

## Household Budget Survey

2015/2016

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### **Households spent more than 60% on housing, transport and food**

According to the provisional results of the Household Budget Survey 2015/2016, the annual mean consumption expenditure of households was €20,916 in 2015/2016, reflecting a nominal increase of 2.6% over the annual mean consumption expenditure of households of €20,391 in 2010/2011.

Expenditures on housing (31.8%), transport (14.7%) and food (14.4%) continued to represent the largest share of mean consumption expenditure of households: 60.9% in 2015/2016.

By region, only the annual mean consumption expenditure in the Área Metropolitana de Lisboa exceeds the country's mean consumption expenditure, in about 14.6%. The remaining regions have an annual mean consumption expenditure lower than the one registered at national level, with highlight to Região Autónoma dos Açores (-17.9%), Alentejo (-14.4%) and Região Autónoma da Madeira (-11.7%).

The annual mean consumption expenditure of households increased by 2.6% between 2010/2011 and 2015/2016 in nominal terms, while it decreased by 4.2% in volume (constant prices) in the same period.

The Survey provisional data also indicate that the annual mean consumption expenditure of households with dependent children is 44% higher than the mean consumption expenditure of households without dependent children.

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Statistics Portugal releases the provisional data of the Household Budget Survey (HBS) 2015/2016 provisional data, carried out between March 2015 and March 2016, with a representative sample of households residing in the country, with a regional stratification.

The main purpose is to determine the structure of household expenditures according to the Classification of Individual Consumption by Purpose (COICOP), pursuing the statistical series on household budgets implemented by Statistics Portugal since 1967/1968, thus contributing to update the weights of the consumer price index and to the National Accounts estimates on households' final consumption expenditure.

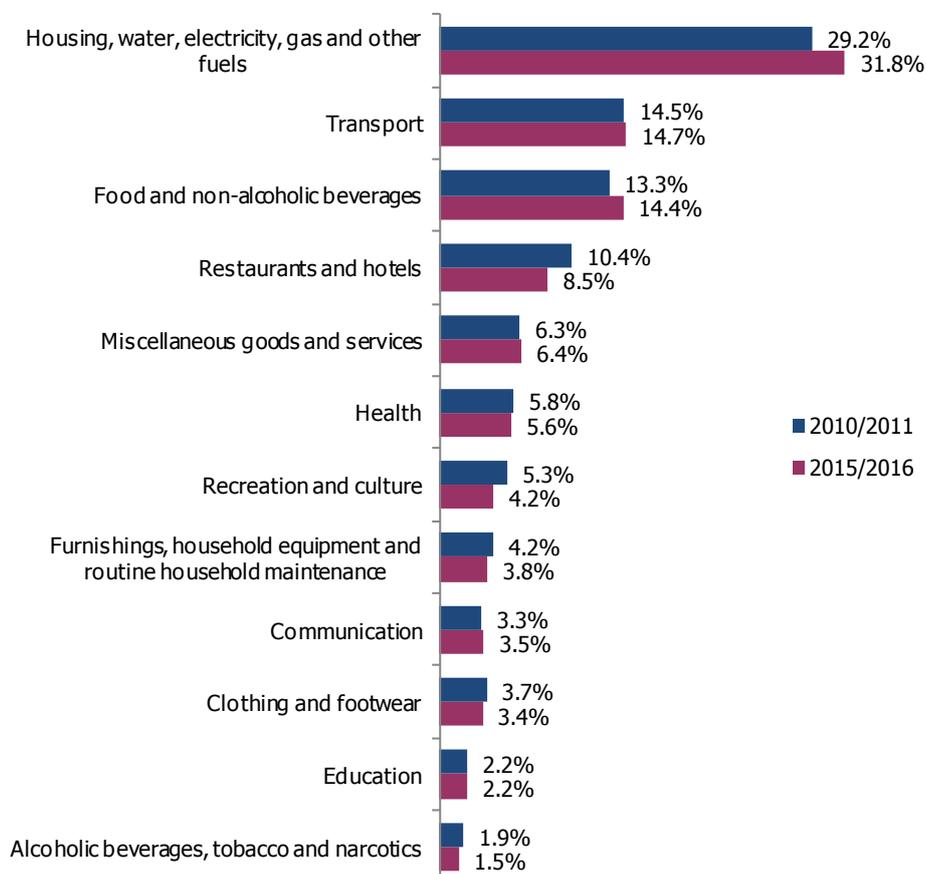
The results presented here are based on total expenditures (covering both monetary and non-monetary expenditures) and correspond to annual mean consumption expenditures per household, thus depending on total expenditure and also on the total of households. The number of households in Portugal implicit in HBS 2015/2016 is 1.5% higher than that of the HBS 2010/2011.

### The share of expenditures on housing, transport and food continues to increase

According to HBS 2015/2016 results, the annual mean consumption expenditure of households was €20,916, an increase of 2.6% over the annual mean consumption expenditure of €20,391 in 2010/2011.

As a whole consumption expenditure on "Housing, water, electricity, gas and other fuels" (31.8%), "Transport" (14.7%) and "Food and non-alcoholic beverages" (14.4%) accounted for an increase of 4 p.p. compared to 2010/2011, simultaneously with a rise in their share on expenditures to 60.9%.

**Figure 1: Structure of annual mean consumption expenditure of households by COICOP divisions, Portugal, 2010/2011 and 2015/2016**



Therefore, the share of total annual mean consumption expenditure of households in those 3 items kept the increasing trend already observed since 2000 (53.4% in 2000, 55.0% in 2005/2006, 57.0% in 2010/2011).

**Table 1: Structure of annual mean consumption expenditure of households by COICOP divisions, Portugal, 1989/90 - 2015/2016**

unit: %

COICOP	1989/90	1994/95	2000	2005/2006	2010/2011	2015/2016 (P <sub>o</sub> )
<b>Annual mean consumption expenditure per household</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
01 Food and non-alcoholic beverages	29.5	21.0	18.7	15.5	13.3	14.4
02 Alcoholic beverages, tobacco and narcotics	3.7	2.8	2.8	2.3	1.9	1.5
03 Clothing and footwear	9.3	6.3	6.6	4.1	3.7	3.4
04 Housing, water, electricity, gas and other fuels	12.4	20.6	19.8	26.6	29.2	31.8
05 Furnishings, household equipment and routine household maintenance	7.1	6.7	7.2	4.8	4.2	3.8
06 Health	3.0	4.6	5.2	6.1	5.8	5.6
07 Transport	14.8	15.6	15.0	12.9	14.5	14.7
08 Communication	1.1	2.0	3.3	3.0	3.3	3.5
09 Recreation and culture	3.9	3.7	4.8	5.7	5.3	4.2
10 Education	0.6	1.3	1.3	1.7	2.2	2.2
11 Restaurants and hotels	9.9	9.1	9.5	10.8	10.4	8.5
12 Miscellaneous goods and services	4.8	6.5	6.1	6.5	6.3	6.4

P<sub>o</sub> - provisional value

Source: Household Budget Survey (1989/90, 1994/95, 2000, 2005/2006, 2010/2011 e 2015/2016)

The share of expenditures on "Housing, water, electricity, gas and other fuels" expenditures rose by 2.6 p.p. over the five years from 2010/2011 to 2015/2016, while the share of expenditures on "Transport" increased by 0.2 p.p.

In turn, the "Restaurants and hotels" and "Recreation and culture" were the items that, between 2010/2011 and 2015/2016, showed the largest declines in their share of total annual mean consumption expenditures, the first in almost 2 p.p. (from 10.4% to 8.5%) and the second by about 1 p.p. (from 5.3% to 4.2%).

### Households spent less in real terms in 2015/2016

The annual mean consumption expenditure of households increased by 2.6% between 2010/2011 and 2015/2016 in nominal terms, while it decreased by 4.2% in volume (constant prices) in the same period.

In nominal terms, and by item, the largest increases in expenditures were found for housing (+11.6%) and for food (+11.4%), while expenditures on alcoholic beverages, tobacco and narcotics (-17.4%), recreation and culture (-17.2%) and restaurants and hotels (-15.8%) showed significant decreases.

**Table 2: Variation of annual mean consumption expenditure of households by COICOP divisions, Portugal, 2010/2011 and 2015/2016**

COICOP	2010/2011	2015/2016 (P <sub>o</sub> )	Growth rate
	(euros)		(%)
<b>Annual mean consumption expenditure per household</b>	<b>20,391</b>	<b>20,916</b>	<b>2.6</b>
01 Food and non-alcoholic beverages	2,703	3,011	11.4
02 Alcoholic beverages, tobacco and narcotics	384	317	-17.4
03 Clothing and footwear	757	706	-6.7
04 Housing, water, electricity, gas and other fuels	5,958	6,652	11.6
05 Furnishings, household equipment and routine household maintenance	864	788	-8.8
06 Health	1,186	1,176	-0.8
07 Transport	2,957	3,069	3.8
08 Communication	680	732	7.6
09 Recreation and culture	1,073	888	-17.2
10 Education	441	458	3.9
11 Restaurants and hotels	2,111	1,778	-15.8
12 Miscellaneous goods and services	1,277	1,342	5.1

P<sub>o</sub> - provisional value

Source: Household Budget Survey (2010/2011e 2015/2016)

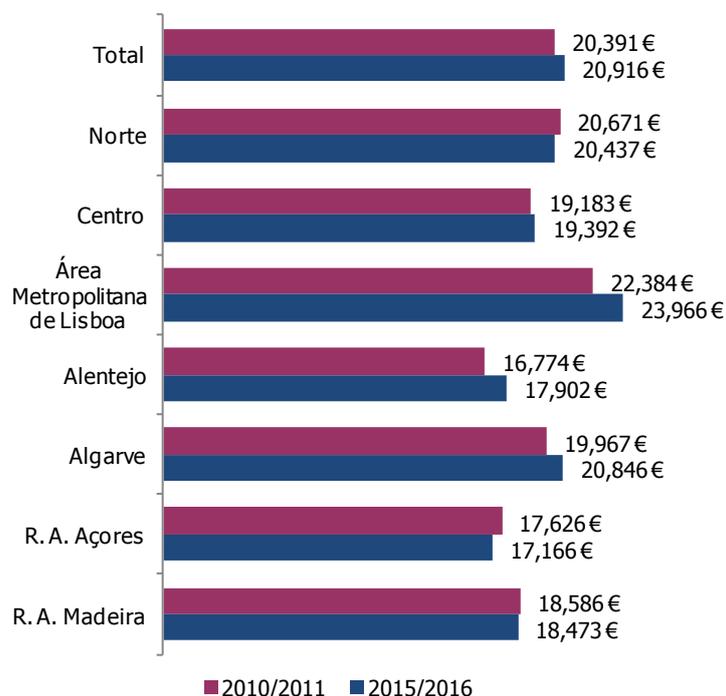
### Área Metropolitana de Lisboa continues to record the country's highest annual mean consumption expenditure

By region, only the annual mean consumption expenditure of households residing in the Área Metropolitana de Lisboa (€23,966) exceeds the country's mean consumption expenditure at about 14.6%. This region was also the one where the mean consumption expenditure increased the most, by 7.1%, compared to €22,384 in 2010/2011.

The remaining regions have an annual mean consumption expenditure lower than the one registered at national level, with highlight to Região Autónoma dos Açores ( 17.9%), Alentejo (-14.4%) and Região Autónoma da Madeira (-11.7%). In contrast to five years ago, Norte recorded an annual mean consumption expenditure inferior to that of the country (-2.3%) in 2015/2016.

On the other hand, there was an increase in the annual mean consumption expenditure in Alentejo (+6.7%), Algarve (+4.4%) and Centro (+1.1%) vis-à-vis 2010/2011. In all remaining regions there was a decrease in the annual mean consumption expenditure level: -2.6% in the Região Autónoma dos Açores, -1.1% in the Norte and -0.6% in the Região Autónoma da Madeira.

**Figure 2: Annual mean consumption expenditure of households, total and by NUTS II regions, 2010/2011 and 2015/2016**



Overall, the structure of annual mean consumption expenditure in every NUTS 2 region followed a similar pattern to the country as a whole. However, as in 2010/2011, there were exceptions: the greater weight of housing expenditure in the Região Autónoma dos Açores (36.9%) and Madeira (33.6%), compared with a national average of 31.8%. Norte is the region with the lowest relative share of housing expenditures (30.1%).

The Região Autónoma dos Açores and the Algarve stood out, respectively, for the lower and higher relative shares of spending on hotels, restaurants, cafés and the like (4.9% and 11.1%) vis-à-vis a national average of 8.5%.

**Table 3: Structure of annual mean consumption expenditure of households by COICOP divisions and NUTS II regions, 2015/2016**

COICOP	Portugal	Mainland	Norte	Centro	A. M. Lisboa	Alentejo	Algarve	R. A. Açores	R. A. Madeira
<b>Annual mean consumption expenditure per household</b>	<b>100.0</b>								
01 Food and non-alcoholic beverages	14.4	14.4	15.0	14.4	13.2	17.1	15.1	14.8	13.9
02 Alcoholic beverages, tobacco and narcotics	1.5	1.5	1.8	1.3	1.2	1.9	2.0	1.6	1.5
03 Clothing and footwear	3.4	3.4	3.8	3.1	3.2	3.0	3.5	2.9	3.3
04 Housing, water, electricity, gas and other fuels	31.8	31.7	30.1	32.4	32.8	32.2	30.8	36.9	33.6
05 Furnishings, household equipment and routine household maintenance	3.8	3.8	3.8	3.7	4.0	3.3	3.0	4.1	4.0
06 Health	5.6	5.6	5.5	6.2	5.3	5.9	5.4	6.2	6.3
07 Transport	14.7	14.7	14.8	16.1	14.1	13.9	13.3	13.6	14.4
08 Communication	3.5	3.5	3.4	3.5	3.4	4.0	3.4	4.7	4.3
09 Recreation and culture	4.2	4.3	4.0	3.8	5.1	3.1	4.1	4.0	3.5
10 Education	2.2	2.2	2.1	1.7	2.9	1.3	1.5	1.5	1.9
11 Restaurants and hotels	8.5	8.6	8.9	7.7	8.4	8.7	11.1	4.9	7.7
12 Miscellaneous goods and services	6.4	6.5	6.8	6.1	6.4	5.6	6.6	4.7	5.7

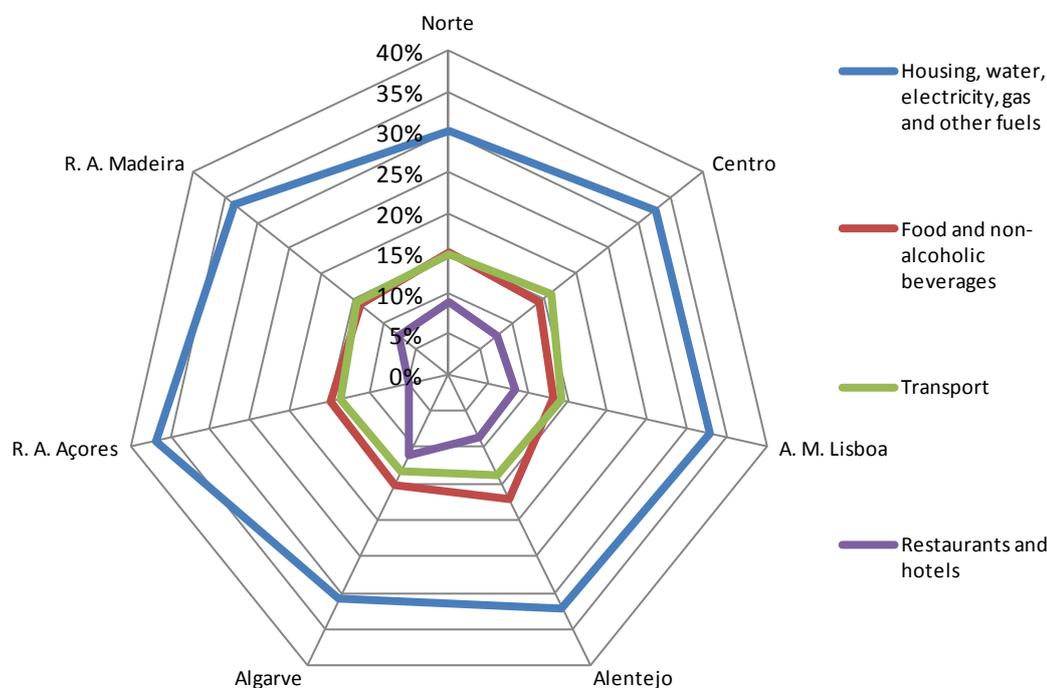
Source: Household Budget Survey 2015/2016 (provisional values)

The Área Metropolitana de Lisboa stands out for a relative weight (13.2%) of food expenditures less than the rest of the country, while the Alentejo region has the highest proportion (17.1%).

With regard to expenditure on food, the Lisboa region continued to record the lowest share, 13.2%, and Alentejo the highest (17.1%).

The region Centro stands out for a share of expenditures on transport (16.1%) higher than that the one recorded for the country as a whole; in contrast, Algarve and the Região Autónoma dos Açores (13.6%) have the lowest shares in this expenditure category.

**Figure 3: Structure of annual mean consumption expenditure of households for some COICOP and NUTS II regions, 2015/2016**

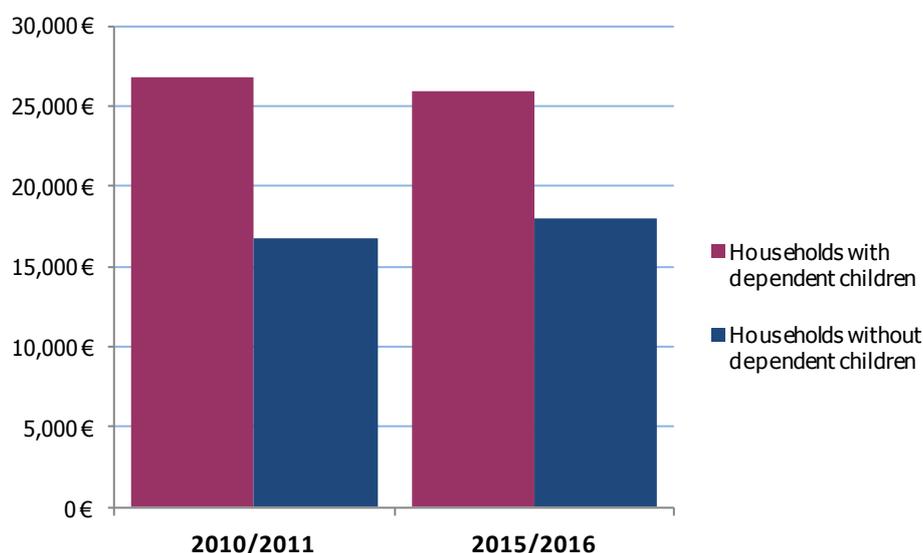


**On average, households with dependent children spend more 658 euro per month than households without dependent children**

The Survey results for 2015/2016 indicate that the annual mean consumption expenditure of households with dependent children is €25,892, i.e. 44% more than families without dependent children (€17,997), which corresponds to a monthly difference payment of 658 euro.

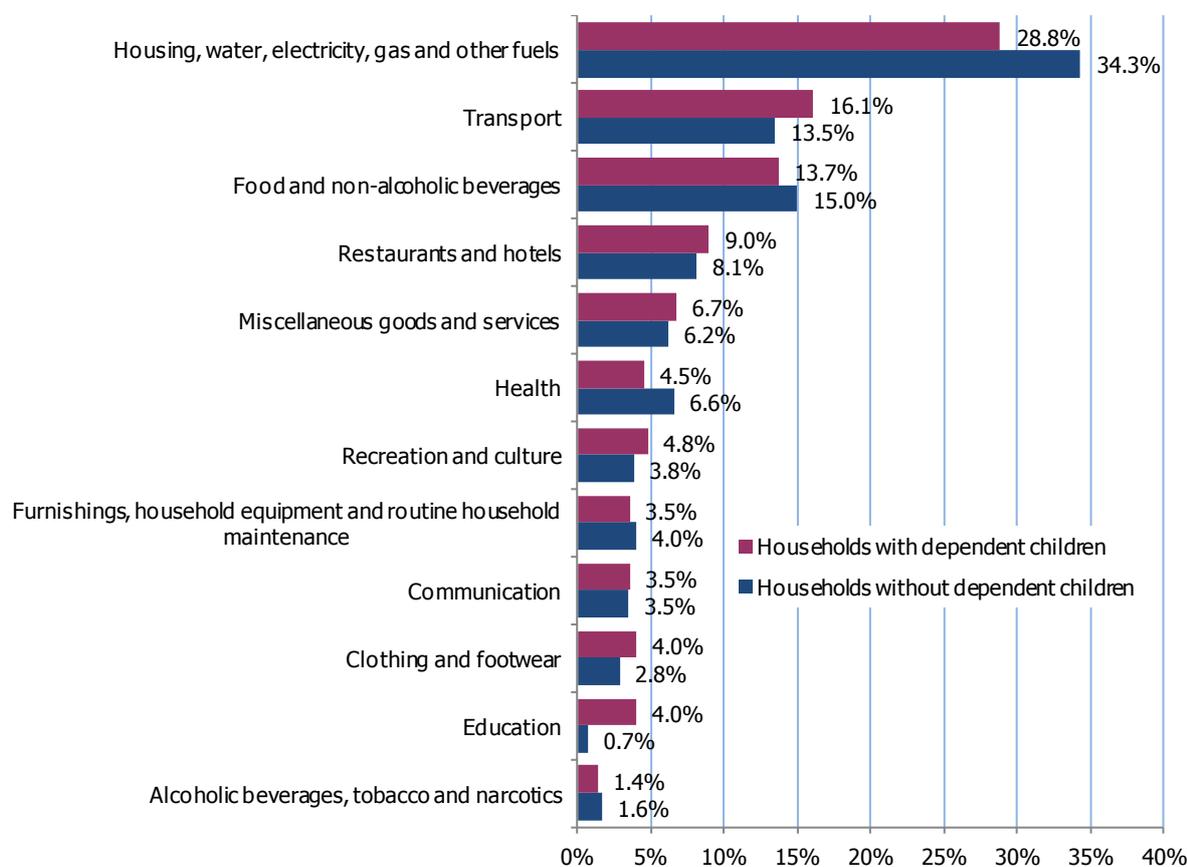
Between 2010/2011 and 2015/2016, households without dependent children increased their annual mean consumption expenditure by 7.7 p.p., while households with dependent children decreased the annual mean consumption expenditure by about 3.3 p.p.

**Figure 4: Annual mean consumption expenditure of households by household composition, Portugal, 2010/2011 and 2015/2016**



The pattern of annual mean consumption expenditure differs in the two types of household, with the most significant differences in housing, education and transport expenditures: households without dependent children spend relatively more on housing (34.3%) than households with children (28.8%), and less in education (0.7% vs. 4.0%) and transport (13.5% vs. 16.1%).

**Figure 5: Structure of annual mean consumption expenditure of households by COICOP divisions and household composition, Portugal, 2015/2016**



There are also differences in health expenditures (6.6% for families with children, 4.5% for families without children), food and non-alcoholic beverages (15.0% vs. 13.7%) and clothing and footwear (2.8% vs. 4.0%).

The share of health expenditures is relatively higher for households without dependent children including an elderly person, 9.3% for the elderly living alone and 8.2% for households composed by two or more adults, where at least one of them is elderly.

It is also for the elderly living alone that the relative share of expenditures on housing, water, electricity, gas and other fuels is higher, accounting for 41.5% of their expenditure, compared to the national average of 31.8%.

#### TECNICAL NOTE

The 2015/2016 Household Budget Survey — HBS 2015/2016 — held between March 2015 and March 2016 is the most recent edition of the series of five-yearly surveys on household budgets started in the 1960s.

These surveys were held firstly for a periodical update of the expenditure structure of the country's resident population, which is instrumental to update the basket of goods and services used in the consumer price index. Data were also collected on disposable monetary and non-monetary household income and some basic comfort indicators, to be released with the publication of final data for the HBS 2015/2016 in June 2016.

For the HBS 2015/2016 a random stratified and multistage sample was selected, representative of households residing in non-collective dwellings in the Portuguese territory.

Sample sizing used stratification by NUTS 2 and criteria associated with relative a priori sampling errors, whose calculation was based on a set of data on income and monetary expenditure classes collected in 2010/2011. To comply with the pre-established sizing criteria, the national sample incorporated 17,790 dwellings, evenly distributed throughout the 26 fortnights composing the inquiry period.

The sample was randomly selected from the National Dwellings Register. The selection of the sample followed a stratified (NUTS 2 stratification) and multistage sampling design, in which the primary sampling units, consisting of cells of the INSPIRE grid of 1km<sup>2</sup>, were selected with probability proportional to the number of dwellings of usual residence and the secondary sampling units (dwellings) were systematically selected in each primary sampling unit. Information is collected on all households and all individuals residing in the selected dwellings.

Data collection went according to planned, i.e. from 16 March 2015 to 13 February 2016. The number of achieved interviews was of 11,398 households, corresponding to a response rate of 64.1%.

Expenditure on goods and services consumption was collected through a daily inventory and subsequent computer recording of all expenses of each selected household over the course of a fortnight. Other data, particularly on flashback expenditures (up to one year previous to the data collection period), income and comfort goods, were collected through a Computer Assisted Personal Interview (CAPI).

Estimated results were obtained by applying household weightings. These made it possible to reproduce the conditions reported by respondents for all resident households in Portugal, according to similarity assumptions in terms of region, degree of urbanisation, family size, and characteristics of individual persons (sex, age group, education level) forming households. A factor was introduced in the calculation of these weightings for the correction of non-responses, and the results for the 2011 Census were the information sources used for the calibration variables were, as well as the SILC 2015 results for the structure of the education level classes.

The results presented are based on total expenditure (covering both monetary and non-monetary expenditure) and correspond to annual mean consumption expenditure per household.

Total expenditure is composed of the sum of monetary expenditure and non-monetary expenditure, with the monetary component referring to all purchases of goods and services in the country or abroad, for the household's immediate consumption, offer or storage, covering a retroactive reference period of up to the 12 previous months. Purchases are assessed by their total value regardless of how or when they were paid. Non-monetary expenditure covers self-consumption (food and other goods of own production and goods or services obtained without payment in an establishment run by the household), owner-occupied housing (self-assessment, by owner occupiers or rent-free tenants, of an hypothetical value for house rental), income in kind, namely wages.

Data on expenditure on infra-annual frequency - that is, expenditure which is assumed to be consumed less frequently than the year - were annualized through the application of a multiplicative factor that takes into account the number of periods in the year. For example, the multiplicative factor 26 was used for current expenditures collected in the diaries.

In the context of this survey, individuals aged up to 15 years old, as well as those up to 24 if economically dependent (unemployed or inactive), are considered dependent children.