand household financial instability?

Panel Discussion
Policy Research Symposium

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What Statistics Canada offers now

➤ **Macroeconomic indicators**
- Quarterly release of aggregate household income, consumption, saving and wealth
  - Coherent national accounting framework covering all sectors
  - Rigorous standards ensure international comparability
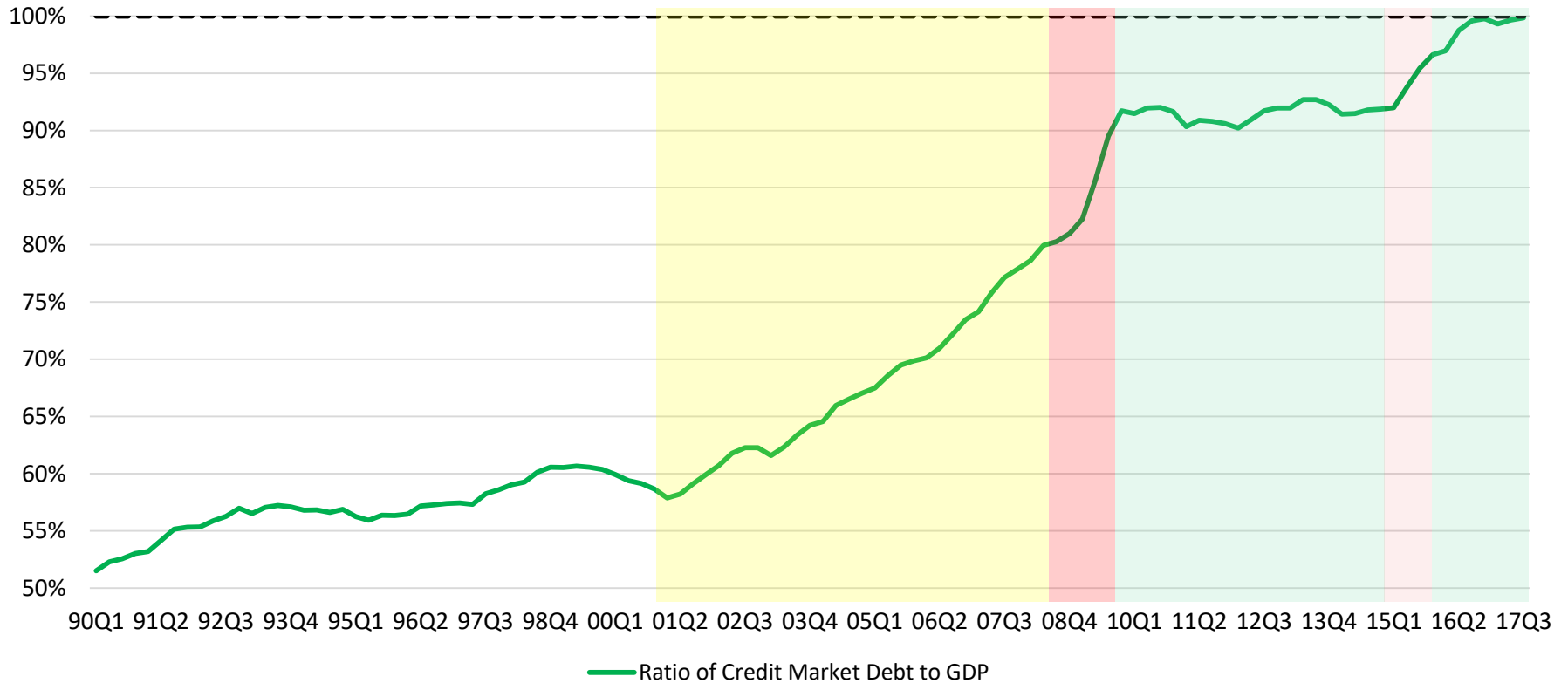
➤ **Micro-based sources**
- Broad range of household surveys and admin (tax) files
- Mostly annual surveys or tax (T1) based products
- Timely labour indicators (LFS, SEPH)

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Household Credit Market Debt

- Over the entire period 1990Q1 to 2017Q3

Household Credit Market Debt to GDP

Ratio of Credit Market Debt to GDP

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Household Sector Debt Indicators

- The ratio of credit market debt to disposable income increased by a percentage point to reach 171.1% in 2017Q3

Household Debt Indicators

Legend: Credit Market Debt to PDI (red) — Debt to Assets (green) — Debt Service Ratio (blue)

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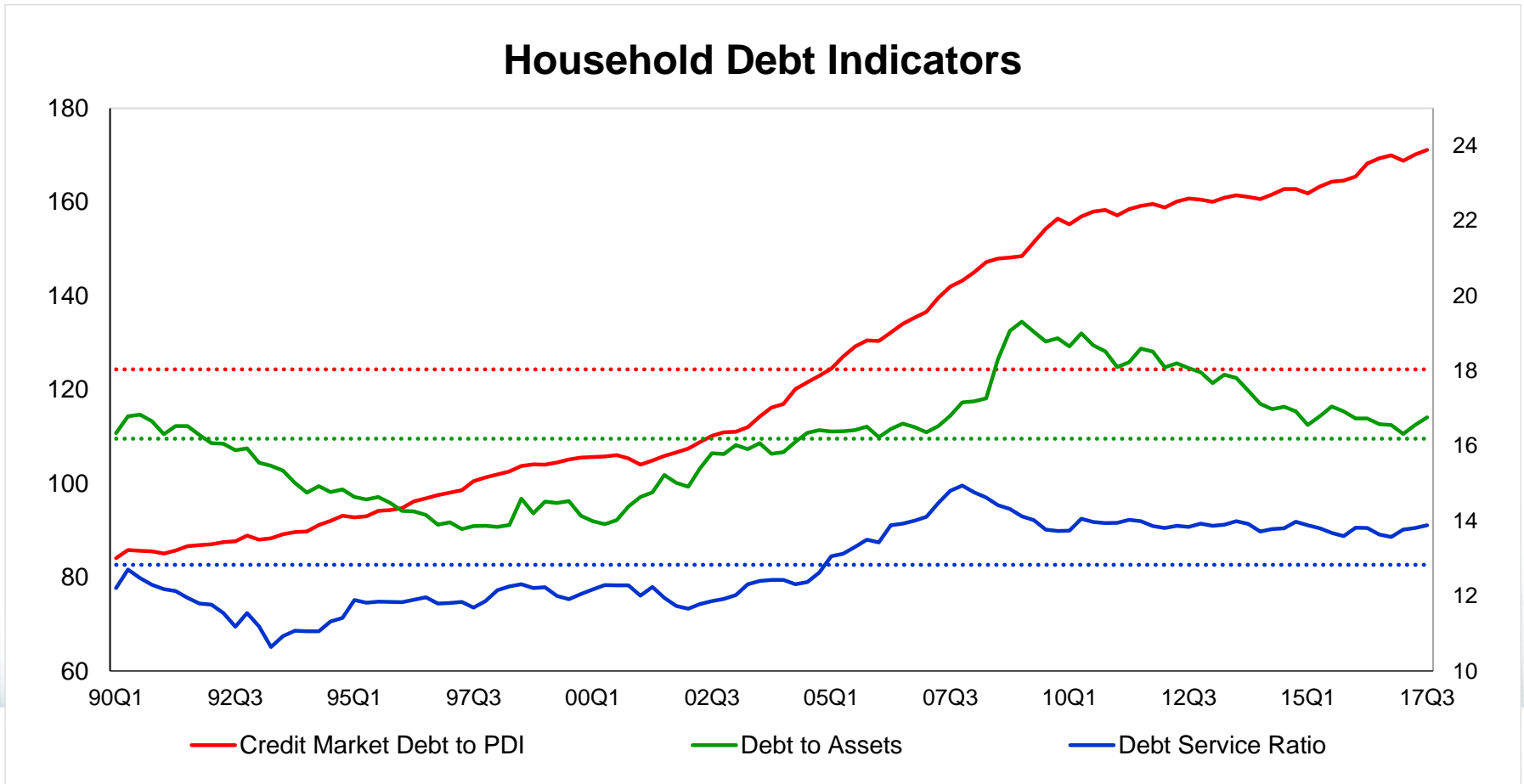
Further elaborating the aggregates…

> **Distributions of household economic accounts**

- Elaboration of macro stats with micro sources
- Income, consumption, saving and wealth by quintile and selected household characteristics
- Aligned with macro measures to highlight distributional impacts of economic developments

> Longer term vision for underlying "foundations" database at the household level, allowing maximum flexibility in analysis

Decomposing household saving

Net saving by income quintile, dollars per household, 1999 to 2016

Legend: National average, Q1, Q2, Q3, Q4, Q5
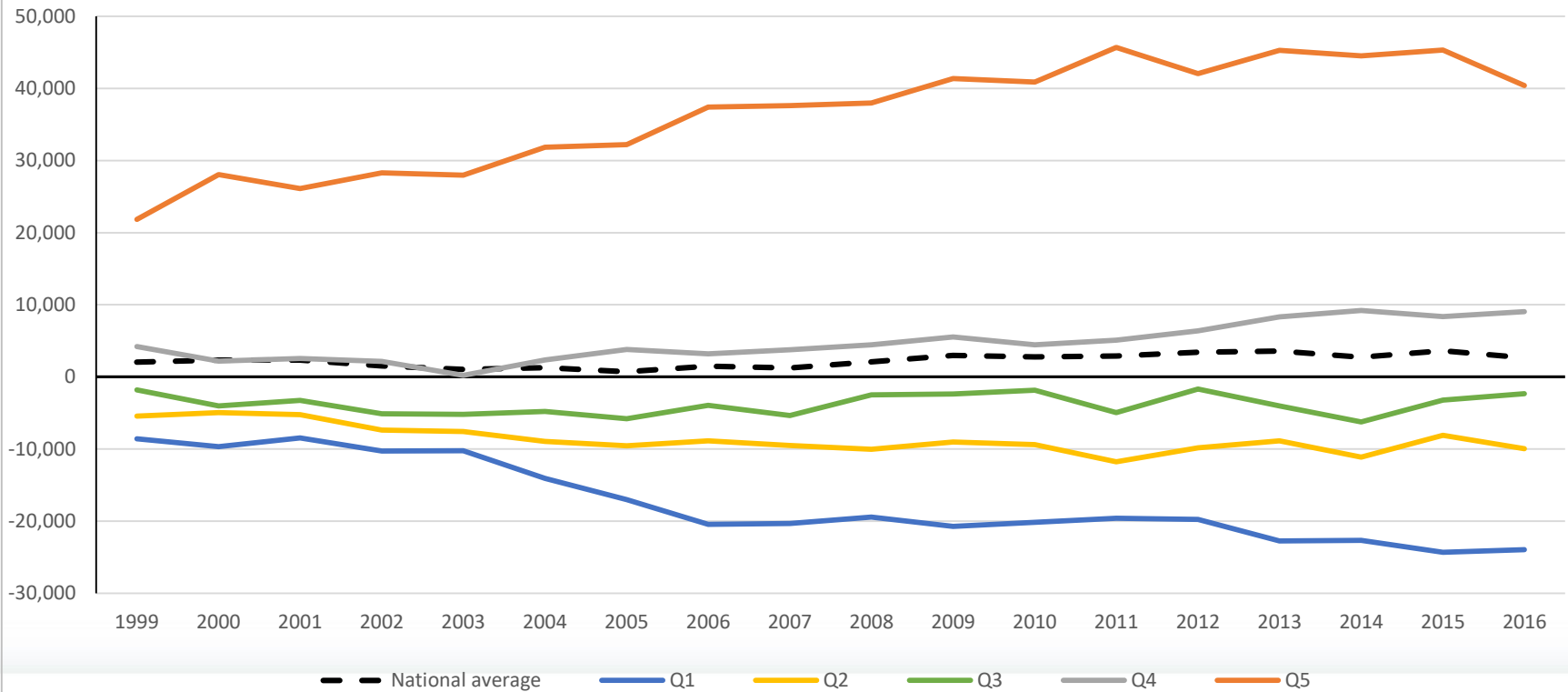
Is this enough?

➢ Existing sources lack sufficient granularity, depth and timeliness
- Financial instability cannot be understood "in aggregate"
- Real-time policy decisions require up-to-date information

Statistical challenges:
- Need innovative solutions to meet information demands
  - *Without* imposing new burden on increasingly reluctant respondents
  - *With* clear and credible guarantee of security and confidentiality
  - *While* maintaining or improving data quality

The new frontier…

Statistics Canada's modernization emphasizes leading edge methods to respond to information needs

- User-centric approach
- Acquisition of new admin sources emerging with digital economy
- Out-front techniques re 'big data' and record linkage
- Iron-clad data security and confidentiality

Example: Canadian Housing Statistics Program

***A pathfinder project in Statistics Canada's modernization initiative*:**

- Combines broad range of admin and survey sources in a comprehensive national database
  - Housing characteristics and property values
  - Corresponding financial obligations with detailed characteristics

- New insights into housing market and financial instability
- Potential for detailed stats at a low level of geography
  - December release focused on non-resident ownership in Toronto and Vancouver