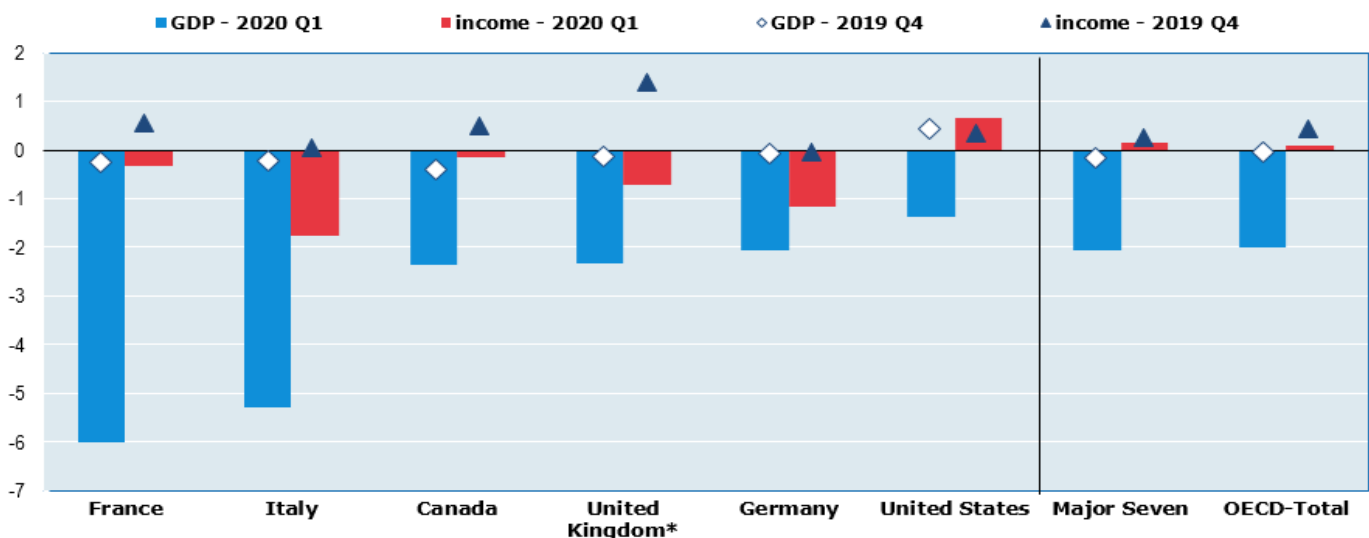


Growth and economic well-being: First quarter of 2020 Government support measures for households buffer the economic impacts of COVID-19

Despite a 2.0% fall in real GDP per capita, in the **OECD area** in the first quarter of 2020, real household income per capita, which provides a better picture of changes in households' economic well-being, grew by 0.1%.

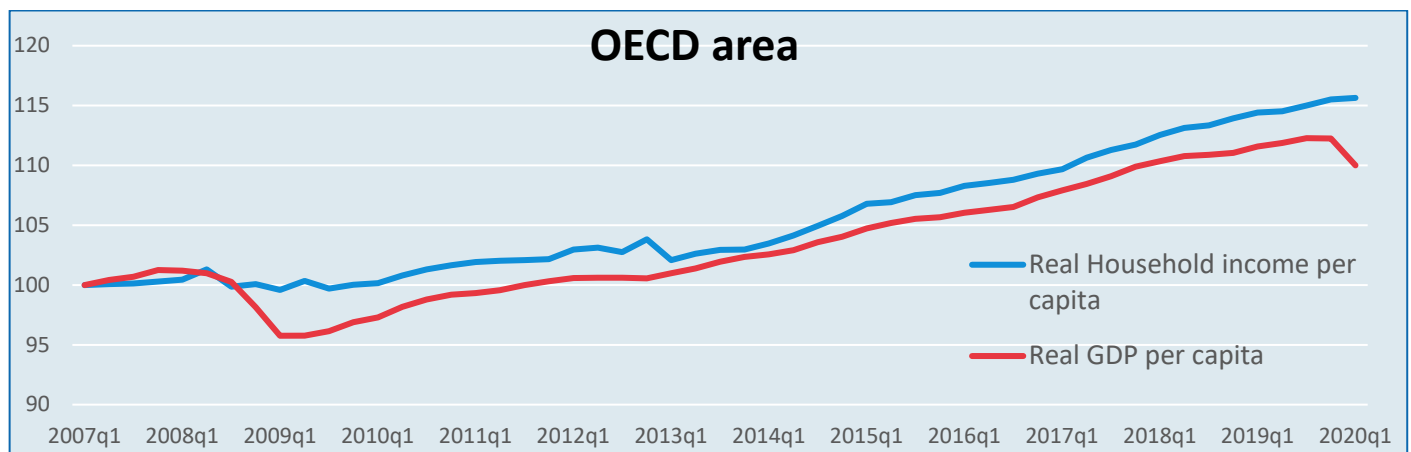
Real household income per capita and real GDP per capita
Percentage change on the previous quarter, seasonally adjusted data



* See country note for the United Kingdom in the technical note.

In response to COVID-19, many governments introduced policies aimed at supporting household income. As a result, across all **Major Seven economies**, real household income per capita held up much better than real GDP per capita, which contracted sharply in all economies. For the **OECD area** as a whole, real household income growth outpaced GDP growth by 2.1 percentage points, the largest positive gap between the two measures since the financial crisis (2008 Q4).

Real household income per capita and real GDP per capita in the OECD: 2007 Q1=100

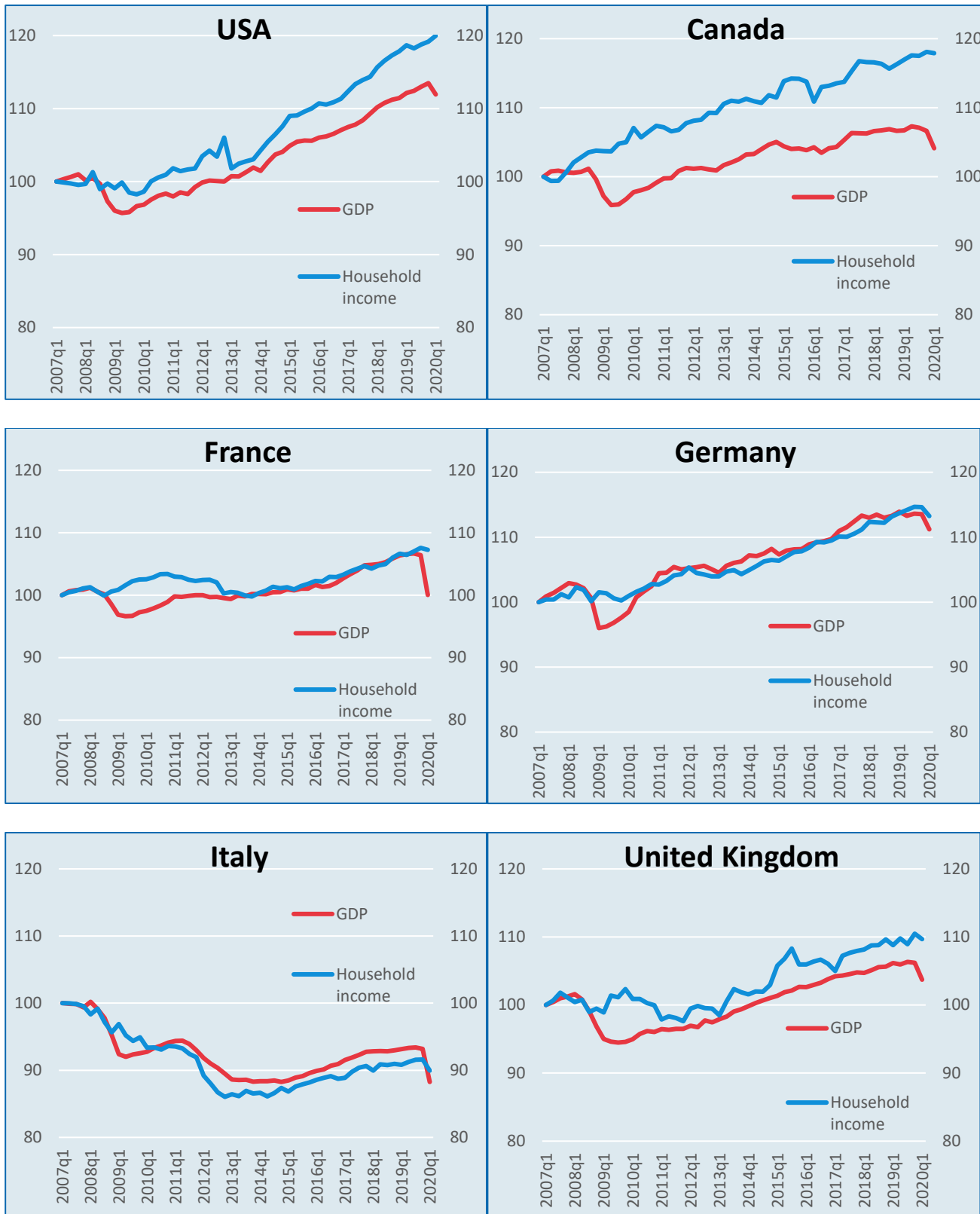


While government policies reduced the severity of the impact of COVID-19 on household income, the **United States** was the only **Major Seven economy** to record positive growth (up 0.7%) in real household income per capita, partly reflecting the more limited impact of COVID-19, and, in turn, more limited containment measures, in the first quarter.

Although all other **Major Seven economies** saw falls in real household income per capita in the first quarter of 2020, within the **OECD area**, growth was also recorded in **Australia** (0.5%), **Belgium** (0.7%), **Finland** (1.2%), **Greece** (0.8%), **Ireland** (0.7%), The **Netherlands** (1.6%), **Slovenia** (1.5%), and **Sweden** (1.3%).

In **Italy**, and **Germany**, real household income per capita declined markedly in the first quarter of 2020, by -1.8% and -1.2%, respectively. In the **United Kingdom**, **France** and **Canada**, real household income per capita declined to a lesser extent, by -0.7%, -0.3% and -0.2% respectively, despite all three countries recording significant falls in GDP growth per capita (of at least -2.3%, and in the case of **France** by -6.0%).

Real household income per capita and real GDP per capita: 2007 Q1 = 100
Major Seven economies (Japan's Household income estimates are not available for the most recent quarters.)



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

	2018				2019				2020	Cumulative growth over the last 8 quarters
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
OECD-Total *	0.7	0.5	0.2	0.5	0.4	0.1	0.4	0.4	0.1	2.8
Major Seven*	0.8	0.7	0.3	0.6	0.5	-0.1	0.5	0.3	0.1	2.9
Canada	0.0	-0.2	-0.6	0.6	0.6	0.5	-0.1	0.5	-0.2	1.2
France	-0.4	0.5	0.2	1.0	0.6	-0.2	0.5	0.5	-0.3	2.9
Germany	1.1	-0.1	-0.1	0.9	0.5	0.4	0.4	-0.1	-1.2	0.8
Italy	-0.7	1.0	-0.1	0.2	-0.2	0.5	0.3	0.0	-1.8	0.0
Japan	1.0	0.9	-0.2	0.9	0.0
United Kingdom	0.2	0.6	0.1	0.8	-0.8	0.9	-0.8	1.4	-0.7	1.4
United States	1.2	0.8	0.6	0.5	0.7	-0.4	0.4	0.3	0.7	3.7

* 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

	2018				2019				2020	Cumulative growth over the last 8 quarters
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
OECD-Total	0.4	0.4	0.1	0.1	0.5	0.3	0.4	0.0	-2.0	-0.3
Major Seven	0.3	0.4	0.1	0.3	0.6	0.2	0.5	-0.2	-2.1	-0.2
Canada	0.3	0.1	0.2	-0.2	0.1	0.5	-0.2	-0.4	-2.4	-2.3
France	0.1	0.1	0.3	0.6	0.5	0.2	0.1	-0.2	-6.0	-4.6
Germany	-0.3	0.4	-0.4	0.3	0.6	-0.6	0.3	-0.1	-2.1	-1.6
Italy	0.0	0.0	0.0	0.2	0.2	0.2	0.1	-0.2	-5.3	-4.9
Japan	-0.4	0.4	-0.8	0.7	0.7	0.5	0.9	-2.5	-0.5	-0.7
United Kingdom	-0.1	0.4	0.4	0.1	0.5	-0.2	0.4	-0.1	-2.3	-0.9
United States	0.8	0.6	0.4	0.2	0.6	0.3	0.5	0.4	-1.4	1.6

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

>> 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

>> Access data:

Interested in how households are doing? Visit our household's economic well-being dashboard: 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

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

>> Contacts:

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>> Next release: Q2 2020 – 12 Nov 2020

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.

United Kingdom - Real household income data shown in this release has been compiled by the OECD based on nominal household income data published by the ONS in the "UK Economic Accounts time series dataset (UKEA)" – see <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/rphq/ukea>. Sector accounts data for the UK are not yet validated by Eurostat due to substantial discrepancies with Government Finance Statistics data.

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.

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