

The wealth and poverty of households

A micro perspective on investment diversification in secondary towns in the early modern Low Countries

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Introduction

Commercialization & monetization

Financial markets

Consumerism



Household perspective



Polarization?

Asset management

Real estate

Cash & hoarding

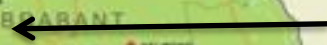
Financial assets



Maassluis



Oirschot



Aalst



Percentage of inventoried households with ownership of real estate

	Maassluis	Aalst	Oirschot
<i>Home</i>			
1650-1700	36	72	12
1700-1750	52	66	26
1750-1800	43	62	46
Total	43	66	33
<i>Multiple houses</i>			
1650-1700	32	38	4
1700-1750	27	37	6
1750-1800	39	25	7
Total	34	37	6
<i>Land</i>			
1650-1700	16	44	17
1700-1750	15	35	41
1750-1800	19	24	62
Total	17	35	46

**Percentage of households with cash & average value per 'monetised' household
(in guilders).**

	<i>% Households</i>			<i>Average value per household</i>		
	Maassluis	Aalst	Oirschot	Maassluis	Aalst	Oirschot
1650-1700	53	53	24	671	311	232
1700-1750	62	67	4	1,233	872	113
1750-1800	89	77	13	1,623	470	275
Total	71	66	13	1,309	638	243

Percentage of inventoried households with silver or gold possessions over time.

	Maassluis	Aalst	Oirschot
1650-1700	69	69	28
1700-1750	82	51	9
1750-1800	92	46	34
Total	83	54	27

**Percentage of inventoried households owning private financial instruments,
median of values per household (in guilders)**

	<i>% Households</i>			<i>Median of values per household</i>		
	Maassluis	Aalst	Oirschot	Maassluis	Aalst	Oirschot
1650-1700	38	63	9	1,475	988	
1700-1750	29	48	3	500	840	
1750-1800	61	44	3	1,100	1,500	
Total	46	49	4			

Note: The number of investments in Oirschot was too low to calculate median values

**Percentage of inventoried households owning public debt,
median of values per household (in guilders)**

	<i>% of households</i>		<i>Median of values per household</i>	
	Maassluis	Aalst	Maassluis	Aalst
1650-1700	10	18	925	1,400
1700-1750	21	18	645	3,826
1750-1800	59	16	833	2,058
Total	34	17	800	2,292

Note: The number of investments in Oirschot was too low to calculate median values

Conclusions (1)

- Conditions for investment diversification
 - Labour specialisation / commercialisation
 - Monetisation
 - Income > basic needs => surplus savings
 - Sufficient investment opportunities
 - Personal preferences
 - Complementarity of markets
 - Portfolio diversification

Conclusions (2)

General trends 17th-18th century investments

1. Deepening monetisation // decline of credit economy (negative for lower social groups)
2. Hoarding replaced by investments in capital market
3. Capital markets
 - Declining interest rates – cheaper credit
 - Trend towards more globalised markets (positive for elite investors)