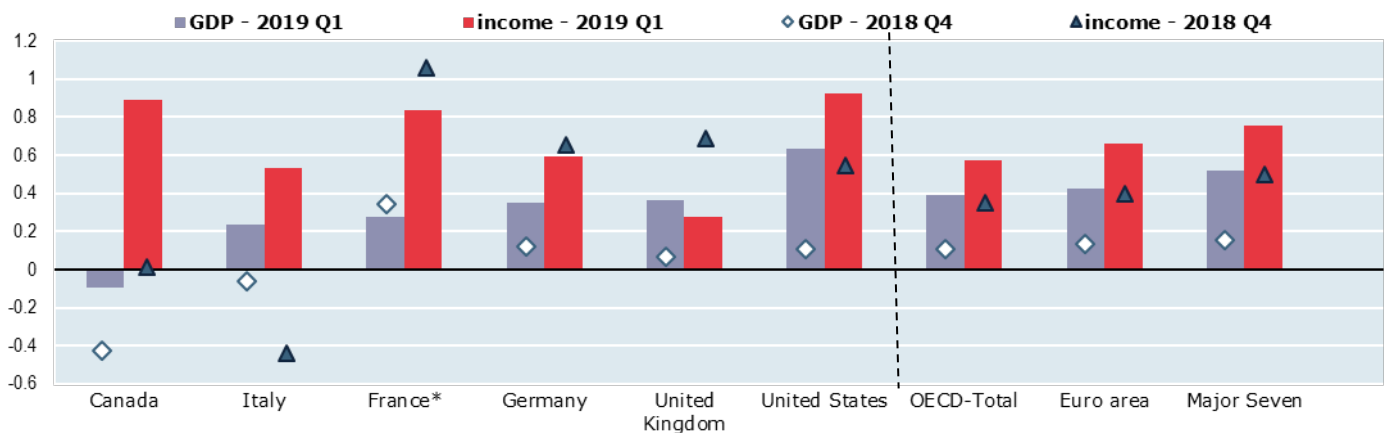


**Growth and economic well-being:  
OECD household income growth continued to outpace GDP growth in first quarter of 2019.**

Growth in real household income per capita, which provides a better picture of changes in households' economic well-being than real GDP growth per capita, accelerated to 0.6% in the **OECD area** in the first quarter of 2019, compared with 0.3% in the fourth quarter of 2018, outpacing real GDP growth per capita for the second straight quarter.

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



\* See country note for France in the technical note.

In the **United States** and **Canada**, growth in real household income per capita picked up strongly to 0.9% in the first quarter of 2019 (from 0.5% and 0.0% respectively in the previous quarter). Real GDP per capita growth accelerated to 0.6% (from 0.1%) in the **United States** but contracted for the second straight quarter in **Canada** by (minus) 0.1%.

In **France\***, real household income per capita growth slowed to 0.8% in the first quarter of 2019, compared to 1.1% in the previous quarter. Growth in real GDP per capita remained at 0.3%.

In **Germany** and **the United Kingdom**, growth in real household income per capita slowed to 0.6% and 0.3%, respectively, in the first quarter of 2019 (from 0.7% in the previous quarter) but real GDP per capita growth picked up to 0.3% and 0.4%, respectively, (from 0.1% in the previous quarter).

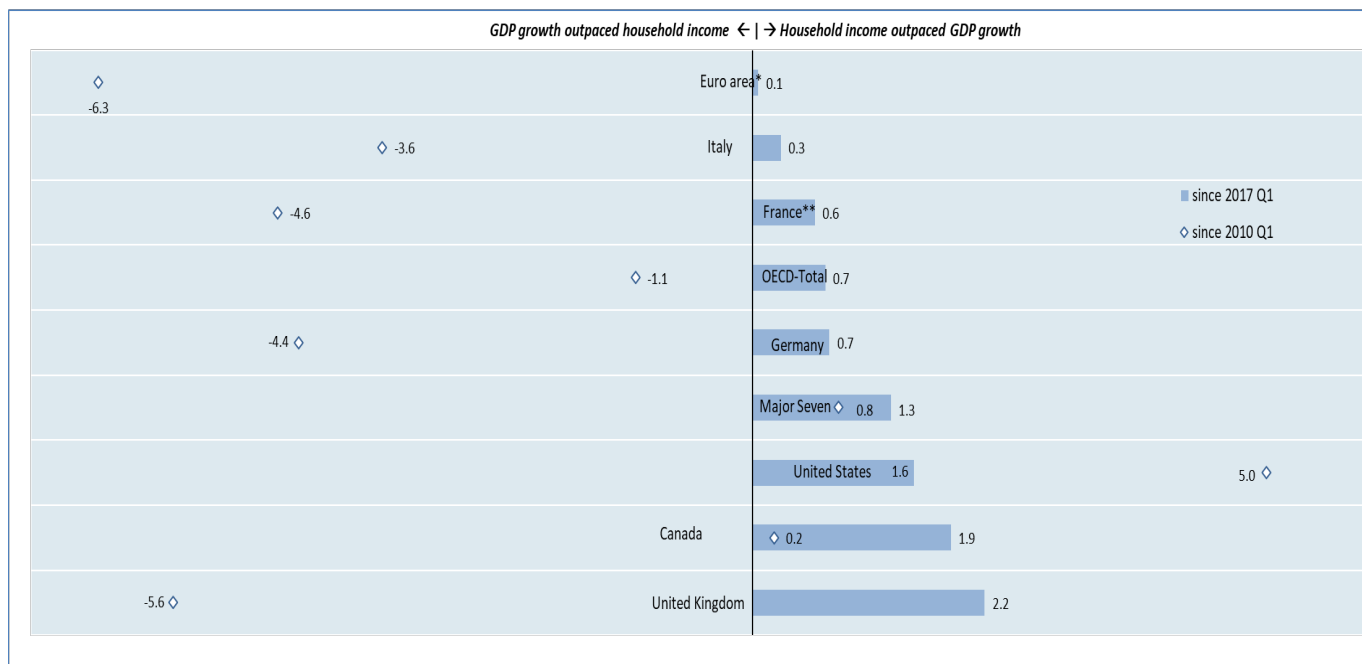
In **Italy**, real household income per capita picked up markedly in the first quarter of 2019 by 0.5% (from minus 0.4%). Real GDP per capita also grew in the first quarter of 2019 by 0.2% (from minus 0.1% in the fourth quarter of 2018).

In the **euro area**, growth in real household income per capita accelerated to 0.7% in the first quarter of 2019, from 0.4% in the previous quarter. Growth in real GDP per capita also increased in the first quarter of 2019, from 0.1% to 0.4%.

Over the last two years, in the OECD as a whole, growth in real household income per capita outpaced growth in real GDP per capita by 0.7 percentage point. Growth in real household income per capita outpaced growth in real GDP per capita in all **Major Seven economies**, the gap was largest in the **United Kingdom** (2.2 pp) and **Canada** (1.9 pp).

Over a longer period however, since the first quarter of 2010, real GDP per capita growth outpaced real household income per capita growth in most **Major Seven economies**, with the **United Kingdom** showing the highest gap (5.6 pp). In the **United States**, growth in real household income per capita outpaced growth in real GDP per capita by 5.0 percentage points.

**Growth in real GDP per capita has outpaced growth in household income per capita in many OECD countries since 2010**  
 Percentage points difference in cumulative growth rates of real household income per capita and GDP per capita



\* The difference in cumulative growth rates of real household income per capita and real GDP per capita since 2010-Q1 for the euro area is significantly impacted by the relocation to Ireland of economic activities of a limited number of multinationals over this time period (see for more information the following [link](#)). When excluding the results for Ireland, the gap in growth rates since 2010-Q1 for the euro area would have been -5.2.

\*\* See country note for France in the technical note.

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

	2017				2018				2019	Cumulative growth over the last 8 quarters
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
OECD-Total *	0.3	0.6	0.5	0.6	0.8	0.4	0.2	0.3	0.6	4.1
Major Seven*	0.6	0.6	0.4	0.5	0.9	0.5	0.4	0.5	0.8	4.7
Canada	0.2	1.2	1.3	0.2	-0.4	0.2	-0.7	0.0	0.9	2.7
France**	0.1	0.6	0.4	0.5	-0.6	0.8	0.3	1.1	0.8	3.9
Germany	0.3	0.4	0.4	0.1	0.9	0.1	0.1	0.7	0.6	3.3
Italy	0.1	0.3	0.7	0.4	-0.6	1.1	0.0	-0.4	0.5	2.0
Japan	0.0	0.2	0.5	-0.1	0.4	..	..	..	..	..
United Kingdom	-0.6	2.1	-0.2	0.2	0.0	0.8	0.0	0.7	0.3	4.1
United States	1.0	0.5	0.4	0.7	1.5	0.5	0.6	0.5	0.9	5.9
Euro area	0.2	0.4	0.7	0.3	0.0	0.7	0.2	0.4	0.7	3.4

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

\*\* See country note for France in the technical note.

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

	2017				2018				2019	Cumulative growth over the last 8 quarters
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
OECD-Total	0.5	0.5	0.6	0.7	0.4	0.4	0.2	0.1	0.4	3.4
Major Seven	0.6	0.4	0.6	0.6	0.3	0.5	0.3	0.2	0.5	3.4
Canada	0.9	0.8	-0.1	0.0	0.2	0.3	0.1	-0.4	-0.1	0.8
France	0.8	0.6	0.6	0.7	0.2	0.2	0.3	0.3	0.3	3.3
Germany	1.1	0.5	0.8	0.7	0.0	0.3	-0.2	0.1	0.3	2.6
Italy	0.6	0.4	0.4	0.4	0.3	0.1	-0.1	-0.1	0.2	1.7
Japan	0.9	0.4	0.8	0.4	0.0	0.4	-0.4	0.5	0.8	2.9
United Kingdom	0.3	0.1	0.4	0.2	-0.1	0.2	0.5	0.1	0.4	1.8
United States	0.4	0.4	0.6	0.7	0.5	0.7	0.6	0.1	0.6	4.3
Euro area	0.6	0.6	0.6	0.6	0.4	0.3	0.1	0.1	0.4	3.3

**>> 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:**

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**>> Next release:** Q2 2019 – 7 November 2019

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

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

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

### 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. Equivalently, it measures the income earned from that production, or the total amount spent on final goods and services (less imports). While GDP is the single most important indicator to capture these 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 member of the population.

#### Real household disposable income per capita

Household disposable income equals the total income received, after deduction of taxes on income and wealth and social contributions, and includes monetary social benefits (such as unemployment benefits). 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 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 member of the population. Note that households in this release include households and non-profit institutions serving households (e.g. non-profit sports membership clubs) as these cannot be separately identified across all countries.

Because the composition of GDP and household final consumption differs, the evolution of deflators for these two measures can differ, sometimes significantly, particularly in resource rich and export intensive economies. The GDP deflator, for example, includes price changes in exports unlike the deflator for household final consumption which includes only the aggregate price of consumer goods and services acquired by households.

### 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.

*Japan* – Household income is currently compiled and provided by the national statistical authority only once a year. Therefore, it is not available for the most recent quarters.

*France* - Real household income data shown in this release has been compiled by the OECD based on nominal household (and NPISH) income data published by INSEE (see <https://www.insee.fr/en/statistiques/series/110403627?OPERATION=2320962&SECT-INST=2321498%2B2321503>) adjusted with the implicit deflator (price index) of final consumption expenditure of households and NPISHs (based on national currency). Sector accounts data for France are not yet validated by Eurostat due to consistency problems between the sectors.

The estimation method to compile the OECD-total and the Major Seven 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)