

Household Expenditure



- **Expenditure** is the money we spend during a particular period, e.g. a month.
- When planning your expenditure:
 - Never plan to spend more than you earn.
 - Always put aside some money for unexpected events.
 - Allocate money to the most important bills first, e.g. mortgage, electricity.
 - Always know when each bill has to be paid.

- **Fixed Expenditure** refers to bills which stay the same no matter how much the item is used, e.g. mortgage, car tax.
- **Irregular Expenditure** refers to bills which change depending on how much the item is used, e.g. telephone, petrol.



- **Discretionary Expenditure** refers to those items we should only buy when all our important bills have been paid, e.g. a new Xbox.



- Because our income is scarce, we cannot purchase everything we would like to have.
- People with scarce resources must make choices.
- When we make a decision to buy something, the **opportunity cost** of that purchase is the alternative we had to do without.



- Opportunity cost:
 - Maria Lynch has €20 to spend.
 - Maria has to choose between mobile phone credit and replacement ink for her printer.



- Opportunity cost:
 - If Maria chooses the mobile phone credit, the opportunity cost is the printer ink.
 - If Maria chooses the printer ink, the opportunity cost is the mobile phone credit.



Recording household expenditure

- A record should be kept of all household expenditure over a period of time, e.g. four months.
- Expenditure should be divided into fixed, irregular and discretionary.
- The total for each item of expenditure for the four months is calculated by adding each month's figure together and showing this amount in the total column.
- The total expenditure for each month is calculated by adding together the figures in each column.

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage					
House Insurance					
Subtotal					
Irregular					
Groceries					
Car Running Costs					
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance					
Subtotal					
Irregular					
Groceries					
Car Running Costs					
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal					
Irregular					
Groceries					
Car Running Costs					
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries					
Car Running Costs					
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs					
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills					
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal					
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal	475	480	400	420	1775
Discretionary					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal	475	480	400	420	1775
Discretionary					
Entertainment	120	120	120	120	480
Holiday					
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal	475	480	400	420	1775
Discretionary					
Entertainment	120	120	120	120	480
Holiday			650		650
Subtotal					
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal	475	480	400	420	1775
Discretionary					
Entertainment	120	120	120	120	480
Holiday			650		650
Subtotal	120	120	770	120	1130
TOTAL EXPENDITURE					

Household Expenditure

Russell Family	Jan	Feb	Mar	Apr	Total
PLANNED EXPENDITURE	€	€	€	€	€
Fixed					
House Mortgage	300	300	300	300	1200
House Insurance	20	20	20	20	80
Subtotal	320	320	320	320	1280
Irregular					
Groceries	250	250	250	250	1000
Car Running Costs	50	80	50	50	230
Household Bills	175	150	100	120	545
Subtotal	475	480	400	420	1775
Discretionary					
Entertainment	120	120	120	120	480
Holiday			650		650
Subtotal	120	120	770	120	1130
TOTAL EXPENDITURE	915	920	1490	860	4185