



Department  
for Work &  
Pensions

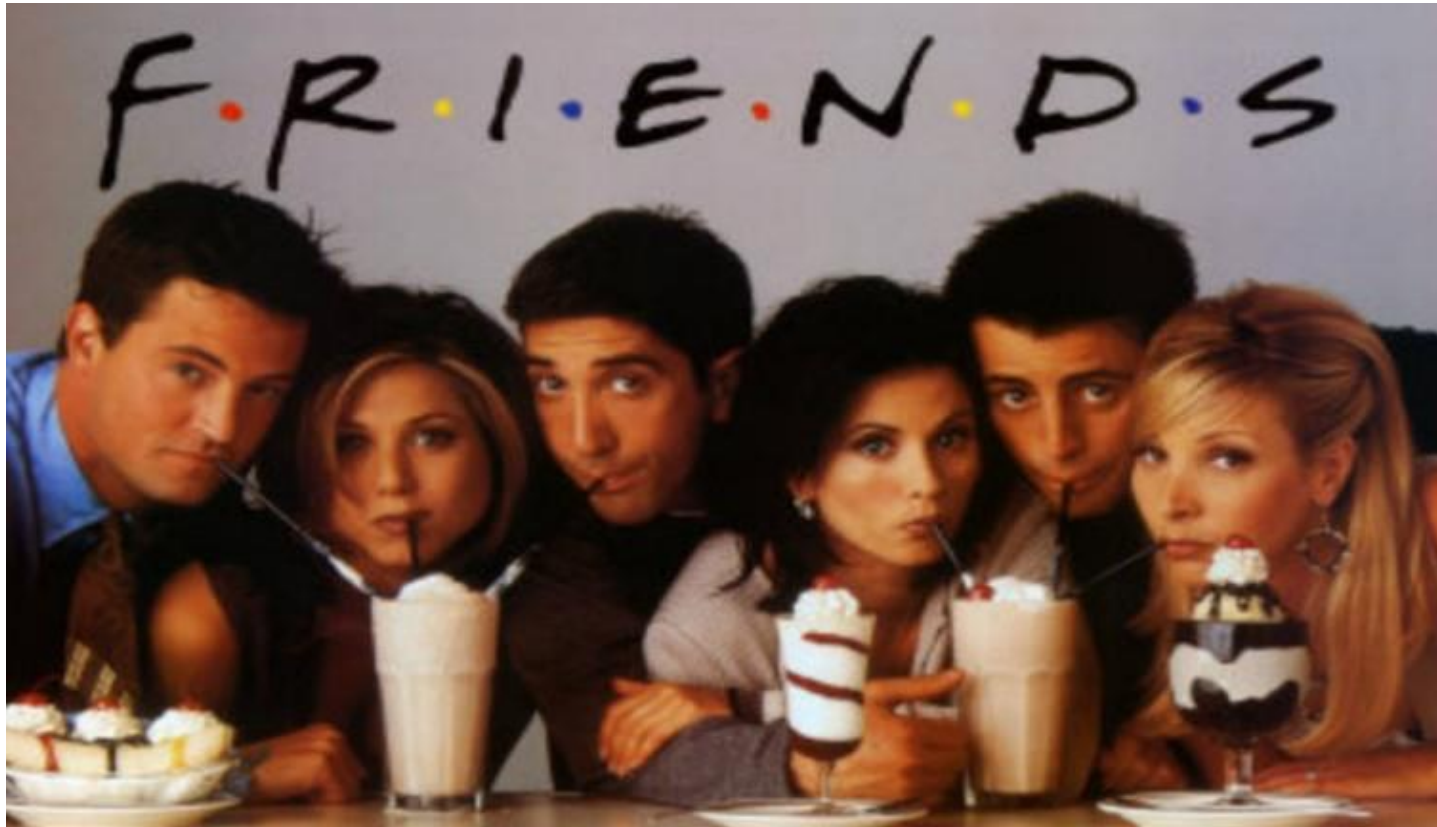
# Better Statistics, Better Decisions: 25 Years of the Family Resources Survey – a whistle-stop tour

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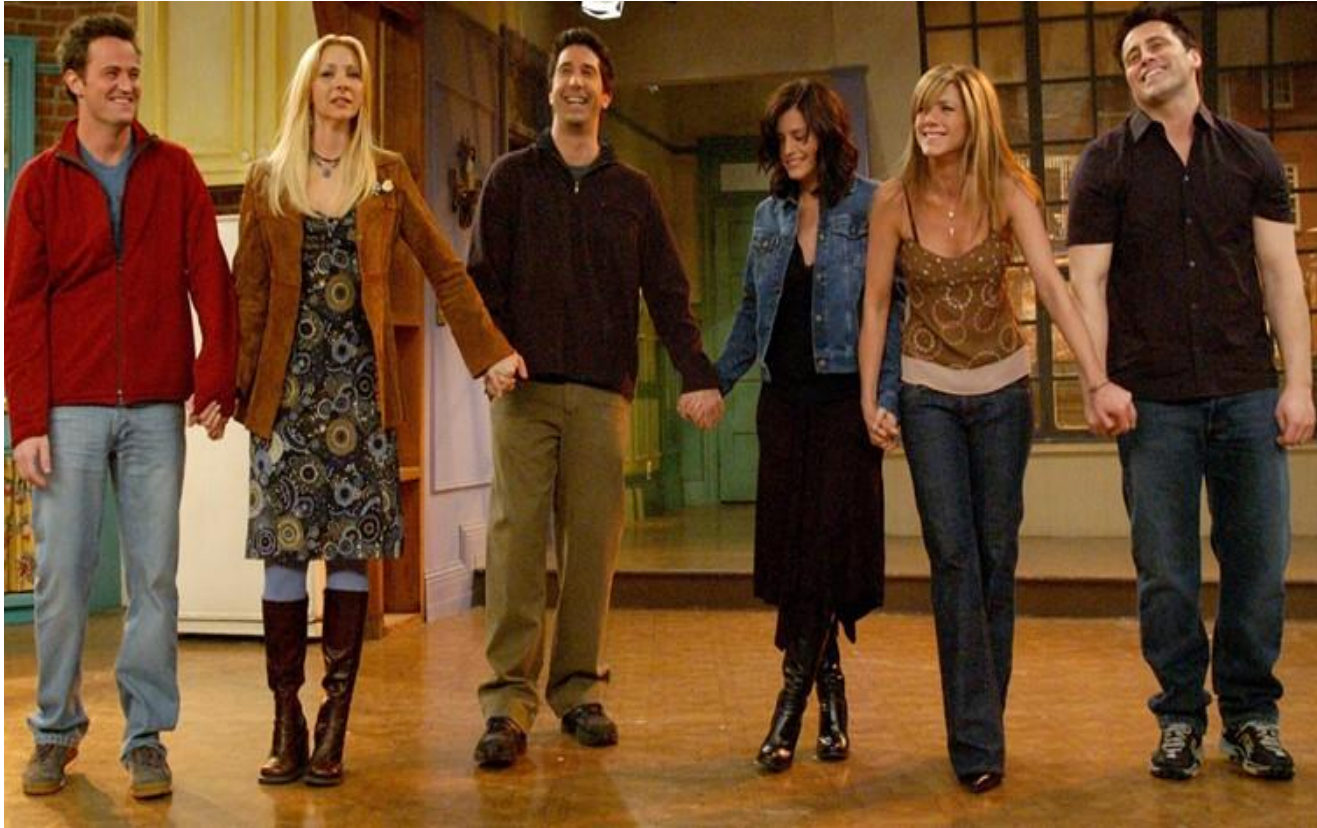
# Why is the FRS important?

- The FRS is the single most business critical research project conducted by DWP. This is because it provides the source data for our key policy simulation tools: the Policy Simulation Model, PenSim2 and INFORM.
- The FRS has been vital to the development, costing and evaluation of every major welfare reform over the last 25 years.
- The UN state that “Household income statistics are one of the most complicated datasets produced by national statistical offices



# FRS – a potted history, developments and challenges – early days

- **1988** – First issue of the Households Below Average Income series
- Decision to create a specific income survey designed to meet Department of Social Security needs.
- **October 1992** – launched
- **February 1995** – first full report of data from 1993/94
- **1994/95** – this is the earliest dataset we use in our HBAI time series analysis – so 25 years of data being celebrated
- FRS one of the first government surveys to use Computer Assisted Personal Interviewing (CAPI)
- Early years development of processes, quality assurance, methodology issues for both FRS and the related publications
- **Early 2000s** – Policy Simulation Model created based on FRS
- **April 2002** – survey extended to cover the whole of the UK
- Used to assess child poverty targets in **2004/05** and **2009/10**







## FRS – a potted history, developments and challenges – the European years

- **2011/12** – Reduced sample size – 25,000 households per year down to 20,000
- **2011/12** – Took on responsibility for EU Survey of Income and Living Conditions data delivery to Eurostat from ONS (first delivery to Eurostat 2012). Additional questions required for EU-SILC
- **2012** – Confirmed as National Statistic after Assessment in 2011
- **2013/14** – introduction of new benefit block following review
- **2015** – ONS took back responsibility for EU-SILC
- **2016/17** – final data collection for EU-SILC in FRS

## FRS – a potted history, developments and challenges – recent innovations

- **June 2016** – new style publication format launched following work by Catherine Hope and others to develop new user friendly and accessible formats, using best practice
- **June 2016** – move to use of CPI not RPI as deflator – back series produced
- **March 2017** – improved timeliness of publications by 3 months to meet new legal requirement, and following Lean 6 Sigma Review of FRS processes
- **March 2018** – back series of world-class bootstrapping methodology for HBAI analysis released for external researchers
- **June 2018** – first release of HBAI results via DWP Stat Xplore tool



# HBAI – Publication

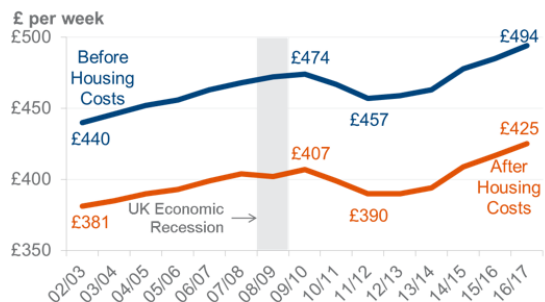
The Households Below Average Income (HBAI) report presents information on living standards in the UK based on household income measures for the 2016/17 financial year. Estimates are provided for average incomes, income inequality, and for the number and percentage of people living in low income households.

### 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

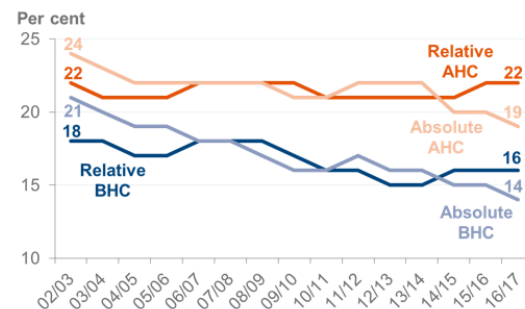
Gini broadly flat BHC and AHC



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

# Households Below Average Income (HBAI) Stat-Xplore Database

- Stat-Xplore is a free, online tabulation tool available at gov.uk where users can access DWP data via databases to create **their own analysis**.
- The database provides information on living standards in the UK based on household income measures for a financial year. Variables are available at an individual level, family level (benefit unit level) or at a household level from 1994/95 to 2016/17.
- Key benefits of the database include:
  - **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 (note that final estimates must be rounded).
  - **Open data API functionality** allows users to dynamically create their own tables and data visualisations.

## HBAI in Stat-Xplore – initial user feedback

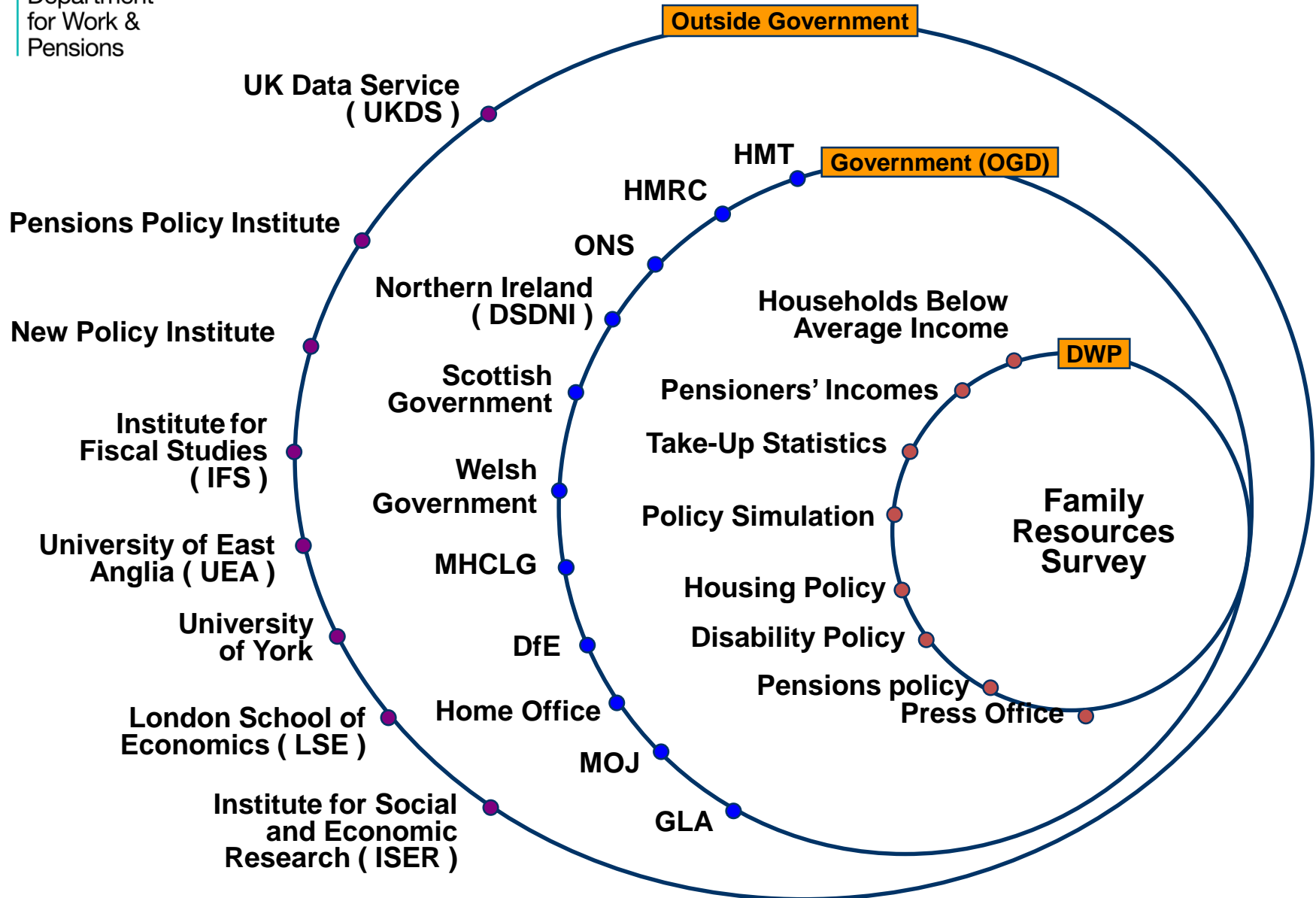
- The day after launch Denbighshire County Council “**MASSIVE** kudos on the Households Below Average Income (HBAI) Stat-Xplore Database. Really unexpected treat to see that today.”
- The House of Commons library said “*This is great that the HBAI data are now on Stat-Xplore. It will save a lot of time in microdata analysis and it’s good that the data will be accessible to a wider group of users also, so thank you for making it available.*”
- It is already making HBAI Team lives easier in answering queries

Access Stat-Xplore here:

<https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>



# FRS Users





## FRS – a potted history, developments and challenges – data linking

- **2004** Strategic Review of the FRS – recommended taking forward work on data linking to administrative data
- Aim to improve data quality and support longitudinal analysis tracking how different groups move in and out of work and how their situation changes over time
- **November 2006** consent question introduced - Consent agreement lower than anticipated - Question suspended from **August 2007** – further development required
- **2008** – New question introduced
- The FRS has been linked to the Work and Pensions Longitudinal Study (WPLS)
- Currently – data linking look up file made available to DWP analysts, linked data included in take-up statistics publication
- But we want to do more



## FRS – the future

- We changed our approach to data linking in **2017/18** and now we have the potential to link all FRS respondents to administrative records.
- We have an opportunity to transform the FRS through integration with administrative data, producing a number of benefits:
  - Improved data quality (significant reduction in benefit reporting undercount, use of HMRC Real Time Information (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
- We no longer have a specific consent question – but include in our material to respondents that we will link their data if they take part in the survey.

## FRS – the future

- Given existing FRS users and uses our starting point is: Can we integrate administrative data into FRS to meet the **existing** FRS definitions.
- Making more use of data linking can also **enhance** analytical potential – linking to different datasets and building on the current FRS. This approach may not produce the same benefits identified if the focus is the existing definition.
- We need to be able to start doing analysis on matched data and assessing the outputs so we can understand if our initial ideas are actually practical and deliverable or not.
- Given the importance of the FRS to policy decision-making we need to build dual running into our plans so we can really understand the new data generated.
- This is not an overnight change – work programme expected to last a number of years.

# FRS – the future

- ONS developing a single Household Finance Survey Framework and want to use administrative data through powers in the Digital Economy Act. We will be working with them on a joint project.
- Between us there are a number of ideas and analytical workstrands to explore.
- Other opportunities and ideas?
- Look out for updates as we take forward our Transformation plans.

So let's see what  
happens in the next  
25 years.....

