



Information paper

The 2011 Census: Assessment of initial user requirements on content for England and Wales

-Income

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1. Summary

In May 2005 ONS published a consultation document 'The 2011 Census: Initial view on content for England and Wales'. Responses were received from nearly 500 users, presenting arguments for the inclusion of around 70 topics (over 2,000 'topic responses').

Each topic was evaluated using the criteria detailed in the consultation document and a scoring system based on the criteria was used to rank the topics according to the strength of user requirement.

This paper provides a summary of the user requirements, and the score given, for the following topic:

- Income

2. Income: Total score = 70

2.1 Introduction

In the ONS consultation document published in May 2005, the topic of income was placed in category 2, meaning that ONS believed further work was required before a decision could be made on whether to include this topic in the 2011 Census.

There were over 115 responses received commenting on the subject of income from a variety of central government, local authority and other data users.

2.2 User Need: Score=8

A wide range of potential uses of information on income have been identified from across the Census user community.

The key requirement for this data is to gain a better measure of deprivation and to identify the causes of poverty. Information on deprivation is very important for resource allocation. The Office of the Deputy Prime Minister (ODPM) stated that "*Census information on income would enable us to carry out small area analysis and better target our resources on the most deprived communities*". Information on income would also be used for resource allocation by local government, and from public and voluntary sector organisations.

Income data is needed so that the factors associated with poverty, and the differentials that exist between different sectors of the community, can be understood in detail, in order to put into place the most effective interventions to ensure prosperity for all citizens. The Department for Work and Pensions (DWP) stated that their "*responsibility for tackling poverty means that sound information on income would be invaluable in assessing areas in need of help and in checking perceived estimates of 'poor' areas*".

Income data would also be used to develop, implement and monitor a whole range of local policies, which may be led by local authorities or regional development agencies. It would support local economic regeneration strategies, and other policies such as Sure Start, Private Sector Housing Renewal Strategy, Physical Regeneration Strategy, Neighbourhood Renewal Strategies, and Housing Market Renewal Pathfinders.

Household income is a key determinant of health in defined populations and geographical areas. Census income data would help to identify the extent to which income influences inequalities in health. The Department of Health stated that "*small area analysis of household income would enable health and social care*

interventions to be targeted at those most in need and would support delivery of the public health agenda set out in 'Choosing Health'.

The inclusion of a question on income in the Census could also provide valuable information regarding affordability of services and housing. Income is one component of affordability ratios that are used in housing assessments at all levels of government. Local authorities have a responsibility to plan and monitor housing provision and to meet housing and affordability targets. North Dorset District Council said that *"income information will help in determining what people can afford to pay for housing and so make affordable housing provision easier to manage"*.

Data on income could be combined with data on central heating to support analysis of fuel poverty – defined as the need to spend more than 10 per cent of your income on energy in order to maintain a satisfactory standard of heating. The eradication of fuel poverty is part of the DTI Public Service Agreement Target 4 and underpins one of the four goals of the Energy White Paper.

Household income is a key indicator of a household's propensity or potential to travel by car. The correlations between income, car ownership, and mode of travel to work could be used to predict what future car ownership and travel patterns would be. This information would be used by the Department of Transport for transport modelling and accessibility planning, and also by local authorities, transport consultants, and academics for similar purposes.

The Equal Opportunities Commission support the collection of income data and said that *"information is needed on both household income and individual income in order to compare the incomes of people in each of the equality groups and to carry out further research into certain groups, such as those with very low income"*.

Income is also a good indicator of social exclusion and the data could be used to evaluate social exclusion on a range of indicators such as poor housing conditions and poor educational outcomes. This information is useful for identifying which groups are the most income disadvantaged and advantaged, and for planning resources to aid these groups.

With an ageing population, income data for economically inactive people is becoming increasingly important. Analysis of the income levels of older residents would enable users to determine the true impact an ageing population will have on social care resources. Help the Aged said that *"this information is vital for the targeting of our efforts to help combat poverty and deprivation amongst older people, which is a major part of our work"*.

The Archbishops' Council said that *"income data would enable research into the ability to support ministry and churches to be carried out"*.

A number of business users also support the inclusion of an income question in the 2011 Census. The information is needed to estimate local market sizes, to code customer databases, to plan market research, and to analyse, segment and target different markets. The Market Research Society stated that *"income continues to be a primary driver of consumer purchasing behaviour across all products and services available to people and households"*. Information on income is needed across its full distribution to satisfy the requirements of these users.

A number of other responses also expressed an interest in measuring the full income distribution rather than just focusing on the lower end. The information

could then also be used to measure affluence and to identify areas of prosperity, as this is something that is not usually focused upon in many studies.

2.3 Small Geographies and Populations: Score=8

Information on income would be required for small geographies to identify small pockets of income deprivation which can often be disguised at higher geographies, and to support neighbourhood renewal interventions and other local policy initiatives. Users suggest that information would be required at Super Output Area level to achieve this.

A question on income would need to identify small population groups as income can vary significantly across minority groups, such as certain ethnic, religious or disability groups.

2.4 Alternative Sources: Score=4

There are a number of alternative sources of income data that go some way to meeting user requirements, including modelled income estimates, the Index of Deprivation, Households Below Average Income, and DWP/Inland Revenue data. However, these sources do not fully satisfy user requirements. The data are not available for a small enough level of geography and cannot be cross-classified with other Census variables.

Blackburn with Darwen Borough Council stated that *"although modelled data are useful, these are derived from a number of sources and are not 'actual' results. Modelled data also cannot be cross-tabulated with other Census variables"*.

2.5 Multivariate Analysis: Score=10

Information on income would be analysed with almost all other Census variables to achieve the uses outlined in the User Need section of this document. Analyses with employment, education, housing, and health status are of particular interest. ODPM said that cross-classification with other Census variables would *"help us to understand the impact of low income on key outcomes such as housing, health and education"*.

It was suggested that multivariate analysis would not only enable service providers to better target and adapt services to meet the needs of users, but it would also enable the findings of vast amounts of previous work, which has had to make use of income proxies, to be re-examined.

2.6 UK Comparability: Score=8

Almost all users who responded to the consultation state that income information is required for the whole of the UK. This is essential for national policy formation and would allow the data to be analysed nationally in a consistent and comparable manner.

2.7 Continuity: Score=0

A question on income has not been included in any previous Census in the UK, although a question was tested in both the 1997 Census Test and the 1999 Census Rehearsal.

2.8 Conclusion

The consultation responses identified a number of different uses for data on income from a variety of respondents. Of these uses, measuring deprivation and poverty is the most common reason that respondents cited for requiring the information. Many users, including those from central government, also suggested that income data could be used to aid resource allocation.

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The majority of users requested that the data should be available at small levels of geography and this should be Super Output Area level if all users are to be satisfied. A number of alternative sources were identified, however these do not fully satisfy user requirements. A very strong case was made for using income data for multivariate analysis, and it is clear that income data is required across the UK for consistency and comparability reasons. No question about income has been asked in previous UK Censuses.

There is a clear user requirement for this information at detailed levels of geography. Work is currently underway to establish whether questions can be developed to accurately collect income information in a manner that satisfies the user requirement that has been identified. Therefore, the topic of income remains in category 2.