

SIFOs Reference Budget for Consumer Expenditures 2024

Based on baskets of goods and services that are considered necessary for an acceptable standard of living, the reference budget presents ordinary consumer expenditure for different types of households. The budget can be adapted to households of different sizes as well as to different age and gender compositions. It covers both current expenses such as food, clothing, toiletries etc. and expenses related to less frequent purchases, such as furniture and electrical appliances.

A reasonable standard of living

The reference budget presents the costs of maintaining a reasonable standard of living for the household of interest. A reasonable, or acceptable, standard of living assumes a consumption level that is generally accepted in Norwegian society. The level is intended to reflect the population's perception of what a typical person or family should be able to consume if all adult household members participate in the workforce. It should neither reflect a luxury level nor be restricted to only cover basic needs. The consumption level allows for fulfilment of the public health and nutritional requirements and for satisfactory participation in the most common leisure activities.

The budget is an example

The reference budget is based on a detailed list of goods and services and their costs. It exemplifies what researchers within the various consumption areas consider to be a reasonable level of consumption. This means that the budget does not reflect a statistical average.

The goods that form the basis for the calculations are of normal, sound quality, with the emphasis on durability, accessible design and functionality.

If relevant, safety aspects have also been taken into account. Furthermore, it is worth noting that the budget does not cover all expenses a person or a family might have, such as housing, holiday travel, gifts and health services other than an annual visit to the general practitioner and the dentist.

The budget is a long-term budget

The reference budget is a supplementary budget for households that already have an acceptable standard of living. It is referred to as a long-term budget because it assumes that money is set aside monthly for more infrequent purchases of expensive and durable consumer goods. When the refrigerator, cooker or washing machine breaks down, money should be available to repair it or to buy a new one without affecting the consumption pattern.

Individual-specific expenses

NOK pr. month

1. Food and beverages

Gender/ Age	6-11 mo.	1 yr.	2-5	6-9	Girl 10-13	Boy 10-13	Girl 14-17	Boy 14-17	Female 18-30
Pr. mo.	1,140	1,570	2,090	2,690	3,250	3,340	3,700	4,220	4,080

Gender/ Age	Female 31 - 60	Female 61 - 74	Female 74 +	Male 18 -30	Male 31 - 60	Male 61 - 74	Male 74 +	Pregnant/Nursing
Pr. mo.	3,850	3,540	3,200	4,830	4,540	3,990	3,700	4,540

2. Clothing and footwear

Gender/ Age	< 1 yr.	1 yr.	2-5	6-9	Girl 10-13	Boy 10-13	Girl 14-17	Boy 14-17	Female > 17	Male > 17
Pr. mo.	450	540	690	750	710	690	980	820	1,040	960

3. Personal care

Gender/ Age	<1 yr.	1-2	3	4-5	6-9	Girl 10-13	Boy 10-13	Girl 14-17	Boy 14-17	Female 18-50	Male > 17	Female > 50
Pr. mo.	490	590	350	220	250	480	360	590	470	960	770	920

4. Recreation and leisure activities

Age	<1 yr.	1-2	3-5	6-9	10-13	14-17	> 17
Pr. mo.	150	370	720	1,110	1,410	1,540	1,030

5. Commute (30-day ticket, Ruter, Oslo, February 2024)

Age	6-19	20-66	>66	student 20-29
Pr. mo.	314	897	449	537

6. Baby equipment

	Basic	Supplementary
Age	From 6 mo. prior to birth	<1 yr.
Pr. mo.	4,000	540



Individual-specific consumption areas include goods and services that are related to individual consumption needs, where the needs and expenses vary according to the age and gender of the household member.

2024 updates

The reference budget is updated annually, but how the various consumption areas are updated varies. Some consumption areas are updated with new prices every year, while others are updated by adjusting the cost calculations according to the development in the consumer price index (CPI) published by Statistics Norway. It is a goal of the work on the reference budget that the basis for the cost calculations within all consumption areas should be revised and updated approximately every five years.

In the 2024 version of the reference budget, the basis for the individual-specific consumption area "recreation and leisure activities" and the household-specific consumption area "media use and leisure activities" have been completely revised. We have also obtained new prices for the budget items "travel costs", "car costs", "kindergarten" and "daycare facilities for schoolchildren". The cost estimates for the remaining consumption areas have been adjusted in line with changes in the consumer price index. The calculator on the website has been updated with new figures for 2024.

Household-specific expenses

NOK pr. month

7. Other everyday household items

Number of persons	1	2	3	4	5	6	7
Pr. mo.	410	470	620	740	850	960	1,040

8. Household goods

Number of persons from 3 years	1	2	3	4	5	6	7	
Pr. mo.		580	630	710	910	980	1,060	1,130

9. Furniture

Number of persons from 3 years	1	2	3	4	5	6	7	
Pr. mo.		540	600	730	940	1,100	1,320	1,500

10. Media use and leisure activities

Number of persons	1	2	3	4	5	6	7	
Pr. mo.		2,440	2,480	2,610	2,700	2,730	2,760	2,760

11. Car costs

Number of persons	Fossil car		Electric car	
	1 - 4	5 - 7	1 - 4	5 - 7
Pr. mo.	3,175	4,800	2,108	2,900

12. Kindergarten (full time, Oslo Municipality, February 2024)

Income	> 615,590	≥ 550,000
		Child ≥ 2 years
1. child	3,000	1,666
2. child	2,100	1,166
other children	0	0

NB: Without food costs (NOK 210)

13. Daycare facilities for schoolchildren (Oslo Municipality, February 2024)

Income	≥ 474,481	≤ 474,480	≤ 266,895
Full day with free core time	1,155	499	272
Part-time	0	0	0



Household-specific consumption areas include goods and services that can be used by more than one individual, such as furniture, kitchen appliances, internet and newspapers. This is why the costs are relatively high for single-person households, but increase only marginally with an increasing number of household members.

Criteria and assumptions

The reference budget should mainly cover

- everyday current expenses as well as less frequent expenditures
- an acceptable level of consumption that should provide opportunities to participate in ordinary social activities
- expenses associated with normal household functions

The cost calculations are made under several assumptions, such as that the reference persons are in good health, that they take care of their belongings, and that they shop economically. Furthermore, it is

assumed that goods are mainly purchased new, at regular price.

The reference budget does not include expenses for

- housing, electricity and other housing-related expenses (such as maintenance)
- tobacco and alcohol
- health services (other than a yearly consultation with the GP and dentist, respectively)
- leisure pursuits that require costly equipment
- holiday travel
- 'clubbing', night life

Additional information on the different consumption areas

Food and beverages

This budget item covers the total daily need for food and beverages for different age groups (varies with age and gender) for people with sedentary work and regular physical activity during leisure time. The calculations are based on a menu that takes into account both the need for varied and good food and the nutrition authorities' recommendations for a proper diet. The budget allows for some buns, soft drinks and sweets, but food and beverages with a high sugar content is largely avoided.

The budget item 'food and beverages' for children aged from six months to a year is based on a specific weekly menu that is intended to cover the estimated energy requirements of children aged 10-11 months. It is assumed that the child is breastfed and for the most part eats some of the same types of dinners and sandwiches/fruits as the other members of the household. Industrially produced baby cereals are included on the menu, but only limited amounts of other typical baby food products.

Clothing and footwear

The budget should cover the total annual need for clothing, including clothes for ordinary sporting and leisure activities and formal occasions, and it takes into consideration that children and young people who are growing should have clothes that fit. The budget does not assume that clothing and footwear are handed down, and nor does it presuppose personal contributions such as sewing or knitting. The products on which the calculations are based are reasonably priced and of good, simple quality.

Personal care

This budget item covers expenses for personal care, such as soap, dental products, a limited quantity of cosmetics, hairdresser services, shaving equipment, nappies etc. An annual dental examination and a consultation with a general practitioner is included.

Recreation and leisure activities (incl. expenses)

This budget item covers a wide range of products within the categories of leisure equipment, toys, safety equipment, recreational activities, as well as media, communication, and entertainment. The budget allows for participation in both organized and unorganized leisure activities, and for children to participate

in social events such as birthday parties. There is no assumption of inheritance between siblings.

Commuting

This budget item includes expenses for public transport. We use the costs for a 30-day ticket within Oslo Municipality. This is just an example and the rate may vary between different regions/municipalities.

Other everyday household items

This budget post consists of household items such as toilet paper, freezer bags, kitchen foil etc., washing- and cleaning supplies, pharmaceuticals (non-prescription products), office supplies, sewing items and electrical products (lightbulbs, batteries.) In other words, non-food groceries that are consumed over time.

Household goods

This budget item includes tableware, kitchen utensils, white goods and other electrical appliances, household textiles, tools, Christmas products as well as cleaning equipment.

Furniture

This budget item includes furniture and inventory in all rooms, such as the lobby, living room, kitchen and bedroom. The budget item is adapted to the number of people in the household.

Media use and leisure activities (household expenses)

This budget item includes expenses for internet, TV, channel package, video streaming services, speaker, radio, gaming console, newspaper and magazine subscriptions, home insurance, etc. It also encompasses expenses for leisure equipment associated with the household, such as tents, camping stoves, maps, compasses, etc.

Car costs

This budget item covers operating expenses, including fuel, insurance and annual taxes, for driving 10,000 km and 15,000 km per year, respectively. Depreciation is not included. Estimates are based on guidelines from the Norwegian Road Federation. Road toll expenses are included. The budget assumes that public transport is used to and from the workplace. From 2020, the budget item also includes costs related to the use of electric cars.

Baby equipment

This budget item distinguishes between basic equipment and supplementary equipment. Basic equipment includes products that a baby needs from birth, e.g. bed linen, a baby cot, pram, baby carrier, feeding bottle etc. The supplementary equipment includes equipment that is often acquired during the baby's first year life, e.g. high chair, children's cutlery, pram, baby carrier and baby proofing equipment for the home.

NB: These expenses are calculated per month for 6 months prior to the expected birth. In addition to the equipment necessary from birth, These expenses are calculated per month for the entire first year of the child's life.

Kindergarten

SIFO's reference budget uses the kindergarten rates of the Oslo municipality, without food supplements, as an example of the cost of having a child in kindergarten. These rates largely correspond to the national maximum limit for parental fees in kindergartens. Each municipality has the opportunity to offer lower parental fees and more extensive moderation schemes than those stipulated in national regulations. The costs for each child depend on how many children each family has in kindergarten. The calculations in the reference budget calculator take into account sibling discounts and two national schemes for reducing parental pay. The first scheme ensures that no one pays more than six per cent of the household income for a kindergarten place. The second scheme states that children who are two years old or older and live in households with low income are entitled to free core hours in kindergarten.

NB: Remember that food costs are additional to the ordinary kindergarten costs. In the Oslo municipality,

this amount is NOK 210 in 2024. However, there are significant variations in food costs between different kindergartens across the country. Also, remember that calculations for food and beverages assume that all meals are eaten at home. This means that food costs for children in kindergarten, fully or partially, are included in the amount for food and beverages in the individual-specific expenses.

Daycare facilities for schoolchildren

The Activity School (AKS) in Oslo is used as an example of afterschool costs for children. However, these costs vary between different municipalities. The Oslo municipality goes beyond the national moderation schemes and has offered free part-time placement (12 hours per week) to all pupils since August 1, 2023.

In addition to the national scheme stating that an AKS/SFO placement should cost a maximum of six percent of the household income, the Oslo municipality has its own income rates. The reference budget calculator is adjusted so that the most favourable accommodation fee of the two schemes is calculated.

This is how the economies of scale are calculated

The point of departure for the calculations in the budget is that the total amounts presented for the various family constellations are sufficient to meet the needs of individuals and families. Economies of scale, i.e. that several individuals make use of the same item, are naturally integrated into the household-specific expenses. With regard to individual-specific expenses, these are primarily costs related to goods and services meant to cover individual needs.

However, the consumption area 'Food and beverages' differs in being more sensitive to the household composition than the other individual-specific consumption areas, and economies of scale of 12 per cent are therefore calculated for this consumption area for couples with more than two children.

How to compose your own budget

Example budget for a family with two adults and two children

1. Food and beverages	NOK 13,730
2. Clothing and footwear	NOK 3,400
3. Personal care	NOK 2,430
4. Recreation and leisure activities	NOK 4,190
5. Travel expenses adults*	NOK 1,794
Sum individual expenses	<u>NOK 25,544</u>
6. Other everyday household items	NOK 740
7. Household goods	NOK 910
8. Furniture	NOK 940
9. Media use and leisure activities	NOK 2,700
10. Car costs (fossil car)	NOK 3,175
Sum household-specific expenses	<u>NOK 8,465</u>
Expences pr. month	NOK 34,009
Expences pr. year	NOK 408,108
Kindergarden NOK 3,000 pr. month in 11 m.**	NOK 33,000
In total (rounded figure)	<u>NOK 441,110</u>



To show how the budget can be used, we have set up a budget for a nuclear family consisting of a couple with two children. The relevant figures for the mother, father and their two children, Lars (5 years) and Kari (11 years), have been taken from the tables above and multiplied for each consumption area. For example:

Food and beverages NOK 3,850 + NOK 4,540 + NOK 3,250 + NOK 2,690 = NOK 13,730

The same has been done for the other consumption areas.

* This example does not calculate public transport expenses for the children. This is calculated automatically in the online calculator.

** Assumption: The 5-year-old is in kindergarten and the expenses are calculated for a household with a total gross household income higher than NOK 615,590.