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
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METHODOLOGY
How the Cities Necessities Spending Index is calculated

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