

## Types of expenditure:

There are 3 types of expenditure.

1. Fixed expenditure
2. Irregular expenditure
3. Discretionary

**Fixed expenditure:** payment on a regular basis, eg once a week, once a month. The amount is the **same no matter how much the goods/services are used. The amount does not vary.**

Example of fixed expenditure: You may pay €100 per week on rent.

Other examples: mortgage, loan repayments, car insurance.

**Irregular expenditure:** where the amount that is being **paid varies depending on usage.**

Example of irregular expenditure: your heating bill will vary from week to week depending on how much you have used.

Another example: Groceries may be bought every week however the amount spent varies from one week to another. You may spend €70 one week and then €85 the following week.

Other examples of irregular expenditure: petrol, electricity, telephone bill.

**Discretionary expenditure:** payment for things we want but do not need.

It is optional spending if we have money leftover after paying our bills.

Examples of discretionary expenditure: buying myself tickets to a concert- I do not need it, but want it. I have money left over after paying all my bills so I can afford it.

Other examples of discretionary expenditure: holiday, eating out, buying a ticket to a rugby game.