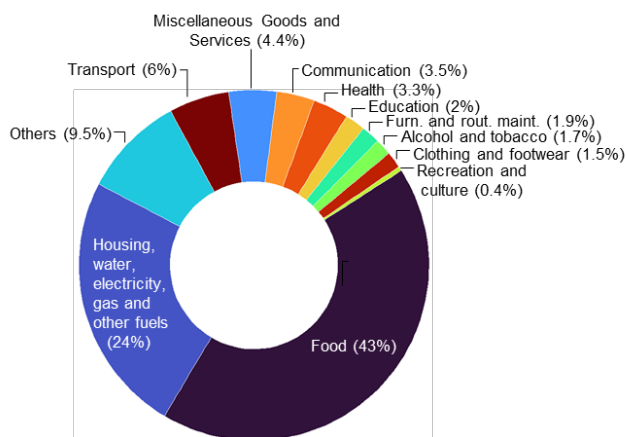


# CONSUMPTION PATTERNS AMONG FILIPINO HOUSEHOLDS, 2021

The 2021 Family and Income Expenditure Survey (FIES) of the Philippine Statistics Authority is the first major survey of household income and expenditure following the onset of the COVID-19 pandemic. According to the latest report, in 2021, the average annual family income is P307,190 while the average annual family expenditure is P228,800. These figures are lower in comparison to the results from FIES 2018.

**FIGURE 1**  
**AVERAGE SPENDING PATTERN OF FILIPINO HOUSEHOLDS**  
**(IN %), 2021**



Figures were determined by applying weights to observations.  
Source: Author's computation based on the 2021 FIES data

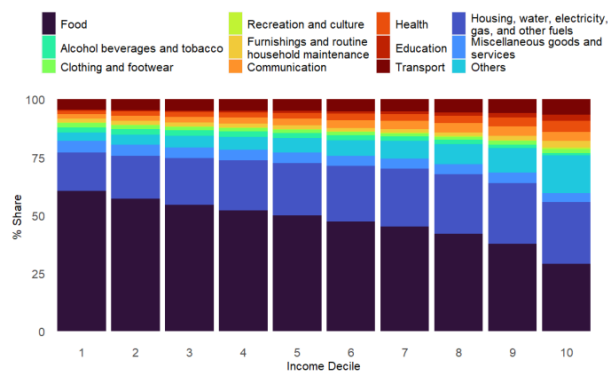
Households spend their incomes on various types of goods and services. Figure 1 shows the breakdown of household expenditures. Food represents the single largest expense, accounting for 43% of total expenditures and reflecting the high priority that Filipino households place on food. This is followed by *housing, water, electricity, gas and other fuels* which accounted for 24% of household expenditure, and then transport at 6%. Meanwhile, *recreation and culture, clothing and footwear, alcohol and tobacco, and furnishing and routine household maintenance* had the lowest shares among the expenditure items – less than 2% each.

Figure 2 presents the spending pattern of households per capita income decile. Expenditure on food remained to have the largest share in the total expenditures of Filipino households. Food expenditures among households in the bottom 10 percent income group had a higher share at 61% compared to the 29% for



households in the top 10 percent income group. The second largest share in total expenditure of Filipino households was on *housing, water, electricity, gas, and other fuels*. Households in the top 10 percent income group spent 27% of total expenditures on *housing, water, electricity, gas, and other fuels* compared to the 16% for the bottom 10 percent income group.

**FIGURE 2**  
**HOUSEHOLD FINAL CONSUMPTION EXPENDITURE BY**  
**PER CAPITA INCOME DECILE (IN %), 2021**



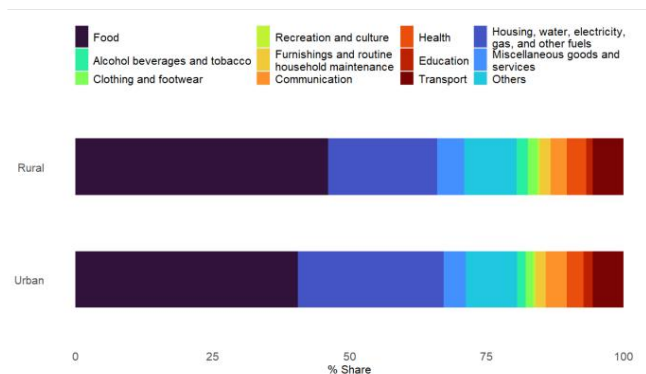
Figures were determined by applying weights to observations.  
Per capita income is obtained by dividing the total family income by the total number of family members.  
Decile 1 refers to the lowest income group while Decile 10 is the highest income group.  
Source: Author's computation based on the 2021 FIES data

While both income groups have common top two expenditure categories (i.e., *food and housing, water, electricity, gas, and other fuels*), the remaining three items in the top five expenditure categories are different. Among the households in the bottom 10% income group, *miscellaneous goods and services* (5.0%) has the third largest expenditure share, followed by *transport* (4.5%), and then *alcohol and tobacco* (2.3%). Meanwhile, in the richest 10% income group, *transport*

has the third biggest share, followed by *health* (4.8%), and *miscellaneous goods and services* (4.0%). Miscellaneous goods and services include expenditures on personal care, personal effects, insurance, financial services, etc.

Figure 3 presents the expenditure pattern of households living in rural and urban areas. *Food, housing, water, electricity, gas, and other fuels* are the two expenditure categories that make up the biggest shares in the total expenditures of households in both urban and rural areas. Households in rural areas spent 46% of their total expenditure on food compared to urban households which only spent 41% of their total spending on food items. On the other hand, households in urban areas spent more on housing and utilities at 27% share compared to only 20% for households in rural areas. Households in both rural and urban areas have common top four expenditure categories: *food, housing, water, electricity, gas, and other fuels, transport services, and miscellaneous goods and services*. Interestingly, among rural households, expenditure share on health was the fifth highest. *Communication* was the fifth highest expenditure item among urban households.

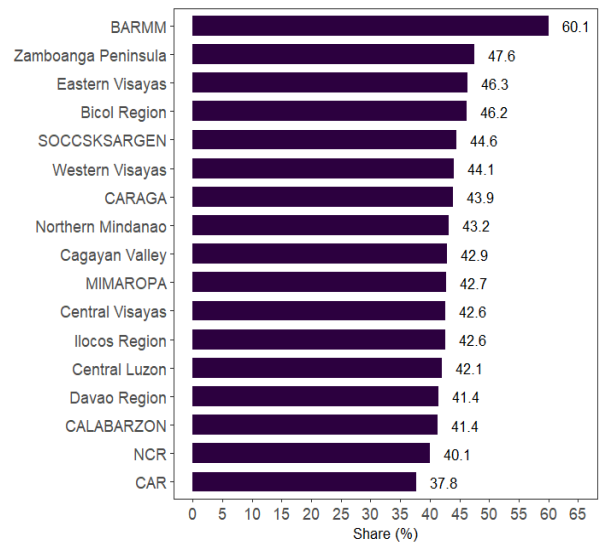
**FIGURE 3**  
**HOUSEHOLD FINAL CONSUMPTION EXPENDITURE BY LOCATION (IN %), 2021**



Figures were determined by applying weights to observations.  
Source: Author's computation based on the 2021 FIES data

**Food Expenditures by Region.** Figure 4 provides information on the average share of food in household expenditures by region. Among the 17 regions, households in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) had the largest food share at 60.1%, followed by Zamboanga Peninsula (47.6%), Eastern Visayas (46.3%), and Bicol Region (46.2%). On the other hand, the National Capital Region (NCR) and Cordillera Administrative Region (CAR) reported the lowest share at 40.1% and 37.8%, respectively.

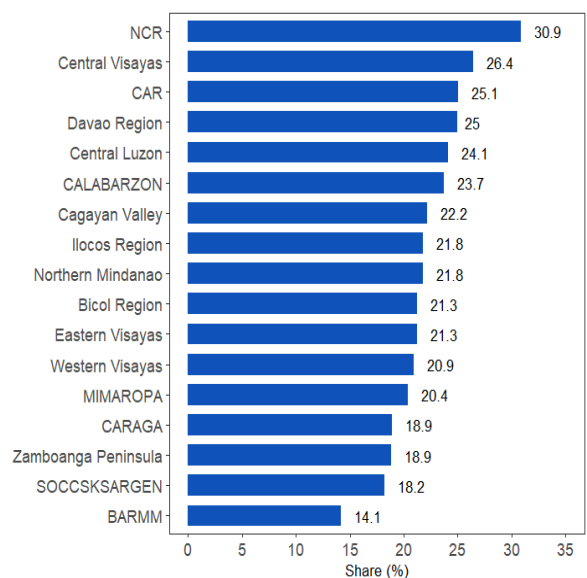
**FIGURE 4**  
**SHARE OF FOOD EXPENDITURES TO HH CONSUMPTION BY REGION (IN %), 2021**



Figures were determined by applying weights to observations.  
Source: Author's computation based on the 2021 FIES data

**Housing and Utilities Expenditures by Region.** As presented in Figure 5, the share of *housing, water, electricity, gas, and other fuels* to total expenditure was highest among NCR households at 31%. This is followed by Central Visayas, CAR, and the Davao Region at 26.4%, 25.1%, and 25%, respectively. In contrast, the share of housing and utilities to total expenditures among BARMM households was only at 14.1%.

**FIGURE 5**  
**SHARE OF HOUSING AND UTILITIES EXPENDITURES TO HH CONSUMPTION BY REGION (IN %), 2021**



Figures were determined by applying weights to observations.  
Utilities include water, electricity, gas, and other fuels.  
Source: Author's computation based on the 2021 FIES data