

Household income

In Q3 2021, earned income would appear to have accelerated significantly (+3.0% after +0.7%), as a result of the ever-decreasing use of short-time working schemes (now leading to more paid working hours for the employees concerned) and the increase in employment. At the same time, social benefits would seem to have fallen back (in September, fewer short-time working benefits and the end of exceptional assistance for workers in precarious employment) and social and tax contributions would seem to have rebounded (especially social contributions, in line with the hike in gross payroll). All in all, household GDI would seem to have increased by 0.8% in Q3. Given the acceleration in consumer prices (+0.7% as a quarterly variation after +0.2%), household purchasing power would appear to have been at a standstill this quarter (+0.1%).

In Q4 2021, those factors that could have affected household GDI in the previous quarter are expected to remain relatively stable (social benefits, taxes and social contributions slowed by the first housing tax relief for the 20% most well-off households). Changes in household GDI now look set to be determined by the rise in earned income, driven by wage increases and the rise in employment. Household GDI is therefore expected to increase by 1.1% this quarter, and purchasing power should rally (+0.5%).

Across the whole of 2021, GDI is expected to increase substantially (+3.4% after +1.0% in 2020), due to the sharp rebound in earned income coupled with a moderate decline in social benefits. Given the rise in household consumer prices, household purchasing power is likely to be less buoyant than GDI: it is expected to increase by 1.9% in 2021, after +0.4% in 2020. When converted to consumption units in order to take demographic changes into account, it looks set to rise by 1.5%, after being stable in 2020. ●

► 1. Components of household gross disposable income

variations in %

	Quarterly changes								Annual changes		
	2020				2021				2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross disposable income (100%)	-1.1	-0.7	1.9	1.9	-0.1	0.8	0.8	1.1	3.4	1.0	3.4
including:											
Earned income (72%)	-2.7	-10.0	12.8	0.5	0.4	0.7	3.0	1.2	3.1	-3.7	6.5
Gross wages and salaries (64%)	-2.7	-10.7	13.5	-0.7	0.4	1.1	3.6	1.3	3.2	-4.1	6.3
GOS of sole proprietors* (8%)	-2.5	-4.5	8.0	9.7	0.3	-2.4	-0.9	0.0	2.3	-0.6	7.7
Social benefits in cash (35%)	2.9	12.9	-9.8	2.7	-0.5	0.3	-3.1	-0.1	2.9	9.5	-2.0
GOS of "pure" households (14%)	-0.2	-1.6	2.9	0.6	0.4	0.7	1.3	0.7	3.2	1.1	3.3
Property income (6%)	-4.7	-3.7	-2.0	-0.7	1.0	1.1	1.4	1.8	-2.3	-12.6	0.4
Social contributions and taxes (-27%)	-0.5	-7.9	10.3	-1.9	1.2	-0.3	1.5	0.2	0.5	-3.2	3.1
Household consumer prices	0.2	-0.1	0.1	0.0	0.8	0.2	0.7	0.5	0.8	0.6	1.5
Purchasing power of gross disposable income	-1.3	-0.5	1.7	1.9	-0.9	0.6	0.1	0.5	2.6	0.4	1.9
Household purchasing power by consumption	-1.4	-0.6	1.6	1.8	-1.0	0.5	0.0	0.4	2.0	0.0	1.5

■ Forecast

How to read it: after a rise of 0.8% in Q2 2021, household gross disposable income would appear to have risen by a further 0.8% in Q3. Annual change is expected to be +3.4% in 2021.

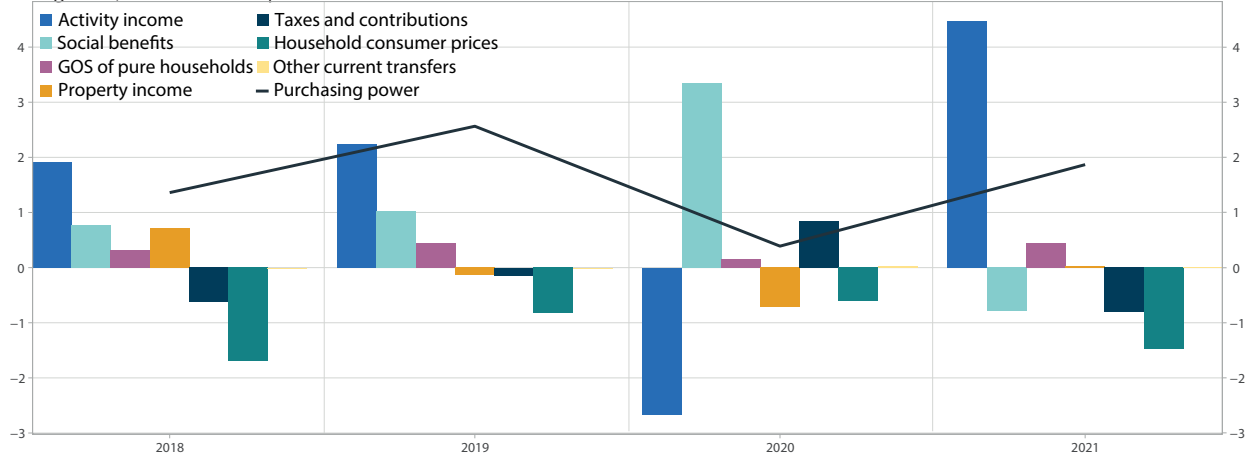
Note: figures in brackets give the structure for 2019.

* the gross operating surplus (GOS) of sole proprietors is the balance of the operating account of sole proprietorships. This is mixed income as it remunerates work carried out by the owner of the sole proprietorship, and possibly members of their family, but it also contains profit made as a sole proprietor.

Source: INSEE

► 2. Purchasing power is expected to accelerate in 2021, despite the rise in inflation

annual change in %, contributions in points



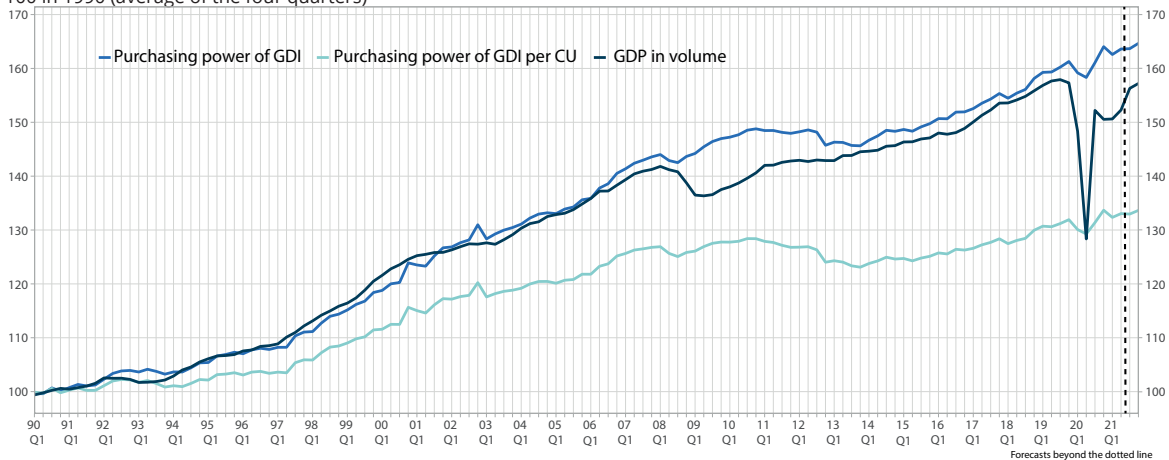
How to read it: in 2021, household purchasing power is expected to increase by 1.9%. The main contribution to this increase is likely to be earned income, which is expected to reach 4.5 points.

Source: INSEE

► 3. The purchasing power of household GDI has been generally preserved since the start of the pandemic

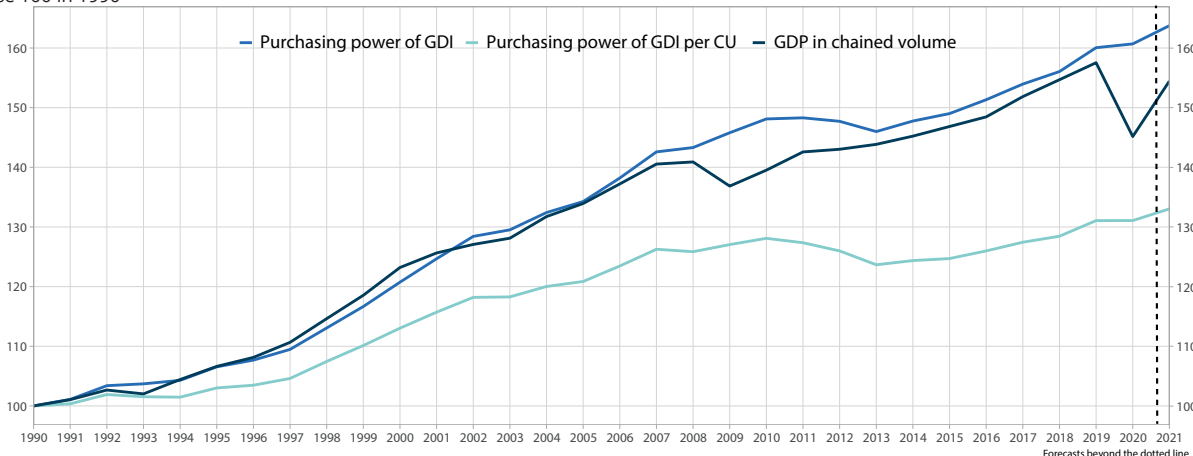
a. Quarterly changes in purchasing power and GDP

index base 100 in 1990 (average of the four quarters)



b. Annual changes in purchasing power and GDP

index base 100 in 1990



Note: the annual data in Figure 3b are derived from the quarterly data. However, given the scale and the suddenness of the downward and upward shifts in GDP from one quarter to the next in 2020-2021, these changes are presented at both quarterly and annual intervals.

Source: INSEE