

Quarterly Sector Accounts: fourth quarter of 2009

## Household saving rate at 15.1% in the euro area and 13.3% in the EU27

Household real disposable income fell by 0.2% in the euro area

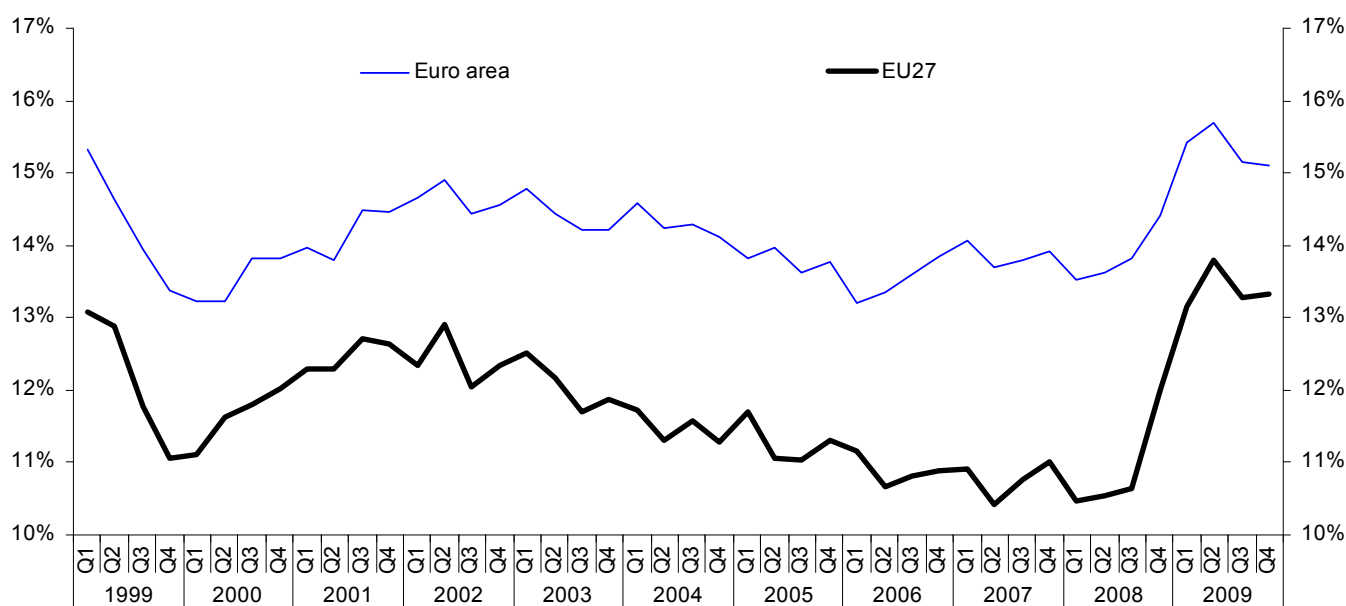
In the fourth quarter of 2009, in both the **euro area** (EA16) and the **EU27**, the seasonally adjusted household saving rate was almost unchanged compared with the previous quarter, while the household investment rate decreased. In the **euro area**, household disposable income fell by 0.2% in real terms.

These data come from a detailed set of quarterly European sector accounts<sup>1</sup> released by **Eurostat, the statistical office of the European Union**, and the **European Central Bank (ECB)**.

### Household saving rate almost unchanged in both zones

In the fourth quarter of 2009, the seasonally adjusted<sup>2</sup> gross saving rate<sup>3</sup> of households was 13.3% in the **EU27**<sup>4</sup>, the same as in the third quarter of 2009. In the **euro area**<sup>5</sup>, the household saving rate was 15.1% in the fourth quarter of 2009, compared with 15.2% in the previous quarter.

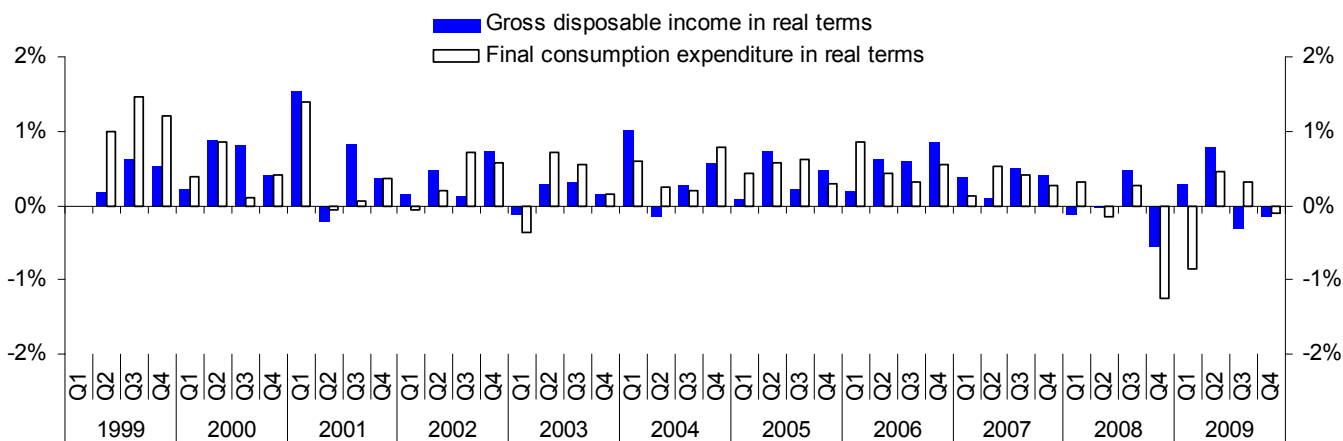
Household saving rate (seasonally adjusted)



## Household real disposable income decreased by 0.2% in the euro area

In the **euro area**, the household saving rate was almost unchanged as there was a fall in both real final consumption expenditure (-0.1%) and real disposable income<sup>6</sup> (-0.2%). Real disposable income decreased slightly, as household nominal disposable income grew less (+0.4%) than the prices of goods and services consumed by households (+0.5%), as shown in table 3.

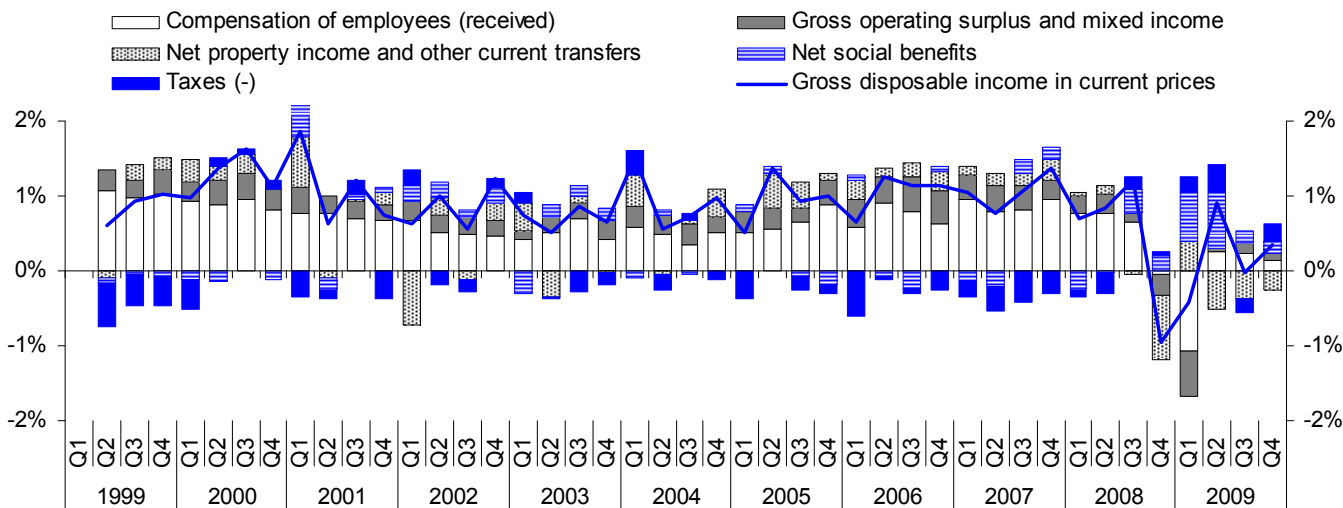
## Real growth of household gross disposable income and final consumption expenditure (euro area) (seasonally adjusted data, change compared to the previous quarter)



The increase (+0.4%) in household nominal disposable income was mainly due to net social benefits and taxes, which each contributed +0.2 percentage points (pp). Compensation of employees (wage costs) and gross operating surplus (together with mixed income which accrues to self-employed households) each contributed +0.1 pp. Net property income and other current transfers had a negative impact (-0.3 pp).

## Contributions of components to the growth of nominal household gross disposable income (euro area)

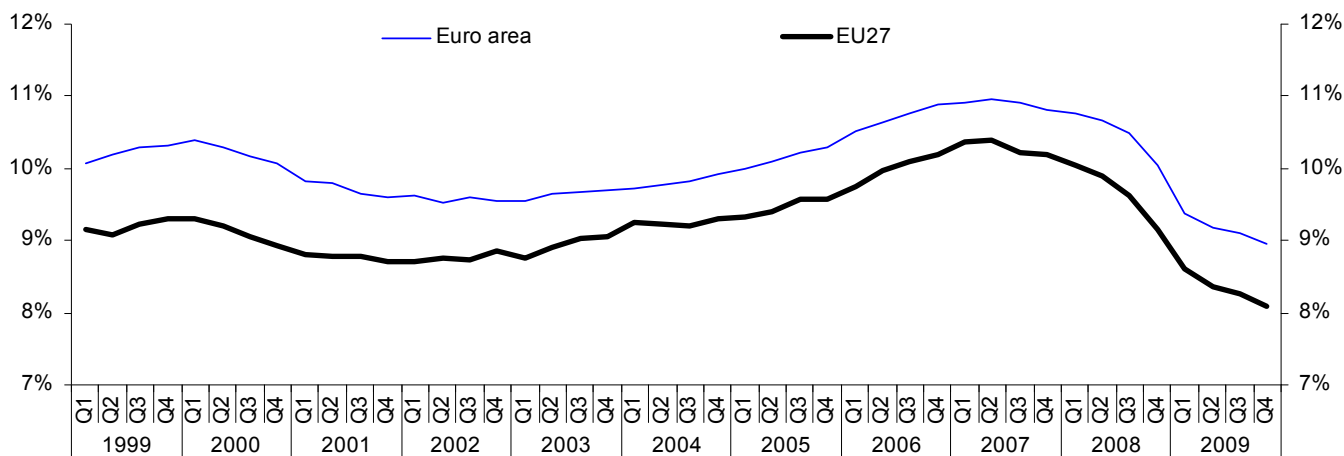
(seasonally adjusted data, change compared to the previous quarter)



## Household investment rate still falling in both zones

In the **EU27**, the gross investment rate of households<sup>7</sup> was 8.1% in the fourth quarter of 2009, compared with 8.3% in the third quarter of 2009. In the **euro area**, the household investment rate was 8.9% in the fourth quarter of 2009, compared with 9.1% in the previous quarter.

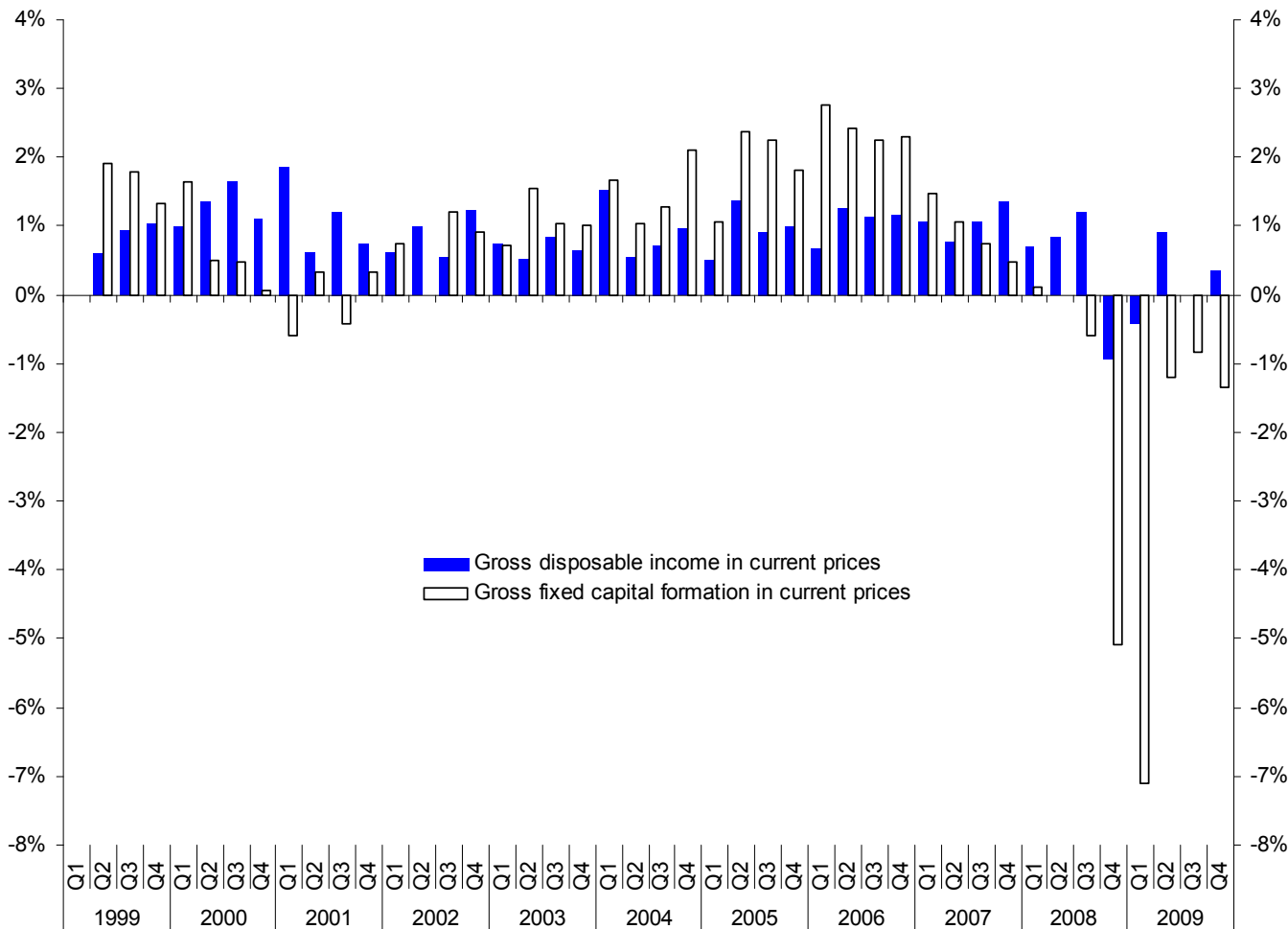
Household investment rate (seasonally adjusted)



In the **euro area**, the household investment rate decreased as gross fixed capital formation (investment, mostly in dwellings) fell in nominal terms (-1.4%), while nominal disposable income grew (+0.4%).

## Nominal growth of household gross disposable income and gross fixed capital formation (euro area)

(seasonally adjusted data, change compared to the previous quarter)



1. Institutional sectors bring together economic units with broadly similar characteristics and behaviour, namely: households (including non-profit institutions serving households), non-financial corporations, financial corporations, government and the rest of the world.
2. Seasonal adjustment has been performed using the Tramo-Seats method. The seasonally adjusted series are built up indirectly as the sum of seasonally adjusted components.
3. The gross saving rate of households is defined as gross saving divided by gross disposable income, with the latter being adjusted for the change in the net equity of households in pension funds reserves. Gross saving is the part of the gross disposable income which is not spent as final consumption expenditure. Therefore, saving rate increases when gross disposable income grows at a higher rate than final consumption expenditure.
4. The European Union (EU27) consists of 27 Member States: Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom plus the European Central Bank and the EU institutions.
5. The euro area (EA16) consists of 16 Member States: Belgium, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland plus the European Central Bank.
6. The real gross disposable income of households is defined as the nominal gross disposable income of households (adjusted for the change in the net equity of households in pension funds reserves) divided by the deflator (price index) of household final consumption expenditure.
7. The gross investment rate of households is defined as gross fixed capital formation divided by gross disposable income, with the latter being adjusted for the change in the net equity of households in pension funds reserves. Household investment mainly consists of the purchase and renovation of dwellings.

### Methodological information

The compilation of the European sector accounts follows the **European System of Accounts (ESA 95)** and covers the period from the first quarter of 1999 to the fourth quarter of 2009. The European sector accounts are not a simple sum of the data of individual countries. There are six specific compilation steps: (1) conversion to euro, (2) estimation of missing countries, (3) incorporation of the European institutions, (4) estimation of the flows between the euro area / EU and third countries, (5) balancing of the accounts and (6) seasonal adjustment of key series.

Due to the **conversion to euro**, the growth rates of EU aggregates may be affected by movements in exchange rates and should be viewed with caution. For this reason, nominal growth rates (bar charts and table 3) are provided for the euro area only. However, there is hardly any impact on ratios such as saving and investment rates.

The **rest of the world accounts**, as compiled by Member States, record transactions between the national economy and all non-resident units, including those in other EU Member States. To measure the external transactions of the euro area / EU, it is necessary to remove cross-border flows within the area concerned. Imbalances between intra-imports and intra-exports, called "asymmetries", are then eliminated. Currently, intra-flows and resulting asymmetries are not removed in the other domains of national accounts of Eurostat. Therefore, European sector accounts are internally consistent but have discrepancies with other national accounts data.

For **detailed data and methodology**, please see Eurostat's website at: <http://ec.europa.eu/eurostat/sectoraccounts> and ECB's website at: <http://www.ecb.eu/stats/acc/html/index.en.html>.

### Release and revision policy

The quarterly News Releases are published four months after each quarter. The next Release will take place on 29 July 2010.

The whole time series are revised every quarter. Compared with News Release 15/2010 of 28 January 2010, the household saving rate for the third quarter of 2009 has been revised from 15.8% to 15.2% in the euro area and from 13.7% to 13.3% in the EU27. The change in household real disposable income was revised from -0.1% to -0.3%.

The ECB and Eurostat publish integrated non-financial and financial accounts, including financial balance sheets, for the euro area. Eurostat also publishes the non-financial accounts of the European Union.

Eurostat's website includes detailed **annual** sector accounts by country and derived key indicators, which also include the indicators that combine non-financial and financial accounts such as debt-to-income ratios.

The full set of **quarterly** sector accounts is published for euro area / EU27 aggregates only. However, a subset of quarterly national key indicators is published 105 days after each quarter at <http://ec.europa.eu/eurostat/sectoraccounts> (see "Quarterly data") for 13 out of the 17 members of the European Economic Area (EEA) whose GDP is above 1% of the EU27 total. The other EEA members do not have to transmit the quarterly accounts of corporations and households to Eurostat.

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Selected Principal European Economic Indicators: <http://ec.europa.eu/eurostat/euroindicators>

**Table 1: Key indicators of the euro area (EA16) and of the European Union (EU27)**

		Euro area (EA16)				European Union (EU27)			
		Saving rate, %		Investment rate, %		Saving rate, %		Investment rate, %	
		Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted
1999	Q1	13.9	15.3	10.0	10.1	11.3	13.1	9.1	9.2
	Q2	17.0	14.6	10.3	10.2	15.3	12.9	9.1	9.1
	Q3	13.0	13.9	10.5	10.3	10.5	11.8	9.4	9.2
	Q4	13.1	13.4	10.1	10.3	11.1	11.1	9.1	9.3
2000	Q1	11.8	13.2	10.3	10.4	9.5	11.1	9.3	9.3
	Q2	15.7	13.2	10.4	10.3	14.0	11.6	9.2	9.2
	Q3	12.8	13.8	10.4	10.2	10.3	11.8	9.3	9.1
	Q4	13.4	13.8	9.9	10.1	11.7	12.0	8.8	8.9
2001	Q1	12.5	14.0	9.7	9.8	10.6	12.3	8.7	8.8
	Q2	16.6	13.8	9.8	9.8	14.9	12.3	8.7	8.8
	Q3	13.2	14.5	9.8	9.6	11.1	12.7	8.9	8.8
	Q4	14.0	14.5	9.6	9.6	12.3	12.6	8.7	8.7
2002	Q1	13.1	14.7	9.5	9.6	10.5	12.3	8.6	8.7
	Q2	18.0	14.9	9.5	9.5	15.8	12.9	8.7	8.7
	Q3	13.1	14.4	9.8	9.6	10.5	12.0	8.9	8.7
	Q4	14.2	14.6	9.5	9.6	12.0	12.3	8.9	8.8
2003	Q1	13.3	14.8	9.4	9.6	10.7	12.5	8.6	8.8
	Q2	17.6	14.4	9.6	9.7	15.4	12.2	8.8	8.9
	Q3	12.6	14.2	9.9	9.7	10.0	11.7	9.2	9.0
	Q4	14.0	14.2	9.7	9.7	11.9	11.9	9.1	9.1
2004	Q1	13.3	14.6	9.5	9.7	10.2	11.7	9.1	9.3
	Q2	17.6	14.2	9.7	9.8	14.8	11.3	9.1	9.2
	Q3	12.3	14.3	10.1	9.8	9.7	11.6	9.4	9.2
	Q4	14.0	14.1	10.0	9.9	11.4	11.3	9.4	9.3
2005	Q1	12.6	13.8	9.7	10.0	10.1	11.7	9.1	9.3
	Q2	17.5	14.0	10.1	10.1	14.8	11.1	9.3	9.4
	Q3	11.2	13.6	10.5	10.2	8.9	11.0	9.8	9.6
	Q4	13.9	13.8	10.3	10.3	11.5	11.3	9.6	9.6
2006	Q1	11.7	13.2	10.3	10.5	9.4	11.2	9.6	9.8
	Q2	17.3	13.4	10.5	10.6	14.6	10.7	9.7	10.0
	Q3	11.2	13.6	11.0	10.8	8.6	10.8	10.3	10.1
	Q4	13.9	13.9	10.9	10.9	11.1	10.9	10.3	10.2
2007	Q1	12.5	14.1	10.8	10.9	9.1	10.9	10.3	10.4
	Q2	17.9	13.7	10.7	11.0	14.6	10.4	10.1	10.4
	Q3	11.2	13.8	11.1	10.9	8.5	10.8	10.4	10.2
	Q4	13.7	13.9	10.8	10.8	11.1	11.0	10.3	10.2
2008	Q1	12.2	13.5	10.7	10.8	8.6	10.5	10.0	10.1
	Q2	17.9	13.6	10.5	10.7	14.8	10.5	9.7	9.9
	Q3	11.1	13.8	10.7	10.5	8.4	10.6	9.8	9.6
	Q4	14.2	14.4	10.0	10.0	12.1	12.0	9.1	9.1
2009	Q1	14.1	15.4	9.4	9.4	11.4	13.2	8.6	8.6
	Q2	19.6	15.7	9.0	9.2	17.7	13.8	8.1	8.4
	Q3	12.6	15.2	9.4	9.1	11.2	13.3	8.5	8.3
	Q4	<b>15.0</b>	<b>15.1</b>	<b>8.9</b>	<b>8.9</b>	<b>13.5</b>	<b>13.3</b>	<b>8.1</b>	<b>8.1</b>

**Table 2: Household gross disposable income and its components, final consumption expenditure and gross fixed capital formation, in the euro area (EA16)**  
(Millions of euro at current prices, seasonally adjusted)

		Gross disposable income						Final consumption expenditure	Gross fixed capital formation
		Compensation of employees (received)	Gross operating surplus and mixed income	Net property income and other current transfers	Net social benefits*	Taxes (-)	Total*		
1999	Q1	774175	256431	179823	9220	150632	1069018	905158	107656
	Q2	785589	259432	178726	8637	156870	1075515	918005	109718
	Q3	795996	262090	180799	8144	161468	1085562	934287	111679
	Q4	807034	265679	182468	7455	165927	1096708	950120	113171
2000	Q1	817320	268451	185715	6293	170259	1107520	961082	115021
	Q2	827117	272006	187842	4773	169114	1122624	974159	115588
	Q3	837871	275978	190505	5004	168378	1140980	983195	116152
	Q4	847227	279078	190512	3750	166967	1153600	994048	116234
2001	Q1	856161	282981	198284	8702	171060	1175068	1011033	115547
	Q2	865084	285739	197179	6833	172470	1182364	1019146	115937
	Q3	873224	288671	197353	7788	170477	1196560	1023364	115460
	Q4	881296	291234	199171	8629	174887	1205443	1030990	115831
2002	Q1	889519	294264	190516	11093	172402	1212989	1035225	116691
	Q2	895678	297222	193242	13613	174708	1225048	1042369	116692
	Q3	901693	299994	191693	14873	176482	1231771	1054040	118100
	Q4	907516	302478	194560	17461	175192	1246823	1065159	119178
2003	Q1	912695	304105	199172	13648	173422	1256197	1070595	120038
	Q2	919129	306614	194934	15875	173833	1262719	1080563	121881
	Q3	927822	309271	196267	17563	177460	1273464	1092364	123146
	Q4	933067	312528	196036	19766	179589	1281807	1099517	124399
2004	Q1	940635	315995	201391	18552	175275	1301299	1111608	126484
	Q2	946916	319549	200913	19399	178198	1308578	1122314	127799
	Q3	951467	323308	201367	18777	177012	1317907	1129598	129431
	Q4	958151	326169	206147	18861	178698	1330630	1142765	132148
2005	Q1	965098	329739	206022	20124	183632	1337351	1152537	133540
	Q2	972612	333267	212370	21244	183691	1355801	1166499	136723
	Q3	981330	335759	217293	20418	186452	1368349	1182090	139807
	Q4	993521	340257	218418	17768	187967	1381997	1191763	142349
2006	Q1	1001582	345330	221947	18746	196469	1391135	1207535	146271
	Q2	1014060	350289	223602	17879	197189	1408640	1220422	149817
	Q3	1025312	356568	226352	14598	198271	1424558	1230849	153205
	Q4	1034315	362834	229980	15547	201767	1440909	1241290	156710
2007	Q1	1047916	367693	231762	13603	204937	1456037	1251078	159015
	Q2	1059386	372852	233974	10480	209457	1467234	1266100	160692
	Q3	1071207	377799	236197	13290	215691	1482802	1278339	161885
	Q4	1085492	381302	240428	15910	220102	1503030	1293930	162659
2008	Q1	1096925	385008	240848	12126	221415	1513493	1308789	162862
	Q2	1108407	388854	242776	11614	225534	1526116	1318251	162843
	Q3	1118478	390498	242053	16666	223080	1544614	1331321	161865
	Q4	1117764	386211	228628	19741	222293	1530051	1309444	153644
2009	Q1	1101504	376991	234850	29588	219273	1523660	1288842	142744
	Q2	1105550	377720	227088	40715	213506	1537566	1296337	141050
	Q3	1109069	379879	221209	43337	216224	1537269	1304262	139868
	Q4	<b>1111270</b>	<b>381381</b>	<b>217180</b>	<b>45772</b>	<b>212853</b>	<b>1542749</b>	<b>1309586</b>	<b>137974</b>

\* Including net adjustment for the change in net equity of households in pension funds reserves.

**Table 3: Household gross disposable income and its components, final consumption expenditure and its deflator and gross fixed capital formation, in the euro area (EA16)**  
(seasonally adjusted, percentage change compared to the previous quarter)

		Nominal growth of the components of gross disposable income					Contribution** of the components to nominal growth of gross disposable income					Nominal growth			Growth of the deflator of final consumption expenditure***	Real growth		
		Compensation of employees (received)	Gross operating surplus and mixed income	Net property income and other current transfers	Net social benefits*	Taxes (-)	Compensation of employees (received)	Gross operating surplus and mixed income	Net property income and other current transfers	Net social benefits*	Taxes	Gross disposable income*	Final consumption expenditure	Gross fixed capital formation		Gross disposable income*	Final consumption expenditure	
1999	Q1	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	Q2	1.5	1.2	-0.6	-6.3	4.1	1.1	0.3	-0.1	-0.1	-0.6	0.6	1.4	1.9	0.4	0.2	1.0	
	Q3	1.3	1.0	1.2	-5.7	2.9	1.0	0.2	0.2	0.0	-0.4	0.9	1.8	1.8	0.3	0.6	1.5	
	Q4	1.4	1.4	0.9	-8.5	2.8	1.0	0.3	0.2	-0.1	-0.4	1.0	1.7	1.3	0.5	0.5	1.2	
2000	Q1	1.3	1.0	1.8	-15.6	2.6	0.9	0.3	0.3	-0.1	-0.4	1.0	1.2	1.6	0.8	0.2	0.4	
	Q2	1.2	1.3	1.1	-24.2	-0.7	0.9	0.3	0.2	-0.1	0.1	1.4	1.4	0.5	0.5	0.9	0.9	
	Q3	1.3	1.5	1.4	4.8	-0.4	1.0	0.4	0.2	0.0	0.1	1.6	0.9	0.5	0.8	0.8	0.1	
	Q4	1.1	1.1	0.0	-25.1	-0.8	0.8	0.3	0.0	-0.1	0.1	1.1	1.1	0.1	0.7	0.4	0.4	
2001	Q1	1.1	1.4	4.1	132.1	2.5	0.8	0.3	0.7	0.4	-0.4	1.9	1.7	-0.6	0.3	1.5	1.4	
	Q2	1.0	1.0	-0.6	-21.5	0.8	0.8	0.2	-0.1	-0.2	-0.1	0.6	0.8	0.3	0.8	-0.2	0.0	
	Q3	0.9	1.0	0.1	14.0	-1.2	0.7	0.2	0.0	0.1	0.2	1.2	0.4	-0.4	0.4	0.8	0.1	
	Q4	0.9	0.9	0.9	10.8	2.6	0.7	0.2	0.2	0.1	-0.4	0.7	0.7	0.3	0.4	0.4	0.4	
2002	Q1	0.9	1.0	-4.3	28.6	-1.4	0.7	0.3	-0.7	0.2	0.2	0.6	0.4	0.7	0.5	0.2	-0.1	
	Q2	0.7	1.0	1.4	22.7	1.3	0.5	0.2	0.2	0.2	-0.2	1.0	0.7	0.0	0.5	0.5	0.2	
	Q3	0.7	0.9	-0.8	9.3	1.0	0.5	0.2	-0.1	0.1	-0.1	0.5	1.1	1.2	0.4	0.1	0.7	
	Q4	0.6	0.8	1.5	17.4	-0.7	0.5	0.2	0.2	0.2	0.1	1.2	1.1	0.9	0.5	0.7	0.6	
2003	Q1	0.6	0.5	2.4	-21.8	-1.0	0.4	0.1	0.4	-0.3	0.1	0.8	0.5	0.7	0.9	-0.1	-0.4	
	Q2	0.7	0.8	-2.1	16.3	0.2	0.5	0.2	-0.3	0.2	0.0	0.5	0.9	1.5	0.2	0.3	0.7	
	Q3	0.9	0.9	0.7	10.6	2.1	0.7	0.2	0.1	0.1	-0.3	0.9	1.1	1.0	0.5	0.3	0.6	
	Q4	0.6	1.1	-0.1	12.5	1.2	0.4	0.3	0.0	0.2	-0.2	0.7	0.7	1.0	0.5	0.2	0.2	
2004	Q1	0.8	1.1	2.7	-6.1	-2.4	0.6	0.3	0.4	-0.1	0.3	1.5	1.1	1.7	0.5	1.0	0.6	
	Q2	0.7	1.1	-0.2	4.6	1.7	0.5	0.3	0.0	0.1	-0.2	0.6	1.0	1.0	0.7	-0.1	0.3	
	Q3	0.5	1.2	0.2	-3.2	-0.7	0.3	0.3	0.0	0.0	0.1	0.7	0.6	1.3	0.4	0.3	0.2	
	Q4	0.7	0.9	2.4	0.4	1.0	0.5	0.2	0.4	0.0	-0.1	1.0	1.2	2.1	0.4	0.6	0.8	
2005	Q1	0.7	1.1	-0.1	6.7	2.8	0.5	0.3	0.0	0.1	-0.4	0.5	0.9	1.1	0.4	0.1	0.4	
	Q2	0.8	1.1	3.1	5.6	0.0	0.6	0.3	0.5	0.1	0.0	1.4	1.2	2.4	0.6	0.7	0.6	
	Q3	0.9	0.7	2.3	-3.9	1.5	0.6	0.2	0.4	-0.1	-0.2	0.9	1.3	2.3	0.7	0.2	0.6	
	Q4	1.2	1.3	0.5	-13.0	0.8	0.9	0.3	0.1	-0.2	-0.1	1.0	0.8	1.8	0.5	0.5	0.3	
2006	Q1	0.8	1.5	1.6	5.5	4.5	0.6	0.4	0.3	0.1	-0.6	0.7	1.3	2.8	0.5	0.2	0.8	
	Q2	1.2	1.4	0.7	-4.6	0.4	0.9	0.4	0.1	-0.1	-0.1	1.3	1.1	2.4	0.6	0.6	0.4	
	Q3	1.1	1.8	1.2	-18.4	0.5	0.8	0.4	0.2	-0.2	-0.1	1.1	0.9	2.3	0.5	0.6	0.3	
	Q4	0.9	1.8	1.6	6.5	1.8	0.6	0.4	0.3	0.1	-0.2	1.1	0.8	2.3	0.3	0.8	0.5	
2007	Q1	1.3	1.3	0.8	-12.5	1.6	0.9	0.3	0.1	-0.1	-0.2	1.0	0.8	1.5	0.7	0.4	0.1	
	Q2	1.1	1.4	1.0	-23.0	2.2	0.8	0.4	0.2	-0.2	-0.3	0.8	1.2	1.1	0.7	0.1	0.5	
	Q3	1.1	1.3	1.0	26.8	3.0	0.8	0.3	0.2	0.2	-0.4	1.1	1.0	0.7	0.6	0.5	0.4	
	Q4	1.3	0.9	1.8	19.7	2.0	1.0	0.2	0.3	0.2	-0.3	1.4	1.2	0.5	0.9	0.4	0.3	
2008	Q1	1.1	1.0	0.2	-23.8	0.6	0.8	0.2	0.0	-0.3	-0.1	0.7	1.1	0.1	0.8	-0.1	0.3	
	Q2	1.0	1.0	0.8	-4.2	1.9	0.8	0.3	0.1	0.0	-0.3	0.8	0.7	0.0	0.9	0.0	-0.1	
	Q3	0.9	0.4	-0.3	43.5	-1.1	0.7	0.1	0.0	0.3	0.2	1.2	1.0	-0.6	0.7	0.5	0.3	
	Q4	-0.1	-1.1	-5.5	18.4	-0.4	0.0	-0.3	-0.9	0.2	0.1	-0.9	-1.6	-5.1	-0.4	-0.5	-1.2	
2009	Q1	-1.5	-2.4	2.7	49.9	-1.4	-1.1	-0.6	0.4	0.6	0.2	-0.4	-1.6	-7.1	-0.7	0.3	-0.9	
	Q2	0.4	0.2	-3.3	37.6	-2.6	0.3	0.0	-0.5	0.7	0.4	0.9	0.6	-1.2	0.1	0.8	0.5	
	Q3	0.3	0.6	-2.6	6.4	1.3	0.2	0.1	-0.4	0.2	-0.2	0.0	0.6	-0.8	0.3	-0.3	0.3	
	Q4	0.2	0.4	-1.8	5.6	-1.6	0.1	0.1	-0.3	0.2	0.2	0.4	0.4	-1.4	0.5	-0.2	-0.1	

\* Including net adjustment for the change in net equity of households in pension funds reserves.

\*\* The contribution of a component ("C") to the growth of an aggregate ("A") is equal to the product of the growth rate of this component by its weight in the aggregate at the previous period:  $((C_t - C_{t-1})/C_{t-1}) * (C_{t-1}/A_{t-1})$  or simply  $(C_t - C_{t-1})/A_{t-1}$ .

\*\*\* Deflator for the seasonally adjusted final consumption expenditure of households (including non-profit institutions serving households) which has also been used to deflate gross disposable income.