

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 reflects the fact that the latter concerns the share of national income that is allocated to households only. Disposable income can be seen as the maximum amount that a household can afford to spend on the consumption of 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 wages and salaries, gross operating surplus (income earned from renting a dwelling or the imputed rental income of owner-occupiers), 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

On average over the period 2012-14, household disposable income in real terms increased in 20 out of 30 OECD countries for which data is available. Chile (7.5%), Norway (3.5%) and Mexico (3.1%) showed the highest growth rates. In contrast, Greece's household disposable income fell by 8.6% and the household disposable income for Italy, Spain, Portugal, and Slovenia fell around 2% in the three year period.

In most OECD countries, the growth rate of real household disposable income over the three years to 2014 was lower than in the three years to 2004. In fact, in the three years to 2004 only two countries recorded small declines in disposable income (the Netherlands and Belgium) whereas 10 countries recorded declines in the three years to 2014. In Chile and Russia, however, disposable income showed very strong growth. Over that period, inequalities in household disposable income continued to increase in the majority of OECD countries.

Comparability

All countries compile data according to the 2008 SNA "System of National Accounts, 2008" with the exception of Chile, Japan, and Turkey, where data are compiled according to the 1993 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 and implies that data are highly comparable across countries.

Sources

- OECD (2015), *National Accounts at a Glance*, OECD Publishing.
- OECD (2015), *National Accounts of OECD Countries*, OECD Publishing.

Further information

Statistical publications

- OECD (2015), *Taxing Wages*, OECD Publishing.
- OECD (2015), *OECD Pensions at a Glance*, OECD Publishing.
- OECD (2014), *Society at a Glance: OECD Social Indicators*, OECD Publishing.

Methodological publications

- Lequiller, F. and D. Blades (2014), *Understanding National Accounts: Second Edition*, OECD Publishing.
- OECD, et al. (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.

Online databases

- *OECD Social Expenditure Statistics*.



Real household disposable income

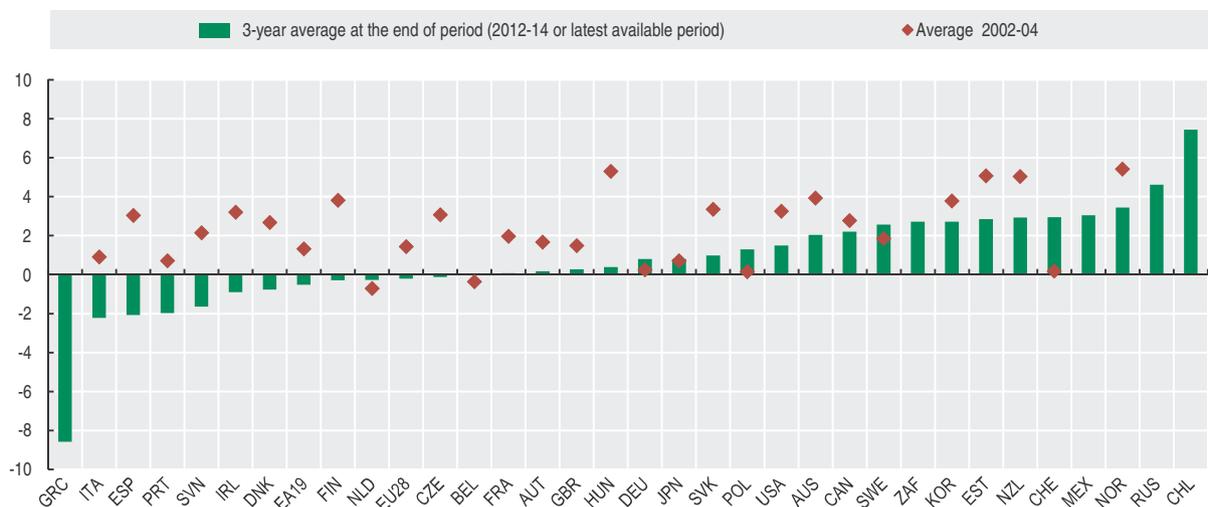
Annual growth in percentage

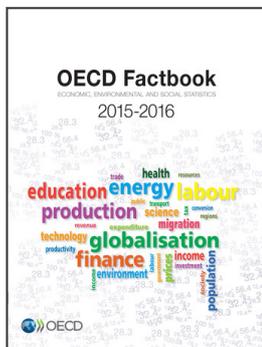
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	0.7	5.6	5.6	2.7	5.5	7.1	6.8	1.3	4.9	3.7	0.9	1.5	..
Austria	0.9	2.0	2.2	4.0	2.7	2.1	0.7	-0.3	-1.1	-0.3	2.0	-2.0	0.5
Belgium	-0.6	-0.1	-0.4	0.8	2.2	2.0	2.2	2.1	-1.2	-1.1	0.4	-0.7	0.3
Canada	2.4	2.3	3.6	2.9	6.1	3.7	4.0	1.6	2.4	2.3	2.7	2.4	1.5
Chile	..	..	..	..	..	..	..	6.4	6.3	9.2	7.4	5.8	..
Czech Republic	2.9	4.0	2.4	4.6	5.6	3.1	2.3	2.1	0.1	-1.6	-1.1	-0.9	1.7
Denmark	3.1	2.4	2.5	2.6	2.4	-0.8	-0.9	2.7	3.6	1.0	-0.5	-1.4	-0.4
Estonia	1.7	8.2	5.5	9.1	11.9	11.0	5.3	-9.2	-4.3	3.8	0.3	6.3	2.0
Finland	3.0	3.9	4.5	1.2	2.6	3.5	2.3	1.1	2.9	1.0	-0.2	0.3	-1.0
France	3.2	0.6	2.1	0.8	2.2	2.9	0.1	1.7	1.3	0.1	-0.9	0.0	1.1
Germany	-0.7	0.7	0.8	0.2	1.0	0.0	0.6	-0.6	0.4	0.9	0.5	0.5	1.3
Greece	..	..	..	..	..	3.2	0.9	0.0	-11.0	-9.8	-7.6	-8.4	..
Hungary	4.6	6.6	4.7	4.0	1.4	-3.2	-2.4	-4.4	-2.5	3.9	-3.2	1.6	2.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	2.1	2.5	5.1	7.6	3.8	6.3	6.7	0.3	-2.7	-3.5	-1.0	-2.3	0.6
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	0.9	0.5	1.3	0.5	1.1	1.3	-1.4	-2.3	-1.8	-0.5	-5.7	-0.6	-0.3
Japan	1.0	0.0	1.1	0.9	0.8	0.8	-1.2	1.3	2.6	0.7	1.0	0.7	..
Korea	4.0	3.3	4.0	2.8	3.1	2.9	1.4	1.1	3.5	2.0	1.5	4.0	2.6
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	3.7	3.6	6.6	2.5	2.0	-7.5	6.3	3.3	2.6	3.2	..
Netherlands	-0.4	-1.4	-0.3	-0.6	0.2	1.9	-0.9	0.7	-0.7	0.6	-1.2	-0.9	1.3
New Zealand	0.8	9.5	5.0	3.0	4.6	5.0	-1.9	2.8	3.5	1.4	3.9	..	..
Norway	8.4	4.6	3.4	8.3	-6.6	6.0	3.4	3.2	2.3	4.1	4.4	3.0	2.9
Poland	-0.3	0.8	-0.1	0.9	4.3	5.2	4.3	6.0	1.8	0.0	1.1	2.8	..
Portugal	1.1	-1.6	2.7	0.7	0.0	1.4	1.0	1.5	1.0	-5.6	-5.1	-0.9	0.2
Slovak Republic	5.3	0.5	4.3	5.6	3.5	9.6	5.0	1.4	2.9	-2.3	-1.8	1.7	3.1
Slovenia	2.5	0.5	3.5	4.8	3.1	4.6	2.8	-1.3	-0.5	0.1	-4.2	-2.1	1.5
Spain	3.1	3.9	2.2	2.3	1.8	0.4	1.8	3.0	-3.5	-1.3	-5.3	-1.5	0.7
Sweden	3.2	0.7	1.7	2.2	4.1	5.6	2.0	2.6	1.7	4.1	3.8	1.7	2.2
Switzerland	-0.2	-0.5	1.3	1.7	3.4	3.9	1.1	2.1	1.2	1.7	4.0	3.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	2.1	1.5	0.8	2.0	1.3	2.6	0.9	3.3	0.7	-2.1	2.6	-1.1	-0.7
United States	3.3	2.9	3.5	1.4	3.8	1.9	1.8	-0.3	1.3	2.7	3.3	-1.5	2.7
Euro area	1.2	1.2	1.6	0.9	1.6	1.5	0.3	0.3	-0.8	-0.1	-1.9	-0.5	0.9
EU 28	1.1	1.7	1.5	1.3	1.7	1.8	0.9	1.2	-0.7	-0.2	-1.2	-0.1	0.8
OECD	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	5.0	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	7.7	9.4	11.9	13.6	14.1	8.0	-2.0	8.6	4.7	6.1	3.1	..
South Africa	..	..	..	..	..	..	..	0.8	5.1	5.3	2.7	3.3	2.2

1 2 <http://dx.doi.org/10.1787/888933336269>

Real household disposable income

Average annual growth in percentage

1 2 <http://dx.doi.org/10.1787/888933335075>



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