Guernsey Household Income Report

2019 and 2020

Issue date: 10th January 2022

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

1.1 Introduction

The Household Income Report is an annual publication. This latest report contains information on household incomes in 2019 based on 8,009 "consistent" households for which complete information was available at the time of writing. The term consistent refers to households that were made up of the same people living at the same address throughout the year.

It also contains estimates of 2020 incomes, which have been calculated relative to the 2019 incomes based on 1,672 consistent households for which there was complete 2019 and 2020 income data.

This change in approach has been made, since there were fewer households with complete information at the time of analysis in 2021 than there had been at the same time in previous years. Given the circumstances in 2020, which meant that household incomes were likely to be significantly different to 2019 (and the requirement to take a different approach in any event), it was decided to trial calculating 2020 estimates using a longitudinal approach. The smaller sample size meant that estimates could not be calculated for all the areas covered by 2019 analysis, but it is hoped that the inclusion of 2020 estimates in the key areas will be useful to readers.

It should be noted that using consistent households and those with complete information only, means that certain types of household are less likely to be represented within the analysis (those including seasonal workers, larger households and those with more complex incomes, for example). This has been corrected for via weighting to make the analysis as representative as possible of the whole population (by household composition, previous income and tenure). However, it also means the **figures are not strictly comparable with those previously published**.

The approach to analysis will be reviewed again in 2022 and may revert back to the previous method (with re-calcualtion of 2019 and 2020 figures), depending on the completeness of the data set at the time of analysis.

This report is being published alongside the report of 2021 Community Survey findings, which provides information on how people said their incomes in 2021 compared to 2019. It also contains information on how expenditure patterns have changed since 2019 (when the last Household Expenditure Survey was completed). These reports are available from **https://gov.gg/covid19data** and **https://gov.gg/household**.

Section 14 of this report contains information on relative income equality. Data 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. These households are classified as being at risk of relative income poverty. These indicators are used in the **Guernsey Indicators of Poverty Report** (available at **https://gov.gg/indicators**), within which 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: employment, health, education, crime, housing and the environment as well as income.

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. Income decile ratios are also presented. The methods used in **Section 14** are broadly standardised with those used in the UK and Jersey enabling comparisons to be made.

The analysis within this report is all based on 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** for more details on the Rolling Electronic Census and which households have been included in this analysis.

2.1 Headlines

- In 2019, the (unequivalised) overall mean gross household income was £74,338 and the overall median gross household income was £58,753. In 2020, these figures decreased by 6% and 7% respectively on average (based on a sample of housheholds for which both 2019 and 2020 data was available and there had been no changes in their household composition).

- 76% of households in the lowest income quintile in 2019 showed a decrease in gross income between 2019 and 2020 compared to 41% of households in the highest income quintile in 2019.

- The lowest quintile represents the bottom 20% of all households when sorted by income. It had an upper boundary of £32,811 (equivalised household income) in 2019. For households that were in the lowest income quintile, 38% of the gross income was derived from old age pensions, 46% was classified as private income, whilst benefits (excluding old age pensions) accounted for 16%.

- The highest income quintile represents the top 20% of all households when sorted by equivalised income and had a lower boundary of £83,524 in 2019. Across the highest income quintile, 97% of income was classified as private income.

- 47% of households included in the sample recorded a decrease in private income between 2019 and 2020. 76% and 96% recorded receiving the same or more in benefits and old age pension respectively.

- Households with children attending Elizabeth College (Reception to Year 6) had the highest equivalised median income for households with children at primary school, at £111,541, in 2019 whilst households with children attending Amherst had the lowest at £43,504.

- Households with children attending Elizabeth College (Year 7 and above) had the highest equivalised median income at £87,773 in 2019 for households with children at secondary school, whilst households with children attending Le Murier & Les Voies, La Mare de Carteret High and St Sampsons High had the lowest, at £42,715, £51,758 and £52,831 respectively.

- In 2019, households living in Open Market (Part A) accommodation had a higher equivalised median gross household income (£66,773) than households living in Local Market accommodation (£53,630).

- The household composition with the lowest unequivalised mean household income after deduction of social security contributions, income tax and estimated housing costs was the ***one adult aged 65 or over*** group, at £19,283.

- In 2019, 22% of all households in the sample and 17% of people included in the analysis were found to have a household income net of social security, income tax and housing costs which was less than 60% of the median (£20,671). This threshold decreased by 10% between 2019 and 2020 for the sample of housheholds for which data was available and whose household composition had not changed. 20% of households in the sample were below the 2020 threshold and 15% of people.

- The Gini coefficient was 0.4 in 2019 and 2020 (2020 data is based on a sample of households for which data was available for both 2019 and 2020 and whose household composition had not changed).

- The bottom half of all households, when ranked by net income, had 29% of all equivalised net income in 2019 and 2020. The top 5% of all households, when ranked, had 18% of all equivalised net income in 2019 and 17% in 2020.

Throughout this report household incomes are labelled as being either unequivalised or equivalised.

Unequivalised means the income of the household with no adjustment made for different household sizes and compositions.

Equivalised means after adjusting a household's income in relation to its size and composition. The income that a household needs to attain a given standard of living will depend on its size and composition. Incomes are equivalised, so households can be looked at on a more comparable basis.

Incomes have been equivalised 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 incomes change after equivalisation, 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 equivalisation. (See **Appendix** for methodology).

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 equivalised income. This is illustrated in the diagram below.

Household income before equivalisation	£45,000	£50,000	£55,000
Household income after equivalisation	£67,164	£35,714	£55,000
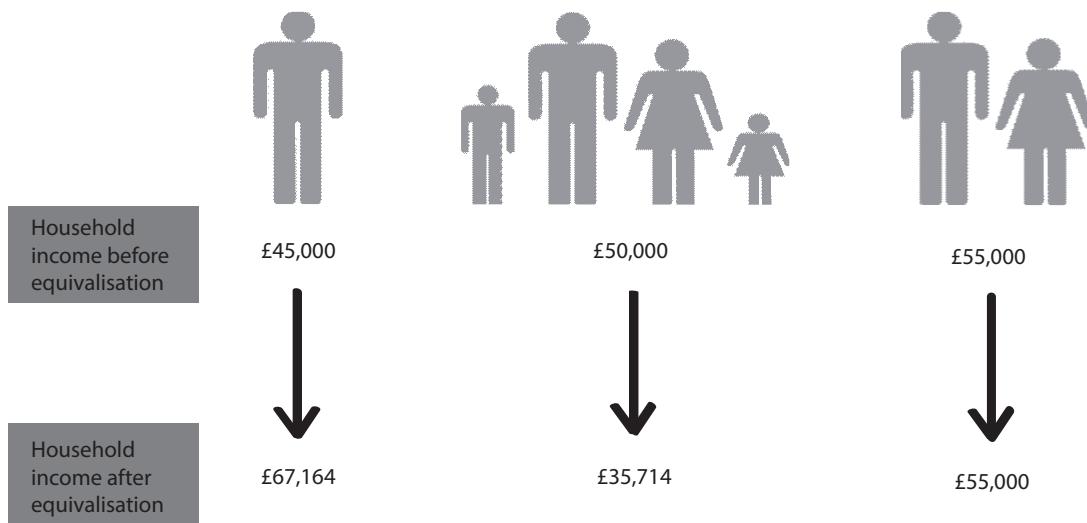
The decision on whether to use unequivalised or equivalised household income depends on the use to which the data is being put. Unequivalised household incomes are useful when comparing households across household composition groups, so the differences can be seen in absolute terms.

Equivalised household income data is recommended where comparisons of income are being made between other groupings, such as tenure, parish, school catchment, income band or quintile.

4.1 Overall income: means, medians and quintiles

Mean and median gross incomes for 2019 were calculated for the 8,009 Guernsey households included in the analysis (see **Appendix** for methodology). See **Sections 4.3 and 4.4** for detail on what is included within gross income.

Mean gross household incomes were calculated by totalling all income received during the year 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.

As shown in **Table 4.1.1**, the mean gross unequivalised household income in 2019 was £74,338 (£1,430 per week). This decreased by 6% in nominal terms between 2019 and 2020 (based on a sample of households for which both 2019 and 2020 data was available and there had been no changes in their household composition). The median gross unequivalised household income was £58,753 (£1,130 per week) in 2019. This decreased by 7% in nominal terms between 2019 and 2020. **Table 4.1.2** shows the equivalised version of these figures. See **Section 3.1** for more information on equivalised and unequivalised income.

Throughout this report, households are grouped into quintiles based on their 2019 gross equivalised incomes. The lowest quintile represents the 20% of households with the lowest incomes in 2019. The second quintile represents the next 20% of all households when sorted by income and so on. The position of the upper boundary of the first our quintiles is shown in **Table 4.1.3** along with the equivalised and unequivalised mean gross annual income of the households within each quintile.

Table 4.1.1: Mean and median gross annual income of households (unequivalised)

	2019 (£)	2020* (£)	Nominal % change	Real % change
Mean	74,338	69,784	-6%	-7%
Median	58,753	54,777	-7%	-8%

* 2020 values are calculated based on the change between 2019 and 2020 experienced by households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Table 4.1.2: Mean and median gross annual income of households (equivalised)

	2019 (£)	2020* (£)	Nominal % change	Real % change
Mean	65,470	62,489	-5%	-6%
Median	53,967	51,615	-4%	-5%

* 2020 values are calculated based on the change between 2019 and 2020 experienced by households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Table 4.1.3: Gross annual income of households (equivalised) by quintile

	Equivalised gross income upper boundary of quintile (£)	Equivalised mean gross income of households in quintile (£)	Unequivalised mean gross income of households in quintile (£)
Lowest quintile	32,811	23,380	21,493
2nd quintile	46,755	39,659	41,767
3rd quintile	61,993	54,172	63,519
4th quintile	83,524	71,734	85,133
Highest quintile	-	138,518	159,906

**Figure 4.2.1: Change in gross annual income by quintile between 2019 and 2020***
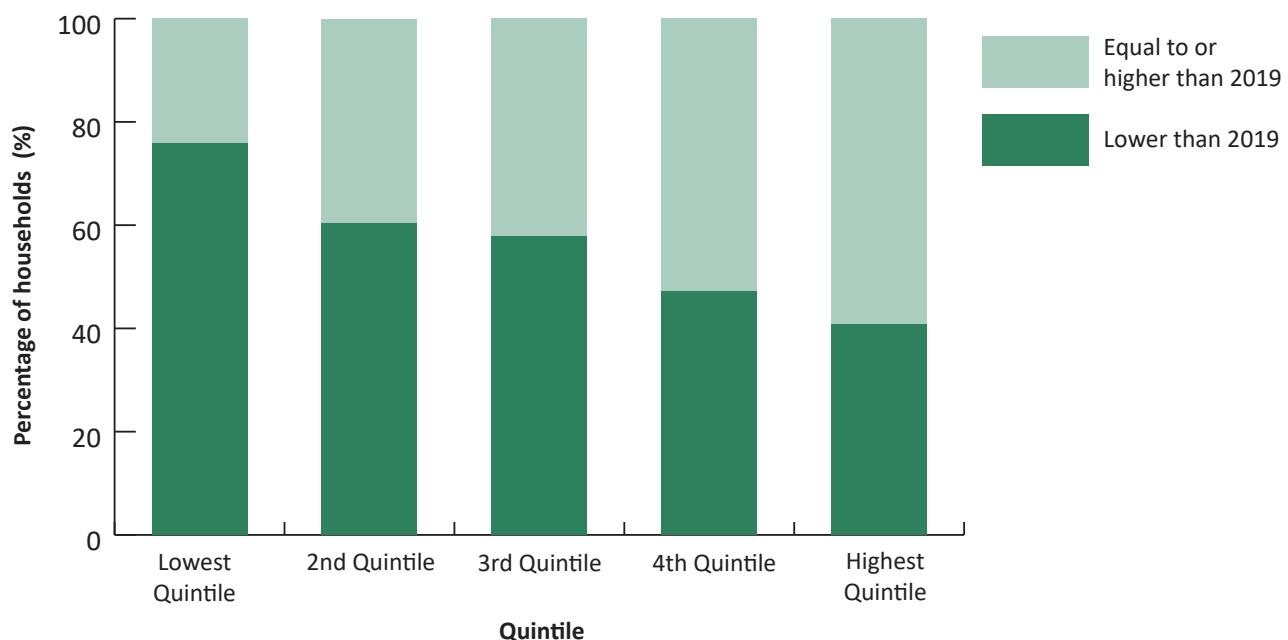
*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Figure 4.2.1 shows that the proportion of households that had a lower gross household income in 2020 compared to 2019 decreases as you move up through the income quintiles.

76% of households in the lowest income quintile (the lowest 20% of households when ordered by income) showed a decrease in gross income between 2019 and 2020. In contrast, 41% of households in the highest income quintile (the highest 20% of households when ordered by income) recorded a decrease in gross income during the same time period.

Gross incomes for 2019 were calculated for the 8,009 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. Grants for educational purposes, such as university grants paid direct to universities, have not been included as a form of income in this analysis.

Table 4.3.1 and **Figure 4.3.1** on **page 9** compares gross equivalised household income for all analysed households by income bracket in 2019 and 2020. It can be seen that the percentage of households within all income bands below £80,000 increased between 2019 and 2020. In contrast, the proportion of households within each income band over £80,000 decreased between 2019 and 2020, with the exception of the £140,000 to £159,999 income band.

Table 4.3.1: Gross annual equivalised income distribution of households (%)

	2019	2020*
£0-£19,999	5.9	6.5
£20,000-£39,999.99	24.9	26.3
£40,000-£59,999.99	26.7	27.2
£60,000-£79,999.99	20.0	22.1
£80,000-£99,999.99	9.9	7.2
£100,000-£119,999.99	5.5	4.9
£120,000-£139,999.99	2.4	1.8
£140,000-£159,999.99	1.3	1.5
£160,000-£179,999.99	0.7	0.6
£180,000-£199,999.99	0.4	0.3
£200,000 +	2.2	1.7
Total	**100**	**100**

* 2020 values are calculated based on the change between the 2019 and 2020 distribution seen within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Figure 4.3.1: Gross annual income of households in 2019 compared to 2020* (equivalised)
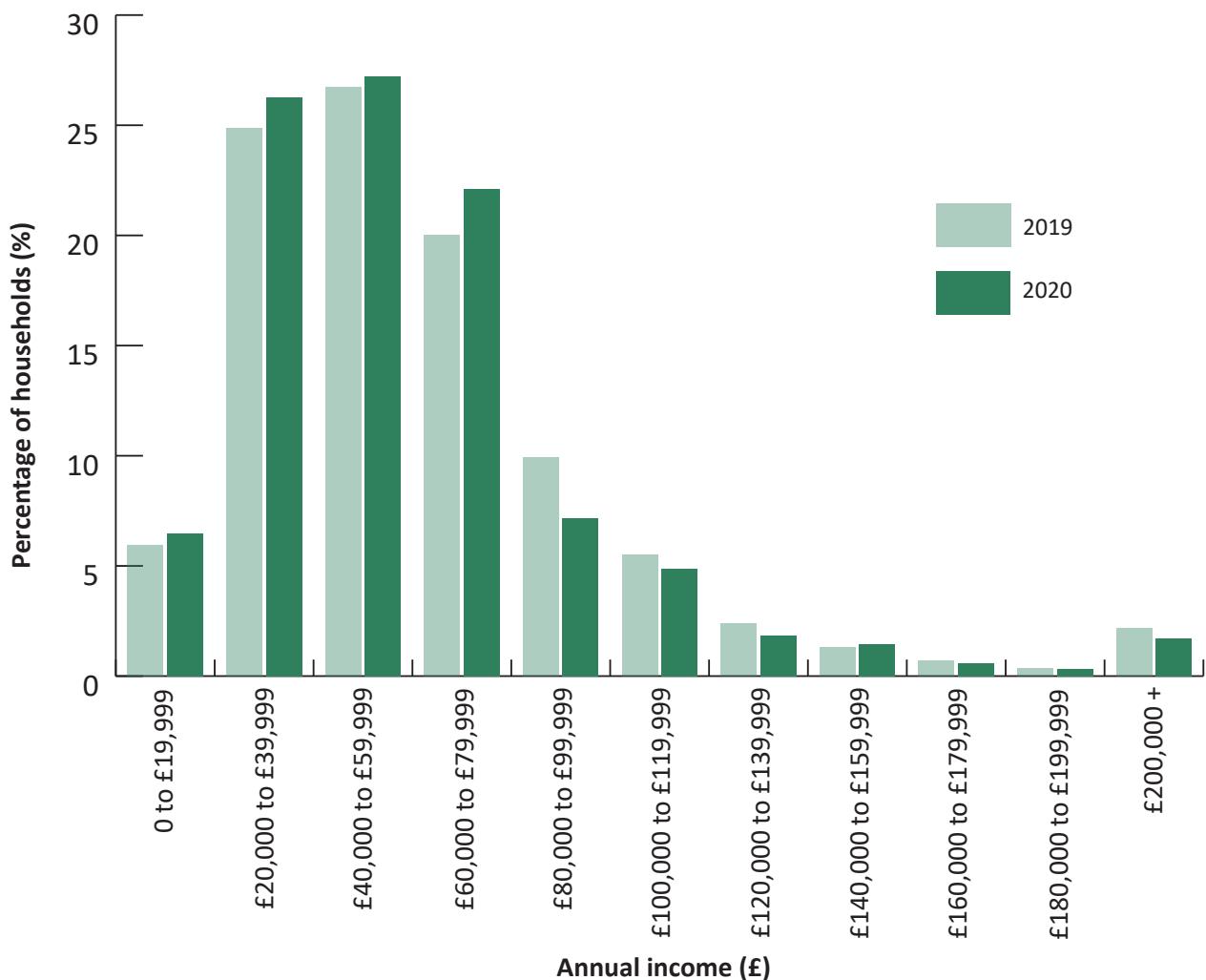
* 2020 values are calculated based on the change between the 2019 and 2020 distribution seen within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

As shown in **Figure 4.3.1**, the percentage of households within all income bands below £80,000 increased between 2019 and 2020. The largest increases were seen in the £60,000 to £79,999 income band (an increase of 2 percentage points) and the £20,000 to £39,999 income band (an increase of 1 percentage point).

In contrast, the proportion of households within each income band over £80,000 decreased between 2019 and 2020, with the exception of the £140,000 to £159,999 income band. The largest decrease was seen in the proportion of households with an income of £80,000 to £99,999, which decreased by 3 percentage points between 2019 and 2020.

4.4 Overall income: source

Table 4.4.1 provides a detailed definition of the main sources of household income used within the Report; private income, benefits (excluding old age pensions) and old age pensions.

Table 4.4.1: Definition of income sources

| Income Source	Description
Private income	Includes all income from employment (income from employment and benefits in kind), self-employment (business, distribution and dividends income), private pension (both occupational and personal) and other private income (annuities, maintenance, remittances, investment, property, 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 such as severe disability benefit*, bereavement allowance, bereavement payment, widowed parent's allowance, death grant, family allowance, sickness benefit, invalidity benefit, industrial injury benefit, industrial disablement benefit, carer's allowance*, long term care benefit, maternity grant, maternity allowance, income support** 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.

*Prior to May 2014, severe disability benefit was named attendance allowance and carer's allowance was named invalid care allowance.

** In July 2018, rent rebates and supplementary benefit were unified as Income Support

Figure 4.4.1: Breakdown of gross income by source in 2019 (unequivalised)

Figure 4.4.1 illustrates the breakdown of all household income by income source during 2019. As can be seen, the majority (66%) of all household income is derived from private employment income sources. 14% is derived from self-employment income, (including income from business, distributions and dividends).

The old age pension accounts for 7% of all household income, whilst income from private pensions (including both occupational and personal) accounts for 5%. Benefits (excluding old age pension) account for 4%.

Private pension 5%

Private other 5%

Benefits (excluding old age pension 4%)

Old age pension 7%

Private self- employment income 14%

Private employment income 66%
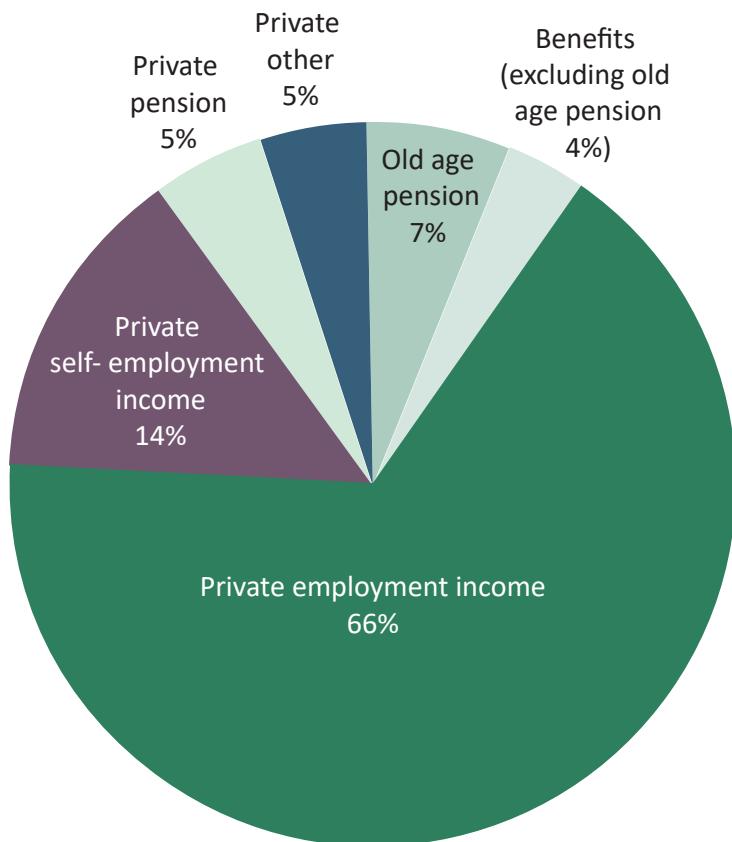
Figure 4.4.2: Breakdown of gross income by source in 2019 compared to 2020* (unequivalised)
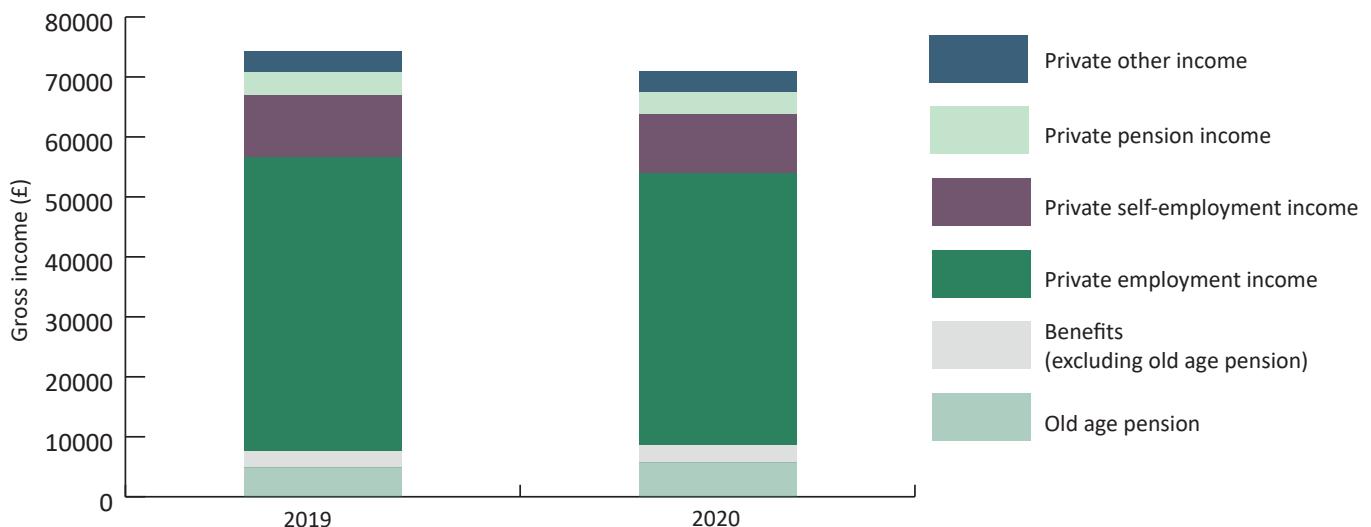
*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Figure 4.4.2 illustrates the breakdown of all household income by income source during 2019 and 2020. As can be seen, the distribution of income by source was fairly consistent between 2019 and 2020. Private employment income made up the majority of gross income in both 2019 and 2020 (66% and 64% respectively).

Figure 4.4.3 shows that 47% of households in the sample recorded a decrease in private income between 2019 and 2020. 24% of households recorded a decrease in benefits (excluding old age pension) between 2019 and 2020 and 4% saw a decrease in their old age pension.

**Figure 4.4.3: Change in gross income by source between 2019 and 2020***
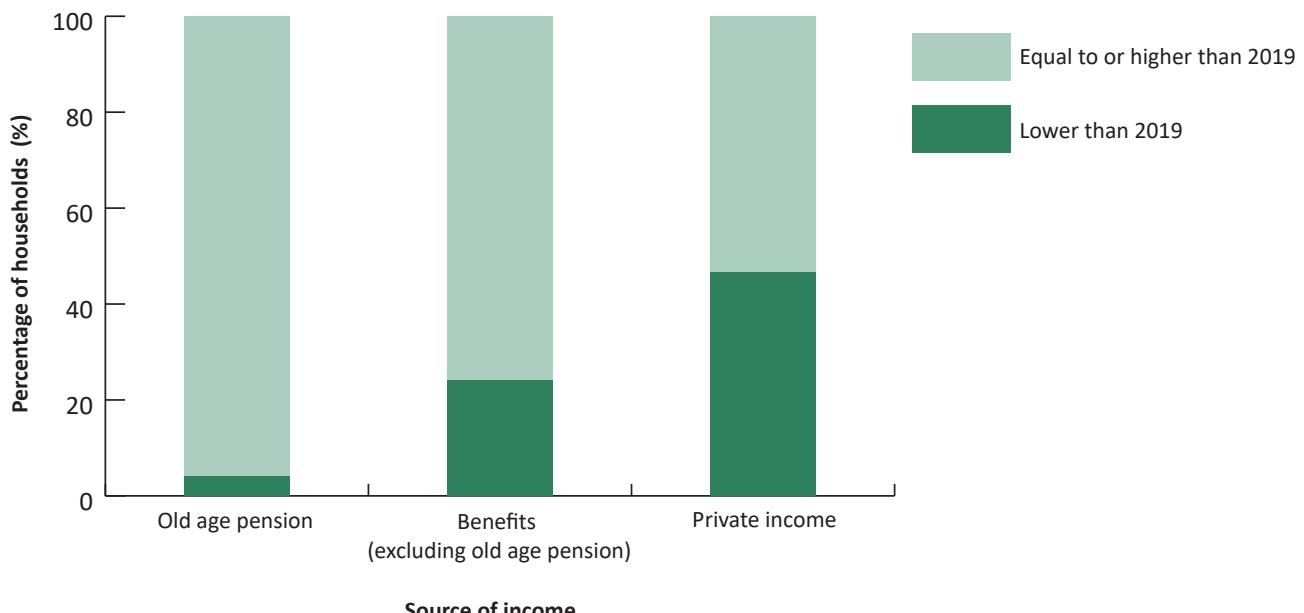
*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Figure 5.1.1: Mean annual gross income by household composition in 2019 compared with 2020* (unequivalised)
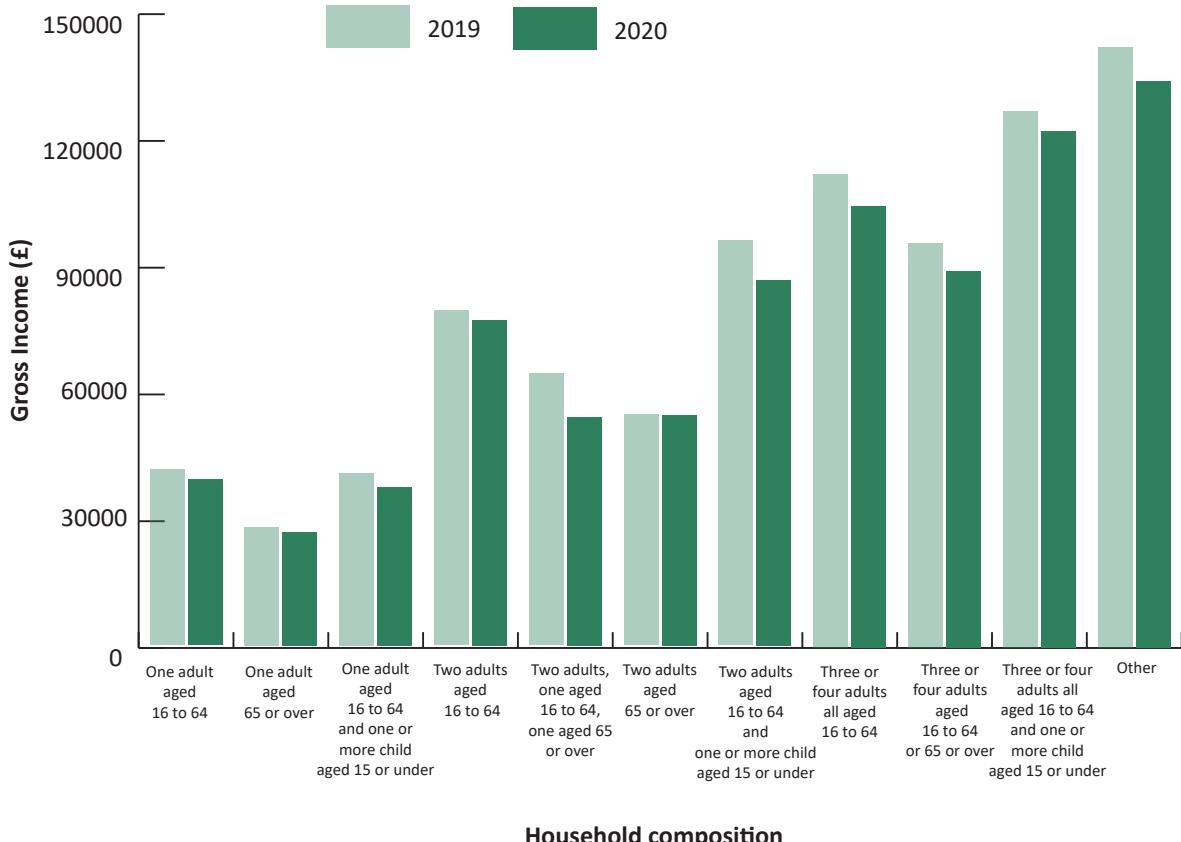
*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Figure 5.1.1 details the mean gross incomes for households of different compositions during 2019 and 2020. The distribution of income between these groups is heavily influenced by the number of adults in the household. *One adult aged 65 or over* households recorded the lowest mean household incomes in 2019 and 2020, at £28,079 and £26,928 respectively. *Other* households and *three or four adults all aged 16 to 64 and one or more child aged 15 or under* households recorded the highest mean household incomes for 2019 and 2020. The *other* category includes any other household not already defined (e.g. households with more than four adults).

All household compositions showed a decrease in mean household income between 2019 and 2020. *Two adults, one aged 16 to 64 and one aged 65 or over* showed the largest decrease (a fall of £10,328, 16%). *Two adults aged 16 to 64 and one or more child aged 15 or under* households showed the next largest decrease (a fall of £9,092, 10%, between 2019 and 2020). *Two adults both aged 65 or over* showed the smallest decrease in mean income between 2019 and 2020 (a fall of £65, <1%).

See **Sections 5.2 to 5.4** for more information on the make-up of the household composition groups by income source, housing tenure and income quintile.

Please note this section presents unequivalised income with no adjustment for household size, see **Sections 11 and 13** for equivalised income after social security contributions, income tax and housing costs have been deducted.

Figure 5.1.2: Mean and median annual gross incomes by household composition in 2019 (unequivalised)


Household composition
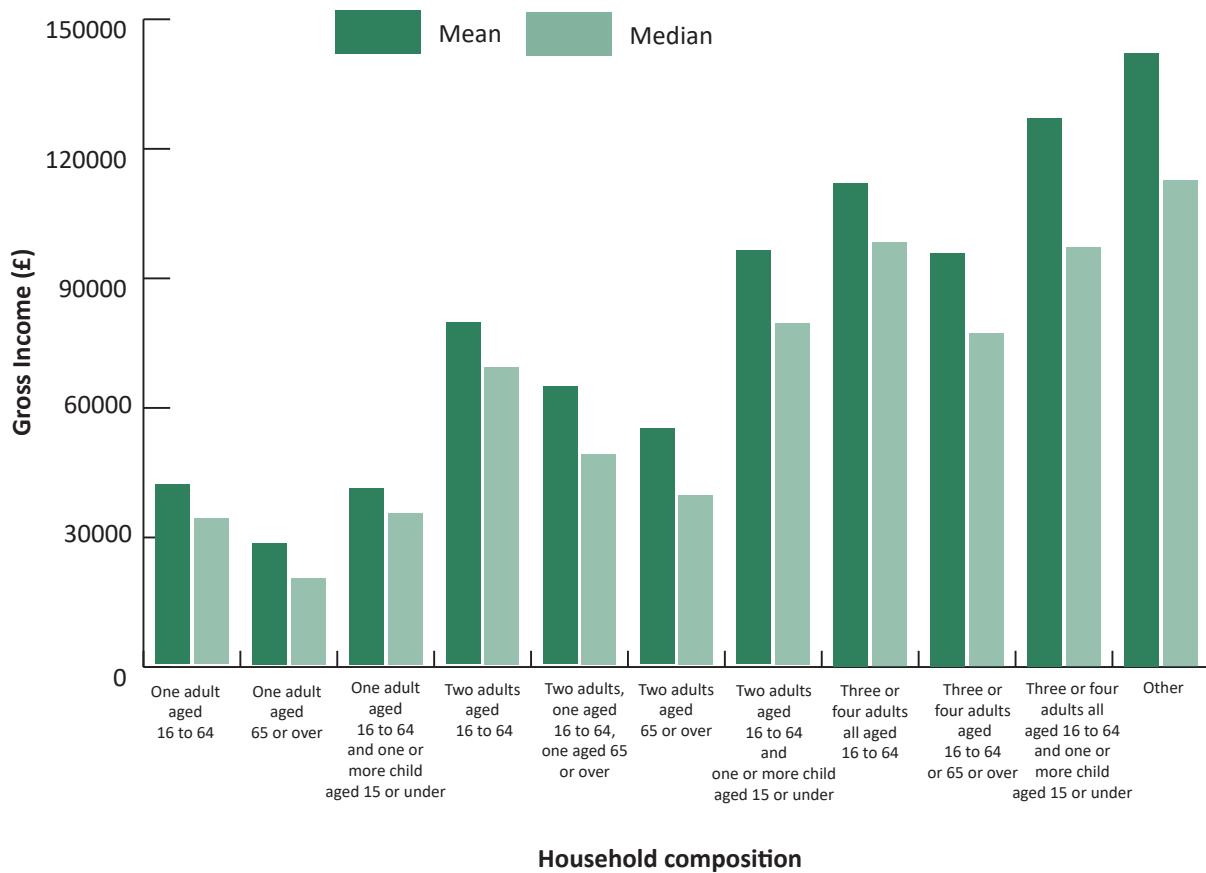
Figure 5.1.2 details the mean and median gross incomes for households of different compositions during 2019. The distribution of income between these groups is heavily influenced by the number of adults in the household. *One adult aged 65 or over* households and *one adult aged 16 to 64 and one or more child aged 15 or under* recorded the lowest mean household incomes, at £28,079 and £40,852 respectively. *Other* households and *three or four adults all aged 16 to 64 and one or more child aged 15 or under* households recorded the highest mean household incomes, at £142,099 and £126,946 respectively. The *other* category includes any other household not already defined (e.g. households with more than four adults).

Median gross household incomes follow much the same pattern as mean incomes, as shown in **Figure 5.1.2**, 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 aged 65 or over* households*, one adult aged 16 to 64* households and *one adult aged 16 to 64 and one or more child aged 15 or under* households recorded the lowest median household incomes at £20,016, £33,693 and £34,995 respectively. The *other* and the *three or four adults all aged 16 to 64* categories recorded the highest median household income at £112,723 and £98,374. See **Sections 5.2 to 5.4** for more information on the make-up of the household composition groups by income source, housing tenure and income quintile.

Please note this section presents unequivalised income with no adjustment for household size - see **Section 11** and **Section 13** for equivalised income after social security contributions, income tax and housing costs have been deducted.

5.2 Household composition and income source

**Figure 5.2.1: Household composition and income source (unequivalised)**
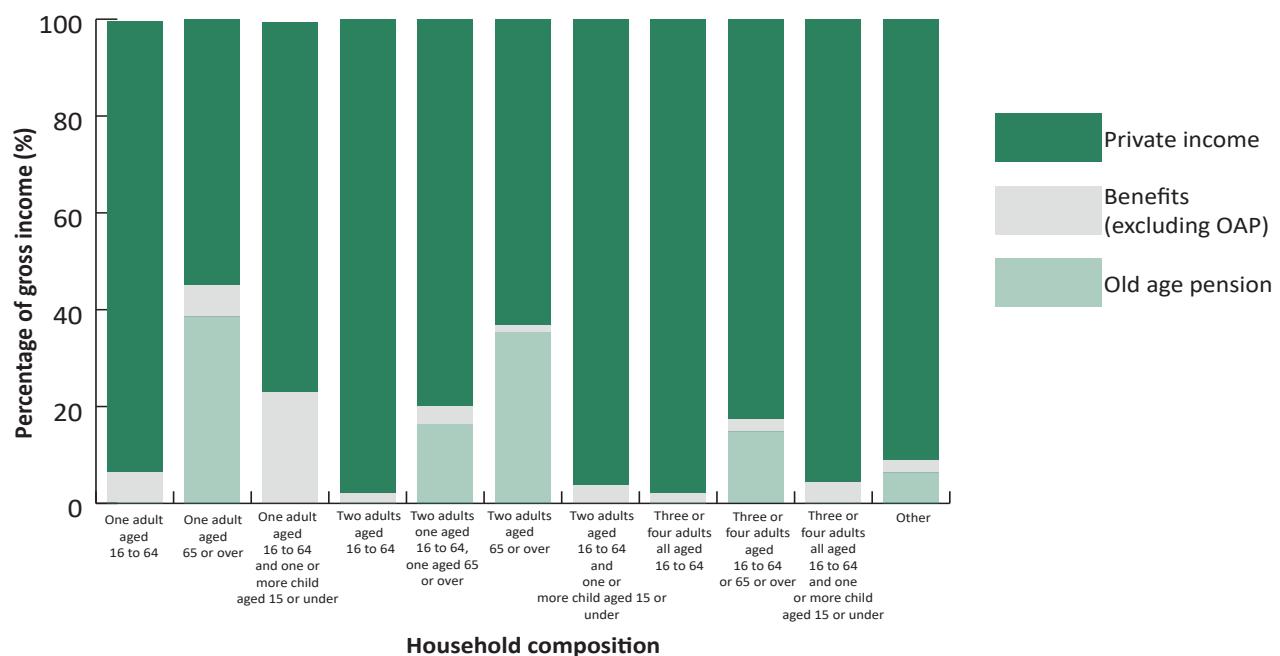
Figure 5.2.1 compares the proportion of income derived from private, old age pension and benefits (excluding old age pension) income sources across differing household compositions. As might be expected, the States old age pension was highest in proportion in those households with either *one adult aged 65 or over* or *two adults both aged 65 or over* accounting for 39% and 35% of all income to those households respectively.

The highest proportion of benefits (excluding old age pension) is found in households which comprise *one adult aged 16 to 64 and one or more child aged 15 or under*, accounting for 23% of total gross income in this household group. The highest proportion of private income is found in households comprising *two adults both aged 16 to 64* and *three or four adults all aged 16 to 64* households, where 98% of gross income is derived from private sources for both household groups, which includes employment and business incomes.

5.3 Household composition and tenure

**Figure 5.3.1: Household composition and tenure**
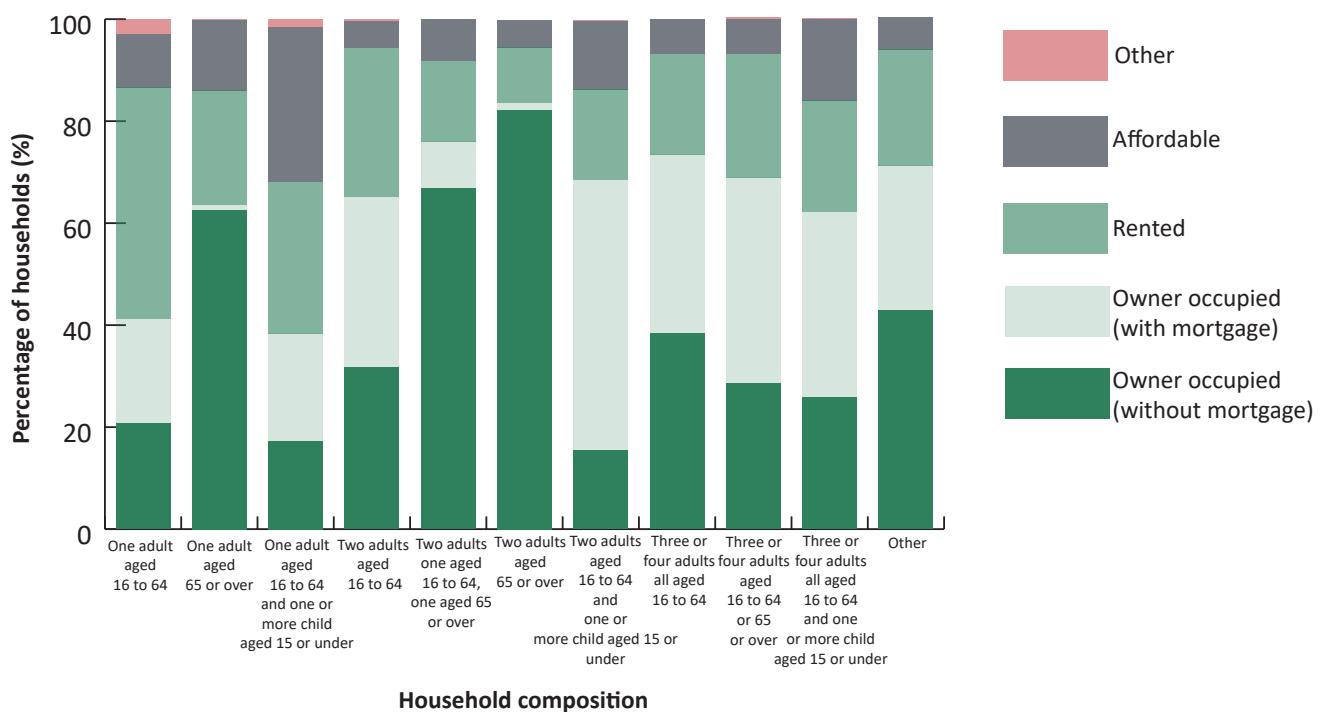
Figure 5.3.1 illustrates the housing tenure profile of the different household compositions (see **Table 5.3.1** for definitions). The majority of *one adult aged 65 or over*, *two adults, one aged 16 to 64, one aged 65 or over* and *two adults both aged 65 or over* households are owner occupiers without a mortgage, 63%, 67% and 82% respectively. Households comprising *two adults aged 16 to 64 and one or more child aged 15 or under* are the most likely of all household compositions to be owner occupiers with a mortgage, at 53%. Rented accommodation is most prevalent in those households classified as *one adult aged 16 to 64*, at 45%, whilst *one adult aged 16 to 64 and one or more child aged 15 or under* contains the highest proportion of households with an affordable tenure (Guernsey Housing Association/States rented or social partial ownership), at 30%.

Table 5.3.1: Definitions of tenure (% of households in sample)

| Tenure Type	Description	2019 (%)
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.	26
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.	39
Rented	Household living in accommodation rented from a private landlord or estate agent. Can be either open market or local market.	25
Affordable	Household living in accommodation rented from either the States of Guernsey or Guernsey Housing Association (GHA); or a household in a partial ownership scheme.	10
Other	Any accommodation not fitting the above criteria (including self catering). Can be either open market or local market.	1
Total		**100.0**

5.4 Household composition and quintile

Figure 5.4.1 illustrates how income quintiles are distributed across the identified household compositions. Income quintiles are grouped using equivalised incomes to take account of household composition.

One adult aged 65 or over households contain the highest proportion of households in the lowest income quintile (the lowest 20% of households when ordered by equivalised income). 58% of all *one adult aged 65 or over* households were within the lowest income quintile. *Three or four adults all aged 16 to 64* households and *Three or four adults aged 16 to 64 or 65 or over* had the lowest proportion of households in the lowest income quintile (both at 5%).

Two adults both aged 16 to 64 households have the highest proportion of households in the highest income quintile (those 20% of households with the highest equivalised income), with 33% of these households within the highest income quintile. *One adult aged 65 or over* and *one adult aged 16 to 64 and one or more child aged 15 or under* households had the lowest proportion of households within the highest income quintile (both at 7%).

The *other* category includes any other household not already defined (e.g. households with more than four adults).

Figure 5.4.1: Household composition and income quintile (equivalised)

This section presents gross household incomes grouped by equivalised income quintiles to take account of household composition. The analysis of income source uses unequivalised incomes. See **Section 4.4** for detailed definitions of the main sources of household income used within the Report; private income, benefits (excluding old age pensions) and old age pensions.

Figure 6.1.1: Income quintile and source of income (equivalised income quintiles, unequivalised source of income)
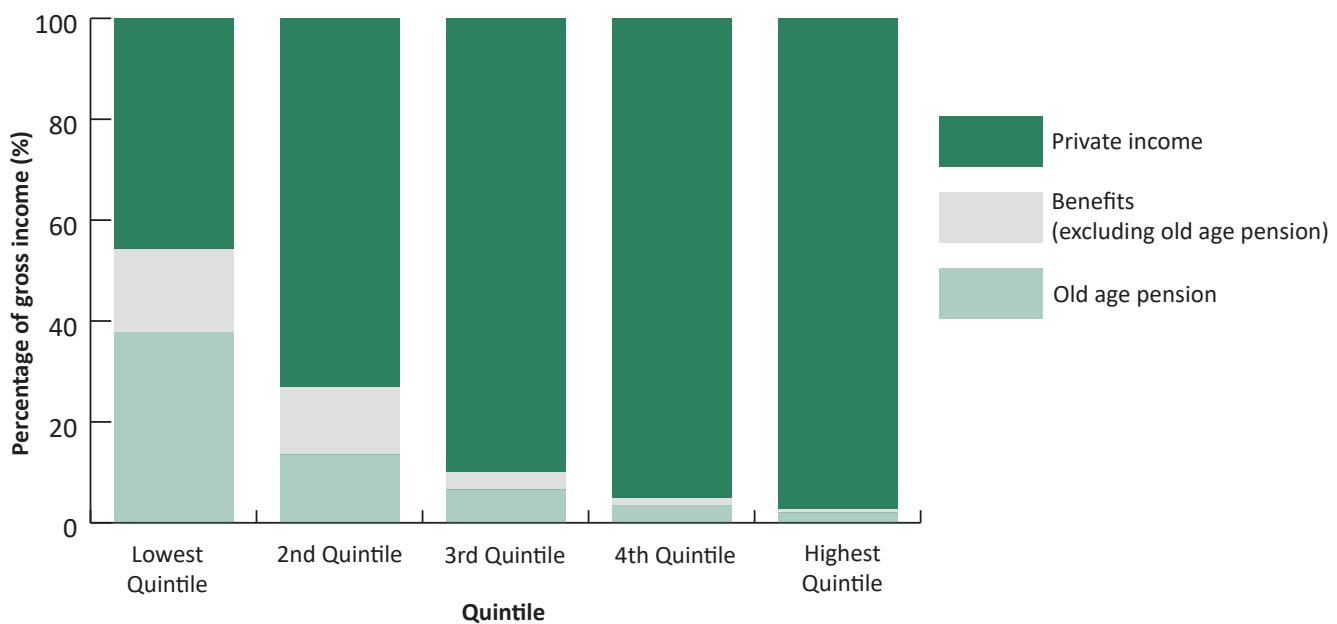

Figure 6.1.1 illustrates the different sources of household income by quintile. Old age pensions account for 38% of all gross income within the lowest income quintile of households, the bottom 20% of households when ordered by equivalised household income. Furthermore, within the lowest quintile, private income accounts for 46% of all gross income and benefits (excluding old age pension) account for 16% 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 and benefits (excluding old age pension).

Within the highest income quintile of households (the top 20% of households when ordered by gross equivalised income), 97% of all gross income is derived from private income sources, 2% is derived from old age pension and 1% from benefits (excluding old age pension).

6.2 Household income quintile and composition

**Figure 6.2.1: Income quintile and household composition (equivalised)**
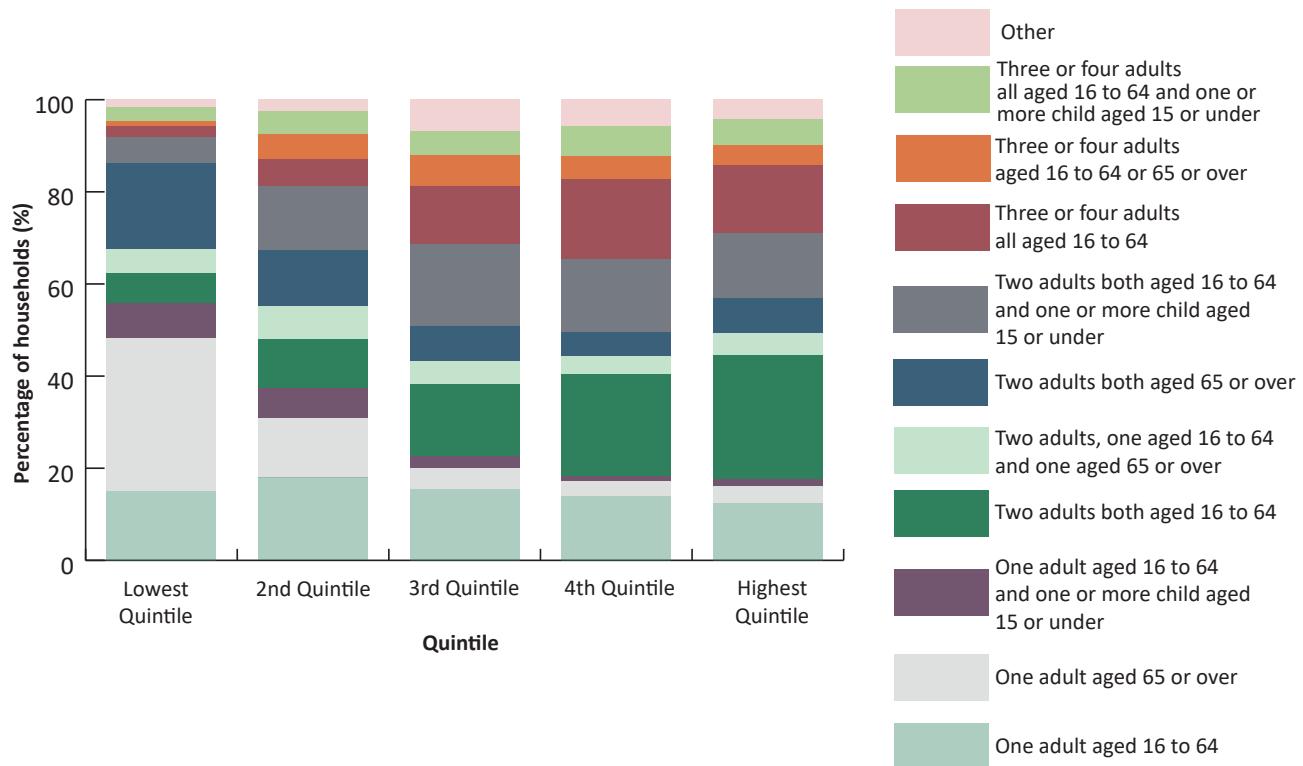
Figure 6.2.1 illustrates the composition of households by equivalised income quintile. 33% of all households within the lowest income quintile are *one adult aged 65 or over* households. ***Two adults both aged 65 or over*** make up 19% of the lowest income quintile.

The proportion of ***one adult aged 16 to 64 and one or more child aged 15 or under*** households within the lowest income quintile is relatively low, representing 8% 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 aged 16 to 64 and one or more child aged 15 or under*** households within the lowest income quintile is 8 times the proportion represented within the highest income quintile, at 1%.

Within the highest income quintile, 27% of all households are classified as ***two adults both aged 16 to 64,*** a further 15% of all households in this quintile comprised ***three or four adults all aged 16 to 64***. 18% of all households within the highest income quintile are categorised as one adult households.

The ***other*** category includes any other household not already defined (e.g. households with more than four adults).

Figure 6.3.1 Income quintile and tenure (equivalised)
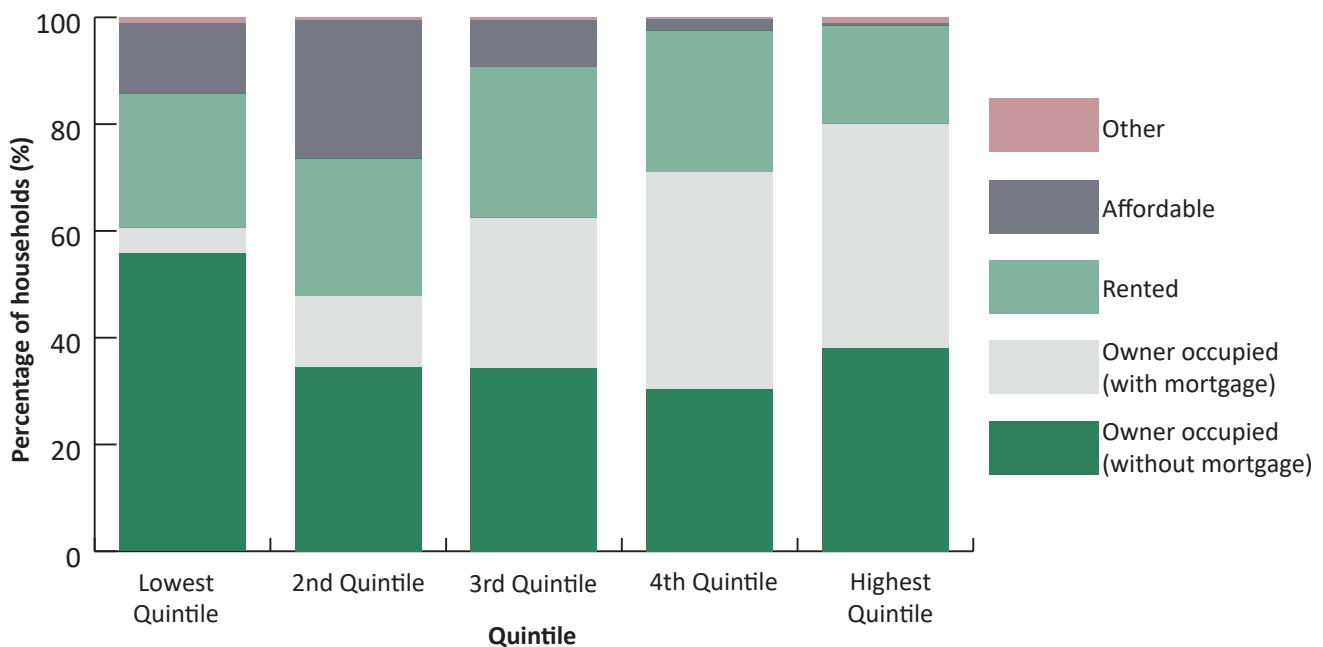
Within the lowest income quintile, 56% of all households resided in owner occupied households without a mortgage, as can be seen in **Figure 6.3.1**, whilst only 5% of all households were owner occupiers with a mortgage. Rented households, which represents the privately rented sector, accounted for 25% of all households in the lowest income quintile and 13% 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 in general there is an increasing proportion of households which are owner occupied with a mortgage and a decreasing proportion of households which are owner occupied without a mortgage or have a tenure of rented.

Within the highest income quintile of households (the top 20% of households when ordered by gross equivalised household income), 42% are owner occupied with a mortgage, 38% are owner occupied without a mortgage and 18% are privately rented.

Figure 7.1.1: Mean and median equivalised annual gross income by parish (equivalised)
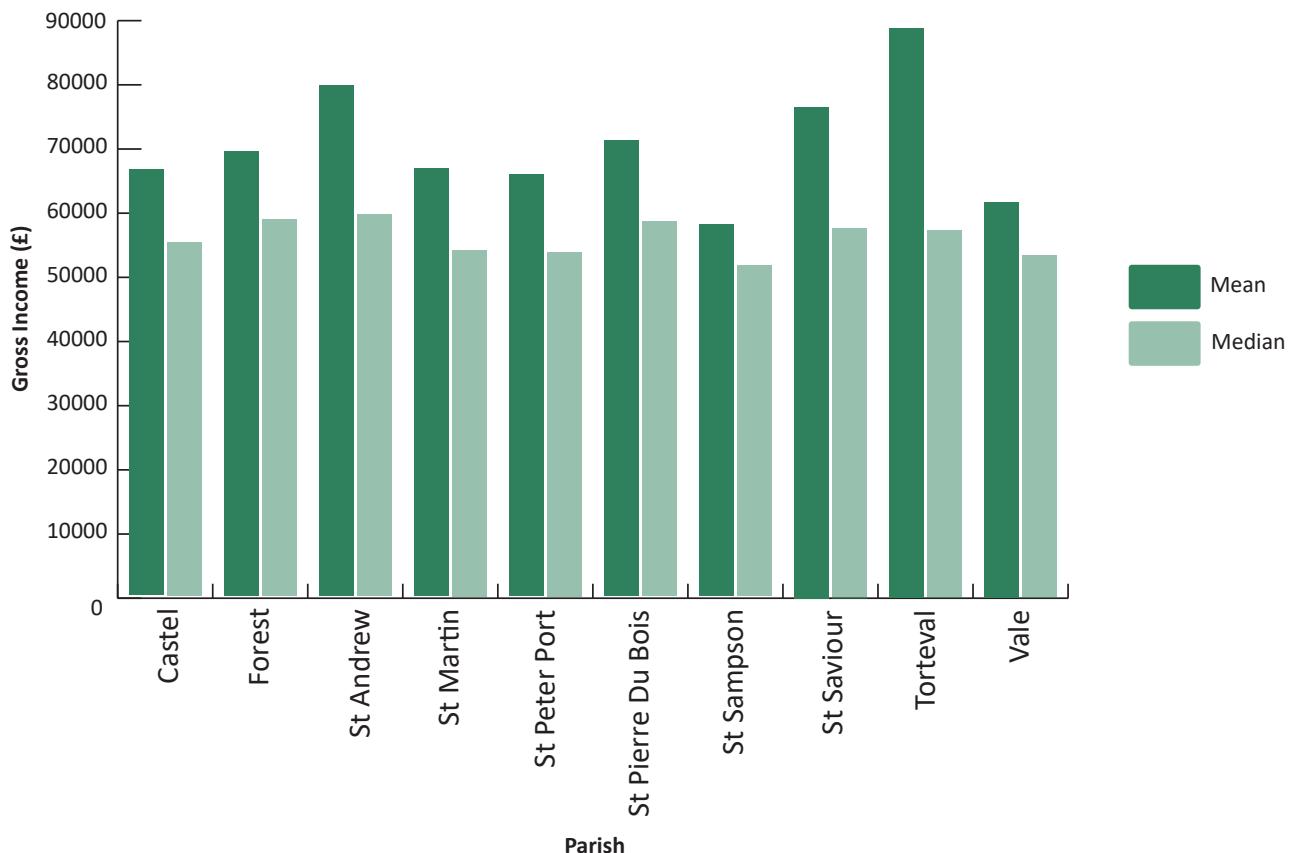
Household incomes per parish, as shown in **Figure 7.1.1,** have been calculated by identifying the parish of all households in the 2019 sample and determining a mean and median equivalised gross household income per parish. The graph shows variation between mean incomes across the parishes. Torteval recorded the highest mean income (£88,802 per annum) and St Andrew had the second largest mean income (£79,485 per annum). St Sampson recorded the lowest mean income, (£57,869 per annum) and Vale the second lowest mean income (£61,665 per annum).

Median gross household incomes are more consistent across all parishes, as shown in **Figure 7.1.1**, due to a small number of very high incomes which have a larger influence on the mean figure. St Andrew recorded the highest median income, at £59,477, whilst St Sampson had the lowest, £51,502.

Figure 7.2.1: Equivalised annual income by quintile and parish
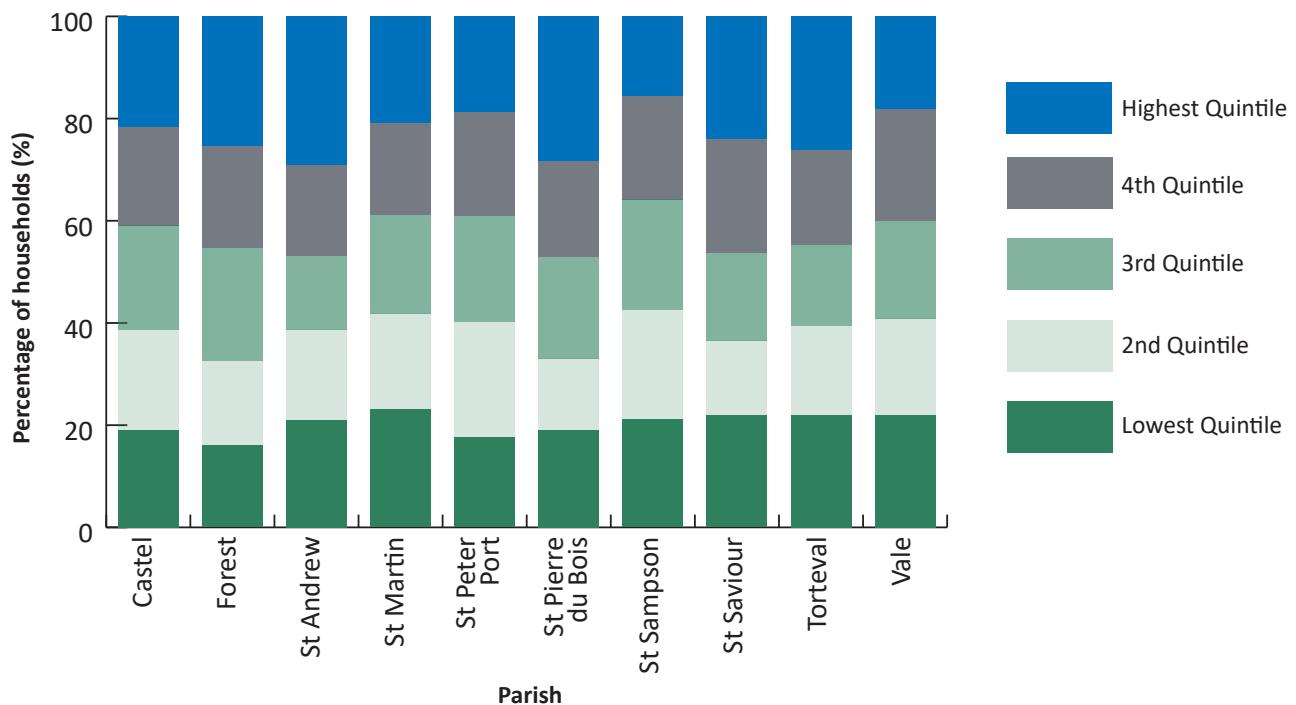
Gross equivalised incomes per parish have also been divided into quintiles in **Figure 7.2.1**, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

Figure 7.2.1 shows there is relatively little variation between the percentage of households within each quintile throughout the parishes. St Martin had the highest proportion of households within the lowest income quintile (23%), whilst Forest had the fewest (16%). St Andrew had the highest proportion of households within the highest income quintile (29%), whilst St Sampson had the lowest proportion of households (16%).

Figure 8.1.1: Mean and median equivalised annual gross income by school catchment
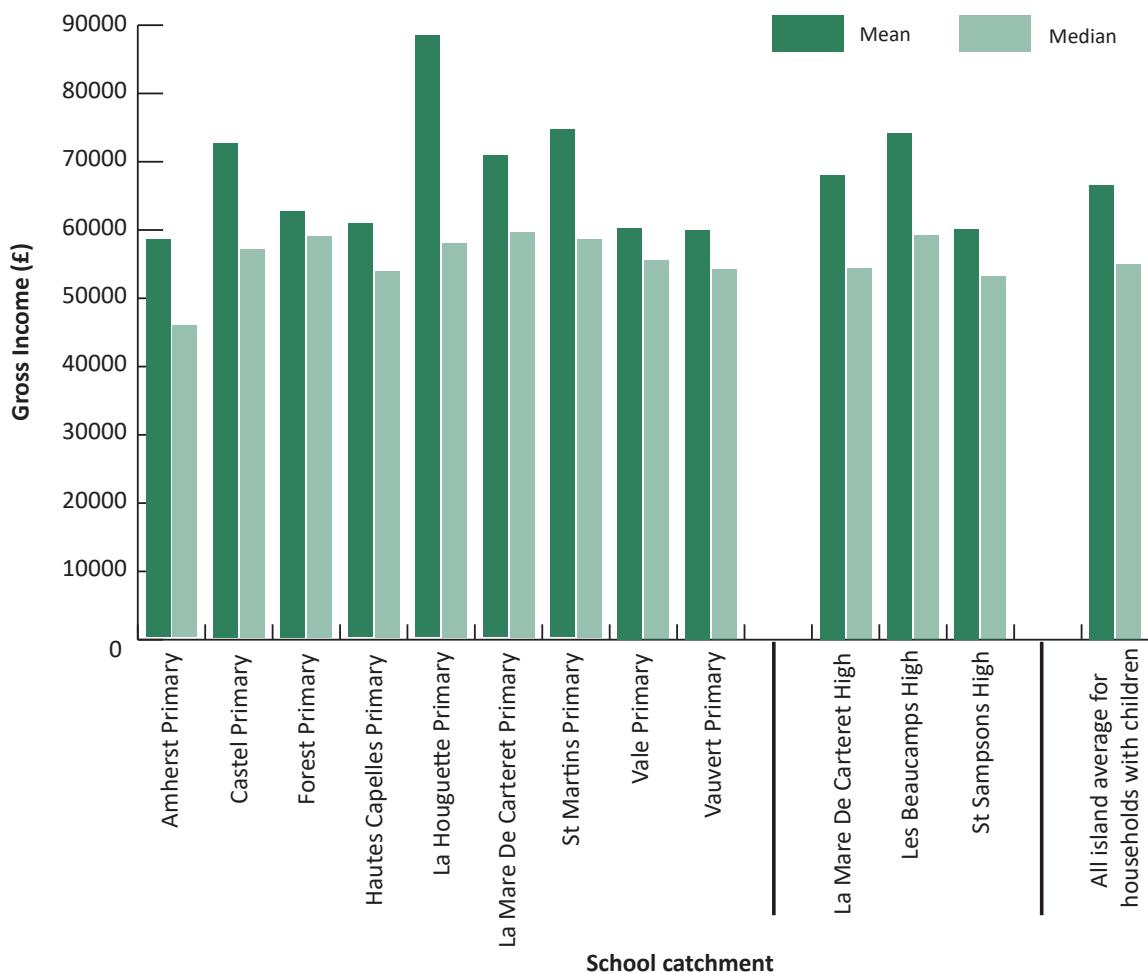
Household income by school catchment has been calculated by analysing equivalised income for households with children (aged under 16 years) and identifying within which Primary and Secondary School catchment they reside (see **Figure 8.1.1**).

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 income at £58,282 per annum, 13% lower than the all island average mean for households with children. Households in the Amherst Primary catchment area also had the lowest median income in 2019, at £45,648. By contrast, households with children residing in the La Houguette Primary School catchment area had the highest equivalised mean income at £88,066 per annum, which was 32% higher than the all island average mean income for households with children. Households in the La Mare de Carteret Primary catchment area had the highest equivalised median income (£59,367 per annum).

Of the Secondary School catchment areas, St Sampsons High School catchment area had the lowest equivalised mean and median income at £60,069, and £53,188 per annum respectively, 10% lower than the all island average mean for households with children. Les Beaucamps catchment area had the highest equivalised mean and median income at £74,113 and £59,177 respectively.

Figure 8.2.1: Equivalised annual income by quintile and school catchment
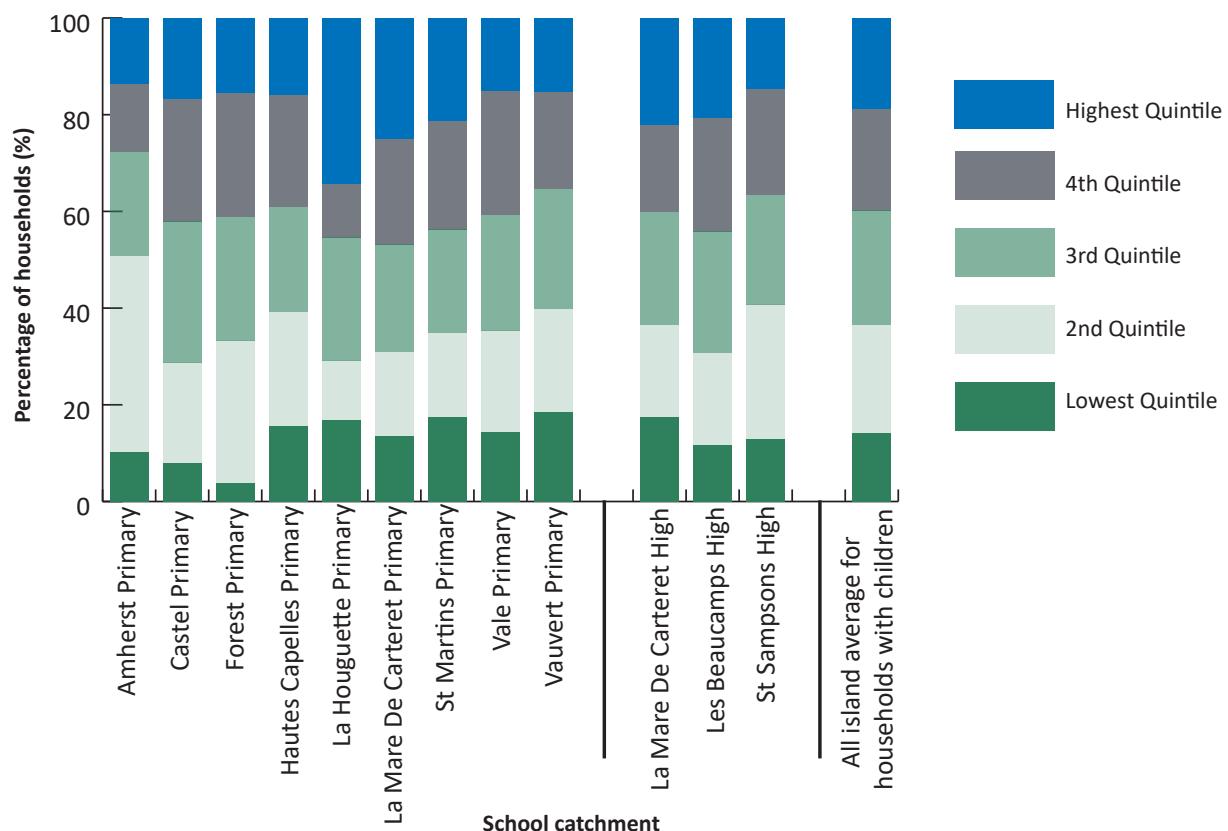
Incomes for households with children by school catchment have also been divided into quintiles, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to 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.

Figure 8.2.1 shows that households with children residing within the Vauvert Primary School catchment area had the highest proportion of households within the lowest income quintile (18%), whilst Forest Primary School catchment had the fewest (4%). Households with children within the La Houguette Primary School catchment had the highest proportion of households within the highest income quintile, 34%, whilst Amherst Primary School catchment area had the fewest, at 14%.

Of the Secondary School catchment areas, the differential between the proportion of households within the lowest income quintile is small. La Mare de Carteret High catchment area had the highest proportion of households with children within the lowest income quintile, 17%, however this catchment area also had the highest proportion of households with children within the highest income quintile, at 22%. St Sampsons High catchment area had the fewest households in the highest income quintile, at 15%.

Figure 9.1.1: Equivalised annual income by school attended (as at 31st December 2019) by children in households
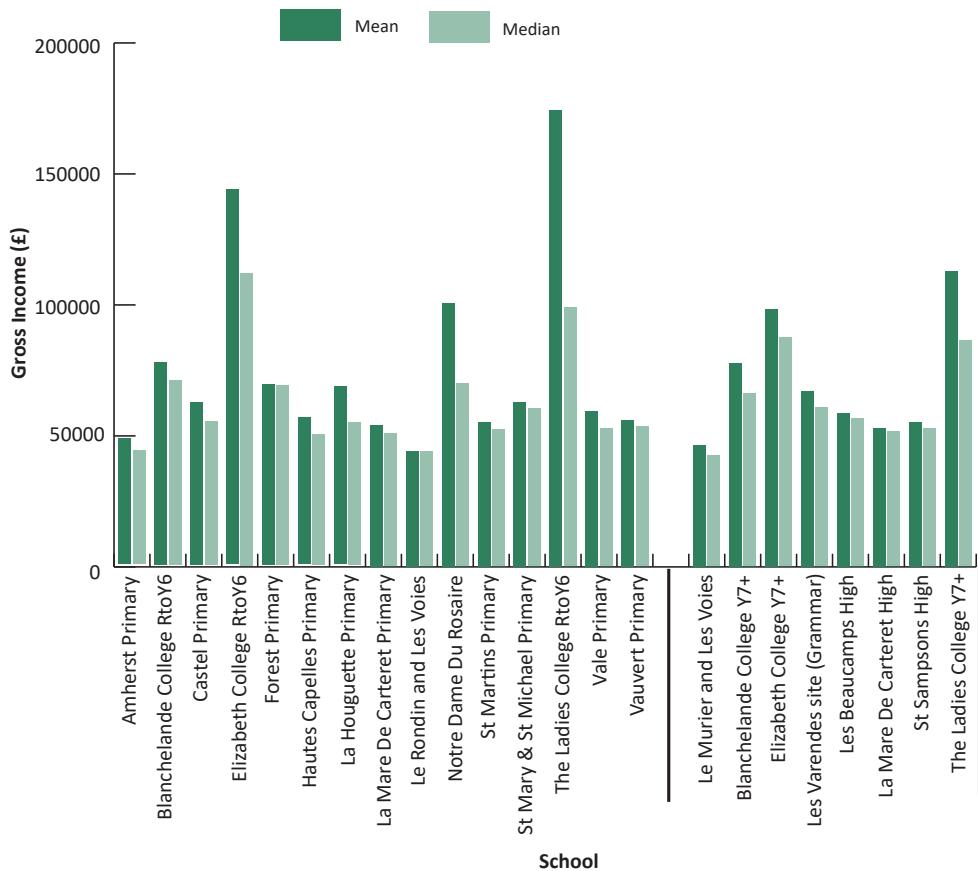

Figure 9.1.1 shows the mean and median equivalised gross household income by school. This information is based on the household incomes of the children attending each school, as at 31st December 2019.

Please note the numbers of pupils 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 Amherst Primary and Le Rondin & Les Voies had the lowest equivalised median income at £43,504 and £44,197 per annum respectively, whilst households with children attending Notre Dame du Rosaire had the highest equivalised median income at £69,959 per annum in 2019.

Of the States' schools providing secondary education, households with children attending the Grammar School had the highest equivalised median income at £61,042, whilst households with children attending Le Murier & Les Voies and La Mare de Carteret High School had the lowest median incomes at £42,715 and £51,758 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 £70,339, whilst households with children attending Elizabeth College had the highest equivalised median income at £111,541 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 £66,115, whilst Elizabeth College and The Ladies' College had median incomes of £87,773 and £86,367 respectively.

Figure 9.2.1: Equivalised annual income by school attended (as at 31st December 2019) by children in households by quintile
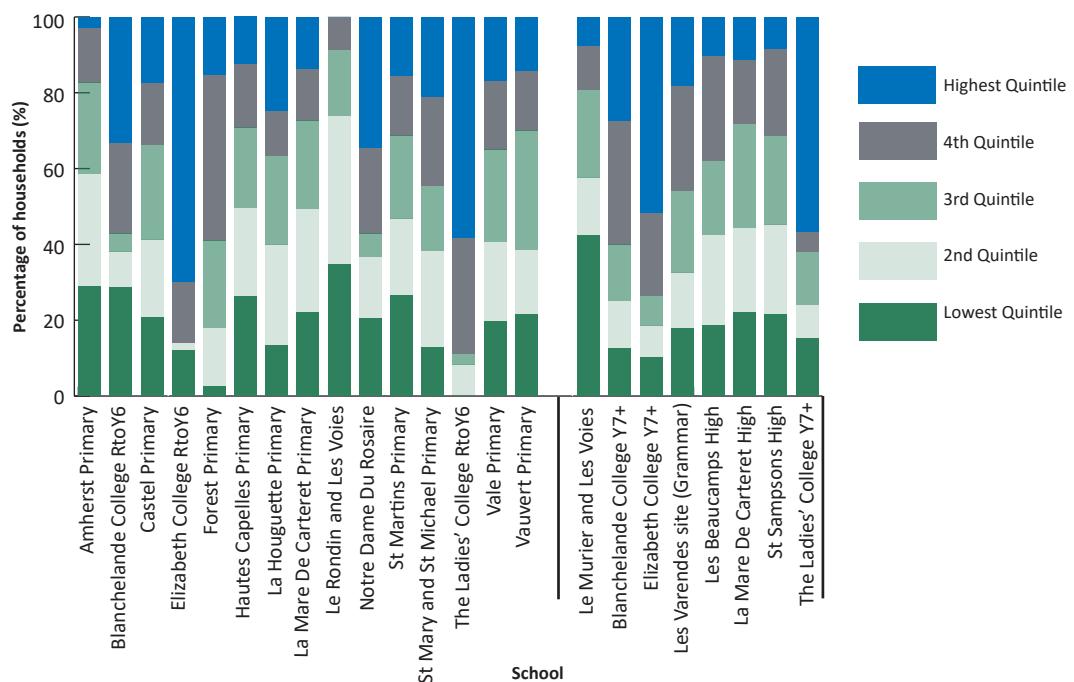
Gross equivalised incomes per school have also been divided into quintiles, five equally spaced groups ordered by level of gross income (see **Figure 9.2.1**). The lowest quintile represents the 20% of consistent households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all consistent households when sorted by gross income and so on.

Please note the numbers of pupils included within the analysis for Les Voies, Le Rondin and 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, Le Rondin & Les Voies and Amherst Primary had the highest proportion of households within the lowest income quintile, at 35% and 29% respectively, whilst Forest Primary had the fewest, at 3%. Notre Dame Du Rosaire had the highest proportion of households within the highest income quintile (35%) whilst Le Rondin & Les Voies and Amherst Primary had the fewest, 0% and 3% respectively.

Of the States' schools providing secondary education, Le Murier & Les Voies and La Mare de Carteret High had the highest proportion of households within the lowest income quintile, at 42% and 22% respectively, whilst the Grammar School had the fewest, 18% of households with children attending this school were within the lowest income quintile. The Grammar School also had the highest proportion of households within the highest income quintile, at 18%, whilst Le Murier & Les Voies and St Sampsons High had the fewest, 8% and 9% respectively.

Of the private schools, the proportion of households within the lowest income quintile was relatively low, varying between 0% (The Ladies' College Reception to Year 6) and 29% (Blanchelande Reception to Year 6). Within the highest income quintile, Blanchelande Year 7+ had the lowest proportion of households at 28%, whilst Elizabeth College Reception to Year 6 had the highest proportion of households (70%).

Table 10.1.1: Mean and median gross household income by Market (equivalised)

	Overall	Local Market	Open Market (Part A)
Mean	65,470	63,748	99,233
Median	53,967	53,630	66,773

**Figure 10.1.1: Local Market breakdown of gross household income (equivalised)**
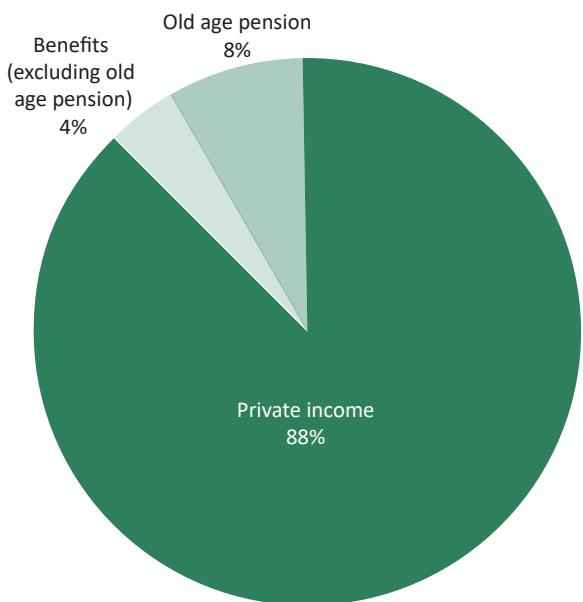
Figure 10.1.2: Open Market (Part A) breakdown of gross household income (equivalised)
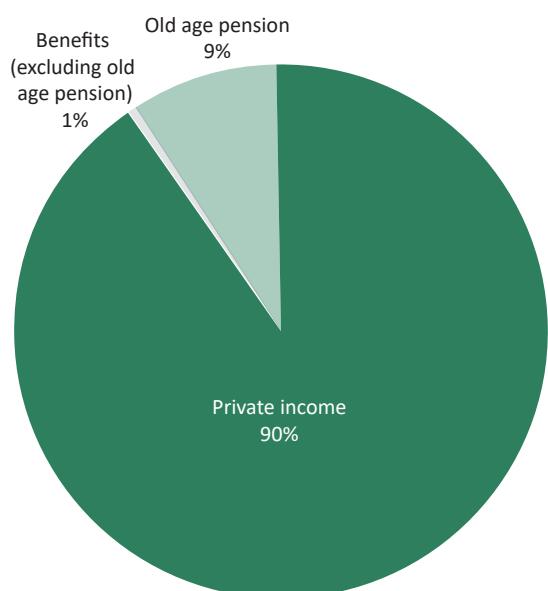
In this section, equivalised household incomes are presented for households residing in Local Market properties and households residing in Open Market (Part A) properties, the part of the Open Market Housing Register relating to private family homes. Only Part A is included in the analysis due to small numbers of households residing in Part B, C or D of the Open Market. These households may have a different income profile to those in Part A.

The equivalised mean gross household income for all households was £65,470 in 2019, compared to £63,748 for Local Market households and £99,233 for households residing in Open Market (Part A) accommodation (see **Table 10.1.1)**. The median gross household incomes were £53,630 and £66,773 for Local and Open Market households respectively.

Figures 10.1.1 and **10.1.2** show household income broken down by source for Local Market and Open Market households respectively. For households residing in Open Market (Part A), a higher proportion of their income derived from private income sources (90%) than Local Market households (88%) in 2019. Benefits (excluding old age pension) made up 4% of the income for Local Market households compared to 1% for Open Market (Part A).

Figure 10.2.1 overleaf depicts equivalised household incomes for all analysed households by income bracket and compares households living in Open Market and Local Market accommodation. Income brackets are spaced at £20,000 intervals and the percentage of households within each income bracket is evident.

73% of Local Market households had an equivalised income between £20,000 and £79,999 in 2019, compared with 53% of Open Market households. There was an equal proportion of households living in the Local Market and Open Market (Part A) with an income below £20,000 (6%). There was a higher proportion of households with an income above £80,000 living in Open Market (Part A) accommodation (41%) compared to Local Market households (21%).

Table 10.2.1 shows the household composition for households living in Local Market accommodation and those living in Open Market (Part A).

There is a higher proportion of households which comprise **one adult aged 65 or over** (16%) or **two adults both aged 65 or over** (27%) living in Open Market (Part A) accommodation, compared to those living in Local Market properties. Conversely, there is a smaller proportion of households under 64 years living in Open Market (Part A) compared to the Local Market, households with one or two adults (aged 16 to 64) and without children comprise 13% of the total number of households residing in Open Market Part A accommodation compared to 32% of households in the Local Market.

Furthermore, there is a smaller proportion of households with one or more child aged 15 or under residing in Open Market (Part A) accommodation compared to the Local Market; 13% of households residing in Open Market (Part A) compared to 23% in the Local Market.

Table 10.2.1: Household composition and percentage in sample by Market

Composition Type	Overall	Local Market	Open Market (Part A)
One adult aged 16 to 64	15	16	5
One adult aged 65 or over	12	11	16
One adult aged 16 to 64 and one or more child aged 15 or under	4	4	2
Two adults both aged 16 to 64	16	17	8
Two adults, one aged 16 to 64 and one aged 65 or over	5	5	6
Two adults both aged 65 or over	10	9	27
Two adults both aged 16 to 64 and one or more child aged 15 or under	13	14	6
Three or four adults all aged 16 to 64	11	11	6
Three or four adults aged 16 to 64 or 65 or over	5	4	8
Three or four adults all aged 16 to 64 and one or more child aged 15 or under	5	5	5
Other	4	4	10

Figure 10.2.1: Gross annual income of households (equivalised) by Market
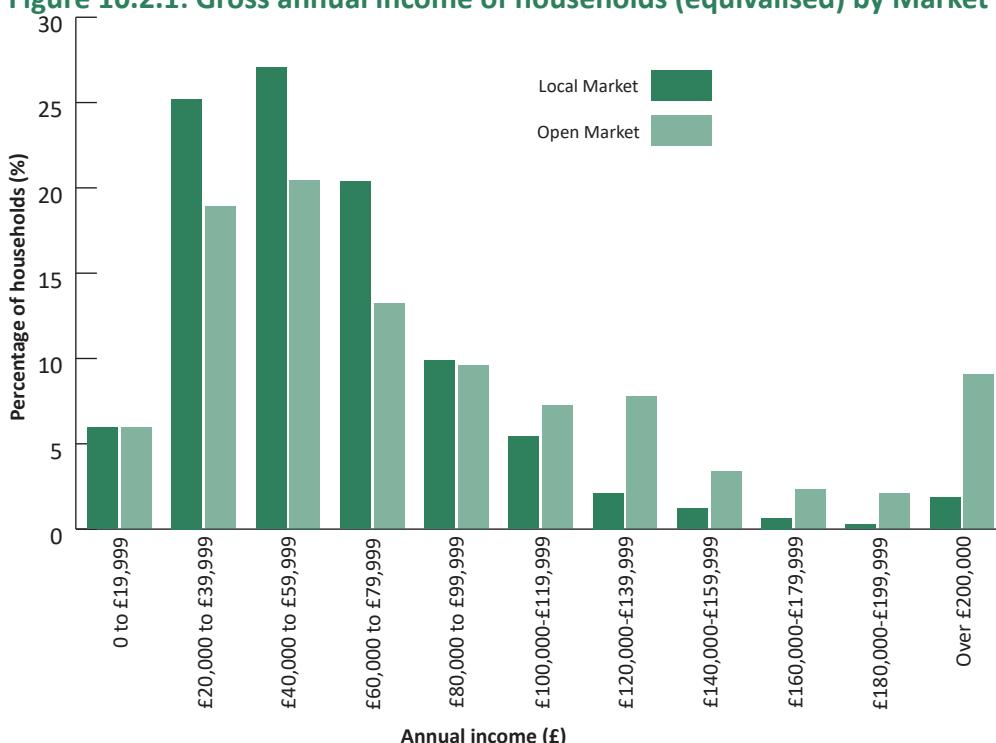
11.1 Household income net of social security, income tax and housing costs: mean and median (equivalised)

Section 11 provides data on equivalised household income in 2019 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 has been used to calculate the income indicators presented within the **Guernsey Indicators of Poverty Report** (available at **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. More detailed information on housing costs can be found in the **2018-2019 Household Expenditure Report** (see **www.gov.gg/household**).

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

Please note that in the case of those households which have been identified as owner occupied 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 £42,858 (£824 per week) and the median household income net of social security, income tax and housing costs (equivalised) was £34,452 (£663 per week) in 2019 (see **Table 11.1.1**).

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

	2019 (£)
Mean	42,858
Median	34,452

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

	2019 Upper boundary (£)	Mean (£)
Lowest quintile	19,687	9,910
2nd quintile	28,828	24,145
3rd quintile	40,066	34,365
4th quintile	56,527	47,422
Highest quintile	-	98,466

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

Pie chart:
- Net income 62%
- Imputed housing cost 17%
- Income tax 15%
- Social security contributions 6%
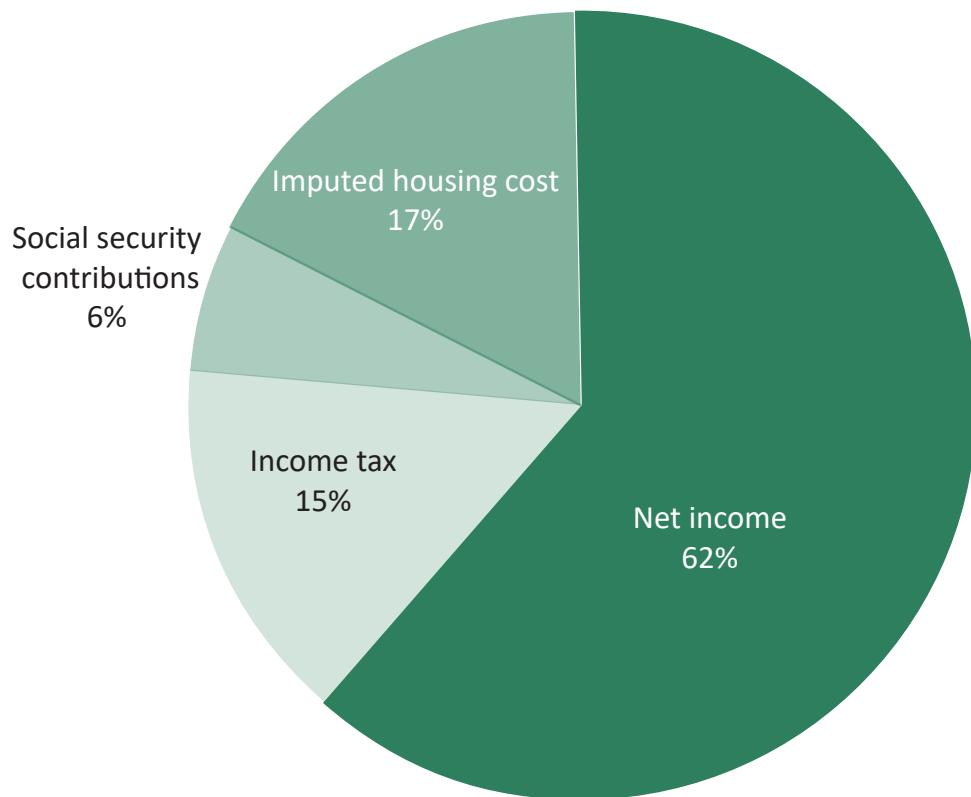
Figure 11.2.1 illustrates the average size of the deductions to gross household income in order to calculate income net of social security, income tax and housing costs (equivalised) and represents a breakdown of gross household income.

Income net of social security, income tax and housing costs (equivalised) represented 62% of gross household income in 2019. Housing costs represented the largest deduction to gross household income, at 17%, followed by income tax at 15% and social security contributions at 6%.

More detailed information on housing costs can be found in the **2018-2019 Household Expenditure Survey Report** (see **www.gov.gg/household**).

Figure 12.1.1: Mean and median income net of social security, income tax and housing costs by household composition (unequivalised)
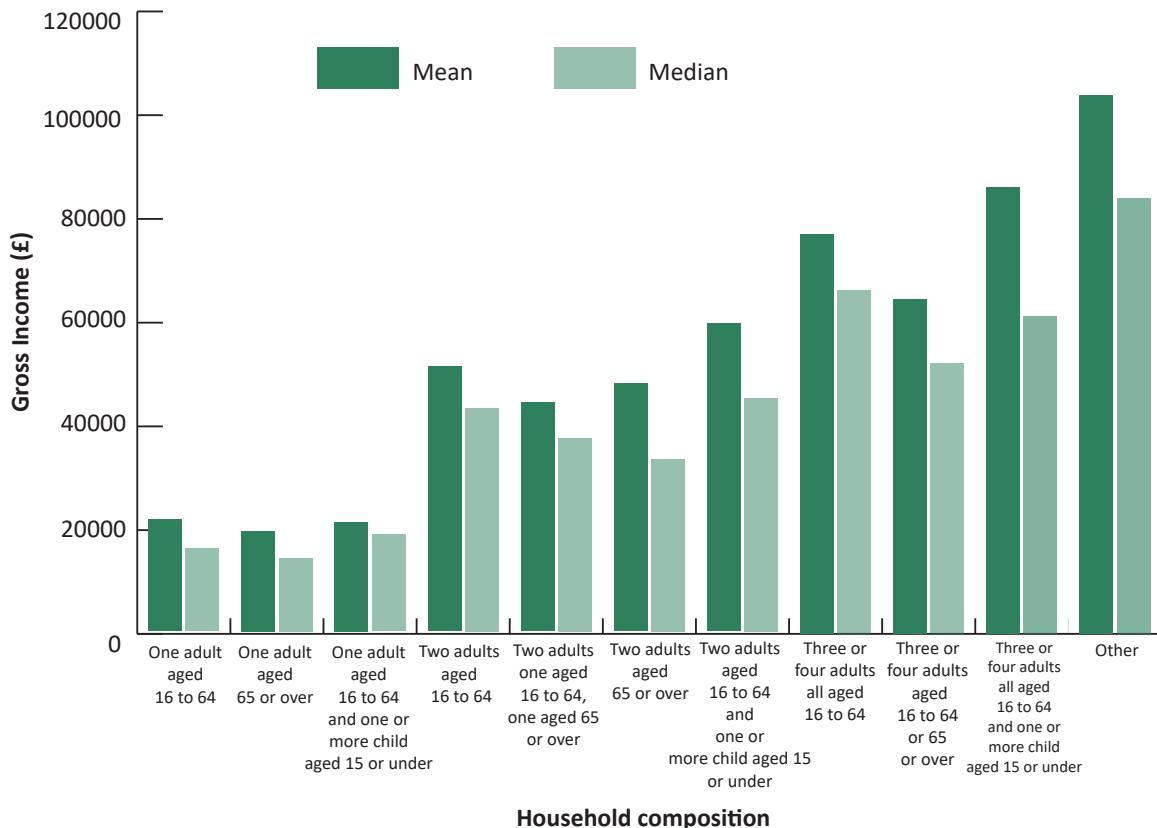
Figure 12.1.1 details mean and median incomes net of social security, income tax and housing costs (unequivalised) for households of different compositions. By calculating an unequivalised income net of social security, income tax and housing costs the values will differ from the gross unequivalised income presented in **Section 5.1**.

One adult aged 65 or over households recorded the lowest mean income net of social security, income tax and housing costs at £19,283. *One adult aged 16 to 64 and one or more child aged 15 or under* households recorded the next lowest mean income at £21,200. *Other* households and *three or four adults aged 16 to 64 and one or more child aged 15 or under* households recorded the highest mean income net of social security, income tax and housing costs at £103,745 and £86,138 respectively.

One adult aged 65 or over households also recorded the lowest median income net of social security, income tax and housing costs at £14,237. *One adult aged 16 to 64* households recorded the next lowest median income at £15,833. *Other* households and *three or four adults aged 16 to 64* households recorded the highest median income net of social security, income tax and housing costs at £83,877 and £66,301 respectively. The *other* category includes any other household not already defined (e.g. households with more than four adults).

Please note this section presents unequivalised income with no adjustment for household size - see **Sections 11 and 13** for equivalised income after social security contributions, income tax and housing costs have been deducted.

Figure 13.1.1: Income net of social security, income tax and housing costs (equivalised) by household composition and quintile
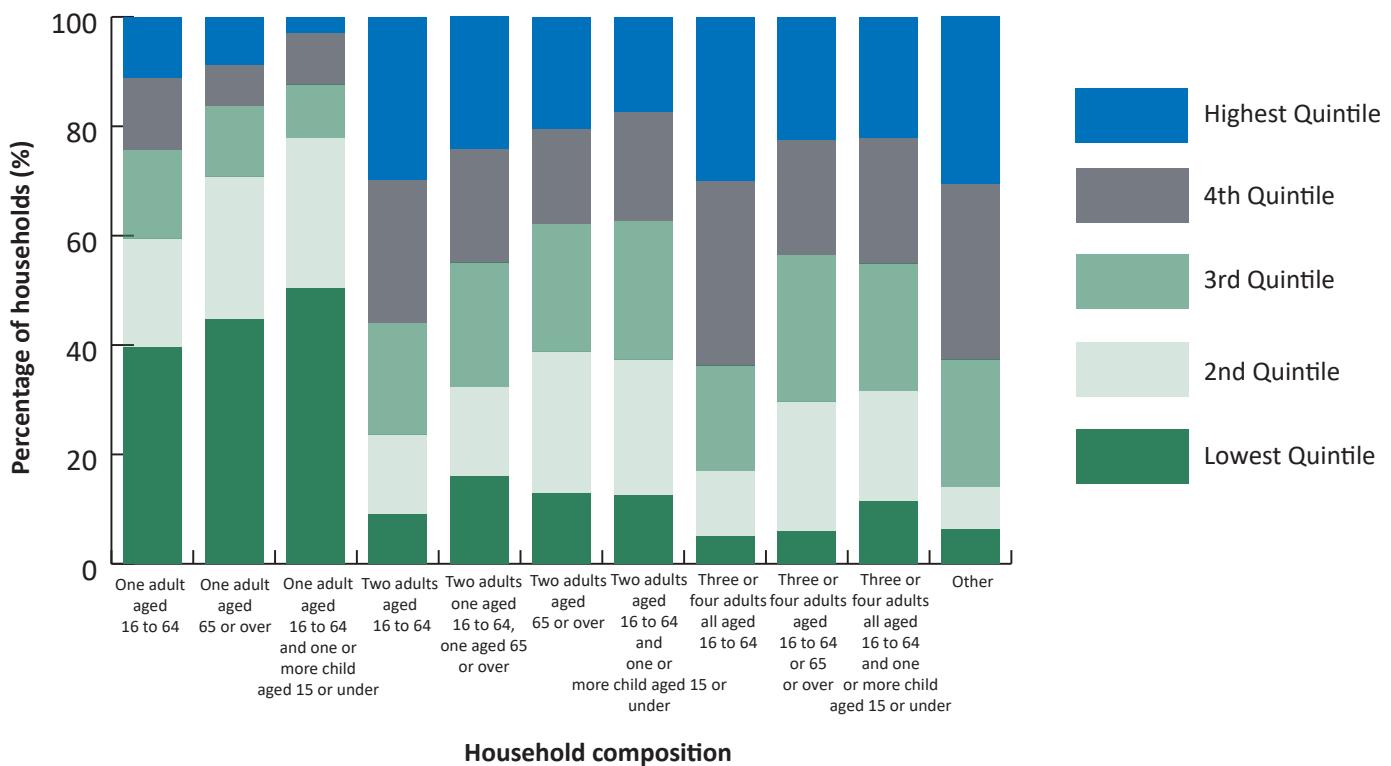
Figure 13.1.1 displays income net of social security, income tax and housing costs by quintile for the various household compositions.

Section 5.4 shows that *One adult aged 65 and over* households had the highest proportion of households within the lowest income quintile (58%) before the deduction of income tax, social security and housing costs. After these costs are deducted, *one adult aged 16 to 64 and one or more child aged 15 or under* households had the highest proportion of households within the lowest income quintile (50%, see **Figure 13.1.1**). *Three or four adults aged 16 to 64* households had the lowest proportion of households within the lowest income quintile, at 5%.

Section 5.4 reveals households with *two adults aged 16 to 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 13.1.1,** *other* households and households of *three or four adults aged 16 to 64* had the highest proportion within the highest income quintile (31% and 30% respectively). *One adult aged 16 to 64 and one or more child aged 15 or under* had the lowest proportion of households within the highest income quintile, at 3%.

The *other* category includes any other household not already defined (e.g. households with more than four adults).

Figure 13.2.1: Income net of social security, income tax and housing cost by quintile (equivalised) and composition
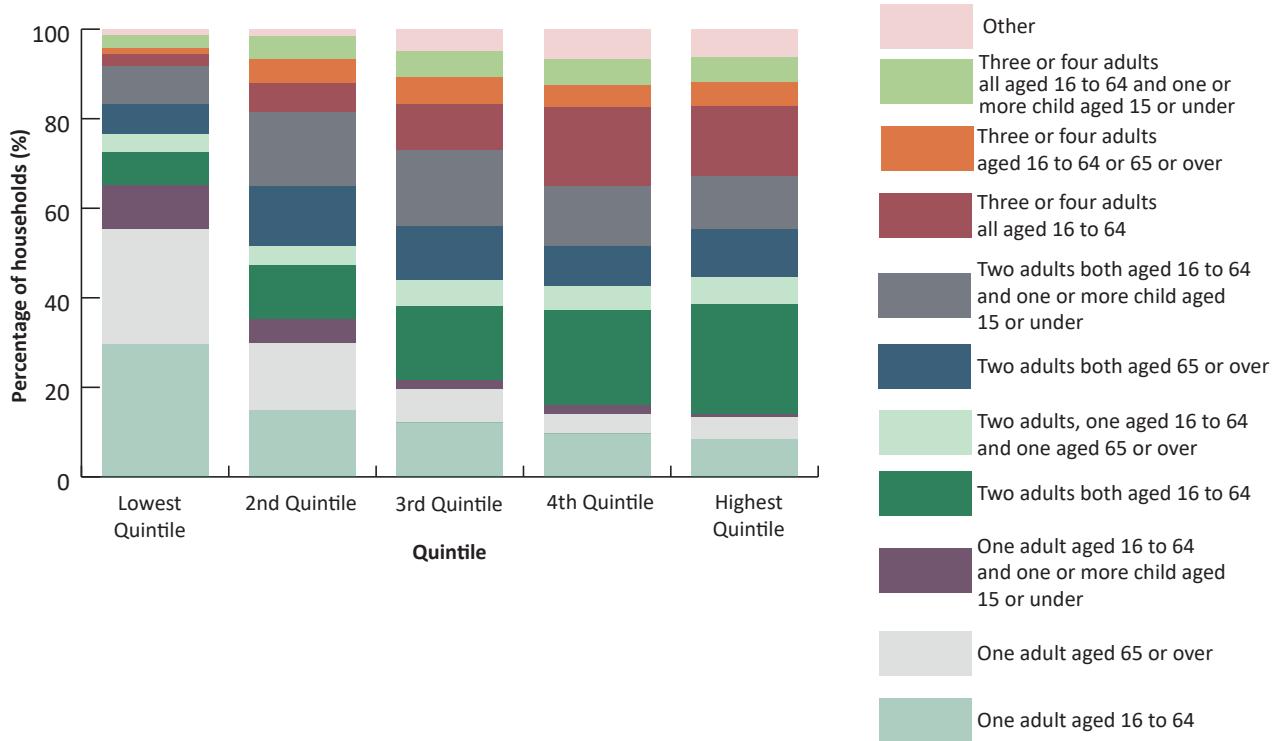
Figure 13.2.1 presents income net of social security, income tax and housing costs by household composition for the income quintiles. All household types are represented in the lowest income quintile, although *one adult aged 16 to 64* are most prevalent, representing 30% of all households within the lowest quintile, whilst *three or four adults aged 16 to 64 or 65 or over* and *other* households are the least prevalent (both 1%). The *other* category includes any other household not already defined (e.g. households with more than four adults).

Within the highest income quintile, *two adults both aged 16 to 64* is the most prevalent household type representing 24% of all households within this quintile. *One adult aged 16 to 64 and one or more child aged 15 or under* are the least prevalent household group, comprising just 1% of households in the highest quintile.

The proportion of households within each income quintile is relatively stable for the *two adults, one aged 16 to 64, one aged 65 or over* group.

Households comprising either *one adult aged 65 or over, one adult aged 16 to 64* or *one adult aged 16 to 64 and one or more child aged 15 or under* recorded a much larger proportion of households within the lowest income quintile, at 26%, 30% and 10% respectively compared to the highest income quintile at 5%, 8% and 1% respectively.

Households comprising *two adults aged 16 to 64*, or *three or four adults aged 16 to 64* recorded a much lower proportion of households within the lowest equivalised income quintile, 7% and 3% respectively, compared to the highest equivalised income quintile at 24% and 16% respectively.

Figure 13.3.1: Income net of social security, income tax and housing cost by quintile (equivalised) and tenure
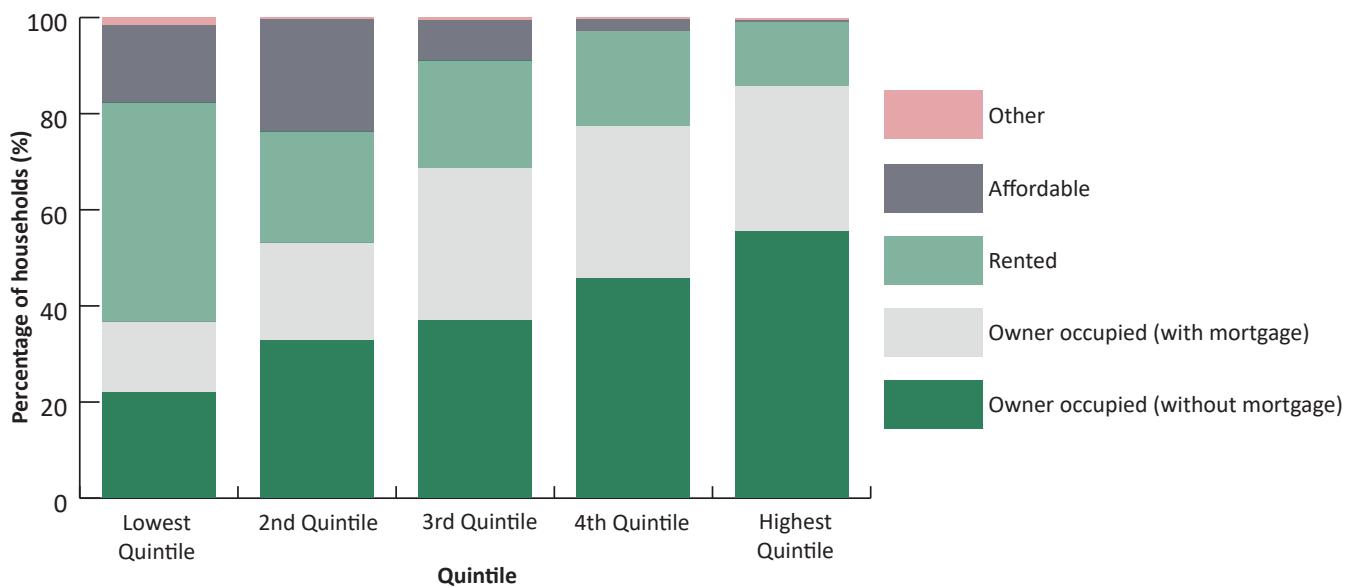
Figure 13.3.1 illustrates income net of social security, income tax and housing costs by household tenure for the income quintiles. Within the lowest income quintile, 46% were living in privately rented accommodation, a further 16% of all households within the lowest income quintile were living in affordable housing (these include States/GHA social rented accommodation and social partial ownership) and 22% were owner occupiers without a mortgage.

These figures are in contrast to the information on equivalised gross incomes presented earlier in this report where 56% of all households in the lowest income quintile resided in owner occupied properties without a mortgage (see **Figure 6.3.1**). Households which are owner occupiers without a mortgage do not have 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 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 a mortgage and a decreasing proportion of households living in privately rented or affordable accommodation.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), 55% of all households were owner occupied without a mortgage, 30% were owner occupied with a mortgage and 13% were privately rented.

14.1 Relative income equality

Within the **Guernsey Indicators of Poverty Report** (available at **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 the following section (**Section 14**).

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 numbers with an income net of social security, income tax and housing costs which was less than 60% of the equivalised net income median. In 2019, the median equivalised income net of social security, income tax and housing costs was £34,452, and 60% of this figure was £20,671. 22% of all 8,009 sampled households and 17% of the total people in the sample 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, as shown in **Table 14.1.1**. In 2020, the threshold decreased by over £2,000 and 20% of households in the sample and 15% of people had an income below 60% of the median.

2018 figures have been re-calcuated on a comparable basis and included for information. The threshold was £159 lower in 2018 than 2019, but 24% of households and 20% of people had an income beneath it. The incomes of low income households (particularly those living in affordable housing) increased more than the incomes of middle and high income households between 2018 and 2019.

Table 14.1.1 Income deprivation indicators

Indicator	2018	2019	2020*
Proportion of households whose income is less than 60% of the median	24%	22%	20%
Proportion of people living in households whose income is less than 60% of the median	20%	17%	15%

*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

In this report, figures indicating the proportion of households that had income from employment but were classified as being at risk of relative income poverty have been included in **Table 14.1.2**. In 2019, 12% of all 8,009 households in the sample were classified as being at risk of relative income poverty and had some income from employment. This figure includes households that had any income from employment during the year but does not include self-employment. Since data is not collected on the number of hours worked by household members, this could include those that were not in full time work or did not work for the whole year. In an attempt to quantify the number of households within that group that had at least one member working full time, a threshold of "full time minimum wage" has been used. This equated to £6,968 in 2019 and is calculated using the minimum wage, based on a 30 hour working week with food and accommodation offset deducted. In 2019, 10% of households in the sample were classified as being at risk of relative income poverty and received more than full time minimum wage (£6,968) income from employment (see **Table 14.1.2**).

Table 14.1.2 Income deprivation indicators and employment

Indicator	2019
Proportion of households whose income is less than 60% of the median and receiving income from employment (i.e in work)	12%
Proportion of households with a full time minimum wage income from employment whose income is less than 60% of the median	10%

Figure 14.2.1: Household composition for households with income net of social security, income tax and housing costs less than the 60% median net equivalised income in 2019

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 14.2.1**. As can be seen, all household types are represented.

Figure 14.2.1 reveals *one adult aged 16 to 64* and *one adult aged 65 or over* were the household compositions which had the largest number of households with an income which was less than 60% of the median (29% and 25% respectively). *Three or four adults aged 16 to 64 or 65 or over* and *other* households had the fewest numbers of households whose income was less than 60% of the median, both at 1%.

The *other* category includes any other household not already defined (e.g. households with more than four adults).
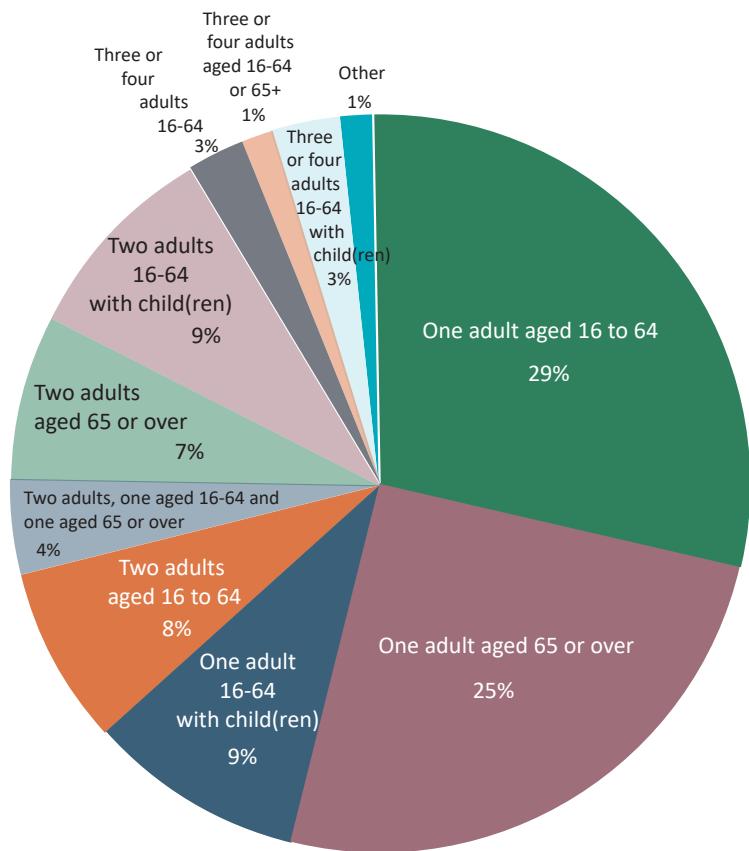
Table 14.2.1 Composition of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income

	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 aged 16 to 64	29%	42%
One adult aged 65 or over	25%	48%
One adult aged 16 to 64 and one or more child aged 15 or under	9%	53%
Two adults both aged 16 to 64	8%	10%
Two adults, one aged 16 to 64 and one aged 65 or over	4%	17%
Two adults both aged 65 or over	7%	15%
Two adults both aged 16 to 64 and one or more child aged 15 or under	9%	15%
Three or four adults all aged 16 to 64	3%	5%
Three or four adults aged 16 to 64 or 65 or over	1%	6%
Three or four adults all aged 16 to 64 and one or more child aged 15 or under	3%	14%
Other	1%	6%

Table 14.2.1 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. 53% of all households described as *one adult aged 16 to 64 and one or more child aged 15 or under* and 48% of households described as *one adult aged 65 or over* had an income less than 60% of the median. By contrast, only 5% of all *three or four adults aged 16 to 64* households had an income less than 60% of the median.

Figure 14.3.1: Tenure of households with income net of social security, income tax and housing costs that was less than the 60% median
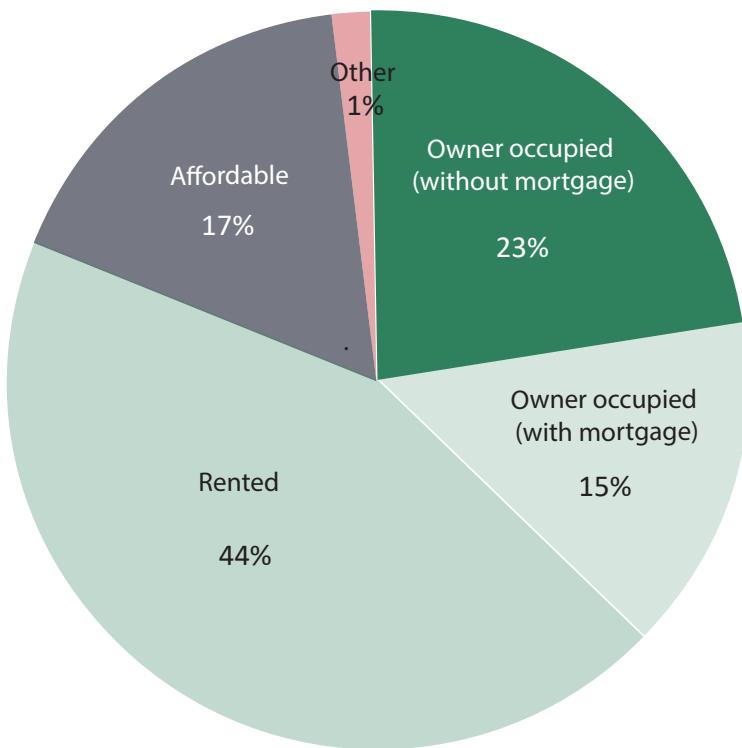
44% of households in the sample whose income is below the 60% median income net of social security, income tax and housing costs were living in privately rented accommodation, as can be seen in **Figure 14.3.1**.

Table 14.3.1 Tenure of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income

	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)	23%	13%
Owner occupied (with mortgage)	15%	13%
Rented	44%	39%
Affordable	17%	37%
Other	1%	45%

Table 14.3.1 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. 45% of households living in an "other" tenure had an equivalised income less than 60% of the median, however this is likely due to the small number of households with this tenure in the sample.

39% of households living in privately rented accommodation had an equivalised income less than 60% of the median, whilst 37% of households living in affordable housing had an equivalised income less than 60% of the median. By contrast, only 13% of households who were owner occupiers with a mortgage and without a mortgage had an income less than 60% of the median.

Figure 14.4.1: Household composition and tenure for households with income net of social security, income tax and housing costs that was less than the 60% median
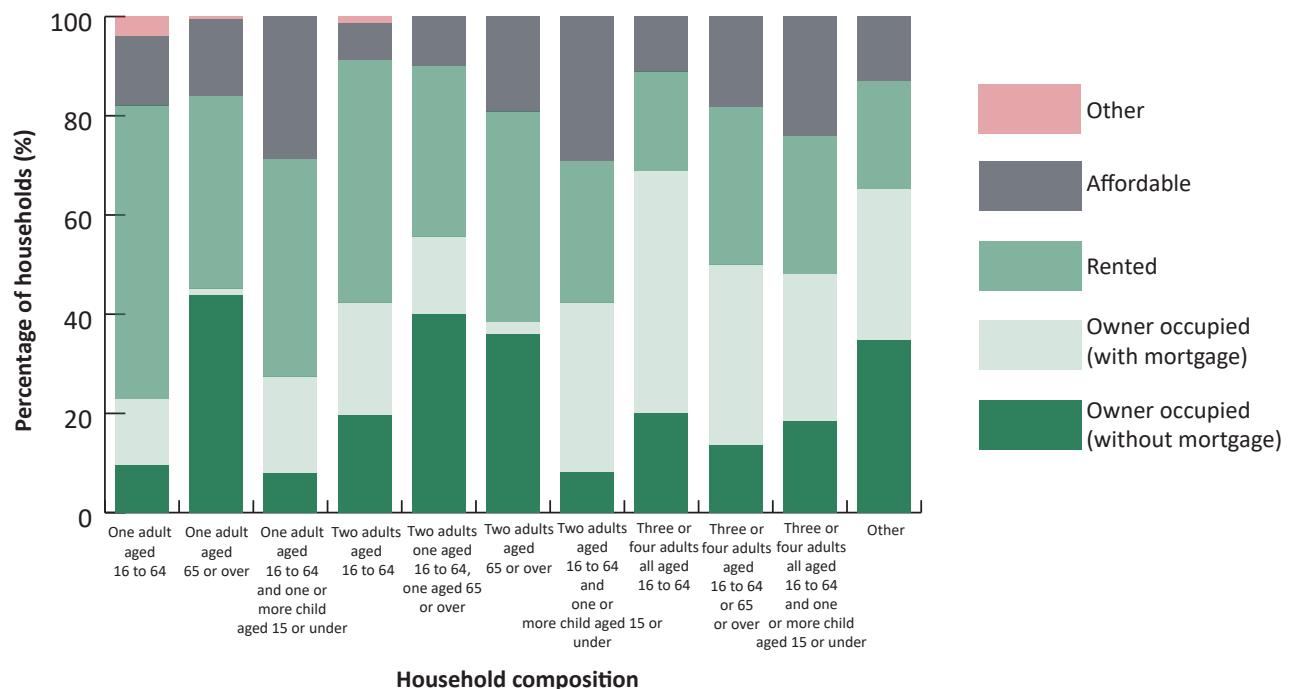
Figure 14.4.1 shows the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by household composition and tenure.

One adult aged 65 or over, two adults, one aged 16 to 64, one aged 65 or over and *two adults both aged 65 or over* households had the largest percentage of households whose income was less than 60% of the median residing in owner occupied properties without a mortgage (44%, 40% and 36% respectively).

One adult aged 16 to 64 and one or more child aged 15 or under and *two adults aged 16 to 64 and one or more child aged 15 or under* had the largest proportion of households whose income was less than 60% of median residing in affordable housing (both at 29%).

One adult aged 16 to 64 had the largest percentage of households with an income less than 60% of median residing in privately rented accommodation (59%).

Figure 14.5.1: Percentage of households with incomes at or below 60%, 50% and 40% of net equivalised median income
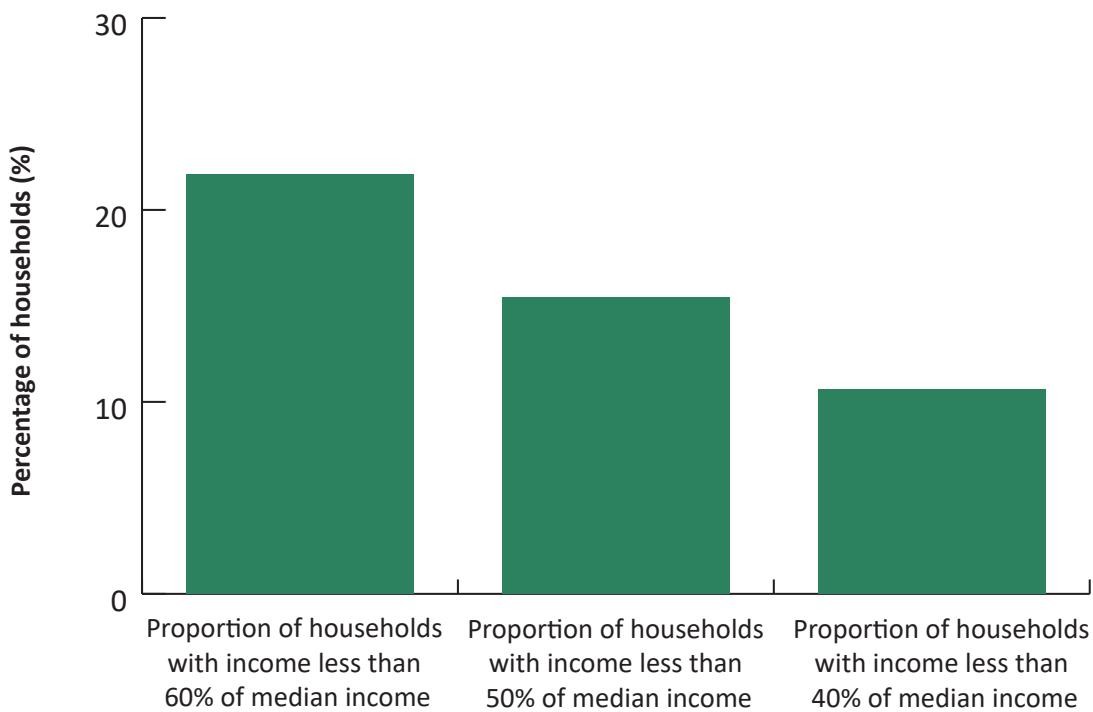
The standard definition of relative income poverty, used by the OECD, measures those living in a household with an equivalised income below 60% of the national median equivalised income. The percentage of people living in households with an income below 50% and 40% of median income indicates the depth of relative income poverty. For example, 15% of households in the 8,009 sample (see **Figure 14.5.1**) and 11% of all 19,559 people in the sample had an income less than 50% of the median in 2019 (£17,226).

There were 11% of households and 7% of people in the sample with an income less than 40% of the median (£13,781) in 2019.

Table 14.6.1: Children at risk of relative poverty

	2019
Proportion of households (with children) whose income is less than 60% of the median	20%
Proportion of households (with children) and receiving income from employment (i.e in work) whose income is less than 60% of the median	18%
Proportion of children living in households whose income is less than 60% of the median	21%

Table 14.6.1 shows that 20% of households with children (less than 16 years old) in the sample lived in households with an income below 60% of median income in 2019 and that 21% of all children in the sample lived in households with an income below 60% of median. 18% of households with children and receiving income from employment had an income less than 60% of the median.

Table 14.6.2: Working age adults at risk of relative poverty

	2019
Proportion of households (with one or more adults aged 16-64 years) whose income is less than 60% of the median	19%
Proportion of households (with one or more adults aged 16-64 years) and receiving income from employment (i.e in work) whose income is less than 60% of the median	16%
Proportion of working age adults (aged 16-64 years) living in households whose income is less than 60% of the median	14%

Table 14.6.2 shows that 19% of households with one or more adults aged 16 to 64 years lived in households with an income below 60% of median income in 2019 and that 14% of all working age adults in the sample lived in households with an income below 60% of median. 16% of households with one or more adults aged 16 to 64 years and receiving income from employment had an income less than 60% of the median.

Table 14.6.3: Adults aged 65 and over at risk of relative poverty

	2019
Proportion of households (with one or more adults aged over 65 years) whose income is less than 60% of the median	25%
Proportion of households (with one or more adults aged over 65 years) and receiving income from employment (i.e in work) whose income is less than 60% of the median	10%
Proportion of adults aged over 65 years living in households whose income is less than 60% of the median	21%

Table 14.6.3 shows that 25% of households with one or more adults aged over 65 years in the sample were living on an income below 60% of median income in 2019 and that 21% of all those aged 65 years or over in the sample lived in households with an income below 60% of median. 10% of households with one or more adults aged over 65 years and receiving income from employment had an income less than 60% of the median.

Figure 14.7.1: Gross equivalised income Gini coefficient in 2019
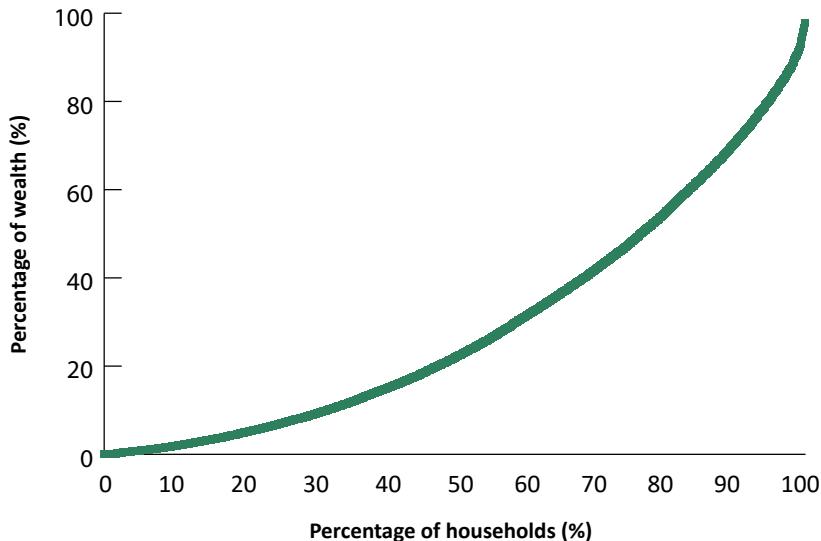
The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents and is the most commonly used measure of inequality. A Gini coefficient of zero expresses perfect equality, where all values are the same (for example where everyone has the 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 0.4 in 2019 and 2020. The bottom half of all households, when ranked by income had 27% of all equivalised income in 2019 and 2020. The top 5% of all households in Guernsey, when ranked by income, had 19% of all equivalised income in 2019 and 2020.

Figure 14.7.2: Equivalised income net of social security contributions, income tax, but before housing cost Gini coefficient in 2019
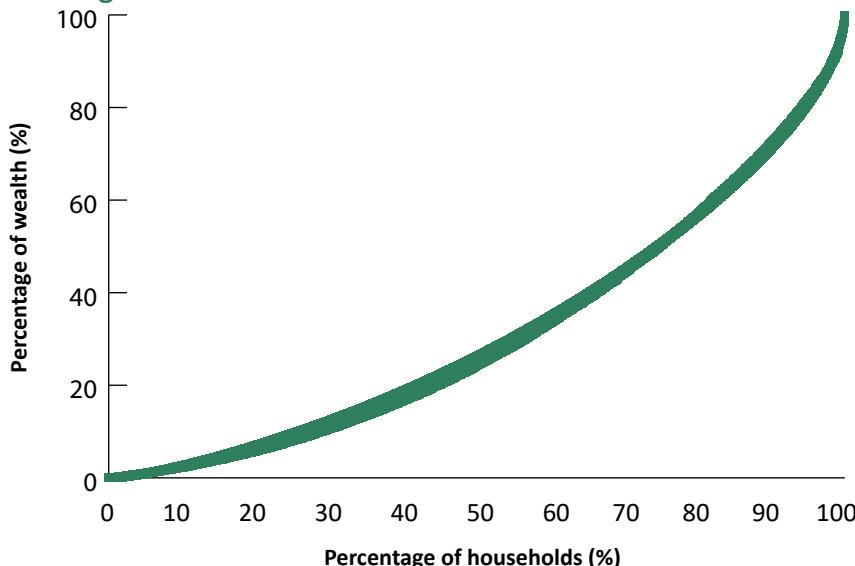
In Guernsey, the Gini coefficient for incomes net of social security contributions, income tax and before housing costs was 0.4 in 2019 and 2020. The bottom half of all households, when ranked by net income, had 29% of all equivalised income in 2019 and 2020. The top 5% of all households, when ranked, had 18% of all equivalised net income in 2019 and 17% in 2020.

Table 14.7.1 Equivalised income net of social security contributions, income tax, but before housing cost Gini coefficient

	2019	2020*
Gini coefficient (based on gross equivalised incomes)	0.4	0.4
Gini coefficient (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	0.4	0.4

*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

The change between 2019 and 2020 in the Gini coefficient within the sample of households for which both 2019 and 2020 data was available and there had been no changes in their household composition was a decrease of 0.01.

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 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 14.7.2**, the income decile share ratio for Guernsey was 8 in 2019 and 2020, which means that the income of the richest 10% of the population was on average 8 times higher than the income of the poorest 10% of the population.

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 14.7.2** the P90/P10 ratio (based on equivalised incomes net of social security contributions and income tax, but before housing costs) was 4 in Guernsey in 2019 and 2020. This ratio indicates that the income of the 90% percentile household was 4 times higher than the income of the 10% percentile household.

Table 14.7.2 Income decile ratios: S90/S10 and P90/P10

	2019	2020*
Income decile share ratio (S90/S10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	8	8
Income decile ratio (P90/P10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	4	4

*2020 values are calculated based on the change seen between 2019 and 2020 within households for which both 2019 and 2020 data was available and there had been no changes in their household composition.

Between 2019 and 2020 the income decile share ratio and the P90/P10 ratio within the sample of households for which both 2019 and 2020 data was available and there had been no changes in their household composition increased by 0.5 and 0.2 respectively.

15.1 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**. Please contact us for further information.

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Following a States decision (see Billet d'Etat XVII, 2010, available via (**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

Stages:
1. Extract anonymised raw data grouped by address from Rolling Electronic Census.
2. Clean raw data: - Remove those not based in Guernsey and those present for 90 days or less in 2019.   - Exclude outliers from analysis including households with ten or more occupiers and any households residing in nursing/residential homes, guest houses, hotels, hospital, prison, staff accommodation and lodging houses.   - Exclude inconsistent households from analysis (i.e. households that have changed either composition, number of occupiers or address since 2018) and those which did not have complete income data for 2019.
3. Allocate tenure, using Corporate Housing Database and use mortgage interest relief data to determine which households have a mortgage.
4. Calculate weight (based on composition and tenure) to be applied to each household
5. Prepare cleaned household income data for analysis (e.g. by applying equivalisation scores and deducting income tax, social security contributions and housing costs from data).
6. Apply weighting and undertake analysis and report drafting.

Sample by household composition and tenure

Household composition	Tenure	% in 2018 sample	% in 2019 sample before weighting	% in 2019 sample after weighting
One adult aged 16 to 64	Owner occupied (without mortgage)	3	4	3
	Owner occupied (with mortgage)	3	4	3
	Rented	7	7	7
	Affordable	2	2	2
	Other	<1	<1	<1
One adult aged 65 or over	Owner occupied (without mortgage)	7	12	7
	Owner occupied (with mortgage)	<1	<1	<1
	Rented	3	4	3
	Affordable	2	2	2
	Other	<1	<1	<1
One adult aged 16 to 64 and one or more child aged 15 or under	Owner occupied (without mortgage)	1	<1	1
	Owner occupied (with mortgage)	1	1	1
	Rented	1	<1	1
	Affordable	1	1	1
	Other	<1	<1	<1
Two adults both aged 16 to 64	Owner occupied (without mortgage)	5	5	5
	Owner occupied (with mortgage)	6	5	5
	Rented	5	3	5
	Affordable	1	1	1
	Other	<1	<1	<1
Two adults, one aged 16 to 64 and one aged 65 or over	Owner occupied (without mortgage)	4	4	3
	Owner occupied (with mortgage)	1	<1	<1
	Rented	1	1	1
	Affordable	<1	1	<1
	Other	0	0	0

Sample by household composition and tenure (continued)

Household composition	Tenure	% in 2018 sample	% in 2019 sample before weighting	% in 2019 sample after weighting
Two adults both aged 65 or over	Owner occupied (without mortgage)	9	15	8
	Owner occupied (with mortgage)	<1	<1	<1
	Rented	1	2	1
	Affordable	1	1	1
	Other	<1	<1	<1
Two adults both aged 16 to 64 and one or more child aged 15 or under	Owner occupied (without mortgage)	2	1	2
	Owner occupied (with mortgage)	7	7	7
	Rented	2	1	2
	Affordable	2	1	2
	Other	<1	<1	<1
Three or four adults all aged 16 to 64	Owner occupied (without mortgage)	4	2	4
	Owner occupied (with mortgage)	4	3	4
	Rented	2	1	2
	Affordable	1	1	1
	Other	0	0	0
Three or four adults aged 16 to 64 or 65 or over	Owner occupied (without mortgage)	1	2	1
	Owner occupied (with mortgage)	2	<1	2
	Rented	1	<1	1
	Affordable	<1	<1	<1
	Other	<1	<1	<1
Three or four adults all aged 16 to 64 and one or more child aged 15 or under	Owner occupied (without mortgage)	1	1	1
	Owner occupied (with mortgage)	2	1	2
	Rented	1	<1	1
	Affordable	1	<1	1
	Other	<1	<1	<1
Other	Owner occupied (without mortgage)	2	<1	2
	Owner occupied (with mortgage)	1	<1	1
	Rented	1	<1	1
	Affordable	<1	<1	<1
	Other	0	0	0

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 11 and 13** 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 or owner occupied with a mortgage, housing costs have been calculated using the 2019 rental indices published within our **Residential Property Prices 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.

	Average rental cost per annum (£)
One bedroom apartment	11,904
Two bedroom apartment	15,720
Two bedroom bungalow	17,364
Three bedroom bungalow	22,956
Two bedroom house	18,072
Three bedroom house	23,856
Four bedroom bungalow/house	29,472
Other	15,900

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 2019 rental values as set by the States of Guernsey or Guernsey Housing Association. These housing costs have subsequently been deducted from gross income.

Properties owned by the States of Guernsey

	Average rental cost per annum (£)
One bedroom apartment	8,503
Two bedroom apartment	10,606
One bedroom bungalow	9,100
Two bedroom bungalow	13,761
Three bedroom bungalow	17,205
One bedroom house	7,540
Two bedroom house	12,740
Three bedroom house	17,205
Four bedroom house	21,476
Other	13,113

Properties owned by the Guernsey Housing Association

	Average rental cost per annum (£)
One bedroom apartment	10,157
Two bedroom apartment	11,683
One bedroom bungalow	11,544
Two bedroom bungalow	13,468
One bedroom house	11,544
Two bedroom house	13,260
Three bedroom house	16,016
Four bedroom house	18,798
Other	13,326

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
go to **gov.gg/data**