

Household income, expenditure and saving during H1 2020

In H1 2020, household gross disposable income (seasonally and working day adjusted) reached €734 billion, down €7 billion compared to H2 2019 (*Graph and Table*). Earned income and property income fell substantially, but households were in receipt of more social benefits (especially for short-time working) and their taxes decreased. Thus the decline in household disposable income between H2 2019 and H1 2020 remained relatively low compared to the drop in GDP of almost €125 billion during the same period.

At the same time, households reduced their consumption expenditure massively due to the unusual context of the total lockdown of the population. They spent €562 billion in H1 2020 after €631 billion in H2 2019, a drop of €69 billion.

As a result, their gross savings flow (the share of their income that they have not spent on consumption) increased by €61 billion, reaching €173 billion in H1 2020. In addition to consumption, households can also use their income to invest, particularly in real estate. In H1 2020, however, their investment dropped by €13 billion compared to H2 2019, falling to €58 billion.

Consequently, their flow of financial savings (or net lending), the share of their income that is neither consumed nor invested (and which has not been the subject of a capital transfer), and which increases their financial assets (deposits net of debt), has increased significantly, from €33 billion in H2 2019 to €110 billion in H1 2020, an increase of €77 billion. ■

Thomas Laurent ■

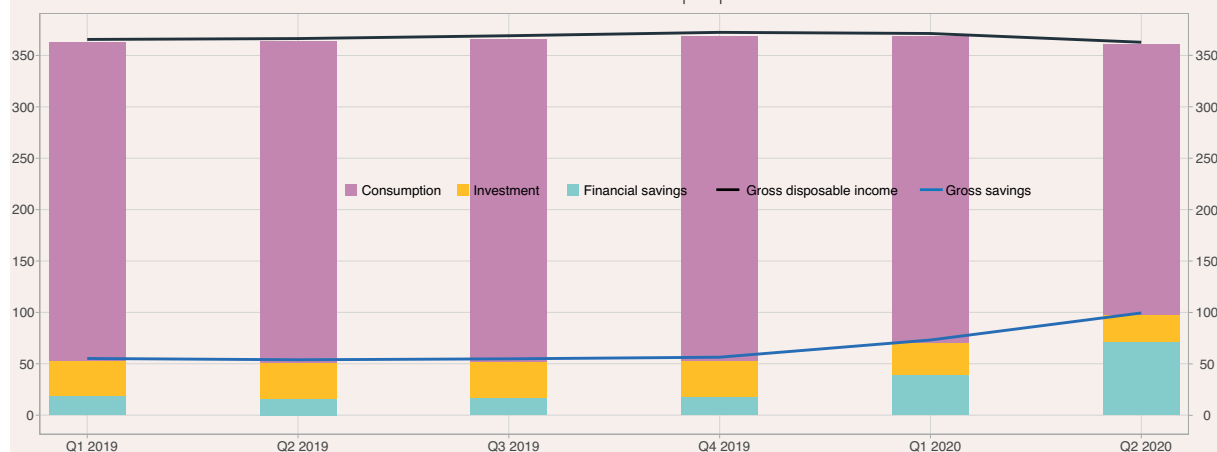
Table - Components of income, consumption, investment and savings of French households

amounts in billions of euros per half year

	Second half of 2019	First half of 2020	Difference
Gross Disposable Income	742	734	-7
of which			
Earned income	693	649	-45
Social benefits in cash	261	279	17
Gross operating surplus of pure households	97	97	0
Property income	44	42	-3
Taxes and social contributions	-356	-333	23
Consumption expenditure	631	562	-69
Savings	111	173	61
of which			
GFCF	71	58	-13
Financial savings	33	110	77

Income, consumption, investment and saving by French households

amounts in billions of euros per quarter



Source: INSEE, quarterly national accounts