

29 June 2021

Household Budget Survey (HBS) Year 2020

Effects of COVID-19 on the 2020 HBS

- The declaration of the state of alarm and the consequent confinement of households had unprecedented repercussions on the 2020 HBS. For the first time, INE pollsters were unable to conduct face-to-face interviews with households and deliver questionnaires for completion. A collection procedure based on telephone contact was thus implemented.
- To adapt to the particular characteristics caused by the health crisis, some of the methodological processes used in the HBS were modified in order to increase the precision of results.
- To facilitate the analysis of certain survey information published today, the year has been segmented into three relevant periods in order to better illustrate the situation: prior to confinement (through March), confinement (from March to June), and the so-called “new normal” (from June onwards).
- The annex on page 10 of this press release shows the pandemic’s effect of HBS preparation in greater detail.

Main results

- Average household expenditure decreased by 10.7% in 2020, to 26,996 euros. In constant terms, it declined by 9.6%.
- The groups where average spending per household decreased the most were *Restaurants and hotels, Recreation and culture, Transportation and Clothing*.
- The only groups where average spending per household increased were *Food and Housing*.
- By regions, the highest average expenditure per person was registered in País Vasco, with 13,289 euros, and the lowest in Canarias, with 8,454 euros
- **Household spending during confinement**
- The monetary expenditure of households during the confinement period was 16,793 euros, a decrease of 28.2% compared to the same period of the previous year.
- The expenditure groups most affected by the confinement were *Clothing and footwear and Restaurants and hotels*, with rates of –81% compared to the period prior to the confinement. With the new normal, there was a rebound effect for expenses in these groups. However, pre-pandemic levels were not reached.

Evolution of expenditure¹

Average spending per household was 26,996 euros in 2020, representing an annual decrease of 10.7%, the largest decrease since the series began. In constant terms, i.e. eliminating the effect of prices, average household expenditure fell by 9.6%.

In turn, the average expenditure per person was 10,848 euros, with a decrease of 10.7% as compared with 2019. Its variation in constant terms was -9.6%.

The total expenditure of all resident households in Spain, measured in current terms, decreased by 10.2%. In constant terms, it decreased 9.1%.

Total consumption expenditure, mean consumption expenditures and annual rates in current and constant terms (referred to 2006). 2020

	Current terms		Constant terms (2006)	
	Expenditure*	Annual rate	Expenditure*	Annual rate
Total expenditure	508.738.159	-10,2	445.932.222	-9,1
Mean expenditure per household	26.996	-10,7	23.663	-9,6
Mean expenditure per person	10.848	-10,7	9.509	-9,6

* The total expenditure is expressed in thousands of euros, and the mean expenditures in euros.

Average household expenditure fell in most of the groups analysed. Those that registered the sharpest declines were:

- **Restaurants and hotels**, which had an annual rate of -40.5% due to the decrease in spending on both catering and accommodation services. In absolute terms, households spent 1,752 euros on these items, 1,192 euros less than in 2019.
- **Recreation and culture**, with a variation of -31.9%. This was mainly due to the decrease in spending on recreational and cultural services and on tourist packages. Households thus spent 1,126 euros, 528 euros less than the previous year.
- **Transport**, with a rate of -29.5% compared to 2019 and across the board decreases in all components: vehicle purchases, use of personal vehicles and transport services. On average, households spent 2,741 euros on transport in 2020. This was 1,147 euros less than in the previous year.
- **Clothing and footwear**, with a variation of -28.8% due to decreases in clothing and footwear.

On the other hand, the only groups in which average spending per household increased were:

- **Food and non-alcoholic beverages**, where spending grew by 6.8%.

¹ Average expenditure and its distribution by groups within the HBS are presented in current terms for each year, unless otherwise indicated. Expenditure refers to both the monetary flow and the value of certain non-monetary consumptions, the principal of which is the imputed rent of the dwelling in which the household resides (when it is the owner of the dwelling).

- **Housing, water, electricity, gas and other fuels**, with a rate of 1.9% compared to 2019. While in the opposite direction, the drop in home maintenance and repair costs was notable in this group.

Mean consumption expenditure per household, structure (%), annual rate and annual difference by ECOICOP divisions. 2020

Groups (ECOICOP)	Mean expenditure per household (euros)	Structure (%)	Annual rate	Annual difference (euros)
TOTAL	26.996	100,0	-10,7	-3.247
1. Food and non-alcoholic beverages	4.579	17,0	6,8	293
2. Alcoholic beverages and tobacco	510	1,9	-1,2	-6
3. Clothing and footwear	1.009	3,7	-28,8	-408
4. Housing, water, electricity, gas and other fuels	9.621	35,6	1,9	180
5. Furnishings, household equipment and routine household maintenance	1.170	4,3	-12,0	-160
6. Health	1.001	3,7	-4,5	-47
7. Transport	2.741	10,2	-29,5	-1.147
8. Communications	940	3,5	-0,7	-6
9. Recreation and culture	1.126	4,2	-31,9	-528
10. Education	437	1,6	-9,0	-43
11. Restaurants and hotels	1.752	6,5	-40,5	-1.192
12. Miscellaneous goods and services	2.108	7,8	-8,0	-183

As for the distribution of average household spending among different goods and services, there were also significant changes compared to the previous year. The groups showing the most growth in spending proportion were:

- **Housing, water, electricity, gas and other fuels**. Spending in this group accounted for 35.6% of the total household budget, 4.4 points above the previous year. Part of this increase was due to the decrease in the weight of other groups.
- **Food and non-alcoholic beverages**, which represented 17.0% of the budget, almost three points more than in 2019. In particular, consumption of *Meat* (3.9% of total expenditure), *Bread and cereals* (2.2%), *Fish and seafood* (2.1%) and *Milk, cheese and eggs* (1.9%) were the most significant.

On the other hand, the groups whose weight decreased the most in the household budget were:

- **Restaurants and hotels**, with a weight of 6.5%. This was more than three points lower than the previous year
- **Transport**, with a spending proportion of 10.2% of the total; nearly three points lower than that of 2019. The most representative expenses were *Automobiles* (3.4% of the budget), *Fuels and lubricants* (3.2%) and *Vehicle maintenance and repair* (1.8%).
- **Recreation and culture** and **Clothing and footwear**, with percentages of 4.2% and 3.7%, respectively. In both cases it represented a reduction of around one point compared to its weight in 2019.

Effect of COVID-19 on household monetary spending²

Due to the COVID-19 health crisis, household consumption habits were modified throughout 2020.

The average monetary expenditure per household thus fell by 14.4% for the year as a whole. The confinement period contributed strongly to this. In order to appreciate this effect, the year 2020 has been segmented into the three most relevant periods: that prior to confinement (until March 2020), that of confinement (from March to June 2020), and that of the so-called new normal (as of June 2020).

The average expenditure of households during confinement was 16,793 euros, a decrease of 28.2% compared to the same period of 2019. This expense was 81.8% lower than the average for the year as a whole.

The arrival of the new normal following confinement had a considerable impact on consumption. Thus, average spending grew to 20,818 euros, 24.0% more than during confinement. However, this expense in the new normal was 13.7% lower than in the same period in 2019.

Mean monetary consumption expenditure per household and annual rate by period.

Period	Mean consumption expenditure 2019 (euros)	Mean consumption expenditure 2020 (euros)	Annual rate
TOTAL	23.976	20.521	-14,4
Previous to lockdown	24.073	22.994	-4,5
Lockdown	23.375	16.793	-28,2
New normal	24.131	20.818	-13,7

In a more detailed analysis, the groups most affected by confinement were *Clothing and footwear* and *Restaurants and hotels*, with spending decreases of 81% compared to the previous period. Expenses in *Transportation* (-46.1%) and *Leisure* (-44.3%) also showed notable decreases.

Although spending in these groups recovered after lockdown, it did not return to pre-pandemic levels.

On the other hand, the only groups whose spending increased during confinement were *Food* (with an increase of 14.1% compared to the previous period) and *Communications* (1.3%). In the case of *Food*, spending decreased 5.6% with the new normal.

² The expenses in this section refer only to the monetary flow. Non-monetary consumption -the main component of which is the imputed rent- is not included.

Mean monetary consumption expenditure per household and rates according to period and expenditure groups

Expenditures groups	Year 2019	Year 2020	Previous to lockdown 2020	Lockdown 2020		New normal 2020	
				Mean consumption expenditure	Rate with previous to lockdown	Mean consumption expenditure	Rate with lockdown
TOTAL	23.976	20.521	22.994	16.793	-27,0	20.818	24,0
Food and non-alcoholic beverages	4.239	4.539	4.230	4.826	14,1	4.556	-5,6
Clothing and footwear	1.416	1.009	1.426	262	-81,6	1.094	317,6
Housing, water, electricity, etc.	3.382	3.280	3.475	3.085	-11,2	3.274	6,1
Transport	3.886	2.740	3.464	1.868	-46,1	2.761	47,8
Communications	944	938	931	942	1,3	939	-0,3
Recreation and culture	1.653	1.126	1.266	704	-44,3	1.205	71,1
Restaurants and hotels	2.806	1.680	2.454	459	-81,3	1.789	289,7
Others	5.650	5.209	5.748	4.646	-19,2	5.198	11,9

An analysis from the expenditure structure point of view is highly illustrative.

Thus, *Food*, which usually represents around 18% of the household budget, reached almost 29% during confinement. However, with the arrival of the new normal, its weight dropped to 21.9% (still above its usual levels prior to the pandemic).

The same happened with *Housing* expenses. During confinement these expenses grew to 18.4% of the total and in the new normal they decreased, though they remained higher than in previous periods.

It is worth highlighting three groups whose participation in the household budget was drastically reduced during confinement:

- *Restaurants and hotels* came to represent a mere 2.7% of total spending, compared to nearly 12% in the years before the pandemic.
- The weight of *Clothing and footwear* fell to 1.6%, while it usually represents 6%.
- *Transport* had a weight of only 11.1% during confinement, compared to the usual representation of 16%.

Monetary expenditure structure by period

Expenditures groups (%)	Period				
	Year 2019	Year 2020	Previous to lockdown 2020	Lockdown 2020	New normal 2020
TOTAL	100,0	100,0	100,0	100,0	100,0
Food and non-alcoholic beverages	17,7	22,1	18,4	28,7	21,9
Clothing and footwear	5,9	4,9	6,2	1,6	5,3
Housing, water, electricity, etc.	14,1	16,0	15,1	18,4	15,7
Transport	16,2	13,4	15,1	11,1	13,3
Communications	3,9	4,6	4,0	5,6	4,5
Recreation and culture	6,9	5,5	5,5	4,2	5,8
Restaurants and hotels	11,7	8,2	10,7	2,7	8,6
Others	23,6	25,4	25,0	27,7	25,0

With the new normal, representativity in total expenditure increased for all of these groups, but without reaching pre-pandemic levels.

Expenditures by type of household.

Household type is a differentiating element in terms of expenditure level. Households formed by a couple with children were those that had, on average, the highest expenditure in 2020, with 33,750 euros.

In contrast, the households that recorded the lowest spending were those made up of a single person aged 65 or over (with an average of 17,644 euros) and single-person households with someone less than 65 years of age (18,617 euros).

Expenditure increased over the previous year in all categories. The greatest decrease occurred in households formed by a couple without children, with a decrease of 13.0% (more than 4,000 euros in absolute terms). On the other hand, single-person households aged 65 or over showed the smallest decrease, 5.2% (almost 1,000 euros less).

Mean consumption expenditure per household, annual rate and annual difference by type of household. 2020

Type of household	Mean consumption expenditure 2020 (euros)	Annual rate	Annual difference (euros)
TOTAL	26.996	-10,7	-3.247
Single person under 65 years old	18.617	-10,1	-2.092
Single person over 65 years old	17.644	-5,2	-977
Couple without children	26.958	-13,0	-4.038
Couple with children	33.750	-11,7	-4.473
An adult with children	24.569	-5,9	-1.551
Another type of household	30.029	-7,3	-2.348

Consumption according to household spending level (spending quintiles) ³

According to their spending level, households reacted differently to the health crisis. Thus, the 40% of the households with the most spending (quintiles 4 and 5) reduced spending the most (13.4% and 11.3% compared to 2019, respectively). On the contrary, the 20% of the households with the lowest spending (quintile 1) decreased their spending by 5.8%.

The same thing happened in absolute terms. The households with the highest expenditures reduced their spending the most -more than 6,000 euros on average- and so on gradually until reaching the households with the least spending, with 827 euros less than in 2019.

³ For this purpose, households have been ranked according to their average equivalent expenditure (AEE). This indicator is calculated as the household expenditure divided by the number of consumption units of the household according to the modified OECD equivalence scale, which weighs 1 to the main breadwinner, 0.5 to the rest of the members aged 14 years and over and 0.3 to the under-14s, making it possible to compare households of different sizes. According to their AEE, households have been grouped into five groups of equal size. Therefore, the first group (quintile 1) includes 20% of households with the lowest average equivalent expenditure, and so on up to 20% of households with the highest expenditure (quintile 5).

Mean consumption expenditure per household, annual rate and annual difference by expenditure quintile. 2020

Quintile	Mean consumption expenditure 2020 (euros)	Annual rate	Annual difference (euros)
TOTAL	26.996	-10,7	-3.247
First quintile	13.498	-5,8	-827
Second quintile	19.161	-8,4	-1.766
Third quintile	24.287	-10,5	-2.861
Fourth quintile	30.650	-13,4	-4.739
Fifth quintile	47.383	-11,3	-6.044

The distribution of consumption among different expenditure groups also depends to a large extent on the level of household expenditure.

Thus, 20% of the households with the lowest expenditure (quintile 1) dedicated more than 66% of their budget to expenses related to *Housing, water, electricity, gas and other fuels*, and *Food and non-alcoholic beverages*. On the other hand, 20% of the households with the highest expenditure (quintile 5) allocated less than half of their budget (44.2%) to this type of expenditure.

On the other hand, 20% of the households with the most spending dedicated almost 28.0% of their budget to *Transportation, Recreation and culture*, and *Restaurants and hotels*, while the households with the lowest spending spent just over 10% of their budget on these line items.

Structure of consumption expenditure by quintiles and ECOICOP divisions. 2020

Groups (ECOICOP)	Quintiles					
	Total	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0
1. Food and non-alcoholic beverages	17,0	22,1	21,5	19,5	16,7	12,5
2. Alcoholic beverages and tobacco	1,9	1,9	2,1	2,1	2,0	1,6
3. Clothing and footwear	3,7	2,6	3,1	3,6	4,0	4,2
4. Housing, water, electricity, gas and other fuels	35,6	44,0	39,7	37,0	34,4	31,7
5. Furnishings, household equipment and routine household maintenance	4,3	3,1	3,6	3,8	4,4	5,2
6. Health	3,7	2,5	3,1	3,4	4,1	4,2
7. Transport	10,2	5,0	6,5	8,0	9,7	14,5
8. Communications	3,5	5,2	4,5	3,8	3,3	2,5
9. Recreation and culture	4,2	2,3	3,1	3,8	4,5	5,1
10. Education	1,6	0,8	1,0	1,4	1,8	2,1
11. Restaurants and hotels	6,5	3,2	4,2	5,7	7,3	8,3
12. Miscellaneous goods and services	7,8	7,2	7,6	7,8	7,7	8,1

Results by Autonomous Communities

In 2020, the Autonomous Communities with the greatest average expenditure per person were País Vasco (13,289 euros), Comunidad de Madrid (12,873) and Comunidad Foral de Navarra (12,765).

Conversely, Canarias (8,454), and Castilla-La Mancha (9,076) recorded the lowest average expenditure per person.

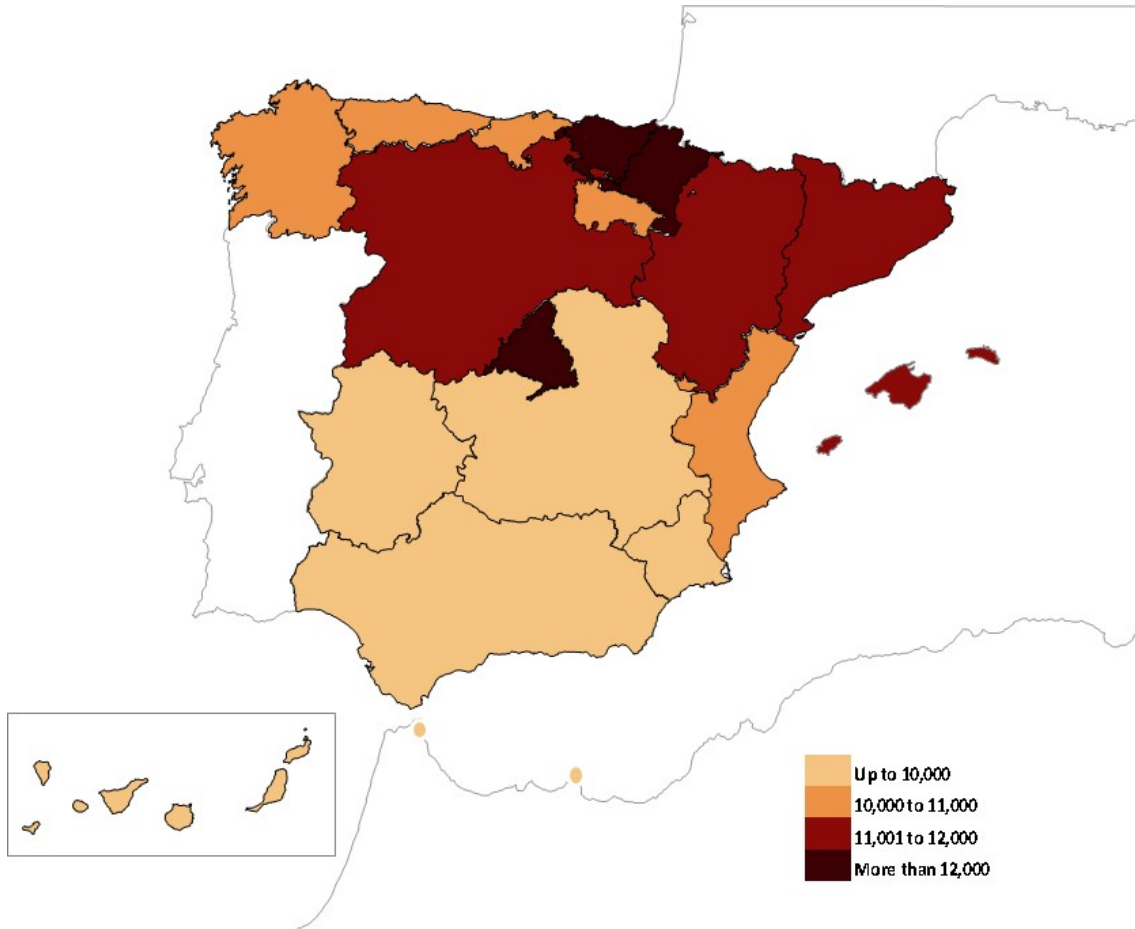
The average expenditure per person in País Vasco was 22.5% over the national average. In turn, that of Canarias was 22.1% below the national average.

Mean consumption expenditure per person and index on the mean by autonomous communities of residence. 2020 *

Autonomous Community	Mean expenditure per person (MEP) (euros)	Index on the mean of the MEP
TOTAL	10.848	100,0
Andalucía	9.392	86,6
Aragón	11.507	106,1
Asturias (Principado de)	10.635	98,0
Balears (Illes)	11.004	101,4
Canarias	8.454	77,9
Cantabria	10.375	95,6
Castilla y León	11.003	101,4
Castilla - La Mancha	9.076	83,7
Cataluña	11.872	109,4
Comunidad Valenciana	10.517	96,9
Extremadura	9.400	86,7
Galicia	10.293	94,9
Madrid (Comunidad de)	12.873	118,7
Murcia (Región de)	9.183	84,6
Navarra (Comunidad Foral de)	12.765	117,7
País Vasco	13.289	122,5
Rioja (La)	10.763	99,2
Ceuta	8.206	75,6
Melilla	9.004	83,0

* The autonomous cities of Ceuta and Melilla are also included

Mean consumption expenditure per person and by autonomous communities of residence. 2020



Data Review and Update

The data published today are final. All results are available on INEBase.

Informative Annex

Note regarding COVID-19's impact on the HBS

The declaration of the state of alarm due to the COVID-19 health crisis created an unprecedented problem for the HBS, since for most of the year INE pollsters were prevented from carrying out information collection visits to the households in the sample.

This forced INE to change its way of working in record time, with the aim of continuing to provide society with the highest quality indicator possible, even during the exceptional period we are currently experiencing.

The basic lines that make up the new work model are based on two fundamental elements: the collection of information through telephone interviews with households and the implementation of statistical methods to adjust spending.

Collection of information

Information collection through direct visits to households has been done away with. In a normal situation, the basis of the survey is, on the one hand, in-person interviews by INE pollsters with households that are part of the sample and, on the other, the delivery of notebooks so that households can directly note down expenses made. Since the declaration of the high alert period it has been necessary to adapt the system and carry out collection by telephone contact with informants, or by telematic means when possible.

It is important to note that the change in procedure has required an additional effort by the HBS interviewers, who carried out operations from their homes, as well as a greater degree of involvement by the informants, whom the INE would like to thank for their collaboration.

Expenditure adjustment

The HBS is designed to collect expenditures on different consumer goods and services and carry out the subsequent methodological processing, taking into account the frequency with which the expenditure is made and its magnitude. However, this procedure fails respond adequately in an exceptional situation such as that currently being experienced, in which consumption patterns have been modified by factors unrelated to the survey.

A specific methodology has therefore been added to the data validation methods commonly used, which seeks to adjust expenditures in sections that have suffered the most from the change in the information collection method.

Evolution of consumption due to the COVID-19 effect

In order to offer information that allows an exceptional analysis of the effects of health regulations, the INE has drawn up spending structures for different periods of 2020 (the period prior to confinement, the period of confinement, and the period of the new normality) to facilitate household spending analysis. In interpreting these results, we must take into account the survey's annual design, meaning that estimates for shorter periods not contemplated in the design are subject to greater variability.

Methodological note

The Household Budget Survey (HBS) provides annual information on the nature and destination of consumption expenditure, as well as on various characteristics relating to the living conditions of households.

Consumption expenditure refers both to the monetary flow that the household uses to pay for certain final consumption goods and services, and to the value of goods received as self-consumption, self-supply, salary in kind, free or subsidised meals and rent imputed to the dwelling in which the household resides (when it owns the dwelling or it has been assigned by other households or institutions). Expenditure is recorded at the time of acquisition, regardless of whether it is paid in cash or in instalments.

Type of survey: Annual.

Population scope: Private households.

Geographical scope: Spanish territory.

Reference period for the results: The calendar year.

Reference period of the information: Varies according to type of expenditure (see methodology)

Sample size: 24,000 households (approx.)

Type of sampling: Two-stage sampling with stratification of the first stage units.

Collection method: Mixed with direct entry by the household and interviews with the household.

For more information the methodology can be accessed at:

https://www.ine.es/en/metodologia/t25/t2530p45816_en.pdf

The standardized methodological report is at:

<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30458>

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