

# **FINAL QUALITY REPORT**

**EU-SILC-2008**

**Iceland**

## Table of Contents

1. COMMON LONGITUDINAL EUROPEAN UNION INDICATORS BASED ON THE LONGITUDINAL COMPONENT OF EU-SILC .....	4
2. Accuracy.....	4
2.1. Sample design .....	4
2.1.1 Type of sampling.....	4
2.1.2 Sampling units.....	4
2.1.3 Stratification and sub-stratification criteria.....	4
2.1.4 Sample size and allocation criteria.....	4
2.1.5 Sample selection schemes .....	4
2.1.6 Sample distribution over time .....	4
2.1.7 Renewal of sample: Rotational groups.....	5
2.1.8. Weighting .....	5
2.1.8.1 Design factor .....	5
2.1.8.2 Nonresponse adjustments .....	5
2.1.8.3 Adjustments to external data.....	6
2.1.8.4 Final longitudinal weights.....	6
2.1.8.5 Longitudinal nonresponse, wave attrition between 2004 and 2005 .....	6
2.1.8.6 Adjustments to external data.....	6
2.1.8.7 Final longitudinal weights.....	6
2.1.8.8. Final cross sectional weight .....	6
2.1.9 Substitutions .....	6
2.2 Sampling errors .....	6
2.2.1. Standard errors and effective sample size .....	6
2.3 Nonsampling errors .....	12
2.3.1 Sampling frame and coverage errors.....	12
2.3.2 Measurement and processing errors .....	12
2.3.2.1 Design errors .....	12
Longitudinal variables.....	13
2.3.2.2. Interviewer and processing errors .....	14
2.3.3. Nonresponse errors.....	14
2.3.3.1 Achieved sample size .....	14
2.3.3.2.A. Unit nonresponse.....	16
2.3.3.3 Distribution of households .....	25
Table 2.3.3.4.A. Distribution of persons for membership status (RB110) .....	25
2.3.3.5. Item nonresponse.....	26
2.4. Mode of data collection.....	30
2.5. Imputation procedure .....	31
2.6. Imputed rent .....	31
2.7 Company cars.....	32
3. Comparability.....	32
3.1. Basic concepts and definitions .....	32
3.2. Components of income.....	33
3.2.1 Differences between the national definitions and standard EU-SILC definitions, and an assessment of the consequences of the differences mentioned will be reported for the following target variables.....	33
3.2.2. The source or procedure used for the collection of income variables.....	36
3.2.3. The form in which income variables at component level have been obtained .....	36
3.2.4. The method used for obtaining income target variables in the required form (i.e. as gross values).....	36
3.3 Tracing rules.....	36
4. Coherence.....	36

4.1. Comparison of income target variables and number of persons who receive income from each 'income component', with external sources .....	36
5. Index.....	37

# **1. COMMON LONGITUDINAL EUROPEAN UNION INDICATORS BASED ON THE LONGITUDINAL COMPONENT OF EU-SILC**

Iceland does not have access to SAS software and has not been able to calculate the longitudinal indicators.

## **2. Accuracy**

### **2.1. *Sample design***

#### **2.1.1 Type of sampling**

There were four even one-stage simple random samples without stratification used for the 2008 EU-SILC in Iceland.

#### **2.1.2 Sampling units**

The sampling units are persons aged 16 years or more living in private households, selected from the Icelandic population register.

#### **2.1.3 Stratification and sub-stratification criteria**

The sample is post stratified, see 2.8.

#### **2.1.4 Sample size and allocation criteria**

The gross sample size was 4,029 persons, set to meet demands for minimum effective sample size of both the cross-sectional and the longitudinal components.

#### **2.1.5 Sample selection schemes**

The sample plan for EU-SILC is a simple random sample in one step, and no upper age limit.

#### **2.1.6 Sample distribution over time**

The sample is a rotating panel sample of approximately 4,000 individuals selected by simple random sampling from the national register in the end of the year 2003. The sample is divided into four rotation groups of approximately 1,000 individuals, each of which is replaced by another 1,000 participants every successive year.

## 2.1.7 Renewal of sample: Rotational groups

The households of the selected respondents are the household units. Each person (and respective household) drawn remains in the sample for four years and rotates as shown in table 2.1.

**Table 2.1 Rotation of waves in the Icelandic SILC survey**

Year t		t+1		t+2		t+3	
Wave number	Number in sample	Wave number	Number in sample	Wave number	Number in sample	Wave number	Number in sample
1	1.000	1	1.000	1	1.000	1	1.000
2	1.000	2	1.000	2	1.000	2	1.000
3	1.000	3	1.000	3	1.000	3	1.000
4	1.000	4	1.000	4	1.000	4	1.000

Notes:

	Those drawn new in sample year t
	Those drawn new in sample year t-1
	Those drawn new in sample year t-2
	Those drawn new in sample year t-3
	Those drawn new in sample year t+1
	Those drawn new in sample year t+2
	Those drawn new in sample year t+3

Persons 16 years of age are added to the sample every year in order to make up for the aging of the sample. Those who are 16 years old in 2003 will be 20 years old in 2007 and therefore there is need to add 16 year old persons to the sample every year. The gross number in the sample increases with those supplements.

## 2.1.8. Weighting

### 2.1.8.1 Design factor

The probability of a household being selected is equal to the number of persons aged 16 and older in the household. The weight for households and for all adult household members is the inverse of the number of adult household members as calculated in **DB080**, the household design weight:

$$DB080 = \frac{1}{n16+}$$

Where

n16+ = number of persons age 16+ in the respondents households

### 2.1.8.2 Nonresponse adjustments

Post stratification weights are used to adjust the data to the population. The information on the population comes from the national register. The weights both adjust for nonresponse and

sampling error. The post stratification weights are based on age (14 groups total, 12 groups for 16 and older and 2 groups below 16), sex and residence (2 groups).

### **2.1.8.3 Adjustments to external data**

Results are only calibrated with numbers from the national register as described above. Further description of those adjustments can be seen in intermediate report for 2008 and in other older reports.

### **2.1.8.4 Final longitudinal weights**

Longitudinal weights are done using the same methods as cross sectional weights except the base is the wave of entrance into the survey and not the survey year as is the case in the cross sectional component. Since the base of the longitudinal weight is approximately  $\frac{1}{4}$  of the cross sectional weight the average longitudinal weight produced was approximately 4 times larger than the cross sectional weight for the same individual.

### **2.1.8.5 Longitudinal nonresponse, wave attrition between 2004 and 2005**

No measures were taken to counter attrition between waves in the 2005-2008 longitudinal data. The reason is failed attempts to do so for the 2004-2005 longitudinal surveys. The final quality report for 2007 describes those attempts.

### **2.1.8.6 Adjustments to external data**

The national register is used to adjust the cross sectional weights taking into account the age, sex and area of residence. This process is described in sections 2.1.8.2 and 2.1.8.3. Considerable work was put into adjusting wave attrition to different variables in the survey as described in the final report for 2007. These attempts produced no relation of attrition to survey variables, including variables received from the national register.

### **2.1.8.7 Final longitudinal weights**

See 2.1.8.4 and 2.1.8.5.

### **2.1.8.8. Final cross sectional weight**

See 2.1.8.3.

## **2.1.9 Substitutions**

No substitutions were applied.

## **2.2 Sampling errors**

### **2.2.1. Standard errors and effective sample size**

There were 4.029 households in the 2008 sample. During the field period, 90 of these proved to be non-eligible (either deceased, living in institutions or emigrated), thus giving a net sample of 3939 households. Interviews were completed for 2.887 of them.



**Table 2.2.1.A The mean, the total number of observations and the standard errors for the following income components (unweighted data) by wave for the year 2008**

Wave	Variable	Mean	Before imp	After imp	SE mean
1	HY010	10.016.369	1.855	1.855	146.869
1	HY020	7.272.663	1.855	1.855	103.462
1	HY022	6.909.270	1.855	1.855	105.256
1	HY023	6.419.497	1.855	1.855	109.919
1	HY040G	813.217	1.855	1.855	82.596
1	HY090G	880.621	1.855	1.855	68.313
1	HY050G	333.726	1.855	1.855	17.844
1	HY060G	251.664	1.855	1.855	43.074
1	HY070G	174.503	1.855	1.855	3.646
1	HY080G	482.057	1.855	1.833	25.680
1	HY081G	453.514	1.855	1.833	20.946
1	HY100G	592.952	1.855	1.855	11.020
1	HY110G	163.404	1.855	1.855	12.095
1	HY120G	86.819	1.855	1.855	752
1	HY130G	407.421	1.855	1.828	16.741
1	HY131G	445.259	1.855	1.828	15.751
1	HY140G	2.604.221	1.855	1.855	46.547
1	PY010G	3.416.769	1.855	1.855	74.496
1	PY020G	168.044	1.855	1.817	9.145
1	PY021G	499.811	1.855	1.832	30.634
1	PY050G	1.177.493	1.855	1.855	113.115
1	PY090G	350.809	1.855	1.855	52.544
1	PY100G	1.871.125	1.855	1.855	78.545
1	PY110G	578.658	1.855	1.855	122.889
1	PY120G	2.660.417	1.855	1.855	.
1	PY130G	1.369.278	1.855	1.855	128.734
1	PY140G	212.249	1.855	1.855	54.155
2	HY010	9.727.051	1.608	1.608	156.857
2	HY020	7.098.552	1.608	1.608	116.313
2	HY022	6.731.171	1.608	1.608	117.604
2	HY023	6.188.851	1.608	1.608	121.524
2	HY040G	542.647	1.608	1.608	43.543
2	HY090G	902.205	1.608	1.608	102.895
2	HY050G	262.121	1.608	1.608	14.474
2	HY060G	269.783	1.608	1.608	43.613
2	HY070G	188.236	1.608	1.608	20.750
2	HY080G	439.032	1.608	1.584	18.465
2	HY081G	426.783	1.608	1.584	17.759
2	HY100G	626.585	1.608	1.608	11.825
2	HY110G	168.248	1.608	1.608	21.817
2	HY120G	85.358	1.608	1.608	852
2	HY130G	343.586	1.608	1.592	13.829
2	HY131G	381.224	1.608	1.592	12.036



2	HY140G	2.505.865	1.608	1.608	47.409
2	PY010G	3.394.327	1.608	1.608	82.893
2	PY020G	184.935	1.608	1.585	11.360
2	PY021G	472.362	1.608	1.590	34.080
2	PY050G	1.129.173	1.608	1.608	113.672
2	PY090G	412.968	1.608	1.608	84.520
2	PY100G	1.659.705	1.608	1.608	63.918
2	PY110G	740.395	1.608	1.608	259.462
2	PY120G	25.841	1.608	1.608	14.732
2	PY130G	1.308.609	1.608	1.608	113.850
2	PY140G	874.164	1.608	1.608	744.410
3	HY010	10.247.436	1.542	1.542	210.428
3	HY020	7.456.228	1.542	1.542	158.261
3	HY022	7.124.031	1.542	1.542	160.782
3	HY023	6.517.141	1.542	1.542	163.666
3	HY040G	674.191	1.542	1.542	49.536
3	HY090G	1.265.204	1.542	1.542	165.839
3	HY050G	322.014	1.542	1.542	19.393
3	HY060G	354.220	1.542	1.542	56.043
3	HY070G	173.736	1.542	1.542	4.561
3	HY080G	394.310	1.542	1.531	17.017
3	HY081G	397.091	1.542	1.531	16.945
3	HY100G	656.225	1.542	1.542	15.156
3	HY110G	121.763	1.542	1.542	11.285
3	HY120G	85.241	1.542	1.542	854
3	HY130G	348.639	1.542	1.522	17.362
3	HY131G	420.708	1.542	1.522	17.139
3	HY140G	2.665.538	1.542	1.542	63.321
3	PY010G	3.563.840	1.542	1.542	112.358
3	PY020G	249.086	1.542	1.518	78.815
3	PY021G	559.551	1.542	1.530	42.317
3	PY050G	1.267.544	1.542	1.542	133.685
3	PY090G	444.376	1.542	1.542	86.388
3	PY100G	1.889.558	1.542	1.542	91.968
3	PY110G	905.854	1.542	1.542	341.241
3	PY120G	26.892	1.542	1.542	.
3	PY130G	1.076.707	1.542	1.542	80.172
3	PY140G	167.319	1.542	1.542	33.676
4	HY010	9.789.765	1.613	1.613	195.000
4	HY020	7.203.033	1.613	1.613	158.169
4	HY022	6.753.695	1.613	1.613	160.583
4	HY023	6.278.196	1.613	1.613	165.677
4	HY040G	845.019	1.613	1.613	105.939
4	HY090G	1.265.614	1.613	1.613	199.313
4	HY050G	326.790	1.613	1.613	15.903
4	HY060G	330.317	1.613	1.613	57.238
4	HY070G	179.214	1.613	1.613	4.414
4	HY080G	413.421	1.613	1.591	14.252
4	HY081G	429.769	1.613	1.591	14.853

4	HY100G	634.503	1.613	1.613	12.942
4	HY110G	162.835	1.613	1.613	13.737
4	HY120G	85.995	1.613	1.613	877
4	HY130G	379.898	1.613	1.598	14.486
4	HY131G	402.946	1.613	1.598	11.679
4	HY140G	2.450.578	1.613	1.613	47.650
4	PY010G	3.277.011	1.613	1.613	78.922
4	PY020G	174.306	1.613	1.587	9.926
4	PY021G	424.440	1.613	1.599	32.063
4	PY050G	1.326.535	1.613	1.613	168.920
4	PY090G	289.712	1.613	1.613	66.915
4	PY100G	1.738.738	1.613	1.613	71.293
4	PY110G	732.258	1.613	1.613	143.318
4	PY120G	2.435.235	1.613	1.613	.
4	PY130G	1.471.421	1.613	1.613	112.423
4	PY140G	257.734	1.613	1.613	94.191

**Table 2.2.1.B The mean, the number of observations and the standard error for the equivalised disposable income breakdown by sex, age groups and household size (unweighted data) in 2008 by wave**

Wave	Variable	Mean	Count	Valid N	SE Mean
1	1 hh member	2.455.869	118	118	122.765
1	2 hh members	3.588.776	405	405	100.395
1	3 hh members	3.422.382	398	398	79.967
1	4+ hh members	3.414.156	934	934	59.614
1	<25 years	3.272.954	428	428	90.875
1	25-34 years	3.146.496	278	278	85.685
1	35-44 years	3.279.725	334	334	81.115
1	45-54 years	3.637.764	383	383	104.132
1	55-64 years	4.006.066	235	235	130.458
1	65+ years	2.987.352	197	197	123.044
1	Male	3.438.755	933	933	61.472
1	Female	3.346.874	922	922	57.368
2	1 hh member	2.482.994	100	100	164.648
2	2 hh members	3.594.413	405	405	164.114
2	3 hh members	3.500.428	370	370	75.543
2	4+ hh members	3.390.868	733	733	62.992
2	<25 years	3.282.857	324	324	82.760
2	25-34 years	3.249.996	258	258	102.422
2	35-44 years	3.265.970	300	300	113.099
2	45-54 years	3.636.970	295	295	98.769
2	55-64 years	3.992.317	214	214	156.879
2	65+ years	3.112.917	217	217	254.410
2	Male	3.460.376	821	821	77.361
2	Female	3.359.253	787	787	76.850
3	1 hh member	2.448.345	94	94	147.623
3	2 hh members	3.631.705	414	414	101.040
3	3 hh members	3.604.868	365	365	111.112
3	4+ hh members	3.781.453	669	669	129.533
3	<25 years	3.645.749	294	294	167.400
3	25-34 years	3.435.296	266	266	150.652
3	35-44 years	3.608.795	234	234	270.827
3	45-54 years	3.859.152	331	331	113.341
3	55-64 years	4.040.215	223	223	148.874
3	65+ years	2.942.243	194	194	121.350
3	Male	3.624.109	790	790	89.333
3	Female	3.611.959	752	752	105.174
4	1 hh member	2.726.737	110	109	162.529
4	2 hh members	3.384.741	390	390	98.576
4	3 hh members	3.965.327	332	332	267.762
4	4+ hh members	3.324.258	781	781	83.238

4	<25 years	3.473.354	345	345	177.286
4	25-34 years	2.836.088	260	260	75.898
4	35-44 years	3.444.573	292	291	207.019
4	45-54 years	3.830.719	315	315	183.521
4	55-64 years	3.992.413	205	205	229.900
4	65+ years	2.891.915	196	196	114.645
4	Male	3.454.112	808	807	98.824
4	Female	3.406.868	805	805	109.003

As we do not have resources take the design of the survey and the calibration into account in the calculation of standard error, simple random sample is assumed

## 2.3 Nonsampling errors

Errors other than sampling errors can be placed in three categories: coverage errors, nonresponse errors and measurement errors.

### 2.3.1 Sampling frame and coverage errors

The sampling frame is the population register of Iceland in the end of the year 2007. Eligible for the sample were all persons 16 and older who were living in Iceland according to the register. Those registered at institutions were excluded from the sample.

The national register is updated continuously. However, it does not always contain correct information on changing of residence. People may move abroad or to an institution without giving that information to the national register. Therefore the national register over represents young people who tend to go abroad for their studies and older people who sometimes maintain a private address in spite of living in an institution.

This is adjusted for with information received during the data collection process. For instance if it turns out that 5% of 25-29 years old females from the capital area are living abroad in spite of being in the register then the population frame is adjusted to these information and the relevant group is decreased by 5%. These adjustments are made before calculating the post stratification weights.

Under coverage of foreign citizens who live in Iceland is possible but it can be hard to assess. However it is likely that most foreign citizens who live here are working legally and are therefore in the national register. The fact that Iceland is an island makes it hard for foreigners to enter and stay in the country without being registered.

### 2.3.2 Measurement and processing errors

Errors of this kind can be classified into three categories: Design errors, interviewer errors and processing errors.

#### 2.3.2.1 Design errors

The questionnaire may be the cause of measurement errors. The phrasing of questions can cause misunderstanding as can the ordering of questions affect responses. The work of designing the survey electronically in Blaise also leaves room for errors.

Here are some comments on those variables and other cases where there might be deviations from Eurostat standards.

The design errors are discussed in the intermediate report for 2008.

## **Longitudinal variables**

### **R-section**

RB140: Iceland has had problems with questions about former household members. None of these questions was included until 2007. In 2007 attempts were made to fix this but problems still remained since for those cases when the „selected respondent“ moved from one household to another there was confusion and information was not gathered. Therefore for a certain percentage of households we are missing information for these variables. This was only fixed for the 2010 survey.

RB150: Same as RB140

RB160: Same as RB140

RB170: Same as RB140.

RB180: Same problem as RB140.

RB190: Same problem as RB190

### **H-section**

HB100: We only have the total interview length for the years 2004-2006. The length of separate parts of the survey was first collected in 2007.

HS130: There is a high percentage of DK answers. A follow up question was added to the questionnaire in 2007 resulting in lower percentage of missing data. People seem to have a problem with answering this question and we have not been able to get a higher response rate.

HH061: Same as for HS130: Follow up question was included in 2007 resulting in lower item missing data. Hard to see what else can be done since people are unwilling to give the information.

HH081: There is a very low percentage in Iceland without a bath or a shower in the dwelling. We did not have the information for HH081 until the 2010 survey. Instead we use HH080.

### **P-section**

PL160: Before 2008 those who entered the survey for the first time were not asked this question. It was only for 2nd, 3rd and 4th wave that they were asked. For 2007 there was also a programming error resulting in more people missing the question. This was fixed before the 2008 survey.

PL170: For the year 2007 these are just missing values because the respondent did not want to give an answer or could not answer the question. For the year 2008 a syntax error was fixed and the data should be ok now.

PL190: We only started collecting this information in 2007.

PL200: The question was first asked in 2007.

PL210A-L

The data was first collected by month for 2007. Before that we only have the number of months over the year as is collected for the cross sectional data set.

PY031G: We have no information for this variable.

## 2.3.2.2. Interviewer and processing errors

We refer to the 2007 final quality report for interviewer and processing errors. No changes were made between 2007 and 2008 that should affect them.

## 2.3.3. Nonresponse errors

In general, males are more difficult to reach than females and young people are harder to reach than older people. People living in the capital region are more often absent from home than people elsewhere in Iceland.

Refusals to participate in the survey are more prevalent among inhabitants of the capital city region and older persons. In contrast, women, people outside the capital city region and young people are less likely to refuse to participate.

To counter bias, the results were weighted by sex, age and residence.

### 2.3.3.1 Achieved sample size

Year	Wave	Sel. Resp	Pers 16+	All_hh_members
2005	Wave 1	719	1.645	2.216
2005	Wave 2	719	1.679	2.216
2005	Wave 3	739	1.671	2.202
2005	Wave 4	751	1.675	2.206
2005	Total	2.928	6.670	8.840
2006	Wave 1	685	1.590	2.061
2006	Wave 2	705	1.610	2.152
2006	Wave 3	713	1.645	2.176
2006	Wave 4	742	1.676	2.209
2006	Total	2.845	6.521	8.598
2007	Wave 1	705	1.636	2.132
2007	Wave 2	704	1.600	2.068
2007	Wave 3	715	1.630	2.191
2007	Wave 4	748	1.701	2.264
2007	Total	2.872	6.567	8.655
2008	Wave 1	794	1.855	2.432
2008	Wave 2	707	1.608	2.099
2008	Wave 3	678	1.542	1.986
2008	Wave 4	708	1.613	2.127
2008	Total	2.887	6.618	8.644

This table is based on the cross sectional files, including all the sample for each wave.

Table 2.4.A shows a table broken down by RB250 and RB100 (selected, not selected), by rotational group.

## 2.3.3.2.A. Unit nonresponse

### Household nonresponse rates (NRh)

$$NRh = (1 - Ra * Rh) * 100$$

Where

$$Ra = \frac{\text{Number of addresses successfully contacted}}{\text{Number of valid addresses selected}}$$

$$Ra = \frac{\sum (DB120 = 11)}{\sum (DB120 = all) - \sum (DB120 = 23)} = \frac{3939}{4029 - 90} = 1$$

$$Rh = \frac{\text{Number of household interviews completed and accepted for database}}{\text{Number of valid addresses selected}}$$

$$Rh = \frac{\sum (DB130 = 1)}{\sum (DB130 = all)} = \frac{2887}{3939} = 0.7329$$

$$NRh = (1 - 0.7329) * 100 = 26.71$$

### Individual nonresponse rates (NRp)

$$NRp = (1 - (Rp)) * 100$$

Where

$$Rp = \frac{\text{Number of personal interviews completed}}{\text{Number of eligible individuals in households where interviews were completed and accepted for database}}$$

$$Rp = \frac{6618}{6618} = 1$$

$$NRp = 1 - (1 - (Rp)) * 100 = 1 - (0) * 100 = 100$$

### Overall individual nonresponse rates (\*NRp)

$$*NRp = (1 - (Ra * Rh * Rp)) * 100 = (1 - (1 * 0.2671 * 1)) * 100 = 73.29$$

## 2.3.3.2.B Unit nonresponse by rotational group

	Group 1	Group 2	Group 3
Ra	1,00	1,00	1,00
Rh	0,76	0,73	0,71
NRh	0,24	0,27	0,29
Rp	1,00	1,00	1,00
NRp	0,24	0,27	0,29



**Ra- Proportion of addresses contacted**

**Rh – Proportion of complete household interviews accepted for database**

**NRh – Household nonresponse rate**

**Rp-Proportion of complete personal interview within the households accepted for data base**

**NRp – Individual nonresponse rate**

For the longitudinal tables it should be noted that there are no split off households (no DB110 = 8) since only selected respondents are followed and whoever are living with them are surveyed. Given the Icelandic design, the only way for a new household to enter the survey in a wave other than the first wave is with a selected respondent who is younger than 16 years in the first wave he or she enters the survey.

### **2.3.3.2.C Longitudinal tables for calculation of nonresponse**

#### **Household response rates: Comparison of result codes between wave 2 and wave 1**

##### **2.3.3.2.C Wave 1 and 2 Group 1**

Group 1		DB135=1	DB130=21	DB130=22	DB130=23	DB120=23	DB110=3_7	Total
Wave 1	DB135=1	647	113	52	2	1	0	815
	DB135=2	0	0	0	0	0	0	0
Wave 2	DB110=8	0	0	0	0	0	0	0
	DB110=9	14	1	0	0	0	0	15
	Total	661	114	52	2	1	0	830

##### **2.3.3.2.C Wave 1 and 2 Group 2.**

Group 2		DB135=1	DB130=21	DB130=22	DB130=23	DB120=23	DB110=3_7	Total
Wave 1	DB135=1	619	144	61	7	11	0	842
	DB135=2	0	0	0	0	0	0	0
Wave 2	DB110=8	0	0	0	0	0	0	0
	DB110=9	12	2	1	0	0	0	15
	Total	631	146	62	7	11	0	857

##### **2.3.3.2.C Wave 1 and 2 Group 3.**

Group 3		DB135=1	DB130=21	DB130=22	DB130=23	DB120=23	DB110=3_7	Total
Wave 1	DB135=1	688	153	65	13	19	0	938
	DB135=2	0	0	0	0	0	0	0
Wave 2	DB110=8	0	0	0	0	0	0	0
	DB110=9	0	0	0	0	0	0	0
	Total	688	153	65	13	19	0	938

### Wave response rates. Percentages

	Wave resp.rate	Refusal rate	No contact	Total
Group 1	79,64	13,73	6,63	100
Group 2	73,63	17,04	9,33	100
Group 3	73,35	16,31	10,34	100

### Longitudinal follow-up rates, follow-up ratio and achieved sample size. Percentages

	Longitudinal follow up rates	Follow up ratio	Achieved sample size ratio
Group 1	81,10	87,73	81,10
Group 2	81,59	83,02	74,94
Group 3	81,66	81,66	73,35

### Household response rates: Comparison of results codes between wave t and wave t-1

#### 2.3.3.2.D: Other waves

##### Group 1

Group 1

Wave 2-3	DB135 = 1	DB130 = 21	DB130=2 2	DB130=2 3	DB120=2 3	DB110=3, 4, 5, 6, 7	Total
1: Wave 1, DB135 = 1	582	44	0	0	0	0	626
2: DB135 = 2	0	0	0	0	0	0	0
4: DB120 = 22	0	0	0	0	0	0	0
6: DB130 = 22	0	0	16	0	0	0	16
8: DB130 = 23	0	0	0	5	0	0	5
10: DB130 = 24	0	0	0	0	0	0	0
11: DB110 = 8	0	0	0	0	0	0	0
12: DB110 = 9	11	0	2	0	0	0	13
	593	44	18	5	0	0	660

#### 2.3.3.2.D Other waves

##### Group 1

Group 1

Wave 3-4	DB135 = 1	DB130 = 21	DB130=2 2	DB130=2 3	DB120=2 3	DB110=3, 4, 5, 6, 7	Total
1: Wave 1, DB135 = 1	572	25	0	0	0	0	597
2: DB135 = 2	0	0	0	0	0	0	0
4: DB120 = 22	0	0	0	0	0	0	0
6: DB130 = 22	0	0	14	0	0	0	14

8: DB130 = 23	0	0	0	6	0	0	6
10: DB130 = 24	0	0	0	0	0	0	0
11: DB110 = 8	0	0	0	0	0	0	0
12: DB110 = 9	0	0	0	0	0	0	0
	572	25	14	6	0	0	617

### 2.3.3.2.D Other waves Group 2

Group 2

Wave 2-3	DB135 = 1	DB130 = 21	DB130=2 2	DB130=2 3	DB120=2 3	DB110=3, 4, 5, 6, 7	Total
1: Wave 1, DB135 =							
1	564	41	0	0	0	0	605
2: DB135 = 2	0	0	0	0	0	0	0
4: DB120 = 22	0	0	0	0	0	0	0
6: DB130 = 22	22	0	0	12	0	0	34
8: DB130 = 23	0	0	0	2	0	0	2
10: DB130 = 24	0	0	0	0	0	0	0
11: DB110 = 8	0	0	0	0	0	0	0
12: DB110 = 9	0	0	0	0	0	0	0
	586	41	0	14	0	0	641

### Wave response rates.

Wave	Refusal	No	
Wave 2-3			
3	resp.rate	rate	contact Total
Group 1	89,85	6,67	3,48 100
Group 2	91,42	6,40	2,18 100

Wave	Refusal	No	
Wave 3-4			
4	resp.rate	rate	contact Total
Group 1	92,71	4,05	3,24 100

### Longitudinal follow-up rates, follow-up ratio and achieved sample size ratio.. Percentages

Wave 1 - 2	Longitudinal follow-up rate	Follow-up ratio	Achieved sample size ratio
Group 1	91,65	89,95	94,73
Group 2	91,42	91,42	96,86

Wave 1 -	Longitudinal follow-up	Follow-up ratio	Achieved sample size ratio
----------	------------------------	-----------------	----------------------------

2	rate			
Group 1		92,71	92,71	95,81

# Longitudinal response rate for persons

## 2.3.3.2.E Personal interview outcome.

### Group 3

Sample persons (RB100=1 and RB245 in ('1', '2', '3) forwarded from last wave

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 3	11, 12, 13	21	23	31	32	33	Total
Wave 1	688	0	0	0	0	0	688
Wave 1 to wave 2	611	0	0	0	0	0	611

Non sample persons

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 3	11, 12, 13	21	23	31	32	33	Total
Wave 1	908	0	0	0	0	0	908
Wave 1 to wave 2	710	0	0	0	0	0	710

Nonsample persons and sample persons

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 3	11, 12, 13	21	23	31	32	33	Total
Wave 1	1596	0	0	0	0	0	1596
Wave 1 to wave 2	1321	0	0	0	0	0	1321

### Groiup 2

Sample persons (RB100=1 and RB245 in ('1', '2', '3) forwarded from last wave

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 2	11, 12, 13	21	23	31	32	33	Total
Wave 2	619	0	0	0	0	0	619
Wave 2 to wave 3	576	0	0	0	0	0	576
Wave 3 to wave 4	527	0	0	0	0	0	527

Non sample persons

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 2	11, 12, 13	21	23	31	32	33	Total
Wave 2	826	0	0	0	0	0	826
Wave 2 to wave 3	695	0	0	0	0	0	695
Wave 3 to wave 4	605	0	0	0	0	0	605

Sample and nonsample persons

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 2	11, 12, 13	21	23	31	32	33	Total
Wave 2	1445	0	0	0	0	0	1445
Wave 2 to wave 3	1271	0	0	0	0	0	1271
Wave 3 to wave 4	1132	0	0	0	0	0	1132

### Group 1

Sample persons (RB100=1 and RB245 in ('1', '2', '3) forwarded from last wave

	RB250	RB250	RB250	RB250	RB250	RB250	
Group 1	11, 12, 13	21	23	31	32	33	Total
Wave 1	647	0	0	0	0	0	647
Wave 1 to wave 2	596	0	0	0	0	0	596

Wave 2 to wave 3	583	0	0	0	0	0	583
Wave 3 to wave 4	547	0	0	0	0	0	547
Non sample persons							
	RB250	RB250	RB250	RB250	RB250	RB250	
Group 1	11, 12, 13	21	23	31	32	33	Total
Wave 1	832	0	0	0	0	0	832
Wave 1 to wave 2	697	0	0	0	0	0	697
Wave 2 to wave 3	677	0	0	0	0	0	677
Wave 3 to wave 4	640	0	0	0	0	0	640
Sample and nonsample persons							
	RB250	RB250	RB250	RB250	RB250	RB250	
Group 1	11, 12, 13	21	23	31	32	33	Total
Wave 1	1479	0	0	0	0	0	1479
Wave 1 to wave 2	1293	0	0	0	0	0	1293
Wave 2 to wave 3	1260	0	0	0	0	0	1260
Wave 3 to wave 4	1187	0	0	0	0	0	1187

### Wave response rate Group 3

Achieved sample size ratio for sample persons

Wave 1 to wave 2 0,89

Achieved sample size ratio for sample and non sample persons

Wave 1 to wave 2 0,78

Achieved sample size ratio for non sample persons

Wave 1 to wave 2 0,83

### Group 2

Achieved sample size ratio for sample persons

Wave 2 to wave 3 0,93

Wave 3 to wave 4 0,91

Achieved sample size ratio for sample and non sample persons

Wave 2 to wave 3 0,84

Wave 3 to wave 4 0,87

Achieved sample size ratio for non sample persons

Wave 2 to wave 3 0,88

Wave 3 to wave 4 0,89

## Group 1

Achieved sample size ratio for sample persons

Wave 1 to wave 2	0,92
Wave 2 to wave 3	0,98
Wave 3 to wave 4	0,94

Achieved sample size ratio for sample and non sample persons

Wave 1 to wave 2	0,84
Wave 2 to wave 3	0,97
Wave 3 to wave 4	0,95

Achieved sample size ratio for non sample persons

Wave 1 to wave 2	0,87
Wave 2 to wave 3	0,97
Wave 3 to wave 4	0,94

		DB110 = 1	DB110 = 2	DB110 = 3	DB110 = 4	DB110 = 5	DB110 = 7	DB110 = 9	
Group 1	Wave 1	1	0	0	0	0	0	2176	2177
		0,05%	0,00%	0,00%	0,00%	0,00%	0,00%	99,95%	100,00%
	Wave 2	2	1540	305	0	0	0	65	1912
Group 3	Wave 2	3	1515	322	0	0	0	50	1890
		0,16%	80,16%	17,04%	0,00%	0,00%	0,00%	2,65%	100,00%
	Wave 3	4	1487	245	6	2	6	0	1750
Goup 4	Wave 4	1	0	0	0	0	0	2096	2097
		0,05%	0,00%	0,00%	0,00%	0,00%	0,00%	99,95%	100,00%
	Wave 1	2	1499	270	0	0	0	56	1827
	Wave 2	3	1400	235	5	3	11	0	1657
		0,18%	84,49%	14,18%	0,30%	0,18%	0,66%	0,00%	100,00%
	Wave 3	1	0	0	0	0	0	2332	2333
		0,04%	0,00%	0,00%	0,00%	0,00%	0,00%	99,96%	100,00%

		DB120 = 11
Group 1	Wave 2	305 100,00%
	Wave 3	322 100,00%
	Wave 4	245 100,00%
Group 3	Wave 2	270 100,00%
	Wave 3	235 100,00%

Group 4 Wave 2 274  
100,00%

### Household questionnaire result

		DB130 = 11	DB130 = 21	DB130 = 22	DB130 = 23	
Group 1	Wave 1	2008	113	52	2	2175
		92,32%	5,20%	2,39%	0,09%	100,00%
	Wave 2	1844	45	16	5	1910
		96,54%	2,36%	0,84%	0,26%	100,00%
	Wave 3	1840	25	16	6	1887
		97,51%	1,32%	0,85%	0,32%	100,00%
	Wave 4	1690	25	13	4	1732
		97,58%	1,44%	0,75%	0,23%	100,00%
Group 3	Wave 1	1873	144	61	7	2085
		89,83%	6,91%	2,93%	0,34%	100,00%
	Wave 2	1767	43	13	2	1825
		96,82%	2,36%	0,71%	0,11%	100,00%
	Wave 3	1591	33	8	3	1635
		97,31%	2,02%	0,49%	0,18%	100,00%
Group 3	Wave 1	2082	153	65	13	2313
		90,01%	6,61%	2,81%	0,56%	100,00%
	Wave 2	1888	47	14	4	1953
		96,67%	2,41%	0,72%	0,20%	100,00%

### Household interview acceptance

		DB135 = 1
Group 1	Wave 1	2008 100,00%
	Wave 2	1844 100,00%
	Wave 3	1840 100,00%
	Wave 4	1690 100,00%
Group 3	Wave 1	1873 100,00%
	Wave 2	1767 100,00%
	Wave 3	1591 100,00%
Group 3	Wave 1	2082 100,00%
	Wave 2	1888 100,00%



## 2.3.3.3 Distribution of households

**Table 2.3.3.3.A Distribution of households by ‘record of contact address’ (DB120)**

	Rot 1	Rot 2	Rot 3	Rot 4	Total
Contacted	1051	966	955	967	3939
Does not exist	22	22	23	23	90
Total	1073	988	978	990	4029

**Table 2.3.3.3.B Distribution of households by ‘household questionnaire result’ (DB130)**

	Rot 1	Rot 2	Rot 3	Rot 4	Total
Completed	768	759	700	676	2903
Refusal	130	132	146	148	556
Temporarily away	132	130	94	106	462
Unable to respond	13	8	14	11	46
Other reasons	3	0	0	2	5

**Table 2.3.3.3.C Distribution of households by ‘household interview acceptance’ (DB135)**

	Rot 1	Rot 2	Rot 3	Rot 4	Total
Accepted	794	707	678	708	2887
Rejected	0	0	0	0	0
Total	794	707	678	708	2887

A change was made when processing the 2006 data that caused a minor increase in nonresponse. Households which included individuals for whom we were not able to retrieve social ID numbers were categorized as nonresponse. In 2004 and 2005 they would have been in the data base with zero income. Absence of social ID number means that it is impossible to connect the survey data to the tax register which means that all the income variables will be empty (or 0) for these individuals which can greatly affect the equivalised disposable income of the households. This was further justified by the fact that only about 1% of the households was taken out, all of which had underestimated equivalised disposable income since an “income less” person was living there.

**Table 2.3.3.4.A. Distribution of persons for membership status (RB110)**

		RB110 = 1	RB110 = 2	RB110 = 3	RB110 = 4	RB110 = 5	RB110 = 6	RB120 = 4	
Group 3	Wave 1	2082	0	0	0	0	0	0	2082
		100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	Wave 2	1724	84	25	55	52	3	0	1943
		88,73%	4,32%	1,29%	2,83%	2,68%	0,15%	0,00%	100,00%
Group 2	Wave 1	1873	0	0	0	0	0	0	1873
		100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%

Group 1	Wave 2	1624	64	31	48	44	4	0	1815
		89,48%	3,53%	1,71%	2,64%	2,42%	0,22%	0,00%	100,00%
	Wave 3	1452	71	20	48	43	5	0	1639
		88,59%	4,33%	1,22%	2,93%	2,62%	0,31%	0,00%	100,00%
	Wave 1	2008	0	0	0	0	0	0	2008
		100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	Wave 2	1728	85	31	0	0	0	0	1844
		93,71%	4,61%	1,68%	0,00%	0,00%	0,00%	0,00%	100,00%
	Wave 3	1671	99	23	46	1	39	7	1886
		88,60%	5,25%	1,22%	2,44%	0,05%	2,07%	0,37%	100,00%
	Wave 4	1555	60	22	53	0	48	5	1743
		89,21%	3,44%	1,26%	3,04%	0,00%	2,75%	0,29%	100,00%

**Table 2.3.3.4.B. Distribution of persons moving out by variable RB120**

RB110 =		
5		
Group 3	Wave 2	55
Group 2	Wave 2	48
Group 2	Wave 3	48
Group 1	Wave 3	46
Group 1	Wave 4	53

## 2.3.3.5. Item nonresponse

For cost or income related variables imputation was used to treat item nonresponse.

Item nonresponse is not assumed to be in the income variables that come from registers. The only income variables where imputation was applied were the ones not received from registers, “regular inter-household cash transfer received”, and “regular inter-household cash transfer paid”, “Non-Cash employee income” and “Company car” (HY080G, HY130G, PY020G and PY021G). Imputations were used for those variables based on survey data.

For HY080G and HY130G a question was added in 2007 for those not knowing the amount paid for alimony asking for the number of children for whom alimony was paid or received. This was done in order to help with imputation.

HH060: When indicating that the household was paying a non-zero amount for rent but not giving the amount imputation was applied. Variables used were area of residence, number of household members, number of rooms in the dwelling and the type of owner of the dwelling (profit – non-profit).

A follow up question was added before the 2007 survey in case of “don’t know” to decrease item nonresponse for HH060.

HH061: There has always been high item nonresponse for the question of imputed rent in Iceland. One reason is the small rental market in Iceland. This becomes especially difficult in smaller towns where it might be hard to say whether certain houses could be rented at all no

matter how low the rent would be. To treat this problem we added a follow up question for the 2007 survey encouraging respondents to give their best estimate if they said “don’t know”.

HS130: The question on the lowest monthly income to make ends meet has had high levels of item nonresponse and a follow up question was added to the questionnaire before the 2007 survey to try to reduce that.

PE030: In some cases people had difficulties giving an answer about the year of highest level of education on other household members. We added a follow up question asking to give their best guess.

PL060: Number of working hours was imputed for. If the respondent had reported working hours on earlier waves and was holding the same job the last value given was used. Otherwise when respondent was working but did not give number of hours, regression analysis was used with the variables: personal income, sex, age and whether the respondent claimed to work full time or part time.

**Table 2.3.3.5.A Number receiving an amount and item nonresponse for the following income components**

	% received	%missing	% partial
Total HH gross inc (HY010)	99,98	0,02	0,00
Total HH disp. Inc (HY020)	99,98	0,02	0,00
Total HH disp before (HY022)	99,98	0,02	0,00
Total HH disp. Including (HY023)	99,98	0,02	0,00
Gross imputed rent (HY030)	99,98	0,02	0,00
Gross Income from rental (HY040)	99,98	0,02	0,00
Gross income from investments (HY090)	99,98	0,02	0,00
Gross family allowances (HY050)	99,98	0,02	0,00
Gross social excl. (HY060)	99,98	0,02	0,00
Gross housing allowances (HY070)	99,98	0,02	0,00
Gross inter-HH cash received (HY080)	98,79	1,21	0,00
Alemonies received (HY081)	99,24	0,76	0,00
Gross interest repayments (HY100)	99,98	0,02	0,00
Gross Income under 16 (HY110)	99,98	0,02	0,00
Gross taxes on wealth (HY120)	99,98	0,02	0,00
Gross inter-HH cash paid (HY130)	98,81	1,19	0,00
Alemonies paid (HY131)	99,46	0,54	0,00
Gross tax on income (HY140)	99,98	0,02	0,00
Gross employee cash income (PY010)	98,34	1,66	0,00
Gross non-cash income (PY020)	98,98	1,02	0,00
Gross company car (HY021)	99,98	0,02	0,00
Gr. employer's soc. Ins. contrib. (PY030)	99,98	0,02	0,00
Gr. contrib. to ind. pension plans (PY035)	99,98	0,02	0,00
Gross self employment (PY050)	99,98	0,02	0,00
Gross unemployment benefits (HY090)	99,98	0,02	0,00
Gross old-age benefits (PY100)	99,98	0,02	0,00
Gross survivor benefits (PY110)	99,98	0,02	0,00
Gross sickness benefits (PY120)	99,98	0,02	0,00
Gross disability benefits (PY130)	99,98	0,02	0,00
Gross education allowances (PY140)	99,98	0,02	0,00

**Table 2.3.3.5.B Total item nonresponse and number of observations**

	Valid N	nonresp
Males	3351	1
Females	3266	0
Employed	4800	0
Unemployed	46	0
Inactive	1306	1
Under 25	1391	0
25-34	1062	0
35-44	1159	1
45-54	1324	0
55-64	877	0
65+	804	0
Owner	6014	0
Tenant	603	1
Male under 25	758	0
Male 25-34	539	0
Male 35-44	567	1
Male 45-54	643	0
Male 55-64	458	0
Male 65+	386	0
Female under 25	633	0
Female 25-34	523	0
Female 35-44	592	0
Female 45-54	681	0
Female 55-64	419	0
Female 65+	418	0
Male employed	2553	0
Male unemployed	24	0
Male inactive	539	1
Female employed	2247	0
Female unemployed	22	0
Female inactive	767	0
One person under 64 years	268	1
One person, 65 years or older	153	0
One person male	203	1
One person female	218	0
One person total	421	1
Two adults under 65 no dependent children	890	0
Two adults, no dependent children	618	0
Other, no dependent children	728	0
Single parent, one or more dependent child	222	0
Two adults , 1 dependent child	853	0
Two adults, 2 dependent children	959	0
Two adults, 3 or more dependent children	804	0
Other households with dependent children	1091	0
Households without dependent children	2657	1

Households with dependent children	3929	0
------------------------------------	------	---

### **Equivalized disposable income**

Item nonresponse for Equivalized disposable income. The information for the income variables were mainly collected through registers. Only information for HY080, HY130, PY020 and PY021 was received from the interview. Nonresponse for each income variable is shown in table 2.3.3.5.A.

## **2.4. Mode of data collection**

All interviews were done through telephone with the aid of the Blaise software. One week before the start of data collection Statistics Iceland sent a letter to the sampled individuals explaining the purpose of the survey and requesting their cooperation.

Instead of asking about the amounts paid for electricity and heat (which are a part of variable HH070, Total Housing cost) imputations are used based on the HBS (Household Budget Survey). The reason is that it is our belief that people often do not know the amounts they pay for heating and electricity. These bills are often paid automatically through credit cards or automatically taken out of peoples' bank accounts. Some people hardly ever see the bills. Length of the intervals the amounts apply to have also sometimes been hard to establish (1 month, 3 months ect). The HBS (Household budget survey) on the other hand is a face to face survey where the respondents are asked in advance to prepare by keeping bills or bank transcripts handy.

The distribution of the selected respondents, household members aged 16 or over, and non-selected household members by data status (RB250) and by type of interview (RB260) is shown in the tables below.

**Table 2.4 A Distribution of household members age 16 or over by data status (RB250)**

Rot. Group	Data status	Sel_resp	Non_sel	All hhmembers 16+
1	Only registers (12)	0	15	15
	Registers and interview (13)	794	1046	1840
2	Only registers (12)	0	9	9
	Registers and interview (13)	707	892	1599
3	Only registers (12)	0	5	5
	Registers and interview (13)	678	859	1537
4	Only registers (12)	0	4	4
	Registers and interview (13)	708	901	1609
Total		2887	3731	6618

**Table 2.4 B Distribution of household members age 16 or over by type of interview (RB260)**

Rot. Group	Type of interview	Sel_resp	Non_sel	All hhmembers 16+
---------------	----------------------	----------	---------	-------------------------

1 CATI (3)	794	1046	1840
2 CATI (3)	707	892	1599
3 CATI (3)	678	859	1537
4 CATI (3)	708	901	1609
Total	2887	3698	6585

## 2.5. Imputation procedure

Variables where  
imputation was  
applied

	2005	2005	2006	2006	2007	2007	2008	2008
	imputed	total	imputed	total	imputed	total	imputed	total
Utility bills in Total housing cost (HH070)	2923	2923	2856	2856	2886	2886	2903	2903
Working hours (PL060)	35	4738	64	4698	108	4803	97	4935
Rent (HH060)	30	368	33	374	14	354	22	349
Money from other households (HY080)	59	387	74	390	92	484	64	473
Alimony from other households (HY081)					71	429	49	421
Money to other households (HY130)	67	434	86	472	71	399	59	426
Alimony to other households (HY131)					43	259	34	262
Non cash employee income (PY020G)					110	8655	110	8644
Company car (PY021G)					93	8655	67	8644
Social insurance contribution (PY030G)					5470	5470	5521	5521

Imputation was applied when dealing with amounts or working hours and we knew that these amounts were paid or received but did not have the amount or the number. Not imputing would systematically underestimate the amount.

## 2.6. Imputed rent

Imputed rent was first delivered with the 2007 data. The method used was the same as for the Icelandic HBS (Household budget survey). Market value of dwellings are received from housing registers: This market value is used to produce imputed rent with the formula:  $PH * [r(1+r)^N] / [$

$(1+r)^N - 1]$ . Where PH is the market value of the dwelling,  $r$  = real interest = 4%,  $N$  = lasting time of property = 80 years.

## **2.7 Company cars**

In 2007, a question asking for company car was included in the questionnaire. Data on income are received from tax register. The information from the tax register do not distinguish between company car and other income.

## **3. Comparability**

### **3.1. Basic concepts and definitions**

#### The reference population

The reference population is persons aged 16 years or more at December 31st in the year 2007, living in private households.

#### The private household definition

A private household is defined as individuals that share food, meaning that they either do not pay for their food or that they share expenses for food. The definition does not require that they eat at the same times or that they are related.

#### The household membership

Persons are considered as household members if they spend most of their nights at the address of the household.

Individuals that are temporarily away (not having a private address elsewhere) and will return to the household are considered as household members. As example of this are children in boarding schools, fishermen, individuals admitted to hospitals or imprisoned and those that are working for longer periods away from home.

#### The income reference period

The income reference period is the calendar year 2007.

#### The period for taxes on income and social insurance contributions

The period for taxes on income and social insurance contributions is the calendar year 2007.

#### The reference period for taxes on wealth

The reference period for taxes on wealth is the calendar year 2007.

#### The lag between the income reference period and current variables

The income variables are collected from registers and the interval between the end of the income reference period and the time of interview for current variables is maximum four and a half months.

#### The total duration of the data collection of the sample

The interviews were carried out between 19<sup>th</sup> of February and 6<sup>th</sup> of April 2008.

#### Basic information on activity status during the income reference period



**Table 3.1 Activity status of persons 18 years or older**

	N	%
1 Working	4800	76,45
2 Unemployed	46	0,73
3 Retired	767	12,22
4 Other inactive	540	8,60
9 Not responded	126	2,01
Total	6279	100,00

### **3.2. Components of income**

#### **3.2.1 Differences between the national definitions and standard EU-SILC definitions, and an assessment of the consequences of the differences mentioned will be reported for the following target variables.**

This section gives an overview of how income data from registers have been organised in order to be comparable to the income concepts outlined in the SILC guidelines. In addition references are made to any departures from these guidelines.

All income data derived from registers are recorded gross at component level. All income data are collected at the individual level (i.e. the person registered as the receiver of the income). This also concerns typically “household” related incomes such as housing benefits and social assistance.

##### Total household gross income (HY010)

The sum of all income components:

HY040G+HY050G+HY060G+HY070G+HY080G+HY090G

Plus the sum for all household members of:

PY010G+PY020G+PY050G+PY090G+PY100G+PY110G+PY120G+PY130G+PY140G.

##### Total disposable household income (HY020)

Defined as total gross income (HY100G+HY130G+HY140G) minus (HY120G+HY130+HY140G)

##### Imputed rent (HY030)

The method used was the same as for the Icelandic HBS (Household budget survey). Market value of dwellings are received from housing registers: This market value is used to produce imputed rent with the formula:  $PH * [r(1+r)^N] / [(1+r)^N - 1]$ . Where PH is the market value of the dwelling, r = real interest = 4%, N = lasting time of property = 80 years.

##### Total disposable household income before social transfers except old-age and survivor's benefits (HY022)

Defined as HY020 minus the sum for all household members of:

(PY090N+PY120N+PY130N+PY140N) + HY050N+HY060N+HY070N

Total disposable household income before social transfers including old-age and survivor's benefits (HY023)

Defined as HY020 minus the sum for all household members of:

(PY090N+PY100N+PY110N+PY120N+PY130N+PY140N) + HY050N+HY060N+HY070N

Income from rental of property or land (HY040)

Income from hiring out property not contacted to business activity. Deviates from SILC definitions in that no information is available in the register on interest repayments, maintenance, insurance and other charges.

Family/children-related allowances (HY050)

Includes the following income components:

- Family allowance
- Maternity allowance (birth grant)
- Single parent's allowance

Social assistance (HY060)

Includes the total amount received in social assistance.

Housing allowances (HY070)

Includes rent benefits granted to tenants and owners.

Regular inter-household cash transfers received - (HY080)

Includes alimonies received. Information on regular private cash support received by children from parents living in a separate household is included from interview. The same goes for other inter household cash transfers received.

Interest, dividends, profit from capital investment in unincorporated business (HY090):

Interest and dividends are taxable income.

Income received by people aged under 16 (HY110)

Includes the following income components:

- Interests and dividends.

Those are registered in one sum on parent's tax return. If more than one child is in the household it is divided equally between the children.

- Children with income.

Interest repayments on mortgage (HY100)

As interest repayments on mortgage are used for calculating fiscal benefits to owner-occupiers are to be found in registers.

Regular taxes on wealth (HY120)

As the taxes are paid in the following year information is sought in registers from the year before.

Regular inter-household cash transfers paid (HY130)

Information on alimonies paid and regular private cash support to children from parents living in a separate household is included from interview. The same goes for other inter household cash transfers received.

Total Tax on income and social contribution (HY140)

It includes assessed income, wealth taxes and social contributions.

Repayment/receipts for tax adjustment (HY145)

It is included in HY140.

Employee cash or near cash income (PY010)

Deviation from the SILC concept:

It is not possible to separate from employee cash income redundancy compensations that should be included under unemployment benefits. The same goes for wages and salaries during sickness, which is a major part of sickness benefits paid in Iceland.

Non-Cash employee income (PY020G)

The information was retrieved through the questionnaire.

Company car (PY021G)

The information was retrieved through the questionnaire.

Employer's social insurance contribution (PY030G)

The employer's social insurance contribution was calculated based on the income received from the tax register.

Contribution to individual private pension plans (PY035G)

The contribution is usually a percentage of person's income. We have the income amount from the tax register and ask the percentage in the questionnaire.

Cash benefits or losses from self-employment (PY050)

Entrepreneurial income is collected *net* in register data. Royalties are registered as "other income" and not possible to separate and not include here.

Unemployment benefits (PY090)

Deviation from the SILC concept:

It is not possible to separate from employee cash income (PY010) redundancy compensations that should be included here or in PY100.

Old-age function (PY100)

Includes the following income components:

- Old age pension from social security scheme (basic pension).
- Old age pension from compulsory private pension funds (employment pension).

Survivors' function (PY110)

Includes the following income components:

- Survivors' pension from social security scheme.
- Survivors' pension from compulsory private pension funds.
- Death grants.

Social benefits in the sickness (PY120)

All sickness benefits that are included in wages and salaries cannot be specified in registers and are included in PY010.

Disability benefits (PY130):

Includes the following income components:

- Disability benefits and pension from social security scheme (basic pension).
- Disability benefits and pension from compulsory private pension funds (employment pension).

### Education related allowance (PY140)

It includes scholarship of various kinds and “educational alimony” received by children at the age of 18 to 20 years living with single parent (e.g. students).

## **3.2.2. The source or procedure used for the collection of income variables**

Tax register is use for all income variables except for HY080, HY130, PY020 and PY021 (Regular inter-household cash transfer received and paid). For those two variables information are collected through the interview. Those are also the only income variables where imputation was used.

## **3.2.3. The form in which income variables at component level have been obtained**

The register data only report gross income at component level. Total assessed taxes and contributions to social security are collected separately from tax registers.

## **3.2.4. The method used for obtaining income target variables in the required form (i.e. as gross values)**

All income data are recorded gross at component level.

## **3.3 Tracing rules**

In Iceland a respondent is selected from the national register. Whoever lives with the selected respondent is also included in the survey. If the composition of the households of the selected respondent changes between waves we do not trace other household members. We only trace the selected respondent and if he or she has new household-partners they will be included in the survey. The information used for tracing are received from the national register, information on phone numbers are received from the largest phone company in Iceland. Information from former household members are also used to help locate selected respondents if the selected respondent has moved. All data are collected through telephone.

## **4. Coherence**

### **4.1. Comparison of income target variables and number of persons who receive income from each ‘income component’, with external sources**

With the exception of inter-household transfers all the income data in SILC are from register. Hence, in our opinion, there is no point in comparing the results with external sources since the source we would compare with is the source used in SILC.

## 5. Index

Equivalized, 30	Nonresponse, 5, 14, 30
Imputation, 31	Rotation, 5
Income, 34	Sampling, 4, 6, 12
Longitudinal, 6, 13, 17, 18, 19, 21	Stratification, 4