

Introduction

Background

This report provides a summary of the information collected from the Family Resources Survey (FRS) during the period April 2006 to the end of March 2007 across the United Kingdom.

The FRS was launched in October 1992 to meet the information requirements of analysts in the Department for Work and Pensions (DWP). Traditionally, the Department had relied on other government social surveys, notably the Family Expenditure Survey (now known as the Expenditure and Food Survey), 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 DWP.

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. 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 DWP'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 2006-07. The database from which it is derived has been deposited at the UK Data Archive and is being made available directly to other government departments such as the HM Revenue and Customs and the Office for National Statistics.

Data collected

Modelling Social Security benefit entitlement is central to many of the DWP 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 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. Over a quarter of households surveyed contain a benefit unit which falls 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 DWP policy such as barriers to moving off benefits and into work, pension provision and maintenance payment and receipt.

Contents of the report

The 2006-07 report is similar in contents to that for previous years and has been produced primarily for the Internet. The report can be accessed at www.dwp.gov.uk/asd/frs.

The aim continues to be to present the information in a clear and systematic way, and the report, as far as possible, is consistent with other DWP publications, for example by producing tables using the same variable groupings. An explanatory note has been given at the start of each section, which also describes 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 publication and compendia publications produced by the Office for National Statistics such as Social Trends, Regional Trends and the Social Focus series.

The structure of the report is as follows:

- Section 2 *Household Characteristics.*
Overview of households, benefit units and individuals
- Section 3 *Income and State Support Receipt.*
Tables are shown on both a household and benefit unit basis and aim to exploit the detailed information that is collected by the FRS in this area.
- Section 4 *Tenure and Household Rent.*
Although primarily a survey of incomes, the FRS collects detailed information on this aspect of expenditure.
- Section 5 *Savings and Assets.*
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.
- Section 6 *Carers and Disability.*
Information on those giving and receiving care on an informal basis, and those that are disabled.
- Section 7 *Occupation and Employment.*
Includes information on non-financial benefits paid to employees, pension provision, and childcare costs.
- Section 8 *Methodology.*
Information on the sample, data collection and processing.

Main Changes for 2006-07

The most significant change to the FRS questionnaire this year is the change to the way in which a benefit unit is calculated. This is as a result of changes in policy regarding the Civil Partnership Act for same sex couples and new Child Benefit eligibility criteria. The Civil Partnership Act, which came into effect on the 5th December 2005, gives same sex couples the same benefits as married couples. The FRS questionnaire now includes the rewording of categories at the marital status question to include civil partnerships and their divorced or separated equivalents.

The Child Benefit eligibility criteria was extended from April 2006 to those aged 16 to 19 years and in full-time non-advanced education or those in Government employment training. To reflect these new benefit rules, the definition of 'child' has been changed on the FRS to include the children of 16 to 19-year-olds eligible for Child Benefit – such children are being allocated to the same benefit unit as their parent/guardian.

In 1999-2000, the rotation of questions was introduced in order to reduce the length of the questionnaire and the burden on respondents. Certain questions are asked every other year, rather than every year. As part of a review of question usage in 2006 it was agreed that the rotated questions would no longer be asked of respondents from 2007-08 onwards in order to further reduce the burden on respondents by reducing the interview length.

All questions on insurance premiums have been removed from the FRS from 2006-07, however section 4 includes breakdowns of households and benefit units by whether they have household contents insurance.

Details on the specific tables affected by these changes are provided in each section.

Uses of Family Resources Survey Data

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

Households Below Average Income (HBAI) publication (See www.dwp.gov.uk/asd/hbai.asp). 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. The HBAI data set is also used in the *Pensioners' Income Series* (See www.dwp.gov.uk/asd/pensioners_income.asp), the Department's analysis of trends in components and levels of pensioners' incomes.

Estimates of Take-Up of Income-Related Benefits (See www.dwp.gov.uk/asd/irb.asp). Figures are based on a combination of administrative and survey data. The FRS provides information about people's circumstances, which is used to estimate numbers of people who are not claiming benefits to which they appear to be entitled.

The Department's *Policy Simulation Model (PSM)*, used extensively by DWP analysts for policy evaluation and costing of policy options. FRS responses are uprated to current prices, benefits and earnings levels and can be calibrated to the 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. A recent example of a follow-up survey of FRS respondents involved follow-up interviews with male non-resident parents about child maintenance arrangements. The report is expected to be published in March 2008.

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

Units and presentation

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 sex, together with region and tenure. Tables give unweighted sample counts as 'sample size=100%' figures 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.

Owing to the volatility of single year results, due to small sample sizes and clustered probability samples, ethnic group tables are presented on a three-year average. Values such as income that increase over time are uprated to 2006-07 prices using the HBAI adjusted Retail Price Index (RPI). This methodology enables underlying trends to be identified, whilst smoothing out any random fluctuations.

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 living at the same address who either share one meal a day or share the living accommodation, i.e. 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 DWP term that 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 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. See Methodology for more details.

Rounding and accuracy

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.

Therefore, 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 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. See Methodology for more information on FRS non-response and data quality.

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

- 0 nil (none recorded in the sample)
- negligible (less than 0.5%)
- . not applicable
- .. not available due to small sample size (fewer than 100) or due to less than three years of comparable data

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.

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Contact points

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

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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 our home page:

www.dwp.gov.uk/asd/frs