



# Northern Ireland Household Expenditure Tracker

Q4 2024  
October to December

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



# Northern Ireland's lowest earning households

## Discretionary income per week

$$\begin{array}{rcl} \text{£284.23} & - & \text{£231.43} = \text{£52.80} \\ \text{Income after tax} & \text{Spending on basics} & \text{Discretionary income} \end{array}$$

This is an increase of £1.35 per week (2.6%) compared to Q3 2024 (July to September).

## Gross household income per week

**NI = £291.59**      **UK = £310.26**

**6% lower than the UK**

## Income from social securities (benefits)

**NI**  
**70%**




**UK**  
**61%**



# Northern Ireland's lowest earning households

## Quarterly change: (Q3 2024 to Q4 2024)

 **+1.1%** Income after tax  
£281.22 to £284.23

 **+0.7%** Spending on basics  
£229.77 to £231.43

 **+2.6%** Discretionary income  
£51.45 to £52.80

## Six-month change: (Q2 2024 to Q4 2024)

 **+1.7%** Income after tax  
£279.38 to £284.23

 **+0.9%** Spending on basics  
£229.44 to £231.43

 **+5.7%** Discretionary income  
£49.95 to £52.80

## Yearly change: (Q4 2023 to Q4 2024)

 **+7.9%** Income after tax  
£263.46 to £284.23

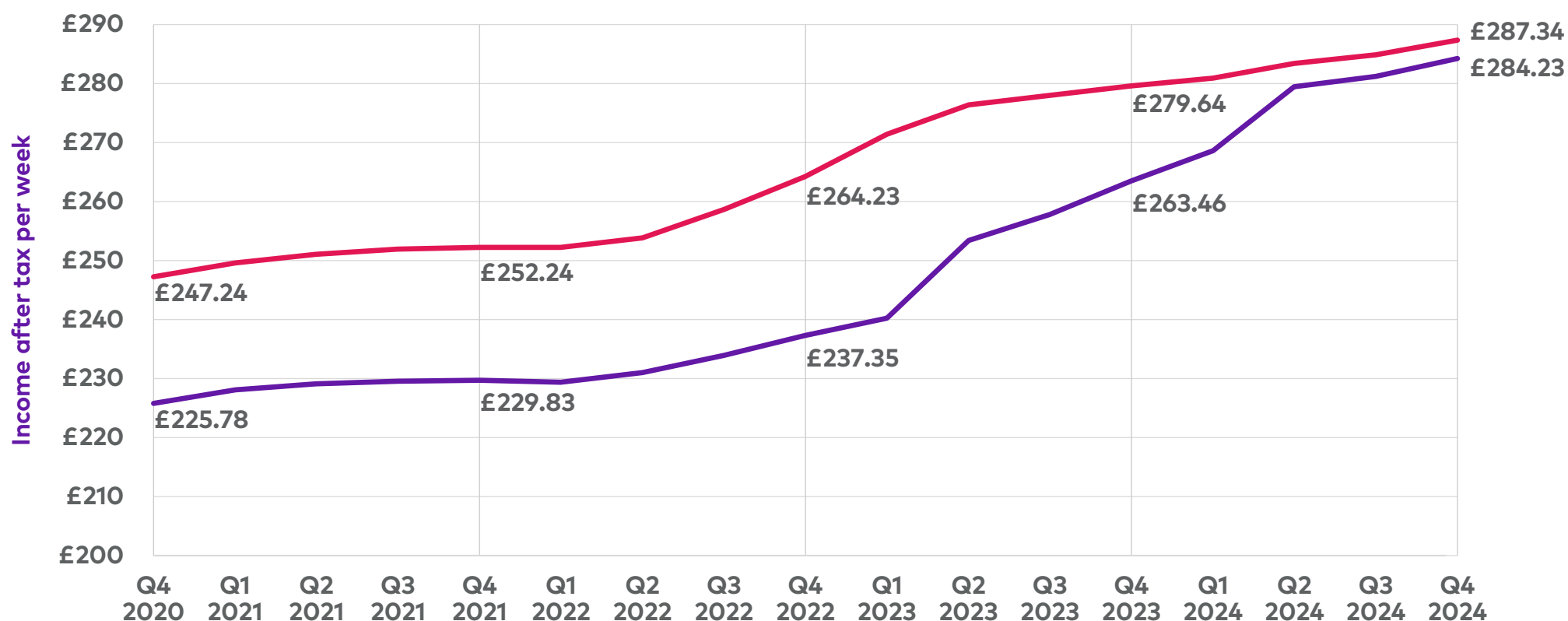
 **+2.0%** Spending on basics  
£226.81 to £231.43

 **+44.1%** Discretionary income  
£36.65 to £52.80

All of the above figures are per week.

# Lowest earning households

## NI vs UK: Income after tax



UK vs NI, Q4 2020 to Q4 2024

— NI — UK

# Lowest earning households

## NI vs UK: **Income after tax**

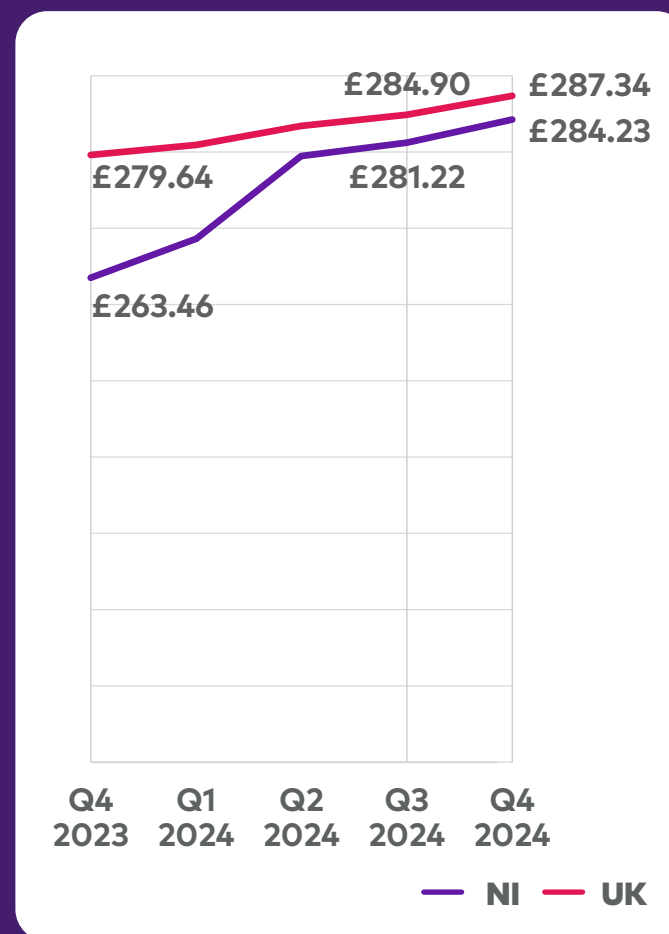
Income after tax for the lowest earning households is

# 1.1%

**lower in NI compared to the UK.**

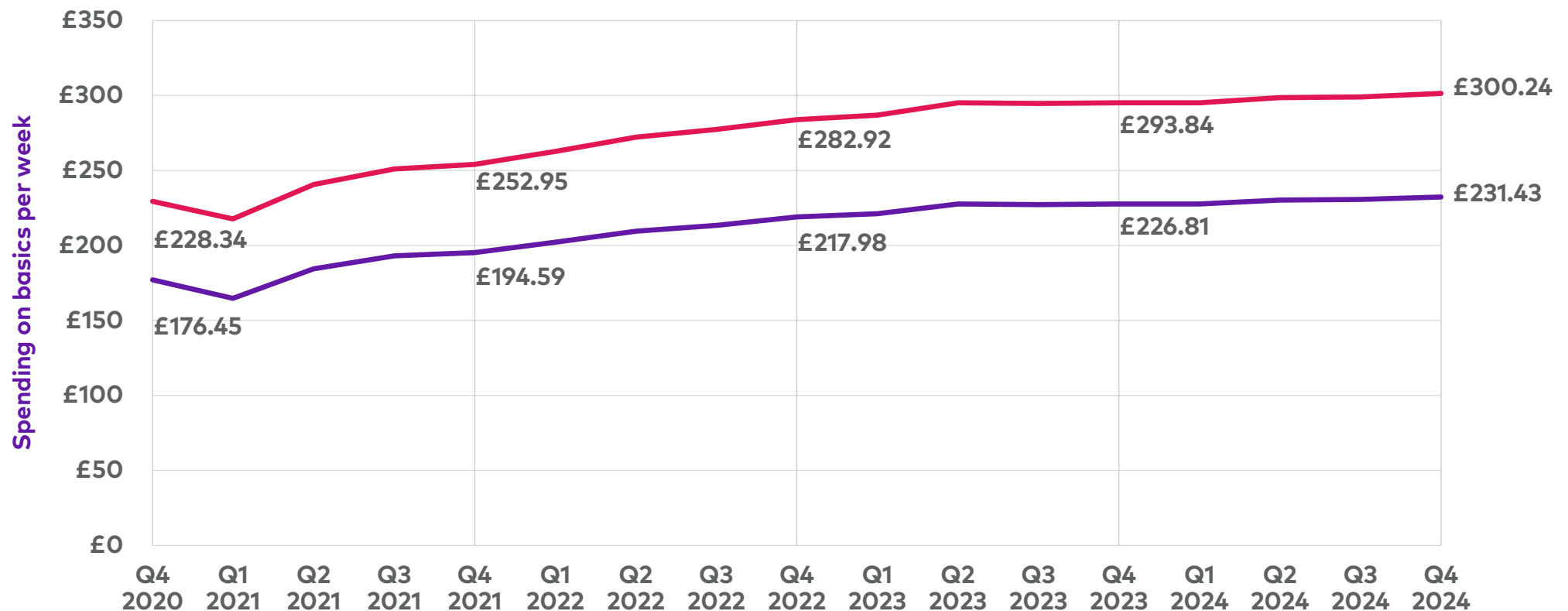
Previous quarter (Q3 2024): 1.3% (NI: £281.22, UK: £284.90)

- Since Q4 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 (25.9%) vs UK (16.2%).
- Over the last quarter (Q3 2024 to Q4 2024), income after tax for the lowest earning households in NI (1.1% - £281.22 to £284.23) has grown faster than their UK equivalents (0.9% - £284.90 to £287.34).



# Lowest earning households

## NI vs UK: Spending on basics

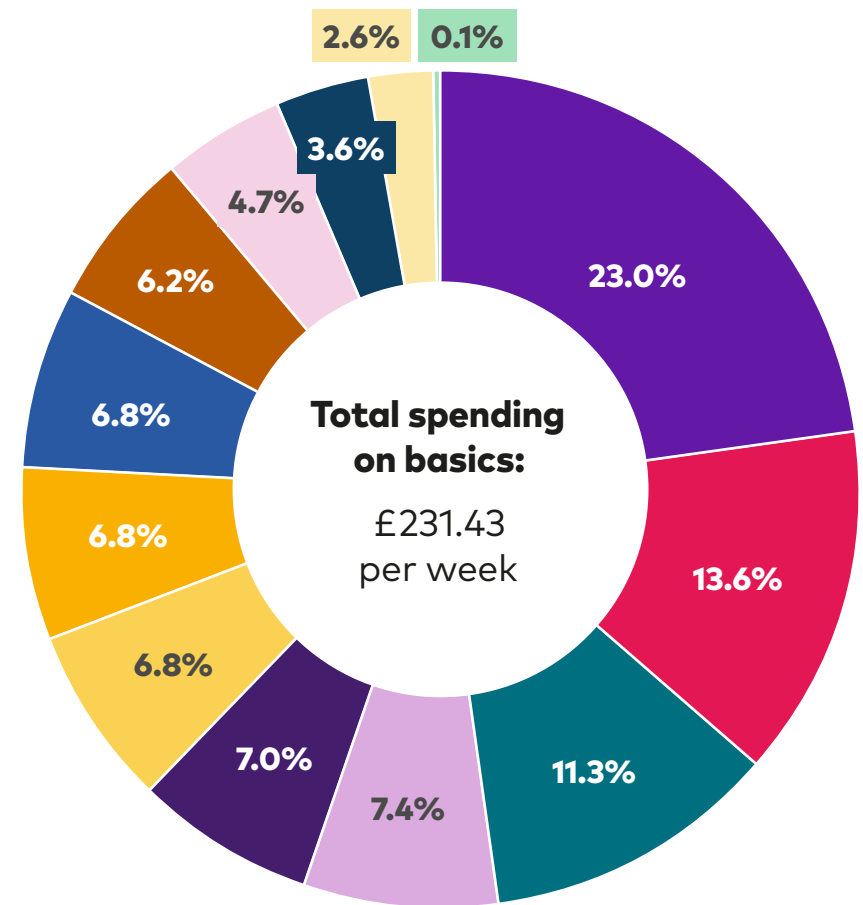
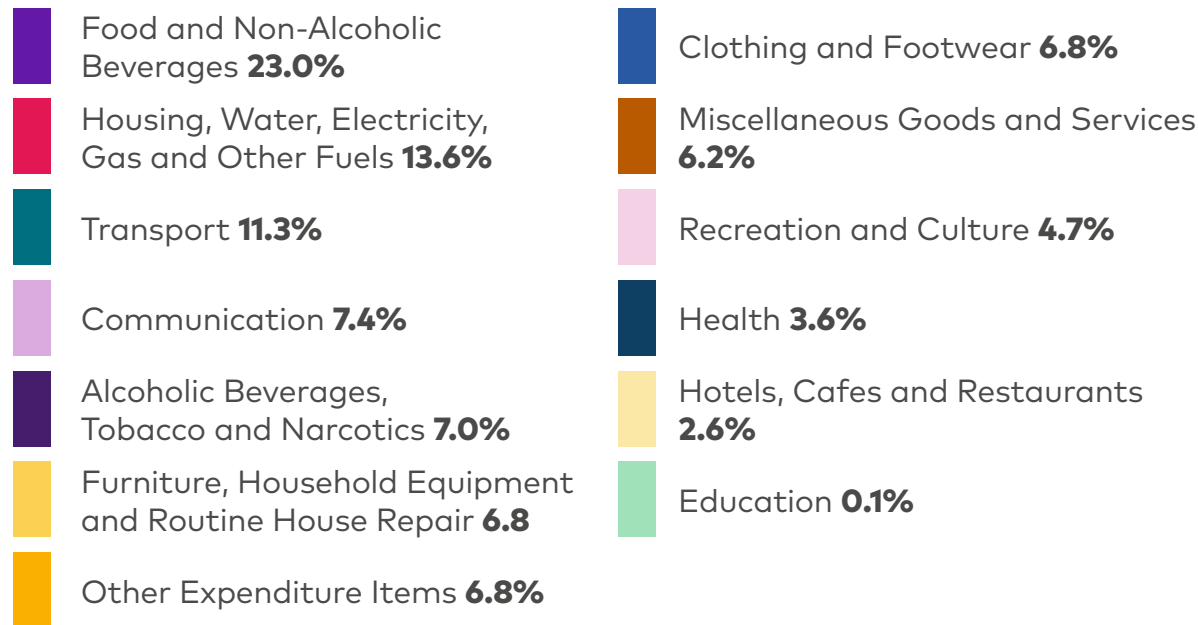


UK vs NI, Q4 2020 to Q4 2024

— NI — UK

# Lowest earning households

## NI: Spending on basics



# Lowest earning households

## NI: Spending on basics

- Quartile 1 households spent under half (47.9%) of their total basic spending on food & non-alcoholic beverages, housing, water, electricity, gas & other fuels, and transport.
- Food costs accounted for 23% of Quartile 1 households' spending, highlighting that lower income households prioritise necessities. In comparison, food spending is a much lower proportion in the highest income households, accounting for only 16.1% of spending. Additionally, food inflation is forecast to grow significantly over 2025, with the British Retail Consortium stating food inflation will reach 5% (annual growth) by the second half of 2025.
- In Quarter 4 2024, (October to December) the lowest earning households in Northern Ireland experienced their highest level of food spending as a percentage of their total spend in four years.

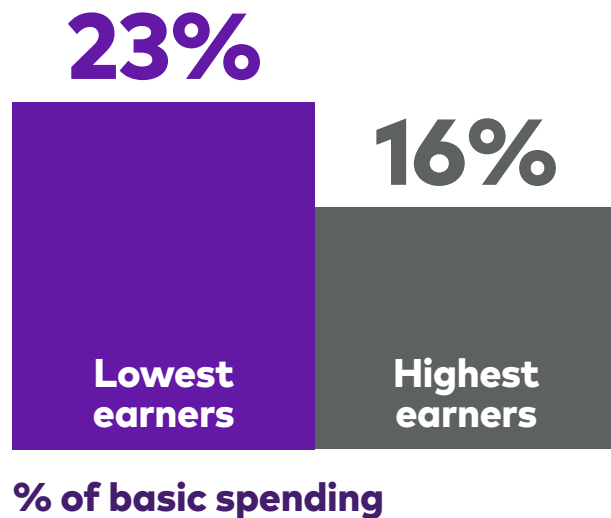


# Lowest earning households

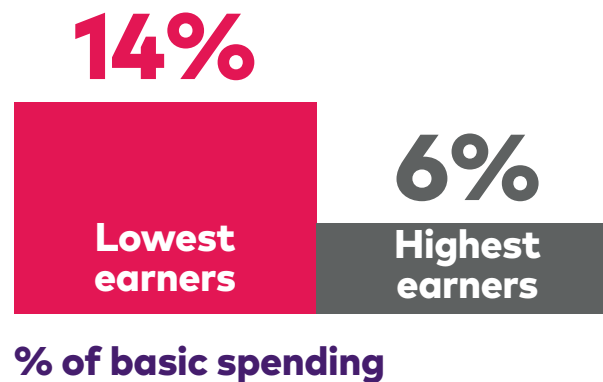
## NI: Spending on basics

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

Food and non-alcoholic  
beverages



Housing, water, electricity,  
gas and other fuels

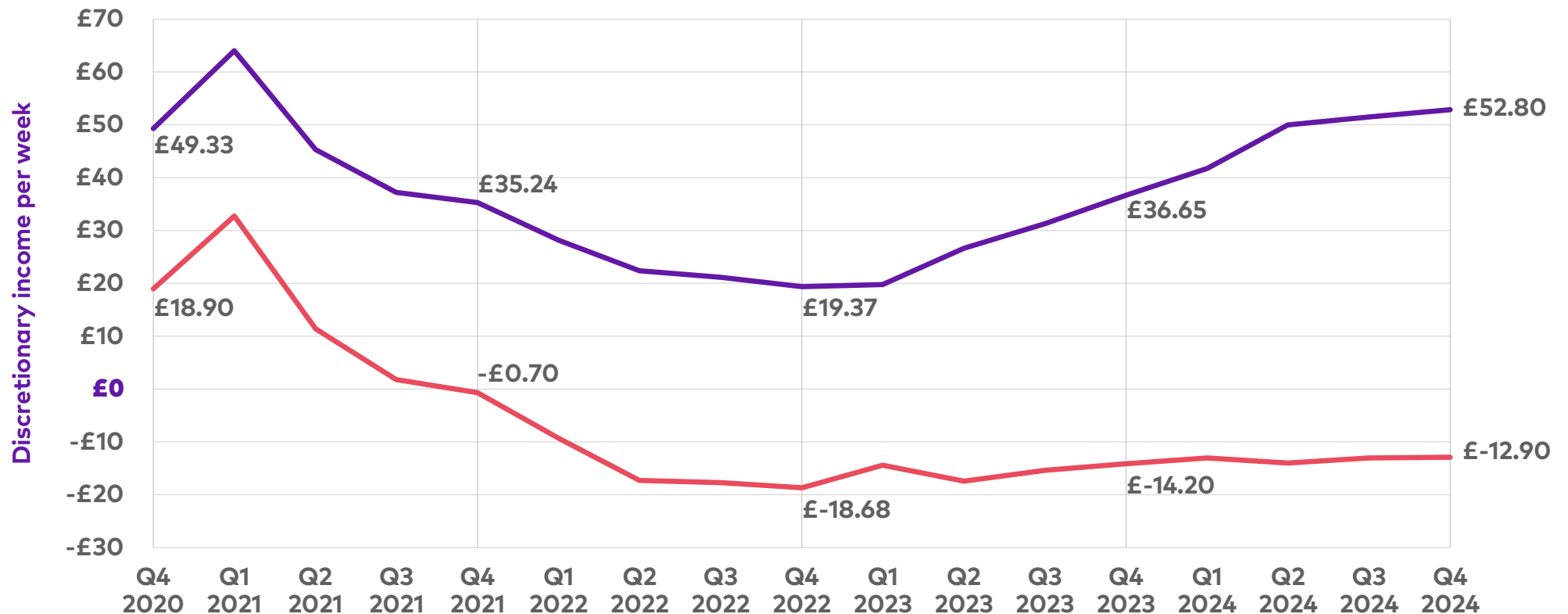


Transport



# Lowest earning households

## NI vs UK: Discretionary income



UK vs NI, Q4 2020 to Q4 2024

— NI — UK

# Lowest earning households

## NI vs UK: Discretionary income

- Discretionary income has risen for the lowest earning households over the last eight quarters (Q4 2022 to Q4 2024)
- Although the UK's lowest earning households earn more than NI's, the basic spending basket is also more expensive, which outweighs the income difference between the two groups, resulting in a negative discretionary income (where outgoings exceed income for the UK's lowest earning households).

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

**with current levels being 18% lower than the peak.**

**Q1 2021: £64.02**



**Q4 2024: £52.80**

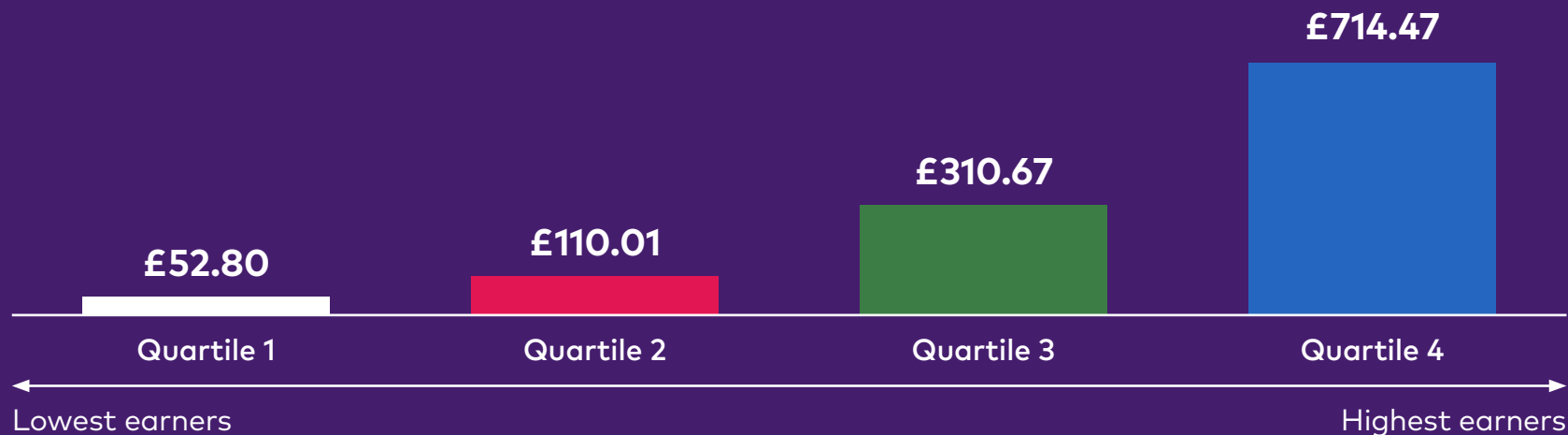
The rising level of discretionary income reflects falling costs and rising incomes, which are then passed down to consumers, helping to raise their discretionary income.



# Northern Ireland comparisons by income quartile

## Discretionary income per week: Q4 2024 (October to December)

- 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: Q3 2024 to Q4 2024

Income after tax per week

 <b>Quartile 1</b> <b>+1.1%</b> £281.22 to £284.23	 <b>Quartile 2</b> <b>+2.0%</b> £529.75 to £540.09	 <b>Quartile 3</b> <b>+2.1%</b> £875.90 to £894.09	 <b>Quartile 4</b> <b>+1.3%</b> £1,455.94 to £1,475.04
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Spending on basics per week

 <b>Quartile 1</b> <b>+0.7%</b> £229.77 to £231.43	 <b>Quartile 2</b> <b>+0.7%</b> £426.98 to £430.08	 <b>Quartile 3</b> <b>+0.7%</b> £579.17 to £583.42	 <b>Quartile 4</b> <b>+0.7%</b> £755.06 to £760.57
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Discretionary income per week

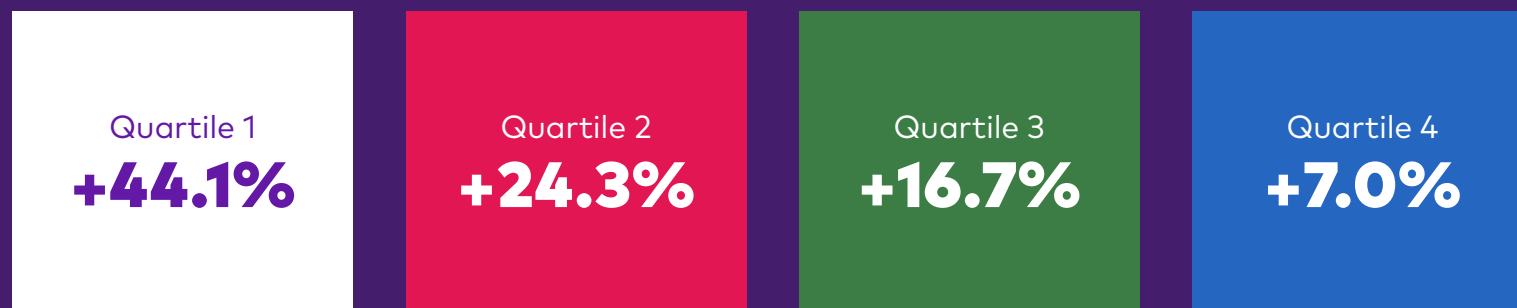
 <b>Quartile 1</b> <b>+2.6%</b> £51.45 to £52.80	 <b>Quartile 2</b> <b>+7.0%</b> £102.78 to £110.01	 <b>Quartile 3</b> <b>+4.7%</b> £296.73 to £310.67	 <b>Quartile 4</b> <b>+1.9%</b> £700.88 to £714.47
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# Northern Ireland comparisons by income quartile (continued)

## Explanation of quarterly changes (see pages 12 and 13)

- Northern Ireland's economy has had strong wage growth over the past year, with nominal median earnings increasing by 7.3%, much faster than annual inflation (2.4%).
- Across all of Northern Ireland's income quartiles, discretionary income increased by an average of 4.1% quarter on quarter. Between Q3 2024 and Q4 2024, those in the lowest earning quartile increased their overall discretionary income by 2.6%, to £52.80 per week. In comparison, the highest earning quartile's discretionary income climbed by 1.9%, to £714.47 per week.
- Compared to a year ago (Q4 2023 to Q4 2024), there has been an increase in discretionary income for all income quartiles. Quartile 1 households saw a 44.1% increase, reflecting a cash increase of £16.15 per week.

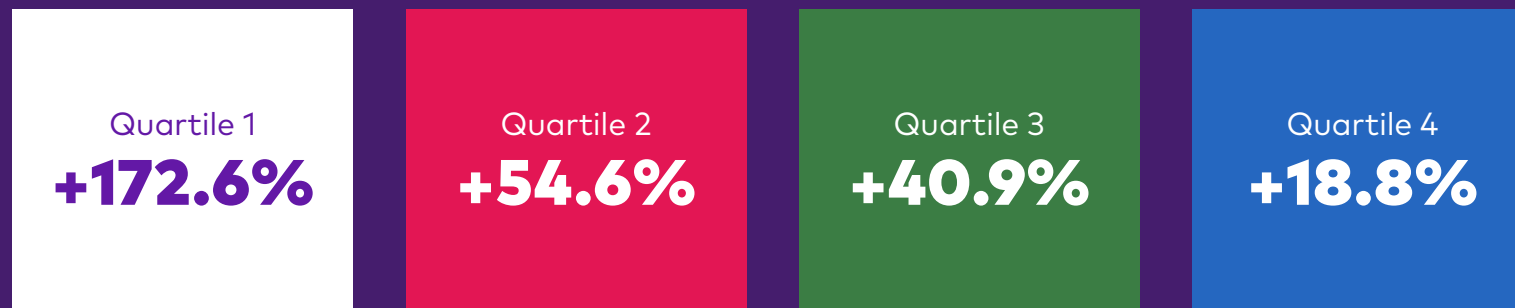
## Discretionary income by quartile Q4 2023 to Q4 2024



# Northern Ireland comparisons by income quartile (continued)

- When looking at discretionary income in NI over the last two years (Q4 2022 to Q4 2024), all quartiles have recovered their spending power, but they remain behind peak levels.

## Discretionary income by quartile (Q4 2022 to Q4 2024)



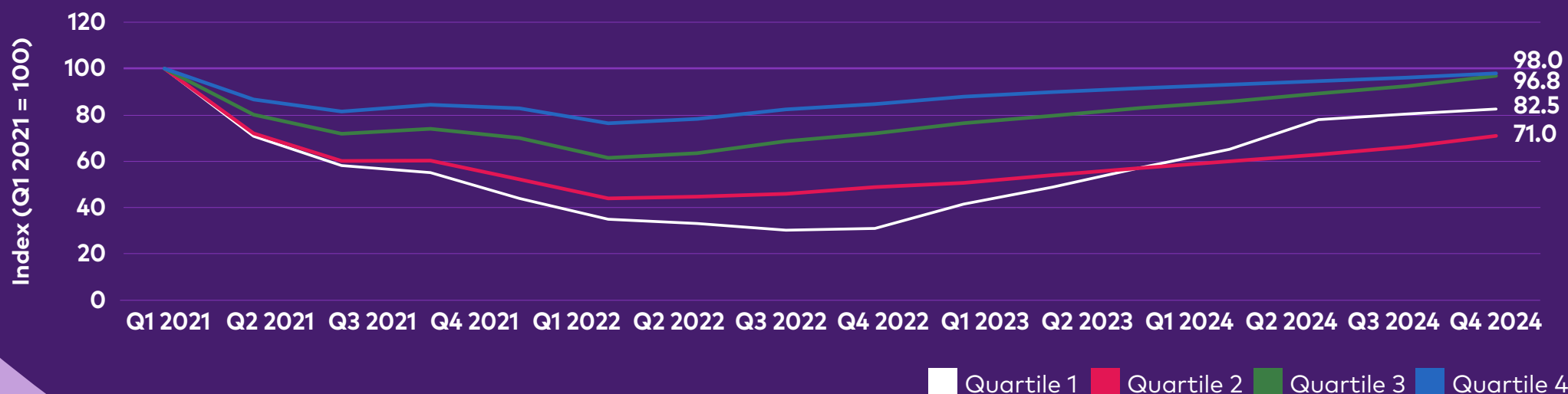
# The impact of the cost of living crisis on discretionary incomes in NI

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 Q4 2024 (October to December), 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 29 percentage points below Q1 2021 levels. Quartiles 3 and 4 have recovered almost all of their spending power.

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



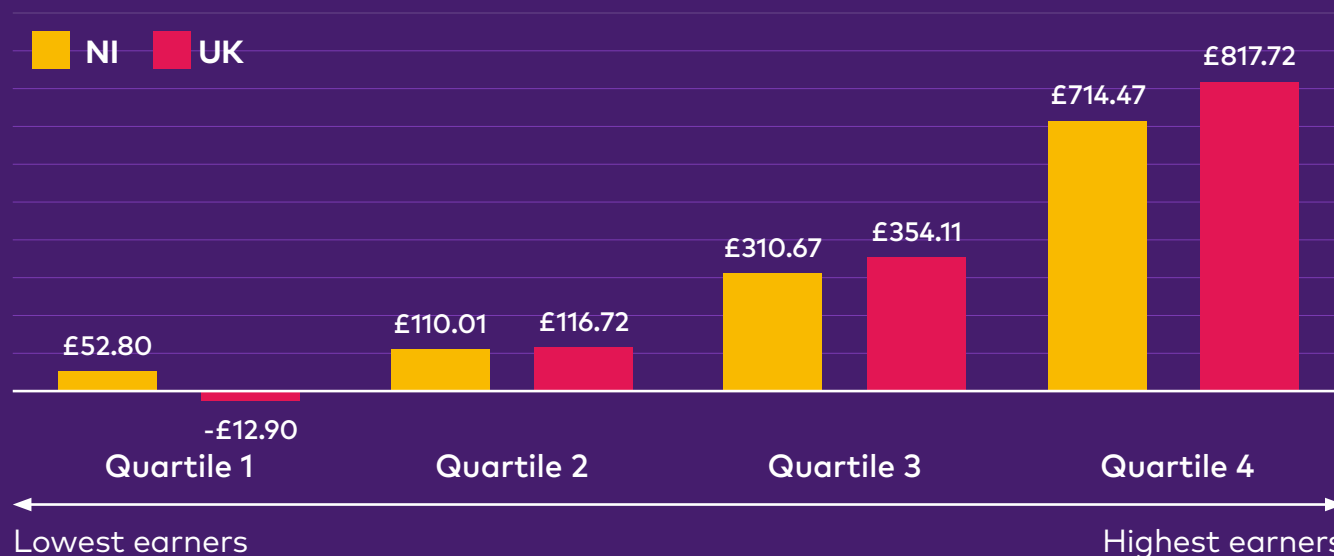


# The position of Quartile 2 and Quartile 3 households: Q4 2024 Income (October to December)

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 **£15,162.86 per year**.
- The average gross NI household income in Quartile 2 is **£30,351.70 per year**.
- The average gross NI household income in Quartile 3 is **£55,074.93 per year**.
- The average gross NI household income in Quartile 4 is **£95,575.78 per year**.

## Discretionary income per week: Q4 2024 (October to December)



- 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: Q4 2024 Income (October to December)

## Quartile 2: NI vs UK

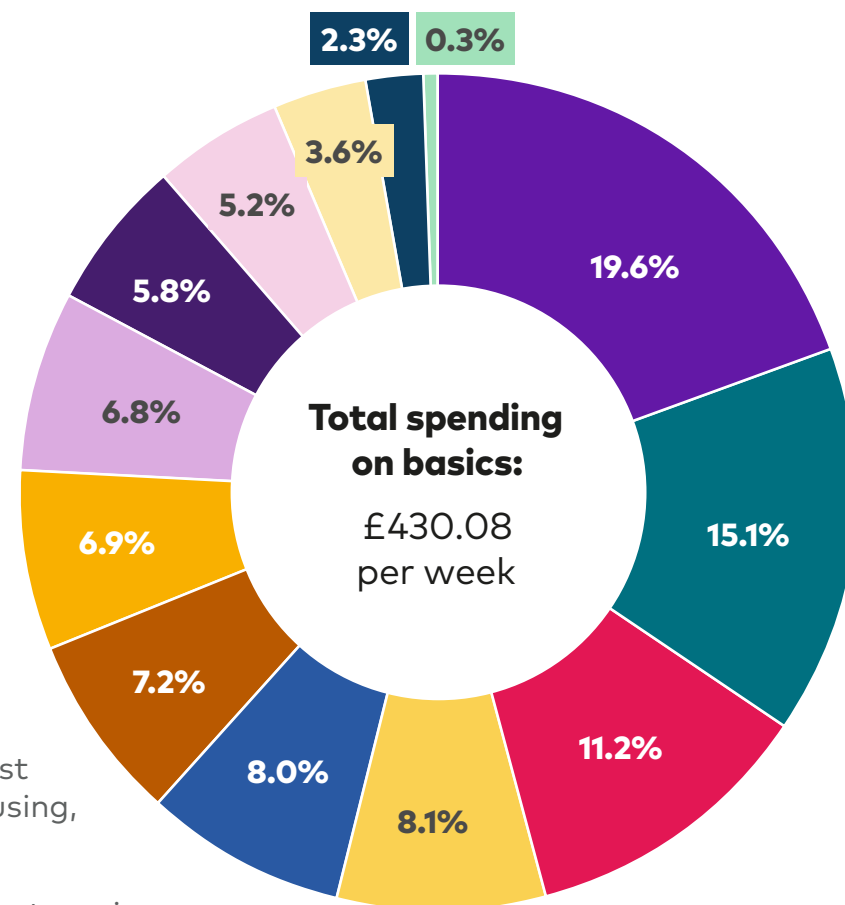
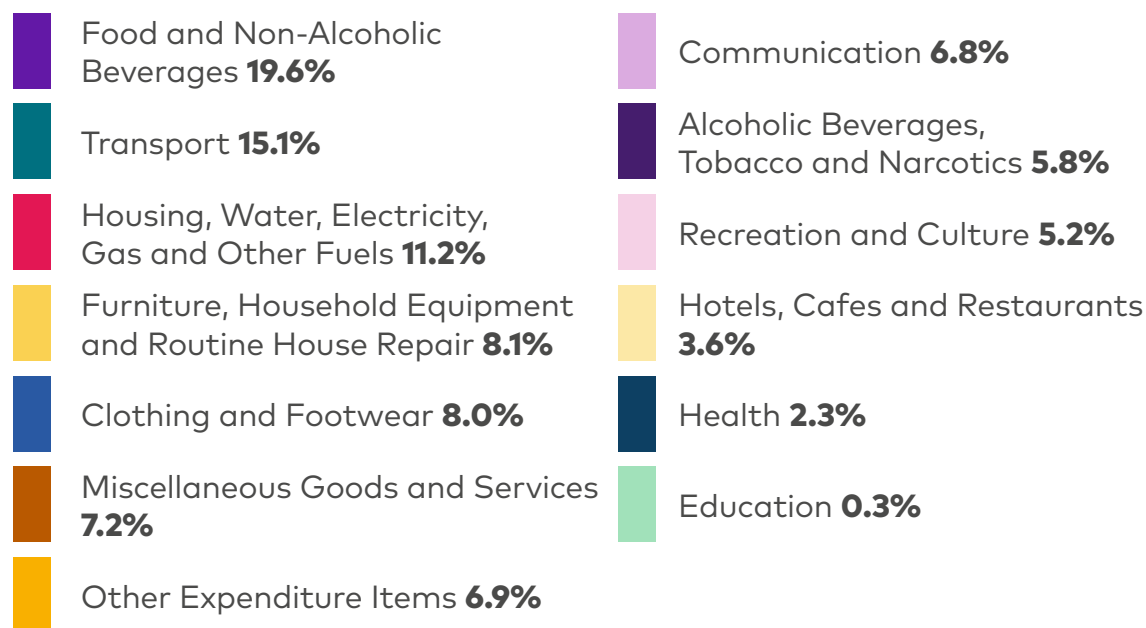
NI				
<b>£540.09</b>	-	<b>£430.08</b>	=	<b>£110.01</b>
Income after tax		Spending on basics		Discretionary income
UK				
<b>£594.05</b>	-	<b>£477.33</b>	=	<b>£116.72</b>
Income after tax		Spending on basics		Discretionary income
<b>9.1% lower in NI</b>		<b>10.4% lower in NI</b>		<b>5.8% lower in NI</b>

## Quartile 3: NI vs UK

NI				
<b>£894.09</b>	-	<b>£583.42</b>	=	<b>£310.67</b>
Income after tax		Spending on basics		Discretionary income
UK				
<b>£987.71</b>	-	<b>£633.60</b>	=	<b>£354.11</b>
Income after tax		Spending on basics		Discretionary income
<b>9.5% lower in NI</b>		<b>7.9% lower in NI</b>		<b>12.3% lower in NI</b>

# The position of Quartile 2 households: Q4 2024 Expenditure (October to December)

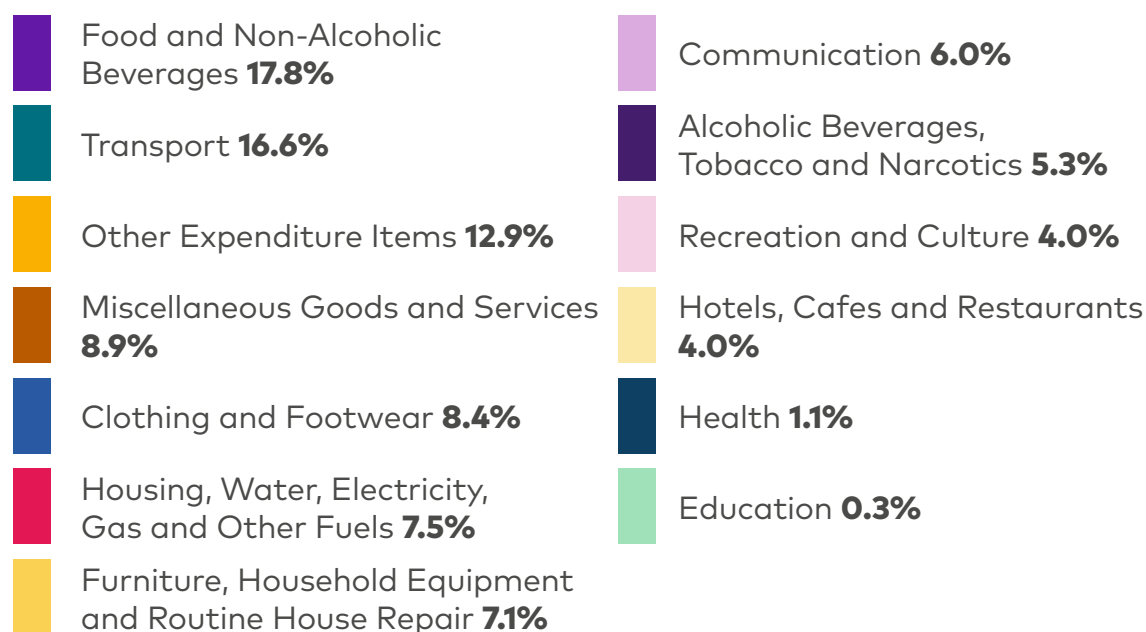
## Spending on basics in NI (Quartile 2)



- 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.
- Households in Quartile 2 spend 46% of their essential budget on these categories, comparable to Quartile 1's 48%. This means these households face similar economic pressures and are almost equally vulnerable to price increases in these basic, high-cost areas such as food, heating, etc.

# The position of Quartile 3 households: Q4 2024 Expenditure (October to December)

## Spending on basics in NI (Quartile 3)



- Quartile 3 households spend 42% 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 £310.67 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 £111 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.

## **Household income impacts:**

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. Using the latest Living Cost and Food Survey available and latest published data Grant Thornton have developed a nowcast model to understand what has happened to household incomes.

# 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.

**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.

## **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 Q4 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 May to June 2025.**



## For further information, please contact

Consumer Council  
Floor 3, Seatem House  
28-32 Alfred Street  
Belfast  
BT2 8EN

Telephone: 028 9025 1600  
Email: [info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk)

**[consumercouncil.org.uk](http://consumercouncil.org.uk)**