

Freedom of Information request 2015-523

Date received 5 February 2015

Date of response 5 March 2015

Information request

Can you please provide estimates for the proportion of working age adults in relative low income (on a 60% median before housing costs basis) broken down by economic status of adults in the family. Results are requested for 2004/05 through 2012/13 for Northern Ireland, Scotland, England, Wales and the UK?

DWP response

In response to your query, the information requested is provided in the tables attached (FOI 2015-523 Response.xls).

Tables 1 through 9 show the percentage of working-age adults in households below the 60% median equivalised net disposable household income threshold by economic status of adults in the family for the United Kingdom, England, Scotland, Wales, and Northern Ireland. Estimates are provided as three-year averages for the periods ending 2004/05 through 2012/13.

These statistics are based on Households Below Average Income (HBAI) data sourced from the Family Resources Survey (FRS). The reference period for HBAI figures is the financial year.

Three survey years have been combined because single year estimates are considered to be too volatile.

All estimates are based on survey data and are therefore subject to a degree of uncertainty. Small differences should be treated with caution as these will be affected by sampling error and variability in non-response.

Proportions in low-income households have been rounded to the nearest percentage points.

These tables use grossing factors based on the 2011 Census data. Current published figures have been revised back to 2002/03 using these new grossing factors. Caution should be exercised when making comparisons with figures published in previous HBAI reports.

Definition of income

The data published in the HBAI publication are based on net disposable household income, adjusted using modified OECD equivalisation factors for household size and composition, as an income measure as a proxy for standard of living. Net disposable income includes earnings from employment and self-employment, state support, income from occupational and private pensions, investment income and other sources. Income tax payments, National Insurance contributions, council tax / domestic rates and some other payments are deducted from incomes.

Definition of the median

The median household income is the household income of the middle person in the population, such that half the population have household incomes below the median and half the population have household incomes above the median. The median is used instead of the mean income because the mean is affected by outlying cases with very high income values. This is consistent with the Households Below Average Income publication.

Definition of a household

A household is defined as one person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area. A household will consist of one or more families/benefit units. Families (or benefit units) are defined as a single adult or couple living as married and any dependent children, including same sex couples (civil partnerships and cohabitees) from January 2006.

Definition of a working age adult

Working age adults are defined as all adults below State Pension age.

Inflation

HBAI uses variants of Retail Prices Index (RPI) to adjust for inflation to look at how incomes are changing over time in real terms. Inflation is the speed at which the prices of goods and services bought by households rise or fall. The use of different inflation measures has an effect on trends in household income. Using other inflation indices instead of RPI would decrease real terms income prior to 2012/13 (with the largest differences in earlier years). If you have any queries about this letter please contact us quoting the reference number above.