

Guernsey Household Expenditure Survey 2005 - 6

Summary Report

Introduction

This report presents a summary of the results of the 2005/6 Guernsey Household Expenditure Survey (HES).

Over 1,000 households took part in the survey which asked detailed questions about how households spend their money.

As such the results of the survey provide a rich insight into the spending patterns of Island Households. It is the most comprehensive survey of its kind ever conducted on the Island.

Over a million individual purchases were recorded in the survey, ranging from small items such as a loaf of bread or a newspaper, to large purchases such as a car or a family holiday.

The information provided by the survey has a number of uses. Its primary use is to ensure that the Retail Prices Index (RPI) remains relevant, and that prices and items monitored in the index reflect those actually being purchased. It also ensures that the weights (or relative importance of items and groups of items in the index) reflect household budgets.

The results from the survey will also provide analysis on various social aspects of household spending by breaking the data down into distinct groups of household income and housing type.



The key findings of the 2005/6 Household Expenditure Survey (HES) are presented below, together with an overview of the survey methodology and classifications used throughout the report.

Definition of a Household

The basic unit of the survey is the ‘household’, defined as:

... one person or a group of people living at the same address and sharing common housekeeping (defined as sharing meals or a lounge). Lodgers or boarders who have at least one meal a day with the household are included in that household but, as the HES is only concerned with private expenditure, communal households are excluded.

Data Collection

The fieldwork for the 2005/6 HES was conducted on behalf of the States of Guernsey by BMG Research, a UK based market research specialist. BMG Research was appointed following a competitive tender process for the work in accordance with standard States of Guernsey tendering procedures.

Data were gathered via a process whereby each member of the household completed a number of forms and a personal expenditure diary over a period of 14 days, with one person also taking responsibility for completion of a Household Expenditure record.

All data collected were treated with the utmost confidence, according to data protection rules and the Market Research Society code of conduct. Staff at the Policy and Research Unit were not allowed access to individual forms, and all data presented in this report are aggregated and therefore not attributable to any individual or household. The individual survey forms are retained by BMG Research so that any data queries raised by the Policy and Research Unit can be checked by BMG Research. Following completion of the exercise the individual forms will be destroyed.

Data analysis

This process involved the data entry, checking and verification of over a million individual items of expenditure. It was therefore an extensive piece of work and took some considerable time to complete.

The verification process identified any anomalies and these were resolved with reference to the original form. A process was also required in order to convert all spending into the equivalent of weekly expenditure.

Average weekly spending

In common with the methodology used in the UK and Jersey, all expenditure items are averaged across all households, including those households where zero expenditure was recorded on a specific item. This means that all households are deemed to pay a proportion of all costs, whether or not that household uses a particular good or service.

Classification of spending

Total expenditure is broken down into 14 distinct expenditure groups, which are based on the UK RPI’s HES (Household Expenditure Survey) codes. These are the current classifications which are used to calculate the RPI and are shown in *Table 1* on page 3.

Household Expenditure

Table 1 shows total weekly expenditure in Guernsey broken down by the 14 RPI groups as used in the Guernsey Retail Prices Index (RPI).

The mean total weekly expenditure for all households in the survey was £748.58 per week or £38,926 per annum

Expenditure was highest on Housing at £252.98 per week. The next highest category was Food at £72.76 a week. The lowest category of expenditure was Tobacco at £10.95 per week.

Expenditure on Household Goods, Household Services, Leisure Goods and Leisure Services accounted for £189.79 of household expenditure.

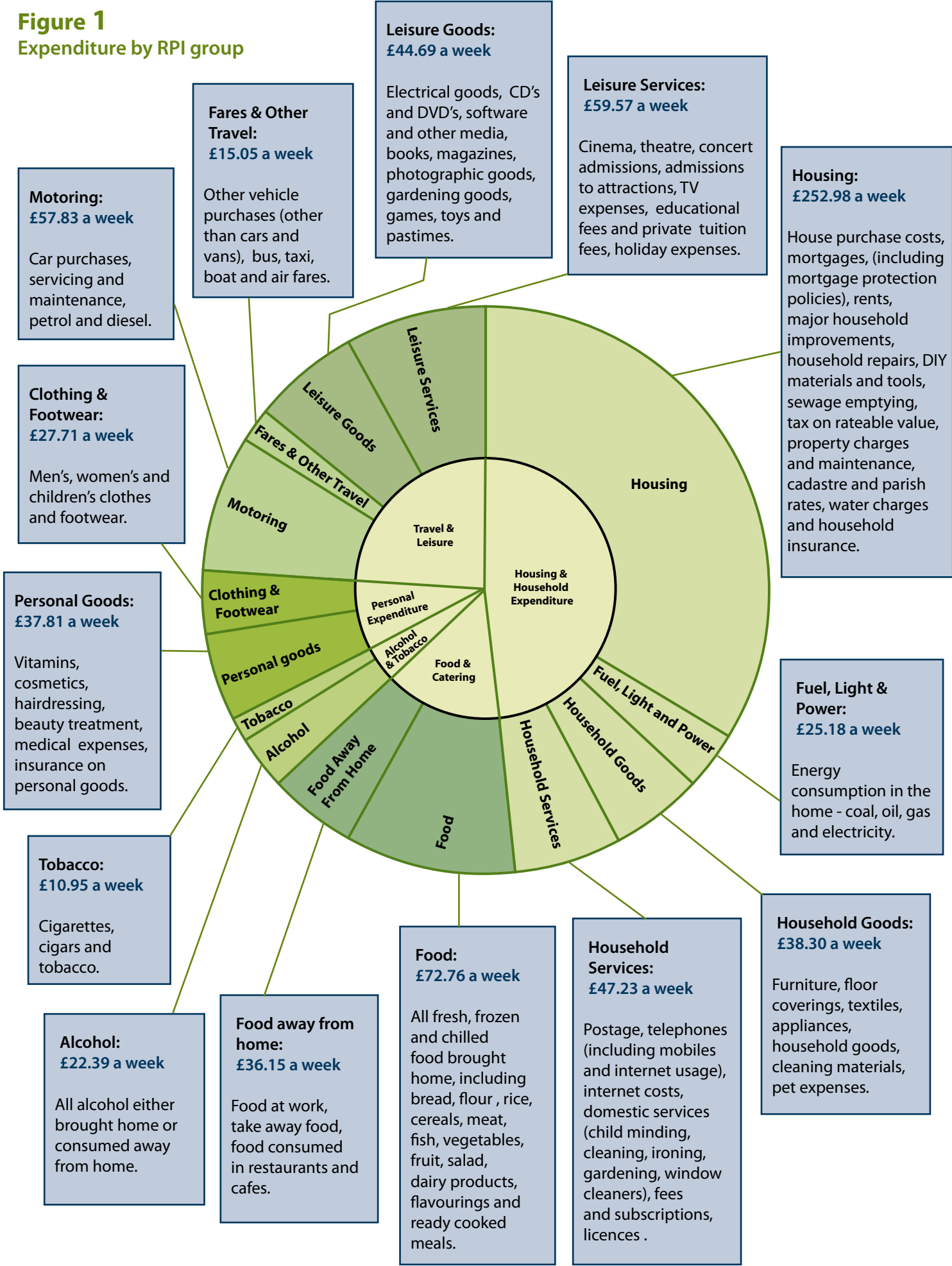
Households spent £36.15 a week on food consumed away from home (e.g. restaurants, cafes) - half the amount spent on Food purchased from supermarkets for example.

Table 1
Summary of average household spending by HES category

HES Category	What the category includes	£ per week	% of total spend
1 Food	All fresh, frozen and chilled food brought home, including bread, flour , rice, cereals, meat, fish, vegetables, fruit, salad, dairy products, flavourings and ready cooked meals.	£72.76	9.5%
2 Alcohol	All alcohol either brought home or consumed away from home.	£22.39	1.6%
3 Tobacco	All cigarettes, cigars and tobacco.	£10.95	0.5%
4 Housing	House purchase costs, mortgages, (including mortgage protection policies), rents, major household improvements, household repairs, DIY materials and tools, sewage emptying, tax on rateable value, property charges and maintenance, cadastre and parish rates, water charges and household insurance.	£252.98	32.4%
5 Fuel, Light and Power	Energy consumption in the home - coal, oil, gas and electricity.	£25.18	3.3%
6 Household Goods	Furniture, floor coverings, textiles, appliances, household goods, cleaning materials, pet expenses.	£38.30	5.5%
7 Household Services	Postage, telephones (including mobiles and internet usage), internet costs, domestic services (child minding, cleaning, ironing, gardening, window cleaners), fees and subscriptions, licences .	£47.23	6.0%
8 Clothing & Footwear	Men’s, women’s and children’s clothes and footwear.	£27.71	3.6%
9 Personal goods	Vitamins, cosmetics, hairdressing, beauty treatment, medical expenses, insurance on personal goods.	£37.81	5.4%
10 Motoring	Car purchases, servicing and maintenance, petrol and diesel	£57.83	8.0%
11 Fares and Other Travel	Other vehicle purchases (other than cars and vans), bus, taxi, boat and air fares.	£15.05	3.1%
12 Leisure Goods	Electrical goods, CD’s and DVD’s, software and other media, books, magazines, photographic goods, gardening goods, games, toys and pastimes.	£44.69	6.0%
13 Leisure Services	Cinema, theatre, concert admissions, admissions to attractions, TV expenses, educational fees and private tuition fees, holiday expenses.	£59.57	8.3%
14 Food Away From Home	Food at work, take away food, food consumed in restaurants and cafes.	£36.15	6.8%
All Weekly Expenditure		£748.58	100.0%

Annual Expenditure	£38,926.16
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Figure 1
Expenditure by RPI group



Expenditure by RPI Group

Figure 1 shows the same data as in Table 1, but presented graphically.

Major items of spending within the housing group include expenditure on mortgages, household repairs and maintenance, and major household improvements. In Guernsey, the Retail Prices Index (RPI) is used as the main measure of inflation, with a subsidiary index (the RPIX) used to measure inflation excluding the effects of mortgage payments.

Figure 2
Some observations on average household spending

- Average household expenditure on food away from home is approximately half of that spent on food brought home (£36.15 a week compared to £72.76 a week).
- Average household spending was £8.69 a week on wine brought home. When drinking away from home, most spending was on beer (£5.94 a week).
- Of the £72.76 a week spent on food, £9.03 is spent on Fresh meat, £4.33 on fresh vegetables and £5.33 on fresh fruit.
- Average household expenditure on mobile phones was £6.43 a week, compared to £5.28 for land lines.
- Three times as much is spent on women's clothes than on clothes for men (£15.41, compared to £5.09).
- Expenditure on children's clothes was £2.83 a week.
- Average household spending on domestic services was £12.57 a week or 1.7% of total spending.
- £8.70 a week is spent by the average household on sports related activities.
- The average household spends £6.52 a week on TV licence and satellite TV subscriptions.
- The average amount spent on educational fees (including private tuition such as driving lessons or music lessons) (£22.16 a week) was more than that spent on holidays (£20.55 a week).
- The average household spend on pet expenses was £7.25 a week compared to £6.43 on mobile phone charges.

Table 2
All Household Expenditure by RPI group

Weekly spend (£)		Weekly spend (£)	
Number of Households	1,004	Number of Households	1,004
Unweighted data	All Households	Unweighted data	All Households
ALL FOOD	72.76	ALL ALCOHOL	22.39
Bread	3.95	Beers brought home	1.78
Flour	0.41	Cider brought home	0.36
Biscuits	1.40	Fortified wines brought home	0.24
Cakes	2.43	Unfortified wines brought home	8.69Highest
Pasta/Rice/Cereals	2.36	Spirits / Liqueurs brought home	1.85
Fresh Meat	9.03Highest	Beers away from home	5.94
Cooked meat/meat products	3.04	Cider away from home	0.32
Frozen meat	1.13	Fortified wines away from home	0.01Lowest
Seafood	3.27	Unfortified wines away from home	1.71
Eggs	0.64	Spirits / Liqueurs away from home	0.88
Butter / Margarine	0.97	Alcoholic drinks with meals out	0.60
Yoghurt	1.97		
Milk	3.27	ALL TOBACCO	10.95
Cream	0.28	Cigarettes	9.85Highest
Cheese	2.39	Tobacco	0.67
Cooking oils / lard/ fat	0.37	Cigars	0.43Lowest
Baby Foods/Milk	0.62		
Fresh Vegetables	4.33	ALL HOUSING	252.98
Fresh Salad	1.01	House Purchase/Sale Costs	16.61
Tinned/Dried Vegetables	1.15	Mortgage Costs	100.50Highest
Frozen Vegetables	0.29	Rents	17.85
Potatoes and Potato products	3.08	Major Household Improvements	65.11
Fresh Fruit	5.33	Household repairs and maintenance	25.97
Canned, dried and frozen fruit	0.41	DIY Materials	5.84
Sugar	0.35	DIY Tools	1.30
Marmalades, syrups, jams	0.33	Sewage Emptying	1.25
Spreads	0.23	Tax on Rateable Value	1.54
Ice Cream	0.77	Water Charges	4.80
Sweets	3.45	Parish rates (occupiers rates)	2.08
Other packaged Foods	3.07	Property Charges	0.40Lowest
Ready to eat meals	3.20	Household Insurance	7.95
Flavourings	1.33	Other Housing Expenditure	1.79
Sauces/Chutneys/Pickles	0.99		
Tea	0.53	ALL FUEL, LIGHT & POWER	25.18
Coffee	0.74	Coal	1.39Lowest
Drinking Chocolate	0.15Lowest	Oil LESS rebates	9.31
Fruit Juices	1.63	Gas LESS rebates	3.82
Soft Drinks	2.84	Electricity LESS rebates	10.66Highest

Please note: The data presented in the tables have been rounded independently. The sum of the component items may not therefore add to the totals shown.

Table 2 (continued)
All Household Expenditure by RPI group

Weekly spend (£)		Weekly spend (£)	
Number of Households	1,004	Number of Households	1,004
Unweighted data	All Households	Unweighted data	All Households
ALL HOUSEHOLD GOODS	38.30	ALL MOTORING	57.83
Furniture	7.66Highest	Vehicle Purchases	22.11Highest
Floor Coverings	1.54	Servicing and repair costs	9.44
House Textiles	2.98	Spares and accessories	2.22Lowest
Baby equipment	0.62	Fuel Costs (motoring)	12.87
Appliances	3.68	Other motoring costs	11.18
Spare Parts for Electric Goods	0.26		
Reps to Domestic Appliances	0.40	ALL FARES AND OTHER TRAVEL	15.05
China/Glass Pottery	0.90	Other vehicle purchases	2.60
Mirrors	0.22Lowest	Other vehicle costs	2.55Lowest
Other Household Goods	5.29	Fares	9.89Highest
Stationery	2.99		
Tissues/toilet paper	1.18	ALL LEISURE GOODS	44.69
Soap products/washing powder	1.80	Electrical Goods	10.11Highest
Other cleaning materials	1.54	Parts and servicing for Leisure Goods	1.27
Pet Expenses	7.25	Musical Instruments/Parts	1.02Lowest
		Software and Media	1.14
ALL HOUSEHOLD SERVICES	47.23	Prerecorded material purchases	3.07
Postage Charges	1.06	Telephone purchases	1.03
Mobile phone charges	6.43	Sports Goods	4.32
Fixed Line Telephone Costs	5.28	Books	2.15
Internet Costs - ISPs	1.95	Newspapers and Magazines	5.21
Other Internet Costs	0.81Lowest	Games/Toys/Pastimes/hobbies	5.53
Domestic Services	12.57	Photography	2.32
Charges for repairs and cleaning	0.91	Cut Flowers	1.28
Charges and other fees	13.79Highest	Gardening	6.23
Other Household Services	4.45		
		ALL LEISURE SERVICES	59.57
ALL CLOTHING AND FOOTWEAR	27.71	Cinema/Theatre/Concert admissions	1.08
Men's Clothing	5.09	Sports costs	8.70
Women's Clothing	15.41Highest	Admission to attractions	0.56
Children's Clothing	2.83Lowest	TV	6.52
Footwear	4.38	Mooring and hangar fees	0.01Lowest
		Education / Tuition fees	22.16Highest
ALL PERSONAL GOODS	37.81	Holiday expenses	20.55
Miscellaneous personal goods	6.85		
Vitamins, Cosmetics, Toiletries	9.78	ALL FOOD AWAY FROM HOME	36.15
Hairdressing and beauty treatment	6.64	Food at work	0.50Lowest
Medical expenses	14.44Highest	Meals Out	27.85Highest
Insurance on Personal Goods	0.11Lowest	Take Away meals/snacks	7.80
		ALL EXPENDITURE	748.58



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This report has been produced by the States of Guernsey Policy Council in conjunction with the Retail Prices Index Steering Group.

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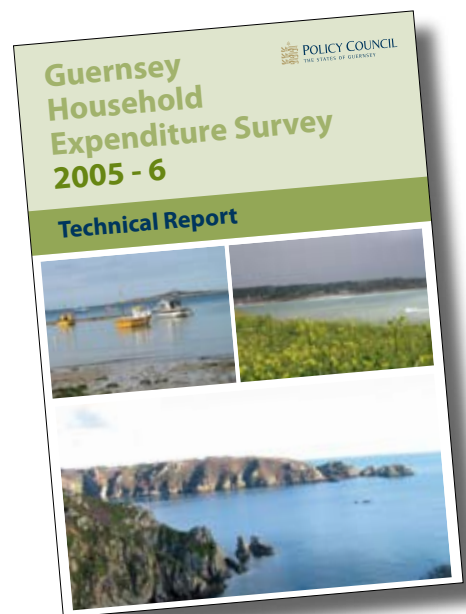
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More detailed results of the 2005 - 6 HES may be obtained by reading the Technical Report, available from the Policy and Research Unit or by download from www.gov.gg/pru.

The report contains detailed tables of expenditure by income quintiles, tenure, age of household reference person and household composition. It also provides a comparison with previous surveys as well as with similar expenditure surveys in Jersey and the United Kingdom.