
COMPARATIVE ANALYSIS OF INDONESIAN HOUSEHOLD CONSUMPTION EXPENDITURE 2018-2021

By

Rio Haribowo¹, Irwan Moridu², M. Rafid³, Karnawi Kamar⁴, Muhammad Yusuf⁵

¹Universitas Mulawarman, Indonesia

²Universitas Muhammadiyah Luwuk, Indonesia

³IAI Al-Amanah Jeneponto, Indonesia

⁴Universitas Insan Pembangunan Indonesia, Indonesia

⁵Sekolah Tinggi Ilmu Administrasi Bandung, Indonesia

Email: ¹rio.haribowo@feb.unmul.ac.id, ²irwanmoridu@gmail.com,

³munirfm63@gmail.com, ⁴karnawistmik@gmail.com,

⁵Muhammadyusuf@stiabandung.ac.id

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Abstract: The purpose of this study to discuss about comparative analysis of Indonesian household consumption expenditure 2018-2021. This type of research is included in descriptive research. The data taken in this study used secondary data. Indonesian household consumption expenditure data from 2018 to 2021. The data analysis technique in this research uses descriptive qualitative. The research results show that even though it had experienced a deep contraction in 2020, expenditure for household consumption that is leisure and lifestyle experienced positive growth in 2021 of 2.97 percent. This shows that there has been a fairly good recovery during 2021

INTRODUCTION

The pandemic has caused the population to suppress household consumption expenditures and weaken purchasing power. The decline in purchasing power causes investors to hesitate to invest and investment slows down.

Humans as individual and social beings have unlimited needs, both in number and type. To obtain these various needs a person has desires that must be fulfilled with proper consumption expenditure. Consumption is the activity of utilizing goods or services to meet the needs of life. The goods needed to meet the needs of this life depend on the income earned.

Basically, household consumption is divided into two groups, namely basic needs (primary) and supporting needs (secondary). The primary needs are clothing, food and housing. While secondary needs include complementary needs and do not always demand needs. Each household has a different consumption behavior including what will be consumed. How much to consume and how to consume it. It is so natural that most households with large incomes will consume more than those with low incomes (Pracoyo, 2005).

Household welfare can be seen from the level of consumption or expenditure issued by the household. Low-income households will prioritize spending on food needs over non-food needs. The limited income budget received by a family causes a shortage in meeting their daily needs. One indicator to see the level of family welfare is through the structure of household expenditure which includes food, clothing, housing and health. Households with a higher share of food expenditure are classified as households with a low level of welfare compared to households with a low proportion of expenditure on food (Handewi et al., 2004).

If viewed from the contribution side of the household consumption expenditure component, the food and beverage sub-component, apart from restaurants, has the largest contribution. This sub-component was recorded as contributing 37.68 percent of total household consumption expenditure. The second biggest contribution was the transportation and communication sub-component of 23.21 percent. Due to the large contribution of these two sub-components, growth in this sub-component has a very large influence on the component of household consumption expenditure.

The next sub-component is the housing and household equipment sub-component (14.12 percent), the restaurant and hotel sub-component (9.09 percent), the health and education sub-component (7.43 percent), the other sub-component (4.73 percent), and the clothing sub-component, footwear, and maintenance services (3.75 percent).

The purpose of this study to discuss about comparative analysis of Indonesian household consumption expenditure 2018-2021.

LITERATURE REVIEW

Consumption Theory

John Maynard Keynes explained that there is a relationship between income and consumption, using the Keynesian consumption model theory. That current consumption is strongly influenced by current disposable income. If disposable income increases, consumption will also increase. However, the increase in consumption is not as big as the increase in disposable income. Income is reduced by taxes that must be paid by the recipient of the income and the value of the remaining income is called disposable income.

Household Expenses

Expenditures made by the household sector to buy various kinds of necessities of life during a certain period are called household consumption expenditures. Household sector expenditure is grouped into three categories, namely durable goods, consumable goods (non-durable) and services. Examples of durable goods are household furniture, vehicles, and homes. Consumable goods (non-durable) are goods that we consume daily such as food, drinks, cigarettes, gasoline, while examples of services are expenses for education, health, lawyers (Pracoyo, 2005).

Household consumption expenditure is expenditure made by households to buy various needs within a certain period (usually 1 year). Household consumption expenditure is the largest single component of the whole, but some determine the amount that households want to spend to buy goods and services as consumption. Years with higher income levels are usually also years with average consumption levels.

The percentage of income spent on food is a measuring tool to determine the level of life (Khoirunnisa 2009). Household income will be used for daily needs and to satisfy needs, for example by buying food, clothing, paying for children's education, paying house fees.

Household Expenditure Factors

1. Household Income

Household income is income/income received by the household concerned, both from the income of the head of the household and the approach of household members. This household income can be measured from the level of the family's ability to meet their material needs within a certain period of time, generally one month. The definition of income is the total income of people in a country in a year. It is recognized that in general, the level of community income is one of the important factors that determine the level of community welfare.

2. Family Dependents

Family dependents are one of the economic indicators that show the tendency that the higher the number of dependents, the heavier the economy that must be borne in the life of the family. This is due to higher consumption costs so that most of the family's income is used to eat and meet basic needs, so there is little possibility for saving. The number of dependents of the fishermen's family will affect the net income and expenses made by the family. The more the number of dependents in the family, the higher the costs to be borne by the head of the family (Rahim, 1998).

3. Number of Children Going to School

According to Law Number 20 of 2003 concerning the national education system what is meant by education is an effort to be conscious and planned to create a learning atmosphere and learning process so that students actively develop their potential to have strength, self-control, personality, intelligence, and skills himself, society, nation, and state. Education is a process of forming human capital which is carried out through increasing knowledge and development. General education such as basic education and further education will determine the future of a child in studying. Family income for investment in the quality of their children can be seen from the allocation of income and time. Parents who care about the quality of their children will spend some of their household expenses on their children in demanding education. Every family has many goals including caring about the level of education of their children. For this reason, fishing families have a need for the education of their children to grow and develop.

4.Savings

In economics, saving is that part of income that is not consumed. So the greater the consumption, the smaller the savings. Usually the behavior of households in spending their income always varies depending on the needs and tastes of each. The higher the family income, the lower the level of expenditure for food, they allocate it to non-food expenditures and the rest they will save. In contrast to a family whose income is mediocre, they prioritize spending on food and various other needs sometimes not left for savings. But

sometimes if the income decreases then a family will not reduce their spending on consumption, they will reduce their spending on savings.

RESEARCH METHODS

This type of research is included in descriptive research. Descriptive research is a type of research that is used to describe the characteristics of a population (Octiva et al., 2018; Pandiangan, 2018). It collects data that are used to answer a wide range of what, when, and how questions pertaining to a particular population or group (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015).

Secondary data is a variety of information that has existed before and is deliberately collected by researchers who are used to complete research data needs (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). Usually these data are in the form of charts, graphs, or tables of important information such as a population census (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). The data taken in this study used secondary data. Indonesian household consumption expenditure data from 2018 to 2021.

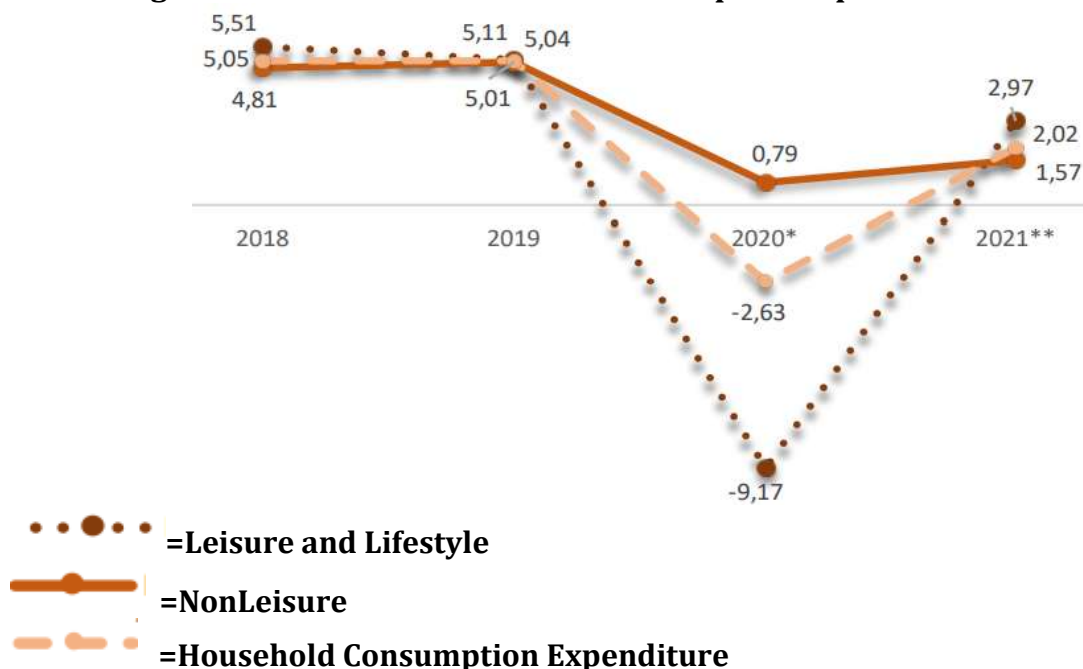
The data analysis technique in this research uses descriptive qualitative. Descriptive qualitative is one of the techniques or methods used in qualitative research. Descriptive qualitative is research that emphasizes more on observing phenomena and requires sharp instincts from researchers (Pandiangan et al., 2022; Tobing et al., 2018).

RESULT

Components of Indonesian Household Consumption Expenditure

If viewed from the contribution side of the household consumption expenditure component, the food and beverage sub-component, apart from restaurants, has the largest contribution. This sub-component was recorded as contributing 37.68 percent of total household consumption expenditure. The second biggest contribution was the transportation and communication sub-component of 23.21 percent. Due to the large contribution of these two sub-components, growth in this sub-component has a very large influence on the component of household consumption expenditure.

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Indonesian Household Consumption Expenditure 2018-2021**Figure 1. Indonesian Household Consumption Expenditure 2018-2021**

Expenditure for household consumption can be differentiated according to its nature, consumption expenditure which is leisure and lifestyle which consists of the transportation and communication sub-component as well as the restaurant and hotel sub-component, and non-leisure consumption expenditure which consists of the food and beverage sub-component, other than restaurants; subcomponents of clothing, footwear and maintenance services; housing and household equipment subcomponents; health and education sub-components; other subcomponents.

Even though it had experienced a deep contraction in 2020, expenditure for household consumption that is leisure and lifestyle experienced positive growth in 2021 of 2.97 percent. This shows that there has been a fairly good recovery during 2021. The new normal adaptation that is implemented is able to encourage household consumption which is leisure and lifestyle. Meanwhile, expenditure for non-leisure household consumption also experienced growth, but not as big as leisure and lifestyle. Growth in expenditure for consumption was recorded at 1.57 percent in 2021.

CONCLUSION

The research results show that even though it had experienced a deep contraction in 2020, expenditure for household consumption that is leisure and lifestyle experienced positive growth in 2021 of 2.97 percent. This shows that there has been a fairly good recovery during 2021.

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