

The Social Context of Spending in Youth

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Young people may appear to have power as consumers but their spending patterns need to be seen in the context of their transition to adulthood. Patterns of consumption are affected by changes in economic status and domestic responsibility, as young people become independent of their parents and set up homes of their own. New research examines the social context of spending in youth. The research was based on the Family Expenditure Survey annual data on over 2000 young people aged 16 to 25 years. This *Briefing* summarises findings from analysis of the 1992, 1987 and 1982 data sets, and examines the ways in which patterns of spending have changed over the decade.

- **Transition** to adulthood involves costs.
- **Spending** patterns can best be understood in their social context. As young people gain independence and take on domestic responsibility, their spending changes.
- **Independent** living has become more difficult. Those still living with their parents tend to spend on leisure away-from-home. This may offer a short-term solution to their need for social independence.
- **Gender** differences in consumption become apparent with household and family formation, as young women increasingly buy for others rather than themselves.
- **More** are now living in “transitional households”, on their own or with peers. These may offer women, in particular, the opportunity for greater personal freedom and power as consumers.
- **Wealth** and poverty cannot easily be “read” from patterns of consumption. Spending on style and leisure may mask, or be a response to, material or social deprivation.

Consumption in youth

Young people are targeted by a wide range of producers of goods and services anxious to win their custom. Their high visibility in consumer markets helps to produce a myth of affluence which has prevailed since the 1950s, despite loss of income opportunities, and increasing poverty. Research has focused on style and leisure. Here we describe a study of 16-25 year-olds which takes a wider perspective on spending and places it in the domestic context of young people's lives. The research was based on analysis of the Family Expenditure Survey (FES).

Domestic context

The FES analysis confirms earlier findings that patterns of household and family formation have been changing (*CES Briefing No 2*). Young people are leaving home earlier, but they are also more likely to return home, or to move through transitional stages in a "household career" before setting up family homes of their own: 13% were living alone or with peers in 1992, compared with 9% in 1982 (Figure 1). Couples are also more likely to delay having children.

Figure 1: Young People's households, FES

Household type %	1982	1987	1992
Parental	61	58	58
Kin	2	2	2
Peer	5	5	7
One person	4	6	6
Lone parent	1	3	3
Partners	14	14	14
Partners + children	14	13	10
ALL (=100%)	2925	2704	2248

The quality of these households varies. The transitional nature of one-person and peer households is reflected in their housing circumstances, as they tend to be in private rented housing. In contrast, the more permanent households, where people were living with their parents or their partners, tend to be in local authority or owner-occupied housing (but increasingly, over the decade, the latter). Even transitional households were entering home ownership by 1987, but had largely reverted to the de-regulated and growing private rented sector by 1992, thus reflecting the vagaries of the housing market.

Young people sacrifice many of the home comforts when they leave their parental homes. In terms of domestic consumer goods, transitional households were goods-poor, while the more permanent households were goods-rich, as Figure 2

shows. The disparities between household types decreased between 1982 and 1992 as all reflected, in some respects, the increased consumerism of the decade.

Figure 2: Domestic goods, FES 1992

Household type % with ...	Freezer	Wash. Machine	TV	Phone
Parental	96	98	100	92
Kin	96	92	100	88
Peer	74	70	98	80
One-person	60	53	87	64
Lone Parent	80	93	99	45
Partners	82	89	98	84
Partners + children	90	93	98	65
All Households	89	91	98	84

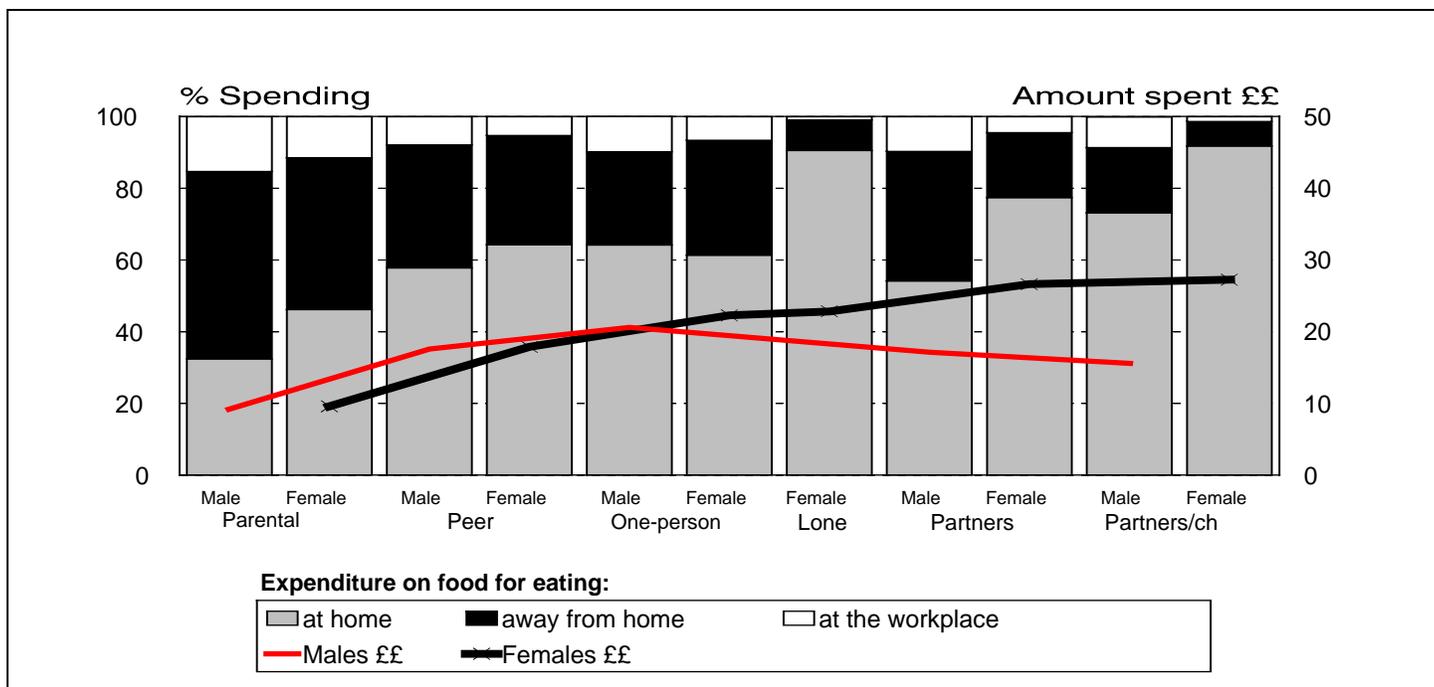
Individual spending

The domestic context affects daily spending patterns, including food (Figure 3), clothing, alcohol and tobacco, leisure, travel and transport. Gender differences in spending emerge with the establishment of partnership and family homes as women increasingly buy food and clothing for others. Figure 3 shows (in the graph lines) how the amount spent on food by men peaks in transitional households and decreases once they share their home with a female partner. In general, spending becomes more home-centred: eating out is less common, and leisure is more home-based, especially for those with children. Again, Figure 3 shows (in its vertical bars) how the proportion of food expenditure spent on food for home consumption increases with household and family formation. This means that the comfort of a well-equipped and secure home becomes more important as more time is spent in it.

A brief period of relative autonomy before the onset of domestic responsibility?

Young people living alone or in shared accommodation tend to go out a lot. This is not surprising when as we have already observed they are in transitional households, and there may not be much to keep them at home. They may also be at a stage in their lives when spending on leisure activity is important for meeting potential partners. Leisure spending may thus not be separable from needs expenditure in youth. The study showed that those in transitional households, particularly women, spent more on themselves and more on leisure activities.

Figure 3: Expenditure on food (weekly), FES 1992



Women living alone spent most on clothes and on leisure. Women sharing with peers were most likely to spend on entertainment.

Independence is not always easy to achieve, and those living with their parents may have been unable to establish an independent home. Nevertheless, they may still desire the autonomy of their peers who have left home. Young men living with their parents were the group most likely to spend on food and alcohol for consumption away from home (though they spent very little on food at all), and were unlikely to spend on home-based leisure. This suggests that they may find ways of achieving independence while living at home, but the irony may be that the cost of “keeping up with their peers” in this respect may result in a further deferring of household formation.

Does consumption represent an opportunity for independence or a trap for those living in the parental home?

Power as consumers?

It is sometimes argued that though young people are less able to achieve citizenship through economic roles as workers, they can still achieve adult identity and citizenship through economic roles in the sphere of consumption. The FES analysis indicated that alongside the decline in income opportunities for

young people, disparities in income among young people increased between 1982 and 1992. There is thus unequal *access* to consumer markets.

The study of expenditure described here has shown, however, that young people are as varied in their economic status as consumers as they are in their economic status as workers, students, housewives, trainees or unemployed. Not only is there inequality in access to consumer markets, but there is also variation in *need* for consumer goods and services. While access may depend on income, need may depend mainly on domestic context.

It is difficult, however, to distinguish between expenditure on “luxury” and expenditure on “need”. Leisure expenditure is essential in youth, when the main dynamic is that of separation from family and the start of partnership formation.

The research has indicated that there are different dimensions of consumption. Spending on one may not parallel spending on another. Lack of a freezer may either lead to or be a result of eating out, just as the presence of a TV or washing machine may reflect either the constraints of parenthood or the opportunities afforded by wealth. Thus lone parents may have a TV or a washing machine (though not a phone) and appear goods-rich, but their leisure is very home-based and a large proportion of their spending is for their children. On the other hand, those living in transitional households are goods-poor, but they spend in a way which suggests they are active consumers.

The concept of “consumer citizenship” is therefore simplistic.

Implications of the study

This has been an exploratory study which has raised a number of new issues; these need to be addressed through further research. However, there are some clear implications of our findings.

- Consumption needs to be examined along different dimensions: ownership of goods and day-to-day spending may present opposing patterns. A uni-dimensional approach to youth expenditure will be misleading.
- It is difficult to define “essential needs” expenditure in youth, and to separate it from expenditure on style or “luxury”. The transition to adulthood involves a wide range of costs.
- It is important to take account of young people’s domestic circumstances and changing needs when setting income levels. Though income is increasingly age-structured, age is a relatively poor indicator of expenditure. The level of benefits, trainee allowances and student grants should be sensitive to the domestic context.
- It has been argued by some commentators that raising youth incomes would not reduce family poverty since young people cope with income changes by adjusting their leisure expenditure. We suggest that leisure spending is always necessary and sometimes a survival strategy. We do not know the implications for young people or their families if such opportunities are taken away from them.
- We are left with a question. If life in transitional households is becoming more attractive, will more young people live in them for longer?

Publications

Jones, G. and Martin, C.D. (1997) “The Young Consumer Re-Appraised: Spending and consumption inequalities in youth”, paper presented at the British Sociological Association Annual Conference *Power/Resistance*, University of York.

Jones, G. (1995) *Leaving Home*. Buckingham, Open University Press.

Further information

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About this study

The research involved analysis of the Family Expenditure Surveys of 1992, 1987 and 1982. A subset was made of all households containing young people aged 16-25 years, producing a sample of 2248 from the 1992 data set, and larger samples from the earlier surveys. The FES excludes those living in hostels, halls of residence, barracks, or who are homeless. Household data and individual 14-day spending diaries were analysed.

The project, *Changing Patterns of Income and Expenditure in Youth*, was funded by the ESRC (R000235393). Material from the Family Expenditure Survey is Crown Copyright, has been made available by the Central Statistical Office through the ESRC Data Archive and has been used by permission. Neither the CSO nor the ESRC Data Archive bears any responsibility for the analysis or interpretation of the data reported here. The views expressed in this *Briefing* are those of the authors.

CES Briefings

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No 1: “The Participation of 16-19 Year Olds in Education and Training: Recent Trends” by Paula Surridge and David Raffe.

No 2: “Leaving Home” by Gill Jones.

No 3: “A Curriculum for All?” by Linda Croxford.

No 4: “Guidance in Secondary Schools: The Pupil Perspective” by Cathy Howieson and Sheila Semple.

No 5: “Guidance in Secondary Schools: Careers and the World of Work” by Cathy Howieson and Sheila Semple.

No 6: “Improving Opportunities: Changes in S4 Examination Scores, 1984-1990” by Adam Gamoran.

No 7: “The Early Impact of Youth Credits in England and Wales” by Linda Croxford, David Raffe and Paula Surridge.

No 8: “Making a Move: Next Steps for Women. A follow-up study of Women Onto Work students” by Cathy Howieson.

No 9: “Numbers that Count: The Changing World of Official Statistics” by Joanne Lamb.

No 10: “School-to-Work Transitions in Ireland and Scotland, 1979-1991” by Emer Smyth and Paula Surridge.

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