

10. Household consumption

Household final consumption expenditure is typically the largest component of final uses of GDP, representing in general around 60% of GDP. It is therefore an essential variable for economic analysis of demand. An additional concept, (*household*) *actual individual consumption*, also exists in the SNA. This concept allocates individual consumption expenditures of general government and NPISHs (those that directly benefit households) to households (the ultimate consumers of these expenditures), providing an important measure for cross-country comparisons, in particular for comparisons of well-being.

Definition

Household final consumption expenditure covers all purchases made by resident households (home or abroad) to meet their everyday needs: food, clothing, housing services (rents), energy, transport, durable goods (notably cars), spending on health, on leisure and on miscellaneous services.

It also includes a number of imputed expenditures, for example agricultural products produced for own-consumption but the most significant imputation is typically owner-occupiers' imputed rents. The other main imputed item of expenditure relates to income in kind (employees may receive goods and services either free of charge or at very low prices as part of their wages).

By convention, apart from dwellings, all goods and services bought by households to meet their own everyday needs are recorded as final consumption. Purchases of dwellings are recorded as gross fixed capital formation. Partial payments for goods and services "provided" by general government are included in household final consumption. This covers cases in which households have to pay a part of the public services provided, for example prescription medicines and medical services partly reimbursed by government. The portion that is reimbursed forms part of expenditure by general government, and, so, also, of household actual individual consumption.

Households' actual individual consumption is equal to households' consumption expenditure plus those (individual) expenditures of general government and NPISHs that directly benefit households, such as healthcare and education. See also section 5 on disposable income.

Comparability

All countries follow the 1993 SNA and so comparability of both concepts (household final consumption and household actual individual consumption) is good. However, cross-country comparisons of actual individual consumption provide a better basis to measure relative well-being across countries. This is because there are significant differences between countries regarding the proportion of expenditure on healthcare and education paid directly by households and the proportion paid on their behalf by government, which are financed for example through taxes and that do not form part of household final consumption.

Figure 10.2 shows actual individual consumption per head using PPPs specifically related to actual individual consumption and are therefore different to those used for overall GDP.

Table 10.3 and Figure 10.3 show the contribution made by household final consumption (and other components of final demand and imports) to overall GDP growth. Note that for those countries that deflate their current price estimates of GDP using superlative price indices, such as the United States, the sum of the contribution of the individual components will not necessarily sum to the overall GDP growth rate.

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "Aggregate national accounts: gross domestic product", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

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10. Household consumption

Table 10.1. Household final and actual individual consumption

Percentage of GDP

	Household final consumption								Actual individual consumption							
	2002	2003	2004	2005	2006	2007	2008	2002	2003	2004	2005	2006	2007	2008		
Australia	59.0	58.6	58.0	56.6	55.9	55.4	54.2 e	69.6	69.2	69.0	67.3	66.4	65.9	64.5 e		
Austria	54.5	54.8	54.8	54.9	54.3	53.1	52.8	65.6	66.0	65.9	66.0	65.0	63.8	63.6		
Belgium	53.5	53.4	52.7	52.6	52.4	52.3	53.5	67.0	67.3	66.7	66.6	66.2	65.9	67.8		
Canada	56.9	56.6	55.8	55.3	55.4	55.5	55.7 e	68.7	68.4	67.4	66.8	67.1	67.3	67.5 e		
Czech Republic	51.2	51.7	50.3	49.1	48.5	47.7	49.7	62.5	63.2	61.5	60.1	59.2	58.0	60.0		
Denmark	47.5	47.6	48.2	48.2	48.7	49.0	49.1	65.7	66.2	66.8	66.5	67.0	67.3	68.2		
Finland	50.1	51.6	51.4	51.7	51.4	50.5	51.7	63.7	65.7	65.7	66.3	65.8	64.7	66.5		
France	55.9	56.4	56.6	56.9	56.8	56.6	57.1	70.9	71.8	72.0	72.3	72.0	71.7	72.3		
Germany	59.0	59.4	58.9	59.1	58.3	56.6	56.5	70.1	70.6	69.8	70.1	69.2	67.3	67.2		
Greece	72.9	70.7	70.0	71.9	72.6	71.9	72.5	79.0	77.1	76.3	78.9	79.6	79.0	79.6		
Hungary	54.3	56.0	54.6	55.4	53.9	53.7	54.0	65.9	68.8	66.9	68.0	66.5	65.2	65.7		
Iceland	54.9	57.2	57.1	59.5	58.4	58.0	54.2	71.7	74.8	74.1	76.0	74.8	74.5	70.8		
Ireland	46.8	46.7	46.1	46.0	46.0	46.8	50.1	56.4	56.5	56.2	55.8	55.9	57.1	61.2		
Italy	58.7	59.1	58.6	59.0	59.1	58.8	59.1	70.0	70.5	70.1	70.9	71.0	70.4	71.1		
Japan	57.6	57.5	57.1	57.0	57.1	56.3	57.8 e	67.7	67.5	67.1	67.1	67.1	66.4	68.1 e		
Korea	56.7	54.8	52.6	53.8	54.5	54.4	54.5	61.9	60.2	58.2	59.6	60.7	60.6	61.0		
Luxembourg	41.9	37.7	37.1	35.5	33.0	31.6	32.4	51.6	47.4	47.4	45.5	42.4	40.7	41.6		
Mexico	67.1 e	66.7	66.3	66.6	64.9	65.4	65.7 e	73.2 e	72.5	71.6	72.0	70.1	70.6	71.0 e		
Netherlands	50.1	49.9	49.4	48.8	47.2	46.3	45.7	63.2	63.5	62.9	62.1	62.0	61.4	60.8		
New Zealand	58.7	58.8	58.4	59.1	59.4	58.3	58.8 e	69.0	69.1	68.9	70.0	70.5	69.6	70.2 e		
Norway	45.6	46.4	45.1	42.5	40.8	41.4	38.9	59.3	60.6	58.8	55.5	53.4	54.4	51.9		
Poland	67.0	65.8	64.7	63.4	62.5	60.5	61.7	77.2	76.2	74.6	73.5	72.7	70.5	72.2		
Portugal	63.0	63.4	64.1	64.8	65.4	65.0	66.6	75.2	75.7	76.6	77.7	77.9	76.8	78.7		
Slovak Republic	57.6	56.6	57.1	57.2	56.8	55.9	56.5	66.4	64.8	64.6	64.7	64.4	63.6	64.4		
Spain	58.3	57.6	57.9	57.8	57.4	57.4	57.2	68.2	67.6	68.2	68.3	67.9	68.1	68.6		
Sweden	49.2	49.1	48.7	48.6	47.3	46.7	46.5	68.7	68.9	68.0	67.8	66.4	65.6	65.8		
Switzerland	60.4	60.7	60.3	60.0	58.4	57.0	57.0	66.8	67.5	66.9	66.6	64.7	63.1	63.0 e		
Turkey	68.0	71.2	71.3	71.7	70.5	71.3	69.8	72.6 e	75.6 e	75.5 e	75.9 e	74.9 e	75.8 e	74.3 e		
United Kingdom	65.8	65.1	64.7	64.7	64.1	63.9	64.4	77.9	77.8	77.1	77.5	77.2	76.9	77.8		
United States	70.2	70.4	70.1	70.1	69.9	70.1	70.5	76.5 e	76.8 e	76.4 e	76.4 e	76.2 e	76.5 e	77.2 e		
Euro area	57.2	57.4	57.2	57.4	57.0	56.3	56.5	69.3 e	69.7 e	69.4 e	69.6 e	69.1 e	68.2 e	68.8 e		
OECD-Total	62.9 e	63.0	62.7	62.7	62.4	62.1	62.5 e	73.9 e	73.5 e	73.1 e	72.0 e	72.2 e	72.0 e	73.1 e		


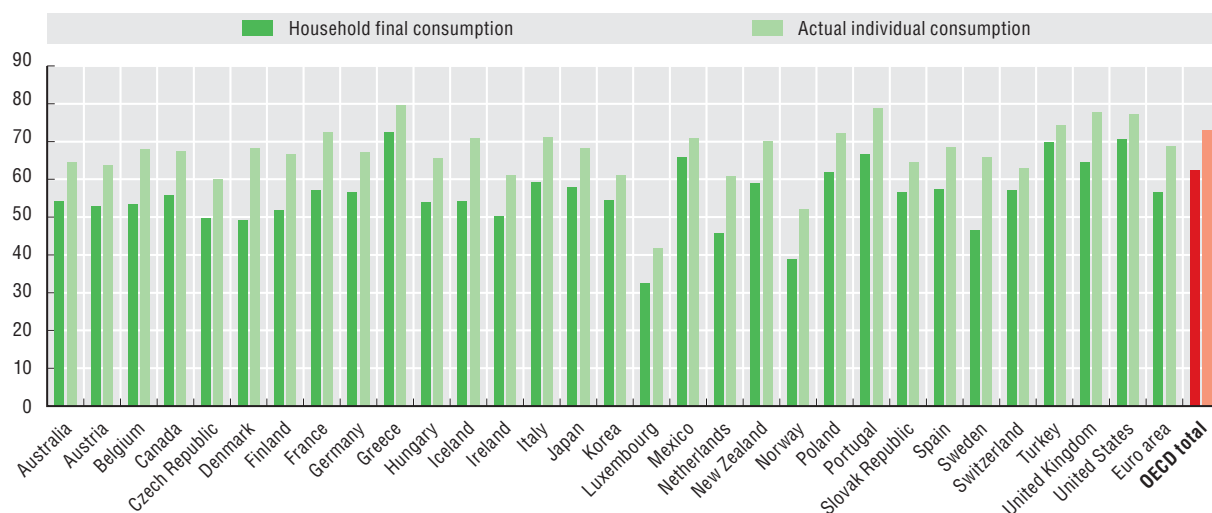

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Figure 10.1. Household final and actual individual consumption

Percentage of GDP, 2008

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10. Household consumption

Table 10.2. Household final consumption, volume

	Annual growth rates in percentage													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	3.6	2.5	4.6	5.0	4.4	3.6	3.0	3.4	5.4	4.4	2.6	4.1	3.7	2.6 e
Austria	0.7	2.9	-0.1	2.1	1.9	2.8	1.1	1.2	1.0	2.2	2.1	1.8	0.8	0.8
Belgium	1.6	1.3	1.8	2.7	2.1	3.8	1.1	0.8	0.9	1.4	1.2	2.1	2.1	0.9
Canada	2.1	2.6	4.6	2.8	3.8	4.0	2.3	3.6	3.0	3.3	3.7	4.3	4.5	3.0 e
Czech Republic	5.9	8.4	2.2	-0.8	2.7	1.3	2.2	2.2	6.0	3.0	2.5	5.2	5.0	3.6
Denmark	1.6	2.2	3.0	2.3	-0.4	0.2	0.1	1.6	1.0	4.7	3.8	4.4	2.4	-0.2
Finland	4.3	3.9	3.4	4.3	3.0	2.3	2.8	2.2	4.8	3.0	3.3	4.1	3.3	1.9
France	1.7	1.6	0.4	3.9	3.5	3.6	2.6	2.4	2.0	2.5	2.6	2.4	2.5	1.0
Germany	2.2	1.3	0.8	1.5	3.0	2.4	1.9	-0.8	0.1	0.1	0.3	1.3	-0.4	0.4
Greece	2.5 e	2.4 e	2.7 e	3.5 e	2.5 e	2.0 e	5.0	4.7	3.3	3.6	4.6	5.3	3.3	2.3
Hungary	-7.3	-3.4	1.6	4.7	6.3	4.2	6.5	10.7	8.4	3.1	3.2	1.7	0.4	-0.5
Iceland	2.2	5.7	6.3	10.2	7.9	4.2	-2.9	-1.5	6.1	7.0	12.9	3.9	5.6	-7.7
Ireland	3.5	7.0	7.7	7.5	8.9	10.0	4.8	3.8	2.9	3.5	6.6	6.5	5.6	-0.7
Italy	1.5	1.0	3.2	3.5	2.6	2.4	0.7	0.2	1.0	0.8	1.2	1.3	1.2	-0.9
Japan	1.9	2.5	0.8	-0.9	1.0	0.7	1.6	1.1	0.4	1.6	1.3	1.5	0.7	0.6 e
Korea	9.9 e	6.7 e	3.3 e	-13.4 e	11.5 e	8.4 e	5.7	8.9	-0.4	0.3	4.6	4.7	5.1	0.9
Luxembourg	1.9	3.0	3.9	5.7	3.6	5.0	3.4	5.8	-5.3	2.2	2.6	2.7	2.8	3.9
Mexico	-9.5 e	2.2 e	6.5 e	5.4 e	4.3 e	8.2 e	2.5 e	1.6 e	2.2 e	5.6	4.8	5.7	3.9	1.5 e
Netherlands	2.7	4.3	3.5	5.1	5.3	3.7	1.8	0.9	-0.2	1.0	1.0	-0.3	1.8	1.3
New Zealand	4.0	4.4	2.4	3.1	3.3	1.4	2.8	4.9	6.6	5.1	4.6	2.8	3.2	-0.1 e
Norway	3.6	6.3	3.1	2.8	3.7	4.2	2.1	3.1	2.8	5.6	4.0	4.8	6.0	1.4
Poland	3.2	8.8	7.2	5.0	5.7	3.1	2.2	3.4	2.1	4.7	2.1	5.0	4.9	5.9
Portugal	0.6	3.2	3.7	5.0	5.3	3.7	1.3	1.3	-0.1	2.5	2.0	1.9	1.7	1.7
Slovak Republic	5.4	9.3	4.1	6.6	0.3	2.2	5.5	5.5	1.7	4.6	6.5	5.8	7.0	6.1
Spain	1.7	2.3	3.2	4.8	5.3	5.0	3.4	2.8	2.9	4.2	4.2	3.8	3.6	-0.6
Sweden	1.0	1.7	2.6	3.0	4.1	5.1	0.4	2.6	2.0	2.6	2.7	2.3	3.0	-0.3
Switzerland	0.6	1.1	1.4	2.2	2.3	2.4	2.3	0.1	0.9	1.6	1.7	1.6	2.4	1.7
Turkey	4.8 e	8.5 e	8.4 e	0.6	0.1	5.9	-6.6	4.7	10.2	11.0	7.9	4.6	5.5	-0.1
United Kingdom	1.9	3.9	3.8	4.3	5.2	4.7	3.1	3.6	3.0	2.9	1.9	2.1	3.1	1.4
United States	2.7	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.7	-0.3
Euro area	..	1.7	1.7	3.1	3.4	3.1	2.0	0.9	1.2	1.6	1.9	2.1	1.6	0.4
OECD-Total	..	3.1 e	3.1 e	3.2 e	4.2 e	4.1 e	2.3 e	2.4 e	2.3 e	3.0	2.9	2.8	2.5	0.5 e


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Figure 10.2. Household final and actual individual consumption per capita, OECD = 100

Current PPPs, 2008

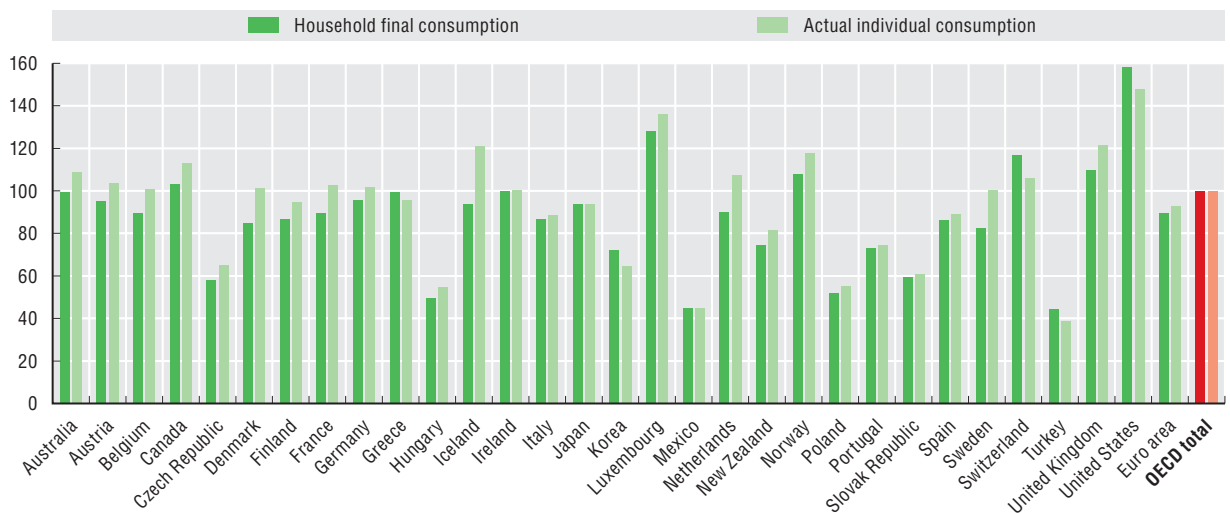
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Table 10.3. Contribution to GDP growth by final demand components

	Percentage														
	Household consumption			General government consumption			Gross fixed capital formation			Exports			Imports		
	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008
Australia	2.9	3.2	1.4	0.8	0.7	0.7	1.1	2.1	2.7	0.4	0.4	0.8	-1.0	-2.8	-2.5
Austria	1.2	0.5	0.4	0.5	0.2	0.6	0.9	1.0	0.2	3.3	0.7	0.5	-2.1	-2.0	0.4
Belgium	1.5	0.5	0.5	0.2	0.5	0.5	0.7	-0.1	1.1	4.4	2.4	1.9	-4.8	-2.3	-2.8
Canada	1.6	1.7	1.7	0.6	0.6	0.7	0.5	1.2	0.2	3.6	-0.9	-1.6	-1.9	-1.5	-0.3
Czech Republic	-0.4	3.1	1.7	-0.3	1.6	0.2	-0.3	0.1	-0.4	5.4	4.3	4.8	-4.8	-5.0	-3.5
Denmark	1.2	0.5	-0.1	0.9	0.2	0.4	1.6	-0.0	-1.1	1.6	-0.5	1.2	-3.0	0.7	-1.7
Finland	2.2	2.4	1.0	0.4	0.3	0.4	2.0	0.7	0.1	3.6	-0.7	3.4	-2.5	-0.9	-2.8
France	2.2	1.1	0.6	-0.2	0.5	0.3	1.3	0.4	0.1	2.1	-0.3	-0.1	-2.7	-0.3	-0.2
Germany	0.9	0.1	0.2	0.4	0.1	0.4	0.8	-0.1	0.6	2.2	0.9	1.4	-2.5	-1.7	-1.7
Greece	2.7	2.4	1.7	0.3	-0.2	0.1	1.9	2.7	-1.6	1.0	0.6	0.9	-2.7	-1.0	-0.1
Hungary	2.4	4.6	-0.3	-0.0	1.1	-0.2	2.5	0.5	0.1	9.0	3.9	4.5	-12.2	-6.0	-4.5
Iceland	5.9	3.4	-4.5	0.9	0.5	0.7	6.8	2.0	-6.1	0.9	0.6	2.5	-8.4	-3.9	8.2
Ireland	3.9	1.4	-0.3	0.8	0.3	0.2	2.8	1.4	-4.0	18.3	0.5	-0.9	-18.3	1.1	1.5
Italy	2.0	0.6	-0.5	0.1	0.4	0.1	0.8	-0.3	-0.6	0.6	-0.5	-1.1	-2.0	-0.3	1.3
Japan	-0.5	0.2	0.3	0.3	0.4	0.2	-2.0	-0.1	-1.2	-0.3	1.1	0.3	0.7	-0.4	-0.2
Korea	-7.2	-0.2	0.5	0.3	0.6	0.6	-7.9	1.3	-0.5	3.9	4.8	2.4	6.8	-3.5	-1.5
Luxembourg	2.5	-2.2	1.2	0.3	0.7	0.4	1.3	1.4	-0.0	13.5	9.5	2.7	-12.2	-8.4	-4.8
Mexico	3.4	1.5	1.0	0.2	0.1	0.1	2.0	0.1	1.1	3.3	0.7	0.4	-4.6	-0.2	-1.3
Netherlands	2.6	-0.1	0.6	0.6	0.7	0.5	1.5	-0.3	1.0	4.3	1.0	2.0	-5.2	-1.1	-2.5
New Zealand	1.8	3.9	-0.1	-0.1	0.8	0.7	-0.5	2.8	-1.2	0.8	0.3	-0.4	-0.6	-3.9	-0.6
Norway	1.4	1.3	0.6	0.7	0.4	0.8	3.0	0.0	0.8	0.3	-0.1	0.6	-2.9	-0.4	-1.3
Poland	3.2	1.4	3.6	0.3	0.9	1.4	3.1	-0.0	1.8	3.4	4.1	2.9	-5.1	-3.1	-3.5
Portugal	3.2	-0.1	1.1	1.1	0.0	0.1	3.0	-1.9	-0.2	2.4	1.1	-0.2	-5.2	0.3	-1.1
Slovak Republic	3.5	1.0	3.4	1.3	0.8	0.8	3.2	-0.7	1.8	11.8	11.3	2.7	-12.6	-5.8	-2.9
Spain	2.9	1.7	-0.3	0.6	0.8	1.0	2.5	1.5	-1.4	2.1	1.0	-0.3	-3.8	-1.8	1.7
Sweden	1.5	1.0	-0.1	0.9	0.1	0.4	1.3	0.2	0.5	3.7	1.8	1.0	-3.9	-1.4	-1.3
Switzerland	1.3	0.6	0.9	-0.1	0.2	-0.0	1.4	-0.3	0.1	1.7	-0.2	1.6	-2.6	-0.5	-0.2
Turkey	0.4	6.9	-0.0	0.8	-0.3	0.3	-1.0	2.4	-1.1	2.6	1.7	0.5	-0.5	-5.6	1.0
United Kingdom	2.7	2.0	0.9	0.2	0.7	0.7	2.3	0.2	-0.5	0.9	0.5	0.0	-2.6	-0.6	0.2
United States	3.5	2.0	-0.2	0.3	0.4	0.6	1.8	0.5	-0.8	0.3	0.2	0.6	-1.5	-0.6	0.5
Euro area	1.8	0.7	0.2	0.3	0.4	0.4	1.2	0.3	-0.1	2.4	0.5	0.5	-3.1	-1.1	-0.5
OECD-Total	2.0	1.4	0.3	0.3	0.4	0.5	0.8	0.4	-0.4	1.4	0.7	0.6	-1.7	-1.1	-0.2


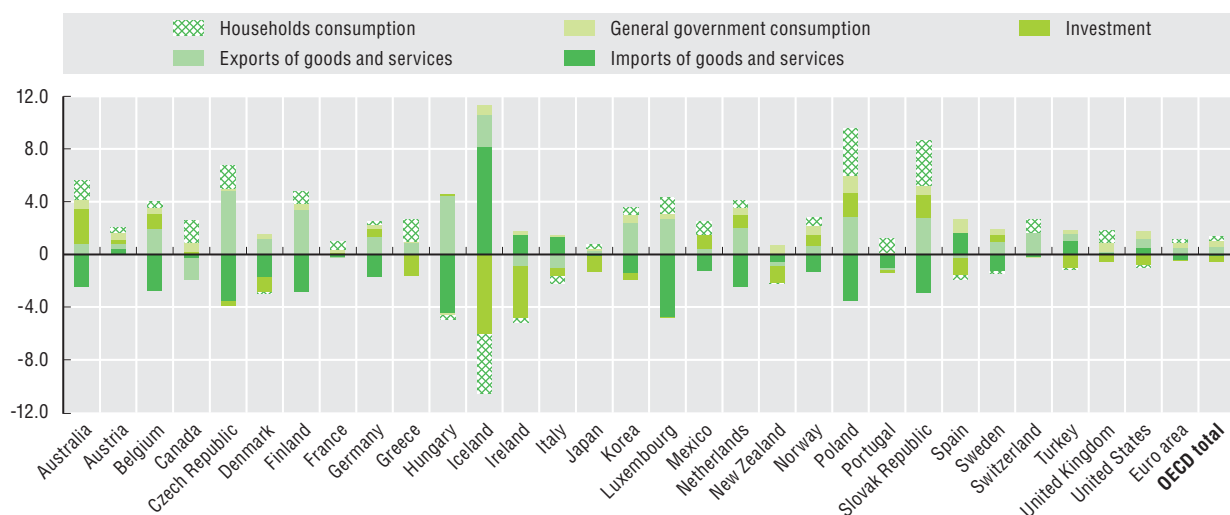
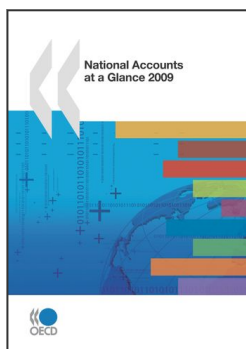
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Figure 10.3. Contribution to GDP growth by final demand components

Percentage, 2008

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