The Pensioners’ Incomes Series

2009-10
Contents

List of tables ........................................................................................................................................................................ 2
List of figures .......................................................................................................................................................................... 4

Chapter 1: Introduction and Summary of Main Results ........................................................................................................... 5
  Definitions and conventions used in the Pensioners’ Incomes Series .................................................................................. 6
  Summary of main results ............................................................................................................................................................ 8
  A summary guide to interpretation of the results within the Pensioners’ Incomes Series .................................................. 10

Chapter 2: Pensioners’ Incomes ................................................................................................................................................. 12
  Trends in income for all pensioner units ............................................................................................................................... 12
  Recent income growth ............................................................................................................................................................... 16
  Differences by age ........................................................................................................................................................................ 18
  Differences by gender ................................................................................................................................................................. 24
  Differences by region ................................................................................................................................................................. 26

Chapter 3: Sources of Pensioners’ Incomes ............................................................................................................................... 27
  Pensioner units in receipt of different sources of income ...................................................................................................... 29
  Pensioners in receipt of State Pension .................................................................................................................................. 31
  Pensioners in receipt of income related benefits .................................................................................................................... 34
  Pensioners in receipt of disability benefits ............................................................................................................................. 36
  Pensioners in receipt of investment income ............................................................................................................................ 38
  Pensioners in receipt of occupational pension income ......................................................................................................... 40
  Pensioners in receipt of personal pension income ................................................................................................................ 42
  Pensioners in receipt of private pension income .................................................................................................................... 44
  Pensioners in receipt of income from earnings ..................................................................................................................... 46
  Pensioners in receipt of income from annual lump sum payments ................................................................................... 48

Chapter 4: Distribution of Pensioners’ Incomes .......................................................................................................................... 50
  Median incomes by quintile .......................................................................................................................................................... 50
  Age and gender in the income distribution ............................................................................................................................... 52
  The distribution of different sources of income by position in the net income (BHC) distribution ........................................ 54
  The distribution of different sources of income by position in the net income (AHC) distribution ........................................ 56
  The importance of different sources of income in different quintiles .................................................................................. 58
  Pensioners in the overall net income distribution .................................................................................................................. 60
  The proportion of pensioners in the top half of the income distribution ........................................................................... 62

Chapter 5: Additional Analysis and Context ............................................................................................................................. 64
  Mixed status couples ................................................................................................................................................................. 65
  Retired people ............................................................................................................................................................................ 68
  Pensioners 65 or over ............................................................................................................................................................... 70
  Ethnic minority groups ............................................................................................................................................................... 72
  Marital status of couples ............................................................................................................................................................ 74

Appendices.................................................................................................................................................................................. 76
  Appendix A: Data Sources and Methods ................................................................................................................................. 77
  Appendix B: Reliability of Estimates in the Pensioners’ Incomes Series .............................................................................. 82
List of tables

Table 1.1: The number of pensioner units in the United Kingdom, 2009-10 ........................................................... 6
Table 2.1: The average incomes of pensioner units, 1996-97-2009-10 ................................................................. 15
Table 2.2: Recent growth in average incomes of pensioner units, 1996-97-2009-10 .................................................. 17
Table 2.3: The average incomes of pensioner couples by age, 1996-97-2009-10 .................................................... 19
Table 2.4: The average incomes of single pensioners by age, 1996-97-2009-10 ....................................................... 21
Table 2.5: The average incomes of pensioner units by age, 1996-97-2009-10 .................................................... 23
Table 2.6: The average incomes of single pensioners by gender, 1996-97-2009-10 ................................................... 25
Table 2.7: The average income of pensioner units by region / country, 2007-10 .................................................... 26
Table 3.1: The proportion of pensioner units with income on top of state benefits, 1996-97-2009-10 .................. 28
Table 3.2: The proportion of pensioner units with more than 50% of income from private sources, 1996-97-2009-10 .......................................................................................................................................... 28
Table 3.3: The proportion of pensioner units with income from State Pension and the average amount for those in receipt, 1996-97-2009-10 .......................................................... 32
Table 3.4: The proportion of pensioner units with income from income related benefits and the average amount for those in receipt, 1996-97-2009-10 ........................................................ 35
Table 3.5: The proportion of pensioner units with income from disability benefits and the average amount for those in receipt, 1996-97-2009-10 ........................................................ 37
Table 3.6: The proportion of pensioner units with investment income and the average amount for those in receipt, 1996-97-2009-10 ................................................................................................. 39
Table 3.7: The proportion of pensioner units with occupational pension income and the average amount for those in receipt, 1996-97-2009-10 ...................................................................................... 41
Table 3.8: The proportion of pensioner units with personal pension income and the average amount for those in receipt, 1996-97-2009-10 ....................................................................................... 43
Table 3.9: The proportion of pensioner units with private pension income and the average amount for those in receipt, 1996-97-2009-10.................................................................................. 45
Table 3.10: The proportion of pensioner units with income from earnings and the average amount for those in receipt, 1996-97-2009-10 ......................................................................................... 47
Table 3.11: The average amount of income from annual lump sums for those in receipt, 1996-97-2009-10 ........ 49
Table 4.1: The median net income of pensioner units by quintile of the net income distribution, 1998-01 and 2007-10 .......................................................... 51
Table 4.2: The age and gender of pensioners by quintile of the net income distribution, 2009-10 ......................... 53
Table 4.3: Components of mean gross income of pensioner units by quintile of the net (BHC) income distribution, 1998-01 and 2007-10 .......................................................... 55
Table 4.4: Components of mean gross income of pensioner units by quintile of the net (AHC) income distribution, 1998-01 and 2007-10 .......................................................... 57
Table 4.5: The proportion of pensioner units with selected sources of income by quintile of the net income distribution, 2008-10 .......................................................... 59
Table 4.6: The proportion of individuals in pensioner families in each quintile of the overall population net income distribution, 1979, 1998-99, and 2009-10 ................. 61
Table 4.7: The proportion of individuals in pensioner families in the top half of the overall population net income distribution, 1996-97-2009-10............................................................................................................................... 63

Table 5.1: The average incomes of couples where one partner is over state pension age but the other is not, 1996-97-2009-10.............................................................................................................................................. 66

Table 5.2: The proportion of different groups of pensioner couples with income from earnings and the average amounts for those in receipt, 2009-10....................................................................................................................................... 67

Table 5.3: The number of benefit units that have retired or not, by SPA, 2009-10...................................................... 68

Table 5.4: The average incomes of single retired benefit units under SPA, 2009-10................................................ 69

Table 5.5: The average incomes of pensioner units 65 or over, 1996-97-2009-10 .......................................................... 71

Table 5.6: The components of mean gross income of pensioner units, and the proportion in receipt by ethnic minority group, 2007-10 ..................................................................................................................................... 73

Table 5.7: The components of mean gross income of married and cohabiting pensioner units, 2007-10.............. 75

Table B1.1: Uncertainty surrounding selected estimates in the Pensioners' Incomes Series, 2009-10 ............... 84

Table B1.2: Recent growth in average incomes of pensioner units, 1998-99-2009-10................................................. 85
Chapter 1: Introduction & Summary of Main Results

List of figures

Figure 2.1: Real income of pensioners, 1979-1996-97 and 1994-95-2009-10 ...................................................... 12
Figure 2.2: Sources of gross income, 2009-10 ...................................................................................................... 13
Figure 2.3: Growth in sources of gross income, 1979-1996-97 and 1994-95-2009-10 .............................................. 14
Figure 2.4: Sources of gross income of pensioner couples by age of head, 2009-10 ........................................... 18
Figure 2.5: Sources of gross income of single pensioners by age, 2009-10 ........................................................... 20
Figure 2.6: Sources of gross income of all pensioner units by age of head, 2009-10 ............................................. 22
Figure 2.7: Net income (AHC) of single pensioners by gender 1979-1996-97 and 1994-95-2009-10 ................. 24
Figure 2.8: Average gross income for pensioner couples by region / country, 2009-10 ........................................ 26
Figure 3.1: Benefit and non-benefit income, 1979-1996-97 and 1994-95-2009-10 ................................................... 27
Figure 3.2: The proportion of pensioner units in receipt of selected sources of income, 2009-10 ...................... 29
Figure 3.3: Distribution of income from selected income sources for those in receipt, 2009-10 ......................... 30
Figure 3.4: Pensioner units in receipt of State Pension, 1979-1996-97 and 1994-95-2009-10 ............................... 32
Figure 3.5: Pensioner units in receipt of income related benefits, 1979-1996-97 and 1996-97-2009-10 .......... 34
Figure 3.6: Pensioner units in receipt of disability benefits, 1979-1996-97 and 1994-95-2009-10 ...................... 36
Figure 3.7: Pensioner units in receipt of investment income, 1979-1996-97 and 1994-95-2009-10 ..................... 38
Figure 3.8: Pensioner units in receipt of occupational pension income, 1979-1996-97 and 1994-95-2009-10 .... 40
Figure 3.9: Pensioner units in receipt of personal pension income, 1994-95-2009-10 .......................................... 42
Figure 3.10: Pensioner units in receipt of private pension income, 1994-95-2009-10 .......................................... 44
Figure 3.11: Pensioner units in receipt of income from earnings, 1994-95-2009-10 ............................................. 46
Figure 3.12: Pensioner units in receipt of income from annual lump sums, 1994-95-2009-10 ......................... 48
Figure 4.1: Net income (AHC) of pensioner couples by position in the income distribution, 1994-97, 1998-01, 2003-06 and 2007-10 .............................................................. 51
Figure 4.2: Pensioner couples by age and position in the net income (AHC) distribution, 2009-10 ................... 52
Figure 4.3: Sources of gross income of pensioner couples by position in the net income (BHC) distribution, 2007-10 ................................................................................................................ 54
Figure 4.4: Sources of gross income of single pensioners by position in the net income (BHC) distribution, 200710 ........................................................................................................................................ 54
Figure 4.5: Sources of gross income of pensioner couples by position in the net income (AHC) distribution, 2007-10 ................................................................................................................ 56
Figure 4.6: Sources of gross income of single pensioners by position in the net income (AHC) distribution, 2007-10 ................................................................................................................ 56
Figure 4.7: Pensioners’ position in the overall net income (AHC) distribution, 1979 and 2009-10 ..................... 60
Figure 4.8: Proportion of individuals in pensioner families in the top half of the overall population net income (AHC) distribution, 1979-1995-97 and 1996-97-2009-10 ................................................... 62
Figure 5.1: Sources of gross income for different types of pensioner couples, 2009-10 ........................................ 65
Chapter 1: Introduction and Summary of Main Results

The publication

This is the latest edition of the annual Pensioners' Incomes (PI) Series. It contains estimates of the levels and trends of pensioners' incomes based on two household surveys: since 1994-95 information is based on the Family Resources Survey (FRS), while historical trends are examined using the Family Expenditure Survey (FES). This chapter of the publication gives an introduction and summarises the main conclusions.

- **Chapter 2 looks at income for different groups of pensioners** by age, for singles and couples, and broken down by region
- **Chapter 3 looks in more detail at various sources of income**, including the proportion of pensioners who receive income from these different sources
- **Chapter 4 looks at the distribution of pensioners' incomes**, both within the pensioner population and within the household population overall
- **Chapter 5 sets out results for additional analysis**, including couples where one member is above state pension age and the other below, married and cohabiting couples and results for ethnic minority groups
- **The appendices include** further details on the methodology behind the publication.

Online access

This publication is on the internet at


The site includes copies of the tables in excel format, including data for the years omitted from the hard copy publication for reasons of space. The PI web page also includes methodological papers and links to other relevant documents. Related statistical reports (for example Households Below Average Income and FRS) published by the Department for Work and Pensions (DWP) can be found on the DWP web site at http://statistics.dwp.gov.uk/asd/.

Contact points

The contact point for enquiries and copies of this publication is:

Jasbir Lally
Pensions Analysis and Incomes Division
Department for Work and Pensions
Caxton House, 6-12 Tothill Street
London SW1H 9NA
Telephone: 020 7449 7170
Pensioners-incomes@dwp.gsi.gov.uk

Any comments or feedback about the publication are more than welcome, sent to the e-mail address above.
Definitions and conventions used in the Pensioners’ Incomes Series

The Pensioners’ Income Series analysis is for pensioner units, which are defined as either:

- **Single pensioners**: people over state pension age (65 for men or 60 for women in 2009/10)
- **Pensioner couples**: married or cohabiting pensioners where one or more are over state pension age.

All analysis is based on the benefit unit – single pensioners or pensioner couples. The analysis does not reflect income from others in a household. If a pensioner lives with their adult children for example, the children’s income is not reflected in this analysis.

This publication presents analysis by different groups of pensioners.

**Recently retired** pensioner units are defined on the basis of age rather than employment status. They are those units where the head is less than 5 years over state pension age. Namely, single women between 60 and 64, single men between 65 and 69, and pensioner couples where the head is between 65 and 69 if male, or between 60 and 64 if female. Such units may include someone who is still in employment. Recently retired pensioner units are included in the ‘Under 75’ age group. This approach is used in the majority of the publication and Chapter 5 looks at retired units defined slightly differently by employment status rather than age.

For analysis by age, pensioner couples are categorised by the age of the head (see Appendix A for definition of the head of benefit unit).

Table 1.1 below shows the numbers within each different group according to the Family Resources Survey (FRS). This shows how, for example, the recently retired pensioners group is mostly pensioner couples, and the single pensioner group is mainly single female pensioners. These figures are from the 2009-10 FRS and are consistent with the results for this year.

**Table 1.1: The number of pensioner units in the United Kingdom, 2009-10**

<table>
<thead>
<tr>
<th></th>
<th>Recently retired</th>
<th>Under 75</th>
<th>75 or over</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All pensioner units</td>
<td>2,000,000</td>
<td>5,000,000</td>
<td>3,600,000</td>
<td>8,550,000</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>1,200,000</td>
<td>3,000,000</td>
<td>1,200,000</td>
<td>4,200,000</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>800,000</td>
<td>2,000,000</td>
<td>2,400,000</td>
<td>4,400,000</td>
</tr>
<tr>
<td>Single male pensioners</td>
<td>300,000</td>
<td>500,000</td>
<td>600,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Single female pensioners</td>
<td>500,000</td>
<td>1,500,000</td>
<td>1,800,000</td>
<td>3,300,000</td>
</tr>
</tbody>
</table>
The publication is based on data from the FRS, which is a household survey and therefore does not reflect the situation of pensioners in care homes.

**Gross income** is income from all sources received by the pensioner unit including income from Social Security benefits (including Housing Benefit), earnings from employment or self-employment, any private pension income, and tax credits.

**Net income before housing costs (BHC)** deducts direct taxes including Council Tax.

**Net income after housing costs (AHC)** also deducts housing costs which include rent, water rates and mortgage interest payments.

A detailed description of gross and net income definitions can be found in Appendix A.

Throughout the publication, figures for incomes are presented in 2009-10 prices and rounded to the nearest pound. Population numbers are rounded to the nearest 50,000 unless otherwise stated. Totals may not equal their components due to rounding. Estimates of less than 50p or 0.5% are labelled *.

Unless otherwise stated, averages are means, and net income refers to net income before housing costs.

Growth rates where they are shown are in real terms (that is, after inflation) and based on un-rounded data.

Graphs showing long term trends use the Family Expenditure Survey for 1979 to 1996-97 and the Family Resources Survey for 1994-95 to 2009-10 (the most recent year). FES estimates should not be directly compared with FRS estimates due to methodological differences in the surveys.

FRS data is for financial years. FES data is for calendar years up to 1993 and for financial years from 1994-95 onwards. 1990-91 data is combined data for the two calendar years 1990 and 1991.

For reasons of space, the FRS tables published within the Pensioners' Incomes Series 2009-10 do not contain data for all years. Complete tables for the period 1994-95 to 2009-10 can be found on the Pensioners' Incomes website, as detailed on page 5.

Chapters 2, 3 and 5 use historical comparisons to 1996-97 and 1998-99. 1998-99 is used because it is the first fully consistent year of data (change from Great Britain to United Kingdom) from the FRS. 1996-97 is then given for comparison as it is a link year, available for both the FES and FRS data and is therefore used regularly for long term comparisons. Chapter 4 uses historical comparisons to 1998-99, for similar reasons to above; but also includes 3 year averages where the comparison is to 1998-01. This year was used as 1998-99 was the first consistent year and therefore is the earliest year which would provide a completely consistent comparison.

Further details regarding the data sources used by and the methods used within the Pensioners' Incomes Series 2009-10 can be found in Appendix A.

**Changes to the publication**

In chapter 5, a new table (Table 5.7) has been introduced to show components of mean gross income for married and cohabiting pensioner units. The table is presented as a three year average.
Chapter 1: Introduction & Summary of Main Results

Summary of main results

Growth in incomes

- Growth in pensioner incomes over the last 25 years has resulted from substantial increases in incomes from occupational pensions, investments, earnings and benefits.

- The average net income after housing costs of all pensioner units grew by 68% in real terms between 1979 and 1996-97. Average earnings in the whole economy grew by 36% in real terms over the same period.

- Pensioners' average income has grown faster than earnings over the last eleven years. Net income after housing costs for pensioner units has grown by 47% between 1998-99 and 2009-10, whereas average earnings have risen by 14% in real terms over the same period.

- Average net income after housing costs has risen faster than before housing costs. After deducting housing costs, average net income has grown by 47% since 1998-99 compared with 38% before deducting housing costs. This is partly a result of increasing numbers of pensioners owning their own home. Around three quarters of pensioners own their homes outright.

Differences between pensioner units

- In 2009-10 state benefits accounted for 42% of pensioners' income; occupational pensions made up 25%, earnings 20%, investment income 8%, and personal pensions 4%.

- Pensioner couples on average have around two-and-a-half times the level of occupational pensions and approximately three times the amount of investment income as single pensioners. Pensioner couples also have approximately seven times the level of earnings of single pensioners.

- On average older pensioners have lower incomes. In 2009-10 pensioner couples where the head was aged 75 or over had an average net income of £400 a week after housing costs per week, compared with £493 for those aged under 75.

- On average male pensioners have higher incomes than female pensioners within all age groups. Single male pensioners had an average net income after housing costs of £240 per week in 2009-10 compared with £208 for single female pensioners.

- Pensioners in London, the East and the South East have on average higher income than pensioners in other parts of the UK. Average benefit income varies much less between regions than other types of income.

Sources of income

- 96% of all pensioner units reported income from the State Pension in 2009-10, at an average of £120 a week for singles and £173 a week for couples.

- 30% of pensioner units received at least one income related benefit in 2009-10, such as Pension Credit, Housing Benefit or Council Tax Benefit.

- 22% of pensioner units were in receipt of disability benefits. Pensioner couples received an average £77 a week from disability benefits in 2009-10 compared to £60 for single pensioners.
In 2009-10, 71% of pensioner units had some **investment income**, for example from savings or stocks and shares, although for most pensioners this was a relatively small amount. For example, half of those who had investment income received £5 a week or less from it.

- 61% of pensioner units had income from an **occupational pension** at an average amount of £184 per week. 17% had personal pension income in 2009-10.

- The proportion of pensioner units reporting income from occupational pensions rose from 40% in 1979 to 57% in 1996-97 (based on FES data). The proportion with some form of **private** (occupational and/or personal) pension income has continued to rise in recent years, increasing from 62% of pensioner units in 1998-99 to 69% in 2009-10 (based on FRS data).

**Distribution of pensioners’ incomes**

- Between 1979 and 1996-97 incomes rose more quickly at the upper end of the pensioner income distribution than at the bottom. FRS estimates suggest that the **growth in average income** between 1998-99 and 2009-10 was more evenly spread across the income distributions of both single pensioners and pensioner couples.

- Median net income after housing costs grew by 21% in the bottom fifth and 83% in the top fifth of the **single pensioner** net income distribution between 1979 and 1996-97. Under the before housing costs measure of net income, the growth rates were 26% and 75% respectively.

- Median net income after housing costs grew by 30% in the bottom fifth and 91% in the top fifth of the **pensioner couples’** net income distribution between 1979 and 1996-97. Before housing costs, net income growth rates were 33% and 78% respectively.

- Median net income after housing costs increased by 19% and 25% in the bottom and top fifths of the single pensioner distribution respectively (before housing costs this was 16% and 18% respectively) between 1998-01 and 2007-10. This suggests that incomes have increased more for those with the highest incomes than the lowest during this period, but increased more evenly than between 1979 and 1996-97.

- Growth over the same period in the median net income of the pensioner couple distribution was 22% in the bottom quintile and 26% in the top after housing costs (before housing costs this was 15% and 21% respectively).

- Older pensioners were more likely to be at the bottom of the income distributions, as were female single pensioners.
A summary guide to interpretation of the results within the Pensioners’ Incomes Series

Measures of income

<table>
<thead>
<tr>
<th>Use...</th>
<th>If...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross</strong></td>
<td>• interested in how much income pensioners receive</td>
</tr>
<tr>
<td></td>
<td>• interested in different sources of income</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>• interested in income available for pensioners to spend</td>
</tr>
<tr>
<td></td>
<td>(excluding the income of other household members), either</td>
</tr>
<tr>
<td></td>
<td>before or after housing costs</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>• interested in all income available to pensioner units in a</td>
</tr>
<tr>
<td></td>
<td>particular group</td>
</tr>
<tr>
<td></td>
<td>• do not consider the influence of the highest incomes to be a</td>
</tr>
<tr>
<td></td>
<td>major problem</td>
</tr>
<tr>
<td></td>
<td>• interested in breaking down income by source</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>• interested in the income of the ‘typical’ pensioner unit</td>
</tr>
<tr>
<td></td>
<td>• do not want the average distorted by a small number of high</td>
</tr>
<tr>
<td></td>
<td>incomes</td>
</tr>
<tr>
<td></td>
<td>• looking at distributions of incomes</td>
</tr>
<tr>
<td><strong>Average for all</strong></td>
<td>• interested in all income available to pensioner units in a</td>
</tr>
<tr>
<td></td>
<td>particular group</td>
</tr>
<tr>
<td></td>
<td>• want to include those with no income from a particular source</td>
</tr>
<tr>
<td><strong>Average for those in receipt</strong></td>
<td>• interested in the average ‘rate’ at which people receive income from a particular source</td>
</tr>
<tr>
<td></td>
<td>• interested in an individual source of income</td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td>• interested in broad trends in cash amounts for pensioners as a whole</td>
</tr>
<tr>
<td><strong>Singles and couples separately</strong></td>
<td>• comparing subgroups that contain different proportions of singles and couples</td>
</tr>
<tr>
<td></td>
<td>• looking at distributions of income</td>
</tr>
<tr>
<td><strong>After housing costs</strong></td>
<td>• interested in the income available for pensioners to spend</td>
</tr>
<tr>
<td></td>
<td>• considering changes in net income over time</td>
</tr>
<tr>
<td></td>
<td>• comparing pensioners incomes with working age incomes</td>
</tr>
<tr>
<td><strong>Before housing costs</strong></td>
<td>• interested in total net income</td>
</tr>
</tbody>
</table>
Measuring living standards

Incomes are often used as a measure of the 'standard of living' achieved by different groups. However, there are many other factors that can affect living standards, such as wealth, physical health or expenditure. Furthermore, estimates of pensioner unit income in the Pensioners' Incomes Series do not take account of the income of other members of the household, which could affect pensioners' standards of living. Therefore income estimates should only be regarded as broadly indicative of living standards.

Comparing incomes

Great care should be taken when comparing groups with similar incomes, or looking at changes in income over a short-time period, since random sampling fluctuations mean that estimates should be regarded as a broad indication of trends only (see Appendix B). Further evidence can be obtained by looking at the estimates for adjacent years. For information on the significance of changes between 2008-09 and 2009-10 see Table 2.2.
Chapter 2: Pensioners’ Incomes

Trends in income for all pensioner units

Pensioner units on average received £442 a week in gross income in 2009-10 (Table 2.1). This compared with a gross income of £644 for the working age benefit units. After deduction of direct taxes, pensioner units received an average of £366 a week in net income, compared with £470 for the working age population. After deduction of housing costs, average income stood at £338 a week, compared with £405 for working age benefit units. These comparisons are with working age benefit units which may also include children.

Pensioner incomes have grown faster than average earnings across the economy as a whole since 1998-99. Net income for pensioners has grown in real terms by 38% since 1998-99, compared to real average earnings growth of about 14% over the same period. Net income after housing costs has grown more quickly, increasing by 47% in real terms since 1998-99. This is partly due to the fact that pensioners are now more likely to own their home outright than they were in 1998-99, and so have lower housing costs.

Figure 2.1: Real income of pensioners, 1979-1996-97 and 1994-95-2009-10

The rise in income in the latest year is explored further in subsequent tables and figures but broadly reflects increases to benefit income, occupational pension and earnings.

Pensioners receive income from a range of different sources (see Figure 2.2). In 2009-10:

- 42% of average gross income came from state benefits (including the State Pension)
- Occupational pensions provided 25% of average gross pensioner income
- 8% of gross income came from investment income
- On average 20% of gross income came from earnings, although this is concentrated among a relatively small group of pensioners.
Some sources of income have contributed more than others to the overall growth in pensioners’ incomes over the last 30 years (Figure 2.3). The fastest growing sources of income have been:

- **Occupational pensions**, which increased by 84% in real terms between 1979 and 1996-97. In more recent years average incomes from occupational pensions have continued to grow, increasing by 38% between 1998-99 and 2009-10.

- **Personal pensions**, whose average contribution to pensioners’ incomes has trebled since 1998-99, although it is still only a minority of pensioners who receive income from personal pensions.

- **Earnings** whose contribution to pensioners’ incomes has risen by over a half since 1998-99.

Average investment income roughly doubled between 1979 and 1996-97. It fell between 2000-01 and 2002-03 and rose slowly up to 2007-08. In the last two years, average investment income has fallen.

Average benefit income has seen 29% growth in real terms over the eleven years since 1998-99.

Increases in these average amounts reflect both increases in the number of people receiving different types of income (for example, more people receiving occupational pensions) and increased amounts for those people who are in receipt. More information on these two effects for different sources of income can be found in Chapter 3.

It should be noted that changes in average income do not simply reflect the changes experienced by individual pensioners. They also reflect changes in the composition of the pensioner population, for example as new retirees with higher incomes join the group.
Estimates of average income are based on FRS data which is subject to sampling error. For example, year-on-year changes in average reported benefit income based on the FRS do not necessarily match changes in average benefit income seen in administrative data sources. Because of this readers should not read too much into movement in data in a single year, or even, for some components of income, over the last decade. Table 2.2 gives more information on the uncertainties associated with each growth estimate.

**Figure 2.3: Growth in sources of gross income, 1979-1996-97 and 1994-95-2009-10**

**Pensioner couples and single pensioners**

Average figures for all pensioner units mask the differences between single pensioners and pensioners living as part of a couple.

On average pensioner couples have around two-and-a-half times the level of occupational pensions and approximately three times the amount of investment income as single pensioners. Pensioner couples also have approximately seven times the level of earnings. Pensioner couples include some couples where one partner is under state pension age (see Chapter 5 for more information regarding mixed status couples).

Average net income after housing costs grew by 68% between 1979 and 1996-97 for couples and by 59% for singles. Between 1998-99 and 2009-10 net income after housing costs has increased by 38% for pensioner couples, and 43% for singles. As pensioners are increasingly likely to own their own home these increases are smaller before housing costs; 32% for couples and 33% for single pensioners over the same period.
### Table 2.1: The average incomes of pensioner units, 1996-97-2009-10

**Incomes in £ per week, 2009-10 prices**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>296</td>
<td>314</td>
<td>393</td>
<td>402</td>
<td>408</td>
<td>442</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>141</td>
<td>145</td>
<td>171</td>
<td>170</td>
<td>176</td>
<td>186</td>
<td>42%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>76</td>
<td>81</td>
<td>99</td>
<td>97</td>
<td>100</td>
<td>112</td>
<td>25%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>5</td>
<td>14</td>
<td>14</td>
<td>15</td>
<td>17</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>34</td>
<td>36</td>
<td>40</td>
<td>45</td>
<td>38</td>
<td>34</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>40</td>
<td>45</td>
<td>66</td>
<td>73</td>
<td>76</td>
<td>90</td>
<td>20%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>253</td>
<td>265</td>
<td>326</td>
<td>332</td>
<td>340</td>
<td>366</td>
<td>83%</td>
</tr>
<tr>
<td>Median</td>
<td>196</td>
<td>200</td>
<td>250</td>
<td>253</td>
<td>268</td>
<td>287</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>215</td>
<td>230</td>
<td>307</td>
<td>318</td>
<td>319</td>
<td>338</td>
<td>76%</td>
</tr>
<tr>
<td>Median</td>
<td>157</td>
<td>166</td>
<td>229</td>
<td>238</td>
<td>244</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>424</td>
<td>451</td>
<td>546</td>
<td>564</td>
<td>566</td>
<td>607</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>161</td>
<td>162</td>
<td>188</td>
<td>187</td>
<td>192</td>
<td>203</td>
<td>33%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>118</td>
<td>127</td>
<td>148</td>
<td>143</td>
<td>146</td>
<td>161</td>
<td>27%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>6</td>
<td>9</td>
<td>23</td>
<td>25</td>
<td>25</td>
<td>26</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>53</td>
<td>56</td>
<td>60</td>
<td>69</td>
<td>57</td>
<td>52</td>
<td>9%</td>
</tr>
<tr>
<td>Earnings</td>
<td>84</td>
<td>93</td>
<td>124</td>
<td>137</td>
<td>141</td>
<td>161</td>
<td>27%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>357</td>
<td>372</td>
<td>444</td>
<td>455</td>
<td>460</td>
<td>490</td>
<td>81%</td>
</tr>
<tr>
<td>Median</td>
<td>280</td>
<td>288</td>
<td>354</td>
<td>365</td>
<td>374</td>
<td>388</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>317</td>
<td>338</td>
<td>432</td>
<td>448</td>
<td>446</td>
<td>466</td>
<td>77%</td>
</tr>
<tr>
<td>Median</td>
<td>242</td>
<td>259</td>
<td>339</td>
<td>355</td>
<td>358</td>
<td>367</td>
<td></td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>199</td>
<td>213</td>
<td>266</td>
<td>266</td>
<td>276</td>
<td>286</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>126</td>
<td>131</td>
<td>158</td>
<td>156</td>
<td>162</td>
<td>169</td>
<td>59%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>44</td>
<td>47</td>
<td>58</td>
<td>59</td>
<td>62</td>
<td>65</td>
<td>23%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>19</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>22</td>
<td>18</td>
<td>6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>7</td>
<td>9</td>
<td>18</td>
<td>19</td>
<td>21</td>
<td>23</td>
<td>8%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>175</td>
<td>185</td>
<td>229</td>
<td>229</td>
<td>239</td>
<td>247</td>
<td>86%</td>
</tr>
<tr>
<td>Median</td>
<td>150</td>
<td>155</td>
<td>198</td>
<td>199</td>
<td>207</td>
<td>217</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>138</td>
<td>151</td>
<td>204</td>
<td>208</td>
<td>213</td>
<td>216</td>
<td>76%</td>
</tr>
<tr>
<td>Median</td>
<td>105</td>
<td>114</td>
<td>165</td>
<td>168</td>
<td>176</td>
<td>180</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 2: Pensioners' Incomes

Recent income growth

All estimates presented in this publication are based on sample surveys and are therefore subject to a degree of uncertainty (see Appendix B for more details on the reliability of estimates within the Pensioners’ Incomes Series 2009-10).

Uncertainties are larger for smaller groups, such as pensioners in specific regions. They are also larger for components of income which vary widely between different people (for example, investment income and earnings). Other estimates, such as benefit income, have relatively low levels of variability, and so the uncertainty of estimates is lower.

When comparing two estimates (such as the income of two different groups of pensioners, or the change in incomes between two points in time), there is even greater uncertainty. If the difference is large relative to the uncertainty in the estimates then the growth estimate is likely to be meaningful. The increase in benefit income is an example of this.

For other measures, such as income from earnings, the relative uncertainty in the original estimate is large and so the growth rate is subject to a wide margin of error. In some cases, the uncertainty is so great that we cannot tell whether the income measure has increased or decreased over the period.

In Table 2.2 we give the central estimate of growth for each income component between 1996-97 and 2009-10 and between 1998-99 and 2009-10. We also give a 95% confidence interval for the growth rate between 1996-97 and 2009-10. (A 95% confidence interval is the range in which we think the actual growth rate has a 95% chance of falling). The 95% confidence intervals for the growth between 1998-99 and 2009-10 are shown in Table B1.2 in Annex B.

Table 2.2 shows that some estimates, such as the 32% increase in benefit income for all pensioner units since 1996-97, are subject to little uncertainty. While others, like the 125% increase in earnings over the same period, should be treated with much more caution.

For most tables in this publication, recent growth estimates would be subject to confidence intervals so wide that they tell us little or nothing about trends, and so growth estimates are included in Table 2.2 only. Users are advised to draw only broad conclusions about such trends by looking at the full time series of estimates in the tables and charts.
Table 2.2: Recent growth in average incomes of pensioner units, 1996-97-2009-10

Incomes in £ per week, 2009-10 prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>296</td>
<td>314</td>
<td>442</td>
<td>50%</td>
<td>41%</td>
<td>43% to 56%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>141</td>
<td>145</td>
<td>186</td>
<td>32%</td>
<td>29%</td>
<td>30% to 33%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>76</td>
<td>81</td>
<td>112</td>
<td>47%</td>
<td>38%</td>
<td>39% to 55%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>5</td>
<td>17</td>
<td>413%</td>
<td>231%</td>
<td>-12% to 14%</td>
</tr>
<tr>
<td>Investment income</td>
<td>34</td>
<td>36</td>
<td>34</td>
<td>1%</td>
<td>-6%</td>
<td>-12% to 14%</td>
</tr>
<tr>
<td>Earnings</td>
<td>40</td>
<td>45</td>
<td>90</td>
<td>125%</td>
<td>101%</td>
<td>89% to 161%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>131%</td>
<td>53%</td>
<td>57% to 205%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>253</td>
<td>265</td>
<td>366</td>
<td>44%</td>
<td>38%</td>
<td>40% to 49%</td>
</tr>
<tr>
<td>Median</td>
<td>196</td>
<td>200</td>
<td>287</td>
<td>47%</td>
<td>44%</td>
<td>42% to 51%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>215</td>
<td>230</td>
<td>338</td>
<td>57%</td>
<td>47%</td>
<td>51% to 63%</td>
</tr>
<tr>
<td>Median</td>
<td>157</td>
<td>166</td>
<td>256</td>
<td>63%</td>
<td>54%</td>
<td>57% to 69%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>424</td>
<td>451</td>
<td>607</td>
<td>43%</td>
<td>35%</td>
<td>35% to 52%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>161</td>
<td>162</td>
<td>203</td>
<td>26%</td>
<td>25%</td>
<td>24% to 29%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>118</td>
<td>127</td>
<td>161</td>
<td>36%</td>
<td>27%</td>
<td>27% to 44%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>6</td>
<td>9</td>
<td>26</td>
<td>325%</td>
<td>179%</td>
<td>228% to 422%</td>
</tr>
<tr>
<td>Investment income</td>
<td>53</td>
<td>56</td>
<td>52</td>
<td>-3%</td>
<td>-8%</td>
<td>-18% to 13%</td>
</tr>
<tr>
<td>Earnings</td>
<td>84</td>
<td>93</td>
<td>161</td>
<td>93%</td>
<td>73%</td>
<td>59% to 127%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>102%</td>
<td>31%</td>
<td>-9% to 212%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>357</td>
<td>372</td>
<td>490</td>
<td>37%</td>
<td>32%</td>
<td>31% to 44%</td>
</tr>
<tr>
<td>Median</td>
<td>280</td>
<td>268</td>
<td>388</td>
<td>39%</td>
<td>35%</td>
<td>35% to 42%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>317</td>
<td>338</td>
<td>466</td>
<td>47%</td>
<td>38%</td>
<td>40% to 54%</td>
</tr>
<tr>
<td>Median</td>
<td>242</td>
<td>259</td>
<td>367</td>
<td>52%</td>
<td>42%</td>
<td>47% to 57%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>199</td>
<td>213</td>
<td>286</td>
<td>44%</td>
<td>34%</td>
<td>39% to 49%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>126</td>
<td>131</td>
<td>169</td>
<td>34%</td>
<td>29%</td>
<td>32% to 37%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>44</td>
<td>47</td>
<td>65</td>
<td>49%</td>
<td>39%</td>
<td>37% to 60%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>626%</td>
<td>319%</td>
<td>267% to 985%</td>
</tr>
<tr>
<td>Investment income</td>
<td>19</td>
<td>22</td>
<td>18</td>
<td>-9%</td>
<td>-20%</td>
<td>-26% to 8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>7</td>
<td>9</td>
<td>23</td>
<td>207%</td>
<td>142%</td>
<td>121% to 293%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>160%</td>
<td>77%</td>
<td>67% to 233%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>175</td>
<td>185</td>
<td>247</td>
<td>42%</td>
<td>33%</td>
<td>38% to 46%</td>
</tr>
<tr>
<td>Median</td>
<td>150</td>
<td>155</td>
<td>217</td>
<td>44%</td>
<td>40%</td>
<td>41% to 47%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>138</td>
<td>151</td>
<td>216</td>
<td>56%</td>
<td>43%</td>
<td>51% to 61%</td>
</tr>
<tr>
<td>Median</td>
<td>105</td>
<td>114</td>
<td>180</td>
<td>72%</td>
<td>58%</td>
<td>67% to 78%</td>
</tr>
</tbody>
</table>
Differences by age

The sources of income for pensioners and the average amounts received vary with age. Tables 2.3 – 2.5 give the average incomes of pensioner couples, single pensioners and all pensioner units split into two clear groups and a sub-group: pensioner units aged 75 and over; pensioner units aged under 75; and a subset of the under 75’s, recently retired pensioner units (single pensioner or head of pensioner couple less than 5 years over state pension age). For couples, the age used is that of the head.

There are a number of reasons why there are differences caused by age:

- **The ‘age’ effect:** Due to their age, older pensioners tend to have less income from earnings because they are less likely to be in work.

- **The ‘cohort’ effect based on historical factors:** Cohort effects are an important factor behind the growth in average incomes of pensioners. The rapid rise in occupational pension coverage in the 1950s and 1960s will have been more beneficial to someone born in 1930 than in 1910 for example. Each successive cohort of pensioners has a higher income than the older cohort it effectively replaces and thus pushes up the average income of the pensioner group as a whole.

- **The length of time since retirement:** Before retirement the value of pensions such as occupational pensions and SERPS is broadly linked with earnings growth over time. After retirement, the value of pensions in payment is generally linked to prices, which normally grow at a slower rate than earnings. Therefore, other things being equal, a pensioner who has been retired for longer will have a lower pension of this type than the equivalent younger pensioner.

Pensioner couples by age

The main sources of income for pensioner couples are shown in Figure 2.4.

Older pensioner couples (as defined by the age of the head) tend to have less income than younger couples. This difference is mainly due to younger couples having significantly greater earnings. Pensioner couples include some couples where one partner is under state pension age (see Chapter 5 for more information regarding mixed status couples). The difference in income between recently retired couples and couples aged under 75 is not statistically significant.

**Figure 2.4: Sources of gross income of pensioner couples by age of head, 2009-10**
Table 2.3 shows the change in average incomes of pensioner couples by age. Note that interpreting year-on-year changes in estimates should be done with great care.

### Table 2.3: The average incomes of pensioner couples by age, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recently retired pensioner couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>470</td>
<td>495</td>
<td>569</td>
<td>609</td>
<td>614</td>
<td>675</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>173</td>
<td>177</td>
<td>195</td>
<td>196</td>
<td>193</td>
<td>200</td>
<td>30%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>140</td>
<td>142</td>
<td>150</td>
<td>151</td>
<td>158</td>
<td>176</td>
<td>26%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>10</td>
<td>15</td>
<td>28</td>
<td>27</td>
<td>27</td>
<td>31</td>
<td>5%</td>
</tr>
<tr>
<td>Investment income</td>
<td>64</td>
<td>74</td>
<td>66</td>
<td>85</td>
<td>67</td>
<td>65</td>
<td>10%</td>
</tr>
<tr>
<td>Earnings</td>
<td>81</td>
<td>83</td>
<td>127</td>
<td>146</td>
<td>165</td>
<td>198</td>
<td>29%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>396</td>
<td>409</td>
<td>464</td>
<td>489</td>
<td>496</td>
<td>542</td>
<td>80%</td>
</tr>
<tr>
<td>Median</td>
<td>305</td>
<td>317</td>
<td>374</td>
<td>377</td>
<td>404</td>
<td>421</td>
<td></td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>356</td>
<td>375</td>
<td>452</td>
<td>483</td>
<td>482</td>
<td>518</td>
<td>77%</td>
</tr>
<tr>
<td>Median</td>
<td>272</td>
<td>287</td>
<td>361</td>
<td>369</td>
<td>389</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples where the head is under 75</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>455</td>
<td>484</td>
<td>588</td>
<td>595</td>
<td>604</td>
<td>653</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>153</td>
<td>154</td>
<td>176</td>
<td>173</td>
<td>177</td>
<td>188</td>
<td>29%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>128</td>
<td>133</td>
<td>152</td>
<td>141</td>
<td>148</td>
<td>162</td>
<td>25%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>7</td>
<td>11</td>
<td>26</td>
<td>25</td>
<td>24</td>
<td>28</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>56</td>
<td>60</td>
<td>64</td>
<td>69</td>
<td>61</td>
<td>55</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>109</td>
<td>122</td>
<td>167</td>
<td>182</td>
<td>189</td>
<td>217</td>
<td>33%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>378</td>
<td>395</td>
<td>470</td>
<td>473</td>
<td>483</td>
<td>518</td>
<td>79%</td>
</tr>
<tr>
<td>Median</td>
<td>294</td>
<td>306</td>
<td>376</td>
<td>377</td>
<td>394</td>
<td>403</td>
<td></td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>337</td>
<td>360</td>
<td>458</td>
<td>465</td>
<td>468</td>
<td>493</td>
<td>75%</td>
</tr>
<tr>
<td>Median</td>
<td>257</td>
<td>278</td>
<td>364</td>
<td>367</td>
<td>376</td>
<td>380</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples where the head is 75 or over</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>336</td>
<td>362</td>
<td>444</td>
<td>485</td>
<td>471</td>
<td>491</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>185</td>
<td>184</td>
<td>218</td>
<td>223</td>
<td>231</td>
<td>242</td>
<td>49%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>91</td>
<td>110</td>
<td>139</td>
<td>148</td>
<td>139</td>
<td>157</td>
<td>32%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>6</td>
<td>15</td>
<td>23</td>
<td>26</td>
<td>21</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>45</td>
<td>46</td>
<td>49</td>
<td>66</td>
<td>48</td>
<td>43</td>
<td>9%</td>
</tr>
<tr>
<td>Earnings</td>
<td>11</td>
<td>15</td>
<td>20</td>
<td>21</td>
<td>23</td>
<td>24</td>
<td>5%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>297</td>
<td>312</td>
<td>379</td>
<td>412</td>
<td>403</td>
<td>421</td>
<td>86%</td>
</tr>
<tr>
<td>Median</td>
<td>249</td>
<td>247</td>
<td>309</td>
<td>335</td>
<td>339</td>
<td>356</td>
<td></td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>260</td>
<td>279</td>
<td>368</td>
<td>407</td>
<td>389</td>
<td>400</td>
<td>81%</td>
</tr>
<tr>
<td>Median</td>
<td>208</td>
<td>213</td>
<td>294</td>
<td>328</td>
<td>322</td>
<td>330</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 2: Pensioners' Incomes

Single pensioners by age

Figure 2.5 below shows the main components of income for single pensioners.

Younger single pensioners are likely to have higher income than older single pensioners. This is mainly due to having a higher level of earnings. Older single pensioners tend to have a higher level of benefit income.

Figure 2.5: Sources of gross income of single pensioners by age, 2009-10
Table 2.4: The average incomes of single pensioners by age, 1996-97-2009-10

Incomes in £ per week, 2009-10 prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recently retired single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>232</td>
<td>264</td>
<td>317</td>
<td>329</td>
<td>311</td>
<td>326</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>123</td>
<td>126</td>
<td>146</td>
<td>139</td>
<td>148</td>
<td>152</td>
<td>47%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>59</td>
<td>60</td>
<td>59</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>19%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>21</td>
<td>29</td>
<td>34</td>
<td>39</td>
<td>22</td>
<td>19</td>
<td>6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>25</td>
<td>40</td>
<td>64</td>
<td>78</td>
<td>69</td>
<td>79</td>
<td>24%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>198</td>
<td>221</td>
<td>265</td>
<td>267</td>
<td>261</td>
<td>273</td>
<td>84%</td>
</tr>
<tr>
<td>Median</td>
<td>168</td>
<td>170</td>
<td>211</td>
<td>209</td>
<td>213</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>157</td>
<td>184</td>
<td>234</td>
<td>242</td>
<td>230</td>
<td>234</td>
<td>72%</td>
</tr>
<tr>
<td>Median</td>
<td>127</td>
<td>133</td>
<td>170</td>
<td>172</td>
<td>179</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td><strong>Single pensioners under 75</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>215</td>
<td>232</td>
<td>287</td>
<td>293</td>
<td>289</td>
<td>304</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>123</td>
<td>127</td>
<td>152</td>
<td>151</td>
<td>158</td>
<td>162</td>
<td>53%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>54</td>
<td>54</td>
<td>64</td>
<td>62</td>
<td>63</td>
<td>67</td>
<td>22%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>10</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>21</td>
<td>26</td>
<td>28</td>
<td>30</td>
<td>21</td>
<td>19</td>
<td>6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>14</td>
<td>18</td>
<td>34</td>
<td>39</td>
<td>37</td>
<td>44</td>
<td>14%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>186</td>
<td>198</td>
<td>243</td>
<td>245</td>
<td>247</td>
<td>259</td>
<td>85%</td>
</tr>
<tr>
<td>Median</td>
<td>155</td>
<td>159</td>
<td>202</td>
<td>202</td>
<td>212</td>
<td>219</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>149</td>
<td>163</td>
<td>217</td>
<td>222</td>
<td>219</td>
<td>224</td>
<td>74%</td>
</tr>
<tr>
<td>Median</td>
<td>111</td>
<td>117</td>
<td>168</td>
<td>166</td>
<td>177</td>
<td>180</td>
<td></td>
</tr>
<tr>
<td><strong>Single pensioners 75 or over</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>183</td>
<td>196</td>
<td>248</td>
<td>244</td>
<td>264</td>
<td>270</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>128</td>
<td>135</td>
<td>162</td>
<td>159</td>
<td>167</td>
<td>175</td>
<td>65%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>34</td>
<td>40</td>
<td>53</td>
<td>56</td>
<td>61</td>
<td>63</td>
<td>23%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Investment income</td>
<td>18</td>
<td>18</td>
<td>20</td>
<td>20</td>
<td>22</td>
<td>16</td>
<td>6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>7</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>164</td>
<td>174</td>
<td>218</td>
<td>215</td>
<td>232</td>
<td>238</td>
<td>88%</td>
</tr>
<tr>
<td>Median</td>
<td>147</td>
<td>152</td>
<td>193</td>
<td>196</td>
<td>205</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>128</td>
<td>140</td>
<td>194</td>
<td>197</td>
<td>208</td>
<td>209</td>
<td>77%</td>
</tr>
<tr>
<td>Median</td>
<td>100</td>
<td>110</td>
<td>163</td>
<td>170</td>
<td>175</td>
<td>182</td>
<td></td>
</tr>
</tbody>
</table>
All pensioner units by age

Figure 2.6 shows the proportions of income that come from different sources by age group for all pensioner units. Table 2.5 sets out the different sources of income. As with pensioner couples and single pensioners, higher private pension income and higher earnings are the main source of difference between younger and older pensioners’ incomes.

Figure 2.6: Sources of gross income of all pensioner units by age of head, 2009-10

Based on data from the FRS
(£ per week, 2009-10 prices)
### Table 2.5: The average incomes of pensioner units by age, 1996-97-2009-10

Incomes in £ per week, 2009-10 prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>373</td>
<td>402</td>
<td>462</td>
<td>489</td>
<td>477</td>
<td>534</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>152</td>
<td>156</td>
<td>175</td>
<td>171</td>
<td>173</td>
<td>181</td>
<td>34%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>107</td>
<td>109</td>
<td>111</td>
<td>112</td>
<td>114</td>
<td>130</td>
<td>24%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>7</td>
<td>10</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>23</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>46</td>
<td>56</td>
<td>52</td>
<td>65</td>
<td>47</td>
<td>47</td>
<td>9%</td>
</tr>
<tr>
<td>Earnings</td>
<td>59</td>
<td>66</td>
<td>101</td>
<td>117</td>
<td>122</td>
<td>150</td>
<td>28%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>316</td>
<td>333</td>
<td>379</td>
<td>394</td>
<td>390</td>
<td>434</td>
<td>81%</td>
</tr>
<tr>
<td>Median</td>
<td>244</td>
<td>253</td>
<td>292</td>
<td>298</td>
<td>309</td>
<td>332</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>275</td>
<td>298</td>
<td>360</td>
<td>380</td>
<td>369</td>
<td>404</td>
<td>76%</td>
</tr>
<tr>
<td>Median</td>
<td>207</td>
<td>222</td>
<td>274</td>
<td>287</td>
<td>285</td>
<td>307</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner units where the head is under 75</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>344</td>
<td>366</td>
<td>457</td>
<td>466</td>
<td>465</td>
<td>513</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>139</td>
<td>142</td>
<td>166</td>
<td>164</td>
<td>168</td>
<td>177</td>
<td>35%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>93</td>
<td>96</td>
<td>114</td>
<td>108</td>
<td>111</td>
<td>124</td>
<td>24%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>5</td>
<td>7</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>21</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>40</td>
<td>44</td>
<td>48</td>
<td>53</td>
<td>43</td>
<td>41</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>65</td>
<td>74</td>
<td>109</td>
<td>121</td>
<td>122</td>
<td>147</td>
<td>29%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>289</td>
<td>303</td>
<td>371</td>
<td>375</td>
<td>379</td>
<td>414</td>
<td>81%</td>
</tr>
<tr>
<td>Median</td>
<td>219</td>
<td>227</td>
<td>283</td>
<td>288</td>
<td>296</td>
<td>319</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>250</td>
<td>268</td>
<td>353</td>
<td>361</td>
<td>359</td>
<td>385</td>
<td>75%</td>
</tr>
<tr>
<td>Median</td>
<td>184</td>
<td>193</td>
<td>261</td>
<td>271</td>
<td>275</td>
<td>292</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner units where the head is 75 or over</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>226</td>
<td>242</td>
<td>308</td>
<td>317</td>
<td>329</td>
<td>344</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>144</td>
<td>148</td>
<td>179</td>
<td>179</td>
<td>187</td>
<td>198</td>
<td>58%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>50</td>
<td>59</td>
<td>79</td>
<td>84</td>
<td>85</td>
<td>95</td>
<td>28%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>11</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>25</td>
<td>26</td>
<td>29</td>
<td>34</td>
<td>30</td>
<td>25</td>
<td>7%</td>
</tr>
<tr>
<td>Earnings</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>8</td>
<td>12</td>
<td>12</td>
<td>3%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>201</td>
<td>212</td>
<td>267</td>
<td>275</td>
<td>285</td>
<td>299</td>
<td>87%</td>
</tr>
<tr>
<td>Median</td>
<td>166</td>
<td>172</td>
<td>221</td>
<td>225</td>
<td>237</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>172</td>
<td>183</td>
<td>240</td>
<td>250</td>
<td>257</td>
<td>272</td>
<td>79%</td>
</tr>
<tr>
<td>Median</td>
<td>137</td>
<td>146</td>
<td>192</td>
<td>200</td>
<td>211</td>
<td>222</td>
<td></td>
</tr>
</tbody>
</table>
Differences by gender

Average incomes of pensioners differ for men and women. Table 2.6 gives components of income for single male and single female pensioners. It is not possible to split estimates for pensioner couples by gender.

On average, net income after housing costs was higher for single men (at £240) than for single women (£208) in 2009-10. Figure 2.7 shows the growth in their net incomes (AHC) over time. Net incomes measured before housing costs follow a similar trend. The gross and net income amounts are subject to relatively large sampling errors so short term changes need to be treated with caution. Incomes may also be affected by the different age distributions for single men and women.

The main difference between the two sexes occurs within occupational pension income. In 2009-10, single men received £85 a week on average from this source, compared with £58 for single women. Single men also received more investment and personal pension income, but average incomes from other sources were similar for single men and women.

Table 2.6 also shows gross and net income results for single men and women aged under 75 and 75 and over. Results show that single male pensioners have higher incomes than female single pensioners within each age group, however this does not hold for all individual components of gross income as illustrated by average benefit income among single pensioners aged 75 or over.

Figure 2.7: Net income (AHC) of single pensioners by gender 1979-1996-97 and 1994-95-2009-10
## Table 2.6: The average incomes of single pensioners by gender, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
<td>Median</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BHC</td>
<td>AHC</td>
<td>BHC</td>
<td>AHC</td>
<td>BHC</td>
<td>AHC</td>
<td></td>
</tr>
<tr>
<td>Single male pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>226</td>
<td>239</td>
<td>287</td>
<td>298</td>
<td>305</td>
<td>320</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>126</td>
<td>129</td>
<td>158</td>
<td>156</td>
<td>164</td>
<td>170</td>
<td>53%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>65</td>
<td>67</td>
<td>75</td>
<td>78</td>
<td>81</td>
<td>85</td>
<td>27%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>5</td>
<td>10</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>26</td>
<td>27</td>
<td>27</td>
<td>32</td>
<td>29</td>
<td>25</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>6</td>
<td>10</td>
<td>15</td>
<td>17</td>
<td>17</td>
<td>24</td>
<td>8%</td>
</tr>
<tr>
<td>Other income</td>
<td>*</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>195</td>
<td>206</td>
<td>246</td>
<td>253</td>
<td>263</td>
<td>274</td>
<td>86%</td>
</tr>
<tr>
<td>Median</td>
<td>161</td>
<td>164</td>
<td>209</td>
<td>213</td>
<td>220</td>
<td>232</td>
<td></td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>157</td>
<td>170</td>
<td>219</td>
<td>233</td>
<td>236</td>
<td>240</td>
<td>75%</td>
</tr>
<tr>
<td>Median</td>
<td>122</td>
<td>124</td>
<td>173</td>
<td>184</td>
<td>191</td>
<td>197</td>
<td></td>
</tr>
<tr>
<td>Single female pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>191</td>
<td>205</td>
<td>259</td>
<td>255</td>
<td>265</td>
<td>274</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>126</td>
<td>132</td>
<td>157</td>
<td>155</td>
<td>162</td>
<td>169</td>
<td>62%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>37</td>
<td>41</td>
<td>52</td>
<td>52</td>
<td>55</td>
<td>55</td>
<td>21%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Investment income</td>
<td>17</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>19</td>
<td>15</td>
<td>5%</td>
</tr>
<tr>
<td>Earnings</td>
<td>8</td>
<td>9</td>
<td>18</td>
<td>20</td>
<td>23</td>
<td>22</td>
<td>8%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>169</td>
<td>179</td>
<td>224</td>
<td>220</td>
<td>230</td>
<td>238</td>
<td>87%</td>
</tr>
<tr>
<td>Median</td>
<td>148</td>
<td>152</td>
<td>193</td>
<td>194</td>
<td>204</td>
<td>212</td>
<td></td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>133</td>
<td>145</td>
<td>199</td>
<td>199</td>
<td>205</td>
<td>208</td>
<td>76%</td>
</tr>
<tr>
<td>Median</td>
<td>101</td>
<td>111</td>
<td>162</td>
<td>163</td>
<td>172</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td>Single male pensioners under 75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>247</td>
<td>261</td>
<td>298</td>
<td>321</td>
<td>309</td>
<td>325</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>129</td>
<td>131</td>
<td>159</td>
<td>156</td>
<td>164</td>
<td>167</td>
<td>51%</td>
</tr>
<tr>
<td>Mean Net Income BHC</td>
<td>210</td>
<td>221</td>
<td>254</td>
<td>266</td>
<td>266</td>
<td>277</td>
<td>85%</td>
</tr>
<tr>
<td>Mean Net Income AHC</td>
<td>169</td>
<td>184</td>
<td>224</td>
<td>243</td>
<td>238</td>
<td>237</td>
<td>73%</td>
</tr>
<tr>
<td>Single male pensioners 75 or over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>205</td>
<td>218</td>
<td>277</td>
<td>279</td>
<td>302</td>
<td>315</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>143</td>
<td>146</td>
<td>158</td>
<td>158</td>
<td>173</td>
<td>173</td>
<td>55%</td>
</tr>
<tr>
<td>Mean Net Income BHC</td>
<td>180</td>
<td>191</td>
<td>240</td>
<td>241</td>
<td>261</td>
<td>272</td>
<td>86%</td>
</tr>
<tr>
<td>Mean Net Income AHC</td>
<td>145</td>
<td>157</td>
<td>215</td>
<td>224</td>
<td>235</td>
<td>242</td>
<td>77%</td>
</tr>
<tr>
<td>Single female pensioners under 75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>205</td>
<td>223</td>
<td>283</td>
<td>283</td>
<td>281</td>
<td>297</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>122</td>
<td>126</td>
<td>150</td>
<td>150</td>
<td>155</td>
<td>160</td>
<td>54%</td>
</tr>
<tr>
<td>Mean Net Income BHC</td>
<td>179</td>
<td>190</td>
<td>239</td>
<td>238</td>
<td>240</td>
<td>253</td>
<td>85%</td>
</tr>
<tr>
<td>Mean Net Income AHC</td>
<td>143</td>
<td>156</td>
<td>214</td>
<td>214</td>
<td>212</td>
<td>220</td>
<td>74%</td>
</tr>
<tr>
<td>Single female pensioners 75 or over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>177</td>
<td>190</td>
<td>239</td>
<td>232</td>
<td>251</td>
<td>255</td>
<td>100%</td>
</tr>
<tr>
<td>Benefit income</td>
<td>130</td>
<td>137</td>
<td>163</td>
<td>160</td>
<td>168</td>
<td>176</td>
<td>69%</td>
</tr>
<tr>
<td>Mean Net Income BHC</td>
<td>159</td>
<td>169</td>
<td>211</td>
<td>206</td>
<td>221</td>
<td>227</td>
<td>89%</td>
</tr>
<tr>
<td>Mean Net Income AHC</td>
<td>124</td>
<td>135</td>
<td>187</td>
<td>187</td>
<td>199</td>
<td>198</td>
<td>78%</td>
</tr>
</tbody>
</table>
Differences by region

Pensioner incomes vary by region within the UK. Single pensioners and pensioner couples in London, the East and the South East have gross incomes above the average for the UK. However, average benefit income shows little difference when compared between all regions.

These figures are based on the average of three years of data and users should not read too much into small differences between regions. There is no significant difference between United Kingdom and Great Britain results.

Figure 2.8 shows average gross incomes, along with average benefit incomes for pensioner couples by region. Table 2.7 further provides net income before and after housing costs for each of the regions.

Table 2.7: The average income of pensioner units by region / country, 2007-10

<table>
<thead>
<tr>
<th>Region</th>
<th>Gross income</th>
<th>Benefit income</th>
<th>Net income BHC</th>
<th>Net income AHC</th>
<th>Gross income</th>
<th>Benefit income</th>
<th>Net income BHC</th>
<th>Net income AHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>583</td>
<td>193</td>
<td>471</td>
<td>455</td>
<td>278</td>
<td>162</td>
<td>240</td>
<td>213</td>
</tr>
<tr>
<td>North East</td>
<td>458</td>
<td>213</td>
<td>386</td>
<td>370</td>
<td>246</td>
<td>171</td>
<td>220</td>
<td>193</td>
</tr>
<tr>
<td>North West</td>
<td>506</td>
<td>209</td>
<td>422</td>
<td>407</td>
<td>261</td>
<td>171</td>
<td>230</td>
<td>205</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>494</td>
<td>191</td>
<td>413</td>
<td>398</td>
<td>250</td>
<td>165</td>
<td>221</td>
<td>195</td>
</tr>
<tr>
<td>East Midlands</td>
<td>567</td>
<td>193</td>
<td>455</td>
<td>443</td>
<td>253</td>
<td>159</td>
<td>221</td>
<td>198</td>
</tr>
<tr>
<td>West Midlands</td>
<td>534</td>
<td>203</td>
<td>439</td>
<td>425</td>
<td>267</td>
<td>169</td>
<td>233</td>
<td>208</td>
</tr>
<tr>
<td>East</td>
<td>622</td>
<td>190</td>
<td>499</td>
<td>482</td>
<td>300</td>
<td>158</td>
<td>254</td>
<td>231</td>
</tr>
<tr>
<td>London</td>
<td>679</td>
<td>188</td>
<td>528</td>
<td>506</td>
<td>306</td>
<td>164</td>
<td>259</td>
<td>218</td>
</tr>
<tr>
<td>South East</td>
<td>671</td>
<td>182</td>
<td>530</td>
<td>512</td>
<td>318</td>
<td>152</td>
<td>264</td>
<td>237</td>
</tr>
<tr>
<td>South West</td>
<td>605</td>
<td>187</td>
<td>490</td>
<td>475</td>
<td>268</td>
<td>154</td>
<td>232</td>
<td>207</td>
</tr>
<tr>
<td>Wales</td>
<td>570</td>
<td>196</td>
<td>464</td>
<td>452</td>
<td>274</td>
<td>161</td>
<td>237</td>
<td>218</td>
</tr>
<tr>
<td>Scotland</td>
<td>570</td>
<td>200</td>
<td>466</td>
<td>453</td>
<td>269</td>
<td>165</td>
<td>236</td>
<td>214</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>484</td>
<td>206</td>
<td>404</td>
<td>400</td>
<td>223</td>
<td>161</td>
<td>198</td>
<td>184</td>
</tr>
<tr>
<td>Great Britain</td>
<td>581</td>
<td>194</td>
<td>470</td>
<td>455</td>
<td>277</td>
<td>162</td>
<td>239</td>
<td>213</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>579</td>
<td>194</td>
<td>469</td>
<td>453</td>
<td>276</td>
<td>162</td>
<td>238</td>
<td>212</td>
</tr>
</tbody>
</table>

Notes:
(1) Data based on the average of three years of results from 2007-08, 2008-09 and 2009-10 FRS data and uprated to 2009-10 prices
Chapter 3: Sources of Pensioners’ Incomes

Benefit income (including the State Pension) serves as the main source of income for pensioners as a whole. However, the importance of benefit income varies between different pensioner units.

In 2009-10, the vast majority of pensioner units had some private income on top of state benefits (94% of pensioner couples and 84% of single pensioners – Table 3.1). The overall proportion increased from 77% in 1979 and has continued to gradually increase since the mid-1990s.

For over a third (40%) of pensioner units, more than half of their gross income came from private sources in 2009-10 (Table 3.2). This proportion was higher for couples (54%) than singles (27%). Figure 3.1 shows that the overall proportion with over half of income from private sources increased from 19% in 1979 to 30% in 1996-97 (based on FES data). It also shows the proportion of pensioners with over one quarter of gross income from private sources rising slowly since 1994-95, reaching 60% in 2009-10.

Figure 3.1: Benefit and private income, 1979-1996-97 and 1994-95-2009-10

Based on data from the FES

Based on data from the FRS
Chapter 3: Sources of Pensioners’ Incomes

Table 3.1: The proportion of pensioner units with income on top of state benefits, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85%</td>
<td>84%</td>
<td>87%</td>
<td>87%</td>
<td>89%</td>
<td>89%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>93%</td>
<td>92%</td>
<td>94%</td>
<td>93%</td>
<td>95%</td>
<td>94%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>78%</td>
<td>78%</td>
<td>81%</td>
<td>83%</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>87%</td>
<td>86%</td>
<td>87%</td>
<td>86%</td>
<td>87%</td>
<td>89%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>93%</td>
<td>92%</td>
<td>95%</td>
<td>92%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>79%</td>
<td>76%</td>
<td>77%</td>
<td>78%</td>
<td>79%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Table 3.2: The proportion of pensioner units with more than 50% of income from private sources, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32%</td>
<td>33%</td>
<td>37%</td>
<td>39%</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>46%</td>
<td>49%</td>
<td>52%</td>
<td>55%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>22%</td>
<td>22%</td>
<td>25%</td>
<td>27%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>43%</td>
<td>45%</td>
<td>49%</td>
<td>51%</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>50%</td>
<td>52%</td>
<td>57%</td>
<td>57%</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>34%</td>
<td>35%</td>
<td>38%</td>
<td>42%</td>
<td>40%</td>
<td>43%</td>
</tr>
</tbody>
</table>

The proportions of pensioner units in receipt of different types of state benefit, and the average amounts for those in receipt of these benefits, are examined in more detail in Tables 3.3 – 3.5. As these tables look at the amounts for those in receipt, which can be relatively small samples, they can be subject to relatively large sampling errors, so users should be careful about drawing conclusions about movements in data between single years. For example, year-on-year changes in average reported benefit income based on the FRS do not necessarily match changes in average benefit income seen in administrative data sources. Results based on survey respondents’ identification of different elements of income may be subject to misreporting. More information on sampling and reporting errors can be found in appendix B.
Pensioner units in receipt of different sources of income

Pensioners rely on a number of different sources for their income. Of these sources some have contributed more than others to the overall growth in incomes since 1979. Figure 3.2 below shows the proportion of pensioner units in receipt of different types of income.

Tables 3.3 to 3.11 show the proportion of pensioner units in receipt of the main sources of income and the mean and median amounts they receive.

Tables 3.3 to 3.5 include the three broad types of benefit income: State Pension (basic and additional State Pension and widow’s benefits), income related benefits and disability related benefits. These three benefit types are not exhaustive – there are benefits, such as Carer’s Allowance, which do not fit into any of these categories but are still included in total benefit income.

Table 3.11 shows average income from annual lump sum payments converted into a weekly amount. Such payments include the Winter Fuel Payment, Age-related payments and the free TV licence. Note that the Winter Fuel Payment and Age-related payments are also counted in total benefit income. Free TV Licences are included in other income.

The type of income received is self-reported by survey respondents and consequently can be misreported. For example, some survey respondents may not be able to distinguish between the State Pension and Pension Credit because these benefits can be paid jointly. A full description of components of gross income is given in Appendix A.

The most common source of income amongst pensioners is the State Pension. Nearly all pensioner units (96%) received income from this source (Figure 3.2). 71% of pensioner units received some investment income, whilst 61% received income from an occupational pension. All other sources were received by less than half of all pensioner units, including earnings which were received by 19%.

Figure 3.2: The proportion of pensioner units in receipt of selected sources of income, 2009-10

Figure 3.3 shows the distribution of income that pensioners receive from various sources. E.g. 15% of pensioner units receive between £90 and £100 per week from their State Pension. These figures should be treated as broad estimates only, since the estimated proportion of pensioners in any given income band will be subject to a degree of sampling error.
Chapter 3: Sources of Pensioners’ Incomes

Figure 3.3 Part 1: Distribution of income from selected income sources for those in receipt, 2009-10

Income received from each source (£ per week, 2009-10 prices)

State Pension

Income related benefits

Disability benefits

Investment income

Figure 3.3 Part 2: Distribution of income from selected income sources for those in receipt, 2009-10
Chapter 3: Sources of Pensioners’ Incomes

Income received from each source (£ per week, 2009-10 prices)

Notes:
(1) The scales used on each of the income axes in Figure 3.3 (parts 1 and 2) are not the same across each of the graphs and are different from previous years.

Pensioners in receipt of State Pension

The State Pension includes the basic State Pension, as well as any additional elements of the State Pension. From 1978 to 2002, the additional State Pension was called the State Earnings-Related Pension Scheme (SERPS). SERPS was replaced in April 2002 with the...
Chapter 3: Sources of Pensioners’ Incomes

State Second Pension (S2P). Widow’s Pension and Widowed Parent’s Allowance are also included.

Estimates are based on survey responses and rely on the respondent being able to accurately identify the amount of benefit. Quoted amounts may include other benefits such as Pension Credit and Attendance Allowance, both of which are under-reported in the FRS.

Nearly all pensioner units (96%) received the State Pension in 2009-10 (Table 3.3). This proportion was slightly lower for recently retired pensioners. This reflects the fact that individuals can defer receiving their pension for up to five years after they reach state pension age.

The average amount of reported State Pension for all pensioner units in receipt was £146 per week in 2009-10 (£120 for singles and £173 for couples). Between 1998-99 and 2009-10 there was 35% real terms growth in the median State Pension received (Figure 3.4). This growth has mainly been due to the maturing of the earnings-related component (SERPS) of the State Pension. Since being introduced in 1978, each new wave of retirees has had the opportunity to make contributions over a longer period, leading to a growth in average income from this component over time.

The growth in the latest year is due to the increase in the basic State Pension being higher than inflation in 2009/10.

Figure 3.4: Pensioner units in receipt of State Pension, 1979-1996-97 and 1994-95-2009-10

Table 3.3: The proportion of pensioner units with income from State Pension and the average amount for those in receipt, 1996-97-2009-10
## Chapter 3: Sources of Pensioners’ Incomes

### Incomes in £ per week, 2009-10 prices

|----------------------|---------|---------|---------|---------|---------|---------|

### Proportion in receipt of State Pension (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td>94%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>96%</td>
</tr>
<tr>
<td>Total</td>
<td>94%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>96%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>91%</td>
<td>93%</td>
<td>94%</td>
<td>93%</td>
<td>93%</td>
<td>95%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td>91%</td>
<td>95%</td>
<td>93%</td>
<td>91%</td>
<td>91%</td>
<td>93%</td>
</tr>
<tr>
<td>Total</td>
<td>91%</td>
<td>95%</td>
<td>93%</td>
<td>91%</td>
<td>91%</td>
<td>93%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>92%</td>
<td>97%</td>
<td>95%</td>
<td>92%</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>88%</td>
<td>92%</td>
<td>92%</td>
<td>90%</td>
<td>90%</td>
<td>92%</td>
</tr>
</tbody>
</table>

### Average amount of State Pension for those in receipt (£pw)

#### Mean amounts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>113</td>
<td>134</td>
<td>134</td>
<td>137</td>
<td>146</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>135</td>
<td>139</td>
<td>161</td>
<td>162</td>
<td>162</td>
<td>173</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>94</td>
<td>94</td>
<td>112</td>
<td>112</td>
<td>116</td>
<td>120</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>126</td>
<td>133</td>
<td>145</td>
<td>144</td>
<td>143</td>
<td>152</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>144</td>
<td>154</td>
<td>169</td>
<td>171</td>
<td>168</td>
<td>178</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>98</td>
<td>99</td>
<td>111</td>
<td>108</td>
<td>113</td>
<td>114</td>
</tr>
</tbody>
</table>

#### Median amounts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
<td>123</td>
<td>123</td>
<td>125</td>
<td>135</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>147</td>
<td>148</td>
<td>166</td>
<td>166</td>
<td>168</td>
<td>178</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>90</td>
<td>90</td>
<td>107</td>
<td>106</td>
<td>109</td>
<td>115</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>137</td>
<td>143</td>
<td>142</td>
<td>134</td>
<td>146</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>149</td>
<td>151</td>
<td>168</td>
<td>170</td>
<td>168</td>
<td>182</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>96</td>
<td>95</td>
<td>105</td>
<td>102</td>
<td>105</td>
<td>109</td>
</tr>
</tbody>
</table>
Pensioners in receipt of income related benefits

Income related benefits in 2009-10 included Pension Credit, Housing Benefit, Council Tax Benefit, and Social Fund Grants. In previous years this has included Minimum Income Guarantee (MIG) and Income Support, the predecessors to Pension Credit.

Estimates are based on survey respondents' identification of different elements of benefit income and are therefore subject to misreporting. This is a particular problem for Pension Credit, which is under-reported by nearly a third on the FRS. More information about under-reporting can be found in appendix B. In some cases amounts of Pension Credit may have been reported as part of State Pension payments.

These benefits were less common than the State Pension, but were nevertheless received by just under a third of all pensioner units in 2009-10 (Table 3.4). This contrasts with 57% of pensioner units reporting receipt in 1979. Receipt was considerably more common in 2009/10 among single pensioners (43%) than pensioner couples (16%).

Figure 3.5: Pensioner units in receipt of income related benefits, 1979-1996-97 and 1994-95-2009-10
Table 3.4: The proportion of pensioner units with income from income related benefits and the average amount for those in receipt, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of income related benefits (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37%</td>
<td>35%</td>
<td>32%</td>
<td>31%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>22%</td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>48%</td>
<td>47%</td>
<td>44%</td>
<td>42%</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>29%</td>
<td>25%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>21%</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>41%</td>
<td>41%</td>
<td>40%</td>
<td>39%</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Average amount of income related benefits for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mean amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>53</td>
<td>68</td>
<td>69</td>
<td>70</td>
<td>73</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>49</td>
<td>50</td>
<td>67</td>
<td>67</td>
<td>70</td>
<td>75</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>51</td>
<td>54</td>
<td>69</td>
<td>70</td>
<td>70</td>
<td>72</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>51</td>
<td>68</td>
<td>72</td>
<td>74</td>
<td>83</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>43</td>
<td>43</td>
<td>60</td>
<td>70</td>
<td>71</td>
<td>80</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>53</td>
<td>54</td>
<td>73</td>
<td>73</td>
<td>76</td>
<td>94</td>
</tr>
<tr>
<td><strong>Median amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>47</td>
<td>60</td>
<td>60</td>
<td>61</td>
<td>65</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>32</td>
<td>31</td>
<td>51</td>
<td>50</td>
<td>54</td>
<td>63</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>47</td>
<td>51</td>
<td>63</td>
<td>64</td>
<td>63</td>
<td>66</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>45</td>
<td>61</td>
<td>63</td>
<td>69</td>
<td>75</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>27</td>
<td>27</td>
<td>48</td>
<td>54</td>
<td>59</td>
<td>64</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>44</td>
<td>51</td>
<td>70</td>
<td>72</td>
<td>77</td>
<td>82</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of disability benefits

This income category covers a range of benefits paid to individuals as a result of their disability status. It does not include additional amounts within other benefits such as Pension Credit. Those most commonly received by pensioners in 2009-10 were Attendance Allowance and Disability Living Allowance.

Estimates are based on survey responses and rely on the respondent being able to accurately identify the amount of benefit. For example, Attendance Allowance is under-reported on the FRS by just under two fifths. Amounts of Attendance Allowance may have been reported as State Pension.

More than one fifth (22%) of all pensioner units received some form of disability benefit in 2009-10. Figure 3.6 shows the large increase in this proportion between 1979 and 1996-97 and that there has been little change in the late 1990s and early 2000s. Receipt of disability benefits was slightly less common among recently retired pensioners.

The average amount for pensioner units in receipt was £68 a week in 2009-10. Results show that median income from disability benefits tend to fluctuate greatly. This is because disability benefits are usually paid at one of a number of rates. For example, Attendance Allowance was paid at either a lower rate (£47.10) or a higher rate (£70.35) in 2009-10; so the median can suddenly jump if the proportions on the lower and higher rate changes.

The payment of disability benefits at one of a number of rates explains the shape of the distribution of incomes from disability benefits seen in Figure 3.3. The peaks in the distribution are around those two levels of Attendance Allowance, or two higher rates of Disability Living Allowance for singles.

Figure 3.6: Pensioner units in receipt of disability benefits, 1979-1996-97 and 1994-95-2009-10

![Figure 3.6: Pensioner units in receipt of disability benefits, 1979-1996-97 and 1994-95-2009-10](image-url)
### Table 3.5: The proportion of pensioner units with income from disability benefits and the average amount for those in receipt, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of disability benefits (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18%</td>
<td>20%</td>
<td>23%</td>
<td>22%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>22%</td>
<td>21%</td>
<td>22%</td>
<td>22%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>14%</td>
<td>20%</td>
<td>23%</td>
<td>22%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17%</td>
<td>15%</td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>21%</td>
<td>18%</td>
<td>21%</td>
<td>21%</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>12%</td>
<td>12%</td>
<td>17%</td>
<td>15%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Average amount of disability benefits for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>61</td>
<td>62</td>
<td>64</td>
<td>66</td>
<td>68</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>69</td>
<td>67</td>
<td>70</td>
<td>74</td>
<td>75</td>
<td>77</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>55</td>
<td>59</td>
<td>60</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>61</td>
<td>65</td>
<td>69</td>
<td>72</td>
<td>75</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>67</td>
<td>63</td>
<td>70</td>
<td>78</td>
<td>79</td>
<td>81</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>62</td>
<td>55</td>
<td>57</td>
<td>53</td>
<td>62</td>
<td>65</td>
</tr>
<tr>
<td>Median amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>47</td>
<td>48</td>
<td>61</td>
<td>64</td>
<td>67</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>65</td>
<td>64</td>
<td>65</td>
<td>66</td>
<td>67</td>
<td>70</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>45</td>
<td>45</td>
<td>47</td>
<td>46</td>
<td>47</td>
<td>49</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>47</td>
<td>62</td>
<td>63</td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>65</td>
<td>57</td>
<td>64</td>
<td>66</td>
<td>65</td>
<td>71</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>63</td>
<td>47</td>
<td>48</td>
<td>47</td>
<td>48</td>
<td>66</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of investment income

Investment income was the second most common source of income, received by 71% of all pensioner units in 2009-10 (Table 3.6). As Figure 3.3 shows, large numbers of people receive small amounts of investment income with half of all pensioner units receiving investment income getting £5 a week or less. There are a small number of pensioners who receive very large amounts of investment income; the mean amount for those in receipt is £49.

After the rises seen between 2002-03 and 2007-08 in the average amounts of investment income received by pensioners, the last two years show investment income has fallen. This fall is likely to be due to the reduced interest rates over this period. This fall in investment income disproportionately affected the richest pensioners, and makes little difference to the majority of pensioners who receive relatively small amounts of investment income. This can be seen by the falls in the mean amounts not being reflected as much in the medians. Chapter 4 gives more detail on the distribution of incomes and investment income by quintile.

It should be noted that a comparative study found that FRS based estimates of investment income were significantly lower than FES based estimates, partly because FES estimates include personal pension income whereas the FRS estimates do not.

Figure 3.7: Pensioner units in receipt of investment income, 1979-1996-97 and 1994-95-2009-10
### Table 3.6: The proportion of pensioner units with investment income and the average amount for those in receipt, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of investment income (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71%</td>
<td>70%</td>
<td>72%</td>
<td>72%</td>
<td>71%</td>
<td>71%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>79%</td>
<td>79%</td>
<td>79%</td>
<td>78%</td>
<td>76%</td>
<td>77%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>65%</td>
<td>64%</td>
<td>66%</td>
<td>66%</td>
<td>67%</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72%</td>
<td>71%</td>
<td>72%</td>
<td>72%</td>
<td>70%</td>
<td>72%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>78%</td>
<td>79%</td>
<td>79%</td>
<td>77%</td>
<td>76%</td>
<td>77%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>63%</td>
<td>59%</td>
<td>63%</td>
<td>66%</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Average amount of investment income for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mean amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>52</td>
<td>55</td>
<td>62</td>
<td>53</td>
<td>49</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>67</td>
<td>71</td>
<td>76</td>
<td>88</td>
<td>75</td>
<td>68</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>30</td>
<td>34</td>
<td>35</td>
<td>37</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>78</td>
<td>73</td>
<td>91</td>
<td>67</td>
<td>65</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>81</td>
<td>93</td>
<td>83</td>
<td>111</td>
<td>89</td>
<td>85</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>33</td>
<td>49</td>
<td>55</td>
<td>59</td>
<td>34</td>
<td>30</td>
</tr>
<tr>
<td><strong>Median amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>15</td>
<td>16</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of occupational pension income

Income from occupational pensions has become increasingly common since 1979, reflecting the rapid increase in coverage of these schemes in the 1950s and 1960s. Occupational pensions provided income for 61% of pensioner units in 2009-10, compared to 40% in 1979 (Figure 3.8).

The average amount of occupational pension income for those in receipt has increased due to a number of factors. The coverage of occupational pension schemes increased rapidly in the 1950s and 1960s, so increasingly pensioners are likely to have been a member of a scheme (this change is most noticeable between 1979 and 1996-97). These pensioners will have been able to make contributions over a longer period than pensioners retiring in earlier decades, and were therefore entitled to higher pensions. In addition, real growth in earnings has meant that final salaries (on which occupational pension income may be partly based) have generally been higher for those retiring more recently. A further factor has been the introduction in 1988 of index-linking of occupational pension income (for ‘contracted out’ schemes, which cover the majority of people with occupational pensions). Older pensioners now are more likely to have maintained the real value of their occupational pension income than older pensioners in 1979.

The latest estimates based on FRS data show that in 2009-10, 61% of pensioner units received occupational pension income, at an average of £184 a week (Table 3.7). Average occupational pension income has continued to increase over recent years, and the trend in the proportion in receipt has remained broadly flat.

**Figure 3.8: Pensioner units in receipt of occupational pension income, 1979-1996-97 and 1994-95-2009-10**
### Chapter 3: Sources of Pensioners' Incomes

Table 3.7: The proportion of pensioner units with occupational pension income and the average amount for those in receipt, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of occupational pension income (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>59%</td>
<td>59%</td>
<td>59%</td>
<td>59%</td>
<td>59%</td>
<td>61%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>71%</td>
<td>70%</td>
<td>67%</td>
<td>65%</td>
<td>65%</td>
<td>68%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>51%</td>
<td>51%</td>
<td>52%</td>
<td>54%</td>
<td>55%</td>
<td>54%</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>66%</td>
<td>65%</td>
<td>59%</td>
<td>60%</td>
<td>60%</td>
<td>61%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>76%</td>
<td>74%</td>
<td>65%</td>
<td>62%</td>
<td>62%</td>
<td>68%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>53%</td>
<td>52%</td>
<td>44%</td>
<td>43%</td>
<td>47%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Average amount of occupational pension income for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>127</td>
<td>137</td>
<td>168</td>
<td>165</td>
<td>169</td>
<td>184</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>167</td>
<td>180</td>
<td>222</td>
<td>219</td>
<td>225</td>
<td>238</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>86</td>
<td>92</td>
<td>112</td>
<td>110</td>
<td>113</td>
<td>121</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>162</td>
<td>166</td>
<td>198</td>
<td>208</td>
<td>207</td>
<td>222</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>186</td>
<td>190</td>
<td>230</td>
<td>242</td>
<td>256</td>
<td>260</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>112</td>
<td>115</td>
<td>134</td>
<td>143</td>
<td>129</td>
<td>136</td>
</tr>
<tr>
<td>Median amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>76</td>
<td>106</td>
<td>103</td>
<td>104</td>
<td>116</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>106</td>
<td>118</td>
<td>155</td>
<td>158</td>
<td>159</td>
<td>166</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>51</td>
<td>54</td>
<td>72</td>
<td>70</td>
<td>70</td>
<td>79</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>107</td>
<td>136</td>
<td>136</td>
<td>137</td>
<td>149</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>121</td>
<td>131</td>
<td>168</td>
<td>164</td>
<td>185</td>
<td>186</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>76</td>
<td>74</td>
<td>88</td>
<td>84</td>
<td>83</td>
<td>96</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of personal pension income

Income from personal pensions includes personal pensions, annuities bought with lump sums from personal pensions, trades union and friendly society pensions.

Personal pensions provide income to a relatively small group of pensioners, although the proportion of pensioners in receipt of personal pension income has increased during the period from 1994-95 (Figure 3.9). Results based on FES data for the period from 1979 to 1996-97 are not separately available for personal pension income. Indeed, personal pensions in their current form were only introduced in 1988.

In 2009-10, 17% of pensioner units were in receipt of income from personal pensions, with couples much more likely to be in receipt than single pensioners (Table 3.8). Recently retired pensioner units were more likely to be in receipt than older pensioners, which reflects the relatively recent expansion in the numbers contributing to personal pensions. The average amount of income from personal pensions for those in receipt was £101 per week in 2009-10, although half of all recipients had £42 per week or less.

Figure 3.9: Pensioner units in receipt of personal pension income, 1994-95-2009-10

Based on data from the FRS (£ per week, 2009-10 prices)
# Table 3.8: The proportion of pensioner units with personal pension income and the average amount for those in receipt, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of personal pension income (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4%</td>
<td>5%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>7%</td>
<td>9%</td>
<td>20%</td>
<td>21%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>2%</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7%</td>
<td>10%</td>
<td>21%</td>
<td>19%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>10%</td>
<td>13%</td>
<td>27%</td>
<td>26%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>3%</td>
<td>6%</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Average amount of personal pension income for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>91</td>
<td>104</td>
<td>104</td>
<td>100</td>
<td>101</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>83</td>
<td>101</td>
<td>111</td>
<td>116</td>
<td>114</td>
<td>113</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>56</td>
<td>68</td>
<td>88</td>
<td>75</td>
<td>71</td>
<td>74</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>99</td>
<td>94</td>
<td>99</td>
<td>97</td>
<td>104</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>98</td>
<td>110</td>
<td>102</td>
<td>104</td>
<td>109</td>
<td>117</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>65</td>
<td>60</td>
<td>69</td>
<td>82</td>
<td>68</td>
<td>69</td>
</tr>
<tr>
<td>Median amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>38</td>
<td>41</td>
<td>42</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>38</td>
<td>45</td>
<td>45</td>
<td>46</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>28</td>
<td>26</td>
<td>35</td>
<td>32</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>39</td>
<td>40</td>
<td>39</td>
<td>41</td>
<td>44</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>45</td>
<td>47</td>
<td>44</td>
<td>43</td>
<td>49</td>
<td>54</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>34</td>
<td>23</td>
<td>27</td>
<td>29</td>
<td>24</td>
<td>28</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of private pension income

Private pension income is the sum of occupational and personal pension income. Given the relative importance of the two, the results are dominated by occupational pensions. There has been a gradual increase in both the proportion of pensioners receiving income from private pensions and in the amount that they receive since 1994-95 (Figure 3.10).

In 2009-10, 69% of pensioner units were in receipt of private pension income, with couples more likely to be in receipt than single pensioners (Table 3.9).

The average amount of income from private pensions for pensioner units in receipt has increased in recent years, and was £185 per week in 2009-10, although half of all recipients had less than £113 per week. Recently retired pensioner units in receipt of private pension income on average receive more income from this source compared to older pensioner units.

Figure 3.10: Pensioner units in receipt of private pension income, 1994-95-2009-10
### Table 3.9: The proportion of pensioner units with private pension income and the average amount for those in receipt, 1996-97-2009-10

**Incomes in £ per week, 2009-10 prices**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of private pension income (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>62%</td>
<td>62%</td>
<td>66%</td>
<td>67%</td>
<td>68%</td>
<td>69%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>74%</td>
<td>75%</td>
<td>77%</td>
<td>76%</td>
<td>77%</td>
<td>79%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>52%</td>
<td>53%</td>
<td>56%</td>
<td>58%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70%</td>
<td>71%</td>
<td>67%</td>
<td>65%</td>
<td>66%</td>
<td>69%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>80%</td>
<td>81%</td>
<td>79%</td>
<td>76%</td>
<td>75%</td>
<td>80%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>55%</td>
<td>56%</td>
<td>51%</td>
<td>49%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Average amount of private pension income for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mean amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>128</td>
<td>138</td>
<td>171</td>
<td>168</td>
<td>169</td>
<td>185</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>167</td>
<td>181</td>
<td>221</td>
<td>220</td>
<td>223</td>
<td>236</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>85</td>
<td>92</td>
<td>114</td>
<td>110</td>
<td>112</td>
<td>121</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>163</td>
<td>168</td>
<td>196</td>
<td>203</td>
<td>202</td>
<td>220</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>188</td>
<td>194</td>
<td>226</td>
<td>233</td>
<td>245</td>
<td>260</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>112</td>
<td>114</td>
<td>131</td>
<td>142</td>
<td>128</td>
<td>132</td>
</tr>
<tr>
<td><strong>Median amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>76</td>
<td>102</td>
<td>103</td>
<td>102</td>
<td>113</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>104</td>
<td>117</td>
<td>149</td>
<td>149</td>
<td>148</td>
<td>156</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>50</td>
<td>54</td>
<td>72</td>
<td>69</td>
<td>69</td>
<td>75</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>107</td>
<td>129</td>
<td>127</td>
<td>130</td>
<td>141</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>122</td>
<td>132</td>
<td>161</td>
<td>152</td>
<td>168</td>
<td>175</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>76</td>
<td>71</td>
<td>79</td>
<td>86</td>
<td>80</td>
<td>87</td>
</tr>
</tbody>
</table>
Pensioners in receipt of income from earnings

Income from earnings refers to gross earnings from employment and self employment. In 2009-10, 19% of pensioner units were in receipt of income from earnings, with couples more likely to be in receipt than single pensioners (Table 3.10). Recently retired pensioner units are much more likely to have income from earnings compared to all pensioner units, with 35% reporting to have earnings as a source of income.

The average amount of income from earnings in 2009-10 for those in receipt was £475 per week, with half of all pensioner units receiving earnings having more than £338 per week. Figure 3.3 has shown that the distribution for those in receipt of earnings is fairly similar in 2008/09 and 2009/10, reflected in the slight reduction in the median. However, there has been an increase in the mean as a result of increases for those who have much higher earnings in the region of over £560 a week, but this has not affected the median because it is a change at the very top of the distribution.

Pensioner couples include couples where one member is below state pension age but the other is over. As such, some of the results include earnings from people under state pension age. The effects of these mixed status couples, particularly with regards to earnings, are explored further in Chapter 5 (Tables 5.1 and 5.2).

Figure 3.11: Pensioner units in receipt of income from earnings, 1994-95-2009-10
Table 3.10: The proportion of pensioner units with income from earnings and the average amount for those in receipt, 1996-97-2009-10

**Incomes in £ per week, 2009-10 prices**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion in receipt of income from earnings (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11%</td>
<td>11%</td>
<td>16%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>22%</td>
<td>22%</td>
<td>27%</td>
<td>29%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>4%</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20%</td>
<td>20%</td>
<td>29%</td>
<td>33%</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>26%</td>
<td>23%</td>
<td>35%</td>
<td>37%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>12%</td>
<td>16%</td>
<td>21%</td>
<td>27%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Average amount of income from earnings for those in receipt (£pw)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mean amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>351</td>
<td>395</td>
<td>422</td>
<td>421</td>
<td>432</td>
<td>475</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>389</td>
<td>427</td>
<td>464</td>
<td>464</td>
<td>477</td>
<td>529</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>192</td>
<td>257</td>
<td>277</td>
<td>269</td>
<td>283</td>
<td>282</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>292</td>
<td>321</td>
<td>344</td>
<td>357</td>
<td>374</td>
<td>430</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>320</td>
<td>353</td>
<td>363</td>
<td>397</td>
<td>417</td>
<td>489</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>208</td>
<td>251</td>
<td>302</td>
<td>286</td>
<td>287</td>
<td>297</td>
</tr>
<tr>
<td><strong>Median amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>234</td>
<td>273</td>
<td>303</td>
<td>330</td>
<td>347</td>
<td>338</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>281</td>
<td>300</td>
<td>332</td>
<td>373</td>
<td>382</td>
<td>386</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>103</td>
<td>172</td>
<td>213</td>
<td>210</td>
<td>211</td>
<td>217</td>
</tr>
<tr>
<td>Recently retired pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>198</td>
<td>227</td>
<td>260</td>
<td>280</td>
<td>300</td>
<td>308</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>211</td>
<td>239</td>
<td>263</td>
<td>320</td>
<td>327</td>
<td>347</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>179</td>
<td>202</td>
<td>253</td>
<td>231</td>
<td>232</td>
<td>263</td>
</tr>
</tbody>
</table>
Chapter 3: Sources of Pensioners’ Incomes

Pensioners in receipt of income from annual lump sum payments

Income from annual lump sum payments specifically refers to amounts that a pensioner may receive once a year. Winter Fuel payments and age-related payments fall into this category; as does income gained due to free TV licences for the over-75s. Such payments are typically paid in full at a particular time, so the amount has been converted into a weekly equivalent.

A Winter Fuel Payment of £20 was introduced in 1997-98 and Free TV licences for the over-75s were introduced in November 2000. Since then fluctuations in the average amount are due to changes in the amount of the Winter Fuel Payment and age-related payment (if any). The peak in 2005-06 is due to the introduction of age-related payments in 2004-05 and their subsequent increase in 2005-06. They were not repeated in 2006-07 or 2007-08.

The large increase in lump sum payments in 2008-09 is largely due to the Christmas bonus increasing from £10 to £70 and there were additional payments to Winter Fuel payments of £50 for those aged over 60, and by £100 for those aged over 80 which were also continued in 2009/10.

In 2009-10, it is assumed that practically all pensioner units receive some income from a lump sum payment due to their universal nature, with the average amount received being £7 per week.

Figure 3.12: Pensioner units in receipt of income from annual lump sums, 1994-95-2009-10

Based on data from the FRS ( £ per week, 2009-10 prices)
## Table 3.11: The average amount of income from annual lump sums for those in receipt, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>*</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>*</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>*</td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>*</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>*</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>*</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Median amounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>*</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>*</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>*</td>
<td>*</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Recently retired pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>*</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>*</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>*</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Chapter 4: Distribution of Pensioners’ Incomes

This chapter looks at the distribution of pensioners' incomes. The populations we are looking at are ranked by income and divided into quintiles (five equal sized groups) for the purpose of the analysis. There are two sets of tables within this chapter:

- **Tables 4.1 to 4.5** examine the distribution of incomes within the single pensioner and pensioner couples groups. In these tables incomes are not adjusted for the size of the household, so results for single pensioners and couples are shown separately.

- **Tables 4.6 and 4.7** look at the distribution of pensioners’ incomes within the population as a whole. In order to rank households within these tables income has been equivalised, or in other words adjusted to take into account variations in both the composition and size of the household. These figures are not comparable with figures in **Tables 4.1 to 4.5**.

In both sets of tables, the distribution is calculated separately under the before and after housing costs measures. When considering changes in incomes over time it is more appropriate to use the after housing costs measure.

In **Tables 4.1 to 4.5**, the distribution of income is calculated separately for singles and couples, that is estimates for pensioner couples show income for each quintile of the pensioner couples' income distribution. Comparisons between single pensioners and pensioner couples are sensitive to the precise way in which incomes are equivalised (see Appendix A for more information).

**Tables 4.1, 4.3 and 4.4** are presented as three year averages. This is because quintiles are relatively small groups and results may be volatile from one year to the next. These figures are therefore not directly comparable to single year estimates.

The position in the overall income distribution is only a proxy for relative living standards. It does not account for the different costs people will face. For example the costs involved in disability or old age, or for working people the costs associated with travelling to work.

**Median incomes by quintile**

For pensioner couples in 2009-10, the median net income of the top fifth was around three and a half times that of the bottom fifth, before housing costs, and around 4 times after housing costs. For single pensioners median net income of the top fifth was around three times that of the bottom fifth, before housing costs, and around three and a half times after housing costs.

The distribution of pensioners’ incomes has become wider since the mid 1990s. **Figure 4.1** compares the median net incomes of the bottom fifth and top fifth of pensioner couples in 1994-97, 1998-01, 2003-06 and 2007-10 (based on the FRS). The widening gap is mainly a result of the increasing value of occupational pensions and investments, which has led to faster growth in incomes towards the top of the distribution.

Between 1979 and 1996-97 the median income of the top fifth of pensioner couples grew by 91% compared with 30% for the bottom fifth on an AHC basis (see Historical Tables on the internet site). The pattern for single pensioners is similar.

The rate of growth in median incomes between 1998-01 and 2007-10 was fairly evenly spread across the income distribution. Pensioner couples saw 29% growth in the bottom quintile and 28% growth in the top quintile on an AHC basis – **Table 4.1**.
Table 4.1: The median net income of pensioner units by quintile of the net income distribution, 1998-01 and 2007-10

<table>
<thead>
<tr>
<th>Medians</th>
<th>Quintiles of the income distribution</th>
<th>Overall</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bottom fifth</td>
<td>Next fifth</td>
<td>Middle fifth</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income before housing costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998-01</td>
<td>172</td>
<td>234</td>
<td>297</td>
</tr>
<tr>
<td>2007-10</td>
<td>205</td>
<td>293</td>
<td>376</td>
</tr>
<tr>
<td>% growth 1998-01-2007-10</td>
<td>19%</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>Net income after housing costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998-01</td>
<td>143</td>
<td>202</td>
<td>288</td>
</tr>
<tr>
<td>2007-10</td>
<td>185</td>
<td>274</td>
<td>360</td>
</tr>
<tr>
<td>% growth 1998-01-2007-10</td>
<td>29%</td>
<td>36%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Single pensioners

| Net income before housing costs | | | | | | |
| 1998-01 | 97 | 135 | 162 | 204 | 301 | 194 |
| 2007-10 | 118 | 167 | 208 | 259 | 367 | 238 |
| % growth 1998-01-2007-10 | 22% | 24% | 28% | 27% | 22% | 23% |
| Net income after housing costs | | | | | | |
| 1998-01 | 76 | 96 | 123 | 172 | 268 | 160 |
| 2007-10 | 95 | 137 | 175 | 235 | 348 | 212 |
| % growth 1998-01-2007-10 | 25% | 43% | 42% | 37% | 30% | 33% |

Notes:
(1) Estimates show medians of unequivalised net income for each quintile of the unequivalised net income distribution. Real growth figures for individual quintiles show the growth in the quintile median income.

Figure 4.1: Net income (AHC) of pensioner couples by position in the income distribution, 1994-97, 1998-01, 2003-06 and 2007-10

Based on data from the FRS
($ per week 2009-10 prices)
Age and gender in the income distribution

Table 4.2 shows the spread of different groups of pensioners in 2009-10. Around three quarters of pensioners own their own home outright, and so tend to have relatively low housing costs. Net income after deducting housing costs better reflects their living standards compared to others who do not own their own home than net income before housing costs. Points of note include:

- **Older pensioner couples are more likely to be in the bottom fifth** of the pensioner couples’ income distribution (both before and after housing costs) than younger pensioner couples. After housing costs 23% of pensioner couples 75 and over are in the bottom fifth compared with 19% of pensioner couples under 75. There is a similar pattern in the net BHC income distribution.

- **Older single pensioners are slightly more likely to be in the bottom fifth** of the single pensioners’ income distribution (before housing costs) than younger single pensioners. 21% of single pensioners 75 and over are in the bottom fifth compared to 19% of single pensioners under 75. However, after housing costs, there is a slight difference as 20% of single pensioners 75 and over are in the bottom fifth compared to 21% of single pensioners under 75.

- **Single females are more likely to be in the bottom fifth** of the single pensioners’ income distribution (both before and after housing costs) than single males. After housing costs 21% of single females are in the bottom fifth compared to 17% of men. There is a similar pattern in the net BHC income distribution. This is partly because a larger proportion of older pensioners are female than male. However, Table 2.6 showed that within the 75 and over age group female single pensioners do have lower incomes than single males.

This analysis takes no account of income sharing when a pensioner unit shares a household with others, for example sharing with their children who may be earning, or where two single pensioners share a house. A pensioner with low personal income living with a high earning child would be shown in a low income quintile, but may enjoy a high standard of living. This is not the case in Households Below Average Income (HBAI) analysis, which displays analysis for the overall income distribution, where the income distribution is based on the household income.

Figure 4.2: Pensioner couples by age and position in the net income (AHC) distribution, 2009-10
Table 4.2: The age and gender of pensioners by quintile of the net income distribution, 2009-10

<table>
<thead>
<tr>
<th>Quintile of the income distribution</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
</table>

**Pensioner couples’ net income**

**Before housing costs distribution**

<table>
<thead>
<tr>
<th></th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All pensioner couples</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Recently retired</td>
<td>18%</td>
<td>17%</td>
<td>19%</td>
<td>21%</td>
<td>26%</td>
<td>100%</td>
</tr>
<tr>
<td>Head aged under 75</td>
<td>18%</td>
<td>19%</td>
<td>19%</td>
<td>21%</td>
<td>23%</td>
<td>100%</td>
</tr>
<tr>
<td>Head aged 75 and over</td>
<td>24%</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
<td>13%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Pensioner couples’ net income**

**After housing costs distribution**

<table>
<thead>
<tr>
<th></th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All pensioner couples</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Recently retired</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
<td>21%</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td>Head aged under 75</td>
<td>19%</td>
<td>19%</td>
<td>20%</td>
<td>20%</td>
<td>23%</td>
<td>100%</td>
</tr>
<tr>
<td>Head aged 75 and over</td>
<td>23%</td>
<td>24%</td>
<td>21%</td>
<td>19%</td>
<td>13%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Single pensioners’ net income**

**Before housing costs distribution**

<table>
<thead>
<tr>
<th></th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All single pensioners</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Single males</td>
<td>14%</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
<td>24%</td>
<td>100%</td>
</tr>
<tr>
<td>Single females</td>
<td>22%</td>
<td>21%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>100%</td>
</tr>
<tr>
<td>Recently retired</td>
<td>18%</td>
<td>17%</td>
<td>19%</td>
<td>17%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Aged under 75</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
<td>18%</td>
<td>23%</td>
<td>100%</td>
</tr>
<tr>
<td>Aged 75 and over</td>
<td>21%</td>
<td>20%</td>
<td>21%</td>
<td>21%</td>
<td>17%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Single pensioners’ net income**

**After housing costs distribution**

<table>
<thead>
<tr>
<th></th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>All single pensioners</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Single males</td>
<td>17%</td>
<td>18%</td>
<td>20%</td>
<td>21%</td>
<td>24%</td>
<td>100%</td>
</tr>
<tr>
<td>Single females</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
<td>19%</td>
<td>100%</td>
</tr>
<tr>
<td>Recently retired</td>
<td>21%</td>
<td>18%</td>
<td>18%</td>
<td>16%</td>
<td>27%</td>
<td>100%</td>
</tr>
<tr>
<td>Aged under 75</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
<td>17%</td>
<td>23%</td>
<td>100%</td>
</tr>
<tr>
<td>Aged 75 and over</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>23%</td>
<td>17%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Chapter 4: Distribution of Pensioners’ Incomes

The distribution of different sources of income by position in the net income (BHC) distribution

Table 4.3 shows how different sources of income contribute to the gross incomes of pensioners in different income quintiles of the net income (BHC) distribution. It should be noted that mean gross incomes (Table 4.3) are higher, particularly for the top fifth, because of a small number of pensioners with very high incomes which skew the results.

Income from state benefits in 2007-10 is fairly even across the distribution of pensioner couples (Figure 4.3) but increases as we move up the distribution for single pensioners (Figure 4.4). The bottom fifth received only a small proportion of their income from other sources, with benefits accounting for 73% of gross income for pensioner couples. Occupational pension income increases rapidly as we move up the distribution, reaching an average of £347 for the top fifth of pensioner couples and £167 for the top fifth of single pensioners. Income from investments and earnings also increase steeply as we move up the income distribution for both pensioner couples and single pensioners.

Figure 4.3: Sources of gross income of pensioner couples by position in the net income (BHC) distribution, 2007-10

Figure 4.4: Sources of gross income of single pensioners by position in the net income (BHC) distribution, 2007-10
### Table 4.3: Components of mean gross income of pensioner units by quintile of the net (BHC) income distribution, 1998-01 and 2007-10

**Incomes in £ per week, 2009-10 prices**

<table>
<thead>
<tr>
<th>Quintiles of the income distribution</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>Overall Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1998-01 Means</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>188</td>
<td>260</td>
<td>338</td>
<td>469</td>
<td>1052</td>
<td>461</td>
</tr>
<tr>
<td>Benefit income</td>
<td>148</td>
<td>185</td>
<td>191</td>
<td>170</td>
<td>147</td>
<td>168</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>21</td>
<td>45</td>
<td>86</td>
<td>165</td>
<td>327</td>
<td>129</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>10</td>
<td>36</td>
<td>12</td>
</tr>
<tr>
<td>Investment income</td>
<td>9</td>
<td>11</td>
<td>19</td>
<td>38</td>
<td>204</td>
<td>56</td>
</tr>
<tr>
<td>Earnings</td>
<td>7</td>
<td>15</td>
<td>35</td>
<td>86</td>
<td>324</td>
<td>93</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>106</td>
<td>148</td>
<td>179</td>
<td>229</td>
<td>449</td>
<td>222</td>
</tr>
<tr>
<td>Benefit income</td>
<td>96</td>
<td>122</td>
<td>142</td>
<td>154</td>
<td>163</td>
<td>136</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>5</td>
<td>18</td>
<td>26</td>
<td>54</td>
<td>145</td>
<td>50</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>14</td>
<td>80</td>
<td>22</td>
</tr>
<tr>
<td>Earnings</td>
<td>*</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>47</td>
<td>11</td>
</tr>
<tr>
<td>Other income</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td><strong>2007-10 Means</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>225</td>
<td>332</td>
<td>438</td>
<td>597</td>
<td>1303</td>
<td>586</td>
</tr>
<tr>
<td>Benefit income</td>
<td>164</td>
<td>213</td>
<td>221</td>
<td>205</td>
<td>169</td>
<td>197</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>27</td>
<td>66</td>
<td>117</td>
<td>192</td>
<td>347</td>
<td>152</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>9</td>
<td>12</td>
<td>16</td>
<td>20</td>
<td>69</td>
<td>25</td>
</tr>
<tr>
<td>Investment income</td>
<td>8</td>
<td>13</td>
<td>19</td>
<td>37</td>
<td>218</td>
<td>60</td>
</tr>
<tr>
<td>Earnings</td>
<td>15</td>
<td>27</td>
<td>64</td>
<td>140</td>
<td>486</td>
<td>148</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>127</td>
<td>187</td>
<td>232</td>
<td>293</td>
<td>541</td>
<td>279</td>
</tr>
<tr>
<td>Benefit income</td>
<td>108</td>
<td>147</td>
<td>177</td>
<td>191</td>
<td>189</td>
<td>164</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>9</td>
<td>27</td>
<td>38</td>
<td>69</td>
<td>167</td>
<td>63</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>13</td>
<td>75</td>
<td>22</td>
</tr>
<tr>
<td>Earnings</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>11</td>
<td>85</td>
<td>21</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>
Chapter 4: Distribution of Pensioners’ Incomes

The distribution of different sources of income by position in the net income (AHC) distribution

Table 4.4 shows how different sources of income contribute to the gross incomes of pensioners in different income quintiles of the net income (AHC) distribution. The income distribution here considers income after housing costs whereas the immediately preceding tables considered before housing costs. It should be noted that mean gross incomes (Table 4.4) are higher, particularly for the top fifth, than median gross incomes (Table 4.1) because of a small number of pensioners with very high incomes which skew the results.

Income from state benefits in 2007-10 is fairly even across the distribution of pensioner couples (Figure 4.5) but increases as we move up the distribution for single pensioners (Figure 4.6). The bottom fifth received only a small proportion of their income from other sources, with benefits accounting for 73% of gross income for pensioner couples. Occupational pension income increases rapidly as we move up the distribution, reaching an average of £359 for the top fifth of pensioner couples and £182 for the top fifth of single pensioners. Income from investments and earnings also increase steeply as we move up the income distribution for both pensioner couples and single pensioners.

Figure 4.5: Sources of gross income of pensioner couples by position in the net income (AHC) distribution, 2007-10

Figure 4.6: Sources of gross income of single pensioners by position in the net income (AHC) distribution, 2007-10
Table 4.4: Components of mean gross income of pensioner units by quintile of the net (AHC) income distribution, 1998-01 and 2007-10

<table>
<thead>
<tr>
<th>Quintiles of the income distribution</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>Overall Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1998-01 Means</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>191</td>
<td>251</td>
<td>329</td>
<td>458</td>
<td>1026</td>
<td>451</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>156</td>
<td>181</td>
<td>180</td>
<td>162</td>
<td>143</td>
<td>164</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>17</td>
<td>42</td>
<td>83</td>
<td>163</td>
<td>323</td>
<td>126</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>10</td>
<td>36</td>
<td>12</td>
</tr>
<tr>
<td>Investment income</td>
<td>7</td>
<td>10</td>
<td>19</td>
<td>37</td>
<td>201</td>
<td>55</td>
</tr>
<tr>
<td>Earnings</td>
<td>7</td>
<td>13</td>
<td>39</td>
<td>86</td>
<td>310</td>
<td>91</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>121</td>
<td>147</td>
<td>165</td>
<td>218</td>
<td>435</td>
<td>217</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>108</td>
<td>133</td>
<td>89</td>
<td>152</td>
<td>143</td>
<td>125</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>8</td>
<td>9</td>
<td>19</td>
<td>46</td>
<td>152</td>
<td>47</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>*</td>
<td>*</td>
<td>3</td>
<td>1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Investment income</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>13</td>
<td>81</td>
<td>22</td>
</tr>
<tr>
<td>Earnings</td>
<td>*</td>
<td>*</td>
<td>1</td>
<td>4</td>
<td>45</td>
<td>10</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td><strong>2007-10 Means</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>239</td>
<td>339</td>
<td>444</td>
<td>611</td>
<td>1328</td>
<td>592</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>174</td>
<td>218</td>
<td>224</td>
<td>204</td>
<td>174</td>
<td>199</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>26</td>
<td>64</td>
<td>120</td>
<td>197</td>
<td>359</td>
<td>153</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>8</td>
<td>12</td>
<td>16</td>
<td>22</td>
<td>71</td>
<td>26</td>
</tr>
<tr>
<td>Investment income</td>
<td>9</td>
<td>12</td>
<td>20</td>
<td>38</td>
<td>224</td>
<td>61</td>
</tr>
<tr>
<td>Earnings</td>
<td>20</td>
<td>31</td>
<td>63</td>
<td>149</td>
<td>486</td>
<td>150</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>145</td>
<td>194</td>
<td>229</td>
<td>294</td>
<td>549</td>
<td>282</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>123</td>
<td>169</td>
<td>170</td>
<td>193</td>
<td>175</td>
<td>166</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>12</td>
<td>16</td>
<td>38</td>
<td>68</td>
<td>182</td>
<td>63</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>12</td>
<td>80</td>
<td>22</td>
</tr>
<tr>
<td>Earnings</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>11</td>
<td>85</td>
<td>21</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>
Chapter 4: Distribution of Pensioners’ Incomes

The importance of different sources of income in different quintiles

The analysis of income receipt in Table 4.5 shows the proportion of pensioner units within each quintile who received a given source of income.

Pensioners (both pensioner couples and single pensioners) towards the bottom of the income distribution are less likely to receive income from investments, occupational pensions or earnings. In the before housing costs distribution, the proportion of pensioner couples with occupational pension income ranged from 42% in the bottom fifth of the distribution to 78% in the top fifth. The trend is similar after housing costs with 41% of the bottom fifth receiving occupational pension income and 80% in the top fifth.

The lowest rates of receipt for disability benefits were generally found towards the bottom of the income distribution. This is because disability benefits themselves (and disability related additions to income related benefits) help move people up the income distribution. It is worth noting though that in this analysis no account is taken of the extra costs associated with disability when calculating each pensioner’s position in the income distribution.

Income related benefits were not limited to those at the bottom of the income distribution. A significant proportion of those further up the income distribution received income related benefits too. This is partly due to these benefits serving to push people up the distribution; particularly disability related additions to income related benefits (which are paid on top of disability benefits such as Attendance Allowance and Disability Living Allowance).

Across all quintiles a greater proportion of single pensioners are in receipt of income related benefits than pensioner couples. This holds true for a BHC and AHC basis. For example, on a BHC basis, 52% of single pensioners in the middle quintile are in receipt of income related benefits, compared with 18% for pensioner couples. In contrast, greater proportions of pensioner couples are in receipt of investment income and occupational pension across all quintiles than single pensioners. This is true on both BHC and AHC basis.

Housing Benefit is included as income on a before housing costs basis but rents are not deducted from income. Pensioners who receive this income related benefit will thus appear better off than those pensioners who do not have rent to pay and so are not entitled to Housing Benefit. This leads to larger proportions of single pensioners in the 3rd, 4th and 5th quintiles getting income related benefits on the before housing costs basis than when rent is deducted from incomes for the after housing costs basis (Table 4.5).
### Table 4.5: The proportion of pensioner units with selected sources of income by quintile of the net income distribution, 2009-10

#### Pensioner couples' net income

**Before housing costs distribution**

Proportion of each quintile in receipt of:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pension</td>
<td>94%</td>
<td>97%</td>
<td>98%</td>
<td>96%</td>
<td>91%</td>
<td>95%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>24%</td>
<td>28%</td>
<td>18%</td>
<td>8%</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>11%</td>
<td>27%</td>
<td>32%</td>
<td>24%</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Investment income</td>
<td>62%</td>
<td>69%</td>
<td>77%</td>
<td>83%</td>
<td>92%</td>
<td>77%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>42%</td>
<td>68%</td>
<td>73%</td>
<td>77%</td>
<td>78%</td>
<td>68%</td>
</tr>
<tr>
<td>Personal Pension income</td>
<td>21%</td>
<td>22%</td>
<td>21%</td>
<td>21%</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>Earnings</td>
<td>11%</td>
<td>14%</td>
<td>25%</td>
<td>40%</td>
<td>63%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**After housing costs distribution**

Proportion of each quintile in receipt of:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pension</td>
<td>93%</td>
<td>97%</td>
<td>98%</td>
<td>97%</td>
<td>91%</td>
<td>95%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>30%</td>
<td>27%</td>
<td>15%</td>
<td>6%</td>
<td>1%</td>
<td>16%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>11%</td>
<td>30%</td>
<td>32%</td>
<td>21%</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Investment income</td>
<td>59%</td>
<td>69%</td>
<td>77%</td>
<td>86%</td>
<td>92%</td>
<td>77%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>41%</td>
<td>66%</td>
<td>74%</td>
<td>77%</td>
<td>80%</td>
<td>68%</td>
</tr>
<tr>
<td>Personal Pension income</td>
<td>19%</td>
<td>23%</td>
<td>21%</td>
<td>22%</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>Earnings</td>
<td>11%</td>
<td>16%</td>
<td>24%</td>
<td>41%</td>
<td>62%</td>
<td>31%</td>
</tr>
</tbody>
</table>

#### Single pensioners' net income

**Before housing costs distribution**

Proportion of each quintile in receipt of:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pension</td>
<td>96%</td>
<td>99%</td>
<td>98%</td>
<td>98%</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>39%</td>
<td>52%</td>
<td>52%</td>
<td>47%</td>
<td>26%</td>
<td>43%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>4%</td>
<td>15%</td>
<td>23%</td>
<td>42%</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>Investment income</td>
<td>61%</td>
<td>64%</td>
<td>58%</td>
<td>63%</td>
<td>80%</td>
<td>65%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>32%</td>
<td>52%</td>
<td>53%</td>
<td>62%</td>
<td>70%</td>
<td>54%</td>
</tr>
<tr>
<td>Personal Pension income</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Earnings</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
<td>7%</td>
<td>23%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**After housing costs distribution**

Proportion of each quintile in receipt of:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pension</td>
<td>96%</td>
<td>98%</td>
<td>99%</td>
<td>99%</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>44%</td>
<td>67%</td>
<td>45%</td>
<td>41%</td>
<td>17%</td>
<td>43%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>7%</td>
<td>9%</td>
<td>29%</td>
<td>43%</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td>Investment income</td>
<td>57%</td>
<td>54%</td>
<td>65%</td>
<td>66%</td>
<td>84%</td>
<td>65%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>31%</td>
<td>40%</td>
<td>58%</td>
<td>66%</td>
<td>74%</td>
<td>54%</td>
</tr>
<tr>
<td>Personal Pension income</td>
<td>7%</td>
<td>6%</td>
<td>11%</td>
<td>9%</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Earnings</td>
<td>3%</td>
<td>1%</td>
<td>6%</td>
<td>7%</td>
<td>23%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Chapter 4: Distribution of Pensioners’ Incomes

Pensioners in the overall net income distribution

Tables 4.6 and 4.7 show the position of individuals within the overall household income distribution. This is the approach which is used in the HBAI publication which analyses the overall income distribution. Before dividing households into quintiles, household income is equivalised, meaning that it is adjusted to take account of the size and composition of the household. The tables show pensioners ranked by their equivalised household income. More details of the equivalisation process are given in Appendix A.

The proportion of pensioners in each fifth of the income distribution in 1979 and 2009-10 is shown in Figure 4.7. In 1979, 44% of all pensioners were in the bottom fifth before housing costs and by 2009-10 this proportion halved to 22%. As increasing numbers of pensioners own their own home outright the improvement of pensioners’ position in the net income distribution after housing costs was more significant. On this measure the proportion in the bottom fifth fell from 43% in 1979 to 13% in 2009-10. A greater proportion of single pensioners are in the bottom fifth both on a BHC and AHC basis in comparison to couples.

Figure 4.7: Pensioners’ position in the overall net income (AHC) distribution, 1979 and 2009-10
## Chapter 4: Distribution of Pensioners' Incomes

Table 4.6: The proportion of individuals in pensioner families in each quintile of the overall population net income distribution, 1979, 1998-99, and 2009-10

**Quintiles based on equivalised household income**

Results based upon data from the FES (for 1979) and the FRS (for 1998-99 and 2009-10)

<table>
<thead>
<tr>
<th>Quintile of the income distribution</th>
<th>Bottom fifth</th>
<th>Next fifth</th>
<th>Middle fifth</th>
<th>Next fifth</th>
<th>Top fifth</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1979</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>44%</td>
<td>23%</td>
<td>14%</td>
<td>10%</td>
<td>9%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>43%</td>
<td>22%</td>
<td>14%</td>
<td>11%</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>40%</td>
<td>22%</td>
<td>16%</td>
<td>11%</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>41%</td>
<td>20%</td>
<td>15%</td>
<td>12%</td>
<td>12%</td>
<td>100%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>49%</td>
<td>24%</td>
<td>11%</td>
<td>8%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>47%</td>
<td>23%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>1998-99</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>24%</td>
<td>28%</td>
<td>19%</td>
<td>16%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>17%</td>
<td>28%</td>
<td>21%</td>
<td>17%</td>
<td>17%</td>
<td>100%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>24%</td>
<td>27%</td>
<td>19%</td>
<td>16%</td>
<td>14%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>16%</td>
<td>28%</td>
<td>21%</td>
<td>18%</td>
<td>17%</td>
<td>100%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>27%</td>
<td>34%</td>
<td>20%</td>
<td>10%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>22%</td>
<td>33%</td>
<td>19%</td>
<td>14%</td>
<td>12%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>2009-10</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
<td>18%</td>
<td>14%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>13%</td>
<td>25%</td>
<td>23%</td>
<td>21%</td>
<td>18%</td>
<td>100%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>19%</td>
<td>23%</td>
<td>21%</td>
<td>19%</td>
<td>17%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>12%</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before housing costs</td>
<td>26%</td>
<td>28%</td>
<td>22%</td>
<td>15%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>After housing costs</td>
<td>15%</td>
<td>30%</td>
<td>22%</td>
<td>20%</td>
<td>12%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The proportion of pensioners in the top half of the income distribution

Since 1979, the proportion of pensioners in the top half of the overall population income distribution has increased (Figure 4.8). Pensioners are more likely to own their own home outright than the rest of the population, and so the proportion of pensioners in the top half of the distribution is higher on the after housing costs measure. According to this measure, 50% of all pensioners were in the top half in 2009-10; 53% of individuals in pensioner couples and 43% of single pensioners.

Figure 4.8: Proportion of individuals in pensioner families in the top half of the overall population net income (AHC) distribution, 1979-1995/97 and 1994-95-2009-10
Table 4.7: The proportion of individuals in pensioner families in the top half of the overall population net income distribution, 1996-97-2009-10

Quintiles based on equivalised household income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income before housing costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td>38%</td>
<td>37%</td>
<td>36%</td>
<td>37%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>43%</td>
<td>45%</td>
<td>47%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>31%</td>
<td>27%</td>
<td>28%</td>
<td>27%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Net income after housing costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td>43%</td>
<td>44%</td>
<td>44%</td>
<td>47%</td>
<td>48%</td>
<td>50%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>44%</td>
<td>45%</td>
<td>48%</td>
<td>51%</td>
<td>52%</td>
<td>53%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>39%</td>
<td>36%</td>
<td>38%</td>
<td>39%</td>
<td>43%</td>
<td>43%</td>
</tr>
</tbody>
</table>
Chapter 5: Additional Analysis and Context

This chapter looks at areas of interest around pensioners’ incomes that do not fit into other chapters of the publication or have a lower level of robustness so that results should be treated with caution. In particular, differences in incomes between groups and changes over time are unlikely to be statistically significant.

Firstly, it looks at mixed status pensioner couples (where one member is above state pension age (SPA) and the other is below), highlighting the different income profile of these pensioners compared to couples where both members are over state pension age.

In 2009-10 there was a large increase in the number of pensioner couples where one member is under state pension age. The income profile of the average pensioner unit is likely to have been affected by this increase.

It also explores the difference between being ‘retired’ and being a ‘pensioner’, this group is very similar in make up to mixed status couples and will include some of the same pensioners looked at in the mixed status couples section.

Between 2010 and 2020 the state pension age for women will increase from 60 to 65. In preparation for this, Table 5.5 shows average incomes of pensioners aged 65 and over only.

Analysis for ethnic minority pensioners is presented. The sample size is small so three years of data have been used to allow an income component breakdown. Results highlight differences in the entitlement to state and private pensions between the different groups.

Finally, it looks at married and cohabiting pensioner couples, highlighting the different income profiles of these pensioners. The sample size is small for cohabiting couples so three years of data have been used to allow an income component breakdown.
Mixed status couples

All the tables in the publication so far have related to ‘pensioner units’ defined as single people over state pension age and couples (married or cohabiting) where one or more adults are over SPA.

This section looks at summary results for mixed status couples, that is those couples where strictly one partner is above state pension age and one below. Although same sex couples are included in the main tables as part of the definition of pensioner couples for 2009-10, the numbers are too small to provide a separate analysis of them in this section, and so they are excluded.

Figure 5.1 shows the mean income for mixed status couples and the sources of income for a number of pensioner groups, namely:

- Couples with the woman above state pension age but the man below
- Couples with the man above state pension age but the woman below
- Couples with both members above state pension age
- Pensioner couples with at least one adult over state pension age (as used in the main tables in this publication)

Figure 5.1: Sources of gross income for different types of pensioner couples, 2009-10

Figure 5.1 shows that pensioner couples with one member over state pension age and one below have, on average, significantly higher earnings, and as a result a higher overall income.
From Figure 5.1 we can see that couples in which only the woman is over state pension age tend to have different characteristics to other couples. A larger amount of their income comes from earnings and less from benefits. Couples where the man is over SPA but the woman is below also have different characteristics from couples where both members are above SPA. Couples where one person is above SPA have greater income from earnings and tend to receive less income from benefits.

Table 5.1 shows the average income of couples where one partner is over state pension but the other is not.

### Table 5.1: The average incomes of couples where one partner is over state pension age but the other is not, 1996-97-2009-10

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross income</strong></td>
<td>526</td>
<td>563</td>
<td>665</td>
<td>664</td>
<td>764</td>
<td>764</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>105</td>
<td>108</td>
<td>117</td>
<td>111</td>
<td>117</td>
<td>127</td>
<td>17%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>123</td>
<td>136</td>
<td>134</td>
<td>130</td>
<td>137</td>
<td>155</td>
<td>20%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>6</td>
<td>7</td>
<td>22</td>
<td>16</td>
<td>18</td>
<td>22</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>55</td>
<td>52</td>
<td>65</td>
<td>62</td>
<td>60</td>
<td>52</td>
<td>7%</td>
</tr>
<tr>
<td>Earnings</td>
<td>233</td>
<td>255</td>
<td>344</td>
<td>342</td>
<td>334</td>
<td>405</td>
<td>53%</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>414</td>
<td>441</td>
<td>520</td>
<td>504</td>
<td>514</td>
<td>574</td>
<td>75%</td>
</tr>
<tr>
<td>Median</td>
<td>321</td>
<td>351</td>
<td>405</td>
<td>402</td>
<td>443</td>
<td>452</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>367</td>
<td>400</td>
<td>502</td>
<td>490</td>
<td>493</td>
<td>543</td>
<td>71%</td>
</tr>
<tr>
<td>Median</td>
<td>279</td>
<td>311</td>
<td>389</td>
<td>388</td>
<td>424</td>
<td>424</td>
<td></td>
</tr>
</tbody>
</table>

Mixed status couples are included in the analysis in chapters 1, 2, 3 and 4. These couples are a relatively small group but there are far more of them in 2009-10 than in 2008-09. In 2009-10, there were 1.2 million mixed status couples; this is 50,000 more than the previous year. For some sub-groups, and analysis of some components of income, for instance earnings, inclusion or exclusion of these mixed status couples will make a difference. This is particularly true for pensioner couples where the head is under 75.
Table 5.2 looks at the income from earnings for various groups of pensioner couples. A pensioner couple where the woman is over SPA but man is under has the highest average amount of income from earnings. In contrast, couples with both members over SPA have the lowest amount of income from earnings. However, the groups of pensioner couples in Table 5.2 are based on a small sample of pensioner units and so the results are subject to relatively large levels of uncertainty.

Table 5.2: The proportion of different groups of pensioner couples with income from earnings and the average amounts for those in receipt, 2009-10

<table>
<thead>
<tr>
<th>Proportion in receipt of income from earnings (%)</th>
<th>Average amount of income from earnings for those in receipt (£pw)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>Published results (Table 3.10)</td>
<td>31%</td>
</tr>
<tr>
<td>Man over SPA, Woman under SPA</td>
<td>61%</td>
</tr>
<tr>
<td>Woman over SPA, Man under SPA</td>
<td>65%</td>
</tr>
<tr>
<td>Strictly one member over SPA, one under SPA</td>
<td>64%</td>
</tr>
<tr>
<td>Both members over SPA</td>
<td>16%</td>
</tr>
</tbody>
</table>
Retired people

The Pensioners’ Income Series classifies people by age – either under or over SPA. Another way to approach this is to look at benefit units which report their employment status as retired. Here, retirement is self-reported and is defined as no longer economically active (in employment or actively seeking work).

Table 5.3 shows the numbers of singles and couples who have retired and whether they are under or over SPA. This shows that:

- There are 150,000 singles that have retired under SPA and 250,000 couples where both are under SPA and at least one member has retired. These groups are not included in the results in earlier chapters of this report.

- 550,000 singles over SPA have not retired and 700,000 couples have at least one member over SPA where neither has retired. These are included in the results in earlier chapters of this report.

Table 5.3: The number of benefit units that have retired or not, by SPA, 2009-10

<table>
<thead>
<tr>
<th></th>
<th>Under SPA</th>
<th>Over SPA</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
<td>Males</td>
</tr>
<tr>
<td>Singles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not retired</td>
<td>6,550,000</td>
<td>5,800,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Retired</td>
<td>100,000</td>
<td>50,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>All</td>
<td>6,650,000</td>
<td>5,850,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Couples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neither retired</td>
<td>10,950,000</td>
<td>450,000</td>
<td>50,000</td>
</tr>
<tr>
<td>One retired</td>
<td>200,000</td>
<td>400,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Both retired</td>
<td>50,000</td>
<td>150,000</td>
<td>50,000</td>
</tr>
<tr>
<td>All</td>
<td>11,200,000</td>
<td>1,000,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>
Table 5.4, looking at the income components of single retired benefit units under SPA, gives an example of the characteristics of people who have retired early. The estimates provided need treating with some caution due to the sample size available. However, they do give a broad sense of the incomes available to those who have retired below SPA.

Table 5.4: The average incomes of single retired benefit units under SPA, 2009-10

<table>
<thead>
<tr>
<th>Retired under SPA</th>
<th>Amount of income</th>
<th>Proportion in receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>274</td>
<td></td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Income</td>
<td>62</td>
<td>63%</td>
</tr>
<tr>
<td>State Pension</td>
<td>3</td>
<td>4%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>34</td>
<td>29%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>10</td>
<td>14%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>154</td>
<td>61%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>7</td>
<td>58%</td>
</tr>
<tr>
<td>Investment income</td>
<td>49</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>8%</td>
</tr>
</tbody>
</table>

Net income BHC

<table>
<thead>
<tr>
<th>Retired under SPA</th>
<th>Amount of income</th>
<th>Proportion in receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>221</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>193</td>
<td></td>
</tr>
</tbody>
</table>

Net income AHC

<table>
<thead>
<tr>
<th>Retired under SPA</th>
<th>Amount of income</th>
<th>Proportion in receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

The single benefit units retired below SPA (compared to those over SPA) show:

- High occupational pension
- Low benefit income from income related benefits

The gross income level would place these retired singles in the third or fourth quintiles of the singles pensioner income distribution (AHC). The levels of investment income and occupational pension income on average are similar to those received by single pensioners in the top two quintiles. State Pension includes Widow’s Pension and Widowed Parent’s Allowance.
Pensioners 65 or over

In earlier chapters pensioner units are included in results if they are a single pensioner at state pension age (65 for men, 60 for women) or over, or a couple one or more of which are at state pension age or over. Between 2010 and 2020 the state pension age for women will be increasing from 60 to 65, to match the SPA for men.

Table 5.5 gives the headline figures for pensioner units defined as either:

- a single pensioner 65 years old or over (whether a man or a woman)
- or a pensioner couple one or more of which are 65 or over.

So Table 5.5 gives the headline pensioners’ incomes estimates for the same population of pensioners throughout the period of state pension age equalisation. The equivalent information for all pensioners is given in Table 2.1.
### Table 5.5: The average incomes of pensioner units 65 or over, 1996-97-2009-10

*Incomes in £ per week, 2009-10 prices*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All pensioner units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>284</td>
<td>294</td>
<td>366</td>
<td>378</td>
<td>385</td>
<td>407</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>147</td>
<td>151</td>
<td>181</td>
<td>181</td>
<td>187</td>
<td>197</td>
<td>48%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>73</td>
<td>77</td>
<td>98</td>
<td>98</td>
<td>99</td>
<td>110</td>
<td>27%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>3</td>
<td>5</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>17</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>34</td>
<td>35</td>
<td>37</td>
<td>44</td>
<td>38</td>
<td>33</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>25</td>
<td>24</td>
<td>34</td>
<td>37</td>
<td>42</td>
<td>46</td>
<td>11%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>245</td>
<td>252</td>
<td>310</td>
<td>318</td>
<td>326</td>
<td>345</td>
<td>85%</td>
</tr>
<tr>
<td>Median</td>
<td>191</td>
<td>195</td>
<td>244</td>
<td>247</td>
<td>260</td>
<td>278</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>208</td>
<td>218</td>
<td>291</td>
<td>304</td>
<td>306</td>
<td>318</td>
<td>78%</td>
</tr>
<tr>
<td>Median</td>
<td>153</td>
<td>162</td>
<td>224</td>
<td>232</td>
<td>238</td>
<td>249</td>
<td></td>
</tr>
<tr>
<td><strong>Pensioner couples</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>410</td>
<td>421</td>
<td>506</td>
<td>535</td>
<td>535</td>
<td>553</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>176</td>
<td>178</td>
<td>208</td>
<td>210</td>
<td>216</td>
<td>226</td>
<td>41%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>117</td>
<td>123</td>
<td>150</td>
<td>147</td>
<td>147</td>
<td>160</td>
<td>29%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>7</td>
<td>10</td>
<td>22</td>
<td>28</td>
<td>28</td>
<td>27</td>
<td>5%</td>
</tr>
<tr>
<td>Investment income</td>
<td>55</td>
<td>56</td>
<td>57</td>
<td>72</td>
<td>58</td>
<td>51</td>
<td>9%</td>
</tr>
<tr>
<td>Earnings</td>
<td>53</td>
<td>51</td>
<td>65</td>
<td>74</td>
<td>82</td>
<td>85</td>
<td>15%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>350</td>
<td>354</td>
<td>421</td>
<td>441</td>
<td>445</td>
<td>462</td>
<td>84%</td>
</tr>
<tr>
<td>Median</td>
<td>275</td>
<td>280</td>
<td>340</td>
<td>357</td>
<td>358</td>
<td>372</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>311</td>
<td>322</td>
<td>409</td>
<td>435</td>
<td>432</td>
<td>439</td>
<td>79%</td>
</tr>
<tr>
<td>Median</td>
<td>238</td>
<td>250</td>
<td>325</td>
<td>346</td>
<td>344</td>
<td>352</td>
<td></td>
</tr>
<tr>
<td><strong>Single pensioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>196</td>
<td>208</td>
<td>260</td>
<td>260</td>
<td>272</td>
<td>280</td>
<td>100%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>127</td>
<td>132</td>
<td>160</td>
<td>158</td>
<td>166</td>
<td>172</td>
<td>61%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>43</td>
<td>46</td>
<td>58</td>
<td>60</td>
<td>63</td>
<td>67</td>
<td>24%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Investment income</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>22</td>
<td>18</td>
<td>6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>9</td>
<td>12</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>173</td>
<td>182</td>
<td>225</td>
<td>225</td>
<td>237</td>
<td>244</td>
<td>87%</td>
</tr>
<tr>
<td>Median</td>
<td>150</td>
<td>154</td>
<td>196</td>
<td>200</td>
<td>207</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>137</td>
<td>148</td>
<td>201</td>
<td>204</td>
<td>211</td>
<td>213</td>
<td>76%</td>
</tr>
<tr>
<td>Median</td>
<td>104</td>
<td>113</td>
<td>164</td>
<td>169</td>
<td>177</td>
<td>180</td>
<td></td>
</tr>
</tbody>
</table>
Ethnic minority groups

Ethnic minorities account for 3% of all pensioner units in the UK according to the FRS (based on head of pensioner unit), this proportion is similar to the one found in the 2001 Census (3%). The sample sizes for ethnic minority pensioner groups on the FRS are small and so it is difficult to get robust estimates from the survey. For these results a three year dataset has been used and so comparisons with tables in the main text can only be indicative. Data is collected on pensioners in the ‘Mixed’ ethnic group, but sample sizes are too small to provide robust estimates, even when combining three year’s data.

Results show that:

- Ethnic minority pensioners have lower overall income than their White counterparts (for example, median net income (AHC) of White pensioner units is £248 compared to £181 and £193 for Black and Asian units respectively)
- A large part of this difference is due to ethnic minority pensioners being less likely to receive occupational or personal pensions. They are also less likely to receive State Pension

Low pension incomes partially reflects members of ethnic groups migrating to Great Britain in the middle of their working lives. This gave them a reduced chance to build up entitlement to state and private pension schemes. Migration from the Caribbean peaked in the early 1960s; and the Asian groups in the following two decades (those from India and Pakistan in the early 1970s; from Bangladesh in the early 1980s). More information can be found in ‘Immigration, emigration and the ageing of the overseas-born population in the United Kingdom’ by Michael Rendall and Deborah Ball, available on the internet at www.statistics.gov.uk/articles/population_trends/PT116_RendallBall.pdf.

Although the overall benefit income is roughly equal across the groups, a breakdown shows differences in the types and amount of benefits received. A higher proportion of minority group pensioners are in receipt of income related benefits compared to the White group.

A high proportion of Asian families live in a household with more than one benefit unit – extended family household. This differs from the rest of the groups who for the majority live in one benefit unit households. Income from households is not reflected here.
Table 5.6: The components of mean gross income of pensioner units, and the proportion in receipt by ethnic minority group, 2007-10

<table>
<thead>
<tr>
<th>Ethnic Minority groups</th>
<th>All</th>
<th>White</th>
<th>Asian / British</th>
<th>Black / British</th>
<th>Chinese / Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross income</strong></td>
<td>417</td>
<td>419</td>
<td>395</td>
<td>323</td>
<td>377</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>177</td>
<td>178</td>
<td>168</td>
<td>180</td>
<td>163</td>
</tr>
<tr>
<td>State Pension</td>
<td>132</td>
<td>133</td>
<td>110</td>
<td>111</td>
<td>110</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>21</td>
<td>21</td>
<td>33</td>
<td>48</td>
<td>29</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>103</td>
<td>104</td>
<td>77</td>
<td>49</td>
<td>99</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>15</td>
<td>15</td>
<td>9</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Investment income</td>
<td>39</td>
<td>39</td>
<td>54</td>
<td>5</td>
<td>39</td>
</tr>
<tr>
<td>Earnings</td>
<td>80</td>
<td>80</td>
<td>81</td>
<td>83</td>
<td>54</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Net income BHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>346</td>
<td>433</td>
<td>324</td>
<td>275</td>
<td>313</td>
</tr>
<tr>
<td>Median</td>
<td>300</td>
<td>270</td>
<td>215</td>
<td>233</td>
<td>255</td>
</tr>
<tr>
<td><strong>Net income AHC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>325</td>
<td>326</td>
<td>305</td>
<td>230</td>
<td>282</td>
</tr>
<tr>
<td>Median</td>
<td>246</td>
<td>248</td>
<td>193</td>
<td>181</td>
<td>216</td>
</tr>
<tr>
<td><strong>Proportion of pensioners in receipt of:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>100%</td>
<td>100%</td>
<td>98%</td>
<td>100%</td>
<td>98%</td>
</tr>
<tr>
<td>State Pension</td>
<td>95%</td>
<td>96%</td>
<td>87%</td>
<td>88%</td>
<td>83%</td>
</tr>
<tr>
<td>Income related benefits</td>
<td>30%</td>
<td>30%</td>
<td>44%</td>
<td>54%</td>
<td>31%</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>60%</td>
<td>60%</td>
<td>34%</td>
<td>45%</td>
<td>44%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>15%</td>
<td>15%</td>
<td>7%</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>Investment income</td>
<td>71%</td>
<td>72%</td>
<td>47%</td>
<td>49%</td>
<td>64%</td>
</tr>
<tr>
<td>Earnings</td>
<td>18%</td>
<td>18%</td>
<td>16%</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total population figures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(rounded to 10,000)</td>
<td>8,510,000</td>
<td>8,200,000</td>
<td>140,000</td>
<td>90,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

*Notes:*

(1) Data based on the average of three years of FRS results from 2007-08, 2008-09 and 2009-10 uprated to 2009-10 prices
Marital status of couples

In 2009-10, 2% of all pensioner units were cohabiting couples and 47% were married couples, with the remainder as single pensioners. The sample sizes for cohabiting pensioners on the FRS are small and so it is difficult to get robust estimates from the survey. For these results a three year dataset has been used and so comparisons with tables in the main text can only be indicative.

Results show that:

- Cohabiting pensioner couples have higher overall income than married pensioner couples (for example, median net income (AHC) of cohabiting pensioner couples is £394 compared to £359 for married pensioner couples).

- Higher overall income for cohabiting couples is mainly due to this group having a much higher level of earnings compared to married pensioner couples; the average level of earnings for cohabiting pensioner couples is £257 per week compared to £142 per week for married pensioner couples.

- Overall, cohabiting pensioner couples tend to be younger than married pensioner couples which would explain the higher level of earnings.

- Levels of benefit income and investment income are similar for both groups, while occupational income is higher for married couples.
Table 5.7: The components of mean gross income of married and cohabiting pensioner units, 2007-10

Incomes in £ per week, 2009-10 prices

<table>
<thead>
<tr>
<th>Marital status of couples</th>
<th>All</th>
<th>Married pensioner couples</th>
<th>Cohabiting pensioner couples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>579</td>
<td>577</td>
<td>637</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>194</td>
<td>195</td>
<td>189</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>150</td>
<td>151</td>
<td>112</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>25</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Investment income</td>
<td>59</td>
<td>59</td>
<td>53</td>
</tr>
<tr>
<td>Earnings</td>
<td>146</td>
<td>142</td>
<td>257</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Net income BHC**

<table>
<thead>
<tr>
<th>Marital status of couples</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>469</td>
<td>376</td>
</tr>
<tr>
<td>Married pensioner couples</td>
<td>467</td>
<td>374</td>
</tr>
<tr>
<td>Cohabiting pensioner couples</td>
<td>501</td>
<td>427</td>
</tr>
</tbody>
</table>

**Net income AHC**

<table>
<thead>
<tr>
<th>Marital status of couples</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>453</td>
<td>360</td>
</tr>
<tr>
<td>Married pensioner couples</td>
<td>453</td>
<td>359</td>
</tr>
<tr>
<td>Cohabiting pensioner couples</td>
<td>474</td>
<td>394</td>
</tr>
</tbody>
</table>

Notes:
(1) Data based on the average of three years of FRS results from 2007-08, 2008-09 and 2009-10 uprated to 2009-10 prices
Appendices

A  Data Sources and Methods
B  Reliability of Estimates
Appendix A: Data Sources and Methods

The PI series in 2009-10 is based on the Households Below Average Income (HBAI) dataset, which is itself based on the Family Resources Survey (FRS). The HBAI publication makes an adjustment for households with very high incomes as the FRS under-records information about these households. This adjustment is based on data from the Survey of Personal Incomes (SPI) from HM Revenue and Customs (HMRC). FRS based estimates are not available prior to 1994-95. Estimates for years between 1979 and 1996-97 are based on Family Expenditure Survey (FES) data (see Historical Tables on the PI website). FES data is based on calendar years between 1979 and 1993, and financial years from 1996-97 onwards.

There are a number of differences between the FES and FRS. The FRS has a sample size of over 8,000 pensioner units which is three times greater than the FES. Consequently, FRS based results are subject to less sampling variability, particularly when looking at small subgroups of pensioners. The two surveys have different response rates and response profiles, and there are some definitional differences in the data that are collected. Because of these differences, direct comparisons between results from the FES and FRS should not normally be made.

Neither the FRS nor the FES collect information on people living in institutions and so they are not represented in the Pensioners’ Incomes Series. These institutions include, for example, nursing homes, jails, and homeless people living rough or in bed and breakfast accommodation.

More information on data sources and methodology

Methodological papers on the Pensioners Income series are published on the PI website at http://statistics.dwp.gov.uk/asd/pensioners_income.asp. These include papers on negative incomes, personal pension income, and definitions of pensioner units. Any comments on these papers, sent to one of the contact points on page 5, would be welcome.


Information on the FES (which has now been superseded by the Living Costs and Food Survey) can be obtained from the Office of National Statistics (ONS) (www.statistics.gov.uk).


The HBAI web page on the DWP internet site contains analysis comparing FRS and FES data for the three years (1994-95 to 1996-97) of overlap. A link to a more detailed paper on this topic published in the ONS Methodological Series (report number 18) can also be found on this web page.

National Statistics Quality Review of Income Statistics

In 2001, as part of the National Statistics Quality Review of Income Statistics, the DWP launched a joint review of the Pensioners’ Incomes (PI) and Households Below Average Income (HBAI) statistical reports. Its purpose was to establish whether the PI and HBAI series continue to meet the needs of their users and, where they did not, how best to address those needs. It considered the definitions and methodology used and also the timeliness and accessibility of the statistics. Recommendations and consultation conclusions arising from the consideration of these issues were published in a report in early 2004 and are available on the web at www.dwp.gov.uk/asd/hbai/quality_review/quality_review.asp.
Appendix A: Data Sources and Methods

Estimates for 1990/91

The PI Series gives single calendar year estimates up to the calendar year 1993, and single financial year estimates thereafter. However, in 1991 one quarter of the Family Expenditure Survey sample was omitted because of problems following the delayed issue of Community Charge bills in April 1991. This is explained fully in ‘Households Below Average Income 1979-1990/1’ published by Her Majesty's Stationary Office. As a result the sample size in that year is too small to provide sufficiently reliable estimates of pensioners' incomes. For this reason the remaining data for 1991 has been combined with that for 1990 to produce estimates for the combined calendar years 1990 and 1991.

Definitions of Gross and Net Income

Gross Income

Within the Pensioners' Incomes Series, gross income is generally separated into six components:

- **Income from benefits** – including tax credits
  
  In Chapter 3, this is further divided into:
  
  - **State Pension** – basic and additional State Pension, Widow’s Pension and Widowed Parent’s Allowance
  
  - **Income related benefits** – Pension Credit, Housing Benefit, Council Tax Benefit and Social Fund Grants. It also includes tax credits
  
  - **Disability benefits** – Disability Living Allowance, Attendance Allowance, Industrial Injuries Disablement Benefit and War Disablement Pension

  These three benefit types are not exhaustive – there are benefits, such as Winter Fuel Payments and Carer’s Allowance, which do not fit into any of these categories but are still included in total benefit income.

- **Income from occupational pensions**

- **Income from personal pensions** – personal pensions, annuities bought with lump sums from personal pensions, trades union and friendly society pensions

- **Income from private pensions** – the sum of occupational and personal

- **Income from investments**

- **Income from earnings** – including profit and loss from self-employment

- **Other income** – benefits from Friendly Societies, income from dependent children, maintenance payments and from November 2000 free TV licences for those aged 75 and over
Net Income

Net income before housing costs (BHC) is gross income less:

- income tax payments
- National Insurance contributions
- contributions to occupational and private pension schemes
- local taxes, i.e. council tax/domestic rates
- maintenance and child support payments
- student loan repayments

and parental contributions to children living away from home.

Net income after housing costs (AHC) are also net of:

- rent (gross of housing benefits)
- water rates, sewage rates and council water charges
- structural insurance (for owner occupiers)
- mortgage interest payments (net of any tax relief)
- and ground rent and service charges.

Income from Housing Benefit is included within gross income as an income related benefit.

Definition of head of pensioner unit

The PI Series presents analysis by age. Pensioner couples are categorised by the age of the head of the pensioner unit; this is either the Household Reference Person (the highest income householder without regard to gender) if the Household Reference Person belongs to the pensioner unit or, if not, it is the first person from the pensioner unit in the order they were named in the FRS interview process.
Appendix A: Data Sources and Methods

Differences between the FRS and FES

There are a number of small differences in FRS and FES estimates of gross and net income. These make little difference to estimates of pensioner incomes.

<table>
<thead>
<tr>
<th></th>
<th>FRS based estimates</th>
<th>FES based estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross income</strong></td>
<td>• Student loans included</td>
<td>• Social Fund repayments deducted</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>• Private personal pension contributions deducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maintenance and child support payments deducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• From 1997/8, parental contributions to students living away from home deducted</td>
<td></td>
</tr>
</tbody>
</table>

Negative Incomes

Negative incomes are not thought to be indicative of standards of living. Pensioner units with negative net income before housing costs have their gross income components of income, and their net income before housing costs, set to zero. Net income after housing costs is set to zero minus housing costs, and so for a small number of cases will be negative.

See the PI methodological paper no 2 for more information on negative incomes. This is available on the web at http://statistics.dwp.gov.uk/asd/index.php?page=pensioners_income_arc.

Households Below Average Income and the main Pensioners’ Incomes Series

Tables 4.6 and 4.7 in the Pensioners’ Incomes Series provide information on the position of pensioners within the overall income distribution. These tables define pensioners as adults in families where at least one member is over state pension age, consistent with the rest of the PI publication. This is different to the definition used in the Households Below Average Income (HBAI) which defines pensioners as those over state pension age.

The full HBAI publication can be found on the DWP internet site. Results from the two types of analysis should not be directly compared. The main differences between the HBAI and PI methods of analysis are:

**Income components:** The PI results include analysis of the components of pensioner unit income (benefit income, occupational pension etc). HBAI, with its broader span of interests, does not present detailed analysis of this sort.

**Household or pensioner unit:** The PI series is generally concerned with cash incomes directly received by pensioners. It measures the income of pensioner benefit units only, ignoring income received by any other members of the household. HBAI attempts to measure material living standards, so it takes account of all the income coming into the household where the pensioner lives.

**Equivalisation:** To allow comparison of living standards of different households, the HBAI ‘equivalises’ household income – that is adjusts it to take account of household size and composition. One of the main functions of the PI series is to provide information on the cash income of pensioner units, split by sources of income. This can only be done using
unequalised income. Indeed equivalisation is not necessary for most PI results, which are presented separately for pensioner couples and single pensioners. To avoid unnecessary complexity, the main PI results are presented in monetary terms, at constant 2009-10 prices, rather than equivalised income.

**Equivalisation Scales:** HBAI has historically used the McClements equivalisation scale. Following user consultation, the 2005-06 edition of HBAI used Modified OECD equivalisation scales. The same change has been made to Tables 4.6 and 4.7 since the 2005-06 edition of the PI series. Information on the effect of the change can be found in Appendix B of the 2005-06 edition of the PI series.
Appendix B: Reliability of Estimates in the Pensioners’ Incomes Series

The analyses in this publication are based on household surveys, so no estimate should be treated as exact as there are several reasons for uncertainty in the estimates. These include potential reporting errors, systematic bias in the sample and random sampling errors. Therefore care should be taken when interpreting these estimates and they should only be used as indicators of broad patterns and trends.

Sources of uncertainty

**Reporting errors**: Imperfect recall and respondents choosing to deliberately give incorrect answers are examples of reporting error. If these errors are systematic they may lead to bias in survey estimates of average income and proportions in receipt. There is evidence that such a downward bias exists in survey estimates for amounts and proportions in receipt of Pension Credit and Attendance Allowance.

**Under-reporting**: The FRS information on benefits relies on the respondent being able to accurately report the amount of benefit they receive. As a result it under-reports receipt for most of the benefits. The discrepancies between FRS and administrative data are particularly pronounced for Attendance Allowance and Pension Credit. More information on under-reporting can be found at [http://statistics.dwp.gov.uk/asd/frs/index.php?page=intro](http://statistics.dwp.gov.uk/asd/frs/index.php?page=intro) in chapter 7 of the current year’s FRS.

**Systematic bias** in the sample arises if certain groups are less likely to respond to a survey than others. This is corrected to some extent in the FRS by weighting to match subgroups of the population by age, gender, family status, tenure, council tax band and broad geographic region. It is impossible to account for all possible bias so some results are still affected.

**Random Sampling errors** occur in a survey because survey estimates are based on a subset of the population and this subset will not be identical to the remaining population who have not been interviewed. More information on sampling errors can be found at [http://statistics.dwp.gov.uk/asd/frs/index.php?page=intro](http://statistics.dwp.gov.uk/asd/frs/index.php?page=intro) in chapter 7 of the current year’s FRS.

Because of the above sources of uncertainty the PI series will not be the most accurate source of estimates for some subjects. For example, administrative data mainly avoids the above four sources of uncertainty and is likely to give a more accurate estimate of the average amount of retirement pension received than survey based PI estimates. However, PI offers a view across all income sources for which administrative data is more limited. The presence of uncertainty in sampling estimates means that caution should be exercised in drawing conclusions using two similar results where the difference may be due to the errors or biases mentioned above.

Estimating sampling error

The sampling error around an estimate can be measured by the size of its ‘standard error’. The standard error of an estimate is typically calculated under the assumption of simple random sampling (that is, where every member of the population has an equal and independent chance of selection). In practice, the design of the survey is more complicated than that, typically leading to a larger standard error. The effect of the design of the survey on the standard error of a given estimate can be measured by its ‘design factor’, which is equal to the standard error calculated under the survey design in question, divided by the standard error calculated under simple random sampling.

The standard error can be converted into a ‘confidence interval’ which gives an indication of the degree of uncertainty surrounding the estimate, by giving a range that the true mean is likely to be within. For example, if mean income is £201 a week, with a 95% confidence interval of +/- £4, then it this means that in 95% of all possible survey samples that we could
Appendix B: Reliability of Estimates in the Pensioners’ Incomes Series

have taken, we would expect the estimated mean to fall within the range £197 to £205. In other words we can be 95% confident that the true mean lies within that range.

The wider that a confidence interval is, the more uncertainty there is, and the less we can infer about the true mean. The two main factors affecting the size of confidence intervals are the sample size and how much the income measure in question varies from pensioner unit to pensioner unit.

The smaller the sample size that an estimate is based on, the wider the confidence interval will be so the fewer people we have information about, the more uncertainty there will be when we make claims about the whole population. Consequently there will be a wider confidence interval around the estimated mean income of single male pensioners, for example, than of all pensioner units.

The more variability in the income measure, the wider the confidence interval is likely to be. If there is a wide range of incomes in the population, there is more risk of choosing a survey sample that includes incomes that are very different from the true mean. So, estimates of mean benefit income are likely to have smaller confidence intervals than estimates of investment income, as the range of possible values of benefit income is much narrower.

Assessing the reliability of an estimate depends not only on the absolute size of its confidence interval, but also on how large the confidence interval is relative to the estimate itself. For example, an estimate of £100 +/- £10 gives a confidence interval of [£90, £110], while an estimate of £10 +/- £10 gives a confidence interval of [£0, £20]. Clearly we may want to treat these two estimates differently when advising on their reliability. The simplest way of capturing this effect is to look at the relative confidence interval, which is the width of the confidence interval calculated as a percentage of the estimate itself. The examples above give relative confidence intervals of 10% and 100% respectively.

Table B1.1 gives some examples of standard errors and confidence intervals that have been calculated for estimates of pensioners’ average incomes in 2009-10. The table shows that while there is a degree of uncertainty about the estimates it does not effect the broad conclusions drawn, such as the relative importance of different types of income, or the fact that single men on average have higher incomes than single women.

Where uncertainty restricts the conclusions that can be drawn from such comparisons, users are advised to look at the results over several years for more evidence of the true pattern. For example, if group A had substantially higher income than group B in each of the four preceding years (and there is no reason to suspect that the current year should be any different), then there is more evidence that group A genuinely has a higher average income.

Comparisons over time represent a special case. Over short time periods it is likely that an income measure will not change dramatically, and so any uncertainty is likely to be large compared with the change itself. That is why users are strongly advised not to draw firm conclusions from looking at year-on-year changes. Table B1.2 shows the growth in sources of income between 1998-99 and 2009-10 and between 2008-09 and 2009-10. Notice that the size of the confidence interval around the estimate of growth between 2008-09 and 2009-10 is large compared to the estimate itself.

The results shown in Table B1.1 illustrate that caution should also be exercised when looking at changes over more than one year. Since consistent FRS data is only available from 1994-95, estimates of recent growth can currently be based on a period of fourteen years at most. Even over this period, uncertainty is clearly a lot greater than for point-in-time estimates. For example, the relative 95% confidence interval around average income growth of pensioner couples is a sixth of the size of the estimate itself. Recent growth estimates for smaller subgroups of pensioners are even more uncertain.
Survey design effects have been incorporated into the calculation of standard errors for most of the 2009-10 estimates. However, for some 2009-10 estimates and all 1994-95 estimates it has not proved possible to do this. For these estimates, standard errors and confidence intervals have been calculated using simple random sampling assumptions. In most cases this means that the uncertainty surrounding the estimates of recent growth, as published in Table 2.2, will be slightly understated.

Table B1.1: Uncertainty surrounding selected estimates in the Pensioners' Incomes Series, 2009-10

<table>
<thead>
<tr>
<th>All pensioner units</th>
<th>Estimate £pw</th>
<th>Standard error</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>442</td>
<td>8</td>
<td>16 4% [426, 459]</td>
</tr>
<tr>
<td>Benefit income</td>
<td>186</td>
<td>1</td>
<td>2 1% [184, 188]</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>112</td>
<td>2</td>
<td>4 4% [107, 116]</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>17</td>
<td>1</td>
<td>2 11% [15, 19]</td>
</tr>
<tr>
<td>Investment income</td>
<td>34</td>
<td>2</td>
<td>3 9% [31, 38]</td>
</tr>
<tr>
<td>Earnings</td>
<td>90</td>
<td>6</td>
<td>12 13% [78, 103]</td>
</tr>
<tr>
<td>Other Income</td>
<td>3</td>
<td>0</td>
<td>0 12% [3, 4]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean net income</th>
<th>Estimate £pw</th>
<th>Standard error</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before housing costs</td>
<td>366</td>
<td>5</td>
<td>11 3% [355, 376]</td>
</tr>
<tr>
<td>After housing costs</td>
<td>338</td>
<td>5</td>
<td>10 3% [327, 348]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subgroups of pensioners</th>
<th>Estimate £pw</th>
<th>Standard error</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioner couples</td>
<td>490</td>
<td>10</td>
<td>20 4% [471, 510]</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>247</td>
<td>3</td>
<td>5 2% [242, 253]</td>
</tr>
<tr>
<td>Recently retired head</td>
<td>434</td>
<td>18</td>
<td>36 8% [398, 470]</td>
</tr>
<tr>
<td>Head under 75 years</td>
<td>414</td>
<td>9</td>
<td>17 4% [397, 431]</td>
</tr>
<tr>
<td>Head over 75 years</td>
<td>299</td>
<td>4</td>
<td>8 3% [291, 307]</td>
</tr>
<tr>
<td>Single male pensioners</td>
<td>274</td>
<td>6</td>
<td>11 4% [263, 285]</td>
</tr>
<tr>
<td>Single female pensioners</td>
<td>238</td>
<td>3</td>
<td>6 2% [232, 244]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recent growth estimates (% increase 1996/7-2009/10)</th>
<th>Estimate</th>
<th>Standard error</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean net income BHC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All pensioner units</td>
<td>44%</td>
<td>3</td>
<td>5 11% [40%, 49%]</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>37%</td>
<td>3</td>
<td>7 17% [31%, 44%]</td>
</tr>
<tr>
<td>Single pensioners</td>
<td>42%</td>
<td>2</td>
<td>4 10% [38%, 46%]</td>
</tr>
</tbody>
</table>
Appendix B: Reliability of Estimates in the Pensioners' Incomes Series

Table B1.2: Recent growth in average incomes of pensioner units, 1998-99-2009-10

<table>
<thead>
<tr>
<th>Incomes in £ per week, 2009-10 prices</th>
<th>% growth 1998-99 to 2009-10</th>
<th>95% confidence interval</th>
<th>% growth 2008-09 to 2009-10</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>All pensioner units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>145</td>
<td>176</td>
<td>186</td>
<td>29%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>81</td>
<td>100</td>
<td>112</td>
<td>38%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>5</td>
<td>15</td>
<td>17</td>
<td>231%</td>
</tr>
<tr>
<td>Investment income</td>
<td>36</td>
<td>38</td>
<td>34</td>
<td>-6%</td>
</tr>
<tr>
<td>Earnings</td>
<td>45</td>
<td>76</td>
<td>90</td>
<td>101%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>53%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>265</td>
<td>340</td>
<td>366</td>
<td>38%</td>
</tr>
<tr>
<td>Median</td>
<td>200</td>
<td>268</td>
<td>287</td>
<td>44%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>230</td>
<td>319</td>
<td>338</td>
<td>47%</td>
</tr>
<tr>
<td>Median</td>
<td>166</td>
<td>244</td>
<td>256</td>
<td>54%</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>451</td>
<td>566</td>
<td>607</td>
<td>35%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>162</td>
<td>192</td>
<td>203</td>
<td>25%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>127</td>
<td>146</td>
<td>161</td>
<td>27%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>9</td>
<td>25</td>
<td>26</td>
<td>179%</td>
</tr>
<tr>
<td>Investment income</td>
<td>56</td>
<td>57</td>
<td>52</td>
<td>-8%</td>
</tr>
<tr>
<td>Earnings</td>
<td>93</td>
<td>141</td>
<td>161</td>
<td>73%</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>31%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>372</td>
<td>460</td>
<td>490</td>
<td>32%</td>
</tr>
<tr>
<td>Median</td>
<td>288</td>
<td>374</td>
<td>388</td>
<td>35%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>338</td>
<td>446</td>
<td>466</td>
<td>38%</td>
</tr>
<tr>
<td>Median</td>
<td>259</td>
<td>358</td>
<td>367</td>
<td>42%</td>
</tr>
<tr>
<td>Single pensioners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income</td>
<td>213</td>
<td>276</td>
<td>286</td>
<td>34%</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit income</td>
<td>131</td>
<td>162</td>
<td>169</td>
<td>29%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>47</td>
<td>62</td>
<td>65</td>
<td>39%</td>
</tr>
<tr>
<td>Personal pension income</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>319%</td>
</tr>
<tr>
<td>Investment income</td>
<td>22</td>
<td>22</td>
<td>18</td>
<td>-20%</td>
</tr>
<tr>
<td>Earnings</td>
<td>9</td>
<td>21</td>
<td>23</td>
<td>142%</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>77%</td>
</tr>
<tr>
<td>Net income BHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>185</td>
<td>239</td>
<td>247</td>
<td>33%</td>
</tr>
<tr>
<td>Median</td>
<td>155</td>
<td>207</td>
<td>217</td>
<td>40%</td>
</tr>
<tr>
<td>Net income AHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>151</td>
<td>213</td>
<td>216</td>
<td>43%</td>
</tr>
<tr>
<td>Median</td>
<td>114</td>
<td>176</td>
<td>180</td>
<td>58%</td>
</tr>
</tbody>
</table>