

# Appendix 5

## Decomposition of Changes in Number of Individuals in Different Low-income Groups Over Time

### Background

When comparing one time-period with another, a change in the number of individuals below any given low-income contemporary threshold can be broken down into the following components<sup>1</sup>:

- i) Change in the total size of the population sub-group in question.
- ii) Change in the relative risk of low income for the sub-group in question, due to changes in either:
  - a) the typical income of the sub-group (absolute risk component)
  - b) the median income of the whole population (threshold component).

For the percentage risk to diminish, the incomes typical of a low-income group must rise faster than the median of the population as a whole.

- iii) Interaction between the above.

### i) Change in population size component

As explained above, this is the part of the change that can be attributed to an increase or decrease in the total number of individuals in that group.

For example: If, between two points in time, the number of pensioners increased by one million, but the risk of low income (due to either changes in the income of the group or in the overall median) was unchanged at 20 per cent, then the number of pensioners below that contemporary threshold would increase by 200,000. This increase would solely be due to the increase in the size of the pensioner population, not to any change in the typical income of pensioners or the median income, and can be broken down as follows:

	Millions
Size component	0.2
Absolute risk component	0.0
Threshold component	0.0
Interaction component	0.0
Total change below threshold	0.2

### ii) Change in Relative Risk of Low Income

For the risk of low-income of any subgroup of the population to change over time, the proportion of those below any low-income threshold must change. This can happen for two reasons, which may occur at the same time: the income of the sub-group may change resulting in a net flow across the threshold. Or, the overall threshold can move, resulting in a larger or smaller proportion of the subgroup falling below the threshold.

This analysis has considered what happens when each of the two components change independently of the other. In this way, the *absolute risk* component (described in more detail below) is similar to the absolute style measure presented elsewhere in this publication because it shows decreases in the number of people below the 1996/7 threshold held constant in real terms. In contrast, the *threshold* component (described in more detail below) shows changes in the number of people below the threshold as a result of the population median income increasing/decreasing at a rate above or below inflation. Thus, the threshold component would be zero if median income in 2002/03 were identical to the 1996/7 threshold held constant in real terms.

Typically, the threshold component is a positive number, implying an increase in the number living in low-income households compared with the threshold held constant in real terms. This is due to the fact that growth in median equivalised income has outstripped inflation over the period.

### a) Absolute Risk Component

A change in the number of people below a threshold may be explained by a change in the risk for individuals in that group of being below a threshold, due to a change in that group's typical income. Normally, incomes increase with inflation; so, instead of comparing incomes to a fixed threshold over time, we have presented results with the threshold held constant in real terms.

For example: Supposing that, between two points in time, the total number of pensioners stayed constant at ten million, median income was also unchanged in

<sup>1</sup> The formulae for deriving size, risk, threshold and interaction components in successive years T1 and T2, are:

Size component =  $\text{risk}^{T1} * (\text{population}^{T2} - \text{population}^{T1})$

Risk component =  $\text{population}^{T1} * (\text{real risk}^{T2} - \text{risk}^{T1})$

Threshold component =  $\text{population}^{T1} * (\text{risk}^{T2} - \text{risk}^{T1})$

Interaction component =  $(\text{population}^{T2} - \text{population}^{T1}) * (\text{risk}^{T2} - \text{risk}^{T1})$

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real terms, but the absolute risk of being below 60 per cent of median income increased from 20 per cent in year one to 22 per cent in year two. The number of low-income pensioners would increase by 200,000 over the time period. This increase would be driven solely by the increase in risk of low income, and could be decomposed into:

	Millions
Size component	0.0
Absolute risk component	0.2
Threshold component	0.0
Interaction component	0.0
Total change below threshold	0.2

### b) Threshold Component

A change in the number of people below a contemporary threshold may be explained by changes in overall median income.

For example: If, between two points in time, the number of pensioners stayed constant at ten million, as did their incomes in real terms, whilst median income rose above inflation such that the risk of low income was 22 per cent in year two as compared to 20 per cent in year one. The number of low-income pensioners would again increase by 200,000, solely resulting from median income growth, and could be decomposed into:

	Millions
Size component	0.0
Absolute risk component	0.0
Threshold component	0.2
Interaction component	0.0
Total change below threshold	0.2

### iii) Interaction Component

The interaction component is a measure of the extent to which the size, absolute risk and threshold components either compound or negate one another.

For example: If, between two points in time, the number of pensioners increased by one million to eleven million, and typical incomes changed such that the absolute risk increased from 20 to 22 per cent, and the threshold increased such that the absolute risk also increased from 20 to 22 per cent (meaning that the final contemporary risk will be greater than 22 per cent), then the change in the number of pensioners below thresholds could be split into the following components:

	Millions
Size component	0.2
Absolute risk component	0.2
Threshold component	0.2
Interaction component	0.02
Total change below threshold	0.62

Conversely: If the number of pensioners fell by one million to nine million, and typical pensioner income and overall median income changed so that the risk of living below the absolute threshold fell from 20 to 19 per cent and the risk of living below the contemporary threshold rose from 20 to 22 per cent, then the change in the number of pensioners below thresholds could be attributed to the following:

	Millions
Size component	-0.2
Absolute risk component	-0.1
Threshold component	0.2
Interaction component	-0.02
Total change below threshold	-0.12

If the interaction term is positive, this indicates that the size, absolute risk and thresholds components are predominantly working in the same direction. However, if the interaction term is negative the components are working against each other, reducing the overall impact of the changes on the numbers of individuals below the threshold.

Generally, the interaction component is relatively small compared with the absolute risk and threshold components.

## Findings

**Tables 5.1 to 5.4** show the 1996/7 to 2002/03 *shift-share analysis* for individuals, children, working-age adults and pensioners below 60 per cent of contemporary median household income according to the characteristics of the family or household in which they live.

Comparing all individuals in 1996/7 and 2002/03, there was a fall in the number of people below 60 per cent of contemporary median income. This fall was more pronounced AHC than BHC, and was due to a decreased absolute risk component, which was only partially offset by a small increase due to the population size component, and a larger increase in median income. Before Housing Costs, changes relating to families with children predominated in the changes in numbers below the threshold. On an AHC basis, changes were more widely spread across groups.

Underlying the decrease in low-income was a fall in the total number of unemployed families in low income which was predominantly driven by a decrease in the population size component. Families with children saw a greater fall in risk than did those without children.

For children, there was a significant fall in the numbers below the contemporary threshold. **Table 5.2** shows this decrease was largely, though not solely, due to children in workless families. As for other family types, increases in median income tended to off-set decreases in absolute risk, but children in workless families experienced a marked reduction in the total size of the group which contributed to the decrease in numbers in low-income.

There was no change in the overall number of working-age adults below 60 per cent of median income on a BHC basis. Overall, this was due to the decreased absolute risk which was off-set by an increase in the median income along with a slight rise in the size of the working-age population. Single adults with no children contributed most to the slight increase in population. An offsetting factor was the fall in the risk of low income among couples with children.

The number of unemployed working-age adults in low income decreased, due to a reduction in the size of the group, but this was partly off-set by an increase in the 'other inactive' group. There was a slight fall in the numbers of working-age adults below 60 per cent of contemporary median income AHC. The main factors were similar to those for income BHC.

There was very little change for pensioners on a BHC basis, as incomes for this group largely rose at the same rate as the median income. There was, however, a fall on an AHC basis that was predominantly driven by a decrease in risk for single pensioners. This was the case across all age bands presented.

### Tenure Type

**Table 5.5** shows the 1996/7 to 2002/03 *shift-share analysis* for children, working-age adults and pensioners below 60 per cent of contemporary median household income according to the tenure type of the household in which they live.

For children, the fall in the numbers below the threshold Before Housing Costs was associated with a fall in the number living in Local Authority housing; and a reduction in the risk of relative low income for this group, and for the Housing Association and 'owned with mortgage' groups. This was also the case AHC, but other groups also experienced a reduction in the risk of relative low income.

For the working-age adult population BHC, the number in low income remained the same. There were few changes in the risk of relative low income, though the small 'other' group experienced a rise, and private renters experienced a fall, especially AHC.

For pensioners Before Housing Costs, there was no change in the overall number in low-income households. Over 80 per cent of pensioners were in Local Authority housing or housing 'owned outright.' For these groups, the risk of relative low income BHC changed little; and the changes in the sizes of the two groups worked in opposite directions. So, a slight fall in the number in low income of those living in Local Authority housing was off-set by a similar increase for those who owned their property outright. There was a significant fall in the number in low-income AHC. This was associated with a reduction in the number of pensioners in rented housing, coupled with rises in income for pensioners in this type of accommodation that were greater than increases in median income for the population as a whole.

Table 5.1 (BHC): Individuals below 60 per cent of contemporary median income

	Number falling below threshold						Risk of falling below threshold						Changes explained by			
	1996/7			2002/03			1996/7			2002/03			Absolute			
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	2002/03a	Size	Risk	Threshold	Interaction
One or more full-time self-employed	1.0	0.9	-0.1	5.7	5.1	-0.6	18.4	17.9	13.0	-0.11	-0.31	0.28	0.00	0.00	0.00	-0.1
Single/couple all in full-time work	0.2	0.4	0.2	12.7	14.3	1.7	1.9	3.0	1.7	0.03	-0.01	0.15	0.02	0.02	0.02	0.2
Couple, one full-time, one part-time work	0.2	0.2	0.0	7.9	8.3	0.3	2.7	2.7	1.3	0.01	-0.11	0.11	0.00	0.00	0.00	0.0
Couple, one full-time work, one not working	1.0	0.8	-0.2	6.9	6.6	-0.3	15.3	12.4	6.5	-0.04	-0.60	0.41	0.01	0.01	0.01	-0.2
No full-time, one or more part-time work	1.0	1.2	0.2	4.1	5.3	1.1	24.7	23.3	14.8	0.28	-0.41	0.35	-0.02	-0.02	0.02	0.2
Workless, head or spouse aged 60 or over	2.4	2.3	0.0	9.9	9.7	-0.3	23.7	24.3	13.9	-0.06	-0.98	1.03	0.00	0.00	0.00	0.0
Workless, head or spouse unemployed	1.8	1.0	-0.7	2.9	1.6	-1.3	61.4	64.3	48.0	-0.79	-0.39	0.47	-0.04	-0.04	-0.04	-0.7
Workless, other inactive	2.6	2.7	0.1	6.1	6.2	0.1	42.0	43.4	25.1	0.05	-1.03	1.11	0.00	0.00	0.00	0.1
Pensioner couple	1.3	1.5	0.2	6.8	6.9	0.2	19.5	21.2	12.0	0.03	-0.50	0.62	0.00	0.00	0.00	0.2
Single male pensioner	0.2	0.2	0.0	0.9	1.1	0.2	17.4	17.5	8.3	0.03	-0.09	0.09	0.00	0.00	0.00	0.0
Single female pensioner	0.8	0.7	-0.1	3.3	3.0	-0.3	24.6	22.1	12.9	-0.07	-0.39	0.31	0.01	0.01	0.01	-0.1
Working-age couple with children	3.8	3.0	-0.8	20.4	19.7	-0.7	18.7	15.2	9.6	-0.14	-1.85	1.13	0.03	0.03	0.03	-0.8
Working-age single with children	1.7	1.6	-0.2	4.6	5.0	0.4	37.1	31.4	14.2	0.13	-1.06	0.79	-0.02	-0.02	-0.02	-0.2
Working-age couple without children	1.0	0.9	0.0	10.9	10.3	-0.6	8.7	8.8	6.3	-0.05	-0.26	0.27	0.00	0.00	0.00	0.0
Single Working-age male without children	1.0	1.2	0.2	5.9	7.1	1.1	16.5	17.3	12.2	0.18	-0.25	0.31	0.01	0.01	0.01	0.2
Single Working-age female without children	0.5	0.7	0.2	3.3	4.0	0.7	15.4	16.9	11.9	0.10	-0.12	0.16	0.01	0.01	0.01	0.2
Children	3.2	2.6	-0.6	12.8	12.7	-0.1	25.2	20.7	11.5	-0.03	-1.75	1.18	0.00	0.00	0.00	-0.6
Working-age adults	4.9	4.9	0.0	33.4	34.3	0.9	14.7	14.3	9.5	0.14	-1.74	1.60	0.00	0.00	0.00	0.0
Pensioners	2.1	2.1	0.0	10.0	10.0	0.0	21.2	21.2	11.6	0.00	-0.96	0.96	0.00	0.00	0.00	0.0
<b>Total</b>	10.3	9.7	-0.6	56.2	57.0	0.8	18.3	17.0	10.3	0.16	-4.45	3.72	-0.01	-0.01	-0.01	-0.6

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.1 (AHC): Individuals below 60 per cent of contemporary median income

	Number falling below threshold				Size of total group				Risk of falling below threshold				Changes explained by					
	1996/7		2002/03		1996/7		2002/03		1996/7		2002/03		2002/03a		Absolute			
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	2002/03	2002/03a	Size	Risk	Threshold	Interaction	Total
One or more full-time self-employed	1.2	1.0	-0.2	5.7	5.1	-0.6	21.9	20.6	15.9	-0.13	-0.34	0.27	0.01	-0.2				
Single/couple all in full-time work	0.4	0.6	0.2	12.7	14.3	1.7	3.1	4.4	2.5	0.05	-0.08	0.23	0.02	0.2				
Couple, one full-time, one part-time work	0.3	0.4	0.0	7.9	8.3	0.3	4.4	4.6	2.1	0.02	-0.18	0.20	0.00	0.0				
Couple, one full-time work, one not working	1.4	1.2	-0.2	6.9	6.6	-0.3	20.5	18.2	9.5	-0.05	-0.76	0.60	0.01	-0.2				
No full-time, one or more part-time work	1.3	1.6	0.3	4.1	5.3	1.1	31.8	30.5	19.3	0.36	-0.52	0.46	-0.02	0.3				
Workless, head or spouse aged 60 or over	3.0	2.4	-0.6	9.9	9.7	-0.3	30.2	25.0	11.4	-0.08	-1.86	1.35	0.01	-0.6				
Workless, head or spouse unemployed	2.3	1.2	-1.0	2.9	1.6	-1.3	77.7	75.4	63.1	-1.01	-0.42	0.36	0.03	-1.0				
Workless, other inactive	3.9	3.9	0.0	6.1	6.2	0.1	64.2	63.5	42.1	0.07	-1.35	1.31	0.00	0.0				
Pensioner couple	1.5	1.6	0.1	6.8	6.9	0.2	22.1	22.6	10.0	0.04	-0.82	0.85	0.00	0.1				
Single male pensioner	0.2	0.2	-0.1	0.9	1.1	0.2	26.0	17.0	7.9	0.04	-0.17	0.09	-0.01	-0.1				
Single female pensioner	1.2	0.6	-0.5	3.3	3.0	-0.3	35.0	20.7	9.9	-0.10	-0.83	0.36	0.04	-0.5				
Working-age couple with children	4.7	3.8	-0.9	20.4	19.7	-0.7	22.8	19.1	12.4	-0.17	-2.13	1.36	0.03	-0.9				
Working-age single with children	2.9	2.5	-0.3	4.6	5.0	0.4	62.0	51.4	29.9	0.22	-1.48	0.99	-0.04	-0.3				
Working-age couple without children	1.2	1.1	-0.1	10.9	10.3	-0.6	11.0	10.7	7.6	-0.07	-0.37	0.35	0.00	-0.1				
Single Working-age male without children	1.5	1.7	0.2	5.9	7.1	1.1	24.5	23.9	17.4	0.27	-0.42	0.39	-0.01	0.2				
Single Working-age female without children	0.8	1.0	0.2	3.3	4.0	0.7	24.6	24.2	17.8	0.17	-0.23	0.21	0.00	0.2				
Children	4.3	3.6	-0.7	12.8	12.7	-0.1	33.9	28.5	17.4	-0.03	-2.10	1.42	0.01	-0.7				
Working-age adults	6.8	6.7	-0.2	33.4	34.3	0.9	20.5	19.4	13.3	0.19	-2.41	2.05	-0.01	-0.2				
Pensioners	2.7	2.2	-0.5	10.0	10.0	0.0	26.9	21.4	9.4	0.00	-1.76	1.21	0.00	-0.5				
<b>Total</b>	<b>13.9</b>	<b>12.4</b>	<b>-1.4</b>	<b>56.2</b>	<b>57.0</b>	<b>0.8</b>	<b>24.7</b>	<b>21.8</b>	<b>13.5</b>	<b>0.21</b>	<b>-6.28</b>	<b>4.66</b>	<b>-0.02</b>	<b>-1.4</b>				

**Notes:**

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2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.2 (BHC): Children below 60 per cent of contemporary median income

	Number falling below threshold						Risk of falling below threshold						Changes explained by				
	1996/7		2002/03		change		1996/7		2002/03		change		Absolute				
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	Size	Risk	Threshold	Interaction	Total
Lone parent:																	
In full-time work	0.0	0.1	0.0	0.4	0.6	0.2	10.8	10.8	5.2	5.2	10.8	10.8	0.02	-0.02	0.02	0.00	0.0
In part-time work	0.1	0.2	0.0	0.5	0.8	0.3	22.9	18.9	9.6	9.6	18.9	18.9	0.07	-0.07	0.05	-0.01	0.0
Not working	1.0	0.8	-0.2	2.0	1.7	-0.3	50.2	47.7	20.4	20.4	47.7	20.4	-0.15	-0.59	0.54	0.01	-0.2
Couple with children:																	
Self-employed	0.4	0.3	-0.1	1.6	1.4	-0.2	23.5	22.6	15.4	15.4	22.6	15.4	-0.05	-0.13	0.11	0.00	-0.1
Both in full-time work	0.0	0.0	0.0	1.4	1.6	0.1	1.2	1.6	1.1	1.1	1.6	1.1	0.00	0.00	0.01	0.00	0.0
One full-time, one part-time work	0.1	0.1	0.0	2.8	3.0	0.2	3.6	3.4	1.5	1.5	3.4	1.5	0.01	-0.06	0.05	0.00	0.0
One in full-time work, one not working	0.5	0.3	-0.1	2.3	2.3	0.0	21.1	15.2	7.1	7.1	15.2	7.1	-0.01	-0.33	0.19	0.00	-0.1
One or more in part-time work	0.3	0.3	0.0	0.5	0.5	0.1	54.2	50.8	35.1	35.1	50.8	35.1	0.04	-0.09	0.08	0.00	0.0
Both not in work	0.8	0.5	-0.3	1.2	0.8	-0.4	68.3	69.9	48.6	48.6	69.9	48.6	-0.29	-0.24	0.26	-0.01	-0.3
Total	3.2	2.6	-0.6	12.8	12.7	-0.1	25.2	20.7	11.5	11.5	20.7	11.5	-0.03	-1.75	1.18	0.00	-0.6

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.2 (AHC): Children below 60 per cent of contemporary median income

	Number falling below threshold						Risk of falling below threshold						Changes explained by					
	1996/7		2002/03		change		1996/7		2002/03		change		Absolute					
	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	2002/03a	Size	Risk	Threshold	Interaction	Total
Lone parent:																		
In full-time work	0.1	0.1	0.0	0.0	0.4	0.6	0.2	0.2	15.7	14.6	8.2	0.03	-0.03	0.03	0.00	0.0	0.0	0.0
In part-time work	0.2	0.3	0.1	0.3	0.5	0.8	0.3	36.7	32.6	16.6	0.12	-0.10	0.08	-0.01	0.1	0.1	0.1	0.1
Not working	1.6	1.3	-0.3	-0.3	2.0	1.7	-0.3	81.6	75.8	44.0	-0.24	-0.74	0.63	0.02	-0.3	-0.3	-0.3	-0.3
Couple with children:																		
Self-employed	0.4	0.3	-0.1	-0.1	1.6	1.4	-0.2	27.4	24.9	18.9	-0.06	-0.14	0.10	0.01	-0.1	-0.1	-0.1	-0.1
Both in full-time work	0.0	0.0	0.0	0.0	1.4	1.6	0.1	1.3	3.0	1.5	0.00	0.00	0.02	0.00	0.0	0.0	0.0	0.0
One full-time, one part-time work	0.2	0.2	0.0	0.0	2.8	3.0	0.2	5.5	5.7	2.3	0.01	-0.09	0.10	0.00	0.0	0.0	0.0	0.0
One in full-time work, one not working	0.6	0.5	-0.1	-0.1	2.3	2.3	0.0	27.1	21.1	10.5	-0.01	-0.39	0.25	0.00	-0.1	-0.1	-0.1	-0.1
One or more in part-time work	0.3	0.3	0.0	0.0	0.5	0.5	0.1	61.1	57.9	40.6	0.04	-0.10	0.08	0.00	0.0	0.0	0.0	0.0
Both not in work	0.9	0.6	-0.3	-0.3	1.2	0.8	-0.4	77.2	79.5	60.2	-0.33	-0.20	0.23	-0.01	-0.3	-0.3	-0.3	-0.3
Total	4.3	3.6	-0.7	-0.7	12.8	12.7	-0.1	33.9	28.5	17.4	-0.03	-2.10	1.42	0.01	-0.7	-0.7	-0.7	-0.7

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.3 (BHC): Working-age adults below 60 per cent of contemporary median income

	Number falling below threshold				Size of total group				Risk of falling below threshold				Changes explained by				
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	2002/03a	2002/03	Size	Risk	Threshold	Interaction
One or more full-time self-employed	0.6	0.6	-0.1	3.8	3.4	-0.4	16.5	16.1	12.0	12.0	-0.06	-0.17	0.16	0.00	0.00	-0.1	
Single/couple all in full-time work	0.2	0.3	0.1	10.7	12.1	1.4	1.8	2.8	1.7	1.7	0.02	-0.01	0.12	0.01	0.01	0.1	
Couple, one full-time, one part-time work	0.1	0.1	0.0	5.0	5.2	0.2	2.2	2.4	1.2	1.2	0.00	-0.05	0.06	0.00	0.00	0.0	
Couple, one full-time work, one not working	0.5	0.5	-0.1	4.3	4.1	-0.2	12.8	11.4	6.3	6.3	-0.03	-0.28	0.22	0.00	0.00	-0.1	
No full-time, one or more part-time work	0.6	0.7	0.1	2.5	3.2	0.6	23.2	23.0	15.0	15.0	0.14	-0.20	0.20	0.00	0.00	0.1	
Workless, head or spouse aged 60 or over	0.3	0.3	0.0	1.1	1.0	-0.1	26.7	30.8	22.5	22.5	-0.03	-0.04	0.09	0.00	0.00	0.0	
Workless, head or spouse unemployed	1.2	0.7	-0.4	2.1	1.2	-0.8	56.6	61.1	46.7	46.7	-0.48	-0.21	0.30	-0.04	-0.04	-0.4	
Workless, other inactive	1.4	1.7	0.3	3.8	4.2	0.4	36.5	39.9	25.6	25.6	0.14	-0.42	0.55	0.01	0.01	0.3	
Couples of which	2.9	2.5	-0.4	22.4	21.5	-1.0	12.8	11.6	7.9	7.9	-0.13	-1.11	0.84	0.01	0.01	-0.4	
with no children	1.1	1.1	0.0	11.9	11.2	-0.6	9.3	9.5	6.8	6.8	-0.06	-0.29	0.32	0.00	0.00	0.0	
with children	1.8	1.4	-0.4	10.6	10.2	-0.4	16.8	13.9	9.0	9.0	-0.06	-0.82	0.52	0.01	0.01	-0.4	
Single adult families of which	2.0	2.4	0.4	10.9	12.9	1.9	18.7	18.9	12.3	12.3	0.36	-0.70	0.72	0.00	0.00	0.4	
with no children	1.5	1.9	0.4	9.2	11.0	1.8	16.1	17.2	12.1	12.1	0.29	-0.37	0.47	0.02	0.02	0.4	
with children	0.6	0.5	0.0	1.7	1.8	0.1	33.0	29.2	13.6	13.6	0.04	-0.33	0.26	-0.01	-0.01	0.0	
<b>Total</b>	4.9	4.9	0.0	33.4	34.3	0.9	14.7	14.3	9.5	9.5	0.14	-1.74	1.60	0.00	0.00	0.0	

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.3 (AHC): Working-age adults below 60 per cent of contemporary median income

	Number falling below threshold				Size of total group				Risk of falling below threshold				Changes explained by			
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	2002/03a	Size	Risk	Threshold	Interaction
One or more full-time self-employed	0.8	0.6	-0.1	3.8	3.4	-0.4	19.7	18.9	14.7	-0.08	-0.19	0.16	0.00	0.00	-0.1	
Single/couple all in full-time work	0.3	0.5	0.2	10.7	12.1	1.4	3.1	4.1	2.4	0.04	-0.07	0.18	0.01	0.01	0.2	
Couple, one full-time, one part-time work	0.2	0.2	0.0	5.0	5.2	0.2	3.7	4.1	2.0	0.01	-0.09	0.11	0.00	0.00	0.0	
Couple, one full-time work, one not working	0.8	0.7	-0.1	4.3	4.1	-0.2	17.8	17.1	9.2	-0.04	-0.37	0.34	0.00	0.00	-0.1	
No full-time, one or more part-time work	0.8	1.0	0.2	2.5	3.2	0.6	30.8	30.3	19.9	0.19	-0.27	0.26	0.00	0.00	0.2	
Workless, head or spouse aged 60 or over	0.4	0.3	0.0	1.1	1.0	-0.1	33.1	35.7	21.1	-0.04	-0.13	0.16	0.00	0.00	0.0	
Workless, head or spouse unemployed	1.5	0.9	-0.7	2.1	1.2	-0.8	73.1	70.6	60.0	-0.62	-0.27	0.22	0.02	0.02	-0.7	
Workless, other inactive	2.2	2.5	0.3	3.8	4.2	0.4	56.6	58.4	41.0	0.21	-0.60	0.67	0.01	0.01	0.3	
Couples of which	3.6	3.1	-0.5	22.4	21.5	-1.0	16.0	14.5	9.7	-0.16	-1.42	1.08	0.01	0.01	-0.5	
with no children	1.4	1.3	-0.1	11.9	11.2	-0.6	11.6	11.4	7.9	-0.07	-0.44	0.42	0.00	0.00	-0.1	
with children	2.2	1.8	-0.4	10.6	10.2	-0.4	20.9	17.8	11.7	-0.08	-0.98	0.65	0.01	0.01	-0.4	
Single adult families of which	3.3	3.6	0.3	10.9	12.9	1.9	29.8	27.7	19.3	0.58	-1.14	0.92	-0.04	-0.04	0.3	
with no children	2.3	2.7	0.4	9.2	11.0	1.8	24.5	24.0	17.5	0.44	-0.65	0.60	-0.01	-0.01	0.4	
with children	1.0	0.9	-0.1	1.7	1.8	0.1	58.5	50.1	30.4	0.08	-0.48	0.33	-0.01	-0.01	-0.1	
<b>Total</b>	6.8	6.7	-0.2	33.4	34.3	0.9	20.5	19.4	13.3	0.19	-2.41	2.05	-0.01	-0.01	-0.2	

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.4 (BHC): Pensioners below 60 per cent of contemporary median income

	Number falling below threshold						Risk of falling below threshold						Changes explained by					
	1996/7		2002/03		change		1996/7		2002/03		change		Absolute					
	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	1996/7	2002/03	2002/03a	Size	Risk	Threshold	Interaction	Total
Pensioner couples	1.1	1.3	0.1	0.1	5.8	5.9	0.1	19.9	21.5	11.6	0.03	-0.48	0.57	0.00	0.00	0.1		
<i>of which</i>																		
70 and under	0.4	0.5	0.1	0.1	2.8	2.9	0.0	14.7	17.6	10.5	0.01	-0.12	0.20	0.00	0.00	0.1		
71 to 75	0.3	0.3	0.0	0.0	1.5	1.4	-0.1	22.2	23.4	10.8	-0.03	-0.17	0.19	0.00	0.00	0.0		
Over 75	0.4	0.4	0.0	0.0	1.4	1.6	0.2	27.6	26.7	14.3	0.06	-0.19	0.18	0.00	0.00	0.0		
Single pensioners	1.0	0.9	-0.1	-0.1	4.2	4.1	-0.1	23.0	20.9	11.7	-0.03	-0.48	0.39	0.00	0.00	-0.1		
<i>of which</i>																		
Male	0.2	0.2	0.0	0.0	0.9	1.1	0.2	17.1	17.5	8.3	0.03	-0.08	0.09	0.00	0.00	0.0		
<i>of which</i>																		
70 and under	0.0	0.0	0.0	0.0	0.3	0.3	0.0	11.6	13.8	8.4	0.00	-0.01	0.02	0.00	0.00	0.0		
71 to 75	0.0	0.0	0.0	0.0	0.2	0.2	0.0	13.8	18.2	8.9	0.01	-0.01	0.02	0.00	0.00	0.0		
Over 75	0.1	0.1	0.0	0.0	0.4	0.5	0.1	22.7	19.4	11.6	0.02	-0.05	0.03	0.00	0.00	0.0		
Female	0.8	0.7	-0.1	-0.1	3.3	3.0	-0.3	24.6	22.1	7.1	-0.07	-0.58	0.50	0.01	0.01	-0.1		
<i>of which</i>																		
70 and under	0.2	0.2	-0.1	-0.1	1.1	1.0	-0.1	20.3	16.8	9.4	-0.02	-0.12	0.08	0.00	0.00	-0.1		
71 to 75	0.2	0.1	-0.1	-0.1	0.7	0.6	-0.2	25.4	22.0	11.9	-0.04	-0.10	0.07	0.01	0.01	-0.1		
Over 75	0.4	0.4	0.0	0.0	1.5	1.4	-0.1	27.4	26.0	15.8	-0.01	-0.17	0.15	0.00	0.00	0.0		
<b>Total</b>	2.1	2.1	0.0	0.0	10.0	10.0	0.0	21.2	21.2	11.6	0.00	-0.96	0.96	0.00	0.00	0.0		

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.4 (AHC): Pensioners below 60 per cent of contemporary median income

	Number falling below threshold						Risk of falling below threshold						Changes explained by		
	1996/7		2002/03		change		1996/7		2002/03		change		Absolute		
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	Size	Risk	Threshold
Pensioner couples	1.3	1.3	0.0	5.8	5.9	0.1	22.5	22.7	9.4	0.03	-0.76	0.77	0.00	0.00	0.0
of which															
70 and under	0.5	0.5	0.0	2.8	2.9	0.0	16.9	18.1	8.8	0.01	-0.23	0.27	0.00	0.00	0.0
71 to 75	0.4	0.3	-0.1	1.5	1.4	-0.1	24.8	23.2	9.4	-0.03	-0.23	0.21	0.00	0.00	-0.1
Over 75	0.4	0.5	0.1	1.4	1.6	0.2	31.1	30.4	10.5	0.07	-0.29	0.28	0.00	0.00	0.1
Single pensioners	1.4	0.8	-0.6	4.2	4.1	-0.1	32.9	19.6	9.3	-0.04	-1.00	0.44	0.02	0.02	-0.6
of which															
Male	0.2	0.2	-0.1	0.9	1.1	0.2	25.8	17.0	7.8	0.04	-0.17	0.09	-0.01	-0.01	-0.1
of which															
70 and under	0.1	0.0	0.0	0.3	0.3	0.0	24.5	14.7	7.4	0.00	-0.05	0.02	0.00	0.00	0.0
71 to 75	0.1	0.0	0.0	0.2	0.2	0.0	24.2	17.5	9.5	0.01	-0.03	0.02	0.00	0.00	0.0
Over 75	0.1	0.1	0.0	0.4	0.5	0.1	27.5	18.1	7.3	0.03	-0.09	0.05	-0.01	-0.01	0.0
Female	1.2	0.6	-0.5	3.3	3.0	-0.3	35.0	20.6	9.8	-0.10	-0.83	0.36	0.04	0.04	-0.5
of which															
70 and under	0.4	0.2	-0.2	1.1	1.0	-0.1	32.1	17.2	8.4	-0.03	-0.26	0.10	0.01	0.01	-0.2
71 to 75	0.3	0.1	-0.2	0.7	0.6	-0.2	39.8	20.4	10.2	-0.06	-0.22	0.07	0.03	0.03	-0.2
Over 75	0.5	0.3	-0.2	1.5	1.4	-0.1	34.7	23.1	10.7	-0.02	-0.35	0.18	0.01	0.01	-0.2
<b>Total</b>	<b>2.7</b>	<b>2.2</b>	<b>-0.5</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>	<b>26.9</b>	<b>21.4</b>	<b>9.4</b>	<b>0.00</b>	<b>-1.76</b>	<b>1.21</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.5</b>

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.5 (BHC): Individuals below 60 per cent of contemporary median income, by tenure type

	Number falling below threshold						Risk of falling below threshold						Changes explained by							
	1996/7			2002/03			1996/7			2002/03			2002/03a			Absolute				
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	Size	Risk	Threshold	Interaction	Total
<b>Children</b>																				
<b>Tenure</b>																				
Local Authority	1.5	1.0	-0.6	2.9	2.1	-0.8	52.1	45.8	21.3	-0.42	-0.90	0.71	0.05	-0.6						
Housing Association	0.3	0.3	0.1	0.7	1.0	0.3	36.2	31.4	12.4	0.10	-0.17	0.13	-0.01	0.1						
Private rented	0.2	0.2	0.0	0.8	0.9	0.1	23.3	23.8	13.4	0.02	-0.08	0.08	0.00	0.0						
Owned with mortgage	1.0	0.8	-0.2	7.6	7.6	0.1	13.5	10.9	7.3	0.01	-0.47	0.28	0.00	-0.2						
Owned outright	0.2	0.3	0.1	0.7	1.0	0.3	28.6	29.0	19.9	0.10	-0.06	0.06	0.00	0.1						
Other	0.0	0.0	0.0	0.2	0.1	-0.1	31.8	24.3	20.1	-0.02	-0.02	0.01	0.00	0.0						
<b>Total</b>	3.2	2.6	-0.6	12.8	12.7	-0.1	25.2	20.7	11.5	-0.03	-1.75	1.18	0.00	-0.6						
<b>Working-age adults</b>																				
<b>Tenure</b>																				
Local Authority	1.7	1.4	-0.3	4.8	3.8	-1.0	35.3	35.4	20.3	-0.35	-0.72	0.73	0.00	-0.3						
Housing Association	0.3	0.4	0.2	1.1	1.6	0.5	25.9	27.8	15.7	0.12	-0.11	0.14	0.01	0.2						
Private rented	0.6	0.6	0.0	3.1	3.5	0.4	19.5	17.3	12.7	0.08	-0.21	0.14	-0.01	0.0						
Owned with mortgage	1.5	1.4	-0.1	18.8	18.6	-0.2	7.8	7.4	5.2	-0.02	-0.48	0.41	0.00	-0.1						
Owned outright	0.8	1.0	0.3	5.1	6.4	1.3	15.5	16.4	11.9	0.20	-0.18	0.23	0.01	0.3						
Other	0.1	0.1	0.0	0.4	0.4	-0.1	17.7	22.7	17.3	-0.01	0.00	0.02	0.00	0.0						
<b>Total</b>	4.9	4.9	0.0	33.4	34.3	0.9	14.7	14.3	9.5	0.14	-1.74	1.60	0.00	0.0						
<b>Pensioners</b>																				
<b>Tenure</b>																				
Local Authority	0.3	0.3	-0.1	2.2	1.6	-0.6	15.2	15.5	6.5	-0.09	-0.20	0.20	0.00	-0.1						
Housing Association	0.1	0.1	0.0	0.5	0.7	0.1	17.3	10.8	5.7	0.03	-0.06	0.03	-0.01	0.0						
Private rented	0.1	0.0	0.0	0.3	0.2	-0.1	19.0	16.3	10.2	-0.02	-0.03	0.02	0.00	0.0						
Owned with mortgage	0.1	0.1	0.0	0.9	0.8	-0.1	13.4	16.9	9.0	-0.01	-0.04	0.07	0.00	0.0						
Owned outright	1.4	1.6	0.1	5.9	6.5	0.7	24.6	24.1	13.6	0.16	-0.65	0.61	0.00	0.1						
Other	0.1	0.1	0.0	0.2	0.2	0.0	38.2	34.1	22.0	0.00	-0.03	0.02	0.00	0.0						
<b>Total</b>	2.1	2.1	0.0	10.0	10.0	0.0	21.2	21.2	11.6	0.00	-0.96	0.96	0.00	0.0						

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

Table 5.5 (AHC): Individuals below 60 per cent of contemporary median income, by tenure type

	Number falling below threshold						Risk of falling below threshold						Changes explained by							
	1996/7			2002/03			1996/7			2002/03			2002/03a			Absolute				
	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	1996/7	2002/03	change	Size	Risk	Threshold	Interaction	Total
<b>Children</b>																				
<b>Tenure</b>																				
Local Authority	1.9	1.3	-0.6	2.9	2.1	-0.8	64.9	60.0	34.4	34.4	60.0	34.4	64.9	60.0	34.4	-0.52	-0.89	0.74	0.04	-0.6
Housing Association	0.5	0.6	0.1	0.7	1.0	0.3	66.2	59.0	32.0	32.0	59.0	32.0	66.2	59.0	32.0	0.18	-0.24	0.19	-0.02	0.1
Private rented	0.5	0.5	0.0	0.8	0.9	0.1	58.7	53.3	36.9	36.9	53.3	36.9	58.7	53.3	36.9	0.06	-0.17	0.13	-0.01	0.0
Owned with mortgage	1.3	1.0	-0.3	7.6	7.6	0.1	17.3	13.8	9.2	9.2	13.8	9.2	17.3	13.8	9.2	0.01	-0.61	0.35	0.00	-0.3
Owned outright	0.2	0.2	0.1	0.7	1.0	0.3	25.5	23.3	12.7	12.7	23.3	12.7	25.5	23.3	12.7	0.09	-0.09	0.07	-0.01	0.1
Other	0.0	0.0	0.0	0.2	0.1	-0.1	24.2	22.7	18.5	18.5	22.7	18.5	24.2	22.7	18.5	-0.01	-0.01	0.01	0.00	0.0
<b>Total</b>	4.3	3.6	-0.7	12.8	12.7	-0.1	33.9	28.5	17.4	17.4	28.5	17.4	33.9	28.5	17.4	-0.03	-2.10	1.42	0.01	-0.7
<b>Working-age adults</b>																				
<b>Tenure</b>																				
Local Authority	2.3	1.9	-0.5	4.8	3.8	-1.0	48.7	48.7	32.9	32.9	48.7	32.9	48.7	48.7	32.9	-0.48	-0.76	0.76	0.00	-0.5
Housing Association	0.6	0.8	0.2	1.1	1.6	0.5	49.3	48.9	32.6	32.6	48.9	32.6	49.3	48.9	32.6	0.24	-0.19	0.18	0.00	0.2
Private rented	1.4	1.3	0.0	3.1	3.5	0.4	43.9	37.7	27.6	27.6	37.7	27.6	43.9	37.7	27.6	0.19	-0.51	0.32	-0.03	0.0
Owned with mortgage	1.9	1.7	-0.1	18.8	18.6	-0.2	9.9	9.4	6.5	6.5	9.4	6.5	9.9	9.4	6.5	-0.02	-0.65	0.54	0.00	-0.1
Owned outright	0.7	0.9	0.2	5.1	6.4	1.3	13.0	13.9	8.8	8.8	13.9	8.8	13.0	13.9	8.8	0.17	-0.21	0.26	0.01	0.2
Other	0.1	0.1	0.0	0.4	0.4	-0.1	14.2	19.3	11.7	11.7	19.3	11.7	14.2	19.3	11.7	-0.01	-0.01	0.03	0.00	0.0
<b>Total</b>	6.8	6.7	-0.2	33.4	34.3	0.9	20.5	19.4	13.3	13.3	19.4	13.3	20.5	19.4	13.3	0.19	-2.41	2.05	-0.01	-0.2
<b>Pensioners</b>																				
<b>Tenure</b>																				
Local Authority	1.0	0.5	-0.5	2.2	1.6	-0.6	46.7	33.5	13.5	13.5	33.5	13.5	46.7	33.5	13.5	-0.29	-0.75	0.45	0.08	-0.5
Housing Association	0.3	0.2	-0.1	0.5	0.7	0.1	54.6	34.3	13.7	13.7	34.3	13.7	54.6	34.3	13.7	0.08	-0.21	0.10	-0.03	-0.1
Private rented	0.2	0.1	-0.1	0.3	0.2	-0.1	52.6	44.7	24.8	24.8	44.7	24.8	52.6	44.7	24.8	-0.05	-0.09	0.06	0.01	-0.1
Owned with mortgage	0.1	0.1	0.0	0.9	0.8	-0.1	13.7	17.6	9.7	9.7	17.6	9.7	13.7	17.6	9.7	-0.01	-0.04	0.07	0.00	0.0
Owned outright	1.0	1.1	0.1	5.9	6.5	0.7	17.7	16.8	7.3	7.3	16.8	7.3	17.7	16.8	7.3	0.12	-0.61	0.56	-0.01	0.1
Other	0.0	0.0	0.0	0.2	0.2	0.0	23.5	22.5	9.3	9.3	22.5	9.3	23.5	22.5	9.3	0.00	-0.02	0.02	0.00	0.0
<b>Total</b>	2.7	2.2	-0.5	10.0	10.0	0.0	26.9	21.4	9.4	9.4	21.4	9.4	26.9	21.4	9.4	0.00	-1.76	1.21	0.00	-0.5

**Notes:**

1. Totals may not equal the sum of the components due to rounding.
2. Results for risk are presented to one decimal place solely to facilitate decomposition of changes over time. They should not be regarded as accurate to this degree.
3. The column headed '2002/03 a' contains the numbers below the 1996/7 threshold held constant in real terms

