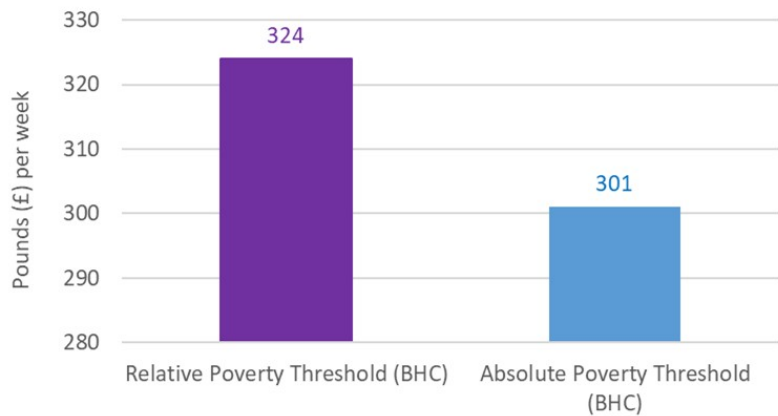


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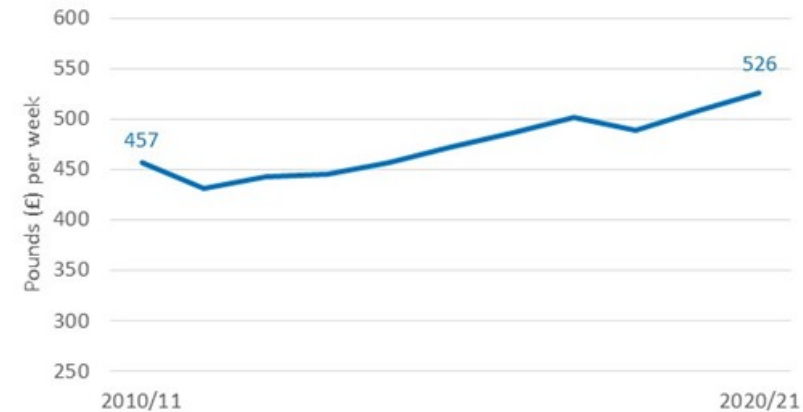
This publication presents annual estimates of the percentage and number of people living in low income households in Northern Ireland (NI). The estimates are used to monitor poverty rates in NI. The data published is for the financial year April 2020 to March 2021. **Data collection in 2020/21 was impacted by COVID-19 restrictions resulting in a heavily reduced sample size. This has led to additional uncertainty around the estimates, particularly for smaller groups. As such, for 2020/21, only figures relating to the whole population in NI are presented in this publication.** Unless specifically stated, annual changes in the numbers and percentages presented in this report are not statistically significant.

Poverty Thresholds (BHC) UK - 2020/21



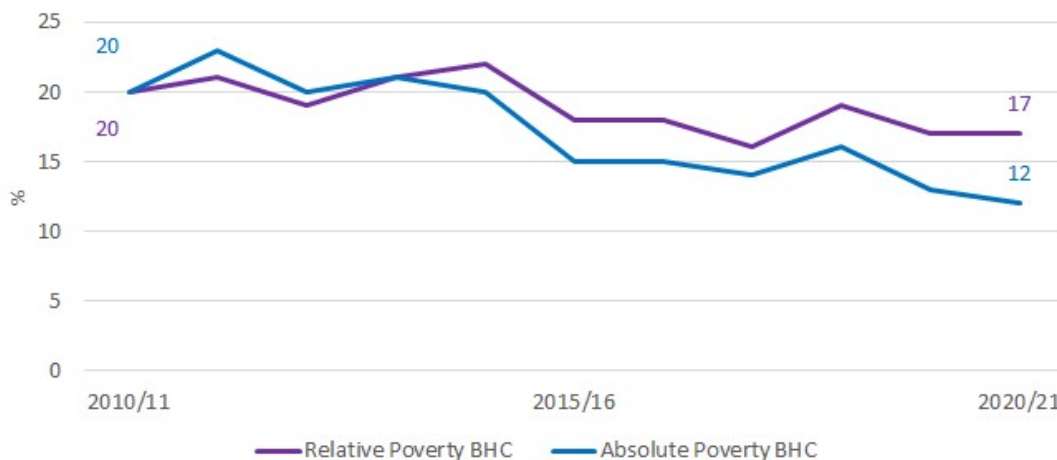
In 2020/21, the UK relative poverty (BHC) threshold was £324, and the UK absolute poverty (BHC) threshold was £301. These thresholds are for a couple with no children (the equivalised income reference).

Median Weekly Income (BHC) NI



In 2020/21, the average (median) income in Northern Ireland increased to £526 per week compared to £508 per week in 2019/20, a 4% increase.

Individuals in Relative and Absolute Poverty Over Time (BHC) NI



The proportion of Individuals in **Relative Poverty** BHC remained constant at 17% from 2019/20 to 2020/21. This is equivalent to approximately 316,000 individuals.

The proportion of individuals in **Absolute Poverty** BHC was 12% (representing approximately 223,000 individuals) in 2020/21 compared to 13% in 2019/20. This is not a statistically significant change.



Please note 2020/21 figures are subject to additional uncertainty due to the impact of COVID-19 on data collection and therefore comparisons between 2020/21 and other years should be treated with caution.

Impact of the Coronavirus (COVID-19) pandemic on these statistics

Overview

Fieldwork operations for the Family Resources Survey (FRS) during 2020/21 were rapidly changed in response to the coronavirus (COVID-19) pandemic and the introduction of national lockdown restrictions. The established face-to-face interviewing approach employed on the FRS was suspended and replaced with telephone interviewing for the whole 2020/21 survey year. This change impacted on both the size and composition of the achieved sample. Although the usual FRS sample of approximately 2,000 NI households is relatively large for a household survey, small sample sizes for particular subgroups may require several years of data to be combined. Note, in 2020/21 the sample decreased to approximately 700 households.

While the data for 2020/21 has undergone extensive quality assurance prior to publication, **it is recommended that users exercise additional caution when using data relating to 2020/21, particularly when making comparisons with previous years.** This is especially recommended when interpreting any larger changes observed in 2020/21.

While every effort has been made to minimise the impact of the coronavirus (COVID-19) pandemic on the range of statistics we produce, this year's statistical release is more limited than in previous years. Discontinuities and additional biases introduced by the changes to data collection during the pandemic become more evident when the statistics are disaggregated into smaller groups. Due to the need for additional care when presenting and interpreting data collected during the coronavirus (COVID-19) pandemic, it is not possible to publish the full range of breakdowns provided in other years; as such only figures relating to the whole population in NI are presented in this bulletin and the accompanying tables for 2020/21.

Changes due to the Coronavirus (COVID-19) pandemic

In 2020/21, several factors impacted on FRS response rates and the distribution of characteristics among FRS survey respondents, including:

- change in the mode of interviewing from face to face to telephone;
- changes in the methods used to elicit responses from survey participants as the year progressed; and
- changes in people's behaviours and circumstances during the coronavirus (COVID-19) pandemic which may have made them more or less likely to respond to a household survey.

While it is not possible to quantify the impact each of these factors had on the statistics in this bulletin, summary conclusions based on extensive quality assurance by Department for Work and Pensions (DWP) are discussed in their technical report detailing the impact of the coronavirus (COVID-19) pandemic on the Households Below Average Income (HBAI) statistics for the UK.

To address additional biases in the raw sample, new grossing controls were introduced to a) weight the sample by month of interview to balance the sample size across the year, and b) weight by level of educational attainment to boost numbers of working-age adults with education levels below degree level. This removed some, but not all, of the observed bias.

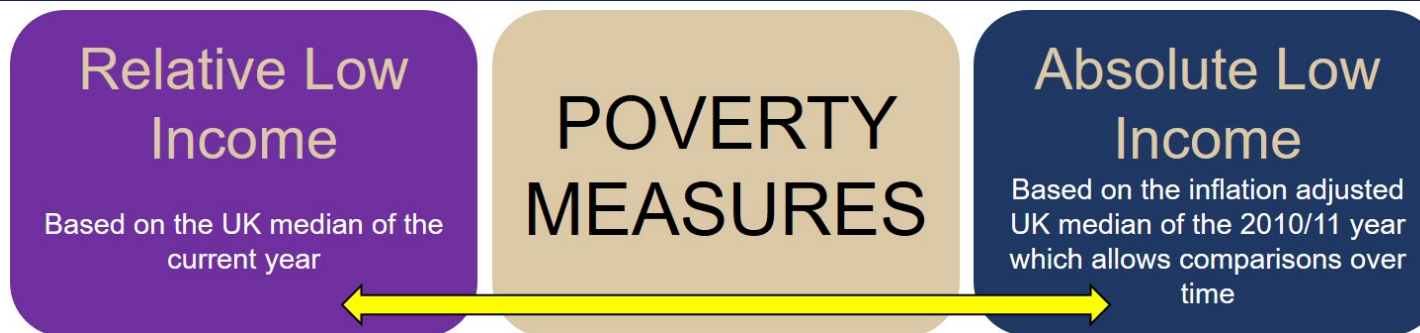
Two major new sources of income were introduced in 2020/21 to support jobs and businesses affected by the coronavirus (COVID-19) pandemic – the Coronavirus Job Retention Scheme (CJRS) for employees, and Self Employment Income Support Scheme (SEISS) grants. While questions on both sources of income were included as part of the FRS questionnaire, there were particular challenges with calculating current-year income from self-employment. Both income sources are taken into account in the 2020/21 estimates, although for SEISS this is a consequence of estimating income using previous years profit data, rather than directly using reported amounts of SEISS grants received.

Where to find out more

More information can be found in the technical report published by DWP detailing the impact of the coronavirus (COVID-19) pandemic on the UK HBAI statistics.

<https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2021/technical-report-assessment-of-the-impact-of-covid-19-on-the-hbai-statistics-for-fye2021>

Definition



- An individual is considered to be in relative poverty if they are living in a household with an equivalised income below 60% of UK median income in the **year in question**.
- This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the **population as a whole**.
- In **2020/21** the relative poverty threshold for a couple with no children was an income of **£324 per week** (BHC) from all sources (£16,875 per year).
- For a couple with children the threshold would be higher and for a single person (without children) the threshold would be lower.

- An individual is considered to be in absolute poverty if they are living in a household with an equivalised income below 60% of the (inflation adjusted) **UK median income in 2010/11**.
- This is a measure of whether those in the lowest income households are seeing their **incomes rise in real terms**.
- In **2020/21** the absolute poverty threshold for a couple with no children was an income of **£301 per week** (BHC) (£15,713 per year).

Income Before Housing Costs (BHC)

Includes the following components:

- **Net earnings from employment;**
- **Profit or loss from self-employment;**
- **All Social Security benefits and Tax Credits;**
- **Income from occupational and private pensions;**
- **Investment income;**
- **Maintenance payments;**
- **Income from educational grants and scholarships;**
- **The cash value of certain forms of income in kind, including free school meals.**

Income is net of:

- Income tax payments;
- National Insurance contributions;
- Domestic rates / council tax;
- Contributions to occupational pension schemes;
- Student loan repayments;
- All maintenance payments;
- Parental contributions to students living away from home.

Income After Housing Costs (AHC)

Income after Housing Costs (AHC) is derived by deducting a measure of housing costs from the income measure shown opposite.

Housing costs

These include the following:

- Rent (including housing benefit);
- Mortgage interest payments;
- Structural insurance premiums (for owner occupiers); and
- Ground rent and service charges.

While the AHC measure is comparable between NI and UK, BHC analysis is not. This is due to the difference in the way water charges are collected.

The figures relevant to all the charts in this bulletin are estimates based on a sample survey (Family Resource Survey) and are therefore subject to sampling error. Sampling error is the error caused by observing a sample instead of the whole population. Therefore, **caution should be exercised in the interpretation of year-on-year fluctuations**. Identification of trends should be based on data for several years.

About these statistics

National Statistics Status

In May 2013, the United Kingdom Statistics Authority designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for official Statistics. National Statistics status means the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is the Departments' responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored. Since designation as National Statistics, we have continued to comply with the Code of Practice for Statistics, and have made the following changes: improved data governance protocols, improved quality assurance documentation and moved to a more simplified and visually appealing format, with improved accessibility.

Where to find out more

Supporting data tables are available via the following link:

<https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-1>

A Quality and Methodology Information Report, is available here

<https://www.communities-ni.gov.uk/system/files/publications/communities/hbai-2019-20-quality-methodology-report.pdf>

For other queries, or to provide feedback on this publication please contact:

psu@communities-ni.gov.uk, or telephone: **Alan Anderson 028 90 823588**.

Other FRS Publications

Northern Ireland Households Below Average Income

<https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-2>

Family Resources Survey report - Northern Ireland

<https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-0>

Equivalisation

Income data from HBAI is adjusted (or equivalised) to take into account variations in both the size and composition of households. A more detailed explanation can be found at the following link: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/530659/hbai-low-income-how-is-it-measured-infographic.pdf

Using the FRS for analysis

Coverage

Figures in this bulletin are derived from an analysis of the Family Resource Survey. The FRS is designed to be representative of all private households in the United Kingdom. Therefore certain individuals are not included – for example, students in halls of residence and individuals in nursing or retirement homes.

Sample design

The FRS uses a systematic stratified sample designed to produce robust regional estimates. In some of the reports DfC have had to combine several years of data to produce analysis at Local Government District level.

Sample size

Although the usual FRS sample of approximately 2,000 NI households is relatively large for a household survey, small sample sizes for particular subgroups may require several years of data to be combined. Note, in 2020/21 the sample decreased to approximately 700 households.

Sampling Error

Results from surveys are estimates and not precise figures – in general terms the smaller the sample size, the greater the uncertainty. Results in this report are subject to a margin of error which can affect how changes should be interpreted, especially in the short term. Latest estimates should be considered alongside medium and long-term patterns.

Non-Sampling Error

Survey data represent the information as provided by the respondents to the survey. If people give inaccurate responses or certain groups of people are less likely to respond this can introduce biases and errors. Non-sampling error is minimised in the FRS through effective and accurate sample and questionnaire design, active fieldwork management, the use of skilled and experienced interviewers and extensive quality assurance of the data. However, it is not possible to eliminate non-sampling error completely, nor can it be easily quantified.