

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

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 (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

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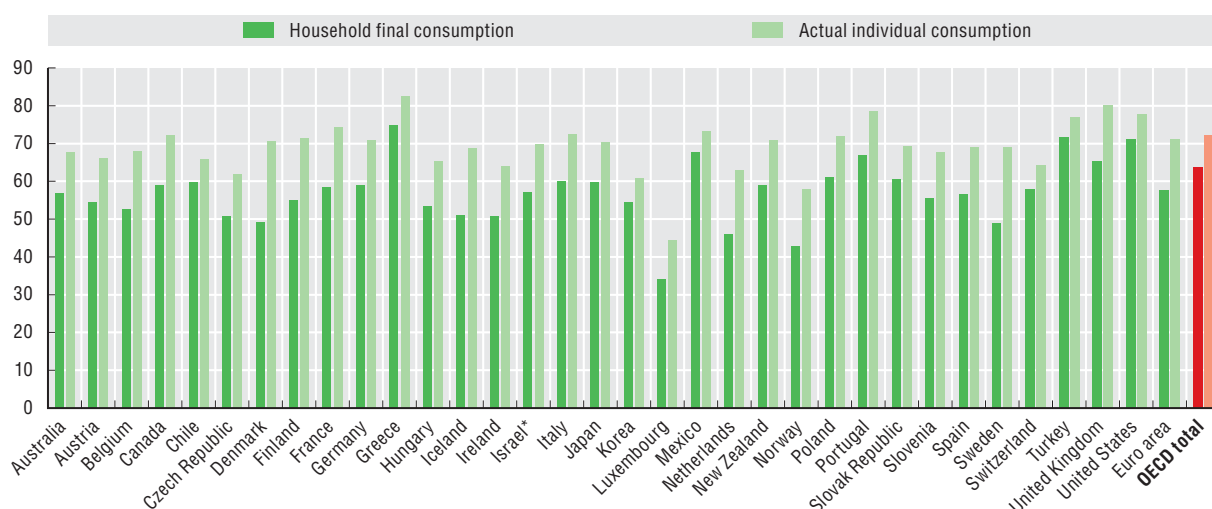
Table 10.1. **Household final and actual individual consumption**

Percentage of GDP

	Household final consumption								Actual individual consumption							
	2003	2004	2005	2006	2007	2008	2009		2003	2004	2005	2006	2007	2008	2009	
Australia	58.4	58.0	56.5	56.0	55.5	55.1	56.9 e		69.0	68.9	67.0	66.3	66.0	65.6	67.6 e	
Austria	54.8	54.8	54.9	54.1	52.9	52.3	54.3		66.0	65.9	66.0	64.8	63.5	63.2	66.0	
Belgium	52.4	51.6	51.4	51.3	51.0	51.9	52.4		66.4	65.6	65.6	65.3	64.9	66.5	68.0	
Canada	56.6	55.8	55.2	55.3	55.7	55.7	58.8		68.4	67.4	66.8	67.0	67.5	67.6	72.1	
Chile	62.8	59.4	58.2	54.4	54.6	59.2	59.8		68.7	65.0	63.6	59.5	60.0	65.2	66.0 e	
Czech Republic	51.7	50.3	49.1	48.5	47.7	49.7	50.7		63.3	61.5	60.1	59.2	58.0	60.0	61.9	
Denmark	47.6	48.2	48.2	48.2	48.6	48.7	49.2		66.1	66.8	66.4	66.3	66.7	67.6	70.6	
Finland	51.7	51.3	51.6	51.8	50.5	51.7	54.9		66.0	65.8	66.3	66.4	64.7	66.5	71.4	
France	56.4	56.6	56.9	56.8	56.7	57.0	58.3		71.8	72.0	72.3	72.0	71.7	72.2	74.4	
Germany	59.4	58.9	59.1	58.4	56.7	57.0	58.9		70.6	69.8	70.1	69.2	67.4	67.9	70.7	
Greece	70.7	70.3	72.2	73.2	72.6	74.5	74.8		77.0	76.7	79.3	80.2	79.8	81.8	82.4	
Hungary	56.0	54.6	55.5	54.2	54.1	54.1	53.4		68.7	66.9	68.1	66.8	65.6	65.9	65.4	
Iceland	57.2	57.1	59.4	58.2	57.4	53.4	51.0		74.8	74.1	75.9	74.6	73.8	70.2	68.6	
Ireland	46.9	46.4	46.4	46.3	47.6	50.7	50.7		56.8	56.5	56.3	56.3	58.0	62.2	63.9	
Israel*	55.9	56.2	55.7	55.2	56.5	57.9	57.0		69.2	69.3	68.5	67.8	69.0	70.7	69.6	
Italy	59.1	58.6	59.0	59.1	58.7	59.3	59.9		70.5	70.1	70.9	71.0	70.3	71.2	72.6	
Japan	57.5	57.1	57.0	57.1	56.7	57.8	59.6 e		67.5	67.1	67.1	67.1	66.8	68.1	70.3 e	
Korea	54.8	52.6	53.8	54.5	54.4	54.7	54.3		60.2	58.2	59.6	60.7	60.7	61.2	60.8 e	
Luxembourg	37.7	37.1	35.5	33.5	32.0	32.3	34.1		47.4	47.4	45.5	42.9	41.1	41.4	44.4	
Mexico	66.7	66.3	66.6	64.9	65.5	64.8	67.7 e		72.5	71.5	72.0	70.1	70.7	70.1	73.2 e	
Netherlands	49.9	49.4	48.8	47.2	46.2	45.4	45.9		63.5	62.9	62.1	62.0	61.1	60.5	62.8	
New Zealand	59.2	58.9	59.6	59.7	58.2	58.7	59.1 e		69.5	69.3	70.4	70.7	69.2	70.5	70.9 e	
Norway	46.4	45.1	42.5	40.8	41.4	39.3	42.6		60.6	58.8	55.5	53.4	54.2	52.3	57.8	
Poland	65.8	64.7	63.4	62.5	60.5	61.6	61.1		76.2	74.6	73.5	72.7	70.5	72.0	71.7	
Portugal	63.5	64.2	64.9	65.4	65.6	67.3	66.8		75.3	76.2	77.2	77.1	76.7	78.3	78.6	
Slovak Republic	56.8	57.3	57.4	57.1	56.0	56.8	60.5		65.0	64.8	64.8	64.7	64.0	64.5	69.2	
Slovenia	56.0	55.0	54.2	52.8	52.7	53.0	55.4		67.5	66.3	65.5	63.9	63.1	63.9	67.7	
Spain	57.6	57.9	57.8	57.4	57.4	57.2	56.6		67.6	68.2	68.3	67.9	68.1	68.5	68.9	
Sweden	48.8	48.3	48.2	47.2	46.7	46.7	48.8		68.4	67.4	67.3	66.1	65.4	65.7	69.0	
Switzerland	60.7	60.3	60.0	58.4	57.0	56.7	58.0		67.5	66.9	66.5	64.7	63.1	62.7	64.2 e	
Turkey	71.2	71.3	71.7	70.5	71.3	69.8	71.6		75.6 e	75.5 e	75.9 e	74.9 e	75.9 e	74.4 e	76.9 e	
United Kingdom	65.1	64.8	65.0	64.1	63.8	64.2	65.2		77.8	77.1	77.8	77.1	76.8	77.7	80.2	
United States	70.4	70.1	70.1	69.9	70.1	70.7	71.2		76.8	76.4	76.4	76.2	76.4	77.1 e	77.7 e	
Euro area	57.4	57.2	57.3	57.0	56.3	56.6	57.7		69.6 e	69.3 e	69.6 e	69.2 e	68.4 e	69.0 e	71.0 e	
OECD-Total	63.0	62.7	62.7	62.3	62.1	62.5	63.5 e		73.5 e	73.2 e	72.0 e	71.3 e	71.1 e	71.4 e	72.3 e	

StatLink  <http://dx.doi.org/10.1787/888932351816>Figure 10.1. **Household final and actual individual consumption**

Percentage of GDP, 2009


StatLink  <http://dx.doi.org/10.1787/888932351227>

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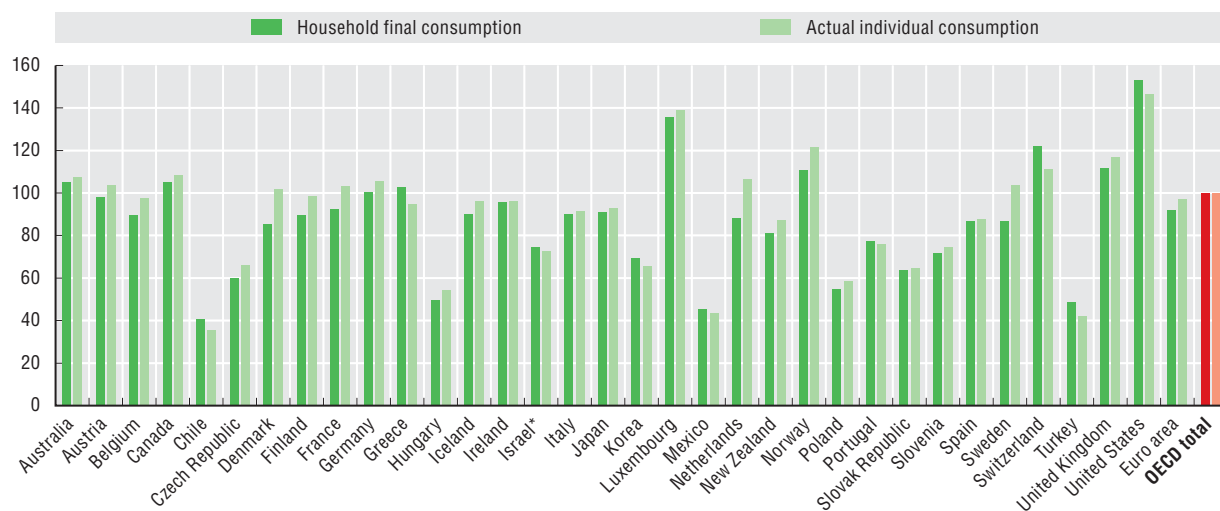

Table 10.2. **Household final consumption, volume**

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	2.5	4.6	5.0	4.4	3.6	3.1	3.4	5.6	4.4	2.8	4.2	4.0	0.8	1.7 e
Austria	2.9	-0.1	2.1	1.9	2.8	1.1	1.2	1.0	2.2	2.1	1.8	0.7	0.5	1.3
Belgium	2.0	2.0	2.6	2.0	2.6	1.4	0.5	0.7	1.6	1.0	1.8	1.8	1.5	-0.3
Canada	2.6	4.6	2.8	3.8	4.0	2.3	3.6	3.0	3.3	3.7	4.2	4.6	2.9	0.4
Chile	9.4	6.6	4.7	-1.0	3.7	2.9	2.4	4.2	7.2	7.4	7.1	7.0	4.6	0.9
Czech Republic	8.4	2.2	-0.8	2.7	1.3	2.2	2.2	6.0	2.9	2.5	5.2	5.0	3.6	-0.2
Denmark	2.2	3.0	2.3	-0.4	0.2	0.1	1.5	1.0	4.7	3.8	3.6	2.4	-0.2	-4.6
Finland	3.8	3.3	4.6	2.8	2.2	3.0	2.5	4.8	3.4	3.1	4.3	3.5	1.7	-1.9
France	1.6	0.4	3.9	3.5	3.6	2.6	2.4	2.0	2.5	2.6	2.4	2.6	0.5	0.6
Germany	1.3	0.8	1.5	3.0	2.4	1.9	-0.8	0.1	0.1	0.3	1.4	-0.2	0.7	-0.2
Greece	2.4 e	2.7 e	3.5 e	2.5 e	2.0 e	5.0	4.7	3.3	3.8	4.5	5.6	3.1	3.2	-1.8
Hungary	-3.4	1.6	4.1	6.3	4.3	6.5	10.8	8.6	3.1	3.3	1.9	0.2	0.4	-7.9
Iceland	5.7	6.3	10.2	7.9	4.2	-2.8	-1.5	6.1	7.0	12.7	3.6	5.6	-7.9	-16.0
Ireland	7.0 e	7.8	7.5	9.0	10.2	4.7	3.9	2.9	3.5	6.8	6.5	6.3	-1.8	-7.2
Israel*	5.6	3.3	5.7	3.9	8.9	3.5	0.8	-0.2	5.5	3.2	4.3	6.3	3.0	1.7
Italy	0.9	3.2	3.5	2.6	2.4	0.7	0.2	1.0	0.8	1.2	1.3	1.1	-0.8	-1.7
Japan	2.5	0.7	-0.9	1.0	0.7	1.6	1.1	0.4	1.6	1.3	1.5	1.6	-0.7	-1.0 e
Korea	7.3	4.0	-12.5	11.9	9.2	5.7	8.9	-0.4	0.3	4.6	4.7	5.1	1.3	0.2
Luxembourg	3.0	3.8	5.7	3.6	5.0	3.4	5.8	-5.3	2.2	2.6	3.2	3.3	4.8	0.3
Mexico	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	5.6	4.0	1.9	-6.1 e
Netherlands	4.3	3.5	5.1	5.3	3.7	1.8	0.9	-0.2	1.0	1.0	-0.3	1.8	1.1	-2.5
New Zealand	4.3	2.3	3.0	3.2	1.4	2.7	4.8	6.4	4.6	4.5	2.3	3.2	-1.1	-0.6 e
Norway	6.3	3.1	2.8	3.7	4.2	2.1	3.1	2.8	5.6	4.0	4.8	5.4	1.6	0.2
Poland	8.8	7.2	5.0	5.7	3.1	2.2	3.4	2.1	4.7	2.1	5.0	4.9	5.7	2.0
Portugal	3.2	3.7	5.1	5.5	3.8	1.3	1.3	-0.2	2.7	1.7	1.8	2.5	1.8	-1.0
Slovak Republic	9.3	4.1	6.6	0.3	2.2	5.5	5.7	1.7	4.6	6.5	5.9	6.9	6.0	-0.7
Slovenia	3.2	2.8	2.8	6.8	1.2	2.5	2.5	3.3	2.7	2.6	2.9	6.7	2.9	-0.8
Spain	2.3	3.2	4.8	5.3	5.0	3.4	2.8	2.9	4.2	4.2	3.8	3.7	-0.6	-4.2
Sweden	1.8	2.8	3.3	4.0	5.3	0.7	2.6	2.3	2.8	2.8	2.7	3.7	-0.1	-0.8
Switzerland	1.1	1.4	2.2	2.3	2.4	2.3	0.1	0.9	1.6	1.7	1.6	2.3	1.3	1.0
Turkey	8.5 e	8.4 e	0.6 e	0.1	5.9	-6.6	4.7	10.2	11.0	7.9	4.6	5.5	-0.3	-2.3
United Kingdom	3.9	3.8	4.3	5.2	4.7	3.1	3.5	3.0	3.1	2.2	1.7	2.2	0.4	-3.3
United States	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.4	-0.3	-1.2
Euro area	1.7	1.7	3.1	3.4	3.1	2.1	0.9	1.2	1.6	1.8	2.1	1.7	0.4	-1.1
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	0.3	-1.4 e

StatLink  <http://dx.doi.org/10.1787/888932351835>Figure 10.2. **Household final and actual individual consumption per capita, OECD = 100**

Current PPPs, 2009

StatLink  <http://dx.doi.org/10.1787/888932351246>

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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		
	1999	2004	2009	1999	2004	2009	1999	2004	2009	1999	2004	2009	1999	2004	2009
Australia	2.6	2.6	0.9	0.6	0.5	0.5	2.0	1.7	-0.3	1.7	0.5	0.2	-2.5	-2.4	1.8
Austria	1.1	1.2	0.7	0.7	0.2	0.1	0.2	0.1	-1.9	2.5	4.9	-9.5	-1.9	-4.4	7.7
Belgium	1.1	0.8	-0.1	0.6	0.4	0.1	0.5	1.5	-1.2	3.1	4.9	-9.9	-1.8	-4.6	9.4
Canada	2.2	1.9	0.2	0.4	0.4	0.7	1.4	1.5	-2.7	4.4	1.9	-5.0	-3.1	-2.8	4.7
Chile	-0.6	4.5	0.5	0.3	0.7	0.8	-4.7	2.0	-3.7	1.9	4.9	-2.5	2.8	-6.0	5.8
Czech Republic	1.4	1.5	-0.1	0.7	-0.8	0.5	-0.9	1.1	-1.9	2.9	12.8	-8.3	-2.7	-11.5	7.7
Denmark	-0.2	2.2	-2.2	0.6	0.5	0.9	-0.0	0.8	-2.7	4.4	1.3	-5.6	-1.3	-3.0	6.9
Finland	1.4	1.8	-1.0	0.3	0.4	0.3	0.6	0.9	-3.2	4.3	3.2	-9.5	-1.3	-2.4	7.8
France	1.9	1.4	0.4	0.3	0.5	0.6	1.5	0.7	-1.5	1.2	1.0	-3.3	-1.6	-1.7	3.1
Germany	1.7	0.1	-0.1	0.2	-0.1	0.5	1.0	-0.1	-1.9	1.7	3.7	-6.8	-2.3	-2.3	3.9
Greece	1.9	2.7	-1.3	0.3	0.6	1.3	2.1	0.1	-2.2	3.5	3.5	-4.7	-4.5	-1.8	6.8
Hungary	3.2	1.8	-4.3	0.3	0.4	-0.0	1.1	1.7	-2.0	6.7	9.2	-7.8	-7.6	-9.3	11.8
Iceland	4.6	4.0	-8.5	1.0	0.6	-0.4	-1.0	5.6	-12.4	1.4	2.9	3.3	-1.7	-5.4	11.4
Ireland	4.5	1.6	-3.7	0.8	0.4	-0.8	2.9	2.1	-6.9	13.5	6.3	-3.4	-9.3	-5.8	7.2
Israel*	2.1	3.1	1.0	0.7	-0.4	0.6	0.0	0.1	-1.1	4.2	6.4	-5.0	-5.1	-4.4	5.8
Italy	1.5	0.5	-1.0	0.3	0.4	0.1	0.8	0.5	-2.5	-0.1	1.2	-5.5	-1.1	-1.0	4.3
Japan	0.6	0.9	-0.6	0.7	0.3	0.3	-0.2	0.3	-3.3	0.2	1.7	-4.2	-0.3	-0.8	2.9
Korea	6.0	0.2	0.1	0.4	0.5	0.8	2.5	0.6	-0.1	6.4	7.0	-0.4	-8.5	-3.9	4.4
Luxembourg	1.6	0.8	0.1	1.3	0.7	0.7	4.8	0.6	-3.9	18.2	15.2	-14.7	-16.4	-13.3	15.0
Mexico	2.8	3.8	-4.0	0.5	-0.3	0.2	1.6	1.5	-2.2	3.5	2.9	-4.2	-4.2	-2.9	5.5
Netherlands	2.7	0.5	-1.1	0.6	-0.0	1.0	1.9	-0.3	-2.6	5.4	5.0	-6.1	-5.4	-3.2	5.8
New Zealand	2.0	2.7	-0.3	1.0	0.7	0.3	2.1	1.7	-2.6	2.1	1.4	0.1	-3.3	-3.5	4.7
Norway	1.8	2.6	0.1	0.7	0.3	0.9	-1.3	1.8	-2.0	1.1	0.4	-1.9	0.6	-2.4	3.4
Poland	3.6	3.1	1.3	0.4	0.6	0.4	1.6	1.2	-0.2	-0.7	4.7	-2.7	-0.3	-5.7	5.5
Portugal	3.5	1.7	-0.6	0.7	0.5	0.6	1.6	-0.0	-2.6	1.1	1.1	-3.8	-3.4	-2.6	4.6
Slovak Republic	0.2	2.6	-0.4	-1.6	-0.6	0.5	-5.6	1.2	-2.6	7.2	5.6	-13.7	-0.3	-6.5	15.0
Slovenia	3.9	1.5	-0.4	0.6	0.6	0.5	3.6	1.3	-6.2	0.8	6.7	-11.9	-4.1	-7.2	13.9
Spain	3.1	2.4	-2.4	0.7	1.1	0.6	2.4	1.4	-4.6	2.0	1.1	-3.1	-3.7	-2.8	5.7
Sweden	2.0	1.4	-0.4	0.5	-0.1	0.4	1.5	1.0	-3.2	3.1	4.7	-6.6	-1.9	-2.4	6.1
Switzerland	1.4	0.9	0.6	0.1	0.1	0.2	0.3	0.9	-1.0	2.6	3.5	-4.9	-1.5	-2.7	2.4
Turkey	0.1	7.8	-1.6	0.4	0.7	1.0	-3.7	4.8	-3.8	-2.3	2.6	-1.3	0.7	-5.0	4.1
United Kingdom	3.3	2.0	-2.1	0.6	0.6	0.2	0.5	0.8	-2.5	1.0	1.3	-3.2	-2.2	-1.9	3.9
United States	3.7	2.4	-0.8	0.4	0.3	0.3	1.8	1.1	-2.8	0.5	0.9	-1.2	-1.5	-1.5	2.5
Euro area	1.9	0.9	-0.6	0.4	0.3	0.5	1.2	0.5	-2.4	1.9	2.6	-5.5	-2.4	-2.3	4.9
OECD-Total	2.6	1.9	-0.8	0.5	0.3	0.4	1.1	0.9	-2.5	1.3	2.0	-3.2	-1.9	-2.1	3.8


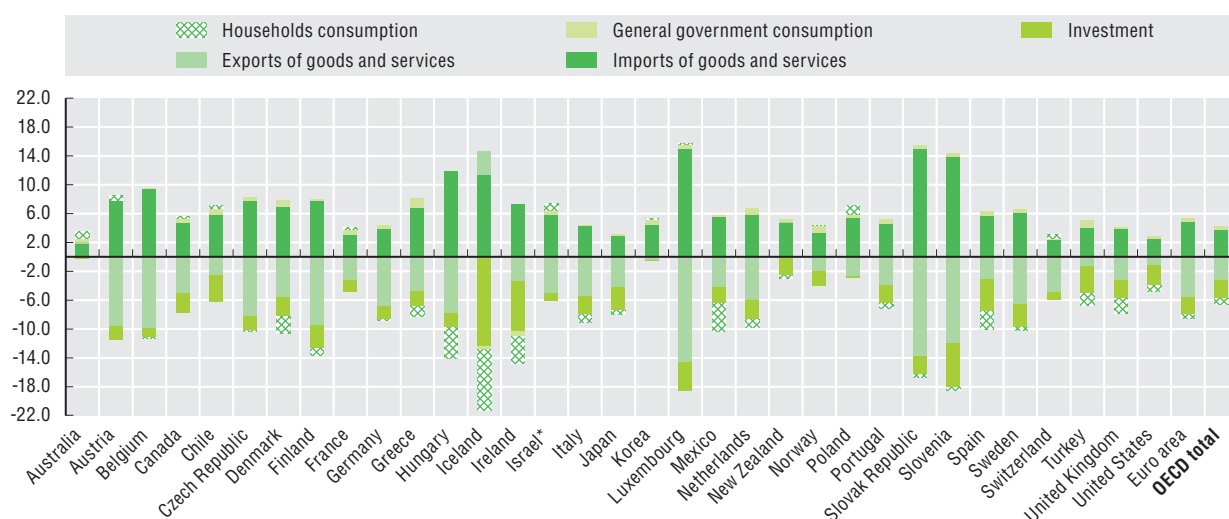

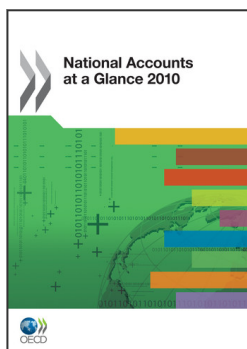
StatLink  <http://dx.doi.org/10.1787/888932351854>

Figure 10.3. Contribution to GDP growth by final demand components

Percentage, 2009

StatLink  <http://dx.doi.org/10.1787/888932351265>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



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