

Poor Britain

Joanna Mack and Stewart Lansley

Appendices

© J. H. Mack and S. Lansley, 1985

Appendix A The Likely Accuracy of the Findings

The survey was conducted by Market and Opinion Research International (MORI) on behalf of London Weekend Television's *Breadline Britain* series. (The following account of the technical details of the survey sample has been provided by Brian Gosschalk of MORI.)

The survey sample

Fieldwork took place between 15 and 24 February 1983 among a representative quota sample of 1,174 respondents aged 16 and over interviewed in their homes in eighty sampling points across Great Britain. The sample was designed to over-represent people living in deprived areas, and was then weighted to compensate for this design to produce a representative sample. The sampling points were stratified by region.

If the sample had not been designed to over-represent any particular demographic sub-group, it would have required a sample size considerably larger than around 1,200 in order to have a large enough sub-sample of households likely to be 'in poverty' as defined by the *Breadline Britain* programme makers (see pp. 49-53). Given the budget constraints, it was not possible to adopt a much larger sample size than that achieved, and it was decided to use the ACORN sampling method to produce a sample of some 200 poor households.

ACORN (A Classification Of Residential Neighbourhoods) is an analysis of the social characteristics of small areas throughout Great Britain. It is based on census enumeration districts (EDs), the smallest unit of the census with 150 households on average. Cluster analysis of EDs, grouping them by forty variables encompassing demographic, house and employment characteristics, allows thirty-six neighbourhood types to be aggregated into eleven broad groups. For the purposes of the *Breadline Britain* survey, the over-sampling was confined to three ACORN groups: urban areas with local authority housing, areas with most overcrowding, and low-income areas with immigrants (ACORN groups F, G and H, in which some 20 per cent of the

GB population live). Although ACORN sampling does have various disadvantages, it controls fieldwork tightly - unlike conventional quota sampling, which allows a fair amount of interviewer choice - and can be used for sampling purposes.

This is not the place to debate the relative merits of random versus quota sampling. Suffice to say, we felt the ACORN method appropriate for a survey on poverty, in that it gave a large enough sample of poor households while at the same time providing tight control of the sample (as in random sampling). Thus we could ensure that, for example, respondents on supplementary benefit were drawn from the most deprived as well as relatively 'better off' areas.

Fieldwork was conducted by NOP, a member of the Market Research Society's Interviewer Card Scheme. Ten per cent of all interviews were checked back by field supervisory staff to verify the completed questionnaires, including demographic details. All NOP interviewers undergo a standardised training programme before joining the panel of interviewers, and are personally accompanied, or their work subject to checks, by supervisory staff at regular intervals.

After weighting to adjust for the over-sampling of deprived areas, the sample profile was checked for representativeness of key demographic variables. No further weighting was applied other than to adjust for the ACORN sample.

In terms of statistical reliability, confidence limits can be calculated legitimately only for random samples (that is, where every person in the population has the same chance of selection). In practice, however, the experience of research agencies over many years has shown that random and quota sampling methods produce similar results. This is not so surprising, since quota sampling utilises additional known information about the population in order correctly to specify the structure of the sample. Strictly speaking, the following comments and figures apply to a random sample; however, they can be taken as a guide to the accuracy of the *Breadline Britain* findings.

Table A.1 shows the possible variation that might be anticipated because a sample, rather than the entire population, was interviewed. For example, for a question where 30 per cent of the people in a weighted sample of 1,200 respond with a particular answer, the chances are 95 in 100 that this result would not vary

Table A.1 *The reliability of the findings*

*Approximate sampling tolerances^a
applicable to percentages at or near these
levels*

<i>Number of interviewees</i>	<i>10% or 90%</i>	<i>30% or 70%</i>	<i>50%</i>
	<i>+ or -</i>	<i>+ or -</i>	<i>+ or -</i>
1,200	2	3	3
500	3	4	4
200	4	6	7
150	5	7	8
100	6	9	10
50	8	13	14

^aBased on 95 chances in 100.

more than 3 percentage points, plus or minus, from a complete coverage of the entire population using the same procedures. However, it is not true to conclude that the 'actual' result (95 times out of 100) lies anywhere between 27 per cent and 33 per cent - it is proportionately more likely to be closer to the centre of this band (30 per cent) than to lie at the extremes (27 per cent or 33 per cent). As indicated in Table A.1, the sampling tolerances vary with the size of the sample and the size of the percentage results.

Tolerances are also involved in the comparison of results from different parts of the sample. A difference, in other words, must be of at least a certain size to be considered statistically significant. Table A.2 is a guide to the sampling tolerances applicable to comparisons. These tolerances are based on a 95 per cent level of significance; if a less rigorous test of significance was used (say

Table A.2 *Comparing results for different groups*

*Differences required for significance^a at or
near these percentage levels*

<i>Comparing groups of</i>	<i>10% or 90%</i>	<i>30% or 70%</i>	<i>50%</i>
	<i>+ or -</i>	<i>+ or -</i>	<i>+ or -</i>
1,000 and 1,000	3	4	4
1,000 and 200	5	7	8
1,000 and 100	6	9	10
200 and 200	6	9	10
100 and 100	8	13	14
50 and 50	12	18	20

^aBased on 95 chances in 100.

the 90 per cent level), then the percentage differences required for significance would, of course, be smaller. Table A.2 shows that, using the 95 per cent level, the difference between two percentage results of, say, 29 per cent and 33 per cent would almost certainly be a statistically significant difference when based on samples of 1,000 interviews each. However, when these results occurred based on samples of 200 interviews each, the difference would almost certainly not be statistically significant.

The analysis of the findings

The likely accuracy of the findings, and the significance of differences between sub-groups, can be gained from Tables A.1 and A.2. When the findings are presented as referring to the population as a whole, they are based on the whole sample, that is, on nearly 1,200 interviewees. This means, in particular, that the findings on people's attitudes to necessities (reported in Chapter 3) and on the overall level of lack of necessities (reported in Chapter 4) are likely to be a good reflection of reality. The sub-groups of social class, age and household type generally include about 200 interviewees (the most important exception is single-parent families where the number of interviewees is about 50). The income groups used for all households were deciles and contained about 100 interviewees; when income groups for families alone have been examined, the higher-income decile groups have been combined to maintain samples of around 50-100.

The number of interviewees 'in poverty', as defined in the study (that is, the numbers lacking, through shortage of money, three or more necessities), is 206. This is likely to provide a fairly accurate description of the characteristics of those 'in poverty' as a whole. The numbers of interviewees lacking one or two necessities is over 250, again providing a fairly accurate picture of the characteristics of those on the margins of poverty. When sub-groups of those 'in poverty' are examined, the possible error range is greater. In particular, the sub-groups examined in Chapter 5 of those lacking, from shortage of money, three or four necessities, five or six necessities and seven or more necessities are in the range of 60-80 interviewees; as is the sub-group of people in 'intense poverty' examined in Chapter 6. The analysis of households on supplementary benefit is based on 241 interviewees.

Appendix B The Questionnaire

The questionnaire for the *Breadline Britain* survey was entitled 'Living in Britain'.

Figures in *italic* indicate percentage responses to questions.

* = less than 0.5 per cent.

SHOWCARD A

Q.1 Here is a list of problems which some people have told us they face. Which, if any, of these are major problems facing you or your immediate family?

Mugging/vandalism	21
Your own health	14
The health of someone else in your family	19
Not having enough money to make ends meet	29
Poor local schools	6
Poor public transport	10
Unemployment	22
Fear of unemployment	16
Employment prospects for your children	24
None of these	17
Don't know/no opinion	6

SHOWCARD B

Q.2 The things people can buy and do - their housing, furniture, food, cars, recreation and travel - make up their standard of living. How satisfied or dissatisfied do you feel about your standard of living at present?

Very satisfied	17
Fairly satisfied	58
Neither satisfied nor dissatisfied	8
Fairly dissatisfied	10
Very dissatisfied	7
Don't know/no opinion	*

Q.3 Overall, do you think your present standard of living is higher, lower or about the same as five years ago?

292 Appendix B: The questionnaire

Q.4 And do you think it will be higher, lower or about the same, in five years time?

	(Q3)	(Q4)
Higher	26	29
About the same	34	34
Lower	39	28
Don't know	1	9

SHOWCARD C

Q.5a Here is a list of things the Government spends money on. If the Government had to reduce its spending, which *three* of these do you think it should cut its spending on?

Q.5b And if the Government intended to increase its spending, which *three* of these do you think it should increase its spending on?

	(5a) <i>Cut</i>	(5b) <i>Increase</i>
Local housing	12	29
Social Security benefits	23	19
National Health Service	2	59
Roads	17	20
Police	10	22
Education / schools	3	55
Grants to local authorities	25	9
Defence	45	10
Job training for the unemployed	13	38
Child benefits	20	16
Grants for regional development	39	6
None/no opinion	19	3

Q.6 I am going to read out a number of statements about Britain today. Please could you tell me whether you agree or disagree with each one.

	Agree	Disagree	Don't know
a) Differences in pay between the highly-paid and the lowly-paid are too great	76	20	4
b) The Government should increase taxation on the rich	63	32	5
c) There's no incentive for low paid workers to earn extra money because any gain disappears though deductions in benefit and extra taxes	79	17	4

- | | | | |
|---|----|----|---|
| d) The gap between the rich and the poor in Britain today is too wide | 74 | 21 | 5 |
| e) Britain's welfare system removes the incentive for people to help themselves | 57 | 35 | 8 |
| f) The government should introduce a minimum wage for all workers | 66 | 28 | 5 |

ASK ALL WHO AGREE WITH LAST STATEMENT: (OTHERS GO TO Q8)

Q.7 How much do you think the minimum wage before tax should be for full-time adult workers, excluding school leavers?

Less than £40 per week	Less than £160 per month	0
£41 - £ 50 per week	£160-200 per month	1
£51 - £ 60 per week	£201-240 per month	4
£61 - £ 70 per week	£241-280 per month	4
£71 - £ 80 per week	£281-320 per month	13
£81 - £ 90 per week	£321-360 per month	13
£91 - £100 per week	£361-400 per month	23
Over £100 per week	Over £400 per month	32
Don't know	Don't know	10

SHOWCARD D

Q.8 Here is a list of problems which some people say they have experienced in and around their homes. Which, if any, have been serious problems for you with your present home in the past year? (PROBE FOR ANY OTHER HOUSING-TYPE PROBLEMS AND WRITE IN)

01 Broken windows	7
02 Damp/ condensation	24
03 Mice/rats	4
04 Poor heating	20
05 Poor decoration inside	7
06 Lifts not working	1
07 Dirty/unpleasant environment	10
08 Poor decoration outside	10
09 Lack of places for children to play	21
10 Lack of recreational facilities for young people/adults .	23
11 Too much noise	9
12 Heavy traffic	16
13 Some other problem(s) (WRITE IN)	9
14 None of these	29

SHUFFLE BOARD AND CARDS EXCLUDE CARDS ASTERISKED, WHICH RELATE TO CHILDREN

Q.9 On these cards are a number of different items which relate to our standard of living. Please would you indicate by placing the cards in the appropriate box the living standards you feel all adults should have in Britain today. This box (POINTS TO BOX A) is for items which you think are necessary, and which all adults should be able to afford and which they should not have to do without; this box (POINT TO BOX B) is for items which may be desirable, but are not necessary.

GIVE CARDS RELATING TO CHILDREN*

Q.10 Now could you do the same, this time thinking of a family with children

	<i>A</i>	<i>B</i>	
	<i>Necessary</i>	<i>Not</i>	
	<i>should</i>	<i>necessary</i>	
	<i>be able</i>	<i>but may</i>	
	<i>to</i>	<i>be</i>	<i>Don't</i>
	<i>afford</i>	<i>desirable</i>	<i>know</i>
1 *	40	50	11
2	55	44	*
3	67	32	1
4	63	35	1
5	97	2	*
6	38	60	1
7	78	21	*
8	64	34	1
9	51	48	*
10	70	29	*

11	Telephone	43	56	1
12	Refrigerator	77	22	*
13	Indoor toilet (not shared with another household)	96	3	*
14	Bath (not shared with another household)	94	6	*
15	Beds for everyone in the household	94	6	*
16	Damp-free home	96	3	*
17	A car	22	76	1
18	Public transport for one's needs	88	11	*
19	A night out once a fortnight	36	62	1
20	A packet of cigarettes every other day	14	82	4
21	A hobby or leisure activity	64	34	*
22	A holiday away from home for one week a year, not with relatives	63	36	*
23	Celebrations on special occasions such as Christmas	69	30	1
24	Presents for friends or family once a year	63	36	1
25	Friends/family round for a meal once a month	32	66	1
26 *	Children's friends round for tea/a snack once a fortnight	37	53	10
27	A "best outfit" for special occasions	48	50	1
28	A washing machine	67	31	*
29 *	Three meals a day for children	82	8	10
30 *	Toys for children e.g. dolls or models	71	20	9
31	A warm water-proof coat	87	11	*
32 *	Leisure equipment for children e.g. sports equipment or a bicycle	56	35	9
33 *	Enough bedrooms for every child over 10 of different sex to have his/her own bedroom	77	15	8
34	Two hot meals a day	64	35	1
35	Self-contained accommodation	79	20	1

SHOWCARD E

Q.11 Why, in your opinion, are there people who live in need? Here are four opinions - which is the closest to yours?

- Because they have been unlucky 13
- Because of laziness and lack of willpower 22
- Because there is much injustice in our society 32
- It's an inevitable part of modern progress 25
- None of these 5
- Don't know 3

Q.12 Still thinking about people who lack the things you have said are necessities for living in Britain today, do you think that the Government is doing too much, too little or, about the right amount to help these people?

- Too much 6
- Too little 57
- About the right amount 33
- Don't know 4

Q.13 If the Government proposed to increase income tax by one penny (1p) in the pound to enable everyone to afford the items you have said are necessities, on balance would you support or oppose this policy? IF SUPPORT AT Q13, ASK:

Q.14 If the Government proposed to increase income tax by five pence (5p) in the pound to enable everyone to afford the items you have said are necessities, on balance would you support or oppose this policy?

- | | | | |
|------------------|-------------|------------|-------------|
| | <i>Q.13</i> | | <i>Q.14</i> |
| Support | 74 | GO TO Q.14 | 34 |
| Oppose | 20 | } GO TO | 53 |
| Don't know | 6 | } Q.15 | 13 |

SHUFFLE CARDS AND BOARD - REMOVE CARDS RELATING TO CHILDREN IF NO CHILDREN LIVING AT HOME

Q.15 Now, could you please put the cards into these four boxes: This box (POINT TO BOX A) is for the items you do have, and couldn't do without; this box (POINT TO BOX B) is for items you have, but could do without; this box (POINT TO BOX C) is for items you don't have but don't want; and this box (POINT TO BOX D) is for items you don't have and can't afford.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	
	<i>Have</i>	<i>Have</i>	<i>Don't</i>	<i>Don't</i>	<i>Not</i>
	<i>and</i>	<i>and</i>	<i>have</i>	<i>have</i>	<i>applic-</i>
	<i>couldn't</i>	<i>could</i>	<i>but</i>	<i>and</i>	<i>able/</i>
	<i>do</i>	<i>do</i>	<i>don't</i>	<i>can't</i>	<i>Don't</i>
	<i>without</i>	<i>without</i>	<i>want</i>	<i>afford</i>	<i>know</i>
Base = 60% for items relating to children					
1 * An outing for children once a week	14	16	8	9	13
2 A garden	51	36	7	4	2
3 A roast meat joint or its equivalent once a week	48	37	6	7	1
4 Meat or fish every other day	47	34	9	8	1
5 Heating to warm living areas of the home it it's cold	90	3	*	5	1
6 A dressing gown	33	52	10	3	1
7 Two pairs of all weather shoes	68	19	4	9	*
8 New, not second hand clothes	59	27	6	6	1
9 A television	51	46	1	*	*
10 Carpets in living rooms and bedrooms in the home.....	71	25	*	2	*
11 Telephone	51	30	6	11	1
12 Refrigerator	78	18	1	2	*

(Continued)

Q.15 (Continued)

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>Not</i>
	<i>Have</i>	<i>Have</i>	<i>Don't</i>	<i>Don't</i>	<i>applic-</i>
	<i>and</i>	<i>and</i>	<i>have</i>	<i>have</i>	<i>able/</i>
	<i>couldn't</i>	<i>could</i>	<i>but</i>	<i>and</i>	<i>Don't</i>
	<i>do</i>	<i>do</i>	<i>don't</i>	<i>can't</i>	<i>Don't</i>
	<i>without</i>	<i>without</i>	<i>want</i>	<i>afford</i>	<i>know</i>
<i>Base = 60% for items relating to children</i>					
13	Indoor toilet (not shared with another household)94	2	1	2	*
14	Bath (not shared with another household)95	2	*	2	*
15	Beds for everyone in the household94	3	1	1	1
16	Damp-free home82	4	3	7	3
17	A car37	23	16	22	1
18	Public transport for one's needs63	23	7	3	3
19	A night out once a fortnight19	36	26	17	1
20	A packet of cigarettes every other day14	24	53	6	3
21	A hobby or leisure activity50	28	12	7	1
22	A holiday away from home for one week a year, not with relatives38	31	8	21	1
23	Celebrations on special occasions such as Christmas61	32	3	4	*
24	Presents for friends or family once a year58	33	3	5	*
25	Friends/family round for a meal once a week24	40	20	11	4
26 *	Children's friends round for tea/a snack once a fortnight10	21	10	5	13
27	A "best outfit" for special occasions39	41	8	10	1
28	A washing machine68	18	7	6	1
29 *	Three meals a day for children39	5	2	2	12

30 *	Toys for children e.g. dolls or models	30	13	3	2	12
31 *	A warm water-proof coat	81	8	3	7	*
32 *	Leisure equipment for children e.g. sports equipment or a bicycle	22	16	4	6	12
33 *	Enough bedrooms for every child over 10 of different sex to have his/her own bedroom	35	5	4	3	13
34	Two hot meals a day	53	26	17	3	*
35	Self-contained accommodation	87	7	3	3	1

Q.16 A number of people have told us they have had to miss out on meals because of a lack of money. Have there been times during the past year when you did not have enough money to buy food you (and your family) needed?

Yes 13
 No 87
 Don't know 1

SHOWCARD F

Q.17 For each of the items on this list, could you tell me whether you think their level is too high, too low or about right at present?

	<i>Too high</i>	<i>Too low</i>	<i>About right</i>	<i>Don't know</i>
State pensions	1	59	29	11
Unemployment benefit	9	40	24	27
Child benefit	16	24	41	18
Married man's allowance	4	37	28	31
Mortgage allowance	4	15	35	44

Q.18 People claiming supplementary benefit are people who are not working and who don't have enough to live on because their pension or income is below a certain minimum level. They receive 09.20 per week excluding rent for a family with two young children. Do you think this amount is too high, too low, or about right?

Too high 3
 Too low 59
 About right 33
 Don't know 6

SHOWCARD G

Q.19 I'd now like to ask you some questions about supplementary benefits. I'm going to read out some statements and I'd like you to tell me how strongly you agree or disagree with each one.

	<i>Strongly agree</i>	<i>Tend to agree</i>	<i>Neither agree nor disagree</i>	<i>Tend to disagree</i>	<i>Strongly disagree</i>	<i>Don't know</i>
Most people claiming supplementary benefit are in real need	25	44	8	16	3	4
A lot of people who are entitled to claim supplementary benefit don't claim it	23	51	8	10	2	6
Many people claiming supplementary benefit are on the fiddle	25	37	9	17	6	7

Q.20 Have you or anyone in your family, excluding when a student, ever received supplementary benefits?

Yes	36
No	63
Don't know	*

SHOWCARD H

Q.21 Have there been times during the past year when you were seriously behind in paying for any of the following items?

	<i>In arrears</i>
Rent	7
Gas	5
Electricity	7
Goods on hire purchase	3
Mortgage	1
Rates	4
None of these	85

Q.22 And have there been times during the past year when you have had to borrow money from friends or family in order to pay for your day-to-day needs?

Yes	16
No	82
Don't know	2

Q.23 Do you think you could genuinely say you are poor now, all the time, sometimes or never?

All the time.....	12
Sometimes	28
Never	59
Don't know	1

SHOWCARD I

Q.24a A number of people have told us they have different kinds of personal difficulties these days. Which if any of the items

on this card have you worried about or have you experienced in the past month due to lack of money?

Being depressed	18
Relations with your friends	3
Relations with your family	5
Being bored	15
Not having enough money for day-to-day living	17
Feeling looked down upon by other people	4
Feeling a failure	6
Lack of hope for the future	19
Letting down your family	9
None of these	58

Q.24b Are you personally or is anyone in your immediate family unemployed at the moment or have any of you been unemployed in the past 12 months? RECORD WHO AND WHEN

Respondent is now unemployed	14
Head of household is now unemployed	8
Other family member is now unemployed	9
Respondent has been in last 12 months	2
Head of household has been in last 12 months	2
Other family member has been in last 12 months	5
None unemployed and none been unemployed in last 12 months	66

Q.25 Do you have any long-standing illness, disability or infirmity? By long-standing I mean anything that has troubled you over a period of time or that is likely to affect you over a period of time.

Yes	23
No	77

Q.26 Generally speaking, do you think of yourself as Conservative, Labour, Liberal, Social Democrat, Nationalist, or what?

Conservative	30
Labour	29
Liberal	10
SDP/Social Democrat	6
Scottish Nationalist (SNP)	1
Other	1
None/Don't know	23

Q.27 I would like to ask you some questions about your income. It's important for the accuracy of our survey for us to know the amount of money people have coming in each week/month. Could you please tell me the current income from his/her job of the main wage earner, after tax and deductions? (REPEAT FOR ALL WAGE EARNERS IN THE HOUSEHOLD)

WRITE IN

Main wage earner

Other wage earner

Other wage earner

SHOWCARD J

Q.28 Which if any of these do you or does anyone living in this household receive?

- A state pension 26
 - A private pension e.g. from previous employer 18
 - Unemployment benefit 10
 - Sickness benefit 2
 - Invalidity benefit 5
 - Supplementary benefit 15
 - Family income supplement 1
 - Child benefit 44
 - Other state benefit 3
 - Maintenance payments 1
 - Income from savings/investments 16
 - Income from second job 3
- (26) 25/
- Other income e.g. rent, shares, etc 3
 - None of these 15 - GO TO Q.31

Q.29 How many people in this household receive (READ OUT EACH ITEM MENTIONED AT Q.28)

Base = 85%

	<i>None</i>	<i>One</i>	<i>Two</i>	<i>Three +</i>
A state pension	59	14	12	1
A private pension e.g. from previous employer	68	16	2	*

Appendix B: The questionnaire 305

Unemployment benefit	75	9	1	*
Sickness benefit	83	2	*	0
Invalidity benefit	80	5	1	0
Supplementary benefit	70	13	1	1
Family income supplement	84	1	0	*
Child benefit	41	19	17	8
Other state benefit	82	3	0	*
Maintenance payments	84	1	*	*
Income from savings/investment	70	8	5	2
Income from second job	82	2	1	*
Other income e.g. rent, shares, etc	82	2	1	*

Q.30 In total, and after tax and other deductions, how much do people in this household receive each week from (READ OUT ITEMS MENTIONED AT Q.28)

Amount (WRITE. IN)

- A state pension
- A private pension e.g. from previous employer
- Unemployment benefit
- Sickness benefit
- Invalidity benefit
- Supplementary benefit
- Family income supplement
- Child benefit
- Other state benefit
- Maintenance payments
- Income from savings/investment
- Income from second job
- Other income e.g. rent, shares, etc

306 Appendix B: The questionnaire

Q.31 How much do you pay in rent or mortgage payments each week /month? If you don't know the exact figure, what is it approximately? (WRITE IN)

.....

Q.32 And what do you pay in rates each month/year? Again if you don't know the exact figures, what is it approximately? (WRITE IN)

.....

QUESTIONS 33-35 TO BE ASKED ONLY OF THOSE RECEIVING SUPPLEMENTARY BENEFIT AT Q.28: OTHERS GO TO Q.36

SHOWCARD B AGAIN

Q.33 How satisfied or dissatisfied are you with the service you get from your local DHSS office?

	<i>Base= 15%</i>
Very satisfied	3
Fairly satisfied	6
Neither satisfied nor dissatisfied	1
Fairly dissatisfied	1
Very dissatisfied	3
Don't know	*

Q.34 Do you receive payment in the form of a giro cheque through the post every fortnight? IF YES: Does it arrive (READ OUT)

	<i>Base= 15%</i>
Regularly on the correct day	4
Late occasionally	1
Often late	*
No, don't receive fortnightly giro cheques	8
Don't know	*

Q.35 When you claim supplementary benefit, how do you feel about it? Would you agree or disagree with these statements:

		<i>Base = 15%</i>		
		<i>Agree</i>	<i>Disagree</i>	<i>Neither/ D. K.</i>
a)	It is a right which I am entitled to	13	1	*
b)	I would rather not claim it, but have to because I need the money	13	1	*
c)	I feel embarrassed about claiming it	6	8	*
d)	I find it difficult to manage on the amount of benefit I receive	11	3	1
e)	I would rather receive more money in supplementary benefit than have improved social services such as hospitals	4	7	2

ASK ALL

Q.36 And finally, I've been asking you all these questions for one of the ITV television companies. They'd be very interested in talking directly to some of the people who have helped in the survey. They do not at this stage want to ask to film you, just to talk to you. Would you be prepared to be contacted by the television company?

Yes 45
No 55

GO TO DEMOGRAPHICS

Appendix C Income: Concepts and Problems

It is notoriously difficult to establish accurate income data through surveys, and the *Breadline Britain* survey was no exception. Throughout this study, the income concept used is *net equivalent household income* - and at each stage measurement difficulties arose.

The income measure

The most basic problems arose with the measure of 'income' itself. First, there was the question of deciding what constitutes income. The *Breadline Britain* survey collected data only on *cash* income, earned and unearned. A comprehensive measure of the resources that govern people's living standards would have required a far more detailed set of questions and these were excluded for reasons of cost. The significance of these limitations can be assessed from the Townsend study (1979), which compiled a comprehensive measure of resources. Townsend traced the value and distribution of five types of resources: net disposable cash income, the annuity value of assets held, employer welfare benefits in kind, public social services in kind and private income in kind. Of these five types, net disposable cash incomes less income from property and investment formed about three-fifths of the grand total, imputed income from assets another fifth, and the other three resources the remaining fifth. Townsend concludes:

Although net disposable income, less income from property and investment, is by far the most important component of the resources on which the population depends for its living standards, other resources are also important. (Townsend, 1979, p. 225)

The measure used in this study is not directly comparable to the first of these types, as it includes some measure of income from investment and savings. Nevertheless, Townsend's findings do show that confining the measure of resources to cash income does pose real limitations. Moreover, the distribution of these non-cash resources is unequal. Townsend found that, for every

type of resource, the 20 per cent of households with the highest net disposable incomes received the highest money value of other types of resources: 'their advantage in respect of imputed income from assets and employer welfare benefits is striking, though not surprising, but they also had a higher value of social services in kind' (Townsend, 1979, p. 233).

Since the 1960s, when the Townsend survey was conducted, the importance of these non-cash resources to higher-income groups has increased, for example through the spread and range of fringe employment benefits. This means that the simple measure of income taken in this study underestimates the difference in resources between those in the upper half of the income range and those in the lower half. It also means that the distribution of households within each income decile would to some degree change: some households that have been allocated to an income decile on the basis of their cash income would be allocated to a different group if a more complete view of their resources were taken. This is important to bear in mind when the tightness of the fit between cash income and living standards is being considered.

The accuracy of the income data

The second major problem relates to the accuracy of the income data collected.

Some respondents simply refused to answer questions about income. Information was provided by only 74 per cent of households. While this is not a particularly low response rate overall compared with other surveys, non-response is not evenly spread across income groups. Table C.1 compares the socio-economic breakdown of the whole sample and of non-respondents. Among the non-respondents, households from socio-economic groups AB are heavily over-represented, while those from group E are heavily under-represented. Given that income is positively related to socioeconomic group, this suggests that the income information is weighted towards lower-income groups, leading to both a downward bias in mean income and an understatement of the extent of inequality.

Those who do answer do not necessarily give accurate information: they are being asked about not just their *own* income

310 Appendix C: Income: concepts and problems

Table C.1 *Income non-respondents by socio-economic group (percentages)*

<i>Socio-economic group</i>	<i>Income non-respondents</i>	<i>Whole sample</i>
AB	24	15
C1	20	20
C2	31	28
D	19	19
E	6	19
All groups	100	100

but that of the *household*; while most people have a rough idea of what benefits they receive and what they earn, they may well not know about their husband's or wife's, mother's and father's, son's and daughter's, or may not be prepared to divulge such information even if they are prepared to give information about their own income. Further, there is a known tendency in surveys for certain forms of income to be understated, such as earnings by the self-employed and by those in part-time employment and income from savings and investment.

The net effect of these various factors is threefold. First, average recorded income is lower than actual income. Second, the extent of inequality is understated. Third, some households may get misplaced in the income ranking. A tentative estimate of the extent of these biases is shown in Table C.2, which compares Family Expenditure Survey income data with the *Breadline Britain* data. This confirms that income is understated: the median

Table C.2 *A comparison of household income distributions*

<i>Income groups</i>	<i>Family Expenditure Survey data^a as a percentage of the Breadline Britain data</i>
Lowest decile	108
Lower quartile	112
Median	132
Upper quartile	135
Highest decile	124

^aThe latest Family Expenditure Survey figures refer to 1981; these have been updated to February 1983, the date of the *Breadline Britain* survey, by using the average earnings index for all employees, equal to 1.154.

Sources: LWT/MORI, 1983; Department of Employment, 1982.

income, for example, should be about 32 per cent higher than that found in the survey. The extent of inequality is also understated, particularly in the lower half of the distribution. These factors mean that the relationships between income and living standards explored in the book are less significant than they would be with more accurate and reliable income data.

The income unit

Next, it was necessary to decide what ‘unit’ the income measure was going to cover; that is, whether it is most sensible to take individuals separately, families or households. While a number of the necessities refer to individual rather than household possession, an individual measure of income is not particularly helpful: people who live together pool their resources, to some degree or other, it is more sensible therefore to take either a family or household measure, though this does have its limitations: in particular, the share of the household income received by wives can vary considerably. The more difficult question, however, is to decide how far such pooling extends: if, for example, granny is living with her daughter’s family, is it most sensible to talk about the ‘family’ unit, which would exclude granny, or the ‘household’ unit, which would include granny. There are no universally accepted rules and different studies have taken different approaches.

In this study, the ‘household’ unit is used and the respondent has decided who does and who does not class as a member of the household. The income of the household includes the income of every member of the household. While this approach has the advantage of reflecting people’s actual living patterns, it does mean that to some extent like is not always being compared with like: for example, if the granny living with her daughter’s family in a divided house had been a respondent, she may have classed herself as living on her own but she is likely to be considerably better off in practice than an elderly person living completely on their own with a similar income. Again, such factors mean that the relationship between living standards and income is not as close as it would be if the income units had been more directly comparable.

Equivalence scales

The next problem relates to the differences in the size and composition of these household units. On average, larger

households have higher incomes than smaller households, yet they are generally less well-off because there are more people in the household. At the most basic level, the household income needs to be adjusted for the number of people in the household. In reality, however, the questions are more complicated. A husband and wife do not incur twice the expenses of a single person to maintain the same standard of living. In general terms, the problem is how to 'adjust' household income so that the 'adjusted' income of different types of household reflects the same standard of living. The weights used to adjust incomes of different household types to yield the same standard of living are known as 'equivalence scales'. This principle also underlies the supplementary benefit system, and the implicit equivalence scales in supplementary benefit as of November 1982 are shown in Table C.3.

However, just as the supplementary benefit level itself is open to question, so too are these implicit weightings. Some studies have suggested that the equivalence scales do not accurately reflect the relative needs of different types of household; in particular, it is argued that the needs of children are underestimated (see Piachaud, 1979, 1981b). If this is correct (and the weight of evidence is strong), it will to some extent affect the relationship between the income measure and living standards: a couple with children who have the same 'adjusted' income as a couple without children would in practice be worse off because their children are more 'costly' than allowed for in the equivalence rates. Several studies have made estimates of alternative equivalence scales based on expenditure patterns (see, for example, Fiegehen *et al.*, 1977, ch. 7). At their simplest level, such approaches examine how much additional expenditure is incurred for each additional type of person. However, while these studies have all produced ratios similar to those implicit in the supplementary benefit system, no consensus on a precise alternative has emerged.

Table C.3 *The equivalence scales implicit in the supplementary benefit rates*

Single person	0.63
Couple	1.00
Child, aged under 11	0.17
Child, aged 11-15	0.26
Additional person	0.50

In the absence of any consensus, this study uses the equivalence scales implicit in the supplementary benefit system. Throughout, the income concept used is *equivalent* household income, which is obtained by dividing the household income by its appropriate equivalence scale. Some attempt to allow for the different needs of children has been made by considering households with children separately from households without children, but even then the equivalence scales for children of different ages have had to be accepted. While, in general, other studies suggest that the effect of adjusting the equivalence scales used on the relationship between household equivalent income and living standards would be relatively small (see Fiegehen *et al.*, 1977) it does mean that this relationship may not be as tight as would be the case if other equivalence scales were used.

Housing costs

The next problem relates to the question of housing costs. The income measure taken is *net* equivalent household income, that is, housing costs have *not* been deducted. Some other studies (for example, Layard *et al.*, 1978) have taken instead *disposable* income; that is, they have deducted housing costs. While the arguments are by no means clear-cut, it seemed somewhat circular to deduct housing costs in this study because a number of the measures of living standards related to housing. This does mean, however, that some people with particularly high housing costs will have lower living standards than others in their income bracket.

Time period

Finally, there is the question of the time period to which the income data refer. Respondents were asked only about their income at that moment of time. It was felt that people's knowledge of their income that week or month was likely to be more accurate than their recollection of their income over the year. However, people's incomes do vary considerably over the course of a year: they may have become unemployed, or have just found work; they may be going through a period of unusually high or low overtime; they may have just retired. All these factors will influence a household's living standard at any moment of time. It means that there will be households who have, at that moment of

time, the same net equivalent household income but whose background is very different. This, in turn, will have a considerable effect on their relative living standards. In a more comprehensive study it would be worth collecting information on past as well as current income, but in this context it is worth noting that taking weekly and monthly, rather than annual data, would be expected to loosen the relationship between the income measure used and living standards.

Conclusions

This examination of the income concept used has shown that it is limited in terms of the comprehensiveness of the data collected, in terms of the accuracy of the data and in terms of the intrinsic problems of simplifying the vast range of living patterns into comparable measures. Together, all these factors mean that some people will have been grouped as having the same or similar income who in fact have considerably different incomes. This is of critical importance when the relationship between income and living standards is considered.

