ELSA Derived Variables

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Overview of Derived Variables

What are they?

What information do they contain?

Where to find more information?
Which files are we talking about?

<table>
<thead>
<tr>
<th>Data files</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wave_X_financial_derived_variables</td>
<td>• Contains only information relating to financial variables</td>
</tr>
<tr>
<td></td>
<td>• One observation per ELSA respondent</td>
</tr>
<tr>
<td>Wave_X_IFS_derived variables</td>
<td>• Contains other derived variables that are commonly used by IFS (and other) researchers</td>
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</table>
The ELSA questionnaire

Includes hundreds of questions regarding respondents’ economic situation (earnings, benefits, pensions, assets, debts, etc...)

... spread over several different modules:
  Work and Pensions (WP)
  Income and Assets (IA)
  Housing (HO)

Lots of flexibility offered to respondent in the way that they answer the questions
What are the financial derived variables?

• We’ve combed through ELSA’s many financial questions and

• transformed income flows into uniform periods (weekly)

• imputed amounts where we have incomplete or missing values

• converted amounts so they relate to a meaningful unit of observation

• added components together into economically meaningful aggregates (employment income, benefit income etc.)

• ...so that you don’t have to.
What’s included in the financial derived variables?

- Total income
What’s included in the financial derived variables?

- Employment income
- Private pension income
- State benefit income
- Other income
  - Self-employment income
  - State pension income
  - Asset income
What’s included in the financial derived variables?

- Total income
  - Employment income
  - Private pension income
  - State benefit income
  - Other income
    - Self-employment income
    - State pension income
    - Asset income

Further subcomponents
What’s included in the financial derived variables?  
*Summary measures of wealth*

- Total (non-pension) wealth
What’s included in the financial derived variables?

Summary measures of wealth

Total (non-pension) wealth

- Net non-housing wealth
- Net primary housing wealth
What’s included in the financial derived variables?

*Summary measures of wealth*

- Total (non-pension) wealth
  - Net non-housing wealth
  - Net primary housing wealth
  - Net financial wealth
  - Net physical wealth
What’s included in the financial derived variables?

**Summary measures of wealth**

- Total (non-pension) wealth
  - Net non-housing wealth
    - Net financial wealth
  - Net primary housing wealth
    - Net physical wealth
  - Gross primary housing wealth
    - Primary housing debt (mortgage debt)
    - Less
What’s included in the financial derived variables?

*Summary measures of wealth*

- Total (non-pension) wealth
  - Gross primary housing wealth
    - Primary housing debt (mortgage debt)
  - Net non-housing wealth
    - Net financial wealth
    - Net physical wealth
  - Net primary housing wealth
    - Financial debt
    - Gross financial wealth
Important things to remember

- All income flows are measured weekly.
- There are equivalised and unequivalised measures of aggregate income.
  - This means adjusted for benefit unit size.
- But not wealth.
- The unit of observation is the individual but measures of income/wealth (generally) relate to the benefit unit.
Non-financial derived variables

• Purpose: centralise the derivation of some of the more complex variables and reduce duplication of effort across the research community

• Includes additional identifiers, children variables, family type, labour market participation, summary pension variables, summary health, expectations, expenditure
Much more information in the documentation

- More detail on:
  - How the variables were imputed
  - How the variables were derived
  - How the naming conventions work

- More detail on the way the data are collected
  - E.g. unfolding brackets
  - Unit of data collection

- Some FAQs
## Documentation files

<table>
<thead>
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<th>Documentation</th>
<th>Description</th>
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<tr>
<td>User_Guide_Financial_Derived_Variables.pdf</td>
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<td>A more in-depth description of the way that we impute missing data</td>
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Data linkage
Data linkages

• ELSA data have been linked to NHS data however…
• Onward sharing has not yet been agreed except for COVID related research
  • ELSA data linked to NHS data for COVID related research can be accessed via the UK LLC https://ukllc.ac.uk/apply/
  • The LLC is a Trusted Research Environment
  • Environmental linkages also available in the LLC
• Funding has been agreed to expand the LLC to non-COVID related research and to expand data linkages to non-health data including:
  • DWP benefits data
  • HMRC data (employment, earnings)
  • Education records (less relevant for ELSA)
• Also hoping to have DWP benefits data available in the ONS SRS
Thank you!