



Modest But Adequate

**A reasonable living standard
for households aged 65-74 years**

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Edited by Hermione Parker

**Research by:
Michael Nelson, Nina Oldfield**

**Sian Burr, Sophia Paterakis
Holly Sutherland, Bill Wilkinson**

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.

Age Concern England (ACE)

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- National campaigns and parliamentary work on ageing issues to influence government policy.
- Policy analysis and research.
- The provision of specialist information and advice
- Publishing and training in the care of older people.
- The development of innovative programmes to promote healthier lifestyles.
- Grant provision
- Work with partnership organisations in Europe and internationally.

The Policy Unit has three core areas of work: information, policy analysis and development, and policy influencing and promoting. Its aims are:

- To provide accurate information and advice on policy affecting older people.
- To develop Age Concern England policy, ensuring that it is based on clear analysis and cogent arguments, and promotes the needs of older people.
- To influence the policy of Government and key policy networks in order to effect positive change for older people.



The address of the Family Budget Unit is:

Social Policy Research Unit
University of York
Heslington
York
YO1 5DD

Tel: 01904 321 239
Fax: 01904 321 270
Email jrb1@york.ac.uk
Website <http://www.york.ac.uk/res/fbu>

The address of Age Concern England is:

Astral House
1268 London Road
London SW16 4 ER

Tel: 020 8777765 7200
Fax: 020 8765 7211

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ABBREVIATIONS

ACE	Age Concern England
BREDEM	Building Research Establishment Domestic Energy Model
DWP	Department for Work and Pensions
FBU	Family Budget Unit
FES	Family Expenditure Survey
FRS	Family Resources Survey
GHS	General Household Survey
LCA	Low Cost but Acceptable
LOW E	Low emissivity
MBA	Modest But Adequate
NDNS	National Diet and Nutrition Survey
NFS	National Food Survey
NI	National Insurance
RPI	Retail Price Index
RV	Rateable Value
SAP	Standard Assessment Procedure
VAT	Value Added Tax

Report summary

The purpose of this report is to inform decision makers and stimulate debate about living costs during retirement. The Family Budget (FBU), at the University of York, was commissioned by Age Concern England (ACE) to carry out the study.

The report estimates the living costs, including income tax, council tax and VAT, of six typical UK households aged 65-74 years, living in York, in April 2002. Although living costs are bound to vary, especially between urban and rural households, living costs in York are considered reasonably representative of the UK as a whole.

Moreover the methodology used by the FBU permits readers to replace the housing, fuel and other variable costs in the report by the costs that they incur.

The living standard measured is called *Modest But Adequate (MBA)* with the latter defined as the standard at which most households aim: roughly twice the poverty threshold, but well short of affluence.

The report's findings update previous work by the FBU. In 1992, 1995 and 1997, the Family Budget Unit produced pensioner budgets at the MBA standard and found it beyond the reach of most older people in the UK. This remains the case today. In April 2002, the net incomes required by the FBU's households without cars to reach the MBA standard varied between £157 and £204 a week for single people, and £233 to £277 for couples. In 2000-1 the median net income of single pensioners before housing costs was £135 a week. (Pensioners incomes series, Table 1 (ii)).

The main findings of the report are summarised below. Further details are to be found in Part 6 of the report.

Summary of findings Households aged 65-74 years April 2002, £ week

	Woman	Man	Couple
MBA budget costs: tenants	204	201	277
MBA budget costs: tenants, car owners	232	229	303
MBA budget costs: owner occupiers	160	157	233
MBA budget costs: owner occupiers, car owners	189	186	258

Part One

Budget standards explained

1 How much does it cost to live?

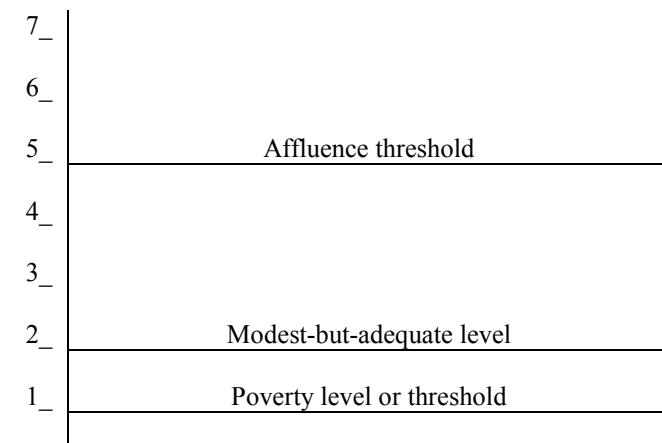
Budget standards are specified baskets of goods and services which, when priced, can be used to estimate living costs at predefined living standards. It is the method pioneered by Seebohm Rowntree for his study of poverty in York, in 1901 (Rowntree, B.S., 1901), but today, as a result of computer technology, it is easier to use and has greater potential. Outside the UK, budget standards are referred to increasingly, usually under government auspices (Veit-Wilson, J., 1998). Applications are many and varied, including the incomes required by older households and the progressivity (or otherwise) of national tax systems.

The people whose needs are calculated here represent hypothetical, not actual households. Few households have identical needs and preferences. Many older households need to spend more to live comfortably than the budget costs in this report indicate. A minority need to spend less. Car ownership is particularly contentious. Some older households manage happily without car, for others car ownership is a necessity. Users of the FBU data can overcome such differences, by adjusting the 'variable cost' budget components (rent, council tax, transport and so forth) to match their own circumstances.

2 Modest But Adequate (MBA)

Budgets can be devised for a range of living standards, but those generally regarded as most relevant are *Modest But Adequate (MBA)* and the poverty threshold (Figure 1). For its MBA budgets, the Family Budget Unit aims to "satisfy prevailing standards of what is necessary for health, efficiency, the nurture of children and participation in community activities" (Wynn, M., 1970). In the United States, in 1980, the Watts Committee defined the 'prevailing family standard' as one that "affords full opportunity to participate in contemporary society and the basic options it offers" (Watts, H., 1980). The FBU's MBA standard mirrors the Watts definition.

FIGURE 1
THE PROSPERITY NUMBER SCALE
MEASURING THE STANDARD OF LIVING



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

3 Low Cost but Acceptable (LCA)

In February 2000, in collaboration with Age Concern England, the Family Budget Unit prepared a detailed report estimating the incomes required by households aged 65-74 years to avoid poverty (Parker,H.,ed.2000). The living standard measured on that occasion is called *Low Cost but Acceptable* (LCA) and equates to the poverty level or threshold in Figure 1. Although a useful measure, most UK households, including retired people, aim higher.

2 4 Inclusion criteria

With careful money management, an MBA budget is sufficient to eat healthily, finance a mortgage, run a car and take an inexpensive annual holiday. At the MBA standard, the reference point for inclusion of key durables is 50% ownership for a particular household type, according to national surveys. By comparison, for the FBU's Low Cost but Acceptable (LCA) budgets, durables are not included unless 80% of the household types being studied have them. Neither figure can be rigidly adhered to, because family circumstances differ and ownership statistics are sometimes conflicting or unavailable, but they are useful indicators.

5 Budget standard costs and variable costs

Conventional budget standards, as devised by Rowntree, Beveridge and the FBU for its original MBA budgets (Bradshaw, J., 1993) take no account of variations in needs and living costs over which households have little or no control, for example housing, transport or fuel. For its LCA budgets and in this report for its MBA budgets, the FBU has broken new ground by distinguishing between *budget standard* expenditures, the costs of which are relatively constant, and *variable* expenditures, which are not (Table 1).

6 Limitations of budget standards

Although, for this study, the Family Budget Unit has done its best to produce budgets for older people which match the preferences of households aged 65-74 years across the UK, the variable costs budgets are best regarded as illustrative. No two households have identical preferences and some ethnic minorities have their own distinctive food and dress codes (Parker, H., 2001). It is with the variability of household circumstances and preferences in mind that the FBU distinguishes between budget standard and variable costs, but the budgets are best used in conjunction with other indicators (Veit-Wilson, J., 1998).

Part Two

How the budgets were established

1 Purpose of the report

The report has three main objectives:

- To estimate the net incomes required in April 2002, by men and women aged 65-74 years to reach a living standard called *Modest But Adequate (MBA)* and defined as the standard to which most households aspire using a method called *budget standards*.
- To show the gross incomes required to provide the required net incomes.
- To show the effects of the *Pensioner Poverty Trap* on pensioner living standards.

Underlying the research is the quest for social justice, in this case retirement incomes that are 'fair' and seen to be 'fair'. Although budget standards research has its limitations, without it the risks of injustice are greatly magnified.

2 Background and assumptions

This is not the first occasion on which the Family Budget Unit (FBU) has estimated living costs at the MBA standard of households aged 65-74 years. The first such report estimated the net incomes required in 1993, by local authority tenants living in the City of York (Bradshaw, J. ed. 1993a, 1993b). In 1995, the 1993 budgets were uprated to April 1994 prices and new budgets for a pensioner couple were included (Parker, H. ed. 1995). In 1997, the 1994 budgets were updated to April 1997 (Parker, H. ed. 1997). For this report the budgets have been recalculated in line with changes in living standards and consumer preferences, as well as retail prices. All the budgets are at April 2002 prices, the households are once again assumed to live in York, the living costs of owner occupiers are included as well as Local Authority tenants and income tax is shown as an additional expenditure.

York provides a cultural base and an established pattern of community services, local taxes, leisure and housing. In a recent study, York was found to be remarkably close to the national average in many key determinants of living standards (Huby et al, 1999).

The housing profiles in York were chosen because they typify the housing occupied by older people in the City. At the MBA living standard, fit and active people aged 65-74 years are assumed to live in the homes in which they raised their families - typically three bedroom dwellings.

3 Six model households

Detailed budgets are presented for three, illustrative pensioner households. All the household members are assumed to be between the ages of 65 and 74 years. None is in paid employment. Three of the householders are owner-occupiers with their mortgages paid off, the other three are Local Authority tenants. The budgets were priced in York, using local rents, and local prices. The costs of car ownership are shown in footnotes to Tables 18 and 19.

4 Six related questions

In constructing the budgets, the following questions were addressed:

- What items to include?
- What quantities of those items?
- What quality?
- What price?
- What lifetimes should be attributed?
- Where to price the items?

5 Budget components

In 1998 the FBU broke new ground by distinguishing *Budget Standard Costs*, which are relatively constant throughout the country and *Variable Costs* which are not.

Table 1 summarises the main budget components, distinguishing between the two. For retired households, some of the variable costs may be nil. They are included here for the benefit of readers who may incur them.

Table 1 Budget Components

Budget standard expenditures	Variable expenditures
Food	Housing (including Council Tax)
Clothing	Fuel
Personal care	Transport (with and without a car)
Household goods	NHS charges
Household services	Insurances
Leisure	Debts/fines/maintenance orders Job-related costs Seeking work costs Pets Alcohol Tobacco Charitable donations

6 Taxation

Taxes are also included. All prices are VAT inclusive, Council Tax is shown as an expenditure within the Housing budgets, income tax is shown as an additional cost (see Tables 18 and 19, *Summary Budgets*).

7 Capital costs

Household expenditures include consumer durable, or 'capital' goods which are not for immediate consumption but are hard wearing and long lasting. Examples of capital costs include furniture, carpets, curtains, television and audio equipment. The weekly cost of each such item is calculated by dividing its purchase price by its estimated duration in weeks.

8 Part normative, part empirical

All the FBU budgets involve a combination of normative judgements concerning people's needs and empirical data showing how consumers spend the money they

have. For the normative judgements the FBU relies on recognised standards, especially nutrition standards, housing standards (including warmth) and physical exercise. For the empirical data reliance is placed on discussion groups, consumer reports and national surveys.

9 Discussion groups

The FBU consulted five discussion groups of adults between the ages of 65 and 74 years. The discussion groups, in three regions of England, were recruited through the Age Concern Consultation Service. Two groups were made up of single older people, two groups were made up of married couples and the third group comprised of, single people and couples, due to recruitment difficulties. The criteria for group membership were that each member or couple lived independently and comfortably, with incomes above state pension level, were not struggling to make ends meet, nor living affluently. The aim of the discussions was to gain information on shopping outlets, travel, leisure activities and entertainment. The groups were asked about their preferences by consulting draft menus, food shopping lists and clothing schedules.

10 Derived budgets

The 1991 MBA basket of goods and services formed the starting point for the 2002 MBA baskets. Each section was revised in the light of new information from surveys, experts and focus group opinion. Two houses in York were identified as typical of the housing occupied by older people and were surveyed and assessed for fuel use, furniture and fittings, curtains, floor coverings, local taxes and nearby amenities and services. New prices were collected for every item in the baskets, from shopping outlets that reflect the shopping behaviour of the focus groups.

11 Validation

Validation of the MBA budgets was made by reference to the FBUs Low Cost but Acceptable (LCA) or poverty threshold budgets, and to average spending reported in the Family Expenditure Survey, 2001.

Differences in spending between the LCA and MBA standards vary between £79 and £118 per week, assuming the MBA household are car owners. Generally speaking, spending differences are greater for single householders than for couples, and for Local Authority tenants in particular. The MBA living costs are 37% to 38% higher than the LCA living costs for couples, and 42% to 47% higher for single householders.

The FBU budgets are not strictly comparable with average spending as reported by the FES. The latter includes the full range of housing and consumer goods whereas the FBU budgets are based on hypothetical households in narrowly specified situations. To achieve an MBA living standard, owner-occupiers need to be in the mid range of the FES scale of incomes, whereas LA housing tenants need a higher income, falling within the fourth quintile. In general FBU couple households need incomes nearer to average, as measured in the FES, and single older people need incomes towards the top of the income scale.

Part Three
Budget standard costs

1 Food including alcohol

The budgets presented here depict a healthy diet for older people. The aim is to provide enough food to satisfy the recommended intakes of all nutrients, meet guidelines for healthy eating, be palatable and accord with the consumer preferences of older people living in the UK.

The budgets are based on food purchasing profiles in the National Food Survey (NFS) (MAFF, 1998-2000, DEFRA, 2001), amongst households thought to have spending patterns typical of the MBA standard. The profiles are similar in character to the food consumption patterns described in a comparable group of households selected from the National Diet and Nutrition Survey (NDNS) of older people, published in Finch, 1998. Costs of foods purchased and eaten away from home, and of alcoholic beverages, are based on the Family Expenditure Survey (FES) (ONS, 1998-2002).

I've lived this long eating what I like, why should I change my diet now?

Average life expectancy in the UK has increased from 45-50 years in 1900, to around 75-80 years now. Better diets amongst older people are associated with longer life and lower morbidity. The MBA diets have been adjusted to allow for healthier eating practices, in line with recommendations by the Department of Health and the Health Education Authority. Account has also been taken of two recently published guidelines on healthy eating for older people. These, together with feedback from the FBU's discussion groups, have been used to inform the selection of foods and menus presented here. The present food baskets contain a greater variety of dishes and fresh fruit than previous MBA baskets for older adults, reflecting changes that have occurred in the eating habits of this age group over recent years. Food baskets were priced using the Internet and supermarket surveys at Simsbury's, between April and July 2002. Alcoholic beverages are also included.

Food baskets and menus

The baskets of food provide the basis for the menus shown in Appendix 1. The differences between purchases reflect variations in diet reported by the NFS and the NDNS surveys. They allow for eating out, catering for visitors, and preferences expressed by participants in the discussion groups. Amounts are based on portion sizes for consumption, estimated as 'large' or 'average', (according to data published by the MAFF, 1993), taking into account package sizes. Items such as jam, vegetable oil, butter, margarine, flour, biscuits, sugar, milk and sweets, are included in the weekly shopping baskets for general use.

The food baskets illustrate the range and quantities of food likely to be purchased over one week. For example bread, which is an important source of carbohydrate, may be exchanged for pasta or potatoes. The cost of the weekly food budget, taking preferences into account, remains roughly the same.

The price per food item is not necessarily the cheapest, but reflects a supermarket approach to shopping. Some fruit and vegetables are priced at local greengrocers and local markets.

Alcohol

Alcohol confers both physiological and social benefits in the lives of older people. The food budgets have therefore been priced with and without alcohol. Where

alcohol is included, a reduction in the amounts spent on food allows for the additional dietary energy obtained from alcoholic beverages. The alcohol budgets reflect levels of expenditure reported in the Family Expenditure Survey (FES) and feedback from the FBU's discussion groups. The proportions of expenditure relating to different types of drink are a reflection of the expenditures reported in the FES. FES alcohol consumption by single men and couples is approximately 12 units a week, compared with approximately 9 units a week by single women. In each case, expenditure on alcohol consumption falls within safe limits recommended by the Health Education Authority.

Nutritional adequacy

The absolute requirements for energy and nutrients vary between individuals. However, the Department of Health's committee on medical aspects of food policy has defined a level of intake for energy and nutrients that in their opinion represents an adequate level of intake for health of the majority. These levels of intake are called *Dietary Reference Values* or DRVs. The nutritional adequacy of the FBU food baskets, with regard to DRVs, is considered in Appendix 1.

For most foods, the baskets provide at least 100% of the DRVs. The nutrient content of a diet may well be above an adequate level (100%), which is acceptable for most nutrients. The exceptions are energy, where the level should be within 1% of adequacy in order to maintain a healthy weight, and fat, especially saturated fatty acids, where the objective is intakes below 100% of the DRV.

In calculating the FBU food budgets, the NFS data was adjusted by reducing the proportion of foods high in fat and sugar, for example pies and biscuits. Fruit and vegetable consumption has also been adjusted to achieve the Health Education Authority objective of 5 portions (at least 400g) per person per day. This increases the intake of micronutrients such as folate and potassium and fibre to recommended levels. Where alcohol is included in the diet, the amount of energy in other foods has been reduced accordingly. This corresponds to 3.6%, 2.3% and 2.2% of the energy in the diets of single men, single women, and couples, respectively. Further information on method can be found in Parker H.ed.,(2000) and Nelson, M., et al, (1992).

Acceptability of the food budgets

The menus reflect the preferences of the focus groups. The habits common across the groups were: a light breakfast of toast and cereal rather than a cooked meal (Weetabix was a typical choice), a roast on Sunday, and a main meal of the day consisting of meat, potatoes and two vegetables. Few households eat pasta or rice as an alternative to potatoes. The men eat simple meals - no intricate preparation or long cooking times - and only a few households still do home-baking. In general, food shopping is done at the nearest large supermarket, but local markets remain popular.

We have an excellent market, our market is excellent, all kinds of lovely fruit and veg and everything really, people come from out of town to shop in our market. Is it cheaper? Oh Heavens Yes, its much cheaper in the market.

Table 2
Summary food budgets
Households aged 65-74 years
MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
Bread, biscuit, cakes	1.86	2.23	4.26
Cereal	0.55	0.76	1.71
Carcass meat	4.12	4.25	7.77
Meat products	2.16	2.93	4.12
Fish	2.18	1.69	2.14
Fats	0.50	0.42	0.83
Milk	1.97	1.27	3.31
Cheese	0.37	0.37	0.93
Eggs	0.26	0.40	0.53
Potatoes	0.82	1.01	0.97
Vegetables	3.65	2.30	5.94
Fruit	3.62	2.79	7.19
Sugar	0.17	0.22	0.36
Beverages	0.90	0.56	1.49
Other foods	0.75	1.19	1.54
Total home foods	23.88	22.39	43.09
Sweets and chocolates	0.79	1.11	1.08
Soft drinks	0.50	0.80	1.39
Food away from home	6.19	4.74	9.05
Total food excluding alcohol	31.36	29.04	54.61
Total food less adjustment for energy in alcohol	30.64	28.06	53.40
Total food including alcohol	34.00	36.26	61.35

Several aspects of food costs require clarification:

- First, the budget for the single man is only slightly greater than the budget for the single woman, although the average requirement for energy in men aged 65-74 years is 20% greater than for women in the same age range. Although men occasionally buy more expensive, processed foods (e.g. meat products), they generally purchase cheaper items (e.g. oily versus white fish), eat more bread and less fruit than women. Additionally, women have more visitors (for 10% of meals) compared with men (for 2% of meals). Although NFS data also indicated that men eat out more often than women, this is not reflected in their eating out expenditures, which may reflect the finding that men are entertained by friends and relatives more frequently than women.
- Second, the sum of the budgets for a single man and a single woman is substantially greater than the budget for the couple household. This is because single householders are less able to take advantage of economies of scale in the purchase of larger packs, although the baskets do reflect some savings on the purchase of larger packs of frozen foods.

2 Clothing

The upgrading and modernising of the FBU's 1991 MBA clothing budgets relied heavily on the input of the focus groups. Changes in fashion, acceptability of garment types, activities, life expectancy of a garment, garment quality and clothing retail outlets were all topics of discussion. As in the previous MBA standard, the aim is to provide sufficient garments to maintain a varied choice, assuming a weekly laundering cycle, clothes for all seasons, casual and activity clothing, smart outfits, holiday clothing and special occasion garments.

Updating the FBU clothing standard

The focus group responded well to an invitation to discuss the merits of a clothing list based on the 1991 MBA standard. Over the last decade the health and general well-being of this particular age group has improved dramatically, resulting in a more active, more positive and better motivated attitude to life. Below is a synopsis of some of the views expressed:

Blazers - definitely not - at £99? - I wouldn't pay that in a million years, you'd be frightened to take it off your back. More linen jackets now-a-days...

A three-quarter length, lightweight mac is always very handy, and waterproof wear is necessary. Long coats are out.

Dresses, I might have one for special occasions. I like to mix and match, I'm a skirt, jumper and cardigan person...

Sleeves are a must, at a certain age. The tops of your arms cease to be your most attractive feature.

Fleeces are lovely - you can get them from the market - all colours, you can mix and match, they are warm and light.

Body-warmers yes, sweatshirts yes, leggings NO!

Washable is good - it costs a fortune to have clothes dry-cleaned - I bought something and took it to the cleaner and they wanted £5, well it only cost me 20p.

The world is casual now. I have no suits in my wardrobe...

Yes you have, you have three and you wear them for weddings and funerals and posh do's!

Underwear for men as well as women has probably changed the least, compared with other clothing. The main criticism of the draft clothing lists was insufficient quantities:

Although I do like them, you do need a lot more than on this list. A woman needs proper knickers, harvest knickers, all is safely gathered in... Not g-strings for us... full briefs, yes, Sloggies at £2.99 a pair. We don't wear woollen tights any more. Panty girdles, I don't think so! ... I'm all for comfort these days, don't like being squashed. You're just pushing it to another place aren't you? I don't mind paying the money for a good bra, I

have three, two I use and one I keep for special occasions - going to the Doctor or out."

The time-span of clothes was an important issue for those putting together the clothing budgets. According to the groups, the old fashioned way was that good quality clothes lasted longer and some preferred to buy the classic styles at the top end of the price range. For them, a 15-year life-time was acceptable for a man's suit, or a ladies coat, or a little black dress. Most group members, however, tried to keep themselves young by being active and dressing in a modern colourful, fashionable way. This results in shorter life-spans for clothing that is discarded not through wear, but according to fashion.

These days people want something nice and fresh, that doesn't put you in the ark. And if you get fed up with it, it can go to the charity shop.

The places most frequently mentioned for clothing purchases were High Street shops like BHS, M & S, Fenwicks, supermarket shops like ASDA (for George Clothes), and local markets. Home shopping catalogues are not much used by this age group.

...couldn't be hassled with all the filling in, and sending things back. I like to try things on. The thing about catalogues was you got credit, you didn't pay cash, just a few bob a week. That's when catalogues were popular. Most stores have a credit system now. But now, as you get older, you tend to want to pay cash, you don't want to be in debt.

A new clothing standard

The clothing schedules for older people include the following information:

- Description of each garment (including material content)
- Required number of each type of garment
- Place of purchase
- Price per garment at April 2002

As with other durables, the average weekly cost of every item of clothing was calculated by dividing its purchase price by its life expectancy in weeks or years. No sale or second-hand clothing is included in any of the FBU budgets.

Older man's wardrobe

The man's clothing standard includes smart outfits, for example a good quality, pure wool suit, casual clothing such as a polyester suit with a second pair of trousers, a winter three-quarter length coat and a tweed sports jacket. The rest of his wardrobe is casual: woven-cotton trousers, casual shirts, pullovers, cardigans, jeans, tracksuit bottoms, t-shirts, sweatshirts and fleeces. Also, waterproofs, walking boots, swimming gear, open-toed sandals, canvas shoes and shorts for holidays.

Older woman's wardrobe

The woman's special occasion clothing includes a summer suit, a smart dress, an ankle length summer skirt and good quality winter and summer jackets. Her other clothing is casual: skirts, trousers, tops, t-shirts, fleeces (including a sleeveless gilet), comfortable cotton jeans and body warmers. Clothes and shoes suitable for walking, swimming and keep fit exercises or dancing are also included.

Accessories

These include sun-hats for women and caps for men.

Table 3 **Summary clothing budgets**
Households aged 65-74 years
MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
Main clothing	4.53	3.09	7.62
Underwear	2.56	1.91	4.47
Accessories	0.34	0.35	0.69
Footwear	1.23	1.61	2.84
Sewing repair kit	0.20	0.20	0.22
Total clothing	8.85	7.17	15.84

Personal care budgets

The personal care budget contains a range of items considered necessary for the physical, psychological and social well-being of older people in the UK. Vitamins and mineral supplements are not included because, in most cases, they are superfluous to a nutritionally adequate diet.

Supermarket like ASDA, and High Street shops like Boots were the main sources of prices for healthcare, cosmetics and personal hygiene items. High Street catalogue shops like Index, department stores and jewellers in York were used to price suitcases, rings, watches and other accessories. Local service providers, such as hairdressers, were also contacted.

The healthcare budget includes basic First Aid and home medication kits, including cough mixture, analgesics, indigestion tablets and skin care creams, including sun cream lotion. The budget meets the normal health needs of households aged 65-74 years. Typically, this age group is independent, mobile and active.

Personal hygiene standards are based on Health Education Authority recommendations, and reflect the view that high standards of personal hygiene are essential to healthy living. The budget includes sufficient shampoo for hair to be washed once a week. For better-off women a wash and trim every six weeks at the hairdressers is popular, with a perm less frequently. The cost of hair care in the FBU budgets takes account of concession prices.

Electric toothbrushes are included for the first time. The recommendation is that teeth be cleaned twice a day using a fluoride toothpaste. Sterilising tablets are also included, on the assumption that many older people have removable, partial denture

plates. In addition to basic quantities of soap, deodorant and powders, the new MBA budgets include shower gels, disposable and electric razors.

Cosmetics include moisturiser, foundation cream, loose powder, lipstick, eye-shadow, mascara and perfume for women and aftershave for men.

Personal accessories include suitcases, handbags, travel bags, a modest selection of gold jewellery, umbrellas, mirrors, clocks, and a shopping trolley. Walking sticks have been removed from the standard. UVA/UVB protection sun-glasses have been re-included, for health and safety reasons, despite the fact that consumer research shows reduced demand in old age.

**Table 4 Summary personal care budgets
Households aged 65-74 years
MBA standard, April 2002, £ week**

	Single woman	Single man	Married couple
Healthcare	0.48	0.43	0.72
Personal hygiene	4.03	2.30	6.18
Personal accessories	1.13	0.84	1.50
Cosmetics	1.29	0.20	1.31
Total personal care	6.93	3.76	9.71

4 Household goods

The household goods budget allows for above basic amounts of furniture, furnishings and equipment necessary, according to dwelling dimensions and family size. (See also Section 5.1 Housing).

How capital costs are estimated

Every family buys durable goods as well as consumable goods. The Family Budget Unit records the details of all durables including price, quantities and estimated life-times. No account is taken of the costs of credit. An item's average weekly cost is estimated by dividing its price by its expected life-time in years, divided by 52. Therefore a double bed costing £669 and expected to last 17 years, is shown as costing 76 pence per week.

A 50% ownership test

The criterion for inclusion of a durable is a 50% ownership test, i.e. if 50% or more of a particular household type own a particular item, that item becomes part of the budget standard for that type of household. At the LCA standard the required level of ownership is 80% or over. The General Household Survey (GHS), Family Resources Survey (FRS) and Family Expenditure Survey (FES) collect information on a small number of key durables. Washing machines, telephones, videos, computers and other items all meet the FBU criteria. Unfortunately, ownership rates are available for relatively few capital goods, nor are they always attached to specific age-bands. So the ownership test has to be used in conjunction with other indicators such as discussion groups, consumer reports, retailers' recommendations and manufacturers' recommendations.

Furniture

The Family Budget Unit's 1991 MBA furniture budget was set at a very low level. The modernised budget includes a wider range of furniture, which is also of better quality. Life-time estimates are based on retailers' and manufacturers' recommendations.

Dwelling size and household composition are key determinants, when setting the furniture budgets. Differences in cost between furniture in owner occupied and Local Authority dwellings are the result of differences in living space. For example, the Local Authority house has no dining room and its room sizes are smaller than those in the owner-occupied house. The quality of furniture is the same. The retailers used by the FBU include MFI, Index, Argos and MacDonalds of York. The quality of furniture is medium-range, for example, 'Myers' and 'Slumberland' beds, 'Melbury' bedroom furniture, and an 'Oxford' three-piece suite, costing £1,400. All the furniture comes ready built. Hardwood furniture of this quality carries a 22-year lifespan. Single and couple households are allocated double beds with single beds for guests. A main bed lasts 17 years, assuming one change of mattress, whereas a guest bed lasts 20 years. Garden chairs with cushions last 10 years.

Floor coverings, curtains and lampshades

The dimensions of floors and windows were used to estimate the costs of carpets and curtains. All floors are carpeted: hall, stairs, landing, dining room and sitting room with 'Jubilee Twist' (80% wool and 20% nylon); bedroom with 'Gala Twist'; kitchen, bathroom and toilet with 'Kitchen World' (100% polypropylene). The lifespan of the carpets and underlay ranges from 10 - 20 years. Carpets were priced at Allied Carpets. Ready-made curtains, blinds and front window nets were priced by catalogue. Blinds for kitchen, bathroom and toilet windows are also included. Lamps include down-lighters, table lamps and a standard lamp for the sitting room. Lampshades are included for all rooms.

Textiles

Household linen is the same for single and couple households. It includes bedding and towels for guests as well as general use.

Appliances

The FBU's 50% test was applied to washing machines, tumble-dryers, microwaves, deepfreezers/fridge freezers and dishwashers. Household spending based on FES and GHS data showed big differences in ownership rates between single people and couples. With the exception of tumble dryers and dishwashers, rates for most of the appliances are well above 50%. According to the FES, 26% of single people own tumble dryers, compared with 45% of couples. Fewer than 10% of both household types have dishwashers. This finding is confirmed in the General Household Survey *Living in Britain 2000*. According to the GHS, only 32% of single people own tumble dryers compared with 53% of couples aged 60 years or over. The discussion groups reported low ownership rates of dishwashers and tumble dryers, which were therefore excluded from the budget standard.

Among the appliances included are a microwave cooker, fridge freezer, deep-fat fryer, automatic washing machine, multi-fuel cooker with an electric fan oven and gas burners, hand-held food mixer and small free-standing fan heater. As both the houses have gardens to back and front, a lawn mower is included. According to local engineers, only a few appliances are serviced nowadays and the discussion groups

confirmed this. One service each was allocated for the washing machine and vacuum cleaner, during the appliances' lifetimes.

Kitchen equipment and hardware, cleaning materials

Ownership and quantities of kitchen equipment (crockery, glassware, cutlery, utensils, storage and cleaning hardware and household consumables) are included in this category. The list also includes an ironing board, pots and pans, dustbins, batteries, toilet paper, freezer bags and washing powder. The budgets differ only in the amounts of consumables required by single people and couples. The main stock of household equipment is similar, determined more by dwelling size than the number of occupants. For the FBU's first budgets, the MBA standard for quantities and replacement rates were based largely on the then Swedish budget standard. The new MBA standard has increased the number and quality of items compared to the original standard.

Stationery and paper

This category includes an annual selection of birthday cards, special occasion cards, Christmas cards, gift wrap, envelopes, paper, pens, pencils and an A4 concertina file for bills etc. The number of cards etc was estimated by using the mid-range number quoted by the discussion groups. Letter writing is less popular than it used to be, but each year this age group sends more and more Christmas cards.

You get more every year, mad isn't it, they send Christmas cards because we have and so it goes on. If I had enough courage I wouldn't send one, then they wouldn't have to send me one.

I don't do a lot, but I do write occasionally. I write to my grandchildren but they reply by phone. You can't beat the post, email is great, brilliant, but it's not the same.

DIY, tools and materials

A set of gardening tools and a lawn mower are included. The gardening tools are sufficient to maintain hedges, fences, lawns, small trees, small bushes and flowerbeds. Tools include gloves, a knee-rest seat, outdoor brooms and gardening sacks. Gardening is an activity much enjoyed by members of the focus groups.

I spend quite a bit of time gardening, love it, we both do.

A toolbox is listed, with basic tools for small DIY jobs, including a socket set, hammer, pliers, nails and screws. Interior decorating equipment includes brushes, brush cleaner, gloss and emulsion for touch ups, plus sufficient materials to redecorate one small room every 5 years.

Home security

Home security becomes increasingly important in old age. Included in the budget are additional door bolts and smoke detectors. All the houses are fitted with UPVC windows and integral window locks.

Table 5 **Summary household goods budgets**
Households aged 65-74 years
MBA standard, April 2002, £ week

Single woman	Single man	Married couple
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Owner Occupiers			
Furniture	6.58	6.58	6.64
Floor coverings, curtains, lampshades	4.44	4.25	4.44
Textiles	2.05	2.05	2.05
Gas/electrical equipment and repairs	2.37	2.37	2.37
Kitchen and hardware	1.95	1.95	1.95
Stationery and paper goods	1.68	1.68	1.68
Toilet paper, cleaning materials and products	2.73	2.73	4.21
Gardening, DIY, tools, materials	0.47	0.47	0.47
Home security	0.04	0.04	0.04
Total household goods	22.30	22.10	23.85
Local Authority tenants			
Furniture	5.91	5.91	6.05
Floor coverings, curtains, lampshades	3.27	3.27	3.27
Textiles	2.05	2.05	2.05
Gas/electrical equipment and repairs	2.37	2.37	2.37
Kitchen and hardware	1.95	1.95	1.95
Stationery and paper goods	1.68	1.68	1.68
Toilet paper, cleaning materials and products	2.73	2.73	4.21
Gardening, DIY, tools, materials	0.47	0.47	0.47
Home security	0.04	0.04	0.04
Total household goods	20.46	20.46	22.08

5 Household services

Postage

The volume of postage in the MBA standard for older people is close to the national average for domestic households and in line with the overall opinion of the focus groups. A large quantity of Christmas cards is purchased; a good many are hand delivered and about 25-30% are sent by post. Grandparents have a large number of birthdays to remember, as well as special occasion cards for family and friends.

I must send at least 50 Christmas cards.

Others said 80 to 150.

The MBA postage standard for single people is based on the following annual amounts:

- 20 x 1st class
- 60 x 2nd class
- 2 letters up to 200g
- 1 Special Delivery
- 6 airmail Zone 1
- 3 airmail to Europe

Couples are assumed to send a few more.

Telephone

The GHS *Living in Britain 2000* Survey reports that telephone ownership has almost reached saturation point. An estimated 98% of couples and 95% of single people aged 60 or over have a fixed line telephone. On the other hand, although ownership of mobile phones has increased dramatically in recent years - 16% of all households in 1996-97 rising to 44% in 1999-2000 - in the older person age group (60 years and over), only 38% of couples and 16% of single people have mobiles. A small number of people in the focus groups possess mobiles, often received as a present from a worried family, but only a few reported using them.

The costs of running mobile phones are not included in the telephone budget standard this time, but are likely to be included in the near future.

The quarterly telephone bill is about £56 for single people and £60 for couples. This includes the cost of local and national calls, line rental, calls to mobiles and VAT.

Cleaning services

These include professional home decoration, carpet cleaning, window cleaning, small quantities of dry cleaning and shoe repairs. The focus groups informed us that dry cleaning and shoe repairs are rarely undertaken, with the possible exception of a winter coat, or a man's suit, and infrequent repair of shoes with leather soles.

At the MBA living standard, carpet cleaning of the main rooms is left to professionals, but a limited amount of cleaning fluid is included in the budget for spot cleaning and carpet cleaning of smaller, more manageable rooms. The local cost for this service, assuming a room measuring 3 metres by 4 metres, is £52.50.

Few older people at the MBA standard clean their own windows. A local cost for this service is £5, at three weekly intervals.

The focus groups made it clear that interior decorating, other than touching up the paint work, is not done by them. Most either pay a professional, or expect to pay in the future, or rely on their adult children to help. A reasonable charge by firms in the York area is about £490 per room. This includes preparation work and the provision of a standard priced wallpaper.

I used to do it myself but it hasn't been done for about six or seven years, I don't know what I'm going to do when it really needs it. I'll have to pay somebody.

I wouldn't have a clue what to do. I had my place done just before I retired, and it hasn't been touched since.

**Table 6 Summary household services budgets
Households aged 65-74 years
MBA standard, April 2002, £ week**

	Single woman	Single man	Married couple
Postage	0.69	0.58	0.77
Telephone expenses	4.28	4.28	4.61
Cleaning services	4.12	4.02	5.89
Shoe repairs and dry cleaning	0.11	0.27	0.44
Total household services	9.20	9.15	11.72

6 Leisure

The FBU leisure standard provides a health-promoting balance between physical exercise, social activities and relaxation. According to medical experts, regular exercise promotes good health, which is especially important for older people. Activities such as walking, gardening, housework and keep-fit classes contribute to the exercise needed for healthy living, including healthy appetites. Reading, watching television and listening to music are complementary relaxing pastimes.

The standard covers a broad range of goods and leisure activities.

- television, audio, video
- books, newspapers, magazines
- household games and hobbies
- seasonal items
- flowers and plants
- sports and other activities
- arts, entertainment, outings
- holidays

Television, audio, video

Ownership rates of televisions are so high that the FES no longer reports them. GHS rates are 97%- 99% for single and couple households over 60 years of age. Ownership of videos is well over the 50% mark. CD players are owned by 63% of couple households, but only by 34% of single households. Satellite TV/cable and digital receivers, DVDs, home computers and Internet connections have not yet

filtered through to this age group in significant numbers. Ownership of videos was common amongst members of the FBU focus groups, but only a few bought films on video. An occasional person had Cable TV and some had home computers. A few still use cassette tapes, but most are more up to-date:

I've got cable - cable digital, just the basics - for 60p a month.

I've got a very good stacking-centre because I love my music. I do spend money on CD's and my family buy me CDs.

The leisure budgets include a 66cm colour television, video recorder, portable radio, cassette and CD player, and a mini hi-fi system. Each household is assumed to buy a TV licence, costing £112 per year for pensioners aged under 75 years. Accessories include blank and pre-recorded videos and popular/classical CDs.

3 Books, newspapers, magazines

According to survey data for the mid-1990s, there has been a decline in the number of people who read a national daily newspaper. Older men and women have different reading habits: the men are more likely to read newspapers, whereas the women are more likely to read magazines and borrow books from public libraries. The impression given by the focus group was that purchasing newspapers and magazines is an unplanned rather than a regular habit. A minority has their newspapers delivered. Others buy a paper at the local shop, when they feel like a walk. Crosswords are a common reason for buying newspapers and magazines.

The women in the groups follow a general trend of buying magazines:

'Take-a-Break' and 'Bella', 'Yours', that's a nice magazine for people over fifty.

Yes, I get 'Yours', you get nice tips and stories.

The budget standard includes one daily newspaper, one weekly magazine and a special interest magazine such as *Home and Garden* or *Top Gear*, once a month or once every two months. Households in the York area also receive a free newspaper, sponsored by advertisers.

Twelve £10 gift vouchers (per household, per year) are included as Christmas and birthday presents. The inclusion of gifts in the budgets is problematical for users of budget standard methodology. In most cases gifts are 'exchanged', but grandparents and godparents are exceptions, because their gifts are not always reciprocated and usually cost more than the gifts received.

I have nine grandchildren. I don't give them presents, I give them money. But when they get to eighteen and they have more money than my pension then I send them cards and letters.

It varies - £10 or more. Some of the family are a lot better off than others - those that are not get a little more.

Household games, hobbies and seasonal items

The budget standard includes table games, like cards, scrabble, dominoes and jigsaws. In the groups knitting was highlighted as a hobby for women and it was evident that some people knit for pleasure, not from necessity.

Crochet, quilting, tapestry, knitting just name it.

I knit for my grandchildren, not because it's cheaper, but because I want to.

Photography is another popular pastime with men and woman. Seasonal items include an artificial Christmas tree, cluster lights and decorations.

Garden plants, houseplants and cut flowers

The quantities of bedding plants, roses and spring bulbs are sufficient to give a good display in a small garden. Cut flowers were priced in York Market, and a special occasion spray is priced at Bunches, available through most post offices. A number of small, medium and large houseplants are also included.

Sports and other activities

Some of the focus groups participate in more activities than others, according to the activity-promoting efforts of the communities in which they live. Sequence dancing was reported as particularly popular in one area. Line dancing, keep fit, green bowling, tenpin bowling, golf, yoga, Tai Chi and swimming were all mentioned as activities done during the previous six months. Gardening, walking, and going for a 'drive', were the main 'free' activities discussed. A few had bicycles or exercise bikes at home.

Yes, we love dancing, we're in a couple of dance clubs. You can dance every afternoon and night if you want to.

Walking - we used to belong to a club, but as we've got older now, a dozen of us have broken away, do our own thing, we can't do the ten miles now. But we go out every Sunday.

The sports profile involves one main physical activity every week and a second activity about every two weeks. All activities are priced locally, in York.

Single woman	Single man	Married couple
Swimming	Swimming	Swimming
Dancing or keep-fit	Green bowls	Sequence dancing
Gardening	Gardening	Carpet bowls
Walking	Walking	Gardening
		Walking

Arts, entertainment, outings

Generally speaking, the group members lead active social lives, unhampered by ill-health or low income. Many of their activities cost very little. Quite a few are involved in voluntary work. The couples tend to lead more active and busier lives than single people. Many attend social interest courses at local colleges:

I go to classes at college, I go to U3A, working with clay, which is quite good fun, social history and creative writing.

I joined an art-group I enjoyed that.

The budget standard is made up of a selection of fee-charging activities, priced in York. Concession prices are used where available. The level of activity is about one trip every three weeks, averaged over a year, in addition to a college class over twenty weeks. 'Nature in Yorkshire' is an example of a 1-term, 10-week course, organised by the Workers Education Association.

The examples given illustrate the nature of the outings available in the York area.

Arts, entertainment and outings, frequency per year

	Single man	Single woman	Married couple
Amateur theatre	3	3	3
Opera house/musical	2	3	2
Cinema	2	2	2
Museum: Yorkshire Air	3	2	3
Museum: Yorvik Viking	2	2	2
York Minster	2	2	2
Day trips	3	3	4
2-day break	0	0	1
'Nature in Yorkshire'	2	2	2

Holidays

Holidays are important for refreshment and social interaction. According to Consumer Research (Mintel 1996), older people tend to prefer UK destinations. Of those who go away on holiday, nearly half choose UK destinations. Their main reasons are convenience, a wish to see their own country, and a need to save money.

In the groups, single people (especially women) reported that they tend not to take holidays, and those who do visit their families, often in the UK - "up North" or "down South".

I have no interest in holidays now, since I became a widow.

Single people taking holidays abroad are often supported by family. For example, one woman had made a once in-a-lifetime visit to her daughter in Australia, another had made a trip to Ibizza with her granddaughter; and the daughter of a single man had bought a cruise for both of them as a Christmas present.

Married couples, on the other hand, seemed to retain their pre-retirement habits of holiday-making; some take package holidays abroad, others prefer the UK. Some members of local clubs take up to five coach trips a year, in the UK or abroad, often at discounted prices.

When the group were asked if an annual holiday should be included in the budget standard, they were unanimous in their agreement. The standard includes two five-day trips by coach to a UK destination, for example, Torquay. The price includes holiday insurance. Had the standard included a foreign package holiday, for example two weeks in Benidorm for the over-fifties, the cost would have been £645 for a single person and £519, per person, for a couple. The average weekly cost in the Leisure Budget would have been £12 a week for a single person, and £20 a week for a married couple resulting in an overall increase in the holiday budget of £5 per week.

Table 7 Summary leisure budgets
Households aged 65-74 years
MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
TV, video, audio equipment	1.42	1.42	1.42
TV licence, colour	2.15	2.15	2.15
Sports goods	0.00	0.00	0.00
Newspapers, magazines, books	6.35	7.37	8.60
Household games	0.05	0.05	0.05
Toys	0.00	0.00	0.00
Knitting, photographic	0.54	0.20	0.54
Seasonal items	0.06	0.03	0.06
Plants, flowers, products	1.02	1.02	1.04
Sports activities	2.45	1.88	5.52
Arts, entertainment, outings	3.13	2.93	7.43
Holiday expenses	7.50	7.50	15.00
Total leisure	24.66	24.56	41.80

Part Four**Variable costs**

1 Housing, including council tax

Housing costs vary considerably even within a given living standard. At the LCA standard, housing dimensions and size are closely related to the need for adequate space and comfort. At the updated MBA standard, necessity plays a less important role than preference, the information for which is derived from housing survey data. Most older people aged over 65 years are owner occupiers (66%) with 59% owning their properties outright; 23% are Local Authority tenants, but this proportion increases with age, to 29% at age 80 and over (ONS, 2000). About one-third of older people live in semi-detached properties; less than one-quarter live in terraced properties. (ONS, 1999) York housing typifies this trend.

At the MBA living standard, most fit and active older people under 75 years of age still live in the homes where they raised their families. In York, there is no evidence that Local Authority tenants move to smaller accommodation because their houses are "under-occupied". Nor does the Local Authority put pressure on them to "free-up" their family-sized homes. The character of the large council estates round York has changed significantly in recent times, with a mix of owner-occupiers now living alongside council and private tenants. Most of the three-bedroom, council properties were built between 1919 and 1944 (City of York Council, 2001). In 2002, the average price for a three-bedroom private property was £108,000; newly built properties cost £138,000; private rents averaged £595 each month (City of York Council, 2002), Local Authority rents averaged £52 per week (CIPFA, 2001).

FBU housing standard

The FBU's illustrative housing standard specifications, for single and couple households, are as follows:

- *Local Authority tenants* 1920s brick built, modernised, three-bedroom mid-terrace property with living room, diner kitchen, downstairs toilet, upstairs bathroom, windows and doors double-glazed units, gardens to front and back, South-East of York, two miles from city centre, close to a bus route. Council Tax band rating "B", Rateable Value 102.
- *Owner occupiers, owned outright* 1956 brick built, modernised, three-bedroom semi-detached with integral garage, dining room, living room, kitchen, downstairs toilet, upstairs bathroom, windows and doors double-glazed units, gardens to front and back, North-West of York, two miles from city centre, Council Tax band rating "C", Rateable Value 186.

Water and sewerage rates for these properties are provided by Yorkshire Water, based on rateable values and standing charges. Standing charge for water in 2002 is £21 per year, for sewerage it is £25 per year. The rates of each unit of rateable value are 45.7 pence for water and 71.7 pence for sewerage.

The Local Authority, City of York Council, takes care of the exterior maintenance of its housing stock. The owner occupiers have reduced their external painting bills by installing UPVC, double glazed windows and doors. The budget for costs not covered by insurance includes external repairs for infrequent jobs, cleaning and

bitumen painting of guttering, tile repairs, and drain clearance. This level of maintenance is estimated to cost £743 over a five-year period, at 2002 prices.

Council Tax payable depends on the assessed charging band, based on a 1991 valuation of the properties, entitlement to discounts (25% for single occupiers) and entitlement to Council Tax Benefit.

**Table 8 Summary housing budgets including Council Tax
Households aged 65-74 years
MBA standard, April 2002, £ week**

	Single woman	Single man	Married couple
Owner Occupiers			
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	3.49	3.49	3.49
Maintenance	2.86	2.86	2.86
Total housing	6.35	6.35	6.35
+ Council tax	11.27	11.27	15.03
Total housing + Council tax	17.62	17.62	21.38
Local Authority tenants			
Rent	55.91	55.91	55.91
Mortgage charge	0.00	0.00	0.00
Service charge	0.00	0.00	0.00
Water and sewerage rates	3.23	3.23	3.23
Maintenance	0.00	0.00	0.00
Total housing	59.14	59.14	59.14
+ Council tax	9.72	9.72	12.96
Total housing + Council tax	68.86	68.86	72.10

Fuel

The fuel standard reflects the need for people to feel warm and comfortable in their homes. Air changes should be sufficient to expel stale air without creating the discomfort of draughts. The standard assumes sixteen hours a day heating, seven days a week, throughout the year, at temperatures of 21° C in the living rooms, and 18° C in the other rooms. The calculation method used is BREDEM 12 (2002), which is the Government's preferred method. Fuel costs are based on British Gas prices for gas consumption and Northern Electricity and Gas for electricity.

4 Local Authority house

Over 60% of family houses in the City of York are terraced. The example chosen for this study is a mid-terrace house, with a passage-way to the back of the property. It has gas central heating, cavity wall insulation, low E double glazing, and 200mm of roof insulation. High insulation standards are typical of City of York housing (and

many other progressive local authorities). As a result, its SAP (Standard Assessment Protocol or measure of the building's energy efficiency) rating of 74 is slightly above the average (70) for other family houses in the area. Although it has a smaller wall area than an end-terrace or semi-detached house, the potential benefits are lost, because the passage wall is solid with no insulation.

5 Owner occupied house

This is a traditional semi-detached house with gas central heating and PVCu double-glazed windows and doors. The 100mm of roof insulation was added in the early 1980s and cavity wall insulation at a later date. The house has an SAP rating of 57, which is about average for a gas-heated, owner-occupied house.

6 Fuel consumption

This is calculated for each household, according to property dimensions and occupancy levels. The BREDEM model includes average use of domestic appliances. To bring the owner-occupied house nearer to the national average for fuel use, a 65% efficiency boiler is used in the model. The benefits of cavity wall insulation are omitted because less than 30% of owner-occupied dwellings have this type of insulation (Eppel, 2001).

Table 9 Fuel Consumption (kWh): results of BREDEM estimation
Households aged 65-74 years
MBA standard, April 2002

	Single man or woman	Married couple
Owner occupied		
Space heating	24,310	23,077
Water heating	3,750	4,554
Cooking - gas	500	583
Electric	278	333
Lights and appliances	1,847	2,487
Total	30,685	30,734
Local Authority		
Space heating	14,166	13,034
Water heating	3,388	4,110
Cooking – gas	500	583
Electric	278	333
Lights and appliances	1,812	2,416
Total	20,144	20,476

BREDEM estimates electricity use according to the number of people in the household and the floor area. Consumption of fuel for cooking takes account of cooker type, in this case a dual fuel appliance, with an electric oven and gas hob.

Gas is required for space heating, water heating and a gas hob. The number of days in the year for which heating is required is determined by the BREDEM model, using the standard degree day calculation. This compares the outside temperature with a baseline temperature; and on days when the former falls below the latter, the heating system automatically raises the internal temperature to the demand temperature.

Water heating takes account of household size and the efficiency of the boiler and controls.

Fuel costs

These are based on British Gas for gas, and Northern Electricity & Gas for the electricity. These would have been the fuel suppliers prior to deregulation, and are likely to be the most common combination today, given that most customers have not switched from their original supplier. Bills are assumed to be paid quarterly by cheque or in cash, rather than by direct debit, with no discount for prompt payment.

Overall, the owner-occupied dwelling used for this research, is significantly more expensive to heat than the Local Authority house. This is partly because the former is bigger, and partly because it is less well insulated and uses a less efficient boiler. Space heating costs are 30% lower for the Local Authority tenants than the owner occupiers. Water heating costs are 10% lower.

**Table 10 Annual and weekly fuel costs: based on quarterly credit accounts
Households aged 65-74 years
MBA standard, April 2002**

	Single man or woman	Married couple
Owner occupied		
Space heating	428	409
Water heating	58	70
Cooking – gas	8	9
Electric	20	24
Lights and appliances	136	183
Cost per year includes standing charge, VAT	682	727
Average cost per week	13.12	13.98
Local Authority		
Space heating	272	255
Water heating	52	63
Cooking – gas	8	9
electric	20	24
Lights and appliances	133	210
Cost per year includes standing charge, VAT	517	561
Average cost per week	9.94	10.79

The gas tariff for British Gas does not include a standing charge, but instead charges the first 4,572 kWh at a higher rate. The higher rate has been applied to the first 4,572 kWh of space heating. Water heating and cooking are charged at the lower rate. A standing charge of £31.72 applies to Northern Electric costs.

3 Transport

Two budgets have been calculated, based on the needs of older people living within two miles of York city centre.

- Transport budget without a car
- Transport budget with a car

7

8 Households without a car

In this instance, the budget standard is restricted to public transport fares, and the occasional train and taxi fare. There are local shops nearby and the city centre is within two miles. Holiday travel by coach is included in the leisure budget.

Travel by bus is at concessionary rates, with a free annual 'bus pass'. The pass allows half-price travel, anywhere in York, after 9am Monday to Friday and any time of day at weekend. It can also be used to travel anywhere in North Yorkshire at half price fares, and outside Yorkshire provided the bus starts from York.

The transport standard assumes that household members are active. The number of return bus fares each year averages one per person per day. The budget also includes 24 day-rover tickets, costing £1 each, which allow any number of journeys to be taken during a 24-hour period, using the same ticket. To complete the standard, four average-length, taxi journeys a year and four short train journeys a year are included.

Table 11 Summary transport budgets: no car

Households aged 65-74 years

MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
Motoring	0.00	0.00	0.00
Coach fares	0.00	0.00	0.00
Bus pass	0.00	0.00	0.00
Bus journey	4.71	4.71	7.66
Train	0.53	0.53	1.59
Taxi	0.46	0.46	0.46
Bicycles	0.00	0.00	0.00
Total transport (no car)	5.70	5.70	9.71

9 Households with a car

In 1999-2000, 71% of UK households had access to a car. Among retired households, 12% of single and 54% of couple households owned a car (Family Spending, 2002). Generally speaking, car owners were found in similar proportions amongst the focus groups.

A car budget is included as an option in Table 12 and in Tables 18 and 19, bearing in mind that for some retired households a car is a necessity. In the FBU's car budget, other means of transport are reduced to a minimum. In the UK the average number of miles travelled by private car owners is 10,000 per year. The number of miles set for this budget is 5000 miles. Less than this would not maintain optimum engine use. Maintenance costs have been set to keep the car at a standard described as 'good condition'.

Motoring expenses

Assuming a 1997 Rover Ascot, expenses fall into five main categories:

- depreciation
- interest on loan

- insurance
- road tax
- running costs

Depreciation

This is the amount of money that needs to be set aside each year, in order to replace the car with one of similar standard at any given time. The Rover Ascot hatchback, used to illustrate this budget is a five-year old, 1.1 litre injection, with sunroof, remote central locking, body-coloured bumpers and walnut finished dashboard. It cost £7,350 new in 1997, reduced to £2,035 in April 2002. Depreciation is based on a loss of 20% the first year plus a straight-line depreciation thereafter, and a car life of 12 years.

Interest on loan

As with other capital costs in the MBA budgets, no account is taken of the cost of servicing loans.

Insurance

A comprehensive vehicle insurance policy with Direct Line is assumed. The policy covers a man or woman aged 60 years or more, living in a low-risk area, with maximum no-claims bonus of 67%. There is no extra cost for a second, named experienced driver. The cost of the policy is £179.55 per year, with £100 excess to pay on claims. Also included is a Green Flag, Level 1, break-down service, costing £35.70 per year.

Road tax

In April 2002, road tax for a car with engine capacity of less than 1500 CC was £105 a year.

Running costs, including parking

These include unleaded petrol, oil, a set of new tyres every five years (including balancing), a service every 5000 miles, an annual MOT, plus a small sum for general repairs, such as battery, light bulbs, exhaust repair and anti-freeze. The budget also includes parking charges in York for a three-hour stay, 18 times a year, and a car wash every two weeks.

**Table 12 Transport summary: car owners
Households aged 65-74 years
MBA standard, April 2002, £ week and year**

	Single person	Couple: two drivers
<i>Public transport :</i>		
Bus	10.20	44.20
Train	13.80	13.80
Coach	0.00	0.00
Taxi	0.00	0.00
Sub-total public transport costs/year	24.00	58.00
<i>Motoring: 1997 Rover Ascot</i>		
Depreciation	490.00	490.00
Insurance including Green Flag	215.25	215.25
Road tax	105.00	105.00
<i>Running costs:</i>		
Car parking	59.40	59.40
Car wash	60.00	60.00
Petrol plus oil	540.00	540.00
Tyres plus balancing	36.00	36.00
Service, 5000 miles	60.00	60.00
MOT	30.00	30.00
Repairs-battery, exhaust, bulbs, antifreeze etc.	100.00	100.00
Sub-total motoring costs/year	1755.65	1755.65
Total transport costs/year	1779.65	1813.65
Total transport costs/week	34.22	34.88

NHS charges

Most healthcare in the UK is provided free of charge, including free prescriptions and free eye tests for older people. However, some goods and services are chargeable, unless the patient is classified as having chronic illness, or is eligible for low-income concessions.

10 Dental charges

Everyone is entitled to subsidised dental treatment by NHS dentists. Patients are charged 80% of the dentist's fee unless they are in possession of valid exemption certificates. The NHS charges used for the FBU budget standard include a basic examination; scale and polish; simple Amalgam filling (involving only one surface of the tooth); and a partial synthetic resin denture. The weekly costs are calculated over a 15-month NHS registration period.

11 Ophthalmic charges

The importance of eye care has long been recognised, and an eye test can help to diagnose other health problems. Since April 1999 all older people are eligible for a free eye test every two years, and more frequently in special cases. The cost of purchasing a pair of spectacles (frames plus bifocal lenses) from a local optician is included in the budget, assuming a new pair every four years.

Table 13 Summary NHS charges

**Households aged 65-74 years
MBA standard, April 2002, £ week**

	Single woman	Single man	Married couple
Prescriptions	0.00	0.00	0.00
Eye test	0.00	0.00	0.00
Spectacles	0.86	0.86	0.87
Dental	0.53	0.53	1.06
Total NHS charges	1.39	1.39	1.92

Insurance

Many older people feel vulnerable concerning their safety and security, therefore the MBA budget standard includes sufficient insurance to provide satisfactory cover. All the policies are based on prices in York, which is considered a 'low risk' area.

Other policies such as comprehensive motor insurance, 'Green Flag' breakdown service, and holiday insurance, are covered elsewhere. All premiums include Insurance Premium Tax (IPT).

12 House contents and structural building insurance

Local Authority tenants

The Age Concern home contents policy provides:

- £15,000 'indexed-linked' new for old cover for contents
- Unspecified Personal Possessions, individually worth up to £1,000 without the need to list them
- Money and credit cards up to £250 for loss of cash, stamps, pension book; and up to £500 for fraudulent use of credit cards if lost or stolen.

Owner occupiers

The MMA Insurance 'Home Gold' home contents and structural building insurance policies provide:

- £19,000 indexed-linked new for old cover for contents
- £63,000 cover for rebuilding costs, including fittings and outbuildings, demolition costs and professional fees. Extra benefits include cover for accidental breakage of glass doors, windows, sanitary ware and ceramic hobs plus damage to pipes, cables etc.

Prearranged funeral plan

A prearranged funeral plan is included, although most members of the focus groups had made no such provision.

We go with the theory that no-one has been left on top yet ...

The ACE Funeral Plan was launched in 1997, when the escalation of funeral costs was recognised as a problem, and a source of anxiety for older people. A funeral plan guarantees cover for the cost of a funeral at today's prices. The policy chosen is a 'Regular Plan' based on 60 monthly payments. The plan includes immediate arrangements, advice and guidance, a simple coffin, funeral attendance, disbursement of fees and bereavement advice for family and friends.

Table 14 Summary insurance budgets
Households aged 65-74 years
MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
Owner occupiers			
House contents insurance	1.43	1.43	1.43
House structural insurance	1.28	1.28	1.28
Funeral pre-payment plan	5.31	5.31	10.61
Total insurance	8.02	8.02	13.32
Local Authority tenants			
House contents insurance	0.90	0.90	1.43
House structural insurance	0.00	0.00	0.00
Funeral pre-payment plan	5.31	5.31	10.61
Total insurance	6.20	6.20	12.04

Pets

There are strong arguments for including a pet in the budget standard. Stroking a cat or dog can lower blood pressure, eases stress and pet owners are generally fitter, less depressed, more able to cope with life's traumas (Jarvis, 1998). Since 1993, cats have become more popular as pets than dogs.

The budget includes:

- Donation to the Cat Protection League
- Cat food
- Basic accessories e.g. hygiene items and carrying basket
- Veterinary fees for immunisation booster and cat neuter
- Cross bred cat insurance by Petplan
- Two weeks cattery fees, to cover holiday and short break periods

Table 15 Summary pet budget
Households aged 65-74 years
MBA standard, April 2002, £ week

One cat	
Cat food and accessories	3.62
Veterinary fees	0.44
Cat insurance	1.26
Cattery fees	1.06
Total pet budget	6.37

Alcohol

Alcoholic beverages are included in the budget on the grounds that they reflect a real expenditure for most households and are an accepted part of today's lifestyle. There may also be health benefits, assuming moderate intake, for instance reduced risks of heart disease, hypertension and strokes (Friedman, 1986).

Alcohol plays a part in the leisure lifestyle of many of the older people in the discussion groups.

Yes, may go to the pub once or twice a week, but also have a drink at home. Have a game of cards at home and socialise that way. I wouldn't drink at home on my own, just with friends, we have cards once a week.

We have wine, and we keep in sherry, whisky, and that, for the kids, but we drink wine.

Expenditure on alcohol is estimated by reference to the FES. The budgets in Table 16 represent approximately 12 units of alcohol a week for single men and couples and 9 units a week for single women. In each case, alcohol consumption falls within the safe limits recommended by the Health Education Authority.

Table 16 Summary alcohol budgets
Households aged 65-74 year
MBA standard, April 2002, £ week

	Single woman	Single man	Married couple
Beer	0.70	2.31	2.55
Wine	0.47	0.96	1.43
Spirit	1.08	2.46	3.43
Total	3.36	8.20	7.95

Charitable giving

Not all households give money to charity. However, most older people in the focus groups either work for a charity, or give money to a charity, or both.

I work in a charity shop twice a week and go voluntary visiting for Age Concern.

I give to St. Oswald's and the Missionaries and I was out collecting the other day, and sell raffle tickets (Diabetics, Mobility, Christian Aid).

I used to give for about two years to a couple of charities and I changed it when it went to direct debit. I decided to give to more local charities rather than national charities.

Well, I've put them in my will.

In the mid 1990s, it was reported that a greater proportion of people aged 65 years and over gave to charity (61%), compared to other adult age groups (Mintel, 1996). The budget standard includes provision for donations of £57.20 per year (average £1.10 per week) for each household.

9 Tobacco

Given that the FBU budgets are intended to promote good health, tobacco cannot sensibly be included as part of the budget standard. The reality is, however, that although most smokers would like to give up the habit, many find it difficult to do so. For that reason the cost of smoking is included, for information only, based on a price of £4.40 for 20 Silk Cut cigarettes.

Smokers have to choose which part of their budget to reduce in order to afford their habit.

Table 17 Costs of smoking
April 2002, £ week

	Cigarettes smoked	Cost
Light smoker (5 per day)	35	7.70
Average smoker (15 per day)	105	23.10
Heavy smoker (20 per day)	140	30.80

Part Five
Summary budgets

1 Budget costs

At this point the budget standard costs in Part Three of this report, the variable costs in Part Four and the income tax liabilities of each household type are added together to give total spending at the MBA standard, for each household type living in the defined circumstances. Some readers may consider the budgets too generous, others too meagre - the priority here is to signpost their importance.

Most of the budget standard costs are similar for tenants and owner-occupiers. Women spend more than men on the most of the budget standard expenditures, including food, but men spend more than women on alcohol. Housing is the most expensive item of expenditure for the tenants, followed by food, leisure and household goods, in that order. Because they have no rents to pay and have paid off their mortgages, the owner occupiers spend considerably less than the tenants on housing: £6.35 a week, compared with £59.14 by the tenants, of which £55.91 goes on the rent.

Council Tax bills are lower for the tenants than for the owners, who are in a higher Council Tax band. At £9.72 for the single tenants and £12.96 for the couples, Council Tax is high on the list of their expenditures.

Spending on alcohol averages £8.20 a week for men, compared with £3.36 for women and £7.95 for couples.

2 Income tax as a budget cost

This is the first time the Family Budget Unit has shown income tax as a budget costs (Tables 18 and 19), which produces interesting results. For example, because the living costs of the owner occupiers who have paid off their mortgages are less than the living costs of the tenants, the income tax liabilities of the owner occupiers - at the MBA standard - are also less. The married couple owner occupiers pay no income tax whatsoever, whereas the married couple tenants with rent of £56 a week pay £12 a week in income tax.

3 Income tax calculations

In Tables 18 and 19 the income tax liabilities of the FBU households are based on the following assumptions:

- All the income of each household comes from pensions
- In the case of the couple households, the man receives a full Category A National Insurance pension, the woman receives a Category B National Insurance pension.
- In the couple households, all the second pension is received by the man.

TABLE 18: Summary budgets: LOCAL AUTHORITY TENANTS
Households aged 65-74 years
Modest-but-Adequate living standard
No car
April 2002 prices, £ week

	Single woman	Single man	Married couple
A Budget standard costs			
Food (alcohol included in budgets)	30.64	28.06	53.40
Food (no alcohol in budgets)	31.36	29.04	54.61
Clothing	8.85	7.17	15.84
Personal care	6.93	3.76	9.71
Household goods	20.46	20.46	22.08
Household services	9.20	9.15	11.72
Leisure	24.66	24.56	41.80
Subtotal, with alcohol	100.74	93.16	154.55
Subtotal, without alcohol	101.46	94.14	155.76
+B Variable costs			
Housing (<i>of which - rent £55.91</i>)	59.14	59.14	59.14
Council tax	9.72	9.72	12.96
Fuel	9.94	9.94	10.79
Transport (no car) *	5.70	5.70	9.71
NHS charges (cost of a sight-test not included)	1.39	1.39	2.78
Insurance	6.20	6.20	12.04
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	6.37	6.37	6.37
Alcohol	3.36	8.20	7.95
Tobacco	0.00	0.00	0.00
Charitable donations	1.10	1.10	1.10
Subtotal, with alcohol	102.92	107.76	122.84
Subtotal, without alcohol	99.56	99.56	114.89
+C INCOME TAX			
With alcohol	17.59	16.82	12.16
Without alcohol	16.85	14.78	10.26
13 =D TOTAL EXPENDITURES (no car)			
With alcohol	221.26	217.74	289.55
Without alcohol	217.88	208.48	280.91
<hr/>			
*Transport, car owners			
Reduced fares	0.46	0.46	1.12
14 Motoring	33.76	33.76	33.76
Total	34.22	34.22	34.88

Due to rounding, there may be some discrepancies between the figures shown and their totals.

15 TABLE 19: Summary budgets: OWNER-OCCUPIERS

Households aged 65-74 years
Modest-but-Adequate living standard
No car
April 2002 prices, £ week

	Single woman	Single man	Married couple
A Budget standard costs			
Food (alcohol included in budgets)	30.64	28.06	53.40
Food (no alcohol in budgets)	31.36	29.04	54.61
Clothing	8.85	7.17	15.84
Personal care	6.93	3.76	9.71
Household goods	22.30	22.10	23.85
Household services	9.20	9.15	11.72
Leisure	24.66	24.56	41.80
Subtotal, with alcohol	102.58	94.80	156.32
Subtotal, without alcohol	103.30	95.78	157.53
+B Variable costs			
Housing	6.35	6.35	6.35
Council tax	11.27	11.27	15.03
Fuel	14.21	14.21	15.08
Transport (no car) *	5.70	5.70	9.71
NHS charges (cost of sight test not included)	1.39	1.39	1.92
Insurance	8.02	8.02	13.32
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	6.37	6.37	6.37
Alcohol	3.36	8.20	7.95
Tobacco	0.00	0.00	0.00
Charitable donations	1.10	1.10	1.10
Subtotal, with alcohol	57.78	62.62	76.84
Subtotal, without alcohol	54.42	54.42	68.89
+C INCOME TAX			
With alcohol	5.38	4.48	0.00
Without alcohol	4.59	3.00	0.00
=D TOTAL EXPENDITURES (no car)			
With alcohol	165.74	161.89	233.15
Without alcohol	162.31	153.19	226.41

***Transport, car owners**

Reduced fares	0.46	0.46	1.12
Motoring	33.76	33.76	33.76
Total	34.22	34.22	34.88

Due to rounding, there may be some discrepancies between the figures shown and their totals.

Part Six

Analysis of findings

1 Summary of findings

As in previous Family Budget Unit reports, the households in this study are hypothetical not actual households, from which it follows that their income requirements do not reflect the pensioner population as a whole. Further research is needed to establish cost differentials due to factors such as age, ethnic origin, disability and locality.

Four main findings emerge:

- *Pensioner living costs, in the assumed circumstances, at the MBA standard*
- *NI retirement pension shortfalls, by comparison with the MBA standard*
- *Occupational pensions required to reach MBA standard*
- *Scale of the pensioner poverty trap*

2 First finding: Modest But Adequate budget costs

To reach the MBA standard, the required expenditures vary according to gender, marital status and whether or not the households are car-owners. All the FBU households are assumed to live on the outskirts of York, either as Local Authority tenants or as owner occupiers with their mortgages paid off. Some rely on public transport, others are car owners. To reach the MBA standard, a single woman aged 65-74 years needs a net weekly income of between £160 a week (owner occupier, no car) and £232 a week (Local Authority tenant, car owner). Table 20 summarises the net incomes required to reach the MBA standard.

Table 20: Modest But Adequate budget costs
Households aged 65-74 years
Alcohol included in the budgets
With and without a car
April 2002, £ week rounded

	No car	Car owner
Local Authority tenants		
Single woman	204	232
Single man	201	229
Married couple	277	303
Owner occupiers		
Single woman	160	189
Single man	157	186
Married couple	233	258

3 Second finding: Incomes required, in addition to NI Retirement Pension, to reach MBA standard

In April 2002, NI Retirement Pensions were increased to £75.50 a week (Category A) and £45.20 a week (Category B). Additionally, all pensioner households receive a Winter Fuel Payment of £200 a year (approximately £3.85 a week). The above rates result in shortfalls, by comparison with the MBA standard, of between £78 a week for single men owner occupiers whose mortgages have been paid off, and £153 a week for married couples in Local Authority rented housing (Table 21).

Table 21: MBA shortfalls, NI Retirement Pension
Households aged 65-74 years
Alcohol included in the budgets
No car
April 2002, £ week rounded

	Shortfall
Local Authority tenants	
Single woman	124
Single man	122
Married couple	153
Owner occupiers	
Single woman	81
Single man	78
Married couple	109

The large gaps between NI Retirement Pension and the MBA standard show that older people need considerable amounts of additional income to reach the MBA standard.

4 Third finding: Occupational pensions required to reach MBA standard: no car

In this report income tax is shown as a budget expenditure. This is because the more costly the budgets, the more income tax is payable and the higher the gross incomes required to reach the MBA standard. Tenants require larger gross incomes than owner occupiers who have paid off their mortgages - partly to enable them to pay their rent and partly to enable them to pay the income tax charged on the extra income required to pay the rent!

Table 22 tabulates the occupational pensions required by the FBU's hypothetical pensioner households, in order to reach the MBA living standard. This is on the assumption that they have occupational pensions in addition to their NI pensions, and do not own a car. Car ownership adds approximately £28 to the budget costs of single pensioners and £25 to those of couples.

Table 22: Occupational pensions required to reach MBA standard
Households aged 65-74 years

**Alcohol included in the budgets
No car
April 2002, £ week rounded**

	NI pension	+	Winter fuel payment	+	Occup'l pension	- Income Tax	=	MBA Standard
Tenants								
Single woman	75.50		3.85		142	17.59		203.67
Single man	75.50		3.85		138	16.82		200.92
Married couple	120.70		3.85		165	12.16		277.93
Owner occupiers								
Single woman	75.50		3.85		86	5.38		160.36
Single man	75.50		3.85		82	4.48		157.41
Married couple	120.70		3.85		109	0.00		233.15

Source: Polimod

5 Fourth finding: The pensioner poverty trap

The term poverty trap is regularly used to describe the situation whereby people in paid work are little or no better off as a result of earning more, due to a combination of higher income tax and NI contribution liabilities and reduced entitlements to means-tested benefits. For pensioners the effects are similar, especially for those who have saved.

The interaction between taxes and income-related benefits means that older people with modest incomes find themselves little better off as a result of their private pensions and voluntary savings. Tenants are particularly at risk. Even those with incomes at MBA level are not substantially better off than those receiving means-tested benefits.

Pensioners with incomes below the Income Support/Minimum Income Guarantee levels can lose £ for £ of extra income. Tenants entitled to Housing Benefit and/or Council Tax Benefit and owner occupiers entitled to Council Tax Benefit stand to gain less than £1 out of each extra £1 of retirement income, including households below the income tax thresholds.

Example:

In April 2002, a single woman living in Local Authority housing (rent £55.91, council tax £9.72) needed an occupational pension of £142 a week, in addition to NI pension of £75.50, in order to reach the FBU's *Modest But Adequate* living standard requirement of £204 a week. Without a second pension (or equivalent) her net weekly income (NI pension + Income Support + Housing Benefit + Council Tax Benefit) was £167.63 a week. Due, moreover, to the poverty trap effects of the UK tax and benefit systems, an occupational pension of £142 a week raises her net income by only £36 a week. The rest goes in income tax and withdrawal of Income Support, Housing Benefit and Council Tax Benefit. Her implied marginal tax rate is 75%.

The gross retirement incomes required to take the households in this study above the entitlement levels for means-tested benefits are tabulated in Table 23.

Table 23: Gross incomes to escape pensioner poverty trap
Occupational pensioners aged 65-74 years
Alcohol included in the budgets
No car
April 2002, £ week rounded

Household type	Gross incomes required
Local Authority tenants	
Single woman	198
Single man	198
Married couple	193
16 Owner occupiers	
Single woman	161
Single man	161
Married couple	227

Source: Polimod

In October 2003 the above situation will change. Pension Credit will replace the Minimum Income Guarantee and provide additional help for those with modest savings. This will increase the incomes of many older people, but will also bring more of them into the Pensioner Poverty Trap.

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APPENDICES

APPENDIX 1

**Adequacy of food purchases
MBA food baskets
Households aged 65-74 years
April 2002**

Nutrients	Percentages of Dietary Reference Values		
	Woman	Man	Couple
Energy	99.1	99.1	99.5
Macronutrients			
Protein	164.2	157.4	165.8
Fat	92.0	91.7	91.5
Saturated fatty acids	96.7	98.8	97.2
Mono-unsaturated fatty acids	87.6	88.6	88.2
Poly-unsaturated fatty acids	118.7	112.4	113.7
Carbohydrate	103.1	104.4	103.5
Non-milk extrinsic sugars	118.5	144.0	106.6
Non-starch polysaccharides	117.2	151.1	141.7
Vitamins			
Vitamin A	163.6	185.1	147.2
Thiamin	215.8	240.6	226.3
Riboflavin	190.8	185.6	178.8
Nicotinic acid equivalents	251.1	223.0	231.7
Folate	187.2	214.4	210.3
Vitamin B ₆	220.8	231.4	220.9
Vitamin B ₁₂	539.1	557.4	487.8
Pantothenic acid	108.9	128.2	115.8
Vitamin C	322.4	426.0	301.5
Vitamin D	167.0	192.4	194.0
Vitamin E	478.5	424.4	406.4
Minerals			
Calcium	143.0	143.2	135.8
Iron	133.5	171.2	158.6
Sodium	191.1	195.0	225.9
Potassium	111.1	125.2	113.3
Magnesium	116.6	127.5	122.2
Copper	103.0	115.7	115.7
Zinc	130.5	111.9	123.6
Phosphorus	251.1	287.0	275.2
Fruit and vegetable portions per day	5.23	6.01	5.36

Illustrative weekly menus based on the MBA basket of foods: single woman aged 65-74 years

APPENDIX 2.1

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	S
BREAKFAST	2 weetabix banana 2 slices toast fruit juice	branflakes/sultana cereal 2 slices toast fruit juice	muesli 2 slices toast fruit juice	2 weetabix banana 2 slices toast fruit juice	2 weetabix banana 2 slices toast fruit juice	g
SNACK	apple	apple		apple	toast	b
LUNCH	soup cheese sandwich yoghurt	(+VISITOR) 2 chicken rolls 2 ham with salad rolls 2 clementines	EAT OUT	beans 2 slices toast pear	EAT OUT	b s 2
SNACK	bakewell slice	biscuits	bakewell slice	biscuits	toast cheese triangle	a
EVENING MEAL	pork chop potatoes cabbage gravy banana	cod fillet potatoes peas broccoli tomato ketchup yoghurt	pasta dish tinned tomatoes sausage mushrooms onion apple	chicken in breadcrumbs chips salad tomato yoghurt	beef stew potatoes carrots cabbage green beans apple	c p b g a

In addition, tea, coffee, milk, sugar, jam, vegetable oil, reduced fat spread, flour, biscuits, 2 tubes of sweets, as per shopping list, are available for consumption throughout the week. (Bread = 2 x 400g = 16 x 2 slices = 32)

Some meals have been left blank. According to the NFS, this corresponds to the average number of meals eaten away from home, for example, with relatives or in a café. The NFS also shows that visitors were present for 10% of meals, and extra food has been added to account for this.

Illustrative weekly menus based on the MBA basket of foods: single man aged 65-74 years

APPENDIX 2.2

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	S
BREAKFAST	2 weetabix banana 2 slices toast fruit juice	2 weetabix banana <input type="checkbox"/> 2 slices toast <input type="checkbox"/> fruit juice <input type="checkbox"/>	branflakes/sultana cereal 2 slices toast fruit juice	2 weetabix banana 2 slices toast fruit juice	2 weetabix banana 2 slices toast fruit juice	mu 2 s fru
SNACK	apple	apple	apple	satsuma	apple	(+ 2 t
LUNCH	soup cheese/tomato mayonnaise sandwich 4 slices bread orange	EAT OUT	tuna pate 4 slices of toast tomato Kitkat	EAT OUT	2 ham rolls	2 c tom
SNACK	2 slices toast marmalade	biscuits	bakewell slice	2 slices toast cheese triangle	teacake	ba

EVENING MEAL	chicken in crumb chips peas carrots ½ onion gravy yoghurt	cod fish in breadcrumbs potatoes cabbage peas roll tomato ketchup banana	chicken breasts potatoes broccoli carrots ½ tin peaches ice-cream	salmon/pasta salad sweetcorn tomato bread ½ tin peaches ice-cream	(+VISITOR) bacon egg sausage beans potatoes bread ½
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In addition tea, coffee, 4 pints of milk, sugar, jam, vegetable oil, reduced fat spread, flour, biscuits, sweets, lemonade, as per shopping list, are available for consumption throughout the week. (Bread = 1 x 800g = 22 slices total)

Some meals have been left blank. According to the NFS, this corresponds to the average number of meals eaten way from home, for example, with relatives or in a café. The NFS also shows that visitors were present for 2% of meals, and extra food has been added to account for this.

Illustrative weekly menus based on the MBA basket of foods: couple aged 65-74 years

APPENDIX 2.3

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
BREAKFAST	4 weetabix 4 slices toast 2 banana 2 fruit juice	2 branflakes/sultana cereal 4 slices toast 2 fruit juice	4 weetabix 2 bananas 4 slices toast 2 fruit juice	4 weetabix 2 bananas 4 slices toast 2 fruit juice	2 muesli 4 slices toast 2 fruit juice
SNACK	2 apples	2 oranges	biscuits	2 teacakes	2 apples
LUNCH	2 processed cheese/pickle sandwiches tomato	2 fried eggs chips bread and butter tomato ketchup	2 soup 2 ham sandwiches	EAT OUT	2 ham rolls 2 tomatoes salad
	fruit cake	2 yoghurts	2 apples		2 pears
SNACK	Biscuits	2 teacakes	biscuits		2 teacakes
EVENING MEAL	2 pork chops potatoes carrots broccoli cabbage onion gravy	bacon beans sausage potatoes bread	beef stew onion potatoes carrots/swede cabbage green beans	cod in breadcrumbs potatoes peas broccoli cabbage	chicken in breadcrumbs pasta/cheese sauce broccoli
	2 yoghurts	2 apples	peaches ice-cream	rice pudding	1 orange 2 yoghurts

In addition, tea, coffee, milk, sugar, jam, vegetable oil, reduced fat spread, flour, biscuits, and sweets. (Bread = 1 x 800g + 2 x 400g loaves = 22 + 16 + 16 = 54 slices, as per shopping list, are available for consumption throughout the week).

Some meals have been left blank. According to the NFS, this corresponds to the average number of meals eaten way from home, for example, with relatives or in a café. The NFS also shows that visitors were present for 5.5 % of meals, and extra food has been added to account for this.