

Chapter 7

Low-income dynamics

- Over the period 1991-2000, there was considerable movement around the income distribution. For example, less than ten per cent of the population remained in the same quintile of the income distribution for the whole of the period.
- Around half of individuals who were in the bottom and top quintiles in 1991 spent six or more years in that particular quintile from 1991-2000. Individuals in any of the middle three quintiles were less likely to have spent the majority of their time in their original 1991 quintile.
- In 2000, individuals who were no longer in the same quintile as they had been in 1991 were most likely to be in an adjacent quintile. Those who had finished in a higher quintile had spent the majority of their time above their original quintile and vice versa for those finishing in a lower quintile.

Persistence of low income

- Over any four-year period from 1991 to 2000, around a third of individuals spent at least one year, around 1 in 10 spent three or more years and 1 in 20 spent all four years in households with below 60 per cent of median household income.
- Over the ten year period 1991 to 2000, just under half of individuals spent at least one year, 15 per cent spent at least five years and two per cent spent all ten years in households with below 60 per cent of median household income.
- From 1991-2000, there was little change in persistent low income, as defined by spending three or more years out of any four year period in a household with below 60 per cent of median income, either in the population as a whole, or working-age adults. Whilst over the period as a whole, there was a slight rise in persistent low income for pensioners and fall for children, there has been little or no change for either group since the period 1994-97.
- Single pensioners, those living in single-parent families, workless households, the social rented sector or those with no qualifications were more likely to experience persistent low income, as defined above, than other groups. There is some evidence that, during the 1990s, the incidence of persistent low income fell for single-parent families and workless households.

Introduction

The extent to which individuals living in low-income households at a point in time are simply experiencing transitory fluctuations in income, or are persistently experiencing low income, is clearly an important issue and one that can only be addressed using longitudinal data. The issues of income mobility and the extent of persistent low incomes experienced by different groups are therefore addressed in this chapter using data from the longitudinal British Household Panel Survey (BHPS).

The BHPS is run by The University of Essex, Institute for Social and Economic Research (further information can be found on their web-site at <http://www.iser.essex.ac.uk/>). The data was made available through the UK Data Archive and is released under the auspices of the ESRC UK Longitudinal Studies Centre (ULSC) at the University of Essex. Neither the ULSC nor the Archive bears any responsibility for the analysis or interpretation of the BHPS data presented here.

The analysis presented in this chapter is based on analysis of ten waves of the BHPS, from 1991 up to and including 2000. The focus is on low-income dynamics and persistence of low income. The results exactly repeat those which were published by DWP in August this year as a separate analytical paper. This is because, due to improvements in the timeliness of the availability of Family Resources Survey (FRS) data, it is no longer possible to include the analysis of the wave of BHPS data that corresponds to the latest FRS financial year in the HBAI report. Analysis of 2001 (Wave 11) BHPS data will therefore be published separately in 2003.

Changes since last year

Some of the BHPS figures presented in this chapter have seen small revisions since their publication in the last (2000/01) HBAI report. These revisions were introduced when the separate paper was published as mentioned above. This is due to changes in the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.

Definition of income

The measure of income used in the BHPS analysis presented in this chapter is very similar to that used in FRS analysis (see Appendix 1) with two notable exceptions:

- i) The income measure used in the analysis presented here is on a Before Housing Costs (BHC) basis only. This is because there is insufficient information on housing costs on the BHPS to allow the construction of an After Housing Costs measure.

- ii) As a form of general taxation, Council Tax is also conceptually excluded (and therefore deducted) from the definition of net disposable income used in FRS-based HBAI analysis. However, as with housing costs, there was insufficient information on Council Tax collected on the BHPS in earlier years to allow the construction of an income measure excluding Council Tax. The impact of not deducting Council Tax on the FRS income has been assessed and is addressed in **Table 7.2**. In general, not deducting council tax leads to a slight reduction in snapshot estimates of the risk of low income. This is particularly marked for pensioners.

Income in real terms between 1991 and 2000

Table 7.1 is based on all ten waves of BHPS data and shows income levels for the mean, median and various percentiles over time, in January 2001 prices. Broadly speaking, it shows income growth in real terms that is not inconsistent with FRS-based results Before Housing Costs. This table has been presented in order to allow users to assess the robustness of BHPS income data presented in this paper.

With ten waves of data it is possible to look at how the characteristics of those with persistently low incomes have changed over time.

The ten waves have been divided into seven overlapping subsets of four waves, covering each four-year period from 1991-2000. To be considered for inclusion in a particular period, individuals must have responded, and lived in fully responding households, in both wave one (1991) and each wave over the ten-year period.

Given the relatively small sample size of the BHPS (around 6,000 individuals in the longitudinal data by the end of the ten-year period), changes over time must be interpreted with caution, as they are likely to be small in relation to measurement error.

Comparison of Family Expenditure Survey (FES) and Family Resources Survey (FRS) based low-income estimates with their BHPS equivalents

Table 7.2 compares FRS/FES estimates of the percentage of individuals below 60 per cent of median household income, at a particular point in time, to the BHPS longitudinal and cross sectional equivalents.

It should be noted that the FRS/FES based series remains the official source for cross-sectional low-income analysis as it has a much larger sample size, is designed as a cross-sectional survey first and foremost and collects more detailed information on incomes. Equivalent BHPS estimates have been included in **Table 7.2** for validation purposes only.

A variant of FRS results that does not, unlike official published estimates, deduct Council Tax has also been produced. This is in order to facilitate closer comparison between results from the two surveys, as the BHPS definition of income does not deduct Council Tax, as the necessary information to do this was not available in earlier years.

The BHPS estimates of low income are presented using both:

- the cross-sectional sample, which is topped up every year to counter attrition as respondents drop out;
- the longitudinal sample, which will become increasing smaller and more vulnerable to attrition bias as respondents drop out over the years.

The presentation of BHPS results on both bases will allow us to gain an insight into the likely effect of attrition bias on the low-income estimates presented in this Chapter.

Estimates derived from the longitudinal BHPS are, in later years, around a percentage point lower for all groups, with the exception of children, where the difference is slightly more pronounced at around two percentage points, below BHPS cross-sectional estimates. As explained above, this difference is indicative of the extent of the attrition bias of the longitudinal low-income analysis presented in this chapter.

Comparison of FRS figures, both before and after the deduction of Council Tax from income, suggests that not deducting Council Tax serves to lower rates of low income for working-age adults and the population as a whole by around a percentage point. It has little or no effect on rates for children and a particular impact on pensioner figures, where the difference is around three percentage points.

Comparison of FRS and BHPS figures for the different groups indicates the following for:

- The population as a whole – BHPS cross sectional estimates compare favourably with the official FRS/FES series. However, they overstate the (conceptually more comparable) adjusted FRS series by around a percentage point.
- Children – the BHPS series shows a larger degree of variation than the FES/FRS published series. This is understandable given both the smaller sample size of the former, and the fact that the incomes for families with children are quite heavily clustered around the 60 per cent median mark making them sensitive to year on year sampling variation around the median. Consequently there are some differences in the depiction of short-term trends, but trends over the longer-term are not dissimilar.

iii) Working-age adults – BHPS cross sectional estimates are consistently around two percentage points lower than the FRS/FES published series. The BHPS series is slightly closer to the (conceptually more similar) FRS adjusted series, with the difference narrowing to around a percentage point.

iv) Pensioners – there are large discrepancies between BHPS estimates and the FRS/FES published series:

- In earlier years, the FES series produced higher estimates of pensioner low-income rates, by up to seven percentage points.
- However, in later years the position is reversed with the BHPS series consistently between two and four percentage points above the FRS series.
- This difference is further exacerbated if the BHPS is compared to the (conceptually closer) FRS adjusted series. Whilst the levels shown by the two series are quite different, trends over time are not dissimilar.

This means that whilst BHPS estimates of the incidence of low incomes in any period are not directly comparable with, and are likely to be overstated in relation to, the FRS, they are likely to provide a reasonably consistent guide to changes over longer periods.

Short-term trends in FRS cross-sectional income-poverty rates may take a few years to feed through into BHPS estimates of persistent income-poverty.

Income mobility

Table 7.3 shows the number of times individuals moved between quintiles over the period 1991 to 2000, by their original quintile in 1991. The purpose of this is to determine more readily the extent of income mobility. It highlights that:

- There is movement – the majority (over 90 per cent) of the population moved quintiles at least once over the period.
- Those individuals who started the period in the bottom and, even more so, the top quintile in 1991 were more likely to remain in the same quintile throughout, than those who started in the middle three quintiles.

Table 7.4 shows where individuals spent the majority of the ten-year period, 1991-2000, in relation to their original quintile in 1991. From this we can conclude that relative to their position in 1991:

- Around half the individuals who originated in the top or bottom quintiles spent six or more years in that same quintile over the period.
- Conversely, the majority of individuals who originated in the middle three spent more time in other quintiles.

Table 7.5 outlines the position of individuals at the beginning and end of the ten-year period 1991-2000, and also looks at where these individuals spent the majority of their time. It shows that:

- Those individuals who didn't finish the period in the quintile in which they had started were overall more likely than not to finish in an adjacent quintile.
- Just over one in twenty of those in the bottom quintile in 1991 were in the top quintile in 2000; a similar number moved from the top quintile to the bottom.
- Of those individuals who started and finished the period in the same quintile, the majority spent six or more years in that quintile. This was particularly true for individuals in the top and bottom quintiles.
- Those individuals who finished in a higher quintile in 2000 were more likely than not to have spent the majority of the period in a higher quintile.
- Those individuals who finished in a lower quintile in 2000 were more likely than not to have spent the majority of time below their original quintile.

In summary, whilst it would appear that the picture painted of income mobility is a complicated one, for the majority of individuals, their position in 2000 in relation to 1991 was generally indicative of where they had spent the majority of the ten-year period.

Persistent low income

Table 7.6 shows the number of years that people spent below various low-income thresholds over a ten-year and several four-year periods from 1991-2000.

For any four-year period:

- Around a third of all individuals spent one or more years below the 60 per cent of median threshold.
- Just over one in ten spent at least three years out of any four living in households with below 60 per cent of median income. This figure falls only very slightly if the definition is tightened to include only those individuals who spent the remaining year living in a household in the bottom 40 per cent of the income distribution.
- Just over one in twenty spent all four years living in households with below 60 per cent of median income.
- There is no significant change over the duration of the period 1991-2000.
- The figures obtained using 60 and 70 per cent of median as low-income thresholds are broadly consistent with those obtained using the bottom 20 and 30 per cent of the distribution respectively.

For the full ten year period:

- Just under half spent one or more years below the 60 per cent of median threshold.
- One in six individuals spent at least five years living in households with below 60 per cent of median income. This falls to just over one in ten if the definition is constrained to include only those individuals who spent all but one of the remaining years in the bottom 40 per cent of the income distribution.
- Only two per cent of individuals spent all ten years living below the 60 per cent of median threshold.
- Again, figures obtained using 60 and 70 per cent of median, as low-income thresholds are broadly consistent with those obtained using the bottom 20 and 30 per cent of the distribution respectively.

One possible measure of 'persistence' of low incomes would be to consider only those individuals whose income was 'low' in each year of the period in question. However, this would exclude people who experienced very short periods with a slightly higher income and whose long-term living standards were not actually very different from those captured by the above definition of persistence.

This issue is relevant because the income distribution is particularly dense around the second and third deciles and the 60 and 70 per cent of median income markers. In addition, some short periods of recorded high income may be due to measurement error and not reflect any real improvement in living standards.

Therefore other definitions of persistence are also considered which involve experiencing a low income for the majority of the period:

- Regardless of how high their income was in the remaining year(s). This approach is adopted in the Government's report on Poverty and Social Exclusion, 'Opportunity for all' (OFA) which defines persistence as spending three or more years out of any four-year period below low-income thresholds.
- With an income just above these thresholds but in the bottom 40 per cent of the income distribution for the remaining year(s). This excludes from the definition of 'persistence' those with relatively high incomes for any period of time.

In conclusion, as we consider more restrictive definitions of 'persistence', we see falls in the proportion of the population who might be described as persistently poor. This finding corroborates those of Hills (1998) who examined different types of low-income trajectories and found that a considerable proportion of the population were 'blipping' in and out of low income or experiencing repeated spells of low income.

Opportunity for all persistent low-income indicators

Table 7.7 presents the persistent low-income indicators for pensioners, children and working-age adults that are included in the Government's annual report on tackling poverty and social exclusion 'Opportunity for all' (OFA), with figures for all individuals being presented for comparative purposes, although they don't appear in the report proper.

For the period 1997 to 2000 the table shows that:

- 11 per cent of individuals lived in households with below 60 per cent of median income for at least three years. This figure has shown little change since 1991.
- 16 per cent of children lived in households with below 60 per cent of median income for at least three years. Whilst this figure has fallen since 1991-94, it has shown no change since 1994-97.
- Seven per cent of working-age adults lived in households with below 60 per cent of median income for at least three years. This figure has remained broadly constant over the period 1991-2000.
- 17 per cent of pensioners lived in households with below 60 per cent of median income for at least three years. This figure would appear to have risen slightly over the period 1991-2000.

The definition of persistence used in OFA is 'at least three years out of four below thresholds of 60 or 70 per cent of median income'. An alternative definition that does not appear in OFA, using the bottom 20 or 30 per cent of the income distribution as opposed to thresholds of median income, is also included for validation purposes. This is useful as OFA results may be subject to variation due to the density of the income distribution around the 60 and 70 per cent of median markers.

Composition of persistent low-income groups

Table 7.8 outlines the family and household characteristics of those individuals who experienced 'persistent' low income, where persistence is expressed as three years out of any four below low-income thresholds. For 1997-2000, for those individuals living in households with below 60 per cent of median income in at least three years out of four, it shows that:

- Over half lived in families with children.
- Just over one-third were pensioners, with nearly one in five being single pensioners.
- Just over one-third lived in workless households.
- More than half lived in families where no adults had any educational qualifications.
- Just over two out of five lived in social housing.

The above conclusions are supported when validated against figures for the bottom 20 per cent of the income distribution.

In **Tables 7.8 and 7.9**, individuals are defined by their characteristics in the first year of the period covered. Although some will experience changes in the composition of their household over the period, this is not considered here. For example, not all those individuals recorded as living in a lone-parent family in 1991 will still be living in a lone-parent family in 1994.

Whilst, due to small sample sizes and risk of measurement error, changes over time should be interpreted with caution, there is perhaps evidence to suggest that, since 1991 for those individuals persistently below 60 per cent of median income:

- There has been a fall in the proportion who live in families with children, although this has levelled off in recent years, while there has been an increase in the proportion living in pensioner families. For both of these groups, this partly reflects changes in the share of the overall population that they occupy as captured in this analysis.
- There has been a fall in the proportion who live in workless families or in social rented accommodation and families where the adults have no qualifications.

Risk of falling into persistent low-income groups

Table 7.9 shows the risk for individuals of experiencing 'persistent low incomes' according to the characteristics of their family or household. This table varies from **Table 7.8** in that it is not showing the composition of low-income groups by household or characteristics, but rather the risk of persistent low income. For those individuals living in households with below 60 per cent of median income in at least three years out of any four, the table shows that:

- Those living in lone-parent or single-pensioner families were more at risk of persistent low income than other family types. In contrast there was a very small risk for childless non-pensioner families.
- Those living in workless families also had the highest risk of persistent low income.
- Individuals without qualifications and those living in the social rented housing sector also had a relatively high risk of low income.
- Again, whilst, due to small sample sizes and risk of measurement error, changes over time should be interpreted with caution, there is perhaps evidence to suggest that, since 1991 there has been a reduction in the risk of low income for individuals in lone-parent and workless families.

Table 7.1: Equivalised income levels (in January 2001 prices)

£pw equivalised								Source:BHPS
Year	10th percentile	20th percentile	30th percentile	40th percentile	60% of median	70% of median	Median	Mean
1991	136	171	203	240	163	190	272	314
1992	130	161	193	227	159	185	265	304
1993	138	174	205	239	166	194	277	312
1994	143	175	208	242	165	192	275	319
1995	144	181	214	248	169	197	281	331
1996	151	185	219	255	176	205	293	336
1997	146	183	213	252	173	201	288	331
1998	154	193	230	263	182	212	303	350
1999	152	198	231	267	184	215	307	358
2000	160	203	241	281	193	225	321	364
Percentage increase 1991 to 2000	18	19	19	17	18	18	18	16

Table 7.2: Comparison of FES/FRS based estimates of the percentage of individuals below 60% median household income at a point in time and their BHPS equivalents

BHPS year	weighting	longitudinal sample and weighting	cross sectional sample and Adjusted**	series	Official published FES/FRS year
All individuals					
1991	18	18		20	90/91*
1992	19	20		21	91/92*
1993	18	19		20	92/93*
1994	18	18	16	18	94/95
1995	16	17	16	17	95/96
1996	17	18	17	18	96/97
1997	17	17	17	18	97/98
1998	17	18	17	18	98/99
1999	17	18	17	18	99/00
2000	18	18	16	17	00/01
Children					
1991	26	26		26	90/91*
1992	28	28		27	91/92*
1993	26	27		27	92/93*
1994	26	26	22	23	94/95
1995	21	22	21	21	95/96
1996	23	25	24	26	96/97
1997	22	24	24	25	97/98
1998	24	27	24	24	98/99
1999	22	24	23	23	99/00
2000	23	24	21	21	00/01
Working-Age adults					
1991	13	13		15	90/91*
1992	15	15		16	91/92*
1993	14	14		16	92/93*
1994	13	13	14	15	94/95
1995	12	12	13	14	95/96
1996	12	13	14	15	96/97
1997	12	13	14	15	97/98
1998	12	13	14	14	98/99
1999	12	14	14	15	99/00
2000	13	13	13	14	00/01
Pensioners					
1991	26	26		33	90/91*
1992	22	23		29	91/92*
1993	23	23		24	92/93*
1994	23	23	19	21	94/95
1995	23	24	19	22	95/96
1996	23	25	18	21	96/97
1997	24	25	19	22	97/98
1998	25	26	20	23	98/99
1999	23	24	18	22	99/00
2000	25	26	19	22	00/01

Notes:

* HBAI data is taken from the FRS and represents a financial year unless denoted by a '*', in which case it is taken from the FES and represents two calendar years combined.

** An adjusted FRS series has been presented in this table. This differs from the published series in that Council Tax has not been deducted from income. This is in an attempt to present FRS-based figures on as close a basis to the BHPS definition of income (which does not deduct Council Tax, as this information is not available on the BHPS) as possible.

Some of the BHPS figures presented in the table above have seen small revisions since their publication in the last (2000/01) HBAI report. This is due to changes to the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.

Table 7.3: The number of movements made by individuals between quintiles over the period 1991 to 2000

Percentage of individuals						Source: BHPS
Number of movements between different quintiles	Original quintile in 1991					All individuals
	Bottom Quintile	Second Quintile	Third Quintile	Fourth Quintile	Top Quintile	
No movements from original quintile position	10	2	2	2	20	7
Moved once between 1991 and 2000	4	6	7	8	7	6
Moved twice between 1991 and 2000	19	12	10	11	15	13
Moved three times between 1991 and 2000	13	16	12	14	11	13
Moved four times between 1991 and 2000	17	16	19	18	15	17
Moved five times between 1991 and 2000	15	18	19	22	15	18
Moved six times between 1991 and 2000	11	17	15	13	9	13
Moved seven times between 1991 and 2000	8	8	12	9	6	9
Moved eight times between 1990 and 2000	3	4	3	3	3	3
Moved every year between 1991 and 2000	1	1	1	1	0	1
All individuals	100	100	100	100	100	100

Table 7.4: Where in the income distribution individuals spent the majority of their time relative to 1991

Percentage of individuals						Source: BHPS
	Original position in 1991					All individuals
	Bottom Quintile	Second Quintile	Third Quintile	Fourth Quintile	Top Quintile	
All years in the same quintile as 1991	10	2	2	2	20	7
Majority of years in same quintile as 1991	40	27	22	28	38	31
Majority of years above 1991 quintile	39	28	22	12	...	20
Majority of years below 1991 quintile	...	12	22	29	35	19
None of the above	11	31	32	29	8	22
All individuals	100	100	100	100	100	100

Table 7.5: Position of individuals in the income distribution by quintile in 2000 in relation to 1991, by where they spent the majority of their time

Percentage of individuals	Position in 1991				
	Bottom Quintile	Second Quintile	Third Quintile	Fourth Quintile	Top Quintile
Source: BHPS					
Position in 2000					
Bottom Quintile	45	24	15	9	7
Second Quintile	24	32	23	14	8
Third Quintile	15	20	27	24	14
Fourth Quintile	10	15	20	30	25
Top Quintile	6	9	14	24	46
All	100	100	100	100	100
Of those individuals who were in the same quintile in 1991 and 2000					
All years in original/final quintile	23	7	8	6	42
Majority of years in original/final quintile	61	56	44	53	45
Majority of years spent above original/final quintile	9	11	9	4	...
Majority of years spent below original/final quintile	...	3	10	10	8
None of the above	7	23	29	27	5
All	100	100	100	100	100
Of those individuals who were in a higher quintile in 2000 relative to 1991					
Majority of years in same quintile as original	23	10	11	19	...
Majority of years spent above original quintile	64	53	52	45	...
Majority of years spent below original quintile	...	2	3	3	...
None of the above	13	34	34	33	...
All	100	100	100	100	...
Of those individuals who were in a lower quintile in 2000 relative to 1991					
Majority of years in same quintile as original	...	20	16	18	32
Majority of years spent above original quintile	...	4	4	1	...
Majority of years spent below original quintile	...	41	47	54	57
None of the above	...	35	33	27	10
All	...	100	100	100	100

Table 7.6: Number of years spent in the bottom of income distribution, measured by percentiles and thresholds of median, over four and ten year periods

Percentage of individuals				Source: BHPS	
Number of years below median thresholds	Below	Below	In bottom	In bottom	
	60% median	70% median	20%	30%	
1991 to 1994					
No years	67	58	64	52	
At least 1 year	33	42	36	48	
At least 2 years	19	28	22	33	
At least 3 years	11	20	14	24	
At least 3 years, remainder in bottom 40%	10	17	13	19	
All 4 years	6	12	8	15	
1995 to 1998					
No years	67	58	64	52	
At least 1 year	33	42	36	48	
At least 2 years	19	28	22	33	
At least 3 years	11	20	14	24	
At least 3 years, remainder in bottom 40%	10	17	13	19	
All 4 years	6	12	8	15	
1997 to 2000					
No years	67	58	64	52	
At least 1 year	33	42	36	48	
At least 2 years	19	28	22	33	
At least 3 years	11	20	14	24	
At least 3 years, remainder in bottom 40%	10	17	13	19	
All 4 years	6	12	8	15	
1991-2000					
At least one year	49	59	51	63	
At least 5 years	15	25	18	28	
At least 5 years, with no more than 1 year outside bottom 40%	11	16	13	18	
At least 7 years	8	16	11	19	
At least 7 years, with no more than 1 year outside bottom 40%	8	13	10	16	
At least 9 years, remainder in bottom 40%	3	7	4	9	
All 10 years	2	5	2	6	

Notes:

1. These figures are presented as rolling averages, so figures for 1995-8 and 1997-00 overlap slightly.
2. Some of the figures presented in the table above have seen small revisions since their publication in the last (2000/01) HBAI report. This is due to changes to the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.

Table 7.7: Opportunity for all indicators

Percentage of individuals	Source: BHPS			
	Below threshold in at least 3 out of 4 years			
	OFA definition		Alternative definition included for validation purposes	
	Below 60% of median	Below 70% of median	In bottom 20 %	In bottom 30 %
All individuals				
1991 to 1994	12	20	14	24
1992 to 1995	11	20	14	24
1993 to 1996	11	20	14	24
1994 to 1997	11	19	14	24
1995 to 1998	11	20	14	24
1996 to 1999	11	20	14	24
1997 to 2000	11	20	14	24
Children				
1991 to 1994	20	30	22	33
1992 to 1995	17	29	21	33
1993 to 1996	17	28	21	32
1994 to 1997	16	26	21	32
1995 to 1998	16	26	20	32
1996 to 1999	16	26	20	31
1997 to 2000	16	26	20	31
Working-age adults				
1991 to 1994	8	13	9	15
1992 to 1995	7	13	9	16
1993 to 1996	7	13	9	16
1994 to 1997	7	12	9	16
1995 to 1998	7	12	9	15
1996 to 1999	7	12	9	15
1997 to 2000	7	12	8	15
Pensioners				
1991 to 1994	16	33	19	40
1992 to 1995	16	31	20	39
1993 to 1996	16	32	21	40
1994 to 1997	17	33	23	41
1995 to 1998	17	33	22	41
1996 to 1999	18	34	22	41
1997 to 2000	17	34	23	41

Notes:

1. These figures are presented as rolling averages, so figures for consecutive periods overlap.
2. Some of the figures presented in the table above have seen small revisions since their publication in the last (2000/01) HBAI report. This is due to changes to the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.

Table 7.8: Composition of persistent low-income groups by characteristics of family or household

Percentage of individuals	Source: BHPS														
	3 years out of 4 years below threshold					3 years out of 4 in the									
	Whole population		Below 60% median		Below 70% median		Bottom 20%		Bottom 30%						
	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00			
GENDER AND ADULTHOOD															
Children	22	22	22	37	33	33	33	30	29	36	32	32	31	29	29
Men	37	37	37	23	25	26	26	26	26	23	26	26	25	26	27
Women	41	41	40	40	42	41	44	44	44	41	42	42	43	44	44
FAMILY TYPE															
Pensioner Couple	9	10	11	10	14	16	17	15	17	10	15	17	12	15	17
Single Pensioner	8	10	10	14	18	18	20	19	20	14	17	18	18	19	19
Couple with children	39	36	36	42	34	36	32	34	32	41	34	35	39	34	33
Couple without children	21	21	20	5	5	5	7	6	7	5	5	6	6	7	7
Single with children	7	7	7	23	18	18	17	16	17	22	18	16	17	15	16
Single without children	15	16	15	6	10	7	8	9	8	7	10	8	9	9	8
EDUCATIONAL QUALIFICATIONS (adults)															
Above A-level	25	30	32	7	10	12	8	11	12	8	10	12	8	11	13
A-level or below	41	40	39	33	36	36	36	35	36	35	36	36	34	36	36
No qualification	34	30	28	60	54	52	54	54	52	58	54	51	58	53	52
TYPE OF TENURE															
Owner-occupied	70	70	70	41	45	49	47	43	47	41	43	48	43	44	47
Social rented	23	22	22	51	45	43	44	47	44	50	47	45	49	46	44
Private rented	7	8	8	8	9	8	8	10	8	8	10	7	8	9	8
ECONOMIC STATUS OF HOUSEHOLD															
All adults in employment	32	29	30	7	6	3	7	7	7	9	6	5	11	9	9
Couple, one employed, one workless	25	25	25	13	11	16	18	16	18	13	14	17	15	17	19
Workless	13	14	12	46	46	36	30	38	30	43	43	34	34	35	28
Pensioner	14	17	18	21	30	30	33	31	33	22	30	31	27	32	33
Self-employed	16	15	15	14	8	15	12	8	12	14	8	12	14	8	11
Whole population	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Notes:

1. These figures are presented as rolling averages, so figures for 1995-8 and 1997-00 overlap slightly.
2. Some of the figures presented in the table above have seen small revisions since their publication in the last (2000/01) HBAI report. This is due to changes to the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.



Table 7.9: Risk of population groups experiencing persistent low income

Percentage of individuals		3 out of 4 years below threshold												Source: BHPS		
		Below 60% median				Below 70% median				Bottom 20%					Bottom 30%	
		1991-4	1995-8	1997-00	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00	1991-4	1995-8	1997-00
GENDER AND ADULTHOOD																
Children	20	16	16	16	30	26	26	22	20	20	33	32	31	32	31	
Men	7	7	8	14	14	14	9	9	10	10	16	17	18	17	18	
Women	12	11	11	21	21	22	14	14	14	15	25	26	26	26	26	
FAMILY TYPE																
Pensioner Couple	13	15	15	26	29	29	15	15	20	21	31	35	36	35	36	
Single Pensioner	19	20	20	40	38	39	23	23	24	25	50	48	46	48	46	
Couple with children	12	10	11	20	18	17	14	14	13	14	23	23	21	23	21	
Couple without children	3	3	3	5	6	7	3	3	4	4	7	8	8	7	8	
Single with children	41	29	29	55	47	48	45	45	37	33	62	55	56	62	55	
Single without children	5	7	5	11	11	10	6	6	9	7	13	14	13	14	13	
EDUCATIONAL QUALIFICATIONS (adults)																
Above A-level	3	3	4	5	6	7	4	4	4	5	6	8	9	6	8	
A-level or below	8	9	9	14	16	17	9	9	11	12	17	20	20	17	20	
No qualification	17	17	18	30	33	33	19	19	22	23	36	40	40	36	40	
TYPE OF TENURE																
Owner-occupied	7	7	8	12	12	13	8	8	9	9	15	15	16	15	16	
Social rented	26	22	22	44	41	40	30	30	29	29	51	50	49	51	49	
Private rented	14	13	11	20	24	21	16	16	17	13	26	28	24	26	24	
ECONOMIC STATUS OF HOUSEHOLD																
All adults in employment	2	2	1	6	5	5	4	4	3	2	8	7	7	8	7	
Couple, one employed, one workless	6	5	7	13	12	14	7	7	8	10	15	16	18	15	18	
Workless	41	34	32	56	52	48	45	45	41	38	61	59	55	61	55	
Pensioner	18	19	19	37	37	37	22	22	25	25	45	46	45	45	45	
Self-employed	10	6	11	16	11	16	12	12	7	12	20	13	18	20	18	
Whole population	12	11	11	20	20	20	14	14	14	14	24	24	24	24	24	

Notes:

1. These figures are presented as rolling averages, so figures for 1995-8 and 1997-00 overlap slightly.
2. Some of the figures presented in the table above have seen small revisions since their publication in the last (2000/01) HBAI report. This is due to changes to the base data set made by the data providers and also to quality improvements in the systems used to process the data by DWP.

