ONPES REFERENCE BUDGETS

Study conducted at the request of the French National Observatory on Poverty and Social Exclusion (ONPES)

Final report

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INTRODUCTION

This report presents the findings of a study conducted at the request of the French National Observatory on Poverty and Social Exclusion (ONPES) for a call for proposals concerning the quantification of a "decent minimum income per household category". This study was performed jointly by the French Research Centre for Studying and Observing Living Conditions (CREDOC) and the French Institute for Economic and Social Research (IRES) and supervised by a steering committee overseen by the ONPES.

The special technical specifications (STS) drawn up for this call for proposals were fairly precise in defining the reasons for conducting this study, its objectives and a few general methodological options.

The reasons that the ONPES gives in this respect concern the limits of the usual indicators used in the public debate on poverty and, in particular, the relative income poverty thresholds. These are determined in relation to a conventional reference standard (the median standard of living of households) by selecting a certain percentage – which is just as conventional – of this reference standard. In the Laeken indicators adopted at European level, 60% has been set as the median for calculating the "at-risk-of-poverty rate". In publications by the French National Institute of Statistics and Economic Studies (INSEE), several thresholds have been adopted (60%, 50%, and even 40% at times). Despite their conventional character, these indicators are very useful for monitoring income poverty trends and identifying the populations concerned. They can also be used to assess to what extent the situation of these populations "at risk of poverty" is getting worse or not. These indicators play an invaluable role in the public debate, and the work presented in this report does not in any way seek to be a substitute in this regard.

That said, and this is the limit highlighted by the ONPES, with these indicators it is not possible to precisely define from what level of income it can be considered that people do not have "the necessary resources for enjoying a way of life that social policy should be able to allow each citizen to enjoy". Although it has become common practice in the public debate to cite "the" poverty line when identifying a critical income threshold, it should be borne in mind that this conventional threshold does not provide an answer to the ONPES' question.

As a result, this limit also means that the validity of the amount of social assistance benefits cannot be assessed. As highlighted by the ONPES, neither does the relative approach to income poverty "make it possible to determine whether the social assistance benefit scales ... are genuinely able to meet the rights of households to receive an income allowing them to enjoy a decent way of life".

To overcome this double limit, the ONPES wanted to undertake work – as has already been done in other European countries – aimed at drawing up "reference budgets", particularly by looking to the pioneering work conducted in this area in the UK for inspiration. What is distinctive about this work

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1 STS, page 2.
2 It can nonetheless be observed that this "common practice" is relatively recent in France. Until the mid 1990s, the INSEE did not publish statistics on poverty, unlike other countries such as the UK.
is that it entails bringing together groups of citizens through a participatory approach, with a view to reaching a consensus as far as possible on the contents of the basket of goods and services needed to lead a decent life in France today. The discussion groups’ findings are then submitted to experts from the different areas being analysed for opinion, before being re-examined by the groups of citizens.

At the end of this participatory and iterative process, the contents of the basket of goods and services are defined both in quantitative (number and service life of goods and services) and qualitative terms (quality of goods and services, places of purchase), which – after calculating the value of this basket – results in a minimum reference budget that naturally varies depending on the family configurations. This report gives an account of the study conducted jointly by the CREDOC and IRES to establish these reference budgets for a series of family configurations defined by the ONPES.

To sum up, the main questions to which this report provides answers are as follows:

- What is a decent minimum living standard? How can this be defined?
- What is the basket of goods and services needed to enjoy such a living standard?
- How can the value of this basket of goods and services be calculated?
- What is the corresponding minimum budget – the reference budget? And how might this budget compare to the usual benchmarks or indicators in this area (income poverty thresholds, average household expenditure, social assistance benefits)?

It should be pointed out here that this approach is different from a simple poll or survey for two main reasons. First of all, the people gathered in these discussion groups were asked to come up with and discuss in great detail the minimum goods and services needed to enjoy a decent way of life. The discussions were spread over some eighteen months and did not focus on the necessary budget, which was only the final result – ex post – of them. The discussion organised in the groups was then primarily steered towards pinpointing the possible reasons and arguments behind the groups’ choices. The consensus was reached on the basis not of the participants’ opinions alone but of the justified reasons that might have led to such or such a choice being made. In other words, the consensus reached is not one of opinion (which would simply have required the recording of everyone’s opinions as in a poll or survey) but one where the reasons behind it have been presented and justified, as in a consensus conference. Such a participatory approach has never been conducted on this subject in France before and it is to be distinguished, in particular, from so-called “consensus” surveys in which the consensus is defined solely in relation to a threshold of more or less majority opinions.3

In order to establish reference budgets that are relevant for as much of the population as possible in this initial study, the ONPES defined a certain number of general methodological options in principle, summarised below:

- The needs identified are not limited to those which could be considered "vital" for people, but also include needs that are deemed socially necessary for leading a decent life in a given society;
- The people questioned represent the whole spectrum of living standards and are not limited to merely those living in insecure circumstances or on the poverty line. They also reflect the population diversity (in terms of age, gender, situation on the labour market, profession and qualifications);

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The population under consideration is as homogeneous as possible in terms of needs: it is limited to non-complex households living in ordinary housing (under common law) with no major health problems. This particularly excludes disabled people whose specific needs call for additional resources;

- In the same mindset, the geographic zones selected – the choice of which may influence housing and transport costs in particular – are "medium-sized" towns;
- Lastly, pensioners (no longer of working age) were asked more specific questions.

The report describes the main stages involved in establishing these reference budgets specific to each family configuration. It is divided into five sections.

Section one sets out the methodological principles selected and discusses them in view of the other possible options. It provides a quick overview of the contributions and limitations of theoretical literature, reviews the main foreign studies conducted in this area and presents the findings of a detailed questionnaire sent out to some foreign teams.

Section two describes the process for establishing reference budgets and the methodology used by presenting the different stages involved (recruitment and organisation of groups, groups' objectives at the different stages, role of experts and so on), along with some more specific methodological points about some expenditure items (housing, transport, childcare and school meals expenses and cost of top-up health insurance).

Section three presents the results obtained for the main budget items. This involved specifying systematically for each item and per type of household:

- how the group discussions progressed (points of contention or, on the contrary, consensus reached fairly quickly) and how the consensus developed through the different phases;
- the differences between the diverse household types (people living alone and in couples, differences between age and gender).

It also entailed systematically presenting the groups' opinions gathered over the final phase, particularly in terms of how sound the consensus was.

This section quotes some of the group discussions verbatim so as to give a more concrete illustration of what was actually said within the groups.

Section four presents the overall budgets per type of household, by drawing a distinction between different levels of incorporation which may or may not factor in such items as housing, the cost of which depends on location to a fairly large extent. The objective here is to discuss the main differences between type of household as well as the question of scales of equivalence and the additional cost of a child.

Section five clarifies the significance of the reference budgets and discusses their possible uses by comparing them, depending on type of household, with existing studies or with other similar indicators like income poverty thresholds or social assistance benefits. This section also addresses the issue of budget updating.

The conclusion discusses the prospects for disseminating the findings as well as further studies that could be conducted in the future, whether in terms of geographic extensions or which encompass other household types.
CHAPTER 1: THE METHODOLOGICAL PRINCIPLES - DEFINITION

The first phase of the study commissioned by the ONPES set out to define the methodological framework that would then be used to establish a decent minimum income per category of household.

This began with an analysis of the theories, concepts and definitions that might be used in the ONPES study on the decent minimum income (§1), the point being, on the one hand, to ascertain to what extent it was possible to define the notion of "decent minimum income" and, on the other, more generally to examine to what extent these theoretical contributions could be used to analyse and interpret the findings and justify the methodological choices.

Another major step in this phase was the analysis of the foreign studies conducted on consensual budget standards. This analysis examined the literature produced on reference budgets (§2.1) and involved sending questionnaires out to six foreign teams before holding more in-depth interviews with four of them (§2.2).

1 Theories and concepts

The study objective is to establish a decent minimum income, for different categories of household, based upon the broadest possible consensus within society. For this objective, we need to begin by defining the meaning of "decent minimum income".

To identify the main points likely to provide food for thought in this regard, two key approaches will be adopted:

- the theoretical approaches developed in the academic literature;
- the definitions put forward by some international institutions or organisations.

Neither of these approaches makes regular explicit mention of the notion "decent minimum", so it is above all through discussions on the notion of poverty that this notion can best be broached.

1.1 The key theoretical approaches: a quick overview

It is fairly traditional to find three main contributions on this subject in the academic literature: one by Amartya Sen on the one hand, and those by Len Doyal & Ian Gough, and by Martha Nussbaum on the other.

Sen's contribution is important from two respects. First of all, it focuses on the notion of capability, through which Sen defines a fundamental objective that can be figuratively expressed as follows: "capability represents the effective freedom of an individual to choose between different kinds of life". By focusing on this concept, Sen points out that poverty is not merely about lack of income or means, but fundamentally (or in an absolute manner) about capability deprivation: poor people are those who do not have this freedom of choice and who cannot fully realise their chosen way of life. Many authors have highlighted how little this definition is of use in practice insofar as Sen never set out a list of "essential" life choices as it were, which should be offered to individuals (basic
capabilities). Gough & Doyal, as well as Nussbaum, have therefore tried to come up with a solution in this regard.

Sen’s other major contribution – perhaps the most important in concrete terms – was to relate this concept of capability to other notions commonly considered to be equivalent or on the same level, i.e. notions of functioning and commodity.

Capability and functioning: the notion of functioning encompasses what individuals are capable of doing or being. The range of such functionings can be very wide, from the most basic (access to food and clothing) to the most complex (having self-esteem, a job, playing different social roles – parent, worker, citizen, etc.). Sen’s capability approach entails identifying not only the range of functionings that individuals are actually capable of accomplishing, but also the range of functionings between which they should be capable of choosing to fully realise their chosen way of life.

Functionings and commodities: commodities are the means by which individuals can accomplish certain functionings in practice. For example, to achieve a certain mobility and be able to get about (functioning), you need a bicycle or a car, or to have access to public transport (commodities). Such commodities can take different forms: material commodities (goods, services), intellectual commodities or relational commodities for example. Sen stresses that, to accomplish a given functioning, the commodities required can vary widely in time, space and between individuals.\(^4\) On this last point, Sen uses the bicycle as an example which, whilst enabling a healthy individual to get about, would be of little use to a disabled person in accomplishing the same functioning (get about).

Although these theoretical considerations are no help in setting a specific definition of what a decent minimum income is, they are useful, on the one hand, for clarifying the limits in which reference budgets can be used and, on the other, for validating certain methodological points. These comments can be summed up in three key points.

- The emphasis Sen places on individuals’ freedom to choose their way of life ultimately brings to the fore – as a range of studies on reference budgets do (see below § 2.2) – the fact that the latter provide no normative guidelines as to the use that individuals or households must or should make of their budget. To be more exact, although we should pay attention to the significance of different budgetary items when establishing budgets, we should nonetheless be careful not to consider these budgetary coefficients as norms or enforce model consumptions and/or behaviours through these budgets. The merit of the approach lies in the possibility of providing an overall benchmark of commodities while leaving individuals free to organise these in the way they choose. This is a point that will need to be made again when the time comes to interpret the findings.

- The fact that the necessary commodities for achieving certain functionings (in which the focus shifts from the former to the latter) vary from one person to the next (as well as in space, i.e. depending on social and cultural context) means that relatively homogeneous case studies need to be considered when establishing the budgets. This point was already partly taken on board in the ONPES call for proposals, since it was stated that the budgets had to concern people in good health (rather than disabled or chronically ill people for example). This is one of the limitations of the research undertaken by the ONPES, particularly as regards pensioners, who are assumed not to be in a dependent situation. But there are other constraints or specific situations which might have an impact on the level of commodities required. When constructing the methodological approach (see

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\(^4\) This observation is illustrated in a very concrete manner in studies by British researchers. Viewed as "non-essential" for an urban British family a few years ago, a car, for example, is now included in the basket of goods and services.
Chapter 2) we looked primarily at the geographic dimension by trying to answer this question in the most relevant way possible given the means available.

- This observation (that individuals cannot necessarily achieve the same functionings with the same commodities) is an argument that tends to lead to ordinary citizens being given the "final say" in the establishment of budgets for, compared with the codified knowledge of experts, it can be maintained that ordinary citizens are the best placed for knowing how some commodities can be put most practically to use to achieve such or such an objective, given the diversity of their experiences.

In Doyal & Gough's and Nussbaum's findings, meanwhile, the authors set objectives for the satisfaction of needs (Doyal & Gough) or realisation of capabilities (Nussbaum), namely:

- for the former: "to fully participate in the society",
- for the latter: "to live a flourishing life".

What these primarily have in common with Sen's definition is, through the satisfaction of needs or realisation of capabilities, it must be possible to do much more than simply survive. This remains an extremely general objective that can come across as vague. Incidentally, it can be pointed out that the notion of survival is no less vague for all that, and is much more difficult to grasp than is usually presumed. For, survive for how long? And under what conditions? We know, for example, that differences in life expectancy (so, survival in the broad sense) between social categories remain striking. This observation may be taken as an indicator that individuals' "survival" capabilities are fairly different, even if the reasons can stem from both individuals’ own capabilities and the way society is organised in general.

Doyal & Gough and Nussbaum have also helped by drawing up a list of essential needs or basic capabilities. For the former, there are two fundamental needs: physical health and autonomy. They also present a list of 11 intermediate needs, the satisfaction of which helps to meet these two fundamental needs. Similarly, Nussbaum lists a dozen or so basic or fundamental capabilities. However, in operational terms – and with a view to concretely defining the notion of "minimum income" in particular – neither of these lists is of much use. This is particularly the case for Nussbaum's list, which remains extremely general. Doyal & Gough's list appears more specific, and in their book they also identify "need satisfiers" with which these intermediate needs could be met. But theirs is a more macro-economic approach, taken with a view to comparing the extent to which needs are satisfied between countries, rather than at a micro-economic level. As such, the indicators they identify can seldom be applied at individual or household level.

The main conclusion that can be drawn from this quick overview is that, at individual or household level, a decent minimum income is no guarantee that essential needs will be met, insofar as some of these needs can only be met through collective action or commodities. For example, two intermediate needs that Doyal & Gough identify are living in a healthy environment (no air or water pollution) and physical safety (no violence towards people), the satisfaction of which does not depend solely on an individual's own commodities – far from it. This more generally raises the question of how collective services (healthcare, education and transport for example) are factored in to the definition of budgets which, in turn, underlines the risk (if the emphasis is placed too heavily on the budgetary approach of households) of the commodities needed to satisfy human needs being boiled down to their essentially individual, monetary and/or market dimension.
Lastly, conceptually speaking, Doyal & Gough's most worthwhile and useful contribution in terms of running discussion groups is the distinction they draw between the notions of need and want, which is often cited by British and Irish focus group facilitators.\(^5\) Along the same lines, Doyal & Gough believe that there must be an "optimum" satisfaction of intermediate needs for the two essential needs of health and autonomy to be met, but they also stress that under no circumstances should this optimum be confused with "maximum".

### 1.2 The definitions of international institutions

To define the notion of "decent minimum income", we can draw on a number of definitions and recommendations, particularly those set by international organisations. In concrete terms, British researchers, for example, broach the group discussion on the notion of decent minimum income by giving participants two definitions.

The first comes from a United Nations convention\(^6\) on "the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development". The second is a description of what a US Expert Committee called the Prevailing Family Standard: "One that affords full opportunity to participate in contemporary society and the basic options it offers. It is moderate in the sense of laying both above the requirements of survival and decency and well below levels of luxury as generally understood."

Irish researchers cite the definition given in article 25 of the United Nations Universal Declaration of Human Rights with regard to the right to an adequate lifestyle, and particularly its first paragraph.\(^7\) This definition focuses on the satisfaction of "physical, mental and spiritual needs and social well-being". The Irish researchers have also referred to the definition of poverty adopted in Ireland in 2002 as part of the National Anti-Poverty Strategy (NAPS), as well as the one given in 1998 of a "low cost but acceptable standard of living" by the University of York Family Budget Unit.

By contrast, at European level, information for defining the notion of a decent minimum income can above all be found in definitions of poverty. In this way, the first definition of poverty given by the European Council in 1975 indicates that the poor are defined as "individuals [or households] whose resources are so small as to exclude them from the minimal acceptable way of life of the Member State in which they live." The 2004 European Council gave a more precise definition: "[a person is] said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted."
The merit of this second definition is that it identifies a certain number of dimensions where poor people may experience disadvantages ("low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation, [exclusion] from participating in activities (economic, social and cultural) [...]"). Again by contrast, this list gives an idea of what should make it possible to set a decent minimum income. At a more general level, this definition also mentions the risk of seeing "access to fundamental rights" restricted, which may provide a starting point for a discussion on both the nature of these fundamental rights and the conditions for their exercise or realisation.

More recently, in a resolution dated 20 October 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe, the European Parliament spelled out the goal that an adequate minimum income should fulfil. Indeed, in point 35 of this resolution, the European Parliament "emphasises that an adequate minimum income is fundamental to a dignified life and that without an adequate minimum income and a stake in society individuals cannot develop their potential to the full and participate in the democratic shaping of society; stresses, in addition, that the fact that people earn a living wage serves to boost the economy and thus safeguard prosperity".8

These notions have partly been used as discussion points for groups during the guidance phase on what is meant by a "decent minimum income" (see Chapter 2). The steering committee then clarified this notion by adopting a fairly similar definition to the one chosen by British researchers, i.e.:

"A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society."

In this definition, a certain number of terms seem to clearly describe the objective sought, which is very close to the one the ONPES has in mind:

- "includes, but is more than just": this formulation expresses the idea of the ONPES project, which is not to have merely a minimum and/or survival income;

- "what you need in order to have the opportunities and choices necessary to participate in society": the notions of need, opportunity and choice and, lastly, participation in society, clarify the objective further. The notion of need in particular – unlike that of want – is an essential notion and one that crops up time and again in the following phases, as has already been pointed out.

2 Overview of foreign studies

This section presents some general lessons that can be learned from the recent literature on reference budgets. It then gives a more detailed presentation of the findings of the comparative analysis conducted on four countries (Belgium, Ireland, the Netherlands and the UK) through questionnaires sent out to researchers and in-depth interviews then held directly with each of the research teams.

8Our italicising. Note that the English version of this point ends by using the term "living wage": ("[...] that the fact that people earn a living wage serves to boost the economy and thus safeguard prosperity"). The notion of "living wage" was first mentioned at the turn of the 20th century in the US by Reverend Ryan and provided food for thought in the debate on the introduction of a minimum wage. There is no common equivalent in French. In the UK, this is currently one of the focus points of studies on reference budgets ("Minimum Income Standards" or MIS).
2.1 The literature on reference budgets: main lessons

A range of studies have looked at the construction of "reference budgets" over the past decade. Even if the first of the pioneering studies conducted in the UK by B. Seabohm Rowntree can be traced back to the turn of the 20th century, the renewed interest in this approach in recent times is a fairly new occurrence in analyses carried out to date on the subject of poverty. It would certainly be informative to identify the reasons for this renewed interest, but this is not the purpose here. At the very most we could point out that some studies refer to the increasingly onerous constraints squeezing public budgets and/or to the need to obtain benchmarks that are as objective as possible (or, at any rate, socially accepted or shared) on what a minimum budget or decent standard of living should be.

Research teams that have established reference budgets often produce reams of literature, reflecting both the wide range of methodological choices it is necessary to make in this type of research and the need to report on these methodological choices in the most transparent way possible. Indeed, transparent methods appear to be a prerequisite if the study findings are to be understandable to all the social stakeholders, and to ensure that the latter do not get the impression these budgets come straight out of a "black box". This does not mean that they necessarily support all of the chosen methodological options.

We can highlight three general lessons from this literature:

- There is no one agreed-upon set of terms just yet

The terms used in studies aimed at establishing reference budgets are still open to debate. Some approaches talk of "budget standards" while others give precedence to the term "reference budgets". The impression given by the literature is that it is preferable to talk of "reference budgets", and there are two reasons in favour of this choice:

- upon hearing the notion of budget "standard", the idea of a norm springs more to mind, as may the idea of a "mean". Although the point is to define the needs of households and the commodities required to satisfy them as objectively as possible, there is no reason to base this work on the observation of actual household behaviour (whether this apply to poor households or "average" households). But there is a risk that the notion of "budget standard" implies this representation;

- whereas the notion of "reference budget" allows for more clarity and flexibility in defining the objective set. We can therefore talk of reference budgets "for a certain goal or a certain population".

The terms used in the diverse studies conducted to date reflect this diversity of approaches. The following expressions can thus be cited: Minimum budget for a decent living (Malta), Minimum essential budgets or Low cost but acceptable budget standard (Ireland), Minimum income standard (UK), Reference budgets for a decent minimum standard of living (Finland), Reference budgets for social inclusion (Netherlands).

To avoid a normative connotation, the notion of "reference budget" appears to be the most appropriate. In this respect, the terminology used in Finland corresponds the most to the ONPES objective (Reference budgets for a decent minimum standard of living).

- Multiple uses
There can be several relatively different types of objective involved in the construction of reference budgets: analysis of poverty, production and discussion of social norms, information and advice for monitoring households in debt, assessment of households' borrowing capabilities, calculations and comparisons of purchasing power and so on.

It is important to clearly spell out the objective in each instance for, whilst no one method is more relevant than another in absolute terms, some choices of method can prove to be more or less relevant depending on the objective in question (see §2.2).

The foreign studies also highlight the importance of avoiding prescriptive use of the indicators produced (see above §1). This is because there is a fine line between, on the one hand, the need to provide a certain level of detail in the reference budget calculations (so as to ensure as much transparency as possible and help the different stakeholders to understand the findings) and, on the other, the risk or temptation to consider that the consumer behaviours these budgets reflect should, in some way, become compulsory behaviour for households. In concrete terms, the reference budgets may well identify a certain amount for a given expenditure item, but this does not mean that households "at a minimum" have to devote this amount to it. In other words, when establishing detailed reference budgets, households should be left the freedom, within an overall reference budget, to make their own decisions about how much they spend on the different consumer items.

   o Different methods

A variety of methods can be taken to establish reference budgets, each one different primarily in terms of the type of stakeholders who will get involved in defining these budgets.

The most normative approach entails drafting reference budgets by calling essentially upon experts who, for each consumer item, define the households' needs. This approach may possibly be rounded off with statistical analyses on the standard budgets of some categories of household (average household, median household, "poor" household).

The participatory approach entails closely involving citizens in the definition of these reference budgets, in which case it is the citizens themselves who are the project experts.

A "mixed" approach, particularly developed by British researchers, tries to combine the best of both the aforementioned approaches, i.e. by getting citizens and experts involved in the definition of such budgets. In this approach, citizens are nonetheless given the final say, with the experts playing no more than an advisory role.

Approaches that are broader still are also possible, bringing not just citizens and experts into the picture, but also public authorities, banks and credit agencies. Depending on the objective, the role and weight of these different stakeholders will vary.

2.2 Overview of the questionnaires and interviews

By analysing the literature produced on reference budgets, it has been possible to identify the main foreign studies that are likely to provide the necessary methodological guidelines for implementing the project. Given the date of the research launch (spring 2012), it was difficult to arrange meetings with foreign colleagues over the summer. This is why a questionnaire was drawn up to be sent out to 6 foreign teams who have conducted similar studies: Australia, Belgium, Finland, Ireland, the
Netherlands and the UK. This questionnaire (Chapter 1, appendix 1\textsuperscript{9}) was based on an analysis of the documentation produced by these foreign teams,

More detailed information than what can be found in the existing literature could be gathered through this stage, on a certain number of key methodological questions. To make the job of our foreign colleagues easier, and to help analyse their answers, the questions asked were closed questions, although it was of course possible for the respondents to add more open comments each time if they wished.

In-depth, direct interviews were held with the British, Irish, Dutch and Belgian teams on the basis of the answers given in this questionnaire.\textsuperscript{10}

The main point to emerge from the comparison of these studies is the diversity of methods adopted to establish reference budgets on the basis of discussions organised in focus groups. This methodological diversity does not reflect the arbitrary or contingent nature of the choices, even if, in some cases, it does reflect the constraints researchers faced in terms of means. Basically, these methodological differences can be explained to a very large extent by the search, in each case, for the most appropriate and relevant method in view of the specific objective of each study. This observation highlights the more general fact that there is no one relevant statistic or figure in its own right ("absolute" as it were), but there are more or less relevant statistics to answer a specific question. After briefly recalling the objectives of each study and the context in which they were carried out, we will move on to discuss different choices of method and the justifications put forward by each team for making them.

2.2.1 Study contexts and objectives

Research on poverty has a long history in the UK, and budget standards have been established by the Family Budget Unit (FBU) of the University of York for several years now. The main criticism levelled at these budgets (as well as at other purely statistical indicators of poverty) was, in a nutshell, their absence of social legitimacy. This debate led to the idea of drafting reference budgets by consensus reached through a comparison of the views of ordinary citizens with the codified knowledge of experts, ultimately giving the citizens the final say in the end choices. This project was funded by the Joseph Rowntree Foundation (JRF) and worked from the idea that citizens are, if not the best, then at least the least worst experts for defining what households need. The objective was therefore to construct a social standard, based on the strongest consensus possible, that could be used as a benchmark in the public debate. This objective was achieved, or that is what we are led to believe by the media coverage garnered by this study at any rate. In addition to the reference budgets drafted by the Centre for Research in Social Policy (CRSP) at regular intervals since the first study back in 2008, the findings of this research have also been used over the past few years to estimate the living wage, i.e. the necessary salary for households to achieve an acceptable minimum standard of living.

In Ireland, a similar approach has been taken since 2006 by the Vincentian Partnership for Justice, founded in 1996 following a merger of four Catholic organisations (The Society of St. Vincent de Paul, The Vincentian Congregation, The Daughters of Charity and The Sisters of the Holy Faith). The

\textsuperscript{9} This questionnaire was written directly in English. It has not been translated into French for the time being. The appendices can be found on the ONPES website: \url{www.onpes.gouv.fr}

\textsuperscript{10} Appendix 2 (Chapter 1) presents a summary of the main lessons learned from the analysis of these questionnaire answers.
methodological choices in this case are very similar to those made by the JRF in the UK, only the financial means at its disposal seem more limited. This resulted in people from a more modest social category being recruited to take part in the focus groups, insofar as cultural and social resource centres mainly aimed at people with low incomes were called on in this regard. That said, the role of the groups – deemed to be the real "experts" – is of the utmost importance in this approach, just as it is in the British approach, and energy and food experts were consulted purely on the sidelines to validate the food baskets (weekly menus) and heating needs expressed.

There have also been budget standards for several years now in the Netherlands, drafted by the Nationaal Instituut voor Budgetvoorziening – National Institute for Family Finance Information (NIBUD). This is an independent foundation whose goal it is to promote a "rational planning of family finances". These budgets are used in the public debate as poverty thresholds. The objective of the joint Social en Cultureel Planbureau (SCP) and NIBUD study was to ascertain whether or not these budgets established by experts (as well as the corresponding poverty thresholds) were in line with the citizens' views. The point, then, was not to construct a new standard – which would have rounded off or replaced the existing ones – but rather to confirm that the NIBUD experts' estimations were relevant and based on a consensus reached in the population. In the context specific to the Netherlands, the main criticism levelled at the budgets produced by NIBUD was to overestimate the level of need and, therefore, the poverty line. This explains the bind that the Dutch researchers constantly found themselves in – torn between, on the one hand, the desire to reach a consensus based on views expressed by citizens and, on the other, the political need not to end up with "overly high" thresholds (or which are higher than those set by NIBUD), which they believed would have undermined the credibility of these indicators. This joint study did ultimately confirm the fact that the budgets drafted by the NIBUD experts were in keeping with the views of citizens, and globally accepted by them. The findings are not used as a benchmark in the public debate, which would incidentally be difficult in some cases since the budget levels obtained for a single family configuration can vary by 30% between the focus groups.¹¹

In Belgium, the approach taken by the universities of Liège, Antwerp and Kempen is similar to the Dutch one. It involved defining "mini-budgets", or minimum budgets, to give social assistance offices precise benchmarks to help them in assessing the social benefit amount that claimants can receive. It also set out to put forward a normative framework for guiding social economy advisers, especially in situations of over-indebtedness. Experts play a vital role in this particular approach, insofar as they begin by defining the content and amount of the minimum baskets, which are then submitted for validation by groups to ensure that they are "acceptable". The changes made by the groups were therefore relatively limited, insofar as the groups could only cast doubt over the baskets for "good reason" (e.g.: to be able to choose one's clothes, rather than being limited solely to buying the cheapest clothes, is important for self-esteem and the "social role"). In this respect consensus was not a criterion for making changes. The consensual or "democratic" nature of this approach is nonetheless highlighted by researchers insofar as it is based on standards defined by public experts, supervised by elected officials who represent the interests of citizens. The study thus mainly consisted in having the assumed (or in some cases observed, since the cost of housing is particularly noticeable through actual rent levels) minimum standards of living confirmed by people whose

¹¹The necessary budgets in the different family configurations selected were discussed by at least two focus groups (see below).
income borders on the poverty line. Incidentally, the budgets obtained correspond to amounts that are very close to the poverty thresholds.

To sum up, although the general approach on which the studies across the different countries were based was strictly the same (i.e. to obtain a consensus on the necessary budget in a given family configuration, through discussions held between participants), the end goal in each case differed significantly. In the UK and Ireland, the objective was to construct a social standard, based on the strongest consensus possible, which could be used as a benchmark in the public debate. In the Netherlands and Belgium, the objective was to socially validate the budgets drawn up by experts and to lend them political legitimacy. The arguments put forward by the research teams to justify their choices of method often cite the suitability of such choices to the objectives set in each case. This observation can be illustrated through several key methodological choices that were discussed during the interviews.

2.2.2 Presentation of the study

The facilitators use the first focus groups' meeting to present the study scope and general objective. In the UK, the facilitators raise two points that can be summarised as follows:

- the objective is to end up with a minimum budget, but not a survival budget;
- needs rather than individual wants should be discussed. This distinction between needs and wants then crops up time and again in subsequent meetings.

This double clarification seeks to clearly describe the study objective, firstly by steering the discussion away from the needs of the poorest people (incidentally the facilitator is not allowed to mention the terms "poverty" and "exclusion") and, secondly, by guarding against the risk of ending up with a "maximalist" budget that would factor in so-called "compulsive" purchases that might be made because of the multiple temptations present in the consumer society. At this first meeting, the facilitator also explains the role that the participants in the discussion groups are to play, i.e. that of "expert citizens", by focusing on the fact that the point is not for the participants to talk of their own needs but the needs of someone generally presenting the same characteristics as themselves (for example a single male pensioner, a single working female or a single mother). This focus should also be recalled in subsequent meetings. This is another way for the facilitators to make the participants aware of the difference between needs and their own wants.

In Ireland, the definitions put forward (adequate standard of living, needs and wants) were discussed with the groups during an initial phase, which gave the groups shared insight into the notion of minimum, corresponding to the threshold below which "it is not possible to go", and an apparently clear distinction between the notions of needs and wants (using notions of what is "essential"/"desirable"/or considered to be a "luxury"). Emphasis was particularly placed on the idea that the point was to define a "minimum but acceptable" standard of living, or to specify the needs and services that "everyone in Ireland should be able to afford".

In the Netherlands, the discussion was introduced very differently. The facilitator informally opened a general debate on "the problems the country is facing" before fairly quickly moving the discussions – sometimes with the help of a participant's comment – on to the question of poverty and what this means in Dutch society today. The objective was then to reach a consensual definition of the notion of poverty. The facilitator asked a series of questions to this end, of the type: "Can we say someone
who finds themselves in such or such a situation is poor?". The role assigned to the participants is therefore to give their view of what poverty is. In other words, this role is to be experts of poverty, rather than experts of need, as in the British case.

In Belgium, two key notions were presented to the group participants. The notion of minimum "social participation" which must be achieved, and the distinction between universal and intermediate needs (according to Doyal & Gough's theory of needs mentioned above). To present this framework, a poster was put up in the meeting room for the participants to be able to keep these notions constantly in mind. The discussion was very brief given the shortness of the meetings for addressing all of the questions raised by the British researchers in a cycle of several meetings.

Of course, these diverse approaches are not neutral for, whilst they guide the participants' discussions in different directions, they remain in keeping (as far as possible) with the objectives set each time. In the Dutch study for example, although the participants have not necessarily experienced poverty in their own lives, they are asked to define what a poor household should have at its disposal. This lack of personal experience introduces a gap that can lead to answers that are based more on the supposed merit of the people in question. In the British study, in a somewhat generic way, the participants are similar to the person whose needs they are discussing.

2.2.3 The focus group participants: who discusses what?

In the UK, the contents of the basket of goods and services are first discussed with each person making up the household type in question (single female, male living in a couple, single female pensioner, etc.). The discussion group participants are homogeneous in terms of their experience regarding the needs they are to debate. This means that female pensioners in a couple discuss the needs of female pensioners in a couple, single males discuss the needs of single males and so on. This organisation is consistent with the idea that the participants are "expert citizens when it comes to needs", not just about what concerns them directly, but also what concerns the common needs of their household.

In Ireland, the approach is fairly similar, the main difference being that the groups are mixed (male and female) and collectively discuss the individual needs of each household member (including children). The groups are homogeneous in terms of family configuration, but are made up of people from different "social backgrounds" (managers, employees, precarious workers, jobseekers and people receiving social assistance benefits). Some of the needs are identified at household level (basic toiletries and food for example) and applied at individual level afterwards by the research team. This subsequent application at individual level is not ideal for the Irish researchers and would be worth reviewing in the discussion groups in the future. This particularly goes together with the need to be able to set up simulators of decent minimum incomes at individual level that call for a precise estimation of the needs and corresponding expenditure of each person.

In the Netherlands, the needs of the household in question (couple with children, single person or couple of pensioners for example) are discussed straightaway. The participants represent a range of family configurations and are not all necessarily in the same situation. Pensioners can therefore have "their say" on what a couple with two children needs, just as single people can about what a couple

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12 "Having the ability to adequately fulil social roles and to contribute to society."

13 Most of the discussion groups involve people covering as broad a spectrum as possible in terms of standards of living and incomes. Only one group was formed specifically with incomes close to the poverty line.
of pensioners needs. This organisation is again in keeping with the research objective to have the minimum budgets, deemed necessary in different situations, validated by society as a whole. The point is to obtain a political validation of the poverty thresholds covering the range of family configurations addressed. The researchers considered this validation to be even stronger because it was given by people who are not directly concerned.

Nonetheless, even in this regard the method used in the Netherlands exposes a limitation to which the Dutch researchers were unable to provide a convincing answer. When asked about the ability of a pensioner to assess what a child needs, the researchers answered that all of the adults had also been children, and therefore had a certain experience and ability to discuss this question. However, they were forced to admit that this experience could date quite a long time back in the past and perhaps did not correspond to the reality of present-day Dutch society.

In Belgium, 17 types of household were addressed to begin with (2006), through 9 groups organised across 9 different towns in which the different household segmentation criteria (household type/income/professional situation/health/urban or rural area, age of children, etc.) varied from one group to the next. As a next step (2009), groups of students, pensioners, divorcees and people in ill health were formed, when the discussions looked at case studies for which the participants were not always concerned. Retrospectively, the Belgian researchers felt it would have been preferable to be able to organise more groups, which were more homogeneous, to avoid introducing bias into the comparison of budgets according to type of household.

2.2.4 Recruitment and fresh intake of participants

In the approach taken in the UK, new participants are recruited at each stage of the process (except in the very last, final budget validation stage). For the British researchers, this procedure was effective for two reasons:

- first, the consensus reached in the discussion groups could involve more people than the 8 or 10 participants in each of these groups and, therefore, be all the stronger for it;
- second, as a consequence this helped to minimise the risk of an accidental result stemming from the existence of atypical groups and/or people exerting some sort of influence on the group (or, on the other hand, people who would be too easily influenced).

Evidently this approach does not allow for a representative consensus to be reached, but it is in keeping with the objective to obtain a reference budget that is based on the strongest consensus possible.

Resources were more limited in Ireland, so recruitment was carried out through social and cultural resource centres and completed by local democracy development associations to reach out to people who were more difficult to get in touch with through the resource centres (especially white collar workers). Recruitment was therefore inexpensive insofar as it was not outsourced to professionals, but this did have the effect of making it complex and laborious. Compensation of fifty euros was offered per meeting, but people in a more favourable situation often declined to accept this.

In the Netherlands, the same people took part in the discussion groups throughout the whole process. The reasons the researchers gave to justify this choice are largely contingent:
- the limited means the research team had at its disposal meant it was not possible to recruit more people;
- keeping the same participants is handy in the practical respect that it is not necessary to repeat what the study objective is each time (although in reality, the British study shows that this is only a minor advantage as the preliminary briefing cost is low).

The Dutch researchers have also, more generally, shown what little interest there is in bringing in a fresh batch of participants insofar as this does not, in any case, enable a representative consensus to be reached. It can be pointed out that, insofar as their objective was not to establish a new benchmark but to check the relevance of existing thresholds/budgets, there was no need for them to minimise the risk of a more or less "random" result. As a result, obtaining diverging results from the different groups (sometimes up to 30% for families) did not pose a problem. In some ways, this even increased the relevance of the "expert" approach that the research had set out to validate.

In Belgium, the organisation of groups, which relied on volunteers, seems to have proved particularly difficult for some profiles. What's more, depending on the meeting the recruits do not seem to have participated on a very equal basis, since some seldom spoke out. This represents an opportunity for improvement for the Belgian researchers.

2.2.5 Description of the case studies

When the contents of the basket of goods and services are being discussed, participants are asked to consider the case of a type of household or individual whose characteristics need to be clarified. This description can be more or less precise.

In the UK, the individuals are described in a very general manner. They are given a first name, gender, age, family configuration and particular housing conditions (including whether they are the owner-occupier or tenant, how big their home is and how many rooms there are, and where it is located). No reference is made to social status or a particular job status (profession, salary or how long they have been in that job). This "vagueness" is deliberate as it must allow the participants to picture themselves in a similar situation, but one which is as general as possible.

In Ireland, the case studies were discussed with a view to defining in great detail the characteristics of the households to be studied: age, health of children, size, location, level of heat insulation and type of heating (central) in their home, job situation and whether or not the household had a car. Posters portraying the case study reminded the participants systematically to put themselves in the shoes of the household in question (first names are given to each household member, a name to their town, their neighbourhood and even their street for example).

In the Netherlands, the case studies are also described in great detail. In addition to the criteria used in the UK (except for the first name, which is not given), the social situation of individuals or households is much more specific, referring explicitly to poor or low-income households. For example:

- a single male, 35 years of age, who works 4 days a week as a low-paid shop assistant;
- in a couple with no children, both people are 35 years of age. The male is a low-paid worker in a factory. The female did not complete her secondary education and is looking for a job, but is not on any benefits.
In Belgium, the case studies were also defined in great detail within each of the 9 focus groups (household type, income level, professional situation, health, urban/rural area, etc.), but the 17 household types studied across the 9 focus groups were consequently studied in an analytical manner rather than directly, by collectively referring to a precise case study corresponding to the situation of all the participants. These descriptions are once again consistent with the idea of encouraging the participants to discuss the needs of households on or just above the poverty line.

2.2.6 Organisation of the discussions on what the basket of goods and services should contain

In all of the studies, the discussion on what the basket of goods and services should contain often represents the longest phase of the study. Two main differences stand out in the method adopted for defining this basket.

The first concerns the way in which the general discussion on this basket is organised. In the UK, the participants are asked to give their own views of what the necessary goods and services are. This procedure may lead to omissions, which is why the facilitator has a list to hand for drawing the participants’ attention to these possible omissions if necessary. In Ireland however, for the sake of efficiency and on the principle that basic needs did not necessarily warrant discussion (everyone needs a bed, socks, shoes, etc.), lists were drawn up beforehand that were then completed by analysing the consumer booklets that the participants had to fill in prior to each meeting. The participants were asked to give their own views of what they wished to keep/delete/add for each of these lists. The lists were not used for food products however, insofar as local culture plays a large part in shaping food preferences. Dietary needs were discussed for all that, beginning with a presentation of the food pyramid that shows what the ideal proportions of the different food categories are for achieving a balanced diet. The menus were then submitted for expert appraisal.

In the Netherlands and Belgium, the procedure was, to some extent, the reverse. In these instances the participants were given a prepared list of goods and services and asked to say whether they thought these were necessary. The participants were then, as in the UK, asked about the necessary quantity and quality of goods and services as well as the places of purchase and, where applicable, the service life of the goods. It was always possible for the participants to add other items to this list.

The second difference concerns the level of detail in which this discussion is conducted. The example of meals can be used to illustrate these differences in approach. In the UK and Ireland, the participants had to put together sample menus for each day of the week (breakfast, lunch, supper and possible snacks). In the Netherlands, this question was handled in a much more general way, with the participants being asked how many hot and cold meals they would need each week (which implies, in theory, that not all of the meals in the week are necessarily hot). The question of what these meals comprised was not addressed, but left up to the NIBUD experts to determine.

To sum up, the same differences in method are found in relation to the specific objectives, which it is possible to illustrate by the British and Dutch examples. The discussion on the basket of goods and services was more open and detailed in the UK, while it was more or less guided and general in the Netherlands. Here again, the methodological approach adopted is in line with the objective set. The British study called on the specific experience of the participants, while the participants in the Dutch study were asked to imagine what a poor household would need.
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Through this analysis of the theoretical literature, combined with an in-depth examination of several foreign studies, it has been possible to validate the methodological principles defined by the British researchers. As has been highlighted throughout this chapter, this is the most appropriate approach in view of the objectives of the study commissioned by the ONPES, particularly in the role it gives to citizens as experts of needs. This is certainly one of the most important points to highlight to gain a clear understanding of the type and style of approach implemented throughout this study.

Indeed, the notion of need can be understood at widely varying levels of abstraction – or, vice versa, of realism. While it is easy to agree on needs expressed in a very general way (food, clothing, shelter, etc.), for a very precise definition of the goods and services required to satisfy these needs, the specific experience of individuals needs to be taken into account for two key reasons.

First, because there is always a social and/or cultural dimension insofar as each need is satisfied at a given period of time in a given society – even for what we might consider to be the most basic needs. For example, we do not feed ourselves in the same way today as we did a century ago. This social dimension can only be taken on board by looking at the personal experience of individuals.

Second, because the means for accessing goods and services and the practical and interpersonal skills necessary for making the best use out of these cannot be postulated in theory, but depend largely on the specific living conditions and different types of constraints (professional, family, etc.) facing individuals. Here again, it is the personal experience of citizens that makes it possible to determine the limits in which a given good or service can legitimately be used – or not – to satisfy a particular need.

The methodology implemented in this study may well resemble the one developed by the British researchers in many ways, but it is not a mere replica of it. It also draws on the discussions held within the steering committee which, on several points, led to the approach for interviewing the groups being based on methodological principles, whose application largely depends on a level of expertise that had not been codified to such an extent to date. The next chapter presents the different study stages in detail, as well as the tools and methods that were used to see them all the way through.
CHAPTER 2: DETAILED METHODOLOGY

This chapter sets out to present the methodological protocol along with its principles and specific procedure at each stage of the study.

Before describing in detail how the groups were organised and what role the experts played, we present the main methodological options selected, the participant recruitment procedure, the methods used to reach a consensus and the main stages and general timetable for the study.

1 Objectives and general principles of the method

1.1 General methodological options

1.1.1 Main principles

As has been pointed out in the introduction, the main methodological options were defined following an analysis of the theoretical literature and examination of foreign studies. These can be organised around 3 main principles:

- The primary role of citizens as experts of needs: since the study objective was to reach a consensus among ordinary citizens on the level of a "decent minimum income", it is this role as an "expert of needs" that the participants in the focus groups play. By consulting with experts from different fields (energy, housing, food, etc.), the relevance of some choices can for all that be confirmed and the experts' comments can be submitted to the discussion groups for validation (or invalidation) as necessary.14
- Household types living in medium-sized towns and in good health (suffering from neither a disability nor chronic disease).
- Diversified groups of 8 to 10 people organised in 2 towns, all replaced with new participants at each stage.
  - Profile of participants: the group participants must reflect the diversity of not only living standards but also qualifications, professional situation and housing. Based on the pilot discussion groups (see below), we determined that the optimum number of participants was between 6 and 8 (no more than 8 to ensure satisfactory group dynamics). Any more, and private conversations become more frequent to the detriment of group progress. We set the minimum number of participants at 6 for optimum facilitating conditions.
  - Geographic location: at the British researchers' suggestion, half of the groups were organised in one town, and the other half in another town. The outcome of the discussion groups in each town was discussed by groups in another town so as to test the validity of certain choices that may depend on the range and quality of collective amenities available in particular. The towns selected are Dijon and Tours, since these are towns that have well-developed collective services and infrastructure (transport, schools, hospitals, banks, leisure facilities, shops) and where the CREDOC has partners for recruiting participants and organising meetings.

14This was seldom the case in the foreign studies. Most of the experts' comments – often fairly minor – were accepted by the discussion group participants.
- Replacing participants with newcomers: we adopted the "Anglo-Saxon" method (i.e. by the British and Irish researchers) of bringing a fresh batch of participants into the discussion groups at each stage.\(^{15}\) This approach is advantageous in that views and experiences can be compared, and "accidental" results associated with the atypical nature of some groups or participants can be avoided. Lastly, it enables a consensus to be reached on the basis of a broad panel of citizens (without it being genuinely representative in statistical terms), and previous choices to be weighed up from an external viewpoint so as to avoid risks of circular reasoning, along the lines of "self-justification" or "post-rationalisation".

For the record, the discussions were conducted in groups of people who shared the same characteristics as the case studies (e.g.: single females discuss the needs of single females):
- for adults, the groups were made up of individuals corresponding to the individual case study, or to members of the household types for which a reference budget would be drawn up;
- for children, the groups were made up of parents who had at least one child in the age band in question.

1.1.2 An "experimental" method which becomes clearer and better established over time

So as to gain from the experience of the British teams (who have been taking a similar method in the UK since 2008), the CREDOC welcomed researchers from the University of Loughborough (Centre for Research in Social Policy, Department of Social Sciences) on two occasions, during which time the guest researchers trained the CREDOC teams in how to facilitate the focus groups. These training sessions were held at the beginning of the process (before the discussion groups) and at the halfway point (before the validation groups), so that the CREDOC teams could get a firm grasp of the facilitation methods. They entailed specifying the tools and facilitation aids used at each stage, watching group meetings organised in the UK and carrying out practical exercises.

These sessions formed the basis of the methodology implemented in France, insofar as the ONPES chose to adopt an approach in which groups of citizens, so-called "focus groups", are given a dominant role. The British approach has been adapted according to various methodological choices however, which are described further on in this report. These choices gave rise to much to-ing and fro-ing between the research teams and steering committee of the study in an attempt to finalise the tools, guide and facilitation aids. Furthermore, these tools were put into practice during the actual pilot groups organised at each stage of the process to test and ensure their operationality.

1.2 Recruitment of participants

This phase was managed by the CREDOC with support from partners specialising in the recruitment of volunteers to take part in consumer studies. These companies made sure that the people contacted had not taken part in other studies over the weeks prior to this study, to avoid recruiting expert profiles. A recruitment questionnaire (presented in Chapter 2, Appendix 1) was given to them by the research team with a view to:

\(^{15}\)The participants are replaced by newcomers at each stage in Ireland. In the UK, however, the participants in the final negotiations stage are recruited from among the participants in the previous groups, which ensured that they were already familiar with the approach.
- identifying target people depending on the case study in question in the discussion groups,
- guaranteeing the diversity of groups in terms of age, family situation, housing and level of income.

The idea of asking participants to fill in a consumer booklet prior to taking part in the meetings (as had been done so in the Dutch and Irish studies) was finally dismissed since the study by the British researchers (who had gone with this option in their initial work) shows that this information is not necessarily processed and is not directly useful for defining the baskets. Moreover, any participants who were unable to fill in these booklets for one reason or another could have felt excluded from the group.

The British researchers stressed the importance of information communicated at this stage to potential participants, particularly as regards the study commissioner and subject:

- concerning the study commissioner, it is necessary to stress that this is an "objective" scientific study and not a commercial study or a study that has been commissioned by the government (which might be interpreted or perceived in a negative light by the potential participants for any number of reasons);
- the research subject must be specified as generally as possible (assess how much people need in order to have a decent or acceptable standard of living) and, in all cases, does not mention poverty or social exclusion, as these terms might conjure up a very narrow interpretation of the research objective on the part of potential participants.

Contact was first made with each participant over the phone, and a confirmation letter was then sent out reminding them of the subject, time and place of the meeting. This letter also stated that the study in question is "of a scientific (rather than commercial) nature, commissioned by the public authorities (with no specific mention of the funding the ONPES receives from the State), with the objective of defining the goods and services that every citizen should have at his/her disposal". The confidential and anonymous nature of the study was also systematically recalled during recruitment and at the beginning of each meeting.

The meetings were held during the week (all day for the discussion groups and in the afternoon for the groups meeting for half a day), usually on a Tuesday and Thursday (to avoid the beginning and end of the week for working people and Wednesday for working parents, as there is no school on Wednesdays, all day or in the afternoon depending on the school, in France). The school holidays were also steered clear of as far as possible for groups of parents with children.

The level of diversity across all groups is satisfactory (see the detailed tables in Chapter 2, Appendix 4) in terms of housing situations (tenants/owner-occupiers), qualifications (40% of participants did not have 'A' level/baccalaureate qualifications) and professional situations (almost three-quarters of working participants had a full- or part-time job). Women were slightly over represented (56%) because of the decision to include single mothers with a child for the lone-parent family scenario. Since the diversity of the groups in terms of income is particularly important for the approach we have adopted, the socioprofessional category, level of qualification and job situation were looked at with particular care to ensure the diversity of situations.

The appended table (Chapter 2, Appendix 4) shows the profile of the participants in the different groups.
NB: for the record, the question of the professional situation remains open insofar as the approach entailed defining a reference budget irrespective of the job situation being considered (the income needed to satisfy needs could be derived from earnings, rent, public aid or forms of private solidarity).

The participants received compensation of 100 euros for a whole day and 50 euros for half a day. This relatively high compensation (the usual compensation offered is 40 euros for half a day and 100 euros for a whole day) enabled a diversity of profiles and income levels to be obtained, as it helped pay for days or flexi-time off that working participants had to take.

1.3 Seeking a consensus

1.3.1 A reasoned consensus

Facilitation guides were drawn up to get the groups working towards a consensus. This exercise did not entail expressing an opinion (which could have been achieved through a vote for example or by systematically selecting the average opinion), but contributing to a discussion with a view to reaching a reasoned consensus. For that, the purpose of the exercise – in which the participants put themselves in the shoes of a given individual case study – was to avoid the discussion of personal tastes or preferences, focusing instead on the scope of "absolute" needs. The groups were thus encouraged to justify their decisions as far as possible. Examples of cues were provided in the facilitation guides (see Chapter 2, Appendix 7): Is this really necessary? If so, why?... For example, the need for a washing machine or dishwasher sparked debate about the amount of time such goods save (which can be spent on other activities). On the other hand, doing the washing up as a family is considered to be an opportunity for sharing and talking, as well as a welcome contribution to the household chores on the part of children. Similarly, the importance of the quality and service life of goods was also discussed.

To respect everyone's freedom of expression, it was nonetheless clearly explained that participants in the same group could, of course, disagree amongst themselves, or with the outcome presented, and that their own personal experiences and situations were a source of diversity and fruitfulness. If a disagreement arose that could not be settled within a group, the issue could be referred to the following groups to see if they could resolve it.

Note that the needs expressed by the groups could be justified on a variety of grounds, including basic tasks (washing, getting dressed), quality of life (save time by having a washing machine or microwave), social life (be able to invite friends or go to the cinema) or for mental well-being (the need to go on holiday or "switch off" from the demands of everyday life for a while). Different reasons were also put forward by the different groups for justifying some needs on which they reached a consensus. These different reasons, noted down in detail within the different groups, were summarised and passed on to the following groups to guide the debates and confirm whether or not the goods and services decided upon were indeed justified.

NB: the reasons and justifications given by the groups are presented in Section 3 of this report, and illustrated by significant word-for-word quotes.
1.3.2 A knowledge-based consensus

This reasoned consensus was also intended to be based as far as possible on knowledge of "external" information to guide the debates and provide pointers.

First of all, the facilitators gave the groups the viewpoint of the previous groups, or other groups meeting at the same time. The groups were also told of the outcome of other groups and the reasons for this in order to base their discussions upon the functions and grounds pertaining to the needs expressed.

Moreover, if the groups were unable to be precise in appraising certain needs, they were given data from experts. Difficulties were particularly encountered when trying to estimate the average quantities of some categories of needs, which varied considerably depending on the individual and household: quantity of food or toiletries, distances covered, home surface area, amount of rent and associated bills (which depend on several factors including neighbourhood and type of housing). Experts were also consulted about top-up health insurance (since this market is very opaque and complex in France).

Even when a consensus was reached within groups, statistics were presented to make sure the decisions made were realistic: this was particularly the case for the service life of such goods as electronics and furniture (see the paragraph on the "role of experts"). By consulting experts, the inflationary risk stemming from the integration of social norms that do not always reflect the reality of behaviour could be contained in a certain number of cases (see the paragraph on needs in terms of toiletries, which illustrates the disparity between the number of times the groups initially declared such products needed to replaced with new ones, and the reality of purchasing levels observed through statistics). The groups could thus see what households' behaviours were really like from the consumer data presented, even if it was still possible for them to stick to their initial positions if they disagreed.

1.3.3 Overall assessment of the level of consensus reached

Seeking a consensus is a quite particular exercise in that the group meetings usually entail gathering each participant's point of view and holding a discussion on a certain number of subjects, without necessarily setting out to find a position that everyone shares. For this project, the groups were given the collective responsibility of representing their fellow citizens and reaching unanimous agreement as far as possible (even if this involves making a compromise in some cases). It was of course made clear that the participants may not all agree on some subjects, although the iterative methodology based on a large number of groups should help to keep the number of disagreements to a minimum.

Overall, the groups clearly understood the point of the exercise. That said, the facilitators did come up against a certain number of difficulties inherent in managing group meetings, which were not helped by the need to reach a consensus.

The first difficulty arose because some groups were disrupted by "opinion leaders" who tended not to let anyone else speak out. This scenario often crops up, and is difficult to anticipate. In such situations, the facilitators were advised to remind participants of the point of the discussions, which was to reach a consensus reflecting everyone's point of view and to let those who spoke out the least
have their say as often as possible. In order to help the participants take it in turns to speak out and avoid the discussion being dominated by one or two participants within a small group, they were invited to change seats between the morning and afternoon sessions. Although it was not possible to completely iron out this phenomenon of "opinion leaders", inherent in this type of exercise, every time, it can be considered relatively minor given the total number of groups brought together.

The second difficulty stems more specifically from the diversity of the participants' profiles. It was not uncommon for participants in a precarious situation (jobseekers and RSA (income support) claimants in particular) to remain more discreet than others. This relative holding back can be caused by the fact that some participants at times had the impression that a set of needs expressed did not apply to them as they were not always in a position to satisfy them. These participants were nonetheless encouraged to share their point of view at regular intervals, sometimes by saying, for example, that whilst they did not personally have certain means at their disposal, they were nonetheless necessary; or, on the other hand, that they were able to make do without certain goods. Although not as involved as other participants in some respects, these people played a moderating and regulating role in defining the baskets of goods and services.

The third difficulty was encountered in the groups of pensioners, who found it hard to estimate the service life of objects and to determine how often it was necessary to replace material goods (especially when a good's service life was longer than ten years or so). It was sometimes more difficult to get these groups going as the facilitators had to provide more explanations and guidance to end up with precise estimations of how often such goods needed to be replaced.

At the end of it all, the facilitators were able to report a good level of compliance with the approach and understanding of the exercises carried out, as well as of group cohesion to reach a position that was as collective and consensual as possible.
1.4 *The main stages in the process*

The overall process followed for defining the reference budget is described in the diagram below:

- **Stage 1**: Guidance groups (3)
  - Reformulating the objective
  - Defining the case studies

- Pilot discussion groups (3)
  - Putting the facilitation techniques into practice

- **CREDOC/IRES and steering committee**
  - Validating the discussion groups’ methodology

- **Stage 2**: Discussion groups (15)
  - Defining the contents of the individual basket of goods and services

- **Budget valuation, expert consultation and verification**
  - Research on prices and calculating individual budgets
  - Budgets examined by the expert group
  - Are the budgets consistent with existing sources?

- **Stage 3**: Validation groups (10)
  - Examining the lists of valued goods
  - Discussion about economies of scale

- **Final revision of the budgets**
  - Taking on board any changes and final valuation
  - Detecting any anomalies
  - Final validation by experts

- **Stage 4**: Final negotiation groups (3)
  - Discussions about any anomalies
  - Final negotiation of the budgets

- **Updating budgets**
  - Taking on board the final negotiation groups’ decisions
The participants in the focus groups are brought together at four stages (guidance, discussion, validation and final negotiation groups). The number of groups varies from stage to stage so as to build up a hierarchical questioning structure, ranging from the discussion of the basic needs of each person belonging to the different households types adopted in the study (discussion groups), to the discussion of the overall budgets of the different household types (final negotiation groups).

![Figure 1 - Group definition and objective]

<table>
<thead>
<tr>
<th>Group definition/&quot;objective&quot;</th>
<th>Number of groups</th>
<th>Meeting duration</th>
<th>Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidance</td>
<td>3</td>
<td>3h</td>
<td>Tours/Dijon</td>
</tr>
<tr>
<td>Discussion</td>
<td>15</td>
<td>6h</td>
<td>Tours/Dijon</td>
</tr>
<tr>
<td>Validation</td>
<td>10</td>
<td>3h</td>
<td>Tours/Dijon</td>
</tr>
<tr>
<td>Final negotiation</td>
<td>3</td>
<td>3h</td>
<td>Tours</td>
</tr>
</tbody>
</table>

1.4.1 The guidance stage

The guidance stage has a twofold objective. It sets out to:

- identify the concepts behind a consensual definition of a "decent minimum income". Through the discussion held between the participants, the aim is to pinpoint the most relevant notions, or the notions which make the most sense, in light of the study's objective;
- define the main characteristics of the people and families whose needs are going to be defined over the stages that follow. The British researchers' experience shows that, at this stage, a very general definition is preferable to one that is too precise, particularly in terms of social status. Through this definition, the participants also specify the housing conditions for each case study (number of rooms, location/type of neighbourhood).

For this stage, three groups were brought together: people of working age with no children (living alone or in a couple), pensioners with no children (living alone or in a couple) and people of working age with children (living alone or in a couple).

1.4.2 The discussion stage

Through the discussions and negotiations carried out between the members of the focus groups, the objective of this stage is to define the contents of the necessary basket of goods and services for having a decent standard of living. This is the longest stage in the process, and it was spread out over one day (two x 3-hour sessions).16

As in the British approach, the discussions at this stage focused on the individual needs of the different household members, with the groups being made up of people sharing the same characteristics: single females discuss the needs of single females, males living in a couple with no children discuss the needs of males living in a couple with no children and so on. This defines 15 discussion groups (see Table in Chapter 2, Appendix 4).

The discussion methodology adopted was the one used by the British researchers, which begins by going through all the rooms in the household's home and questioning the participants each time

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16In the British study, this stage lasts five hours (so the equivalent of one day), which is barely long enough for covering all of the questions. In Ireland it is spread over two meetings lasting two-and-a-half to three hours – the use of prepared lists helps save time compared with the British study.
about the list of necessary goods, their quantity and quality (brand, place of purchase, new or second-hand), as well as their service life where applicable. For food, the participants are asked to put together standard menus for each day of the week. This methodology then takes the participants "out of the house" to identify which resources are necessary for diverse social activities: seeing family, friends and neighbours (get-togethers and invitations, birthday and Christmas presents), visiting public venues, participating in sport or cultural activities, travel, holiday, etc. The question of savings is taken on board in the amortisation of goods. However, it was sometimes necessary to incorporate an extra budget for paying for unexpected events and accidents (for example illness or death, or a machine malfunctioning or breaking down even though it has not reached the end of its average service life).

The objective is to reach a consensus among the participants each time. When this does not seem possible, the facilitator tries to steer opinions towards a consensus, without forcing it artificially for all that. If this consensus cannot be reached within a reasonable length of time, the differences in opinion are noted down and the question is taken up again for discussion by the validation groups during the next stage.

1.4.3 Assessment and pricing: calculating the value of the basket of goods and services

This stage of the project also takes a great deal of time and effort. It involves attributing values to the basket of goods and services defined previously and calculating its cost over a given period (one month for example). Some questions concerning the content of this basket of goods and services are examined by experts (food in particular). The budgets calculated in this way are also compared to the findings of more general surveys.

On the basis of all this information, detailed budgets can be drawn up for each item in the basket of goods and services on the one hand, and a series of questions can be identified on the other for examination by the participants at the next stage, based on the experts' comments and any anomalies detected (missing information, differences of opinion within some groups or differences between groups).

This stage makes use of price databases that are filled in either by referring to existing lists (sales outlets, mentioned by the participants, which agree to share this information, and national statistics departments) or through the collection of prices in stores and/or online. Irrespective of how these lists are obtained, they must enable precise products to be identified as well as the brand and sales outlet if at all possible, so that the needs expressed by the groups in terms of product quality or their symbolic value (brands) can be taken into account.
## Amortisation of the cost of goods and services

To calculate the value of the baskets, the cost of all of the goods and services included in the basket needs to be determined in terms of a monthly budget. This means that consideration must be given to how often goods and services are replaced or used so as to determine their total cost for the whole of their service life in monthly terms. For example, a fridge worth 600 euros that will provide six years of service, i.e. 60 months, will cost 10 euros a month. This amortisation principle enabled all of the goods – including the longest-lasting – to be factored into the calculation of reference budgets. These budgets are therefore "smoothed out" over relatively long periods and take account of investment needs. However, they do assume that the case studies put savings by at regular intervals to be able to cover larger expenses over short spaces of time (access to loans is not included in the approach).

### 1.4.4 The validation stage

Over this stage, the participants examine the detailed contents of the goods and services which have been valued, complete them, clarify them and validate them, or decide to modify them where applicable. This stage also gives participants the opportunity to go back over any issues for which a consensus could not be reached during the previous stage.

The participants also discuss some key points, for example regarding the possibilities of children sleeping in the same room depending on their age, or the need to have a car or not.

### 1.4.5 The final negotiation stage

Once the changes decided on during the previous stage have been taken on board, any anomalies occurring have been identified and the validated budgets have been submitted to the expert committee, the reviewed budgets are returned to the participants for this final stage, with any questions that might have arisen. These questions might concern anomalies or experts’ comments.

Fewer groups are involved in this stage, and each group examines several budgets allotted in the same way as for the guidance groups (pensioners’ budgets, budgets for adults without children, budgets for adults with children).

Lastly, this stage is also the time to test the strength of consensus within the groups.

### 1.5 General timetable

Once the literature review stage was complete (for the purposes of deciding on which method to take), the process for defining and calculating the value of the baskets lasted about 18 months.
The study steering committee decided to grant more leeway in the timetable on several occasions to allow the research team to finalise the approach and tools through:

- training sessions and discussions with the British teams,
- the organisation of "pilot" groups at each stage to test and optimise the facilitation guides.

2 The procedure followed by the groups

2.1 The guidance groups

The guidance stage began at the start of 2013. The actual approach taken to define the "decent minimum wage per category of household" as defined by the ONPES was properly implemented at this point. Three guidance groups (pensioners, working households with no children and working households with children) were set up on a participatory basis, as part of an iterative process, for best expressing the scope and objectives presented to the discussion groups.

The objective of these three guidance groups (which brought together 25 people in total), presented in Appendix 3 of the facilitation guide (Chapter 2), was twofold:

1) Present the scope of the study (the definition of a "decent minimum wage") to the discussion groups in as clear, comprehensible and "operational" a manner as possible so that the minimum needs can be listed through focus groups.

2) Define the characteristics of the case studies such that the participants can picture themselves in sufficiently specific external circumstances, instead of talking about their personal situation, with a view to discussing decent minimum needs.

An open approach was taken to meeting these objectives, which began with the participants spontaneously exploring the notion of "a decent minimum standard of living", the needs relating to this standard of living and the terms that might best be used to describe this type of lifestyle. The different categories of need (health, safety, recreation, etc.), different notions describing the minimum standard of living (comfort, well-being, quality of life, etc.) and suggested definitions were then presented to gradually bring about a definition of a "decent minimum standard of living" that everyone agreed upon.

The groups' definition of the case study characteristics (first name and age in particular) was discussed in less detail insofar as these characteristics were not intended to be defined in too much detail.
"Pilot" guidance groups

The plan was initially to organise a pilot guidance group. However, since the purpose of the guidance groups was mostly exploratory, tweaks made to the discussion procedure were considered relatively minor by the steering committee in view of the objective, which was above all to gather spontaneous opinions in an open and non-managerial way on the question of a minimum standard of living, so as to settle on the most appropriate terms for the definition that would subsequently be used.

2.1.1 Defining a decent minimum standard of living

Overall, the three guidance groups were fairly unanimous in agreeing that the minimum standard of living today lies "above the survival threshold" but "out of reach of luxury".

What the guidance groups had to do, therefore, was to be as precise as possible in identifying the cursor that could be positioned between these two extremes to overcome the lack of clarity that the research teams during the test guidance group might have felt.

It was possible to identify two types of complementary expressions for establishing precise benchmarks for the approach, which make sense to the participants and are operational for the rest of the study.

- Expression by decent minimum standard of living

An initial approach involved discussing the decent minimum standard of living in two stages:

- spontaneously first of all, so as to come up with a shared expression of what is meant by "minimum standard of living"
- and then in reaction to existing definitions, with no sources being mentioned to avoid introducing bias in participants' answers (see below).

1: "The acceptable minimum lies above the necessities for mere survival but well out of reach of luxury."

2: "A minimum standard of living includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society."

To begin with, the spontaneous suggestions touched on the need for having (access to) housing and food. Many participants also mentioned the need for a job and salary for achieving a decent standard of living.

Spontaneously, the notion of access to medical care was also clearly highlighted in the guidance groups: "A roof and food ... and then medical care: these are the basics." This notion of access to medical care ("be able to get better") went hand in hand with the idea of accessing a standard of living (in terms of housing, diet and hygiene) for "staying healthy".

When the question of needs for achieving a minimum standard of living was raised in the group, recreation (culture, sport, outings, friends, etc.) was also mentioned: "Recreation is vital, it keeps you sane", "It helps you unwind, feel good, it's a way of being sociable", "It's about a work-recreation
"balance for feeling fulfilled", "It gets you out of the house and seeing other people". Access to recreation was therefore expressed in different ways with different people (access to culture and education for children, well-being, personal fulfilment, etc.), but a common denominator did nonetheless emerge through the discussions, corresponding to "access to social life".

Once the different suggested definitions had been presented to them, especially the British one ("A minimum standard of living includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society"), the groups were unanimous in stressing the fact that access to a social life was just as important a need as the others.

The need to "clothe oneself" was not brought up spontaneously by the groups however, but, after prompting, was described as such a basic need ("you can’t live in our society with no clothes on") that the groups did not consider it necessary to keep in the definition.

Moreover, two points of expression were clarified:

- on the one hand, the idea of "having shelter" seemed too simplistic (it could be construed as a simple "hut"), in contrast to the idea of "having somewhere to live";
- on the other hand, the groups found the idea of "participat[ing] in society" much more abstract than the idea of "social life".

In the end, the minimum standard of living was re-expressed by the group facilitators as follows, before being submitted to the groups for validation: "have access to medical care, housing, food and a social life".

- **Expression by "labelling" or qualification of the minimum standard of living**
  The guidance groups spontaneously came up with several notions for which a consensus was not always reached: for example "essential", "necessary for living, for leading an ordinary life, an everyday life", "a right to living well" and "a correct standard of living"

The discussions on the qualification of the minimum standard of living could not be completely decided on one way or another: some participants felt that the notion of "decent" standard of living tended to have a negative connotation (because of the negative use of the adjective "indecent"), or conjure up the idea of a standard of living "that we would not wish upon anyone". What’s more, the idea of the "acceptable" minimum was often held to be too simplistic and not sufficiently in line with the idea of universal needs (some needs for a given category of population): "it’s too basic, and anyway it’s a personal thing, each person’s [view]... " In the end, the notion of a "dignified" life came across as a more consensual expression: "dignified in the material and moral sense", "living with dignity is fairly spot-on." The term "dignified" was more likely to conjure up the idea of something "respectable": "it’s not as material", "in ‘dignified’ there’s a connection with Human Rights".

It is important to point out once again here that the role of the guidance groups was to test the ideas and associations of the different terms put forward, in relation to diverse possible definitions. The definition to be adopted for the rest of the study was finally validated by the study steering committee – a decision involving methodological arbitration that it was not really up to the groups to make. At the end of the guidance groups, it nonetheless appeared vital to the research team that a definition of the study purpose be adopted which could be argued in a more robust manner, insofar as it was intended to provide structure for the whole of the approach.
This definition had to combine two objectives: first it had to reflect as closely as possible the research objective as expressed by the ONPES, and second it had to use terms that the general public understood in the context of this objective as far as possible.

The research team therefore presented the steering committee with two definitions:

**Short definition:** "Minimum budget for a decent standard of living".

**Long definition:** This budget must make it possible "to have sufficient resources, not just to satisfy the needs of everyday life (have somewhere to live, food, access to health, etc.), but also to be able to take part in social life".

The comments below give reasons and explanations for these definitions. To sum up, these reasons encompass a twofold need:

- establish a dividing line that is as clear as possible between the end and the means to this end;

- avoid an overly narrow vision (which would be limited to "survival", to "preventing poverty" or "having a minimum"), which would risk introducing bias into the citizen-expert answers. Vice versa, avoid an overly broad vision which would lead to participants speaking out on their "wants" rather than their "needs".

**Short definition**

This definition distinguishes the means (i.e. commodities, in this case a minimum budget) from the end, or the capabilities that these means must make it possible to achieve (for a decent standard of living).

It is preferable to use the term "minimum" for means, as this is what we are trying to assess the minimum volume of. The end is not a minimum: it is to achieve a certain standard of living (decent, suitable, etc.). By tacking the term "minimum" on to "standard of living" (the end goal), the definition would refer more to the idea of poverty.

It is also preferable to use the term "budget" rather than "income" for means. The notion of income is global (we have an income), which conjures up a general and relatively abstract idea of the necessary resources. The term "budget", despite its monetary connotation, encourages a more precise breakdown of the various items: means are necessary for having a place to live, clothes to wear, food to eat ... This term thus provides a link between the means and the capabilities.

The end is defined in terms of standard of living (rather than income), since the objective is to have a certain standard of living which is defined figuratively by the match between the means (income) and the needs (which vary depend on the family configuration in particular). The objective is therefore set in a particular context.

The way in which this standard of living is to be qualified is very important for steering the discussion. In its call for proposals, the ONPES had systematically used the term "decent minimum income" or "decent ways of life". We definitely consider this term to be preferable to other terms for several reasons.
First, it is found in other similar or converging approaches with the ONPES approach. For example, the ILO talks of "decent work", and the Constitutional Council has established the possibility of everyone having "decent housing". Since the term already features as part of a certain common vocabulary, it appears that the notion of "decent standard of living" could be used to assist with establishing this reference standard.

Second, the notion of decency necessarily implies that there is an external perspective, a social standard, a certain ability to be and to act in society, which again corresponds to the ONPES approach: it is indeed a matter of qualifying a relative standard of living (rather than one that is supposedly absolute), bringing to mind a specific historical and social context – that is to say, one that is socially situated.

Lastly, the term "decency" has merit insofar as it can be applied to diverse aspects of a standard of living and of the associated capabilities. It must be possible to find somewhere to live, clothes to wear and have family or friends over – all in a decent manner. The term can therefore apply at diverse stages of the analysis and the listing of needs, even if there are also other terms that can be used to this end.

Unlike decency, the term "dignity" has strong associations with the person him- or herself. These can be very general and relatively abstract: for example, we speak of human dignity to evoke certain fundamental rights of human beings. They can also be much more precise: for example, we say that a given attribute of living conditions is worthy of (i.e. dignified enough for) a certain social status (this housing is worthy of an executive, a worker, etc.). Someone can also "progress" to a given level of dignity, in which case the notion of dignity is associated with the notion of merit. Implicitly, this association is always present.

In this research, the social status of the case studies is not defined. The mention of dignity therefore brings a very abstract and general association to mind that risks materialising on a core basis of fundamental needs (or of "survival"). Associated with the notion "minimum", the notion of a "dignified" life risks being confused with the question of what we deserve at a minimum (i.e. when we are at a minimum, namely, poor). Lastly, this notion makes it difficult to factor in needs associated with participation in social life. If someone is unable to participate in social life, would we say that this was an affront to his or her dignity?

For all of these reasons, it therefore seemed preferable to go with the term of a decent standard of living, and this term was therefore presented to the steering committee, which validated it.

**Long definition**

This definition raises several remarks. First, we find the same link as before between "means" and "capabilities", but these are both spelled out explicitly. The notion of means has merit because it is broader than the notion of budget (and, concerning the notion of income, broader again). Means can be relational (friends, neighbours or family who are able to represent means, for example to look after children or help with redecorating). Means can also be time or know-how (having a car implies that you have a driving licence; preparing meals implies that you know a bit about cooking, and so on) This broader significance means that some of the citizen-experts answers can be taken into account and the discussion refocused. Should it be considered that children can/must be looked
after by friends or parents? Or that friends or parents can invite us on holiday? The notion of means enables these questions to be reformulated as follows: should it be considered that such or such a "capability" (have one's children looked after, go on holiday, etc.) is a need? If the answer is yes, means are necessary for satisfying this need, which raises the question of the assessment of these means, without necessarily making the satisfaction of these needs conditional upon specific means.

Second, this definition makes explicit a distinction – arbitrary yes, but nonetheless common in many of our minds – between needs that would be basic (often qualified as "survival": "to satisfy the needs of everyday life") and other, broader, needs ("participate in social life"). This clear meaning helps avoid a narrow vision of needs.

Third, regarding participation in social life, the last part of the definition helps to clarify the objective. The point is not to make this participation an "obligation" or a "standard", but to give each person the ability to seize opportunities whilst being free to make his or her own choices.

This definition has systematically been put to the focus groups at each stage (discussion, validation and final negotiation) so as to clarify the objective of the approach. The participants were asked to give their reactions to this definition, which they felt was clear overall and balanced, as shown by the following quote: "A roof over your head, enough to eat, clothes to wear, more than survival it's a decent standard of living. You need family, and to go out too, to do other things. Because it isn't enough just to have a roof over your head."

2.1.2 Characteristics of the case studies

The second objective of the guidance groups was to define the case studies. The definition of the case studies had to enable the projective approach to be based upon "real-life situations", and concrete enough to ensure that the needs identified are indeed those of someone we can relate to.

The question of professional situation was dismissed incidentally, to infer the definition of needs as little as possible, and to define a reference budget irrespective of the job situation (since everyone should be able to have or look for a full-time job at any time).

The case studies were therefore defined by attributing a first name, an age and a housing situation to enable the groups to imagine themselves in a specific situation.

Overall, very neutral and universal French first names were chosen by the groups:

- Pierre and Maxence for working males, and Daniel for pensioners.
- Julie and Géraldine for working females, and Jacqueline for pensioners.

Note that "spare first names" were available if it turned out that one of the participants in the discussion groups had one of these names.

The age chosen by the groups usually corresponded to an average age in relation to the category represented:

- 35 or 40 years old for working people
- and 70 years old for pensioners.
With regard to the location of housing, the following hypotheses were made in line with the study scope which looks at "medium-sized towns":

- the case studies live in the town where the group is meeting, and where the participants themselves live (Tours or Dijon).
- they have housing "in the town" (not necessarily the town centre) rather than "in the countryside", which assumes that there are a certain number of local collective facilities to which they can have easy access: public transport, nurseries/primary and secondary schools and sixth-form colleges, cultural and sports amenities, hospitals, doctors and so on.

The housing characteristics discussed are as follows:

- size of the housing;
- type of housing (apartment/house, public/private sector);
- occupancy status: owner-occupier/tenant.

One of the limits of the exercise defining the minimum housing conditions for a decent standard of living is that their character is difficult to settle on. This is why the question of housing was formulated as follows: "if X could choose the type of housing s/he could live in, what is the minimum type of housing that would need to be available for him/her to have a decent standard of living?".

The type of housing and the occupancy status mentioned during the guidance group meetings varied considerably from group to group. Working people tended to assume collective housing was necessary (apartments), but some participants opted for the "tenant" status while others opted for the "owner-occupier" status. As for pensioners, the case studies were assumed to own a private house with a garden, and to have paid off all of their mortgage. In order to avoid introducing ideas associated with the housing situation of the case studies, and influencing the discussion groups' assessment of the case studies' needs, the steering committee decided that the housing conditions would be determined at a minimum (collective housing). The budget variants made it possible afterwards to distinguish different housing situations (tenant in the public or private sector, and owner-occupier).

2.2 The discussion groups

This stage set out to define the contents of the basket of goods and services necessary for a "decent" standard of living for each of the 15 individual case studies, corresponding to members of six household types for whom a reference budget had to be drawn up. This was a choice, corresponding particularly to the British approach, by which it was possible to describe the needs of each individual case study in detail.

The discussions were held by groups of people sharing the same characteristics as the case studies (e.g.: single females discussed the needs of single females), except for groups discussing children, which were made up of parents who had at least one child in this age band.

The 15 discussion groups (which brought together a total of 119 people) were organised in April 2013.
Figure 3 - Profile of the 15 discussion groups

<table>
<thead>
<tr>
<th>WORKING PEOPLE</th>
<th>Individual case studies</th>
<th>Corresponding household types</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single females</td>
<td>Single people</td>
</tr>
<tr>
<td></td>
<td>Single males</td>
<td></td>
</tr>
<tr>
<td>Females living in a couple with no children</td>
<td>Couples with no children</td>
<td></td>
</tr>
<tr>
<td>Males living in a couple with no children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single mothers with children</td>
<td>Lone-parent families</td>
<td></td>
</tr>
<tr>
<td>0-2 year-old child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-10 year-old child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Females living in a couple with children</td>
<td>Couples with children</td>
<td></td>
</tr>
<tr>
<td>Males living in a couple with children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11-14 year-old child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-17 year-old child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioners</td>
<td>Single females</td>
<td>Single pensioners</td>
</tr>
<tr>
<td></td>
<td>Single males</td>
<td></td>
</tr>
<tr>
<td>Females living in a couple</td>
<td>Pensioners living in a couple</td>
<td></td>
</tr>
<tr>
<td>Males living in a couple</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Around three-quarters of the participants of working age had a job, the remaining quarter included jobseekers and RSA (income support) claimants (who could be in low-paid employment for "RSA activité" claimants). With regard to qualifications, a little over half of the participants had only baccalaureate ('A' level) qualifications or less. Women were slightly over-represented in the groups of parents with children, because of the decision to take account of single mothers with children only for the lone-parent family configuration. Moreover, the 15 groups represented a diverse range of housing situations:

- around half of the participants lived in a house, and the other half in an apartment,
- around half were tenants, and the other half owner-occupiers.

*NB: the detailed characteristics of the participants in the discussion groups are presented in Appendix 4 (Chapter 2).*

A "pilot" discussion group was organised to finalise the facilitation techniques and tools. Through this group it was possible, in particular, to precisely define:

- the length of the group meetings (and confirm the need for setting aside a whole day for discussions) and the estimation of the time spent on each expenditure item, which is not necessarily in proportion to the weight of the item in the households' overall budgets, but to its level of complexity. For example:
  - the discussion on housing covered no more than the number of rooms, even if this accounts for the main expenditure item.
  - for the food item, however, the weekly menus were described in detail by distinguishing weekdays from the weekend, and menus for special occasions.
- the posters put up in the meeting room, presenting the definition of the minimum living conditions and the first name, age and housing situations of the case studies.
- the different approaches for defining the quality of the goods:
o by associating several complementary dimensions: product, brand, place of purchase, price range, new/second-hand, etc.
o by defining (where necessary) a price level when the notions of "second-hand" or "mid-range" appeared too vague.
- the types of cue to have to hand to ensure that all of the need categories were explored, without forcing out the needs for all that (by being too precise in flagging goods and services that the groups would feel they had forgotten or omitted).
- the methods for looking for and testing consensus, involving:
  o where necessary, reformulating similar needs sometimes expressed differently (quality and frequency of replacement are inter-connected – leading to very similar monthly costs).
  o making sure, at regular intervals, that all of the participants validate the outcome of the discussions.

The detailed facilitation guide, developed at the end of the "pilot" discussion group, is presented in Appendix 3 (Chapter 2). We will go back over the main points for discussion within the groups here.

2.2.1 Defining the basket of goods

As indicated earlier, the housing conditions defined by the guidance groups were initially revalidated briefly, given that their character was difficult to settle on.

Once the housing type had been defined, the first step was then to wander through all of the rooms in the home and ask the participants about the list of goods and services necessary in each room, namely: the living room/dining room, kitchen, bedroom and bathroom.

This list was mainly made up of furniture, but also of needs relating to clothing (when the groups were asked to "open the wardrobe" in the bedroom), food and toiletries (when it was the turn of the bathroom cupboards to be opened).

Once the list had been drawn up by the group, the goods were put into groups (e.g. for the bedroom: furniture, clothing, shoes, etc.) so as to define as coherently as possible, for each category of goods: their quantity, quality and service life or how often they are replaced (where applicable).

To make sure all of these characteristics or dimensions had been covered, a summary list of key questions was put up at the start of the discussion session to make the exercise systematic and help participants to get a good grasp of what they were expected to do, enabling them to do it more naturally and quickly as time went on.

<table>
<thead>
<tr>
<th>The list of key questions put up was as follows:</th>
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<tbody>
<tr>
<td>- Why?</td>
</tr>
<tr>
<td>- How much (many)?</td>
</tr>
<tr>
<td>- Quality?</td>
</tr>
<tr>
<td>- Replaced how often?</td>
</tr>
</tbody>
</table>

A methodological point needs highlighting with regard to the quality of products, which can be approached in different ways depending on the type of good or service (product, brand, place of purchase, price range, new or second-hand). The pilot discussion group's experience showed that
several dimensions often needed associating to arrive at a precise identification of the type of product. This might involve, for example:

- associating a sales outlet with a price range (entry-level, second cheapest, "mid-range") and an indication about the product characteristics to precisely identify the corresponding product during the valuation phase (e.g. a spring mattress, the second cheapest in the range, from Ikea).

- specifying the material quality so as to properly define the type of object and its sales outlet, or how it is bought (e.g. a second-hand wooden coffee table bought on the website leboncoin.fr, similar to ebay).

The service life or frequency of replacement must often be associated with the definition of the product quality, for different decisions can be made depending on the length of service life being considered. For example, "entry-level" kitchen furniture costing half as much as top-brand kitchen furniture may need replacing twice as often. It appeared important to allow needs to be expressed spontaneously if the exercise was to remain specific and meaningful for the participants.

Concerning the quality approach via the "price range", it proved necessary to determine a price level when it appeared difficult to define a sales outlet (e.g.: "shopping galleries in the shopping centre" in Tours) or when the notions of "second-cheapest" or "mid-range" appeared too vague. This approach was adopted by the British teams, and it also proved useful in the pilot discussion groups run by the CREDOC on certain objects of the "sports footwear" type, whose quality does not really depend on the sales outlet, brand or price range (which can be very large) but rather on the "money we spend on it". This approach was nonetheless seen to be a "last resort" to ensure that the exercise was not boiled down to the mere definition of a budget without the ability to specify the underlying "capabilities" and needs. In this case, the costing carried out subsequently was based on a precise product (of a specific sales outlet and brand) and subjected to assessment by the validation groups to guarantee the consensual and participatory nature of the basket contents.

For food, the standard menus over a week were defined by the discussion groups who were asked to list the different foods and how often they were consumed. During the interviews, the participants listed all of the products and drinks whose consumption they deemed necessary. To do this, we asked them to determine the number of meals through a typical day, and, for each meal, the list of products (food and drink, including alcohol) they considered necessary. We then used this first typical day to draw up the detailed menus for the other six days in the week, including specific treats at the weekend. Standard menus were also drawn up for special occasions (meals at parties or get-togethers between friends, etc.). For each product, the groups stated how often it was consumed, a level of quality (whether or not it was a branded product, with or without quality certification and whether or not it was organic), a place of purchase (supermarket, outdoor market, independent grocers, etc.), and sometimes the quantities (one can of coca cola, one bowl of cereal, two pieces of toast, etc.). The groups often found it difficult to estimate the quantities for all that, which led us to call on experts (see paragraph on "role of experts").

Moreover, the question of acknowledging consumers' purchases made during the sales often arose in the pilot discussion group, particularly for the clothing item. This question was therefore put to the final negotiation groups and sales periods were incorporated in the process (see paragraph on "budget valuation").
Although health questions do not specifically concern life inside the home, in France and the UK alike it was decided to address them following the cosmetics and other care products stocked in the bathroom. The approach put forward in the discussion groups consisted of addressing the needs concerning access to health from two successive points of view.

First of all: from the point of view of the need (or not) for top-up health insurance, and the type of cover needed "at a minimum for a decent standard of living".

As there is no common understanding, in principle, of the quality of top-up health insurance (given the diversity of situations and offers), it seemed necessary to provide the group with preliminary information:

"There are some top-up or mutual health insurance policies near the bottom end of the price range which reimburse what the French Health Insurance System (Sécurité sociale) does not pay for (e.g. the "ticket modérateur" or "forfait hospitalier", which are a patient's own contribution to general health care or hospital costs), but these are limited to convention-based tariffs, or "100 % sécu" tariffs: medical appointments (doctor, dentist, etc.), prescribed medicines, hospital treatment. This excludes:

- on the one hand, medical fees that are higher than the convention-based tariffs,
- on the other hand, the majority of expenses incurred for prescription glasses, dental prostheses and hearing aids."

The point here was not to spell out the health cover levels in very great detail, but rather to clarify to the groups the extent to which top-up health insurance should or should not cover procedures that might result in significant co-payments:

- medical appointments charging higher fees than the convention-based tariffs (sectors 2 & 3) and, if this is the case, to what extent: 50% above the standard rate, 100% above the standard rate?,
- costs of prescription glasses and at what amount/how often: 100 euros reimbursed for one pair of glasses each year (if necessary), 200 euros...
- dental surgery fees (co-payment amount?)

To give the group a clear point of reference, we gave them information about the CMU-C (Couverture Maladie Universelle Complémentaire - Top-Up Universal Health Cover) presented as a top-up health insurance policy "reserved for low-income households". The following information was given to the groups:

"The top-up universal health cover reserved for low-income households covers:

- dental prostheses up to a maximum ceiling (which varies depending on the type of prosthesis) of around 150 to 250 euros depending on the type of crown (metal).
- one pair of glasses (two lenses plus one frame) free per year, with limits excluding contact lenses and special requests (anti-reflection lenses, shatter-proof lenses, etc.) and up to around 23 euros for the frame and 55 euros per lens for a simple prescription (137 euros for a complex prescription), so in total between 80 and 160 euros reimbursed depending on the level of prescription.
- hearing aid equipment every two years up to around 450 euros."
To introduce the definition of what level of health cover is required, the groups were asked the following question:

"does X need top-up/mutual health insurance at a level:

- equal to the top-up universal health cover policy?
- above?"

The groups then moved on to defining the type and frequency of health care necessary for everything that is not covered by the insurance:

- for medical appointments: whether or not it is possible to see a doctor who charges more than the standard rates, and how often,
- for the costs of glasses: the type of frame (entry-level?) and lenses (thin or not?) and the service life of the pair,
- for dental costs, how often procedures need to be carried out on average.

### 2.2.2 Social activities, holidays and recreation

The groups’ next step was to step out of the house and identify needs corresponding to access to social life:

- **recreation** (cultural activities and sport) defined in terms of frequency and type (once a week, once a month or less often),
- **holidays** and trips, which spark discussions over frequency, destination and length of stay,
- **special occasions and parties** with family and friends (birthdays and Christmas/New Year celebrations in particular), which spark discussions over the type of party organised, number of guests, presents and so on.

Two methodological observations need to be made concerning all social life-related needs.

- On the one hand, the type of need (recreation, culture, sport, holidays for example) was first broached by an open question about whether or not it was even necessary to participate in leisure activities or go on holiday, and the reasons for this. In other words, before the groups even got on to the type of activity and its frequency, we checked with them that: "being able to participate in leisure activities/go on holiday" was necessary for a decent minimum standard of living.

- Furthermore, since the specific type of recreation is, in itself, subject to a range of conditions that do not depend solely on each person’s financial capacity (for example, to play sport you need to be in good physical shape and there needs to be a minimum public service for you to be able to go to a local library), we focused on defining a set of possible activities in order to arrive at a standard budget on this basis, by which it would be possible to pursue a minimum number of interests. Experience shows that this approach worked in the UK and was also selected in France insofar as it proved operational in the pilot groups.

On the question of **transport**, which can potentially take up a large proportion of household spending (particularly when a car is used), it appeared essential to clearly define the type of vehicle (new/second-hand, model, purchase price, petrol/diesel, service life). Regarding distances, it seemed difficult in principle to specify to the groups the number of kilometres covered on average to go on holiday or do the shopping: because the average distance from home of the usual shop or holiday
destination cited in the pilot discussion groups seemed to be relatively random, an expert was consulted for this question to help define an average number of kilometres corresponding to the types and frequencies of trips defined by the groups. The experts' contributions were then reported to the validation group for assessment (see paragraph on "role of experts").

On the question of babysitting and childcare, whether or not there was a need for solutions so as to be able to accomplish a certain number of activities (go to work, go out in the evening, etc.) could be identified in the groups. That said, it appeared difficult to ask the groups what the minimum preferable type of childcare was for a decent standard of living, insofar as this was a difficult need to decide on, in the same way as we saw for housing. One of the questions that arose during the pilot discussion groups was to find out if it should be possible to count on informal, and therefore free, childcare, with the assumption that family or friends may be able to "help out" by looking after children for free from time to time. The same applies for holidays, since the pilot group of pensioners assumed that it was possible to stay with friends or family on holiday every other year on average. This nonetheless implies that the individual case study is in minimum contact with trustworthy people who are available and willing to help out in this way (and who also live close by to be able to look after children). This assumption was dismissed, for it implies the existence of a certain number of social ties that cannot be guaranteed in principle.

The question of savings, often raised by the groups, was not specifically put to them again insofar as it was factored into the monthly budgets with amortisation of goods over the service life defined by the groups. Some pilot discussion groups did consider it necessary, for all that, to set aside an extra budget in the event of unexpected expenses and accidents (for example illness, death or car accident), but it appeared very difficult to define a necessary theoretical amount (some groups suggested 10 euros a month without really being able to justify this) and to cover all possible unexpected expenses that could arise.

NB: At the end of the discussion groups, the individual needs were analysed and summarised by the research team to have these and the joint needs of members in the same household validated by the next groups (especially the equipment in the different rooms of the home).

2.3 The validation groups

The main objective of the validation stage was to re-examine the baskets of individual goods and services so that the groups could validate them. This required:

- presenting the validation groups with the results of the previous stage;
- giving precedence to going back over points that were not agreed upon during the discussion stage so as to try and reach a consensus;
- gathering any missing information;
- discussing the deviations observed between the basket contents for adults in the same family situation so as to validate (or invalidate) the differences observed between males and females.

In this respect, we will remember that, for adults living alone (of working age or pensioners), the outcome was determined without gender difference, and it was therefore necessary to make sure that any differences between males and females reflected differences in need since the outcome for an adult living alone is the average of the results obtained for both genders. The same can be said of
adults living in a couple to make sure that the differences between genders are validated (or invalidated) by males and females alike. This is not the case for lone parents however, who are assumed to be female.

Whereas during the discussion groups, males and females were questioned separately, for the validation stage\(^\text{17}\), mixed groups of males and females were formed for the five following family situations:

- Single people, of working age,
- Couples of working age, without children,
- Couples of working age, with children,
- Single pensioners,
- Pensioners living in a couple.

As such, within the five mixed validation groups of males and females (who had previously been questioned separately), the participants were asked to examine the baskets of goods and services determined for the other gender.

In total, ten validation groups were organised in December 2013 with the following targets:

- Single people, of working age,
- Couples of working age, without children,
- Couples of working age, with children,
- Single pensioners,
- Pensioners living in a couple,
- Single mother with children,
- Parents of children aged 0-2,
- Parents of children aged 3-10,
- Parents of children aged 11-14,
- Parents of children aged 15-17.

The profiles of the participants were diversified according to the same variables as for the discussion groups. Around three-quarters of the adults of working age had a job (which was full-time for three-quarters of them), the remaining quarter included jobseekers and RSA (income support) claimants. With regard to qualifications, a little over half of the participants had only baccalaureate (‘A’ level) qualifications or less. The different housing situations were also represented, with half of the participants living in an apartment and the other half in a house. In the same way as for the discussion groups, women were slightly over-represented because of the decision to take account of single mothers only for the lone-parent family configuration. Apart from the group of single mothers, the groups were mixed. For working people with children, the children’s age varied so as to reflect a diversity of situations.

*NB: the detailed characteristics of the participants are presented in Appendix 6 (Chapter 2).*

For the purpose of comparing the views of the participants in the different groups so as to be able to reach a consensus on as broad a base as possible, the needs expressed by the discussion groups had to be presented to the validation groups. Since it was not possible to present all of the results concerning the goods and services discussed during the previous stages in detail, it was necessary to organise a summary presentation of these results so as to shed light on the main choices made by

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the discussion group members, and encourage discussion and validation of these. The point of this feedback was to organise the groups’ discussions in a hierarchical manner, starting out with the most general facts (which have obtained the most consensus in principle) and ending with the most specific facts, and to organise the divergences (within the groups) or differences (between the groups) step-by-step.

To clarify the discussion, the notion of divergence was reserved for points on which a consensus could not be reached within the groups, and the notion of difference for those which reflected variations between one group and another (and ultimately between the different household types) in the expression of needs. In theory, not all individuals have the same needs (children, adults, pensioners) and/or the translation of these needs into concrete resources does not necessary call for the same resources. This means that a difference between the groups is not systematically a sign of a divergence or disagreement. In the validation groups (combining profiles that previously met separately), a difference could be validated (or invalidated) by the groups. If the difference was validated, it did not create a divergence. If it was invalidated, it could – depending on the outcome of discussions during the validation stage – turn into a divergence (dissensus) and be referred to the next group (final negotiation) if necessary.

The analysis of the exchanges within the discussion groups revealed no more than a few points of disagreement (divergence/dissensus), and most of the time these groups reached a consensus. Some specific points were debated more heatedly than others (e.g.: a games console in addition to the family computer for young children, headphones to be able to listen to music, or the need for a car for adults without children), and these were brought up in the groups again to be discussed as a priority, particularly for items that could have a significant impact on the budgets.

A "pilot" validation group was organised to test the facilitation techniques and tools. Through this group it was possible, in particular, to identify the need for:
- posters to give participants an overview of the points on which a consensus had been reached within each category of need,
- ranking the points for validation/clarification in order of priority before each meeting and for each category of need.

As a general rule, in practical terms each category of need (or each room in the home, rather) was addressed in two stages (see facilitation guide in Appendix 7, Chapter 2).

First of all, taking our cue from the British method we displayed the list of goods and services on which a consensus had been reached in the two groups (whether these were common to the household members or specific to one of them as regards mixed groups) to get it validated, or amended, by the group. Standard cues ("Is there something missing? Something that can be removed?") were provided in the facilitation guides. Although the point here was not to rediscuss the characteristics of the goods (in terms of quality or how often they need replacing) insofar as a consensus had already been reached on these points, the information gathered during the discussion group sessions was made available to the validation groups.

Each of the points that needed discussing again was then raised in the groups, with a view to clarifying afresh:
- the points of divergence within a given group,
- the differences (in basket contents or characteristics of goods and services) between the groups representing the members of one household,\(^{18}\)
- for the needs where distinctions were starkest between genders, i.e. clothing or toiletries: the differences between people of the same gender belonging to the same age band (working people/pensioners),
- the differences observed between the characteristics of goods and services mentioned by the groups (quality, brand, sales outlet, price level) and those selected for valuation,
- omissions.

These points were discussed making direct use of information gathered within the discussion groups (number, quality/price/range level, service life) and data collected during the price research phase (brand, technical characteristics, price, sales outlet and so on), as well as in terms of **how justified the need was**. Such justification was vital for ensuring that the choices made by the groups were meaningful. The validation groups were thus systematically asked to argue their choices and give reasons for them.

The discussions also benefited from expert data that was presented to the validation groups so that they could arrive at a knowledge-based consensus (see paragraph on the role of experts). This is particularly the case for:

- the food item, which benefited from an expert assessment by the French National Institute for Agricultural Research (INRA) in order to optimise the standard menus and present the result to the groups,
- and health, which benefited from an expert assessment by the French Institute for Economic and Social Research (IRES) in order to give the validation groups insight into the different types of top-up health insurance policies and co-payment levels.

**NB: After the validation groups, which finalised and consolidated the basket of goods and services for each individual case study making up the household types studied, the negotiation groups were organised to gain an overall grasp of needs at household level.**

### 2.4 The final negotiation groups

The purpose of the final negotiation stage was to:

- gather reactions on the amount of the overall budget and item by item,
- ensure optimisation of the budget through comparisons with national survey statistics,
- test the cases concerning sales shopping, second-hand purchases and hand-me-downs from one child to the next,
- test the robustness of the minimum amount reached, using exercises along the lines of "the Finance Minister's dilemma".

In total, three final negotiation groups were consulted about the needs of six household types (see the table below). These groups were made up of people whose own family situation corresponded to the household types studied:

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\(^{18}\) NB: specific cues concerning differences in price/quality or service life factored in the price (or quality) and service life ratio. In this way, needs that were expressed differently but which corresponded to the same monthly budget (fictional example: a 500-euro TV that we keep for 10 years or a 250-euro TV that we keep for 5 years) were not systematically rediscussed. Instead one of the two configurations was selected for valuation.
The final negotiation groups were organised in March and April 2014 in Tours, with 24 people, or 8 participants in each session. The group of households with children, represented by parents with children, met over a whole day, from 10 a.m. to 5 p.m., with six hours of discussions, while the other groups met over an afternoon (from 2 p.m. to 6 p.m.), corresponding to around four hours of discussions.

In terms of the groups’ makeup, women were slightly over-represented among working people with children because of the decision to take account of single mothers only for the lone-parent family configuration. The other two groups were perfectly mixed. Two-thirds of the working people had a job, and almost a fifth were looking for work. The different housing situations were represented. The breakdown of participants is presented in Appendix 8 (Chapter 2).

At this stage, the budgets were aggregated at household level and presented to the participants at this final stage. This required:

- giving the group the overall budget amount along with pointers for being able to situate it (disposable income necessary for having a median standard of living in 2013, average expenditure before tax in 2011),
- giving the group the budget amounts item by item, again with pointers (average expenditure in 2011),
- discussing the deviations observed between the contents of the different baskets.

To prepare the final negotiation groups, the findings from the validation groups concerning individual needs were aggregated at household level for each of the six family configurations studied:

1. Adults of working age in a couple with two children aged 11-14 and 15-17 years old,
2. Single mothers of working age with two children aged 0-2 and 3-10 years old,
3. Single adults of working age, male or female
4. Adults of working age living in a couple with no children
5. Single pensioners
6. Pensioners living in a couple.

The budgets were then analysed to detect any differences between the budgets of the individual case studies of several household types, as well as within one household type. All of the differences were detected and then presented to the negotiation groups so as to be justified or harmonised. These differences could concern the list of products, their quality, or their service life. For single people, because the budgets were intended to be presented in the form of averages, special attention was paid to male/female differences in these household types, to harmonise them if they could not be justified.
NB: consumer data was also brought in to help the groups to make decisions on the basis of known average quantities consumed in France, particularly as regards toiletries.

During this final stage, just as in the previous ones, a pilot group was organised to fine-tune the facilitation methods. Through this pilot group it was possible, in particular, to:

- confirm the importance of posters for presenting not only the contents of the validated baskets, but also the amount of the budgets item by item and the points of comparison concerning average expenditure among the French population (based on the Family Budget survey of the French National Institute of Statistics and Economic Studies (INSEE)),
- validate the need to present the total budget amount at the start of the meeting (which had not been the case in the pilot group session), in order to clearly pinpoint the purpose of the exercise, which was, if possible, to reduce the overall budget and be able to estimate the impact in real time of decisions made by the groups on this amount.

In the end, the discussions in the final negotiation group sessions took place over three main stages (see facilitation guide in Appendix 9, Chapter 2).

First of all, taking our cue from the British method we displayed the overall budget per household type with, as a pointer, the disposable income necessary for having a median standard of living (source: Tax and Social Incomes Survey) and the average expenditure for this household type (source: Family Budget survey), to hear the group’s reactions. Because of the high budget prior to the final negotiation with regard to the median income for some groups, the stated objective was to reduce the budget, bearing in mind that this budget still had to meet the objective of having a decent standard of living.

Second, the budgets were presented item by item with, each time, a succinct presentation of the item's contents, and a look at the average expenditure of the French population as stated in the Family Budget survey when this was possible (see text box in Section 4). Unresolved points of disagreement between the validation groups were then raised in the negotiation groups, so as to go back over each difference observed between the groups and determine whether these were justified:

- if the group considered them to be justified, given the reasons put forward by previous groups and corresponding uses, they were kept;
- if the group did not consider them to be justified, the group had to decide one way or another to settle the differences.

NB: given the time constraints, priority was given to those differences having a significant impact on the budget within the final negotiation group discussions.

Third, the group was put in the situation of the Finance Minister's dilemma, to test the strength of consensus within the groups, according to the method applied in the UK, Ireland and the Netherlands. This involved presenting the participants with the following scenario: "The Finance and Economy Minister has just announced that it is not possible to finance the budget defined by the participants. Can you identify on which items it would be possible to make savings, whilst keeping what is necessary; if so, what would these savings be?" A final valuation was then carried out, taking on board the comments arising during these final group sessions.
3 The role of experts and the procedure for calculating the value of some items

The groups were not able to determine the quantities precisely in some cases: the distance covered for transport, housing surface area, quantities of food and quantities relating to health services. In these three cases, the input of experts was therefore called on. Expert data was also consulted in other cases to compare information that was not always consistent: this was the case for data about the service life of equipment and about the use of toiletries. This information was then presented to the groups for validation, according to the principle whereby the groups are always given the final say.

3.1.1 Assessing quantities

- Food

Quantification

To analyse the quantities of the food baskets, we consulted the CCAF survey entitled "Consommations et comportements alimentaires en France" (Eating Habits and Food Consumption in France).

<table>
<thead>
<tr>
<th>CCAF survey</th>
</tr>
</thead>
</table>

The CREDOC conducted the 2010 CCAF survey from October 2009 to July 2010 among 2,100 individuals aged 20 and over, and 1,440 children and adolescents (3 to 19 years old). It covers two sections, including the "consumption" section which we consulted for this study. This section adopts the INCA (national individual study of eating habits) 1999, CCAF 2004 and CCAF 2007 method.

The database on consumption concerns 38 food groups and 1,200 products. This can be used to analyse food consumption at each meal (types of product consumed, quantities, circumstances of the meal) and individual nutritional profiles in a very detailed way. The exhaustive recording of individual food consumption patterns of children (3 to 19 years old) and adults (20 years old) was carried out over four waves between November 2006 and July 2007, each wave lasting seven consecutive days, using a consumption booklet. A photograph album (SUVMAX book) was provided to help identify foods and portions.

So as to ensure the sample remained representative, we decided to work on seven sub-populations per age band (see table below) to cover the 15 individual case studies questioned (with the assumption that nutritional needs do not vary depending on whether we live alone or in a couple):

- Males aged 18-59 years old
- Females aged 18-59 years old
- Males aged 60 and over
- Females aged 60 and over
- Children aged 3-10 years old
- Children aged 11-14 years old
- Children aged 15-17 years old
Codification

Each food item declared in the baskets was codified according to the CIQUAL nomenclature as defined by the French Agency for Food, Environmental and Occupational Health & Safety (ANSES). Below you will find the example of a typical breakfast declared by males living in a couple, of working age, with children.

<table>
<thead>
<tr>
<th>ENTRETIEN</th>
<th>CCAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported food item</td>
<td>FOOD code</td>
</tr>
<tr>
<td>Coffee</td>
<td>18004</td>
</tr>
<tr>
<td>Tea</td>
<td>18020</td>
</tr>
<tr>
<td>Milk</td>
<td>19041</td>
</tr>
<tr>
<td>Fruit juice</td>
<td>73225</td>
</tr>
<tr>
<td>Bread</td>
<td>7001</td>
</tr>
<tr>
<td>Butter</td>
<td>16400</td>
</tr>
<tr>
<td>Jam</td>
<td>31006</td>
</tr>
</tbody>
</table>

CCAF calculations

For each sub-population defined in CCAF, we have calculated the portion size of each of the foodstuffs consumed. In this way, we have been able to determine the amount consumed per week (Frequency reported x portion size). The median rather than the mean has been chosen because it represents an actual consumption value with respect to the French people, whereas the mean corresponds to a rounded-up or -down value. This calculation is illustrated in this example:

<table>
<thead>
<tr>
<th>Food, ENTRETIEN</th>
<th>Consumption frequency per week, ENTRETIEN</th>
<th>Portion size (g) per intake (median), CCAF</th>
<th>Quantity consumed per week, ENTRETIEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>2.3</td>
<td>206</td>
<td>479.6</td>
</tr>
<tr>
<td>Tea</td>
<td>2.3</td>
<td>250</td>
<td>583.3</td>
</tr>
<tr>
<td>Milk</td>
<td>2.3</td>
<td>250</td>
<td>583.3</td>
</tr>
<tr>
<td>Fruit juice</td>
<td>7.0</td>
<td>200</td>
<td>1,400.0</td>
</tr>
<tr>
<td>Bread</td>
<td>6.0</td>
<td>72</td>
<td>433.8</td>
</tr>
<tr>
<td>Butter</td>
<td>6.0</td>
<td>13</td>
<td>77.1</td>
</tr>
<tr>
<td>Jam</td>
<td>6.0</td>
<td>30</td>
<td>180.0</td>
</tr>
</tbody>
</table>

Optimisation

To make sure the food baskets reflect a balanced diet, we worked together with the Mixed Research Unit for Nutrition, Obesity and Thrombotic Risks [French National Institute for Health and Medical Research, French National Institute for Agricultural Research, Aix Marseille University, Nutrition, Obesity and Thrombotic Risk]. The Marseille Quantitative Nutrition team has nutritional modelling at its disposal for optimising the baskets depending on the type of food and volume consumed, in line with several recommendations: the average dietary requirement and references of the PNNS (French National Programme on Nutrition & Health). First of all, a calculation per basket of the dietary needs

19 http://www.ansespro.fr/TableCIQUAL/index.htm
is carried out. Then, this intake is compared to the recommended intakes (ADR). When the intake of a particular nutrition is too low, an adjustment is made by the model, or by adding a food consumed, or by adjusting the volumes consumed.

To be more exact, the quantities "reported" were adjusted in line with three types of constraint:

- constraints on nutrients (nutritional quality) in terms of recommended dietary intakes (RDI) and average dietary requirements (ADR),
- constraints with respect to actual consumption observations (minimisation of the deviation between optimised quantity and "declared" quantity, bounds at the 5th and 95th percentiles of consumption for each food, or twice the quantity at the outset),
- constraints relating more to standards, with regard to the objectives of the PNNS.

This model is based on data from the CCAF survey on average energy intake (kCal/day) and the quantities after extraction of the 5th and 95th percentiles of each food (in g/week) in order to exclude the extreme values. It alters the quantities consumed of certain foods such that someone on a diet does not endanger his or her health, either because s/he does not eat enough food to obtain the energy amount necessary for survival, or because s/he would develop deficiencies or, on the other hand, overdoses in some macro and micronutrients. The model also authorises the addition of some foods to reach the target nutritional quality: foods that are often overlooked (oil) or very rich in a rare nutrient (tinned sardines), which would not otherwise be reached. The results of the models are then translated in terms of expert recommendations to end up with a "nutritionally viable" basket, which is then forwarded to the next groups.

Integrating the constraints of the PNNS has particularly:

- cut down on the quantities of meat and cheese,
- increased the quantities of milk and fruit.

**Specific case of 0-2 year olds**

Since no statistics for 0-2 year olds were collected in the CCAF survey, the food budget for the under 3s has been determined through the discussion and validation groups, and on the basis of recommendations from the French Paediatrics Society.\(^\text{20}\) This work was carried out in two stages: for 0-1 year-old infants, before they can eat a fully varied diet, and then for 1 to 3 year-old children. Since the diet of infants under one year old was hardly discussed during the discussion and validation groups, the food budget for this age band was determined from experts’ recommendations, with account taken of the types of product and brands (formula milk in particular) mentioned by the discussion groups. For 1 to 2 year-old children, the budget could mainly be established from the discussion groups, with account taken of some recommendations from the French Paediatrics Society for health reasons nonetheless: 500 ml of Growing Up milk and 30g of meat/egg/fish per day. With no other information available about quantities, the total number of grams is based on ready meals for children on sale in supermarkets (for example, the French brand Blédichef). Since these meals follow the experts’ recommendation regarding the quantity and frequency of consumption of protein, they were taken into account in the absence of other information as a valid point of reference.

- **Vehicles**

Valuation of the transport item was entrusted to the French Institute of Science and Technology for Transport, Development and Networks (IFSTTAR), which used the ‘Parc Auto’ (Auto Fleet) database.

### The ParcAuto panel

Since 1983, the ‘ParcAuto’ database, from the panel-based sample of TNS-Sofres (Metascope) developed, maintained and used at Ifsttar, has been funded by the French Environment and Energy Management Agency (ADEME), then by the French Directorate for Road Traffic and Safety (DSCR) and the Committee of French Car Manufacturers (CCFA), and sometimes the French Federation for Motor Sport (FFSA), the French Department for Observation and Statistics (SOeS) and Ifsttar. Taking over from the interrupted series of INSEE business outlook surveys among households (1972-94), ‘ParcAuto’ is one of the soundest sources of continuous observation of the vehicle behaviours and fleet among households in France. Since 1983, this has comprised annual waves of surveys by post, during which 10,000 panellist households (including more than 2/3 present from one year to the next) describe the vehicles they have (all those that can be driven with a standard driving licence, hence approx. 5% of light commercial vehicles in addition to private cars), in terms of equipment and use over the previous twelve months. Information, behaviour and opinions are also gathered from the main vehicle users. The answers are adjusted according to five criteria: region, size of urban area, number of people in the household, age and profession of the family breadwinner, in order to be representative of households and the vehicle fleet.

Since the study focuses on medium-sized towns, only households living in the provinces in urban areas with over 20,000 inhabitants (i.e. 43% of inhabitants in mainland France) were taken into account. As transport behaviour varies a great deal depending on how far your home is from the main urban centres, it was decided to exclude peri-urban households, and not to distinguish between town-centre inhabitants and suburb inhabitants within urban areas. Given the detailed description of households in ParcAuto, it was not difficult to identify "case studies". That said, it was more difficult to link household characteristics and vehicles in the case of multi-equipped households. Nonetheless, the discussion groups generally only expressed the need for one vehicle, which reflects the majority situation in urban areas. IFSTTAR therefore only selected mono-equipped households, which significantly reduced the sample size. To keep the number of case studies to a minimum, it proved preferable to cross-link the results with the number of children (0, 1, 2 or more) rather than to introduce a female/male distinction via the gender of the vehicle's main driver or depending on the children’s age.

In addition to the case studies, the important dimensions are the type of fuel (diesels consume less) and the vehicle purchase price (the most oft-cited criterion to characterise it). Given the types of vehicle mentioned, the scope was limited to second-hand cars, low-range (models cited), extended to low-to-mid-range so as not to overly restrict the sample. Moreover, the limit set at 6,000 euros enabled two balanced groups of vehicles to be distinguished based on their purchase price. Fuel expenditure was therefore calculated separately for diesel and petrol engines by multiplying the mileage by the specific consumption (declared in ParcAuto) and by the prices published by the French Ministry of Finance.

The total annual mileage was assessed by taking account of commuting and holiday travel (in line with the reasons given by the groups justifying the need for having a vehicle). The commuting mileage has been calculated from the frequency of journeys and the return distance, multiplied by 200 working days. As for the holiday mileage, even if the discussion groups showed a preference for
seaside holidays, it was not necessary to differentiate the mileage based on nearness to the coast; this is because it is not significantly less in coastal regions than in those regions bordering these coastal regions, and it is even much lower for regions in the north-east of France, which is even further from the sea.

The expenditure was estimated on the basis of this data for a low- or mid-range second-hand car (urban areas >20,000 inhabitants); 15,000 to 20,000 km per year; household has one vehicle, with a diesel engine.

Concerning the cost of the vehicle itself, the groups' declarations were cross-linked by the CREDOC with other information sources: the Argus assessment of the car was compared to the prices practised on the market on the LaCentrale.fr and Autoscout24.fr websites. Furthermore, the availability of this type of vehicle was checked at the prices indicated in the Centre and Burgundy regions. The estimations also demonstrated that the price differences between a diesel and petrol car are tiny with respect to second-hand purchase prices. For these reasons, (market availability, purchase price), we opted for a diesel vehicle which consumes less fuel, even if the groups sometimes mentioned a petrol vehicle.

- **Health**

Since all of the discussion groups considered it necessary to have top-up health insurance, the cost of this item needed estimating as precisely as possible. The IRES set to work on this, with assistance from the CREDOC.

The hypothesis adopted by the steering committee is that this is individual top-up health insurance. It cannot concern collective top-up health insurance provided through a company (which is better value for money) insofar as we cannot presume that the adults of the case studies hold a salaried job nor, where applicable, that they would be covered by their employer – their family members included. Indeed, in 2009 only 44% of companies offered top-up insurance cover for their employees, and only 60% of employees benefiting from top-up health insurance in 2009 said that this was provided through their company.\(^21\) This choice of an individual policy is confirmed by the fact that this is the most common situation: of the 95% of the population with top-up health insurance in 2010, a majority (57%) had an individual policy;\(^22\) what's more, the proportion of households covered by an individual policy is even higher among the most vulnerable households.\(^23\) In order to calculate the value of the "top-up health insurance" budget, different data sources that could be tapped into on individual policies were explored.

Ideally, it would have been useful having existing amounts on the market at the time of valuation, based on:
- age,
- family configuration and number of children,
- different levels of cover.

\(^21\) The French National Interprofessional Agreement (ANI) of 11 January 2013, which now requires all employers to provide top-up health insurance cover for their employees, should gradually increase these cover rates.


The first finding of our own investigation on the websites of the main mutual and insurance companies confirmed that it is very difficult for the general public to make clear sense of the top-up health insurance market.

The second finding, associated with the first, was the high complexity and diversity of policies available. Each policy determines a specific level of cover for several hundred health services and goods (appointments, hospital, dentist, optician and so on), which makes it difficult – if not impossible – to compare between the policies of the different organisations. Most of the main organisations offer several levels of cover, and this level generally increases at the same time for all types of health services and goods. As such, no one policy corresponds to the choice made by some discussion groups of being able to benefit from a relatively good level of reimbursement for prescription glasses and dental prostheses, with no reimbursement of appointment fees that exceed the standard rates. This finding called for the level of cover to be discussed again in the validation groups, and for them to choose between the existing policies.

The third finding of the investigation was that the few quantitative surveys and sources available at the time we wanted to validate an individual policy in 2013 generally only made it possible to obtain information about the amount of contributions or allowances per person which, in 2013, was around 600 euros per year, without providing specifics about the variation of this amount according to age, family configuration or, above all, level of cover.

Given the sheer number of organisations, we decided to limit the study to known organisations (mutual and insurance companies) known in the public domain. To this end, we began by selecting the thirty or so organisations examined by two recent surveys of large consumer associations.24 We then only kept those organisations for whom the necessary information on the policies (price and level of guarantee) are accessible on the internet fairly easily.25

The difficulty, then, was to assess the level of cover for each organisation. Given the decisions made by the first discussion groups (low- and mid-range levels), it was decided to exclude those policies offering the best cover.

To make a more reasoned choice of the organisation selected, and to avoid choosing an organisation that would offer policies that were not common enough, the DREES supplied information about the distribution and median level of allowances (or contributions), as well as the median levels of cover of reference goods in terms of complex optical and dental services for individual policies, and for the family configurations studied (information available in the DREES 2011 survey among top-up health insurance companies).

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24 The UFC-Que Choisir (20 organisations) and the INC (12 organisations). See "Que Choisir Argent" n° 117 - January 2010; "60 millions de consommateurs" n°474, September 2012.
25 It is often very difficult getting hold of information in practice, and this information could only be obtained from around one organisation in four. Some organisations did not give enough information online, while others did not allow for simulation but sent the simulated quote by post (and we would need as many quotes as there were family configurations). Others refused as soon as the applicant’s age came up. So, for a 70 year-old, the simulator of an insurance website answers "given your personal situation, no product can be offered", etc.
DREES survey among organisations offering top-up health insurance cover

Every year the DREES conducts a survey among mutual and insurance companies and employee benefit institutions to gain clearer insight into their range of top-up health insurance policies. This survey looks at the characteristics and levels of cover of the three individual policies and three collective policies most often taken out with each organisation, known as "modal policies". In 2005, the French National Council for Statistical Information (CNIS) awarded it the label of public interest and statistical quality, with obligation to respond.

According to this survey, in 2011, 42% of beneficiaries of private top-up health insurance were covered by a collective policy (with compulsory or optional affiliation) and 58% by an individual policy. Two-thirds of those covered under an individual policy were via a mutual company, 28% by an insurance company and 4% by an employee benefit institution. Employee benefit institutions specialise in collective top-up health insurance policies and cover 48% of beneficiaries on this market.

Since 2011, the survey has contained new questions on the rates of case studies, in order to more closely identify the pricing method practised by each organisation. These questions show the variations in the contribution amount depending on the policyholder’s age, place of residence, level of income, family situation, gender and the length of time s/he has held the policy. As the number of case studies is limited, the data obtained does not allow for a complete assessment of the pricing procedure, but the logic behind them can be compared.

Moreover, the sample questioned is selected according to stratified sampling per type and size of organisation. The data processed is adjusted based on the sampling rate and response rate per sampling stratum. Weighting further corrects deviations in representativeness between the individual and collective modal policies to ensure that collective policies are not under-represented. This is because individual modal policies are more representative than collective modal policies: the former account for 60% of all beneficiaries of individual policies, while the latter only represent 23% of all beneficiaries of collective contracts. The results pertaining to collective policies and, consequently, those grouping individual and collective policies must therefore be considered carefully.

The DREES establishes a typology of the most commonly taken-out policies, which involves putting the policies into homogeneous groups according to the reimbursements offered for several services studied simultaneously. These policies are therefore split into five groups: 1, B, C, D and E. The group 1 policies are those offering the best cover, and the group E policies, the most limited cover.

We have decided that the same organisation would be chosen for all family configurations. Of the possible organisations, we dismissed those for which the contributions/level of cover "pair" did not seem usual enough in view of the data supplied by the DREES, or which were too far from the medians (or averages) of the DREES survey. The level of cover was assessed on the basis of two reference goods, focusing on optical and dental services, selected by the DREES survey:

- a complex optical good (pair of glasses) with two progressive multifocal lenses costing 500 euros in total (100 euros for the frame and 200 euros for each lens),
- a metal-ceramic crown on visible tooth (canine, incisive or first premolar) costing 750 euros.

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26 Diopter from -8 to +8 (code 2 227 038).
27 By way of comparison, the UFC-Choisir, for its comparison of 20 top-up insurance companies, selects an amount of 650 euros, and the INC (60 million consumers), for its comparison of 12 companies, an amount of 275 euros for a young person (135 for the frame and 70 for each lens), 200 euros for children (100 for the frame and 50 for each lens) and 300 euros for other adults (135 for the frame and 82.50 for each lens).
In the end we selected a company which, for all the configurations considered, corresponds to these requirements. This is the MGEN-Filia, a mutual company rather than an insurance company, which presents some advantages for our study:

- this is the most common situation, for two-thirds of people covered under individual policies have taken these out with mutual companies;
- these can be accessed without a questionnaire (this is prohibited by the mutuality code);
- mutual companies cannot adjust rates between males and females, which is still possible and the case for insurance companies (up to 1 January 2014 since an order of the Court of Justice of the European Union);
- mutual rates increase less with age than the rates of insurance companies;
- mutual companies tend to adjust their rates according to the place of residence less often than insurance companies.29

The policies of this mutual company are also specific in that they provide free cover from the 2nd child, which is the most common situation in terms of an individual policy: for 83% of beneficiaries of an individual policy, such free cover exists from the 2nd or 3rd child.30 The rates of this mutual company are exactly the same across France, whereas they vary according to place of residence for 80% of beneficiaries of individual insurance policies, and for 18% of beneficiaries of mutual individual insurance policies.31 This gave us an amount that was valid across the whole of France.

This mutual company offers three levels of cover (discovery, evolution and extension), levels which, for the two reference goods in optical and dental services, are similar to the median levels of cover of groups C, D, E, corresponding to the three groups of policies most accessible according to the DREES classification (see text box above). The survey reveals two other groups, A and B, with higher levels of cover, but these are above all offered through collective policies, and very rarely through individual policies.

The tables below present the level of reimbursement offered by this mutual company for the two reference goods in optical and dental services selected by the DREES, along with the median amount for the three groups C, D and E.

**Figure 5 - Complex optical service (1) - reimbursement amount in euros (*)**

<table>
<thead>
<tr>
<th>MGEN-Filia</th>
<th>&quot;Discovery&quot;</th>
<th>&quot;Evolution&quot;</th>
<th>&quot;Extension&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of reimbursement</td>
<td>142.5</td>
<td>215</td>
<td>310</td>
</tr>
<tr>
<td>Depending on group (DREES survey - 2011)</td>
<td>Group E</td>
<td>Group D</td>
<td>Group C</td>
</tr>
<tr>
<td>Median amount</td>
<td>130</td>
<td>175</td>
<td>305</td>
</tr>
</tbody>
</table>

(1) progressive multifocal lenses, diopter from -8 to +8 (code 2 227 038) for a total cost of 500 euros (100 for the frame, 200 per lens).

(*) Reimbursement, excluding reimbursement by standard social security.

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28 The UFC-Que Choisir selects 500 euros for a crown on visible tooth in its comparison of companies in 2009 and the INC selects 500 euros, in its comparison of companies in 2012, for a crown, but for a non-visible tooth.
30 Le Palud V. (2013), op. cit.
31 Le Palud V. (2013), op. cit.
The final valuation of the budget also had to factor in any public assistance (ACS), particularly systems that fully or partially covered the costs of top-up health insurance (making the additional assumption that an eligible household does actually make use of this system). NB: in view of the income ceilings and level of the reference budgets, those households whose income corresponds to the reference budget are not eligible for such assistance.

According to macro-economic data (French national health accounts) and available survey data, the average co-payment (on the CBSM) after compulsory health insurance (AMO) and after top-up health insurance (AMC) is, for those benefiting from an AMC (95% of the population), around 250 euros per person per year. The data with which this co-payment could be estimated depending on the different consumer items cannot be used, however.

The decision was therefore made to present the validation groups with the hypothesis of a monthly co-payment of 20 euros per person, which seems to be a reasonable and even fairly low estimation:

1. The estimation is probably particularly low as it applies to elderly people whose average co-payment after AMC is higher than that of other adults, and even higher in comparison with children. We do not have any reliable data for adjusting the co-payment after AMC depending on age, however.

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2. More generally, this average estimation of 20 euros per person and per month includes people with a collective policy (43% of beneficiaries of an AMC) whose co-payment must be lower than for people on individual policies (57% of beneficiaries of an AMC), like those in our study, for collective policies over a much higher level of cover.\footnote{Also see Garnero M., Le Palud V. (2013), "Les contrats les plus souscrits auprès des complémentaires santé en 2010", Études et Résultats n° 837, DREES, April 2013, Garnero M. (2012), "les contrats les plus souscrits auprès des complémentaires santé en 2009", Études et Résultats n° 789, DREES, February 2012. Garnero M., Rattier M.-O. (2011), "Les contrats les plus souscrits auprès des complémentaires santé en 2008", Études et Résultats n° 752, DREES, February 2011}  

![Figure 8 - Individual modal policies and collective modal policies](image)

<table>
<thead>
<tr>
<th></th>
<th>People covered (%) (*)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual modal policies</strong></td>
<td><strong>Collective modal policies</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Group A</td>
<td>2</td>
<td>48</td>
</tr>
<tr>
<td>Group B</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Group C</td>
<td>36</td>
<td>17</td>
</tr>
<tr>
<td>Group D</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>Group E</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

\* These rates are calculated with weightings, i.e. adjustment of the sampling rate, non-response rate and correction of differences in representativeness per sampling stratum.  
Modal policies are, for individual policies, the three policies covering most policyholders (the most sold) for each organisation questioned, and for collective policies, the two policies covering the most policyholders.

**Key:** Group A accounts for 2% of people covered by an individual modal policy, and 48% of people covered by a collective modal policy. Group A offers a higher average level of cover than group B, and so on.

**Sources:** DREES, statistical survey of top-up health insurance organisations - 2011

3. What's more, only low or mid-to-low range AMC were selected by the discussion groups and it is therefore reasonable to suppose that people with such top-up health insurance consequently have a higher average co-payment (after the AMC). The studies do not indicate major variations in co-payments (after the AMC) however, depending on level of income,\footnote{On the other hand, the affordability ratio which reports the co-payment (after the AMC) therefore falls significantly with income.} except for people in the highest decile of standards of living, who seem to be able to afford higher co-payments.\footnote{Debrand T., Sorasith C., "Bouclier sanitaire : choisir entre égalité et équité ? Une analyse à partir du modèle ARAMMIS", Working document n°32, IRDES, June 2010; "Apports du modèle de microsimulation Arammis : une analyse des effets redistributifs du plafonnement des restes à charge en ambulatoire", Question d’économie de la santé, IRDES, n°159, November 2010}

4. We could object that very ill people – who are not considered in this study – distort the results based on an average since their average co-payment (after the AMC) is very high, but nothing is less certain for these people are covered for chronic disorders at a rate of 100% of the agreement tariff ("100 % sècu") for expenditure related to their disorder.

5. Co-payments are very highly concentrated, more than health expenditure, which is confirmed by studies on the subject.\footnote{For example, Franc C., Pierre A., "Restes à charge en ambulatoire et accès aux soins", La lettre du collège des économistes de la santé, March 2013 n°1. Pierre A., Gosselin A., Perronin M., Franc C. (2012), "Impact d’une sur-assurance santé sur le reste à charge des patients", Économie publique n°28-29, 2012/1-2} Some families have to spend a lot on prescription glasses, but many other families spend nothing in this regard. As a result, the average co-payment sums remain an inevitable stop-gap (median amounts can, for some types of health care or medical goods, be very low or nil as a consequence of concentration).
3.1.2 Discussing the groups’ results

- Equipment

In order to cross-link the service lives declared by the groups for household appliances, furniture and electronic equipment again, three additional sources were consulted:

- Data produced by a manufacturers union on the one hand (Groupement interprofessionnel des fabricants d’appareils d’équipement ménager/GIFAM) in order to find out the average length of time the main types of household appliances are used,
- Data from the French Environment and Energy Management Agency (ADEME) based on a study on the service life of electronic equipment conducted in 2012 by Bio Intelligence Service S.A.S.,\(^{38}\)
- A study conducted in 2009-2010 on the period of use of furniture in addition.\(^{39}\)

The data supplied by ADEME for furniture and household appliances is relatively detailed for it factors in the type of good considered, as well as its quality. It is of little use in the valuation of goods selected by the groups however, insofar as it is not possible to specifically identify the goods that the groups selected (brand, sales outlet, etc.), given that periods of use vary significantly depending on the type of good. For example, the service life of television sets ranges from 7.5 to 10 years, for laptops from 2.5 to 5 years, for mobile phones it is only around 2 years because of functional obsolescence and upgrading, and for vacuum cleaners it is around 8 years.

The data supplied by the GIFAM trade union is of greater use, for it provides declared average periods of use that are relatively consistent with each other and with the groups’ results: according to this source, large household equipment (such as fridges, freezers and washing machines) are used for around 10 years on average.

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\(^{38}\) Étude sur la durée de vie des équipements électriques et électroniques, Rapport final, ADEME, July 2012. Study conducted via questionnaires to key stakeholders in the sector (public authorities, manufacturers’ federation, distributors’ federations, consumers’ associations, environmental NGOs, social economy stakeholders, eco-organisations, repair companies, technical experts and ACV, test laboratories, insurance companies)

\(^{39}\) Référentiel Meubles en bois BP X30-323-4, ADEME. Working group jointly facilitated by the National Union of French Furnishing Industries and ADEME, which met between February 2009 and 2010 to draw up a standard on the period of use of furniture.
Toiletries
The quantities of toiletries declared by the groups (corresponding to individual consumption) varied considerably from group to group. In order to refer the groups to objective data, diverse statistical sources were consulted: Planetosope\textsuperscript{40} 1996, 2005 and 2012 (see text box), Febea (French Federation of Beauty Companies) 2006, Symphony Iri, Kantar.\textsuperscript{41} The data used is summarised in the table below:

<table>
<thead>
<tr>
<th>Toiletry</th>
<th>Number per person per year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toothbrush</td>
<td>2.4</td>
<td>Kantar 2012</td>
</tr>
<tr>
<td>Toothpaste</td>
<td>4.8</td>
<td>Symphony Iri</td>
</tr>
<tr>
<td>Deodorant</td>
<td>1.8</td>
<td>Planetosope 2005</td>
</tr>
<tr>
<td>Shampoo</td>
<td>2.8</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>100g hand/bodywash soap</td>
<td>6.6</td>
<td>Planetosope 1996</td>
</tr>
<tr>
<td>Fragrances for women and children</td>
<td>1.6</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>Fragrances for men</td>
<td>0.6</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>Lip makeup</td>
<td>0.9</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>Eye makeup</td>
<td>1.6</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>Other makeup products</td>
<td>2.5</td>
<td>Febea 2006</td>
</tr>
<tr>
<td>Hair colour at a hairdresser’s</td>
<td>6.6</td>
<td>Symphony Iri</td>
</tr>
<tr>
<td>Hair colour at home</td>
<td>8.1</td>
<td>Symphony Iri</td>
</tr>
<tr>
<td>Suncream</td>
<td>0.2</td>
<td>Planetosope 2012</td>
</tr>
</tbody>
</table>

Source: CREDOC

The statistics were given to the final negotiation groups (see below) to show them what the deviations were between the groups’ results and the statistics, and to help them to decide on the right quantities. Since the impact on the monthly budget could be significant (because of how often some of these products are bought and their unit prices which are sometimes high – fragrances and makeup in particular), these items were negociated at length within these final groups (see Results section).

3.1.3 Calculating the value of the reference budgets
The valuation stage entailed assessing the cost of the goods and services included in the basket put together by each discussion group and for each of the following expenditure categories:

A – Food
B – Alcohol
C – Clothing
D – Rent and bills
E - Household equipment

\textsuperscript{40}The planetosope.com website presents statistics on ecology and sustainable development taken from a range of sources (associations, NGOs, organisations and French or foreign public institutes, private firms/research firms, specialist media, institutions, the UN, independent research bodies), which are not always specified. In the absence of other sources, the data provided on this website was used to provide points of reference for organising the debates within the groups.

\textsuperscript{41}Kantar Worldpanel late September 2012, panel of 35,000 consumers, who scanned the items they bought for a whole year.
F - Personal goods  
G - Transport  
H - Social and cultural life

It was generally possible to attribute a value to most items, such as household equipment, personal goods and social life, directly by looking for the price of the products described and defining a service life.

Research on prices was conducted at the end of 2013/beginning 2014 primarily on the websites of the sales outlets mentioned – supermarkets and chain stores. Since the groups were fairly precise in their choice of price range and quality concerning the products, it was not difficult for us to find the products. These were even specified very clearly in some cases. As a general rule, the groups mentioned medium-range, medium-quality products. For household equipment, the products were generally taken from stores such as Conforama, Ikea or But for furniture, and Darty for household appliances, while clothing came from such stores as H&M or Zara.

For food, the prices were found on the website leclercdrive.fr (for the supermarkets in Dijon Capnord, Dijon Sud, Tours La Riche, Tours Nord or Chambray-les-Tours). The prices on Leclerc drive are the same as in-store. Unless indicated otherwise, so-called "marques repères" (distributor’s brand) were given precedence. When no details were provided, the cheapest product was chosen.

The price was generally obtained as follows:

\[
\text{Price} = \frac{\text{Quantity necessary} \times \text{Unit price}}{\text{Quantity sold} \times \text{Period of use}}
\]

**NB:** for valuation, the period of use rather than the service life of objects was chosen, as these could be replaced before their service life was up due to changing lifestyles, the desire for better performance in terms of using less water and electricity, new functions and so on.

- **Food**

For this item, we needed to start by estimating what quantity of the products on sale correspond to the portions designed. Two coefficients were attributed to each food: one coefficient of the edible part and one expansion coefficient which corresponds (to products that need processing) to the change between the product purchased (raw or neat) and the product consumed (cooked or diluted). The expansion coefficient varies from 0.7 to 200. For ready processed foods (chicken cordon bleu, pizza, chips, fish fingers), the expansion coefficient is 1.

Based on these two coefficients and the weight of the portions to be consumed, the quantity of product to be bought is estimated as follows:

\[
\text{Necessary weight} = \frac{\text{recommended weight}}{\text{expansion coefficient} \times \text{edible part}}
\]

The price can then be estimated according to the general principle mentioned above.  
**NB:** *we decided not to calculate the value of tap water here, as this will be calculated in the housing item.*

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42 Centre d’information des Viandes et Générale de Santé
Any meals eaten out (canteen, nursery, restaurant, with friends/family) have been deducted, as well as receptions/invitations and special occasions.

- **Transport**

These expenses were estimated based on IFSTTAR data for a low- or mid-range second-hand car (urban areas >20,000 inhabitants); 15,000 to 20,000 km per year; one vehicle per household, diesel engine.

Regarding the cost of the actual vehicle, the groups' declarations were cross-linked by the CREDOC with other information sources (see 3.1.1).

Three additional items were estimated by the CREDOC:

- The price of parking was calculated based on the residential rates in Tours (7.80 euros for 6 consecutive days in spaces with parking meters) and Dijon (25 euros a month in the town centre), making an average of 31.20 euros per month.
- For insurance costs, a simulation was carried out based on the type of vehicle selected by the groups. The cost was estimated using the simulator on the insurance comparison website (LesFurets.com).
- The cost of the MOT was estimated based on the average rates offered in Dijon (Securitest) and Tours (Autosécurité) for a private vehicle (diesel engine), with the assumption that a typical vehicle needs two compulsory MOTs during the period of use (60 months).

- **Housing**

The price of rent in towns with 100,000 to 200,000 inhabitants was estimated based on the needs defined by the different groups. The housing size was defined based on the size of the household. We took several scenarios into consideration, particularly making a distinction between public and private housing. To calculate the rent, INSEE’s 2006 Housing survey was consulted (calculation base = updated rent, which includes rental bills - excluding energy bills). The rents were updated using INSEE’s Consumer Price Index for main residence rents on a monthly basis for all households, in mainland France and overseas départements (1998 base). Costs associated with cleaning and housework in the home were also added to the household’s monthly budget. These do not include the prices of any major renovation works, such as converting or redecorating. The data came from different items of the INSEE 2006 Family Budget survey, revalued according to INSEE’s Consumer Price Index:

- Cleaning products
- Minor maintenance and repairs.

The annual energy expenses (electricity and gas consumption, water consumption) were calculated for the different household case studies based on the 2006 Housing survey (with revaluation based on the INSEE Consumer Price Index) for tenants in empty housing located in dense urban areas (with over 100,000 inhabitants), with a distinction made between tenants in public housing and tenants in private housing.

Note concerning public housing: given the level of reference budgets (see Section 4), the households are eligible for some categories of social housing (PLUS and PLS in France), since the reference budgets, similar here to the benchmark taxable income, are below the annual income ceilings.
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43 Haut Conseil de la famille (2014), L’opportunité et les contours d’un éventuel reprofilage des aides à l’accueil des jeunes enfants, note of 10 April (49 pages + annexes)
It was assumed that the child would go to nursery for ten and a half months every year; for six weeks one or both parent(s) would look after him/her (during the parent’s (s’) holidays mainly if the latter work(s), and if this was not enough, another free, informal means of childcare).

We also assumed that the nursery is billed on the basis of a 20-day month. Many municipalities offer this form of billing, which is slightly more advantageous for families than billing on the basis of the actual days the nursery is open. This means that 210 days are billed every year. The scales on family contribution are national and compulsory so that the nursery can benefit from grants from the French Family Benefits Fund (CAF) ("single service benefit").

Parents’ contribution is equal to an "affordability ratio" multiplied by the household income with a minimum income and maximum income. The affordability ratio for one day at nursery is equal to 10 times the affordability ratio per hour, based on the assumption that the child will stay at the nursery from 8.30 a.m. to 6.30 p.m., i.e. 10 hours per day. This affordability ratio depends on the parents’ income and number of children:

<table>
<thead>
<tr>
<th>Number of dependent children</th>
<th>Affordability ratio per hour billed in collective care</th>
<th>Affordability ratio per hour billed in collective care (on a fixed rate of 10 hours per day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 child</td>
<td>0.06 %</td>
<td>0.6 %</td>
</tr>
<tr>
<td>2 children</td>
<td>0.05 %</td>
<td>0.5 %</td>
</tr>
<tr>
<td>3 children</td>
<td>0.04 %</td>
<td>0.4 %</td>
</tr>
<tr>
<td>4 children</td>
<td>0.03 %</td>
<td>0.3 %</td>
</tr>
</tbody>
</table>

Source: Tours scales ([www.tours.fr](http://www.tours.fr))

For the families studied, the annual bill on the basis of 210 days at nursery (ten and a half months) will be equal to: daily affordability rate x income x 210.

The tax credit for childcare costs outside of the home needs deducting from this annual bill. This tax credit is equal to 50% of outgoings within the limit of 2,300 euros, making a maximum tax credit of 1,150 euros per year. We have assumed that the family benefits from this tax credit at the same time as it pays for the nursery, when in reality the family benefits from it more than one year on average after the expenses incurred.

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44See the explanations and scales in the CANF circular letter no. 2011-105 on the single service benefit (PSU) of 29 June 2011.
45Household income in year n-2, as declared on the tax declaration form.
46Equal to the RSA (income support) base guaranteed for a lone parent with one child, deduction made from the housing amount (€608.88 euros per month in 2013)
47A local authority can decide to raise the income ceiling above which the contribution stops increasing, but the minimum ceiling, set at a national level, is high (€4,722.11 a month in 2013), higher than the income that the households considered in the study earn. Paris applies a higher ceiling, corresponding to €7,145 a month (decided on by deliberation of the Paris Council of 7 and 8 July 2008).
48Nursery costs between January and December in year n will give rise to a tax credit in the autumn of n+1, when the income tax declaration form is received for the year n (declared in the spring of year n+1).
NB: calculating nursery costs poses a circular priority problem: childcare costs partly determine the necessary income for covering such expenses, but this in turn determines the childcare costs. The way we resolved this circular priority problem is presented in Appendix 10, Chapter 2.

B. Children at infant and primary school

**Hypotheses**

We assumed that these children attend school and after-school schemes on week days (excluding the school holidays during which one or both parent(s) look after them). This hypothesis was presented to the groups, who validated it. In the same way as for children under 3 years of age, the hypothesis selected is that, even if one of the parents does not work, it must be possible for him/her to accept a full-time job at any time, and the child must therefore attend an educational establishment during the week. The reform on school timetables could affect this item, however.

This hypothesis means that the following services are used:

**The canteen**: the child eats at the canteen on the basis of 36 school weeks a year (10 months if canteen costs are paid monthly), or for 140 days on the basis of a four-day week.\(^49\) We assumed that schools are open for a four-day week (or, if the reform changes this to five days a week, the canteen would not be open on Wednesdays or Saturdays).

**After-school club** (4.30 p.m./6 p.m. or 6.30 p.m.): 140 days. We assumed that parents do not need to put their child into childcare before 8.30 a.m. (even though this option is possible in Dijon from 7 a.m. and in Tours from 7.30 a.m.). This hypothesis was accepted by the validation groups (see below).

**Holiday club on Wednesdays** = 36 Wednesdays (ten and a half months)

**Holiday club** = 10 weeks a year (52 weeks – 36 school weeks – 6 weeks with parents), i.e. 50 days.

**Calculating the value of these items**

The rates are defined at municipal level and differ from one town to the next. The average of the two towns studied here was therefore taken where another source was not possible. Given the difficulty in calculating an "average" between rates in Tours and Dijon for these items (since the rate depends each time on income, except for the canteen in Tours), we decided to go with the Tours rate. This is closer to the national canteen average, and a little lower than the Dijon rate for the holiday club.

**Calculating the value of the canteen item**

In Tours, the canteen rate is not adjusted according to income or size of family. It is 41.60 euros per month (based on 4 days a week at the canteen) (2012/2013 rates)\(^50\), so an annual expense of 41.60 x 10 = 416 euros which comes down to 2.97 euros per meal on a 140-day basis.

\(^49\)Four bank holidays a year, falling during the week, were taken into account (excluding Bastille Day on 14 July and Assumption Day on 15 August).

\(^50\)This rate is higher for people who do not live in Tours.
Calculating the value of the "after-school club" item

In Tours, for after-school care from 4.30 p.m. to 6.30 p.m., there are two rates for primary school children, depending on whether or not the child attends a supervised homework session between 4.30 p.m. and 5.30 p.m. The rate depends on the CAF family quotient (which reduces a family’s tax liability the larger the household).52

<table>
<thead>
<tr>
<th>CAF family quotient</th>
<th>After-school club only (4.30 p.m.-6.30 p.m.)</th>
<th>After-school club + supervised homework - (from 4.30 p.m. to 5.30 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 600</td>
<td>1.54</td>
<td>2.57</td>
</tr>
<tr>
<td>601-670</td>
<td>1.64</td>
<td>2.62</td>
</tr>
<tr>
<td>671-760</td>
<td>1.84</td>
<td>2.72</td>
</tr>
<tr>
<td>761 +</td>
<td>2.36</td>
<td>2.98</td>
</tr>
</tbody>
</table>

Source: Tours scales (www.tours.fr)

Both hypotheses were passed on to the groups (after-school club with or without supervised homework) during the validation stage. Their reactions are presented in Section 3 of this report.

Calculating the value of the "Holiday club on Wednesdays" item

In Tours, the rate is equal to the CAF family quotient53 multiplied by an affordability ratio that depends on this family quotient.

<table>
<thead>
<tr>
<th>CAF family quotient</th>
<th>Affordability ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 600</td>
<td>0.77 %</td>
</tr>
<tr>
<td>601-670</td>
<td>0.93 %</td>
</tr>
<tr>
<td>671-760</td>
<td>1.00 %</td>
</tr>
<tr>
<td>761 +</td>
<td>1.41 %</td>
</tr>
<tr>
<td>Minimum</td>
<td>£2.90</td>
</tr>
<tr>
<td>Maximum</td>
<td>€11.80</td>
</tr>
</tbody>
</table>

Source: Tours scales (www.tours.fr)

Calculating the value of the "Holiday club during the school holidays" item

The rates are the same as those applied for Wednesday holiday club.

NB: the cost of holiday club on Wednesdays or during the school holidays for 3-10 year olds is dependent upon parents’ income (the rate is based on the CAF family quotient, which in turn depends on income). A potential circular priority problem could have arisen, but given the level of the reference budget, the rate ends up corresponding to the ceiling. This means we managed to avoid the circular priority problem.

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51 Children can also be looked after in the morning before school begins (7.30 a.m. to 8.30 a.m.), but this is billed in addition.
52 1/12th of annual income + monthly family benefits / number of units – units: 2 units for single people or couples; 0.5 for the first 2 children; 1 for the 3rd child; 0.5 from the 4th child).
53 1/12th of annual income + monthly family benefits / number of units – units: 2 units for single people or couples; 0.5 for the first 2 children; 1 for the 3rd child; 0.5 from the 4th child;
C. Children at secondary school and sixth-form college

Hypotheses

Unlike younger children, we did not assume that children of this age needed "childcare" on week days. During the school year, when their classes have finished, they are supposed to be able to go home alone and look after themselves. No after-school club was mentioned by the discussion groups. The same applied for the 16 weeks of school holidays: we assumed that 6 weeks are spent with parents and that, for the other 10 weeks of the year, the children are left alone "at home" (including at lunchtime), without any leisure or other out-of-home activity incurring a cost for the family.

Therefore, the only expenses considered here are canteen costs, on the basis of 36 weeks a year and 5 days a week, i.e. 180 canteen days.\textsuperscript{54}

Calculating the value of canteen meals for secondary school students and sixth-formers

According to the website www.cantinescolaire.net, the meal is billed to families at an average rate of 3.30 euros in French secondary schools in 2014.

Given the many different rates existing across schools and colleges, and the lack of available, reliable data, the average cost billed per meal in secondary schools/sixth-form colleges in France (3.30 euros) can be adopted. In this case, the annual cost will be 180 x 3.30 = 594 euros, making a monthly expense of 49.50 euros.

- **Back-to-school costs**

Because the groups did not bring up back-to-school costs at their own initiative, the value of this item was calculated by experts. For children, back-to-school costs were calculated under the "social life" item. This cost was estimated from data supplied by the Confédération des Familles de France from 2012, and Familles de France from 2013. Since clothing had already been covered, an overall budget for stationery and supplies was defined and forwarded to groups, who validated it.

- **Home insurance**

In order to determine the price of home insurance, we simulated several scenarios using the comparator website (Lesurets.com). For each group, the simulation was adapted to the criteria of the group and specifics of the apartment (size, public or private housing). Some costs were defined by the research team for the valuation needs: for example, the housing construction date (1945-1967, given that a large number of two- to four-room apartments were built over this period in Tours and Dijon),\textsuperscript{55} real estate value (we took the lowest price band into account, corresponding to 20,000 euros), or the housing location (town centre).

- **Factoring in sales/special offers, gifts, second-hand and selling on**

For the clothing item:

The question of buying clothes during the sales or on special offer was seldom mentioned spontaneously by the discussion or validation groups, who had been warned of the fact that households might need a particular item of clothing urgently but would not always be able to find it

\textsuperscript{54}The canteen is closed in some secondary schools and sixth-form colleges on Wednesdays, which would reduce the number of canteen days. But, to offset this, the same number of additional meals would need to be bought in at home.

\textsuperscript{55} INSEE, Bourgogne dimensions : Grand Dijon à l’horizon 2015 : des ménages plus nombreux et plus âgés, n° 132, September 2006.
on sale when they needed it. That said, since the statistical analysis showed that this practice accounted for a significant proportion of clothes’ purchases, the question was put to the final negotiation groups again so as to define how these practices could be taken on board in the clothing budget.

It is becoming increasingly common to buy clothes in the sales or on special offer (e.g. private sales for loyalty card holders), particularly when buying online: although clothes bought in the sales or on special offer account for 32.9% of total turnover, they represent 55.5% of the sales turnover online, according to the IFM 2011 Consumers database.

Based on such data, the hypothesis of one third of clothes being bought on special offer was presented to the groups, who validated it after some discussion: some felt that sales purchases were not applicable for all households, and often amounted to 'non-essential' purchases: "men hardly ever shop in the sales" and, for some pensioners, "at our age, if we buy something in the sales it's non-essential". On the other hand, the groups felt that some households deliberately waited until the sales to buy their clothes. This hypothesis was accepted in the end for children aged 11 and over only (children under 11 years of age had part of their clothes bought second-hand instead).

The groups estimated that purchases made in the sales or on special offer had 30% off on average, and these purchases were included in the valuation according to the assumption that a third of purchases are therefore made with a 30% discount.

**For the equipment item**: it was considered that second-hand purchases did not genuinely enable savings to be made since, although investment at the outset was lower, the period of use was proportionally shorter (the groups mostly considered that a second-hand good bought for half the price would be kept half as long). Indeed, more in-depth discussions in the groups concluded that some households decide to buy second-hand (and therefore cheaper) furniture so that they can change it more often – without impacting their budget: "if we fancy a change, we can afford to with 'le bon coin'" (similar to ebay). This is therefore more a case of preferences linked to choice ("hunting around" as it were) than a potential source of savings, and second-hand purchases were therefore not included in this item – even if they were often brought up.

Concerning transport however, second-hand purchases were included for the family vehicle, in line with the groups' unanimous wishes on this subject. Indeed, this practice has become so widespread that it is now more common for the French population to buy second-hand vehicles than new ones: according to INSEE, 62% of households bought their vehicle second-hand in 2000, compared with 50% back in 1990.58

**NB**: according to the ADEME, second-hand purchases are becoming increasingly common in France: 75% of consumers bought second-hand products in 2012 versus 59% in 2004. Moreover, increasing numbers of consumers say that they buy new products with the intention of selling them on second-

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57 According to the CREDOC Consumers survey in 2010, women wait until the sales more often than men (65% versus 54%) and pensioners do less sales shopping because the disadvantages associated with the physical shop environment (crowds, heat) outweigh the advantages.

hand at a later date. Half of the French population also gets their household appliances, stereos or computers repaired to extend their service life, rather than buy new ones.

For the under 10s, donations, gifts, second-hand goods and selling on were all incorporated at the groups’ request for clothes as well as baby accessories (buggy, travel cot, etc.), which resulted in the amounts of these budgets being reduced (see Section 3). This is because the final negotiation group comprising working parents with children reckoned that savings could be made on a third of the clothing budget for 0-10 year olds through donations or gifts, and some children’s accessories could be bought second-hand or sold on, half-price, because of their short service life.

***

This second chapter has specified the consensus-seeking methods employed for forming the baskets of goods and services and calculating their value, with help from experts for some items. The next chapter presents the contents of the baskets of goods and services item by item, and sets out the arguments put forward by the groups to justify the underlying needs.

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60 ADEME, 2013 waste prevention barometer.
61 According to the ADEME, 88% of French people had already donated clothes or shoes to an association. ADEME, Les Français et le réemploi des produits usagés (2012).
CHAPTER 3: THE CONTENTS OF THE BASKETS OF GOODS AND SERVICES FOR THE DIFFERENT BUDGETARY ITEMS

The third chapter of this report gives an account of the contents of the basket of goods and services as defined by the focus groups (discussion, validation and final negotiation). For each of the items (housing, food, clothing, toiletries, equipment, transport, social life, health and financial services), it goes back over the debates that took place and the arguments that were presented by the groups to justify the basket contents. Special focus is also given to the specific needs of children at the end of this section.

REMINDER: One of the key hypotheses of this study concerns the professional situation of the case studies, who are assumed to be able to have or take up full-time work at any time. That said, time constraints were not factored in to the definition of the case studies’ needs, as it is assumed that they have the time both to work and carry out all the household chores and leisure activities included in the basket. Along the same lines, it has been assumed that housing is big enough to be able to accommodate all of the furniture items included in the basket. Both of these hypotheses are intended to be able to gather all of the needs in an absolute manner, without introducing space or time constraints.

1 Housing

Because the study specifications restricted the scope of this study to "medium-sized towns", the following housing situation was defined by the study steering committee and submitted to the groups: housing is situated in the "town" (not necessarily the town centre), rather than "in the countryside", and this implies that a certain number of collective facilities are easily accessible: public transport, nurseries/schools/secondary schools/sixth-form colleges, cultural and sports venues, hospitals, doctors and so on.

To avoid introducing representative bias into the groups, the steering committee decided that the occupier status (owner-occupier or tenant) and the fact of being housed in the public or private sector would be left in abeyance. These are subject to different valuations so that the reference budget can be varied according to housing situation (see Section 4).

Ultimately, the main housing characteristic to be discussed by the groups was the number of rooms depending on the members making up the household (for the record: the housing comprises at least one living room and one bedroom for a single adult or a couple). More precisely, the main question centred on the need to have:

- a separate bedroom for each child for working parents with a child
- a guest room in addition for pensioners.

Although all working parents with a child swiftly agreed on the need for children to have their own bedrooms from a certain age, a consensus could not always be reached on the age from which it becomes necessary to have separate bedrooms for each child. For some, beginning secondary school
appeared to be a determining factor ("I think that 10 and 6 is still ok. It's when the older one starts secondary school that the gap widens. Secondary school changes everything."), while others thought the need arose earlier ("as soon as they can walk" / "between 7 and 8 instead" / "before even, to be able to put the baby to bed"). Own bedrooms ultimately become necessary when the children start school, to enable them to do their homework separately, and because of different bedtimes and sleeping needs. Gender differences between children also made it difficult to keep two children in the same bedroom ("it's debatable, a boy and a girl in the same bedroom"). Keeping two children in the same bedroom is only an option, therefore, in the case of two children of the same gender and similar in age, up to the age of 6, or in the event the bedroom was big enough "for each one to have their own space" ("big enough", to the groups, meant a surface area equivalent to two bedrooms).

"A girl, let's say, at age 11, is really beginning to turn into a young person at this stage – they want to be independent at this age. Even their school things, they need to have somewhere of their very own for organising their own things"

"You need separate bedrooms as soon as they can walk. In my case, as soon as the youngest learned how to walk, it would never have worked with the older one. I wouldn't have put the 2 kids in the same bedroom. They don't play the same things ... It would never have worked for the older one. He needs to get undressed, he needs his privacy – 11 is getting on."

As for the pensioners, they felt that having a guest room was necessary – even if it is "not vital" – and the question was difficult to settle due to cost, but also due to the variability of the need, depending on the number of children and grandchildren that needed putting up and their geographic location:

"To the extent that there's a sofa bed, they don't come for hotel-level comfort. There's a sofa bed, they come to spend time with family, they might spend one night, two nights, three nights ... There's a sofa bed so there's no need for an extra bedroom."

"If you have to pay an extra 100 euros in rent, it would be better to pay for a hotel room once a year than to have an extra bedroom that's never used."

Despite these opposing views, the guest bedroom was considered necessary to be able to keep in regular touch with children and grandchildren and, in this sense, it was considered "important for the person's mental well-being". The guest bedroom was also justified by the need to have separate bedrooms for couples in the event of illness, and by the fact that it could be used as an office when guests were not staying:

"We shouldn't forget that at the moment the kids come back, they all come back. I've got a son who's 31, and every weekend he has to come back home, because where he is, that's his universe, but he needs to come back to our place for the memories."

"When you're a couple, there's something you shouldn't forget, and that's that one of us will be ill one day, or is already ill, and we often need to sleep in separate beds when that's the case. In my case my husband snores, I snore too."
"I know I've got an extra bedroom, but I use it as an office, for ironing, for DIY, for painting ... it's my workshop."

2 Food (food + drinks)

This item corresponds to the vital need to eat, but also includes meals for enjoyment, for meeting among friends and family and keeping up a social life (pre-dinner nibbles and drinks, parties).

The debates within the discussion groups led to a food model characterised by:

- the number of meals per day,
- the types of food eaten for each meal,
- information for assessing the quality of products through sales outlets (supermarkets, market produce, independent butchers or bakers for example) and brands,
- quantities when this was possible (e.g. 1 slice of ham).

This model comprises 3 main meals (breakfast, lunch and dinner) and turned out to be very uniform between the groups:

- breakfast includes a hot drink, toast or cereal, fruit juice or a piece of fruit and one dairy product;
- lunch includes a meat (or fish) dish, one dairy product, a piece of fruit, bread, water and condiments;
- dinner includes a starter, a dish without meat, cheese, yoghurt or fruit, lettuce, bread, water and condiments.

**Figure 15 - Typical menus**

<table>
<thead>
<tr>
<th>Time</th>
<th>Menu Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>Hot drink (tea/coffee)</td>
</tr>
<tr>
<td></td>
<td>Toast + butter/jam or cereal</td>
</tr>
<tr>
<td></td>
<td>Fruit juice or fruit</td>
</tr>
<tr>
<td></td>
<td>Dairy product: glass of milk or yoghurt</td>
</tr>
<tr>
<td>Lunch</td>
<td>Main dish: meat or fish + vegetables or carbohydrates</td>
</tr>
<tr>
<td></td>
<td>Cheese/dairy product</td>
</tr>
<tr>
<td></td>
<td>Dessert: fruit</td>
</tr>
<tr>
<td></td>
<td>Bread, water, condiments</td>
</tr>
<tr>
<td>Tea</td>
<td>Hot drink, biscuit/cake</td>
</tr>
<tr>
<td>Dinner</td>
<td>Start: salad/raw vegetables or ready pork products (men only)</td>
</tr>
<tr>
<td></td>
<td>Main dish without meat</td>
</tr>
<tr>
<td></td>
<td>Cheese, yoghurt or fruit</td>
</tr>
<tr>
<td></td>
<td>Lettuce</td>
</tr>
<tr>
<td></td>
<td>Bread, water, condiments</td>
</tr>
</tbody>
</table>

*Source: focus groups*

*NB: a snack is also included once a day for pensioners to be able to last until the next meal (in the morning or the afternoon). This comprises a hot drink and a biscuit most of the time.*
In order to take into account the need to vary day-to-day menus, a certain number of examples were mentioned by the groups (e.g.: soup, quiche or lasagne). This variety also incorporates "extras" at the weekend (as treats or when the whole family sits down for a meal together):

- pastries for breakfast,
- sweet tart for pudding at lunchtime,
- better-quality meat or fish bought fresh at the market

The menu also includes processed meals (ready meals, pizza, burgers, etc.) once or twice a week to save time and enable families to have one evening where they do not have to cook.

The alcoholic drinks item was discussed at length because of widely varying practices between households, perceptions and the wine-making tradition in the regions where the groups were organised (Tours and Dijon). Because a consensus could not be reached in the groups, this item was estimated on the basis of French people's average expenditure, according to the Family Budget survey (see below).62

Once the experts had quantified and optimised the standard menus, the model was presented to the validation groups by incorporating the adjustments carried out during the optimisation stage (except for 0-2 year-old infants for whom no consumer data is available – see special focus below). The validation and final negotiation groups validated the model presented without embarking on any major debate in this regard.

**Important:** meals eaten out or for special occasions were deducted from the food budget insofar as they were mentioned by the groups in the context of social life. These meals correspond to:

- restaurant meals,
- canteen meals for school children, nursery and holiday club
- invitations to friends' or family members' homes and parties organised at home.

**Special focus on the food model for 0-2 year-old infants**

The discussion groups specified a certain number of facts with regard to the dietary needs of 0-2 year olds, with the case study being aged 2.

In line with the experts' recommendations (see Sectop, 2), the standard menu for 1 to 3 year olds comprises four meals and 500ml of Growing Up milk to be drunk with each meal (in addition to a yoghurt):

- breakfast includes 100% fruit juice (one carton, i.e. 0.2L), bread (3 times a week, an eighth of a bread stick), cereal (3 times a week, half a portion, or around 3 tablespoons) or brioche/cake (once a week, around 2 slices);
- lunch includes one 230g dish, including 30g of protein (meat three times a week, fish three times a week and eggs once a week), 140g of vegetables and 60g of carbohydrates (encompassing a variety of products). Lunch ends with a yoghurt four times a week, or fruit

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62Since the data realigned on the national accounts (see Section 4) was not available at the time of valuation, and re-assessment of this item (underestimated by around 40%) required several adjustments to all of the analyses performed in the report, only the corrected survey data was used. The weight of this item is relatively low, so in principle the impact of this adjustment is low.
(raw or homemade compote) three times a week – with the quantity of compote corresponding to the individual portions sold in supermarkets;
- tea includes a biscuit/cake and a piece of fruit (raw or homemade compote), with the quantity of compote corresponding to the individual portions sold in supermarkets;
- dinner includes a 200g dish without protein (according to the experts’ recommendations, validated by the groups who had started out recommending protein twice a day), with 100g of vegetables, 20g of carbohydrates and milk. Dinner ends with a yoghurt three times a week or fruit (raw or homemade compote) four times a week.

**NB**: in the context of children sharing in the household’s family and social life, the food model also incorporates:
- one soft drink a week (a small glass or a can),
- nibbles once a week (half a portion),
- and one chocolate (e.g. Kinder) per month.

## 3 Clothing

This item includes all clothes, shoes and accessories as well as their care (dry cleaning/shoe repairs, but not washing, which is included in the equipment item). It takes account of the needs corresponding to different purposes:

- everyday clothes (for wearing inside the home and out), for wrapping up in all seasons (mainly distinguishing between summer and winter) and for putting extra warm clothes on in cold or wet weather (scarves, gloves, hats, etc.).
- smarter clothes for special occasions and for wearing to work (if necessary),
- sportswear,
- nightwear,
- accessories (belts, scarves, bags, etc.).

Despite the wide diversity of possible items, and the sheer number of possible variations based on individual preferences and other fashion effects, the groups managed to reach an overall consensus for establishing a "clothes model" which was drawn up after the discussion groups and presented to the validation and final negotiation groups.

Overall this model can be applied to all of the individual case studies, even if it contains differences between males and females on the one hand, in terms of quantity and diversity of goods (see fashion and social life) and adults and children on the other, in terms of how often they need replacing.

Beyond the lengthy, often heavy-going discussions on the number of clothes items for each category, their type and how often they need replacing, the debates also touched on the question of other people’s impressions and the importance of:
- fashion on the one hand,
- and social life on the other.

### 3.1 Fashion (and brands)

Fashion was talked about by the groups insofar as other people’s impressions are of particular importance: "We like changing outfits, emphasising our best features, no matter how much money we have."
"It's important I think because it's the first impression we have of someone. I'm not saying it's a judgement, but it's the first opinion we form of someone. It can reflect someone's personality. And even without judgement, straightaway to be presentable at work it's essential."

"It's the first impression, we create our personality with our clothes, so yes, it's important."

Other people's impressions and fashion were often given as justifications for some participants' choices:

- females (and particularly single females) expressed numerous needs in reference to a type of social standard that required a wide diversity of outfits and replacing these at fairly regular intervals,
- teenagers (11-17 year olds) also have needs related to fashion and the importance of brands for themselves and for their friends who form impressions of them,
- on the other hand, pensioners overall are much less concerned about fashion and express fewer needs than working people.

For **females**, the need to "keep up with fashion" resulted in a higher number of clothes items overall than for males, and this difference was validated within the mixed groups who met during the validation stage. This question was discussed at length in relation to the need for a "jewellery" budget and did not achieve a consensus:

- working people with no children put the jewellery budget at 50 euros a year: "either expensive pieces that we change less often, or cheaper fashion jewellery. 50 euros a year, that's ok," "I spend €50 on silver jewellery and I know it'll last a lifetime";
- working people with children agreed on a 100-euro budget per year to be able to "afford variety, given that it doesn't last very long";
- pensioners also agreed on a jewellery budget of 50 euros per year.

**For teenagers**, the importance of other people's impressions was also touched in the groups as they are particularly concerned about brand names and fashion. In symbolic terms, the groups decided that 11-14 year olds had to have at least one brand pair of trainers. What's more, 14-17 year old girls had to be able to have three handbags that it had to be possible to replace at regular intervals, every two years, for, "when it's no longer fashionable, we get bored of it, we've got to be able to change handbag."

### 3.2 Social life

The groups also agreed on the need for smart outfits to be able to dress appropriately for the different social events in life (weddings, christenings, funerals, etc.), for all the individual case studies – including children over the age of 3.

A consensus could not always be reached, however, on the number of smart outfits needed: some groups felt it was necessary to have several outfits ("For weddings in the summer, you're not always going to wear the same thing for each reception, otherwise people will say 'Géraldine always wears the same dress'. She won't want to wear the same dress every time, the same people will be there each time. So for her to feel comfortable around others, to feel happy in herself."), while others considered it possible to make do with just one smart outfit ("I went to 2 weddings and I wore the same dress – I just wore different accessories. Géraldine doesn't go to galas every weekend. She can
also borrow outfits from friends."). Some groups of women also felt that it was necessary to be able to replace high heels at the same time as suits or dresses, so that they could match.

These differences in viewpoints particularly came to the fore when the question of the job situation and the profession of the individual case study was broached – as this determined whether or not smart clothes were necessary. For example, the service life of a suit depends on the individuals' professional situation ("if the woman works, she keeps it a year. If she only wears it occasionally, it lasts longer."). One of the key hypotheses of the study approach was that each individual case study must be able to take on work at any time if they do not already have a job. At least two smart outfits were therefore considered necessary. Children, however, only have one smart outfit, except for 3-10 year olds, so that they can wear something different ("one for Christmas and one in the summer for a wedding").
To sum up, the overall clothing model validated by the adults is as follows:

**Figure 16 - Adults clothing model**

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Working</td>
<td>Pensioner</td>
<td></td>
</tr>
<tr>
<td>Underwear</td>
<td>10 for 2 years</td>
<td>10 for 2 years</td>
<td></td>
</tr>
<tr>
<td>Tights/stockings</td>
<td>-</td>
<td>5 per month</td>
<td>3 per month</td>
</tr>
<tr>
<td>Tops (t-shirt, blouse, shirt)</td>
<td>20 for 3 years</td>
<td>20 for 3 years</td>
<td></td>
</tr>
<tr>
<td>Bottoms (trousers, skirts and dresses for females)</td>
<td>5 for 2 years</td>
<td>20 for 2 years</td>
<td>10 for 3 years</td>
</tr>
<tr>
<td>Jumpers</td>
<td>4 for 3 years</td>
<td>10 for 2 years</td>
<td>3 for 2 years</td>
</tr>
<tr>
<td>Shoes (except smart, sportswear and flip flops)</td>
<td>3 pairs for 3 years</td>
<td>4 pairs for 3 years</td>
<td>4 pairs for 3 years</td>
</tr>
<tr>
<td>Coats</td>
<td>4 for 3 years</td>
<td>4 for 3 years</td>
<td></td>
</tr>
<tr>
<td>Cold/wet weather</td>
<td>1 hat, scarf, pair of gloves for 2 years, waterproof for 5 years</td>
<td>1 scarf, hat, pair of gloves for 2 years</td>
<td>1 scarf, hat, pair of gloves for 2 years, waterproof</td>
</tr>
<tr>
<td>Accessories</td>
<td>2 belts for 5 years</td>
<td>5 belts for 3 years, 4 scarves for 2 years, 1 watch for 5 years, jewellery for 1 year</td>
<td></td>
</tr>
<tr>
<td>Bags</td>
<td>Satchel or laptop case for 3 years</td>
<td>-</td>
<td>2 handbags for 2 years, 1 wallet for 2 years</td>
</tr>
<tr>
<td>Smart (outfit + shoes)</td>
<td>2 outfits for 5 years</td>
<td>1 suit for 15 years + 1 pair of shoes for 10 years</td>
<td>2 outfits for 3 years, 2 pairs of shoes for 10 years</td>
</tr>
<tr>
<td>Summer/holidays</td>
<td>2 pairs of bermuda shorts for 5 years, 1 pair of flip flops for 2 years</td>
<td>2 pairs of shorts + 2 pairs of bermuda shorts for 4 years</td>
<td>2 pairs of shorts for 5 years, 1 pair of flip flops for 1 year</td>
</tr>
<tr>
<td>Sport</td>
<td>1 pair of shoes for 2 years, 1 pair of tracksuit trousers for 5 years, 1 pair of trunks for 2 years</td>
<td>2 pairs of shoes for 2 years, 1 pair of tracksuit trousers for 5 years, 1 swimming costume for 2 years</td>
<td>2 pairs of shoes for 2 years, 1 pair of tracksuit trousers for 4 years</td>
</tr>
<tr>
<td>Nightwear/indoors</td>
<td>1 pair of slippers for 1 year</td>
<td>1 pair of slippers for 1 year + 2 pairs of pyjamas for 6 years</td>
<td>1 pair of slippers for 1 year, 2 pairs of pyjamas for 2 years, 1 bathrobe or dressing gown</td>
</tr>
</tbody>
</table>

*Source: focus groups*
3.3 Clothing needs replacing less often as we get older

The lengths of time defined by the groups that clothing can be worn increases with the age of the individual case studies.

So although the children's clothing model is similar to the adults' model, the lengths of time the clothing can be worn are shorter, especially among the youngest children who grow in spurts and wear out their clothes more quickly: parents particularly felt that children tended to lose, ruin or rip their clothes. As such, "clothes only last a season", trousers and jumpers: "one a month as she loses them at school" – she has a "memory like a sieve". The same goes for scarves, hats, gloves (which can also be used for skiing, when a woollen pair and a waterproof pair are needed), sunglasses, trainers, etc. What's more, they sometimes change clothes in the space of one day if they play sport.

"They're growing and clothes only last a season"; "I can buy her pants every 6 months as they don't fit anymore – she's a growing girl. Socks can last longer, their feet don't grow as fast, but with pants, it's every 6 months. In my view you need twice as much"

"They lose their gloves – we don't attach them with string now they're 7, so they lose them."

In the end, the children's clothing model validated by the groups was as follows (Figure 17):
### Figure 17 - Children's clothing model

<table>
<thead>
<tr>
<th></th>
<th>0-2 year-old boy</th>
<th>3-10 year-old girl</th>
<th>11-14 year-old boy</th>
<th>15-17 year-old girl</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underwear</strong></td>
<td>10 for 1 year</td>
<td>20 for 1 year</td>
<td>15 for 2 years</td>
<td></td>
</tr>
<tr>
<td><strong>Tights</strong></td>
<td>2 pairs for 1 year</td>
<td>4 pairs for 1 year</td>
<td>14 pairs for 1 year</td>
<td></td>
</tr>
<tr>
<td><strong>Tops: tee-shirts, shirts, blouses</strong></td>
<td>12 for 1 year (6 long-sleeved tee-shirts, 6 short-sleeved tee-shirts, 2 shirts)</td>
<td>35 for 1 year (10 long-sleeved, 20 short-sleeved, 5 blouses)</td>
<td>19 for 1 year</td>
<td>25 for 2 years (10 long-sleeved, 10 short-sleeved, 5 vest tops)</td>
</tr>
<tr>
<td><strong>Jumpers: polo necks, jumpers, cardigans, sweaters, jumpers, fleeces</strong></td>
<td>10 for 1 year (3 polo necks, 1 light jumper, 2 woollen jumpers, 3 cardigans, 1 fleece)</td>
<td>22 for 1 year (10 polo necks, 6 jumpers, 6 sweaters)</td>
<td>5 for 1 year (3 sweaters, 2 jumpers)</td>
<td>6 for 2 years (2 polo necks, 2 winter jumpers, 1 summer jumper, 1 cardigan)</td>
</tr>
<tr>
<td><strong>Bottoms: trousers, skirts, dresses</strong></td>
<td>6 for 1 year (3 for the winter, 2 for the summer, 1 for going out)</td>
<td>18 for 1 year (4 for the summer, 4 for the winter, 5 skirts, 5 dresses)</td>
<td>4 for 1 year (4 pairs of jeans)</td>
<td>12 for 2 to 3 years (3 pairs of jeans, 1 canvas pair, 1 warm pair, 3 dresses, 4 skirts)</td>
</tr>
<tr>
<td><strong>Shoes</strong></td>
<td>2 pairs for 1 year (1 pair of booties, 1 pair of sandals)</td>
<td>6 pairs for 1 year (1 pair of snow boots, 1 pair of anklet boots, 2 pairs of ballet pumps, 2 pairs of sandals)</td>
<td>2 pairs for 1 year (1 pair of Converse trainers, 1 pair of shoes for going out)</td>
<td>5 pairs for 1 year (1 pair of anklet boots, 1 pair of boots, 1 pair of ballet pumps, 1 pair of sandals, 1 pair of high heels)</td>
</tr>
<tr>
<td><strong>Coats</strong></td>
<td>2 for 1 year (1 for the winter, 1 for mid-season)</td>
<td>4 for 1 year (1 for the winter, 1 for mid-season, 1 for the summer)</td>
<td>3 for 1 year (1 for the summer, 1 for mid-season, 1 for the winter)</td>
<td>3 for 2 years (1 for the summer, 1 for mid-season, 1 for the winter)</td>
</tr>
<tr>
<td><strong>Cold/wet weather</strong></td>
<td>1 scarf, hat, pair of gloves for 1 year, 1 waterproof for 2 years, 1 pair of wellies for 1 year</td>
<td>Scarf, hat, pair of gloves for 1 year, 1 waterproof for 2 years</td>
<td>1 scarf, hat, pair of gloves for 1 year</td>
<td></td>
</tr>
<tr>
<td><strong>Accessories</strong></td>
<td>Sunglasses, cap or sun hat for 1 year</td>
<td>Sunglasses, cap or sun hat for 1 year, wallet</td>
<td>Rucksack + sports bag for 2 years + 3 handbags for 2 and a half years + 1 beach bag for 1 year</td>
<td></td>
</tr>
<tr>
<td><strong>Bags</strong></td>
<td>Rucksack + sports bag for 2 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Smart + birthday/party</strong></td>
<td>1 dressing-up outfit for 1 year</td>
<td>1 dressing-up outfit and 2 special occasion dresses for 1 year</td>
<td>1 smart outfit for 1 year</td>
<td></td>
</tr>
<tr>
<td><strong>Summer/holidays</strong></td>
<td>2 pairs of shorts for 1 year</td>
<td>3 pairs of shorts or bermuda shorts for 3 years + 1 pair of flip flops for 1 year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sport</strong></td>
<td>1 pair of shoes for 1 year, 2 pairs of tracksuit trousers, 1 pair of trousers, arm bands for 4 years</td>
<td>2 pairs of shoes, 2 pairs of tracksuit trousers, 2 swimming costumes + swimming hat for 1 year</td>
<td>2 pairs of shoes for 1 year, 2 pairs of tracksuit trousers, 2 swimming costumes/trunks + swimming hat for 1 year</td>
<td></td>
</tr>
<tr>
<td><strong>Nightwear/indoors</strong></td>
<td>6 pairs of pyjamas and 1 pair of slippers for 1 year</td>
<td>3 pairs of pyjamas and 1 pair of slippers for 1 year</td>
<td>2 pairs of pyjamas for 6 months, 1 pair of slippers for 1 year</td>
<td>2 pairs of pyjamas for 2 years, 1 pair of slippers for 1 year</td>
</tr>
</tbody>
</table>

*Source: focus groups*
4 Toiletries & personal care

This category of needs led to discussions on both:

- basic hygiene needs, corresponding to the need to be able to "stay clean": washing the body and hair, brushing teeth, cutting and styling hair, shaving/removing hair and cutting nails
- needs relating to self-esteem, social life and well-being (these are not absent from the first category of needs, but this dimension is more implicit): moisturising, wearing perfume, putting on makeup (females only).

The contents of the "basic" toiletries basket were defined right from the discussion groups. These comprise designated products for each purpose, bought in supermarkets, mostly under the "distributor's brand" category. That said, the groups struggled to estimate the quantities used per individual case study in terms of everyday toiletries (such as soap, shampoo and toothpaste), as they were often more aware of these consumption levels at the level of the whole household. The quantities suggested from one group to another varied widely – from one to four times that amount for some products. Statistics were therefore consulted (see methodology) to be able to reach a knowledge-based consensus. The big gap between actual habits and the groups' estimations initially prompted incredulous reactions among them. But discussions made it possible to justify these gaps between the average data corresponding to highly variable consumption habits and an expressed need corresponding to the need for each person to be able to use a product as often as recommended by healthcare professionals (e.g.: how often toothbrushes should be replaced). In the end, the groups often opted for an average between the statistics and the groups' estimations: "it's pointless setting a budget for them to change their toothbrush ten times if that's not what they do".

This discrepancy was also mentioned in terms of how often it was deemed necessary to be able to wear perfume and makeup.

Regarding perfume, major differences were found after the discussion and validation groups:

- the groups of working people usually felt it was necessary to be able to put perfume on every day, which corresponded to 2 bottles of perfume a year.
- lone-parent families and pensioners, meanwhile, felt that one bottle was enough: "she treats herself once a year. She puts on perfume when she goes out. For everyday wear, she puts on a deodorant that smells nice."
- the very need for perfume was even challenged by some participants, who said that "it's not essential", and it was even inadvisable to wear perfume for some professions ("no fragrance – in my job I get messy, if I start putting perfume on in the morning, it won't do").

Since the final negotiation groups sought to iron out the differences in needs insofar as they were not really justified by the groups, one bottle of perfume per year was decided on in all of the adult groups, to take account of a diversity of habits with the aim of estimating an average need ("it depends on what you do. If we assume that everyone works in a bank, then ok"), all the while guaranteeing that individuals who wished to put perfume on, could, and accounting for the fact that perfume is often given as a present: "we often get given perfume as a present".

Regarding makeup, the need to be able to wear makeup every day initially gave rise to a high number of makeup products (lipstick, mascara, eye liner, eye shadow, foundation, nail varnish,
makeup remover), replaced twice a year. According to the same principle as perfume, one set of makeup was ultimately settled on as sufficient: “two a year is a lot for a woman”.

NB: cosmetics are usually purchased in specialist stores.

Hair and bodycare services were also included in this category of needs, which provides for:

- the possibility of going to the hairdresser’s once every two months for adults and children over 11 years old; the minimum hairdresser’s rate for set by the groups (15 or 20 euros for males and 30 euros for females), who also factored in the possibility of colouring hair at home (7 euros per product, every 6 weeks).
- one session with a beautician per year for females, for their well-being. How often these sessions were required was discussed at length: some women considered it necessary to go to a beautician once every two months, while others felt this was simply a “treat”, that “they can do without” or that “it’s a gift” and “she can apply her own treatments at home”. One session per year was eventually settled on, for “It does you good” and “if it’s once a year, that’s ok”.

Lastly, a small first-aid kit was included for minor wounds and ailments (compresses, dressings, disinfectant, Calpol, etc.).

Some specific needs for children were also identified. These included:

- for 0-2 year olds: nappies, wipes, liniment, suncream, nasal aspirator,
- for 15-17 year olds: contraception/STD prevention.

In the end, the overall basket corresponding to “toiletries & personal care” is as follows:

<table>
<thead>
<tr>
<th>Figure 18 - Contents under the Toiletries &amp; Personal care item</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>category</strong></td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>Toiletries</td>
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<td></td>
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<tr>
<td>Beauty</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Well-being</td>
</tr>
</tbody>
</table>

Source: focus groups

5 Household equipment

Reminder: the needs relating to the "equipment" item were defined by going through the different rooms in the home in turn:

- living room/dining room,
- kitchen,
- bedroom(s),
- bathroom.

**Lights** (low-energy bulbs) were provided for in all the rooms, as well as net curtains to protect privacy inside the home. Blackout curtains were also included in the budget to shut light out of bedrooms (in case there are no shutters or there is an outside street light for example).

A **decoration** budget was also set for the whole home, since all the groups set great store by the need to live in a nicely decorated place, both for personal self-esteem and for guests. Decoration is thus specified for all case studies, including frames at the very least (for photos, posters, painting reproductions or other). The budget corresponding to frames can be spent on other decorative items (e.g.: a green plant).

As a general rule, the discussion groups agreed on an **average quality** of equipment corresponding to medium-range/medium-priced products bought in:

- specialist stores: IKEA/Conforama/But (for furniture), Leroy Merlin/Darty (for household goods and electronic equipment),
- supermarkets for accessories (particularly light bulbs).

For this item, the discussions focused mainly on the **amortisation period**, which required looking a fairly long way into the future and proved particularly complicated:

- the youngest participants do not have much hindsight or experience to judge,
- and elderly people, on the contrary, find it hard to imagine having to replace their furniture. They often feel they will be able to keep their equipment "for life".

*NB: with the facilitators’ explanations involving asking the groups to consider that each good can reach the end of its service life at any time (based on its purchase date) – without assuming that you have to "start again from scratch" for all that – these difficulties were generally cleared up.*

Furthermore, a certain number of participants factored in the **notion of heritage** corresponding to legacies or donations ("chairs might be family chairs"), or wedding presents (for crockery especially), which is difficult to take into account insofar as it is difficult to assume that everyone is able to benefit from this type of inter-family transfer.

### 5.1 Living room/dining room

The living room/dining room primarily comprises two categories of goods:

- furniture/storage furniture;
- electronic/computer/telephone/internet equipment.

Concerning **furniture**, the focus groups defined a core basis of needs corresponding to both the household's everyday needs and the need to be able to have family or friends round at a minimum:

- the dining room table is thus intended for eating day-to-day meals, but guests can also be accommodated around it (thanks to an extension),
- chairs can be used both for sitting at the meal table and as armchairs, arranged around the sofa,
- the sofa is a sofa bed "for having friends over",
- the coffee table was debated, but kept in all of the groups insofar as it fulfils a double functional and social purpose "for putting magazines, eating in front of the telly, having guests over";
- storage furniture (bookshelves and/or TV storage combination and/or dresser) incorporates the need to be able to "hide things" behind a closed section.

Major differences arose within the groups between working people and pensioners in terms of service life – which was much longer for pensioners who made less intensive use of such goods. For example:

- working people have a sofa of a higher standard to be able to "have guests over in decent conditions", but one which does not last as long as "it is used a lot", particularly, for working people with children, in view of the wear caused by children jumping about on it and getting it dirty. Indeed, all working people with children opted for a leather sofa which is easier to clean.
- More generally, pensioners also kept their storage furniture longer (30 years) than working people (8 to 10 years).

Additional furniture was also taken on board for 0-2 year olds:
- one table and one chair for their size,
- one highchair, essential for mealtimes,
- one booster seat, which is safer than just a cushion.

Concerning **electronic, computer and telephone/internet access equipment**, all of the groups agreed that having contact with the outside world from one’s home was a necessity:

- a television,
- a computer with Internet connection,
- a landline,
- a mobile phone,
- Internet/telephone subscription.

The need for a television was confirmed by all of the groups as a way to relax, "to take your mind off things".

**A computer** was considered "essential" by all households (including pensioners) because of the myriad functions that can now be done using it, including:

- doing administrative tasks and accessing services,
- keeping in touch with what's going on, so as not to be "cut off from everyone else", as well as to access culture,
- job hunting,
- listening to music (the computer included in the budgets needs to have in-built stereo speakers, but separate loud speakers were not adopted, except for the children's computer)

Some participants mentioned that a computer could be used as a television and computer, but most participants nevertheless agreed to keep a separate television, to be able to "watch things" together as a family.

A computer was also considered useful for children, "to be able to show them a minimum of things". As such, a computer was included for children aged 11 and over, for having your own computer is
important for being independent and "not being excluded", "staying in touch more cheaply". It's a "key tool for being sociable". What's more, once pupils begin at secondary school they are often asked to look things up online for their homework. That said, two children aged 11-14 and 15-17 can share one computer between them: whilst a whole family having to share one computer can lead to bickering, one computer per person might be considered unnecessary. Since parents do not use the family computer constantly, it was not considered necessary to have one computer per child over the age of 11.

A printer was not included in the basket, even if it could be considered important by some participants for "job hunting, carrying out administrative tasks". However, it was agreed that it is now possible to apply for jobs by email, or to be able to do the essential online, and, moreover, it was considered entirely possible to print documents out elsewhere, with a memory stick. A memory stick is often not paid for oneself and, if it is, its amortised price over the whole of its service life is not significant. As a result it has not been included in the budget.⁶³

That said, a games console was factored in for children over 11 years old, insofar as it is considered to be a social activity – talking about it with school friends or inviting friends round to "play computer games". Although some groups did not consider a games console to be essential insofar as a computer can be used to play similar games, the console was kept in the end insofar as one computer was included for two children. If there is only one 11-14 year-old child in a household, s/he can therefore have a computer and a games console.

The groups also felt it was necessary to have one landline in each household (to be able to talk to people for less, since landlines are now included in internet subscriptions) and one mobile phone for each member of the household (including children aged 11 and over).

All of the households also have an all-inclusive Internet subscription (landline, Internet, television), as this was considered more economical. No specific subscription is necessary for the television for 3-10 year olds, since all the groups have a box for accessing cable TV with cartoon channels.

Every adult has a basic mobile phone, while teenagers have a smartphone for going online, listening to music, taking photos or videos. The mobile phone subscription includes unlimited texts and 2 hours of talking time to stay in touch with friends and family. Teenagers also need to have headphones for listening to music, but this was considered a fashion accessory (and therefore a slightly more expensive model than the basic model).

Overall, the living room comprises the following items:

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⁶³The cost of printing out documents outside the home – the frequency of which was not precisely defined by the groups (tends to be seldom in principle) – was not included in the budgets either.
5.2 **Kitchen**

The kitchen includes the following:

- furniture: storage furniture, a table and chairs for quick bites,
- household appliances (all of the equipment was discussed): gas cooker, fridge, microwave, washing machine
- crockery for eating as a family and having guests round,
- kitchen utensils,
- cleaning materials.

The furniture includes storage furniture for crockery and utensils. The groups felt that a mid-range IKEA-type kitchen was enough, if it could be replaced after 10 years. **A table and chairs** were also included to be able to eat breakfast or quick bites at mealtime. This concerns fairly cheap furniture amortised over a relatively long period of time (10 years).

**NB:** **single mothers with a child nevertheless felt that breakfast could be eaten at the worktop, given that there is "nothing indecent about having one set of table and chairs". This corresponds to a potential self-deprivation effect associated with an often more precarious financial situation experienced by these households, and to the exercise of picturing oneself in the shoes of the case-studies. This difference in expressed need only had a limited impact on the budget, however (1 euro).**

In terms of **large household appliances**, the groups primarily opted for a fridge, gas cooker and washing machine (a dishwasher and tumble dryer were excluded).

The discussion groups were unanimous in choosing a **combined fridge-freezer**, since the freezer can be used to keep food for longer, thus helping working households to save time, and benefit from special offers.

All of the groups chose a mid-range **gas cooker** to be replaced after 15 years for working people with no children and 5 years for working people with children because it is used more intensively and often in their case. Pensioners opted for a better quality gas cooker than working people (but with a 15-year service life). An alternative (for the same budget) involved pensioners buying a mini-oven and separate boiling rings (service life 7-8 years).
In all the groups, a **washing machine** was deemed essential for not having to go to a laundrette – particularly as "**this isn't in your home**", it can be in poor condition and needs a mode of transport. Single mothers with children selected a higher standard: justified by the fact that the washing machine is used once a day on average when there are children in the household, and that the spin cycle needs to be powerful if a tumble dryer is not going to be bought, and the household has to make do with a clothes horse (a tumble dryer is not included in the basket, see below). This argument was not raised particularly by couples with children, which is perhaps linked to the high number of household tasks a single mother with a child has to do. That said, the service life is not as long in this case (5 to 6 years versus 10 years for brand name washing machines) which considerably limits the budgetary impact of the choice of a brand machine (1.65 euro). The groups were not unanimous about the need for a **tumble dryer** however. Single mothers with children included it during the first discussion groups "if she works, has 2 children and lives in an apartment". But during the validation stage, none of the groups decided it was necessary, as they considered a clothes horse to be sufficient as long as there was enough space to hang out the washing – an assumption that appears realistic enough.

**Dishwashers** were discussed at length, but the final decision was not to include one in the budget. They seem to lie at an invisible boundary point which some discussion groups deemed: "**a luxury but an essential one**". Because a consensus could not be reached in the discussion groups, with half of them having included a dishwasher, it was discussed again during the validation groups and excluded, except for couples with children. In the end, the final negotiation groups felt that, for households with five or fewer members, a dishwasher was more of a luxury than a necessity insofar as it is possible to wash dishes by hand and that, as children get older, they can help out with the household chores: "**they're the ones who do it, the washing up.**"

As for **small household appliances**, a **microwave** swiftly drew unanimous agreement. Despite some debate within groups who initially saw a microwave as a gadget, it was ultimately considered a real timesaver for working people ("**When you work, you reheat food as it takes less time**") and pensioners alike (to reheat meals that are delivered to your door when you’re unwell), as well as young children who can thus prepare their own meals. The microwave is also considered to be a standard piece of equipment, enabling households to be like everyone else, insofar as "**everyone has one**".

The budget also includes a **coffee machine** (this was sometimes overlooked initially, but systematically reincorporated in the basket, unlike a kettle which can be replaced with a simple saucepan or microwave), and a **food processor**. The quality of the food processor was discussed at length in the discussion groups. Some of the working people groups had opted for a top-of-the-range "Magimix" type processor, which makes quality cooking easy: working people chose a multifunctional food processor. But this model was criticised by the following groups who went for a multifunctional food processor "**for the pride of doing things yourself, and making savings by doing it yourself**", even if it was sometimes considered "**too expensive**" and "**too complicated**" ... Pensioners, for their part, opted for a simple hand blender for making soup, as they felt that a food processor was not essential.\(^{64}\)

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\(^{64}\) Toasters were sometimes mentioned but did not make the cut in the end.
NB: regarding the quality of household appliances, all of the discussion groups opted for low-range or mid-range products bought either in supermarkets (Carrefour, Cora) or specialist superstores (Darty, Boulanger). The service lives are uniform: ten or so years for such large equipment as fridges or gas cookers. Extended warrantees were discussed but not considered necessary.

Regarding crockery, 1 or 2 complete sets of crockery (6 deep plates, 6 flat plates, 6 bowls, 6 cutlery sets, 6 water glasses and 6 wine glasses) are included depending on whether or not there are children in the household. The second set was sometimes estimated as being of better quality initially, for having guests over, but it was ultimately agreed that, in this case, the set was usually given as a wedding present and, if not, a set of the same quality as the first would suffice. The second set of crockery is therefore of the same quality as the first. For 0-2 year-old infants, specific crockery is provided for: a washable plastic bib with crumb catcher that can washed every day, a sippy cup, 4 feeding bottles, dummies, plates, cups and bowls all in plastic.

In terms of kitchen utensils, the minimum is provided for: salad bowls, oven dishes, saucepans, frying pans, cake tins, a pressure cooker and Tupperware boxes for storing food. The following are also included (except for lone-parent families): coffee cups, bowls, serving plates and such cooking utensils as ladles, spatulas – wooden so as not to scratch saucepans or frying pans – chopping boards, whisks, peelers, tin openers and a sieve. Pensioners also felt it was necessary to have a raclette set, dip bowls, a saltcellar and a pepper shaker as well as a jug. The service lives were not uniform for crockery across the groups. Pensioners also provided for an electric knife for slicing meat, as well as a radio for being able to cook to background noise and take your mind off things – some people living alone going as far as saying "otherwise you'll shoot yourself".

To enable households to keep their home clean, the basket includes cleaning accessories and products.

Cleaning accessories encompass a vacuum cleaner, an iron and ironing board, a broom, a scrubbing brush, a floor cloth, a bucket and a toilet brush, sometimes with a shovel and pan in addition. The scrubbing brush and floor cloth are sometimes replaced with a mop, but the budget stays the same overall. Tea towels and sponges are also included.

Regarding cleaning products, the following are provided for: products for cleaning the floor and windows (sometimes replaced with a single multi-surface product), washing up liquid and bleach for the bathroom. The washing machine budget was estimated by some discussion groups on the basis of 2 washes a week for an adult, and 3 washes a week for a child. Stain remover is taken into account for 0-2 year-old infants.

NB: this item also includes washing bedding (duvet, pillows) once a year and dry cleaning clothes: 1 dry cleaning trip a year for pensioners and 2 for working people, as they may use their suits and other smart outfits more often because of work; and 1 shoe-repair trip for working women (since "shoe repairs are expensive. Getting heels repaired sometimes costs the same as buying a new pair") and 2 per person for pensioners. Each household also has a tub of wax.

To sum up, the kitchen comprises the following items:
### 5.3 Bedroom

The bedroom is designed for 3 main functions:

- ensuring a good night’s sleep,
- tidying away clothes,
- putting out clothes before going to bed for the next day.

#### For adults

The bed comprises a mattress and a slatted bed base that are kept for 15 years (the bed frame was not considered necessary in the end). A good quality mattress is necessary for ensuring a good night’s sleep for working people. It is of even better quality for pensioners, for it is not advised to "scrimp on the mattress", in the possible event of back problems. The mattress is kept for 10 years for working people with children and pensioners. During the final negotiation stage, working people with no children decided, unlike the others, that couples wore down their mattress more quickly: it is therefore kept for 10 years for working single people, but only 7 years for working couples.

Adult bed linen comprises:

- 2 duvets for 10 years, to be able to have a spare when one is being washed, and have a warmer one in the winter,
- 3 or 4 standard pillows for 5 years (to be able to have people over to stay).\(^\text{65}\)

\(^{65}\)Some groups had provided for higher-standard pillows to avoid neck problems. Since this argument was not raised in the other groups, the research team chose to go with standard pillows for all households.
Concerning sheets, duvet and pillow cases, they are bought in supermarkets (cheapest or mid-range).

- 2-3 fitted sheets + duvet cases for 10 years,
- and 4 pillow cases for 10 years.

To put out and tidy away clothes, the bedroom has a wardrobe which lasts 15 years, and chairs. Couples have a chest of drawers in addition to the wardrobe because "when you live alone, the wardrobe is enough," but for a couple "you won’t fit everything into the wardrobe".

Lastly, a bedside table (2 for couples) is useful for putting a bedside light, your mobile phone, perhaps some books and a radio alarm clock (even if you can use your mobile as a radio alarm clock, it was considered preferable to turn it off at night to avoid exposure to "waves")

In the guest room in pensioners' homes there are two single beds, with a cheaper quality mattress as it is not used every day, as well as bedside tables and bed linen.

For children

For 0 to 2 year-old infants, the bedroom comprises

- a cot with a foam mattress, which is sufficient at this age given their weight and the length of use;
- a changing table which is also used for storage,
- a wardrobe,
- a play area comprising: a playpen (so you don’t have to keep a constant eye on little ones and can get on with other household chores in particular), a playmat, a plastic crate for tidying toys away, a small table and stool.

NB: the groups included a certain number of purchases that were made second-hand, or new but which were then sold on (half-price in both cases), for goods intended for 0-2 year-old infants with limited period of use (cot and changing table).

From age 3, the bedroom comprises:

- one single bed with a bed frame, slatted bed base, sprung mattress and, for 3-10 year olds, a step stool because of their height to be able to access furniture in the house (crockery, bathroom, etc.) and be independent,
- bed linen:
  - 1 duvet and 1 pillow for 10 years,
  - 4 fitted sheets for 3-14 year olds, and 6 for older children (for around 5 years),
  - 3 plain duvet covers for 5 years and 1 patterned cover for 3 years for 3-14 year-olds, and 3 plain covers for older children
  - 3 pillow cases for 5/6 years,

NB: 15-17 year-olds tend to have a bolster pillow as they progress to a double bed, and 2 duvets for 10 years instead of 1 for 15 years (1 for the summer and 1 for the winter). 1 pillow lasts 3/5 years.

- a bedside table and an alarm clock.
- a music system for children who do not have a computer (under 11 year olds) or speakers to plug into their smartphone or computer over the age of 11
- storage furniture/shelving.
From 11 years old, the child's bedroom also includes:
- a desk with storage drawers, a desk lamp and a comfortable desk chair to avoid getting backache
- the alarm clock can now be substituted with a mobile phone, since the groups reckoned this corresponded to what young people do today, without the argument of waves (which should be kept) being mentioned.

For 15-17 year-old children, the bedroom also includes:
- a bookshelf
- the single bed has been replaced with a double bed, with a double bed considered necessary from the age of 14.

*NB: spare bedding (blow-up mattress) is included for all children to enable them to have friends over to stay.*

To sum up, the bedroom mainly comprises the following:

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>Bed: mattress + slatted bed base</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bed linen</td>
</tr>
<tr>
<td></td>
<td>Bedside table(s)</td>
</tr>
<tr>
<td></td>
<td>Chair(s) or valet stand</td>
</tr>
<tr>
<td></td>
<td>Wardrobe (+ chest of drawers for couples)</td>
</tr>
</tbody>
</table>

*Source: focus groups*

### 5.4 Bathroom

The bathroom is expected to include *storage furniture* with, in particular, a bathroom cabinet with mirror door and under-basin cupboard to put bathroom linen away. This furniture is of medium quality and, as they are intended for the bathroom, their service life is the same as the living room furniture (around 10 years for working people and 30 years for pensioners)

Bathroom linen includes: towels, flannels and bath mat. The groups could not reach an agreement on the quantities or service lives through their discussions, but orders of magnitude (in the same way as for the bed linen) remain relatively similar for all that:
- service lives ranging from 3 to 5 years,
- individual quantities also varied (from 6 flannels for 5 years for a single person to 2 flannels per person for 3 years for couples).

To dry towels and flannels being used and keep them to hand, a towel rail and pegs are included.

Also included are simple plastic laundry basket and bin designs with a very long service life.

For the shower, the groups factored in a shower head and flexible hose as well as a plastic curtain (a door was mentioned but then dismissed).

A toothbrush mug and a soap dish are also included.
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NB: pensioners also included a plastic stool and non-slip bath tub mat to limit risks of falling; a magnifying mirror for women to put makeup on, and a toiletry bag. For 0-2 year olds, bath toys and a non-slip bath tub mat for safety are also included.

Figure 22 - Bathroom equipment

<table>
<thead>
<tr>
<th></th>
<th>Bathoom cabinet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>Under-basin cupboard</td>
</tr>
<tr>
<td>Linen</td>
<td>Towels</td>
</tr>
<tr>
<td></td>
<td>Flannels</td>
</tr>
<tr>
<td>Accessories</td>
<td>Bin</td>
</tr>
<tr>
<td></td>
<td>Laundry basket</td>
</tr>
<tr>
<td></td>
<td>Mirror</td>
</tr>
<tr>
<td></td>
<td>Tower rail</td>
</tr>
</tbody>
</table>

Source: focus groups

6 Transport

The transport item involved examining the different needs in terms of getting about, which resulted in the inclusion of:

- a car and related expenditure (fuel, insurance, repairs, MOT, parking),
- a bicycle and associated equipment for adults and children,
- and a public transport budget.

Most of the discussion groups agreed on the need for a car for four main reasons:

- weekly food shop at the supermarket, since home deliveries are expensive,
- work (if a long way from the town centre),
- recreation and outings (including with children),
- holidays.

A car seems to be of particular importance for social life, particularly to stay in touch with friends (for working people in particular) and grandchildren (for pensioners), without having to "depend" on public transport (the notion of independence has been used on several occasions by the groups): "to get to friends' houses more easily without having to change bus 3 times". The type of vehicle was described in a fair amount of detail. All of the groups chose a Renault Clio type vehicle, bought second-hand, except for couples with children who said a family vehicle was necessary because of the size of household – bought second-hand for 10,000 euros. The research team therefore opted for the Estate version of the Renault Megane, which corresponds to one of the vehicles currently available on the market (www.autoscout24.fr, www.lacentrale.fr) that meet the characteristics in terms of price and range raised by the groups. For children, a car seat is included for 0-2 year olds, and a booster seat for 3-11 year olds (compulsory up to the age of 7).

NB: some groups mentioned the need for two cars, particularly when both members of the couple work shifts and/or in an area that cannot be got to by public transport. In the end the validation
groups only accepted one vehicle, insofar as this need appears to be relatively occasional in principle, and can be met through cycling/car-sharing solutions.\textsuperscript{66}

A seasonal pass for public transport has also been included for adults who do not have a car, and for children aged 3 and over. A dozen or so tickets per month have also been included for pensioners, for the member of the couple who does not have a seasonal pass, for times when they might feel tired when out walking in particular.

For all adults and children over the age of 3, the groups also included a second-hand bike for 10 years which, even if this does not constitute "a vital need", is considered important to be able to "go out and about" alone or as a family (for 0-2 year-olds, a child bike seat and a helmet are included for this purpose), pop down to a local shop or to replace the car for the adult who is not using it. For children over the age of 3, a bike is seen as the main means of locomotion to become more independent, and replaces the scooter for older children. For 3-10 year-old children, two bikes are necessary: one bike for 3-5 year olds and one bike from age 5 and over, to go to school. The public transport pass only begins at age 5, as children younger than that can travel for free: the seasonal pass therefore needs renewing six times over an eight-year period.

When going away with children under 3 years old, a travel cot and change bag are also necessary (especially if staying over at friends' houses), as well as a buggy.

\textit{NB: the groups included a certain number of second-hand goods or goods that would be sold on (half price) for use by children for a limited period; these correspond to accessories for 0-2 year olds (car seat, buggy, booster seat, travel cot) and the bike for 3-5 year olds.}

To sum up, the transport item comprises the following goods and services:

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
\textbf{Car} & \textbf{Vehicle} \\
& Fuel \\
& MOT \\
& Repairs \\
& Parking \\
\hline
\textbf{Bicycle} & \textbf{Bicycle} \\
& Equipment \\
\hline
\textbf{Public transport} & \textbf{Seasonal pass} \\
\hline
\end{tabular}
\caption{Items included in the transport budget}
\end{table}

\begin{flushleft}
Source: focus groups
\end{flushleft}

7\textbf{ Social life}

As we saw earlier, participation in social life is taken on board in several categories of need, whether telephone/computer equipment, furniture, clothing or cosmetics. A certain number of activities and needs specific to "recreation", termed under the social life item, were deemed necessary by the groups, however. This mainly concerns:

\textsuperscript{66}According to the ADEME (ADEME, Représentations sociales de l’effet de serre, 2011-2013), car sharing is becoming increasingly common: in 2014, 20% of the population said they had already made use of a car sharing solution – 3 points more in the space of 2 years.
- holidays,
- cultural and sports activities,
- eating out and invitations,
- presents.

### 7.1 Holidays

All of the groups felt it was necessary to be able to go on holiday: "you can't take away the holiday" – to "unwind", "be like everyone else", "do something different", or "switch off from the usual".

How long holidays should last was discussed and gave rise to the following three options:

- either 2 weeks of holiday (for working people with children), as "one week isn't long enough to unwind, to get into holiday mode",
- or 1 week and 1 long weekend for other working people
- or 1 week for pensioners.

The first two options are deemed equivalent for the groups in terms of benefit and cost.

The type of holiday was also discussed at length, whether in terms of the destination (seaside, mountains, countryside or even a trip abroad for pensioners) or type of accommodation (cottage, camp site or hotel for weekends). Some pensioners talked of being able to stay with their family, but this option was not adopted as a realistic solution for everyone.

After some price searches, the research team submitted a range of options to the groups to define an average budget that covers the various possibilities raised – which vary in price. The groups opted for the hypothesis of a self-catering cottage ("gîte"), with the possibility of going to different places (seaside, mountain or countryside). The number of rooms and therefore the rental cost are higher for working households with children than for working households without children. It is less for single pensioners, who thought that "when you're alone, you don't try and go away on your own – you try and go away with other people."

Each adult and child also has an "extras" budget for doing other things (activities, ice cream, restaurant, etc.), given that regular outings are also factored in. This "extras" budget is necessary to "feel a difference between being on holiday and the usual day-to-day". Based on activities described by the discussion groups (e.g.: visiting a fort, going for a boat ride, hiring a bike, buying souvenirs at the market and so on), the research team estimated a budget of 40 euros per adult per week, which was validated by the final negotiation groups. The same budget was assigned to children, except for 0-2 year olds (since most activities are free for this age group), who have a budget of 5 euros per week, which will pay for a couple of ice creams.

*NB: the mobile phone can be used as a camera, according to some groups.*

### 7.2 Cultural and sports activities and outings

For each adult, this budget provides for cultural or recreational outings for relaxation (once a month for working people and once a week for pensioners). In the same way as for holidays, an overall budget was discussed by the groups to be able to cover a range of possible activities (restaurant, cinema, night club or other types of refreshment & dance venues such as a "guinguette", theatre, museum and so on), which varies depending on the household type:
- for working people with children, this budget is 25 euros per outing
- it is 15 euros per outing for working people with no children and pensioners, who try to vary their outings so as to limit expenditure: “there comes a point when I don’t think the only outing is to the cinema and a restaurant. But you can also get on the tram and go and have a half-pint, an ice cream, and there you go, you’ve been out.”

Given this difference (which does not seem to be fully justified), the research team chose to settle on an amount that corresponds to the average of 2 budgets for working people (20 euros).

NB: other outings can be organised, such as family walks, but because these do not cost anything, they have not been specifically included in the budget valuation.

### Babysitting

For working people with children under 14 years of age, these outings call for a monthly babysitting budget (4 hours a month) – even if the groups sometimes mentioned it was possible for some parents to leave their children in the care of family or friends. Nevertheless, this hypothesis was not accepted as it requires having family and friends living nearby who are available to look after children.

According to the parents’ groups, children must also be able to:

- go to the cinema from the age of 3 – at different intervals depending on age: 4 times a year for 3-10 year olds, 6 times a year for older children
- go on cultural or recreational outings that cost money, such as the zoo for 3-10 year olds or sports events for 11-14 year olds
- go to the restaurant from the age of 3: McDonald’s or other fast food 4 times a year for 3-10 year olds and 8 times a year for 11-14 year olds, “pizzeria or Chinese” 6 times a year for 15-17 year olds (not as often, but more expensive). The monthly restaurant budget thus increases with age (5.30 euros for 3-10 year olds, 5.70 euros for 11-14 year olds, 10 euros for 15-17 year olds).\(^{67}\)

Moreover, a **weekly sports or cultural activity** is included, costing an estimated 250 euros (100 euros for gear and 150 euros for membership) a year for working adults and children over the age of 11 (140 euros for 3-10 year olds, corresponding to a 100-euro membership and 40 euros worth of gear), after several discussions on the cost of the membership and gear depending on activity; the most commonly played sports (football and rugby) were selected as average points of reference. Pensioners agreed on a smaller budget, of 100 euros a year, which corresponds more to cultural or "personal development" activities.

Access to cultural products (CDs, DVDs, books and so on) is also taken on board through an annual library membership for children and adults, which is usually free or very affordable (10.50 euros per year for adults in Tours) and a budget for subscribing to a magazine for working people and children over the age of 11 (or buying a daily newspaper for pensioners), and buying a cultural product every two months for couples with children and children over 11 years old.

\(^{67}\) NB: meals eaten out are deducted from the food budget insofar as they are considered to be part of a household’s social life.
Focus on pocket money

Some discussion groups also wanted to give pocket money to children – 20 euros a year for 11-14 year olds and 100 euros a year for 15-17 year olds – but this was then dismissed because the budget already factors in everything the children need: "if we pay for all that, there’s no need for extra money." Pocket money tended to be seen as a way of teaching children to take responsibility for managing their own budget, as long as they have deserved it.

The groups also felt that children should be able to have a range of toys:

- for 0-2 year olds: a spade and rake, educational books "for learning", a building game for "learning to stack, and mobility of arms and legs",
- for 11-14 year olds: games for console and a board game.

7.3 Inviting people over or being invited to other people’s homes

How often households invited people over or were invited to other people’s homes is relatively uniform (including with/without children) across the groups (once a month for each). However, the number of guests asked over varied widely between groups, and so the choice was made by the groups to select a minimum number of guests: 2 people.

All of the budgets allow for a present to be bought when the household is invited to someone else's house: "a dessert, a plant or a bottle of wine".

Special occasion meals have also been taken into account (Christmas, Easter and birthdays): for each special occasion, the household has a budget of 11 euros per person on average, excluding alcohol, estimated based on the dishes cited by the focus groups. Since the number of guests varied widely between the groups here again, an average of 4 guests for each household was selected by the groups. For working people with children, birthdays are included in a separate budget as the groups specified that they buy a cake (15 euros for each birthday).

For 3-10 year olds, an extra budget is included for organising a birthday party. This budget includes decoration, sweets and the cake (presents for guests were mentioned but swiftly dismissed). Activities are also factored in, such as a "fishing game". The child can invite at least 4 friends: "10 children is a lot – the 4 closest friends is enough". Presents are also included in the children's budgets for their friends when they are asked to birthday parties, except for 0-2 year olds, since they "don’t really have friends when they’re 2".

7.4 Presents

Comment on presents

The usefulness of a presents budget for children or the spouse was discussed in the final negotiation groups, which might be spent on items that have already been included: e.g. the mobile phone for children can be given as a present. It was kept for all that, as some groups had already taken it into account in the discussion, by opting for one bottle of perfume in a year in the assumption that a second would be given to them ("we often get given perfume as a present"). Presents mainly play a social role before fulfilling a particular purpose.
The groups felt it was essential to set a minimum presents budget in order to meet a social need aimed at staying on good terms with friends and family (but particularly with spouses and children).

Working people with children therefore gave 2 presents (birthday and Christmas):
- to the children,
- to the spouse for couples,
- to grandparents.

One present for a godchild or a work colleague/childhood friend has also been allowed.

The value of presents was discussed at length, and estimated to be at least 50 euros for spouses and children, which buys a bottle of perfume for women or a games console for children. For grandparents, the minimum amount was put at 25 euros.

The number of presents proved difficult to estimate on average for pensioners and working people with no children (where it depends less on children and spouses and more on the number of siblings or friends), so an overall budget was defined corresponding to an average of 12 presents at a value of:
- 20 euros for pensioners, or 240 euros a year,
- 25 euros for working people with no children, so 300 euros a year.

To sum up, the social life budget is made up of the following:

<table>
<thead>
<tr>
<th>Holidays</th>
<th>Rental</th>
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<tbody>
<tr>
<td></td>
<td>Extras</td>
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<tr>
<td>Recreation and cultural activities</td>
<td>Weekly activity</td>
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<td></td>
<td>Library membership</td>
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<tr>
<td></td>
<td>Invitations</td>
</tr>
</tbody>
</table>

Source: focus groups

8 Health

REMINDER: it is assumed that the individual case studies do not have any particular health problems.

The health budget entailed estimating the need for top-up health insurance first, before defining the type of cover needed and the level of co-payment.

Both of these items were entrusted to experts, given the discussion groups' difficulty in deciding on a particular top-up health insurance policy and on the type of health care that would result in co-payments: "I've got no idea, I don't know where to start – my mutual policy reimburses me but I don't know how much or what I'm left to pay".
Even if its need could be debated (since top-up health insurance was sometimes considered a "personal choice"), the groups were unanimous about the need for a mutual policy ("nowadays, doesn't matter how old you are, you need a mutual policy, who knows when you might have to go to hospital").

8.1 Top-up health insurance

The discussion groups were all in favour of a mutual policy:

- which reimburses eyecare and dental expenses (with, for example, reimbursement of one pair of prescription glasses or contact lenses every year, a dental prosthesis every 2 years, dental treatment once a year for adults, as well as frames and lenses for prescription glasses, and orthodontic treatment for children)
- but not necessarily appointment fees that exceed the standard rates, and therefore result in co-payments, for it is "easy to find a GP who charges standard rates", and, when necessary, it is possible to "ask for a quote and negotiate higher fees".

Since it is not easy to find such a mutual policy on the market, expert data was presented to the groups, who had to choose between three levels of mutual policy and validate or invalidate the co-payment that was submitted to them (see Section 2).

Overall, working couples without children agreed on the level 2 top-up health insurance, and working people with children as well as pensioners agreed on level 3.68

- Working people without children felt an intermediate level of top-up health insurance was enough, for "these are people who are still relatively young, and any major health problems are still a way off";
- Because of their age, pensioners demanded "good quality cover that pays for hospitalisation, and correctly reimburses the high costs of prescription glasses and hearing aids," since they felt that reimbursement of treatment (hospitalisation in a private room, surgery, medical transport, prescription glasses, dental care, hearing aids, etc.) was "necessary to limit dependence". The participants were even prepared to cut back on other items so as not to have to scrimp on health: "health is vital – it matters more than how we look".
- Working people with children also opted for the level 3 top-up health insurance because of the children – even if level 2 initially seemed sufficient, for "you can get prescription glasses that don't cost too much for children". However, level 3 proved necessary once dental costs had been taken into account. The following were mentioned in particular:
  o ophthalmologist, dermatologist and dentist for 0-2 year olds,
  o physiotherapist and speech therapist for 3-10 year olds,
  o orthodontist for teenagers (11-17 year olds).

8.2 Co-payment

The level of co-payment suggested (20 euros per person, per month, see Section 2) was validated overall, even if it was sometimes considered too low in view of the number of medicinal products that were not reimbursed ("when you put all the medicines that are not reimbursed together – like cough medicine – it all adds up") and the flat rate part (the "1 euro that they tax every time").

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68 DREES 2011 survey on top-up health insurance companies.
For 15-17 year olds, the co-payment was considered insufficient, however, and the groups increased the co-payment to 30 euros a month because of orthodontic and acne treatment in particular.

9 Bank services and insurance

For adults, the groups did not always bring up the subject of bank services without prompting. But the needs mentioned by some groups (a pack including a basic visa card and insurance services) were passed on to other groups who validated them – for adults only.

As for 15-17 year olds, they have a cash withdrawal card without overdraft authorisation, particularly in the event that they have earnings of their own, since "17 year olds often have evening or weekend jobs". However, 11-14 year olds are too young to have their own bank services as "they don't know how to manage them".

Focus on savings

The groups often came back to the question of savings as this is seen as "a decent way of living to plan for the future". But, the monthly budget taking all of the needs into account includes those requiring investment insofar as all lasting needs are amortised over their average period of use, and this therefore already factors in a possible appliance breakdown before the end of its service life, insofar as this is an average incorporating upward and downward variations. Some groups nonetheless deemed it necessary to set aside an extra budget “for a rainy day” (illness, death, car accident, etc.), and therefore for unexpected events that have not been taken into account in the budgets, insofar as it appears very difficult to define in theory how much you need to set aside for something that is, by its very nature, unpredictable. The budget is therefore calculated excluding "imponderables".

NB: savings for buying property and for pensions were not mentioned by the groups and were not included in the baskets of goods.

School insurance was also factored in for children over the age of 3, even if some groups thought that home insurance was enough.

NB: home and car insurance policies are included in the corresponding items.

10 Children's specific needs

10.1 School life

School life incurs specific outgoings that have been taken on board in the budget. These particularly concern the costs of:

- school trips on the one hand,
- school supplies on the other.

- School trips

According to the groups, each child over the age of 3 needs to be able to go on school trips: once on a nature trip for 3-10 year olds and twice on language trips for 11-15 and 15-17 year olds.

No doubts were cast over the need to participate in school trips, since these were considered a must: "he has to be able to go, otherwise he feels totally embarrassed, grounded, the kid just doesn’t get it" and not going can seriously mark a child: "the one who doesn't go feels left out." The trip is
considered to be beneficial to children, helping them to "socialise amongst themselves", "to do something without their parents".

The price of these trips was discussed at length. In the end the groups put the cost of a language trip at 350 euros, plus 30 euros' pocket money and a present for the host family. The cost of the nature trip, however, varied widely, depending on the type of trip (ski trips are more expensive than other types of trip for example). The average was estimated from the different prices mentioned by the groups (so around 200 euros), which also corresponds to the prices that the research team found on the internet (parents' forums).

For 3-10 year olds, an annual school trip is also budgeted, including a contribution to the school cooperative (40 euros + 10 euros).

- **Supplies**

Because the groups did not bring up the question of school supplies on their own initiative, a supplies/stationery budget was presented to the groups for validation for children aged 6 and over (when they start primary school). This corresponded to the estimations of parent-teacher associations (see text boxes below):

- around 80 euros in primary school, corresponding to the cost of getting everything for the first year at primary school according to the Confédération syndicale des familles (French syndicalist confederation that protects the rights of families), for September 2013.

- 100 euros for secondary school and sixth-form college, which is in line with the figures presented by Familles de France in 2013.

<table>
<thead>
<tr>
<th><strong>Estimations of the back-to-school cost by parent-teacher associations</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Familles de France</strong></td>
</tr>
<tr>
<td>For thirty or so years now, Familles de France has been conducting an annual survey on the back-to-school cost in shops and online for a child starting secondary school (year 7). Voluntary members of &quot;Familles de France&quot; note down the price of back-to-school items in their respective town and in each sales outlet (hypermarket, supermarket, specialist store), according to a prepared standard list. This standard list comprised 45 school references in 2013, including: 17 stationery items (exercise books, folders, etc.), 25 classroom accessories (pencil case, satchel, calculator, etc.) and 3 items of sportswear (one pair of tracksuit trousers, one pair of sports shoes, one pair of shoes, and two pairs of socks).</td>
</tr>
<tr>
<td><strong>Confédération syndicale des familles</strong></td>
</tr>
<tr>
<td>For the past forty years, CSF has also been conducting a survey according to the following method: Every year, families affiliated to the CSF record the various outgoings incurred by schooling. Then, in mid-July/early August, the families return the lists of school supplies that have been bought for their children. Families and activists use a standard grid to help them to note down the prices in the shops. No consideration is given to the choice of articles or their quality, since families can choose according to their consumer habits. In August, the CSF team processes the prices noted down to assess the average cost of the various school years.</td>
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</tbody>
</table>

The budget also incorporates:

- a class photo for 3-10 year olds,
- a calculator for secondary school and another for sixth-form college,
- 3 dictionaries (1 in French and 2 foreign language) for children aged 11 and over,
kept for at least 7 years, until the children leave school.

NB: the possibility of 14-17 year olds being taken on as apprentices was mentioned by a final negotiation group: "at 14 they might do a stint as an apprentice. That costs money" (equipment and transport). However, since a salary is paid in return, it was considered that the apprenticeship would only incur minor additional expenses. It was not possible to look into this hypothesis in any detail as part of this study, and it was therefore not included in the budgets.

10.2 Childcare costs

Since this study is based on the hypothesis that working people must be able to look for or have a full-time job, the need for childcare has been taken into account for all households. Indeed, the groups saw childcare as a service not only enabling parents to have some free time, but also as a need for the child in terms of learning to be sociable. For this item, the children were differentiated depending on age.

- **Children under 3 years old**

  "Nursery" is the only item concerned for these children. The groups validated the hypothesis presented to them, according to which the child is looked after at nursery five days a week, ten and a half months a year, with the children being looked after by their parents for the 6 weeks of leave they can claim (including flexi-time off).

- **Children at infant school and primary school**

  For this age band, the hypothesis validated by the groups is that these children attend school and then after-school or holiday club every day of the week, all year round (except for 6 weeks when one or both parent(s) look after them) in order to enable their parents to have or look for a full-time job. The child is therefore looked after in the evening after school, on Wednesdays and during the school holidays.

  For childcare after school each day (there was no expressed need before 8.30 a.m.), after-school club was considered "better than getting a babysitter", as it is less expensive and means that the child can stay with his or her friends. The type of after-school care selected by the parents did not include assistance with homework, however. After-school club is taken on board on the basis of 36 school weeks per year, i.e. 140 days based on a four-day week.69

  On Wednesdays (for the 36 weeks of term time) and during school holidays (excluding the 6 weeks with parents, so 10 weeks a year or 50 days), the child attends holiday club, which enables them "to do activities, be with their friends, enjoy outings" according to the groups.

- **Children at secondary school and sixth-form college**

  Once the child goes to secondary school, childcare is no longer necessary. Help with homework is free, timetabled during school hours, and the child no longer goes to holiday club. As a result there is no specific budget for this age band.

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69An average of four bank holidays falling on a week day has been accounted for, excluding 14 July (Bastille Day) and 15 August (Assumption Day).
10.3 School canteen

So that parents can have a full-time job, the hypothesis validated by the groups is that the child eats at the canteen from the first year of school, on the basis of 36 four-day weeks a year for children in infant and primary school (i.e. 144 days a year), and 36 five-day weeks for children at secondary school and sixth-form college (i.e. 180 days a year).

11 General assessment

The total budget and item-by-item amounts were presented to the final negotiation groups to hear their reactions.

The validation groups felt overall that the defined basket corresponded to the objective of enabling a decent standard of living: "In absolute terms it's good that everyone has that", qualifying the basket as the "minimum ideal".

The final negotiation groups initially found the budgets to be high ("that can't be right") but, after inspecting the basket, they conceded that everything was necessary for leading a decent life and that nothing could be taken out if we genuinely wanted to stay true to the definition. The participants also often mentioned how difficult it was to estimate a monthly budget taking account of the amortisation of goods throughout their service life: "we don't realise that, over the month, that all adds up." Despite the Finance Minister's dilemma, the budgets were only trimmed slightly during the final negotiation stage. Comparing the baskets of the different household types according to three main categories (working people with no children, working people with children and pensioners) primarily resulted in a certain number of needs being harmonised that did not appear to be fully justified. Lone-parent families were the ones who gained from the "levelling-off" of budgets (since theirs increased by around 50 euros), and couples with children as well as working people without children lost out (their budgets fell by around 100 euros in both cases).

NB: long-lasting goods (such as equipment and the car) account for 15% of the budget, i.e. a significant proportion and, for working people with children, this makes up the 2nd largest expense item.

Since expenditure was often compared to income, or even a wage level (despite the facilitators' insistence that these expenses could be covered by a range of private and public, individual or collective sources of income), the expenditure amount was often considered to be high. Some participants situated their own level of expenditure/income below the total reference budget amount and pointed out that it was possible to have a decent standard of living on a smaller income, by making use of private solidarity: the role of associations was often highlighted, as was assistance provided locally by friends, colleagues or family members (babysitting, car-sharing, etc.). Other means were also mentioned as a way to cut back on expenses: second-hand purchases of furniture, timeless clothing to get round fashion that comes and goes, having a vegetable plot to grow your own fruit and vegetables for less, swapping or bartering and so on ... "there are ways to get by in the real world").

 Lastly, some groups were rather sharp in their reaction to the Finance Minister's dilemma by suggesting a cut in the Minister's salary for starters. Since all of the goods and services in the basket
were considered essential, the groups had another idea for funding these needs: reducing their cost by applying lower VAT on the goods making up this basket that correspond to basic needs: "This is a list of everything that is essential, and therefore which should be taxed at 5%".

The final negotiation groups felt overall that the housing budget had been slightly underestimated, since the rent in the private sector seemed 50 to 100 euros below the mark depending on the group. This reaction can be explained by the fact that the average rent in Tours – where the negotiation group meetings were held – is higher than in medium-sized towns with 100,000 to 200,000 inhabitants. Moreover, the groups also commented on the rent levels currently practised by estate agents, which do not correspond to the average rent paid by tenants who have sometimes lived in their rented property for several years and whose rent is less than properties that are currently to let. Since the aim of the decent minimum income is to be a representative budget for all tenants (old and new) in medium-sized towns, the research team decided to keep the rent amounts estimated on the basis of the INSEE Housing Survey at this stage. The budget may, however, be calculated without taking account of housing (using the calculator that will be uploaded at the end of the study) in order to lessen the impact of the housing item. The bills budget was also considered to be rather high, but this can stem from a difficulty with assessing all of the bills taken into account (energy, water, council tax, home insurance, TV licence, maintenance costs).

Reactions to the food budget were fairly mixed across all groups because of highly varying practices between households: for example, some eat meat twice a day, while others do not eat it every day, and this has a significant impact on the budget because of the chunk of the budget taken up by meat (40% of food budgets). That said, since the baskets of goods are meant to take average account of the diversity of needs, the budget was considered correct in the end.

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In this third chapter we have reported on the content of the basket of goods in detail and gone over the underlying reasons given by the focus groups. The next chapter sets out to present and analyse the resulting figures of the reference budgets after the basket valuation stage.
CHAPTER 4: THE OVERALL REFERENCE BUDGETS: RESULTS AND ANALYSES

This fourth chapter of the report presents the monthly reference budgets (factoring in the amortisation of the cost of goods and services based on how often they are replaced or used) and offers up a certain number of comparative analyses with French people's average expenditure, as well as between the different household types so as to estimate the male-female differences and the additional cost of an extra adult or child within each household.

1 Results and analyses for the different household types

1.1 Methodological foreword: comparison of reference budgets with French people’s average expenditure

In order to provide points of reference regarding French people’s average expenditure, data from the Family Budget survey conducted by INSEE in 2011, realigned on the national accounts, was consulted for each family configuration.

<table>
<thead>
<tr>
<th>The Family Budget survey realigned on the national accounts</th>
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<tbody>
<tr>
<td>The INSEE Family Budget survey is conducted every six years. Over a complete year it involves questioning a random sample with a uniform sampling rate of around 20,000 homes in mainland France, and 5,000 in French overseas départements. In the end, the number of households included in the survey is 10,000 for mainland France and 3,100 in French overseas départements.</td>
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<tr>
<td>The survey uses two collection tools:</td>
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<tr>
<td>- a questionnaire that records income over the past 12 months and significant or regular expenses, as well as sociodemographic information, housing characteristics and qualitative questions illustrating the household’s financial situation (computer-aided collection staggered over 3 visits);</td>
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<tr>
<td>- a self-completed log in which all of the household members aged over 14 note down their outgoings over a two-week period (by reporting them or by attaching receipts).</td>
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Because the Family Budget surveys are based on reporting, they tend to underestimate the level of consumption in comparison with the national accounts (with identical scope and concept): as such, total consumption is 18% less in the 2011 Family Budget.

The extent of underestimation varies from item to item: for example, the Alcohol/Tobacco item total is systematically around 40% less than the national accounts value. Another delicate item is health: in the survey, this covers "the outlay" in principle, i.e. the outstanding amount that the household has to pay, once the reimbursements that the household could have received have been accounted for. In practice, respondents find it very difficult to supply this information. Generally speaking, it is not known exactly how much is finally reimbursed in the amount that they report. On the other hand, other items are estimated better. This is the case of the main expenditure items Transport (-18% in 2011) and Housing (-4% in 2011)
As such, the Family Budget surveys are not the right sources for assessing consumption level. That said, they are the only sources enabling an assessment of the range of consumer habits between household categories. A simple solution for any shortcomings in these surveys is to realign the outgoings of each survey household on the national account levels.

To minimise the bias, this realignment is carried out at a fairly detailed level of the consumer item nomenclature.

For example: take item 95: Publishing, press, stationery. According to the national accounts, in 2011 the household expenditure on this item was 3 billion euros. According to the 2011 Family Budget survey, it was 9.9 billion euros. Each household involved in the survey will therefore see its expenditure on this item multiplied by the coefficient 13/9.9 = 1.31.

The hypothesis underlying the realignment is that, at the selected nomenclature level, the measurement error on the expenditure does not systematically depend on a given characteristic of the household.

By construction, the reference budget is immune to the collection bias of household surveys (when the survey forgets an expense, or incorrectly determines its nature, amount, frequency, etc.). In this case, rather than comparing it to the unprocessed data of Family Budget surveys, it should be compared to realigned data which represents the best possible estimation of the actual level.

Please note: because the Reference Budgets were valued in late 2013/early 2014, it may turn out that the data is not always comparable. Moreover, the data supplied by INSEE does not give the age of children, and as such the fields are not 100% comparable. In spite of this, the average expenditure for each household type is still a useful point of reference for situating the reference budgets.

The data has also been compared item by item. For that, some of the Family Budget survey's expenditure categories have been reassigned to bring them into line with the items being compared. However, it was decided not to delete the goods that are not contained in the reference budget basket of goods so as to take into account all expenses – including possible substitution effects between goods in the same category (e.g.: a person who chooses not to have a television but invests in a tablet instead).
Item reassignments on the Family Budget survey

- The "food" item has been reconstructed by adding the "Alcoholic drinks" item (C021) to the "Food products and non-alcoholic drinks" item (C01)
- The "Clothing" item has been obtained by adding the "Jewellery, clocks & watches and other personal belongings" item (C123) to the "Clothes & shoes" item (C03)
- The "Housing" item (C04) includes insurance associated with the home (C1252), paying off of mortgages (C132) as well as taxes pertaining to the main residence (C1311).
- The "Transport" item (C07) includes insurance (C1254).
- The "Household equipment" item corresponds to the "Furniture, household and everyday cleaning products" item (C05), in addition to:
  - Postal services, telephone purchases, telephone and Internet services (C081)
  - Television sets, computer equipment (items C0911 and C0913),
  - And repairs of such equipment (C0915).
- The "toiletries" item is based on the "personal care products and services" item (C121) and "pharmaceuticals, therapeutic equipment and devices" item (C061).
- The health item (top-up insurance and co-payment) is based on:
  - Health insurance (C1253),
  - Outpatient appointment services, inpatient care and services and other healthcare expenditure (C062 to C064).
- The "childcare" item has been obtained by adding social protection services (nanny, nursery, retirement home, care home: C123), to canteen costs (C1112).
- The "social and cultural life" item has been obtained by adding together:
  - restaurants and hotels (C11) excluding canteens (C1112),
  - games, toys and pastimes, outdoor pursuits and sports articles (C0931),
  - cultural, recreational and sports services (C0941 and C0942),
  - books, periodical magazines, stationery and drawing materials (C0951, C0952, C0954),
  - package holidays (C096),
  - "other leisure outgoings", including presents for another household (C0971), but which may also include trips away from home.
  - photographic and film equipment, optical instruments (item C0912),
  - recording equipment for image and sound (C0914),
  - "other significant durable goods in the spheres of leisure and culture" (item C092),
  - "other special occasion outgoings" (item C128),
  - school expenses (item C10) are also included in this section.

Some items in the Family Budget survey do not fall under any of the reference budget categories:
- other insurance: policies pertaining to life, death, an insurance pack, dependence, personal protection, animals and funerals (C1251, C1255),
- individuals' unspecified expenses outside of the home (C129),
- major renovation, loan paying-off, including consumer loans (C1312 to C1372),
- and other services (C127).

These items have nonetheless been factored into the total budget to give an overall indicator of total expenditure per household category.

1.2 Overall reference budget amounts (with and without housing cost) per household type and compared to average expenditure

The overall reference budget amounts per household type are initially presented in relation to the French population's average expenditure. For the record (see Chapter 4. 1.1), the average expenditure for each household type includes all households, irrespective of the number of children and housing situation (tenants and owner-occupiers).
The ratio between the reference budget and average expenditure of the French population varies widely depending on household. The main observations that can be made with respect to the results presented below are as follows:

- overall, the reference budgets are lower than the average expenditure of the French population;
- they are nonetheless similar in amount to the average expenditure of lone-parent families (around 90%), marked by a high proportion of low-income households,
- and, to a lesser extent, of pensioners (between 70 and 90%), characterised by a high proportion of owner-occupiers who have low housing expenses (see Figure 25 and Figure 26);
- for active couples without children, the reference budget represents about half of this type of household’s average expenditure, however;
- for the other working households (couples with children and single people), as well as pensioners who own their home, the reference budgets represent around 60 to 70% of the average expenditure of the corresponding households.

**Figure 25 - Comparison between the Reference Budget and average expenditure for public housing tenants**

<table>
<thead>
<tr>
<th></th>
<th>Lone-parent family*</th>
<th>Couple with children**</th>
<th>Working couple without children</th>
<th>Single person who works</th>
<th>Pensioner couple</th>
<th>Single pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference</strong></td>
<td>€2,599</td>
<td>€3,284</td>
<td>€1,985</td>
<td>€1,424</td>
<td>€2,188</td>
<td>€1,569</td>
</tr>
<tr>
<td><strong>budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>€3,000</td>
<td>€5,256</td>
<td>€4,028</td>
<td>€2,345</td>
<td>€3,049</td>
<td>€2,007</td>
</tr>
<tr>
<td><strong>expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>% of</strong></td>
<td>87%</td>
<td>62%</td>
<td>49%</td>
<td>61%</td>
<td>72%</td>
<td>78%</td>
</tr>
<tr>
<td><strong>average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sources:</strong></td>
<td>Reference budgets: focus groups, CREDOC 2013-2014 valuation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*One 0-2 year-old boy and one 3-10 year-old girl; ** One 11-14 year-old boy and one 15-17 year-old girl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 26 - Comparison between the Reference Budget and average expenditure for private housing tenants**

<table>
<thead>
<tr>
<th></th>
<th>Lone-parent family*</th>
<th>Couple with children**</th>
<th>Working couple without children</th>
<th>Single person who works</th>
<th>Pensioner couple</th>
<th>Single pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference</strong></td>
<td>€2,830</td>
<td>€3,515</td>
<td>€2,133</td>
<td>€1,571</td>
<td>€2,437</td>
<td>€1,816</td>
</tr>
<tr>
<td><strong>budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>€3,000</td>
<td>€5,256</td>
<td>€4,028</td>
<td>€2,345</td>
<td>€3,049</td>
<td>€2,007</td>
</tr>
<tr>
<td><strong>expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>% of</strong></td>
<td>94%</td>
<td>67%</td>
<td>53%</td>
<td>67%</td>
<td>80%</td>
<td>90%</td>
</tr>
<tr>
<td><strong>average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sources:</strong></td>
<td>Reference Budgets: focus groups, CREDOC 2013-2014 valuation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Concerning budgets from which housing has been excluded, so to even out this item which is characterised by high variations depending on the housing situation (public/private sector, tenant/owner-occupier, as well as according to location in terms of region and neighbourhood), the same phenomena can be observed overall, with a few differences:

- the reference budgets are also all lower than average expenditure,
- for lone-parent families: the reference budget is also similar to the total expenditure amount for this household type (around 80%);
- in working couples without children, as well as single working people, the reference budget is almost half what this household type's average expenditure is;
- the reference budget of couples with children and pensioners is around 60% of average expenditure.

**Figure 27 - Comparison between the Reference Budget and average expenditure for owner-occupiers**

<table>
<thead>
<tr>
<th></th>
<th>Pensioner couple</th>
<th>Single pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference budget</strong></td>
<td>€1,769</td>
<td>€1,150</td>
</tr>
<tr>
<td><strong>Average expenditure</strong></td>
<td>€3,049</td>
<td>€2,007</td>
</tr>
<tr>
<td><strong>% of average expenditure</strong></td>
<td>58%</td>
<td>57%</td>
</tr>
</tbody>
</table>

**Sources:**

- Reference Budgets: focus groups, CREDOC 2013-2014 valuation
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations

**One 0-2 year-old boy and one 3-10 year-old girl; ** One 11-14 year-old boy and one 15-17 year-old girl

**Figure 28 - Comparison between the Reference Budget and average expenditure of the French population, excluding housing**

<table>
<thead>
<tr>
<th></th>
<th>Lone-parent family*</th>
<th>Couple with children**</th>
<th>Working couple without children</th>
<th>Single person who works</th>
<th>Pensioner couple</th>
<th>Single pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference budget</strong></td>
<td>€1,918</td>
<td>€2,557</td>
<td>€1,474</td>
<td>€954</td>
<td>€1,560</td>
<td>€985</td>
</tr>
<tr>
<td><strong>Average expenditure</strong></td>
<td>€2,331</td>
<td>€4,304</td>
<td>€3,351</td>
<td>€1,836</td>
<td>€2,560</td>
<td>€1,583</td>
</tr>
<tr>
<td><strong>% of average expenditure</strong></td>
<td>82%</td>
<td>59%</td>
<td>44%</td>
<td>52%</td>
<td>61%</td>
<td>62%</td>
</tr>
</tbody>
</table>

**Sources:**

- Reference Budgets: focus groups, CREDOC 2013-2014 valuation
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations

*One 0-2 year-old boy and one 3-10 year-old girl; ** One 11-14 year-old boy and one 15-17 year-old girl
1.3 **Reference budgets presented in detail per household type, compared to average expenditure**

In order to analyse the weighting of each item in the reference budgets in more detail, a comparative item-by-item analysis has been performed in relation to the average expenditure of each household type. These comparisons show that some items in the reference budgets appear to be markedly higher than the average expenditure of the French population for some household types. These included:

- housing for tenants among pensioners (around +30% to +100%), as well as among lone-parent families (+35%) and single people (around +20%) in private housing (for both these types of working households);

- health for most households (+30% for pensioners, around +90% for working households with children), except working households without children, for whom this item is equivalent to average expenditure,

- childcare and canteen costs for lone-parent families (this case study comprised a single female with 2 children aged 0-2 and 3-11 year olds): +140% in relation to average expenditure for this household type (since the children’s age is not given in the Family Budget survey, the average expenditure for this precise family configuration is under-evaluated),

- clothing for working households with children and pensioner couples (around +30% to 40%).

On the other hand, the "equipment" and "social life" items of the reference budgets for working households are lower than the average expenditure (which is not case for pensioners).
**Figure 29 - Comparison of the reference budget and average expenditure, working households with children, tenants**

<table>
<thead>
<tr>
<th></th>
<th>Lone-parent family*</th>
<th>Couple with children**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reference budget</td>
<td>Average expenditure</td>
</tr>
<tr>
<td>Public housing</td>
<td>€690</td>
<td>€669</td>
</tr>
<tr>
<td>Private housing</td>
<td>€902</td>
<td>€669</td>
</tr>
<tr>
<td>Transport</td>
<td>€331</td>
<td>€402</td>
</tr>
<tr>
<td>Food</td>
<td>€375</td>
<td>€436</td>
</tr>
<tr>
<td>Social life</td>
<td>€297</td>
<td>€413</td>
</tr>
<tr>
<td>Clothing</td>
<td>€201</td>
<td>€156</td>
</tr>
<tr>
<td>Equipment</td>
<td>€176</td>
<td>€264</td>
</tr>
<tr>
<td>Toiletries/Beauty</td>
<td>€85</td>
<td>€82</td>
</tr>
<tr>
<td>Childcare/school canteen</td>
<td>€270/289 ***</td>
<td>€119</td>
</tr>
<tr>
<td>Health</td>
<td>€166</td>
<td>€86</td>
</tr>
<tr>
<td>Bank</td>
<td>€7</td>
<td>€10</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>€362</td>
</tr>
<tr>
<td><strong>Total budget</strong></td>
<td><strong>€2,599</strong></td>
<td><strong>€3,000</strong></td>
</tr>
<tr>
<td>Public housing</td>
<td><strong>€2,599</strong></td>
<td><strong>€3,000</strong></td>
</tr>
<tr>
<td>Private housing</td>
<td><strong>€2,830</strong></td>
<td><strong>€3,000</strong></td>
</tr>
<tr>
<td>Total budget</td>
<td><strong>€2,830</strong></td>
<td><strong>€3,331</strong></td>
</tr>
</tbody>
</table>

Sources:
- Reference Budgets: focus groups, CREDOC 2013-2014 valuation
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations

*One 0-2 year-old boy and one 3-10 year-old girl; ** One 11-14 year-old boy and one 15-17 year-old girl
***Nursery costs vary for lone-parent families depending on housing situation, which affects the total budget amount taken for calculating this item. The first amount corresponds to the public sector, the second to the private sector.
Figure 30 - Comparison of the reference budget and average expenditure, working households without children, tenants

<table>
<thead>
<tr>
<th></th>
<th>Working couple without children</th>
<th>Single person who works</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reference budget</td>
<td>Average expenditure</td>
<td>% of average expenditure</td>
<td>Reference budget</td>
<td>Average expenditure</td>
</tr>
<tr>
<td>Public housing</td>
<td>€511</td>
<td>€677</td>
<td>75%</td>
<td>€471</td>
<td>€510</td>
</tr>
<tr>
<td>Private housing</td>
<td>€659</td>
<td>€677</td>
<td>97%</td>
<td>€618</td>
<td>€510</td>
</tr>
<tr>
<td>Transport</td>
<td>€356</td>
<td>€678</td>
<td>53%</td>
<td>€297</td>
<td>€340</td>
</tr>
<tr>
<td>Food</td>
<td>€427</td>
<td>€563</td>
<td>76%</td>
<td>€220</td>
<td>€258</td>
</tr>
<tr>
<td>Social life</td>
<td>€207</td>
<td>€585</td>
<td>35%</td>
<td>€150</td>
<td>€359</td>
</tr>
<tr>
<td>Clothing</td>
<td>€167</td>
<td>€171</td>
<td>98%</td>
<td>€69</td>
<td>€118</td>
</tr>
<tr>
<td>Equipment</td>
<td>€122</td>
<td>€383</td>
<td>32%</td>
<td>€112</td>
<td>€206</td>
</tr>
<tr>
<td>Toiletries/beauty</td>
<td>€60</td>
<td>€94</td>
<td>64%</td>
<td>€37</td>
<td>€53</td>
</tr>
<tr>
<td>Bank</td>
<td>€14</td>
<td>€13</td>
<td>108%</td>
<td>€7</td>
<td>€7</td>
</tr>
<tr>
<td>Health</td>
<td>€122</td>
<td>€125</td>
<td>98%</td>
<td>€61</td>
<td>€57</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>€740</td>
<td></td>
<td></td>
<td>€437</td>
</tr>
<tr>
<td>Total budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>€1,985</td>
<td>€4,028</td>
<td>49%</td>
<td>€1,424</td>
<td>€2,345</td>
</tr>
<tr>
<td>Private housing</td>
<td>€2,133</td>
<td>€4,028</td>
<td>53%</td>
<td>€1,571</td>
<td>€2,345</td>
</tr>
<tr>
<td>Total budget excluding housing</td>
<td>€1,474</td>
<td>€3,351</td>
<td>44%</td>
<td>€954</td>
<td>€1,836</td>
</tr>
</tbody>
</table>

Sources:
- Reference Budgets: focus groups, CREDOC 2013-2014 valuation
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations
Figure 31 - Comparison of the reference budget and average expenditure for pensioners, tenants and owner-occupiers

<table>
<thead>
<tr>
<th></th>
<th>Pensioner couple</th>
<th>Single pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reference budget</td>
<td>Average expenditure</td>
</tr>
<tr>
<td>Public housing</td>
<td>€627</td>
<td>€490</td>
</tr>
<tr>
<td>Private housing</td>
<td>€877</td>
<td>€490</td>
</tr>
<tr>
<td>Housing owner-occupiers</td>
<td>€208</td>
<td>€490</td>
</tr>
<tr>
<td>Transport</td>
<td>€318</td>
<td>€465</td>
</tr>
<tr>
<td>Food</td>
<td>€455</td>
<td>€618</td>
</tr>
<tr>
<td>Social life</td>
<td>€193</td>
<td>€394</td>
</tr>
<tr>
<td>Clothing</td>
<td>€119</td>
<td>€87</td>
</tr>
<tr>
<td>Equipment</td>
<td>€122</td>
<td>€318</td>
</tr>
<tr>
<td>Toiletries/beauty</td>
<td>€97</td>
<td>€102</td>
</tr>
<tr>
<td>Bank</td>
<td>€14</td>
<td>€10</td>
</tr>
<tr>
<td>Health</td>
<td>€242</td>
<td>€185</td>
</tr>
<tr>
<td>Other</td>
<td>€380</td>
<td></td>
</tr>
<tr>
<td>Total budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>€2,188</td>
<td>€3,049</td>
</tr>
<tr>
<td>Private housing</td>
<td>€2,437</td>
<td>€3,049</td>
</tr>
<tr>
<td>Owner-occupiers</td>
<td>€1,769</td>
<td>€3,049</td>
</tr>
<tr>
<td>Excluding housing</td>
<td>€1,560</td>
<td>€2,560</td>
</tr>
</tbody>
</table>

Sources:
- Reference Budgets: focus groups, CREDOC 2013-2014 valuation.
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations.

These observations of the results presented in simple tabulation format nonetheless call for clarification over at least some of the reasons for the main deviations observed, which are partly linked to the scope differences between the reference budgets and the French population's average expenditure.

Concerning the housing item, note that tenants are a minority among pensioners, and this, in principle, goes a long way to explaining why the average housing expenditure of pensioners is much lower than the housing item of retired pensioners in the reference budget. However, the fact of having a spare room for children and grandchildren to stay over factored into the reference budget only has a small impact on the deviation with average expenditure, in principle: this is because pensioners generally live in more spacious housing than working households.71

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70 In 2010, the INSEE Heritage survey found that 73% of households whose reference person is retired own their main residence.

71 According to the INSEE Housing survey, in 2006 someone over the age of 60 had 20 sq.m. more space on average than someone aged between 20 and 40.
Concerning the **health** item, it is important to remember that the hypothesis adopted for reference budgets is that of an individual policy (see chapter 2), while average expenditure is calculated for all households, including those people with a collective company policy (which is less expensive than an individual policy) as well as people who do not have top-up health insurance at all (whether free, i.e. the CMU-C, or for a charge). These situations can result in some people doing without some treatments, which in turn reduces average health expenditure: in 2012, 18% of RSA (income support) claimants said that, for financial reasons, they did not see a doctor or dentist, versus 4% of the population as a whole.\(^{72}\)

Concerning the **clothing** item, the reference budget incorporates clothing (and, to a lesser extent, accessories) expenses that are higher than what the French population spends on average, but lower expenses on shoes. This is because the fashion effect and consideration of social life had the most impact on the reference budgets in terms of clothing and accessories (see Section 3). Note, in addition, that pensioners spend on average half as much as working households, even though the reference budgets are fairly balanced between these two categories on the clothing item.

**NB: according to a recent DREES study, RSA (income support) claimants are more prepared to cut back on their clothing expenses than on their health or insurance expenses: more than one in two such claimants say that they "significantly" cut back on their clothing expenses because of a lack of money.**\(^{73}\)

Concerning **equipment**, the fact that the reference budget is lower than average expenditure can mainly be explained by the outgoings on telephone/internet services ("telephone, telegraphy and fax, internet and mobile top-up cards"), which account for a significant share of the French population’s average expenditure, while the reference budget mainly comprises a basic family subscription encompassing internet/TV/landline and mobile. The valuation of subscriptions in the reference budget also factors in the recent price cuts on the market, whereas the average expenditure does not (given that the INSEE survey dates back to 2011).

Computer equipment also takes up a large chunk of average expenditure, insofar as it includes computers, tablets and other IT equipment, whereas household equipment in the reference budgets does not include a computer for each household member, or any tablets. It can also be observed that smartphones are only included for teenagers, and that neither digital cameras nor stereos feature in the reference basket. In the same way as for clothing, note that the average expenditure on electronics is much lower for pensioners than for working households, whereas the reference budgets are fairly balanced.

Within the **social life** item, the reference budgets incorporate fewer expenses in terms of **leisure articles and services**, which feature fairly prominently in average expenditure and include a certain number of goods that the reference baskets do not contain: camping and outdoor leisure articles, vehicles and other large items pertaining to outdoor leisure and sports (caravan, camper van, aircraft, boats, windsurf, horse, etc.). This is because the focus groups defined a minimum basket that would allow for some of the most common sports to be covered (especially football and rugby), given that certain very expensive activities could not be taken on board (like tennis for example). Restaurant expenses, included under leisure

\(^{72}\)État de santé et renoncement aux soins des bénéficiaires du RSA”, Études et résultats n°882, June 2014, DREES.

\(^{73}\)État de santé et renoncement aux soins des bénéficiaires du RSA”, Études et résultats n°882, June 2014, DREES.
Concerning services, are also limited in the reference budget in view of the groups’ assumption that working households do not eat lunch at restaurants but make their meals themselves. However, the holiday reference budget is much higher than the average expenditure of the French population, a little under half of whom (42%) do not go on holiday every year, whereas the groups felt it was necessary to be able to go on holiday for two weeks every year. According to a DREES study, more than one in two RSA (income support) claimants say that they "significantly" cut back on their holiday expenses because of a lack of money.

**NB:** leisure articles and the holiday item can sometimes overlap, and it is possible to reduce this overlapping by the low accommodation costs for households who have a camper van, a caravan or camping equipment.

Lastly, two items display lower amounts in the reference budget than the average expenditure of the French population:

- **schooling** (school supplies, classes, school life) which, in the reference budget, does not include expenses linked to higher education (all of the children in the household types studied are under 18), private tuition or private schooling;
- the "books and stationery" item, for which the expenses are lower in the reference budget since the groups assumed that it is possible to borrow a range of cultural products from the library.

### 1.4 Respective share of each of the budgetary items per household type

Concerning the reference budgets, the weight of the different items in the total budget varies considerably from household to household. For all that, it can be noted that:

- the main item in the reference budgets is housing (except for retired owner-occupiers);
- the second largest item is food, except for single people for whom the transport item is more significant given the cost of having a car;
- transport and social life are in third or fourth position depending on the household type being considered.

Concerning the French population’s average expenditure: the "other" item (which includes major renovation, donations and savings in particular) is significant, which limits comparisons with the reference budget.

It can nevertheless be observed that the order of the first four items under average expenditure is similar to the order of the items within the reference budgets (for working households who are tenants). That said, the housing item is usually less dominant in the average expenditure figures than in the reference budgets insofar as it incorporates tenants and owner-occupiers (whereas the reference budgets distinguish between the two types of housing situation).

Reminder: for lone-parent families, the average "childcare" expenditure is underestimated insofar as the average expenditure concerns households with children irrespective of their age.

---

74 "Conditions de vie et aspirations" survey, Credoc, June 2011.
75 "État de santé et renoncement aux soins des bénéficiaires du RSA", *Études et résultats* n°882, June 2014, DREES.
### Figure 32 - Comparison of the weight of items for working households with children

<table>
<thead>
<tr>
<th></th>
<th>Lone-parent family*</th>
<th>Couple with children**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference budget</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>Private housing</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Average expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Private housing</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Childcare/school canteen</strong></td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Bank</strong></td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Sources:**
- Reference Budgets: focus groups, CREDOC 2013-2014 valuation.
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations.

*One 0-2 year-old boy and one 3-10 year-old girl; ** One 11-14 year-old boy and one 15-17 year-old girl.

### Figure 33 - Comparison of the weight of items for working households without children

<table>
<thead>
<tr>
<th></th>
<th>Working couple without children</th>
<th>Single person who works</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference budget</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Private housing</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Average expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Private housing</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Toiletries/beauty</strong></td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Bank</strong></td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Scopes and sources:**
- Reference Budgets: focus groups, CREDOC 2013-2014 valuation.
- Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations.
The analyses below set out to analyse the budgetary deviations according to household type in order to determine:

- the cost of an adult (single person vs couple, as well as male vs female and working person vs pensioner),
- the cost of a child (depending on age and number of children in the household),
- and to look at these findings in the light of the main equivalence scales currently used.

### The main equivalence scales currently used in France

According to the so-called OECD-modified equivalence scale:\(^{76}\)
- 1 adult represents 1 consumption unit (CU),
- any additional adult or child aged 14 years and over represents 0.5 CU,
- and any child under the age of 14: 0.3 CU.

According to the CNAF\(^{77}\) equivalence scale:
- 1 adult or 1 couple represents 2 units,
- the first 2 children represent 0.5 units each,
- the third child represents 1 unit,
- beyond the third child, each child counts as 0.5 units.

---

76 This scale is used in particular by INSEE to compare the standards of living of different sizes and compositions of household by rounding the number of people up to a number of consumption units (CUs).

77 This scale is particularly used to define the family quotient that is used by the CNAF to attribute individual financial aid. It is also used by town councils, municipal social action centres (CCAS) and associations in the after-school club or holiday club sector to apply rates based on the family’s financial situation.
2.1 The cost of an adult depending on family situation, gender and age

2.1.1 Single person/couple comparisons

The point here is to start by comparing the budget of single people and couples among working households and pensioners. Overall, the comparison of overall budgets reveals a budgetary increase for working households and pensioners alike when a household moves from being made up of one person to two people: of around 40% for public housing tenants and 34% for private housing tenants. This result is lower than the coefficient adopted in the OECD-modified equivalence scale, which is 50%. Please note: since the number of units is identical for 1 or 2 adults (whether a single person or a couple) in the context of the CNAF scale, the cost of the extra adult is zero.

This increase does vary widely, however, across the expenditure items, which are more or less affected depending on whether they correspond to individual needs or common needs for the whole household.

The items the most affected by economies of scale are therefore:

- equipment, which is exactly or almost the same irrespective of whether the household has one or two adults (for example the kitchen will always be equipped with a gas cooker, a fridge and so on);
- housing, where only the energy bills change, irrespective of the housing sector, since the number of rooms is the same (which explains why the additional cost of an adult is higher when the total budget is considered excluding housing);
- and transport: single people and couples alike have a vehicle (and only one in both configurations) – it is the number of bikes and public transport seasonal passes that increases the transport item, but only in a very marginal way.

On the other hand, items that are hardly or not at all affected by possible differences between the economies of scale measured according to the RB and OECD source are:

- health, since the corresponding budget comprises a top-up health insurance and co-payment, both individual, for each adult,
- financial services, since each adult has a credit card (home and car insurance are incorporated into the housing and transport items),
- food, since the household's needs are the sum of the individual members' needs (incidentally the question of storage and waste could not be estimated as part of this study),79 in view of the fact that we assumed households buy standard quantities,
- and toiletries to a lesser extent.

---

79 The quantities consumed were defined on the assumption that the dietary requirements of an individual do not differ depending on the household s/he belongs to.
### Figure 35 - Additional cost of an adult, item-by-item, according to age

<table>
<thead>
<tr>
<th></th>
<th>Working people</th>
<th>Pensioners</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single person</td>
<td>Couple</td>
<td>Additional cost (%)</td>
<td>Single person</td>
</tr>
<tr>
<td>Public housing</td>
<td>€471</td>
<td>€511</td>
<td>+8%</td>
<td>€584</td>
</tr>
<tr>
<td>Private housing</td>
<td>€618</td>
<td>€659</td>
<td>+7%</td>
<td>€831</td>
</tr>
<tr>
<td>Housing owner-occupiers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>€165</td>
</tr>
<tr>
<td>Transport</td>
<td>€297</td>
<td>€356</td>
<td>+20%</td>
<td>€272</td>
</tr>
<tr>
<td>Food</td>
<td>€220</td>
<td>€427</td>
<td>+94%</td>
<td>€222</td>
</tr>
<tr>
<td>Social life</td>
<td>€150</td>
<td>€207</td>
<td>+38%</td>
<td>€151</td>
</tr>
<tr>
<td>Clothing</td>
<td>€69</td>
<td>€167</td>
<td>+142%</td>
<td>€55</td>
</tr>
<tr>
<td>Equipment</td>
<td>€112</td>
<td>€122</td>
<td>+9%</td>
<td>€118</td>
</tr>
<tr>
<td>Toiletries/beauty</td>
<td>€37</td>
<td>€60</td>
<td>+62%</td>
<td>€39</td>
</tr>
<tr>
<td>Bank</td>
<td>€7</td>
<td>€14</td>
<td>+100%</td>
<td>€7</td>
</tr>
<tr>
<td>Health</td>
<td>€61</td>
<td>€122</td>
<td>+100%</td>
<td>€121</td>
</tr>
<tr>
<td><strong>Total budget</strong></td>
<td><strong>€1,425</strong></td>
<td><strong>€1,984</strong></td>
<td><strong>+39%</strong></td>
<td><strong>€1,569</strong></td>
</tr>
<tr>
<td>Public housing</td>
<td><strong>€1,572</strong></td>
<td><strong>€2,133</strong></td>
<td><strong>+36%</strong></td>
<td><strong>€1,816</strong></td>
</tr>
<tr>
<td>Private housing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>€1,150</strong></td>
</tr>
<tr>
<td>Housing owner-occupiers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>€1,150</strong></td>
</tr>
<tr>
<td><strong>Total budget excluding housing</strong></td>
<td><strong>€954</strong></td>
<td><strong>€1,474</strong></td>
<td><strong>+55%</strong></td>
<td><strong>€985</strong></td>
</tr>
<tr>
<td>OECD scale</td>
<td></td>
<td></td>
<td></td>
<td>+50%</td>
</tr>
<tr>
<td>CNAF scale</td>
<td></td>
<td></td>
<td></td>
<td>+0%</td>
</tr>
</tbody>
</table>

Sources: Reference Budgets: focus groups, CREDOC 2013-2014 valuation; Average expenditure: 2011 Family Budget survey realigned on the 2011 national accounts, INSEE calculations

Given these comparisons, two main observations can be made:

- the clothing item is the only expenditure item for which the individual budget is higher among couples compared to households made up of single people. These differences can be explained by higher expenses on accessories by females living in a couple (€5 more per month), and on shoes (€13 more per month) and accessories (€4) by males living in a couple;
- for pensioners, we observe a similar phenomenon in the toiletries budget as could be observed in the clothing budget for working households: the budget for a retired couple is twice that of the average budget of a single pensioner. This difference is largely explained (€14 difference) by the higher number of cosmetics for females in a couple.
2.1.2 Male/female comparisons (single people)

For working households, the total budget of a single female is €24 higher than that of a single male. When looked at in terms of percentage of the total budget however, this difference is small (2% of the budget), which means it is possible to consider setting an average total budget for single people.

![Figure 36 - Comparisons of the reference budgets of working single people, depending on gender](image)

<table>
<thead>
<tr>
<th></th>
<th>Working single male</th>
<th>Working single female</th>
<th>Ratio between the female/male budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>€471</td>
<td>€471</td>
<td>100%</td>
</tr>
<tr>
<td>Private housing</td>
<td>€618</td>
<td>€618</td>
<td>100%</td>
</tr>
<tr>
<td>Transport</td>
<td>€297</td>
<td>€297</td>
<td>100%</td>
</tr>
<tr>
<td>Food</td>
<td>€237</td>
<td>€203</td>
<td>86%</td>
</tr>
<tr>
<td>Clothing</td>
<td>€55</td>
<td>€83</td>
<td>151%</td>
</tr>
<tr>
<td>Equipment</td>
<td>€112</td>
<td>€112</td>
<td>100%</td>
</tr>
<tr>
<td>Toiletries</td>
<td>€26</td>
<td>€55</td>
<td>217%</td>
</tr>
<tr>
<td>Social life</td>
<td>€150</td>
<td>€150</td>
<td>100%</td>
</tr>
<tr>
<td>Bank</td>
<td>€7</td>
<td>€7</td>
<td>100%</td>
</tr>
<tr>
<td>Health</td>
<td>€61</td>
<td>€61</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Public sector total</strong></td>
<td>€1,416</td>
<td>€1,440</td>
<td><strong>€102%</strong></td>
</tr>
<tr>
<td><strong>Private sector total</strong></td>
<td>€1,563</td>
<td>€1,587</td>
<td><strong>€102%</strong></td>
</tr>
<tr>
<td><strong>Total excluding housing</strong></td>
<td>€945</td>
<td>€969</td>
<td><strong>€102%</strong></td>
</tr>
</tbody>
</table>

*Source: focus groups, CREDOC 2013-2014 valuation*

When we analyse the budget item-by-item, starker differences (which become partly ironed out) stand out on three items however: **food, toiletries/beauty and clothing**. For example, for working single people, the food budget is €34 less for a female than for a male. On the other hand, females spend thirty or so euros more on toiletries/beauty and clothing.

Regarding **food**, the differences can partly be explained by the average quantities consumed, and can also be due to eating habits: according to the results obtained, working single women consume less alcohol on average based on the Family Budget survey, less pork products and meat, but more dairy products, fruit, vegetables and ready meals.

*Please note: the same differences can be observed for pensioners, but to a lesser extent, as needs seem to fall more into line with age.*
Concerning the **toiletries/beauty** item, the male/female difference can mainly be explained by expenses on cosmetics (makeup), toiletries (for hair in particular: colour, conditioner, etc.), and beauty treatments (hairdresser's appointments are more expensive for females, beauticians, etc.).

Concerning **clothing**, females spend more than males on all types of articles (since they pay more attention to fashion and have a wider choice of articles in their wardrobe that are replaced more often – see previous section), especially for:

- clothes: males have 8 pairs of trousers for 3 years, versus 15 pairs of trousers/dresses and skirts for 2 years for women, so almost 3 times more,
- accessories: females have jewellery and handbags,
- and shoes: mainly because of the diversity considered necessary (high heels, pumps, boots, ankle boots, sandals, etc.).

### 2.1.3 Comparison between working households and pensioners (single people)

When comparing the reference budgets of working single people, and single pensioners, the first thing we notice is that the budget of a single pensioner is on average **30 euros** higher than a working single person's budget, excluding housing (i.e. 3% of the total budget). With housing, this deviation widens because of having a spare room (±10% to ±15% for pensioners).

---

**Figure 37 - Comparisons of the reference budgets of single pensioners depending on gender**

<table>
<thead>
<tr>
<th></th>
<th>Single retired male</th>
<th>Single retired female</th>
<th>Ratio between the female/male budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>€584</td>
<td>€584</td>
<td>100%</td>
</tr>
<tr>
<td>Private housing</td>
<td>€831</td>
<td>€831</td>
<td>100%</td>
</tr>
<tr>
<td>Owner-occupier housing</td>
<td>€165</td>
<td>€165</td>
<td>100%</td>
</tr>
<tr>
<td>Transport</td>
<td>€272</td>
<td>€272</td>
<td>100%</td>
</tr>
<tr>
<td>Food</td>
<td>€242</td>
<td>€202</td>
<td>83%</td>
</tr>
<tr>
<td>Clothing</td>
<td>€47</td>
<td>€63</td>
<td>134%</td>
</tr>
<tr>
<td>Equipment</td>
<td>€118</td>
<td>€118</td>
<td>100%</td>
</tr>
<tr>
<td>Toiletries</td>
<td>€32</td>
<td>€44</td>
<td>138%</td>
</tr>
<tr>
<td>Social life</td>
<td>€151</td>
<td>€151</td>
<td>100%</td>
</tr>
<tr>
<td>Bank</td>
<td>€7</td>
<td>€7</td>
<td>100%</td>
</tr>
<tr>
<td>Health</td>
<td>€121</td>
<td>€121</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Public sector total</strong></td>
<td>€1,575</td>
<td>€1,562</td>
<td><strong>€99%</strong></td>
</tr>
<tr>
<td><strong>Private sector total</strong></td>
<td>€1,822</td>
<td>€1,809</td>
<td><strong>€99%</strong></td>
</tr>
<tr>
<td><strong>Owner-occupier total</strong></td>
<td>€1,156</td>
<td>€1,122</td>
<td><strong>€99%</strong></td>
</tr>
<tr>
<td><strong>Total excluding housing</strong></td>
<td>€991</td>
<td>€978</td>
<td><strong>€99%</strong></td>
</tr>
</tbody>
</table>

*Source: focus groups, CREDOC 2013-2014 valuation*
More striking differences can be observed, however, if we analyse the budgets item by item, particularly when it comes to housing, health, transport and clothing.

The housing budget is higher for pensioners because of the need expressed by the groups for a spare bedroom.

The health budget is also higher for pensioners because of the choice of a level-three top-up health insurance policy (compared with a level-two for working households), even though it is assumed that the case studies do not have any particular health problems. This choice has a 60-euro impact on the top-up health insurance budget of a single person, and a 120-euro impact on a couple's budget (the co-payment level remains identical).

The higher expenditure levels for both these items are, however, partly offset by the lower expenditure levels in terms of:

- clothing: since working households' needs are higher because of their professional/sports activities and the greater store they set by the impression they make on others – through fashion amongst other things (even if working households spend less on jewellery),
- and transport: with commuting going a long way to explaining the difference between the working households' and pensioners' budgets: accounting for 40% of working households' fuel budget.

### 2.2 The cost of a child

Two ways of analysing the additional cost of a child are presented in this section: according to age and family configuration. Light is also shed on the question of a child's cost depending on how old s/he is in relation to his/her siblings.
Reminder: the needs of children have been defined on an individual basis for each age band insofar as the baskets of goods were initially defined on an individual level during the discussion and validation groups.

The gender of children was nonetheless defined on a random basis for each age band so as to diversify the case studies according to boy/girl/boy/girl alternation. The analyses below on the cost of children do not take account of the gender of children, insofar as:

- for the under 14s age band, the basis used is the average of three children, including one infant (for whom the needs are, in principle, barely affected by gender in relation to the basket contents)
- for 15-17 year olds, who have similar needs to an adult in terms of type and expenditure level, it is assumed that gender has little impact insofar as the male/female reference budgets are very similar as far as adults are concerned (working households and pensioners).

The additional cost of a child presented here factors in the individual needs for each age band, as well as the household dimension insofar as the parents' needs are also impacted by having children, and change the parents' lifestyle as well as the household's economic model to a certain extent. The calculation of the cost of a child thus corresponds to the sum of the parents' and their children's budget, minus the budget of an equivalent household with no children (couple or single person). **NB: based on this calculation method it is not possible to add together the cost of one child if there are several children (see chapter 4 2.2.2.)**

The result of this calculation is presented in Figure 39 and

Figure 40 below: a non-linear increase in the cost of a child can be observed, with the budget for 3-10 year olds being higher than the budget for 11-14 year olds, mainly due to the cost of after-school and holiday clubs. Furthermore, trends of varying linearity can be observed with respect to the additional cost of a child depending on his/her age:

- concerning clothing, the additional cost of children increases at regular intervals with age, with needs falling steadily more into line with an adult's needs (due to a wider range of activities and increasing importance attached to fashion),
- the toiletries item also increases at regular intervals after the age of 3 – with 0-2 year-olds having needs specific to their age (primarily liniment, cotton wool and nappies);
- the social life budget for 11-14 year olds is very similar to the 15-17 year olds' budget, insofar as it is impacted by the cost of video games,
- the food budget also increases at regular intervals with age, although the 3-10 year olds' budget is slightly higher than the 11-14 year olds' budget (NB: whilst this observation could not be passed back to the focus groups, it could be looked into in more detail as part of future extensions to this study);
- the equipment budget of 0-2 year olds is higher than that of 3-11 year olds because of their specific needs (cot, changing table, etc.), even after second-hand purchases and selling-on have been accounted for, as they correspond to goods with very limited periods of use.
For some items, the additional cost of a child is similar for all age bands however:
- concerning **housing**, having a child requires having an extra bedroom in all cases,
- the **health** budget is the same for all children – except 15-17 year olds for whom the monthly co-payment is higher (+10 euros),
- with regard to **banking services**: only the oldest children have access to these.

The method applied to calculate the additional cost of a child (which factors in the different needs between parents with children and working households without) takes on board the fact that the needs attributed to the adults of households with children can be lower than those attributed to households without children. This is particularly the case for the clothing item for couples: couples with children spend less on clothes than couples without children under the reference budget (167 euros for couples without children versus 151 euros for an adult couple with children). It is interesting to note that the same phenomenon is observed for males and females, whose budgets are both slightly higher – as if parents made sacrifices for their children, or had fewer needs because of a lull in their social life out of the home (these hypotheses need verifying insofar as they could not be submitted to the focus groups). The reasons for these different needs could not be explored further in the context of this study however, since the final negotiation groups separately brought together households with children, and households without children.

**NB**: in the future it would seem worthwhile delving deeper into the changes affecting lifestyles and needs as households move from one type to another, as part of a circle of life approach (getting together with someone, having a first child, breaking up, etc.).

![Table](Figure 39 - Additional cost of a child for a single person (in €)

<table>
<thead>
<tr>
<th>Item</th>
<th>0-2 years old</th>
<th>3-10 years old</th>
<th>11-14 years old</th>
<th>15-17 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>€113</td>
<td>€113</td>
<td>€113</td>
<td>€113</td>
</tr>
<tr>
<td>Private housing</td>
<td>€213</td>
<td>€213</td>
<td>€213</td>
<td>€213</td>
</tr>
<tr>
<td>Transport</td>
<td>€17</td>
<td>€25</td>
<td>€30</td>
<td>€31</td>
</tr>
<tr>
<td>Food</td>
<td>€57</td>
<td>€87</td>
<td>€80</td>
<td>€103</td>
</tr>
<tr>
<td>Clothing</td>
<td>€59</td>
<td>€100</td>
<td>€90</td>
<td>€124</td>
</tr>
<tr>
<td>Equipment</td>
<td>€49</td>
<td>€29</td>
<td>€48</td>
<td>€65</td>
</tr>
<tr>
<td>Toiletries</td>
<td>€25</td>
<td>€27</td>
<td>€38</td>
<td>€71</td>
</tr>
<tr>
<td>Social life</td>
<td>€75</td>
<td>€123</td>
<td>€142</td>
<td>€141</td>
</tr>
<tr>
<td>Bank</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€1</td>
</tr>
<tr>
<td>Health</td>
<td>€57</td>
<td>€57</td>
<td>€57</td>
<td>€67</td>
</tr>
<tr>
<td>Childcare and canteen (public housing)</td>
<td>€123</td>
<td>€147</td>
<td>€49</td>
<td>€49</td>
</tr>
<tr>
<td>Childcare and canteen (private housing)</td>
<td>€142</td>
<td>€147</td>
<td>€49</td>
<td>€49</td>
</tr>
<tr>
<td>Public sector total</td>
<td>€575</td>
<td>€708</td>
<td>€647</td>
<td>€765</td>
</tr>
<tr>
<td>Private sector total</td>
<td>€694</td>
<td>€808</td>
<td>€747</td>
<td>€865</td>
</tr>
<tr>
<td>Total excluding housing</td>
<td>€472 *</td>
<td>€595</td>
<td>€534</td>
<td>€652</td>
</tr>
</tbody>
</table>

Source: focus groups, CREDOC 2013-2014 valuation

* the total excluding housing is calculated by taking the average of the childcare costs, which varies depending on the housing situation being considered - i.e. 133 euros
2.2.1 Cost of a child depending on age and family configuration

In order to compare the cost of a child in the reference budgets and in the OECD equivalence scales, the additional cost of a child was calculated for each age band in relation to the budget of a couple and that of a single person. An unweighted average cost was also calculated for children under 14 years old (by disregarding the relative weight of each age band).

<table>
<thead>
<tr>
<th></th>
<th>0-2 years old</th>
<th>3-10 years old</th>
<th>11-14 years old</th>
<th>15-17 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>€116</td>
<td>€116</td>
<td>€116</td>
<td>€116</td>
</tr>
<tr>
<td>Private housing</td>
<td>€217</td>
<td>€217</td>
<td>€217</td>
<td>€217</td>
</tr>
<tr>
<td>Transport</td>
<td>€28</td>
<td>€36</td>
<td>€41</td>
<td>€42</td>
</tr>
<tr>
<td>Food</td>
<td>€19</td>
<td>€56</td>
<td>€49</td>
<td>€72</td>
</tr>
<tr>
<td>Clothing</td>
<td>€18</td>
<td>€57</td>
<td>€49</td>
<td>€82</td>
</tr>
<tr>
<td>Equipment</td>
<td>€55</td>
<td>€35</td>
<td>€54</td>
<td>€71</td>
</tr>
<tr>
<td>Toiletries</td>
<td>€45</td>
<td>€41</td>
<td>€52</td>
<td>€85</td>
</tr>
<tr>
<td>Social life</td>
<td>€111</td>
<td>€159</td>
<td>€178</td>
<td>€177</td>
</tr>
<tr>
<td>Bank</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€1</td>
</tr>
<tr>
<td>Health</td>
<td>€66</td>
<td>€66</td>
<td>€66</td>
<td>€76</td>
</tr>
<tr>
<td>Childcare and canteen (public housing)</td>
<td>€120</td>
<td>€147</td>
<td>€49</td>
<td>€49</td>
</tr>
<tr>
<td>Childcare and canteen (private housing)</td>
<td>€142</td>
<td>€147</td>
<td>€49</td>
<td>€49</td>
</tr>
<tr>
<td>Public sector total</td>
<td>€578</td>
<td>€713</td>
<td>€654</td>
<td>€771</td>
</tr>
<tr>
<td>Private sector total</td>
<td>€701</td>
<td>€716</td>
<td>€755</td>
<td>€872</td>
</tr>
<tr>
<td>Total excluding housing</td>
<td>€475 *</td>
<td>€597</td>
<td>€538</td>
<td>€655</td>
</tr>
</tbody>
</table>

Source: focus groups, CREDOC 2013-2014 valuation
* the total excluding housing is calculated by taking the average of the childcare costs, which varies depending on the housing situation being considered - i.e. 133 euros

Calculating the cost of the first child according to his/her age

The focus groups began by putting together the baskets of necessary goods and services for individual members of specific household types (see the individual case studies, Figure 3). During the discussion groups on the specific needs of children, whether or not the children lived with two parents or a single parent was not specified. The underlying hypothesis is that the needs in terms of clothing, food, toiletries, recreation or equipment specific to the child are identical, irrespective of the family configuration. It was not until the final stage of the consensus groups – the final negotiation stage – that the groups of citizens were asked to comment on the household budgets and told that the lone-parent families had two children, one under the age of 3 and the other aged 3 to 10 respectively, and that the couple household had two children aged 10 to 14 and 15 to 17 year olds.

The individualised budget (i.e. corresponding to needs used exclusively by this child) attributed to a child in a specific age band is therefore identical irrespective of whether s/he lives with one or two parents.
The cost of the child factors in both the individualised budget of the child and the deviations between the individualised budget of the adults, depending on whether or not they have children, as well as the differences in expenditure for goods and services shared by all of the household members, depending on whether or not these households have children.

To be more precise, expenditure not included in a child’s individualised budget can vary depending on whether the household concerns a single person without children, a couple without children, a couple with children, or a lone-parent family: this is the case of the top-up health insurance cost which differs based on the presence of one or two children and on the number of children, as well as the housing cost which varies depending on the number of rooms the focus groups considered necessary, and the overall energy and water bill which varies depending on the household makeup. The focus groups were also able to define distinct baskets for working-age adults without children and those with children, irrespective of the specific budget linked to the presence of children (a better equipped kitchen, larger sofa, other type of vehicle, clothing needs considered to be different for adults and so on).

To calculate the additional cost of a child within a given age band on an item-by-item basis:

- In the case of couples, we compare, on the one hand, the budget of a couple without children, and, on the other, the overall budget of a couple with a child of a given age. This latter budget is obtained by adding together the individualised expenditure for each spouse within a couple with children (e.g. for food, clothing and toiletries), the budget of goods and services that can be attributed to the whole of a household comprising a couple with children (such as furniture or kitchen equipment used by all the family members, the housing cost, family holidays, etc.) and the budget that can be attributed individually to the children depending on his/her age band. The additional cost of a child within a given age band is obtained by the difference between the budget of a couple without children and the budget of a couple with a child of this age.

- In the case of a lone-parent family, we compare, on the one hand, the budget of a single person (average of the budgets of a single male and a single female of working age) and, on the other, the overall budget of a lone-parent family with a child within a given age band. This latter budget is established by adding together the individualised budget of the single parent, as this concerns all the members of a lone-parent family, and the individualised budget of the child depending on his/her age. The difference between the overall budget of a single person of working age and the budget of a lone-parent family with a child of a given age band enables us to calculate what the additional cost of this child would be for a single person.

These additional costs were estimated with account taken of the additional cost of the adult as assessed under the reference budgets, by looking at the additional cost in terms of a percentage of the budget of the child’s equivalent household.

This analysis above all reveals a deviation from the equivalence scales currently used, for it can be noted that, irrespective of the children’s age and housing situation of the household, the additional cost of a child is more than the estimation given in the equivalence scales (modified OECD and CNAF).

### Calculating the additional cost of a child corresponding to the CNAF and OECD equivalence scales

For the so-called OECD-modified scale, the couple representing 1.5 units, and the additional child at 0.5 or 0.3 units depending on his/her age, the additional cost is therefore 0.5/1.5 = 33% in one case, and 0.3/1.5 = 20% in the other.
For the CNAF scale, since the couple is attributed 2 units and the child 0.5; its additional cost is 25% (0.5/2).

To be more precise, this analysis shows that having a child increases a household's budget by 30% to almost 60% depending on the family configuration and housing situations, whereas several studies put the cost of a child at 20 to 30% of a couple's budget.80

It can nonetheless be observed that economies of scale vary from item to item, depending on how individual the needs relating to the different expenditure items are:

- the item most affected by economies of scale is transport, since each household, irrespective of its size, has one car but the children's specific needs (bikes, car seats, buggy, etc.) significantly weigh in on the budget;
- the housing budget is, on the other hand, affected by having a child, as this requires having an extra bedroom (in the vast majority of cases, see previous section);
- the additional budget is particularly marked on the equipment item, which corresponds to specific needs primarily in terms of furniture and electronics and IT (games console, computer, etc.).

Figure 41 - Additional cost of a child for a single person (in %)

<table>
<thead>
<tr>
<th></th>
<th>0-2 years old</th>
<th>3-10 years old</th>
<th>11-14 years old</th>
<th>Average under 14 years of age</th>
<th>15-17 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>+24%</td>
<td>+24%</td>
<td>+24%</td>
<td>+24%</td>
<td>+24%</td>
</tr>
<tr>
<td>Private housing</td>
<td>+34%</td>
<td>+34%</td>
<td>+34%</td>
<td>+34%</td>
<td>+34%</td>
</tr>
<tr>
<td>Transport</td>
<td>+6%</td>
<td>+8%</td>
<td>+10%</td>
<td>+8%</td>
<td>+10%</td>
</tr>
<tr>
<td>Food</td>
<td>+26%</td>
<td>+40%</td>
<td>+36%</td>
<td>+31%</td>
<td>+47%</td>
</tr>
<tr>
<td>Clothing</td>
<td>+86%</td>
<td>+145%</td>
<td>+130%</td>
<td>+121%</td>
<td>+180%</td>
</tr>
<tr>
<td>Equipment</td>
<td>+44%</td>
<td>+26%</td>
<td>+43%</td>
<td>+38%</td>
<td>+58%</td>
</tr>
<tr>
<td>Toiletries</td>
<td>+68%</td>
<td>+73%</td>
<td>+103%</td>
<td>+86%</td>
<td>+192%</td>
</tr>
<tr>
<td>Social life</td>
<td>+50%</td>
<td>+82%</td>
<td>+95%</td>
<td>+76%</td>
<td>+94%</td>
</tr>
<tr>
<td>Bank</td>
<td>+0%</td>
<td>+0%</td>
<td>+0%</td>
<td>+0%</td>
<td>+14%</td>
</tr>
<tr>
<td>Health</td>
<td>+93%</td>
<td>+93%</td>
<td>+93%</td>
<td>+93%</td>
<td>+110%</td>
</tr>
<tr>
<td>Public sector total</td>
<td>+40%</td>
<td>+50%</td>
<td>+45%</td>
<td>+45%</td>
<td>+54%</td>
</tr>
<tr>
<td>Private sector total</td>
<td>+44%</td>
<td>+51%</td>
<td>+48%</td>
<td>+48%</td>
<td>+55%</td>
</tr>
<tr>
<td>Total excluding housing</td>
<td>+49%</td>
<td>+62%</td>
<td>+56%</td>
<td>+56%</td>
<td>+68%</td>
</tr>
<tr>
<td>OECD-modified scale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+30%</td>
<td>+50%</td>
</tr>
<tr>
<td>CNAF scale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+25%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

---

The comparative analysis of the two tables above (Figure 41 and Figure 42) reveals significant differences on some items in terms of additional cost, which might be linked, on the one hand, to the amount of the corresponding item – which can be relatively low in some cases, such as the health item – and, on the other, to the non-linearity of some costs: this is the case for top-up health insurance, the cost of which doubles for a single person when a child is added to the policy (its cost goes from 41 euros to 78 euros), but only increases by half or thereabouts for couples (when it goes from 82 euros to 128 euros).

The differences observed also stem from the differences in lifestyle between adults with and without children, who seem to cut back on the clothing item when they have children, as indicated above in point 2.2.
2.2.2 Cost of a child depending on how old s/he is in relation to his/her siblings

It does not really seem possible to estimate the additional cost of a child depending on how old s/he is in relation to his/her siblings as part of this study, insofar as the final negotiation groups only discussed two family configurations with children. This meant that economies of scale concerning a change in household from 1 to 2 children could not be discussed in detail.

The groups did point out, for all that, that long-lasting goods (furniture and equipment specific to young children: buggy, car seat, etc.), as well as clothes, could be donated or sold on in the event of an only child. Furthermore, it appears that economies of scale are relatively high on the housing item, since the additional cost of a third bedroom is less than that of a second bedroom, as shown in the graph below.

That said, upon broaching the exercise, the research team came up against a certain number of "blind spots" that did not make for plain sailing during the exercise:

- the cost of holiday rentals (which represent a significant item) was not explored for the case of a household with just one child, or with three or more children;
- the vehicle model, which is a family-type vehicle for couples with two children, was not discussed in detail for the case of a couple with just one child (given that it is smaller for lone-parent families with two children).

Figure 43 - Marginal increase in rent per additional bedroom

![Marginal increase in rent per additional bedroom](chart.png)

*Source: rents from the 2006 housing survey reindexed, INSEE calculations*

In the same way it is not possible to estimate the cost of a third child insofar as this configuration was not systematically discussed and may bring specific needs with it (e.g.: the groups talked of the need for a dishwasher for three or more children).

The question of economies of scale may, however, be worth exploring in more detail as an extension to this study.

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81 For the record, these configurations concerned couples with 2 children (11-15 years old and 15-17 years old) and single mothers with 2 children (0-2 years old and 3-11 years old).
Chapter 4 of this report presenting the detailed analysis of reference budgets per household type has shown that the level of these budgets is more or less similar to the average expenditure of the French population, depending on the household type being considered. This analysis updates a certain number of social phenomena that reflect differences in standards of living and lifestyles between households.

The question of the significance and possible ways in which these reference budgets could be used still needs looking into however, by positioning them with respect to other existing indicators, especially indicators of standards of living and poverty, and social assistance benefits. This is the objective of Chapter 5 of this report.
CHAPTER 5: SIGNIFICANCE AND USES OF THE REFERENCE BUDGETS

Some thirty meetings bringing together more than 200 participants were held as part of the study commissioned by the ONPES. These participants were asked to discuss the contents of the basket of necessary goods and services for having a "decent minimum standard of living" today in France. The first – and main – outcome of this work is the very detailed list of goods and services, which includes several hundred items for which the groups also defined the necessary quantity (number and, in the case of equipment goods, how often they need replacing) and quality. The monetary value of this basket’s contents was then calculated to establish reference budgets for six family types. This is the second main result of the study.

This valuation was carried out strictly in line with the indications given by the groups, but it was not until the final stage in the process that the groups were informed of the budgetary consequences of their choices, and the results of this valuation. At this point they were given the possibility of reconsidering the contents of the basket of necessary goods and services.

This study-action has therefore produced two main findings that can be submitted for public debate. The first is a very comprehensive and detailed list of necessary goods and services, and the second reduces the contents of this basket to a composite indicator by selecting a single standard: its monetary value.

The contents of the basket of necessary goods and services defined by the groups are the outcome most directly reflecting both the subject and findings of their discussions. It is therefore on this basis that the public debate would be the most relevant in principle. That said, it is fairly clear that this outcome is also the one that will be most difficult to debate at public level, at least in the condensed form it is usually now organised.

As such, in the rest of this note we will focus on the composite indicators constituted by the reference budgets that this study has established. These budgets enrich the range of indicators available for assessing the standards of living of households, and it is fairly natural to compare them to existing indicators or benchmarks: this is the main purpose of this note. To do this, we need to begin by clarifying the significance of the budgets that have been valued and the type of indicator thus defined (Para. 1). We then present a comparison firstly with the existing reference budgets in France (Para. 2), secondly with similar indicators (Para. 3), and finally with the British minimum income standards (Para. 4). We end with a final section on the question of updating these reference budgets (Para. 5).

1 Significance of the budgets valued

To get hold of the necessary goods and services for having a "decent minimum standard of living", households can make use of a range of resources. In our developed market societies, monetary income remains a capital resource. Most goods and services are bought, and to buy them, you need sufficient income. The budgets valued reflect this need. To be more precise, they correspond to the necessary disposable income for obtaining goods and services which the groups considered would be accessible through trade in our society.
It should nonetheless be pointed out that this is not the case for all the goods and services required for covering households' needs. In France, and many other developed societies, important needs are also met by a range of public services that are fully or partly funded by collective means. This is particularly the case for education and health services. The hypothesis put to the discussion groups and validated by the participants made clear this reality. As such, concerning housing location, the hypothesis adopted is that this is in the vicinity of a certain number of collective amenities giving easy access to a range of services: public transport, nurseries, schools (from infant school right through to sixth-form college), cultural and sports facilities and hospitals in particular. Access to these public services represents a form of collective purchasing power, the importance of which is far from insignificant. Moreover, the contribution these services make to households' standard of living varies in inverse proportion to their income: it is around 40% for the 20% of lowest-income households (first quintile) and a little over 10% for the 20% best-off households (last quintile). Without these services, the reference budgets would therefore be much higher since the corresponding needs would need to be met through trade. On the other hand, if the capacity for some needs to be met through social services had been taken into greater consideration, the reference budgets would have been lower.

Furthermore, households can also make use of other resources to meet their needs, particularly by producing goods and services themselves. This possibility was only voiced by the groups in terms of making meals. But it was implicit for a whole host of household chores (e.g. cleaning the house, washing clothes, washing dishes, caring for infants, etc.). As a result, the reference budgets do not incorporate the purchase of home services, which the groups felt could be provided by the households themselves. The contribution of this housework time to the households' standard of living is also significant. According to INSEE's estimations, this housework time represents between one and two times paid working time. Remember that the hypothesis adopted throughout the study has been that the working-age adults either have a full-time job or are in position to be able to have one at any point in time. In other words, the budgets valued were established in the assumption that the households use their ability to work to pay for their needs each time this is possible. This also implies that they have all the necessary skills and expertise for adequately carrying out these household chores.

Lastly, the discussion groups also debated the possibility of calling on family and friends to meet certain needs. This possibility was particularly raised concerning childcare or holiday accommodation. These informal, non-market resources still exist to a significant extent in our societies and evidently contribute to households' standards of living. From a statistics point of view, the significance of these informal resources remains very small for childcare. In terms of the

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82 According to the national accounts, it can be estimated that this form of socialised income represents the equivalent of around €1,100 per household per month in 2013. This amount corresponds to the difference between the households' adjusted disposable income and their gross disposable income. The difference between these two aggregate amounts corresponds to all of the social transfers in kind from which the households benefit. These social transfers do not correspond to all transfers, but they cover the majority.


primary childminder, only 4% of children are looked after by their grandparents or other family members. This percentage is a little higher in terms of secondary childminder (11%) but it is still low. For holidays, the situation is fairly markedly different. On the one hand, we know that less than 60% of the population goes on holiday and that financial reasons are the main obstacle – particularly for the poorest half of the population. On the other hand, for those who do go on holiday, being able to stay with family or friends is a significant form of support.

The discussion groups decided to exclude this possibility of being able to rely on family and friends. We can attempt to sum up the groups’ reasons by saying that they considered it necessary to be able to meet these needs independently, without depending on a close network of family and friends, the existence of which could, moreover, be very contingent. Of course, this does not mean that households, in their day-to-day lives, cannot occasionally choose to make use of these informal resources – as long as they are available.

Although households can call on diverse forms of resources for meeting their needs, it should also be remembered that the groups talked of needs that are not satisfied by material resources – whatever form these may take or wherever they come from. The first "guidance" groups, whose objective it was to define what makes up "decent minimum living conditions", thus spontaneously mentioned the need for a job as one of the elements making up these living conditions. It is of course not possible to translate this need into monetary form, and there would not likely be much sense in such an exercise. It may just be noted that this spontaneous mention of a need for a job is consistent with the findings of some studies on the pathway of social assistance benefit claimants. Indeed, these have shown that a significant proportion of RMI (income support) claimants returned to work when they did not see any financial interest in doing so, which illustrated the fact that the mere fact of having a job was considered important by these people.86

Lastly, remember that the discussion groups’ questions were limited to private goods and services, which therefore excluded discussions on public goods (such as safety or living in a healthy, unpolluted environment) even though it is nonetheless possible to consider that these also make up basic needs in human life.

To sum up, these valued budgets only reflect part of the necessary resources for meeting the private needs of decent minimum standards of living – i.e. the resources in terms of goods and services that are inevitably obtained through trade. Other resources also make a significant contribution, whether collective (provision of public services) or private (housework). The link between these different resources does change over time, but with relative inertia. That said, much more significant differences can be observed between countries, which means that any international comparisons that might be made with these indicators must be done with the utmost care (see Para. 4).

2 The notion of monthly budget

The ONPES reference budgets are monthly budgets that factor in a certain number of expenses each month whose frequency actually exceeds a month – and even a year. For these "non-monthly"

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expenses, a monthly cost equivalent has been calculated by taking account of the frequency with which these expenses reoccur. This results in an overall monthly budget.

The table below presents the breakdown of this overall monthly budget for the main expenditure items based on their frequency (monthly, multi-monthly, annual, multiannual). This table has been drawn up for an adult without children. It shows that the proportion of annual or multiannual expenses in the overall monthly budget of households is relatively high. For an adult without children, these expenses represent a monthly equivalent of almost 600 euros (583 euros), so around 40% of the overall monthly budget.\(^{87}\) In other words, the budget corresponding to monthly or multi-monthly expenses must be increased by around two-thirds (40/60) to incorporate the annual or multiannual expenses enabling a decent minimum standard of living to be achieved.

In concrete terms, to have a decent minimum standard of living, an adult without children must have a minimum budget of between 850 (public housing) and 1,000 euros (private housing) to be able to afford the most common expenses. But a budget of almost 230 euros (229 euros) must also be accessible to cover annual expenses (tax, fees, insurance, etc.), along with a budget of almost (267 euros) for multiannual expenses, mostly corresponding to replacing household equipment. These multiannual expenses primarily concern transport, clothing and equipment (Figure 45).

\(\text{Table 84 - Amount of expenses per item and frequency (in euros/month)}\)

<table>
<thead>
<tr>
<th>Frequency =&gt;</th>
<th>Monthly</th>
<th>Multi-monthly</th>
<th>Annual</th>
<th>Multiannual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>384</td>
<td>0</td>
<td>87</td>
<td>0</td>
<td>471</td>
</tr>
<tr>
<td>Private housing</td>
<td>531</td>
<td>0</td>
<td>87</td>
<td>0</td>
<td>618</td>
</tr>
<tr>
<td>Transport</td>
<td>113</td>
<td>0</td>
<td>48</td>
<td>136</td>
<td>297</td>
</tr>
<tr>
<td>Food</td>
<td>220</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>220</td>
</tr>
<tr>
<td>Clothing</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td>Equipment</td>
<td>33</td>
<td>10</td>
<td>4</td>
<td>65</td>
<td>112</td>
</tr>
<tr>
<td>Total toiletries</td>
<td>3</td>
<td>6</td>
<td>30</td>
<td>2</td>
<td>41</td>
</tr>
<tr>
<td>Health</td>
<td>0</td>
<td>20</td>
<td>41</td>
<td>0</td>
<td>61</td>
</tr>
<tr>
<td>Social life</td>
<td>57</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>157</td>
</tr>
<tr>
<td>Total excluding housing</td>
<td>425</td>
<td>36</td>
<td>229</td>
<td>267</td>
<td>957</td>
</tr>
<tr>
<td>Public sector total</td>
<td>809</td>
<td>36</td>
<td>316</td>
<td>267</td>
<td>1428</td>
</tr>
<tr>
<td>Private sector total</td>
<td>956</td>
<td>36</td>
<td>316</td>
<td>267</td>
<td>1575</td>
</tr>
</tbody>
</table>

\(\text{Figure 44 - Amount of expenses per item and frequency (in euros/month)}\)

\(^{87}\) 39.3% for private housing and 43.4% for public housing. The monthly cost of housing is higher in the private sector, so the proportion of "non-monthly" expenses is automatically lower.
In this way there is significant deviation between the overall monthly budget determined within the ONPES reference budgets and the spontaneous overview that households might have of their most common outgoings which crop up on a daily basis (like food) or monthly basis (like housing). The orders of magnitude do not change significantly if we consider the budget of a couple with two children. In this case, the annual or multiannual expenditure accounts for a monthly equivalent of over 1,300 euros, or around 40% of the overall monthly budget of this household (see appended tables).

As a result, the notion of monthly budget is not the one that most closely corresponds to households' experiences on a daily basis. This difference likely explains, to a large extent, the fact that the ONPES reference budgets can appear relatively "high" compared with what households actually experience in managing their budget day-to-day.

It also provides a starting point for analysing the consumer behaviours of households and the ways in which they adjust to the budgetary constraints they face. In the day-to-day management of their budget, households (and particularly those with the lowest incomes) have little leeway in terms of the most common expenses: on a month-by-month basis it is necessary to provide bed and board. Those expenses recurring the least often are those in which households can – or are forced to – allow some room for manoeuvre, insofar as it is possible, within a certain limit, to delay replacing some tired pieces of equipment for example. This hypothesis could be explored in future studies.
3 Comparison with the UNAF budgets

Before the ONPES set about drafting its own reference budgets, there were already similar indicators in France – particularly the budgets per family type developed by the French National Union of Family Associations (UNAF) for the past 60 years (1952). Initially comprising a single family configuration, this work has steadily extended to a greater number of situations to cover eight different family types today.

The objective of these budgets is similar to the one set by the ONPES since it offers a "decent life minimum" benchmark for different family types. The limits of this comparison need highlighting at this point though. There are several main reasons for these.

First of all, the method adopted in the two cases is different. As highlighted already, there are two main methods for establishing reference budgets. The one adopted by the ONPES is based on reaching a consensus to have citizens define the contents of a basket of goods and services (in terms of quantity and quality). This method gives precedence to citizen expertise – even if this expertise is enlightened by a certain amount of codified knowledge, or "expert contributions". The second approach, meanwhile, gives precedence to these standards and codified knowledge: this is the approach taken by the UNAF. It involves defining the contents of this basket of goods and services from diverse sources, such as scientific recommendations, legislation or regulations. However, this set of existing standards – which can be regulatory, legislative or scientific – does not make it possible to identify benchmarks for a certain number of budgetary items in order to precisely define the contents of the basket of necessary goods and services for a decent life minimum. This is particularly the case for items where the social dimension is dominant, such as clothing or personal care for example. In the approach adopted by the ONPES, it is the consensus reached through a participatory approach involving citizens that enables these social standards to be defined and validated. For these items, the UNAF offers up its own recommendations. As a result there can be differences concerning certain items that can be quite marked at times.

Second, the hypotheses adopted for calculating the value of these budgets are sometimes different. For housing for example, the UNAF selects a cost that is the weighted average of the housing cost in the public and private sectors. The ONPES decided to present these two figures separately, which limits possibilities for comparison. Another example: on food, and for the sake of simplification, the UNAF assumed that all meals are eaten in, which particularly excludes canteen and restaurant meals. The ONPES presents a budget that distinguishes these meals eaten outside the home.

Lastly, the scope selected by the UNAF is France as a whole, whereas the budgets drawn up by the ONPES concern medium-sized towns outside of Paris. Just recently the UNAF introduced a distinction in its budgets between the Parisian region and the rest of France for the Housing and Transport items, which are the most sensitive to this territorial dimension. Below, we have nonetheless presented the UNAF figures for the whole of France insofar as the recent distinction made by the UNAF groups together highly contrasting regions that include urban and rural areas alike all under "France excluding the Parisian region".

To sum up, the comparative analysis presented below concerns indicators that are not actually comparable in principle. This illustrates the fact that relatively different indicators can be referred to
using the same terminology (budget standards). It would hardly be pertinent, therefore, to conclude from this comparison that such or such an indicator would be more appropriate for defining a decent life minimum. The merit of this comparison lies above all in the identification of the main differences in method and of their impact on the end result. As we shall see, these differences in method do not systematically lead to the same results; for some items, they may even offset one another by leading to the same monetary assessment from fairly different choices.

In both these approaches, expenditure is assessed on an annual basis and defined in monthly terms, even when it occurs seasonally (back-to-school costs) or at irregular intervals (amortisation of equipment goods). As it stands, the budgets are presented in the same way for UNAF and ONPES budgets alike.

To carry out this comparison, we selected four of the UNAF family types for which comparable budgets were recreated on the basis of the results of the ONPES study. We also grouped together some budgetary items to obtain budget structures that were as comparable as possible (see text box). In both cases the results concern budgets that were valued at the end of 2013.

### 3.1 The overall budget

Overall, the budgets drawn up by the ONPES are higher than the UNAF budgets (Figure 46). The deviation is relatively small (from 4% to 13%) for the ONPES hypothesis of living in public housing, but varies from 11% to 21% for the ONPES hypothesis of living in private housing. If we try to estimate a rent cost in a similar way to the UNAF method, the deviation would be about 13% on average across the scope of the four families considered.

The reasons for this deviation are what we might have expected. Indeed, the foreign studies show that methods that are more "normative" in nature (such as the one implemented by the UNAF) always produce lower results than those calling on citizen expertise to define needs, even if it is difficult to put this deviation into precise figures. As has already been noted, this deviation can be explained by methodological differences that will be analysed below.

The result of greatest interest – and the most relevant one – concerns the variation in overall budget depending on family configuration, for the deviation between UNAF and ONPES budgets varies very little in size between the family configurations selected. This means that, with respect to a reference family, the two approaches attribute similar values to the deviations in need in relation to this family. For example, the necessary budget for family C represents 83% of family A’s budget in both the UNAF and ONPES approaches.
Figure 46 - Overall monthly budget for different family configurations (end 2013)

Family A: couple with two children of 6 and 13 years of age; Family B: couple with two teenagers (a boy and a girl) aged 14 and over; Family C: a female with two children of 6 and 13 years of age; Family E: couple with a teenager aged 14 or over.

Sources: UNAF; CREDOC 2013-2014 valuation and IRES calculations for the ONPES budgets.
The budgets defined by the UNAF cover eight family types. We selected four of these to compare them with the ONPES budgets:

- couple with two children of 6 and 13 years of age (A88);
- couple with two teenagers (a boy and a girl) aged 14 and over (B);
- a female with two children of 6 and 13 years of age (C);
- couple with a teenager aged 14 or over (E).

This analysis has been limited to four families for the sake of keeping the comparison simple. Moreover, as shown by the analysis described in this section, the differences observed across the four family types are very similar. We can therefore suppose that the finding would be, if not identical, then at least very similar, across other, larger families.

To be able to compare the budget structures, it was necessary to group together certain items identified in the UNAF and ONPES budgets.

<table>
<thead>
<tr>
<th>ONPES BUDGETS</th>
<th>UNAF BUDGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Housing</td>
</tr>
<tr>
<td>Food</td>
<td>Food</td>
</tr>
<tr>
<td>Clothing</td>
<td>Clothing</td>
</tr>
<tr>
<td>Toiletries</td>
<td>Cleaning and personal care</td>
</tr>
<tr>
<td>Transport</td>
<td>Transport</td>
</tr>
<tr>
<td>Equipment &amp; Furniture</td>
<td>Equipment &amp; Furniture</td>
</tr>
<tr>
<td>Social life (incl. Banking and childcare)</td>
<td>Recreation, Culture &amp; Misc.</td>
</tr>
<tr>
<td>Health</td>
<td>Health</td>
</tr>
</tbody>
</table>
The same finding is reached if we consider budgets excluding housing and transport costs (Figure 47). The deviation between the ONPES and UNAF budgets varies from 13% to 21% according to the families considered, and the variations depending on family configuration are relatively similar.

![Figure 47 - Monthly budget excluding housing and transport costs (end 2013)](image)

Family A: couple with two children of 6 and 13 years of age  
Family B: couple with two teenagers (a boy and a girl) aged 14 and over  
Family C: a female with two children of 6 and 13 years of age  
Family E: couple with a teenager aged 14 or over  
Sources: UNAF; CREDOC 2013-2014 valuation and IRES calculations for the ONPES budgets

3.2 The budget structures

To keep the analysis simple, we are restricting our comments here on the ONPES and UNAF budget structures to family type A (Figure 48). The findings for the other family types would be more or less the same. For the Housing item figure, we opted for the hypothesis that the families live in public housing in the ONPES budget.

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89 The detailed tables for all of the family types are appended.
The Housing and Food items account for the main two budgetary items in both budgets. That said, the total weight of these two items is fairly different: around 43% to 44% for the ONPES budget,\(^90\) versus around 53% for the UNAF budget. Much of this deviation comes from the Food item, whose significance is much higher in the UNAF budget (26.2%) than in the ONPES budget (20.9%).\(^91\)

Two other budgetary items – Transport and Social Life – take up more than 10% of the budget in both approaches. The deviation between the UNAF and ONPES budgets is fairly low for the Transport item, but more substantial for the Social Life item.\(^92\)

All of the other budgetary items account for less than 10% of the overall budget. The significance of the Health item is very similar in both approaches, while the Equipment item takes up more of the budget in the UNAF approach. On the other hand, for the Clothing and Toiletries items, the relative weight is higher in the ONPES budgets than in the UNAF budgets, with deviations of around 2 to 4 points. The total for these two items represents 13.0% of the overall budget in the ONPES budget, compared with around 8.0% in the UNAF approach.

This initial analysis of the structural differences between the ONPES and UNAF budgets can be rounded off by a more in-depth analysis of level differences concerning the main budgetary items. Figure 49 thus presents the ratio between these item amounts in the ONPES approach and the same amounts in the UNAF approach.

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\(^{90}\) For the ONPES budgets, the Canteen item has been merged with the Food budget to make it more comparable with the UNAF budget, which assumes that all meals are eaten at home.

\(^{91}\) For the other family types, this deviation is slightly higher, varying between 6 and 7 points.

\(^{92}\) For the family type considered, this difference can partly be explained by the “Childcare” item included in the ONPES budgets, which has been merged with the “Social Life” item for comparison with the UNAF budget.
For the Housing item, the amounts selected in both approaches are family similar for families A and C. This similarity hides two opposite effects in reality. On the one hand, the UNAF budgets adopt more restrictive housing standards than the ONPES budgets do, with the result that housing is generally smaller. On the other hand, the valuation method adopted by the UNAF leads to higher unit amounts (in sq.m.) than those selected here for the ONPES (public housing). These effects more or less offset each other. For all that, the housing sizes are the same in both approaches for families B and E, for whom the valuation effect becomes dominant, and this explains why the ONPES budget is lower than the one calculated by the UNAF.

The same difference in level is found for the Food item as has been observed above in the budget structures, since the ONPES evaluations are always much lower than the UNAF budgets’ evaluations – with deviations of between 11 and 18%. The Food item comprises the largest variety of products of all the items and, in both approaches (ONPES and UNAF), it relies on the definition of standard menus that are then attributed values. It is therefore difficult to understand the reasons for the deviation observed without analysing these differences in more detail – and such an analysis does not come within the scope of this study. Neither do we have all the data required for performing it.

As a result, we will simply note that the recommendations applied by the UNAF to define the basket of food products lead to relatively expensive food consumption models that are at odds with the actual eating habits defined by the discussion groups. Remember, though, that the standard menus drawn up for the ONPES budgets have been corrected ever so slightly to achieve a balanced diet. It is also possible (but this point would need looking into more closely) that, in practice, the application of UNAF’s chosen standards comes up against all sorts of constraints (time, material organisation and so on) which limit its concrete application in everyday life.

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93The UNAF goes with the standard of one bedroom for two children of the same gender and under 7 years old, pursuant to the standard used to calculate the housing occupancy index. In the ONPES budgets, the groups decided on one bedroom per child.

94Especially the recommendations of the French National Programme on Nutrition & Health (PNNS) and regulations on the nutritional quality of school meals.
The deviation between the ONPES and UNAF budgets is largest for the Clothing and Cleaning and Personal Care items. These relative differences might well be large, but their significance in terms of level should be put into perspective. In monetary terms, the deviation between the two budgets represents about 30 euros per person per month for each of these two items. In theory, the reason for this deviation is not surprising for, in terms of both items, there are hardly any benchmarks on which the definition of a list of necessary goods and services for a decent life minimum can be based. As such, the UNAF’s recommendations appear to be at odds with the consensus reached by the groups of citizens in areas where the social dimension is, moreover, stronger than in other areas, such as housing or food.95

The deviations observed for the Transport and Health items, whilst not tiny, are still relatively small. Overall, for these two items taken together, they reflect an extra expense of around 25 euros per month per person for the ONPES budgets.

Lastly, it can be observed that the ONPES reference budget is lower for equipment expenditure, but much higher for the Social life item, with an average deviation of some 50 euros per person per month for this item – for all of the families considered.

To sum up, the main conclusions that can be drawn from this brief comparative analysis are as follows:

- the ONPES budgets are around 10% to 15% higher than the UNAF budgets. This deviation is not insignificant, but remains reasonable given the methodological differences between the two approaches in particular;
- this deviation can probably be explained, based on an initial analysis, by these methodological differences which result in lower amounts in the UNAF budgets for the items most linked to social life;
- overall, however – in comparison with other similar indicators that have been used to date in the public debate – these differences remain relatively small (see below).

In the future, further analysis would be necessary to pinpoint the reasons for the differences observed between the two approaches more precisely. This is because the deviations briefly demonstrated here remain fairly contingent on the way the different budgetary items have been grouped together – under purposes (functions) that are fairly similar in theory but with contents that can vary by quite a margin in the two approaches. Such detailed analysis should make it possible to identify the interests, limits and relevance more clearly in this respect, with a view to answering diverse questions arising in the public debate.

4 Comparison with similar indicators

According to the consensus reached through reasoned argument during the group discussions, the reference budgets define the necessary resources for achieving decent minimum living conditions. Two indicators are often cited in the ONPES study to address this question: income poverty

95For personal care, the difference could stem from prices, as those selected by the UNAF are those given for the “cheapest” cosmetics. Furthermore, the UNAF does not include makeup or face cream in its budgets, whereas some ONPES budgets do.
thresholds and social assistance benefits. This section presents and discusses the lessons that can be learned by comparing the reference budgets with these two categories of indicator.

4.1 *Comparison with the median standard of living and poverty thresholds*

For some twenty years now, INSEE has been publishing statistics on income poverty at regular intervals. These statistics are based on administrative data: data corresponding to tax declarations and data obtained from organisations that pay out social benefits (e.g. family benefit funds and old age insurance funds). The resulting source, entitled the Tax and Social Incomes Survey (ERFS), shows the breakdown in living standards across the population every year. We are thus able to calculate a poverty line, conventionally set at 60% (or 50% in a variant) of the median standard of living. This gives us two key indicators: the number of poor people and the poverty rate.

Comparison of these poverty thresholds (at 50% or 60%) with the reference budgets is far from direct, however. These express a consumption standard that would be more appropriately compared with disposable income as understood by the national accounts. This is because there is a difference, of around 27%.*

Figure 50) between ERFS data and national accounts data – which can be put down to two main factors. The first, representing a 16-point deviation, stems from the fact that the national accounts incorporate an estimation of the advantage gained by owning housing in their measurement of household income. This correction (which is practised by all national statistics institutes) is necessary if relevant comparisons of living standards are to be obtained. At equal current income – and in an identical family situation – two households will not have the same living standards if one owns their housing and the other rents it. A second factor, representing an 11-point deviation, is due to the underestimation of income in the tax data compared to the national accounts evaluation, which includes an estimation of fraud (work on the black market in particular), and a better coverage of savings income.†

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey data</td>
<td>1,928</td>
<td>1,629</td>
</tr>
<tr>
<td>National accounts (*)</td>
<td>2,453 (2,073)</td>
<td></td>
</tr>
</tbody>
</table>

(*) The national accounts data can be used to calculate the average standard of living of households. The median standard of living is estimated here by applying the same ratio as the one resulting from the survey data.

Sources: INSEE, ERFS for the survey data; INSEE, national accounts and IRES calculations.

Insofar as the budgets calculated in the ONPES study for a decent minimum standard of living go back over all of the resources the households have at their disposal, it is theoretically more relevant.

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*Taking net disposable income into account – minus the fixed-capital consumption – does not significantly alter this order of magnitude. The fixed-capital consumption accounts for around 4% of households’ gross disposable income.
†Even if, to calculate living standards, INSEE estimates the income of tax-exempt savings accounts.
to compare them to the average standard of living estimated by the national accounts than the ERFS estimation.\footnote{Even an average standard of living including – beyond the imputed rent – income equivalent to the services of other lasting goods that the households own, such as a car and household appliances. The same conclusion can be drawn when comparing these survey thresholds with the social assistance benefit scales. This question had already been raised in previous work carried out by the French National Observatory on Poverty and Social Exclusion (ONPES) (P. Concialdi, "Bas salaires et pauvreté", Les travaux de l’ONPES 2001-2002). The subsequent debates resulted in the publication of an article that went into great detail presenting the arguments in favour of the use of adjusted poverty thresholds to compare with social assistance benefits or, more generally, household case studies ("Les seuils de pauvreté monétaire : usages et mesures", La Revue de l’IRES, n°39, 2002/1).}

The main limit of the national accounts is that they cannot provide the breakdown of standards of living – only allowing for an average standard of living to be calculated rather than an average standard of living on which statisticians usually base a poverty line calculation. That said, it should be pointed out that although the two sources (ERFS and national accounts) differ as regards level, they are similar in their measurements of changing standards of living.

ONPES publications are based in a very general manner on ERFS data. So as to keep the number of concepts to a minimum, the ONPES wanted to keep the latter as a comparative basis for the reference budgets (Figure 51). Since the ONPES budgets concern 2013, the ERFS data has been updated because the last available survey dates back to 2011 (see Appendix 5, Chapter 2).

The ONPES reference budgets represent between 81% (couple with no children) and 100% (lone-parent family with 2 children) of the median standard of living\footnote{These percentages would be 64% and 76% respectively with a standard of living assessed on the basis of the national accounts data.} – higher percentages than the usual poverty thresholds, which generally adopt a 50% or 60% threshold of the median standard of living. It can also be observed that, for childless households, these percentages are higher – for identical family situations – for pensioners, which can mainly be explained by the higher significance of housing expenses for these households.
The reference budgets represent a higher proportion of the median standard of living for households with children among those households that work. This difference could be explained by the hypotheses adopted to calculate the median standard of living reference. Indeed, the median standard of living selected for this comparison has been calculated on the basis of the so-called "OECD-modified" average equivalence scale – that INSEE uses for its calculations. The difference observed between the working households with and without children could therefore mean that this average scale minimises the needs of families with children, for households situated in these income ranges. This underestimation would be around 10% to 15% – slightly higher for the lone-parent families considered here. This question could be examined by future studies, particularly to identify which expenditure items have the most impact on determining these equivalence scales depending on the number and age of the children in the households.

4.2 Comparison with social assistance benefits

The comparison of the reference budgets with the social assistance benefits guaranteed by the transfer system certainly forms one of the most important outcomes of the ONPES study. This comparison has been limited to two benefits: the Revenu de solidarité active (RSA/income support) and the Allocation de solidarité aux personnes âgées (ASPA/pension credit). Comparison for benefits concerning populations with specific needs (disabled people, so more than a million people) cannot be relevant in this context, and would be too complicated in other cases.

Even within this restricted framework, comparison of the reference budgets with social assistance benefits is far from immediate for the RSA, especially because of the double mechanism in this regard (RSA socle which people with no professional earnings can claim, and RSA activité which low-paid workers can claim). The comparison focused on beneficiaries of the RSA socle.
What’s more, people on social assistance benefits can also receive housing assistance: we assumed that this was always the case for such claimants, who also receive assistance through reimbursement of their top-up health insurance policy.

To sum up, we therefore adopted the following hypotheses:

- All social assistance benefit claimants are supposed to receive additional assistance with housing and their top-up health insurance. The comparison with the ONPES budgets concerns budgets that do not include this top-up health insurance.
- The RSA (income support) claimants do not have any professional earnings.

The results of this comparison are presented in Figure 52 which gives the ratio between the minimum guaranteed income in the different family situations and the comparable minimum budget obtained from the ONPES study. For adults of working age, this ratio is around 50%. It is higher for lone-parent families (56%), and slightly lower for couples with children (around 47%). For pensioners, living alone or in a couple, the guaranteed income represents a slightly higher proportion, of between 62% and 63% of the ONPES reference budget.

Figure 52 - Guaranteed minimum income in % of the ONPES reference budget (Not including top-up health insurance)

Sources: CREDOC 2013-2014 valuation for the ONPES reference budgets; Drees case studies template, legislation as at 1 April 2013 for guaranteed income of working households; IRES calculations for guaranteed income of pensioners. IRES calculations

For lone-parent families, it should nonetheless be pointed out that the situation considered concerns a family entitled to extra financial help on top of the basic income support amount (RSA majoré). Without this extra help, the guaranteed income would represent around 50% of the ONPES reference budget.
In monetary terms, the "income deficits" are fairly significant for all of the households types considered. They are quite logically lower for single people, and increase with the size of household (Figure 53).

<table>
<thead>
<tr>
<th></th>
<th>Per household</th>
<th>Per adult equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working single person</td>
<td>-675</td>
<td>-675</td>
</tr>
<tr>
<td>Working couple</td>
<td>-948</td>
<td>-632</td>
</tr>
<tr>
<td>Lone-parent family with 2 child</td>
<td>-1095</td>
<td>-684</td>
</tr>
<tr>
<td>Couple with children</td>
<td>-1667</td>
<td>-794</td>
</tr>
<tr>
<td>Single pensioner</td>
<td>-585</td>
<td>-585</td>
</tr>
<tr>
<td>Pensioner couple</td>
<td>-774</td>
<td>-516</td>
</tr>
</tbody>
</table>

Sources: CREDOC 2013-2014 valuation for the ONPES reference budgets; Drees case studies template, legislation as at 1 April 2013 for guaranteed income of working households; IRES calculations for guaranteed income of pensioners. IRES calculations

Overall, for all of the family situations considered, the deviation per adult equivalent varies from around 520 euros per month (pensioner couple) to almost 800 euros per month (couple with two children).

5 Comparison with the British budgets (Minimum Income Standard)

For the past decade or so, there have been increasing efforts to establish reference budgets across several European countries. In each case, a number of methodological choices have had to be made, which are not necessarily the same from country to country (see Chapter 1). A relevant comparison should take all of the methodological differences on board to pinpoint and explain any deviations. We decided to limit ourselves to the UK findings insofar as the method developed by the ONPES has largely been based on the British researchers' method, which means the methodological differences are fairly limited in theory.

As we have already been able to highlight, it is not at all simple to compare the ONPES minimum budgets with other indicators that are similar in theory. This finding proves all the more so in international comparisons, and this is why we are focusing on the difficulties and limits of such comparisons to begin with.

The most immediate comparison we can attempt to make concerns the budget levels in a given family configuration. With the adoption of a common currency across many European countries, this comparison is now easier to do thanks to the publication of figures that appear comparable in theory. No doubt this comparison is also the most tricky and the least relevant. To be more precise, such a comparison combines several effects and therefore answers several different questions at the same time.

The budgets calculated in euros in two different countries are very difficult to compare for several reasons. First, because the price levels vary from one country to another. A budget of an equivalent amount does not represent the same purchasing power. To overcome this initial difficulty, we can
use exchange rates that ensure purchasing power parity (PPP exchange rate). But this correction is not satisfactory either, for two reasons.

First of all, this value-based comparison does not factor in differences in living standards between countries. The deviations with respect to budget levels expressed in PPP risk reflecting these deviations in average standards of living to a very large extent. If we want to be able to answer this question, comparison minimum budgets is not the best indicator. In other words, this comparison answers two different questions at the same time: what is the deviation in average standard of living between two countries, and how do citizens in these countries assess the relative deviation in relation to this national reference for having a decent minimum standard of living?

Second, this comparison of standards of living in "absolute" terms would be biased, for it is based on a monetary equivalent which corresponds roughly to households' disposable income (disposable monetary income for their consumption and savings). However, as we have pointed out again above (see Para. 1), this approach does not take account of collective forms of consumption that contribute to purchasing power and standard of living for households. By definition, the reference budgets do not incorporate this collective dimension since they are "individual" budgets that measure the outgoings households have, using their own sources of income. And yet, between one country that covers the vast majority of health and education services through collective transfers, and another in which these services are paid for primarily by households themselves, the necessary monetary budget (the object of comparison in this instance) will not be the same for having a comparable standard of living – all other things being equal. Within the EU, the proportion of these transfers varies from less than 10% in Greece to more than 40% in Denmark, which can have a fairly big impact on comparisons between countries.  

For all these reasons, we focused our analysis on relative comparisons, based on a simple indicator which compares the amount of the different budgets with the median standard of living of each country. The family configurations selected are the same as in the ONPES study, except for couples with children, since the children's ages are not exactly the same in the two countries. The local tax amounts, included in the British budget, have been deducted from these budgets to obtain figures in line with the figures of the ONPES budgets, which focus on households living in public housing.

As shown in

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100 This ratio corresponds to the ratio between adjusted disposable income (which incorporates "individualisable non-market transfers") and disposable income of households.

101 This approach does not enable collective transfers that finance a range of services to be taken on board either. It does, however, have the benefit of referring implicitly to income poverty thresholds which, despite their conventional character, have become statistical indicators that are called on in the public debate.
Figure 54, the minimum budgets defined by the ONPES represent an often higher proportion of the median standard of living of households than in the UK, except in the case of childless couples. The deviation remains small however, save for pensioner households for whom the deviation is fairly big, in the range of 20 points. Moreover, compared with the same configurations of working families, this deviation goes the other way. For childless households, the budget is relatively higher in France for pensioner households (compared with working households), whereas the opposite is true in the UK.

The comparison of the budget structures is more complicated insofar as it can raise both the matter of relative price deviations – on which we do not have any information – and that of the different choices made by the discussion groups. The main observation we can make regarding this comparison is that the significance of the housing item is much greater in the UK, making up 29% to 43% of the overall budget for childless households, while this item never accounts for more than a third of the reference budgets in France.
6 Updating the reference budgets

The reference budgets have been valued at a given date: end of 2013. Over time, their amounts can be changed by two factors it is necessary to be able to anticipate if these indicators are to remain pertinent for the public debate. The ONPES could draw inspiration from the British researchers' approach in this regard.

The first factor concerns the fluctuating prices of various items making up the baskets of goods and services that have been valued. This factor has a short-term effect and it should be possible to take it into account simply by updating the price of these items. This simple updating is carried out every year by British researchers. It is certainly preferable to overall updating by a general price indicator since, as the British example shows, there is a significant difference between general changes in prices and those of the minimum basket of necessary goods and services.

The reference budget amounts can also change – this is the second factor – if the actual content of the basket of goods and services changes over time because of a change in social consumption standards or, as noted above, because the extent to which some needs are covered by public expenditure changes. This factor has more of a medium-term effect. To take it into account, the British researchers take a twofold approach. To begin with, every two years they "revise" the baskets by getting groups together and asking them if the contents of the baskets of goods and services need to be changed. Then, every four to six years depending on family configuration, the whole process for compiling the baskets of goods and services is carried out all over again from scratch, in the same way as during the initial study, so as to establish new core contents for these baskets. This method costs more than a simple revision and even more again than updating by prices. But, again in this

![Figure 54 - Reference budget in comparison with median standard of living (%). Comparison between France (ONPES) and the UK (MIS)](chart.png)

case, the British experience demonstrates that it can have significant consequences on the contents of the basket of goods and services and, as such, on the amount of the reference budgets.

To begin with, the best solution would seem to be to plan for the updating of the reference budgets in line with the approach taken by the British researchers, i.e.:

- annual updating by prices;
- revision of the contents of the baskets of goods and services every two years;
- repeating the study all over again from scratch and “rebasing” the baskets of goods and services every 5 years or thereabouts.

In all cases, this is a matter that will need exploring in more detail in any future studies undertaken.
CONCLUSION

The study presented in this report developed a method that had never been implemented in France before for drawing up reference budgets. This method is based on the one developed in other countries, but also gains from input from the steering committee throughout a process that lasted about two years. This report gives an account of this process in the most transparent way possible – a prerequisite if all social stakeholders are to be able to get a relevant grasp of the findings. These methodological elements alone form an invaluable contribution that it would be worth appraising for other future studies undertaken on the same theme.

These reference budgets have been compiled through a participatory approach involving some thirty groups of citizens aimed at defining the contents of the basket of necessary goods and services for having a “decent minimum standard of living” today in France. Experts also shared their views and advice at various stages in the process to help guide the discussions. The baskets of goods and services defined in this way are therefore based on a knowledge-based, reasoned social consensus, by endeavouring to make the very best use out of these diverse forms of expertise. It should also be pointed out that, throughout the process, the discussion groups were systematically asked to concentrate on the minimum contents of these baskets of goods and services, especially during the final stage when they were presented with the budgetary consequences of their decisions.

The quantitative results of this study form a new benchmark for social policy analysis and, more generally, for all social stakeholders to strive towards equity and well-being for populations. They can be used to define thresholds below which households do not have the necessary resources for fully participating in social life. These reference budgets form a new tool for more effectively interpreting and assessing the indicators that are generally consulted in the public debate on poverty (poverty line, social assistance benefits), which should help to enrich the analysis of populations who are marginalised or at risk of poverty.

It should be borne in mind that these results have been obtained for people living in medium-sized towns who do not suffer from disability. As a result they do not take into account the situation of individuals with special needs, whether because of their health or because of the shortage or complete lack of local public services. One way in which this type of study could be taken further would therefore be to focus on specific populations and to identify their additional needs. However, because the results have been presented in a way that distinguishes the budgets without including housing costs, this still provides an initial benchmark for people living in rural areas or large cities.

Lastly, another significant contribution made by this study is the implicit definition of equivalence scales that stems from the comparison of the reference budgets established for diverse family situations. The first analytical findings presented in this report tend to show that the average equivalence scale generally used would seem to underestimate the needs of households experiencing such minimum living conditions for participation in social life. This is also a possible point for further exploration.

Generally speaking, this study probably therefore forms more of a starting point for expanding knowledge of populations living “on the minimum” than a definitive end point, especially if – beyond
the quantitative results – we consider the sheer wealth of qualitative information also presented throughout this report in terms of detailed facts concerning households’ needs.
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