**The impact of age distribution on household**

**Consumption: Evidence from Saudi Arabia**

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**Abstract**

This paper aims to analyze the impact of age distribution on household consumption at the aggregate level. For that, statistical and econometric techniques are used, such as Unit root test, Co-integration and Granger Engels causality through Vector Error Correction Model, for testing an eventual short and long run causal relationships. This study is important since it helps to develop efficient national strategies for the short and the long run according to the evolution of the demographic profile and structure.

Empirical validation for the Saudi Arabian case shows that the causality’s effect differs significantly according to consider the size versus the proportion of each age group. In addition, the analysis and discussions of results for each age categories gave specific conclusions for the overtime causality effect on Saudi Arabian household final consumption.

**Keywords:** Age distribution; consumption; causality; cointegration; statistical tests.

**JEL Classification:** C22, D12, J11.