

Luxembourg Wealth Study Meeting
October 18, 2003
Levy Economics Institute
As Distributed

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October 18, 2003 – as distributed at Levy

Dear all:

It is almost mid-October and we are reporting back on our current status and plans for the LWS.

1. The LWS Balance Sheet Status Report (see attachment).

Although funding from the UK is not yet confirmed, the proponents are highly confident. Not counting the UK, we have so far raised about € 86,650, with six countries still actively negotiating funding. All 10 nations have clearance to send their data to LIS. As the report mentions, we hope for confirmation from the six with applications pending as early as next week. We feel that if 2 or 3 more join and pay the one-time fees, we will be able to carry out the project in great style. Even with one more announced country, we are ready to move forward. Note that data will be initially included only for the countries who have offered financial support for the project.

2. A DRAFT Position Announcement for the LWS Coordinator (see attachment)

The position will be advertised as soon as we have it approved. The person might start as early as January 2003 in Luxembourg. Your comments are most welcome. We will circulate the final proposal for the position once we have the approval to go ahead with the project.

3. The Agenda for the informal Levy meeting scheduled for 8:30 a.m. on Saturday, October 18 (see attachment).

At the end of the week the Levy Economics Institute is sponsoring a conference on wealth distribution trends. **The program is attached, but if you want to get the papers, you need to contact the Levy Institute. Watch for an announcement of the conference volume publication in the next LIS newsletter.** Many LWS proponents and participants will be there, as will many others interested in the project. We will use this occasion, as announced in July, for an informal LWS meeting and project assessment. This LWS meeting at Levy is informal and designed to both gather and share news and ideas. No one is or will be excluded from the list of participants.

4. Next steps

After Levy, we will get back to all of the participants from July, plus new interested parties from Levy, with full information about the LWS meeting at Levy and the next steps from our perspective. We will then be asking for volunteers for the steering committee; for final approval of the job position advertisement; and thus we plan to signal the beginning of our project. We welcome any and all input from all July participants and anyone else receiving this email.

Thanks to you all for your support.

We are almost ready to go,

Andrea and Tim

Luxembourg Wealth Study
Informal Meeting and Project Assessment
Levy Economics Institute
8:30 a.m. – 9:15 a.m.
Saturday, October 18, 2003

AGENDA

NOTE: The shuttle will depart at 8:00 a.m. Saturday from the Holiday Inn Hotel for the meeting, which will begin at 8:30 a.m. SHARP.

1. Review of project and status (prior to this meeting, please review the documents from July – there will be no time to review all of this material during the meeting)
2. Next steps.
3. Hiring a staff person.
4. Appointing a steering committee (one per paying nation; Tim, Andrea, and Thierry Kruten, ex officio)

LWS Balance Sheet – Status Report

A. Confirmed Contributions (in euros) as of 18 October 2003. Basic requested amount was €20,000 over two years, 2004-2005. See C. and D. below for greater clarification.

Country	Amount
Canada* (CN\$30,000)	€19,400
Cyprus** (€10,000 requested)	Application pending
Finland	Application pending
France	Application pending
Germany	€25,000
Italy*	€25,000
Netherlands	Application pending
Sweden	Application pending
UK	Application pending
US (US\$20,000)	€17,250
Total	€36,650

B. Amended Budget 2004-2005

1. Full-time researcher for two years at 40-45,000 euro per year	80-90,000
2. Mandatory social charges (11.72%)	9,376-10,548
3. Academic consultants (as need or for advisory board travel if not supported, second meeting of advisory board, etc.)	15,000
4. One conference in 2005 (no travel) (plus more to be raised)	10-20,000
5. Preparation of final report; editing and publication	5-10,000
6. Incidentals (including travel for the researcher; data providers; LIS variable costs; phone, paper, fax, mail, etc.; office and computing provide by LIS)	15-20,000
TOTAL	€134,376-165,548

C. Bottom Lines:

1. All countries shown here have been contacted and are actively seeking, or have already found, funding.
2. All countries listed are able to provide data to LIS.
3. With up to 8 countries, we could use the extra money to make our lives and that of our researcher easier. Also, other costs will rise as the number of countries expands to 8 or 9. We need at least 2 more countries to go ahead; we are hoping for 8 or 9, which would be a very nice opening number. We will get there I hope.

D. Notes

*Italy will also pay for a Fall 2004 first meeting of the LWS in Italy; Canada may host a subsequent meeting in 2005 or 2006.

**Cyprus is a small country; according to LIS practice, we will admit them if they can raise €10,000, half of the basic amount.

DRAFT POSITION POSTING
Wealth Study Coordinator for the Luxembourg Income Study
Major international research organization staff opening

The Luxembourg Income Study a.s.b.l. (LIS) seeks a person to join its research team in Luxembourg to work on a new project, the Luxembourg Wealth Study (LWS). This will be a two-year appointment to begin on or about 1 January 2004. LIS is a non-profit organization promoting cross-national research on poverty, income inequality and social policy by collecting household data on income and demographic characteristics in 30 industrialized, transition and some developing countries. These datasets are harmonized in order to improve cross-national comparability and made available to the international research community through an Internet-based remote access system. More than 400 academic researchers currently use the LIS database worldwide.

The main aims of the new Luxembourg Wealth Study are the construction of a cross-national comparable dataset on the basis of existing asset data, which will eventually be made available in the same manner as the LIS database; the establishment of a network of producers of micro-data on household worth in order to share accumulated knowledge and exchange information on best practices; the production of guidelines for data producers (similar to the *Canberra Handbook* for income statistics); and, the production of a set of comparative studies on household savings and their allocation, portfolio composition, wealth distribution, etc. on the basis of the newly constructed LWS cross-national comparable dataset. It is anticipated that the LWS project will be ongoing and permanent. The set-up phase is expected to last two years and will end with the publication of a preliminary set of comparative studies. Once established, the LWS archive will be regularly updated and revised.

The LWS coordinator will be responsible for the preparation of the database and the implementation of the research activities of the project. This new position will involve coordinating, adapting and helping process new survey data on wealth as received from statistical offices or other data providers. Initially, six to eight nations are expected to enroll in the LWS. Travel to many of these countries to coordinate data transfer and variable construction will be expected. The position will also entail assembling documentation on different aspects of the LWS database: technical and survey documentation, variable description and content, relationship to national aggregates, etc. The coordinator will be expected to field technical, statistical and general inquiries pertaining to LWS. Knowledge of one or more of the major statistical packages such as SPSS, SAS, and/or STATA is essential. The position will also allow the coordinator access to the LWS data and the chance to publish from it. Lastly, the coordinator will be expected to help organize one or two conferences that will emerge from this work. The successful candidate will work directly under the supervision of LWS project co-leaders Professor Timothy Smeeding (Syracuse University, USA and LIS project Director) and Mr. Andrea Brandolini (Bank of Italy), as well as under the oversight of the LWS steering committee.

The ideal candidate will have a Masters or Ph.D. in economics, statistics, or another social science and experience working with large survey micro datasets. Experience with wealth or asset data is a definite plus, as is experience using the LIS data. Since the working language of the project is English, good knowledge of spoken and written English is necessary; proficiency in other European languages, especially French, is highly desirable. Candidates should have strong quantitative skills and they should be able to work closely with the rest of the LIS team in a cooperative way. It will also be possible to carve out areas of individual research within the range of the Project's goals and therefore LIS-related research is encouraged.

A two-year temporary contract will be offered. Salary will be based on experience and qualifications. LIS is an equal opportunity / affirmative action employer, working under the laws of the government of Luxembourg. The search will remain open until the position is filled; however, priority consideration will be given to applications received by 15 November 2003.

To apply for this position, please send a letter of interest stating your qualifications, with the names and addresses (especially e-mail addresses) of three references, and curriculum vitae to:

Caroline de Tombeur, Administrative Assistant
Luxembourg Income Study, a.s.b.l.
17, rue des Pommiers
L-2343 Luxembourg City
LUXEMBOURG
caroline@lisproject.

II. Informal Report from the Levy Meeting October 18, 2003

Andrea Brandolini and Tim Smeeding

We met with about 20 people at the Levy Conference on Wealth Trends at Bard College Saturday morning, October 18th. The handouts from the meeting are enclosed.

A. The Meeting

We went over the program and plan and there were several comments.

1. Pay attention to various analytic aspects of questions by means of a series of 'white papers' on the state-of-the-art. Others had a series of analytical issues that could be profitably explored using the LWS. Suggestions include: equivalence scales for wealth; different national institutions for holding or transferring wealth (e.g., trusts; inheritance, tax treatment); measurement of pension wealth (public and private); business wealth, meaning and measurement; sampling strata and sampling design issues; use of integrated income and wealth or consumption and wealth surveys; macro-micro linkages in wealth—from surveys to national accounts or financial balance sheets; wealth sharing unit (household or person); incentives and subsidies for homeownership and net vs. gross housing wealth; the nature of debt and its distribution (e.g. zero wealth vs. debt vs. negative net wealth).
2. Technical documentation on LWS website (—and presto, the LIS staff has complied—go to: <http://www.lisproject.org/lws.htm> for any documents you might be missing!)
3. Link to cohort studies: SHARE, ELSA and HRS researchers (—will be done!)

There followed a discussion of whether to move forward or not. We have 4 nations committed and over 86,000 euros now guaranteed from these 4 countries, with a total of 6 more looking for funding. Many felt we ought to definitely move forward; no one said this was a bad idea or that we should not go forward.

B. The Aftermath

Tim and Andrea met with Anders Klevmarken, Arthur Kennickell, Rene Morissette, Richard Hauser and Markus Jantti after the morning meeting. These represent the nations that are committed or are expected to become committed who were at the meeting.

We decided the following in the aftermath:

1. We will go ahead and begin LWS. We feel there is more than good chance of funding from Finland and the United Kingdom, and a medium chance for Sweden and the Netherlands; even Cyprus and France have still a good chance to join. We are independently pursuing these funding opportunities with each nation and are hopeful they will join.
2. We will circulate the advertisement for the position of the LWS Coordinator (see other attachment) on November 1st. Therefore we appreciate comments as soon as possible on the position announcement.
3. There will be three meetings of the steering committee (plus everyone else who wants to join at their own expense). These will be March 11, 2004 in Luxembourg (to meet the new employee and map out the project); Fall 2004 in Italy (mid-point meeting and conference of two days); and a final conference in 2005. Those who would need to be at the meeting are one member (or maybe two) per country included, who will make up the steering committee (plus Tim, Andrea and Thierry Kruten). Others—from participating countries as well as from countries that could join in the future—who have their own finance could also come. March next year will be a crucial meeting as we will decide the procedures to be followed in setting up the first LWS database, and the topics of the white papers, with money to pay for them if financing goes as planned.

Thus we are announcing that the project will begin—with still some financial uncertainty, but with the LWS train leaving the station—and hoping that more than the four nations which have already committed will get on board.