

HOUSEHOLD DISPOSABLE INCOME

Disposable income, as a concept, is closer to the concept of income generally understood in economics, than either national income or GDP. At the total economy level it differs from national income in that additional income items are included, mainly other current transfers such as remittances. For countries where these additional items form significant sources of income the importance of focusing on disposable income in formulating policy is clear. Another important difference between national income and disposable income concerns the allocation of income across sectors. At this level significant differences arise, reflecting the reallocation of national income. Disposable income can be seen as the maximum amount that a unit can afford to spend on consumption goods or services without having to reduce its financial or non-financial assets or by increasing its 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 indicator for the household sector includes the disposable income of non-profit institutions serving households (NPISH).

Overview

In average over the period 2008-10, household disposable income in real terms increased for all OECD countries with some notable exceptions. In Greece, Hungary and Estonia, household disposable income fell by 9-13% in the three year period. Of the 28 OECD countries where information is available, decreases in disposable income were also recorded in Italy, Mexico, Portugal, the Netherlands and Austria. All other countries saw increases in real household disposable income in the period 2008-10. Chile, New Zealand, Norway and the Slovak Republic showed increases of over 10% for this three year period.

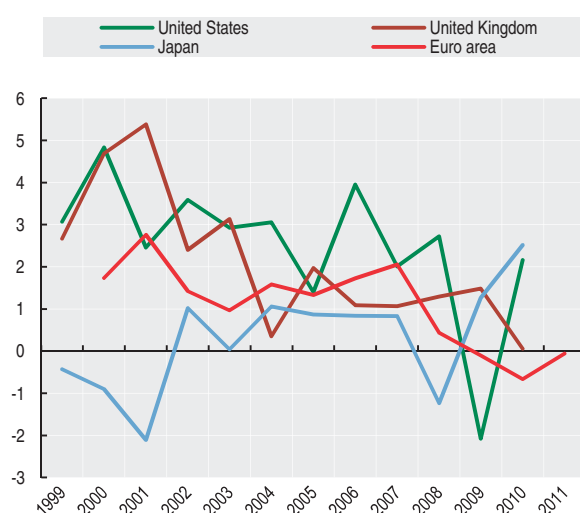
Across OECD countries, comparisons of growth of real household disposable income over the three years to 2010 compared to growth in the three years to 2001 show a rather consistent picture, with most countries showing slower growth. An exception is Japan, where moderate growth rates in the recent period compare to an average fall in the three years up to 2001.


Comparability

All countries compile data according to the 1993 SNA "System of National Accounts, 1993" with the exception of Australia where data are compiled according to the new 2008 SNA. It's important to note however that differences between the 2008 SNA and the 1993 SNA do not have a significant impact of the comparability of the indicators presented here and this implies that data are highly comparable across countries.

Real household disposable income

Annual growth in percentage



StatLink  <http://dx.doi.org/10.1787/888932706964>

Sources

- OECD (2012), *National Accounts of OECD Countries*, OECD Publishing.
- OECD (2011), *National Accounts at a Glance*, OECD Publishing.

Further information

Statistical publications

- OECD (2012), *Taxing Wages*, OECD Publishing.
- OECD (2011), *OECD Pensions at a Glance*, OECD Publishing.
- OECD (2011), *Society at a Glance: OECD Social Indicators*, OECD Publishing.

Methodological publications

- OECD (2007), *Understanding National Accounts*, 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.



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Real household disposable income

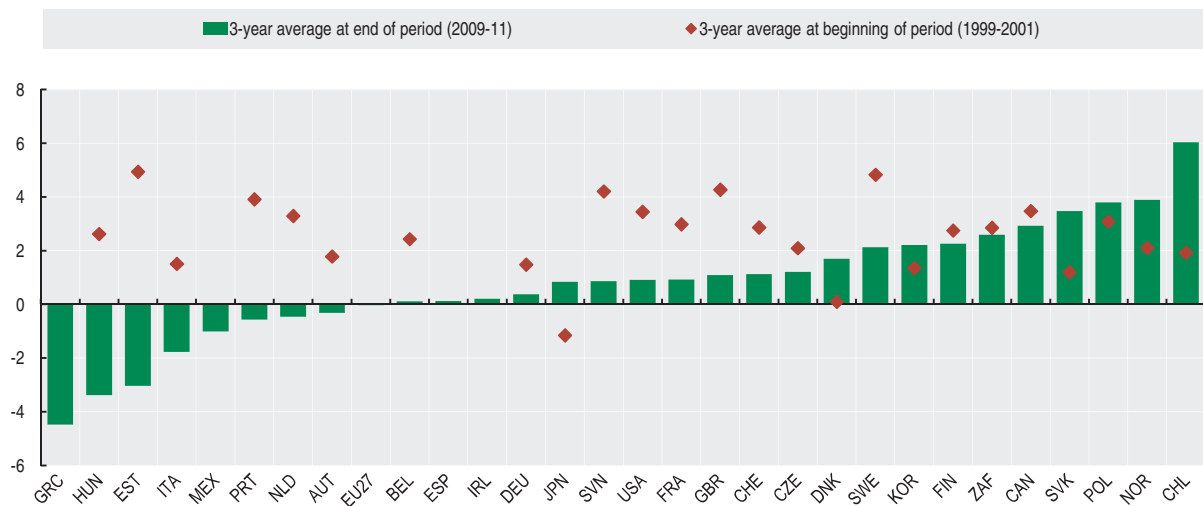
Annual growth in percentage

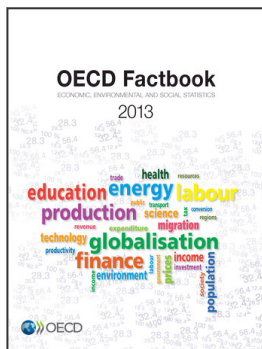
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia	3.4	3.3	3.5	1.1	4.3	4.0	4.5	5.5	2.7	6.9	..	..	..
Austria	4.0	1.8	-0.5	1.5	1.8	2.6	2.8	2.7	2.6	0.7	-1.5	-0.2	..
Belgium	2.5	1.8	3.1	-0.2	-0.2	-0.2	0.1	2.7	2.2	2.1	2.8	-1.3	-1.1
Canada	2.9	4.8	2.8	1.8	2.1	3.8	2.5	5.7	3.8	4.2	1.1	3.5	..
Chile	-0.9	3.5	3.2	2.2	3.4	7.8	7.7	7.0	7.1	4.9	7.4	5.9	..
Czech Republic	2.0	2.0	2.3	3.0	4.0	1.8	5.1	5.6	3.8	2.1	1.3	0.2	..
Denmark	-3.8	0.5	3.7	2.0	2.4	2.7	2.2	1.8	0.1	-0.2	0.2	3.8	1.1
Estonia	-1.9	11.2	5.9	7.0	7.3	2.0	11.0	10.8	11.8	0.4	-6.7	-2.7	..
Finland	4.5	0.6	3.2	2.2	6.0	4.8	1.0	2.7	3.6	2.4	1.9	2.5	0.0
France	2.7	3.1	3.1	3.5	0.5	2.1	1.1	2.4	3.0	0.2	1.2	0.9	0.6
Germany	1.8	0.9	1.7	0.0	0.7	0.6	0.4	1.2	0.0	1.0	-0.7	0.9	..
Greece	..	..	4.1	2.6	4.7	3.1	1.9	2.9	9.4	-4.5	1.7	-10.3	..
Hungary	1.5	1.2	5.2	6.4	5.5	4.0	3.6	1.7	-3.0	-1.8	-4.3	-4.0	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	0.3	5.8	7.8	4.3	6.9	5.0	-2.0	-2.2	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	1.5	0.1	3.0	1.2	0.5	0.9	0.6	0.9	1.0	-1.4	-3.0	-0.9	..
Japan	-0.4	-0.9	-2.1	1.0	0.0	1.1	0.9	0.8	0.8	-1.2	1.3	2.5	..
Korea	2.8	0.4	0.9	3.4	4.9	4.7	2.3	2.6	2.7	1.3	1.6	4.1	0.9
Luxembourg	..	..	..	..	..	..	..	..	4.0	4.2	1.4	..	..
Mexico	..	..	..	..	..	4.0	4.6	5.5	3.4	1.0	-7.7	4.1	..
Netherlands	2.1	2.2	5.6	-0.6	-2.5	0.6	-0.3	0.5	2.6	-0.3	-1.1	-0.1	-0.2
New Zealand	7.8	-4.1	3.7	-0.5	8.4	5.8	2.4	2.1	..	..	..	..	..
Norway	2.5	3.8	0.0	8.0	4.6	3.3	7.8	-6.4	6.3	3.9	3.9	3.5	4.2
Poland	3.5	1.7	4.1	-1.0	1.2	1.7	1.5	4.5	4.6	4.0	4.8	2.7	..
Portugal	6.6	3.6	1.6	1.0	0.3	1.7	0.7	-0.4	1.9	1.6	1.8	1.3	-4.6
Slovak Republic	-1.3	2.0	3.0	5.1	-0.7	3.9	6.2	3.4	9.1	5.0	2.2	3.2	..
Slovenia	3.5	4.5	4.6	3.2	0.6	3.9	4.1	3.2	4.5	2.7	-0.4	0.3	..
Spain	..	..	3.1	3.0	3.7	2.7	3.8	3.0	3.2	3.0	2.2	-4.6	..
Sweden	2.9	5.1	6.5	3.1	0.9	1.3	1.9	3.6	5.5	2.3	2.2	1.2	3.0
Switzerland	3.0	2.7	2.9	-1.3	-0.8	2.3	2.2	3.7	4.1	0.1	1.5	1.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	2.7	4.7	5.4	2.4	3.2	0.4	2.0	1.1	1.1	1.3	1.5	0.5	..
United States	3.1	4.8	2.5	3.6	2.9	3.1	1.4	4.0	2.0	2.7	-2.1	2.2	..
Euro area	..	1.7	2.8	1.4	1.0	1.6	1.3	1.7	2.1	0.4	-0.1	-0.6	-0.1
EU 27	..	2.2	3.5	1.6	1.6	1.5	1.6	1.8	2.1	1.1	0.5	-0.4	-0.1
OECD	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	7.7	9.4	11.9	13.6	14.1	8.0	-1.4
South Africa	2.0	3.7	2.8	3.5	4.0	5.8	5.0	6.9	5.2	0.3	1.8	5.8	..

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Real household disposable income

Average annual growth in percentage

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