



information

1976

POPULATION CENSUS

PAPER



Catalogue No. 2120.0

NOON 24 FEBRUARY 1978

INCOME

NO 15

This paper is one of a series of **Information Papers** published by the Australian Bureau of Statistics about the 1976 Census of Population and Housing. It covers briefly the background to the question on income asked at the 1976 Census, illustrates the question itself and discusses briefly the related topics of Individual, Family and Household Income.

Background

Income is widely recognised as one of the most important socio-economic indicators. Income data adds an extra dimension to all other data collected at the Census enabling some measurement of the deprivation of some groups of the population (such as migrants, Aborigines, widows) and of specific areas (such as rural areas, inner city).

The importance of income as a topic in the Population Census is recognised in many countries, for example, Japan, New Zealand and the United States of America. New Zealand has included a question on

income in every Census since 1926. In Australia, prior to 1976, income was asked only in the 1933 Census. Surveys by ABS, most notably the 1974-75 Survey of Household Income and Expenditure, have proven that a question on income is quite acceptable.

The ABS was faced with a strong need expressed by a wide variety of organisations to include an income question in the 1976 Census. In response to this demand ABS included a question in 3 Census pretests which asked people to state into which of 15 income ranges their income fell and found, despite earlier fears, that adverse reaction to the question was minimal and did not affect responses to other questions. Small changes to question wording and instructions were necessary to ensure people remembered to include all sources of their gross income (e.g. child endowment, scholarships, interest payments).

1976 Census Question

The question, shown below, was restricted to persons 15 years of age or older.

<p>31. For each person tick the appropriate box to show all income usually received each week from all sources.</p> <ul style="list-style-type: none"> • Count all income, e.g. wages, salary, overtime, child endowment, pensions, superannuation, tips and gratuities, business or farm income (less expenses of operation), interest, scholarships • Do not deduct tax, superannuation, etc. • If unable to estimate income on a weekly basis tick the appropriate box to show present income on an annual basis. 	<p>No income <input type="checkbox"/> 1</p> <p>Less than \$29 p.wk. <input type="checkbox"/> 2</p> <p>Less than \$1500 p.yr.</p> <p>\$29 to \$39 p.wk. <input type="checkbox"/> 3</p> <p>\$1500 to \$2000 p.yr.</p> <p>Over \$39 to \$58 p.wk. <input type="checkbox"/> 4</p> <p>Over \$2000 to \$3000 p.yr.</p> <p>Over \$58 to \$77 p.wk. <input type="checkbox"/> 5</p> <p>Over \$3000 to \$4000 p.yr.</p> <p>Over \$77 to \$96 p.wk. <input type="checkbox"/> 6</p> <p>Over \$4000 to \$5000 p.yr.</p> <p>Over \$96 to \$115 p.wk. <input type="checkbox"/> 7</p> <p>Over \$5000 to \$6000 p.yr.</p> <p>Over \$115 to \$135 p.wk. <input type="checkbox"/> 8</p> <p>Over \$6000 to \$7000 p.yr.</p> <p>Over \$135 to \$154 p.wk. <input type="checkbox"/> 9</p> <p>Over \$7000 to \$8000 p.yr.</p> <p>Over \$154 to \$173 p.wk. <input type="checkbox"/> 10</p> <p>Over \$8000 to \$9000 p.yr.</p> <p>Over \$173 to \$231 p.wk. <input type="checkbox"/> 11</p> <p>Over \$9000 to \$12000 p.yr.</p> <p>Over \$231 to \$288 p.wk. <input type="checkbox"/> 12</p> <p>Over \$12000 to \$15000 p.yr.</p> <p>Over \$288 to \$346 p.wk. <input type="checkbox"/> 13</p> <p>Over \$15000 to \$18000 p.yr.</p> <p>Over \$346 p.wk. <input type="checkbox"/> 14</p> <p>Over \$18000 p.yr.</p>	<p>No income <input type="checkbox"/> 1</p> <p>Less than \$29 p.wk. <input type="checkbox"/> 2</p> <p>Less than \$1500 p.yr.</p> <p>\$29 to \$39 p.wk. <input type="checkbox"/> 3</p> <p>\$1500 to \$2000 p.yr.</p> <p>Over \$39 to \$58 p.wk. <input type="checkbox"/> 4</p> <p>Over \$2000 to \$3000 p.yr.</p> <p>Over \$58 to \$77 p.wk. <input type="checkbox"/> 5</p> <p>Over \$3000 to \$4000 p.yr.</p> <p>Over \$77 to \$96 p.wk. <input type="checkbox"/> 6</p> <p>Over \$4000 to \$5000 p.yr.</p> <p>Over \$96 to \$115 p.wk. <input type="checkbox"/> 7</p> <p>Over \$5000 to \$6000 p.yr.</p> <p>Over \$115 to \$135 p.wk. <input type="checkbox"/> 8</p> <p>Over \$6000 to \$7000 p.yr.</p> <p>Over \$135 to \$154 p.wk. <input type="checkbox"/> 9</p> <p>Over \$7000 to \$8000 p.yr.</p> <p>Over \$154 to \$173 p.wk. <input type="checkbox"/> 10</p> <p>Over \$8000 to \$9000 p.yr.</p> <p>Over \$173 to \$231 p.wk. <input type="checkbox"/> 11</p> <p>Over \$9000 to \$12000 p.yr.</p> <p>Over \$231 to \$288 p.wk. <input type="checkbox"/> 12</p> <p>Over \$12000 to \$15000 p.yr.</p> <p>Over \$288 to \$346 p.wk. <input type="checkbox"/> 13</p> <p>Over \$15000 to \$18000 p.yr.</p> <p>Over \$346 p.wk. <input type="checkbox"/> 14</p> <p>Over \$18000 p.yr.</p>
---	---	---

Accuracy of Income Data

There is no practical way of determining exactly how accurate are the answers supplied by people completing the Census schedule. However an indication can be obtained by interviewing a sample of households shortly after the Census and asking similar but not identical questions to those asked in the Census. These questions are designed to elicit the same answers as given to Census questions. If answers to the survey questions are not consistent with answers to the Census question then it is assumed that one of the answers is not correct. The degree of inconsistency between the self-enumerated Census and the interview survey is used as a proxy measure for the accuracy of Census data. Results of this survey should be available late in 1978.

Individual Income

Every person enumerated in the 1976 Census of Population and Housing who was 15 years of age or older was required to state his or her total income from all sources. Data will be released showing, at various levels of geographical detail from Collection District up, the number of persons in each of the groups shown in the question on income and the number of persons who failed to state their income. The latter group will be reduced by recoding full-time students at an educational institution who failed to state their income to the "No income" group.

Family Income

For Census purposes Family Income is defined as the sum of the individual incomes of the head and spouse of a family, where both are present, or the individual income of the head where no spouse is present.

The same income groups used to classify Individual Income are used for Family Income which is calculated by taking the sum of the mid-points of the individual incomes of the head and spouse (or the head only if no spouse is present), which gives the mid-point of the appropriate Family Income range. Where the individual income of either the head or the spouse is not stated, but the individual income of the other is "Over \$18,000", the Family Income is shown as "Over \$18,000" otherwise the Family Income is shown as "Not Stated". Obviously there are some shortcomings in the method of adding mid-points. For example, take 2 families with the following actual incomes:

	Family 1	Family 2
Husband	5,010	5,950
Wife	2,010	2,950
	7,020	8,900

The two families would be identical in terms of individual incomes shown on the schedule (box 7 for the husband and box 4 for the wife). However, when husband's and wife's incomes are combined Family 1 should be shown in box 9 and Family 2 in box 10. In fact because of the method of taking the mid-points of each income grouping, both families will appear in box 9.

For Census purposes family is defined as including *de facto* relationships. Thus the "Head" and "Spouse" of a family are identified on the basis of the respondent's replies to question 3, "Relationship to Head of Household". Families are not identified in non-private dwellings (Hotels, Motels, Hospitals, Residential Colleges etc.). Definitions of "Head" and "Spouse", and of what constitutes a family, for Census purposes, are dealt with in detail in *Information Paper No. 14, Family* (2119.0).

It is important to remember that the income of other members of a family (i.e. children over 15 years or parents of the head or spouse), if any, has deliberately been excluded from Family Income even though such persons are included in the family. When considering Family Income it should be remembered that the Census is taken on a *de facto* basis i.e. persons were enumerated where they were on Census night. Thus where a family consists normally of a head and spouse but one or the other was absent from their usual residence for any reason on Census night, the Census will show the family as having a head only. This point must be taken into account in any analysis of income of families without a spouse. It is not possible to reconstitute families on a *de jure* basis even though individuals are coded to their LGA of usual residence.

Household Income

For Census purposes Household Income is defined as the sum of the individual incomes of all members of a household occupying a private dwelling. Household Income is not available for non-private dwellings. The same income groups used to present Individual or Family Income will be used to present Household Income. For Census purposes a household is a group of people living in a structure and having common eating arrangements.

Household Income is calculated by adding the mid-points of the ranges of the individual incomes of the persons in the household. Where the individual income of one or more members of a household is not stated but the sum of the remaining individual incomes exceeds \$18,000, Household Income is shown as "Over \$18,000", otherwise Household Income is shown as "Not stated".

It should be noted that, although a commune is classified as a type of family, no Family Income can be derived because commune members are classified as either "Commune member" or "Commune head". Only Household Income will be available for communes.

By definition, neither Family nor Household Income can be derived for non-private dwellings. In most instances a figure of the total income of all persons in a non-private dwelling would be meaningless.

Derived Income Measures

Although income is generally recognised as an important indicator in itself, in many instances a derived indicator or measure, using income as one of the factors, may yield a more readily assimilated statistic.

Probably the most important of these indicators, using income alone, is the median income measure, which can be calculated for individual, family and household incomes. It should be noted that, as the top income range is open-ended (i.e. over \$18,000) it is not possible to calculate a mean (or average) income. The median income is the income above and below which 50% of the income-earning population falls.

Using Family Income in combination with family size, or Household Income combined with household size, a crude measure of family or household well-being can be calculated. A more sophisticated measure is suggested in the Report of the Commission of Inquiry into Poverty, the "Henderson Report" (Commission of Inquiry into Poverty, First Main Report, "Poverty in Australia"; AGPS, Canberra, 1975) which defines an income unit consisting of a head, spouse and dependent children for whom the head or spouse are responsible, though the income unit can also consist of a head only, or a head and dependent children. The problem, as far as the Population Census is concerned, is in identifying "dependent children", as the data used by the Henderson Report is not in certain instances, available from Census data.

Median income will be calculated and will form part of the summary data for various geographical levels.

Any of the above measures, and any others that can be derived, can in turn be combined with other characteristics collected at the Census. Some obvious examples are occupation, qualifications, race, religion, birthplace and period of residence (to identify recent, or not so recent migrants by ethnic group) and social service benefits received. A full list of characteristics from which a selection can be made is shown in *Information Paper No. 9(1), Classification of Characteristics* (2112.0).

Income and Expenditure

The only area in which information on expenditure was obtained in the Census relates to amount of rent paid for rented dwellings or amount of mortgage repayments for dwellings under mortgage. This information is available at the household level only and no other information on expenditure by individuals, families or households is available from the Census. More detailed information on the pattern of household income and expenditure can be obtained from the results of the 1974-75 Household Income and Expenditure Survey and the Population Survey Report on *Weekly Earnings of Employees (Distribution)* - August 1975, August 1976 (6310.0).

FURTHER INFORMATION

A number of other Information Papers will be released which discuss either technical aspects of the Census or provide information about specific 1976 Census topics. A list is shown below.

TECHNICAL PAPERS

- (1) Availability of Census Results (a)(2102.0)
- (3) Release of Data on Microfiche (a)(2106.0)
- (4) Release of Data in Printed Publications (2107.0)
- (5) Availability of Maps (2108.0)
- (6) Release of Data on Magnetic Tape (a)(2109.0)
- (7) Preliminary Details of Special Summaries on Magnetic Tape (2110.0)
- (8) Second Release of Data on Magnetic Tape (2111.0)
- (9) (i) Classification of Characteristics (a)(2112.0)
- (ii) Industry Classification Extract (a)(2113.0)
- (iii) Occupation Classification Extract (a)(2114.0)
- (iv) Classification of Educational Qualifications (a)(2115.0)
- (10) 1976 Census Glossary of Terms (2126.0)
- (11) Service Charges (2116.0)

TOPIC PAPERS

- (12) Child Minding (2117.0)
- (13) Dwelling Structure (2118.0)
- (14) Family (a)(2119.0)
- (15) Income (a)(2120.0)
- (16) Internal Migration (2121.0)
- (17) Journey to Work (2122.0)
- (18) Languages (2123.0)
- (19) Race (2124.0)
- (20) LGA Code List (2125.0)

(a) Now available.

INQUIRIES

If you require further information about this topic or any other matter relating to Population Censuses, please contact the nearest ABS office shown on the attached list.

	General Inquiries -	Telephone	For Written Inquiries -
N.S.W.	Population Census Subsection 8th Floor 95-99 York Street SYDNEY.	(02) 20248	Deputy Commonwealth Statistician (Attention : Supervisor Demography Section) Box 796 G.P.O. SYDNEY. N.S.W. 2001
VICTORIA	Supervisor Demography Section Commonwealth Bank Building Cnr Flinders and Elizabeth Streets MELBOURNE.	(03) 652.6211	Deputy Commonwealth Statistician (Attention : Supervisor Demography Section) Box 2796Y G.P.O. MELBOURNE. VIC. 3001
QUEENSLAND	Supervisor Social and Demography 345 Ann Street BRISBANE.	(07) 33.5606	Deputy Commonwealth Statistician (Attention : Supervisor Social and Demography Section) 345 Ann Street BRISBANE. QLD. 4000
SOUTH AUSTRALIA	Information Officer Prudential Building 195 North Terrace ADELAIDE.	(08) 228.9439	Deputy Commonwealth Statistician (Attention : Information Officer) Box 2272 G.P.O. ADELAIDE. S.A. 5001
WESTERN AUSTRALIA	Census Liaison Officer 1-3 St George's Terrace PERTH.	(092) 326.3332	Deputy Commonwealth Statistician (Attention : Census Liaison Officer) 1-3 St George's Terrace PERTH. W.A. 6000
TASMANIA	Census Liaison Officer 188 Collins Street HOBART.	(002) 20.4473	Deputy Commonwealth Statistician (Attention : Census Liaison Officer) Box 66A G.P.O. HOBART. TAS. 7001
NORTHERN TERRITORY	Census Liaison Officer 7th Floor M.L.C. Building 81 Smith Street DARWIN.	(089) 80.2612	The Statistician Northern Territory (Attention : Census Liaison Officer) Box 3796 P.O. DARWIN. N.T. 5794
AUSTRALIAN CAPITAL TERRITORY	Assistant Supervisor User Contact and Dissemination Population Census Branch Wing 4 Level Gb Cameron Offices BELCONNEN.	(062) 52.6006	Australian Statistician (Attention : Population Census Branch) Box 10 P.O. BELCONNEN. A.C.T. 2616