Family Finance Surveys User Conference 2025

Friends House, London

9 July 2025, 10.00– 16.30

Abstracts

Keynote presentation

When I'm Sixty-Six? How has raising the state pension age affected British households
Jonathan Cribb, Institute for Fiscal Studies

The 2010s saw substantial rises in the age at which people in the UK can claim a state pension – rising from 60 to 66 for women and from 65 to 66 for men. Looking back on these rises, and drawing together results from a wide range of papers using UK surveys, we show that there have been a wide range of effects of these rises: on employment, on the public finances. And on a wide range of outcomes that are important for people's standard of living: household incomes and consumption; wellbeing; physical and mental health; disability, and cognition. These impacts are diverse across different sub-sections of the population and the reveal the costs, and benefits, of incentivizing a longer working life through a higher pension age. These impacts also allow us to think about ways that policy could adjust given future legislated increases in the state pension age.

Research paper abstracts

Observing receipt of the Scottish Child Payment in the Family Resources Survey
Hannah Randolph, University of Strathclyde

The Scottish Child Payment (SCP) was introduced in 2021 and is a key benefit for reducing child poverty in Scotland. An imputation strategy was implemented in 2022/23 to better capture households receiving SCP. However, several issues were found with the initial imputation; for instance, several households are recorded as receiving SCP for children who were too old to be eligible. The Department for Work and Pensions (DWP) and the Scottish Government have developed a new imputation strategy that accounts for these issues in the latest data for 2023/24. The new method takes into account the correct age ranges and amount of SCP per week, per child, as well as take-up rates for the benefit.

In this report, we retroactively apply the new imputation method to the 2022/23 data to ensure that the way SCP is captured in the FRS, and therefore in poverty statistics, is comparable between 2022/23 and 2023/24. Accurate statistics are particularly important for this period as the 2023/24 data tells us that Scotland has not met its interim child poverty targets.

We conclude that the new imputation method creates small changes in some child poverty measurements for the year 2022/23. However, the main measurement used to discuss child poverty (60% of median equivalised household income after housing costs) is not affected by the change in imputation. The new imputation method is also reasonably consistent in capturing the expected number of children and families receiving SCP and the total cost to the government over the financial year.

We conclude that the updated imputation methodology is a marked improvement over the previous method, but that implementing this new method earlier would not have significantly changed our understanding of progress towards the interim child poverty targets.

Exploring the Impact of the Scottish Child Payment on Child Poverty
Suzanna Nesom, University of York

There are growing differences in social security provision between Scotland and the rest of the UK. Most notably, in 2021 the Scottish Government introduced the Scottish Child Payment (SCP), a weekly cash transfer of £26.70 per child for families receiving Universal Credit. This marks a significant policy divergence from the rest of the UK, where welfare reforms over the last 15 years have tended to reduce financial support for working-age families, contributing to rising child poverty. Aggregate trends suggest the SCP may be contributing to lower child poverty rates in Scotland than England in 2022/23 (?) (Joseph Rowntree Foundation, 2025). But other possible confounding differences make more detailed analysis essential.

This paper examines the early impact of the SCP on child poverty rates in Scotland, using microdata from the Family Resources Survey from 2009-2024 and comparing outcomes in Scotland, England, and Wales. We examine a range of child poverty measures, including relative and fixed income measures and indicators of material deprivation and food insecurity. We begin by using descriptive analysis to track trends before and after the SCP's introduction. We go on to use difference-in-difference regression models to isolate the impact of the SCP on poverty risk, controlling for household characteristics including family size, ethnicity, lone parenthood, and household employment status. We use further interactive terms to test for the possibility of effects on particular sub-groups including lone parent and larger families.

The research is part of the Family Finances project, a mixed-methods evaluation of the SCP funded by the Aberdeen Financial Fairness Trust. Alongside the quantitative analysis, our research programme incorporates qualitative research with 40 SCP-recipient parents in Scotland and 20 comparison parents in Northern England. Our findings will contribute to the evidence base on devolved welfare policy and the potential of targeted cash transfers to reduce child poverty.

Declining survey response rates and changes in UK food purchases and consumption in the UK.

Stephen Walsh, previously ICI and Imperial College

Introduction

Surveys of food intakes and purchases are subject to substantial underreporting. Trends shown may therefore be an artefact of changes in the extent of underreporting. For example, declining calorie intake in the National Diet and Nutrition Survey (NDNS) was shown by total energy expenditure data to be illusory, despite being corroborated by the Family Food module of the Living Costs and Food (FFS).

The FFS shows reductions of about a fifth in both meat and energy content of purchases between 2001 and 2023, with more than half this occurring since March 2020. The reduction for meat has been widely publicised.

Methods

Data on calorie and meat purchases and consumption were extracted for the FFS (April 2001-March 2023) and NDNS (2008-19) using the UK Data Archive. Linear regression was carried out using survey year, response rate and the two combined, considering all data, pre-pandemic data only, and all data excluding the pandemic year itself. Alternative evidence for trends over time is reviewed.

Key results

For the FFS, regression using pre-pandemic data gives models based on survey response rate that accurately predict the substantial post-pandemic changes in reported values for both calorie and meat consumption. In models of meat or calories purchased over the whole period, excluding the exceptional pandemic year itself, adding response rate to models reduced the estimated trend over time by about two-thirds.

For NDNS, reported calorie and meat consumption are equally well predicted using survey year or using response rate. There is no significant trend over time after adjusting for response rate.

Other evidence shows that a genuine downward trend in calorie or meat consumption in the UK between 2001 and 2023 is highly unlikely.

Conclusion

Underestimation of food purchases or intakes increases as survey response rates decline, giving an illusion of reduction in consumption and expenditure.

Eliciting the Marginal Propensity to Consume in Surveys
Paul Fisher, University of Essex

The “marginal propensity to consume” (MPC) is a crucial policy variable. It measures how consumers would change their spending in response to transitory income changes, and hence how consumers would respond to policies, such as tax cuts or cash payments, aimed at stimulating demand and employment. A large literature has attempted to estimate consumers’ MPCs by asking individuals how they respond to hypothetical windfalls or losses. Such questions have now been included in a number of surveys, reflecting the strong policy interest in these questions. Examples include the Eurozone’s Consumer Expectations Survey (run by the European Central Bank), the New York Fed’s Survey of Consumer Expectations and the Bank of England/NMG consulting survey. Similar questions were included in the Understanding Society COVID survey.

It has emerged that different studies have yielded very different estimates of the distribution of MPCs and these appear unlikely to be explained by only by differences in the economic environments in which the questions were asked. One important possibility is that these differences reflect differences in the way questions are worded, rather than differences in the way consumers would behave.

In this paper, we report on a survey experiment in which households were randomly assigned different questions designed to elicit their MPCs out of hypothetical payments. It is common to find that MPCs are larger for households with less liquidity, and greater effects for income losses than income gains and that MPCs are larger when measured over longer time horizons. Accordingly, we also examine how question wording affects the way responses vary with the size and duration of the payments and with household liquidity. We find that the wording of the question can have dramatic effects on measured MPCs, their relationship with liquidity and how MPCs differ according to the size and duration of payments.

Assortative mating and wealth inequality in Great Britain
Ricky Kanabar, University of Bath

We study partnership sorting by education, the profile of wealth accumulation and the implications for wealth inequality for two cohorts born in 1947-1953 and 1973-1979 using the Wealth and Assets Survey for Great Britain. Our findings suggest individuals positively sort by education relative to random matching. By the time highly educated baby boomer couples reach their mid-late 60s their reported level of median net wealth (£2.49M) is seven times that of low educated couples. Regarding future wealth transfers, we find boomer’s inheritance attitude is influenced by homeownership and inheritances received. Moreover, highly educated couples are more likely to report intending to leave an inheritance and the median level, £0.32M, is three times higher than that reported by low educated boomer couples. We document similar trends in the profile of wealth accumulation reported by Gen X couples and consistent patterns in terms of their expectations regarding future inheritance receipt. We show the disparities in wealth is attributable to the rate at which housing and pension wealth is accumulated. We underline the importance of parental education and housing tenure among both sets of parents, in addition to individuals own education, for understanding the interaction between sorting and wealth accumulation.