

HOUSEHOLD DISPOSABLE INCOME

Household disposable income is closer to the concept of income generally used in economics and is an important indicator of well-being and living standards. Ignoring changes in net worth that arise from capital transfers or holding gains, household disposable income can be seen as the maximum amount that households can afford to spend on consumption goods or services without having to reduce their financial or non-financial assets or to increase their liabilities.

Definition

Household disposable income is the sum of household final consumption expenditure and savings (minus the change in net equity of households in pension funds). It also corresponds to the sum of wages and salaries, mixed income, net property income, net current transfers and social benefits other than social transfers in kind, less taxes on income and wealth and social security contributions paid by employees, the self-employed and the unemployed.

The figures shown here for the household sector include the disposable income of non-profit institutions serving households (NPISH). The price deflator used to obtain real values is consistent with that used to deflate the final consumption expenditure of households and NPISH.

Comparability

Household disposable income is compiled according to the definitions of the 1993 *System of National Accounts*. There are, however, practical difficulties in measuring some income components, such as remittances. Data for Australia are based on the 2008 SNA but this has little impact on the comparability of household disposable income statistics shown here.

Overview

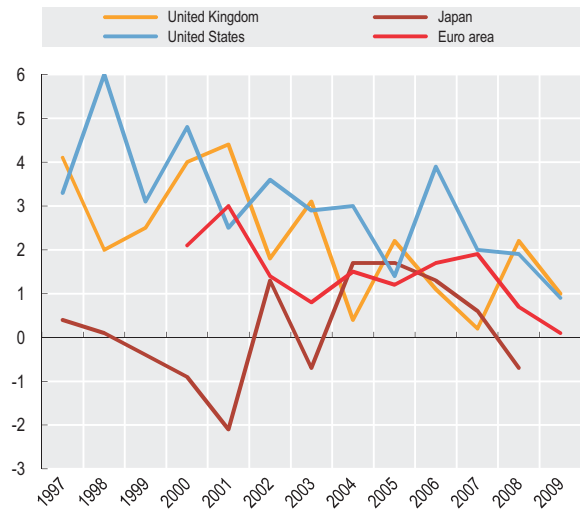
Over the period 2008-2010, household disposable income in real terms increased for all OECD countries with the exceptions of Hungary, Italy, Mexico and Denmark, where declines partly reflect significant falls in household disposable income in 2009. Of the 27 countries where information is available, falls in household disposable income were also recorded in Chile, the Czech Republic, Estonia, and Germany. All other (19) countries saw increases in real household disposable income in 2009. The Slovak Republic and Australia both showed increases of over 5% for this three year average period.

Across OECD countries, comparisons of growth of real household disposable income over the three years to 2010 compared to growth in the three years to 1999 show a mixed picture, with some countries showing higher growth and others showing slower growth.

Among the major seven countries, only Japan and Canada saw higher growth in real household disposable income over the two periods shown in the graph.

Real household disposable income

Annual growth in percentage



StatLink <http://dx.doi.org/10.1787/888932534957>

Sources

- OECD (2011), *National Accounts at a Glance*, OECD Publishing.
- OECD (2011), *National Accounts of OECD Countries*, OECD Publishing.

Further information

Statistical publications

- OECD (2011), *OECD Pensions at a Glance*, OECD Publishing.
- OECD (2011), *Society at a Glance: OECD Social Indicators*, OECD Publishing.
- OECD (2011), *Taxing Wages*, OECD Publishing.

Methodological publications

- OECD (2007), *Understanding National Accounts*, OECD Publishing.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing.
- United Nations, OECD, International Monetary Fund and Eurostat (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.


Online databases

- OECD Social Expenditure Statistics.

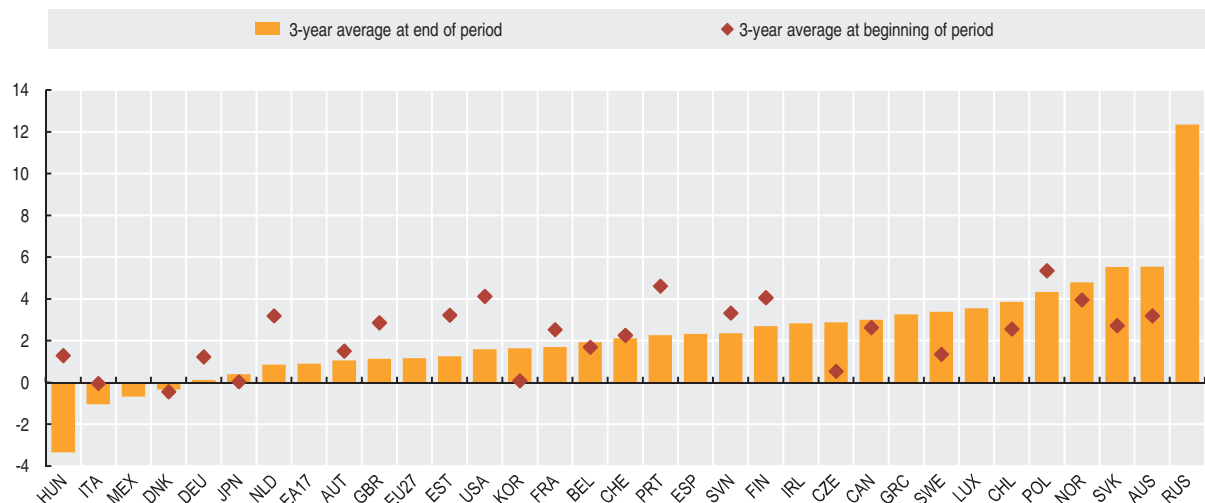
Real household disposable income

Annual growth in percentage

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	3.2	2.6	3.8	3.4	3.1	0.9	4.4	3.7	4.8	5.9	3.3	7.5	..	..
Austria	-1.6	2.4	3.8	1.9	0.0	1.2	1.9	2.4	2.6	2.6	2.3	0.9	0.0	..
Belgium	0.6	2.1	2.4	1.8	3.1	-0.4	-0.3	-0.2	0.4	2.8	2.0	2.0	1.8	..
Canada	2.2	2.8	2.9	4.8	2.8	1.8	2.1	3.8	2.5	5.7	3.8	3.8	1.4	..
Chile	3.8	4.9	-0.9	3.5	3.2	2.2	3.4	7.8	7.7	7.0	7.1	4.9	-0.3	..
Czech Republic	2.2	-2.6	2.1	1.0	0.9	2.8	5.3	0.8	5.3	6.8	6.6	3.2	-1.0	..
Denmark	-0.1	2.7	-3.8	0.5	3.7	2.0	2.4	2.7	2.2	1.8	0.1	0.0	-1.1	..
Estonia	9.5	2.3	-1.8	11.0	6.0	7.7	6.9	3.3	10.9	11.5	12.6	0.1	-7.9	..
Finland	5.2	2.5	4.5	0.6	3.2	2.3	6.0	4.8	1.1	2.7	3.7	2.2	2.2	2.6
France	1.4	3.2	3.0	3.3	3.1	3.7	0.6	2.1	1.4	2.5	3.1	0.2	1.8	..
Germany	0.3	1.2	2.2	1.9	2.1	-0.4	0.5	0.2	0.6	1.1	-0.1	1.5	-1.0	..
Greece	..	..	..	..	4.1	2.6	4.7	3.1	1.9	5.4	9.2	-1.8	2.7	..
Hungary	-0.1	2.7	1.3	3.1	6.0	8.3	6.0	5.5	3.4	2.1	-2.1	-2.5	-5.4	..
Ireland	..	..	..	..	..	..	2.4	6.9	4.3	4.5	3.9	2.4	2.2	..
Italy	-	-1.1	1.0	0.3	3.0	1.1	0.1	0.6	0.5	0.7	0.9	-1.0	-3.0	..
Japan	0.4	0.1	-0.4	-0.9	-2.1	1.3	-0.7	1.7	1.7	1.3	0.6	-0.7	..	..
Korea	1.6	-4.0	2.8	0.4	0.9	3.4	4.9	4.7	2.3	2.6	2.7	1.3	0.9	..
Luxembourg	..	..	..	..	..	..	..	..	..	..	4.0	5.1	1.6	..
Mexico	..	..	..	..	..	..	..	4.0	4.6	5.5	3.4	3.1	-8.1	..
Netherlands	4.0	3.5	2.1	2.2	5.6	-0.6	-2.5	0.6	-0.3	0.5	2.6	-0.1	0.1	..
New Zealand	2.3	5.4	7.8	-4.1	3.7	-0.5	8.4	5.8	2.4	2.1	..	..	..	..
Norway	3.7	5.7	2.5	3.8	-	8.0	4.4	3.6	7.6	-6.4	6.3	3.6	4.5	..
Poland	7.1	5.5	3.5	1.7	4.1	-1.0	1.2	3.4	1.5	4.4	4.7	3.5	4.8	..
Portugal	2.7	4.6	6.6	3.6	1.6	1.0	0.3	1.7	0.7	-0.4	1.9	1.6	3.3	0.7
Slovak Republic	4.9	4.7	-1.3	2.0	3.0	5.1	-0.7	3.9	6.2	3.7	9.2	5.3	2.2	..
Slovenia	5.0	1.6	3.4	4.4	4.8	3.5	0.6	4.1	5.1	3.2	4.3	2.7	0.1	..
Spain	..	..	..	..	3.0	3.1	3.2	3.1	4.1	3.2	2.6	2.5	1.9	..
Sweden	-0.6	1.7	3.0	5.2	6.5	3.2	1.0	1.3	2.1	3.8	5.4	3.2	1.6	1.4
Switzerland	1.3	2.8	2.7	3.7	2.7	-1.2	-0.7	2.1	2.6	3.0	3.6	-0.2	..	..
United Kingdom	4.1	2.0	2.5	4.0	4.4	1.8	3.1	0.4	2.2	1.1	0.2	2.2	1.0	..
United States	3.3	6.0	3.1	4.8	2.5	3.6	2.9	3.0	1.4	3.9	2.0	1.9	0.9	..
Euro area	..	..	..	2.1	3.0	1.4	0.8	1.5	1.2	1.7	1.9	0.7	0.1	..
EU27 total	2.5	3.4	1.6	1.5	1.4	1.7	1.8	1.8	1.3	0.4	..
Russian Federation	7.7	9.4	11.9	13.6	14.1	9.4

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Real household disposable income

Average annual growth in percentage


 StatLink  <http://dx.doi.org/10.1787/888932503341>

