

Asset Participation

Goal

The goal of this exercise is to become familiar with different types of assets in the LWS data and to compare asset participation of the elderly with the population as a whole.

Activity

Calculate participation in the three assets (deposit accounts, stocks, investment real estate, business assets/equity) for the total population, and the elderly population in Finland in 1998, Italy 2002 and Sweden 2002.

Use the information from your output and/or the documentation to answer the following questions:

1. In which country are households more inclined to have risky portfolios?

2. What happens to deposit accounts as the population ages?

Guidelines

- Use the *LWS Quick Reference Guide* to help you with the job submission.
- Identify the wealth variables needed to calculate the participation rates using the documentation to check whether each of these components exists in each of these countries.
- Create dummy variables for each of the wealth components to indicate that a household is holding a particular asset. Here is an example of the dummy generation:

```
dda = 0 ;
```

```
IF ((da > 0 ) OR (da = .)) THEN dda = 1 ;
```

- For business holdings, use the measure for business equity, if available. Otherwise, use business assets. In order to do this, you will need to check the country-specific documentation for the availability of business assets, business debt, and business equity.

- When measuring assets of the elderly population, define elderly households as those with a head or spouse 65 years of age or older.

Program

```
OPTIONS NONOTES NOSOURCE NOFMterr NODATE NONUMBER NOCENTER LABEL LS=max
PS=max ;
```

```
/**-----**/
/**  MACRO DECLARATION  **/
/**-----**/
```

```
%MACRO avg ;
  PROC MEANS DATA=tmp MEAN;
    &where ;
    VAR  dda dst dir dbe dba ;
    WEIGHT wgt ;
  RUN;
%MEND avg ;
```

```
%MACRO asset ;
  DATA tmp ;
  SET &&pi.w (KEEP=ctry wgt ageh ages da st ir ba be td nw1 nw2);
    dda = 0 ;
    IF ((da > 0 ) OR (da = .)) THEN dda = 1 ;
    dst = 0 ;
    IF ((st > 0 ) OR (st = .)) THEN dst = 1 ;
    dir = 0 ;
    IF ((ir > 0 ) OR (ir = .)) THEN dir = 1 ;
    dbe = 0 ;
    IF (be > 0 ) THEN dbe = 1 ;
    dba = 0 ;
    IF (ba > 0 ) THEN dba = 1 ;
    eld = 0 ;
    IF ((ageh>=65) OR (AGES >=65)) THEN eld = 1 ;
  RUN;
  TITLE1 "Country: " &pi ;
  TITLE2 "TOTAL POPULATION";
  %LET where = ;
  %avg ;
  TITLE2 "ELDERLY";
  %LET where = WHERE (eld = 1) ;
  %avg ;
%MEND asset;
```

```
/**-----**/
/**  START PROGRAM  **/
/**-----**/
```

```
%LET pi=fi98;
%asset
%LET pi=it02;
%asset
%LET pi=se02;
%asset
```

Results

Total population	Finland 1998	Italy 2002	Sweden 2002
Deposit Accounts	<i>90.7</i>	<i>80.7</i>	<i>58.5</i>
Stocks	<i>32.9</i>	<i>10.1</i>	<i>36.3</i>
Investment Real Estate	<i>26.9</i>	<i>21.8</i>	<i>13.6</i>
Business Assets/Equity	<i>---</i>	<i>15.5</i>	<i>7.5</i>

Elderly Population 65+	Finland 1998	Italy 2002	Sweden 2002
Deposit Accounts	<i>88.4</i>	<i>72.9</i>	<i>70.2</i>
Stocks	<i>28.9</i>	<i>6.1</i>	<i>35.8</i>
Investment Real Estate	<i>29.9</i>	<i>19.5</i>	<i>14.6</i>
Business Assets/Equity	<i>---</i>	<i>4.7</i>	<i>8.3</i>

Comments

- Finland has a higher proportion of investments in stocks and real estate, but they also have a high investment in deposit accounts. In Sweden, investment is also high, but deposit accounts are lower, which suggests a portfolio with a riskier balance.
- Except in Sweden, deposit accounts are lower, suggesting a spending of funds as individuals age. In Sweden, however, deposits rise after 65, which may mean healthy retirement programs and/or a decrease in spending in later years