HOUSEHOLD CONSUMPTION

Impact indicator, Outcome indicator

Indicator Phrasing

English: the average monetary value of the households' consumption during a 7 days recall period

French: la valeur monétaire moyenne de la consommation des ménages pendant une période de rappel de 7 jours

Portuguese: o valor monetário médio do consumo dos agregados familiares durante um período de 7 dias

Czech: průměrná finanční hodnota spotřeby domácností během zkoumaného 7-denního období

What is its purpose?

The indicator measures the average financial value of the goods and services the target households used over a 7 day recall period, including those that were produced by the household members (i.e. were not purchased). It is among the most preferred – and also most demanding – indicators of household living standards.

How to Collect and Analyse the Required Data

IndiKit recommends **two main options** for measuring household consumption:

A) The Living Standards Measurement Study (LSMS)

The LSMS surveys assess household members' consumption of 20-40 food items and a similar number of non-food items/ services over a given time period. Subsequently, they calculate their financial value, make adjustments for costs of living (if required), and for the household size and composition. They provide detailed and relatively reliable data; however, their design and implementation takes considerable time and resources. Examples of LSMS questionnaires and methodology guidance are provided in the links below (do not be deterred by their length - the questionnaires can be shortened considerably).

B) The Restricted Household Consumption Survey

Instead of providing a comprehensive overview of household consumption (as LSMS does), the second option focuses on assessing changes in the consumption of a limited number of commonly desired goods and services – an important indicator of a household's living standard. It requires the following steps:

1) **Pre-define the assessed goods and services**: select a limited number (up to 15) of those foods, non-food items and services which the target households consume only if they have (slightly) more resources – for example, meat, certain types of fresh foods, sugar, phone credit, entertainment, or private education.

2) **Set the recall period**: 7 days is the recommended recall period; if you selected goods and services that are relatively easy to remember, consider using a 14 days recall period.

3) **Design and pilot the questionnaire, collect and analyze the data**: assess the amount and financial value of the consumed goods and services; if you want to assess also the "per capita household consumption", divide the total financial value by the number of household members.

Important Comments

1) Compared to the [Household Expenditure](#) indicator, household consumption indicator **informs us about the goods and services people actually used** – not just purchased – in the given time period. It is one of the most valuable proxy indicators of income.

2) Consumption is prone to significant changes in time (given by food and income availability, festivals and other factors). Do your best to **collect baseline and endline data in the same period of a year**; otherwise it is very likely that they will not be comparable. Avoid collecting data during the times of unusual consumption (e.g. festivals).

3) Be aware that if you interview only one household member, s/he might not have a complete **overview of the other members' consumption**.

4) **Do not use long recall periods** – although it might seem that they provide a more accurate picture of the reality, they tend to be very imprecise as people simply forget the amount of the goods and services they used.

Access Additional Guidance

- World Bank (2005) [Measuring Living Standards: Household Consumption and Wealth Indices](#)

- World Bank (2010) [Methods of Household Consumption: Measurement Through Surveys](#)