

# Glossary: Actual individual consumption (AIC)

Statistics Explained

**Actual individual consumption** , abbreviated as **AIC** , refers to all goods and services actually consumed by [households](#) . It encompasses consumer goods and services purchased directly by households, as well as services provided by [non-profit institutions](#) and the [government](#) for individual consumption (e.g., health and education services). In international comparisons, the term is usually preferred over the narrower concept of household consumption, because the latter is influenced by the extent to which non-profit institutions and general government act as service providers.

Although [GDP per capita](#) is an important and widely used indicator of countries' level of economic welfare, consumption per capita may be more useful for comparing the relative welfare of consumers across various countries.

AIC per capita is usually highly correlated with GDP per capita, because AIC is, in practice, by far the biggest expenditure component of GDP.

## Further information

- [European System of Accounts 2010](#) (Publication)
- [Eurostat-OECD Methodological manual on purchasing power parities - 2012](#) (Publication)

## Related concepts

- [Gross domestic product \(GDP\)](#)
- [Purchasing power parities \(PPPs\)](#)

## Statistical data

- [GDP per capita, consumption per capita and price level indices](#)