

Introduction

Background

This is the seventh report providing information collected from the Family Resources Survey (FRS) and covers the period from April 1999 to the end of March 2000.

The FRS was launched in October 1992 to meet the information requirements of Department of Social Security (DSS) analysts. Traditionally, the Department had relied on other government social surveys, notably the Family Expenditure Survey (FES) and General Household Survey. However, these surveys have relatively small sample sizes and therefore did not provide sufficiently reliable information on many groups in society which were of particular interest to the DSS.

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 for the first time. The sample size allows more confidence in the analyses of smaller sub groups, including, for example, regional breakdowns and recipients of certain benefits.

Although the FRS was designed with the DSS's needs specifically in mind, it also contains information that is of interest to other government departments and outside researchers. This report provides a summary of findings for 1999-2000. The database from which it is derived has been deposited at the Data Archive at Essex University and is being made available directly to other government departments such as the Department of the Environment, Transport and the Regions and the Office for National Statistics.

Data collected

Modeling Social Security benefit entitlement is central to many of the DSS uses of FRS information and 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 child care 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. Around a third of households surveyed fall into this category. This range is wide enough to capture those who may be entitled to benefit on the basis of their capital but reduces the burden on the majority of respondents.

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

The final section of this report summarises the information collected on the survey.

Contents of the report

The 1999-2000 report is similar in presentation to that for previous years. The aim continues to be to present the information in a clear and systematic way, as far as possible being consistent with other DSS publications. It retains the streamlined approach of the 1998-1999 report, with explanatory notes to the tables given at the start of each chapter. These notes also describe any changes to the tables. Analyses which set the results of the survey in context are available in other publications such as the Department's Households Below Average Income report and compendia publications produced by the Office for National Statistics such as Social and Regional Trends and the Social Focus series.

The structure of the report is as follows:

- Chapter 2 provides an overview of households, benefit units and individuals.
- Chapter 3 looks at income and benefits. Tables are shown on both a household and benefit unit basis and aim to exploit the detailed information which is collected by the FRS in this area.
- Chapter 4 considers tenure and housing costs. Although primarily a survey of incomes, the FRS collects detailed information on this aspect of expenditure.
- Chapter 5 looks at assets and savings. Like other surveys, the FRS collects information on the interest received on various types of investments. However, unlike most, for some respondents it also attempts to collect information on the actual value of holdings.
- Chapter 6 looks at carers and those needing care.
- Chapter 7 looks at employment, including non-financial benefits paid to employees and costs of being in work.
- Chapter 8 gives information on the sample, data collection and processing.

Main Changes for 1999-2000

The most important change in this year's survey is the rotation of questions. Certain questions are now asked every other year, rather than every year. This has been introduced in order to reduce the length of the questionnaire and the burden on respondents. For 1999-2000, questions on NHS treatment and travel to work costs have been rotated off. For 2000-01, these questions will be reinstated and questions on vehicle ownership and consumer durables rotated off.

DSS analysts concluded that they did not need the finer detail of children's savings, both in the Benefit Unit questionnaire and the Assets block. These questions have therefore been removed. This means that Chapter 5: Assets and Savings now only covers accounts held by Adults.

Government departments using the FRS 'care' data showed concern that the FRS seems to record fewer people giving or receiving care than the General Household Survey. Interviewer feedback also highlighted that some of the questions are difficult for interviewers and/or respondents. To address these concerns the care questions have been changed and this has affected the contents of Chapter 6: Carers.

Since October 1999, Family Credit – the benefit for working parents on low income - has been phased out, and replaced with the new Working Families' Tax Credit, administered

by, the Inland Revenue rather than the DSS. The same is true for Disability Working Allowance which has been replaced by Disabled Persons' Tax Credit. From October 2000 they can be received through the wage packet, as a tax adjustment, rather than as a cash benefit. However, for the first year the Inland Revenue continued to pay people the benefit as before, by cheque or direct credit. These are both combined with the previous benefit within our tables.

There has also been a definitional change to bring a person's employment status in line with the classical ILO definition. Individuals between the state pension age and the age of 70 who are looking for work are now asked whether or not they are able to start in the next two weeks. Previously they were classified as 'inactive' by default.

For more details on changes please see the introduction to each chapter.

Units and presentation

Throughout the report, tables refer to either households, benefit units or individuals. The definition of a household used in the FRS is "a single person or group of people living at the same address who either share one meal a day or share the living accommodation, ie a living room". 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 a standard DSS term which relates to the tighter family definition of "a single adult or couple living as married and any dependent children". A dependent child is aged under 16 or under 19 if still 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 publication as a description of groups of individuals regardless of whether they are in receipt of any Social Security benefits.

Figures for percentages based on sample estimates have been reweighted so that they apply to the overall population. This involves the use of a set of adjustment factors which attempt to correct for differential non-response at the same time as they scale up sample estimates. These factors take into account demographic variables such as age, sex and marital status together with region and tenure. Tables give unweighted sample counts for *base=100%* figures to help

users to judge the robustness of the information (the larger the sample size, the more robust the relevant percentage figure).

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 gross income and its components might differ from those used in other publications and from those used in FRS reports for 1997-98 and earlier. More details are given in Chapter 8.

Uses of Family Resources Survey Data

Although primary users of FRS data remain within the DSS, the survey is increasingly being used outside the Department.

FRS data are incorporated in to the Policy Simulation Model (PSM), used extensively by DSS economists for policy evaluation and costing of policy options. Responses are uprated to current prices, benefits and earnings levels and calibrated to DSS Departmental Report forecasts of benefit caseload and expenditure. Using FRS data has made it possible to model some aspects of the benefit system which could not be done previously, eg income related benefits' severe disability premiums and allowances for child care costs.

In addition to incorporation 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. Examples are the extent of multiple benefit receipt and the distribution of individual benefits.

Data are also used in figures for take-up of income related benefits. Figures are based on a combination of administrative and survey data. The aim of the analysis of FRS data is to establish how many interviewees who say they are not receiving benefits actually appear to be entitled to them. The access to metadata, especially on imputation, also informs analysts' judgements.

FRS data are analysed in order to produce analyses of incomes using Households Below Average Income (HBAI) methodology. The income measure used is based on weekly net (disposable) equivalised household income (ie income adjusted for household size and composition by means of equivalence scales). The HBAI data set also forms the basis of the Pensioners' Income Series, the Department's analysis of trends in components and levels of pensioners' incomes.

The FRS has also been used as a sampling frame for follow up studies to look at particular groups. The most recent example is the elderly follow-up survey of entitled non-recipients, which took place between mid-March 1998 and

end-April 1998. The survey remit was to try and establish why these individuals were not claiming benefits to which they were entitled. The largest example is the Disability Survey, which re-interviewed over 7,000 disabled respondents who appeared in the FRS between July 1996 and March 1997. The survey provides a detailed picture of type and severity of disability, extra needs and participation in leisure activities of the disabled. Merged with FRS information, a major use of the results by DSS is to measure and analyse receipt of disability benefits and gather information to enable more accurate forecasting of expenditure.

The data set is provided to other government departments on request. It is also accessed by researchers and analysts outside government through the Data Archive at Essex University.

Rounding and accuracy

The tables in this report show the results after validation and imputation for item non-response, and after adjustment for unit non-response using weights which 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.

Therefore, although work has been undertaken to try and ensure that the figures which have been collected are valid and that adjustments are made for non-response, problems will remain. For example, comparisons of benefit recipients on 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. More information on FRS non-response and data quality is given in Chapter 8.

In the tables which follow, the following conventions have been used:

- 0 nil
- negligible
- . not available because of small sample sizes

Individual figures have been rounded independently. Therefore the sum of component items do not necessarily add to the totals shown.

Acknowledgements

Thanks go once again to all the respondents in households across Great Britain who agreed to be interviewed; to the interviewers at the Office for National Statistics and the National Centre for Social Research and colleagues in those organisations; to those who have contributed towards this publication both through providing figures and checking of the content; and to our computing support team here in ASD.

Contact points

If you would like further information on the FRS please contact:

ASD3E
Department of Social Security
The Adelphi
1-11 John Adam Street
London
WC2N 6HT

Telephone: 020 7962 8991

Any comments on the presentation and content of this and future reports should also be sent to this address.

You can also find background to the FRS on the internet.

Please go to www.dss.gov.uk or look at the National Statistics website on www.statistics.gov.uk