
Household Income

UK 2004 Data Profile



Overview

Household Income identifies the likely household income at an address. An average Household Income is also available for each postcode.

Methodology

Base data

The base data was taken from two sources:

- A stratified random sample of 300,000 responses to Experian's consumer surveys was selected. The sample was split into a development sample and a test sample.
- A dataset built from 96,000 responses to MORI's Financial Tracking Survey.

Predictive data

The data used to predict Household Income was:

- Experian Person and Household level demographics.
- Mosaic UK.
- Mosaic UK Factors.
- Relevant census information.

Modelling techniques

Logistic regression was applied to the consumer survey data to predict an individual's employment status.

Employment status has the following values:

- Retired.
- Student.
- Housewife.
- Unemployed.
- Part time.
- Full time / other.

A logistic regression model was developed for each employment status, which was then applied to Output Area level targets from the census. A linear regression model was then built for each employment status. This predicts the annual income value for the various types of employment. Income is then accumulated to household level according to Household Composition, for example:

- For singles, this is the same as Personal Income.
- For families, income is accumulated.
- For homesharers and multi-occupancy dwellings, Household Income takes the value of the highest Personal Income in the household.

Household Income is calibrated to individual Government Office Region targets from the Expenditure and Food survey.

The modelled results were overwritten with recent actual Experian consumer survey response data where available. In total 8,800,000 households i.e. approximately 37% of the UK adult population reports on actual survey response data.

Variables

Household Income is available as a continuous value, and in the following bands:

Band	Description	Household %
0	< £10,000	13.42
1	£10,000 - £14,999	12.78
2	£15,000 - £19,999	13.18
3	£20,000 - £24,999	12.75
4	£25,000 - £29,999	11.60
5	£30,000 - £39,999	16.33
6	£40,000 - £49,999	9.42
7	£50,000 - £59,999	4.99
8	£60,000 - £74,999	3.44
9	£75,000 +	2.09

Postcode level averages

Postcode level averages are derived by taking the mean and median of the Household Income for a postcode, where available. These averages are matched to the 2004 Postcode master list. Any postcodes which have no data are infilled using a method designed to make maximum use of the actual available data.

Postcode Dominant Values

Dominant values have been calculated for all UK postcodes. The most frequently occurring class in each postcode has been allocated as the dominant value for the Household Income variable.

Performance/Accuracy

- On average, Household Income is accurate to £10,000.
- 32% predicted correctly to exact band.
- 54% predicted correctly to within 1 band.

Update Frequency

Annual.