Household spending data shows that - not unsurprisingly - food has been a big contributor to increased costs, while we've been trying to save with decreased spending on communication and recreation

5th Mar 24, 2:19pm by David Hargreaves



Source 123rf.com

Average NZ household spending has risen to nearly \$1600 a week according to new data from Statistics NZ.

The <u>household expenditure data</u> comes from Stats NZ's Household Economic Survey, which normally is done every three years, but which this time covers a four year period due to pandemic disruptions. As an earlier part of the same series, Stats NZ previously released <u>separate data specifically on housing-related costs</u>.

In the four years since the last in the series, the data shows that average household spending has risen 18.4%.

The date of capture for this series is June 30, 2023, so, the data doesn't take in all the wave of inflation we've seen since 2021, but a fair bit of it.

And when it comes to inflation, food price increases have captured a lot of attention.

The new data shows that the average household was spending just under \$300 a week on food - and that's up by 28.1% since 2019.

Because of the larger gap between surveys (four years this time rather than the usual three) Stats NZ advises caution in making comparisons.

What you can say is that the 28.1% rise in the cost of food for households in the period between 2019 and 2023 compares with a rise of just 9.3% at the time of the previous survey which measured from 2016-19.

The proportion of household expenditure on food accounted for 18.7% of total net household expenditure in the year ended 2023, up from 17.3% in 2019.

And Kiwis have changed their household spending patterns as the cost of living has increased, Stats NZ says.

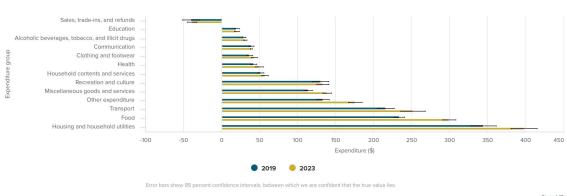
Household expenditure data collected by the Household Economic Survey is made up of 12 main expenditure groups.

Here were the main contributors to rising costs:

- food up 28.1% (to \$300 per week)
- housing and household utilities up 15.5% (to \$398 per week)
- health up 18.5% (to \$50 per week)
- transport up 16.5% (to \$252 per week)
- miscellaneous goods and services (which includes expenditure on insurance, personal care, and credit services) – up 21.6% (to \$139 per week)
- other expenditure (which includes contributions to savings and interest payments) up 31.4% to \$176 per week).

Stats NZ said that combined, these six groups accounted for 82.2 percent of total household expenditure in the year ended June 2023.

"The increase in total household expenditure between 2019 and 2023 is a reflection of the increased cost of living experienced by New Zealanders, due to global events such as the Covid-19 pandemic and extreme weather events," Stats NZ's wealth and poverty statistics senior manager Victoria Treliving said.



Average weekly household expenditure by expenditure group, year ended June 2019 and 2023

As a proportion of their weekly household expenditure, between the years ended June 2019 and 2023, households spent:

- less on communication (which includes postal services, internet, and cell phones)
- less on recreation and culture (which captures expenditure on things such as hobbies, sports, and travel),
- and more on food and other expenditure.

As a proportion of total net household expenditure, recreation and culture decreased to 8.3% in the year ended June 2023 (down from 9.65). The proportion of expenditure spent on communication decreased to 2.55 of total net household expenditure (down from 2.95).

"While households have spent more on essentials such as food and interest payments, we are also seeing more households prioritising personal contributions to their saving schemes," Treliving said.