

Households - statistics on disposable income, saving and investment

Statistics Explained

Data extracted in March 2021.

Planned update: 9 June 2022.

" Wages accounted for 36.7 % of the EU's household disposable income in 2019, and social benefits for 24.9 %. "

" In 2019, the household saving rate was 12.0 % in the EU and 12.9 % in the euro area. "

" The EU's household investment rate was 8.7 % in 2019, with double-digit rates recorded in Germany, Luxembourg (2018 data), the Netherlands, Finland and Cyprus. "

This article focuses on [disposable income](#) , [saving](#) and [investment](#) for households in the [European Union \(EU\)](#) and the [euro area](#) ; note that there are complementary articles that provide information for [financial assets and liabilities for households](#) , for [financial assets and liabilities of non-financial corporations](#) and [the distribution of profits and investment for non-financial corporations](#) . This article presents Eurostat statistics derived from European sector accounts, which form part of the [European system of national and regional accounts \(ESA 2010\)](#) . Data are provided for the [EU](#) and the euro area, as well as for individual EU Member States, three [EFTA](#) countries, Turkey, Japan, the United Kingdom and the United States for the latest reference year available and for developments over the previous 10 years. The time period covered by the analyses in this article is 2009 to 2019. When looking at developments during this period, it should be remembered that the impact of the financial and economic crisis could already be observed in the data for 2008 for some of the countries covered by this article and that nearly all economies contracted in 2009. As such, the starting point for the time series that are presented is a year with a relatively low level of economic activity. Equally, the time series ends before the COVID-19 pandemic and therefore do not show the impacts of the related economic and social crisis.

General overview

This article provides a range of analyses of issues that impact on people's everyday lives, detailing levels of gross household adjusted disposable income that is available for households to manage their budget. Overall household spending and/or saving are closely linked to general macroeconomic developments, including among other factors, [real](#) wage growth, [inflation](#) and the risk of unemployment. Note that data presented in this article cover both the [household sector](#) and [non-profit institutions serving households \(NPISH\)](#) ; the latter form a relatively small institutional sector that includes charities, trade unions, religious and political groups.

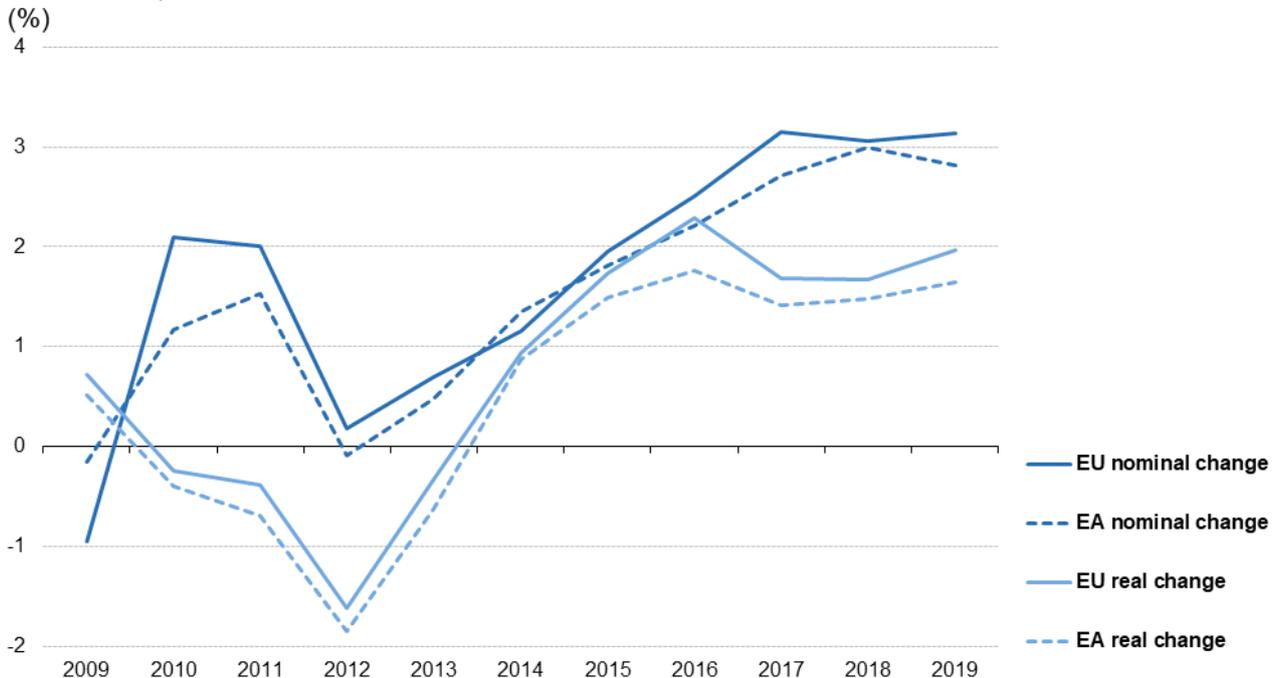
Gross disposable income is the result of all current transactions before consumption, excluding exceptional resources/uses such as capital transfers, holding gains/losses and the consequences of natural disasters. It reflects the net resources, earned during the period, which are available for consumption and/or saving; in this article (unless otherwise stated), it is adjusted to take account of social transfers in kind. Adjusted gross disposable income includes the flows corresponding to the use of individual services which households receive free of charge from the government; these mainly include education, health and social security services, as well as housing, cultural or recreational services.

Gross household adjusted disposable income

The EU's gross household adjusted disposable income was valued at EUR 10 147 billion in 2019, which was equivalent to approximately three quarters (72.7 %) of the value of [gross domestic product \(GDP\)](#) . Germany accounted for the highest share of the EU's gross household adjusted disposable income, 25.7 % of the total, followed by France (18.6 %) and Italy (13.6 %).

Figure 1 shows information for gross household adjusted disposable income per inhabitant during the period 2009 to 2019; note that the series shown may be affected by changes in population numbers from one year to the next (as a result of natural change and change that may be linked to migration). The most striking aspect of Figure 1 is the sudden reduction in gross household adjusted disposable income per inhabitant as a result of the global financial and economic crisis. This was especially apparent in real terms over several years: increases in the standard of living enjoyed by many people living in the EU and the euro area turned negative during the years from 2010 to 2013. After 2013, there was an upturn in economic fortunes in both the EU and the euro area, with gross household adjusted disposable income per inhabitant increasing in both nominal and real terms.

Developments for gross household adjusted disposable income per inhabitant, 2009-2019



Note: growth rates for the EU may be affected by movements in exchange rates.

Source: Eurostat (online data code: nasa_10_ki)

eurostat

Figure 1: Developments for gross household adjusted disposable income per inhabitant, 2009-2019 (%)
Source: Eurostat (nasa_10_ki)

Gross household adjusted disposable income per inhabitant in Luxembourg was 3.0 times as high as in Bulgaria

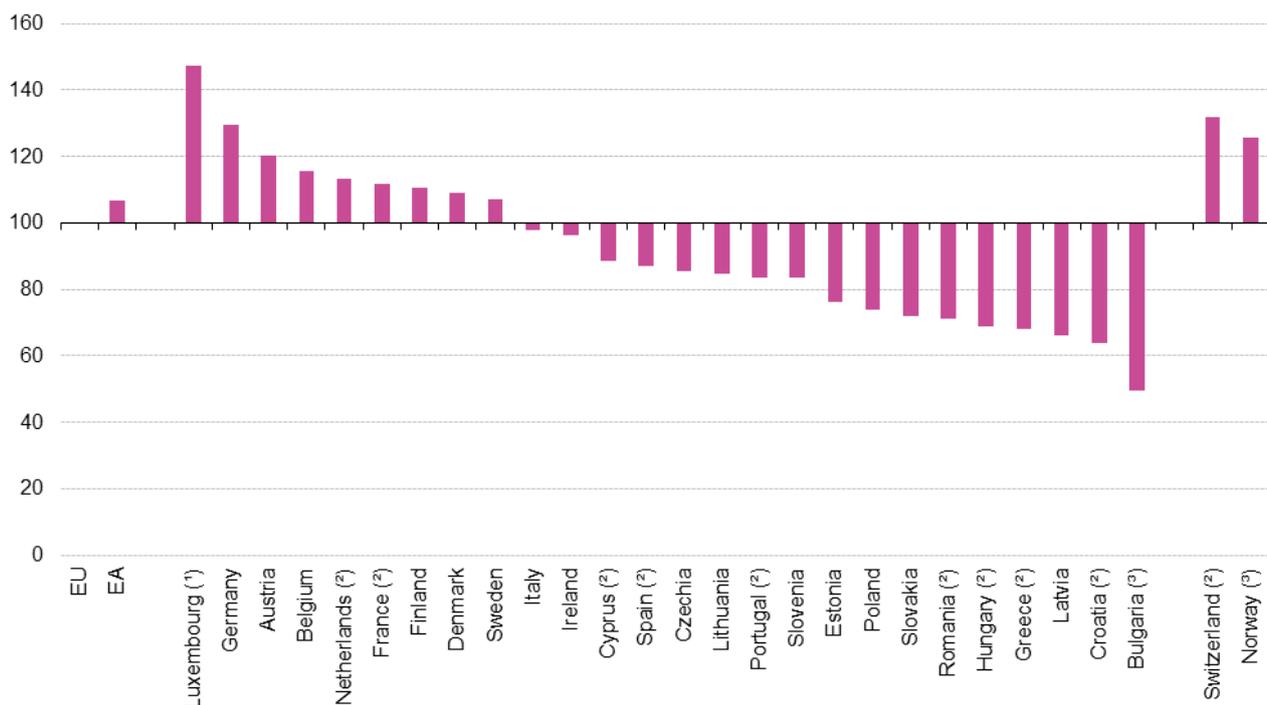
To compare gross household adjusted disposable income per inhabitant across countries effectively, an adjustment should be made to take account of price level differences. To do so, data are converted into [purchasing power standards \(PPS\)](#) .The presentation in Figure 2 is based on data in PPS, but with the values then converted to a ratio between the values for each EU Member State and the EU average, with the ratio for the EU average set to equal 100. Figure 2 shows that in 2019, gross household adjusted disposable income per inhabitant varied substantially between Member States: in Luxembourg the average level of gross household adjusted disposable income per inhabitant was 3.0 times as high as that recorded in Bulgaria (2017 data). Note however that a similar comparison for 2009 — just 10 years earlier — reveals that gross household adjusted disposable income per

inhabitant in Luxembourg had been 4.1 times as high as in Bulgaria (see Table 2 in the annex).

In 2019, the highest level of gross household adjusted disposable income per inhabitant was recorded in Luxembourg (47.2 % above the EU average having taken account of price level differences), while Germany (29.6 %) and Austria (20.3 %) were the only other EU Member States (no information available for Malta) to report a level of gross household adjusted disposable income per inhabitant that was more than one fifth above the EU average; this was also the case for Switzerland and Norway (2017 data).

By contrast, there were nine EU Member States where the average level of gross household adjusted disposable income per inhabitant was more than 20 % below the EU average. Among these Member States, the lowest levels of gross household adjusted disposable income per inhabitant in 2019 were recorded in Hungary (68.8 % of the EU average), Greece (67.9 %), Latvia (66.3 %), Croatia (63.9 %) and Bulgaria (49.6 %; 2017 data).

Gross household adjusted disposable income per inhabitant, 2019 (EU = 100, based on data in PPS)



Note: Malta, not available.

(*) 2018.

(*) Provisional.

(*) 2017.

Source: Eurostat (online data code: nasa_10_nf_tr)

eurostat

Figure 2: Gross household adjusted disposable income per inhabitant, 2019 (EU = 100, based on data in PPS) Source: Eurostat (nasa_10_nf_tr)

The share of net wages in the EU's gross household adjusted disposable income grew to 36.7 % in 2019, the highest share during the period from 2009 to 2019

Figure 3 provides an analysis over time as to the different contributions that were made by the various components that together make up gross household adjusted disposable income. In the EU, net wages (which consist of wages and salaries received by employees before tax, excluding social contributions paid by employers and employees) consistently accounted for the highest share of gross household adjusted disposable income between 2009 and 2019; their share was just over one third (within the range of 34.0 % to 36.7 %). The relative share of net wages in gross household adjusted disposable income was at its lowest level, as may be expected, during the financial and economic crisis in 2009 and 2010. The share increased almost every year during the period shown.

Mixed income of households relates to the profits of unincorporated enterprises and represents remuneration for

work that is carried out by self-employed persons or members of their family; gross operating surplus accrues from renting or owning a dwelling. As with net wages, the contribution from these components to EU gross household adjusted disposable income fell during the global financial and economic crisis to reach a relative low of 20.3 % in 2009. This share increased in 2010 and 2011 to reach 20.7 %, before stabilising in a range of 20.2 % to 20.5 % for several years. In 2018 and 2019, the share dipped to 20.1 % and then 20.0 %, the lowest shares for this component throughout the period studied.

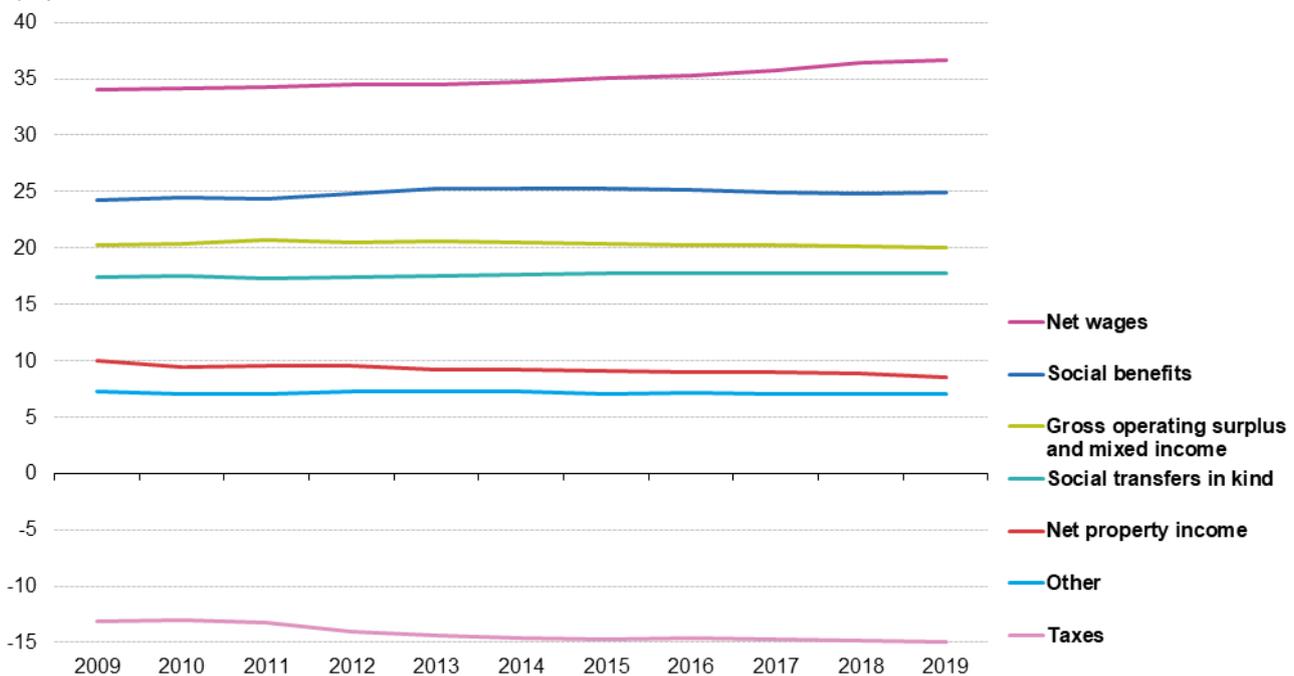
The second largest contribution to gross household adjusted disposable income was from social benefits (other than social transfers in kind). These include: payments from social security funds (such as pensions or child support); social assistance from government or non-profit institutions serving households; privately-funded social benefits such as those made by insurance companies. The share of social benefits in EU gross household adjusted disposable income rose from 24.3 % in 2009 to 25.3 % in 2015. Thereafter, the contribution of social benefits to EU gross household adjusted disposable income fell back modestly and was 24.9 % in 2019.

As with social benefits, the relative significance of social transfers in kind rose during the global financial and economic crisis, reaching 17.4 % of EU gross household adjusted disposable income in 2009. In the following 4 years, the share remained around this level (17.3-17.5 %). From 2014 to 2019, the share was somewhat higher, at 17.7 % or 17.8 %. The continuation of this relatively high share of redistribution in kind suggests that, despite the economic recovery, there were still a considerable number of people in the EU affected by, among other issues, the fallout of the crisis, precarious employment or stagnating wages.

Unlike the other components which add to gross household adjusted disposable income, the level of income is reduced by taxes paid; for this reason taxes are shown as negative values in Figures 3 and 4. The negative share of EU gross household adjusted disposable income that was accounted for by taxes fell during the global financial and economic crisis, reaching a relative low of -13.0 % in 2010, before growing for five consecutive years to -14.7 % by 2014 and remaining at or close to this share in each of the next three years. This was followed by a further increase to reach 14.9 % in 2018 which was maintained in 2019. There are a number of reasons why this reduction during the crisis may have occurred, including: lower levels of income leading to a lower overall tax take; the progressive nature of some taxes may reinforce this pattern; fewer people tend to be in work and or working extra (supplementary/overtime) hours during periods associated with an economic downturn (thereby reducing their marginal tax rate).

Contribution to gross household adjusted disposable income, EU, 2009-2019

(%)



Source: Eurostat (online data code: nasa_10_nf_tr)

eurostat

Figure 3: Contribution to gross household adjusted disposable income, EU, 2009-2019 (%) Source: Eurostat (nasa_10_nf_tr)

Social benefits and social transfers in kind accounted for a higher share of gross household adjusted disposable income in the EU than in either Japan or the United States

A similar analysis is presented in Figure 4 which details the contributions of the various components to gross household adjusted disposable income in the EU Member States and several non-member countries. In 2018, it is interesting to note that net wages accounted for a much higher share of gross household disposable income in the United States (42.5 %) when compared with the aggregated data for the whole of the EU in 2019 (36.7 %), although it can be noted that 10 Member States reported an even higher share (than in the United States). Social benefits and social transfers in kind accounted for a higher share (42.7 %) of EU gross household adjusted disposable income in 2019 when compared with the United States (24.0 %; 2018 data).

Looking in more detail at the individual EU Member States, there were considerable variations in terms of the contributions made by each component to gross household adjusted disposable income. In 2019, net wages and gross operating surplus and mixed income together accounted for 74.4 % of disposable income in Denmark, 72.9 % in Ireland and 70.9 % in Latvia. By contrast, this share was less than half of the total in Germany (49.3 %) and was exactly half (50.0 %) in the Netherlands. Net wages were valued 7.2 times as high as the gross operating surplus and mixed income in Sweden, 5.5 times as high in Denmark and 5.4 times as high in Estonia. By contrast, in Italy, Poland and most notably in Greece, the value of the gross operating surplus and mixed income was greater than the value of net wages.

With the exception of Romania, the three [Baltic Member States](#), Bulgaria (2017 data) and Hungary — all of which had lower shares — the relative weight of social benefits in gross household adjusted disposable income was within a narrow range across the remaining EU Member States in 2019, from a low of 18.6 % in Cyprus to a high of 28.5 % in Denmark. Social transfers in kind accounted for 11.1 % of gross household adjusted disposable income in Romania and relatively low shares in most of the other eastern, southern and Baltic Member States, while they reached more than 20.0 % of gross household adjusted disposable income in Belgium, Luxembourg (2018 data) and Finland, and more than 25.0 % in the Netherlands, Denmark and Sweden.

Contribution of the components to gross household adjusted disposable income, 2019

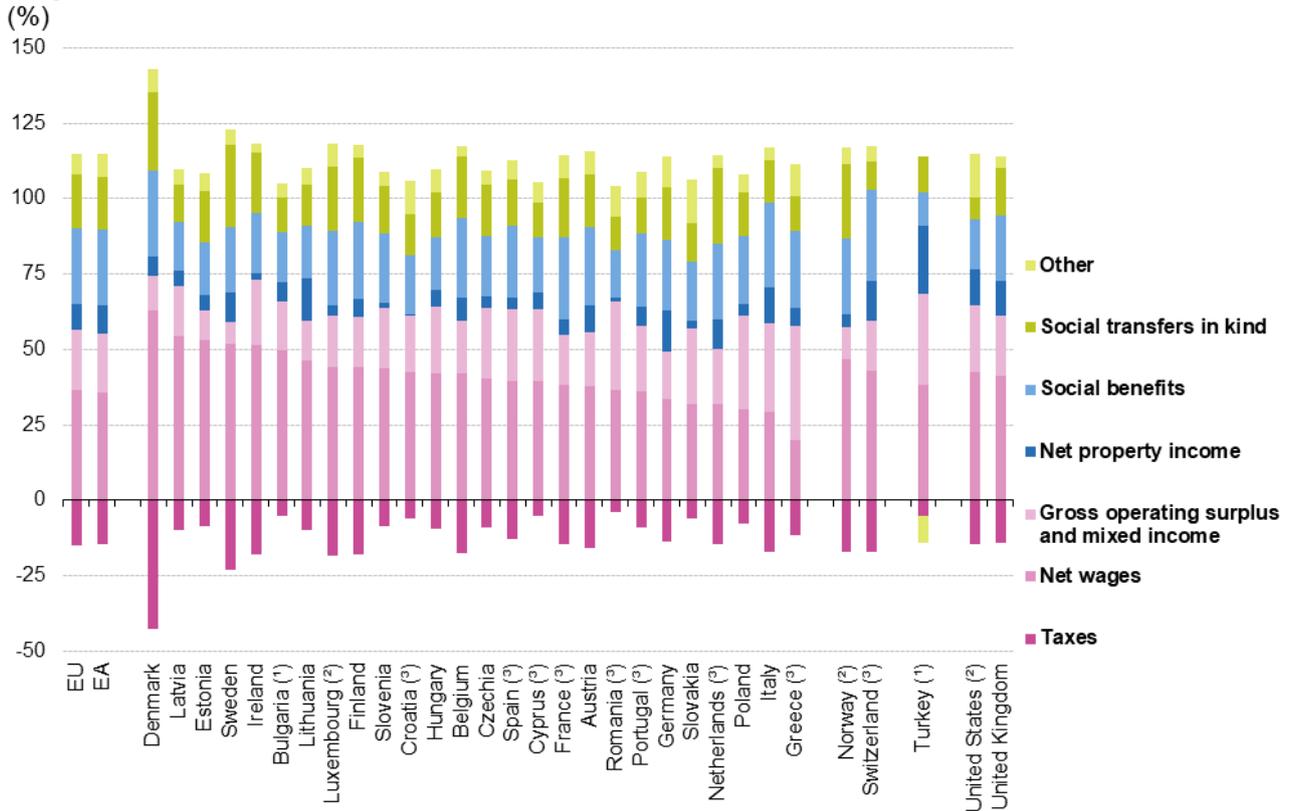
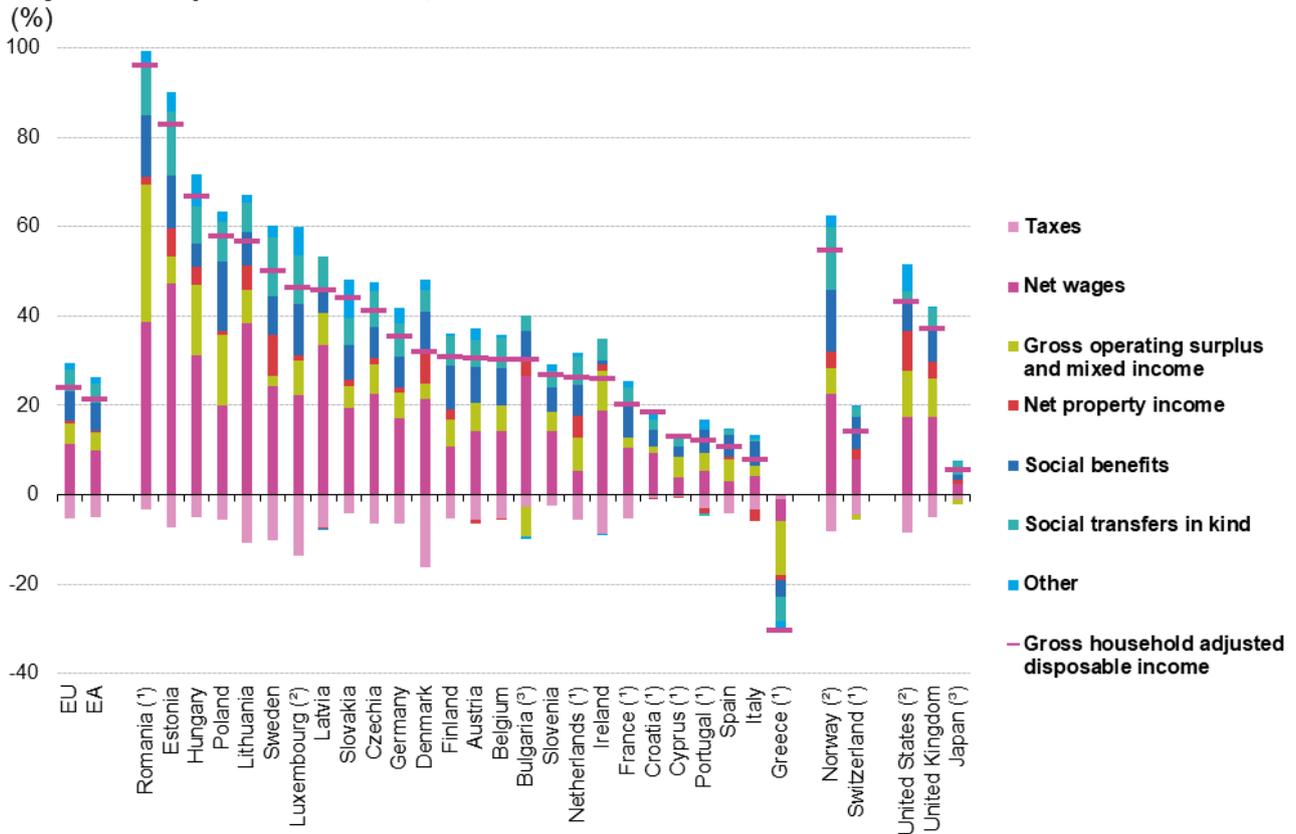


Figure 4: Contribution of the components to gross household adjusted disposable income, 2019 (%) Source: Eurostat (nasa_10_nf_tr)

Figure 5 shows the contribution from a number of different components to the overall change in gross household adjusted disposable income between 2009 and 2019; note these changes are based on information in current prices. On this basis, EU gross household adjusted disposable income rose overall by 24.0 % during the most recent decade for which data are available. The largest contributions were made by net wages (contributing 11.5 percentage points of the overall change), social benefits (6.6 percentage points of the overall change), social transfers in kind (4.7 percentage points of the overall change) and gross operating surplus and mixed income (4.6 percentage points of the overall change); taxes made the largest negative contribution (-5.4 percentage points of the overall change).

In a majority of EU Member States (incomplete data for Malta), the main contributing factor to the development of their gross household adjusted disposable income was net wages, while in Cyprus and the Netherlands the main factor was the increase in gross operating surplus and mixed income. In two Member States, Spain and Italy, both of which had a relatively low level of growth for their gross household adjusted disposable income, the increase in social benefits accounted for the largest share of the overall gain. Greece was an exception, in that the overall change in gross household adjusted disposable income was negative, as was the case for all of the components. The largest negative contribution to its overall change was for gross operating surplus and mixed income.

Contribution of the components to the change in gross household adjusted disposable income, 2009-2019



Note: Malta, incomplete.

(1) Provisional.

(2) 2009-2018.

(3) 2009-2017.

Source: Eurostat (online data code: nasa_10_nf_tr)

eurostat

Figure 5: Contribution of the components to the change in gross household adjusted disposable income, 2009-2019 (%) Source: Eurostat (nasa_10_nf_tr)

Household saving rate

During periods of economic uncertainty, household saving rates may be expected to increase, as households tend to save more when the risk of losing a job rises and they may defer expenditure on some or many non-essential goods and services (for example, the purchase of a new motor vehicle or a family holiday) until the economic situation improves. The household saving rate is defined as gross household saving divided by gross disposable income, with the latter being adjusted for changes in net equity of households in pension fund reserves.

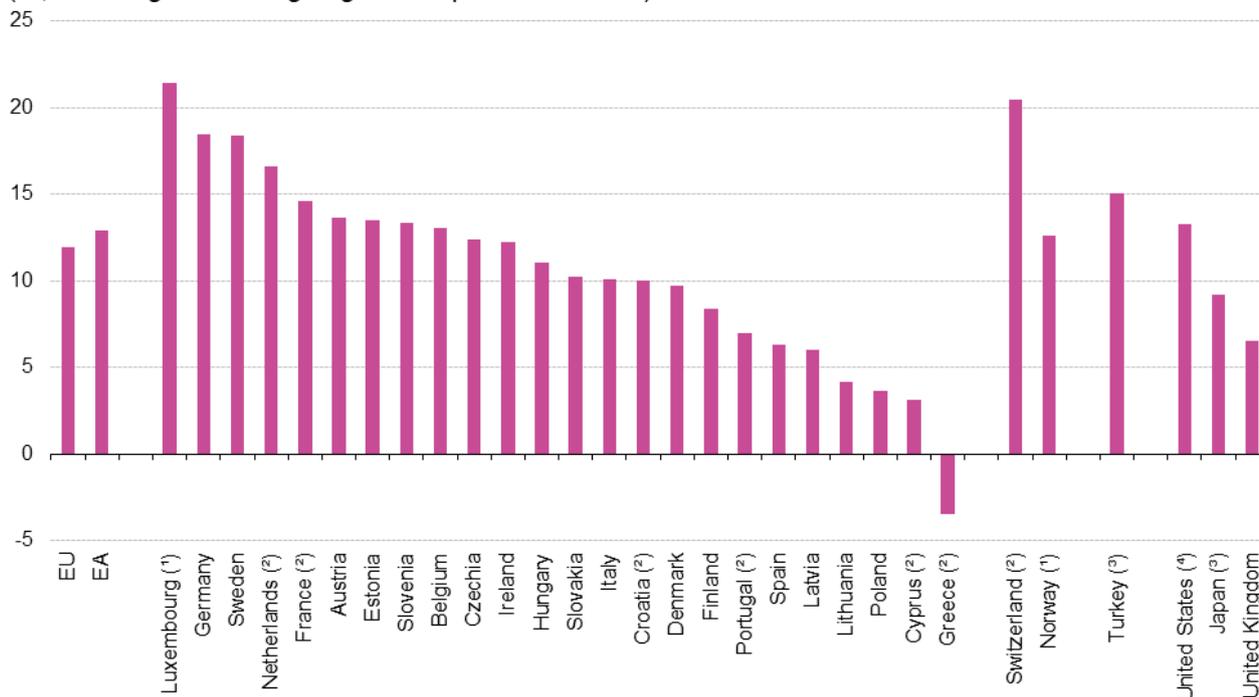
Households in the EU saved more than one tenth of their disposable income

Figure 6 reveals that the EU household saving rate was 12.0 % in 2019, while the rate for the euro area was higher, at 12.9 %. On average, households in the EU saved a larger proportion of their gross household disposable income than their counterparts in Japan (9.2 %; 2017 data), but less than their counterparts in the United States (13.3%; 2018 data); note, however, that the data for the United States are not adjusted for changes in the net equity of households in pension funds.

In 2019, the highest gross saving rate among the EU Member States (no data available for Bulgaria, Malta and Romania) was recorded in Luxembourg (21.4 %; 2018 data), followed by Germany (18.4 %) and Sweden (18.3 %). There were nine Member States which recorded saving rates below 10.0 %, among which Greece had a negative rate (-3.5 %). Negative rates indicate that households were spending more than their gross household disposable income; in other words, they were either using their accumulated savings from previous periods or alternatively they were borrowing to finance their expenditure.

Gross household saving rate, 2019

(%, ratio of gross saving to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves. Bulgaria, Malta and Romania: not available.

(*) 2018.

(*) Provisional.

(*) 2017.

(*) 2018. Gross disposable income is not adjusted for the change in net equity of households in pension fund reserves.

Source: Eurostat (online data codes: nasa_10_ki and nasa_10_nf_tr)

eurostat

Figure 6: Gross household saving rate, 2019 (% , ratio of gross saving to gross disposable income) Source: Eurostat (nasa_10_ki) and (nasa_10_nf_tr)

Developments for household saving rates during the period 2009 to 2019 are presented in Figure 7. These show that the EU saving rate had reached a relative high of 13.4 % in 2009 as the impact of the global financial and economic crisis was felt. Subsequently, the EU saving rate fell, initially at a relatively fast pace and subsequently at a more modest rate. By 2015 it had reached 11.3 %. The development of this share during the next three years was irregular, ranging between 11.4 % and 11.6 %, but the rate increased clearly in 2019, reaching 12.0 %.

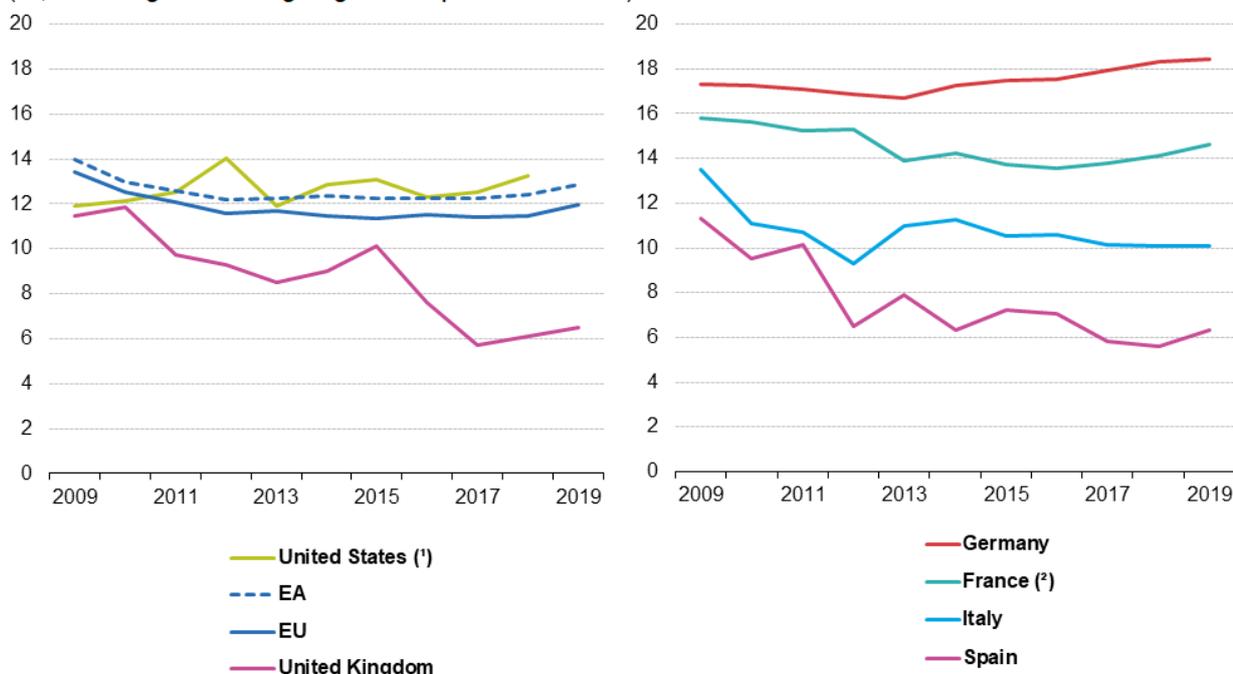
British household saving rates have traditionally been lower than the rates recorded in the EU. This was the case throughout the period studied in Figure 7. In 2019, the rate for the EU was 5.5 percentage points higher than that in the United Kingdom. By contrast, there was a mixed picture for the United States, with lower rates (than in the EU) in 2009 and 2010 and higher rates thereafter. In 2018, the household saving rate for the United States was 0.9 percentage points higher than the rate for the EU.

Figure 7 also shows developments for the saving rates of the four largest EU Member States. The household saving rate in Germany remained within the range of 16.7 % to 18.4 % during the period under consideration. Its highest rates were recorded in the most recent years, reflecting an initial decline in rates between 2009 and 2013 and a subsequent rise. The household saving rate in France also fell after 2009, reaching a low of 13.6 % in 2016; thereafter it increased, reaching 14.6 % in 2019. Throughout this period, the rates in Germany and France were above the EU average. A different pattern was observed in Italy and Spain: although their household saving rates also fell from 2009, they did not increase in a sustained manner in recent years. In Italy, the rate fell from a level (13.5 %) in 2009 that was similar to the EU average (13.4 %) to a low of 9.3 % in 2012. In 2013, the rate in Italy increased strongly and this was followed by a more modest increase in 2014, reaching 11.3 %. Thereafter, the

household saving rate fell most years, levelling off at 10.1 % in 2018 and 2019; in 2019, the Italian rate was 1.9 percentage points below the EU average. In Spain, the development was more volatile than in the other large EU economies, but with a relatively clear downward development. The rate was 11.3 % in 2009, 2.1 points below the EU average. By 2019, the rate had fallen 5.0 points to 6.3 %, which was 5.7 points below the EU average.

Gross household saving rate, 2009-2019

(%, ratio of gross saving to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves.

(¹) Gross disposable income is not adjusted for changes in net equity of households in pension fund reserves. 2019: not available.

(²) 2018 and 2019: provisional.

Source: Eurostat (online data codes: nasa_10_f_bs and nasa_10_nf_tr)

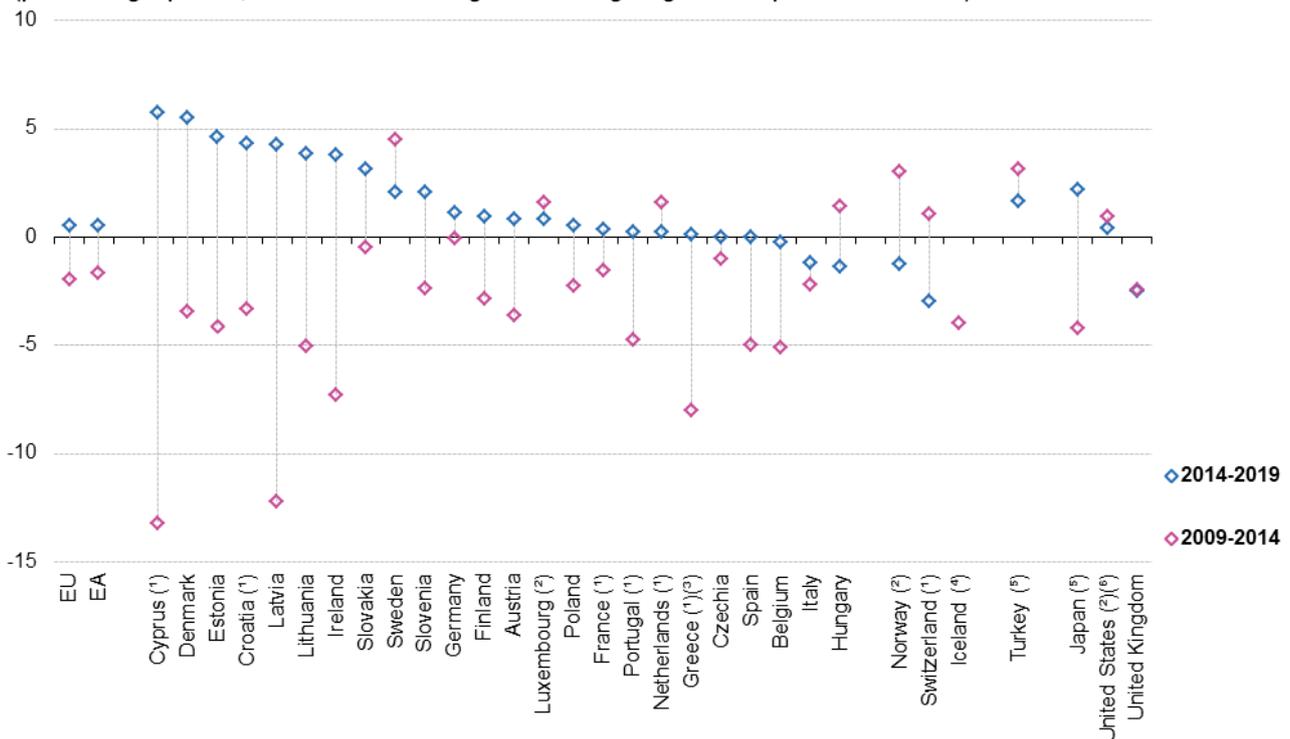
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Figure 7: Gross household saving rate, 2009-2019 (% , ratio of gross saving to gross disposable income)
Source: Eurostat (nasa_10_f_bs) and (nasa_10_nf_tr)

The final analysis in this section divides the latest 10-year period into two halves to analyse changes in household saving. The EU household saving rate decreased by 2.0 percentage points between 2009 and 2014, to then increase by 0.5 percentage points during the period between 2014 and 2019 (see Figure 8). A reduction of 1.6 percentage points was observed during the first of these periods for the euro area's household saving rate, also followed by an increase of 0.5 percentage points between 2014 and 2019.

Combining the information for both periods, the household saving rate in Sweden rose overall by 6.6 percentage points during the 10-year period under consideration. The next highest increase was recorded in Slovakia (up 2.6 percentage points). There were nine EU Member States where the household saving rate increased between 2009 and 2019, with 15 recording a fall; complete datasets are not available for Bulgaria, Malta and Romania. The largest decreases were in Latvia, Greece (2010-2019) and Cyprus, where the household saving rates fell by 8.0, 7.9 and 7.5 percentage points respectively during the period under consideration.

Changes in gross household saving rate, 2009-2014 and 2014-2019 (percentage points, based on ratio of gross saving to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves. The difference in percentage points is calculated as the rate for the later period minus the rate for the earlier period. Bulgaria, Malta and Romania: not available.

(1) 2014-2019: provisional.

(2) 2014-2018 instead of 2014-2019.

(3) 2010-2014 instead of 2009-2014.

(4) 2014-2019: not available.

(5) 2014-2017 instead of 2014-2019.

(6) Gross disposable income is not adjusted for the change in net equity of households in pension fund reserves.

Source: Eurostat (online data codes: nasa_10_ki and nasa_10_nf_tr)

eurostat

Figure 8: Changes in gross household saving rate, 2009-2014 and 2014-2019 (percentage points, based on ratio of gross saving to gross disposable income) Source: Eurostat (nasa_10_ki) and (nasa_10_nf_tr)

Household investment rate

Household investment mainly consists of the purchase and renovation of dwellings; expenditure on consumer durables (such as passenger cars) is not considered part of this component (and is included in final consumption) nor are financial investments. Note also that the investment statistics that are presented in this section also include investments made by unincorporated enterprises (principally sole proprietors). The [household investment rate](#) is defined as gross fixed capital formation (mainly dwellings) divided by gross disposable income, with the latter being adjusted for changes in net equity of households in pension fund reserves. Among other uses, this indicator provides a means of analysing the crash experienced in housing markets — linked to the subprime mortgage and credit crisis — during the global financial and economic crisis.

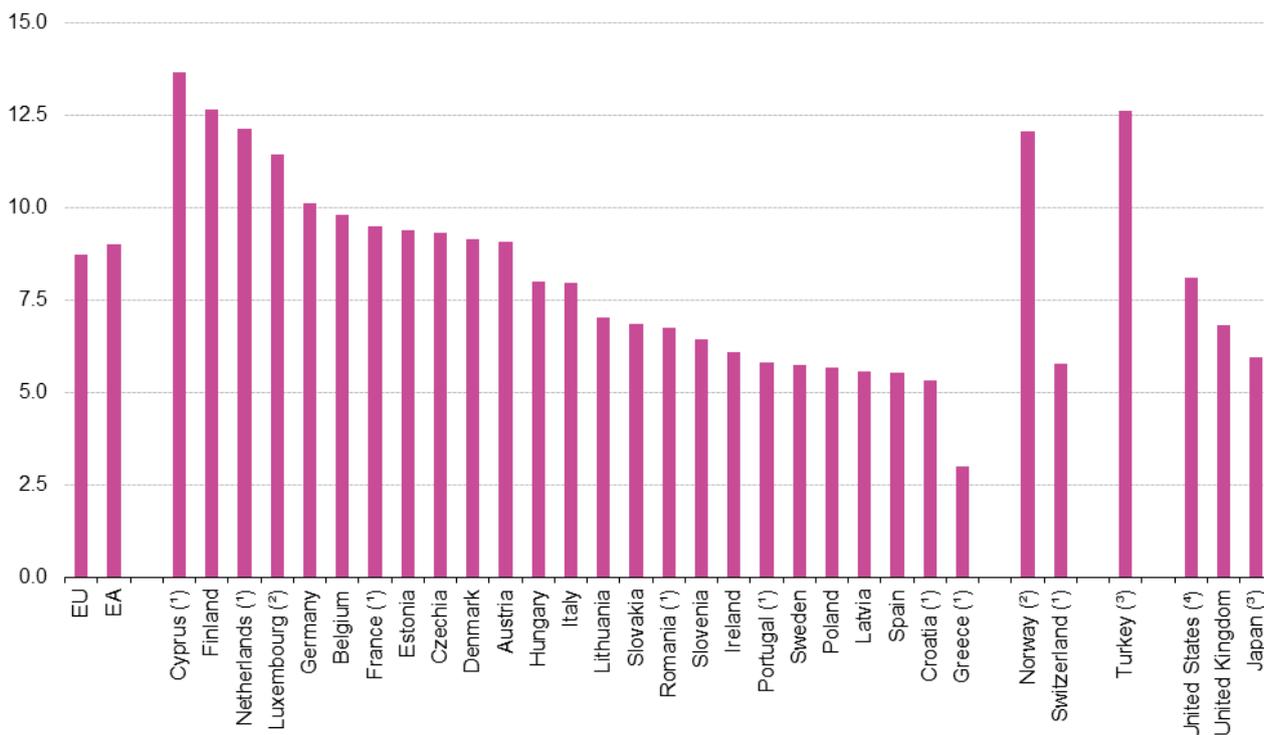
Household investment rates were at least 10.0 % in Germany, Luxembourg (2018 data), the Netherlands, Finland and Cyprus in 2019

Across the EU, households invested 8.7 % of their gross household disposable income in 2019; this figure was slightly higher than the rate recorded in the United States (8.1 %; 2018 data), which in turn was higher than the rates in the United Kingdom (6.8 %) and Japan (5.9 %; 2017 data) — see Figure 9. Note that no adjustment has been made for changes in net equity of household pension fund reserves for the United States.

Household investment rates in the EU Member States ranged from a high of 13.7 % in Cyprus, and double-digit rates in Finland (12.7 %), the Netherlands (12.1 %), Luxembourg (11.5 %; 2018 data) and Germany (10.1 %) down to 5.3 % in Croatia and 3.0 % in Greece.

Gross household investment rate, 2019

(%, ratio of gross fixed capital formation to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves. Bulgaria and Malta: not available.

(*) Provisional.

(*) 2018.

(*) 2017.

(*) 2018. Gross disposable income is not adjusted for the change in net equity of households in pension fund reserves.

Source: Eurostat (online data codes: nasa_10_ki and nasa_10_nf_tr)

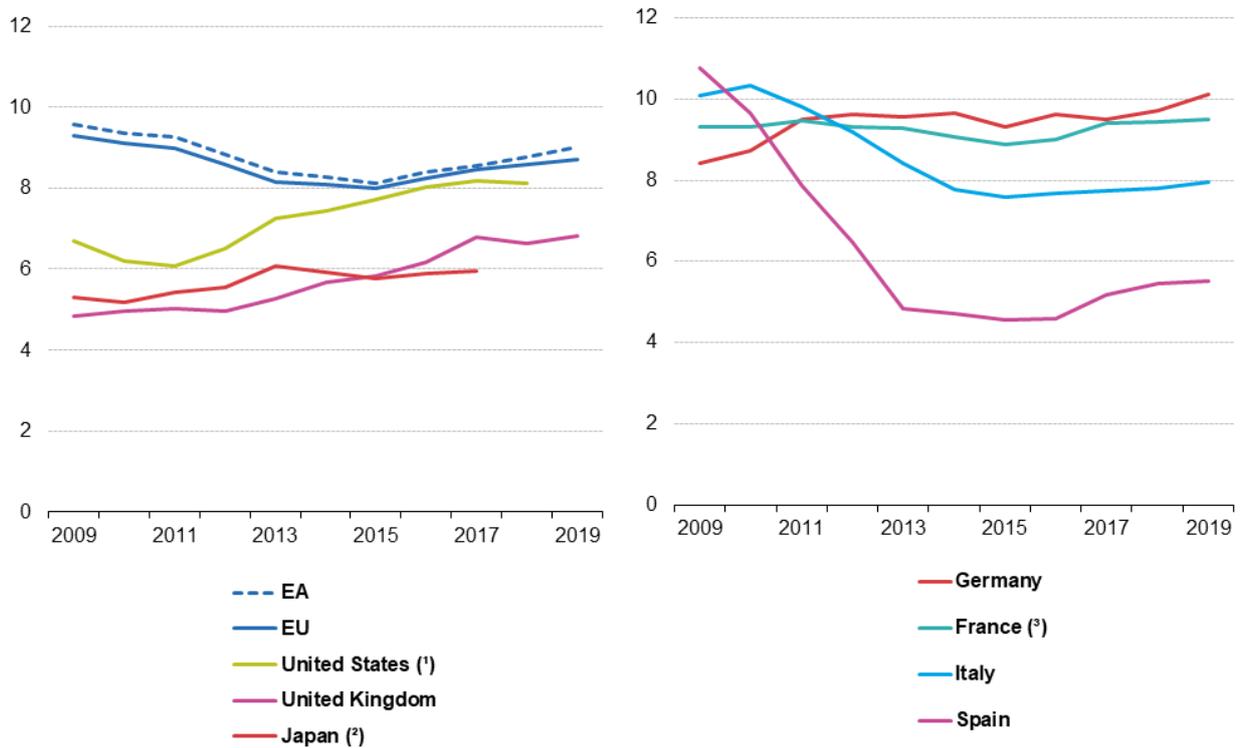
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Figure 9: Gross household investment rate, 2019 (% ratio of gross fixed capital formation to gross disposable income) Source: Eurostat (nasa_10_ki) and (nasa_10_nf_tr)

Figure 10 shows the development of investment rates during the most recent 10-year period for which data are available. In the EU, the impact of the global financial and economic crisis was apparent, with the household investment rate falling at a fairly rapid pace in the early years through to 2015. This development was reversed in 2016, with the rate increasing each year to reach 8.7 % by 2019. The pattern of development in the United States was more pronounced, with the downturn in the household investment rate reaching a relative low by 2011, after which it posted six successive annual increases to peak at 8.2 % in 2017; in 2018, the rate fell back slightly (8.1 %). Throughout the period shown, the rate in the United States remained below the rate in the EU. Household investment rates in Japan and the United Kingdom were (also) consistently at much lower levels than in the EU. From 2010 to 2013, the rate in Japan increased from 5.2 % to 6.1 %, but then stabilised around 5.8-5.9 %. In 2017, the rate in Japan was 2.5 percentage points lower than that observed in the EU. The rate for the United Kingdom increased steadily from 4.8 % in 2009 to 6.8 % in 2019, by when it was 1.9 percentage points below the rate in the EU.

Gross household investment rate, 2009-2019

(%, ratio of gross fixed capital formation to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves.

(*) Gross disposable income is not adjusted for the change in net equity of households in pension fund reserves. 2019: not available.

(†) 2018 and 2019: not available.

(‡) 2018 and 2019: provisional.

Source: Eurostat (online data codes: nasa_10_f_bs and nasa_10_nf_tr)

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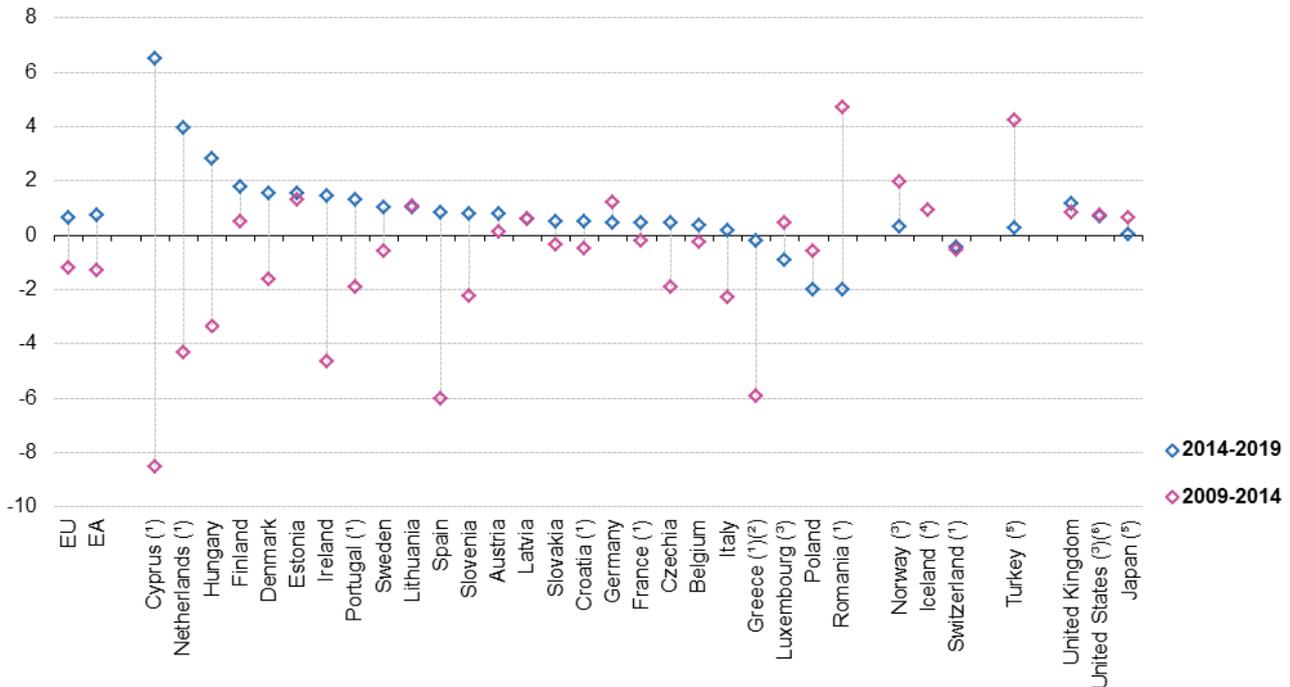
Figure 10: Gross household investment rate, 2009-2019 (% , ratio of gross fixed capital formation to gross disposable income) Source: Eurostat (nasa_10_f_bs) and (nasa_10_nf_tr)

A closer analysis of the results for individual EU Member States reveals that in some of them the crisis had a particularly strong impact on the household investment rate. For example, with the sovereign debt crisis following on from the global financial and economic crisis, household investment rates in Cyprus, Spain, Greece (2010-2014) and Ireland fell by 8.5, 6.0, 5.9 and 4.7 percentage points respectively between 2009 and 2014. Note that there are no data available for Bulgaria or Malta.

A comparison of changes for the household investment rate between the two periods covered in Figure 11 reveals that — with only a few exceptions among the EU Member States — between 2014 and 2019 investment rates were either rising or falling at a slower pace than had been the case between 2009 and 2014. Lithuania and Germany were the only EU Member States to record a smaller increase between 2014 and 2019 than between 2009 and 2014. Luxembourg and Romania recorded increases between 2009 and 2014 but decreases between 2014 and 2019 (2014 and 2018 for Luxembourg). Poland was one of only two Member States to record a fall in both periods, and the only one where the fall was larger in the more recent period.

Changes in gross household investment rate, 2009-2014 and 2014-2019

(percentage points, based on ratio of gross fixed capital formation to gross disposable income)



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves. The difference in percentage points is calculated as the rate for the later period minus the rate for the earlier period. Bulgaria and Malta: not available.

(1) 2014-2019: provisional.

(2) 2010-2014 instead of 2009-2014.

(3) 2014-2018 instead of 2014-2019.

(4) 2014-2019: not available.

(5) 2014-2017 instead of 2014-2019.

(6) Gross disposable income is not adjusted for the change in net equity of households in pension fund reserves.

Source: Eurostat (online data codes: nasa_10_ki and nasa_10_nf_tr)

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Figure 11: Changes in gross household investment rate, 2009-2014 and 2014-2019 (percentage points, based on ratio of gross fixed capital formation to gross disposable income) Source: Eurostat (nasa_10_ki) and (nasa_10_nf_tr)

Source data for tables and graphs

- [Households — statistics on disposable income, saving and investment](#)
- [Households — statistics on disposable income, saving and investment — annex](#)

Data sources

The compilation of sector accounts follows the [European system of accounts \(ESA 2010\)](#). It provides the basis for all of the data for the EU Member States, EFTA countries, enlargement countries and the United Kingdom, as collected by the [European Central Bank \(ECB\)](#) and Eurostat. Together they publish integrated non-financial and financial accounts, including financial balance sheets, for the euro area; Eurostat also publishes the non-financial accounts of the EU.

Data for Japan and the United States come from the [national accounts](#) published by the [Organisation for Economic Cooperation and Development \(OECD\)](#) which are established according to the [system of national accounts \(SNA\)](#) concepts.

The non-financial accounts

Sector accounts by institutional sector provide a systematic description of the different stages of the economic process: production, generation and distribution, use and accumulation of income. Each of the accounts ends with

a balancing item: value added, operating surplus, primary income, disposable income, saving, net lending/borrowing.

The household sector

Institutional sectors within national accounts bring together economic units with broadly similar characteristics and behaviour. The **household** sector — which for the purpose of this article also includes **non-profit institutions serving households (NPISH)** — is one of four sectors along with non-financial corporations, financial corporations and general government: together they make up the domestic economy.

The household sector consists of individuals or groups of individuals as consumers, as entrepreneurs (producing market goods, non-financial and financial services) and as producers of goods and non-financial services exclusively for their own final use. In general, sole proprietorships and most partnerships that do not have an independent legal status are considered to be part of the household sector, rather than as corporations (financial or non-financial). However, there are sometimes practical difficulties in delineating 'quasi-corporations' (unincorporated businesses with the characteristics of companies) between corporations on one hand and the household sector on the other; this may influence the scope and comparability of the data presented as well as the internal consistency of the full set of accounts.

As stated above, data for the household sector in this article are shown including information on non-profit institutions serving households sector. The non-profit institutions serving households sector is relatively small and includes, for example, charities, relief and aid organisations, religious groups, consumer associations, sports and recreational clubs, professional societies, trade unions and political parties. These institutions provide goods or services to households for free or at considerably reduced prices. Their main resources are derived from voluntary contributions in cash or in kind from households (in their capacity as consumers), payments made by general government, or property income.

Indicator definitions

Gross disposable income is the result of all current transactions before consumption. It excludes exceptional resources/uses such as capital transfers, holding gains/losses and the consequences of natural disasters. It reflects the net resources, earned during the period, which are available for consumption and/or saving. The information presented in this article concerns household disposable income adjusted to take account of social transfers in kind. The aggregate therefore consists of: net wages, the gross operating surplus and mixed income, net **property income** (note that financial intermediation services indirectly measured (FISIM) is a component reallocated from property income to consumption within national accounts), social benefits, social transfers in kind and other transfers, reduced by any taxes paid and pension contributions. In other words, it is the total amount of resources that a household has left available to spend or save once income taxes and pension contributions have been subtracted. Note that the statistics presented for gross disposable income in the United States are not adjusted for changes in net equity of households in pension fund reserves and that this difference is therefore carried over into derived indicators such as the gross household saving rate and gross household investment rate.

The gross household saving rate is the ratio of gross saving to gross disposable income, the latter adjusted for the change in net equity of households in pension fund reserves to offset their impact on cross-country comparisons.

The gross household investment rate is the ratio of gross investment (gross fixed capital formation) to gross disposable income, the latter adjusted for the change in net equity of households in pension fund reserves.

Context

In most developed world economies, an expectation of rising living standards has become common. However, since the turn of the millennium a continuous increase in living standards has become less clear-cut in some countries for a number of reasons. Housing costs (for rent or for purchase) have taken an increasing share of disposable income, with a particular impact on younger generations, many of whom may find it increasingly difficult to afford to leave the family home when they move into the labour market. Various crises — such as the global financial and economic crisis that started in 2007 and 2008, the related European sovereign debt crisis in 2008 and 2009, and subsequent recession, or the ongoing COVID-19 crisis — have disturbed economic and social developments. Among other impacts, these have often led to a slowdown in economic activity, sluggish real wage growth, higher levels of unemployment and more precarious employment conditions.

Gross household adjusted disposable income provides a measure of the financial resources that are available to households, after taxes and other deductions have been made. This information is used as a building block within national accounts to develop a range of derived indicators to look in more detail at issues such as discretionary income, gross household saving rates and gross household investment rates.

Other articles

- [Households — statistics on financial assets and liabilities](#)
- [Non-financial corporations — statistics on financial assets and liabilities](#)
- [Non-financial corporations — statistics on profits and investment](#)

Main tables

- [Annual sector accounts \(ESA 2010\) \(t_nasa_10\)](#) , see:

Adjusted gross disposable income of households per capita in PPS (tec00113)

Household saving rate (tec00131)

Household investment rate (tec00098)

Database

- [Annual sector accounts \(ESA 2010\) \(nasa_10\)](#) , see:

Key indicators (nasa_10_ki)

Non-financial transactions (nasa_10_nf_tr)

Dedicated section

- [Institutional sector accounts](#)

Methodology

- [Non-financial transactions \(nasa_10_nf_tr\)](#)
- [Sector accounts in countries](#)
- [European system of accounts — ESA 2010](#)
- [Key legal documents for ESA 2010](#)

External links

- [European Central Bank \(ECB\) — Sector accounts](#)