

EU-SILC UK 2009

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# Quality Report

Office for National Statistics

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## Table of Contents

<b>PREFACE</b>	<b>3</b>
<b>Note on the UK EU-SILC Survey</b>	<b>3</b>
<b>1. COMMON CROSS-SECTIONAL EUROPEAN UNION INDICATORS</b>	<b>5</b>
<b>2. ACCURACY</b>	<b>8</b>
<b>2.1 Sampling design</b>	<b>8</b>
2.1.1 Type of sampling	8
2.1.2 Sampling units (one stage, two stages)	8
2.1.3 Stratification and sub-stratification criteria	8
2.1.4 Sample size and allocation criteria	9
2.1.5 Sample selection schemes	9
2.1.6 Sample distribution over time	9
2.1.7 Renewal of sample: rotational groups	10
2.1.8 Weightings	11
2.1.8.1 Design factor	11
2.1.8.2 Non-response adjustments	11
2.1.8.3 Adjustments to external data (level, variables used and sources)	12
2.1.8.4 Final cross-sectional weight	13
2.1.9 Substitutions	13
<b>2.2 Sampling errors</b>	<b>13</b>
2.2.1 Standard errors and effective sample size	13
<b>2.3 Non-sampling errors</b>	<b>16</b>
2.3.1 Sampling frame and coverage errors	16
2.3.2 Measurement and processing errors	16
2.3.2.1 Measurement errors	16
2.3.2.2 Processing errors	17
2.3.3 Non-response errors	17
2.3.3.1 Achieved sample size	18
2.3.3.2 Unit non-response	18
2.3.3.3 Distribution of households	19
2.3.3.4 Distribution of substituted units	20
2.3.3.5 Item non-response	20
2.3.3.6 Total item non-response	23
<b>2.4 Mode of data collection</b>	<b>27</b>
<b>2.5 Interview duration</b>	<b>28</b>
<b>2.6 Imputation procedure</b>	<b>29</b>
<b>2.7 Imputed rent</b>	<b>30</b>
<b>2.8 Company cars</b>	<b>30</b>
<b>3. COMPARABILITY</b>	<b>32</b>
<b>3.1 Basic concepts and definitions</b>	<b>32</b>

<b>3.2</b>	<b>Components of income</b>	<b>34</b>
3.2.1	Differences between the national definitions and standard EU-SILC definitions, and an assessment, if available, of the consequences of the differences mentioned	34
3.2.2	The source or procedure 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	36
<b>4.</b>	<b>COHERENCE</b>	<b>37</b>
4.1	Comparison of income target variables with external sources	37
	<b>ANNEX 1: GOVERNMENT OFFICE REGION REGIONAL STRATIFIER</b>	<b>38</b>
	<b>ANNEX 2: SOCIO-ECONOMIC GROUPS (OPERATIONAL CATEGORIES AND SUB-CATEGORIES OF NS-SEC)</b>	<b>39</b>

## Index of Tables

Table 1.1	Laeken-Indicators EU-SILC 2009 .....	5
Table 2.1	Distribution of the EU-SILC UK sample over time <sup>1</sup> .....	10
Table 2.2	Renewal of sample: Rotational groups .....	10
Table 2.3	Variables included in the logistic regression model of household attrition in 2009 .....	12
Table 2.4	Mean, Total Number of Observations and Standard Errors for Income Components (unweighted) .....	14
Table 2.5	Mean, Total Number of Observations and Standard Errors for Income Components (weighted) .....	15
Table 2.6	Contact at address .....	16
Table 2.7	Sample size and accepted interviews .....	18
Table 2.8	Distribution of original units by 'record of contact at address' ....	19
Table 2.9	Distribution of address contacted by 'household questionnaire result' and by household interview acceptance .....	19
Table 2.10	Distribution of item non-response (before imputation) .....	21
Table 2.11	Distribution of item non-response (after imputation) .....	22
Table 2.12	Number of observations and total item non-response .....	23
Table 2.13	Distribution of RB250 and RB260 .....	27
Table 2.14	Distribution of household members aged 16 and over by 'RB250' 28	
Table 2.15	Distribution of household members aged 16 and over by 'RB260' 28	
Table 2.16	Interview duration in minutes (mean) .....	28
Table 2.17	Average CO <sub>2</sub> emission by Cylinder Capacity .....	30
Table 2.18	Band price of a motor vehicle based on CC and average CO <sub>2</sub> emissions .....	31
Table 2.19	Tax rate based on CO <sub>2</sub> emission rates (per cent) .....	31

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### **Preface**

According to article 16 of the Regulation (EC) no. 1177/2003 of the European Parliament and of the Council of 16 June 2003 concerning Community statistics on income and living conditions (EU-SILC), Member States and the Commission (Eurostat) will produce the following reports:

*Member states shall produce by the end of the year n+1 (2009+1) an intermediate quality report relating to the common cross-sectional EU indicators based on the cross-sectional component of 2009.*

### **Note on the UK EU-SILC Survey**

In 2008 the Office for National Statistics (ONS) launched the Integrated Household Survey (IHS) for Great Britain. In the IHS a questionnaire is comprised of two sections: a suite of core IHS questions followed by individual survey modules. The General Household Survey (GHS) was chosen as a module of the IHS and in recognition the name was changed to the

General Lifestyle Survey (GLF). This report provides quality information for EU-SILC which is collected as part of the General Lifestyle Survey questionnaire in 2008.

## 1. Common cross-sectional European Union indicators

In accordance with Eurostat regulation, only cross-sectional indicators have been provided within this report.

**Table 1.1 Monetary Indicators EU-SILC 2009**

<b>Monetary Indicators</b>	<b>Value</b>	<b>Achieved sample size</b>	<b>Total item non response</b>
At-risk-of-poverty rate after social transfers – total	17.33	19415	37%
At-risk-of-poverty rate after social transfers – men total	16.79	9400	37%
At-risk-of-poverty rate after social transfers – women total	17.86	10015	37%
At-risk-of-poverty rate after social transfers – 0–17 years	20.78	2175	37%
At-risk-of-poverty rate after social transfers – 18-24 years	19.77	1354	37%
At-risk-of-poverty rate after social transfers – 25-49 years	13.81	5956	37%
At-risk-of-poverty rate after social transfers – 50-64 years	14.43	3953	37%
At-risk-of-poverty rate after social transfers – 65+ years	22.28	3999	37%
At-risk-of-poverty rate after social transfers – 18+ years	16.41	15262	37%
At-risk-of-poverty rate after social transfers – 18-64 years	14.87	11263	37%
At-risk-of-poverty rate after social transfers – 0-64 years	16.36	15416	37%
At-risk-of-poverty rate after social transfers – men 18-24 years	19.04	652	37%
At-risk-of-poverty rate after social transfers – men 25-49 years	13.49	2804	37%
At-risk-of-poverty rate after social transfers – men 50-64 years	15.01	1893	37%
At-risk-of-poverty rate after social transfers – men 65+ years	20.06	1876	37%
At-risk-of-poverty rate after social transfers – men 18+ years	15.77	7225	37%
At-risk-of-poverty rate after social transfers – men 18-64 years	14.74	5349	37%
At-risk-of-poverty rate after social transfers – men 0-64 years	16.22	7524	37%
At-risk-of-poverty rate after social transfers – women 18-24 years	20.46	702	37%
At-risk-of-poverty rate after social transfers – women 25-49 years	14.12	3152	37%
At-risk-of-poverty rate after social transfers – women 50-64 years	13.86	2060	37%
At-risk-of-poverty rate after social transfers – women 65+ years	24.08	2123	37%
At-risk-of-poverty rate after social transfers – women 18+ years	17.01	8037	37%
At-risk-of-poverty rate after social transfers – women 18-64 years	14.99	5914	37%
At-risk-of-poverty rate after social transfers – women 0-64 years	16.50	7892	37%
At-risk-of-poverty rate after social transfers – employed	6.74	6791	
At-risk-of-poverty rate after social transfers – unemployed	28.58	5918	
At-risk-of-poverty rate after social transfers – retired	24.00	3800	
At-risk-of-poverty rate after social transfers – other inactive	31.57	1821	
At-risk-of-poverty rate after social transfers – men, employed	6.36	3343	
At-risk-of-poverty rate after social transfers – men, unemployed	29.11	2418	
At-risk-of-poverty rate after social transfers – men, retired	22.09	1655	
At-risk-of-poverty rate after social transfers – men, other inactive	33.72	583	
At-risk-of-poverty rate after social transfers – women, employed	7.12	3448	
At-risk-of-poverty rate after social transfers – women, unemployed	28.21	3500	
At-risk-of-poverty rate after social transfers – women, retired	25.39	2145	
At-risk-of-poverty rate after social transfers – women, other inactive	30.45	1238	

At-risk-of-poverty rate after social transfers – single, <65 years	24.15	1162	
At-risk-of-poverty rate after social transfers – single, 65+ years	28.87	1293	
At-risk-of-poverty rate after social transfers – single, male	28.18	1024	
At-risk-of-poverty rate after social transfers – single, female	27.35	1431	
At-risk-of-poverty rate after social transfers – single, total	26.36	2455	
At-risk-of-poverty rate after social transfers – 2 adults, no children, both <65	10.00	2910	
At-risk-of-poverty rate after social transfers – 2 adults, no children, at least one 65+	18.21	2800	
At-risk-of-poverty rate after social transfers – other households without children	10.09	1762	
At-risk-of-poverty rate after social transfers – single parent, at least one child	34.71	1428	
At-risk-of-poverty rate after social transfers – 2 adults, 1 child	11.56	1824	
At-risk-of-poverty rate after social transfers – 2 adults, 2 children	13.77	3056	
At-risk-of-poverty rate after social transfers – 2 adults, 3+ children	28.15	1692	
At-risk-of-poverty rate after social transfers – other households with children	13.15	1437	
At-risk-of-poverty rate after social transfers – households without children	16.16	9927	
At-risk-of-poverty rate after social transfers – households with children	18.36	9437	
At-risk-of-poverty rate after social transfers – owner or rent-free	12.49	14235	
At-risk-of-poverty rate after social transfers – tenant	29.11	5170	
At-risk-of-poverty rate after social transfers – households without children, $w = 0^1$	34.74	1610	
At-risk-of-poverty rate after social transfers – households without children, $0 < w < 0.5$	31.41	84	
At-risk-of-poverty rate after social transfers – households without children, $w < 1$ and $w \geq 0.5$	8.45	982	
At-risk-of-poverty rate after social transfers – households without children, $w = 1$	4.41	3617	
At-risk-of-poverty rate after social transfers – households with children, $w = 0$	45.43	1998	
At-risk-of-poverty rate after social transfers – households with children, $0 < w < 0.5$	41.42	105	
At-risk-of-poverty rate after social transfers – households with children, $w < 1$ and $w \geq 0.5$	18.51	1901	
At-risk-of-poverty rate after social transfers – households with children, $w = 1$	7.72	5284	
Median of the equivalised disposable household income	14483		
At-risk-of-poverty threshold – single (PPS)	8689.8		37%
At-risk-of-poverty threshold – 2 adults, 2 children (PPS)	18248.6		37%
Inequality of income distribution S80/S20 income quintile share ratio	5.2		37%
Relative median at-risk-of-poverty gap – total	20.5		
Relative median at-risk-of-poverty gap – men total	20.9		
Relative median at-risk-of-poverty gap – women total	20.4		
Relative median at-risk-of-poverty gap – 0-17 years	19.7		
Relative median at-risk-of-poverty gap – 18-64 years	22.0		
Relative median at-risk-of-poverty gap – 65+ years	17.9		
Relative median at-risk-of-poverty gap – 18+ years			
Relative median at-risk-of-poverty gap – men, 18-64 years	23.3		
Relative median at-risk-of-poverty gap – men, 65+ years	16.4		
Relative median at-risk-of-poverty gap – men, 18+ years			
Relative median at-risk-of-poverty gap – women, 18-64 years	21.2		
Relative median at-risk-of-poverty gap – women, 65+ years	18.8		
Relative median at-risk-of-poverty gap – women, 18+ years			

Median income below the at-risk-of-poverty threshold – total			
Median income below the at-risk-of-poverty threshold – men total			
Median income below the at-risk-of-poverty threshold – women total			
Median income below the at-risk-of-poverty threshold – 0-17 years			
Median income below the at-risk-of-poverty threshold – 18-64 years			
Median income below the at-risk-of-poverty threshold – 65+ years			
Median income below the at-risk-of-poverty threshold – 18+ years			
Median income below the at-risk-of-poverty threshold – men, 18-64 years			
Median income below the at-risk-of-poverty threshold – men, 65+ years			
Median income below the at-risk-of-poverty threshold – men, 18+ years			
Median income below the at-risk-of-poverty threshold – women, 18-64 years			
Median income below the at-risk-of-poverty threshold – women, 65+ years			
Median income below the at-risk-of-poverty threshold – women, 18+ years			
<b>Dispersion around the risk-of-poverty threshold</b>			
Dispersion around the risk-of-poverty threshold – 40%	5.2		37%
Dispersion around the risk-of-poverty threshold – 50%	10.2		37%
Dispersion around the risk-of-poverty threshold – 70%	25.7		37%
<b>Before social transfers except old-age and survivor's benefits (i22)</b>			
At-risk-of-poverty rate before social transfers – total	30.38	19415	37%
At-risk-of-poverty rate before social transfers – men total	28.83	9400	37%
At-risk-of-poverty rate before social transfers – women total	31.90	10015	37%
At-risk-of-poverty rate before social transfers – 0-17 years	42.76	4153	37%
At-risk-of-poverty rate before social transfers – 18-64 years	26.54	11263	37%
At-risk-of-poverty rate before social transfers – 65+ years	29.09	3999	37%
At-risk-of-poverty rate before social transfers – 18+ years	27.07	15262	37%
At-risk-of-poverty rate before social transfers – men, 18-64 years	24.96	5349	37%
At-risk-of-poverty rate before social transfers – men, 65+ years	26.34	1876	37%
At-risk-of-poverty rate before social transfers – men, 18+ years	25.23	7225	37%
At-risk-of-poverty rate before social transfers – women, 18-64 years	28.09	5914	37%
At-risk-of-poverty rate before social transfers – women, 65+ years	31.32	2123	37%
At-risk-of-poverty rate before social transfers – women, 18+ years	28.81	8037	37%
<b>Before social transfers including old-age and survivors' benefits (i23)</b>			
At-risk-of-poverty rate before social transfers – total	43.18	19415	37%
At-risk-of-poverty rate before social transfers – men total	40.43	9400	37%
At-risk-of-poverty rate before social transfers – women total	45.87	10015	37%
At-risk-of-poverty rate before social transfers – 0-17 years	43.51	4153	37%
At-risk-of-poverty rate before social transfers – 18-64 years	31.24	11272	37%
At-risk-of-poverty rate before social transfers – 65+ years	88.28	3999	37%
At-risk-of-poverty rate before social transfers – 18+ years	43.10	15262	37%
At-risk-of-poverty rate before social transfers – men, 18-64 years	28.86	5349	37%
At-risk-of-poverty rate before social transfers – men, 65+ years	86.60	1876	37%
At-risk-of-poverty rate before social transfers – men, 18+ years	39.95	7225	37%
At-risk-of-poverty rate before social transfers – women, 18-64 years	33.57	5914	37%
At-risk-of-poverty rate before social transfers – women, 65+ years	89.65	2123	37%
At-risk-of-poverty rate before social transfers – women, 18+ years	46.06	8037	37%
<b>Gini coefficient</b>			
Gini coefficient	32.4		
<b>Mean equivalised disposable income (PPS)</b>			
Mean equivalised disposable income (PPS)			
<b>Gender pay gap</b>			
Gender pay gap			

## **2. ACCURACY**

Accuracy denotes the closeness of estimates to the true population values.

### **2.1 Sampling design**

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

Data for EU-SILC UK 2009 are collected from two sources. First, data are collected by the Office for National Statistics (ONS), using the General Lifestyle Survey. Second, to ensure that EU-SILC is representative of the UK, a sample of approximately 300 households is selected by NISRA (Northern Ireland Statistics and Research Agency) using the Living Conditions Survey (LCS). This small additional sample represents the (approximately) 2% of the UK population that live in Northern Ireland. All of the data analysis and processing is undertaken by ONS.

In 2009, 12,530 addresses were sampled. Each year approximately 70% of the sample is rolled forward from previous years and the remaining 30% is a new “Wave 1” sample. EU-SILC UK aims to interview all adults aged 16 or over at every household at the sampled address. EU-SILC UK uses a probability, stratified two-stage sample design.

#### **2.1.2 Sampling units (one stage, two stages)**

Households are sampled from the small users Postcode Address File (PAF). This is a list of all addresses maintained by the UK Post Office. The PAF files used on our sampling system are updated twice a year. The Postcode address file is ordered by postcode sector, which are similar in size to a UK electoral ward area. The postcode sectors are the Primary Sampling Units (PSU-1) for EU-SILC and the Secondary Sampling Units (PSU-2) are addresses within those sectors.

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

Stratification involves the division of the population into sub-groups, or strata, from which independent samples are taken. This ensures that a representative sample is drawn with respect to the stratifiers. Stratification of a sample can lead to substantial improvements in the precision of the survey estimators provided that the strata are chosen such that members of the same strata are as similar as possible in respect of the characteristics of interest. The bigger the differences between strata, the greater the gain in the precision of the survey estimates.

Initially, postcode sectors were allocated to 30 major strata. These were based on the 10 Government Office Regions in England (sub-divided between the former Metropolitan and non-Metropolitan counties. In addition London was subdivided into quadrants (Northwest, Northeast, Southwest and Southeast) with each quadrant being divided into inner and outer areas (Annex 1). Using a finer division of London significantly improves the precision of estimates), 5 subdivisions in Scotland, 2 in Wales and 1 in Northern Ireland.

Within each major stratum, postcode sectors were then stratified according to selected indicators taken from the 2001 Census. Sectors were initially ranked according to the

proportion of households with no car, then divided into three bands containing approximately the same number of households. Within each band, sectors were re-ranked according to the proportion of households with a household reference person in socio-economic groups 1 to 5 and 13 (Annex 2), and these bands were then sub-divided into three further bands of approximately equal size. Finally, within each of these bands, sectors were re-ranked according to the proportion of people who were pensioners.

Major strata were then divided into minor strata with equal numbers of addresses, the number of minor strata per major strata being proportionate to the size of the major stratum, so larger PSUs have more chance of being selected. In 2005 the frame was divided into 720 strata. In 2006, 588 of these were rolled forward to the next wave in the longitudinal design. There were 132 pseudo wave 4 strata which were replaced and an additional 96 strata added, giving 816 for 2006. In 2007, 648 of these were again rolled forward to the next wave in the longitudinal design. There were 168 pseudo wave 4 strata which were replaced and an additional 60 strata added, giving 876 for 2007. In 2008, 684 of these were rolled forward to the next wave in the longitudinal design. There were 192 pseudo wave 4 strata which were replaced and an additional 36 strata added, giving 912 for 2008. In 2009, 684 of these were rolled forward to the next wave in the longitudinal design. There were 228 pseudo wave 4 strata which were replaced, giving 912 for 2009.

Each PSU formed a quota of work for an interviewer. Within each of the 228 new PSUs, 23 addresses were randomly selected.

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

Member states have to achieve a Minimum Effective Sample size which for the UK is 7,500 households and 13,750 persons aged 16 or older.

In 2009, 12,530 addresses were selected for survey, yielding a sample of 8,365 eligible households. Within these households 19,415 people were residents of whom 15,646 were eligible for a personal interview (aged at least 16 years of age).

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

EU-SILC UK uses a two-stage sampling scheme:

1. Selection of a Primary Sampling Units (PSUs) utilising a probability proportional to size sampling scheme.
2. Systematic random sampling of 23 addresses within a PSU.

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

Household interviews for EU-SILC UK are spread evenly throughout the calendar year. Typically a small number of interviews will be completed in January of the following year.

**Table 2.1 Distribution of the EU-SILC UK sample over time<sup>1</sup>**

Date of interview	Number of households
01/01/09 – 31/01/09	654
01/02/09 – 28/02/09	683
01/03/09 – 31/03/09	756
01/04/09 – 30/04/09	640
01/05/09 – 31/05/09	708
01/06/09 – 30/06/09	714
01/07/09 – 31/07/09	730
01/08/09 – 31/08/09	729
01/09/09 – 30/09/09	706
01/10/09 – 31/10/09	721
01/11/09 – 30/11/09	696
01/12/09 – 31/12/09	547
01/01/10 – 31/01/10	73
01/02/10 – 28/02/10	8
<b>Total</b>	<b>8,365</b>

<sup>1</sup> Information based on data presented in the Household Data file.

The survey was carried out using Computer Assisted Personal Interviewing (CAPI) on laptop computers by face-to-face interviewers. In addition, some telephone interviewers were used to convert EU-SILC UK proxy interviews to full interviews.

### 2.1.7 Renewal of sample: rotational groups

In the UK, 2005 was the initial year for the EU-SILC survey. In 2005, the GHS adopted a new sample design in line with EU-SILC requirements, changing from a cross-sectional to a longitudinal design.

The new sample design follows a four-yearly sample rotation in which households remain in the sample for four years (waves) and one quarter of the sample is replaced each year. Each quarter of the sample is known as a replication.

**Table 2.2 Renewal of sample: Rotational groups**

Sample replication	Year 1 (2005)	Year 2 (2006)	Year 3 (2007)	Year 4 (2008)	Year 5 (2009)	Year 6 (2010)
1	1st					
2	1st	2nd				
3	1st	2nd	3rd			
4	1st	2nd	3rd	4th		
5		1st	2nd	3rd	4th	
6			1st	2nd	3rd	4th
7				1st	2nd	3rd
8					1st	2nd
9						1st

From 2008 the system has been fully established and the sample for any one year consists of 4 replications which have been in the survey for 1, 2, 3 or 4 years.

## **2.1.8 Weightings**

This section describes the methods used to calculate weights for the UK EU-SILC 2009 survey. The methods are broadly consistent with those recommended by Eurostat.

### **2.1.8.1 Design factor**

The design factor, or *deft*, of an estimate  $p$  is the ratio of the standard error of  $p$  compared to that, that would have resulted had the survey design been a simple random sample of the same size.

The design weight is calculated with reference to the design of the sample to take into account the inclusion probability of the selection unit. Within the UK, direct sampling of addresses is used, but no extra weighting is applied to account for sampling households within addresses. The design weight, is defined as the inverse of the probability of selection.

### **2.1.8.2 Non-response adjustments**

All surveys accept that there will be some degree of non-response, although great efforts are made to keep it to a minimum.

The aim of non-response weights is the reduction of bias caused by unit non-response at a household level. The correction of this bias requires knowledge of the response probability of each of the responding households. The households can then be re-weighted by the inverse of this probability.

Weighting for unit non-response involves giving each respondent a weight so that they represent the non-respondents who are similar to them in terms of survey characteristics. To be able to use this method, information about non-respondents is needed. By their very nature, however, non-responding households yield very little information.

Within-household non-response inflation factor, which is related to Eurostat's recommendation in PB040 (i.e. spreading the original weight a non-responder receives across responding members of their household), has not been supplied. However, a household non-response inflation factor has been provided based on household non-response weights.

The decennial Census was found to be the most appropriate source of information about non-responding addresses on EU-SILC UK. Unlike EU-SILC UK, which relies upon voluntary co-operation from respondents, the Census is mandatory, therefore non-response is kept to an absolute minimum. By matching Census addresses with the sampled addresses of EU-SILC UK it was possible to match the address details of the EU-SILC UK respondents as well as the non-respondents with corresponding information gathered from the Census for the same address. It was then possible to identify any types of household that were being under-represented in the survey.

Attrition is a form of non-response found on longitudinal surveys between waves. The 2009 EU-SILC is the survey's fifth year in the UK; this meant that approximately three-quarters of sampled households had been surveyed in 2009. As these sampled households had previously participated in the survey, details of respondents and non-respondents were linked back to their corresponding information at the previous wave. Logistic regression was used to model the likelihood of response in the current wave against the characteristics of households at their interview in the previous wave. A variety of household variables such as household composition, tenure, region and car ownership were tested for inclusion. Characteristics determined as significant by the logistic regression model (at the five per cent significance level) were used to weight for this attrition. The variables reaching significance are listed in **Table 2.3** below.

**Table 2.3 Variables included in the logistic regression model of household attrition in 2009**

<b>Variable</b>
When household reference person arrived in the UK
Ethnicity of household reference person
Number of partial interviews in household
Dwelling type
Tenure
Number in household who smoke nowadays
Drinking amount of the household reference person
Government Office Region
Age of household reference person
Number of people in the household who checked their payslip during interview
Any qualifications (any resident)
Number of people in the household who refused or answered 'don't know' to a known sensitive question
Current wave
Number of calls made to the household to arrange the interview

### **2.1.8.3 Adjustments to external data (level, variables used and sources)**

Adjustments, in general, are made to improve the accuracy of data, meaning the closeness of survey-based estimations or computations to the "true" values.

The EU-SILC sample is based on private households, which means that the population totals used in the weighting need to relate to people in private households. These totals are consistent with those used on the British Labour Force Survey (LFS). The LFS derives household population estimates by excluding residents of institutions from population projections based on mid-year estimates.

The population information and EU-SILC UK data were grouped into twelve age by sex categories within six regional categories to form weighting classes. The weighting consists of adjusting the existing weights (including factors for design and non-response) so that the final weights ensure that the weighted totals for the above demographic categories match the population totals.

#### ***Age-group by sex***

0-4	Males and Females		
5-15	Males and Females		
16-24	Males	16-24	Females
25-44	Males	25-44	Females
45-64	Males	45-64	Females
65-74	Males	65-74	Females
75+	Males	75+	Females

### **Regions**

Metropolitan  
 Non-metropolitan  
 London  
 South East  
 Wales  
 Scotland  
 Northern Ireland

This procedure, also known as population based weighting or grossing, was carried out using the GES SAS macro. This method ensures that all individuals within a household are given the same final weights.

#### **2.1.8.4 Final cross-sectional weight**

The final cross-sectional weight was obtained after “integrative” calibration. Integrative calibration can use calibration variables defined at the individual and household level (only individual variables were used in this instance).

Eurostat recommend using NUTSII. EU-SILC UK has not used NUTSII, instead, a Region variable used on the British General Lifestyle Survey (GLF) has been utilised. A detailed classification like NUTSII poses the problem of small cells (when there are not enough respondents within a calibration group).

#### **2.1.9 Substitutions**

In 2008, no substitutions were made.

### **2.2 Sampling errors**

Sampling errors: refers to the variability that occurs at random because of the use of a sample rather than a census.

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

The design effect for 2008 was 1.15. The design effect for 2009 is not yet available, however if we use the 2008 figure, dividing the actual sample size of 8,365 households by the 2008

figure yields the effective sample size of the EU-SILC operation 2009 as 7,274 households and 13,605 persons aged 16+ respectively.

**Table 2.4 Mean, Total Number of Observations and Standard Errors for Income Components (unweighted)**

Income Component	Mean	Number of Observations	Standard Error
<b>Total household income variables</b>			
Total household gross income	35,026	8,365	457.4
Total disposable household income	26,833	8,365	290.1
Total disposable household income before social transfers other than old-age and survivor benefits	24,170	8,365	309.6
Total disposable household income before social transfers including old-age and survivors' benefits	18,165	8,365	305.9
<b>Gross income components at household level</b>			
Imputed rent	337	8,365	3.1
Income from rental of a property or land	402	8,365	40.5
Family/child related allowances	880	8,365	25.3
Social exclusion not elsewhere classified	390	8,365	17.9
Housing allowances	514	8,365	19.1
Regular inter-household cash transfer received	116	8,365	12.1
Interest, dividends, etc.	764	8,365	53.4
Interest repayments on mortgage	1,333	8,365	30.7
Income received by people aged under 16	8	8,365	1.8
Regular taxes on wealth	1,054	8,365	9.5
Regular inter-household cash transfer paid	151	8,365	13.9
Tax on income and social contributions	6,987	8,365	166.5
<b>Gross income components at personal level</b>			
Employee cash or near cash income	11,353	15,646	196.2
Non-cash employee income	155	15,646	8.4
Employer's social insurance contribution	215	15,646	10.7
Contributions to individual private pension plans	200	15,646	9.9
Cash benefits or losses from self-employment	1,770	15,646	125.8
Value of goods produced for own consumption	0	15,646	0.0
Pension from individual private plans	205	15,646	18.0
Unemployment benefits	56	15,646	3.9
Old-age benefits	3,414	15,646	66.1
Survivor's benefits	29	15,646	4.9
Sickness benefits	129	15,646	6.3
Disability benefits	138	15,646	6.8
Education-related allowances	41	15,646	4.7
Gross monthly earnings for employees	1,697	8,055	23.8

**Table 2.5 Mean, Total Number of Observations and Standard Errors for Income Components (weighted)**

Income Component	Mean	Number of Observations (000's)	Standard Error
<b>Total household income variables</b>			
Total household gross income	36,001	25,837	468.2
Total disposable household income	27,407	25,837	300.7
Total disposable household income before social transfers other than old-age and survivor benefits	24,596	25,837	326.5
Total disposable household income before social transfers including old-age and survivors' benefits	19,684	25,837	311.3
<b>Gross income components at household level</b>			
Income from rental of a property or land	332	25,837	3.5
Family/child related allowances	389	25,837	39.1
Social exclusion not elsewhere classified	875	25,837	18.0
Housing allowances	407	25,837	18.6
Regular inter-household cash transfer received	549	25,837	21.7
Interest, dividends, etc.	125	25,837	16.7
Interest repayments on mortgage	704	25,837	55.0
Income received by people aged under 16	1,485	25,837	35.9
Regular taxes on wealth	8	25,837	1.9
Regular inter-household cash transfer paid	1,032	25,837	9.4
Tax on income and social contributions	163	25,837	15.2
<b>Gross income components at personal level</b>			
Employee cash or near cash income	12,165	49,444	208.3
Non-cash employee income	161	49,444	9.3
Employer's social insurance contribution	227	49,444	11.7
Contributions to individual private pension plans	202	49,444	10.0
Cash benefits or losses from self-employment	1,741	49,444	119.5
Value of goods produced for own consumption	0	49,444	0.0
Pension from individual private plans	157	49,444	13.3
Unemployment benefits	66	49,444	5.1
Old-age benefits	2,720	49,444	34.9
Survivor's benefits	25	49,444	4.4
Sickness benefits	137	49,444	7.3
Disability benefits	141	49,444	7.3
Education-related allowances	59	49,444	7.9
Gross monthly earnings for employees	1,707	27,175	24.7

## 2.3 Non-sampling errors

Survey results are subject to various sources of error. The total error in a survey estimate is the difference between the estimate derived from the sample data collected and the true value for the population.

### 2.3.1 Sampling frame and coverage errors

The target population of EU-SILC UK is all private households and their current members at the time of data collection. Persons living in collective households and in institutions are excluded from the target population until 2008. From 2008 students who are living in halls of residence are also included as residents of the household sampled even if they are not *in situ* at the time of the interview.

There are no known coverage errors associated with EU-SILC UK.

**Table 2.6 Contact at address**

	Total			Wave 1 only		
	Frequency	Percent	Cumulative percent	Frequency	Percent	Cumulative percent
Address contacted (11)	11296	90.2	90.2	4719	87.4	87.4
Address cannot be located (21)	439	3.5	93.7	148	2.7	90.2
Address unable to access (22)	1	.0	93.7	0	.0	90.2
Address does not exist or is non-residential or is unoccupied or not principal address (23)	498	4.0	97.6	498	9.2	99.4
Missing	296	2.4	100.0	33	.6	100.0
Total	12530	100.0		5398	100.0	

### 2.3.2 Measurement and processing errors

#### 2.3.2.1 Measurement errors

Measurement error occurs when data are consistently biased in a certain way, such that the variation from the true values for the population will not average to zero over repeats of the survey. For example, if a certain section of the population is excluded from the sampling frame, estimates may be biased because non-respondents to the survey have different characteristics to respondents. Another cause of bias may be that interviewers systematically influence responses in one way or another. Substantial efforts have been made to avoid measurement errors, for example, through extensive interviewer training and by weighting the collected data for non-response. With regards interviewer training, face-to-face and telephone interviewers who work on EU-SILC UK are recruited only after careful selection procedures after which they take part in an initial training course. Before working on EU-SILC they attend a briefing and new recruits are always supervised either by being accompanied in the field by a Field Manager or monitored by a Telephone Interviewing Unit supervisor (TIUs). All interviewers who continue to work on EU-SILC are observed regularly in their work.

### **2.3.2.2 Processing errors**

Data collection is carried out by face-to-face interviewers using Computer Assisted Personal Interviewing (CAPI) on laptop computers. Blaise software (developed by Statistics Netherlands) is used, which is an integrated system for survey processing. The use of Blaise enables a reduction in processing-errors as data can be “checked” as it is entered by interviewers. For example, all income data is “checked” at the point of collection to make sure that Net values are not greater than Gross values for an individual.

Data is converted from Blaise to SPSS and is edited using this software. At this stage there is further checking for the consistency and plausibility of data.

### **2.3.3 Non-response errors**

There are two main types of non-response errors - unit non-response and item non-response.

In strictly controlled circumstances, interviewers are allowed to conduct a proxy interview with a close household member to reduce unit non-response errors. Proxy interviews are only used where it has proved impossible, despite repeated calls, to contact a particular member of a household in person. In these cases, some questions are omitted, for example those which are more subjective such as those relating to health.

A problem specific to the UK concerns missing income data for some respondents. In the 2005 and 2006 surveys and for the first 3 months of the 2007 survey, respondents were allowed to refuse to answer all income questions. As such, information for these respondents is missing (approximately 60 individuals in 2007). In addition, proxy respondents are not asked any income questions, apart from one question relating to ‘total personal disposable income’ (this has also been rectified, since November 2007 proxy respondents have been asked to provide full-income information).

As a consequence of this, for the survey years 2005, 2006 & 2007 there are a relatively large number of individuals for whom income information has been wholly imputed. In 2005, income information was wholly imputed for 11% of individual respondents, and in 2006 the corresponding rate was 13%.

### 2.3.3.1 Achieved sample size

**Table 2.7 Sample size and accepted interviews**

	<b>Total</b>
Persons 16 years and older	15,646
Number of accepted personal questionnaires	15,646
Accepted household interviews	8,365

### 2.3.3.2 Unit non-response

*Household non-response rates (NRh):*

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

Ra = Number of addresses successfully contacted / Number of valid addresses selected.

Rh = Number of household interviews completed and accepted for data base / number of eligible households at contacted addresses.

$$Ra = 11296(DB120 = 11) / 12530(DB120 = all) - 467(DB120 = 498).$$

$$Ra = 0.94$$

$$Rh = 8365(DB135 = 1) / 12530(DB130 = all).$$

$$Rh = 0.67$$

$$NRh = (1 - (0.94 * 0.67)) * 100$$

$$NRh = 37\%$$

*Individual non-response rates (NRp):*

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

Rp = Number of personal interviews completed / number of eligible individuals in the household whose interviews were completed and accepted for the database.

$$Rp = 15646(RB250 = 11 + 12 + 13) / 15646 (RB245 = 1 + 2 + 3)$$

$$Rp = 1$$

*Overall individual non-response rates (NRp):*

$$NRp = (1 - (0.94 * 0.67 * 1)) * 100$$

$$NRp = 37\%$$

### 2.3.3.3 Distribution of households

**Table 2.8 Distribution of original units by 'record of contact at address'**

	Total		Wave 1 addresses only	
	Number	Percentage	Number	Percentage
<b>Total (DB120 = 11 to 23)</b>	<b>12234</b>	<b>100</b>	<b>5365</b>	<b>100</b>
Address contacted (DB120 = 11)	11296	92.3	4719	88.0
Address non-contacted (DB120 = 21 to 23)	938	7.7	646	12.0
<b>Total address non-contacted (DB120 = 21 to 23)</b>	<b>938</b>	<b>100</b>	<b>646</b>	<b>100</b>
Address cannot be located (DB120 = 21)	439	46.8	148	22.9
Address unable to access (DB120 = 22)	1	0.0	0	0.0
Address does not exist or is non-residential or is unoccupied or not principal residence (DB120 = 23)	498	53.1	498	77.1

**Table 2.9 Distribution of address contacted by 'household questionnaire result' and by household interview acceptance**

	Total		Wave 1 addresses only	
	Number	Percentage	Number	Percentage
<b>Total</b>	<b>11296</b>	<b>100</b>	<b>4915</b>	<b>100</b>
Household questionnaire completed (DB130 = 11)	8365	74.1	2906	59.1
Interview not completed (DB130 = 21 to 24)	2931	25.9	1813	36.9
<b>Total interview not completed (DB130 = 21 to 24)</b>	<b>2931</b>	<b>100</b>	<b>1813</b>	<b>100</b>
Refusal to co-operate (DB130 = 21)	1992	68.0	1246	68.7
Entire household temporarily away for duration of fieldwork (DB130 = 22)	0	0	0	0
Household unable to respond (illness, incapacity) (DB130 = 23)	330	11.3	164	9.0
Other reasons (DB130 = 24)	609	20.8	403	22.2
<b>Household questionnaire completed (DB135 = 1+2)</b>	<b>8365</b>	<b>100</b>	<b>2906</b>	<b>100</b>
Interview accepted for database (DB135 = 1)	8365	100	2906	100
Interview rejected (DB135 = 2)	0	0	0	0

#### **2.3.3.4 Distribution of substituted units**

No substituted units were used as part of EU-SILC 2009.

#### **2.3.3.5 Item non-response**

All income variables provided for EU-SILC 2009 (UK) have been fully imputed.

**Table 2.10 Distribution of item non-response (before imputation)**

Variable	Full Information		Missing Value	
	Count	Per cent	Count	Per cent
Household gross income	2,804	33.5	5,561	66.5
Total disposable household income	2,762	33.0	5,603	67.0
Total disposable household income before social transfers other than old-age and survivor's benefits	2,284	27.3	6,081	72.7
Total disposable household income before social transfers including old-age and survivors' benefits	1,640	19.6	6,725	80.4
<b>Gross income components at household level</b>				
Income from rental of a property or land	51	0.6	8,314	99.4
Family/child related allowances	328	3.9	8,037	96.1
Social exclusion not elsewhere classified	197	2.4	8,168	97.6
Housing allowances	169	2.0	8,196	98.0
Regular inter-household cash transfer received	11	0.1	8,354	99.9
Interest, dividends etc	624	7.5	7,741	92.5
Interest repayments on mortgage	151	1.8	8,214	98.2
Income received by people aged under 16	0	0.0	8,365	100.0
Regular inter-household cash transfer paid	16	0.2	8,349	99.8
Tax on income and social contributions	1,502	18.0	6,863	82.0
<b>Gross income components at personal level</b>				
Employee cash or near cash income	1,003	6.4	14,643	93.6
Non-cash employee income	41	0.3	15,605	99.7
Contributions to individual private pension plans	364	2.3	15,282	97.7
Cash benefits or losses from self-employment	249	1.6	15,397	98.4
Value of goods produced for own-consumption	0	0.0	15,646	100.0
Pension from individual private plans	191	1.2	15,455	98.8
Unemployment benefits	22	0.1	15,624	99.9
Old-age benefits	1,322	8.4	14,324	91.6
Survivor's benefits	18	0.1	15,628	99.9
Sickness benefits	85	0.5	15,561	99.5
Disability benefits	162	1.0	15,484	99.0
Education-related allowances	23	0.1	15,623	99.9
Gross monthly earnings for employees	906	5.8	14,740	94.2

**Table 2.11 Distribution of item non-response (after imputation)**

Variable	Full Information		Missing Value	
	Count	Per cent	Count	Per cent
Household gross income	8,365	100	0	0
Total disposable household income	8,365	100	0	0
Total disposable household income before social transfers other than old-age and survivor's benefits	8,365	100	0	0
Total disposable household income before social transfers including old-age and survivors' benefits	8,365	100	0	0
<b>Gross income components at household level</b>				
Income from rental of a property or land	8,365	100	0	0
Family/child related allowances	8,365	100	0	0
Social exclusion not elsewhere classified	8,365	100	0	0
Housing allowances	8,365	100	0	0
Regular inter-household cash transfer received	8,365	100	0	0
Interest, dividends etc	8,365	100	0	0
Interest repayments on mortgage	8,365	100	0	0
Income received by people aged under 16	8,365	100	0	0
Regular inter-household cash transfer paid	8,365	100	0	0
Tax on income and social contributions	8,365	100	0	0
<b>Gross income components at personal level</b>				
Employee cash or near cash income	15,646	100	0	0
Non-cash employee income	15,646	100	0	0
Contributions to individual private pension plans	15,646	100	0	0
Cash benefits or losses from self-employment	15,646	100	0	0
Value of goods produced for own-consumption	15,646	100	0	0
Pension from individual private plans	15,646	100	0	0
Unemployment benefits	15,646	100	0	0
Old-age benefits	15,646	100	0	0
Survivor's benefits	15,646	100	0	0
Sickness benefits	15,646	100	0	0
Disability benefits	15,646	100	0	0
Education-related allowances	15,646	100	0	0
Gross monthly earnings for employees	15,646	100	0	0

### 2.3.3.6 Total item non-response

**Table 2.12 Number of observations and total item non-response**

	Number of sample observations	Number of sample observations not taken into account due to item non-response	Non-response at individual level (if applicable)	Non-response at household level
At-risk-of-poverty after social transfers – total	19415	0	0%	37%
At-risk-of-poverty after social transfers – men total	9400	0	0%	37%
At-risk-of-poverty after social transfers – women total	10015	0	0%	37%
At-risk-of-poverty after social transfers – 0-17 years	2175	0	0%	37%
At-risk-of-poverty after social transfers – 18-24 years	1354	0	0%	37%
At-risk-of-poverty after social transfers – 25-49 years	5956	0	0%	37%
At-risk-of-poverty after social transfers – 50-64 years	3953	0	0%	37%
At-risk-of-poverty after social transfers – 65+ years	3999	0	0%	37%
At-risk-of-poverty after social transfers – 18+ years	15262	0	0%	37%
At-risk-of-poverty after social transfers – 18-64 years	11263	0	0%	37%
At-risk-of-poverty after social transfers – 0-64 years	15416	0	0%	37%
At-risk-of-poverty after social transfers – men 18-24 years	652	0	0%	37%
At-risk-of-poverty after social transfers – men 25-49 years	2804	0	0%	37%
At-risk-of-poverty after social transfers – men 50-64 years	1893	0	0%	37%
At-risk-of-poverty after social transfers – men 65+ years	1876	0	0%	37%
At-risk-of-poverty after social transfers – men 18+ years	7225	0	0%	37%
At-risk-of-poverty after social transfers – men 18-64 years	5349	0	0%	37%
At-risk-of-poverty after social transfers – men 0-64 years	7524	0	0%	37%
At-risk-of-poverty after social transfers – women 18-24 years	702	0	0%	37%
At-risk-of-poverty after social transfers – women 25-49 years	3152	0	0%	37%
At-risk-of-poverty after social transfers – women 50-64 years	2060	0	0%	37%
At-risk-of-poverty after social transfers – women 65+ years	2123	0	0%	37%
At-risk-of-poverty after social transfers – women 18+ years	8037	0	0%	37%
At-risk-of-poverty after social transfers – women 18-64 years	5914	0	0%	37%

At-risk-of-poverty after social transfers – women 0-64 years	7892	0	0%	37%
At-risk-of-poverty after social transfers – employed	6791			
At-risk-of-poverty after social transfers – unemployed	5918			
At-risk-of-poverty after social transfers – retired	3800			
At-risk-of-poverty after social transfers – other inactive	1821			
At-risk-of-poverty after social transfers – men, employed	3343			
At-risk-of-poverty after social transfers – men, unemployed	2418			
At-risk-of-poverty after social transfers – men, retired	1655			
At-risk-of-poverty after social transfers – men, other inactive	583			
At-risk-of-poverty after social transfers – women, employed	3448			
At-risk-of-poverty after social transfers – women, unemployed	3500			
At-risk-of-poverty after social transfers – women, retired	2145			
At-risk-of-poverty after social transfers – women, other inactive	1238			
At-risk-of-poverty rate after social transfers – single, <65 years	1162			
At-risk-of-poverty rate after social transfers – single, 65+ years	1293			
At-risk-of-poverty rate after social transfers – single, male	1024			
At-risk-of-poverty rate after social transfers – single, female	1431			
At-risk-of-poverty rate after social transfers – single, total	2455			
At-risk-of-poverty rate after social transfers – 2 adults, no children, both <65	2910			
At-risk-of-poverty rate after social transfers – 2 adults, no children, at least one 65+	2800			
At-risk-of-poverty rate after social transfers – 3 or more adults	1762			
At-risk-of-poverty rate after social transfers – single parent, at least one child	1428			
At-risk-of-poverty rate after social transfers – 2 adults, 1 child	1824			
At-risk-of-poverty rate after social transfers – 2 adults, 2 children	3056			
At-risk-of-poverty rate after social transfers – 2 adults, 3+ children	1692			
At-risk-of-poverty rate after social transfers – 3 or more adults with children	1437			
At-risk-of-poverty rate after social	9927			

transfers – households without children				
At-risk-of-poverty rate after social transfers – households with children	9437			
At-risk-of-poverty after social transfers – owner or rent-free	14235			
At-risk-of-poverty after social transfers – tenant	5170			
At-risk-of-poverty after social transfers – households without children, $w=0^1$	1610			
At-risk-of-poverty rate after social transfers – households without children, $0 < w < 1$	84			
At-risk-of-poverty after social transfers – households without children, $w=1$	982			
At-risk-of-poverty after social transfers – households with children, $w=0$	3617			
At-risk-of-poverty after social transfers – households with children $0 < w < 0.5$	1998			
At-risk-of-poverty after social transfers – households with children, $w=1$	105			
Median of the equivalised disposable household income				
At-risk-of-poverty threshold – single (PPS)	19415		0%	37%
At-risk-of-poverty threshold – 2 adults, 2 children (PPS)	19415		0%	37%
Inequality of income distribution S80/S20 income quintile share ratio	19415	0	0%	37%
Relative median at-risk-of-poverty gap – total				
Relative median at-risk-of-poverty gap – men total				
Relative median at-risk-of-poverty gap – women total				
Relative median at-risk-of-poverty gap – 0-17 years				
Relative median at-risk-of-poverty gap – 18-64 years				
Relative median at-risk-of-poverty gap – 65+ years				
Relative median at-risk-of-poverty gap – 18+ years				
Relative median at-risk-of-poverty gap – men, 18-64 years				
Relative median at-risk-of-poverty gap – men, 65+ years				
Relative median at-risk-of-poverty gap – men, 18+ years				
Relative median at-risk-of-poverty gap – women, 18-64 years				
Relative median at-risk-of-poverty gap – women, 65+ years				
Relative median at-risk-of-poverty gap – women, 18+ years				

Median income below the at-risk-of-poverty threshold – total				
Median income below the at-risk-of-poverty threshold – men total				
Median income below the at-risk-of-poverty threshold – women total				
Median income below the at-risk-of-poverty threshold – 0-17 years				
Median income below the at-risk-of-poverty threshold – 18-64 years				
Median income below the at-risk-of-poverty threshold – 65+ years				
Median income below the at-risk-of-poverty threshold – men, 18-64 years				
Median income below the at-risk-of-poverty threshold – men, 65+ years				
Median income below the at-risk-of-poverty threshold – women, 18-64 years				
Median income below the at-risk-of-poverty threshold – women, 65+ years				
Median income below the at-risk-of-poverty threshold – women, 18+ years				
Dispersion around the risk-of-poverty threshold – 40%	19415		0%	37%
Dispersion around the risk-of-poverty threshold – 50%	19415		0%	37%
Dispersion around the risk-of-poverty threshold – 70%	19415		0%	37%
At-risk-of-poverty rate before social transfers – total	19415	0	0%	37%
At-risk-of-poverty rate before social transfers – men total	9400	0	0%	37%
At-risk-of-poverty rate before social transfers – women total	10015	0	0%	37%
At-risk-of-poverty rate before social transfers – 0-17 years	4153	0	0%	37%
At-risk-of-poverty rate before social transfers – 18-64 years	11263	0	0%	37%
At-risk-of-poverty rate before social transfers – 65+ years	3999	0	0%	37%
At-risk-of-poverty rate before social transfers – 18+ years	15262	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 18-64 years	5349	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 65+ years	1876	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 18+ years	7225	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 18-64 years	5914	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 65+ years	2123	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 18+ years	8037	0	0%	37%

Before social transfers including old-age and survivors' benefits				
At-risk-of-poverty rate before social transfers – total	19415	0	0%	37%
At-risk-of-poverty rate before social transfers – men total	9400	0	0%	37%
At-risk-of-poverty rate before social transfers – women total	10015	0	0%	37%
At-risk-of-poverty rate before social transfers – 0-17 years	4153	0	0%	37%
At-risk-of-poverty rate before social transfers – 18-64 years	11272	0	0%	37%
At-risk-of-poverty rate before social transfers – 65+ years	3999	0	0%	37%
At-risk-of-poverty rate before social transfers – 18+ years	15262	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 18-64 years	5349	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 65+ years	1876	0	0%	37%
At-risk-of-poverty rate before social transfers – men, 18+ years	7225	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 18-64 years	5914	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 65+ years	2123	0	0%	37%
At-risk-of-poverty rate before social transfers – women, 18+ years	8037	0	0%	37%
<b>Gini coefficient</b>				
Gini coefficient	19415	0	0%	37%
<b>Mean equivalised disposable income</b>				
Mean equivalised disposable income	19415	0	0%	37%
<b>Gender pay gap</b>				
Gender pay gap				

## 2.4 Mode of data collection

**Table 2.13 Distribution of RB250 and RB260**

	<b>Total</b>
<b>RB250 – Data Status</b>	
Information completed only from interview (11)	15646
Interview completed only from registers (12)	0
Missing	3769
Total	19415
<b>RB260 – Type of interview</b>	
Face-to-face CAPI (2)	13782
Proxy interview (5)	1594
Missing	4039
Total	19415

### **Household Members 16+ (RB245 = 1 to 3)**

**Table 2.14** Distribution of household members aged 16 and over by 'RB250'

	Total	RB250 = 11	RB250 = 12	RB250 = 13	RB250 = 21	RB250 = 22	RB250 = 23	RB250 = 31	RB250 = 32	RB250 = 33
<b>Total</b>	15646	15646	0	0	0	0	0	0	0	0
<b>%</b>	100	100	0	0	0	0	0	0	0	0

### **Household Members 16+ (RB245 = 2)**

EU-SILC 2009 (UK) did not use substituted respondents.

### **Household Members 16+ (RB245 = 3)**

EU-SILC 2009 (UK) did not use substituted respondents.

### **Household Members 16+ (RB245 = 1 to 3) and RB250 = 11 or 13**

**Table 2.15** Distribution of household members aged 16 and over by 'RB260'

	Total	RB260 = 1	RB260 = 2	RB260 = 3	RB260 = 4	RB260 = 5	Missing
<b>Total</b>	15646	0	13782	0	0	1594	270
<b>%</b>	100	0	88.1	0	0	10.2	1.7

### **Household Members 16+ (RB245 = 2) and RB250 = 11 or 13**

EU-SILC 2009 (UK) did not use substituted respondents.

### **Household Members 16+ (RB245 = 3)**

EU-SILC 2009 (UK) did not use substituted respondents.

## **2.5 Interview duration**

**Table 2.16** Interview duration in minutes (mean)

Questionnaire	Frequency	Mean (minutes)
Household Questionnaire	8936	15.6
Individual Questionnaires within household	16825	49.6
Total (Household + Individual)	8936	65.2

The EU-SILC questions are included as part of the General Lifestyle Survey questionnaire. The total interview time for the GLF and EU-SILC questions is shown in the table above.

## 2.6 Imputation procedure

The strategy used to impute UK EU-SILC was consistent with the options proposed in the following Eurostat task-force documents associated with donor-based imputation methodology:

EU-SILC 74/02  
EU-SILC 136/04  
EU-SILC 154/05

The UK EU-SILC Imputation Strategy was developed with the primary aims of imputing for all item level missingness, resolving inconsistencies, and preserving both cross-sectional and longitudinal relationships in the responses for the households and persons affected. The strategy was also designed to preserve the maximum amount of observed data.

Meeting the aims of the strategy was not trivial as the cross-sectional and longitudinal correlations were both nested and complex. In any one year, the UK EU-SILC dataset contains over 400 routing and income variables: routing variables indicate whether or not the respondent receives an amount; whilst the amount itself follows on in one or more consecutive variables. Missing values may be present in both the routing and the amounts collected.

Further complications include:

- legal constraints which make some combinations of the routing variables invalid;
- highly correlated relationships amongst subsets of the variables, for example: earnings before and after taxation followed by an associated time period for which the payment relates;
- the panel aspect of the survey introduces further correlations between years in addition to those within year.

To meet the aims of the imputation strategy the ONS implemented an iterative, two-stage imputation process: Stage 1 focused on the imputation of missing routing; Stage 2 focused on the imputation of missing amounts and time periods.

The imputation process was supported by statistical tools and used standard statistical techniques for panel data, including:

- SAS (Statistical Analysis System) – to facilitate deductive imputation. This was applied to correct for missing values by implementing propositional relationships in the data based on logical rules and legal constraints. For example, using gross values with auxiliary variables to derive missing net values. SPSS AnswerTree - to identify key predictors to partition the data into homogeneous classes for subsequent imputation.
- CANCEIS (CANAdian Census Edit and Imputation System) - for stochastic imputation. CANCEIS implements a highly efficient nearest neighbour imputation method that preserves the shape of the distribution whilst also estimates and maintains observed relationships and distributional parameters. Stochastic imputation ensures less distortion in the estimates of variance. Asymmetric trimming was also applied as a refinement to exclude outlying values which might have otherwise caused excessive influence.

The quality of the final data was validated in two ways: by calculating expected values; and observing the pre-and post imputation distributions.

## 2.7 Imputed rent

A UK EU-SILC imputed rent variable was supplied for the first time in 2007. Estimates of imputed rent were generated through the use of hedonic regression modelling, incorporating Mill's correction (based on the Heckman method). The explanatory variables used in the regression were *region*, *type of dwelling* (flat, semidetached/terraced house, detached house), *size* (number of rooms), *value of dwelling* (Council Tax band, except Northern Ireland), *thermal comfort* (ability to keep home adequately warm) and *seniority* (year of contract).

## 2.8 Company cars

In the UK, company cars are taxed based on their CO<sub>2</sub> emissions. Therefore, UK EU-SILC assigns the benefit of having access to a company car as being equal to the level of tax. However, it is difficult to estimate the level of tax, and therefore the following method is used.

EU-SILC UK asks several questions about company cars. First, the survey establishes whether the household has any company cars. Second, it establishes what the manufacturer's list price for the vehicle was when it was new. If the respondent is unable to provide an answer, they are asked which price band they think the company car sits in. If the respondent gives a band price the answer is translated into a mid-point price. For example, a Mazda saloon with a band price between £10,001-£13,000 would be given a 'list' price of £11,500. If the list price is unknown, the make, model and engine size are established for each vehicle.

The estimation of the value of using a company car for private purposes (excluding payment of fuel) is done using the following elements:

1. Type of fuel used
2. Data from VCA (Vehicle Certification Agency, UK).
3. Price of the car.

Once the price of the car is known (using one of the methods described above) a factor based on fuel type and emissions of the engine is applied to that list price. However, this is problematic as EU-SILC UK has no way of identifying what the cylinder capacity (cc) of the car in question is and therefore no real idea about what the car emissions would be. Although data on the make and model of each car is collected, the quality of answers given by respondents is extremely variable, for instance, answers such as 'a red ford' offer little value to a calculation.

Nevertheless cylinder capacity and emissions information is obtained by using data from the VCA. The VCA provide data on approximately 770 car types registered in the UK.

The 770 car types are banded together into three cylinder capacity engine group sizes in an attempt to get an average emission for each band.

**Table 2.17 Average CO<sub>2</sub> emission by Cylinder Capacity**

Cylinder Capacity	Average CO <sub>2</sub> emission
Up to 1400	145
1401 to 2000	187
2001 to 4000	246

Once this process is completed an assumption is made that the cylinder capacity of a car is linked to the price of the car.

The data for 2008/09 is shown in **Table 2.18**.

**Table 2.18 Band price of a motor vehicle based on CC and average CO<sub>2</sub> emissions**

Cylinder Capacity	Average CO <sub>2</sub> emissions	Car price (£)
Up to 1400cc	145	0 – 11,999
1401 to 2000cc	187	12,000 – 24,999
2001 to 4000cc	246	25,000 – 99,999

Cars that fall into a price band are given the appropriate cylinder capacity and the data in the **Table 2.19** is used to apply an appropriate tax rate (the tax rate used by Her Majesties Revenue and Customs to value the benefit for tax purposes).

**Table 2.19 Tax rate based on CO<sub>2</sub> emission rates (per cent)**

2008/2009	CO <sub>2</sub> tax emission rate (percentage rate)
135	17
184	25
241	35

These percentage rates are the factors that are applied to the car prices to produce a monetary benefit for each company car in a household.

$$\text{Car benefit} = (\text{car price}) * \text{CO}_2 \text{ tax emission rate}$$

### 3. Comparability

This section reports on the differences between Eurostat definitions and the definitions the UK applied in EU-SILC 2009. It also reports on the impact of these differences with regards to comparability.

#### 3.1 Basic concepts and definitions

##### ***Reference population***

No difference to the common definition.

##### ***Private household***

A household is defined as:

“a single person or a group of people who have the address as their only or main residence and who either share one meal a day or share the living accommodation” (General Lifestyle Survey 2009).

A group of people is not counted as a household solely on the basis of a shared kitchen or bathroom.

##### ***The household membership***

A person is in general regarded as living at an address if he or she (or the informant) considers the address to be his or her main residence. There are however, certain rules which take precedent over this criterion.

Children of any age away from the home in a temporary job and children under 16 at boarding school are always included in the parental household.

From 2008 students who are living in halls of residence are also included as residents of the household sampled even if they are not in situ at the time of the interview. However, other children aged 16 or over who live away from home for the purposes of either work or study and come home only for holidays are not included at the parental address under any circumstances.

Anyone who has been away from the address continuously for 6 months or longer is excluded.

Anyone who has been living continuously at the address for 6 months or longer is included even if she has his or her main residence elsewhere.

Addresses used only as second homes are never counted as a main residence.

##### ***Income reference period***

EU-SILC UK, like all other official income surveys in the UK, uses continuous interviewing with interviews spread evenly throughout the year. The survey measures current income. So for example, for income from earnings and benefits, respondents will provide figures which relate most commonly to the last week, two weeks, or month. With earnings in particular, respondents are asked for usual earnings. These figures, which represent current (and usual) incomes are then annualised (weekly estimates multiplied by 52, monthly by 12 etc). Income from self-employment can be reported for a variety of periods, but it is always up-rated (using the UK's average earnings index) to the interview date. For income from

investment and employee non-cash income respondents are most likely provide their most recent annual or half-yearly income that they received from this source. This income would be annualised, although there is no up-rating.

This approach is adopted in the UK because it is much easier for respondents to provide estimates of current income, than income for a specific reference period, say the most recent financial year. In the UK only a relatively small proportion of the adult population fill in tax returns, and the rest of the population probably never actually calculate what their annual income is. For this reason, it would be very difficult to collect an estimate of annual income corresponding to a fixed reference year.

So the estimates of income do not correspond strictly to an income reference year. However we can regard each household's estimate of annualised current income, as corresponding to a 12 month period centred around the interview date. So for a household interviewed in early January 2009, we can regard their income as being measured for the period July 2008 to June 2009, and similarly for a household interviewed in December 2009, the income estimate can be regarded as referring to the period July 2009 to June 2010. Since interviews are spread evenly throughout the year, for any one survey year, the interview reference periods collectively, are centred around the calendar year. And therefore it is reasonable to regard aggregate statistics produced from the full annual datasets, as measuring annual income in the current survey year. So the EU-SILC UK 2009 survey, measures current annual income in 2009.

In the UK, household income statistics, and especially aggregate statistics such as those that are produced from EU-SILC, are generally used and interpreted on the assumption that this distinction between annualised current income, and what might be called a 'true' annual income, is small<sup>1</sup>.

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

As above.

#### ***The reference period for taxes on wealth***

The reference period for taxes on wealth is based on data provided for the financial years April 2008–March 2009 and April 2009 –March 2010. All interviewing for EU-SILC UK took place between January 2009 and 28 February 2010.

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

Since the survey measures current income, there is no lag between the income variables and the other variables.

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

EU-SILC UK makes use of continuous interviewing with data collection being evenly spread over complete calendar years. In practice a small number of interviews are not completed until early the following year. In 2009, 99.0% of interviews took place between 1<sup>st</sup> January 2009 and 31<sup>st</sup> December 2009, with the remaining interviews completed between 1<sup>st</sup> January 2010 and 28<sup>th</sup> February 2010.

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

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<sup>1</sup> A Comparison of Current and Annual Measures of Income in the British Household Panel Survey; Journal of Official Statistics, Vol. 22, No. 4, 2006, pp. 733–758

Basic information on activity status is collected using a rolling (moving) 12-month period. Therefore, respondents are asked to provide their current activity status and their activity status for the 12-month period preceding this interview.

## **3.2 Components of income**

### **3.2.1 Differences between the national definitions and standard EU-SILC definitions, and an assessment, if available, of the consequences of the differences mentioned**

This section describes the major differences between the national definitions and standard EU-SILC definitions. The 'national definition' of household income is taken to be the Before Housing Costs (BHC) measure of income used in the Department for Work and Pensions (DWP) publication Household's Below Average Income (HBAI), the source for national poverty statistics.

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

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

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

#### ***Total disposable household income before social transfers including old-age and survivor's benefits***

Differences between the national definition and the EU-SILC definition of income have been described below, for each of the components of EU-SILC income.

#### ***Imputed rent (HY030G/N)***

Imputed rent is not included in the national definition of household income. This variable was provided as part of the 2007 EU-SILC data delivery for the first time.

#### ***Income from rental of a property or land (HY040G/N)***

No major differences between the national and EU-SILC definition.

#### ***Family/children related allowances (HY050G/N)***

The national definition of income includes the cash value of free school meals provided to children from disadvantaged homes. This is not included in the EU-SILC definition of income.

#### ***Social exclusion not elsewhere classified (HY060G/N)***

No major differences between the national and EU-SILC definitions.

#### ***Housing allowances (HY070G/N)***

No major differences between the national and EU-SILC definitions.

#### ***Regular inter-household cash transfer received (HY080G/N)***

No major differences between the national and EU-SILC definitions.

#### ***Interest, dividends, profit from capital investments in unincorporated business (HY090G/N)***

No major differences between national and EU-SILC definitions.

#### ***Interest repayments on mortgage (HY100G/N)***

Interest repayments on mortgages are not included as deductions within either the national or EU-SILC definitions of income, because neither includes imputed rent.

***Income received people aged under 16 (HY110G)***

The national definition of income includes income received by people aged under 16, as does the EU-SILC definition of income.

***Regular taxes on wealth (HY120G)***

No difference between the national and EU-SILC definitions.

***Regular inter-household cash transfer paid (HY130G/N)***

No major differences between the national and EU-SILC definitions.

***Tax on income and social contributions (HY140G)***

In the national definition of income, contributions to private pensions are deducted from income. In the EU-SILC definition of income, contributions to private pensions are not deducted, rather they are considered as a use of disposable income.

***Repayments/receipts for tax adjustments (HY145N)***

This component of income is included in the national definition of income. In EU-SILC, this component is not measured directly. For most components of income, gross and net incomes are collected separately, with taxes computed as the difference between gross and net incomes. Repayments/receipts for tax adjustments are assumed to be captured as part of this difference between gross and net incomes, and hence recorded under HY140G.

***Cash or near-cash employee income (PY010G/N)***

No major differences between the national and EU-SILC definitions.

***Non-cash employee income (PY020G/N)***

The national definition does not include non-cash employee income, whereas EU-SILC includes an estimate for company cars (although not any fuel provided by the employer).

***Cash profits or losses from self-employment (including royalties) (PY050G/N)***

No conceptual differences between the national and EU-SILC definitions.

***Value of goods produced for own consumption (PY070G/N)***

This component of income is assumed to be zero in the UK in both the national definition, and in UK EU-SILC.

***Unemployment benefits (PY090G/N)***

No major differences between the national and EU-SILC definitions.

***Old-age benefits (PY100G/N)***

All benefits included as old-age benefits are also included in the national definition of income. Income from private pensions is included in the EU-SILC definition of income, as in the national definition; however it is not included for the calculation of EU-SILC indicators. In addition, the national definition also includes the value free television licences provided to those over the age of 75.

***Survivors' benefits (PY110G/N)***

No major differences between the national and EU-SILC definitions.

***Sickness benefits (PY120G/N)***

No major differences between the national and EU-SILC definitions.

***Disability benefits (PY130G/N)***

No major differences between the national and EU-SILC definitions.

***Education-related allowances (PY140G/N)***

In the national definition of income, student loans are included as income, and student loan repayments are deducted from income. However in EU-SILC, student loans are not treated as income, and loan repayments are not deducted from income.

***Gross monthly earnings for employees (PY200G/N)***

No major differences between the national and EU-SILC definitions.

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

All income variables are collected at the point of interview. Respondents are not asked to provide any documentation to support their answers. Increasingly, interviewers are being encouraged to ask respondents whether it is possible to consult their payslip (if they are working). However this is not mandatory.

No information is collected from registers.

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

For most income components which are subject to taxation and/or social security contributions, respondents are asked to provide net and gross amounts. The only exception to this is income from interest, dividends, and capital investments, which is collected either gross or net, and for which tax paid is then estimated.

Total income for an individual/household refers to income at the time of the interview. If the last pay packet/cheque was unusual, for example it included holiday pay in advance or a tax refund, the respondent is asked for usual pay. No account is taken of whether a job is temporary or permanent.

**3.2.4 The method used for obtaining income target variables in the required form**

Gross and net income variables were asked separately, if applicable.

See section 2.6 for more detail.

## **4. Coherence**

Coherence refers to the comparison of target variables with external sources. The target variables in EU-SILC UK are a set of compulsory variables, defined by Eurostat.

### **4.1 Comparison of income target variables with external sources**

Results from two other survey sources have been used to validate EU-SILC results – the Family Resources Survey, and the Living Costs and Food Survey.

#### ***Family Resources Survey***

The Family Resources Survey (FRS) collects information on the incomes and circumstances of private households in the United Kingdom (or Great Britain before 2002-03).

The survey is sponsored by the Department for Work and Pensions.

The FRS is used primarily to validate the indicators of poverty and social exclusion. Before the introduction of EU-SILC, the Laeken and Pensions indicators were produced using data from the FRS. Comparisons between EU-SILC and FRS-based indicators continue so that any apparent differences between national poverty estimates and EU-SILC estimates can be explained. This work will be ongoing, and in the first four years of EU-SILC, has served as a useful way of validating the new EU-SILC data, and highlighting any possible problems that there might be with the EU-SILC data.

#### ***Living Costs and Food Survey***

The Living Costs and Food Survey (the UK's HBS), formerly known as the Expenditure and Food Survey, is a comprehensive overview of all aspects of household expenditure and income for the year 2009 derived from a survey of around 7,000 households in the UK. Before 2008 the survey was named the Expenditure and Food Survey. It contains analyses of household expenditure on goods and services by household income, composition, size, type and location. The results are widely seen as providing one of the most accurate pictures available of what households in the UK spend their money on today.

EU-SILC income variables have been compared with the detailed income information collected through the Living Costs and Food Survey particularly that which is published in the ONS report 'The Effects of Taxes and Benefits on Household Income'.

## **Annex 1: Government Office Region Regional Stratifier**

The Government Office Region regional stratifier:

1. North East Metropolitan
2. North East Non-Metropolitan
3. North West Metropolitan
4. North West Non-Metropolitan
5. Merseyside
6. Yorkshire and Humberside Metropolitan
7. Yorkshire and Humberside Non-Metropolitan
8. East Midlands
9. West Midlands Metropolitan
10. West Midlands Non-Metropolitan
11. Eastern Outer Metropolitan
12. Eastern Other
13. Inner London North-East
14. Inner London North-West
15. Inner London South-East
16. Inner London South-West
17. Outer London North-East
18. Outer London North-West
19. Outer London South-East
20. Outer London South-West
21. South East Outer Metropolitan
22. South East Other
23. South West
24. Wales 1 – Glamorgan, Gwent
25. Wales 2 – Clwydd, Gwynedd, Dyfed, Powys
26. Highlands, Grampian, Tayside
27. Fife, Central, Lothian
28. Glasgow Metropolitan
29. Strathclyde (excluding Glasgow)
30. Borders, Dumfries, Galloway

## Annex 2: Socio-economic groups (Operational categories and sub-categories of NS-SEC)

Group	Operational categories and sub-categories
1	Employers in large organisations
2	Higher managerial occupations
3	Higher professional occupations
4	Lower professional and higher technical occupations
5	Lower managerial occupations
6	Higher supervisory occupations
7	Intermediate occupations
8	Employers in small organisations
9	Own account workers
10	Lower supervisory occupations
11	Lower technical occupations
12	Semi-routine occupations
13	Routine occupations
14	Never worked and long-term unemployed
15	Full-time students
16	Occupations not stated or inadequately described
17	Not classifiable for other reasons

The category names used for NS-SEC (National Statistics – Socio-Economic Classification) do not refer to 'skill'. This is quite deliberate since the classification is not based on skill levels.