Household Income and Expenditure Survey – 2025

Preliminary Result
(January to March 2025)

Department of Census and Statistics
Ministry of Finance, Planning and Economic Development
Sri Lanka

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The Household Income and Expenditure Survey (HIES), conducted by the Department of Census and Statistics (DCS), is a key source of data for poverty measurement, income inequality analysis, and economic policymaking in Sri Lanka. The survey, last conducted in 2019, was initially planned for 2022 but postponed to 2025 due to the exceptional economic conditions prevailing in 2022 and the need to conduct it after the Population and Housing Census, which was completed in 2024. HIES data are essential for updating the official poverty line, compiling price indices and other key economic indicators, and developing small-area poverty estimates by integrating census and survey data. The 2025 survey covered a nationally representative sample of 25,000 households, with data collection conducted from January to December 2025. This preliminary bulletin presents household income and expenditure estimates based on data collected during the first quarter (January–March) of 2025, providing timely evidence to support policy formulation, poverty reduction, and targeted social protection programmes.

Note: The estimates presented in this bulletin are based on the first-quarter sample of the HIES 2025 and are provided up to the sector levels only. These estimates are provisional, as the final data cleaning and validation process using the complete survey dataset is yet to be completed. The detailed HIES 2025 report, based on the full-year survey sample and finalized data, will provide estimates up to the district level.

Highlights	
Average monthly household income	- Rs. 120,266
Median monthly household income	- Rs. 75,882
Average monthly household expenditure	- Rs. 116,191
Median monthly household expenditure	- Rs. 94,057
Poverty Headcount Index(HCI)	-16%
Household size	- 3.4

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Average monthly household income by socio economic groups with 95% Confidence Intervals (CI) and CV

Poorest 20% - Rs. 22,612, (CI: Rs. 21,911 - Rs. 23,313) , CV =1.6,(First quintile)

Poorest 40% - Rs. 36,564, (CI: Rs. 35,682 -Rs. 37,445), CV =1.2, (First and Second quintiles)

Middle 60% - Rs. 81,067, (CI: Rs. 79,912 -Rs. 82,222), CV=0.7, (Second to Fourth quintiles)

Richest 20% - Rs. 335,679, (CI: Rs. 307,102 -Rs 364,256), CV=4.3, (Fifth quintile)

Overview of the Survey

The Department of Census and Statistics (DCS) conducts the Household Income and Expenditure Survey (HIES) under the National Household Survey Programme. Until 1990, the survey was conducted in combination with the Labour Force Survey under the name Labour Force and Socio-Economic Survey. In 1990/91, HIES was established as a separate survey and was conducted once every five years until 2006/07. In response to rapidly changing socio-economic conditions and the need for more frequent monitoring of household welfare, the survey frequency was increased to once every three years, beginning in 2009/10. The HIES 2025 is the eleventh survey in the series.

The survey is generally conducted over 12 consecutive months to capture seasonal variations in household income and expenditure. A nationally representative sample of approximately 25,000 housing units is selected using scientifically accepted sampling methods to provide reliable estimates at the district level.

The HIES questionnaire was revised in 2025 to capture information relevant to the Sustainable Development Goals (SDGs) and emerging policy requirements. It covers the following subject areas:

i. Demography
ii. School education
iii. Health
iv. Food and non-food expenditure
v. Income
vi. Inventory of durable goods and household debts
vii. Access to facilities in the area
viii. Housing information
ix. Agricultural holdings and livestock

In addition, the questionnaire includes the following supplementary modules:

Module 1: Child Module and Disaster Module
Module 2: Food Insecurity Module

Beyond measuring household income and expenditure, HIES provides essential data for analysing living standards, income disparities, and poverty, as well as for informing economic and social policy decisions. Its findings support the updating of the official poverty line and the compilation of key economic indicators, including the weights used in price indices. Regular implementation of HIES is essential to maintain the availability of reliable and up-to-date household statistics for monitoring socio-economic changes, evaluating policy interventions, and supporting evidence-based planning in Sri Lanka.

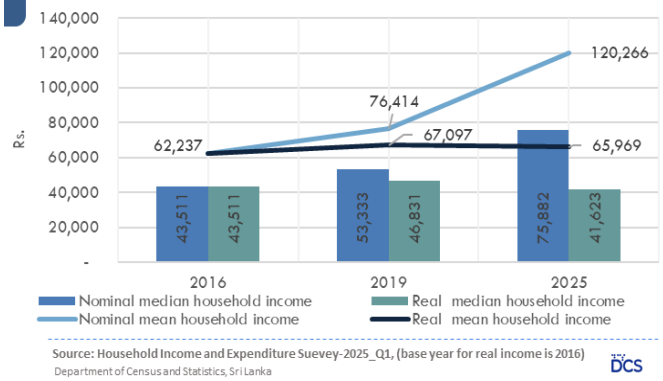
Main Objectives of the Household Income and Expenditure Survey (HIES)

- To collect reliable and nationally representative data on household income, expenditure, and living conditions in Sri Lanka.
- To assess household living standards, income distribution, and income inequalities.
- To measure poverty and update the official poverty line.
- To provide data for compiling key economic indicators, including weights for price indices.
- To monitor changes in household income, expenditure patterns, and socio-economic well-being.
- To support evidence-based economic and social policy formulation, planning, and evaluation.
- To support the effective targeting of social protection programmes and the identification of vulnerable populations.

Household Income

Household income refers to income received either in cash as monetary income or income in-kind as non-monetary income by all the residents in a household. Household income includes not only wages and salaries but also all the other sources such as agricultural and non-agricultural activities, other monitory receipts such as a pension, disability and relief payments, regular rental and remittance receipts and returns from businesses or ventures, investments and any other irregular gains such as income by chance (lottery wins, compensations, etc.) and adhoc gains for example withdrawals from savings, bank deposits, Provident fund etc. In addition, imputed housing rent for own occupied housing units or freely occupied housing units comes under non-monetary income.

Figure 01 : Nominal and Real mean and median household income by survey period



Source: Household Income and Expenditure Suevey-2025_Q1, (base year for real income is 2016)
Department of Census and Statistics, Sri Lanka

The Figure 01 illustrates changes in nominal and real mean and median household income in Sri Lanka in 2016, 2019, and 2025. Nominal income is measured at current prices, while real income is adjusted for price changes to reflect changes in purchasing power, using 2016 as the base year. Nominal mean household income increased from Rs. 62,237 in 2016 to Rs. 76,414 in 2019 and Rs. 120,266 in 2025, representing a 93.2 % increase over the period.- Real mean household income increased from Rs. 62,237 in 2016 to Rs. 67,097 in 2019, but declined to Rs. 65,969 in 2025. This represents a 7.8 % decrease from the 2019 level, indicating that the purchasing power of average household income weakened between 2019 and 2025. Nominal median household income increased from Rs. 43,511 in 2016 to Rs. 53,333 in 2019 and Rs. 75,882 in 2025, reflecting a 74.4% increase over the period. Real median household income increased from Rs. 43,511 in 2016 to Rs. 46,831 in 2019, but declined to Rs. 41,623 in 2025. This represents a 11.1% decrease from the 2019 level, indicating a substantial reduction in the purchasing power of the median household.

Overall, although both mean and median household incomes increased considerably in nominal terms between 2016 and 2025, their real values declined between 2019 and 2025. The decline was greater for median household income than for mean household income, suggesting that the erosion of purchasing power was more pronounced for the household at the midpoint of the income distribution. These findings highlight the importance of considering inflation-adjusted income when assessing changes in household living standards and formulating poverty alleviation and social protection policies.

The Table 01 presents the estimated mean values in rupees (Rs.), their 95% confidence intervals, and coefficients of variation (CV) for Sri Lanka as a whole and by residential sector (urban, rural, and estate).

Table 01: Mean household income by sector-2025Q1

Sector	Mean (Rs.)	Confidence Interval (95%) (Rs.)		CV (%)
Sri Lanka	120,266	117,063	123,469	1.4
Urban	178,455	165,602	191,308	3.7
Rural	110,613	107,659	113,567	1.4
Estate	72,558	64,745	80,372	5.5

At the national level, the estimated mean is Rs. 120,266, with a 95% confidence interval ranging from Rs. 117,063 to Rs. 123,469. The urban sector records the highest estimated mean of Rs. 178,455, followed by the rural sector at Rs. 110,613 and the estatestate sector at Rs. 72,558. This indicates substantial differences in the estimated mean across residential sectors, with the urban estimate being the highest and the estate estimate the lowest.

Regarding the precision of household income estimates, the coefficients of variation (CVs) were 1.4% for Sri Lanka, 3.7 % for the urban sector, 1.4% for the rural sector, and 5.5 % for the estate sector. The national and rural sector estimates demonstrate relatively high precision, while the urban sector and estate sector estimate has a moderate level of sampling variability. The estate sector estimate has the highest CV.

Mean (or Average) household income: That is a point estimate and it is calculated by dividing the estimated total household income in a domain by the estimated number of households in the same domain.

Median household income: The point that divides the household income distribution into halves, i.e one half with income above median and other half with income below the median.

Household Expenditure

Household Income and Expenditure Survey (HIES) data are analysed to examine the consumption expenditure patterns of households and individuals across different categories. For this purpose, the HIES collects expenditure data under three main categories:

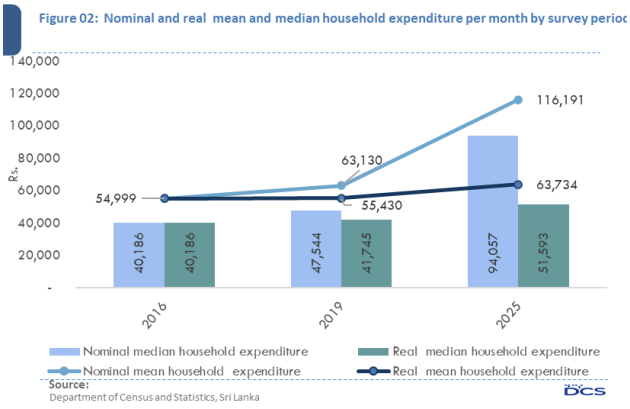
1. Expenditure on food items

2 .Expenditure on non-food items

3 .Expenditure incurred by boarders and domestic servants

These three categories are further classified into 35 subcategories, comprising 19 food subcategories and 16 non-food subcategories.

Food consumption data are collected with reference to the seven consecutive days preceding the interview. In contrast, non-food expenditure data are collected using different reference periods, depending on the nature of the items concerned. This approach enables the survey to capture household expenditure patterns comprehensively across different types of consumption.



The Figure 02 presents changes in nominal and real mean and median household expenditure in 2016, 2019, and 2025. Nominal expenditure reflects expenditure at current prices, while real expenditure adjusts for price changes over time, allowing comparisons of the actual purchasing power of households.

Nominal mean household expenditure increased from Rs. 54,999 in 2016 to Rs. 63,130 in 2019 and Rs. 116,191 in 2025. This represents a substantial increase in average household expenditure in monetary terms. However, after adjusting for inflation, real mean household expenditure increased only slightly, from Rs. 54,999 in 2016 to Rs. 55,430 in 2019 and Rs. 63,734 in 2025. This suggests that the increase in average household expenditure was largely associated with rising prices, with only a modest increase in real expenditure over the period.

Similarly, nominal median household expenditure increased from Rs. 40,186 in 2016 to Rs. 47,544 in 2019 and further to Rs. 94,057 in 2025, reflecting a substantial increase in household expenditure in monetary terms. However, after adjusting for inflation, real median household expenditure increased slightly from Rs. 40,186 in 2016 to Rs. 41,745 in 2019, and futher increased to Rs. 51,593 in 2025. This indicates that, there is change in the purchasing power of the median household over the period.

Table 02: Mean household expenditure by sector- 2025Q1

Sector	Mean (Rs.)	Confidence Interval (95%) (Rs.)		CV (%)
Sri Lanka	116,191	112,544	119,837	1.6
Urban	158,023	143,841	172,205	4.6
Rural	108,918	105,381	112,454	1.7
Estate	88,691	81,510	95,873	4.1

Table 02 presents that the estimated mean monthly household expenditure in Sri Lanka was Rs. 116,191, with a 95% confidence interval ranging from Rs. 112,544 to Rs. 119,837 and a coefficient of variation (CV) of 1.6%, indicating a high level of precision. At the sector level, the urban sector recorded the highest mean monthly household expenditure at Rs. 158,023 followed by the rural sector at Rs. 108,918 and the estate sector at Rs. 88,691. Urban household expenditure was approximately 36% higher than the national average, while estate household expenditure was considerably lower. Regarding precision, the national and rural estimates recorded the lowest CVs at 1.6% and 1.7% respectively , followed by the estate sector at 4.1% and the urban sector at 4.6%. Overall, the findings highlight substantial differences in household expenditure across residential sectors , with urban households spending the most and estate households the least.

Poverty Estimates

Sri Lanka's official poverty line is estimated by the Department of Census and Statistics (DCS) using data from the Household Income and Expenditure Survey (HIES). The Department first published the official poverty line in 2004, based on the 2002 HIES, using the internationally recognised "Cost of Basic Needs (CBN) method".

The main objective of the official poverty line is to determine the minimum expenditure required for a person to meet essential basic needs, including adequate food to satisfy the minimum daily dietary energy requirement of 2,030 kilocalories and essential non-food needs such as clothing, housing, transport and healthcare. Since it is based on a defined minimum standard of living rather than on a comparison with the incomes of other people, it is classified as an "absolute poverty line".

The official poverty line is an important statistical indicator for measuring monetary poverty, monitoring changes in poverty over time and assessing progress in national development. It also provides evidence to support policymaking and the planning, monitoring and evaluation of poverty alleviation and social protection programmes.

Basic Principles of Official Poverty Line Estimation

i. Minimum Daily Nutritional Requirement

The minimum daily dietary energy requirement is set at 2,030 kilocalories per person. This threshold is based on recommended dietary allowances published by the Medical Research Institute of Sri Lanka, together with information from household surveys and the Census of Population and Housing.

ii. Reference Group

The official poverty line is constructed using the consumption patterns and expenditure of a selected reference group rather than those of the entire population. Households are ranked in ascending order according to their real per capita consumption expenditure. The households in the second to fourth deciles that is, the 30% of households immediately above the poorest 10%are selected as the reference group. The poorest 10% are excluded from the selection in accordance with the methodology adopted for identifying the reference group.

The food component of the poverty line is estimated based on the expenditure required for a person in this reference group to obtain 2,030 kilocalories per day. An allowance for essential non-food expenditure is then added, based on the expenditure patterns of the same group, to establish the overall poverty line.

Maintaining a Consistent Minimum Standard of Living

Sri Lanka's current official poverty line is based on the basic needs and consumption patterns established using the 2012/13 HIES. The underlying minimum standard of needs remains fixed, while the monetary value of the poverty line is adjusted periodically to reflect changes in prices and maintain its purchasing power. For example, the official poverty line of Rs. 6,966 in 2019 represents the estimated monthly expenditure required per person to meet the defined minimum basic needs at 2019 price levels.

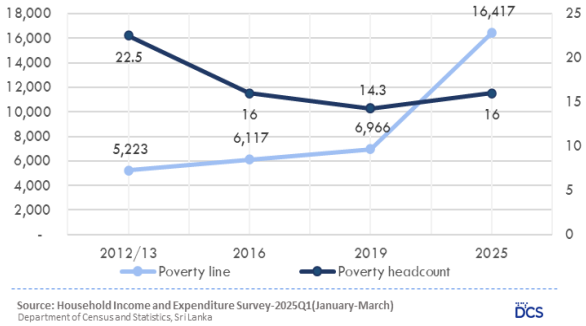
This approach allows poverty to be monitored consistently over time without changing the underlying minimum standard whenever consumption patterns, incomes or general living standards change. However, the monetary threshold is updated to account for inflation.

Purpose and Use of the Official Poverty Line

The primary purpose of the official poverty line is to monitor changes in the population's ability to meet a consistently defined minimum standard of living. By applying the same basic-needs standard over time and adjusting its monetary value for price changes, the Department can estimate the number and proportion of people whose consumption expenditure falls below the poverty line.

Important note: The official poverty line is primarily a measure for monitoring absolute poverty over time. It reflects the cost of meeting a defined minimum standard of basic needs, rather than the full range of current consumption preferences or the relative living standards of the population. Therefore, changes in poverty estimates should be interpreted in relation to this consistent standard and the price adjustments applied.

Figure 03: Poverty line and Poverty Headcount index by survey period



Source: Household Income and Expenditure Survey-2025Q1(January-March)
Department of Census and Statistics, Sri Lanka

The poverty headcount ratio in Sri Lanka declined from 22.5% in 2012/13 to 16.0% in 2016 and further to 14.3% in 2019, indicating a gradual reduction in poverty over this period. However, in 2025, the poverty headcount ratio increased to 16.0%, representing a rise of 1.7 percentage points compared with 2019. This suggests a reversal of the previous declining trend in poverty.

Meanwhile, the official poverty line increased throughout the period, rising from Rs. 5,223 in 2012/13 to Rs. 6,117 in 2016 and Rs. 6,966 in 2019. By 2025, it had increased substantially to Rs. 16,417 per person per month. This increase reflects the higher cost of meeting basic food and non-food needs over time.

Overall, the figures show that although poverty declined between 2012/13 and 2019, it increased in 2025. The substantial rise in the poverty line highlights the importance of accounting for changes in the cost of living when assessing poverty trends. Since the poverty line is expressed in nominal rupees, its increase should not be interpreted as an equivalent increase in real living standards.

Table 03 presents the poverty headcount index for Sri Lanka, estimated at 16.0%, with a 95% confidence interval of 14.5% to 17.5% and a coefficient of variation (CV) of 4.8%.This indicates that approximately 16% of the population is estimated to be living below the official poverty line at the national level. The relatively low CV suggests that the national estimate has a good level of statistical precision.

When considering the residential sectors, the poverty headcount index is lowest in the urban sector, at 7.8 %, followed by the rural sector, at 17.3%, and the estate sector, at 23.0%. These estimates indicate substantial differences in poverty levels across sectors, with the estate sector recording the highest poverty rate and the urban sector the lowest.

Table 03: Poverty Headcount Index (HCI) by sector-2025Q1

Sector	HCI (%.)	Confidence Interval (95%)		CV (%)
Sri Lanka	16.0	14.5	17.5	4.8
Urban	7.8	5.1	10.6	18.0
Rural	17.3	15.6	19.1	5.2
Estate	23.0	14.5	31.5	18.8

The CVs also indicate differences in the precision of the estimates. The urban sector has a CV of 18..0%, while the rural sector has a CV of 5.2%. The estate sector has the highest CV, at 18.8%, suggesting that its estimate is less precise than the national and rural sector estimates. This may be due to differences in sample size and variability within each sector. The relatively higher CVs for the urban and estate estimates suggest that these sector-level estimates should be interpreted with appropriate caution.

Table 04: Number of poor persons by sector-2025Q1

Sector	Number of people	Confidence Interval (95%)		CV (%)
Sri Lanka	3,419,069	3,083,792	3,754,346	5.0
Urban	279,054	178,891	379,216	18.3
Rural	2,934,392	2,624,115	3,244,668	5.4
Estate	205,624	124,273	286,974	20.1

Table 04 presents the estimated number of poor persons in Sri Lanka, totaling approximately 3.42 million. Of these, around 2.9 million are in the rural sector, 279,054 in the urban sector, and 205,624 in the estate sector. Note: higher the CVs, indicating lower statistical precision.

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