

# Freedom of Information request 2015-464

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## Information request

HBAI: Please could we have the time-series of re-grossed data:

- Number and proportion of children living in material deprivation and low income (below 70 per cent of contemporary income median, before housing costs)
- For the three years ending 2006/07 to 2010/11.

## DWP response

In response to your query, re-grossed data for the estimated percentage and number of children living in material deprivation and low income, before housing costs have been deducted, broken down by countries in the United Kingdom, as three year averages up to the year ending 2010/11, can be found in the tables below. Please read the accompanying notes which follow the tables.

**Table 1: Percentage of children falling below thresholds of low income and material deprivation by countries in the United Kingdom, 2004/05-2010/11**

<i>Per cent</i>	2004/05- 2006/07	2005/06- 2007/08	2006/07- 2008/09	2007/08- 2009/10	2008/09- 2010/11
England	16	17	17	17	16
Wales	19	17	18	20	20
Scotland	15	15	16	15	15
Northern Ireland	15	14	14	16	16
<b>United Kingdom</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>16</b>

**Table 2: Number of children falling below thresholds of low income and material deprivation, by countries in the United Kingdom, 2004/05-2010/11**

<i>Number (millions)</i>	2004/05- 2006/07	2005/06- 2007/08	2006/07- 2008/09	2007/08- 2009/10	2008/09- 2010/11
England	1.8	1.8	1.9	1.9	1.8
Wales	0.1	0.1	0.1	0.1	0.1
Scotland	0.2	0.1	0.2	0.2	0.1
Northern Ireland	0.1	0.1	0.1	0.1	0.1
<b>United Kingdom</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>

The statistics in Table 1 and Table 2 are based on the Households Below Average Income (HBAI) data sourced from the Family Resources Survey (FRS). The reference period for HBAI figures is the financial year.

A suite of questions designed to capture the material deprivation experienced by families with children has been included in the FRS since 2004/05. Respondents are asked whether they have 21 goods and services, including child, adult and household items.

A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent of contemporary median income, Before Housing Costs.

Information on households in low income and material deprivation is only available from 2004/05. New questions about four additional material deprivation items for children were introduced into the 2010/11 FRS and from 2011/12 four questions from the original suite were removed. Figures from the old and new suite of questions are not comparable.

This analysis goes up to 2010/11 and is based on the original suite of questions. See the HBAI Quality and Methodology report for more information material deprivation.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/325492/households-below-average-income-quality-methodology-2012-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325492/households-below-average-income-quality-methodology-2012-2013.pdf)

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 of children in low-income households have been rounded to the nearest percentage points and numbers of children have been rounded to the nearest hundred thousand.

These tables use grossing factors based on the 2011 Census data. 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 children

A dependent child is defined as an individual aged under 16. A person will also be defined as a child if they are 16 to 19-years old and they are not married nor in a Civil Partnership nor living with a partner; and living with parents; and in full-time non-advanced education or in unwaged government training.

#### 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).