

Family Finance Surveys User Conference 2026

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Abstracts

Research paper abstracts

Severe poverty and destitution in the UK: estimating local incidence and trends through secondary indicators calibrated on household surveys

Glen Bramley, Heriot-Watt University

There has been growing UK policy concern and research focus on severe or deep poverty, including 'destitution' and related phenomena including food insecurity and the use of food banks. 'Destitution' has re-entered the lexicon of UK social policy in the last decade, and it appears to be increasing much more rapidly than official measures of poverty. While estimates of its incidence and profile have been developed through the use of specialised surveys, which go beyond coverage of usually resident private household members, these have not hitherto been applied directly within FRS or HBAI. This paper reports an attempt to approximate the JRF definition of 'Destitution', alongside two comparator indicators of severe food insecurity and severe combined poverty (i.e. based on both income and material deprivation/financial stress), in up to four waves of data in UKDS Secure Lab. The incidence of these variant measures across household demographics can be compared. Secondary indicators from census and a wide range of official and other published sources have been employed in synthetic models to map the likely incidence of these indicators down to local authority and MSOA level, and to compare their geographical profiles. Such evidence can help to calibrate results from more specialised surveys, such as the JRF Destitution in the UK (DUKS), although significant allowance must be made for non-household and unrepresented populations. These models both highlight key factors driving destitution and also create a capacity to make conditional forecasts of the evolution of destitution and related extreme deprivations (homelessness, food insecurity) across UK geography. Comparisons can also be made with recently published models calibrated on composite datasets which combine UKHLS and DUKS data for common variables.

Who is wealthy in Great Britain? New approaches to the measurement of pension wealth

Isaac Delestre, Institute for Fiscal Studies.

Official statistics on the distribution of wealth in Great Britain offer a misleading picture of both levels and trends in wealth inequality. These statistics, based on the Wealth and Assets Survey (WAS), suffer from important methodological inconsistencies, both over time and between assets. The most serious of these inconsistencies concern the valuation of pensions, the single biggest component of household wealth. We develop a new, consistent method for valuing pension wealth in WAS, addressing both the discounting of defined benefit promises and the unique tax and liquidity properties of pension assets. Crucially, our method can be applied retrospectively across the full WAS time series. The results reveal a new set of facts about wealth inequality in Great Britain. First, the share of wealth held by the top 10% of households has fallen substantially faster over recent decades than official figures suggest. Second, wealth gaps between older and younger cohorts are significantly narrower than previously reported. Third, wealth gaps between the more and less educated are wider under our methodology. Our approach is readily applicable to similar wealth surveys across a wide range of jurisdictions, offering a template for more consistent treatment of pension assets in household wealth statistics.

Rethinking Financial Behaviour – Rationality and Resistance in the Financialization of Everyday Life

Ariane Agunsoye, Goldsmiths, University of London

Pension policy is commonly built on the assumption that individuals make informed financial decisions, consistently invest in pensions, and actively manage asset portfolios. When people deviate from these expectations, their behaviour is often framed as irrational or irresponsible. Such assumptions, however, overlook structural constraints such as caring responsibilities, employment interruptions, and limited incomes. Drawing on 63 qualitative interviews, this research examines how individuals from diverse social and demographic backgrounds respond to increasing pressure to manage financial risk in an increasingly financialised welfare system. To situate these experiences within broader patterns of household finances, the study uses data from the Wealth and Assets Survey (WAS) to examine trends in UK household balance sheets over time. As part of the interviews, participants were asked to complete a simplified household balance sheet. Fifty interviewees either completed the template or provided equivalent information during the interview. By comparing these self-reported balance sheets with UK balance sheet structures observed in the Wealth and Assets Survey, the study explores how individuals organise assets and liabilities and the rationalities underlying these financial arrangements. Rather than interpreting financial behaviour as irrational or purely structurally constrained, the findings suggest that many practices represent logical responses to an increasingly unequal welfare system. The Wealth and Assets Survey therefore serves as an important contextual tool for positioning participants' financial strategies within broader developments in UK household wealth. The paper contributes to debates on financialisation and welfare by proposing a more grounded understanding of rationality in everyday financial practices and highlighting implications for the interpretation of household finance survey data.

Small area consumption estimates combining survey and financial footprints data

Gautam Vyas, Institute for Fiscal Studies

We use small-area estimation methods that combine information from a household budget survey (the LCFS), a much larger survey of local demographics and employment, and area-level information on bank account outflows and energy consumption to estimate average equivalised consumption measures across 367 local authority districts in Great Britain. Simulations, and comparisons of estimates against averages in hold-out samples, indicate that our measures significantly outperform sample averages taken from the budget survey alone, as well as naive regression imputation estimates. Including bank account data substantially improves our estimates, showing that these and other financial footprints data can play an important role in measuring local consumption and hence living standards. We compare our consumption estimates to local income measures and show the former is less unequally distributed across areas, and that the ranking of local authorities in terms of living standards is different under the two measures.

Analysis of household digital costs using current ONS Living Costs and Food (LCF) survey data (2023-24)

Simeon Yates, Digital Media and Society Institute, University of Liverpool

This paper analyses the affordability of digital connectivity in the United Kingdom using the Office for National Statistics Living Costs and Food Survey (2023–2024) (n= 4,202 households). The paper develops indicators to assess the financial burden of internet and telecommunications access, with a focus on broadband, mobile data, telephone, and bundled digital services. Two measures are introduced: the Digital Cost Indicator, which captures essential internet access costs, and the Complete Communications Cost Indicator, which covers broader telecommunications spending. These are evaluated as a proportion of overall household disposable income to produce affordability “burden ratios”.

Measuring housing costs

Omar Hussein, Institute for Social and Economic Research, University of Essex, and Understanding Society

We study the accuracy of measured housing costs for mortgage holders in a major general-purpose household survey, Understanding Society. Mortgage housing costs are a central input into research and policy on household living standards, inequality, and poverty, and in practice they are typically measured from survey data. Yet for owner-occupiers with mortgages, housing costs are not directly observed: they must be constructed from reported mortgage components such as outstanding balance, remaining term, and monthly payment. This makes it important to understand the accuracy of the underlying survey variables and the consequences for commonly used measures of mortgage costs. We use linked survey and administrative mortgage records for the same individuals and time periods. The administrative data provide counterparts to the key survey mortgage variables, allowing us to validate survey reports using a benchmark that is available at the individual level.

This linkage means we are not restricted to simple distributional comparisons across separate data sources. Instead, we can study within-individual reporting differences in outstanding mortgage balances, remaining term, and monthly payments, and assess how these differences propagate into alternative measures of mortgage costs. We then evaluate two common approaches to imputing mortgage interest payments from survey data: one based on the outstanding balance, and another based on monthly payment and remaining term. We find that different mortgage components are measured with different degrees of accuracy, and that the resulting discrepancies across imputation methods are strongly correlated with the mortgage term. These differences are largest among households near the end of repayment, and hence among older mortgagors. A simple application shows that method choice can materially change measured housing costs and the assessment of living standards in terms of age cohort and housing tenure. The findings have implications for empirical research and official statistics that use survey-based measures of housing costs.