



Research Unit
Press Information Bureau
Government of India

Household Consumption Trends

A Window into India's Living Standards

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The **Household Consumption Expenditure Survey (HCES)** aims to capture detailed data on household consumption and expenditure patterns, essential for analysing living standards and well-being across India. With rising **Monthly Per Capita Consumption Expenditure (MPCE)**, **narrowing rural-urban gaps**, and **declining consumption inequality**, the **HCES 2023-24** findings highlight a trajectory of improving living standards and economic inclusivity.

Key Objectives of HCES

- ❖ **Consumption Patterns:** Captures data on household consumption of goods and services, reflecting living standards and well-being.
- ❖ **Consumer Price Indices:** Facilitates the development of weighting diagrams for Consumer Price Indices (CPI), crucial for economic analyses.
- ❖ **Economic Indicators:** Provides a basis for revising the base year for macroeconomic indicators such as GDP and CPI.

Highlights of Findings

The key findings of the report include:

1. Monthly Per Capita Consumption Expenditure (MPCE):

- ❖ Average estimated MPCE in 2023-24 is observed to be **Rs. 4,122** in rural India and **Rs. 6,996** in urban India. The estimates of MPCE of 2023-24 are based on the data collected from **2,61,953 Households** (1,54,357 in rural areas and 1,07,596 in urban areas) in the central sample spread over all States and Union Territories in the country.

Statement 1: Average MPCE (Rs.) and share of food and non-food items in 2023-24: All-India				
Item Group	Rural India		Urban India	
	Average MPCE (Rs.)	Share in MPCE (%)	Average MPCE (Rs.)	Share in MPCE (%)
Food	1,939	47.04	2,776	39.68
Non-food	2,183	52.96	4,220	60.32

2. Expenditure Composition:

- ❖ Rural households spent **47.04%** on food items, while urban households allocated **39.68%** to food.
- ❖ Non-food expenditure accounted for **52.96%** in rural areas and **60.32%** in urban areas.

3. Trends in Consumption:

- ❖ Rural MPCE increased from **₹1,430 in 2011-12 to ₹3,773 in 2022-23** and further to **₹4,122 in 2023-24**.
- ❖ Urban MPCE rose from **₹2,630 in 2011-12 to ₹6,459 in 2022-23** and then to **₹6,996 in 2023-24**.
- ❖ The difference between urban and rural MPCE, expressed as a percentage of rural MPCE, has decreased over time:
 - **83.9% in 2011-12.**
 - **71.2% in 2022-23.**
 - **69.7% in 2023-24.**

Statement 2: Trend in level of Consumption since 2011-12: All-India			
Sector	Average MPCE (Rs.) over different period		
	2011-12 (68 th round)	2022-23	2023-24
Rural	1,430	3,773	4,122
Urban	2,630	6,459	6,996
Difference as % of Rural MPCE	83.9	71.2	69.7

4. MPCE in 2023-24 for all State & UTs

- ❖ In 2023-24, the highest Monthly Per Capita Expenditure (MPCE) was recorded in Sikkim, with **₹9,377** in rural areas and **₹13,927** in urban areas. On the other hand, the lowest MPCE was observed in Chhattisgarh, where rural areas reported **₹2,739** and urban areas reported

₹4,927.

5. Consumption Inequality:

- ❖ The consumption inequality has declined to **0.266 and 0.314 in 2022-23** from **0.283 and 0.363 in 2011-12**, respectively in rural and urban India. It has further come down to **0.237 and 0.284 in 2023-24**, respectively in rural and urban India.

Statement 8: Gini coefficient of total consumption expenditure during 2011-12 to 2023-24: All-India			
Sector	Gini coefficient in		
	2011-12 (68th round)	2022-23	2023-24
Rural	0.283	0.266	0.237
Urban	0.363	0.314	0.284

The HCES 2023-24 is a critical resource for understanding India's socio-economic dynamics, empowering policymakers with data-driven insights to foster inclusive development. This comprehensive survey reaffirms the transformative impact of policy initiatives aimed at fostering equitable growth and enhancing household well-being. As India continues to progress, insights from the HCES 2023-24 will serve as a cornerstone for evidence-based policymaking, ensuring that the benefits of development reach every corner of the nation.

References

<https://www.mospi.gov.in/>

<https://pib.gov.in/PressReleasePage.aspx?PRID=2088390>

Santosh Kumar/ Sarla Meena/ Madiha Iqbal