

Lord Bridges of Headley MBE
Chair, Lords Economic Affairs Committee
House of Lords
London
SW1A 0PW

07 February 2023

Dear Lord Bridges,

I write following the Economic Affairs Committee's report, '*Where have all the workers gone?*', particularly the conclusion that "*more timely high-quality information on the wealth holdings of early retirees, such as that which will ultimately be available through the Wealth Assets Survey or the English Longitudinal Study of Ageing, would be very helpful in assessing the financial resilience of people who have recently retired. (Paragraph 84)*"

As the Committee is aware, the Office for National Statistics (ONS) produces a range of statistics showing the income, spending and wealth of British households. These statistics are primarily based on three household surveys, through which 25,000 households are asked about the income they receive (including earnings from work and income from benefits), the money they spend and the assets they own, such as property and pensions. These statistics are a vital source of information for policymaker's understanding people's financial well-being, including the effects from the rising cost of living.

We believe that by combining the current surveys into a single survey in conjunction with alternative data sources it will be possible to deliver higher quality, more timely and in-depth analysis of households' financial well-being. With this in mind, we are holding a consultation¹ that seeks feedback from users on:

- the need for a single set of data on income, spending and wealth
- the requirements for more inclusive spending data
- the value of more timely indicators ahead of detailed estimates of income, spending and wealth
- the value of longitudinal data on household financial well-being

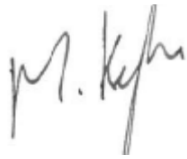
Depending on the outcome of the consultation, we plan to test and roll out the newly combined survey with its various modules over the next three years. Our aim is to ensure that the household financial statistics and analysis we produce continue to meet the evolving needs of policy makers, citizens and other data users, and your conclusion illustrates that we are right to consult on this topic. Our goal is that our statistics and analysis should provide inclusive, coherent, timely and granular insights into wide aspects of the financial wellbeing of households with improved coverage and accuracy.

¹ <https://consultations.ons.gov.uk/external-affairs/transforming-household-financial-statist/>

We also have a longer-term aim² to make much greater use of other existing UK Government data sources, known as administrative data. Our ambition is to put these at the heart of our income statistics, supported by data from our surveys, which continue to be fundamental for measuring aspects of household finances not covered in other sources. This proposed approach essentially constitutes a shift from predominantly survey-based estimates supported by administrative data to the converse position. This aligns with our broader plans and ambitions for population and social statistics³ and the Government Statistical Service (GSS) work programme⁴ on the coherence of income and earnings.

We would be happy to keep the Committee regularly updated on this work.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Keoghan', written in a cursive style.

Mike Keoghan

² <https://blog.ons.gov.uk/2022/11/23/powering-population-statistics-with-innovation-and-consistency/>

³ <https://www.ons.gov.uk/census/censustransformationprogramme/administrativedatacensusproject>

⁴ <https://analysisfunction.civilservice.gov.uk/government-statistical-service-and-statistician-group/user-facing-pages/income-and-earnings-statistics/income-and-earnings-coherence-work-plan/>