

## ESTIMATES OF WARD INCOMES

Policy makers and others often need to know how well off or deprived small areas are in terms of income. Although many surveys, e.g. the Family Resources Survey, ask questions about income, the numbers of respondents to these surveys are too small to apply the results from the survey to small areas. There was a proposal to include a question on income in the 2001 census, which covers everybody in the country, but tests showed that an income question was unacceptable to the general public and it was not answered very accurately.

Following the decision not to include a question on income in the 2001 Census, the Office of National Statistics have developed "modelling" techniques to produce ward-level estimates of average household income. The modelling techniques are based on the relationship between weekly household income as measured by the Family Resource Survey with other factors, e.g. the sort of home occupied, qualifications, occupation which were collected from every household in the census, and other anonymous data from the Inland Revenue and Department of Work and Pensions.

Estimates and confidence intervals for the values of average ward income (1998/1999) have been produced for all wards in England and Wales using the 1998 ward boundaries. Estimates were produced for 4 income types:

- Gross household weekly income (unequivalised)
- Net household weekly income (unequivalised)
- Net household weekly income before housing costs (equivalised)
- Net household weekly income after housing costs (equivalised)

*(‘Equivalised income’ means the household income values have been adjusted to take household size and composition into consideration).*

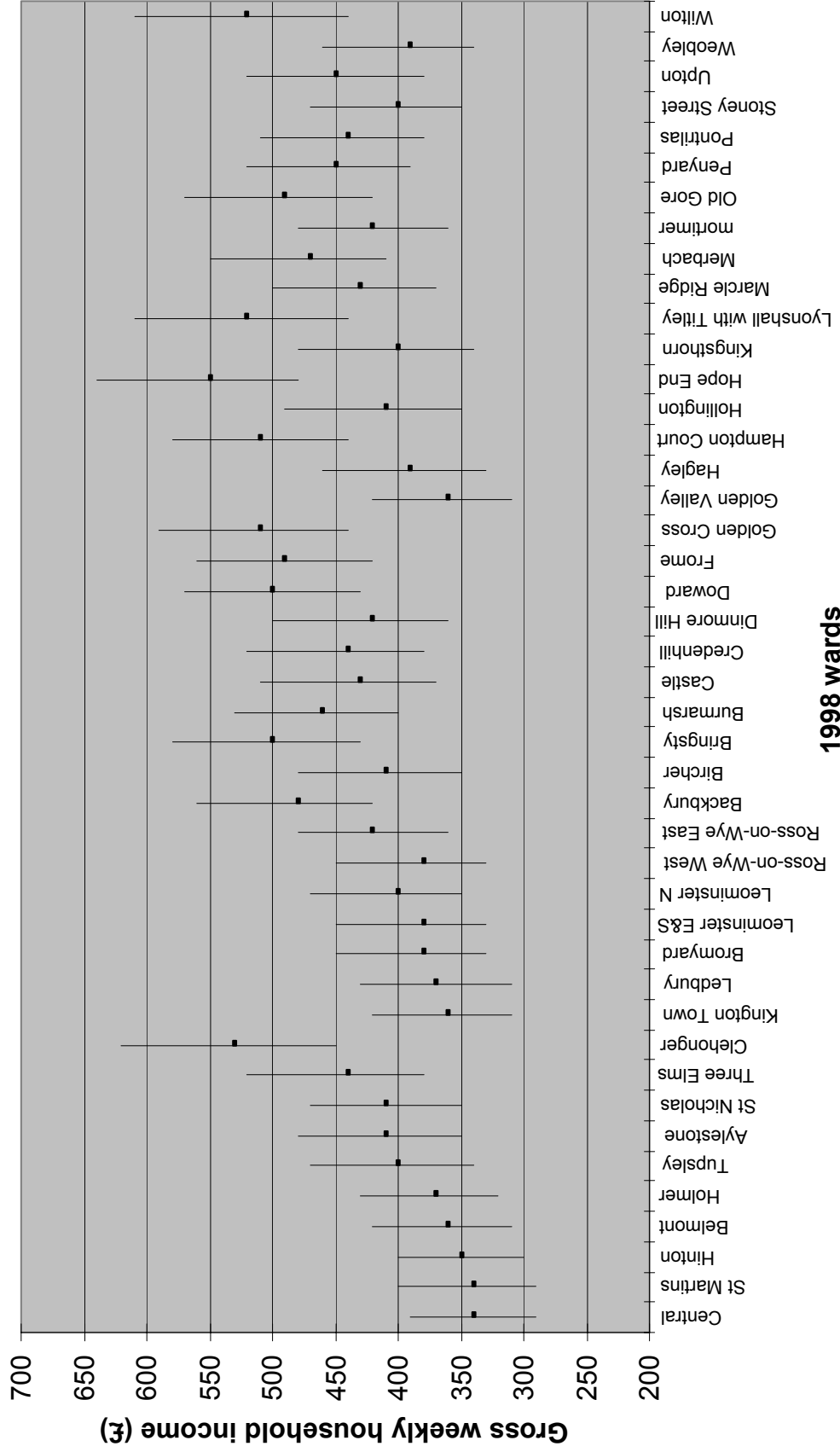
The estimates are subject to variability so have been produced with 95% confidence intervals which has a 95% probability of containing the true value. These are shown for each 1998 ward in Herefordshire in Figure 1 where the middle point for each ward is the model-based estimate with the confidence interval shown by the upper and lower limits either side of the point. Estimates for 2 wards can only be described as significantly different if the confidence intervals do *not* overlap. For example, Clehonger ward has a significantly higher model-based income estimate than the South Wye wards (Belmont, St Martin’s and Hinton). Hope End ward has a significantly higher income estimate than all the market town wards and most of the Hereford wards (except for Three Elms and Clehonger). Golden Valley ward has a significantly lower income estimate than Wilton and Clehonger wards nearby.

This work by ONS uses 1998/99 income statistics, which are out of date now. However, the relative positions of the wards on the household income scale are not likely to have changed radically over the last five years. Should these data prove useful, further work is likely to be done to produce more timely estimates in the future.

**For further information on these estimates please contact the Research Team on 01432 261944.**

Figure 1

**Model-based estimates of gross weekly household income '98/'99**



**1998 wards**