

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY THE DEPUTY OF ST. JOHN
ANSWER TO BE TABLED ON TUESDAY 17th NOVEMBER 2015**

Question

In P.86/2005 ('Income Support system') that preceded the implementation of income support in 2008 a number of measures of success of the new system to be done in 5 to 10-year cycles were set out as follows -

- 50% of median income (before and after Housing costs) to measure the depth of poverty;
- 60% of median income (before and after Housing costs) to measure the incidence of poverty;
- GINI co-efficient: a widely used indicator of income inequality. It ranges from 0-1 with the lower the number, the smaller the inequality;
- 90/10 percentile: is the ratio of the income of households at the 90th percentile and those at the 10th percentile. The lower the ratio the more the equitable is the income distribution.

More measures, to be developed over time, were said to be necessary to ensure immediate feedback, e.g. –

- administration costs as a percentage of benefit expenditure;
- the percentage of applicants helped into sustained employment;
- the percentage of claimants who leave Income Support;

Could the Minister provide the data related to these measurements and state whether changes made to the system since 2008 may have affected these measurements and state what has been put in place to measure success instead?

Answer

The first four measures (50% and 60% median income data, GINI co-efficient and 90/10 percentile) are included in the Jersey Income Distribution Survey independently run and published by the Statistics Unit.

These measures describe the distribution of Jersey household incomes. The income distribution estimated by the survey shows the number of households at each income level, after taking into account the size and the number of adults and children in each household.

The Surveys look at the distribution of net household income - total cash income including benefits less income tax, social security contributions and any pension contributions.

The Survey from 2009/2010 and the very recently published 2014/2015 survey describe these measurements and can be found on the Statistics Unit's website:

<http://www.gov.je/Government/JerseyWorld/StatisticsUnit/PeopleCommunities/Pages/Incomeandspending.aspx>

Other more readily available measures have been published in the Social Security Department's annual reports since 2011 and can be found online here:

2011 - <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=986>

2012 - <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=989>

2013 - <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=1097>

2014 - <http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=1645>

Household incomes are affected by many factors. General economic conditions are an important factor, and this can affect the number of people in and out of work, how many hours are worked and how much people are paid, for example.

Net household income is also affected by the benefit system, and taxes and social security contributions paid. So the income support system, as a key part of our overall benefit system, has an impact on the incomes of households. At the end of 2014, 6,500 households claimed income support out of a total of about 43,000¹ households living in Jersey.

The changes that have been made to the income support system up to April 2015 will be reflected in the analysis of the Income Distribution Survey 2014/2015. These measures will also be affected by changes in the tax system and the economic conditions seen in recent years.

¹ This is the estimated number of private households in Jersey at the end of 2014, to the nearest 1,000. Some of the 6,500 clamant households may not be classed as private households, if they are residents of communal establishments, for example.