

Income and Expenditure in Western Europe

December 2022

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INTRODUCTION

Scope

Key findings

REGIONAL OVERVIEW

Generous fiscal support to stimulate income growth, yet near-term challenges remain

Western Europeans to sustain elevated savings ratios post-pandemic

Benefiting from expanding equal rights policies, gender income gap to remain relatively low

Consumer purchasing power threatened by rising inflation over the short term

REGIONAL CONSUMER EXPENDITURE

Spending on essentials to remain relatively high in Western Europe

Hotels and catering to witness the fastest growth due to recovering tourism

Household expenditure by decile to remain fairly similar in most countries

Couples with children to enjoy the largest spending power among all household types

REGIONAL DISTRIBUTION OF INCOME

Consumers aged 45-54 to become the highest per capita earners by 2040

Remaining relatively low by global standards, income inequality is set to slightly increase

Denmark, Norway and Switzerland to offer the highest potential for luxury brands

Western Europe to sustain relatively low levels of income inequality

Urban/Rural income gap to keep shrinking, supported by the shift towards remote working

COUNTRY SNAPSHOTS

Austria: Share of income and wealth of the middle segment

Austria: Middle-income households

Austria: Essential spending by middle-income households

Belgium : Share of income and wealth of the middle segment

Belgium : Middle-income households

Belgium : Essential spending by middle-income households

Denmark: Share of income and wealth of the middle segment

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Finland : Share of income and wealth of the middle segment

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France : Share of income and wealth of the middle segment

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Germany : Share of income and wealth of the middle segment

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Greece : Share of income and wealth of the middle segment

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Ireland: Share of income and wealth of the middle segment

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Italy: Share of income and wealth of the middle segment

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Netherlands: Share of income and wealth of the middle segment

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Turkey : Share of income and wealth of the middle segment
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United Kingdom : Share of income and wealth of the middle segment
United Kingdom : Middle-income households
United Kingdom : Essential spending by middle-income households

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