

Compendium

Chapter 6: Home produced 'clothing' and 'laundry' services

Contact:
Dominic Webber and Chris S
Payne
hhsa@ons.gsi.gov.uk

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Table of contents

1. [What are clothing and laundry services?](#)
2. [Volume and cost of household laundry services](#)
3. [Gross Value Added of household laundry services](#)
4. [GVA of clothing services](#)

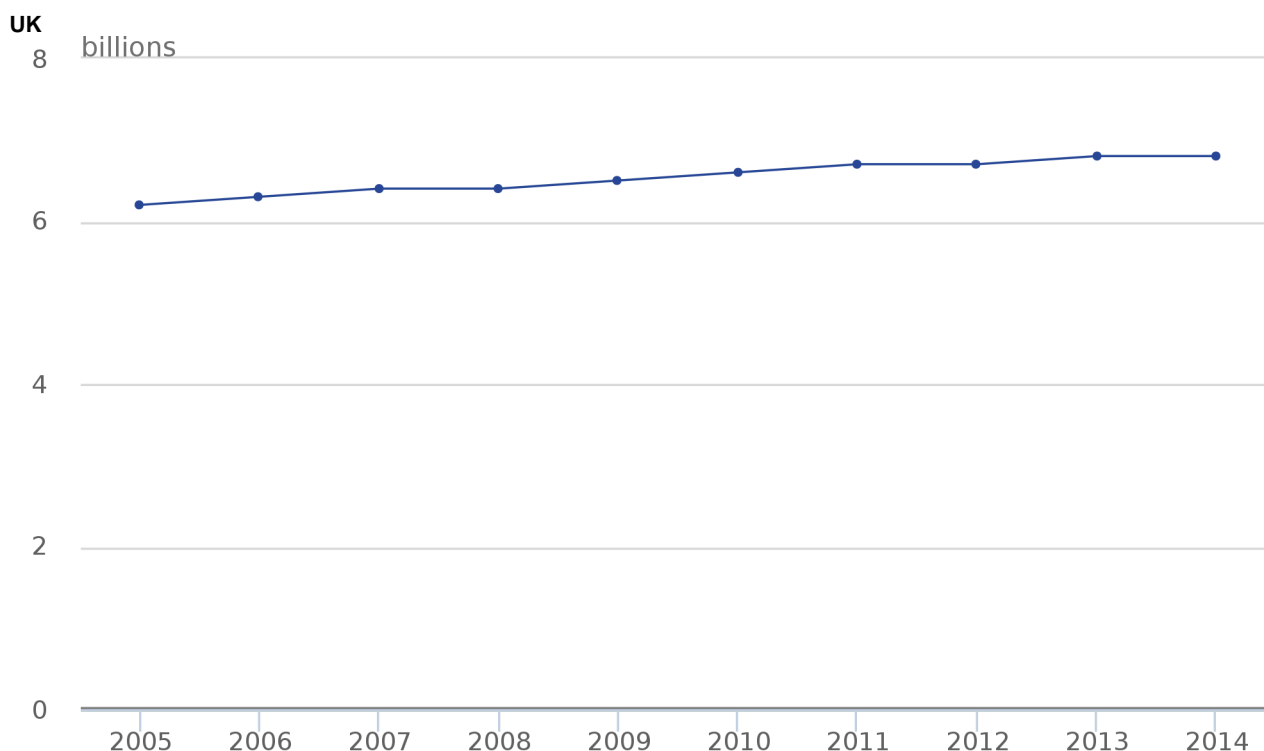
1 . What are clothing and laundry services?

In table 1.1, household clothing and laundry services would be categorised as other services produced for own use or volunteer production (services). They are services which are not included in the core System of National Accounts (SNA, 2008). Instead household clothing and laundry services include activities such as the unpaid washing, drying and folding of clothes or the repair and production of clothing items such as knitting a jumper or sewing a button on a shirt.

2 . Volume and cost of household laundry services

The volume of household laundry services is based on the number of 5 kilogram wash loads carried out in the UK. The number of wash loads is estimated by assuming that each household carries out 260 wash loads per year on average. This is based on estimates from the Lever Feberge UK Laundry Market Report (2000). In 2010, the Department for Environment, Food and Rural Affairs (Defra), the Department of Energy and Climate Change (DECC) and the Energy Saving Trust jointly commissioned a survey on energy consumption which suggested that households carried out an average of 284 wash cycles a year. This estimate was later revised to 244 wash loads per household per year in a follow up study (Energy Saving Trust, 2013). Due to a lack of consistent time series data, and because later point estimates do not differ considerably, we have continued to use the Lever Feberge measure to compile estimates of the volume of laundry carried out in the UK. Further, it assumed that 10% of that laundry is ironed and it is all folded and stored away. This is based on analysis conducted in the 2002 Household Satellite Account (HSA).

Figure 6.1: Number of wash loads per year, 2005 to 2014

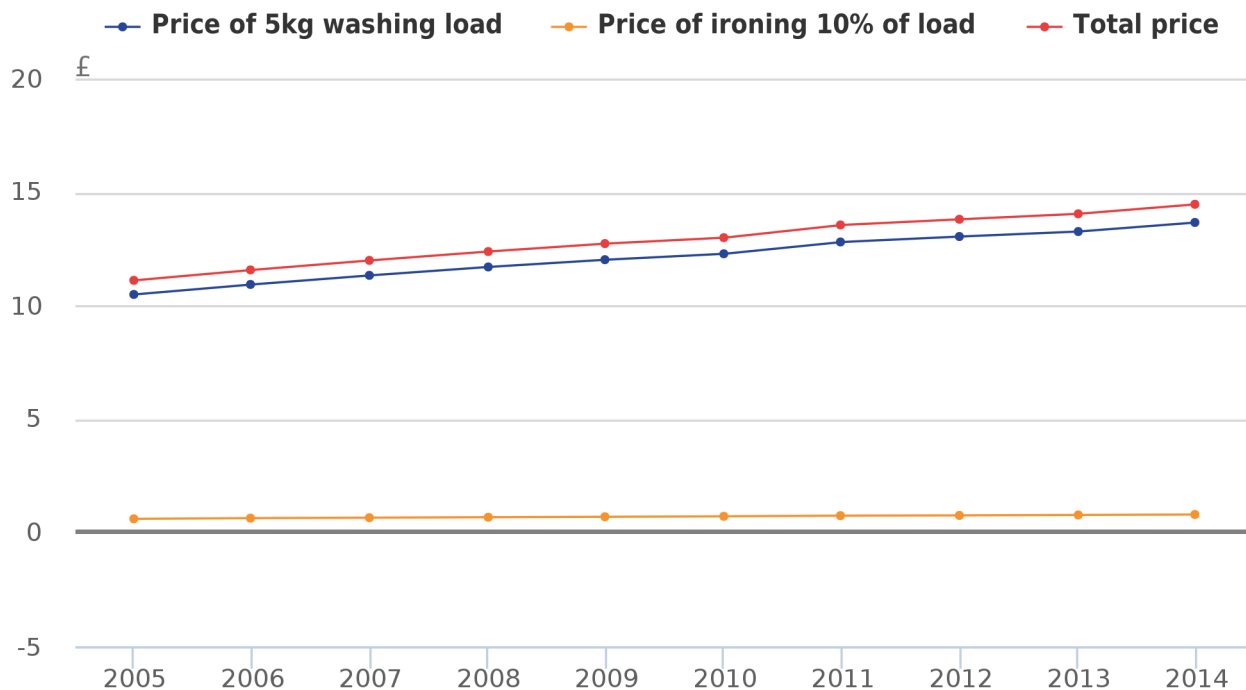


Source: Office for National Statistics

Figure 6.1 shows the number of wash loads has increased by 9.6% from 6.2 billion to 6.8 billion wash loads per year between 2005 and 2014¹.

Figure 6.2: Price of a laundry load, ironing and the sum of both components, 2005 to 2014

UK



Source: Office for National Statistics

Figure 6.2 shows the price of laundry (washing, drying, folding and ironing). This price is based on market equivalent services and comprises several components including:

- the associate labour costs (Compensation of Employees)
- the utilities and resources used up in the process of laundering (Intermediate Consumption)
- a profit margin (Gross Operating Surplus)
- additional costs such as taxes/subsidies

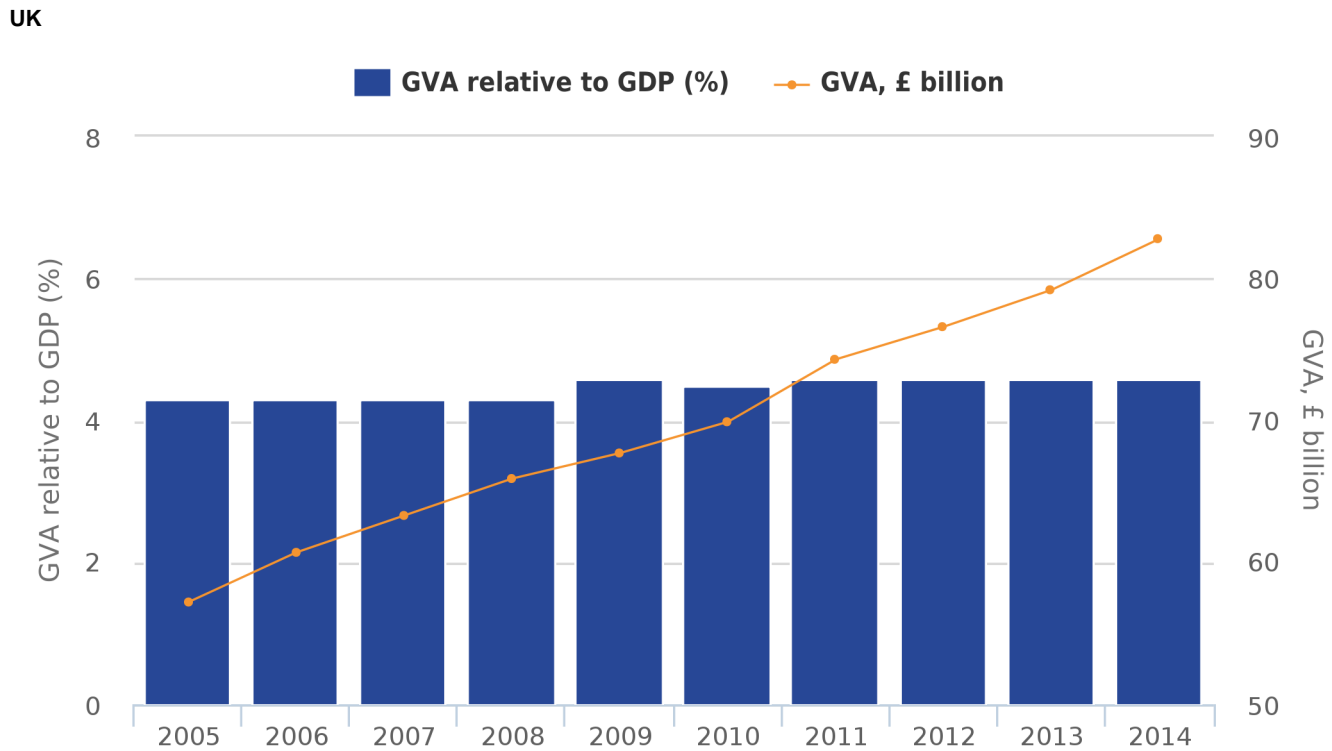
The price of washing and ironing is unchanged from [methodology presented in our previous release](#). When intermediate consumption costs are considered, if the majority of the price is not made up of the costs of utilities such as electricity, water or detergent then the gross value added (GVA) would be close to zero. However this is not the case, demonstrating that the price actually includes a significant proportion of cost relating to compensation of employees and Gross Operating Surplus. This suggests that much of the cost of carrying out a load of washing may still result in the time spent to load and tend to the machines, load drying rails if air drying items, fold clothes and iron the 10% of clothes even though washing processes have largely been automated since the 1950s.

Notes for volume and cost of household laundry services

1. The estimate for number of wash loads has been revised from the previous. This is due to revised data on the number of households. This revises up the number of wash loads by 0.1 billion for years 2010, 2011, and 2012.

3 . Gross Value Added of household laundry services

Figure 6.3: GVA of laundry services and GVA relative to GDP, 2005 to 2014



Source: Office for National Statistics

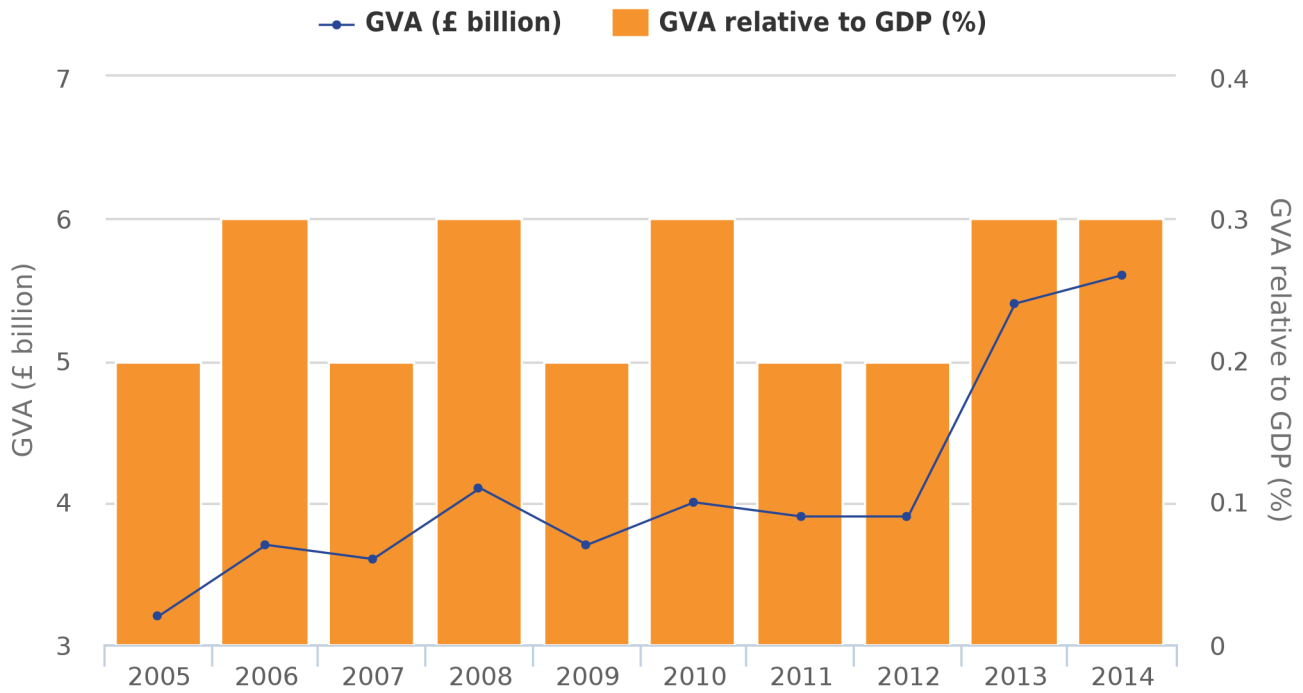
The GVA of household laundry services has been increasing at a steady rate with an annual average growth rate of 4.2% per annum between 2005 and 2014. The growth was driven by both 2.8% annual growth in the price of laundry, coupled with increasing wash loads as a result of a growing population. The GVA relative to the size of GDP has stayed relatively constant, rising slightly from 4.3% in 2005 to 4.6% in 2014.

4 . GVA of clothing services

To estimate the output of clothing services, intermediate consumption is derived directly from household final consumption expenditure related to clothing materials and related haberdashery expenditure. A mark-up is applied based on the difference between 100 grams of wool and 100 grams of a jumper to derive the output. Finally, intermediate consumption is deducted to derive GVA.

Figure 6.4: GVA of clothing services and GVA relative to GDP, 2005 to 2014

UK



Source: Office for National Statistics

Figure 6.4 shows that the GVA of household clothing services grew by an annual average rate of growth of 6.5% between 2005 and 2014. In 2014, the GVA of household clothing services was £5.6 billion measuring 0.3% relative to GDP (up from 0.2% in 2005).