

# Guernsey Household Income Report

2015

Issue date 8th November 2017

The Guernsey Household Income Report provides information on the income levels for households in Guernsey (including the islands of Guernsey, Herm, Jethou and Lihou) using data collated by the Rolling Electronic Census IT System.



States of Guernsey  
Data and Analysis

# Contents

<b>1. Introduction and Headlines</b>		
<b>2. Overview of households in Guernsey at 31st December 2015</b>		
<b>3. Unequalised and equalised incomes</b>		
3.1	Unequalised and equalised incomes	7
<b>4. Overall income (unequalised)</b>		
4.1	Overall income: mean, median and distribution	8
4.2	Overall income by source	10
<b>5. Income by household composition (unequalised)</b>		
5.1	Means, medians and household composition	11
5.2	Household composition and income source	13
5.3	Household composition and quintile	14
<b>6. Income quintiles (unequalised)</b>		
6.1	Income quintile and source of income	15
6.2	Income quintile and composition	16
6.3	Income quintile and tenure	17
<b>7. Overall income (equalised)</b>		
7.1	Overall income: mean, median and distribution	19
7.2	Overall income by source	21
<b>8. Income by household composition and parish (equalised)</b>		
8.1	Means, medians and household composition	22
8.2	Household composition and income source	23
8.3	Household composition and quintile	24
8.4	Means, medians and parish	25
8.5	Parish and quintile	26
8.6	Means, medians and school catchment	27
8.7	School catchment and quintile	28
8.8	Means, medians and school attended	29
8.9	School attended and quintile	30
<b>9. Income quintiles (equalised)</b>		
9.1	Income quintile and source of income	31
9.2	Income quintile and composition	32
9.3	Income quintile and tenure	33
<b>10. Household incomes net of social security, income tax and housing costs (unequalised)</b>		
10.1	Means, medians and household composition	34
10.2	Household composition and quintile	35
<b>11. Household incomes net of social security, income tax and housing costs (equalised)</b>		
11.1	Means, medians and household composition	36
11.2	Household composition and income source	37
11.3	Household composition and quintile	38
11.4	Household gross to net income breakdown	39
11.5	Income quintile and net income breakdown	40
11.6	Income quintile and household composition	41
11.7	Income quintile and tenure	42
<b>12. Income equality</b>		
12.1	Household composition	43
12.2	Tenure	45
12.3	Risk of relative income poverty	47
12.4	Gini coefficient and income decile ratios	49

## 1.1 Introduction

The Household Income Report is an annual publication. Following a successful trial using 2013 data, which was published in May 2015, a second report was published in February 2017 using 2014 data. This latest report contains information on household incomes in 2015. **The 2014 and 2015 data is not directly comparable with the 2013 dataset and no comparisons are made with the 2013 dataset.** However since 2014 the time series has been compiled on a like for like basis and references to the 2014 dataset are made in this report and comparisons drawn between 2014 and 2015 where appropriate.

The report uses data sourced from the Rolling Electronic Census, an award winning IT system completed in late 2014, which collates demographic, employment and economic data from ten separate States of Guernsey databases. See [Appendix 1](#) for more details on the Rolling Electronic Census.

The Household Income Report 2015 is based on a sample of 23,398 Guernsey households. See [Appendix 1](#) for more detail on methodology and which households have been included in the analysis.

The Report is based on annual incomes for the year ending December 2015. It provides information on average gross household income (before deduction of taxes and social security contributions) broken down by quintile (five equally sized groups ordered by level of gross income) and also by household composition. Equivalised incomes are presented as well as unequivalised incomes in order to take account of different household structures and compositions when making comparisons. Mean and median incomes for the different parishes are also presented on an equivalised basis as are mean and median incomes by school catchment and school attended.

[Sections 10 and 11](#) of the Report contains information on household incomes after income tax and social security contributions have been deducted and after housing costs. Housing costs referred to here and throughout the rest of the report mean mortgage and rent costs. The income remaining after these deductions broadly indicates the amount of money left to buy goods and services and is a commonly used income measure for monitoring living standards and determining internationally comparable measures of relative poverty.

[Section 12](#) contains information on income equality. Data for Guernsey is presented in this section on the number of households who have an income net of social security, income tax and housing costs which was less than 60% of the median and on the composition and tenure of those households. Further information can be found within the [Guernsey Indicators of Poverty Report](#) (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)), where the extent of social and economic deprivation in Guernsey is quantified via a set of multi-dimensional indicators based on a methodology used in England. The indicators encompass seven different areas of interest: income, employment, health, education, crime, housing and the environment.

The concept of the Gini coefficient is also introduced in this section. It is a statistical measure to review how income is distributed, with a value of one indicating where one household has all the income within a population and a value of zero indicating perfect equality, where all households have the same income.

## 1.2 Headlines

- In 2015, the overall mean gross household income (unequalised) was £72,206 (£1,389 per week) and the overall median gross household income was £52,876 (£1,017 per week), increases of 1.5% and 1.9% respectively from 2014.
- The lowest quintile represents the bottom 20% of all households when sorted by income. It had an upper boundary of £23,872 in 2015. For those households that were in the lowest income quintile 44% of the gross income derived from old age pensions, just over a third was classified as private income, whilst benefits (excluding old age pensions) and rent rebates collectively accounted for just below 20%.
- The highest income quintile (unequalised) represents the top 20% of all households when sorted by income and had a lower boundary of £100,085 in 2015. Within the highest income quintile, 98% of income was classified as private income.
- In 2015, the equalised overall mean gross household income was £62,589 (£1,204 per week) and the overall median was £49,083 (£944 per week), an increase of 2.4% and 2.6% respectively from 2014.
- The parish of St Pierre Du Bois continued to record the highest mean equalised income at £80,200 per annum, whilst Torteval parish had the highest median income at £54,442 per annum. St Sampsons parish continued to record the lowest mean and median incomes at £54,385 in 2015 and £46,538.
- Of the schools providing primary education, households with children attending The Ladies College (Reception to Year 6) had the highest equalised median income at £108,938, whilst households with children attending Le Rondin & Les Voies and Amherst had the lowest at £33,689 and £34,468.
- Of the schools providing secondary education, households with children attending Elizabeth College (Year 7 and above) had the highest equalised median income at £80,765, whilst households with children attending Le Murier & Les Voies and La Mare De Carteret had the lowest at £35,368 and £39,508.
- The overall mean household income after deduction of social security contributions, income tax and imputed housing costs (equalised) was £42,346, (£814 per week) and the overall median was £31,789 (£611 per week) in 2015, a 1.5% increase and 2.2% increase respectively from 2014.
- The household composition with the lowest equalised mean household income after deduction of social security contributions, income tax and imputed housing costs was the **one adult (16-64) with children** group, at £20,176. The household composition with the highest equalised mean household income after deduction of social security contributions, income tax and imputed housing costs were **three and four adults**, at £56,313.
- In 2015, 26.7% of all households and 21.3% of the total population in Guernsey were found to have a household income net of social security, income tax and housing costs which was less than 60% of the median. In 2014, 27.1% of all households and 22.3% of the total population had an income which was less than 60% of the median.
- The Gini coefficient for gross equalised income was 0.40 in Guernsey 2015. The top 5% of all households, when ranked by income, had 21% of all equalised income. The bottom half of all households had just 24% of all equalised income. These figures were unchanged from 2014.

## 2. Overview of households in Guernsey at 31st December 2015

Households are defined in this Report as individuals residing at the same address. The information presented here is based on an analysis of 23,398 Guernsey households and represents an average household size of 2.5 people. Households where an individual was absent for nine months of the year in 2015 and those where addresses were not known were not included in the analysis (see [Appendix](#) for detailed methodology).

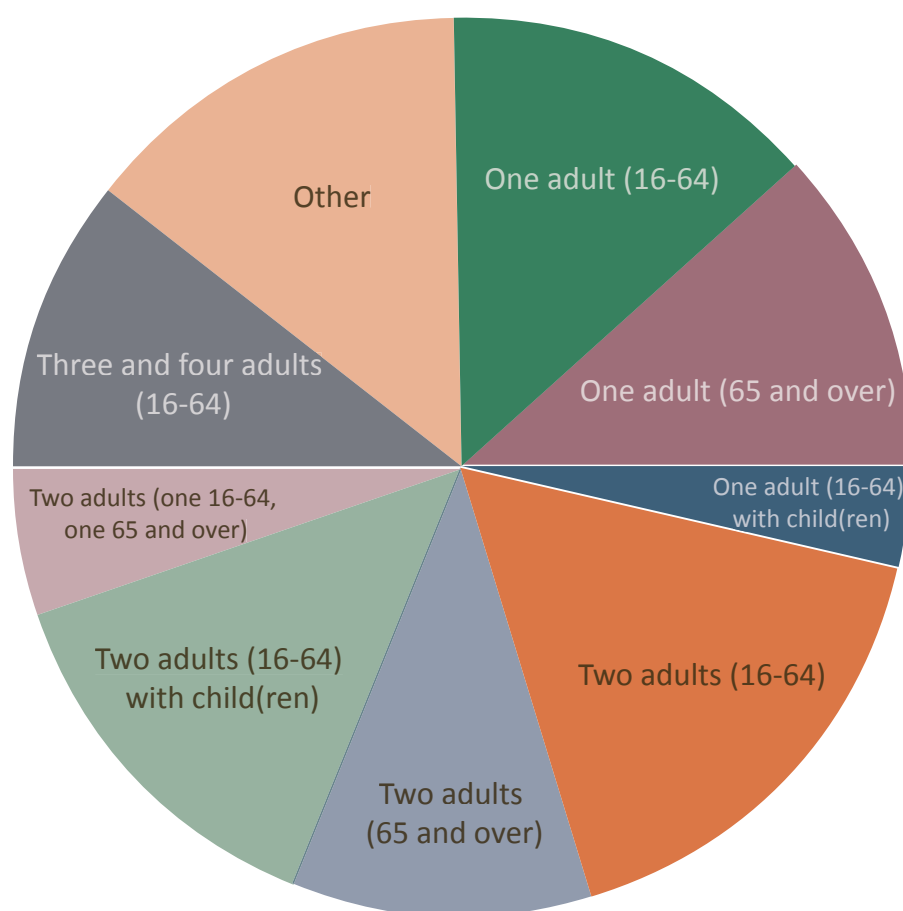
Eight main categories of household composition have been used throughout this Report, which cover the most common household types. Household compositions vary during the year with individuals moving house, immigration, emigration, births and deaths, and for this reason the data presented below and overleaf is a snapshot of the composition of households as at 31st December 2015.

**Table 2.1.1: Definition of household composition type and percentage in sample at 31st December 2014 and 31st December 2015**

Composition Type	Description	% of sample 2014	% of sample 2015
One adult (16-64)	One adult, aged between 16 and 64 years at address	13.4	13.8
One adult (65 and over)	One adult of age 65 years or over at address	11.6	11.7
One adult (16-64) with child(ren)	One adult, aged between 16 and 64 years living with one or more child(ren) under 16 years at address	4.1	3.5
Two adults (16-64)	Two adults, aged between 16 and 64 years at address	16.0	16.7
Two adults (65 and over)	Two adults, both of age 65 years or over at address	10.5	10.9
Two adults (16-64) with child(ren)	Two adults, both aged between 16 and 64 years living with one or more child(ren) under 16 years at address	13.8	13.6
Two adults (one 16-64, one 65 and over)	Two adults, one aged between 16 and 64 years and one of age 65 years or over at address	5.1	5.1
Three and four adults (16-64)	Three or four adults, all aged between 16 and 64 years at address. Note this category can include parents with grown up children, or unrelated adults living in a house share arrangement.	10.9	10.7
Other	Any other household composition not defined above at same address (e.g. where individuals in a household span more than one description such as three adults, with child(ren) under 16 years and households of more than four adults aged 16-64 years)	14.8	14.0
<b>Total</b>		<b>100.0</b>	<b>100.0</b>

## 2.1 Household composition at 31st December 2015

Figure 2.1.1 Composition of Guernsey households as at 31st December 2015



The eight most common household types as defined in [Table 2.1.1](#) describe over 85% of all households in 2015 as can be seen in [Figure 2.1.1](#). A quarter of all households (5,968 households) are one adult households without child(ren), and just under a third of all households (7,657) are two adults without child(ren). A further 10.7% are **three and four adult (16-64)** households without children. Pensioner households comprising either **one adult (65 and over)** or **two adults (65 and over)** or **two adults (one 16-64, one 65 and over)** represent 27.7% of all Guernsey households.

Households with child(ren), with either **one adult (16-64) with child(ren)** or **two adults (16-64) with child(ren)**, represent 17.1% of all Guernsey households. The remaining 14.0% (3,269 households) are classified as **'other'** and will include households of more than four adults, or where individuals in a household span more than one description e.g. the household comprises three adults, two aged over 65 years and one under 65 years.

## 3.1 Unequalised or equalised which to use

Gross household incomes and incomes net of social security, income tax and imputed housing costs are provided on an unequalised and equalised basis. [Sections 4, 5 and 6](#) contain information on unequalised household incomes and [Sections 7, 8 and 9](#) contains the same information for equalised household incomes. [Section 10](#) contains unequalised household incomes after social security, income tax and imputed housing costs have been deducted. [Section 11](#) contains the same information on an equalised basis.

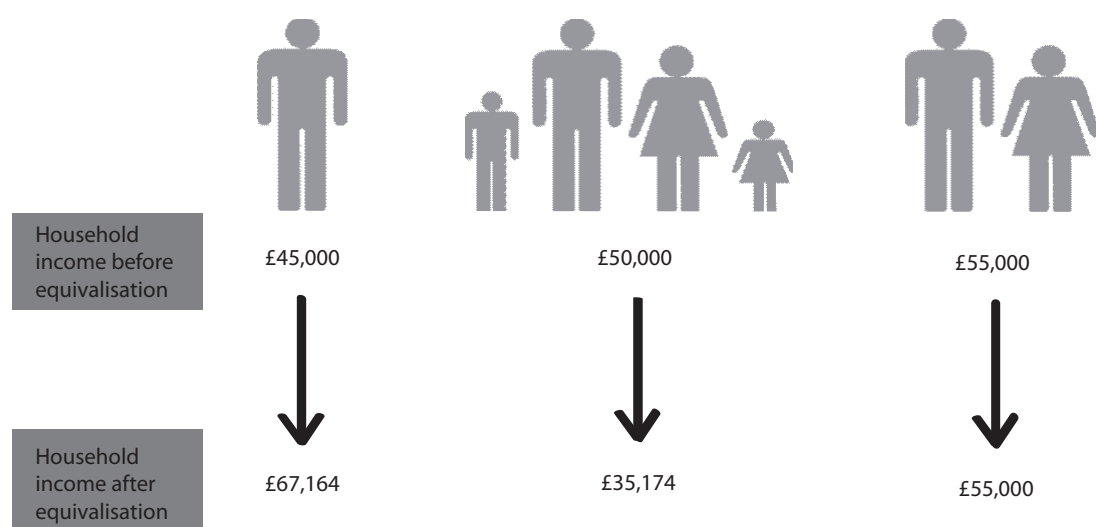
Unequalised means the gross income of a household is just that, total income of a household, with no adjustment made for different household sizes and household compositions.

The income that a household needs to attain a given standard of living will depend on its size and composition. “Equalisation” means adjusting a household’s income for size and composition so households can be looked at on a more comparable basis. Gross incomes have been equalised using the ‘Modified-OECD’ equivalence scale, in which each household is given a weighting depending on its composition and this is divided by its gross household income. Households of two adults and no children do not see their gross incomes change after equalisation, whilst incomes of households comprising more than two adults are scaled down. Households containing fewer than two adults will have their income scaled up after equalisation. (See [Appendix 1](#) for methodology).

The decision on whether to use unequalised or equalised gross household income will depend on the use to which the data is being put. Unequalised gross household incomes are useful when requiring income levels for all households (such as overall mean gross household income and overall median gross household income).

Equalised household income data is recommended where comparisons of income are being made across different household types, such as by composition, tenure and quintile.

As an example, take a household of two adults and two children and a gross income of £50,000. If this is compared with a household containing just one adult with a gross income of £45,000, then although the larger household had a higher gross income it is the smaller one that has the higher equalised income. This is illustrated in the diagram below.



## 4.1 Overall income (unequalised): mean, median and distribution

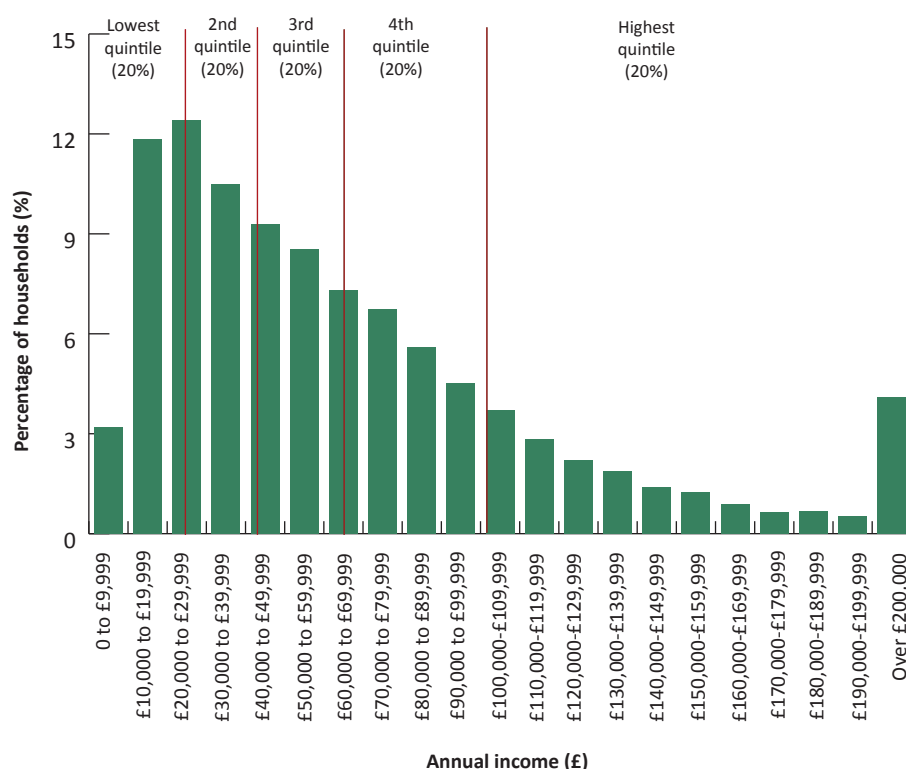
Gross incomes for 2015 were calculated for the 23,398 Guernsey households included in the analysis (see [Appendix](#) for methodology). Gross income is defined as the total income of a household derived from a variety of sources including; employment income, business income, old age (States) pension, private pension (both occupational and personal), distribution income, annuities, bank interest, loan interest income, benefits (except those paid on order) and rent rebates. Rent rebates, currently administered by the Housing Department, may not be perceived as an income as they are deductions made to social housing rent. However, given current proposals to unify rent rebates and supplementary benefit in 2018 and to ensure comparability in future reports, these have been included as a base. Grants for educational purposes, such as university grants paid direct to universities, have not been included as a form of income in this analysis.

The data has not been adjusted for household size i.e. is unequalised. As such, gross incomes for varying household compositions are reported in this section. [Section 7](#) contains the corresponding information for equalised gross incomes. [Section 10](#) contains unequalised household incomes after social security, income tax and imputed housing costs have been deducted.

[Figure 4.1.1](#) presents gross household income for all analysed households by income bracket. Income brackets are spaced at £10,000 intervals and the percentage of households within each income bracket is evident.

Gross household incomes have also been divided into quintiles, five equally sized groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on. The approximate position of each quintile boundary is shown in [Figure 4.1.1](#) and [Table 4.1.3](#).

**Figure 4.1.1: Gross annual income of households**





## 4.1 Overall income (unequalised): mean, median and distribution

The mean gross household income was £72,206 (£1,389 per week) and the median gross household income was £52,876 (£1,017 per week) in 2015 (see [Table 4.1.1](#)). This represents a 1.5% increase in the mean household income of £71,129 in 2014 and a 1.9% increase in the median household income in 2014 of £51,877.

Mean gross household incomes were calculated by totalling all income received during 2015 and dividing this figure by the number of households. Median gross household incomes were calculated by ranking all household incomes from lowest to highest and selecting the middle data point. Mean averages are more heavily influenced by a small number of very high income households than median averages. As a result, there is a large differential between the two measures. For this reason both mean and median figures are presented where relevant throughout this report.

**Table 4.1.1: Mean and median gross income of households**

	Annual (£)	Weekly (£)
Mean	72,206	1,389
Median	52,876	1,017

**Table 4.1.2: Gross annual income distribution of households**

	% of households
£0-£9,999	3.2
£10,000-£19,999.99	11.9
£20,000-£29,999.99	12.4
£30,000-£39,999.99	10.5
£40,000-£49,999.99	9.3
£50,000-£59,999.99	8.6
£60,000-£69,999.99	7.3
£70,000-£79,999.99	6.7
£80,000-£89,999.99	5.6
£90,000-£99,999.99	4.5
£100,000-£109,999.99	3.7
£110,000-£119,999.99	2.8
£120,000-£129,999.99	2.2
£130,000-£139,999.99	1.9
£140,000-£149,999.99	1.4
£150,000-£159,999.99	1.2
£160,000-£169,999.99	0.9
£170,000-£179,999.99	0.6
£180,000-£189,999.99	0.7
£190,000-£199,999.99	0.5
Over £200,000	4.1
<b>Total</b>	<b>100.0</b>

**Table 4.1.3: Quintile boundaries for gross annual income of households**

	Upper boundary (£)
Lowest quintile	23,872
2nd quintile	41,981
3rd quintile	65,592
4th quintile	100,085
Highest quintile	-

## 4.2 Overall income by source

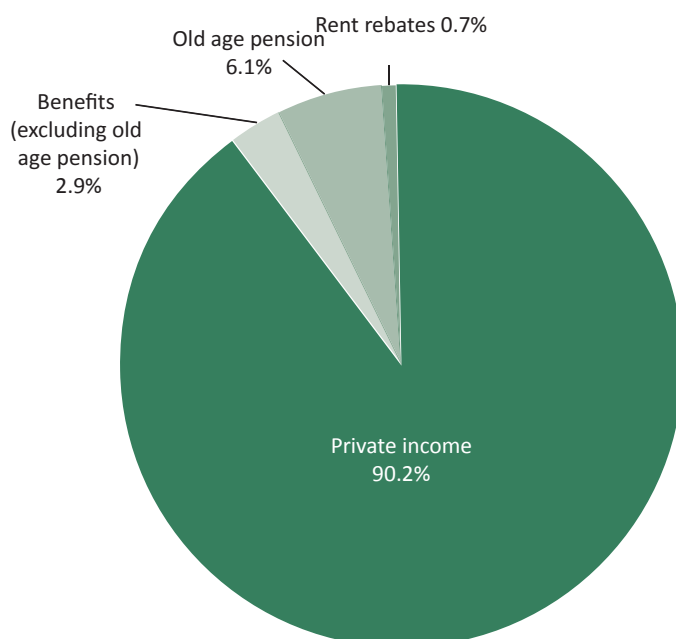
**Table 4.2.1** provides a detailed definition of the four main sources of household income used within the Report; private income, benefits (excluding old age pensions), old age pensions and rent rebates.

**Table 4.2.1: Definition of income sources**

Income Source	Description
Private income	Includes all income throughout 2015 from employment, business, private pension (both occupational and personal), distributions, annuities, maintenance, remittances, dividends, investment, property, benefits in kind, bank interest, loan interest and other miscellaneous private incomes.
Benefits (excluding old age pensions)	Includes all forms of non-contributory benefits paid by the States of Guernsey to a household during 2015 such as attendance allowance*, bereavement allowance, bereavement payment, widowed parent's allowance, death grant, family allowance, sickness benefit, invalidity benefit, industrial injury benefit, industrial disablement benefit, invalid care allowance*, long term care benefit, maternity grant, maternity allowance, supplementary benefit and unemployment benefit. This does not include those benefits paid "on order" such as oxygen and medical costs. Neither does it include university grants which are paid directly to universities.
Old age pension	Refers to the old age pension paid by Guernsey or other Governments and is defined as the total amount of old age pension paid to a household during 2015.
Rent rebates	Refers to the amount of rebate deducted from social housing rents during 2015. Although not always classed as an income, given proposals to unify rent rebates and supplementary benefit, they have been included as such since they may be included within supplementary benefit in the future.

\*From May 2014 attendance allowance was renamed 'severe disability benefit' and invalid care allowance was renamed 'carers allowance'.

**Figure 4.2.1: Breakdown of gross income by source**



**Figure 4.2.1** illustrates the breakdown of all household income by income source during 2015. As can be seen a significant majority, 90%, of all household income is derived from private income sources, including employment, business, personal pensions and other private income sources.

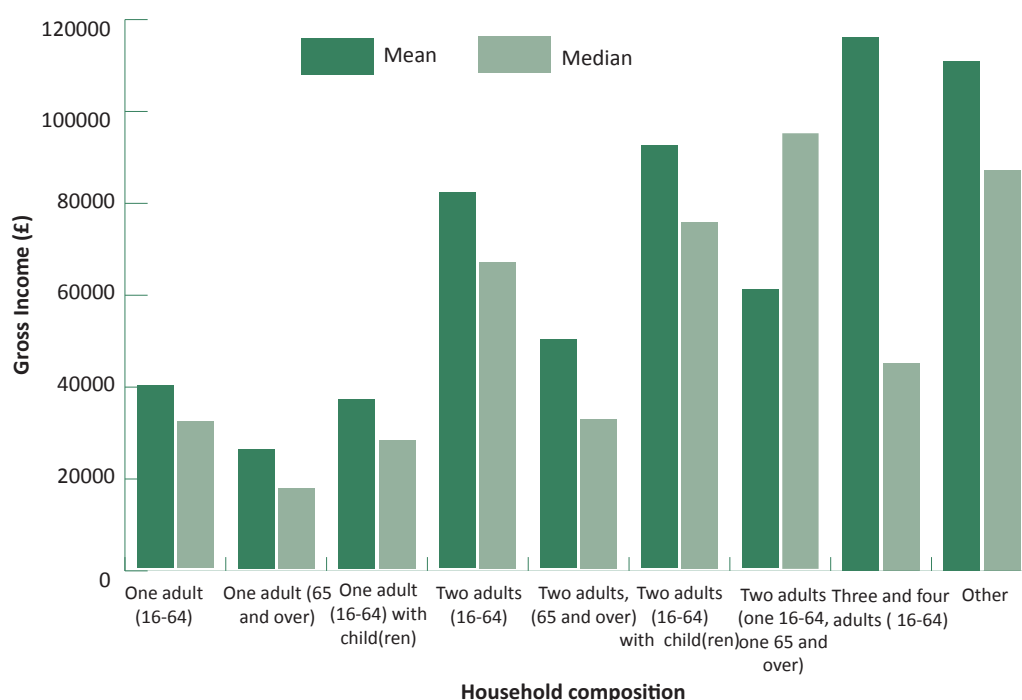
The old age pension accounts for 6.1% of all household income, whilst benefits (excluding old age pension) and rent rebates account for just under 4%.

## 5.1 Income and household composition: means and medians

The analysis presented in this section is based on “consistent” households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 5.1.1: Mean and median annual gross income by household composition (consistent households only)**



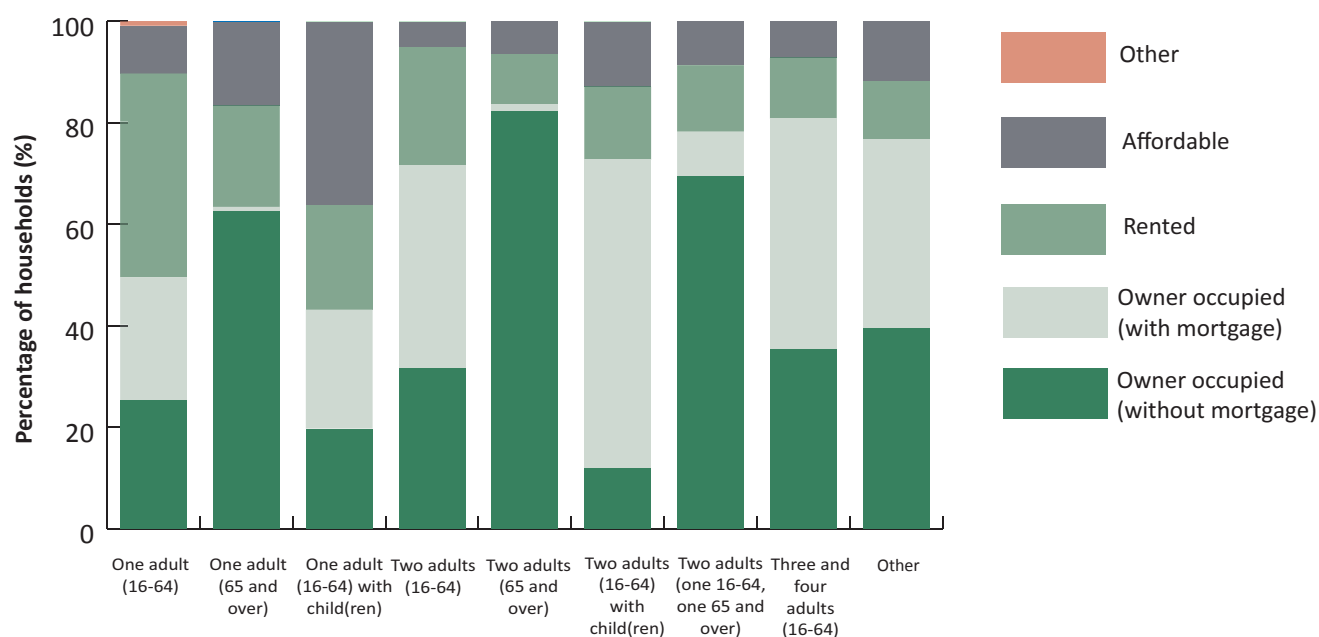
**Figure 5.1.1** details the mean and median gross incomes for households of different compositions. The distribution of income between these groups is heavily influenced by the number of adults in the household. **One adult (65 and over)** households and **one adult (16-64) with child(ren)** households recorded the lowest mean household income in 2015 at £26,095 and £36,865 respectively. The **'other'** category and the **three and four adults (16-64)** category recorded the highest mean household incomes at £110,901 and £116,171 respectively.

Median gross household incomes follow much the same pattern as mean incomes, although the values do differ, due to a small number of very high incomes which have a larger influence on the mean figure. **One adult (65 and over)** households and **one adult (16-64) with child(ren)** households recorded the lowest median household incomes in 2015 at £17,570 and £28,036 respectively. The **'other'** and the **three and four adults (16-64)** categories recorded the highest median household income at £87,104 and £94,816. See [pages 12-14](#) for more information on the make-up of the household composition groups by housing tenure, income source and income quintile.

Please note this section presents unequivalised income with no adjustment for household size - see [Section 7.0](#) for equivalised gross data, [Section 10.0](#) for unequivalised income after social security contributions, income tax and housing costs have been deducted and [Section 11.0](#) for equivalised income after social security contributions, income tax and housing costs.

## 5.1 Income and household composition: means and medians

**Figure 5.1.2: Household composition and tenure (consistent households only)**



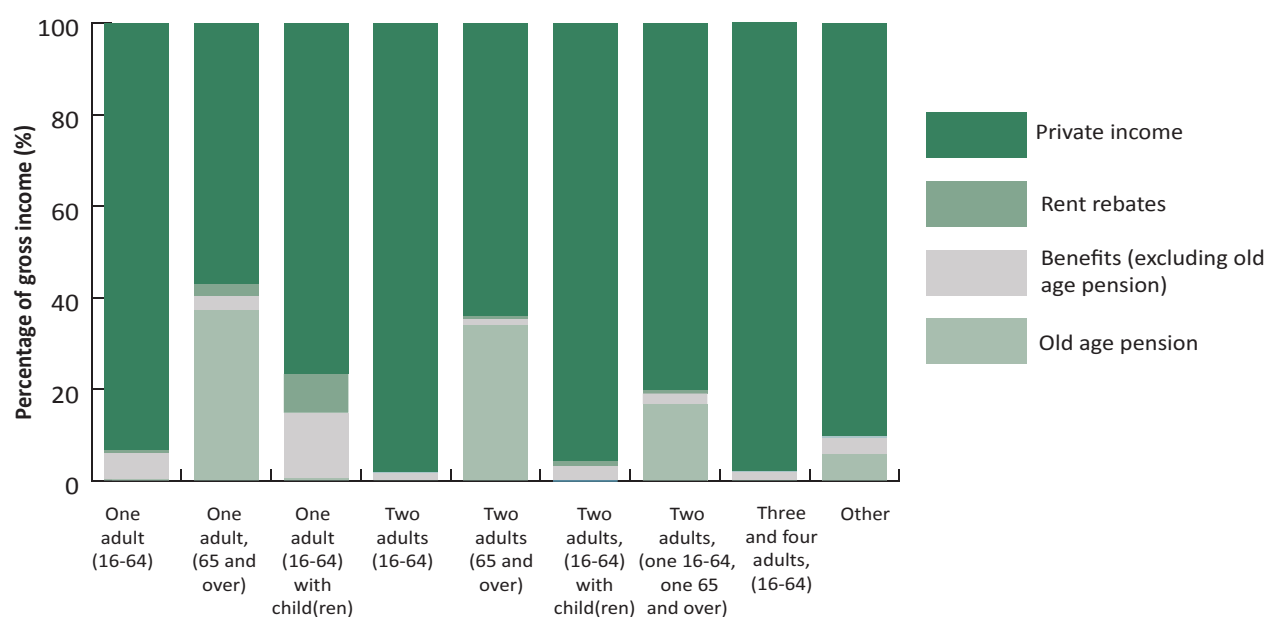
**Figure 5.1.2** illustrates the housing tenure profile of the different household compositions (see **Table 5.1.1** for definitions). The majority of **one adult (65 and over)**, **two adults (65 and over)** and **two adults (one 16-64, one 65 and over)** households are owner occupiers without a mortgage, 62.6%, 82.3% and 69.4% respectively. Households comprising **two adults (16-64) with child(ren)** are the most likely of all household compositions to be owner occupiers with a mortgage, at 60.7%. Rented accommodation is most prevalent in those households classified as **one adult (16-64)** households, at 40.2%, whilst **one adult (16-64) with child(ren)** contains the highest proportion of households with an affordable tenure (Guernsey Housing Association/States rented or social partial ownership), at 36.0%.

**Table 5.1.1: Definitions of tenure**

Tenure Type	Description	% of households
Owner occupied with mortgage	Household living in a property they have purchased with a mortgage or other secured loan. Can be either open market or local market.	28.6
Owner occupied without a mortgage	Household living in accommodation which they own outright and is not the subject of a mortgage or other secured loan. Can be either open market or local market.	41.9
Rented	Household living in accommodation rented from a private landlord or estate agent. Can be either open market or local market.	18.7
Affordable	Household living in accommodation rented from either the States of Guernsey Housing Department or Guernsey Housing Association (GHA); or a household in a partial ownership scheme.	10.6
Other	Any accommodation not fitting the above criteria (including self catering). Can be either open market or local market.	0.2
<b>Total</b>		<b>100.0</b>

## 5.2 Income and household composition: income source

**Figure 5.2.1: Household composition and income source (consistent households only)**



**Figure 5.2.1** compares the proportion of income derived from private, old age pension, benefits (excluding old age pension) and rent rebate income sources across differing household compositions. As might be expected, the States old age pension was highest in proportion in those households with either **one adult (65 and over)** or **two adults (65 and over)** accounting for, on average, over a third of all income to those households.

The highest proportion of benefits (excluding old age pension) and rent rebates can be found in households which comprise **one adult (16-64) with child(ren)**, accounting for almost 23% of total gross income in these households. The highest proportion of private income can be found in households comprising **two adults (16-64)**, where 98% of gross income is derived from private sources, which includes employment and business incomes.

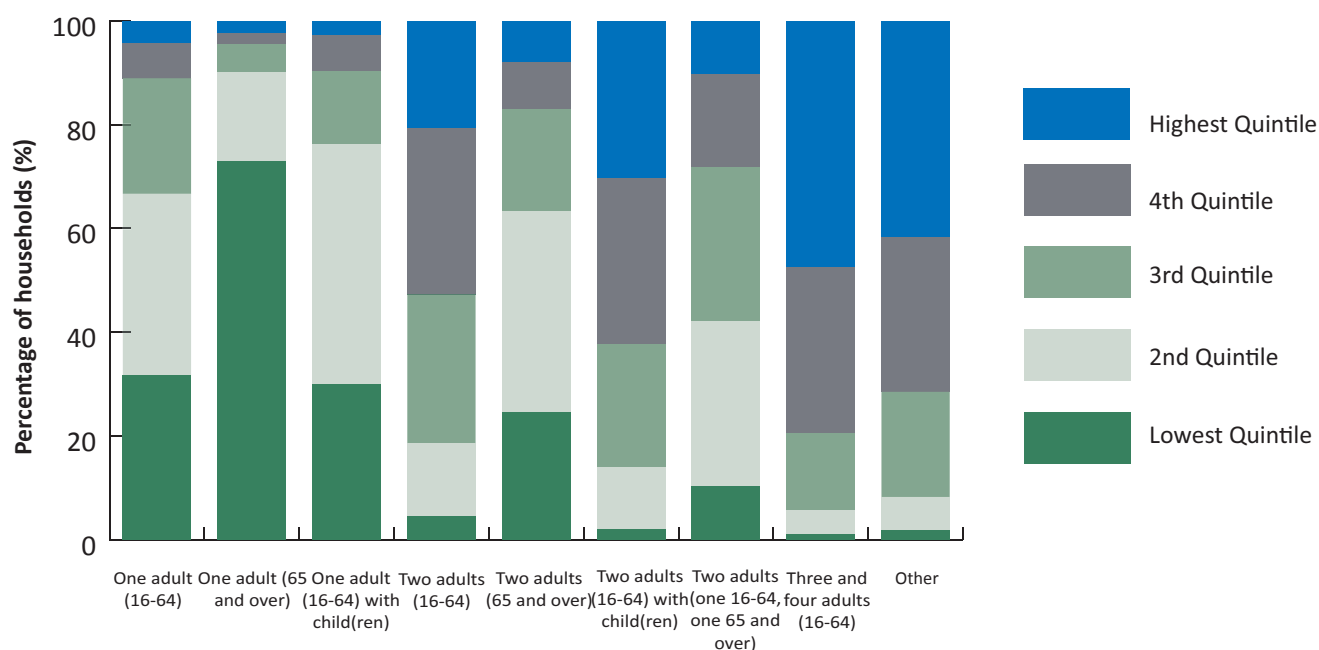
## 5.3 Income and household composition: quintiles

**Figure 5.3.1** illustrates how income quintiles are distributed across the identified household compositions. Again, because the income data in this section is unequivalised (i.e. not adjusted to reflect household size), profiles of household compositions are heavily influenced by the number of adults in the household.

**One adult (65 and over)** households contain the highest proportion of households in the lowest income quintile (the lowest 20% of households when ordered by income). 73% of all **one adult (65 and over)** households were within the lowest income quintile. **Three and four adults (16-64)** households have the highest proportion of households in the highest income quintile (those 20% of households with the highest household income), with 47% of these households within the highest income quintile.

For more comparable figures for different household compositions see **Section 7.0**. Income statistics are equivalised in that section to take account of household composition.

**Figure 5.3.1: Household composition and income quintile (consistent households only)**

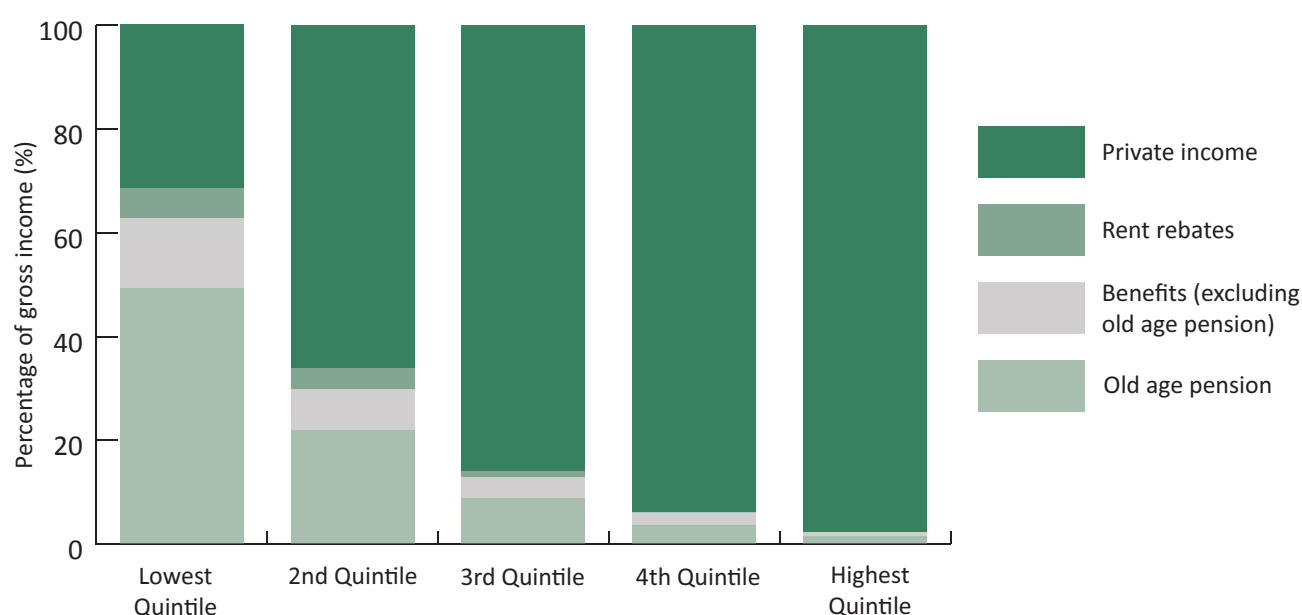


## 6.1 Income quintiles: source of income

This section (as per [Section 5.0](#)) presents gross household incomes by quintiles for consistent households during 2015. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable. As can be seen overleaf, household composition will impact these statistics. For more comparable results see [Section 7.0](#). Income statistics are equivalised in [Section 7.0](#) to take account of household composition.

**Figure 6.1.1: Income quintile and source of income (consistent households only)**



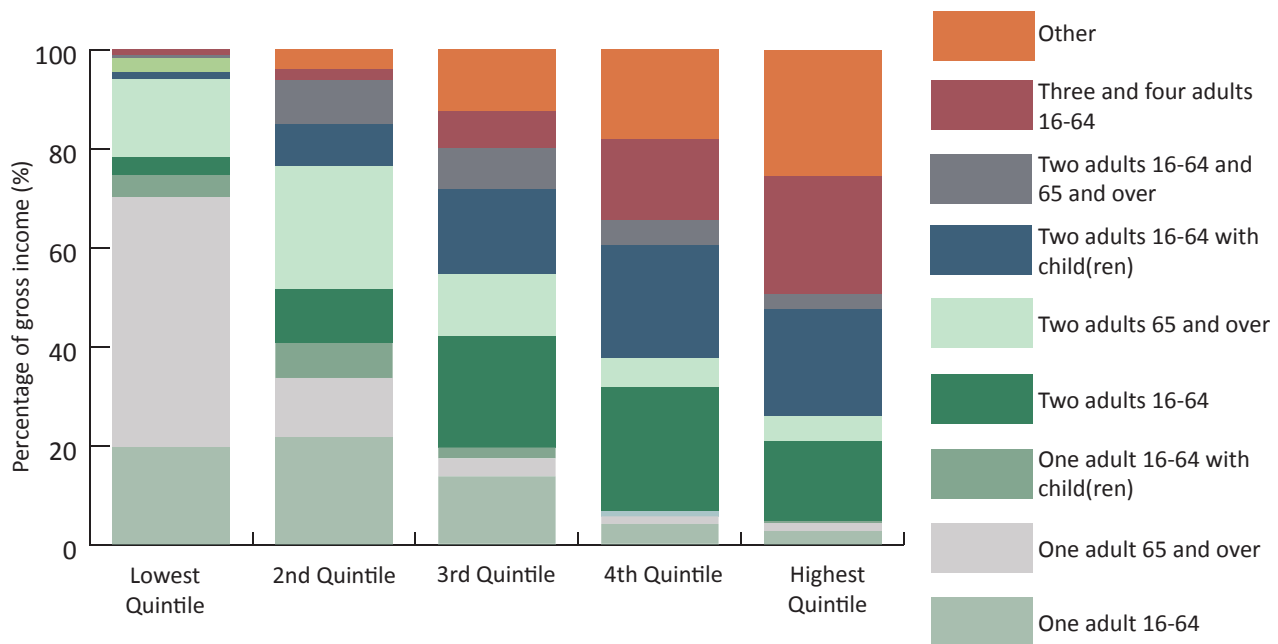
**Figure 6.1.1** illustrates the different sources of household income by quintile. Old age pensions account for just under half (49%) of all gross income within the lowest income quintile of households, the bottom 20% of consistent households when ordered by household income. Furthermore, within the lowest quintile, private income accounts for 31.5% of all gross income and benefits (excluding old age pension) and rent rebates collectively account for 19.2% of all income.

Moving progressively through the second, third, fourth and highest income quintiles there is a general trend of an increasing proportion of gross income derived from private income sources and a decreasing proportion of gross income from old age pension, benefits (excluding old age pension), and rent rebate sources.

Within the highest income quintile of households (the top 20% of households when ordered by gross income), 97.6% of all gross income is derived from private income sources, 1.5% is derived from old age pension and 0.9% from benefits (excluding old age pension).

## 6.2 Income quintiles: composition

**Figure 6.2.1: Income quintile and household composition (consistent households only)**



**Figure 6.2.1** illustrates the composition of households by income quintile. Over 70% of all households within the lowest income quintile are one adult households without child(ren).

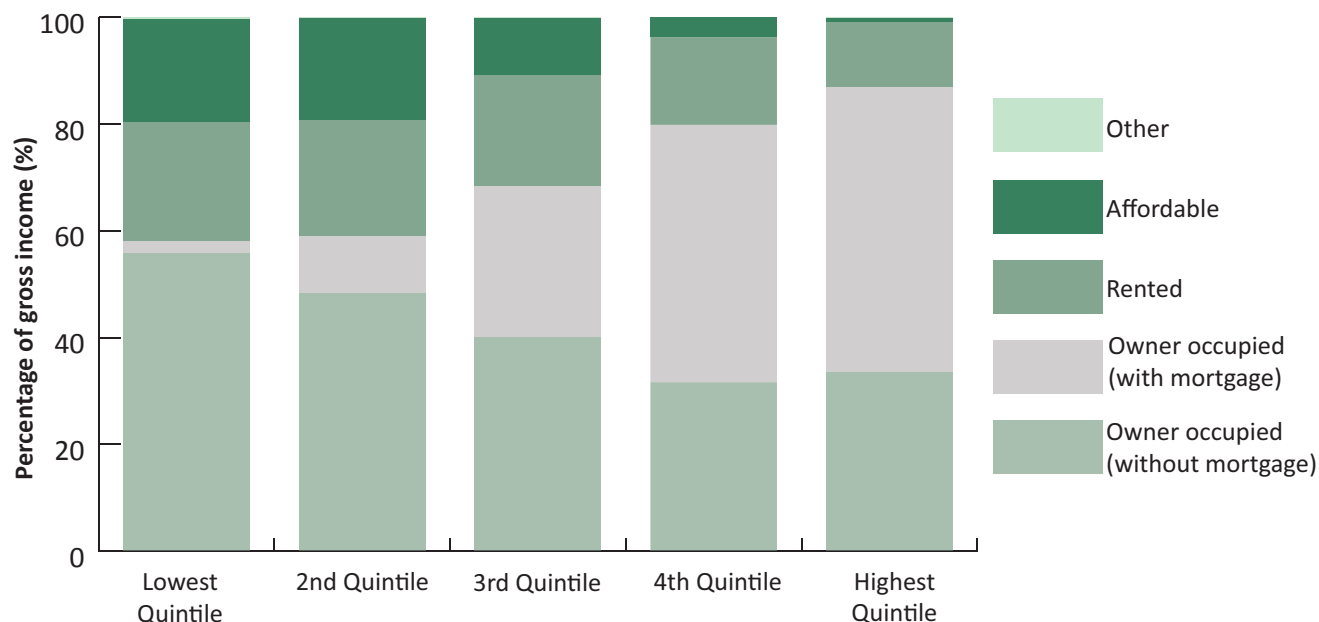
The proportion of **one adult (16-64) with child(ren)** households within the lowest income quintile is relatively low, representing 4.6% of all lowest quintile households; however this is primarily due to the low number of this household type within the dataset. The proportion of **one adult, (16-64) with child(ren)** households within the lowest income quintile is, in fact, 10 times the proportion represented within the highest income quintile, at 0.43%.

Within the highest income quintile, just under a quarter of all households are classified as **three and four adults (16-64)**, a further 21.7% of all households in this quintile comprised **two adults (16-64) with child(ren)**. Less than 5% of all households within the highest income quintile are categorised as one adult households.



## 6.3 Income quintiles: tenure

Figure 6.3.1 Income quintile and tenure (consistent households only)



Within the lowest income quintile, 56% of all households resided in owner occupied households without a mortgage, as can be seen in [Figure 6.3.1](#), whilst only 2% of all households were owner occupiers with a mortgage. Rented households, which represents the privately rented sector, accounted for 22% of all households in the lowest income quintile and 19% of households within the lowest income quintile have tenures categorised as affordable; these include States/GHA social rented accommodation and social partial ownership.

Moving progressively through the second, third, fourth and highest income quintiles there is an increasing proportion of households which are owner occupied with mortgage and a decreasing proportion of households which are owner occupied without a mortgage or have a tenure of affordable.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), over half of all households are owner occupied with a mortgage, over a third are owner occupied (without a mortgage) and 12% are privately rented.

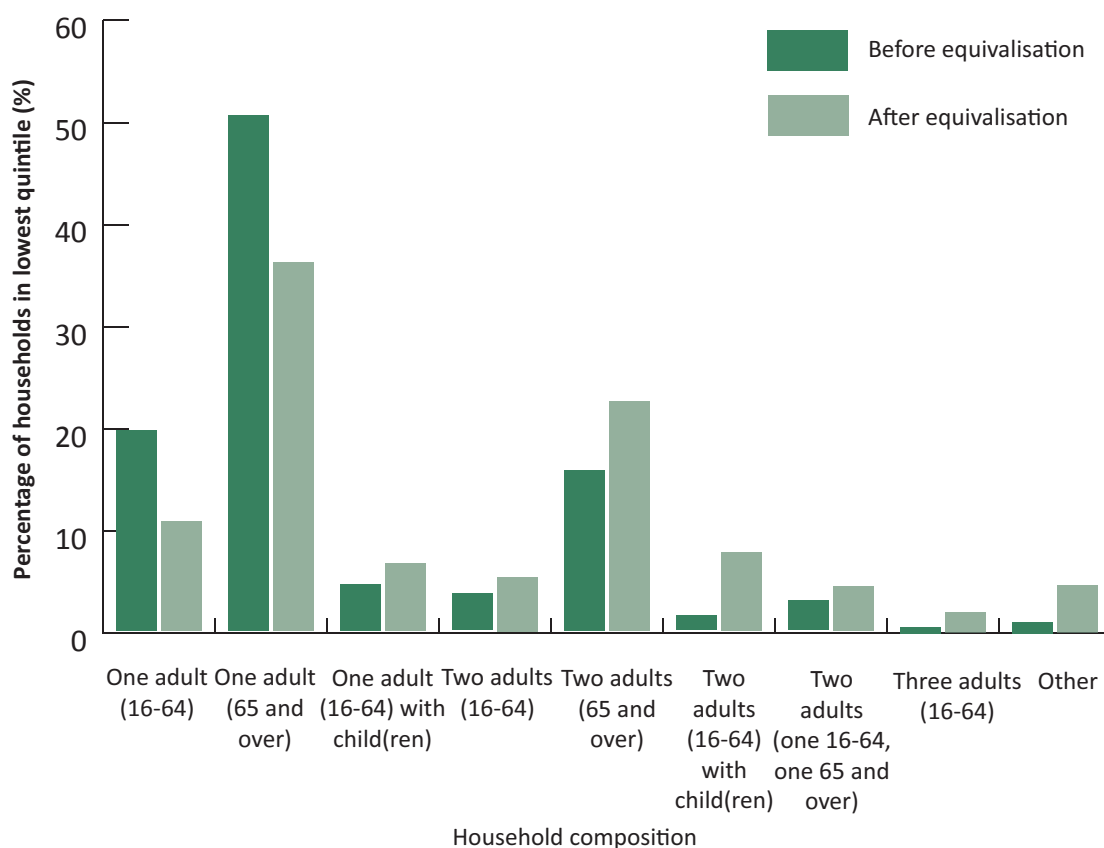
## 7.0 Overall income (equivalised)

Overall incomes for 2015 have also been calculated for all Guernsey households included in the analysis on an equivalised basis (see [Appendix](#) for methodology). Gross income is defined as the total income of a household derived from the following sources; employment income, business income, old age (States) pension, private pension income (both occupational and personal), distribution income, annuity income, bank interest, loan interest, benefits (except those paid on order) and rent rebates. Rent rebates, currently administered by the Housing Department, may not be perceived as an income as they are deductions made to social housing rent. However, given current proposals to unify rent rebates and supplementary benefit and to ensure comparability in future reports, these have been included as a base. Grants for educational purposes, such as university grants paid direct to universities, have not been included as a form of income in this analysis.

In this process gross incomes have been determined for each household using an international standard adjustment which takes into account the exact size and composition of the household. The income is then expressed relative to the level of income for a two adult household which would represent an equivalent level of resources.

The impact of equivalisation can be seen in [Figure 7.0.1](#), where the proportion of households in the lowest quintile can be seen before and after equivalisation. After equivalisation the proportion of households within the lowest income quintile comprising one adult either under or over 65 years drops. Conversely, the proportion of **two adults (16-64)** households, **two adults (65 and over)**, **two adults (one 16-64, one 65 and over)**, **three and four adults (16-64)** households and households with child(ren) within the lowest income quintile increases after equivalisation.

**Figure 7.0.1: Households in the lowest quintile before and after equivalisation**

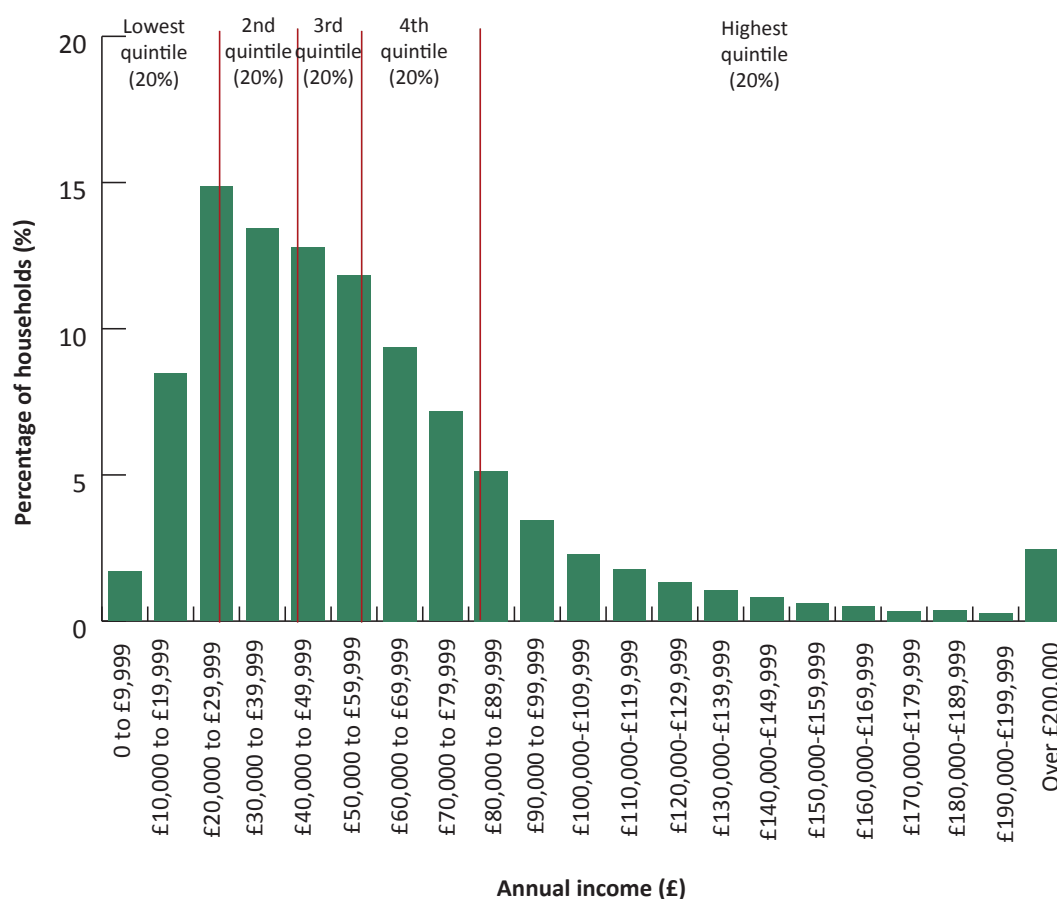


## 7.1 Overall income: mean, median and distribution (equivalised)

**Figure 7.1.1** presents equivalised gross household income for all 23,398 analysed households by income bracket. Income brackets are spaced at £10,000 intervals and the percentage of households within each income bracket can be seen.

Equivalised gross household incomes have also been divided into quintiles, five equally sized groups ordered by level of gross income. The lowest quintile represents the bottom 20% of all households when households are sorted by equivalised income from lowest to highest. The second quintile represents the next 20% of all households when ordered by gross equivalised income and so on. The approximate position of each quintile boundary is shown in **Figure 7.1.1** and **Table 7.1.2**.

**Figure 7.1.1: Gross annual income of households (equivalised)**



Before equivalisation, the income band with the largest percentage of households was £20,000 - £29,999.99, 12.4% of all households, as can be seen in **Section 4, Figure 4.1.1** and **Table 4.1.2**. After equivalisation, the income band with the largest percentage of households was still £20,000 - £29,999.99, however the proportion of households had increased to 14.9% of all households, as shown above in **Figure 7.1.1** and overleaf in **Table 7.1.2**.

## 7.1 Overall income: mean, median and distribution (equivalised)

The mean gross household income in 2015 was £62,589 (£1,204 per week), £9,617 or 13.3% lower than the corresponding unequivalised mean income, see [Table 7.1.1](#). Mean household incomes increased by 2.4% from 2014, when the mean equivalised gross household income was £61,099.

The median gross household income was £49,083 (£944 per week) in 2015 see [Table 7.1.1](#), £3,793 or 7.2% lower than the corresponding unequivalised median income. Equivalisation scales down the incomes of households containing more than two adults and scales up the incomes of households containing fewer than two adults (see [Appendix](#) for methodology). Median household incomes increased by 2.6% from 2014, when the median equivalised gross household income was £47,838.

The lowest quintile (20%) consists of households with equivalised incomes up to approximately £27,079, see [Table 7.1.3](#), 2.4% higher than the lowest quintile upper boundary in 2014. The highest quintile consists of households with equivalised incomes of approximately £80,691 or over, 2.4% higher than the corresponding highest quintile boundary in 2014.

After equivalisation, 52.9% of all households can be found within just four income bands, ranging from £20,000 - £59,999.99, see [Table 7.1.2](#), this compares with 40.7% before equivalisation.

[Section 11](#) contains information on net household incomes, after tax and social security contributions and after imputed housing costs have been deducted. From this information, internationally comparable measures of relative income poverty have been calculated, see [Section 12](#).

**Table 7.1.1: Mean and median gross income of households**

	Annual (£)	Weekly (£)
Mean	62,589	1,204
Median	49,083	944

**Table 7.1.2: Gross annual income distribution of households**

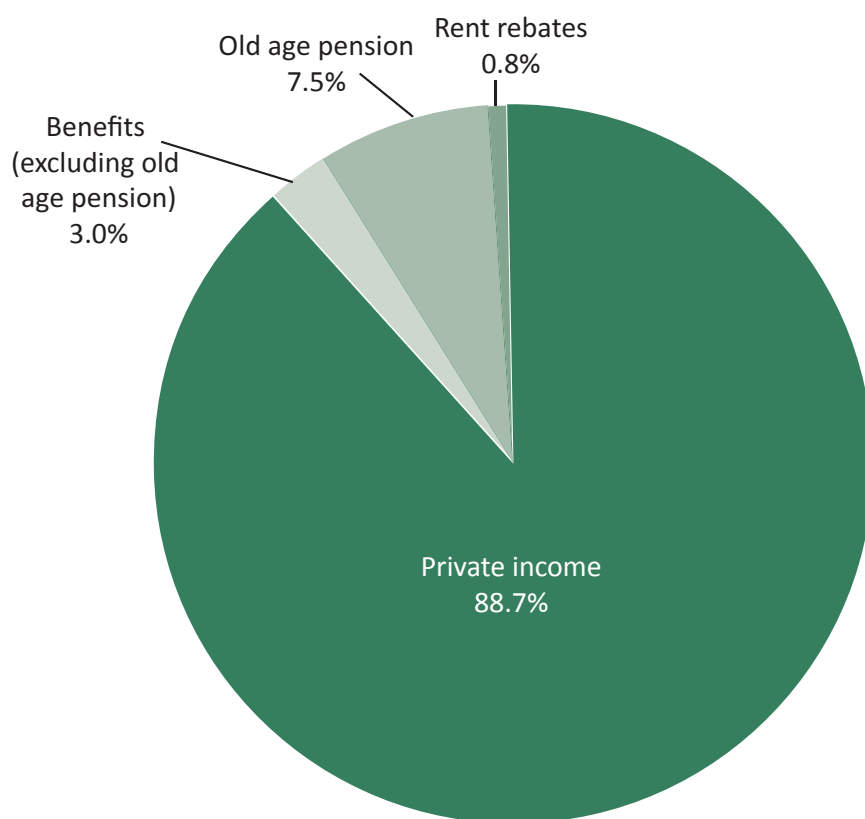
	% of households
£0-£9,999	1.7
£10,000-£19,999.99	8.5
£20,000-£29,999.99	14.9
£30,000-£39,999.99	13.4
£40,000-£49,999.99	12.8
£50,000-£59,999.99	11.8
£60,000-£69,999.99	9.4
£70,000-£79,999.99	7.2
£80,000-£89,999.99	5.1
£90,000-£99,999.99	3.5
£100,000-£109,999.99	2.3
£110,000-£119,999.99	1.8
£120,000-£129,999.99	1.3
£130,000-£139,999.99	1.0
£140,000-£149,999.99	0.8
£150,000-£159,999.99	0.6
£160,000-£169,999.99	0.5
£170,000-£179,999.99	0.4
£180,000-£189,999.99	0.4
£190,000-£199,999.99	0.3
Over £200,000	2.5
<b>Total</b>	<b>100.0</b>

**Table 7.1.3: Quintile boundaries for gross annual income of households**

	Upper boundary (£)
Lowest quintile	27,079
2nd quintile	41,129
3rd quintile	57,132
4th quintile	80,691
Highest quintile	-

## 7.2 Overall income by source equivalised

**Figure 7.2.1: Breakdown of gross income by source (equivalised)**



**Figure 7.2.1** illustrates the breakdown of equivalised mean average household incomes by income source during 2015. As can be seen a significant majority, 88.7%, of all household income is derived from private income sources which includes employment, business, personal pensions and other private income sources.

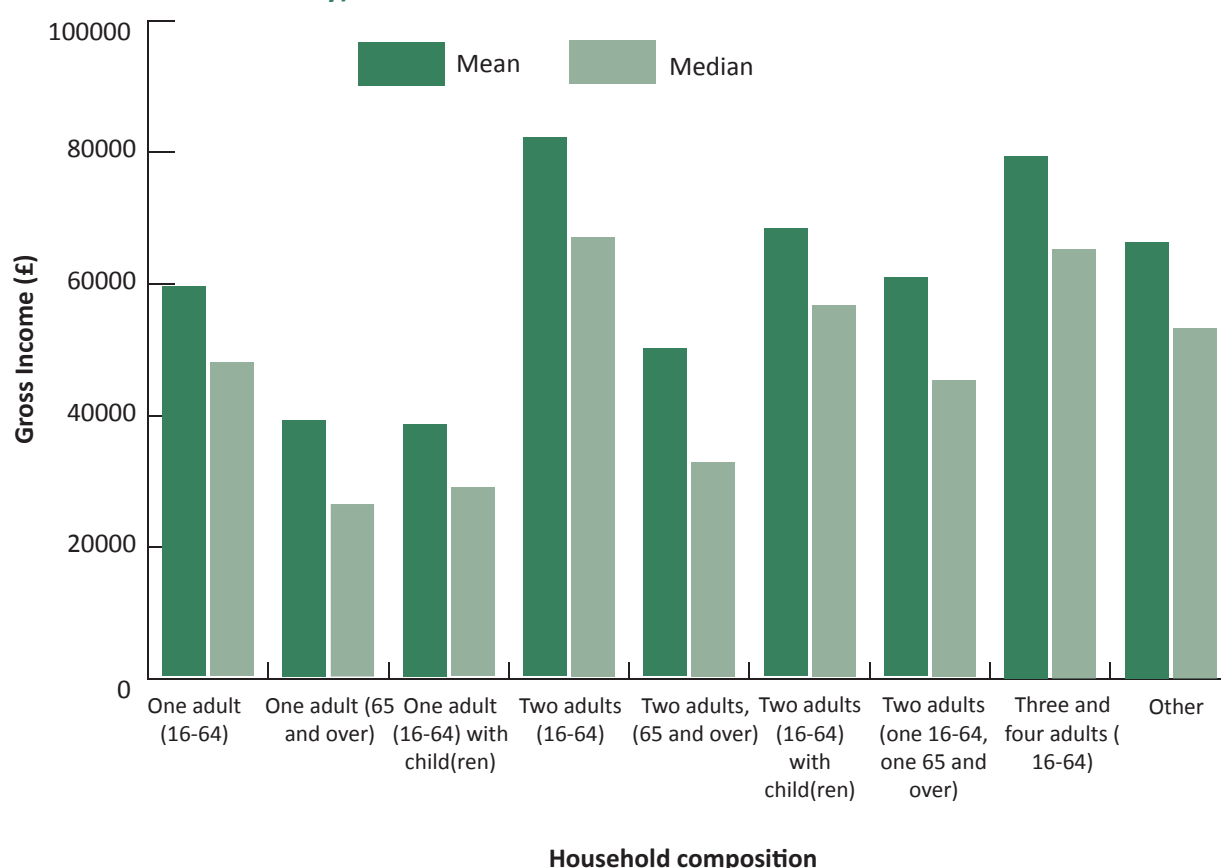
Old age pensions account for 7.5% of equivalised overall average household income, whilst benefits (excluding old age pension) and rent rebates collectively account for 3.8%.

## 8.1 Income and household composition (equivalised): means, medians and household composition

The analysis presented in this section, as previously, is based on equivalised income for “consistent” households only. The term consistent households refer to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 8.1.1: Mean and median equivalised annual gross income by household composition (consistent households only)**

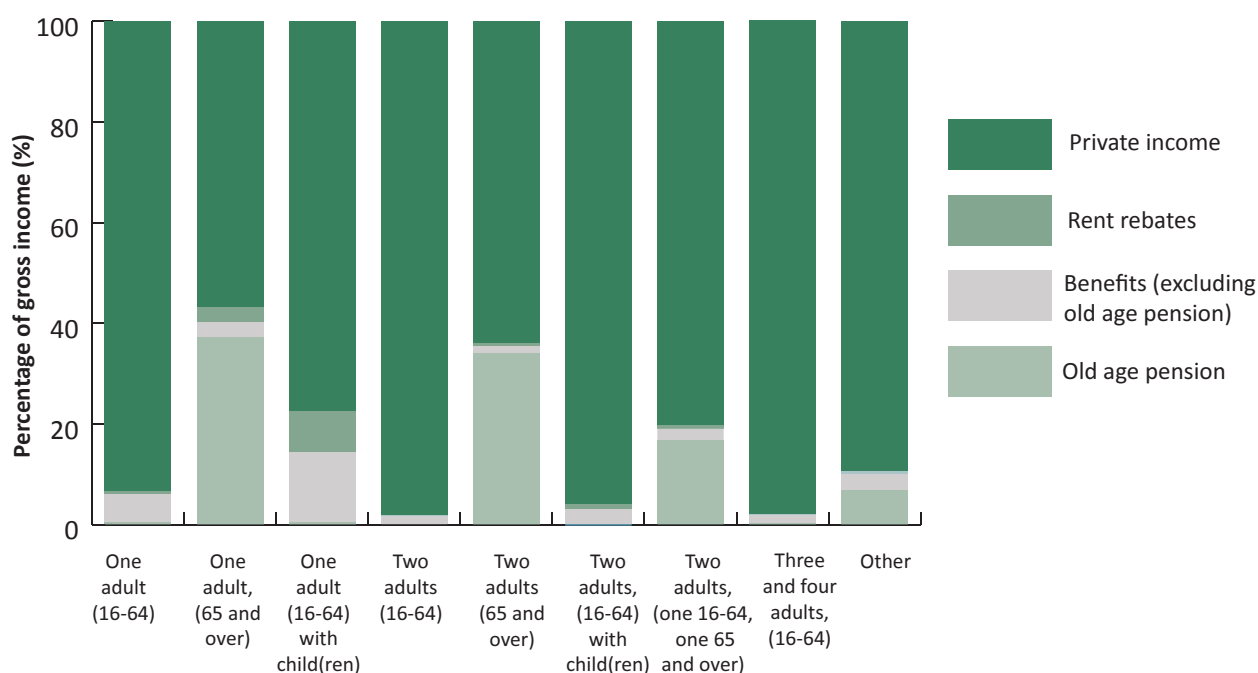


**Figure 8.1.1** details the equivalised mean and median gross incomes for households of different compositions. Although the household compositions remain the same as [Section 5.1](#), by equivalising income data the values differ. Equivalising income data is a standard technique intended to allow a more representative comparison to be made across different household compositions. **One adult (16-64) with child(ren)** recorded the lowest equivalised mean household income in 2015 at £38,316. The next lowest category was **one adult (65 and over)** at £38,948. Households comprising **two adults (16-64)** recorded the highest equivalised mean income in 2015 at £81,818.

Median gross household incomes follow a broadly similar pattern to mean gross household incomes, although the values do differ, due to a small number of very high incomes which, as previously, have skewed the mean figure upwards. Households comprising **one adult (65 and over)** recorded the lowest median income in 2015 at £26,224, whilst households comprising **two adults (16-64)** recorded the highest equivalised median income at £66,787.

## 8.2 Income and household composition: income source (equivalised)

**Figure 8.2.1: Household composition by equivalised income source (consistent households only)**

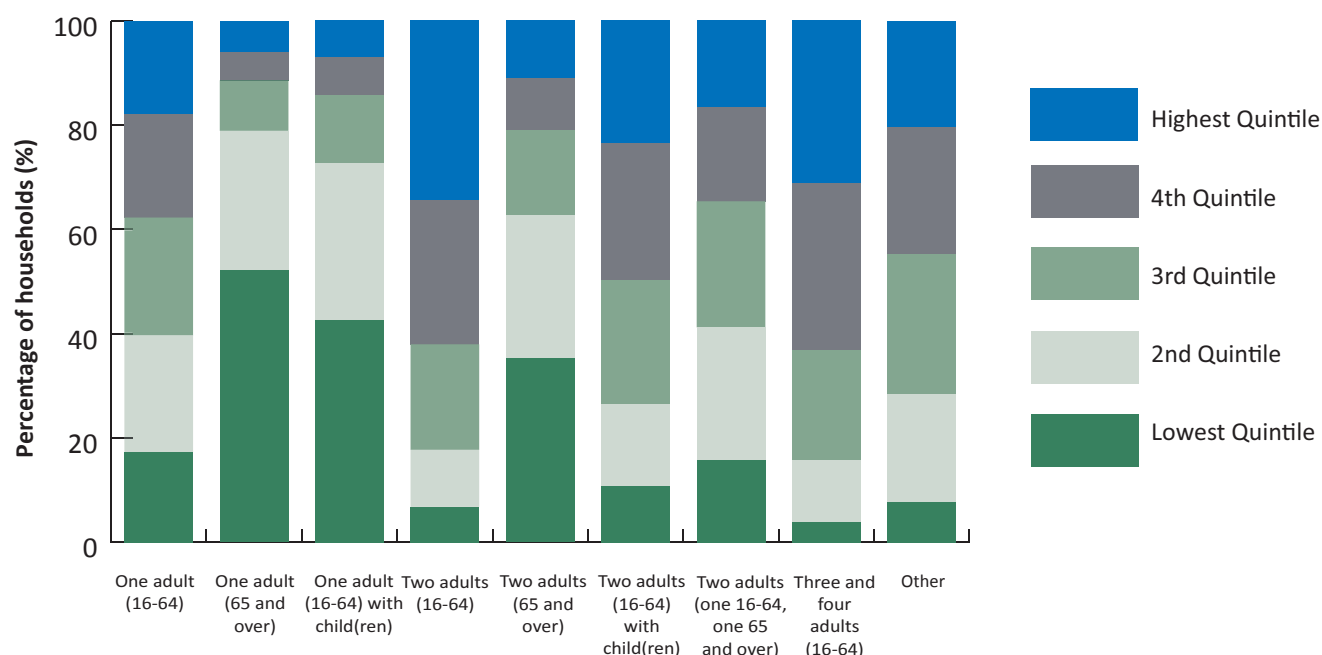


**Figure 8.2.1**, compares the proportion of income derived from private, old age pension, benefits (excluding old age pension) and rent rebate income sources across differing household compositions. As might be expected, the States old age pension was highest in proportion in those households with either **one adult (65 and over)** or **two adults (65 and over)** accounting for, on average, over a third of all income to those households.

The highest proportion of benefits (excluding old age pension and rent rebates) can be found in households which comprise **one adult (16-64) with child(ren)**, accounting for 22% of total gross income in these households. The highest proportion of private income can be found in households comprising **two adults (16-64)**, where 98% of gross income is derived from private sources, which includes employment and business incomes.

## 8.3 Income and household composition: quintiles (equivalised)

**Figure 8.3.1: Household composition by equivalised income quintile (consistent households only)**



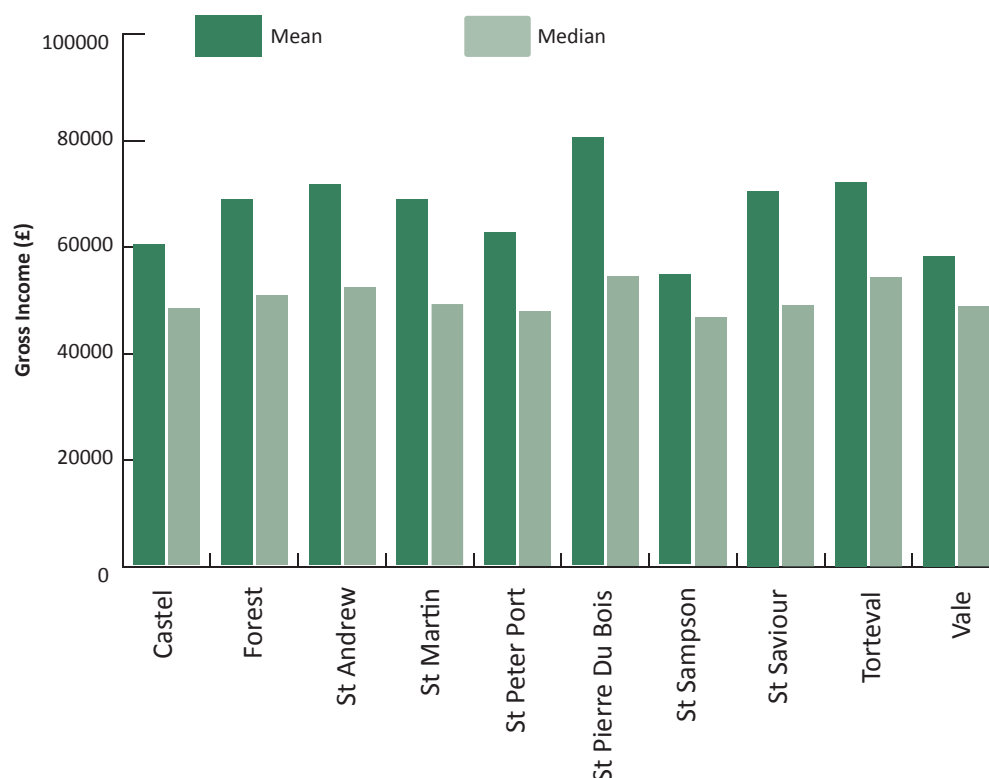
**Figure 8.3.1** illustrates how equivalised income quintiles are distributed across the identified household compositions. In comparison to the unequivalised data presented in **Figure 5.3.1, page 14**, which did not take into account the impact of household size and composition on income, overall income quintiles after equivalisation appear more evenly distributed across the different household compositions.

After equivalisation households comprising **one adult (65 and over)** continued to record the highest percentage in the lowest income quintile (52%). Furthermore, **one adult (65 and over)** recorded the smallest proportion of households within the highest income quintile, just 6%. The next highest proportion of households within the lowest income quintile was **one adult (16-64) with child(ren)**, 43%. Households with **two adults (16-64)** had the highest proportion of households within the highest quintile at 34%.



## 8.4 Income and parish (equivalised): means, medians and parish

**Figure 8.4.1: Mean and median equivalised annual gross income by parish**

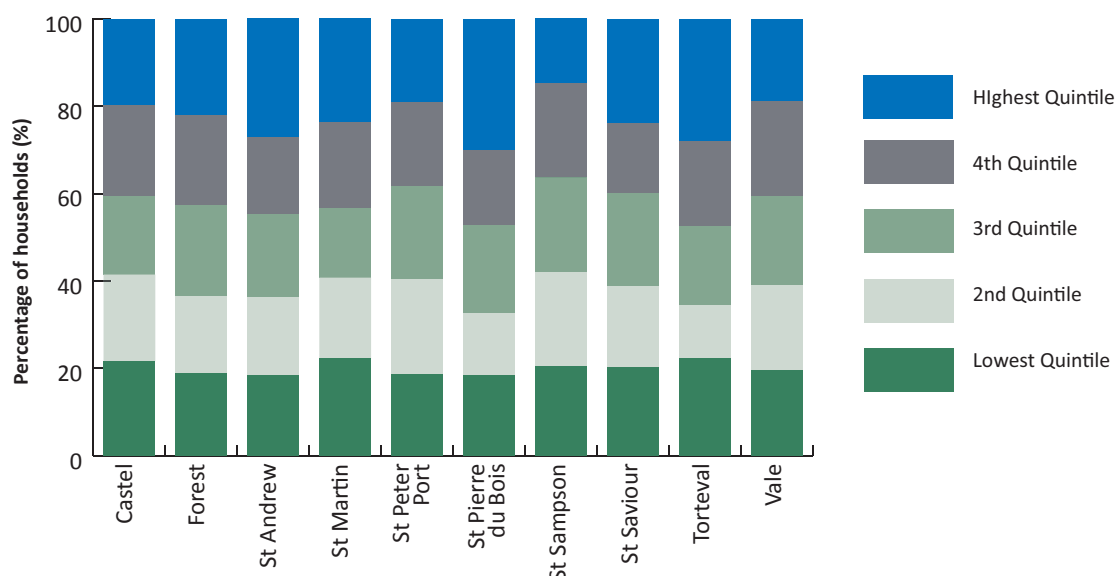


Household incomes per parish, as shown in **Figure 8.4.1**, have been calculated by identifying the parish of all "consistent" households in 2015 and determining a mean and median equivalised gross household income per parish.

The graph shows variation between the mean and median across the parishes. The parish of St Pierre Du Bois had the highest mean equivalised income in 2015 at £80,200 per annum, whilst Torteval parish had the highest median income at £54,442 per annum. St Sampsons parish had both the lowest mean and median incomes at £54,385 in 2015 and £46,538.

## 8.5 Income and parish: quintiles (equivalised)

Figure 8.5.1: Equivalised annual income by quintile and parish

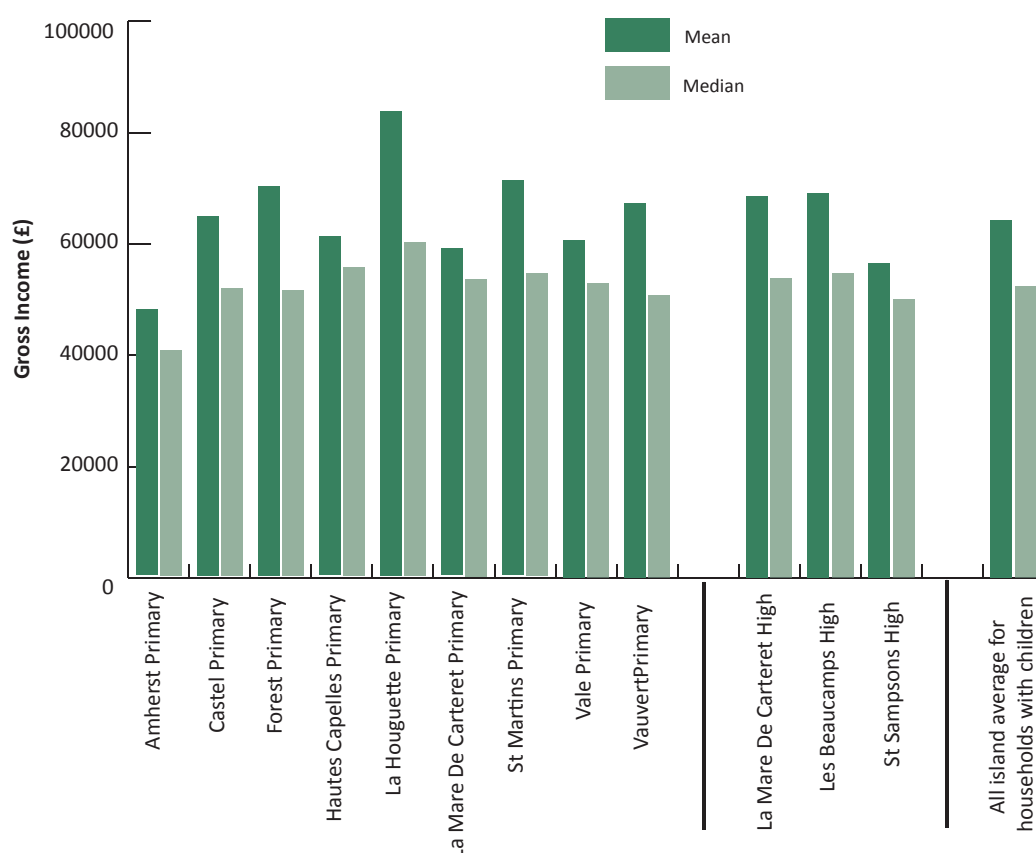


Gross equivalised incomes per parish have also been divided into quintiles in **Figure 8.5.1**, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

As can be seen the graph shows there is relatively little variation between the percentage of households within each quintile throughout the parishes. Torteval parish had the highest proportion of households within the lowest income quintile at 22.3%, whilst St Andrew had the fewest at 18.4%. St Pierre Du Bois had the highest proportion of households within the highest income quintile at 30.2%, whilst St Sampson had the lowest proportion of households at 14.7%.

## 8.6 Income and school catchment (equivalised): means, median and school catchment

**Figure 8.6.1: Mean and median equivalised annual gross income by school catchment**



Household income per school catchment has been calculated by analysing equivalised income for those households with children (aged under 16 years) and identifying within which primary and secondary school catchment they reside.

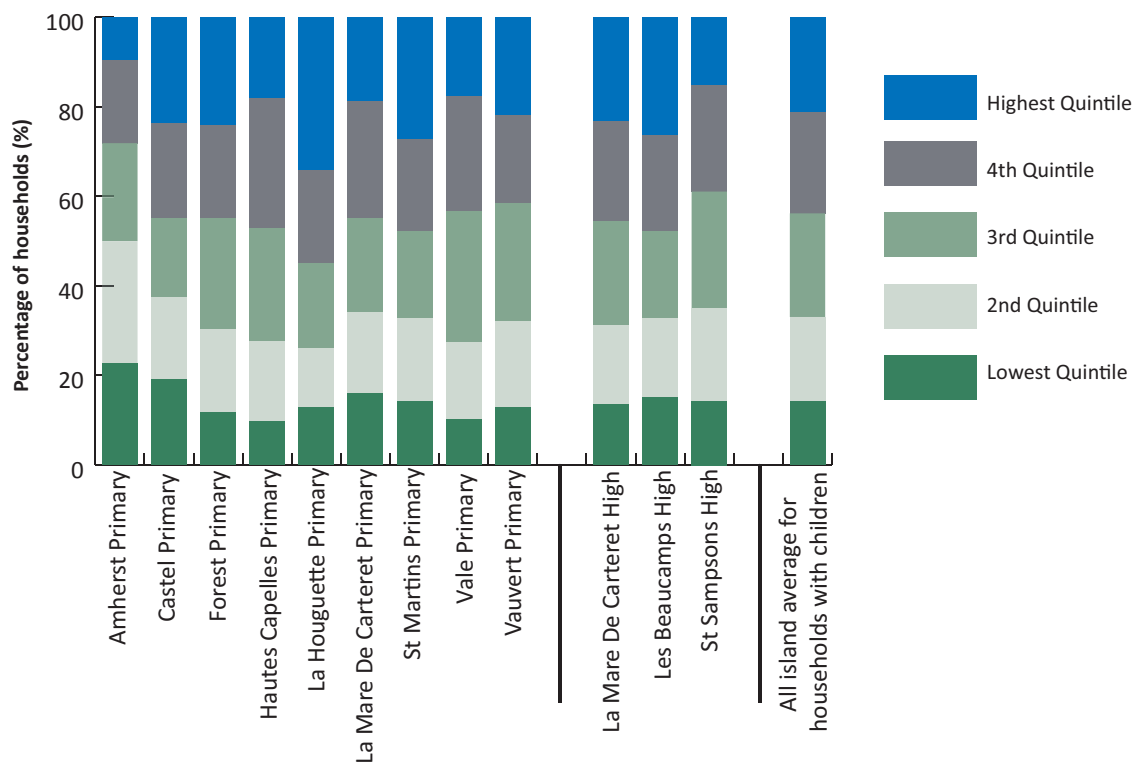
Please note this analysis does not include Notre Dame du Rosaire, St Mary & St Michael, Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary, the Grammar school or schools within the private sector as these schools do not have a catchment area.

Of the primary school catchment areas, households with children residing in the Amherst Primary school catchment area had the lowest equivalised mean and median income at £47,691, and £40,525 respectively per annum, 26% lower than the all island average mean for households with children. By contrast households with children residing in the La Houquette Primary School catchment area had the highest equivalised mean and median income at £83,397 and £59,943 per annum in 2015, which was 30% higher than the all island average mean income for households with children.

Of the secondary school catchment areas, St Sampsons High School had the lowest equivalised mean and median income at £56,523, and £49,970 respectively per annum, 12% lower than the all island average mean for households with children. Les Beaucamps had the highest equivalised mean and median income at £69,089 and £54,672.

## 8.7 Income and school catchment: quintiles (equivalised)

**Figure 8.7.1: Equivalised annual income by quintile and school catchment**



Incomes for those households with children by school catchment have also been divided into quintiles, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

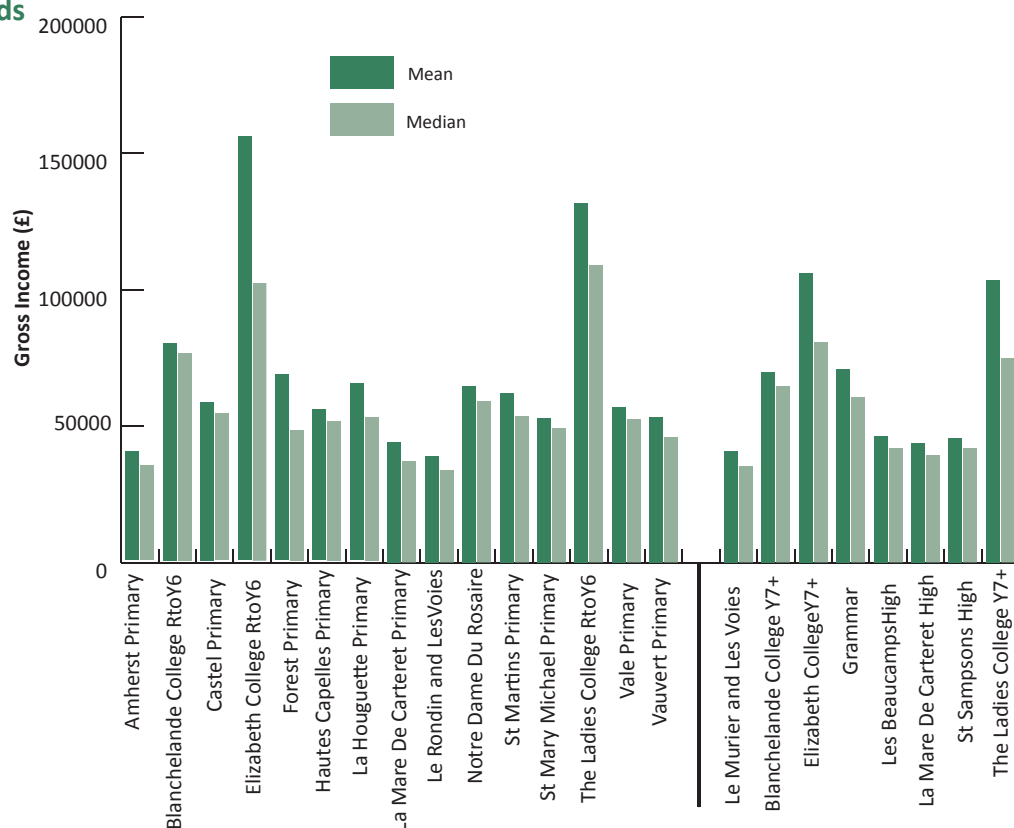
Please note this analysis does not include Notre Dame du Rosaire, St Mary & St Michael, Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary, the Grammar school or schools within the private sector as these schools do not have a catchment area.

Households with children residing within the Amherst school catchment area had the highest proportion of households within the lowest income quintile, 22.7%, whilst Hautes Capelles Primary school catchment had the fewest, 9.8%. Households with children within the La Houquette school catchment had the highest proportion of households within the highest income quintile, 34.1%, whilst Amherst school catchment area had the fewest, just 9.5%.

Of the secondary school catchment areas, Les Beaucamps had the highest proportion of households with children within the lowest income quintile, 15.1%, whilst La Mare de Carteret had the fewest, 13.6%. Les Beaucamps had the highest proportion of households with children within the highest income quintile at 26.4% and St Sampsons the fewest at 15.1%.

## 8.8 Income and school attended (equivalised): means, median and school

**Figure 8.8.1: Equivalised annual income by school attended (on 31st Dec 2015) by children in households**



By identifying children attending the schools listed above, as at 31st December 2015, a mean and median equivalised gross household income per school can be calculated based on the household incomes of the children attending each school.

Please note the numbers of pupils attending and included within the analysis for Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary are low, so these schools are grouped together. Care should be taken when drawing interpretations from these figures.

Of the States' schools providing primary education, households with children attending Le Rondin & Les Voies and Amherst Primary had the lowest equivalised median income at £33,689 and £34,468 per annum respectively whilst households with children attending Notre Dame du Rosaire had the highest equivalised median income at £59,140 per annum in 2015.

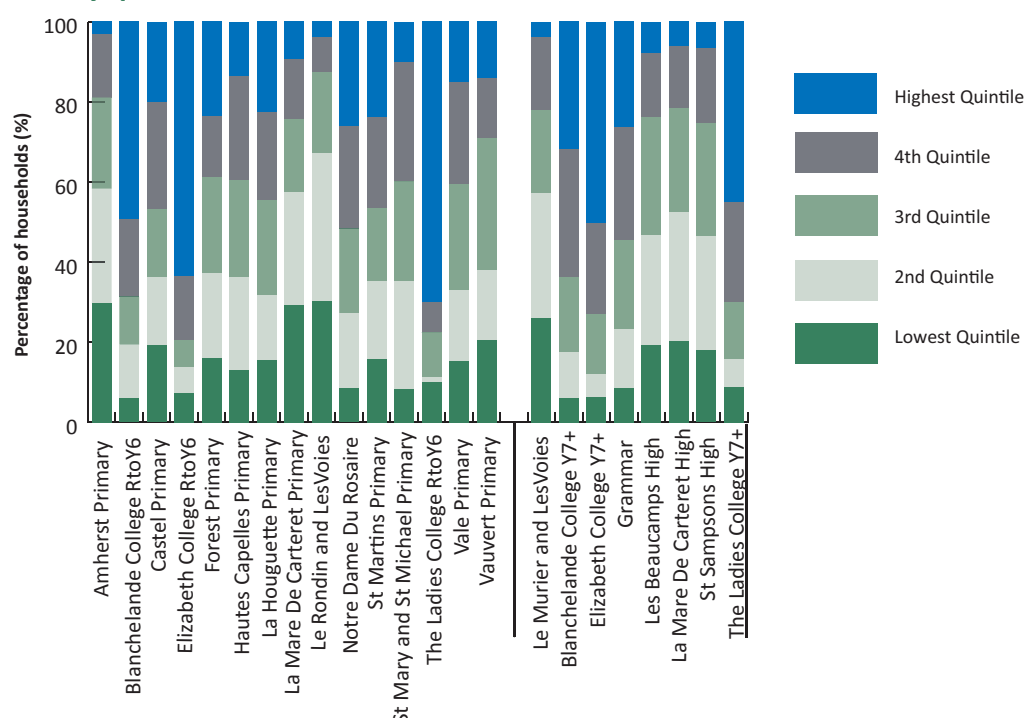
Of the States' schools providing secondary education, those households with children attending the Grammar school had the highest equivalised median income at £60,562, whilst those households with children attending Le Murier & Les Voies and La Mare De Carteret High School had the lowest median incomes at £35,368 and £39,508 per annum respectively.

Of the private schools providing education from Reception to Year 6, households with children attending Blanchelande College had the lowest equivalised median income at £75,892, whilst households with children attending The Ladies College had the highest equivalised median income at £108,938 per annum.

Of the private schools providing education from Year 7 and above, households with children attending Blanchelande College had the lowest equivalised median income at £64,700, whilst Elizabeth College had the highest equivalised median income at £80,765,

## 8.9 Income and school attended: quintiles (equivalised)

**Figure 8.9.1: Equivalised annual income by school attended (on 31st Dec 2015) by children in households by quintile**



Gross equivalised incomes per school have also been divided into quintiles, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

Please note the numbers of pupils attending and included within the analysis for Les Voies, Le Rondin, Le Murier are low, so these schools are grouped together. Care should be taken when drawing interpretations from these figures.

Of the States' primary schools Amherst primary and Le Rondin & Les Voies had the highest proportion of households within the lowest income quintile, both 30%, whilst St Mary and St Michael had the fewest, 8.3%. Notre Dame du Rosaire had the highest proportion of households within the highest income quintile, 26.1%, whilst Amherst Primary and Le Rondin & Les Voies had the fewest, just 3.1% and 3.8% respectively.

Of the States' schools providing secondary education, Le Murier & Les Voies and La Mare de Carteret had the highest proportion of households within the lowest income quintile, at 26.0% and 20.3% respectively, whilst the Grammar had the fewest, just 8.7% of its households were within the lowest income quintile. The Grammar also had the highest proportion of households within the highest income quintile, at 26.2%, whilst La Mare De Carteret and Le Murier & Les Voies had the fewest, just 6.3% and 3.9% respectively.

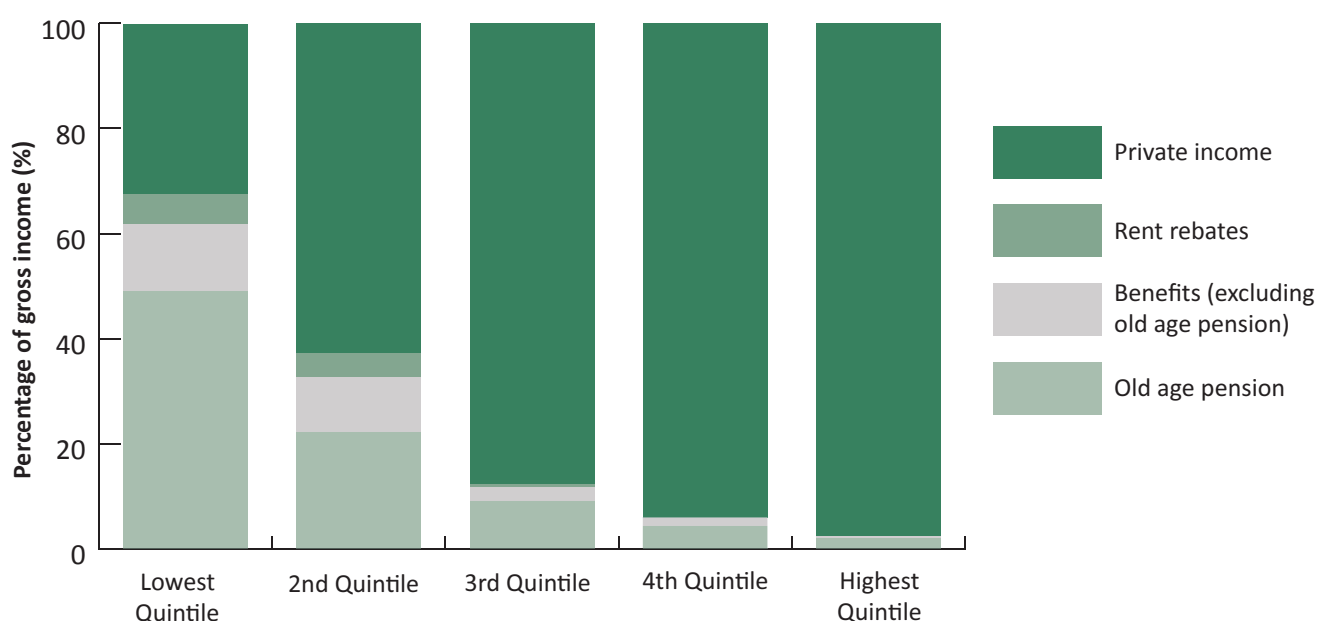
Of the private schools, the proportion of households within the lowest income quintile was relatively low varying between 6.0% to 10%. Within the highest income quintile, Blanchelande Year 7+ had the lowest proportion of households at 31.8%, whilst the Ladies College Reception to Year 6 had the highest proportion of households at 70%.

## 9.1 Income quintiles (equivalised): source of income

This section, as previously, presents equivalised gross household incomes by quintiles for consistent households during 2015. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

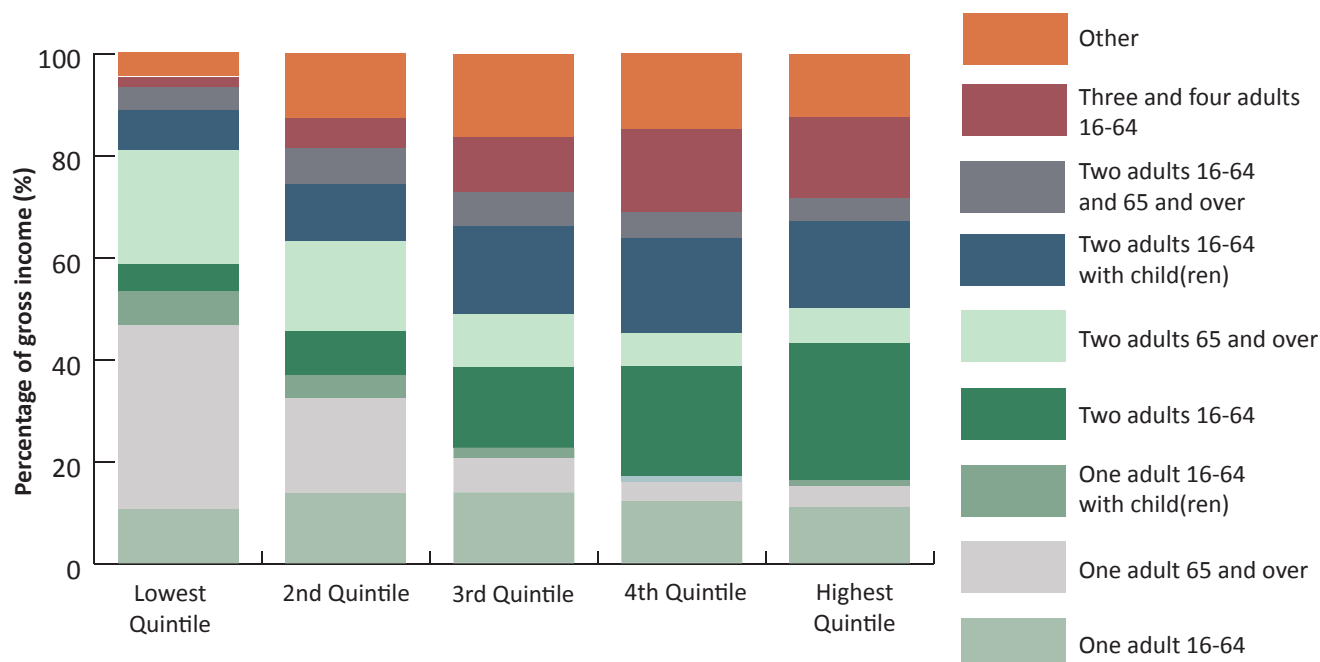
**Figure 9.1.1: Equivalised income quintile and source of income (consistent households only)**



In **Figure 9.1.1**, the different sources of household income are broken down by equivalised income quintiles. Old age pensions account for just under half (49.1%) of all equivalised gross income within the lowest quintile of households. Furthermore within the lowest quintile, private income (including employment and business income) accounts for 33% of all income and benefits (excluding old age pension) and rent rebates collectively account for just over 18% of all income.

## 9.2 Income quintiles (equivalised): composition

**Figure 9.2.1: Equivalised income quintile and household composition (consistent households only)**



**Figure 9.2.1** illustrates the composition of households by income quintile. For the following household compositions; **one adult (16-64)**, **two adults (one 16-64, one 65 and over)**, **'other'** and **two adults (16-64) with child(ren)**, the proportion of households within each income quintile is relatively stable.

The percentage of households within each income quintile shows more variation for the following household compositions; **one adult (65 and over)** households, **two adults (65 and over)** households **one adult (16-64) with child(ren)** households, **two adults (16-64)** household and **three and four adult (16-64)** households.

Households comprising either **one adult (65 and over)**, **two adults (65 and over)**, **one adult (16-64) with child(ren)** recorded a much larger proportion of households within the lowest income quintile, 36.1%, 22.5% and 6.6% respectively compared to the highest equivalised income quintile at 4.2%, 7.0% and 1.1% respectively. The proportion of **one adult (16-64) with child(ren)** households within the lowest income quintile is 6 times the proportion represented within the highest income quintile.

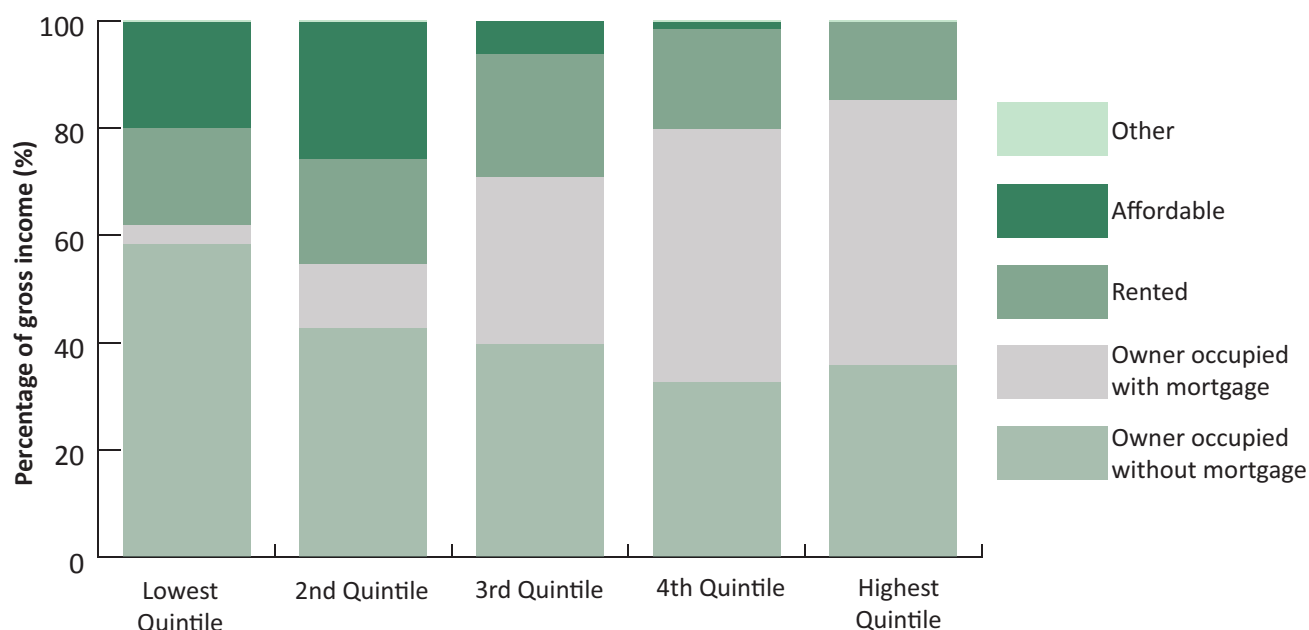
Households comprising **two adults (16-64)**, or **three and four adults (16-64)** recorded a much lower proportion of households within the lowest equivalised income quintile, 5.3% and 2.0% respectively, compared to the highest equivalised income quintile at 26.9% and 15.7% respectively.

**Section 6.2, page 16** contains the same information for unequivalised households. There are some key differences between **Figure 6.2.1** and **Figure 9.2.1**. **Figure 9.2.1** illustrates that after equivalisation some household compositions, such as **one adult (16-64)** and **two adults (one 16-64, one 65 and over)** were more evenly distributed across the various income quintiles.



## 9.3 Income quintiles (equivalised): tenure

**Figure 9.3.1 Income quintile and tenure (consistent households only)**



Within the lowest income quintile, 58% of all households resided in owner occupied households without a mortgage, as can be seen in [Figure 9.3.1](#), whilst only 3% of all households were owner occupiers with a mortgage. Rented households, which represents the privately rented sector accounted for 18% of all households in the lowest income quintile and 20% of households within the lowest income quintile have tenures categorised as affordable; these include States/GHA social rented accommodation and social partial ownership.

Moving progressively through the second, third, fourth and highest income quintiles there is an increasing proportion of households which are owner occupied with a mortgage and, in general, a decreasing proportion of households which are owner occupied without a mortgage or have a tenure of affordable.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), just under half of all households are owner occupied with a mortgage, over a third are owner occupied (without a mortgage) and 14% are privately rented.

## 10.1 Income net of social security, income tax and housing costs (unequalised): mean and median

The following section ([Section 10](#)) of the Report provides data on unequalised household income in 2015 after tax, social security contributions and an imputed housing cost have been deducted. Housing costs referred to here and throughout the rest of the report mean mortgage and rent costs. The income remaining after these deductions broadly indicates the amount of money left to buy goods and services, often termed disposable income.

The housing cost in these calculations has been imputed as the actual cost of housing within individual households is not known; however, the tenure type and property size is known and can be combined with data on average rental and purchase prices to estimate the housing costs for privately rented and owner occupied properties with a mortgage.

For those properties which are rented either through the States of Guernsey or Guernsey Housing Association, housing costs have been calculated according to the rental values for property type as set by the States of Guernsey.

Please note that in the case of those households which have been identified as owner occupier without a mortgage no housing cost has been deducted from these incomes. See [Appendix](#) for more detail.

The mean household income net of social security, income tax and housing costs (unequalised) was £49,578 (£953 per week) and the median household income net of social security, income tax and housing costs (unequalised) was £34,488 (£663 per week) in 2015 see [Table 10.1.1](#).

**Table 10.1.1: Mean and median gross income of households**

	Annual (£)	Weekly (£)
Mean	49,578	953
Median	34,488	663

**Table 10.1.2: Quintile boundaries for gross annual income of households**

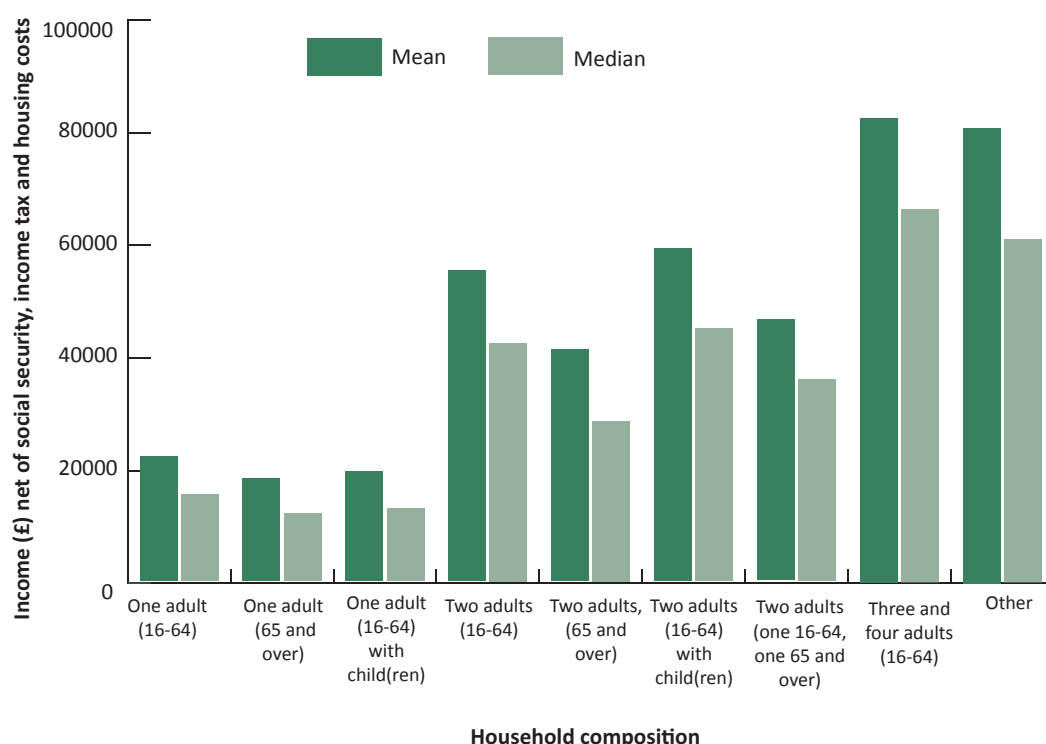
	Upper boundary (£)
Lowest quintile	13,848
2nd quintile	27,021
3rd quintile	43,190
4th quintile	69,157
Highest quintile	-

## 10.2 Income net of social security, income tax and housing costs by household composition: means and medians (unequalised)

The analysis presented in this section is based on “consistent” households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 10.2.1: Mean and median income net of social security, income tax and housing costs by household composition (consistent households only)**



**Figure 10.2.1** details income net of social security, income tax and housing costs (unequalised) for households of different compositions. By calculating an unequalised income net of social security, income tax and housing costs the values will differ from the gross unequalised income presented in [Section 5.1](#).

**One adult (65 and over)** recorded both the lowest mean and the lowest median income net of social security, income tax and housing costs at £18,283 and £11,959 respectively, only slightly lower than the next lowest category of **one adult (16-64) with child(ren)** at £19,385 and £12,919. **Three and four adult (16-64)** households recorded the highest mean and median incomes net of social security, income tax and housing costs at £82,531 and £66,394.

Please note this section presents unequalised income with no adjustment for household size - see [Section 11](#) for equalised income after social security contributions, income tax and housing costs have been deducted.

## 11.1 Income net of social security, income tax and housing costs (equivalised): mean and median

The following section (*Section 11*) of the Report provides data on equivalised household income in 2015 after tax, social security contributions and imputed housing costs have been deducted. The income remaining after these deductions is the amount of money left to buy goods and services, often termed disposable income. Although income data alone will never provide a perfect indication of a household's quality of life, calculating income net of social security, income tax and housing costs is a commonly used income measure of household wealth and living standards.

Equivalised income net of social security, income tax and housing costs figures have been used to calculate the income indicators presented within the *Guernsey Indicators of Poverty Report* (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)).

The housing cost in these calculations has been imputed as the actual cost of housing within individual households is not known; however, the tenure type and property size is known and can be combined with data on average rental and purchase prices to estimate the housing costs for privately rented and owner occupied properties with a mortgage.

For those properties which are rented either through the States of Guernsey or Guernsey Housing Association, housing costs have been calculated according to the rental values for property type as set by the States of Guernsey.

Please note that in the case of those households which have been identified as owner occupier without a mortgage no housing cost has been deducted from these incomes. See *Appendix* for more detail.

The mean household income net of social security, income tax and housing costs (equivalised) was £42,346 (£814 per week) and the median household income net of social security, income tax and housing costs (equivalised) was £31,789 (£611 per week) in 2015 see *Table 11.1.1*. This represents a 1.5% increase in the equivalent mean household income of £41,747 in 2014 and a 2.2% increase in the median household income in 2014 of £31,091.

**Table 11.1.1: Mean and median household income net of social security, income tax and housing costs (equivalised)**

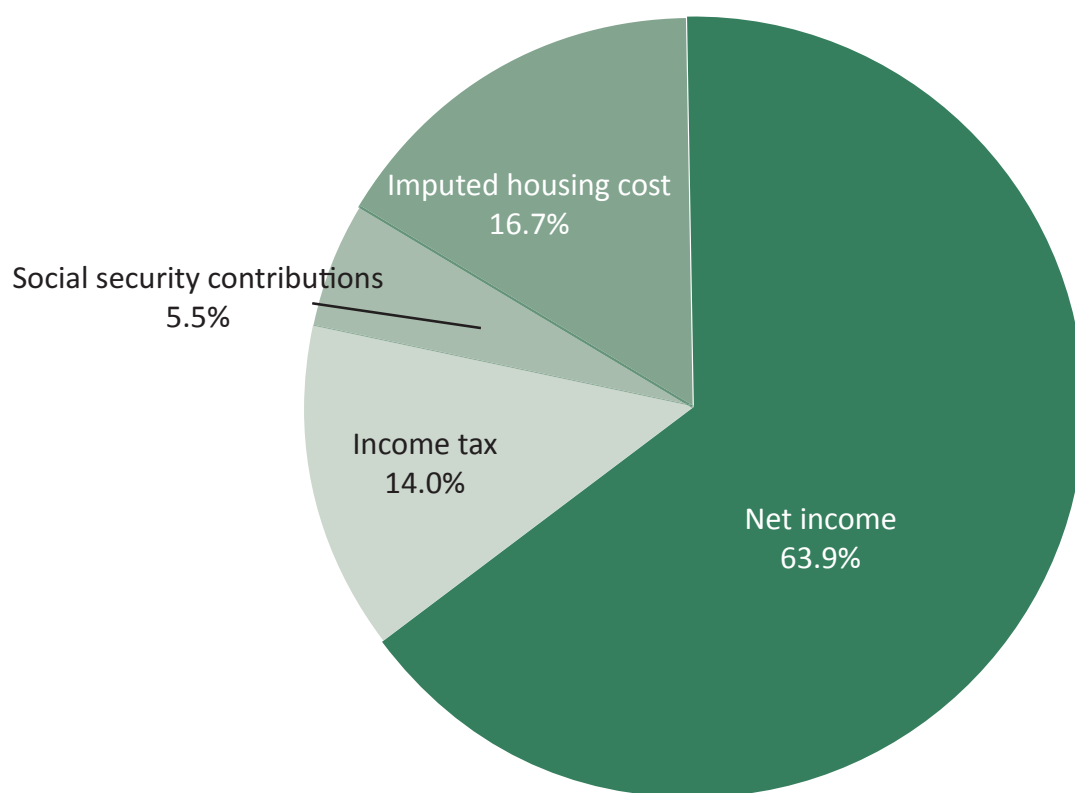
	Annual (£)	Weekly (£)
Mean	42,346	814
Median	31,789	611

**Table 11.1.2: Household quintile boundaries for income net of social security, income tax and housing costs (equivalised)**

	Upper boundary (£)
Lowest quintile	16,505
2nd quintile	26,953
3rd quintile	38,577
4th quintile	56,519
Highest quintile	-

## 11.2 Income net of social security, income tax and housing costs (equivalised) by source

**Figure 11.2.1: Breakdown of gross income to income net of social security, income tax and housing costs (equivalised)**



**Figure 11.2.1** illustrates the average size of the deductions to gross household income in order to calculate income net of social security, income tax and housing costs (equivalised) and represents a breakdown of gross household income.

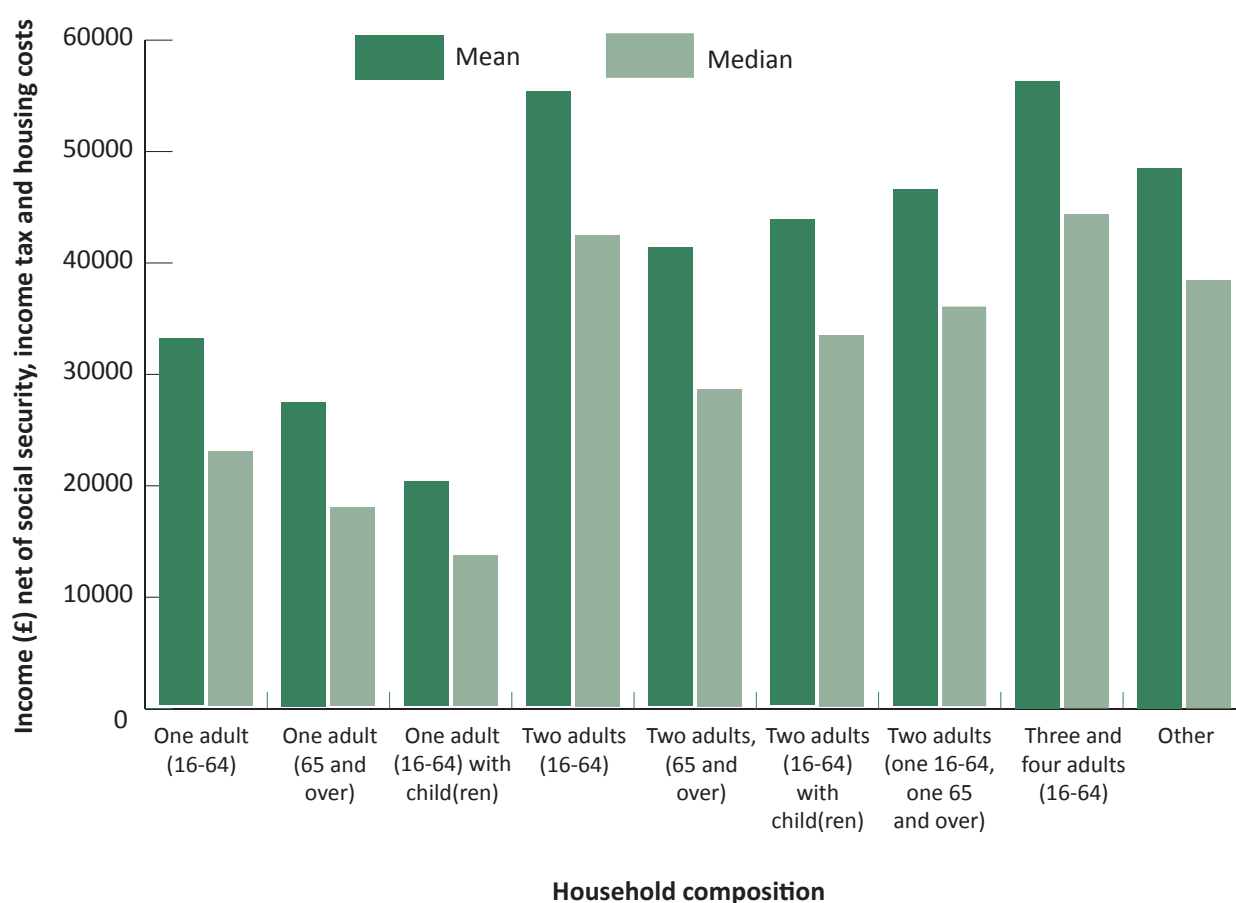
Income net of social security, income tax and housing costs (equivalised) represents 63.9% of gross household income in 2015. Housing costs represented the largest deduction to gross household income, at 16.7%, followed by income tax at 14.0% and social security contributions at 5.5%.

## 11.3 Income net of social security, income tax and housing costs by household composition: means and medians (equivalised)

The analysis presented in this section is based on “consistent” households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2015. The number of consistent households totalled 17,266 at the end of 2015.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 11.3.1: Mean and median income net of social security, income tax and housing costs by household composition (consistent households only)**

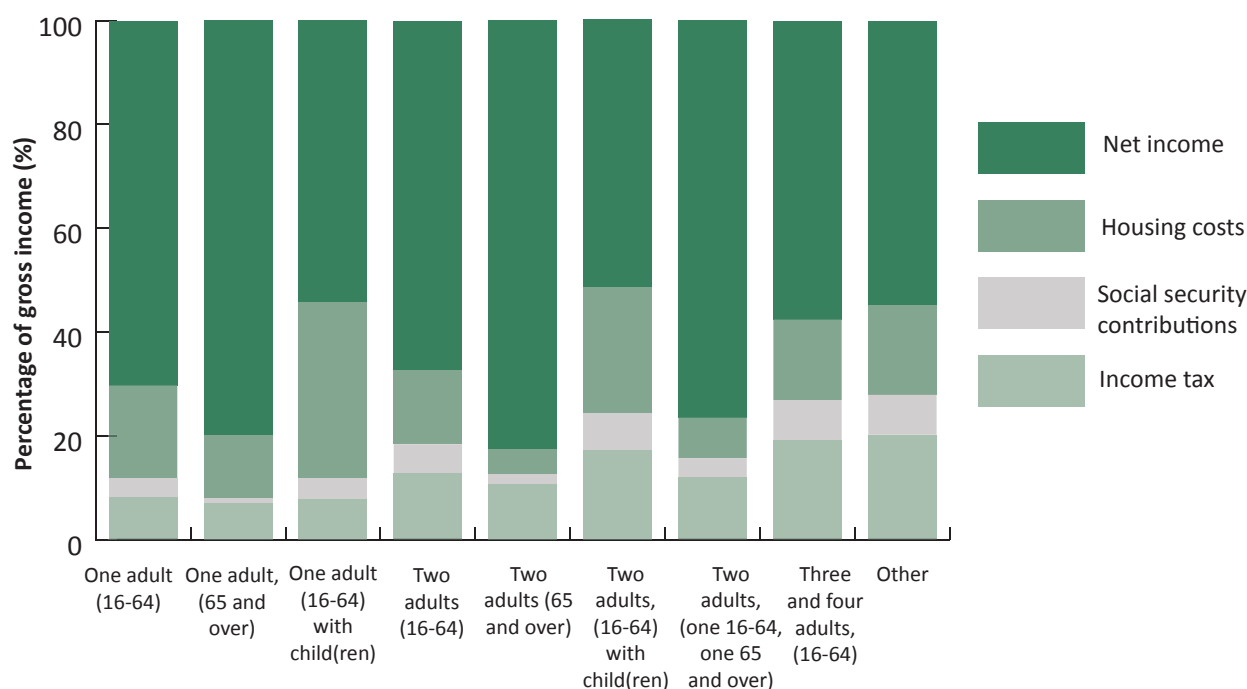


**Figure 11.3.1** details income net of social security, income tax and housing costs (equivalised) for households of different compositions. By calculating an equivalised income net of social security, income tax and housing costs the values will differ from the gross equivalised income presented in [Section 8.1](#).

**One adult (16-64) with children** recorded both the lowest mean and the lowest median income net of social security, income tax and housing costs at £20,176 and £13,483 respectively. **Three and four adults** recorded the highest mean and median income net of social security, income tax and housing costs at £56,313 and £44,410 respectively.

## 11.4 Household composition and gross to net income breakdown (equivalised)

**Figure 11.4.1: Breakdown of gross income to income net of social security, income tax and housing costs (equivalised) by household composition**



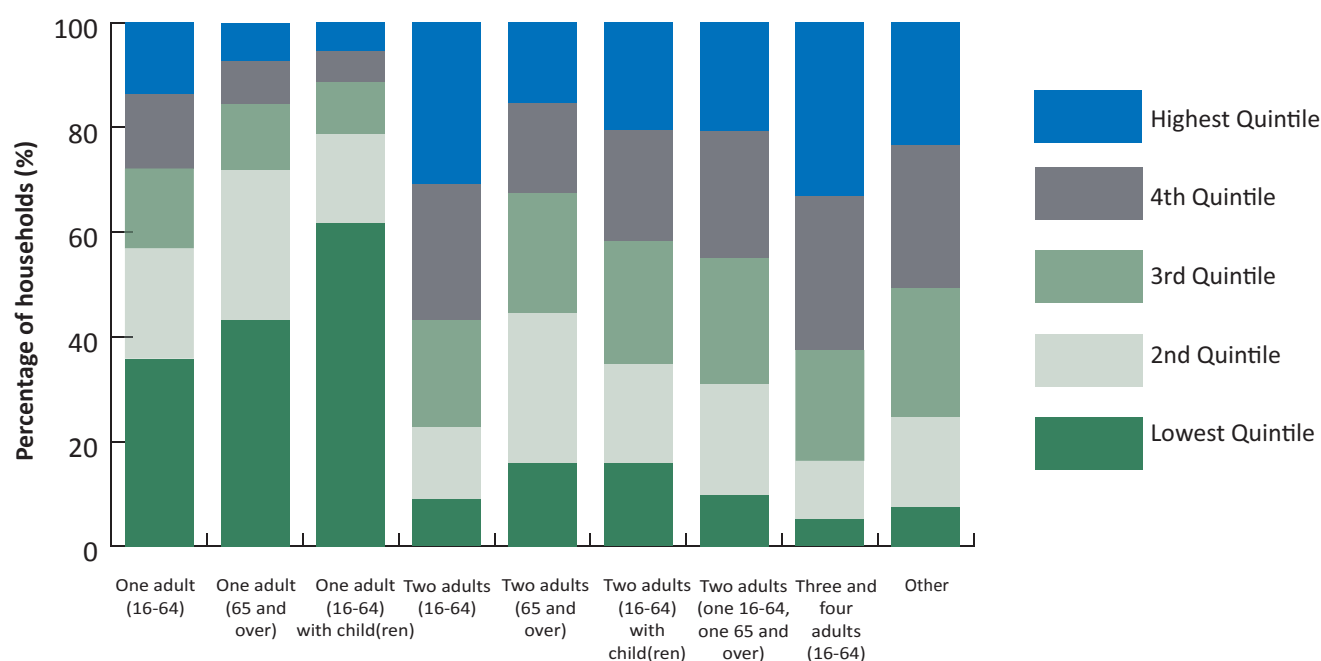
**Figure 11.4.1** illustrates how deductions of social security, income tax and housing costs to gross income vary between different household compositions.

Housing costs were the most significant deduction to household incomes in those households with children in 2015, representing 34% of gross income in **one adult (16-64) with children** and 24% of gross income in **two adults (16-64) with children** households. Conversely housing costs are lowest as a proportion of gross income in two adult households, where at least one adult is aged over 65 years, representing 5% of gross income in **two adults (65 and over)** households and 7.8% of gross income in **two adults (one 16-64, one 65 and over)** households. This is unsurprising given that a high proportion of households within these two categories are owner occupiers without a mortgage, whose rent or mortgage will be zero.

Income tax, represents the most significant deduction to household incomes in larger households specifically **two adults (16-64) with children**, and **three and four adults (16-64)** at 17.2% and 19.1% of equivalised gross income respectively. Social security contributions also are most significant in larger households. Unsurprisingly for those households comprising adults aged over 65 years social security contributions are relatively low.

## 11.5 Household composition and income net of social security, income tax and housing cost by quintile (equivalised)

**Figure 11.5.1: Income net of social security, income tax and housing costs (equivalised) by household composition and quintile (consistent households only)**



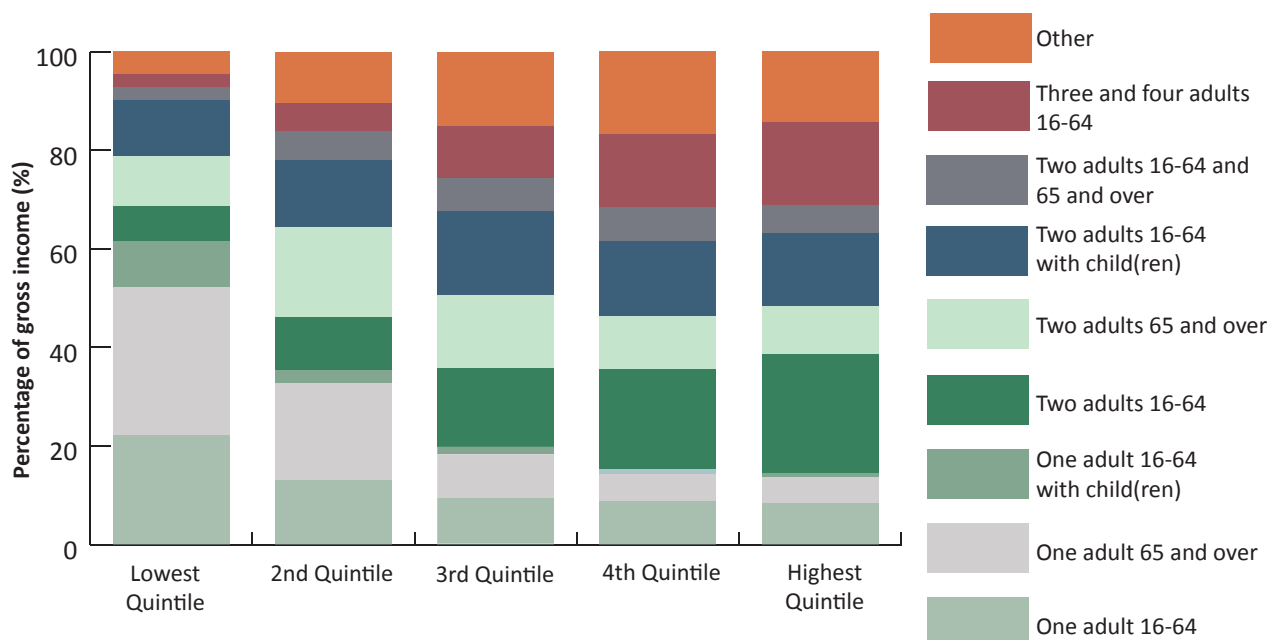
**Figure 11.5.1** displays income net of social security, income tax and housing costs by quintile for the various household compositions. In contrast to the equivalised gross income quintiles presented in **Section 8.3**, when equivalised household incomes are net of social security, income tax and housing costs, **one adult (65 and over)** households no longer have the highest proportion of households within the lowest income quintile (at 43%), instead it is **one adult (16-64) with children**, with 61.7% of all households in this category within the lowest income quintile. **Three and four adults (16-64)** households had the lowest proportion of households within the lowest income quintile, just 5.2%.

**Section 8.3** reveals households with **two adults (16-64)** had the highest proportion of households within the highest gross income quintile. However when equivalised household incomes are net of social security, income tax and housing costs as shown in **Figure 11.5.1** this is no longer the case and instead households of **three and four adults (16-64)** had the highest proportion of households within the highest income quintile at 33.2%. **One adult (16-64) with children** had the lowest proportion of households within the highest income quintile at 5.4%.



## 11.6 Income net of social security, income tax and housing cost by quintile and composition (equivalised)

**Figure 11.6.1: Income net of social security, income tax and housing cost by quintile (equivalised) and composition (consistent households only)**



**Figure 11.6.1** presents income net of social security, income tax and housing costs by household composition for the income quintiles. All household types are represented in the lowest income quintile, although **one adult, 65 and over**, are most prevalent, representing 30% of all households, whilst **three and four adults, 16-64**, are the least prevalent at 2.6%.

Within the highest income quintile **two adults, (16-64)** is the most prevalent household type, with 24% of all households and **one adult (16-64) with child(ren)** the least prevalent, with just 0.8% of all households.

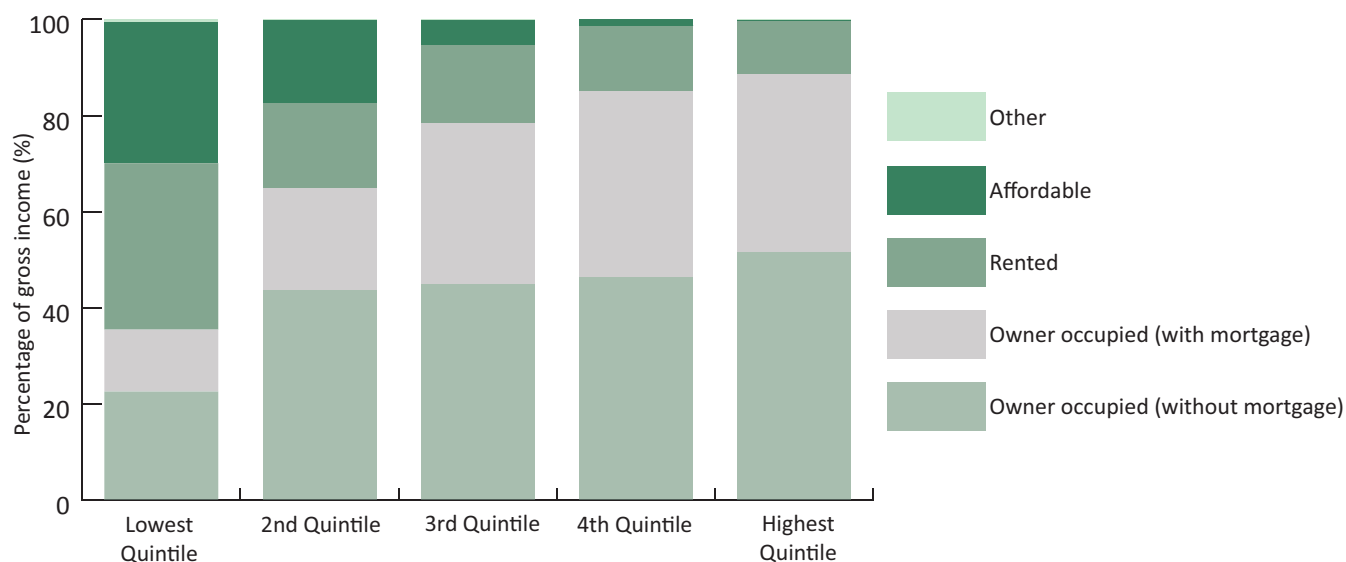
For the following household compositions; **two adults, (one 16-64, one 65 and over)** and **two adults, (16-64) with child(ren)**, the proportion of households within each income quintile is relatively stable.

Households comprising either **one adult (65 and over)**, **one adult (16-64)** and **one adult (16-64) with child(ren)** recorded a much larger proportion of households within the lowest income quintile, at 30.0%, 22.2% and 9.5% respectively compared to the highest income quintile at 5.2%, 8.5% and 0.8% respectively.

Households comprising **two adults (16-64)**, or **three and four adults (16-64)** recorded a much lower proportion of households within the lowest equivalised income quintile, 7.0% and 2.6% respectively, compared to the highest equivalised income quintile at 24.1% and 16.8% respectively.

## 11.7 Income net of social security, income tax and housing cost by quintile and tenure (equivalised)

**Figure 11.7.1: Income net of social security, income tax and housing cost by quintile (equivalised) and tenure (consistent households only)**



**Figure 11.7.1** illustrates income net of social security, income tax and housing costs by household tenure for the income quintiles. Within the lowest income quintile, over a third of all household tenures are rented, a further 29.3% of all households have a tenure of affordable (these include States/GHA social rented accommodation and social partial ownership) and 22.6% are owner occupiers without a mortgage. These figures are in contrast to the information on equivalised gross incomes presented earlier in the report where 58% of all households in the lowest income quintile resided in owner occupied households without a mortgage, as can be seen in **Figure 9.3.1**. The difference is due to the fact that for households which are owner occupiers, without a mortgage, there will be no rents or mortgage costs and as a result when incomes are calculated net of social security, income tax and housing costs, fewer owner occupied households without a mortgage will fall within the lowest income quintile.

Moving progressively through the second, third, fourth and highest income quintiles there is an increasing proportion of households with tenures of owner occupied with mortgage and a decreasing proportion of households with tenures of rented and affordable.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), just over half of all households are owner occupied without a mortgage, just over a third are owner occupied (with a mortgage) and 11.1% are privately rented.

## 12.1 Income equality: Household composition

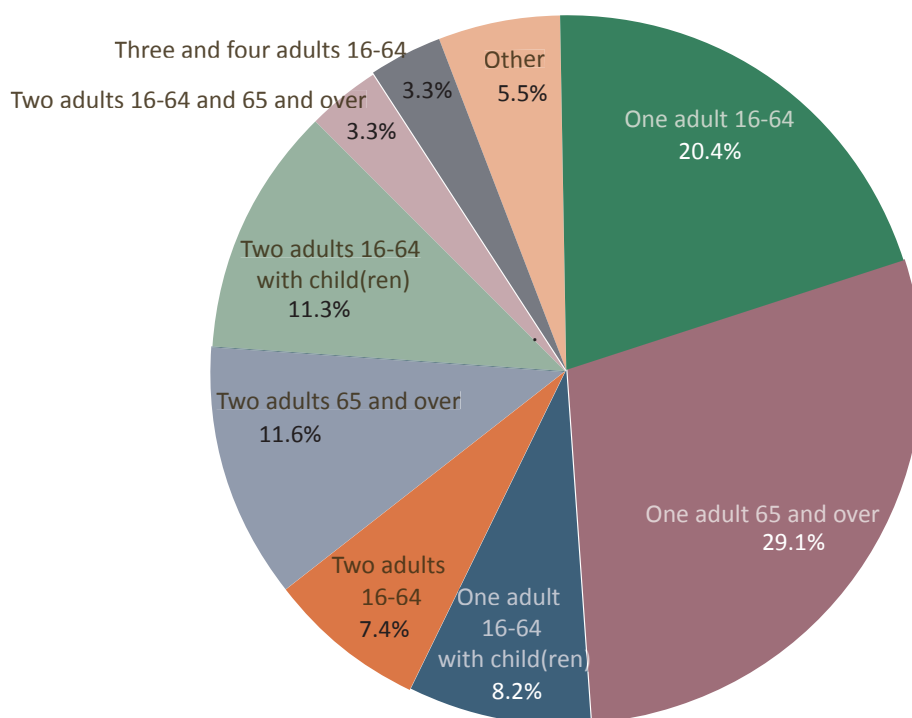
Within the *Guernsey Indicators of Poverty Report* (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)) the extent of social and economic deprivation in Guernsey is quantified based on a methodology used in England, looking at seven different areas of interest: income, employment, health, education, crime, housing and the environment. The indicators of income deprivation are derived from the dataset used in this report and this topic is considered in greater depth in this report.

The standard definition of those at risk of relative income poverty, used by the OECD, measures those living in a household with an equivalised income below 60% of the national median equivalised income. Income deprivation in Guernsey is monitored via the number of households who have an income net of social security, income tax and housing costs which was less than 60% of the equivalised net income median in 2015. In 2015, the median equivalised income net of social security, income tax and housing costs was £31,789, and 60% of this figure was £19,073. 6,243 households and 12,436 people in Guernsey were found to have a household income net of social security, income tax and housing cost which was less than the 60% median figure calculated above, representing 26.7% of all households and 21.3% of the total population as shown in *Table 12.1.1*. In 2014, the equivalent figure represented 27.1% of households and 22.3% of the total population.

**Table 12.1.1 Income deprivation indicators**

Indicator	2015
Proportion of households whose income is less than 60% of the median	26.7%
Proportion of people living in households whose income is less than 60% of the median	21.3%

**Figure 12.1.1: Household composition for households with income net of social security, income tax and housing costs less than the 60% median net equivalised income in 2015**



The composition of those households whose income net of social security, income tax and housing costs is less than the 60% median income figure is shown in *Figure 12.1.1*. As can be seen all household types are represented.

## 12.1 Income equality: Household composition

**Figure 12.1.1** reveals **one adult, 65 and over** and **one adult (16-64)** were the household compositions which had the largest number of households with an income which was less than 60% of the median at 29.1% and 20.4% respectively. **Three and four adults (16-64)** and **two adults, one 16-64 and one 65 and over** had the fewest numbers of households whose income was less than 60% of the median both at 3.3%.

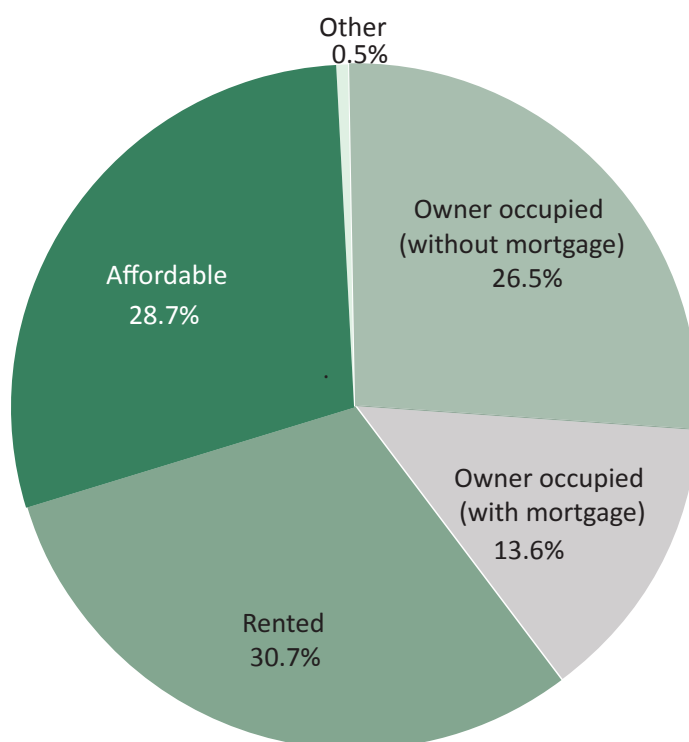
**Table 12.1.2 Composition of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income (consistent households only)**

	Percentage of all households with less than 60% equivalised household income	Percentage of households within that household composition with less than 60% equivalised net income
One adult (16-64)	20.4%	42.8%
One adult (65 and over)	29.1%	54.7%
One adult (16-64) with child(ren)	8.2%	69.4%
Two adults (16-64)	7.4%	12.3%
Two adults (65 and over)	11.6%	23.7%
Two adults (16-64) with child(ren)	11.3%	20.6%
Two adults (one 16-64, one 65 and over)	3.3%	15.5%
Three and four adults (16-64)	3.3%	8.4%
Other	5.5%	11.7%

**Table 12.1.2** above also outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by household composition. Over two thirds of all households (69.4%) described as **one adult (16-64) with child(ren)** and 54.7% of all households described as **one adult (65 and over)** had an income less than 60% of the median. By contrast, only 8.4% of all **three and four adults (16-64)** households and 12.3% of **two adults (16-64)** households had an income less than 60% of the median.

## 12.2 Income equality: Tenure

**Figure 12.2.1: Tenure of households with income net of social security, income tax and housing costs that was less than the 60% median**



By tenure, 30.7% of households whose income is below the 60% median income net of social security, income tax and housing costs are privately rented, as can be seen in **Figure 12.2.1**.

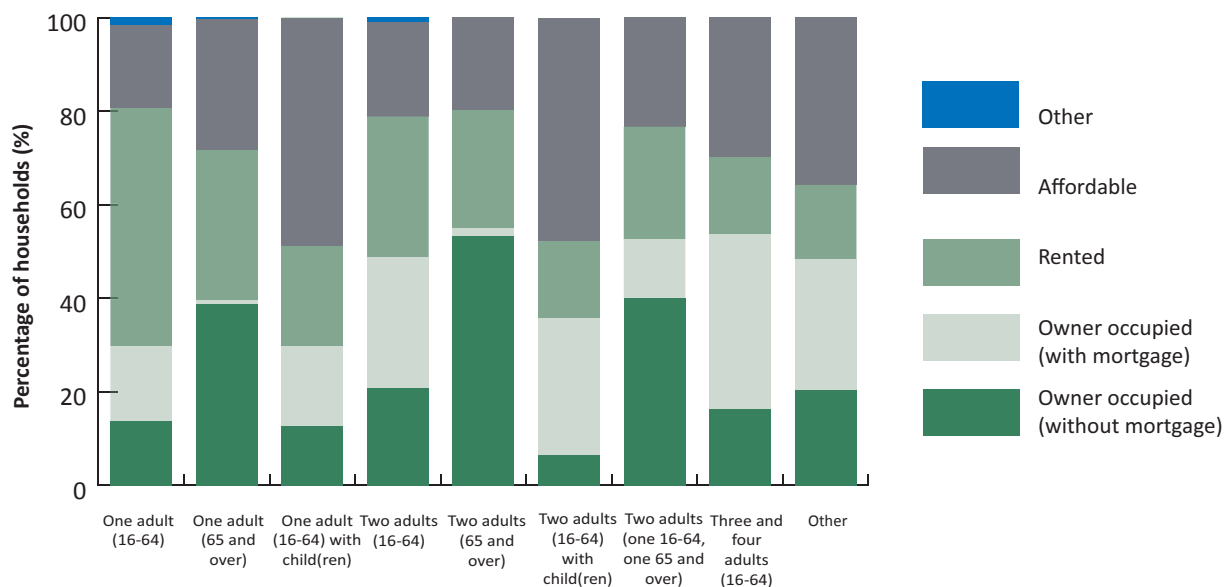
**Table 12.2.1 Tenure of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income (consistent households only)**

	Percentage of all households with less than 60% equivalised household income	Percentage of households with that tenure with less than 60% equivalised income
Owner occupied (without mortgage)	26.5%	16.5%
Owner occupied (with mortgage)	13.6%	12.4%
Rented	30.7%	42.8%
Affordable	28.7%	70.5%
Other	0.5%	53.5%

**Table 12.2.1** above outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by tenure. Over two thirds of all households (70.5%) living in affordable accommodation have an income less than 60% of the median, whilst 42.8% of households which are privately rented have an equivalised income less than 60% of the median. By contrast, 12.4% of all households who are owner occupiers with a mortgage have an income less than 60% of the median.

## 12.2 Income equality: Tenure and household composition

**Figure 12.2.2: Household composition and tenure for households with income net of social security, income tax and housing costs that was less than the 60% median**



**Figure 12.2.2** above outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by household composition and tenure.

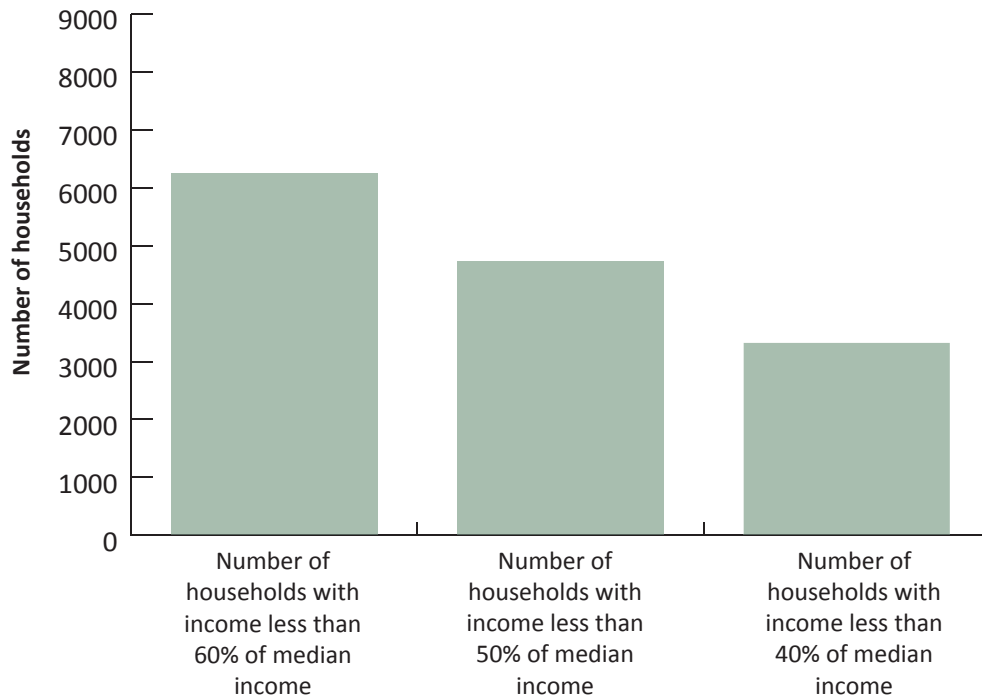
For **one adult, 65 and over**, **two adults (one 16-64, one 65 and over)** and **two adults, 65 and over**, these had the largest percentage of households whose income was less than 60% of the median, residing in owner occupied properties without a mortgage, 38.8%, 40.0% and 53.3% respectively.

**One adult (16-64) with child(ren)** and **two adults (16-64) with child(ren)** had the largest proportion of households whose income was less than 60% of median residing in affordable housing 48.9% and 47.6% respectively.

**One adult (16-64)** had the largest percentage of households with less than 60% of median residing in rented accommodation, 50.9%.

## 12.3 Income equality: Risk of relative poverty

**Figure 12.3.1: Number of households with incomes at or below 60%, 50% and 40% of net equivalised median income**



The standard definition of relative income poverty used by the OECD measures those living in a household with an equivalised income below 60% of the national median equivalised income. As seen in [Section 12.1.1](#) this represents 6,243 households. The percentage of people living in households with an income below 50% and 40% of median income indicates the depth of relative income poverty. For example as [Figure 12.3.1](#) shows there were 4,730 households, or 20.2% of all households and 15.6% of all people, who had an income less than 50% of median in 2015 (£15,894). There were 3,321 households, 14.2% of all households and 10.7% of all people with an income less than 40% of the median (£12,716).

## 12.3 Income equality: Risk of relative poverty

**Table 12.3.1: Children at risk of relative poverty**

	2015
Proportion of households (with children) whose income is less than 60% of the median	26.6%
Proportion of children living in households whose income is less than 60% of the median	29.2%

**Table 12.3.1** shows that 26.6% of households with children (less than 16 years old) lived in households with an income below 60% of median income in 2015, and that 29.2% of all children lived in households with an income below 60% of median.

**Table 12.3.2: Adults aged 65 and over at risk of relative poverty**

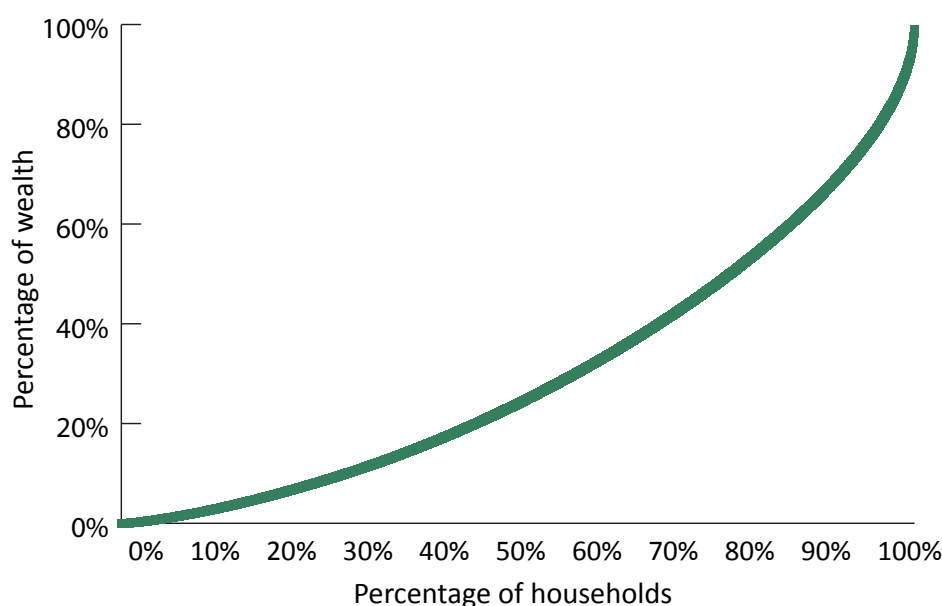
	2015
Proportion of households (with one or more adults aged over 65 years) whose income is less than 60% of the median	31.1%
Proportion of adults aged over 65 years living in households whose income is less than 60% of the median	28.1%

**Table 12.3.2** shows that 31.1% of households with one or more adults aged over 65 years lived on an income below 60% of median income, and that 28.1% of all those aged 65 years lived in households with an income below 60% of median.



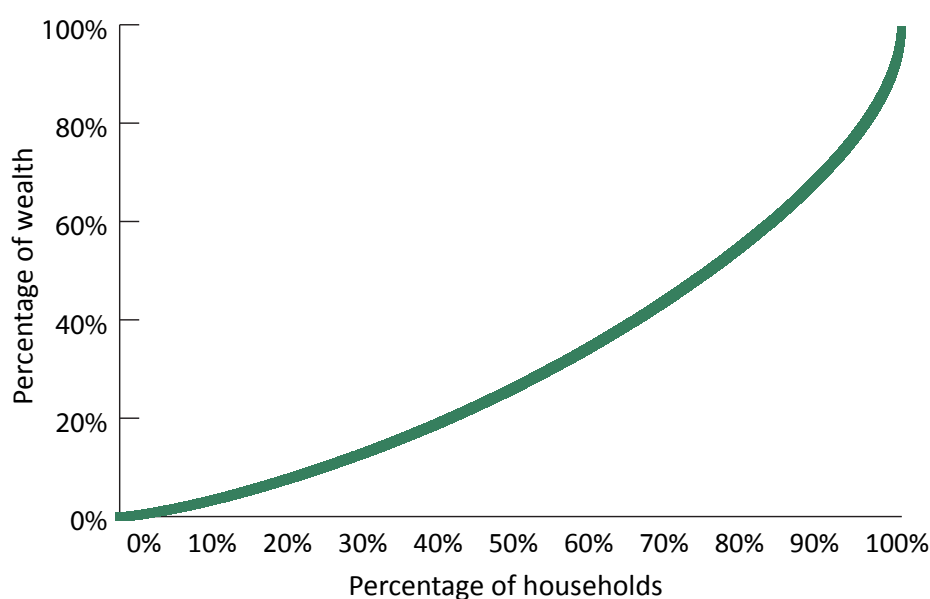
## 12.4 Income equality: Gini coefficient and income decile ratios

**Figure 12.4.1: Gross equivalised income Gini coefficient**



The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents and is the most commonly used measure of inequality. A Gini coefficient of zero expresses perfect equality, where all values are the same (for example where everyone has the same income). A Gini coefficient of 1 (or 100%) expresses maximal inequality among values (e.g. where only one household has all the income within a population, and all others have none). In Guernsey the Gini coefficient for gross equivalised income was 0.40 in 2015. In Guernsey the bottom half of all households, when ranked by income had just 24% of all equivalised income. The top 5% of all households in Guernsey, when ranked by income, had 21% of all equivalised income. These figures were unchanged from 2014.

**Figure 12.4.2: Equivalised income net of social security contributions, income tax, but before housing cost Gini coefficient**



In Guernsey the Gini coefficient for incomes net of social security contributions, income tax and before housing costs was 0.37 in 2015. The bottom half of all households, when ranked by net income, had just 26% of all equivalised income. The top 5% of all households, when ranked by income, had 21% of all equivalised net income. These figures were unchanged from 2014.

## 12.4 Income equality: Gini coefficient and income decile ratios

The income decile share ratio, also known as the S90/S10 Ratio, is an internationally recognised measure for monitoring income distribution and the corresponding gap between the the average incomes of the richest 10% of the population and the poorest 10% of the population. It is calculated by taking the mean equivalised income for the richest 10% of the population (net of income tax and social security contributions but before housing costs) and dividing this by the mean of all equivalised incomes for the poorest 10%. This measure indicates the extent to which income is shared equally across all households. For example, a ratio of 10 means that the income of the richest 10% of the population, is on average, 10 times higher than the income of the poorest 10% of the population.

As shown in [Table 12.4.1](#), the income decile share ratio for Guernsey was 11.4 in 2015, which means that the income of the richest 10% of the population was on average 11.4 times higher than the income of the poorest 10% of the population. For comparison the equivalent figure for 2014 was 11.8.

An alternative ratio, which is also recognised internationally is the P90/P10 ratio, which divides the income of the 90th percentile household by that of the 10th percentile. This ratio shows how many times greater the income of the 90th percentile is relative to that of the 10th percentile.

As can be seen in [Table 12.4.1](#) the P90/P10 ratio (based on equivalised incomes net of social security contributions and income tax, but before housing costs) was 4.6 in Guernsey in 2015. This ratio indicates that the income of the 90% percentile household was 4.6 times higher than the income of the 10% percentile household and this figure has remained unchanged from 2014.

**Table 12.4.1 Income decile ratios: S90/S10 and P90/P10**

	2014	2015
Income decile share ratio (S90/S10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	11.8	11.4
Income decile ratio (P90/P10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	4.6	4.6

## 13.0 Contact details

You may also be interested in other publications from States of Guernsey Data and Analysis Services, which are all available online at [www.gov.gg/data](http://www.gov.gg/data). Please contact us for further information.

E-mail: [dataandanalysis@gov.gg](mailto:dataandanalysis@gov.gg)

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## Appendix - Rolling Electronic Census and methodology

Following a States decision (see Billet d'Etat XVII, 2010, available via ([www.gov.gg/billets](http://www.gov.gg/billets)), a census was not held in Guernsey in 2011. Instead a project to collate population statistics from administrative sources, known as the Rolling Electronic Census Project, was initiated.

The Rolling Electronic Census Project, which was completed in late 2014, involved developing an IT system to collate, match and process information from ten separate States of Guernsey sources. The IT system, developed by Digimap Ltd, replicates the method used since 2006 by the Social Security Department to calculate population headcounts and includes additional cross checks. It also brings together information which people have provided to the various States Departments, such as address updates and place of birth, removing the need for this information to be provided again via a traditional census method. The information is updated quarterly and the whole process is automated as far as possible. This data sharing is enabled by the Electronic Census Ordinance, which was enacted in 2013 and also strictly controls who can access the information and the purposes for which it can be used.

All the data is held securely (in electronic copy only) and only Census Officers have access to the IT system. The benefits of this are that there would be an audit trail of access to the information if needed and additionally Census Officers have less contact with personal details than they would if handling traditional census forms, since the data is anonymised by the IT system before being made available for analysis. The data can be used for statistical purposes only.

The Household Income Report is an annual report which uses income data sourced from the Rolling Electronic Census. The variety of data sources which comprise the Rolling Electronic Census allows income analysis at a scale and level of detail not previously possible. Analysis underwent several stages to ensure data was anonymised, accurate and relevant.

### Household Income Report Preparation

Stage
1. Extract anonymised raw data at an individual level from Rolling Electronic Census.
2. Clean raw data including removing duplicates, those not based in Guernsey, those not present for the full year and those without an address.
3. Collate anonymised household incomes by summing incomes, income taxes and social security contributions for all anonymised individuals based within same household. Run preliminary analysis.
4. Allocate household composition descriptions, tenure, property type and occupancy for households identified within preliminary analysis.
4. Exclude outliers from analysis including households with very large number of occupiers such as nursing homes, guest houses, hospital, prison, staff and lodging houses.
5. Estimate income for households which do not complete detailed income tax return including those paying maximum tax cap and those households earning below personal tax allowance and not in receipt of benefits income.
6. Prepare cleaned household income data for full analysis including calculating occupancy and equivalisation scores. Deduct income tax, social security contributions and housing costs from data.

### Equivalisation calculation

The income that a household needs in order to attain a given standard of living will depend on its size and composition. "Equivalisation" means adjusting a household's income for size and composition so incomes of all households can be looked at on a comparable basis. Gross incomes and incomes net of social security, income tax and housing costs have been equivalised using the 'Modified-OECD' equivalence scale, in which two adults, with no children are taken as the benchmark with an equivalence scale of one. The equivalence scales for other types of households can be calculated by adding together the implied contributions of each household member from the table below.

Modified OECD Equivalence Scale	
First adult	0.67
Subsequent adults (over 16 years)	0.33
Child (under 16 years)	0.20

This system scales down the incomes of households containing more than two adults and scales up the incomes of households containing fewer than two adults. A household consisting of one adult will have an equivalence scale of 0.67, in other words one adult can typically attain the same standard of living as two adults, with no child(ren), on only 67 percent of its income. In a household consisting of two adults with one child (under 16 years), the head of the household would contribute 0.67, the subsequent adult 0.33, and the child 0.20, giving a total equivalence of 1.20. In other words this household would need an income 20 percent higher than a two adult, without child(ren) household to attain the same standard of living.

### Imputed housing costs calculation

The housing costs in [Section 10](#) are imputed, as we do not know the actual cost of housing within individual households. Housing costs have been calculated on the basis of tenure and the number of bedrooms at a given property.

For properties which are either privately rented, supported or owner occupied with a mortgage housing costs have been calculated using the 2015 rental indices published within our supplementary housing bulletin. Depending on which property type the household occupies this figure has been deducted from gross incomes as an imputed housing cost as shown below.

Avge rental cost per annum (£)	
One bedroom apartment	10,728
Two bedroom apartment	14,100
Two bedroom bungalow	16,092
Three bedroom bungalow	20,928
Two bedroom house	17,628
Three bedroom house	21,000
Four bedroom bungalow/house	26,928
Other	14,760

## Appendix - Rolling Electronic Census and methodology

For households residing in properties which are rented either from the States of Guernsey or the Guernsey Housing Association housing costs have been allocated by property type according to the 2015 rental values as set by the States of Guernsey. These housing costs have subsequently been deducted from gross income.

Avge rental cost per annum (£)	
One bedroom apartment	7,891
Two bedroom apartment	10,068
Two bedroom bungalow	12,859
Three bedroom bungalow	16,132
One bedroom house	8,335
Two bedroom house	11,956
Three bedroom house	16,132
Four bedroom house	19,670
Other	13,245

In the case of those households which have been identified as owner occupier without a mortgage, no housing cost has been deducted from these incomes.



For more information  
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