

## Income levels in Dorset

In October the Office for National Statistics (ONS) released data on income levels in England and Wales from 2016<sup>1</sup>. These are experimental data and are not considered official statistics. It includes gross income from PAYE and most benefits (including pension and tax credits) but does not include income of the self-employed, investment income, Winter Fuel Payment, Universal Credit and Personal Independence Payment. Due to these omissions, the data should be treated with caution. It is also worth noting that the analysis does not take account of non-cash benefits such as education and health which can be worth more to a family than the total of cash benefits received<sup>2</sup>.

Big Numbers

The proportion of people in Dorset with an income of £20,000 or less

**62%**

**35<sup>th</sup>** Dorset's rank for low incomes, out of 88 county and unitary authorities - slightly worse than average

**2/3**

of men in the 45 to 54 age group have an income in excess of £20,000 - more than any other age/gender group

**£20k-£30k**

is the most common income bracket in Dorset and nationally

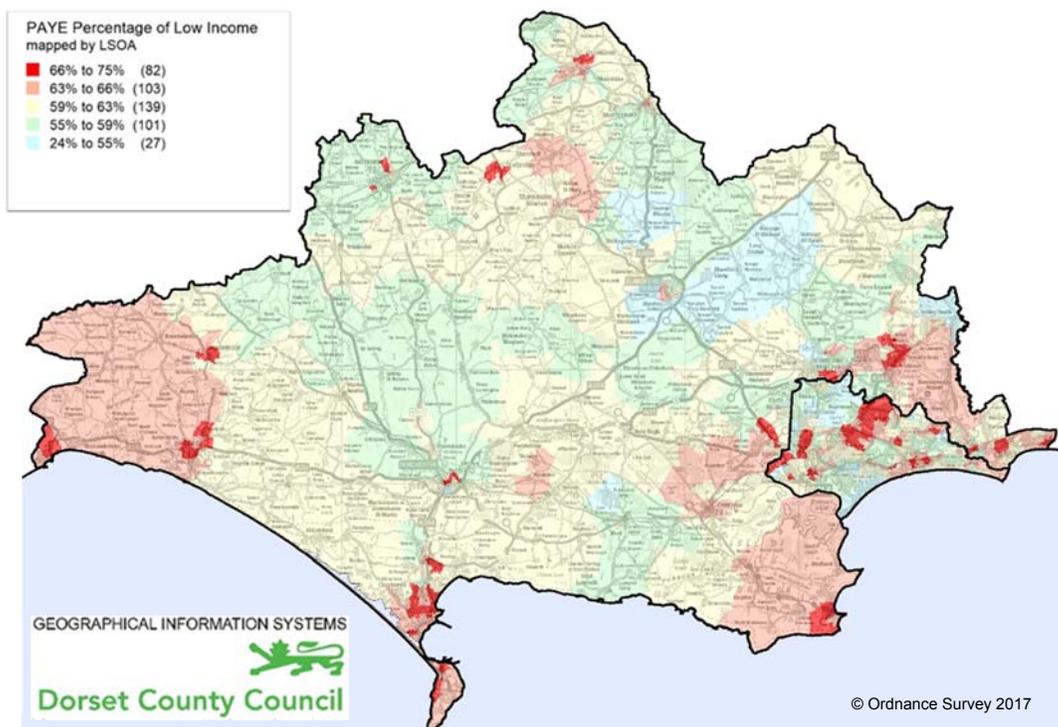
The proportion of residents with low incomes in North Dorset is smaller than in other parts of the county

**60%**

**71%**

Of women in E&W have an income of £20,000 or less compared to 55% of men

### Box 1: Low incomes across Dorset



This map shows the proportion of individuals in an area<sup>3</sup> who have an income of £20k or less. The proportions range from 24% (Blandford Camp<sup>4</sup>) to 75% (Melcombe Regis Town Centre). Residents in urban areas, with a few exceptions, notably Blandford, tend to have lower incomes. This may be explained by looking at other factors such as demographic variations (see Box 2). Looking at households, the pattern is broadly similar but seems to be slightly less urban-centric.



## Box 2: Links to low incomes

Individual incomes can be influenced by a number of factors. The strongest predictor of incomes is earnings. This is to be expected as the ONS estimates that earnings make up 65% of incomes, with the remainder made up of state benefits, like pensions<sup>5</sup>. Low average earnings in an area may be due to several factors like the skills and qualifications of the population, the proportion of the population working part time and the quality of jobs nearby.



The age profile of an area can also indicate whether it is likely to have a low average income. The proportion of a population that is elderly varies dramatically across Dorset, from less than 2% of the population aged 75+ (Blandford Camp, Bovington Camp, Ferdown Tricketts Cross East), to over 33% (Highcliffe, parts of Ferdown, Chewton). When an area has an older population, it is more likely to have low incomes.

## Why does it matter?

If an individual or family lives on an income of £20,000 or less, it can be difficult to cover essential costs such as food, housing and travel which may lead to poor health and wellbeing, and social isolation.

Areas with a high proportion of low income households are also more likely to suffer from anti-social crime.

People and families on low incomes are more likely to qualify for assistance for council services. Identifying where areas of low income are and any changes over time can help us to target resources.

Older people with higher incomes are more likely to self-fund their care so by identifying where these people live, the council can direct them to the appropriate services.

## What are we doing about it?

Dorset County Council and its partners have set out ambitious economic growth plans to encourage enterprise and increase the range and quality of jobs to increase incomes. This includes significant investment in digital and physical connectivity, enhancing the supply of workspace, and the provision of business support services to work with enterprises from start-up to maturity. The continuous development of skills, and support for people returning to the workforce, are crucial aspects of growth plans to ensure people achieve their aspirations and appropriate incomes.

### Notes & Sources:

<sup>1</sup> Research Outputs: Income from Pay As You Earn (PAYE) and benefits for tax year ending 2016, ONS, 30/10/17

<sup>2</sup> Effects of taxes and benefits on UK household income: financial year ending 2016, ONS, 25/04/17

<sup>3</sup> These are Lower Super Output Areas - there are 451 in the DLEP area.

<sup>4</sup> Blandford Camp also has a low proportion of high earners (£60k+), indicating a high level of income equality in the area. Bovington Camp has a similar income profile.

<sup>5</sup> Investment income and certain benefits are not included in this income data.