



Northern Ireland Household Expenditure Tracker

Q3 2024
July to September

[consumercouncil.org.uk](https://www.consumercouncil.org.uk)



Northern Ireland's lowest earning households

Discretionary income per week



This is an increase of £1.51 per week (3%) compared to Q2 2024 (April to June).

Gross household income per week

NI = £287.18 **UK = £305.83**

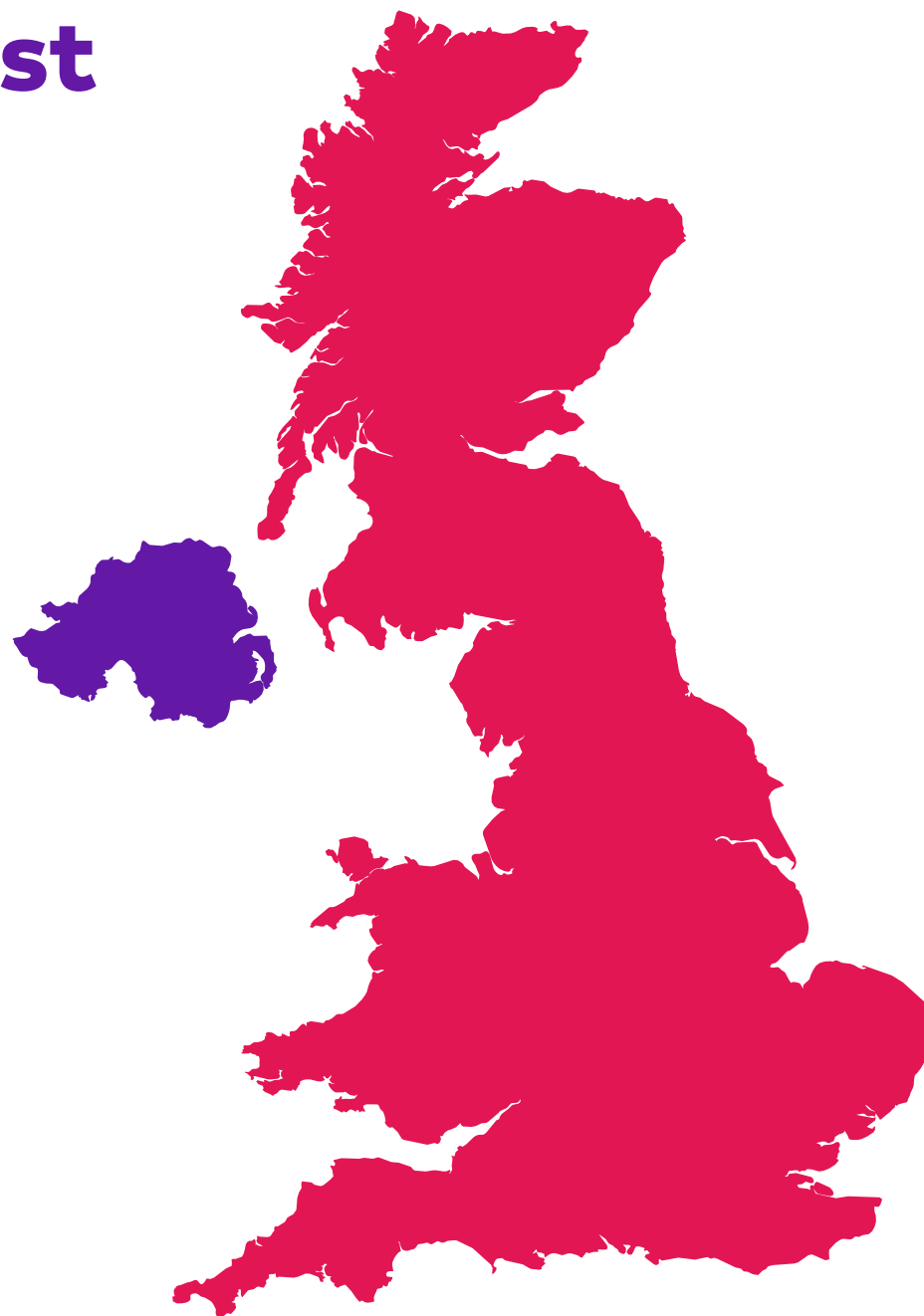
6% lower than the UK

Income from social securities (benefits)

NI
70%



UK
61%




Northern Ireland's lowest earning households

Quarterly change: (Q2 2024 to Q3 2024)

 **+0.7%** Income after tax
£279.38 to £281.22

 **+0.1%** Spending on basics
£229.44 to £229.77

 **+3.0%** Discretionary income
£49.95 to £51.45

Six-month change: (Q1 2024 to Q3 2024)

 **+4.7%** Income after tax
£268.63 to £281.22

 **+1.3%** Spending on basics
£226.90 to £229.77

 **+23.3%** Discretionary income
£41.73 to £51.45

Yearly change: (Q3 2023 to Q3 2024)

 **+9.1%** Income after tax
£257.84 to £281.22

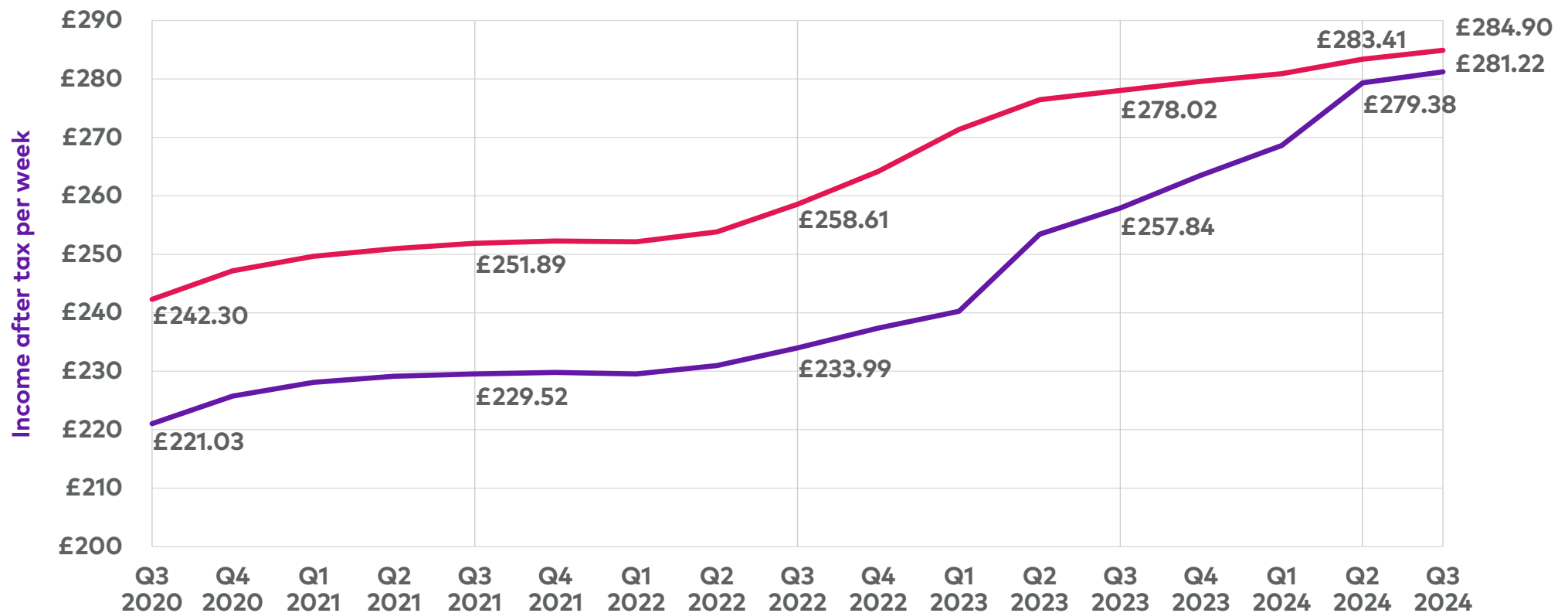
 **+1.1%** Spending on basics
£226.53 to £229.77

 **+64.3%** Discretionary income
£31.31 to £51.45

All of the above figures are per week.

Lowest earning households

NI vs UK: Income after tax



UK vs NI, Q3 2020 to Q3 2024

— NI — UK

Lowest earning households

NI vs UK: **Income after tax**

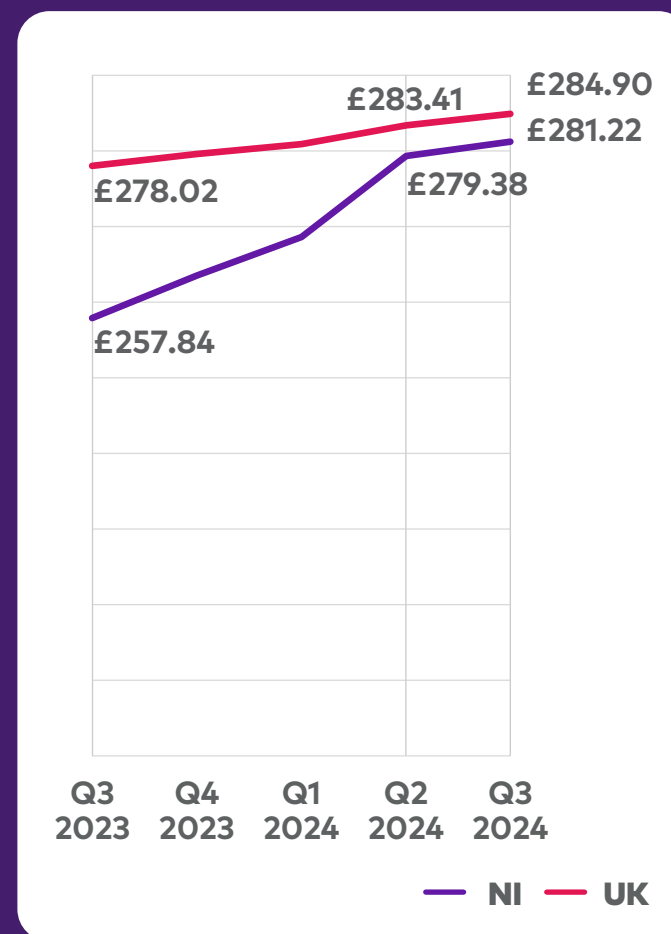
Income after tax for the lowest earning households is

1.3%

lower in NI compared to the UK.

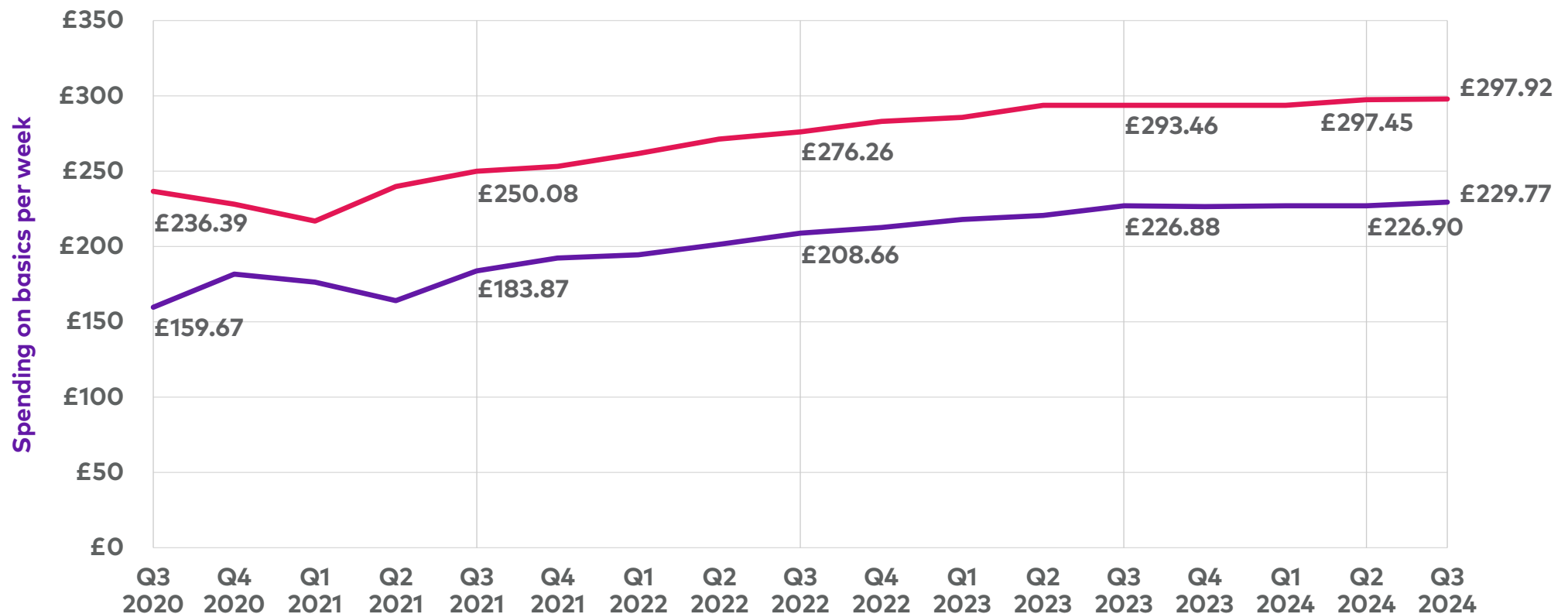
Previous quarter (Q2 2024): 1.4% (NI: £279.64, UK: £283.41)

- Since Q3 2020, income after tax for the lowest earning households has been increasing for both NI and the UK, with incomes rising slightly higher in NI (27.2%) vs UK (17.6%).
- Over the last quarter (Q2 2024 to Q3 2024), income after tax for the lowest earning households in NI (0.7% - £279.38 to £281.22) has grown faster than their UK equivalents (0.5% - £283.41 to £284.90).



Lowest earning households

NI vs UK: Spending on basics

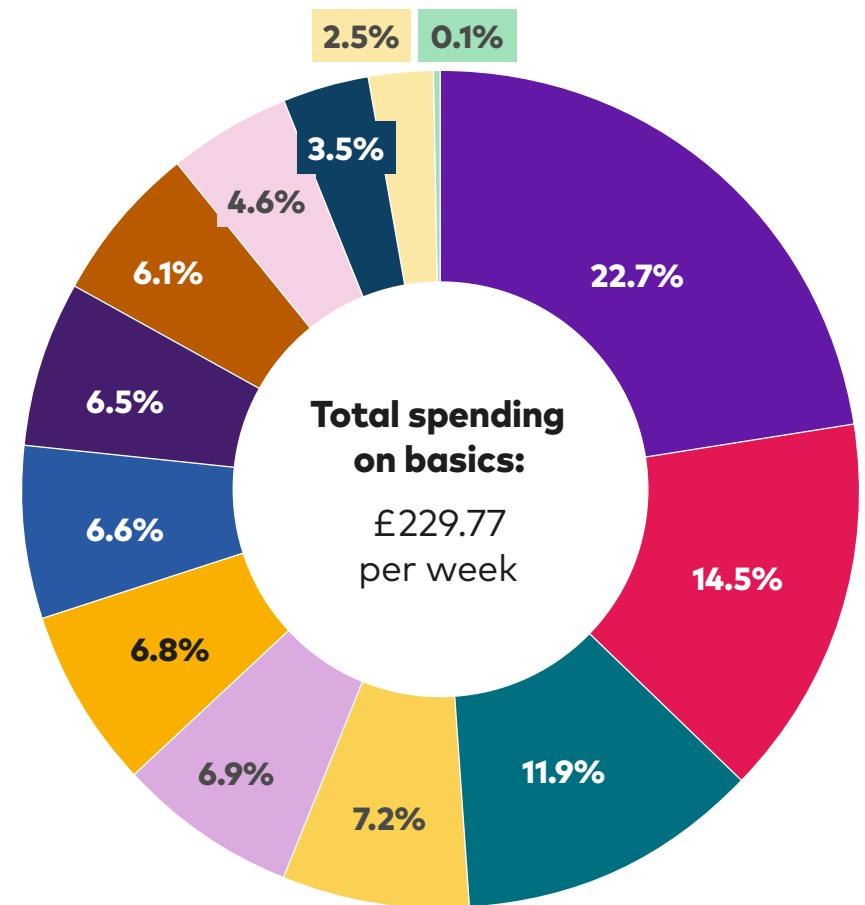
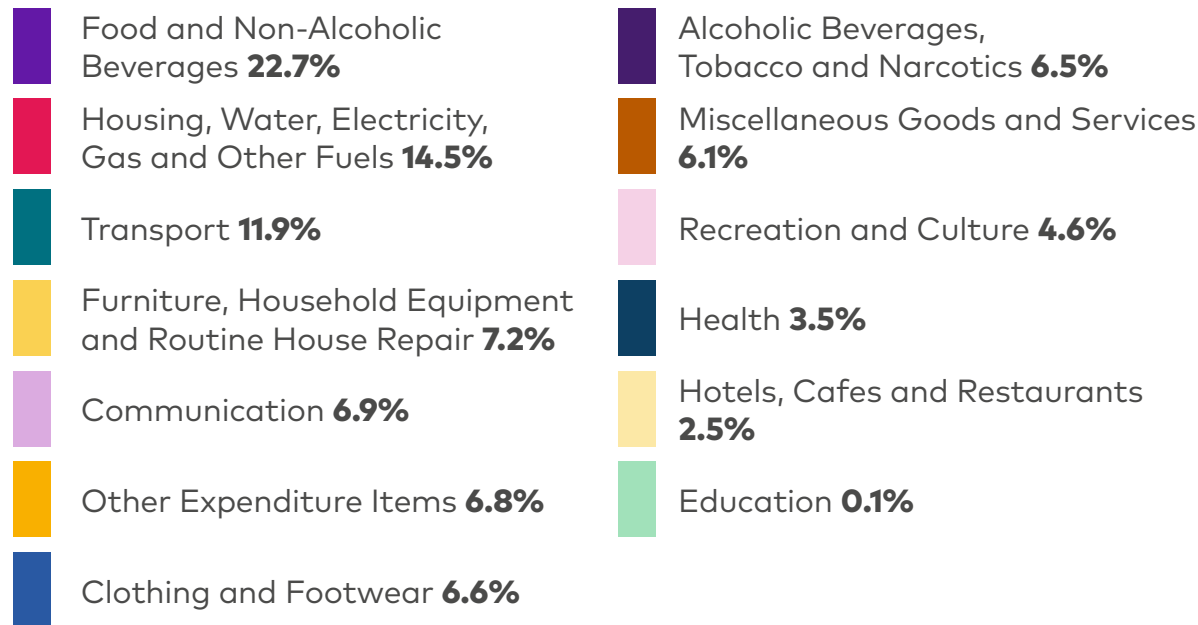


UK vs NI, Q3 2020 to Q3 2024

— NI — UK

Lowest earning households

NI: Spending on basics



Lowest earning households

NI: Spending on basics

- Quartile 1 households spent just under half (49.1%) of their total basic spending on food & non-alcoholic beverages, housing, water, electricity, gas & other fuels and transport. Only 42.6% of Quartile 4 households' basic spending goes towards these same sectors, indicating a lower level of exposure.
- Food costs accounted for 22.7% of the spending of Quartile 1 households, highlighting that the main focus of lower income households is on covering necessities rather than on luxury items. In comparison, food spending as a percentage of total spend is much lower in the highest income households, accounting for only 15.9%.
- The latest Consumer Council Pulse Survey shows 93% of respondents were very concerned about food prices and their impact on household income.

Lowest earning households

NI: Spending on basics

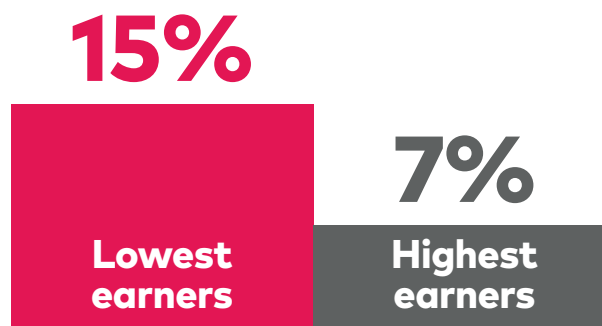
Top three areas of basic spending for NI's lowest earning households compared to the highest earning households:

Food and non-alcoholic
beverages



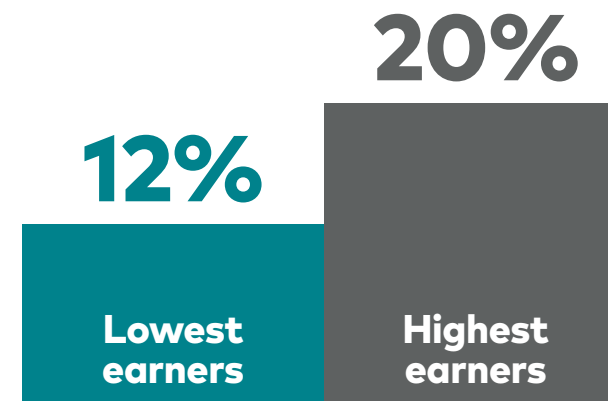
% of basic spending

Housing, water, electricity,
gas and other fuels



% of basic spending

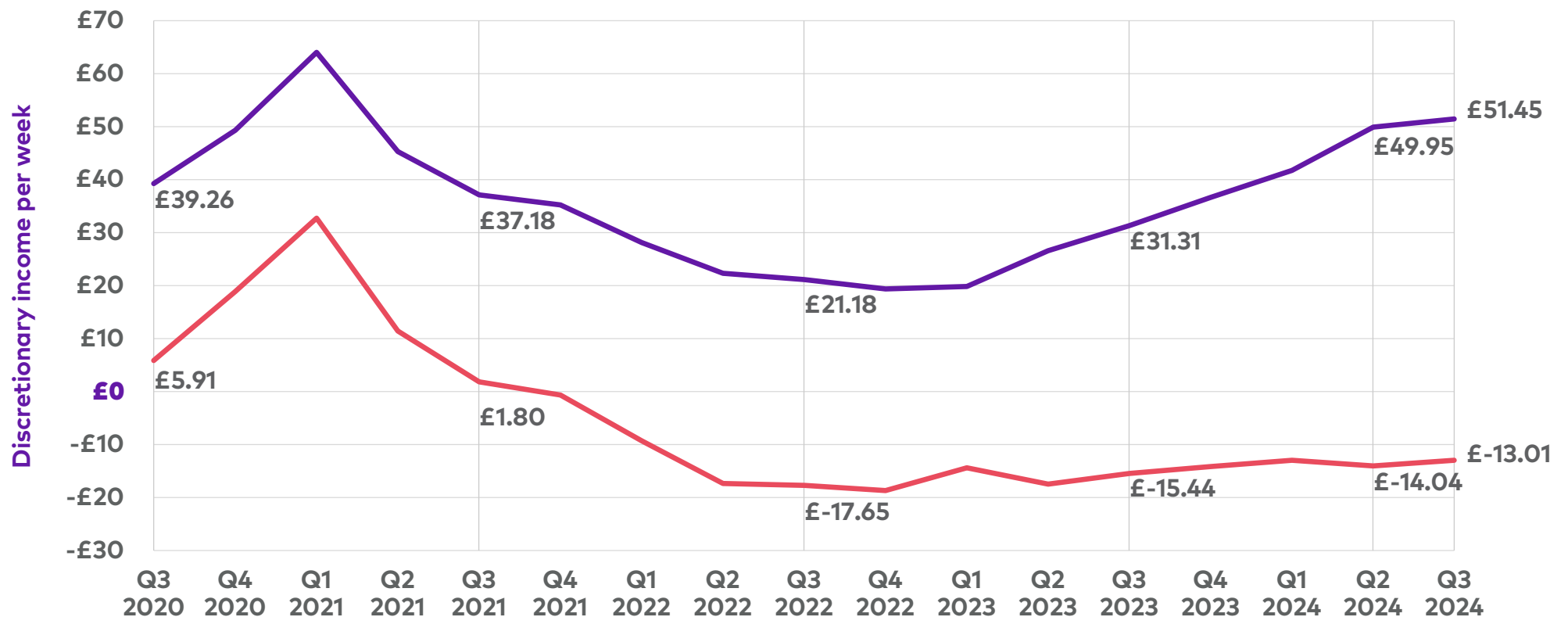
Transport



% of basic spending

Lowest earning households

NI vs UK: Discretionary income



UK vs NI, Q3 2020 to Q3 2024

— NI — UK

Lowest earning households

NI vs UK: Discretionary income

- Discretionary income has risen for those lowest earning households over the last seven quarters (Q4 2022 to Q3 2024).
- Although the UK's lowest earning households earn more compared to NI's, the basic spending basket is also more expensive and this outweighs the difference in income between the two groups and means that the lowest earning households in the UK currently have a negative discretionary income (where their outgoings exceed their income).

Discretionary income for NI's lowest earning households still **remains well below peak levels (Q1 2021)**

with current levels being 20% lower than the peak.

Q1 2021: £64.02



Q3 2024: £51.45

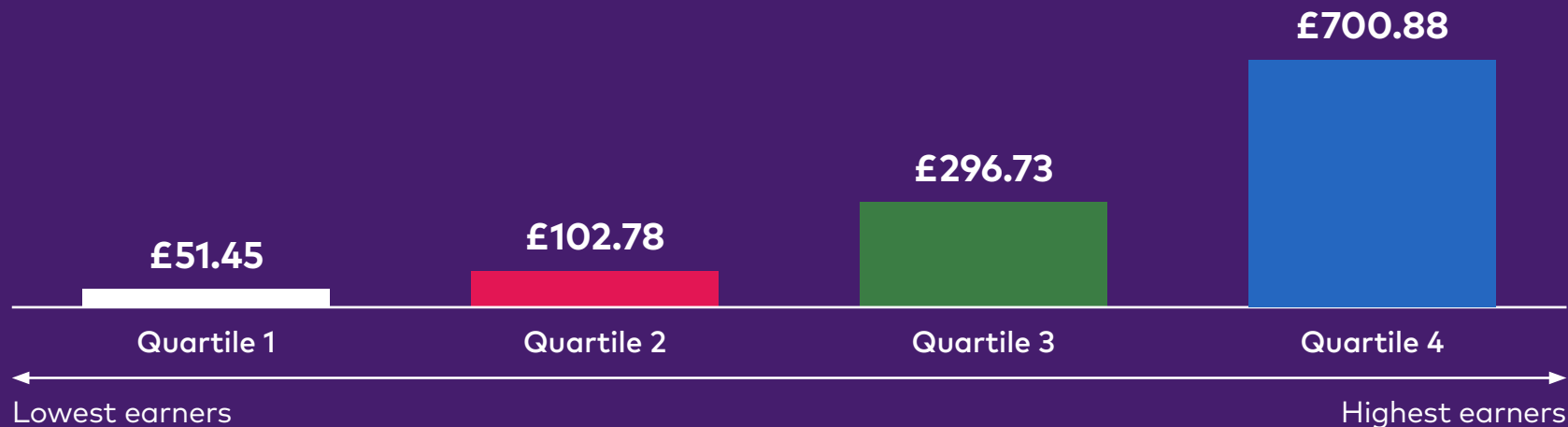
The rising level of discretionary income is most likely due to falling costs and rising incomes, which are then passed on to the consumer, resulting in a minor gain in discretionary income.



Northern Ireland comparisons by income quartile

Discretionary income per week: Q3 2024 (July to September)

- NI's highest earning households (Quartile 4) have over 13 times more discretionary income left to spend every week compared to the lowest earning households (Quartile 1).
- When looking at the middle 50% of households in NI, Quartile 3 households have nearly three times more discretionary income than Quartile 2.



Northern Ireland comparisons by income quartile **(continued)**

Quarterly change: Q2 2024 to Q3 2024

Income after tax per week

 Quartile 1 +0.7% £279.38 to £281.22	 Quartile 2 +1.1% £523.79 to £529.75	 Quartile 3 +1.3% £864.96 to £875.90	 Quartile 4 +0.8% £1,444.07 to £1,455.94
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Spending on basics per week

 Quartile 1 +0.1% £229.44 to £229.77	 Quartile 2 +0.2% £426.36 to £426.98	 Quartile 3 +0.2% £578.33 to £579.17	 Quartile 4 +0.1% £753.97 to £755.06
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Discretionary income per week

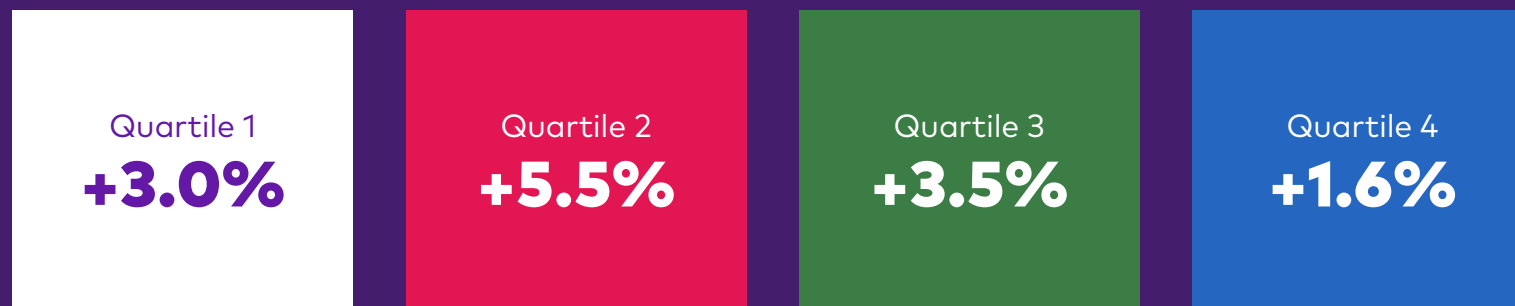
 Quartile 1 +3.0% £49.95 to £51.45	 Quartile 2 +5.5% £97.43 to £102.78	 Quartile 3 +3.5% £286.63 to £296.73	 Quartile 4 +1.6% £690.10 to £700.88
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Northern Ireland comparisons by income quartile (continued)

Explanation of quarterly changes (see pages 12 and 13)

- Over the year, alongside the falling inflation, Northern Ireland's economy has seen strong wage growth, according to HMRC PAYE data with nominal median earnings growing by 8.4% annually – much faster than the annual inflation level (2.0%).
- The level of discretionary income increased across all of Northern Ireland's income quartiles, by an average 3.4%. For those in the lowest quartile, their overall discretionary income has increased by 3.0% between Q2 2024 and Q3 2024, with levels currently being £51.45 per week. In comparison, the level of discretionary income increased by 1.6% in the highest quartile to £700.88.
- Compared to a year ago (Q3 2023 to Q3 2024), there has been an increase in discretionary income for all income quartiles. Quartile 1 households saw a 64.3% increase, reflecting a cash increase of £20.14 per week.

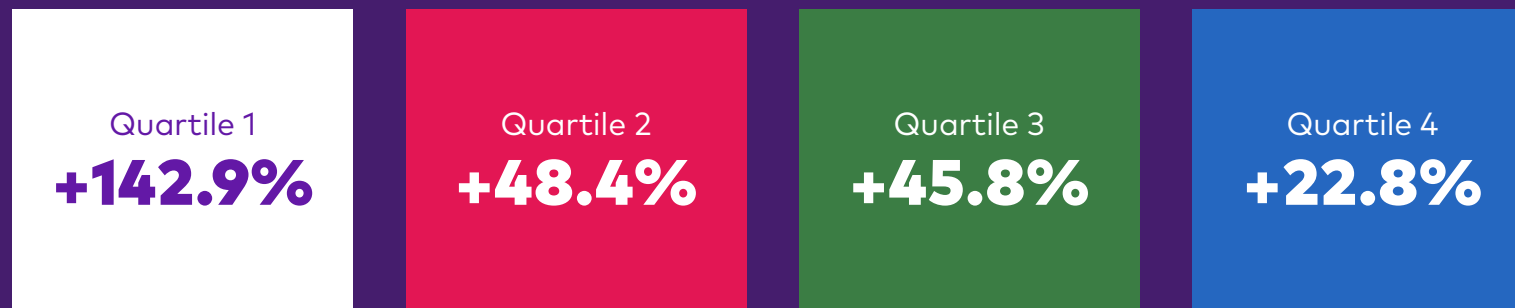
Discretionary income by quartile (Q2 2024 to Q3 2024)



Northern Ireland comparisons by income quartile (continued)

- When looking at discretionary income in NI over the last two years (Q3 2022 to Q3 2024), all quartiles have recovered their spending power, but they still remain behind peak levels (Q1 2021).

Discretionary income by quartile (Q3 2022 to Q3 2024)



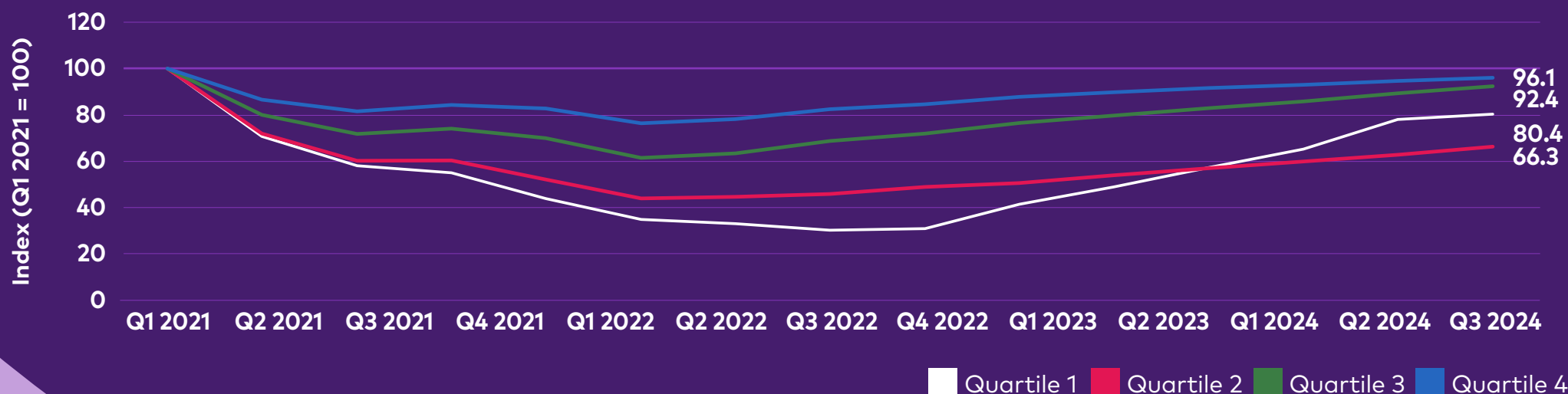
The impact of the cost of living crisis on discretionary incomes in NI

The chart below shows the trend in discretionary incomes for all four income quartiles relative to the start of the cost of living crisis (Q1 2021). This is the quarter that coincides with the period before the Ukraine war and the start of the high inflation rates seen throughout 2021, 2022, and 2023.

If the number is below 100 then it shows that the level of discretionary income has not recovered since before the cost of living crisis began.

- As of Q3 2024 (July to September), no income quartile in NI has seen their spending power return to levels last seen before the cost of living crisis began.
- The lowest income earners (Quartiles 1 and 2) have seen the weakest recovery. Quartile 2 remains the lowest with current discretionary income 34% below Q1 2021 levels.

Index of discretionary income since the cost of living crisis (Q1 2021 = 100)

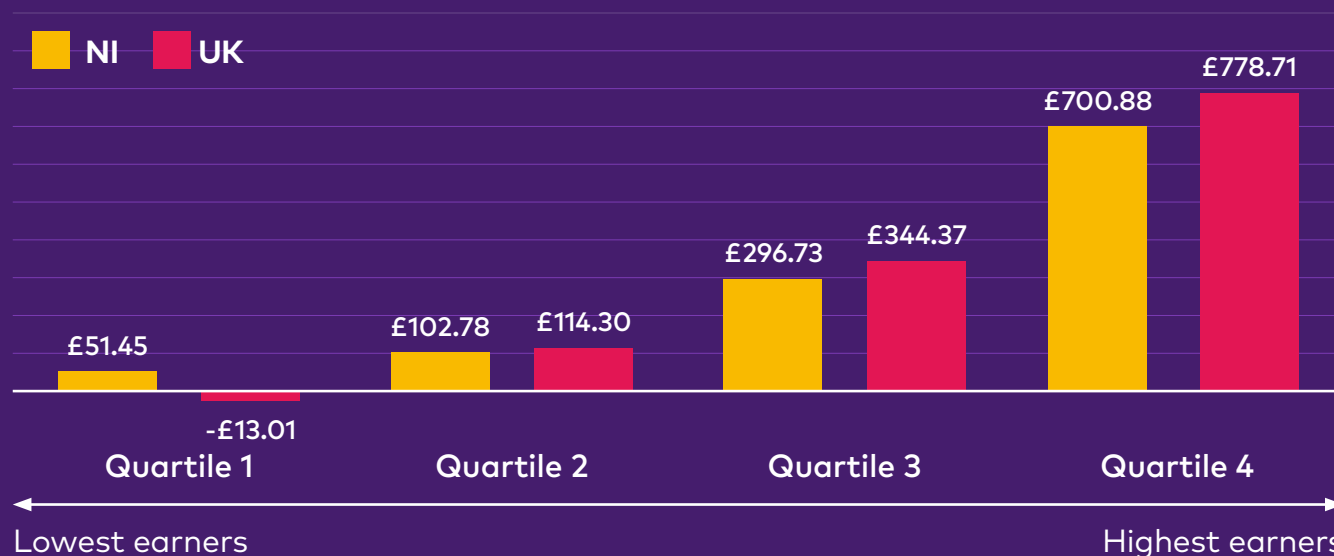


The position of Quartile 2 and Quartile 3 households: Q3 2024 Income (July to September)

Whilst Quartile 1 is the *lowest* earning households and Quartile 4 is the *highest* earning households, Quartiles 2 and 3 represent the middle 50% of households.

- The average gross NI household income in Quartile 1 is **£14,933.35 per year**.
- The average gross NI household income in Quartile 2 is **£29,892.29 per year**.
- The average gross NI household income in Quartile 3 is **£54,079.27 per year**.
- The average gross NI household income in Quartile 4 is **£94,233.39 per year**.

Discretionary income per week: Q3 2024 (July to September)



- For the lowest earning households (Quartile 1), discretionary income is higher in NI than the UK. This is not the case with Quartiles 2, 3 and 4, where households in NI have lower discretionary income.

The position of Quartile 2 and Quartile 3 households: Q3 2024 Income (July to September)

Quartile 2: NI vs UK

NI

£529.75	-	£426.98	=	£102.77
Income after tax		Spending on basics		Discretionary income

UK

£588.10	-	£473.80	=	£114.30
Income after tax		Spending on basics		Discretionary income

9.9% lower in NI

9.9% lower in NI

10.1% lower in NI

Quartile 3: NI vs UK

NI

£875.90	-	£579.17	=	£296.73
Income after tax		Spending on basics		Discretionary income

UK

£973.45	-	£629.08	=	£344.37
Income after tax		Spending on basics		Discretionary income

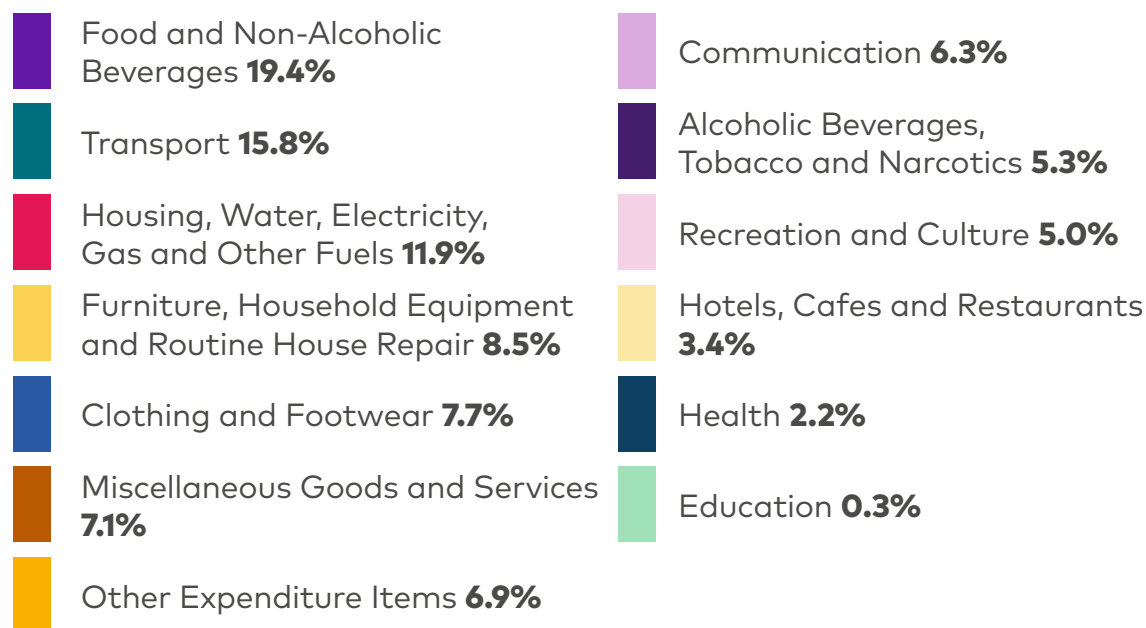
10.0% lower in NI

7.9% lower in NI

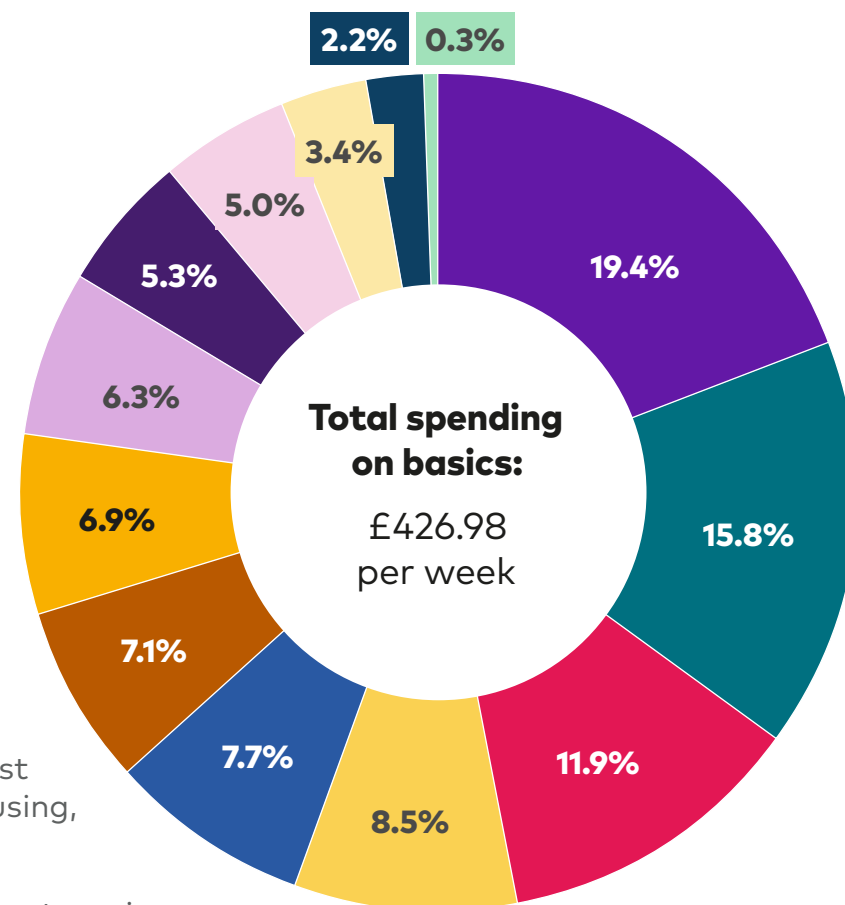
13.8% lower in NI

The position of Quartile 2 households: Q3 2024 Expenditure (July to September)

Spending on basics in NI (Quartile 2)

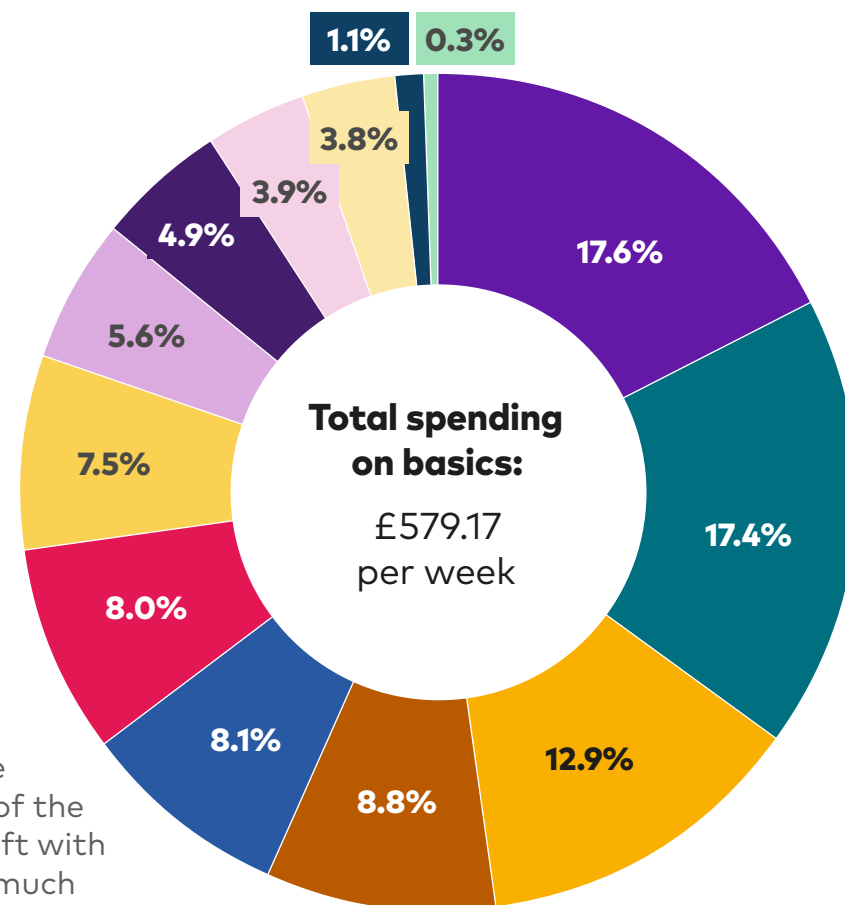
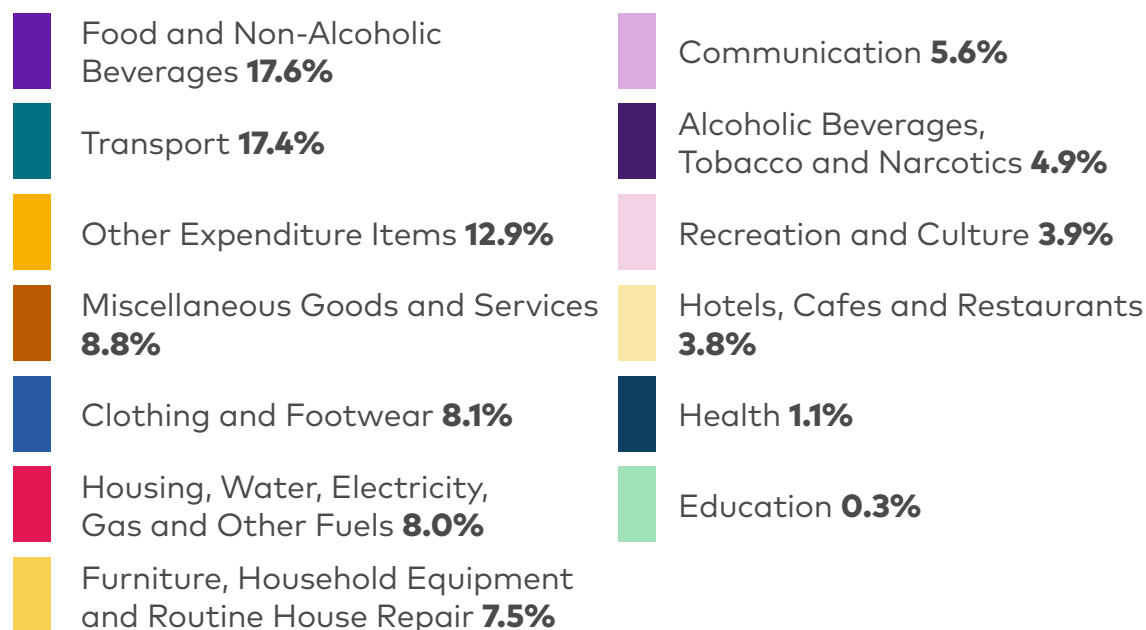


- Quartile 2's top three areas of basic spending are the same as the lowest earning households (Quartile 1): Food and non-alcoholic beverages, Housing, water, electricity, gas and other fuels, and Transport.
- Quartile 2 households spend 47% of their total basic spending on these categories, which is similar to Quartile 1's 49%. These households are almost equally exposed to the same potential economic issues and so are exposed to similar price sensitive items such as food, heating, etc.



The position of Quartile 3 households: Q3 2024 Expenditure (July to September)

Spending on basics in NI (Quartile 3)



- Quartile 3 households spend 43% of their basic spending on these same categories, with this highlighting that rising incomes have eased some of the pressures. However, after all essential spending these households are left with £296.73 of discretionary income to spend each week putting them in a much stronger position to absorb higher prices.
- This is not the case for Quartile 1 and 2 households. These households are left with less than £103 per week after all essential spending.

Notes to readers

To create this bulletin, we use data from Grant Thornton that calculates how the discretionary income of households in Northern Ireland and each of the other nations and regions of the UK have been affected by the cost of living crisis, with the results also broken down by income quartiles.

'Lowest earning households' definition:

Income quartiles are a measure that divide the population into four income groups (from lowest income to highest income). 'Lowest earning households', also known as Quartile 1, are the bottom 25 per cent of the income distribution.

Discretionary income definition:

Discretionary income = Gross household income – Taxes – Spending on basics.

Number of households in each quartile:

It is estimated that there are 768,810 households in NI and 28,081,000 in the UK – meaning that each quartile contains c. 192,202 households in NI and c. 7,020,250 in the UK.

Impacts of COVID-19 on household incomes:

This data is based on the latest Living Costs and Food Survey from the UK Data Service and gives a detailed picture of after-tax household incomes in Northern Ireland and the rest of the UK.

However, the latest available data only covers the period up to the financial year ending March 2019. To model what has happened to household incomes in the period since the beginning of the COVID-19 pandemic, a so-called nowcast is applied to the data.

Notes to readers (continued)

For this, the data is firstly broken down by household incomes by source:

- a. wages and salaries
- b. self-employment
- c. investments
- d. annuities and pensions
- e. social securities
- f. and other sources

Then the latest available data is used to uprate each of these income sources based on the growth they have exhibited in recent months and years, in order to see where the figures for each UK region and nation are in 2020 and 2021.

Impacts of COVID-19 on the cost of basic spending:

The 'spending on basics' or 'basic spending' is defined as the expenditure on a pre-defined consumption basket that represents basic goods and services for a household. This includes expenditure on food, housing, clothes, health, transport and education.

The list of basic spending items is consistent with that used for the ASDA Income Tracker. It includes items and services from all major consumption categories, excluding certain recreational goods and services, restaurants and hotel stays, holidays and other leisure spending.

Notes to readers (continued)

Please note that the 'other expenditure items' category includes certain housing costs such as council tax and mortgage payments as well as licenses, fines and transfers.

Also note that an increase in online shopping over the course of the pandemic has been incorporated into the modelling for clothing expenditure.

To show how much discretionary incomes have been affected by limited spending opportunities during lockdown, discretionary incomes are first calculated in a counter-factual scenario under the assumption that spending has not changed since before the first lockdown. In order to ensure that the data is expressed in current prices, cost of basics is raised by inflation between March 2019 and the latest figures.

Then an actual estimate of the cost of basic spending is calculated, taking into account the limited spending opportunities during lockdown. Where relevant, we incorporate regional variations into our methodology, such as different lockdown timeframes in Wales, England, Northern Ireland and Scotland.

To understand how the spending element of the equation has changed, a new dataset is utilised that categorises household expenditure items according to whether or not spending on these items has been prevented due to the lockdown.

The difference between the spending figures under the counterfactual scenario and the actual estimates thus show the size of the COVID-19 effect on basic spending and thereby on discretionary income levels.

Notes to readers (continued)

Assumptions regarding 'spending on basics' or 'cost of basics':

In order to estimate the impact of restriction measures on basic spending levels throughout the pandemic, a number of assumptions have been made regarding the extent to which certain spending categories were unavailable at different points of the COVID-19 crisis.

In modelling Q3 2024, we have assumed that all spending categories were completely available to consumers. This reflects the relaxation of all COVID-19 restrictions.

Changes to historic data:

Data is correct at the time of publishing and is subject to change based on revisions in the original data sources over time.

Between publications there may be changes in the historic figures for gross household income, income after tax, spending on basics, and discretionary income. These changes to the historic figures are due to some revisions to the source data. This often takes place in the immediate months after a data release but can also be applied to figures earlier in the back history.

The model captures the latest available data across all of the inputs, so any changes made by the original data publishers could lead to some small changes.

Publication:

The Consumer Council will publish the next Northern Ireland Household Expenditure Tracker in April to June 2025.



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