Department
for Work &
Pensions

Family Resources Survey and related series – update and developments

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What we are going to cover

- Family Resources Survey and related outputs – March 2018 publications
- FRS Developments
- Income Dynamics consultation
- DWP Areas of Research Interest [Don]

- HBAI released through Stat Xplore [Peter]

Family Resources Survey and related outputs – March 2018 publications

Publication of 2016/17 data and results

- Family Resources Survey
- Households Below Average Income
- Pensioners' Incomes Series

All published on Thursday 22 March 2017, maintaining timeliness gains first made in March 2017

- Estimates of take-up for 2016-17 are due to be published during the summer

- Income Dynamics (based on USoc data) published on same date

Publication in March needed to meet our legal requirements to report on child measures of low income and deprivation

Family Resources Survey

Family Resources Survey 2016/17

Department for Work & Pensions

NATIONAL STATISTICS

● Annual   Financial year 2016/17   Published: 22 March 2018   Coverage: United Kingdom

The Family Resources Survey (FRS) is a continuous household survey which collects information on a representative sample of private households in the United Kingdom. Detailed information is recorded on respondents' income from all sources; housing tenure; caring needs and responsibilities; disability; expenditure on housing; education; pension participation; childcare; family circumstances; child maintenance.

This report summarises key findings from the FRS for the 2016/17 financial year when over 19,000 households were interviewed.

Income and state support

£1

Income from employment and self-employment made up 71p of every £1 of gross household income.

Tenure

Percentage of households

Buying with a mortgage   Owned outright — 34%
— 28%
Social renting — 20%
Private renting — 17%

2006/07   2011/12   2016/17

The percentage of households buying with a mortgage continued to decline.

Disability

Percentage of people

45%   19%   8%

State Pension age   Working-age   Children
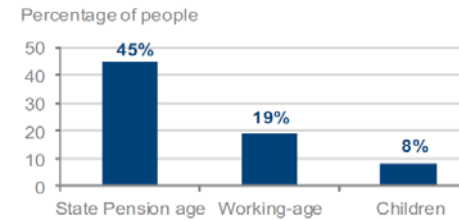
The percentage of people reporting a disability varied by age group.

Care
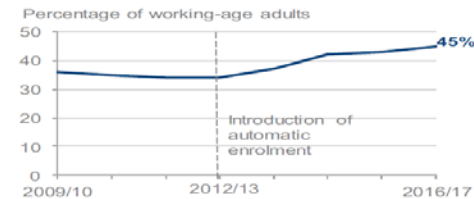
Parents were the main recipients of care.

33%

of informal carers cared for a parent outside their household.

Pensions

Percentage of working-age adults

45%

Introduction of automatic enrolment

2009/10   2012/13   2016/17

Pension scheme participation continued to increase following workplace pension automatic enrolment in October 2012.

Households Below Average Income

The Households Below Average Income (HBAI) report presents information on living standards in the UK based on household income measures for the 2016/17 financial year. Estimates are provided for average incomes, income inequality, and for the number and percentage of people living in low income households.

Main stories

- Average incomes (measured using the median as this is less sensitive to extreme values) increased* between 2015/16 and 2016/17 to reach new highs both Before Housing Costs (BHC) and After Housing Costs (AHC), and have been rising since 2011/12.
- Income inequality BHC and AHC remained around the same level as the period 2010/11-2015/16, which is lower than the levels observed around the 2008/09 UK economic recession.
- Relative low income BHC and AHC for the overall population was broadly stable in the latest year, while absolute low income BHC and AHC continued to fall*.

Household Income
Average **rose*** to £494 (BHC) in 2016/17
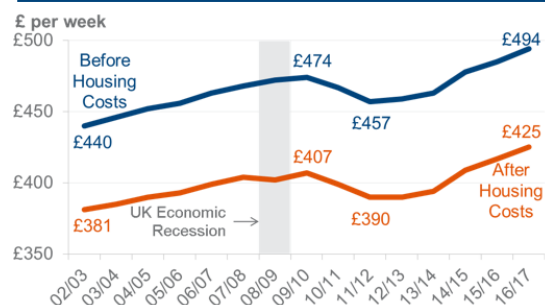
Average (median) household net disposable income, both BHC and AHC, increased* in real terms between 2015/16 and 2016/17. Since their lows in 2011/12, incomes BHC and AHC have both increased by around £35 per week.
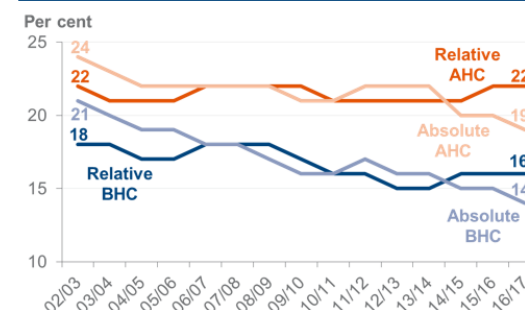
Income Inequality
Gini broadly **flat** BHC and AHC

The Gini coefficient, ranging from 0% (low) to 100% (high), measures income inequality. The Gini coefficient has been broadly flat since its reduction between 2009/10 and 2010/11, currently standing at 34% BHC and 38% AHC.

Low Income Measures
Relative measures are **broadly stable** in 2016/17, while absolute measures **fell***

The percentage of individuals in low income against the '60% of median' relative threshold shows a broadly stable picture since 2011/12, while absolute low income has fallen over the same period for both BHC and AHC.

*Not statistically significant

Pensioners' Incomes

This report examines how much income pensioners get each week, and where they get that income from. It looks at how their incomes have changed over time, and variations in income between different types of pensioners. Changes in the economy and to the benefit system have meant that pensioners' average weekly incomes have changed a lot over the last twenty years. These statistics look at these changes.

Main Stories

| Younger pensioners had higher incomes | Five in ten recently retired pensioners received over 50% of their income from private sources | More pensioners in the top half of the income distribution |

Under 75
Weekly income, AHC, 2016/17 prices
£361

75 and over
Weekly income, AHC, 2016/17 prices
£265

In 2016/17, pensioners where the head is under 75 had higher average incomes than those where the head is 75 or over after housing costs (AHC). This difference is statistically significant.
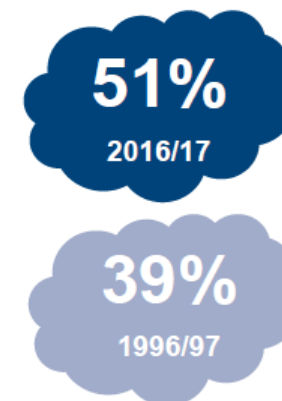
In 2016/17 53 per cent of recently retired pensioners received more than 50 per cent of their gross income from private sources. This includes all income excluding income from State benefits.

Pensioners in the top half of the overall population income distribution
51% 2016/17
39% 1996/97

The percentage of pensioners in the top half of the overall population income distribution (AHC) in 2016/17 was 51 per cent (based on equivalised data). In 1996/97 this was 39 per cent.

Take-up

This report looks at estimates of take-up for the main income-related benefits. These are Pension Credit (PC), Housing Benefit (HB), Income Support/Income-related Employment and Support Allowance (IS/ESA (IR)) and Income-based Jobseeker's Allowance (JSA (IB)). Take-up refers to the receipt of benefits someone is entitled to and we estimate take-up in two ways, by numbers of people who claim these benefits ('caseload') and by the amount these people claim ('expenditure').

Pension Credit

6 out of 10 of those entitled to PC claimed the benefit

67 per cent of the total amount of PC that could have been claimed was claimed

Housing Benefit

8 out of 10 of those entitled to HB claimed the benefit

85 per cent of the total amount of HB that could have been claimed was claimed

IS/Income-related ESA

8 out of 10 of those entitled to IS/ESA (IR) claimed the benefit

86 per cent of the total amount of IS/ESA (IR) that could have been claimed was claimed

Income-based JSA

6 out of 10 of those entitled to JSA (IB) claimed the benefit

59 per cent of the total amount of JSA (IB) that could have been claimed was claimed

1

Income Dynamics

Income Dynamics: Income movements and the persistence of low incomes

Data for 2010-2016

Department for Work & Pensions

● Annual

Published: 22 March 2018
United Kingdom

Official Experimental

The Income Dynamics (ID) report presents information on changes in income over time. The main results relate to the persistence of relative low incomes. Individuals are described as being in persistent low income if they are in relative low income in at least three out of four consecutive annual interviews.

Children had the highest rate of persistent low income both Before Housing Costs and After Housing Costs. Working-age adults had the lowest rate of persistent low income Before Housing Costs and Pensioners had the lowest rate After Housing Costs

- This is broadly in line with single-year relative low income estimates reported in Households Below Average Income.
- Overall, 9 per cent of individuals Before Housing Costs (BHC) and 12 per cent of individuals After Housing Costs (AHC) were in persistent low income in 2012-2016.
- 11 per cent of children BHC and 17 per cent of children AHC were in persistent low income in 2012-2016.
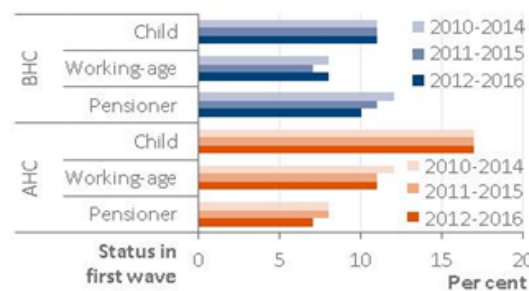
Persistence
Similar in 2010-2014, 2011-2015 and 2012-2016

By population group
Similar in 2010-2014, 2011-2015 and 2012-2016

By family type
Large variations by family type
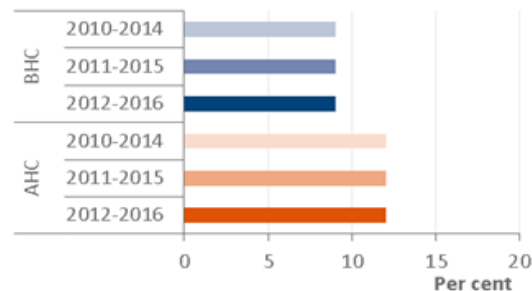
Similarly to single year low-income results, rates of persistent low income were generally higher AHC...

...but again like single year low-income results, rates AHC were lower for pensioners.
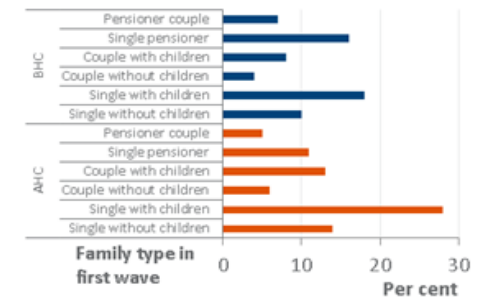
Singles with children had high rates of persistent low income, while couples without children had low rates.

Publications and Contacts

FRS (Don Burke)

https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201617

Team.frs@dwp.gsi.gov.uk

HBAI (Peter Matejic)

https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201617

team.hbai@dwp.gsi.gov.uk

PI (Joanne Burrage)

https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-201617

pensioners-incomes@dwp.gsi.gov.uk

Take-up (Joanne Burrage)

https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-201516

irb.takeup@dwp.gsi.gov.uk

ID (Julia Jagelman)

https://www.gov.uk/government/statistics/income-dynamics-2015-to-2016

teamincome.dynamics@dwp.gsi.gov.uk

Income Dynamics - Consultation

- DWP are seeking feedback from users to help develop future Income Dynamics publications. Closing date 29 June.

- We would like you to tell us what additional Income Dynamics statistics you would like us to develop in the future and what you would use this additional information for.

- This will help us to identify and prioritise the future development of Income Dynamics statistics, subject to the availability and quality assurance of the data.

- https://www.gov.uk/government/consultations/income-dynamics-experimental-statistics-future-developments/consultation-on-future-developments-to-income-dynamics-statistics

Search for 'Income Dynamics' on www.gov.uk and follow the links.

Income Dynamics - Consultation

- Tell us what you use the Income Dynamics publication for, including any decisions the statistics will inform and questions you are looking to answer.

- How useful is the existing analysis included in Income Dynamics? Can any of the existing analysis be dropped?

- How useful are the various characteristics presented in the tables? Are there further breakdowns you would find useful?

- What additional information would you like us to explore including in the Income Dynamics publication?

- Is there sufficient information on methodology and quality in support of the statistics produced?

- Is there sufficient commentary on the website or in the publications to assist you in understanding the statistics?

FRS development plans - data linking

- We trialled a new approach to obtaining consent to link FRS respondents to their admin records starting in January 2017 – using a fair processing statement, to inform respondents prior to interview that we will link their responses to admin data for statistical/research purposes only.

- The new approach was fully rolled out in May 2017 meaning we can now link all respondents to their admin records.

- We have moved away from using consent as the legal basis under GDPR and GDPR provisions enable us to continue to link all respondents.

- Combined with improvements to the linking methodology, we expect that we will be able to match at least 90% of respondents going forward – up from 50% under the old approach.

FRS development plans – potential benefits

- The use of admin data (all DWP and HMRC benefits, tax credits, RTI, data etc.) has the potential to transform the FRS, producing a number of benefits:

  - Improved data quality (significant reduction in benefit reporting undercount, use of RTI for earnings, greater breadth of information)

  - Reduction in interview costs and respondent burden

  - Improvement in timeliness (through reduction in data processing required)

  - Increased analytical potential for DWP analysts and other users

FRS development plans

- We have developed a high level 3-year work programme to realise these benefits including:

  - Development of linking methodology
  - Audit and mapping from admin data to FRS (need detailed work across each income component)
  - Developing imputation for non-matched cases
  - Producing and comparing current and admin-based series (dual-running to get user feedback)
  - Need to look across all FRS outputs (ie HBAI and PI)
  - Consider implications for end to end processing and production
  - Exploration of additional administrative data variables that could be added to FRS dataset for users
  - No doubt additional analytical questions/issues will arise once we start to investigate in detail and receive user feedback on initial outputs

It is early days at the moment – but look out for information on developments in the future.

Partnership Approach

- Planning to work with ONS many of these work-strands

- ONS expecting to work with DWP on its developments

- Overall share knowledge and experience to see how improvements can be made in the future

Areas of Research Interest

What is it?

The Department of Work and Pension's (DWP) Areas of Research Interest (ARI) is a document which summarises **the most important research questions** facing the DWP, to raise awareness and improve understanding of these questions with the external research community.

- The ambition is to increase collaboration between the Government and external research communities.

- This will enhance DWP's capability to answer important questions by:
  a. Drawing on a wider range of expertise and evidence;
  b. Exploiting new research methods, which can help provide more complete answers to particular research questions; and
  c. Developing DWP's own analytical capability

Areas of Research Interest

What is the ARI for?

- The document is intended to open conversation rather than give definitive answers about our evidence requirements.

- This is because our requirements are wide-ranging and evolving.

- We are interested in discussing any project that can add to our existing evidence.

- That may include research outside the areas outlined in the ARI, or those which focus on particular facet of the areas listed.

- If you would like to know more about particular research questions we are interested in please get in touch:

Evidence.StrategyTeam@dwp.gsi.gov.uk

- We welcome any details of work you are involved in that is potentially relevant to DWP. We are also happy to discuss our priorities and any plans you might have in more detail.

DWP Vision and Objectives

DWP wants rigorous, robust, relevant and timely evidence so that the Department can design and deliver policies to achieve its vision and objectives. Consequently, our evidence priorities map directly onto our vision and objectives as set out in the Department's Single Departmental Plan December 2017 and summarised below:

Our vision is to create and maintain an affordable and sustainable welfare system that provides financial security and supports economic growth and improved productivity through the extension of opportunity and promotion of personal responsibility to help people transform their lives.

Our objectives are to:

1. Support economic growth and improved productivity by ensuring work always pays and people are supported to find and progress in work.

2. Help reduce the disadvantages faced by disabled people and people with health conditions through the welfare system and labour market.

3. Increase saving for, and financial security in, later life.

4. Maximise the number of children benefiting from an effective child maintenance arrangement, encouraging family based arrangements where appropriate and reduce parental conflict in families.

5. Transform the way we deliver our services to improve quality and reduce costs.

https://www.gov.uk/government/publications/dwp-areas-of-research-interest

Households Below Average Income (HBAI) Stat-Xplore Database

HBAI Stat-Xplore Database

Provides information on living standards in the UK based on household income measures for a financial year.

Stat-Xplore is a free tabulation tool available at gov.uk where users can access DWP data via databases to create **their own analysis**.

Variables are available at:

- an individual level.

- family level (benefit unit level).

- a household level.

Benefits

Free and accessible to all with user guidance and virtual tour.	**New analysis of HBAI data** with a user-friendly interface and quick export of tables and graphs to Excel.
Data is unrounded so users can produce more accurate analysis (<u>final estimates must be rounded</u>).	**Open data API functionality** allows users to dynamically create their own tables and data visualisations.

Constraints

Confidence intervals around estimates cannot be produced in Stat-Xplore.

Analysis based on three-year averages is not currently possible so **ethnicity and region variables are excluded**. As a result, the map feature is not available.

Some analysis requires careful selection of row and column categories.

HBAI Estimates Rounding Rules and Disclosure
Users must follow HBAI rounding conventions set to reflect that HBAI estimates are based on the Family Resources Survey (FRS) and not actual records of individuals in the UK.

Some breakdowns are provided as bands or grouped to further protect against disclosure.

Please add **Source: HBAI Stat-Xplore** to any analysis shared or published.

Further information is available in the User Guide. Please feedback comments and suggestions to: team.hbai@dwp.gsi.gov.uk

Households Below Average Income (HBAI) Stat-Xplore Database – breakdowns available

Allows **users to create their own analysis** across all HBAI years and all the following breakdowns:

Time Characteristic
Financial Year 1994/95 to latest year

Type of Individual
All Individuals   Children   Working-Age   Pensioners

Measures of Household Income
Before/After Housing Costs (BHC and AHC)
in latest and in-year prices:

- Mean
- Median
- Range

In latest prices: equivalised, SPI-adjusted in CPI-adjusted real terms
In-year prices: equivalised, SPI-adjusted in nominal terms

Quintile of Household Income
(BHC and AHC)

Decile of Household Income
(BHC and AHC)

Household Income Thresholds
(BHC and AHC) in latest prices:
Relative Low Income:
- Below/At or above 50% of Median Income
- Below/At or above 60% of Median Income
- Below/At or above 70% of Median Income
Absolute Low Income:
- Below/At or above 60% of 2010/11 Absolute Median Income

Material Deprivation
- Children in Combined Low Income and Material Deprivation
- Children in Combined Severe Low Income and Material Deprivation
- Pensioners aged 65 and over in Material Deprivation

Characteristics
- Disability:
  - Within the Family
  - Mix Within the Family
  - Disabled Children in the Family
- Gender of Individual
- Age-band of Individual
- Economic Status:
  - Of Adults in the Family
  - Of the Child's Family and Family Type
  - Of the Household
- Marital Status of Adults in the Family
- Family Type
- Number of Children in the Family
- Age of Youngest Child in the Family
- Savings and Investments in the Family
- Tenure Type of the Household

Households Below Average Income (HBAI) Stat-Xplore Database – current exclusions

The following breakdowns have not been included in the development version:

- Educational Attainment
- State Support Received
- Pensions Receipt
- Direct Payment Accounts
- Bills in Arrears
- Material Deprivation Questions
- Receipt of Disability Benefits
- Disability Time-Series: Illustrative measures of living standards, excluding Disability Living Allowance, Personal Independence Payment and Attendance Allowance from income.

- Ethnicity*
- Region*

*Three-year average estimates are not currently available in Stat-Xplore. As single-year HBAI estimates for the breakdowns are considered too volatile, they are excluded from the database.

As a region breakdown is not available, the map feature is also not accessible in the database.

User Feedback

This first release of the HBAI Stat-Xplore database is a development version so the HBAI team are actively seeking feedback from users - please email: team.hbai@dwp.gsi.gov.uk if you have any comments on how you have found using Stat-Xplore or if there are further tabulations you would like to produce.

Please add **Source: HBAI Stat-Xplore** to any analysis shared or published.