

# Cities Household Necessities Spending Index

June 2022

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Key findings

## OVERVIEW

San Francisco boasts the highest spending on necessities

Indian cities are home to some of the lowest absolute spending on necessities

High necessity spending in affluent cities cushioned by higher average disposable incomes

Food dominates spending in poorer cities while housing costs are higher in wealthier cities

Necessity spending growth can outstrip income growth leading to a lower standards of living

Tbilisi to continue moving up the ranking, thanks to rising incomes

## INFLATION AND SPENDING

Inflation growth undermines consumer spending power

Rising inflation puts the greatest risk on cities with a high share of spending on necessities

Conservative spending to hit business revenues as consumers become more frugal in 2022

Government intervention is needed to protect the least well-off households

British Columbia's 1.5% rent cap helps mitigate inflationary pressures

Austin to join at least 28 US cities providing financial assistance to low-income households

## BUSINESS IMPLICATIONS

Household spending patterns can offer insights into which industries to target in cities

Discount supermarkets can target cities with a high share of expenditure on food

Discount chain Lidl penetrates the Baltic market to increase competition

Businesses can adopt regional pricing to drive profits and provide fairer consumer costs

Affordable housing an opportunity in expensive cities

Real estate developer Common banks on co-living spaces to provide affordable homes

Cities Household Necessities Spending Index can assist in calculating remuneration packages

Big tech firms warn staff that pay may be linked to cost of living by location

Key insights in brief

## RANKINGS OF MAJOR CITIES

Rankings of major cities 1-20

Rankings of major cities 21-40

Rankings of major cities 41-60

Rankings of major cities 61-80

Rankings of major cities 81-100

Rankings of major cities 101-120

Rankings of major cities 121-140

Rankings of major cities 141-160

## METHODOLOGY

How the Cities Necessities Spending Index is calculated

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