



19 June 2024

HOUSEHOLD BUDGET SURVEY

2022/2023

HOUSING ACCOUNTED FOR ABOUT 39% OF THE MEAN HOUSEHOLD EXPENDITURE IN 2022

According to the final results of the Household Budget Survey 2022/2023, reflecting refinements to the provisional data released in December 2023, the mean annual household expenditure in 2022/2023 was € 23,900, about 2/3 of which were concentrated in housing (39.3%), food (12.9%) and transport (12.1%).

Compared to the rest of the territory, the results show a smaller share of expenditure allocated to culture, recreation, sports and leisure and education services in predominantly rural areas. At the NUTS 2 level regions, the mean annual expenditure was highest in the Área Metropolitana de Lisboa (€ 26,891), but the Algarve also exceeded the national average. On the contrary, the minimum regional mean expenditure was observed in the Região Autónoma dos Açores (€ 19,431), which also has the regional expenditure profile that most differs from the national average.

The results suggest that, considering the household type, households with dependent children spend annually on average € 9,731 more than households without dependent children, which leads to a mean monthly expenditure € 811 higher. This difference extends to all COICOP divisions (expenditure classes according to the Classification of Individual Consumption by Purpose). Households in the top income quintile (20% of households with the highest incomes) spent more than twice as much as households in the bottom income quintile (20% of households with lower incomes).

The proportion of health expenditure above 10% of monetary income was mainly observed in households without dependent children (14.1%) (in households with dependent children, the proportion was 7.7%), in households with elderly people, especially elderly people living alone (20.4%), and in households with two or more adults in which at least one is elderly (16.9%).

This edition of the survey accommodates methodological improvements, compared to 2015/2016 edition, described in the methodological note included in this document. They include changes in: 1) COICOP (COICOP-2018 was implemented for the first time); 2) the annualisation factors (in that the questionnaire now collects data about how often expenditures are incurred by each household, allowing more accurate information to be obtained); 3) sample sizing (the survey sample included a new methodology for reinforcing dwelling units in order to mitigate, albeit partially, the problems resulting from the asymmetry in income distribution and the higher incidence of non-response among households with greater resources); 4) weighting (the calibration includes monetary variables in the adjustment model for the first time).

Even though these improvements indicate a break in the series, based on a simplified exercise to reconcile the time series, the data suggest that the relative importance of housing in the structure of household expenditure



INSTITUTO NACIONAL DE ESTATÍSTICA
STATISTICS PORTUGAL

press release

DIÍSTAQUE

has increased in recent decades and that, on the other hand, the amount spent on food, clothing and footwear lost weight in the households' mean expenditure.

Statistics Portugal releases today on its website (www.ine.pt) the publication Household Budget Survey 2022/2023, containing the statistical outcomes on the expenditure structure of households living in Portugal.

The statistical information is organized into three chapters:

- the characterization of households;
- the mean household expenditure; and
- the time evolution of the mean household expenditure.

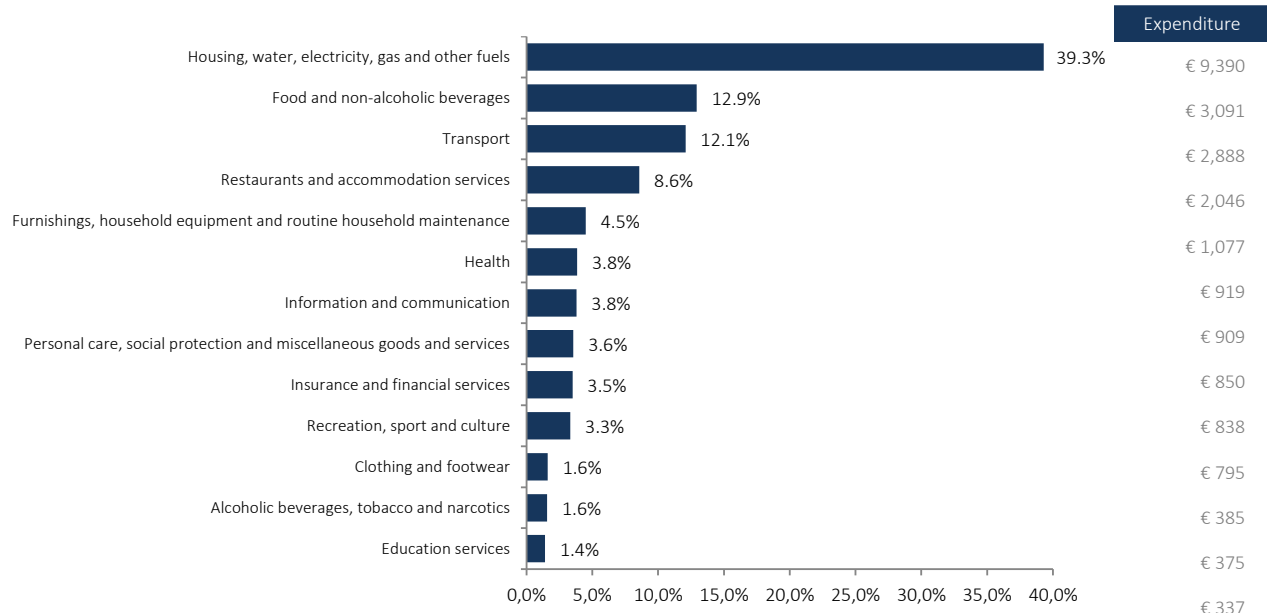
The publication also includes a chapter on sampling methodology and estimation of results.



Housing, food and transport accounted for almost 2/3 of the mean household expenditure

The final results of the Household Budget Survey 2022/2023 show that the mean annual total household expenditure was € 23,900 in 2022/2023. Almost 2/3 of the mean household expenditure was concentrated in housing (39.3%), food (12.9%) and transport (12.1%). The mean annual expenditure on housing amounted to € 9,390, while for food it was € 3,091 and for transport € 2,888. Still with some expression in the structure of household expenditure, there are expenses with restaurants and accommodation (8.6%).

Figure 1. Mean annual total expenditure structure by COICOP division, Portugal, 2022/2023



Source: INE, Household Budget Survey 2022/2023.

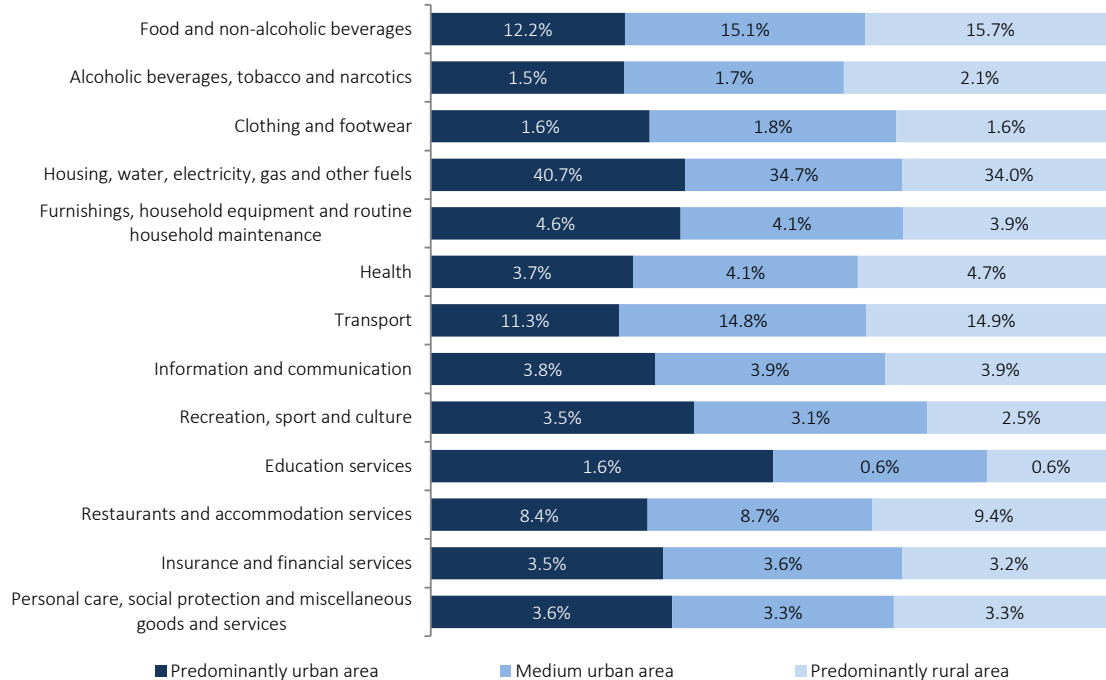
The share of expenditure allocated to education and leisure, recreation, sports and culture was lower in predominantly rural areas

The analysis of the structure of expenditure by degree of urbanization shows that the predominantly urban areas assumed consumption patterns similar to those of the country as a whole. The proportion of expenditure on housing (40.7%), food (12.2%) and transport (11.3%) together accounted for about 64% of the mean annual expenditure of households living in predominantly urban areas. In these areas, there was the highest proportion of expenditure on household accessories, household equipment and current maintenance of housing (4.6%), leisure, recreation, sports and culture (3.5%) and education services (1.6%) compared to the national average.

On the other hand, there was a slightly higher concentration of expenditure in the three main components (housing, food and transport) in households living in predominantly rural areas and in moderately urban areas – in both cases, closer to 65%.

In predominantly rural areas and among the other divisions of COICOP, the proportion of average household expenditure on restaurants and accommodation services (9.4%) and on health (4.7%) exceeded the national average (8.6% and 3.8%, respectively). On the contrary, compared to the rest of the territory, the results show a smaller share of expenditure allocated to culture, recreation, sports and leisure and education services in these regions (2.5% and 0.6%, respectively).

Figure 2. Mean annual total expenditure by region degree of urbanisation, 2022/2023



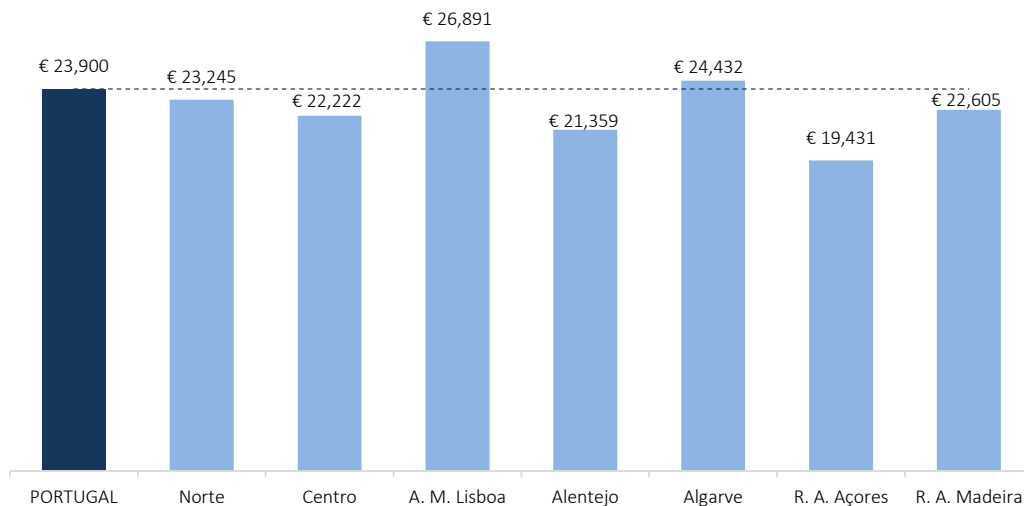
Source: INE, Household Budget Survey 2022/2023.

The mean annual expenditure surpassed the national average in the Norte region, in Área Metropolitana de Lisboa and in Região Autónoma da Madeira

The NUTS 2 breakdown shows that the mean annual expenditure was highest in Área Metropolitana de Lisboa (€ 26,891). The mean annual expenditure of households living in Algarve (€ 24,432) also exceeded the national average of € 23,900. The average expenditure observed in the Norte region was below the national average, but above 23 thousand euros (€ 23,245).

The lowest average value was € 19,431 and was recorded in Região Autónoma dos Açores, followed by Alentejo (€ 21,359), Centro (€ 22,222) and Região Autónoma da Madeira (€ 22,605).

Figure 3. Mean annual total expenditure by NUTS 2 region, 2022/2023



Source: INE, Household Budget Survey 2022/2023.

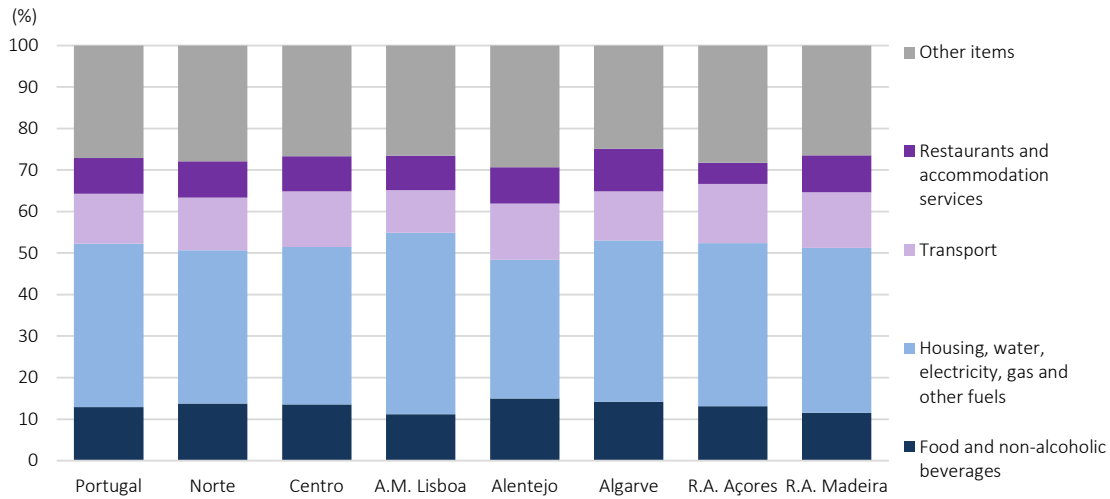
The consumption profile in the Região Autónoma dos Açores differed the most from the national average

Taking in consideration the 13 COICOP-2018 (Classification of Individual Consumption by Purpose) divisions, it can be seen that households living in the Região Autónoma dos Açores presented the consumption profile that is most distant from the national average, given the greater relative importance of expenditure on transport (14.3%, which compares to the national average of 12.1%), and, on the other hand, the lower importance of expenditure on restaurants and accommodation (5.1% in the Região Autónoma dos Açores and 8.6% for the country as a whole).

The Alentejo region and, to a lesser extent, also Área Metropolitana de Lisboa also distanced themselves from the national average, mainly due to the weight of housing expenses – lower than the national average, in the case of Alentejo (33.4% which compares to the 39.3% national average), and higher than the national average, in the case of the Área Metropolitana de Lisboa (43.8%).

In the Algarve region and the Região Autónoma da Madeira, different behaviours also stand out with regard to food expenditure, which assumed, in the total mean household expenditure, the highest (14.2%) and the lowest weight (11.6%), respectively, while the national average was 12.9%.

Figure 4. Mean annual total expenditure for the main divisions of COICOP and NUTS 2 region, 2022/2023

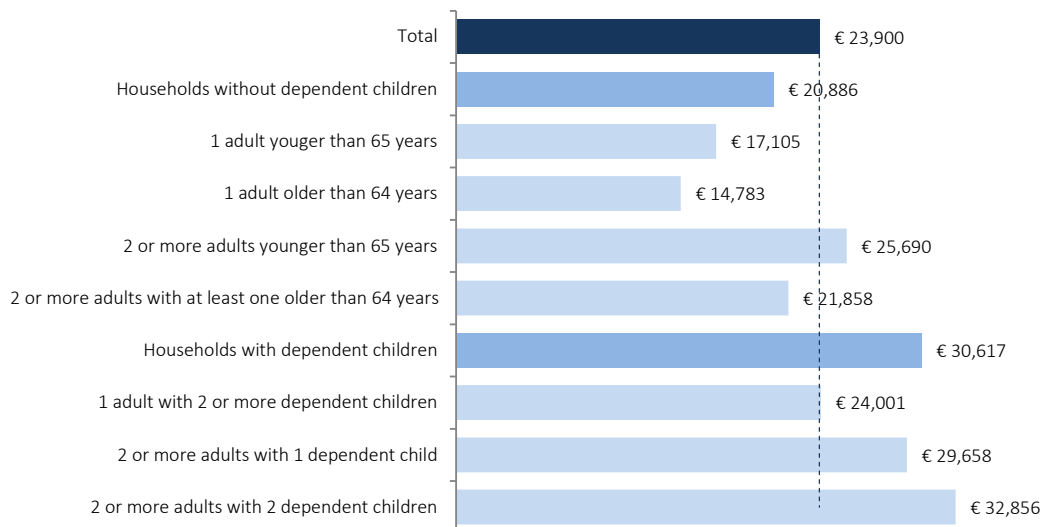


Source: INE, Household Budget Survey 2022/2023.

Households with dependent children spent, on average, of € 811 more per month

The results suggest that, considering the household type, households with dependent children spent, on average, € 9,731 more than households without dependent children, which corresponds to a mean monthly expenditure € 811 higher.

Figure 5. Mean annual total expenditure by household type, Portugal, 2022/2023



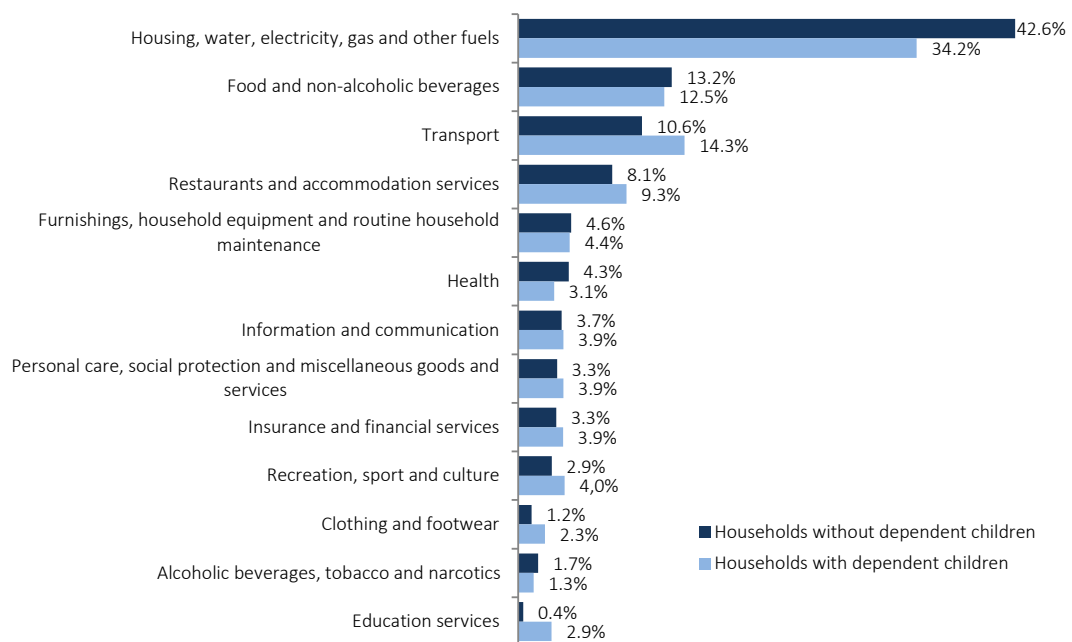
Source: INE, Household Budget Survey 2022/2023.

Among single-person households, the mean annual expenditure was higher in the presence of an adult under the age of 65 (€ 17,105) compared to households consisting of an elderly adult (€ 14,783).

The difference in mean monthly household expenditure of € 811 between households with and without dependent children was mainly due to the transport and housing expenditures, which exceeds € 100 per month in both cases. The presence of dependent children in households also led to higher expenditures on restaurants and accommodation services, on food, and education: 97, 90 and 66 euros more per month, on average, respectively.

In terms of the structure of the mean expenditure, when there are dependent children in the household, it is worth to mention the higher importance of transport expenditures (+3.6 percentage points, p.p.) and education (+2.4 p.p.) and, on the contrary, the lower relative importance of housing expenditure (-8.4 p.p.).

Figure 6. Mean annual total expenditure structure of by COICOP division and household composition, Portugal, 2022/2023

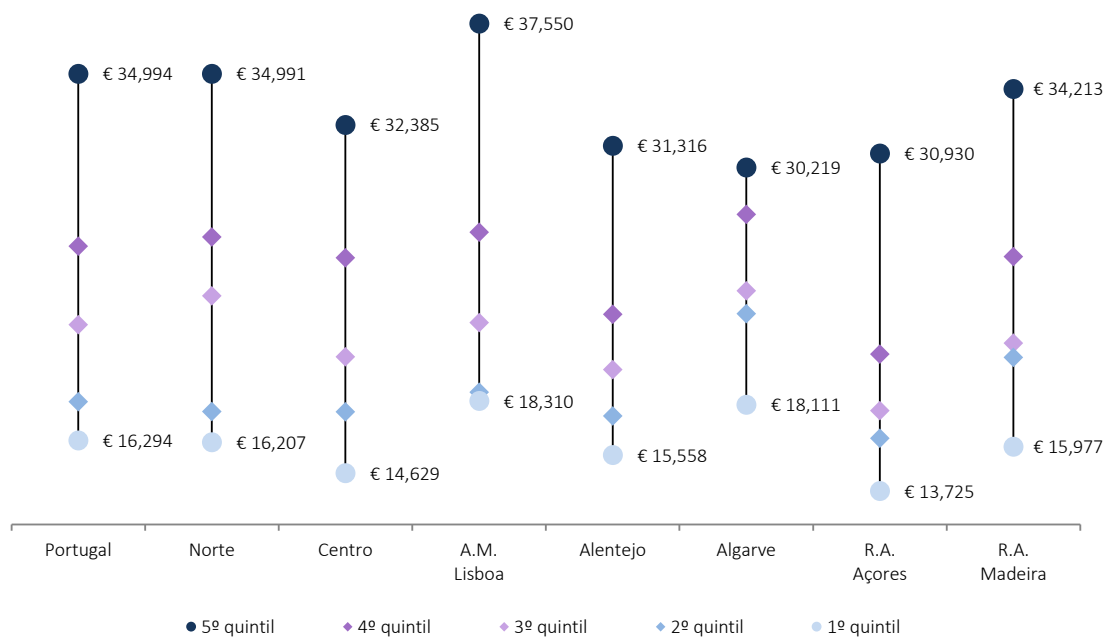


Source: INE, Household Budget Survey 2022/2023.

Households in the bottom income quintile spent more than twice as much as households in the top income quintile. Considering the average expenditure of households by total income classes per equivalent adult, it is observed that households in the bottom quintile (20% with lower incomes) had an expenditure value (€ 16,294) equivalent to 68% of the average total expenditure (€ 23,900). At the other extreme, households with equivalent income corresponding to the top quintile (20% with the highest incomes) recorded a total average expenditure higher than the national average by about 46% (€ 34,994). This means that households in the bottom income quintile spent more than twice as much as households in the top income quintile.

By region, the inequality of average annual expenditure between households belonging to the first and last quintile was more significant in the Região Autónoma dos Açores (on average, the 20% households with more resources spent the equivalent to 2.3 times the expenditure of households with fewer resources), with the Algarve having the lowest inequality (1.7) between the level of average expenditure of those with greater and lesser resources.

Figure 7. Mean annual total expenditure per household by quintiles of total equivalised income, NUTS II, 2022/2023



Source: INE, Household Budget Survey 2022/2023.

The financial effort associated with health expenditures was more significant in the elderly population

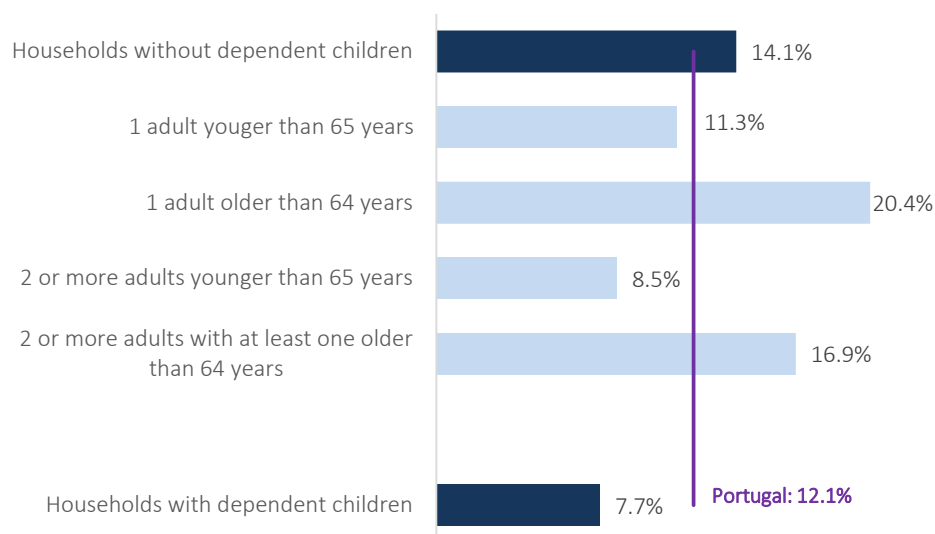
The results of the survey allow for multiple perspectives of analysis, including a view focused on health expenditure. Target 3.8 of the Sustainable Development Goals (SDGs) is aimed at achieving universal health coverage, access to quality essential health-care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all. In the context of this target, indicator 3.8.2 measures the proportion of households that may face financial difficulties due to health expenditure, typically measured on two criteria: proportion of households with health expenditure above 10% and above 25% of net monetary income.

According to the survey results, the proportion of households residing in Portugal with monetary expenditure on health above 10% and above 25% of net monetary income represented, respectively, 12.1% and 1.9% in 2022/2023.

In particular, the proportion of health expenditure above 10% of monetary income was more significant in households without dependent children (14.1%) than in households with dependent children (7.7%). Looking in more detail at households without dependent children, the indicator was higher in households with elderly people,

especially in elderly people living alone (20.4%), in households with two or more adults in which at least one is elderly (16.9%).

Figure 8. Proportion of households with health expenditure above 10% of monetary income by household composition, Portugal, 2022/2023



Source: INE, Household Budget Survey 2022/2023.

The importance of housing costs gradually increased over the past two decades

The technical options underlying the edition of the survey whose results are now being released make it impossible to achieve absolute and global coherence in the time series of household budget surveys, as explained in the methodological note included in this document. These options include changes in:

- 1) COICOP (COICOP-2018 has been implemented for the first time, which implies segmenting the data into 13 COICOP divisions rather than the previous 12 eCOICOP divisions);
- 2) the annualisation factors (insofar as the questionnaire now asks about the frequency with which expenditure is made by each household, allowing more accurate information to be obtained);
- 3) sample sizing (the survey sample included a new methodology for reinforcing dwelling units in order to mitigate, albeit partially, the problems resulting from the asymmetry in income distribution and the higher incidence of non-response among households with greater resources);
- 4) weighting (calibration included monetary variables in the adjustment model for the first time).

Even so, it was possible to carried out a simplified exercise to calculate the results now released based on the previous version of COICOP and using a correspondence between the two versions of the classification made available by Eurostat¹. The results of this simplified exercise are analysed below.

The most evident result is the increase in importance of housing expenditures in the structure of the mean expenditure of Portuguese households, which practically doubled between 2000 and 2022/2023. In the opposite direction, the time series matching exercise suggests that household expenditure on food and on clothing and footwear has lost relevance in the structure of household expenditure, which has been extended, albeit to a lesser extent, to expenditure on transport and on furnishings, household equipment and routine household maintenance.

Table 1. Mean annual total expenditure structure by eCOICOP division, Portugal

eCOICOP	2000	2005/2006	2010/2011	2015/2016	2022/2023
01 - Food and non-alcoholic beverages	18,7%	15,5%	13,3%	14,3%	12,9%
02 - Alcoholic beverages, tobacco and narcotics	2,8%	2,3%	1,9%	1,6%	1,6%
03 - Clothing and footwear	6,6%	4,1%	3,7%	3,5%	1,6%
04 - Housing, water, electricity, gas and other fuels	19,8%	26,6%	29,2%	31,9%	39,2%
05 - Furnishings, household equipment and routine household maintenance	7,2%	4,8%	4,2%	4,0%	4,6%
06 - Health	5,2%	6,1%	5,8%	5,5%	3,9%
07 - Transport	15,0%	12,9%	14,5%	14,1%	12,1%
08 - Communication	3,3%	3,0%	3,3%	3,2%	3,3%
09 - Recreation and culture	4,8%	5,7%	5,3%	4,2%	3,8%
10 - Education	1,3%	1,7%	2,2%	2,3%	1,4%
11 - Restaurants and hotels	9,5%	10,8%	10,4%	8,8%	8,6%
12 - Miscellaneous goods and services	6,1%	6,5%	6,3%	6,7%	7,0%

Source: INE, Household Budget Survey 2000, 2005/2006, 2010/2011, 2015/2016 and 2022/2023.

Considering that housing and food are, on average, the most relevant categories of household expenditure and given that the methodological changes associated with COICOP and the annualisation factors (described in the methodological note included in this document) are limited for both categories, it is possible to develop a more detailed analysis of the evolution of mean expenditure in these categories compared to the last edition of the survey.

As previously mentioned, housing, water, electricity, gas and other fuels accounted for 39.3% (€9,390) of the mean household expenditure in 2022/2023, which compares to 31.9% (€ 6,501) in 2015/2016 and an increase of almost € 3,000 per household, corresponding to a nominal growth of 44.4%. This growth was higher than if the

¹ The correspondence between eCOICOP and COICOP-2018 can be found at [Correspondence table between COICOP 2018 – COICOP 1999 \(un.org\)](https://inec.pt/pt/estatisticas/estatisticas-de-referencia/estatisticas-de-referencia-2018/estatisticas-de-referencia-2018-2019).

household mean expenditure on housing had increased at the rate of the consumer price index². Subjective rents grew as the expenditure group with the largest contribution to the division's total: from 20.1% to 27.4%. It should be noted that this is an estimate calculated by the resident household itself for the hypothetical value of renting their accommodation at market prices. Electricity, gas and other fuels remain the second largest expenditure group, but with a decrease in both the absolute and relative importance compared to 2015/2016: around € 110 less, on average, and a smaller contribution of 1.4 pp to total housing expenditure. Actual rents increased from an average value of € 520 in 2015/2016 to € 818 in 2022/2023, increasing the contribution to mean housing expenditure by 0.9 pp. The contributions of the remaining two groups – water supply and miscellaneous services related to the dwelling and maintenance, repair and security of the dwelling – to the mean housing expenditure remained relatively stable.

Table 2. Mean annual total expenditure in housing, water, electricity, gas and other fuels, Portugal

	2015/2016		2022/2023		Absolute change €
	€	%	€	%	
Total	20 363	100,0	23 900	100,0	3 537
Housing, water, electricity, gas and other fuels	6 501	31,9	9 390	39,3	2 889
Actual rentals for housing	520	2,6	818	3,4	298
Subjective rentals for housing	4 083	20,1	6 539	27,4	2 456
Maintenance, repair and security of the dwelling	216	1,1	317	1,3	101
Water supply and miscellaneous services relating to the dwelling	404	2,0	548	2,3	144
Electricity, gas and other fuels	1 278	6,3	1 168	4,9	-110

Source: INE, Household Budget Survey 2015/2016 and 2022/2023.

In turn, the mean household expenditure on food and non-alcoholic beverages lost relative importance in the household expenditure structure (from 14.3% to 12.9%), although in absolute value the mean annual expenditure increased by € 177.

Adding expenditure on food and beverage serving services (in restaurants, cafes and similar, canteens, cafeterias and refectories) to expenditure on food and non-alcoholic beverages, we obtain a contribution to the mean household expenditure of 22.4% (€ 4,557) in 2015/2016 and 20.7% (€ 4,956) in 2022/2023, reflecting an average increase of € 400.

² Consumer price index increased between December 2015 and December 2022 by 16.2%.

Table 3. Mean annual total expenditure in food, Portugal

	2015/2016		2022/2023		Absolute change
	€	%	€	%	€
Total	20 363	100,0	23 900	100,0	3 537
Food and non-alcoholic beverages, of which:	2 914	14,3	3 091	12,9	177
Food	2 722	13,4	2 872	12,0	150
Cereals and cereal products	442	2,2	420	1,8	-22
Live animals, meat and other parts of slaughtered land animals	633	3,1	670	2,8	37
Fish and other seafood	425	2,1	403	1,7	-22
Milk, other dairy products and eggs	367	1,8	369	1,5	2
Oils and fats	119	0,6	119	0,5	0
Fruits and nuts	280	1,4	299	1,3	19
Vegetables, tubers, plantains, cooking bananas and pulses	275	1,4	324	1,4	49
Sugar, confectionery and desserts	94	0,5	119	0,5	25
Ready-made food and other food products n.e.c.	85	0,4	149	0,6	64
Non-alcoholic beverages	192	0,9	219	0,9	27
Restaurants and accomodation services, of which:	1 786	8,8	2 046	8,6	260
Food and beverage serving services	1 643	8,1	1 865	7,8	222
Restaurants, cafés and the like	1 524	7,5	1 699	7,1	175
Canteens, cafeterias and refectories	120	0,6	166	0,7	46

Source: INE, Household Budget Survey 2015/2016 and 2022/2023.

METHODOLOGICAL NOTE

The information presented is the result of a new data collection on household budgets carried out by Statistics Portugal in 2022 and 2023 (IDF – Household Budget Survey 2022/2023). This is a survey initiated at national level in the 1960s and includes the Household Income and Expenditure Surveys (IRDF) carried out in 1967/1968 and 1980/1981, the Household Expenditure Survey carried out in 1973/1974, the Household Budget Surveys (IOF) of 1989/1990, 1994/1995 and 2000, and the Household Expenditure Surveys (IDEF) of 2005/2006, 2010/2011 and 2015/2016.

This survey (IDF 2022/2023) is part of the European project *Household Budget Survey* (HBS) and, although not yet regulated, is in line with the recommendations agreed between Eurostat and the Member States in October 2019 for the HBS 2020 exercise in terms of observation variables, main concepts and associated classifications, in particular with regard to the adoption of the harmonised version of the International Classification of Individual Consumption by Objectives (COICOP-2018). The sample is representative at the regional level (level 2 of NUTS-2013), based on information from IDEF 2015/2016 regarding COICOP expenditure and income by division, enabling the characterisation of household expenditure with some territorial detail.

The national sample consisted of 19,964 dwellings, evenly distributed over the 26 fortnights that constituted the survey period. The response rate, which corresponds to the quotient between the number of successful and valid interviews (11,701) and the sample size (19,964), was 59%. Considering in the denominator only the dwellings eligible i.e. those occupied as the main residence (17,176), a response rate of 68% is obtained.

The survey allows to ascertain the volume and structure of household expenditure, contributing to the determination of the consumption structure for the calculation of the weights of the Consumer Price Index (CPI), providing information on final consumption of households to the Portuguese National Accounts and providing information on quantities consumed of food for the construction of the Food Balance Sheet. It also makes it possible to assess the sources and value of individuals' income, enabling an integrated assessment of household expenses and income.

This edition of the survey accommodates methodological improvements that lead to a break in the time series.

- **COICOP.** The IDF 2022/2023 implements the COICOP-2018 version, changing the classification of individual household consumption from 12 to 13 divisions (level 1 of the classification), among other more detailed reorganisations.
- **Annualization factors.** In previous editions, data on expenditure on goods or services that were collected over a fortnight, as well retrospectively for the last month prior to the interview, the last three months prior to the interview and the last 12 months prior to the interview, were annualised by applying a multiplicative factor that took into account the number of periods in the year: 26 in the case of collection over a fortnight, 12 in the case of collection for the previous month, 4 in the case of consumption over the previous 3 months and 1 for collection over the previous 12 months. In the current edition, the questionnaire asked about the frequency with which expenditure is made by each household, allowing the use of annualisation factors that are closer to each household's consumption pattern.
- **Sample size.** In the IDF 2022/2023 it was considered that wealth and income are very asymmetrically distributed, with higher values held by a smaller proportion of households, and that in a sample selected proportionally to the population size, the consumption of households with higher incomes could be undervalued because they may not be included in significant numbers. In order to minimise this effect, as well as the existence of tendentially significant



non-response rates especially in those households, the IDF 2022/2023 sample included, for the first time, a reinforcement of households with characteristics associated with high wealth/income: useful area of housing and administrative information of income at the parish level.

- **Weights.** The estimated results were obtained from the final weights that include, in addition to the initial weights and a correction factor of total non-responses, the calibration based on the following margins obtained at the household level – region, household size, type of geographical agglomeration, level of education of the reference individual³ and, for the first time, the value of imputed and actual rents and the value of the monetary income – and the distribution of individuals by age group and level of education. The fact that household and individual variables were used for calibration allows the weighting obtained to be applied to both statistical units. The calibration process was based on the results of the 2021 Census for some variables at the household level (region, household size, type of geographical agglomeration, level of education of the reference individual), the rent data, calculated by the National Accounts from the results of the 2021 Census, with the actual rents being those observed in the Census and those imputed (for the owning households) estimated through a hedonic price regression model, and the Estimates of the resident population at 31 December 2021 for the variables at the level of individuals.

The results presented are based on total expenditure (encompassing both monetary and non-monetary expenditure) and correspond to the mean annual expenditure, i.e. the annual average per household. **Total expenditure** is composed of the sum of monetary and non-monetary expenditure, and the monetary component refers to all purchases of goods and services, at home or abroad, whether for immediate consumption by the household, gift or storage, covering a retroactive reference period to the previous 12 months. Purchases are valued at their total value regardless of the mode or moment of payment. **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) and owner-occupied housing (self-assessment, by households who own or use free accommodation with a hypothetical value of house rent), income in kind, namely wages).

In the context of this survey, individuals under the age of 18 as well as individuals aged between 18 and 24 years who are economically inactive, are considered to be 'dependent children'.

The results related to the components not made available in this press release are now released on the Statistics Portugal website in a specific publication.

³ The reference individual of the household is the one who corresponds to the highest proportion of the total annual net income of the household.