

Statistical bulletin

National balance sheet estimates for the UK: 2021

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.



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1 . Main points

- The UK's net worth was revised upwards by £0.2 trillion since the preliminary estimate, to £10.7 trillion in 2020, an average of £159,000 per person.
- Growth in the UK's net worth was revised up by 0.6 percentage points to 5.0% in 2020 since the preliminary estimate; this surpassed the post-2008 global economic downturn average growth of 4.3%.
- Households' net worth grew to £11.2 trillion, at a rate of 8.4%, this was a marginal 0.1 percentage point below the pre-2008 global economic downturn average growth, driven by increases in land value, defined benefit pension schemes and bank deposits.
- General government net worth fell by £445 billion in 2020, this is the largest fall on record owing to decreases in financial net worth.
- Financial net worth increased by £63 billion in 2020, compared with 2019. Although net worth remains negative by £0.5 trillion, it is the first time since 2016 that net worth has increased.

This bulletin updates and replaces the [preliminary estimates](#) for 2020, published in April 2021.

2 . UK net worth

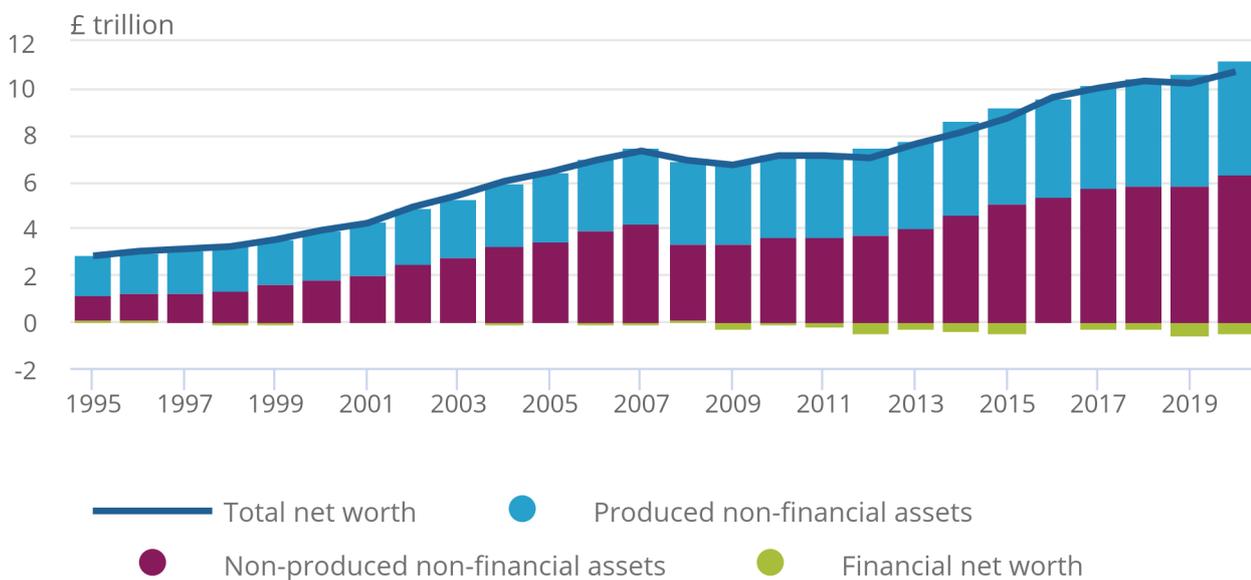
Following the slight fall in 2019, the UK's net worth grew by £0.5 trillion to £10.7 trillion in 2020. This ---was the strongest growth since 2016, predominantly driven by an increase in the value of non-produced assets which almost entirely consist of land.

Figure 1: UK's net worth increased to £10.7 trillion in 2020

UK net worth, current prices, 1995 to 2020

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UK net worth, current prices, 1995 to 2020



Source: Office for National Statistics – National balance sheet

Notes:

1. The components of net worth may not always add to the total because of rounding.

Growth in net worth was 5.0% in 2020, 0.7 percentage points above the post-downturn average growth of 4.3%. Both non-produced and financial assets made large contributions towards the UK's growth in net worth during 2020 at 78.8% and 12.5%, respectively. This was also the first time that net financial assets made a positive contribution to the UK's net worth since 2016. Produced assets grew by 0.9% in 2020, which was the weakest growth since 2010, and accounted for 8.7% of the growth in the UK's net worth.

Figure 2: Non-produced assets drove the growth in net worth in 2020

Contributions to growth in UK net worth by asset, current prices, 1996 to 2020

Source: Office for National Statistics – National balance sheet

Notes:

1. The components of net worth may not always add to the total because of rounding.

3 . Household net worth

Household net worth grew to £11.2 trillion in 2020, an increase of 8.4%. This was the second highest growth since the 2008 global economic downturn and, notably, was marginally below the pre-downturn average growth rate of 8.5%.

Land contributed to 40.1% of growth in households' net worth, which was driven by a 7.3% increase in average house prices. This rise was likely to have been affected by the reduction in [stamp duty rates](#).

Similarly, "insurance, pension and standardised guarantee schemes" accounted for 39.7% of the growth in households' net worth, and has been revised up since the [preliminary estimate](#) because of [methodological changes](#) included in Blue Book 2021. This growth was mainly driven by the increase in the value of defined benefit pension schemes, which resulted from historically low [gilt yields](#).

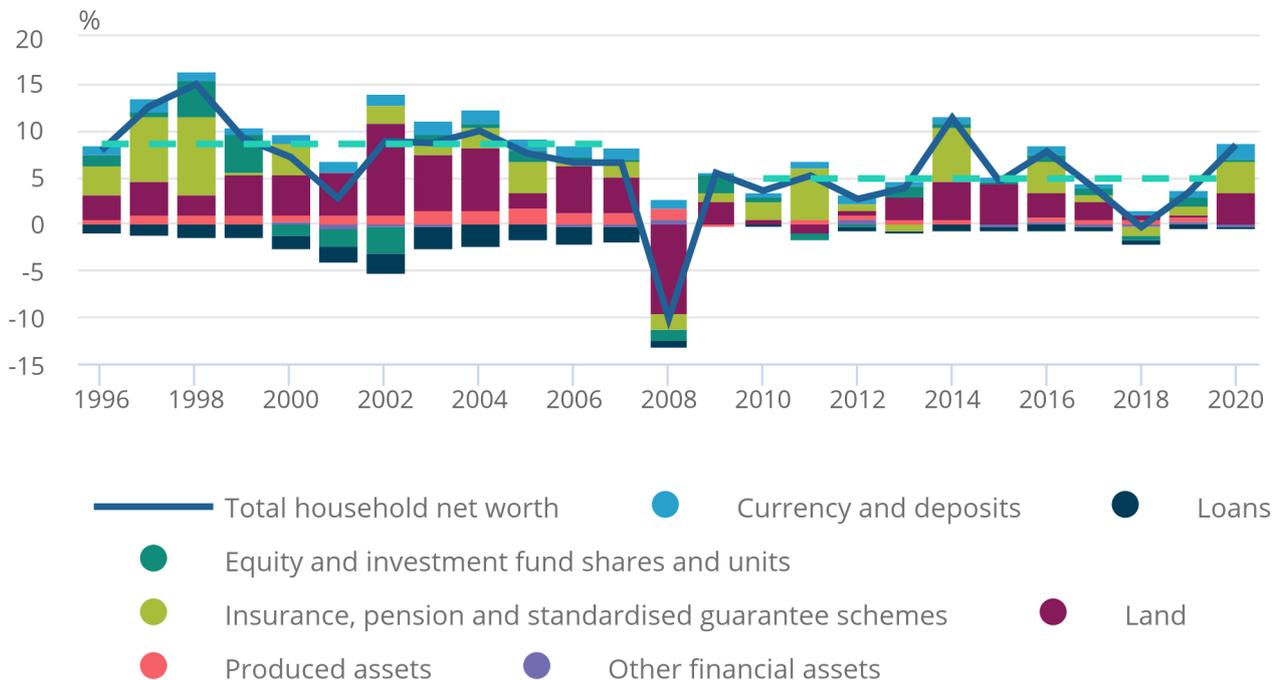
"Currency and deposits" contributed 21.5% of the growth in households' net worth. Increases in bank deposits were consistent with a sharp increase in the [household savings ratio](#), which reached its highest level on record in 2020.

Figure 3: Land and pension schemes were the largest contributors to growth in households' net worth in 2020

Contributions to growth in UK households' net worth, current prices, 1996 to 2020

Figure 3: Land and pension schemes were the largest contributors to growth in households' net worth in 2020

Contributions to growth in UK households' net worth, current prices, 1996 to 2020



Source: Office for National Statistics – National balance sheet

Notes:

1. The components of household net worth may not always add to the total because of rounding.

4 . General government net worth

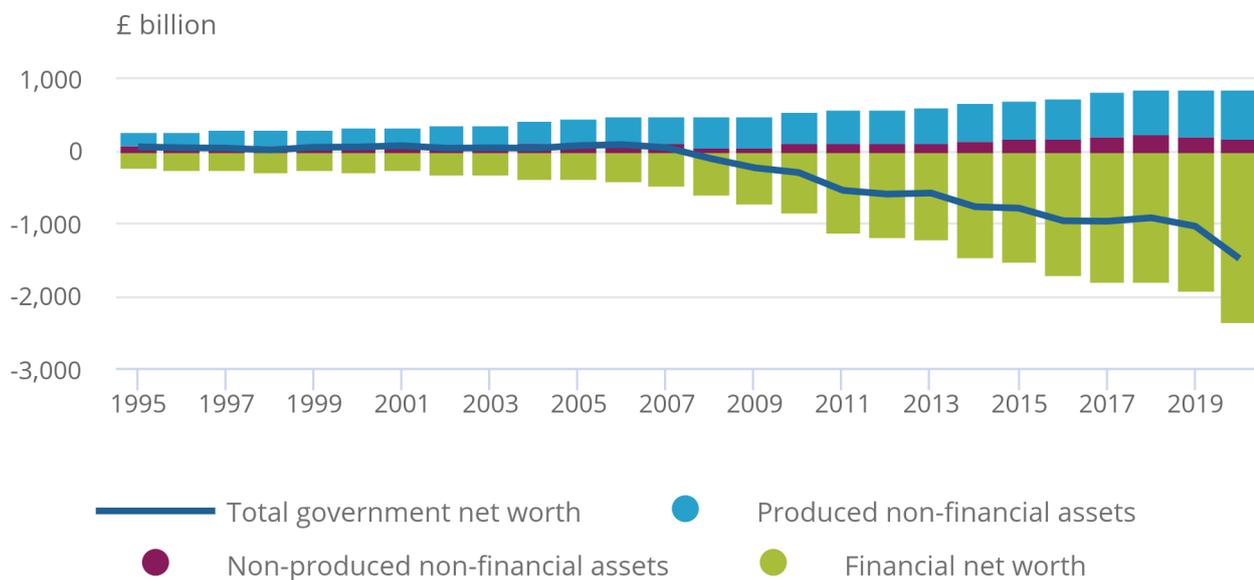
General government net worth fell by £445 billion in 2020 to minus £1,494 billion, the largest annual fall recorded. Government financial liabilities increased significantly and were consistent with the increases in current government expenditure because of the coronavirus (COVID-19) pandemic.

Figure 4: Government net worth fell by £445 billion in 2020

UK general government total net worth, current prices, 1995 to 2020

Figure 4: Government net worth fell by £445 billion in 2020

UK general government total net worth, current prices, 1995 to 2020



Source: Office for National Statistics – National balance sheet

Notes:

1. The components of government net worth may not always add to the total because of rounding.

5 . Financial net worth

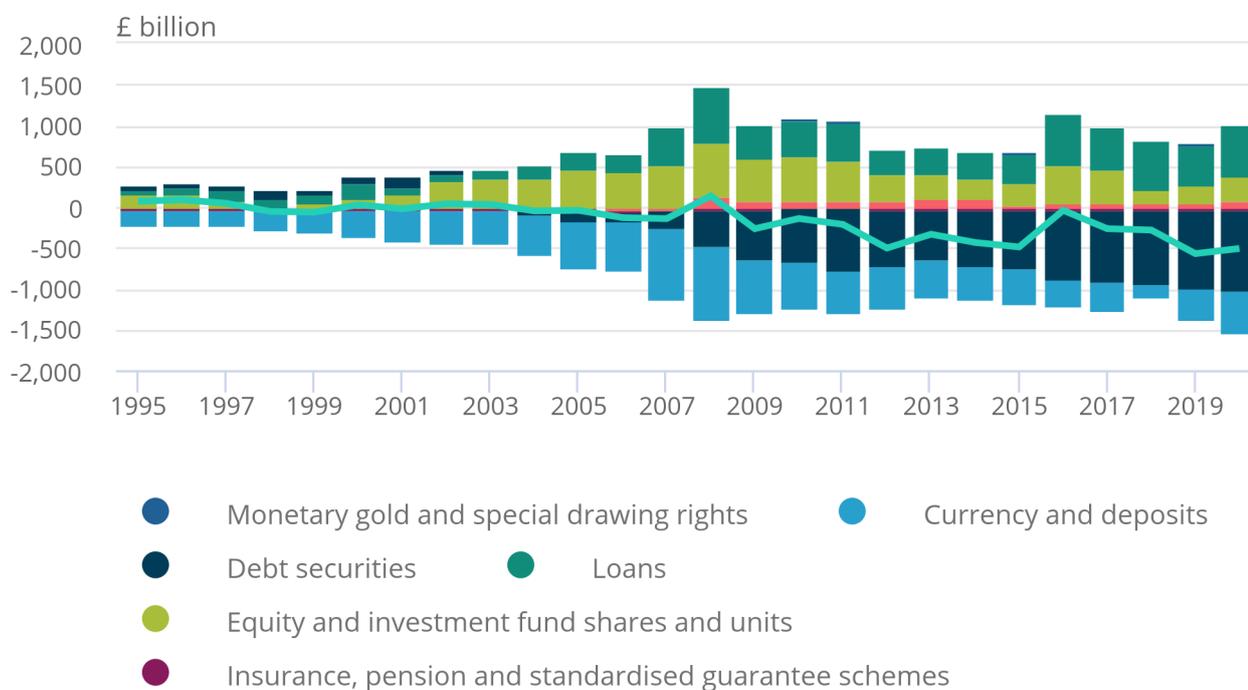
The UK's financial net worth increased by £63 billion. This remained negative at minus £0.5 trillion in 2020, meaning the value of the UK's financial liabilities continued to exceed the value of financial assets. This was the first time UK financial assets increased more than financial liabilities since 2016 and have therefore made a positive contribution to growth in the UK's net worth. This was mainly attributed to greater overseas bank deposits and loan contracts with UK banks. The factors that would have contributed to this include: the availability of financial support for businesses, cheaper forms of funding, changes in demand and reluctance to spend because of the uncertainty during the coronavirus (COVID-19) pandemic.

Figure 5: UK financial net worth remained negative but showed modest growth in 2020

UK financial net worth, current prices, 1995 to 2020

Figure 5: UK financial net worth remained negative but showed modest growth in 2020

UK financial net worth, current prices, 1995 to 2020



Source: Office for National Statistics – National balance sheet

Notes:

1. The components of financial net worth may not always add to the total because of rounding.

6 . UK national balance sheet estimates data

[The UK national balance sheet estimates](#)

Dataset | Released 2 December 2021

Annual estimates of the market value of financial and non-financial assets for the UK, including by sector and asset.

[The UK national balance sheet time series](#)

Dataset | Released 2 December 2021

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

7 . Glossary

Balance Sheet

This is a statement, drawn up for a particular point in time, of the values of assets economically owned and of liabilities owed by an institutional unit or group of units.

A balance sheet is drawn up for resident institutional sectors and subsectors, the total national economy and the rest of the world.

The balance sheet completes the sequence of accounts, showing the ultimate effect of the entries in the production, distribution and use of income, and accumulation accounts on the stock of wealth of an economy.

Net worth

This is the balancing item of a balance sheet and shows the value of assets owned, less the value of all outstanding liabilities.

Financial net worth

The balancing item of financial assets and liabilities is called financial net worth.

Produced non-financial assets

These are outputs from production processes with a lifespan of more than a year (for example, buildings and machinery), which contribute to the production of goods and services, without being completely used up or transformed in the process.

Non-produced non-financial assets

These are economic assets that come into existence other than through processes of production.

Financial assets and liabilities

These are economic assets, comprising all financial claims, equity and the gold bullion component of monetary gold. Liabilities are established when debtors are obliged to provide a payment or a series of payments to creditors.

General government

General government consists of central and local government.

8 . Measuring the data

User group

We aim to continuously improve the quality and relevance of our national statistics and are reviewing the sources and methods used to estimate series in the national balance sheet. As part of the process we would like to establish a user group to keep users informed of our progress and give them the opportunity to share their views and requirements.

If you would like to be involved in the user group, please email capstocks@ons.gov.uk.

National balance sheet

The national balance sheet is a measure of the wealth, or total net worth, of the UK. It shows the estimated market value of financial assets and non-financial assets. The data are used to monitor economic performance, to inform monetary and fiscal policy decisions and for international comparisons.

The components of net worth can be roughly categorised as produced assets, non-produced assets and net financial assets. Non-produced assets are land. Produced assets are either inventories or net capital stocks in current prices, which include:

- dwellings
- other buildings and structures
- machinery, equipment and weapons
- intellectual property products
- cultivated assets

Net financial assets include:

- monetary gold and special drawing rights
- currency and deposits
- debt securities
- loans
- equity and investment shares
- insurance, pension and standardised guarantee schemes
- financial derivatives and employee stock options
- other accounts receivable or payable

The national balance sheet is compiled following international guidance from the UN's [system of national accounts \(SNA\) 2008](#). The SNA defines an asset as a product with a store of value representing a benefit or series of benefits, which accrue to the economic owner by holding or using the entity over a period of time. Assets are also a means of carrying economic value from one period to another. All assets are "economic" assets, they must have an owner and there needs to be risks associated with producing and holding these assets. Therefore, they exclude human capital, natural capital and household durables.

All data referring to net worth in this bulletin are annual estimates at current prices and include changes in prices, as well as in the volume of assets. These data use market value, which is an estimate of how much these assets would sell for if sold on the market today.

Annual growth rates are calculated as compound annual growth rates.

References to the pre-downturn period refer to the years 1995 to 2007, while the post downturn period refer to the years 2009 to 2020.

9 . Strengths and limitations

Data in this publication for 2020 have been revised since the [preliminary estimate](#) as new data sources were available at the time of this publication. Revisions to non-produced assets are because of revised estimates from the House Price Index, the Valuation Office Agency and new company annual reports. Revisions to produced assets are explained in the net [capital stock and consumption of fixed capital](#) release. Revisions to net financial assets estimates are because of introducing the financial services survey (FSS), wealth and asset survey (WAS) and the financial survey of pension schemes (FSPS). [Further information](#) is available.

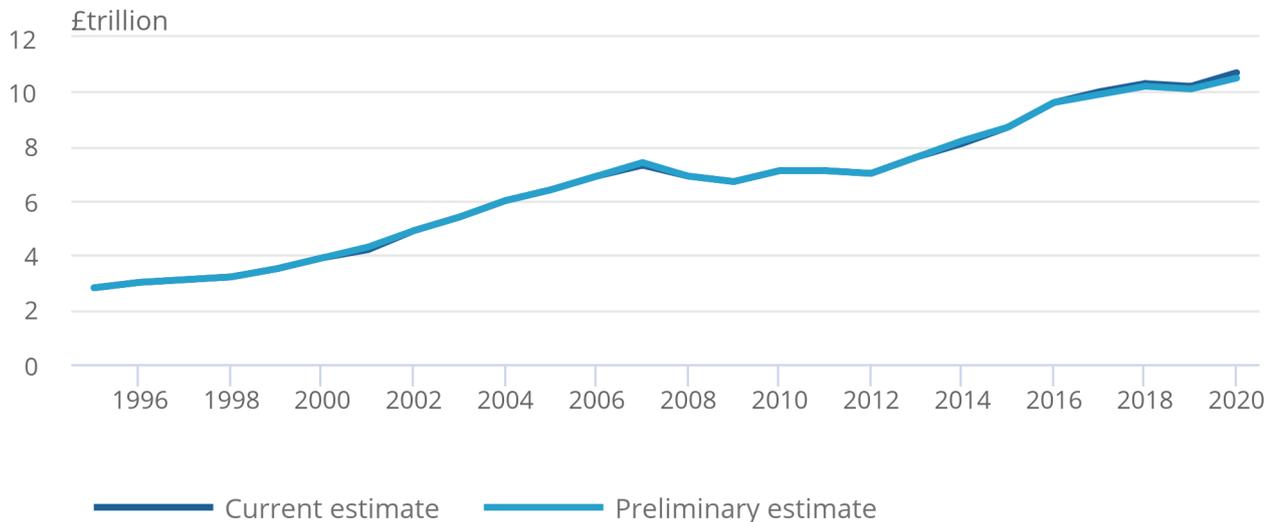
Compared with the preliminary estimate, net worth has been revised upwards by £0.2 trillion in 2020.

Figure 6: UK net worth in 2020 was revised up mainly because of revisions to financial assets

Revisions to UK net worth estimates, current prices, 1995 to 2020

Figure 6: UK net worth in 2020 was revised up mainly because of revisions to financial assets

Revisions to UK net worth estimates, current prices, 1995 to 2020



Source: Office for National Statistics – National balance sheet

More information on the strengths and limitations of the data can be found in the [National balance sheet QMI](#).

10 . Related links

[The national balance sheet and capital stocks, preliminary estimates, UK: 2021](#)

Bulletin | Released 29 April 2021

Preliminary annual estimates of the nation's net worth, by type of financial and non-financial asset for the UK. Includes estimates of produced assets used in the production process and their loss of value over time.

[Capital stocks and fixed capital consumption, UK: 2021](#)

Bulletin | Released 25 November 2021

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

[UK National Accounts, The Blue Book: 2021](#)

Compendium | Released 29 October 2021

National accounts statistics including national and sector accounts, industrial analyses and environmental accounts.

[Quarterly sector accounts, UK: April to June 2021](#)

Bulletin | Released 30 September 2021

Detailed estimates of quarterly sector accounts that can be found in the UK Economic Accounts (UKEA).

Economic statistics governance after EU exit

Following the UK's exit from the EU, new governance arrangements are being put in place that will support the adoption and implementation of high-quality standards for UK economic statistics. These governance arrangements will promote international comparability and add to the credibility and independence of the UK's statistical system.

At the centre of this new governance framework will be the new National Statistician's Committee for Advice on Standards for Economic Statistics (NSCASE). NSCASE will support the UK by ensuring its processes for influencing and adopting international statistical standards are world-leading. The advice NSCASE provides to the National Statistician will span the full range of domains in economic statistics, including the National Accounts, fiscal statistics, prices, trade and the balance of payments and labour market statistics.

[Further information.](#)