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Examples of durable and nondurable goods

consumer good, in economics, any tangible commodity produced and subsequently purchased to satisfy the current wants and perceived needs of the buyer. Consumer goods are divided into three categories: durable goods, nondurable goods, and services.Consumer durable goods have a significant life span, often three years or more (although some authorities classify goods with life spans of as little as one year as durable). As with capital goods (tangible items such as buildings, machinery, and equipment produced and used in the production of other goods and services), the consumption of a durable good is spread over its life span, which tends to create demand for a series of maintenance services. The similarities in the consumption and maintenance patterns of durable and capital goods sometimes obscure the dividing line between the two. The longevity and the often higher cost of durable goods usually cause consumers to postpone expenditures on them, which makes durables the most volatile (or cost-dependent) component of consumption. Common examples of consumer durable goods are automobiles, furniture, household appliances, and mobile homes. (See also capital.)Consumer nondurable goods are purchased for immediate or almost immediate consumption and have a life span ranging from minutes to three years. Common examples of these are food, beverages, clothing, shoes, and gasoline.Consumer services are intangible products or actions that are typically produced and consumed simultaneously. Common examples of consumer services are haircuts, auto repairs, and landscaping. Consumer durables, also known as durable goods, are a category of consumer goods that do not wear out quickly and therefore do not have to be purchased frequently. They are part of core retail sales data and are considered durable because they last for at least three years, as the U.S. Bureau of Economic Analysis defines. Examples include large and small appliances, consumer electronics, furniture, and furnishings. Consumer durables, also known as durable goods, are goods that do not need to be purchased very often and last for at least three years.Economists keep a close eye on the consumption of consumer durables, as it is considered a good indicator of the economy's strength.Consumer durables include appliances such as washers, dryers, refrigerators, and air conditioners; tools; computers, televisions, and other electronics; jewelry; cars and trucks; and home and office furnishings.Nondurable goods, as defined by the U.S. Department of Commerce, have a shelf life of less than three years; many can be recycled.Examples of nondurable goods include perishable food products, such as milk, vegetables, meat, and fruit; products made of paper and paperboard, such as newspapers, books, and magazines; trash bags; disposable diapers; and towels, sheets, and pillowcases. Durable goods derive their name from the fact that they last in value for a relatively long time. An individual's wealth is preserved by spending a high proportion of their income on durable, investment, or capital goods because the goods retain their economic value for longer periods of time. Investors, business owners, and economists closely monitor expenditures and new orders for consumer durables as a sign of sustainable economic growth. Durable goods consumption leads gross domestic product (GDP) over the business cycle. So, if durable goods is above its consumption trend, then the GDP is also likely to be above its trend in the next quarter. Some examples of consumer durables are large and small appliances, furniture and furnishings, carpets and rugs, rubber tires, lead-acid automotive batteries, consumer electronics, consumer electronics, sporting goods, and household goods. Automobiles, mobile homes, boats, and fine jewelry are also durable goods. The basic difference between durable and nondurable goods is that the former lasts for three years or more, while the latter is used up in fewer than three years. Also, durable goods maintain their economic value much longer than nondurable goods. Durable goods tend to be more expensive than nondurable goods, so people usually invest in them when the economy is good, and they are feeling prosperous. However, this rule of thumb doesn't always hold—consumer spending on durable goods rose during the COVID-19 pandemic (after a brief but sharp contraction), which battered the economy. Lockdowns and social distancing reduced the demand for services, while government subsidies intended to help people weather the crisis financially increased disposable income. Personal consumption expenditures in the economy are divided into goods and services. Goods are divided into durable goods and nondurable goods. In December 2024, total personal consumption expenditures totaled \$16.35 trillion. Of that, goods totaled \$5.61 trillion, of which \$2.15 trillion were durable goods. This sector's main growth drivers were (1) recreational goods and vehicles and (2) motor vehicles and parts. Some publicly traded consumer durables producers include Kimberly-Clark Corp., ABB Ltd., Johnson Controls International PLC, The Clorox Co., Mohawk Industries, and Whirlpool Corp. These companies are divided into subsectors of containers and packaging, electrical products, industrial specialties, specialty chemicals, home furnishings, and consumer electronics/appliances. Consumer durables, also known as durable goods, are products that last for three years or more. They include mobile homes, large and small appliances, furniture and furnishings, carpets and rugs, automobiles, rubber tires, lead-acid automotive batteries, boats, consumer electronics, luggage, sporting goods, household goods, and fine jewelry. The principal difference is that while a durable good lasts for three years or longer, a nondurable good is used up in fewer than three years. In addition, durable goods hold their economic value for much longer than nondurable goods. The purchase of consumer durables is considered an economic growth engine. As individuals purchase more durable goods, this helps boost the economy. Increased demand leads to more jobs and more spending. Consumer durables are goods with staying power. The U.S. Bureau of Economic Analysis defines them as lasting for three years or more, unlike nondurable goods, which are used up in less than three years. Consumer durables hold their economic value better for longer than nondurable goods, and their sale helps drive the U.S. economy. When the sales of consumer durables are up, it generally forecasts a rise in GDP in the next quarter because consumers tend to purchase them when they are feeling prosperous. All BlogsEconomics ResourcesDurable GoodsConsumer BehaviorCultural AspectsConspicuous ConsumptionCultural EconomicsConsumer BehaviorBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in Just 6 Hours!Table Of Contents Durable goods are items that boast a lifespan of more than two or three years, showcasing resilience and longevity. These goods are intended to deliver sustained economic value over an extended period, providing reliable utility and durability. Durable goods can be a source of significant value for individuals, as they provide long-term benefits and avoid resource overuse and waste. They can also serve as an investment, yielding returns over an extended period. However, durable goods may block household expenditure and consumption, depending on the context or circumstances. Durable goods refer to those commodities that allow consumers to enjoy their benefits for a very long period. The estimated lifetime of these goods is more than two or more years. Therefore, individuals try to replace or repair them to extend their shelf time by some years. Capital goods also fall under consumer durables; businesses primarily use them, whereas durable goods are intended for household use. The demand for this type of goods accounts for a significant portion of imports and exports in many OECD countries, estimated to be around 70%. Durable goods require a one-time purchase but provide utility for two or more years, setting them apart from capital goods. Households primarily use these goods, including cars, furniture, beds, refrigerators, etc. There are also semi-durable goods like footwear, clothes, and jewelry that have a shorter lifespan. Consumer durable goods are designed to have an extended shelf life, operating on the assumption of a single purchase that provides utility over a longer period. As a result, they are more sensitive to business cycles. In economics, they are known for their more elastic supply, while demand tends to be less elastic than utility.Due to their long expiration period, producers often store durable goods in warehouses instead of ramping up production to match demand. While greater demand for these goods does occur, it is rare as consumers typically try to maximize their utility until scrap value. For example, consumers may replace a part to extend the shelf life of a car if repair is impossible, or they may use a refrigerator beyond its reference period of, say, eight years for up to 15 years. As a result, the purchasing price of durable goods tends to be higher, which correlates with consumer spending.Consumer spending on durable and semi-durable goods is influenced by disposable income. For instance, during the Covid-19 pandemic, household spending on durable goods initially decreased but later rebounded substantially, driven by the extra cash available to consumers despite the global crisis. Moreover, they are commodities that provide utility over an extended period and have unique supply, demand, and consumer behavior characteristics, making them an important category in economics and consumer spending analysis.Let us look at the types that are prevalent in the industry:These goods have a major occurrence in households. Furthermore, they usually last for more than three years. Hence, consumers usually buy the product and stay away from the market for a long. For example, refrigerators, furniture, electronics, equipment, books, jewelry, etc.This includes those goods that are used in organizations. For example, machinery, printing machines, computers, software, defense equipment, trucks, commercial aircraft, etc.Let us look at the examples to understand the concept better:Suppose Tyler bought a double-door refrigerator worth \$280 for his renovated home in 2010. As per the sales staff, the lifetime of this fridge is ten years. However, during the tenure, its compressor was disrupted. So, Tyler took the after-sales service and replaced it with a spare part. Thus, it extended the value of the fridge. Therefore, the fridge that was meant to last for ten years now has a shelf life of five years. However, if it stops functioning, Tyler has to buy a new refrigerator. Thus, its demand tends to remain elastic.Amazon.com, Inc. is a renowned multinational technology and e-commerce company that has made its mark in the "consumer durable" industry. With its vast online retail platform, Amazon offers a wide range of "consumer durable" products, including electronics, home goods, and appliances. Customers can browse an extensive selection of products such as smartphones, laptops, televisions, refrigerators, washing machines, and more. As a leader in the e-commerce space, Amazon has played a significant role in shaping the consumer durable industry, providing consumers with easy access to a wide range of products from the comfort of their homes.Although they fall into a similar category, they have a major dissimilarity. So, let us look at their differences:BasicDurable GoodsNon-Durable GoodsMeaning It includes goods with an extended lifetime value of two or more years.Non-durables are goods that last for a short time. It is usually for a few days or weeks. Purpose To let consumers use the items for a longer period. To enable immediate consumption of the goods before their decay. Demand Elastic (does fluctuate)Inelastic (does not change). Consumers tend to buy them despite their use. Use Multiple times (long-lasting). Consumers also use it as a dependent tool for employment. For example, using a car for rental services. Single-useAlso known asHard goods or consumer durables.Soft goods or consumables.Price Expensive Lower than the formerFrequency of purchases It happens once in a while. Here, consumers buy daily as their expiry is limited to fewer days. Examples Furniture, car, bed, refrigerator, and others. Vegetables, fruits, milk, and other groceries and eatables.Are durable goods counted in GDP? Durable goods are included in the calculation of GDP, but they do not necessarily form a major part of it. For example, the Bureau of Economic Analysis (BEA) in the United States includes them in its GDP calculation. Still, the correlation between GDP and consumer durables spending may not always indicate a weak or strong economy, as it can vary depending on specific economic conditions and context. Why are durable goods more volatile? It can be more volatile in demand due to changes in consumer preferences, economic conditions, technological advancements, and its longer lifespan. While their durability can make their demand unpredictable, it is not solely due to their shelf life and can vary greatly over time. How do durable goods orders affect the stock market? Durable goods orders can indicate the economy's health, as increased orders may indicate improved consumer spending and business investment. However, it is not a direct causation that durable goods orders affect the stock market. Durable goods are manufactured to last three years or more, while nondurable goods have a shorter lifespan.By Kathryn UnderwoodOct. 27, 2020, Updated 1:18 p.m. ETSource: GettyCustomer buying a new vehicleIn economics, durable goods and nondurable goods play a crucial role. Demand and pricing on durable goods can impact the overall health of the economy. In general, economists follow sales trends among durable goods as a sign of a healthy, growing economy, because they tend to be more expensive items. Article continues below advertisementThere are three basic categories of consumption: durable goods, nondurable goods, and services. Durable goods are generally defined as physical items that have a typical lifespan of three years or longer. U.S. durable goods orders rose 1.9% in September, vs 0.5% increase expected: @Reuters— Steve Burns (@JosephBurns) October 27, 2020 Article continues below advertisementThe health of the durable goods market is often viewed as an indicator of the overall health of the economy. These products tend to be high-dollar items, such as cars, appliances, and electronics, and consumers may postpone buying them depending upon price and other factors. In a recession or other down economy, consumers tend to put off their durable-goods purchases.The rise or fall of consumer goods purchases is therefore a key indicator of consumer confidence. When consumers delay purchasing new vehicles or refrigerators, it indicates more people are feeling insecure about their income or savings.Article continues below advertisementDurable goods orders jumped 1.9% in September, buoyed by a sharp rebound in transportation equipment. Aircraft orders actually moved back into the black during the month after months of contracting. Motor vehicles also strong. Transportation accounted for more than half of — Diane Swonk (@DianeSwonk) October 27, 2020 Consumers play a crucial role in getting the American economy back on its feet, as Forbes explains. But of course, this is a challenge with so many Americans currently out of work and lacking disposable income. Article continues below advertisementThe types of products that are considered consumer durable goods include furniture, appliances, automobiles, jewelry, and books. If it is manufactured and intended to last the consumer for three years or longer, it is categorized as a durable good. Occasionally, a nondurable good may be seen as durable if it is made to higher-quality standards or if the customer will only use the item infrequently, thus increasing its lifespan. Article continues below advertisementWhile durable goods have a longer working lifespan, nondurable goods are those that are "consumed," or used up, in a much shorter time period. Some examples of nondurable goods include food, paper products, clothing, light bulbs, and other household items. The lifespan of nondurables can range from mere seconds to just under three years.Article continues below advertisementFor the second quarter of 2020, Bureau of Economic Analysis data showed decreases in consumer spending, which is unsurprising considering the COVID-19 pandemic's effects. The largest decline in consumer spending was actually in the category of consumer services, down 13.3 percent in Q2. Consumer spending in both durable and nondurable goods also declined for Q2, though the numbers were not as disappointing as those of services. Durable goods, or those that last for more than three years, were down for consumer spending by 1.5 percent. Spending on nondurable goods dropped by 5.9 percent (via Forbes). Fortunately, new orders for manufactured durable goods in September showed an increase of \$4.3 billion, or 1.9 percent, taking the total to \$237.1 billion in orders, according to census bureau data. Latest Personal Finance Guides News and Updates The difference between a durable and nondurable good is the length of time the good lasts before consumption. A nondurable good is defined as a product that lasts 3 years or less, while durable goods are those that last greater than 3 years. Examples of durable goods include furniture, cars, large appliances and jewelry. Nondurable goods are products such as food, medications or electronic items intended for quick replacement. Some products, however, are both durable and nondurable, depending on their use. These products can be items such as clothing that may be durable or nondurable depending on the length of time that they're used by the consumer.The production and sale of durable and nondurable goods are followed closely by economists, who use the sales data to track economic conditions as a whole. The markets for nondurable goods are mostly stable, with most nondurable goods, such as food or small electronics, changing little over the years. When the production of these nondurable goods grows, it is a good economic indicator that the economy is growing as a whole. Changes in durable goods can mean the same, with growth in production equaling growth in the manufacturing sector. This leads to more job availability. This growth in production can also be indicative of higher future interest rates. MORE FROM REFERENCE.COM Durable and non-durable goods are tangible products that are purchased, acquired, or produced to serve as food or in other activities. Durable goods are those products that can be used for a long time without needing to be replaced. Therefore, they have lasting economic value. Non-durable goods are those products that are used for a relatively short period of time and then discarded or discarded. 40 Examples of Durable and Non-Durable Goods Durable goods Clothes Appliance Vehicles Computer and electronic equipment Furniture Dental and vision care Office equipments Sewing machines Real estate properties Sport teams Tools to build Musical instruments Production Equipment lighting equipment Farm Equipment metal turning Leisure equipment Artworks Dental instruments Aircraft Ships Forestry equipment Tractors Trailers Jewelry and watch items Boats Aquatic equipment Petrochemicals surveillance equipment Television and video equipment Auditorium equipment Armament Radio communication equipment Biomedical equipment Refrigeration and air conditioning Wireless telephone equipment printing equipment Farm products Mining photographic equipment Nondurable Goods Food products Health services Alcoholic and non-alcoholic drinks Body and face fragrance Tobacco Automobile fuel Home heating fuel Cleaning Bookstore and stationery products Transport services jet fuel Beauty products Personal hygiene products Pharmaceutical products Underwear Continuing prepared meals Public transportation Electricity Gases Bottled water Gas stations Gift Cards Mega-markets Mainstream products Maintenance. Fast delivery products Ecommerce Software packaging materials Professional services such as cleaning within the company Training services Payment services Printer Cartridge Books, magazines and newspapers Transport usage fee In conclusion, durable goods are purchased for long-term use while non-durable goods are purchased for immediate or temporary use. The examples of durable goods noted above are luxury or capital goods, that is, goods from which the expected return is obtained when we use them and non-durable goods that are depleted when we use them. 40 Examples of Durable and Non-durable Goods durable goods Estate: Housing, commercial premises, land. Cars: Cars, motorcycles, trucks, tractors. Machinery and equipment: Agricultural tools and machinery, cranes, textile machinery. Home appliances: Washing machines, computers, televisions, refrigerators. Furniture: Sofas, tables, chairs, beds. Construction materials: Bricks, concrete beams, steel. Office machines: Photocopiers, printers, faxes. Musical instruments: Guitar, piano, clarinet. Clothes and shoes: Dresses, shirts, jeans, boots. Jewelry and accessories: Rings, necklaces, watches, sunglasses. Nondurable Goods Foods: Bread, oil, potatoes, fruits, vegetables. Drinks: Soft drinks, mineral water, beer, wine. Cosmetic products: Bath gel, shampoo, makeup, creams. Home's products: Detergent, toilet paper, soap. Electronic products: DVDs, CDs, electronic games. Cleaning products: Bleach, powdered detergent, disinfectant products. Technology: Mobile phones, laptops, tablets. Toys: Dolls, bicycles, board games. Newspapers and magazines: Newspapers, fashion magazines, computer magazines. Fuels: Gasoline, diesel, natural gas. How to Convert From Degrees to Radians Definition: Durable goods are items that are designed to last and be used for a long period of time, typically over three years. They are contrasted to non-durable goods, which are consumed or replaced quickly, often only usable once. In economics, we say that these goods have ongoing utility: definition: "durable goods are those goods whose total utility is not exhausted in single or short-run use" (Mohana & Patro, 2023). The following consumer goods generally have a lifespan for longer than 3 years and provide utility for consumers over time, making them durable goods: Cars Refrigerators Washing machines Laptops Smartphones Furniture (e.g., sofas, tables) Televisions Bicycles Dishwashers Vacuum cleaners Lawnmowers Power tools (e.g., drills, saws) Digital cameras Microwave ovens Air conditioners Printers Watches Camping tents Jewelry Musical instruments (e.g., pianos, guitars) Gaming consoles Cookware (e.g., pots and pans) Mattresses Home theater systems Blenders Coffee makers Toasters Freezers Sewing machines Treadmills and home gym equipment Snow blowers Generators Grills (e.g., barbecue grills) Outdoor patio furniture Boats Motorcycles Water heaters Fireplaces Ceiling fans Bookshelves Desks Sunglasses Leather bags Sports equipment (e.g., skis, golf clubs) Fishing rods Binoculars Skateboards Drones Keyboards (musical) Pool tables FeatureDurable GoodsNon-Durable GoodsDefinitionDurable goods are items designed for long-term use, typically lasting for three years or more. They are characterized by their longevity and include products such as appliances, vehicles, and furniture (Kesavan, 2005).Non-durable goods are items with a short useful life, typically lasting for less than three years, often consumed or used up quickly. These include food, beverages, and toiletries.LifespanTypically last for several years (three years or more).Short lifespan, often consumed or used up quickly (less than three years, usually immediate to a few months).Frequency of PurchasePurchased less frequently due to their longer lifespan.Purchased frequently due to quick consumption or disposal.CostGenerally more expensive due to higher quality materials and intended longevity.Typically less expensive and purchased for immediate use (Mohana & Patro, 2023).ExamplesCars, refrigerators, laptops, furniture, washing machines.Food, beverages, paper towels, toiletries, cleaning supplies.UsageUsed over a long period, providing value over time.Quickly consumed or used, needing regular replacement.MaintenanceMay require maintenance or repair services to extend their lifespan.Little to no maintenance required before consumption or disposal.Impact on EconomyPurchases often considered as investments and indicators of economic stability; affected by economic cycles.Consistent demand regardless of economic conditions; essential for daily living (Ahuja, 2022).Consumer DecisionInvolves significant consideration and research due to higher costs and long-term commitment.Decisions often based on immediate need, with less financial risk and research involved.Market VolatilityMore susceptible to economic fluctuations, with demand often influenced by consumer confidence and income (Baumohl, 2007).Less susceptible to economic fluctuations, as these goods are essential and replenished regularly.Product DevelopmentLonger development cycles due to the complexity, safety standards, and durability requirements.Shorter development and innovation cycles to meet immediate consumer needs and preferences (Nagar, 2021).1. Longevity and Cost-EffectivenessDurable goods are designed to last for several years, making them a cost-effective choice over the long term (Kesavan, 2005). Although the initial purchase price might be higher, the extended lifespan of these goods means consumers do not need to replace them frequently, leading to potential savings.2. Quality and ReliabilityThese goods often feature higher quality materials and craftsmanship, ensuring reliability and performance over time. Consumers benefit from the enhanced user experience and lower likelihood of frequent repairs or replacements (Eatwell, 2016).3. SustainabilityBy lasting longer, durable goods contribute to sustainability by reducing waste and the need for frequent manufacturing of replacement products. This can lead to a lower environmental footprint through decreased resource consumption and waste generation.4. Resale ValueMany durable goods retain significant resale value, providing consumers with the option to sell their second-hand (Dwivedi, 2021). This can help recoup a portion of the initial investment and is beneficial for both the seller and the buyer looking for quality at a lower price.5. Economic IndicatorsPurchases of durable goods are often used as economic indicators, reflecting consumer confidence and economic health. A rise in durable goods orders suggests consumers are more willing to make long-term investments, indicating positive economic outlook.1. High Initial CostThe higher quality and longer lifespan of durable goods often come with a higher initial price tag (Dwivedi, 2021). This can be a significant barrier for consumers with limited budgets, making it difficult for some to afford essential household items.2. Technological ObsolescenceIn rapidly evolving sectors like electronics, durable goods may become technologically obsolete before their physical lifespan ends (Eatwell, 2016). This can lead to a situation where consumers feel compelled to upgrade to newer models, undermining the cost-effectiveness of their initial purchase.3. Maintenance and Repair CostsWhile durable goods are built to last, they may require maintenance or repairs over their lifespan, which can be costly (Agarwal & Agarwal, 2020). The complexity of some durable goods also means that repairs need to be done by professionals, adding to the expense.4. Less FlexibilityThe long-term commitment to a durable good can limit flexibility. Changing needs, preferences, or advancements in technology may render a once-desirable item less useful or desirable over time (Agarwal & Agarwal, 2020).5. Environmental Impact of ProductionAlthough durable goods contribute to sustainability by reducing waste, their production can be resource-intensive (Baumohl, 2007). The manufacturing processes for items like cars and electronics often consume significant amounts of energy and raw materials, contributing to environmental degradation. Agarwal, A., & Agarwal, S. (2020). Introductory Macroeconomics Based on NCERT Guidelines Class XII. SBPD Publications. Ahuja, H. L. (2022). Managerial Economics (Analysis of Managerial Decision Making), 9th Edition. S CHAND & Company Limited. Baumohl, B. (2007). The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities. Pearson Education. Dwivedi, D. N. (2021). Managerial Economics, 9e. Vikas Publishing House. ISBN: 9789354531309. Eatwell, J. (2016). Palgrave's Dictionary of Political Economy. Palgrave Macmillan UK. Kesavan. (2005). Engineering Economics and Financial Accounting. Laxmi Publications Pvt Limited. 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