Establishing Budget Standards, focusing particularly on Clothing Budgets for Three Family Types

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ABSTRACT

The budget standards presented and discussed in this thesis have been produced as part of a national research project carried out between 1990 and 1992 by the Family Budget Unit (FBU), based at the University of York; and by research teams at Kings College, London and at Sheffield Hallam University. The research programme was funded by the Joseph Rowntree Memorial Foundation.

A series of budgets were produced, for six household types, at a 'modest-but-adequate' standard. By this is meant a standard of living which enables the physical needs of each family member to be met and which facilitates full social participation.

This thesis derives from the FBU research project. Although it focuses on the work undertaken by the researcher at Sheffield Hallam University, it also seeks to contextualise, review and criticise the national FBU research project, of which it formed a part.

The first part of this thesis contains a critical review of previous national and international research into living standards in general and household budgets in particular. It then describes and evaluates the budget standard methodology employed by the FBU. Where budget standards are defined as being a costed 'basket of goods and services'.

The particular methodologies employed and difficulties encountered during the development stages of the **clothing** budgets are reviewed in greater detail, as this together with **household goods and services**, and **leisure goods and services** were the areas for which the researcher at Sheffield had sole responsibility. In addition, the consultation questionnaire which she designed and distributed amongst local community groups is described and evaluated, in order to obtain the opinions of members of the public concerning the 1990 draft budgets. This part of the overall FBU methodology receives particular attention here as it is the only aspect that was not prescribed by the FBU.

The results of the overall FBU project showed that in 1991, the expenditure of many families with children was lower than the amounts that the FBU estimated were required for a modest-but-adequate standard of living. The findings of the consultation questionnaire suggested that in general the respondents thought that the 1990 household goods and services budgets could be described as 'modest-but-adequate', whereas they thought that the clothing and leisure budgets had been set at a slightly lower level. Refinements were subsequently made to the budgets based on the respondents opinions.

Finally, the policy implications and applications of this research are discussed and possible future extensions it are outlined.

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1.1 Introduction

This introductory chapter seeks to set this research project in context by outlining its origins in the larger project carried out by the Family Budget Unit (FBU). Firstly, therefore, the aims and structure of the FBU research will be described. The development process of this project to Master of Philosophy level will be briefly charted and its relationship with the larger project explained.

1.2 The Family Budget Unit (FBU) research project

The FBU has recently undertaken a major research project which sought to develop budget standards for six household types living in the United Kingdom. In this project they defined a budget standard as being a "specified 'basket of goods and services' which when priced can represent a standard of living" (FBU, FBU Working Paper (WP) 1, 1990, p3). Their research was carried out between May 1990 and May 1992, and was undertaken by researchers based at the University of York, King's College London and Sheffield Hallam University.

1.2.1 The history of the FBU. The FBU was established in 1985 by a group of social scientists, home economists and nutritionists concerned with issues relating to domestic economy. It "is an independent, ... non-party-political organisation" (FBU, op cit, p2), with charitable status.

its objectives are as follows:

1) to advance the education of the public in all matters relating to comparative living standards and the costs of living throughout the United Kingdom;

2) to carry out research into the economic requirements and consumer preferences of families of different composition, for each main component of a typical family budget;

3) to publish the useful results of such work.

(FBU, FBU WP 1, 1990, p2)

1.2.2 The background to the FBU research project (1990-1992). In 1990 the FBU received a major grant from the Joseph Rowntree Memorial Foundation to complete a two year research project, to develop a modest-but-adequate budget standard for households in the United Kingdom. The FBU described this standard of living as being at a level which goes beyond the mere provision for meeting basic physical needs, in that it also aims to meet the social, emotional and aesthetic requirements of individuals and families. The specific objectives of the research project were:-

1) to construct a series of family budgets at a modest-but-adequate standard, from which a UK budget standard can then be derived;

2) to develop the methodology for ensuring that the budget standard can be regularly updated and adapted to take into account regional variations in prices and expenditure patterns over time;

3) to explore the relationship between modest-but-adequate and other living standards;

4) to use the budget standard to develop equivalence-scale analysis;

5) to assess the policy implications and practical applications of the budget standard approach.

(FBU, op cit, p6)

The project was led by Professor Jonathan Bradshaw, supported by a research team at the University of York, who co-ordinated the project nationally. This team also had responsibility for

devising the housing, fuel, transport and personal care budgets. The food and alcohol budgets were developed by researchers at King's College London, and the research team at Sheffield Hallam University produced the clothing, household goods and services, and leisure budgets.

Budgets were produced for the six household types listed below.

Household A: Single man
Household B: Single pensioner
Household C: Couple without children
Household D: Couple with two young children
Household E: Couple with two older children
Household F: Single parent household with two young children

Draft budgets were produced during the first phase of the project (May 1990 to April 1991) for household types C, D and F and these were revised, repriced and extended to include household types A, B and E during the second phase of the project (May 1991 to May 1992).

1.3 The aim of the MPhil research study

This thesis derives from the FBU research project. Although it focuses on the work undertaken at Sheffield Hallam University, it also seeks to contextualise, review and criticise the nation-wide FBU research project, of which it formed a part. The range of methods which can be used when developing household budgets will be critically assessed, by means of a review of previous national and international research into household budgets and living standards. This thesis will also evaluate the methodology used to develop the FBU budget standard, and examine the feasibility of the underlying assumptions and outcomes, with particular reference to the budget components for clothing, for household types C, D and F.

Particular emphasis is paid to this component area in this thesis because it represents one of the three budget areas that were developed by the full-time researcher (based at Sheffield Hallam University), who is the author of this thesis. Although the Sheffield researcher developed budgets for clothing, household goods and services, and leisure, this thesis only includes a discussion of detailed methodological considerations and results for the clothing budgets because of the constraints on the word-length for an MPhil thesis. Only the household types that were budgeted for in both phases one and two of the project (household types C, D and F) will be referred to in detail, as it is only possible to show how the budgets were revised and extended, in light of comments received during the consultation process for these household types. No period of consultation occurred after phase two of the project (at which stage budgets for households types A,B and E were also derived), so these budgets were not revised.

1.4 The plan of the MPhil study

This chapter explains the background to this thesis and shows how it has been derived from the nation-wide FBU research project. In Chapter 2 the origins of budget standard methodology and alternative approaches to the study of living standards will be reviewed by examining research that has been carried out into poverty from the late nineteenth century until the present day. The various methodologies that have been used in the US, Canada, Scandinavia and Western Europe when researching and producing household budget standards will then be compared. Finally, the methodological difficulties that are often associated with the

production of budget standards will be explored.

Chapter 3 will provide further details about the background to the FBU research project and its specific assumptions about the economic requirements of the six household types (A to F), at a modest-but-adequate standard of living. It will then explain in more depth the basic methodology established by the FBU in developing these budgets. This methodology will then be evaluated by reviewing particular difficulties associated with its use. The last part of this chapter will concentrate on the consultation process used by the researcher at Sheffield which involved inviting experts and members of the public to comment on the realism of the clothing, household goods and services, and leisure budgets. Particular emphasis will be given to the consultation questionnaire, which the researcher designed in order to ascertain the views of members of local community groups and other individuals concerning the budget costs.

The clothing budgets will then form the focus of chapters 4. This chapter commences with a review of relevant research into expenditure on the particular budget area in question, or the general needs for these commodities and services. Then a comparison is carried out between the different approaches that have been used in other countries when devising either clothing budgets. Next, the particular approach adopted by the researcher at Sheffield in producing this budget area will be explained and discussed. The resulting budget costs for this area will then be summarised and evaluated, in light of responses made in the consultation questionnaire regarding the total budget costs, and by comparing them with actual expenditure data taken from the

Family Expenditure Survey (FES). Specific assumptions and methodological difficulties will then be explored with reference to a few selected budget component groups that are found within the clothing budget area.

Chapter 5 provides a summary of the eventual FBU budget costs and compares these results with FES expenditure data. The results of the consultation questionnaire will also be outlined and reviewed and the methodology used for the distributing the questionnaire will then be evaluated in relation to the usefulness of the responses received and general feed-back provided by the respondents.

The concluding chapter of this thesis, Chapter 6, will summarise possible future modifications and extensions of this FBU research, with particular reference to the clothing budget area. Finally, the possible policy implications and applications of the FBU's research results will be identified.

1.5 Conclusion

Having explained the context of the FBU research project and the particular concerns and plan of this thesis, it is now possible to move on to explore the origins of budget standard methodology and research into living standards in general.

CHAPTER 2
BUDGET STANDARD METHODOLOGY AND ALTERNATIVE APPROACHES TO THE STUDY OF LIVING STANDARDS

2.1 Introduction

Budget standard methodology was first used by Seebohm Rowntree in his study of poverty in York (1901). More recently it has been developed and established to produce budget standards (as defined below) for households in the United States (US), Canada and Europe.

The first part of this chapter describes the evolution of budget standards and then goes on to outline various approaches to the study of poverty that have been used in the United Kingdom from the nineteenth century to the present day. Finally it provides a critique of recent work on budget standard methodologies and of the particular techniques that have been used in the US, Canada and Europe.

Before going on to examine the origins of budget standard methodology it is necessary to give a more detailed definition of budget standards. As already seen in Chapter 1, the FBU defined a budget standard as "a specified 'basket of goods and services' which when priced can represent a standard of living" (FBU, FBU WP 1, 1990, p3). In this definition they also explained that "budgets can be devised to represent a variety of living standards, for instance 'minimum', 'modest-but-adequate' or 'affluent'" levels (ibid). Bradshaw and Morgan put this more succinctly as "establishing what a family needs and then pricing it" (1987, p2). At this stage it is important to address a

concerned with actual household expenditure (as found, for example, in the Government's Family Expenditure Survey, FES). Rather, they form a hypothetical model of possible expenditure at a given level somewhere between luxury and deprivation.

Although the FBU budget standards are set at a modest-but-adequate standard (as defined in Chapter 1, and explained in more detail in section 3.1) it has been necessary for the purposes of this project to review research into poverty. Research of this kind has proved important because most studies in the UK have examined poverty rather than higher standards of living. Also, an examination of poverty inevitably leads to comparisons between poverty and higher living standards. Lastly, some of the concepts and techniques involved when trying to define or assess poverty are applicable when researching living standards in general and at other specific levels of prosperity.

2.2 Research into poverty in the nineteenth century

In 1848, Henry Mayhew carried one of the first major reviews of poverty in London, which he described in a series of newspaper articles in the 'Morning Chronicle' (Hopkins, 1979). A more detailed account of his methodology and results were later published between 1851 and 1862, in four volumes, entitled 'London Labour and London Poor'. Mayhew found that 1.87 million persons were in receipt of Poor Relief (welfare payments), and 2.25 million (14 percent of the population in 1848) were unemployed (Michael Rose, 1972). Hopkins explained that these statistics shocked the readers of the 'Chronicle', because they were much higher than official figures and because they provided

graphic details of the living conditions of the poor. Similar articles which illustrated the continuing existence of poverty included Mearns' pamphlet, the 'Bitter Cry of Outcast London' (1883), and the Social Democratic Federation's statistics on poverty published in the 'Pall Mall Gazette' in 1886. The latter article estimated that 25 percent of households in the UK were living in poverty (Briggs, 1961; Rose, 1972).

Charles Booth, a wealthy Victorian ship-owner, was "deeply disturbed by the poverty and living conditions of the working class" (Moser and Kalton, 1971, p7), but also questioned the extent of poverty described in some of the more sensational accounts found in the articles cited above (Briggs, op cit; Rose, op cit; Hopkins, 1979; and McNeill, 1990). Consequently, he set out to try and establish more reliable information, through the use of systematic scientific techniques. His resulting survey on poverty in the East End of London, entitled 'Life and Labour of the People of London', was commenced in 1886, and published in 17 volumes between 1889 and 1902.

Booth's investigation was carried out with the assistance of seven voluntary workers and 250 School Board visitors. He organised his work using the Official Census Report's statistical framework for collecting data, to which he added qualitative records gathered from reports of the School Board visitors (who kept records on school attendance and visited pupils' homes, and so were aware of general living standards), and from his own team's findings (Moser and Kalton, op cit; Rose, op cit). The type of data recorded included the number of rooms and residents; the type of living conditions; and the type of income, diet and

nature and effects of poverty by asking respondents to give personal accounts of their experiences of poverty (McNeill, 1990). He even experimented with participant observation techniques to explore these issues further, by residing in a boarding house in the area being surveyed, so that he could make detailed observations of the lifestyles of selected families. His use of such varied and systematic techniques was quite revolutionary at this time, and has since earned him recognition for having conducted one of the first major social surveys in the UK (McNeill, ibid).

The measure that Booth used to describe poverty involved an objectively devised 'poverty line' based on nutritional data (to establish the amounts of food required for physical existence) and on rent costs. He estimated these essential costs as being between 18 and 21 shillings per week for a family consisting of one man, one woman and three children (Hopkins, 1979). Once this poverty line had been set it was possible to count the number of households in his survey whose income fell short of this amount and who could therefore be described as living in poverty.

The results of his survey suggested that the Social Democratic Federation's estimate of 25 percent poverty in London had probably underestimated its true extent as, according to Booth's figures, 30.7 percent of the London population were living in poverty (Hopkins, op cit). However, Booth was not only concerned with the extent of poverty but was also interested in trying to ascertain the moral and economic reasons for the poverty. For example, from his results he showed that the major causes of

domestic poverty were low and irregular earnings, and what Booth described as 'irregularity of conduct', which he defined as including drunkenness or idleness (Booth, 1897, cited in Hay, 1978, p56).

The results and methodology of Booth's study inspired others such as Rowntree to question whether the picture portrayed, of over thirty percent of households living in poverty, was indicative of living standards elsewhere in England. As a result, Seebohm Rowntree (the son of Joseph Rowntree, the cocoa factory owner) set out to review the extent of poverty in York in 1899, which he later published in 'Poverty: A Study of Town Life' (1901). Rowntree chose to investigate York because it was small enough to carry out house-to-house investigations of the whole population (15,000 households), compared with Booth's investigation which only surveyed one half to two thirds of the population of London. Also, Rowntree felt that York was representative of other provincial towns at that time. His survey was comparatively small in terms of resources as it only took one full time worker, assisted by a team of part-time staff, a period of seven months to complete. However his sample was significant in size, enabling reasonable generalisations to be made (Rose, 1972).

Rowntree devised his own poverty line, which he called a 'minimum subsistence standard', and like Booth's, it was based on the estimated cost of necessities to meet individuals' physical needs. However, according to Rose, Rowntree's measure was more precise than Booth's because he gave more careful consideration to the physiological nutritional data which were then available, and because he arrived at a more precise figure, of 21 shillings

and 3 pence per week (Rose, 1972).

The nutritional guidelines that Rowntree used were based on those devised by Professor Atwater, who was a researcher in the US Department of Agriculture (Briggs, 1961). His data provided a breakdown of the amount of protein, fat, and calories required for the physical maintenance of health. Rowntree used these guidelines to cost the necessary amounts of food for health, using local food prices. He also established a minimum expenditure for clothing, lighting and fuel costs, using 18 expenditure diaries of working class households. These minimum allowances were based on the assumption of prudent housekeeping (Briggs, ibid).

Rowntree identified 27.8 percent of York households as being in poverty, which was close to Booth's estimate for the population of London of thirty percent. Rowntree further distinguished between 'primary poverty' (that is, having insufficient income to provide for the physical requirements of one's household), and 'secondary poverty' (which he defined as being in poverty as a result of mismanagement of money). Using these definitions, he estimated that 9.9 percent of all York households were in primary poverty, while an additional 17.9 percent were in secondary poverty. His overall results also showed similar causes of poverty to those described by Booth. For instance, Rowntree found that 52 percent of households were in primary poverty as a result of low wages. However, Rowntree also found that the size of family (where there were more than four children) was an important factor (Hopkins, 1979).

Another important observation made by Rowntree concerned what he

described as the "life cycle of poverty" (1961, pp136-7). He based this on his findings about the living standards of labourers' households, at various stages of a person's life, from childhood to old age. From these he suggested that there were three stages at which a person would be most likely to live in poverty. These were: childhood (when there was usually only one wage earner in a household); when a person was bringing up their own children (usually on a sole income); and in old age (when a person was too old to work and any working children would have left home).

Briggs suggested that it was not Rowntree's original aim to find solutions to the problems of poverty, but rather to research its extent and to provide proof of its existence. However, based on his findings, Rowntree argued that the causes of poverty could be tackled by introduction of a 'minimum wage', through full employment and social security. It was these conclusions that caused Briggs to suggest that Rowntree "lay bare the need for a welfare state" (1961, pp44-5). Indeed, Rowntree's later work paved the way for the introduction of the Welfare State in more explicit ways (as will be seen in the next section).

2.3 Research into poverty in the first half of the twentieth century

During the first half of this century a number of other studies were carried out into the living standards of the working class, which sought to build on and to test the methodologies and results of the studies of Booth and Rowntree.

In 1912 Bowley studied the conditions of working households in five different towns in England, which he published with

Burnett-Hurst, in 'Livelihood and Poverty', in 1915. Bowley concentrated on 'primary poverty' and based his findings on actual expenditure data. His methodology was more advanced than previous surveys because he used a sampling process to select his survey respondents, and because he took into account the varying nutritional needs of children of different ages (Moser and Kalton, 1971). Other smaller scale surveys, which sought to examine the extent of poverty elsewhere in Britain, included those conducted by Bell, 1907; Davies, 1909, and Reeves, 1914. According to Rose, many of these studies confirmed Rowntree and Booth's estimate of around 30 percent of all households living in poverty. However the only evidence he provided to support this came from Davies' survey of the village of Corsley (in Wiltshire), where one third (65) of the 220 households were living below the poverty line. As this sample was relatively small it is questionable how reflective these results were of poverty in other villages or towns. However, each of these studies did indicate that poverty was prevalent in both rural and urban areas in the period preceding the First World War.

Further surveys published during the 1930s were carried out by Smith, between 1930 and 1935; Ford, 1934; and Jones, 1934. Ford's investigation of Southampton was based on Bowley's methodology, to which he added a new category of 'potential poverty'. This category encompassed households where the total income was sufficient, but where members' needs were not always met, as the main 'bread-winner' withheld income for their own personal use. Smith's survey was a repeat of Booth's London study, whereas Jones investigated the conditions of households living on Merseyside.

It was also during the 1930s that Rowntree commenced his second major survey of poverty in York, in which he sought to compare living conditions in 1936 with those that he had found in 1899. The results showed that there was less primary poverty in 1936: only one in 15 households was then in primary poverty, compared with one in six in 1899 (Rowntree 1901; 1941). He also found that the causes of poverty had changed. For example, in 1936 unemployment was the biggest reason for primary poverty (with 44.5 percent of households living below the poverty line because of unemployment) whereas in 1899 only 2.3 percent of households were in primary poverty as a result of unemployment. In addition there was less poverty due to large families, and more due to illness and old age in 1936. Briggs noted that Rowntree had presumed that these results implied that the Old Age Pensions Act (introduced in 1908) had been ineffective in preventing poverty amongst the elderly.

Rowntree also concluded that his previous measure of 'the poverty line' had become inadequate, so he applied a new measure, the 'human needs standard', which he had originally established in 1918 (Moser and Kalton, 1971). This standard was based on "the human needs of labour", and aimed to establish the cost of providing sufficient food and clothing for "physical efficiency" and "warmth and respectability" (Briggs, 1961, p245). It also included adequate allowances for other basic household expenses, and provided for minor leisure costs (such as a daily newspaper). The new rates (updated to 1937 prices) were set at 43 shillings and 6 pence for a family of four or five members. The budget was devised using the same methodology as the 1899 survey, and again

was based on an assumption that this was the minimum amount required, if it was spent prudently (Briggs, 1961).

This new subsistence level helped to inform the Beveridge Report (1942), in which Sir William Beveridge, Chairman of the 'Committee on Social Insurance and Allied Services', gave his recommendations for the new social security rates (Bradshaw, Mitchell and Morgan, 1987b). His methodology had been inspired by Rowntree's work, and his calculations involved an adjustment of Rowntree's 'human needs standard'. Both Deacon (1982) and Bradshaw et al (1987b) questioned the extent to which Rowntree's standard was further modified before the National Assistance Board rates were finalised in 1948. Bradshaw et al, for example, suggested that the budget was altered on the basis of "thin data" from a Ministry of Labour's survey, which was based on the expenditure of the working class (ibid, p166). However, whatever degree of adjustment occurred, it is not disputed that Rowntree's 1936 study had been influential in setting the original level of national assistance rates.

Rowntree carried out two further studies, including 'English Life and Leisure' (1951a) and concerned the promotion of healthy leisure patterns. It also examined the effect of the increased amount of leisure time that had occurred as a result of shorter working hours on general living standards. Of more importance, however, was his last major survey on poverty, 'Poverty and the Welfare State', which he completed in 1951, with the help of Lavers (1951b). This study showed a dramatic decrease in poverty between 1936 and 1950, from a rate of about 31 percent of all working class households to only 3 percent in 1950. Rowntree

attributed this significant reduction in the extent of poverty to the introduction of the Welfare State (Roebuck, 1974). Moser and Kalton however, questioned how representative these figures were, and argued that at this time York was not directly comparable with other towns and cities, as it had a smaller proportion of lower waged workers than other communities. In defence of the study Roebuck pointed out that as all of Rowntree's studies had taken place in York, the results were viable for York, on the grounds that they had been carried out in the same geographical area. Moser and Kalton also pointed out that "there has been some suggestion that the ... (poverty line) was unduly low and the amount of poverty consequently understated" (1971, p11). This they supported with evidence from the survey 'Poverty: Ten Years After Beveridge', by Political Economic and Planning, which was published in 1952. Although it is possible that Rowntree's results could have implied (wrongly) that poverty was virtually non-existent in the 1950s, their results did demonstrate that a major reduction in poverty had occurred in York between these years.

Bradshaw et al (1987b) claimed that Rowntree's minimum subsistence level was an example of a budget standard, set at poverty level. They supported this by showing how Rowntree's methodology bore the resemblance of more modern budget standards, as it included a combination of normative data (the use of nutritional guidelines), and behavioural data (the use of expenditure data). Both aspects of Rowntree's methodology were described by the other writers cited in section 2.3, even though they did not use the term 'budget standard'. However, it is possible to describe Rowntree's concept of a minimum subsistence

level as a budget standard, as it fits the definition of being a 'costed basket of goods', set at a particular level. Although Booth's approach seems very similar, it cannot be as easily described as a budget standard, as it did not contain a whole basket of goods set at a fixed rate, but involved an estimated range of costs. It is therefore likely that Bradshaw and Ernst's claim that Rowntree was the 'pioneer' of budget standard methodology (FBU WP 2, 1990), is true, as Rowntree seems to have been the first researcher to use this method.

As already discussed, Rowntree's methodology is not generally described as budget standard methodology; in fact the term 'absolute poverty' is more commonly used, (representing a standard of living which is fixed and is only concerned with meeting basic physical necessities). Bradshaw et al noted that where other researchers do recognise Rowntree' methodology as involving budget standards, they assume that all budget standards have to be set at a minimum level, which only meets physical needs. On the contrary, budget standards can be set at higher levels and can therefore provide for social needs. Indeed, as already seen, even Rowntree's later minimum levels catered for some non-necessities such as newspapers.

However, Townsend (who has spent much of his life studying poverty in the modern era) rejected Rowntree's approach, and hence budget standard methodology, for three main reasons (Townsend, 1979):

1) He felt that Rowntree's 1899 definition was too narrow because it was only concerned with the necessary income required to maintain physical health and the most basic costs of clothing and

housing.

2) He questioned the validity of the techniques used to calculate the cost of these essential budget components, particularly where they were based on the expenditure patterns of the poorest households, since expenditure does not necessarily equate to need.

3) He challenged the criteria used for the families' nutritional requirements, since they were set using broad averages of needs irrespective of the age, sex and the physical activity of each family member.

John Veit-Wilson (1986) also discarded Rowntree's poverty norms, as he felt they were too broad and overgenerous. In particular, he described the levels which had been redefined in 1936 and 1951 (which had included social needs) as being too extravagant to reflect actual poverty levels. However this view was not widely held as other researchers, including Abel-Smith and Townsend (1965), have criticised Rowntree's level for being frugal and not making adequate provision for social needs.

2.4 Research into poverty in the second half of the twentieth century

Since the 1960s research on poverty has moved away from the use of absolute measures as employed by Booth and Rowntree, towards the use of 'comparative' or 'relative' measures. One exception to this trend is that of Sen, who in 1983 still advocated the use of an 'absolute' definition of poverty as a way of identifying households who were living in poverty. Piachaud (1987) categorised the changing approaches to the study of poverty into three types:

1) **The relativist approach** (see section 2.4.1);
2) **The social consensus approach** (see section 2.4.2);
3) **The budget standard approach** (see section 2.5).

However, these are not the only ways in which living standards have been investigated. For example, some studies in the 1970s and 1980s have sought to examine the adequacy of benefits by examining the living standards of low income households, whilst others have been concerned with the distribution of resources within the home. In addition, Bradshaw (1989) suggested that since the Second World War official research into poverty has concentrated on identifying households whose net income was close to welfare assistance rates, and more recently they have been concerned with the overall distribution of lower income households. These alternative approaches will be explained in more detail in section 2.4.3.

2.4.1 The 'relativist' or 'behavioural approach' to poverty. Bradshaw distinguished between the absolutist view of physical needs (as used by Rowntree), which are fixed, and that of the relativists who define poverty in relation to the prevailing standard of living of a particular society. Relative poverty takes into account social needs and is often based on data from behavioural surveys (as advocated and used by Abel-Smith and Townsend, 1965; Townsend, 1979; and Mack and Lansley, 1985).

In the early 1960s Townsend joined forces with Abel-Smith in making plans to carry out pilot studies for a national survey to define and measure poverty. The first part of his final survey, which was undertaken between 1968 and 1969, involved the distribution of an extensive questionnaire (concerning the

household), which was completed by 3,062 households in 51 parliamentary constituencies throughout the UK. The findings of this survey were later described in detail in Townsend's book 'Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living' (1979). In it, Townsend strongly justified his contention that poverty should be defined using a totally objective, relativist approach:

> Poverty can be defined objectively and applied consistently only in terms of relative deprivation...Individuals, families and groups can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary ... in the societies to which they belong.
> (ibid, p31)

The second part of Townsend's survey aimed to define a basic living standard which even the poor could attain. He did this by establishing an index of deprivation factors, which when absent from household members' lives, gave an indication that they were living in poverty. Townsend's measure of poverty consisted of sixty 'indicators of deprivation', from eleven areas of the life of an individual or household. These indicators were devised from their diet and health; clothing, housing, and household facilities; the environment in which they lived; their work and education; their social and family activities; and their social support network. For example, with reference to diet, the inability to be able to afford fresh meat on most days was one criterion. Inadequate footwear for different types of weather and the purchase of second-hand clothes were two examples of clothing deprivation factors. Each indicator was allocated a score for non-participation (which was calculated in relation to

normal rates of participation or ownership of these items, as recorded in the questionnaire results). A total score of between five or six was used to establish the 'deprivation threshold' or minimum participation line for a household. Once this had been established, it was used to estimate the number of families nationally who fell below this line. Using this deprivation standard Townsend estimated that 25.2 percent of households were living in poverty in 1968-9 (1979).

Desai (1986) confirmed that it was feasible to establish a threshold of deprivation. Other researchers, however, were highly critical of Townsend's methodology, including Piachaud (1982) who doubted the existence of a threshold, or a notable change of living standard, at a particular level of income. He also rejected the possibility that an objective and scientific measurement of poverty was feasible using Townsend's method.

Piachaud's main criticism was that there was no distinction between a deficiency of 'essential' indicators through choice, and those missing through insufficient resources. For example, one related indicator concerned whether a person ate cooked breakfasts, which could clearly be excluded through choice rather than insufficient finances. Bradshaw et al (1987b) provided weight to this argument as they noted that ten percent of the highest income group lacked five or more of the 'essential indicators', which also suggested that there was an element of choice involved. Although these arguments seem fairly logical, as the inclusion of items like a cooked breakfast appears rather extravagant, they ignore the fact that Townsend never intended that individual indicators should be considered in isolation from

the overall deprivation index. However, whilst recognising Townsend's intentions and considerations, the arguments concerning particular indicators do have some bearing on this debate, because if certain items appear extravagant, then they can affect the overall credibility of the index as a viable measurement of poverty.

In 1983 Mack and Lansley sought to improve Townsend's methodology by reducing the number of indicators; by obtaining a greater degree of consensus about which commodities were essential; and by checking whether items were excluded out of choice. In conjunction with London Weekend Television they commissioned a major survey to be carried out by Market and Opinion Research International (MORI), to find out what the general public thought people needed for living in the 1980s. Using a questionnaire they ascertained what members of the public thought should be included to form the basis of an adequate lifestyle. Items were only defined as being 'necessities' if 50 or more percent of respondents considered them to be essential, and without which they could not live. The results became the focus of a television series entitled 'Breadline Britain' and were published in Mack and Lansley's book 'Poor Britain' (1985).

Their final list of 'necessities' for civilised life contained 14 items or activities (including the need for daily fresh fruit and vegetables) which were checked to ensure that only a small proportion of higher income groups lacked these items or activities. A household was said to be in poverty if it lacked three or more of these necessities. On this basis, they estimated that 7.5 million (13.8 percent of the British

population) were living in poverty (Mack and Lansley, 1985). This study has recently been updated to show that increasing numbers of people were living in poverty, with an estimated 11 million people or 20 percent of the British population living in poverty in 1990 (Frayman, 1991).

Piachaud (1987) questioned the significance of selecting three final factors, on the basis that a choice of three items was fairly arbitrary. Ashton (1984) questioned whether a household could be described as poor if they could not afford necessities such as shoes, but could afford to buy non-necessities like cigarettes. In general, Bradshaw et al (1987b) blamed the neglect of budget standard methodology by researchers on their 'preoccupation' with social indicators.

2.4.2 The 'social consensus' approach to poverty. This approach is based on the belief that a 'social consensus' of opinion regarding poverty levels can be obtained which provides a social definition of necessities (Mack and Lansley, 1985). Examples of researchers who have used this approach have included Van Praag, Hagenaars and Van Weeren (1982), and Mack and Lansley (1985), and its advocates have included Watts (1980), Bradshaw et al (1987b), Piachaud (1987), and Walker (1987).

Mack and Lansley's use of socially defined necessities marked a move away from expert defined measures towards what Walker called "consensual approaches to the definition of poverty" (Walker, 1987, p213) he described these methods as those "which seek to establish poverty lines by reference to the views of society as a whole" (ibid).

Both Walker and Piachaud outlined the two main variations of the consensus approach as being:

1) to ascertain public opinion about what the minimum level of income or items should be. This partly includes what Walker described as 'income based measures', which involves asking the public what they think the minimum income should be (as used by Van Praag et al, 1982). It can also require people to specify what items they think are essential (as used by Mack and Lansley, 1985); and

2) to establish the extent to which the public are willing to pay for additional benefits through extra taxation. For example how many extra pence per pound in income tax they would be willing to pay to fund an increase in welfare benefits or services to improve the living standards of the poor.

Public opinion concerning these two issues are usually obtained through quantitative techniques, such as survey questionnaires. Walker, however, proposed the use of qualitative approaches to obtain a consensus of opinion. He advocated consulting members of the public *during* the whole consensus process, rather than *before* a consensus of opinion had been obtained (as used in Mack and Lansley's study). Walker suggested a more radical approach, which would involve replacing the 'expert panel' of advisers (who influence the decision making process of budget standards) with groups comprised of members of the public. (See Chapter 3 for a discussion on the role of 'expert panels' and public consultation in the establishment of the FBU budget standards.)

Advocates of the consensus approach recommend its use because it

avoids the subjective nature of expert imposed measures, and because it can reflect the prevailing views of the general public (Watts, 1980; Piachaud, 1987; Veit-Wilson, 1987; Walker, 1987). Both Piachaud and Walker pointed out that although the aim of the consensus approach is to gain socially agreed measures instead of those of experts, it would be impossible to eradicate the influence of experts because they would still design and analyse the survey questions. For example, Piachaud criticised the social consensus element of Mack and Lansley's indicators because in the final analysis the priority items had been narrowed down by the researchers, and so could not truly be described as a consensus of public opinion.

Walker also questioned the point of expecting the public to give immediate responses to the types of questions over which researchers had spent many years deliberating. He consequently doubted the reliability of their responses and stressed the value of providing participants with adequate information because, in his view, "opinions ... based on ignorance have little utility as a basis for policy" (Walker, op cit, p221). He also observed that respondents' answers could be influenced by the way in which they thought the researchers expected them to answer. In addition, he suggested that their views could be altered if they were shown the consequence of their decisions, for example, how higher benefit rates would need to be financed from increased taxation.

Further problems that Walker highlighted were the ambiguities surrounding concepts of income and cost. He suggested that the term 'income' portrayed different things to different people.

For example some may think in terms of net income while others think of gross income when asked what they thought should be a minimum income per year or week. He also identified the methodological problems involved in asking respondents about costs with which they were unfamiliar, either because the person being surveyed was not the main shopper, or because they are not aware of actual prices (as found by Cooke and Baldwin, 1984). In particular he alleged that men were likely to give different answers from women about the prices of food and household consumables. This can be supported by the findings of research carried out by Morris and Ruane (1986) and Pahl (1989) into household transfers and budgeting, which showed that women and men living in the same household tend to have responsibility for different aspects of household transactions.

Despite these methodological problems, Walker did not discard the consensus approach, nor the desirability of eliciting the views of members of the public. Instead he advocated a review of the techniques used and the use of qualitative social consensus surveys which avoid some of the difficulties associated with quantitative research methods.

2.4.3 Other approaches that have been used to study living standards. Piachaud (1987) recognised that many studies of living standards utilise a combination of the methods already described. For example, Mack and Lansley's study (1985) used relative poverty measures, obtained by a consensus of public opinion. Piachaud suggested that the pluralistic approach (which combines several approaches) was becoming an increasingly popular way of investigating poverty, because it can combine the benefits

of several methods.

Other research into poverty has concentrated on examining the living standards of low income households and assessing the adequacy of welfare benefits. In particular, the Social Policy Research Unit (SPRU) at the University of York has undertaken a number of studies following this line of investigation over the last ten years. For example, Bradshaw, Cooke and Godfrey (1983) examined the impact of unemployment on living standards, whilst Cooke and Baldwin (1984) carried out an investigation for the Department of Health and Social Security (DHSS) that aimed to check the adequacy of benefits received by two-parent families. From their results, Cooke and Baldwin concluded that there was no single test suitable for measuring the adequacy of benefits. Their results also confirmed the findings of Berthoud (1984), whose study of the impact of the 1980 Social Security reforms had exposed the severe financial difficulties experienced by households dependent on benefits. Further evidence of this kind was provided from the findings of a survey carried out by Bradshaw and Holmes (1989) which had used a variety of methods, including in-depth interviews, expenditure diaries, and collating inventories of household goods, of households dependent on supplementary benefits.

Other relevant research conducted by SPRU has concentrated on specific household requirements including those of lone parents (Bradshaw and Millar, 1991) and pensioners (Walker and Hutton, 1988); the financial impact of a handicapped child on family life (Baldwin, 1985); and the income and expenditure of families with teenagers (Bradshaw, Lawton, and Cooke, 1987a). Finally, other

Studies carried out by SPRU have examined the comparative living standards of different types of families, including Bradshaw's study of multi and single-unit households (1983).

Obviously studies of the economic requirements of different household types have not solely been the prerogative of SPRU; the work of SPRU has been emphasised because of its influence on FBU research. However, similar studies have been undertaken elsewhere in Britain, including Noble, Smith, Payne and Robert's survey of households in receipt of social benefits in Oxford (1987). Also, official studies commissioned by the DHSS have included the 'Low-income Statistics' series which was carried out until 1985 (DHSS, 1988), and a more recent Government series 'Households Below Average Income' (DSS, 1990).

Most of SPRU's studies concentrated on total household income or expenditure, whereas other important surveys have investigated the actual distribution of resources within the household (Morris and Ruane, 1986 and Pahl, 1989). Pahl, a renowned researcher in this area, revealed the inequalities of resource distribution within the home. She challenged the assumption made in studies which only considered total income or expenditure, that the main purchaser of the families' requisites (normally the wife or mother) had access to the total household income. Confirming this view, Piachaud (1987) suggested that the failure to look within the 'black box' of individual families' budgetary habits at the internal distribution of family funds was a major flaw of most research into poverty (including budget standard methodology). However, given that budget standard methodology is concerned with defining the economic requirements of particular

types of households, it is beyond the scope of this study to pay further attention to this particular area of research, despite its importance.

2.5 A critique of budget standard methodology

As already seen, the basic method employed by the FBU can be described as costing a basket of hypothetical goods and services (see section 2.1). However, the processes involved in devising this basket of goods include making 'normative' judgements about what people 'need', which are informed by behavioural data. The FBU see this as the underlying basis of budget standard methodology:

> Budget standards methodology is based very largely on normative judgements. The essence of budget standards methodology is that to derive the components of a budget standard, normative judgments have to be made about the amount of food needed, clothes required, heat that is desirable and so on. These normative judgements may be informed and buttressed by data on purchasing patterns, evidence on life times and so forth.
>
> (Bradshaw, FBU WP 13, 1991, p1)

Piachaud described budget standard methodology as a way of "defining a set of needs and costing them" (1987, p152). As already seen, this method was used by Rowntree (1901; 1941; 1951b). This section will show how budget standard methodology has been developed in more recent years in the US, Canada and parts of Europe. Two important issues concerning budget standards will be addressed: the concept of need; and the role of equivalence scales. These are fundamental to a greater understanding of the nature of budget standard methodology. Once these have been explored, the potential applications and limitations of budget standards, and their associated methodology, will be discussed.

2.5.1 Research relating to budget standards in the UK. A number of studies have influenced the FBU's budget standard methodology. One of these was Margaret Wynn, in her book 'Family Policy' (1972), which examined living standards beyond poverty level. In it she stressed the importance of estimating the cost of living, as a means of informing social policy.

> However difficult it may be to assess the needs of individuals or families, it must be done, if injustice is to be avoided. For if national scales of need are not devised ... the level of need for particular people will be decided on hunches and guesses.
>
> (ibid, p38)

As an advocate and investigator of budget standard methodology, and having been involved with the FBU in its early stages, Wynn's writings have been significant in helping to establish budget standards for the UK.

Other influential studies included that of Piachaud (1979), which aimed to estimate the 'cost of a child' by devising a budget standard to maintain a 'modern minimum lifestyle'. His budget allowed for the basic requirements of food, clothing, fuel, an annual holiday, pocket money, presents and leisure goods. These items were then priced at a major supermarket and a leading clothing retailer. His conclusion was that the prevailing levels of child benefit would have to be increased by 50 percent in order to meet a child's minimum requirements.

Inspired partly by Piachaud's approach, Bradford and Morgan (1987) carried out a study where they used budget standard methodology to explore the spending patterns of families dependent on state benefits. Their lists, quantities and

lifespans of items were constrained by the actual expenditure of households who were dependent on social benefits. Their results highlighted these families' restricted choice, and the unrealistically long lifespans and small quantities of items that are necessary when households are limited to income received from welfare benefits. In particular, it drew attention to the difficulties involved in trying to provide a healthy diet on a very low income. Their findings provided even further weight to the argument about the inadequacy of benefits, as well as forming the basis of a budget standard for low income households.

Bradshaw et al (1987b) reviewed further empirical work carried out into budget standards by members of SPRU, which can be summarised as follows:

1) a review of budget standards in other countries (Bradshaw et al, 1987b);

2) translation of US budget standards into UK costs (ibid; Whiteford, 1985);

3) the consumption of households on social security benefits, as used by Bradshaw and Morgan (1987); and

4) statistical techniques for fixing budget standards.

Bradshaw et al explored the use of statistical techniques in measuring poverty and as a possible way of developing budget standards. The two main approaches which they considered were Orshansky's method and the use of the 'S-curve' analysis or 'quantity-income-elasticity' (Q-I-E) technique. (These methods are explained in the following paragraphs.)

a) Orshansky's method. Orshansky (1969) based her method of measuring poverty on Engel's 1857 law on necessities which stated that as income rises, the proportion spent on food decreases.

Applying this theory, Orshansky surmised that if a household spent 30 percent or more of its total net income on food, then it was in poverty. Bradshaw et al suggested that a norm of 25 percent (as the proportion of income spent on food) was a better indicator of poverty, in the belief that the 30 percent rate indicated too low a standard of living.

b) 'S-curve' analysis or the 'quantity: income elasticity' technique. The 'S-curve' analysis aims to locate 'inflection points' on a graph, when *income* is mapped against *quantity*. These are the points at which the proportion spent on a particular commodity changes, where the tendency to consume a particular good 'slows in relation to income', and where the desire for quality replaces the need for a greater quantity of goods.

Bradshaw et al compared Orshansky's method with the 'S-curve analysis' technique. They found that Orshansky's method was more useful for analysing FES data because it was better able to cope with the smaller sub-divisions of the sample household groups. Watts (1980) also recommended the use of an 'updated' Orshansky measure as a new way of establishing US budgets. However Bradshaw et al found that it was difficult to find inflection points for lower income households (such as pensioners and single parents), as there was an insufficient range of expenditure between the highest and lowest expenditure bands for this type of household to establish a slope on a graph.

2.5.2 The concept of need. Wynn (1972) stressed the importance of an understanding of the concept of need when devising budgets. She referred to the definition of the United Nations Committee on

Living Standards, which stated that:

> Human needs and wants range from common biological needs... to culturally defined motivation and wants...desires for particular types of food, drink, housing and clothing appealing to taste; for access to education, cultural and recreational facilities.
> (UN 1954, IV, p2)

This definition went beyond Rowntree's notion of a minimum subsistence level which concentrated on physical needs because it included social needs. Maslow (1943) explained needs in hierarchical terms with physical needs as the primary needs at the base of an imaginary triangle. Once these had been met he suggested that an individual was motivated to seek the gratification of higher or more sophisticated needs, including those described by the UN committee. Maslow's perceived peak of human needs was that of self-actualisation. For the purpose of establishing a modest-but-adequate budget, only the lower tiers of hierarchy, up to the level of emotional needs, have been considered.

Wynn stressed the importance of concentrating on average needs when defining lifestyle levels, rather than trying to cater for the "great variability of needs" of the whole population (op cit, p50). This does not mean that individual needs are ignored and that 'blanket' averages are used. On the contrary, budget standards must consider individuals' needs which differ according to age, sex, physical activity and employment circumstances.

2.5.3 Equivalence scales. Some countries cater for the varying needs of households by simply devising budget standards for one or two 'index families' or several 'index individuals', which are then multiplied by 'equivalence scales' to calculate the economic

requirements of other households.

Bradbury (1989) proposed that "the object of an equivalence scale is to enable a comparison of the economic resources, relative to needs, of different families" (ibid, p384), to be made. Equivalence scales are, he asserted, concerned with determining the level of resources required by a family of one size, when compared with a family of another size (or composition), in order to achieve an equivalent standard of living. Wynn pointed out that equivalence scales can also be used to calculate the requirements of families with greater needs than the model families. (For example, this could include families with teenagers or a disabled child, or women during pregnancy and child-rearing years.)

Equivalence scales are also used to measure and compare the living standards of families in receipt of different incomes, living in different regions and countries, and changes in living standards over time. Examples include an American study which carried out an international comparison of family budgets, using expenditure data (Poduska, 1988); and Hesse's (1991) comparisons between monetary family policies in Germany, using household income statistics and other data including German tax transfers and child benefits.

2.5.4 The applications of budget standards. Bradshaw (1989) has summarised the ways in which budget standards have been used in the past; how they are currently used in other countries; and their potential use in the UK, as follows:-

2) to evaluate the adequacy of state benefits;
3) to help courts to determine levels of maintenance payment;
4) for guidance/advice on consumer budgetary behaviour (and debt counselling);
5) to provide standard of living norms for given families;
6) to derive equivalence scales that can be used to compare living standards;
7) for making inter-area comparisons and assessing changes over time.

Additional ways in which budget standards have been used in the US include their use in establishing employment relocation costs, scholarships and grants; for wage negotiations; and for setting welfare benefits (Watts, 1980).

A more explicitly political objective that has been suggested for their use in the UK was that they can be used to highlight the inadequacy of current levels of welfare benefits, which could lead to a major review of benefit levels (Bradshaw et al, 1987b). However, these authors cautioned that in reality, budget standards work in the UK is more likely to be used to evaluate policy by examining living standards, rather than as a basis for setting policies. Finally, Wynn pointed out that budget standards are not only needed to assess the adequacy of benefits, but are also needed to evaluate the living standards of self-supporting families on low incomes.

2.5.5 Methodological difficulties of budget standards. There are four main criticisms which have been made of budget standard methodology in general. These are:-

1) the subjective way in which normative budget standards are produced;

2) the hypothetical nature of budget standards;

3) the difficulty in defining a particular standard; and

4) the large quantity of human and financial resources necessary to establish budget standards.

1) The subjective nature of budget standards is the most common criticism of budget standards. The DHSS expressed this viewpoint in its Green Paper (1985), asserting that budget standards involve "a large degree of subjective judgements in deciding what items are 'essential'" (ibid, p21). Abel-Smith and Townsend (1965) made similar criticisms of Rowntree's minimum subsistence level, which they condemned as being based on too many value judgements. Bradshaw et al (1987b) acknowledged that the formulation of budget standards inevitably involve a series of subjective decisions about the type, quality, quantity, lifespans and prices of items. In particular, the role of the expert in making judgements about needs was questioned as they often had little experience of the household types being budgeted for, or of the living standard in question.

2) The hypothetical nature of budget standards. Budget standards do not necessarily reflect expenditure, because they are concerned with setting a standard rather than reflecting expenditure patterns. Also they are not records of the consumption patterns of actual households, so in this sense they are entirely hypothetical. However, as they can be informed by behavioural data, and are not constrained by actual income levels, they can incorporate elements of both reality and idealism about what is required for a healthy lifestyle, whereas

most other techniques usually only cater for one of these concerns. In addition, Bradbury (1989) was critical of the arbitrary nature of the budget standards approach which, he said, becomes more difficult to establish as living standards rise and consumption patterns become more complex.

Another fundamental flaw of budget standards research is that it can never fully reflect or ensure a particular quality of life (Bradshaw, Hicks and Parker, FBU WP 12, 1992), as life consists of more than just a series of purchasing decisions. Bradshaw et al highlighted the fact that budget standards do not take into account the quality of relationships, emotions, or the living environment in which households live. Also it ignores skills, qualifications and other factors that are crucial to living standards. However, they recognised that no approach can ever provide a comprehensive description of people's real lives at a particular level of deprivation or affluence.

3) Who defines the standard? The definition of any living standard, from poverty to affluence, is problematic because of the varying perceptions that people hold about living standards. This point is reinforced by Piachaud's observations of other researchers' views of his 1979 budget, which aimed to cost the needs of a child (Piachaud, 1987). For example, Lynes (1979) criticised it as being frugal, while other researchers described it as overgenerous. As has already been shown, similar disagreement occurred much earlier about Rowntree's budgets. Piachaud also pointed out that as there was so much disagreement about children's needs (which can be related closely to their overall physical development and welfare), defining adult needs

would be even harder (as they have fewer basic physical requirements). Despite this difficulty, Piachaud still commended the budget standard approach.

4) The resources required to develop budget standards. Budget standards are costly to develop in terms of time and personnel. This is one reason why they became less popular in the US, and were replaced by cheaper methods such as statistical techniques. Bradshaw et al (FBU WP 12, 1992) also pointed out the time consuming way in which budgets have to be drawn up, costed and calculated.

The US Watts Committee (in its recommendations to the US Bureau of Labor Statistics (BLS), as to whether to continue devising budget standards) questioned the validity of establishing budget standards in a society in which living standards had generally improved and where households had a diverse range of budgetary priorities. They concluded that budget standard methodology was no longer a relevant way of estimating living costs in the US (Watts, 1980).

However, researchers in the FBU and other agencies who are in the process of establishing and using budget standards argued that budget standards do have a number of practical applications for modern society, as described in section 2.5.4. Bradshaw et al concluded that as "budget standards have the capacity to bring the analysis of living standards alive ... in a way that other measures of living standards cannot" (op cit, p43) they should not be discarded.

establishment of budget standards

Before making comparisons between the budget standards produced in different countries, it is useful to outline the background and context behind the development of each national standard. The countries of origin of these studies have been grouped into the following geographical regions: North American countries; Scandinavian countries; and other European countries. The comparison commences with Rowntree's subsistence standard, in its own category, which is unique because it is nearly a century older than the other European budget standards. The US BLS standard will be given the greatest attention as it has the longest tradition of producing budgets, and more plentiful documentary information regarding its background and methodology is available. The different aspects of each country's budget standard work are summarised for convenience in Appendix 1 and includes the following elements:

1) Country of origin and organisation involved;
2) budget level;
3) budget components;
4) household types;
5) methodology; and
6) applications.

2.6.1 Rowntree's subsistence budget standard (UK). Section 2.2 explained the background behind Rowntree's budget standard, so it will not be considered further here, but it is included as part of the overall summary chart of budget standards, in Appendix 1.

2.6.2 North American work on budget standards.

1) US BLS. The first federal budgets were produced by the BLS, in 1909 (Bradshaw et al, 1987b). These had been produced out of a concern for the working conditions of employed women and

children and were aimed at determining a minimum, but fair, standard of living. During the First World War the National War Labor Board used budgets to set pay scales at a realistic 'living wage'. In 1920 the BLS produced the 'minimum quality budget' for workers' families, that was intended to ensure 'health and decency'. A few years later, in 1923, the Heller Committee devised budgets suitable for civil service workers. Further budgets were produced during the Depression in 1936, by the Works' Progress Administration (WPA), for workers on pay relief, which were set at both a basic maintenance standard of living (for those in long-term unemployment or on low wages) and an emergency level (for those suddenly without work). Also, the US Department of Agriculture produced minimum budgets for working women at minimum cost of living budgets in 1938 and 1944 (Bradshaw et al, 1987b).

The US BLS subsequently carried out a major revision of the WPA budgets, which they used as the basis of their 1948 city worker's family budget, which they set at a 'modest-but-adequate' standard. In 1943 they revised the WPA's minimum budget and in 1946 they were commissioned by the Government to determine the cost of living for workers in large cities (US BLS, 1948) . This 'modest-but-adequate' budget was significant because it was the first budget produced in the US that was above minimum subsistence level and which provided for both physical and social needs. It was produced by drawing up and costing basic baskets of goods and services. The aim of this budget was also closely linked with social policy as its purposes were to:

a) help set wages at appropriate levels;

b) examine the impact of taxes on households' living standards; and

c) identify how many families were living below satisfactory standards by establishing an income threshold.

From the mid-forties onwards the BLS annually updated the costs of their budgets, but made few methodological changes until the late sixties. At this time (1967) two additional levels were produced (the higher and lower budgets), alongside the original modest-but-adequate standard (which became known as the intermediate level). These budgets represented living standards below, at, and greater than the modest-but-adequate standard of living for four-person households and retired couples. The lower or minimum level had been introduced as a result of the campaigning of the National Welfare Rights Organisation, who wanted it to become the minimum guaranteed level of income for four-person households. Budgets were produced for other households using equivalence scales. Bradshaw et al (1987b) suggested that it was at this stage that the BLS began to increase the amount of expenditure data it used instead of its previous normative approach. Also, individual component costs were updated using the Retail Price Index (RPI). These changes were introduced due to previous difficulties with their pricing techniques and because it was cheaper to rely on the RPI, than to price separate components.

In 1980 the Watts Committee advised the US Government that four new budget levels should be produced, based entirely on median expenditure, as they believed that budget standards were no longer valid. These standards included:

a) The 'prevailing family standard', which was based on median expenditure of households;

b) The 'social minimum standard', which was calculated as being half the median expenditure;

c) The 'lower living standard', set at two thirds of the median expenditure, and

d) The 'social abundance' standard, which was one and a half times the median expenditure.

(Watts, 1980, pviii-ix)

In 1982 the BLS ceased to establish budget standards, partly due to President Reagan's drive to reduce governmental administrative costs, and partly on the recommendation of the Watts Committee (Bradshaw et al, 1987b).

2) The New York Community Council (NYCC), US. Although the BLS discontinued producing budget standards in 1982, the NYCC have continued this work since 1981/2 by developing budget standards based on the BLS 1948 methodology. Their 'moderate' budgets was based on a four-person index which is adapted to the needs of other households using equivalence scales. In addition to the use of market research, expenditure and income data, the NYCC used consumer surveys as an "objective basis for defining what the self-supporting consumer considered as an acceptable minimum standard" (NYCC, 1982, p4). These were then combined with normative judgements about quality and lifespans to produce budget standards.

3) Montreal, Canada. The Montreal Diet Dispensary (MDD) started to produce budget standards in 1959. The two primary aims of the MDD were to produce a standard which could be used for budgetary advice, and to provide a measure of adequacy of households' income and benefits. It commenced by examining the existing

these guidelines it developed two basic budgets: the 'short-term' budget (to cover emergency physical needs during the initial stages of unemployment) and the 'long-term' budget (for longer periods of unemployment). The short-term budget was described as "the minimum adequate requirements for the maintenance of a family ... and the preservation of health and self-respect of the individual members" (MDD, 1984, p1).

4) Toronto, Canada. The Toronto Social Planning Council (TSPC) have produced 'Guides for Family Budgeting' based on their budget standards work since 1964. The basic aim of their work on budgets has been to provide a reference point of "adequate standards of living ...necessary for maintaining physical and social functioning of families" (TSPC, 1974, p9). Their budgets aimed to represent 'adequate standards of living', at different expenditure levels, based on income/expenditure rates. The budgets were devised by technical committees, and based on the assumption that all households have a need for the same basic stock of goods. Their guidelines have been used by community social agencies to assist with money management counselling; by the Government to assess the adequacy of their welfare programmes; and as the basis for wage negotiations.

2.6.3 Scandinavian work on budget standards.

1) Sweden. In 1976 the Swedish National Board for Consumer Policies (NBCP, a consumer organisation sponsored by the Government) began calculating what were "reasonable amounts for the commonest items of household expenditure" (Swedish NBCP, 1985, p2). The "aim was for estimates to correspond to a

reasonable level of consumption covering the cost of goods and services which households need in order to cope adequately with everyday living" (ibid, p3). The budgets were normatively devised by technical committees, whose membership included Home Economists and income advisers, and were devised in collaboration with Government administrators. These budgets were then priced using the network of consumer agencies throughout Sweden that were part of the NBCP. The objective of the Swedish budgets was initially to produce estimated family expenditure guides for the Government, welfare agencies and individual consumers. Later, they became used as a base for analysing economic developments and social policy.

2) Norway. The National Institute for Consumer Research (NICR, a consumer organisation) was commissioned in 1986 by the Norwegian Government to produce minimal level budgets based on existing social benefit levels and itemised budget costs. These budgets were based on the number of members in a household. Equivalence scales were used to establish budgets for different types of households and for budgets at higher levels. They were used for giving budgetary advice to individual consumers, and could accommodate individual lifestyles, through the use of a specially designed computer package.

3) Denmark. In 1990 the Danish Government-funded National Consumer Agency (NCA) started work on a national computer package which could produce budgets for different households. The model that they intended to set up would be based on a similar approach to the Dutch package (see below), as it would also use expenditure data as its main basis, and the results could be sold

to organisations including banks and estate agencies.

2.6.4 Other European work on budget standards

1) The Netherlands. The National Institute for Family Finance (NIFF) was founded in 1980. Although it is an independent organisation, it received funding from the Dutch Government and the private financial sector. The NIFF developed a complex computer system that could calculate the economic requirements of specific households, based on existing expenditure data. The aim of their package was "to promote the most beneficial pattern of income expenditure for the private household" (Dutch NIFF, 1983, p1). The NIFF produces a basic minimum budget and an optional residue package for non-essential expenses. General budgetary advice was issued in brochures; through the mass media; and specific household advice was given, based on its computer package, through banks and financial organisations.

2) Ireland. In 1986 the results of the 'Report of the Commission on Social Welfare' was published, which had been sponsored by the Government to review the social welfare system and to devise ways of producing minimum income levels or budgets. In this survey the Irish Commission on Social Welfare and Adequacy explored seven possible methods for calculating a minimum adequate income. Following the publication of this report, the Combat Poverty Agency (CPA) decided to carry out their own research into the issue of adequacy by conducting a series of case studies on the living standards of persons on low-income. In 1990 the CPA commenced a project which aimed to produce minimum budget standards based on Bradshaw and Morgan's methodology (which was described in section 2.5.1). The Irish budgets were derived from

benefits, as found in the Irish 'Household Budget Survey' (Bond, 1991).

4) The UK. The budget standards produced by the FBU in their pilot study (1988-9) and the subsequent research project (1990-1992) will also be included in the summary chart. The FBU methodology will not be explained in this section as it forms the central focus of the remaining chapters.

2.6.5 A critique of the methodology employed by researchers in other countries when devising budget standards. The budgets featured in section 2.6, produced by research teams in different countries, were established using three basic approaches:-

1) Budgets which were primarily normatively devised by technical groups (eg Swedish NBCP and MDD budgets);

2) Budgets that were based on a mixture of normative, behavioural and consensual information (eg Rowntree; US BLS 1948 and 1967 budgets; NYCC; TSCP; Norwegian NICR; Irish CPA; UK FBU)

3) Budgets devised entirely from behavioural data (eg US BLS 1980; Dutch NIFF and Danish NCA)

Using the FBU's definition of a budget standard as being a priced "specified 'basket of goods and services'" (FBU, FBU WP 1, 1990, p3), only the budgets in categories 1) and 2) would be considered to be budget standards, as only they contained individual costed components. The budgets in category 3) are simply derivatives of expenditure surveys, so they cannot be described as budget standards by the FBU's definition. The majority of the other budgets also involved a mixture of approaches, and so fit Bradshaw's particular definition that budget standards are normatively defined budgets, informed by behavioural data (FBU WP

Within each of the above categories there are variations in the way in which the budgets have been devised. Specific characteristics will now be considered. The New York Community Council's budgets included information from a consumer survey, to try and obtain a public consensus about the minimum level. Apart from the FBU main research project, this was the only organisation which took into account the opinions of actual consumers. The Montreal Diet Dispensary budgets made a distinction between emergency and long-term minimum needs, which is an aspect that has been overlooked in other minimum budgets. The Swedish, Norwegian and Dutch budgets were all able to take into account particular household variations. For example, the Swedish food budget had the option of food prepared at home or a diet based on convenience foods. The budgets which were compiled into computer packages had the greatest capacity to consider individual household options and to produce budgets for the largest variety of households.

Each of these budget standards have been considered and used to inform the development of the FBU's budget standards, which will be described in more detail in the remaining chapters.

2.7 Conclusion. Budget standard methodology is one method of approaching the study of living standards in general, and poverty in particular. Since the Beveridge Report (1942) other methods have been used in the UK in place of budget standards. The use of relative deprivation indicators and statistical techniques based on income/expenditure data have become especially popular. However, in view of the inherent limitations of each of these

approaches, the FBU have sought to re-establish budget standard methodology as an alternative way of examining living standards within the UK. A detailed explanation and critique of the FBU's budget standard methodology is carried out in the next chapter.

3.1 Introduction

This chapter outlines the background behind the Family Budget Unit (FBU)'s research project (1990-1992) and shows how the research work was divided amongst the three research centres at the University of York, King's College London, and Sheffield Hallam University. It then gives a critique of the general assumptions and methodology employed by the FBU in this project to devise budget standards for six household types at a 'modest-but-adequate' standard of living. (The term 'modest-but-adequate' is defined in the next paragraph.) The FBU methodology is explained in detail because the clothing, household goods and services, and leisure budgets which were produced by the researcher at Sheffield were based on and constrained by this basic approach. Finally, the techniques employed by the researcher at Sheffield during the consultation process for reviewing the clothing, household goods and services, and leisure budgets will be explained. Particular attention is paid to this part of the FBU research in this thesis because it was the sole work of this researcher and not based on any predetermined methodology devised by the FBU co-ordinating team.

The FBU set their budgets at a 'modest-but-adequate' standard of living. It is important to explain this term in detail, as an understanding of the living standard in question underpins all the assumptions made regarding the components to be included the

budgets. The term 'modest but adequate' was first used to describe the city worker's family budget devised by the US Bureau of Labor Statistics (BLS) in 1946, which it defined as being:

> a level of adequate living to satisfy the prevailing standards of what is necessary for health, efficiency, the nurture of children and for participation in community activities.
>
> (ibid, 1948, cited in Wynn, 1972, p38)

A similar standard was the US BLS's 'prevailing family standard', which had replaced their former 'modest-but-adequate' standard. Watts described this prevailing family standard as one which:

> affords full opportunity in contemporary society and the basic options it offers. It is adequate in the sense of lying both well above the requirements of survival and decency and well below levels of luxury as generally understood.
>
> (Watts, 1980, pvii)

Wynn elaborated on the meaning of the 'modest-but-adequate' level in the following manner:

> As income rises, an increasing proportion is spent on satisfying psychological needs rather than physical needs: the modest-but-adequate level is a threshold at which there is a modest point of income available for satisfying non-physical needs.
>
> (Wynn, 1972, p180-1)

Translating such concepts into detailed decisions about the actual components of a budget standard is not easy. Here the definitions of the US BLS and Watts have proved to be very useful because they relate to physical needs and social participation.

It is important to note that because the term 'modest-but-adequate' is not commonly used outside this particular area of research, there is inevitably a measure of ambiguity concerning its precise meaning. However, as already seen in the section reviewing research into poverty, the problem

of defining a living standard seems to be inherent in this type of research and is certainly not unique to the concept of a 'modest-but-adequate' budget standard.

3.2 The FBU pilot budget standard research project (1988-1989)

The main FBU research project (1990-1992) fulfilled one of the original aims of the FBU when it was first established in 1985: to undertake "systematic research into the needs and costs of families of different sizes and different composition" (FBU, FBU WP1, 1990, p1). The interest in this type of research had been partly inspired by Margaret Wynn's book 'Family Policy' (1972), which had advocated a major review of the costs of living of households in the UK, using budget standard methodology.

Between 1985 and 1986, Jonathan Bradshaw (one of the founders of the FBU) coordinated a feasibility study to explore possible ways in which budget standard research could be undertaken. This was funded by the Joseph Rowntree Memorial Foundation (JRMF). The project involved a series of different investigations into "the origins of budget standards, their methods and their usage in different countries" (Bradshaw and Ernst, FBU WP2, 1990). For example, Bradshaw, Mitchell and Morgan (1987b) compared the New York Community Council (NYCC)'s minimum budget with UK supplementary benefit scales, by converting the NYCC's budgets to UK costs. In their study they also carried out a secondary analysis of Family Expenditure Data (FES). In addition, Bradshaw and Morgan (1987) devised a minimum budget standard based on the actual expenditure of low income households. Finally, reviews of budget standards from other countries were carried out by Mitchell (1985) and Hammill and Hutton (1986). The results of

these studies helped to win support for the FBU's proposal to the JRMF to carry out a further study between 1988 and 1989, which aimed to produce two pilot budgets at a modest-but-adequate standard of living.

Pilot budgets were devised for a couple with a pre-school child, and a single female pensioner, at a modest-but-adequate standard of living. The methodology and its results were later published in the FBU's second working paper (Bradshaw and Ernst, FBU WP 2, 1990). The aim of the pilot study was described as "to establish the methods, identify the problems and gain experience of what would be required for a full programme of budget standards research" (ibid, p3). This pilot study was very influential in shaping the subsequent FBU research project carried out between 1990 and 1992 with which this thesis is concerned.

The methodology used to construct the pilot budgets involved work by 'technical groups' of social scientists, home economists and nutritionists, to draw up lists of commodities, and to determine the type, quantity, lifespan and quality of items to include in each budget area. The decisions made were primarily normative (informed by existing health standards and based on the judgement of the experts), but they were also based, to a varying extent, on consumption patterns (behavioural data). Budgets were devised and priced for housing, fuel, food, clothing, household goods, and leisure costs, using retail and service outlets. However, transport, alcohol and tobacco, household service expenses were identified differently, being derived from 1984 FES data, updated to 1988 prices using the Retail Price Index (RPI).

The original normative budgets were then subjected to major

adjustments to reflect more precisely the median expenditure of the households in question. These adjustments were made on the basis of Watts' (1980) observation that the expenditure of median income households was "notionally representative of a modest-but-adequate standard of living" (Bradshaw, FBU WP 13, 1991, p1). The resulting modest-but-adequate budget standard for a married couple with a pre-school child was estimated as being £177.38 per week at 1988 prices, compared with the 1988 updated median expenditure of this household which was £158.66 (Bradshaw and Ernst, FBU WP2, 1990, p31). Hence the FBU budget was calculated as being 12 percent above the actual expenditure of this type of household (ibid).

A number of methodological difficulties arose as a result of establishing the pilot budgets, which can be summarised as follows:

1) The balance between normative and behavioural measures. There was inconsistency in the methodology used for establishing the different budget components, with some being derived entirely from expenditure data whereas others were primarily based on normative decisions. Also it was problematic to use expenditure data both in the development stage of devising the budgets and for comparison purposes. It was therefore concluded that future budget standards should not be based on expenditure data.

2) The role of 'expert' judgement. The opinions of the experts involved in devising the budgets were recognised as being fairly subjective, which highlighted the need for a balance of normative decisions to be moderated by behavioural data.

3) Costing the budgets. The use of a mixture of retail prices

and RPI adjusted FES expenditure data created inconsistencies in the pricing procedures used for certain budget areas. The use of adjusted FES data had mainly been used because of a shortage of staff and time. However, it was decided that in subsequent research only retail prices should be used to avoid these methodological variations.

4) Budget parameters (the expected lifespan, quantity, quality of each budget item). The problem of attributing the budget parameters was highlighted as, apart from foreign budget standards described earlier, there were few information sources that could be used to underpin these decisions. It was suggested that the future budgets could be refined further by using other existing standards and market research information. However, it was anticipated that the allocation of commodity lifespans would remain difficult due to an absence of relevant data.

5) Modest-but-adequate. It was argued that a modest-but-adequate budget standard was an appropriate level to set, because it provided for both physical and social needs. However, it was pointed out that the relationship between the notion of a modest-but-adequate standard, and actual median income and expenditure had its limitations, because in practice expenditure is constrained by financial circumstances and does not necessarily reflect needs.

3.3 FBU research project (1990-1992)

The aims of the FBU and the 1990-1992 FBU research project are stated in Chapter 1. The purpose of the FBU research can be summarised as seeking to establish budget standards for six family types, at a modest-but-adequate living standard.

3.3.1 The structure of the project. The FBU budgets aimed to include "all the major components of family expenditure" (Bradshaw, Hicks and Parker, FBU WP12, 1992, p1), namely food, clothing, alcohol, housing, fuel, transport, personal care, household goods and services and leisure costs. Pensions and savings were excluded due to the methodological difficulties involved in determining the costs of such components. The components were then grouped according to FES expenditure categories to enable comparisons to be made between the final budgets and actual expenditure data. Work on the budget components was divided between the three research centres in the manner outlined below:

Table 3.1: The research centres responsible for the different budget areas

Budget component area	Research centre
Housing Fuel Transport Personal goods and services	Department of Social Policy and Social Work, University of York
Food Alcohol	Department of Nutrition and Dietetics, King's College, London
Clothing Household goods and services Leisure goods and services	School of Leisure and Food Management, Sheffield Hallam University

The research project as a whole was directed by staff at the University of York, who comprised the co-ordinating team. Each research centre had a team of one or more researchers who had ultimate responsibility for devising their particular budget component areas. In addition there were 'technical committees'

of expert panels who advised the research teams on a component area closest to the area of their expertise. Finally, there was a steering committee which oversaw the progress of the research project as a whole.

Budgets were devised for each of the above component areas, for the following model family types:

A: Single man (aged 30 years)
B: Single female pensioner (aged 72 years)
C: Two adults (a man aged 34 and a woman aged 32 years)
D: Two adults and two young children (a man aged 34, a woman aged 32, a boy aged 10, and a girl aged 4 years)
E: Two adults and two older children (a man aged 37, a woman aged 35, a boy aged 10, and a girl aged 16 years)
F: Lone parent and two young children (a woman aged 32, a boy aged 10, and a girl aged 4 years)

These household types were selected using the criteria decided by the co-ordinating team, as explained in the extract by Ernst and Parker (FBU WP 3, 1991) reproduced in Appendix 2. They were chosen to represent the main household types in Britain, or because they included 'priority groups' such as lone parents, the elderly and children (ibid). Details of the proportions of such households in the British population are provided in Table 3.2, p70.

Once the household types had been selected for inclusion in the research a series of assumptions were made concerning each household's life-style. The reasons behind these assumptions are justified fully in Appendix 2. The most important of these assumptions were:

1) Housing location and tenure. Each of the families were assumed to live in York, in either an owner-occupied home or local housing authority rented accommodation. The particular

house type selected for each household was chosen by the housing research and technical teams.

2) The employment status of the adults. Each of the adults was assumed to be in full-time employment with the exception of the pensioner (household B), and the mothers with resident partners (households D and E) who were assumed to be employed part-time.

3) The education and care of the children. Both the ten year old boy and sixteen year old teenage girl were assumed to be in full-time state education. It was decided that the four year old girl would be in part-time nursery education. Additional childminding provision was allowed for the two younger children, for the periods when their mother was at work and they were not at primary or nursery school.

The project was divided into the two phases described below, for all areas of expenditure, at all three research centres.

1) Phase 1 - May 1990 - April 1991. In Phase One budgets were devised for the following three household types:

Household C - Two adults
Household D - Two adults and two children
Household F - One adult and two children

The processes involved in phase one of the project included:

a) background research into the economic requirements of each household, for the each budget component area;

b) meetings with technical advisory groups to discuss and inform the construction of the draft budgets;

c) devising of draft budgets for households C, D and F by October 1990;

d) pricing of budget items using major retail outlets in October 1990;

assumptions employed when constructing the budgets, for each budget area and for the whole budget for each household type.

2) Phase 2 - May 1991-May 1992. In the second phase the budgets were revised, repriced and extended to include the following household types:

Household A - Single person
Household B - Single pensioner
Household E - Two adults and two older children

During this phase the work involved:

a) a consultation process (see section 3.3.8) which involved a review of the 1990 budgets for household types C,D and F;

b) making comparisons between the budgets and FES data;

c) revision of budgets for households C, D and F in the light of comments received during the consultation process;

d) devising budgets for households type A, B and E;

e) pricing/repricing of the final budgets;

f) revising/extending the working papers.

3.3.2 The basic FBU budget standard methodology. Based on the experiences, evidence and recommendations made in the FBU pilot study, a basic budget standard methodology was established by the FBU during the 1990-1992 research project. The main processes are illustrated in the flow-chart in Appendix 3 and can be described as follows:

1) Production of the draft budgets. The draft budgets were devised based on the judgements and decisions of the researchers and their technical advisers (experts in a fields relevant to one of the budget areas). The role of the technical advisers was "to assist the component groups in the task of drawing up commodity lists and specifications for different family types" (FBU, FBU WP1, 1990, p9). These decisions were informed by existing health and safety standards (normative sources of

people behave (behavioural sources).

The decision making process used to determine the particular budget parameters (the type, quantity, lifespan, quality, and price of items to be included in the budget) involved a series of basic questions:

a) What items should/should not be included?
b) What quality of items should be selected?
c) What materials should the items be made of?
d) What quantity should be allowed?
e) What lifespan should be attributed to each item?
f) Which brands should be selected?
g) Which retailers should be used for pricing?

2) Pricing. Once the budgets had been devised they were priced using popular retailers or service outlets, either in York or using 'York equivalent' national prices (where retailers had a national pricing policy).

3) Budget calculations. Once the cost of each item had been established it was possible to calculate the total budget for each component area, by adding together all the individual component costs, for each household type.

4) Consultation process. After the draft budgets had been produced experts and members of the public were consulted to ascertain their views on the budgets.

5) Budget revisions. The budgets were then revised on the basis of comments received during the consultation process, and were compared with actual expenditure data found in the FES. At this stage the process returned to stages 1) to 3) of the original procedure until the final budgets had been produced at stage 3). Budgets for households types A, B and E, however, were only

devised in the second cycle of this process. Once the final budgets had been produced, they were again compared with FES data.

3.3.3 Information sources. Normative information sources included existing health and safety standards (for example, Government, medical, housing and health statutory guidelines); evidence from other budget standards research; and guidelines from manufacturers and service associations. Additional information was obtained from Consumer Association surveys and product test results. The behavioural data were drawn from a large number of surveys (including consumer and market research, Government, tourism and industrial reports), which provided evidence of consumer ownership and lifestyle patterns. The balance between the normative and behavioural elements of the budgets varied with the different components. For example, the clothing budget was largely based on normative assumptions about what clothes were required, whereas the leisure budget was more behaviourally based on leisure participation patterns.

3.3.4 The methodology used to determine the parameters of the budget components. The budget components and their associated parameters were finalised through the decision making process outlined in section 3.3.3. Particular considerations involved:

1) The type of items included. Many items were included on the basis of ownership statistics, for which an 'inclusion rate' of 50 percent was set (whereby if 50 percent of households owned an item then it was included in the budget). It was argued that if 50 percent or more of the population owned a particular item or participated in an activity, then it could be described as

reflecting normal living standards, and was therefore justified for inclusion within a modest-but-adequate standard of living.

2) The quantity and lifespan of items. Once the items were chosen they were attributed an estimated quantity and lifespan that was likely to be required by each household type. These factors proved to be difficult to determine since there was a shortage of empirical data available to inform such decisions for Britain. Consequently they were largely based on the budget standards of other countries and adjusted by the technical committees and research teams. Some components, however, could be based on more scientific evidence. For example, the quantities of food were based on actual eating patterns (as found in the 'National Food Survey', 1985-1989) and adjusted to ensure adequate nutritional provision for the maintenance of health of each family member using guidelines (such as the 'National Advisory Committee on Nutritional Education' report, 1983, and 'Dietary Reference Values', 1979, as referred to by Nelson, Mayer and Manley, FBU WP4, 1992).

The lifespan of the item indicated the expected length of time for which each household would keep an item. This factor accounted for the greatest difference in costs between different families, because the lifespan of items is directly affected by the number and age of the persons within a home. In particular cases, goods like furniture can have a reduced life expectancy as a result of the presence of children in a home. Other lifespans could be calculated based on the known usages or recommendations, for example in the case of shampoo and toothbrushes information was derived from market research reports

and advice by the Health Education Council (Ru, FBU WP 7, 1992).

3) The quality. The method used to assess the quality of items was generally weak as it was usually based on the researcher's perceptions. However, the quality of some components could be established more accurately, for example, the efficiency of heating systems could be determined from existing scientific studies based on the characteristics of the fuels involved and performance data of such equipment (based on official surveys carried out by the Department of Energy (1989) and the 'Building Research Establishment Domestic Energy Model' (Uglow, 1981), as referred to in the Fuel Working Paper, Hutton and Wilkinson, FBU WP 8, 1992).

3) Brands and retailers. The brands and retailers selected were chosen based on their popularity, as recorded in market share information (published by 'Mintel' and 'Euromonitor'), where the leading brand or retailer was selected for pricing. Where brand information was unavailable, mid-to-low priced items were selected. However in order to keep the budget within the restraints of a modest-but-adequate standard, where the prices of branded items were significantly higher than the mid-price range, then a lower priced product was selected.

3.3.5 The methodology used for pricing the budgets. The FBU established a pricing method which involved determining the prevailing costs in York of all items and services included in the budgets, to avoid regional price variations. By using retailers with a national pricing policy, it was possible to price the majority of items at the nearest retail outlet to the local research centre, or to use central price data lists to

obtain York equivalent prices. Standard non-sale prices were used throughout, even where special offers were available, because price reductions would have affected the standardisation of the national costs.

In the first phase of the project, component price data were gathered through 'instore pricing' (which involved selecting items and noting their costs and other identification details, such as brand, description and material). In the second phase many items were priced using head office price data lists because it was more efficient use of the research teams' time. Information on the prices of the remaining commodities was again collected in stores.

Once the quantity, lifespan and prices of each item had been established it was possible to calculate a cost per week for each budget item. This involved dividing the total cost (cost x quantity) by the expected lifespan of the item. The cost of each commodity was then added to the costs of the other components to arrive at a total budget cost per week for each component area and for the different household types. The resulting budgets are summarised in Chapter 5.

3.3.6 The consultation process used to check the realism of the budgets. After Phase One of the research, the draft budgets were shown to other experts (in addition to those experts already involved in the project). Also, members of the public were asked to give their opinions of the budgets, and to check the realism of the overall budget and its component costs.

Consultation on the budget as a whole was carried out by the York

co-ordinating research team, using structured questionnaires and group discussions with individuals from one of the household types represented in the first phase of the study. They also sent copies of the reports and budgets to experts, requesting their comments by means of structured questions. The methods employed by each research team had been left to their discretion and were influenced by the time, resources and personnel available to them. The details of the methods selected by each team were recorded in an FBU working paper (Hicks, FBU WP 14, 1992). The team at York used a questionnaire and group discussions to obtain the opinions of members of the public, and asked experts who received copies of the 1991 working papers to provide feed-back on the overall budget area costs, in addition to the specific budget areas for which they had been responsible. The food technical group in London decided to circulate letters containing structured questions about the budgets to professionals in food-related industries. Finally, the consultation process carried out by the Sheffield team involved distributing a questionnaire amongst local community groups and obtaining advice from professionals in education, industry or retail who had specialist knowledge relating to clothing, household goods and services, or and leisure costs. The methodology used by the team at Sheffield is described in more detail in sections 3.5-3.6 and forms the main focus of the latter part of this chapter.

The comments received from members of the public were considered by the FBU to have been extremely valuable because they helped in ensuring that the budgets were more realistic for the types of households involved, than those simply devised by researchers

alone. By obtaining the views of individuals living in one of the households types budgeted for (C, D and F), this helped to add a degree of realism to what is otherwise an essentially a hypothetical process.

3.3.7 Budget revisions. The budgets devised in the first phase of the project were revised using the comments received during the consultation process to try and ensure that they were realistic and representative of a modest-but-adequate standard of living.

The budgets were also compared with actual household expenditure on each budget area, as found in the FES 1988 (updated to October 1990 prices using commodity price indices). These comparisons were not used to adjust the FBU budgets (as had been the case in the FBU pilot research project), but rather were used to compare the budgets with actual expenditure. However, where large discrepancies were found the FBU assumptions were reviewed to ensure that they had been made on a realistic basis, and detailed justifications of the decisions made were recorded in the working papers. Once the final budgets had been produced in October 1991 further comparisons were made with new updated 1988 FES figures to October 1991 prices.

3.3.8 Deviations from the basic FBU methodology. The basic FBU methodology which was devised by the co-ordinating team at York, in collaboration with the individual research teams, was designed to meet the FBU's definition of a budget standard as involved costing a hypothetical 'basket of goods and services', at a particular standard of living.

Although this basic methodology was used to devise each budget component area, a number of commodities were treated in a slightly different way. These differences were primarily concerned with the type and balance of information sources used and the way in which items were selected. The most notable deviations from the basic concept of the 'basket of goods' approach were found in the food and leisure services budgets. In both these cases a model of expenditure was established based on behavioural data which was then adjusted to take into account health recommendations. Once these costs had been produced, they were translated into possible baskets of goods and services, to show how a household might spend the allowances for food or leisure services.

3.4 A critique of the basic FBU budget standard methodology. Many of the general criticisms made about budget standards are applicable to the FBU budget standards research. Similarly, many of the methodological difficulties that were outlined during the pilot study remained problematic during the most recent FBU research project (1990-1992). However, despite these limitations the particular methodology established by the FBU has managed to overcome some of the difficulties and weaknesses of budget standards produced in other countries, as well as having refined its own approach.

Particular methodological difficulties acknowledged in the FBU Summary Working Paper by Bradshaw et al (FBU WP12, 1992, pp39, 41-42) can be summarised as follows:

1) The time consuming and tedious nature of devising the budget standards. Although the use of computer spreadsheet and data

base systems reduced the duration of the calculation process, the collation and input of all the detailed information about each budget item was a lengthy and tedious process.

2) Pricing the budgets. As items had to be priced in stores it was equally time consuming to do this, especially where a variety of outlets were used. Bradshaw et al explored the possibility of using the Retail Price Index (RPI) to update the budgets, but concluded that the use of the RPI would be problematic as it represents a national index, whereas the budgets were to be priced in York. "Also, the commodity mix in the RPI is not the same as the mix in (the) budgets" (Bradshaw et al, op cit, p41), especially with components like childcare. Eventually the budget commodity variables would need to be reviewed on a regular basis because of changing ownership patterns of items, and these would affect which items should be included in the budget. Therefore the budget could not be repriced simply using the RPI on a continual basis.

3) Unrepresentative nature of the budgets. One limitation of the budgets noted was that they were not nationally representative as they are based on York prices. Hence they would have to be repriced and culturally adjusted to adapt them for other areas. Similarly, the budgets were based on assumed needs, which do not reflect individual household preferences. Bradshaw et al though, suggested that some items could easily be omitted (such as child care costs) and new ones incorporated, or exchanged with similar brands or types of items. These adjustments could therefore enable the budgets to accommodate the lifestyles of people living in other part of Britain and to cater for individual household

requirements.

4) 'Modest-but-adequate'. The notion of a 'modest-but-adequate' standard is fairly ambiguous and therefore difficult to validate externally. Bradshaw et al argued that the budget level established can be justified as it was carefully devised using a balance of normative and behavioural information, and was reviewed using the opinions of individual consumers.

Further specific methodological difficulties were experienced and observed by the researcher at Sheffield. These will be described in sections 3.4.1-5.

3.4.1 Assumptions made about the hypothetical FBU household types. The FBU produced budgets for six family types, described in section 3.3.1. These model families included a wide variety of household types, encompassing those with and without children, or a partner, with members of various ages and in different employment situations. Table 3.2 on the next page illustrates the percentage of British households that were represented by the selected FBU household types, and shows that the six chosen FBU household types represented the main types found in Britain in 1990. Using the first set of the General Household Survey (GHS) categories (which were based on household size and age), the figures imply that the FBU household types represented 71 percent of British households. However, applying the second set of GHS categories (which grouped households depending on the presence of children and their demographic structure) the figures suggested that the FBU family types covered 85 percent of all households. Although the figures vary depending on which of these categories are used, it is reasonable to conclude that the FBU household

types represented well over two thirds of the households found in Britain.

Table 3.2: The percentage of British households represented by the FBU family types in 1990

GHS household category 1	Nearest FBU h/hold	% of h/holds* (GHS 1990)	GHS household category 2	Nearest FBU h/hold	% of h/holds (GHS 1990)
1 adult (16-59yrs)	A	10%	1 person h/hold	A, B	26%
1 adult (60yrs+)	B	16%			
2 adults (16-59yrs)	C	15%	Couple-no children	C	28%
Youngest person (0-4yrs)	D, F	13%	Couple with dependent children	D, E	25%
Youngest person (5-15yrs)	E	17%	Lone parent with dependent children	F	6%
Total households represented		71%*			85%*
Households excluded in the FBU family types:					
3 or more adults	-	12%	Couples with non-dependent children	-	8%
2 adults (1 or both 60 yrs+)	-	17%	Lone parent with non-dependent children	-	4%
			2 or more unrelated adults	-	3%
			2 or more families	-	1%
Total households excluded*		29%			16%

Source: GHS 1990 (1992), Tables 2.25-26

Key:

A: Single man B: Single female pensioner C: A couple without children
D: A couple with two children (aged between 4 and 10 years)
E: A couple with two children (aged between 10 and 16 years)
F: A lone parent with two children (aged between 4 and 10 years)
H/hold = household
* Figures rounded to the nearest percent by the GHS

However, the FBU households by no means cover all commonly-found household types and from Table 3.2 it is possible to identify several household types that were excluded:

1) middle aged couples with non-dependent children;
2) couples in retirement years;
3) non-related adults in shared accommodation (for example students); and
4) extended families with several generations of relatives.

Also, no consideration had been given to the varying needs of different ethnic minority groups who represented 5 percent of all

British households in 1990 (GHS, 1992), in terms of any specialised dietary or clothing requirements. Similarly, no allowances had been made for pregnancy, disability or illness. However, within the time constraints available, the budgets did cover a varied range of households, although further research would be required to cater for other household types and individuals' specialised needs.

Two other assumptions highlighted during the consultation process concerned the notional ages of the children and the employment of the lone parent. Firstly, many of the parents who answered the questionnaire thought that the six year age interval between the children was unrealistic compared to their own experience of the spacing between siblings. These ages were chosen to represent the presence of both a pre-school and one primary school aged child in a family. Also, a ten year old boy was selected, because this is the age at which the 'Local Government and Housing Act' (1989) specified that siblings of different gender should have separate bedrooms (which has implications for the house type selected). In the case of the lone parent, the normative decision that she would be employed full-time was made because in order to achieve a modest-but-adequate living standard she would need to be in receipt of income from full-time employment. It was acknowledged, however, that this assumption is contrary to the usual employment status of most lone parents (based on Bradshaw and Millar's estimate that in 1990, 78 percent of lone parents were not in employment (ibid, 1991)). In practice this occurs because of women's difficulties in finding suitable childcare arrangements or employment which pays a salary that is sufficient to cover childcare costs.

3.4.2 Information sources. The FBU used a wide range of information sources to ensure that any normative decisions were well informed. However, the extent to which this was the case was entirely dependent on the types of data available, so that decisions for some component areas were better informed than for other budget areas.

3.4.3 Budget component parameters. Another contentious area concerned the use of the '50 percent inclusion rate'. The FBU argued that if over half of households owned a particular item then it could be said to represent 'typical' UK living standards. Other countries have used higher inclusion rates, although this is possibly due to the fact that their budgets were set at a minimum budgetary level with less items being included. Even so, it is possible that the use of a 50 percent inclusion criterion may actually create a higher standard then modest-but-adequate. However, the 50 percent inclusion test did act as a useful guide when selecting items, as it helped to avoid making subjective decisions about the inclusion of more expensive components such as video recorders.

Decisions about the lifespan and quantities of items in the budgets were heavily reliant on normative judgements due to the shortage of empirical data, and so were more subjectively based. However, as already seen in Chapter 2, the methodological difficulty of attributing expected lifespans to items is a typical problem faced by other researchers engaged in budget standards research.

3.4.4 Pricing. Particular difficulties in determining prices

experienced by the researcher at Sheffield can be summarised as follows:

1) Not all items were available from the selected retail outlet, as they were not sold at that particular store or branch, or because they were out of stock or season.

2) Instore pressures (for example when pricing items near to the closing time of the shop or during its sale seasons) meant that the pricing procedures often had to be rushed and carried out ineffectively, so that some information was initially omitted and had to be recollected at a later date, leading to inconsistency.

3) Difficulties occurred in obtaining permission for some instore pricing to be undertaken.

4) In the second pricing phase new items had been added, or items available had changed since the previous pricing session, so these items could not be priced using central data lists.

5) Retailers took too long in returning inventories when requested to price them from central data lists, so lengthy instore pricing was again necessary. The second pricing phase was consequently more labour intensive than originally anticipated.

3.4.5 Consultation process. As the consultation processes used by each research centre differed there was no consistency in the approaches used, or the extent to which the consultation was carried out. Also, the results from the consultation process at York concerning the overall budget area costs were not available to the other research teams prior to making budget changes, so any particular comments made about the clothing, household goods

and services budgets, were not utilised to inform budget revisions.

The remaining two sections of this chapter concentrate on the particular consultation process carried out by the Sheffield team used to review the clothing, household goods and services, and leisure budgets. The next section (3.5) examines the way in which the Sheffield research team consulted with experts, while section 3.6 outlines in greater detail the way in which the team obtained the opinions of members of the public once the draft budgets had been produced.

3.5 Sheffield consultation process with experts

The research team at Sheffield decided not to establish any technical committees to advise on the construction of the three budgets devised at Sheffield (for clothing, household goods and services, and leisure) for two main reasons. Firstly, there was a shortage of staff time as only one full-time researcher was available to devise each of these budgets, and to set up and service the technical committees. Secondly, the nature of the component areas being researched at Sheffield meant that there were more items to include than for the other budget areas. Consequently it was argued that it would have been too difficult and time consuming for a panel of advisers to reach a consensus of opinion with the researcher about which items to include.

However, the importance of obtaining expert advice was not overlooked and copies of the draft budgets and reports were sent to a number of professionals, so that any significant adjustment of assumptions could occur prior to their publication. The representatives included:

1) Retailers. Four of the main retailers used for pricing the commodities were invited to comment on the budgets which included items costed at their store. No reply was received from any of them although interest was shown regarding the general work and aims of the FBU.

2) Education and research. Five professionals in the field of leisure and social policy, education and research were asked to give their opinions on one or more of the three budget areas. Two responses were received, which included some specific queries concerning the methodology used to devise the budgets and which challenged the underlying assumptions that had been made regarding certain items.

3) Industrial associations and organisations. Four home economists working in industry, community care and journalism were invited to comment on the final draft budgets. Three detailed responses were received which included specific points about particular items and adjustments were made for these in the same manner as for comments received from the professionals in education and research.

Overall, the level of responses received from the experts was poor and this process only yielded a few relevant comments which could be incorporated when revising the budgets. It is possible that a structured letter, with a few open-ended questions (as had been used by the research team based in London), would have generated more useful information than the open-ended letter that had been sent.

In view of the difficulties experienced in trying to obtain feedback from professionals, the Sheffield team decided to concentrate on obtaining the views of members of the public, once the budgets had been completed. They also believed that during the consultation or 'democratisation' stage it was more appropriate to ask representatives of one of the three household types (C, D and F) to indicate how these budgets compared with their actual budgeting experience, rather than seeking to obtain further 'expert' advice. It could also be argued that these respondents were actually more 'expert' at budgeting for their particular household type than the professionals.

3.6 Sheffield consultation with members of the public. Members of the public were consulted through the use of a questionnaire. The nature of the questionnaire, its distribution processes and the difficulties involved are explained in this section. The main aim of the Sheffield consultation process was to obtain feedback from individual members of one of the three household types (C, D and F), about each of the clothing, household goods and services, and leisure summary budgets. In addition it was intended that every individual budget item and its associated parameters (quantity, lifespan, brand and price) should be checked by at least two individuals, and by at least one from each of the household groups.

3.6.1 The choice of methodology. Certain constraints restricted the methodology used for carrying out the consultation process. Firstly, the consultation had to be carried out between June 1991 and October 1991 prior to the budget revision and repricing phase (which occurred at the end of October 1991), to meet the

predetermined TBS project deadlines. This gave five months in which to plan, carry out and analyse the consultation process in order for the results to be ready to inform the following stage. Also, as this time span included the summer period it limited the amount of time available for contacting respondents, as many community groups (which offered a point of contact with their members) were inactive during this time. Therefore the need to adopt an approach which would be rapidly completed was paramount. Secondly, as ever, the project's choice of methodology was limited by the available personnel and financial resources.

Alternative approaches considered included the use of individual or household interviews; group discussions; completion of expenditure diaries; and questionnaires distributed by post, in the street or through community groups. The rationale for the approach finally chosen for this phase of the project is described below.

1) Individual member or household interviews could have been used to obtain individuals' views about the budgets (as used in Bradshaw and Morgan, 1987 and Bradshaw and Holmes, 1989). This method would have provided the interviewees with adequate time to provide detailed reasons for their answers, and would have given the interviewer a greater understanding of the socio-economic background and budgeting preferences of members of these households. However, as individual interviews are very time consuming it would have been difficult to obtain an adequate and representative sample size in the time available. Also, although interviews provide valuable qualitative material, they are not always easy to carry out and it can be difficult to review and

analyse the material that they generate (Bell, 1987).

2) Group discussions seemed a better and more efficient alternative to individual interviews as they would have enabled the views of several individuals to be gathered in one session. The use of group discussions was suggested and used as part of the overall FBU co-ordinating team's consultation process. However, this technique requires experienced management of group dynamics in order to produce effective results, and to ensure that the views of all members are heard, in order for a consensus of opinion to be obtained. As this approach needs careful handling and the researcher had no experience of managing group discussions in a research context, it was considered inadvisable to experiment with the technique in this situation.

3) Expenditure diaries have been frequently used in the study of living standards and household budgeting (as in Bradshaw and Morgan, 1987, and Bradshaw and Holmes, 1989) because they provide detailed records of household expenditure. However the accuracy of such diaries is dependent on the co-operation, memory and honesty of participants. For instance, one problem commonly associated with this technique is that the act of recording expenditure can affect the participant's normal buying patterns (Oppenheim, 1966). In addition, this method is more time consuming than interviews as it usually requires two visits (one to explain the diary completion procedure, and a second session to go through the diary with the respondent to check that it has been completed correctly). More importantly, this method was not utilised as it would not have fulfilled the aim of obtaining comments regarding the FBU's budgets. Also, the FES provided a

using a much larger sample than could have possibly been obtained within the confines of this study.

3) Questionnaires. A questionnaire therefore seemed the most effective way of obtaining the views of a reasonable sample of people in a short space of time. Also it was considered to be a relatively easy method of collecting such information for one researcher to administer, collate and analyse.

The use of questionnaires to be distributed amongst pedestrians was considered (as is used by many market research agencies). However, in view of the significant amount of data that respondents would be required to comment on, it was felt that the questionnaire would take too long to be appropiate for completion in a street setting. One way of overcoming this would have been to invite volunteers to answer the questionnaires in a nearby building, but this variation would have required additional staff and finances to organise effectively.

Postal questionnaires have the capacity to obtain large samples of people from different types of households. However, as the costs entailed are high (due to postage) and the response rate is usually very low (Scott, 1961), this method was rejected. In addition, the complex nature of the FBU budgets and concept of a modest-but-adequate living standard meant that the questionnaire was easier to complete if the researcher was available to answer any queries.

Hence, the use of a structured questionnaire, to be distributed via established community groups, was selected as the most

was based on the following rationale:

a) A questionnaire is an effective means of obtaining a reasonable sample size, within a reasonably short space of time.

b) This method was manageable in terms of the researcher's experience, time and resources.

c) The use of existing community groups provided a context in which to locate suitable respondents and in which to distribute the questionnaire.

d) Distribution within groups enabled several questionnaires to be completed in one session.

e) The use of structured questions simplified both the completion and analysis of the questionnaire.

f) The inclusion of some open-ended questions enabled respondents to give some more detailed responses and provides the researcher with some qualitative material.

g) It made it possible to use whatever time respondents were able to offer as it was not necessary for all respondents to complete the same questionnaire in full.

Initially it had been envisaged that the questionnaire would be followed up with an in-depth interview, with members of a few of the household types represented in the survey, in order to examine some of their buying patterns and choices in more detail. However, due to time constraints this stage was omitted.

No research method is ever ideal and a number of methodological difficulties arose as a result of choosing to use a questionnaire to carry out the consultation process. These problems will be discussed in section 3.6.6.

3.6.2 The questionnaire format. In the initial planning stages the option of asking respondents to answer questions about all three budget areas (clothing, household goods and services, and leisure) had been considered. However, as the quantity of data involved was so extensive it was decided that respondents could

areas. This resulted in a reduction in the number of potential respondents asked to examine each budget area.

The questionnaire was divided into sections A, B and C. (See Appendix 4 for a copy of the questionnaire). Section A involved basic questions about the respondent's background. All respondents were asked these questions, irrespective of the budget area that they were examining. Section B contained a summary of the budget costs for one component area, and required respondents to select a word to describe the perceived standard of living represented by the costs using a scale of five options, from poverty to luxury. Lastly, section C contained a sub-section of the budget, which respondents were asked to review and comment on using a series of structured and open-ended questions. These were divided into three basic parts. The first set of questions in section C were structured and concerned the budget variables; the middle section had a series of open-ended questions, again concerning the variables; and the last section provided the respondent with the opportunity to make general comments about the questionnaire or budgets, and to indicate their willingness to answer further questionnaires.

For the purpose of section C of the questionnaire, each budget area was divided into several sub-sections which contained more than one component area. For example furniture, floor coverings, and soft furnishings were all grouped together in one sub-section of household goods and services. The sub-sections were grouped into manageable sized portions for the respondent to be able to review. Most sections had up to five pages of spreadsheet

listings, which contained details of all the individual budget items and variables. Clothing was divided into five portions; household goods and services into six; and leisure into only two sections because it contained fewer budget items.

3.6.3 The distribution techniques. Initially it had been decided that the questionnaires would be distributed entirely through existing community or interest groups, rather than using individual contacts, friends or colleagues of the researcher as volunteers. Groups were used to provide a suitable setting for the distribution and completion of the questionnaire. Difficulties occurred with some community groups, as they found it difficult to accommodate the researcher into busy time schedules and programmes (or during the summer holiday period) or because members were not happy about their social club being used for the research questionnaire. Hence, in view of time limitations and the problem of obtaining willing groups, it became necessary to contact other respondents using a variety of alternative means. Consequently, the questionnaires were distributed in a variety of ways (depending on the group or individual involved and the method of contact). The contacts made included:

1) Single parent support groups. Three single parent support groups situated in different parts of Sheffield were contacted via the Sheffield Council for One Parent families (SCOOP). Two of these were particularly selected because they met in the evening, which gave the greater possibility of group members being in some kind of employment during the day (so that they would be in a similar situation to the hypothetical FBU lone parent). The third contact proved unsuccessful as the group

closed down at the time of the survey. In both groups the questionnaire was distributed as part of a normal meeting. The researcher gave a brief introduction and explanation of the project and the procedure of the questionnaire and then assisted individual respondents in their completion of the questionnaire.

2) Playgroups. The Sheffield Children's Information Service was able to provide lists of hundreds of playgroups around Sheffield. Three playgroups were selected from one district in the city (Sheffield 6 area) where there is a mixture of private and council homes (which indicated a likely cross-section of people from different socio-economic backgrounds). Questionnaires were distributed prior to and during the playgroup sessions, and were explained to respondents on a one-to-one basis.

3) Parent and toddler group. The parent and toddler group volunteered to take part in the questionnaire after a request had been made by the researcher on the local radio station. The researcher gave a short talk about the project and then explained the questionnaire instructions to the whole group. The participation rate for this group was high because they had volunteered to take part, and because it was a fairly large group and ample time had been provided in which to explain and complete the questionnaire.

4) Colleagues/students at Sheffield Hallam University. The University was targetted as the researcher's place of work, with an existing network of colleagues and students who could be asked to take part in the questionnaire. Also because it is the second largest employer in Sheffield, it has employees from a variety of household types. The researcher sought additional volunteers via

with an explanation to groups of one or two colleagues at a time. These were then completed in their own time and returned to the researcher using the internal mailing system.

5) Family/friendship network. Some respondents were contacted through the existing social network of the researcher. These questionnaires were again explained on a one-to-one basis, and completed by respondents on their own. Also, further respondents were obtained via the 'snowball effect' (whereby previous respondents asked friends from the same household type to complete a questionnaire). In these cases the original respondent explained the purpose and instructions of the questionnaire to their friends, instead of the researcher. This networking system was particularly helpful in trying to obtain volunteers from either the one parent or two adult households (which were otherwise under-represented in this phase of the research). However, this method gave the researcher no control over the explanations given about the questionnaire. Other respondents agreed to answer additional questionnaires on other budget areas. In these cases, the questionnaire was sent to their home using a pre-paid envelope, but not all questionnaires were returned.

6) A school group. A similar 'snowball effect' was used to contact other single parents in the school attended by one colleague's children. A group of five parents met with the researcher, before collecting their children from school. This meeting had the sole purpose of distributing the questionnaire, and to increase the sample of single parent respondents. As

given on a phased basis.

7) Members of a church. Several respondents from all three households types were contacted through the newsletter of a local church (where the researcher was a member). A short explanation was given to each participant, who then completed the questionnaire at home. Again, not all respondents returned the questionnaires.

8) Local media contacts. In order to try and extend the survey sample, the researcher was interviewed on radio (as already mentioned) and made requests through local newspapers and the Polytechnic newsletter. However, apart from the parent and toddlers' group, these contacts only yielded responses from three other volunteers.

3.6.4 The pilot survey. A draft questionnaire was piloted at a single parents' group and amongst several work colleagues and friends. In total, sixteen pilot questionnaires were completed out of which:

1) 12 related to clothing budgets (completed by 8 single parents and 4 adults without children);

2) 2 related to household goods and services budgets (answered by one single parent and one adult without children); and

3) 2 related to leisure (also answered by one single parent and one adult without children).

The bias towards respondents from single parent households was due to the fact that only one community group was used in the pilot phase (which happened to be a single-parent support group). This group was selected because it was the first group to agree to help. Work colleagues and friends had also been chosen to

save time during the pilot phase of the questionnaire, and to obtain the views of respondents in a different type of household to the single parents. The respondents used in the pilot phase were selected because they were the first contacts made and because of the limited time available no attempt was made, to obtain equal numbers of respondents from each of the three household types. However the resulting sample meant that there could have been a bias in the type of responses received and not all methods of distribution had been tested prior to the main survey. However the bias in the sample was reduced by collating the results from the pilot survey with those obtained using the main questionnaire sample, so that a better balance of respondents from each of the three household types could be achieved.

The difficulties experienced during the pilot survey helped to refine the questionnaire design (see Appendix 4 for a copy of the questionnaire). The changes made are summarised as follows:

1) One extra question was added to section A (about the respondent's age) to extend the amount of background information.

2) Questions were rearranged into a more logical order.

3) The instructions about section B were simplified by rewording.

4) The titles of the budget areas were elaborated to help the respondents understand what type of items were included in each section.

5) Section C had a question added which asked respondents if they would be willing to complete a further questionnaire.

3.6.5 The survey sample. Questionnaires on one of the three budget component areas were distributed amongst social and work groups and individual members of the public, who were members of one of the three FBU household types budgeted in the draft stage

(families C, D and F). No attempt was made to try to secure a representative sample in terms of the specific ages of household members; or their geographical area, income level or socio-economic background. However, the sample did include respondents from different areas of Sheffield, who were in varying employment situations. Specific details about the survey sample are found in Appendix 5 which contains full results for each section of the questionnaire, and further details of the questionnaire results and an evaluation of the consultation methodology and results are provided in Chapter 5.

As there were only 76 respondents in the main survey (and the alterations made to survey questionnaire were relatively minor), the 16 pilot questionnaires were included to increase the sample size for the purpose of analysing the questionnaire. Out of the total of 107 questionnaires which were distributed, only 92 had a sufficient number of answers which could be used for analysis. The remaining 15 questionnaires were left blank, not returned, or had inadequate or insufficient responses. Thirty six respondents answered questions about the clothing budget; 36 others answered questions about the household goods and services budget; and 20 out of the 92 respondents examined the leisure budgets. The final sample involved responses from 39 individuals from two adult households with children; 28 from single parent households; and 25 from two adult households.

3.7 Conclusion

The FBU research staff have devised budget standards based on a wide variety of information sources, and have sought the views of both experts and consumers, about what to include in a

models has adequate standard. Their methodology has also been influenced by approaches used for comparable research in other countries. In their series of published working papers, the FBU have clearly defined the particular techniques that they have used, and have explained any assumptions that they have made about the budgets, whilst also acknowledging the limitations of their methodology and results. Therefore it can be concluded that the FBU budget standards have been devised in a systematic manner, and that their standards are one viable way of examining living standards in the UK today.

However, one aspect of the FBU methodology that was not as thoroughly developed and which differed for each of the budget component areas was the consultation process. Because it had been decided that each FBU research team should select and design their own method for consultation there was no consistency in the techniques used and duplication of ideas occurred in the design stage. For example, two different questionnaires were produced and three different letters were composed to obtain feed-back from experts. In view of the shortage of time available for the consultation process and the value of using a uniform approach, it would have been a better use of resources for one technique to have been used by all three teams.

Within this context, and in view of certain financial and personnel constraints, the researcher at Sheffield concentrated on distributing a questionnaire to obtain the opinions of the members of public about the clothing, household goods and services, and leisure budgets. This method was only selected after adequate consideration of other possible techniques.

however, it is not possible to conclude whether this was the most appropriate choice until the results of the questionnaire have been examined in detail. Specific comments made during the Sheffield consultation process relating to the clothing budgets will be referred to in Chapter 4, while an overall review of the survey respondents' backgrounds and a critique of the consultation questionnaire and its results will be carried out in Chapter 5.

4.1 Introduction

Having explained the basic FBU methodology, it is now possible to examine in more detail how the clothing budgets were devised. This area will form the main focus of the following this chapter as it was one of the three budget areas developed by the researcher at Sheffield.

This chapter initially outlines research that has been carried out into clothing needs, and concerns expenditure on clothing. It then reviews the clothing budgets that have been produced in the United States (US), Canada and Europe. Next it explains in more detail the particular methodology and assumptions that were made whilst developing the clothing budgets. Then it provides comparisons between the resulting FBU clothing costs and actual expenditure on clothing (based on Family Expenditure Survey data, FES) and evaluates the budgets on the basis of the consultation questionnaire results. This is followed by an outline of general methodological difficulties that were experienced whilst devising the clothing budgets. Finally, the specific assumptions, methodology and difficulties associated with setting each of the clothing budget areas (men's, women's, boys', and girls' clothing) are explained, with reference again to actual expenditure data and to the consultation questionnaire feedback.

4.2 Research into clothing needs and costs

This review of research into clothing needs and costs has been

1) Expenditure on clothing in relation to total household expenditure

2) Factors affecting expenditure on clothing

3) Research into clothing needs

4) Alternative types of research into clothing

4.2.1 Research that has examined the proportion of expenditure on clothing, in relation to total expenditure. A number of researchers surmised that clothing can be described as a necessity, as expenditure on clothing follows Engel's 1887 law on necessities (Houthakkor and Taylor, 1970; Wynn, 1972; Norum, 1989; Poduska, 1988). This law stated that the proportion of a household's expenditure on essential physical commodities decreases, as its income increases. Norum supported her own view that clothing is a necessity, with evidence from research which had found a positive relationship between income and clothing expenditure consistent with Engel's law (Houthakker and Taylor, op cit; Dardis et al, 1981; Frisbee, 1985).

Other research into expenditure on clothing has involved comparisons over time, across different regions, and for different individuals. Winnakor (1989) found a decline in the proportion of income spent on clothing, relative to total consumer expenditure, in the period between 1929 and 1986. This, he concluded, occurred as a result of an increase in income and living standards during this period. Wynn (op cit) and Poduska (op cit) both compared expenditure on clothing in different countries. Poduska's results showed that in Greece (where living standards and income were lower than the other western countries in his survey) households spent the greatest proportion of total

of 8 percent spent on clothing for all the countries in his study. Wynn examined the varying proportions spent on clothing for different individuals, for example children of different ages or sex, from which she established equivalence scales of needs.

4.2.2 Research that has examined various factors that affect household expenditure on clothes. Research into expenditure on clothing generally involves a secondary analysis of household expenditure data. As very little research of this kind has been carried out in Britain specifically relating to clothes it was necessary to examine studies that have been carried out in the US.

Norum (1989) carried out an extensive review of studies which considered socio-economic and demographic factors affecting expenditure on clothes. She also carried out her own "economic analysis of ... household expenditure on apparel", based on US Bureau of Labor Statistics (BLS) quarterly statistics for between 1980 and 1981 (ibid, p228).

She found that earlier research into clothing needs mainly involved the development of clothing budgets, without reference to expenditure data. She herself favoured a move towards statistical techniques which analysed expenditure data (op cit, p229). Her investigation of the factors that affect expenditure on clothing showed that household income; household type and composition; education and occupation can all influence expenditure on clothing. These factors are therefore important considerations when devising clothing budgets, as they are concerned with a person's lifestyle, which in turn influences

4.2.3 Research into clothing needs. An extensive review of clothing needs and costs has been carried out in one chapter of Wynn's book 'Family Policy' (1972). Two specific areas of particular interest for this study include her examination of footwear costs and clothes for work.

Wynn observed that "the adequacy of children's footwear is a test of poverty well known to social workers" (op cit, p54). She also emphasised the necessity factor of shoes (in providing protection for feet) using evidence from a Danish family expenditure survey (Jorgensen, 1965). This study showed that expenditure on footwear was more inelastic and unavoidable than any other household expenditure apart from fuel and lighting. She also drew attention to the high costs involved in providing children (aged 2 to 14 years) with sufficient shoes to meet changes in their foot growth, when compared with adults in households in the same income group. She supported this observation with results from a French survey on expenditure on clothing (Desabie, 1965).

As early as 1918, Rowntree suggested that allowances should be made for the additional clothing and personal care costs of young employed women, which he suggested were necessary for employment and for courtship. He estimated that the total clothing requirements of such women were one and a half times the clothing costs of their fathers (Wynn, op cit). The additional costs associated with employment have also been the subject of more recent surveys: Lino (1990) for example found that adults in paid employment spent 63 percent more on clothes than adults who were not in employment. A market research report, which examined

"the mere fact of going out to work necessitates a higher spend on clothes" (Mintel, April 1989, p6.7). However, a higher expenditure on clothes may not necessarily be a result of extra clothing requirements, but could instead be a result of a having a higher disposable income.

Another interesting issue concerns the use of second-hand clothes. The extent to which clothes are passed on within families is difficult to establish. Lino observed that larger families did not necessarily spend more on clothes than smaller families, which he surmised was the result of 'hand-downs' (clothes passed on to other family members). However a study carried out by Britton (1969) suggested that passed on clothes were not an important source of clothing in families with younger children. A Mintel report (July 1988, p73) which surveyed the source of children's clothes found that 12 percent of mothers (N=272) obtained clothes for children aged two to five years from 'other sources' (than new clothes, gifts, or homemade clothes), which could have included second-hand clothes.

Both Townsend (1979) and Mack and Lansley (1985) identified the purchase of second-hand clothes as an indication of poverty. In support of this criterion, Mack and Lansley described the shame that one mother felt because she always had to live "in other people's cast-offs" (ibid, p149). However, the fact that a person has bought second-hand clothes in the last 12 months (as suggested by Townsend) does not necessarily indicate poverty because it ignores personal choice and does not take into account changing norms of dress. For example, some people buy

prefer to buy second-hand clothes either because of budget priorities (they prefer to spend the money saved on other items), or on environmental grounds (on the basis that the use of second-hand clothes saves resources that would otherwise have been required to manufacture new garments). Whilst recognising these arguments it is important to stress that one of the assumptions behind a modest-but-adequate budget is to provide the consumer with sufficient resources to enable them to make the choice as to whether to buy new or old clothes.

4.2.4 Alternative types of research relating to clothing choice. Other types of research that have been considered for this project included:

1) Research relating to clothing choice. For example, Morganosky (1984) carried out a survey to investigate the monetary value that consumers place on aesthetic and utilitarian qualities of clothing. She found that most respondents were willing to pay more for clothes that had a good aesthetic appearance and less for garments that were less attractive and had more limited uses, than the other clothes in her study.

Applying these concepts to the selection of clothes for inclusion in a budget standard, it could be said that the aesthetic value of clothes should not be neglected as a result of concentrating on the functions of the garments. The operationalisation of this factor into a research design may, however, prove very difficult.

2) Fashion. Although research exists into historical or current fashion trends it has not been considered for the project as the

styles (rather than fashion items).

3) Scientific research into the properties of fabrics and fibres. There is a wealth of scientific research on the physical properties of fabrics and fibres. However, as tests are usually carried out on the fibres or fabrics rather than on a constructed garment, it has negligible relevance when determining the lifespan of a particular item. For example some fabrics are known to survive for decades, but it cannot be assumed that a garment would be kept for this period because its overall appearance would deteriorate. Also a garment's lifespan is influenced by other factors including usage, growth-rates and size changes, and changing clothing styles. Some tests are carried out by retailers, for example to see how many times a garment can be washed, before detectable deterioration in its appearance occurs. However, such commercially sensitive information is usually kept confidential, and was not available for use during this project.

4) Market research surveys into consumer clothing preferences. Market research reports relating to consumer buying and ownership patterns, and clothing retail trends are carried out by market research organisations such as Mintel and Euromonitor. Examples of how market research reports have been used to inform the FBU clothing budgets are given in sections 4.6-7.

4.3 Clothing budgets that have been devised in other countries

Clothing budgets established in the US, Canada, and Europe (by the organisations described in section 2.6) have been especially useful in the development of the FBU clothing budgets. Appendix

6 provides a chart which summarises the different aspects of the budgets (the researchers' aims, budget levels and components) and the various methodologies that have been used when devising the clothing budgets in other countries. Some of the more important issues, concerning the different assumptions made and approaches used by these organisations, are discussed in this section.

4.3.1 The aims of other clothing budgets. Most of the foreign clothing budgets aim to provide for the initial purchase of the clothing items, in addition to replacement costs. However, the US Bureau of Labor Statistics' (BLS) budget made an assumption about the basic stock of clothes that a household would own, so they only included the cost of replacing this stock.

Only a few of the budget standards included specific details of the underlying assumptions made when devising the clothing budgets. For example, the New York Community Council (NYCC) sought to set a 'social standard' of clothing requirements by considering consumer choice, style and social needs, in addition to ensuring physical protection. In contrast, the Montreal Diet Dispensary (MDD) budget put a greater emphasis on physical needs, by providing for the "minimum clothing needs for health and self-respect" (MDD 1959, cited in MDD, June 1984, p2). The Toronto Social Planning Council (TSPC) also mentioned health and included hygiene in relation to their clothing budget as factors which were concerned with physical needs. However the main criteria used by the TSCP to select individuals' clothes were low cost, durability, their consistency with current trends without being high fashion, and their social acceptability. These factors were more consistent with the NYCC's aim to provide a

the Swedish National Board for Consumer Policies (NBCP), also emphasised durability and economy, but stressed that the styles should not be based on changing fashions and that only everyday wear should be included.

4.3.2 The components found in other clothing budgets. The categories included in each of the budgets were virtually universal, namely outerwear, underwear, footwear, accessories, dry cleaning and shoe repairs, and were more consistent than any other budget components. Most of the budgets had separate clothing inventories for about ten different types of individual, based on their notional age, sex, or employment status.

4.3.3 The methodologies used to devise other clothing budgets. There appeared to be distinct variations in the sets of assumptions on which these clothing budgets were based, which can be grouped as follows:

1) Budgets that were devised based on a mixture of normative and behavioural sources of information. The US BLS and NYCC budgets were based on a balance of expert opinion, existing standards and expenditure data. The Dutch National Institute for Family Finance (NIFF)'s basic clothing standard was set normatively by experts and informed by purchasing patterns; however their optional clothing package costs were based entirely on expenditure data.

2) Budgets that were produced mainly on the basis of behavioural data or consumer surveys. The MDD and TSPC used a greater amount of behavioural data to inform their clothing budgets, and their

panels as opposed to the views of specialists.

3) Budgets that were primarily established by normative means. The Swedish standard was based on existing welfare standards and the decisions of an expert panel.

4.3.4. The pricing procedures used to cost other clothing budgets. The pricing technique used by the different organisations when costing the clothing budgets are worth noting as they sometimes varied from the basic approaches that had been used to cost other component areas.

Price indices were used to cost the clothing components in the US BLS 1967 and Dutch budgets. The NYCC priced the most popular selling lines in stores. The pricing process used by the Swedish NBCP and TSPC was assisted by employing pricing agencies, who collected the prices primarily from large department stores. In addition, the Swedish budget costed some items in specialist shops (for example haberdashery), and the Toronto budget included some mail order catalogue priced items.

The use of catalogues for pricing clothes has an advantage over other pricing methods because catalogues provide detailed descriptions of the style and fibre content of the garments, which makes them easier to identify when the costs of clothes are updated on future occasions.

Having considered the approaches used to devise clothing budgets in other countries, the processes used to develop the FBU clothing standard will now be described in more detail.

4.4 The methodology used to devise the FBU clothing budgets

The clothing budgets were established using the basic FBU methodology, as described in Chapter 3. This method can be summarised as drawing up an inventory of items, based on normative and behavioural sources of information, and costing them using popular brands and retailers. Once the budgets were produced they were then revised as a result of the opinions of experts and members of the public, obtained through a consultation process. The specific processes used to devise the clothing budgets for the individuals in the FBU model households C, D and F, are explained in this section.

4.4.1 The aim of the FBU clothing budgets. The FBU clothing budget aimed to meet all the physical, aesthetic and social clothing requirements of each individual in the FBU model families, for their life at home, work, school and at leisure.

McCabe and Rose (1992) stated that "clothes are an essential element in any household budget, because they meet the physical needs for warmth, comfort and protection" (FBU WP 9, p1). This followed Rowntree's decision to include clothes in his minimum subsistence budgets, in his 1899, 1936 and 1950 surveys (1901; 1941; 1951b). However, based on Watts' definition of a modest-but-adequate lifestyle, the FBU clothing budget went beyond simply providing clothes for physical needs as it also catered for the social and aesthetic aspects of clothing.

4.4.2 The assumptions made about individual clothing needs. Specific clothing budgets were devised for each of the individuals in the FBU model households, by considering their particular requirements, for example their age, sex, and their

assumptions that were made about the types of clothes that would be required by each individual, for the different activities of their life are listed below.

1) Casual clothes for weekend and evening wear, when not at work or school.

2) Clothes for employment for both the men and women. These were based on smart styles (not necessarily suits), suitable for non-manual work. "It was assumed that any protective clothing required would be supplied by the employer" (McCabe and Rose, 1992, FBU WP 9, p11).

3) School uniform. A basic uniform (shirt, jumper, trousers and a basic PE kit) were included for the ten year old boy, as most primary schools require a uniform to be worn.

4) Sports clothes. Only sports clothes required for the most popular sports activities selected in the leisure budget were included. The lifespans of garments worn for both casual wear and sports (for example trainers) took into account any extra wear received because of the assumed leisure activities.

5) Special occasion outfits. Each family member was allocated a special outfit (for parties, weddings and other social occasions) since such events are part of 'normal social participation'.

6) Seasonal clothes. Adequate clothes were included to cater for the British climate.

4.4.3 Budget component parameters. The particular assumptions that were made about the garment parameters (their type,

1) Type and style of items. The clothes in the FBU budget were based on basic or classical styles, to avoid fashion extremes, and to help standardise the pricing procedure. Fashion garments tend to be more expensive to buy and 'go out of style' more quickly, which gives them a shorter potential lifespan, and so makes them less economical than other types of clothes.

2) Quantities. The initial quantities of clothes used in the budgets were based on the Swedish and Toronto clothing budgets. These were then revised after the consultation process, particularly in the case of children's clothes, where some mothers felt that insufficient quantities of clothes had been included and the assumed lifespans were too short (see sections 4.6.1 and 4.7.3-4).

The factors that affected the quantities of clothing required were identified as being:

a) Lifestyle. The leisure activity level or occupation of the individuals in the FBU households was considered. For example, in the case of four year old girls, more casual clothes were included than for ten year old boys, because the younger child was assumed to spend a larger proportion of her time in play activities.

b) Frequency of wear. Frequency of wear was defined in relation to the function or the nature of a garment. For example items worn daily, like underwear, are used more frequently than special outfits, so more of these items are required.

c) Age of the wearer. It was noted that due to the nature of children's play activities and spillage, children dirty their clothes more quickly than adults, and they therefore need more frequent changes of clothes.

d) How frequently the garment needs washing. The frequency with which an item needs washing was related not only to the frequency of wear, but also to how close to the skin the garment is worn, and the location in which the garment would be worn. So clothes that are worn near the skin, for example shirts or underwear, would need changing daily due to body secretions.

e) Frequency and length of time between the laundering process (washing, drying and ironing clothes). It was argued that the availability of an item for wear depends on how long it takes to complete the laundering process and the time between laundry loads, which in turn affects the quantity of clothes required. The quantity of clothes required was based on the assumption of a maximum interval of one week between the households' clothes wash, plus extra allowed for drying time.

3) Lifespan. Estimating the potential lifespan of a garment is probably the most difficult variable to determine for the following reasons:

a) there was a shortage of reliable information from research or industrial sources regarding the maximum lifespan of items;

b) the decision about how long to keep a garment is a subjective one; and

c) the length of time for which a consumer uses a garment is affected by a number of interrelated factors. These include the

function of the item; how frequently the garment is laundered; the type and quality of the fabric and garment construction; and lastly the growth rate of a child.

3) Price. The garments were generally priced in the same manner as other budget components. Specific details of the pricing process of the garments are outlined below.

In the first phase of the project (1990 pricing round) Marks and Spencer (M&S) was the primary retailer used as it had the largest market share for most sectors of the clothing market (Euromonitor, 1988a). However, in the second phase, cheaper, popular outlets (C&A and BHS) were substituted because a number of respondents suggested that Marks and Spencer's clothes were too expensive for inclusion in a modest-but-adequate budget standard (see section 4.6.3 details of these comments).

The majority of clothes costed were unbranded, as 80 percent of clothes sold are retailers' own clothes ranges or have no brand name (Mintel, April 1989). The only exception was that all the trainers (excluding the younger girl's) were examples of mid-price ranged popular brands, as the brand of a trainer is an influential factor affecting the consumer's choice (Allen, 1990).

4.5 The results of the FBU clothing budget

In this section the results of the FBU clothing budget will be outlined and reviewed based on comparisons with actual expenditure data and comments made during the consultation questionnaire.

4.5.1 A summary of the FBU clothing budgets

Table 4.1: A summary of the clothing budgets-Cost per week-£ (October 1990;1991 prices)

Commodity/Service	FBU Household Types C 1991	D 1991	F 1991	C 1990	D 1990	F 1990
Man's main clothing items	4.77	4.77	0.00	5.16	5.16	0.00
Man's underwear	0.69	0.69	0.00	0.90	0.90	0.00
Woman's main clothing items	4.90	4.90	4.90	5.24	5.24	5.24
Woman's underwear	1.49	1.49	1.49	1.28	1.28	1.28
Boy's main clothing and underwear	0.00	5.33	5.33	0.00	5.43	5.43
Girl's main clothing and underwear	0.00	4.93	4.93	0.00	6.09	6.09
Accessories-man's	0.21	0.21	0.00	0.38	0.38	0.00
Accessories-woman's	0.15	0.15	0.15	0.24	0.24	0.24
Accessories-boy's	0.00	0.16	0.16	0.00	0.17	0.17
Accessories-girl's	0.00	0.11	0.11	0.00	0.13	0.13
Haberdashery	0.06	0.12	0.12	0.06	0.13	0.13
Shoes-man's	1.25	1.25	0.00	1.66	1.66	0.00
Shoes-woman's	1.40	1.40	1.40	1.48	1.48	1.48
Shoes-boy's	0.00	2.69	2.69	0.00	2.06	2.06
Shoes-girl's	0.00	1.44	1.44	0.00	1.31	1.31
Total clothing	**14.92**	**29.64**	**22.72**	**16.40**	**31.67**	**23.57**
Cost difference (1991-1990)	-1.48	-2.03	-0.85	---	---	---

KEY:
C = Two adults D = Two adults and two children (aged four and ten years)
F = Lone parent and two children (aged four and ten years)

A summary of the total FBU 1990 and 1991 clothing budgets, for each of the three household types (C, D and F), is provided in Table 4.1. Details of how each of the components were calculated can be seen in the clothing report (McCabe and Rose, FBU WP 9, 1992) which is attached to the back cover of this thesis.

Comparisons between the 1990 clothing budgets and the 1991 budgets (in Table 4.1) show that there was a reduction of costs per week of £1.48, £2.03 and £0.85, for household types C, D and F respectively. These reductions mainly occurred as a result of using cheaper retail outlets to price garments in the 1991 budget, compared with those costed in 1990.

4.5.2 Consultation questionnaires results concerning the FBU clothing costs

Table 4.2: A summary of the living standards selected by respondents to describe each section of the clothing budgets

Budget Area	The range of Living Standards					Total Answers
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than Adequate (4)	Luxurious (5)	
Men's clothing total cost	0	3	8	7	0	18
Women's clothing total cost	1	13	11	6	0	31
Boys' clothing total cost	2	8	4	4	0	18
Girls' clothing total cost	3	7	2	3	0	15
Sewing materials & equipment	4	7	12	3	0	26

Table 4.2 above shows that from a range of five living standards (1-5: **inadequate, basic, modest but adequate, more than adequate,** and **luxurious**), the majority of respondents who reviewed the clothing costs (in section B of the questionnaire), described the total amounts allowed for the separate clothing costs, as well as the overall costs, as **basic.** This suggests that they generally thought that the costs of the FBU clothing budgets were set at a lower level than modest-but-adequate. Two main exceptions were for sewing costs and men's clothing costs, as 12 out of 26 respondents, and 8 out of 18 respondents who examined these respective areas described these costs as being **modest-but-adequate.** Indeed, in the case of men's clothing a similar number of respondents (7 out of 18), also selected the term **more than adequate** to describe these costs, which implies that they thought that the costs were slightly more than modest-but-adequate. Similarly, although 13 out of 31 respondents thought that the women's clothing budgets were **basic,** a further 11 out of 31 respondents also described the amounts as

modest-but-adequate. It can therefore be inferred that the respondents judged these budgets as providing for a basic standard of clothing, rather than being set at a modest-but-adequate level.

4.5.3 FES comparisons with the FBU clothing budgets. Table 4.3 gives comparisons between the FBU clothing budgets (1990 and 1991) with the actual expenditure of the three household types (C, D and F) found in the FES, where the 1988 FES figures have been updated to 1990 and 1991 prices, using the Retail Price Index. The FES data are presented as 'expenditure quintiles'. This is where the total FES sample for a particular household type has been divided into five equal expenditure quintile groups, ranging from quintile group one (Q1) to quintile group five (Q5), and where Q1 represents the lowest expenditure group and Q5 represents the highest expenditure group.

The figures in Table 4.3 show that, despite the overall reductions in the FBU budgets between 1990 and 1991 and the increased expenditure on clothing in the FES during this period, the FBU budgets remained in similar positions when compared with FES data. So for the two adult household (C), the FBU budget was less than the actual median expenditure of this type of household, whereas for families with children (household types D and F), the FBU budgets exceeded actual expenditure levels. A more detailed breakdown of FES data for all the clothing components is provided in Appendix 7.

expenditure data by quintile groups (Cost per week-£)

Household/year	FES expenditure quintiles (Cost per week-£) Q1	Q2	Q3	Q4	Q5	FBU
C-2+0 (1991)	4.83	12.58 *	18.44	27.86	57.67	14.92
D-2+2 (1991)	4.70	11.40	22.57	25.27 *	40.21	29.64
F-1+2 (1991)	1.81	5.04	8.74	14.35 *	25.91	22.72
C-2+0 (1990)	4.65	12.11 *	17.75	26.83	55.53	16.40
D-2+2 (1990)	4.53	10.99	21.74	24.34 *	38.72	31.67
F-1+2 (1990)	1.81	5.04	8.74	14.35 *	25.91	23.57

KEY:
C = Two adults
D = Two adults and two children (aged four and ten years)
F = Lone parent and two children (aged four and ten years)
Q1-5) = expenditure quintile range 1-5

4.6 Methodological difficulties that occurred during the development of the clothing budgets

Methodological difficulties that commonly occurred as a result of developing the clothing budgets are discussed in this section. More specific difficulties relating to particular clothing areas are discussed in section 4.7.

4.6.1 The quantities and lifespans of garments. As with other budget components, decisions about the lifespan and quantities of items in the budgets were heavily reliant on normative judgements due to the shortage of empirical data concerning these factors.

Individual circumstances can also affect the lifespan and quantities of garments. This was apparent in some opposing views held by different respondents. For example, one mother (respondent C26) said that only one set of school uniform items was required, whereas another respondent (C14) insisted that more than one pair of school trousers was needed. Some children's clothes do seem to wear more quickly than others (possibly due to children's choice of activities, muscular co-ordination or

growth-rate). However this reflected the wide range of needs that exists even amongst similar aged children. Also, the fact that contradictory comments were given by different respondents highlighted the difficulty in trying to define a 'clothing norm'.

The use of lifespans suggested in existing budget standards was also problematic. It was not possible to assume that items selected for the UK budget would last for the same period of time as that assumed for the foreign garments, since apart from fibre content, there was no information regarding the quality of the garments. Equally the method used for assessing the quality of clothes in the FBU budget was rather limited as there was no way of scientifically testing the garments selected for pricing. However, information concerning the fibre content of each garment was able to provide the researcher with some indication of the likely durability of the garment, based on her knowledge of the properties of fibres.

In general, however, the respondents who examined separate component areas of the clothing budget (in section C: Q1a and Q1b of the questionnaire) thought that the quantities and lifespans allowed were about **right**. For example, 19 out of 33 described the quantities as being the **right amount** and 16 out of 33 respondents thought that the estimated lifespans were the **right length of time**. The most significant exceptions were the comments made about the quantities and lifespans of girls' and boys' clothing. The responses to questions about these budget areas were inconclusive, as they ranged between **inadequate** and the **right amount**.

4.6.2 The pricing procedure for costing clothes was even more time consuming than for the other budget components as extra information was required in order to identify the garments (in terms of their style and fibre content) for future re-pricing. Also, there were many variations in the clothing styles and fabrics available for every clothing item. For example, the trousers selected for the men had to be chosen from a range of approximately twenty different styles and fabrics.

Another problem that occurred during the second pricing phase was that garments that had been priced in the previous year were no longer on sale, due to changes in styles. This made it impossible to use the retailers' central price data lists (to reduce the amount of time consuming instore pricing) and has implications for any future pricing of clothing budgets in terms of the personnel and time required. In addition, these problems would be magnified if pricing was carried out in other locations and types of stores (for example local shops), as it would be virtually impossible to find identical items for pricing in different stores.

As already stated (in section 4.4.2) the most popular British retailer (M&S) was used for pricing the majority of clothes in the first pricing session in October 1990. Five respondents in the consultation questionnaire felt that M&S prices were too high, or expressed their preference for other retailers. Some respondents (C3; C17; C22, from household type D) directly stated that M&S prices were expensive. Other respondents balanced the perceived quality of M&S clothes with the cost, and came to different conclusions:

quality, they are too expensive to buy too often.
(Respondent C22, household type D)

On the durability/quality scale M&S have my vote.
(Respondent C1, household type C)

(Woman's) Winter coat-too much money for the quality.
(Respondent C13, household type D)

On balance it is worth noting that two of the respondents from household type C felt M&S and C&A were not fashionable or expensive enough, and presumably for these people cost was not their highest priority:

M&S are not very fashionable. Most prices seem a bit low.
(Respondent CP11, household type C)

C&A is a bit down market for a two income family.
(Respondent CP12, household type C)

It is important to remember that the respondents' opinions of the clothing costs were influenced by their financial status at the time of the questionnaire, by their budgetary choices, and their overall perception of clothing quality and costs.

The assumption underlying the development of the clothing budget that all clothes would be bought first hand was also challenged by some respondents:

Most (of my) clothes (are) obtained from jumble sales, cost offers etc.- not from shops
(Respondent CP9, household type F)

In reality you have to make do and shop around
(Respondent C2, household type D)

The budget does not take account of the fact that many clothes are passed on by family and friends and also some very nice clothes can be bought at second-hand shops and nearly new sales at a fraction of the cost.
(Respondent C3, household type D)

other than popular retail outlets, as highlighted in the review of research into clothing needs that was found in section 4.2.3. Despite the fact that many families do obtain clothes from non-retail sources, the clothing budget does not incorporate these other sources due to insufficient evidence regarding the extent to which second-hand or 'passed on clothes' are used.

The other main reason why second-hand clothes were excluded was due to the methodological difficulties involved. It has already been seen how difficult it is to cost a clothing standard using major retailers. Clearly an attempt to price second-hand clothes would present even more difficulty as there would be no guarantee that a shop or jumble sale would have all the items listed in the budget. In addition it would be virtually impossible to update prices annually as the type of clothes available would vary extensively from year to year.

One possible way of taking into account savings made through the use of second-hand clothes or clothes received as gifts might be to make a percentage reduction. However not only would it be difficult to determine such a percentage, but this would also depart from the basket of goods approach. Alternatively, second-hand clothes could be priced by obtaining a 'typical price' for types of item, for example the average cost of a dress in a second-hand clothes shop. Costing reduced new items could be a more acceptable and easier method and in fact many of the items in the budget were on special offer at the time of costing (although the standard price was noted).

In spite of the specific comments made about the retailers and

sources of clothes used for pricing the clothing budgets in the first phase (October 1990), 19 out of 33 respondents decided that the prices were about **right** (in response to Q1c in section C of the questionnaire). The price of girls' clothes was the only exception to this pattern of response, where four out of the five respondents who answered this section thought that the prices were **too expensive.**

4.7 Assumptions made about individual clothing needs and associated methodological difficulties

Only a few points relating to the specific needs of the FBU individuals are discussed in this section, resulting primarily from the concerns expressed during the consultation process. Haberdashery (included for basic repairs and alterations) will not be considered specifically as the costs only represent a minor part of the clothing budget (£0.06-0.12, per week, per household).

4.7.1 Men's clothing. The main clothing needs of an employed man as identified by the FBU included clothes for employment, out-of-work wear and leisure garments. It was assumed that the man would be in white collar employment, would require smart clothes for work, but would only occasionally need to wear a suit.

The same clothing wardrobes were allocated to each of the men in households C and D, as it was assumed that their clothing needs would be influenced more by their assumed work and leisure patterns, than by their household type. However, it is questionable how applicable the budget would be for manual workers. The Toronto budget made a distinction between the

clothing requirements of white collar and manual workers; the FBU made no such allowance. It was assumed that any protective clothing required for work would be provided by the employer. This is not always the case, however. Clearly if an employee did need to buy such clothes they would need an additional clothing allowance.

Also, in practice, actual expenditure on men's clothes does vary according to household type. For example the weekly median expenditure on men's outerwear in the FES for household C was more than twice that of household D (£4.62 compared with £2.10). However, it is not possible to determine the extent to which this difference in spending patterns occurs as a result of differences in household income or lifestyle. Consequently the FBU men's clothing budget included the cost of the same clothing wardrobes for each of the men in households C and D.

The FBU budget included two suits for special events and occasional wear at work. The assumption that they would primarily be worn for special occasions was based on results from a Mintel survey (June 1989) which found that 80 percent of the men surveyed (N=802) wore a suit on special occasions (such as weddings), whereas only 16 percent wore one to work (25 percent for the 25-34 year age group). 'Going out' and job interviews were also identified as events for which a suit would be worn (by 40 percent and 33 percent of all men, respectively). The fact that the suits would be used infrequently was therefore taken into account when estimating their associated lifespans.

Two regular suit wearers in the questionnaire (respondents CP4 and CP11, from household type C) criticised the quantity and

lifespans of the suits as being insufficient and unrealistic. This is not surprising as the quantities of men's suits included in the clothing budgets were based on the assumption of irregular wear, but it does imply that a man who is required to wear a suit regularly would have additional clothing 'needs'. At this stage such variables were not costed as the budget simply catered for 'average' needs.

It has already been noted that 15 out of 18 of the respondents who answered the questionnaire section B for men's clothing thought that the FBU costs for the section as a whole were either **modest but adequate** or **more than adequate.** This pattern of response was consistent across the four sub-sections of men's clothing: 12 out of the 18 respondents made this evaluation of outerwear, accessories and footwear costs, as did 15 out of 18 on underwear costs (see Appendix 5). These results suggest that as two-thirds of the respondents thought the budget costs were either **modest but adequate** or **more than adequate**, the 1990 men's budget may have been slightly generous in its provision for clothing and explains why these costs were reduced in the 1991 budget.

4.7.2 Women's clothing. Similar assumptions were made for younger women regarding working and casual wear, as those made for the men. No reference was made to the aesthetic and personal importance of clothes for women although this undoubtedly is a major consideration in practice. The fact that the budget included a wider variety of women's outerwear and underwear and was higher than the men's outerwear and underwear budget (£6.39 and £5.46 respectively, in 1991) perhaps indirectly reflects the

The women's budget also took no account of their age, household type or hours of employment. It was argued that since all the younger women in the FBU households were in employment then they would all require a variety of clothes suitable for their employment situation as well as for casual wear. However this assumption can be challenged.

It has already been suggested that employment requires extra expenditure on clothes (see section 4.2.3). Although it was recognised that women employed on a full-time basis would wear the clothes used for employment for longer periods than women who were employed on a part-time basis, no additional clothing allowance was made for these women's additional needs. The implicit assumption made was that the cost of the extra casual wear required by the women in part-time employment would equate with the cost of additional smart clothes for the women in full-time employment. However, this overlooks the fact that smart clothes tend to be more expensive than casual wear. This is of particular concern in the case of the lone mother in full-time employment, who would be likely to meet her children's clothing needs in preference to her own, if the budget was deficient.

A minor matter that was raised in the consultation questionnaire concerned the inclusion of hats. One respondent (CP12, household type C) from the questionnaire, suggested that hats are not "worn so often these days", and another felt that a woman in (her) age group "would not spend money on hats" (C6, household type C).

These views appear to reflect evidence from a Mintel report that only 17 percent of women had worn a formal hat on at least one occasion over the last year, and that hats in general were least popular with the 25-34 year old age group (Mintel, September 1989). The clothing budget seems to ignore this trend and the FBU report supported its decision to include hats based on the same survey, which showed that 62 percent of all adults (64 percent of women) had worn a hat at one point over the year. Consequently provision remained for three hats: a sun-hat, winter hat (for protection) and a formal hat (for special occasions). The lifespans of these hats were increased in the 1991 budget to compensate for their infrequent use. It is possible to suggest that the revised budget is still rather generous in the range of hats provided, but as the amounts of money involved are fairly small (£0.10 per week), their effect on the total budget is insignificant.

In general the women's clothing budget was described as being between **basic** and **modest but adequate** by 24 out of the 31 respondents who answered this part in Section B of the clothing questionnaire. This was true for all the separate women's clothing components, especially in the case of women's underwear, where half the respondents (16 out of 31) thought the costs were **basic.** Comparisons between FES data and the 1991 allowance for women's outerwear (see Appendix 7) show that the FBU budgets are closer to the median expenditure (FES expenditure quintile 3) for households C, D and F, than are the other clothing components, which could suggest that in practice this is an area in which women in households C and D do achieve a modest-but-adequate clothing standard.

4.7.3 Boys' clothing. The FBU report highlighted the need for boys aged ten years to own mainly casual clothes, because of their enjoyment of physical activities. It also emphasised the inherent wear and tear caused by these activities and the rapid rate of physical growth that typically occurs at this age.

The original FBU boys' clothing budget was often described by the respondents who answered the consultation questionnaire as being inadequate in terms of the actual growth needs and activities of boys of this age. Some gave graphic explanations based on their own experiences of trying to maintain an adequate wardrobe for their son(s):

> in the case of trousers, school activities and concrete playgrounds leave holes in the knees. Likewise shoes - football can reduce a pair of good shoes to a soleless scruffy state!
>
> (Respondent C2, from household type D)

> My son dirties his clothes quicker than I can wash them therefore several pairs of everything are needed .... Most lifespans far too long. My son's clothes are thoroughly worn out after a week of wear.
>
> (Respondent CP7, from household type F)

As similar comments were made by other respondents, it was necessary to increase both the quantity and lifespan of the boys' clothes in the revised budgets.

Another area of concern regarded the lifespan of shoes and socks, based on the growth-rate of boys' feet. Mothers suggested that a lifespan of three months for footwear was appropriate. Room for foot growth is vital to prevent long-term deformities. The final budget therefore included a choice of footwear, with a predicted lifespan of four months, as this was felt to be sufficient for foot-growth requirements.

Based on the evidence above it can be concluded that the 1990 boys' clothing budgets were low. This is supported by the fact that nearly one half of the respondents (eight out of 18) thought that the total boys' clothing costs could be described as **basic** (in section B of the clothing questionnaire). This was particularly true for underwear and footwear, as for these categories ten and nine out of the 18 respondents respectively, thought that the allowances for these items were **basic.** Therefore, the quantities of these commodities were increased and their lifespans decreased, which led to an increase in the costs of these items in the revised budgets.

4.7.4 Girls' clothing. The girls' clothing budget was designed to satisfy their need for clothes to play in, since this is the major activity of a four year old. Younger girls' clothes tend to get dirty quickly and need washing frequently as a result of their play activities and spillage, so the budget provided an adequate quantity of clothes for wear between washes. Also, children of this age are learning to dress themselves, so they need clothes which are easy to take on and off. Casual styles were primarily chosen because they are easy to launder and fasten.

Similar criticisms were made by respondents who examined the girls' clothing budgets as those made about the quantity and lifespan of the boys' clothes (that the attributed lifespans were **too long** and the quantities included were **too low**), so adjustments were made accordingly. However, for no component area did more than half of the respondents agree that the costs

were **basic**, and there was less agreement about the standards of the girls' clothing budget costs than for that of the boys.

Younger children's clothes are often 'passed on' to other children because the growth-rate of the child is sometimes greater than the wearability of a garment, so that clothes are outgrown before they have worn out. This was mentioned by one of the respondents (C3, household type D) (as already seen) who challenged the FBU's assumption to exclude clothes received in this manner or bought second hand. However the fact that some respondents did not always buy new clothes could help to explain why four out of the five respondents who answered Section C: Q1c, thought that the girl's clothes in the 1990 budget were expensive.

4.8 Conclusion

On the basis of the FES comparisons that were made in section 4.5.3, it can be suggested that the cost of establishing and maintaining a modest-but-adequate wardrobe of clothes for a whole family is greater than the median amount spent by families with children, and less than the median expenditure of two adult families. In the case of households with children it is possible to surmise that in practice:-

1) they had insufficient resources to obtain a modest-but-adequate clothing standard;

2) they had different budgetary priorities;

3) that some of the FBU assumptions were unrealistic.

For example some households may achieve a modest-but-adequate clothing standard more cheaply than in the proposed budget, by buying reduced cost items, by using cheaper outlets, or by

receiving new or second-hand clothing as presents.

The FES data also confirmed the opinions held by some respondents of the FBU budgets compared with their actual experience:

> ... in reality not many families have a yearly budget for the said amount.
>
> (Respondent C2, household type D)

> Benefit levels are not high enough to give enough money even to buy basic items from these types of department stores.
>
> (Respondent C9, household type F)

However, the FBU budgets were not adjusted in the light of these experiences or FES data, as a modest-but-adequate standard of clothing is based on assumed needs, whereas the expenditure of respondents in the consultation questionnaire and households in the FES is restricted by income and competing demands across all budget areas. This confirms the enduring problem with research of this kind: households' actual consumption patterns may be difficult to reconcile with normative standards derived from budget standard methodology when devising a clothing budget, because so many households have income levels or expenditure patterns which differ from the 'experts' judgements.

5.1 Introduction

This chapter aims to summarise and evaluate the results of the FBU budget standards for three household types C, D and F, with particular emphasis on the clothing, household goods and services, and leisure budgets. It also draws together the findings of the consultation questionnaire and includes a critique of the questionnaire results and methodology.

The first part of this chapter provides a summary of the overall FBU project, indicating the weekly costs, for households of various types, of achieving a modest-but-adequate standard of living. This will then be compared with the actual expenditure of similar households found in the 'Family Expenditure Survey' (FES). The following section takes these comparisons a stage further, in looking at the various budget areas separately (for example, clothing, food and fuel and so forth). The approach adopted uses the notion of 'budget shares' to describe the proportions of households' total budgets allocated to specific areas. For example, the total costs for food for a particular household type in the FBU budget and the FES can be expressed as a proportion, or 'budget share', of the household's total budget. The equivalence scales derived from the FBU budgets will then be examined, to see how they differ from those implied in income support rates. (Equivalence scales refer to the different amounts required by households in order to achieve the same standard of

The second part of this chapter is concerned with the findings of the consultation questionnaire used by the researcher at Sheffield to obtain feedback on the 1990 clothing, household goods and services, and leisure budgets. This section will commence by reviewing the results of sections A, B and C of the questionnaire. These results will then be evaluated as part of an overall critique of the effectiveness of the consultation questionnaire.

5.2 Results of the FBU budget standards research

In this section the main findings of the FBU budget standards research project will be summarised with reference to the needs of couples, and families with children headed by couples and single parents (household types C, D and F respectively).

5.2.1 A summary of FBU budget costs.

Table 5.1: A summary of the FBU budget costs for households C, D and F - Cost per week-£ (October 1991 prices)

Budget area	Household type C	Household type D	Household type F
Housing	33.08	43.99	40.45
Food	38.35	57.17	38.29
Fuel	7.23	14.84	13.40
Alcohol	12.72	12.72	5.30
Clothing	14.92	29.64	22.72
Household goods	16.81	29.24	27.72
Household services	8.12	8.05	5.51
Personal care	8.35	10.31	7.26
Motoring	32.49	35.13	32.95
Fares	5.01	9.88	4.79
Leisure goods	8.41	15.33	15.11
Leisure services	19.00	16.13	10.93
Childminding and babysitting costs	0.00	25.34	61.27
Total cost per week (£)-tenants	204.49	307.77	285.70

Source: Bradshaw, Hicks and Parker, FBU WP 12 (1992)

Key:

C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children

Table 5.1 shows a summary of the FBU modest-but-adequate budget costs per week (October 1991 prices), for household types C, D and F living in rented accommodation in York.

The results of the FBU budgets showed that in October 1991, households in rented accommodation living in York needed the following weekly amounts in order to achieve a modest-but-adequate standard of living:

Household type C = 2 adults	£204.49
Household type D = 2 adults and 2 children	£307.77
Household type F = Lone parent and 2 children	£285.70

Using these costs, Bradshaw, Hicks and Parker (FBU WP 12, 1992) calculated the earnings required to afford a modest-but-adequate level of expenditure in April 1992 (where the budgets had been updated to April 1992 prices using commodity indices from the Retail Price Index). These earnings took into account child benefit, one parent benefit, and national insurance and income tax contributions. Full details of how these earnings were calculated are provided in Appendix 8.

Table 5.2: Earnings required to achieve modest-but-adequate expenditure (April 1992)

Household Type	FBU MbA budget (April 1992 prices) Cost per week-£	Earnings required to achieve a MbA standard P/Annum-£	Earnings required to achieve a MbA standard-Per hour
C (Two F/T earners)	210.88	12455	3.00
D (One F/T; one P/T earner)	316.50	19401	6.22
F (one F/T earner)	294.06	18927	9.10

Source: Bradshaw et al (FBU WP 12, 1992)

Key:

C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children

F/T = Full-time P/T = Part-time MbA = Modest-but-adequate

* Full-time employment based on 40 hours; part-time on 20 hours per week

modest-but-adequate expenditure level (living in rented accommodation, in York) the households types C, D and F would need the following gross amounts per annum:

Household type C - 2 adults	£12,455
Household type D = 2 adults and 2 children	£19,401
Household type F = Lone parent and 2 children	£18,927

5.2.2 FES comparisons with the FBU 1991 budget costs. Table 5.3 compares the FBU budget costs (excluding housing) with the median expenditure (quintile 3) of each of the three household types (C,D and F), based on data from the 1988 FES, updated to October 1991 prices, in terms of cost per week. An explanation about expenditure quintiles is provided in Chapter 4, p107.

Table 5.3: A comparison between the FBU budget costs, excluding housing (October 1991 prices) and the median expenditure of household types C D and F, from the FES

Budget area	Household type C		Household type D		Household type F	
	FBU-Tenant	FES Q3	FBU-Tenant	FES Q3	FBU-Tenant	FES Q3
Food	38.35	49.39	57.17	57.16	38.29	28.67
Fuel	7.23	11.47	14.84	13.67	13.40	15.18
Alcohol	12.72	22.87	12.72	12.31	5.30	1.88
Tobacco	0.00	7.86	0.00	9.36	0.00	6.92
Clothing	14.92	18.44	29.64	22.57	22.72	8.74
Household goods	16.81	16.04	29.24	10.93	27.72	6.35
H/hold services/childcare	8.12	9.60	33.39	10.45	66.78	4.08
Personal care	8.35	11.58	10.31	9.56	7.26	3.94
Motoring	32.49	36.21	35.13	26.74	32.95	15.04
Fares	5.01	7.89	9.88	6.68	4.79	1.96
Leisure goods	8.41	12.01	15.33	11.01	15.11	3.97
Leisure services	19.00	14.32	16.13	15.55	10.93	4.81
Miscellaneous costs	0.00	0.70	0.00	0.70	0.00	0.42
Total cost per week (£)	**171.41**	**226.02**	**263.78**	**209.62**	**245.25**	**101.97**

Source: Bradshaw et al (FBU WP 12, 1992)

Key:

C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children

Q3 = median expenditure quintile H/hold = household

It can be observed that only the two adult household C had a greater expenditure level than the FBU modest-but-adequate budget levels. The FBU modest-but-adequate standard thus exceeds the

Closer inspection of specific budget areas costs, for each household type, shows that the FBU budgets were lower than all three households' expenditure on fuel (with the exception of household D), tobacco and miscellaneous items. The fuel costs were primarily lower because of the assumptions made about the types of accommodation, and efficiency of the heating systems and the amount of house insulation for the FBU housing types. This resulted in lower fuel requirements in the budgets due to a greater efficiency in fuel consumption assumed than is often present in actual houses or for which lower income households can afford to pay (Hutton and Wilkinson, FBU WP 8, 1992). The tobacco costs were excluded based on health grounds because of the association between smoking and lung cancer, bronchitis and heart disease and also on behavioural grounds as only 32 percent of adults smoked in 1988 (GHS, 1990), which below the FBU inclusion criterion (McCabe and Waddington, FBU WP11, 1992).

In addition to these budget areas, the FBU budget costs were consistently higher than the FES median expenditure for **households D and F.** Of particular significance were the higher allowances made for household services and childcare in the FBU budgets for these households, where the FBU budget was nearly three times the median expenditure of household D in the FES (£33.39 compared with £10.45), and the FBU budget was over ten times the FES median expenditure of household F (£66.78 and £4.08 respectively). This disparity occurred because of the FBU calculations for childcare expenses which were based on the assumption that the mothers in households D and F would be

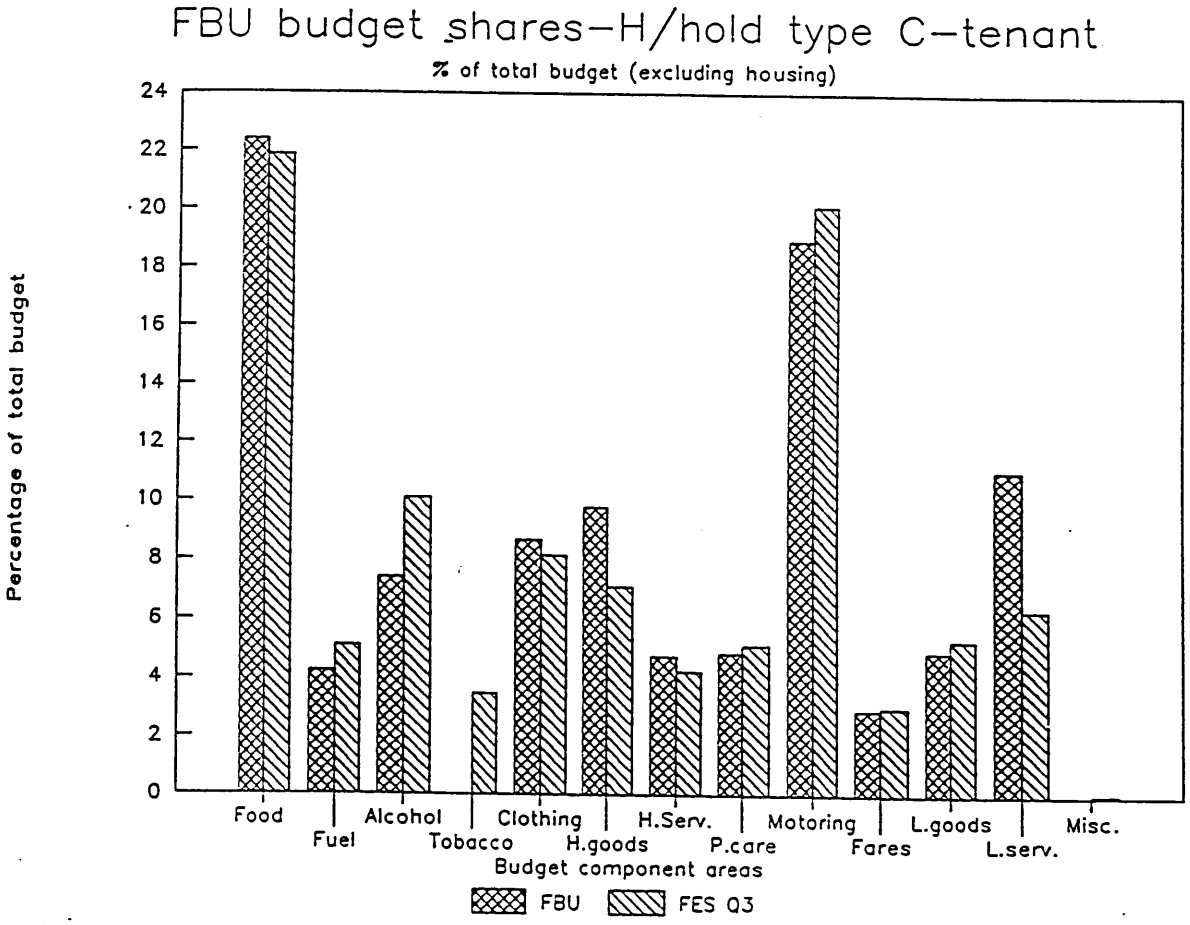
paid childcare services for the periods when she was not at home. In reality between 1988 and 1990 only 20 percent of lone mothers and 43 percent of mothers with a residential partner, with a child under five years were in employment (GHS, 1992). In those cases where mothers were employed, the majority used informal childcare arrangements provided by family and friends (Cohen, 1988) for which there would be few charges incurred.

As already noted, the FBU budget was generally lower than the median expenditure of the **two adult households** (C) in the FES. This is because two adult households often have a higher income than other households since both partners are often in full-time employment and have less outgoings on essential items like food, fuel and clothing than families with children. Consequently they have more disposable income to spend on non-essential items such as leisure, personal care and alcohol. It is therefore not surprising that their expenditure levels for most budget items go beyond a modest-but-adequate standard of living. However, there are some exceptions as the FBU modest-but-adequate budgets were higher than the FES median expenditure levels for household C, for household goods and leisure services. In the case of leisure services the budget is over £4.50 extra per week, which can be explained by the FBU's inclusion of the cost of regular weekly exercise for both partners, which represents a greater level of active leisure participation than is typical for many adults in reality (McCabe and Waddington, FBU WP11, 1992). There is no obvious reason though why the FBU household goods budget was disproportionately high, which could suggest that the budget allowances for this area were over generous.

5.2.3 FBU budget shares. Additional observations of disproportionately high or low costs in the FBU budgets can be highlighted by comparing the FBU budgets with the FES expenditure data by comparing their budget shares (percentages of the total budget costs). References to particular budget shares will only be made where the FBU budget share was at least two percent lower or higher than the FES budget shares. No reference will be made to the costs of tobacco as it has already been noted that the FBU budget excludes allowances for smoking.

1) The budget shares for household type C

Graph 5.1: The FBU budget shares compared with the FES (Q3) budget shares for household type C



Key:
C = 2 adults Q3 = median expenditure
H/Hold; H/Hd. = household H.services = Household services
P.care = personal care L.serv. = leisure services Misc. = miscellaneous

and the FES costs. From the results it is possible to see that in general the FBU budget shares are very similar to the FES expenditure shares (allowing for a difference either way of approximately two percent). The main exceptions are the fact that the FBU budget shares were higher than those of the FES for household goods and leisure services. This is consistent with the observations made in 5.3.1 about the budget costs of these items. Apart from tobacco, the only budget area where the FBU allowance was proportionately lower that the FES, was for alcohol where the FBU share was 3.7 percent lower than the median expenditure shares on alcohol of household type C.

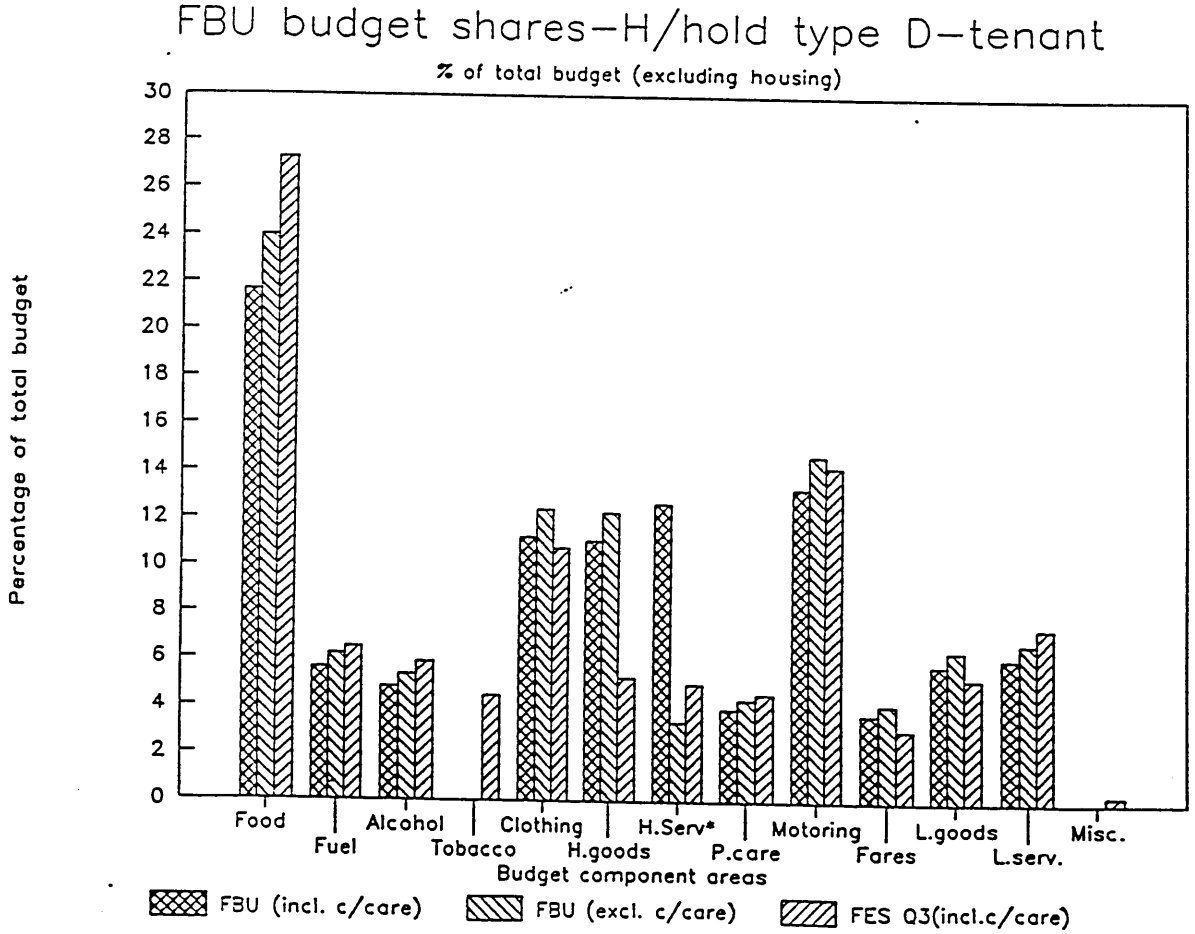
2) The budget shares for household type D. Because of the high budget allowances for childcare costs in the FBU budgets for households D and F, the FES expenditure budget shares will be compared with those of the FBU budgets, including and excluding childcare expenses.

From Graph 5.2 it is possible to observe that the FBU budgets were proportionately lower for food costs than actual expenditure. According to Engel's law relating to income and food proportions (1857) this is typical of expenditure patterns where income is greater (in this case the FBU budget is greater than the median expenditure).

Another striking observation is the fact that the FBU budget (including childcare costs) is nearly twice the FES expenditure shares for household goods and services. However when childcare expenses are omitted from the FBU budget the FBU shares become less than the expenditure shares for household services. But

costs on household goods still remain disproportionately high (12.3 percent of the budget compared with 5.2 percent of the FES costs). This gives an indication that the FBU budget allowances for this area were over generous, as there are no obvious reasons why this difference should have occurred when other budget shares were very similar to the expenditure shares.

Graph 5.2: The FBU budget shares (including/excluding childcare expenses) compared with the FES (Q3) budget shares (including childcare costs) for household type D

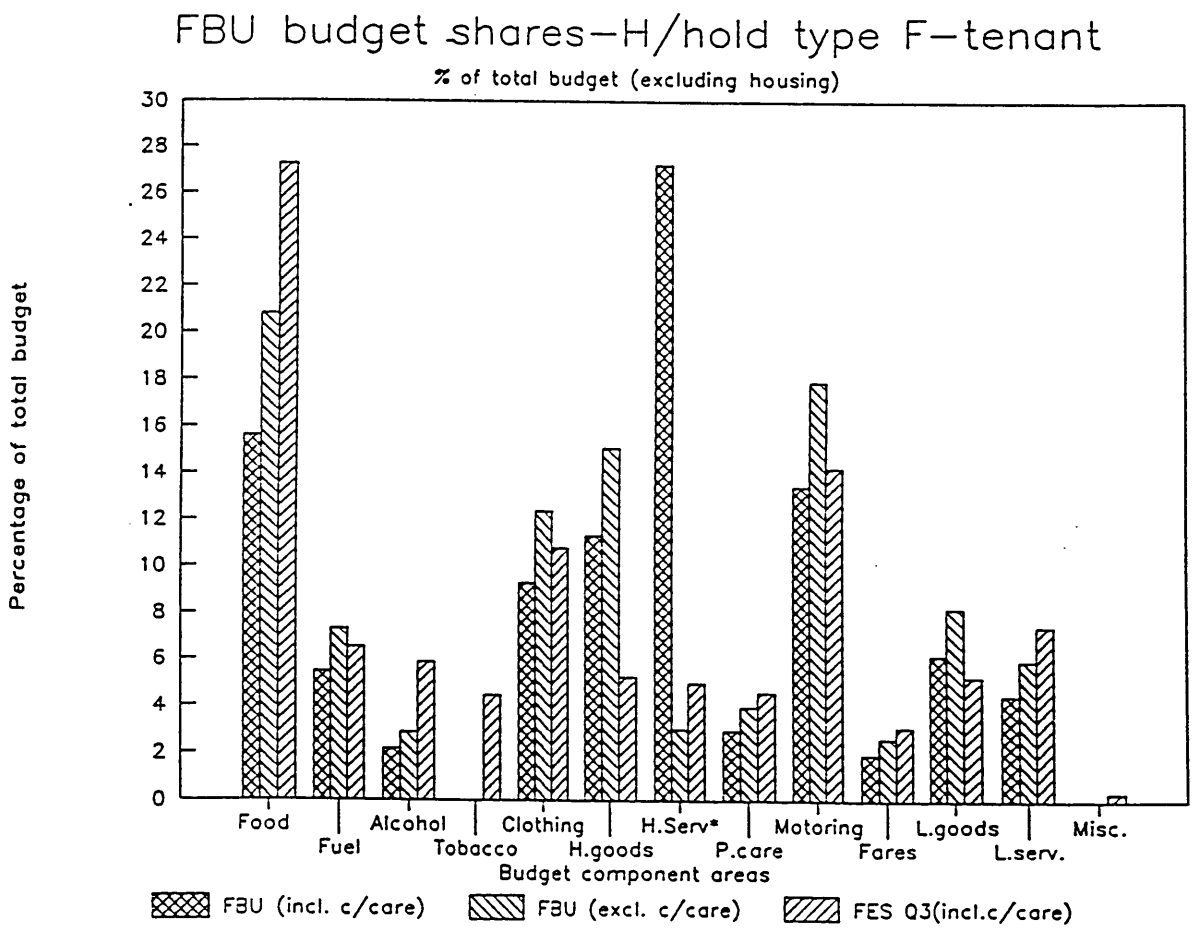


Key:

D = 2 adults and 2 children Q3 = median expenditure
H/Hold = household H.serv = Household services
c/care = childcare P.care = personal care L.serv. = leisure services
Misc. = miscellaneous

the FBU budget and FES expenditure shares for household type F. The results show that the both the FBU budgets for household type F (including and excluding childcare costs) were significantly lower than actual expenditure shares of food and fuel. This again reinforces both Engel's 1857 and 1887 laws that state that the lowest income households, such as lone parents, spend the greatest proportions of their budgets on meeting the cost of food and other essential items.

Graph 5.3: The FBU budget shares (including/excluding childcare costs) compared with the FES (Q3) budget shares (including childcare costs) for household type F



Key:

F = Lone parent and 2 children Q3 = median expenditure
H/Hold; H/Hd. = household H.services = Household services
c/care = childcare P.care = personal care L.serv. = leisure services
Misc. = miscellaneous

childcare expenses) were proportionately higher than the FES expenditure shares included household goods, motoring costs, clothing and leisure goods. However, when childcare costs were included, clothing and motoring costs were less than two percent higher than then FES expenditure shares of lone parent households.

It is not entirely surprising that the leisure goods shares were higher in the modest-but-adequate budget as these tend to be non-essential items. It is also worth noting that because of the FBU's assumption on the need for full-time childcare, that childcare expenses accounted for one quarter of the FBU budget costs for the lone parents budget. This highlights the significantly high childcare costs required if a single parent wishes to be employed on a full-time basis in order to try and achieve a modest-but-adequate standard of living, but does not have access to either free informal or state childcare provision.

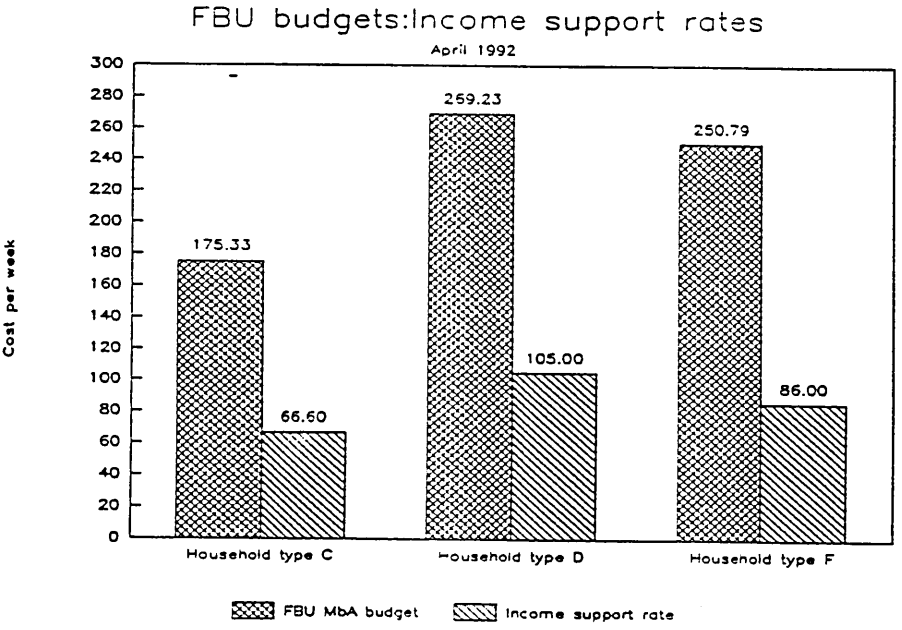
Finally, the fact that the household goods costs were disproportionately high for each of the three household types C, D and F suggests that the FBU allowances for this area were questionably high and that possibly the budget assumptions about the quantities, lifespans or prices of household goods were too generous.

5.2.4 Comparisons between the FBU modest-but-adequate budgets and income support rates. Graph 5.4 illustrates the fact that income support levels represent a level much lower than a modest-but-adequate standard of living. For the purpose of these calculations the FBU budgets were updated to April 1992 prices

April 1992 income support rates.

Based on the FBU's definition of a modest-but-adequate standard of living (the provision of physical needs and social participation) the results imply that households on income support are unlikely to have all their physical needs met and certainly would be deprived from participating fully in society and the options that it offers.

Graph 5.4: The FBU modest-but-adequate budgets compared with Income Support (IS) rates

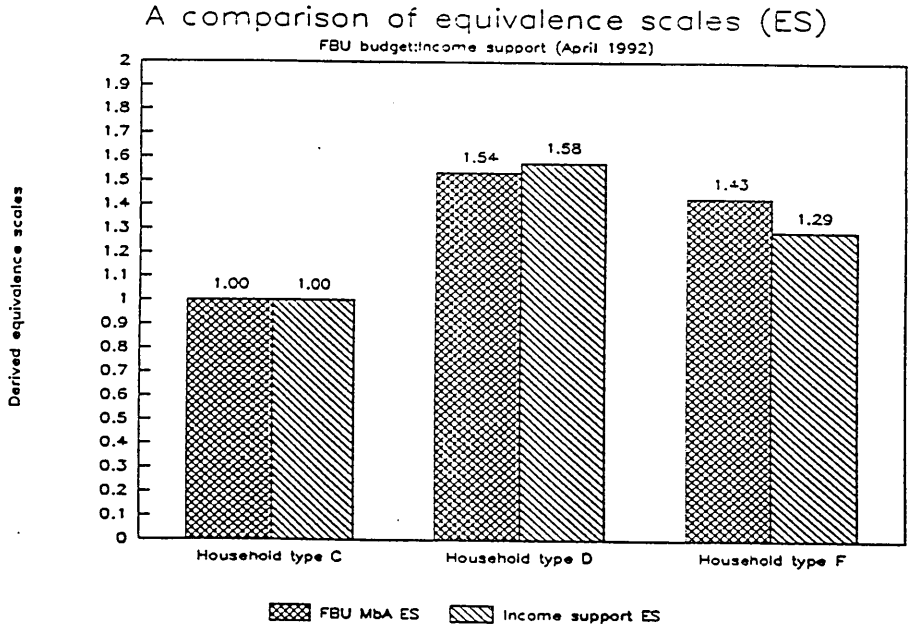


Key:
C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children
MbA = Modest-but-adequate

From Graph 5.4 it can be seen that the budget required to achieve a modest-but-adequate standard of living costs more than double the level of income support rates for all three households (C, D and F).

the FBU modest-but-adequate budgets and those implied in the income support rates. Equivalence scales can be derived by comparing the varying amounts that are required by different households in order to achieve a certain standard of living. Graph 5.5 compares the equivalence scales that can be derived from the FBU modest-but-adequate budgets, with those implied for the 1991/2 income support rates for households C, D and F. The equivalence scales are calculated as proportions of the cost of rates for the two adult household, which is taken as being equivalent to one.

Graph 5.5: The equivalence scales derived from the FBU modest-but-adequate budgets compared with those implied in the income support rates



Key:
C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children
ES = Equivalence scales MbA = Modest-but-adequate

The results show that when the equivalence scales derived from income support rates for households with children (D and F) are compared with those based on a modest-but-adequate budget, the income support levels equivalence scales are slightly higher for

the income support rates are relatively more generous in meeting the needs of households headed by two parents than lone parent households. However, this is only in relative terms as it has already been shown that the actual income support rates would be totally inadequate for providing a modest-but-adequate standard of living for these three household types.

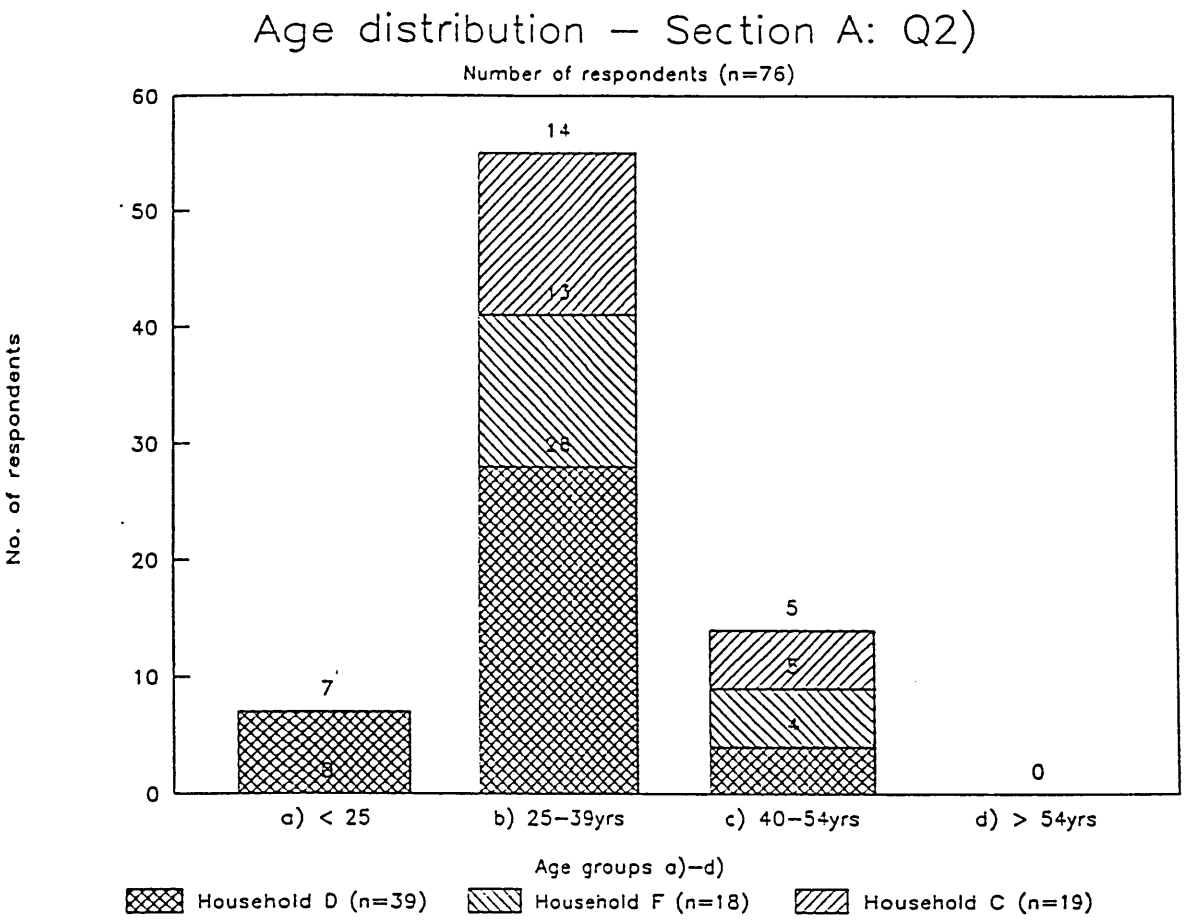
5.3 Sheffield consultation questionnaire results

Having examined and evaluated the overall results of the FBU budgets it is now possible to review the findings of the consultation questionnaire, which influenced the way in which the clothing, household goods and services, and leisure budgets were revised between 1990 and 1991. Full details of the questionnaire results are provided in Appendix 5.

5.3.1 Section A: Background questions - The survey sample. The questions in Section A of the questionnaire were designed to discover the respondents' backgrounds so that this information could be compared with the assumptions made about the FBU household types. The survey sample will consequently only be evaluated in terms of how it compares with the FBU household types C, D and F, rather than how representative the sample was of the distribution of households in the general population.

Q1) Gender distribution. The survey sample was predominantly female, as 86 out of the 92 respondents were female. The bias in the sample reflected the composition of the community groups used in the survey.

Graph 5.6: The age distribution of the respondents in the consultation questionnaire sample



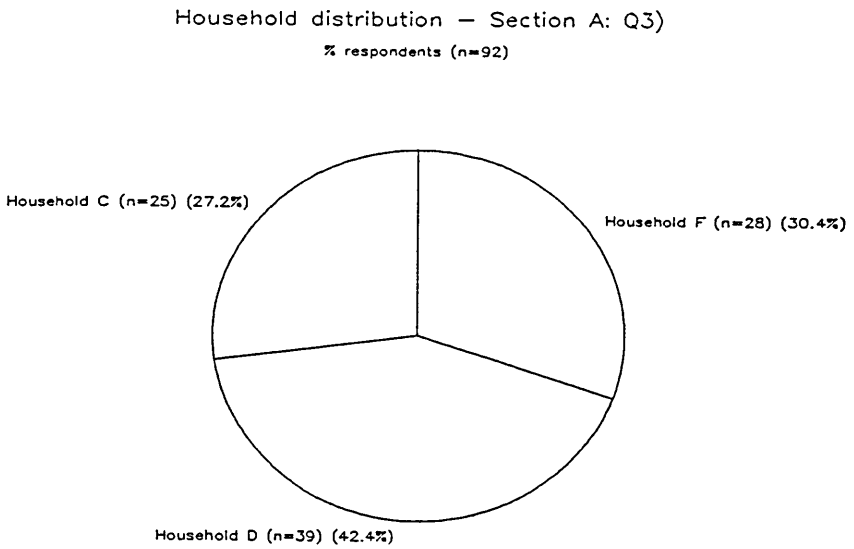
Key:

C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children y = years

Graph 5.6 illustrates the distribution of the respondents' ages. No question was included about the respondents age in the pilot survey so only respondents who answered the revised questionnaire are included in this analysis. The results showed that nearly three quarters of this sample (55 out of the 76 respondents) were in the 25-39 years age bracket. This age group was nearest to the FBU's assumed age of 32 and 34 years for the adults in household types C, D and F. As the majority of respondents were in this age-group it can be concluded that the sample targeting (of adults in this age group) was successful.

5.7) below shows the distribution of the respondents' household type.

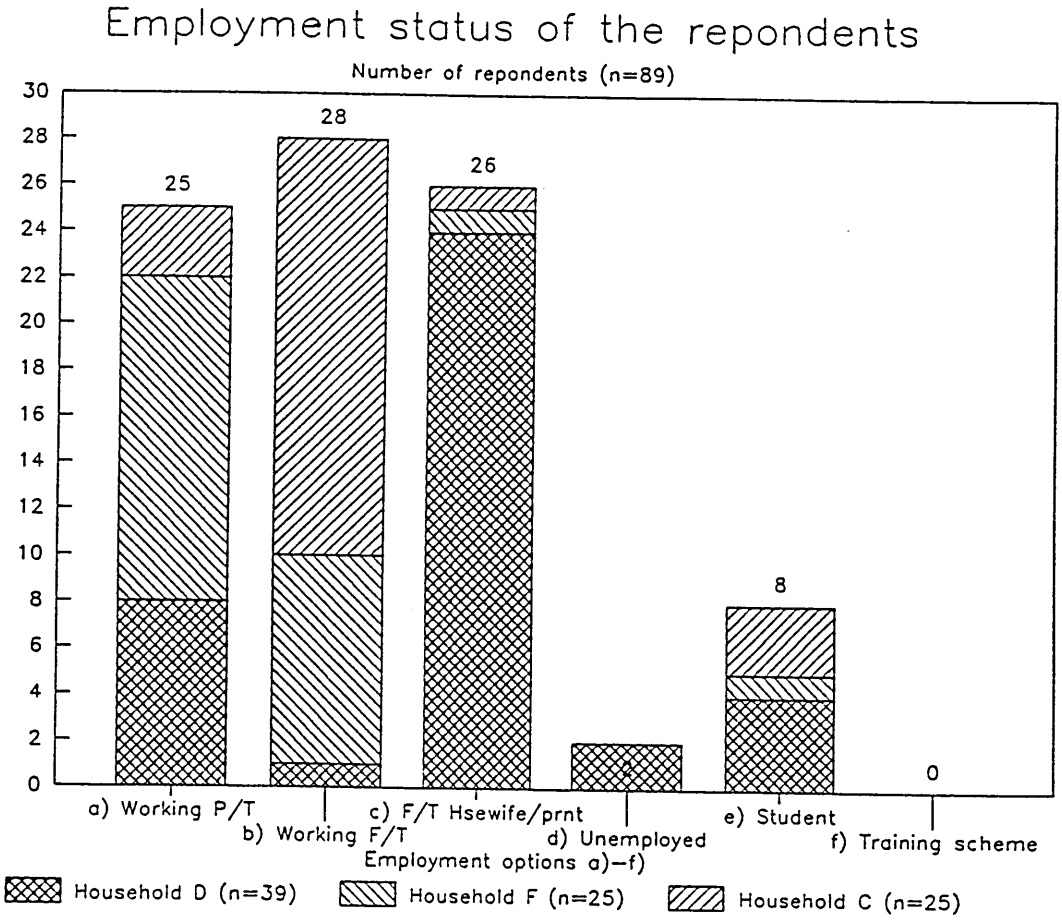
Graph 5.7: The household distribution of the respondents in the questionnaire



Key:
C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children

Despite the original aim to obtain an even balance of respondents from each household type, more than one third of the respondents (39 out of 92) were from two adult households with children. However, the numbers of respondents in the remaining two households types (C and F) were more evenly matched in number (29 and 25 respectively). The greater proportion of respondents from household D occurred because of the bias towards members from this household type in the playgroups, and parent and toddler group used in the survey.

Q4) Employment status of the respondents. The Graph 5.8 illustrates the employment status of the respondents, for each household type.



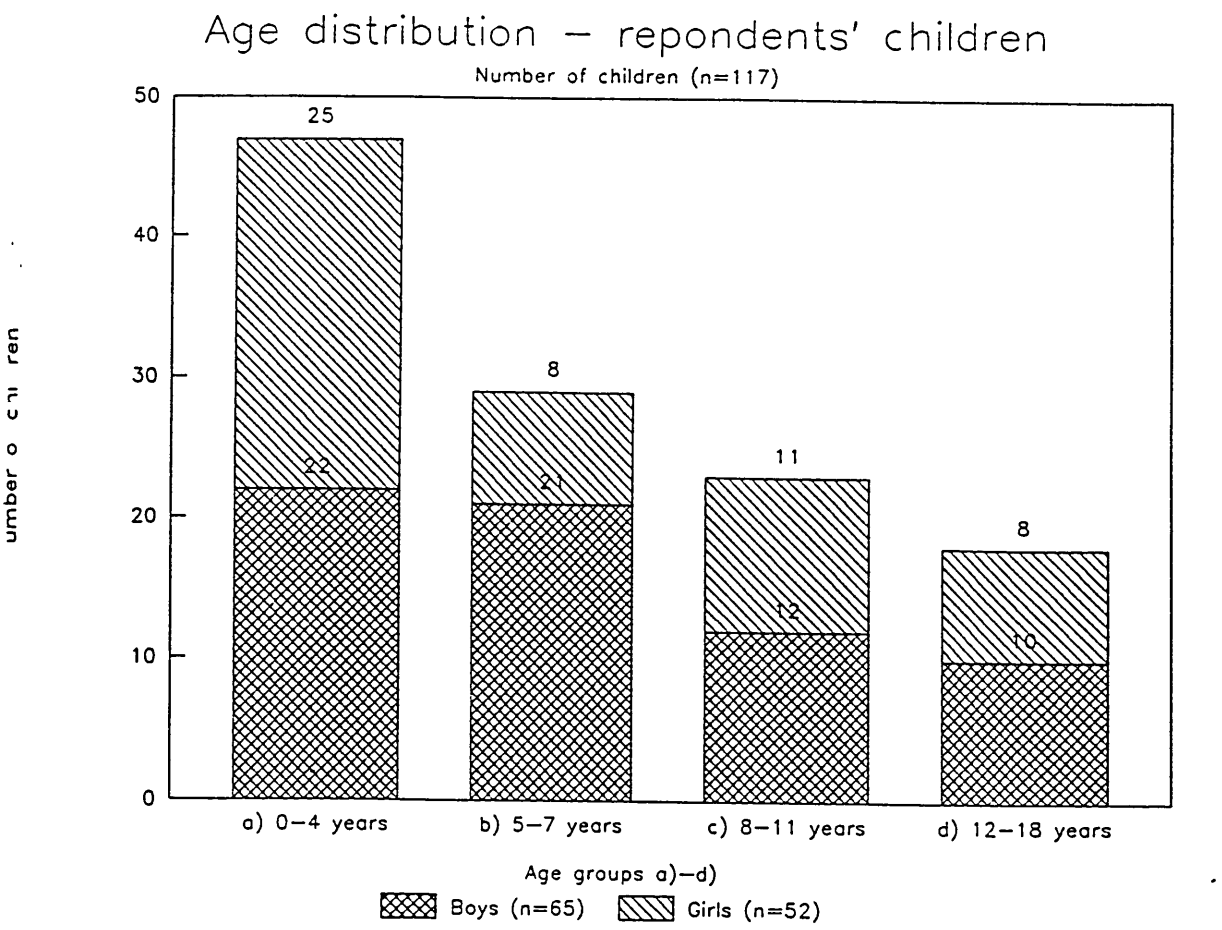
Key:
C = 2 adults D = 2 adults and 2 children F = Lone parent and 2 children
F/T = Full-time P/T = Part-time Hsewife/prnt = Housewife/parent

The results show that the majority of respondents (79 out of the 89 respondents who answered this question) were either in part-time or full-time paid employment, or were full-time housewives/parents. Their employment status appeared to be influenced by the type of family in which they lived. The respondents from two adult households with children (household type D) were primarily full-time housewives or parents, whereas only five respondents were in part-time employment, as assumed for the FBU model household types. The respondents without children (household type C) were typically in full-time

for both adults in the FBU household type C. Most of the lone parents in the survey were in paid employment of some kind (23 out of the 28 single parents in total), and were either working part-time or full-time. However, of these, only nine single parents were in full-time employment, as had been specified for the lone parent in the FBU household type F.

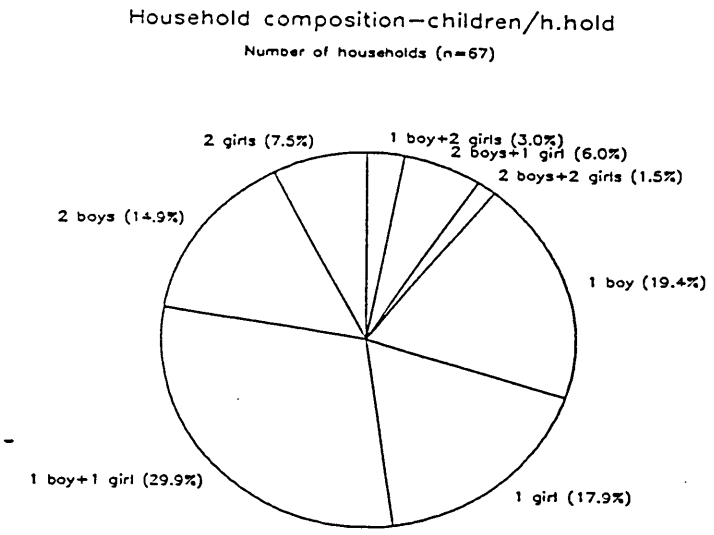
The employment status of the female respondents when compared with the FBU assumptions gave an indication that the respondents' total household disposable income would probably be less than that assumed in the budgets for households D and F, as the women in households D and F were generally employed for less hours than in the FBU employment assumptions. However, this suggestion cannot be validated as no question was asked about their partners' employment status or total household disposable income and expenditure.

Q5) Household composition - ages and gender distribution of the children. The FBU budgets for household D and F were designed to meet the economic requirements of a ten year old boy and four year old girl, and their parent(s). Although some attempt was made to obtain respondents with children of similar ages and gender as those in the FBU model households, the sample was constrained by the availability of volunteers and the composition of their particular families. Graphs 7.9 and 7.10 illustrate the composition of respondents' households (D and F), in terms of the number and gender of their children.



Key:
D = 2 adults and 2 children F = Lone parent and 2 children

The results show that approximately one fifth (25) out of the 117 children in the respondents' households, were girls in the age 0-4 years age bracket, whereas only 12 of the boys were in the 8-11 years age group. Therefore, compared with the assumed ages of the children in the FBU household types D and F, an ample number of respondents would have been aware of the needs of four year old girls, but fewer respondents would have been familiar with the requirements of a ten year old boy.

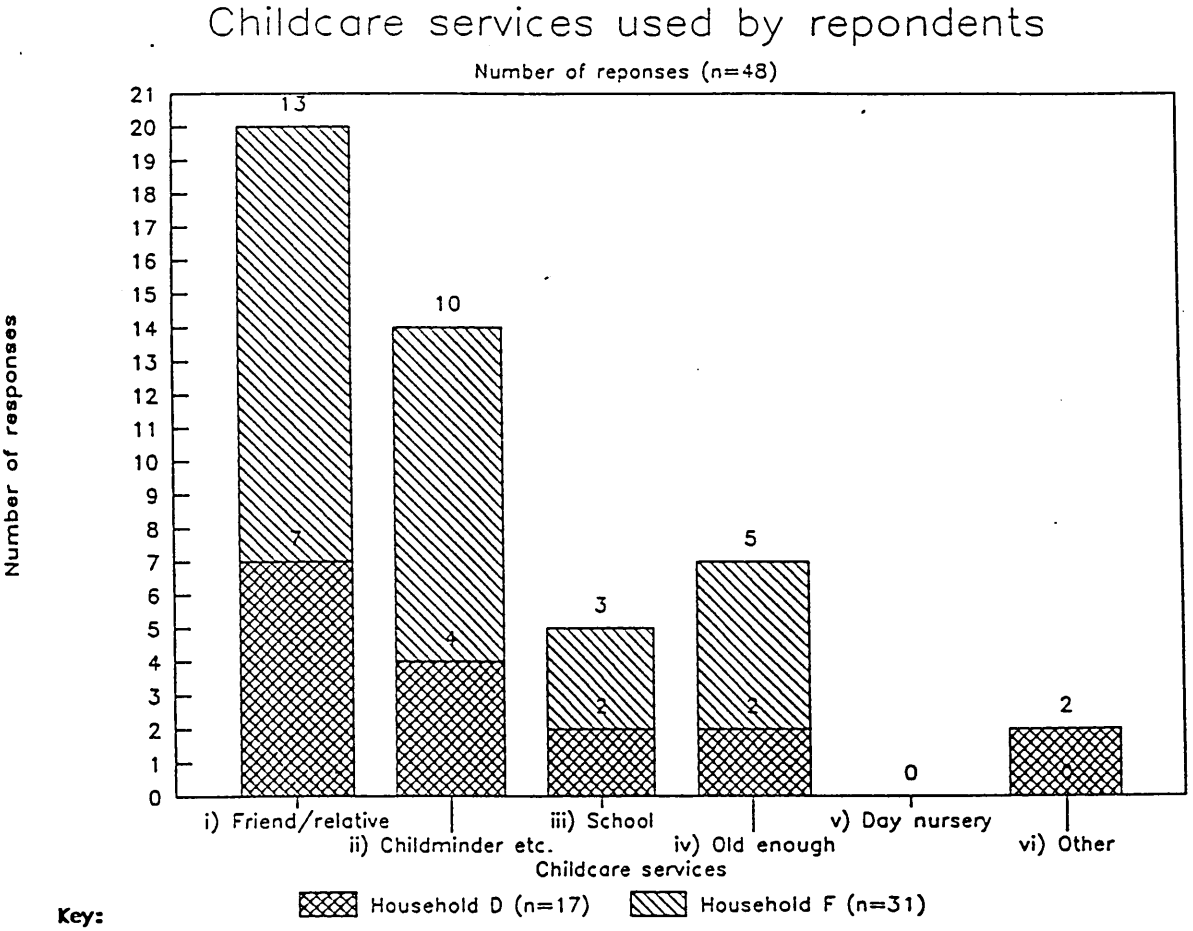


Key:
D = 2 adults and 2 children F = Lone parent and 2 children
h/hold = household

Out of the 67 households with children, over half of them (52.2 percent) had a total of two children, and over one quarter (29.9 percent) had one girl and one boy, as assumed in the FBU model households. The resulting average number of children amounted to 1.7 children per household, which was less than the FBU assumption of two children per household. The number, age and gender of the children in the respondents' households was important because the economic requirements of a family are affected by these factors. Clearly any differences that occurred in the respondent's household composition, when compared with the FBU model households, could affect their perceptions of the budgets (based on their particular needs and experiences). These factors therefore needed considering when evaluating the responses of parents in the consultation questionnaire.

mothers in full or part-time employment or studying. The Graph 5.11 shows which childcare services were used by parents in the survey who were in employment or studying.

Graph 5.11: The childcare services used by the respondents



Key:
D = 2 adults and 2 children F = Lone parent and 2 children

Out of the 39 parents for whom the use of child care provision was applicable (those who were in paid employment or studying), a total of 48 responses were received regarding the types of child care used. This implies that some parents used more than one type of childcare. The most popular providers of childcare for these households were friends and relatives (20 out of the 48 responses). A further 14 respondents used a childminder, which was the selected option used in the FBU childcare cost

As childcare arrangements vary significantly in availability and cost, the respondents' opinions about the FBU's allowance for childcare provision differed. For example, where parents were able to use informal carers (parents and friends) little, if any, cost would be incurred. This would also be true of the 25 respondents who were full-time housewives/parents. Hence, their views about the adequacy or extravagance of the FBU childcare costs would have been influenced by their lack of expenditure or knowledge of charges made for childcare. This was therefore taken into consideration when evaluating the responses given about the FBU budget allowances for childcare expenses.

5.3.2 Section B: A summary of the budget costs. Section B of the questionnaire was concerned with ascertaining respondents' opinions of the total budget costs of either the clothing, household goods and services, or leisure goods and services budgets. In this part of the thesis only the respondents' opinions of the total cost of each of these budget areas will be examined, as specific references have already been made to their views of the clothing sub-component costs, in Chapter 4.

Table 5.4 summarises respondents' opinions of the living standards that were represented by the total costs of the clothing, household goods and services, and leisure goods and services budgets. These living standards were selected from a range of five standards (1-5: **inadequate, basic, modest but adequate, more than adequate** and **luxurious**)

clothing; household goods and services, and leisure goods and services budgets

Budget Area	The range of Living Standards					Total
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than Adequate (4)	Luxurious (5)	Answers
Total clothing budget	1	11	10	4	1	27
Total household goods budget	3	8	19	2	0	32
Total household services budget	2	8	13	7	3	33
Total leisure goods budget	1	8	3	3	3	18
Total leisure services budget	6	4	4	1	0	15

When responses to the three budget areas are reviewed separately, it can be noted that the term **basic** was more often chosen than **modest but adequate** for the clothing budget and leisure goods costs. Also, in the case of leisure services the largest single group of respondents felt the amounts specified were **inadequate.** However, it can be suggested that overall the respondents thought the budget costs represented a level somewhere between a **basic** and a **modest but adequate** living standard.

5.3.3 Section C: Q1 and 2 - Respondents' opinions of one sub-section of the three budget areas. At this stage of the questionnaire the respondents were given a portion of either the clothing, household goods and services, or leisure budgets and were asked to examine the budget details and costings. The first two questions in section C involved asking the respondents to review and comment on the budget component parameters (type, quantity, lifespan, and price) of the items listed in the budget portion that they had been given. Later questions (3 and 4) provided the respondents with the opportunity to make general comments about the budgets or the questionnaire, and to offer to complete an additional questionnaire.

parameters. Tables 5.5-7 summarise the respondents' overall opinions of the quantities, lifespans and prices of the items listed in the sub-section of the budget that they had been given to review.

The results showed that in general the respondents thought that the quantities, lifespans and prices of the items listed in the portion of the budgets that they were given to examine, were about **right** for a modest-but-adequate standard of living.

However the pattern of responses concerning the quantities of leisure goods and services suggested that there was less agreement about the adequacy of the budget allowances for these items, as equal numbers of respondents (six out of 20 respondents for each category) described the amounts as being **not enough**, the **right number** and **more than enough.** In addition, a similar number of respondents (seven out of 20) thought that the prices allocated to leisure goods and services were **cheap**, whereas nine of the 20 respondents thought the costs were about **right.** It is also worth pointing out almost one third of the respondents who examined the clothing budgets thought that the amounts allowed were **too low**, whereas a similar number felt that the prices were **expensive** (nine and ten of the 31 respondents respectively).

Component Area	The Word Used To Describe The QUANTITY Of Each Item					
	Inadequate (1)	Not Enough (2)	The Right Number (3)	More Than Enough (4)	Luxurious (5)	Total-A
Total answers-clothing	2	9	19	2	1	33
Total answers-HG&S	1	3	18	7	0	29
Total answers-LG&S	0	6	6	6	2	20

Table 5.6: Q1b) A summary of the words selected to describe the lifespans of the budget items

	The Word Used To Describe The LIFESPAN Of Each Item					
	Too Long (1)	Long (2)	Right Length Of Time (3)	Short (4)	Too short (5)	Total-A
Total answers-clothing	5	6	16	4	2	33
Total answers-HG&S	1	5	15	6	2	29
Total answers-LG&S (excludes LS)	1	1	8	3	0	13

Table 5.7: Q1c) A summary of the words selected to describe the prices of the budget items

Component Area	The Word Used To Describe The PRICE Of Each Item					
	Too Cheap (1)	Cheap (2)	The Right Price (3)	Expensive (4)	Too Expensive (5)	Total-A
Total answers-clothing	0	3	19	10	1	33
Total answers-HG&S	1	0	22	6	0	29
Total answers-LG&S	2	7	9	2	0	20

Key:
HG&S=Household goods & services
LS=Leisure services LG&S=Leisure goods & services

Q2) Specific suggestions about budget items and their associated parameters. Question 2 allowed respondents to challenge the assumptions that had been made about the quantities, lifespans or retailers used in the budget calculations, through a series of open-ended questions and by asking them to give specific examples of budget assumptions with which they disagreed.

Because of the great variety of answers that could have been given in response to this type of question, it is only possible to make limited statistical observations about the trend of

specific items have been quoted or referred to in chapter 4.

Table 5.8: Q2a) Specific items that respondents thought should/should not have been included in the budget

Budget area	Should have been included	Should have been excluded	Examples of both (include/exclude)	Total examples	No/neutral response	No. of RS (N=90*)
Clothing	4	9	1	14	22	36
HG&S	8	8	1	17	17	34
LG&S	9	3	0	12	8	20

Key:
HG&S = Household goods and services LG&S = Leisure goods and services
RS = respondents
* Two respondents did not answer any part of section C

Half of the respondents who answered section C of the household goods and services questionnaire gave examples of at least one of item that they thought should have either have been omitted or included. However, more respondents who examined the clothing budgets suggested items that were unnecessary, than ones that had been omitted, and conversely, more respondents gave examples of items that they thought had been overlooked in the leisure goods budgets, than those which needed excluding.

Table 5.9: Q2b) Specific quantities of items that respondents thought were either too high or too low

Budget	Quantities too high	Quantities too low	Examples of both (too low/high)	Total examples	No/neutral response	No. of RS (N=90*)
Clothing	3	16	2	21	15	36
HG&S	12	6	2	20	14	34
LG&S	6	7	1	14	6	20

Key:
HG&S = Household goods and services LG&S = Leisure goods and services
RS = respondents

The majority of respondents who examined the clothing and leisure budgets cited items that were **low** in number, whereas respondents who examined the household goods and services budgets gave more

Table 5.10: Q2c) Specific lifespans of items that respondents thought were either too short or too long

Budget	Lifespans too short	Lifespans too long	Examples of both (too short/long)	Total examples	No/neutral response	No. of RS (N=90*)
Clothing	6	14	3	23	13	36
HG&S	8	9	3	20	14	34
Leisure goods*	5	2	2	9	3	12

Key:
HG&S = Household goods and services
RS = respondents * not applicable for leisure services

Respondents who examined the clothing and household goods and services budgets gave more examples of items where they thought that the lifespans were too long than were given for items for which the lifespan had been underestimated. In contrast, respondents gave fewer examples of leisure goods where they thought the lifespans were too long than for items where the lifespan was too short.

Table 5.11: Q2d) Specific brands or retail outlets used for pricing the items that respondents thought should not have been used

Budget area	Prices too expensive	Prices/ quality low	Other preferences	Cheaper alternative	Total no.of responses	No/neutral response	No. of RS (N=90*)
Clothing	5	2	4	3	14	22	36
HG&S	4	0	2	4	10	24	34
LG&S	0	2	2	1	5	15	20

Key:
HG&S = Household goods and services LG&S = Leisure goods and services
RS = respondents * not applicable for leisure services

The least number of comments were made about the brands and retail outlets used for pricing the items, than for the other budget parameters reviewed in question 2. However, it can be observed that their comments mainly referred to the expensive prices of the outlets used, both explicitly, or by mentioning

5.3.4 Section C: Q3 and 4 - General feedback on the questionnaire and the budgets.

Q3 The respondents general opinions about the budgets and the questionnaires

Table 5.12: Q3) The respondents' general opinions of the questionnaire

Comments	Clothing	HG&S	LG&S	Total answers
Budget items/costs/quantities realistic/OK	1	4	1	6
Budget costs/allowances too expensive/use cheaper or free sources/shop around	4	2	0	6
Budget costs/allowances too low/missing items	0	3	2	5
Budget assumptions unrealistic/not relevant/ do not budget for these items/different preferences	4	7	4	15
Unclear about budget assumptions/concepts/purpose/ calculations	1	1	1	3
Questionnaire confusing/difficult to complete/ could be improved	1	3	6	10
Total number of answers	**11**	**20**	**14**	**45**
No response	29	18	11	58
Total number of RS who answered section C (n=90)	**36**	**34**	**20**	**90**
Total number of respondents who gave answers	**8**	**16**	**9**	**33**

Key:
HG&S = Household goods and services LG&S = Leisure goods and services
RS = Respondents
*NB: The total number of response exceeds the number of respondents who answered this section as some gave more than one answer.

Question 3 was designed to provide the respondent with the opportunity of making any specific comments about the questionnaire and it was envisaged that their answers would generally refer to how easy they found the questionnaire to complete. However out of the 45 points made in response to this question, only ten directly referred to the structure of the questionnaire, and a further three respondents queried the overall concept and purpose of the budgets and questionnaire. All of these comments were negative in nature and reflected the

completing the questionnaire.

The remaining points made in answer to this question generally reinforced the respondents' opinions about the budget costs, lifespans, quantities or prices, although one third of the respondents (15 out of 45) queried the realism of the budget assumptions compared with their own lifestyles. This was not entirely surprising, as the budgets were not intended to mirror household expenditure, but aimed to cost the requirements of a given standard. Also, respondents' own budgetary choices tend to be very individualistic. However, each of these comments was considered and the concern about the realism of the budgets was taken seriously, as it was based on their actual experience of managing a budget to meet their household's needs.

Question 4: A summary of the number of respondents who agreed to complete another questionnaire. Question 4 asked respondents if they would be willing to complete a questionnaire about one of the other budget areas. This question was not included in the pilot phase, so the potential number of respondents who could have agreed to complete another questionnaire was only 76. Out of these 76 respondents, a total of 19 agreed to examine and answer a second questionnaire about one of the other budget areas. These respondents were sent another questionnaire and a pre-paid envelope for its return. Despite their original willingness and the inclusion of the pre-paid envelope only seven actually returned a completed questionnaire. However, the respondents who did complete an additional questionnaire generally answered it in a more thorough manner, which increased

area.

5.4 A critique of the Sheffield consultation process

The methodological difficulties that arose during the Sheffield consultation process are explained below.

5.4.1 An evaluation of the format and distribution of the questionnaire

1) The format of the questionnaire. The general layout of the questionnaire was fairly poor because it contained too many questions on a page together with detailed budget listings and data charts which some respondents found confusing. It could have been improved by using more space, and by highlighting only the figures relevant to the household involved. Also, if more time and resources had been available, the presentation of questions could have been improved through desk-top publishing.

Even though the budgets had been divided up into smaller sections (for examination purposes) the respondents found the spreadsheet lists to be too long to review thoroughly. They also found it confusing because there were more columns of figures than were necessary for them to see, and costs were displayed to three decimal places. So for any respondent who had difficulty in understanding statistics of any kind, this proved to be a major obstacle to their ability or willingness to answer the questionnaire. Similarly, a few respondents found the questionnaires too hard to follow because they did not understand some of the written instructions. These difficulties had been highlighted during the pilot phase, for example respondent CP1, from household type C, asked whether it was possible to only print the budget of the household in question, because she found

own household. However, because of the shortage of time available, it was only possible to make a few simplifications to the language used in the instructions and no adjustment was made to the spreadsheet charts, as it would have taken too long to adjust the layout of figures and to reprint each chart.

2) The survey sample. The survey sample was limited both in terms of the total number of respondents who examined each budget area, and because the households represented did not necessarily match the assumptions made about the composition of the FBU household types, for which the budgets had been designed to provide. Also, as this was not experimental or hypothesis testing research, an exact replication of the FBU household types was not necessary. However some attempt had been made to target certain groups, for example, by using single parent groups who had a number of employed members. In addition, by targeting the types of community groups whose members had children of the required ages it was possible to find respondents who understood the needs of children of the given ages. It was difficult to find respondents from two adult families as there are few community groups that cater specifically for members of this type of household, but this problem was overcome by using the social and employment networks of the researcher (who lived in this type of household).

3) The distribution procedure. As the questionnaire was distributed in a variety of ways there was no real consistency in how it was administered or explained. This undoubtedly could have affected the quality of responses given, especially where

complete the questionnaire. However, the different distribution methods helped to maximise the potential number of respondents within the time-span available for the consultation period. As a result, the researcher had to be flexible to accommodate the different circumstances in which contacts were made.

The most dissatisfaction expressed about the questionnaire was made from respondents in community groups where insufficient time or explanation had been about the questionnaire. For example in two situations insufficient explanation had been given about the purpose of the budgets, and respondents expressed strong opinions about the value of the questionnaire. One male respondent stated that:

> I consider myself intelligent and used to questionnaires but find this almost impossible to understand. I think it is because I cannot grasp the overall concept.
>
> (Respondent L3, household type D)

The other respondent, a single mother, doubted that the questionnaire could "generate any useful data" (respondent H3, household type F). Clearly such frustrations and misunderstanding occurred because they had not been given an adequate explanation prior to completing the questionnaire. This highlights the problem of asking respondents to complete the questionnaire in too short a space of time.

In contrast, the respondents in the parent and toddler group were more positive about the questionnaires and answered the questions more thoroughly because they had been given sufficient information about the project and questionnaire objectives; had plenty of time to complete the questionnaire, and had volunteered

groups of respondents. This showed that if all the questionnaires had been distributed in this manner, then the response rate, comprehension and enthusiasm for completing the questionnaire would probably have been better.

4) The unrealistic nature of the questionnaire. Some respondents found it hard to relate the budgets to their own circumstances, as they were much higher than their own expenditure, especially where they were dependent on welfare benefits. One single parent summarised the verbal comments of other respondents who did not commit their feelings to paper, by suggesting that the problem with the questionnaire was that "it all sounds very nice but it is not very reflective when buying for two babies and an adult on income support" (respondent CP8, household type F). Another respondent explained that "in reality many families do not have a yearly budget for the said amount ... you have to make do and shop around" (respondent C2, household type D).

5.4.2 An evaluation of the questionnaire results. This section is concerned with trying to evaluate the responses to the consultation questionnaire process.

1) Response rate to certain questions. In some cases only one third of all respondents answered particular questions. This could suggest that either:

a) the respondents neither understood the question nor knew the answer,
b) they had insufficient time for the questionnaire's completion, or
c) they were happy with the budget assumptions.

The possibility of the first two reasons have already been

respondents did express frustrations and found difficulty in answering certain questions suggests that some questions were not answered due to a misunderstanding of the question. In addition, one respondent stated that she found the "questionnaire questions were unanswerable because (she did not) know the prices of lots of things" (respondent H3 from household type F). Another reason why some respondents chose not to comment on particular questions may have been due to the fact that they simply agreed with the budget assumptions or felt that they could not make any useful suggestions about how the budgets could have been improved.

It is not possible to know the extent to which any of the above reasons led to the respondents' omission of certain questions. However, remarks made about the questionnaire in general do suggest that respondents' lack of understanding or frustration with the questionnaire format was probably more likely than their agreement with the budget's assumptions.

2) Inconsistency in respondents' answers. In general, the results of section B of the questionnaire implied that respondents thought that the budgets represented a standard somewhere between **basic** and **modest but adequate** levels. The spread of answers to questions 1a-c) of section C, suggested that in general the budget quantities, lifespans and prices were about right for a modest-but-adequate standard of living. Also the number of suggestions which recommended increases in quantities and decreases in lifespans were balanced with comments about overgenerous amounts and unrealistic lifespans. However, the emphasis on the high prices and unrealistic nature of some

suggestion that the budgets costs were basic in many instances. Also, the respondents' implications that the budgets were either about **right** or slightly **low**, was not consistent with FES data which shows that in reality households with children would generally spend less than the FBU budgets for the majority of clothing, household goods and leisure items.

It is possible that this disparity occurred because the respondents were unfamiliar with current prices or could not afford to spend the amounts suggested in the budgets, so their answers were based on guesses and an overestimation of the requirements of a modest-but-adequate standard of living. For example one lone parent (respondent C9) said that "I have filled in the form to show what I think would be a basic standard ... for someone who was not on benefit". Also, as already seen (in section 7.2), income support rates are less than half the modest-but-adequate levels, so it is hardly surprising that some respondents who were dependent on benefits had difficulty in imagining what budget levels would be needed to achieve a higher standard of living. It also helps to explain why many found the budgets totally unrealistic.

5.5 Conclusion

The results of the FBU's budget standard research project show that at present the expenditure of households with children found in the FES, were not as high as the FBU's modest-but-adequate budget standard. This is particularly true for lone parents, as their actual expenditure levels were much lower than the FBU modest-but-adequate costs for this household. However in

a modest-but-adequate standard of living, as the expenditure level of this type of household is greater than the FBU budget level. It can also be observed that the FBU modest-but-adequate standard is over twice the levels of income support rates. In addition, the equivalence scales derived from the FBU budgets suggest that the needs of lone parents are not sufficiently catered for when compared with those implied by income support rates for households headed by two parents.

The results of the consultation questionnaire suggested that overall the respondents felt that the 1990 clothing, household goods and services, and leisure budget costs represented a level somewhere between basic and modest-but-adequate living standards. The questionnaire generated some useful suggestions about how the budget parameters of specific items could be adjusted to make them more realistic for meeting the needs of the three household types. However, despite these results it is fair to point out that the questionnaire had a number of inherent difficulties: the small sample size, its opportunistic composition, the layout of the questionnaire and the distribution techniques. Some of these problems occurred due to insufficient time being allowed for the consultation phase of the project. Other complications resulted because of trying to obtain respondents from three different household types, to examine three budget areas, further sub-divided into smaller sub-component areas. Not only did this make the distribution difficult at times, but it also reduced the potential number of respondents in the sample. The variations of the questionnaire were originally designed to gain maximum coverage of the each of the budget components areas. However it

various distribution techniques lead to inconsistencies in the explanations provided to respondents and accounted for the many frustrations that they found in understanding the questionnaire.

Despite these limitations it is still possible to argue that a questionnaire was a suitable way of trying to obtain the opinions of members of the public about the budgets, as it enabled the researcher to gather the views of a reasonable number of people in a relatively small space of time. But if the questionnaire discussed in this study were to be used again for the consultation process, the suggested alterations to the questionnaire format and distribution techniques would need to be implemented. It can also be argued that as the results provided the researchers with some useful comments and suggestions about how to improve the budgets and how to tailor them to meet the need of the three households, it was not entirely unsuccessful. In conclusion, although the questionnaire had a number of methodological difficulties and the results were limited due to the sample size, it played an important role in informing the production of the clothing, household goods and services, and leisure budgets.

CHAPTER 6
FUTURE RESEARCH AND POLICY IMPLICATIONS

6.1 Introduction

This study has reviewed the origins and subsequent development of research on budget standards, and has advocated their use as a viable methodology for estimating the cost of living of various household types, at a modest-but-adequate level. The budget standards research undertaken in other countries has been outlined and compared in a critical review, and the particular budget standard approach of the FBU has been explained and discussed in detail. The main focus of this study however, has been on the FBU clothing budgets. This, together with the household goods and services, and leisure budgets were devised by the researcher at Sheffield, and refined and revised using a consultation questionnaire that she designed and distributed amongst local groups, in order to obtain feedback from appropriate groups of consumers on these budgets. Lastly, an evaluation of the general and specific budgets and the questionnaire results was carried out.

This concluding chapter aims to outline possible extensions, revisions, and avenues for further research that could be carried out in order to improve the flexibility of the budgets, and to help refine their budget assumptions and methodology. Suggestions will be made about the FBU methodology in general, and more specific points will be made concerning the clothing budget area which has been examined in detail in this study. Finally, some of the policy implications that have emerged as a

result of the findings of the FBU research will be highlighted, and possible applications of this budget standards research will be summarised.

6.2 Possible future extensions to the FBU budget standards

This study has shown that it is possible to produce budget standards for different household types using a hypothetical 'basket of goods' approach. It has demonstrated that budget standards can be produced through a series of normative judgments and assumptions made by researchers and expert panels, based on behavioural data and normative standards, which can subsequently be refined using the opinions of consumers.

The final FBU budgets were limited to six household types, based on costs in York in October 1991, at a modest-but-adequate standard. Further research and adaptations would be needed in order to extend the budgets in the following ways:

1) The production of budgets for other household types. Using the basic FBU methodology it would be possible to devise budgets for other household types in addition to those budgeted for in the FBU research project. For example, budgets could be produced for households with members of different ages or sexes, than those found in the FBU model households.

2) The budgets could be costed for communities elsewhere in the UK. At present the budgets cannot be claimed to represent UK costs because they were only priced in York. However, using the existing budget inventories it would be relatively simple (compared with other possible revisions) to re-cost the budgets by replacing the York prices with the cost of identical items in

other locations, for example London or Sheffield. One likely difficulty would be where certain items were unavailable in other areas. For example, some leisure services listed in the FBU budget might not exist in certain parts of the UK. But this difficulty could be overcome by costing the facilities in the nearest town or city, and making extra allowances for the additional travel and related costs (for example, more hours of childcare).

3) Costing the budgets using other retailers, brands or reduced priced items. The budgets could be re-costed using different brands, retailers or using reduced priced items. Reduced prices could be used to produce a low-cost or basic budget standard. For example the food budget and household requisites could be priced in one of the cut-price grocery stores such as Aldi and Netto, that have become increasingly popular since the project began. However similar difficulties might occur as those highlighted for the repricing of budgets in other parts of the country, as it could be difficult to find equivalent low cost items to those found in the original budgets.

4) Re-costing the budgets on a regular basis. The budgets that have been produced could be updated on an annual basis, as is carried out in other countries. This would be beneficial as the current FBU budgets are already over one year out of date. The budgets could be repriced in the same stores but it would be simpler to re-cost them using individual retail price indices. Eventually the basic assumptions, for example about which brands or quantities and types of items to include, would need to be reviewed because of changing ownership and purchasing patterns.

This revision process could be done on a five yearly basis and at that stage items could be repriced in stores. Annual budget costs would be advantageous because they could be used as a guideline for current living costs and to show changes in the costs of living over time.

5) Producing budgets at other levels. It has already been suggested that low cost budgets could be produced by including reduced price items. Additional budget levels could also be produced using the budget standard approach, including a minimum or welfare level, and an affluence level. However, whatever level was chosen, it would be necessary to revise the budget assumptions about what type, quantity, lifespan of items would be needed and what type of brands and retail sources would be appropriate for the chosen level. It would also be valuable to carry out research into the definition of modest-but-adequate, as it remains a fairly ambiguous term. In addition, comparisons with FES figures have shown that it is not simply representative of median expenditure levels, as suggested by the US Bureau of Labor Statistics, in 1946. One possible way in which this level could be defined would be to carry out a public opinion survey to ascertain what should be included at a modest-but-adequate standard, using the same approach as the 'Breadline Britain Survey', which was based on Mack and Lansley's consensual techniques (1985).

6) The production of individual households' budgets. One of the main limitations of the FBU budgets that have been produced so far, is that they only aim to provide for general household needs and hence do not accommodate individual circumstances. However,

It would be possible to make adjustments to budget standards and to calculate individual household budgets by using a large computer data-base. For example, many variations could be produced by simply subtracting current budget costs or changing the assumed quantities. The budgets could further be extended by including the costs for other household types, or for different areas or budget levels, to produce eventually a much more extensive and versatile data-base system, which in theory could be used to produce personalised budgets for any household living in the UK. This type of information could be used to assist in providing financial advice to households, for debt counselling or by mortgage lenders when deciding what mortgage level would be affordable by an individual household.

However in order to achieve these future revisions and to develop this type of computer system, a significant amount of financial investment would be needed and, if the budgets were to be produced on an annual basis, long-term funding or self-financing would be required. The FBU is at present exploring the possibility of carrying out a market research feasibility study to examine firstly, whether there is a demand for the type of budgets that could be produced in this way, and secondly, to identify possible future sources of funding for the development of this type of computer data-base (Nelson, FBU correspondence).

Future development of the actual budget standard methodology could include a further period of consultation to obtain feedback on the revised 1991 budgets for households C, D and F and to review the first (1991) budgets that were produced for households A, B and E. This phase could also involve the development of a

standard consultation approach, drawing on the benefits and avoiding the difficulties of the previous techniques used by the three main research teams. Also the possibility of consumers being used more extensively in the drawing up stage of budget standards, perhaps alongside the expert advisors, could be investigated. Finally, the budget estimates could be improved were more accurate information available on households' usage of items and the lifespans of goods, which could be obtained through empirical research.

6.3 Possible future revisions to the clothing budgets

In this study a number of limitations have been identified concerning the particular methodology used to devise the clothing budgets. This section aims to highlight one specific respect in which the clothing budget area could be improved by further research.

One of the main difficulties associated with establishing the clothing budgets was at the pricing stage. The clothing budgets proved to be one of the most time consuming and difficult budget areas to cost, because of the great variability of clothing styles and fabrics, and the rapid changeover of items of clothing on sale in stores. This problem would be accentuated if pricing were to be carried out in a wider range of stores. Researchers in some countries have resolved this problem by employing pricing agencies to do the costing. Others have used mail-order catalogues, which provide all the necessary information about the products in book form, so in-store pricing is unnecessary. The FBU could also seek greater co-operation from retailers so that they could use information from the retailers' existing price

data-bases. However these alternatives would need to be explored further, as each method has its limitations. Catalogues are less popular with consumers, accounting for 2.7 percent of all retail sales (Euromonitor, May 1992), and their prices tend to be higher than other outlets. The use of an agency would increase the research costs, and retailers' data-bases only provide limited information about their goods.

Another area related to the costs of clothes concerned the source of clothes. It has been shown in this study that clothes can be obtained from various sources, including garments received as a present, 'passed on' second hand, bought at reduced prices in shops or from market stalls, from second-hand sales or shops. An independent survey could provide some useful data which would help to verify the extent and acceptability of these other sources of clothes, compared with the high-street retailers used to cost the FBU clothing budgets. If these outlets proved to be important, then a follow-up study could be carried out to see how easily items could be priced using these various outlets, using the budget standard methodology.

The above suggestions are not intended to provide an exhaustive list of possible directions for future research into clothing budgets, but merely aim to highlight a few of the more unsubstantiated aspects of these budget areas, or relate to items which accounted for considerable costs in the budgets.

6.4 Policy implications and applications of the budget standards

Although members of the FBU's staff have sought to be politically independent in the way in which the budget standards have been produced, any research into living standards has welfare policy

implications. Also, the budgets were not set at a minimum level, and therefore still have a number of possible applications for making observations about lower standards of living. However, within the constraints of this study, only a few of the policy implications and applications can be addressed.

1) Welfare benefit levels. This study started by examining the origins of work on budget standards, and showed how they were influential in setting the foundations of the present national welfare system, in the UK. The FBU research team suggests that budget standards could provide a basis and alternative approach to relative and absolute poverty measures for reviewing the current welfare benefit levels. As demonstrated in Chapter 7, equivalence scales can be derived from the modest-but-adequate budget levels and used to identify households who are in most need of benefit increases, by comparing them with those implied in income support rates. In addition, income support rates have been compared with a low-cost budget standard that has been derived and adapted from the modest-but-adequate budget standard by one of the FBU researchers (Yu, FBU WP 17, 1992).

2) Wage negotiations. The results discussed in Chapter 5 showed the higher rates of pay and salaries that would be required to sustain a modest-but-adequate standard of living for different households. Similar calculations would be possible for other budget levels, the outcome of which could be used for setting a minimum wage, or for negotiating salary increases with private and public employers. However, in this country, the introduction of a minimum wage has been abandoned as the Government has abolished Wages Councils and rejected the EEC Social Chapter

which had advocated such measures.

3) The costs of raising a child. Using the FBU modest-but-adequate budgets, the costs of a raising child at a modest-but-adequate standard (excluding housing and childcare costs) have been calculated by one of the FBU researchers as being £34.89 and £44.34 per week, for a four and ten year old child, respectively (Oldfield, FBU WP 15, 1992). The results of that research revealed that the disparity between state child support rates and the FBU modest-but-adequate estimates of the economic requirements for children, was £15.69 for a four year old child and £25.14 for a ten year old child (ibid, Table 44, p106). Oldfield also illustrated how the FBU calculations of the cost of a child could be used to help set foster care allowances. In addition, they could be used by prospective parents to budget for the costs of children and to make informed financial decisions about combining parenthood with employment. Alternatively they could assist courts in helping to determine suitable levels of maintenance payments.

4) Other applications of budget standards research. Budget standards could be used as a basis for setting the levels of welfare payments, state and private pensions, and other financial assumptions about what a particular household needs, at a specific budget level.

5.5 Conclusion. There already has been a great demand for the for the type of statistics generated by this part of the FBU's research project. The budget standards work has also proved to be of value and interest to many public and private organisations.

These include government departments like the Department of Social Security (DSS); charities including the Child Poverty Action Group (CPAG); financial advisers; political parties and organisations; personnel departments dealing with salaries; and individuals requiring help in managing their own family's budget (Hicks, FBU WP 14, 1992).

This study has shown that it was possible to produce and make use of budget standard techniques for estimating the costs of living for households living in York in October 1991, at a modest-but-adequate standard of living, using similar techniques to those used by Seebohm Rowntree in 1899. It has also illustrated the ways in which this methodology could be used to devise budgets for other types of household, living in different parts of the UK. The potential applications of budget standards have been explored and shown to have modern uses. However, as with all research approaches, work on budget standards has been shown to have a number of limitations, and the particular difficulties experienced by the FBU have been identified and discussed throughout this study. Despite these limitations, it can be concluded that the FBU's assumption was justified, that budget standards could be used for estimating the cost of living for households, and that their potential applications justify the cost of the future development and application of budget standards, in the UK today.

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Table 1: A summary of the research methodology used by Rowntree (1899)

Country/ Organisation	UK - Rowntree (1899)
Budget Level	Minimum subsistence level
Budget Components	Food, rent, fuel, clothing, household consumables
Household types/ family members	Factory Labourer with wife and 3 children
Methodology	Type, quantity and quality of items based on existing standards where available Informed by - consumer expenditure data - nutritional guidelines
Applications	Guidelines for wages, measure of poverty

Table 2: A summary of the research methodology used by the US BLS (1948)

Country/ Organisation	US Bureau of Labour Statstics (BLS, 1948)
Budget Level	Modest-but-adequate, based on the requirements of a city worker's family
Budget Components	Clothing, household goods, food, recreation, communication costs, % allowance for miscellaneous items
Household types/ family members	a) 2 adults and 2 children (working man; non-working spouse; boy 13 years; girl 8 years)
Methodology	Equivalence scales used to identify budget levels for other families Type, quantity and quality of items based on existing standards where available plus expert committee views Lifespans calculated based on consumer purchasing patterns (no. purchases per 1000 families per year) Pricing-instore average of 34 cities Informed by - existing welfare standards - consumer expenditure/purchasing patterns
Applications	Inform social poilicy, estimate of minimal costs

Country/ Organisation	US Bureau of Labour Statistics (1967)
Budget Level	Lower; intermediate (moderate or prevailing standard); higher
Budget Components	As US BLS (1948)
Household types/ family members	a) 2 adults and 2 children (working man; non-working spouse; boy 13 years; girl 8 years) b) Elderly couple (introduced 1959) Equivalence scales used to calculate the component costs for households of different composition
Methodology	As US BLS (1948) plus: Quality of components selected using the income:quantity inflection point to determine the moderate standard Empirical survey of housewives' preferences & purchases Pricing in 39 metropolitan areas and 4 non-metropolitan areas Informed by - standards derived by expert committee - expenditure patterns at different income
Applications	Lower - public assistance programmes Intermediate - cost of living indices - salaries Higher - foster care disability allowances

Table 4: A summary of the research methodology used by the US NYCC (1982)

Country/ Organisation	US New York Community Council (NYCC) (1982)
Budget Level	Moderate level
Budget Components	As BLS 1967
Household types/ family members	a) 4 person index family b) Retired couple
Methodology	Based on the BLS 1966 budget and methodology Review of BLS/NYCC budget standards Methodology as above plus: Consumer survey on which items to include Pricing - representative prices at a given income level use of department stores and mail order catalogues Budget standard - BLS 1960-67 Normative data - trade association/marketing information Behavioural - expenditure/income data
Applications	Inform social poilicy, estimate of minimal costs

Country/ Organisation	Canada - Montreal Diet Dispensary (MDD, 1984)
Budget Level	Basic short term budget, Long term budget - minimum adequate requirements
Budget Components	Food, clothing, personal care, household goods, personal allowance, 3% miscellaneous costs allowance
Household types/ family members	14 different age, sex, employment categories
Methodology	Based on the Montreal Diet Dispensary budget Oct. 1959 Noramtive judgements about items, quantity and lifespans based on previus budget standard Behavioural survey of purchase/ownership statistics of representative families compared with US expenditure data
Applications	Welfare payments

Table 6 A summary of the research methodology used by the Toronto SCP (1974)

Country/ Organisation	Canada - Toronto Social Planning Council (SCP, 1974) Social Planning Council
Budget Level	"Adequate standard of living"
Budget Components	Food, clothing, household goods, leisure, alcohol, tobacco
Household types/	Equivalence scales based on the number of persons
Methodology	Expert committee specify quality and types of items Community panel views on types of items Quantities based on ownership/expenditure data Pricing-use of retail outlets and mail order
Applications	Community social agencies-advise on money management Federal authority assesment of adequacy of welfare programmes

Country/ Organisation	Sweden - Swedish consumer department (1985)
Budget Level	"Calculation of reasonable costs"
Budget Components	Food, clothing, recreation, hygiene, consumables, furniture, TV and radio, communication, electricity,
Household types/ family members	1 man; 1 woman; 2 children
Methodology	Technical study groups decide on contents, lifespans, and quantities of items Pricing carried out by the National Price and Cartel office SPK, prces average for the whole country Informed by existing welfare standards
Applications	Individual budgetary advice Economic reference point for government organisations

Table 8: A summary of the research methodology used by the Norweigan NICR (1990)

Country/ Organisation	Norway - National Institute for Consumer Research (NICR) (1990)
Budget Level	Minimal, long-term and short-term
Budget Components	Food, clothing, household goods and services
Household types/ family members	No specific family types, equivalence scales for different individuals based on age, sex and occupation
Methodology	Basket of goods approach -itemised budgets Pricing at 3 locations - use of price index to update prices Computer programme calculates needs of specific family combinations
Applications	Computer counselling - budgetary advice

Table 9: A summary of the research methodology used by the Dutch NIFF (1983)

Country/ Organisation	Netherlands - National Institute for Family Finance (NIFF, 1983)
Budget Level	Basic - minimum level Index for higher levels
Budget Components	A:fixed expenses-rent, fuel, water, taxes, insurance B:non-regular expenses-clothes, furniture, medical costs C:regular household expenses-food,cleaning products, personal care plus optional costs
Household types/ family members	Designed for specific (real and hypothetical) families of different composition
Methodology	Not budget standard as it starts form an income base Package method-modular construction - aimed to meet the needs of specific households Pricing-use of CBS price index based on worker's family expenses and average price:quality lines Informed by - existing standards - net income/expenditure data - investigations of reasonable costs
Applications	Computer counselling - budgetary advice, leaflets extensive progamme used by banks and finance companies

Table 10: A summary of the research methodology used by the Danish CA (1990)

Country/ Organisation	Denmark - Consumer Agency (1990)
Budget Level	Adaptable
Budget Components	Based on expenditure categories
Household types/ family members	Designed for specific (real and hypothetical) families as required
Methodology	Use of expenditure data - still in development stage Computer model of expenditure
Applications	Computer counselling - budgetary advice, leaflets National model of expenditure data

Table 11: A summary of the research methodology used by the Irish CPA (1990)

Country/ Organisation	Ireland - Combat Poverty Agency (CPA, 1990)
Budget Level	Minimally adequate level of income
Budget Components	Food, clothing, housing, household assets
Household types/ family members	1) 2 adults, 2 children family - industrial wage earner 2) 2 adults, 2 children family - long term unemployed
Methodology	Basket of goods approach (Bradshaw and Morgan 1987) Results compared with 7 other methods: 1) Application of US method Roche 1984 2) Institional budgets 3) % of average industrial earnings 4) % of aggregate personal income 5) Official simplified methodology 6) Minimum pay legislation 7) Average weekly disposable income Informed by: - existing standards/pay legistlation - income/earnings/expenditure data
Applications	Government review of adequacy of benefits and to rebase benefit levels

Table 12: A summary of the research methodology used by the FBU (1988-89)

Country/ Organisation	UK - FBU pilot budget standard project Family Budget Unit (1988-89)
Budget Level	Modest-but-adequate
Budget Components	Housing, food, fuel, clothing, household goods and services, personal care, leisure, tobacco, alcohol
Household types/ family members	Couple and a four year old girl 1 single pensioner (female)
Methodology	'Costed basket of goods approach' informed by: Existing welfare guidelines Expenditure data Technical advisors Pricing: instores and use of FES data
Applications	National guideline on household requirements at a modest-but-adequate standard

Table 13: A summary of the research methodology used by the FBU (1988-89)

Country/ Organisation	UK - FBU budget standard project (1990-92)
Budget Level	Modest-but-adequate
Budget Components	As 1988-9 project excluding tobacco costs
Household types/ family members	1 single man (30 years) 1 single female pensioner (72 years) Couple (man-34 years; woman-32 years) Couple and two young children(boy-10 years;girl-4 years) Couple and two older children(boy-10 years;girl-4 years) Lone mother and two young children
Methodology	As 1988-9 project except no use of FES data for pricing
Applications	As 1988-9 project

Source : Ernst and Parker (FBU WP 3, 1991, pp4-9)

THE UNIT OF ANALYSIS: FAMILIES

> What has to be determined is how widely income, resources and consumption are actually shared. It is clear that the consumption possibilities of children are dependent upon the resources available to their parents, and in turn the resources and consumption of adults in the same household, particularly married couples, are inter-dependent. For these reasons, the unit for equivalence scale analysis must be wider than the individuals who are part of wider units. (*Whiteford 1985, p. 99*)

Although the reference point for equivalence scale analysis will be the individual, the unit of analysis for the bulk of the FBU's work will be the family, and will comprise as many different family types as possible. This is in order to take account of economies of scale. The context for deciding the family types (or units of analysis) in the FBU's research programme revolves round the following questions:

i) Which family types, and how many of them, best match the objectives of the FBU's research programme?

ii) How accurately do the selected family types show economies of scale?

iii) How feasible (in terms of time, resources etc.) are the different options available? And what practical trade-offs will be required?

iv) Is it possible to obtain broadly equivalent data on the selected family types from the *Family Expenditure Survey*, and, in the case of food consumption, from the *National Food Survey*?

The FBU will in due course develop budgets for family

combinations built around eleven categories of individuals, namely:

Child aged 0-4
Child aged 5-10
Child aged 11-15
Teenage girl and boy, each aged 16-17
Woman and man, each aged 18-59
Woman and man, each aged 60-74
Woman and man each aged 75+

With these categories as the starting point, the next questions that arise are what combinations of individuals (or family types), and how many such combinations, should be included in the research programme? The criteria for this purpose include:

i) Demographic coverage: a set of family types covering the major family combinations in contemporary Britain.[1]

ii) Priority-group coverage: the inclusion of family types with additional or special needs, who are of particular interest from equity or social policy perspectives.

iii) Life-cycle spread: family types representing key points in the life cycle.

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1. Proportion of different family types in Great Britain, 1987:

	% of all households
1 person only	25
2 or more related adults	3
married couple*	
with dependent children	28
with independent children only	9
no children	27
lone parent	
with dependent children	4
no dependent children	4
2 or more families	1

Source: *General Household Survey 1987, Table 2.10*
* including cohabiting couples

iv) Equivalence considerations: sufficient numbers of family types to enable equivalence scales to be drawn.

v) Feasibility considerations: a set of family types that is manageable and practical, for instance with adequate samples in the *Family Expenditure Survey (FES)*.

Clearly, it is possible to identify a large number of family types using these criteria. In order to make the research task manageable, the FBU will start with six family types, grouped into five main categories. More family types will be added later, and the consumption and expenditure data will be analysed on an individual as well as a family basis.

1 Single-person family

a. Householder of working age
b. Woman aged 60+, householder

2 Two-adult family

c. Couple: man and woman of working age

3 Nuclear family

d. Couple: man and woman of working age, one preschool and one school age child

4 Lone-parent family

e. Woman of working age, one preschool and one school age child

5 Extended family

f. Couple of working age, two teenage children and one adult aged 60+

To construct the budgets, further assumptions have to be made concerning economic activity, housing tenure and motor vehicle ownership. These assumptions are best built into the budgets at the outset, although it may be possible to develop some sort of weighted formula at a later stage of the project, after completion and analysis of the first round of budgets.

Wherever possible, empirical data has been used to inform the assumptions made about family life-styles. However, in the case of the lone-parent family the application of a 'modest, but adequate' standard necessitates a more normative approach, due to the relatively low living standards of most lone-parent families.

Key assumptions for family types

Housing location and tenure

All the families are assumed to live in York, and to work in the York area. Two main housing assumptions - owner occupation and local authority rental - are used for each of the family types.

* Two-adult family:

Man and woman both work full-time.

In 1987, 84 percent of economically active males worked full time (*GHS 1987, Table 9.22*). An estimated 77 percent of women without dependent children were economically active, of whom 65 percent worked full-time (*GHS 1987, Table 9.5*)

* Two-adult, two-child family:

Man works full-time. Woman works part-time, for 20 hours a week.

In 1987, 62 percent of married women with two dependent children were economically active - 71 percent of whom worked part-time. Where the youngest child was under five years of age, 45 percent were economically active (56 percent of whom worked part-time). Where the youngestdependent child was five to nine years old, the proportion rose to 69 percent (74 percent part-time). (*GHS 1987, Table 9.19*)

17-24 hours per week was the most frequent period that women in part-time employment worked in the *1987 Labour Force Survey (Table 5.15)*. In the *New Earnings Survey 1990*, average weekly hours for all women aged 30-39 was 18.9. (*NES 1990, Table 179*)

* One-adult, two-child family:

Woman in full-time employment.

An estimated 80 percent of lone mothers with a dependent child under five years of age were not in employment in 1987, 9 percent worked full-time and 11 percent worked part-time (*GHS 1987*). In 1990, an estimated 78 percent of lone parents were not in employment (*Bradshaw and Millar 1991*). However, if the lone mother is to be able to afford a 'modest, but adequate' lifestyle, she needs to be in full-time paid work.

Activity: children

School-age children attend local primary school.

Children of pre-school age receive part-time nursery education.

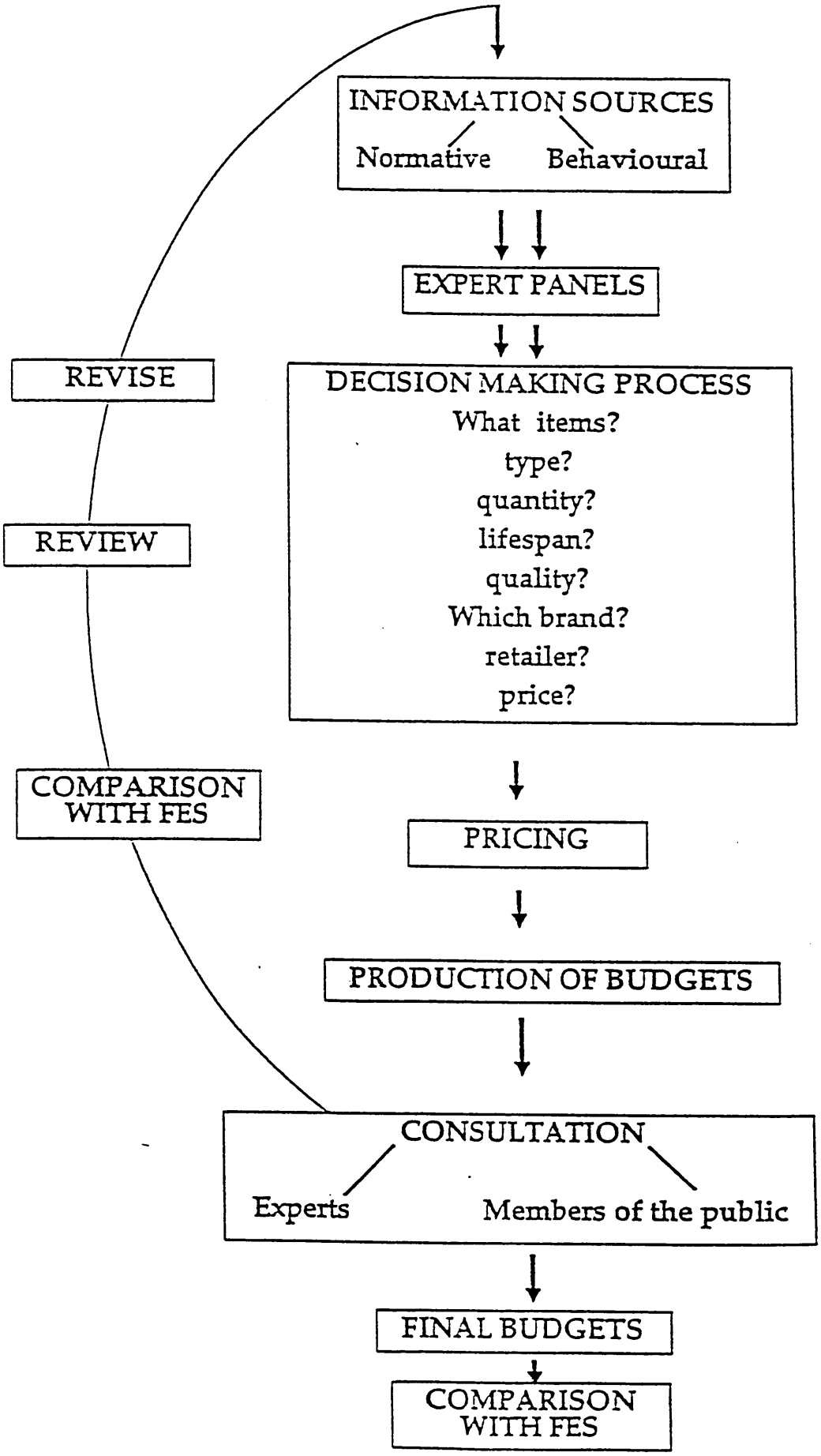
An estimated 77 percent of all four year olds were in some form of nursery education (*DES 1989*). Where the mother is employed full-time, additional child-care provision will be necessary, including child care for the older child during afternoons and school holidays.

Motor vehicle ownership

Each family is assumed to have a motor car.

According to the *National Travel Survey 1988 (Table 5.2)*, an estimated 56 percent of two-adult households under 60 years of age <u>without</u> children owned a car in 1985-86; and 24 percent owned two or more cars. An estimated 54 percent of two adult households under 60 years of age <u>with</u> children owned a car in 1985-86; and 25 percent owned two or more cars.

BUDGET STANDARD METHODOLOGY



FAMILY BUDGET UNIT

No.	
CLOTHING	
HG&S	
LG&S	
a)2+2	
c)2+0	

Thank you for agreeing to fill out this questionnaire on the budgets that the 'Family Budget Unit'(FBU) has produced, for Clothing, Household Goods and Services, and Leisure. Your comments will help to make sure that the budgets are realistic for families living in the U.K. today.

Please read the instructions and answer the questions. If you do not understand any of the questions, please ask me for help. If you do not agree with any parts of the budget, I would be grateful if you write your comments at the end of the questionnaire, giving reasons and examples of your views. All comments will be considered when I update the budgets.

Mary E. McCabe Mary McCabe Research Assistant Tel. Nos.532922 (Work) 324801 (Home)

A : Background Information

Q1) Are you a) Female |__| b) Male |__| ? (Please tick)

Q2) What age group are you in ? (Please tick) a) Under 25yrs |__| b) 25-39yrs |__| c) 40-54yrs |__| d) Over 54yrs |__|

Throughout this questionnaire you need to look at the budgets produced by the FBU and answer questions, for ONE family.

Q3) From the list below, choose ONE family type that is like your family. NOTE: There may not be a family that is exactly the same as your family, if this is the case, choose the nearest type of family. (Please tick the family type chosen.)

a) 2 Adults with 2 children (0-18 years) |__|

b) Lone parent with 2 children (0-18 years) |__|

c) 2 Adults with NO children |__|

Q4) At present, are you a) Working part-time |__| b) Working full-time |__| c) A full-time housewife/parent |__|

d) Unemployed |__| e) A student |__| f) On a training scheme |__| ? (Please tick)

If you are working or training, please write down your job title in the space below:

Q5) If you have children living at home with you, please answer Q5a) and Q5b), if not go to section B on the next page. (Fill in the number of children you have in each age group, in the boxes below.)

Qa) How many boys do you have in the following age-groups? 0-4 years |__| 5-7 years |__| 8-11 years |__| 12-18 years |__|

Qb) How many girls do you have in the following age-groups? 0-4 years |__| 5-7 years |__| 8-11 years |__| 12-18 years |__|

Q6) If you are are working/studying/training please answer Q6a) and Q6b), if not go to section B on the next page.

Qa) When you are working/studying who looks after your child(ren) ? (Please tick)

a) A friend or relative |__| b) A child-minder/nanny or baby-sitter |__|

c) I only work when my child is at school |__| d) My child is old enough to look after him/herself |__|

e) State/Work or Private Nursery |__| f) Other (Please state) |__| P.T.O.->

B: The Total Cost of Each Section of the Clothing Budget

1) The chart below shows the Clothing Budget produced by the FBU.
Look at the next page for the questions that you need to answer about this budget.

* The Costs/Week - £ have been calculated on a weekly basis. The cost of each item has been calculated by spreading the cost of the item over the number of weeks each item is expected to last for.

The Cost of The Clothing Items Per Week - £ *	The Cost/Week For Different Families		
	2 Adult, 2 Children Family	Lone Parent, 2 Children Family	2 Adult, No Children Family
	£/Week	£/Week	£/Week
Man's outerwear (shirts,tops,trousers,coats,suits etc.)	5.16	0.00	5.16
Man's underwear and socks (pants,vests,nightwear and socks)	0.90	0.00	0.90
Man's accessories (belts,ties,scarves,hats etc.)	0.38	0.00	0.38
Man's footwear (shoes,pumps,trainers,slippers etc.)	1.66	0.00	1.66
TOTAL COST-MAN'S CLOTHING-£/Wk	8.10	0.00	8.10
Woman's outerwear (tops,skirts,trousers,dresses,coats etc.)	5.24	5.24	5.24
Woman's underwear, tights and socks (bra,petticoats,nightwear etc.)	1.28	1.28	1.28
Woman's accessories (scarves,hats,gloves etc.)	0.23	0.23	0.23
Woman's footwear (shoes,trainers,sandals,slippers etc.)	1.48	1.48	1.48
TOTAL COST-WOMAN'S CLOTHING-£/Wk	8.23	8.23	8.23
Boy's outerwear (tops,trousers,coats,uniform,sportswear etc.)	4.40	4.40	0.00
Boy's underwear and socks (pants,vests,nightwear and socks)	1.04	1.04	0.00
Boy's accessories (belts,ties,scarves,hats etc.)	0.17	0.17	0.00
Boy's footwear (shoes,pumps,trainers,slippers etc.)	2.06	2.06	0.00
TOTAL COST-BOY'S CLOTHING-£/Wk	7.67	7.67	0.00
Girl's outerwear (tops,skirts,trousers,dresses,coats etc.)	4.92	4.92	0.00
Girl's underwear, tights and socks (bra,petticoats,nightwear etc.)	1.17	1.17	0.00
Girl's accessories (scarves,hats,gloves etc.)	0.14	0.14	0.00
Girl's footwear (shoes,trainers,sandals,slippers etc.)	1.31	1.31	0.00
TOTAL COST-GIRL'S CLOTHING-£/Wk	7.54	7.54	0.00
Sewing Materials and Equipment for Basic Repairs and Alterations	0.13	0.13	0.06
TOTAL FAMILY CLOTHING BUDGET-£/Wk	31.67	23.57	16.39

B: The Total Cost of Each Section of the Clothing Budget (Continued)

1) For each section of the Clothing Budget, look at the cost/week-£, for the family type that you have chosen, on the chart on the opposite page.

2) Imagine if this amount of money was spent on these items, would you describe it as:
1) Inadequate 2) Basic 3) Modest But Adequate 4) More Than Adequate OR 5) Luxurious.

3) Circle the number of the living standard that you think desribes the amount suggested for this section.
Eg. If you think that the amount of money allowed is basic, then circle number 2.

Budget Section	The Range of Living Standards				
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than Adequate (4)	Luxurious (5)
Man's outerwear	1	2	3	4	5
Man's underwear and socks	1	2	3	4	5
Man's accessories	1	2	3	4	5
Man's footwear	1	2	3	4	5
TOTAL COST-MAN'S CLOTHING-£	1	2	3	4	5
Woman's outerwear	1	2	3	4	5
Woman's underwear, tights and socks	1	2	3	4	5
Woman's accessories	1	2	3	4	5
Woman's footwear	1	2	3	4	5
TOTAL COST-WOMAN'S CLOTHING-£	1	2	3	4	5
Boy's outerwear	1	2	3	4	5
Boy's underwear and socks	1	2	3	4	5
Boy's accessories	1	2	3	4	5
Boy's footwear	1	2	3	4	5
TOTAL COST-BOY'S CLOTHING-£	1	2	3	4	5
Girl's outerwear	1	2	3	4	5
Girl's underwear, tights and socks	1	2	3	4	5
Girl's accessories	1	2	3	4	5
Girl's footwear	1	2	3	4	5
TOTAL COST-GIRL'S CLOTHING-£	1	2	3	4	5
Sewing Materials and Equipment for Basic Repairs and Alterations	1	2	3	4	5
TOTAL FAMILY CLOTHING BUDGET-£/Wk	1	2	3	4	5

* PLEASE ASK ME FOR SECTION C. KEEP THIS SHEET UNTIL YOU HAVE FINISHED SECTION C. *

C: Details of One Section of the Clothing Budget

A) The family type that you have already chosen is:

a) 2 Adults with 2 Children |_| b) Lone Parent with 2 Children |_| c) 2 Adults |_|

B) The box that has been ticked on the chart below, indicates which section of the clothing budget, you have been given. (See the sheet(s) that are fixed to the back of the question pages, for the details of this section of the budget)

Man's Clothing	Boy's Clothing	Sewing Materials and Equipment (Haberdashery)
Woman's Clothing	Girl's Clothing	

The FBU has aimed to produce budgets at a 'MODEST BUT ADEQUATE' standard of living. This standard is higher than POVERTY level, but lower than LUXURY. (Look back at Section B for the possible range of living standards.) Answer the following questions, bearing in mind that the budget is meant to enable a family to live at a MODEST BUT ADEQUATE standard of living.

Q1) For the questions below, circle the word that you think gives the best answer to each question.

Qa) How would you describe the QUANTITY (NUMBER) of each item included in this section?

Inadequate Not Enough The Right Number More than Enough Luxurious

Qb) How would you describe the LIFESPANS of the items included in this section?

Too Long Long The Right Length of Time Short Too Short

Qc) How would you describe the PRICES of the items included in this section?

Too Cheap Cheap The Right Price Expensive Too Expensive

Q2) Answer the questions below, giving details and reasons for your answers

Qa) Are there any particular ITEMS that you think should/should not have been included in this section?

Please list any items, with details and reasons for your answers, in the space below.

P.T.O ->

C: Details of One Section of the Clothing Budget (Continued)

Q2) Continued

Qb) Are there any particular QUANTITIES of items that you think are really too high or too low?

Please list any items, with details and reasons for your answers, in the space below.

Qc) Are there any particular LIFESPANS of items that you think are really too short or too long?

Please list any items, with details and reasons for your answers, in the space below.

Qd) Are there any particular BRANDS or SHOPS that you think should not have been used for pricing the items?

Please list any items, with details and reasons for your answers, in the space below.

3) Please write down any other comments that you would like to make about these budgets, or about the questionnaire, in the space below.

4) If you would be interested in completing furthur questionnaires or taking part in interviews about your own spending, please could you write your name, address and telephone number in the space below.

THANK YOU FOR YOUR HELP. PLEASE CAN YOU RETURN ALL THE SHEETS TO ME WHEN YOU HAVE FINISHED

BOY'S CLOTHING-FES NUMBERS 52,55,57 (Continued)

ITEM	FIBRE CONTENT	RETAILER	PRICE PER ITEM(£)	QUANTITY	LIFESPAN IN YEARS	TOTAL COST-£	COST PER YEAR-£	COST PER WEEK-£
OUTERWEAR (FES 52a)								
winter jacket	65% cotton/35% polyester, 100% nylon lining	C & A	27.99	1	2	27.990	13.995	0.269
summer jacket	cotton/polyester, nylon lining	M & S	19.99	1	2	19.990	9.995	0.192
water-proof jacket	100% water proofed nylon	Millets	8.99	1	3	8.990	2.997	0.058
tracksuit 2 piece	60% acrylic/35% cotton,5% other fibres	C & A	14.99	1	2	14.990	7.495	0.144
school trousers	70% cotton/30%wool	BHS	9.99	2	2	19.980	9.990	0.192
jeans	100%cotton	M & S	14.99	2	2	29.980	14.990	0.288
casual trousers	74%cotton/polyester	M & S	14.99	2	2	29.980	14.990	0.288
school shirt,long-sleeved	65%polyester/35%cotton	BHS	4.99	3	1	14.970	14.970	0.288
school shirts,short sleeved	65%polyester/35%cotton	BHS	4.99	3	2	14.970	7.485	0.144
casual shirts,long sleeved	55%viscose/45%cotton	M & S	10.99	3	2	32.970	16.485	0.317
casual shirt,short sleeved	cotton mix	M & S	9.99	2	2	19.980	9.990	0.192
polo t-shirt	100%cotton	M & S	7.99	3	2	23.970	11.985	0.230
T-shirt	100% cotton	M & S	5.99	4	2	23.960	11.980	0.230
PE shirt	100% cotton	BHS	6.99	2	2	13.980	6.990	0.134
school jumper	100% acrylic	BHS	9.99	2	1	19.980	19.980	0.384
winter jumper	100%acrylic	M & S	8.99	3	2	26.970	13.485	0.259
cotton jumper	100% cotton	M & S	12.99	1	2	12.990	6.495	0.125
Summer jumper	100% acrylic	M & S	9.99	1	2	9.990	4.995	0.096
sweatshirt	100%cotton	M & S	12.99	2	2	25.980	12.990	0.250
shorts	100% cotton	M & S	9.99	2	2	19.980	9.990	0.192
PE shorts	cotton mix	M & S	6.99	1	2	6.990	3.495	0.067
swimming trunks	nylon/lycra	M & S	5.99	1	2	5.990	2.995	0.058
			(FES 52a) Sub-total 1)-£=			425.370	228.762	4.399
UNDERWEAR (FES 52b)								
underpants,pack of 3	100% cotton	M & S	3.99	3	2	11.970	5.985	0.115
vests,pack of 2	100% cotton	M & S.	3.99	2	2	7.980	3.990	0.077
winter pyjamas	100%cotton	M & S	14.99	2	2	29.980	14.990	0.288
summer pyjamas	55%cotton/45%polyester	M & S	9.99	2	2	19.980	9.990	0.192
dressing gown	100%polyester	M & S	16.99	1	2	16.990	8.495	0.163
			(FES 52b) Sub-total 2)-£=			86.900	43.450	0.836

BOY'S CLOTHING-FES NUMBERS 52,55,57 (Continued)

ITEM	FIBRE CONTENT	RETAILER	PRICE PER ITEM(£)	QUANTITY	LIFESPAN IN YEARS	TOTAL COST-£	COST PER YEAR-£	COST PER WEEK-£
HOISERY (FES 52c)								
winter socks,pack of 3	53% wool/47% nylon	BHS	2.99	3	2	8.970	4.485	0.086
summer socks,pack of 2	70%cotton/nylon	M & S	2.50	4	2	10.000	5.000	0.096
walking socks	60% polyamide, 32% wool	Millets	3.99	1	3	3.990	1.330	0.025
			(FES 52c) Sub-total 3)-£=			22.960	10.815	0.208
ACCESSORIES (FES 55.3)								
winter hat	100%acrylic	M&S	2.99	1	3	2.990	0.997	0.019
baseball hat	nylon	C & A	2.99	1	3	2.990	0.997	0.019
knitted scarf	100%acrylic	M&S	3.99	1	3	3.990	1.330	0.025
quilted football gloves	nylon, cotton padded, rubber palms	Argos p232	4.99	1	3	4.990	1.663	0.032
knitted gloves	100%acrylic	M&S	2.50	1	3	2.500	0.833	0.016
school tie	----	School	1.50	1	3	1.500	0.500	0.010
belts	leather	M & S	3.50	2	3	7.000	2.333	0.045
			(FES 55.3) Sub-total 4)-£=			25.960	8.653	0.166
FOOTWEAR (FES 57.3)								
school shoes	leather upper, man made sole	Saxone	17.99	1	1	17.990	17.990	0.346
smart shoes	leather upper, man made sole	Saxone	15.99	1	1	15.990	15.990	0.308
casual shoes	soft leather	Saxone	16.99	1	1	16.990	16.990	0.327
casual pumps	cotton canvas	M & S	7.99	2	1	15.980	15.980	0.307
trainers	coated leather	Saxone "Hi Tec"	17.99	1	1	17.990	17.990	0.346
wellington boots	man made	Saxone	9.99	1	2	9.990	4.995	0.096
slippers	man made, velour	M & S	6.99	1	1	6.990	6.990	0.134
plimsoll trainers	canvas top	BHS	9.99	1	1	9.990	9.990	0.192
			(FES 57.3) Sub-total 5)-£=			111.910	106.915	2.056
			(FES 52a) Sub-total 1)-£=			425.570	228.762	4.399
			(FES 52b) Sub-total 2)-£=			86.300	43.450	0.836
			(FES 52c) Sub-total 3)-£=			22.960	10.815	0.208
			(FES 55.3) Sub-total 4)-£=			25.960	8.653	0.166
			(FES 57.3) Sub-total 5)-£=			111.910	106.915	2.055
			Total Cost-£=			673.300	393.595	7.665

QUESTIONNAIRE RESULTS

A : Background Information

QA1) Gender distribution of the respondents

Household Type	Female CL	HG&S	LG&S	Total-F	Male CL	HG&S	LG&S	Total-M	
D	13	15	9	37	0	1	1	2	
F	14	8	5	27	0	1	0	1	
C	6	11	5	22	3	0	0	3	
Total-R				86				6	92
% respondents				93.5%				6.5%	100.0%

Key: See key below

Q2) Age distribution of the respondents

AGE	Household D CL	HG&S	LG&S	Total	Household F CL	HG&S	LG&S	Total	Household C CL	HG&S	LG&S	Total	Total-R	% Respondents
a) < 25yrs	2	3	2	7	0	0	0	0	0	0	0	0	7	7.2%
b) 25-39yrs	8	12	8	28	6	6	1	13	5	7	2	14	55	72.4%
c) 40-54yrs	3	1	0	4	0	2	3	5	0	3	2	5	14	18.4%
d) > 54yrs	0	0	0	0	0	0	0	0	0	0	0	0	0	00.0%
Total-R				39				18				19	76	100.0%
Pilot (Not asked-R)				0				10				6	16	

Key: See below

A3) Household distribution of the respondents

	Household D	Household F	Household C	
CL	13	14	9	
HG&S	16	9	11	
LG&S	10	5	5	
Total-R	39	28	25	92
% respondents	42.4%	30.4%	27.2%	100.0%

Key:

CL = Clothing
HG&S = Household Goods and Services
LG&S = Leisure Goods and Services
R = Respondents

Household D = 2 adults; 2 children
Household F = 1 adult; 2 children
Household C = 2 adults

Q4) Employment status of the respondents

	Household D				Household F				Household C					
	CL	HG&S	LG&S	Total	CL	HG&S	LG&S	Total	CL	HG&S	LG&S	Total	Total-R	% R
a) Working P/T	1	4	3	8	8	4	2	14	1	2	0	3	25	28.1%
b) Working F/T	0	0	1	1	2	4	3	9	7	7	4	18	28	31.5%
c) F/T Hsewife/prnt	11	8	5	24	1	0	0	1	0	1	0	1	26	29.2%
d) Unemployed	0	1	1	2	0	0	0	0	0	0	0	0	2	2.2%
e) Student	1	3	0	4	0	1	0	1	1	1	1	3	8	9.0%
f) Training scheme	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total-Respondents				39				25				25	89	100.0%

Key: See below

Q5i) Age and gender distribution of the chidren in the respondents households

	Household D				Household F					
	CL	HG&S	LG&S	Total	CL	HG&S	LG&S	Total	Total-R	% R
0-4 years										
Boy	5	8	2	15	4	2	1	7	22	
Girl	10	6	6	22	2	1	0	3	25	
Total				37				10	47	40.2%
5-7 years										
Boy	5	6	3	14	4	1	2	7	21	
Girl	1	2	3	6	2	0	0	2	8	
Total				20				9	29	24.8%
8-11 years										
Boy	2	1	1	4	3	3	2	8	12	
Girl	1	0	1	2	6	2	1	9	11	
Total				6				17	23	19.7%
12-18 years										
Boy	3	0	3	6	1	1	2	4	10	
Girl	1	2	2	5	1	2	0	3	8	
Total				11				7	18	15.4%
Total-Boys				39				26	65	55.6%
Total-Girls				35				17	52	44.4%
Total-Children				74				43	117	100.0%

Key:

CL = Clothing
HG&S = Household Goods and Services
LG&S = Leisure Goods and Services
R = Respondents

Household D = 2 adults; 2 children
Household F = 1 adult; 2 children
Household C = 2 adults
Hsewfe/prnt = Housewife/parent

P/T = Part-time
F/T = Full-time
C = Children
H = Households

Q5ii) Household composition of the children in the respondents households

Household Composition	Household D CL	HG&S	LG&S	Total-H	Household F CL	HG&S	LG&S	Total-H	Total-H	% H
1 child										
1 boy+0 girls	0	4	0	4	3	4	2	9	13	
0 boys+1 girls	1	3	1	5	4	3	0	7	12	
Total-1				9				16	25	37.3%
2 children										
1 boy+1 girl	6	5	4	15	3	1	1	5	20	
2 boys+0 girls	2	3	1	6	2	0	2	4	10	
0 boys+2 girls	1	1	2	4	1	0	0	1	5	
Total-2				25				10	35	52.2%
3 children										
2 boys+1 girl	2	0	1	3	0	1	0	1	4	
1 boy+2 girls	1	0	1	2	0	0	0	0	2	
Total-3				5				1	6	9.0%
4 children										
2 boys+2 girls	0	0	0	0	1	0	0	1	1	
Total-4				0				1	1	1.5%
Total-H/holds				39				28	67	100.0%
Total-Children				74				43	117	100.0%
Av. No. of children/household				1.9				1.5	1.7	

Key:

CL = Clothing
HG&S = Household Goods and Services
LG&S = Leisure Goods and Services
R = Respondents
Av.No.= Average number

Household D = 2 adults; 2 children
Household F = 1 adult; 2 children
Household C = 2 adults
H/holds = Households

P/T = Part-time
F/T = Full-time
C = Children
H = Households

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Q6) Childcare service providers used by the repondents

	Household D				Household F					
	CL	HG&S	LG&S	Total	CL	HG&S	LG&S	Total	Total-RS	% RS
i) Friend/relative	1	5	1	7	4	6	3	13	20	41.7%
ii) Childminder etc.	1	2	1	4	6	2	2	10	14	29.2%
iii) School	0	1	1	2	0	3	0	3	5	10.4%
iv) Old enough	0	1	1	2	2	1	2	5	7	14.6%
v) Day nursery	0	0	0	0	0	0	0	0	0	0.0%
vi) Other	0	1	1	2	0	0	0	0	2	4.2%
Total Responses				17				31	48	100.0%

Key:

CL = Clothing
HG&S = Household Goods and Services
LG&S = Leisure Goods and Services
RS = Responses

2+2 = 2 adults; 2 children
1+2 = 1 adult; 2 children
2+0 = 2 adults

Section B: Clothing

A summary of the living standards selected to describe each section of the clothing budget

Budget Area	The range of Living Standards					Total Answers
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than Adequate (4)	Luxurious (5)	
Men's outerwear	0	5	6	6	1	18
Men's underwear	1	2	9	6	0	18
Men's accessories	1	4	5	7	1	18
Men's footwear	1	4	5	7	1	18
Men's clothing total cost	**0**	**3**	**8**	**7**	**0**	**18**
Women's outerwear	1	14	10	6	0	31
Women's underwear	2	16	9	4	0	31
Women's accessories	3	13	9	6	0	31
Women's footwear	4	12	11	4	0	31
Women's clothing total cost	**1**	**13**	**11**	**6**	**0**	**31**
Boys' outerwear	3	8	4	2	1	18
Boys' underwear	2	10	3	3	0	18
Boys' accessories	3	8	4	2	1	18
Boys' footwear	3	9	4	2	0	18
Boys' clothing total cost	**2**	**8**	**4**	**4**	**0**	**18**
Girls' outerwear	2	7	3	2	1	15
Girls' underwear	3	6	4	2	0	15
Girls' accessories	4	4	3	3	1	15
Girls' footwear	4	7	4	0	0	15
Girls' clothing total cost	**3**	**7**	**2**	**3**	**0**	**15**
Sewing materials & equipment	**4**	**7**	**12**	**3**	**0**	**26**
Total clothing budget	**1**	**11**	**10**	**4**	**1**	**27**

A summary of the living standards selected to describe each section of the HG&S budget

Budget Area	The range of Living Standards					Total Answers
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than Adequate (4)	Luxurious (5)	
Furniture	5	19	10	1	0	35
Floor coverings	3	14	14	4	0	35
Soft furnishings/linen	3	8	20	4	0	35
Gas & electric equipment & repairs	1	14	14	6	0	35
Kitchen/hardware	2	8	17	8	0	35
Stationery/paper goods	0	7	9	14	4	34
Toilet paper	1	5	17	10	2	35
Cleaning products	0	6	15	10	4	35
Pet costs	3	4	13	10	4	34
Total Household goods cost	3	8	19	2	0	32
Postage/telephone costs	3	16	10	5	1	35
Domestic help/window cleaning	9	8	4	4	9	34
Shoe repairs	5	6	18	4	1	34
Dry cleaning	4	8	14	5	4	35
Subscriptions/union costs	3	8	10	6	8	35
Total cost-Household services	2	8	13	7	3	33
Total cost-HG&S	1	9	17	6	1	34

Section B: Leisure Goods and Services (LG&S) Budget

A summary of the living standards selected to describe each section of the LG&S budget

Budget Area	The Range of Living Standards					Total Answers
	Inadequate (Poverty) (1)	Basic (2)	Modest But Adequate (3)	More Than (4)	Luxurious (5)	
Cigarettes/tobacco etc.	4	2	2	5	0	13
Audio/visual equipment & repairs	1	5	3	7	0	16
Sports goods	4	2	6	3	1	16
Books/newspapers/magazines	1	3	3	7	2	16
Games/toys/hobbies	3	7	3	3	0	16
Cameras/films/development costs	3	7	5	1	0	16
Garden/houseplant products	1	5	5	5	0	16
Total cost-Leisure goods	**1**	**8**	**3**	**3**	**0**	**15**
Cinema costs	6	6	3	1	0	16
Sports/entertainment/outings	4	6	6	0	0	16
TV licence	3	5	6	1	0	15
School costs and trips	10	5	1	0	0	16
Holiday Costs	9	2	4	1	0	16
Total costs-Leisure services	**6**	**4**	**4**	**1**	**0**	**15**
Total cost-LG&S	**4**	**5**	**2**	**4**	**0**	**15**

Q1a) A summary of the words selected to describe the quantities of the clothing budget items

Component Area	The Word Used To Describe The QUANTITY Of Each Item: Inadequate (1)	Not Enough (2)	The Right Number (3)	More Than Enough (4)	Luxurious (5)	Total-A
Man's clothing	0	2	4	1	0	7
Woman's clothing	1	2	6	0	0	9
Boy's clothing	1	2	2	1	0	6
Girl's clothing	0	2	2	0	1	5
Sewing materials and equipment	0	1	5	0	0	6

Q1b) A summary of the words selected to describe the lifespans of the clothing budget items

	The Word Used To Describe The LIFESPAN Of Each Item: Too Long (1)	Long (2)	Right Length Of Time (3)	More Than Enough (4)	Luxurious (5)	Total-A
Man's clothing	0	1	3	2	1	7
Woman's clothing	2	3	4	0	0	9
Boy's clothing	2	1	2	0	1	6
Girl's clothing	1	1	2	1	0	5
Sewing materials and equipment	0	0	5	1	0	6

Q1c) A summary of the words selected to describe the prices of the clothing budget items

Component Area	The Word Used To Describe The PRICE Of Each Item: Too Cheap (1)	Cheap (2)	The Right Price (3)	Expensive (4)	Too Expensive (5)	Total-A
Man's clothing	0	1	4	2	0	7
Woman's clothing	0	0	6	2	1	9
Boy's clothing	0	1	3	2	0	6
Girl's clothing	0	1	0	4	0	5
Sewing materials and equipment	0	0	6	0	0	6

Q1a) A summary of the words selected to describe the quantities of the HG&S budget items

Component Area	The Word Used To Describe The QUANTITY Of Each Item					
	Inadequate (1)	Not Enough (2)	The Right Number (3)	More Than Enough (4)	Luxurious (5)	Total-A
Furniture/fl.covering/furnishings	0	0	3	2	0	5
Gas & electric equipment & repairs	0	0	4	0	0	4
Kitchen and hardware	0	1	4	0	0	5
Cleaning materials, toilet rolls	0	1	2	2	0	5
Pet Costs	0	0	4	1	0	5
Stationery, household services	1	1	1	2	0	5

Q1b) A summary of the words selected to describe the lifespans of the HG&S budget items

Component Area	The Word Used To Describe The LIFESPAN Of Each Item					
	Too Long (1)	Long (2)	Right Length Of Time (3)	More Than Enough (4)	Luxurious (5)	Total-A
Furniture/fl.covering/furnishings	0	1	1	3	0	5
Gas & electric equipment & repairs	1	2	1	0	0	4
Kitchen and hardware	0	0	3	1	1	5
Cleaning materials, toilet rolls	0	2	3	0	0	5
Pet Costs	0	0	3	1	1	5
Stationery, household services	0	0	4	1	0	5

Q1c) A summary of the words selected to describe the prices of the HG&S budget items

Component Area	The Word Used To Describe The PRICE Of Each Item					
	Too Cheap (1)	Cheap (2)	The Right Price (3)	Expensive (4)	Too Expensive (5)	Total-A
Furniture/fl.covering/furnishings	0	0	3	2	0	5
Gas & electric equipment & repairs	0	0	4	0	0	4
Kitchen and hardware	0	0	3	2	0	5
Cleaning materials, toilet rolls	0	0	5	0	0	5
Pet Costs	0	0	4	1	0	5
Stationery, household services	1	0	3	1	0	5

Q1a) A summary of the words selected to describe the quantities of LG&S budget items

Component Area	The Word Used To Describe The QUANTITY Of Each Item					
	Inadequate (1)	Not Enough (2)	The Right Number (3)	More Than Enough (4)	Luxurious (5)	Total-A
Leisure Goods	0	1	6	6	0	13
Leisure Services	0	5	0	0	2	7

Q1b) A summary of the words selected to describe the lifespans of the LG&S budget items

Component Area	The Word Used To Describe The LIFESPAN Of Each Item					
	Too Long (1)	Long (2)	Right Length Of Time (3)	More Than Enough (4)	Luxurious (5)	Total-A
Leisure Goods	1	1	8	3	0	13
Leisure Services	N/A	N/A	N/A	N/A	N/A	0

Q1c) A summary of the words selected to describe the prices of the LG&S budget items

Component Area	The Word Used To Describe The PRICE Of Each Item					
	Too Cheap (1)	Cheap (2)	The Right Price (3)	Expensive (4)	Too Expensive (5)	Total-A
Leisure Goods	0	3	8	2	0	13
Leisure Services	2	4	1	0	0	7

Q4) Respondents who agreed to complete another questionniare

Household type	D	F	C	Total respondents (N=76)
Clothing	1	3	0	4
Household goods and services	5	2	3	10
Leisure goods and services	1	3	1	5
Total respondents	**6**	**8**	**4**	**19**

Table 1: US BLS (1967) - Clothing components and methodology

Country/ Organisation	US Bureau of Labor Statistics (US BLS, 1967)
Budget Level	Lower Intermediate - 'Prevailing family standard', Moderate
Budget Components	Outerwear, (OW) Underwear, (UW) Footwear, (FtW), Accessories, (Acc) Dry cleaning, Shoe repairs
Methodology	1. Replacement costs of basic clothing stock. Items are the same for all levels 2. Technical committee - decide how lists are derived and specifiy in detail the type, quality and style of clothes for pricing 3. Consumer survey also used to inform items chosen 4. Maximum IQ elasticity techniques used to determine levels of subcomponents - and influence decisions on quality and prices <u>Pricing</u> - Based on average price of a particular price range Same type of item priced for all three levels but differences in - average prices for different quality or price range - some based on % of intermediate level - some use same price

Table 2: NYCC (1982) - Clothing components and methodology

Country/ Organisation	New York Community Councl (NYCC, 1982)
Budget Level	Moderate level
Budget Components	17 age, sex, physical activity categories Categories - OW/UW/FtWear/Accessories; Dry cleaning Shoe repairs. % allowance of total clothing budget for unspecified items (10-20%)
Methodology	Based on BLS/1946 1967 Budget standard - Updated 1980 Social standard set using: 1. Expert panel - judgements about social clothing standard 2. Quanitities/lifespans informed by consumer expenditure patterns 3. % allowance for unspecified items 4. Cost of annual replacement of clothes. <u>Pricing</u> - most popular selling item of specified kind is chosen if more than 1 of that kind or garment - (informed by instore market sales figures).

Table 3: Toronto SPC (1974) - Clothing components and methodology

Country/ Organisation	Toronto Social Planning Council (TSPC, 1974)
Budget Level	Adequate standard of living
Budget Components	15 age, sex and physical activity categories. Special clothing needs eg.pregnant/nursing women and infants Outerwear, US, Ftwear, miscellanous (accessories) Dry cleaning, shoe repairs
Methodology	1. Basic stock and annual replacement costs Community panels decided standards and consider a) hygiene b) growth c) social acceptibility of clothing items 2. Influenced by actual practise (informed by expenditure data opinion surveys) <u>Pricing</u> - carried out by local department stores by pricing agencies and mail order

Table 7: Montreal DD (1982) - Clothing Components and Methodology

Country/ Organisation	Montreal Diet Dispensary (MDD, 1982)
Budget Level	Minimum adequate requirements
Budget Components	OW/UW/Ftwear/Accessories 10 different age, sex, physical activity categories
Methodology	Based on Montreal Diet Despensary budget Oct 1959 Budget based on : 1. Survey - representative households selected to answer questions about clothing needs and what items to include 2. Modified by US expenditure/purchase data 3. Comparisons with NYCC 1955, Toronto 1949 and Montreal 1959 4. US Agriculture Family Clothing Supplies 1950/51 Pricing by Baron de Hirsch Institute

Country/ Organisation	Swedish National Board for Consumer Policies (SNBCP, 1985)
Budget Level	Reasonable costs
Budget components	OW, UW, Ftwear, Dry cleaning, shoe repairs - no sports or recreational clothes 10 different age/sex categories
Methodology	1. Based on expert study groups decisions Lists reveiwed annually - some items changed 2. Lifespans "expected war and tear of garments" Pricing by SPK - use of large Department Stores and some single type shops eg shoes, sewing accessories)

Table 6: Dutch NIFF (1983) - Clothing components and methodology

Country/ Organisation	Dutch National Institute for Family Finance (NIFF, 1983)
Budget Level	Minimum Level + Optional packages
Budget Components	Budget costs only given for optional items
Methodology	1. Lifespan - 2 year Package for children 5 years - adults 2. Quantities defined for each item length of time shortened - but not lifespans

Table 7: UK FBU Pilot Study (1988/1989) - Clothing components and methodology

Country/ Organisation	UK Family Budget Unit (FBU) pilot study (1988/1989)
Budget Level	Modest-but-adequate
Budget Components	Based on FES categories OW, UW, FtW, Accessories 4 ages/sex/categories
Methodology	1. Normative model 1) Use of other budget standards 2) Technical experts 2. Use of behavioural dat sources 3. Global lifsepans - adults' clothes - 5 years children's clothes - 2 years Pricing - instore - M&S, C&A plus use of FES expenditure data

Table 8: UK FBU Research Project (1990-1992) - Clothing components and methodology

Country/ Organisation	UK FBU Research Project (1990/1992)
Budget Level	Modest-but-adequate
Budget Components	Based on FES categories OW, UW, FtW, Accessories 6 ages/sex/categories
Methodology	1. Normative model 1) Use of other budget standards 2) Technical experts 2. Use of behavioural data sources 3. FES data referred to for comparative purposes 4. Consultation with members of the public Pricing - instore - M&S, C&A, BHS Milletts, Saxone

A comparison of the FES expenditure range with the FBU budget for household type C

Budget item	FES Expenditure Quintiles					
Cost per week-1991	Q1	Q2	Q3	Q4	Q5	FBU MbA cost
Household Type C (2 adults)						
Men's outerwear	0.89	3.51	4.62	7.81	16.81	4.77
Men's underwear	0.20	0.29	0.41	0.55	0.95	0.69
Women's outerwear	1.52	4.64	7.42	11.13	23.59	4.90
Women's underwear	0.35	0.68	1.14	2.29	3.89	1.49
Boy's clothing	0.03	0.07	0.11	0.07	0.25	----
Girl's clothing	0.06	0.09	0.17	0.11	0.24	----
Infant's clothing	0.34	0.49	0.28	0.36	1.47	----
(Total children's clothes)	(0.43)	(0.65)	(0.56)	(0.54)	(1.96)	(0.00)
Accessories/)						0.36
Haberdashery)	0.25	0.49	0.72	1.18	1.38	0.06
(Total access./haberdash.)	(0.25)	(0.49)	(0.72)	(1.18)	(1.38)	(0.42)
Clothing materials	0.01	0.14	0.14	0.34	1.90	----
Footwear	1.18	2.18	3.43	4.02	7.17	2.65
Total cost per week-£ 1991	**4.83**	**12.58**	* **18.44**	**27.86**	**57.65**	**14.92**
Total cost per week-£ 1990	**4.65**	**12.11**	* **17.55**	**26.83**	**55.53**	**16.40**

Key: (See below)

A comparison of the FES expenditure range with the FBU budget for household type C

Budget item	FES Expenditure Quintiles					
Cost per week-£	Q1	Q2	Q3	Q4	Q5	FBU cost
Household Type D (2 adults and 2 children)						
Men's outerwear	0.43	0.97	2.10	4.86	3.10	4.77
Men's underwear	0.07	0.14	0.08	0.18	0.43	0.69
Women's outerwear	0.44	2.37	0.65	5.80	9.09	4.90
Women's underwear	0.15	0.58	0.87	1.24	1.20	1.49
Boy's clothing	1.28	1.02	1.73	1.91	4.63	5.33
Girl's clothing	0.34	0.55	2.36	2.18	5.84	4.93
Infant's clothing	0.53	1.13	3.48	2.24	6.35	----
(Total children's clothes)	(2.15)	(2.70)	(7.57)	(6.33)	(16.82)	(10.26)
Accessories/)						0.63
Haberdashery)	0.29	0.80	0.55	0.70	2.15	0.12
(Total access./haberdash.)	(0.29)	(0.80)	(0.55)	(0.70)	(2.15)	(0.75)
Clothing materials	0.00	0.30	0.09	0.87	0.16	----
Footwear	1.17	3.54	6.65	5.28	7.25	6.78
Total cost per week-1991	**4.70**	**11.40**	**22.57**	**25.26** *	**40.20**	**29.64**
Total cost per week-1990	**4.53**	**10.99**	**21.74**	**24.34** *	**38.72**	**31.67**

NB: Figures in brackets are excluded from the calculations

Source: Bradshaw, Hicks and Parker (FBU WP 12, 1991;2)

Detailed FES data - Vax B - University of York (28 May 1992)

Key:

Q = quintile MbA = Modest-but-adequate

A comparison of the FES expenditure range with the FBU budget for household type C

Budget item	FES Expenditure Quintiles					
Cost per week-£	Q1	Q2	Q3	Q4	Q5	FBU cost
Household Type F (1 adult and 2 children)						
Men's outerwear	0.00	0.00	0.27	0.26	3.34	----
Men's underwear	0.00	0.00	0.03	0.15	0.24	----
Women's outerwear	0.29	1.31	1.26	3.55	8.58	4.90
Women's underwear	0.21	0.30	0.19	0.80	1.40	1.49
Boy's clothing	0.24	0.70	0.59	2.45	2.21	5.33
Girl's clothing	0.14	0.77	0.65	1.44	2.68	4.93
Infant's clothing	0.13	1.02	1.84	1.67	1.22	----
(Total children's clothes)	(0.51)	(2.49)	(3.08)	(5.56)	(6.11)	(10.26)
Accessories/)						0.42
Haberdashery)	0.05	0.04	0.27	0.27	1.01	0.12
(Total access./haberdash.)	(0.05)	(0.04)	(0.27)	(0.27)	(1.01)	(0.54)
Clothing materials	0.00	0.03	0.30	0.05	0.11	----
Footwear	0.75	0.87	3.35	3.71	5.13	5.53
Total cost per week-£ 1991	**1.81**	5.04	8.75	14.35	* 25.92	22.72
Total cost per week-£ 1990	**1.74**	4.85	8.41	13.82	* 24.96	23.57

NB: Figures in brackets are excluded from the calculations

Source: Bradshaw, Hicks and Parker (FBU WP 12, 1991;2)
Detailed FES data - Vax B - University of York (28 May 1992)

Key:

Q = quintile MbA = Modest-but-adequate

Chart 7: Earnings required to achieve modest-but-adequate expenditure, tenants, £ per year and per week

	A *Single man*	*B* *Pensioner*	*C* *Two adults*	*D* *2 + 2 (younger)*		*E* *2 + 2 (older)*		*F* *1 + 2*
				one earner	*two earners*	*one earner*	*two earners*	
odest-but-adequate weekly budget, Oct 1991 prated to Apl 1992 by commodity indices	150.34	119.30	210.88	316.50	316.50	322.23	322.23	294.06
ess child benefit ne parent benefit, weekly	0.00	0.00	0.00	17.45	17.45	17.45	17.45	23.30
xpenditure from savings								
orrowing								
et income from earnings, annual	7818	6204	10966	15551	15551	15849	15849	14080
lus ational Insurance ontributions, annual	712	466	728	1707	1353	1748	1394	1507
come tax, annual	1561	690	761	3898	2498	4011	2611	3340
ccupational pension ontribution								
ross earnings, annual	10091	7359	12455	21156	19401	21607	19853	18927
ourly rate *	4.85	----	3.00	10.17	6.22	10.39	6.36	9.10

In cases with two earners, these wage rates are average hourly rates for both adults.
Household C: each adult works 40 hours per week.
Households D and E: *one earner* - 40 hours; *two earners* - full-time 40 hours + part-time 20 hours.

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