Household and enterprise accounts

First estimate over one month of lockdown (April 2020)

During April, household income is estimated to have dropped by around 2.7% compared to a normal situation. Compensation schemes, via short-time working or sick leave (which includes coronavirus infections, as well as child care), and various ad hoc assistance measures have helped to limit the drop in gross disposable income (GDI). However, it has of course been affected by the decline in payroll employment and the income of sole proprietors as a result of the decline in economic activity.

Similarly, while the value-added of non-financial corporations has been severely affected by the health crisis and the measures taken to combat the epidemic, the short-time working scheme and the solidarity fund for very small enterprises have probably helped to slow down the drop in their margin rate, which is still expected to be about 9 points in April.

These changes represent a decline in household income and in the margin rate of non-financial corporations on an unprecedented scale.

Automatic stabilisers and measures taken during the health crisis have probably eased the decline in household income

In April, gross payroll received by households would appear to have declined by about 22% compared to its pre-crisis level, for three reasons: the drop in payroll employment, the huge numbers resorting to the short-time working scheme and lastly, the increase in sick leave and child care leave.[1] The usual social benefits, unemployment benefits and daily allowances, and the more unusual short-time working allowance,[2] have meant that households have been able, to a large extent, to offset this lost income.

Concerning sole proprietors, they saw their activity and therefore their associated income severely affected during April due to the spread of the epidemic and the measures taken to contain it. Despite solidarity funds put in place for very small enterprises, self-employed workers and micro-entrepreneurs, and the waiving of contributions[3] (respectively more than 4 billion euros of aid granted in March and April, and 3 billion euros of exemptions over the four months from March to June), the income of sole proprietors would appear to have decreased by about 25% in April compared to a "normal" situation.

Property income is expected to have declined as a result of the decision not to pay dividends in 2020, based on the 2019 results, due to the loss of economic activity or in return for ad hoc assistance received from the State.

These losses of income from economic activity and from property are expected to have been partly offset by the resulting reduction in taxes and social contributions.

All in all, households' gross disposable income in April 2020 would seem to have decreased by around 2.7% compared to a "normal" situation (*Graph 1*).

1. Measures were taken to enable employees to look after their children when they were no longer able to attend school.

2. At a rate of 70% of gross wage, adjusted upwards to the minimum wage and with a ceiling of 4.5 times the minimum wage.

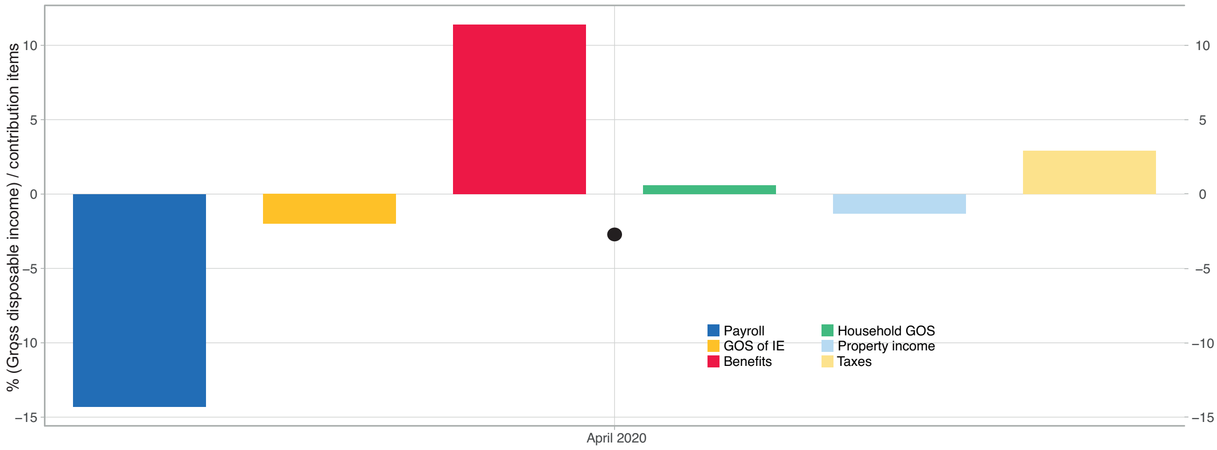
3. Deferred contributions are not included as they are recorded in the national accounts when they are due.

The margin rate of non-financial corporations would appear to be down by almost 9 points compared to a "normal" situation

In April, the general loss of economic activity as a result of the health crisis and the measures taken to combat the epidemic would seem to have resulted in a downturn in the value-added of non-financial corporations (NFCs) of around 35%. However, the short-time working scheme and net payroll job destructions, combined with social contribution exemptions and aid received from solidarity funds for some categories of enterprise, have slowed the decline in the gross operating surplus (GOS) of NFCs (*Graph 2*). Nevertheless, the margin rate of NFCs in April is expected to be about 9 points lower than that observed in a "normal" pre-crisis period. ■

1 - Change forecast in GDI for April 2020 and contributions

change in % and contributions in points

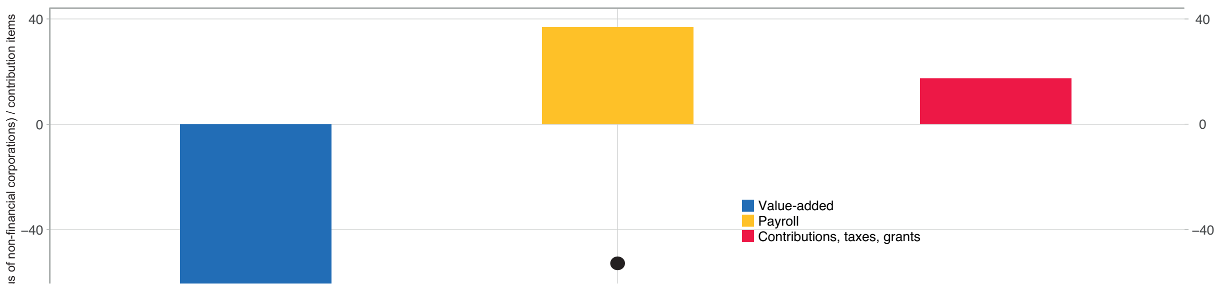


How to read it: in April 2020, GDI is expected to decline by 2.7% compared to a normal situation, with the negative payroll contribution (-14 points) offset in part by support from social benefits (contribution of +12 points).

Source: INSEE, forecasts for April 2020

2 - Change forecast in GOS of NFCs for April 2020 and contributions

change in % and contributions in points



How to read it: in April 2020, the GOS of NFCs is expected to decline by about 50% compared to a normal situation because the contraction in value-added was greater than that in payroll.

Source: INSEE, forecasts for April 20