

Low Cost but Acceptable living standards - April 2004

SINGLE MAN AGED 22-30 YEARS.

[The 'Low Cost but Acceptable' budget standard for a single man in his twenties was created partly from new research and partly derived from the database of households \(adults and children\) published in 1998\[1\]. Food, housing, fuel, leisure activities, insurance, transport and clothing were newly researched components of the budget standard. Household goods and services, leisure goods, personal care items and motoring costs were taken from the household database; inflated to April 2004 prices using the detailed Retail Price Index.](#)

A 'single man' household type dataset provides a further budget standard estimate to add to the FBU range of low-cost household budgets and has contributed to the development of a computer program to calculate the regional cost differences for working households in the UK.

In relation to the 'single man' household the following conditions and calculations apply:

- Tenant in a one bedroom York Housing Association apartment. Built in 1971, a mid-terrace ground floor flat. Double-glazed windows, full gas central heating with a balanced flue gas boiler and room thermostat. Rated as Band A for Council Tax with a 75% reduction for a single adult occupancy. Contents insurance covers for £15K.
- The dwelling is assumed to be heated in all rooms, 19°C in the living area and 16.75°C elsewhere. Fuel consumption is calculated by BREDEM 12 based on housing specification and lifestyle of occupier. The gas and electricity supplier is Powergen.
- The flat is situated 2 miles outside York City Centre and the single young man travels to work in the City by bus or cycle. The proportion of cycling to bus travel is much higher than in families with children. On average only one in five journeys are by local bus.
- Food costs are set at £31 per week excluding alcohol. To include alcohol in the food basket the cost is about £37 each week. In comparison the cost of the FBU food basket for a couple with two children (without alcohol) is £66 each week and similarly for a lone parent with two children £42 each week. All food diets are tested for nutritional adequacy.
- The single man's clothing budget is a new young person's budget. The number of clothing changes for work and leisure and seasonal needs are in line with the standard set for other households in the low-cost database.
- Where motoring costs are included as an option, it is based on a low mileage of 4000 miles per year and a comprehensive motor insurance.

- The personal care basket of goods includes personal hygiene items, first aid items and accessories. The number of items adjusted to meet the needs of a single person of this age group.
- Leisure goods include the addition of a DVD player, but as yet a personal computer is not included. Ownership of this item, in this income group has not yet reached an 80% saturation point.
- Leisure activities includes gym sessions in a local health club and swimming sessions with the aim of contributing to a level of vigorous exercise equal to at least five half hour sessions per week. Cycling is included in the assessment of exercise levels. The annual leisure budget of £736 includes a four-day holiday in the UK.

Users should bear in mind that although all costs and benefits relate to April 2004 the 'single man' budget is a computation of suitable items held in the database and new items introduced that meet the needs of this specific household. A re-basing of all LCA is the next logical step to bring all budgets in line with modern preferences and trends.

[\[1\] Parker \(1988\) Low Cost but Acceptable - A Minimum income standard for the UK: Families with young children, Published Policy Press. \(ISBN 1 86134 136 9\)](#)

Means Tested

SINGLE MAN BUDGETS : LOW COST BUT ACCEPTABLE LIVING STANDARDS : APRIL 2004

Tenure	Single man LA Tenant	Single man LA Tenant	Single man LA Tenant
Work situation	1 Earner	1 Earner	No Earner
Full time 38.5 hours/Part time 17 hours	full-time	part-time	
A Budget standard costs			
Food (with alcohol)	29.69	29.69	29.69
Food (without alcohol)	31.46	31.46	31.46
Clothing	4.74	4.74	4.74
Personal care	2.54	2.54	2.54
Household goods	6.08	6.08	6.08
Household services	4.87	4.87	4.87
Leisure goods and activities	14.15	14.15	14.15
B Variable costs			
Housing	49.84	49.84	49.84
	<i>of which rent</i>	<i>46.61</i>	<i>46.61</i>
Council tax	10.52	10.52	10.52
Fuel	5.60	5.60	5.60
Transport (no car)	2.68	2.68	2.68
NHS charges	1.48	1.48	0.06
Insurance (Contents)	2.40	2.40	2.40
Pension contributions	0.00	0.00	0.00
Debts/fines/maintenance orders	0.00	0.00	0.00
Job-related costs standard costs	5.63	4.88	0.00
	<i>of which childcare</i>	<i>0.00</i>	<i>0.00</i>
Seeking work costs	0.00	0.00	1.75
Pets	0.00	0.00	0.00
Alcohol	6.73	6.73	6.73
Tobacco	0.00	0.00	0.00
Charitable donations	0.87	0.87	0.00
LCA costs with alcohol/no car	147.83	147.08	141.66
LCA costs no alcohol/no car	142.87	142.12	136.70
Car ownership			
Transport costs : car owner in family	28.63	28.63	28.63
	<i>of which car insurance</i>	<i>4.38</i>	<i>4.38</i>
Transport costs : no car as shown above	2.68	2.68	2.68
ADD to budget costs	25.95	25.95	25.95

Health charges included for single working man

Smokers (light = 5 per day) add £8.05 per week

Gross weekly earnings calculation including means-tested benefits

A. LCA budget (with alcohol/no car)	147.83	147.08	141.66
Gross weekly earnings to meet this budget	173.25	167.65	
Income tax payable	13.37	12.14	0.00
NI payable	9.05	8.43	0.00
Net earnings required to meet this budget	150.83	147.08	0.00
Child Benefit payable	0.00	0.00	0.00
Child tax credits payable	0.00	0.00	0.00
Childcare credits payable	0.00	0.00	0.00
Working Tax Credit payable	14.40	0.00	0.00
Housing benefit payable	0.00	0.00	46.61
Council tax benefit payable	0.00	0.00	10.52
IS/JSA payable april 2004	0.00	0.00	55.65

Total net income	165.23	147.08	112.78
Annual earnings required	9009.00	8717.80	0.00
Hourly rate required	4.50	9.86	0
Deficit or Surplus if min wage or IS/JSA	17.40	0.00	-28.88

B. LCA budget (without alcohol/no car)	142.87	142.12	136.70
Gross weekly earnings to meet this budget	173.25	160.26	
Income tax payable	13.37	10.52	0.00
NI payable	9.05	7.62	0.00
Net earnings required to meet this budget	150.83	142.12	0.00
Child Benefit payable	0.00	0.00	0.00
Child tax credits payable	0.00	0.00	0.00
Childcare credits payable	0.00	0.00	0.00
Working Tax Credit payable	14.51	0.00	0.00
Housing benefit payable	0.00	0.00	46.61
Council tax benefit payable	0.00	0.00	10.52
IS/JSA payable april 2004	0.00	0.00	55.65
Total net income	165.34	142.12	112.78
Annual earnings required	9009.00	8333.52	0.00
Hourly rate required	4.50	9.43	
Deficit or Surplus if min wage or IS/JSA	22.47	0.00	-23.92

C. LCA budget (with alcohol/with car)	173.78	173.02	167.61
Gross weekly earnings to meet this budget	201.46	206.38	
Income tax payable	19.59	20.67	0.00
NI payable	12.15	12.69	0.00
Net earnings required to meet this budget	169.72	173.02	0.00
Child Benefit payable	0.00	0.00	0.00
Child tax credits payable	0.00	0.00	0.00
Childcare credits payable	0.00	0.00	0.00
Working Tax Credit payable	4.06	0.00	0.00
Housing benefit payable	0.00	0.00	46.61
Council tax benefit payable	0.00	0.00	10.52
IS/JSA payable april 2004	0.00	0.00	55.65
Total net income	173.78	173.02	112.78
Annual earnings required	10475.92	10731.76	0.00
Hourly rate required	5.23	12.14	
Deficit/surplus if min wage or IS/JSA	0.00	0.00	-54.83

D. LCA budget (without alcohol/with car)	168.82	168.06	162.65
Gross weekly earnings to meet this budget	184.92	198.98	
Income tax payable	15.95	19.04	0.00
NI payable	10.34	11.88	0.00
Net earnings required to meet this budget	158.63	168.06	0.00
Child Benefit payable	0.00	0.00	0.00
Child tax credits payable	0.00	0.00	0.00
Childcare credits payable	0.00	0.00	0.00
Working Tax Credit payable	10.19	0.00	0.00
Housing benefit payable	0.00	0.00	46.61
Council tax benefit payable	0.00	0.00	10.52
IS/JSA payable april 2004			55.65
Total net income	168.82	168.06	112.78
Annual earnings required	9615.84	10346.96	0.00
Hourly rate required	4.80	11.70	
Deficit/surplus if min wage or IS/JSA	0.00	0.00	-49.87

No means tested

SINGLE MAN BUDGETS : LOW COST BUT ACCEPTABLE LIVING STANDARDS : APRIL 2004

Tenure	Single man LA Tenant	Single man LA Tenant	Single man LA Tenant
Work situation	1 Earner full-time	1 Earner part-time	No Earner
Full time 38.5 hours/Part time 17 hours			
A Budget standard costs			
Food (with alcohol)	29.69	29.69	29.69
Food (without alcohol)	31.46	31.46	31.46
Clothing	4.74	4.74	4.74
Personal care	2.54	2.54	2.54
Household goods	6.08	6.08	6.08
Household services	4.87	4.87	4.87
Leisure goods and activities	14.15	14.15	14.15
B Variable costs			
Housing	49.84	49.84	49.84
<i>of which rent</i>	<i>46.61</i>	<i>46.61</i>	<i>46.61</i>
Council tax	10.52	10.52	10.52
Fuel	5.60	5.60	5.60
Transport (no car)	2.68	2.68	2.68
NHS charges (adjusted for benefits)	1.48	1.48	0.06
Insurance (Contents)	2.40	2.40	2.40
Pension contributions	0.00	0.00	0.00
Debts/fines/maintenance orders	0.00	0.00	0.00
Job-related costs standard costs	5.63	4.88	0.00
<i>of which childcare</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Seeking work costs	0.00	0.00	1.75
Pets	0.00	0.00	0.00
Alcohol	6.73	6.73	6.73
Tobacco	0.00	0.00	0.00
Charitable donations	0.87	0.87	0.00
LCA costs with alcohol/no car	147.83	147.08	141.66
LCA costs no alcohol/no car	142.87	142.12	136.70
Car ownership			
Transport costs : car owner in family	28.63	28.63	28.63
<i>of which car insurance (variable)</i>	<i>4.38</i>	<i>4.38</i>	<i>4.38</i>
Transport costs : no car as shown above	2.68	2.68	2.68
ADD to budget costs	25.95	25.95	25.95
<i>Health charges included for single working man</i>			
<i>Smokers (light = 5 per day) add £8.05 per week</i>			
Gross weekly earnings calculation/no means tested benefits included			
E. LCA budget (with alcohol/no car)	147.83	147.08	141.66
Gross weekly earnings to meet this budget	173.25	167.66	
Tax payable	13.37	12.15	
NI payable	9.05	8.43	
Net earnings required to meet this budget	150.83	147.08	0.00
Child Benefit payable	0	0	0
Total net income	150.83	147.08	0.00
Annual earnings required	9009.00	8718.32	0.00
Hourly rate required	4.50	9.86	
Hourly rate required second wage earner			
Deficit/surplus if min wage or IS/JSA	3.00	0.00	-141.66
F. LCA budget (without alcohol/no car)	142.87	142.12	136.70

Gross weekly earnings to meet this budget	173.25	160.26	
Tax payable	13.37	10.52	
NI payable	9.05	7.62	
Net earnings required to meet this budget	150.83	142.12	0.00
Child Benefit payable	0	0	0
Total net income	150.83	142.12	0.00
Annual earnings required	9,009.00	8,333.52	0.00
Hourly rate required	4.50	9.42	
Hourly rate required second wage earner			
Deficit/surplus if min wage or IS/JSA	7.96	0.00	-136.70
G. LCA budget (with alcohol/with car)	173.78	173.02	167.61
Gross weekly earnings to meet this budget	207.51	206.38	
Tax payable	20.91	20.67	
NI payable	12.82	12.69	
Net earnings required to meet this budget	173.78	173.02	0.00
Child Benefit payable	0	0	0
Total net income	173.78	173.02	0.00
Annual earnings required	10,790.52	10,731.76	0.00
Hourly rate required	5.39	12.14	
Hourly rate required second wage earner			
Deficit/surplus if min wage or IS/JSA	0.00	0.00	-167.61
H. LCA budget (without alcohol/with car)	168.82	168.06	162.65
Gross weekly earnings to meet this budget	200.11	198.97	
Tax payable	19.28	19.03	
NI payable	12.01	11.88	
Net earnings required to meet this budget	168.82	168.06	0
Child Benefit payable			
Total net income	168.82	168.06	0
Annual earnings required	10405.72	10346.44	0
Hourly rate required	5.20	11.70	
Hourly rate required second wage earner			
Deficit/surplus if min wage or IS/JSA	0.00	0.00	-162.65