

Matti Imanen • M.Sc. (Econ.) • Helsinki School of Economics and Business Administration

Matti Keloharju • Professor • Helsinki School of Economics and Business Administration

Shareownership in Finland

This study documents patterns in the ownership of Finnish shares in the beginning of 1997 and changes in these patterns in 1995 and 1996. It utilizes a unique database which consists of the shareholdings of approximately half a million individuals and institutions. The data originate from the Finnish Central Securities Depository (FCSD) which keeps track of the registered shareholdings of all Finnish investors having invested in the stocks represented in FCSD. Practically all major companies have joined the register, and it covers 97% of the total market capitalization of Finnish stocks.

Our main findings are as follows:

* 10.5% of Finnish males and 8.1% of females own shares directly. Males own 63% and females 37% of individuals' combined investment wealth. The median investment wealth for individuals who own shares is 8,100 FIM whereas the mean is ten times as large as that, 82,900 FIM.

* Investment wealth tends to be concentrated to the more senior citizens. Investors who are at least 65 years old own 31% and those between 45 and 64 years 46% of individuals' total investment wealth.

* There are substantial differences in investment wealth per inhabitant figures across provinces. The largest average investment wealth per inhabitant figures are in Ahvenanmaa, 33,900 FIM, and in Uusimaa, 16,000 FIM (in Greater Helsinki Area 20,000 FIM). The national average is 7,700 FIM.

* The Swedish-speaking minority is much wealthier than the Finnish-speaking majority: the average investment wealth of Finnish-speaking Finns owning stocks, 69,700 FIM, is less than one-third of the investment wealth of Swedish-speaking Finns owning stocks, 221,100 FIM.

* The richest 0.1% of individual investors owns 22.4% and the richest 1% 46.0% of the total investment wealth of individuals. Individuals' ownership became more concentrated in 1995 and 1996.

* Most investors hold poorly diversified portfolios: only 7.8% of individuals and 17.1% of institutions hold at least five stocks in their portfolio. The average number of stocks held is 2.0 for individuals and 3.0 for institutions.