

Regional Family Spending in England

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Introduction

The Living Costs and Food Survey (LCF) gathers information about household expenditure and income of household members from around 6,000 households in the UK. The latest edition of *Family Spending 2010*¹ published the results of the 2009 survey. This is the annual report from the Office for National Statistics (ONS) on household expenditure in the UK, and provides a comprehensive overview of all aspects of household expenditure on goods and services by household income, composition, size, type and location. The result is one of the most accurate pictures available of what households in the UK spend their money on today. The aim of this short article is to increase awareness of the data published for the regions in England, and to investigate differences among these areas.

Key points

- For the three year period 2007 to 2009² the average weekly household expenditure in England was £467.50
- Expenditure was highest in London (£552.30 per week), followed by the South East (£523.90), the East of England (£487.70) and the South West (£474.10)
- Spending was lowest among households in the North East (£387.20) and Yorkshire and The Humber (£400.70)
- In the West Midlands, East Midlands, Yorkshire and The Humber, and the South East, the largest household expenditure category was transport, ranging from £63.30 to £75.30 a week respectively. In the North East, Yorkshire and The Humber, North West, and the South West the largest household expenditure category was on recreation and culture, ranging from £51.20 to £63.20 per week respectively. In London the highest overall spend was on housing, fuel and power (£80.10)
- The categories with the lowest average weekly spends were health (from £3.90) and education (from £3.60)

¹ www.statistics.gov.uk/StatBase/Product.asp?vlnk=361

² When data are presented at regional level, three years' data are usually combined. Great care is taken in collecting and checking information from households so that errors are minimised. The main factors that affect the reliability of survey results are: sampling variability; non-response bias; and some incorrect reporting. Measures of sampling variability are given in *Family Spending 2010*.

Household expenditure³

Total household expenditure is classified on the LCF using 12 official categories, which together are known as ‘Classification of Individual CONsumption by Purpose (COICOP)’⁴. Under COICOP, household consumption expenditure is categorised into the following 12 headings:

1. Food and non-alcoholic drinks
2. Alcoholic drinks, tobacco and narcotics
3. Clothing and footwear
4. Housing (net), fuel and power
5. Household goods and services
6. Health
7. Transport
8. Communication
9. Recreation and culture
10. Education
11. Restaurants and hotels
12. Miscellaneous goods and services

In addition, expenditure is presented on other expenditure items⁵, not included under COICOP.

For the period 2007 to 2009 the average weekly household expenditure was £467.50 in England. Spending was highest on transport at £61.70 per week.

There were four regions in which weekly average household expenditure was higher than the national average: expenditure was highest in London (£552.30), followed by the South East (£523.90 per week) the East (£487.70) and the South West (£474.10). Spending was lowest among households in the North East (£387.20) and Yorkshire and The Humber (£400.70) (**Figure 1**).

³ Please note that the COICOP classified ‘housing costs’ do not include what is considered to be non-consumption expenditure, for example, mortgage interest, mortgage capital repayments, mortgage protection premiums, council tax and domestic rates. More detailed tables are available in the *Family Spending 2010* report which presents total housing expenditure, including expenditure that falls outside of COICOP. These combined figures can be used to facilitate an understanding of total housing costs. Please see pages 10-36 for a full explanation and analysis: www.statistics.gov.uk/pdfdir/fs1110.pdf

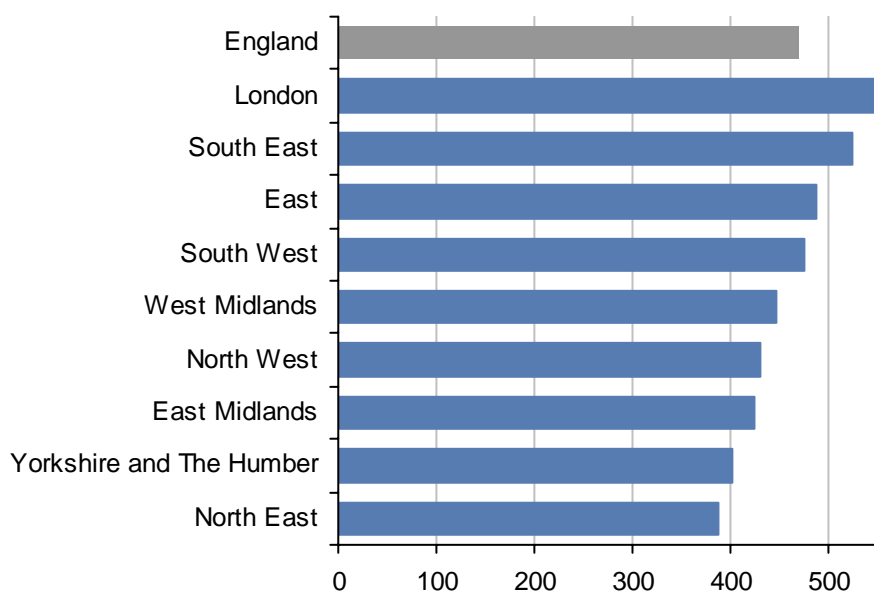
⁴ Further information on COICOP and what the categories include can be found here: <http://unstats.un.org/unsd/cr/registry/regct.asp?Lg=1>

⁵ ‘Other expenditure items’ category is included in total expenditure figures.

Figure 1 Average weekly household expenditure, by region, 2007–09

England

Average weekly household expenditure (£)



Source: ONS, Family Spending 2010

Table 1 Highest average weekly household expenditure, by region, 2007–09

Region	COICOP category	£
North East	Recreation & culture	51.20
North West	Recreation & culture	55.30
Yorkshire and The Humber	Recreation & culture	53.70
East Midlands	Transport	63.30
West Midlands	Transport	61.50
East	Transport	67.10
London	Housing (net) ¹ , fuel & power	80.10
South East	Transport	75.30
South West	Recreation & culture	63.20

¹ Excluding mortgage interest payments and council tax

Source: ONS, Family Spending 2009

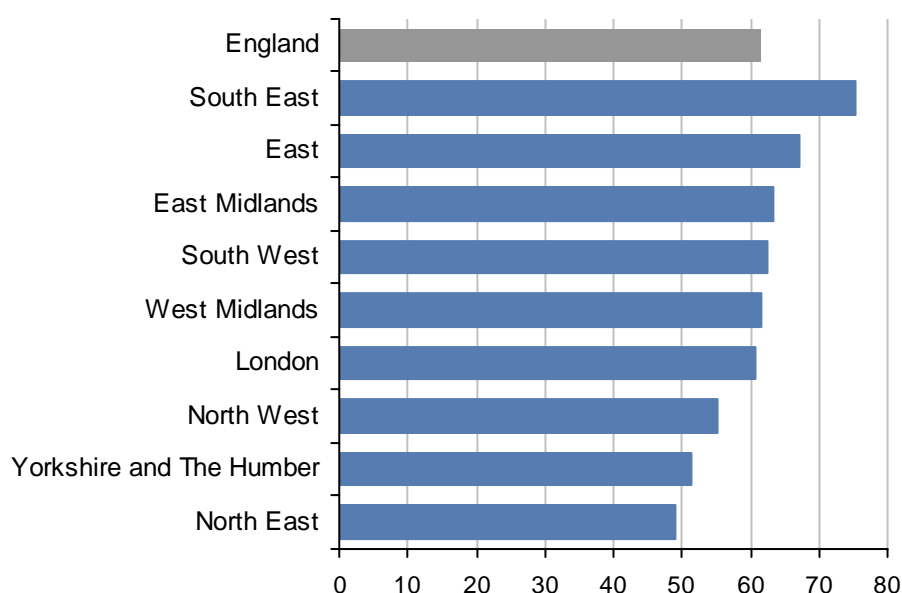
Table 1 summarises the COICOP categories with the highest average household weekly spends for each region for 2007 to 2009. For example, households in the North East spent most on recreation and culture per week (£51.20). Interestingly, London was the only region with the highest overall spend on housing, fuel and power (£80.10)

Looking at some of the main classifications, starting with transport (**Figure 2**), the South East spent the most per week (£75.30), followed by the East of England (£67.10), and East Midlands (£63.30). The regions spending least per week on transport were the North East (£49.00), Yorkshire and The Humber (£51.30), and the North West (£55.20).

Figure 2 **Average weekly household expenditure on transport, by region, 2007–09**

England

Average weekly household expenditure (£)

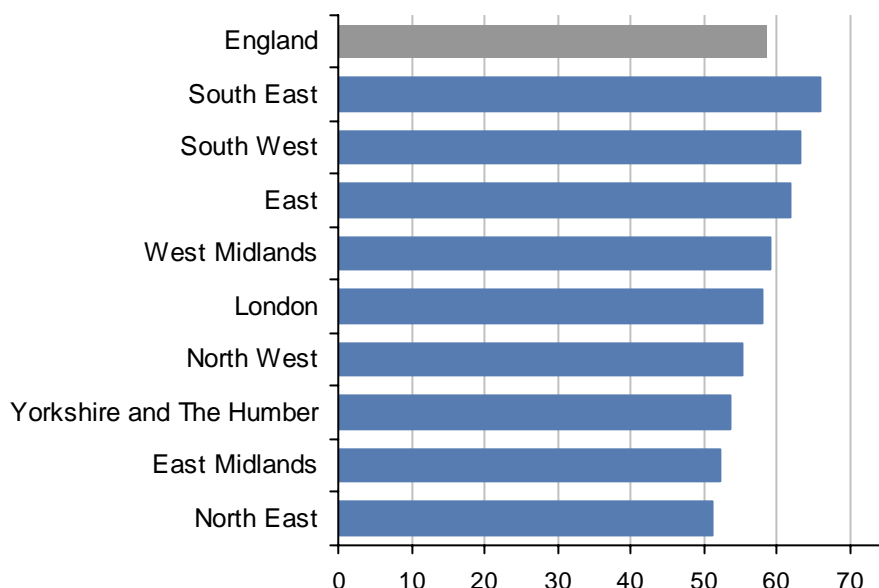


Source: ONS, Family Spending 2010

Figure 3 Average weekly household expenditure on recreation and culture, by region, 2007–09

England

Average weekly household expenditure (£)



Source: ONS, *Family Spending 2010*

Figure 3 shows that the South East spent most on recreation and culture (£66.10), followed by the South West (£63.20), and the East of England (£61.80). Again, households in the North East were the lowest spenders (£51.20), followed by the East Midlands (£52.30) and Yorkshire and The Humber (£53.70).

Figure 4 shows the regional differences in household spending on food and non-alcoholic drinks. Again, households in the South East region spend most per week (£54.00), followed by the South West (£52.60), and London (£52.30). Households in Yorkshire and The Humber spent the least on food and non-alcoholic drinks per week (£45.10), followed by the North East (£45.50), and North West (£48.80).

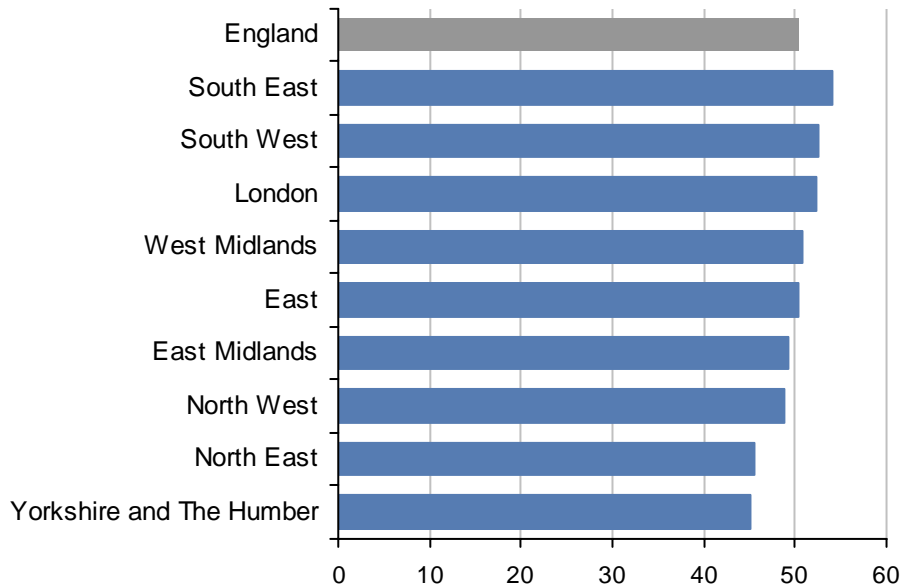
A different pattern is apparent in **Figure 5** which shows average weekly spending on alcoholic drinks, tobacco and narcotics. Households in the North West spend the most on this per week (£12.70), followed by the West Midlands (£11.70) and the South East (£11.00). Households in London are the lowest spenders, spending £9.80 per week on alcoholic drinks, tobacco and narcotics. London is followed by the South West (£10.20) and Yorkshire and The Humber (£10.30).

For further information on regional household expenditure please see page 6 of *Family Spending 2009* www.statistics.gov.uk/pdfs/fs1110.pdf (see tables A.35, A.36, and A.37 for the detailed breakdown of expenditure).

Figure 4 Average weekly household expenditure on food and non-alcoholic drinks, by region, 2007–09

England

Average weekly household expenditure (£)

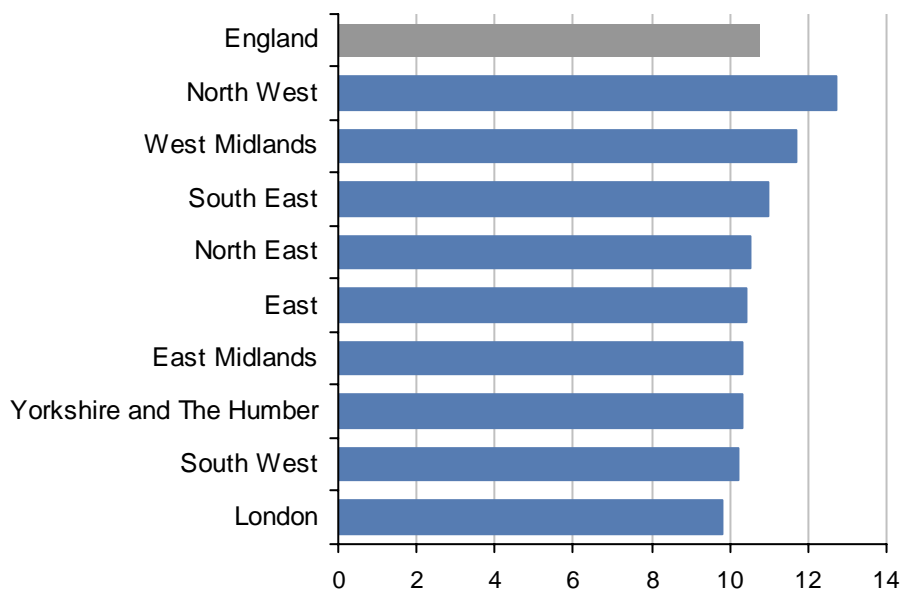


Source: ONS, Family Spending 2010

Figure 5 Average weekly household expenditure on alcoholic drinks, tobacco & narcotics, by region, 2007–09

England

Average weekly household expenditure (£)



Source: ONS, Family Spending 2010

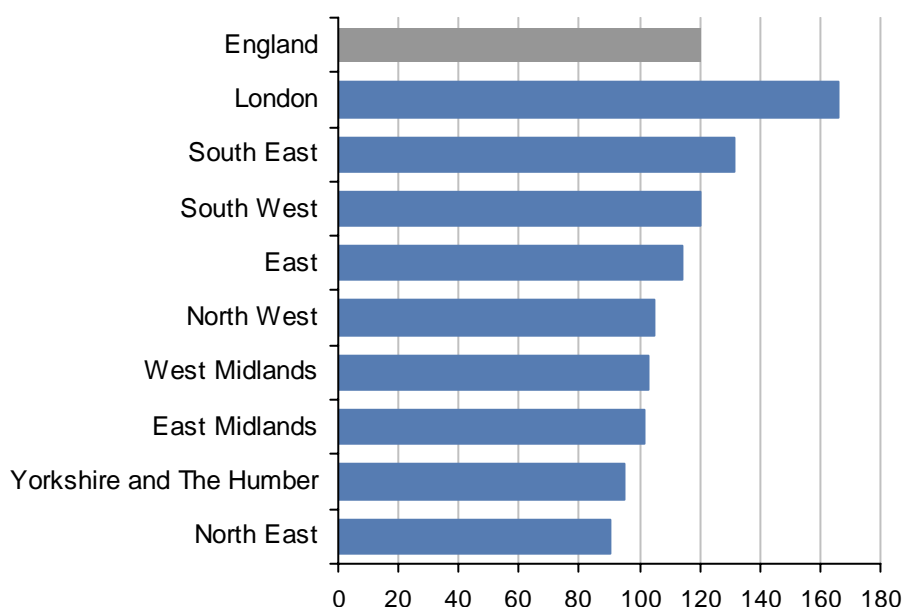
Mortgage and rent

To provide an understanding of total housing costs, Chapter 2 of *Family Spending 2009* presents all data relating to housing expenditure, including expenditure that is not classified under COICOP. Variations in the total spending on housing between regions are largely due to differences in the average amount spent on rent and mortgages⁶ (*Family Spending 2009*).

Figure 6 Average weekly household expenditure on rent by renters, by region, 2009

England

Average weekly household expenditure (£)



Source: ONS, *Family Spending 2010*

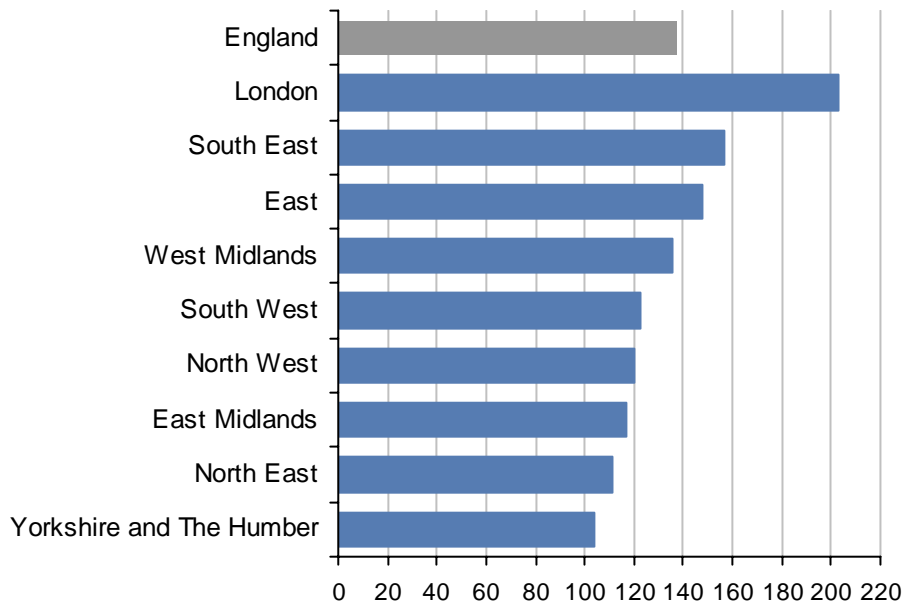
Average weekly expenditure on rent by renting households was £120.40 in England during 2009. Across the regions household expenditure on rent was highest in London (£165.90) and lowest in the North East (£90.60) (**Figure 6**).

⁶ These figures are presented for renters only, or mortgage payers only, not averaged across all households.

Figure 7 **Average weekly household expenditure on mortgage by mortgage holders, by region, 2009**

England

Average weekly household expenditure (£)



Source: ONS, *Family Spending 2010*

Average weekly expenditure on mortgages by mortgage holding households was £137.30 in England during 2009. Across the regions household weekly expenditure on mortgages was highest in London (£202.80), and lowest in Yorkshire and The Humber (£103.70) (**Figure 7**).

Tables specifically looking at regional household spending on mortgages and rent, and additional analysis on housing expenditure are also available in chapter 2 of *Family Spending*. Please see www.statistics.gov.uk/pdfdir/fs1110.pdf

Household income⁷

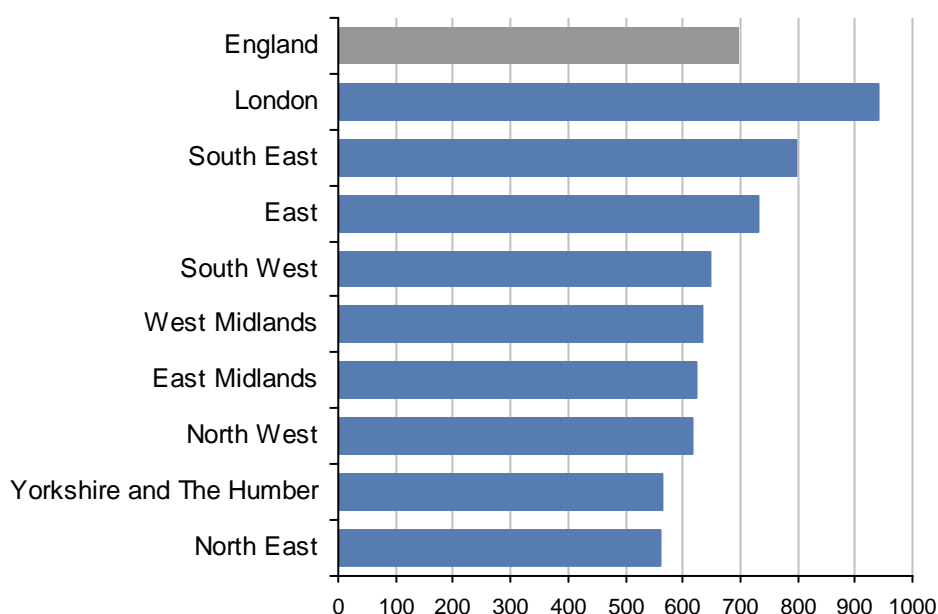
The LCF is designed primarily as a survey of household expenditure on goods and services. It also gathers information about the income of household members, and is an important and detailed source of income data. However, LCF income does not include withdrawal of savings; loans and money received in payment of loans; receipts from maturing insurance policies; proceeds from the sale of assets (eg a car); and winnings from betting or windfalls, such as legacies. Despite this, recorded expenditure might reflect these items, as well as the effects of living off savings, using capital, borrowing money or income – either recent or from a previous period.

Average weekly gross income⁸ per household in England was £697.90 over the period 2007 to 2009. The region with the lowest average weekly household gross income was the North East (£561.20) and the highest was London (£940.10) (**Figure 8**). In England the primary source of income was wages and salaries, contributing 67.0 per cent of gross income, followed by social security benefits contributing 13.0 per cent.

Figure 8 Average weekly household gross income, by region, 2007–09

England

Average weekly household gross income (£)



Source: ONS, *Family Spending 2010*

⁷ Equivalised household income tables (where data are adjusted according to factors such as household size and composition) are also published in *Family Spending* although not for regions. Please see page 37 of the full report for further information.

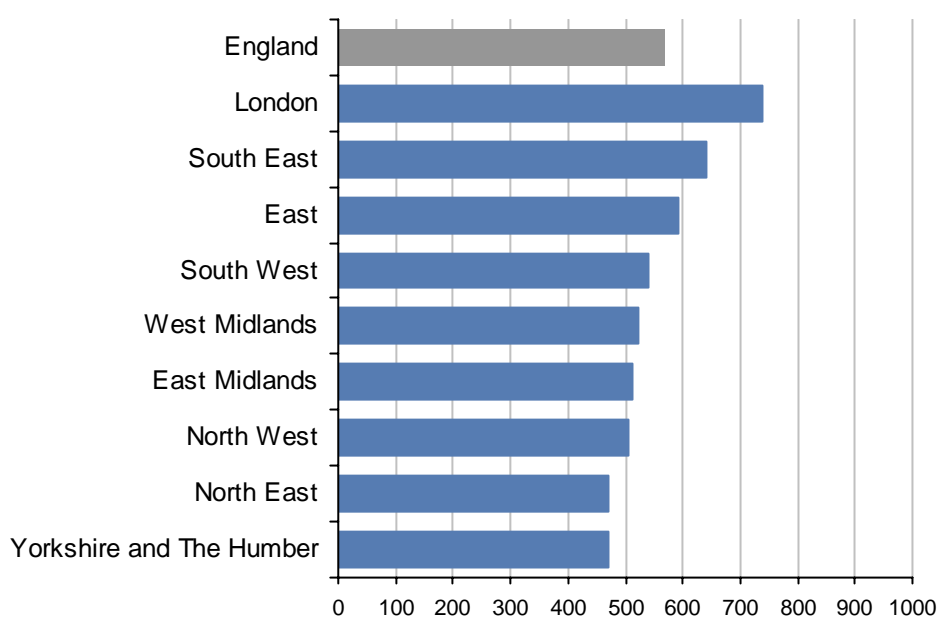
⁸ Defined as weekly income before the deduction of income tax, national insurance contributions and other deductions at source.

Average weekly disposable income⁹ per household in England was £567.50 over the period 2007 to 2009. The region with the lowest household disposable income was Yorkshire and The Humber (£470.51) and the highest was London (£738.00) (**Figure 9**).

Figure 9 **Average weekly household disposable income, by region, 2007–09**

England

Average weekly household disposable income (£)



Source: ONS, *Family Spending 2010*

For information on regional household income please see page 8 of the *Family Spending 2009* report: www.statistics.gov.uk/pdfdir/fs1110.pdf (data can be found in Table A.44).

⁹ Defined as gross weekly income less the statutory deductions and payments of income tax (taking refunds into account) and national insurance contributions.

The ownership of durable goods

The ownership of durable goods such as vehicles, central heating and washing machines amongst households is also measured by the LCF.

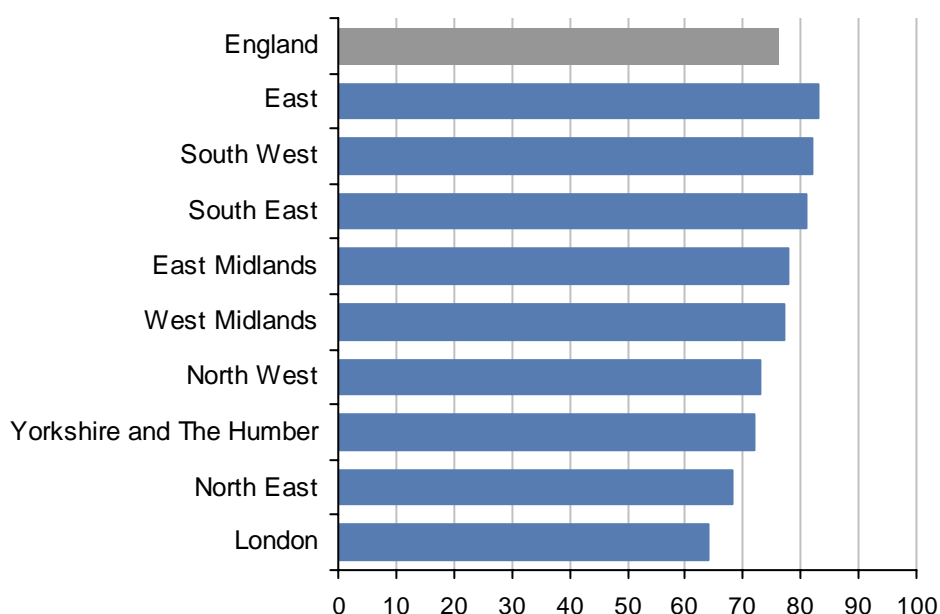
During the period 2007 to 2009, according to the survey, in England 76 per cent of households owned a car or van, 95 per cent had central heating, 67 per cent had an internet connection at home and 96 per cent of households had a washing machine.

Ownership of a car or van was highest among households in the East of England (83 per cent), the South West (82 per cent) and the South East (81 per cent), and lowest among households in London (64 per cent) and the North East (68 per cent) (**Figure 10**).

Figure 10 Percentage of households with a car or van, by region, 2007–09

England

Percentage



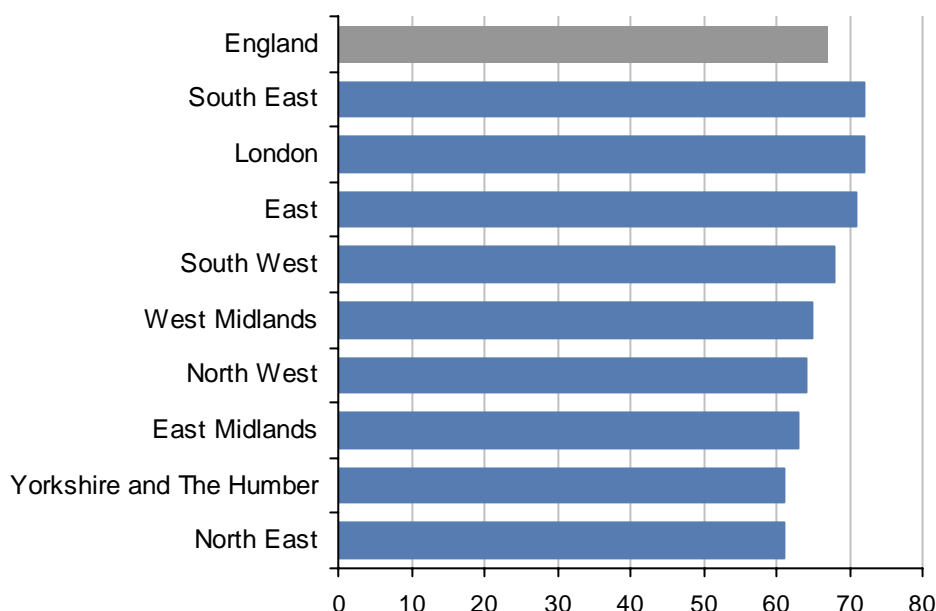
Source: ONS, Family Spending 2010

The tendency to have central heating was highest among households in the North East (98 per cent), followed by the East of England (97 per cent). It was lowest among households in London and the South West (93 and 94 per cent respectively).

Figure 11 Percentage of households with internet connection at home, by region, 2007–09

England

Percentage



Source: ONS, *Family Spending 2010*

Connection to the internet was highest among households in London and the South East (both at 72 per cent) and lowest in the North East and Yorkshire and The Humber (61 per cent) (**Figure 11**). Washing machine ownership was very similar across all the regions with between 94 and 96 per cent of households in all the regions owning one.

For more information on regional ownership of durable goods, please see page 8 and Table A.53 in *Family Spending 2009* www.statistics.gov.uk/pdfdir/fs1110.pdf

Summary

The LCF is the most significant survey on expenditure undertaken in the UK. The primary uses of the LCF are to provide information about spending patterns for the Retail Prices Index and Consumer Prices Index; National Accounts estimates of household expenditure; analysis of the effects of taxes and benefits; and about food consumption and nutrition. This short article has used published data at regional level to explore average weekly household expenditure for selected COICOP categories and to highlight regional differences between weekly gross and disposable income. In summary, the LCF is a rich and valuable data source for exploring regional differences in family income and expenditure.

Appendix A. Further information

Background information and explanations around the comparability of Household Expenditure and Income can be found in the main Family Spending 2010 edition via the following link:

www.statistics.gov.uk/pdfdir/fs1110.pdf

Acknowledgements

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