

Households continue to outspend their income

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An increase in household income in current prices was more than offset by higher spending, Stats NZ said today.

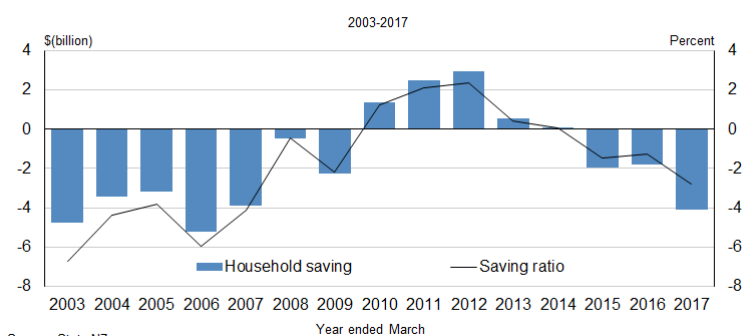
Household net disposable income was up \$6.2 billion in the year ended March 2017, to \$148.0 billion (a 4.4 percent increase). However, household consumption expenditure was up \$8.5 billion from the previous year, to \$152.1 billion (a 5.9 percent increase).

Household saving, the balance on household income and consumption expenditure, was negative \$4.1 billion, down \$2.3 billion from the March 2016 year. Saving for the household sector peaked at \$3.0 billion in 2012, and has now been negative for three years in a row.

“Household consumption expenditure increased across all categories in 2017, with large increases in restaurants and hotels, transport, and housing and household utilities,” national accounts senior manager Gary Dunnet said.

On the income side, compensation of employees rose \$5.0 billion to reach \$114 billion. Provisional estimates for entrepreneurial income from agriculture rose \$3.2 billion to \$5.6 billion, while for all other industries it fell \$0.9 billion, down to \$20.2 billion. Income tax paid by households increased at a higher rate than net disposable income – up 6.8 percent from \$31.9 to \$34.0 billion (an almost \$2.2 billion increase).

Household saving and saving ratio



Source: Stats NZ

Ends

For media enquiries contact: Deborah Brunning 04 931 4647, info@stats.govt.nz
 Authorised by Liz MacPherson, Government Statistician, 24 November 2017