

HOUSEHOLD SAVINGS

Household savings is the main domestic source of funds to finance capital investment, which is a major driver of long-term economic growth. Household savings rates vary considerably between countries because of institutional, demographic and socio-economic differences. For example, government provisions for old-age pensions and the demographic age structure of the population will influence the rate at which populations save (older persons tend to run down their financial assets during their retirement to the detriment of savings). Equally the availability and price of credit, as well as attitudes towards debt, may influence choices made by individuals regarding whether to spend or save.

Definition

Household savings is estimated by subtracting household consumption expenditure from household disposable income plus the adjustment for the change in pension entitlements.

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 current taxes, interest and social contributions. Note that enterprise income includes the imputed rental income earned 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 and the production of goods for own-final use such as agricultural products; the values of which are also included in income.

The household savings rate is calculated as the ratio of household savings to household disposable income (plus the adjustment for the change in pension entitlements).

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

Overview

Household savings rates differ significantly across countries. From 2002-14 three countries had savings rates consistently above 9%: France, Germany and Switzerland. From 2007 Sweden also registered a savings rate above 9%.

In contrast, six countries showed several years of negative savings rates over the period 2002-14; most notably in Greece (2006-13); New Zealand (2002-08); and Estonia (2002-07).

according to the 1993 SNA. One of the changes in the standards of the 2008 SNA that directly impacts the savings rates, concerns the treatment of pension schemes. These changes may have a significant impact on households' savings rates in countries with (partially) funded defined benefit pension schemes, as is the case, for example, in the United Kingdom. For pensions provided by government to their employees, countries have some flexibility in the recording of the unfunded liabilities, which may hamper comparability across countries.

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

Sources

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

Further information

Analytical publications

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- Laiglesia, J. de and C. Morrison (2008), "Household Structures and Savings: Evidence from Household Surveys", *OECD Development Centre Working Papers*, No. 267.
- OECD (2015), *OECD Economic Outlook*, OECD Publishing.

Statistical publications

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

Websites

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



Household net saving rates

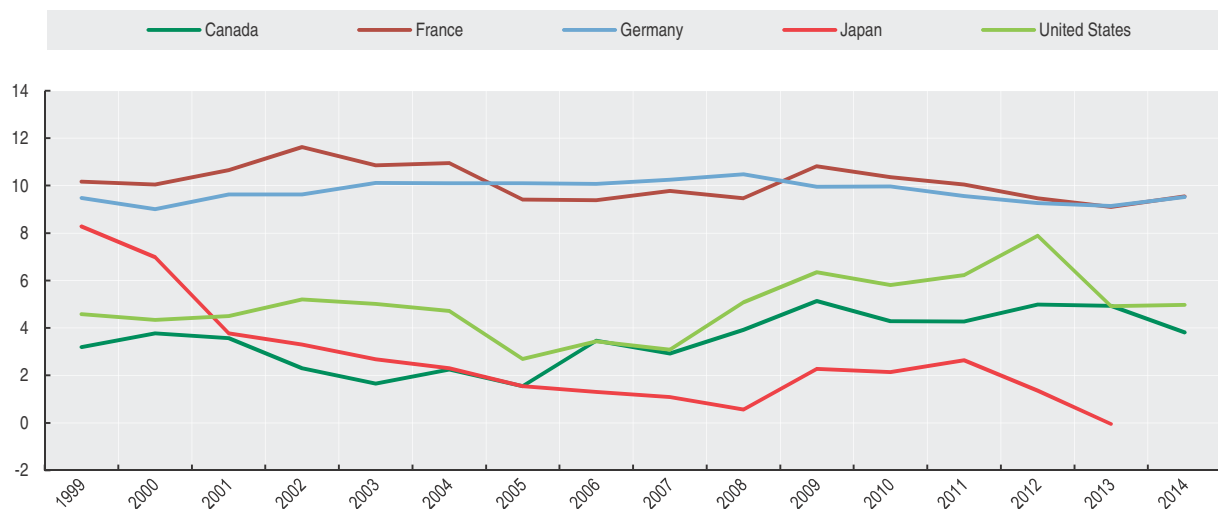
As a percentage of household disposable income

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	0.0	0.5	1.5	1.1	1.8	4.0	10.0	9.1	10.2	11.2	10.3	9.7	..
Austria	8.9	9.2	9.2	10.7	11.3	12.1	11.9	11.3	9.3	7.9	9.2	7.3	7.8
Belgium	11.0	10.6	8.9	8.5	9.2	9.4	10.0	11.4	8.2	6.6	6.4	5.0	5.1
Canada	2.3	1.7	2.3	1.5	3.5	2.9	3.9	5.1	4.3	4.3	5.0	4.9	3.8
Chile	..	..	..	..	..	..	7.0	12.3	8.8	8.6	9.9	9.7	..
Czech Republic	6.3	5.7	4.9	6.1	7.8	7.0	6.3	8.5	7.6	5.9	6.2	5.5	5.7
Denmark	1.2	1.8	-2.2	-4.6	-1.7	-3.1	-4.2	0.8	2.1	0.9	0.0	-0.4	-6.4
Estonia	-9.5	-9.3	-11.0	-10.7	-11.2	-7.3	1.6	6.9	3.3	4.1	1.4	3.9	3.1
Finland	..	..	..	..	..	..	..	..	..	..	..	..	..
France	11.6	10.9	11.0	9.4	9.4	9.8	9.5	10.8	10.4	10.0	9.5	9.1	9.6
Germany	9.6	10.1	10.1	10.1	10.1	10.2	10.5	10.0	10.0	9.6	9.3	9.1	9.5
Greece	..	..	..	..	-3.4	-3.5	-5.6	-4.5	-9.0	-8.2	-8.3	-16.4	..
Hungary	3.1	1.7	4.5	5.7	6.3	2.2	1.5	3.6	3.6	4.1	2.6	3.9	4.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	0.0	0.4	1.2	1.9	-0.6	-0.7	6.3	12.2	9.6	7.3	8.5	8.1	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	9.6	9.1	9.5	9.0	8.4	8.0	7.7	7.0	4.1	3.6	1.8	3.9	3.4
Japan	3.3	2.7	2.3	1.6	1.3	1.1	0.6	2.3	2.1	2.6	1.4	0.0	..
Korea	..	..	..	..	..	..	..	..	4.7	3.9	3.9	5.6	..
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	10.1	8.6	8.2	9.1	8.4	8.1	8.4	8.8	6.9	6.1	5.4	..
Netherlands	7.9	7.4	6.8	5.7	3.8	3.9	3.7	7.1	4.9	5.8	6.8	7.3	8.2
New Zealand	-6.6	-4.1	-3.8	-5.9	-3.3	-1.0	-1.1	1.1	3.0	1.7	2.2	..	..
Norway	..	..	..	..	..	..	..	..	..	..	..	..	..
Poland	9.0	7.9	4.0	3.0	2.7	2.2	0.8	3.2	3.0	-0.5	-0.5	0.7	..
Portugal	3.9	2.7	2.7	1.8	0.4	-0.8	-1.1	2.7	1.3	-0.9	-0.5	-0.2	-2.3
Slovak Republic	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovenia	8.5	6.1	7.1	9.4	11.1	9.4	9.7	7.7	6.1	5.5	3.2	5.7	6.5
Spain	5.2	6.7	5.0	3.2	1.4	-1.0	1.6	7.3	3.7	4.6	2.6	4.2	3.9
Sweden	7.8	6.6	5.8	5.4	6.9	9.4	12.7	12.2	11.0	12.7	15.3	15.1	15.3
Switzerland	15.3	14.8	13.7	14.0	15.8	17.4	16.7	17.1	17.0	17.8	18.5	19.0	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	3.8	2.4	0.5	-0.3	-1.2	-0.7	-0.8	4.0	6.1	3.4	2.9	0.0	-1.9
United States	5.2	5.0	4.7	2.7	3.4	3.1	5.1	6.3	5.8	6.2	7.9	4.9	5.0
Euro area	8.9	9.0	8.7	7.8	7.1	6.9	7.1	8.5	6.9	6.5	6.0	6.1	6.1
EU 28	7.3	7.2	6.4	5.7	4.9	4.6	5.0	7.4	6.1	5.4	4.9	4.7	4.3
OECD	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	31.5	33.9	33.8	35.4	37.2	39.2	39.9	40.4	42.1	40.9	40.7	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	11.0	12.4	12.1	10.1	13.1	15.5	13.8	12.5	10.9	..
South Africa	..	..	..	..	..	..	-1.1	-0.5	-0.8	-1.1	-2.1	-2.5	-2.4

1 2 <http://dx.doi.org/10.1787/888933336288>

Household net saving rates

As a percentage of household disposable income



1 2 <http://dx.doi.org/10.1787/888933335091>



From:
OECD Factbook 2015-2016
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2015-en>

Please cite this chapter as:

OECD (2016), "Household savings", in *OECD Factbook 2015-2016: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2015-19-en>

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