DATAPOST

# Personal Saving Rate

## Delayed Consumption

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Federal Reserve Bank of San Francisco
Economic Education

# Saving Rate – Did You Know?

**Definition**

- The saving rate is personal saving as a percentage of disposable income
- Personal saving is personal income (like wages or salary) minus spending
- Disposable income is personal income minus taxes

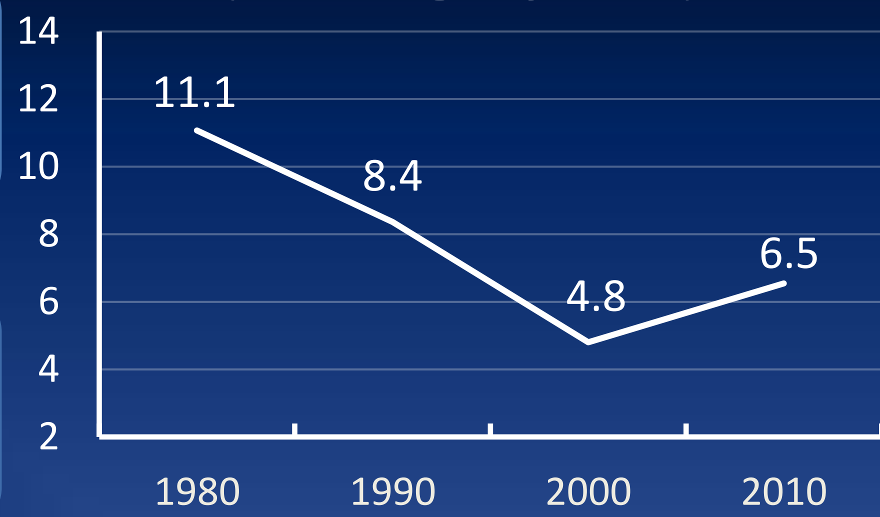
**Calculation**

- The most common measure of the U.S. personal saving rate is based on the National Income and Product Accounts (NIPA)
- NIPA is also used to calculate gross domestic product (GDP) and gross domestic income (GDI)

**Relationship**

- Personal saving reflects a tradeoff between current and future consumption
- Increased current saving reduces current consumption and enables future consumption

**Personal Saving Rate**
(% values, averages for years shown)




Sources: Bureau of Economic Analysis
& FRBSF calculations

By 2000 personal saving (as a percent of disposable income) had dropped to 43% of its 1980 rate.

# Personal Saving Rate (%)

**Seasonally adjusted values, Jan. 2000 – July 2020**


Source: Bureau of Economic Analysis

# Annotated Chart Notes

## Personal Saving Rate (%)

**Seasonally adjusted values, Jan. 2000 – July 2020**


Source: Bureau of Economic Analysis

# What Do You Think?

1. What was your personal saving rate last month?
   A. Within a given month, add up all earnings, taxes paid, and expenses to calculate your personal saving rate:

$$\left\{ \frac{(\text{Disposable Income} - \text{Spending})}{\text{Disposable Income}} \right\} \times 100$$

2. Compare your personal saving rate with the U.S. average in 2019.