

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 and by adding 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. 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.

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

Data are compiled according to the 1993 *System of National Accounts* (SNA). 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 (which are compiled according to the 2008 SNA) and New Zealand refer to fiscal years.

Overview

Household saving rates differ significantly across countries. In 2010 or the most recent available year (2009 in most cases), saving rates of above 10% were recorded in Austria, Belgium, France, Germany, Ireland, Slovenia, Spain, Sweden, Switzerland and the Russian Federation. Savings rates were negative in Denmark, Greece, New Zealand, and South Africa. Of the 29 countries where data is available for 2009, 23 countries saw increases in their savings rate compared to 2008.

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 graph, household saving rates have decreased markedly in Japan and, to a much lesser extent, in Canada. Rates have remained broadly stable in Germany and France. The United States saw its household saving rate fall from 1996 to around 2006; after that year, the household saving rate started to pick up and is now above its 1996 level.

Sources

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Further information

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Statistical publications

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Websites

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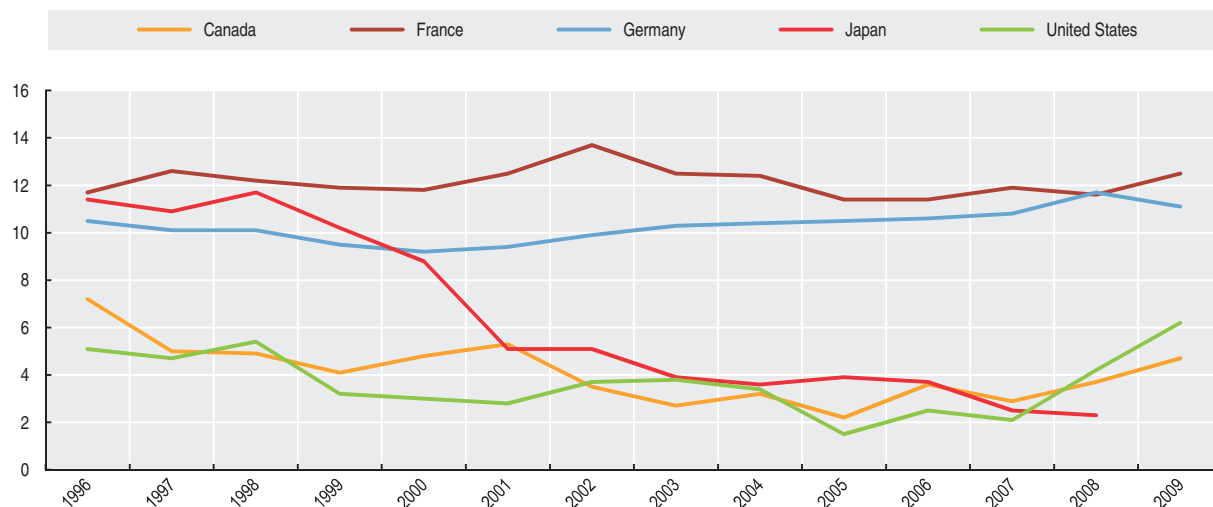

Household net saving rates

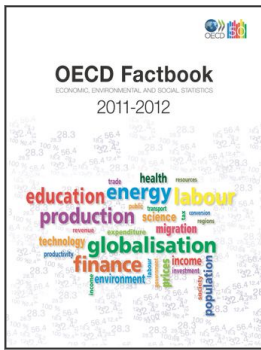
As a percentage of household disposable income

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	5.6	3.4	2.8	2.6	2.6	0.2	-0.9	-1.5	0.4	1.3	0.5	4.5	..	..
Austria	7.7	8.5	9.8	9.2	8.0	8.0	9.1	9.3	9.7	10.4	11.6	11.8	11.1	..
Belgium	13.2	12.7	13.1	12.3	13.7	12.9	12.2	10.8	10.2	11.0	11.4	11.9	13.5	..
Canada	5.0	4.9	4.1	4.8	5.3	3.5	2.7	3.2	2.2	3.6	2.9	3.7	4.7	..
Chile	5.3	6.1	6.8	6.1	6.6	6.4	6.1	6.8	6.7	7.3	7.3	7.4	7.2	..
Czech Republic	6.0	4.1	3.4	3.3	2.2	3.0	2.4	0.5	3.2	4.8	6.3	5.7	4.5	..
Denmark	-2.8	-1.2	-5.6	-4.0	2.1	2.1	2.4	-1.3	-4.2	-2.3	-4.0	-3.3	-0.5	..
Estonia	-0.1	-2.8	-5.4	-3.0	-4.0	-6.4	-7.1	-12.8	-11.1	-13.1	-8.1	-2.5	7.6	..
Finland	2.5	0.6	2.4	0.5	0.3	0.5	1.4	2.7	0.9	-1.1	-0.9	-0.2	3.9	4.3
France	12.6	12.2	11.9	11.8	12.5	13.7	12.5	12.4	11.4	11.4	11.9	11.6	12.5	..
Germany	10.1	10.1	9.5	9.2	9.4	9.9	10.3	10.4	10.5	10.6	10.8	11.7	11.1	..
Greece	..	..	..	-4.5	-5.5	-7.6	-6.2	-6.9	-9.7	-9.5	-3.0	-8.3	-3.2	..
Hungary	14.2	13.4	9.9	8.9	8.5	6.4	4.3	6.8	7.0	7.7	5.4	3.2	5.6	..
Ireland	..	..	..	..	..	2.4	2.4	5.5	3.6	2.2	-	3.8	12.1	..
Italy	15.1	11.4	10.2	8.4	10.5	11.2	10.3	10.2	9.9	9.1	8.4	8.2	7.1	..
Japan	10.9	11.7	10.2	8.8	5.1	5.1	3.9	3.6	3.9	3.7	2.5	2.3	..	..
Korea	16.1	23.2	16.1	9.3	5.2	0.4	5.2	9.2	7.2	5.2	2.9	2.9	3.6	..
Luxembourg	..	..	..	..	..	..	..	..	..	3.8	4.3	5.0	6.4	..
Mexico	..	..	..	..	..	..	11.4	10.1	10.1	10.1	9.6	10.2	10.0	..
Netherlands	13.3	12.2	9.0	6.9	9.7	8.7	7.6	7.4	6.4	6.1	6.9	5.7	6.8	..
New Zealand	-3.5	-3.3	1.0	-4.6	-3.6	-9.1	-6.9	-5.6	-7.6	-8.0	..	..	..	..
Norway	3.0	5.7	4.7	4.3	3.1	8.2	8.9	7.2	10.1	0.1	1.5	3.7	7.3	..
Poland	11.7	12.1	10.5	10.0	11.9	8.3	7.7	7.0	7.3	7.5	6.1	0.8	7.8	..
Portugal	3.8	3.3	3.9	3.8	3.7	3.3	3.7	2.8	2.7	0.4	-0.7	-0.8	3.4	2.0
Slovak Republic	9.2	7.6	6.2	6.0	3.8	3.3	1.1	0.3	1.1	0.4	2.4	1.5	..	..
Slovenia	8.3	7.2	4.3	7.0	9.0	9.9	7.6	9.2	11.5	11.9	9.9	9.8	10.2	..
Spain	..	..	..	5.9	5.6	5.6	6.0	4.9	4.7	4.2	3.6	6.6	11.9	..
Sweden	3.4	2.8	2.8	4.3	8.4	8.2	7.2	6.1	5.5	6.6	8.8	11.2	12.9	10.8
Switzerland	10.7	10.7	10.8	11.7	11.9	10.7	9.4	9.0	10.1	11.4	12.6	11.8	..	..
United Kingdom	5.8	3.4	0.9	0.1	1.5	-0.1	0.4	-1.6	-1.2	-2.2	-3.2	-2.8	1.2	..
United States	4.7	5.4	3.2	3.0	2.8	3.7	3.8	3.4	1.5	2.5	2.1	4.2	6.2	..
Euro area	..	..	9.2	8.3	9.0	9.5	9.2	9.0	8.4	8.0	8.2	8.4	9.6	..
EU27 total	..	..	7.2	6.4	7.3	7.2	6.9	6.3	6.0	5.6	5.3	5.4	7.8	..
Russian Federation	11.0	12.4	12.1	10.9
South Africa	2.0	1.4	1.2	1.0	0.4	0.7	0.6	0.4	0.1	-0.8	-1.0	-1.0	-0.3	-0.3

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Household net saving rates

As a percentage of household disposable income


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