

Expenditure on children in Great Britain

Very little is known about the lifestyles and living standards of British children. This makes it very difficult to assess the impact of changing economic circumstances on children's lives. The first report of findings from a unique nationally representative survey of British children is now available. The research, undertaken by the Centre for Research in Social Policy, Loughborough University, found that:

-  A child reaching her/his seventeenth birthday will have cost approximately £50,000 on average for 'regular' items of spending.
-  Ten per cent of average spending is provided by grandparents, other relatives, friends or the child her/himself, with parents providing 90 per cent.
-  Children cost considerable weekly amounts for activities and items at school, such as books, which might be seen as essential to their education.
-  Whether or not children have working parents has a greater impact on average spending levels than whether the child lives with one or two parents.
-  Child Benefit meets approximately one-fifth of average spending on a child.
-  Average spending by parents is very much higher than Income Support allowances for children.
-  The childcare disregard in Family Credit calculations would not meet the average childcare costs of working parents.
-  Parents' average spending on children increases slightly as children get older, but younger children are severely disadvantaged in benefit calculations compared with older children.
-  One in ten children go without three or more things which the majority of parents believe to be necessary because their parents cannot afford them. Three per cent of children go without five or more necessities.
-  Unlike regular spending, children in one-parent families are much more likely to go without necessities than children in two-parent families, irrespective of other family circumstances, such as whether parents are in work or not.
-  Parents are more likely to go without than their children. One half of parents defined by the study as 'poor' have children who are 'not poor'.
-  Lone parents are more likely to be poor and less able to protect their children from poverty than other parents.
-  One in twenty mothers in Britain - particularly lone mothers on Income Support - go without food to meet the needs of their child.

Average spending on children

Children have an average of around £3,000 spent on them each year for 'regular' items of spending: holidays; birthdays; Christmas; food; clothing; activities and hobbies; school; childcare and baby-sitting; nappies and toiletries; toys, games, books and magazines; telephone calls. A child reaching her/his seventeenth birthday will have cost approximately £50,000 on average. Most of this (90 per cent) will have come from parents (see table 1).

Parents receive significant financial help from their own parents, relatives and friends. Ten per cent of average spending on children is provided by other people and is fairly evenly spread among all children, of all ages and in all family circumstances. Grandparents, other relatives, friends or, as the child gets older, the child her/himself all contribute to spending on children. It seems that when children are at secondary school, those in one-parent families, and girls in all families, are learning to budget by being given more control over their own finances. Other than parents, grandparents make by far the largest contribution to spending on children, at an average of £2.21 per week.

Table 1 Average spending on children

	Per week £s	Birth to 17 Years £s
Parents	47.20	41,724.80
Childcare	4.09	3,615.56
Other people	5.72	5,056.48
Total	57.01	50,396.84

Food accounts for by far the largest proportion of average spending on children. Spending on food for children on Income Support accounts for, on average, 63 per cent of their total Income Support allowance.

Parents are spending significant weekly amounts on their children's education, an average of £5.92 per week when children are at secondary school. Such sums are for items and activities which might be regarded as integral to the school curriculum, such as books, educational trips and extra lessons. Children in one-parent families, or families on Income Support, receive on average almost as much spending on education as other children.

Children receive, on average, over £250 at Christmas, of which 37 per cent (£96.30) is provided by people other than parents. Lone parents and parents on Income Support spend almost as much as other parents, except on secondary aged children.

Overall, girls and boys receive almost the same levels of average spending, although spending on some budget areas does vary. Secondary aged girls

spend over three times as much on telephone calls as secondary aged boys.

The average cost of childcare up until the child's seventeenth birthday is about £3,500 or just over £4 per week. But childcare costs tend to be concentrated on certain years of childhood: parents spend an average of £7.64 per week on childcare for babies and £10.52 for pre-school children. Most children, however, are solely looked after by their mother (61 per cent), and children who are cared for by other people mostly receive free care from family members and friends. Therefore, childcare spending by working parents who pay for childcare is very much higher on average, at £30.12 per week. Children in one-parent working families (parent works full or part-time) cost 12 per cent more for childcare than children in two-parent working families (both parents work full-time or one works full-time and the other part-time). This is because children in one-parent working families are more likely to receive 'formal' care - childminders, nannies or nurseries - which is more expensive than paid care provided by family or friends. Among children who receive 'formal' care, those in lone-parent working families are much more likely to be cared for by childminders and less likely to receive nursery care than children in two-parent working families.

Average spending varies according to the economic circumstances of children, though not by as much as might be expected. It seems that only a small percentage of differences in spending are explained by living in a one-parent family; having a parent who smokes; being on Income Support; having parents who are not working; or having siblings. Among these characteristics, living in a family where parents are not working increases the chances of a child receiving lower spending more than anything else. But most of the higher spending received by children with working parents is taken up by childcare costs.

Average spending and benefits

Child Benefit meets approximately one-fifth of average spending on a child.

Average spending by parents is very much higher than Income Support allowances for children. Taking into account family premiums, Income Support allowances provide between 57 per cent (children under 11 years) and 82 per cent (children aged 16 years) of what is actually being spent on children in families who are on Income Support. In contrast, recommended levels of Foster Care Allowances are very similar to average spending on children.

The childcare disregard in Family Credit aims to assist low-paid working parents with childcare costs and was worth a maximum of £28 per week in 1995.

Average spending on childcare suggests that the childcare disregard could be of help to working parents, particularly those with only one child. But the disregard would by no means meet all of the costs of childcare, particularly for two or more children; nor is it payable for the type of childcare which most parents choose, that is, friends or family.

Parents' average spending on children increases slightly as children get older, though by nowhere near as much as is assumed by the age-related scales in benefits and allowances for children. For example, Income Support allowances suggest that children under 11 years of age cost only 61 per cent as much as 16 year olds. In the survey, average spending on under 11 year olds is 86 per cent of spending on 16 year olds. The age differentials in Family Credit and foster care allowances are also much larger than those seen in average spending. This means that younger children are severely disadvantaged in benefit calculations compared with older children.

Poor children

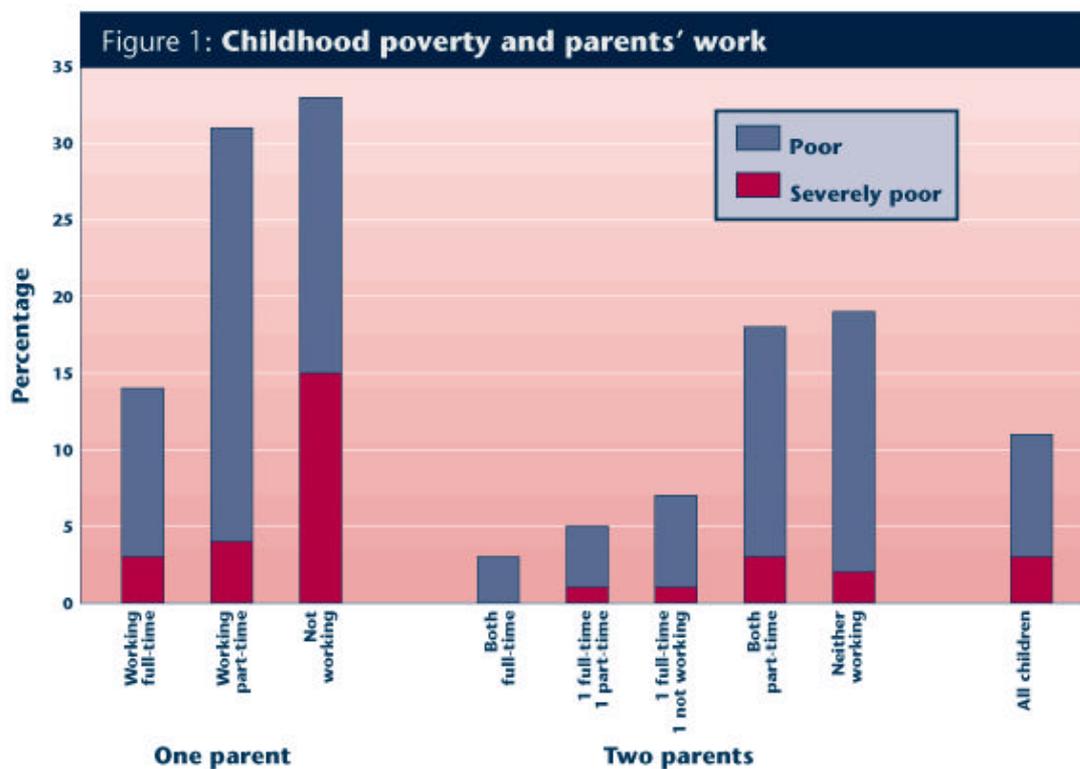
The study developed a new measure of childhood poverty, based on items and activities which the majority of parents believe to be necessary. Significant numbers of children in Britain go without these necessities because their parents cannot afford them. One per cent of children do not have a bed and mattress to themselves. Almost one in twenty go without fresh fruit every day; or new, properly fitted shoes; or live in damp housing conditions. Thirteen per cent of children over the age of ten years share a bedroom with a sibling of the opposite sex.

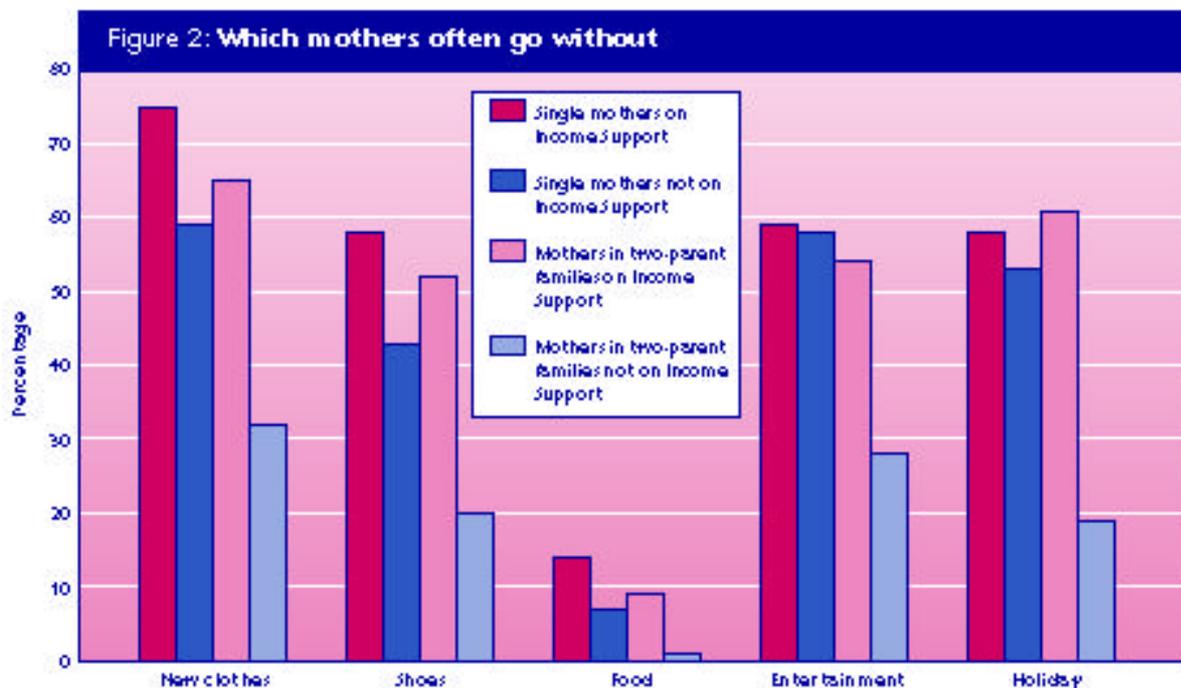
The study defined more than one in ten children as 'poor' if they do not have three or more necessities because their parents cannot afford to buy them. Three per cent of children are defined as 'severely poor' because they go without five or more necessities. Using this definition of poverty, children in one-parent families are much more likely to be poor than children in two-parent families, irrespective of other family circumstances, such as whether parents are in work or not (see figure 1). This is different to the findings for average spending and is probably the result of differences in what is being measured. The longer periods of time which lone parents tend to spend outside the labour market are likely to have a greater impact on their ability to provide the necessities in the index than on average spending on regular purchases (whatever their employment status at the time of the interview).

The study also examined the extent and nature of childhood deprivation by dividing necessary items into five groups: food; clothing; participation; developmental; and environmental items. Children in one-parent families are more likely to go without more items in each of these groups than children in two-parent families. All children who go without all three food items in the index and three-quarters of children who lack two of the four 'environmental' items live in one-parent non-working families.

Children come first?

The researchers used a similar measure of deprivation, based on a list of items considered to be necessary for adults, to measure poverty and severe poverty among





parents. The results show that parents are more likely to be poor (16 per cent) and severely poor (7 per cent) than children; and poverty is again concentrated among lone parents, particularly those who do not work (the majority of lone parents). It seems that poor parents sacrifice their own needs in order to try and provide for their children. This is so for all poor parents, but the small percentage of parents who work and are poor are more likely to be able to protect their children from poverty than the much larger percentage of parents who do not work and are poor.

The extent to which parents go without is also seen in the very large percentage of mothers who claim often or sometimes to go without clothes and shoes, holidays and entertainment in order to provide things for their children (see figure 2). One in twenty mothers in Britain sometimes go without food to meet the needs of their child. Lone mothers on Income Support are more likely than other mothers to go without each item and to go without more of the items. These mothers are 14 times more likely to go without food than mothers in two-parent families not on Income Support.

About the study

Fieldwork for the survey took place between February and June 1995. The survey was based on a random sample of individual children stratified by children's ages, birth order and family type (whether children were living in one- or two-parent families). The dataset contains information about 1,239 children, a response rate of 65 per cent on the issued sample. These data have been weighted to be representative of all children in Britain.

Further information

A full report, *Small Fortunes: Spending on children, childhood poverty and parental sacrifice* Sue Middleton, Karl Ashworth and Ian Braithwaite, is published by the Joseph Rowntree Foundation. It is available from York Publishing Services Ltd (Price £11.95 plus £1.50 p&p, ISBN 1 85935 032 1).

Further details of the survey can be obtained from the authors at CRSP, Loughborough University, Loughborough, Leicestershire, LE11 3TU. Details of future publications from the study can also be obtained from this address. The Small Fortunes dataset will be lodged in the ESRC Data Archive at Essex University in Autumn 1997.