presented along with the price coefficients in Table 1. It is comforting to note that many of the price coefficients are significant despite the large number of other characteristics allowed to influence expenditure shares.

To gauge the importance of working with individual data and to provide an example of the type of price and income elasticities one can expect to elicit from empirical demand systems of this type, Tables 2 (a) and 2 (b) provide a detailed description of Marshallian price and budget elasticities for households with and without children. It should be noted that our sample excludes all pensioners. In Tables 3 (a) and 3 (b) a similar analysis is conducted for two of the commodity categories to assess the distribution of elasticities across households with differing income in our sample. These results show that household characteristics have important impacts on consumer behaviour acting both through income and price effects.

Table 2
Price and Income Elasticities

<table>
<thead>
<tr>
<th>Commodity Group</th>
<th>Food</th>
<th>Alcohol</th>
<th>Fuel</th>
<th>Clothing</th>
<th>Transport</th>
<th>Services</th>
</tr>
</thead>
<tbody>
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<td><strong>(a) Households with Children</strong></td>
<td></td>
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<tr>
<td>Budget elasticities</td>
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<td>2.014</td>
<td>0.329</td>
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<td></td>
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<tr>
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<td>0.051</td>
<td>-0.005</td>
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<tr>
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<td>-0.136</td>
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<tr>
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<td>-0.653</td>
<td>-0.747</td>
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<tr>
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<td>-0.674</td>
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<td>-0.327</td>
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<td>-0.767</td>
</tr>
<tr>
<td>Compensated price elasticities</td>
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</tr>
<tr>
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<td>0.110</td>
<td>0.066</td>
<td>0.021</td>
<td>-0.004</td>
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<td>0.080</td>
<td>0.999</td>
<td>0.018</td>
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<td>0.671</td>
<td>-0.718</td>
<td>0.027</td>
<td>-0.480</td>
<td>-0.023</td>
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<td>0.023</td>
<td>-0.716</td>
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<td>0.094</td>
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<td><strong>(b) Households without Children</strong></td>
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<td>0.057</td>
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<td>-0.014</td>
</tr>
<tr>
<td>Fuel</td>
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<td>-0.733</td>
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<td>0.107</td>
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### Table 3

**Distribution of Elasticities by Income Group**

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<td>STD</td>
<td>Mean</td>
<td>STD</td>
<td>Mean</td>
<td>STD</td>
<td>Mean</td>
<td>STD</td>
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<tr>
<td>(a) Uncompensated Own Price Elasticities</td>
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<td></td>
<td></td>
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</tr>
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<td>Food</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low 5%</td>
<td>-0.51</td>
<td>0.06</td>
<td>-0.48</td>
<td>0.07</td>
<td>-0.49</td>
<td>0.06</td>
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</tr>
<tr>
<td>6-10%</td>
<td>-0.30</td>
<td>0.07</td>
<td>-0.44</td>
<td>0.10</td>
<td>-0.47</td>
<td>0.07</td>
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</tr>
<tr>
<td>11-25%</td>
<td>-0.38</td>
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<td>-0.45</td>
<td>0.05</td>
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<td>0.04</td>
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<td>0.21</td>
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<tr>
<td>Top 10%</td>
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<td>0.23</td>
<td>-0.12</td>
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<td>-0.90</td>
<td>2.04</td>
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<td>-0.62</td>
<td>6.07</td>
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<tr>
<td>Top 10%</td>
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<td>0.14</td>
<td>-0.41</td>
<td>0.19</td>
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<td>(b) Income (Budget) Elasticities</td>
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</tr>
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<td>0.08</td>
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<td>0.43</td>
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</table>

In terms of the historical development of empirical demand analysis an important consideration is the degree of consistency between household behaviour and integrability conditions — homogeneity, symmetry and concavity. One interesting outcome of the empirical study described above is that homogeneity is acceptable across all goods. This contrasts markedly with results on aggregate data – see, for example, Deaton and Muellbauer (1980a). Moreover, both in the Deaton and Muellbauer study and in many that follow – Anderson and Blundell (1983), for example – dynamic misspecification is suggested as the root cause of homogeneity rejections. As was noted earlier in