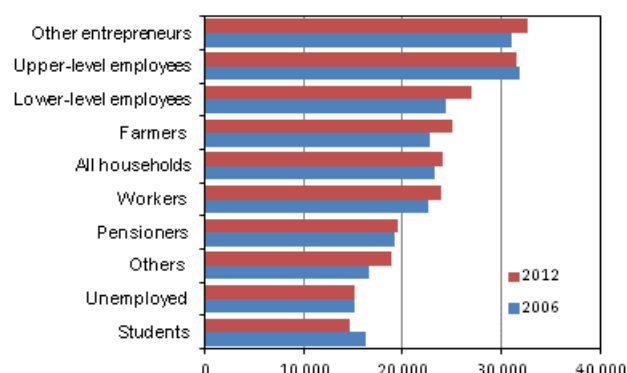


# Households' consumption 2012

## Consumption expenditure of student households decreased from 2006 to 2012

According to Statistics Finland's Household Budget Survey, households' consumption expenditure grew in real terms by 3.5 per cent per consumption unit<sup>1)</sup> over the period 2006 to 2012 and was around EUR 24,000 in 2012. Among population groups, consumption of students diminished most. The consumption expenditure of unemployed persons and upper-level employees also decreased slightly compared with 2006. Among large population groups, consumption expenditure grew more than average in households of lower-level employees, workers and entrepreneurs. The real consumption expenditure of pensioner households went up by around two per cent. During 2012, a total of 3,551 households were interviewed for the Household Budget Survey.

### Consumption expenditure by reference person's socio-economic status in 2006 and 2012 (at 2012 prices, EUR/consumption unit)



In 2012, the amount of euros spent on consumption was biggest among households of entrepreneurs (excl. farmers) and upper-level employees, over EUR 30,000. In unemployed and student households, consumption expenditure amounted to approximately EUR 15,000. Consumption expenditure in households of lower-level employees, farmers and workers was in the middle consumption group. Pensioner households, already

1) The consumption units are based on the so-called OECD's modified scale. The first adult in the household is one consumption unit. Other persons in the household aged at least 14 each are 0.5 consumption units and children aged 0 to 13 each are 0.3 consumption units. A household with one adult member is one consumption unit, while a household consisting of spouses and one child aged under 14 together are 1.8 consumption units. Consumption calculated by means of consumption units takes into account the size differences between households and enables their comparison with one another.

one third of all households, and the small group of other households<sup>2)</sup>, are placed between the middle consumption group and the group of low consumption level.

**Consumption main categories by reference persons socio-economic status in 2006 and 2012 (at 2012 prices, EUR/consumption unit), part 1**

	All households		Farmers		Other self-employed persons		Upper-level employees		Lower-level employees	
	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012
Total consumption expenditure	23 238	24 046	22 869	25 065	31 029	32 745	31 941	31 565	24 355	27 062
Food and non-alcoholic beverages	2 988	3 014	3 195	3 176	3 530	3 379	3 365	3 466	3 022	3 126
Alcoholic beverages and tobacco	635	564	292	492	788	762	743	548	707	566
Clothing and footwear	760	737	607	621	1 038	796	1 501	1 209	909	1 044
Housing	7 018	7 038	7 794	7 417	8 675	9 444	7 734	7 829	6 617	6 900
Home furnishings, appliances and materials	1 098	1 098	1 275	1 034	1 642	1 611	1 703	1 558	1 169	1 275
Health	797	808	478	483	946	913	754	771	677	737
Transport	3 400	3 950	3 636	4 072	4 927	6 257	5 384	6 145	3 808	4 521
Communications	500	592	542	620	582	768	576	664	546	671
Culture and recreation	2 177	2 458	2 111	3 004	3 217	3 400	3 471	3 287	2 228	3 234
Hotels, cafés and restaurants	1 039	1 004	531	656	1 520	1 488	2 116	1 775	1 272	1 423
Other goods, services and training	2 930	2 741	2 491	3 454	4 233	3 869	4 573	4 247	3 507	3 498
Number of households in the sample	4 007	3 551	132	100	237	222	774	687	686	652
Number of households in the population	2 455 000	2 594 999	43 806	33 994	144 378	145 838	409 652	444 004	394 312	435 440
Average household size	2,11	2,05	3,59	3,02	2,92	2,54	2,56	2,62	2,31	2,30
Consumption units in household, average (oecdmod)	1,49	1,47	2,13	1,90	1,82	1,68	1,67	1,69	1,57	1,57

2) The group of other households includes households of reference persons who are home-makers or on unpaid sick leave.

**Consumption main categories by reference persons socio-economic status in 2006 and 2012 (at 2012 prices, EUR/consumption unit), part 2**

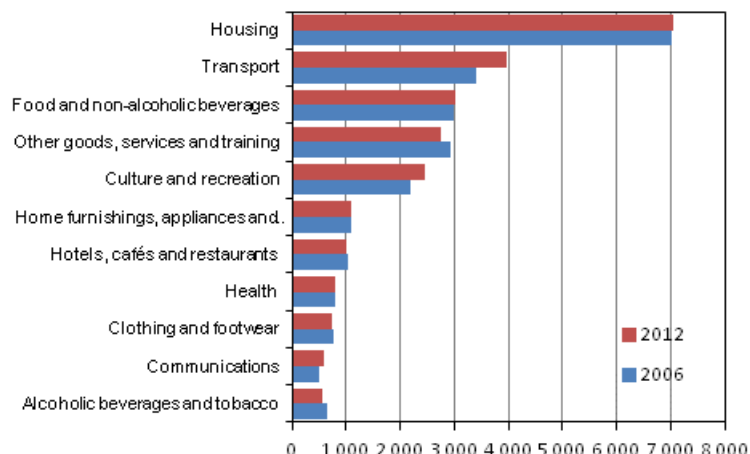
Consumption expenditure	Workers		Students		Pensioners		Unemployed		Others	
	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012
Total consumption expenditure	22 586	23 858	16 292	14 625	19 218	19 538	15 175	15 109	16 646	18 920
Food and non-alcoholic beverages	2 953	3 026	1 795	1 806	2 889	2 884	2 541	2 140	2 697	2 920
Alcoholic beverages and tobacco	747	763	533	317	431	457	959	668	480	558
Clothing and footwear	685	668	582	729	392	423	193	188	641	924
Housing	6 102	6 296	5 025	4 554	7 534	7 079	5 742	6 034	5 906	6 016
Home furnishings, appliances and materials	1 012	1 071	666	557	820	823	571	591	720	997
Health	559	500	388	293	1 164	1 101	347	625	360	469
Transport	3 967	4 511	2 052	2 049	1 997	2 428	1 464	1 339	1 462	2 683
Communications	537	667	437	560	387	460	547	513	568	570
Culture and recreation	2 133	2 360	1 664	1 251	1 544	1 808	1 135	1 405	1 261	1 534
Hotels, cafés and restaurants	1 058	1 136	1 256	1 067	325	346	381	431	1 061	560
Other goods, services and training	2 894	2 835	1 960	1 353	1 929	1 709	1 500	1 157	1 637	1 637
Number of households in the sample	819	587	122	101	1 102	1 075	98	80	37	47
Number of households in the population	471 369	432 326	83 609	93 938	748 021	873 321	112 975	93 123	46 873	43 009
Average household size	2,48	2,35	1,56	1,55	1,44	1,46	1,67	1,58	1,92	2,45
Consumption units in household, average (oecdmod)	1,63	1,59	1,24	1,25	1,22	1,23	1,28	1,25	1,36	1,57

**Transport and culture and recreation maintained growth of consumption**

Households' expectations on consumption possibilities have an effect on their consumption. According to the balance figures of the Consumer Survey, expectations were still positive in 2012, but much more pessimistic than in 2006 (the balance figure 10.8 in 2006 and 5.2 in 2012). Quite evidently, consumption in 2012 was affected by the general uncertainty of the economic situation.

Despite this uncertainty, more money was used on transport and culture and recreation in 2012 than in 2006. The real growth of consumption expenditure was directed to these two categories in most socio-economic groups. Excluding unemployed households, more money was spent on communications than in 2006. The real consumption expenditure of housing and food remained on the level of 2006.

**Consumption expenditure by main categories in 2006 and 2012 (at 2012 prices, EUR/consumption unit)**



Part of the growth in transport expenses is caused by the formulation of the question on vehicle maintenance which was changed in 2012. The data on maintenance costs are more comprehensive than in 2006. The growth in consumption expenditure of telecommunications can be explained by the changeover to smart phones and the prevalence of fast Internet connections.

The prices of audiovisual and computer equipment, for example, declined considerably over the six-year period, thus the nominal amount of money used on culture and recreation decreased in several sub-groups. Of the sub-groups households spent more on toys and leisure equipment, pets, computer games and pay TV than in 2006. Whereas fewer books and magazines were bought in 2012 than in 2006.

The consumption expenditure of transport, telecommunications and culture and recreation also grew between 2001 and 2006, so it would seem that households' consumption preferences have been quite constant throughout the 2000s.

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# Households and consumption expenditure by type of household 2006–2012

## Every other Finn belongs to a household of either one or two persons

The number of households has increased in forty years by one million, but over the same period, Finland's population has grown by only 950,000 persons. The average size of a household has fallen from 3.35 to 2.06 persons<sup>1)</sup>. The growth in the number of households has in part maintained the increase in consumption, as many basic household equipment and goods are necessary for both those living alone and for households of larger families. In the latter, they are used by several people. The diminishing trend of household size thus sets challenges for attaining emission targets, for example.

**Table 1. Households by number of members in 2001, 2006 and 2012 (share in percentages)**

Size of household	Share in percentages			Number of households 2012
	2001	2006	2012	
1 person	37,7	40,1	40,3	1 044 957
2 persons	33,9	32,8	35,0	909 139
3 persons	12,5	12,0	10,5	271 416
4 persons	10,5	9,7	9,4	244 778
5+ persons	5,4	5,4	4,8	124 691
Total	100,0	100,0	100,0	2 594 999

Source: Income distribution statistics (the year 2012 is preliminary)

## Household types reveal the household's life cycle

In this review, differences in consumption are examined by following the household's life cycles. In the statistical release, the same matter is viewed according to the socio-economic group of the household's reference person.

In the figures and tables in the review, use is made of the classification according to households' life cycle:

- Persons aged under 65 living alone
- Persons aged under 65 living as a couple
- Single-parent families where children are aged under 25 and dependants
- Two-parent families where children are aged under 25 and dependants
- Elderly households of persons aged 65 or over
- Other households with at least three adults or persons of both working age and pensioners.

## Consumption of single-parent families grew clearly

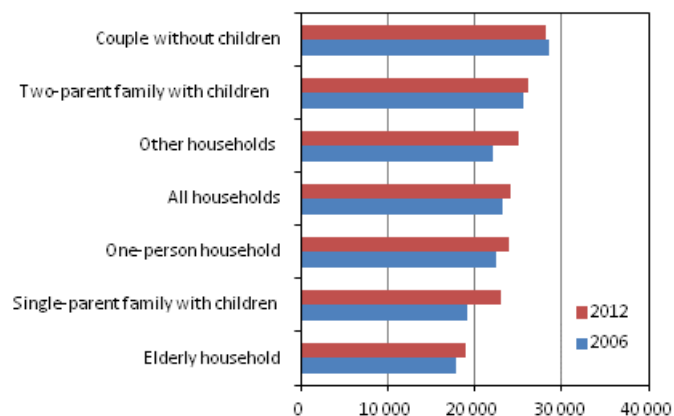
Differences between groups are compared in Figure 1 and Table 2 by means of the consumption unit<sup>2)</sup>. It standardises the effect of household size and age structure. Price differences between years have been removed by converting the sums of 2006 into 2012 money with the price index data. In the six year period, the clearest growth in real consumption was seen in single-parent families, up by 21 per cent. Consumption expenditure in the "other households" group also increased considerably, by 13 per cent. The consumption of childless couples did not grow at all, and the real consumption of families with children of two parents remained almost unchanged. According to the income distribution statistics, income of single-parent families calculated per consumption unit increased somewhat more in six years than in other household

1) The number and average size of households, size of household population and average consumption units in Finland in 1966 to 2011 according to the income distribution statistics. Data for 2012 are preliminary. See [http://tilastokeskus.fi/til/tjt/2011/03/tjt\\_2011\\_03\\_2013-04-10\\_tau\\_001\\_fi.html](http://tilastokeskus.fi/til/tjt/2011/03/tjt_2011_03_2013-04-10_tau_001_fi.html).

2) Consumption units are based on the so-called OECD's modified scale. The first adult in the household is one consumption unit. Other persons in the household aged at least 14 each are 0.5 consumption units and children aged 0 to 13 each are 0.3 consumption units. A household with one adult member is one consumption unit, while a household consisting of spouses and one child aged under 14 together are 1.8 consumption units. Consumption calculated by means of consumption units takes into account the size differences between households and enables their comparison with one another.

types, so risen income may have had an effect on larger real growth of consumption expenditure than in other households.

**Figure 1. Consumption expenditure by household type in 2006 and 2012 (at 2012 prices, EUR/consumption unit)**



The everyday life and activity of households in different life cycle stages are different and that is also visible in consumption. Consumption expenditure was highest in households of childless couples, around EUR 28,000 per consumption unit. Annual consumption was second highest in families with children of two parents, about EUR 26,000. Consumption expenses in the "other households" group and one-person households were quite close to one another and the average for all households. The consumption of single-parent families was around EUR 1,000 lower per year than in one-person households per consumption unit. In elderly households, consumption expenditure was clearly lower than in other households.

The number of elderly households grew by over one hundred thousand in six years. Their number in 2012 was almost equal to that of persons aged under 65 living alone. Changes were minor in the numbers of households belonging to other household types.

**Table 2. Consumption expenditure by household type and by main category in 2006 and 2012 (at 2012 prices, EUR/consumption unit), part 1**

Consumption expenditure	All households		One-person aged under 65		Couple without children, aged under 65		Single-parent family with children	
	2006	2012	2006	2012	2006	2012	2006	2012
Total consumption expenditure	23 238	24 046	22 431	24 004	28 630	28 228	19 128	23 090
Food and non-alcoholic beverages	2 988	3 014	2 467	2 521	3 448	3 306	2 838	2 974
Alcoholic beverages and tobacco	635	564	800	736	930	833	524	409
Clothing and footwear	760	737	593	620	1 058	946	687	983
Housing	7 018	7 038	6 992	7 500	7 533	6 803	6 336	6 739
Home furnishings, appliances and materials	1 098	1 098	828	919	1 629	1 534	860	1 097
Health	797	808	602	646	781	771	422	614
Transport	3 400	3 950	3 374	3 578	4 726	5 737	2 054	3 220
Communications	500	592	529	626	548	693	581	718
Culture and recreation	2 177	2 458	2 195	2 721	2 742	2 781	1 750	2 267
Hotels, cafés and restaurants	1 039	1 004	1 399	1 422	1 510	1 407	900	1 044
Other goods, services and training	2 930	2 741	2 788	2 670	3 810	3 353	2 287	2 963
Number of households in the sample	4 007	3 551	588	546	906	714	161	117
Number of households in the population	2 455 000	2 594 999	624 808	658 076	489 483	482 133	104 781	88 642
Average household size	2,11	2,05	1,00	1,00	2,00	2,00	2,61	2,50
Consumption units in household, average (oecdmod)	1,49	1,47	1,00	1,00	1,50	1,50	1,63	1,61

**Table 2. Consumption expenditure by household type and by main category in 2006 and 2012 (at 2012 prices, EUR/consumption unit), part 2**

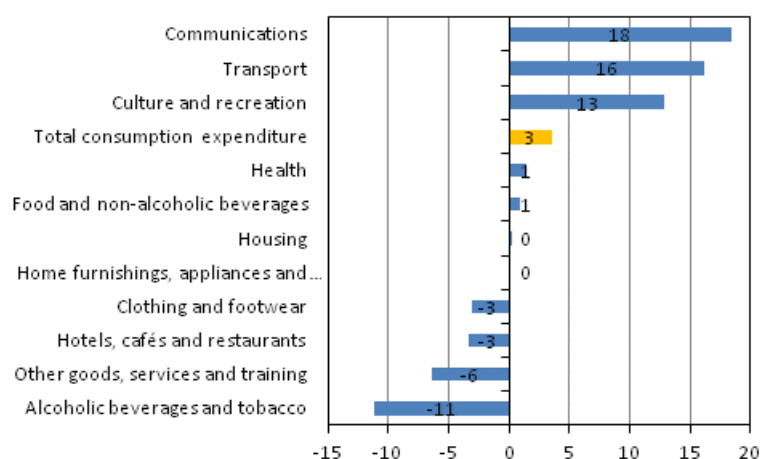
Consumption expenditure	Two-parent family with children		Elderly household		Other households	
	2006	2012	2006	2012	2006	2012
Total consumption expenditure	25 644	26 187	17 950	19 028	22 072	24 980
Food and non-alcoholic beverages	3 341	3 405	2 746	2 863	3 288	3 404
Alcoholic beverages and tobacco	557	459	263	282	623	581
Clothing and footwear	1 179	1 072	355	442	536	603
Housing	6 265	6 409	7 646	7 247	6 521	7 140
Home furnishings, appliances and materials	1 378	1 264	770	785	877	1 204
Health	613	552	1 254	1 221	938	846
Transport	4 298	4 971	1 447	2 102	3 662	4 439
Communications	551	640	350	413	502	627
Culture and recreation	2 581	2 661	1 366	1 736	1 999	2 670
Hotels, cafés and restaurants	1 126	1 074	239	288	668	764
Other goods, services and training	3 743	3 631	1 728	1 633	2 529	2 674
Number of households in the sample	1 090	912	793	833	469	429
Number of households in the population	525 175	510 606	519 072	637 930	191 678	217 609
Average household size	3,92	3,93	1,31	1,38	2,99	2,75
Consumption units in household, average (oecdmod)	2,19	2,20	1,15	1,19	1,95	1,84



### Change in consumption by main category in 2006 to 2012

Figure 2 presents real changes in consumption expenditure by category. The figure indicates how much expenditure changed in different main categories, when changes in the value of money and structural changes in households are taken into account. Real growth concerns three groups, which are communications, transport, and culture and recreation. The consumption of alcohol and tobacco and various other goods and services went down. In other consumption main categories, real changes in consumption expenditure were minor or non-existent from 2006 to 2012.

**Figure 2. Real change in households' consumption expenditure per consumption unit in 2006 to 2012 (%)**



Communications expenditure grew in real terms most in households of childless couples and single-parent families. Transport expenditure increased much more than the average in single-parent and elderly households. Culture and recreation expenditure went up clearly in all household types except for families with two adults and families with children of two parents. The amount of money spent on alcohol and tobacco increased only in elderly households.

### Changes in consumption structure in 2006 to 2012

Changes in households' consumption expenditure were examined above. The effect of household structure and price changes of commodities were eliminated from the comparison. In real life, households' consumption decisions and purchases are made more or less planned under the conflicting pressures of the household's money situation and its members' present and future wishes, often with the routine dictated by habits and practices. Changes in consumption habits and use of money can be examined by viewing how consumption expenditure is divided as percentages into consumption categories in different household types in 2012 and 2006.

**Table 3. Percentage distributions of households' consumption expenditure by consumption main category and household type in 2006 and 2012**

Consumption expenditure	All households		One-person aged under 65		Couple without children, aged under 65		Single-parent family with children		Two-parent family with children		Elderly household		Other households	
	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012
Food	13	13	11	11	12	12	15	13	13	13	15	15	14	14
Alcoholic beverages and tobacco	2	2	3	3	3	3	2	2	2	2	1	1	2	2
Clothing and footwear	4	3	3	3	4	3	4	4	5	4	2	2	3	3
Housing and energy	27	28	29	31	25	24	31	29	23	24	39	37	27	28
Home furnishings, appliances and materials	5	5	4	4	6	5	5	5	6	5	5	4	4	5
Health	3	3	3	3	3	3	2	3	3	2	7	6	4	3
Transport	16	17	15	15	17	20	11	14	17	19	9	12	18	18
Communications	3	2	3	3	3	2	4	3	3	2	3	2	3	3
Culture and recreation	11	10	11	11	11	10	11	10	12	10	9	9	11	10
Education	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hotels, cafés and restaurants	4	4	6	6	5	5	4	4	4	4	1	2	3	3
Other goods and services	12	12	11	11	12	12	11	13	13	14	9	9	10	11

On average, the percentage shares of consumption main categories in consumption expenditure have remained unchanged. The shares of housing and transport in consumption expenditure rose by one percentage point from 2006 to 2012. In turn, the shares of clothing, communications and culture and recreation fell by one percentage point. Structural changes in the consumption of different household types are fairly similar to the average for all households. The share of transport expenditure has risen and that of culture and recreation has fallen in most household types. The share of housing expenses in elderly households was in 2012 still clearly higher than in other groups.

The share of food in consumption stayed the same in all household types, except for single-parent families. Previously, the share of food in total consumption has fallen systematically. Over six years, the average rise in food prices was 20 per cent and that in transport fuels 33 per cent. This has, in part, had an effect on their consumption expenditure shares, because the price flexibility of both food and transport expenses is low. The growth in the expense share of housing is explained by the price rise of 20 per cent and partly by growth in living space.

### **Consumption is defined by owning**

The size of consumption expenditure is not solely determined by annual acquisitions of commodities and services, but necessary consumption follows from owning the household's dwelling, transport equipment and free-time residence, which in part dictates on which level expenses are in different sectors of consumption. A car and dwelling and other assets acquired in working age remain mostly on the same level upon retirement. At that time, income usually becomes lower, so the maintenance of the dwelling, car and free-time residence claims a growing share of household disposable income, which reduces other consumption or saving. In Tables 4 and 5, these three structural factors are examined according to the household's life cycle.

Floor area has grown in six years by an average of nine square metres per household member. The number of rooms per person has increased most in elderly and single-parent families and in the "other households" group. The living space of childless couples has not grown at all in six years. Apparently, most households in this group were already living in their desired dwelling in 2006.

All household types had more rooms on average than occupants in 2012, even if the kitchen is not counted as a room. Elderly households have two rooms per occupant. There is less space in two-parent families with children. The growth of living space increases the need for heating energy. The number of light fittings and several entertainment equipment also increases with the number of rooms<sup>3)</sup>.

The share of motoring households grew in six years by four percentage points and already one-quarter of all households use at least two cars. The percentage share of households using a car grew particularly much in elderly households where car ownership was in 2012 more common than in one-person households of those aged under 65. Fifty-seven per cent of two-parent families with children had at least two cars. The situation of childless couples remained almost unchanged from 2006 to 2012 with respect to cars as well.

**Table 4. Households' housing density by household type in 2006 and 2012**

Household type	housing density = rooms (excl. kitchen)/person		m2/person	
	2006	2012	2006	2012
All households	1,7	1,7	42,0	51,0
One-person aged under 65	1,9	1,9	56,0	60,0
Couple without children, aged under 65	1,6	1,5	47,0	46,0
Single-parent family with children	1,3	1,3	34,0	38,0
Two-parent family with children	1,1	1,1	31,0	34,0
Elderly household	2,1	2,1	58,0	64,0
Other households	1,5	1,6	39,0	47,0

**Table 5. Percentage shares of households owning a car and a free-time residence by household type in 2006 and 2012**

Household type	At least one car		At least two cars		Free-time residence	
	2006	2012	2006	2012	2006	2012
All households	71	75	23	25	22	26
One-person aged under 65	54	56	4	4	10	14
Couple without children, aged under 65	89	87	32	36	27	28
Single-parent family with children	60	71	5	10	14	11
Two-parent family with children	97	97	52	57	27	27
Elderly household	46	60	3	7	24	35
Other households	89	93	42	44	37	39

The share of households owning a free-time residence alone or together with others grew by four percentage points from 2006 to 2012, when good one-quarter of households owned a free-time residence. Most owners of free-time residences were in the "other households" group, 39 per cent, and least in single-parent families, 11 per cent. In elderly households, the share of free-time residence owners went up by nine percentage points in six years. In households of childless couples and two-parent families with children the share of those owning a free-time residence did not change over the period of 2006 to 2012.

3) See Virve Rouhiainen: Kotitalouksien sähkön käyttö 2011 (Households' use of electricity in 2011), [http://www.adato.fi/portals/2/attachments/Energiatohokkuus/Kotitalouksien\\_sahkonkaytto\\_2011\\_raportti.pdf](http://www.adato.fi/portals/2/attachments/Energiatohokkuus/Kotitalouksien_sahkonkaytto_2011_raportti.pdf)

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Income and Consumption 2013

### Inquiries

Juha Nurmela 09 1734 2548

Tarja Hatakka 09 1734 3553

Director in charge:

Riitta Harala

[kulutus.tilastokeskus@stat.fi](mailto:kulutus.tilastokeskus@stat.fi)

[www.tilastokeskus.fi/til/ktutk/index\\_en.html](http://www.tilastokeskus.fi/til/ktutk/index_en.html)

Source: Households' consumption 2012 . Statistics Finland