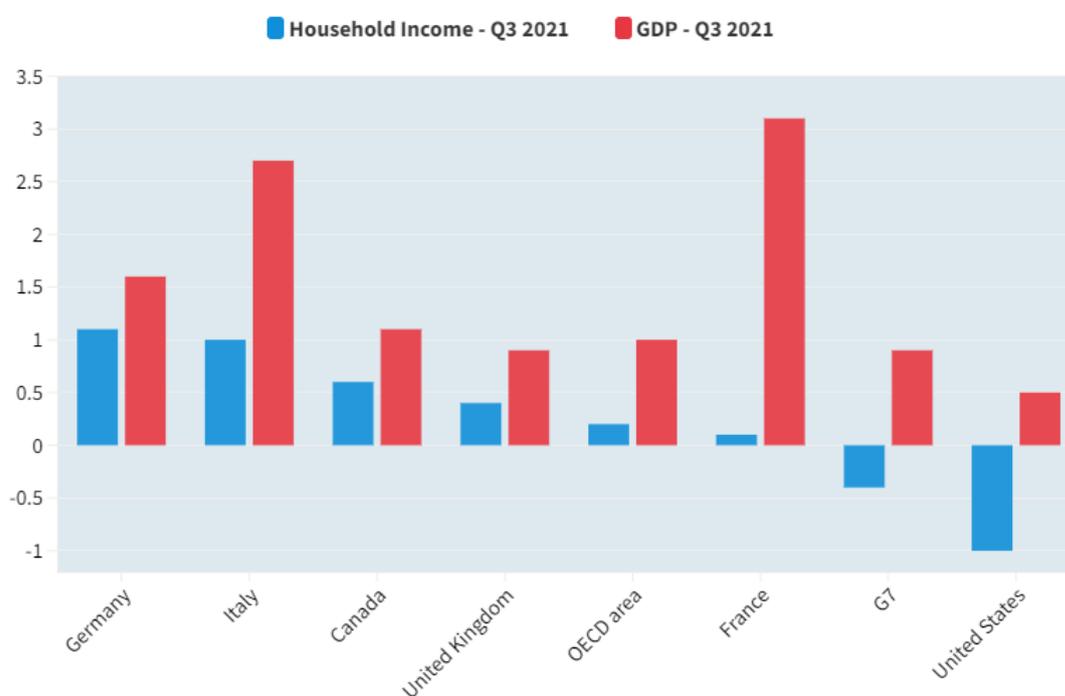


## Household income rises slightly in OECD area in Q3 2021 as US decline offsets increases in other countries

Real household income per capita rose by 0.2% in the **OECD area** in the third quarter of 2021 compared with the previous quarter. Household income increased in most member countries, but this was offset by a 1.0% decline in the **United States**. The level of household income per capita across the **OECD area** is now 4.0% higher than the pre-pandemic level recorded in the fourth quarter of 2019.

### Real household income per capita and real GDP per capita

Percentage change on the previous quarter, seasonally adjusted data

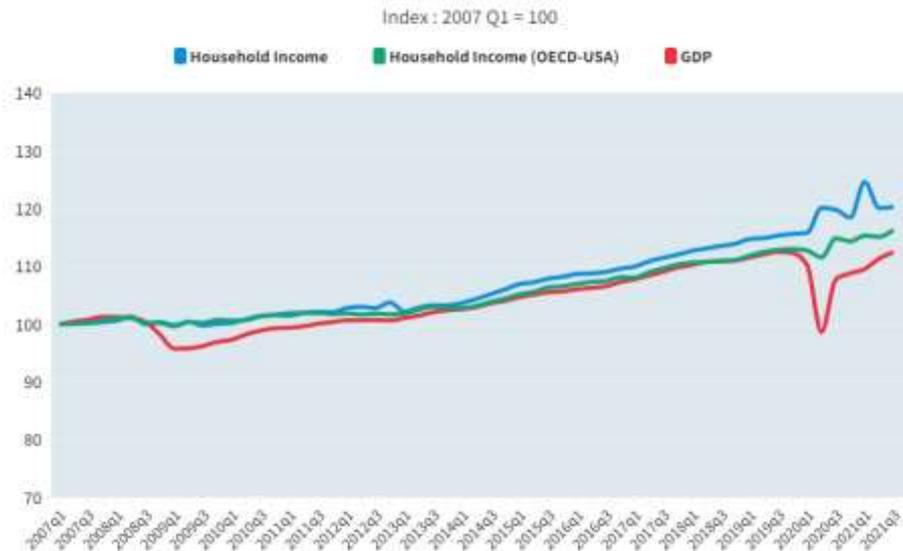


Among the **G7 economies** excluding **Japan**, for which 2021 quarterly estimates are not yet available (see Country notes), real household income per capita in the third quarter of 2021 rose most in **Germany** (up by 1.1%) and **Italy** (up by 1.0%). The 1.0% decline in the **United States** in the third quarter was much more modest than in the second quarter, when household income per capita fell by 8.0% quarter-on-quarter following a spike due to pandemic-related monetary transfers to households. Despite these two consecutive quarters of decline, real household income per capita in the **United States** was 5.6% higher in Q3 2021 than before the pandemic. This represents the second highest increase among the G7 economies, behind **Canada** at 7.9%.

Across other **OECD countries**, strong growth in real household income per capita in the third quarter of 2021 was recorded in **Austria** (up 8.6%), **Greece** (up 5.0%), **Australia** (up 4.4%), **Poland** (up 3.7%), and the **Netherlands** (up 3.0%). Conversely, real household income per capita fell in **Chile** (minus 11.7%) following completion of the third instalment of pension withdrawals under a government policy to offset income losses in the pandemic.

The 0.2% rise in real household income per capita in Q3 2021 across the **OECD area** compares with a rise of 1.0% in GDP per capita. GDP per capita has continued to grow from its low point in the second quarter of 2020, with a large increase in the third quarter of 2020 followed by more moderate but consistent increases for the past four quarters.

## Real household income per capita and real GDP per capita, OECD area

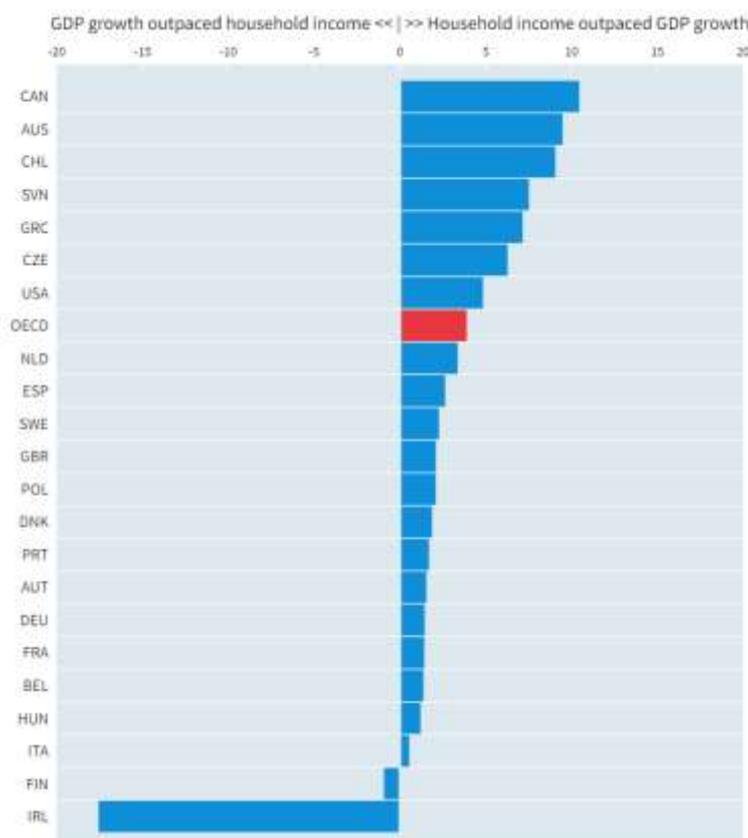


The third quarter of 2021 also saw real GDP per capita in the **OECD area** surpass its pre-pandemic level for the first time, albeit by only 0.1%. By contrast, real household income per capita exceeded its Q4 2019 level by 4.0%. Almost all **OECD countries** for which quarterly household income is available have seen growth of household income per capita outpace growth in GDP per capita, with the differences between the measures ranging from just 0.8 percentage points (ppts) for **Italy** to 10.4ppts for **Canada**. Moreover, the countries where household income has outpaced GDP by the largest margin – **Canada**, **Australia** (9.5ppts), **Chile** (9.1ppts) and **Slovenia** (7.5ppts) – implemented broad based fiscal stimulus policies such as compensation for temporarily suspended workers, payments to pensioners, families and people receiving government benefits, and, in the case of **Australia** and **Chile**, early access to pension funds.

Of the **OECD countries** that publish quarterly household income estimates, only two have reported growth in household income per capita that is lower than growth in GDP per capita: **Finland**, where GDP has grown 0.9ppts more than household income, and **Ireland**, where the difference is 17.6ppts. While household income in **Ireland** has grown 3.0% since the fourth quarter of 2019, GDP per capita has risen by 20.6% in real terms reflecting fluctuations in cross-border movements of intellectual property products owned by multinational enterprises.

## Growth in household income and GDP since Q4 2019

Percentage points difference in cumulative growth rates of real household income per capita and GDP per capita since Q4 2019



**Quarterly real household income per capita**  
Percentage change on the previous quarter, seasonally adjusted data

|                | 2019 |      | 2020 |      |      |      | 2021 |      |      | Cumulative growth since Q4 2019 |
|----------------|------|------|------|------|------|------|------|------|------|---------------------------------|
|                | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   |                                 |
| OECD-Total *   | 0.4  | 0.3  | 0.2  | 3.7  | -0.3 | -1.1 | 5.2  | -3.6 | 0.2  | 4.0                             |
| G7             | 0.4  | 0.3  | 0.4  | 6.9  | -2.6 | -1.4 | 6.8  | -5.0 | -0.4 | 4.0                             |
| Canada         | 0.3  | 0.3  | 0.9  | 11.7 | -5.7 | -1.3 | 1.7  | 0.5  | 0.6  | 7.9                             |
| France         | 0.4  | 0.5  | -1.1 | -1.1 | 1.8  | 2.0  | -0.8 | 0.3  | 0.1  | 1.1                             |
| Germany        | 0.3  | -0.1 | 1.2  | -3.6 | 3.9  | -0.4 | -2.2 | 0.7  | 1.1  | 0.6                             |
| Italy          | -0.4 | -0.3 | -1.4 | -4.1 | 6.0  | -2.2 | 1.5  | -0.2 | 1.0  | 0.4                             |
| Japan          | 1.0  | -0.5 | 0.3  | ..   | ..   | ..   | ..   | ..   | ..   |                                 |
| United Kingdom | -0.9 | 1.1  | -2.1 | -2.8 | 4.9  | 0.7  | -0.6 | -0.8 | 0.4  | -0.4                            |
| United States  | 0.4  | 0.5  | 0.8  | 10.4 | -4.3 | -2.1 | 11.2 | -8.0 | -1.0 | 5.6                             |

\*See the [Methodological note](#) for further details on zone total estimates.

**Quarterly real GDP per capita**  
Percentage change on the previous quarter, seasonally adjusted data

|                | 2019 |      | 2020 |       |      |      | 2021 |      |      | Cumulative growth since Q4 2019 |
|----------------|------|------|------|-------|------|------|------|------|------|---------------------------------|
|                | Q3   | Q4   | Q1   | Q2    | Q3   | Q4   | Q1   | Q2   | Q3   |                                 |
| OECD-Total     | 0.4  | -0.2 | -1.9 | -10.5 | 9.3  | 0.9  | 0.7  | 1.6  | 1.0  | 0.1                             |
| G7             | 0.5  | -0.3 | -2.0 | -10.4 | 9.4  | 0.9  | 0.5  | 1.7  | 0.9  | -0.1                            |
| Canada         | -0.1 | -0.3 | -2.4 | -11.3 | 8.9  | 2.2  | 1.1  | -1.0 | 1.1  | -2.5                            |
| France         | 0.0  | -0.5 | -5.8 | -13.5 | 18.5 | -1.2 | 0.1  | 1.3  | 3.1  | -0.3                            |
| Germany        | 0.4  | -0.1 | -1.8 | -10.0 | 9.0  | 0.7  | -1.6 | 2.2  | 1.6  | -0.8                            |
| Italy          | 0.2  | -0.5 | -5.7 | -12.5 | 15.9 | -1.6 | 0.5  | 2.9  | 2.7  | -0.1                            |
| Japan          | 0.8  | -3.0 | 0.4  | -8.0  | 5.2  | 2.4  | -0.6 | 0.5  | -0.7 | -1.3                            |
| United Kingdom | 0.4  | -0.2 | -2.7 | -19.5 | 17.4 | 1.3  | -1.4 | 5.3  | 0.9  | -2.5                            |
| United States  | 0.5  | 0.3  | -1.4 | -9.0  | 7.4  | 1.0  | 1.5  | 1.6  | 0.5  | 0.7                             |

**Note:** As a consequence of measures put in place by governments to reduce the spread of the Coronavirus (COVID-19), many statistical agencies are still facing unprecedented collection, compilation and methodological challenges to develop indicators across a number of domains. To address these challenges, the statistical community developed guidance, both conceptual and practical, to help ensure the continued delivery of timely and reliable statistics. However, in some cases there may be an impact on quality and the statistics in this press release may be subject to revisions that are larger and more frequent than normal.

**>> Methodological Notes:**

Note that households in this release refer to households and non-profit institutions serving households (e.g. non-profit sports membership clubs). Further methodological information can be downloaded from:

[http://www.oecd.org/sdd/na/QSA\\_Methodological\\_Note.pdf](http://www.oecd.org/sdd/na/QSA_Methodological_Note.pdf)

**>> Access data:**

Interested in how households are doing? Visit our household's economic well-being dashboard: [www.oecd.org/sdd/na/household-dashboard.htm](http://www.oecd.org/sdd/na/household-dashboard.htm)

Quarterly growth rates of real household income per capita and real GDP for all OECD countries (when available) and geographic groupings, as well as historical data, can be downloaded from the OECD online data dissemination facility OECD.Stat at:

[http://stats.oecd.org/Index.aspx?DataSetCode=HH\\_DASH](http://stats.oecd.org/Index.aspx?DataSetCode=HH_DASH)

Also, the full set of non-financial quarterly sector accounts is available on OECD.Stat at

[http://stats.oecd.org/Index.aspx?DataSetCode=QASA\\_TABLE801](http://stats.oecd.org/Index.aspx?DataSetCode=QASA_TABLE801)

**>> Contacts:**

For further information journalists are invited to contact the OECD's Media Relations Division on (33) 1 45 24 97 00 or at [news.contact@oecd.org](mailto:news.contact@oecd.org); others should contact the Statistics and Data Directorate at [stat.contact@oecd.org](mailto:stat.contact@oecd.org).

**>> Next release:** Q4 2021 – 5 May 2022

## Technical notes for OECD Growth and economic well-being News Release

A key indicator of material or economic well-being is household income per capita after deducting taxes and social contributions and including social benefits. This provides a better picture of people's economic well-being than gross domestic product (GDP) per capita. It shows the resources that households have at their disposal to buy goods and services or save for the future.

Over the long term, average annual growth rates of household income per capita and GDP per capita tend to be similar, since incomes earned by households account for much of the total income generated through production in the economy, as recorded by GDP. However, over shorter periods, especially during economic recessions or expansions, trends in household income and GDP may differ significantly. Many factors can contribute to such a divergence; for instance, changes in taxes or social benefits, or changes in how companies allocate their earnings between dividends, retained earnings and compensation of employees.

Data shown in this release was last updated on the 31<sup>st</sup> of January 2022.

### Definition of the indicators

#### Real GDP per capita

Gross domestic product (GDP) is the standard measure of the value added generated through the production of goods and services in a country during a certain period. The income measure of GDP measures the income earned from that production, or the amount spent on final goods and services (less imports). While GDP is the single most important indicator to capture economic activities, it falls short of providing a suitable measure of people's material well-being.

Real GDP per capita shows GDP, adjusted for inflation by the GDP deflator, per person in the population.

#### Real household income per capita

In this release, household income refers to the national accounts measure 'gross disposable income of households', which equals total income received by households after deduction of taxes on income and wealth and social contributions. It includes monetary social benefits (such as unemployment benefits), but it does not include in-kind transfers, such as those related to health and education provided free or at economically insignificant prices by government.

Household disposable income may be used either for final consumption or for saving. Disposable income thus represents the maximum amount households can consume without reducing their net wealth (without taking into account holding gains or losses on assets).

Real household income per capita shows household disposable income, adjusted for inflation in household final consumption, per person in the population. Note that households in this release include 'non-profit institutions serving households' (e.g. non-profit sports membership clubs) as these cannot be separated from households in the national accounts of many countries.

The deflators used for these two measures (GDP and household income) may differ, sometimes significantly, particularly in resource rich and export intensive economies.

### Country notes

The statistical data in this publication are supplied by and under the responsibility of the relevant statistical authorities. The use of such data by the OECD is without prejudice to the status of or sovereignty over any territory, or to the delimitation of international frontiers and boundaries.

For **Japan**, gross disposable income of households is not yet available beyond the first quarter of 2020. To compile the **OECD area** and **G7** economy aggregates, the OECD forecasts Japan's household income for the latest quarters using the measure of **net** disposable household income which is published quarterly by Japan's Cabinet Office.

The estimation method to compile the OECD area and the G7 aggregates is available in the methodological note (see below).

### Further information

Further methodological information can be downloaded from:

[http://www.oecd.org/sdd/na/QSA\\_Methodological\\_Note.pdf](http://www.oecd.org/sdd/na/QSA_Methodological_Note.pdf)