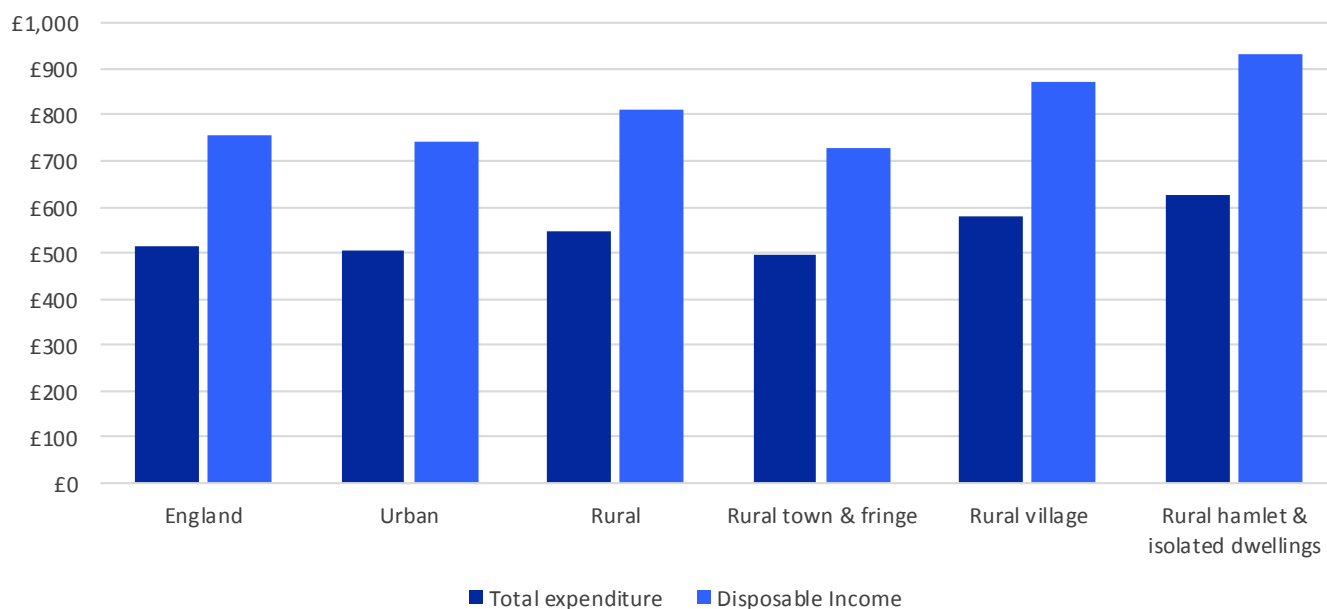


Expenditure

- Levels of household expenditure are unsurprisingly closely related to disposable income.
- However there are differences in absolute and proportional spending patterns, appearing to reflect where households live.
- These differences may illustrate where changes in price or spending patterns would have the greatest impacts.
- As of March 2018, households in *rural hamlets & isolated dwellings* had both the highest disposable incomes, and the highest levels of expenditure. Households in *rural town & fringe* areas had the lowest levels of both expenditure and disposable income.
- The measure of average weekly household expenditure excludes mortgage payments. Please see the notes at the end of the section for further detail on this.

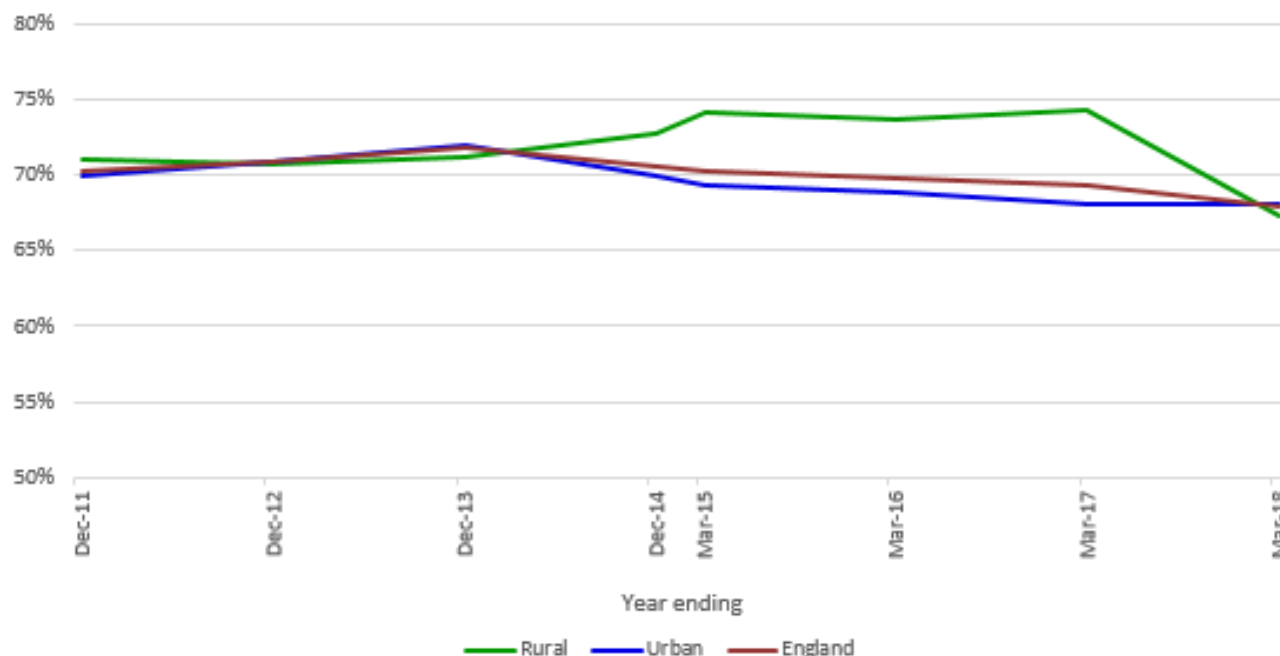
Nominal expenditure and disposable income

Average weekly household expenditure (excluding mortgage payments) and disposable income, rural-urban classification, England, year ending March 2018



- Households in *rural hamlets and isolated dwellings* have the highest disposable incomes at £930 on average, which is around £189 more than the *urban* average. However, they also have the highest weekly household expenditure at £625 on average, £121 higher than *urban* households (household expenditure excludes mortgage payments).
- In the year ending March 2018, average household expenditure as a proportion of disposable income ranges from the lowest at 67 per cent in *rural villages* to the highest at 68 per cent in *rural town and fringe* and *urban* areas (household expenditure excludes mortgage payments).

Average weekly expenditure (excluding mortgage payments) as a percentage of average weekly disposable income, rural-urban classification, England, for years ending December 2011 to March 2018



Note: The reporting period for weekly expenditure and income changed at the end of 2014 and moved from calendar year (ending December) to financial year (end March). All other variables stayed the same.

- As of December 2011, average weekly expenditure (excludes mortgage payments) as a percentage of average weekly disposable income was highest in *rural villages and rural hamlet and isolated dwellings* at 71 per cent. It was lowest in *urban areas* at 70 per cent.
- Since December 2011 there has been some fluctuation in the relationship between average income and average expenditure in both rural and urban areas. However, in March 2018 average weekly expenditure (excludes mortgage payments) as a percentage of average weekly disposable income was lowest in *rural areas* and highest in *urban areas*.
- Historically, between the year-ending December 2014 and March 2017, the average weekly expenditure (excludes mortgage payments) as a percentage of average weekly disposable income has been consistently higher in *rural areas* than *urban areas*.
- From year-ending March 2017 to year-ending March 2018, there was a large decrease in expenditure as a percentage of disposable income for rural areas. The largest change of weekly expenditure on a commodity or service was for transport costs, in particular due to lower spend on vehicle purchases.

Average weekly expenditure (excluding mortgage payments) as a percentage of average weekly disposable income, rural-urban classification, England, for years ending December 2011 to March 2018

	Dec-11	Dec-12	Dec-13	Dec-14	Mar-15	Mar-16	Mar-17	Mar-18
Rural	71.1	70.8	71.2	72.8	74.2	73.8	74.3	67.3
Rural town & fringe	70.3	68.7	68.7	73.4	73.7	73.8	74.8	68.1
Rural villages	71.0	73.0	68.3	72.3	75.4	74.0	73.8	66.6
Rural hamlet & isolated dwellings	71.0	68.4	74.7	72.3	71.7	72.8	73.8	67.2
Urban	69.9	71.0	72.0	69.9	69.3	68.9	68.2	68.1
England	70.2	70.9	71.9	70.5	70.3	69.9	69.3	67.9

Expenditure on commodity or service groups

Average weekly household expenditure (excluding mortgage payments), as a percentage of disposable income, rural-urban classification, England, year ending March 2018

Commodity or Service	England		Urban		Rural		Rural town & fringe		Rural village		Rural hamlet & isolated dwellings	
	(£) ¹	% ²	(£) ¹	% ²	(£) ¹	% ²	(£) ¹	% ²	(£) ¹	% ²	(£) ¹	% ²
Housing, water & fuels (excl.mortgages)	79.50	10.5	82.20	11.1	68.90	8.5	67.60	9.3	67.90	7.8	76.30	8.2
Transport costs	83.40	11.0	78.60	10.6	101.90	12.5	86.00	11.8	108.30	12.4	139.20	15.0
Recreation	76.80	10.2	73.80	10.0	88.10	10.8	80.00	11.0	91.10	10.4	107.80	11.6
Food & non-alcoholic beverage	61.80	8.2	61.10	8.2	64.30	7.9	60.10	8.3	66.90	7.7	70.90	7.6
Restaurants and hotels	51.90	6.9	51.80	7.0	52.60	6.5	49.60	6.8	55.90	6.4	53.60	5.8
Miscellaneous goods and services	45.20	6.0	44.80	6.0	46.70	5.7	42.10	5.8	50.50	5.8	51.50	5.5
Furnishings & household equipment	42.30	5.6	40.40	5.5	49.80	6.1	48.80	6.7	52.80	6.1	44.40	4.8
Clothing and footwear	24.90	3.3	25.50	3.4	22.80	2.8	18.90	2.6	27.10	3.1	23.60	2.5
Communication	17.90	2.4	17.80	2.4	18.30	2.3	17.20	2.4	19.10	2.2	19.50	2.1
Alcoholic beverages and tobacco	12.40	1.6	11.70	1.6	15.00	1.8	13.90	1.9	15.40	1.8	17.70	1.9
Education ^a	10.00	1.3	10.20	1.4	9.10	1.1	5.30	0.7	12.30	1.4	^a 12.70	^a 1.4
Health expenditure	7.30	1.0	6.70	0.9	9.50	1.2	6.40	0.9	13.50	1.5	8.20	0.9
Total expenditure, and expenditure as a % of disposable income	513.40	67.9	504.60	68.1	547.00	67.3	495.90	68.1	580.80	66.6	625.40	67.2

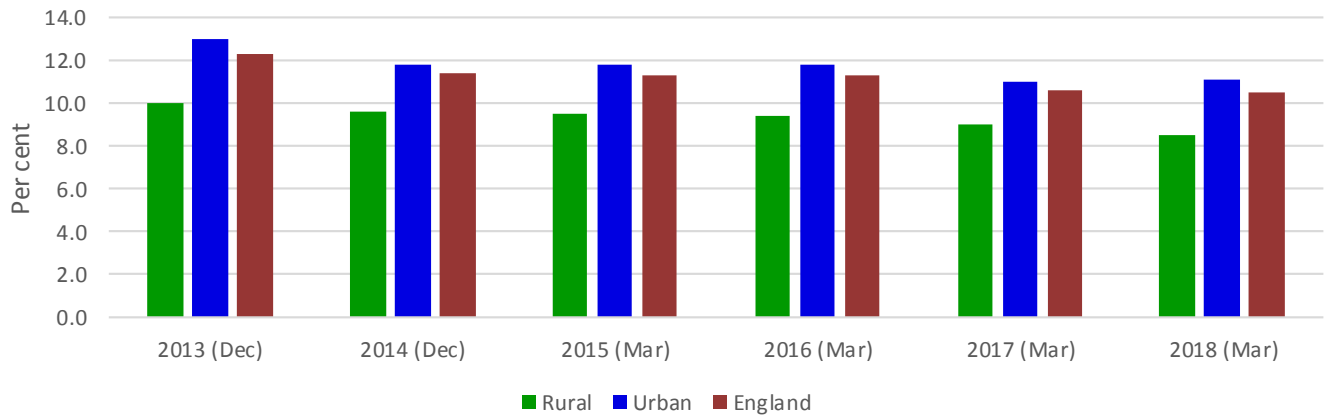
¹ Expenditure as a value (£)

² Expenditure as a percentage of disposable income

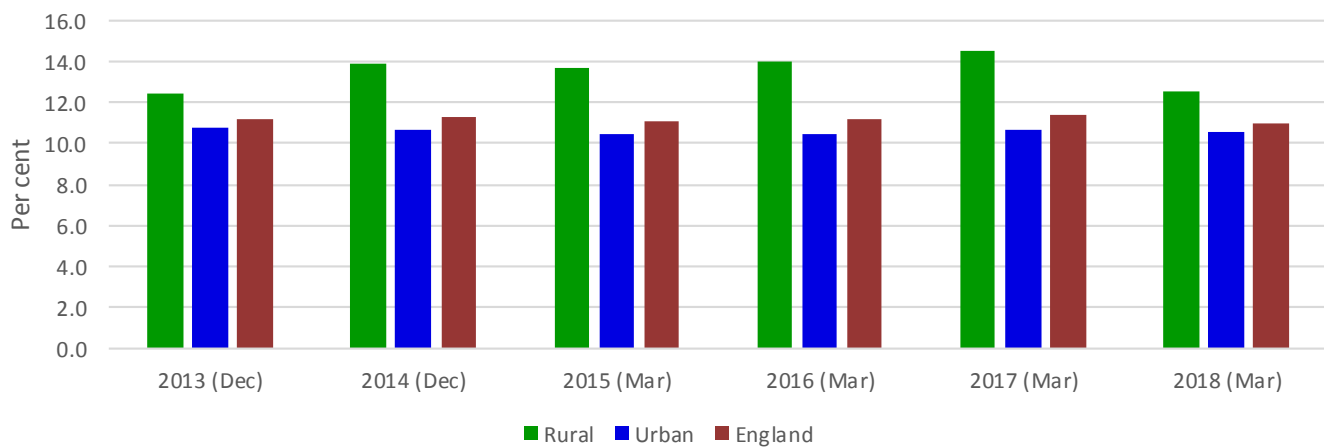
^a The level of spending on education by households in rural hamlet & isolated dwellings should be used with caution, as they are based on a sample of less than 20 households.

- Rural households spend a higher proportion of their disposable income on 'transport' and 'recreation' than they do on 'housing, water, electricity, gas and other fuels'. This is in contrast to urban areas where households on average spend the highest proportion of their income on 'housing, water, electricity, gas and other fuels'.
- In the year ending March 2018, average weekly transport costs for those in *rural hamlets and isolated dwellings* were around £139 which accounted for 15.0 per cent of their weekly disposable income, which was £61 higher than for *urban* areas.
- Total expenditure as a percentage of disposable income is highest in *rural town & fringe* and *urban* areas at 68 per cent.
- The amount spent on commodities and services (such as food and recreation) by households in *rural villages* and *rural hamlet & isolated dwellings* is generally greater than the equivalent spend in other settlement types. However, both these settlement types also have the highest average disposable incomes.

Average weekly housing, water & fuels expenditure (excluding mortgage payments) as a percentage of average weekly disposable income, rural-urban classification, England, for years ending December 2013 to March 2018



Average weekly expenditure on transport costs as a percentage of average weekly disposable income, rural-urban classification, England, for years ending December 2013 to March 2018



- Average weekly expenditure on housing, (excludes mortgage payments), and transport represent the two biggest expenditure items for *urban* and *rural* areas respectively.
- Average weekly expenditure on housing (excludes mortgage payments), water and fuels (as a percentage of average weekly disposable income) has declined in *rural* areas between 2017 and 2018, while *urban* areas have remained fairly static. The same is true for transport costs.

Notes:

1. Average weekly expenditure does not include mortgage payments. Data come from the ONS Living Costs and Food Survey which uses the Classification Of Individual CONsumption by Purpose (COICOP) system to classify expenditure items. COICOP is an internationally agreed system of classification for reporting consumption expenditure within National Accounts and is used by other household budget surveys across the European Union. COICOP classified housing costs do not include what is considered to be non-consumption expenditure, for example: mortgage interest payments, mortgage capital repayments, mortgage protection premiums, council tax and domestic rates.
2. The measure of income used here does not include withdrawal of savings, loans and money received in payment of loans, receipts from maturing insurance policies and proceeds from the sale of assets.
3. Transport costs include the purchase and operation of personal vehicles and fares paid on public vehicles. All journeys are recorded within the transport section. Recreation costs include for example sports equipment, admission charges, audio-visual equipment, the purchase of CDs, computer equipment and games, pets and horticultural equipment.

Source: Office for National Statistics, Living Costs and Food Survey:

www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/methodologies/livingcostsandfoodsurvey