



# Low Cost but Acceptable

A minimum income standard for households  
aged 65-74 years

Summary budgets  
April 2001 prices

Research update by Nina Oldfield  
and Holly Sutherland

Edited by Hermione Parker

Report commissioned by Age Concern England

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Family Budget Unit

## The Family Budget Unit (FBU)

The Family Budget Unit is an educational charity (No 298813) and private limited company (no 2211830), founded in 1987, with three objectives:

- \* To advance the education of the public in all matters relating to comparative living standards and living costs throughout the United Kingdom.
- \* 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.
- \* To publish the useful results of such work.

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### Abbreviations used:

ACE Age Concern England  
FBU Family Budget Unit  
HBAI Households Below Average Income  
LCA Low Cost but Acceptable  
MBA Modest But Adequate  
MCA Married Couple's Allowance  
NI National Insurance  
RPI Retail Prices Index

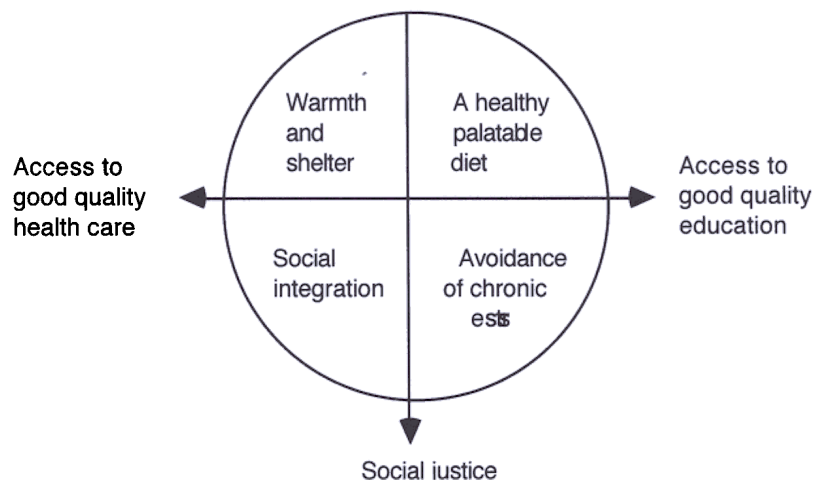
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**LOW COST BUT ACCEPTABLE**



**Part One**  
**Budget standards explained**

## 1 PURPOSE OF THIS REPORT

The report updates a study by the Family Budget Unit (FBU), published in March 2000,<sup>1</sup> which estimated the net and gross incomes required to avoid poverty and social exclusion, by households aged 65-74 years, in January 1999. The updated version estimates the net incomes, but not the gross incomes, required by similar households in April 2001.

The budgets presented are benchmark budgets. To reach the LCA standard, some households are likely to need more and others less than the figures shown here, depending on their circumstances. Notwithstanding this limitation, at LCA level two findings stand out:

- \* The narrowness of the margins for unforeseen expenditures, as a result of which older people have to exercise the utmost care to avoid running into debt. Households with higher living costs than those assumed here are particularly at risk.
- \* The poverty trap effects of overlaps between the tax and benefit systems, as a result of which National Insurance (NI) retirement pensioners with small second incomes can find themselves worse off in terms of spending power than their neighbours who receive Income Support.

## 2 RESEARCH METHOD

The method used is called *budget standards*. These are specified baskets of goods and services which, when priced, can represent predefined living standards, for households of different composition. The method can be traced to the work of German social statistician Ernst Engel, in the 19th century, and to Seebom Rowntree's survey of the population of York in 1901,<sup>2</sup> but there are important differences between Rowntree's approach and the budgets produced by the FBU. For his primary poverty measure, Rowntree chose budgets restricted to core costs (food, clothing, shelter, fuel and hygiene) plus a tiny margin for other needs, his purpose being to show that some earnings were too low to finance any kind of social life. The FBU also takes account of social and psychological needs, but does so in greater detail. Elsewhere in Europe, North America (and other parts of the world), similar techniques are widely used, usually under government auspices.<sup>3</sup> Successive British governments stand apart in avoiding the issue.

## 3 LOW COST BUT ACCEPTABLE (LCA) STANDARD

As the diagram on page 3 shows, household budgets (also referred to as family budgets) can be devised for a range of living standards. Those generally found to be most useful are *Low Cost but Acceptable (LCA)*, below which good health and social inclusion are at risk, and *Modest But Adequate (MBA)*, which is significantly higher. For the purpose of this report, LCA is the reference point. LCA marks a poverty threshold which is sustainable over long periods.

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1 Parker, H., (ed) (2000), *Low Cost but Acceptable incomes for older people: A minimum income standard for households aged 65-74 years in the UK*, Bristol, The Policy Press.

2 Rowntree, B.S. (1901), *Poverty: A Study of Town Life*, London, Macmillan.

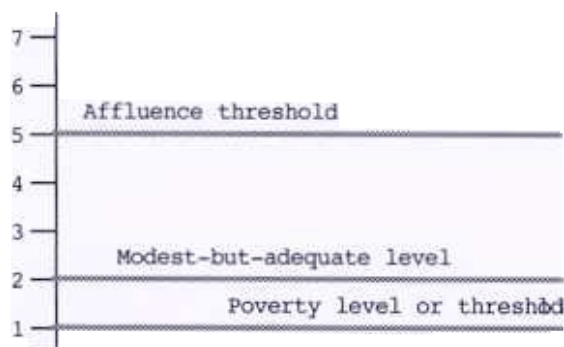
3 Veit-Wilson, J., (1998), *Setting Adequacy standards: How governments define minimum incomes*, Bristol, The Policy Press.



#### 4 MODEST BUT ADEQUATE (MBA) STANDARD

MBA measures the level of living at which most households aim, well clear of poverty, but well short of affluence. Pensioner budgets at the MBA standard were prepared by the FBU in 1993 and 1995<sup>1, 2</sup> — and found that only a minority of UK pensioner households reach the MBA standard.

THE PROSPERITY NUMBER SCALE  
MEASURING THE STANDARD OF LIVING



Source: Margaret Wynn, *Family Policy*, Penguin Books, 1972, p 165 .

#### 5 RELEVANCE OF BUDGET STANDARDS TO OLDER PEOPLE

Budget standards are relevant to the needs of older people in many ways, including :

Assessments for damages	Council tax	Mortgage affordability
Benevolent funds	Debt orders	Pension upratings
Catering	Financial planning	Public utility charges
Claims for damages	Health promotion	Rent affordability
Credit control	Income tax	Social security benefits
Credit risk	Money advice	

#### 6 RETAIL PRICES INDEX (RPI)

Updating the pensioner budgets with prices presents difficulties, because the RPI (All Items) does not specify pensioner households. Yet spending by older households, especially those wholly or mainly dependent on social security benefits, can differ from spending by working-age households. Between April 2000 and April 2001, the largest increase in prices came from changes in motoring costs, yet relatively few, low-income pensioners are car owners. To minimise the effects of this bias towards 'average' households, while still using the regular RPI, the FBU attaches each item in the pensioner budgets to its nearest RPI commodity group. The result is an uprating which is slightly different to the overall RPI figure, but fits better with price changes in the pensioner baskets of goods and services.

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- 1 Parker, H. (ed) (1995), *Modest-But-Adequate budgets for four pensioner households: October 1994 prices*, Family Budget Unit Ltd, King's College London.
  - 2 Bradshaw, J., *Budget Standards for the United Kingdom*, Avebury, Aldershot, 1993; and *Household Budgets and Living Standards*, Joseph Rowntree Foundation, York, 1993.

*Example:* In the UK, between January 1999 and April 2001, the General Index of Retail Prices (RPI) increased by 5.9%, whereas the costs of the FBU pensioner budgets (including alcohol) increased, on average, by 4.6% for local authority tenants and 3.2% for owner occupiers. These changes are due to below average increases, and in some cases falls, in the prices of items purchased by low-income, retired households — especially food, gas, electricity and telephone charges — which were only partly offset by above-average increases in rents, council tax, travel costs, activities and car-running costs.

## **7 THE NEED FOR SAFETY MARGINS**

At this point, it is worth emphasising that the FBU is not recommending that elderly people be expected to live at the LCA standard. If poverty in old age is to be prevented, the FBU budgets are best regarded as indicators of the income levels below which the risks of poverty become acute. To avoid poverty, guaranteed incomes in old age would need to exceed the LCA budgets shown here.

## **8 LCA PENSIONER BUDGETS, APRIL 2001**

### **8.1 Six model households**

Summary budgets are presented for each of the following model households, first as local authority tenants, then as owner occupiers with their mortgages paid off:

- \* *Single woman, aged 65-74 years, tenant*
- Single man, aged 65-74 years, tenant*
- \* *Couple, each aged 65-74 years, tenants*
- Single woman, aged 65-74 years, owner occupier*
- Single man, aged 65-74 years, owner occupier*
- Couple, each aged 65-74 years, owner occupiers*

### **8.2 Location, housing and car ownership**

All the FBU households are assumed to live on the outskirts of York, which provides a cultural base and an established pattern of community services, local taxes, leisure and housing. The tenants occupy local authority housing, the owner occupiers are assumed to have paid off their mortgages. Households with mortgages to pay require higher incomes than those shown here. None of the households has a car, but the costs of car ownership are estimated in footnotes to Tables 8 and 9.

### **8.3 Derived budgets**

All the items in the shopping baskets, their prices and their costs, are derived from the FBU's January 1999 pensioner budgets, updated to April 2001.

### **8.4 Inclusion and costs of durables**

Although the terms Modest But Adequate and Low Cost but Acceptable are conceptually easy to understand, identifying them in terms of goods and services is not. To counter this problem, the FBU uses two rules of thumb:

*At the MBA standard, durables and services are included if more than 50 per cent of households aged 65-74 years, possess or use them.*

- \* *At the LCA standard, durables and services are included if more than 80 per cent of households aged 65-74 years, possess or use them.*

Durables are costed by dividing the purchase price of each article by its estimated life-span, so a woman's coat costing £55.53, with a lifetime of ten years, becomes a weekly cost of 11 pence.

### 8.5 Discussion groups

For its 1999 report, the FBU consulted twelve discussion groups, composed of non-related, low-income adults in the age range 65-74 years and living in financial and household circumstances similar to those of the FBU model families. The FBU also drew on consumer reports and national surveys. No new discussion groups were organised for this uprating.

### 8.6 Budget components

Following the Swedish example,<sup>1</sup> the FBU distinguishes between budget standard expenditures, which are relatively constant, and variable expenditures, which are not. Users specify the variable expenditures they incur. For the pensioner budgets, spaces are left for job-related costs, debts, fines and maintenance costs, but expenditures on them are assumed to be nil. Housing and heating (see Table 1) are key determinants. In the FBU's fuel budgets, the owner occupiers have similar heating bills, because they live in similar two-bedroom houses, with gas central heating. The local authority tenants have dissimilar fuel bills, because the single tenant occupies a one-bedroom flat with all-electric heating, whereas the couples have a two-bedroom, terrace property with gas central heating.

TABLE 1: LCA BUDGET COMPONENTS

Budget standard expenditures	Variable expenditures
Food	Housing
Clothing	Fuel
Personal care	Transport
Household goods and services	NHS charges
Leisure	Insurances
	Debts, fines, maintenance orders
	Job-related costs
	Costs of seeking work
	Pets
	Alcohol
	Tobacco
	Charitable giving

### 8.7 Six key questions

In constructing the original budgets, the following questions were addressed and national retail outlets were used where possible:

- What items to include?
- What quantities of those items?
- What quality?
- What price?
- What lifetimes for the durables?
- Where to price the items (corner shop or supermarket)?

<sup>1</sup>The Swedish National Board for Consumer Affairs, *An abstract of the Swedish budget counselling model*: Budgetråd, Stockholm: Konsumentverket, S-118.

## 8.8 Taxes

All prices in the budgets are VAT inclusive. Council tax is included as a budget item. Total living costs are grossed up for the income tax payable on the net incomes required by each household type to reach LCA level. None of the pensioners pays NI contribution.

## 8.9 Part normative, part empirical

Most of the budgets require a mixture of normative judgements (regarding needs) and empirical data (indicating preferences). For the former, the FBU uses recognised standards of nutrition, housing and warmth. For example, the nutritionists at King's College London recommend less sugar than is generally consumed; and tobacco is omitted. For the empirical data in the January 1999 pensioner budgets, the FBU consulted twelve discussion groups, composed of non-related, low-income adults, in the age range 65-74 years and living in financial and household circumstances similar to those of the FBU model families. For this report, no new discussion groups were convened.

## 8.10 Compared with DSS Households Below Average Income (HBAI) statistics

It is worth noting that the FBU methodology is different to that used by the Department of Social Security for its *Households Below Average Income* (HBAI) statistics.<sup>1</sup> The DSS statisticians measure need using equivalence scales derived from Family Expenditure Surveys (FES), whereas the FBU uses recognised standards for housing, warmth and food, *plus* empirical research indicating consumer preferences (discussion groups, marketing and expenditure surveys). When used in relation to need, the HBAI statistics involve two questionable assumptions:

- First:* that the money low income households spend is also what they need to spend.
- Second:* that a single set of equivalence scales can be applied from top to bottom of the income distribution, without distorting the results.

## 8.11 Validation

Validation of the January 1999 pensioner budgets included a second series of meetings with the FBU's discussion groups, on the basis of which amendments to the draft budgets were made. The Family Expenditure Survey (FES) was also referred to. By comparison with retired households not mainly dependent on State pensions, the 1999 budgets represented approximately three-quarters of average spending by single pensioners and two-thirds of average spending by couples.<sup>2</sup>

# 9 LIMITATIONS OF BUDGET STANDARDS

## 9.1 Methodological issues

In devising its budgets, the FBU has to address a number of methodological issues. Choosing the items for inclusion, specifying quantities and allocating life-times requires time and expertise. Keeping the budgets up to date with price changes is another considerable task. Over the years, the patterns of household expenditures change and the LCA budgets require regular reconstruction.

## 9.2 Location

Although all the households in this study are assumed to live in the city of York, national retail outlets are used for pricing, wherever possible.

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<sup>1</sup> Department of Social Security, *Households Below Average Income: A statistical analysis*. Annual publication.

<sup>2</sup> Family Expenditure Survey 1997-98, Tables 4.2 and 4.8.

### 9.3 The costs of credit

The costs of credit are not included. If they were included, the durables in the budgets would cost significantly more than the prices shown here.

### 9.4 Hypothetical, not actual families

Finally, a word of caution. Because the FBU budgets are based on hypothetical, not actual families, it would be incorrect to generalise the FBU budget totals for older households as a whole, or for older couples, older women and older men. Although great care has been taken to ensure that the budgets reflect consumer preferences — whilst also promoting a healthy life-style — the budget totals depend significantly on the assumptions made, particularly those concerning variable costs like rents, fuel and transport. These are costs over which households have little control and there are many older households in the UK whose rents are significantly higher than those shown here.

## 10 ASSUMPTIONS

### 10.1 Location of housing

All the properties are located within a mile or so of York city centre.

### 10.2 Housing specifications: single people

*Local authority rented:* 1960s, one-bedroom, first-floor flat, mid-terrace property on large estate, one mile from city centre. Rateable Value 102. Council tax banding 'A'. Four rooms plus hall and brick shed. Modern, electric central heating. No garden.

*Owner occupied:* 1850s two-bedroom, mid-terrace house, part-modernised,  $\frac{1}{4}$  mile from city centre. Rateable Value 114. Council tax banding 'B'. Six rooms plus hall, brick shed and rear garden. Full, gas-fired central heating (gas fire with back boiler).

### 10.3 Housing specifications: couples

*Local authority rented:* 1890s two-bedroom, modernised mid-terrace house,  $\frac{1}{4}$  mile from city centre. Rateable Value 110. Council tax banding 'B'. Six rooms plus hall, brick outside store, small yard/garden. Full gas-fired central heating (gas fire with back boiler).

*Owner occupied:* 1850s two-bedroom, mid-terrace house, part-modernised,  $\frac{1}{4}$  mile from city centre. Rateable Value 114. Council tax banding 'B'. Six rooms plus hall, brick shed and rear garden. Full gas-fired central heating (gas fire with back boiler).

### 10.4 Fuel

Fuel costs include VAT at 5%. Assumed internal temperatures are as follows:

- Average demand temperature: 20°C in zone 1 (i.e. downstairs in house and throughout the flat)
- 18°C elsewhere in house (zone 2)
- Minimum temperature: 16°C (i.e. the temperature never drops below 16°C)

### 10.5 Car ownership

The households in Tables 8 and 9 do not own cars. However, a car budget based on a seven-year-old Ford Escort, with annual mileage of 5,000, is reckoned to cost £26.83 a week for single pensioners and £27.44 for couples, assuming that public transport fares are reduced *pro rata*.

**Part Two**  
**Analysis of findings**

## 1 LCA BUDGET COSTS

Table 2 summarises the average weekly costs of six pensioner households, living in York, in the defined circumstances, in April 2001. The figures distinguish between:

- \* Tenants and owner occupiers (whose mortgages are assumed to be paid off)
- \* Alcohol drinkers and non-drinkers
- \* Car owners and those who rely on public transport.

For single pensioners, living costs vary between £101 and £154 a week, according to the assumed circumstances. For couples, living costs vary between £150 and £212 a week. These spending levels indicate the thresholds below which older people — in good health, with relatively low housing and transport costs — are at considerable risk of poverty

TABLE 2: LCA BUDGET COSTS, APRIL 2001  
Households aged 65-74 years

	<i>With alcohol</i>		<i>Without alcohol</i>	
	<i>No car</i>	<i>Car</i>	<i>No car</i>	<i>Car</i>
<b>A. Tenants</b>				
Single woman	128	149	126	148
Single man	132	154	128	150
Couple	194	212	188	206
<b>B. Owner occupiers</b>				
Single woman	103	125	101	123
Single man	107	129	103	125
Couple	155	173	150	167

Source: Family Budget Unit, 2001

## 2 LCA COMPARED WITH AVERAGE EARNINGS

In April 2001, average gross weekly earnings for full-time manual workers were £360 (rounded) for men and £242 (rounded) for women. For the single tenants in this study, LCA budget costs in Table 2 (with alcohol but no car) represent 53% of average female manual earnings and 37% of average male manual earnings. For couples, they represent 54% of average male manual earnings.

TABLE 3: LCA BUDGET COSTS, AS %s OF AVERAGE MALE AND  
AND FEMALE MANUAL EARNINGS  
APRIL 2001  
Households aged 65-74 years

	<i>With alcohol</i>		<i>Without alcohol</i>	
	<i>No car</i> %	<i>Car</i> %	<i>No car</i> %	<i>Car</i> %
<b>A. Tenants</b>				
Single woman	53	62	52	61
Single man	37	43	36	42
Couple	54	59	52	57
<b>B. Owner occupiers</b>				
Single woman	43	52	42	51
Single man	30	36	29	35
Couple	43	48	42	46

Sources: New Earnings Survey 2001; Family Budget Unit, 2002

### 3 NI RETIREMENT PENSIONS COMPARED WITH LCA STANDARD

#### 3.1 Amounts payable: April 1998, 1999, 2000, 2001

Table 4 summarises the NI pension amounts payable to the households in this study, each benefit year from April 1998 to April 2001. In January 1999, the month when the FBU's first LCA budgets for pensioners were priced, NI pensions were payable at the April 1998 rates, that is £64.70 for single householders and £103.40 for couples. By April 2001, the same NI pensions were £72.50 for single people and £115.90 for couples, *plus* a winter fuel allowance of £200 per household, payable in a lump sum during winter. This is equivalent to average weekly pensions of £76 (rounded) for single people drawing Category A pension; and £120 (rounded) for couples drawing one Category A pension and one Category B pension.

TABLE 4: NI RETIREMENT PENSIONS, APRIL 1998, 1999, 2000 and 2001

£ week	Category A pension		Category A + B pension	
April 1998	64.70		103.40	
April 1999	66.75		106.70	
April 2000	67.50 + 1.92*	= 69.42	107.90 + 1.92*	= 109.82
April 2001	72.50 + 3.85*	= 76.35	115.90 + 3.85*	= 119.75

\* Equals average weekly value of heating additions: Winter 2000: total payment £100 per household  
Winter 2001: total payment £200 per household

#### 3.2 Compared with LCA budget costs

Table 5 summarises the shortfalls in NI retirement pension (including winter fuel allowance), by comparison with the expenditures required to reach LCA level, in April 2001, assuming expenditures as shown in Tables 8 and 9. At that time NI pension for a single pensioner was £76.35 a week (including average weekly value of fuel allowance). For a couple, assuming one Category A plus one Category B pension) it was £119.75 a week. The smallest shortfall in Table 5 was £25 a week / £1,300 a year (assuming a single woman, owner occupier, no alcohol, no car). The largest shortfall was £92 a week / £4,784 a year (assuming a tenant couple, who drink alcohol and own a second-hand car).

TABLE 5: NI RETIREMENT PENSIONS: LCA SHORTFALLS  
APRIL 2001, WITH AND WITHOUT A CAR  
Households aged 65-74 years, £ week, rounded figures

	With alcohol		Without alcohol	
	No car	Car	No car	Car
<b>A. Tenants</b>				
Single woman	52	73	50	72
Single man	56	78	52	74
Married couple	74	92	68	86
<b>B. Owner occupiers</b>				
Single woman	27	49	25	47
Single man	31	53	27	49
Married couple	35	53	30	47

Source: Family Budget Unit, 2001



## 4 INCOME SUPPORT COMPARED WITH LCA STANDARD

### 4.1 Amounts payable: April 1998, 1999, 2000, 2001

Table 6 summarises the amounts of Income Support payable to people aged 65-74 years, each benefit year since April 1998. Between April 2001 and April 2002, the rates of Income Support payable to older people aged 65-74 years are £96.00 (including average weekly value of fuel addition) for single householders and £144.40 (including fuel addition) for couples. Since April 1998, if fuel addition is taken into account, income support entitlements have increased by £25.55 a week for single householders and £35.05 for couples. Rent and council tax are also payable in full with Income Support, but are not included in the figure-work for Table 6.

TABLE 6: INCOME SUPPORT ENTITLEMENTS: APRIL 1998 - 2001 \*  
Households aged 65-74 years, £ week, rounded figures

	<i>Single householder</i>	<i>Married couple</i>
April 1998	70.45	109.35
April 1999	75.00	116.60
April 2000**	78.45 + 1.92 fuel = 80.37	121.95 + 1.92 fuel = 123.87
April 2001**	92.15 + 3.85 fuel = 96.00	140.55 + 3.85 fuel = 144.40

Plus rent and council tax in full

Including average weekly value of fuel additions of: £100 per household, Winter 2000-1  
£200 per household, Winter 2001-2

### 4.2 Compared with LCA budget costs

Table 7 quantifies the margins between income support and the LCA standard, in April 2001. As before, the figures take winter fuel allowance into account. Living costs are lower for tenants receiving Income Support than for owner occupiers, because tenants get their rents paid in full, as well as council tax. Car owners face additional costs. A second-hand Ford Escort adds an estimated £22 a week (on average) to the living costs of single pensioners (living in the defined circumstances) and £18 a week to the living costs of couples (who save more on their bus fares).

TABLE 7 INCOME SUPPORT COMPARED WITH LCA STANDARD  
APRIL 2001  
Households aged 65-74 years, £ week, rounded figures  
Alcohol included in the budgets

	<i>With alcohol</i>		<i>Without alcohol</i>	
	<i>No car</i>	<i>Car</i>	<i>No car</i>	<i>Car</i>
<b>A. Tenants</b>				
Single woman	+11	- 11	+12	- 9
Single man	+ 6	- 15	+11	-10
Married couple	+ 6	- 12	+11	- 5
<b>B. Owner occupiers</b>				
Single woman	+ 2	- 20	+ 4	-18
Single man	- 2	- 24	+ 2	-19
Married couple	+ 1	- 17	+ 6	-12

Source: Family Budget Unit, 2001

**Part Three**  
**Summary budgets**

## Explanation of Tables 8 and 9

**Parts A and B** of Tables 8 and 9 summarise and sum together the estimated living costs of the FBU pensioner households, first as local authority tenants, then as owner occupiers who have paid off their mortgages.

The figures also distinguish between households who buy alcohol and those who do not.

The weekly alcohol allowance is limited to:

- 6 units for a single woman
- 14 units for a single man
- 18 units for a couple

Where alcohol is included, the food budgets are adjusted downwards, to take account of the energy derived from the alcohol.

Due to rounding, there may be discrepancies between the figures shown in Tables 8 and 9 and their totals.

**TABLE 8 SUMMARY BUDGETS, LOCAL AUTHORITY TENANTS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	<i>Single woman</i>	<i>Single man</i>	<i>Couple</i>
<b>A Budget standard costs</b>			
Food (with alcohol in the diet)	22.53	24.89	41.36
Food (without alcohol in the diet)	23.17	26.36	43.10
Clothing	4.88	4.08	8.91
Personal care	2.78	2.05	4.42
Household goods	8.72	8.72	11.03
Household services	5.12	5.12	5.55
Leisure	12.59	12.51	21.30
BUDGET STANDARD costs + alcohol	56.62	57.37	92.57
BUDGET STANDARD costs no alcohol	57.25	58.84	94.31
<b>B Variable costs</b>			
Housing (incl. rent £34.70 single, £43.40 couple)	40.75	40.75	49.97
Council tax	7.73	7.73	12.02
Fuel (incl. VAT @ 5%)	6.64	6.64	9.27
Transport (no car) *	5.01	5.01	9.90
NHS charges	0.79	0.79	1.58
Insurances/pensions	3.67	3.67	6.98
Debts, fines, maintenance orders	0.00	0.00	0.00
Job-related costs	0.00	0.00	0.00
Seeking work costs	0.00	0.00	0.00
Pets (one cat)	3.37	3.37	3.37
Alcohol: woman 6, man 14, couple 18 units	2.24	5.70	7.38
units none	0.00	0.00	0.00
Tobacco	0.00	0.00	0.00
Charitable donations	1.03	1.03	1.03
VARIABLE COSTS + alcohol	71.23	74.69	101.50
VARIABLE COSTS no alcohol	68.99	68.99	94.12
<b>C A + B: Total budget costs</b>			
With alcohol	127.85	132.06	194.06
Without alcohol	126.25	127.83	188.43
<hr/>			
<b>Alternative budgets, car owners:</b>			
Transport costs	26.83	26.83	27.44
Total budget costs (A + B):			
With alcohol	149.67	153.88	211.60
Without alcohol	147.03	148.62	204.93

NOTE: Due to roundings, there may be discrepancies between the figures shown and their totals

**TABLE 9 SUMMARY BUDGETS, OWNER OCCUPIERS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	<i>Single woman</i>	<i>Single man</i>	<i>Couple</i>
<b>A Budget standard costs</b>			
Food (with alcohol in the diet)	22.53	24.89	41.36
Food (without alcohol in the diet)	23.17	26.36	41.03
Clothing	4.88	4.08	8.91
Personal care	2.78	2.05	4.42
Household goods	10.47	10.47	11.57
Household services	5.12	5.12	5.55
Leisure	12.46	12.38	21.30
BUDGET STANDARD COSTS + alcohol	58.24	58.99	93.11
BUDGET STANDARD COSTS no alcohol	58.87	60.46	94.85
<b>B Variable costs</b>			
Housing (assuming mortgage paid off)	6.58	6.58	6.58
Council tax	9.02	9.02	12.02
Fuel (incl. VAT @ 5%)	11.16	11.16	11.58
Transport (no car) *	5.01	5.01	9.90
NHS charges	0.79	0.79	1.58
Insurances/pensions	5.65	5.65	8.81
Debts, fines, maintenance orders	0.00	0.00	0.00
Job-related costs	0.00	0.00	0.00
Seeking work costs	0.00	0.00	0.00
Pets (one cat)	3.37	3.37	3.37
Alcohol: woman 6, man 14, couple 18 units	2.24	5.70	7.38
units none	0.00	0.00	0.00
Tobacco	0.00	0.00	0.00
Charitable donations	1.03	1.03	1.03
VARIABLE COSTS + alcohol	44.85	48.31	62.25
VARIABLE COSTS no alcohol	42.61	42.61	54.87
<b>A + B Total budget costs</b>			
With alcohol	103.08	107.30	155.36
Without alcohol	101.48	103.07	149.72
<b>Alternative budgets, car owners:</b>			
Transport costs	26.83	26.83	27.44
<b>Total budget costs (A + B):</b>			
With alcohol	124.90	129.12	172.90
Without alcohol	123.30	124.89	167.26

NOTE: Due to roundings, there may be discrepancies between the figures shown and their totals

**Part Four**  
**Component budgets**

**Table 10 : FOOD BUDGETS: INCLUDING ALCOHOL**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Bread, biscuit, cakes	1.83	1.93	3.10
Cereal	0.58	0.93	1.44
Carcass meat	3.11	5.72	6.57
Meat products	1.79	1.40	3.01
Fish	2.46	2.46	3.70
Fats	0.33	0.32	0.55
Milk	1.63	1.23	2.59
Cheese	0.25	0.27	0.54
Eggs	0.42	0.41	0.62
Potatoes	0.99	1.12	1.71
Vegetables	2.20	1.97	3.97
Fruit	2.35	2.44	4.86
Sugar	0.25	0.24	0.55
Beverages	0.68	0.54	0.92
Other foods	0.57	0.89	0.62
<b>Total home foods</b>	<b>19.44</b>	<b>21.88</b>	<b>34.76</b>
Sweets and chocolates	0.34	0.33	1.18
Soft drinks	0.18	0.17	0.35
Food away from home	2.58	2.50	5.07
<b>Total</b>	<b>22.53</b>	<b>24.89</b>	<b>41.36</b>
Alcohol	2.24	5.70	7.38

**Table 11 : FOOD BUDGETS: EXCLUDING ALCOHOL**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Bread, biscuit, cakes	1.88	2.04	3.23
Cereal	0.59	0.99	1.50
Carcass meat	3.20	6.06	6.85
Meat products	1.84	1.49	3.14
Fish	2.53	2.60	3.85
Fats	0.34	0.34	0.57
Milk	1.68	1.30	2.70
Cheese	0.26	0.29	0.57
Eggs	0.43	0.43	0.65
Potatoes	1.02	1.19	1.78
Vegetables	2.26	2.08	4.14
Fruit	2.41	2.59	5.06
Sugar	0.25	0.25	0.57
Beverages	0.70	0.57	0.96
Other foods	0.59	0.95	0.65
<b>Total home foods</b>	<b>19.98</b>	<b>23.18</b>	<b>36.23</b>
Sweets and chocolates	0.35	0.35	1.23
Soft drinks	0.18	0.18	0.36
Food away from home	2.65	2.65	5.28
<b>Total</b>	<b>23.17</b>	<b>26.36</b>	<b>43.10</b>



**Table 12 : CLOTHING BUDGETS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Main clothing	2.32	2.44	4.76
Underwear	1.58	0.66	2.24
Accessories	0.09	0.13	0.22
Footwear	0.81	0.81	1.61
Sewing repair kit	0.07	0.07	0.10
<b>Total</b>	<b>4.88</b>	<b>4.11</b>	<b>8.94</b>

**Table 13 : PERSONAL CARE BUDGETS AND NHS CHARGES**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Healthcare	0.37	0.37	0.60
Personal hygiene	1.82	1.35	3.12
Personal accessories	0.41	0.23	0.55
Cosmetics	0.18	0.10	0.15
<b>Total personal care</b>	<b>2.78</b>	<b>2.05</b>	<b>4.42</b>

**Table 14 : HOUSEHOLD GOODS AND SERVICES: TENANTS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Furniture	2.08	2.08	2.43
Floor coverings	0.93	0.93	1.52
Textiles	1.03	1.03	1.41
Gas/electrical equipment and repairs	1.55	1.55	1.66
Kitchen and hardware	1.02	1.02	1.02
Stationery and paper goods	0.44	0.44	0.44
Toilet paper, cleaning materials and products	1.50	1.50	2.27
Gardening, DIY, tools, materials	0.15	0.15	0.26
Home security	0.03	0.03	0.03
<b>Total household goods</b>	<b>8.72</b>	<b>8.72</b>	<b>11.03</b>
Postage	0.32	0.32	0.61
Telephone	2.96	2.96	2.96
Window cleaning	1.69	1.69	1.69
Shoe repairs and dry cleaning	0.14	0.14	0.29
<b>Total household services</b>	<b>5.12</b>	<b>5.12</b>	<b>5.55</b>
<b>Total household goods and services</b>	<b>13.84</b>	<b>13.84</b>	<b>16.58</b>

**Table 15 : HOUSEHOLD GOODS AND SERVICES: OWNER OCCUPIERS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Furniture	2.43	2.43	2.43
Floor coverings	2.12	2.12	2.12
Textiles	1.14	1.14	1.35
Gas/electrical equipment and repairs	1.55	1.55	1.66
Kitchen and hardware	1.02	1.02	1.02
Stationery and paper goods	0.44	0.44	0.44
Toilet paper, cleaning materials and products	1.50	1.50	2.27
Gardening, DIY, tools, materials	0.26	0.26	0.26
Home security	0.03	0.03	0.03
<b>Total household goods</b>	<b>10.47</b>	<b>10.47</b>	<b>11.57</b>
Postage	0.32	0.32	0.61
Telephone	2.96	2.96	2.96
Window cleaning	1.69	1.69	1.69
Shoe repairs and dry cleaning	0.14	0.14	0.29
<b>Total household services</b>	<b>5.12</b>	<b>5.12</b>	<b>5.55</b>
<b>Total household goods and services</b>	<b>15.59</b>	<b>15.59</b>	<b>17.12</b>

**Table 16 : LEISURE GOODS AND ACTIVITIES: TENANTS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Television, video and audio equipment	0.93	0.93	1.37
TV licence, colour	1.95	1.95	1.95
Sports goods			
Newspapers, magazines, books	1.31	1.41	2.23
Household games	0.02	0.02	0.04
Toys			
Knitting, photographic	0.36	0.18	0.36
Seasonal items	0.04	0.04	0.06
Plants, flowers, products	0.56	0.56	0.47
Sports activities	2.66	2.66	5.32
Arts, entertainment, outings	0.60	0.60	1.20
Holiday expenses	4.15	4.15	8.30
	<b>12.59</b>	<b>12.51</b>	<b>21.30</b>

**Table 17 : LEISURE GOODS AND ACTIVITIES: OWNER OCCUPIERS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Television, video and audio equipment	0.93	0.93	1.37
TV licence, colour	1.95	1.95	1.95
Sports goods			
Newspapers, magazines, books	1.33	1.43	2.23
Household games	0.02	0.02	0.04
Toys			
Knitting, photographic	0.36	0.18	0.36
Seasonal items	0.04	0.04	0.06
Plants, flowers, products	0.43	0.43	0.47
Sports activities	2.66	2.66	5.32
Arts, entertainment, outings	0.60	0.60	1.20
Holiday expenses	4.15	4.15	8.30
	<b>12.46</b>	<b>12.38</b>	<b>21.30</b>

**Table 18 : HOUSING INCLUDING COUNCIL TAX: TENANTS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Rent	36.02	36.02	45.05
Mortgage charge	0.00	0.00	0.00
Service charge	0.00	0.00	0.00
Water and sewerage rates	3.16	3.16	3.35
Maintenance	1.57	1.57	1.57
	<b>40.75</b>	<b>40.75</b>	<b>49.97</b>
<b>COUNCIL TAX</b>	<b>7.73</b>	<b>7.73</b>	<b>12.02</b>

**Table 19 : HOUSING INCLUDING COUNCIL TAX: OWNER OCCUPIERS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Rent	0.00	0.00	0.00
Mortgage charge	0.00	0.00	0.00
Service charge	0.00	0.00	0.00
Water and sewerage rates	3.43	3.43	3.43
Maintenance	3.15	3.15	3.15
	<b>6.58</b>	<b>6.58</b>	<b>6.58</b>
<b>COUNCIL TAX</b>	<b>9.02</b>	<b>9.02</b>	<b>12.02</b>

**Table 20 : FUEL INCLUDING 5% VAT: TENANTS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Heating and cooking	4.53	4.53	5.79
Lights and appliances	1.04	1.04	1.64
Standing charges for gas and electricity	1.06	1.06	1.84
Boiler service included in rent	0.00	0.00	0.00
	<b>6.64</b>	<b>6.64</b>	<b>9.27</b>

**Table 21 : FUEL INCLUDING 5% VAT: OWNER OCCUPIERS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Heating and cooking	6.92	6.92	6.83
Lights and appliances	1.20	1.20	1.72
Standing charges for gas and electricity	1.84	1.84	1.84
Boiler service	1.19	1.19	1.19
	<b>11.16</b>	<b>11.16</b>	<b>11.58</b>

**Table 22 : TRANSPORT: NO CAR**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Motoring	0.00	0.00	0.00
Coach fares including holiday			
Bus pass	0.13	0.13	0.26
Bus journey	4.49	4.49	8.99
Train	0.15	0.15	0.29
Taxi	0.25	0.25	0.37
Bicycles including maintenance			
Other			
	<b>5.01</b>	<b>5.01</b>	<b>9.90</b>

**Table 23 : TRANSPORT: CAR OWNER**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Motoring	26.38	26.38	26.54
Coach fares including holiday			
Bus pass	0.13	0.13	0.26
Bus journey	0.18	0.18	0.36
Train	0.14	0.14	0.28
Taxi			
Bicycles including maintenance			
Other			
	<b>26.83</b>	<b>26.83</b>	<b>27.44</b>

**TABLE 24 NHS CHARGES**  
**Households aged 65 - 74 years**  
**Low Cost but Acceptable standards, April 2000, £ week**

	Single woman	Single man	Couple
Prescriptions	0.00	0.00	0.00
Eye test	0.00	0.00	0.00
Spectacles	0.33	0.33	0.66
Dental	0.46	0.46	0.92
Other	0.00	0.00	0.00
	<b>0.79</b>	<b>0.79</b>	<b>1.58</b>

**Table 25 : INSURANCES AND PENSIONS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
House contents insurance	0.51	0.51	0.67
House structural insurance	0.00	0.00	0.00
Mortgage insurance	0.00	0.00	0.00
Life insurance	0.00	0.00	0.00
Personal pension contribution	0.00	0.00	0.00
Company pension contribution	0.00	0.00	0.00
Other: funeral pre-payment plan	3.16	3.16	6.31
	<b>3.67</b>	<b>3.67</b>	<b>6.98</b>



**Table 26 : PETS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Cat food	2.37	2.37	2.37
Accessories	0.59	0.59	0.59
Vet fees	0.41	0.41	0.41
<b>Total</b>	<b>3.37</b>	<b>3.37</b>	<b>3.37</b>

**Table 27 : CHARITABLE DONATIONS**  
**Low Cost but Acceptable living standard**  
**Age 65-74 years, April 2001, £ week**

	Single woman	Single man	Couple
Charitable donation	1.03	1.03	1.03
<b>Total</b>	<b>1.03</b>	<b>1.03</b>	<b>1.03</b>