

Chapter 1: Overview

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Abstract

This chapter presents the key findings of the 2011 Living Costs and Food Survey (LCF), formerly the Expenditure and Food Survey. The chapter provides an overview of household income and expenditure, characterised by different household types and regions, as well as a summary 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.

Household expenditure

Table 1.1 shows total weekly household expenditure in the United Kingdom (UK) by the 12 Classification Of Individual COnsumption by Purpose (COICOP)¹ categories. In 2011 average weekly household expenditure in the UK was £483.60, £10.00 more than in 2010 when it was £473.60. As in previous years, spending was highest on transport at £65.70 per week. This was 80p more than in 2010.

Recreation and culture (£63.90) and housing, fuel and power (£63.30) were the categories with the next highest expenditure. The average weekly expenditure on food and non-alcoholic drinks in 2011 was £54.80 per week.

Table 1.1 - Expenditure by COICOP category and total household expenditure, 2011

COICOP category	£ per week
Transport	65.70
Recreation and culture	63.90
Housing (net) ¹ , fuel and power	63.30
Food and non-alcoholic drinks	54.80
Restaurants and hotels	39.70
Miscellaneous goods and services	38.60
Household goods and services	27.30
Clothing and footwear	21.70
Communication	13.30
Alcoholic drinks, tobacco and narcotics	12.00
Education	7.00
Health	6.60
Total COICOP expenditure	413.90
Other expenditure items	69.70
Total expenditure	483.60

Table source: Office for National Statistics

Table notes:

1. Excluding mortgage interest payments, council tax and NI rates.

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

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(31.5 Kb)

Of the £65.70 spent on transport each week, just over half (55 per cent) was spent on the operation of personal transport (£36.40), see [Table A1 \(186 Kb Excel sheet\)](#). This was an increase of 9 per cent on the previous year. As in 2010, petrol, diesel and other motor oils (£24.90 per week) was the largest expenditure in the operation of personal transport category, an increase from £21.60 in 2010. Expenditure on the purchase of vehicles remained approximately the same at £19.10 per week in

2011. Households spent on average £10.20 per week on transport services, including rail, tube and bus fares, compared with £12.10 in 2010.

Almost a third (31 per cent) of spending on recreation and culture (£19.80 per week) was spent on recreational and cultural services: sports admissions, leisure class fees and equipment hire accounted for £6.70 per week; cinema, theatre and museums etc (£2.40 per week); TV, video, satellite rental, cable subscriptions and TV licences (£6.50 per week); and gambling payments (£2.70 per week).

Package holidays (£18.70) accounted for 29 per cent of recreation and culture expenditure. Spending on audio-visual, photographic and information processing equipment (£6.30) decreased from 2010 when average weekly expenditure was £7.20. Spending on other recreational items and equipment, gardens and pets was unchanged at £11.40 per week (Table A1).

Of the £54.80 average weekly spend on food and non-alcoholic drinks, £7.10 was spent on fresh fruit and vegetables: £3.10 on fruit and £4.00 on vegetables; £12.00 was spent on meat, the highest proportion (48 per cent) of which was spent on other meats and meat preparations (£5.80 per week); £5.20 was spent on bread, rice and cereals; £3.40 was spent on buns, cakes, biscuits, etc; and £4.50 was spent on non-alcoholic drinks ([Table A1 \(186 Kb Excel sheet\)](#)). 81 per cent, £44.20 per week of food and non-alcoholic drinks were purchased from large supermarket chains ([Table A2 \(95 Kb Excel sheet\)](#)), the same proportion as the previous year.

Notes

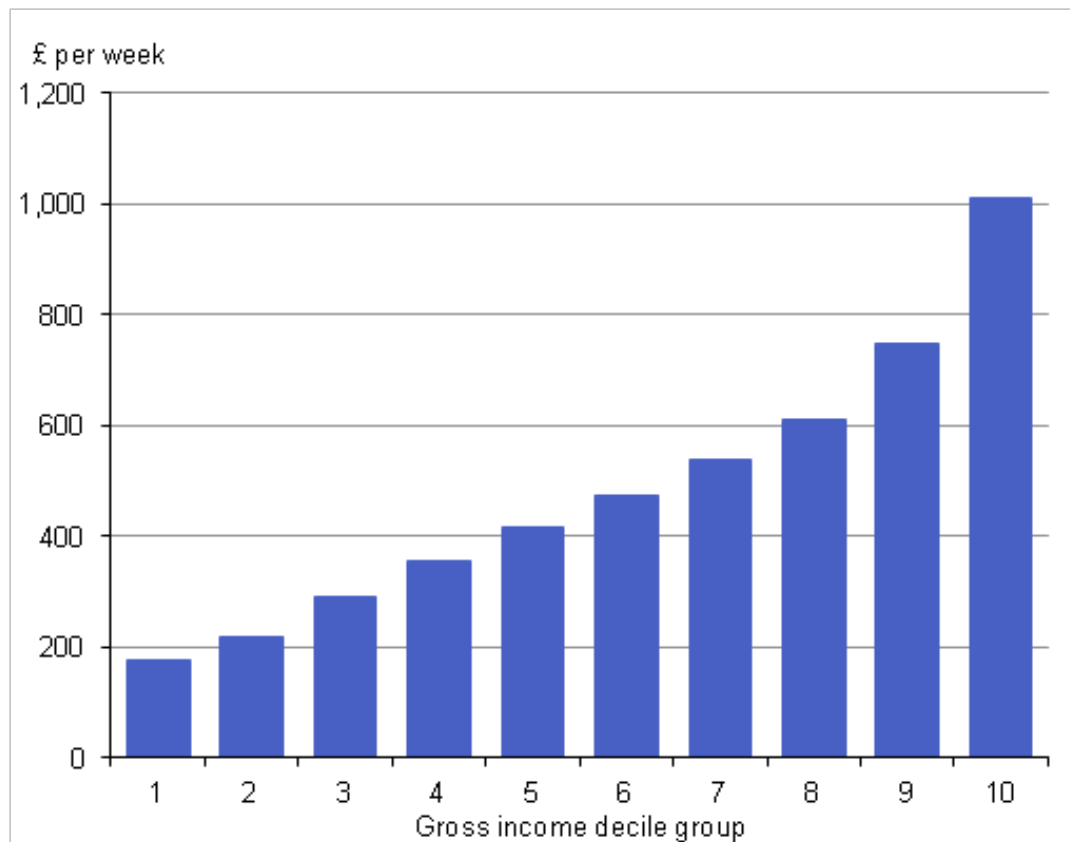
1. From 2001-02, the Classification Of Individual CONsumption by Purpose (COICOP) was introduced as a new coding frame for expenditure items. COICOP is the internationally agreed classification system for reporting household consumption expenditure. Total expenditure is made up from the total of the 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.

Household expenditure by income

Household incomes have been ranked in ascending order and divided into decile groups in order to examine expenditure patterns between different income groups. Households with the smallest incomes lie in the first decile group and those with the largest incomes lie in the top decile group. Average weekly household expenditure in 2011 ranged from £177.10 in the lowest of the 10 income decile groups to £1,010.20 in the highest (Figure 1.1, [Table A4 \(98 Kb Excel sheet\)](#)); expenditure in this highest decile was similar to 2010 (£1,018.50).

Figure 1.1 Household expenditure by gross income decile group, 2011

United Kingdom



Source: Living Costs and Food Survey - Office for National Statistics

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(49.5 Kb)

Households in the lowest income decile group spent a larger proportion of their total average weekly expenditure on housing, fuel and power (23 per cent), and food and non-alcoholic drinks (16 per cent), than those in the highest income decile group (8 per cent in both expenditure categories). Households in the highest income decile group spent a greater proportion on transport (16 per cent) and recreation and culture (14 per cent) than those in the lowest income decile group (7 and 10 per cent respectively) ([Table A5 \(101.5 Kb Excel sheet\)](#)).

Household expenditure by age

Average weekly expenditure varied with the age of the household reference person (HRP). As in 2010, households whose HRP was aged 30 to 49 years had the highest average expenditure (£580.20 per week) while those with an HRP aged 75 years and over had the lowest average household expenditure (£272.60 per week). It should be noted that households with an HRP aged 30 to 49 years contained an average of 2.9 people, whereas households with an HRP aged 75 years and over contained an average of 1.4 people ([Table A9 \(72 Kb Excel sheet\)](#)).

Spending on housing, fuel and power in households whose HRP was aged less than 30 years increased from £91.70 in 2010 to £96.10 in 2011, an increase of 5 per cent ([Table A9 \(72 Kb Excel sheet\)](#)), accounting for 22 per cent of total household expenditure. By comparison, households with an HRP aged 75 years or over spent 15 per cent of their total household expenditure on housing, fuel and power ([Table A10 \(70.5 Kb Excel sheet\)](#)).

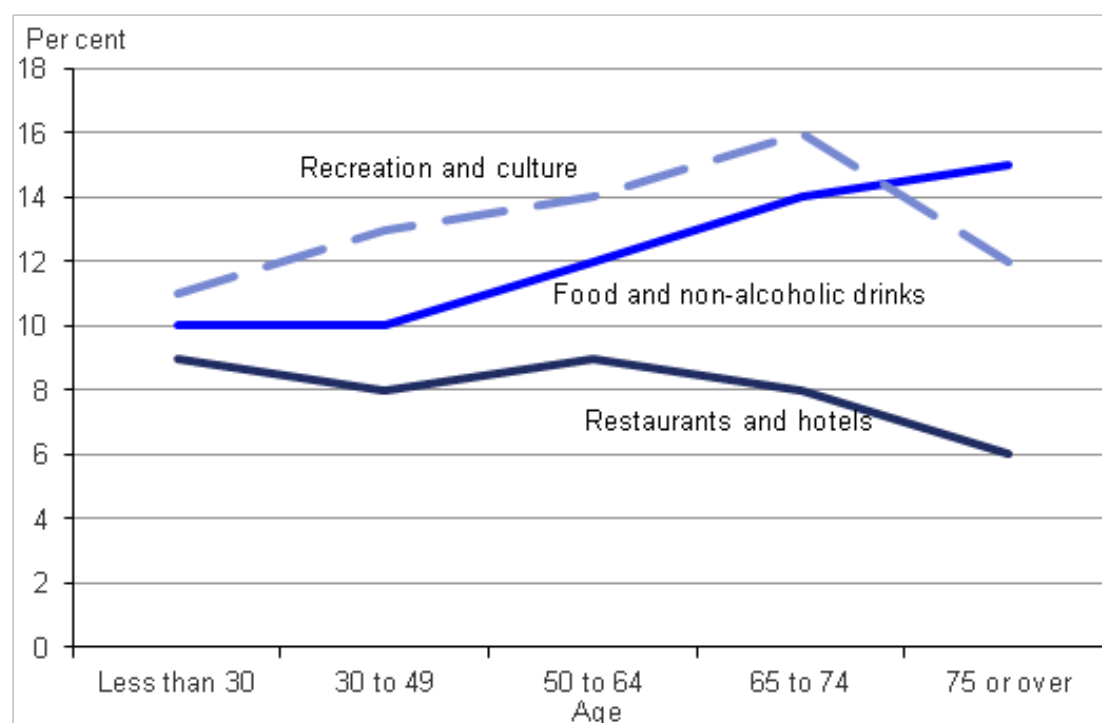
The proportion of expenditure spent on food and non-alcoholic drinks increased with age, from 10 per cent among households with an HRP aged less than 30 years to 15 per cent among households with an HRP aged 75 years and over.

Spending on restaurants and hotels, as a proportion of total expenditure, varied from 9 per cent among households with an HRP aged less than 30, to 6 per cent among households with an HRP aged 75 years and over ([Table A10 \(70.5 Kb Excel sheet\)](#)). When the amount spent is considered, household expenditure on restaurants and hotels was greatest in households with an HRP aged between 30 and 49 (£48.30 per week), but much lower in households with an HRP over 75 (£16.50 per week). This compares with an average expenditure across all ages of £39.70 ([Table A11 \(279 Kb Excel sheet\)](#)).

Expenditure on recreation and culture, as a proportion of total spending, increased from 11 per cent among households with an HRP aged less than 30 years to a maximum of 16 per cent among households with an HRP aged 65 to 74 years ([Table A10 \(70.5 Kb Excel sheet\)](#)).

Figure 1.2 Expenditure on selected items as a proportion of total spending by age of the HRP, 2011

United Kingdom



Source: Living Costs and Food Survey - Office for National Statistics

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Household expenditure by economic situation and household composition

Household expenditure by economic activity and socio-economic classification

This analysis uses the National Statistics Socio-Economic Classification (NS-SEC), see Appendix B.

Household spending varied with the economic status of the HRP. The average weekly expenditure of households where the HRP was in employment (£593.60 per week) was over twice that of households where the HRP was unemployed (£264.90 per week) ([Table A17 \(77 Kb Excel sheet\)](#)).

In households where the HRP was in employment, spending was greatest on transport (£86.60 per week) and recreation and culture (£76.40 per week). Among households where the HRP was unemployed, spending on housing, fuel and power was greatest (£49.80 per week), followed by food and non alcoholic drinks (£39.40 per week) ([Table A17 \(77 Kb Excel sheet\)](#)).

Average weekly expenditure was highest among households where the HRP was in the 'large employers and higher managerial' occupational group, at £861.10 per week. An average weekly expenditure of £418.10 was recorded for households where the HRP was in a 'routine' occupation ([Table A22 \(107 Kb Excel sheet\)](#)).

Household expenditure by household composition

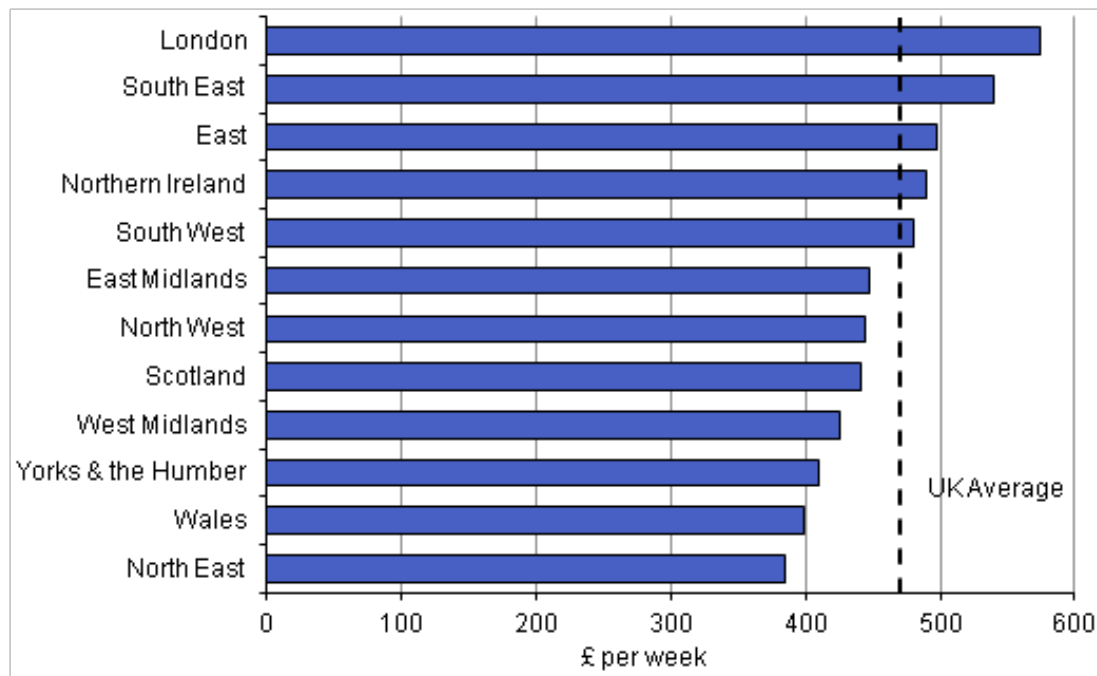
Generally, household expenditure increased with the size of the household. Thus, average weekly household expenditure was lowest among retired one-person households who were mainly dependent on the state pension (£182.70) and highest among households containing three or more adults with children (£737.80) ([Table A23 \(108.5 Kb Excel sheet\)](#)).

Household expenditure by region

Overall, average household expenditure in the UK was £470.70 per week for the years 2009-11 combined. There were five regions in which expenditure over this period was higher than the UK average: expenditure was highest in London (£574.90), followed by the South East (£539.30 per week), the East (£497.10), Northern Ireland (£489.40) and the South West (£479.90). Spending was lowest among households in the North East (£384.20), Wales (£398.20), and Yorkshire and the Humber (£410.10) (Figure 1.3, [Table A33 \(82.5 Kb Excel sheet\)](#)).

Figure 1.3 Household expenditure by region, 2009 to 2011

United Kingdom



Source: Living Costs and Food Survey - Office for National Statistics

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(51 Kb)

During the three-year period, 2009–2011, spending on transport was highest among households in the South East (£74.80 per week) and lowest among those in the North East (£50.10 per week). Households in London spent the most on housing, fuel and power (£91.30 per week) compared with the UK national average of £60.30 per week ([Table A35 \(129.5 Kb Excel sheet\)](#)). Housing expenditure is looked at in more detail in chapter two.

Households in rural areas had higher overall expenditure (£510.50 per week) than those in urban areas (£458.30 per week). This was reflected in expenditure on transport, where spending was highest (£77.40 in rural areas and £58.80 in urban areas), and recreation and culture (£68.80 in rural areas and £57.20 in urban areas). However, expenditure on housing, fuel and power was slightly higher in urban areas (£61.30 per week) than in rural areas (£58.30 per week) ([Table A36 \(72.5 Kb Excel sheet\)](#)).

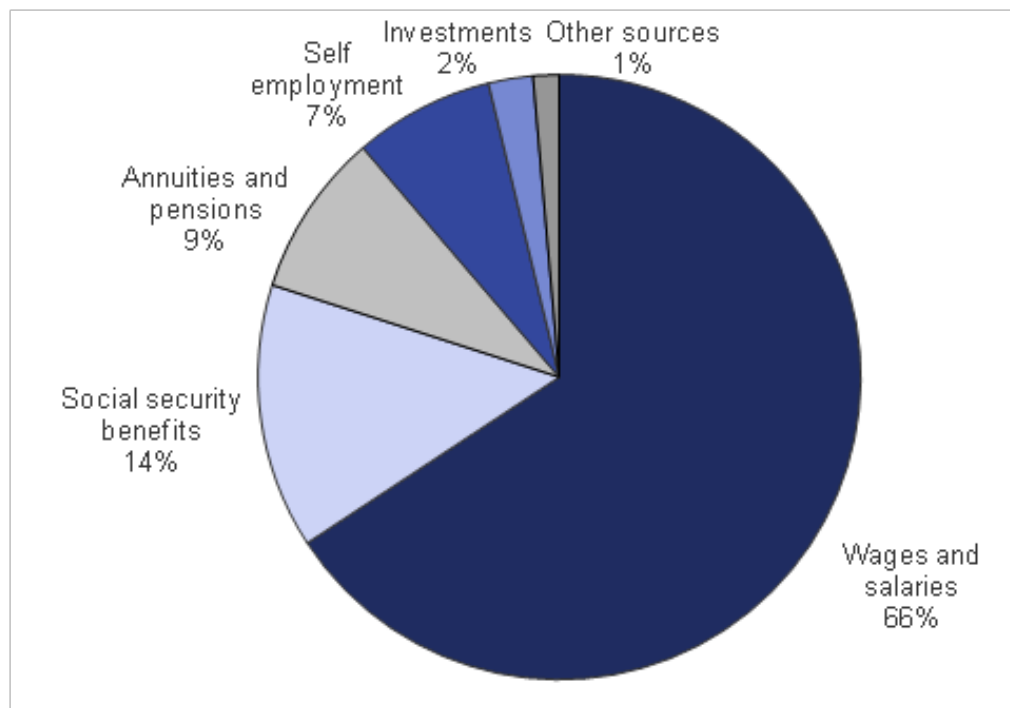
Household income

Income is defined within the survey as the gross weekly cash income current at the time of interview. Income includes salaries and wages, income from self employment, benefits and pensions. See Appendix B for further details on income.

Average gross weekly household income in the UK in 2011 was £713.00, £13.00 more than in 2010 (£700.00 per week). Besides wages and salaries (66 per cent), social security benefits formed the largest proportion of income (14 per cent), followed by income from annuities and pensions (9 per cent) (Figure 1.4, [Table A37 \(73 Kb Excel sheet\)](#)).

Figure 1.4 Percentage of gross weekly household income by source of income, 2011

United Kingdom



Source: Living Costs and Food Survey - Office for National Statistics

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(51 Kb)

Household income by age

Households with an HRP aged 30 to 49 recorded the highest gross weekly income at £893 per week. Of this, 82 per cent was acquired from wages and salaries. The lowest gross weekly income was recorded by households with an HRP aged 75 years or over (£373, an increase of £23.00 from the previous year) with 50 per cent of their income gained through social security benefits.

Households with a household reference person (HRP) aged less than 65 years of age had a higher average weekly gross income than those with an HRP aged 65 years and over. However, the older age groups had a higher proportion of disposable income: 89 per cent for households with an HRP aged 65 to 74 years and 92 per cent for households with an HRP aged 75 years or over. This compares with households with an HRP aged 30-49, where 79 per cent of income was disposable ([Table A38 \(67.5 Kb Excel sheet\)](#)).

Household income by region

There were three English regions that exceeded the 2009–2011 UK national average income of £699. They were London (£942), the South East (£795) and the East (£763). Income was lowest among households in the North East (£555 per week) and Yorkshire and the Humber (£581 per week).

Among UK countries, households in England had the highest average gross weekly income (£711), whereas those in Northern Ireland had the lowest average income at £593 per week ([Table A41 \(71 Kb Excel sheet\)](#)).

Household income by economic situation

Households where the HRP was in the 'large employers and higher managerial' occupational group had an average gross weekly income of £1,617, almost three times the income of households where the HRP worked in a 'routine' occupation (£585). Incomes for these occupational groups were acquired mainly from wages and salaries (83 and 81 per cent respectively). Households with an HRP in the 'large employers and higher managerial' occupational group received the highest proportion of their average gross weekly income from wages and salaries. By contrast, those households with an HRP in the 'long-term unemployed' occupational group obtained 80 per cent of their average gross weekly income (£222) from social security benefits ([Table A43 \(67.5 Kb Excel sheet\)](#)).

Ownership of durable goods

Overall, 79 per cent of households had a home computer and 77 per cent had an internet connection at home, an increase of 2 and 4 percentage points respectively from 2010 ([Table A45 \(110 Kb Excel sheet\)](#)). Almost all households in the highest income decile had a home computer and 99 per cent an internet connection, compared with only 46 and 41 per cent of households in the lowest income decile. This does, however, represent a 2 percentage point increase on households with an internet connection in the lowest income decile from 2010 continuing the upward trend ([Table A46 \(79 Kb Excel sheet\)](#)).

In general, households with children were more likely to have an internet connection than those without. Overall, 91 per cent of two-adult, non-retired households owned a home computer, with 89 per cent having an internet connection ([Table A46 \(79 Kb Excel sheet\)](#)).

Three-quarters (75 per cent) of all households owned a car or van, with 32 per cent owning two or more. Ownership of at least one car or van varied from 31 per cent in the lowest income decile, to 96 per cent in the ninth decile ([Table A47 \(85.5 Kb Excel sheet\)](#)).

Ownership of a car or van was highest among households in the South East (83 per cent), the East (83 per cent) and the South West (82 per cent), and lowest among households in London (65 per cent) and the North East (68 per cent) ([Table A48 \(90 Kb Excel sheet\)](#)).

Background notes

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[] Figures should be used with extra caution because they are based on fewer than 20 reporting households.

.. The data is suppressed if the unweighted sample counts are less than 10 reporting households.

- No figures are available because there are no reporting households.

Rounding: Individual figures have been rounded independently. The sum of component items does not therefore necessarily add to the totals shown.

Averages: These are averages (means) for all households included in the column or row, and unless specified, are not restricted to those households reporting expenditure on a particular item or income of a particular type.

Period covered: Calendar year 2011 (1 January 2011 to 31 December 2011).

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