

Statistical bulletin

Family spending in the UK: April 2019 to March 2020

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



Release date: 16 March 2021

Next release: To be announced

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1. Main points

- In the financial year ending (FYE) 2020, the period immediately prior to the coronavirus (COVID-19) pandemic, average weekly household spending in the UK was £587.90, down slightly (not significantly) from FYE 2019 (£603.10 adjusted for inflation), despite average income increasing modestly during the same period.
- On average, households in the highest income decile spent almost four times as much as those in the lowest decile; however, their average disposable income was around 11 times higher, which suggests they had a greater ability to save.
- Prior to the coronavirus (COVID-19) pandemic, households with lower income spent proportionately more
 on essentials such as housing, food and transport than those on higher incomes; households in the lowest
 income decile spent 54% of their total weekly expenditure in these areas compared with 42% in the highest
 income decile.
- Households in the highest income decile spent almost five times as much on discretionary areas such as
 recreation, culture, restaurants and hotels as those in the lowest income decile, suggesting they may have
 had greater capacity to cut back on spending when restrictions were imposed during the coronavirus
 (COVID-19) pandemic.
- Households headed by people aged under 30 years spent proportionally more on housing and food (41%) than other age groups (30% to 36%), and together with those on lower incomes are among the groups most affected by labour market shocks associated with the coronavirus (COVID-19) pandemic.

2. Family Spending data

Family spending workbook 1: Detailed expenditure and trends

Dataset | Released 16 March 2021

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 16 March 2021

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 16 March 2021

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 16 March 2021

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 16 March 2021

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.

3. Measuring the data

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

Results presented in this headline release cover the financial year ending (FYE) 2020, that is, April 2019 to March 2020.

Following government guidance in relation to the coronavirus (COVID-19) pandemic, a pause in data collection led to interviews being conducted for 13 fewer days in March 2020 than planned. Final March interviews took place on Monday 16 March 2020. All households that were not interviewed as a result were treated as non-responders and data were weighted to account for reduced data collection in March 2020 compared with previous years.

Data collected in March 2020 may have covered changes to spending habits around the start of the first UK lockdown on 23 March, for example panic buying beforehand and reduced spending during lockdown when people were advised to stay at home and many businesses were closed. However, because of reduced data collection in the latter half of March, data may not accurately reflect the impact of lockdown on spending and the annual estimates reported in this release will not be significantly impacted.

Survey description

All the findings in this headline release 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.

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.

Values reported in this headline release

This headline release 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.

This release discusses income decile groups. Households have been ranked in ascending order of household equivalised disposable income (Organisation for Economic Co-operation and Development-modified scale) and then divided into decile groups to examine expenditure patterns across income groups. Income deciles divide the household income distribution into 10 equal parts. Households with the smallest income lie in the first decile and those with the largest income lie in the top decile.

This release considers household expenditure by age group. The age of a household refers to the age of the person who is legally responsible for the household, known as the household reference person (HRP). Where there is more than one person who is legally responsible in the household, the HRP is the person with the highest income. If there is more than one person with the same income, the eldest member of the household becomes the HRP.

Quality

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

4. Related links

Personal and economic well-being in Great Britain: January 2021

Article | Last revised 21 January 2021

Estimates looking across multiple sources for personal and economic well-being to understand the impact of the coronavirus (COVID-19) pandemic on people and households in Great Britain. Covers the period from March 2020 to December 2020.

Average household income, UK: financial year 2020

Article | Last revised 21 January 2021

Final estimates of average household income in the UK, with analysis of how these measures have changed over time, accounting for inflation and household composition.