

# Chapter 1

## Overview

This chapter presents the key findings of the 2007 Expenditure and Food Survey (EFS). The chapter is structured to provide an overview of general household expenditure, the variation in household expenditure by different types of household and by region and, finally, of the ownership of a limited range of durable goods.

All of the tables (except [Table 1.1](#)) referred to in this chapter can be found in Appendix A of the report (page 79).

## Household expenditure

[Table 1.1](#) shows total weekly household expenditure in the United Kingdom (UK) and expenditure by the Classification of Individual CONsumption by Purpose (COICOP)<sup>1</sup> categories. Average weekly household expenditure in the UK in 2007 was £459.20. As in previous years, spending was highest on transport at £61.70 a week, with the next highest expenditure on recreation and culture at £57.40 a week. This was followed by housing, fuel and power at £51.80. The average weekly expenditure on food and non-alcoholic drinks was £48.10 a week.

**Table 1.1**  
**Expenditure by COICOP category and total household expenditure**

COICOP category	£ per week
Transport	61.70
Recreation and culture	57.40
Housing, fuel and power	51.80
Food and non-alcoholic drinks	48.10
Restaurants and hotels	37.20
Miscellaneous goods and services	35.30
Household goods and services	30.70
Clothing and footwear	22.00
Communication	11.90
Alcoholic drinks, tobacco and narcotics	11.20
Education	6.80
Health	5.70
<b>Total COICOP expenditure</b>	<b>379.80</b>
<b>Other expenditure items</b>	<b>79.30</b>
<b>Total expenditure</b>	<b>459.20</b>

*Totals may not add due to the independent rounding of component categories*

Of the £61.70 spent on transport each week, close to half (47 per cent), was spent on the operation of personal transport (£28.80 a week) the majority of which was spent on petrol, diesel and other motor oils (£18.30 a week). Households spent £10.10 a week on average on transport services, including rail, tube and bus fares (see [Table A1](#)).

Over a fifth (23 per cent) of the expenditure on recreation and culture each week was spent on package holidays (£13.40 per week), most of which were holidays outside of the UK (£12.50). Spending on sports admissions, subscriptions, leisure class fees and equipment hire accounted for £5.20 a week, £2.00 was spent on admissions to the cinema, theatre and museums, and £3.00 was spent on gambling payments ([Table A1](#)).

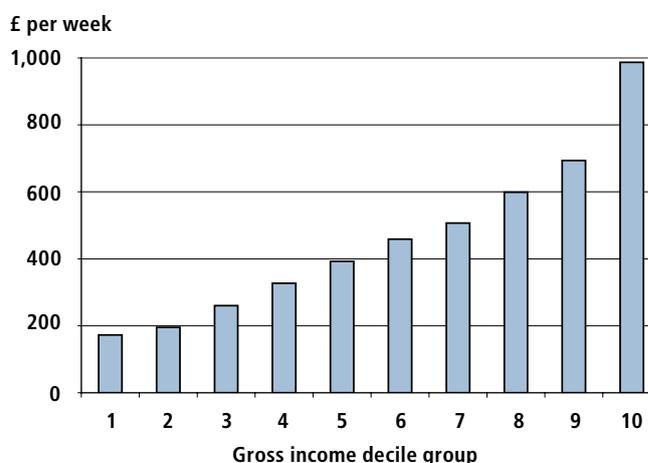
Of the £48.10 spent on food and non-alcoholic drinks each week, £12.80 was spent on meat, £3.70 on fresh vegetables, £3.00 on fresh fruit, and £4.00 on non-alcoholic drinks ([Table A1](#)). Over two thirds (£33.20 per week, 69 per cent) of food and non-alcoholic drinks were purchased from large supermarket chains ([Table A3](#)).

Alcohol bought and consumed on licensed premises accounted for slightly more than half (£8.00, 55 per cent) of all expenditure on alcoholic drink (£14.60 per week). The remaining £6.60 was spent on alcohol bought at large supermarket chains or off-licence outlets ([Table A2](#)).

## Household expenditure by income

Average gross household income in 2007 was £659 a week ([Table A40](#)). Household incomes have been ranked in ascending order and divided into deciles, with households with the lowest income in the first decile, in order to examine expenditure patterns between different income groups. Household expenditure ranged from £172.40 a week on average in the lowest of the ten income deciles to £986.70 a week in the highest ([Figure 1.1](#), [Table A6](#)).

**Figure 1.1**  
**Household expenditure by gross income decile group, 2007**



Households in the lowest income groups spent a larger proportion of their expenditure on housing, fuel and power, and food and non-alcoholic drinks, than those in the higher

income groups. The proportion of expenditure on housing, fuel and power, and food and non-alcoholic drinks was 22 and 14 per cent respectively among households in the lowest income group, compared with 7 per cent each among households in the highest group (Table A7).

Households in the highest income group spent a larger proportion of their expenditure on transport than those in the lowest gross income group, 16 per cent compared with 9 per cent (Table A7).

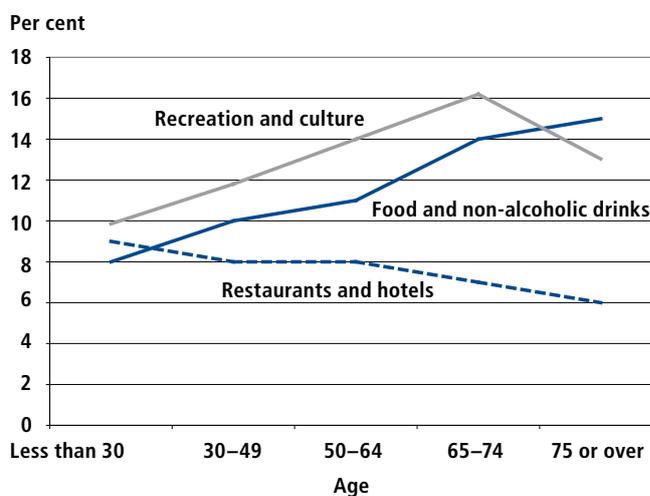
## Household expenditure by age

Average weekly expenditure varied by the age of the household reference person (HRP). Households whose HRP was aged 30 to 49 years had the highest average expenditure (£561.90 per week) while those with an HRP aged 75 years or over had the lowest average household expenditure (£218.00 per week). It should be noted that households with an HRP aged 30 to 49 years contained an average of 2.9 people, compared with 1.4 among households with a HRP aged 75 years or over (Table A11).

The proportion of spending on food and non-alcoholic drinks increased with the age of the household reference person, from 8 per cent among households with an HRP aged less than 30 years to 15 per cent among households with an HRP aged 75 years or over. The pattern was reversed for spending on restaurants and hotels where the proportion of spending fell from 9 per cent of all weekly expenditure among households with an HRP aged less than 30 years to 6 per cent among households with an HRP aged 75 years or over. Expenditure on recreation and culture, as a proportion of total spending, increased from 10 per cent among households with an HRP aged less than 30 years to 16 per cent among households with an HRP aged 65 to 74 years, after which the proportion fell again to 13 per cent among those with an HRP aged 75 years or over (Figure 1.2, Table A12).

**Figure 1.2**

**Expenditure on selected items as a proportion of total spending by age of the HRP, 2007**



## Household expenditure by economic activity and socio-economic classification<sup>2</sup>

Average weekly expenditure of households where the HRP was in employment (£574.30 per week) was more than twice that of households where the HRP was unemployed or economically inactive (£227.40 and £286.90 per week respectively) (Table A19).

The items households spent the most on also varied by the economic activity of the HRP. In households where the HRP was in employment, spending was greatest on transport, and recreation and culture, at £80.80 and £69.30 per week. Among households where the HRP was unemployed, spending on housing, fuel and power was highest (£43.00 per week) followed by food and non-alcoholic drinks (£30.90 per week). In households with an economically inactive HRP, spending was greatest on housing, fuel and power (£41.20 per week) followed by recreation and culture (£40.20 per week) (Table A19).

Average weekly expenditure was greater among households where the HRP was in the 'large employers and higher managerial' occupational group, at £816.10 per week. This compared with £396.90 in households where the HRP was in the 'routine' occupational group (Table A24).

## Household expenditure by household composition

As would be expected, household expenditure was generally higher in larger households. Thus, average weekly household expenditure was highest among households with two adults

with two children (£690.40) and lowest among one person retired households who were mainly dependent on the state pension (£164.70) (Table A25).

## Household expenditure by region

Overall, average household expenditure in the UK was £454.10 per week for 2006–2007. There were five regions in which expenditure over this period was higher than the UK average: London, where expenditure was greatest at £529.30 per week; the South East (£512.70), the East (£484.50), Northern Ireland (£466.60), and the South West (£459.40). Spending was lowest among households in the North East (£388.70 per week) (Figure 1.3, Table A35).

**Figure 1.3**  
**Household expenditure by region, 2006 to 2007**

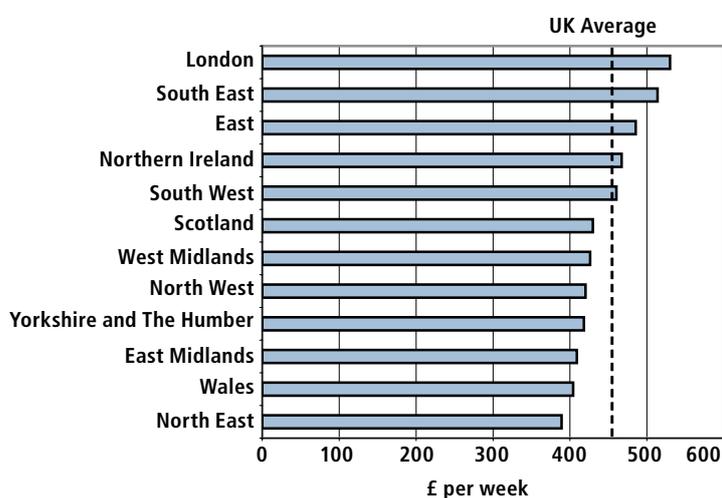


Table A37 shows that spending on transport was highest among households in the South East (£78.30 per week) and lowest among those in the North East (£49.00 per week).

Households in London spent the most on housing, fuel and power, £71.20 a week, compared with the UK national average of £49.70 a week (Table A37). Housing expenditure is looked at in more detail in Chapter Two.

Households in Northern Ireland and Scotland reported the highest expenditure on cigarettes at £7.70 and £5.50 a week respectively (Table A37).

Households in rural areas had higher overall expenditure (£496.50 per week) than those living in urban areas (£442.50 per week). For those living in both rural and urban areas, expenditure was highest on transport (£73.80 and £58.00 per week respectively), and recreation and culture (£65.80 and £55.40 respectively) (Table A38).

## Ownership of durable goods

Households in the higher income groups were much more likely to have a home computer and internet connection than those in the lower income groups. Overall 70 per cent of all households had a home computer and 61 per cent an internet connection. Among households in the highest income group, 97 per cent had a home computer and 95 per cent an internet connection, compared with 35 and 24 per cent of households in the lowest income group. Households with children were more likely to own a home computer and have an internet connection than those without (Table A51).

Connection to the internet was lowest among households in Northern Ireland (53 per cent) and highest in the South East (66 per cent). Ownership of a mobile phone was lowest among households in Northern Ireland (51 per cent) and highest in the East Midlands and South West at 85 per cent (Table A53).

Three-quarters (75 per cent) of all households owned a car or van, with 31 per cent owning two or more. Ownership of at least one car or van varied from 33 per cent in the lowest income group, to 96 per cent in the highest (Table A52).

Ownership of a car or van was highest among households in the East and the South West (83 and 82 per cent respectively), and lowest among those in the North East (65 per cent) and London (63 per cent) (Table A53).

## Notes

- 1 From 2001–02, the Classification of Individual COsumption by Purpose (COICOP) was introduced as a new coding frame for expenditure items. COICOP is the internationally agreed classification system for reporting household consumption expenditure. Total expenditure is made up from the total of the COICOP expenditure groups (1 to 12) plus 'Other expenditure items (13)'. Other expenditure items are those items excluded from the narrower COICOP classifications, such as mortgage interest payments, council tax, domestic rates, holiday spending, cash gifts and charitable donations.
- 2 This analysis uses the National Statistics Socio-Economic Classification (NS-SEC), see Section B1, page 188.