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**Coverage**  
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Social and Welfare



## Transport takes largest share of family spending

Transport costs took the lion's share of families' household spending during 2007, new figures from the Office for National Statistics (ONS) reveal.

*Family Spending*, the annual ONS publication of UK household expenditure, found that families spent an average of £61.70 per week on transport, equivalent to 13.4 per cent of total average household expenditure (£459.20 per week).

Personal transport, which includes the costs of fuel and servicing for family vehicles, accounted for the largest proportion of expenditure on transport at £28.80 per week (47 per cent of all transport expenditure). Spending on rail and tube fares rose to an average £2.50 per week, while spending on bus and coach tickets fell to £1.20.

The second highest category of family spending was on recreation and culture, which includes expenditure on items such as televisions, computers, books and leisure activities. Total spending in this category was £57.40 a week, representing 12.5 per cent of total average weekly spending.

Housing, fuel and power was the third-largest category (£51.80, or 11.3 per cent), followed by food and non-alcoholic drinks (£48.10 or 10.5 per cent). However, it is important to note that under COICOP (the Classification of Individual Consumption by Purpose) the internationally agreed classification system for reporting household consumption expenditure, housing costs exclude mortgage capital and interest repayments.

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Of the £48.10 spent a week on food and non-alcoholic drinks, £12.80 was spent on meat and fish, £3.70 on fresh vegetables, £3.00 on fresh fruit, and £4.00 on non-alcoholic drinks. Of the £14.60 spent per week on alcohol, £6.60 (45 per cent) was spent on alcohol to be consumed at home. The remaining £8.00 (55 per cent) was spent on alcoholic drinks bought and consumed on licensed premises.

Although expenditure rose in most categories between 2006 and 2007, today's figures reveal some notable reductions.

These reductions include family spending on package holidays, which fell by 40p to reach an average of £13.40 per week in 2007. The reduction was largely the result of reduced spending on foreign package holidays, which accounted for £12.50 of family spending in 2007.

Spending on clothing also fell during the year with average expenditure, at £22 per week, reaching its lowest level since 2001-02. One of the biggest falls in spending was seen in women's undergarments, where spending fell 20p to £1.10 per week. Overall spending on footwear stayed the same as last year, although expenditure on children's footwear increased by 16 per cent.

Patterns of ownership of durable goods have changed considerably over the years, particularly of consumer electronics. In 1997-98, only 20 per cent of households owned a mobile phone, but this figure had risen to 78 per cent in 2007. Ownership of a home computer has grown from 29 per cent of households in 1997-98 to 70 per cent in 2007, while the number of households with an internet connection has increased from 9 per cent when the survey started recording figures in 1998-99, to 61 per cent in 2007.

However, the proportion of households with a computer or internet connection varies depending on income group – 97 per cent of those households in the top income group had a home computer in 2007,

compared to 35 per cent in the lowest, while the figures for internet connection were 95 per cent and 24 per cent respectively.

*Family Spending* is based on the findings of the Expenditure and Food Survey (EFS), a survey of over 6,000 households across the UK. The EFS shows how households spend their money on all items, including food, clothing, leisure, transport, and housing. The survey also provides data on how spending patterns vary depending on household income, household composition and regional location of households.

Information from the EFS is a major source of data for the UK National Accounts and is used by government departments as a basis for policy making. It is also used to determine the content of the 'basket of goods' used to measure inflation in the Retail Price Index and is a valuable resource for business and academic research.

## BACKGROUND NOTES

1. *Family Spending 2008* is available to view online at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=361>

### 2. Expenditure by COICOP\* category, 2007

COICOP category	£ per week	% of total expenditure
Transport	61.70	13.4%
Recreation and culture	57.40	12.5%
Housing, fuel and power	51.80	11.3%
Food and non-alcoholic drinks	48.10	10.5%
Restaurants and hotels	37.20	8.1%
Miscellaneous goods and services	35.30	7.7%
Household goods and services	30.70	6.7%
Clothing and footwear	22.00	4.8%
Communication	11.90	2.6%
Alcoholic drinks, tobacco and narcotics	11.20	2.4%
Education	6.80	1.5%
Health	5.70	1.2%
Total COICOP expenditure	379.80	82.7%
Other expenditure items	79.30	17.3%
Total expenditure	459.20	

*\* COICOP (the Classification of Individual Consumption by Purpose) is an internationally agreed classification system for reporting household consumption expenditure.*

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