Office for National Statistics

Statistical bulletin

Family spending in the UK: April 2018 to March 2019

Average weekly household expenditure on goods and services in the UK, by age, income, economic status, socio-economic class, household composition and region.

Correction

4 March 2021 07:15

An error has been identified in the Living Cost and Food (LCF) Survey which has been found to impact the Family spending in the UK: April 2018 to March 2019 release. The biggest impact is on expenditure on transport (6% increase), specifically on loans or hire purchase of vehicles. To a lesser degree income (decrease of 2%) has also been affected.

The overall impact is that average weekly household expenditure in the UK was underestimated by about 1%, while the interpretation of the statistics remains the same.

These errors were caused by a small number of questionnaire changes made in April 2018 not being reflected correctly in the LCF downstream processing systems.

We will correct this error when the next release covering April 2019 to March 2020 is published in March 2021. We apologise for any inconvenience. Please contact Carla Kidd at wealth.and.assets.survey@ons.gov.uk for more information.

15 March 2021 10:00

As announced on 4 March 2021, an error occurred in the Living Cost and Food (LCF) Survey which was found to impact the Family Spending in the UK: April 2018 to March 2019 release and datasets.

The biggest impact was on expenditure on transport (6% increase), specifically on loans or hire purchase of vehicles. To a lesser degree income (decrease of 2%) was also affected.

The overall impact is that average weekly household expenditure in the UK was underestimated by about 1%, while the interpretation of the statistics remained the same.

The errors were caused by a small number of questionnaire changes made in April 2018 not being reflected correctly in the LCF downstream processing system. The release and datasets have now been corrected. We apologise for any inconvenience. Please contact Carla Kidd at wealth.and.assets.survey@ons.gov.uk for more information.

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1 . Main points

- Average weekly household spending in the UK was £592.00 in the financial year ending (FYE) 2019, a similar level to FYE 2018 (£589.60), after adjusting for inflation.

- Transport, housing and recreation and culture were the largest components of household spending, together accounting for 44% of total household expenditure.

- Average weekly spending rose by 10.3% between 2012 and FYE 2019, with transport accounting for the largest share of this increase, up from £70.30 to £85.00 a week, followed by recreation and culture, and household goods and services.

- Spending on food and housing make up 42% of total expenditure for households in the bottom decile of the income distribution, compared with 25% for those in the top decile.

- Households in the top income decile spend five times as much on recreation and culture than those in the bottom decile and proportionately more of their total spending is in this category, 14% compared with 10%.

2 . High-level household spending

For the financial year ending (FYE) 2019 (April 2018 to March 2019), average household spending in the UK was £592.00 per week, a similar level to FYE 2018 (£589.60) after adjusting for inflation.

Spending on transport, including the purchase and servicing of vehicles, fuel, and public transport averaged £85.00 per week. Average spending on housing, fuel and power (excluding mortgages) was £79.40, though when mortgage interest payments are added, this increases to £100.20.

Households spent an average of £77.20 on recreation and culture, including on package holidays, TV and streaming subscriptions, sports, and pets. Spending on these expenditure categories together accounted for 41% of total average weekly household spending (44% when mortgage interest is included in housing).

Spending is presented using Classification of Individual Consumption by Purpose (COICOP) categories, unless otherwise stated (see Glossary).

Figure 1 is an interactive tree map that enables you to explore average weekly household spending for FYE 2019 in more detail.

Figure 1: Transport, housing, fuel and power (excluding mortgages), and recreation and culture remain the highest expenditure categories

Household expenditure in the UK, FYE 2019

Notes:

1. Mortgage interest payments, Council Tax and Northern Ireland rates are not included in Housing (net) fuel and power.

2. Components of spending based on fewer than 10 recording households, or where the average rounds to 0, do not appear in the tree map.

Average total household spending since FYE 2002 is shown in Figure 2. This time period covers the 2008 economic downturn and subsequent recovery.

Household spending has increased since 2012, rising from £536.80 a week to £582.40 in FYE 2017. The rate of increase has stalled over the last two years with no statistically significant change in spending since FYE 2017. The trend in average household spending over the last two years mirrors that for [average household disposable income](#), and lower income growth may have affected household spending over this period.

Consumer confidence, measured as the [OECD consumer confidence index](#) (CCI), was also lower in FYE 2019 relative to the preceding years. Further information on trends in overall household spending in relation to other sources is available in [Section 3](#) of this bulletin.

Figure 2: The increase in average total household expenditure has stagnated since FYE 2017

Average weekly household spending, UK, FYE 2002 to FYE 2019

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Average weekly household spending, UK, FYE 2002 to FYE 2019
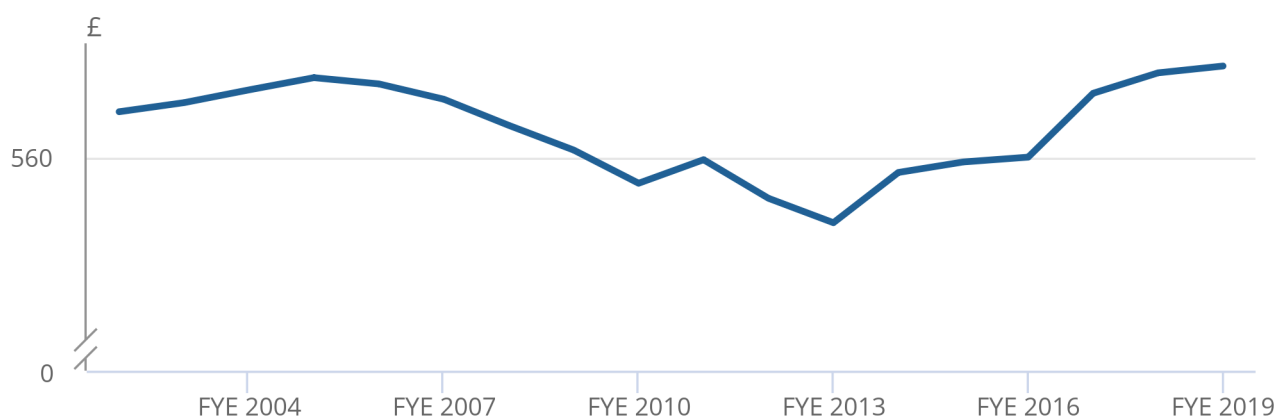
Source: Office for National Statistics - Living Costs and Food Survey

Notes:

1. Figures have been deflated to FYE 2019 prices using deflators specific to the classification of individual consumption by purpose (COICOP) category.

2. Household expenditure figures are on a financial year basis FYE 2002 to FYE 2006, calendar years 2006 to 2013, and financial years FYE 2015 to FYE 2019.

The changing level of overall household spending has been driven by changing patterns across different categories of expenditure.

Between 2006 and 2012, average weekly spending fell by 7.5% after accounting for inflation, driven by falling spending across a wide range of categories (Figure 3). The largest contributor was transport spending, which fell from £87.40 a week in 2006 to £70.30 in 2012.

Other areas of expenditure that fell over this period include food and non-alcoholic drinks, restaurants and hotels, and household goods and services (such as household appliances, kitchenware, tools, and goods and services for housing maintenance).

By contrast, housing costs (excluding mortgages) rose during this period, up from an average of £70.80 a week to £76.60. Spending on recreation and culture also increased, but to a much smaller degree.

Since 2012, average expenditure has risen, increasing by 10.3% between 2012 and FYE 2019 once inflation has been accounted for. This has been driven by increases across all the main categories of spending (Figure 3), with transport accounting for the largest share of this increase, up from £70.30 to £85.00, followed by recreation and culture, and household goods and services.

Although expenditure on housing (net) and fuel and power increased throughout 2006 to FYE 2019, from £70.80 in 2006, to £76.60 in 2012 and £79.40 in FYE 2019, spending on mortgage interest (where average spend includes all households, including those who do not have a mortgage), decreased.

Households spent on average £24.30 a week on mortgage interest in 2006, (adjusted for inflation), falling to £20.80 in FYE 2019. The decrease in mortgage interest expenditure can be explained by reduced mortgage interest rates and reduced proportions of households with a mortgage during this period.

A detailed data set for housing expenditure is provided in Family spending workbook 5 and recent data related to housing affordability can be found within Housing affordability in England and Wales.

Figure 3: Increased expenditure between 2012 and FYE 2019 driven by transport, household goods and services and recreation and culture categories

Contributions to growth by COICOP category over time, UK, 2006 to 2012 and 2012 to FYE 2019
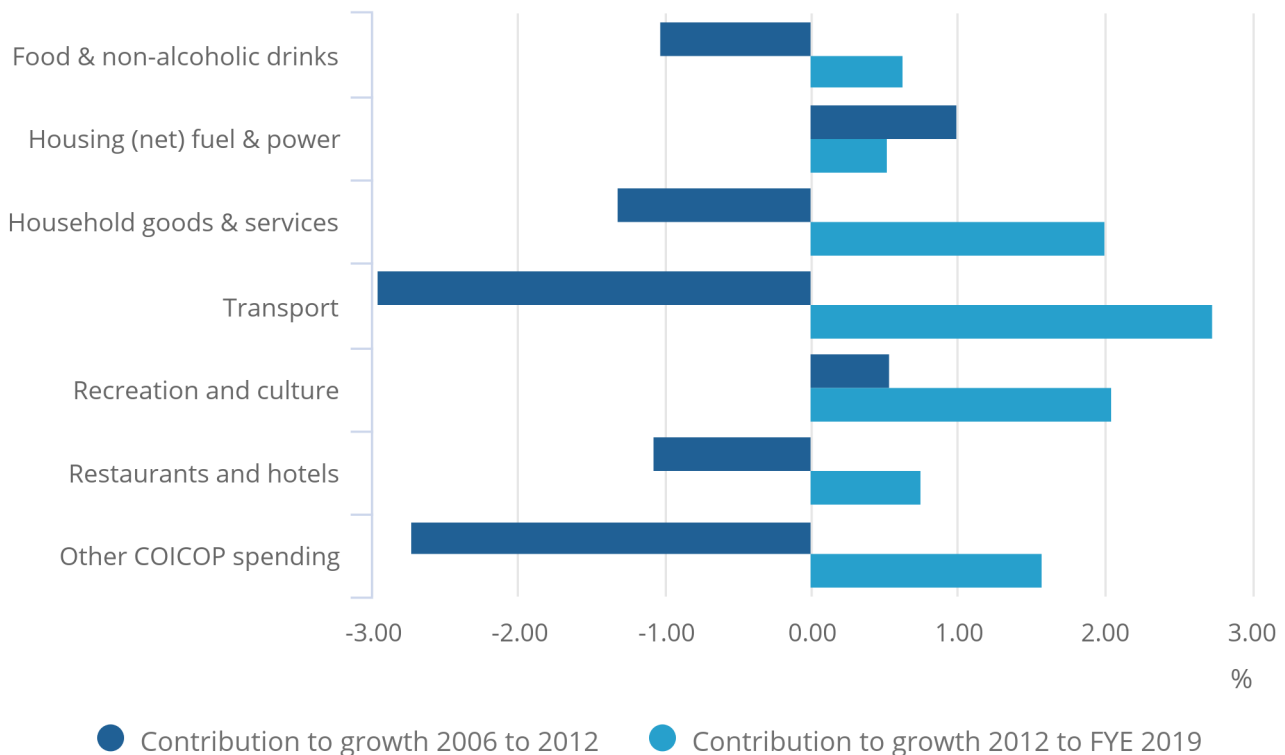
Source: Office for National Statistics - Living Costs and Food Survey

Notes:

1. Figures have been deflated to FYE 2019 prices using deflators specific to the classification of individual consumption by purpose (COICOP) category.

2. 'Other' COICOP spending includes: alcoholic drinks, tobacco and narcotics, clothing and footwear, health, communication, education, miscellaneous goods and services, and other expenditure items.

3. Mortgage interest payments, Council Tax and Northern Ireland rates are excluded from housing (net) fuel and power.

4. Note that the percentage points shown are not directly comparable for the two time periods. For 2006 to 2012, the overall change is negative 7.5%, and for 2012 to the FYE 2019, the overall change is 10.3%.

Figure 4 shows relative levels of spending in different categories by household disposable equivalised income decile (see Glossary for definition), shown as a proportion of the amount spent by the richest decile. Spending levels are indexed relative to the highest decile to show the relative difference in spending by decile on a comparable basis.

The distribution of household disposable income, (not equivalised) is also shown to illustrate how income typically varies across the deciles (the income figures are not equivalised to be on a comparable basis to household spending).

While total expenditure increases across the deciles (as would be expected for those households with higher income), it is disproportionate when compared with income, particularly for housing, and food and non-alcoholic drinks (Figure 4).

As might be expected, average household expenditure increases across the deciles, with households in the top income decile spending on average 3.6 times more than those in the bottom decile. However, the extent to which expenditures vary across the distribution is less than that for income; households in the top income decile have an average income 10 times higher than that of the poorest. This relatively high expenditure in relation to income at the bottom of the distribution likely reflects in part that some of these households may be experiencing a temporary period of low income (Carerra, 2010).

Where households are experiencing temporary low-income spells, some may be able to maintain their consumption level and thereby their living standards fairly constantly, through the use of savings or borrowing. However, there is also evidence to suggest that incomes may be reported at the bottom of the distribution (Brewer & O'Dea, 2017). These differences between the income and expenditure distribution are explored in more detail in An expenditure-based approach to poverty in the UK.

Figure 4: Spending on food and non-alcoholic drinks varies least by decile

Indexed household income, total spending and spending by component by income decile, UK, FYE 2019
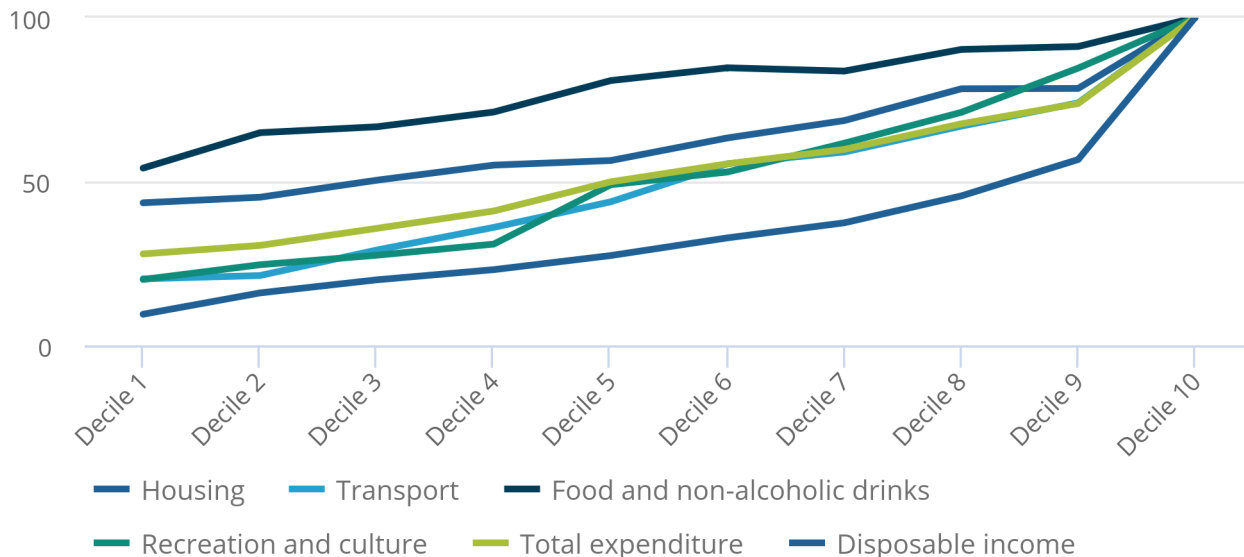
Source: Office for National Statistics - Living Costs and Food Survey

Notes:

1. Housing includes housing (net), fuel and power, mortgage interest and Council Tax and excludes mortgage capital payments.

2. Not all categories of spending were included for clarity, the four categories with the highest contribution to average spending across all deciles are shown.

3. Income shown is mean household disposable income (not equivalised).

4. Deciles are based on household equivalised disposable income (OECD-modified scale).

5. Spending and income figures indexed to decile 10.

Figure 4 also shows that relative levels of spending across the income distribution vary more for some categories than others. For example, spending on food and non-alcoholic drinks in the bottom decile is just over half that of those in decile 10, while overall spending for the bottom decile is less than one-third of that of decile 10, meaning that those at the lower end of the income distribution are spending proportionately more on food than those at the top. This is reflected in Figure 5, which shows that spending on food accounted for 14% of total spending in the bottom decile, compared with 7% for the top decile.

Spending on housing (excluding mortgage capital payments) follows a similar trend, with households in the lower two deciles spending 28% (decile 1) and 27% (decile 2) of their total spending on housing and the upper two deciles spending 19% (decile 9) and 18% (decile 10) of their total spending on housing. Considering food and housing together, the bottom two deciles spend 42% of their total spending while the top two deciles spend 28% (decile 9) and 25% (decile 10).

The richest two deciles spend four to five times as much on recreation and culture than those in the poorest decile and proportionately more of their total spending is in this category – 16% for decile 9 and 14% for decile 10 – compared with 10% for decile 1. Spending in restaurants and hotels is also considerably higher in the top two deciles relative to those in lower deciles. Households in decile 9 spend 3.7 times more than those in the lowest decile and 3.3 times as much as those in decile 2. Spending in these areas combined increases across the deciles, from an average of £50.30 per week in the bottom decile to £255.50 in the top.

Figure 5: The highest decile spend almost twice as much as the lowest on food and non-alcoholic drinks yet their proportionate spend is half

Proportion of total spending by category and income decile, UK, FYE 2019

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Proportion of total spending by category and income decile, UK, FYE 2019
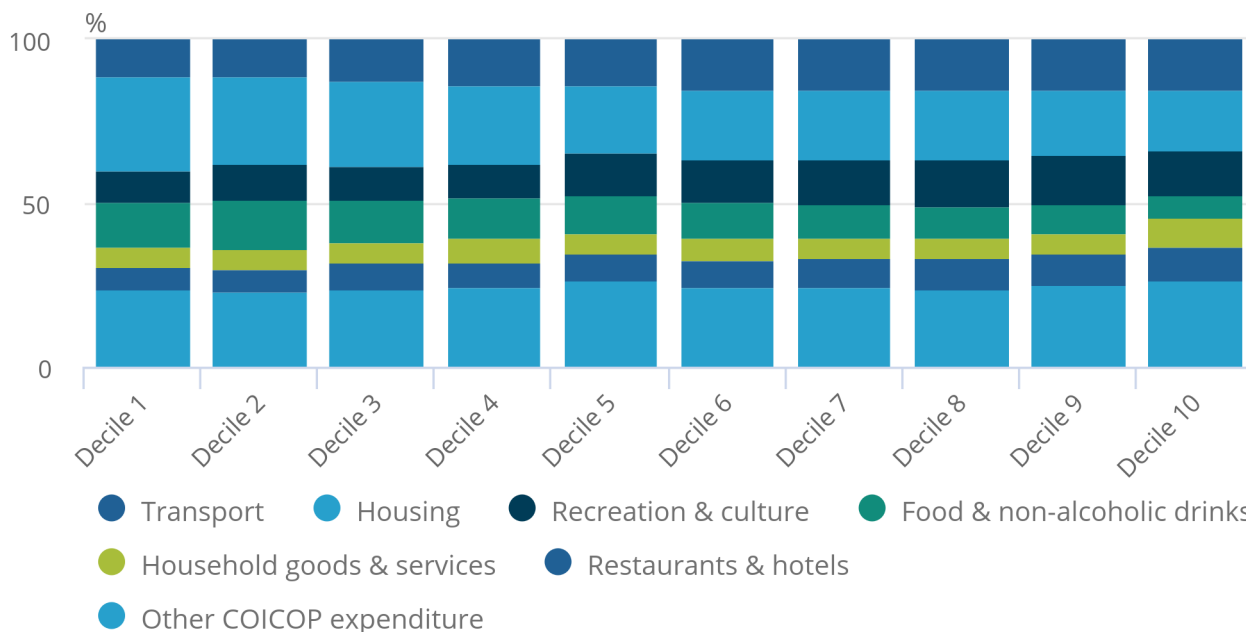
Source: Office for National Statistics - Living Costs and Food Survey

Notes:

1. Deciles are based on household equivalised disposable income (OECD-modified scale).

2. Housing includes housing (net), fuel and power, mortgage interest and Council Tax and excludes mortgage capital payments.

3. 'Other' COICOP spending includes: alcoholic drinks, tobacco and narcotics, clothing and footwear, health, communication, education, miscellaneous goods and services and other expenditure items (minus mortgage interest, Council Tax and so on).

3 . Coherence with other sources

This release uses data from the Living Costs and Food Survey (LCF). This is the only source of data in the UK for the distribution of spending, that is, how much UK households spend in different areas relative to each other. It is also the only source that gives very detailed categories of spending.

However, there are other sources of data on household spending. In particular, we produce estimates of household final consumption expenditure within the Consumer trends release as part of the UK National Accounts. These are produced to consistently reflect the economic situation of the UK from a macroeconomic point of view, alongside other measures like gross domestic product (GDP). Although both the LCF and household final consumption expenditure figures are both estimates of household consumption expenditure, there are differences in the concepts of spending, coverage of the populations, and sources and methodologies used, which mean there will be expected differences in the two series.

General long-term trends of total household spending are more accurately reflected in the household final consumption series, while detailed categories of spending and distributional and household composition measures are only available from the family spending reference tables. Further information on the relationship between microstatistics and national accounts measures of consumption expenditure can be found in the OECD Framework for Statistics on the Distribution of Household Income, Consumption and Wealth.

Figure 6 compares trends across these two consumption expenditure measures on a per-head basis. As a further point of comparison, Figure 6 also shows measures of equivalised household disposable income taken from our Average household income release, also based on the LCF, as well as real household disposable income per head taken from the UK National Accounts. More detailed guidance on sources for household income can be found in this guide.
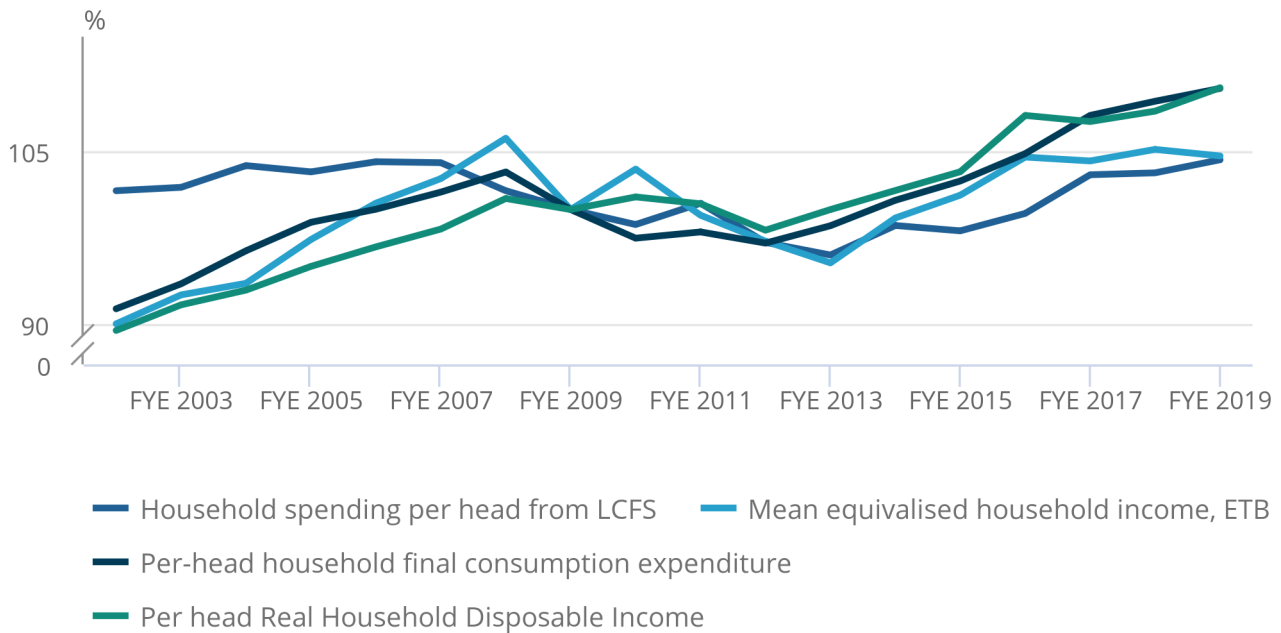
From FYE 2009 onwards, broadly comparable trends are observed in the LCF household spending data, and the other measures, with a fall following the 2008 economic downturn, followed by a real terms increase from FYE 2014 onwards. However, there is also some divergence between the LCF expenditure data and the other three series, particularly in earlier years. From FYE 2002 to FYE 2008, household final consumption expenditure per head, as measured by the UK National Accounts, grew relatively strongly. A similar pattern of growth was seen in the household disposable income measures from both the LCF and national accounts. By contrast, after accounting for inflation, household spending per head in the LCF was broadly unchanged over the same period. As stated above, it is recommended to use the household final consumption expenditure per head figures for interpreting trends, and exercise caution in interpreting long-term changes in the survey-based estimates of household consumption.

Figure 6: Source comparisons suggest survey-based estimates are primary source for distribution of spending, however longer-term trends should be interpreted cautiously

Indexed household income, total spending, and per-head consumption, UK, FYE 2002 to FYE 2019 (FYE 2009 = 100)

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Indexed household income, total spending, and per-head consumption, UK, FYE 2002 to FYE 2019 (FYE 2009 = 100)

Legend:
- Household spending per head from LCFS
- Mean equivalised household income, ETB
- Per-head household final consumption expenditure
- Per head Real Household Disposable Income

Source: Office for National Statistics – Living Costs and Food Survey, UK National Accounts, UK Economic Accounts time series

Notes:

1. Real mean equivalised disposable income. CPIH deflated from [Average household income: financial year ending 2019](#).

2. Real mean household expenditure per person, deflated to FYE 2019 prices using deflators specific to the classification of individual consumption by purpose (COICOP) category.

3. Household expenditure figures are on a financial year basis FYE 2002 to FYE 2006, calendar years 2006 to 2013 and FYE 2015 to FYE 2019.

4. Household final consumption expenditure per head, chained volume measure, seasonally adjusted (CRYJ) from the UK Economic Accounts time series.

4 . Family spending data

[Family spending workbook 1: Detailed expenditure and trends](#)
Dataset | Released 19 March 2020
Detailed breakdown of average weekly household expenditure on goods and services in the UK. Data are shown by place of purchase, income group (deciles) and age of household reference person.

[Family spending workbook 2: Expenditure by income](#)
Dataset | Released 19 March 2020
Data are shown by region, age, income (including equivalised) group (deciles and quintiles), economic status, socio-economic class, housing tenure, output area classification, urban and rural areas (Great Britain only), place of purchase and household composition.

[Family spending workbook 3: Expenditure by region](#)
Dataset | Released 19 March 2020
Data are shown by region, age, income (including equivalised) group (deciles and quintiles), economic status, socio-economic class, housing tenure, output area classification, urban and rural areas (Great Britain only), place of purchase and household composition.

[Family spending workbook 4: Expenditure by household characteristic](#)
Dataset | Released 19 March 2020
Data are shown by region, age, income (including equivalised) group (deciles and quintiles), economic status, socio-economic class, housing tenure, output area classification, urban and rural areas (Great Britain only), place of purchase and household composition.

[Family spending workbook 5: Expenditure on housing](#)
Dataset | Released 19 March 2020
Data are shown by region, age, income (including equivalised) group (deciles and quintiles), economic status, socio-economic class, housing tenure, output area classification, urban and rural areas (Great Britain only), place of purchase and household composition.

[Definition of household expenditure](#)
Dataset | Released 19 March 2020
Provides a detailed breakdown on the definition of household expenditure.

5 . Glossary

Disposable income

Disposable income is arguably the most widely used household income measure. Disposable income is the amount of money that households have available for spending and saving after direct taxes (such as Income Tax, National Insurance and Council Tax) have been accounted for. It includes earnings from employment, private pensions and investments, as well as cash benefits provided by the state.

COICOP categories

Spending is presented using Classification of individual consumption by purpose (COICOP) categories, unless otherwise stated. COICOP is an internationally recognised classification system consistent with that used by UK National Accounts. It does not include all types of payments, for example, capital mortgage repayments are excluded. Section 2 of this bulletin references housing costs outside the COICOP classification system; this is to give a more complete view of this topic area.

Equivalisation

Comparisons across different types of individuals and households (such as retired and non-retired, or rich and poor) or over time is done after income has been equivalised. Equivalisation is the process of accounting for the fact that households with many members are likely to need a higher income to achieve the same standard of living as households with fewer members. Equivalisation considers the number of people living in the household and their ages, acknowledging that while a household with two people in it will need more money to sustain the same living standards as one with a single person, the two-person household is unlikely to need double the income.

6 . Measuring the data

Family spending has been designated by the UK Statistics Authority as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Statistics.

Results presented in this bulletin cover the financial year ending (FYE) 2019, that is, April 2018 to March 2019.

This bulletin uses the mean when referring to averages unless stated otherwise. Therefore, total average weekly household expenditure is equal to the total weekly expenditure of households divided by the number of households. All spending estimates are rounded to the nearest £0.10, therefore the sum of component items does not necessarily add to the totals shown.

Survey description

All the findings in this bulletin are taken from data collected on the Living Costs and Food Survey (LCF). The LCF is a UK household survey designed to provide information on household expenditure patterns and food consumption.

The LCF is a voluntary sample survey of private households. Each individual in a selected household is asked to complete a household interview and then an expenditure diary for two weeks. The survey is continuous, interviews being spread evenly over the year to ensure that seasonal effects are covered.

Great care is taken to ensure complete confidentiality of information and to protect the identity of LCF households. Only anonymised data are supplied to users.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the Living Costs and Food Survey technical report and QMI.

The LCF is reviewed every year and changes are made to keep it up to date. Therefore, year-on-year changes should be interpreted with caution.

7 . Related links

Average household income, UK: financial year ending 2019
Bulletin | Released 5 March 2020
Estimates of median and mean disposable income for people in the UK for the financial year ending 2019.

An expenditure-based approach to poverty in the UK: financial year ending 2017
Article | Released 5 June 2018
Article discusses expenditure-based poverty measures and how these can be considered alongside income-based ones.

Housing affordability in England and Wales: 2019
Bulletin | Released 19 March 2020
Data on house prices and annual earnings to calculate affordability ratios for national and subnational geographies in England and Wales, on an annual basis.