

## Income per capita varied by 1 to 4 across EU countries

### Household income, consumption and investment in the EU, Norway, Switzerland and the US in 2010

Household adjusted disposable income per capita, corrected for price differentials among countries (i.e. in purchasing power standards), varied substantially in Europe. In Luxembourg, Norway and Germany, household income per capita was more than 2.5 times higher than in Bulgaria, Romania and Latvia. In the US, income per capita was about 1/3<sup>rd</sup> above the euro area and EU averages. In the euro area, it was almost 10% higher than in the EU.

Between 2007 (i.e. before the financial crisis) and 2010, the real gross adjusted disposable income decreased most in Latvia (-20%), Lithuania (-11%) and Greece (-11%), while the largest increases were recorded in Bulgaria (20.5%), Poland (12.4%) and Norway (12.3%).

In 2010, the highest gross saving rates in the EU were recorded in Germany, Belgium, Slovenia and France (all above 15%) and the lowest in Lithuania (1.2%) and Latvia (4.2%). The average European household saved a bigger share of its disposable income in the euro area (13.9%) and in the EU (12.1%) than in the US (9.7%). In 2010, gross saving rates went down in the euro area and in the EU while in the US remaining at the level of 2008.

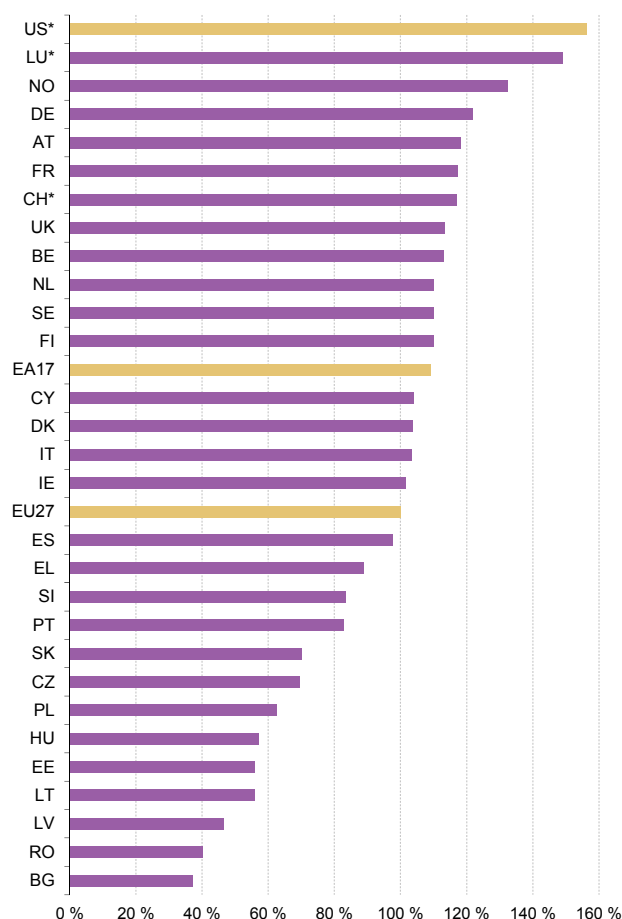
Households invested, mainly in dwellings, a higher proportion of their disposable income in the euro area (9.1%) and the EU (8.4%) than in the US (5.5%). The financial crisis impacted on the investment rate mostly in Ireland (-17.7 pp between 2007 and 2010), Estonia (-7.9 pp) and Spain (-5.9 pp). In 2010, investment rates stabilized in the EU and the euro area while decreasing slightly further in the US.

This analysis is based on a selection of indicators derived from national accounts that illustrate the behaviour of households as regards consumption, saving and investment.

Information on concepts and methods is provided at the end of this publication.

**Figure 1: Adjusted gross disposable income per capita in 2010**

Purchasing power standards (PPS), EU27=100%



Note: US, LU and CH (2009), MT missing

Source: Eurostat (online data code: [nasa\\_nf\\_tr](#)) and OECD

## Adjusted gross disposable income per capita in 2010

As shown on Figure 1, the US recorded the highest adjusted gross disposable income, expressed in purchasing power standards (PPS) per capita. The income of American residents was around 1/3<sup>rd</sup> above the EA and EU averages.

Among European countries, in 2010, the highest levels of adjusted gross disposable income per inhabitant were observed in Luxembourg, followed by Norway and Germany. The lowest levels were recorded mostly in the countries that entered in the EU after 2004, in particular Bulgaria, Romania and Latvia whose income per capita was less than half of the EU average.

In the EU, the income per capita in Luxembourg was 3 times higher than the income per capita in Bulgaria (see table 1).

Tables 1 and 2 in annex provide additional information on the gross and net disposable income per capita, adjusted or not with social transfers in kind.

### Gross and net adjusted disposable income

The disposable income can be adjusted or not with social transfers in kind. Social transfers in kind are goods and services (e.g. in health or education such as childcare) consumed by households but mostly financed by government. They must be accounted for when comparing living standards across countries. The contribution of social transfers in kind on the income structure is analysed further in the next section of this publication.

The disposable income can be shown gross or net of depreciation. When analysing *net* income, it should be borne in mind that estimates for the consumption of fixed capital (e.g. depreciation of dwellings) may not be fully comparable across countries.

## 2010/2007 changes in real household income

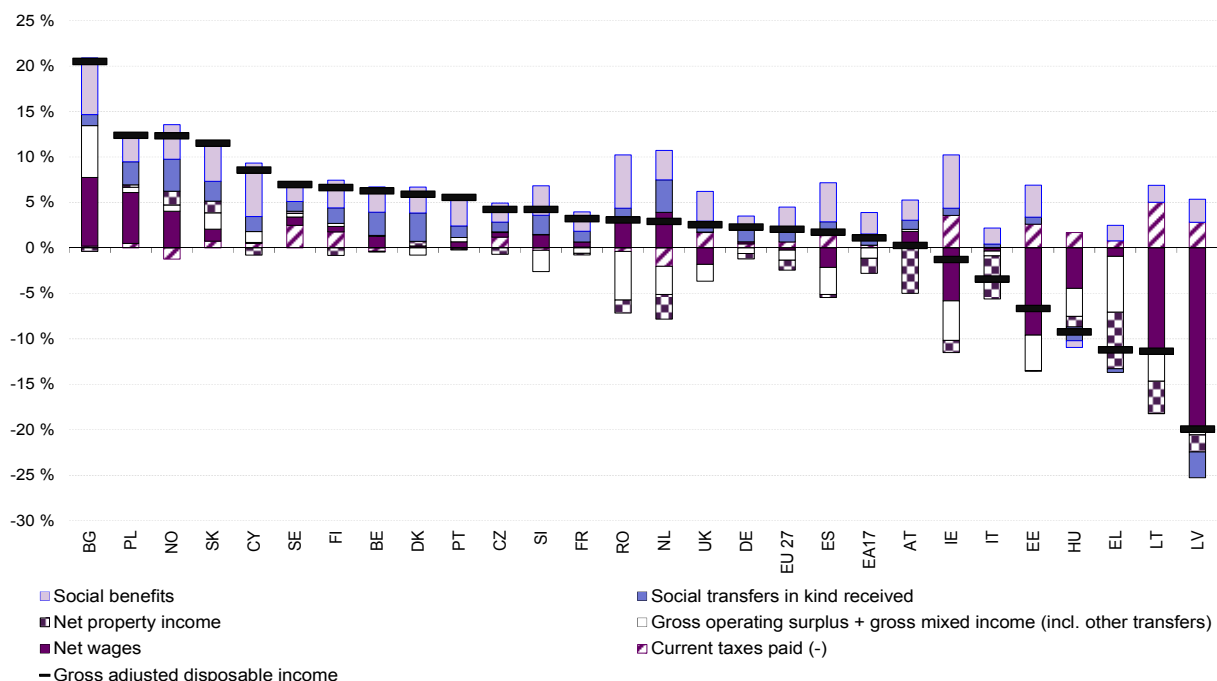
Figure 2 shows the contribution of the components to the growth of the real gross adjusted disposable income ('household income' below) in 2010 compared to 2007. Income consists mainly of: net wages, revenues of self-employed, net property income, social benefits, social transfers in kind and other transfers and is reduced by taxes paid.

In 2010 compared to 2007, the income increased in both European Union (2%) and euro area (1.1%). A substantial increase is observed in Bulgaria (20.5%), followed by Poland (12.4%), Norway (12.3%) and Slovakia (11.5%) while the largest decreases were observed in Latvia (-20%), Lithuania (-11.4%) and Greece (-11.2%). The decrease of the income in the

Baltic countries can be explained mainly by the decline in the wages, while in Greece, the decrease is mainly due to the fall in the revenue of the self-employed and net property income.

During the crisis, it is noticeable that social benefits and social transfers in kind contributed most to the 2010/2007 growth of EU household income (+2.6% and +1.3% respectively). The largest contributions of social benefits were recorded in Bulgaria (6.2%), followed by Romania, Cyprus, Ireland, all of them with a share of 5.9% of social benefits in the household income growth. As for social transfers in kind, the largest increases in their share were observed in Netherlands (3.6%), Norway (3.5%) and Denmark (3.1%).

**Figure 2: Contributions of the components to the 2010/2007 growth of the real gross adjusted disposable income of households, in percentage**



Note: LU, MT, CH, US missing - Source: Eurostat (online data code: [nasa\\_nf\\_tr](#))

Contributions of net property income were generally negative, with the largest decreases being observed for Greece (-6.2%), Austria (-5%) and Italy (-4.7%). The largest increases were recorded in Norway and Slovakia (around 1.5%).

Taxes generally contributed positively during the crisis period, meaning that taxes collected have decreased in

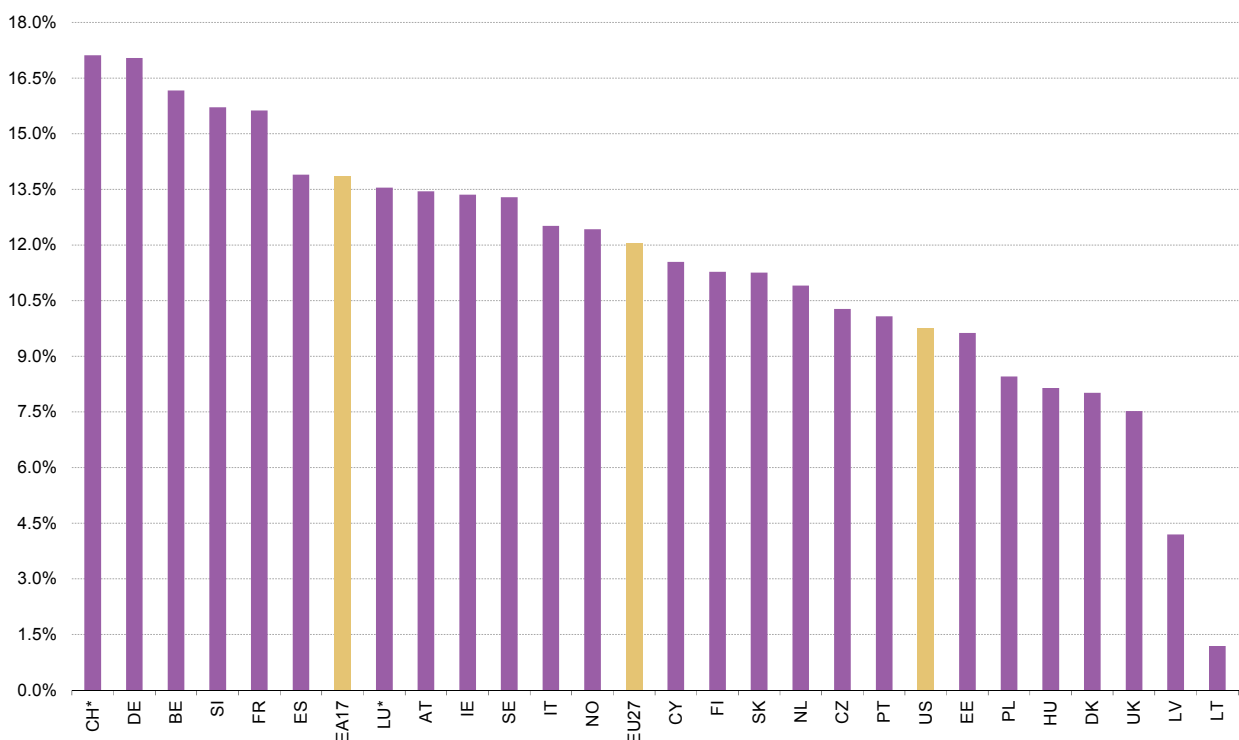
proportion to household income. This was the case in most of the countries, except Netherlands (2%) and Norway (1.2%), followed by Belgium, Portugal, Romania and Slovenia, all with increase of the taxes in a proportion of the income of less than 0.4%, as shown in table 3.

## Gross household saving rates

Figure 3 shows the saving behaviour of households across countries in 2010. The saving rate was still +2.4 pp higher in the EU than in the US despite the +2.7 pp increase recorded between 2007 and 2010 in the latter country (see figure 4).

Four EU countries reported saving rates higher than 15%: Germany (17%), Belgium (16%), Slovenia (15.7%) and France (15.6%). The lowest saving rate was recorded in Lithuania (1.2%), followed by Latvia (4.2%).

**Figure 3: Gross household saving rates in 2010**  
(Share of gross saving to gross disposable income, in percentage)



Note: MT, BG, EL, RO missing, LU and CH (2009) - Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

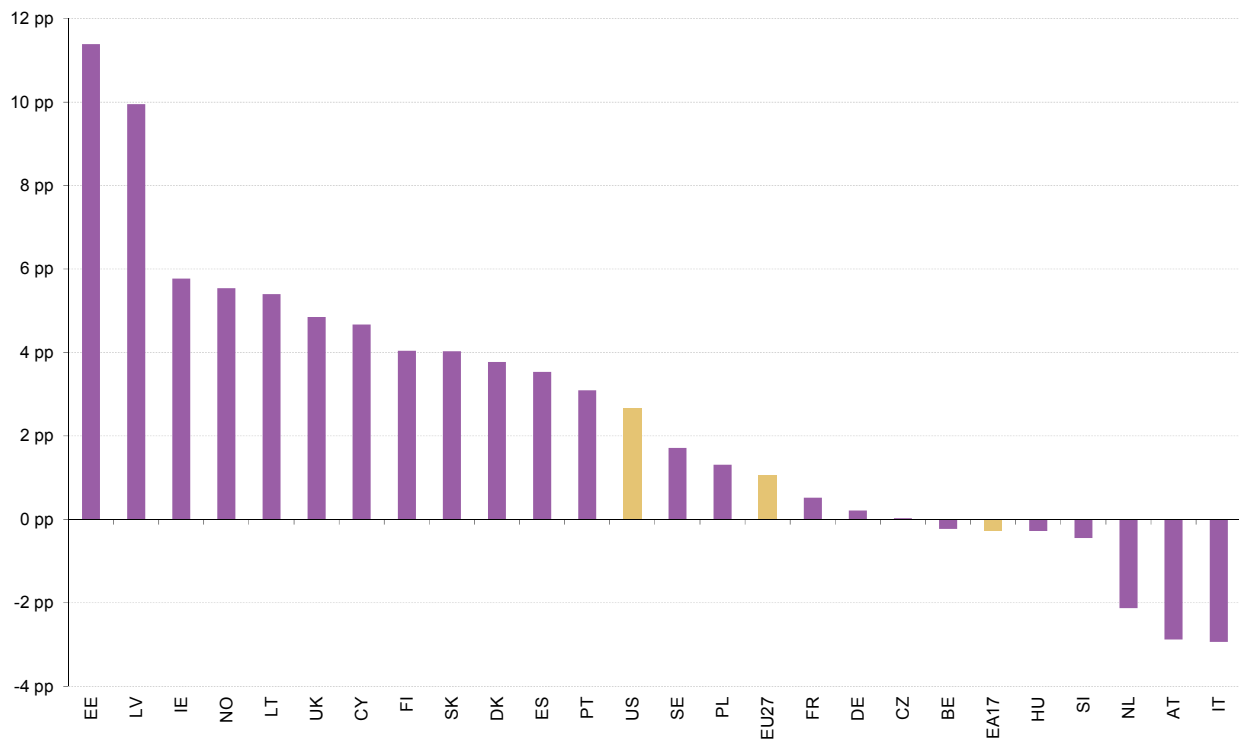
## 2010/2007 changes in the gross household saving rate

Figure 4 shows the changes in the household gross saving rates over the 2007/2010 time period.

The EU saving rate increased by +1.1 pp, while EA recorded a decrease of -0.3 pp. The saving rate in the US was up by +2.7 pp in 2010 compared to 2007.

Among European countries, the household saving rates increased noticeably in Estonia (+11.4pp), followed by Latvia (+10pp). It decreased most in Italy (-2.9pp), followed by Austria (-2.9pp) and Netherlands (-2.1pp). (See table 4)

**Figure 4: 2010/2007 changes in gross household saving rates, in percentage points**

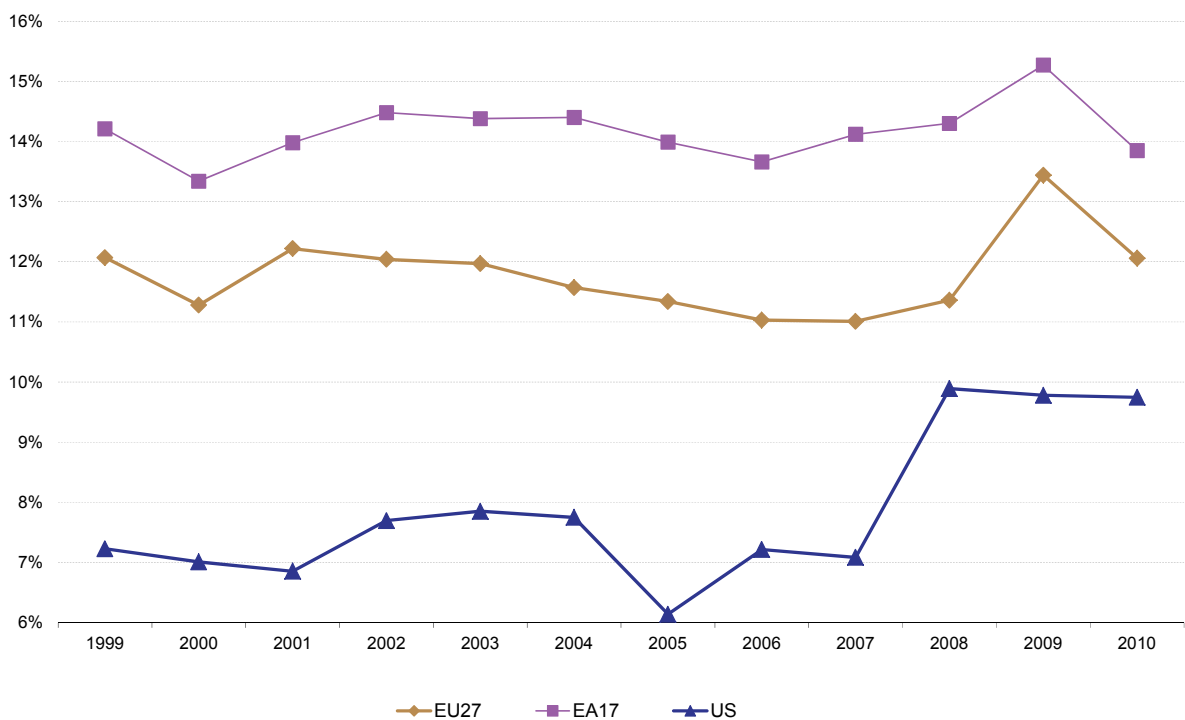


Note: BG, EL, LU, MT, RO and CH missing - Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

Figure 5 shows the development of the saving rates in the EU, EA and the US over the period 1999-2010. It is noticeable that the peak of the saving rate in the EU and EA was recorded in 2009, while in the US the financial crisis hit earlier which translated into

increased savings already in 2008. It should be noted as well that saving rates dropped in 2010 in both the euro area and the EU, while in US remaining at the level of 2008.

**Figure 5: Gross household saving rates in the EU, EA and US over 1999-2010**

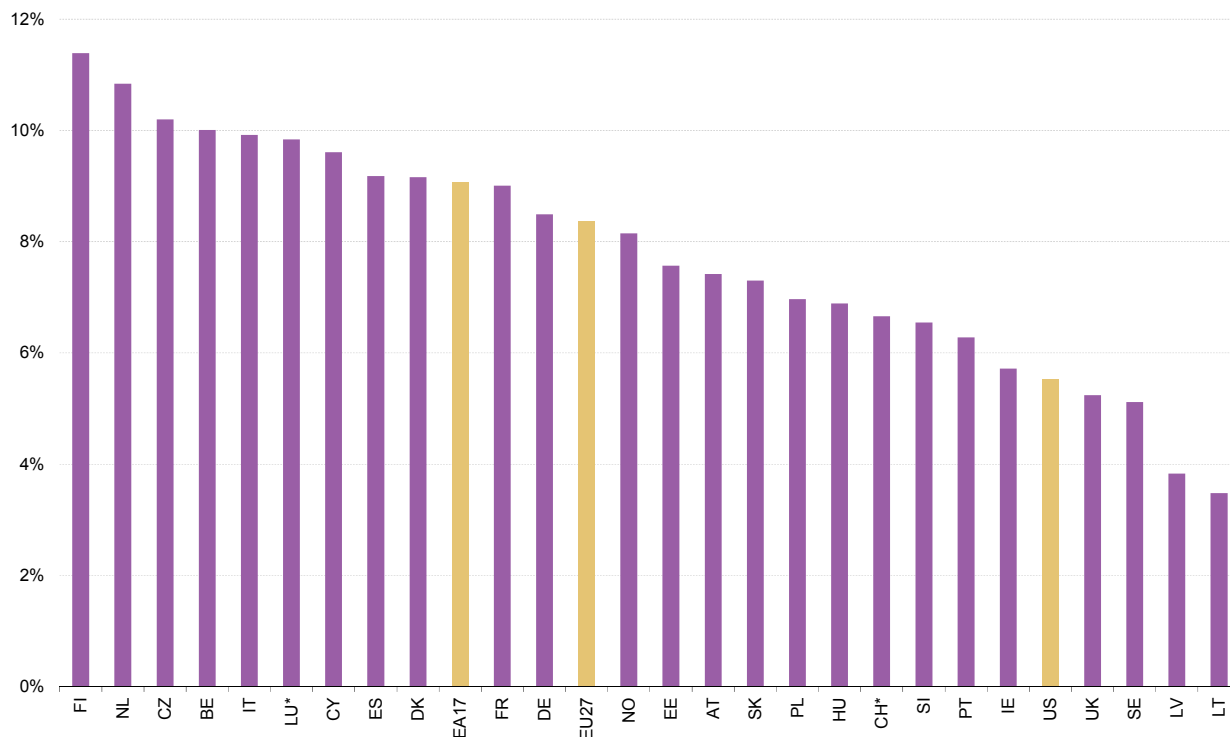


Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

## Gross household investment rates in 2010

**Figure 6: Gross household investment rates in 2010**

(Ratio of gross fixed capital formation to gross disposable income, in percentage)



Note: LU and CH (2009); BG, EL, MT and RO missing - Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

Figure 6 shows the interest of households to invest, the largest share of the investment being in dwellings. In 2010, the household investment rate was slightly lower in the EU than in the EA (with 0.7pp), both being above the US rate.

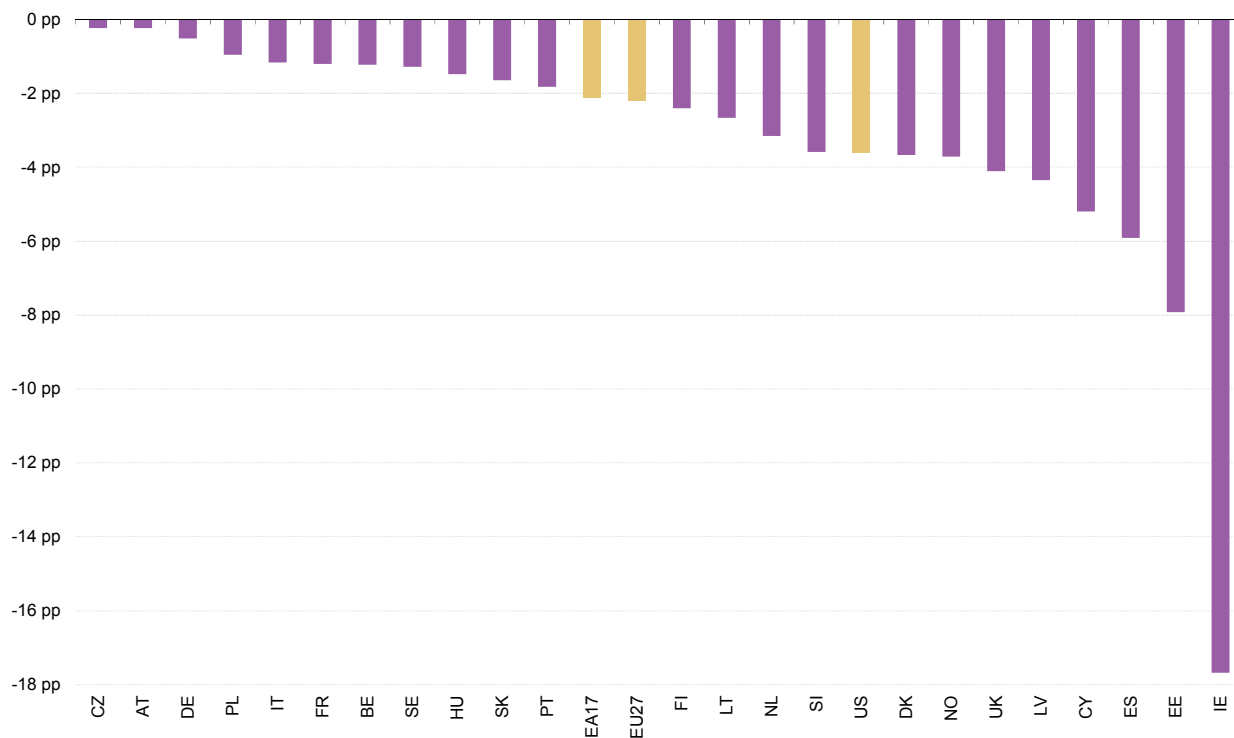
In Europe, three countries: Finland, followed by Netherlands and Czech Republic recorded an investment rate higher than 10%, while at the other extreme Latvia and Lithuania both had rates below 4%. (See table 5)

## 2010/2007 changes in gross household investment rates

When comparing the gross investment rates of households in 2010 and 2007 (see figure 7), it is noticeable that both European and American households reduced their investment as a share of their income. The US (-3.6pp) recorded a higher drop in investment rate than EU (-2.2pp) and EA (-2.1pp).

The highest decrease was observed in Ireland (-17.7pp) which also had the highest level in 2007 (+23.4 %) due to high prices in real estate before the bursting of the housing bubble. The lowest decreases were observed in Czech Republic (-0.2pp), followed by Austria (-0.2pp) and Germany (-0.5pp).

**Figure 5: 2010/2007 changes in household investment rates, in percentage points**

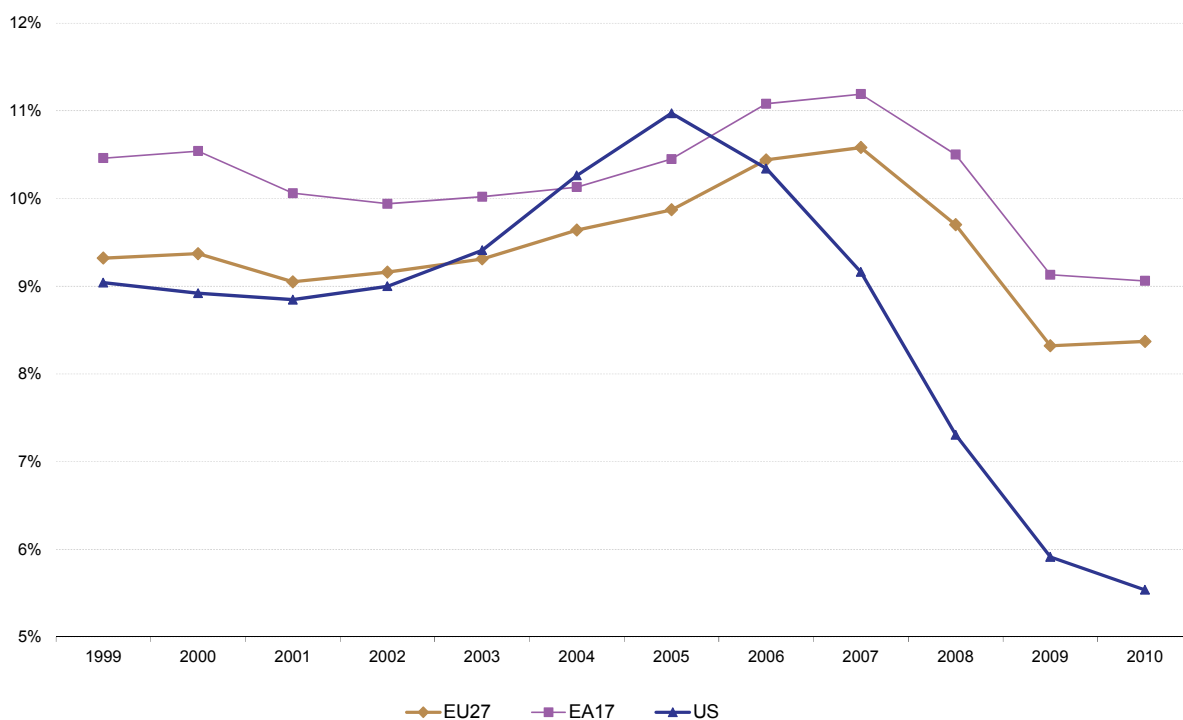


Note: BG, EL, LU, MT, RO and CH missing - Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

Figure 8 shows developments in the investment rates in the EU, EA and the US over the period 1999-2010. This indicator provides useful insights into when and to what extent the bursting of the housing bubble has hit the economy. In particular, we observe that the investment rate already started declining in the US in

2006 and more sharply than one year later in the EU and euro area. Slight stabilisation of the investment rates of the EU and EA is recorded in 2010. Moreover, in 2010, the household investment rate was still sizeably lower in the US (5.5 %) than in the EU / euro area (8.4% and 9.1% respectively).

**Figure 6: Household investment rates in the EU, EA and US over 1999-2010**



Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

**Table 1: Adjusted gross and net disposable income of households per capita, PPS\*\*, 2010**  
(Including components for their calculation)

	Adjusted gross disposable income (millions of national currency)	Adjusted net disposable income (millions of national currency)	Population (thousands)	PPP* of actual individual consumption	Adjusted gross disposable income in PPS** per capita	Adjusted net disposable income in PPS** per capita
<b>EU27</b>	<b>9 711 706</b>	<b>9 247 450</b>	<b>501 671</b>	<b>1.0000</b>	<b>19 400</b>	<b>18 400</b>
<b>EA17</b>	<b>7 324 952</b>	<b>6 945 448</b>	<b>331 371</b>	<b>1.0454</b>	<b>21 100</b>	<b>20 000</b>
BE	275 450	262 962	10 883	1.1554	21 900	20 900
BG	47 182	:	7 534	0.8722	7 200	:
CZ	2 510 768	2 407 422	10 517	17.7055	13 500	12 900
DK	1 219 720	1 144 071	5 546	10.9478	20 100	18 800
DE	1 999 980	1 888 320	81 757	1.0369	23 600	22 300
EE	9 905	9 394	1 340	0.6816	10 800	10 300
IE	109 112	104 617	4 476	1.2395	19 700	18 900
EL	179 683	167 804	11 305	0.9245	17 200	16 100
ES	835 394	787 904	46 073	0.9590	18 900	17 800
FR	1 643 511	1 592 694	64 848	1.1143	22 700	22 000
IT	1 266 645	1 182 531	60 483	1.0457	20 000	18 700
CY	14 665	13 879	804	0.9056	20 100	19 100
LV	9 269	8 889	2 239	0.4596	9 000	8 600
LT	72 824	69 994	3 287	2.0446	10 800	10 400
LU	18 913	17 772	497	1.3168	28 900	27 100
HU	18 001 560	17 101 872	10 000	162.5190	11 100	10 500
MT	:	:	:	:	:	:
NL	384 889	363 132	16 612	1.0862	21 300	20 100
AT	212 001	201 926	8 388	1.1039	22 900	21 800
PL	1 061 240	1 040 040	38 187	2.2934	12 100	11 900
PT	147 421	137 214	10 637	0.8643	16 000	14 900
RO	360 583	:	21 431	2.1574	7 800	:
SI	27 716	26 220	2 049	0.8377	16 100	15 300
SK	48 504	46 311	5 430	0.6592	13 600	12 900
FI	140 306	132 137	5 363	1.2279	21 300	20 100
SE	2 392 625	2 337 392	9 378	11.9707	21 300	20 800
UK	1 191 742	1 145 026	62 181	0.8744	21 900	21 100
NO	1 561 855	1 493 721	4 889	12.4535	25 700	24 500
CH	377 586	355 596	7 801	2.1373	22 600	21 300
US	12 106 600	11 590 600	307 240	1.3015	30 300	29 000

Note: LU, CH and US (2009) - Source: Eurostat (online data code: [nasa.nf.tr](http://nasa.nf.tr)) and OECD \*Purchasing Power Parity \*\*Purchasing Power Standards

**Table 2: Gross and net disposable income of households per capita, PPS\*\*, 2010**  
(Including components for their calculation)

	Gross disposable income (millions of national currency)	Net disposable income (millions of national currency)	Population (thousands)	PPP* of household final consumption expenditure	Gross disposable income in PPS** per capita	Net disposable income in PPS** per capita
<b>EU27</b>	<b>8 023 426</b>	<b>7 559 170</b>	<b>501 671</b>	<b>1.0000</b>	<b>16 000</b>	<b>15 100</b>
<b>EA17</b>	<b>6 083 437</b>	<b>5 703 933</b>	<b>331 371</b>	<b>1.0419</b>	<b>17 600</b>	<b>16 500</b>
BE	220 390	207 902	10 883	1.1137	18 200	17 200
BG	41 575	:	7 534	0.9932	5 600	:
CZ	2 101 822	1 998 476	10 517	19.0118	10 500	10 000
DK	854 416	778 767	5 546	10.6009	14 500	13 200
DE	1 687 510	1 575 850	81 757	1.0427	19 800	18 500
EE	8 237	7 726	1 340	0.7477	8 200	7 700
IE	89 182	84 686	4 476	1.1910	16 700	15 900
EL	164 386	152 507	11 305	0.9509	15 300	14 200
ES	704 613	657 123	46 073	0.9702	15 800	14 700
FR	1 332 518	1 281 701	64 848	1.1078	18 500	17 800
IT	1 073 001	988 887	60 483	1.0351	17 100	15 800
CY	13 192	12 406	804	0.8913	18 400	17 300
LV	8 240	7 860	2 239	0.5117	7 200	6 900
LT	61 632	58 802	3 287	2.2474	8 300	8 000
LU	14 911	13 770	497	1.2089	24 800	22 900
HU	15 011 714	14 112 026	10 000	178.8320	8 400	7 900
MT	:	:	:	:	:	:
NL	284 167	262 410	16 612	1.0755	15 900	14 700
AT	179 470	169 394	8 388	1.0625	20 100	19 000
PL	907 724	886 524	38 187	2.4710	9 600	9 400
PT	126 543	116 337	10 637	0.8815	13 500	12 400
RO	313 361	:	21 431	2.4764	5 900	:
SI	23 334	21 837	2 049	0.8455	13 500	12 600
SK	42 357	40 165	5 430	0.7164	10 900	10 300
FI	110 795	102 626	5 363	1.2351	16 700	15 500
SE	1 746 962	1 691 729	9 378	11.5973	16 100	15 600
UK	979 464	932 748	62 181	0.8597	18 300	17 400
NO	1 195 999	1 127 865	4 889	11.8721	20 600	19 400
CH	342 119	320 129	7 801	2.0920	21 000	19 600
US	11 177 700	10 661 700	307 240	1.2376	29 400	28 000

Note: LU, CH and US (2009) - Source: Eurostat (online data code: [nasa.nf.tr](http://nasa.nf.tr)) and OECD \*Purchasing Power Parity \*\*Purchasing Power Standards

**Table 3: Contributions of the components to the 2010/2007 growth of the real gross adjusted disposable income of households, in percentage**

	Gross adjusted disposable income	Gross disposable income					Social transfers in kind received
		Net wages	Gross operating surplus, mixed income and other current transfers	Net property income	Social benefits	Taxes (-)	
EU27	2.0	-0.3	-1.1	-1.1	2.6	0.7	1.3
EA17	1.1	0.0	-1.2	-1.6	2.4	0.3	1.2
BE	6.3	1.3	-0.1	0.1	2.8	-0.4	2.5
BG	20.5	7.5	5.7	-0.4	6.2	0.2	1.2
CZ	4.2	0.5	0.1	-0.7	2.1	1.2	1.1
DK	5.9	0.2	-0.8	0.5	2.9	0.0	3.1
DE	2.3	0.2	-0.6	-0.6	1.5	0.4	1.3
EE	-6.7	-9.6	-3.9	-0.1	3.5	2.6	0.8
IE	-1.3	-5.8	-4.4	-1.4	5.9	3.6	0.8
EL	-11.2	-0.9	-6.1	-6.2	1.7	0.8	-0.4
ES	1.7	-2.1	-3.0	-0.3	4.3	1.3	1.5
FR	3.2	0.6	-0.6	-0.2	2.2	0.1	1.2
IT	-3.4	-0.3	-0.5	-4.7	1.8	0.0	0.4
CY	8.5	0.1	1.2	-0.8	5.9	0.5	1.7
LV	-20.0	-19.9	-0.6	-1.9	2.5	2.8	-2.8
LT	-11.4	-11.7	-3.0	-3.6	1.9	5.0	0.0
LU	:	:	:	:	:	:	:
HU	-9.3	-4.5	-3.1	-1.1	-0.7	1.7	-1.5
MT	:	:	:	:	:	:	:
NL	2.9	3.9	-3.1	-2.7	3.2	-2.0	3.6
AT	0.2	1.6	0.2	-5.0	2.2	0.2	1.0
PL	12.4	5.6	0.6	0.3	2.9	0.5	2.6
PT	5.5	0.7	0.4	-0.1	3.3	-0.1	1.3
RO	3.1	3.1	-5.3	-1.4	5.9	-0.4	1.2
SI	4.2	1.4	-2.4	0.0	3.2	-0.3	2.1
SK	11.5	1.3	1.8	1.3	4.2	0.7	2.2
FI	6.6	0.6	0.3	-0.8	3.0	1.8	1.7
SE	7.0	0.9	0.4	0.3	1.9	2.5	1.1
UK	2.5	-1.8	-1.9	0.1	3.3	1.7	1.2
NO	12.3	4.0	0.7	1.5	3.8	-1.2	3.5
CH	:	:	:	:	:	:	:
US	:	:	:	:	:	:	:

Source: Eurostat (online data code: [nasa\\_nf\\_tr](#))

**Table 4: Gross saving rates of households, 1999-2010**  
(Share of gross saving to gross disposable income<sup>(1)</sup>, in percentage)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	percentage points change from 2007 to 2010
EU27	12.1	11.3	12.2	12.0	12.0	11.6	11.3	11.0	11.0	11.4	13.4	12.1	1.1
EA17	14.2	13.3	14.0	14.5	14.4	14.4	14.0	13.7	14.1	14.3	15.3	13.9	-0.3
BE	17.5	16.8	17.9	17.5	16.8	15.5	15.1	15.7	16.4	16.8	18.4	16.2	-0.2
BG	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	10.0	11.0	10.2	10.1	9.1	7.9	9.5	10.6	10.3	9.4	10.7	10.3	0.0
DK	3.0	4.3	9.6	9.5	9.8	6.4	3.7	5.5	4.3	5.1	8.2	8.0	3.8
DE	15.3	15.1	15.2	15.7	16.0	16.1	16.3	16.4	16.8	17.4	17.1	17.1	0.2
EE	:	4.0	2.9	0.5	-0.5	-5.8	-4.1	-6.3	-1.8	3.4	11.6	9.6	11.4
IE	:	:	:	4.7	6.7	8.7	9.6	8.1	7.6	11.1	14.7	13.4	5.8
EL	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	:	11.1	11.0	11.1	12.1	11.0	10.8	10.2	10.4	13.5	18.5	13.9	3.5
FR	14.4	14.1	14.8	16.0	15.0	15.4	14.4	14.6	15.1	15.3	16.2	15.6	0.5
IT	15.8	14.0	15.8	16.7	16.3	16.5	16.4	15.9	15.5	15.2	14.1	12.5	-2.9
CY	12.3	10.8	11.3	9.5	12.2	10.3	10.0	10.0	6.9	4.9	11.4	11.6	4.7
LV	-0.2	-3.9	-6.1	1.1	3.0	4.3	0.8	-4.1	-5.8	4.9	10.3	4.2	10.0
LT	3.8	6.1	4.4	4.4	2.4	0.8	1.0	0.9	-4.2	-3.0	4.4	1.2	5.4
LU	:	:	:	:	:	:	:	10.1	10.9	12.1	13.6	:	:
HU	13.0	11.5	11.9	10.3	7.9	10.1	11.3	12.0	8.4	8.0	9.9	8.2	-0.3
MT	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	14.0	12.1	14.7	13.9	13.1	13.1	12.3	12.2	13.0	12.2	13.0	10.9	-2.1
AT	14.7	14.1	12.6	12.9	13.7	14.0	14.5	15.1	16.3	16.3	15.7	13.5	-2.9
PL	12.9	12.3	14.1	10.6	10.1	8.0	8.3	8.5	7.2	2.4	9.0	8.5	1.3
PT	10.7	10.6	10.6	10.3	10.7	10.0	10.0	8.0	7.0	7.1	10.9	10.1	3.1
RO	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	11.1	14.6	16.2	16.6	14.4	15.5	17.1	17.5	16.2	15.2	15.0	15.7	-0.5
SK	11.1	11.0	9.0	8.6	6.8	5.9	6.6	5.6	7.2	6.1	7.8	11.3	4.0
FI	9.6	8.1	8.1	7.9	8.7	9.8	8.5	6.8	7.2	8.1	11.9	11.3	4.0
SE	5.3	6.9	11.0	10.8	9.8	8.9	8.3	9.4	11.6	14.0	15.6	13.3	1.7
UK	5.2	4.7	6.1	4.8	5.0	3.6	3.7	3.1	2.7	3.1	7.8	7.5	4.9
NO	9.5	9.2	8.2	12.8	13.3	11.8	14.5	5.5	6.9	9.2	12.4	12.4	5.5
CH	16.0	16.9	17.1	16.1	14.8	14.4	15.4	16.6	17.7	16.9	17.1	:	:
US	7.2	7.0	6.9	7.7	7.9	7.8	6.1	7.2	7.1	9.9	9.8	9.7	2.7

Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD <sup>(1)</sup> adjusted for the change in net equity of households in pension fund reserves



**Table 5: Gross investment rates of households, 1999-2010**  
(Ratio of gross fixed capital formation to gross disposable income<sup>(1)</sup>, in percentage)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	percentage points change from 2007 to 2010
<b>EU27</b>	9.3	9.4	9.1	9.2	9.3	9.6	9.9	10.4	10.6	9.7	8.3	8.4	-2.2
<b>EA17</b>	10.5	10.5	10.1	9.9	10.0	10.1	10.5	11.1	11.2	10.5	9.1	9.1	-2.1
<b>BE</b>	9.6	9.3	8.6	8.4	8.6	9.2	10.4	10.9	11.2	11.1	10.0	10.0	-1.2
<b>BG</b>	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>CZ</b>	8.8	9.3	8.4	9.1	8.8	8.5	9.2	9.5	10.4	9.7	8.8	10.2	-0.2
<b>DK</b>	10.6	10.9	9.8	8.8	9.1	9.2	11.3	12.5	12.8	12.0	9.8	9.2	-3.7
<b>DE</b>	11.4	10.9	9.8	9.1	8.8	8.5	8.2	8.7	9.0	8.7	8.3	8.5	-0.5
<b>EE</b>	:	5.5	6.2	7.2	8.5	10.1	12.5	17.3	15.5	10.9	7.4	7.6	-7.9
<b>IE</b>	:	:	:	18.4	21.1	24.4	27.1	28.5	23.4	16.4	8.7	5.7	-17.7
<b>EL</b>	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ES</b>	:	10.9	11.4	12.2	13.1	14.0	14.8	15.3	15.1	12.9	9.5	9.2	-5.9
<b>FR</b>	8.7	8.5	8.3	8.3	8.5	8.8	9.3	9.9	10.2	10.2	9.1	9.0	-1.2
<b>IT</b>	9.5	10.1	9.9	10.4	10.1	10.2	10.6	10.9	11.1	10.8	9.8	9.9	-1.2
<b>CY</b>	10.2	9.5	9.3	10.4	10.5	11.3	12.8	14.0	14.8	15.4	11.5	9.6	-5.2
<b>LV</b>	2.2	2.2	2.2	2.0	2.0	2.7	7.7	7.5	8.2	7.6	5.2	3.8	-4.4
<b>LT</b>	5.1	5.2	5.5	5.2	6.3	6.6	6.1	5.6	6.2	6.2	5.0	3.5	-2.7
<b>LU</b>	:	:	:	:	:	:	:	10.4	12.6	11.6	9.8	:	:
<b>HU</b>	7.3	8.5	9.6	9.9	10.1	10.4	8.8	7.5	8.4	8.8	8.5	6.9	-1.5
<b>MT</b>	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>NL</b>	12.3	12.3	11.7	11.4	11.7	11.5	12.4	13.4	14.0	13.6	11.5	10.8	-3.2
<b>AT</b>	8.7	8.6	8.5	7.9	8.0	7.9	7.6	7.5	7.7	7.7	7.6	7.4	-0.2
<b>PL</b>	6.0	6.6	6.2	6.4	6.8	7.0	7.1	7.0	7.9	8.5	7.5	7.0	-1.0
<b>PT</b>	12.1	12.2	11.8	11.5	9.8	9.6	9.4	8.8	8.1	7.4	6.5	6.3	-1.8
<b>RO</b>	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>SI</b>	10.2	9.2	9.0	8.0	8.1	8.6	9.0	9.9	10.1	10.4	7.8	6.6	-3.6
<b>SK</b>	8.7	10.4	8.9	9.8	9.1	8.1	9.0	9.1	9.0	8.5	8.1	7.3	-1.7
<b>FI</b>	11.8	12.3	11.1	10.8	11.4	12.2	13.2	13.6	13.8	12.3	10.3	11.4	-2.4
<b>SE</b>	3.7	4.0	4.0	4.3	4.7	5.3	5.5	6.1	6.4	5.6	4.7	5.1	-1.3
<b>UK</b>	5.6	5.8	6.2	7.2	7.5	8.9	8.7	9.3	9.4	7.0	4.8	5.2	-4.1
<b>NO</b>	8.5	9.0	9.7	8.7	8.3	9.6	10.0	11.5	11.9	10.6	8.4	8.2	-3.7
<b>CH</b>	7.5	7.4	6.8	6.5	7.0	7.4	7.5	7.2	7.1	7.0	6.7	:	:
<b>US</b>	9.0	8.9	8.8	9.0	9.4	10.3	11.0	10.3	9.2	7.3	5.9	5.5	-3.6

Source: Eurostat (online data code: [nasa\\_ki](#)) and OECD

<sup>(1)</sup> adjusted for the change in net equity of households in pension fund reserves

## Methodological Notes

The data analysed in this publication are derived from the annual non-financial sector accounts of the countries. National accounts data by institutional sectors are compiled according to internationally harmonised standard in Europe: the European System of Accounts (ESA95).

### National Accounts

Non-financial national accounts by institutional sector provide a systematic description of the different stages of the economic process: production, generation and distribution, use and accumulation of income. Each of the accounts ends with a balancing item: value added, operating surplus, primary income, disposable income, saving, net lending/borrowing. Ratios such as the household saving rate are derived from these balancing items to analyse the economic behaviour of each institutional sector.

### Institutional sectors

In National Accounts, economic units may be grouped into five mutually exclusive institutional sectors which make up the total domestic economy: non-financial corporations; financial corporations; general government; households and non-profit institutions serving households.

The present release focuses on the **households sector**, which covers individuals or group of individuals whose principal function is consumption. It also includes own-account workers or entrepreneurs and unincorporated partnerships producing goods and services, when their activities cannot be separated from those of their owners (in particular, they do not keep a separate set of accounts). Therefore, the household sector may include a higher or lower proportion of enterprises depending on the structure of the economy. This may impact on the variables analysed in this publication.

For the purpose of this publication, the "household sector" has been complemented by non-profit institutions serving households (NPISH). This rather small sector includes charities, trade-unions, churches, political parties, sports clubs etc.

### Main definitions used

**Gross disposable income** is the result of all current transactions before consumption. It excludes exceptional resources/uses such as capital transfers, holding gains/losses and the consequences of natural disasters. It reflects the net resources, earned during the period, which are available for consumption and/or saving.

**Adjusted gross disposable income** additionally includes the flows corresponding to the use of individual services which households receive free of charge from the government. These services, called "**social transfers in kind**", mainly include education, health and social security services, although other kind of services such as housing, cultural and recreational services are also frequently provided. It excludes collective services that are provided simultaneously to all members of the community, such as security and defence, legislation and regulation.

**Purchasing power standard (PPS)** is an artificial currency unit that would allow the purchase of the same basket of goods and services in different countries. PPS

offsets differences in price levels across countries and thus allows their income to be compared.

The level of uncertainty associated with the basic price data (used in calculation of purchasing power parities (PPPs)) and national accounts data, and the methods used for compiling PPPs imply that differences between countries that have PPS figures within a close range should not be over-interpreted.

**Adjusted disposable income (ADI) of households in PPS per capita** is calculated by dividing ADI at current prices by the purchasing power parities of the actual individual consumption of households and by the total resident population (see these components in table 1).

Similarly, **disposable income in PPS per capita** is calculated by dividing disposable income at current prices by the purchasing power parities of the household final consumption expenditure and by the total resident population (see these components in table 2).

**Real adjusted disposable income** and its components, presented in the section on '2010/2007 changes in real household income' of this publication, were calculated by using as deflator the price index on households and NPISH final consumption expenditure with base year 2005=100.

**Mixed income** combines the profits of unincorporated enterprises and the remuneration of the work carried out by the owner or members of his family.

**Gross operating surplus** is an income that mainly accrues from the renting or (as imputed rents) from the owning of dwellings.

For the purpose of this publication, **other current transfers** (such as non-life insurance transfers etc) were grouped together with the gross operating surplus and mixed income.

**Net wages** consist of wages and salaries received by the employees before tax, excluding social contributions paid by the employers and employees.

**Social benefits** (other than social transfers in kind) group social security benefits payable to households by social security funds; social assistance benefits provided by the government or NPISHs; private funded social benefits paid by insurance enterprises and unfunded employee social benefits.

**Net property income** of households includes the remuneration of their financial assets (mainly interest on deposits and property income received as shareholders/owners of corporations) minus the interest paid on their debts (mainly mortgage loans and other personal credits). For more information on these items, please refer to Statistics in Focus 29/2009.

The **gross household saving rate** is calculated by dividing gross saving by gross disposable income, the latter adjusted for the change in net equity of households in pension fund reserves to offset their impact on cross-country comparisons.

The **gross household investment rate** is calculated by dividing gross investment (gross fixed capital formation) by gross disposable income, the latter adjusted for the change in net equity of households in pension fund reserves.

## Data sources

Annual non-financial sector accounts are transmitted according to the ESA95 transmission programme and published in the Eurostat dissemination database (domain: "annual sector accounts").

Countries that did not deliver a full or final set of accounts for 2010 were not analysed in this publication. This was the case for Luxembourg, Malta and Switzerland and, for some analyses, Bulgaria, Greece and Romania. The accounts of the euro area (EA17) and the EU were compiled jointly by Eurostat and the European Central Bank. The European sector accounts are not a simple sum of the data of individual countries. There are five specific compilation steps: (1) conversion to euro, (2) estimation of missing countries, (3) incorporation of the European institutions, (4) estimation of the flows between the euro area / EU and third countries and (5) balancing of the accounts. (For more information on EU/EA compilation steps, refer to sector account on Eurostat website)

US data come from the national accounts published by the Organisation for Economic Co-operation and Development (OECD) which are established according to the System of National Accounts (SNA) concepts.

([http://stats.oecd.org/Index.aspx?datasetcode=SNA\\_TABL\\_E14a](http://stats.oecd.org/Index.aspx?datasetcode=SNA_TABL_E14a) and [http://stats.oecd.org/Index.aspx?datasetcode=SNA\\_TABL](http://stats.oecd.org/Index.aspx?datasetcode=SNA_TABL)

[E13](#)). US gross disposable income used for the calculation of saving and investment rates was not adjusted for the change in net equity of households in pension fund reserves due to lack of data.

## Symbols:

: not available

## Abbreviations

EU-27 Member States: **Belgium (BE)**, Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), **Germany (DE)**, **Estonia (EE)**, **Ireland (IE)**, **Greece (EL)**, **Spain (ES)**, **France (FR)**, **Italy (IT)**, **Cyprus (CY)**, Latvia (LV), Lithuania (LT), **Luxembourg (LU)**, Hungary (HU), **Malta (MT)**, **the Netherlands (NL)**, **Austria (AT)**, Poland (PL), **Portugal (PT)**, Romania (RO), **Slovenia (SI)**, **Slovakia (SK)**, **Finland (FI)**, Sweden (SE) and the United Kingdom (UK).

Countries highlighted in bold are members of the euro area (EA17).

Norway (NO), Switzerland (CH) and the United states (US) are also referred to in this publication.

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## Further information

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Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'European sector accounts' statistics

[http://epp.eurostat.ec.europa.eu/portal/page/portal/sector\\_accounts/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/sector_accounts/data/database)

Further information about 'European sector accounts' statistics

[http://epp.eurostat.ec.europa.eu/portal/page/portal/sector\\_accounts/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/sector_accounts/introduction)

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