

Numbers of individuals by age group with different levels of private pension, gross financial and property wealth, Great Britain

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Introduction

New figures have been released estimating around 250,000 individuals are in the following target group:

- Aged 45-64 inclusive,
- Have more than £40,000 of private pension wealth,
- Have less than £10,000 of gross financial wealth, and
- Have nil or negative net property wealth.

This publication presents these DWP estimates of the number of individuals by age group with more than £40,000 of private pension wealth and under £10,000 gross financial wealth split by bands of property wealth.

Background

Estimates presented here are from the Wealth and Assets Survey (WAS), 2006/08. WAS is a large, nationally representative longitudinal survey of over 20,000 private households (53,000 individuals aged 16 and over) in Great Britain. It is the only single national source to provide comprehensive information on assets and net wealth. The first wave was conducted from July 2006 to June 2008. The survey collects detailed information on financial and non-financial assets, wealth components such as savings, pensions (excluding State Pensions), property, mortgages and debt as well as people's attitudes and savings behaviour over time.

Definitions of the wealth components used for this analysis are as follows:

Private pensions are all pensions that are not state basic retirement or state earnings related. They include occupational and personal pensions, including those for public sector employees. Categories of pensions included are: defined benefit (DB) pensions, Additional Voluntary Contributions (AVCs) and Free-standing Additional Voluntary Contributions (FSAVCs), employer-provided defined contribution (DC) pensions and personal pensions, private pensions in receipt (including those based on a former spouse/ partner's contributions). Estimates also include pension savings which are still accumulating as well as deferred/ retained pensions (which have been accrued but not yet been taken as pension income).

Gross financial wealth is the sum of formal financial assets. These include current accounts (excluding overdrawn accounts), savings accounts, ISAs, National Savings certificates and bonds, shares, insurance products, fixed term bonds, PEPs, employee shares and share options, unit/investment trusts and bonds/gilts, informal financial assets held by adults, children's assets, and endowments for the purpose of mortgage repayment.

Net property wealth is the sum of the self-reported value of the householder’s main residence and of any additional property or properties owned (such as second homes and buy-to-let properties), minus the value of any mortgages.

Results

Table 1 shows the number of individuals by age group with more than £40,000 of private pension wealth and under £10,000 gross financial wealth split by three bands of property wealth.

Age groups	Nil or negative net property wealth	greater than zero and less than 50,000 net property wealth	£50,000+ net property wealth	Total
16-30	70,000	90,000	90,000	250,000
31-44	190,000	175,000	830,000	1,200,000
45-54	150,000	80,000	620,000	845,000
55-64	140,000	-	540,000	705,000
65+	205,000	-	630,000	845,000
Total	755,000	390,000	2,705,000	3,845,000

Source: WAS 2006/08

It is estimated that 290,000 individuals in the age range 45 to 64 with nil or negative net property wealth also have under £10,000 gross financial wealth, but more than £40,000 of private pension wealth

This 290,000 estimate has recently been referred to in the media 'as about a quarter of a million' (250,000) for simplicity.

Notes:

1. The sample in the above table includes all individuals 16 years old and above with more than £40,000 of private pension (non-state) wealth and less than £10,000 gross financial wealth.
2. All figures are rounded to nearest £5,000.
3. “–” These values have been suppressed due to low sample sizes.

Contact Details:

Aruna Ramyeed
Information, Governance and Security Directorate
Department for Work and Pensions
E-mail: aruna.ramyeed@dwp.gsi.gov.uk

Press enquiries should be directed to the Department for Work and Pensions press office:

Media Enquiries: 0203 267 5129

Out of hours: 0203 267 5144

Website: www.dwp.gov.uk

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