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

Households Below Average Income: An analysis of the UK income distribution: 1994/95-2016/17

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

Income Inequality
Gini broadly flat BHC and AHC

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

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.

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.

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

Government (OGD)

Outside Government

Households Below Average Income

Pensioners’ Incomes

Take-Up Statistics

Policy Simulation

Housing Policy

Disability Policy

Pensions Policy

Press Office

Family Resources Survey

HMT

HMRC

ONS

Northern Ireland (DSDNI)

Scottish Government

Welsh Government

MHCLG

DfE

Home Office

MOJ

GLA

Institute for Social and Economic Research (ISER)

University of East Anglia (UEA)

University of York

London School of Economics (LSE)

Institute for Fiscal Studies (IFS)

New Policy Institute

Pensions Policy Institute

UK Data Service (UKDS)
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.....