

# Introduction

## Purpose of the report

This report provides an up-to-date statistical picture of economic conditions for the household sector in the euro area as a whole and in all European Union countries.

## Statistical sources and methodology

The ECB, together with Eurostat, publishes the integrated euro area sectoral accounts, covering financial and non-financial accounts, from which most of the statistical series shown in this report are derived. Data are compiled in accordance with the methodological framework established in the ESA 2010. Population data are taken from the ESA 2010 Transmission Programme, whilst data on employment and unemployment levels (Chart 4) are taken from the EU's Labour Force Survey - Integrated European Social Statistics (IESS) definition, as collected and published by Eurostat.

The euro area accounts allow a euro area-wide analysis, broken down by institutional sector, within a single and consistent framework. They are based on comparable national financial and non-financial statistics that are provided by national central banks and national statistical institutes. The ECB publishes the euro area accounts every quarter, in the form of statistical press releases, in its Economic Bulletin, in the Statistical Bulletin, on the ECB's website and in the Statistical Data Warehouse. Eurostat publishes the euro area accounts by means of quarterly press releases.

## Statistical indicators and data series

The report focuses on eight groups of indicators, four financial and four non-financial that are covered in two main sections, entitled "Euro area indicators" and "Country indicators" respectively. Many cross-country charts compare the latest indicator values with their medium-term development (presented, by way of convention, as a four-year moving average in the case of flows, or as the respective indicator's value four years earlier in the case of stocks and highly inertial variables).

In order to better convey the household-specific perspective, many indicators are presented in terms of their value per capita or as a percentage of disposable income. This also enhances the meaningfulness of cross-country comparisons. Information on the distribution of household-related economic indicators (e.g. the distribution of income and wealth) within a country, however, cannot be derived from these measures.

Where quarterly data are not available, the report shows the latest available annual data.

Unless otherwise indicated, all euro area data series relate to the group of 19 countries that were members of the euro area in the most recent reporting period. The report also presents data for the remaining European Union countries.

## Availability of data and further information

All data presented in this booklet are available in the ECB's Statistical Data Warehouse (SDW) - see <http://sdw.ecb.europa.eu/reports.do?node=1000004962>. A number of series can also be obtained from Eurostat's online database.

A short glossary with explanations of the statistical indicators used can be found in Section 4. For more statistical definitions, please also see: [http://www.ecb.europa.eu/stats/pdf/eea/EAA\\_Glossary.pdf](http://www.ecb.europa.eu/stats/pdf/eea/EAA_Glossary.pdf)

In the case of questions or feedback please use the Statistical Information Request form: <https://ecb-registration.escb.eu/statistical-information>

The cut-off date for the statistics included in this issue is 28 July 2021.

**The report has been produced by the ECB (Directorate General Statistics) in cooperation with the Working Group on Financial Accounts and Government Finance Statistics (WG FGS).**

# Key developments

## Key developments for euro area households in the first quarter of 2021

Except when otherwise stated, all **growth figures in percentages** refer to **rates of growth on a year earlier of quarterly magnitudes per capita (p.c.)**, and all **figures in EUR** refer to the **sum of per capita magnitudes cumulated over four quarters**. The abbreviation p.p. denotes percentage points.

- The annual growth rate of nominal disposable income per capita (p.c.) increased to 1.4% in 2021 Q1 from 0.7% in the previous quarter. Accounting for the effect of the change in prices as measured by the private consumption deflator, real household disposable income p.c. increased by 0.3% in 2021 Q1, after a stronger increase of 0.6% in 2020 Q4;
- Real household consumption decreased by 5.7%, following a decline of 7.5% in 2020 Q4;
- Real compensation per employee grew by 0.9% as compared with the previous year, i.e. at a slightly higher pace than in 2020 Q4 (0.8%);
- Total employment decreased by 2.1%, more than in 2020 Q4 (-1.6%). The unemployment rate increased to 8.4%, i.e. by 0.3 percentage points (p.p.) as compared with the previous quarter<sup>1</sup>;
- In net terms households saved EUR 4,510 p.c. over the four quarters until 2021 Q1, incurred liabilities amounting to EUR 750 p.c., invested EUR 1,880 p.c. in non-financial assets and acquired financial assets amounting to EUR 3,550 p.c.;
- Over the four quarters until 2021 Q1, investment in financial assets continued to show net inflows into currency and deposits (EUR 2,090 p.c.), life insurance and pension schemes (EUR 630 p.c.), and equity and investment funds shares (EUR 610 p.c.). Conversely, net outflows from debt securities (EUR 110 p.c.) were observed, slightly less than in the previous quarter;
- The household debt ratio increased further to 96.4% of disposable income, compared to 96.2% in 2020 Q4; it had been stable at around 93.5% in 2018 and 2019;
- The net worth of households rose by EUR 11,300 p.c. in the four quarters up to 2021 Q1. The increase was predominantly driven by capital gains on non-financial assets (mainly housing), which contributed EUR 4,300 p.c., and capital gains on financial assets, which contributed EUR 3,900 p.c., as well as households' financial investment transactions, which added EUR 3,550 p.c.

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<sup>1</sup> The data are temporarily affected by a break due to the definitional changes associated with the changeover to the Integrated European Social Statistics Regulation. Break-adjusted backdata are expected.