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Celebrating 50 years of *Family Spending*

Fifty years of the nation's longest-running household spending survey are celebrated in a special anniversary edition of the annual Office for National Statistics report *Family Spending*, published today.

The Family Expenditure Survey was launched in 1957 to gather information on household income and spending on goods and services, ranging from food and housing to transport and leisure. It is a key source of data for the Retail Price Index, and is widely used by government departments, business and academia.

Over the past five decades the survey – now known as the Expenditure and Food Survey – has documented profound changes in the nation's household spending. In 1957, food and non-alcoholic drinks accounted for one-third of the household budget. Today, that figure has fallen to 15 per cent, while housing, including mortgage interest payments and rent, is now the single largest item accounting for 19 per cent of spending. In 1957, housing accounted for just nine per cent of total spend.

Other highlights from the anniversary edition of *Family Spending* show that since 1957:

- The proportion of the average weekly household budget spent on fuel and power has halved, from six per cent to three per cent. In 1957 coal was the single largest fuel item; by 2006 gas and electricity were the two largest categories.
- The proportion of the weekly budget spent on clothing and footwear has halved, from 10 to five per cent;
- The proportion spent on tobacco has fallen from six per cent, to just one per cent;
- The proportion spent on alcoholic drink is unchanged at three per cent;
- Motoring and travel costs have risen from eight per cent to 16 per cent of average weekly household expenditure.

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Family Spending also includes rankings of the 'top 50' items of spending in 1957 and 2006, measured as a proportion of total household expenditure. The lists offer further insights into changing patterns of household spending – while housing-related costs were the top-ranked item in both 1957 and 2006, the rest of the top 50 looks very different:

- In 1957 the top 50 included 20 food and beverage items, including four in the top 10: 'Meals bought away from home, milk (fresh), poultry and other undefined meat, and beer, cider etc'. By 2006, the top 50 included just 10 food and beverage items with only one in the top 10 - restaurant and cafe meals;
- Cigarettes were the number two item in 1957 but had fallen to number 30 by 2006;
- Coal, and manufactured fuels (excluding coke) feature in eighth place in 1957 but do not feature in the 2006 top 50;
- Gambling payments did not feature at all in 1957 but by 2006 had risen to number 33;
- Eggs were the number 26 item in 1957 but in the 2006 list they had been replaced by TV, videos and computers.

The Expenditure and Food Survey 2006

Family Spending 2007 also includes detailed analysis of the Expenditure and Food Survey results from the most recent year (2006). This found that UK households spent an average of £456 per week during 2006, up from £443 in 2005/06.

Household spending is analysed according to an internationally-agreed classification system – the Classification of Individual COnsumption by Purpose, or COICOP -- and this showed that in 2006, household spending was highest in the transport category, at £62 a week.



Recreation and culture – ranging from televisions and computers to leisure activities and package holidays – was the second-highest category of spending, accounting for £58 a week, while housing (excluding mortgage costs), fuel and power was the third placed at £48 of expenditure. Food and non-alcoholic drinks was the fourth-placed category with expenditure of £46.90, while restaurants and hotels was fifth (£37.90), followed by miscellaneous goods and services (£36), household goods and services (£30.30), clothing and footwear (£23.20), communication (£11.70), alcoholic drinks and tobacco (£11.10), education (£7.20) and health (£5.90).

Households with children and three or more adults spent the most during 2006, averaging £700 a week, while one-person retired households mainly dependent on state pensions spent the least (£138 a week). Households with two adults and two children spent an average of £669 a week.

Over three-quarters of all households (76 per cent) owned a car or van with 32 per cent owning two or more. In the lowest income group, 31 per cent owned at least one car or van, compared with 94 per cent of households in the highest income group.

Households in the highest income groups were also much more likely to have a home computer and an internet connection than those in lower income groups. On average, 67 per cent of UK households owned a home computer and 59 per cent had an internet connection. In the highest income group these figures were 96 per cent and 94 per cent respectively though in the lowest income group just 31 per cent of households owned a computer and 21 per cent had an internet connection.

The proportion of households with a satellite, digital or cable receiver increased from 65 per cent to 71 per cent between 2005-06 and 2006, and from 28 per cent in 1998-99. In the highest income group, 82 per cent of households had a receiver compared to 50 per cent in the lowest income group. Also, 83 per cent of households with children had a satellite, digital or cable receiver, compared to just 66 per cent of households without children.



BACKGROUND NOTES

1. *Family Spending 2007* is available to download free at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=361>
2. The EFS shows how households spend their money and how spending patterns vary depending upon income, household composition, and regional location of households. The survey also contains data on household income and its sources.
3. One of the main purposes of the EFS (formerly the Family Expenditure Survey) is to define the 'basket of goods' for the Retail Prices Index (RPI) and the Consumer Prices Index (CPI) which are both measures of inflation. The RPI has a vital role in the uprating of state pensions and welfare benefits, while the CPI is a key instrument of the government's monetary policy.
4. Information from the EFS is also a major source for estimates of Household Expenditure in the UK National Accounts and is used by HM Treasury to study the effect of taxes and benefits. Many other government departments, research institutes, academic researchers and market researchers use EFS data as a basis for policy research.
5. In 2006, 6,644 households in the United Kingdom took part in the survey. The sample is representative of all regions of the UK and of different types of households. Interviews are spread evenly over the year to ensure that estimates are not biased by seasonal variation. Strict care is taken to keep the information supplied by the individual households confidential. No material is released in a form which would allow individual households to be identified.
6. *Family Spending 2007* marks 50 years of results from a household expenditure survey. In 1957 expenditure data were classified using the Family Expenditure Survey (FES) classification. Since the introduction of the Expenditure & Food Survey in 2001-02 expenditure data have been classified using the Classification of Individual Consumption by Purpose (COICOP). These data are presented solely for the purpose of historical comparisons and it should be stressed that it is not possible to do a like-for-like comparison with the FES data presented in 1957 with the COICOP data presented in the 2007 report.
7. In common with any sample survey, EFS results are subject to sampling variability. This is indicated by the standard errors in table A1 of *Family Spending 2007* which are discussed in Appendix B of the report. Figures, and differences between figures, should be interpreted in the light of these standard errors. Year-on-year changes should also be interpreted with caution.



8. Experience of household surveys in the United Kingdom and in other countries indicates that reported expenditure on a few items (notably tobacco and alcohol) is below the levels which might be expected by comparison with other sources of information.
9. *Family Food*, a report by the Department for Environment, Food and Rural Affairs also based upon the EFS, is due for publication on 28th February 2008. *Family Food*, which is consistent with the data in *Family Spending* but presents the information differently, examines expenditures on both household and eating out food and drink and converts these to energy and nutrient intakes. *Family Food* will be available from the Defra website at: <http://statistics.defra.gov.uk/esg/publications/efs/default.asp>
10. Details of the National Statistics policy governing the release of new data are available from the press office. Also available is a list of the names of those given pre-publication access to the contents of this release. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2008.
11. Details of household expenditure, top 50 commodities or services, 1957 and 2006:

Rank	1957 (% weekly expenditure) <i>FES classification (note 6 above)</i>	2006 (% weekly expenditure) <i>COICOP classification (note 6 above)</i>
1	Housing (8.7)	Mortgage interest payments (7.1)
2	Cigarettes (5.6)	Gross rent (6.1)
3	Meals away from home (3.1)	Petrol, diesel, other motor oils (4.0)
4	Maintenance/running motor vehicles (2.8)	Council tax, domestic rates (3.8)
5	Milk, fresh (2.7)	Purchase of second hand cars or vans (3.2)
6	Poultry, other meat (2.7)	Package holidays abroad (2.9)
7	Subscriptions, donations; hotel, holiday expenses, misc. services (2.7)	Restaurant and cafe meals (2.8)
8	Coal and other manufactured fuels (2.6)	Furniture and furnishings (2.7)
9	Bus fares (2.2)	Money spent abroad (2.7)
10	Beer, cider (2.2)	Cash gifts and donations (1.9)
11	Women's outer clothing (2.0)	Women's outer garments (1.9)
12	Biscuits, cakes etc (2.0)	Alcoholic drinks away from home (1.8)
13	Bread, rolls etc (1.9)	Purchase of new cars and vans (1.8)
14	Footwear (1.9)	Vehicle insurance including boat insurance (1.7)
15	Fruit (1.8)	Electricity (1.7)
16	Other and undefined vegetables (1.8)	Gas (1.6)
17	Furniture including repairs (1.8)	Repairs and servicing (1.3)
18	Beef and veal (1.8)	TV, video, satellite rental, cable



		subscriptions, TV licences and internet (1.3)
19	Net purchase of motor vehicles and accessories (1.7)	Sports admissions, subscriptions, leisure class fees and equipment hire (1.3)
20	Books, magazines, periodicals (1.6)	Telephone account (1.2)
21	Men's outer clothing (1.5)	Water charges (1.2)
22	Radio, television and musical instruments inc repairs (1.5)	Other travel and transport (1.2)
23	Electricity and hire of electrical appliances (1.4)	Household insurances (1.1)
24	Matches, soap, cleaning materials etc (1.4)	House maintenance etc (1.1)
25	Gas and hire of gas appliances (1.3)	Other meats and meat preparations (1.1)
26	Eggs (1.3)	TV, video and computers (1.0)
27	Tea (1.2)	Men's outer garments (1.0)
28	Sweets and chocolates (1.2)	Bread, rice and cereals (0.9)
29	Bacon and ham (uncooked) (1.2)	Other takeaway and snack food (0.9)
30	Women's underclothing and hosiery (1.1)	Cigarettes (0.9)
31	Gas and electrical appliances inc repairs (1.1)	Floor coverings (0.9)
32	Other foods, not defined (1.1)	Takeaway meals etc eaten at home (0.9)
33	Mutton and lamb (1.1)	Gambling payments (0.8)
34	Butter (1.1)	Fresh vegetables (0.8)
35	Hats, gloves, haberdashery (1.0)	Mobile phone account (0.8)
36	Girls' and boys' clothing (1.0)	Pets and pet food (0.8)
37	Soft furnishing and household textiles (0.9)	Holiday abroad (0.8)
38	Potatoes (0.9)	Wines, fortified wines (brought home) 0.7
39	China, glass, cutlery, hardware, ironmongery, etc (0.9)	Hair products, cosmetics and electrical appliances for personal care (0.7)
40	Toilet requisites, cosmetics etc (0.9)	Hairdressing, beauty treatment (0.7)
41	Floor coverings (0.9)	Moving house (0.7)
42	Sugar (0.9)	Fresh fruit (0.6)
43	Fish (0.8)	Buns, cakes, biscuits etc (0.6)
44	Men's underclothing and hosiery (0.8)	Outpatient services (0.6)
45	Toys and stationery goods etc (0.8)	Motor vehicle road taxation payments less refunds (0.6)
46	Footwear and other repairs not allocated elsewhere (0.8)	Holiday in the UK (0.6)
47	Leather, travel and sports goods; jewellery; fancy goods etc (0.7)	Horticultural goods, garden equipment and plants etc (0.6)
48	Wines, spirits etc (0.7)	Other motoring costs (0.5)
49	Animals and pets (0.7)	Secondary education (0.5)
50	Railway fares (0.7)	Cleaning materials (0.5)