

HOUSEHOLD SAVINGS

Household savings are the main domestic source of funds to finance capital investment, which is a major driver of long-term economic growth.

Definition

In the national accounts, household savings are 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 interests, 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. It also includes the imputed expenditures that owner occupiers pay, as occupiers, to themselves as owners of their dwellings and the production of goods such as agricultural products for own-final use.

Household saving rates may be measured on either a net or a gross basis. The net saving rates shown here 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. This consumption of fixed capital is deducted from both savings and the disposable income of households.

Overview

Household saving rates differ significantly across countries. In 2008 or the most recent available year, these saving rates ranged between values above 10% of household disposable income in Belgium, France, Germany, Sweden, Switzerland, the Russian Federation and Slovenia and negative values in Denmark, Finland, Greece, Norway, Portugal, United Kingdom and Estonia.

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

Over the last 10-15 years covered in the table, household saving rates have increased in Austria, Germany and Sweden and remained stable in Belgium, France and Switzerland. A downward trend over the same period has occurred in Canada, Italy, Japan, Korea, Poland and the United States.

Households include households plus non-profit institutions serving households. The household saving rate is calculated as the ratio of household savings to household disposable income (plus the change in net equity of households in pension funds).

Comparability

Because savings are a residual between two large aggregates (household disposable income and household consumption expenditure), both of which are subject to estimation errors, measures of household savings are also subject to large errors and to revisions over time.

Data for Australia and New Zealand refer to fiscal years. Three-year averages refer to the years 2006 to 2008 (end of period); and 1995 to 1997 (beginning of period).

Sources

- OECD (2010), *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.
- Harvey, R. (2004), *Comparison of Household Saving Ratios: Euro Area/United States/Japan*, OECD Statistics Brief, No. 8, June, OECD, Paris, 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/oecdeconomicstudies.

Statistical publications

- OECD (2010), *National Accounts at a Glance 2009*, OECD, Paris.

Web sites

- OECD Economic Outlook – Sources and Methods, www.oecd.org/eco/sources-and-methods.



Household net saving rates

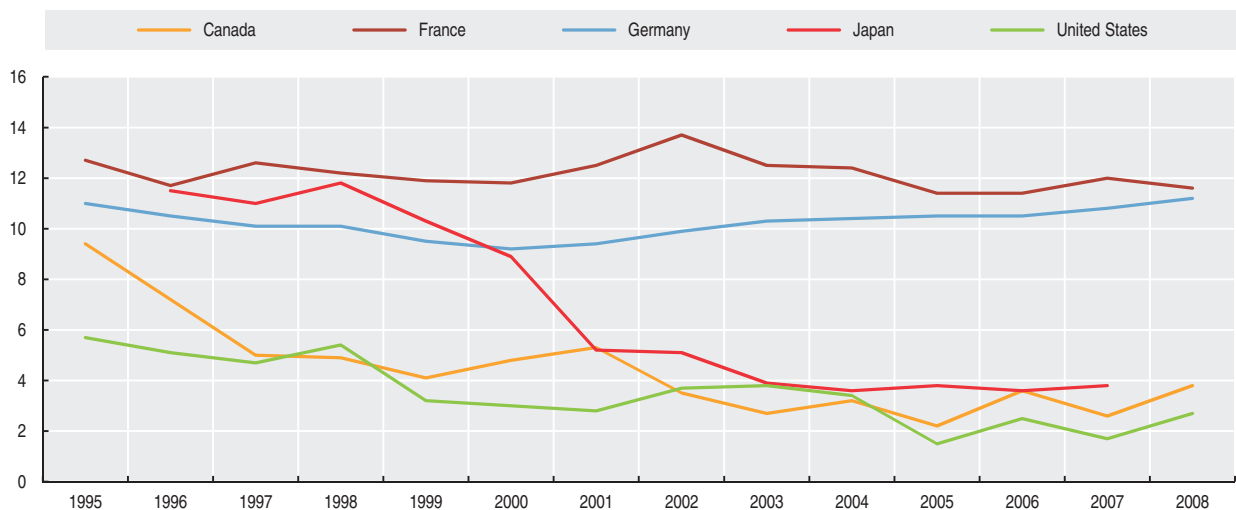
As a percentage of household disposable income

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	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	11.8	9.3	7.7	8.5	9.8	9.2	8.1	8.0	9.2	9.4	9.7	10.9	11.4	12.0
Belgium	16.4	14.3	13.2	12.7	13.1	12.3	13.7	12.9	12.2	10.8	10.0	10.9	11.2	11.5
Canada	9.4	7.2	5.0	4.9	4.1	4.8	5.3	3.5	2.7	3.2	2.2	3.6	2.6	3.8
Czech Republic	10.0	6.1	6.0	4.1	3.4	3.3	2.2	3.0	2.4	0.5	3.2	4.8	6.3	5.8
Denmark	1.3	0.9	-1.6	0.0	-3.3	-1.9	3.7	4.1	4.1	0.7	-1.5	0.4	-1.0	-0.3
Finland	3.9	0.4	2.0	0.6	2.1	-0.1	0.2	0.6	1.4	2.5	0.7	-1.4	-1.2	-1.0
France	12.7	11.7	12.6	12.2	11.9	11.8	12.5	13.7	12.5	12.4	11.4	11.4	12.0	11.6
Germany	11.0	10.5	10.1	10.1	9.5	9.2	9.4	9.9	10.3	10.4	10.5	10.5	10.8	11.2
Greece	..	..	..	..	..	-6.0	-7.5	-8.0	-7.3	-7.2	-8.0	-7.3	..	..
Hungary	14.4	15.6	14.2	13.5	9.9	8.9	8.5	6.4	4.3	6.8	6.1	7.5	4.6	3.0
Ireland	..	..	..	..	..	..	..	5.4	5.4	8.3	5.6	3.8	2.7	4.1
Italy	17.0	17.9	15.1	11.4	10.2	8.4	10.5	11.2	10.3	10.2	9.9	9.1	8.2	8.6
Japan	..	11.5	11.0	11.8	10.3	8.9	5.2	5.1	3.9	3.6	3.8	3.6	3.8	..
Korea	..	..	..	..	..	9.3	5.2	0.4	5.2	9.2	7.2	5.2	2.9	2.8
Netherlands	14.0	12.4	13.0	12.0	8.9	6.7	9.5	8.4	7.5	7.3	6.3	6.0	8.1	6.8
New Zealand	-3.6	-2.6	-4.6	-4.2	-5.3	-3.8	..	..	..	..	..	..	..	..
Norway	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	11.1	10.3	12.3	8.3	7.8	8.0	7.1	6.8	7.4	..
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	-1.1	-0.9
Slovak Republic	5.2	8.9	9.4	7.7	6.3	6.1	3.9	3.5	1.2	0.5	1.2	0.5	2.5	1.8
Spain	..	..	..	..	..	5.9	5.6	5.6	6.0	4.9	4.7	4.2	3.6	6.1
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	9.1	12.1
Switzerland	12.7	10.9	10.7	10.7	10.8	11.7	11.9	10.7	9.4	9.0	10.1	11.4	12.7	..
United Kingdom	6.9	5.9	5.9	3.5	0.9	0.1	1.5	-0.1	0.4	-1.7	-1.3	-2.9	-4.3	-4.5
United States	5.7	5.1	4.7	5.4	3.2	3.0	2.8	3.7	3.8	3.4	1.5	2.5	1.7	2.7
Euro area	..	..	..	..	9.3	8.4	9.2	9.7	9.4	9.3	8.6	8.2	8.3	8.9
EU27 total	..	..	..	..	7.4	6.6	7.5	7.4	7.3	6.6	6.4	5.8	5.5	5.8
Chile	..	7.2	5.6	6.5	7.3	6.5	7.0	6.8	6.4	7.2	7.1	7.7	7.7	..
Estonia	4.2	2.0	-0.1	-2.8	-5.4	-3.0	-4.0	-6.5	-8.4	-11.7	-10.4	-9.6	-5.2	..
Russian Federation	..	..	..	..	..	..	..	12.8	13.2	11.8	12.0	12.6	..	..
Slovenia	..	..	..	..	..	7.0	9.0	9.9	7.6	9.2	11.1	11.2	10.5	..

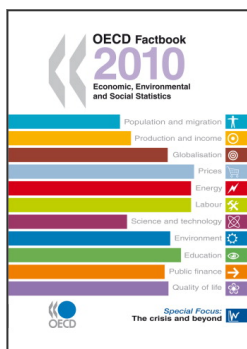
StatLink <http://dx.doi.org/10.1787/823876227135>

Household net saving rates

As a percentage of household disposable income



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