

The difference in cost of Household Expenses between a First, Second, and Third World country between the years 2018-2023, and how that compares to the average salary increase:

Introduction:

Between the years 2018 - 2023 the price of general household expenses has soared globally. As a result of all the major events that have occurred in the last 5 years, the price of everyday needs has escalated, and led to the cost of living crisis. This has led to many people not being able to afford to heat their homes, buy their groceries, and having to cut back on their non-essential spendings.

The main focus of this project is to compare the difference in household expenses between First, Second, and Third World countries. The countries we have chosen for each threshold include Ireland as the First World, Poland as the Second World, and Kenya as the Third World. A First World country is classified by having a strong advanced economy and being highly industrialised. Furthermore, a Second World country is used to refer to countries that are between First and Third World countries as a result of their economic indicator and development status. On the other hand, a Third World country is classified by having high poverty rates, an unstable economy and a lack of basic human rights. We will also be comparing this with the average increase in salary over these years for these different countries.



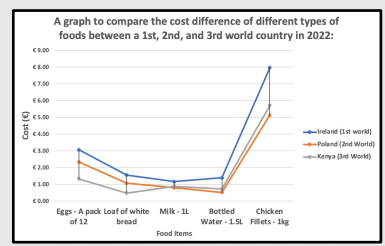
Hypothesis:

- First World countries will have the highest cost of living and consumption rates
- Third World countries will have the least amount of their salary remaining
- First World countries salaries have risen up the most to match the rising living costs
- Second and Third World countries salaries haven't really changed to match the rising living cost

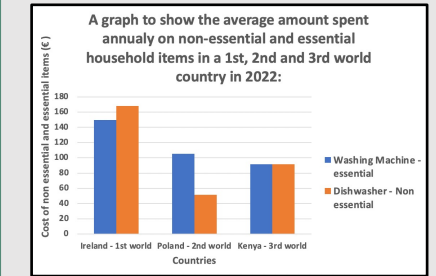
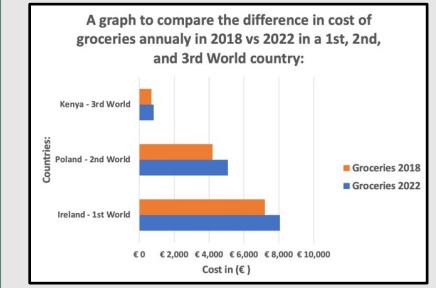
Our method:

- Gather information surrounding different types of household expenses through using a wide range of secondary sources found through large scale research
- Identify the average rent and salary difference between the First, Second, and Third World countries between the years 2018-2022
- Compare all of our information on a number of different graphs
- Evaluate the impacts that the rising cost of living has on each type of country

Analysis:

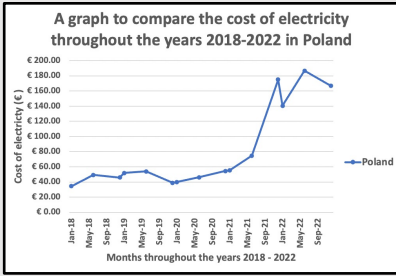
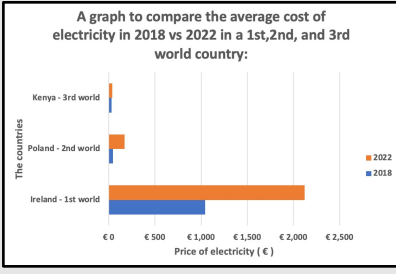


Graph 1: This graph shows that First World countries' food costs are the most expensive. Second World countries food is cheaper than First World countries, however some foods are cheaper than Third World countries. Third World countries' food cost is mainly the cheapest. **Graph 2** demonstrates the cost difference of groceries between 2018-2022 in each country. Ireland's annual grocery cost in both 2018 and 2022 is the most costly. Poland's is in the middle and Kenya's is the cheapest overall for each of those years.

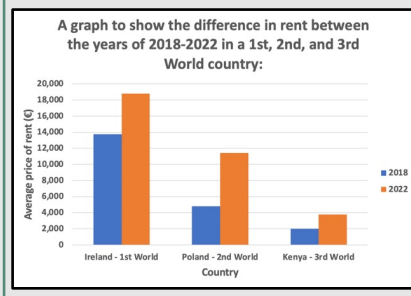


Graph 3: In this comparison we picked two similar household appliances: one being essential and the other not. In Kenya, the cost to run a washing machine (essential item) is just under half of the cost it would be annually in Ireland. In Kenya, this item would be used less overall. The non-essential item (dishwasher) is more costly in Ireland

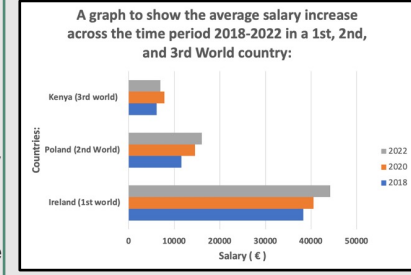
than any other country and is cheapest in Poland.



Graph 4: From this we gather that the cost of electricity annually in Ireland (which constitutes for First World countries) in both 2018 and 2022 was substantially more expensive than in both Poland and Kenya. Poland which represents the Second World countries is significantly less than in Ireland, however only marginally more costly than in Kenya. Kenya's annual electricity bill is around 57 times cheaper than Ireland. In **Graph 5** we can see a detailed version showing the increase in cost of electricity overtime by month. This graph spikes towards the end of 2021/ beginning of 2022 which reflects the general price increase that has occurred since the main Pandemic period ended.



Graph 6: This data shows that the average renting cost has increased by around 73.1% over the years 2018-2022 in Ireland. Differently, in Poland, the average renting cost has increased by 238.2%. In Kenya the average rent has increased by around 89.6% over the 4 year time period. All of these prices show how the cost of living is constantly being driven up at an unstable amount, affecting people's bills, lowering people's spending power, and decreasing the worth of peoples salary.



Graph 7: Over the time period 2018-2022 the average salary in Ireland has increased by around 9.5%. In Poland, the average salary has increased by 38.4% and in Kenya the average salary has increased by 12.5%.

Results and Conclusion:

- The average salary increase between 2018-2022 has not risen to meet the constant increasing costs that are engulfing all types of countries across the world.
- Third World countries are impacted the most overall by rising costs as their salaries have remained low and unlike the First and Second World countries there hasn't been a big change overall
- Third World countries are vastly cheaper in comparison to First World countries however their low living costs matches their low salary
- Second and Third World countries are more similar in average household costs and salary than First and Second World country household expenses
- First World countries have the highest cost of living and consumption rates

In conclusion, even though all walks of life have been affected by the constant rising cost of living, Third World countries have been affected the worst overall as a result of poverty mainly being at the centre of living. In both our First and Third World country, the average salary increase was under 15%, however in our representative Second World country the average salary rose over 30%. This shows how some countries are being more financially supported to combat this ever-growing issue.

