

## Annex 1 Overview of MIS Methodology<sup>1</sup>

### Box 1: MIS in brief

#### What is MIS?

MIS is the income that people need in order to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. It is calculated by specifying baskets of goods and services required by different types of household in order to meet these needs and to participate in society. Specifically, the minimum is defined as follows, based on consultation with groups of members of the public in the original research:

**A minimum standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.**

#### How is it arrived at?

Members of the public have detailed negotiations, in groups, about the things a household needs to achieve an acceptable living standard. A sequence of groups each has a different role. The first set of groups go through all aspects of the budget, in terms of what goods and services would be needed, of what quality, how long they would last, and where they would be bought. Experts make selective inputs, notably checking the nutritional adequacy of the food baskets, calculating domestic fuel requirements and advising on motoring costs. Subsequent groups check and amend the budget lists, which are then priced at various stores and suppliers by the research team. Groups typically comprise six to eight people from a range of socioeconomic and ethnic backgrounds, but all participants within each group are from the household category under discussion. So, parents with dependent children discuss the needs of parents and children, working-age adults without children discuss the needs of single and partnered adults without children, and pensioner groups decide the minimum for pensioners. In all, over 160 groups have been used to research MIS since its inception in 2008, involving a new set of participants on each occasion.

A crucial aspect of MIS is its method of developing a negotiated consensus among these socially mixed groups. This process is described in detail in Davis et al (2015). The MIS approach uses a method of projection, whereby group members are asked not to think of their own needs, but of those of hypothetical individuals (or case studies). Participants are asked to imagine walking round the home of the individuals under discussion, to develop a picture of how they would live, in order to reach the living standard defined above. While participants do not always start with identical ideas about what is needed for a minimum socially acceptable standard of living, through detailed discussion and negotiation they commonly converge on answers that the group as a whole can agree on. Where this does not appear to be possible, for example where there are two distinct arguments for and against the inclusion or exclusion of an item, or where a group does not seem able to reach a conclusion, subsequent groups help to resolve differences.

#### What does it include?

As set out in the definition above, a minimum is about more than survival alone. However, it covers needs, not wants; and necessities, not luxuries: items that the public think people need to be part of society. In identifying things that everyone requires as a minimum, it does not attempt to specify extra requirements for particular individuals and groups who may have additional needs – for example, those resulting from living in a remote location or having a disability. So, not everybody who has more than the minimum income can be guaranteed to achieve an acceptable living standard. However, someone falling below the minimum is unlikely to achieve such a standard.

#### How can the results be accessed?

There are several ways of accessing MIS results for different users, all via the results page<sup>2</sup> on the Loughborough University MIS website:

1. The online Minimum Income Calculator<sup>3</sup> shows the budgets and earnings requirements for any specified household type.
2. There are lists of the items used to compile the budgets for each household type.
3. For users who want to analyse the data, there are spreadsheets showing the budgets broken down by category for each of the main household types for each year of MIS, and also an Excel<sup>®</sup> version

<sup>1</sup> Davis, Abigail, Donald Hirsch, Matt Padley and Claire Shepherd, 2020, *A Minimum Income Standard for the United Kingdom in 2020*. York: Joseph Rowntree Foundation, p.4.

of the current year calculator that can generate results for any specified household type for the present year.

#### To whom does it apply?

MIS applies to households that comprise a single adult or a couple, with or without dependent children. It covers most such households, with its level adjusted to reflect their composition. The needs of more than a hundred different family combinations (according to numbers and ages of family members) can be calculated. It does not cover families living with other adults in the main calculations, although supplementary reports on single adults sharing accommodation (Hill et al, 2015) and single adults in their 20s living with their parents (Hill and Hirsch, 2019) estimate variations for these household types.

#### Where does it apply?

MIS was originally calculated as a minimum for Great Britain; subsequent research in Northern Ireland in 2009 showed that the required budgets there were all close to those in the rest of the UK, so the national budget standard now applies to the whole of the UK.

This main UK standard is calculated based on the needs of people in urban areas outside London. Most groups are held in Midlands towns and cities, but from 2018 budgets have been reviewed in other parts of the UK. The research has also been applied in other geographical contexts, in supplementary projects considering costs in rural England (Smith et al, 2010), London (Padley et al, 2019), remote rural Scotland (Hirsch et al, 2013), and Guernsey (Smith et al, 2011). The London research is ongoing, and Inner and Outer London budgets are shown as a variation of the main UK results budgets in the online Minimum Income Calculator. Other countries have used the same overall method but employed their own definitions of the minimum, such as in Japan (Davis et al, 2013), Portugal (raP, nd), France (Gilles et al, 2014), Thailand, and Singapore (Ng et al, 2019). An ongoing MIS programme in the Republic of Ireland uses methods based on the UK work (Collins et al, 2012). Pilot research has been carried out in South Africa (Byaruhanga et al, 2017) and Mexico (Valadez-Martínez et al, 2017), and further MIS research is currently underway in Mexico and Singapore.

#### How is it related to the poverty line?

MIS is relevant to the discussion of poverty, but does not claim to be a poverty threshold. This is because participants in the research were not asked to talk about what defines poverty, but instead what, in today's society, constitutes an acceptable minimum. However, it is relevant to the poverty debate in that almost all households officially defined as being in income poverty (having below 60% of median income) are also below MIS. Thus households classified as being in relative income poverty are generally unable to reach an acceptable standard of living as defined by members of the public.

#### Who produces it?

The main MIS research is supported by the Joseph Rowntree Foundation (JRF) and carried out by the Centre for Research in Social Policy (CRSP) at Loughborough University. The original research in 2008 was developed by CRSP in partnership with the Family Budget Unit (FBU) at the University of York.