

Pensioners' income series user consultation

In order to help understand the relevance and use of the Pensioners' Income (PI) Series statistics we have consulted with internal DWP and external users.

This report is necessarily based on information from the users who chose to respond to our consultation so is only an indication of the uses of the statistics and may not cover the views of all users.

Users include:

- Policy and analytical teams within the DWP
- HM Treasury
- Office for National Statistics (ONS)
- Northern Ireland (NI) Government
- External research bodies
- Banks
- Consultancy firms
- Voluntary organisations and campaigning groups
- Local Authorities

Overall, users commented that the PI series is a valuable resource and gives pensioner income breakdowns at a level of detail that can't be found elsewhere and it is useful to have available a relatively long time series of pensioner income statistics.

The UK Statistics Authority has provided guidance on the classes of use made of official statistics¹, and those outlined below are the ones that are relevant for the users of the PI series. They are listed in order of use starting with the most frequent.

- Government decision making about policies, and associated decisions about related programmes and projects
- Facilitating academic research
- Supporting third sector activity
- Informing private sector commercial choices
- Informing the general public's choices

¹ UK Statistics Authority, The Use Made of Official Statistics, October 2010
<http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/monitoring-brief-6-2010---the-use-made-of-official-statistics.pdf>

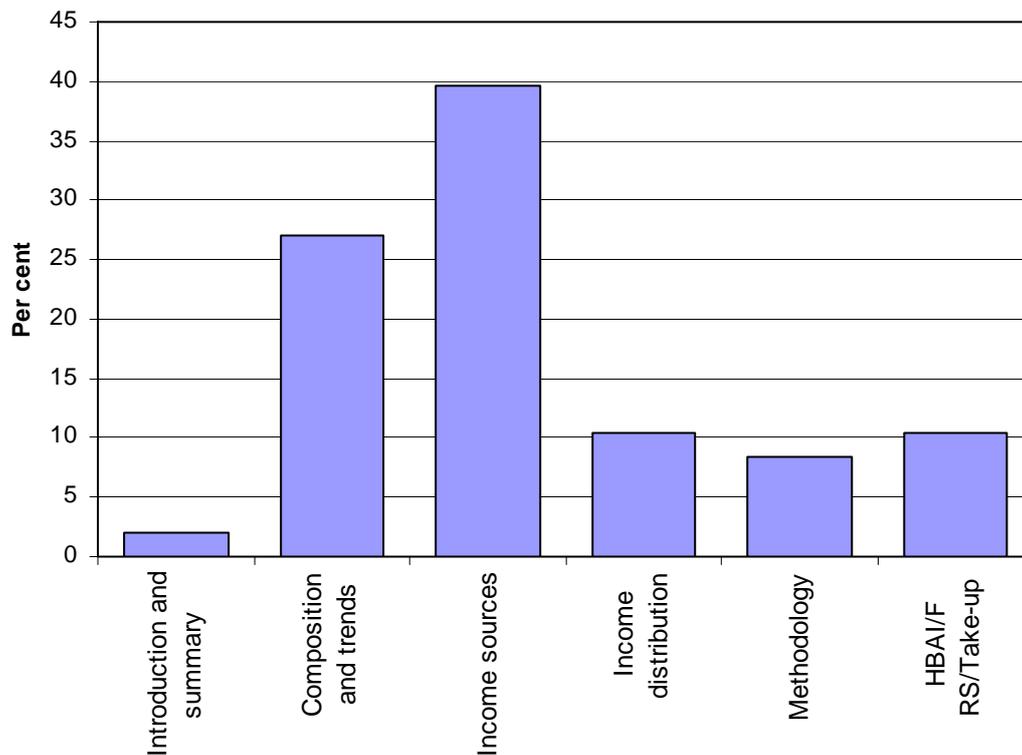
DWP Policy and Analysis

The PI series is most frequently used within DWP for analysis on poorer pensioners to contribute to our understanding of why particular groups of people have inadequate retirement income and to consider ways to mitigate this. The series is also used on some occasions in policy development for reform of contributory state pensions, income-related benefits and private pensions, and in policies to help people work longer.

Ad-hoc analysis

The topics of most interest to internal and external users for bespoke analysis were composition and trends and sources of income, as illustrated below by the proportion of queries received in each category (categories are consistent with the chapters in the PI report).

Chart 1: Distribution of queries received since the start of 2010



Since 2010, bespoke analysis provided has included the following areas, listed according to the users requesting the information.

- Policy and analytical teams within the DWP:
 - assessment of adequate levels of retirement income;
 - pensioner income by housing tenure;
 - identification of groups with inadequate pension provision;
 - the long term sustainability of the pension system;
 - developing representative levels of retirement income for communication purposes
 - comparison of pension income and working age earnings at individual and country level.
- DWP, ONS, HMT, NI, external research bodies, banks, consultancy firms, voluntary organisations and campaigning groups, general public enquiries:
 - cross tabulation of people receiving the various sources of pension income;
 - further breakdown of different sources of overall pension income;
 - numbers and average incomes for different age groups, gender and marital status.
- Local authorities:
 - averages and distribution of pensioner income to combine with data on fuel costs.

Potentially the ad hoc analyses could be built in to the publication, but consideration needs to be given to the frequency with which particular outputs are required to keep the publication to a reasonable size and production schedule.

More details of non-DWP use of the Pensioners' Income Series data and publication

External users commented on finding the breakdowns between different income sources and the way these change over time very helpful. We split pensioner income into benefits, occupational and personal pensions, investment income, earnings and other income. Users frequently were interested in a specific income component (most commonly the type of benefits pensioners were in receipt of, levels and type of private pension income and what investments pensioners held), as well as the extent these components drive the overall change in gross or net income.

Many of these analyses were used as background information to more policy specific research, while in other instances figures were used to encourage private pension or other saving actions. Often the interest was in the income sources of low-income pensioners to contextualise pensioner poverty statistics.

In terms of possible broader uses of this information, it can be used as one of a number of sources (other government data, data held by external users

themselves, data/indicators provided by private research organisations) to build an evidence base on pensions, which then might play a part in commercial choices (targeting local markets, targeting households and individuals) and supporting third sector activity (lobbying, funding applications). However, it would be unlikely that the Pensioners' Income Series data would be the primary data source for such uses.

Requested areas for development

Most users were content with the levels of analysis, but possible areas for development they mentioned:

- To make available the Excel charts with data behind them so that users do not need to request the data from PI team if needed.
- Present the information in earnings terms. The time series are converted to current prices terms at the moment. It would be feasible to use current earnings terms, but would need to consider whether to present both or keep earnings for ad hoc requests only.
- Analysis at an individual level, ie treating couples as two separate individuals, as private pensions are at individual level. This would be feasible for gross private pensions and contributory state pensions, but tax and income-related benefits are applied at benefit unit level.
- Split out the source of private and occupational pension income. While most pensioners will currently be in receipt of defined benefit (DB) income, it would be useful to track how this shifts to defined contribution (DC) income over time. This information is currently not collected in the Family Resources Survey (FRS), the data source used for the publication.

We will monitor requests for new analysis in the publication as to the frequency with which this information is required and consider whether to include further tables in the publication or make available as bespoke analysis for individual users.

Feedback

We do however welcome feedback on this document, which can be sent to pensioners-incomes@dwp.gsi.gov.uk or sent to:

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