The objective of this study is to investigate the significance of demographic factors (gender, age, education, family size, occupation, region of residence) on consumption expenditure inequality. We attempt to decompose inequality and find the factors, characteristics and region that may cause inequality using Pakistan Social and Living Standards Measurement Survey (PSLM). Quintile regression is used to find the effects of different characteristics on per capita real monthly expenditures at different quintiles for the years 2005-06. Household size shows negative relation with expenditures in general as well as in urban and rural areas for all quintiles. Age, female headed households, agriculture, high skilled occupations and higher education have positive effects on per capita real consumption expenditure.

**Keywords:** Inequality, Living Standard, Quintile Regression, Consumption.

**JEL Classification:** Z000