

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.

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:

```
gen dda=(da>0)
```
- 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

```
di "*** LWS BASICS - Exercise 21 ***"

foreach file in $fi98w $it02w $se02w {
display "`file'"
use ctry wgt ageh ages da st ir be ba using "`file'", clear
gen d_da=(da>0)
gen d_st=(st>0)
gen d_ir=(ir>0)
gen d_be=(be>0 & !mi(be))
gen d_ba=(ba>0 & !mi(ba))
gen eld= ( ageh>=65 | (ages>=65 & !mi(ages)) )
sum d_da d_st d_ir d_be d_ba [w=wgt]
sum d_da d_st d_ir d_be d_ba [w=wgt] if eld==1
}
```

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>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>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.