

Compendium

Chapter 06: Households and non-profit institutions serving households



Contact:
Catherine Marks
blue.book.coordination@ons.gsi.gov.uk

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1 . Corrections

Wednesday 24 June, 2015 09:30

An error has been identified in the estimate of expenditure on Narcotics within Household Final Consumption Expenditure. Data from 1997 to the latest period are affected for series' ABPB, ABPF, ABQI, ABQJ, ADFL, ADIS, MNC2, MNC4, UTIE, UTIG, UTII and UTIK. Higher level aggregates including Gross Domestic Product are also affected, and details of the impact on current price GDP up to 2010 have been provided in an article. Further impacts for later years will be provided for Chained Volume Measure estimates and more recent periods during July and August, and the revised figures will be published within the National Accounts on 30 September 2015. In the meanwhile users of these series are advised to check with ONS before using these series.

Wednesday 24 June, 2015 09:30

An error has been identified in the estimate of insurance industry output within Financial Corporations Output. Data from 2009 to the latest period are affected for series' NHCT, NHCX, FAIQ, NSSG, KTMQ, NQNV, NQBE, NHDB, FAIS and QWLK. Higher level aggregates including Gross Domestic Product are also affected, and details of the impact on current price GDP up to 2010 have been provided in an article article. Further impacts for later years will be provided for Chained Volume Measure estimates of GDP and more recent periods during July and August, and the revised figures will be published within the national Accounts on 30 September 2015. In the meanwhile users of these series are advised to check with ONS before using these series.

ONS apologises for any inconvenience this may cause.

2 . Households and non-profit institutions serving households

The household sector covers both consumers and producers. Households as consumers comprise of groups of people sharing the same living accommodation who share some or all of their income and collectively consume certain types of goods and services, such as food, electricity or housing. This sector also includes the self-employed who are treated as producers. A smaller group of units within the household sector comprises of those living permanently in institutions with little economic autonomy, such as prison populations and members of religious orders living in monasteries.

Non-profit institutions serving households (NPISH) are institutions which:

- provide goods and services; either free or below the market prices
- mainly derive their income from grants and donations
- are not controlled by government

In the UK the NPISH sector includes:

- charities
- trade unions
- religious organisations
- political parties
- the majority of universities

The United Kingdom National Accounts: The Blue Book 2014 presents combined estimates for the household and NPISH sectors.

Further information on sector classifications and classification decisions can be found in the [National Account Classification](#) section of the Office for National Statistics website.

3 . Households and NPISH at a glance

Gross disposable income

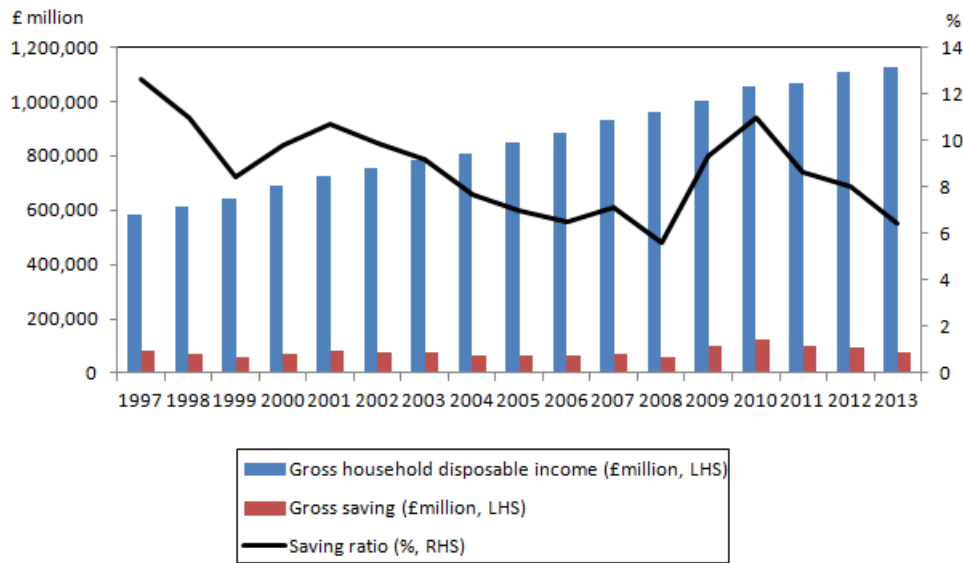
In 2013, nominal gross disposable income (GDI) for households and NPISH was £1.1 trillion, 1.7% higher than in the previous year. GDI is comprised of resources (inflows into the household sector) less uses (outflows from the household sector) and represents the amount available to the household for consumption and saving. In the primary account, the largest resource for households and NPISH was compensation of employees, in particular wages and salaries which made up 56.4% of primary resources in 2013.

The secondary distribution of the income account shows that 'social benefits other than social transfers in kind' was the largest secondary resource in 2013, at £328.4 billion. Such benefits include social security benefits in cash, private funded social benefits, and social assistance benefits provided by government.

Household saving ratio

This chapter also includes estimates of the household saving ratio, which is defined as nominal gross saving as a per cent of nominal gross disposable income. In 2013, the level of gross saving was £76.5 billion, resulting in a saving ratio of 6.4%, the lowest since 2008 when it was 5.6%. The fall in the saving ratio in recent years can be attributed to a combination of rising GDI and a falling level of gross saving, which fell by 18.1% on an annual basis in 2013. Figure 6.1 shows that while GDI has increased steadily, year on year, since 1997, gross saving has been shown to be more volatile.

Figure 6.1: Gross disposable income, saving and the saving ratio in the households and NPISH sector



Source: Office for National Statistics

4 . Tables

[Chapter 06 tables \(121.8 Kb Pdf\)](#)

5. Background notes

1. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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