

Family Resources Survey Northern Ireland

Background, Quality and Methodology Report 2017/18



Introduction

This note accompanies the summary Family Resources Survey 2017/18 report which is available here: <https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-0>

The purpose of this note is to provide further contextual information to aid understanding of the statistics presented in the main report and detailed tables. It outlines points to note as well as strengths and limitations of the information presented in each section of the main report, alternative data sources, as well as changes to the survey this year compared to last year. A detailed description of the FRS methodology, fieldwork operations, data processing and quality assurance is also presented.

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Feedback

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

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National Statistics

In April 2012, 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 were 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.

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1. Background Information

The Northern Ireland Family Resources Survey (FRS) collects detailed information on various household characteristics from approximately 2,000 households annually. The FRS was first introduced to Northern Ireland in 2002/03. Prior to 2002/03 the survey was well established and carried out annually in Great Britain.

Households interviewed in the survey are asked a wide range of questions about their circumstances. Although some of the information collected is available elsewhere, the FRS provides new or much more detailed information in a number of areas and brings some topics together on one survey.

Although the NI FRS was designed with the Department for Communities (DfC) needs specifically in mind, it also contains information that is of interest to other government departments and outside researchers. The database from which it is derived is deposited at the UK Data Archive and is available directly to other government departments such as HM Revenue and Customs. See the FRS protocol on UK dataset release and control for more details (<https://www.gov.uk/government/publications/family-resources-survey-data-release-and-control>).

The fieldwork for the survey in Northern Ireland is managed by DfC and is currently carried out by the Northern Ireland Statistics and Research Agency. The fieldwork for the survey in GB is undertaken by a consortium made up of the Office for National Statistics (ONS) and NatCen Social Research.

1.1 Online Access

This report is available on the internet at: <https://www.communities-ni.gov.uk/topics/family-resources-survey>.

A PDF version of the publication along with Open Document Spreadsheet (ODS) versions of the tables are available to download.

1.2 Structure of the Report

The structure of the Family Resources Survey report was redesigned in 2014/15, moving to a more simplified and visually appealing format. This provides a shorter, more focussed and more accessible publication without sacrificing the breadth of statistical analysis. This years' report follows a similar style and format.

The aim of this change is to tailor our reporting to meet different user needs rather than “one size fits all”. In particular, we are attempting to explain our statistics and their context in an accessible way so that they can be better understood by all users.

The intention is that these changes will not compromise our support to existing users as the full suite of output tables familiar to experienced users of our publications will continue to be made available online. In addition, expert users will continue to be supported via detailed methodological guidance and access to the underlying data via the UK Data Service.

Similar progress has taken place with the recently published Households Below Average Income Report for Northern Ireland and the UK report (published by our counterparts in DWP), and the Northern Ireland Poverty Bulletin. All the feedback received from users has been very positive. These documents can be found via the links below:

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

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

<https://www.gov.uk/government/collections/family-resources-survey--2>

1.3 Coverage

Modelling Social Security benefit entitlement is central to many of the DfC uses of FRS information. The data collected reflects this, focusing on income, including receipt of Social Security benefits, housing costs and circumstances of household members, such as whether someone gives or receives care or has childcare costs.

This focus also underlies the routing of some questions. For example, detailed questions on the value of liquid assets held are only asked of those respondents who are willing to provide an estimate of the value of their total savings and report a figure between £1,500 and £20,000. Approximately one quarter of UK benefit units surveyed fall into this category. This range is wide enough to capture those who may be entitled to benefit based on their capital but reduces the burden on the majority of respondents.

Further questions address other areas relevant to DfC policy such as barriers to moving off benefits and into work and maintenance payment and receipt.

Survey coverage is detailed later in this report.

1.4 Units and Presentation

Throughout the report, tables refer to households, benefit units or individuals. The definition of a household used in the FRS is 'a single person or group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room, or a dining area'. So, for example, a group of students with a shared living room would be counted as a single household even if they did not eat together, but a group of bedsits at the same address would not.

A household will consist of one or more benefit units, which in turn consists of a number of individuals (adults and children). 'Benefit unit' is defined as 'a single adult or couple living as married and any dependent children'. A dependent child is aged under 16 or an unmarried 16 to 19-year-old in full time non-advanced education. So, for example, a man and wife living with their young children and an elderly parent would be one household but two benefit units. It should be noted that 'benefit unit' is used throughout the report as a description of groups of individuals regardless of whether they are in receipt of any state support.

Information on variables and data items tabulated in the report is provided in the Glossary. It should be stressed that definitions of items such as income and its components might differ from those used in other publications and from those used in earlier FRS reports.

1.5 Rounding and Accuracy

In the tables and analyses that follow, the following conventions have been used:

- 0 nil (none recorded in the sample)
- negligible (less than 0.5 per cent)
- . not applicable
- .. not available due to small sample size (fewer than 100) or as a result of less than three years of comparable data in three year average tables.

Within the analysis sections for each chapter, figures have been rounded to the nearest thousand or percentage point. Individual figures have been rounded independently. Therefore, the sum of component items will not necessarily equal the totals shown. Care must be taken when referring to figures based on an individual cell.

Owing to the volatility of single year results, due to small sample sizes, Local Government District (LGD) tables are presented as three-year averages. This methodology enables underlying trends to be identified, whilst smoothing out any random fluctuations.

2. Notes for Analysis

This section presents contextual detail as well as strengths and limitations of the information presented in each section of the main FRS report.

2.1 Income and State Support

FRS income data are not equivalised. For analyses where income data have been adjusted for household size and composition see the Northern Ireland Households Below Average Income publication, available at:

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

All income figures are presented gross of tax, national insurance and other deductions from wages except where noted.

It is thought that household surveys underestimate income from both self-employment and investment income. We rely on respondent recall of very detailed financial information across a comprehensive range of income sources. Some of these are hard for respondents to recall. The FRS interviewers ask respondents to check pay-slips, tax returns and other financial paperwork at the time of the face-to-face interview. This helps to improve the reliability of what respondents report they earn.

Relative to administrative records, the FRS under-reports benefit receipt – see Methodology Table M.6. Some respondents do not know or do not have the necessary information to answer specific questions about individual benefits which makes it difficult to collect accurate information – see State Benefits on the Family Resources Survey (WP115). However, one of the strengths of the FRS is that it collects many personal and family characteristics which are not available from administrative sources. This means that the FRS can be used to analyse income and benefit receipt in ways which are not possible from administrative sources alone. In most cases benefit receipt is analysed at a benefit unit/family level because means-tested benefits are paid on behalf of the benefit unit.

2.2 Tenure

As presented in the main FRS report, the “social rented sector” is a combination of the categories “Rented from Council” and “Rented from a Housing Association”. These categories are combined because some housing association tenants may misreport that they are council tenants. For instance, where their home used to be owned by the council and although ownership has now transferred to a housing association, the tenant may still think that their landlord is the council (local authority).

2.3 Disability

The ways in which disabled people have been identified in the FRS has changed over time. From 2004/05 to 2011/12 disability was identified based on those reporting barriers across nine areas of life. From 2012/13 disabled people have been identified as those who report any physical or mental health condition or illness that lasts or is expected to last 12 months or more, and which limits their ability to carry out day-to-day activities. This new definition is consistent with the core definition of disability under the Equality Act 2010, and complies with harmonised standards for social surveys published in August 2011:

<http://www.ons.gov.uk/ons/guide-method/harmonisation/primary-set-of-harmonised-concepts-and-questions/index.html>

2.4 Carers

FRS respondents are asked if anyone in the household receives care, or if anyone provides care to anyone living outside the household. Questions are then asked about those receiving help. There are then follow-up questions for each person named, about who provides the help and the frequency of care. The follow-up questions are only asked for those receiving help at least once a week. What counts as care is not prescriptively defined and, for example, could include activities such as going shopping for someone or helping with paperwork.

2.5 Pensions

The FRS pension participation reference tables present data for both all adults and working age adults only. Those over State Pension age are often excluded from analysis of pension participation in other publications.

Employer-sponsored pensions comprise any company or occupational pension scheme run by an employer including group personal pensions and group stakeholder pensions.

Individual personal pensions include individual stakeholder pensions and retirement annuity contracts as well as individual personal pensions.

2.6 Self-employment

The FRS asks a detailed set of questions to capture earnings from self-employment:

- Self-employed respondents are asked questions on their most recent business accounts as submitted to HMRC – dates of the accounts, profit or loss figures, tax and National Insurance amounts.
- They are then asked if they draw money from their business accounts for non-business purposes, such as for payments to themselves, personal spending, paying domestic bills etc. and how much this is per month on average. They are also asked if they receive other income from their business for personal use, e.g. cash in hand, and how much this is per month on average.
- Those who do not keep annual business accounts and do not draw money for non-business purposes are asked for their income after paying for materials, equipment, goods etc. and whether they make tax and National Insurance payments on this amount.

The FRS does not fully capture information on all types of income in kind accurately – for example, benefits of vehicles, computers and mobile phones purchased by the business that are also for personal use. And these benefits are likely to be more important for the self-employed than for employees. Therefore, the FRS earnings measures are likely to underestimate the true monetary and other benefits of self-employment. However it is very difficult to quantify this.

Other benefits of self-employment compared to employment are not captured – such as flexibility in working patterns, independence, flexibility in the way money is drawn from the business etc.

The complexity of self-employment circumstances, with irregular income and benefits in kind coming from a range of sources, could also contribute to inaccuracy of information capture.

One of the significant advantages of the FRS is that it has captured self-employment in a consistent way over time. Therefore the trends in self-employment compared to employment are likely to be reasonably accurate.

The FRS does undercount the number of people reporting self-employment compared to the Labour Force Survey, although the trends and proportions by age, gender etc. are consistent across the two surveys. The LFS is considered the definitive source when it comes to information on labour market activity.

2.7 Savings and Investments

The data relating to savings and investments should be treated with caution. A high proportion of respondents do not know the interest received on their assets and therefore around one in five cases are imputed. It is thought that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.

The FRS does not capture information on non-liquid assets. Therefore property, physical wealth and pensions accruing are not included in estimates of savings and investments. It also does not capture detailed information on expenditure (except for housing costs) and debts. Therefore it is not possible to get an overview of how households are coping financially.

2.8 Employment Status

Employment status presented as “inactive” includes the ILO defined groups: Unemployed, Retired, Student, Looking after home/family, Permanently sick/disabled, Temporarily sick/injured and other.

2.9 Adjusting for Inflation

Some figures in the main FRS report and the accompanying tables combine several years of income data. In these circumstances, uprating factors are used to adjust for inflation by bringing values from previous years into current price terms. Prior to the 2014/15 FRS report, the Retail Prices Index (RPI) was used to adjust for inflation.

The UK National Statistician recommended in March 2016 that the RPI should no longer be used to adjust for inflation in statistical publications. From the 2014/15 FRS, the Consumer Price Index (CPI) will be used to adjust for inflation. More information concerning this methodological change can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/519332/dwp-family-household-income-stats-adjusting-for-inflation-statistical-notice.pdf

2.10 Urban Rural and Pensioners' Income Tables

Additional tables have been added to the FRS tables detailing secondary analysis of the FRS dataset. The analysis is based on two themes: Urban Rural analysis and Pensioners' Income analysis. Further information on these additional table can be found in Annex 1 and Annex 2 at the end of this report.

3. Strengths and Weaknesses

The FRS is NI's premier survey on incomes. However, the FRS is a household survey and so is subject to the weaknesses of using a survey, including:

- *Sampling error.* This will vary to a greater or lesser extent depending on the level of disaggregation at which results are presented.
- *Non-response error.* Systematic bias due to non-response by households selected for interview in the FRS. In an attempt to correct for differential non-response, estimates are weighted using population totals.
- *Survey coverage.* The FRS covers private households in the United Kingdom. Therefore individuals in nursing or retirement homes, for example, will not be included. This means that figures relating to the most elderly individuals may not be representative of the United Kingdom population, as many of those at this age will have moved into homes where they can receive more frequent help.
- *Sample size.* Although the FRS has a relatively large sample size for a household survey, small sample sizes may require several years of data to be combined. See Rounding and Accuracy section.

All tables contain figures based on sample estimates that have been weighted so that they apply to the overall population. This involves the use of a set of adjustment (or grossing) factors that attempt to correct for differential non-response. These factors take into account demographic variables such as age and gender, together with region. Detailed tables give unweighted sample counts (headed 'sample size=100 per cent') to help users to judge the robustness of the information (the larger the sample size, the more robust the relevant percentage figure). These are shown in italics on a grey background.

The tables in this publication show the results after validation and imputation for item non-response, and after adjustment for unit non-response using weights that control for a number of factors. However, validation can only be effective where it is possible to correct the response, for example by referring to interviewers' notes. Weighting can only correct for known non-response biases and results are sensitive to the values of control variables used to generate the weights.

Although work has been undertaken to try to ensure that the figures that have been collected are valid and that adjustments are made for non-response, survey bias may remain. For example, comparisons of benefit recipients in the survey with administrative data still show a mismatch following weighting. This may be partly due to misreporting of certain data items and sampling error, but also may reflect non-response biases not controlled for in the weighting factors. Efforts are continually being made to minimise these problems, for example through greater reliance on documentary evidence at the interview and maintaining response rates.

Specific **strengths** of the FRS include:

- Capturing information on incomes: it captures more detail on different income sources compared to other household surveys.
- It collects a lot of contextual information on the household and individual circumstances, such as employment, educational level and impairment. The FRS is therefore a comprehensive data source allowing for a wide variety of detailed analysis.
- The NI FRS began in 2002/03 and so allows for comparison over time.

Specific **weaknesses** of using the FRS include:

- Benefit under-reporting – the FRS is known to under-report benefit receipt.
- Income under-reporting. We rely on respondent recall of very detailed financial information across a comprehensive range of income sources. Some of these are hard for respondents to recall. For more information on incomes please refer to the Households Below Average Income publication.
- The data relating to savings and investments should be treated with caution. Questions relating to investments are a sensitive section of the questionnaire and have the lowest response rate. A high proportion of respondents do not know the interest received on their assets and in these cases interest received is imputed (around one in five cases are imputed - the methodology section outlines the imputation methods undertaken). It is thought that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.
- The FRS does not capture information on non-liquid assets. Therefore property, physical wealth and pensions accruing, are not included in estimates of savings and investments. It also does not capture detailed information on expenditure (except for housing costs) and debts. Therefore it is not possible to get an overview of how households are coping financially.

4. Policy Changes in 2017/18

4.1 Uprating

From 2016/17 (to 2019/20) certain working-age benefits were frozen at 2015/16 cash values. Benefits excluded from the freeze are:

- Disability Living Allowance
- Personal Independence Payment
- Employment and Support Allowance Support Group component
- UC Limited Capability for Work and Work-Related Activity Element
- Premiums paid to disabled people receiving working-age benefits, where they, their partner and/or their children are disabled
- Carer benefits
- Pension benefits
- Maternity Allowance
- Statutory Sick Pay
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Shared Parental Pay
- Statutory Adoption Pay

Other benefits

- The Basic State Pension was up-rated by 2.5 per cent in line with the triple lock
- The new State Pension was up-rated by 2.5 per cent in line with the triple lock
- In 2017/18, the Standard Minimum Guarantee in Pension Credit was increased by earnings resulting in an increase for a single person from £155.60 a week to £159.35, a cash increase of £3.75
- Child benefit, along with some elements of tax credits, was frozen at 2015/16 cash values.
- Family and childcare elements of tax credit were frozen in cash terms

4.2 In April 2017

Universal Credit

Universal credit was introduced in Northern Ireland on a phased geographical basis on 27th September 2017, and by March 2018 there were 2,880 households¹ in payment for the benefit.

Pension Participation

Automatic enrolment has been implemented using a staged approach, starting with the largest employers (250+ employees) in October 2012. Staging entered its final period in 2017/18, with employers who have come into existence since October 2012 beginning their AE duties. As of March 2018, over one million employers had automatically enrolled over 9 million eligible workers into an automatic enrolment pension scheme (UK as a whole).

¹ <https://www.communities-ni.gov.uk/publications/universal-credit-statistics-march-2019>

Personal Independence Payment

PIP launched in NI on the 20th June 2016, and there were 59,650 claims in payment by February 2018².

In GB the roll-out of the final phase of PIP was brought forward from October to July 2015, and there were just about 1.8 million PIP claims in payment by March 2018.

State Pension

Since 6 April 2010, the State Pension age for women has been gradually increasing. Under the Pensions Act 2011, women's State Pension age increased to 65 between April 2016 and November 2018. FRS data contained in this report were collected throughout the financial year 2017/18, during which the State Pension age for women increased from 63 years and 9 months to 64 years and 6 months. The changes do not affect the State Pension age for men, which was 65 years throughout the survey year.

From December 2018 the State Pension age for both men and women started increasing, reaching 66 by October 2020.

Benefit cap

The benefit cap limits the amount of state benefits a non-working household can receive and is applied through Housing Benefit and Universal Credit. Several exemptions apply. From November 2016 the cap was reduced and tiered. In addition, new exemptions were introduced for claimants receiving Carer's Allowance, the carer's element within Universal Credit or Guardian's Allowance.

Child Tax Credit

For children born from April 2017, a further child element was no longer payable where two or more children were already included in the CTC award (though some exemptions apply). Also, children born from April 2017, would not automatically qualify for the family element.

Northern Ireland Rates and GB Council Tax

In Northern Ireland, the Regional Rate for the 2017/18 tax year increased by 1.6 per cent on 2016/17 levels.

In England, the Ministry of Housing, Communities and Local Government estimated that the average Band D council tax set by local authorities in 2017/18 represented an increase of 4.0 per cent on 2016/17 levels. In Wales, the average Band D council tax in 2017/18 represented an increase of 3.3 per cent on 2016/17 levels.

Housing Benefit

From April 2017, most Local Housing Allowance (LHA) rates were frozen at 2015/16 cash values.

² <https://www.communities-ni.gov.uk/articles/personal-independence-payment-statistics>

Employment and Support

Allowance The work-related activity component was abolished for new claimants of ESA from 3 April 2017.

Income Tax

In 2017/18, the income tax personal allowance increased by £500 to £11,500. The threshold for the 40 per cent rate of income tax increased from £43,000 to £45,000.

National Living Wage

In April 2017, the National Living Wage was increased to £7.50 per hour for employees aged 25 years and over. Employees under the age of 25 continue to get the National Minimum Wage, which increased from April 2017 to £7.05 for those aged 21 to 24 years and £5.60 for those aged 18 to 20 years.

Questionnaire changes

For 2017/18 questions on tax-free childcare and lump-sum pension were added, in response to the annual consultation on the FRS questionnaire. A block of questions on the level of qualifications and tuition costs, plus a section of material deprivation questions were removed. These changes were made as a result of the FRS no longer having a role in collecting information to meet UK requirements for EU-SILC.

Numerous other minor updates and changes to the questionnaire have been made to reflect changing categories, definitions etc. and in response to feedback on the operation of the questionnaire from interviewers.

5. Uses of the Family Resources Survey

The FRS is used widely across the Department for Communities. The main uses are:

Households Below Average Income (HBAI). This publication uses household disposable incomes, adjusted for household size and composition, as a proxy for material living standards or, more precisely, for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

A shorter Northern Ireland Poverty Bulletin provides high level analysis of the HBAI dataset.

These publications are available from:

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

The Policy Simulation Model (PSM) used extensively by DfC and DWP analysts for policy evaluation and costing of policy options. FRS responses are updated to current prices, benefits and earnings levels and can be calibrated to the DfC/DWP Departmental Report forecasts of benefit caseload. Using FRS data has made it possible to model some aspects of the benefit system which could not be done previously, for example severe disability premiums or allowances for childcare costs. In addition to their use in formal modelling, FRS data play a vital role in the analysis of patterns of benefit receipt for policy monitoring and evaluation, and benefit forecasting.

The FRS has also been used as a sampling frame for follow-up studies to look at particular groups. For example, a follow-up survey of FRS respondents has been used for the Poverty and Social Exclusion survey, for more information on this study see:

[\(http://www.poverty.ac.uk/\)](http://www.poverty.ac.uk/).

Although primary users of FRS data remain within the DfC, the survey is increasingly being used outside the Department. HM Revenue and Customs, for example, uses the FRS to produce information on the take-up of Child Benefit and Tax Credits (for more information see: <http://www.hmrc.gov.uk/statistics/fin-takeup-stats.htm>).

The Department for Work and Pensions (DWP) also uses the FRS to produce similar reports to DfC, focussed on the UK as a whole (for more information see:

<https://www.gov.uk/government/collections/family-resources-survey--2>).

FRS data are used by ONS to help develop new measures of national well-being. The aim is to provide a fuller picture of how society is doing by supplementing existing economic, social and environmental measures (for more information see: <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>).

The dataset is provided to other government departments on request. Researchers and analysts outside government can also access the data through the UK Data Archive (<http://www.data-archive.ac.uk/>).

6. Data Collection

6.1 The sampling frame in Northern Ireland

The sampling frame employed on the Northern Ireland FRS is the POINTER address database. This list of domestic properties in Northern Ireland is maintained by Land and Property Services (LPS), with input from Local Councils, Royal Mail and Ordnance Survey of Northern Ireland (OSNI). POINTER gives, for the first time, a common standardised address for every property in Northern Ireland. This replaces the Land and Property Services' sampling frame previously used. With over 800,000 address records, POINTER is now the most comprehensive and authoritative address database for Northern Ireland.

6.2 Sample design in Northern Ireland

The Northern Ireland FRS sample uses a systematic stratified sample design. The complete list of domestic properties on POINTER is stratified into three regions; Belfast (Belfast Local Government District only), East of Northern Ireland and West of Northern Ireland. In total 3,840 addresses are selected (out of approximately 726,000 address records), with the number of addresses drawn from each region proportional to the number of addresses in the region. Each address has approximately a 1-in-189 chance of being selected for the survey.

6.3 Data Collection in Northern Ireland

In Northern Ireland the sampling and fieldwork (including interviews of re-issued cases) for the survey are carried out by the Central Survey Unit (CSU) at the Northern Ireland Statistics and Research Agency (NISRA). The responsibilities for programming the survey questionnaire, making annual modifications, initial data processing and data delivery are retained within the Office of National Statistics (ONS) and the National Centre Social Research (NatCen).

Before interviewers make contact with the selected addresses, a letter is sent to the occupier, explaining that they have been chosen for the survey and that an interviewer will call. The letter also explains that the survey relies on the voluntary co-operation of respondents and emphasises that information given in the interview will be treated in the strictest confidence and used only for research and statistical analysis. The interviewers are asked to call at the address. A lower limit of four calls is set and these calls have to be made at different times of the day and on different days of the week.

6.4 Data Collection in Great Britain

A consortium of the National Statistics (ONS) and the National Centre for Social Research (NatCen Social Research) conduct the fieldwork for the FRS in GB. The consortium also has the responsibility for programming the survey questionnaire, making annual modifications, initial data processing and data delivery.

6.5 Harmonisation

There are a wide range of government surveys of individuals and households that provide sources of social and economic statistics. As well as the FRS, there are other surveys including the Labour Force Survey, and the Living Costs and Food Survey (previously the Expenditure and Food Survey). These surveys were designed at different times to meet different needs. There is also the Census of Population.

In order to improve comparability of statistics, harmonised concepts were developed to make the interpretation and analysis of these data easier, so that they allow users of published sources to see a more coherent picture of society and trends within it, and to help users plan surveys (e.g. at a local level) that can provide data comparable with national surveys. A list of the harmonised questions (inputs) and outputs is available at:

<http://www.ons.gov.uk/ons/guide-method/harmonisation/harmonisation-index-page/index.html>.

Different surveys have different purposes and hence cover topics in different depths. Harmonised questions are designed to provide the recommended minimum information to allow common classifications and facilitate the analysis of data from different surveys in combination. Not all surveys will include questions on all topics or in every year, but the recommendation is that where a topic is covered harmonised questions should be included wherever possible.

Some surveys will require further detail on topics than can be obtained from the harmonised questions alone. It will normally be the case that such surveys already ask for that detail. The harmonised questions have been designed so that these surveys can either derive the response to the harmonised questions without asking them directly or combine them with the further detail without adding to the length of interview.

Harmonisation that extends to nearly all major government household surveys covers a primary set of concepts and questions, whereas concepts and questions that apply only for a selected group of surveys belong to a secondary set.

Harmonised primary standards:

- Demographic information, household composition and relationships
- Ethnic group
- Economic status and industry
- General health & carers
- Long-lasting health conditions and illnesses: Impairments and disability
- Other (including: survey reference period, geography, educational attainment and tenure).

Harmonised secondary standards:

- Benefits and tax credits
- Consumer durables
- Income for analysis and income as a variable
- Selected job details

- Accommodation, length of residence and motor vehicles
- Housing costs and benefits
- Crime and fear of crime
- Social capital
- National and religious identity
- Internet access
- Sexual identity
- Other (including qualifications)

Harmonised outputs have also been produced. The use of these outputs will be affected by the sample size of the individual survey and it is neither feasible nor desirable to produce all outputs from different surveys in a completely harmonised way. The FRS uses harmonised outputs wherever possible, which should allow users to interpret data more easily.

6.6 Differences due to survey design features

The differences in the way in which data are collected, even using harmonised survey questions, are extremely important. There are a variety of factors that can lead to different estimates for harmonised questions across surveys, which include:

- Question wording and context effects
- Definitional differences
- Non-response bias
- Geographical coverage
- Sampled population
- Mode effect (e.g. telephone or face- to-face interviewing)
- Organisational effects
- Acceptance of proxy information
- Treatment of multi-households
- Unit of analysis
- Field procedures
- Item non-response
- Time period

6.7 Non-response

The lower the response rate to a survey, the greater the likelihood that those who responded are significantly unlike those who did not, and so the greater the risk of systematic bias in the survey results. Unless information is available about the nature and extent of such bias there are likely to be problems in generalising the sample results to the population.

For a United Kingdom survey of the size and complexity of the FRS, the total non-response rate in 2017/18 of 48 per cent is not considered unreasonable. In Northern Ireland the non-response rate was 45 per cent in 2017/18. However, any information that can be obtained about the non-respondents is useful both in terms of future attempts to improve the overall response rate and potentially in improving the weighting of the sample results. It is considered a priority for the FRS to obtain as much information as possible about non-respondents. The following sections outline some of the analyses that have been carried out in this area.

7. Validation, editing, conversion and imputation

In addition to unit non-response, where a household does not participate, a problem inherent in all large surveys is item non-response. This occurs when a household agrees to give an interview, but either does not know the answer to certain questions or refuses to answer them. This does not prevent them being classified as fully co-operating households because there is enough known data to be of good use to the analyst.

The fact that the FRS allows missing values in the data collection can create problems for users, so missing values are imputed where appropriate. The policy is that for variables that are components of key derived variables, such as total household income and housing costs, and areas key to the work of the DfC and DWP, such as benefit receipt, there should be no missing information in the final data.

In addition to imputation, prior to publication FRS data are put through several stages of validation and editing. This ensures the final data presented to the public are as accurate as possible. The stages in the validation, editing, conversion and imputation process are laid out below:

7.1 Stage one – the interview

One of the benefits of interviewing using CAPI is that in-built checks can be made at the interview stage. This helps to check respondents' responses and also that interviewers do not make keying errors. There are checks to ensure that amounts are within a valid range and also cross-checks which make sure that an answer does not contradict a previous response. However, it is not possible to check all potential inconsistencies, as this would slow down the program to an unacceptable degree, and there are also capacity constraints on interviewer notes. Interviewers can override most checks if the answers are found to be accurate when confirmed with respondents.

7.2 Stage two – post-interview checks

Once an interview has taken place, data are returned to ONS, NatCen, or NISRA. At this stage editing based on any notes made by interviewers takes place. Notes are made by the interviewer when a warning has been overridden, for example, where an amount is outside the specified range, but the respondent has documentation to prove it is correct. Office-based staff members make editing decisions based on these notes. Other edits that take place at this stage are checking amounts of fixed rate benefits such as Child Benefit, and where possible, separating multiple benefit payments into their constituent parts.

7.3 Stage three – data conversion

Before further validation, FRS data are converted from CAPI format into SAS readable tables. Using DWP specifications, SAS tables are created by ONS, with each table displaying information from different parts of the questionnaire. Both the DWP and ONS then carry out validation checks on key input and output variables to ensure that the data have converted correctly to the new format. Checks include ensuring that the number of adults and children recorded is correct, and that records are internally consistent.

7.4 Stage four – state support validation

Information on benefits and Tax Credits received is one of the key areas of the FRS and it is very important that this section is thoroughly validated and cleaned. It is not appropriate to use the imputation methods outlined above for benefits data so instead a separate procedure of validation and editing is used. The following types of validation were carried out for FRS data:

Missing Values

For cases where a respondent had answered 'yes' to whether they are in receipt of a particular benefit, but did not give the amount received, an imputation decision has been made depending on the benefit. For benefits such as Income Support, where the rate would vary greatly depending on the situation of the respondent, individual benefit assessments have been carried out. However, for benefits such as State Pension, where fewer rates apply, a more general method has been used.

Near-zero amounts

Where benefit amounts are recorded as near-zero, the case is examined individually and an edit decision is made.

Multiple benefits

Any combined benefit amounts (for example where State Pension is paid with Attendance Allowance) are edited by carrying out benefit entitlement assessments on individual cases, while preserving the reported total wherever possible.

Validation reports

Computer programs are run to carry out a final check for benefit entitlement and to output any cases that look unreasonable. All cases detected as a result of this validation exercise are individually checked and edited where necessary.

7.5 Stage five – other pre-imputation cleaning

In preparation for imputing missing values, data are made as clean as possible. This involves edits and checks of the following nature:

Weekly amounts

In the FRS, monetary amounts are converted to a weekly equivalent. To calculate this, respondents are usually asked firstly the amount and then the length of time this covered. This is known as a period code. Period codes are used in conjunction with amount variables to derive weekly totals for all receipts and payments. Some variables, such as interest on savings accounts, refer to the amount paid in the last year. These are also converted to a weekly amount.

Sometimes the period code relates to a lump sum or a one-off payment. In these cases, the corresponding value does not automatically convert to a weekly amount. In order for the data to be consistent across the survey, edits are applied to convert most lump sums and one-off payments to weekly amounts. In the same way, where period codes were recorded as 'don't know' or 'refused', these are imputed so that the corresponding amount can be converted to a weekly value in the final dataset.

Near-zero amounts

It is not possible for interviewers to enter zero amounts where it is inappropriate to do so. For example, in response to a question on receipt of benefit, a zero amount will result in a warning message being displayed. Some interviewers try to avoid this message by recording near-zero amounts. As a result, all near-zero values are examined and a decision taken as to whether the value is genuine or whether the value should be treated as missing.

Outliers

Statistical reports of the data are produced to show individual cases where an amount was greater than four standard deviations from the mean. For the seven largest values over this limit, the individual record is examined and where necessary (if a value looks unrealistic), the case is edited. The outliers remaining in the dataset are verified as being true values by examining other relevant data. Compared to earlier years, the number of this type of edit that now have to be carried out are small because of range checks that have been put into the CAPI questionnaire.

Credibility checks

Checks are carried out for the internal consistency of certain variables. For example, one check ensures that payments to the mortgage from outside the household that are included in the mortgage payment are not greater than the mortgage payment itself. Such cases are examined and edited where necessary.

7.6 Stage six – imputation

The responses to some questions are much more likely to have missing values than others. For example, it is very unlikely that a respondent will refuse to give or will not know their age or marital status, whereas it is much more likely that they will not be able to provide detailed information on the exact amounts of interest received from an investment.

Two areas where missing values are a problem are income from self-employment and income from investments. Data in the tables provided in this publication include imputed values. However, for some variables missing values remain, such as hours of care.

Methodology Table M.4 illustrates the extent of missing values. In 2017/18 from around 14.5 million set values in the FRS UK dataset, less than 1 per cent were originally recorded as either 'don't know' or 'refused'. Out of all missing values, approximately 96 per cent were imputed. A combination of imputation methods were used for the 2017/18 FRS data. The main ones are summarised below in the order in which they were used.

Closing down routes

As with any questionnaire, a typical feature of the FRS is the gatekeeper question positioned at the top of a block of further questions, at which a particular response will open up the block. If the gatekeeper question is answered as 'don't know' or 'refused', the block is skipped. This results in a potential problem.

A missing gatekeeper variable could be imputed such that a further series of answers would be expected. However, these answers will not appear because a whole new route has been

opened. For example, if the amount of rent is missing for a record and has since been imputed, any further questions about rent would not have been asked.

From the post-imputed dataset, it will appear that these questions should have been asked because a value is present for rent. For this reason, routes where a gatekeeper question has been skipped should be closed down. In most cases, gatekeeper variables are of the 'yes/no' type. These would be imputed to 'no', assuming that if a respondent does not know whether an item is received or paid, then it is not.

Hotdecking

This essentially looks at characteristics within a record containing the missing value to be imputed and matches it up to another record with similar characteristics for which the variable is not missing. It then takes the known variable and copies it to the missing case. For example, when imputing the Council Tax band of a household, the number of bedrooms, type of accommodation and region are used to search for a case with a similar record. This method ensures that imputed solutions are realistic, and gives a wide range of solutions maintaining variability in the data.

Algorithms

These are used to impute missing values for certain variables, for example variables relating to mortgages and to Council Tax. The algorithms range from very simple calculations to more sophisticated models based on observed relationships within the data and individual characteristics, such as age and gender.

Mop-up' imputation

This is achieved by running a general validation report of all variables and looking at those cases where missing values are still present. At this stage, variables are looked at on a case-by-case basis to decide what to impute.

Credibility checks are re-run to identify any inconsistencies in the data caused by imputation, and edits are applied where necessary.

All imputations, by each of the methods above, are applied to the un-imputed dataset via a transaction database. This ensures that it is always possible to reproduce the original data.

Points to note with imputed data

Although a great deal of time has been spent on imputing missing values, it should be remembered that they represent only a very small proportion (typically 1 per cent) of the dataset as a whole. However, the following points should be noted:

- as mentioned above, in certain situations, imputed values will be followed by 'skipped' values. It was decided in some cases that it was better to impute the top of a route only and not to impute large amounts of data. For a small proportion of imputations it is not possible to close down a route. These cases are followed by 'skipped' responses (where a value might otherwise be expected).
- imputation will have a greater effect on the distribution of original data for variables that have a higher proportion of non-response, as proportions of imputed data will be higher.

7.7 Stage seven – derived variables

Derived variables (DVs) are customised variables in the FRS dataset; derived using information collected both in the survey and from a number of other sources. They are created at the data users' request, as the main purposes of the DVs are to make it easier for the users to carry out analysis and to ensure consistent definitions are used in all FRS analyses. For example, INDINC is a DV that sums all components of income to give an individual's total income - information on respondents' income from various sources is collected in the survey. As new information is collected in the survey, the relevant DVs are updated if necessary.

8. Grossing

The FRS publication presents tabulations where the percentages refer to sample estimates grossed-up to apply to the whole population. Grossing-up is the term given to the process of applying factors to sample data so that they yield estimates for the overall population. The simplest grossing system would be a single factor e.g. the number of households in the population divided by the number in the achieved sample. However, surveys are normally grossed by a more complex set of grossing factors that attempt to correct for differential non-response at the same time as they scale up sample estimates.

The system used to calculate grossing factors for the FRS divides the sample into different groups. The groups are designed to reflect differences in response rates among different types of households.

The population estimates for these groups, obtained from official data sources, provide control variables. The grossing factors are then calculated by a process which ensures the FRS produces population estimates that are as close as possible to the control variables.

A grossed FRS count of the number of owner-occupied households would thus tie in with the official government figures; whilst the grossed number of men aged 35-39 would be consistent with the population estimates. Some adjustments are made to the original control total data sources so that definitions match those in the FRS, e.g. an adjustment is made to the demographic data to exclude people not resident in private households. It is also the case that some totals have to be adjusted to correspond to the FRS survey year.

A software package called CALMAR, provided by the French National Statistics Institute, is used to reconcile control variables at different levels and estimate their joint population. This software makes the final weighted sample distributions match the population distributions through a process known as calibration weighting. It should be noted that if a few cases are associated with very small or very large grossing factors, grossed estimates will have relatively wide confidence intervals.

A review of FRS grossing methodology was carried out on behalf of DWP by the ONS Methodological Advisory Service in 2013. In implementing the review recommendations, a number of relatively minor methodological improvements were made to the FRS grossing regime and the grossing calculations were updated to use 2011 Census data. A back-series of grossing factors calculated using the new methodology has been created for each FRS year back to 2002/03.

Further details on the impact of the change to using 2011 census data, details and impact of the methodological changes are published here:

<https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-5>

9. Reliability of Estimates

All survey estimates have a sampling error attached to them, calculated from the variability of the observations in the sample. From this, a margin of error (confidence interval) is derived. It is this confidence interval, rather than the estimate itself, that is used to make statements about the likely 'true' value in the population; specifically, to state the probability that the true value will be found between the upper and lower limits of the confidence interval. In general, a confidence interval of the estimate plus or minus two standard errors is used to state, with 95 per cent confidence, that the true value falls within that interval. A small margin of error will result in a narrow interval, and hence a more precise estimate of where the true value lies.

Tables SE.1 to 7 provide standard errors for a selection of variables from the FRS.

In addition to sampling errors, consideration should also be given to non-sampling errors. Sampling errors arise through the process of random sampling and the influence of chance. Non-sampling errors arise from the introduction of some systematic bias in the sample as compared to the population it is supposed to represent. As well as response bias, such biases include inappropriate definition of the population, misleading questions, data input errors or data handling problems – in fact any factor that might lead to the survey results systematically misrepresenting the population. There is no simple control or measurement for such non-sampling errors, although the risk can be minimised through careful application of the appropriate survey techniques from the questionnaire and sample design stages through to analysis of results.

10. Alternative Data Sources

Income and Benefits

Annual Survey of Hours and Earnings

Northern Ireland:

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings>

Labour Market and Social Welfare Statistics

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare>

NI Claimant Count Statistics

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/claimant-count>

Benefits statistics on Stat-Xplore

<https://stat-xplore.dwp.gov.uk/>

Households Below Average Income on Stat-Xplore

<https://stat-xplore.dwp.gov.uk/>

A Guide to Sources of Data on Earnings and Income

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/methodologies/aguidetosourcesofdataonearningsandincome>

The Effects of Taxes and Benefits on Households

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/generationalincometheeffectsoftaxesandbenefits>

Family Spending in the UK

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/bulletins/familyspendingintheuk/financialyearending2018>

ONS: explanation of incomes and earnings

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

Tenure

Housing Stock

<https://www.finance-ni.gov.uk/publications/annual-housing-stock-statistics>

Housing Statistics

<https://www.communities-ni.gov.uk/topics/housing-statistics>

Care and Disability

Carers in Northern Ireland

<https://www.assemblyresearchmatters.org/2018/07/26/carers-in-northern-ireland-key-statistics/>

Disability Benefits

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/disability-benefits>

NI Health Survey

<https://www.health-ni.gov.uk/topics/doh-statistics-and-research/health-survey-northern-ireland>

Employment and Self-employment

Labour Force Survey and Annual Survey of Hours and Earnings bespoke analysis

<https://www.nisra.gov.uk/publications/labour-market-table-lookup>

11. Glossary and Definitions

Adult

All those individuals who are aged 16 and over, unless defined as a dependent child (see **Child**); all adults in the household are interviewed as part of the Family Resources Survey.

Age

Respondent's age at last birthday (i.e. at the time of the interview).

All in receipt of benefit

Benefit units or households with at least one member who receives at least one Social Security Benefit. This includes receipt of benefits such as Maternity Benefits that are not shown separately in the tables. It does not include tax credits – see *All in receipt of tax credits*.

All in receipt of tax credits

Benefit units or households with at least one member who receives at least one **tax credit**.

All in receipt of state support

Benefit units or households with at least one member claiming any benefit or tax credit.

All not in receipt of state support

Benefit units or households with no members claiming any benefit or tax credit.

Any income-related benefit

Benefit units or households with at least one member who receives at least one *Income-related benefit* – see *Benefits*

Any non-income-related benefit

Benefit units or households with at least one member who receives at least one *Non-income-related benefit* – see *Benefits*

Any other type of asset

See *Savings and investments products*.

Any pension

Participation in any type of pension – see *Pension Schemes*.

Any type of account

Possesses any account or investment for which information is collected on the survey – see *Savings and investments products*.

Attendance Allowance

See *Benefits*.

Basic bank account

See *Savings and investments products*.

Benefit unit

A single adult or a married or cohabiting couple and any dependent children; since January 2006 same-sex partners (civil partners and cohabitees) have been included in the same benefit unit.

Benefits

The government pays money to individuals in order to support them financially under various circumstances. Most of these benefits are administered by the Department for Work and Pensions. The exceptions are **Housing Benefit** and **Council Tax Reduction**, which are administered by Local Authorities in GB and the Northern Ireland Housing Executive (NIHE) in NI. **Tax credits** are not treated as benefits, but both tax credits and benefits are included in the term *State Support*.

Benefits are often divided into **Income-related benefits** and **Non-income related benefits**. Income-related benefit awards vary depending on the recipient's income and savings. Non-income-related benefit awards can vary depending on the recipient's circumstances (level of disability, for example), but not on income and savings.

Income related benefits	Non-income related benefits
Council Tax reduction	Armed Forces Compensation Scheme
Employment and Support Allowance (income-related element)	Attendance Allowance
Extended Payments (Council Tax Reduction and Housing Benefit)	Carer's Allowance
Housing Benefit	Child Benefit
In Work Credit	Disability Living Allowance (both Mobility and Care components)
Income Support	Employment and Support Allowance (contributory element)
Job Grant	Guardian's Allowance
Jobseekers's Allowance	Health in Pregnancy Grant
Northern Ireland Other Rate Rebate	Incapacity Benefit
Northern Ireland Rate Rebate through energy efficient homes	Industrial Injuries Disablement Benefit
Northern Ireland Rate Relief for full-time students, trainees, under 18s and those leaving care	Jobseeker's Allowance (contributory element)
Pension Credit	Maternity Allowance
Rates Rebate	Northern Ireland Disability Rates Rebate

Income related benefits	Non-income related benefits
Return to Work Credit	Northern Ireland Lone Pensioner Rate Rebate
Social Fund- Community Care Grant	Personal Independence Payment (Daily Living and Mobility components)
Social Fund- Funeral Grant	Severe Disablement Allowance
Social Fund- Sure Start Maternity Grant	State Pension
Universal Credit	Statutory Maternity/Paternity/Adoption Pay
	Statutory Sick Pay
	Widow's Pension/Bereavement Allowance
	Widow's / Bereavement Payment
	Widowed Mother's/Parent's Allowance
	Winter Fuel Payments

Disability-related benefits is the term used to describe all the benefits paid on the grounds of disability. These are Disability Living Allowance, Severe Disablement Allowance, Attendance Allowance, War Disablement Pension, Industrial Injuries Disablement Benefit and Northern Ireland Disability Rate Rebate. Prior to 2008/09, Incapacity Benefit was included in this group. From 2009/10 the Northern Ireland Disability Rate Rebate was included in this group.

The main benefits are listed below. This list is not exhaustive.

- *Armed Forces Compensation Scheme*: It can pay a lump sum and a regular payment to personnel injured or disabled in service in the Armed Forces. A pension can also be paid to surviving partners, including same-sex and unmarried partners if they were in a “substantial relationship” with the deceased.
- *Attendance Allowance*: A Social Security benefit for people aged 65 or over who need help with personal care because of a mental or physical disability. There are two rates, a lower rate for attendance during day or night, and a higher rate for day and night.
- *Bereavement Benefits*: Any or all of the range of Bereavement Benefits that were introduced on 9 April 2001:
 - *Bereavement Payment*. Widows/widowers are eligible to receive Widow's/Bereavement Payments if their late spouse satisfied certain National

Insurance contribution conditions. Widows are also eligible if their late husband died as the result of an industrial injury or disease and she was aged under 60 when her late husband died; or if she was aged over 60 and he was not entitled to a Category A Retirement Pension when he died. The payment is a tax free lump sum of £2,000. For the purposes of the Sources of Income tables in this publication, this is treated as covering a period of one year (see **Weekly Amounts** for how this annual value is treated in the Family Resources Survey).

- *Bereavement Allowance*: A Social Security benefit paid for up to 52 weeks to widows and widowers who were aged 45 or over, but less than pension age, when their spouse died. Bereavement Allowance cannot be received at the same time as Widowed Parent's Allowance. The amount paid is on a sliding scale depending on the widow or widower's age.
- *Widowed Parent's Allowance*: A widow or widower is eligible if his or her late husband or wife met certain National Insurance contribution conditions. Widowed Mother's Allowance or Widowed Parent's Allowance can be paid to a widow or widower as long as he or she is entitled to Child Benefit for at least one qualifying child, or she is pregnant by her late husband, or in certain cases of artificial insemination. Child dependency increases are paid for each child.

These replaced the old system of Widows' Pension and can be claimed by men and women whose spouse died on or after 9 April 2001. Widows whose husband died before this date receive transitional protection and would continue to receive Widows' Pension.

- *Carer's Allowance*: A Social Security benefit for people who are:
 - *aged 16 or over*
 -
 - *not in full-time education with 21 hours or more a week of supervised study*
 -
 - *not earning more than the lower earnings limit for National Insurance after certain deductions have been made (such as Income Tax)*
 -
 - *spending at least 35 hours a week caring for someone who is ill or disabled.*

The ill or disabled person must be getting either higher or middle rate Disability Living Allowance Care component or Attendance Allowance or a Constant Attendance Allowance at the maximum rate under the War Pensions or Industrial Injuries Scheme.

- *Child Benefit*: A Social Security benefit paid for each child aged under 16 years, or aged under 20 and still in full-time non-advanced education (or on unwaged training). This can only be received by one parent. It is administered by HM Revenue & Customs (HMRC). In January 2013 the High Income Child Benefit Tax Charge was introduced, this imposes taxation on child benefit for individuals earning upwards of £50,000.
- *Council Tax Reduction*: From April 2013 a Council Tax Reduction scheme was introduced to replace Council Tax Benefit. There are differing arrangements in England, Scotland and

Wales. In England and Wales, each local authority is required to have a scheme in place, subject to certain conditions. Local schemes operate by allowing either a percentage or flat rate discount.

Note: Council Tax Reduction does not exist within Northern Ireland. Those renting in Northern Ireland receive help with their rates through Housing Benefit. These cases are included in Council Tax Reduction figures. For tables which show benefit units by benefit receipt, Council Tax Reduction is allocated to the first benefit unit in the household.

- *Disability Living Allowance*: A Social Security benefit for people who become disabled before the age of 65 and need help with personal care, getting around or both. This benefit has two components:
 - *Care component*: For assistance with personal care, e.g. washing, dressing, using the toilet, cooking a main meal. It is paid at three rates depending on the extent of care needed.
 - *Mobility component*: For those who cannot walk or have difficulty in walking. It is paid at two rates depending on the extent of the difficulties.

- *Employment and Support Allowance*: A Social Security benefit that replaced *Incapacity Benefit* and *Income Support* (paid on grounds of incapacity) for new claims from 30 October 2008. There are contributory and income-related components to the benefit. For more information, see <https://www.gov.uk/browse/disabilities/benefits>

- *Housing Benefit*: A Social Security benefit that is administered by local authorities, which is designed to assist people who rent their homes and have difficulty meeting their housing costs. Council tenants on Housing Benefit receive a rent rebate which means that their rent due is reduced by the amount of that rebate. Private and Social housing tenants usually receive Housing Benefit (or rent allowance) personally, although sometimes it is paid direct to the landlord. Also see *Extended Payment of Housing Benefit*.

- *Incapacity Benefit*: A Social Security benefit paid to people assessed as being incapable of work and who met the contribution conditions. Incapacity Benefit was closed to new claims from 30 October 2008; new claimants after that date receive *Employment and Support Allowance* instead.

- *Income Support*: A Social Security benefit for adults aged 18 or over who are working less than 16 hours a week, or have a partner working less than 24 hours a week and who have lower income than the law says they need to live on. In general, Income Support is now only available to people who are not required to be available for work such as pensioners, lone parents and sick or disabled people. It is made up of personal allowances for each member of the benefit unit, premiums for any special needs and housing costs, principally for mortgage interest payments. It is often paid to top-up other benefits or earnings from part-time work. From October 2008, Income Support was closed to new claims made on the grounds of incapacity. Claimants would apply for *Employment and Support Allowance* instead.

- *Industrial Injuries Disablement Benefit (IIDB)*: A Social Security benefit provided for employees who are disabled because of an industrial accident or prescribed industrial disease. To get the basic benefit the person needs a medical assessment of the degree of their disability.
- *Jobseeker's Allowance (JSA)*: A Social Security benefit that is payable to people under State Pension age who are both available for and actively seeking work of at least 40 hours per week. Certain groups of people, including carers and those with a physical or mental condition, are able to restrict their availability to less than 40 hours depending upon their personal circumstances. There are both contribution-based and income-based routes of entry to Jobseeker's Allowance. The different elements are separated in the 'any income-related benefit' and 'any non-income-related benefit' categories. However, the individual row for Jobseeker's Allowance includes both elements.
- *Pension Credit*: A Social Security benefit paid to those who have reached the Pension Credit qualifying age. This is gradually increasing from 60 in April 2010 to 66 by 2020. It is administered by The Pension Service, a part of the DWP. There are two main elements to Pension Credit:
 - *Guarantee Credit*: an amount paid to bring a recipient's income up to the minimum amount a pensioner can be expected to live on. There are additional amounts for owner occupiers' housing costs, disability and caring responsibilities.
 - *Savings Credit*: this is available only to pensioners aged 65 and over and pays an additional amount to those who have made provision for their retirement over and above the State Pension.

For more information, see <https://www.gov.uk/pension-credit>

- *Retirement Pension*: A Social Security benefit paid to those over State Pension age. There are two categories of contributory Retirement Pension and two categories of non-contributory Retirement Pension. For more information, see <http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm>.
- *Severe Disablement Allowance*: A Social Security benefit for people who are incapable of work and who do not satisfy the contribution conditions for *Incapacity Benefit*. Severe Disablement Allowance was abolished for new claimants on 6 April 2001. However, certain people entitled to SDA before that date can continue to receive it.
- *Social Fund*: The Social Fund is an amount of money reserved by the government to make one-off payments for various reasons. These include Funeral, Winter Fuel and Cold Weather Payments, Maternity and Community Care Grants and Budgeting and Crisis Loans. They are available to people who are on certain Social Security benefits and who meet various other conditions. Loans are interest free and the amounts, along with Community Care Grants, are discretionary, not a standard amount.
- *Universal Credit*: This is a working-age benefit. It supports those on low incomes with their housing and living costs, as well as child and childcare support where appropriate. Universal Credit replaces all of the following income-related state-support: income based

Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. It replaces the numerous payments these benefits would have given with a single, usually monthly payment, administered by DfC.

- **Widow's Benefits/Bereavement Benefits:** Widow's Benefits/Bereavement Benefits includes the receipt of Bereavement Allowance/Widow's Pension, Widowed Mother's Allowance/Widowed Parent's Allowance or Bereavement Payment/Widow's Payment. See **Bereavement Benefits** for further details.

Bereavement Allowance

See *Benefits*.

Bereavement Benefits

See *Benefits*.

Bereavement Payment

See *Benefits*.

Carer's Allowance

See *Benefits*.

Child

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/ a responsible adult; and
- In full-time non-advanced education or in unwaged government training.

Child Benefit

See *Benefits*.

Childcare costs

The amount paid for childcare in a week. From 2005/06 the last amount paid was collected instead of collecting both term time and holiday childcare costs.

Child Tax Credit

See *Tax credits*.

Company share schemes/profit sharing

See *Savings and investments products*.

Rates and Council Tax

The tax is based on the property value of a dwelling (which is split into bands) and assumes two adults per household. The bill consists of both a property and personal element. Status discounts (which reduce or eliminate the personal element of the tax) are available to single person and certain other household types. An exemption may apply to some households, the

most common type being accommodation occupied solely by students or where the accommodation is owned by the Ministry of Defence as armed forces accommodation.

Households where the landlord is liable for the tax, for example where they are sub-let as part of larger premises are not valued separately. The landlord may decide to recover some or all of the cost of the tax by increasing rent charges.

Council Tax Benefit

See *Benefits*.

Couple

Two adults who are married (spouse), or in a civil partnership (partner), or are assumed to be living together as such (cohabitee).

Credit Union

See *Savings and investments products*.

Current account

See *Savings and investments products*.

Dependant child

See *Child*.

Derived Variables (DVs)

Derived variables are customised variables in the Family Resources Survey dataset, derived using information collected in the survey and from auxiliary sources, such as the Average Weekly Earnings series produced by the Office for National Statistics. The main purposes of the derived variables are to make it easier for the users to carry out analysis and to ensure consistent definitions are used in all Family Resources Survey analyses.

Direct payment account

See *Savings and Investments Products*.

Disability, including limiting long-standing illness

Disability is defined as having any long-standing illness, disability or infirmity that leads to a significant difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the general definition of disability in the Disability Discrimination Act (DDA). However, some individuals classified as disabled and having rights under the DDA would not be captured by this definition. This definition of disability differs from that used for **Economic status**.

Disability Living Allowance

See *Benefits*.

Disability status of benefit unit

A classification by disability status of the members of the benefit unit.

- At least one disabled adult, no disabled children: The benefit unit contains one or more disabled adults but no disabled children.
- At least one disabled child, no disabled adults: The benefit unit contains one or more disabled children but no disabled adults.
- At least one disabled adult and at least one disabled child: The benefit unit contains one or more disabled adults and one or more disabled children.
- No disabled adults or disabled children: No members of the benefit unit are disabled.

Disability-related benefits

See *Benefits*.

Economic status (adults)

This classification is equivalent to the harmonised output category for economic status (see the Methodology chapter for more information on harmonisation). It is based on respondents' answers to questions on current economic status.

The category for 'workless, other inactive' also includes those not actively seeking work because they are: classified as a student, looking after the home, temporarily or permanently sick or disabled adults and those who are not actively seeking or available for employment.

- *Employee - both full-time and part-time*: Based on self-assessment for the main job rather than number of hours worked; includes those doing unpaid work in a business that a relative owns.
- *Self-employed - both full-time and part-time*: Based on self-assessment for the main job rather than number of hours worked; includes those doing unpaid work in their own business.
- *ILO unemployed*: Defined as all those who were without a job at the time the survey was conducted but who were able to start work within the next fortnight and had actively looked for work in the last four weeks or had recently found a job and were waiting to start.
- *Economically inactive*: Individuals, who are not actively seeking work, would not like to work and cannot start work within two weeks, are classified in one of the following sub-categories:
 - *Retired*: individuals who are over State Pension Age or say they are retired.
 - *Student*: individuals who have not completed their education.
 - *Looking after family/home*: working age individuals who are looking after their family and/or their home.
 - *Permanently sick or disabled*: working age individuals who have been sick, injured or disabled for longer than 28 weeks.
 - *Temporarily sick or disabled*: working age individuals who have been sick, injured or disabled for less than 28 weeks. Note that the sick or disabled definitions are different to that used for ***Disability, including limiting long-standing illness***, as they are based on different questions that are only asked of working age adults who are not working.
 - *Other inactive*: all respondents not already classified above.

Economic status (benefit units)

This classification is consistent with that used in **Households Below Average Income** (HBAI) report and is based on the economic status of adults (see **Economic status (adults)**). Benefit units are allocated to the first category that applies.

Economically inactive

Individuals who are not in work but do not meet the criteria to be **ILO unemployed**.

Employer Sponsored Pension

See **Pension schemes**.

Employment and Support Allowance

See **Benefits**.

Employment status

This classification is equivalent to **Economic status (adults)** but includes those in employment only.

Endowment mortgage

An endowment policy is taken out with an insurance company either before or at the same time as the mortgage. When the policy matures the sum received will be used to repay up to 100 per cent of the original sum borrowed under that mortgage. The original mortgage amount remains outstanding until the policy matures; in the meantime the borrower pays interest to the lender and premiums on the endowment policy to the insurance company. Endowment policy premiums are not included as part of **Housing costs**.

Endowment policy (not linked)

See **Savings and investments products**.

Ethnic group

The ethnic group to which respondents consider that they belong. The Family Resources Survey questions are in line with National Statistics' harmonisation guidance published in February 2013³. There are six main output categories, two of which are further disaggregated. For more information on harmonisation see the Methodology chapter. The categories are:

1. White
2. Irish Traveller
3. Mixed/Multiple ethnic groups⁴
4. Asian or Asian British
 - a. Indian
 - b. Pakistani

³ New harmonised categories are now available via the ONS harmonisation website:

<http://www.ons.gov.uk/ons/guide-method/harmonisation/harmonisation-index-page/index.html>

⁴ Sample sizes for 'Irish Traveller' are too small, so for Northern Ireland, it is output to 'Other ethnic group', and for England, Wales and Scotland, it is output to 'White'

- c. Bangladeshi
- d. Chinese
- e. Other Asian⁵
- 5. Black/ African/ Caribbean/ Black British
- 6. Other ethnic group⁶
 - a. Arab
 - b. Any other ethnic group

Extended Payment of Rates/Council Tax Reduction and/or Housing Benefit

Entitlement to *Income Support*, *Employment and Support Allowance* (income related), *Jobseeker's Allowance* (income based), *Incapacity Benefit* or *Severe Disablement Allowance* can provide a "passport" on to *Housing Benefit* and/or *Rates/Council Tax Reduction*. If the "passporting" benefit ceases because the claimant starts work or their pay or hours of work increases then an extended payment of Rates/Council Tax Reduction and/or Housing Benefit may be payable for up to four weeks after their claim has been terminated.

Family type

- *Pensioner couple: Benefit units* headed by a couple where the *Head of the benefit unit* is over State Pension age. Note that this differs from the definition used in the *Households Below Average Income* report, which defines a benefit unit as pensioner couple if either adult is over State Pension age.
- *Pensioner couple, married or civil partnered:* Benefit units headed by a couple where the Head of the benefit unit is over State Pension age and the couple are married or in a civil partnership.
- *Pensioner couple, cohabiting:* Benefit units headed by a couple where the Head of the benefit unit is over State Pension age and the couple are not married nor in a civil partnership.
- *Single male pensioner:* Benefit units headed by a single male adult over State Pension age.
- *Single female pensioner:* Benefit units headed by a single female adult over State Pension age.
- *Couple with children:* Benefit units headed by a (non-pensioner) couple with dependent children.
- *Couple with children, married or civil partnered:* Benefit units headed by a (non-pensioner) couple with dependent children and the couple are married or in a civil partnership.

⁵ Estimates are not provided for the 'Other Asian' category due to small sample sizes.

⁶ Data for 'Arab' is not available to produce a three-year average hence 'Other ethnic group' is not disaggregated.

- *Couple with children, cohabiting*: Benefit units headed by a (non-pensioner) couple with dependent children and the couple are not married nor in a civil partnership.
- *Couple without children*: Benefit units headed by a (non-pensioner) couple with no dependent children.
- *Couple without children, married or civil partnered*: Benefit units headed by a (non-pensioner) couple with no dependent children and the couple are married or in a civil partnership.
- *Couple without children, cohabiting*: Benefit units headed by a (non-pensioner) couple with no dependent children and the couple are not married nor in a civil partnership.
- *Single with children*: Benefit units headed by a (non-pensioner) single adult (male or female) with dependent children.
- *Single male without children*: Benefit units headed by a (non-pensioner) single male adult with no dependent children.
- *Single female without children*: Benefit units headed by a (non-pensioner) single female adult with no dependent children.

See also *Couple* and *Child*.

Full-time education

Individuals registered as full-time at an educational establishment. Students on sandwich courses are coded as students or as working according to their position at the time of interview.

Group Personal Pension (GPP)

See *Pension schemes*.

Group stakeholder pension (GSHP)

See *Pension schemes*.

HBAI

See *Households Below Average Income*.

Head of benefit unit

The Head of benefit unit is either the ***Household Reference Person*** if the Household Reference Person belongs to the benefit unit or, if not, it is the first person from the benefit unit in the order that they were named in the interview.

Head of household

Head of household was replaced by ***Household Reference Person*** in April 2001. However we have continued to refer to 'Head' (of household) in tables. *Note*: Where we use the term 'Head' in reference to households, this is the Household Reference Person. The ***Head of the benefit unit*** will not necessarily be the HRP.

Household

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 ***benefit units***.

Household composition

The classification of households into those with and without children leads to mutually exclusive categories, which add to the total number of households in the sample. The remaining categories are:

- *Households with one or more adults over state pension age*
- *Households with one or more disabled adults under State Pension age: see **Disability, including long-standing illness**.*
- *Households with one or more unemployed adults: Households where at least one adult is unemployed; as defined by the International Labour Organisation (see **ILO Unemployed**).*

These categories may overlap with one another.

Household Reference Person (HRP)

The highest income householder, without regard to gender.

- In a single adult household, the HRP is the sole householder (i.e. the person in whose name the accommodation is owned or rented).
- If there are two or more householders, the HRP is the householder with the highest personal income from all sources.
- If there are two or more householders who have the same income, the HRP is the eldest householder.

Before April 2001, the Household Reference Person (HRP) was known as the Head of Household. Where we refer to 'Head' in tables referring to households, this is the HRP. The *Head of benefit unit* will not necessarily be the HRP.

Households Below Average Income

An analysis of the income distribution, largely based on the Family Resources Survey dataset. See <https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-2> for more information.

Housing Benefit

See *Benefits*.

ILO Unemployed

Unemployed, according to the International Labour Organisation (ILO), are those adults who are under State Pension age and not working but are available and have been actively seeking work in the last four weeks; includes those who were waiting to take up a job already obtained and will start in the next two weeks.

Incapacity Benefit

See *Benefits*.

Income-related benefits

See *Benefits*.

Income-related state support

See *Benefits*.

Income Support

See *Benefits*.

Individual

An adult or child.

Industrial Injuries Disablement Benefit (IIDB)

See *Benefits*.

Informal carers

Individuals who provide any regular service or help to someone, in or outside of their household who is sick, disabled or elderly; excludes those who give this help as part of a formal job.

Individual Savings Account (ISA)

See *Savings and investments products*.

Investment Trust

See *Savings and investments products*.

Jobseeker's Allowance

See *Benefits*.

Length of residency

The length of time the **Household Reference Person** (only) has lived at the address. Other household members may have resided there for shorter or longer periods.

Main source of total weekly household income

This is the source of income (see *Sources of income*) which is the largest proportion of weekly income for the household. Figures should be interpreted with caution. For example a household might have similar proportions of income from two or more sources, so a very small change in income would change the classification.

Maintenance

A payment which is being received from a previous partner either directly, or by being passed on by a court, the Child Maintenance Service or DSD (separately from any Income Support payment). From 2008-09, the focus of the questions changed to cover child maintenance only and exclude, for example, alimony.

Marital status

De facto marital status:

- *Married / Civil partnership*: currently married or in a civil partnership, and not separated from spouse (excludes temporary absences).

- *Cohabiting*: not married, but living as a couple; includes same-sex couples.
- *Single*: never married, or never in a civil partnership.
- *Widowed*: widowed and not cohabiting.
- *Separated*: married or in a civil partnership, but separated from spouse and not cohabiting.
- *Divorced / Civil partnership dissolved*: marriage or civil partnership legally dissolved and not cohabiting.

Mortgage interest

For endowment, pension, and unit trust mortgages, quoted mortgage interest figures are used. For repayment mortgages, interest is calculated on the basis of the amount of mortgage outstanding multiplied by the interest rate current at the time of interview.

Quoted interest figures are checked to ensure that other payments (e.g. for mortgage protection policies, structural insurance or interest on top-up loans for purposes unrelated to housing costs) are excluded and adjusted to include payments made by individuals outside the household. Figures are also net of tax relief.

National Savings Bonds

See *Savings and investments Products*.

Non-income-related benefits

See *Benefits*.

Non-income-related state support

See *Benefits*.

NS&I savings accounts

See *Savings and investments products*.

Occupational pension

See *Pension schemes*.

Other bank/building society account

See *Savings and investments products*.

Partner

See *Couple*.

Pension Credit

See *Benefits*.

Pensioner benefit unit

Benefit units whose *Family type* is pensioner couple, single male pensioner or single female pensioner.

Pension mortgage

Similar to an *Endowment mortgage*, but is available only to the self-employed and those who are not members of an occupational pension scheme. Interest only is paid to the lender and monthly contributions are paid into a pension plan which is designed to repay the mortgage when the borrower retires. In addition, it is necessary to arrange a separate term assurance policy designed to repay the mortgage if the borrower should die before the end of the mortgage term. The assurance policy serves the same purpose as a mortgage protection policy.

Note: Payments to the pension plan and premiums on the assurance policy are not included as part of Housing Costs.

Pension Schemes

- *Automatic Enrolment:* in October 2012 *Automatic Enrolment:* in October 2012 a new law was introduced by the Government designed to help people save more for their retirement. It requires all employers to enrol their workers into a workplace pension scheme if they are not already in one. The timetable for employers to begin enrolling their staff started with the largest firms first, followed by medium, then small companies; large employers began the enrolment process in October 2012 and enrolment for all employers will be complete by February 2018. In order to preserve individual responsibility for the decision to save, workers can opt out of the scheme. To be eligible for automatic enrolment, the jobholder must be aged at least 22 years old but under State Pension age, earn above the earnings trigger for automatic enrolment and work, or usually work, in the UK. For more information see: <https://www.gov.uk/workplace-pensions>
- *Employer-Sponsored Pension:* schemes that are set-up and run by the employer.
- *Group Personal Pension:* some employers who do not offer an occupational pension scheme may arrange for a pension provider to offer their employees a personal pension instead. The employer may have negotiated special terms with the provider which means that administration charges are lower than those for individual personal pensions. Although they are sometimes referred to as company pensions, they are not run by employers and should not be confused with occupational pensions; which have different tax, benefit and contribution rules.
- *Group stakeholder pension:* like Group Personal Pensions, an employer can make an arrangement with a pension provider and offer their employees a Group Stakeholder Pension (see *Stakeholder Pension*).
- *Occupational pension:* an occupational pension scheme is an arrangement an employer makes to give their employees a pension when they retire. Employees may become a member of an employer's pension scheme on a voluntary basis. Occupational pension schemes can be contracted in to or out of **State Second Pension**.
- *Personal pension:* a pension provided through a contract between an individual and the pension provider. The pension which is produced will be based upon the level of contributions, investment returns and annuity rates; a personal pension can be either employer provided (see *Group personal pension*) or privately purchased (see *Private pension*).

- *Private pension*: includes occupational pensions (also known as work or employer-sponsored pensions) and personal pensions (including stakeholder pensions). People can have several different private pensions at once, but can only have one contracted out pension at a time.
- *Stakeholder pension*: enable those without earnings, such as non-earning partners, carers, pensioners and students, to pay into a pension scheme. Almost everybody up to the age of 75 may take out a stakeholder pension and it is not necessary to make regular contributions. For more information, see: <https://www.gov.uk/personal-pensions-your-rights>

Personal pension

See *Pension schemes*.

Post Office Card Account (POCA)

See *Savings and investments products*.

Premium Bond

See *Savings and investments products*.

Private pension

See *Pension schemes*.

Region

Regional classifications are based on the standard statistical geography of the former Government Office Regions: nine in England, and a single region for each of Wales, Scotland and Northern Ireland. Government Office Regions are built up of complete counties or unitary authorities. Tables also include statistics for England as a whole. For more information on National Statistics geography, see: <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/maps/regions--former-government-office-regions--gors--effective-at-31st-december--2011.pdf>

Rent-free accommodation

Accommodation provided free by an employer or by an organisation to a self-employed respondent, provided that the normal activities of the tenant are to further the cause of the organisation (e.g. Church of England clergy). Accommodation is not rent-free if anyone, apart from an employer or organisation, is paying a rent or mortgage on a property on behalf of the respondent.

Repayment mortgage

Money borrowed for the purchase of the house is repaid over a period of years; interest is also paid on the amount outstanding at the time. Usually the payments consist partly of repayments of the original loan and partly of interest.

Retirement Pension

See *Benefits*.

Savings

The total value of all liquid assets, including fixed term investments. Figures are taken from responses to questions on the value of assets or estimated from the interest on the savings when these questions are not asked. The main text gives more information on the questions asked and data quality. Note that banded savings do not include assets held by children in the benefit unit/household. The derivation of total savings used in the tables means that “no savings” specifically relates to cases where either the respondent said that they had no accounts/investments, refused to answer or didn’t know or that some accounts/investments were recorded but that none of them yielded any interest/dividends.

Savings and investments products

The Family Resources Survey asks questions about all Savings and Investments Products, including bank and building society accounts and stocks and shares. The products and groups of products used in this publication are:

- *Basic Bank Account*: This type of account is similar to a *current account*. Payments can be received from other sources and it can pay bills by direct debit, but unlike a current account there are no overdraft facilities. Withdrawals can be made from cash machines and, in some cases, over the counter of the bank or building society itself. See: <https://www.moneyadvice.service.org.uk/en/articles/basic-bank-accounts>
- *Company share schemes/profit sharing*: Some companies provide extra rewards or bonuses to their employees depending on the profitability of the company. In publicly traded companies, this often takes the form of shares in the company. All schemes of this general type are included under this heading.
- *Credit Union*: A credit union is a financial co-operative similar in many respects to mainstream building societies. Its members both own and control the credit union, which is run solely for their benefit. All members of a specific credit union must share what is known as a “common bond” i.e. they must be connected in some way or another to the other members of that credit union. All the members pool their savings together into a single ‘pot’ from which loans can be made to members from that credit union. Members who have deposited money into the credit union receive an annual dividend while those to whom money is lent have to pay interest on the loan.
- *Current Account*: This includes all current accounts, with both banks and building societies, which are used for day-to-day transactions; with a cheque book and/or bank card. Overdraft facilities may be offered, but interest payments will normally be minimal.
- *Endowment Policy (not linked)*: An endowment policy taken out to repay a mortgage (see *Endowment mortgage*) but no longer used to do so. This is where the mortgage has either been paid off or, more usually, converted to a different method of repayment. The respondent has decided to retain the endowment as an investment in its own right, even though it is no longer intended to repay the mortgage.
- *ISA*: An Individual Savings Account (ISA) is a tax free Government savings scheme which replaced Personal Equity Plans (PEP) and Tax-Exempt Special Savings Accounts (TESSAs) in April 1999; it is usually arranged via a bank or building society.
- *Investment Trust*: See *Unit Trusts*.
- *National Savings Bonds*: All types of National Savings investments in this category collected on the survey, except Easy Access and Investment accounts:

- *FIRST Option Bonds*: an accumulating lump sum investment of between £1,000 and £250,000. Interest is paid net of tax and credited annually. The rate is reviewed each year and holders have the option to withdraw or continue.
 - *Fixed Rate Savings Bonds*: replaced new issues of FIRST Option Bonds.
 - *National Savings Capital Bonds*: minimum purchase is £100 and a maximum holding of £250,000; interest is fixed for five years and credited annually gross of tax (although taxable).
 - *National Savings Certificates*: fixed or index-linked to changes in the RPI, for lump sum savings of £100 or more. Maximum earnings are obtained after five years and interest on investments is tax free.
 - *Pensioner's Guaranteed Income Bonds*: available to those aged over 65, giving a fixed interest rate over five years with income paid monthly gross of tax; minimum investment is £500.
 - *National Savings Income Bonds*: minimum purchase is £2,000 and a maximum holding of £250,000; interest is paid monthly gross of tax (although taxable).
 - *National Savings Deposit Bonds*: no longer available, but earlier bonds are still valid. These were available in multiples of £50 and offered premium rates of interest which was paid gross of tax.
 - *Children's Bonus Bonds*: can be bought for any child aged under 16 as a five year accumulating investment; interest is paid gross of tax.
 - *Yearly Plan*: yearly plan certificates can still be held, though new applications stopped in January 1995. Under the scheme monthly standing order payments of £20 were made (to a maximum of £400); after twelve months a Yearly Plan certificate was issued. The certificates earn tax free interest, paid monthly, and reach maturity value after four years. After the fourth year, interest is paid three-monthly at a lower rate.
- *NS&I savings accounts*: The National Savings & Investments (*NS&I*) Investment Account and Easy Access Savings Account.
 - *Other bank/building society account*: Accounts belonging to adults recorded under categories "savings account, investment account/bond, any other account with bank building society, etc".
 - *Post Office Card Account (POCA)*: This type of account can only be used to receive Social Security benefits, State Pensions and/or Tax Credit payments. No other payments, such as Housing Benefit, occupational pensions, or wages can be paid into it. Payments can only be collected over the counter at a Post Office and will not incur any charges or accrue interest on money contained therein. Due to the limited capability to receive payments, these accounts are included or excluded in tables as noted.
 - *Premium Bond*: Investments which do not earn interest, but are entered in a monthly draw for tax-free money prizes.
 - *Stocks and Shares*: This includes bonds, debentures and other securities which are usually bought and sold on the financial markets. Bonds issued by foreign governments and local authorities are also recorded here. A share is a single unit of ownership in a company. 'Stocks' is the general term for various types of security issued by companies to attract investment in the form of loans. Members of a shares club are included with those owning stocks and shares.

- *Unit Trusts*: A collectively managed investment in the financial markets, where investors buy 'units' of a fund that invests in shares, stocks, Gilts, etc. Interest (the 'dividend') is paid net of tax, usually half-yearly. The data presented for Unit Trusts also includes Investment Trusts, since these two assets are collected together in the Family Resources Survey.
- *Any other type of asset*: Due to small ownership, this amalgamated variable consists of the following three assets:
 - *Guaranteed Equity Bond (GEB)*: a one-off five-year investment, giving a return linked to a stock-market index, such as the Financial Times Stock Exchange (FTSE) index. At the end of the term it will pay back the amount invested plus a percentage of any increase in the index. Note that some GEBs may not pay back the full amount if the index falls below a certain level. There are usually minimum and maximum investments; typically £1,000 and £1,000,000.
 - *Gilts or Government Gilt-edged stock* (including War Loan): these raise money for the UK Government by offering a secure investment, usually over a fixed period and with a fixed rate of interest, although some are index-linked. Interest is paid half-yearly. Gilts can be bought and sold on the stock market. At the end of the fixed term the holder is repaid the original purchase price. The value of the gilt is the current market price, which might be higher or lower than the original purchase price.
 - *Save As You Earn (SAYE)*: a three, five or seven year regular monthly savings scheme for employees. At the end of the term, the employee can either use the savings to buy the shares in their company or take the accumulated investment. For more information, see: [Tax and Employee Share Schemes - GOV.UK](#)

The above products cover all types of savings. Some of them are grouped together in other ways in the tables:

- *Direct Payment Account*: A direct payment account is one that can accept electronic payment of benefits via the Banker's Automated Clearing System (BACS) system. The types of accounts included as such in this report are:
 - *Current Account*
 - *National Savings and Investments Savings Accounts*
 - *Savings, investments etc*
 - *Basic Account*

Where noted, *Post Office Card Accounts* are also included in this group.

Severe Disablement Allowance

See *Benefits*.

Shared ownership schemes

The householder part-owns and part-rents the property, so pays a mortgage and rent on the same property. In these circumstances, both the rented and owner questions will be asked.

Social Fund

See *benefits*.

Social Security Benefits

Refers to all *Benefits*, but does not include *Tax credits*.

Sources of income

- *Wages and salaries*: for a respondent currently working as an employee, income from wages and salaries is equal to: gross pay before any deductions, less any refunds of income tax, any motoring and mileage expenses, any refunds for items of household expenditure and any Statutory Sick Pay or Statutory Maternity Pay, plus bonuses received over the last 12 months (converted to a weekly amount) and any children's earnings from part-time jobs.
- *Self-employed income*: the total amount of income received from self-employment gross of tax and national insurance payments, based on profits where the individual considers themselves as running a business or on estimated earnings/drawings otherwise. Excludes any profit due to partners in the business. Any losses are deducted.
- *Investments*: Interest and dividends received on savings and investments. See *Savings and investments products* for details of investments covered by the Family Resources Survey.
- *Tax credits*: Income from *Tax credits*.
- *Retirement Pension plus any IS/PC*: for any adults who are over State Pension age, any *Retirement Pension* plus any *Income Support* or *Pension Credit* which is received; these benefits are shown together because of known problems with separating these amounts for pensioners.
- *Other pensions*: payments received from occupational, stakeholder and personal pension schemes; widow's employee pensions, trade union and friendly society pensions, annuity pensions, trusts and covenants.
- *Social Security disability benefits*: payments received from any of the benefits payable due to disability – see *Benefits*.
- *Other Social Security benefits*: payments received from any of the other *Benefits*.
- *Other sources*: payments from all other sources including, for example, baby-sitting, allowances from absent spouses, organisations, royalties, odd jobs, sub-tenants, educational grants, alimony and Healthy Start Vouchers.

Spouse

Spouse refers to a married partner (see *Couple*) and, from 2005/06, included same-sex civil partners. Civil partners are included in the same benefit unit.

Stakeholder Pension (SHP)

See *Pension schemes*.

Standard Occupational Classification

The United Kingdom's official occupational classification, revised, updated and published in June 2000. For more information, see

<http://www.ons.gov.uk/ons/guide-method/classifications/archived-standard-classifications/soc-and-sec-archive/index.html>

State Pension age

The State Pension age for women has been gradually increasing since April 2010. FRS data were collected throughout the financial year 2016/17, during which the State Pension age for women increased from 63 years and 0 months to 63 years and 9 months. The changes do not affect the State Pension age for men, currently 65 years. From December 2018, the State Pension age for both men and women will start to increase to reach 66 in October 2020. For

2011/12 data, women are defined to be of State Pension age based on their date of birth and the date of interview. For further guidance on calculating State Pension eligibility age, see: <https://www.gov.uk/calculate-state-pension>

State Second Pension (formerly SERPS now known as S2P)

Available to individuals who satisfy certain contribution conditions, S2P does not have to be claimed separately from the basic *Retirement Pension* and is not affected by the receipt of other income. Calculation of benefit is by reference to earnings from 6 April 1978 or the start of working life, whichever is later. Individuals can contract out of the State Second Pension as part of an occupational pension scheme or personal pension scheme.

State support

An individual is in receipt of state support if they receive either a Social Security benefit (see *Benefits*) or a payable *Tax credit*.

Stocks and shares

See *Savings and investments products*.

Tax credits

Child Tax Credit and Working Tax Credit replaced Working Families Tax Credit, Disabled Persons Tax Credit, Children's Tax Credit and the child dependency element for all new claims to the following benefits:

- Income Support
- Jobseeker's Allowance (income based)
- Bereavement Benefit
- Incapacity Benefit
- Retirement Pension
- Severe Disablement Allowance

Tax credits are paid by HM Revenue & Customs.

Child Tax Credit: provides support to families with children. *Working Tax Credit* is a payment to top up earnings of working people on low incomes, including those who do not have children. Tax credits are paid by HM Revenue and Customs. For more information see: <http://www.hmrc.gov.uk/TAXCREDITS/>

Tenure

Types of renting or ownership.

- *Social renting*: includes all cases where the local authority is the landlord, and all housing associations including New Town Development Corporations and the Scottish Special Housing Association except where accommodation is part of job.
- *Rented privately*: includes rent free cases
- *Buying with a mortgage*: Includes local authority (Northern Ireland Housing Executive in NI) and housing association part-own/part-rent, and co- and shared ownership arrangements.
- *Owned outright*: Households who have paid off any mortgage or loan used to purchase the property. These households may have other loans secured on their property for which

information is collected on the Family Resources Survey. However, these payments are excluded from *Housing costs*.

Prior to 2008/09, social renting was split into council and housing association groups. This division has been removed because it was found to be unreliable. Comparison with administrative data showed that a significant number of housing association tenants wrongly reported that they were council tenants. A split between furnished and unfurnished private renting was also removed in 2008/09 due to lack of interest from FRS data users.

Total weekly benefit unit income

Is the total weekly income from all sources (see *Sources of income*) for all adults and children in the benefit unit.

Total weekly household income

Is the total weekly income from all sources (see *Sources of income*) for all adults and children in the household.

Total weekly individual income

Is the total weekly income from all sources (see *Sources of income*) for an adult.

Unemployed

See *ILO unemployed*.

Unit trusts

See *Savings and investments products*.

War Disablement Pension

See *Benefits*.

War Widow's Pension

See *Benefits*.

Weekly Amounts

All monetary amounts in the Family Resources Survey are presented as weekly values. If a respondent reported a payment covering a period other than a week (for example a monthly salary), the average weekly amount is calculated. Lump sums and one-off payments are treated as if they were annual payments for this purpose.

Widowed Mother's Allowance/Widowed Parents Allowance

See *Bereavement Benefits* in the definition of *Benefits*.

Widow's Benefits/Bereavement Benefits

See *Bereavement Benefits* in the definition of *Benefits*.

Widow's Payment

See *Bereavement Benefits* in the definition of *Benefits*.

Widow's Pension

See Bereavement Benefits in the definition of *Benefits*.

Working

All respondents with an employment status of full/part-time employed or full/part-time self - employed.

Working Age

Adults (see ***Adult*** and ***Child***) under pension age (see *State Pension age*).

Working Tax Credit

See *Tax credits*.

Urban Rural Tables

FRS tables showing statistics at the Urban Rural level were added to the FRS in 2015/16. These had previously been published in the Family Resources Survey Urban Rural report (most recent report: <https://www.communities-ni.gov.uk/publications/family-resources-survey-report2014-2015>). The tables provide information on a wide range of household circumstances by Urban Rural classifications (Belfast City, Urban and Rural) in Northern Ireland. Due to resource issues this report was suspended, and pending the results of a [consultation on its withdrawal](#), key tables from the report are currently being included in the appropriate Family Resources Survey Tables sections.

The Urban Rural tables are secondary analysis of the Family Resources Survey Northern Ireland. As such, the information included in this Background, Quality and Methodology report pertain to them as well as the main FRS tables. Additional Information pertaining to the Urban Rural tables only is provided below.

Urban Rural Classification

In 2015 NISRA reviewed the Urban Rural classifications and produced new recommendations that take account of 2011 census information; previously statistics were published using Urban/Rural and East/West breakdowns. With the introduction of the new 11 Local Government Districts in 2014, and no official East/West split the Urban Rural tables provide a three-way breakdown using 'Belfast City', 'other Urban' and 'Rural'. To provide consistent historical data any time-series tables included have been revised using the 2015 classifications.

Full details of NISRA's 2015 review of the Statistical Classification and Delineation of Settlements is available here: <http://www.nisra.gov.uk/archive/geography/review-of-the-statistical-classification-and-delineation-ofsettlements-march-2015.pdf>

Pensioners' Income Tables

FRS tables showing statistics on Pensioners' Incomes were added to the FRS in 2017/18, covering the years 2015/16, 2016/17 and 2017/18. These had previously been published in the Pensioners' Incomes (PI) Series bulletin for Northern Ireland (most recent publication: <https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-4>). Due to resource issues this report was suspended, and pending the results of a [consultation on its withdrawal](#), key tables from the bulletin are currently being included in the 'Pensioners Income' section in the FRS tables.

The Family Resources Survey (FRS) is the main underlying data source for PI tables. However the PI tables is based on the Households Below Average Income (HBAI) dataset, which is derived from the FRS. The HBAI publication makes an adjustment for households with very high incomes, as the FRS under-records information about these households. It should be noted however, that incomes in the PI tables have **not been equivalised**; therefore mean/median incomes **cannot be compared to** mean/median **incomes reported in the HBAI**. The HBAI 2017/18 [Background and Methodology Information report](#) provides further details on adjustments of high incomes, equivalisation and other topics.

The PI tables are secondary analysis of the FRS/HBAI Northern Ireland. As such, the information included in this Background, Quality and Methodology report, and the [HBAI Quality and Methodology Information report](#) pertain to them as well as the main FRS tables. Additional information pertaining to PI tables only, is provided below.

Context

Pensioners are an increasingly large and diverse group in the population. There are a number of recent reforms affecting current and future pensioners, including:

- Equalisation of State Pension age (SPa);
- Increasing SPa;
- New State Pension;
- Pension freedoms, and
- Private pension reforms including automatic enrolment

Home ownership continues to be higher for pensioners compared to those of working age. Just over three-quarters of pensioners live in homes that are owned outright⁷ (compared to less than two in five of the NI population as a whole), so therefore face minimal housing costs

The PI tables show that there are differences in average incomes between age groups. There are a number of reasons for this which should be noted when interpreting these results:

⁷ See Tenure Section (Section 3 tables) in the FRS NI report.

- The 'age' effect: Older pensioners are less likely to be in work and hence receive a smaller amount from earnings. Any pension(s) they may be in receipt of are usually a proportion of what they would have earned.
- The 'cohort' effect: The rapid rise in occupational pension coverage in the 1950s and 1960s will have been more beneficial to later cohorts, and the significant and almost constant increase in real earnings over the past few decades – apart from the years following the 2008 recession – have led to increases in disposable income that can be saved in private pensions or invested (e.g. in property). Currently, each successive cohort of pensioners has a higher income than the older cohort it effectively replaces, and thus pushes up the average income of the pensioner group as a whole.
- The length of time since retirement: Pensions generally increase by less generous uprating measures after retirement. In addition, most annuities purchased with occupational or personal pensions are level annuities, which do not increase over time. Income in real terms is therefore decreasing for these annuities once inflation is taken into account.

Notes for analysis

Pensioners Units

The PI tables contain estimates of the levels and sources of pensioners' incomes. The Pensioners' Income tables provides analysis on pensioner benefit units (known as pensioner units), which include:

- Single pensioners: individuals over State Pension age (SPa).
- Pensioner couples: married or cohabiting pensioners where one or more are over SPa.

In 2017/18, the SPa for men was 65. For women, the SPa was 63 years and 9 months at the beginning of the 2017/18 financial year and had risen to 64 years and 6 months by the end of the year.

Age of pensioners

For analysis of pensioner units by age, pensioner couples are categorised by the age of the Head. The Head of the pensioner unit is either the Household Reference Person (see below) if they belong to the pensioner unit, or if not it is the first person from the pensioner unit in the order that they were named in the interview.

The Household Reference Person (HRP) is the householder with the highest income, without regard to gender.

- In a single adult household, the HRP is the sole householder (i.e. the person in whose name the accommodation is owned or rented).
- If there are two or more householders, the HRP is the householder with the highest personal income from all sources. In households where there is one person under SPa and one person over SPa, it is possible that the younger person may be the HRP as they are more likely to be working, and therefore have a higher income.
- If there are two or more householders who have the same income, the HRP is the eldest householder.

- In the PI Series the category of Recently Retired Pensioners is used. This is an age definition and refers to pensioner units where the head is within 5 years of the current SPa.

Gross Income

Gross income is income from all sources received by the pensioner unit including income from Social Security benefits (including Housing Benefit), earnings from employment or self-employment, any private pension income, and tax credits. Net income Before Housing Costs is gross income with direct taxes deducted. Net income After Housing Costs deducts housing costs which include rent and mortgage interest payments. It should be noted that while analysis of data after housing costs have been deducted, are comparable for both NI and UK, before housing costs analysis is not. This is due to the difference in the way water charges are collected.

Measuring living standards

Incomes are often used as a measure of the 'standard of living' achieved by different groups. However, there are many other factors that can affect living standards, such as wealth, physical health or expenditure. Furthermore, estimates of pensioner unit income in the Pensioners' Income Series do not take account of the income of other members of the household, which could affect pensioners' standard of living. Therefore income estimates should only be regarded as broadly indicative of living standards.

Comparing incomes

Great care should be taken when comparing groups with similar incomes, or looking at changes in income over a short-time period, since random sampling fluctuations mean that estimates should be regarded as an indication of trends only. Further evidence can be obtained by looking at the estimates for adjacent years

Net income Before Housing Costs (BHC)

Net Income BHC is gross income less:

- Income tax payments;
- National Insurance contributions;
- Contributions to occupational and private pension schemes;
- Local taxes (i.e. council tax/domestic rates);
- Maintenance and child support payments;
- Student loan repayments; and
- Parental contributions to students living away from home.

Net income After Housing Costs (AHC)

Net Income AHC is derived by deducting a measure of housing costs from the above income measure and is also net of:

- Rent (gross of housing benefits);
- Water rates, community water charges and council water charges (not applicable in NI);

- Structural insurance premiums (for owner occupiers);
- Mortgage interest payments (net of any tax relief); and
- Ground rent and service charges.

Income from Housing Benefit is included within gross income as an income-related benefit.

Capital mortgage repayments are also not deducted as a Housing Cost as this is regarded as an asset being accrued and not a cost.

Calculating uncertainty in the PI table estimates

Confidence intervals in the main PI estimates (**Table 8.9a-c**) have been calculated using a bootstrapping approach, using the statistical software package SAS. This is a more appropriate measure of uncertainty when dealing with mean and median incomes.

Bootstrapping calculates the level of uncertainty around a survey estimate by exploring how that estimate would change if we were to draw many survey samples for the same time period instead of just one, this allows us to generate confidence intervals around the estimate. Bootstrapping re-samples using replacement sampling from the dataset, thus creating multiple new datasets, with some samples containing multiple copies of one case with none of another.