

## HOUSEHOLD CONSUMPTION EXPENDITURE | YEAR 2019

In 2019 household monthly consumption expenditure was 2,560 euros, unchanged to the previous year

→ The estimate of mean monthly consumption expenditure for households residing in Italy was **2,560 euros** at current values. Half of households spent more than 2,159 euros per month.

Though slightly decreasing, wide **territorial gaps** remained. The largest observed divide was between the North west and the South and the Islands (about 740 euros).

According to provisional estimates, excluding expenditure on food and housing, in the first quarter of 2020 mean monthly consumption expenditure decreased by more than 12% compared to the same quarter of the previous year, as a result of the health crisis.

# 18.1%

**The share of food and non-alcoholic beverages on total consumption expenditure**

In absolute values, it was about 464 euros.

# 3.7 million

**Households paying a home mortgage loan**

# 5.0

**The ratio of total consumption expenditure between the richest and poorest households**

Slight decrease of inequality, registered in 2018, was confirmed.

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## Household consumption expenditure unchanged, 2020 starting with sharp decline

In 2019, the estimate of mean monthly consumption expenditure for households residing in Italy was 2,560 euros in current values, substantially unchanged to 2018 (-0.4%) and still far from 2011 levels (2,640 euros per month), followed by two years of strong shrinkage not recovered during the following years.

Considering inflation dynamics (+0.6% the change in the consumer price index for the whole nation, NIC), consumption expenditure reduced by 1.0% in real terms, decreasing for the second consecutive year after a slightly positive dynamic between 2014 and 2017.

Since consumption expenditure distribution is asymmetric and mainly concentrated in medium-low expenditure levels, the greatest part of households spent less than the average. The median value is the level of consumption expenditure that equally divides households into two parts, and 50% of households residing in Italy spent in 2019 no more than 2,159 euros, unchanged to the previous year (2,153 euros).

Household consumption expenditure structure remained substantially unchanged to 2018: the share of expenditure on housing was still the most important (35.0% out of total expenditure), followed by expenditures on Food and non-alcoholic beverages (18.1%) and on Transport (11.3%).

Household expenditure on Food and non-alcoholic beverages was 464 euros per month, without significant differences compared to 2018 (462 euros). In particular, expenditure increased on vegetables (63 euros per month, +2.0% compared to the previous year), which represented 2.5% of total expenditure, right after meat (3.8% out of total expenditure) and bread and cereals (3.0%).

Only the expenditure on fruit (that represent 1.6% of total expenditure) significantly decreased in 2019 (42 euros per month, -2.5% to 2018).

Provisional estimates on the first quarter of 2020 show that measures taken to contain the spread of Covid-19 have produced a decrease of mean monthly consumption expenditure of about 4% compared to the same period of the previous year. In particular, the marked reduction in the retail supply and demand has produced, compared to the first quarter of 2019, a decline of more than 12% in expenditures other than the ones on food and housing.

Household monthly expenditure on non-food was 2,096 euros, remaining stable to 2018 (2,110 euros). As for Housing, water, electricity, gas and other fuels, minor and major maintenance and repair, the expenditure remained unchanged to the previous year and was equal to 896 euros, of which 578 euros for imputed rentals.

## HOUSEHOLD CONSUMPTION EXPENDITURE (€): KEY FIGURES

Years 2018-2019

EXPENDITURE	Geographical area										Italy	
	North west		North east		Centre		South		Islands		2018	2019
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019		
Median monthly expenditure	2,446.69	2,381.11	2,390.58	2,437.31	2,266.57	2,328.60	1,783.65	1,757.36	1,711.48	1,814.16	2,152.95	2,158.82
Mean monthly expenditure	2,865.61	2,810.27	2,782.72	2,789.97	2,723.01	2,754.12	2,087.01	2,067.50	2,068.49	2,070.78	2,571.24	2,559.85
Mean monthly expenditure on food and non-alcoholic	469.09	464.87	444.70	443.70	461.93	475.64	477.83	482.30	440.73	442.60	461.70	464.27
Mean monthly expenditure on non-food	2,396.52	2,345.40	2,338.02	2,346.27	2,261.08	2,278.49	1,609.18	1,585.20	1,627.77	1,628.17	2,109.54	2,095.58

As for non-food expenditures, the most significant shares after housing were on Transport (11.3%, 288 euros) and Miscellaneous goods and services (personal care, personal effects, social protection, insurance and financial services; 7.4% out of total expenditure): the last share, compared to 2018, increased by the 3.2%, reaching 190 euros per month.

Following, there were: Restaurants and hotels and Recreation and culture (both expenditure categories equal to around 5.0% of the total, slightly below 130 euros per month); Health (4.6%, 118 euros per month); Clothing and footwear (4.5% out of total expenditure, 115 euros), decreased by the 3.6% to the previous year, especially in the North west (-10.9%, from 129 to 115 euros per month); Furnishings, household equipment and routine household maintenance (4.3%, 110 euros).

To conclude, expenditure on Communication (2.3% out of total expenditure, 59 euros per month), that continued the negative growth that started in 2018 (-2.5% to 2017): in 2019, compared to the previous year, it recorded a decrease of 4.4%, that became -6.2% in the North east (where it declined from 64 to 60 euros per month).

### Slight decrease in territorial gaps though wide differences remained

The well-known territorial gaps were observed in 2019 as well. Their reasons are to be found in several economic and social factors (incomes, consumer prices, expenditure habits and behaviours).

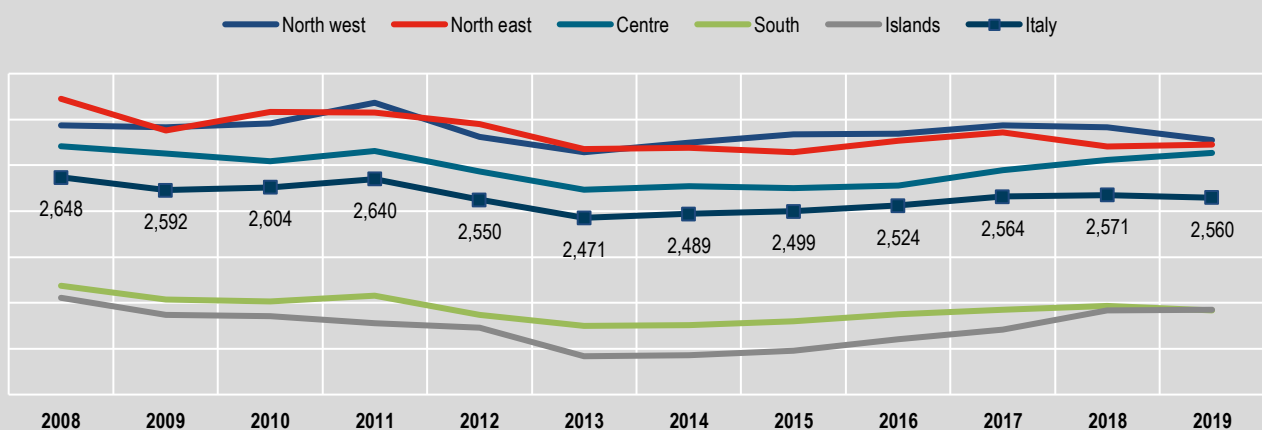
As in the past, the highest expenditure levels were observed in the North west area (2,810 euros), in the North east (2,790) and in the Centre (2,754 euros); the lowest levels, in the Islands (2,071) and in the South (2,068 euros). In the North west, in absolute terms, household expenditure was on average about 740 euros higher than in the South and the Islands, that means almost 36% in relative terms.

Expenditures to meet primary needs, such as food, weighted most on household expenditure in the South and in the Islands, where financial resources are generally lower. The share of expenditure on food, compared to the national average (18.1%), was 23.3% in the South and 21.4% in the Islands, while in the North east it stayed at 15.9%.

The Regions (NUTS2) with the highest household consumption expenditure levels were Trentino-Alto Adige (2,992 euros), Lombardia (2,965 euro) and Toscana (2,922); in particular, Trentino-Alto Adige, compared to the rest of the country, recorded the highest shares of expenditure on Restaurants and hotels (6.8% vs. 5.1% national average). Puglia and Calabria were the regions with the lowest household consumption expenditure level, 1,996 euros for the first and 1,999 the latter (about 1,000 euros less than Trentino-Alto Adige).

**FIGURE 1. MEAN MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY GEOGRAPHICAL AREA.**

Years 2008-2019, values in euros



Household consumption expenditure levels and structure vary according to the municipality demographic size. Again in 2019, households residing in the municipalities of the metropolitan-area centre spent more, namely 2,909 euros per month, +328 euros compared to households residing in the municipalities of the metropolitan-area suburbs, as well as in municipalities above 50 thousand inhabitants, and +466 euros compared to households residing in the municipalities up to 50 thousand inhabitants not located in the suburbs of the metropolitan areas.

In the municipalities of the metropolitan-area centre the lowest share of expenditure on Food and non-alcoholic beverages was observed (15.2%, vs. 19.2% in municipalities up to 50 thousand inhabitants not located in the suburbs of the metropolitan areas); the same happened for the shares of expenditure on Clothing and footwear (3.7% and 4.8% respectively) and Transport (9.3% vs. 12.1%).

On the contrary, in the municipalities of the metropolitan-area centre the highest shares of expenditure were recorded on Housing, water, electricity, gas and other fuels (40.5%, significantly above the national average, compared to 32.9% of the municipalities up to 50 thousand inhabitants not located in the suburbs of the metropolitan areas) and on Restaurants and hotels (5.4% and 4.9% respectively).

The shares of expenditures on the remaining expenditure categories of goods and services did not record relevant differences when changing the demographic size of the municipality of residence.

### Increase in household consumption expenditure for biggest households

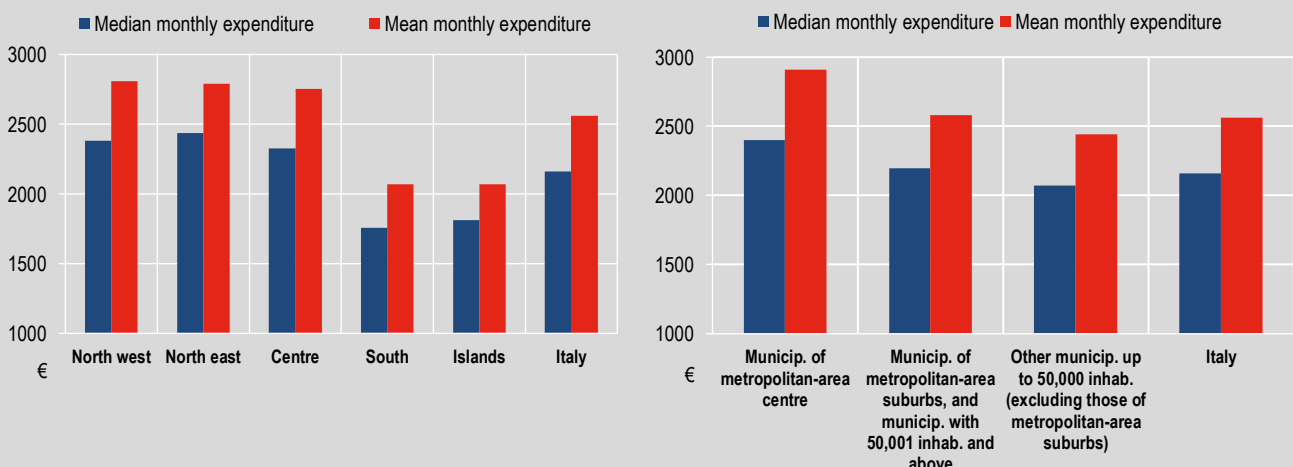
The mean monthly consumption expenditure increases with the increase in household size even if, due to the presence of economies of scale, the expenditure increase is less than proportional to the increase in the number of members. In 2019, the mean monthly expenditure for one-person household was 1,815 euros that means about 69% to that of two-person households and about 61% to that of three-person households.

As household size increases, the weight of the expenditure voices less affected by the economies of scale (e.g. Food and non-alcoholic beverages) increases as well, and that of expenditure items where major economies of scale can be obtained decreases. For example, the share of expenditure on Housing, water, electricity, gas and other fuels passed from 42.9% in single-member households to 28.0% in households with five or more members.

Compared to 2018, only households with five or more members significantly increased their consumption expenditure (+5.9%).

As regards the different household typologies, the lowest expenditure levels were recorded for single-member aged 65 and over households (1,661 euros per month). Compared to 2018, single-member households with the reference person aged 35-64 significantly increased their total expenditure (+5.4%).

**FIGURE 2. MEDIAN AND MEAN MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY GEOGRAPHICAL AREA AND MUNICIPALITY DEMOGRAPHIC SIZE.** Year 2019, values in euros



Expenditure on Food and non-alcoholic beverages mainly affected households composed by a couple with three or more children (19.6% of total expenditure); the same expenditure item absorbed just 12.7% among couples without children with the reference person aged 18-34, for whom, the remaining 87.3% was devoted to non-food.

Compared to other household typologies, young couples without children spent the highest share on Transport (15.3%, namely 447 euros per month), followed by couples with three or more children (13.8%, 481 euros per month), due to a higher work, study and household mobility. Housing, water, electricity, gas and other fuels expenditure, on the other hand, weighted more for single old people (47.5% of monthly expenditure) rather than for young couples without children and couples with three or more children (28.0% for both household typologies).

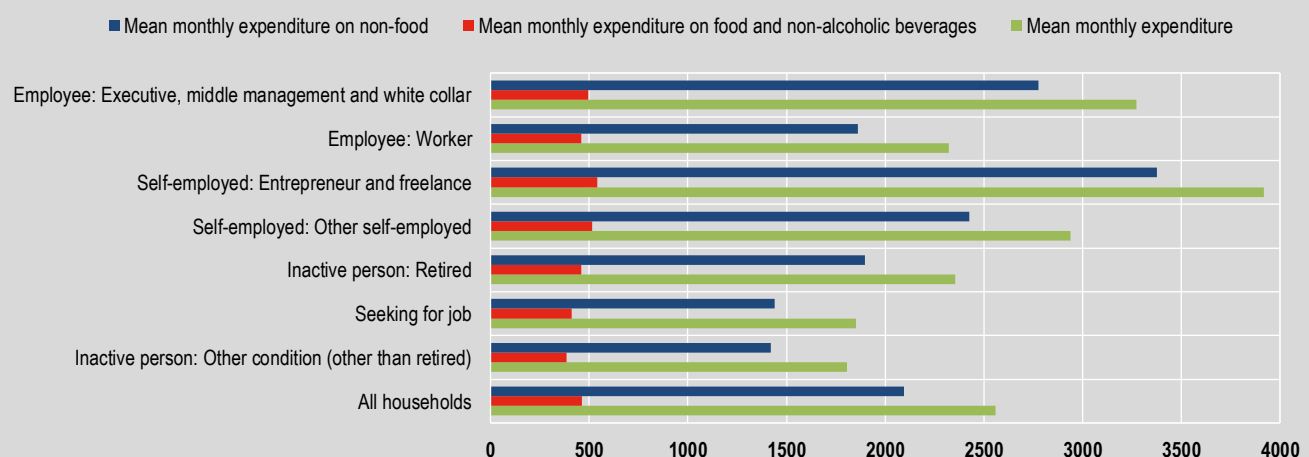
As for the education level of the reference person, measured by the education degree, it rises the financial resources and, as a consequence, the level of expenditure. Consumption expenditure passed from 1,678 euros per month for households in which the reference person obtained up to the primary school certificate, to 3,587 euros in households where the reference person had a university degree. The latter recorded higher shares of expenditure on Restaurants and hotels (6.9%) and on Recreation and culture (6.2%). Households with a reference person with the primary school certificate, are generally less well-off and older on average, with a consumption expenditure structure mainly focused on primary needs (23.0% on Food and non-alcoholic beverages; 41.0% on Housing, water, electricity, gas and other fuels) and on Health (6.3% to a national average of 4.6%).

### Differences in household consumption expenditure influenced by professional condition

The monthly consumption expenditure is also closely related to the professional condition of the household reference person, which strongly marks the economic conditions and lifestyles. Households whose reference person is an entrepreneur or freelancer had the highest expenditure (3,918 euros per month), followed by those whose reference person is an executive, middle management and white collar employee (3,273 euros).<sup>1</sup> These households, compared to all the others, allocated higher shares on Restaurants and hotels (7.0% and 7.4% respectively), Recreation and culture (6.0% and 6.4%), Clothing and footwear (5.3% both) and Education (1.4% and 1.0%).

The lowest expenditure levels were observed in households characterized by more precarious economic conditions, i.e. those with a reference person inactive but not retired from work (1,805 euros) or seeking for job (1,853 euros per month). In both cases, more than one fifth of the expenditure was on Food and non-alcoholic beverages.

**FIGURE 3. MEAN MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE ON FOOD AND NON-ALCOHOLIC BEVERAGES AND ON NON-FOOD BY REFERENCE PERSON'S PROFESSIONAL CONDITION.** Year 2019, values in euros



## A lower expenditure for households composed by all non-national members (almost one-thousand euros less)

Expenditure volume and spending habits vary according to the citizenship of the household members. In 2019, the gap between the expenditure of households with all national members (2,615 euros) and that of households with at least one non-national member (1,995 euros) was 620 euros (23.7% less), a gap that increased to 952 euros (-36.4%) when considering households with all non-national members.

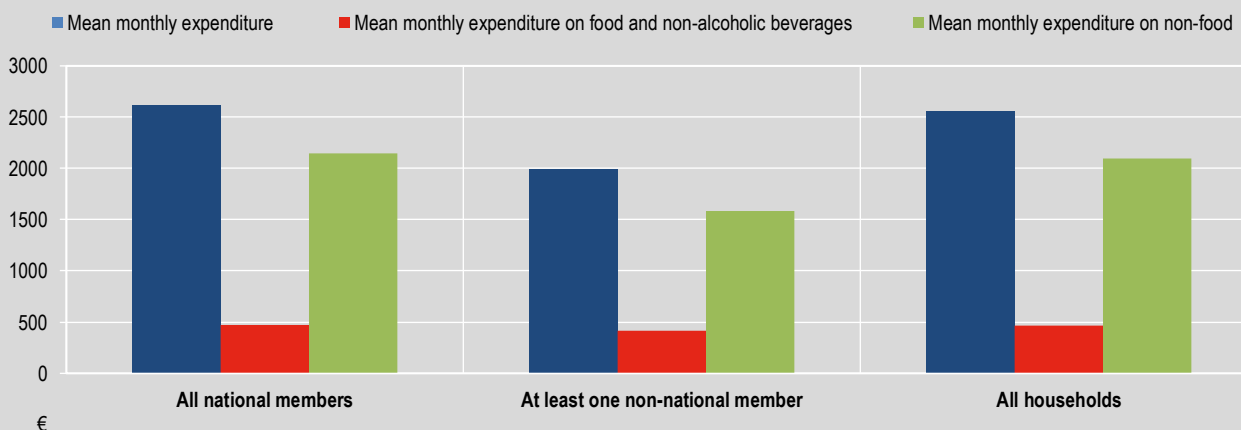
Expenditure on Food and non-alcoholic beverages absorbed 20.7% of the total expenditure in the households with at least one non-national member (414 euros per month), 17.9%, among those of all national members (469 euros) and 21.8% (363 euros) when all the household members were non-national.

On Housing, water, electricity, gas and other fuels, the expenditure share of households with at least one non-national member was in line with those of households with all national members (34.2% and 35.1% respectively). In the case of households with all non-national members, the relative weight of housing rose to 37.0% (615 euros per month).

Similarly to what happened in previous years, the expenditure share allocated on Communication was higher among households with at least one non-national member (2.9%, equal to 58 euros), in particular among those with all non-national members (3.2%, 53 euros) compared to the households with all national members (2.3%, 59 euros per month); this was mainly due to the contacts with family and friends in the countries of origin.

The share allocated by households with at least one non-national member on Recreation and culture was lower to the households with all national members (3.6% against 5.1%; 73 and 132 euros per month respectively); the same applied to Health (3.5% against 4.7%, 70 and 123 euros) and to Restaurants and hotels (4.7% against 5.1%; 94 and 133 euros). Observing households with all non-national members, the expenditure shares dropped to a greater extent: 4.0% of the total expenditure (67 euros per month) was destined to Restaurants and hotels, 3.1% to Health (51 euros) and just 3.0% to Recreation and culture (49 euros).

**FIGURE 4. MEAN MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY HOUSEHOLD MEMBERS' CITIZENSHIP: TOTAL, ON FOOD AND NON-ALCOHOLIC BEVERAGES AND ON NON-FOOD.** Year 2019, values in euros





## Slight decrease of inequality in household consumption expenditure

A comparison of household consumption expenditure in terms of distribution can be made using the equivalent household consumption expenditure, which takes into account that households of different size have different expenditure levels and needs. Household consumption expenditure is made equivalent by coefficients (equivalence scale, see Glossary) which make it comparable to that of a two-member household, enabling comparisons among the expenditure levels of different-size households. If households are ordered on the base of the equivalent consumption expenditure, they can then be organized by specific cut-point values. Households can be divided into five groups of equal numbers (equivalent-expenditure quintile groups or fifths), the first fifth covers 20% of the households with the lowest equivalent consumption expenditure (less wealthy households), the last fifth covers the 20% of households with the highest equivalent consumption expenditure (wealthiest households).

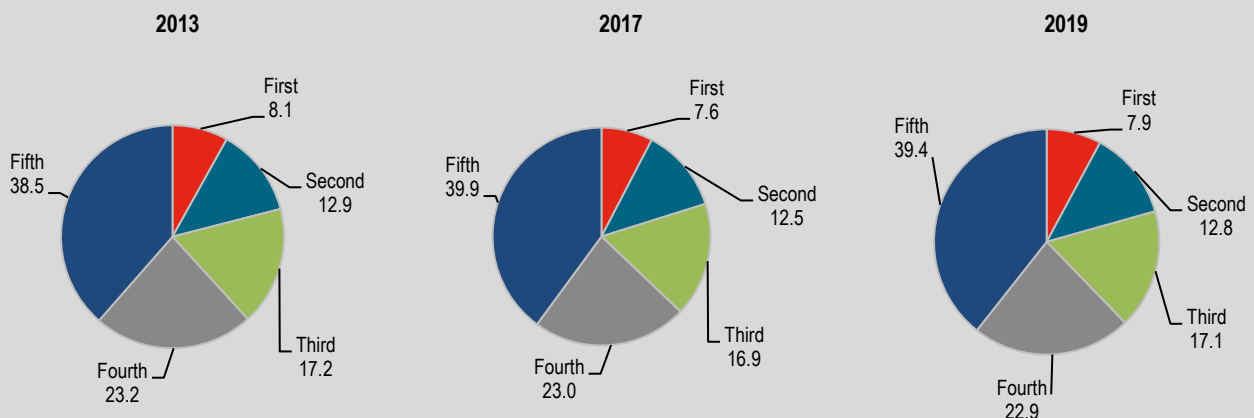
In a hypothetical situation of perfect equality, a share of 20% of the total expenditure sustained by all the households residing in the country would be placed in each fifth. Also in 2019, the first three fifths spent less than 20%, while the highest two fifths spent more than 20%. In particular, households with the lowest expenditure level (first fifth) spent only 7.9% of the total expenditure (7.8% in 2018) while those in the last fifth accounted for 39.4% (the same as in 2018). In other words, the first fifth of households spent less than 40% while the last fifth almost a double amount of what they were supposed to spend in order to have an equal distribution.

The ratio between the total equivalent consumption expenditure of the households in the first fifth and that of the households in the last fifth is an index of inequality similar to the interquintile ratio, one of the most widely used indicator for measuring inequality in the income distribution. Households with the highest expenditure had an overall equivalent-expenditure level equal to 5.0 times that of households in the first fifth (5.1 in 2018, 5.2 in 2017, 5.0 in 2016, 4.9 both in 2015 and in 2014, 4.8 in 2013). In 2019, therefore, the slight decrease of inequality in the consumption expenditure distribution, already registered in 2018 for the first time since 2013, was confirmed.

Households were distributed in the fifths of equivalent consumption expenditure, which are defined at the national level, in a very varied way over the territory, namely 26.2% of households in the North west (27.4% in 2018), 23.0% in the North east (23.5% in 2018) and 24.5% of the households in the Centre (23.2% in 2018) belonged to the fifth with the highest expenditure, against 9.3% of the households in the South (8.7% in 2018) and 10.8% in the Islands (10.1% in 2018). Therefore, even if households in the Centre-North remained characterized by a greater presence in the highest fifths of expenditure, the distance from households in the South seemed to be reduced. However, more than a third of southern households (35.2% in the South and 34.1% in the Islands) still ranked in the first fifth, to 14.4% in the Centre, 12.3% in the North west and 12.9% in the North east.

In the municipalities of the metropolitan-area centre, the distribution of equivalent consumption expenditure shifted to the highest fifths (32.8% of households in the last fifth, 14.7% in the first fifth), while a more equal distribution was observed in the other municipality typologies.

**FIGURE 5. DISTRIBUTION OF EQUIVALENT HOUSEHOLD CONSUMPTION EXPENDITURE AMONG HOUSEHOLDS ORDERED BY EQUIVALENT-EXPENDITURE QUINTILE GROUP.** Years 2013, 2017 and 2019, percentage composition



## Consumption expenditure in real terms down for the whole country, and increasing for less wealthy households

In the last two years, the upward trend in overall inequality, recorded since 2013, was reversed. At the same time, the moderate positive dynamics of consumption expenditure in real terms (at constant prices with base 2013), was also reversed.

By deflating expenditures to take into account the inflation dynamics differentiated according to household expenditure classes (calculated using the Harmonized Index of Consumer Prices - HICP), mean consumption expenditure at the national level decreased by 1.6% compared to 2017.

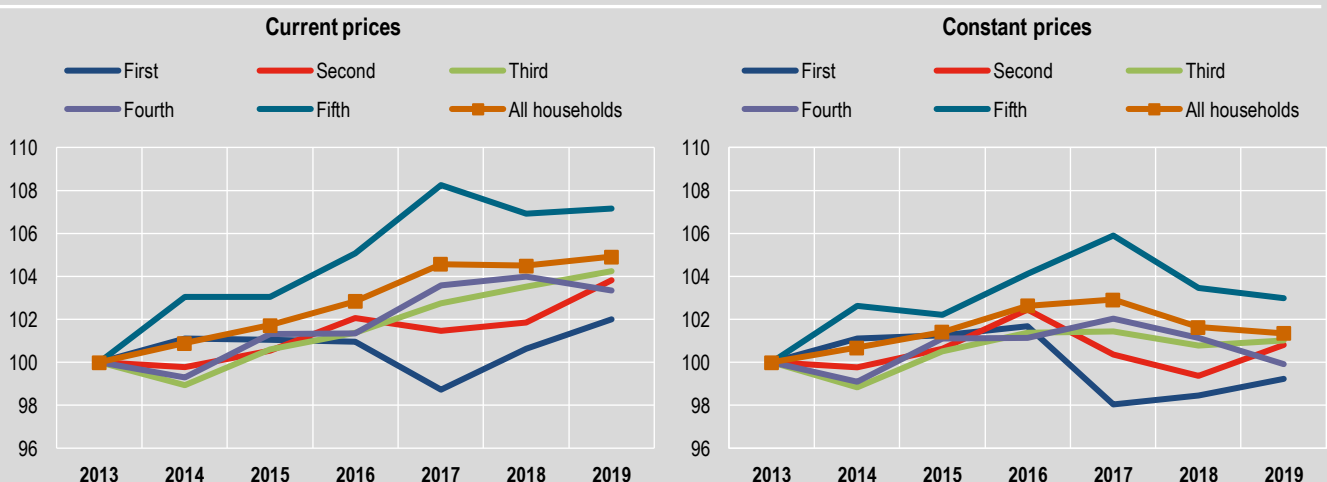
Only households belonging to the first fifth showed a significantly increased equivalent consumption expenditure (+1.2%), despite the fact that their specific inflation rate was the highest (+2.1% against a national average of +1.9%). On the other hand, compared to 2017, consumption expenditure in real terms was substantially stable for households belonging to second and third fifth while decreased for the wealthiest ones (-2.1% the fourth fifth, -2.9% the highest fifth).

Extending the analysis to 2013, year of the negative peak for household consumption expenditure (after which there was a period of moderate positive growth in real consumption expenditure until 2017), the situation changes. Keeping into account the differentiated inflation dynamics according to household expenditure classes, despite the increase in prices in 2019, compared to 2013, was more marked for the higher expenditure classes (for the last fifth, +4.0%) than for the lower (+2.8% for the first fifth), households belonging to the highest fifth increased their real equivalent expenditure by 3.0%, and were the only ones recording an increase above the national average (+1.4%). Increase for the second and third fifth was about 1%, while households belonging to the first fifth experienced a decrease in real equivalent expenditure of about 0.8%.

Thus, the slight decrease of inequality observed in 2018 and in 2019 did not completely compensate its general increase from 2013 to 2017, which recorded a peak between 2016 and 2017.

Taking into account the whole period starting from 2013, the moderate positive dynamics of equivalent consumption expenditure in real terms was, therefore, largely determined by households with the highest expenditure (last fifth) while households with low expenditure (first fifth), exception made for the last two years, worsened their situation. Households with medium-low (second fifth) and medium (third fifth) expenditure slightly improved their situation (+0.8% and +1.0% of equivalent consumption expenditure), while it remained rather unchanged for households with medium-high (fourth fifth) expenditure (-0.1%).

**FIGURE 6. DISTRIBUTION OF EQUIVALENT HOUSEHOLD CONSUMPTION EXPENDITURE AMONG HOUSEHOLDS ORDERED BY EQUIVALENT-EXPENDITURE QUINTILE GROUP, AT CURRENT AND CONSTANT PRICES.** Years 2013-2019 (indices, base 2013=100)



(a) Equivalent-expenditure quintile groups are defined at the national level.



# Glossary

**Household consumption expenditure:** all expenditures incurred by resident households to purchase goods and services exclusively devoted to meet their needs (including presents purchased). It also includes the monetary value of the imputed rentals and that of self-consumption, i.e. goods produced and consumed by households, as well as goods and services received by the employer as a salary.

**Mean monthly expenditure:** is calculated dividing the total consumption expenditure by the number of households residing in Italy.

**Median monthly expenditure:** is the value of consumption expenditure that divides the frequency distribution into two equal parts (50% of households have a consumption expenditure level lower than or equal to the median, 50% a higher level). Since consumption expenditure has an asymmetric distribution and is more concentrated in the lower values of the scale, the median value is always below the mean value.

**Imputed rental:** is a non-monetary component of the consumption expenditure of households who live either in their own dwelling (usufruct or free use are included) or who own a secondary dwelling. It represents the cost the mentioned households should incur to rent a dwelling unit with identical characteristics either to the one they actually live in or their secondary dwelling. This component is considered in studies on the distribution of consumption expenditure, on the distribution of incomes and on poverty, in order to have a more precise comparison between the economic conditions of households with different housing tenure status. In the Household Budget Survey questionnaires, households are asked to indicate the value of the monthly rental they could receive by renting their own dwelling.

**Reference person (r.p.):** is the person referred to, in the Municipality Population Register, as the head of the household.

**Other self-employed:** includes the own-account worker, the member of producers' co-operative, the family worker, the employer-coordinated freelance work contract (on specific project or not), the occasional work contract.

**Worker and related:** includes the chief worker, the subordinate worker and related workers, the apprentice, the home worker on behalf of companies.

**Equivalent-expenditure deciles:** equivalent-expenditure deciles represent the equivalent-expenditure thresholds that divide the frequency distribution into ten equal parts. For example, the first decile, or tenth percentile (which in 2019 is equal to 1,050.65 euros) is the value that separates the 10% of households with the lowest equivalent consumption expenditure from the remaining 90%.

## EQUIVALENT-EXPENDITURE THRESHOLDS (DECILES) BY EQUIVALENT-EXPENDITURE DECILE GROUP. Years 2018-2019, values in euros

EQUIVALENT-EXPENDITURE DECILE GROUP	DECILES	
	2018	2019
1	1,039.50	1,050.65
2	1,338.91	1,359.63
3	1,600.22	1,627.07
4	1,874.24	1,909.64
5	2,170.28	2,184.70
6	2,505.43	2,498.30
7	2,927.72	2,901.17
8	3,505.19	3,481.93
9	4,499.37	4,479.42

**Equivalent expenditure:** is calculated by dividing the value of the household consumption expenditure by an appropriate correction coefficient (equivalence scale), which enables to take into account the effect of economies of scale and to make the expenditure levels of different-size households directly comparable.

**Equivalence scale:** is to be taken into account in order to compare household consumption expenditure when dealing with different-size households. However, the effect of economies of scale means that the costs a household has to meet are not perfectly proportional to the number of household members. For example, the gas utility bill for a four-member household doesn't usually amount to four times that of one person, but is generally lower. Technically, an equivalence scale is a set of values that are used to divide household expenditure so as to obtain an "equivalent" expenditure, which makes the expenditure levels of different-size households directly comparable. In this Report the

Carbonaro equivalence scale is used, it makes the expenditure of different-size households comparable to the expenditure of a two-member household.

### CARBONARO EQUIVALENCE SCALE

HOUSEHOLD SIZE	COEFFICIENT
1	0.60
2	1.00
3	1.33
4	1.63
5	1.90
6	2.16
7 or more	2.40

# Methodological note

## Knowledge goals

The Household Budget Survey (HBS) is aimed at measuring and analyzing consumption expenditure behaviours of households residing in Italy, according to their main social, economic and territorial characteristics.

Thanks to its sampling design, HBS enables to know and follow both the quantitative and qualitative evolution of life standards and consumption expenditure behaviours according to the main household characteristics and to the different territorial and social environments.

## Survey regulatory framework

The HBS is included in the National statistical programme, the document that regulates the production of official statistical information.

## Survey frequency and interval

The HBS is a sample and monthly survey, continuously conducted throughout the year.

## Reference population

The reference population is represented by private households residing in Italy and by the individuals they are composed by (persons living in collective households are not included). Household is intended as the *de facto* household, defined as a group of people living together in the same dwelling, who are related by legal relationship (blood, marriage, adoption or guardianship) or affective ties and who share (in part or entirely) incomes and expenditures. The sample size is about 19 thousand households.

## Process and methodologies

HBS focuses on all expenditures incurred by resident households to purchase goods and services exclusively devoted to household consumption or to be gifted to people different from the household members. This definition includes: goods produced by their own vegetable garden or farm, directly consumed by the household (self-consumption) or gifted; goods and services provided by the employer to employees as salary or for services received; the imputed rentals for owner-occupied and rent-free dwellings. Every other expenditure for a different purpose is excluded from the data collection (e. g., purchasing house or land plots, payments of fees, business expenditures).

Information on socio-demographic characteristics of the household members and housing conditions are collected, together with household expenditures on: Food and non-alcoholic beverages; Alcoholic beverages and tobacco; Clothing and footwear; Housing, water, electricity, gas and other fuels; Furnishings, household equipment and routine household maintenance; Health; Transport; Communication; Recreation and culture; Education; Restaurants and hotels; Miscellaneous goods and services.

Expenditure amounts refer to the time of purchase, regardless of the moment of actual consumption or use and of the method of payment (for purchases in installments or by credit card). The reference unit is the *de facto* household, defined as a group of people living together in the same dwelling, who are related by legal relationship (blood, marriage, adoption or guardianship) or affective ties and share (in part or entirely) incomes and expenditures.

Two different techniques are used to collect data in the three phases of the survey: a) retrospective computer-assisted face-to-face initial interview (CAPI), to collect information on socio-demographic characteristics of household members and housing conditions; b) household paper self-compiled diary (14 days), to collect information on food and beverages, tobacco and other daily expenditures; c) retrospective computer-assisted face-to-face final interview (CAPI), to collect information on all other household expenditures.

## Sampling strategy and accuracy of estimates

The sampling design is partly single-stage and partly two-stage, with stratification of primary sampling units; primary sampling units are municipalities, elementary sampling units are households. In 2019, selected municipalities were about 491 (about 47 participating in the survey all months, about 444 participating once a quarter). Annual theoretical national sample was about 19,500 households (about 1,630 households per month, residing in the selected municipalities), whereas annual actual sample was about 18,720 households.

To ensure the representativeness of daily expenditures, in each month (separately for each Region-NUTS2) two different periods of 14 days (reference periods) are randomly selected: in each municipality, monthly sample households are divided into two groups of the same size that participate in the survey in the first and in the second reference period. The sampling design is defined on a quarterly basis and applied to the four quarters of the year.

Data collection is entrusted from Istat to professional interviewers of a private firm; sample households are randomly selected from Municipality Population Registers and substitutive households are also selected to replace non-responding households.

The accuracy of the estimates produced by a sample survey is to be assessed taking into account the sampling error, which derives from having observed the variable of interest only on a part (sample) of the population. This error can be expressed in terms of absolute error (standard error) or relative error (i.e. the absolute error divided by the estimate, which is called the coefficient of variation, CV).

By means of the latter the confidence interval can be constructed. With a predetermined level of trust, in the interval range the true but unknown value of the parameter being estimated is located. The confidence interval is calculated by adding and subtracting to the specific estimate its absolute sampling error, multiplied by a coefficient that depends on the level of trust; considering the traditional 95% confidence level, the corresponding coefficient is 1.96.

In 2019, the mean monthly expenditure estimate was 2,559.85 euros. Being the relative error 0.5%, the value that would be found by observing the entire population is included, with a probability of 95%, between 2,535.23 and 2,584.47 euros.

When the sample is disaggregated according to the different household characteristics, the smaller sample size increases the relative error and therefore makes the estimates less precise. The following tables A and B show the relative percentage errors of the expenditure categories and of the total expenditure for the main household characteristics, with the reporting of statistically significant differences commented in the text.

**TABLE A. MEAN HOUSEHOLD MONTHLY EXPENDITURE, PERCENTAGE RELATIVE ERROR AND SIGNIFICANT VARIATION BY EXPENDITURE CATEGORY.** Years 2018-2019, values in euros and percentage values

EXPENDITURE CATEGORY	2018		2019		Significant variation (*)
	Mean expenditure	Relative error (%)	Mean expenditure	Relative error (%)	
<b>MEAN MONTHLY EXPENDITURE</b>	<b>2,571.24</b>	<b>0.6</b>	<b>2,559.85</b>	<b>0.5</b>	
<b>Food and non-alcoholic beverages</b>	<b>461.7</b>	<b>0.6</b>	<b>464.27</b>	<b>0.6</b>	
Bread and cereals	75.73	0.7	76.45	0.7	
Meat	97.52	0.8	98.29	0.7	
Fish and seafood	40.71	1.2	41.22	1.2	
Milk, cheese and eggs	58.54	0.7	59.12	0.7	
Oils and fats	16.59	1.9	15.93	1.6	
Fruit	43.25	0.8	42.18	0.8	*
Vegetables	62.18	0.9	63.45	0.9	*
Sugar, jam, honey, chocolate and confectionery	19.15	1.0	19.17	1.1	
Food products n.e.c.	10.60	1.8	10.99	1.8	
Coffee, tea and cocoa	14.58	1.3	14.80	1.3	
Mineral waters, soft drinks, fruit and vegetable juices	22.84	1.0	22.66	1.0	
<b>Non-food</b>	<b>2,109.54</b>	<b>0.6</b>	<b>2,095.58</b>	<b>0.5</b>	
Alcoholic beverages and tobacco	46.57	1.4	46.10	1.4	
Clothing and footwear	118.88	1.6	114.65	1.6	*
Housing, water, electricity, gas and other fuels, of which:	902.77	0.6	896.05	0.6	
<i>Major maintenance and repair</i>	23.89	8.5	26.51	6.9	
<i>Imputed rentals for housing</i>	589.27	0.8	577.89	0.8	*
Furnishings, household equipment and routine household maintenance	107.93	2.6	109.97	2.1	
Health	120.74	1.6	118.33	1.4	
Transport	292.39	1.4	288.39	1.3	
Communication	62.06	0.8	59.31	0.8	*
Recreation and culture	127.71	1.5	127.01	1.5	
Education	16.00	3.7	15.83	3.3	
Restaurants and hotels	130.37	1.3	129.98	1.3	
Miscellaneous goods and services	184.13	1.3	189.96	1.2	*

(\*) The presence of one star indicates that expenditure category variation from 2018 to 2019 is statistically significant (i.e., different from zero).

**TABLE B. MEAN HOUSEHOLD MONTHLY EXPENDITURE, PERCENTAGE RELATIVE ERROR AND SIGNIFICANT VARIATION BY MAIN HOUSEHOLD CHARACTERISTICS.** Years 2018-2019, values in euros and percentage values

HOUSEHOLD CHARACTERISTIC	2018		2019		Significant variation (*)
	Mean expenditure	Relative error (%)	Mean expenditure	Relative error (%)	
<b>Geographical area</b>					
North west	2,865.61	1.1	2,810.27	1.0	
North east	2,782.72	1.1	2,789.97	1.0	
Centre	2,723.01	1.2	2,754.12	1.0	
South	2,087.01	1.2	2,067.50	1.2	
Islands	2,068.49	1.8	2,070.78	1.7	
<b>Region (NUTS2)</b>					
Piemonte	2,643.78	2.1	2,583.22	2.2	
Valle d'Aosta/ Vallée d'Aoste	3,017.91	5.8	2,805.50	3.1	
Liguria	2,536.91	2.1	2,499.63	2.5	
Lombardia	3,020.11	1.4	2,965.10	1.2	
Trentino-Alto Adige/ Südtirol	2,945.26	2.2	2,991.73	1.5	
- Bolzano/ Bozen	3,324.56	3.2	3,516.89	2.1	
- Trento	2,588.23	2.9	2,495.43	2.1	
Veneto	2,701.54	2.2	2,680.91	1.6	
Friuli-Venezia Giulia	2,536.93	1.8	2,611.06	2.1	
Emilia-Romagna	2,898.61	1.7	2,906.75	1.7	
Toscana	2,899.12	2.0	2,922.43	1.8	
Umbria	2,282.75	3.5	2,446.76	2.9	

Marche	2,346.63	2.7	2,402.69	3.0	
Lazio	2,768.73	1.9	2,779.50	1.4	
Abruzzo	2,284.88	3.1	2,193.32	2.9	
Molise	2,208.22	2.8	2,171.25	2.7	
Campania	2,121.99	2.1	2,113.94	1.9	
Puglia	2,054.98	2.1	1,996.04	2.1	
Basilicata	2,078.69	3.0	2,003.06	2.3	
Calabria	1,901.71	3.3	1,998.64	4.0	
Sicilia	2,035.98	2.2	2,017.99	2.2	
Sardegna	2,158.68	2.8	2,216.17	2.4	
<b>Household size</b>					
1	1,776.33	1.2	1,815.45	1.2	
2	2,672.41	1.6	2,648.47	1.4	
3	3,031.13	2.2	2,961.80	1.8	
4	3,328.20	2.0	3,289.06	2.0	
5 or more	3,205.97	3.7	3,393.86	3.5	*
<b>Household typology</b>					
Single member 18-34	1,859.30	5.7	1,775.52	6.3	
Single member 35-64	1,906.15	2.3	2,008.82	2.3	*
Single member 65 and over	1,655.54	2.1	1,661.25	2.1	
Couple without children with r.p. 18-34	2,792.41	7.9	2,919.93	7.2	
Couple without children with r.p. 35-64	2,967.67	3.4	2,860.52	3.1	
Couple without children with r.p. 65 and over	2,674.49	2.1	2,657.83	2.0	
Couple with one child	3,089.10	2.4	3,024.03	2.1	
Couple with 2 children	3,380.08	2.1	3,325.32	2.1	
Couple with 3 or more children	3,263.35	4.3	3,481.03	4.4	
Single parent	2,412.73	3.5	2,447.49	3.4	
Other typologies	2,781.75	4.6	2,783.59	3.5	
<b>Reference Person's professional condition</b>					
Executive, middle management and white collar	3,314.15	1.5	3,272.57	1.4	
Worker	2,311.44	1.5	2,321.38	1.4	
Entrepreneur and freelance	4,024.80	3.5	3,917.61	3.2	
Other self-employed	2,942.84	2.5	2,940.10	2.3	
Seeking for job	1,793.36	4.6	1,852.89	4.3	
Inactive: Retired	2,370.22	1.2	2,354.50	1.1	
Inactive: Other condition (other than retired)	1,804.78	3.0	1,805.27	2.6	
<b>Reference Person's highest level of education attained</b>					
Primary school certificate, no educational degree	1,679.67	1.9	1,677.97	1.7	
Lower secondary school certificate	2,309.66	1.5	2,348.74	1.3	
Upper secondary school diploma	2,860.81	1.4	2,834.93	1.1	
Tertiary (university, doctoral and specialization courses)	3,637.40	2.5	3,586.75	1.8	
<b>Municipality demographic size</b>					
Municipalities of metropolitan-area centre	2,865.75	1.8	2,909.13	1.4	
Municipalities of metropolitan-area suburbs and municipalities with 50,001 inhab. and above	2,637.92	0.9	2,581.00	0.9	
Other municipalities up to 50,000 inhab. (excluding those of metropolitan-area suburbs)	2,448.45	0.7	2,442.84	0.7	
<b>Household members' citizenship</b>					
All national members	2,627.38	0,6	2,615,21	0,5	
At least one non-national member	1,983,61	2,4	1,994,83	2,4	
National and non-national members	2,698,74	5,6	2,787,02	5,8	
All non-national members	1,700,26	2,7	1,662,86	2,4	

r.p.= household reference person.

(\*) The presence of one star indicates that variation of expenditure category by household characteristic from 2018 to 2019 is statistically significant (i.e., different from zero).



## Classifications

HBS uses Istat classifications of Italian municipalities, provinces and foreign countries, as well as the international classifications NUTS2, Ateco 2007 (Nace Rev.2), ISCED and ECOICOP.

## Dissemination

Every year in June, the Report "Household consumption expenditure" disseminates the estimates referred to the previous year.

The main results of the survey are also available on the I.Stat data warehouse, at: <http://dati.istat.it> (theme: "Households Economic Conditions and Disparities").

Every five years, data on household consumption expenditure are sent to Eurostat, which collect them in its database, at: <http://ec.europa.eu/eurostat/web/household-budget-surveys/database>.

Every year, the collected data are analyzed and disseminated by means of Istat general publications (Annual Report, Italian Statistical Yearbook, Noi Italia, Italia in figures) and, occasionally, by Istat specific series of in-depth analysis, available at: <http://www.istat.it/it/produzione-editoriale>.

Finally, the elementary data collected during the survey are available either in file format for public use (mlcro.STAT), downloading it directly from the Istat website, or as a file for researchers (MFR), usually released to university scholars or research institutions on a project submission.

(1) Household consumption expenditure does not include expenditures related to professional activities.

## For technical and methodological information

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