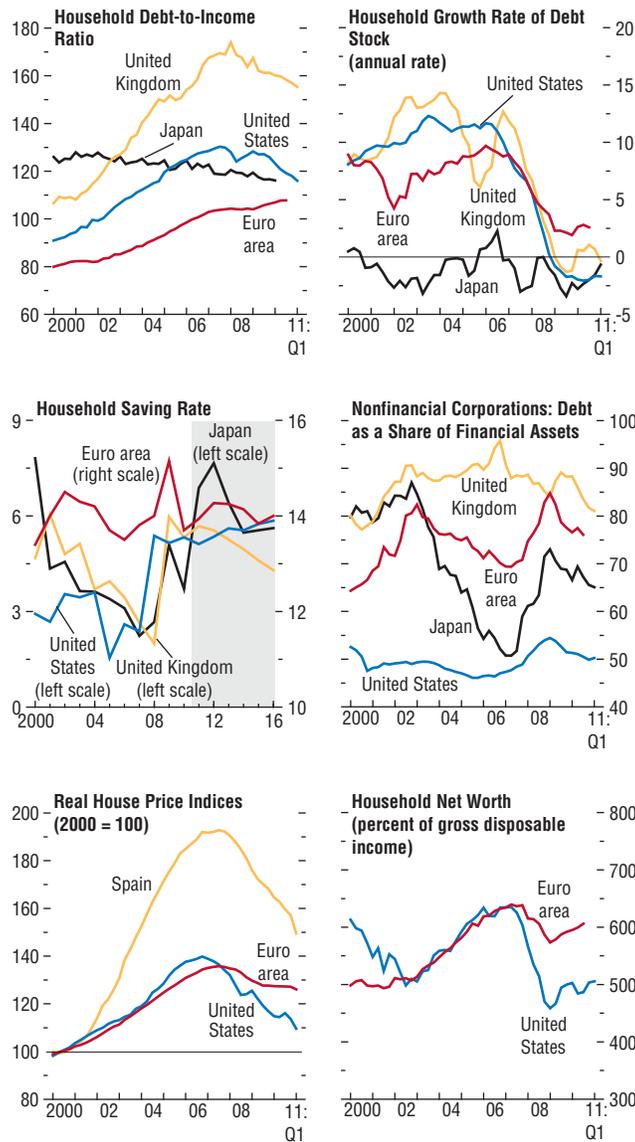


Figure 1.7. Balance Sheets and Saving Rates

(Percent unless noted otherwise)

The accumulation of household debt has been slowing, but there are now signs that this development is bottoming out. Although household debt is still contracting in Japan and the United States, the pace is stabilizing or diminishing. Household saving rates are forecast to move sideways, implying that disposable income growth will translate fully into consumption growth. Although household wealth has received a boost from the recovery of financial markets since 2009, house prices continue to decline in crisis-hit economies.



Sources: Haver Analytics; Organization for Economic Cooperation and Development; and IMF staff estimates.