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Saving rates: when accounting harmonisation reduces differences between countries

Differences in advanced economies' saving rates are a well-known phenomenon: the United States consistently saves less than France, and France saves less than Germany. But which saving rate are we referring to? Gross or net? Accounting standards vary from country to country. For example, in 2025, the saving rate in the United States was 4.6% according to national statisticians but was 10.7% when applying the harmonised method proposed by the OECD and Eurostat. Although the harmonised method reduces differences between countries, it does not eliminate them. Saving rates are structurally linked to certain institutional characteristics, such as pension systems (by repartition – "pay-as-you-go" – or by capitalisation – "funded"), the boundary between private and public consumption (particularly education and healthcare), and the weight of tax on consumption. It is important to properly understand these structural contributions, notably to inform international discussions on imbalances between saving and investment.

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JEL Codes
E01, E21

Saving rates in 2025

According to national accounting methods

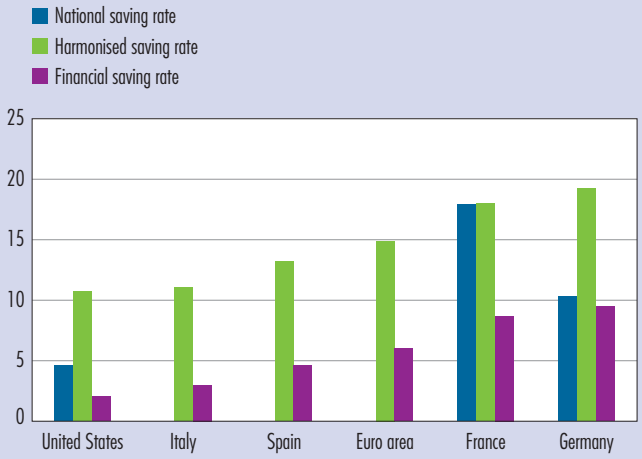
10.3% in Germany
4.6% in the United States

According to the OECD-Eurostat harmonised method

19.2% in Germany
10.7% in the United States

Different saving rate measures in 2025

(% of gross disposable income)



Sources: Bureau of Economic Analysis (BEA), the US Federal Reserve, Eurostat; Banque de France calculations.
Note: The financial saving rate is taken from real accounts.

BANQUE DE FRANCE
EUROSYSTÈME

1 Saving rates: what are we referring to?

Savings account for the part of households' gross disposable income (GDI)[1] that is not spent or "consumed". Where "Conso" denotes household consumption, the saving rate is defined as the ratio of savings to GDI:

$$\text{Saving rate} = \frac{GDI - Conso}{GDI} = 1 - \frac{Conso}{GDI}$$

Household savings are invested in fixed capital (housing, and professional equipment in the case of sole proprietorships) and financial assets. The concept of the saving rate is sometimes reduced to the financial saving rate.

Differences in accounting standards internationally make comparing saving rates between countries more complex (see Table 1 and box). For example, Germany and the United States calculate a net saving rate by deducting the consumption of fixed capital – which corresponds to the reduction in the value of fixed assets used – from gross savings. The definition of GDI also varies from country to country, as does the scope of the "households" category.

Consequently, the Organisation for Economic Co-operation and Development (OECD) and Eurostat proposed a harmonised method to facilitate cross-country comparisons (Blades and Lequiller, 2014):

- the scope adopted includes sole proprietorships and non-profit institutions serving households (NPISHs) such as associations, foundations and trade unions;
- savings include compulsory contributions accumulated in employer-sponsored pension plans, but which are not directly visible in monetary flows;
- the harmonised saving rate is a gross saving rate: consumption of fixed capital is not deducted from savings or GDI.

T1 Household saving rate in 2025
(% of gross disposable income)

	Harmonised measure[a]	National measure	Comments
Germany	**19.2**	10.3	The national measure is a net saving rate (savings and income net of economic depreciation of fixed capital)[b]
Spain	**12.0**	–	No national measure communicated
France	**18.0**	17.9	The national measure does not take account of households
Italy	**11.0**	–	No national measure communicated
United States	**10.8**	4.6	The national measure is a net saving rate (savings and income net of economic depreciation of fixed capital). Disposable income includes interest payments on cash loans and current transfers paid (see box)

Sources: National statistical institutes, OECD; Banque de France calculations.
a) OECD measure ("Households' economic well-being: the OECD dashboard").
b) Fixed capital corresponds to housing, and professional equipment in the case of sole proprietorships.

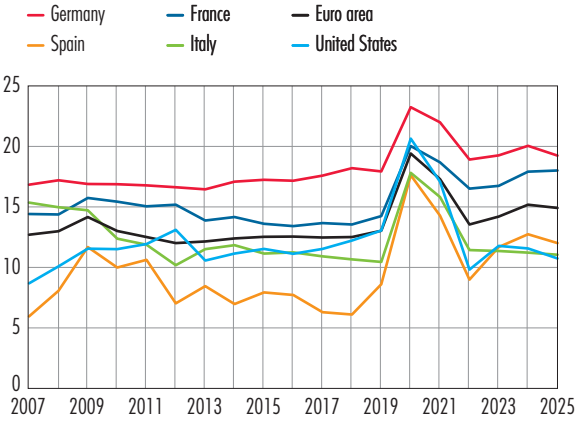
1 GDI includes income from labour and capital, as well as social transfers, net of taxes and social contributions.

$$\text{Harmonised saving rate} = \frac{GDI + \Delta\ Pension\ entitlements - Conso}{GDI\ + \Delta\ Pension\ entitlements} = 1 - \frac{Conso}{GDI + \Delta\ Pension\ entitlements}$$

The harmonised saving rate can sometimes differ very sharply from the rate calculated nationally: in 2025, the difference in the case of Germany was more than 8 percentage points, while in the case of the United States the harmonised saving rate was more than double the published national saving rate (see Table 1). However, harmonising the calculation method does not necessarily reduce the differences between countries. In 2025, the German saving rate exceeded the rate in the United States by 8.5 percentage points when applying the harmonised method, compared with 5.7 percentage points based on the national calculations. Over the long term, Germany is conspicuous for its high harmonised saving rate compared with other advanced economies, but the United States is not alone at the bottom of the table: the harmonised saving rates of Italy, and above all Spain, are lower than that of the United States (see Chart 1).

C1 Harmonised saving rates in the main euro area countries and the United States

(% of gross disposable income)



Sources: Eurostat, Bureau of Economic Analysis (BEA); Banque de France calculations.

BOX

American and German particularities

The United States' national accounting differs from other national accounts in the way it treats interest on personal loans and current transfers paid by households to general government (donations, licence fees, fines, etc.) and to the rest of the world. These items are not deducted from personal disposable income, which acts as the denominator of the ratio (Bureau of Economic Analysis (2013); see the table opposite for a breakdown of the 2025 calculations). The United States also uses in its national measure a saving rate that is net of the equivalent of depreciation for national accounts (i.e. consumption of fixed capital). This approach is generally considered acceptable in national accounting, although it is not the preferred method (see below). These practices bring down the US measure of its saving rate, but only marginally modify its inter-temporal profile (see Chart B).

The United States: from a national measure to a harmonised measure in 2025

(USD billions, rate in%)

Personal disposable income (1)	**22,866**
+ Consumption of fixed capital (2)	+1,473
- Interest on personal loans	-578
- Current transfers paid	-287
Gross disposable income, including adjustment for pension entitlements (3)	**23,475**
- Consumption expenditure	-20,955
Gross saving (4)	**2,520**
BEA saving rate (4 - 2) / (1) (%)	4.6
Harmonised saving rate (4) / (3) (%)	10.7

Sources: Bureau of Economic Analysis (BEA); Banque de France calculations.
Note: "Disposable personal income" includes the adjustment for the change in pension entitlements.

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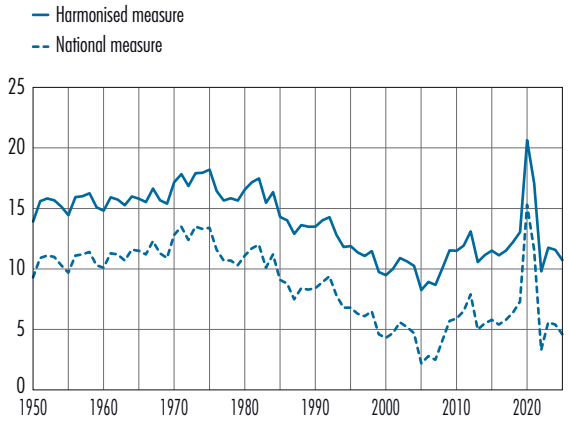
CA Comparison of harmonised and national saving rates in the United States between 1950 and 2025

(% of gross disposable income)

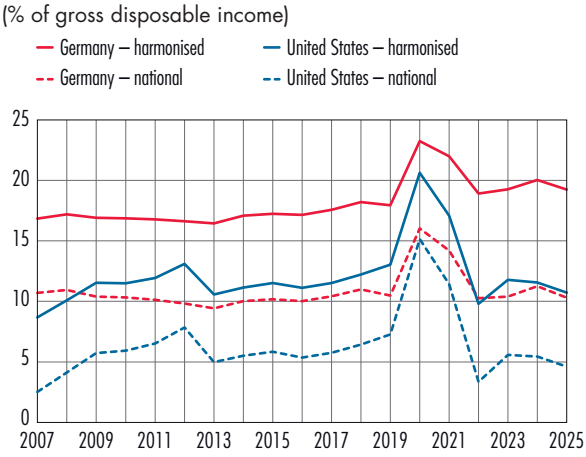


Sources: Bureau of Economic Analysis (BEA); Banque de France calculations.
Note: Harmonised and national measures cover households, non-profit institutions serving households (NPISHs) and "non corporates".
Definitions and practice in the United States entail a broader scope for households, NPISHs and sole proprietorships. This includes non corporates, which cover all entities not legally incorporated as companies. By contrast, under international standards, sole proprietorships exclude entities that operate as incorporated entities (co-operatives, limited liability companies, hospitals or even state-controlled enterprises, and hedge funds). Furthermore, in the United States the scope of NPISHs is defined on the basis of historical practices and sector of activity, while under the System of National Accounts (SNA) they are classified among institutions whose prices are not economically significant, for example where sales do not cover a significant proportion of costs. Consequently, the scope of NPISHs is broader in the United States than elsewhere (McCulla et al., 2015).

In Germany, the national household saving rate used by the Federal Statistical Office (Destatis) in its publications is a rate in which saving and income are net of depreciation, in contrast to the OECD-calculated harmonised saving rate. The German national rate therefore stands at between 9% and 12% (excluding the Covid period), while the rate calculated by the OECD is significantly higher, at nearly 20% in 2025.

CB Comparison of harmonised and national saving rates in Germany and the United States

(% of gross disposable income)



Sources: Bureau of Economic Analysis (BEA), Eurostat; Banque de France calculations.
Note: Harmonised saving rate, gross saving rate for households and non-profit institutions serving households (NPISHs) adjusted for the change in pension entitlements.

2 Financial saving and changes in financial wealth

Financial saving, or net lending capacity, consists of savings less investment in fixed capital – both tangible and intangible assets – and capital transfers (non-financial transactions relating to the acquisition or disposal of an asset: capital taxes, investment subsidies, debt write-offs, and so on).

Financial saving is calculated as a balance, derived either from real accounts (NatAc) or from financial accounts (NatFiAc). The two measures are conceptually equivalent, but are not calculated on the basis of the same data sources. Differences depending on sources are particularly significant in the United States (see Table 2).

$$\text{Financial saving rate} = \frac{GDI + \Delta\,Pension\ entitlements - Conso - Investment\ in\ fixed\ capital - Capital\ transfers}{GDI\ + \Delta\,Pension\ entitlements}$$

$$= \text{Saving rate} - \frac{Investment\ in\ fixed\ capital + Capital\ transfers}{GDI + \Delta\,Pension\ entitlements}$$

T2 Average harmonised and financial saving rates from 2014 to 2025

(% of gross disposable income)

	Germany	Spain	France	Italy	Euro area	United States
Harmonised saving rate	**19.0**	**10.2**	**15.8**	**12.1**	**14.2**	**12.7**
Financial saving rate (NatAc)	9.2	3.9	5.9	4.9	5.3	4.6
Financial saving rate (NatFiAc)	9.2	4.0	5.7	5.0	6.1	7.5
Changes in financial wealth	14.4	12.8	11.3	12.5	12.2	22.2
Note: Pension entitlements[a)]	1.6	0.2	0.7	0.4	1 .2	2.2

Sources: Eurostat, Bureau of Economic Analysis (BEA), the US Federal Reserve; Banque de France calculations.
Note: The financial saving rate can be derived either from real accounts (NatAc) or from financial accounts (NatFiAc).
a) Flows of household technical reserves into pension entitlements.

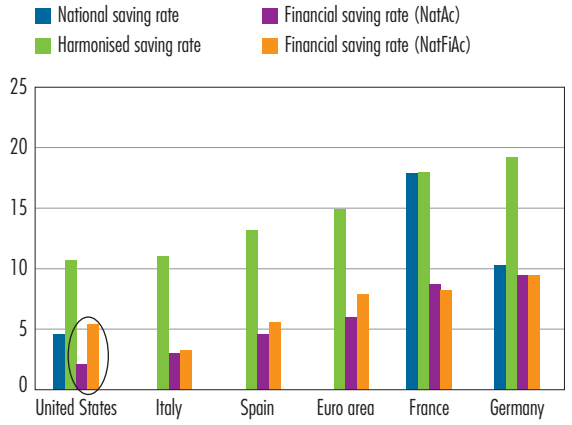
Financial saving includes new household pension entitlements, which accrue annually under funded pension schemes (see Appendix). All other things being equal, this leads to countries with this type of system having a higher saving rate than countries with pension systems based primarily on pay-as-you-go arrangements.

Changes in the financial wealth of households derive from financial saving, but also from the impact of fluctuations in the prices of assets (particularly shares and digital assets) on accumulated financial saving. However, distinguishing between these two components is not always possible. For example, reinvested dividends and capitalised interest form a part of financial saving in theory, but are not systematically identified as such in private sector accounting.

Table 2 presents the average levels of the saving rate and financial saving rate, and the average annual change in financial wealth between 2014 and 2025. The household financial saving rate in the United States calculated on the basis of financial accounts comes out higher than the euro area rate, which is partly due to the prevalence of funded pension schemes in the United States. Furthermore, the average annual change in the financial wealth of US households exceeded the change observed in the euro area by 10 percentage points over the period. This performance is linked to the higher proportion of holdings of corporate equities in the United States, with European households showing a clear preference for low-risk investments that therefore offer lower returns (Benahmed, 2025).

C2 Different saving rate measures in 2025

(% of gross disposable income)



Sources: Bureau of Economic Analysis (BEA), the US Federal Reserve, Eurostat; Banque de France calculations.
Note: The financial saving rate can be derived either from real accounts (NatAc) or from financial accounts (NatFiAc).

3 Limitations of the harmonised saving rate calculation

Societal choices influence saving levels

The harmonised rate published by the OECD does not strip out the impact of all national disparities on the calculation of the saving rate. Harmonisation could therefore go further, notably to take account of consumption of durable goods, public-sector provision of certain services such as education and healthcare, and the impact of taxation on consumption (Blades, 1983; Galibert and Le Dem, 1989; Baudchon and Chauvin, 1999).

- The purchase of **durable goods** (cars for personal use, dishwashers, etc.) can be considered a saving rather than consumption (and indeed is treated as such for sole proprietorships), following the example of the figures published in the US Federal Reserve's *Flow of Funds*. In this case, savings would be greater and the saving rate would therefore increase:

$$\text{Saving rate} = \frac{GDI - Conso\ non\ durable\ goods}{GDI}$$

$$= 1 - \frac{Conso\ non\ durable\ goods}{GDI}$$

- Part of household consumption (notably education and healthcare) is provided by the **public sector**, at varying proportions depending on the country – between 16% and 22% of value added in the six major countries examined in this bulletin. The choice to provide a service through the private sector or the public sector influences the saving rate: a public hospital (or educational establishment) is funded by taxes, and the services it provides are recorded as individual consumption of general government (or social transfers in kind). A private hospital, on the other hand, is funded by household consumption expenditure rather than by levies on household income. The value of individual services provided by general government is now included in the mandatory series to be submitted and published under the 2008 System of National Accounts (SNA). In order to harmonise the measures, these services (labelled "*ServPubl*") can be added to household GDI and their consumption expenditure. For countries such as France where households benefit significantly from public-sector provided services, this adjustment would leave savings unchanged, but income would be revised upwards and the saving rate would therefore decrease:

$$\text{Saving rate} = \frac{(GDI + ServPubl) - (Conso + ServPubl)}{GDI + ServPubl}$$

- Taking the accumulation of pension entitlements into account when calculating harmonised saving rates according to the OECD method provides an overview of savings that is comprehensive but partly disconnected from cash flows. A method more closely aligned with **a cash basis** consists of calculating a saving rate based solely on disposable income, without adjustments for changes in pension entitlements. As these changes are generally positive, disposable income (the denominator of the ratio) is revised downwards, and as consumption remains unchanged, the consumption rate increases and the saving rate decreases:

$$\text{Saving rate} = 1 - \frac{GDI + \Delta\ Pension\ entitlements}{GDI} \times \frac{Conso}{GDI + \Delta\ Pension\ entitlements}$$

- Lastly, **indirect taxes** such as value-added tax (VAT) increase consumer spending and are included in GDI. Conversely, direct taxes are deducted from income. Indirect taxes account for between 9% of household income in the United States and 11% in France. In order to harmonise the treatment of compulsory levies (taxes and social security contributions), VAT payments can be reclassified as a direct tax and therefore deducted from both income and consumption. Savings thus remain unchanged, while household income subject to VAT is revised downwards, which increases the saving rate:

$$\text{Saving rate} = \frac{(GDI - VAT) - (Conso - VAT)}{GDI - VAT}$$

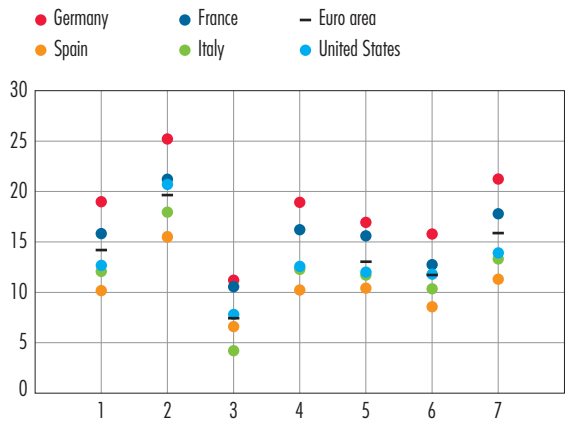
The possible adjustments preserve the country rankings

Table 3 illustrates these various adjustments over the 2014-25 period.

The saving rate varies significantly following these adjustments (see Table 3). Including purchases of durable goods in saving rather than consumption pushes the rate upwards, with a very noticeable impact on the rate in the United States, which consequently approaches the French and German rates. Other adjustments reduce it to varying degrees. The inclusion of expenditure on individual services provided by general government, or the adjustment for the effect of funded pensions, in household income and consumption expenditure leads to a marked narrowing of the range of countries' saving rates compared with the OECD's harmonised measure. By contrast, restricting the scope to households alone has very little effect on the average eleven-year harmonised saving rate. Temporal smoothing effectively masks a significantly more volatile variance in the United States than in other countries. It falls from 0.2 in 2019 to –0.6 in 2023 in the United States, while the variance for the other countries between 2019 and 2025 is 0.1 percentage point at the most. This illustrates the transatlantic divergences in national account scope delimitations discussed above.

C3 Harmonised saving rates after adjustments

(% of gross disposable income, 2014-25 average)



1 Harmonised saving rate (OECD and Eurostat)
2 Including purchases of durable goods
3 Including depreciation of fixed capital (net saving rate)
4 Scope limited to households
5 Adjusted for the effect of funded pensions (excluding adjustment for the change in pension entitlements)
6 Re-integrating individual consumption of general government in household consumption and GDI
7 Deducting VAT from income and consumption
Sources: Eurostat, Bureau of Economic Analysis (BEA), the US Federal Reserve; Banque de France calculations.
Notes: Pending publication of detailed figures for 2025, the restated saving rate has been estimated by adding the difference between the two measures from the previous year to the harmonised saving rate.
GDI, gross disposable income; VAT, value-added tax.

T3 Harmonised saving rates after adjustments (detailed data)

(% of gross disposable income, 2014-25 average)

	Germany	Spain	France	Italy	Euro area	United States
Harmonised saving rate	**19.0**	**10.2**	**15.8**	**12.1**	**14.2**	**12.7**
Including purchases of durable goods	25.2	15.5	21.2	18.0	19.6	20.7
Including depreciation of fixed capital (net saving rate)	11.2	6.6	10.6	4.2	7.6	7.8
Scope limited to households	18.9	10.2	16.2	12.3	–	12.6
Adjusted for the effect of funded pensions (excluding adjustment for the change in pension entitlements)	16.9	10.4	15.6	11.7	13.0	12.0
Re-integrating individual consumption of general government in household consumption and GDI	15.8	8.6	12.7	10.4	11.7	11.8
Deducting VAT from income and consumption	21.2	11.3	17.8	13.3	15.9	13.9

Sources: Bureau of Economic Analysis (BEA), the US Federal Reserve, Eurostat; Banque de France calculations.
Notes: Pending publication of detailed figures for 2025, the restated saving rate has been estimated by adding the difference between the two measures from the previous year to the harmonised saving rate.
GDI, gross disposable income; VAT, value-added tax.

Saving rates must be as comparable as possible if they are to be used to assess differences between countries. However, while the various harmonisation measures discussed in this bulletin may have a significant effect on these indicators, given the same treatment, the country rankings for saving rates remain broadly unchanged (see Chart 3). Germany and, to a lesser extent, France have higher saving rates than other countries while Spain and Italy have lower saving rates. The euro area sits between these two groups, with a saving rate close to that of the United States.

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Appendix
Details of the most complex institutional modifications

1 Pension schemes by repartition or by capitalisation

In a pension scheme by repartition ("pay-as-you-go"), today's contributions fund today's benefits. In a pension scheme by capitalisation ("funded"), however, contributions are invested to finance future benefits when employees reach retirement age. There are two main types of funded pension schemes: (i) defined contribution schemes, in which fixed contributions determine pension entitlements, subject to market fluctuations affecting the invested assets; and (ii) defined benefit schemes, in which the employer pledges to provide a set level of benefits, and contributions therefore may vary to offset changes in asset prices, among other unforeseen factors.

Funded pensions feature in the household account through the system's cash flows (actual employers' and employees' contributions,[1] and pension benefits), which are very similar to the cash flows of pay-as-you-go pensions.

They also feature via imputed flows, which provide a more accurate picture of the nature of the flows and ownership rights, but have offsetting effects on household disposable income. Household disposable income is therefore consistent with a cash basis approach for funded pension schemes:

- Investment income from pension funds (capitalised interest or dividends) is, by convention, treated as a household income resource. In gross disposable income, this resource is offset by "additional household contributions".
- Under the 2008 System of National Accounts (SNA), employers' contributions now incorporate any amounts necessary to maintain employees' actuarial entitlements under defined benefit pension schemes. In this way, the labour cost recorded in the national accounts is not abruptly affected when employers cease payments following capital gains on the pension scheme's portfolio. However, the impact of this entry on household disposable income is neutral as it is offset in use of income.

Lastly, this capitalised investment income and the imputed employers' contributions constitute financial saving. In the use of income account, they are added to both income and saving through the "adjustment for the change in pension entitlements" item (2008 SNA, Chapter 17, Part J; ESA 2010, Chapter 17; and BEA, 2013).[2]

1 For all social security systems or other occupational social insurance schemes (pensions, healthcare, unemployment, etc.), the national accounting convention is that households receive contributions from employers and then pass them on to the relevant organisations.

2 The US measure of saving, like income, includes an adjustment for the change in pension entitlements; see footnote 35 of "Preview of the 2013 comprehensive revision of the national income and product accounts, changes in definitions and presentations", March 2013.

TA1 Pay-as-you-go or funded pension schemes

Pay-as-you-go pension schemes		**Funded defined benefit pension schemes**	
Income account		Income account	
Uses	Resources	Uses	Resources
Actual employees' social contributions	Gross wages and salaries	Actual employees' social contributions	Gross wages and salaries
Actual employers' social contributions	Actual employers' social contributions	Actual employers' social contributions	Actual employers' social contributions
		Employers' imputed social contributions[b]	Employers' imputed social contributions[b]
		Additional household contributions paid to pension funds (= change in the present value of beneficiaries' entitlements)	Investment income attributable to pension funds (= change in the present value of beneficiaries' entitlements)
Income tax, CSG, CRDS	Social benefits including pensions	Income tax, CSG, CRDS	Social benefits including pensions
Disposable income		Disposable income	
Use of income account		Use of income account	
Consumption	Disposable income	Consumption	Disposable income
Saving		Saving	Adjustment for the change in pension entitlements[a]
Capital account		Capital account	
Investment (housing, sole proprietorships)	Saving	Investment (housing, sole proprietorships)	Saving
Financial saving		Financial saving	
Financial account		Financial account	
Net flows of assets	Net flows of liabilities	Net flows of assets	Net flows of liabilities
Securities	Loans	Securities	Loans
		Change in pension entitlements	
Adjustment	Balance of changes in assets and liabilities	Adjustment	Balance of changes in assets and liabilities

Sources: Baudchon and Chauvin (1999); Banque de France updates.
Notes: Funded pension scheme transactions are shown in the greyed-out cells. Transactions specific to defined-benefit schemes are shown in blue.
CRDS, *contribution pour le remboursement de la dette sociale* (contribution for the reimbursement of the social debt).
CSG, *cotisation sociale généralisée* (general social security contribution).
a) Adjustment for the change in pension entitlements = increase in pension entitlements granted by employers – decrease in pension entitlements as a result of pension payments. In the financial account, it also reflects the change in the mathematical reserves of funded pensions.
b) Employers' imputed social contributions represent the difference between the change in pension entitlements and the social security contributions actually paid.

2 Durable goods

TA2 Accounting for the consumption of durable goods as an investment

Before modification		After modification	
Income account		Income account	
Uses	Resources	Uses	Resources
Compulsory levies	Compensation of employees	Compulsory levies	Compensation of employees
Disposable income		Disposable income (+)	Production of services linked to durable goods[a] (+)
Use of income account		Use of income account	
Consumption including durable goods	Disposable income	Consumption excluding durable goods (–)	Disposable income (+)
		Consumption of services linked to durable goods (+)	
Saving		Modified saving (+)	
Capital account		Capital account	
Investment in housing	Saving	Investment in housing	Modified saving (+)
Expenditure of sole proprietorships		Expenditure of sole proprietorships	
		Durable goods purchased net of repair and maintenance (+)	
Financial saving		Financial saving (=)	

Source: Baudchon and Chauvin (1999).
a) Gross production of services linked to durable goods is estimated on the basis of the consumption of fixed capital (this activity covers expenditure for maintenance of the stock of durable goods). It is derived using an exponential smoothing approach similar to the calculations used by the US Federal Reserve for the *Flow of Funds*: CFC(t) = 0.49 * purchases smoothed over 4 years + 0.46 * CFC (t – 1).
This table presents a simplified account, showing only those items that allow a better understanding of the proposed modifications. Items affected by modification are in grey. The symbols in brackets should be interpreted as follows: (+) increase in item following modification; (–) decrease; (=) level maintained.

3 Individual consumption

TA3 Accounting for the individual consumption of general government and NPISHs

Before modification		After modification	
Income account		Income account	
Uses	Resources	Uses	Resources
Compulsory levies Disposable income	Compensation of employees	Compulsory levies Disposable income	Compensation of employees
Use of income account		Use of income account	
Consumption	Disposable income	Household consumption and individual consumption of general government (+)	Adjusted disposable income = disposable income + individual consumption of general government (+)
Saving		Saving (=)	

Source: Baudchon and Chauvin (1999).
Notes: This table presents a simplified account, showing only those items that allow a better understanding of the proposed modifications. Items affected by modification are in grey. The symbols in brackets should be interpreted as follows: (+) increase in item following modification; (–) decrease; (=) level maintained.
NPISHs, non-profit institutions serving households.

4 Direct and indirect taxes

TA4 Harmonisation of the accounting of indirect taxes with direct taxes

Before modification		After modification	
Income account		Income account	
Uses	Resources	Uses	Resources
Social contributions Income tax, CSG, CRDS	Compensation of employees Social benefits including pensions	Social contributions Income tax, CSG, CRDS	Compensation of employees Social benefits including pensions
		Indirect taxes (+)	
Disposable income		Modified disposable income (–)	
Use of income account		Use of income account	
Consumption (including VAT)	Disposable income	Consumption excluding indirect taxes (–)	Modified disposable income (–)
Saving		Saving (=)	

Source: Baudchon and Chauvin (1999).
Notes: This table presents a simplified account, showing only those items that allow a better understanding of the proposed modifications. Items affected by modification are in grey. The symbols in brackets should be interpreted as follows: (+) increase in item following modification; (–) decrease; (=) level maintained.
CRDS, *contribution pour le remboursement de la dette sociale* (contribution for the reimbursement of the social debt);
CSG, *cotisation sociale généralisée* (general social security contribution); VAT, value-added tax.

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