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Financial Implications of Death of a Partner

Annexes to chapters 3-6: Statistical data and analysis

Anne Corden, Michael Hirst, Katharine Nice

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Annex to Chapter 3

The data presented in this annex were compiled from BHPS interviews conducted in couple's households just before one partner died. The term respondent refers to the person who survived the death of a partner. Further details of the survey process and the information gathered are given in Appendices A to C. In particular, Appendix C gives details of the definition and measurement of the BHPS variables used here. Each table is presented in turn with a brief introduction to aid interpretation. Sub-group numbers for calculating percentages and other statistics may differ from table to table because of variations in response to survey questions.

Table 3.1 shows the age profile of women and men before their partner died, distinguishing between respondents under and over state retirement pension age (60 for women, 65 for men). Three out of four respondents were over pension age and were aged around 75 years on average. Under pension age, respondents were aged around 50 years on average. Men were generally older than women at the interview before their partner died. It can also be observed from the table that two out of three respondents were women.

Table 3.1 Respondents by age before bereavement and gender (per cent, mean and standard deviation)

	Women		*Men*		*All*	
	Per cent	Mean (SD)	Per cent	Mean (SD)	Per cent	Mean (SD)
Under state pension age	24	49 (8)	26	55 (8)	24	51 (8)
Pension age and over	76	73 (7)	74	77 (6)	76	74 (7)
Unweighted base	*488*		*268*		*756*	

Although most couples lived on their own before one partner died, Table 3.2 shows that a substantial minority under pension age shared their households with adult children, dependent children and others. Dependent children include children aged under 16, or aged 16 to 18 and in school or non-advanced further education, not married and living with parent. Almost a fifth of women and one in ten men under pension age were looking after dependent children just before their partner died.

Table 3.2 Household composition by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Couple no children	57	92	63	93
Couple: non-dependent children	21	8	26	6
Couple: dependent children	19	–	11	–
Other households*	3	1	–	2
Unweighted base	*124*	*364*	*80*	*188*

* Includes three generation households.

The following table describes people's household circumstances according to their benefit unit classification (Table 3.3). Benefit units are defined as single individuals or couples and their dependent children, if any. Accordingly, all respondents were considered part of a couple before partner died, apart from those in same sex partnerships.[1] Non-dependent children and other adults living in the household would have formed separate benefit units.

Table 3.3 Benefit unit type by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Couple, no children, man under 65	65	6	86	–
Couple, 1 child, man under 65	8	0	4	–
Couple, 2 child, man under 65	10	–	6	–
Couple, 3+ children, man under 65	3	–	1	–
Couple, man 65 to 74	10	41	–	33
Couple, man 75+	3	53	–	67
Single man, 30-54*	–	–	0	–
Single man, 55-64*	–	–	3	–
Unweighted base	*124*	*364*	*80*	*188*

* Living with a partner of the same sex.

[1]. Following implementation of the Civil Partnership Act 2004, registered same sex couples are now considered a benefit unit.

Table 3.4 shows the extent to which people had had contact with health and social care services during the year or so before their death, according to whether or not their partner had identified themselves as providing care for them at home. For example, 26 per cent of women partner carers provided care for a partner who had been in touch with one or more social care services. This compares with five per cent of partners in contact with such services whose partner had not adopted the 'carer' label.

Table 3.4 Partner's contacts with health and social care services in the 12 months up to the last interview before death by respondent's carer status and gender (per cent)

	Women		*Men*	
	Carer	Non-carer	Carer	Non-carer
Contact with social care services*	26	5	31	11
Six or more visits to GP (family doctor)	60	27	57	42
Contact with community health services*	76	28	74	42
Three or more health check-ups or tests*	51	28	48	33
Hospital or clinic as an outpatient	66	39	62	48
Hospital or clinic as an inpatient	59	20	49	24

* Services included are listed in Appendix C.16.

The next table shows the proportion of people reporting problems or difficulties in three health domains: activities of daily living, medical complaints and impairments, and psychological distress. Thus, one in four women under pension age (25 per cent) said their health limited them in activities of daily living. Almost half (47 per cent) reported problems in at least one of the three health domains, and 15 per cent in two or three health domains.

Table 3.5 Self-reported health status by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Health limits daily activities (e.g. doing the housework, climbing stairs, dressing, walking)	25	33	27	35
Three or more chronic health problems or impairments	14	26	13	33
Clinical levels of anxiety and depression (four or more GHQ symptoms)	29	36	19	18
One or more of the above	47	56	42	54
Two or more of the above	15	27	15	25

Table 3.6 summaries the distribution of housing tenures across the BHPS study group. Before their partner died, one in four women under pension age (26 per cent) said they owned their house outright, compared with 42 per cent of men under pension age. In this age group, women were more likely than men to own a house for which they were still paying a mortgage.

Table 3.6 Housing tenure by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Owned outright	26	61	42	61
Owned with mortgage	53	10	30	6
Social rented	18	24	22	27
Other rented	4	5	5	6
Unweighted base	*121*	*356*	*79*	*181*

Table 3.7 shows the extent to which respondents reported problems meeting rental or mortgage payments. Most respondents, around 80 per cent or more, paid such costs with no difficulties reported.

Table 3.7 Problems making housing payments in the past year by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Yes	17	10	6	8
No	79	81	94	81
100% rent rebate	4	9	0	11
*Unweighted base**	*83*	*125*	*50*	*72*

* Those making mortgage or rental payments.

The following table shows people's responses to the question: 'How well would you say you yourself are managing financially these days?' They were invited to choose one of the responses listed (Table 3.8). Thus, a third of women under pension age reported that they were 'living comfortably' while one in ten was finding it 'quite difficult' or 'very difficult' to manage financially.

Table 3.8 Subjective financial situation by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Living comfortably	34	38	29	44
Doing alright	26	29	34	25
Just about getting by	30	28	33	26
Finding it quite or very difficult	10	5	4	5
Unweighted base	*120*	*351*	*77*	*183*

If household incomes in the BHPS study group were distributed according to the national income distribution, one in five households, or 20 per cent, would be found in each income quintile. The extent to which that was not the case among study group households gives an indication of their financial well-being compared with the general population. The following table shows, for example, that households where respondents were under pension age were somewhat better off compared with the overall distribution of household incomes (Table 3.9). In contrast, households where respondents were over pension age were comparatively worse off: almost 60 per cent were found in the bottom two quintiles when 40 per cent were expected.

Table 3.9 Equivalised net household income quintiles by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Richest fifth	21	9	17	7
2nd quintile	22	10	28	10
3rd quintile	30	23	21	23
4th quintile	17	32	19	30
Poorest fifth	11	26	15	29
Unweighted base	*91*	*259*	*63*	*156*

Table 3.10 shows the distribution of households according to the intensity of poverty defined in Appendix C.6. This classification compares household incomes with the contemporary median household income. Households classified as 'poor' or 'very poor' were less than 60 per cent of the median household income, which is the official threshold for defining income poverty.

Table 3.10 Intensity of poverty* by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Not poor	82	59	76	60
Near poor	6	16	8	12
Poor	5	15	5	16
Very poor	8	11	11	12
Unweighted base	*91*	*259*	*63*	*156*

* See Appendix C.6 for definition.

Figure 3.1 shows median or typical household incomes (represented by ■), as reported in the BHPS interview preceding the death. The vertical bars show the range of incomes covering half the households closest to the median of each sub-group: that is, one quarter of households lie directly above the median and one quarter directly below, known as the inter-quartile range. The remaining half of households had incomes that lie beyond a sub-group's inter-quartile range: one quarter extending above and one quarter below the vertical bar. The longer the bar, the greater the variation in household incomes.

BHPS income estimates relate to households and not specifically couples or individuals; they are organised here according to the age and gender of the person whose partner died. As we have observed, most people lived as a couple with or without dependent children (Table 3.2); nonetheless, income estimates have been adjusted to take account of variations in household composition when making income comparisons (further details about the compilation of household income estimates are given in Appendix C.2).

The figure shows, for example, that the typical household income of women under pension age was £360 a week before their partner died; but their incomes varied from £250 to £481 a week for half the households, encompassing one quarter of households above and one quarter below the median. It can be seen that the household incomes of pensioners were generally lower (as shown by the median), and showed less variation (as shown by the inter-quartile range), than the household incomes of those under pension age. As we shall observe below, pensioners' household incomes were mostly drawn from state retirement pensions and other benefits, and these sources of income are mostly fixed within a narrow band well below average earnings. In contrast, the household incomes of couples under pension age were significantly higher and covered a wider range, driven mainly by variations in income from paid employment.

Figure 3.1 Net equivalised household income by respondent's age before bereavement and gender (£s per week, January 2006 prices, median and inter-quartile range)

Despite clear differences in median incomes between the households of those under and over pension age, individual household incomes were often similar across the age categories. The degree of similarity is shown by the extent to which the inter-quartile range of household incomes of those under and over pension age overlap or coincide. Thus pensioner households with above median incomes coincide with, or exceed, the inter-quartile range of non-pensioners' household incomes. There were no gender differences, of course, in household incomes before the death of a partner. As we shall observe in Chapter 4, gender differences emerged after the death, depending on which partner died and reflecting wide disparities in the amounts that women and men typically contribute to household incomes.

Table 3.11 shows the extent to which either or both partners were in paid employment, or neither was working at the interview before one partner died.

Table 3.11 Couple's employment status by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Both work	41	2	34	3
Respondent only works	21	2	33	4
Partner only works	7	5	8	1
Neither work	31	91	24	92
Unweighted base	*123*	*363*	*79*	*188*

Table 3.12 shows the average proportion of household income received from various sources. Thus, households where the woman was under pension age received, on average, 57 per cent of their income from paid employment, but there was considerable variation in this proportion. The standard deviation (SD) shows the extent of variation around the mean estimates: typically, two thirds of households would lie within one standard deviation above and below the mean. For example, roughly two out of three households in which the woman was under pension age, received between 16 and 98 per cent of their income from paid work (57 plus or minus 41). That means that some women under pension age would have received all or almost all (over 90 per cent) of their household income from paid work and some little or no income at all (under 20 per cent) from employment. Standard deviations similar in size to the mean, or larger, arise because many households received no income from a particular source.

Table 3.12 shows a clear dichotomy under pension age between households dependent on employment earnings and those dependent on state provision, with a few receiving additional income from investments, savings and private pensions.

Above pension age, most households depended on state pensions and other benefits with some also receiving income from private pensions, investments and other sources.

Table 3.12 Percent of net household income from different sources by respondent's age before bereavement and gender (mean and standard deviation)

	Women (SD)		*Men (SD)*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Labour income	57 (41)	5 (16)	58 (36)	6 (17)
State benefit and pension income	34 (37)	65 (27)	30 (33)	65 (26)
Private pension income	6 (14)	22 (21)	8 (14)	22 (20)
Investment and savings income	4 (8)	8 (15)	4 (8)	7 (14)
Transfer income	0 (0)	0 (1)	0 (1)	0 (2)
Unweighted base	*91*	*259*	*63*	*156*

The following table reworks the information summarised in Table 3.12 above to identify the main combinations of income sources (see Appendix 3.4 for how these income combinations were defined). It shows how many households drew the largest part of their income from particular sources (Table 3.13). Among households where women respondents were over pension age, for example, 56 per cent relied predominantly on state provision; a further 25 per cent supplemented state benefits and pensions with a substantial proportion of household income derived from private pension sources. In contrast, where women respondents were under pension age, 58 per cent of households depended almost wholly on employment earnings whereas 30 per cent depended predominantly on state provision.

Table 3.13 Main sources of net household income by respondent's age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Benefits including state pension	30	56	23	57
Benefits including state pension and private pension	5	25	6	20
Paid employment	58	2	52	3
Paid employment and benefits including state pension	8	7	21	6
Private pension or investment/savings or both	3	9	0	8
Other combinations	3	9	13	11
*Unweighted base**	*91*	*259*	*63*	*156*

* Percentages sum to more than 100 (see Appendix 3.4).

Respondents were asked whether they felt ‘better off’ or ‘worse off’ financially than they were a year ago. Table 3.14 shows how their responses were distributed at the interview before their partner died. Around two thirds of respondents said their financial circumstances had not changed noticeably in the past year.

Table 3.14 Change in financial situation in past year by respondent’s age before bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Better off	18	14	15	14
Worse off	22	23	16	18
About the same	61	64	69	68
Unweighted base	*115*	*335*	*73*	*176*

Annex to Chapter 4

This annex presents findings from the BHPS on household income levels, sources of households' and individuals' incomes, and people's subjective assessments of their financial circumstances before and after the death of a partner. The definition of household income and other financial measures can be found in Appendix C (parts C2 to C.9 inclusive). BHPS interviews conducted immediately before and after the death are labelled B1 and A1 respectively; further details of the study design are given in Appendix A. The term respondent refers to the person who survived the death of a partner.

The first table shows average household net incomes before and after bereavement; standard errors (SE) indicate the precision of the mean estimates. Thus the mean household income before the death of a partner, if the whole population of couples had been interviewed, was likely to lie between £446 and £590 where women under pension age would survive their partner (£518 plus or minus twice the standard error £72). These estimates are based on households for which income data were available both before (B1) and after (A1) bereavement. Equivalised incomes are actual household incomes adjusted to take account of differences in household size and composition to compare financial resources before and after bereavement (Appendix C.2). T-tests show whether differences in household income were statistically significant (P<0.05) or could have happened by chance (P≥0.05).

Table 4.1 Household income before (B1) and after (A1) bereavement by respondent's age and gender (£s per week)

	Net household income[1]		*Equivalised net household income*[2]	
	Before bereavement	After bereavement	Before bereavement	After bereavement
	Mean (SE)	Mean (SE)	Mean (SE)	Mean (SE)
Women				
Under state pension age	£518 (36)	£334 (35)	£430 (33)	£393 (42)
Pension age and over	£314 (15)	£183 (12)	£308 (15)	£274 (17)[3]
Men				
Under state pension age	£455 (42)	£296 (39)	£399 (36)	£358 (49)
Pension age and over	£314 (19)	£256 (27)	£311 (18)	£370 (41)[3]

1. All paired t-test comparisons before and after bereavement, P<0.01.
2. Paired t-test for women over pension age, P<0.02, other comparisons P>0.05.
3. T-test between women and men over pension age after bereavement P<0.01.
   (all two-tailed tests)

Table 4.2 shows the average change in household incomes before and after bereavement. For example, women under pension age saw their household incomes decline by £167 a week on average. Appendix C.7 describes how the variables describing changes in income were derived.

Table 4.2 Mean change in household income between interviews before (B1) and after (A1) bereavement by respondent's age and gender

	Under state pension age	*Pension age and over*	*All*
Change in net household income			
Women	–£167	–£117	–£127
Men	–£158	–£69	–£90
All	–£163	–£100	–£114
Percentage change in net household income			
Women	–39%	–41%	–40%
Men	–37%	–27%	–29%
All	–38%	–36%	–36%
Change in equivalised net household income			
Women	–£49	–£34	–£37
Men	–£44	+£12	–£1
All	–£47	–£18	–£24

Changes in household incomes varied widely however, and Table 4.3 shows the extent to households experienced substantial rises or falls in equivalised incomes following the death of a partner. For example, 13 per cent of women under pension age saw their equivalised net household incomes increase by £100 or more a week, while 38 per cent saw them fall by a similar amount.

Table 4.3 Change in equivalised household incomes between interviews before (B1) and after (A1) bereavement by respondent's age and gender (£s per week)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
+£100 and over	13	9	22	24
+£50 to +£99	13	9	4	15
–£49 to +£49	29	42	30	43
–£50 to –£99	7	14	2	7
–£100 and under	38	25	41	11
Unweighted base	*69*	*210*	*44*	*117*

The next table shows the average proportion of net household income received from different income streams before and after bereavement. For example, 60 per cent of the income of households, where women under pension age would survive her partner, was derived from employment earnings (of all household members in paid work). After bereavement, the share of income from paid work had declined to 45 per cent. These findings and those shown in Table 4.5 are based on household providing details of income streams both before (B1) and after (A1) bereavement; however, transitions across state retirement age (women at 60, men at 65) are taken into account.

Table 4.4 Percent of household income from different sources before (B1) and after (A1) bereavement by respondent's age and gender

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Net labour income	60	45	6	4
State pensions and benefits	29	36	65	71
Private pensions	7	8	20	18
Investment/savings income	4	8	9	7
Other transfers	0	3	0	0
Unweighted base	*71*	*68*	*203*	*206*
Men				
Net labour income	59	45	8	7
State pensions and benefits	29	30	65	61
Private pensions	8	10	22	25
Investment/savings income	4	15	6	7
Other transfers	0	0	0	0
Unweighted base	*47*	*44*	*114*	*117*

Table 4.5 shows the main component of net household income before and after bereavement. Nearly two thirds of households in which women under pension age would survive their partner derived their income mainly from paid work before their partner died (63 per cent). After the death, a lower proportion of these households relied on employment earnings for their incomes (46 per cent).

Table 4.5 Main source of household income before (B1) and after (A1) bereavement by respondent's age and gender (per cent*)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Benefits including state pension	26	25	57	66
Benefits including state pension and private pension	6	3	23	22
Paid employment	63	46	2	4
Paid employment and benefits including state pension	5	9	8	2
Private pension or investment/savings or both	4	8	9	6
Other income combinations	4	10	8	4
Unweighted base	*71*	*68*	*203*	*206*
Men				
Benefits including state pension	22	25	56	55
Benefits including state pension and private pension	5	4	24	19
Paid employment	51	46	4	5
Paid employment and benefits including state pension	21	2	8	6
Private pension or investment/savings or both	0	17	6	14
Other income combinations	17	7	10	8
Unweighted base	*47*	*44*	*114*	*117*

* Percentages sum to more than 100 (see Appendix 3.4).

Table 4.6 details the particular sources of partners' income recorded at the interview before their death (B1). Thus, half the women under pension age lost their partners employment earnings following the death (51 per cent), compared with seven per cent of women over pension age. The proportion of people whose partner had received one or more benefits (that is, a work-related disability benefit, a disability benefit, income support or job seeker's allowance), was 50 per cent and 46 per cent for women and men under pension age, and 37 per cent and 31 per cent for women and men over state retirement age, respectively. BHPS researchers warn against placing too much reliance on reports of individual benefit receipts and drawing firm conclusions about changes in benefit claims over time (see Appendix C.4).

Table 4.6 Partner's income sources before death by respondent's age after bereavement and gender (per cent)[§]

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Employment earnings	51	7	42	5
Work-related disability benefit*	33	15	12	7
Disability benefit* (carer's allowance)	25 (6)	27 (2)	28 (3)	26 (0)
Income support, job seeker's allowance, or both	12	7	9	2
Income from savings and investments	44	63	47	45
State retirement pension	15	91	29	94
Occupational pension	28	66	23	23
Private pension or annuity	5	9	10	4

[§] Percentages sum to more than 100 because some people received income from more than one source.

* See Appendix C.4 for definitions.

Table 4.7 describes the individual sources of people's income reported at interviews before and after bereavement: these findings are based on people interviewed on both occasions and are subject to the health warning noted above. Thus, 67 per cent of women under pension age had a paid job before their partner died. At the time of the interview after the death, more women had left their jobs than took up paid work, and the proportion with employment earnings had fallen slightly to 64 per cent. By comparison, the decline in the proportion of men in paid work following the death of their partner was more evident. Paired sample test of proportions of people under pension age in paid work before and after bereavement pointed to a gender difference in the impact of bereavement on employment outcomes: women $P=0.24$ men $P<0.01$ (two-tailed).

Table 4.7 Respondent's income sources before (B1) and after (A1) bereavement by age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Employment earnings	67	64	5	2
Work-related disability benefit	9	11	1	3
Disability benefit	6	17	14	16
Income from savings and investments	48	59	61	62
State retirement pension	–	–	95	93
Occupational pension	4	9	22	23
Private pension or annuity	–	6	2	5
Pension from partner's former employer	–	40	2	49
Bereavement allowance	–	49	–	18
Widowed parent's allowance	–	17	–	–
Income support	4	8	4	11
Council tax benefit	13	25	22	29
Housing benefit	5	6	11	12
Men				
Employment earnings	67	55	8	7
Work-related disability benefit	18	25	8	10
Disability benefit	14	18	10	18
Income from savings and investments	42	52	64	74
State retirement pension	–	–	99	98
Occupational pension	21	22	70	72
Private pension or annuity	2	2	8	7
Pension from partner's former employer	–	17	1	7
Bereavement allowance	–	2	–	–
Widowed parent's allowance	–	–	–	–
Income support	16	17	7	5
Council tax benefit	16	17	17	21
Housing benefit	3	8	14	13

Tables 4.8 to 4.13 summarise an exploration of the extent of household income change between interviews conducted immediately before and after the death of a partner according to different income components and socio-demographic factors

(e.g. age, gender, marital status, family type, partner care). Three measures of income change, defined in Appendix 3.7, represent absolute and relative changes in household incomes, and were investigated using regression analysis. The aim was to identify which incomes streams and sub-groups in the population were associated with larger than expected changes in household income following the death of a partner.

The findings are presented below for each measure of income change in turn, first examining the effect of each factor on its own and then considering all factors together. Table 4.8 shows the effect of each factor on actual changes in net weekly household incomes. Only factors showing a statistically significant effect ($P<0.05$) are listed. Across the sample as a whole, net household incomes fell by £114 a week on average. The coefficient for the 'constant' attached to each factor indicates the average change in household incomes of the sub-group *not* covered by the factor under consideration. The first constant therefore represents men whose partner died and shows that their household incomes fell by £90 a week on average, somewhat less than the sample as a whole. The coefficient for women, in the second row, shows the *additional* effect of changes in household income experienced by women: they saw their household incomes fall by an additional £37 on top of that reported by men, altogether a drop of £127 a week on average.

Standard errors reported in the third column indicate the degree of precision in these estimates of the effect of each factor (Gardner and Altman, 1989). In theory, the 'true' coefficient lies within plus or minus two standard errors: the additional effect for women between -£9 and -£65. The column labelled 'proportion' indicates each factor's frequency in the sample, indicating in the second row of data that 64 per cent of bereaved people were women. In other words, almost two thirds of the sample, all women, experienced a loss of £127 a week on average following death of a partner, and this change was statistically significant ($P<0.05$).

Some factors have greater influence on household income change than gender but affected fewer people. For example, loss of partners' disability benefit was associated with an additional fall in household incomes of £48 a week on average, but under a third of partners were claiming DLA or other disability benefit at the interview before they died (28 per cent). To indicate the overall 'impact' of each factor, the final column takes into account its prevalence by multiplying the coefficient by the proportion. The factors were then ranked by overall impact, from greatest to least negative impact.

Some income components and socio-demographic factors were not associated with significantly greater than expected household income change following death of a partner. This suggests that changes in household incomes were probably the same, for example, for bereaved people with and without dependent children; or at least

that family type alone cannot account for differences in outcomes between bereaved people with children and those without.

Table 4.8 Actual change in current net household incomes before and after bereavement (overall mean –£114 a week, simple regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
Constant	–£90	11	0.00	–	–
Respondent: woman	–£37	14	0.01	0.64	–23.4
Constant	–£98	7	0.00	–	–
Respondent: employment earnings at B1	–£83	17	0.00	0.19	–15.4
Constant	–£100	7	0.00	–	–
Respondent: under state pension age at A1	–£63	16	0.00	0.21	–13.4
Constant	–£101	8	0.00	–	–
Partner: disability benefit at B1	–£48	15	0.00	0.28	–13.2
Constant	–£101	7	0.00	–	–
Partner: employment earnings at B1	–£94	19	0.00	0.14	–13.2
Constant	–£108	7	0.00	–	–
Partner: occupational pension at B1	–£38	18	0.04	0.16	–6.0
Constant	–£109	7	0.00	–	–
Partner: work-related disability benefit at B1	–£42	21	0.04	0.12	–4.9
Constant	–£109	7	0.00	–	–
Partner: personal pension at B1	–£66	26	0.01	0.07	–4.6
Constant	–£110	7	0.00	–	–
Partner: cohabitant at B1	–£92	35	0.01	0.04	–3.4
Constant	–£112	7	0.00	–	–
Respondent: widowed parent's allowance at A1	–£89	42	0.04	0.03	–2.3
Constant	–£153	13	0.00	–	–
Respondent: state retirement pension at A1	£52	15	0.00	0.75	39.0

B1 =last interview before bereavement
A1 =first interview after bereavement

Clearly, many of the factors considered in Table 4.8 overlap, often 'telling the same story'. For example, recipients of widowed parent's allowance were women under pension age whose partners were likely to have been in paid employment before their death. To identify which factors had a statistically significant independent effect on household income change, they were entered one at a time into a regression model using a standard stepwise procedure.

The findings, shown in Table 4.9, are interpreted as before though here the constant refers to all respondents not covered by any of the factors displayed, and coefficients show the individual effect of each factor *independent* of other factors in the model. On top of the loss of partners' income streams noted above, we see that women and people who cohabited were particularly vulnerable to a significant drop in their household incomes. However, people who stayed in or returned to paid work following death of a partner saw their household incomes protected from falling.

Table 4.9 Actual change in current net household incomes before and after bereavement (overall mean –£114 a week, stepwise regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
Constant	–£48	12	0.00		
Respondent: woman	–£35	13	0.01	0.64	–22.0
Respondent: employment earnings at B1	–£93	27	0.00	0.18	–17.1
Partner: disability benefit at B1	–£50	14	0.00	0.28	–13.8
Partner: employment earnings at B1	–£76	22	0.00	0.14	–10.5
Partner: occupational pension at B1	–£40	17	0.02	0.16	–6.4
Partner: personal pension at B1	–£56	25	0.02	0.07	–4.0
Partner: cohabitant at B1	–£73	34	0.03	0.04	–2.7
Respondent: employment earnings at A1	£79	27	0.00	0.14	10.9

B1 =last interview before bereavement
A1 =first interview after bereavement

Table 4.10 Percentage difference in current net household incomes before and after bereavement (overall mean –36%, simple regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
Constant	–29%	2	0.00	–	–
Respondent: woman	–11%	3	0.00	0.64	–7.0
Constant	–33%	2	0.00	–	–
Respondent: cared for partner at B1	–7%	3	0.01	0.47	–3.4
Constant	–34%	2	0.00	–	–
Partner: disability benefit at B1	–10%	3	0.00	0.27	–2.8
Constant	–35%	2	0.00	–	–
Partner: employment earnings at B1	–12%	4	0.00	0.15	–1.8
Constant	–35%	2	0.00	–	–
Partner: occupational pension at B1	–10%	4	0.01	0.16	–1.5
Constant	–36%	1	0.00	–	–
Partner: cohabitant at B1	–22%	8	0.00	0.04	–0.8
Constant	–38%	2	0.00	–	–
Respondent: employment earnings at A1	10%	4	0.02	0.15	1.4
Constant	–40%	2	0.00	–	–
Respondent: occupational pension at A1	10%	3	0.00	0.34	3.3

B1 =last interview before bereavement
A1 =first interview after bereavement

Table 4.11 Percentage difference in current net household incomes before and after bereavement (overall mean simple –36%, stepwise regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
(Constant)	–29	5	0.00		
Partner: state retirement pension at B1	–14	4	0.00	0.77	–10.9
Respondent: woman	–7	3	0.03	0.64	–4.3
Respondent: cared for partner at B1	–7	3	0.02	0.47	–3.5
Partner: employment earnings at B1	–21	4	0.00	0.15	–3.2
Partner: disability benefit at B1	–8	3	0.03	0.27	–2.1
Partner: occupational pension at B1	–9	4	0.01	0.16	–1.5
Partner: cohabitant at B1	–26	7	0.00	0.04	–0.9
Respondent: income support at A1	16	5	0.00	0.09	1.4
Respondent: occupational pension at A1	9	3	0.01	0.34	3.1
Respondent: employment earnings at A1	24	5	0.00	0.14	3.4
Respondent: state retirement pension at A1	15	4	0.00	0.74	11.0

B1 =last interview before bereavement
A1 =first interview after bereavement

Table 4.12 Change in current net household equivalised incomes before and after bereavement (overall mean –£24 a week, simple regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
Constant	£0	15	0.98		
Partner: investment income at B1	–£43	20	0.03	0.55	–23.8
Constant	–£10	11	0.35		
Partner: employment earnings at B1	–£91	28	0.00	0.15	–13.9
Constant	–£14	11	0.19		
Partner: occupational pension at B1	–£62	28	0.03	0.16	–9.8
Constant	–£20	10	0.05		
Partner: cohabitant at B1	–£117	54	0.03	0.04	–4.2
Constant	–£30	10	0.00		
Respondent: personal pension at A1	£120	48	0.01	0.05	5.7
Constant	–£40	13	0.00		
Respondent: pension from partner's employer at A1	£45	21	0.03	0.36	16.2

B1 =last interview before bereavement
A1 =first interview after bereavement

Table 4.13 Change in current net household equivalised incomes before and after bereavement (overall mean –£24 a week, stepwise regression results)

	Coefficient	*Std. Error*	*P value*	*Proportion*	*Coefficient x Proportion*
(Constant)	£18	16	0.27		
Partner: investment income at B1	–£44	20	0.03	0.55	–24.4
Partner: employment earnings at B1	–£139	31	0.00	0.15	–21.1
Partner: occupational pension at B1	–£70	27	0.01	0.16	–11.1
Partner: cohabitant at B1	–£116	54	0.03	0.04	–4.2
Respondent: personal pension at A1	£146	47	0.00	0.05	6.9
Respondent: employment earnings at A1	£81	32	0.01	0.15	11.8

B1 =last interview before bereavement
A1 =first interview after bereavement

Table 4.14 shows changes in the composition and location of households between interviews immediately before and after the death of a partner. For example, almost half of bereaved women under pension age (46 per cent) had previously lived only with their partner and subsequently lived on their own at the same address. Approaching twice as many older women (82 per cent) were in the same situation. Apart from the death of a partner, the composition of most households (95 per cent) had not changed by the time of the first interview following bereavement (see Appendix A.4 on the identification of these so-called 'intact' households). The remaining set of transitions, described as 'other' in the table, covers situations where bereaved partners had moved to live in a different household (headed by an adult child for example), or other individuals had moved into or out of the bereaved partner's household which in a few instances had moved house as well.[2]

Table 4.14 Household change between interviews before and after bereavement by respondent's age and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
From couple to bereaved partner alone, non-mover	46	82	45	83
From couple plus others to bereaved partner plus same others, all non-movers	38	10	41	9
From couple to bereaved partner alone, moved to new address	2	5	6	4
From couple plus others to bereaved partner plus same others, all movers	1	–	–	–
Other households, not intact	13	3	8	3
Unweighted base	*96*	*300*	*57*	*151*

Tables 4.15 and 4.16 repeat the analyses reported in Tables 4.4 and 4.5 but this time focusing on income streams reported at the first (A1) and second (A2) interview after the death of a partner. Each table is based on households providing details of income streams on both occasions.

[2]. Excluding the 'Other' group of households, which had changed in size, composition or both, has negligible effect on changes in non-equivalised household incomes and does not alter the conclusions put forward in this chapter.

Table 4.15 Percent of household income from different sources at consecutive interviews after bereavement (A1 and A2) by respondent's age and gender

	Under state pension age		*Pension age and over*	
	A1	A2	A1	A2
Women				
Net labour income	47	49	4	4
State pensions and benefits	35	32	70	68
Private pensions	8	9	18	21
Investment/savings income	8	9	8	6
Other transfers	3	0	0	0
Unweighted base	*72*	*69*	*228*	*231*
Men				
Net labour income	45	60	8	6
State pensions and benefits	31	25	61	57
Private pensions	15	11	24	26
Investment/savings income	8	4	7	11
Other transfers	0	0	0	0
Unweighted base	*41*	*35*	*110*	*116*

Table 4.16 Main source of household income at consecutive interviews after bereavement (A1 and A2) by respondent's age and gender (per cent*)

	Under state pension age		*Pension age and over*	
	A1	A2	A1	A2
Women				
Benefits including state pension	23	19	65	60
Benefits including state pension and private pension	2	2	22	28
Paid employment	49	44	4	3
Paid employment and benefits including state pension	13	11	2	4
Private pension or investment/savings or both	8	7	8	8
Other income combinations	10	18	5	7
Unweighted base	*72*	*69*	*228*	*231*
Men				
Benefits including state pension	25	21	55	51
Benefits including state pension and private pension	5	2	18	22
Paid employment	44	62	7	2
Paid employment and benefits including state pension	0	0	3	3
Private pension or investment/savings or both	15	10	13	19
Other income combinations	11	6	7	9
Unweighted base	*41*	*35*	*110*	*116*

* Percentages sum to more than 100 (see Appendix 3.4).

Table 4.17 shows the cross-sectional distribution of households in the BHPS study sample according to five equal-sized income groups in the population as a whole. These quintile groups were estimated from all households in the BHPS according to their position in the overall income distribution at the time of each interview (Appendix C.5). If the distribution of household incomes in the study sample was no different to that of the whole population, one in five households would be found in each quintile group. The extent to which a higher or lower proportion is found indicates whether the study sample would be considered better off or worse off financially than the general population. For example, one in five women under pension age was in the richest quintile before the death of a partner, equivalent to the expected proportion, but that fell to 13 per cent after bereavement; additionally, the proportion in the poorest fifth almost trebled, indicating a decline in financial well-being.

Table 4.17 Equivalised net household income quintiles before (B1) and after (A1) bereavement by respondent's age and gender (per cent)*

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Richest fifth	21	13	9	5
2nd quintile	22	23	10	7
3rd quintile	30	18	23	17
4th quintile	17	18	31	30
Poorest fifth	10	27	26	42
Unweighted base	*91*	*83*	*259*	*261*
Men				
Richest fifth	17	14	7	16
2nd quintile	28	25	10	7
3rd quintile	21	22	23	26
4th quintile	19	11	30	29
Poorest fifth	15	28	30	22
Unweighted base	*63*	*44*	*156*	*103*

* See Appendix C.5 for derivation of income quintiles.

Table 4.18 shows the extent to which household moved up or down the five-point population income scale following the death of a partner. For example, one in three women under pension age were in same income group before and after bereavement but half had moved to a lower income quintile.

Table 4.18 Income transitions following death of a partner (B1 to A1) by respondent's age and gender (per cent)*

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
No income transition	32	44	28	48
Moved up	16	17	21	34
Moved down	52	39	51	18
Unweighted base	*69*	*200*	*39*	*91*

* Transitions between quintiles of equivalised net household income (Appendix C.5).

Income inequalities before and after bereavement are reported in Table 4.19 using the Gini coefficient. This index ranges from zero representing perfect equality (every household has the same income) to 1.0 for complete inequality (one household has all the income and the rest has none). Income before the deduction of tax and the addition of state pensions and benefits is termed original household income and represents market transfers only (principally employment earnings and personal pensions). Adding state benefits and pension provision to original income produces gross household income. Deducting tax and NI contributions then gives net household income. Comparing original and gross incomes shows the impact of state transfers (pensions and social security receipts) on the income distribution; comparing gross and net incomes then shows the impact of direct taxation.

Table 4.19 Income inequalities before and after bereavement by respondent's age and gender (Gini coefficient)*

	Under state pension age			*Pension age and over*		
	Original income	Gross income	Net income	Original income	Gross income	Net income
Women						
Before bereavement	0.61	0.48	0.46	0.67	0.45	0.46
After bereavement	0.60	0.49	0.48	0.74	0.48	0.48
Men						
Before bereavement	0.60	0.51	0.50	0.66	0.44	0.43
After bereavement	0.66	0.54	0.52	0.77	0.55	0.53

* Each income measure was adjusted for household size and composition using the McClements equivalence scale. Appendix C gives further details about income measures, equivalisation and inequality (C.2, C.3 and C.8).

Table 4.20 compares the income distributions of men over state retirement age according to whether they received an occupational or private pension, or both. It shows that men pensioners with a personal pension were more likely, than those without, to be found in the upper part of the income distribution; moreover, the disparity increases after the death of a partner. This table is based on cross-sectional data but longitudinal comparisons support similar conclusions, albeit based on smaller sample sizes. Among men pensioners with a personal pension, equivalised net household incomes increased by £40 a week on average (SE=17) between interviews conducted before and after the death of a partner (B1 to A1). That increase compares with a drop of £75 a week (SE=45) among those without a personal pension (t-test of the £115 weekly income difference, P<0.005). The diverging income trajectories of these two groups largely account for increasing income inequality among men over state retirement age observed in Table 4.19 (where the Gini coefficient increases from 0.43 to 0.53 after the death of a partner).

Table 4.20 Men over pension age with and without a personal pension by equivalised net household income quintiles, before (B1) and after (A1) bereavement (per cent)

	Before bereavement		*After bereavement*	
	Personal pension	No personal pension	Personal pension	No personal pension
Richest fifth	8	5	20	–
2nd quintile	13	0	10	–
3rd quintile	24	20	29	15
4th quintile	31	30	30	27
Poorest fifth	24	45	11	58
Unweighted base	*117*	*39*	*78*	*25*

Table 4.21 shows the distribution of households in relation to the official poverty line, defined as 60 per cent of median household income. Households below the poverty line are described as ‘poor’ or ‘very poor’ depending on how far below the line they fall; households above the poverty line are described as ‘near poor’ or ‘not poor’ depending on how far they are above the poverty line (see Appendix C.6 for further details). Thus, 13 per cent of women under pension age were in poverty before the death of a partner; this had doubled to 26 per cent after bereavement.

Table 4.21 Intensity of poverty before (B1) and after (A1) bereavement by respondent's age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Not poor	82	64	59	45
Near poor	6	9	16	12
Poor	5	9	15	15
Very poor	8	17	11	28
Unweighted base	*91*	*84*	*259*	*273*
Men				
Not poor	76	67	60	67
Near poor	8	5	12	13
Poor	5	11	16	8
Very poor	11	17	12	12
Unweighted base	*63*	*50*	*156*	*137*

* Households defined as poor or very poor were below the official poverty line (Appendix C.6).

The following table shows the proportion of households moving into and out of poverty between interviews conducted immediately before (B1) and after (A1) the death of a partner. Most people stayed above the official poverty line; however, more than one in five women fell into poverty following bereavement.

Table 4.22 Poverty transitions following death of a partner (B1 to A1) by respondent's age and gender (per cent)*

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Stayed above threshold	72	50	60	65
Moved into poverty	22	24	24	11
Moved out of poverty	2	9	8	13
Stayed below threshold	4	17	8	11
Unweighted base	*69*	*210*	*44*	*117*

* Transitions across the official poverty line (Appendix C.6).

Table 4.23 shows the likelihood of household being below the poverty line following the death of a partner according to their financial well-being before bereavement. For example, households described as 'very poor' before the death of a partner were more than ten times as likely to be below the poverty line after bereavement as households described as not poor (odds ratio =10.9). In general, the poorer a household's financial circumstances before bereavement, the greater the likelihood of being considered officially poor after bereavement.

Table 4.23 Association between economic well-being before bereavement (B1) and income poverty after bereavement (A1)

	Odds ratio	*95% confidence interval*	*P value*
Poverty status at B1			
Not poor	1.0	–	–
Near poor	3.3	1.8 to 5.9	0.00
Poor	3.5	1.9 to 6.3	0.00
Very poor	10.9	5.1 to 23.6	0.00
Equivalised net household income at B1			
Richest fifth	1.0	–	–
2nd quintile	0.9	0.3 to 2.9	0.88
3rd quintile	2.5	1.0 to 6.3	0.06
4th quintile	5.0	2.1 to 12.2	0.00
Poorest fifth	9.1	3.7 to 22.4	0.00

Tables 4.24 and 4.25 show the likelihood of households being below the official line, following the death of a partner, according to their main sources of income and various socio-demographic factors. The simple regression results show the association between poverty and each statistically significant factor in turn. The stepwise regression shows the independent effect of each factor when the impact of other significant factors is considered. For example, bereaved women were twice as likely as bereaved men to be income poor after bereavement (odds ratio ≥2.0). Odds ratios less than one indicate reduced likelihood of income poverty.

Table 4.24 Pre-bereavement (B1) factors and main sources of income associated with income poverty after bereavement (A1)

	Odds ratio	*95% confidence interval*	*P value*
Simple regression*			
Poor or very poor	4.3	2.7 to 6.8	0.00
Women	2.3	1.6 to 3.5	0.00
Respondent in paid work	0.5	0.3 to 0.8	0.01
Income from benefits including state pension	3.7	2.4 to 5.6	0.00
Income from benefits including state pension and private pension	0.5	0.3 to 0.8	0.01
Income from private pension or investment/savings or both	0.3	0.1 to 0.8	0.01
Stepwise regression			
Poor or very poor	3.3	1.9 to 5.7	0.00
Women	2.1	1.3 to 3.4	0.00
Partner in paid work	2.7	1.4 to 5.2	0.00
Income from benefits including state pension	3.6	2.1 to 6.2	0.00
Income from paid employment and benefits including state pension	3.1	1.4 to 6.6	0.00

* Other factors considered but not statistically significant: age, marital status, partner carer, family type, partner in paid work, and other income sources (see Appendix 3.4).

Table 4.25 Post-bereavement (A1) factors and main sources of income associated with income poverty after bereavement (A1)

	Odds ratio	*95% confidence interval*	*P value*
Simple regression*			
Women	2.3	1.6 to 3.5	0.00
Respondent in paid work	0.2	0.1 to 0.4	0.00
Income from benefits including state pension	9.3	5.9 to 14.7	0.00
Income from benefits including state pension and private pension	0.1	0.1 to 0.3	0.00
Income from paid employment	0.2	0.1 to 0.4	0.00
Income from private pension or investment/savings or both	0.5	0.2 to 0.9	0.02
Stepwise regression			
Poor or very poor at B1	2.9	1.7 to 5.0	0.00
Women	2.0	1.2 to 3.3	0.01
Pension age and over	0.3	0.1 to 0.6	0.00
Respondent in paid work	0.2	0.1 to 0.6	0.01
Income from benefits including state pension	7.1	3.6 to 14.3	0.00
Income from benefits including state pension and private pension	0.3	0.1 to 0.8	0.01

* Other factors considered but not statistically significant: age, family type, and other income sources (see Appendix 3.4).

Table 4.26 shows transitions into and out of poverty between the first two interviews following death of a partner. For example, 72 per cent of women under pension age were above the poverty threshold, and 11 per cent below, on both occasions. Younger women were more likely to move out of, than into, poverty: 12 and four per cent respectively.

Table 4.26 Poverty transitions after death of a partner (A1 to A2) by respondent's age and gender (per cent)*

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Stayed above threshold	72	50	67	69
Moved into poverty	4	6	9	9
Moved out of poverty	12	22	18	6
Stayed below threshold	11	22	6	16
Unweighted base	*70*	*235*	*36*	*118*

* Transitions across the official poverty line (Appendix C.6).

Tables 4.27 and 4.28 summarise poverty trajectories from before bereavement (B1) to the second (A2) and third (A3) interviews after bereavement respectively. For example, 71 per cent of women under pension age were above the official poverty threshold at all three interviews conducted from before bereavement (B1) through the following two years (Table 4.27). One in ten (11 per cent) dipped below the poverty threshold immediately following the death of a partner (at A1) but would not have been considered officially poor at the preceding or following interviews (B1 and A2 respectively). These findings, and the longitudinal samples on which they are based, vary according to the time span covered because some people were lost to follow up (Appendix B). Findings based on small samples (under 30) are not reliable.

Table 4.27 Poverty trajectories B1 to A2 by respondent's age and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Not in poverty B1 through A2	71	45	57	63
In poverty at A1 only	11	15	17	5
In poverty at A1 and A2	8	9	0	8
In poverty at B1 only	1	7	8	5
In poverty B1 through A2	4	13	7	10
All other trajectories	5	11	11	9
Unweighted base	*62*	*182*	*30*	*100*

Table 4.28 Poverty trajectories B1 to A3 by respondent's age and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Not in poverty B1 through A3	67	40	55	53
In poverty at A1 only	2	12	10	6
In poverty at A1, A2 and A3	10	8	0	5
In poverty at B1 only	2	7	4	6
In poverty B1 through A2	5	12	0	6
All other trajectories	15	21	30	23
Unweighted base	*48*	*151*	*21*	*89*

Table 4.29 shows the distribution of people's responses to the question: 'Would you say that you yourself are better off or worse off financially than you were a year ago?' The findings compare their responses before and after bereavement and are based on people who responded on both occasions. Thus, 59 per cent of women under pension felt things were 'about the same' financially before the death of a partner; that proportion had decreased to 19 per cent after the death. Change in the overall proportions feeling financially worse off, from 21 per cent before bereavement (B1) to 43 per cent after bereavement (A1), was highly significant (paired sample, $P<0.001$, two-tailed).

Table 4.29 Financial change in past year reported at interviews before and after bereavement by respondent's age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Better off	19	16	13	16
About the same	59	19	64	40
Worse off	23	65	22	44
Unweighted base	*86*	*81*	*262*	*267*
Men				
Better off	11	32	13	14
About the same	74	33	70	54
Worse off	15	35	17	31
Unweighted base	*57*	*52*	*130*	*135*

Table 4.30 shows mean change in equivalised weekly household incomes before and after bereavement by people's subjective assessment of how their financial situation had changed. Equivalised household incomes fell by around £25 a week overall. People who felt worse off financially saw their household incomes fall by £63 a week on average compared with an increase of £20 a week for those who felt better off. The correlation coefficient indicates a weak association between actual and perceived financial change.

Table 4.30 Change in equivalised weekly household income between interviews before and after bereavement by subjective assessment of financial change*

	Mean (SE)	*Unweighted base*
Better off	£20 (23)	*70*
About the same	–£4 (21)	*169*
Worse off	–£63 (11)	*182*
All	–£25 (10)	*421*

* Correlation between income change and feeling worse off: R= 0.15 (P<0.001, adjusted R^2= 0.02).

Table 4.31 relates people's assessments of financial change during the year their partner died to how they were managing financially after bereavement. For example, one in three people who said they were living comfortably felt better off than they were a year before. By comparison, only five per cent of those who faced difficulties managing financially felt better off. Statistically speaking however, the association between these subjective measures of recent financial change and people's current financial situation is weak.

Table 4.31 Financial situation after bereavement by financial change in past year (per cent)*

	Financial situation at interview after bereavement (A1)			
	Living comfortably	Doing alright	Just about getting by	Finding it quite or very difficult
Better off	33	14	3	5
About the same	51	51	23	5
Worse off	17	35	74	89
Unweighted base	*194*	*151*	*150*	*44*

* Ordinal measures of association, P=0.08.

Table 4.32 shows the reasons people gave when asked why they felt financially worse off after the death of a partner. People's responses were written down in full during the interview and subsequently assigned to a pre-coded list by survey staff; only one reason was recorded per respondent. Thus 27 per cent of people indicated that they felt worse off because the contribution of benefit or pension income to household finances had decreased. The table also shows the same people's responses to the same question about changes in their financial situation *before* their partner died. At that time, most had said their financial situation was fairly stable or about the same (64 per cent) while 12 per cent had felt better off.

Table 4.32 Why people felt worse off financially after bereavement and how their financial situation had changed in the year before bereavement (per cent)

	Before bereavement	*After bereavement*
Better off		
Benefits have increased (includes pensions/child benefit)	4	–
Fewer expenses, spending reduced (lower bills, taxes, mortgages, etc.), prices fallen	2	–
Earned income has increased (more pay, new/better job)	2	–
Had windfall payment, e.g. inheritance, gifts, redundancy payments	2	–
Investment/asset income increased (higher interest rates/profit on selling shares/property)	1	–
Other reasons for being better off (not specified above)	0	–
Total better off	**12**	**–**
Worse off		
Benefits including state pension reduced/stopped	2	27
Earned income decreased (lost job, pay reduced, fewer hours)	4	18
More expenses, spending increased, cost of living up/inflation (higher bills, taxes, mortgages, etc.), prices higher	13	7
Savings down but standard of living the same	–	1
Investment/asset income decreased (lower interest rates/losses on selling shares/property)	1	0
Unexpected/one-off expenditure, e.g. wedding, moved house	–	0
Combination of income up and expenses up/inflation	1	–
Combination of benefits up and expenses up/inflation	1	–
Other reasons for being worse off (not specified above)	2	46
Total worse off	**24**	**100**
About the same	**64**	**–**
*Unweighted base**	*203*	*203*

* People who felt worse off financially after bereavement (A1).

The following table shows the results of a logistic regression exploring income sources and socio-demographic factors associated with feeling worse off financially after the death of a partner. The simple regression results show the association between each factor in turn with feeling worse off; only significant factors are listed. The stepwise regression results show the statistically independent effect of each factor when other factors are taken into account. These findings show that women were more than twice as likely as men to feel worse off (odds ratio greater than 2.0). Loss of partners' benefits increased the chances of people feeling worse off, whilst survivors' benefits from partners' occupational pensions, or the person themselves claiming DLA or AA, reduced the odds of feeling worse off (odds ratio less than 1.0).

Table 4.33 Factors associated with feeling worse off financially after bereavement*

	Odds ratio	*95% confidence interval*	*P value*
Simple regression			
Partner: disability benefit at B1	2.1	1.4 to 3.2	0.00
Respondent: woman	2.0	1.4 to 2.9	0.00
Respondent: below working age at A1	1.8	1.2 to 2.7	0.00
Partner: work-related disability benefit at B1	1.8	1.1 to 2.9	0.02
Respondent: occupational pension A1	0.6	0.4 to 0.9	0.01
Respondent: state retirement pension A1	0.6	0.4 to 0.9	0.01
Stepwise regression			
Respondent: woman	2.5	1.6 to 4.0	0.00
Partner: work-related disability benefit at B1	2.2	1.2 to 4.1	0.01
Partner: disability benefit at B1	2.1	1.4 to 3.3	0.00
Respondent: pension from partner's employer at A1	0.5	0.3 to 0.8	0.01
Respondent: disability benefit at A1	0.5	0.3 to 0.9	0.01

* Other factors considered but not statistically significant included: age, marital status, partner care, family type and other income sources.

Table 4.34 shows the reasons recorded for why people felt better off financially after the death of a partner. Common reasons included fewer expenses reported by 28 per cent and windfall or lump sum payments by 21 per cent. The table also shows the same people's responses to the same question about changes in their financial situation *before* their partner died. At that time, almost half had felt their financial situation was fairly stable (48 per cent) while 25 per cent had felt financially worse off.

Table 4.34 Why people felt better off financially after bereavement and how their financial situation had changed in the year before bereavement (per cent)

	Before bereavement	*After bereavement*
Better off		
Fewer expenses; spending reduced (lower bills, taxes, mortgages, etc.), prices fallen	8	28
Had windfall payment e.g. inheritance, gifts, redundancy payments	2	21
Benefits have increased (includes pensions/child benefit)	7	19
Investment/asset income increased (higher interest rates/profit on selling shares/property)	–	7
Earned income has increased (more pay, new/better job)	2	5
Good management, thrift	3	1
Other reasons for being better off (not specified above)	4	17
Total better off	**26**	**100**
Worse off		
More expenses; spending increased; cost of living up/inflation (higher bills, taxes, mortgages, etc.), prices higher	12	–
Earned income decreased (lost job, pay reduced, less hours)	5	–
Savings down but standard of living the same	2	–
Investment/asset income decreased (lower interest rates/losses on selling shares/property)	2	–
Other reasons for being worse off (not specified above)	4	–
Total worse off	**25**	–
About the same	**48**	–
*Unweighted base**	*72*	*72*

* People who felt 'better off' financially after bereavement (A1).

The following table shows the results of a logistic regression exploring income sources and socio-demographic factors associated with feeling better off financially after the death of a partner. The simple regression results show the association between each factor in turn with feeling better off; only significant factors are listed. The stepwise regression results show the statistically independent effect of each factor when other factors are taken into account. These findings show, for example, that women were less than half as likely as men to feel better off financially after the death of a partner (odds ratio 0.4). Survivors' benefits and bereavement allowances increased the changes of feeling better off (odds ratios significantly greater than 1.0).

Table 4.35 Factors associated with feeling better off financially after bereavement*

	Odds ratio	*95% confidence interval*	*P value*
Simple regression			
Respondent: private pension at A1	2.4	1.1 to 5.2	0.03
Respondent: pension from partner's employer at A1	2.3	1.5 to 3.6	0.00
Partner: private pension at B1	2.2	1.0 to 4.8	0.04
Respondent: occupational pension at A1	0.6	0.3 to 0.9	0.03
Partner: disability benefit at B1	0.5	0.3 to 0.9	0.03
Housing benefit at A1	0.4	0.1 to 1.0	0.04
Partner: Income support at B1	0.3	0.1 to 1.0	0.05
Stepwise regression			
Respondent: pension from partner's employer at A1	3.7	2.0 to 6.7	0.00
Respondent: bereavement allowance at A1	2.3	1.1 to 4.6	0.02
Partner: disability benefit at B1	0.5	0.3 to 0.9	0.03
Respondent: woman	0.4	0.2 to 0.7	0.00

* Other factors considered but not statistically significant included: age, marital status, partner care, family type and other income sources.

Figures 4.2 to 4.5 show average household incomes at three interviews before and three interviews after bereavement (B3 to A3); the death of a partner occurred between the interview points B1 and A1. Because income distributions are often skewed, with relatively few households reporting very high incomes, average or mean estimates are somewhat inflated and may misrepresent the more typical households. Two additional estimates are therefore charted alongside the conventional means. Trimmed means are averages calculated in the usual way after removing the smallest and largest five per cent of observations to reduce the effect of extreme values. Median estimates represent the middle value in the income distribution and are not influenced by extreme observations. Figures 4.2 and 4.3 are based on actual household incomes; Figures 4.4 to 4.5 use equivalised household incomes to take into account household size and composition (see Appendix C.2).

Figure 4.2 Women: current net household income before (B) and after (A) bereavement by age (£s per week)

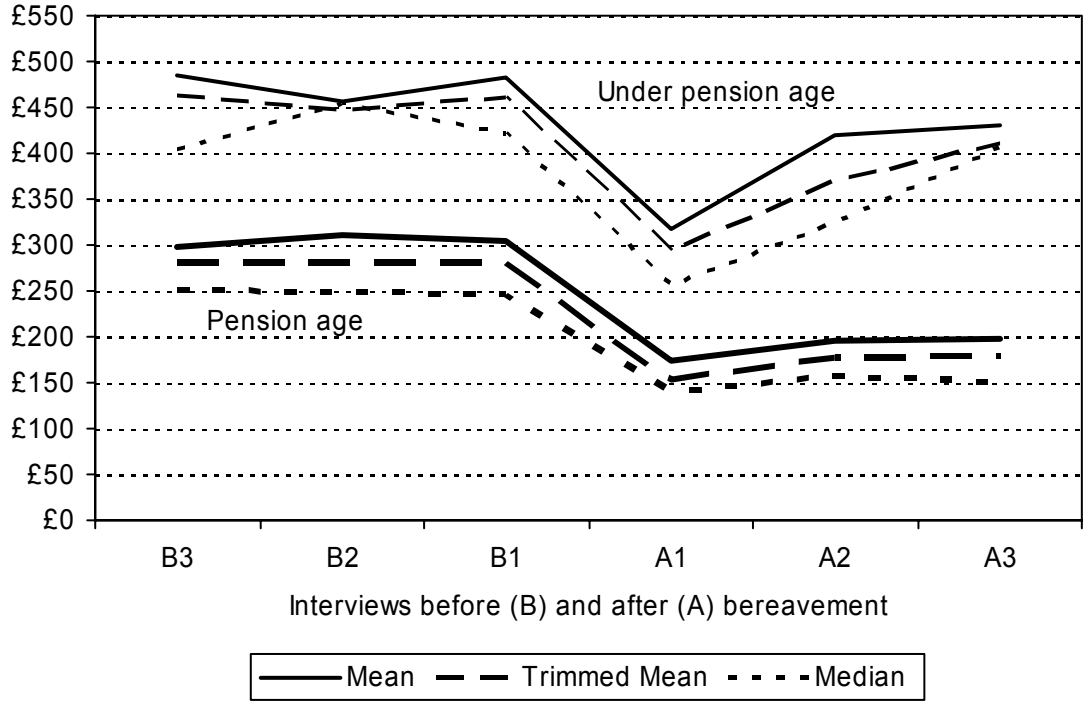


Figure 4.3 Men: current net household income before (B) and after (A) bereavement by age (£s per week)

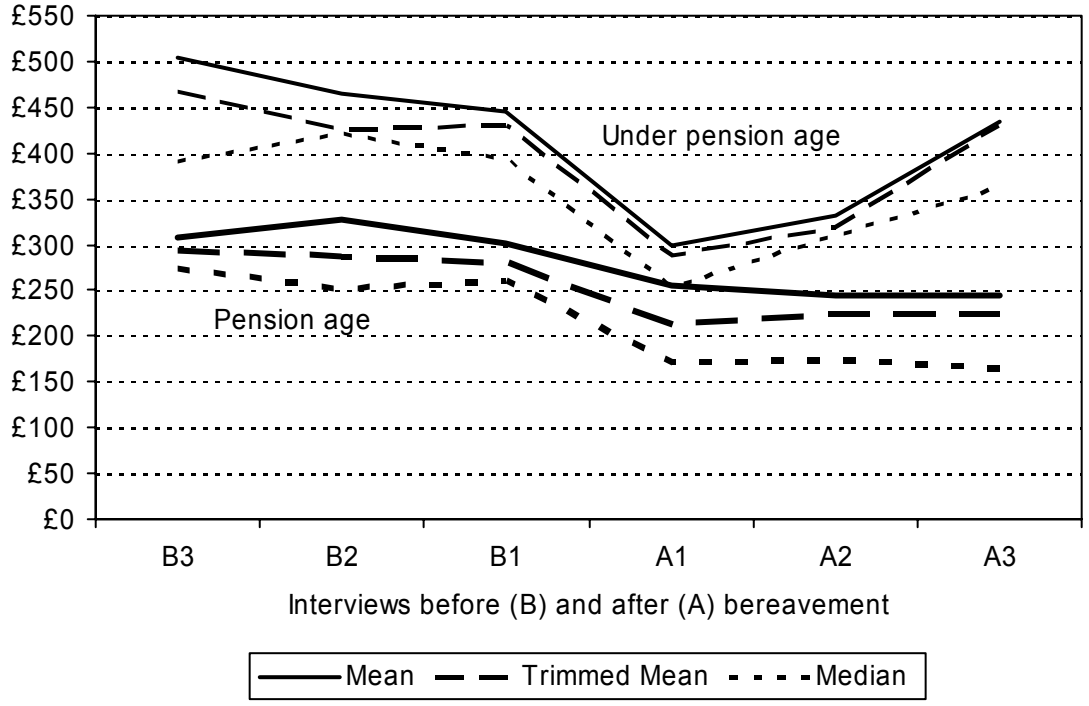


Figure 4.4 Women: current equivalised net household income before (B) and after (A) bereavement by age (£s per week)

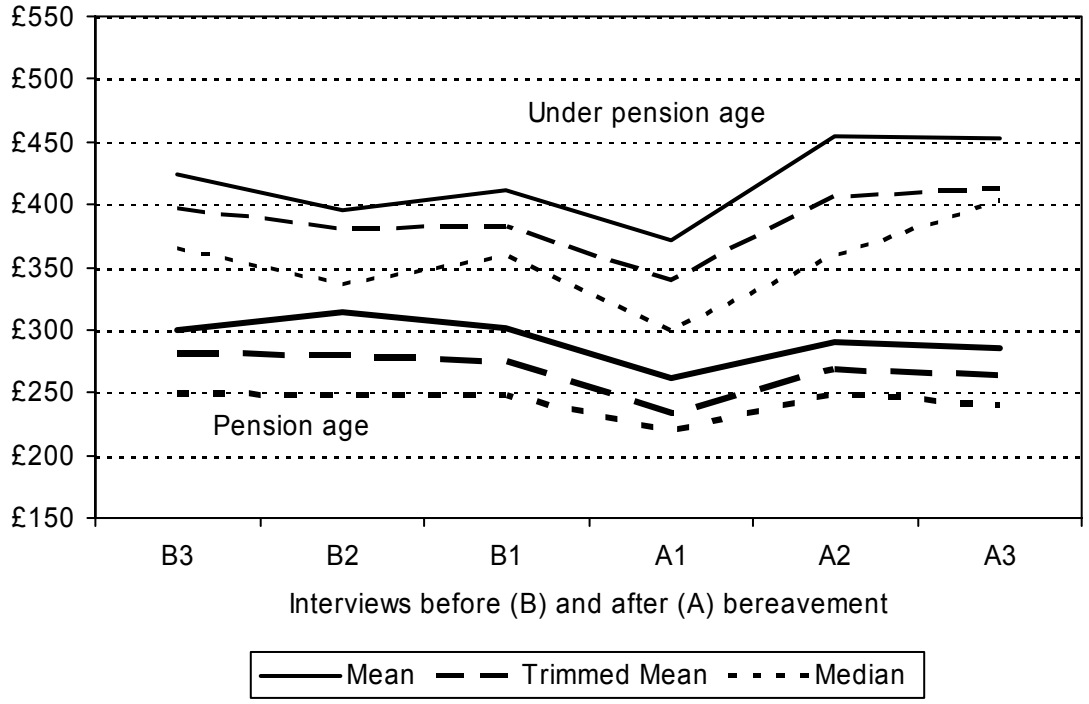
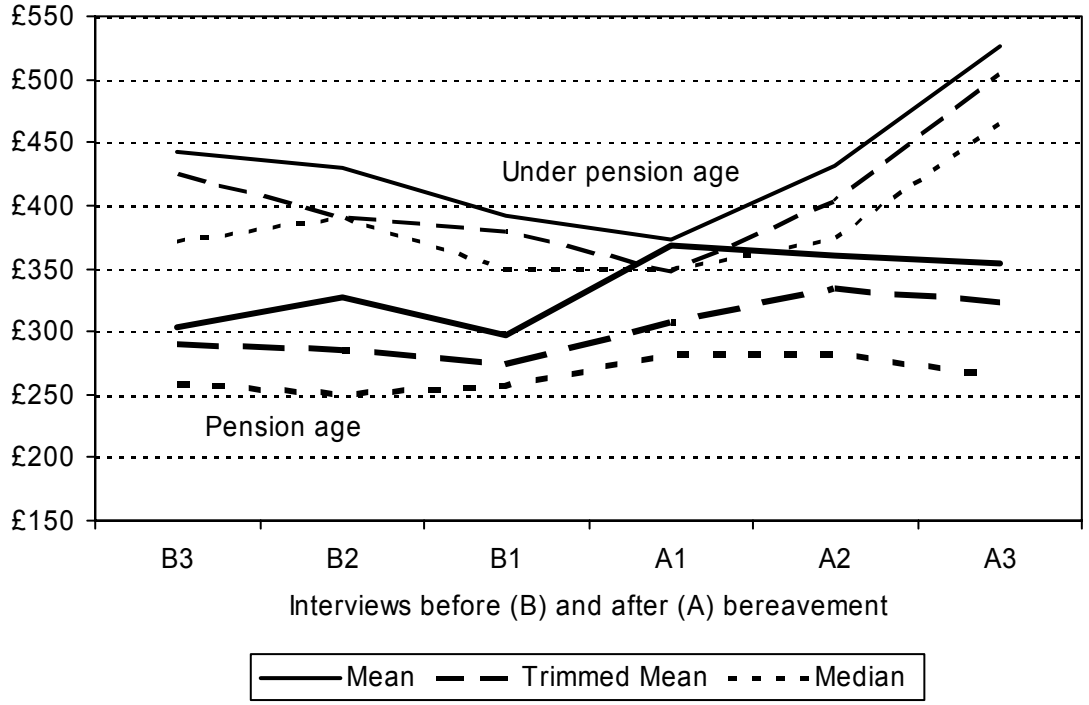


Figure 4.5 Men: current equivalised net household income before (B) and after (A) bereavement by age (£s per week)



Figures 4.6 to 4.9 chart transitions across the official poverty line between successive pairs of interviews. They show the proportion of households moving into and out of poverty, moving above and below the poverty line respectively, and those that stayed below the poverty threshold across consecutive interviews. The uppermost parts of each column, which sum to 100 per cent, cover households above the poverty line on both occasions and have been omitted from the chart to focus attention on poverty transitions.

Figure 4.6 Women under pension age: transitions into and out of income poverty (per cent)

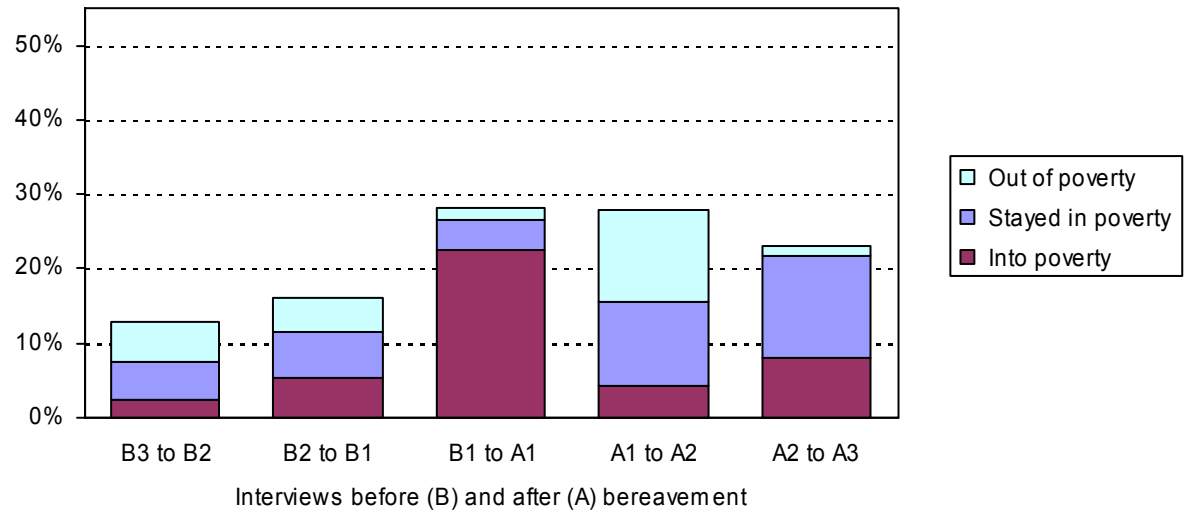


Figure 4.7 Women over pension age: transitions into and out of income poverty (per cent)

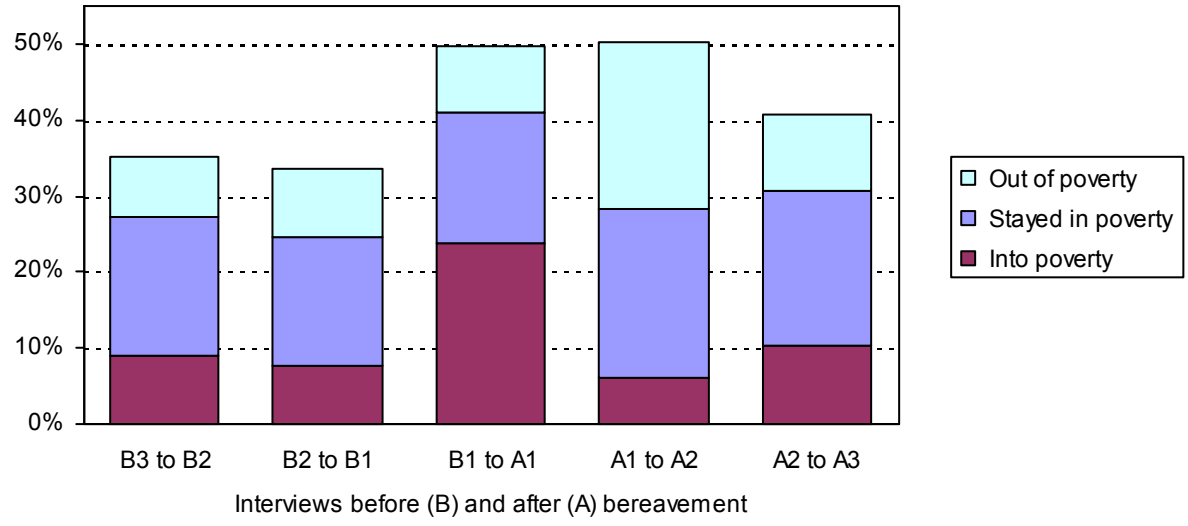


Figure 4.8 Men under pension age: transitions into and out of income poverty (per cent)

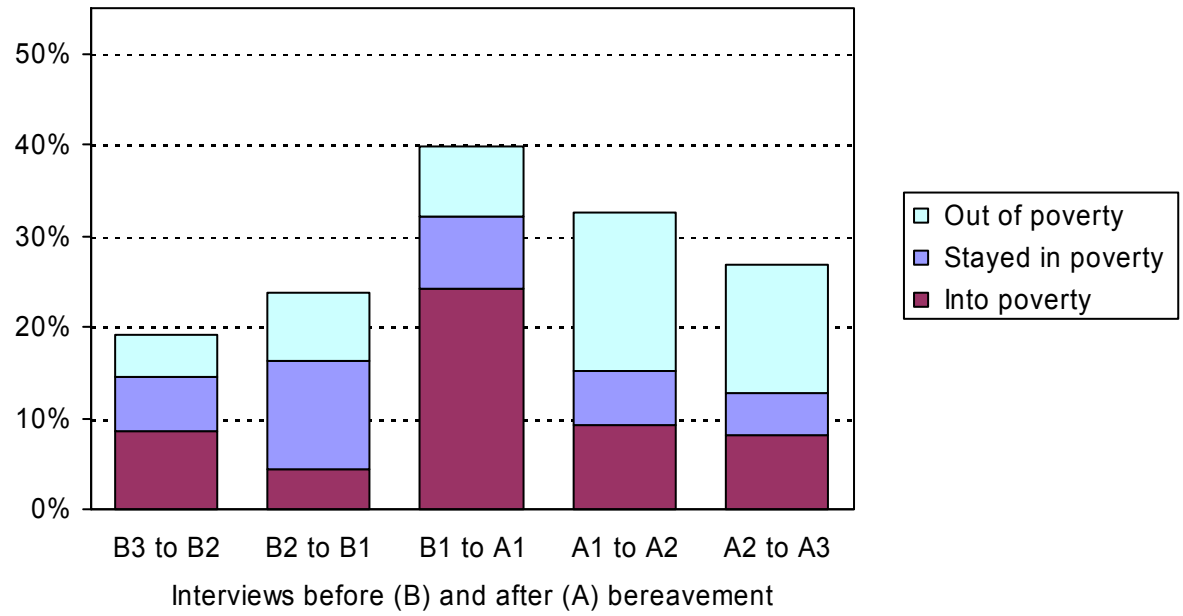
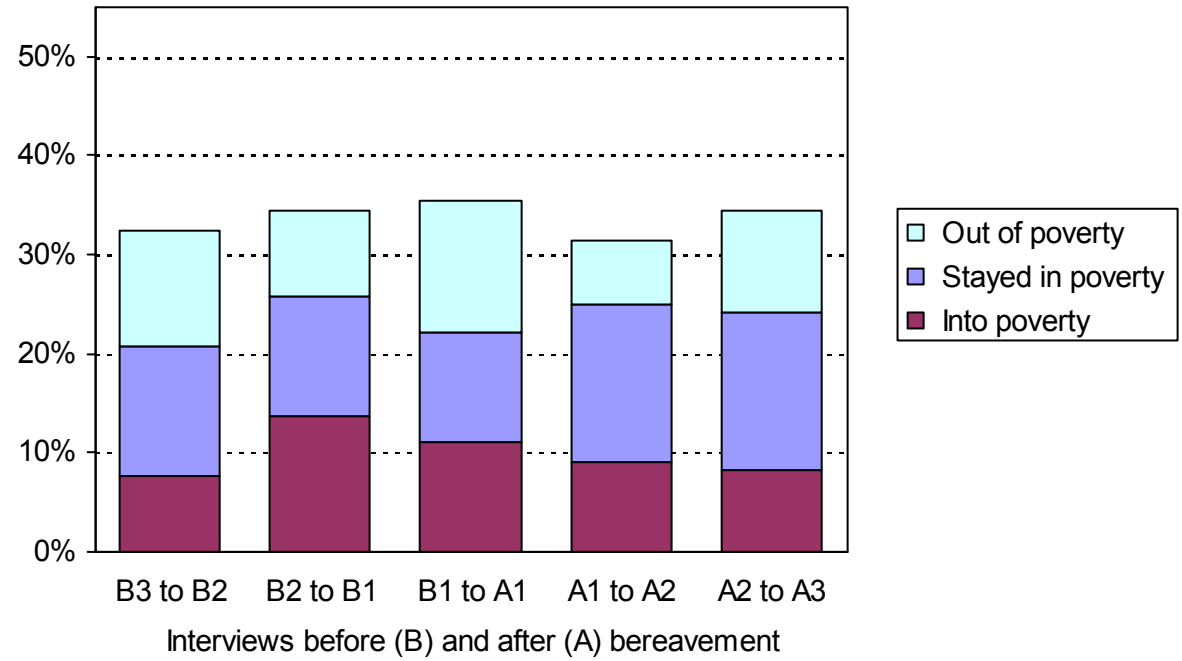


Figure 4.9 Men over pension age: transitions into and out of income poverty (per cent)



Figures 4.10 to 4.13 chart the intensity of poverty at each interview wave before and after bereavement. Households described a 'poor' or 'very poor' had incomes below the official poverty line; 'near poor' households were no more ten per cent above the poverty line. Further details of the definition of poverty intensity are given in Appendix C.6. The uppermost parts of each column, which sum to 100 per cent, have been omitted from the chart; these cover households that were deemed to be not poor and well clear of the poverty threshold.

Figure 4.10 Women under pension age: intensity of poverty before and after bereavement (per cent)

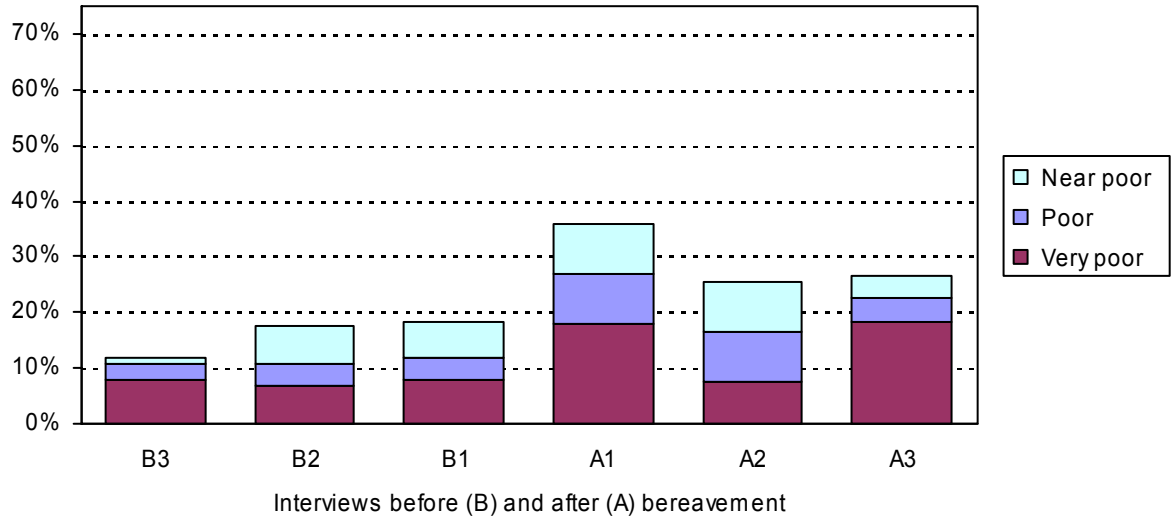


Figure 4.11 Women over pension age: intensity of poverty before and after bereavement (per cent)

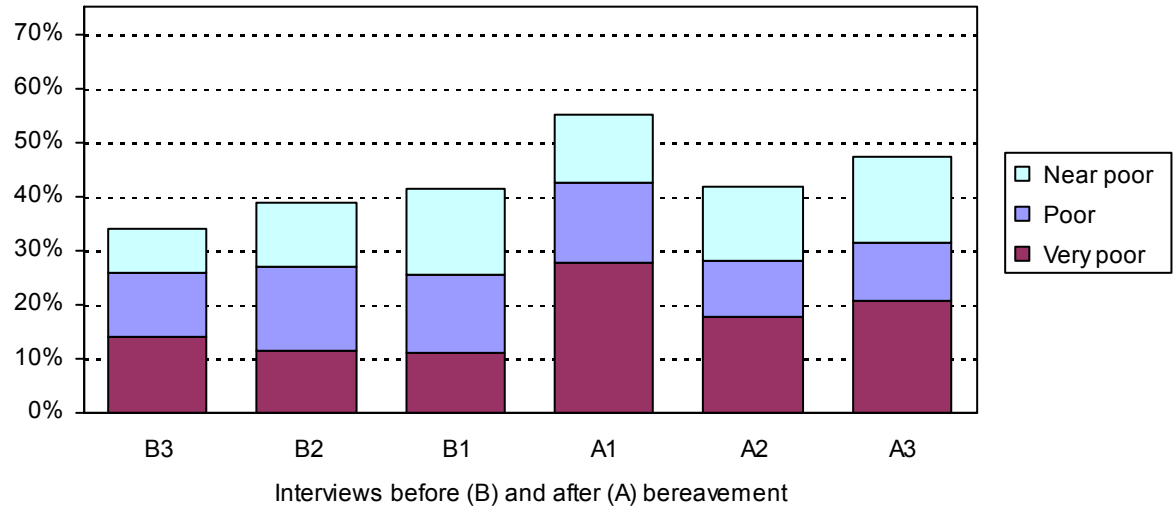


Figure 4.12 Men under pension age: intensity of poverty before and after bereavement (per cent)

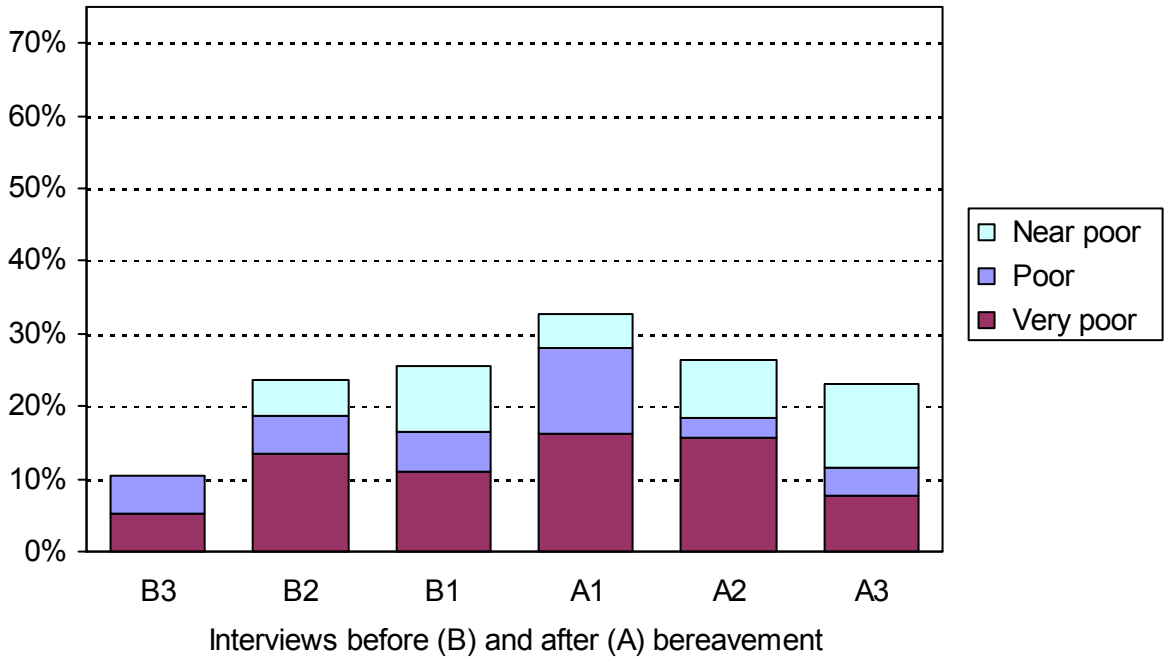
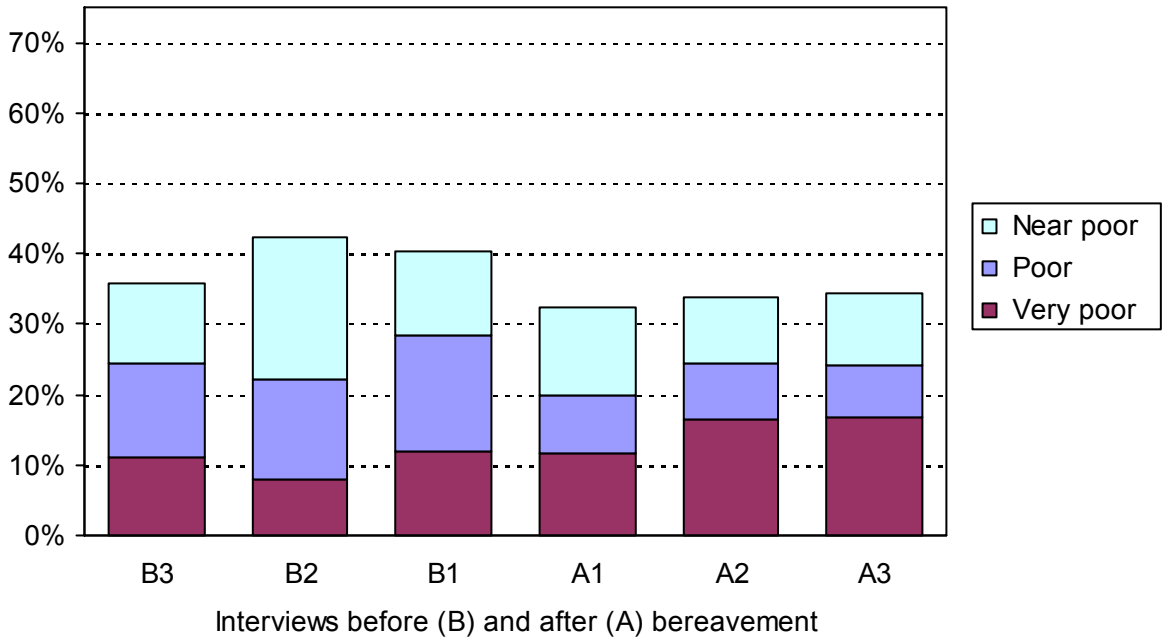


Figure 4.13 Men over pension age: intensity of poverty before and after bereavement (per cent)



Annex to Chapter 5

This annex presents findings from the BHPS on income components as an indication of people's dealings with government and other agencies involved in administering such arrangements. Findings on a range of transactions including housing costs, lump sum payments, loan repayments, expenditure patterns, household money management and savings are also presented. These financial measures are described in Appendix C. BHPS interviews conducted immediately before and after the death of a partner are labelled B1 and A1 respectively (see Appendix A). The term respondent refers to the person who survived the death of a partner. This annex also summarises DWP estimates of receipts of bereavement and widow's benefits.[3]

Table 5.1 shows the proportion of partners who were receiving state pensions and benefits before their death. The partners of one in three women under pension age, for example, had received a work-related disability benefit which might include any of the benefits based on their partner's national insurance contributions record and awarded on grounds of disability (see Appendix C.4 for details of these benefits). On their own, benefit receipts underestimate the extent of contact with DWP offices because some people may have had a recent claim refused and others may have had claims under consideration at the time of interview. BHPS researchers also warn against placing too much reliance on reports of individual benefit receipts and drawing firm conclusions about changes in benefit claims over time (see Appendix C.4).

Table 5.1 Partner's financial transactions with DWP (at B1) by respondent's age after bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Work-related disability benefit*	33	15	12	7
Disability benefit* (carer's allowance)	25 (6)	27 (2)	28 (3)	26 (0)
Income support, job seeker's allowance, or both	12	7	9	2
State retirement pension	15	91	29	94
One or more of the above	*58*	*98*	*61*	*96*
Unweighted base	*73*	*221*	*48*	*119*

* See Appendix C.4 for definitions.

[3]. *Source:* DWP Information Directorate, Work and Pensions Longitudinal Study. (http://www.dwp.gov.uk/asd/tabtool.asp).

Table 5.2 shows the proportion of people receiving state pensions and benefits before and after bereavement and is based on people interviewed on both occasions. These findings may be interpreted in the same way as Table 5.1 and are subject to the same health warnings.

Table 5.2 Respondent's financial transactions with DWP before (B1) and after (A1) bereavement by age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
Work-related disability benefit*	9	11	1	3
Disability benefit*	6	17	14	16
Income support, job seeker's allowance, or both	6	11	4	11
State retirement pension	–	–	95	93
One or more of the above	*20*	*34*	*96*	*95*
Bereavement or widow's allowance	–	49	–	18
Widowed parent's or widowed mother's allowance	–	17	–	–
Unweighted base	*91*	*86*	*275*	*280*
Men				
Work-related disability benefit*	18	25	8	10
Disability benefit*	14	18	10	18
Income support, job seeker's allowance, or both	18	18	7	5
State retirement pension	–	–	99	98
One or more of the above	*38*	*42*	*100*	*99*
Bereavement allowance	–	2	–	–
Widowed parent's allowance	–	–	–	–
Unweighted base	*57*	*52*	*134*	*139*

* See Appendix C.4 for definitions.

Tables 5.3 and 5.4 summarise official estimates of the number of people in Britain claiming widow's benefits and bereavement benefits since 1995. Widow's benefits were replaced by bereavement benefits in April 2001 although existing claims for widow's benefits were maintained after that date so long as the qualifying conditions continued to be satisfied. A key difference between the two sets of benefits is that all claimants of widow's benefits are women, whereas men and women can apply for bereavement benefits. In May 2007, 70 per cent of bereavement benefit claimants

were women. These figures do not include the lump sum payments, widow's payment or bereavement payment, estimates for which are not currently published.

The number of widow's benefits claimants has declined over time reflecting increases in life expectancy and year on year decline in the number of couples where one partner dies. However, the rate of decline of both widow's allowance and widowed mother's allowance accelerated after April 2001 when no new claims for widow's benefits were accepted

Table 5.3 Widow's benefits caseload May 1995 to May 2007 (thousands)

	Total caseload	*Widow's allowance*	*Widowed mother's allowance*
1995	326.7	n/a	n/a
1996	314.6	n/a	n/a
1997	300.0	n/a	n/a
1998	284.4	n/a	n/a
1999	273.5	n/a	n/a
2000	265.1	212.4	52.7
2001	255.0	204.6	50.3
2002	223.4	180.4	43.0
2003	191.5	155.5	36.0
2004	163.4	133.8	29.6
2005	139.0	114.7	24.3
2006	117.7	97.9	19.8
2007	96.9	80.6	16.3

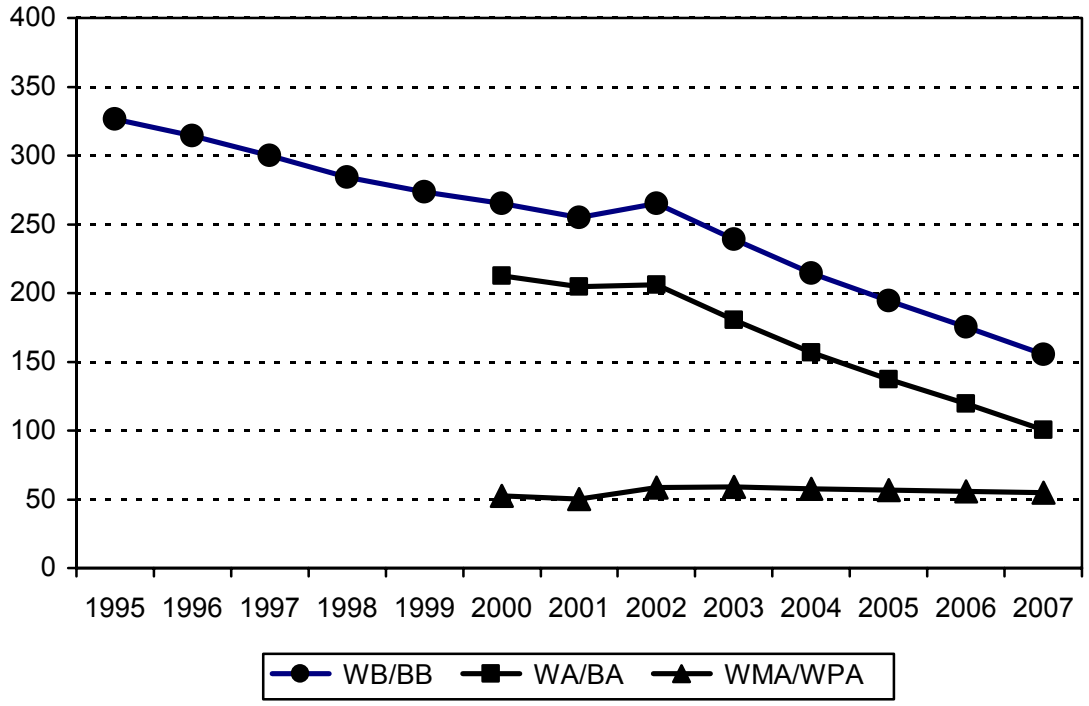
Since bereavement benefits were introduced in April 2001, extending entitlement to bereaved men and bereaved fathers, the number of claimants has increased steadily. The overall increase was driven by a growing number of claims for widowed parent's allowance, while the number of bereavement allowance claimants has declined. Caseload estimates for bereavement benefits are available only from May 2002 onwards. It is not possible to estimate take up of these benefits because the number of eligible non-claimants is not known

Table 5.4 Bereavement benefits caseload, May 2002 to May 2007 (thousands)

	Total caseload	*Bereavement allowance*	*Widowed parent's allowance*
2002	41.5	25.7	15.8
2003	47.7	24.8	22.9
2004	51.2	23.0	28.2
2005	55.2	22.7	32.5
2006	57.7	21.8	35.9
2007	58.5	20.0	38.5

Although the two sets of benefits are not strictly comparable, time trends indicate a declining caseload overall, driven largely by claims for widow's allowance drawing to a close and, to a lesser extent, declining uptake of bereavement allowance. The introduction of bereavement benefits in April 2001 interrupted but did not halt the overall decline. However, an increasing number of claims for widowed parent's allowance offset the withdrawal of widowed mother's allowance, leading to a relatively stable caseload of bereaved partners with dependent children (Figure 5.1).

Figure 5.1 Widow's benefits and bereavement benefits caseloads, May 1995 to May 2007 (thousands*)



Notes:

WB/BB Widow's benefits and bereavement benefits (excluding widow's payment and bereavement payment for which estimates are not currently published).

WA/BA widow's allowance and bereavement allowance.

WMA/WPA widowed mother's allowance and widowed parent's allowance.

* Estimates for May 2001 include widow's benefits only.

Source:

DWP Information Directorate, Work and Pensions Longitudinal Study.

(http://www.dwp.gov.uk/asd/tabtool.asp).

Table 5.5 shows the proportion of households that were paying income tax before the death of a partner, distinguishing between those receiving a tax credit or not. These figures have been estimated from household tax liabilities simulated by BHPS researchers (see Appendix C.2). Other households would have had contact with HMRC to check that they had no income tax liability or for other taxation purposes.

Table 5.5 Household's financial transactions with HMRC (at B1) by respondent's age after bereavement and gender (per cent)*

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Household paid income tax (no tax credit)	48	2	27	3
Household received credit on income tax	19	2	31	4
Unweighted base	*62*	*202*	*36*	*118*

* Couple only households with or without dependent children.

Table 5.6 shows receipts of council tax and housing benefits at successive interview waves before and after bereavement. Before the death of a partner (B1), one in five couples (20 per cent) was claiming either or both of these benefits, including 18 per cent claiming council tax benefit and ten per cent claiming housing benefit; two per cent claimed both benefits.

Table 5.6 Receipt of council tax and housing benefits before (B) and after (A) bereavement (per cent)

	B1	*A1*	*A2*	*A3*
Council tax benefit only	10	16	16	14
Housing benefit only	2	1	3	2
Both	8	10	8	10
Neither	80	73	74	74
Unweighted base	*732*	*564*	*509*	*427*

The following table shows the proportion of people's whose partners had had a personal pension or life insurance cover (mortgage protection policies are covered later in this annex). For example, 41 per cent of women under pension age received a survivor's benefit from their partner's former employer compared with 17 per cent of

men under pension age, reflecting gender differences in access to occupational pensions. The findings also draw attention to age or cohort differences. Younger men were more likely to be protected, than those who were older, reflecting women's increased access to better paid, full-time jobs with pension provision (in public sector employment for example). In contrast, younger women were somewhat less likely to be protected than older women, perhaps because their partners had postponed decisions about contributing to an occupational pension scheme.[4] The BHPS does not enable us to be completely certain that the lump sum payments shown in Table 5.7 were received in respect of a partner's death although evidence of their timing indicates that this is a likely interpretation (see Figure 5.3 below). The final row of Table 5.7 shows the overall proportion of people reporting at least one of the arrangements described in the table. Additionally, between 10 and 15 per cent of partners had said they were covered by private medical insurance although the nature and extent of such cover is not known. Younger partners were somewhat more likely to have had private medical insurance than older partners but there was no difference between women and men in uptake (Table 5.8).

Table 5.7 Partner's transactions with pensions and insurance companies by respondent's age after bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Partner had received occupational pension at B1	28	66	23	23
Partner had received private pension or annuity at B1	5	9	10	4
Respondent received pension at A1 from partner's former employer	41	49	17	7
Life insurance lump sum payment at A1	49	27	40	17
Pension lump sum payment at A1	31	6	14	2
One or more or the above	*77*	*80*	*67*	*43*
Unweighted base	*48*	*156*	*36*	*93*

Table 5.8 shows whether respondent's partners were covered by private medical insurance to meet health care costs; some insurance schemes may have included a lump sum payment in the event of a partner's death although this information is not

[4]. Most partners who were in paid work and interviewed just before their death (75 per cent) had said they were members of their employers' pension scheme. However, we do not know the circumstances of those interviewed by proxy, who predominate, and details of benefits payable on death are not gathered.

gathered in the BHPS. Most partners, 89 per cent overall, were evidently not covered by private medical insurance.

Table 5.8 Partners with private medical insurance (at B1) by respondent's age after bereavement and gender (per cent)

	Women		*Men*	
	Under state pension age	Pension age and over	Under state pension age	Pension age and over
Yes, in own name	19	9	8	2
Yes, via family member	–	–	5	6
No, not insured	81	91	87	92
Unweighted base	*49*	*148*	*38*	*96*

The following table shows the proportion of BHPS respondents by tenure reporting net housing costs at interviews before and after the death of a partner. Most people reported no housing costs because they either owned their house outright or received a 100 per cent rent rebate. Outright owners predominate reflecting the age profile of the sample which is weighted towards older age groups that will have completed their mortgage payments.

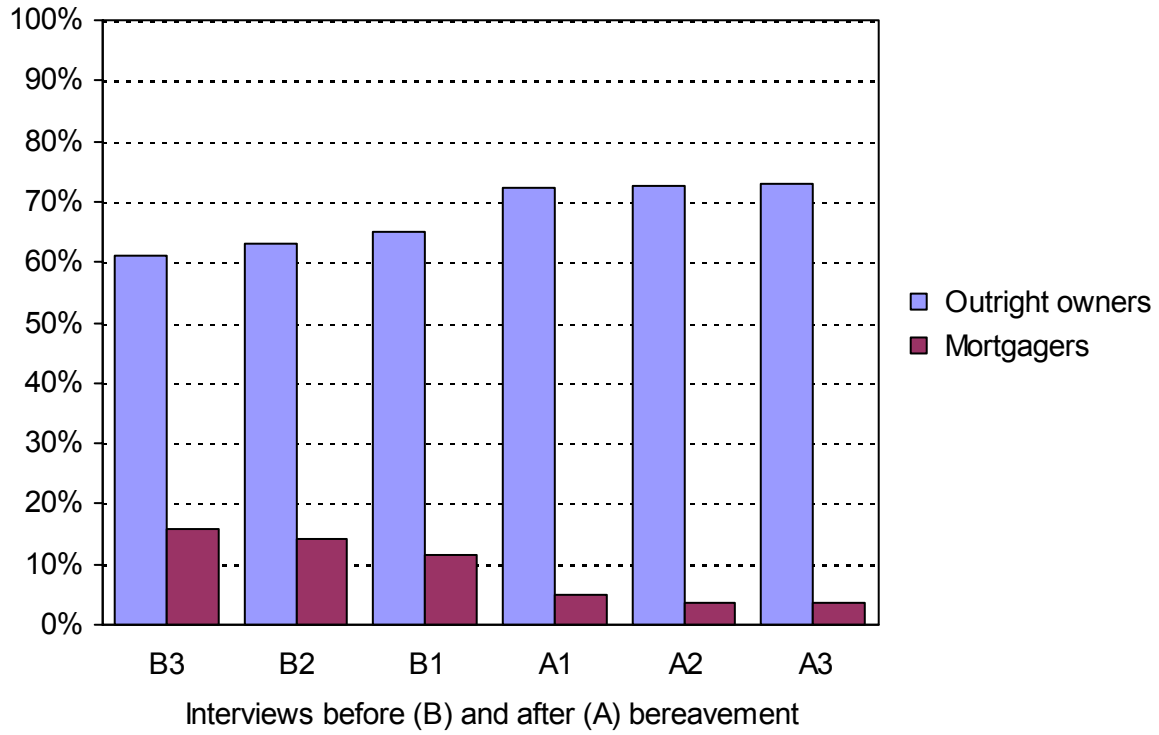
Table 5.9 Housing tenure and net housing costs before and after bereavement (per cent)

	Before bereavement			*After bereavement*		
	B3	B2	B1	A1	A2	A3
No housing costs						
Owned outright	59	59	59	65	66	65
Social rented	3	3	4	5	5	6
Other rented	1	1	2	2	2	2
Total	63	63	65	72	73	73
Some housing costs						
Owned with a mortgage	16	15	12	8	7	7
Social rented	18	19	19	18	19	18
Other rented	3	3	3	2	2	2
Total	37	37	35	28	27	27
Unweighted base	*472*	*557*	*673*	*556*	*503*	*425*

The most striking change following the death of a partner was an increased proportion of people with no housing costs, driven largely by an increase in outright ownership. This is best appreciated by focusing on household enumerated at *every*

wave to keep the composition of the sample constant over time. Thus, Figure 5.2 shows a gradual increase in the proportion of outright owners and a corresponding decrease in the proportion of mortgagers across the years before and after bereavement; but there is a marked transition between the interview immediately before (B1) and after (A1) the death. The gradual trend before and after bereavement probably captures changes associated with mortgages completing their normal term. The step change between B1 and A1, which alone is statistically significant (paired sample, P<0.001), was apparently linked to the release of insurance or other financial assets following the death of a partner (see further below).

Figure 5.2 Proportion of outright owners and mortgagers before and after bereavement (per cent)



The next table shows housing tenure transitions and whether housing costs were incurred among the same households enumerated before and after bereavement. Two observations can be made. First, there was considerable stability in people's housing tenure between the two interviews: 98 per cent of outright owners at B1 were outright owners after the death while 78 per cent of householders in social housing with a full rent rebate were in the same situation following bereavement. Secondly, there was a net shift from incurring some housing costs (66 per cent) to no housing costs (74 per cent). This shift was brought about largely by over half of householders with a mortgage (56 per cent) becoming outright owners. The table shows smaller rates of transition between gaining (12 per cent) and losing (22 per cent) full rent rebates among people in social housing. The overall reduction in net housing costs (around £50 a month) among households paying mortgage or rent before the death

of a partner is statistically significant (paired t-test of housing costs before (B1) and after (A1) bereavement, P=0.01). These conclusions were unaltered when focusing on households whose composition was unchanged but for the death of a partner.

Table 5.10 Changes in housing circumstances between interviews before (B1) and after (A1) bereavement (per cent)

	No housing costs at A1			*Some housing costs at A1*			
	Owned outright	Social rented	Other rented	Owned with a mortgage	Social rented	Other rented	*Unweighted base*
No housing costs at B1							
Owned outright	98	–	0	2	–	–	302
Social rented	0	78	0	–	22	–	27
Other rented	17	8	75	–	–	–	12
Some housing costs at B1							
Owned with a mortgage	56	–	–	42	–	2	70
Social rented	1	12	0	1	86	0	91
Other rented	–	–	–	15	8	77	14

Table 5.11 shows the proportion of people who reported receiving a lump sum from a bequest, life insurance or pension payment at the interview after the death of a partner. The most common lump sum payments were life insurance payouts followed by bequests and pension payouts. The actual circumstances of each payout are not known and payments could have been received at any time during the previous 12 months or so (see Appendix C.13). Figure 5.3 shows that lump sum payments were more likely to have been received in the year that partners died (between B1 and A1) than at any other time; we might, therefore, feel reasonably confident that most of those recorded in Table 5.11 were received as a consequence of a partner's death. Raised rates of lump sum payments are also recorded at the second interview after the death (A2) which might indicate delays in payments being received.

Table 5.11 Combinations of lump sum payments after bereavement (A1)

	Per cent
Life insurance payout only	22
Inheritance only	11
Pension payout only	4
Life insurance and pension payout	4
Inheritance and life insurance payout	1
Inheritance and pension payout	1
All three	0
None of the above	56
Unweighted base	*414*

Figure 5.3 Lump sum payments before (B) and after (A) bereavement (per cent)

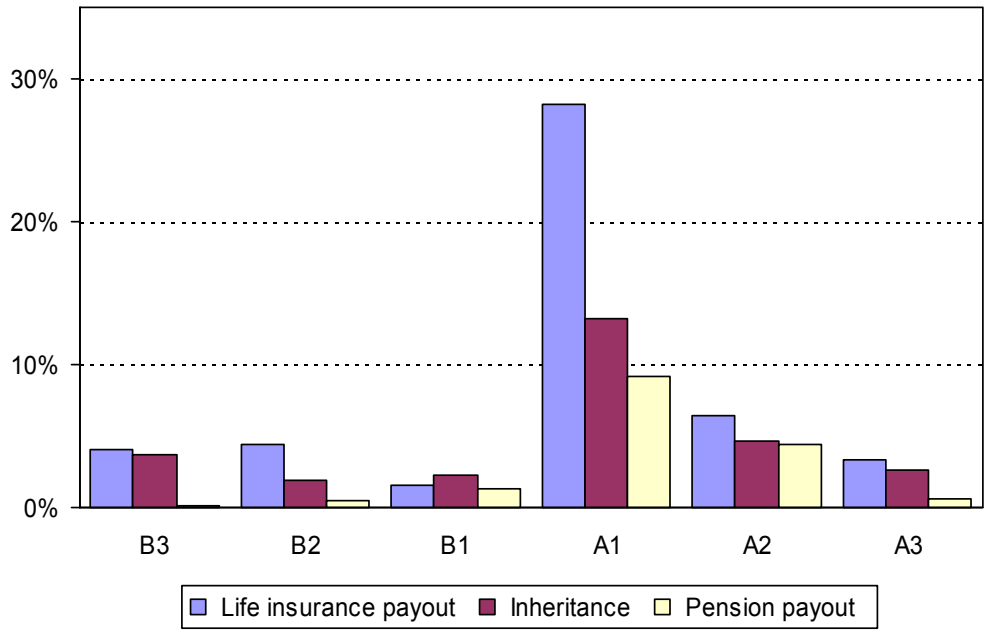


Table 5.12 shows changes in net monthly housing costs categorised as increasing or decreasing by £40 or more and less than £40 by people's views about how they were managing financially and meeting housing payments. The BHPS questions which elicited people's views on their financial circumstances and housing costs are described in Appendix C.9 and C.10.3. For example, 13 per cent of people whose housing costs decreased by £40 a month or more said they had had problems paying for housing in the past year compared with 16 per cent of people whose housing costs increased by £40 or more. We recognise that problems reported at the interview after the death of a partner (A1) could have arisen before the death which occurred inside the 12 month window specified in the question. However, these findings show no consistent association between changes in housing costs and people's financial situation or difficulties in meeting housing costs.

Table 5.12 Financial difficulties after the death of a partner by changes in net monthly housing costs between interviews before (B1) and after (A1) bereavement (per cent)

Financial difficulties reported at A1	*Decrease of £40 or more*	*Decrease under £40*	*No housing costs at B1 or A1*	*Increase under £40*	*Increase of £40 or more*
Financial situation					
Just about getting by	38	36	22	32	39
Finding it very or quite difficult	8	7	5	12	4
Worse off than a year ago	50	41	39	61	48
Likely to be worse off or uncertain about year ahead	25	24	17	29	26
Housing payments in past year					
Problems paying for housing	13	9	–	18	16
Housing payments required cutbacks	12	9	–	16	7
*Unweighted base**	*66*	*46*	*308*	*45*	*24*

* Percentages sum to more than 100 because people gave two or more responses.

Table 5.13 shows changes in net monthly housing costs categorised as increasing or decreasing by ten per cent or more and less than ten per cent of net household income by people's views about how they were managing financially and meeting housing payments. For example, 36 per cent of people whose housing costs decreased by ten per cent or more of their household income said they were just about getting by financially compared with 40 per cent of those whose housing costs

increased by ten per cent or more. These findings show no consistent association between changes in housing costs as a proportion of household income and people's financial situation or difficulties in meeting housing costs.

Table 5.13 Financial difficulties after the death of a partner by changes in housing costs as a proportion of household income before and after bereavement (per cent)

	Decrease of 10% or more	*Decrease under 10%*	*No housing costs at B1 or A1*	*Increase under 10%*	*Increase of 10% or more*
Financial situation					
Just about getting by	36	34	22	30	40
Finding it very or quite difficult	8	0	5	11	9
Worse off than a year ago	49	47	39	43	57
Likely to be worse off or uncertain about year ahead	19	21	17	34	17
Housing payments in past year					
Problems paying for housing	11	3	–	16	22
Housing payments required cutbacks	11	3	–	16	15
*Unweighted base (= 100 per cent)**	*41*	*35*	*308*	*56*	*40*

* Percentages sum to more than 100 because people gave two or more responses.

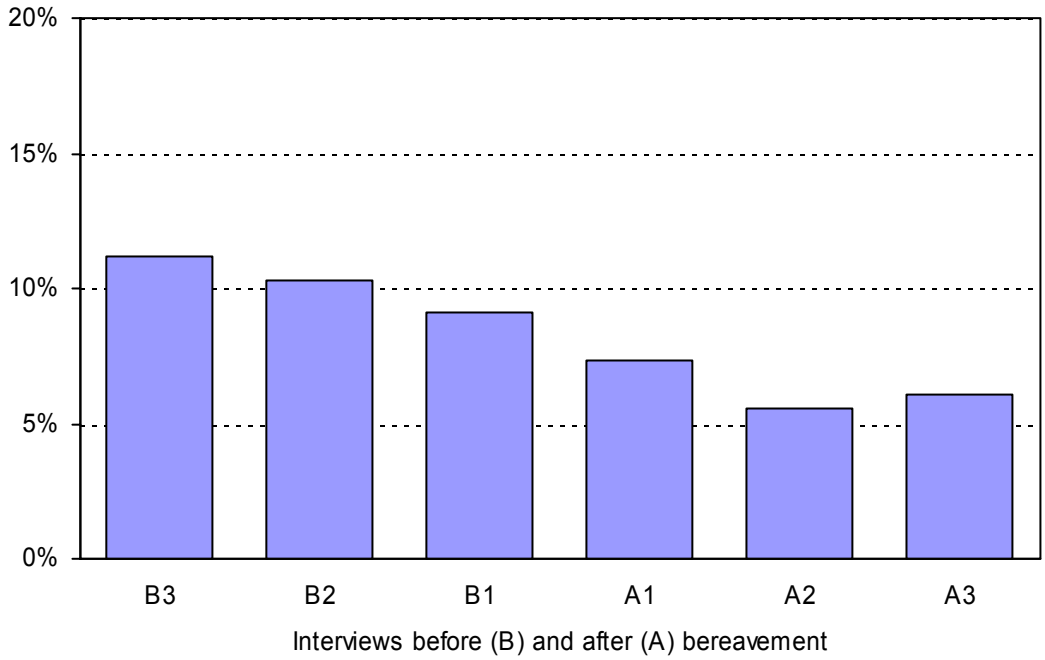
Table 5.14 shows the proportion of people reporting repayments on hire purchases and loans before and after bereavement. This information was supplied by household informants who reported that someone in their household was repaying a loan or hire purchase, including repayments on social fund loans but excluding mortgage payments (Appendix C.11). The findings are based on household informants interviewed on both occasions.

Table 5.14 Repayments on hire purchases and loans before (B1) and after (A1) bereavement by respondent's age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women	28	16	4	2
Men	35	28	4	6
Unweighted base				
Women	*66*	*63*	*197*	*200*
Men	*46*	*43*	*109*	*112*

The following chart shows the extent of loan repayments reported at each interview before and after bereavement. Despite a small increase between A2 and A3 (less than half a percent), there was a significant decline in the proportion of households making loan repayments across the six interview waves, almost halving between interviews conducted across three years before and after a partner's death.[5] Although year-on-year changes were small and not statistically significant, the largest decreases were recorded in the two years following death of a partner.[6]

Figure 5.4 Households making repayments on hire purchases or loans at interviews before and after bereavement (per cent)



[5] Repeated measures analysis, B1 to A3 and B2 to A2, showed significant change over time (P<0.01) and a significant linear trend (P<0.01).

[6] Paired sample test of differences in proportions with hire purchases or loans between the waves labelled B1 and A1, and A1 and A2, were not statistically significant (P>0.05, two-tailed).

Table 5.15 shows how people said they had managed the household finances when the partner was living with them (at interview B1). Respondents were invited to select one the six options described in the table (see also Appendix C.14). For example, 45 per cent said they had shared equally and managed their finances jointly.

Table 5.15 Management of household finances before bereavement (B1) by respondent's gender (per cent)

	Women	*Men*	*All*
Respondent and partner share equally and manage household finances jointly	45	42	45
Respondent looks after household money except partner's personal spending money	28	24	27
Partner looks after household money except respondent's personal spending money	8	30	14
Respondent given housekeeping allowance, partner looks after rest of the money	11	–	8
Partner given housekeeping allowance, respondent looks after rest of the money	3	4	3
Respondent and partner keep finances completely separate	2	–	2
Some other arrangement	2	–	2
Unweighted base	*130*	*52*	*182*

Table 5.16 shows who has the final say in big financial decisions at the interview before the death of a partner (B1). Thus, 60 per cent of couples were described as partnerships in which each had an equal say in big financial decisions. In this table, respondents are those people who survived the death.

Table 5.16 Who has final say in big financial decisions before bereavement (B1) by respondent's gender (per cent)

	Women	*Men*	*All*
Equal say	64	50	60
Respondent	18	30	21
Partner	17	18	17
Other	2	2	2
Unweighted base	*130*	*52*	*182*

Figure 5.5 shows average monthly household spending on oil, gas and electricity, at January 2006 prices, before and after the death of a partner (see Appendix C.10.2). There is evidence of some increase in fuel costs before bereavement which may

reflect higher heating and other energy needs during end of life care. Following bereavement, average fuel costs declined steadily; however there is considerable variation across the sample and the decline was not statistically significant. Repeated measures analysis, B1 to A3, showed no significant change (P=0.18) and no significant linear development over time (P=0.11). Focusing on changes from B1 to A2, which almost doubled the sample size, did not alter these findings (P=0.18 and 0.20 respectively).

Figure 5.5 Monthly fuel costs at interviews before and after bereavement (mean and 95% confidence interval)

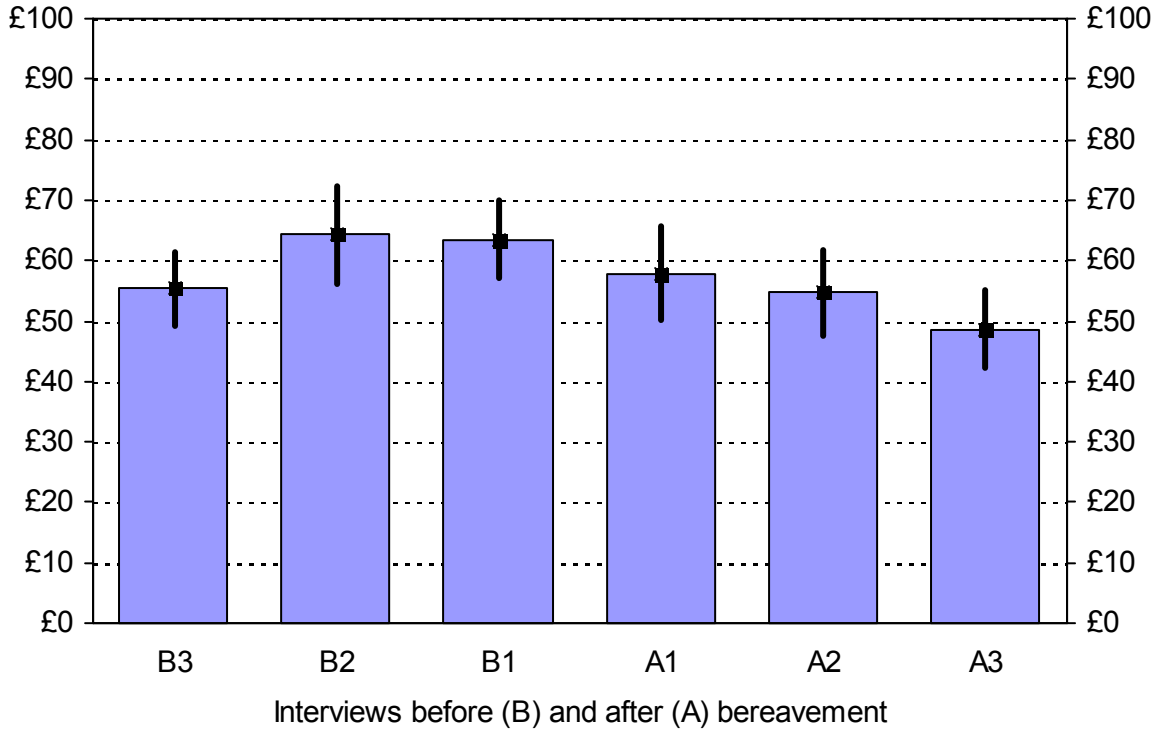


Figure 5.6 shows equivalised monthly fuel costs, adjusted to reflect the size and composition of households. There was a statistically significant increase in equivalised fuel costs between interviews conducted just before (B1) and after (A1) bereavement: paired t-test, P<0.01 (two-tailed). Thereafter, equivalised fuel costs gradually declined almost reaching pre-bereavement levels by the third interview after bereavement (A3): paired t-test between waves labelled B1 and A3, P=0.04 (two-tailed).

Figure 5.6 Equivalised monthly fuel costs at interviews before and after bereavement (mean and 95% confidence interval)

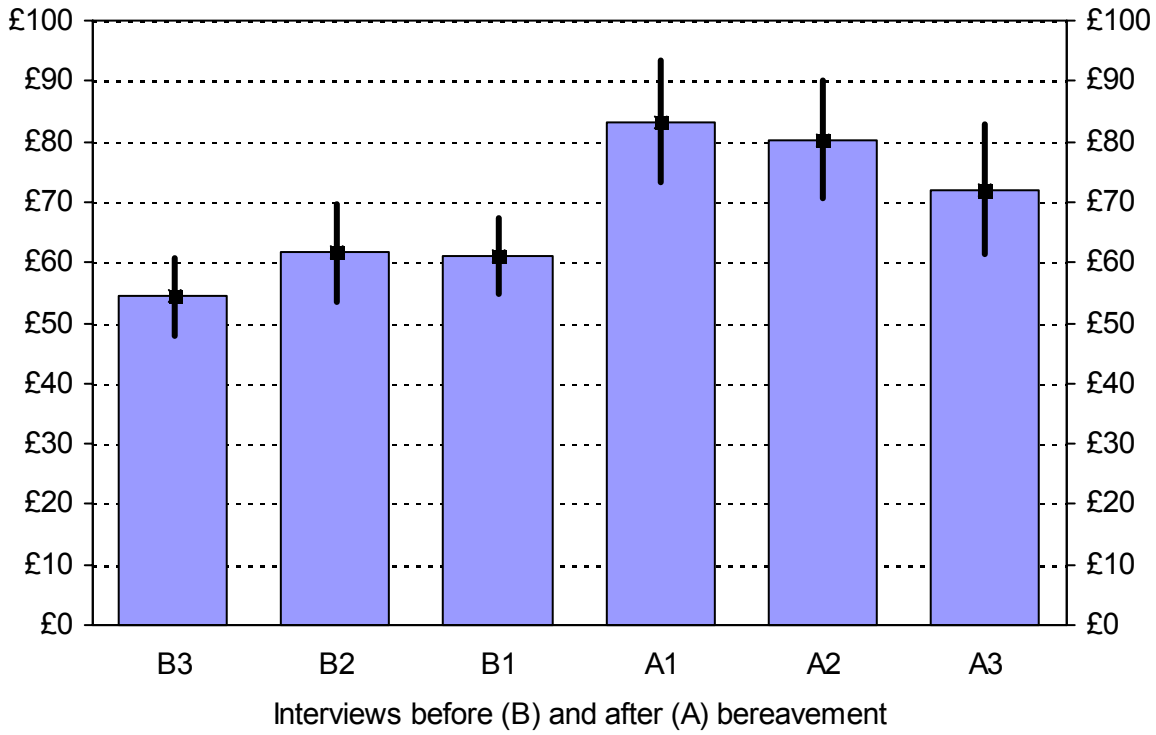
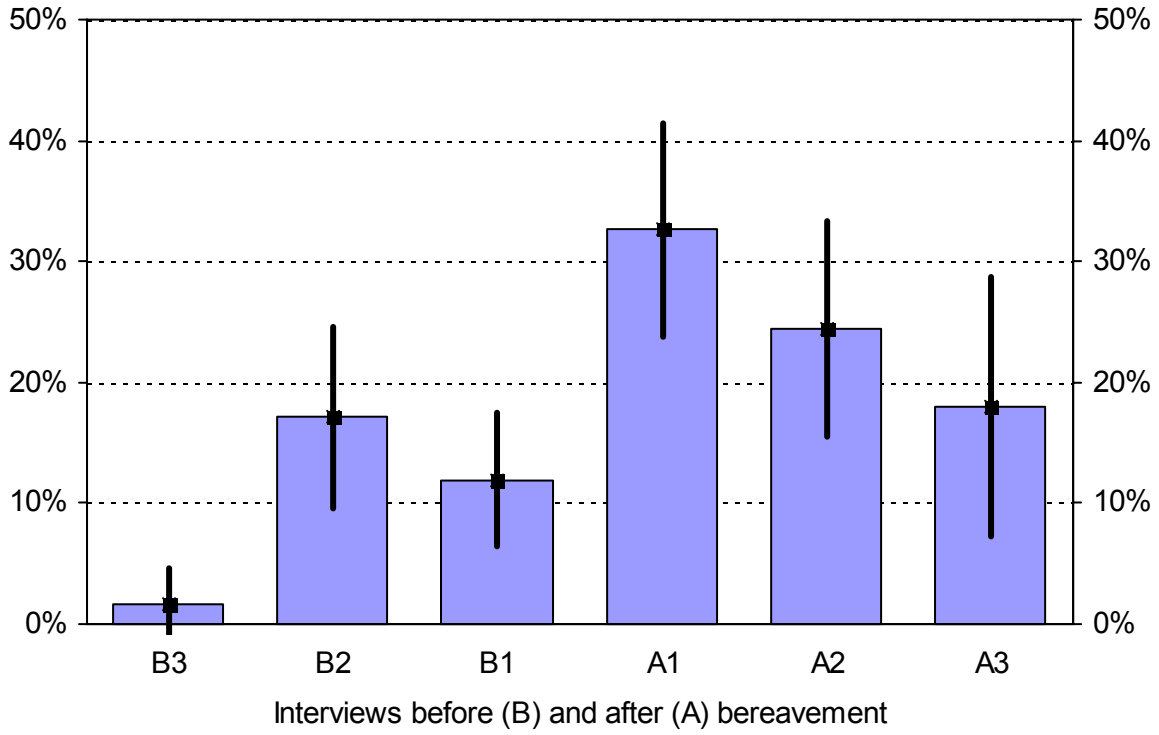


Figure 5.7 shows the extent of fuel poverty, defined as spending more than a tenth of net household income on fuel (Appendix C.10.2). According to this definition, fuel poverty increased dramatically following the death of a partner (paired sample, $P<0.001$, two-tailed). The extent of fuel poverty subsequently returned to pre-bereavement levels by the third interview after bereavement (A3). Although the proportion of fuel poor households almost trebled following the death of a partner (from 13 to 35 per cent), fewer households remained persistently fuel poor thereafter. Overall, 23 per cent of households were fuel poor at both the first (A1) and second (A2) interview wave after bereavement, and 11 per cent were fuel poor at all three post-bereavement interviews (A1 through A3).

Figure 5.7 Fuel poverty at interviews before and after bereavement (per cent and 95% confidence interval)



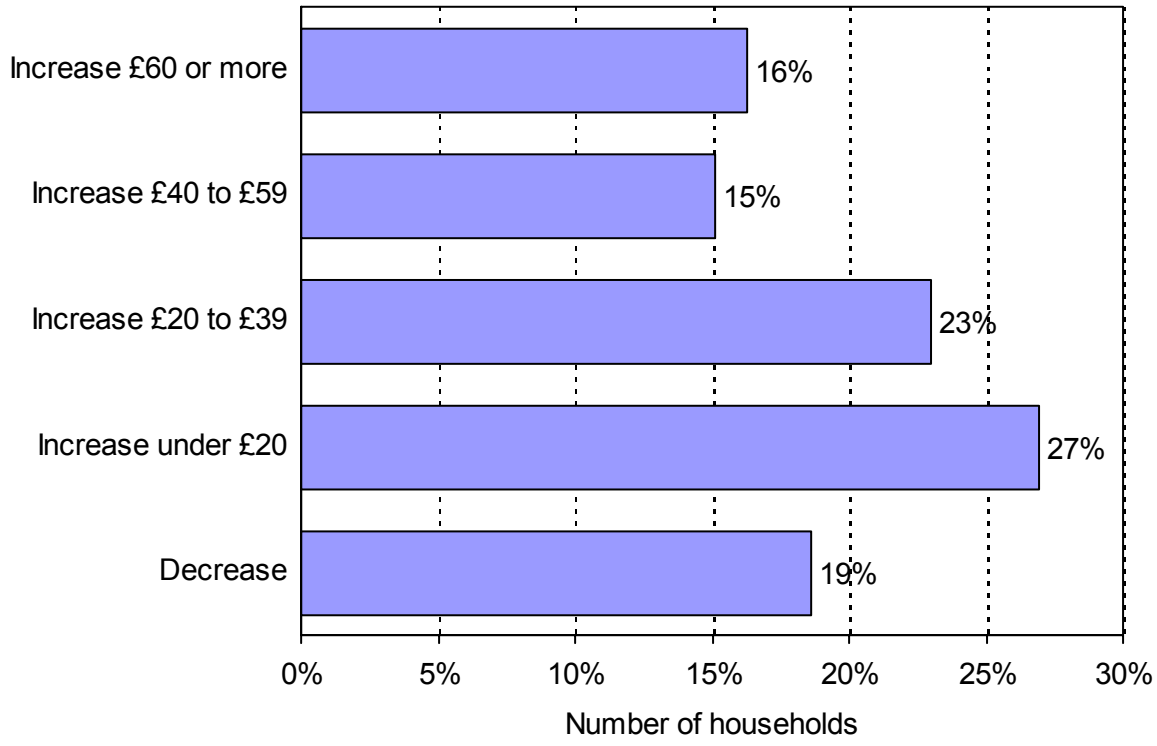
Detailed analysis of households most at risk of fuel poverty was limited by small sample sizes. As might be expected, fuel poverty was concentrated among low income households: before and after bereavement, between two thirds and four fifths of fuel poor households were in the bottom three quintiles of the income distribution (where no more than six out of ten would be expected). As single pensioner households were amongst the poorest, women and men over pension age were most likely to be fuel poor immediately following the death of a partner. The following table shows that the proportion of women and men pensioners experiencing fuel poverty more than doubled immediately after the death of a partner. Those who experienced fuel poverty at the first interview following death of a partner (A1) were more likely than expected to say they were struggling or just about managing financially, and to feel worse off financially than a year ago (standardised adjusted residuals >2.0).

Table 5.17 Fuel poverty immediately before and after bereavement by respondent's age and gender (per cent)

	Before bereavement (B1)	*After bereavement (A1)*
Women		
Under state pension age	7	11
Pension age and over	11	40
Men		
Under state pension age	14	13
Pension age and over	17	37

The following chart shows changes in equivalised fuel costs between interviews conducted immediately before (B1) and after (A1) the death of a partner: almost half the people (46 per cent) reported a decrease in equivalent fuel costs or an increase of less than £20 a month. In contrast, equivalised fuel costs increased by £40 or more for almost a third of households (31 per cent). There was no evidence that large increases in equivalised fuel costs were associated with perceived financial strain, worsening finances, or worries about managing in the future (chi-square tests and ordinal measures of association, $P>0.05$). Bereaved people over pension age were more likely to have seen their equivalised fuel costs increase by £20 or more a month after the death of their partner (that is, between B1 and A1), whereas bereaved partners in paid employment, and without dependant children, were more likely to have seen their equivalised fuel costs decrease, or rise by less than £20 a month. However, the sample was too small to conclude that these differences were statistically significant.

Figure 5.8 Changes in equivalised monthly fuel costs between interviews before (B1) and after (A1) bereavement (per cent)



Figures 5.9 and 5.10 show the actual weekly spending on food, at January 2006 prices, reported at each interview before and after the death of a partner (see Appendix C.10.1). They show that average weekly food spending fell by around £22 a week, for women and men alike, following a partner's death: from over £60 a week to around £40. From inspection of the confidence intervals, which do not overlap, it is clear that there has been a significant drop in food spending. Paired sample tests of individual household differences in food spending between the wave before (B1) and after (A1) bereavement reached significance levels of less than 0.001 (two-tailed).

Figure 5.9 Women: actual weekly food expenditure before (B) and after (A) bereavement (mean, 95% confidence interval)

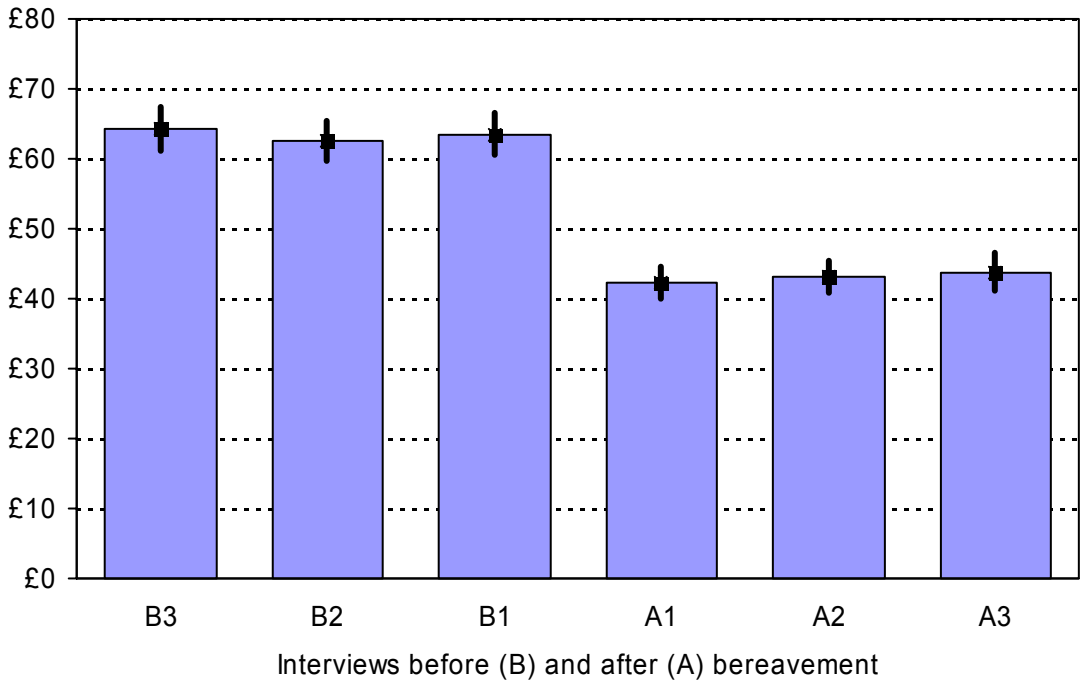
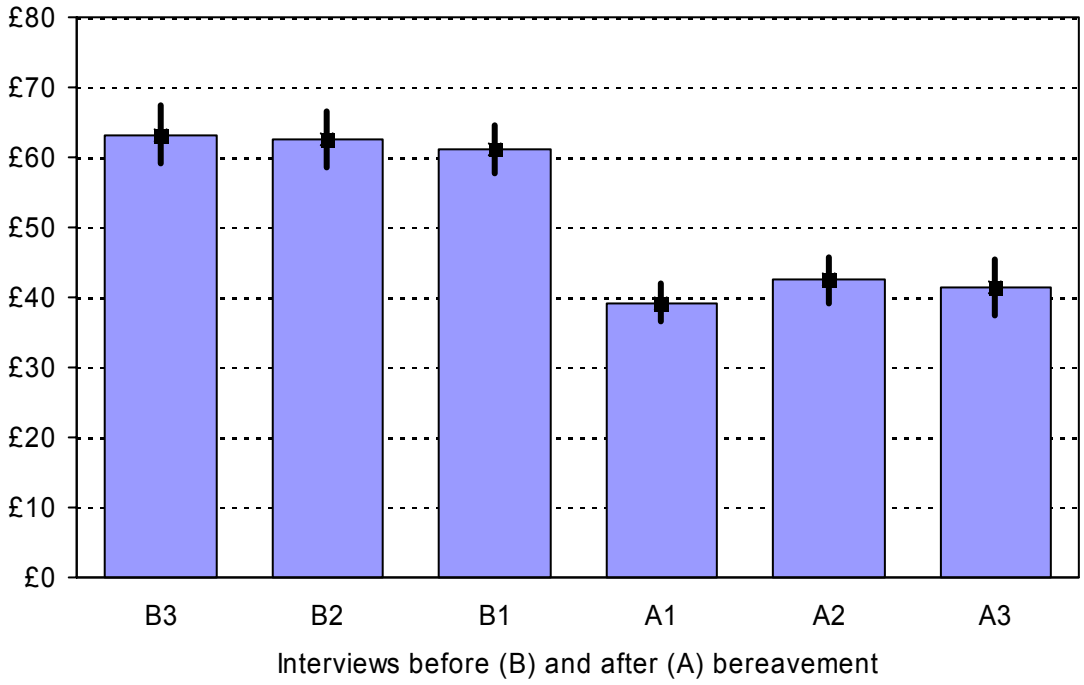


Figure 5.10 Men: actual weekly food expenditure before (B) and after (A) bereavement (mean, 95% confidence interval)



Figures 5.11 and 5.12 show equivalised weekly food spending at each interview before and after the death of a partner. Actual food spending was equivalised using the McClements scale (Appendix C.2). The McClements equivalence scale, which takes into account differences in household size and composition, estimates an average reduction in food spending of 39 per cent from a two person to a single person household: that figure is not far short of the observed reductions in actual spending between interviews conducted before (B1) and after (A1) bereavement (Figures 5.9 and 5.10). Consequently, when food spending is equivalised to take account of changed household circumstances, there is no difference in weekly amounts spent on food between interviews immediately before and after bereavement. More generally, there is no statistically significant increase or decrease in equivalised food spending across successive waves, as indicated by overlapping confidence intervals.

Figure 5.11 Women: equivalised weekly food expenditure before (B) and after (A) bereavement (mean, 95% confidence interval)

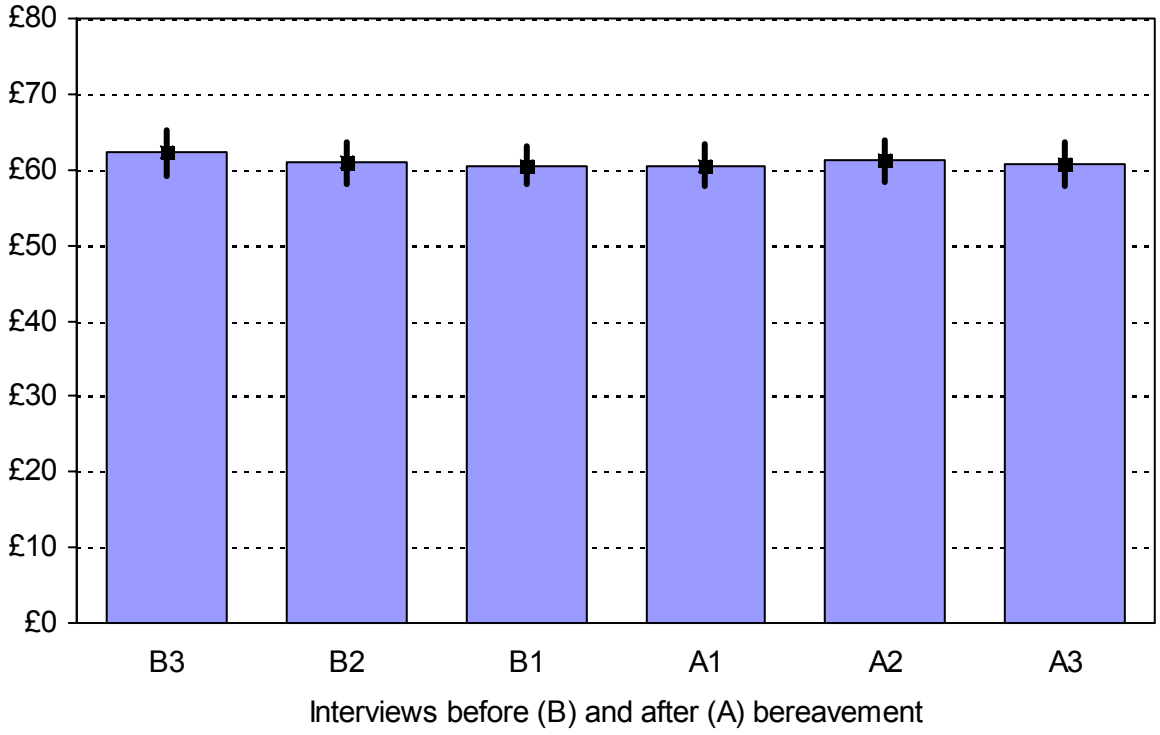
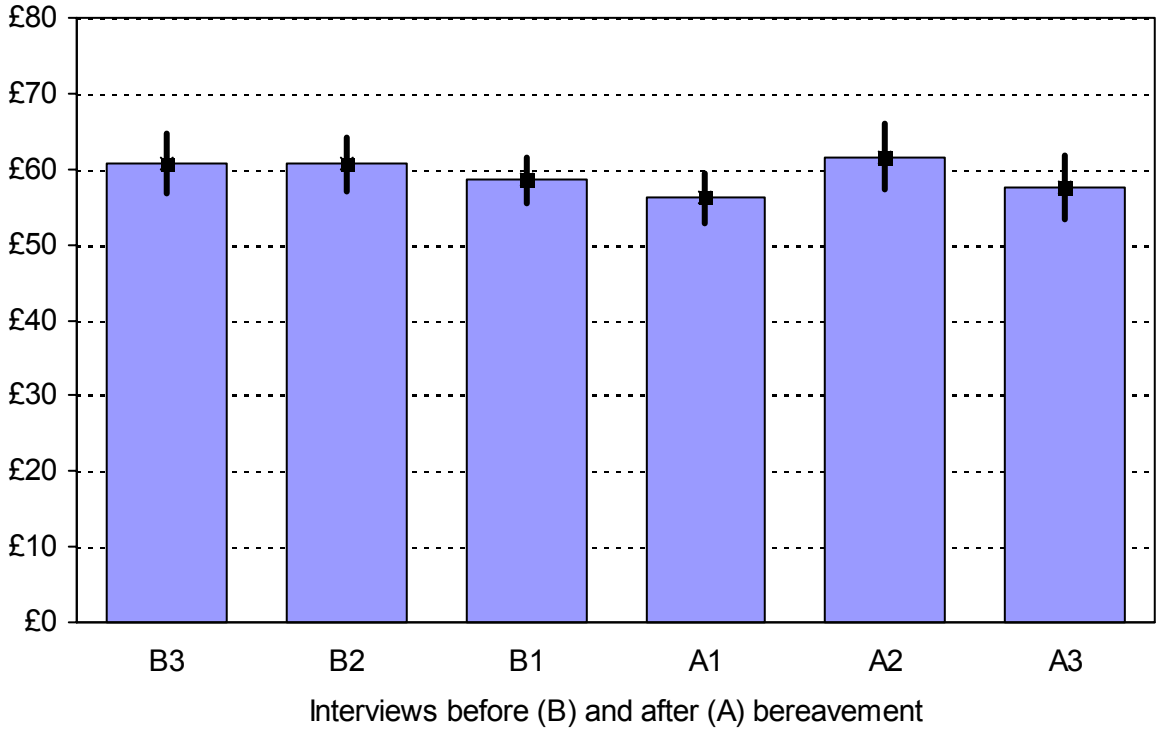


Figure 5.12 Men: equivalised weekly food expenditure before (B) and after (A) bereavement (mean, 95% confidence interval)



The next four charts, Figures 5.13 to 5.16, relate weekly food spending to households' financial resources by showing the proportion of net income devoted to spending on food. The charts distinguish between women and men below and above state pension age at each interview before and after the death of a partner. It can be seen that the proportion of income devoted to food spending increased for women following the death of a partner but decreased for men. Paired sample tests of differences in the proportion of income spent on food between the wave immediately before (B1) and after (A1) bereavement were statistically significant for women ($P<0.01$) but not men ($P>0.40$).

Figure 5.13 Women under 60: food spending as a proportion of net household income before and after bereavement (mean per cent and 95% confidence interval)

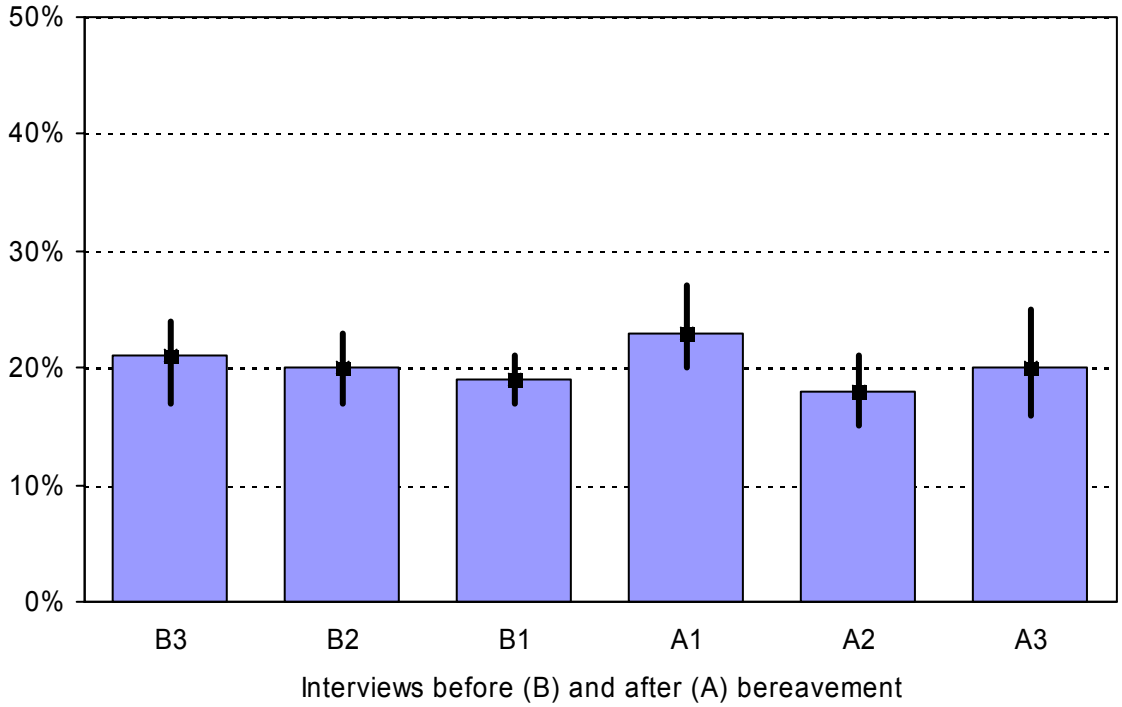


Figure 5.14 Women aged 60 and over: food spending as a proportion of net household income before and after bereavement (mean per cent and 95% confidence interval)

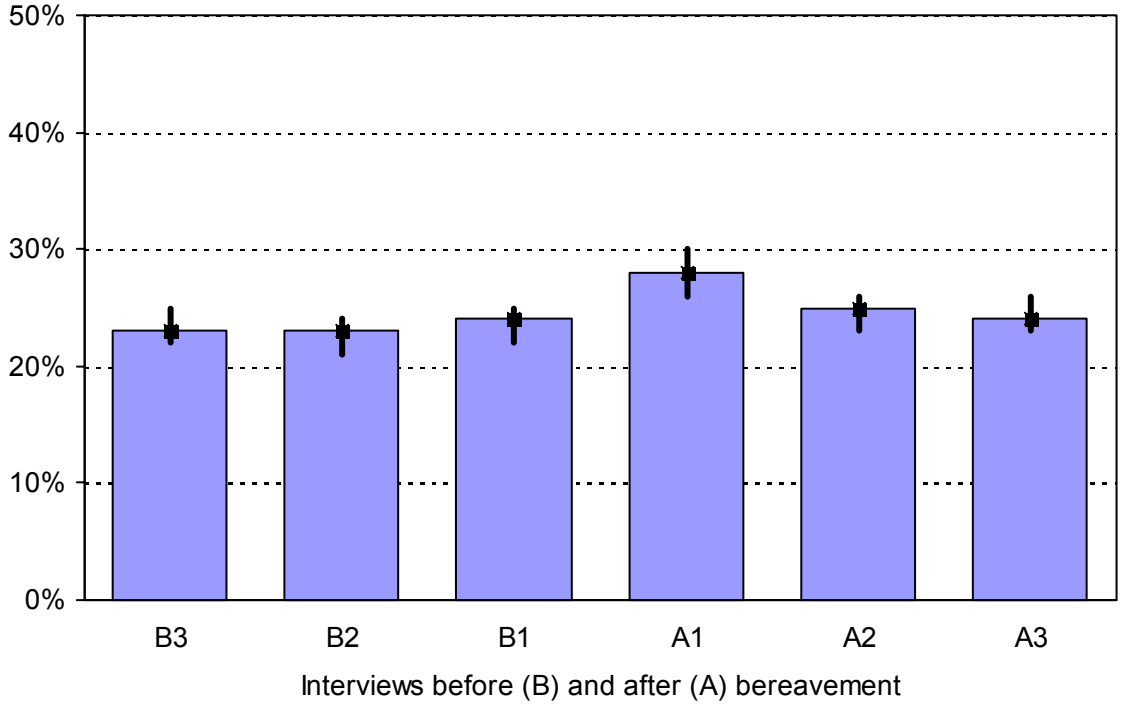


Figure 5.15 Men under 65: food spending as a proportion of net household income before and after bereavement (mean per cent and 95% confidence interval)

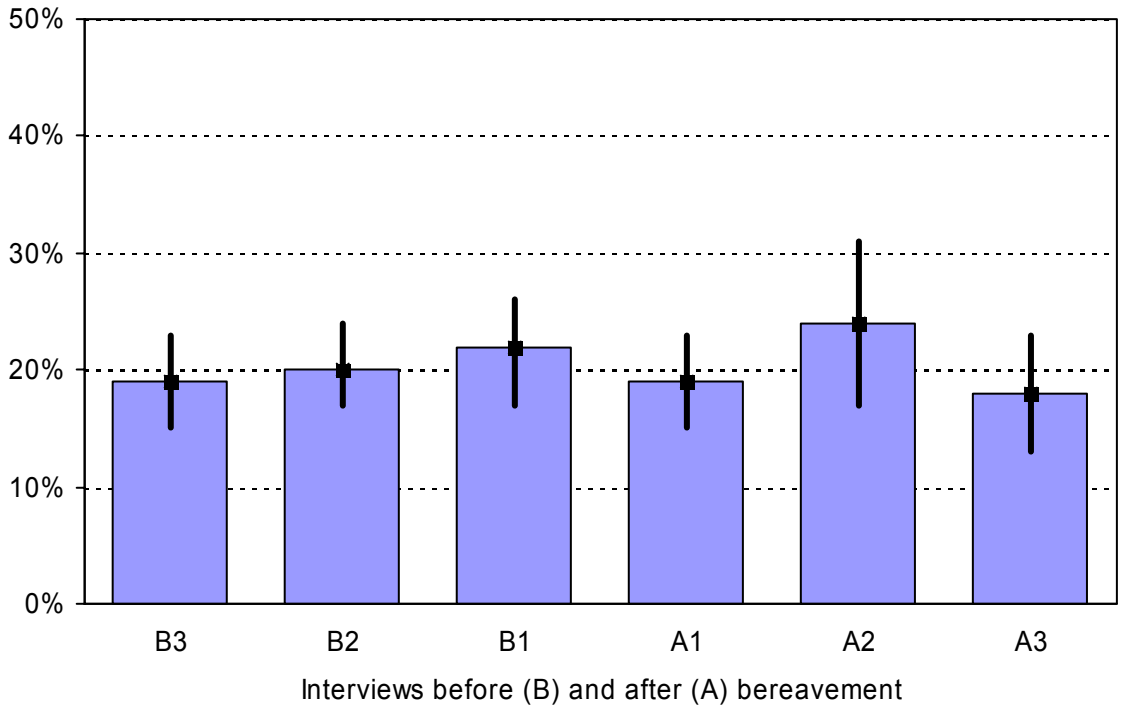


Figure 5.16 Men aged 65 and over: food spending as a proportion of net household income before and after bereavement (mean per cent and 95% confidence interval)

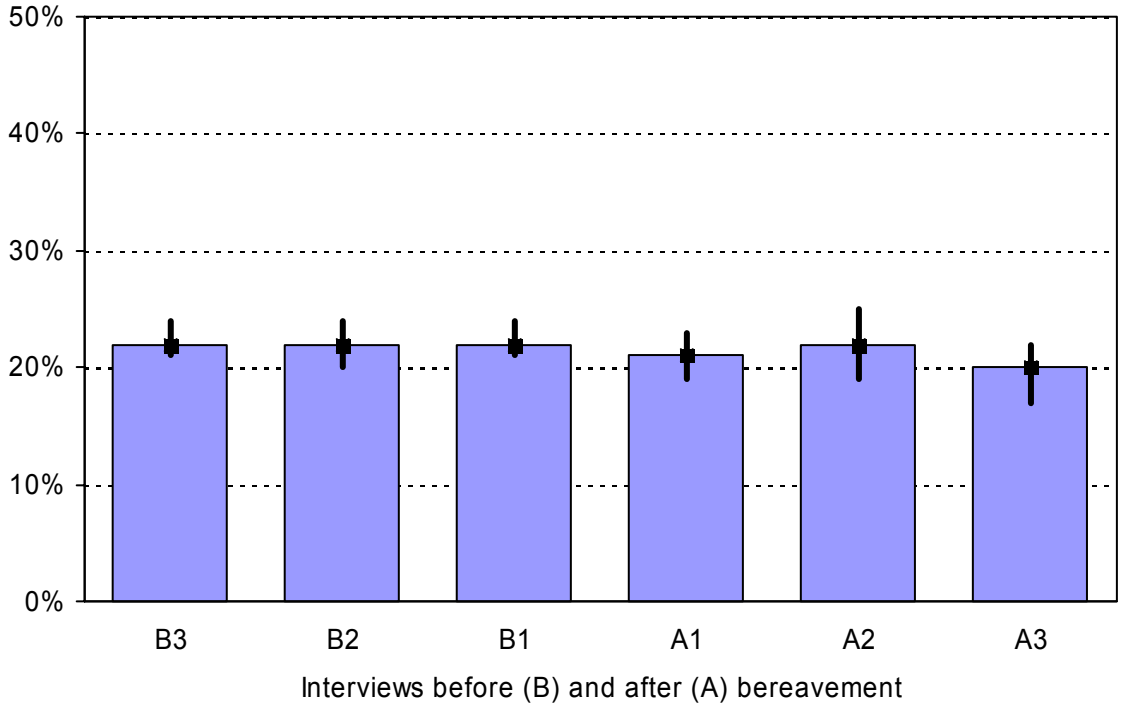
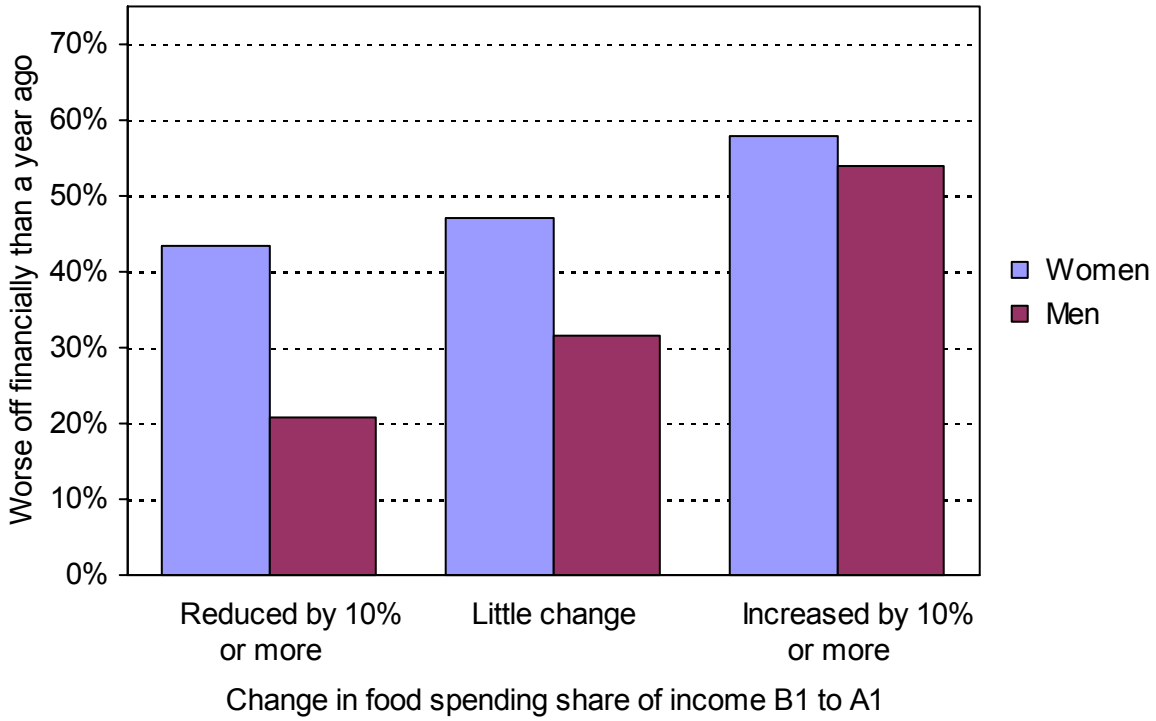


Figure 5.17 shows the proportion of respondents who felt worse off financially according to changes in the income share devoted to food spending after a partner died. The proportion of men feeling worse off increases considerably more than that of women as the share of income devoted to food spending increases. Thus: 54 per cent of men whose share of income spent on food *increased* by ten percentage points or more said they were worse off financially than a year ago, compared with 21 per cent of those who *reduced* the share of income on food spending by at least ten percentage points. The comparable proportions for women were 58 and 43 per cent respectively, a difference half that of men (15 point difference compared with a 33 point difference for men): the association is statistically significant for men but not for women (Kendall's tau-C test: P=0.116 for women; P=0.009 for men).

Figure 5.17 Proportion feeling worse off financially than a year ago by changes in share of income on food spending by gender (per cent)



Figures 5.18 and 5.19 show the proportions of women and men respectively who said they had access to a car or van for private use at each interview before and after a partner's death.

Figure 5.18 Women: availability of a car or van for private use before and after bereavement (per cent)

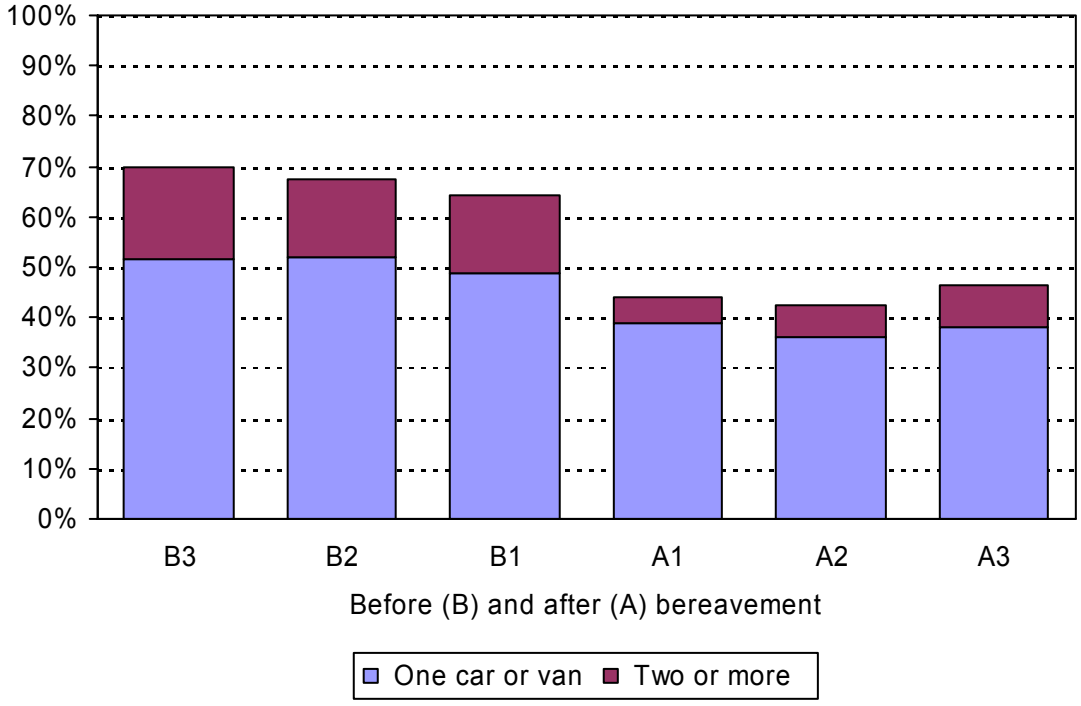


Figure 5.19 Men: availability of a car or van for private use before and after bereavement (per cent)

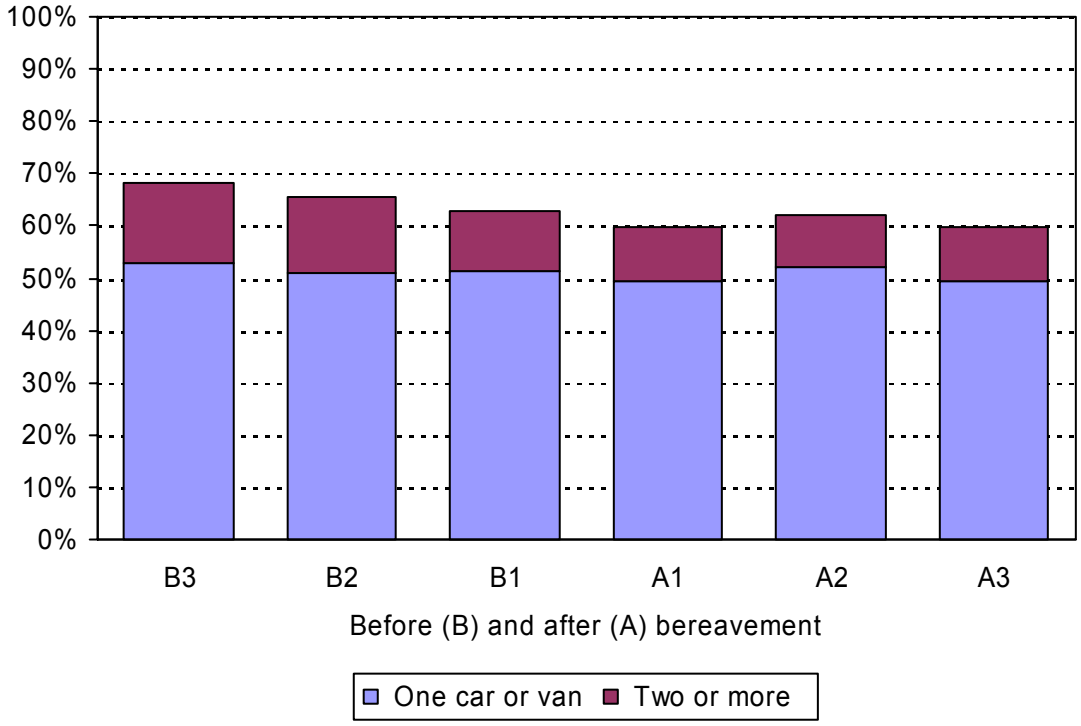


Table 5.18 shows the proportion of women and men who said they had access to a car or van for private use at the interview immediately before (B1) and after (A1) a partner's death. These findings are based on the same people interviewed on both occasions.

Table 5.18 Availability of a car or van for private use before and after bereavement by respondent's age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement	After bereavement	Before bereavement	After bereavement
Women				
No vehicle	13	30	41	64
One car or van	44	58	49	33
Two or more	42	12	9	3
Men				
No vehicle	17	17	48	48
One car or van	59	62	45	45
Two or more	24	21	7	7
Unweighted base				
Women	*91*	*86*	*282*	*287*
Men	*60*	*55*	*134*	*139*

Table 5.19 shows the overall changes in the proportions of people with access to a car or van for private use between interviews conducted immediately before and after bereavement. One in three women (34 per cent) had no access to private transport on either occasion; 22 per cent of women, compared with four per cent of men, lost the option of using a car or van after their partner died.

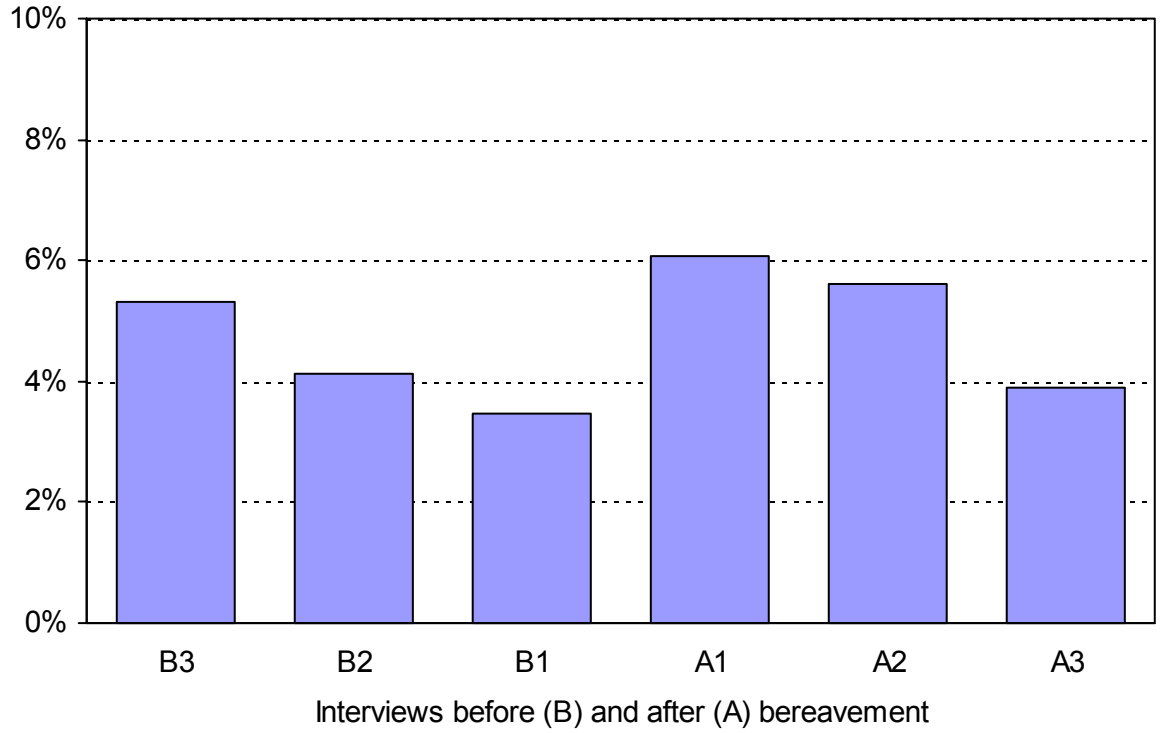
Table 5.19 Changes in the availability of a car or van between interviews before and after bereavement by gender (per cent*)

Before Bereavement (B1)	*After bereavement (A1)*		
	No vehicle	One car or van	Two or more
Women			
No vehicle	34	1	–
One car or van	21	27	1
Two or more	1	11	5
Men			
No vehicle	37	2	1
One car or van	4	42	3
Two or more	–	4	8

*Unweighted base: women= 373, men= 194.

Figure 5.20 shows the proportion of people transferring money to someone living elsewhere at interviews before and after bereavement. Such transactions are called external transfers in the BHPS (see Appendix C.12). A very small minority of respondents, around five per cent, reported these transactions. The cross-sectional findings show that the proportion of respondents making such transfers declined a little in the years leading up to the death of a partner, and again thereafter. Between interview waves immediately before and after bereavement (B1 and A1 respectively), the prevalence rate almost doubled: from 3.5 to 6.0 per cent, a statistically significant increase (paired sample test, P>0.05, two-tailed).

Figure 5.20 People transferring money to someone living elsewhere at interviews before and after bereavement (per cent)



The following table shows the reported reasons for external money transfers and the relationship of recipients to respondents making such payments. Most recipients were family relatives and the main change following the death of a partner was an increase in the number of children, presumably adult children, receiving payments. These were mostly given towards recipients' household expenses; help with education, or as an allowance towards general spending.

Table 5.20 External transfers reported at interview waves before and after bereavement (unweighted data)

	Before bereavement (B1)	*After bereavement (A1)*
Number of recipients		
One recipient	18	24
Two recipients	4	3
Three recipients	2	2
Total	32	36
Relationship to respondent		
Parent(s)	3	1
Child	8	16
Other relative	19	14
Other individual	2	4
Other	–	1
Purpose of transfer		
Child maintenance, alimony	1	–
Household bills, expenses	6	9
Education, grant	7	6
Spending money, allowance	13	15
Loan repayment	2	–
Other	5	7
Number of respondents	*24*	*29*

Nineteen of the 29 respondents reporting external transfer payments following the death of their partner had not reported any such transfers at the interview before their partner died. The details of their payments at the first interview after bereavement are shown in the next table. Most of these newly reported payments were to respondents' children and described as an allowance or general spending money.

Table 5.21 'New' external transfers reported at interview wave after bereavement (unweighted data)

	After bereavement (A1)
Number of recipients	
One recipient	17
Two recipients	1
Three recipients	1
Total	22
Relationship to respondents	
Parent(s)	1
Child	12
Other relative	6
Other individual	2
Other	1
Purpose of transfer	
Child maintenance, alimony	–
Household bills, expenses	4
Education, grant	4
Spending money, allowance	11
Loan repayment	–
Other	3
Number of respondents	*19*

Figure 5.21 shows the proportion of respondents at each interview before and after a partner's death who said they were regularly saving money each month. The BHPS questions on savings are described in Appendix C.15.

Figure 5.21 Individual respondents saving money before and after bereavement by gender (per cent)

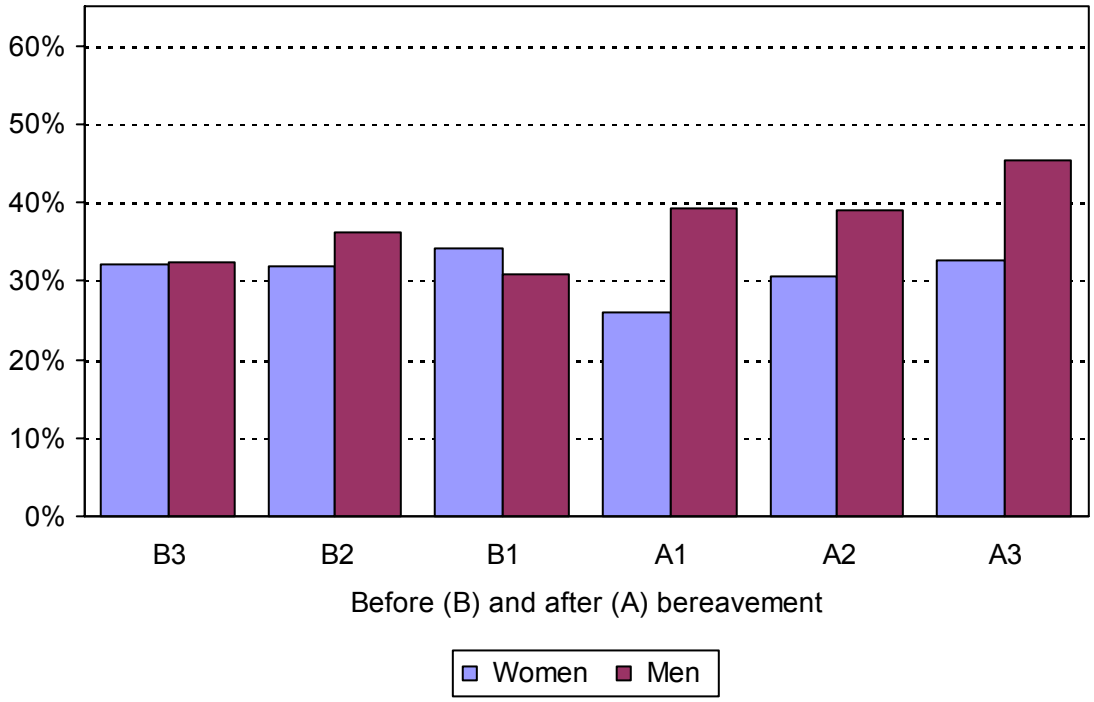


Figure 5.22 shows the proportion of partners at each interview before their death who said they were regularly saving money each month.

Figure 5.22 Individual partners saving money by partner's gender (per cent)

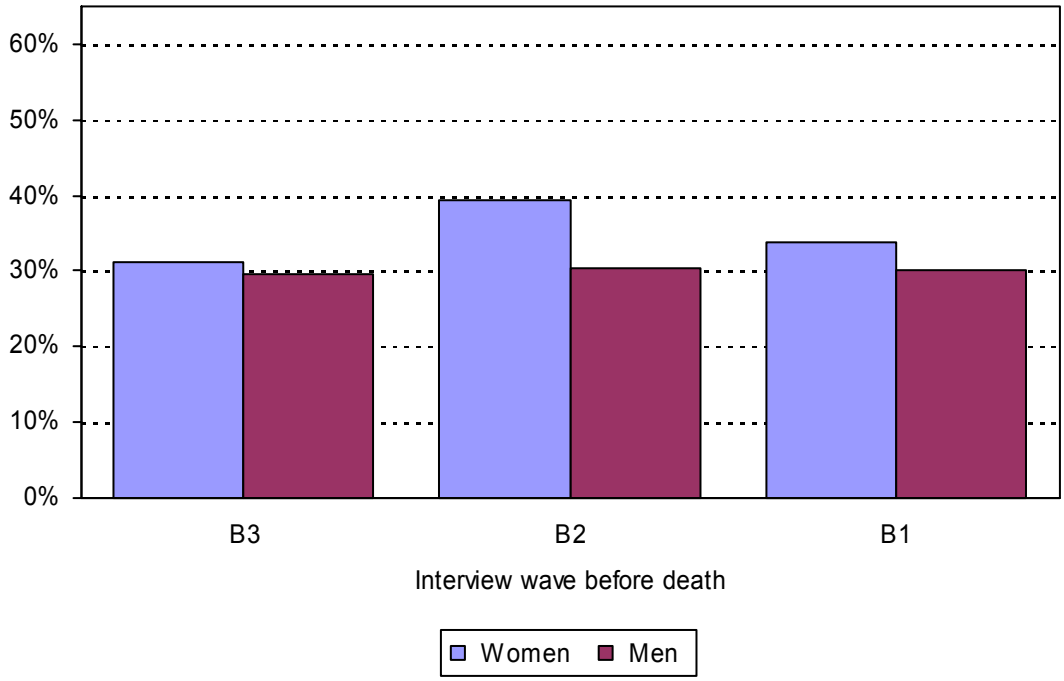


Figure 5.23 shows the number of couples saving money at each interview before a partner died. These estimates are based on either or both people in a partnership reporting that they saved regularly. The chart also shows the number of people who said they were saving at each interview after their partner died; these latter estimates repeat those shown above in Figure 5.21.

Figure 5.23 Couples saving money before and bereaved respondents saving money after bereavement by respondent's gender (per cent)

Table 5.22 shows how many people said they were regularly saving money each month at the interview immediately before and after a partner's death. The number of couples saving money before the death is also shown. This latter estimate is derived from either or both people in a partnership reporting that they regularly put money aside. For example, 52 per cent of women below pension age said they were saving before their partner died; the partners of eight per cent of the women in this group had also said they were saving but the women themselves were not savers. Thus, one or both partners in 66 per cent of these couples were saving money. These estimates are based on respondents who were interviewed before and after their partner died.

Table 5.22 Respondents and couples saving before, and respondents saving after, bereavement by respondent's age and gender (per cent)

	Under state pension age		*Pension age and over*	
	Before bereavement (B1)	After bereavement (A1)	Before bereavement (B1)	After bereavement (A1)
Women				
Individual saver	52	31	37	26
Couple saver	66	–	47	–
Men				
Individual saver	24	41	37	41
Couple saver	42	–	45	–
Unweighted base				
Women	*81*	*77*	*209*	*213*
Men	*49*	*45*	*118*	*122*

Tables 5.23 and 5.24 summarise people's reasons for saving in response to an open-ended question. Up to two reasons are coded after the survey interview; the table shows the first or main reason given. Saving for no special reason was the predominant motive followed by saving for holidays.

Table 5.23 Women: main reason for saving before and after the death of a partner (per cent)

	Before bereavement			*After bereavement*		
	B3	B2	B1	A1	A2	A3
No special reason	35	43	45	59	55	46
Holidays	28	19	23	13	19	24
Old age	13	12	8	6	10	6
Special events	10	9	10	5	3	8
Car	2	3	–	1	–	1
Children	3	5	2	–	3	5
House land purchase	2	0	–	–	1	–
Home improvements	4	3	5	7	–	1
Household bills	3	–	1	1	2	4
Grandchild	–	2	0	–	2	1
Other	0	5	6	8	4	5
Unweighted base	*86*	*105*	*131*	*87*	*94*	*88*

Table 5.24 Men: main reason for saving before and after the death of a partner (per cent)

	Before bereavement			After bereavement		
	B3	B2	B1	A1	A2	A3
No special reason	44	51	48	61	40	44
Holidays	28	19	25	10	9	26
Old age	9	9	6	7	16	1
Special events	2	3	–	1	1	3
Car	3	5	2	2	–	0
Children	2	1	4	4	14	5
House land purchase	–	1	5	–	–	–
Home improvements	2	4	2	3	–	2
Household bills	2	0	2	5	3	3
Grandchild	2	2	1	1	5	2
Other	5	5	4	5	12	15
Unweighted base	*54*	*66*	*72*	*66*	*54*	*56*

The next two tables summarise the main reason for saving reported by partners at each of the three interviews before their death. Again, saving for no special reason was the predominant motive followed by saving for holidays.

Table 5.25 Women partner's main reason for saving (per cent)

	B3	*B2*	*B1*
No special reason	47	29	50
Holidays	18	32	18
Old age	16	14	7
Special events	3	7	6
Car	–	3	–
Children	2	3	–
House land purchase	–	–	2
Home improvements	8	3	8
Household bills	–	0	2
Grandchild	2	3	6
Other	5	6	2
Unweighted base	*45*	*68*	*65*

Table 5.26 Men partner's main reason for saving (per cent)

	B3	*B2*	*B1*
No special reason	56	49	44
Holidays	19	17	18
Old age	10	11	7
Special events	0	8	7
Car	2	2	–
Children	3	5	7
House land purchase	1	1	0
Home improvements	2	2	4
Household bills	–	1	1
Grandchild	–	0	3
Other	5	3	9
Unweighted base	*72*	*90*	*105*

Annex to Chapter 6

This annex summarises findings from the BHPS on the statistical association between respondents' psychological distress and self-perceived financial change. Measures of psychological distress are based on the General Health Questionnaire (GHQ), described in Appendix C.17. The research design (see Appendix A) incorporates three BHPS interviews before and three interviews after the death. Interviews were conducted approximately 12 months apart; those labelled B1 and A1 occurred roughly six months before and after the death.

Table 6.1 shows the proportion of women and men with high distress scores (four or more GHQ symptoms) and their mean GHQ severity score at interviews before and after bereavement. Both measures show a marked increase in the prevalence and severity of psychological distress immediately following the death of a partner. As might be expected from studies of psychological distress in the general population, women presented higher levels of distress than men; the gender gap was more or less constant across the study period before and after bereavement.[7]

Table 6.1 High distress rates and mean GHQ severity scores before and after bereavement by gender

	Before bereavement			*After bereavement*		
	B3	B2	B1	A1	A2	A3
High distress rates (per cent, 95% confidence interval)						
Women	24.9	23.8	33.9	72.3	37.7	27.6
	(20.4 to 29.5)	(19.6 to 28.1)	(29.4 to 38.4)	(67.6 to 77.0)	(32.5 to 42.9)	(22.2 to 32.9)
Men	15.0	17.8	18.5	51.3	18.0	17.1
	(10.1 to 20.0)	(12.7 to 22.8)	(13.5 to 23.5)	(43.9 to 58.8)	(12.0 to 24.0)	(10.5 to 23.6)
GHQ severity score (mean, 95% confidence interval)						
Women	12.0	12.2	12.9	18.4	13.5	12.7
	(11.4 to 12.5)	(11.7 to 12.7)	(12.4 to 13.4)	(17.6 to 19.1)	(12.9 to 14.1)	(12.0 to 13.4)
Men	10.5	10.9	11.0	15.7	11.0	10.1
	(10.0 to 11.1)	(10.4 to 11.5)	(10.4 to 11.5)	(14.7 to 16.8)	(10.2 to 11.8)	(9.4 to 10.9)
Unweighted base						
Women	*296*	*355*	*423*	*342*	*329*	*275*
Men	*175*	*206*	*233*	*173*	*156*	*128*

[7] Repeated measures analysis B1 through A2 (women= 279, men= 136) confirmed these findings:

	Distress rates	Distress severity
Quadratic trend by year	P< 0.001	P< 0.001
Gender differences	P< 0.001	P< 0.001
Interaction: gender by year	P=0.066	P=0.206

Table 6.2 shows that increases in rates of distress following death of a partner were driven by two changes: an increase in onset of distress (people reporting four or more symptoms after bereavement when previously they had presented no more than three symptoms); and an increase in recurrent or persistent distress (people reporting four or more symptoms before *and* after bereavement). Rates for onset or recurrence of distress doubled between interviews immediately before and after bereavement (B1 to A1), or trebled in the case of onset among men, compared with previous transition rates.

Table 6.2 Change in distress rates between successive interviews (per cent)

	Before (B) and after (A) bereavement				
	B3 to B2	B2 to B1	B1 to A1	A1 to A2	A2 to A3
Women					
Not distressed → not distressed	65	59	21	24	56
Onset: not distressed → distressed	9	18	42	5	7
Recurrent: distressed → distressed	14	16	31	32	20
Distressed → not distressed	12	8	6	39	17
Unweighted base	*282*	*333*	*322*	*294*	*261*
Men					
Not distressed → not distressed	76	70	43	52	73
Onset: not distressed → distressed	10	12	36	1	10
Recurrent: distressed → distressed	8	7	14	16	7
Distressed → not distressed	6	11	7	30	9
Unweighted base	*164*	*195*	*166*	*142*	*121*

Figures 6.1 to 6.2 show the proportion of women and men respectively with high distress scores (four or more GHQ symptoms) and their mean GHQ severity score at interviews before and after bereavement. Cross-sectional data from Table 6.1 above are shown as columns in Figure 6.1; findings based on longitudinal samples from B2 to A2 are plotted as lines (unweighted base: 221 women, 110 men).

Figure 6.1 High distress rates before and after bereavement by gender (per cent)

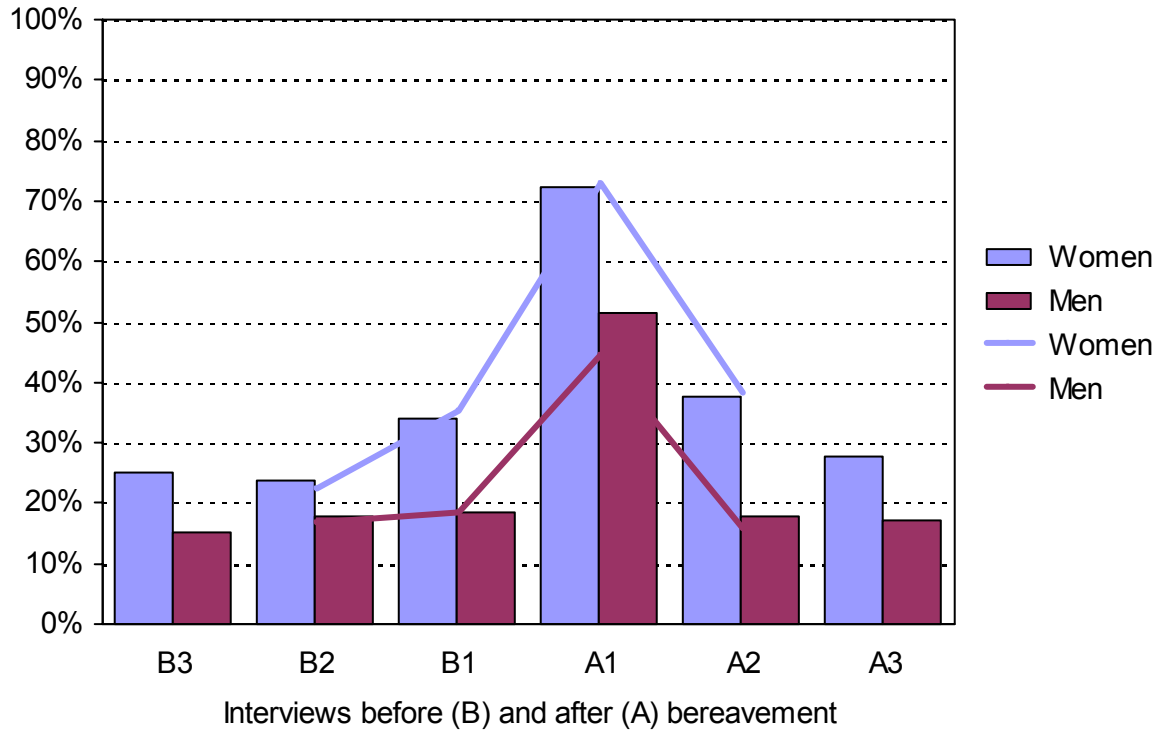
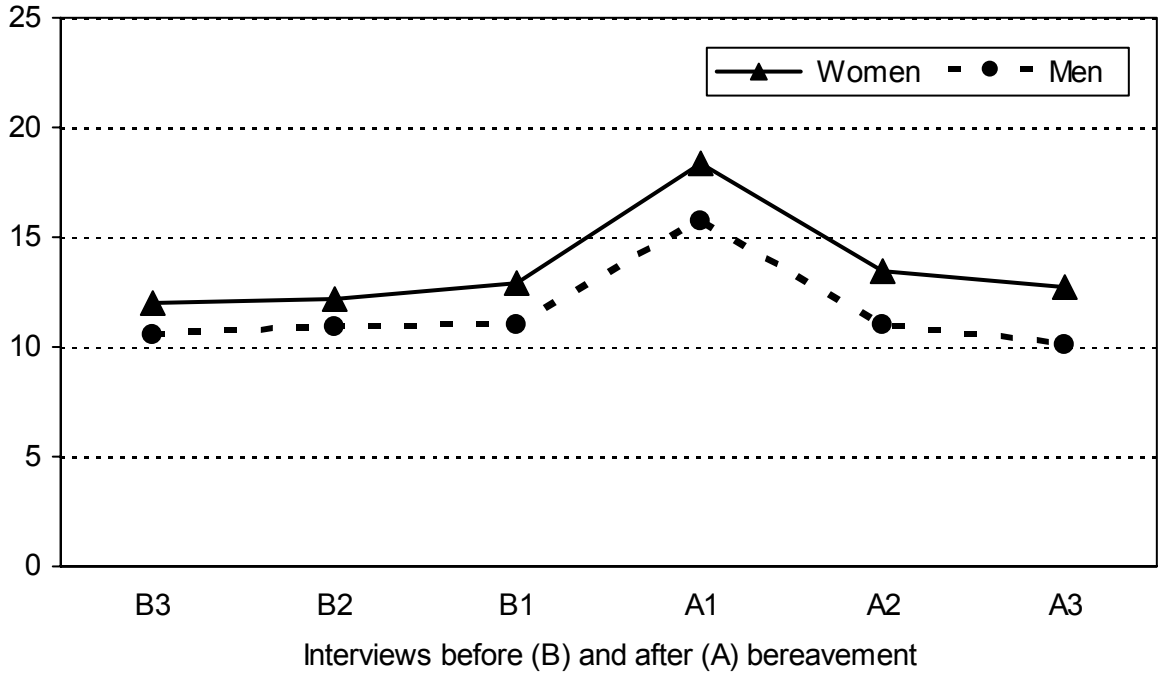


Figure 6.2 Mean GHQ severity scores before and after bereavement by gender



Figures 6.3 to 6.4 show, the proportion of women and men respectively with high distress scores (four or more GHQ symptoms) by age group: above and below pension age.

Figure 6.3 Women: high distress rates before and after bereavement by age (per cent)

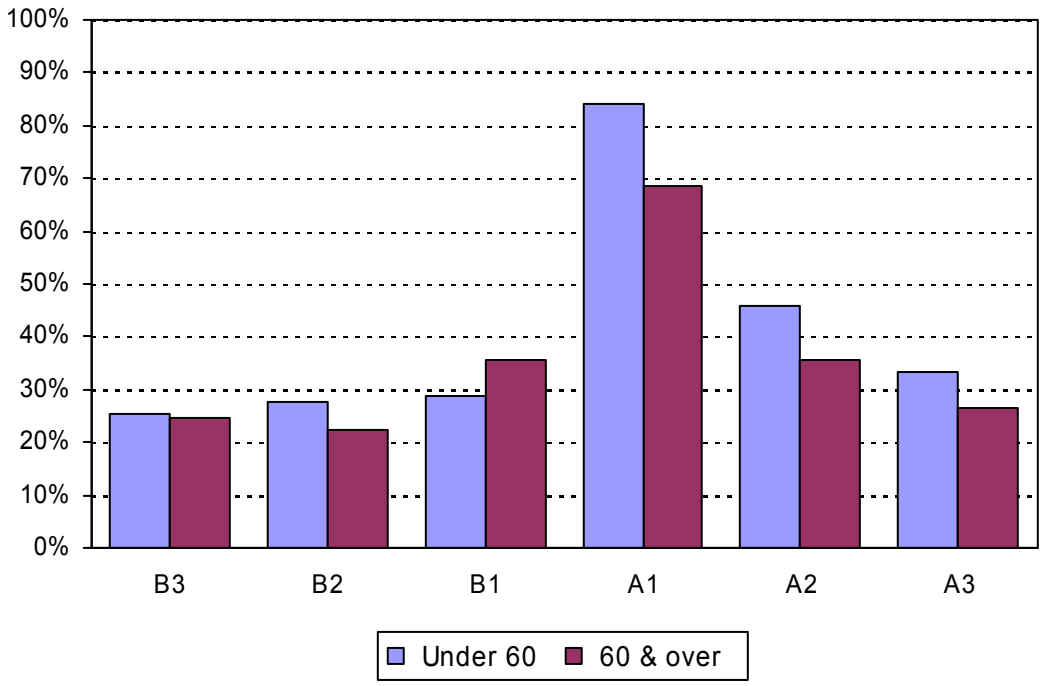
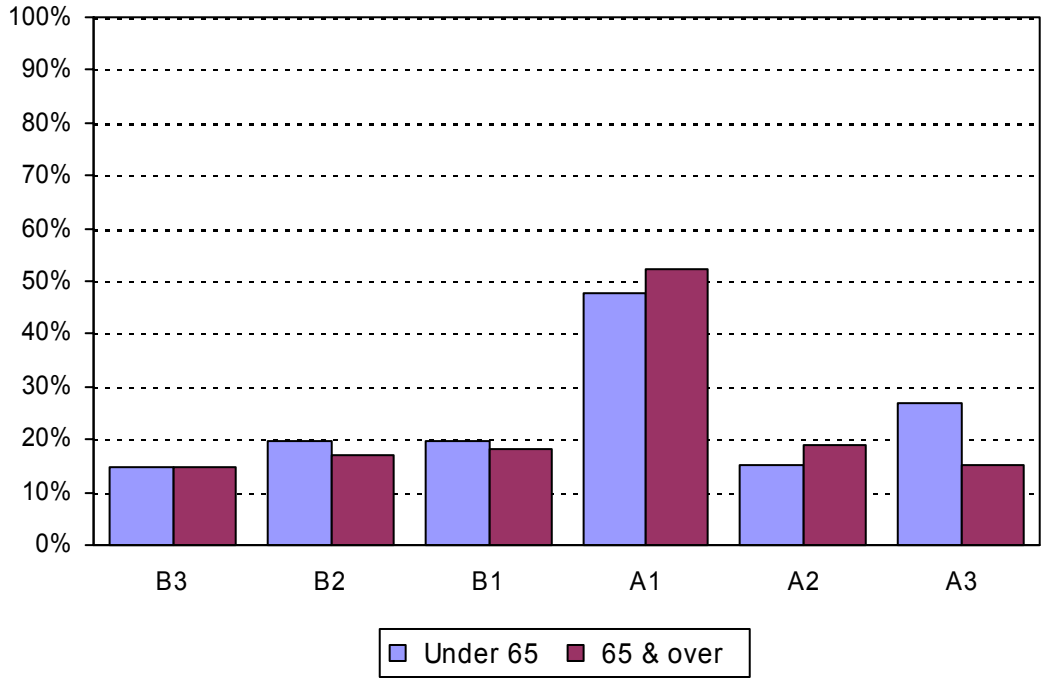


Figure 6.4 Men: high distress rates before and after bereavement by age (per cent)



Figures 6.5 to 6.6 show the mean GHQ severity score of women and men respectively by age group: above and below pension age.

Figure 6.5 Women: mean GHQ severity scores before and after bereavement by age

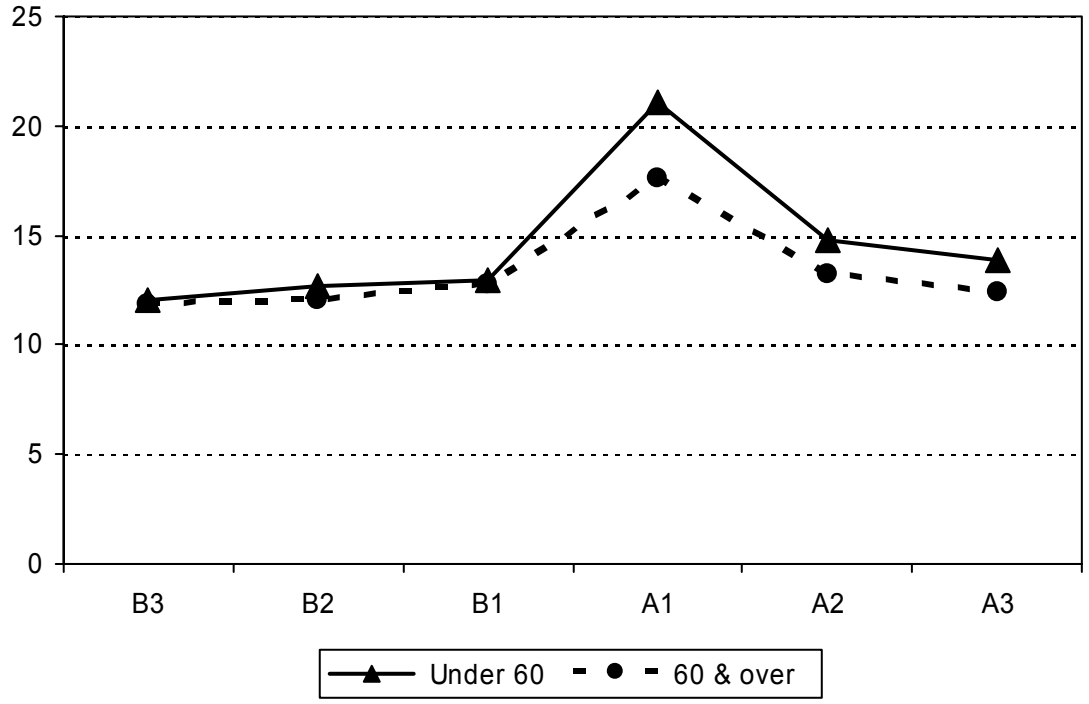
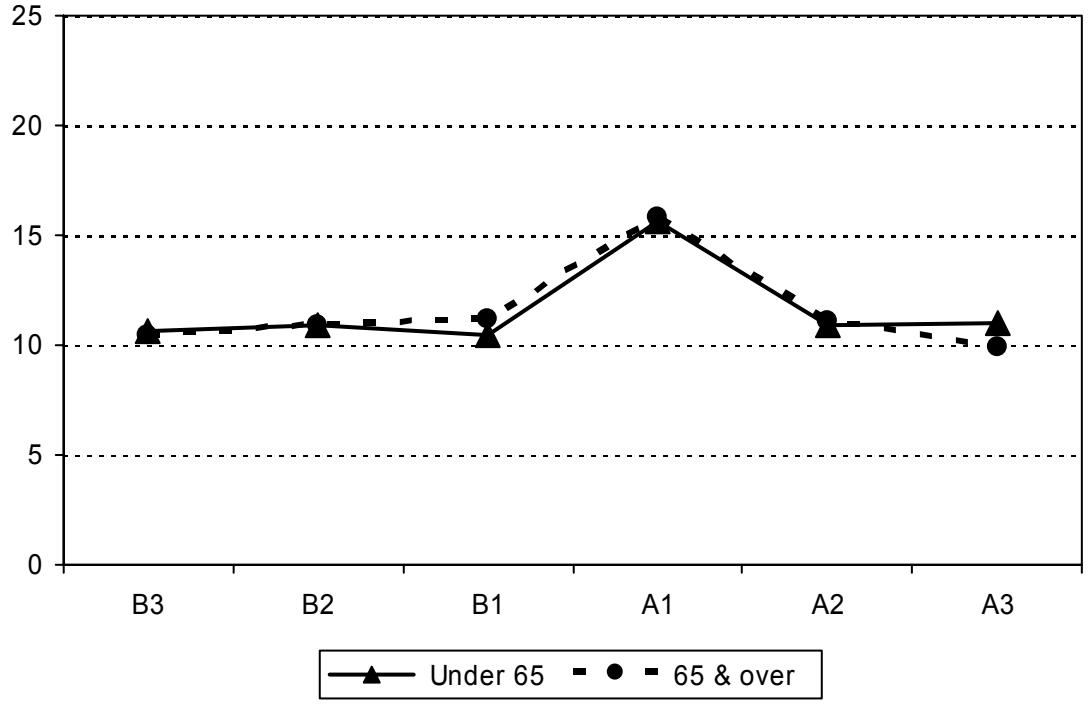


Figure 6.6 Men: mean GHQ severity scores before and after bereavement by age



Figures 6.7 and 6.8 show the proportion of women and men with high distress scores (four or more GHQ symptoms) and their mean severity score according to the date of interview before and after the death of a partner.

Figure 6.7 High distress rates by months before and after bereavement and gender (per cent)

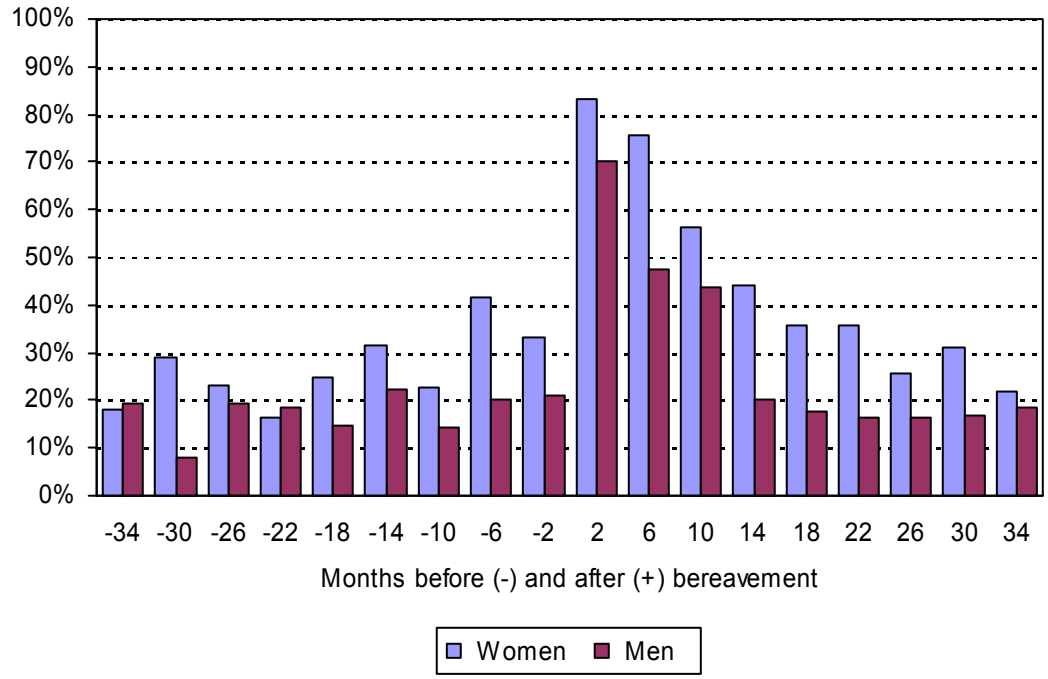
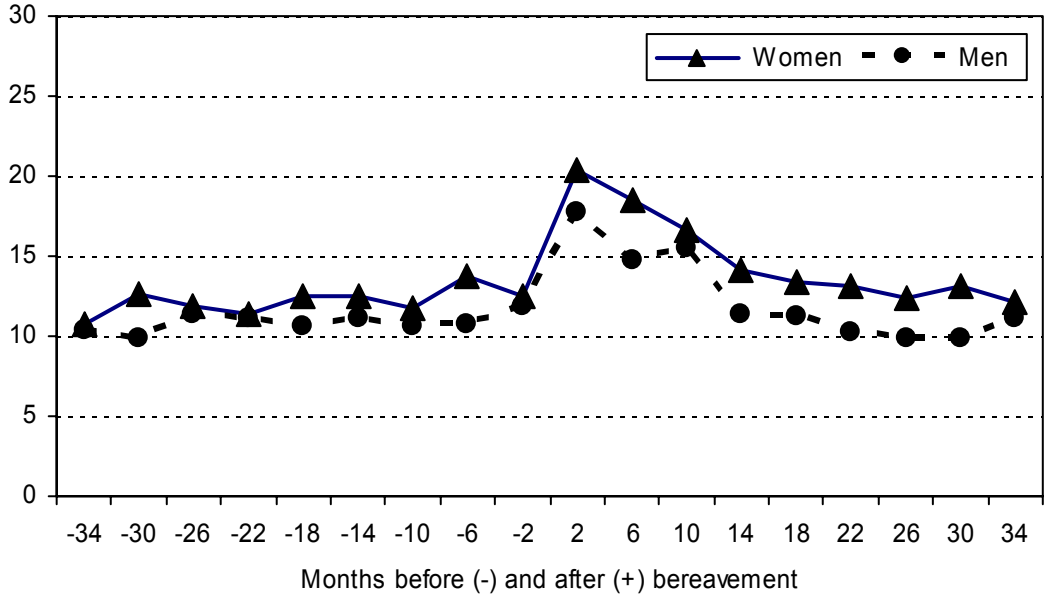


Figure 6.8 Mean GHQ severity scores by months before and after bereavement and gender



Figures 6.9 and 6.10 show the proportion of women and men respectively with high distress scores (four or more GHQ symptoms) and who reported that they felt worse off financially than a year ago (see Appendix C.9). Both measures are plotted according to the date of interview before and after the death of a partner and are based on cross-sectional data. Cross-correlation analysis was used to assess the similarity of variations in these two measures over time. This analysis showed that the trajectories of women's distress rates and feeling worse off financially are similar in shape and largely concurrent; that is, raised rates of distress and self-perceived worsening financial situation broadly coincide over the months before and after bereavement. Statistically speaking, the cross-correlation between the two trajectories is significant and reaches a maximum at a delay or lag of zero (cross-correlation function= 0.62, standard error 0.24). Although men's distress rates and feeling worse off financially also reached the maximum correlation at a lag of zero, indicating concurrent time series, the degree to which the two measures were correlated failed to reach conventional levels of statistical significance (cross-correlation function=0.40, standard error 0.24).

Figure 6.9 Women: high distress score and financially worse off by months before and after bereavement (per cent)

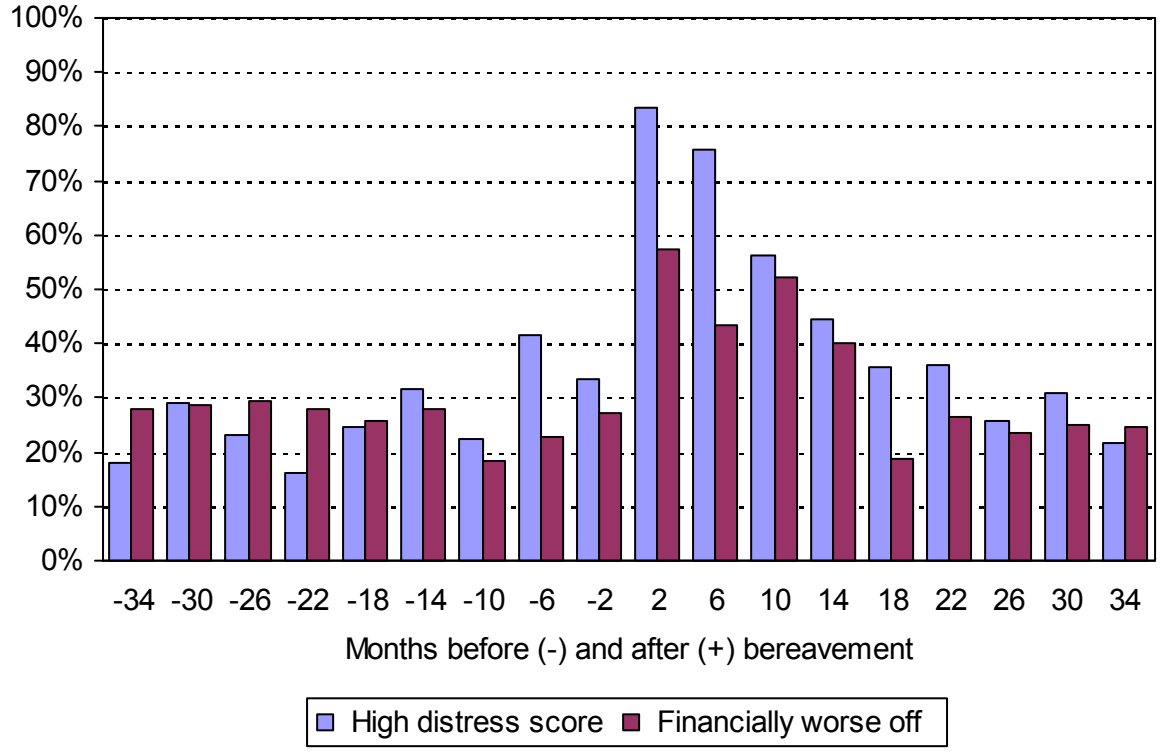


Figure 6.10 Men: high distress score and financially worse off by months before and after bereavement (per cent)

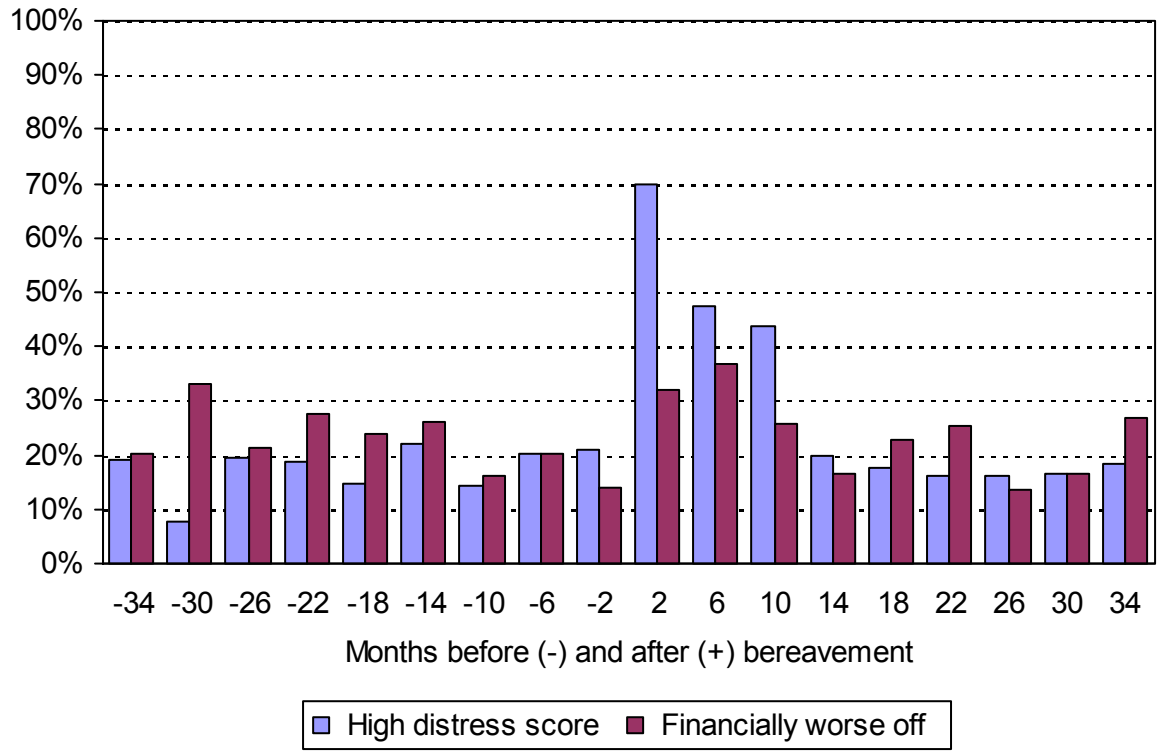


Table 6.3 shows the proportion of women and men reporting high distress scores (four or more GHQ symptoms) at the interview after the death of a partner (A1) according to whether or not they felt their financial situation had worsened in the past year. Thus, 80 per cent of women who felt worse off were distressed compared with 63 per cent of those who felt that things were about the same or better than they had been. The difference was statistically significant on a chi-square test. In contrast, there was no significant difference in men's distress rates between those who felt financially worse off or not. Further analysis aimed to model this relationship between perceived financial change and psychological distress.

Table 6.3 Proportion of women and men with high distress scores (four or more GHQ symptoms) interviewed after bereavement (A1) by perceived financial change in past year (per cent)

	Worse off financially	*Better off/about the same*	*All*	*Chi-square test*
Women	80	63	71	X^2=12.9, P<0.0005
Men	53	49	50	X^2=0.19, P=0.67
Unweighted base				
Women	*161*	*168*	*329*	
Men	*61*	*109*	*170*	

Table 6.4 displays the results of logistic regressions to assess the relationship between presenting high distress scores or not (four or more GHQ symptoms or less than four) at the interview following the death of a partner (A1), and whether or not respondents felt worse off financially than a year ago. Three models were estimated:

1. The first model estimates the direct impact of perceived financial change on the prevalence of distress immediately after bereavement (at A1).
2. The second model adds to the first model by taking account of distress levels before the death of a partner (at B1). This model adjusts the impact of perceived financial change on distress rates by recognising that those most at risk of psychological distress after bereavement are likely to have been most distressed before bereavement.
3. The third model then introduces a number of background variables, including age, physical health, family type and social status, that are known to be associated with psychological distress (Goldberg and Williams, 1991). The aim here is to reduce the likelihood that the impact of financial change on distress rates is confounded by other potential explanatory factors. This final model shows whether the impact of financial change on psychological distress is independent of prior health status and these background variables.

The findings are reported in the following table as odds ratios (ORs): these indicate the chances or likelihood of presenting four or more GHQ symptoms after the death of a partner; confidence intervals that do not encompass zero indicate that the estimated odds ratio is unlikely to have occurred by chance and can be judged statistically significant. Analyses were conducted separately for women and men because the determinants of psychological distress are different for women and men. Differences in access to financial resources and the accumulation of pension provision for old age are also gendered and closely associated with the birth of children and women's role as carers or part-time carers in contrast to men's dominance in the role of major breadwinner (Price, 2006). Additionally, women's and men's involvement in, and contribution to, managing couple's household finances

and consumption patterns differ considerably and are likely to influence perceptions of change in their financial circumstances (Pahl, 1989).

Table 6.4 Relationship between high distress score after bereavement and change in financial situation (odds ratios, 95% confidence intervals)

	Model 1		*Model 2*		*Model 3**	
	OR	95% CI	OR	95% CI	OR	95% CI
Women						
Financially worse off after bereavement	2.39	1.47 to 3.89	2.08	1.25 to 3.47	2.07	1.19 to 3.59
High distress score before bereavement	–	–	2.65	1.49 to 4.71	2.67	1.43 to 4.99
Men						
Financially worse off after bereavement	1.15	0.61 to 2.18	1.15	0.60 to 2.22	1.31	0.60 to 2.85
High distress score before bereavement	–	–	2.31	1.05 to 5.09	3.06	1.25 to 7.53

* Adjusted for age, physical health problems, educational level, family type, social class and house tenure.

The findings show that women who felt financially worse off were twice as likely (odds ratio >2.0) to be distressed as those who did not feel worse off after the death of their partner. This was the case even after taking into account the potential influence of other factors including pre-bereavement distress, which is strongly associated with distress after the death (OR >2.6). Controlling for psychological distress before bereavement and other potential confounders only slightly reduces the effect of feeling worse off financially on distress levels following bereavement (from an OR to 2.39 to 2.07). Further analysis showed that feeling financially worse off was associated with onset of distress in women; that is, with *new* cases of raised levels of psychological distress following the death of a partner. The impact of adverse financial change on recurrent distress in women just failed to reach conventional levels of statistically significance.[8]

Feeling worse off financially also increased the likelihood of men feeling distressed after their partner died. In their case however, the impact was small and not statistically significant (model 3: P=0.49). Adverse financial change did not increase risk of onset or recurrent distress in men (P=0.44 and P=0.53 respectively).

[8]. For onset of distress in women, OR= 2.00 (95% CI 1.11 to 3.61, P=0.02); for recurrent distress, OR= 2.36 (95% CI 0.86 to 6.49, P=0.10).

There was no statistically significant interaction between prior distress and perceived financial change. This indicates that feeling distressed before bereavement *and* perceived financial loss following the death of a partner did not combine to increase distress rates after bereavement over and above their individual impact on post-bereavement distress. The interaction term was therefore dropped from all the models evaluated here.

It could be argued that high distress levels are making people feel negative about many aspects of their lives including their finances: this would weaken the argument that financial distress exacerbates psychological distress. A more likely explanation might be that feelings of distress and financial disadvantage following bereavement are mutually causal (or both are subject to the same causal factors).

To investigate further, the models were rerun to assess the association between distress rates before bereavement (that is at B1) and perceived financial change in the previous 12 months. In these models, prior distress was measured at B2. No statistically significant association was found between people's assessments of adverse financial change and psychological distress after adjusting for prior health and other background variables. These findings indicate that risk of distress is not invariably increased by adverse financial change, even in a population that might be experiencing financial difficulties associated with end-of-life care.[9]

The models were also rerun to assess the association between distress levels and perceived financial change at the second interview after bereavement (at A2), with prior distress measured at A1. No statistically significant association was found between men's assessments of financial change and psychological distress after adjusting for prior health and other background variables. By comparison, a worsening financial situation between the first and second interview after the death of a partner increased the likelihood of psychological distress in women. However, the impact of financial change on risk of distress in women between the two interviews after bereavement (between A1 and A2) was less than that observed immediately following bereavement (that is between interviews conducted at B1 and A1 shown in Table 6.4).[10] The attenuating effect of worsening finances on women's distress rates was shown further by the absence of any significant effect of feeling worse off following bereavement (that is at A1) on psychological distress reported a year later at A2 (P=0.30). These findings indicate that the negative impact on women's

[9]. Wildman (2003) also reports no significant effect of perceived financial change on women's psychological well-being (as measured by GHQ severity scores) in a general population sample once the negative effect on emotional health of being widowed was taken into account.

[10]. The odds ratio for the impact on women's distress levels of feeling worse off financially at A2 is 1.86 (95 per cent confidence intervals 1.03 to 3.36, P=0.04), which is somewhat less robust than the observed association at A1 (OR= 2.07, 95% CI 1.19 to 3.59, P=0.01 from Table 6.4).

psychological health of worsening financial circumstances in the immediate aftermath of the death diminished over time.

Thus an association between perceived financial change and psychological distress is most clearly observed in women immediately following the death of a partner when bereavement responses and financial difficulties were most acute. Adverse financial change is associated with above average rates of distress in women for up to two years following the death of a partner, but the impact diminishes over time as distress rates returned to pre-bereavement levels and finances stabilised. No significant impact of perceived financial change on men's rates of distress was observed either before or after bereavement.