

## Household income

In Q1 2024, household gross disposable income (GDI) remained buoyant (+1.2% in current euros after +1.3% at the end of 2023, ► **Figure 1**). Social benefits accelerated due to the indexing of basic pensions against past inflation, and represent the main contribution to the increase in GDI (+0.8 points). Earned income has slowed significantly with the ending of payment of the one-off purchasing power bonus to civil servants and smaller payments under the value-sharing bonus scheme (PPV) (► **Wages sheet**). Meanwhile, wealth income rebounded after 2023 ended with the increase in property taxes. Since price rises remained modest (+0.6% after +0.3%), GDI purchasing power picked up again in early 2024: +0.6% after +1.0% at the end of 2023 (i.e. +0.5% per consumption unit after +0.8%).

The purchasing power of GDI is expected to stabilise overall by the end of 2024. Household gross disposable income looks set to slow a little in current euros in Q2 (+0.7% after +1.2%) then more substantially in the second half of the year, ► **Figure 2**. Earned income is expected to accelerate slightly in Q2 after a weak showing at the start of the year (+0.6% after +0.4%) and should then maintain a similar pace. It is likely to accelerate slightly once again at the end of the year, with the new bonus

### ► 1. Components of household gross disposable income

(variations in %)

	Quarterly changes								Annual changes		
	2023				2024				2022	2023	2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
<b>Gross disposable income (100%)</b>	<b>1.0</b>	<b>1.7</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>0.7</b>	<b>0.3</b>	<b>0.2</b>	<b>5.2</b>	<b>8.0</b>	<b>3.9</b>
<i>Of which Gross disposable income excluding Sifim</i>									4.8	5.8	3.9
Earned income (73%)	1.1	0.8	0.8	1.2	0.4	0.6	0.5	0.6	7.5	5.2	2.8
Gross wages and salaries (65%)	1.1	0.8	0.8	1.2	0.5	0.6	0.5	0.6	7.8	5.3	2.9
GOS of sole proprietors* (8%)	0.8	1.1	0.8	0.5	-0.2	0.4	0.5	0.5	4.7	4.6	1.5
Social benefits in cash (34%)	0.8	0.6	0.8	1.3	2.5	1.2	0.8	1.0	1.7	4.7	5.8
Property income, of which GOS of pure households (20%)	5.2	4.0	2.5	-0.2	2.5	0.5	0.0	-1.2	6.5	17.1	4.8
<i>Of which Income from assets excluding FISIM</i>									5.8	7.5	4.9
Social contributions and taxes (-26%)	4.6	0.0	0.5	-0.3	2.1	1.0	1.5	1.1	7.9	3.6	4.0
<b>Household consumer prices**</b>	<b>2.2</b>	<b>1.6</b>	<b>1.1</b>	<b>0.3</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.0</b>	<b>4.9</b>	<b>7.1</b>	<b>2.5</b>
<i>Of which Income from assets excluding FISIM</i>									4.7	4.8	2.5
<b>Purchasing power of gross disposable income</b>	<b>-1.1</b>	<b>0.1</b>	<b>0.2</b>	<b>1.0</b>	<b>0.6</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.9</b>	<b>1.4</b>
<b>Purchasing power per consumption unit</b>	<b>-1.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.8</b>	<b>0.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.1</b>	<b>-0.4</b>	<b>0.3</b>	<b>0.9</b>

■ Forecast.

\* the gross operating surplus (GOS) of sole proprietors is the balance of the operating account of sole proprietorships. This is mixed income as it remunerates work carried out by the owner of the sole proprietorship, and possibly members of their family, but it also contains profit made as a sole proprietor.

\*\* The dynamics of household consumer prices in 2023 differ significantly from those of the Consumer Price Index (CPI) as a result of the accounting effect of the earlier increase in interbank rates.

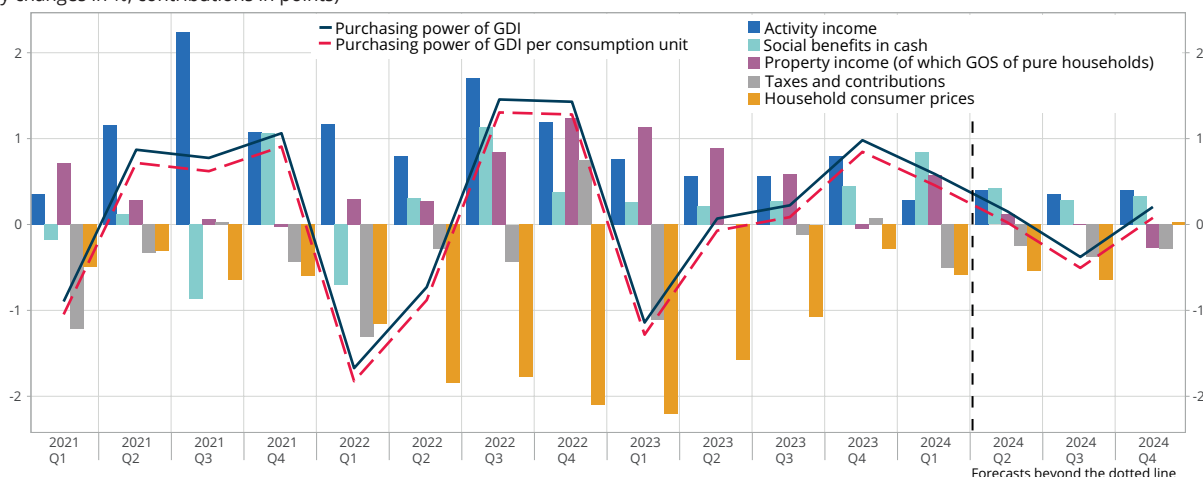
**Note:** figures in brackets give the structure for 2022.

**How to read it:** after a 1.2% rise in Q1 2024, household gross disposable income is expected to slow in Q2 2024 (+0.7%).

**Source:** INSEE.

### ► 2. Quarterly variation in purchasing power of household gross disposable income (GDI) and its main contributions

(quarterly changes in %, contributions in points)



**Lecture:** the purchasing power of household GDI per consumption unit is expected to rise by 0.2% in Q2 2024. Social benefits are expected to contribute +0.4 points to the increase in household GDI (+0.7 points).

**Source:** INSEE.

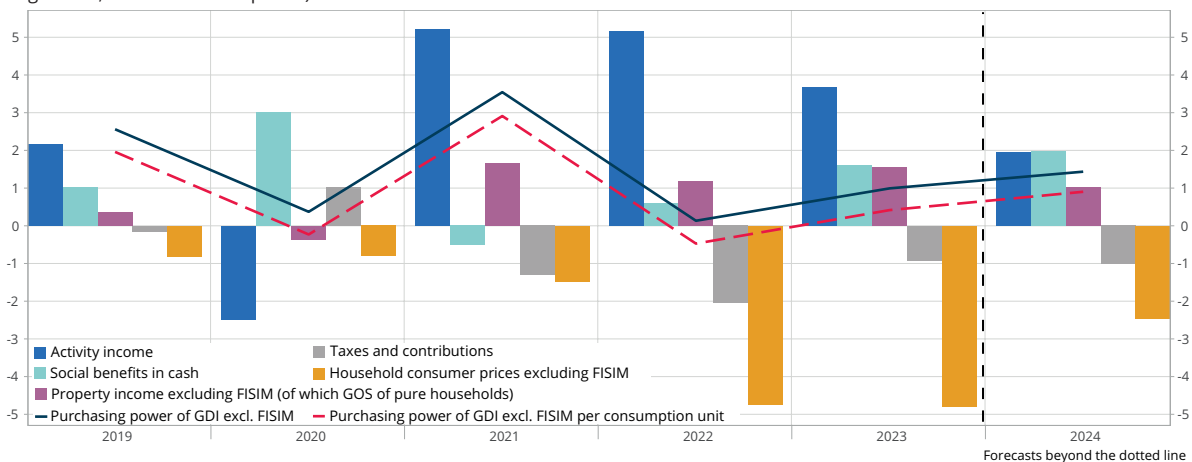
payments and the forthcoming increase in the minimum wage. Social benefits are expected to slow gradually while remaining buoyant, especially in Q2 (+1.2%), due to the automatic increases in certain benefits such as family allowances. Wealth income should still be boosted by the payment of dividends and life insurance, but the net interest that households receive is likely to decrease from Q2 2024 as a result of the first cut in the ECB's base interest rate introduced in June. All in all, wealth income should continue to increase in Q2 (+0.5%) and stagnate in Q3 as a result of the drop in interest rates, before falling back slightly at the end of the year with the increase in property tax. However, this drop in interest rates is also likely to be reflected in the prices of Financial Intermediation Services Indirectly Measured (FISIM) provided to households, thereby reducing the household consumption deflator (► [Figure 3](#)).

In Q2, household consumer prices are expected to retain a similar pace of growth to that observed at the beginning of the year (+0.5% after +0.6%). This pace is then likely to slow, with its growth somewhat more dynamic in the summer than in the autumn. Its quarterly trend in H2 2024 is likely to be disrupted by the hosting of the Olympic and Paralympic Games in France in the summer: household consumer prices are expected to be dynamic in Q3 (+0.6%) due to inflation in transport services (► [Consumer prices sheet](#)). To counteract this, they are likely to come to a standstill towards the end of the year (0.0%).

On average over 2024, household GDI is expected to slow (+3.9% after +8.0% in 2023) but the decline in household consumer prices is likely to be more pronounced (+2.5% in 2024 after +7.1% in 2023), resulting in an acceleration of GDI purchasing power (+1.4% after +0.9% in 2023). This increase in GDI purchasing power as an annual average was already achieved by the end of Q1 2024 (► [Figure 4](#)). Purchasing power per consumption unit, which is closer to households' perceptions of the situation, is likely to increase by +0.9% in 2024, after +0.3% in 2023. ●

### ► 3. Annual variation in purchasing power of household gross disposable income (GDI) and its main contributions

(annual changes in %, contributions in points)

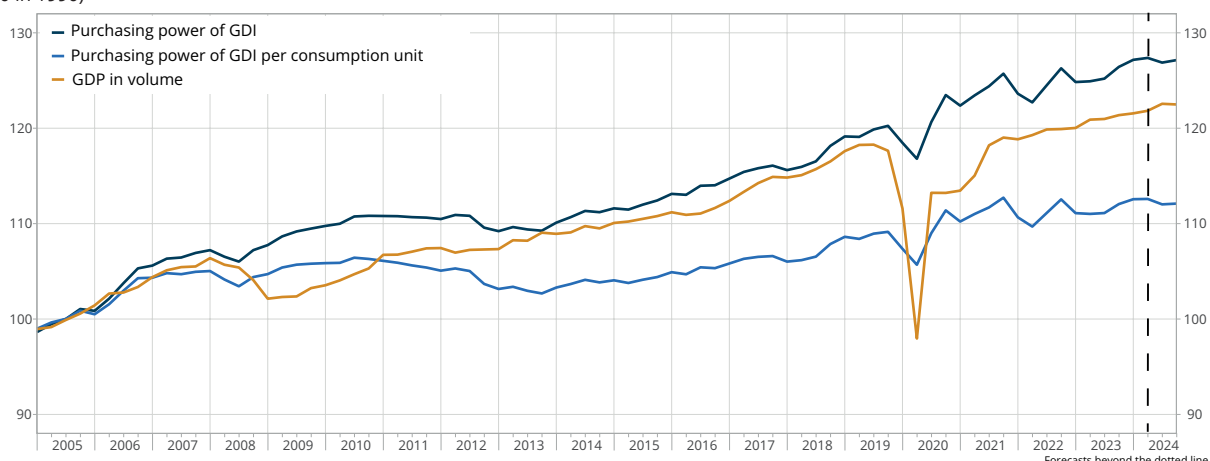


**Lecture:** GDI purchasing power (excluding the FISIM effect) per consumption unit is expected to increase by 1.4% in 2024. Social benefits are likely to contribute +2 points to the increase in household GDI (+3.9 points)

**Source:** INSEE.

### ► 4. Change in purchasing power of household gross disposable income (GDI) and of GDP since 1990

(base 100 in 1990)



**Source:** INSEE.