



the **association** of
charitable organisations

ANALYSIS BY



More than making do: understanding the economic impact of essential household appliances



In collaboration with our partners



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Foreword

Appliance poverty – the absence of essential household appliances such as cookers, fridges and washing machines continues to impact thousands of households across the UK, increasing their distress. Our research by respected economic analysts Pro Bono Economics highlights in real terms how the provision of these items makes a positive change in the wellbeing of families and individuals.

This report was commissioned by a collaboration of Fusion21 Foundation and ten ACO grant-making charities, who play an active role in working to relieve the symptoms of poverty.

The end product is a set of tangible findings that will both contribute to how charities effectively measure the impact of their activities, but also make an important broader contribution to the debate around how we work to reduce the prevalence of appliance poverty.

I would like to thank Fusion21 Foundation for their generous grant which made this project possible. Thanks also go to the members of the steering group from the partner charities who drove the project forward and Pro Bono Economics for their robust approach and insightful findings.



Donal Watkin, Chief Executive,
Association of Charitable Organisations

The Fusion21 Foundation, part of national procurement provider Fusion21, is committed to investing in research that creates new solutions to ongoing societal challenges, and we're delighted to have funded this report, which offers strong evidence of a link between wellbeing and appliance poverty, translated into a financial value.

The Foundation's main objectives are to make a visible impact in the areas of financial inclusion and resilience as well as health and wellbeing. By working with the Association of Charitable Organisations and a partnership of ten grant making organisations, this report and its findings highlight the significance of appliance poverty and the impact that grant funders are making in this space.

The benevolent charity sector provides crucial services for support and advice organisations to refer into, particularly during the cost-of-living crisis. We're pleased to fund this important research which will inform the approach to measuring and articulating the sector's impact – and, therefore, enabling further debate to drive positive change.



Jo Hannan, Head of Fusion21 Foundation

Project partners

As charities supporting individuals in hardship, we know that not having essential household appliances makes life harder for those already experiencing profound disadvantage. In commissioning this research, our ambition was to increase our understanding of the impact our grant making can have on appliance poverty. This new research not only gives us hard evidence linking wellbeing and essential appliances, but helps us understand our impact by expressing the benefits in monetary terms.

Barnwood

Buttle UK

caba

Family Fund

Glasspool Charity Trust

Licensed Trade Charity

National Benevolent Charity

Royal Air Force
Benevolent Fund

Solicitors' Charity

Teaching Staff Trust

Background

An estimated 480,000 households, or 1.2 million people, in the UK are in appliance poverty; they are living without a washing machine or fridge/freezer, or both – appliances that many of us take for granted¹. Of these, 53,000 households, or 130,000 people, are living without **both** a washing machine and a fridge/freezer. All too often, people living in poverty find their existing economic distress is exacerbated by not having the appliances and equipment needed to live a healthy, hygienic, safe and comfortable everyday life.

Members of the Association of Charitable Organisations (ACO) make grants for exactly these kinds of items, to alleviate the stress and negative impact of going without. As individual grant makers, we hear from grant recipients about the difference our grants for essential household appliances make to their lives – and their economic situation.



Having to wash laundry by hand, which is physically demanding for people often already struggling with health conditions or caring responsibilities.



Increased stress and worry about where and when to wash clothes or cook food and about how to juggle paying for the much-needed appliance alongside other costs.



Greater inconvenience, having to wash or cook with friends or family – or simply go without.

There has been substantial debate and interest within the individual grant making sector for some time about understanding the financial impact of the sector's household and/ or personal item-based giving. To take forward this interest, a partnership of 10 charities, with the support of the ACO and the financial backing of the Fusion21 Foundation, came together to commission research to explore the financial benefit of having essential household appliances.

1. PBE analysis using Living Costs and Food Survey data, number of people in a household, and number of households in the UK www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2021



The brief

The overarching goal of the research was to establish a clear 'pounds and pence' figure for the impact of having household appliances. In addition, the ambition was to also create a methodology which can be regularly updated and/ or tailored to remain relevant over time.

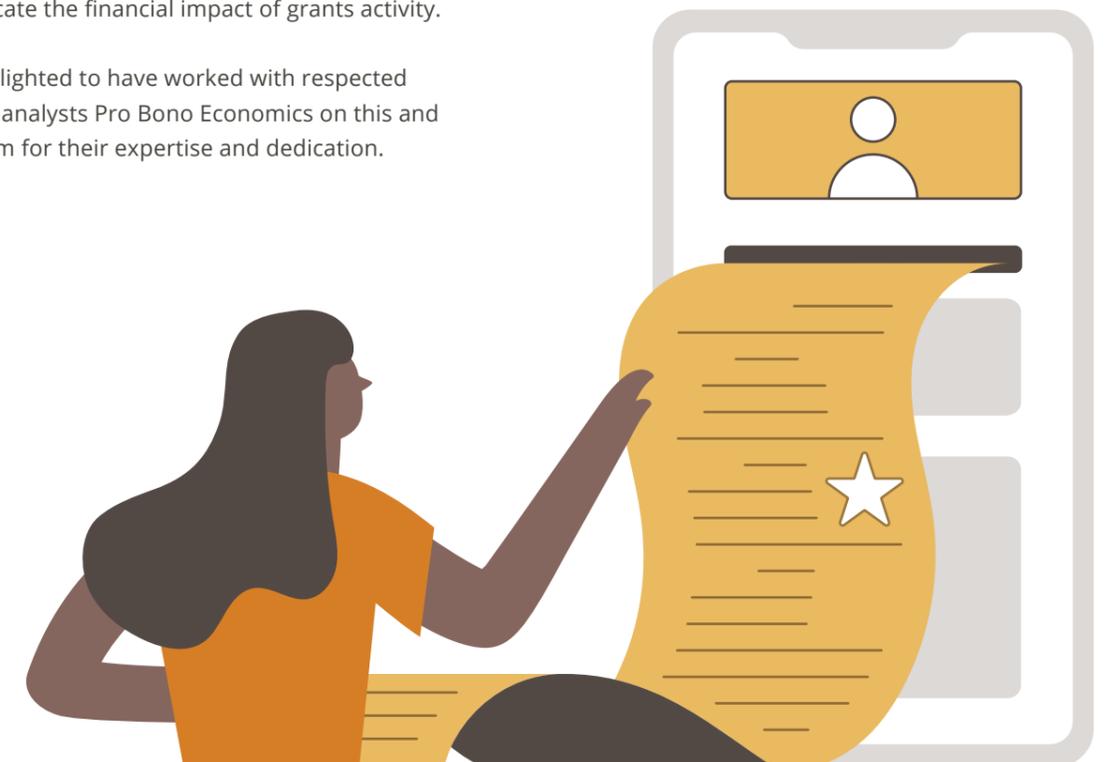
Project partners were particularly keen to understand whether, and to what extent, people on low incomes living without essential appliances spend more on laundry and food because they need to use laundrettes, need to buy ready meals or takeaway and cannot store larger quantities of food. As a sector, there was no evidence-based quantitative research into how realised spending patterns might vary depending on whether there is an appliance in the home. Conducting rigorous research with recognised methods would allow the individual grant making sector to confidently communicate the financial impact of grants activity.

We are delighted to have worked with respected economic analysts Pro Bono Economics on this and thank them for their expertise and dedication.

The research approach

Rather than make assumptions about people's behaviour when managing without essential appliances, Pro Bono Economics used the Office for National Statistics' "Living Costs and Food Survey".

This data source provides a robust record of the presence of major appliances in the home, actual spending patterns of people living on a low income and their satisfaction with their lives overall. Combining these key characteristics through statistical analysis allows the sector, for the first time, to evidence the link between appliances, spending patterns and wellbeing.



Giving appliances makes a measurable difference to wellbeing

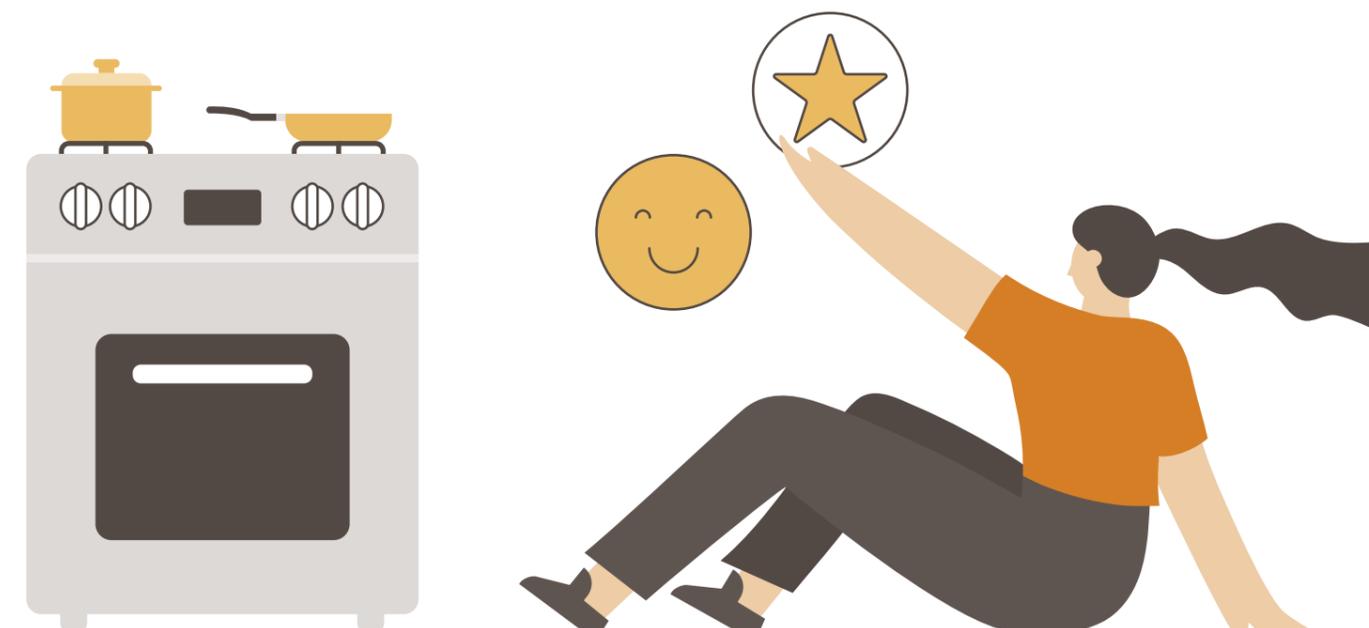
The Pro Bono Economics analysis indicates that there is a meaningful positive relationship between life satisfaction and having large essential appliances such as a washing machine and a fridge in the home.

To establish this, Pro Bono Economics analysed the Living Costs and Food Survey to ascertain whether there was a relationship between self-reported wellbeing and having an appliance in the home. The ONS Life Satisfaction survey is scored on a 10 point scale – respondent ranks their life satisfaction from 0 (“not at all”) to 10 (“completely”), in response to the question: “Overall, how satisfied are you with your life nowadays?”.

The analysis finds that people living on low incomes, missing these basic appliances, have wellbeing that is nearly half a point (0.4) lower than those with appliances. This is a robust estimate, even after controlling for other important drivers of wellbeing

including sex, employment status, relationship status and assessment of own health.

This is a huge step for the benevolent and individual grant-making sector – it is the first time robust, rigorous data, collected at national scale, has been used to understand the impact of household appliances. We understand the lived daily reality of coping without essential appliances, through the regular feedback we receive. The analysis presented here by Pro Bono Economics, drawing on ONS data, allows the sector to be confident that our approach of practical, immediate help with household essentials like this is contributing towards our ultimate charitable purpose – to increase grant recipients’ wellbeing.



CASE STUDY

Teaching Staff Trust

Jenny* is a 54 year old single woman working full time in a low paid role in a school and her income has been supplemented with universal credit. She recently moved to a smaller flat to try to economise but had to leave the white goods in the previous tenancy. She found her inability to meet household bills and to wash clothes or store food safely was impacting on her health and increasing her anxiety levels. The Teaching Staff Trust provided her with a washing machine and fridge freezer. These immediately brought an improvement in her health, reduced her anxiety and kept her at work because she felt greater respect for herself in clean clothes and with decent food.

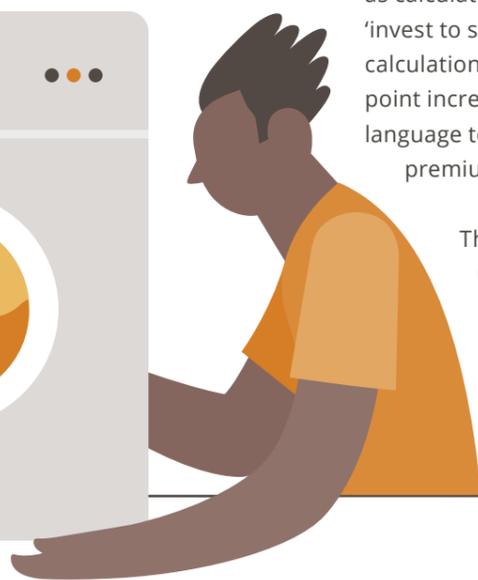
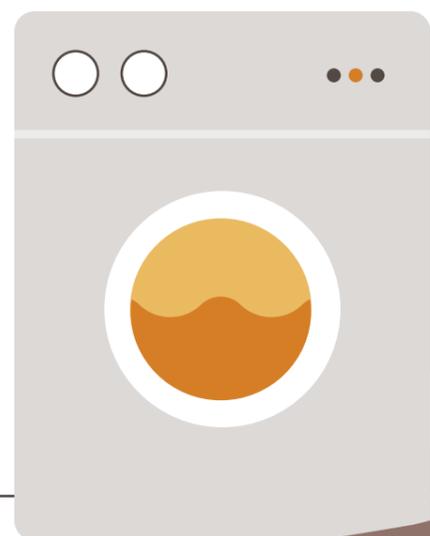
“Thank you so, so much for everything, I really appreciate it. Words aren’t enough to say how grateful I am. Many, many thanks.”

*Names have been changed to protect identities

How much wellbeing is a washing machine worth?

With an estimated
480,000
 households living in appliance poverty in the UK, these results suggest the monetary value of wellbeing improvements arising from gaining large essential appliances in the home could be as much as

**£6.7
 BILLION.**

In order to understand impact and support effective decision making, HM Treasury has produced guidance and a methodology for calculating and expressing wellbeing in monetary terms. Pro Bono Economics applied this guidance to the evidenced wellbeing boost, outlined above, of having large essential household appliances, compared to living without.

Their analysis finds that monetising the 0.4 point increase in life satisfaction of living one year with a washing machine and a fridge in the home (compared to without) can be valued at £7,200. For context, this is 21 times as large as the average size of grant made by ACO project partners, estimated at £350.

Within the 480,000 households, there are 940,000 adults living in appliance poverty in the UK. These results show that the equivalent monetary value of wellbeing improvements arising from gaining large essential appliances in the home could be as much as £6.7 billion.

It is important to be explicit that expressing wellbeing gains in monetary terms is not the same as calculating a cost-benefit ratio or detailing an 'invest to save' case. Rather, using HM Treasury's calculation of the value of one year lived at a one point increase in life satisfaction offers a common language to express the scale and value of wellbeing premiums experienced by those with appliances.

The ACO project partnership has long understood the difference essential household appliances make to the daily lives of our grant recipients. This analysis now shows the monetary value of the boost in wellbeing our grant making achieves.

CASE STUDY

Family Fund

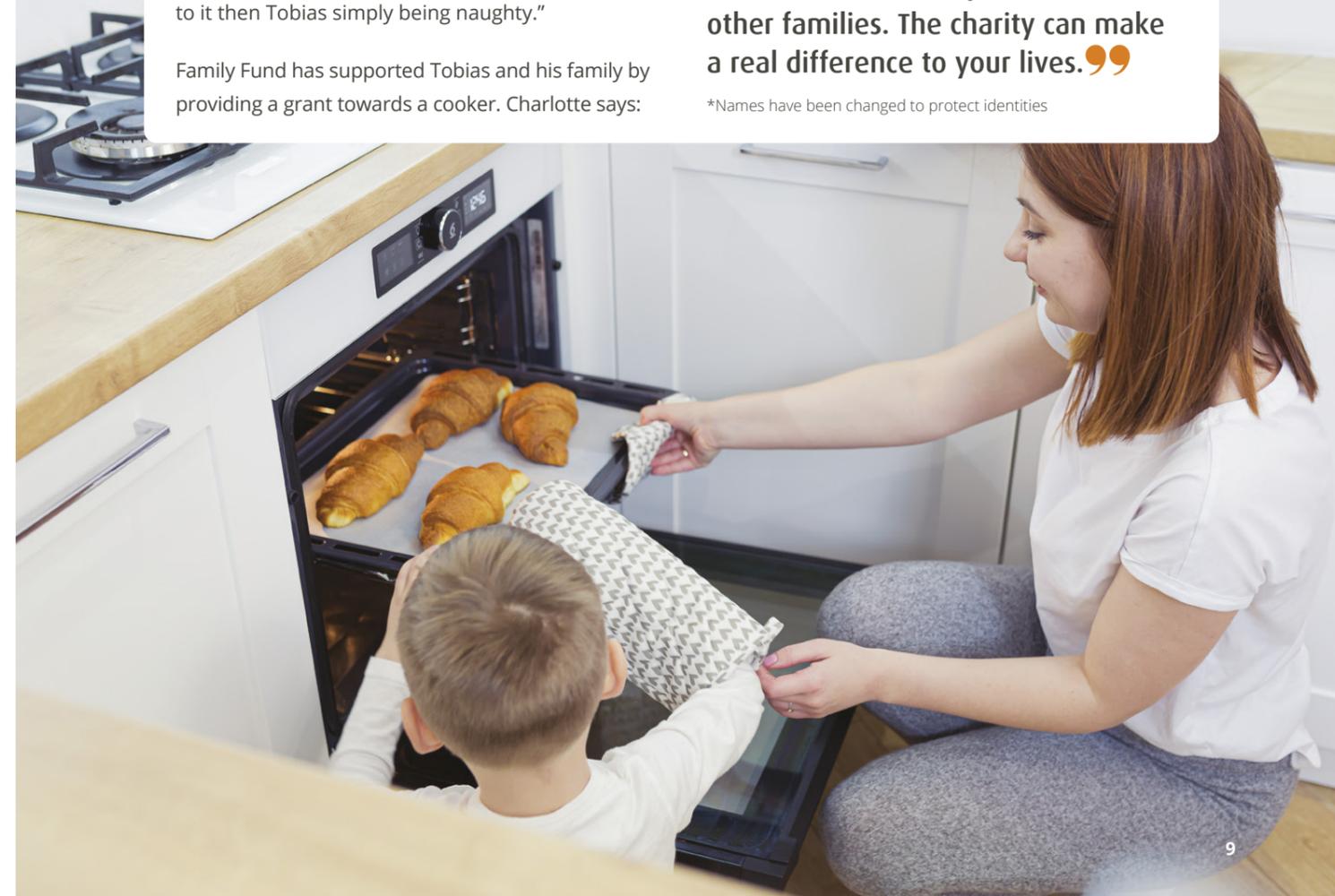
Tobias is three years old and lives in Surrey, England, with his mum Charlotte.* Charlotte explains, "Tobias was diagnosed with autism at the age of three. He also has suspected ADHD. Tobias is a happy, hyper, and loud child." Charlotte adds, "Tobias attends a special needs nursery for 15 hours a week since mainstream nursery cannot handle his needs. He absolutely loves it! In the mornings, Tobias will run in, and I won't even get a backwards glance.

"Tobias has a restrictive diet. He refuses to eat any fruit or veg unless it's in puree form. He prefers crunchy food rather than slimy. Tobias will eat the same foods repeatedly until one day he will decide that he no longer likes it. A lot of people say that Tobias doesn't look autistic, or that he just needs to be disciplined when he shows challenging behaviours. People need to realise that not all children can be put in the same box. There's more to it than Tobias simply being naughty."

Family Fund has supported Tobias and his family by providing a grant towards a cooker. Charlotte says:

“Our old cooker had broken so I was no longer able to feed Tobias the foods that he wants to eat. I had to purchase an air fryer and use the microwave a lot when the cooker was broken. The lack of oven restricted Tobias' diet even more since I couldn't cook mini pizzas or sausages – some of the only foods that he will eat. Tobias has had a slow weight gain since he was a baby and not having a cooker meant that his weight gain became even slower, as he wasn't able to eat the foods that he was used to. Having a working oven has made such a difference! I've recommended Family Fund to a few other families. The charity can make a real difference to your lives.”

*Names have been changed to protect identities



Pounds and pence – does giving appliances help individuals save money day to day?

For those of us supporting people in poverty through individual grant making, a longstanding part of our rationale has been that providing household essential appliances helps ease our grant recipients' financial burdens.

As a sector, we have assumed that:



Food spending will be higher if there are no means to cook fresh food and then chill it for safe storage – as a result people will need to access more expensive ready meals or takeaways or buy in bulk.



Spending on laundrettes will be higher for those without a washing machine, as those without a machine have to wash externally.

Previous research has used scenario modelling to understand the financial impact of appliances. In contrast, the Pro Bono Economics research tested these assumptions using detailed household spending data from the ONS.

Comparing spending patterns of people on low incomes, the analysis of the Living Costs and Food Survey found no significant difference: the data does not give sufficient evidence to the idea that household and food expenditure is higher without appliances.

However, the LCFS is not able to provide insight into changing behaviour – how does spending change in the case where a person moves from not-having to having an appliance? As project partners we have substantial qualitative data through our evaluation and monitoring work that suggests giving household appliances does have a positive impact on grant recipients' spending patterns. There is a gap in the data and more research is needed to generate reliable, robust data at scale to understand the financial implications of low income appliance non-havers changing into appliance havers through individual grant making.



Conclusions and recommendations

This research is an important step forward for the sector to be able to provide clear, robust data on the scale of appliance poverty across the UK and the positive impact of giving essential household appliances. As a partnership, we all hold qualitative data, through the feedback from our grant recipients, about the difference our household appliances make. This analysis, based on ONS quantitative data, supports our grassroots knowledge and allows us as a sector to credibly evidence, and confidently communicate, the value of what we do for people's wellbeing.

It also highlights individual appliance grant making as a strategic lever towards increased wellbeing. The grant making sector often operates on two timeframes and levels: funding actions that aim to achieve wider system change through influencing policy and capacity building, which is longer term. This approach is set against grant making investigated in this report – supporting individuals' immediate, daily needs. The Pro Bono Economics research creates new emphasis that individual grant making has strategic value in creating additional wellbeing for individuals.

Recommendations

- 1 In the light of this evidence, individual grant making for household essential appliances should continue to form a key part of the portfolio of benevolent funders' range of support, alongside their other activities.
- 2 To strengthen our understanding of the financial impact of giving essential household appliances, the ACO should pursue additional research on spending patterns and change. At present there is a gap in the data as it relates to how grant recipients' behaviour changes as they move from not having, to having, major appliances.
- 3 The ACO should also consider commissioning research to understand the outcomes of those who received ACO support versus those who did not. The present analysis uses national data, which is a reasonable proxy but may vary from ACO specific recipients. ACO partners should work together to harmonise and improve their data collection to enable a stronger conclusion in future economic evaluation.





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