

Cheap at twice the price: Young People, Purchasing Power And Alcohol

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Alcohol Concern
Making Sense of Alcohol

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1. Summary

Alcohol-related harm indicators for under-18s suggest that a number of young people are now drinking at levels likely to lead to severe distress. Hospital admissions for alcohol poisoning continue to rise for the under-14s, as does the overall number of young people undergoing some form of alcohol treatment.

For young people moving beyond curiosity to the stage of getting drunk with friends there has never been a better time to cheaply purchase large quantities of alcohol. The average pocket money in 2007 for 12-16 year olds is £9.53. A combination of rising disposable income and stable alcohol prices mean it is now 65% more affordable to buy alcohol than it was twenty years ago.

In November 2007 Alcohol Concern collected price information from random branches throughout London of the supermarket chains that had most frequently failed the Home Office's 2006 test purchasing campaign. The aim was to discover how far a teenager's allowance could actually go for those who manage to buy alcohol, either in person, or through a proxy. For those that are successful, very low prices enable them to buy as much as 3 times the daily recommended limits for *adult* men and more than 4 times the recommended limit for women.

Current EU competition policy makes minimum price setting for public health reasons legally impossible. The European Court of Justice has however indicated that pursuing public health objectives through increased *taxation* is permissible. Alcohol Concern's view is that the very keen affordability of alcohol helps drive underage consumption and its attendant harms. Increasing taxes on alcohol is therefore vital to cutting down on the amounts pupils are able to drink.

2. The Price of Alcohol

Rising disposable income for households and relatively stable alcohol prices have led to a situation where alcohol is now 65% more affordable than it was twenty years ago.¹ The graph below shows the prices of popular drinks over the last ten years. Vodka has only increased by 58 pence in the past ten years. In fact, whiskey and cans of lager have actually become *less* expensive; they cost less in 2006 than they did in 1998.²



Alcohol Price, and Retail Prices Indices - all items: derived from Focus on Consumer Price Indices: tables 4.1 and 4.8 (Codes CBAA, CBAB, CHBD, CHAW). Office for National Statistics 2006

3. The link between young people's income and their alcohol consumption

A Joseph Rowntree Foundation literature review examined young people's changing reasons for drinking:

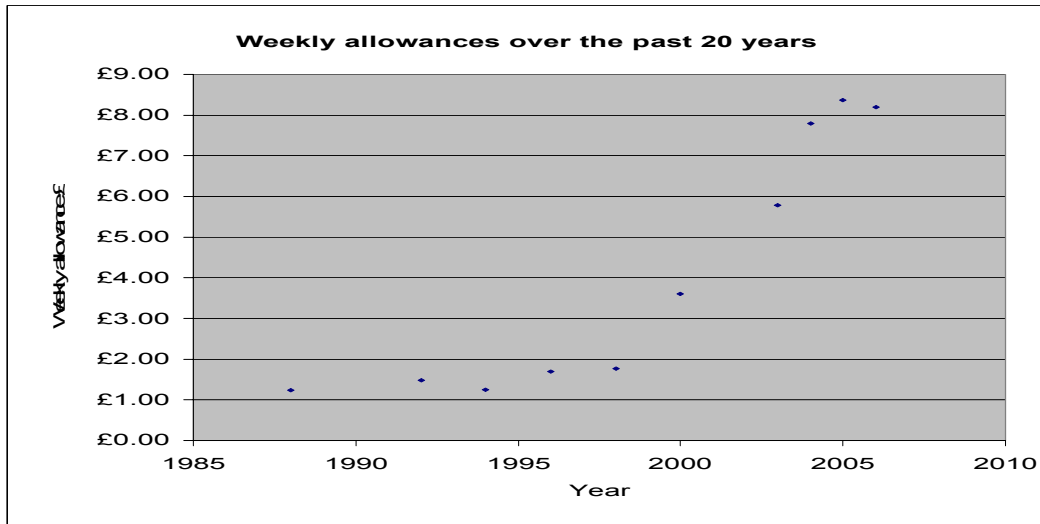
- 12-13 year olds start tentatively experimenting with alcohol, usually within the family environment. This reflects a desire, especially in boys, to move on from child status.
- 14-15 year olds prefer to drink outside the family environment and are more secretive, hiding their behaviour from their parents. This age group tends to drink to get drunk, with the aim of testing their limits and having fun.
- 16-17 year olds have moved on from experimentation and see themselves as more responsible drinkers, with an awareness of their own limits. They are more open with their parents about drinking and see their drinking behaviour as a sign of maturity and experience by drinking more like adults.³

¹ ONS (2007) *Focus on Consumer Price Indices*, Office for National Statistics and Economic Trends: London

² ONS (2006) *Focus on Consumer Price Indices*, Office for National Statistics and Economic Trends: London

³ Newburn, T. and Shiner, M. (2001) *Teenage kicks? Young people and alcohol: a review of the literature*, Joseph Rowntree Foundation, York.

The average weekly pocket money in 2007 for 12-16 year olds is £9.53. Over the past twenty years, the national average has increased more than seven times the 1987 average of £1.13. This means pocket money has increased by six times the rate of inflation, or put another way, by 600%.⁴ For that specific group of young people moving beyond curiosity to the stage of getting drunk with friends, there has never been a better time to cheaply purchase large quantities of alcohol.



Halifax Pocket Money Survey 2007

This increase in teenagers' income has had a considerable impact on the ability of young people to source alcohol independently of their parents over the past twenty years. The Department of Health's 2004 investigation into the matter found that 95% of 15 year olds who drink had successfully bought alcohol at one time or the other. For this group, the three most popular sources were friends and relatives, off-licenses and supermarkets/shops.⁵

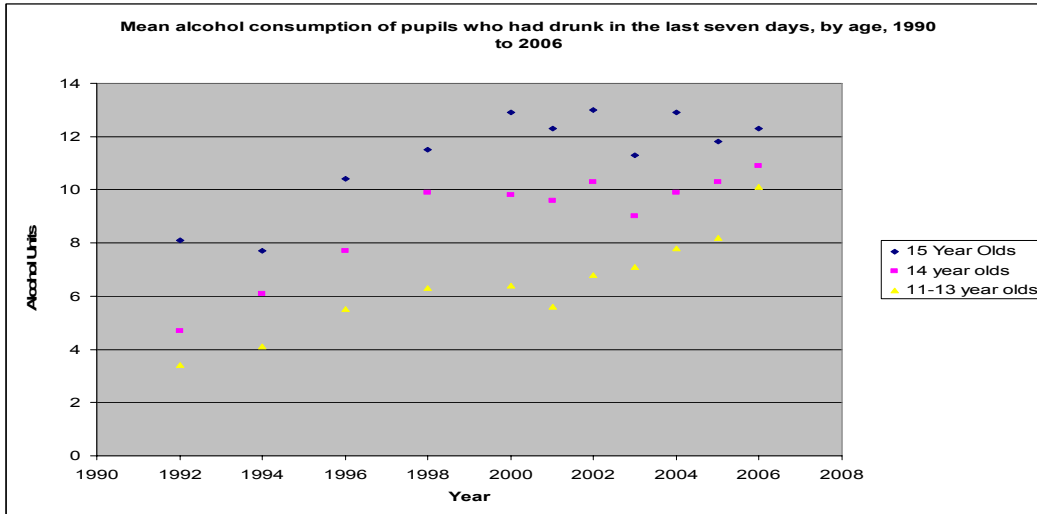
For all age categories between 11 and 16, mean alcohol consumption has risen steadily over the same twenty year period. The increase has been particularly dramatic among 14 and 15 year olds, a third of who also now agree it is 'ok to get drunk once a week'.⁶ This combination of greater affordability and a growing culture of acceptable drunkenness among the young may explain why they consume far greater quantities of alcohol than their predecessors when they drink.⁷

⁴ HBOS (2007) *Halifax Pocket Money Survey*, HBOS: London

⁵ HSCIC (2005) *Smoking, Drinking and Drug Use Among Young People in England in 2004*, Health and Social Care Information Centre: London

⁶ *Ibid*

⁷ NHS IC (2007) *Smoking, Drinking and Drug Use Among Young People in England in 2006*, The Information Centre: London



Smoking, Drinking and Drug Use among Young People in England in 2006

Supermarkets, Young People and Drink

The most recent data describing where young people purchase alcohol indicates that around twelve percent of young people who buy alcohol do so from shops or supermarkets.⁸ It should be noted however that since then, the off-trade has made significant progress in cutting down underage sales.

In 2006, the Home Office revealed the names of the retailers that were found to have sold alcohol to under 18's. The ones with the highest failure rates that are still trading were⁹:

Company	Number of sales to u18	Total number of operations	Failure rate
Co-op	81	417	19%
Sainsbury	29	143	20%
Somerfield	31	144	22%

Grocery retailers admit that they sell alcohol for less than production cost.¹⁰ Indeed, alcohol is one of the product groups that make up two-thirds, or more, of each grocery retailer's below cost sales. This practice of selling alcohol so cheaply, combined with an awareness that it is still possible sometimes to buy alcohol illegally from the store may help explain why supermarkets one of the three most popular targets for young people intent on drinking.¹¹

⁸ Ibid

⁹ Home Office (2006) *Alcohol Industry Must Do More to Tackle Sales (Press Release 16/10/06)*, Home Office: London

¹⁰ Competition Commission (2007) *Groceries Market Investigation: Provisional Findings Report*, Competition Commission: London

¹¹ HSCIC (2005) *Smoking, Drinking and Drug Use Among Young People in England in 2004*, Health and Social Care Information Centre: London

Young People's Purchasing Power

In November 2007 Alcohol Concern collected price information from random branches throughout London that belong to the chains which, nationally, had most frequently failed the Home Office's 2006 test purchasing campaign. The aim was to discover how far a teenager's allowance can actually stretch if they managed to either purchase alcohol for themselves at a supermarket, or got someone older to do so for them. We restricted the focus in two ways.

First, we focused on prices for beer, lager, cider, alcopops and spirits. These are the most popular types of drink among pupils.¹² We also narrowed the range to those brands which earlier research has shown to enjoy a high level of recognition among young people.¹³ These are, Bacardi, Bacardi Breezer, WKD, Smirnoff Ice and Budweiser.¹⁴

The table below features the cheapest deals, together with the unit content. Weekends remain the most popular times for young people to drink alcohol. In 2004, 45% of pupils who had drunk in the week prior to interview had done so on Friday and 55% had done so on Saturday.¹⁵ It is logical to assume therefore, that if the intention is to get drunk with friends, that any alcohol purchased is likely to be consumed within the course of an evening.

Chain	Price	Brand	Deal	Units	Multiple of recommended daily allowance for men (m) and women (w)
Sainsbury's	£9.00	Carling	8 x 300ml bottles	9.84 units	2.46 (m) 3.28 (w)
Sainsbury's	£7.98	Smirnoff Ice	8x 275ml bottles	9.9 units	2.47 (m) 3.30 (w)
Sainsbury's	£ 7.88	WKD Vodka Blue	4 x 275ml bottles	11 units	2.75 (m) 3.60 (w)
Sainsbury's	£ 6.59	Budweiser	10x 207ml bottles	10.35 units	2.58 (m) 3.45 (w)
The Co-Op	£7.29	Bacardi (Superior)	1 x 35cl bottles	13.12 units	3.28 (m) 4.37 (w)
The Co-Op	£5.00	Budweiser	3 x 660ml bottles	9.9 units	2.47 (m) 3.30 (w)
The Co-Op	£5.00	WKD Vodka Blue	2 x 700ml bottles	7 units	1.75 (m) 2.33 (w)
The Co-Op	£5.00	Smirnoff Ice	5 x 275 ml bottles	6.18 units	1.54 (m) 2.06 (w)

¹² Ibid

¹³ Dawson R & Cragg, A. (2004) *Alcohol Advertising and Young People*. Advertising Standards Authority: London

¹⁴ Ibid

¹⁵ HSCIC (2005) *Smoking, Drinking and Drug Use Among Young People in England in 2004*, Health and Social Care Information Centre: London

The Co-Op	£3.49	Bacardi Breezer (Orange)	1 x 70cl	2.8 units	0.70 (m) 0.93 (w)
Somerfield	£5.16	Budweiser	4 x 440ml	8.8 units	2.2 (m) 2.93 (w)
Somerfield	£4.25	Bacardi Breezer (Orange)	1 x 70cl	2.8	0.70 (m) 0.83 (w)
Somerfield	£4.06	Smirnoff Ice	1 x 70cl	3.15	0.78 (m) 1.05 (w)
Somerfield	£3.60	WKD Vodka Blue	1 x 70cl	3.5	0.87 (m) 1.16 (w)

Conclusions and Recommendations

Results from the 2006 AMEC campaign make it clear that despite some progress, many young people are still able to buy alcohol from supermarkets. For those that are successful, very low prices enable them to buy as much as 4 times the adult, daily recommended limits for their Friday and Saturday night revels.

Notwithstanding inadequate systems in some premises that permit young people to buy alcohol illegally, it is also the case that a large proportion of young people buy their alcohol through (presumably older) friends and relatives. There may be scope to more actively enforce the laws meant to prevent this practice. However, regardless of whether the young person buys it themselves, or through a proxy, the fact that they can source large quantities of alcohol for less than £10 remains one of the major reasons why pupils continue to consume increasing volumes of alcohol.

Current EU competition policy makes minimum price setting for public health reasons legally impossible. The European Court of Justice has however indicated that pursuing public health objectives through increased *taxation* is permissible.¹⁶ Alcohol Concern's view is that the very keen affordability of alcohol helps drive underage consumption and its attendant harms. Increasing taxes on alcohol is vital to cutting down on the amounts pupils drink.

¹⁶ ECJ (2000) *JUDGMENT OF THE COURT (Sixth Chamber): Failure of a State to fulfil obligations - Directive 95/59/EC - Article 9 - Minimum price - Manufactured tobacco*. European Court of Justice: Luxembourg



Sainsbury's: 10x 207 ml bottles of Budweiser.

£6.59: 10.35 units



The Co-Op: 5 x 275ml bottles of Smirnoff Ice

£5.00: 6.18 units



The Co-Op: 1 x 35cl bottle of Bacardi Rum

£7.29: 13.12 units