

## HOUSEHOLD SAVING

Household saving is the main domestic source of funds to finance capital investment, which is a major impetus for long-term economic growth.

### Definition

In the national accounts, saving is estimated by subtracting household consumption expenditure from household disposable income plus the change in net equity of households in pension funds (since this component is also a determinant of household disposable income but with an opposite sign).

Household disposable income consists essentially of income from employment and from the operation of unincorporated enterprises, plus receipts of interest, dividends and social benefits minus payments of income taxes, interest and social security contributions. Note that enterprise income includes imputed rents paid by owner-occupiers of dwellings.

Household consumption expenditure consists mainly of cash outlays for consumer goods and services but it also includes the imputed expenditures that owner occupiers pay, as occupiers, to themselves as owners of their dwellings.

Households include households plus non-profit institutions serving households.

The household saving rate is calculated as the ratio of household saving to household disposable income (plus the change in net equity of households in pension funds).

### Long-term trends

Household saving rates are very variable between countries. This is partly due to institutional differences between countries such as the extent to which old-age pensions are funded by government rather than through personal saving and the extent to which governments provide insurance against sickness and unemployment. The age composition of the population is also relevant because the elderly tend to run down financial assets acquired during their working life, so that a country with a high share of retired persons will usually have a low saving rate.

Over the period covered in the table, saving rates have been stable or rising in France and Germany but have been falling in the other countries. Particularly sharp declines occurred in Korea, Italy, Poland, Belgium and Japan. Negative saving was recorded in some countries, in particular in Denmark, Greece and New Zealand.

### Comparability

Saving rates may be measured on either a net or a gross basis. Net saving rates are measured after deducting consumption of fixed capital (depreciation), in respect of assets used in enterprises operated by households and in respect of owner-occupied dwellings, from saving and from the disposable income of households, so that both saving and disposable income are shown on a net basis.

Because saving is in essence a residual between two large aggregates – disposable income and household consumption expenditure – both of which are subject to estimation errors, estimates of savings also tend to be subject to large relative errors and revisions over time.

Note that for Australia and New Zealand data refer to fiscal year.

### Source

- OECD (2008), *National Accounts of OECD Countries*, OECD, Paris.

### Further information

#### Analytical publications

- Cotis, J.-P., J. Coppel and L. de Mello (2004), *Is the US Prone to Over-consumption?*, paper presented at “The Macroeconomics of Fiscal Policy”, Federal Reserve Bank of Boston Economic Conference, Cape Cod, 14-16 June, [www.oecd.org/eco/speeches](http://www.oecd.org/eco/speeches).
- Harvey, R. (2004), *The Comparison of Household Saving Ratios: Euro Area/United States/Japan*, OECD Statistics Brief, No. 8, June, OECD, Paris, [www.oecd.org/std/statisticsbrief](http://www.oecd.org/std/statisticsbrief).
- Kohl, R. and P. O’Brien (1998), *The Macroeconomics of Ageing, Pensions and Savings*, OECD Economics Department Working Papers, No. 200, OECD, Paris.
- de Serres, A. and F. Pelgrin (2003), *The Decline of Private Saving Rates in the 1990s in OECD Countries: How Much Can Be Explained by Non-wealth Determinants?*, OECD Economic Studies, No. 36, 2003/1, OECD, Paris, [www.oecd.org/oecdconomicstudies](http://www.oecd.org/oecdconomicstudies).


### Websites

- OECD Economic Outlook – Sources and Methods, [www.oecd.org/eco/sources-and-methods](http://www.oecd.org/eco/sources-and-methods).

### Household net saving rates

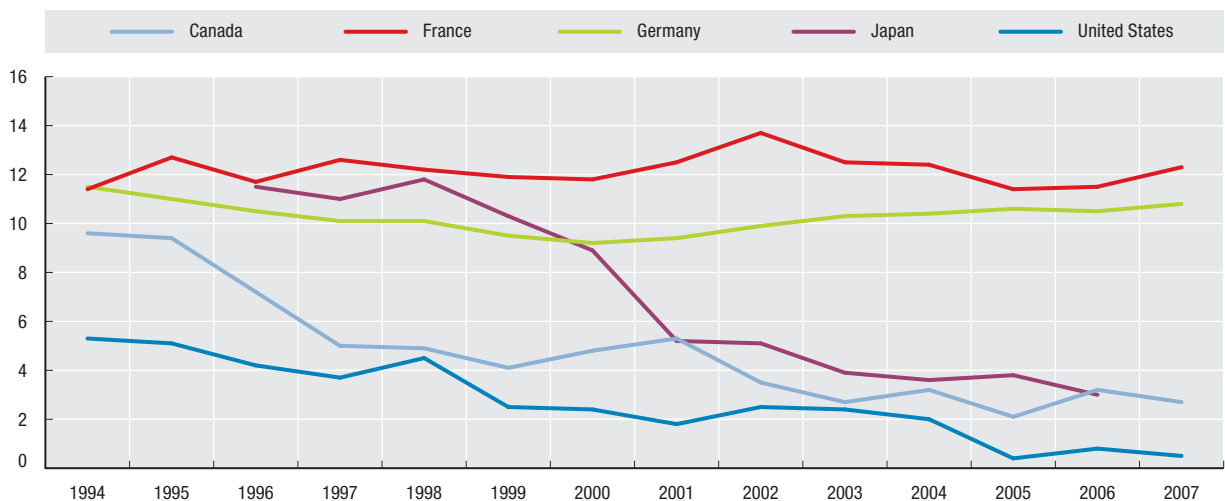
As a percentage of household disposable income


	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	5.9	6.4	6.2	2.9	1.9	1.8	2.2	0.6	-2.7	-3.2	-2.1	-0.2	0.8	..
Austria	..	10.9	8.6	7.3	8.2	8.8	8.4	7.5	7.6	8.7	8.9	9.3	9.7	..
Belgium	..	16.1	14.3	13.4	12.6	12.7	10.9	11.8	11.1	9.6	8.2	7.5	8.0	8.6
Canada	9.6	9.4	7.2	5.0	4.9	4.1	4.8	5.3	3.5	2.7	3.2	2.1	3.2	2.7
Czech Republic	..	10.0	6.1	6.0	4.1	3.4	3.3	2.2	3.0	2.4	0.5	3.2	4.5	4.3
Denmark	-1.6	1.3	0.9	-1.6	0.0	-3.3	-1.9	3.7	4.1	4.1	0.7	-4.0	-3.1	..
Finland	1.1	3.9	0.4	2.0	0.5	2.0	-0.1	0.1	0.6	1.4	2.5	0.5	-2.0	..
France	11.4	12.7	11.7	12.6	12.2	11.9	11.8	12.5	13.7	12.5	12.4	11.4	11.5	12.3
Germany	11.5	11.0	10.5	10.1	10.1	9.5	9.2	9.4	9.9	10.3	10.4	10.6	10.5	10.8
Greece	..	..	..	..	..	..	-6.0	-7.5	-8.0	-7.3	-7.2	-8.0	-7.3	..
Hungary	..	..	..	..	..	..	8.9	8.7	6.6	4.4	7.0	6.9	7.3	..
Ireland	..	..	..	..	..	..	..	..	5.4	5.4	8.3	5.6	3.8	2.7
Italy	18.2	17.1	17.9	15.2	11.4	10.3	8.5	10.5	11.3	10.3	10.4	10.0	8.7	..
Japan	..	..	11.5	11.0	11.8	10.3	8.9	5.2	5.1	3.9	3.6	3.8	3.0	..
Korea	20.7	17.5	17.5	16.1	24.9	17.5	10.7	6.4	2.2	3.9	6.3	4.7	3.4	2.5
Netherlands	14.4	14.3	12.7	13.3	12.2	9.0	6.9	9.7	8.7	7.6	7.4	6.3	6.4	..
New Zealand	-3.8	-3.6	-2.6	-4.6	-4.2	-5.3	-3.8	..	..	..	..	..	..	..
Norway	5.4	4.8	2.6	3.0	5.7	4.7	4.3	3.1	8.2	8.9	7.2	10.1	0.1	-1.2
Poland	..	14.6	11.7	11.7	12.1	10.6	8.4	9.9	6.0	5.2	4.7	4.7	4.1	..
Portugal	..	6.9	5.5	4.3	4.0	3.3	3.8	4.6	4.1	4.0	3.1	2.5	1.1	-0.6
Slovak Republic	..	5.2	8.9	9.4	7.7	6.3	6.1	3.9	3.6	1.4	0.7	1.4	0.7	2.7
Spain	..	..	..	..	..	..	5.9	5.6	5.6	6.0	4.9	4.7	4.2	3.0
Sweden	..	9.5	7.3	4.9	4.0	3.6	4.8	9.3	9.1	9.0	7.7	6.8	7.8	9.3
Switzerland	..	12.7	10.9	10.7	10.7	10.8	11.7	11.9	10.7	9.4	9.0	9.9	12.0	..
United States	5.3	5.1	4.2	3.7	4.5	2.5	2.4	1.8	2.5	2.4	2.0	0.4	0.8	0.5
Euro area	..	..	..	..	..	9.1	8.2	9.1	9.7	9.4	9.2	8.6	8.2	8.6
EU27 total	..	..	..	..	..	7.1	6.3	7.4	7.2	7.1	6.6	6.4	5.6	5.2
Brazil	..	..	..	..	..	..	7.8	8.2	8.8	8.6	..	7.0	..	..
Russian Federation	..	..	..	..	..	..	..	..	12.8	13.2	11.8	12.0	12.6	..

StatLink  <http://dx.doi.org/10.1787/540816472883>

### Household net saving rates

As a percentage of household disposable income



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