Family Finance Survey User Conference 2022

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Research paper abstracts

Assessing earnings and income data from a short web survey
Paul Fisher, ISER, University of Essex and Understanding Society (and Thomas F. Crossley, European University Institute and Understanding Society, and Omar Hussein, ISER, University of Essex and Understanding Society)
In short web-surveys, or in surveys that prioritize other content domains, earnings and income are often elicited with single questions or small question sets. This contrasts with the detailed question sets recommended for surveys that focus on earnings and income. We evaluate earnings and income data collected with a short question set in a series of recent web-surveys: the Understanding Society COVID-19 Study. The fact that many COVID-19 Study respondents also contemporaneously answered the main annual Understanding Society survey provides individual- and household-level validation data. We find that measures of earnings and income in the COVID-19 Study are noisier than those from the main annual Understanding Society survey, and that there is evidence of systematic under-reporting for household totals. However, we find no evidence that measurement errors in the COVID-19 Study are substantively correlated with true values. We conclude that the COVID-19 Study collected useful data on earnings and income, and therefore, that simple collection of useful earnings or income data is feasible.

Differences in measures of family poverty and their association with educational outcomes
Pauline Brown, Manchester Institute of Education, University of Manchester (and Dr Maria Pampaka, University of Manchester)
Poverty can be operationalised by many metrics, often with little consideration of the reliability of the metric adopted. In education, Free School Meals (FSM) is the long-standing proxy used to delimit socio-economic disadvantage. Furthermore, this proxy underwrites the implementation of the Pupil Premium policy, in terms of identifying funding and school accountability for disadvantaged children. What is more, FSM serves as a universal indicator of poverty in many policy and research domains. There are however many problems with this binary indicator and studies show that other indicators can correlate more closely to educational outcomes, suggesting policy and funding could be better targeted.

This paper seeks to explore the reliability of FSM in comparison to a range of poverty measures. Using data from sweep 6 of the Millennium Cohort Study, this paper seeks to explore the differential effects of poverty metrics and critique the continued reliance of FSM in comparison to more reliable indicators. Moreover, analyses demonstrate that more equitable poverty metrics should be adopted. FSM not only fails to identify all children in poverty, but alternative poverty indicators can also more effectively correlate with educational outcomes, enabling better targeted policy interventions.

Estimating Neighbourhood Greenhouse Gas Emissions using the Living Costs and Food Survey
Lena Kilian, Leeds Institute for Data Analytics, University of Leeds (and Anne Owen, Andy Newing, and Diana Ivanova, University of Leeds)
Considering an increased involvement of local actors in climate change mitigation, understanding local greenhouse gas emission trends is vital. Particularly in places with high consumption-based

footprints, recognizing how local consumption contributes to global emissions is key for effective emission reduction and resource management. To estimate subnational emissions, national accounts are typically disaggregated using consumption and expenditure microdata. Often such microdata come from commercial sources, meaning that their data generation processes are not fully transparent. This can result in difficulty interpreting uncertainty in emission estimates. To provide an openly available method to produce spatial emission estimates, this research uses the Living Costs and Food Survey. Spatially, the LCFS includes information on regions and Output Area Classification, the UK's publicly available geodemographic classification. To disaggregate beyond regional level, we group weekly expenditure data by Output Area Classification and regional information. This allows us to create regional expenditure profiles, which we can associate with specific geographic location. Using an environmentally-extended multi-regional input-output model, we can attach such neighbourhood expenditures to conversion factors (tCO2e/£) to calculate consumption-based greenhouse gas emission estimates for neighbourhoods. Being able to do this with open data is invaluable for making such methods more available for policy makers and researchers.

Making sense of food insecurity data in the UK
Dr Rachel Loopstra, King's College London
For the past decade, data on Trussell Trust food bank usage and use of independent food banks have featured in media headlines, drawing significant attention to the problem of household food insecurity in the UK. But as many people experiencing food insecurity do not access food banks, there have been outstanding questions about the scale of this wider problem and its drivers. Since 2016, measures of household food insecurity have been included on various UK household surveys, including the Food Standards Agency's Food and You survey, Scottish Health Survey, and the National Survey for Wales. From 2019, the Family Resources Survey has included the USDA's Household Food Security Module. More recently through the COVID-19 pandemic, measures have also been included in omnibus and panel surveys, such as those run by YouGov and Ipsos-MORI. This proliferation of measurement has resulted in various estimates of the prevalence of food insecurity in the population, however, estimates can vary widely. This presentation reviews the household food insecurity construct, measures being used in the UK, and how different measures and survey methodologies may influence prevalence estimates. With food insecurity measures appearing on multiple surveys, there are many opportunities for conducting quantitative analyses using these data, but careful application and interpretation is needed.

Did the £20 per week uplift in Universal Credit reduce food insecurity among claimants in 2020-21?
Ben Baumberg Geiger, Sociology and Social Policy, University of Kent (and Rachel Loopstra, King's College London, and Aaron Reeves, University of Oxford)
Household food insecurity (ranging from skipping meals to going whole days without eating) is a critical dimension of poverty. Since 2019-20, the USDA Adult Food Security module has been included in the Family Resources Survey (FRS) and according to this measure, 8% of UK households experienced moderate/severe levels of food insecurity each month. This was much higher (43%) among households in receipt of Universal Credit (UC).

As part of the economic response to COVID-19, in March 2020, the Chancellor announced an increase in the UC standard allowance of £20 per week. Recently released aggregate data from the 2020-21 FRS suggest that this affected food insecurity: the prevalence of food insecurity fell among UC claimants but not, as we would expect, among households receiving legacy benefits who did not receive the uplift. This is not the only explanation, however. It is also possible that the large increase in the number of UC claimants over this same period changed the composition of households claiming UC and artificially reduced food insecurity. In this paper, we outline our methodological approach to evaluating the impact of the UC uplift on food insecurity using the 2019-20 and 2020-21 waves of the FRS microdata and present preliminary results.

Gender equality within the household: earnings, benefits and income sharing among couples with children in the United Kingdom

Susan Harkness, University of Bristol (and Andrea Tartakowsky Pezoa and Esther Dermott, University of Bristol)

Objective: We analyse how mothers' earnings and income from benefits/tax credits affect the management of household finances among couples with children. We assess the implications of how couples share resources for individuals' perceptions of financial stress and psychological well-being.

Background: How couples manage their money gives insights into gender inequalities in the home. Traditional models of the household, whic underpin the tax and benefit system, are based on assumptions about how households share resources. As women's employment has grown and gender pay gaps narrowed, increasing women's economic independence, the ways in which families manage their money have changed.

Methods: We use data from the BHPS and UKHLS for 1990-2019 to examine the financial arrangements of couples with children and how they have changed over time. We examine two indicators: how money is managed in the household; whether savings, investments, and debts are held in joint or sole names. We assess how financial arrangements affect individuals' perceptions of financial stress and psychological well-being.

Findings: We provide insights into gender inequality within the home. Our findings have implications for the tax and social security system because of the role it plays in shaping individuals' economic self-reliance and the intrahousehold distribution of resources.

Families of children with disabilities: income poverty, material deprivation and unpaid care in the UK

Ana Nicoriciu, CDT Data Analytics and Society programme, The University of Manchester

Child disability and provision of unpaid care by parents may contribute to a family's poverty status. Using data from the Family Resources Survey - 2018/19, a sample of 5451 families with dependent children was analysed. Sub-samples were created based on the groups of interest: child disability vs no child disability within the family and unpaid care vs no unpaid care for children with disabilities.

Logistic regression models were used to test the effect various socio-demographic factors have on material deprivation and the AHC income poverty line among the four sub-samples mentioned above. Additionally, the direct effect of child disability and provision of unpaid care was analysed. Overall, the results shows socio-demographic factors have similar effects on children's material deprivation, before and after housing costs poverty across all groups. In contrast, having children with no disability has higher odds of AHC poverty

Whatever happened to the Child Trust Fund? The abandonment of universal savings for UK children

Lin Tian, Aston University (and Steve McKay, University of Lincoln, and Andy Lymer, Aston University)

Now mostly forgotten, the Child Trust Fund was an innovative savings scheme for UK children, that sought to generate a small capital sum when they turned 18. The first children in receipt of these funds reached this age in late 2020 and as such it is timely to review the impact of this national scheme. We consider to what extent the Child Trust Fund led to higher levels of savings for those children who were eligible for it. Using six waves of ONS Wealth and Assets Survey data in our analysis, we find a small effect on savings of the CTF, at around £200 more than the level of the original government contribution. Children from better-off families did best from the policy, in terms of accumulating higher savings over time. However, in a system where most children do not have any savings, even a small amount of extra savings could be important. We offer policy suggestions resulting from this analysis of a significant example of the application of asset-based welfare policy, highlighting the need to suitably support the development of savings for children in the UK.

Intergenerational transfers and life events
Bee Boileau, Institute for Fiscal Studies (and David Sturrock, Institute for Fiscal Studies)
Inter vivos transfers – those made during the giver's lifetime – form a significant part of intergenerational wealth transmission. Transfers can have particularly important effects on younger generations facing expensive life events, such as marriage and buying a home, as well as affecting recipients' ability to accumulate wealth in general.

This paper uses data from the Wealth and Assets Survey to investigate the specific life events associated with receipt of inter vivos transfers in the UK. We estimate the association between changes in status that occur between waves and contemporaneous transfer receipt.

Marriage, moving into homeownership, and a move into self-employment are associated with a 12ppt, 7ppt, and 5ppt higher probability of receiving a transfer, respectively, compared to someone not experiencing any life events. Examining leads and lags, we find that transfers also appear to be made in anticipation of certain events, including childbirth. Overall, declines in income, moves into unemployment, and divorce are not associated with increased transfer receipt; however, women are 3 percentage points more likely to receive a transfer following a fall in their income of 30% or more of its previous level.

Our results demonstrate the important links between life-cycle milestones and intergenerational financial support.