

Households Below Average  
Income: An analysis of the  
income distribution  
1994/95 – 2008/09





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# **Households Below Average Income**

**An analysis of the income distribution  
1994/95 – 2008/09**

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**Editorial team**

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# Chapter 1

## Introduction and summary of key findings

### Introduction

#### Background

This is the twenty-first of the Households Below Average Income (HBAI) series. This report presents information on potential living standards in the United Kingdom as determined by disposable income in 2008/09, and changes in income patterns over time.

#### What does HBAI measure?

Households Below Average Income (HBAI) uses household disposable incomes, after adjusting for the household size and composition, as a proxy for material living standards. More precisely, it is a proxy for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

In order to allow comparisons of the living standards of different types of households, income is adjusted to take into account variations in the size and composition of the households in a process known as equivalisation, which is explained in more detail below.

A key assumption made in HBAI is that all individuals in the household benefit equally from the combined income of the household. This enables the total equivalised income of the household to be used as a proxy for the standard of living of each household member.

See **Appendix 1** for a detailed definition of net disposable household income and see **Appendix 2** for a more 'in-depth' presentation of the methodology underpinning HBAI.

#### Publication structure

This publication is split into seven chapters and three appendices. **Chapter 1** gives a summary of the results and an introduction to the analysis; **Chapter 2** gives an overview of the income distribution and looks at the economic climate for the period covered; **Chapters 3 to 6** provide detailed analysis of the incomes of all individuals, children, working-age adults and pensioners respectively; **Chapter 7** gives a summary of analysis of persistent poverty. **Chapters 3 to 6** follow a common structure, starting

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with results for the most recent year, followed by tables showing headline trends over time, which have a **tr** suffix, and tables showing time series, which have a **ts** suffix.

**Appendix 1** gives a glossary of terms used and detailed definitions, while **Appendix 2** gives a more 'in-depth' presentation of the methodology underpinning HBAI. **Appendix 3** gives Opportunity for all indicators.

### Changes to the publication

The following changes have been made to the analyses within the publication this year.

- Titles of tables have been changed from referring to the risk of living in households below thresholds of median income to refer to the percentage of group living in households below thresholds of median income. The concept and methodology remain the same.
- All tables (with the exception of British Household Panel Survey data in **Appendix 3**) have been reformatted so that all years are now available.
- Data in the trends tables sourced from the Family Expenditure Survey have been revised following methodological improvements.
- The separate council and housing association splits have been removed from this publication. This is because a significant number of housing association tenants wrongly report that they are council tenants. Following a user consultation it was also decided to remove the rented unfurnished and rented furnished splits from these tables.
- Information on economic indicators in **Table 2.1** has been recalculated on a financial year basis to be in line with the Family Resources Survey (FRS) survey period.
- Following user comments, the source data for **Figure 2.1** has been made available online.
- The methodology for **Figure 2.2** and **Table 2.2** has been improved. This means the results in this publication are not comparable with those in previous publications.
- The material deprivation scores used in the calculation of low income and material deprivation levels for children have been changed to be calculated using survey year weights rather than using 2004/05 fixed weights. A more detailed explanation of weights used for material deprivation is given in **Appendix 2**.
- Analysis of the quintile distribution of income for pensioners by extent of their deprivation of items and services has been added to **Chapter 6**.

- Further confidence intervals have been added to **Appendix 2** to cover numbers and proportion of various groups below 50 and 70 per cent of contemporary median income, and below 60 per cent of 1998/99 median income held constant in real terms.
- The four-year periods 1993 to 1996, 1995 to 1998 and 1999 to 2002 have been dropped from the persistent low-income tables in **Appendix 3**. These dropped years are indicated on the tables by double lines. All periods, however, are included in versions of time series shown on the internet.
- Minor changes have been made to wording and the format of some tables following user feedback.
- Some minor improvements have been made to the HBAI processing methodology. These are detailed in **Appendix 2**.

## Equivalisation

Income is adjusted, or equivalised, to take into account variations in both the size and composition of the household. This process reflects the common sense notion that a family of several people needs a higher income than a single person in order for both households to enjoy a comparable standard of living.

Equivalence scales conventionally take a couple with no children as a reference point. The incomes of larger households are adjusted downwards and the incomes of smaller households adjusted upwards relative to this benchmark. The values of the OECD and McClements equivalisation scales are shown in **Appendix 2**.

Most income values quoted in this publication relate to the 'cash' income for a couple with no children; the equivalisation process must be reversed in order for them to be converted to cash incomes for other family types (see **Table 2.4ts** for examples).

## Housing costs

It could be argued that the costs of housing faced by different households at a given time do not always match the true value of the housing that they actually enjoy, and that housing costs should therefore be deducted from any definition of disposable income. However, any measure of income defined in this way would understate the relative standard of living of those individuals who were actually benefiting from a better quality of housing by paying more for better accommodation. Income growth over time would also understate improvements in living standards where higher costs reflected improvements in the quality of housing.

Conversely, any income measure which does not deduct housing costs may overstate the living standards of individuals whose housing costs are high relative to the quality of their accommodation (for example, some residents of London). Growth over time in income Before Housing Costs could also overstate improvements in living standards

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for low-income groups in receipt of Housing Benefit, and whose rents have risen in real terms. This is because Housing Benefit will also rise to offset the higher rents (for a given quality of accommodation) and would be counted as an income rise, although there would be no associated increase in the standard of living. A similar effect could work in the opposite direction for pensioners: if a shift from renting to owning their housing outright leads to a fall in Housing Benefit income, because fewer low-income pensioners are paying rents, then changes in income Before Housing Costs may understate any improvement in living standards.

Therefore, HBAI presents analyses of disposable income on two bases: Before Housing Costs (BHC) and After Housing Costs (AHC). This is principally to take into account variations in housing costs that themselves do not correspond to comparable variations in the quality of housing. A definition of housing costs can be found in **Appendix 1**.

### Self-employed

All analyses in this volume include the self-employed. However, it should be noted that a proportion of this group are believed to report incomes that do not reflect their living standards and that there are also recognised difficulties in obtaining timely and accurate income information from this group. Previous analysis of the level of material deprivation reported by those self-employed and reporting incomes amongst the lowest 20 per cent of incomes suggests that the link between lower incomes and higher levels of material deprivation is much weaker than it is for the population as a whole.

### Data sources

The main source of data used in this publication is the UK DWP Family Resources Survey (FRS), which is a continuous cross-sectional survey. During 2008/09, full interviews were completed with 23,163 households in Great Britain and 1,929 households in Northern Ireland.

As the FRS does not track individuals over time, analysis of incomes is supplemented by the use of longitudinal data from the British Household Panel Survey (BHPS), which is carried out by the Institute for Social and Economic Research (ISER) UK Longitudinal Studies Centre at the University of Essex.

### Population coverage

Both the FRS and the BHPS are surveys of private households. This means that people in residential institutions, such as nursing homes, barracks, prisons or university halls of residence, and also homeless people are excluded from the scope of the analysis presented here. Northern Ireland was included in the FRS from the 2002/03 survey year. The selected BHPS results presented in this publication do not include data for Northern Ireland, which are only available from the 1996 wave. The area of Scotland north of the Caledonian Canal was included in the FRS for the first



time in the 2001/02 survey year, and from the 2002/03 survey year, the FRS was extended to include a 100 per cent boost of the Scottish sample. This has increased the sample size available for analysis at the Scottish level.

For some tables, estimates for Northern Ireland (NI) have been imputed for the years 1998/99 to 2001/02. This allows for changes since 1998/99 to be measured at the United Kingdom (UK) level. For further details, see **Appendix 4 of the HBAI 2004/05 publication**. The FRS time series in this publication are therefore presented with discontinuities in the years denoting changes from GB to UK.

## Reliability of results

All figures presented in HBAI are estimates taken from sample surveys and, as such, are subject to variation as a result of both sampling error and bias due to non-sampling errors. These areas are covered in more detail in **Appendix 2**, as well as being outlined briefly below:

- **Sampling error** – as mentioned above, HBAI results are derived from a survey and are therefore subject to sampling error. This will vary to a greater or lesser extent depending on the level of disaggregation at which results are presented. Estimates of income growth between years are vulnerable to sampling error.
- **Non-response** – as with any survey, HBAI results are also at risk from systematic bias due to non-response by households selected for interview in the FRS. In an attempt to correct for differential non-response, estimates are weighted using population totals. Further information on the weighting methodology is included in **Appendix 2**.
- Investigations in 2002 into differences between FRS estimates of worklessness and estimates from the Labour Force Survey (LFS) suggested that the FRS overstates the proportion of children living in workless households. A report on findings is at the following URL:  
[http://www.dwp.gov.uk/asd/frs/reports/children\\_in\\_workless\\_households.pdf](http://www.dwp.gov.uk/asd/frs/reports/children_in_workless_households.pdf).
- **Equivalence scales** – the results presented in HBAI are calculated using the OECD equivalence scales. The exception is in **Appendix 3**, where information for Great Britain from 1994/95 to 2008/09, based on the McClements equivalisation scales, is available. Please refer to **Appendix 2** for a table showing the equivalence scale values.
- **Income components** – as previously mentioned, there are particular problems with the collection and quality of data relating to the incomes of the *self-employed*. The FRS also records a shortfall in *investment income* when compared with National Accounts totals. This may lead to an understatement of total income for some groups for whom this is a major income component, such as pensioners, although this is likely to be more important for those at the top of the income distribution.

- **High incomes** – comparisons with Her Majesty’s Revenue and Customs’ Survey of Personal Incomes (SPI), which is drawn from tax records, suggest that the FRS under-reports the number of individuals with very high incomes and also understates the magnitude of their incomes. There is also some volatility in the number of high income households surveyed. Since any estimate of mean income is very sensitive to fluctuations in incomes at the top of the distribution, an adjustment to correct for this is made to ‘very rich’ households in FRS-based results using SPI data. The median-based low-income statistics are not affected.
- **Incomes as a guide to living standards** – comparisons of household income and expenditure suggest that those households reporting the lowest incomes may not have the lowest living standards. The bottom 10 per cent of the income distribution should not, therefore, be interpreted as having the bottom 10 per cent of living standards. For HBAI tables, this will have a relatively greater effect on results where incomes are compared against low thresholds of median income. For this reason, compositional and percentage tables using the 50 per cent of median thresholds have been italicised to highlight the greater uncertainty.
- **Comparisons with National Accounts** – Table 2.1 shows comparisons between growth in Real Household Disposable Income and real growth in HBAI mean BHC unequalised income. For some more recent years, income growth in the HBAI-based series appears lower than the National Accounts estimates. The implication of this is that absolute real income growth could be understated in the HBAI series. Comparisons over a longer time period are believed to be more robust.
- **Back payments** – it is possible that at the time of an FRS interview, a person will not be in receipt of a benefit, but will be subsequently awarded the benefit which is backdated to the time of interview. In this situation, HBAI methodology does not adjust for the ‘retrospectively’ increased income. This is relevant for benefits where there are significant backlogs in processing claims or where it is possible for families to submit backdated claims. The size of this effect will be larger in years with a relatively large volume of back payments, such as in 2003/04, when Child and Working Tax Credits and Pension Credit were introduced. Further details of possible effects of the introductions of these benefits were described in the 2004/05 HBAI publication.
- **Geographical disaggregation** – the sample size of the FRS is large enough to allow analysis at regional level within the UK for some results. However, in general, estimates of changes over time at a regional level are unlikely to yield a reliable picture of how different regions have experienced different changes. To address this issue, **Chapters 3 to 6** of the publication present data to the level of Government Office Region (GOR) and country as three-year averages. A list of the constituent counties of English GORs is provided in **Appendix 1**.
- **Ethnicity breakdowns** – where results are presented for households headed by a person reporting their ethnic status as Mixed, Black Caribbean or Black non-Caribbean and Chinese or other ethnic group, caution should be applied when interpreting results due to the small sample sizes of these groups. Smaller ethnic minority groups exhibit year-on-year variation which limits comparisons over time. For this reason, detailed ethnic estimates are presented as three-year averages.

## 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 HBAI and Pensioners' Incomes (PI) statistical reports. The purpose was to establish whether the HBAI and PI 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. Details of the review and its conclusions are available on the DWP website at the following URL: <http://research.dwp.gov.uk/asd/hbai.asp>.

## Acknowledgements

As in previous years, the DWP would like to thank the Institute for Fiscal Studies (IFS) for the substantial assistance that they have provided in checking and verifying the income data and grossing factors underlying the main results in this edition.

We are also grateful to Her Majesty's Revenue and Customs for the provision of aggregated data from the Survey of Personal Incomes.

The British Household Panel Survey data was made available through the UK Data Archive at the University of Essex. Responsibility for the accuracy and interpretation of the results lies solely with the DWP.

## Registration

If you have any comments or questions, or are interested in receiving information about this publication, such as consultations, planned changes, and advance notice of future releases, please email [team.hbai@dwp.gsi.gov.uk](mailto:team.hbai@dwp.gsi.gov.uk), contact the DWP statistician responsible for HBAI by telephone on 020 7449 7337, or write to Incomes Monitoring, Department for Work and Pensions, 6th Floor, Caxton House, Tothill Street, London, SW1H 9NA.

# Summary of key findings

## The income distribution

- Overall, the income distribution in 2008/09 was skewed towards the lower end, showing a relatively high concentration of individuals close to the 60 per cent of median low-income threshold and – particularly for Before Housing Cost – a long ‘tail’ for higher incomes.
- State support was the main source of income for the bottom quintile whereas earnings were the principal source for the other four quintiles.
- There was income growth across the whole distribution from 1994/95 to 2008/09, with growth being the greatest in the second quintile on both Before Housing Costs and After Housing Costs bases. Incomes generally rose between 2007/08 and 2008/09 Before Housing Costs, but fell After Housing Costs.
- The ratio of the incomes of the top quintile (fifth) of the population to the incomes of the bottom quintile has shown little change Before Housing Costs between 1994/95 and 2008/09, although this has risen After Housing Costs since 2004/05.
- The Gini coefficient, a measure of inequality, has fluctuated slightly since 1994/95 on both Before Housing Cost and After Housing Cost bases, but has remained the same between 2007/08 and 2008/09.

## Whole population

- Over the period 1994/95 to 2008/09, the percentage of the population below 60 per cent and 70 per cent thresholds of contemporary median income showed slight falls on both Before Housing Costs and After Housing Costs bases. The number of individuals below 60 per cent contemporary median income increased on a Before Housing Costs basis between 1994/95 to 2008/09, but was around the same level on an After Housing Costs basis. There was little change between 2007/08 and 2008/09.
- The proportion and number of the population below low-income thresholds held constant in real terms fell substantially over the same period – with proportions falling by around one half.
- Families with children, particularly lone-parent families, were more likely to be in low-income households than their childless counterparts.
- Individuals in families containing one or more disabled people were more likely to live in low-income households than those in families with no disabled person if they were not in receipt of disability benefits. Disabled individuals were also more likely to live in low-income households than non-disabled individuals.

- Individuals living in households headed by a member from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- Individuals living in the North East and West Midlands were most likely to live in low-income households on a Before Housing Costs basis, with individuals in Inner London more likely on an After Housing Cost basis. Those living in the East of England, South East, South West and Scotland were least likely to live in low-income households on both bases.

## Children

- In general, there was a decrease in the proportion and number of children below various thresholds of contemporary median income between the years 1994/95 and 2008/09. The figures showed a rise in the earlier years of the period and a fall in later years, but have stayed broadly flat since 2000/01 with a small reduction between 2007/08 and 2008/09. In 2008/09 the number and proportion of children who were living in low-income and material deprivation remained at the same level as in 2007/08.
- Over the period 1994/95 to 2008/09, there was a marked fall in the proportion of children below low income thresholds held constant in real terms, 2008/09 has shown a fall compared to 2007/08.
- In 2008/09, children were more likely to be in the bottom two quintiles, and less likely to be in the top two quintiles of the income distribution than the population as a whole.
- Children in lone-parent families were much more likely to live in low-income, and low-income and materially deprived households than those in families with two adults, although with a much lower likelihood if the single parent was working. However since 1998/99, there has been a reduction in the proportion of children in relative low income in lone-parent families.
- Children in large families – those with three or more children – were more likely to live in low-income, and low-income and materially deprived households, although the proportion of children in relative low income for this group has decreased since 1998/99.
- Children in families containing one or more disabled people were more likely to live in low-income and low-income and materially deprived households than those in families with no disabled person if they were not in receipt of disability benefits.
- Children living in households headed by someone from an ethnic minority were more likely to live in low-income and low-income and materially deprived households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi, or Black Non-Caribbean ethnic origin.

## 1 Summary of key findings

- 30 per cent of children in the bottom quintile are in families that would like to but cannot afford to have enough bedrooms for every child 10 years or over and of a different gender, while around 60 per cent of children in the bottom quintile would like to but cannot afford at least one week's holiday away from home with the whole family. Less than 10 per cent of children in the bottom quintile who would like to were unable to celebrate special occasions.

### Working-age adults

- Over the period 1994/95 to 2008/09, there was little change in the percentage of working-age adults below various thresholds of contemporary median income although there was an increase in the number. Between 2007/08 and 2008/09, the number of working-age adults below 60 per cent contemporary median income rose on both a Before Housing Cost and an After Housing Cost basis.
- There were marked falls over the period in the percentage and number of working-age adults below various low-income thresholds held constant in real-terms, although there has been little change since 2001/02.
- In 2008/09, working-age adults were more likely to be in the top two quintiles, and less likely to be in the bottom two quintiles of the income distribution than the population as a whole.
- Working-age adults with children were more likely to live in low-income households than their childless counterparts. This was particularly evident for singles with children, of whom around 70 per cent were in the bottom two quintiles.
- Working-age adults in families containing one or more disabled people were more likely to live in low-income households if they were not in receipt of disability benefits.
- Working-age adults living in households headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- Working-age adults with no educational qualification were about twice as likely to live in low-income households as those with a qualification below degree level.

### Pensioners

- Between 1994/95 and 2008/09, there was no consistent change in the proportion or number of pensioners living in households below thresholds of contemporary median income on a Before Housing Costs basis; there has been a drop between 2007/08 and 2008/09, following a rise between 2005/06 and 2006/07 and no change between 2006/07 and 2007/08. For income After Housing Costs, the



proportions and numbers showed a marked fall, from 1998/99, before an increase between 2005/06 and 2006/07 and a decrease between 2006/07 and 2008/09.

- From 1994/95 to 2008/09, there were pronounced falls in the proportions and numbers of pensioners below low-income thresholds held constant in real terms, on both income measures, with 2008/09 showing a reduction compared to 2007/08.
- In 2008/09, pensioners were more likely to be in the second lowest income quintile and less likely to be in the top two quintiles of the income distribution, than the population as a whole.
- A higher proportion of single pensioners living alone were in low-income households than any other group.
- Pensioners in families containing one or more disabled adults not receiving disability benefits were more likely to be living in low-income households compared to those in receipt of disability benefits.
- Pensioners living in a household headed by someone from an ethnic minority were more likely to be in a low-income household. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- Around 45 per cent of pensioner families in households below 60 per cent of contemporary median household income After Housing Costs had someone receiving an occupational or personal pension compared to around 70 per cent of all pensioners.
- In general, the older the age of the pensioners, the greater the likelihood of low income.
- Almost half of pensioners in the lowest quintile were unable to take a holiday away from home, the most common reason across all quintiles for this was health or disability issues. Over three quarters of pensioners in the lowest quintile would be able to pay an unexpected expense of £200, the most common way of doing this across all quintiles was to use savings. Only 1 per cent of all pensioners did not have at least one filling meal a day.

## Persistence of Low Income

- For full details, see the DWP Low Income Dynamics publication available at <http://research.dwp.gov.uk/asd/lid.asp>. This report was published in September 2009.
- Persistence of low-income is defined as spending three or more years out of any four-year period in a household with an income below 60 per cent of median income.

## 1 Summary of key findings

- On both a Before and After Housing Cost basis there was a fall in persistent low income for the whole population over the period 1991 to 2007.
- On a Before Housing Cost basis, there was a reduction in persistent low income for children over the period 1991-1994 to 1993-1996. While trends remained broadly the same between 1993-1996 and 1999-2002, since then there has been a continued fall to 2003-2006. The level for the most recent period 2004-2007 has remained stable. On an After Housing Cost basis, there were falls in the persistent low-income estimates for children since 1996-1999 until the latest period which has seen a small increase.
- On both Before Housing Cost and After Housing Cost bases, there were falls in persistent low income for working-age adults over the period 1991 to 2007.
- On both Before Housing Cost and After Housing Cost bases, there were slight increases in the incidence of persistent low income among pensioners up to around 1998-2001. Since this time, however the proportion of pensioners experiencing persistent poverty has since shown a continuous fall.
- For all individuals, children, working-age adults and pensioners, the level of persistent poverty in 2004-2007 was lower than it was at the start of the 17-year period on both a Before Housing Cost basis and an After Housing Cost basis.



# Chapter 2

## The Income Distribution

- **Income Distribution:** Overall, the income distribution in 2008/09 was skewed towards the lower end, showing a relatively high concentration of individuals close to the 60 per cent of median low-income threshold and – particularly Before Housing Costs – a long ‘tail’ for higher incomes.
- **Sources of income:** State support was the main source of income for the bottom quintile whereas earnings were the principal source for the other four quintiles.
- **Income growth:** There was income growth across the whole distribution from 1994/95 to 2008/09, with growth being the greatest in the second quintile on both Before Housing Costs and After Housing Costs bases. Incomes generally rose between 2007/08 and 2008/09 Before Housing Costs, but fell After Housing Costs.
- **Income ratios:** The ratio of the incomes of the top quintile (fifth) of the population to the incomes of the bottom quintile has shown little change Before Housing Costs between 1994/95 and 2008/09, although this has risen After Housing Costs since 2004/05.
- **Inequality:** The Gini coefficient, a measure of inequality, has fluctuated slightly since 1994/95 on both Before Housing Costs and After Housing Costs bases, but has remained the same between 2007/08 and 2008/09.

### Introduction

This chapter looks at the overall income distribution and, in order to place the findings presented in this report in a wider context, it considers the prevailing social and economic conditions between 1994/95 and 2008/09.

### The economic climate

**Table 2.1** presents a time series of key economic indicators, which show over the period 1994/95 to 2008/09:

- Sustained growth in GDP between 1994/95 and 2007/08. In 2008/09, there has been a contraction in GDP growth.
- Broadly stable employment rates (as a result of falling or generally stable unemployment during the period). There was a reduction in the employment rate for males in 2008/09.
- A marked decrease in the inflation and interest rates in 2008/09.
- Growth in average earnings generally above the rate of inflation since 1996/97 although this is not the case in 2007/08 and 2008/09.
- Sustained growth in real disposable household income.

### The overall income distribution

**Figure 2.1** shows the income distribution for the United Kingdom in 2008/09 both Before Housing Costs (BHC) and After Housing Costs (AHC). The shaded areas numbered 1 to 10 show each successive tenth, or decile, of the population.

HBAI presents analyses of disposable income on two measures: Before Housing Costs (BHC) and After Housing Costs (AHC). This is principally to take into account variations in housing costs that do not correspond to comparable variations in the quality of housing. An explanation of how negative incomes can occur After Housing Costs and zero incomes Before Housing Costs is given in **Appendix 1**.

Figure 2.1 (BHC): Income distribution for the total population, 2008/09

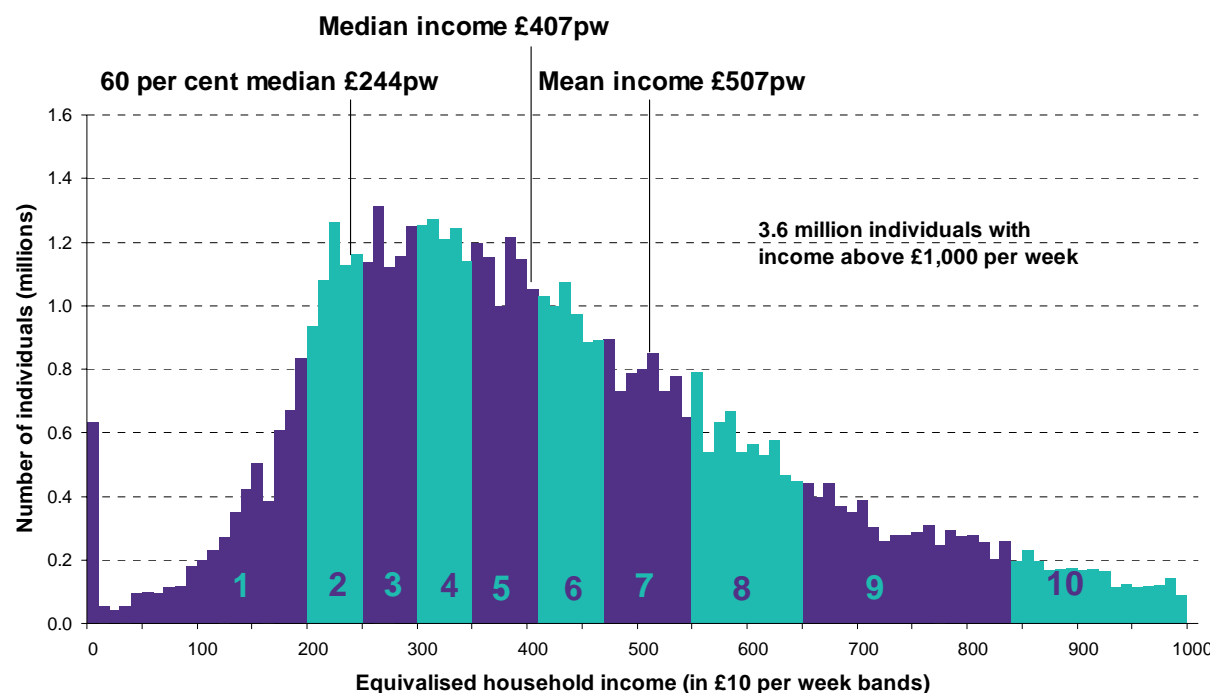
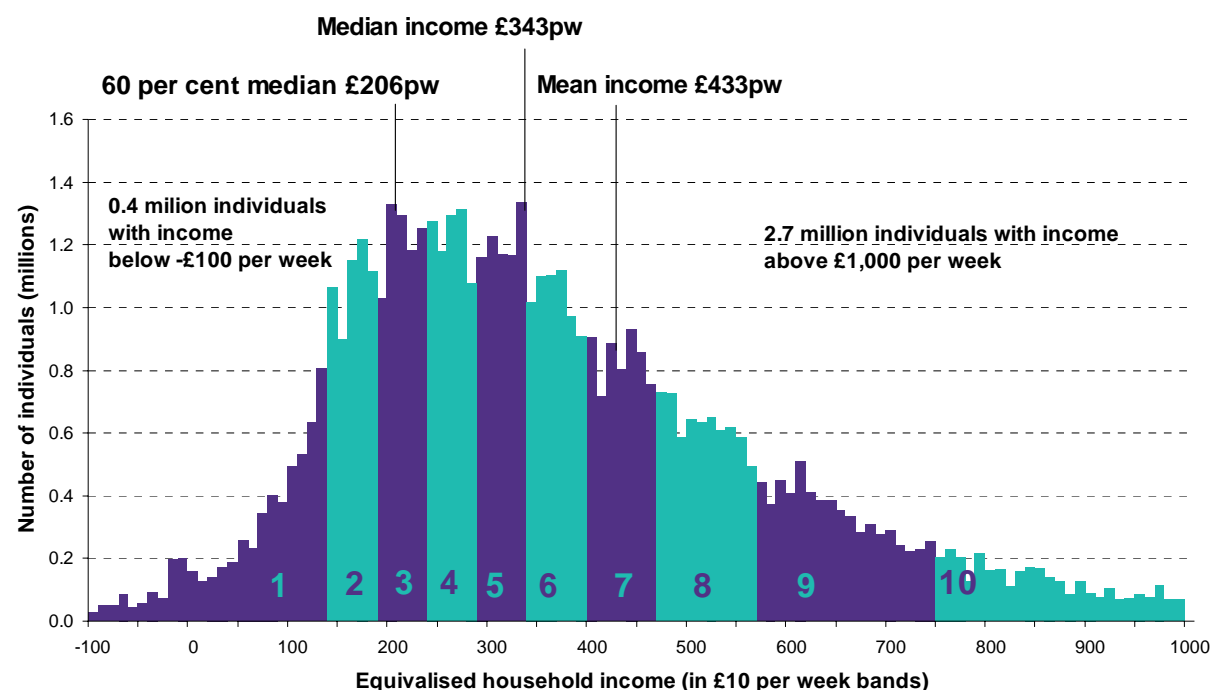


Figure 2.1 (AHC): Income distribution for the total population, 2008/09



The income distribution for 2008/09 is clearly skewed towards the lower end and has a long tail at the upper end. On a Before Housing Costs basis, almost two-thirds of individuals had an equivalised household income that was less than the national mean average. There was a large concentration of individuals around the 60 per cent of median income mark. The distribution showed similar characteristics on an After Housing Costs basis.

## 2 The income distribution

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The presence of substantial numbers of individuals with relatively high incomes results in a skewed distribution and a large difference between the overall mean and the median.

Income measures used in HBAI take into account variations in the size and composition of the households in which people live. This process is called equivalisation.

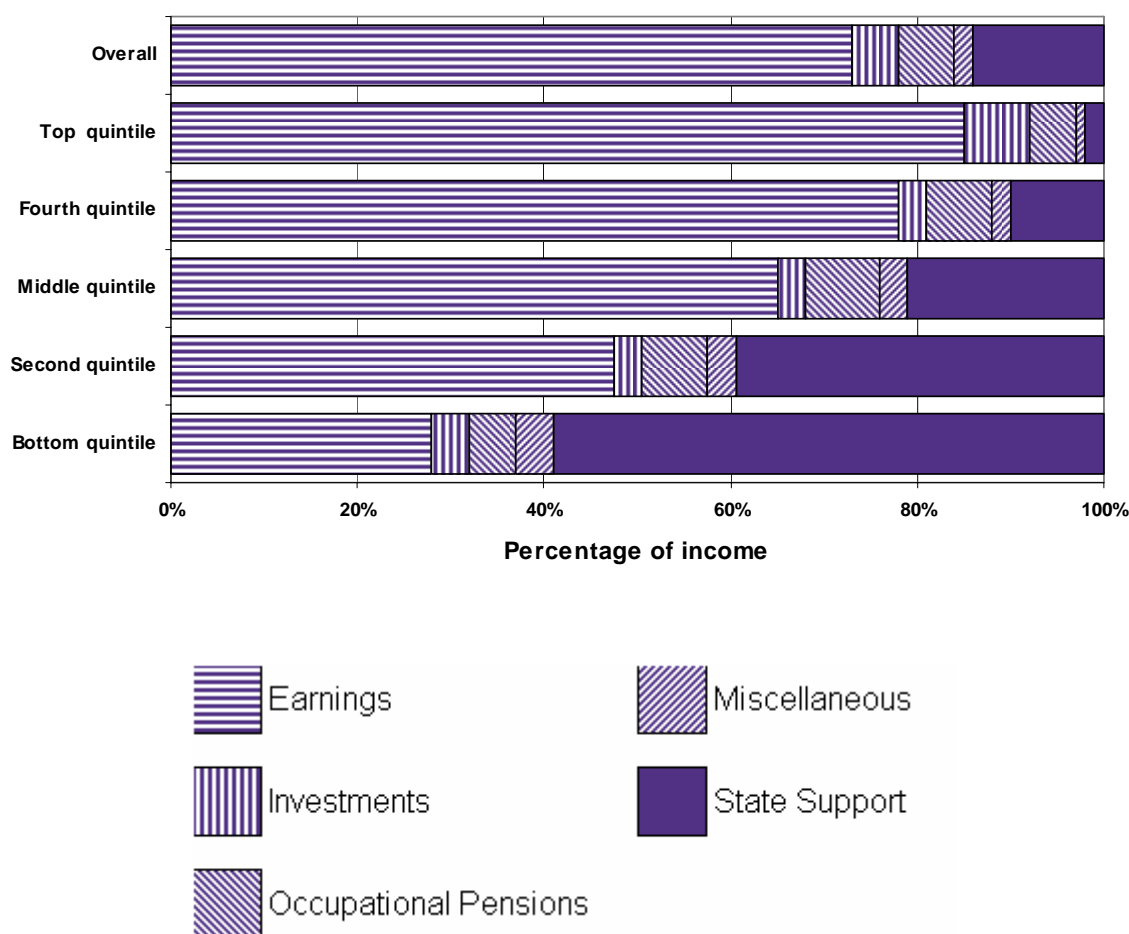
Equivalisation reflects the fact that a family of several people needs a higher income than a single individual in order for them to enjoy a comparable standard of living.

Equivalence scales conventionally take a couple with no children as the reference point. Consider a single person, a couple with no children, and a couple with two children aged fourteen and ten, all having unadjusted weekly household incomes of £200 (Before Housing Costs). The process of equivalisation, as conducted in HBAI, gives an equivalised income of £299 to the single person, £200 to the couple with no children, but only £131 to the couple with children. **Appendix 2** gives more detail.

### Sources of income

Households receive income from a variety of sources. The main ones are earnings, self-employment, state support (i.e. benefits and tax credits), interest on investments and occupational pensions. **Table 2.2** and **Figure 2.2** show the distribution of gross income sources for each fifth, or quintile, of the population, ranked by net disposable household income. The various sources of income are shown as a percentage of the total gross income of the quintile.

Figure 2.2 (BHC): Income sources as a proportion of gross income by quintile, 2008/09



Successive quintiles, from the bottom to the top, showed a steadily diminishing share of state support income and an increasing share of income from employment. These were the main sources of income overall, accounting for around nine-tenths of income combined.

On a Before Housing Costs (BHC) basis, earnings made up around 28 per cent of the gross income of the bottom quintile while state support made up over half. In the top quintile, around 85 per cent of income was derived from earnings. The largest proportion of income from investment was also seen in the highest income group (although it should be noted that comparisons with National Accounts data would suggest that surveys such as the FRS understate investment income). These findings were mirrored on an After Housing Costs (AHC) basis. It is also the case that the Family Resources Survey underestimates receipt of most types of State Support. See the Family Resources Survey publication at <http://research.dwp.gov.uk/asd/frs/> for further details.

## 2 The income distribution

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Statistics relating to the overall equivalised income distribution and their equivalent money values for different family types.

As explained above, household incomes in HBAI are adjusted, or equivalised, in order to facilitate comparisons between different family types. The majority of monetary amounts presented in HBAI are on this equivalised basis and do not reflect actual monetary amounts or incomes for any family type other than a couple with no children. This 'couple' family type is the reference point for the equivalisation process.

**Table 2.3** shows how the equivalised values of different statistics relating to the overall income distribution can be translated into actual household incomes for different family types. Similar information is presented for historic years in **Table 2.4ts**.

For example, **Table 2.3** shows that equivalised median income BHC in 2008/09 was £407 per week. This translates into an actual net income of £407 for a couple with no children, £273 for a single person with no children, £623 for a couple with two children aged five and fourteen and £489 for a lone parent with two children aged five and fourteen.

### Income growth in real terms

**Table 2.1** shows comparisons between growth in Real Household Disposable Income and real growth in HBAI mean BHC unequivalised income. For some more recent years, income growth in the HBAI-based series appears slightly lower than the National Accounts estimates. The implication of this is that absolute real income growth could be understated in the HBAI series. Comparisons over a longer time period are believed to be more robust.

One way of measuring inequality is to determine the ratio of the top quintile median (90<sup>th</sup> percentile) to the bottom quintile median (10<sup>th</sup> percentile). **Table 2.1ts** shows that there is some evidence to suggest that on the BHC basis, this measure has stayed roughly constant since 1994/95. **Table 2.1ts** also shows the ratio of the top to middle quintile medians, and middle to bottom quintile medians. Both BHC and AHC measures have shown little change since 1994/95.

### Income shares

**Table 2.2ts** shows the share of total income received by individuals in different quantiles of the income distribution. It can be seen that, in 2008/09, individuals in the top quintile accounted for over 40 per cent of total income whilst those in the bottom quintile accounted for less than 10 per cent. The income shares of all parts of the income distribution showed little change over the period 1994/95 to 2008/09.

Looking at the ratio of the total income received by equivalent quantile groups at the top and bottom of the income distribution over time is another way of measuring and tracking inequality in the income distribution. This information would suggest that there was little change in inequality over the entire period 1994/95 to 2008/09, with slight increases in

inequality since 2004/05. These results, however, are quite sensitive to data at the extremes of the income distribution that may be less reliable than other data.

## Gini coefficient

**Table 2.2ts** also shows the value of the Gini coefficient since 1994/95. The Gini coefficient is a widely-used measure of inequality, which can take values from zero to 100. A value of zero would indicate complete equality, while a value of 100 would indicate total inequality. In 2008/09, the coefficient was 36 for income Before Housing Costs, and 40 for income After Housing Costs. Changes between 1994/95 and 2008/09 have been slight and have fluctuated, with the Gini coefficient remaining the same between 2007/08 and 2008/09.

When considering changes in the top and bottom deciles, users should be aware that results for the bottom decile are particularly vulnerable to income measurement problems, and have no validity as a guide to the consumption capabilities of the poorest 10 per cent of individuals. Results for the top 10 per cent are also particularly susceptible to sampling errors and income measurement problems.

## 2 The income distribution

Table 2.1: Recent Economic Indicators<sup>1,2,3</sup>

Percentages							Source: ONS
	GDP Growth <sup>4</sup>	Base Interest Rate <sup>5</sup>	Inflation Rate (Headline) <sup>6</sup>	Male Employment rate <sup>7</sup>	Female Employment Rate <sup>7</sup>	Average Earnings Growth <sup>8</sup>	Real Household Disposable Income growth <sup>9</sup>
1994/95	4.4	5.6	2.7	75.9	65.5	3.6	1.2
1995/96	2.9	6.5	3.3	76.5	66.3	3.0	3.0
1996/97	2.8	5.8	2.4	77.0	66.9	3.8	2.6
1997/98	3.6	6.9	3.3	78.0	67.6	4.5	4.9
1998/99	3.4	6.8	3.1	78.5	68.4	5.0	1.0
1999/00	3.8	5.4	1.6	79.0	68.8	5.1	4.2
2000/01	3.6	6.0	3.0	79.3	69.3	4.4	4.1
2001/02	2.1	4.7	1.5	79.1	69.4	4.0	3.6
2002/03	2.2	4.0	2.1	79.1	69.6	3.6	2.1
2003/04	3.1	3.7	2.8	79.3	69.8	3.6	2.7
2004/05	2.5	4.6	3.1	79.3	70.0	4.5	1.3
2005/06	2.5	4.6	2.6	78.9	70.1	4.0	1.8
2006/07	2.7	4.8	3.7	78.8	69.9	4.2	0.3
2007/08	2.6	5.5	4.1	78.9	70.1	3.8	0.8
2008/09	-1.4	3.6	3.0	78.0	70.0	2.3	2.3

**Notes:**

1. All growth figures are now for the financial year in question compared to the previous financial year.
2. All figures are for the United Kingdom, except Average Earnings Growth which covers Great Britain.
- 3: Some minor revisions exist since last year due to revisions to underlying ONS data.
4. Gross Domestic Product at market prices, chained volume measure.
5. The base interest rate is the annual average for the relevant financial year.
6. Inflation rate is the annual average change for each financial year as measured by All Items Retail Price Index.
7. Employment Rates are seasonally adjusted figures for the financial year.
8. Average earnings growth is the actual (as opposed to real terms) annual average for each financial year.
9. Real disposable income growth is based on the Real Disposable Income series, seasonally adjusted, financial years, chained volume measures, reference year 2005.

Percentages			Source: FRS
HBAI mean net disposable unequivalised income growth (BHC) <sup>1,2</sup>			
	Real terms	Cash terms	
1995/96	-0.3	2.9	
1996/97	2.4	5.5	
1997/98	4.0	5.5	
1998/99	4.5	6.0	
1999/00	0.5	3.2	
2000/01	7.6	7.0	
2001/02	5.1	6.5	
2002/03	0.5	2.4	
2003/04	-0.3	2.1	
2004/05	1.9	4.9	
2005/06	1.1	3.7	
2006/07	0.1	3.8	
2007/08	0.9	5.1	
2008/09	0.5	3.5	

**Notes:**

1. Growth in unequivalised mean net disposable income is also presented here, in order to allow better comparisons with Real Household Disposable Income growth.
2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.



**Table 2.2: Income sources as a proportion of gross<sup>1</sup> income by quintile**

Percentage of gross <sup>1</sup> income					Source: FRS 2008/09	
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	Overall
<b>Before Housing Costs</b>						
Earnings	28	47	65	78	85	73
Investments	4	3	3	3	7	5
Occupational pensions	5	7	8	7	5	6
Miscellaneous	4	3	3	2	1	2
State support received	59	39	21	10	2	14
<b>After Housing Costs</b>						
Earnings	38	52	68	76	82	73
Investments	3	3	3	3	7	5
Occupational pensions	3	5	7	7	6	6
Miscellaneous	6	3	2	2	1	2
State support received	50	37	21	12	3	14

**Notes:**

1. Gross income is not equivalised.
2. Percentages may not sum to 100 per cent due to rounding.
3. The methodology for this table has been improved. This means the figures above are not comparable with those from previous publications.

Table 2.3: Statistics relating to the overall equivalised net disposable income distribution and their equivalent money values for different family types, in 2008/09 prices, United Kingdom<sup>1,2</sup>

£pw equivalised 2008/09 prices								Source: FRS 2008/09
	Mean	Median	60% median	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile
<b>Before Housing Costs</b>								
Couple with no children (equivalised income benchmark)	507	407	244	< 255	255 - 353	354 - 469	470 - 649	650 +
Single with no children	339	273	164	< 171	171 - 236	237 - 314	315 - 434	435 +
Couple with two children aged 5 and 14	775	623	374	< 391	391 - 540	541 - 717	718 - 993	994 +
Single with two children aged 5 and 14	608	489	293	< 306	306 - 424	425 - 562	563 - 778	779 +
<b>After Housing Costs</b>								
Couple with no children (equivalised income benchmark)	433	343	206	< 195	195 - 292	293 - 400	401 - 570	571 +
Single with no children	251	199	119	< 114	114 - 169	170 - 232	233 - 330	331 +
Couple with two children aged 5 and 14	701	555	333	< 316	316 - 473	474 - 649	650 - 923	924 +
Single with two children aged 5 and 14	519	411	247	< 234	234 - 350	351 - 480	481 - 684	685 +

**Note:**

1. This table takes levels of equivalised income for the population as a whole and translates them into cash equivalents for a selection of family types. For example, for results Before Housing Costs, it shows that 60 per cent of median (equivalised) income in 2008/09 for a couple (the equivalised income benchmark) was £244 per week. This translates to a cash income of £164 for a single person with no children. This implies that a single person with no children with a cash income of £164 or less is below 60 per cent of median (equivalised) income for the population as a whole.

2. The part of this table excluding the self-employed has been removed from the publication following user consultation, as has the part looking at 50 per cent of mean income.

Table 2.1ts: Money values of decile medians and overall population mean in average 2008/09 prices, United Kingdom<sup>1,2</sup>

£pw equivalised 2008/09 prices											Source: FRS	
	Decile group medians										Population median	Population mean
	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10		
Income Before Housing Costs												
1994/95	137	180	215	254	298	348	406	476	576	822	322	389
1995/96	136	183	217	255	299	348	404	472	584	833	322	390
1996/97	140	186	223	265	311	362	419	491	598	850	336	404
1997/98	138	188	227	270	319	368	427	501	608	868	342	414
1998/99	141	191	231	275	323	376	439	516	630	918	348	428
1999/00	144	198	238	282	332	384	446	527	639	928	358	437
2000/01	147	207	249	294	343	398	459	542	661	960	369	457
2001/02	157	218	262	310	361	415	477	560	691	1,000	388	477
2002/03	157	223	268	316	367	423	487	567	691	1,009	395	481
2003/04	156	224	270	317	368	423	488	570	693	1,002	395	479
2004/05	160	229	275	322	372	425	491	574	700	1,017	398	486
2005/06	157	229	276	322	373	431	496	582	709	1,044	402	492
2006/07	152	227	277	325	376	431	496	583	714	1,042	404	496
2007/08	151	226	276	325	375	435	499	585	718	1,063	404	502
2008/09	151	229	280	329	381	437	506	591	731	1,072	407	507
Income After Housing Costs												
1994/95	78	126	155	193	233	277	326	386	472	682	254	308
1995/96	84	128	155	194	234	277	324	384	475	692	255	310
1996/97	85	129	160	203	246	291	340	402	495	717	268	323
1997/98	84	131	166	210	252	296	346	411	504	728	273	334
1998/99	91	135	170	214	256	303	358	423	522	774	279	347
1999/00	91	141	179	222	267	314	366	437	534	790	291	357
2000/01	92	150	189	234	280	327	380	455	560	819	302	377
2001/02	101	161	202	251	296	344	398	469	583	860	319	395
2002/03	101	167	210	257	305	356	411	484	594	869	330	404
2003/04	99	170	214	261	308	359	416	490	601	884	333	406
2004/05	100	177	221	266	313	363	421	495	610	906	337	415
2005/06	98	173	220	267	315	370	428	507	623	930	342	422
2006/07	92	171	220	268	318	370	429	506	626	933	344	426
2007/08	91	170	220	269	320	374	435	512	634	959	346	434
2008/09	84	169	219	268	318	371	437	519	641	960	343	433

Notes:

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. All estimates are subject to sampling error.

Table 2.1ts (continued): Money values of quintile medians and overall population mean in average 2008/09 prices, United Kingdom<sup>1,2</sup>

£pw equivalised 2008/09 prices						Source: FRS			
	Quintile group medians								
	Quintile 1	Quintile 2	Quintile 3 (median)	Quintile 4	Quintile 5	Population mean	Ratio of top to bottom quintile medians	Ratio of top to middle quintile medians	Ratio of middle to bottom quintile medians
<b>Income Before Housing Costs</b>									
1994/95	162	233	322	439	661	389	4.1	2.1	2.0
1995/96	164	235	322	435	666	390	4.1	2.1	2.0
1996/97	166	243	336	452	685	404	4.1	2.0	2.0
1997/98	168	247	342	461	697	414	4.2	2.0	2.0
1998/99	171	252	348	474	723	428	4.2	2.1	2.0
1999/00	177	260	358	484	734	437	4.2	2.0	2.0
2000/01	183	271	369	499	761	457	4.2	2.1	2.0
2001/02	193	286	388	516	797	477	4.1	2.1	2.0
2002/03	196	291	395	522	800	481	4.1	2.0	2.0
2003/04	197	293	395	525	793	479	4.0	2.0	2.0
2004/05	202	298	398	530	803	486	4.0	2.0	2.0
2005/06	201	299	402	536	816	492	4.1	2.0	2.0
2006/07	198	299	404	536	822	496	4.2	2.0	2.0
2007/08	197	300	404	539	830	502	4.2	2.1	2.1
2008/09	201	304	407	545	844	507	4.2	2.1	2.0
<b>Income After Housing Costs</b>									
1994/95	109	173	254	354	541	308	5.0	2.1	2.3
1995/96	112	174	255	352	547	310	4.9	2.1	2.3
1996/97	113	180	268	369	570	323	5.1	2.1	2.4
1997/98	115	188	273	376	581	334	5.1	2.1	2.4
1998/99	119	192	279	387	606	347	5.1	2.2	2.3
1999/00	123	200	291	400	618	357	5.0	2.1	2.4
2000/01	129	211	302	414	648	377	5.0	2.1	2.3
2001/02	140	226	319	432	675	395	4.8	2.1	2.3
2002/03	143	233	330	446	689	404	4.8	2.1	2.3
2003/04	143	237	333	450	693	406	4.9	2.1	2.3
2004/05	148	243	337	455	708	415	4.8	2.1	2.3
2005/06	145	244	342	464	723	422	5.0	2.1	2.4
2006/07	142	243	344	464	729	426	5.1	2.1	2.4
2007/08	141	244	346	471	739	434	5.2	2.1	2.5
2008/09	139	243	343	474	745	433	5.4	2.2	2.5

Notes:

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. All estimates are subject to sampling error.

Table 2.2ts (BHC): Income shares and Gini coefficient, United Kingdom<sup>1,2,3,4</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Quintile shares of total income (%)</b>															
Bottom 20% of the income distribution	7.7	7.7	7.7	7.5	7.4	7.4	7.3	7.4	7.5	7.5	7.6	7.4	7.2	7.1	7.1
Second quintile	12.1	12.1	12.1	12.0	11.8	11.9	11.9	12.0	12.1	12.3	12.3	12.2	12.1	12.0	12.0
Middle quintile	16.7	16.6	16.7	16.6	16.3	16.4	16.2	16.3	16.4	16.5	16.4	16.4	16.3	16.1	16.1
Fourth quintile	22.8	22.5	22.6	22.4	22.3	22.3	22.0	21.8	21.9	22.1	22.0	22.0	21.8	21.7	21.7
Top 20% of the income distribution	40.8	41.0	40.9	41.5	42.2	42.0	42.6	42.4	42.0	41.6	41.8	42.1	42.6	43.1	43.0
<b>Share ratios</b>															
Ratio top quintile share to middle quintile share	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.6	2.6	2.7	2.7
Ratio middle quintile share to bottom quintile share	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3
Ratio top quintile share to bottom quintile share	5.3	5.3	5.3	5.5	5.7	5.7	5.9	5.7	5.6	5.6	5.5	5.7	5.9	6.1	6.0
<b>Other comparisons</b>															
<i>Bottom 10% of the income distribution:</i> <sup>3</sup>	3.1	3.0	3.1	2.9	2.9	2.9	2.8	2.9	2.8	2.8	2.9	2.8	2.7	2.6	2.6
Bottom 30% of the income distribution	13.2	13.3	13.2	13.0	12.8	12.9	12.7	12.9	13.0	13.1	13.2	13.0	12.8	12.6	12.6
Bottom 40% of the income distribution	19.8	19.8	19.8	19.5	19.2	19.3	19.2	19.4	19.6	19.8	19.9	19.6	19.3	19.1	19.1
Bottom 50% of the income distribution	27.5	27.5	27.5	27.2	26.7	26.9	26.7	27.0	27.2	27.4	27.5	27.2	26.9	26.6	26.6
<i>Top 10% of the income distribution:</i> <sup>4</sup>	25.8	26.0	26.0	26.7	27.4	27.2	28.0	27.8	27.5	27.0	27.2	27.6	28.0	28.6	28.5
Top 30% of the income distribution	53.1	53.2	53.1	53.6	54.2	54.1	54.5	54.2	53.8	53.5	53.6	54.0	54.3	54.8	54.7
Top 40% of the income distribution	63.6	63.6	63.5	63.9	64.5	64.3	64.6	64.3	64.0	63.7	63.7	64.1	64.4	64.8	64.7
Top 50% of the income distribution	72.5	72.5	72.5	72.8	73.3	73.1	73.3	73.0	72.8	72.6	72.5	72.8	73.1	73.4	73.4
Ratio top 30% share to bottom 30% share	4.0	4.0	4.0	4.1	4.2	4.2	4.3	4.2	4.1	4.1	4.1	4.1	4.2	4.3	4.3
Ratio top 40% share to bottom 40% share	3.2	3.2	3.2	3.3	3.4	3.3	3.4	3.3	3.3	3.2	3.2	3.3	3.3	3.4	3.4
Ratio top 50% share to bottom 50% share	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.7	2.7	2.8	2.8
<b>Gini coefficient (per cent)</b>	33	33	33	34	35	35	35	35	34	34	34	35	35	36	36

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. These estimates should be treated with caution as they are unlikely to be accurate to the degree of precision quoted.

3. Results for the bottom 10 per cent of reported incomes (italicised in the above table) are particularly vulnerable to income measurement problems. They have no validity as a guide to the consumption capabilities of the poorest 10 per cent of individuals.

4. Results for the top 10 per cent of reported incomes (italicised in the above table) are particularly vulnerable to sampling errors and income measurement problems. HMRC statistics are likely to provide a better guide to incomes at the top end of the income distribution.

5. Percentages may not sum to 100 per cent due to rounding.

Table 2.2ts (AHC): Income shares and Gini coefficient, United Kingdom<sup>1,2,3,4</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Quintile shares of total income (%)</b>															
Bottom 20% of the income distribution	5.8	6.1	5.9	5.8	5.9	5.8	5.7	5.9	6.0	5.9	6.0	5.7	5.5	5.3	5.1
Second quintile	11.3	11.3	11.2	11.3	11.1	11.2	11.2	11.5	11.6	11.7	11.7	11.5	11.5	11.3	11.2
Middle quintile	16.6	16.5	16.6	16.4	16.1	16.3	16.1	16.2	16.4	16.4	16.3	16.2	16.2	16.0	15.9
Fourth quintile	23.2	22.9	23.0	22.8	22.6	22.5	22.2	22.1	22.2	22.4	22.1	22.2	22.0	21.9	22.1
Top 20% of the income distribution	43.1	43.2	43.2	43.7	44.4	44.1	44.7	44.3	43.9	43.6	43.9	44.4	44.9	45.6	45.7
<b>Share ratios</b>															
Ratio top quintile share to middle quintile share	2.6	2.6	2.6	2.7	2.8	2.7	2.8	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.9
Ratio middle quintile share to bottom quintile share	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.7	2.9	2.9	3.0	3.1
Ratio top quintile share to bottom quintile share	7.4	7.1	7.3	7.5	7.6	7.6	7.9	7.5	7.3	7.4	7.3	7.8	8.1	8.7	9.0
<b>Other comparisons</b>															
<i>Bottom 10% of the income distribution:</i> <sup>3</sup>	1.8	1.9	2.0	1.8	2.0	1.8	1.7	1.9	1.9	1.7	1.7	1.6	1.5	1.4	1.2
Bottom 30% of the income distribution	10.9	11.1	10.9	10.8	10.8	10.8	10.7	11.1	11.2	11.2	11.3	10.9	10.7	10.3	10.2
Bottom 40% of the income distribution	17.1	17.4	17.1	17.1	16.9	17.0	16.9	17.4	17.6	17.6	17.7	17.2	17.0	16.5	16.3
Bottom 50% of the income distribution	24.7	24.9	24.8	24.6	24.3	24.5	24.4	24.9	25.1	25.2	25.2	24.7	24.4	23.9	23.7
<i>Top 10% of the income distribution:</i> <sup>4</sup>	27.6	27.8	27.8	28.5	29.2	29.1	29.8	29.4	29.0	28.6	29.1	29.5	30.0	30.8	30.7
Top 30% of the income distribution	55.6	55.6	55.7	56.0	56.6	56.4	56.8	56.3	55.9	55.7	55.9	56.4	56.8	57.4	57.7
Top 40% of the income distribution	66.2	66.1	66.2	66.5	66.9	66.7	67.0	66.4	66.1	65.9	66.0	66.6	66.9	67.5	67.7
Top 50% of the income distribution	75.3	75.1	75.2	75.4	75.7	75.5	75.6	75.1	74.9	74.8	74.8	75.3	75.6	76.1	76.3
Ratio top 30% share to bottom 30% share	5.1	5.0	5.1	5.2	5.3	5.2	5.3	5.1	5.0	5.0	4.9	5.2	5.3	5.6	5.7
Ratio top 40% share to bottom 40% share	3.9	3.8	3.9	3.9	4.0	3.9	4.0	3.8	3.8	3.7	3.7	3.9	3.9	4.1	4.1
Ratio top 50% share to bottom 50% share	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.1	3.1	3.2	3.2
<b>Gini coefficient (per cent)</b>	37	37	37	38	39	38	39	38	38	38	38	39	39	40	40

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. These estimates should be treated with caution as they are unlikely to be accurate to the degree of precision quoted.

3. Results for the bottom 10 per cent of reported incomes (italicised in the above table) are particularly vulnerable to income measurement problems. They have no validity as a guide to the consumption capabilities of the poorest 10 per cent of individuals.

4. Results for the top 10 per cent of reported incomes (italicised in the above table) are particularly vulnerable to sampling errors and income measurement problems. HMRC statistics are likely to provide a better guide to incomes at the top end of the income distribution.

5. Percentages may not sum to 100 per cent due to rounding.

**Table 2.3ts (BHC): Money values of quintile medians and population mean for family type and economic status groups in average 2008/09 prices<sup>1,2,3</sup>**

<b>Income Before Housing Costs (£pw equivalised 2008/09 prices)</b>						<b>Source: FRS</b>
	<b>Bottom quintile</b>	<b>Second quintile</b>	<b>Middle quintile (median)</b>	<b>Fourth quintile</b>	<b>Top quintile</b>	<b>Whole Group (mean)</b>
<b>1994/95 - 1996/97 (Great Britain)</b>						
Pensioner couple	168	220	281	372	586	349
Single male pensioner	156	209	249	319	496	306
Single female pensioner	142	195	230	291	432	272
Couple with children	162	246	327	424	622	384
Couple without children	212	361	467	595	857	528
Single with children	156	184	209	251	361	241
Single male without children	167	265	370	486	707	423
Single female without children	171	268	360	469	677	406
One or more full-time self-employed	125	253	356	500	895	485
Single/couple all in full-time work	297	401	488	598	814	544
Couple, one full-time, one part-time work	248	320	385	474	659	438
Couple, one full-time work, one not working	186	254	323	414	620	386
No full-time, one or more part-time work	153	213	268	359	565	335
Workless, one or more aged 60 or over	152	202	245	315	471	292
Workless, one or more unemployed	118	156	178	217	334	209
Workless, other inactive	142	180	207	255	377	244
<b>All individuals</b>	<b>164</b>	<b>237</b>	<b>327</b>	<b>442</b>	<b>671</b>	<b>394</b>
<b>2006/07 - 2008/09 (United Kingdom)</b>						
Pensioner couple	201	287	371	485	755	456
Single male pensioner	198	275	332	412	597	391
Single female pensioner	173	250	311	390	542	357
Couple with children	205	310	406	527	805	509
Couple without children	250	433	563	719	1,059	661
Single with children	183	234	280	347	482	316
Single male without children	180	314	425	560	833	507
Single female without children	190	314	417	546	793	477
One or more full-time self-employed	160	307	441	610	1,085	642
Single/couple all in full-time work	339	459	566	704	994	648
Couple, one full-time, one part-time work	306	394	477	595	860	576
Couple, one full-time work, one not working	221	292	371	488	785	499
No full-time, one or more part-time work	178	258	330	432	662	403
Workless, one or more aged 60 or over	181	257	319	403	581	372
Workless, one or more unemployed	99	178	216	263	407	240
Workless, other inactive	134	210	250	314	466	294
<b>All individuals</b>	<b>198</b>	<b>301</b>	<b>405</b>	<b>540</b>	<b>832</b>	<b>502</b>

**Notes:**

1. The 1994/95-1996/97 information is for Great Britain and 2006/07-2008/09 is for the United Kingdom. However, means and medians for Great Britain and the United Kingdom were found to be very similar (see Appendix 4 of HBAI 2004/05), so allowing comparisons of the type shown in this table.
2. From one year to the next, certain results may be volatile. Therefore, results have been presented as three-year averages to overcome this.
3. Results for the bottom quintile median is particularly vulnerable to income measurement problems.

## 2 The income distribution

**Table 2.3ts (AHC): Money values of quintile medians and population mean for family type and economic status groups in average 2008/09 prices<sup>1,2,3</sup>**

Income After Housing Costs (£pw equivalised 2008/09 prices)						Source: FRS
	Bottom quintile	Second quintile	Middle quintile (median)	Fourth quintile	Top quintile	Whole Group (mean)
<b>1994/95 - 1996/97 (Great Britain)</b>						
Pensioner couple	131	178	237	324	525	299
Single male pensioner	128	156	207	290	471	269
Single female pensioner	116	147	176	253	399	231
Couple with children	108	181	252	331	495	298
Couple without children	151	285	379	484	706	427
Single with children	99	124	139	176	286	170
Single male without children	90	188	291	397	593	334
Single female without children	93	192	284	382	559	317
One or more full-time self-employed	56	186	278	403	745	387
Single/couple all in full-time work	226	317	391	485	672	440
Couple, one full-time, one part-time work	188	249	306	382	535	351
Couple, one full-time work, one not working	131	189	251	328	504	303
No full-time, one or more part-time work	97	153	207	291	478	268
Workless, one or more aged 60 or over	123	153	201	275	427	248
Workless, one or more unemployed	55	97	113	139	250	136
Workless, other inactive	78	120	137	175	297	170
<b>All individuals</b>	<b>111</b>	<b>176</b>	<b>259</b>	<b>358</b>	<b>553</b>	<b>314</b>
<b>2006/07 - 2008/09 (United Kingdom)</b>						
Pensioner couple	177	261	346	461	724	430
Single male pensioner	176	245	313	416	643	387
Single female pensioner	155	226	292	390	557	348
Couple with children	140	242	331	440	689	422
Couple without children	185	359	481	622	937	570
Single with children	116	167	206	277	416	246
Single male without children	102	235	355	486	742	430
Single female without children	110	236	344	470	704	395
One or more full-time self-employed	85	240	361	526	975	553
Single/couple all in full-time work	264	380	481	608	873	556
Couple, one full-time, one part-time work	239	326	402	511	770	494
Couple, one full-time work, one not working	153	228	303	411	686	420
No full-time, one or more part-time work	119	199	273	375	607	346
Workless, one or more aged 60 or over	159	231	297	390	578	353
Workless, one or more unemployed	31	105	149	188	321	164
Workless, other inactive	70	142	179	236	391	218
<b>All individuals</b>	<b>140</b>	<b>243</b>	<b>344</b>	<b>470</b>	<b>738</b>	<b>431</b>

**Notes:**

1. The 1994/95-1996/97 information is for Great Britain and 2006/07-2008/09 is for the United Kingdom. However, means and medians for Great Britain and the United Kingdom were found to be very similar (see Appendix 4 of HBAI 2004/05), so allowing comparisons of the type shown in this table.
2. From one year to the next, certain results may be volatile. Therefore, results have been presented as three-year averages to overcome this.
3. Results for the bottom quintile median is particularly vulnerable to income measurement problems. They are also affected by the presence of negative incomes on the After Housing Cost measure.



Table 2.4ts: Equivalent money values of overall distribution mean, median, and 60 per cent of median income for different family types in 2008/09 prices, United Kingdom<sup>1,2</sup>

£pw equivalised 2008/09 prices	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Source: FRS															
<b>Income Before Housing Costs</b>															
<b>Median</b>															
Couple no children	322	322	336	342	348	358	369	388	395	395	398	402	404	404	407
Single no children	216	216	225	229	233	240	248	260	264	264	267	269	271	271	273
Couple with two children aged 5 and 14	493	493	515	524	532	548	565	593	604	604	610	615	618	619	623
Single with two children aged 5 and 14	386	386	404	411	417	430	443	465	474	473	478	482	485	485	489
<b>60% of median</b>															
Couple no children	193	193	202	205	209	215	222	233	237	237	239	241	242	243	244
Single no children	129	129	135	138	140	144	149	156	159	159	160	162	162	163	164
Couple with two children aged 5 and 14	296	296	309	314	319	329	339	356	362	362	366	369	371	371	374
Single with two children aged 5 and 14	232	232	242	247	250	258	266	279	284	284	287	289	291	291	293
<b>Mean</b>															
Couple no children	389	390	404	414	428	437	457	477	481	479	486	492	496	502	507
Single no children	260	261	270	277	287	293	306	319	322	321	325	330	332	336	339
Couple with two children aged 5 and 14	594	597	617	633	656	669	699	729	736	733	743	753	759	768	775
Single with two children aged 5 and 14	466	468	484	497	514	525	548	572	577	575	583	591	595	602	608
<b>Income After Housing Costs</b>															
<b>Median</b>															
Couple no children	254	255	268	273	279	291	302	319	330	333	337	342	344	346	343
Single no children	148	148	156	158	162	169	175	185	192	193	196	198	200	201	199
Couple with two children aged 5 and 14	412	414	435	443	453	471	489	517	535	539	546	554	557	561	555
Single with two children aged 5 and 14	305	306	322	328	335	349	363	383	396	399	405	410	413	415	411
<b>60% of median</b>															
Couple no children	153	153	161	164	168	174	181	192	198	200	202	205	206	208	206
Single no children	89	89	93	95	97	101	105	111	115	116	117	119	120	120	119
Couple with two children aged 5 and 14	247	248	261	266	272	282	294	310	321	324	328	332	334	336	333
Single with two children aged 5 and 14	183	184	193	197	201	209	218	230	238	240	243	246	248	249	247
<b>Mean</b>															
Couple no children	308	310	323	334	347	357	377	395	404	406	415	422	426	434	433
Single no children	179	180	187	193	201	207	218	229	234	235	241	245	247	251	251
Couple with two children aged 5 and 14	499	502	524	540	562	579	610	639	654	657	673	684	690	702	701
Single with two children aged 5 and 14	369	372	388	400	416	429	452	474	485	487	498	507	511	520	519

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. This table takes levels of equivalised income for the population as a whole and translates them into cash equivalents for a selection of family types. For example, for results Before Housing Costs, it shows that 60 per cent of median (equivalised) income in 2008/09 for a couple (the equivalised income benchmark) was £244 per week. This translates to a cash income of £164 for a single person with no children. This implies that a single person with no children with a cash income of £164 or less is below 60 per cent of median (equivalised) income for the population as a whole.



# Chapter 3

## Whole Population

- **Contemporary trends:** Over the period 1994/95 to 2008/09, the percentage of the population below 60 per cent and 70 per cent thresholds of contemporary median income showed slight falls on both Before Housing Costs and After Housing Costs bases. The number of individuals below 60 per cent contemporary median income increased on a Before Housing Costs basis between 1994/95 to 2008/09, but was around the same level on an After Housing Costs basis. There was little change between 2007/08 and 2008/09.
- **Real trends:** The proportion and number of the population below low-income thresholds held constant in real terms fell substantially over the same period – with proportions falling by around one half.
- **Family type:** Families with children, particularly lone-parent families, were more likely to be in low-income households than their childless counterparts.
- **Disability status:** Individuals in families containing one or more disabled people were more likely to live in low-income households than those in families with no disabled person if they were not in receipt of disability benefits. Disabled individuals were also more likely to live in low-income households than non-disabled individuals.
- **Ethnicity:** Individuals living in households headed by a member from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- **Regional differences:** Individuals living in the North East and West Midlands were most likely to live in low-income households on a Before Housing Costs basis, with individuals in Inner London more likely on an After Housing Cost basis. Those living in the East of England, South East, South West and Scotland were least likely to live in low-income households on both bases.

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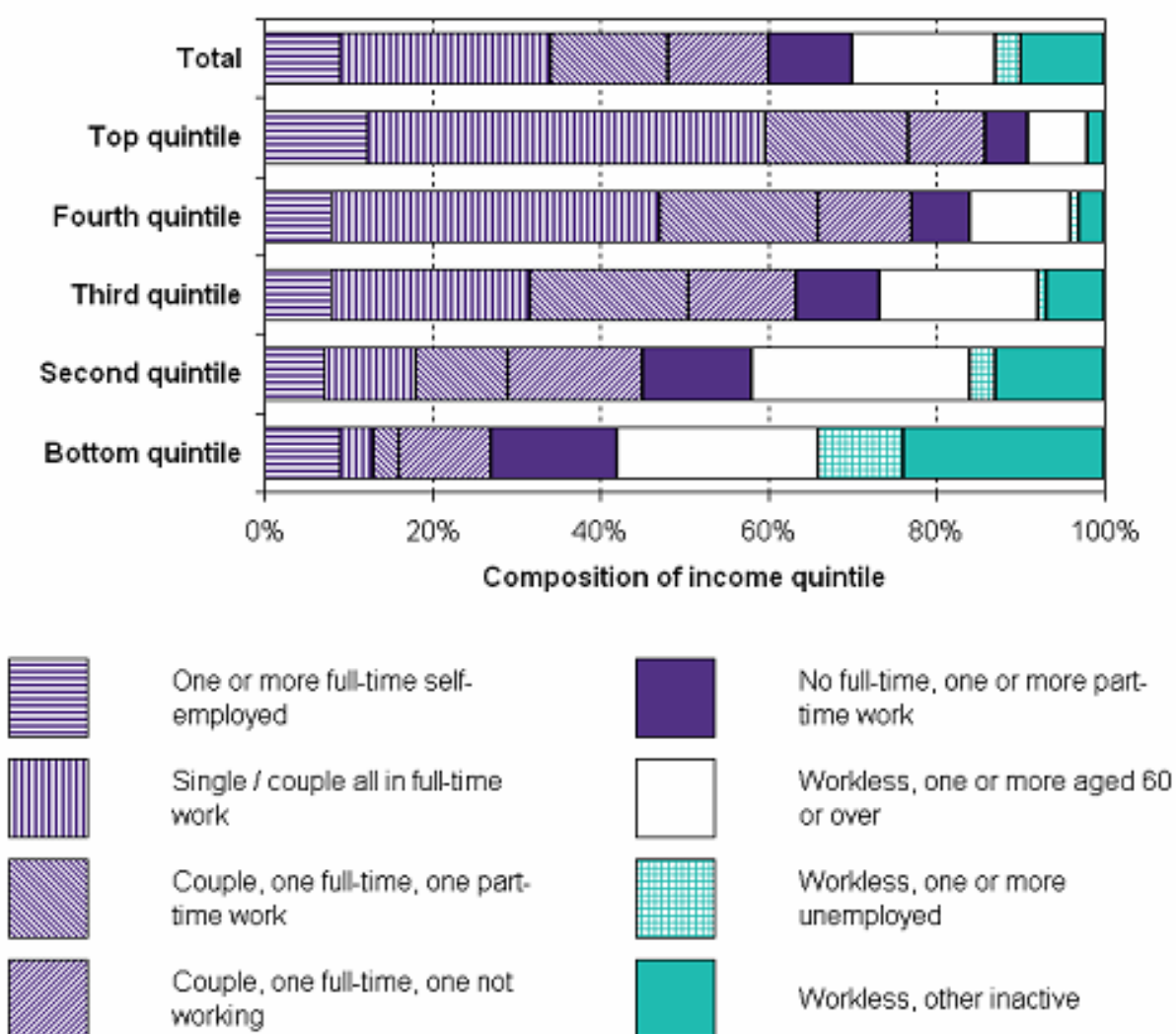
## Introduction

This chapter examines the position of groups making up the whole population of the United Kingdom in the income distribution in 2008/09 and looks in more detail into how this might be linked to their family or household characteristics. High-level trends over time from 1994/95 onwards are also examined, with data for Great Britain from 1994/95 to 1997/98 and for the United Kingdom for some groups from 1998/99 to 2001/02 and all groups from 2002/03 onwards.

## Income by economic status

**Figure 3.1** shows the composition of income quintiles by the economic status of families.

Figure 3.1 (BHC): Proportions of economic types within income quintiles 2008/09



Tables in this chapter are:

**3.1 Quintile distribution** of income: economic status of adults in the family; family type; gender and adulthood; disability; ethnic group (three year average).

**3.2 Quintile distribution** of income: disability and receipt of disability benefits; tenure; direct payment accounts; savings and investments; region and country (three year average).

**3.3 – 3.4 Composition** of low-income groups with categories as outlined for **Tables 3.1 – 3.2**.

**3.5 – 3.6 Percentage of individuals** falling into low-income groups with categories as outlined for **Tables 3.1 – 3.2**.

**3.1tr – 3.4tr Trends over time** for headline figures for years covered by the Family Expenditure Survey (FES) and the Family Resources Survey (FRS). **Tables 3.1tr** and **3.2tr** show the percentage falling below various thresholds of contemporary median income and 1998/99 median income held constant in real terms respectively. **Tables 3.3tr** and **3.4tr** show the number for the same measures as outlined for **Tables 3.1tr** and **3.2tr**.

**3.1ts – 3.2ts Populations over time** **Tables 3.1ts** to **3.2ts** present populations over time by: family type, and gender and adulthood; economic status of the family.

**3.3ts - 3.4ts. Composition** of individuals in households with incomes below 60 per cent of contemporary median income over time by: family type, and gender and adulthood; economic status of the family.

**3.5ts – 3.6ts Composition** of individuals in households with incomes below 60 per cent of 1998/99 incomes held constant in real terms over time by the categories outlined for **Tables 3.3ts – 3.4ts**.

**3.7ts - 3.8ts. Percentage** of individuals in households with incomes below 60 per cent of contemporary median income over time by: family type, and gender and adulthood; economic status of the family.

**3.9ts – 3.10ts Percentage** of individuals in households with incomes below 60 per cent of 1998/99 incomes held constant in real terms over time by the categories outlined for **Tables 3.7ts – 3.8ts**.

## Definition of low income

‘Low income’ is defined using thresholds derived from percentages of median income for the whole population. Households reporting the lowest incomes may not have the lowest living standards. The bottom ten per cent of the income distribution should not, therefore, be interpreted as having the bottom ten per cent of living standards. This is a particular issue for lower thresholds of median income. To

### 3 Whole population

reflect this uncertainty in these tables, results for the 50 per cent of median threshold are presented in italics.

#### Definition of 'benefit units' and 'households'

A family, or benefit unit, is a single adult or a couple living as married, together with any dependent children. An adult living in the same household as his or her parents, for example, is a separate benefit unit from the parents.

A household is a single person or group of people living at the same address as their only or main residence, who either share one meal a day together, or share the living accommodation (i.e. the living room). A household will consist of one or more benefit units.

For the analysis of working and workless households, households are classified according to whether they contain a working-age adult or pensioner who works, but the status of non-working pensioners is ignored, unless the child only lives with pensioners, in which case the status of all adults are included.

#### Pensioner classifications in this chapter

This chapter classifies all individuals according to the status of their family unit. For the purposes of this chapter, the classification *pensioner couple* includes individuals in a family unit where one member is above state retirement age, and one is below. This differs from **Chapter 6**, where only individuals above state retirement age are included. Thus, a pensioner above state retirement age, with a working-age partner, will be included under results for *pensioner couple* in **Chapter 6** whilst their (working-age) partner is excluded as they will appear in **Chapter 5**.

#### Gender

In any analysis of gender, it must be remembered that HBAI attempts to measure the living standards of an individual as determined by household income. This assumes that both partners in a couple benefit equally from the household's income, and will therefore appear at the same position in the income distribution. Any differences in figures can only be driven by gender differences for single adults, which will themselves be diluted by the figures for couples. The lower level gender disaggregation in the family type classification is therefore likely to be more informative.

Research has suggested that, particularly in low-income households, the above assumption with regard to income sharing is not always valid as men sometimes benefit at the expense of women from shared household income. This means that it is possible that HBAI results broken down by gender could understate differences between the two groups.

## Ethnicity

Individuals have been classified according to the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person), which means that information about households of mixed composition is lost.

Estimates showing ethnic breakdowns are presented as three-year averages because of small sample sizes. However, the figures must still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups, especially in the case of households headed by a person of mixed ethnicity.

## Disability

For this analysis, disability is defined as having any long-standing illness, disability or impairment that leads to a substantial difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Disability Discrimination Act (DDA). However, some individuals classified as disabled under the DDA would not be captured by this definition.

No adjustment is made to disposable household income to take into account any additional costs that may be incurred due to the illness or disability in question. This means that the position in the income distribution of these groups, as shown here, may be somewhat upwardly biased.

## Tenure

The separate council and housing association splits have been removed from this publication. This is because a significant number of housing association tenants wrongly report that they are council tenants. The most common reason for this is where their home used to be owned by the council and although ownership has now transferred to a housing association, the tenant still thinks that their landlord is the council (local authority).

Following a user consultation it was also decided to remove the rented unfurnished and rented furnished splits from these tables.

## Direct payment accounts

For the purposes of this analysis, direct payment accounts are accounts that accept Automatic Credit Transfers (ACT) such as Basic Bank accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.

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#### Savings and investments

The data relating to investments and savings should be treated with caution. Questions relating to investments are a sensitive section of the questionnaire and have the lowest response rate. A high proportion of respondents do not know the interest received on their investments. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the savings and the investment income.

#### Region and country

Disaggregation by geographical regions is presented in this chapter as three-year averages. This presentation has been used as single-year regional estimates are considered too volatile. Estimates for the UK, however, are shown as single-year estimates for the latest available year.

The three-year average approach employed in this chapter for the presentation of smaller geographic areas is consistent with the approach used for time series. It reduces year-on-year variation by smoothing out differences.

This issue was further discussed in **Appendix 5 of the 2004/05 HBAI publication**, where regional time series using three-year averages were presented.

Although the FRS sample is large enough to allow some analysis to be performed at a regional level, it should be noted that no adjustment has been made for regional cost of living differences, as the necessary data are not available. In the analysis here it is therefore assumed that there is no difference in the cost of living between regions, although the After Housing Costs measure will partly take into account differences in housing costs.

#### Trends over time for headline figures

All time trends are based on thresholds of median income, are presented for the UK and based on OECD equivalisation scales (see **Appendix 2** for a discussion of the OECD scales). Such presentation is in accordance with the 2004 and 2007 Spending Reviews, as the bases for future measurement of child and pensioner poverty.

- A **relative** low-income indicator – the proportions of each group that are below thresholds of **contemporary** median income.
- An '**absolute**' low-income indicator – the proportions of each group that are below thresholds of 1998/99 median income that have been **held constant in real terms**.



Caution should be exercised when interpreting results over short time periods, as changes are often small in relation to sampling variation and other sources of measurement error.

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**Table 3.1 (BHC): Quintile distribution of income for individuals by various family and household characteristics, United Kingdom**

Percentage of individuals	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
<b>Economic status of adults in the family</b>						
One or more full-time self-employed	21	16	17	19	27	5.3
Single/couple all in full-time work	3	9	19	31	38	15.1
Couple, one full-time, one part-time work	5	15	28	28	25	8.3
Couple, one full-time work, one not working	18	27	22	18	16	7.2
No full-time, one or more in part-time work	30	26	19	14	11	6.0
Workless, one or more aged 60 or over	27	30	22	14	8	10.4
Workless, one or more unemployed	64	21	8	4	3	2.0
Workless, other inactive	49	26	14	7	4	5.9
<b>Family type</b>						
Pensioner couple	20	24	21	18	16	7.9
Single pensioner	27	31	22	14	7	4.7
Male	22	30	23	15	9	1.2
Female	29	31	21	13	6	3.5
Couple with children	18	20	22	21	19	20.7
Couple without children	11	9	16	26	38	11.3
Single with children	39	31	18	9	4	5.0
Single without children	21	18	20	22	20	10.6
Male	21	17	19	22	20	6.6
Female	20	19	21	21	18	4.1
<b>Gender and adulthood</b>						
Adult male	18	18	20	22	23	23.1
Adult female	20	20	20	20	20	24.4
Children	24	24	21	17	14	12.8
<b>Disability</b>						
Disabled individuals	26	27	22	16	9	11.1
Disabled children	30	28	20	14	7	0.8
Disabled working-age adults	29	24	20	16	11	5.1
Disabled pensioners	22	31	25	16	6	5.3
Non-disabled individuals	19	18	19	21	23	49.1
Non-disabled children	24	24	21	17	15	12.0
Non-disabled working-age adults	16	15	19	23	27	31.0
Non-disabled pensioners	25	25	19	16	16	6.1
<b>Ethnic group of head (3-year average)</b>						
White	19	20	20	21	20	54.0
Mixed	25	20	18	15	21	0.5
Asian or Asian British	38	20	15	12	15	2.9
Indian	25	17	19	16	23	1.2
Pakistani and Bangladeshi	56	23	10	7	4	1.2
Black or Black British	31	23	18	15	13	1.6
Black Caribbean	27	22	20	15	16	0.7
Black Non-Caribbean	35	23	17	15	10	0.9
Chinese or other ethnic group	27	19	17	16	20	0.9
<b>All individuals</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>60.3</b>

1. Percentages may not sum to 100 per cent due to rounding.

**Table 3.1 (AHC): Quintile distribution of income for individuals by various family and household characteristics, United Kingdom**

Percentage of individuals						Source: FRS 2008/09
	Net equivalised disposable household income					All individuals (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Economic status of adults in the family</b>						
One or more full-time self-employed	23	17	17	18	26	5.3
Single/couple all in full-time work	4	10	19	30	36	15.1
Couple, one full-time, one part-time work	6	16	28	26	24	8.3
Couple, one full-time work, one not working	21	26	22	17	15	7.2
No full-time, one or more in part-time work	30	26	18	13	12	6.0
Workless, one or more aged 60 or over	16	31	23	19	11	10.4
Workless, one or more unemployed	71	16	6	4	2	2.0
Workless, other inactive	56	24	11	6	4	5.9
<b>Family type</b>						
Pensioner couple	12	24	23	21	20	7.9
Single pensioner	15	31	22	20	12	4.7
Male	12	31	21	20	16	1.2
Female	17	31	22	20	10	3.5
Couple with children	20	21	22	19	17	20.7
Couple without children	11	9	17	25	37	11.3
Single with children	43	29	15	9	4	5.0
Single without children	25	17	18	20	19	10.6
Male	25	17	18	20	20	6.6
Female	25	18	18	20	18	4.1
<b>Gender and adulthood</b>						
Adult male	18	18	20	22	23	23.1
Adult female	19	20	20	21	20	24.4
Children	27	24	20	16	13	12.8
<b>Disability</b>						
Disabled individuals	22	26	23	19	11	11.1
Disabled children	33	26	22	13	7	0.8
Disabled working-age adults	30	23	19	16	12	5.1
Disabled pensioners	12	30	26	22	10	5.3
Non-disabled individuals	20	19	19	20	22	49.1
Non-disabled children	26	24	20	16	14	12.0
Non-disabled working-age adults	18	15	19	22	26	31.0
Non-disabled pensioners	14	26	21	19	21	6.1
<b>Ethnic group of head (3-year average)</b>						
White	18	20	20	21	21	54.0
Mixed	32	20	14	15	19	0.5
Asian or Asian British	40	21	15	11	13	2.9
Indian	27	18	20	14	21	1.2
Pakistani and Bangladeshi	54	27	9	6	4	1.2
Black or Black British	38	21	16	14	10	1.6
Black Caribbean	30	22	18	16	13	0.7
Black Non-Caribbean	45	21	14	12	8	0.9
Chinese or other ethnic group	34	16	18	16	16	0.9
<b>All individuals</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>60.3</b>

1. Percentages may not sum to 100 per cent due to rounding.

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**Table 3.2 (BHC): Quintile distribution of income for individuals by various family and household characteristics, United Kingdom**

Percentage of individuals	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult, no disabled child	18	17	19	22	24	43.2
No disabled adult, 1 or more disabled child	26	26	22	16	10	1.6
In receipt of disability benefits	16	29	30	15	9	0.5
Not in receipt of disability benefits	30	24	19	16	11	1.1
1 or more disabled adult, no disabled child	25	27	22	17	10	14.6
In receipt of disability benefits	17	31	28	18	6	4.9
Not in receipt of disability benefits	29	24	19	16	12	9.7
1 or more disabled adult, 1 or more disabled child	35	34	18	11	3	1.0
In receipt of disability benefits	20	44	26	8	2	0.4
Not in receipt of disability benefits	45	27	12	12	3	0.6
<b>Tenure</b>						
Owners	15	16	21	23	25	42.7
Owned outright	23	19	20	19	19	16.8
Buying with a mortgage	10	14	21	26	28	25.9
Social rented sector tenants	39	34	16	9	2	9.8
All rented privately	23	23	21	17	16	7.8
<b>Direct payment account<sup>2</sup></b>						
No accounts	30	20	18	18	13	1.8
With one or more accounts	20	20	20	20	20	58.4
<b>Savings and investments</b>						
No savings	33	26	20	14	8	19.8
Less than £1,500	18	22	24	22	14	11.4
£1,500 but less than £3,000	15	20	20	23	23	4.2
£3,000 but less than £8,000	13	18	21	25	23	8.0
£8,000 but less than £10,000	13	14	21	26	27	1.9
£10,000 but less than £16,000	13	15	20	22	29	3.9
£16,000 but less than £20,000	14	15	17	25	30	1.6
£20,000 or more	9	11	15	23	42	9.5
<b>Region/Country (3-year average)</b>						
England	20	20	20	20	21	50.2
North East	24	22	22	19	13	2.5
North West	22	22	21	19	15	6.7
Yorkshire and the Humber	22	22	22	20	14	5.1
East Midlands	22	21	21	21	15	4.3
West Midlands	24	21	20	19	16	5.3
East of England	17	19	20	22	22	5.6
London	19	17	16	17	31	7.4
Inner	21	18	14	15	32	2.9
Outer	18	16	17	19	30	4.5
South East	14	17	18	22	29	8.2
South West	18	20	22	21	19	5.1
Scotland	19	21	21	21	19	5.0
Wales	23	23	21	18	14	2.9
Northern Ireland	23	23	23	19	12	1.7
<b>All individuals<sup>3</sup></b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>60.3</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.
2. A household is said to have a direct payment accounts if a household member has an account accepting Automatic Credit Transfers (ACT). Accounts included are Basic Bank accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.
3. The totals for all individuals are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
4. Percentages may not sum to 100 per cent due to rounding.

**Table 3.2 (AHC): Quintile distribution of income for individuals by various family and household characteristics, United Kingdom**

Percentage of individuals						Source: FRS 2008/09
	Net equivalised disposable household income					All individuals (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult, no disabled child	19	18	19	21	23	43.2
No disabled adult, 1 or more disabled child	30	24	23	14	10	1.6
In receipt of disability benefits	20	23	33	16	8	0.5
Not in receipt of disability benefits	34	24	18	14	11	1.1
1 or more disabled adult, no disabled child	21	26	22	19	12	14.6
In receipt of disability benefits	13	28	28	22	8	4.9
Not in receipt of disability benefits	25	25	19	17	14	9.7
1 or more disabled adult, 1 or more disabled child	35	33	20	10	2	1.0
In receipt of disability benefits	21	45	24	8	2	0.4
Not in receipt of disability benefits	45	25	16	11	3	0.6
<b>Tenure</b>						
Owners	12	17	22	24	25	42.7
Owned outright	12	19	21	23	25	16.8
Buying with a mortgage	12	16	22	25	26	25.9
Social rented sector tenants	42	33	15	8	2	9.8
All rented privately	37	20	18	13	12	7.8
<b>Direct payment account<sup>2</sup></b>						
No accounts	26	21	20	19	14	1.8
With one or more accounts	20	20	20	20	20	58.4
<b>Savings and investments</b>						
No savings	35	26	19	13	7	19.8
Less than £1,500	20	23	24	20	13	11.4
£1,500 but less than £3,000	14	20	21	24	21	4.2
£3,000 but less than £8,000	11	19	22	25	23	8.0
£8,000 but less than £10,000	10	13	23	28	27	1.9
£10,000 but less than £16,000	10	16	20	25	29	3.9
£16,000 but less than £20,000	11	15	17	26	31	1.6
£20,000 or more	7	9	15	24	46	9.5
<b>Region/Country (3-year average)</b>						
England	20	20	20	20	20	50.2
North East	21	22	24	19	14	2.5
North West	21	22	22	19	16	6.7
Yorkshire and the Humber	21	22	22	20	15	5.1
East Midlands	20	21	21	21	16	4.3
West Midlands	22	22	21	19	17	5.3
East of England	18	18	20	22	22	5.6
London	26	15	14	16	28	7.4
Inner	29	16	12	15	28	2.9
Outer	24	14	15	18	28	4.5
South East	17	16	18	21	27	8.2
South West	18	22	21	21	19	5.1
Scotland	17	20	21	22	20	5.0
Wales	20	23	23	18	16	2.9
Northern Ireland	18	24	24	20	14	1.7
<b>All individuals<sup>3</sup></b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>60.3</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. A household is said to have a direct payment accounts if a household member has an account accepting Automatic Credit Transfers (ACT). Accounts included are Basic Bank accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.

3. The totals for all individuals are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.

### 3 Whole population

**Table 3.3: Composition of low-income groups of individuals by various family and household characteristics, United Kingdom**

Percentage of individuals				Source: FRS 2008/09			
	Before Housing Costs			After Housing Costs			All individuals
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Economic status of adults in the family</b>							
One or more full-time self-employed	12	9	9	11	10	9	9
Single/couple all in full-time work	4	4	5	6	6	7	25
Couple, one full-time, one part-time work	3	3	4	4	4	5	14
Couple, one full-time work, one not working	7	10	12	12	13	14	12
No full-time, one or more in part-time work	15	15	14	15	15	15	10
Workless, one or more aged aged 60 or over	22	23	24	13	15	18	17
Workless, one or more unemployed	12	11	9	12	11	9	3
Workless, other inactive	24	25	23	28	27	23	10
<b>Family type</b>							
Pensioner couple	12	13	14	7	9	10	13
Single pensioner	10	10	11	6	6	8	8
Male	2	2	2	1	1	2	2
Female	8	8	8	4	5	6	6
Couple with children	32	32	33	35	35	35	34
Couple without children	12	10	10	11	11	10	19
Single with children	12	16	16	17	18	17	8
Single without children	22	19	17	24	21	19	18
Male	14	12	11	15	13	12	11
Female	8	7	7	9	8	8	7
<b>Gender and adulthood</b>							
Adult male	37	34	33	35	33	33	38
Adult female	40	40	40	38	38	39	40
Children	23	26	26	27	29	28	21
<b>Disability</b>							
Disabled individuals	22	23	24	20	20	22	18
Disabled children	1	2	2	2	2	2	1
Disabled working-age adults	12	12	12	13	12	12	8
Disabled pensioners	8	9	10	5	6	8	9
Non-disabled individuals	78	77	76	80	80	78	82
Non-disabled children	21	24	24	25	27	26	20
Non-disabled working-age adults	45	41	39	48	45	43	51
Non-disabled pensioners	12	12	13	6	8	9	10
<b>Ethnic group of head (3-year average)</b>							
White	82	83	85	81	82	84	90
Mixed	1	1	1	1	1	1	1
Asian or Asian British	10	9	9	10	9	8	5
Indian	3	3	2	3	3	2	2
Pakistani and Bangladeshi	6	6	5	6	5	5	2
Black or Black British	4	4	4	5	5	4	3
Black Caribbean	2	1	1	2	2	2	1
Black Non-Caribbean	3	3	2	4	3	3	1
Chinese or other ethnic group	2	2	2	3	2	2	2
<b>All individuals (millions=100%)</b>	<b>6.3</b>	<b>10.9</b>	<b>15.6</b>	<b>9.4</b>	<b>13.4</b>	<b>17.7</b>	<b>60.3</b>

1. Percentages may not sum to 100 per cent due to rounding.

**Table 3.4: Composition of low-income groups of individuals by various family and household characteristics, United Kingdom**

Percentage of individuals				Source: FRS 2008/09			
	Before Housing Costs			After Housing Costs			All individuals
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult, no disabled child	68	64	63	69	67	66	72
No disabled adult, 1 or more disabled child	2	3	3	3	4	4	3
In receipt of disability benefits	0	0	1	0	1	1	1
Not in receipt of disability benefits	2	3	3	3	3	3	2
1 or more disabled adult, no disabled child	28	29	31	25	26	28	24
In receipt of disability benefits	5	6	8	5	6	7	8
Not in receipt of disability benefits	23	23	23	20	20	21	16
1 or more disabled adult, 1 or more disabled child	3	3	3	3	3	3	2
In receipt of disability benefits	1	1	1	1	1	1	1
Not in receipt of disability benefits	2	2	2	2	2	2	1
<b>Tenure</b>							
Owners	59	53	53	42	43	46	71
Owned outright	34	31	30	16	18	20	28
Buying with a mortgage	25	22	23	26	25	27	43
Social rented sector tenants	26	32	32	33	34	33	16
All rented privately	15	15	15	26	23	21	13
<b>Direct payment account<sup>2</sup></b>							
No accounts	5	5	4	4	4	4	3
With one or more accounts	95	95	96	96	96	96	97
<b>Savings and investments</b>							
No savings	51	54	53	57	57	54	33
Less than £1,500	17	17	18	18	19	19	19
£1,500 but less than £3,000	5	5	5	5	5	5	7
£3,000 but less than £8,000	8	8	9	7	7	8	13
£8,000 but less than £10,000	2	2	2	2	2	2	3
£10,000 but less than £16,000	5	5	5	3	3	4	7
£16,000 but less than £20,000	2	2	2	2	2	2	3
£20,000 or more	9	7	7	6	6	6	16
<b>Region/Country (3-year average)</b>							
England	83	83	83	86	85	85	84
North East	5	5	5	4	5	4	4
North West	12	13	13	12	12	12	11
Yorkshire and the Humber	9	10	10	8	9	9	8
East Midlands	8	8	8	7	7	7	7
West Midlands	10	11	10	10	10	10	9
East of England	8	8	8	8	8	9	9
London	13	12	12	17	16	14	12
Inner	5	5	5	7	7	6	5
Outer	8	7	7	10	9	8	8
South East	10	10	10	12	11	11	14
South West	8	8	8	8	8	8	8
Scotland	8	8	8	7	7	8	8
Wales	5	6	6	5	5	5	5
Northern Ireland	3	3	3	2	3	3	3
<b>All individuals (millions=100%)<sup>3</sup></b>							
	6.3	10.9	15.6	9.4	13.4	17.7	60.3

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. A household is said to have a direct payment accounts if a household member has an account accepting Automatic Credit Transfers (ACT). Accounts included are Basic Bank accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.

3. The totals for all individuals are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.

### 3 Whole population

**Table 3.5: Percentage of individuals in low-income groups by various family and household characteristics, United Kingdom**

Percentage of individuals	Source: FRS 2008/09						
	Before Housing Costs			After Housing Costs			All
	Income Thresholds - Below Median						individuals
	50%	60%	70%	50%	60%	70%	(millions)
<b>Economic status of adults in the family</b>							
One or more full-time self-employed	15	19	26	19	25	31	5.3
Single/couple all in full-time work	2	3	5	3	5	8	15.1
Couple, one full-time, one part-time work	2	4	7	5	6	11	8.3
Couple, one full-time work, one not working	6	15	27	15	24	34	7.2
No full-time, one or more in part-time work	15	27	37	24	33	43	6.0
Workless, one or more aged 60 or over	13	24	36	12	19	31	10.4
Workless, one or more unemployed	38	63	73	60	74	80	2.0
Workless, other inactive	26	45	60	44	61	70	5.9
<b>Family type</b>							
Pensioner couple	10	18	28	9	15	23	7.9
Single pensioner	14	23	36	11	18	30	4.7
Male	10	18	30	9	14	26	1.2
Female	15	25	38	12	20	32	3.5
Couple with children	10	17	25	16	23	30	20.7
Couple without children	7	10	13	9	13	16	11.3
Single with children	14	34	49	32	49	60	5.0
Single without children	13	20	26	21	26	32	10.6
Male	13	20	26	22	26	31	6.6
Female	12	19	25	21	27	33	4.1
<b>Gender and adulthood</b>							
Adult male	10	16	23	14	19	25	23.1
Adult female	10	18	26	15	21	28	24.4
Children	11	22	32	20	30	39	12.8
<b>Disability</b>							
Disabled individuals	12	23	34	17	24	34	11.1
Disabled children	11	27	38	25	36	46	0.8
Disabled working-age adults	15	26	36	24	33	41	5.1
Disabled pensioners	10	19	30	9	15	26	5.3
Non-disabled individuals	10	17	24	15	22	28	49.1
Non-disabled children	11	22	32	20	30	38	12.0
Non-disabled working-age adults	9	14	20	15	20	25	31.0
Non-disabled pensioners	12	22	32	10	17	27	6.1
<b>Ethnic group of head (3-year average)</b>							
White	10	17	25	14	20	27	54.0
Mixed	13	23	32	26	35	43	0.5
Asian or Asian British	22	36	46	31	43	51	2.9
Indian	15	23	29	20	29	34	1.2
Pakistani and Bangladeshi	32	52	68	43	60	71	1.2
Black or Black British	17	29	39	31	41	49	1.6
Black Caribbean	16	24	33	23	32	41	0.7
Black Non-Caribbean	19	33	43	37	48	55	0.9
Chinese or Other Ethnic Group	17	25	32	27	37	43	0.9
<b>All individuals</b>	10	18	26	16	22	29	60.3



**Table 3.6: Percentage of individuals in low-income groups by various family and household characteristics, United Kingdom**

Percentage of individuals							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All individuals (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult, no disabled child	10	16	23	15	21	27	43.2
No disabled adult, 1 or more disabled child	8	23	32	21	32	41	1.6
In receipt of disability benefits	3	12	22	10	21	28	0.5
Not in receipt of disability benefits	11	27	36	25	36	47	1.1
1 or more disabled adult, no disabled child	12	22	33	16	24	33	14.6
In receipt of disability benefits	6	14	25	10	16	24	4.9
Not in receipt of disability benefits	15	26	37	19	28	38	9.7
1 or more disabled adult, 1 or more disabled child	16	32	47	28	40	51	1.0
In receipt of disability benefits	12	18	35	19	28	42	0.4
Not in receipt of disability benefits	20	42	56	35	48	58	0.6
<b>Tenure</b>							
Owners	9	14	20	9	14	19	42.7
Owned outright	13	20	28	9	14	21	16.8
Buying with a mortgage	6	9	14	9	13	18	25.9
Social rented sector tenants	17	35	51	31	47	60	9.8
All rented privately	12	21	30	31	40	47	7.8
<b>Direct payment account<sup>2</sup></b>							
No accounts	18	27	36	22	30	38	1.8
With one or more accounts	10	18	26	15	22	29	58.4
<b>Savings and investments</b>							
No savings	16	30	42	27	39	48	19.8
Less than £1,500	9	16	25	15	22	30	11.4
£1,500 but less than £3,000	8	13	20	11	16	23	4.2
£3,000 but less than £8,000	7	11	17	9	12	18	8.0
£8,000 but less than £10,000	7	11	16	8	12	15	1.9
£10,000 but less than £16,000	8	13	18	8	12	17	3.9
£16,000 but less than £20,000	9	13	17	9	13	17	1.6
£20,000 or more	6	8	12	6	8	11	9.5
<b>Region/Country (3-year average)</b>							
England	11	18	26	16	23	30	50.2
North East	12	22	31	16	25	31	2.5
North West	12	20	30	16	24	32	6.7
Yorkshire and the Humber	11	21	30	15	23	31	5.1
East Midlands	12	21	29	15	23	30	4.3
West Midlands	12	22	31	17	25	33	5.3
East of England	9	15	23	14	20	27	5.6
London	11	18	25	21	28	34	7.4
Inner	12	19	27	24	31	38	2.9
Outer	11	17	24	20	26	31	4.5
South East	8	13	19	13	19	24	8.2
South West	10	16	24	14	20	27	5.1
Scotland	10	17	25	13	19	26	5.0
Wales	12	21	30	16	23	31	2.9
Northern Ireland	12	20	30	13	20	29	1.7
<b>All individuals<sup>3</sup></b>	<b>10</b>	<b>18</b>	<b>26</b>	<b>16</b>	<b>22</b>	<b>29</b>	<b>60.3</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. A household is said to have a direct payment accounts if a household member has an account accepting Automatic Credit Transfers (ACT). Accounts included are Basic Bank accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.

3. The totals for all individuals are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

### 3 Whole population

**Table 3.1tr Percentage of individuals falling below various thresholds of contemporary median income, United Kingdom** <sup>1,2</sup>

Percentage of individuals		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK) <sup>4</sup>	1979	5	13	22	6	13	23
	1981	5	14	24	7	15	25
	1987	8	18	28	11	21	29
	1988/89	12	21	29	14	23	30
	1990/91	13	22	29	16	24	31
	1991/92	13	22	29	17	25	31
	1992/93	12	21	30	16	25	32
	1993/95	11	20	28	16	24	31
	1994/96	10	19	28	15	24	30
	1995/97	11	20	28	17	25	31
FRS (GB)	1994/95	10	19	28	15	24	31
	1995/96	9	18	27	15	24	31
	1996/97	11	19	28	17	25	32
	1997/98	11	20	28	17	24	31
FRS (UK)	1998/99	11	19	28	16	24	31
	1999/00	10	19	28	16	24	31
	2000/01	10	19	27	15	23	30
	2001/02	10	18	27	15	23	30
	2002/03	10	18	27	15	22	30
	2003/04	10	18	26	14	21	29
	2004/05	10	17	26	13	21	28
	2005/06	10	18	26	15	22	29
	2006/07	11	18	26	15	22	29
	2007/08	11	18	27	16	23	30
Change	1998/99-2008/09 <sup>2,3</sup>	0	-1	-2	-1	-2	-2
	2007/08-2008/09 <sup>2,3</sup>	0	0	-1	0	0	0

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.
2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.
3. Due to rounding, the estimates of change in percentages of individuals below low-income thresholds may not equal the difference between the total percentage of individuals below thresholds for any pair of years shown.
4. FES figures have seen revisions since their publication in the last (2007/08) HBAI report. This is due to methodological improvements.

Table 3.2tr Percentage of individuals falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom <sup>1,2</sup>

Percentage of individuals		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	20	33	46	22	35	47
	1981	22	35	47	25	36	48
	1987	18	29	38	22	32	40
	1988/89	17	27	35	20	28	36
	1990/91	17	26	33	20	28	35
	1991/92	16	26	34	21	29	35
	1992/93	16	25	33	21	29	35
	1993/95	14	23	32	19	27	34
	1994/96	12	21	30	18	26	33
	1995/97	12	21	30	18	26	32
FRS (GB)	1994/95	13	23	32	20	29	36
	1995/96	12	23	32	19	28	36
	1996/97	12	21	30	19	27	34
	1997/98	11	20	29	18	25	32
FRS (UK)	1998/99	11	19	28	16	24	31
	1999/00	9	18	26	14	22	29
	2000/01	9	15	24	12	20	26
	2001/02	7	13	21	10	17	24
	2002/03	7	12	20	9	15	22
	2003/04	7	12	19	9	15	21
	2004/05	6	11	18	9	13	19
	2005/06	7	11	18	9	14	20
	2006/07	7	12	18	10	14	20
	2007/08	7	12	18	10	15	20
	2008/09	7	11	18	10	15	20
Change	1998/99-2008/09 <sup>2,3</sup>	-4	-8	-10	-6	-10	-11
	2007/08-2008/09 <sup>2,3</sup>	0	-1	-1	0	0	0

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages of individuals below low-income thresholds may not equal the difference between the total percentage of individuals below thresholds for any pair of years shown.

### 3 Whole population

**Table 3.3tr Number of individuals falling below various thresholds of contemporary median income, United Kingdom** <sup>1,2</sup>

Number of individuals (millions)		Source: FES/FRS						
		Before Housing Costs			After Housing Costs			All individuals
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK) <sup>4</sup>	1979	3.0	7.1	11.9	3.1	7.3	12.2	54.0
	1981	3.0	7.6	12.9	3.8	8.1	13.5	54.7
	1987	4.6	10.0	15.4	6.2	11.5	16.1	55.4
	1988/89	6.5	11.8	16.0	7.9	12.9	16.7	56.0
	1990/91	7.3	12.2	16.3	9.1	13.5	17.1	56.1
	1991/92	7.1	12.4	16.7	9.5	14.0	17.7	56.6
	1992/93	6.9	12.2	16.9	9.4	14.3	18.1	57.1
	1993/95	6.4	11.3	16.2	8.9	13.9	17.5	57.3
	1994/96	5.9	10.9	15.9	8.8	13.8	17.3	57.5
1995/97	6.1	11.6	16.4	9.7	14.4	17.9	57.7	
FRS (GB)	1994/95	5.3	10.4	15.5	8.5	13.5	17.3	55.3
	1995/96	5.2	9.9	15.2	8.2	13.5	17.3	55.5
	1996/97	5.9	10.8	15.6	9.4	14.0	17.7	55.6
	1997/98	6.0	10.9	15.7	9.2	13.6	17.1	55.7
FRS (UK)	1998/99	6.1	11.2	16.1	9.3	14.0	17.8	57.5
	1999/00	6.1	11.1	16.2	9.3	13.8	17.7	57.7
	2000/01	6.1	10.7	15.9	8.8	13.4	17.4	57.9
	2001/02	5.9	10.7	15.8	8.5	13.2	17.2	58.1
	2002/03	5.9	10.6	15.7	8.5	13.1	17.3	58.3
	2003/04	5.8	10.4	15.4	8.4	12.6	17.0	58.5
	2004/05	5.6	10.0	15.2	7.9	12.1	16.6	58.8
	2005/06	5.9	10.4	15.5	8.6	12.8	17.2	59.1
	2006/07	6.3	10.7	15.7	9.0	13.2	17.5	59.5
	2007/08	6.5	11.0	15.9	9.3	13.5	17.8	59.9
2008/09	6.3	10.9	15.6	9.4	13.4	17.7	60.3	
Change	1998/99-2008/09 <sup>2,3</sup>	0.1	-0.3	-0.5	0.1	-0.6	-0.1	2.7
	2007/08-2008/09 <sup>2,3</sup>	-0.2	-0.1	-0.3	0.1	0.0	-0.1	0.4

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in numbers of individuals below low-income thresholds may not equal the difference between the total number of individuals below thresholds for any pair of years shown.

4. FES figures have seen revisions since their publication in the last (2007/08) HBAI report. This is due to methodological improvements.

**Table 3.4tr Number of individuals falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom <sup>1,2</sup>**

Number of individuals (millions)		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%

Table 3.1ts: Population of individuals by family type, gender and adulthood, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of individuals whose family type is: (millions)</b>															
Pensioner couple	6.5	6.5	6.5	6.4	6.5	6.6	6.7	6.9	7.2	7.2	7.3	7.4	7.5	7.7	7.9
Single male pensioner	0.9	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2
Single female pensioner	3.3	3.4	3.3	3.4	3.4	3.3	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.5
Couple with children	20.8	20.8	20.7	20.5	20.3	20.0	19.9	19.7	20.3	20.3	20.3	20.2	20.4	20.7	20.7
Couple without children	10.7	10.7	10.6	10.9	10.8	10.9	11.1	11.1	11.6	11.5	11.5	11.4	11.6	11.4	11.3
Single with children	4.1	4.2	4.3	4.4	4.6	4.8	4.9	4.9	5.1	5.1	5.1	5.1	5.1	4.9	5.0
Single male without children	5.4	5.5	5.5	5.6	5.7	5.7	5.8	5.9	6.0	6.1	6.2	6.4	6.4	6.4	6.6
Single female without children	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.8	3.9	4.0	4.1	4.1	4.1	4.1
<b>Gender and adulthood: (millions)</b>															
Adult male	20.5	20.5	20.6	20.7	20.7	20.8	21.0	21.1	21.8	22.0	22.2	22.4	22.6	22.8	23.1
Adult female	22.2	22.2	22.3	22.4	22.4	22.5	22.6	22.7	23.5	23.6	23.7	23.9	24.0	24.2	24.4
Children	12.6	12.7	12.7	12.7	12.7	12.7	12.7	12.6	13.0	13.0	12.9	12.8	12.8	12.8	12.8
<b>All individuals (millions)</b>	<b>55.3</b>	<b>55.5</b>	<b>55.6</b>	<b>55.7</b>	<b>55.9</b>	<b>56.1</b>	<b>56.2</b>	<b>56.4</b>	<b>58.3</b>	<b>58.5</b>	<b>58.8</b>	<b>59.1</b>	<b>59.5</b>	<b>59.9</b>	<b>60.3</b>
<b>Percentage of individuals whose family type is:</b>															
Pensioner couple	12	12	12	12	12	12	12	12	12	12	12	12	13	13	13
Single male pensioner	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Single female pensioner	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Couple with children	38	37	37	37	36	36	35	35	35	35	35	34	34	35	34
Couple without children	19	19	19	20	19	20	20	20	20	20	20	19	19	19	19
Single with children	7	8	8	8	8	9	9	9	9	9	9	9	9	8	8
Single male without children	10	10	10	10	10	10	10	10	10	11	11	11	11	11	11
Single female without children	6	6	6	6	6	6	6	7	7	7	7	7	7	7	7
<b>Gender and adulthood</b>															
Adult male	37	37	37	37	37	37	37	37	37	38	38	38	38	38	38
Adult female	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Children	23	23	23	23	23	23	23	22	22	22	22	22	22	21	21
<b>All individuals (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.

Table 3.2ts: Population of individuals by economic status of the family, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of individuals whose economic status is: (millions)</b>															
One or more full-time self-employed	6.2	5.9	5.7	5.3	5.2	5.2	5.1	5.2	5.3	5.3	5.5	5.6	5.6	5.8	5.3
Single/couple all in full-time work	12.1	12.7	12.7	13.1	13.1	13.8	14.2	14.2	14.7	14.7	14.5	14.7	15.0	15.1	15.1
Couple, one full-time, one part-time work	7.2	7.2	8.0	8.5	8.7	8.5	8.2	8.3	8.6	8.2	8.5	8.6	8.3	8.4	8.3
Couple, one full-time work, one not working	7.4	7.0	6.8	6.8	6.8	6.5	6.8	6.6	6.9	7.1	6.9	6.7	7.1	7.1	7.2
No full-time, one or more in part-time work	3.3	3.5	4.0	4.4	4.4	4.5	4.5	4.8	5.2	5.4	5.5	5.8	5.8	5.7	6.0
Workless, one or more aged 60 or over	9.8	9.8	9.8	9.7	9.8	9.8	9.8	9.9	10.0	10.1	10.1	10.1	10.1	10.2	10.4
Workless, one or more unemployed	3.7	3.5	2.8	2.4	2.1	1.9	1.6	1.4	1.6	1.5	1.4	1.6	1.5	1.6	2.0
Workless, other inactive	5.4	5.8	5.8	5.5	5.7	5.9	5.9	6.0	6.0	6.2	6.2	6.1	6.1	6.0	5.9
<b>All individuals (millions)</b>	<b>55.3</b>	<b>55.5</b>	<b>55.6</b>	<b>55.7</b>	<b>55.9</b>	<b>56.1</b>	<b>56.2</b>	<b>56.4</b>	<b>58.3</b>	<b>58.5</b>	<b>58.8</b>	<b>59.1</b>	<b>59.5</b>	<b>59.9</b>	<b>60.3</b>
<b>Percentage of individuals whose economic status is:</b>															
One or more full-time self-employed	11	11	10	10	9	9	9	9	9	9	9	10	9	10	9
Single/couple all in full-time work	22	23	23	24	23	25	25	25	25	25	25	25	25	25	25
Couple, one full-time, one part-time work	13	13	14	15	16	15	15	15	15	14	14	14	14	14	14
Couple, one full-time work, one not working	13	13	12	12	12	12	12	12	12	12	12	11	12	12	12
No full-time, one or more in part-time work	6	6	7	8	8	8	8	9	9	9	9	10	10	10	10
Workless, one or more aged 60 or over	18	18	18	17	18	18	18	18	17	17	17	17	17	17	17
Workless, one or more unemployed	7	6	5	4	4	3	3	3	3	3	2	3	2	3	3
Workless, other inactive	10	11	10	10	10	10	11	11	10	11	11	10	10	10	10
<b>All individuals (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Notes:

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 3.3ts: Composition of individuals living in households with less than 60 per cent of contemporary median household income, by family type, gender and adulthood, United Kingdom<sup>1</sup>

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	12	13	12	13	14	13	14	15	15	14	13	13	14	14	13
Single male pensioner	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Single female pensioner	10	10	10	10	10	9	10	9	9	9	9	8	9	9	8
Couple with children	38	38	36	35	34	33	31	30	30	31	30	32	31	32	32
Couple without children	9	9	8	8	8	9	10	9	9	10	10	10	10	10	10
Single with children	16	15	18	19	19	20	19	19	19	18	18	17	17	16	16
Single male without children	9	8	8	8	8	9	9	10	10	10	11	11	11	11	12
Single female without children	5	5	5	5	5	5	6	6	6	6	6	7	6	7	7
<b>Gender and adulthood</b>															
Adult male	30	30	29	29	30	30	31	31	32	32	32	33	33	33	34
Adult female	39	39	39	39	40	39	41	40	40	41	40	40	40	41	40
Children	31	30	31	31	31	30	28	28	28	28	27	27	27	26	26
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	10	11	10	10	10	10	10	12	12	11	10	9	10	10	9
Single male pensioner	2	2	2	3	3	2	2	2	2	1	1	1	2	1	1
Single female pensioner	10	9	10	10	9	9	9	8	7	6	5	5	6	6	5
Couple with children	36	36	34	34	34	32	32	31	31	32	33	34	34	35	35
Couple without children	8	8	8	8	8	8	9	9	9	10	10	10	10	10	11
Single with children	18	19	20	20	21	22	21	22	21	20	21	20	20	18	18
Single male without children	10	9	10	9	9	10	10	10	11	11	12	13	12	12	13
Single female without children	6	6	6	6	6	6	6	6	7	7	7	8	7	8	8
<b>Gender and adulthood</b>															
Adult male	30	30	29	29	29	30	30	30	31	32	32	33	33	32	33
Adult female	39	39	40	40	39	39	40	39	39	39	38	38	38	38	38
Children	31	31	31	31	32	31	30	30	30	30	30	30	30	30	29
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.



Table 3.4ts: Composition of individuals living in households with less than 60 per cent of contemporary median household income, by economic status of the family, United Kingdom<sup>1</sup>

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One or more full-time self-employed	13	12	9	10	9	10	9	9	9	10	10	11	10	10	9
Single/couple all in full-time work	1	2	2	3	2	3	3	3	4	4	3	3	4	3	4
Couple, one full-time, one part-time work	1	2	2	3	3	2	2	3	2	2	3	3	2	3	3
Couple, one full-time work, one not working	8	8	10	10	10	10	10	8	9	9	9	9	10	9	10
No full-time, one or more in part-time work	8	8	10	10	11	12	11	12	12	12	12	12	13	14	15
Workless, one or more aged 60 or over	25	26	25	25	27	25	26	27	26	25	25	23	25	25	23
Workless, one or more unemployed	21	20	17	14	13	12	11	9	10	10	9	10	9	10	11
Workless, other inactive	22	23	26	25	25	27	28	29	28	29	29	27	28	26	25
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
One or more full-time self-employed	12	11	9	9	9	9	9	9	8	9	10	11	10	11	10
Single/couple all in full-time work	2	2	3	3	3	4	4	4	5	5	5	5	5	5	6
Couple, one full-time, one part-time work	2	2	3	3	3	3	3	4	3	3	4	4	3	4	4
Couple, one full-time work, one not working	9	9	10	10	11	10	11	9	11	10	11	11	13	12	13
No full-time, one or more in part-time work	7	8	10	11	11	12	11	13	13	13	13	13	13	14	15
Workless, one or more aged 60 or over	23	22	23	23	23	22	22	22	21	19	18	16	17	17	15
Workless, one or more unemployed	20	19	16	13	12	11	10	9	9	9	9	10	8	9	11
Workless, other inactive	25	27	27	26	27	29	29	31	30	32	31	29	29	28	27
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.

Table 3.5ts: Composition of individuals living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type, gender and adulthood, United Kingdom

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	13	14	13	13	14	13	13	14	14	13	13	11	13	12	12
Single male pensioner	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Single female pensioner	11	10	10	10	10	9	9	10	9	10	9	8	10	10	8
Couple with children	36	36	35	35	34	33	31	31	30	30	30	33	31	31	32
Couple without children	9	8	8	8	8	9	10	10	11	12	11	11	11	12	12
Single with children	16	16	18	19	19	20	18	16	16	15	15	13	13	13	12
Single male without children	9	8	8	8	8	9	10	10	11	11	12	13	13	12	14
Single female without children	5	5	5	5	5	5	6	6	7	7	7	7	6	8	8
<b>Gender and adulthood</b>															
Adult male	31	30	30	29	30	30	31	33	33	33	34	35	35	35	36
Adult female	40	40	39	40	40	40	40	41	41	41	41	40	40	41	40
Children	30	30	31	31	31	30	28	26	26	26	25	25	24	24	23
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	11	11	10	11	10	10	10	10	9	8	7	6	7	7	7
Single male pensioner	2	2	2	3	3	2	2	1	1	1	1	1	1	1	1
Single female pensioner	11	10	10	10	9	9	8	5	5	5	4	4	5	5	4
Couple with children	35	36	34	34	34	32	32	32	31	33	33	35	34	35	35
Couple without children	8	8	8	8	8	8	10	10	10	12	11	11	11	11	11
Single with children	17	18	19	20	21	22	23	23	23	21	20	19	18	18	17
Single male without children	10	9	10	9	9	10	10	11	12	13	14	15	15	14	15
Single female without children	5	6	6	6	6	6	7	7	8	8	9	9	8	9	9
<b>Gender and adulthood</b>															
Adult male	30	30	30	29	29	30	30	31	32	32	33	34	34	33	35
Adult female	40	40	40	40	39	39	39	38	38	38	38	37	37	38	38
Children	30	30	31	31	32	31	31	31	30	30	29	29	29	29	27
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.

**Table 3.6ts: Composition of individuals living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of the family, United Kingdom<sup>1</sup>**

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One or more full-time self-employed	12	11	9	10	9	10	10	11	10	11	12	13	12	12	12
Single/couple all in full-time work	2	2	2	3	2	3	3	2	3	3	3	3	3	4	4
Couple, one full-time, one part-time work	2	2	2	3	3	2	2	2	2	2	2	3	2	2	3
Couple, one full-time work, one not working	9	9	11	10	10	9	9	7	7	7	7	8	8	8	7
No full-time, one or more in part-time work	7	8	10	10	11	12	11	13	12	13	13	12	13	14	15
Workless, one or more aged 60 or over	26	27	25	26	27	25	25	27	26	25	25	22	26	24	22
Workless, one or more unemployed	19	18	16	14	13	12	12	11	12	11	10	12	10	12	12
Workless, other inactive	22	23	25	25	25	27	28	27	28	28	28	26	27	25	24
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
One or more full-time self-employed	11	10	9	9	9	9	10	10	10	11	11	14	11	12	11
Single/couple all in full-time work	2	3	3	3	3	4	4	3	5	4	4	5	5	5	5
Couple, one full-time, one part-time work	3	3	3	4	3	3	3	3	2	3	3	3	2	3	4
Couple, one full-time work, one not working	10	10	11	11	11	10	10	9	9	9	9	9	11	10	12
No full-time, one or more in part-time work	8	8	10	11	11	12	11	13	13	13	13	13	14	13	15
Workless, one or more aged 60 or over	25	24	23	24	23	22	20	18	15	14	13	12	14	14	13
Workless, one or more unemployed	18	17	15	13	12	12	11	11	12	12	11	12	10	12	13
Workless, other inactive	23	25	26	26	27	30	31	34	34	34	35	32	32	30	28
<b>All individuals (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.

Table 3.7ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by family type, gender and adulthood, United Kingdom<sup>1</sup>

Percentage of individuals															Source: FRS
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Before Housing Costs															
Family type															
Pensioner couple	19	20	20	21	23	21	21	23	22	20	18	18	20	19	18
Single male pensioner	23	22	23	24	26	25	24	22	23	21	21	21	21	21	18
Single female pensioner	31	29	32	32	32	30	30	29	28	29	27	25	29	30	25
Couple with children	19	18	19	19	18	18	16	16	16	16	15	17	16	17	17
Couple without children	8	8	8	8	8	8	9	9	8	9	9	9	9	9	10
Single with children	41	36	46	47	44	44	40	40	39	37	36	34	35	35	34
Single male without children	16	15	16	16	15	16	17	17	17	17	17	18	18	18	20
Single female without children	14	15	15	16	14	15	17	16	17	16	16	17	16	19	19
Gender and adulthood															
Adult male	15	15	15	15	15	16	15	15	15	15	15	15	16	16	16
Adult female	18	18	19	19	19	19	19	18	18	18	17	17	18	18	18
Children	25	24	27	27	26	26	23	23	23	22	21	22	22	23	22
All individuals (per cent)	19	18	19	20	19	19	18	18	18	18	17	18	18	18	18
After Housing Costs															
Family type															
Pensioner couple	21	22	21	22	21	21	20	22	22	19	17	16	17	17	15
Single male pensioner	28	29	31	35	34	31	29	24	24	17	16	16	18	15	14
Single female pensioner	39	36	41	39	38	37	35	32	28	25	20	20	23	23	20
Couple with children	23	23	23	23	23	22	21	20	20	20	19	22	22	23	23
Couple without children	11	10	10	10	10	10	11	10	10	11	10	11	12	12	13
Single with children	61	60	65	62	62	60	56	57	54	51	51	49	51	50	49
Single male without children	25	23	25	22	22	23	22	22	24	23	23	25	25	25	26
Single female without children	22	23	25	23	22	23	23	22	23	22	22	24	23	26	27
Gender and adulthood															
Adult male	20	20	20	19	19	19	19	18	19	18	17	19	19	19	19
Adult female	24	24	25	24	24	23	23	22	22	21	19	20	21	21	21
Children	33	33	34	33	34	33	31	31	30	29	28	30	30	31	30
All individuals (per cent)	24	24	25	24	24	24	23	23	22	21	21	22	22	23	22

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 3.8ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by economic status of the family, United Kingdom<sup>1</sup>

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One or more full-time self-employed	22	20	18	21	20	21	19	19	17	19	18	21	18	19	19
Single/couple all in full-time work	1	1	2	2	2	2	3	2	3	3	2	2	3	2	3
Couple, one full-time, one part-time work	2	2	3	3	4	3	3	3	3	3	3	4	3	3	4
Couple, one full-time work, one not working	12	11	16	15	15	16	14	13	14	13	13	14	16	15	15
No full-time, one or more in part-time work	24	22	26	26	27	28	24	26	24	24	22	22	23	26	27
Workless, one or more aged 60 or over	26	26	27	28	30	28	28	28	27	26	25	24	27	27	24
Workless, one or more unemployed	60	58	65	66	66	66	69	66	67	66	62	65	62	67	63
Workless, other inactive	42	39	48	49	47	49	48	50	50	48	46	47	49	47	45
<b>All individuals (per cent)</b>	19	18	19	20	19	19	18	18	18	18	17	18	18	18	18
<b>After Housing Costs</b>															
One or more full-time self-employed	26	24	22	24	23	24	24	22	21	21	21	25	23	25	25
Single/couple all in full-time work	2	2	3	3	3	4	4	3	4	4	4	5	5	5	5
Couple, one full-time, one part-time work	3	4	5	5	5	5	5	6	5	4	5	6	5	7	6
Couple, one full-time work, one not working	17	17	21	21	22	21	22	18	20	19	19	21	25	23	24
No full-time, one or more in part-time work	30	29	34	33	35	34	31	33	31	30	28	30	30	32	33
Workless, one or more aged 60 or over	31	31	32	33	32	31	29	29	28	24	21	20	23	22	19
Workless, one or more unemployed	74	74	79	78	78	78	79	76	76	77	72	75	73	78	74
Workless, other inactive	62	61	66	64	64	66	63	66	65	64	61	62	63	62	61
<b>All individuals (per cent)</b>	24	24	25	24	24	24	23	23	22	21	21	22	22	23	22

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

**Table 3.9ts: Percentage of individuals living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type, gender and adulthood, United Kingdom<sup>1</sup>**

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	26	28	23	23	23	19	17	15	14	13	11	10	12	12	10
Single male pensioner	33	30	26	25	26	22	18	15	15	13	13	13	13	13	10
Single female pensioner	41	37	36	33	32	28	25	23	20	20	18	17	20	20	17
Couple with children	22	22	20	19	18	16	13	11	11	10	10	11	10	11	11
Couple without children	10	10	9	8	8	8	8	7	6	7	6	7	7	7	7
Single with children	51	48	50	48	44	40	31	24	22	21	20	17	18	19	16
Single male without children	20	18	18	16	15	15	15	13	13	13	13	14	14	14	14
Single female without children	17	18	17	17	14	14	15	11	13	12	12	12	11	14	13
<b>Gender and adulthood</b>															
Adult male	19	19	17	16	15	14	13	11	11	11	10	10	11	11	11
Adult female	23	22	21	20	19	17	15	13	12	12	11	11	12	12	11
Children	30	29	29	28	26	23	19	15	14	14	13	13	13	13	12
<b>All individuals (per cent)</b>	23	23	21	20	19	17	15	13	12	12	11	11	12	12	11
<b>After Housing Costs</b>															
<b>Family type</b>															
Pensioner couple	27	27	24	23	21	19	16	14	11	10	8	7	8	8	8
Single male pensioner	39	39	34	36	34	27	19	12	10	8	8	9	10	8	9
Single female pensioner	50	46	44	41	38	32	26	16	13	13	10	10	13	13	11
Couple with children	27	27	25	23	23	20	18	15	14	14	13	14	15	15	15
Couple without children	12	12	11	11	10	9	10	8	8	9	7	8	8	8	9
Single with children	67	67	68	64	62	58	52	44	39	35	31	30	31	31	29
Single male without children	28	26	26	22	22	22	20	18	18	18	18	19	20	19	21
Single female without children	24	26	26	24	22	22	21	18	19	18	18	18	17	20	20
<b>Gender and adulthood</b>															
Adult male	23	23	22	20	19	18	16	14	13	13	12	13	13	13	14
Adult female	28	28	27	25	24	22	19	16	14	14	12	13	13	14	14
Children	37	37	36	34	34	31	27	23	21	20	18	19	19	19	19
<b>All individuals (per cent)</b>	29	28	27	25	24	22	20	17	15	15	13	14	14	15	15

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

**Table 3.10ts: Percentage of individuals living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of the family, United Kingdom<sup>1</sup>**

Percentage of individuals	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One or more full-time self-employed	25	23	19	22	20	19	17	15	13	15	14	16	14	14	15
Single/couple all in full-time work	2	2	2	2	2	2	2	1	2	2	2	2	1	2	2
Couple, one full-time, one part-time work	3	4	3	4	4	2	2	2	1	2	2	2	2	2	2
Couple, one full-time work, one not working	16	15	19	16	15	14	11	8	7	7	6	7	8	8	7
No full-time, one or more in part-time work	29	28	28	26	27	26	21	19	17	17	15	14	15	17	17
Workless, one or more aged 60 or over	35	34	31	30	30	25	22	20	18	17	16	14	17	17	15
Workless, one or more unemployed	67	66	67	68	66	62	62	53	55	51	48	49	45	51	40
Workless, other inactive	53	50	51	51	47	45	40	32	33	31	30	28	31	30	28
<b>All individuals (per cent)</b>	23	23	21	20	19	17	15	13	12	12	11	11	12	12	11
<b>After Housing Costs</b>															
One or more full-time self-employed	28	27	23	25	23	23	21	19	16	17	16	20	17	19	18
Single/couple all in full-time work	3	4	4	4	3	3	3	2	3	3	2	3	3	3	3
Couple, one full-time, one part-time work	6	6	6	6	5	4	4	3	2	3	3	3	3	3	4
Couple, one full-time work, one not working	22	22	24	22	22	20	17	12	11	11	10	11	14	13	14
No full-time, one or more in part-time work	36	37	36	34	35	32	27	25	22	21	19	19	20	20	22
Workless, one or more aged 60 or over	40	39	35	34	32	28	22	17	14	12	10	10	12	12	11
Workless, one or more unemployed	77	78	81	79	78	76	76	69	68	68	60	62	60	64	58
Workless, other inactive	68	66	69	65	64	63	59	54	50	47	43	43	46	44	42
<b>All individuals (per cent)</b>	29	28	27	25	24	22	20	17	15	15	13	14	14	15	15

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.





# Chapter 4

## Children

- **Contemporary trends:** In general, there was a decrease in the proportion and number of children below various thresholds of contemporary median income between the years 1994/95 and 2008/09. The figures showed a rise in the earlier years of the period and a fall in later years, but have stayed broadly flat since 2000/01 with a small reduction between 2007/08 and 2008/09. In 2008/09 the number and proportion of children who were living in low income and material deprivation remained at the same level as in 2007/08.
- **Real trends:** Over the period 1994/95 to 2008/09, there was a marked fall in the proportion of children below low income thresholds held constant in real terms, 2008/09 has shown a fall compared to 2007/08.
- **Quintile distributions:** In 2008/09, children were more likely to be in the bottom two quintiles, and less likely to be in the top two quintiles of the income distribution than the population as a whole.
- **Family type:** Children in lone-parent families were much more likely to live in low income, and low-income and materially deprived households than those in families with two adults, although with a much lower likelihood if the single parent was working. However since 1998/99, there has been a reduction in the proportion of children in relative low income in lone-parent families.
- **Family size:** Children in large families – those with three or more children – were more likely to live in low-income, and low-income and materially deprived households, although the proportion of children in relative low income for this group has decreased since 1998/99.
- **Disability status:** Children in families containing one or more disabled people were more likely to live in low-income and low-income and materially deprived households than those in families with no disabled person if they were not in receipt of disability benefits.
- **Ethnicity:** Children living in households headed by someone from an ethnic minority were more likely to live in low-income and low-income and materially deprived households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi, or Black Non-Caribbean ethnic origin.
- **Material deprivation:** 30 per cent of children in the bottom quintile are in families that would like to but cannot afford to have enough bedrooms for every child 10 years or over and of a different gender, while around 60 per cent of children in the bottom quintile would like to but cannot afford at least one week's holiday away from home with the whole family. Less than 10 per cent of children in the bottom quintile who would like to were unable to celebrate special occasions.

### Introduction

This chapter looks at how family and household characteristics related to the position of children in the income distribution in 2008/09. High-level trends over time since 1994/95 are also examined, with data for Great Britain from 1994/95 to 1997/98 and for the United Kingdom for some groups from 1998/99 to 2001/02 and all groups from 2002/03 onwards.

The position of children in the income distribution is defined by the net equivalised income of the household in which they live. A child is defined here as an individual under 16 years of age, or an unmarried 16 to 19 year old in full-time non-advanced education. Unmarried 19 year olds in full-time non-advanced education have been included in this definition since April 2006.

### The position of children in the overall income distribution

Figure 4.1 shows the income distribution for children in 2008/09, which was skewed towards the lower end of the overall population distribution. An explanation of how negative incomes can occur After Housing Costs and zero incomes Before Housing Costs is given in **Appendix 1**.

Figure 4.1 (BHC): Income distribution; all individuals and all children by income band, 2008/09

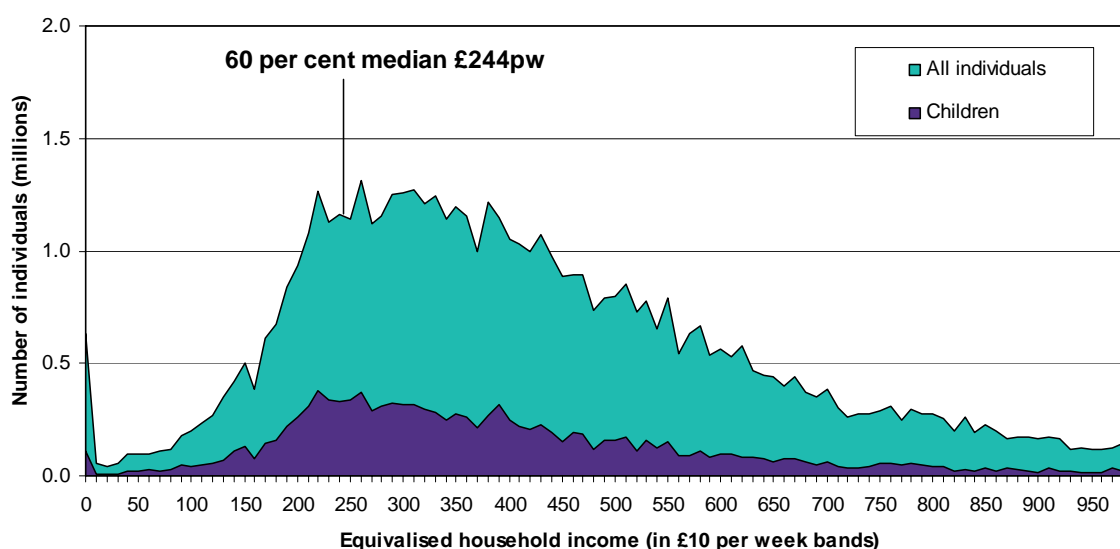
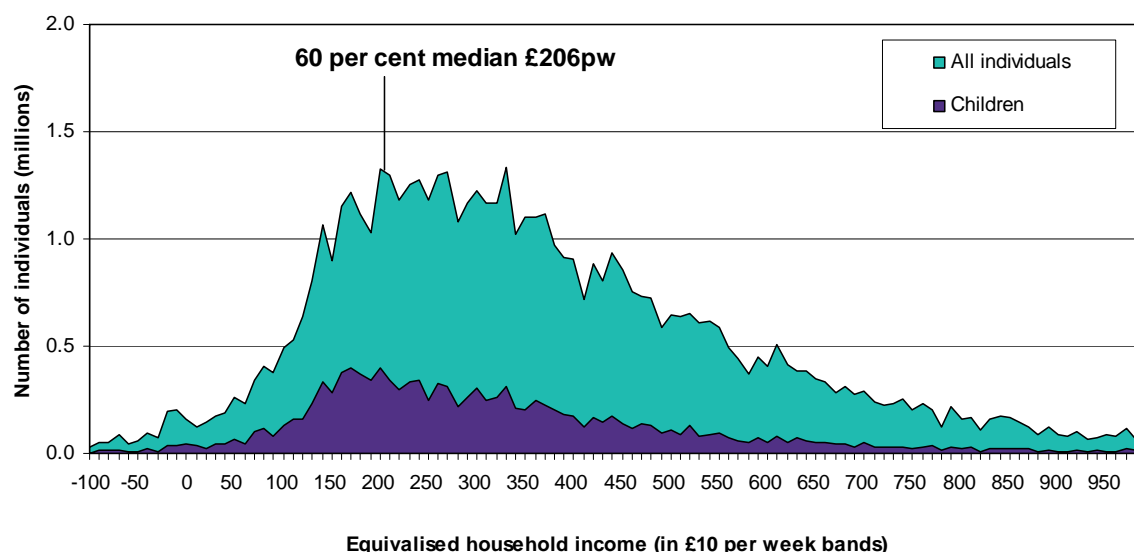


Figure 4.1 (AHC): Income distribution; all individuals and all children by income band, 2008/09



Tables in this chapter are;

**4.1 Quintile distribution** of income in households with children by: economic status of the family and family type; economic status of household; number of children in family; disability and receipt of disability benefits; ethnic group (three-year average).

**4.2 Quintile distribution** of income in households with children by: state support received by family; age of youngest child in family; tenure; savings and investments; household bills in arrears; region and country (three-year average).

**4.3 – 4.4 Composition** of low-income groups with categories as outlined for **Tables 4.1 – 4.2**.

**4.5 – 4.6 Percentage** of children falling into low-income groups with categories as outlined for **Tables 4.1 – 4.2**.

**4.7 Material deprivation** Quintile distribution of income for children by extent of their deprivation of items and services.

**4.8 Material deprivation** Quintile distribution of income for children by extent of parental deprivation of items and services.

**4.1tr – 4.5tr Trends over time** for headline figures for years covered by the Family Expenditure Survey (FES) and the Family Resources Survey (FRS). **Tables 4.1tr** and **4.2tr** show the percentage falling below various thresholds of contemporary median income and 1998/99 median income held constant in real terms respectively. **Tables 4.3tr** and **4.4tr** show the number for the same measures as outlined for **Tables 4.1tr** and **4.2tr**. **Table 4.5tr** presents a series that shows trends over time for low income and material deprivation.

## 4 Children

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**4.1ts – 4.4ts Populations over time** Tables 4.1ts to 4.4ts present populations over time by: family type and economic status of the family; economic status of household; region and country (three-year average); number of children in family.

**4.5ts – 4.7ts Composition** of children in households with incomes below 60 per cent of contemporary median income over time by: family type and economic status of the family; economic status of household; number of children in family.

**4.8ts – 4.10ts Composition** of children in households with incomes below 60 per cent of 1998/99 median income held constant in real terms over time by the categories outlined for **Tables 4.5ts – 4.7ts**.

**4.11ts – 4.15ts Percentage** of children in households with incomes below 60 per cent of contemporary median income over time by: family type and economic status of the family; economic status of household; region and country (three-year average, the number of children can be found in **Table 4.14ts**); number of children in family.

**4.16ts – 4.20ts Percentage** of children in households with incomes below 60 per cent of 1998/99 median income held constant in real terms over time by the categories outlined for **Tables 4.11ts – 4.15ts**. The number of children by region and country (three-year average) can be found in **Table 4.19ts**.

### Definition of low income

‘Low income’ is defined using thresholds derived from percentages of median income for the whole population. Households reporting the lowest incomes may not have the lowest living standards. The bottom ten per cent of the income distribution should not, therefore, be interpreted as having the bottom ten per cent of living standards. This is a particular issue for lower thresholds of median income. To reflect this uncertainty in these tables, results for the 50 per cent of median threshold are presented in italics.

### Definition of ‘benefit units’ and ‘households’

A family, or benefit unit, is a single adult or a couple living as married, together with any dependent children. An adult living in the same household as his or her parents, for example, is a separate benefit unit from the parents.

A household is a single person or group of people living at the same address as their only or main residence, who either share one meal a day together, or share the living accommodation (i.e. the living room). A household will consist of one or more benefit units.

For the analysis of working and workless households, households are classified according to whether they contain a working-age adult or pensioner who works, but the status of non-working pensioners is ignored, unless the child only lives with pensioners, in which case the status of all adults are included.

## Disability

For this analysis, disability is defined as having any long-standing illness, disability or impairment that leads to a substantial difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Disability Discrimination Act (DDA). However, some individuals classified as disabled under the DDA would not be captured by this definition.

No adjustment is made to disposable household income to take into account any additional costs that may be incurred due to the illness or disability in question. This means that the position in the income distribution of these groups, as shown here, may be somewhat upwardly biased.

## Tenure

The separate council and housing association splits have been removed from this publication. This is because a significant number of housing association tenants wrongly report that they are council tenants. The most common reason for this is where their home used to be owned by the council and although ownership has now transferred to a housing association, the tenant still thinks that their landlord is the council (local authority).

Following a user consultation it was also decided to remove the rented unfurnished and rented furnished splits from these tables.

## Ethnicity

Children have been classified according to the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person), which means that information about households of mixed composition is lost.

Estimates showing ethnic breakdowns are presented as three-year averages because of small sample sizes. However, the figures must still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups, especially in the case of households headed by a person of mixed ethnicity.

## Savings and investments

The data relating to investments and savings should be treated with caution. Questions relating to investments are a sensitive section of the questionnaire and have the lowest response rate. A high proportion of respondents do not know the interest received on their investments. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the savings and the investment income.

### Bills in arrears

The number of bills in arrears is presented at a benefit unit level. Bills considered are: electricity, gas, other fuel, Council Tax, insurance, telephone, television / video rental, hire purchase and water rates.

### Region and country

Disaggregation by geographical regions is presented in this chapter as three-year averages. This presentation has been used as single-year regional estimates are considered too volatile. Estimates for the UK, however, are shown as single-year estimates for the latest available year.

The three-year average approach employed in this chapter for the presentation of smaller geographic areas is consistent with the approach used for time series. It reduces year-on-year variation by smoothing out differences.

This issue was further discussed in **Appendix 5 of the 2004/05 HBAI publication**, where regional time series using three-year averages were presented.

Although the FRS sample is large enough to allow some analysis to be performed at a regional level, it should be noted that no adjustment has been made for regional cost of living differences, as the necessary data are not available. In the analysis here it is therefore assumed that there is no difference in the cost of living between regions, although the After Housing Costs measure will partly take into account differences in housing costs.

### Material deprivation

A suite of questions designed to capture the material deprivation experienced by families with children has been included in the Family Resources Survey since 2004/05. Respondents are asked whether they have 21 goods and services, including child, adult and household items. If they do not have them, they are asked whether this is because they do not want them or because they cannot afford them. An analysis of how families with children responded to these questions by their location on the income distribution is given in this chapter (see **Tables 4.7 and 4.8**).

These questions are used as an additional way of measuring living standards for children and their families, as outlined in the conclusions of the Measuring Child Poverty Consultation. Analysis has been included in **Tables 4.3 to 4.6** for children living in families who fall into low income and material deprivation.

A prevalence weighted approach has been used in combination with a 70 per cent income threshold. Prevalence weighting is a technique of scoring deprivation in which more weight in the deprivation measure is given to families lacking those items that most families already have. This means a greater importance, when an item is lacked, is assigned to those items that are more commonly owned in the

population. See **Appendix 2** for further details on how material deprivation is calculated.

The material deprivation scores used in the calculation of low income and material deprivation levels for children have been changed to be calculated using survey year weights rather than using 2004/05 fixed weights. A more detailed explanation of weights used for material deprivation is given in **Appendix 2**.

### Trends over time for headline figures

All time trends are based on thresholds of median income, are presented for the UK and based on OECD equivalisation scales (see **Appendix 2** for a discussion of the OECD scales). Such presentation is in accordance with the 2004 and 2007 Spending Reviews, as the bases for future measurement of child and pensioner poverty.

- A **relative** low-income indicator – the proportions of each group that are below thresholds of **contemporary** median income.
- An ‘**absolute**’ low-income indicator – the proportions of each group that are below thresholds of 1998/99 median income that have been **held constant in real terms**.
- A **relative low income and material deprivation** indicator – the proportion of each group that are below threshold of 70 per cent contemporary median income and in material deprivation.

Caution should be exercised when interpreting results over short time periods, as changes are often small in relation to sampling variation and other sources of measurement error.

## 4 Children

**Table 4.1 (BHC): Quintile distribution of income for children by various family and household characteristics, United Kingdom**

Percentage of children	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children (millions)
<b>Economic status and family type</b>						
Lone parent:	39	31	18	8	4	3.1
In full-time work	14	27	28	22	9	0.7
In part-time work	24	41	25	8	2	0.8
Not working	60	28	8	2	1	1.5
Couple with children:	20	21	22	20	18	9.7
Self-employed	24	21	20	16	19	1.5
Both in full-time work	2	10	23	35	32	1.6
One in full-time work, one in part-time work	5	18	30	26	21	2.9
One in full-time work, one not working	22	31	21	13	13	2.4
One or more in part-time work	57	25	9	4	5	0.7
Both not in work	65	26	6	2	1	0.7
<b>Economic status of household<sup>1</sup></b>						
All adults in work	9	20	26	25	20	7.3
At least one adult in work, but not all	34	30	17	9	10	3.5
Workless households	64	27	7	1	1	1.9
<b>Number of children in family</b>						
One child	21	20	21	21	17	3.6
Two children	20	23	22	19	16	5.8
Three or more children	35	30	17	9	9	3.4
<b>Disability and receipt of disability benefits<sup>2</sup></b>						
No disabled adult, no disabled child	22	22	21	18	17	9.9
No disabled adult, 1 or more disabled child	28	28	21	14	9	0.9
In receipt of disability benefits	17	32	31	13	8	0.3
Not in receipt of disability benefits	33	26	18	14	9	0.6
1 or more disabled adult, no disabled child	33	31	18	12	7	1.5
In receipt of disability benefits	25	40	18	9	7	0.3
Not in receipt of disability benefits	35	28	18	12	7	1.2
1 or more disabled adult, 1 or more disabled child	37	35	17	9	3	0.5
In receipt of disability benefits	21	44	25	7	3	0.2
Not in receipt of disability benefits	48	28	11	11	3	0.3
<b>Ethnic group of head (3-year average)</b>						
White	22	24	21	18	15	11.1
Mixed	29	24	20	15	12	0.1
Asian or Asian British	48	22	13	9	8	0.9
Indian	29	22	19	13	17	0.3
Pakistani and Bangladeshi	62	23	9	4	2	0.5
Black or Black British	38	25	19	10	7	0.5
Black Caribbean	29	24	25	12	10	0.2
Black Non-Caribbean	43	26	16	9	6	0.3
Chinese or other ethnic group	34	22	17	15	13	0.2
<b>All children<sup>3</sup></b>	<b>24</b>	<b>24</b>	<b>21</b>	<b>17</b>	<b>14</b>	<b>12.8</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children live only with pensioners, the status of all adults is included in the analysis.

2. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

3. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.



**Table 4.1 (AHC): Quintile distribution of income for children by various family and household characteristics, United Kingdom**

Percentage of children						Source: FRS 2008/09
	Net equivalised disposable household income					All children (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Economic status and family type</b>						
Lone parent:	44	30	15	8	3	3.1
In full-time work	18	26	24	23	8	0.7
In part-time work	24	43	23	8	2	0.8
Not working	67	24	6	1	1	1.5
Couple with children:	21	22	22	18	16	9.7
Self-employed	27	24	17	15	18	1.5
Both in full-time work	2	12	24	33	29	1.6
One in full-time work, one in part-time work	6	19	31	25	19	2.9
One in full-time work, one not working	25	30	21	12	11	2.4
One or more in part-time work	56	27	8	4	5	0.7
Both not in work	69	24	6	1	1	0.7
<b>Economic status of household<sup>1</sup></b>						
All adults in work	11	21	26	24	19	7.3
At least one adult in work, but not all	36	30	17	8	8	3.5
Workless households	70	23	5	1	1	1.9
<b>Number of children in family</b>						
One child	25	20	20	20	15	3.6
Two children	23	23	21	18	15	5.8
Three or more children	34	31	18	8	8	3.4
<b>Disability and receipt of disability benefits<sup>2</sup></b>						
No disabled adult, no disabled child	24	22	21	18	15	9.9
No disabled adult, 1 or more disabled child	32	25	22	13	9	0.9
In receipt of disability benefits	19	26	33	14	7	0.3
Not in receipt of disability benefits	37	24	17	12	9	0.6
1 or more disabled adult, no disabled child	36	30	17	10	7	1.5
In receipt of disability benefits	27	40	18	7	7	0.3
Not in receipt of disability benefits	38	26	17	11	8	1.2
1 or more disabled adult, 1 or more disabled child	37	34	18	9	2	0.5
In receipt of disability benefits	23	45	23	7	2	0.2
Not in receipt of disability benefits	47	26	15	10	2	0.3
<b>Ethnic group of head (3-year average)</b>						
White	24	24	21	17	14	11.1
Mixed	36	24	15	13	11	0.1
Asian or Asian British	49	23	13	7	8	0.9
Indian	33	21	20	11	15	0.3
Pakistani and Bangladeshi	60	27	8	3	2	0.5
Black or Black British	46	23	16	9	6	0.5
Black Caribbean	35	24	20	12	8	0.2
Black Non-Caribbean	53	22	13	7	4	0.3
Chinese or other ethnic group	42	16	18	14	10	0.2
<b>All children<sup>3</sup></b>	<b>27</b>	<b>24</b>	<b>20</b>	<b>16</b>	<b>13</b>	<b>12.8</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children live only with pensioners, the status of all adults is included in the analysis.

2. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

3. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.

## 4 Children

**Table 4.2 (BHC): Quintile distribution of income for children by various family and household characteristics, United Kingdom**

Percentage of children	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children (millions)
<b>State support received by family<sup>1</sup></b>						
Disability Living Allowance	23	39	24	9	6	0.8
Jobseeker's Allowance	69	24	5	3	0	0.3
Incapacity Benefit	35	40	20	4	1	0.3
Child Tax Credit	27	31	24	15	4	7.6
Working Tax Credit	29	37	23	9	2	2.6
Income Support	59	32	8	1	0	1.5
Housing Benefit	56	33	9	1	0	2.1
Not in receipt of any state support listed above	14	11	17	23	35	4.3
<b>Age of youngest child in family</b>						
0 - 4	26	25	21	15	14	5.6
5 - 10	23	24	21	17	16	3.8
11 - 15	24	23	20	20	13	2.7
16 - 19	16	22	21	23	17	0.8
<b>Tenure</b>						
Owners	15	19	24	22	20	8.6
Owned outright	26	20	19	17	19	1.3
Buying with mortgage	13	19	24	23	20	7.3
Social rented sector tenants	51	33	11	4	1	2.7
All rented privately	30	33	21	9	7	1.6
<b>Savings and investments</b>						
No savings	41	30	17	8	4	5.1
Less than £1,500	21	27	26	17	8	2.7
£1,500 but less than £3,000	13	24	23	22	17	0.9
£3,000 but less than £8,000	8	19	26	27	20	1.5
£8,000 but less than £10,000	10	10	24	32	25	0.3
£10,000 but less than £16,000	10	14	22	24	29	0.7
£16,000 but less than £20,000	9	11	17	32	31	0.3
£20,000 or more	8	7	13	25	47	1.3
<b>Household bills in arrears<sup>2</sup></b>						
No bills in arrears	20	22	22	19	17	10.6
One bill in arrears	46	31	15	5	3	0.9
Two or more bills in arrears	47	34	12	4	2	1.3
<b>Region/Country (3-year average)</b>						
England	25	24	21	17	14	10.8
North East	32	23	22	15	9	0.5
North West	29	27	20	15	9	1.5
Yorkshire and the Humber	29	24	22	16	9	1.1
East Midlands	27	26	21	17	9	0.9
West Midlands	32	24	20	14	10	1.2
East of England	18	24	23	19	17	1.2
London	25	21	18	15	21	1.6
Inner	30	23	16	11	20	0.6
Outer	23	21	19	17	21	1.0
South East	17	20	19	21	23	1.8
South West	20	26	24	19	12	1.0
Scotland	23	24	20	19	14	1.0
Wales	29	27	20	15	9	0.6
Northern Ireland	27	28	21	15	9	0.4
<b>All children<sup>3</sup></b>	<b>24</b>	<b>24</b>	<b>21</b>	<b>17</b>	<b>14</b>	<b>12.8</b>

**Notes:**

1. The population figures given for receipt of benefit/tax credit do not sum to all children as they are not mutually exclusive groups, since people can receive more than one benefit.
2. Figures relate to the number of children whose parent / guardian answered the questions on arrears, some children have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
3. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
4. Percentages may not sum to 100 per cent due to rounding.

**Table 4.2 (AHC): Quintile distribution of income for children by various family and household characteristics, United Kingdom**

Percentage of children	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children (millions)
<b>State support received by family<sup>1</sup></b>						
Disability Living Allowance	24	37	25	8	5	0.8
Jobseeker's Allowance	75	18	4	3	0	0.3
Incapacity Benefit	36	39	21	2	1	0.3
Child Tax Credit	30	30	23	14	4	7.6
Working Tax Credit	30	38	21	9	2	2.6
Income Support	66	28	5	1	0	1.5
Housing Benefit	67	27	6	1	0	2.1
Not in receipt of any state support listed above	16	13	18	22	31	4.3
<b>Age of youngest child in family</b>						
0 - 4	30	25	19	14	12	5.6
5 - 10	25	24	20	17	15	3.8
11 - 15	26	23	21	18	12	2.7
16 - 19	18	22	23	21	15	0.8
<b>Tenure</b>						
Owners	15	21	24	21	19	8.6
Owned outright	17	20	22	20	22	1.3
Buying with mortgage	14	21	25	22	18	7.3
Social rented sector tenants	51	34	10	4	1	2.7
All rented privately	51	23	15	7	5	1.6
<b>Savings and investments</b>						
No savings	44	29	16	7	3	5.1
Less than £1,500	24	28	25	15	7	2.7
£1,500 but less than £3,000	16	24	24	22	15	0.9
£3,000 but less than £8,000	10	20	26	26	18	1.5
£8,000 but less than £10,000	8	11	28	28	24	0.3
£10,000 but less than £16,000	10	16	23	24	26	0.7
£16,000 but less than £20,000	10	11	19	30	30	0.3
£20,000 or more	8	8	14	25	45	1.3
<b>Household bills in arrears<sup>2</sup></b>						
No bills in arrears	21	23	22	19	16	10.6
One bill in arrears	50	30	12	5	2	0.9
Two or more bills in arrears	54	30	11	2	2	1.3
<b>Region/Country (3-year average)</b>						
England	28	24	20	15	13	10.8
North East	30	24	23	15	8	0.5
North West	30	26	21	14	9	1.5
Yorkshire and the Humber	28	27	22	15	9	1.1
East Midlands	26	27	21	16	9	0.9
West Midlands	32	26	20	14	9	1.2
East of England	23	22	23	17	15	1.2
London	36	18	15	12	19	1.6
Inner	40	19	12	10	18	0.6
Outer	34	17	17	13	19	1.0
South East	23	20	19	19	19	1.8
South West	23	28	21	17	11	1.0
Scotland	22	24	22	19	14	1.0
Wales	28	27	21	14	10	0.6
Northern Ireland	23	30	23	16	9	0.4
<b>All children<sup>3</sup></b>	<b>27</b>	<b>24</b>	<b>20</b>	<b>16</b>	<b>13</b>	<b>12.8</b>

**Notes:**

1. The population figures given for receipt of benefit/tax credit do not sum to all children as they are not mutually exclusive groups, since people can receive more than one benefit.
2. Figures relate to the number of children whose parent / guardian answered the questions on arrears, some children have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
3. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
4. Percentages may not sum to 100 per cent due to rounding.

## 4 Children

Table 4.3: Composition of low-income groups of children by various family and household characteristics, United Kingdom

Percentage of children				Source: FRS 2008/09				
	Low Income and Material Deprivation <sup>1</sup>	Before Housing Costs			After Housing Costs			All children
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
Economic status and family type								
Lone parent:	47	31	38	38	38	40	38	24
In full-time work	2	3	3	4	4	4	4	6
In part-time work	7	4	6	7	5	6	8	7
Not working	38	24	29	27	29	29	26	12
Couple with children:	53	69	62	62	62	60	62	76
Self-employed	4	16	11	11	12	11	11	11
Both in full-time work	1	1	1	2	1	1	2	12
One in full-time work, one in part-time work	4	5	4	6	5	5	7	23
One in full-time work, one not working	14	11	16	19	16	18	19	18
One or more in part-time work	12	16	14	12	13	11	11	6
Both not in work	18	19	16	13	15	14	12	5
Economic status of household <sup>2</sup>								
All adults in work	16	23	20	25	23	24	29	57
At least one adult in work, but not all	33	39	39	39	38	37	37	28
Workless households	52	37	41	36	39	39	34	15
Number of children in family								
One child	21	27	24	23	29	25	25	28
Two children	36	38	38	38	39	40	39	45
Three or more children	42	35	38	38	32	35	36	27
Disability and receipt of disability benefits <sup>3</sup>								
No disabled adult, no disabled child	63	74	70	70	72	71	71	77
No disabled adult, 1 or more disabled child	9	5	8	7	7	8	8	7
In receipt of disability benefits	2	0	1	1	1	1	1	2
Not in receipt of disability benefits	7	5	7	6	7	7	6	5
1 or more disabled adult, no disabled child	20	15	16	16	15	16	16	12
In receipt of disability benefits	4	2	3	3	2	3	3	3
Not in receipt of disability benefits	16	13	13	13	13	13	13	9
1 or more disabled adult, 1 or more disabled child	8	6	6	6	6	6	6	4
In receipt of disability benefits	2	2	2	2	2	2	2	2
Not in receipt of disability benefits	6	4	5	4	4	4	4	2
Ethnic group of head (3-year average)								
White	77	74	76	79	76	77	79	86
Mixed	2	1	1	1	2	1	1	1
Asian or Asian British	12	16	14	12	13	12	11	7
Indian	2	3	3	3	3	3	3	2
Pakistani and Bangladeshi	9	11	10	9	9	8	7	4
Black or Black British	7	7	6	6	7	6	6	4
Black Caribbean	2	2	2	2	2	2	2	1
Black Non-Caribbean	5	5	5	4	5	5	4	2
Chinese or other ethnic group	2	2	2	2	3	2	2	2
All children (millions=100%) <sup>4</sup>	2.2	1.4	2.8	4.1	2.6	3.9	5.0	12.8

**Notes:**

1. A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. See Appendix 2 for further details.
2. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children live only with pensioners, the status of all adults is included in the analysis.
3. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.
4. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
5. Percentages may not sum to 100 per cent due to rounding.

Table 4.4: Composition of low-income groups of children by various family and household characteristics, United Kingdom

Percentage of children		Source: FRS 2008/09						
	Low Income and Material Deprivation <sup>1</sup>	Before Housing Costs			After Housing Costs			All children
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
State support received by family <sup>2</sup>								
Disability Living Allowance	8	5	6	7	5	6	7	7
Jobseeker's Allowance	9	8	8	6	7	7	6	3
Incapacity Benefit	6	4	4	4	4	4	4	3
Child Tax Credit	72	57	64	68	62	67	68	60
Working Tax Credit	23	19	23	26	21	24	26	21
Income Support	39	18	28	27	26	28	26	12
Housing Benefit	52	27	38	36	39	41	36	17
Not in receipt of any state support listed above	9	29	20	19	24	19	19	34
Age of youngest child in family								
0 - 4	50	45	48	48	47	49	48	44
5 - 10	28	28	28	28	27	27	28	30
11 - 15	19	22	20	20	21	20	20	21
16 - 19	4	5	4	4	4	4	4	6
Tenure								
Owners	26	51	41	42	39	38	41	67
Owned outright	5	14	11	10	6	7	7	10
Buying with mortgage	21	37	30	32	33	31	34	57
Social rented sector tenants	56	35	44	43	37	41	39	21
All rented privately	18	14	15	16	24	22	20	12
Savings and investments								
No savings	80	62	67	65	64	65	62	40
Less than £1,500	17	17	18	19	18	19	21	21
£1,500 but less than £3,000	2	5	4	4	4	4	5	7
£3,000 but less than £8,000	1	5	4	4	5	4	5	12
£8,000 but less than £10,000	0	1	1	1	1	1	1	2
£10,000 but less than £16,000	0	3	3	2	2	2	2	5
£16,000 but less than £20,000	0	2	1	1	1	1	1	2
£20,000 or more	0	5	3	3	4	3	3	10
Household bills in arrears <sup>3</sup>								
No bills in arrears	53	69	67	68	66	66	68	82
One bill in arrears	17	12	14	13	14	14	13	7
Two or more bills in arrears	30	17	19	19	20	19	18	10
Region/Country (3-year average)								
England	85	84	83	83	87	86	85	84
North East	5	5	5	5	4	5	4	4
North West	14	13	13	13	12	12	13	11
Yorkshire and the Humber	10	9	10	10	8	9	9	9
East Midlands	8	8	8	8	7	7	7	7
West Midlands	11	12	12	11	11	11	11	9
East of England	6	7	7	7	8	8	8	9
London	14	14	13	13	18	16	15	12
Inner	6	6	5	5	7	7	6	5
Outer	8	8	7	7	10	9	9	8
South East	9	10	9	10	12	12	11	14
South West	7	7	6	7	7	7	7	8
Scotland	7	7	7	7	6	6	6	8
Wales	5	5	6	6	5	5	5	5
Northern Ireland	3	4	4	4	3	3	3	3
All children (millions=100%) <sup>4</sup>	2.2	1.4	2.8	4.1	2.6	3.9	5.0	12.8

**Notes:**

1. A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. See Appendix 2 for further details.
2. The figures given for receipt of benefit/tax credit do not sum to 100 as they are not mutually exclusive groups since people can receive more than one benefit.
3. Figures relate to the number of children whose parent / guardian answered the questions on arrears, some children have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
4. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
5. Percentages may not sum to 100 per cent due to rounding.

## 4 Children

Table 4.5: Percentage of children in low-income groups by various family and household characteristics, United Kingdom

Percentage of children		Source: FRS 2008/09						
	Low Income and Material Deprivation <sup>1</sup>	Before Housing Costs			After Housing Costs			All children (millions)
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
<b>Economic status and family type</b>								
Lone parent:	33	14	34	50	31	50	61	3.1
In full-time work	7	7	12	20	14	21	29	0.7
In part-time work	17	7	19	35	16	29	47	0.8
Not working	55	23	54	73	49	75	84	1.5
Couple with children:	12	10	18	26	17	24	32	9.7
Self-employed	6	16	22	32	21	30	39	1.5
Both in full-time work	2	1	1	4	2	3	7	1.6
One in full-time work, one in part-time work	3	2	4	8	5	7	12	2.9
One in full-time work, one not working	13	7	19	33	18	29	40	2.4
One or more in part-time work	35	32	53	65	45	60	71	0.7
Both not in work	57	39	64	78	54	75	85	0.7
<b>Economic status of household<sup>2</sup></b>								
All adults in work	5	5	8	14	8	13	20	7.3
At least one adult in work, but not all	20	16	31	45	28	40	52	3.5
Workless households	58	28	59	77	52	78	87	1.9
<b>Number of children in family</b>								
One child	13	11	19	26	21	27	34	3.6
Two children	14	9	18	27	17	27	34	5.8
Three or more children	27	15	31	46	24	40	53	3.4
<b>Disability and receipt of disability benefits<sup>3</sup></b>								
No disabled adult, no disabled child	14	11	20	29	19	28	36	9.9
No disabled adult, 1 or more disabled child	21	8	25	35	22	35	45	0.9
In receipt of disability benefits	15	2	12	23	9	21	28	0.3
Not in receipt of disability benefits	24	11	30	40	27	41	51	0.6
1 or more disabled adult, no disabled child	28	14	29	43	25	40	51	1.5
In receipt of disability benefits	22	8	22	37	17	29	43	0.3
Not in receipt of disability benefits	30	15	31	45	28	43	54	1.2
1 or more disabled adult, 1 or more disabled child	34	18	34	49	29	42	54	0.5
In receipt of disability benefits	23	13	20	36	21	30	43	0.2
Not in receipt of disability benefits	42	21	44	59	35	50	62	0.3
<b>Ethnic group of head (3-year average)</b>								
White	15	10	20	30	18	27	36	11.1
Mixed	23	14	26	39	28	41	50	0.1
Asian or Asian British	28	25	44	58	38	54	63	0.9
Indian	12	15	27	35	24	36	44	0.3
Pakistani and Bangladeshi	39	34	58	76	48	66	77	0.5
Black or Black British	31	20	34	46	37	50	58	0.5
Black Caribbean	22	16	24	35	25	38	46	0.2
Black Non-Caribbean	36	22	40	53	43	56	65	0.3
Chinese or other ethnic group	17	18	33	40	35	46	52	0.2
<b>All children<sup>4</sup></b>	<b>17</b>	<b>11</b>	<b>22</b>	<b>32</b>	<b>20</b>	<b>30</b>	<b>39</b>	<b>12.8</b>

**Notes:**

1. A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. See Appendix 2 for further details.
2. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children live only with pensioners, the status of all adults is included in the analysis.
3. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.
4. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

Table 4.6: Percentage of children in low-income groups by various family and household characteristics, United Kingdom

Percentage of children		Source: FRS 2008/09						
	Low Income and Material Deprivation <sup>1</sup>	Before Housing Costs			After Housing Costs			All children (millions)
		50%	60%	70%	50%	60%	70%	
State support received by family <sup>2</sup>								
Disability Living Allowance	22	8	19	34	17	28	40	0.8
Jobseeker's Allowance	60	38	68	77	59	82	88	0.3
Incapacity Benefit	36	17	33	50	28	41	54	0.3
Child Tax Credit	21	11	24	36	21	34	45	7.6
Working Tax Credit	19	10	24	40	20	35	49	2.6
Income Support	57	18	52	74	45	75	87	1.5
Housing Benefit	54	18	50	70	47	74	85	2.1
Not in receipt of any state support listed above	5	9	13	18	14	17	22	4.3
Age of youngest child in family								
0 - 4	19	11	24	35	22	34	43	5.6
5 - 10	16	11	21	31	18	28	36	3.8
11 - 15	16	12	21	30	21	29	38	2.7
16 - 19	10	9	14	23	15	21	29	0.8
Tenure								
Owners	7	9	13	20	12	17	24	8.6
Owned outright	8	16	24	31	11	20	26	1.3
Buying with mortgage	6	7	12	18	12	17	24	7.3
Social rented sector tenants	45	19	46	65	35	58	72	2.7
All rented privately	25	13	26	41	40	54	63	1.6
Savings and investments								
No savings	34	17	37	53	33	50	61	5.1
Less than £1,500	14	9	18	29	17	27	38	2.7
£1,500 but less than £3,000	5	8	12	18	12	18	27	0.9
£3,000 but less than £8,000	2	5	7	12	8	11	16	1.5
£8,000 but less than £10,000	0	6	9	12	8	9	13	0.3
£10,000 but less than £16,000	1	7	10	14	9	12	16	0.7
£16,000 but less than £20,000	0	8	9	11	10	11	14	0.3
£20,000 or more	0	6	7	10	7	10	13	1.3
Household bills in arrears <sup>3</sup>								
No bills in arrears	11	9	18	26	16	24	32	10.6
One bill in arrears	40	19	42	56	37	58	69	0.9
Two or more bills in arrears	52	20	42	62	41	60	73	1.3
Region/Country (3-year average)								
England	17	12	22	33	21	31	40	10.8
North East	20	13	28	39	22	34	41	0.5
North West	21	13	26	39	22	33	43	1.5
Yorkshire and the Humber	19	12	26	37	20	31	41	1.1
East Midlands	19	13	25	35	19	30	40	0.9
West Midlands	21	15	29	41	24	36	45	1.2
East of England	11	9	16	25	17	26	34	1.2
London	19	13	22	34	29	39	46	1.6
Inner	23	15	27	39	32	44	51	0.6
Outer	17	11	20	30	27	37	43	1.0
South East	11	8	15	23	17	26	33	1.8
South West	14	10	17	28	18	26	35	1.0
Scotland	16	11	21	31	15	25	33	1.0
Wales	17	13	26	38	21	32	41	0.6
Northern Ireland	14	13	24	36	15	26	37	0.4
All children <sup>4</sup>								
	17	11	22	32	20	30	39	12.8

**Notes:**

1. A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. See Appendix 2 for further details.

2. The figures given for receipt of benefit/tax credit do not sum to 100 as they are not mutually exclusive groups since people can receive more than one benefit.

3. Figures relate to the number of children whose parent / guardian answered the questions on arrears, some children have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

4. The totals for all children are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

## 4 Children

**Table 4.7 (BHC): Quintile distribution of income for children by extent of their deprivation of items and services, United Kingdom**

Percentage of children <sup>1</sup>		Net equivalised disposable household income					Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
Outdoor space / facilities to play safely	Have this	78	84	90	94	96	87
	Don't have this	22	16	10	6	4	13
Enough bedrooms for every child 10 years or over and of a different gender	Child/ren has/have this	69	78	85	96	98	82
	Want but can't afford this	30	18	13	4	2	16
	Don't want or need; doesn't apply	1	4	2	0	1	2
Celebrations on special occasions	Child/ren has/have this	90	96	96	98	98	95
	Want but can't afford this	8	3	2	1	0	3
	Don't want or need; doesn't apply	2	1	1	2	2	2
Leisure equipment such as sports equipment or a bicycle	Child/ren has/have this	78	86	90	93	94	87
	Want but can't afford this	17	8	4	1	1	7
	Don't want or need; doesn't apply	6	6	6	6	5	6
At least one week's holiday away from home with family	Child/ren has/have this	34	49	68	80	92	61
	Want but can't afford this	60	47	27	15	4	35
	Don't want or need; doesn't apply	5	4	5	4	3	5
Hobby or leisure activity	Child/ren does/do this	66	74	79	85	86	77
	Would like to but can't afford this	15	9	5	1	0	7
	Don't want or need; doesn't apply	19	17	17	14	14	17
Swimming at least once a month	Child/ren does/do this	45	54	58	62	71	56
	Would like to but can't afford this	22	15	8	3	1	11
	Don't want or need; doesn't apply	33	31	34	35	28	32
Have friends round for tea or a snack once a fortnight	Child/ren does/do this	57	65	69	74	82	68
	Would like to but can't afford this	18	11	6	2	0	8
	Don't want or need; doesn't apply	25	24	26	25	17	24
Go on school trip at least once a term	Child/ren does/do this	82	88	91	95	97	89
	Would like to but can't afford this	12	6	4	1	0	5
	Don't want or need; doesn't apply	7	6	5	4	3	5
Go to a playgroup at least once a week	Child/ren does/do this	50	63	72	74	83	66
	Would like to but can't afford this	14	6	4	1	0	6
	Don't want or need; doesn't apply	36	31	24	25	17	28

**Notes:**

1. Percentages relate to the proportion of children whose parent / guardian answered the material deprivation questions, some children have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

2. Percentages may not sum to 100 per cent due to rounding.



**Table 4.7 (AHC): Quintile distribution of income for children by extent of their deprivation of items and services, United Kingdom**

Percentage of children <sup>1</sup>		Net equivalised disposable household income					Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
Outdoor space / facilities to play safely	Have this	79	85	90	95	96	87
	Don't have this	21	15	10	5	4	13
Enough bedrooms for every child 10 years or over and of a different gender	Child/ren has/have this	70	77	88	97	97	82
	Want but can't afford this	28	20	10	3	2	16
	Don't want or need; doesn't apply	2	3	2	0	1	2
Celebrations on special occasions	Child/ren has/have this	90	96	97	98	98	95
	Want but can't afford this	8	3	2	1	0	3
	Don't want or need; doesn't apply	2	2	1	1	2	2
Leisure equipment such as sports equipment or a bicycle	Child/ren has/have this	77	86	92	93	95	87
	Want but can't afford this	16	8	3	1	0	7
	Don't want or need; doesn't apply	6	6	5	5	5	6
At least one week's holiday away from home with family	Child/ren has/have this	36	49	71	81	92	61
	Want but can't afford this	59	47	24	14	4	35
	Don't want or need; doesn't apply	5	4	5	4	3	5
Hobby or leisure activity	Child/ren does/do this	64	75	81	85	87	77
	Would like to but can't afford this	15	9	3	1	0	7
	Don't want or need; doesn't apply	21	16	15	14	13	17
Swimming at least once a month	Child/ren does/do this	44	55	60	63	71	56
	Would like to but can't afford this	23	14	6	3	1	11
	Don't want or need; doesn't apply	34	31	34	35	27	32
Have friends round for tea or a snack once a fortnight	Child/ren does/do this	56	66	71	74	83	68
	Would like to but can't afford this	18	10	5	2	0	8
	Don't want or need; doesn't apply	27	23	24	25	17	24
Go on school trip at least once a term	Child/ren does/do this	81	89	92	94	97	89
	Would like to but can't afford this	13	5	3	1	0	5
	Don't want or need; doesn't apply	6	6	5	5	3	5
Go to a playgroup at least once a week	Child/ren does/do this	50	65	72	77	82	66
	Would like to but can't afford this	13	7	3	0	0	6
	Don't want or need; doesn't apply	36	29	25	23	17	28

**Notes:**

1. Percentages relate to the proportion of children whose parent / guardian answered the material deprivation questions, some children have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
2. Percentages may not sum to 100 per cent due to rounding.

## 4 Children

**Table 4.8 (BHC): Quintile distribution of income for children by extent of parental deprivation of items and services, United Kingdom**

Percentage of children <sup>1</sup>		Net equivalised disposable household income					Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
Money to decorate home	Adult/s has/have this	58	68	80	90	96	76
	Would like this but cannot afford it	36	27	16	7	3	20
	Don't want or need; doesn't apply	5	5	4	2	1	4
Hobby or leisure activity	Adult/s has/have this	41	49	57	71	76	56
	Would like this but cannot afford it	35	25	17	7	3	20
	Don't want or need; doesn't apply	24	26	26	22	21	24
Holiday away from home one week a year not with relatives	Adult/s does/do this	27	40	61	76	89	54
	Would like to but cannot afford it	69	55	34	20	6	41
	Don't want or need; doesn't apply	4	5	6	4	4	5
Home contents insurance	Adult/s has/have this	44	65	84	93	96	73
	Would like this but cannot afford it	44	25	10	3	1	19
	Don't want or need; doesn't apply	13	10	6	5	3	8
Friends round for drink / meal at least once a month	Adult/s has/have this	45	52	61	72	80	60
	Would like this but cannot afford it	34	25	16	6	3	19
	Don't want or need; doesn't apply	21	23	23	22	17	22
Make savings of 10 pounds a month or more	Adult/s does/do this	28	38	58	74	86	53
	Would like to but cannot afford it	67	58	38	20	10	43
	Don't want or need; doesn't apply	5	5	5	5	4	5
Two pairs of all weather shoes for each adult	Adult/s has/have this	78	85	91	96	99	88
	Would like this but cannot afford it	21	13	7	3	0	10
	Don't want or need; doesn't apply	2	2	2	1	1	1
Replace worn out furniture	Adult/s does/do this	32	42	58	77	84	55
	Would like to but cannot afford it	56	45	28	13	8	33
	Don't want or need; doesn't apply	12	13	13	10	8	12
Replace broken electrical goods	Adult/s does/do this	44	56	73	86	93	67
	Would like to but cannot afford it	46	34	17	8	2	25
	Don't want or need; doesn't apply	10	10	9	6	4	8
Money to spend on self each week	Adult/s has/have this	39	50	65	83	89	62
	Would like this but cannot afford it	58	47	33	14	8	35
	Don't want or need; doesn't apply	3	3	3	3	3	3
Keep house warm	Adult/s does/do this	75	84	91	96	98	87
	Would like to but cannot afford it	25	15	9	3	2	12
	Don't want or need; doesn't apply	1	1	1	1	0	1

**Notes:**

1. Percentages relate to the proportion of children whose parent / guardian answered the material deprivation questions, some children have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

2. Percentages may not sum to 100 per cent due to rounding.

**Table 4.8 (AHC): Quintile distribution of income for children by extent of parental deprivation of items and services, United Kingdom**

Percentage of children <sup>1</sup>		Net equivalised disposable household income					Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
Money to decorate home	Adult/s has/have this	58	69	82	91	97	76
	Would like this but cannot afford it	35	27	14	7	2	20
	Don't want or need; doesn't apply	7	4	3	2	1	4
Hobby or leisure activity	Adult/s has/have this	41	49	60	70	77	56
	Would like this but cannot afford it	35	24	15	8	3	20
	Don't want or need; doesn't apply	24	26	26	22	20	24
Holiday away from home one week a year not with relatives	Adult/s does/do this	28	41	64	78	90	54
	Would like to but cannot afford it	68	54	31	19	6	41
	Don't want or need; doesn't apply	5	5	5	4	4	5
Home contents insurance	Adult/s has/have this	43	67	86	95	96	73
	Would like this but cannot afford it	42	24	8	2	1	19
	Don't want or need; doesn't apply	14	8	6	3	2	8
Friends round for drink / meal at least once a month	Adult/s has/have this	46	53	63	71	81	60
	Would like this but cannot afford it	34	24	14	6	2	19
	Don't want or need; doesn't apply	20	23	23	24	17	22
Make savings of 10 pounds a month or more	Adult/s does/do this	27	40	61	74	89	53
	Would like to but cannot afford it	68	56	35	20	7	43
	Don't want or need; doesn't apply	5	4	5	5	4	5
Two pairs of all weather shoes for each adult	Adult/s has/have this	78	85	93	97	99	88
	Would like this but cannot afford it	21	13	6	2	1	10
	Don't want or need; doesn't apply	2	2	1	1	1	1
Replace worn out furniture	Adult/s does/do this	31	44	61	77	86	55
	Would like to but cannot afford it	56	44	26	13	6	33
	Don't want or need; doesn't apply	14	12	13	9	8	12
Replace broken electrical goods	Adult/s does/do this	42	59	76	87	94	67
	Would like to but cannot afford it	46	32	15	8	2	25
	Don't want or need; doesn't apply	12	8	9	5	4	8
Money to spend on self each week	Adult/s has/have this	40	51	69	83	90	62
	Would like this but cannot afford it	58	46	29	14	7	35
	Don't want or need; doesn't apply	3	4	2	4	3	3
Keep house warm	Adult/s does/do this	75	85	92	96	98	87
	Would like to but cannot afford it	24	15	7	4	1	12
	Don't want or need; doesn't apply	1	0	1	0	0	1

**Notes:**

1. Percentages relate to the proportion of children whose parent / guardian answered the material deprivation questions, some children have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
2. Percentages may not sum to 100 per cent due to rounding.

## 4 Children

Table 4.1tr: Percentage of children falling below various thresholds of contemporary median income, United Kingdom<sup>1,2</sup>

Percentage of children		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK) <sup>4</sup>	1979	6	13	23	7	14	25
	1981	8	19	29	11	21	30
	1987	10	23	33	16	27	36
	1988/89	15	25	33	19	27	36
	1990/91	18	27	35	23	31	39
	1991/92	17	28	36	24	32	40
	1992/93	17	29	38	24	34	41
	1993/95	16	28	36	23	33	39
	1994/96	15	27	36	24	33	39
	1995/97	15	29	38	26	35	42
FRS (GB)	1994/95	12	25	35	21	33	40
	1995/96	11	24	35	21	33	41
	1996/97	14	27	36	25	34	42
	1997/98	14	27	37	25	33	41
FRS (UK)	1998/99	14	26	36	24	34	41
	1999/00	13	26	37	23	33	41
	2000/01	12	23	34	21	31	40
	2001/02	11	23	35	20	31	39
	2002/03	11	23	34	20	30	38
	2003/04	11	22	33	19	29	37
	2004/05	11	21	33	18	28	38
	2005/06	11	22	33	19	30	38
	2006/07	12	22	33	20	30	39
	2007/08	12	23	33	21	31	39
Change	1998/99-2008/09 <sup>2,3</sup>	-3	-4	-4	-4	-4	-2
	2007/08-2008/09 <sup>2,3</sup>	-1	-1	-1	-1	-1	-1

### Notes:

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.
2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.
3. Due to rounding, the estimates of change in percentages of children below low-income thresholds may not equal the difference between the total percentage of children below thresholds for any pair of years shown.
4. FES figures have seen revisions since their publication in the last (2007/08) HBAI report. This is due to methodological improvements.

Table 4.2tr: Percentage of children falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>

Percentage of children		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	21	38	55	24	41	58
	1981	27	43	58	30	46	60
	1987	23	34	45	27	39	49
	1988/89	21	31	40	25	34	44
	1990/91	23	32	41	27	36	45
	1991/92	23	32	41	28	37	45
	1992/93	23	33	41	29	38	45
	1993/95	20	31	40	28	36	43
	1994/96	18	29	38	27	35	42
	1995/97	17	30	39	28	36	44
FRS (GB)	1994/95	17	30	40	28	37	45
	1995/96	16	29	40	27	37	46
	1996/97	16	29	38	27	36	44
	1997/98	15	28	38	26	34	42
FRS (UK)	1998/99	14	26	36	24	34	41
	1999/00	11	23	34	21	31	39
	2000/01	9	19	30	16	27	35
	2001/02	7	15	27	13	23	32
	2002/03	7	14	25	11	21	29
	2003/04	7	14	24	11	20	28
	2004/05	7	13	23	11	18	27
	2005/06	7	13	23	11	19	27
	2006/07	8	13	23	12	19	27
	2007/08	7	13	23	12	19	28
Change	1998/99-2008/09 <sup>2,3</sup>	-7	-14	-15	-12	-15	-14
	2007/08-2008/09 <sup>2,3</sup>	-1	-1	-1	0	-1	-1

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages of children below low-income thresholds may not equal the difference between the total percentage of children below thresholds for any pair of years shown.

## 4 Children

**Table 4.3tr: Number of children falling below various thresholds of contemporary median income, United Kingdom<sup>1,2</sup>**

Number of children (millions)		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%

Table 4.4tr: Number of children falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>

Number of children (millions)		Source: FES/FRS						
		Before Housing Costs			After Housing Costs			All children
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK)	1979	2.8	5.2	7.5	3.3	5.7	8.0	13.8
	1981	3.7	5.8	7.8	4.1	6.2	8.1	13.6
	1987	2.8	4.2	5.5	3.4	4.8	6.1	12.4
	1988/89	2.6	3.8	5.0	3.1	4.2	5.4	12.5
	1990/91	2.9	4.0	5.1	3.4	4.6	5.7	12.5
	1991/92	2.9	4.1	5.2	3.5	4.7	5.7	12.7
	1992/93	2.9	4.3	5.4	3.8	4.9	5.9	13.0
	1993/95	2.6	4.1	5.2	3.7	4.7	5.7	13.2
	1994/96	2.3	3.9	5.1	3.6	4.7	5.6	13.3
	1995/97	2.3	4.0	5.2	3.7	4.8	5.8	13.3
FRS (GB)	1994/95	2.1	3.8	5.1	3.5	4.7	5.7	12.6
	1995/96	2.0	3.7	5.1	3.5	4.7	5.8	12.7
	1996/97	2.0	3.7	4.9	3.4	4.6	5.6	12.7
	1997/98	1.9	3.5	4.8	3.3	4.4	5.3	12.7
FRS (UK)	1998/99	1.8	3.4	4.8	3.1	4.4	5.4	13.1
	1999/00	1.5	3.1	4.5	2.7	4.1	5.1	13.2
	2000/01	1.2	2.5	3.9	2.1	3.6	4.6	13.1
	2001/02	0.9	2.0	3.5	1.6	3.0	4.2	13.1
	2002/03	0.9	1.8	3.2	1.5	2.7	3.8	13.0
	2003/04	0.9	1.8	3.1	1.5	2.5	3.6	13.0
	2004/05	0.9	1.7	2.9	1.4	2.3	3.4	12.9
	2005/06	0.9	1.6	2.9	1.4	2.4	3.4	12.8
	2006/07	1.0	1.7	2.9	1.5	2.5	3.5	12.8
	2007/08	1.0	1.7	2.9	1.5	2.5	3.6	12.8
	2008/09	0.9	1.6	2.7	1.5	2.4	3.4	12.8
Change	1998/99-2008/09 <sup>2,3</sup>	-0.9	-1.9	-2.0	-1.6	-2.0	-2.0	-0.3
	2007/08-2008/09 <sup>2,3</sup>	-0.1	-0.1	-0.2	0.0	-0.1	-0.1	0.0

## 4 Children

**Table 4.5tr: Percentage and number of children falling below thresholds of low income and material deprivation<sup>1</sup>, United Kingdom<sup>2,4</sup>**

		Source: FRS		
		Percentage	Number (millions)	All children
FRS (UK)	2004/05	17	2.2	12.9
	2005/06	16	2.1	12.8
	2006/07	16	2.0	12.8
	2007/08	17	2.2	12.8
	2008/09	17	2.2	12.8
Change	2007/08-2008/09 <sup>2,3</sup>	0	0.0	0.0

**Notes:**

1. A family is in low income and material deprivation if they have a material deprivation score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. See Appendix 2 for further details.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages and numbers of children below low-income thresholds may not equal the difference between the total percentage and total number of children below thresholds for any pair of years shown.

4. The calculation methodology for the material deprivation prevalence weights has been changed to be calculated using survey year weights rather than using 2004/05 fixed weights, see Appendix 2 for more details.



Table 4.1ts: Population of children by family type and economic status of the family, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of children whose family type is: (millions)</b>															
Lone parent:	2.6	2.7	2.7	2.8	2.9	3.1	3.1	3.1	3.2	3.2	3.1	3.2	3.2	3.1	3.1
In full-time work	0.4	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.6	0.7	0.7
In part-time work	0.4	0.4	0.5	0.6	0.6	0.7	0.7	0.8	0.9	0.8	0.9	0.9	0.9	0.9	0.8
Not working	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.7	1.7	1.7	1.6	1.7	1.6	1.6	1.5
Couple with children:	10.1	10.0	10.0	9.9	9.8	9.6	9.6	9.5	9.8	9.8	9.7	9.6	9.7	9.8	9.7
Self-employed	1.8	1.8	1.6	1.5	1.5	1.5	1.4	1.5	1.5	1.4	1.6	1.5	1.6	1.6	1.5
Both in full-time work	1.4	1.5	1.5	1.5	1.4	1.5	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.7	1.6
One in full-time work, one in part-time work	2.7	2.6	2.9	3.1	3.2	3.1	3.0	2.9	3.0	2.9	3.0	3.0	2.9	2.9	2.9
One in full-time work, one not working	2.5	2.4	2.4	2.4	2.3	2.2	2.3	2.2	2.3	2.4	2.3	2.2	2.3	2.3	2.4
One or more in part-time work	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.6	0.7
Both not in work	1.2	1.3	1.2	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.6	0.8	0.7
<b>All children (millions)</b>	<b>12.6</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.6</b>	<b>13.0</b>	<b>13.0</b>	<b>12.9</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>
<b>Percentage of children whose family type is:</b>															
Lone parent:	21	21	21	22	23	24	24	25	25	24	24	25	25	24	24
In full-time work	3	4	3	4	4	5	5	5	5	5	5	5	5	5	6
In part-time work	3	3	4	5	5	5	5	6	7	6	7	7	7	7	7
Not working	14	14	14	14	14	14	14	14	13	13	13	13	13	12	12
Couple with children:	79	79	79	78	77	76	76	75	75	76	76	75	75	76	76
Self-employed	14	14	13	12	11	11	11	12	11	11	12	12	12	12	11
Both in full-time work	11	12	12	12	11	12	13	13	13	13	12	12	13	13	12
One in full-time work, one in part-time work	21	21	23	24	25	24	24	23	23	22	24	23	22	22	23
One in full-time work, one not working	20	19	19	19	18	17	18	18	18	18	18	17	18	18	18
One or more in part-time work	3	3	4	4	4	4	4	4	4	5	4	5	5	5	6
Both not in work	10	10	9	8	7	7	6	6	6	7	6	6	5	6	5
<b>All children (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 4.2ts: Population of children by economic status of household<sup>1</sup>, United Kingdom<sup>2</sup>

	Source: FRS														
	94/95 <sup>3</sup>	95/96 <sup>3</sup>	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of children by economic status of household: (millions)</b>															
All adults in work	..	..	6.6	7.0	7.1	7.1	7.2	7.2	7.5	7.2	7.3	7.3	7.2	7.3	7.3
At least one adult in work, but not all	..	..	3.4	3.3	3.2	3.2	3.2	3.2	3.3	3.5	3.4	3.4	3.6	3.5	3.5
Workless households	..	..	2.7	2.4	2.4	2.4	2.3	2.2	2.2	2.2	2.1	2.1	2.0	2.0	1.9
<b>All children (millions)</b>	12.6	12.7	12.7	12.7	12.7	12.7	12.7	12.6	13.0	13.0	12.9	12.8	12.8	12.8	12.8
<b>Percentage of children by economic status of household:</b>															
All adults in work	..	..	52	55	56	56	57	57	57	56	57	57	56	57	57
At least one adult in work, but not all	..	..	26	26	25	25	25	25	26	27	27	27	28	27	28
Workless households	..	..	21	19	19	19	18	18	17	17	16	16	15	16	15
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children only live with pensioners, the status of all adults is included in the analysis.

2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

3. Data on economic status of the household is not available on a consistent basis for earlier years.

4. Percentages may not sum to 100 per cent due to rounding.

Table 4.3ts: Population of children by region and country, United Kingdom<sup>1</sup>

	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Number of children whose region/country is: (3-year average, millions)</b>													
England	10.9	11.0	11.0	11.0	11.0	11.0	10.9	10.9	10.8	10.8	10.8	10.8	10.8
North East	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
North West	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Yorkshire and the Humber	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
East Midlands	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
West Midlands	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
East of England	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
London	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
South East	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.8	1.8
South West	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Scotland	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Wales	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Northern Ireland	..	..	..	..	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>All children (millions)<sup>2</sup></b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>13.1</b>	<b>13.1</b>	<b>13.1</b>	<b>13.0</b>	<b>12.9</b>	<b>12.9</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>
<b>Percentage of children whose region/country is: (3-year average)</b>													
England	86	86	86	86	84	84	84	84	84	84	84	84	84
North East	5	5	5	5	4	4	4	4	4	4	4	4	4
North West	13	12	12	12	12	12	12	12	12	12	12	12	11
Yorkshire and the Humber	9	9	9	9	9	9	9	9	9	9	9	9	9
East Midlands	7	7	7	7	7	7	7	7	7	7	7	7	7
West Midlands	10	10	10	10	9	9	9	9	9	9	9	9	9
East of England	9	9	9	9	9	9	9	9	9	9	9	9	9
London	12	12	13	13	12	12	12	12	12	12	12	12	12
South East	14	14	14	14	13	13	13	13	14	14	14	14	14
South West	8	8	8	8	8	8	8	8	8	8	8	8	8
Scotland	9	9	9	9	8	8	8	8	8	8	8	8	8
Wales	5	5	5	5	5	5	5	5	5	5	5	5	5
Northern Ireland	..	..	..	..	3	3	3	3	3	3	3	3	3
<b>All children (per cent)<sup>2</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.
- Percentages may not sum to 100 per cent due to rounding.

Table 4.4ts: Population of children by number of children in the family, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of children by number of children in the family: (millions)</b>															
One child	2.9	2.9	3.0	2.9	2.9	2.9	2.9	2.9	3.1	3.1	3.3	3.3	3.4	3.4	3.6
Two children	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.7	5.9	5.7	5.7	5.7	5.7	5.8	5.8
Three or more children	4.1	4.1	4.1	4.2	4.1	4.2	4.1	4.0	4.1	4.2	3.9	3.8	3.7	3.6	3.4
<b>All children (millions)</b>	<b>12.6</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.6</b>	<b>13.0</b>	<b>13.0</b>	<b>12.9</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>
<b>Percentage of children by number of children in the family:</b>															
One child	23	23	23	23	23	23	23	23	24	24	25	26	26	27	28
Two children	45	45	44	44	44	44	44	45	45	44	45	45	45	45	45
Three or more children	32	32	32	33	33	33	33	32	31	32	30	30	29	28	27
<b>All children (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 4.5ts: Composition of children living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the family, United Kingdom<sup>1</sup>

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Lone parent:	35	34	39	40	40	43	43	43	43	42	43	40	40	38	38
In full-time work	1	1	1	1	1	2	2	2	2	2	2	2	2	2	3
In part-time work	3	2	4	5	6	5	5	6	6	6	6	5	6	6	6
Not working	31	30	34	34	33	36	37	35	35	34	34	33	32	30	29
Couple with children:	65	66	61	60	60	57	57	57	57	58	57	60	60	62	62
Self-employed	16	15	10	12	11	11	11	12	11	11	14	15	13	12	11
Both in full-time work	0	0	0	1	0	0	1	0	1	1	1	1	1	1	1
One in full-time work, one in part-time work	2	3	3	4	4	3	3	4	3	3	4	5	3	4	4
One in full-time work, one not working	13	12	15	14	15	15	14	12	13	13	13	13	16	14	16
One or more in part-time work	6	6	8	8	9	10	9	10	10	11	9	9	11	11	14
Both not in work	28	30	24	21	20	17	18	18	19	19	18	17	15	19	16
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
Lone parent:	39	39	42	42	43	45	45	46	45	44	45	42	42	40	40
In full-time work	1	2	2	2	2	2	2	2	3	2	3	2	2	4	4
In part-time work	4	3	5	6	7	7	6	8	8	7	8	7	8	7	6
Not working	34	34	36	35	34	37	37	36	34	35	34	33	32	29	29
Couple with children:	61	61	58	58	57	55	55	54	55	56	55	58	58	60	60
Self-employed	14	12	10	11	10	10	11	11	10	10	12	13	12	12	11
Both in full-time work	0	0	1	1	0	1	1	1	1	1	1	1	2	1	1
One in full-time work, one in part-time work	3	4	4	5	5	5	5	5	4	4	5	6	5	6	5
One in full-time work, one not working	14	13	15	15	16	15	16	13	15	14	14	15	18	17	18
One or more in part-time work	5	5	7	7	7	8	8	8	8	9	8	8	9	9	11
Both not in work	25	26	21	19	18	16	15	16	16	18	16	15	13	16	14
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 4.6ts: Composition of children living in households with less than 60 per cent of contemporary median household income, by economic status of household<sup>1</sup>, United Kingdom<sup>2</sup>

Percentage of children	Source: FRS														
	94/95 <sup>3</sup>	95/96 <sup>3</sup>	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
All adults in work	..	..	16	20	20	19	19	22	20	19	22	21	20	20	20
At least one adult in work, but not all	..	..	29	30	31	32	31	29	31	32	31	34	37	37	39
Workless households	..	..	55	50	49	50	50	49	49	49	47	45	43	43	41
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
All adults in work	..	..	18	22	23	22	23	24	23	21	24	24	24	24	24
At least one adult in work, but not all	..	..	28	29	30	30	30	27	30	31	30	33	36	35	37
Workless households	..	..	54	49	47	48	47	48	46	49	46	43	41	41	39
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children only live with pensioners, the status of all adults is included in the analysis.

2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

3. Data on economic status of the household is not available on a consistent basis for earlier years.

4. Percentages may not sum to 100 per cent due to rounding.

Table 4.7ts: Composition of children living in households with less than 60 per cent of contemporary median household income, by number of children in family, United Kingdom<sup>1</sup>

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One child	15	15	16	15	15	17	18	19	20	20	20	22	21	21	24
Two children	36	35	34	37	34	36	36	36	37	38	38	38	36	38	38
Three or more children	49	50	50	49	50	47	46	45	44	42	41	41	43	41	38
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
One child	19	18	19	17	18	19	19	20	21	22	22	23	23	23	25
Two children	36	36	35	38	37	36	36	36	38	38	39	39	37	39	40
Three or more children	45	45	46	45	45	45	44	43	41	40	39	38	40	38	35
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

**Table 4.8ts: Composition of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type and economic status of the family, United Kingdom<sup>1</sup>**

Percentage of children															Source: FRS
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Before Housing Costs															
Lone parent:	36	36	39	40	40	43	42	39	39	38	38	33	36	35	32
In full-time work	1	1	2	1	1	2	1	2	3	1	2	1	1	3	3
In part-time work	3	3	4	5	6	5	5	6	6	6	5	4	5	5	4
Not working	32	31	33	34	33	36	36	31	31	31	31	28	29	27	25
Couple with children:	64	64	61	60	60	57	58	61	61	62	62	67	64	65	68
Self-employed	15	13	11	12	11	11	12	15	13	14	16	19	16	14	15
Both in full-time work	0	0	0	1	0	0	1	0	0	1	1	1	1	1	1
One in full-time work, one in part-time work	3	4	4	4	4	3	2	4	3	3	4	4	3	2	5
One in full-time work, one not working	15	13	16	15	15	14	13	10	10	11	10	11	13	12	12
One or more in part-time work	5	6	7	8	9	11	10	12	11	12	11	11	12	13	16
Both not in work	26	27	23	20	20	18	20	21	23	21	20	21	18	22	18
All children (per cent)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
After Housing Costs															
Lone parent:	38	38	41	42	43	46	47	47	47	44	43	40	40	39	37
In full-time work	2	2	2	2	2	2	2	2	3	2	2	2	2	3	4
In part-time work	4	4	5	6	7	6	5	7	7	6	7	6	6	6	5
Not working	32	32	34	34	34	38	40	38	37	36	35	33	32	30	28
Couple with children:	62	62	59	58	57	54	53	53	53	56	57	60	60	61	63
Self-employed	13	12	10	11	10	10	11	12	10	11	14	17	13	14	12
Both in full-time work	0	1	1	1	0	1	1	0	1	1	1	1	1	1	1
One in full-time work, one in part-time work	4	4	5	5	5	4	4	4	3	4	4	5	4	4	5
One in full-time work, one not working	16	14	16	15	16	15	13	11	11	11	12	11	15	14	16
One or more in part-time work	5	5	7	7	7	9	8	9	9	10	8	9	11	10	13
Both not in work	23	24	21	18	18	16	16	18	20	19	18	17	16	18	15
All children (per cent)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.



**Table 4.9ts: Composition of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of household<sup>1</sup>, United Kingdom<sup>2</sup>**

Percentage of children	Source: FRS														
	94/95 <sup>3</sup>	95/96 <sup>3</sup>	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
All adults in work	..	..	17	20	20	18	18	24	20	20	22	20	20	19	23
At least one adult in work, but not all	..	..	30	30	31	31	31	30	32	33	34	37	38	38	39
Workless households	..	..	53	50	49	50	51	47	49	47	45	43	42	43	38
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
All adults in work	..	..	19	23	23	21	21	22	21	19	22	22	21	22	23
At least one adult in work, but not all	..	..	29	29	30	30	28	26	27	30	30	33	36	35	38
Workless households	..	..	52	48	47	49	51	52	52	51	48	45	43	43	39
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children only live with pensioners, the status of all adults is included in the analysis.

2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

3. Data on economic status of the household is not available on a consistent basis for earlier years.

4. Percentages may not sum to 100 per cent due to rounding.

**Table 4.10ts: Composition of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by number of children in family, United Kingdom<sup>1</sup>**

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One child	16	16	16	15	15	17	18	20	21	21	21	22	22	21	26
Two children	36	36	34	37	34	35	35	37	36	37	38	40	35	37	38
Three or more children	47	48	50	48	50	48	47	43	42	42	41	38	44	42	36
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
One child	18	18	19	17	18	19	20	22	24	24	26	26	26	25	30
Two children	37	37	35	38	37	36	36	39	38	38	38	38	35	38	39
Three or more children	45	45	46	44	45	45	44	39	39	38	37	35	39	37	31
<b>All children (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 4.11ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the family, United Kingdom<sup>1</sup>

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Lone parent:	43	38	49	49	46	46	41	41	40	38	37	35	37	36	34
In full-time work	10	8	11	11	9	10	8	9	11	7	10	7	7	10	12
In part-time work	20	17	27	28	29	26	21	25	22	20	20	17	19	22	19
Not working	57	51	64	67	63	65	62	59	61	59	57	56	58	55	54
Couple with children:	21	20	21	21	20	19	17	17	17	17	16	18	18	18	18
Self-employed	28	25	22	27	25	25	24	23	22	23	24	28	23	23	22
Both in full-time work	1	1	1	2	1	1	1	1	1	2	1	1	2	2	1
One in full-time work, one in part-time work	3	3	4	4	5	4	3	4	3	3	4	4	3	4	4
One in full-time work, one not working	16	15	22	21	22	22	19	16	17	16	15	17	20	18	19
One or more in part-time work	52	45	53	57	52	61	49	54	52	50	42	44	47	54	53
Both not in work	73	68	71	73	74	68	66	71	71	64	62	64	68	68	64
<b>All children (per cent)</b>	25	24	27	27	26	26	23	23	23	22	21	22	22	23	22
<b>After Housing Costs</b>															
Lone parent:	62	61	67	64	64	62	58	58	55	52	52	50	52	52	50
In full-time work	13	15	16	14	16	16	15	13	18	10	15	14	16	22	21
In part-time work	33	31	44	42	50	41	35	40	36	30	32	30	33	32	29
Not working	81	81	86	84	83	84	82	81	80	78	76	75	77	75	75
Couple with children:	25	25	25	25	25	24	22	22	22	21	21	23	23	25	24
Self-employed	32	30	28	30	31	29	31	29	25	26	28	33	30	31	30
Both in full-time work	1	1	2	2	1	2	2	1	3	3	2	2	4	3	3
One in full-time work, one in part-time work	4	6	6	6	7	6	6	7	6	5	6	7	6	8	7
One in full-time work, one not working	23	22	28	27	30	28	27	23	25	22	23	26	30	29	29
One or more in part-time work	57	53	61	64	58	65	56	61	59	57	48	53	54	61	60
Both not in work	83	82	79	82	83	79	74	81	80	77	74	74	77	79	75
<b>All children (per cent)</b>	33	33	34	33	34	33	31	31	30	29	28	30	30	31	30

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 4.12ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by economic status of household<sup>1</sup>, United Kingdom<sup>2</sup>

Percentage of children	Source: FRS														
	94/95 <sup>3</sup>	95/96 <sup>3</sup>	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
All adults in work	..	..	8	10	9	8	8	9	8	8	8	8	8	8	8
At least one adult in work, but not all	..	..	29	31	32	32	28	26	27	27	25	28	29	30	31
Workless households	..	..	69	71	68	69	65	64	65	63	60	60	63	61	59
<b>All children (per cent)</b>	25	24	27	27	26	26	23	23	23	22	21	22	22	23	22
<b>After Housing Costs</b>															
All adults in work	..	..	12	13	14	13	12	13	12	11	12	12	13	13	13
At least one adult in work, but not all	..	..	36	37	40	39	37	33	35	33	32	37	39	39	40
Workless households	..	..	86	86	85	85	82	84	82	81	78	78	81	80	78
<b>All children (per cent)</b>	33	33	34	33	34	33	31	31	30	29	28	30	30	31	30

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children only live with pensioners, the status of all adults is included in the analysis.

2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

3. Data on economic status of the household is not available on a consistent basis for earlier years.

Table 4.13ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by region and country, United Kingdom<sup>1</sup>

Percentage of children													Source: FRS
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	25	25	26	26	24	23	22	22	22	22	22	22	22
North East	32	33	35	34	34	30	32	30	31	28	28	28	28
North West	29	30	33	32	30	27	26	26	24	24	25	27	26
Yorkshire and the Humber	31	30	32	32	30	29	27	26	25	25	25	26	26
East Midlands	26	25	25	24	26	25	26	24	23	23	24	26	25
West Midlands	27	29	28	28	27	28	26	26	25	26	26	27	29
East of England	19	19	20	19	17	16	15	15	15	16	15	15	16
London	25	26	27	27	27	26	25	26	27	26	25	23	22
South East	17	17	17	16	15	15	14	13	13	13	15	15	15
South West	21	21	23	24	22	20	19	18	18	17	17	18	17
Scotland	29	29	29	29	28	27	26	25	23	22	21	21	21
Wales	29	31	30	30	29	28	28	27	26	24	25	27	26
Northern Ireland	..	..	..	..	29	28	26	26	25	25	24	24	24
<b>All children (per cent)<sup>2</sup></b>	25	26	27	26	25	24	23	23	22	22	22	22	22
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	33	33	34	33	33	31	30	30	29	29	30	31	31
North East	37	38	40	40	39	35	36	33	34	32	33	33	34
North West	36	36	39	38	37	35	33	32	30	31	31	34	33
Yorkshire and the Humber	35	35	36	36	35	33	32	32	31	30	29	30	31
East Midlands	31	30	30	30	30	29	29	28	28	27	29	30	30
West Midlands	33	34	34	33	34	34	34	32	31	32	33	35	36
East of England	29	27	28	27	26	24	23	23	23	24	25	26	26
London	41	42	42	42	41	40	39	38	40	41	41	39	39
South East	27	26	26	25	24	24	23	22	22	22	25	26	26
South West	31	31	32	31	30	29	28	28	26	26	26	27	26
Scotland	32	32	32	31	32	32	30	28	26	25	25	24	25
Wales	36	37	36	36	35	34	34	32	31	28	29	32	32
Northern Ireland	..	..	..	..	30	29	28	28	27	27	26	26	26
<b>All children (per cent)<sup>2</sup></b>	33	33	34	33	33	31	30	30	29	29	30	30	31

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

Table 4.14ts: Number of children living in households with less than 60 per cent of contemporary median household income, by region and country, United Kingdom<sup>1</sup>

Number of children	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	2.7	2.7	2.9	2.8	2.7	2.6	2.4	2.4	2.3	2.3	2.3	2.4	2.4
North East	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
North West	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Yorkshire and the Humber	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
East Midlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
West Midlands	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
East of England	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
London	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
South East	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3
South West	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Scotland	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Wales	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All children (per cent)<sup>2</sup></b>	3.2	3.3	3.4	3.3	3.3	3.2	3.0	2.9	2.9	2.8	2.8	2.9	2.9
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	3.6	3.6	3.7	3.7	3.6	3.4	3.3	3.2	3.2	3.2	3.2	3.4	3.4
North East	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
North West	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Yorkshire and the Humber	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
East Midlands	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
West Midlands	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
East of England	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
London	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
South East	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
South West	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Scotland	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Wales	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All children (per cent)<sup>2</sup></b>	4.2	4.2	4.3	4.2	4.3	4.1	4.0	3.9	3.7	3.7	3.8	3.9	3.9

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

Table 4.15ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by number of children in family, United Kingdom<sup>1</sup>

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One child	17	16	18	17	17	19	18	19	19	19	17	19	18	18	19
Two children	20	18	20	22	20	21	19	18	18	19	18	18	18	19	18
Three or more children	39	37	42	40	40	37	33	33	31	29	30	30	33	33	31
<b>All children (per cent)</b>	25	24	27	27	26	26	23	23	23	22	21	22	22	23	22
<b>After Housing Costs</b>															
One child	27	26	28	25	26	26	26	27	27	26	25	27	27	26	27
Two children	26	27	27	29	28	27	26	25	25	25	25	26	25	27	27
Three or more children	46	46	48	45	47	45	42	42	39	36	37	38	42	43	40
<b>All children (per cent)</b>	33	33	34	33	34	33	31	31	30	29	28	30	30	31	30

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

**Table 4.16ts: Percentage of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type and economic status of the family, United Kingdom<sup>1</sup>**

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Lone parent:	53	50	53	51	46	41	33	24	22	22	20	17	19	19	17
In full-time work	12	11	14	11	9	9	5	6	7	4	7	3	3	8	7
In part-time work	28	26	31	29	29	22	16	15	12	14	10	8	10	10	8
Not working	69	66	68	69	63	59	49	34	34	32	31	27	30	30	26
Couple with children:	24	24	22	21	20	18	15	12	11	11	11	11	11	12	11
Self-employed	32	28	24	27	25	23	21	19	16	17	18	20	18	16	17
Both in full-time work	1	1	1	2	1	1	1	0	0	1	1	1	1	1	1
One in full-time work, one in part-time work	5	5	4	4	5	3	2	2	2	2	2	2	2	1	2
One in full-time work, one not working	22	21	25	22	22	18	14	9	8	8	7	8	10	9	8
One or more in part-time work	55	52	56	59	52	59	43	42	38	36	31	29	31	39	35
Both not in work	80	76	73	75	74	64	60	52	55	44	43	45	47	47	42
<b>All children (per cent)</b>	30	29	29	28	26	23	19	15	14	14	13	13	13	13	12
<b>After Housing Costs</b>															
Lone parent:	69	68	70	66	64	59	53	44	39	35	32	30	31	31	29
In full-time work	18	19	19	16	16	15	12	10	11	6	8	7	8	11	13
In part-time work	46	48	48	45	50	37	28	26	21	18	17	15	17	16	14
Not working	86	86	88	85	83	82	77	64	59	55	48	47	49	48	45
Couple with children:	29	29	27	25	25	22	19	16	15	15	13	15	15	16	15
Self-employed	36	33	29	31	31	28	27	23	19	20	20	26	21	22	20
Both in full-time work	1	3	2	2	1	2	2	1	1	1	1	1	2	2	2
One in full-time work, one in part-time work	7	8	7	7	7	5	4	4	2	3	3	4	3	4	5
One in full-time work, one not working	29	29	31	28	30	26	21	14	12	12	12	12	16	16	16
One or more in part-time work	62	60	65	65	58	63	51	49	45	43	34	37	41	43	42
Both not in work	88	86	82	83	83	75	70	70	68	57	54	53	59	55	50
<b>All children (per cent)</b>	37	37	36	34	34	31	27	23	21	20	18	19	19	19	19

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.



**Table 4.17ts: Percentage of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of household<sup>1</sup>, United Kingdom<sup>2</sup>**

Percentage of children															Source: FRS
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
All adults in work	..	..	10	10	9	8	6	6	5	5	5	4	5	5	5
At least one adult in work, but not all	..	..	32	32	32	29	23	18	17	17	16	18	18	19	17
Workless households	..	..	72	73	68	63	54	40	41	37	35	33	36	36	31
<b>All children (per cent)</b>	30	29	29	28	26	23	19	15	14	14	13	13	13	13	12
<b>After Housing Costs</b>															
All adults in work	..	..	13	14	14	11	10	9	7	7	7	7	7	7	7
At least one adult in work, but not all	..	..	40	38	40	36	30	24	22	22	20	23	24	25	26
Workless households	..	..	88	87	85	83	78	68	63	58	52	50	54	53	48
<b>All children (per cent)</b>	37	37	36	34	34	31	27	23	21	20	18	19	19	19	19

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For those households where children only live with pensioners, the status of all adults is included in the analysis.

2. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

3. Data on economic status of the household is not available on a consistent basis for earlier years.

Table 4.18ts: Percentage of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by region and country, United Kingdom<sup>1</sup>

Percentage of children	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	29	28	27	25	22	19	16	14	13	13	13	13	13
North East	37	36	35	33	30	24	22	19	17	15	14	14	14
North West	34	33	34	31	27	21	18	17	15	15	14	15	15
Yorkshire and the Humber	34	33	32	31	28	24	19	16	15	14	15	15	15
East Midlands	30	28	26	24	24	21	19	15	14	13	13	15	14
West Midlands	31	32	30	28	25	23	20	17	16	16	16	17	17
East of England	23	21	21	19	16	13	10	10	9	10	9	9	10
London	30	30	28	27	24	21	18	16	16	17	16	15	14
South East	20	19	18	16	14	12	9	8	8	9	10	10	9
South West	26	25	25	23	19	16	13	12	11	10	10	10	11
Scotland	33	33	31	28	25	21	18	16	15	13	12	12	12
Wales	35	34	31	30	27	22	18	14	14	13	14	15	15
Northern Ireland	..	..	..	..	27	22	19	17	16	15	14	13	14
<b>All children (per cent)<sup>2</sup></b>	29	29	28	26	23	19	16	14	14	13	13	13	13
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	37	36	35	33	31	27	24	21	20	19	19	20	20
North East	42	41	41	40	37	31	28	24	22	18	18	19	21
North West	40	39	40	37	34	28	25	22	20	20	20	21	20
Yorkshire and the Humber	38	37	37	36	33	28	24	21	19	17	17	18	19
East Midlands	36	33	31	29	28	25	23	20	19	18	18	19	18
West Midlands	36	37	35	33	32	29	26	23	20	20	20	22	22
East of England	32	29	29	27	24	21	18	16	15	15	15	15	16
London	44	44	43	42	39	37	33	31	30	30	29	27	27
South East	30	28	27	25	23	21	17	16	15	15	16	16	16
South West	35	34	33	31	28	24	21	19	16	15	16	17	17
Scotland	36	35	33	31	29	25	21	19	17	16	15	14	14
Wales	41	40	37	35	34	30	26	22	20	19	19	21	21
Northern Ireland	..	..	..	..	26	23	21	19	17	15	13	14	14
<b>All children (per cent)<sup>2</sup></b>	37	36	35	33	31	27	24	21	19	19	19	19	19

**Notes:**

1. Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.

2. The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

Table 4.19ts: Number of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by region and country, United Kingdom<sup>1</sup>

Number of children	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	3.1	3.1	3.0	2.8	2.4	2.1	1.7	1.5	1.4	1.4	1.4	1.4	1.4
North East	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
North West	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Yorkshire and the Humber	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
East Midlands	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
West Midlands	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
East of England	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
London	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
South East	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
South West	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Scotland	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Wales	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All children (per cent)<sup>2</sup></b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>3.3</b>	<b>3.0</b>	<b>2.5</b>	<b>2.1</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	4.0	3.9	3.8	3.6	3.4	3.0	2.6	2.3	2.1	2.1	2.1	2.1	2.1
North East	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
North West	0.6	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Yorkshire and the Humber	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
East Midlands	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
West Midlands	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.3	0.3
East of England	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
London	0.7	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4
South East	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
South West	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Scotland	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Wales	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All children (per cent)<sup>2</sup></b>	<b>4.7</b>	<b>4.6</b>	<b>4.4</b>	<b>4.2</b>	<b>4.0</b>	<b>3.5</b>	<b>3.1</b>	<b>2.7</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

**Table 4.20ts: Percentage of children living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by number of children in family, United Kingdom<sup>1</sup>**

Percentage of children	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
One child	22	21	20	18	17	17	15	13	13	12	11	11	11	11	12
Two children	24	23	22	23	20	19	15	12	11	12	11	11	10	11	10
Three or more children	44	44	45	41	40	34	28	21	19	18	18	17	20	20	17
<b>All children (per cent)</b>	30	29	29	28	26	23	19	15	14	14	13	13	13	13	12
<b>After Housing Costs</b>															
One child	30	30	30	26	26	25	24	22	21	20	18	19	19	18	20
Two children	30	31	29	30	28	25	22	20	17	17	15	16	15	16	16
Three or more children	52	52	51	46	47	43	37	28	25	23	22	22	26	26	22
<b>All children (per cent)</b>	37	37	36	34	34	31	27	23	21	20	18	19	19	19	19

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

# Chapter 5

## Working-age adults

- **Contemporary trends:** Over the period 1994/95 to 2008/09, there was little change in the percentage of working-age adults below various thresholds of contemporary median income although there was an increase in the number. Between 2007/08 and 2008/09, the number of working-age adults below 60 per cent contemporary median income rose on both a Before Housing Cost and an After Housing Cost basis.
- **Real trends:** There were marked falls over the period in the percentage and number of working-age adults below various low-income thresholds held constant in real-terms, although there has been little change since 2001/02.
- **Quintile distributions:** In 2008/09, working-age adults were more likely to be in the top two quintiles, and less likely to be in the bottom two quintiles of the income distribution than the population as a whole.
- **Family type:** Working-age adults with children were more likely to live in low-income households than their childless counterparts. This was particularly evident for singles with children, of whom around 70 per cent were in the bottom two quintiles.
- **Disability status:** Working-age adults in families containing one or more disabled people were more likely to live in low-income households if they were not in receipt of disability benefits.
- **Ethnicity:** Working-age adults living in households headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- **Educational attainment:** Working-age adults with no educational qualification were about twice as likely to live in low-income households as those with a qualification below degree level.

### Introduction

This chapter examines the position of working-age adults in the income distribution in 2008/09 and looks in more detail at how this might be linked to their family or household characteristics. High-level trends over time from 1994/95 onwards are also examined, with data for Great Britain from 1994/95 to 1997/98 and for the United Kingdom for some groups from 1998/99 to 2001/02 and for all groups from 2002/03 onwards.

Working-age adults are defined as all those adults below state pension age. This chapter includes results only for those individuals below state pension age. Thus, any partners above state pension age will be excluded from results in this chapter, but will be included in **Chapter 6** results for *pensioner couples*. This differs from **Chapter 3**, where both adults in a couple with one adult above state retirement age and one below are classified as a *pensioner couple*.

### The position of working-age adults in the overall income distribution

**Figure 5.1** compares the income distribution of working-age adults with and without children with that of the whole population for 2008/09. For working-age adults with children, the distribution was similar to that of the population as a whole. By comparison, those without children were skewed towards the top of the distribution. An explanation of how negative incomes can occur After Housing Costs and zero incomes Before Housing Costs is given in **Appendix 1**.

Figure 5.1 (BHC): Income distribution; all individuals and working-age adults with and without children by income band, 2008/09

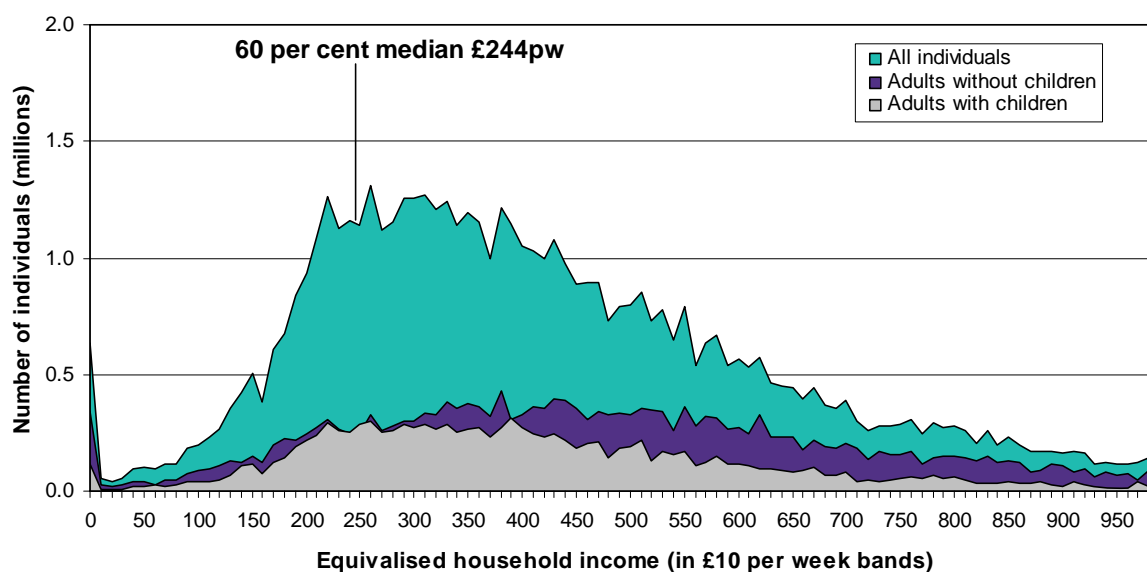
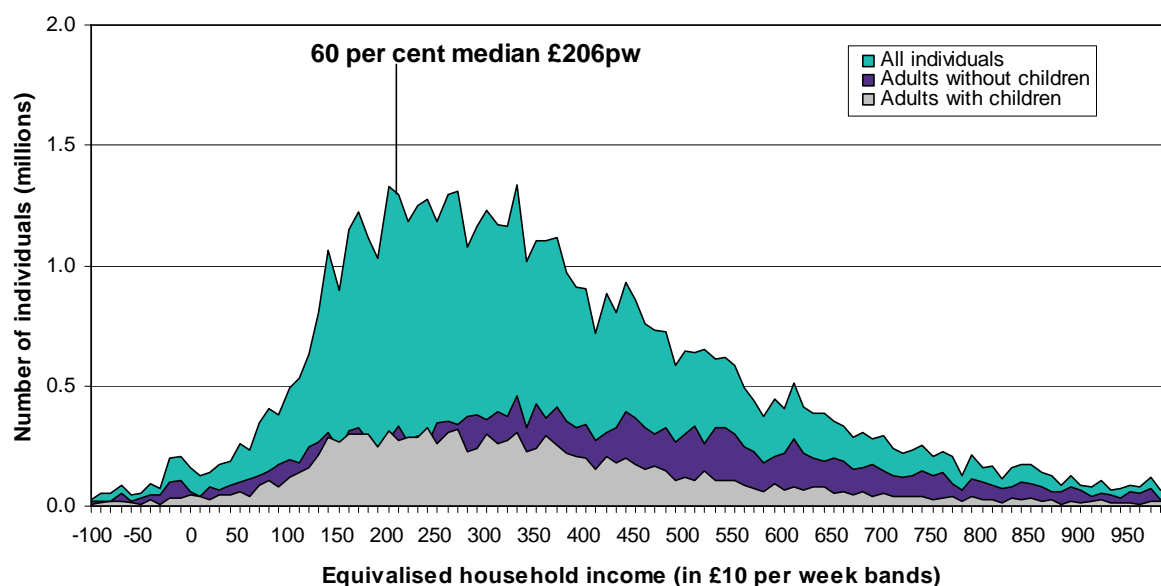


Figure 5.1 (AHC): Income distribution; all individuals and working-age adults with and without children by income band, 2008/09



Tables in this chapter are;

**5.1 Quintile distribution** of income by: economic status of adults in the family; economic status of household; family type; gender by number of adults in the family and work status.

**5.2 Quintile distribution** of income by: age of head of family; tenure; ethnic group (three-year average); region and country (three-year average).

**5.3 Quintile distribution** of income by: disability and receipt of disability benefits; state support received by family; savings and investments; household bills in arrears; educational attainment.

**5.4 – 5.6 Composition** of low-income groups with categories as outlined for **Tables 5.1 – 5.3**.

**5.7 – 5.9 Percentage** of low-income working-age adults falling into various categories as outlined in **Tables 5.1 – 5.3**.

**5.1tr – 5.4tr Trends over time** for headline figures for years covered by the Family Expenditure Survey (FES) and the Family Resources Survey (FRS). **Tables 5.1tr** and **5.2tr** show the percentage falling below various thresholds of contemporary median income and 1998/99 median income held constant in real terms respectively. **Tables 5.3tr** and **5.4tr** show the number for the same measures as outlined for **Tables 5.1tr** and **5.2tr**.

**5.1ts – 5.2ts Populations over time** **Tables 5.1ts** to **5.2ts** present populations over time by: family type; family type and economic status of the family.

## 5 Working-age adults

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**5.3ts – 5.4ts** **Composition** of working-age adults in households with incomes below 60 per cent of contemporary median income over time by: family type; family type and economic status of the family.

**5.5ts – 5.6ts** **Composition** of working-age adults in households with incomes below 60 per cent of 1998/99 median income held constant in real terms over time by the categories outlined for **Tables 5.3ts – 5.4ts**.

**5.7ts – 5.8ts** **Percentage** of working-age adults in households with incomes below 60 per cent of contemporary median income over time by the categories outlined for **Tables 5.3ts – 5.4ts**.

**5.9ts – 5.10ts** **Percentage** of working-age adults in households with incomes below 60 per cent of 1998/99 median income held constant in real terms over time by the categories outlined for **Tables 5.3ts – 5.4ts**.

### Definition of low income

‘Low income’ is defined using thresholds derived from percentages of median income for the whole population. Households reporting the lowest incomes may not have the lowest living standards. The bottom ten per cent of the income distribution should not, therefore, be interpreted as having the bottom ten per cent of living standards. This is a particular issue for lower thresholds of median income. To reflect this uncertainty in these tables, results for the 50 per cent of median threshold are presented in italics.

### ‘Workless, other inactive’ working-age adults

The ‘Workless, other inactive’ group consists of families in which all adults are economically inactive (i.e. where no adult is in work or unemployed). This includes working-age adults in receipt of sickness and disability benefits, who may have living standards lower than those implied by the results presented because of additional costs associated with their disability (for which no adjustment has been made here).

Please see **Appendix 1** for the full definitions of other economic status categories.

### Definition of ‘benefit units’ and ‘households’

A family, or benefit unit, is a single adult or a couple living as married, together with any dependent children. An adult living in the same household as his or her parents, for example, is a separate benefit unit from the parents.

A household is a single person or group of people living at the same address as their only or main residence, who either share one meal a day together, or share the



living accommodation (i.e. the living room). A household will consist of one or more benefit units.

For the analysis of working and workless households, households are classified according to whether they contain a working-age adult or pensioner who works, but the status of non-working pensioners is ignored.

## Gender

In any analysis of gender, it must be remembered that HBAI attempts to measure the living standards of an individual as determined by household income. This assumes that both partners in a couple benefit equally from the household's income, and will therefore appear at the same position in the income distribution. Any differences in figures can only be driven by gender differences for single adults, which will themselves be diluted by the figures for couples. The lower level gender disaggregation in the family type classification is therefore likely to be more informative.

Research has suggested that, particularly in low-income households, the above assumption with regard to income sharing is not always valid as men sometimes benefit at the expense of women from shared household income. This means that it is possible that HBAI results broken down by gender could understate differences between the two groups.

## Tenure

The separate council and housing association splits have been removed from this publication. This is because a significant number of housing association tenants wrongly report that they are council tenants. The most common reason for this is where their home used to be owned by the council and although ownership has now transferred to a housing association, the tenant still thinks that their landlord is the council (local authority).

Following a user consultation it was also decided to remove the rented unfurnished and rented furnished splits from these tables.

## Ethnicity

Working-age individuals have been classified according to the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person), which means that information about households of mixed composition is lost.

Estimates showing ethnic breakdowns are presented as three-year averages because of small sample sizes. However, the figures must still be treated with some

## 5 Working-age adults

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caution, as the sample sizes are still small for certain ethnic minority groups, especially in the case of households headed by a person of mixed ethnicity.

### Region and country

Disaggregation by geographical regions is presented in this chapter as three-year averages. This presentation has been used as single-year regional estimates are considered too volatile. Estimates for the UK, however, are shown as single-year estimates for the latest available year.

The three-year average approach employed in this chapter for the presentation of smaller geographic areas is consistent with the approach used for time series. It reduces year-on-year variation by smoothing out differences.

This issue was further discussed in **Appendix 5 of the 2004/05 HBAI publication**, where regional time series using three-year averages were presented.

Although the FRS sample is large enough to allow some analysis to be performed at a regional level, it should be noted that no adjustment has been made for regional cost of living differences, as the necessary data are not available. In the analysis here it is therefore assumed that there is no difference in the cost of living between regions, although the After Housing Costs measure will partly take into account differences in housing costs.

### Disability

For this analysis, disability is defined as having any long-standing illness, disability or impairment that leads to a substantial difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Disability Discrimination Act (DDA). However, some individuals classified as disabled under the DDA would not be captured by this definition.

No adjustment is made to disposable household income to take into account any additional costs that may be incurred due to the illness or disability in question. This means that the position in the income distribution of these groups, as shown here, may be somewhat upwardly biased.

### Pension provision

Following consultation with users, the questions on pension provision in the Family Resources Survey were changed in 2006/07 to try to provide more information on the type of private pension scheme and identify increasing participation within older age groups. However, problems were identified during analysis as some respondents reported dormant (closed) pension schemes memberships as if they were live pension scheme memberships with respondents making continuing

contributions. It has not been possible to identify and exclude all the dormant memberships on a consistent basis and the decision has been taken to withdraw estimates showing pension scheme membership by type of provision from **Tables 5.3, 5.6 and 5.9**.

## Savings and investments

The data relating to investments and savings should be treated with caution. Questions relating to investments are a sensitive section of the questionnaire and have the lowest response rate. A high proportion of respondents do not know the interest received on their investments. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the savings and the investment income.

## Bills in arrears

The number of bills in arrears is presented at a benefit unit level. Bills considered are: electricity, gas, other fuel, Council Tax, insurance, telephone, television / video rental, hire purchase and water rates.

## Educational attainment

Information for students should be treated with some caution because they are often dependent on irregular flows of income. They also receive a large proportion of their income from loans, which, with the exception of student loans, are not counted as income in HBAI. The figures are also not necessarily representative of all students because HBAI only covers private households and this excludes halls of residence.

## Trends over time for headline figures

All time trends are based on thresholds of median income, are presented for the UK and based on OECD equivalisation scales (see **Appendix 2** for a discussion of the OECD scales). Such presentation is in accordance with the 2004 and 2007 Spending Reviews, as the bases for future measurement of child and pensioner poverty.

- A **relative** low-income indicator – the proportions of each group that are below thresholds of **contemporary** median income.
- An '**absolute**' low-income indicator – the proportions of each group that are below thresholds of 1998/99 median income that have been **held constant in real terms**.

## 5 Working-age adults

Caution should be exercised when interpreting results over short time periods, as changes are often small in relation to sampling variation and other sources of measurement error.



## 5 Working-age adults

**Table 5.1 (BHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Economic status of adults in the family</b>						
One or more full-time self-employed	19	15	17	20	29	3.6
Single/couple all in full-time work	3	8	18	31	40	12.7
Couple, one full-time, one part-time work	4	14	27	29	26	5.3
Couple, one full-time work, one not working	17	25	23	19	16	4.5
No full-time, one or more in part-time work	31	24	19	14	11	3.5
Workless, one or more aged 60 or over	37	25	16	13	9	0.9
Workless, one or more unemployed	60	21	10	6	3	1.5
Workless, other inactive	46	25	15	9	5	4.2
<b>Economic status of household<sup>1</sup></b>						
All adults in work	6	11	20	28	34	22.1
At least one adult in work, but not all	24	24	21	17	13	9.7
Workless households	57	24	11	6	3	4.4
<b>Family type<sup>2</sup></b>						
Couples	14	14	19	24	29	23.5
Singles	23	20	20	20	17	12.6
All working-age adults with children	20	21	22	20	17	13.1
Couples	17	19	22	22	20	11.1
Singles	37	31	18	10	4	2.0
All working-age adults without children	16	14	18	24	29	23.1
Couples	11	10	16	26	37	12.4
Singles	21	18	20	22	20	10.6
Male	21	17	19	22	20	6.6
Female	20	19	21	21	18	4.1
<b>Gender by number of adults in the family and work status<sup>3</sup></b>						
Males	17	16	19	23	26	18.9
Couple, in work	11	14	20	25	31	11.0
Couple, workless	50	23	12	10	6	1.1
Single, in work	9	14	21	28	28	4.4
Single, workless	44	24	16	10	5	2.4
Females	18	17	19	22	24	17.3
Couple, in work	11	14	19	25	31	10.5
Couple, workless	56	23	11	7	4	0.9
Single, in work	12	21	24	24	20	3.6
Single, workless	47	26	15	8	4	2.2
<b>All working-age adults</b>	<b>17</b>	<b>16</b>	<b>19</b>	<b>22</b>	<b>25</b>	<b>36.1</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For example, a household with a pensioner in work, but a working-age person not in work, would be in the 'At least one adult in work, but not all' category. A household with all working-age adults in work and a pensioner not in work would be categorised as 'All adults in work'.

2. Lone parents have not been disaggregated by gender as sample sizes for lone-parent males are too small to allow robust estimates.

3. 'In work' is defined as one or more adults in the family in part-time or full-time work.

4. Percentages may not sum to 100 per cent due to rounding.

**Table 5.1 (AHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Economic status of adults in the family</b>						
One or more full-time self-employed	22	14	17	19	28	3.6
Single/couple all in full-time work	4	9	19	30	38	12.7
Couple, one full-time, one part-time work	5	15	27	27	26	5.3
Couple, one full-time work, one not working	20	25	22	18	15	4.5
No full-time, one or more in part-time work	32	25	18	13	12	3.5
Workless, one or more aged 60 or over	31	25	17	14	12	0.9
Workless, one or more unemployed	66	18	8	5	3	1.5
Workless, other inactive	53	23	12	8	5	4.2
<b>Economic status of household<sup>1</sup></b>						
All adults in work	8	12	20	27	33	22.1
At least one adult in work, but not all	28	24	20	15	12	9.7
Workless households	61	21	9	6	3	4.4
<b>Family type<sup>2</sup></b>						
Couples	15	15	19	23	28	23.5
Singles	28	19	18	19	17	12.6
All working-age adults with children	23	21	21	19	16	13.1
Couples	20	20	22	20	18	11.1
Singles	43	28	16	10	4	2.0
All working-age adults without children	18	13	18	23	28	23.1
Couples	12	10	17	25	36	12.4
Singles	25	17	18	20	19	10.6
Male	25	17	18	20	20	6.6
Female	25	18	18	20	18	4.1
<b>Gender by number of adults in the family and work status<sup>3</sup></b>						
Males	19	16	19	22	25	18.9
Couple, in work	12	14	20	24	30	11.0
Couple, workless	49	22	12	9	8	1.1
Single, in work	12	14	21	26	27	4.4
Single, workless	50	22	13	10	6	2.4
Females	21	17	19	21	23	17.3
Couple, in work	12	14	20	24	29	10.5
Couple, workless	56	22	11	7	4	0.9
Single, in work	15	21	22	23	19	3.6
Single, workless	56	22	11	7	4	2.2
<b>All working-age adults</b>	<b>20</b>	<b>16</b>	<b>19</b>	<b>21</b>	<b>24</b>	<b>36.1</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For example, a household with a pensioner in work, but a working-age person not in work, would be in the 'At least one adult in work, but not all' category. A household with all working-age adults in work and a pensioner not in work would be categorised as 'All adults in work'.

2. Lone parents have not been disaggregated by gender as sample sizes for lone-parent males are too small to allow robust estimates.

3. 'In work' is defined as one or more adults in the family in part-time or full-time work.

4. Percentages may not sum to 100 per cent due to rounding.

## 5 Working-age adults

**Table 5.2 (BHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Age of head of family</b>						
With children						
16 - 24	49	27	18	6	1	0.7
25 - 29	23	26	27	17	7	1.2
30 - 34	19	24	22	19	16	1.9
35 - 39	19	20	21	21	19	2.8
40 - 44	18	20	21	21	20	3.0
45 - 49	15	18	22	25	20	2.1
50 - 54	18	16	22	20	24	0.9
55 +	23	24	16	18	19	0.4
Without children						
16 - 19	24	21	22	22	11	1.6
20 - 24	16	17	22	26	19	3.4
25 - 29	10	8	17	26	38	2.7
30 - 34	10	8	11	26	45	1.9
35 - 39	12	11	12	23	42	1.5
40 - 44	15	13	18	23	32	1.7
45 - 49	16	12	17	26	29	2.2
50 - 54	16	12	19	24	30	2.7
55 +	19	17	18	22	25	5.4
<b>Tenure</b>						
Owners	12	13	19	26	30	25.2
Owned outright	18	14	18	23	26	7.4
Buying with mortgage	9	12	20	27	32	17.8
Social rented sector tenants	41	30	16	10	3	5.2
All rented privately	21	19	21	19	19	5.8
<b>Ethnic group of head (3-year average)</b>						
White	15	16	20	23	26	32.3
Mixed	24	19	17	16	25	0.3
Asian or Asian British	33	19	16	14	18	1.8
Indian	21	16	20	17	26	0.8
Pakistani and Bangladeshi	51	24	11	8	6	0.7
Black or Black British	28	20	18	18	16	0.9
Black Caribbean	24	20	18	17	21	0.4
Black Non-Caribbean	31	21	17	18	13	0.5
Chinese or other ethnic group	24	18	17	17	24	0.6
<b>Region/Country (3-year average)</b>						
England	17	16	19	23	26	30.1
North East	22	17	21	22	17	1.5
North West	19	18	21	23	19	4.0
Yorkshire and the Humber	19	18	22	24	18	3.0
East Midlands	18	18	21	24	19	2.6
West Midlands	21	18	19	22	20	3.1
East of England	14	15	18	25	28	3.3
London	16	13	14	18	38	4.8
Inner	18	15	13	16	39	2.0
Outer	15	12	15	20	37	2.8
South East	11	13	17	24	35	4.8
South West	15	17	21	24	24	2.9
Scotland	16	17	20	24	23	3.1
Wales	19	20	21	21	18	1.7
Northern Ireland	18	21	23	22	15	1.0
<b>All working-age adults<sup>1</sup></b>	<b>17</b>	<b>16</b>	<b>19</b>	<b>22</b>	<b>25</b>	<b>36.1</b>

**Notes:**

1. The totals for all working-age adults are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

2. Percentages may not sum to 100 per cent due to rounding.



**Table 5.2 (AHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Age of head of family</b>						
With children						
16 - 24	56	24	14	5	1	0.7
25 - 29	28	28	24	15	5	1.2
30 - 34	23	23	21	18	14	1.9
35 - 39	21	21	21	19	18	2.8
40 - 44	21	20	22	19	18	3.0
45 - 49	16	20	23	23	18	2.1
50 - 54	19	17	20	22	22	0.9
55 +	24	21	20	16	19	0.4
Without children						
16 - 19	28	23	20	19	10	1.6
20 - 24	23	18	22	22	16	3.4
25 - 29	14	9	19	27	32	2.7
30 - 34	13	7	14	24	41	1.9
35 - 39	15	7	15	22	41	1.5
40 - 44	18	12	17	21	32	1.7
45 - 49	16	12	19	24	29	2.2
50 - 54	16	13	16	23	32	2.7
55 +	18	15	16	22	29	5.4
<b>Tenure</b>						
Owners	11	14	20	25	30	25.2
Owned outright	13	13	18	24	32	7.4
Buying with mortgage	10	14	21	26	29	17.8
Social rented sector tenants	45	28	15	9	3	5.2
All rented privately	35	18	18	15	15	5.8
<b>Ethnic group of head (3-year average)</b>						
White	17	16	19	23	25	32.3
Mixed	31	19	14	15	22	0.3
Asian or Asian British	36	20	16	12	16	1.8
Indian	24	16	20	15	24	0.8
Pakistani and Bangladeshi	50	27	11	7	5	0.7
Black or Black British	35	19	16	17	13	0.9
Black Caribbean	28	19	17	19	17	0.4
Black Non-Caribbean	41	19	15	15	11	0.5
Chinese or other ethnic group	32	16	18	16	19	0.6
<b>Region/Country (3-year average)</b>						
England	19	16	19	22	25	30.1
North East	21	18	22	22	18	1.5
North West	20	18	21	21	20	4.0
Yorkshire and the Humber	19	18	21	23	19	3.0
East Midlands	19	16	21	24	19	2.6
West Midlands	21	19	20	21	20	3.1
East of England	17	15	18	24	26	3.3
London	24	12	13	18	33	4.8
Inner	26	13	12	16	33	2.0
Outer	23	11	14	19	33	2.8
South East	16	13	17	22	32	4.8
South West	17	18	20	23	22	2.9
Scotland	17	16	19	24	24	3.1
Wales	20	19	22	19	20	1.7
Northern Ireland	16	21	25	22	17	1.0
<b>All working-age adults<sup>1</sup></b>	<b>20</b>	<b>16</b>	<b>19</b>	<b>21</b>	<b>24</b>	<b>36.1</b>

**Notes:**

1. The totals for all working-age adults are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

2. Percentages may not sum to 100 per cent due to rounding.

## 5 Working-age adults

**Table 5.3 (BHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult, no disabled child	15	14	19	24	28	28.4
No disabled adult, 1 or more disabled child	23	24	23	19	12	0.7
In receipt of disability benefits	16	26	29	19	10	0.2
Not in receipt of disability benefits	26	23	20	18	13	0.5
1 or more disabled adult, no disabled child	25	23	20	19	14	6.7
In receipt of disability benefits	23	30	23	17	7	1.9
Not in receipt of disability benefits	26	20	18	19	16	4.8
1 or more disabled adult, 1 or more disabled child	32	33	19	12	3	0.4
In receipt of disability benefits	18	44	27	9	2	0.2
Not in receipt of disability benefits	43	26	13	14	4	0.3
<b>State support received by family<sup>2</sup></b>						
Disability Living Allowance	23	30	24	16	7	2.3
Carer's Allowance	22	35	26	13	4	0.6
Jobseeker's Allowance	59	22	11	5	3	1.1
Incapacity Benefit	31	30	23	12	5	1.7
Child Tax Credit	23	28	26	18	6	7.4
Working Tax Credit	27	35	23	11	3	2.7
Income Support	50	31	14	4	1	1.8
Housing Benefit	53	31	12	4	1	2.9
Not in receipt of any state support listed above	12	11	17	26	34	24.4
<b>Savings and investments</b>						
No savings	30	23	21	16	10	12.3
Less than £1,500	16	19	23	25	18	7.3
£1,500 but less than £3,000	12	14	18	27	29	2.6
£3,000 but less than £8,000	9	13	19	29	31	4.7
£8,000 but less than £10,000	9	8	19	29	36	1.1
£10,000 but less than £16,000	10	9	17	25	39	2.2
£16,000 but less than £20,000	10	9	13	28	40	0.9
£20,000 or more	8	7	12	21	52	4.9
<b>Household bills in arrears<sup>3</sup></b>						
No bills in arrears	15	15	19	24	27	31.4
One bill in arrears	38	26	18	11	6	1.5
Two or more bills in arrears	46	29	16	6	3	1.6
<b>Educational attainment</b>						
Qualification degree level or above	8	7	13	23	49	8.6
Qualification below degree level	16	17	22	25	20	19.9
Student	27	22	20	19	11	1.8
No qualifications	33	25	20	15	8	5.8
<b>All working-age adults</b>	<b>17</b>	<b>16</b>	<b>19</b>	<b>22</b>	<b>25</b>	<b>36.1</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.
2. The population figures given for receipt of benefit/tax credit do not sum to all working-age adults as they are not mutually exclusive groups, since people can receive more than one benefit.
3. Figures relate to the number of adults who answered the questions on arrears, some adults have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.
4. Percentages may not sum to 100 per cent due to rounding.

**Table 5.3 (AHC): Quintile distribution of income for working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09
	Net equivalised disposable household income					All working-age adults (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult, no disabled child	18	15	19	22	27	28.4
No disabled adult, 1 or more disabled child	26	22	24	16	12	0.7
In receipt of disability benefits	21	20	33	18	9	0.2
Not in receipt of disability benefits	29	23	20	15	13	0.5
1 or more disabled adult, no disabled child	26	22	19	18	15	6.7
In receipt of disability benefits	22	30	23	17	8	1.9
Not in receipt of disability benefits	28	18	18	19	17	4.8
1 or more disabled adult, 1 or more disabled child	33	33	21	11	2	0.4
In receipt of disability benefits	19	45	26	9	1	0.2
Not in receipt of disability benefits	43	24	18	13	3	0.3
<b>State support received by family<sup>2</sup></b>						
Disability Living Allowance	22	30	25	16	7	2.3
Carer's Allowance	20	36	26	13	4	0.6
Jobseeker's Allowance	64	19	10	6	2	1.1
Incapacity Benefit	30	30	22	13	5	1.7
Child Tax Credit	26	27	24	17	5	7.4
Working Tax Credit	30	35	22	10	3	2.7
Income Support	57	26	11	4	1	1.8
Housing Benefit	65	23	9	3	0	2.9
Not in receipt of any state support listed above	14	11	18	24	33	24.4
<b>Savings and investments</b>						
No savings	33	22	20	15	9	12.3
Less than £1,500	19	19	24	23	16	7.3
£1,500 but less than £3,000	14	15	20	26	26	2.6
£3,000 but less than £8,000	10	13	19	28	30	4.7
£8,000 but less than £10,000	9	8	18	31	34	1.1
£10,000 but less than £16,000	10	11	17	26	37	2.2
£16,000 but less than £20,000	10	9	12	29	40	0.9
£20,000 or more	8	6	11	21	54	4.9
<b>Household bills in arrears<sup>3</sup></b>						
No bills in arrears	17	15	19	23	26	31.4
One bill in arrears	43	25	17	9	5	1.5
Two or more bills in arrears	54	24	15	5	2	1.6
<b>Educational attainment</b>						
Qualification degree level or above	11	8	13	23	46	8.6
Qualification below degree level	18	17	21	23	20	19.9
Student	40	21	16	14	10	1.8
No qualifications	33	23	20	15	9	5.8
<b>All working-age adults</b>	20	16	19	21	24	36.1

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The population figures given for receipt of benefit/tax credit do not sum to all working-age adults as they are not mutually exclusive groups, since people can receive more than one benefit.

3. Figures relate to the number of adults who answered the questions on arrears, some adults have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

4. Percentages may not sum to 100 per cent due to rounding.

## 5 Working-age adults

**Table 5.4: Composition of low-income groups of working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All working-age adults
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Economic status of adults in the family</b>							
One or more full-time self-employed	14	11	11	11	11	11	10
Single/couple all in full-time work	5	5	7	7	8	9	35
Couple, one full-time, one part-time work	3	3	5	4	4	6	15
Couple, one full-time work, one not working	8	11	14	12	14	15	12
No full-time, one or more in part-time work	16	17	16	16	16	16	10
Workless, one or more aged 60 or over	6	6	5	4	4	4	3
Workless, one or more unemployed	15	15	13	15	13	11	4
Workless, other inactive	31	31	29	32	31	28	12
<b>Economic status of household<sup>1</sup></b>							
All adults in work	24	22	24	24	25	28	61
At least one adult in work, but not all	35	38	39	37	38	39	27
Workless households	42	41	37	39	37	33	12
<b>Family type<sup>2</sup></b>							
Couples	54	53	54	50	52	53	65
Singles	46	47	46	50	48	47	35
All working-age adults with children	37	41	44	41	43	44	36
Couples	29	30	32	30	31	33	31
Singles	8	11	12	11	12	12	5
All working-age adults without children	63	59	56	59	57	56	64
Couples	25	23	22	20	21	21	34
Singles	38	36	34	39	36	35	29
Male	24	22	21	24	22	21	18
Female	14	14	13	15	14	14	11
<b>Gender by number of adults in the family and work status<sup>3</sup></b>							
Males	54	51	50	51	50	50	52
Couple, in work	18	18	20	18	19	20	31
Couple, workless	10	9	8	8	8	7	3
Single, in work	6	6	6	7	7	7	12
Single, workless	19	17	16	18	16	15	7
Females	46	49	50	49	50	50	48
Couple, in work	17	18	19	18	18	20	29
Couple, workless	9	8	7	7	7	6	2
Single, in work	6	6	8	7	8	9	10
Single, workless	15	17	16	18	17	16	6
<b>All working-age adults (millions =100%)</b>	<b>3.6</b>	<b>5.8</b>	<b>8.0</b>	<b>5.8</b>	<b>7.8</b>	<b>9.7</b>	<b>36.1</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For example, a household with a pensioner in work, but a working-age person not in work, would be in the 'At least one adult in work, but not all' category. A household with all working-age adults in work and a pensioner not in work would be categorised as 'All adults in work'.

2. Lone parents have not been disaggregated by gender as sample sizes for lone-parent males are too small to allow robust estimates.

3. 'In work' is defined as one or more adults in the family in part-time or full-time work.

4. Percentages may not sum to 100 per cent due to rounding.

**Table 5.5: Composition of low-income groups of working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All working-age adults
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Age of head of family</b>							
With children							
16 - 24	4	5	5	6	6	5	2
25 - 29	3	4	5	4	5	5	3
30 - 34	4	5	6	5	6	6	5
35 - 39	8	8	9	8	9	9	8
40 - 44	8	9	9	9	9	9	8
45 - 49	5	5	5	5	5	5	6
50 - 54	3	3	3	3	3	3	3
55 +	2	2	2	2	2	2	1
Without children							
16 - 19	6	6	6	6	6	6	4
20 - 24	9	9	9	11	11	11	10
25 - 29	5	5	4	6	5	5	7
30 - 34	3	3	3	4	3	3	5
35 - 39	3	3	3	3	3	3	4
40 - 44	4	4	4	4	4	4	5
45 - 49	6	6	5	5	5	5	6
50 - 54	7	7	7	6	6	6	7
55 +	19	17	16	14	13	13	15
<b>Tenure</b>							
Owners	53	47	48	39	40	43	70
Owned outright	25	22	21	12	13	14	20
Buying with mortgage	28	25	27	26	27	29	49
Social rented sector tenants	28	33	33	32	33	31	14
All rented privately	19	19	19	29	27	25	16
<b>Ethnic group of head (3-year average)</b>							
White	81	82	83	81	82	83	90
Mixed	1	1	1	2	1	1	1
Asian or Asian British	10	10	9	9	9	9	5
Indian	3	3	3	3	3	3	2
Pakistani and Bangladeshi	6	6	6	5	5	5	2
Black or Black British	4	4	4	5	5	4	3
Black Caribbean	2	2	1	2	2	2	1
Black Non-Caribbean	3	3	3	3	3	3	1
Chinese or other ethnic group	3	3	2	3	3	3	2
<b>Region/Country (3-year average)</b>							
England	83	83	83	85	85	84	84
North East	5	5	5	4	5	5	4
North West	13	13	13	12	12	12	11
Yorkshire and the Humber	9	9	9	8	9	9	8
East Midlands	8	8	8	7	7	7	7
West Midlands	10	11	10	10	10	10	9
East of England	8	8	8	8	8	8	9
London	14	13	13	17	16	15	13
Inner	6	6	6	8	7	7	6
Outer	8	7	7	10	9	8	8
South East	9	9	9	11	11	11	13
South West	8	7	7	7	7	8	8
Scotland	8	8	9	8	8	8	9
Wales	5	5	6	5	5	5	5
Northern Ireland	3	3	3	2	2	3	3
All working-age adults (millions=100%) <sup>1</sup>	3.6	5.8	8.0	5.8	7.8	9.7	36.1

**Notes:**

1. The totals for all working-age adults are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
2. Percentages may not sum to 100 per cent due to rounding.

## 5 Working-age adults

**Table 5.6: Composition of low-income groups of working-age adults by various family and household characteristics, United Kingdom**

Percentage of working-age adults							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All working-age adults
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult, no disabled child	72	69	68	71	71	70	78
No disabled adult, 1 or more disabled child	2	2	2	2	3	3	2
In receipt of disability benefits	0	0	1	0	1	1	1
Not in receipt of disability benefits	1	2	2	2	2	2	1
1 or more disabled adult, no disabled child	25	27	27	24	25	25	18
In receipt of disability benefits	5	7	8	5	6	7	5
Not in receipt of disability benefits	20	20	19	19	19	18	13
1 or more disabled adult, 1 or more disabled child	2	2	2	2	2	2	1
In receipt of disability benefits	1	0	1	1	1	1	0
Not in receipt of disability benefits	1	2	2	1	1	1	1
<b>State support received by family<sup>2</sup></b>							
Disability Living Allowance	6	8	9	6	7	8	6
Carer's Allowance	1	2	2	1	2	2	2
Jobseeker's Allowance	11	10	9	10	9	8	3
Incapacity Benefit	7	8	9	7	7	8	5
Child Tax Credit	20	26	29	25	28	30	20
Working Tax Credit	8	11	13	10	12	13	7
Income Support	9	14	14	13	14	13	5
Housing Benefit	19	24	24	26	26	24	8
Not in receipt of any state support listed above	54	47	45	49	47	46	68
<b>Savings and investments</b>							
No savings	54	58	57	58	58	56	34
Less than £1,500	17	18	19	18	19	20	20
£1,500 but less than £3,000	5	5	5	5	5	5	7
£3,000 but less than £8,000	8	6	7	7	7	7	13
£8,000 but less than £10,000	2	2	1	1	1	1	3
£10,000 but less than £16,000	4	4	3	3	3	3	6
£16,000 but less than £20,000	2	1	1	1	1	1	2
£20,000 or more	8	6	6	6	5	5	14
<b>Household bills in arrears<sup>3</sup></b>							
No bills in arrears	77	74	75	74	74	76	87
One bill in arrears	9	9	9	9	9	9	4
Two or more bills in arrears	11	12	12	12	12	11	5
<b>Educational attainment</b>							
Qualification degree level or above	14	12	10	14	13	12	24
Qualification below degree level	49	50	52	49	51	52	55
Student	9	8	8	10	10	9	5
No qualifications	28	30	30	27	27	26	16
<b>All working-age adults (millions=100%)</b>	<b>3.6</b>	<b>5.8</b>	<b>8.0</b>	<b>5.8</b>	<b>7.8</b>	<b>9.7</b>	<b>36.1</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The figures given for benefit/tax credit receipt do not sum to 100 as they are not mutually exclusive groups since people can receive more than one benefit.

3. Figures relate to the number of adults who answered the questions on arrears, some adults have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

4. Percentages may not sum to 100 per cent due to rounding.

**Table 5.7: Percentage of working-age adults in low-income groups by various family and household characteristics, United Kingdom**

Percentage of working-age adults							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All working-age adults (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Economic status of adults in the family</b>							
One or more full-time self-employed	14	18	24	18	23	29	3.6
Single/couple all in full-time work	2	2	4	3	5	7	12.7
Couple, one full-time, one part-time work	2	4	7	4	6	10	5.3
Couple, one full-time work, one not working	6	15	25	15	24	32	4.5
No full-time, one or more in part-time work	16	28	37	26	35	44	3.5
Workless, one or more aged 60 or over	24	35	44	25	34	44	0.9
Workless, one or more unemployed	38	58	69	57	68	75	1.5
Workless, other inactive	26	43	55	44	57	65	4.2
<b>Economic status of household<sup>1</sup></b>							
All adults in work	4	6	9	6	9	12	22.1
At least one adult in work, but not all	13	23	32	22	31	39	9.7
Workless households	34	53	66	52	65	73	4.4
<b>Family type<sup>2</sup></b>							
Couples	8	13	18	12	17	22	23.5
Singles	13	22	29	23	30	36	12.6
All working-age adults with children	10	18	27	18	26	33	13.1
Couples	9	16	23	16	22	28	11.1
Singles	14	33	47	32	48	58	2.0
All working-age adults without children	10	15	19	15	19	23	23.1
Couples	7	11	14	10	13	16	12.4
Singles	13	20	26	21	26	32	10.6
Male	13	20	26	22	26	31	6.6
Female	12	19	25	21	27	33	4.1
<b>Gender by number of adults in the family and work status<sup>3</sup></b>							
Males	10	16	21	16	20	25	18.9
Couple, in work	6	10	14	10	13	18	11.0
Couple, workless	32	48	58	40	52	61	1.1
Single, in work	5	8	12	10	12	16	4.4
Single, workless	29	42	53	44	53	60	2.4
Females	10	16	23	16	23	28	17.3
Couple, in work	6	10	14	10	14	18	10.5
Couple, workless	36	53	65	46	60	69	0.9
Single, in work	5	10	17	11	17	24	3.6
Single, workless	24	44	57	46	60	68	2.2
<b>All working-age adults</b>	<b>10</b>	<b>16</b>	<b>22</b>	<b>16</b>	<b>21</b>	<b>27</b>	<b>36.1</b>

**Notes:**

1. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. For example, a household with a pensioner in work, but a working-age person not in work, would be in the 'At least one adult in work, but not all' category. A household with all working-age adults in work and a pensioner not in work would be categorised as 'All adults in work'.

2. Lone parents have not been disaggregated by gender as sample sizes for lone-parent males are too small to allow robust estimates.

3. 'In work' is defined as one or more adults in the family in part-time or full-time work.

## 5 Working-age adults

**Table 5.8: Percentage of working-age adults in low-income groups by various family and household characteristics, United Kingdom**

Percentage of working-age adults						Source: FRS 2008/09	
	Before Housing Costs			After Housing Costs			All working-age adults (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Age of head of family							
With children							
16 - 24	21	44	58	48	61	69	0.7
25 - 29	9	21	33	19	32	42	1.2
30 - 34	8	17	26	17	26	33	1.9
35 - 39	10	17	25	17	24	30	2.8
40 - 44	10	16	24	17	23	30	3.0
45 - 49	9	14	20	13	18	25	2.1
50 - 54	11	16	23	16	22	29	0.9
55 +	13	20	31	20	27	33	0.4
Without children							
16 - 19	14	23	30	23	30	38	1.6
20 - 24	9	15	21	19	24	30	3.4
25 - 29	7	10	12	12	15	17	2.7
30 - 34	5	9	12	12	14	17	1.9
35 - 39	7	11	15	13	16	19	1.5
40 - 44	9	14	19	16	19	22	1.7
45 - 49	9	15	18	13	17	21	2.2
50 - 54	10	15	19	13	17	21	2.7
55 +	13	18	24	15	19	24	5.4
Tenure							
Owners	8	11	15	9	12	17	25.2
Owned outright	12	17	22	10	14	19	7.4
Buying with mortgage	6	8	12	9	12	16	17.8
Social rented sector tenants	19	37	51	36	49	59	5.2
All rented privately	12	19	26	30	37	42	5.8
Ethnic group of head (3-year average)							
White	9	14	20	14	19	24	32.3
Mixed	14	22	30	26	34	41	0.3
Asian or Asian British	20	31	41	29	39	46	1.8
Indian	13	20	25	19	26	30	0.8
Pakistani and Bangladeshi	30	49	64	41	56	67	0.7
Black or Black British	16	26	34	29	37	44	0.9
Black Caribbean	15	22	28	23	29	37	0.4
Black Non-Caribbean	18	29	38	34	44	49	0.5
Chinese or other ethnic group	16	22	28	26	34	41	0.6
Region/Country (3-year average)							
England	10	15	21	16	21	26	30.1
North East	11	20	27	16	24	28	1.5
North West	11	18	25	16	22	28	4.0
Yorkshire and the Humber	10	17	24	15	21	27	3.0
East Midlands	11	17	23	15	21	26	2.6
West Midlands	12	19	26	17	23	30	3.1
East of England	8	13	19	14	19	24	3.3
London	10	15	21	20	25	30	4.8
Inner	10	17	22	22	28	34	2.0
Outer	10	14	19	19	24	27	2.8
South East	7	10	15	13	17	21	4.8
South West	9	13	19	14	19	25	2.9
Scotland	9	15	21	14	19	24	3.1
Wales	11	18	26	16	22	28	1.7
Northern Ireland	10	17	25	12	18	25	1.0
All working-age adults <sup>1</sup>	10	16	22	16	21	27	36.1

**Note:**

1. The totals for all working-age adults are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.



**Table 5.9: Percentage of working-age adults in low-income groups by various family and household characteristics, United Kingdom**

Percentage of working-age adults							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All working-age adults (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult, no disabled child	9	14	19	15	19	24	28.4
No disabled adult, 1 or more disabled child	8	20	28	19	28	37	0.7
In receipt of disability benefits	3	12	21	11	22	27	0.2
Not in receipt of disability benefits	10	24	31	22	31	41	0.5
1 or more disabled adult, no disabled child	13	23	32	21	29	37	6.7
In receipt of disability benefits	10	21	32	16	25	35	1.9
Not in receipt of disability benefits	15	24	32	23	30	37	4.8
1 or more disabled adult, 1 or more disabled child	15	29	44	27	38	49	0.4
In receipt of disability benefits	10	16	33	16	26	40	0.2
Not in receipt of disability benefits	18	39	53	34	46	55	0.3
<b>State support received by family<sup>2</sup></b>							
Disability Living Allowance	10	20	31	16	25	36	2.3
Carer's Allowance	7	17	29	14	23	36	0.6
Jobseeker's Allowance	36	57	68	56	67	74	1.1
Incapacity Benefit	15	28	40	25	33	44	1.7
Child Tax Credit	10	20	31	19	30	39	7.4
Working Tax Credit	11	23	38	21	34	47	2.7
Income Support	19	45	61	43	62	72	1.8
Housing Benefit	23	49	65	53	70	79	2.9
Not in receipt of any state support listed above	8	11	15	12	15	18	24.4
<b>Savings and investments</b>							
No savings	16	27	37	27	37	44	12.3
Less than £1,500	8	14	21	14	20	27	7.3
£1,500 but less than £3,000	7	11	15	11	15	19	2.6
£3,000 but less than £8,000	6	8	11	9	11	15	4.7
£8,000 but less than £10,000	5	8	10	8	10	12	1.1
£10,000 but less than £16,000	7	9	12	8	10	14	2.2
£16,000 but less than £20,000	8	10	11	10	11	13	0.9
£20,000 or more	6	7	10	7	8	10	4.9
<b>Household bills in arrears<sup>3</sup></b>							
No bills in arrears	9	14	19	14	18	23	31.4
One bill in arrears	21	35	46	35	47	56	1.5
Two or more bills in arrears	23	41	56	44	58	66	1.6
<b>Educational attainment</b>							
Qualification degree level or above	6	8	10	9	11	14	8.6
Qualification below degree level	9	15	21	14	20	25	19.9
Student	18	27	34	33	42	49	1.8
No qualifications	18	30	41	27	36	44	5.8
<b>All working-age adults</b>	10	16	22	16	21	27	36.1

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The population figures given for receipt of benefit/tax credit do not sum to all working-age adults as they are not mutually exclusive groups since people can receive more than one benefit.

3. Figures relate to the number of adults who answered the questions on arrears, some adults have not been included in these breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

## 5 Working-age adults

**Table 5.1tr: Percentage of working-age adults falling below various thresholds of contemporary median income, United Kingdom<sup>1,2</sup>**

Percentage of working-age adults		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
<b>FES (UK)<sup>4</sup></b>	1979	4	8	13	5	9	14
	1981	4	9	15	6	11	17
	1987	7	13	20	10	16	22
	1988/89	9	14	20	12	17	22
	1990/91	10	15	20	13	18	23
	1991/92	10	16	22	14	19	25
	1992/93	10	16	22	15	20	25
	1993/95	9	15	21	14	19	24
	1994/96	9	15	21	14	19	24
	1995/97	9	15	21	15	20	25
<b>FRS (GB)</b>	1994/95	8	15	21	14	20	25
	1995/96	8	14	21	14	20	25
	1996/97	9	15	21	15	21	26
	1997/98	9	15	21	15	20	25
<b>FRS (UK)</b>	1998/99	8	15	21	14	19	25
	1999/00	9	15	21	14	20	25
	2000/01	9	15	21	14	19	25
	2001/02	9	15	21	14	19	24
	2002/03	9	15	21	14	19	24
	2003/04	9	15	21	14	19	24
	2004/05	9	14	21	13	19	24
	2005/06	9	15	22	15	20	26
	2006/07	9	15	21	15	20	26
	2007/08	10	15	22	15	21	26
<b>Change</b>	1998/99-2008/09 <sup>2,3</sup>	1	1	1	2	2	2
	2007/08-2008/09 <sup>2,3</sup>	0	1	0	1	1	1

### Notes:

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages of working-age adults below low-income thresholds may not equal the difference between the total percentage of working-age adults below thresholds for any pair of years shown.

4. FES figures have seen revisions since their publication in the last (2007/08) HBAI report. This is due to methodological improvements.

**Table 5.2tr: Percentage of working-age adults falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>**

Percentage of working-age adults		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	12	21	33	14	24	36
	1981	14	24	35	17	26	37
	1987	13	20	28	17	24	31
	1988/89	12	18	25	15	20	27
	1990/91	12	18	24	15	21	27
	1991/92	13	19	25	17	22	28
	1992/93	12	19	25	17	23	28
	1993/95	11	17	24	16	21	27
	1994/96	10	16	23	15	21	26
	1995/97	10	16	22	16	21	26
FRS (GB)	1994/95	11	18	25	17	23	29
	1995/96	10	17	24	17	23	29
	1996/97	10	16	23	16	22	27
	1997/98	9	16	22	15	20	25
FRS (UK)	1998/99	8	15	21	14	19	25
	1999/00	8	14	20	13	18	23
	2000/01	8	13	18	12	17	22
	2001/02	6	11	16	10	15	19
	2002/03	6	10	16	10	14	19
	2003/04	6	10	16	10	14	18
	2004/05	6	10	15	9	13	18
	2005/06	7	10	15	10	14	19
	2006/07	6	10	15	10	14	18
	2007/08	7	11	16	10	14	19
Change	1998/99-2008/09 <sup>2,3</sup>	-2	-4	-5	-3	-4	-5
	2007/08-2008/09 <sup>2,3</sup>	0	0	0	1	1	1

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentage of working-age adults below low-income thresholds may not equal the difference between the total number of working-age adults below thresholds for any pair of years shown.



**Table 5.4tr: Number of working-age adults falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>**

Number of working-age adults (millions)		Source: FES/FRS						
		Before Housing Costs			After Housing Costs			All working-age adults
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK)	1979	3.6	6.7	10.4	4.2	7.5	11.2	31.2
	1981	4.5	7.5	11.1	5.3	8.3	11.8	31.6
	1987	4.3	6.7	9.2	5.6	7.9	10.2	33.1
	1988/89	4.1	6.1	8.3	5.0	6.9	9.0	33.6
	1990/91	4.1	6.0	8.0	5.1	7.0	9.0	33.5
	1991/92	4.2	6.4	8.5	5.6	7.5	9.5	33.7
	1992/93	4.2	6.5	8.6	5.9	7.7	9.5	33.9
	1993/95	3.8	5.9	8.2	5.5	7.2	9.2	33.9
	1994/96	3.4	5.6	7.7	5.2	7.1	8.9	34.1
1995/97	3.3	5.6	7.6	5.3	7.1	8.8	34.3	
FRS (GB)	1994/95	3.5	5.9	8.1	5.7	7.5	9.4	32.8
	1995/96	3.3	5.7	7.9	5.5	7.5	9.4	32.8
	1996/97	3.2	5.4	7.6	5.4	7.3	8.9	32.9
	1997/98	3.0	5.2	7.3	5.0	6.7	8.4	33.1
FRS (UK)	1998/99	2.9	5.0	7.1	4.8	6.6	8.4	34.1
	1999/00	2.7	4.7	6.9	4.5	6.3	8.0	34.3
	2000/01	2.6	4.3	6.3	4.1	5.9	7.5	34.4
	2001/02	2.1	3.7	5.7	3.4	5.2	6.7	34.7
	2002/03	2.2	3.6	5.5	3.4	4.9	6.5	34.8
	2003/04	2.3	3.6	5.4	3.5	5.0	6.5	35.0
	2004/05	2.1	3.5	5.3	3.3	4.6	6.2	35.2
	2005/06	2.3	3.6	5.5	3.5	5.0	6.6	35.5
	2006/07	2.3	3.6	5.4	3.6	5.1	6.6	35.8
	2007/08	2.4	3.8	5.6	3.7	5.2	6.8	35.9
	2008/09	2.5	3.8	5.7	4.0	5.5	7.2	36.1
Change	1998/99-2008/09 <sup>2,3</sup>	-0.4	-1.2	-1.4	-0.8	-1.1	-1.2	2.0
	2007/08-2008/09 <sup>2,3</sup>	0.0	0.0	0.1	0.2	0.3	0.3	0.2

**Notes:**

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in numbers of working-age adults below low-income thresholds may not equal the difference between the total number of working-age adults below thresholds for any pair of years shown.

Table 5.1ts: Population of working-age adults by family type, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of working-age adults whose family type is: (millions)</b>															
Working-age adults without children	20.5	20.5	20.6	20.8	20.9	21.1	21.3	21.6	22.4	22.5	22.6	22.9	23.0	23.1	23.1
Couples	11.6	11.5	11.5	11.7	11.7	11.8	12.0	12.0	12.6	12.5	12.4	12.4	12.6	12.5	12.4
Single male	5.4	5.5	5.5	5.6	5.7	5.7	5.8	5.9	6.0	6.1	6.2	6.4	6.4	6.4	6.6
Single female	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.8	3.9	4.0	4.1	4.1	4.1	4.1
Working-age adults with children	12.3	12.4	12.4	12.3	12.2	12.2	12.1	12.1	12.5	12.5	12.6	12.6	12.7	12.9	13.1
Couples	10.8	10.8	10.8	10.6	10.5	10.4	10.3	10.3	10.6	10.6	10.7	10.7	10.8	11.0	11.1
Singles	1.5	1.6	1.6	1.6	1.7	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9	2.0
<b>All working-age adults (millions)</b>	<b>32.8</b>	<b>32.8</b>	<b>32.9</b>	<b>33.1</b>	<b>33.2</b>	<b>33.3</b>	<b>33.5</b>	<b>33.7</b>	<b>34.8</b>	<b>35.0</b>	<b>35.2</b>	<b>35.5</b>	<b>35.8</b>	<b>35.9</b>	<b>36.1</b>
<b>Percentage of working-age adults whose family type is:</b>															
Working-age adults without children	62	62	62	63	63	63	64	64	64	64	64	64	64	64	64
Couples	35	35	35	35	35	36	36	36	36	36	35	35	35	35	34
Single male	17	17	17	17	17	17	17	17	17	18	18	18	18	18	18
Single female	11	11	11	11	11	11	11	11	11	11	11	12	11	11	11
Working-age adults with children	38	38	38	37	37	37	36	36	36	36	36	36	36	36	36
Couples	33	33	33	32	32	31	31	31	30	30	30	30	30	31	31
Singles	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 5.2ts: Population of working-age adults by family type and economic status of the family, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of working-age adults whose economic status is: (millions)</b>															
Working-age adults without children	20.5	20.5	20.6	20.8	20.9	21.1	21.3	21.6	22.4	22.5	22.6	22.9	23.0	23.1	23.1
One or more full-time self-employed	2.3	2.1	2.0	2.0	1.9	1.9	1.9	2.0	2.0	2.1	2.0	2.2	2.1	2.2	1.9
Single/couple all in full-time work	8.2	8.5	8.6	9.0	9.1	9.4	9.6	9.6	10.0	10.0	10.0	10.0	10.2	10.1	10.1
Couple, one full-time, one part-time work	1.5	1.6	1.8	1.9	2.0	2.0	1.9	2.0	2.1	2.0	2.0	2.0	2.0	2.1	1.9
Couple, one full-time work, one not working	1.9	1.9	1.8	1.8	1.8	1.7	1.9	1.8	1.9	1.9	1.9	1.9	2.0	1.9	1.9
No full-time, one or more in part-time work	1.4	1.3	1.7	1.7	1.7	1.7	1.7	1.9	2.0	2.1	2.2	2.3	2.2	2.2	2.2
Workless, one or more unemployed	1.8	1.7	1.3	1.2	1.0	1.0	0.9	0.8	0.9	0.8	0.8	1.0	0.8	0.9	1.1
Workless, other inactive <sup>2</sup>	3.3	3.4	3.3	3.2	3.4	3.4	3.4	3.5	3.6	3.6	3.7	3.6	3.8	3.7	4.0
Working-age adults with children	12.3	12.4	12.4	12.3	12.2	12.2	12.1	12.1	12.5	12.5	12.6	12.6	12.7	12.9	13.1
One or more full-time self-employed	1.9	1.9	1.8	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.7	1.6	1.7	1.7	1.6
Single/couple all in full-time work	2.0	2.2	2.2	2.1	2.1	2.3	2.4	2.3	2.4	2.4	2.3	2.4	2.5	2.5	2.6
Couple, one full-time, one part-time work	2.9	2.9	3.2	3.4	3.4	3.4	3.3	3.3	3.3	3.2	3.3	3.4	3.3	3.3	3.3
Couple, one full-time work, one not working	2.7	2.5	2.4	2.4	2.4	2.3	2.4	2.3	2.5	2.5	2.4	2.4	2.5	2.6	2.6
No full-time, one or more in part-time work	0.7	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.1	1.3
Workless, one or more unemployed	0.9	0.8	0.7	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Workless, other inactive <sup>2</sup>	1.2	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.2	1.3	1.2
<b>All working-age adults (millions)</b>	<b>32.8</b>	<b>32.8</b>	<b>32.9</b>	<b>33.1</b>	<b>33.2</b>	<b>33.3</b>	<b>33.5</b>	<b>33.7</b>	<b>34.8</b>	<b>35.0</b>	<b>35.2</b>	<b>35.5</b>	<b>35.8</b>	<b>35.9</b>	<b>36.1</b>
<b>Percentage of working-age adults whose economic status is:</b>															
Working-age adults without children	62	62	62	63	63	63	64	64	64	64	64	64	64	64	64
One or more full-time self-employed	7	6	6	6	6	6	6	6	6	6	6	6	6	6	5
Single/couple all in full-time work	25	26	26	27	27	28	29	29	29	28	28	28	28	28	28
Couple, one full-time, one part-time work	5	5	5	6	6	6	6	6	6	6	6	6	6	6	5
Couple, one full-time work, one not working	6	6	5	5	6	5	6	5	5	5	5	5	6	5	5
No full-time, one or more in part-time work	4	4	5	5	5	5	5	6	6	6	6	7	6	6	6
Workless, one or more unemployed	6	5	4	4	3	3	3	2	2	2	2	3	2	2	3
Workless, other inactive <sup>2</sup>	10	10	10	10	10	10	10	10	10	10	10	10	11	10	11
Working-age adults with children	38	38	38	37	37	37	36	36	36	36	36	36	36	36	36
One or more full-time self-employed	6	6	5	5	5	5	5	5	4	4	5	5	5	5	5
Single/couple all in full-time work	6	7	7	6	6	7	7	7	7	7	7	7	7	7	7
Couple, one full-time, one part-time work	9	9	10	10	10	10	10	10	10	9	9	10	9	9	9
Couple, one full-time work, one not working	8	8	7	7	7	7	7	7	7	7	7	7	7	7	7
No full-time, one or more in part-time work	2	2	2	3	3	3	3	3	3	3	3	3	3	3	4
Workless, one or more unemployed	3	2	2	2	1	1	1	1	1	1	1	1	1	1	1
Workless, other inactive <sup>2</sup>	4	4	4	4	4	4	4	4	4	4	4	4	3	4	3
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Workless, other inactive category includes workless, one or more aged 60 or over.

3. Percentages may not sum to 100 per cent due to rounding.

Table 5.3ts: Composition of working-age adults living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom<sup>1</sup>

Percentage of working-age adults	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	49	50	50	50	50	51	55	55	56	56	57	57	57	58	59
Couples	21	21	21	21	22	22	23	23	22	24	23	22	23	23	23
Single male	18	17	18	18	18	19	19	20	20	20	21	22	22	21	22
Single female	10	11	11	11	11	11	13	12	13	12	13	13	12	14	14
Working-age adults with children	51	50	50	50	50	49	45	45	44	44	43	43	43	42	41
Couples	39	39	37	36	36	34	31	31	30	30	30	31	31	31	30
Singles	12	11	14	14	14	15	14	14	14	13	13	12	12	11	11
<b>All working-age adults (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
Working-age adults without children	51	51	52	51	50	52	54	53	55	56	56	56	56	56	57
Couples	19	19	18	20	19	19	21	20	21	22	20	20	21	21	21
Single male	21	19	20	19	19	20	19	20	21	21	22	22	22	21	22
Single female	12	12	13	13	12	13	13	13	13	13	14	14	13	14	14
Working-age adults with children	49	49	48	49	50	48	46	47	45	44	44	44	44	44	43
Couples	35	36	34	34	34	32	31	31	30	30	30	31	31	32	31
Singles	13	14	15	15	16	15	15	16	15	14	14	13	13	12	12
<b>All working-age adults (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
2. Percentages may not sum to 100 per cent due to rounding.



**Table 5.4ts: Composition of working-age adults living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the family, United Kingdom<sup>1</sup>**

Percentage of working-age adults	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	49	50	50	50	50	51	55	55	56	56	57	57	57	58	59
One or more full-time self-employed	7	7	5	6	5	6	6	5	5	6	5	6	5	6	5
Single/couple all in full-time work	2	2	3	4	4	4	5	4	5	5	4	5	4	4	4
Couple, one full-time, one part-time work	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	2	3	2	2	2	3	3	3	3	4	3	4	3	4
No full-time, one or more in part-time work	5	5	6	6	7	6	7	7	7	7	8	8	7	9	9
Workless, one or more unemployed	16	16	13	13	11	12	10	8	9	10	9	10	8	9	10
Workless, other inactive <sup>2</sup>	18	17	19	18	20	21	24	26	25	24	26	24	27	25	26
Working-age adults with children	51	50	50	50	50	49	45	45	44	44	43	43	43	42	41
One or more full-time self-employed	10	10	7	8	7	7	6	7	6	6	7	8	7	6	6
Single/couple all in full-time work	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Couple, one full-time, one part-time work	1	2	2	2	3	2	2	2	2	2	2	2	2	2	2
Couple, one full-time work, one not working	8	7	9	9	9	9	8	7	7	7	7	7	8	8	8
No full-time, one or more in part-time work	5	5	6	7	7	8	7	8	7	7	7	7	8	7	8
Workless, one or more unemployed	14	13	10	8	8	6	6	5	5	5	4	5	4	5	5
Workless, other inactive <sup>2</sup>	13	14	15	16	15	16	15	16	16	16	15	13	13	13	11
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>After Housing Costs</b>															
Working-age adults without children	51	51	52	51	50	52	54	53	55	56	56	56	56	56	57
One or more full-time self-employed	6	5	5	6	4	5	5	5	5	6	4	5	5	6	5
Single/couple all in full-time work	3	3	4	5	5	5	6	5	6	6	7	6	6	6	6
Couple, one full-time, one part-time work	0	0	1	1	1	1	1	1	1	1	1	1	1	1	2
Couple, one full-time work, one not working	2	3	3	3	3	2	4	3	4	3	4	4	5	3	4
No full-time, one or more in part-time work	5	5	6	6	6	6	6	7	7	7	8	8	7	9	8
Workless, one or more unemployed	16	16	13	12	10	11	9	7	8	8	8	9	7	8	8
Workless, other inactive <sup>2</sup>	19	19	21	19	21	22	23	25	25	25	24	23	26	23	24
Working-age adults with children	49	49	48	49	50	48	46	47	45	44	44	44	44	44	43
One or more full-time self-employed	8	8	7	7	7	6	7	6	5	5	6	7	6	6	6
Single/couple all in full-time work	1	1	1	1	1	1	1	1	2	1	1	1	2	2	2
Couple, one full-time, one part-time work	1	2	2	3	3	3	3	3	2	2	3	3	3	3	3
Couple, one full-time work, one not working	8	7	9	9	10	9	9	8	8	8	8	8	10	10	10
No full-time, one or more in part-time work	4	5	6	7	7	7	7	8	7	7	7	7	7	6	8
Workless, one or more unemployed	12	11	9	7	7	6	5	4	4	4	4	4	4	4	5
Workless, other inactive <sup>2</sup>	14	15	15	15	16	16	15	16	15	16	15	13	13	13	11
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Workless, other inactive category includes workless, one or more aged 60 or over.
- Percentages may not sum to 100 per cent due to rounding.

Table 5.5ts: Composition of working-age adults living in households with less than 60 per cent of 1998/99 real-terms median household income, by family type, United Kingdom<sup>1</sup>

Percentage of working-age adults	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	50	50	50	50	50	52	57	57	60	61	61	61	61	63	62
Couples	21	21	21	21	22	22	24	24	24	26	25	24	24	25	24
Single male	19	17	18	18	18	19	20	21	22	22	23	24	25	23	24
Single female	10	11	11	11	11	11	13	12	13	13	13	13	12	15	14
Working-age adults with children	50	50	50	50	50	48	43	43	40	39	39	39	39	37	38
Couples	38	38	37	36	36	34	31	31	29	28	28	30	29	28	30
Singles	12	12	14	14	14	14	12	12	11	11	10	9	9	9	8
<b>All working-age adults (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
Working-age adults without children	51	50	52	51	50	52	54	55	57	58	59	59	59	59	60
Couples	20	20	19	20	19	19	21	21	21	22	20	20	20	21	20
Single male	20	19	20	19	19	21	20	21	22	22	24	24	25	23	25
Single female	11	12	13	13	12	13	13	13	14	14	15	14	14	16	15
Working-age adults with children	49	50	48	49	50	48	46	45	43	42	41	41	41	41	40
Couples	36	36	34	34	34	32	30	30	28	28	28	29	29	30	30
Singles	13	13	14	15	16	16	16	16	15	14	13	12	12	11	11
<b>All working-age adults (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

**Table 5.6ts: Composition of working-age adults living in households with less than 60 per cent of 1998/99 real-terms median household income, by family type and economic status of the family, United Kingdom<sup>1</sup>**

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	50	50	50	50	50	52	57	57	60	61	61	61	61	63	62
One or more full-time self-employed	6	6	5	6	5	6	6	6	6	7	6	7	6	7	7
Single/couple all in full-time work	2	3	3	4	4	4	5	4	5	5	5	5	4	4	4
Couple, one full-time, one part-time work	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	3	3	2	2	2	3	3	3	3	3	3	3	2	3
No full-time, one or more in part-time work	5	5	6	6	7	6	7	8	7	8	9	8	8	10	9
Workless, one or more unemployed	16	15	13	13	11	12	11	9	11	12	10	11	9	10	10
Workless, other inactive <sup>2</sup>	19	18	19	18	20	21	24	27	27	26	28	26	30	27	28
Working-age adults with children	50	50	50	50	50	48	43	43	40	39	39	39	39	37	38
One or more full-time self-employed	9	9	7	8	7	7	7	8	6	6	8	8	8	6	7
Single/couple all in full-time work	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1
Couple, one full-time, one part-time work	2	2	2	2	3	2	1	2	1	1	2	2	2	1	2
Couple, one full-time work, one not working	9	8	10	9	9	8	7	5	5	5	5	5	6	6	5
No full-time, one or more in part-time work	4	5	6	7	7	8	6	8	7	7	7	6	7	6	8
Workless, one or more unemployed	12	11	10	8	8	6	6	5	6	5	4	5	5	5	5
Workless, other inactive <sup>2</sup>	13	14	15	16	15	16	14	14	14	14	13	11	11	11	9
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>After Housing Costs</b>															
Working-age adults without children	51	50	52	51	50	52	54	55	57	58	59	59	59	59	60
One or more full-time self-employed	6	5	5	5	4	5	5	5	5	6	5	6	5	6	5
Single/couple all in full-time work	3	3	4	5	5	5	6	4	5	5	6	6	5	6	6
Couple, one full-time, one part-time work	0	0	1	1	1	1	1	1	1	1	1	1	1	1	2
Couple, one full-time work, one not working	2	3	3	3	3	3	4	3	3	3	3	3	4	3	4
No full-time, one or more in part-time work	5	5	6	6	6	6	6	6	7	7	8	8	7	8	8
Workless, one or more unemployed	15	14	13	12	10	11	10	8	10	10	9	10	8	9	10
Workless, other inactive <sup>2</sup>	19	19	20	19	21	22	24	26	26	26	26	25	29	26	26
Working-age adults with children	49	50	48	49	50	48	46	45	43	42	41	41	41	41	40
One or more full-time self-employed	8	8	7	7	7	6	6	7	5	6	7	8	7	7	6
Single/couple all in full-time work	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Couple, one full-time, one part-time work	2	3	3	3	3	2	2	2	2	2	2	2	2	2	2
Couple, one full-time work, one not working	9	8	9	9	10	9	8	6	6	6	6	6	8	8	8
No full-time, one or more in part-time work	5	5	6	7	7	7	7	7	7	6	6	6	7	6	7
Workless, one or more unemployed	11	10	8	7	7	6	5	5	6	5	4	5	5	5	5
Workless, other inactive <sup>2</sup>	13	14	15	15	16	16	16	17	16	15	15	13	12	12	10
<b>All working-age adults (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Workless, other inactive category includes workless, one or more aged 60 or over.

3. Percentages may not sum to 100 per cent due to rounding.

Table 5.7ts: Percentage of working-age adults living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	12	11	12	12	12	12	13	12	13	13	13	13	13	14	15
Couples	9	8	9	9	9	9	10	9	9	10	9	9	10	10	11
Single male	16	15	16	16	15	16	17	17	17	17	17	18	18	18	20
Single female	14	15	15	16	14	15	17	16	17	16	16	17	16	19	19
Working-age adults with children	20	18	20	20	20	20	18	18	18	18	17	18	18	18	18
Couples	17	16	17	17	16	16	15	15	15	15	14	16	15	16	16
Singles	37	33	42	42	40	41	37	38	37	36	34	33	33	33	33
<b>All working-age adults (per cent)</b>	15	14	15	15	15	15	15	15	15	15	14	15	15	15	16
<b>After Housing Costs</b>															
Working-age adults without children	17	16	17	16	16	16	16	16	16	17	16	18	18	18	19
Couples	11	11	11	11	10	11	11	11	11	12	11	12	12	12	13
Single male	25	23	25	22	22	23	22	22	24	23	23	25	25	25	26
Single female	22	23	25	23	22	23	23	22	23	22	22	24	23	26	27
Working-age adults with children	26	26	27	26	26	26	25	24	24	24	23	25	25	26	26
Couples	22	22	21	21	21	20	20	19	19	19	18	21	21	22	22
Singles	58	57	62	58	59	57	54	55	53	49	49	48	49	48	48
<b>All working-age adults (per cent)</b>	20	20	21	20	19	20	19	19	19	19	19	20	20	21	21

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

**Table 5.8ts: Percentage of working-age adults living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the family, United Kingdom<sup>1</sup>**

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	12	11	12	12	12	12	13	12	13	13	13	13	13	14	15
One or more full-time self-employed	15	15	13	16	13	16	15	13	12	15	12	14	13	16	16
Single/couple all in full-time work	1	1	2	2	2	2	3	2	3	3	2	3	2	2	2
Couple, one full-time, one part-time work	1	1	1	2	2	1	2	2	2	2	3	3	2	3	4
Couple, one full-time work, one not working	4	5	7	6	6	6	8	8	9	9	10	10	10	9	11
No full-time, one or more in part-time work	17	18	18	16	19	18	19	18	18	17	19	19	18	23	23
Workless, one or more unemployed	42	43	50	53	53	56	59	54	55	61	54	55	53	59	52
Workless, other inactive <sup>2</sup>	26	23	29	29	28	31	34	37	36	34	35	36	38	38	38
Working-age adults with children	20	18	20	20	20	20	18	18	18	18	17	18	18	18	18
One or more full-time self-employed	25	23	20	24	23	22	21	21	20	20	21	25	21	20	20
Single/couple all in full-time work	1	1	1	2	1	2	2	1	2	2	2	2	3	2	3
Couple, one full-time, one part-time work	2	3	3	4	4	3	3	4	3	3	3	4	3	3	4
Couple, one full-time work, one not working	14	12	18	18	17	19	17	14	15	15	14	16	18	17	17
No full-time, one or more in part-time work	35	31	38	39	38	41	33	38	34	32	29	32	33	34	36
Workless, one or more unemployed	76	72	77	78	78	78	81	80	82	74	75	80	76	78	75
Workless, other inactive <sup>2</sup>	50	47	56	61	57	60	56	58	60	58	54	55	57	56	53
<b>All working-age adults (per cent)</b>	15	14	15	15	15	15	15	15	15	15	14	15	15	15	16
<b>After Housing Costs</b>															
Working-age adults without children	17	16	17	16	16	16	16	16	16	17	16	18	18	18	19
One or more full-time self-employed	18	17	15	19	15	18	17	15	15	18	14	18	17	19	19
Single/couple all in full-time work	2	2	3	3	3	4	4	3	4	4	4	4	4	5	5
Couple, one full-time, one part-time work	1	1	2	2	3	2	3	4	3	3	4	5	4	5	6
Couple, one full-time work, one not working	7	9	10	10	9	9	13	12	13	12	13	14	17	13	17
No full-time, one or more in part-time work	23	24	24	22	23	23	22	22	23	22	23	25	24	29	28
Workless, one or more unemployed	58	60	67	66	66	67	67	63	63	69	63	64	61	66	60
Workless, other inactive <sup>2</sup>	39	36	43	39	40	43	43	46	47	46	43	45	49	47	47
Working-age adults with children	26	26	27	26	26	26	25	24	24	24	23	25	25	26	26
One or more full-time self-employed	30	28	26	27	28	26	28	26	23	24	25	30	27	27	28
Single/couple all in full-time work	2	2	3	3	3	3	3	3	4	4	4	4	6	5	5
Couple, one full-time, one part-time work	3	5	5	6	6	5	5	6	5	4	5	7	6	7	6
Couple, one full-time work, one not working	20	19	25	24	26	25	25	21	23	22	22	25	29	28	29
No full-time, one or more in part-time work	43	43	50	49	51	50	45	50	45	42	39	42	44	42	46
Workless, one or more unemployed	89	88	90	90	89	90	91	90	93	87	85	92	91	92	91
Workless, other inactive <sup>2</sup>	73	74	76	78	77	78	74	78	77	76	73	73	74	73	71
<b>All working-age adults (per cent)</b>	20	20	21	20	19	20	19	19	19	19	19	20	20	21	21

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Workless, other inactive category includes workless, one or more aged 60 or over.

Table 5.9ts: Percentage of working-age adults living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	14	14	13	12	12	11	11	9	10	10	9	10	10	11	10
Couples	11	10	10	9	9	9	8	7	7	8	7	7	7	8	7
Single male	20	18	18	16	15	15	15	13	13	13	13	14	14	14	14
Single female	17	18	17	17	14	14	15	11	13	12	12	12	11	14	13
Working-age adults with children	24	23	22	21	20	18	15	12	12	11	11	11	11	11	11
Couples	21	20	18	18	16	15	12	11	10	10	9	10	10	10	10
Singles	47	44	46	43	40	37	29	23	21	21	19	16	17	18	16
<b>All working-age adults (per cent)</b>	18	17	16	16	15	14	13	11	10	10	10	10	10	11	11
<b>After Housing Costs</b>															
Working-age adults without children	19	18	18	16	16	15	15	13	13	13	12	13	13	13	14
Couples	13	13	12	11	10	10	10	9	8	9	7	8	8	9	9
Single male	28	26	26	22	22	22	20	18	18	18	18	19	20	19	21
Single female	24	26	26	24	22	22	21	18	19	18	18	18	17	20	20
Working-age adults with children	30	30	29	27	26	24	22	19	17	17	15	16	17	16	17
Couples	25	25	23	22	21	19	17	15	13	13	12	14	14	14	15
Singles	64	64	65	60	59	55	49	43	39	36	31	31	31	31	30
<b>All working-age adults (per cent)</b>	23	23	22	20	19	19	17	15	14	14	13	14	14	14	15

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

**Table 5.10ts: Percentage of working-age adults living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type and economic status of the family, United Kingdom<sup>1</sup>**

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
Working-age adults without children	14	14	13	12	12	11	11	9	10	10	9	10	10	11	10
One or more full-time self-employed	17	17	14	16	13	15	13	11	10	13	10	12	11	13	14
Single/couple all in full-time work	2	2	2	2	2	2	2	1	2	2	2	2	2	2	2
Couple, one full-time, one part-time work	1	2	1	2	2	1	2	1	1	2	2	2	1	3	3
Couple, one full-time work, one not working	6	7	8	7	6	6	7	6	6	5	5	6	5	5	6
No full-time, one or more in part-time work	22	21	20	17	19	17	17	14	13	13	14	13	13	17	15
Workless, one or more unemployed	50	50	52	55	53	53	53	44	48	52	45	43	40	46	36
Workless, other inactive <sup>2</sup>	33	30	32	30	28	28	30	27	27	26	26	26	29	28	27
Working-age adults with children	24	23	22	21	20	18	15	12	12	11	11	11	11	11	11
One or more full-time self-employed	29	26	22	24	23	20	18	18	14	16	16	17	16	14	16
Single/couple all in full-time work	1	2	2	2	1	1	1	1	1	1	1	1	1	1	2
Couple, one full-time, one part-time work	4	4	4	4	4	2	2	2	1	2	2	2	2	1	2
Couple, one full-time work, one not working	19	17	21	19	17	16	13	8	8	7	7	8	9	9	8
No full-time, one or more in part-time work	39	39	40	40	38	39	28	28	24	23	20	20	20	21	23
Workless, one or more unemployed	82	80	80	80	78	74	73	63	65	52	55	59	54	58	47
Workless, other inactive <sup>2</sup>	63	60	59	63	57	55	46	37	38	35	33	31	33	33	30
<b>All working-age adults (per cent)</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>
<b>After Housing Costs</b>															
Working-age adults without children	19	18	18	16	16	15	15	13	13	13	12	13	13	13	14
One or more full-time self-employed	20	19	16	19	15	17	15	13	13	15	11	14	12	16	15
Single/couple all in full-time work	3	3	4	4	3	3	3	2	3	3	3	3	3	3	3
Couple, one full-time, one part-time work	2	2	2	2	3	2	2	3	2	2	2	3	2	3	5
Couple, one full-time work, one not working	9	12	12	10	9	9	11	9	9	8	8	9	11	8	10
No full-time, one or more in part-time work	27	27	26	23	23	21	20	17	17	17	18	17	17	19	21
Workless, one or more unemployed	61	63	68	67	66	65	64	56	56	60	53	54	49	55	50
Workless, other inactive <sup>2</sup>	44	42	45	41	40	41	39	38	36	35	33	35	38	36	36
Working-age adults with children	30	30	29	27	26	24	22	19	17	17	15	16	17	16	17
One or more full-time self-employed	33	32	27	27	28	25	24	22	17	18	19	23	20	20	20
Single/couple all in full-time work	3	4	3	3	3	3	3	1	2	2	2	2	3	2	3
Couple, one full-time, one part-time work	6	7	6	7	6	4	4	3	2	3	3	4	3	3	4
Couple, one full-time work, one not working	26	25	28	26	26	23	19	14	12	12	12	12	16	15	17
No full-time, one or more in part-time work	51	53	53	51	51	48	39	37	32	29	25	27	29	27	30
Workless, one or more unemployed	92	92	92	91	89	89	90	84	84	78	72	77	78	77	70
Workless, other inactive <sup>2</sup>	80	80	79	79	77	75	69	65	61	55	50	49	50	48	46
<b>All working-age adults (per cent)</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>

**Notes:**

- Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Workless, other inactive category includes workless, one or more aged 60 or over.





# Chapter 6

## Pensioners

- **Contemporary trends:** Between 1994/95 and 2008/09, there was no consistent change in the proportion or number of pensioners living in households below thresholds of contemporary median income on a Before Housing Costs basis; there has been a drop between 2007/08 and 2008/09, following a rise between 2005/06 and 2006/07 and no change between 2006/07 and 2007/08. For income After Housing Costs, the proportions and numbers showed a marked fall, from 1998/99, before an increase between 2005/06 and 2006/07 and a decrease between 2006/07 and 2008/09.
- **Real trends:** From 1994/95 to 2008/09, there were pronounced falls in the proportions and numbers of pensioners below low-income thresholds held constant in real terms, on both income measures, with 2008/09 showing a reduction compared to 2007/08.
- **Quintile distributions:** In 2008/09, pensioners were more likely to be in the second lowest income quintile and less likely to be in the top two quintiles of the income distribution, than the population as a whole.
- **Family type:** A higher proportion of single pensioners living alone were living in low-income households than any other group.
- **Disability status:** Pensioners in families containing one or more disabled adults not receiving disability benefits were more likely to be living in low-income households compared to those in receipt of disability benefits.
- **Ethnicity:** Pensioners living in a household headed by someone from an ethnic minority were more likely to be in a low-income household. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin.
- **Pensions receipt:** Around 45 per cent of pensioner families in households below 60 per cent of contemporary median household income After Housing Costs had someone receiving an occupational or personal pension compared to around 70 per cent of all pensioners.
- **Age:** In general, the older the age of the pensioners, the greater the likelihood of low income.
- **Material deprivation:** Almost half of pensioners in the lowest quintile were unable to take a holiday away from home, the most common reason across all quintiles for this was health or disability issues. Over three quarters of pensioners in the lowest quintile would be able to pay an unexpected expense of £200, the most common way of doing this across all quintiles was to use savings. Only 1 per cent of all pensioners did not have at least one filling meal a day.

### Introduction

This chapter examines the position of pensioners in the income distribution in 2008/09 and looks in more detail at how this might be linked to their family or household characteristics. High-level trends over time from 1994/95 onwards are also examined, with data for Great Britain from 1994/95 to 1997/98 and for the United Kingdom for some groups from 1998/99 to 2001/02 and for all groups from 2002/03 onwards.

Pensioners are defined as all those adults above state pension age. This chapter includes results only for those individuals above state pension age. Thus, any partners below state pension age will be excluded from results in this chapter, but will be included in **Chapter 5**. This differs from **Chapter 3**, where both adults in a couple with one adult above state retirement age and one below are classified as a *pensioner couple*.

### The position of pensioners in the overall income distribution

**Figure 6.1** compares the income distribution of pensioners in 2008/09 with that of the entire population. An explanation of how negative incomes can occur After Housing Costs and zero incomes Before Housing Costs is given in **Appendix 1**.

Figure 6.1 (BHC): Income distribution; all individuals and pensioners by income band, 2008/09

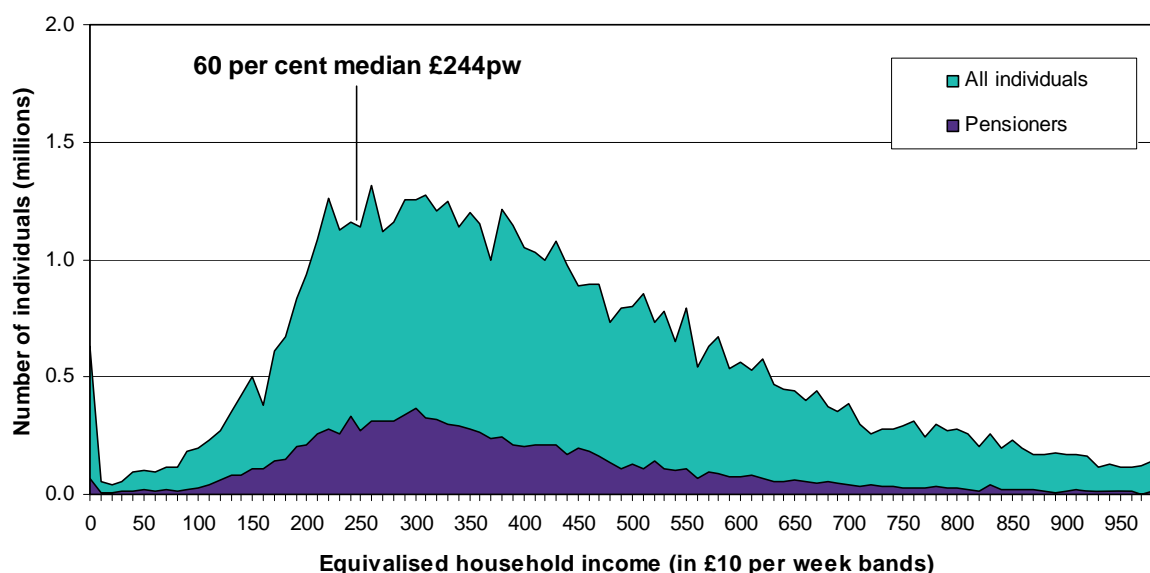
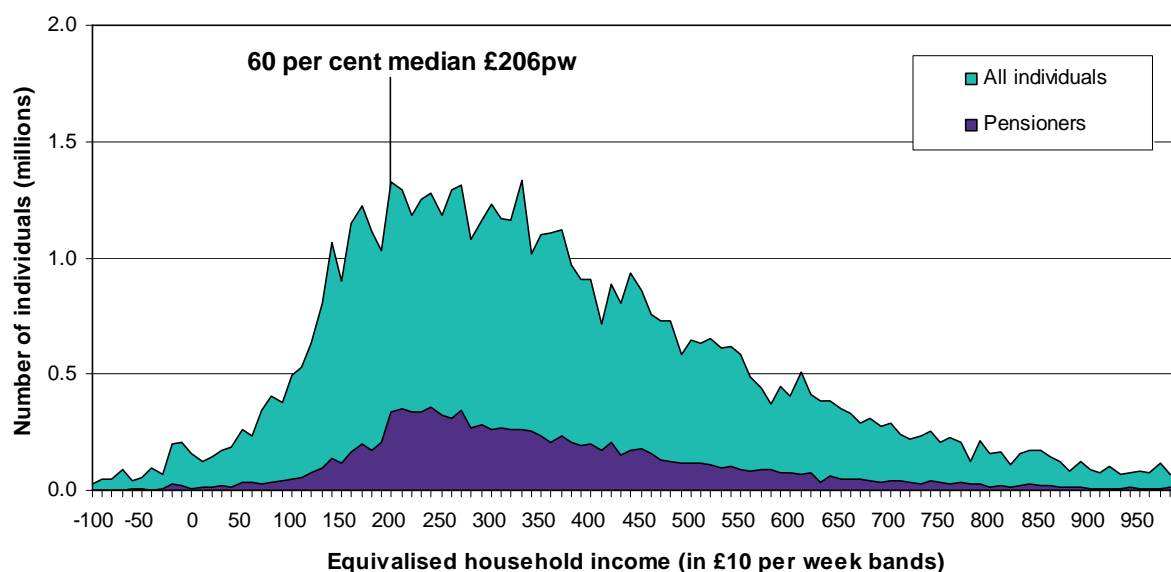


Figure 6.1 (AHC): Income distribution; all individuals and pensioners by income band, 2008/09



Tables in this chapter are;

**6.1 Quintile distribution** of income by: economic status of adults in the family; age; family type; gender; disability and receipt of disability benefits; tenure; ethnic group (three-year average).

**6.2 Quintile distribution** of income by: pensions receipt; state support received by family; savings and investments; region and country (three-year average).

**6.3 – 6.4 Composition** of low-income groups with categories as outlined for **Tables 6.1 – 6.2**.

**6.5 – 6.6 Percentage** of pensioners falling into low-income groups with categories as outlined for **Tables 6.1 – 6.2**.

**6.7 Material deprivation** Quintile distribution of income for pensioners by extent of their deprivation of items and services.

**6.1tr – 6.6tr Trends over time** for headline figures for years covered by the Family Expenditure Survey (FES) and the Family Resources Survey (FRS). **Tables 6.1tr** and **6.2tr** show the percentage falling below various thresholds of contemporary median income and 1998/99 median income held constant in real terms respectively. **Tables 6.3tr** and **6.4tr** show the number for the same measures as outlined for **Tables 6.1tr** and **6.2tr**, while **Tables 6.5tr** and **6.6tr** present a series that only includes pensioners aged 65 or over. This is in line with international measures of poverty and will provide a consistent time series going forward in light of the equalisation of state pension age for men and women that begins in 2010.

## 6 Pensioners

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**6.1ts – 6.3ts Populations over time** Tables 6.1ts to 6.3ts present populations over time by: age and gender; tenure; region and country (three-year average).

**6.4ts – 6.5ts Composition** of pensioners in households with incomes below 60 per cent of contemporary median income over time by: age and gender; tenure.

**6.6ts – 6.9ts Percentage** of pensioners in households with incomes below 60 per cent of contemporary median income over time by: age and gender; tenure; region and country (three-year average, the number of pensioners can be found in **Table 6.9ts**).

**6.10ts – 6.13ts Percentage** of pensioners in households below 60 per cent of 1998/99 median income held constant in real terms over time by the categories outlined for **Tables 6.6ts – 6.9ts**. The number of pensioners by region and country (three-year average) can be found in **Table 6.13ts**.

**6.14ts – 6.15ts Composition** of pensioners in households with incomes below 50 per cent of contemporary median income over time by: age and gender; tenure.

**6.16ts – 6.19ts Percentage** of pensioners in households below 50 per cent of contemporary median income over time by: age and gender; tenure; region and country (three-year average, the number of pensioners can be found in **Table 6.19ts**).

### Definition of low income

‘Low income’ is defined using thresholds derived from percentages of median income for the whole population. Households reporting the lowest incomes may not have the lowest living standards. The bottom ten per cent of the income distribution should not, therefore, be interpreted as having the bottom ten per cent of living standards. This is a particular issue for lower thresholds of median income. To reflect this uncertainty in these tables, results for the 50 per cent of median threshold are presented in italics.

### Definition of ‘benefit units’ and ‘households’

A family, or benefit unit, is a single adult or a couple living as married, together with any dependent children. An adult living in the same household as his or her parents, for example, is a separate benefit unit from the parents.

A household is a single person or group of people living at the same address as their only or main residence, who either share one meal a day together, or share the living accommodation (i.e. the living room). A household will consist of one or more benefit units.

## Age and gender

This is based on the age of pensioners in the household. The first age band of 60 to 64 year olds will be made up only of females.

In any analysis of gender or age, it must be remembered that HBAI attempts to measure the living standards of an individual as determined by household income. This assumes that both partners in a couple benefit equally from the household's income, and will therefore appear at the same position in the income distribution.

Any differences in gender figures can only be driven by gender differences for single adults, which will themselves be diluted by the figures for couples.

Research has suggested that, particularly in low-income households, the above assumption with regard to income sharing is not always valid as men sometimes benefit at the expense of women from shared household income. This means that it is possible that HBAI results broken down by gender could understate differences between the two groups.

## Disability

For this analysis, disability is defined as having any long-standing illness, disability or impairment that leads to a substantial difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Disability Discrimination Act (DDA). However, some individuals classified as disabled under the DDA would not be captured by this definition.

No adjustment is made to disposable household income to take into account any additional costs that may be incurred due to the illness or disability in question. This means that the position in the income distribution of these groups, as shown here, may be somewhat upwardly biased.

## Tenure

The separate council and housing association splits have been removed from this publication. This is because a significant number of housing association tenants wrongly report that they are council tenants. The most common reason for this is where their home used to be owned by the council and although ownership has now transferred to a housing association, the tenant still thinks that their landlord is the council (local authority).

Following a user consultation it was also decided to remove the rented unfurnished and rented furnished splits from these tables.

### Ethnicity

Pensioners have been classified according to the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person), which means that information about households of mixed composition is lost.

Estimates showing ethnic breakdowns are presented as three-year averages because of small sample sizes. However, the figures must still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups. Categories with very small sample sizes have been suppressed.

### Pension provision

Following consultation with users, the questions on pension provision in the Family Resources Survey were changed in 2006/07 to try to provide more information on the type of private pension scheme and identify increasing participation within older age groups. However, problems were identified during analysis as some respondents reported dormant (closed) pension schemes memberships as if they were live pension scheme memberships with respondents making continuing contributions. It has not been possible to identify and exclude all the dormant memberships on a consistent basis, although we have sought to minimise any discontinuity.

### Savings and investments

The data relating to investments and savings should be treated with caution. Questions relating to investments are a sensitive section of the questionnaire and have the lowest response rate. A high proportion of respondents do not know the interest received on their investments. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the savings and the investment income.

### Region and country

Disaggregation by geographical regions is presented in this chapter as three-year averages. This presentation has been used as single-year regional estimates are considered too volatile. Estimates for the UK, however, are shown as single-year estimates for the latest available year.

The three-year average approach employed in this chapter for the presentation of smaller geographic areas is consistent with the approach used for time series. It reduces year-on-year variation by smoothing out differences.

This issue was further discussed in **Appendix 5 of the 2004/05 HBAI publication**, where regional time series using three-year averages were presented.

Although the FRS sample is large enough to allow some analysis to be performed at a regional level, it should be noted that no adjustment has been made for regional cost of living differences, as the necessary data are not available. In the analysis here it is therefore assumed that there is no difference in the cost of living between regions, although the After Housing Costs measure will partly take into account differences in housing costs.

## Material deprivation

A suite of questions designed to capture the material deprivation experienced by pensioners has been included in the Family Resources Survey since May 2008. Respondents are asked whether they have access to 15 goods and services. In all cases except being able to pay an unexpected expense of £200, if they do not have a good or service, they are asked whether this is because; they do not have the money for this; it is not a priority on their current income; their health / disability prevents them; it is too much trouble or tiring; they have no one to do this with or help them; it is not something they want; it is not relevant to them; other. For the unexpected expense question, the follow up question was asked to explore how those who responded yes would pay. Options were: use own income but cut back on essentials; use own income but not need to cut back on essentials; use savings; use a form of credit; get money from friends or family; other. An analysis of how pensioners responded to these questions by their location on the income distribution is given in this chapter (see **Table 6.7**).

## Trends over time for headline figures

All time trends are based on thresholds of median income, are presented for the UK and based on OECD equivalisation scales (see **Appendix 2** for a discussion of the OECD scales). Such presentation is in accordance with the 2004 and 2007 Spending Reviews, as the bases for future measurement of child and pensioner poverty.

- A **relative** low-income indicator – the proportions of each group that are below thresholds of **contemporary** median income.
- An '**absolute**' low-income indicator – the proportions of each group that are below thresholds of 1998/99 median income that have been **held constant in real terms**.

Caution should be exercised when interpreting results over short time periods, as changes are often small in relation to sampling variation and other sources of measurement error.

## 6 Pensioners

**Table 6.1 (BHC): Quintile distribution of income for pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners (millions)
<b>Economic status of adults in the family</b>						
One or more working	9	15	20	25	31	1.9
No one working	26	30	22	14	8	9.5
<b>Age</b>						
60 - 64	19	21	20	20	20	1.9
65 - 69	20	27	22	16	15	2.6
70 - 74	24	30	23	14	9	2.3
75 - 79	26	30	22	14	8	1.9
80 - 84	29	31	20	14	6	1.5
85 +	26	30	23	15	6	1.1
<b>Family type</b>						
Couple living with others	13	22	27	21	17	0.6
Couple living alone	22	26	21	17	14	6.1
Single living with others	15	26	27	21	11	0.8
Single living alone	29	32	21	12	6	3.9
<b>Gender</b>						
Male	22	27	23	16	12	4.2
Female	24	28	21	15	11	7.1
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult	25	24	18	16	17	4.9
One or more disabled adults	22	30	25	15	7	6.4
In receipt of disability benefits	11	31	33	20	5	2.6
Not in receipt of disability benefits	30	30	19	12	9	3.8
<b>Tenure</b>						
Owners	25	24	21	16	14	8.9
Owned outright	26	24	21	16	13	8.1
Buying with mortgage	14	20	22	22	21	0.8
Social rented sector tenants	17	45	24	12	1	1.9
All rented privately	25	33	21	16	5	0.5
<b>Ethnic group of head (3-year average)<sup>2</sup></b>						
White	24	28	22	15	11	10.7
Mixed	..	..	..	..	..	..
Asian or Asian British	39	20	15	14	12	0.2
Indian	39	16	19	13	14	0.1
Pakistani and Bangladeshi	48	23	9	14	6	0.1
Black or Black British	31	32	20	11	6	0.1
Black Caribbean	35	31	19	10	5	0.1
Black Non-Caribbean	..	..	..	..	..	..
Chinese or other ethnic group	34	21	19	14	12	0.1
<b>All pensioners<sup>3</sup></b>	23	28	22	16	11	11.3

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The figures for Mixed and Black Non-Caribbean have been suppressed due to small sample sizes.

3. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.



**Table 6.1 (AHC): Quintile distribution of income for pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners (millions)
<b>Economic status of adults in the family</b>						
One or more working	6	11	18	27	38	1.9
No one working	15	31	24	19	11	9.5
<b>Age</b>						
60 - 64	14	20	20	21	25	1.9
65 - 69	13	25	23	20	19	2.6
70 - 74	12	31	25	20	12	2.3
75 - 79	13	32	25	18	12	1.9
80 - 84	16	31	23	19	11	1.5
85 +	15	29	24	22	10	1.1
<b>Family type</b>						
Couple living with others	9	23	27	24	18	0.6
Couple living alone	12	26	24	20	18	6.1
Single living with others	13	22	28	24	13	0.8
Single living alone	16	33	21	19	11	3.9
<b>Gender</b>						
Male	12	28	24	20	17	4.2
Female	14	28	23	20	15	7.1
<b>Disability and receipt of disability benefits<sup>1</sup></b>						
No disabled adult	14	25	20	19	22	4.9
One or more disabled adults	13	29	26	21	11	6.4
In receipt of disability benefits	6	25	34	28	8	2.6
Not in receipt of disability benefits	17	33	21	17	12	3.8
<b>Tenure</b>						
Owners	11	24	24	22	19	8.9
Owned outright	11	24	24	22	19	8.1
Buying with mortgage	11	19	24	23	22	0.8
Social rented sector tenants	20	45	20	13	2	1.9
All rented privately	27	34	19	15	6	0.5
<b>Ethnic group of head (3-year average)<sup>2</sup></b>						
White	14	29	23	19	15	10.7
Mixed	..	..	..	..	..	..
Asian or Asian British	30	25	16	16	13	0.2
Indian	27	22	20	15	15	0.1
Pakistani and Bangladeshi	40	29	9	16	6	0.1
Black or Black British	29	33	18	14	6	0.1
Black Caribbean	30	35	18	12	5	0.1
Black Non-Caribbean	..	..	..	..	..	..
Chinese or other ethnic group	27	22	20	16	14	0.1
<b>All pensioners<sup>3</sup></b>	<b>13</b>	<b>28</b>	<b>23</b>	<b>20</b>	<b>16</b>	<b>11.3</b>

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The figures for Mixed and Black Non-Caribbean have been suppressed due to small sample sizes.

3. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

4. Percentages may not sum to 100 per cent due to rounding.

## 6 Pensioners

**Table 6.2 (BHC): Quintile distribution of income for pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners						Source: FRS 2008/09
	Net equivalised disposable household income					All pensioners (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
<b>Pensions receipt</b>						
Couples	21	25	22	17	15	6.6
No occupational/personal pensions	38	23	17	11	10	1.5
Only one with occupational/personal pension	20	29	21	16	13	3.2
Both with occupational/personal pensions	10	20	26	24	19	2.0
Single	27	31	22	14	7	4.7
No occupational/personal pensions	35	33	17	10	4	1.9
Occupational/personal pension	21	29	25	16	9	2.8
<b>State support received by family<sup>1</sup></b>						
Disability Living Allowance	12	31	35	18	4	1.4
Attendance Allowance	9	30	33	23	6	1.2
Pension Credit	29	37	20	12	1	1.9
Housing Benefit	11	50	26	12	1	1.5
Not in receipt of any benefit listed above	24	23	20	17	16	7.2
<b>Savings and investments</b>						
No savings	32	33	20	11	4	2.4
Less than £1,500	29	31	24	11	5	1.4
£1,500 but less than £3,000	27	34	19	12	7	0.7
£3,000 but less than £8,000	29	31	22	14	5	1.7
£8,000 but less than £10,000	26	33	24	12	5	0.4
£10,000 but less than £16,000	23	29	23	15	9	1.0
£16,000 but less than £20,000	24	29	24	14	8	0.5
£20,000 or more	11	18	22	23	26	3.3
<b>Region/Country (3-year average)</b>						
England	25	27	21	15	11	9.3
North East	24	37	22	12	5	0.5
North West	25	31	22	14	8	1.3
Yorkshire and the Humber	28	31	20	12	8	0.9
East Midlands	30	27	20	15	8	0.8
West Midlands	25	27	23	15	10	1.0
East of England	24	26	21	17	12	1.1
London	24	25	20	16	15	1.0
Inner	23	27	19	16	15	0.3
Outer	24	24	20	17	15	0.7
South East	21	24	22	17	16	1.6
South West	24	25	21	17	12	1.1
Scotland	22	31	23	15	9	0.9
Wales	28	26	22	14	9	0.6
Northern Ireland	32	25	23	14	7	0.3
<b>All pensioners<sup>2</sup></b>	<b>23</b>	<b>28</b>	<b>22</b>	<b>16</b>	<b>11</b>	<b>11.3</b>

**Notes:**

1. The population figures given for benefit receipt do not sum to all pensioners as they are not mutually exclusive groups, since people can receive more than one benefit.
2. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
3. Percentages may not sum to 100 per cent due to rounding.

**Table 6.2 (AHC): Quintile distribution of income for pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners	Net equivalised disposable household income					Source: FRS 2008/09
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners (millions)
<b>Pensions receipt</b>						
Couples	12	25	24	20	18	6.6
No occupational/personal pensions	27	31	18	12	12	1.5
Only one with occupational/personal pension	9	29	26	20	16	3.2
Both with occupational/personal pensions	5	16	26	26	27	2.0
Single	15	31	22	20	12	4.7
No occupational/personal pensions	23	39	18	13	6	1.9
Occupational/personal pension	10	25	24	24	16	2.8
<b>State support received by family<sup>1</sup></b>						
Disability Living Allowance	6	26	36	25	6	1.4
Attendance Allowance	4	22	32	32	11	1.2
Pension Credit	12	49	21	15	2	1.9
Housing Benefit	15	50	19	13	1	1.5
Not in receipt of any benefit listed above	14	21	22	21	21	7.2
<b>Savings and investments</b>						
No savings	22	38	21	15	5	2.4
Less than £1,500	17	34	26	16	7	1.4
£1,500 but less than £3,000	14	35	25	17	9	0.7
£3,000 but less than £8,000	13	34	26	18	9	1.7
£8,000 but less than £10,000	14	27	31	19	8	0.4
£10,000 but less than £16,000	12	28	25	23	12	1.0
£16,000 but less than £20,000	13	27	26	20	14	0.5
£20,000 or more	6	13	20	27	34	3.3
<b>Region/Country (3-year averages)</b>						
England	15	28	22	19	15	9.3
North East	13	34	29	17	7	0.5
North West	14	31	26	18	11	1.3
Yorkshire and the Humber	16	34	22	17	11	0.9
East Midlands	16	31	22	20	12	0.8
West Midlands	13	29	25	19	15	1.0
East of England	15	25	22	22	16	1.1
London	20	26	18	17	20	1.0
Inner	25	27	15	15	17	0.3
Outer	17	25	19	18	21	0.7
South East	13	24	21	21	21	1.6
South West	14	26	22	21	17	1.1
Scotland	11	31	25	20	13	0.9
Wales	15	29	25	19	13	0.6
Northern Ireland	18	28	23	20	11	0.3
<b>All pensioners<sup>2</sup></b>	<b>13</b>	<b>28</b>	<b>23</b>	<b>20</b>	<b>16</b>	<b>11.3</b>

**Notes:**

1. The population figures given for benefit receipt do not sum to all pensioners as they are not mutually exclusive groups, since people can receive more than one benefit.
2. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
3. Percentages may not sum to 100 per cent due to rounding.

## 6 Pensioners

**Table 6.3: Composition of low-income groups of pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All pensioners
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Economic status of adults in the family</b>							
One or more working	7	7	6	8	8	6	16
No one working	93	93	94	92	92	94	84
<b>Age</b>							
60 - 64	17	15	13	20	17	15	17
65 - 69	20	20	21	21	22	22	23
70 - 74	17	20	21	16	18	19	20
75 - 79	17	18	19	16	16	17	17
80 - 84	17	17	16	17	16	16	14
85 +	11	11	10	11	11	10	9
<b>Family type</b>							
Couple living with others	3	3	3	4	4	3	5
Couple living alone	46	49	50	47	50	49	54
Single living with others	5	4	5	7	7	6	7
Single living alone	46	43	42	42	40	42	34
<b>Gender</b>							
Male	30	34	35	32	33	34	37
Female	70	66	65	68	67	66	63
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult	50	48	45	47	47	44	43
One or more disabled adults	50	52	55	53	53	56	57
In receipt of disability benefits	7	10	13	10	10	12	23
Not in receipt of disability benefits	43	42	42	43	43	44	34
<b>Tenure</b>							
Owners	84	83	80	65	67	65	79
Owned outright	80	79	75	59	61	59	72
Buying with mortgage	5	4	4	7	6	5	7
Social rented sector tenants	10	12	16	25	25	28	17
All rented privately	5	5	5	9	8	7	4
<b>Ethnic group of head (3-year average)</b>							
White	93	95	95	92	93	94	96
Mixed	0	0	0	0	0	0	0
Asian or Asian British	4	3	2	4	3	3	2
Indian	2	2	1	2	2	1	1
Pakistani and Bangladeshi	2	1	1	2	2	1	1
Black or Black British	2	1	1	2	2	2	1
Black Caribbean	1	1	1	2	1	1	1
Black Non-Caribbean	0	0	0	1	0	0	0
Chinese or other ethnic group	1	1	1	1	1	1	1
<b>All pensioners (millions=100%)<sup>2</sup></b>	1.3	2.3	3.6	1.1	1.8	3.0	11.3

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

3. Percentages may not sum to 100 per cent due to rounding.

**Table 6.4: Composition of low-income groups of pensioners by various family and household characteristics, United Kingdom**

Percentage of pensioners							Source: FRS 2008/09
	Before Housing Costs			After Housing Costs			All pensioners
	Income Thresholds - Below Median			50%	60%	70%	
<b>Pensions receipt</b>							
Couples	49	52	53	51	53	52	59
No occupational/personal pensions	25	22	19	27	26	21	13
Only one with occupational/personal pension	17	23	25	17	20	24	28
Both with occupational/personal pensions	6	7	9	7	8	7	18
Single	51	48	47	49	47	48	41
No occupational/personal pensions	32	26	24	32	28	29	17
Occupational/personal pension	19	21	23	18	18	19	25
<b>State support received by family<sup>1</sup></b>							
Disability Living Allowance	4	6	8	6	6	7	13
Attendance Allowance	3	4	6	4	4	4	11
Pension Credit	17	21	22	13	18	26	17
Housing Benefit	3	6	10	12	16	22	13
Not in receipt of any benefit listed above	75	68	64	72	66	57	64
<b>Savings and investments</b>							
No savings	31	29	28	34	34	33	21
Less than £1,500	16	15	14	16	15	15	12
£1,500 but less than £3,000	6	7	8	6	6	7	6
£3,000 but less than £8,000	15	18	18	14	15	17	15
£8,000 but less than £10,000	4	4	4	4	4	4	4
£10,000 but less than £16,000	10	9	10	7	9	9	9
£16,000 but less than £20,000	4	4	4	3	4	4	4
£20,000 or more	15	14	15	15	13	12	29
<b>Region/Country (3-year average)</b>							
England	83	83	83	85	85	84	84
North East	4	4	5	4	4	5	4
North West	11	11	12	10	11	12	11
Yorkshire and the Humber	10	10	10	9	9	9	8
East Midlands	9	9	9	8	8	8	7
West Midlands	8	9	9	8	8	9	9
East of England	9	9	9	11	10	10	10
London	10	9	8	13	12	10	9
Inner	3	3	3	5	5	4	3
Outer	7	6	6	8	7	6	6
South East	13	12	12	13	13	13	14
South West	10	10	9	10	10	9	10
Scotland	7	7	8	6	7	8	8
Wales	6	6	6	5	6	5	5
Northern Ireland	4	3	3	3	3	3	2
<b>All pensioners (millions=100%)<sup>2</sup></b>	1.3	2.3	3.6	1.1	1.8	3.0	11.3

**Notes:**

1. The population figures given for benefit receipt do not sum to all pensioners as they are not mutually exclusive groups, since people can receive more than one benefit.
2. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.
3. Percentages may not sum to 100 per cent due to rounding.

## 6 Pensioners

**Table 6.5: Percentage of pensioners in low-income groups by various family and household characteristics, United Kingdom**

Percentage of pensioners				Source: FRS 2008/09			
	Before Housing Costs			After Housing Costs			All pensioners (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Economic status of adults in the family</b>							
One or more working	5	8	12	5	7	10	1.9
No one working	12	23	35	10	18	29	9.5
<b>Age</b>							
60 - 64	11	17	25	11	16	24	1.9
65 - 69	10	18	28	8	15	25	2.6
70 - 74	10	20	33	8	14	25	2.3
75 - 79	12	22	36	9	16	27	1.9
80 - 84	14	25	37	12	19	31	1.5
85 +	13	23	34	11	18	29	1.1
<b>Family type</b>							
Couple living with others	6	12	18	7	12	16	0.6
Couple living alone	10	19	29	8	15	24	6.1
Single living with others	8	13	23	10	15	21	0.8
Single living alone	15	25	38	12	19	32	3.9
<b>Gender</b>							
Male	9	18	30	8	14	24	4.2
Female	12	22	33	10	17	27	7.1
<b>Disability and receipt of disability benefits<sup>1</sup></b>							
No disabled adult	13	22	32	10	17	27	4.9
One or more disabled adults	10	19	31	9	15	26	6.4
In receipt of disability benefits	3	9	18	4	7	14	2.6
Not in receipt of disability benefits	14	26	39	12	21	34	3.8
<b>Tenure</b>							
Owners	12	21	32	8	13	22	8.9
Owned outright	12	22	33	8	14	22	8.1
Buying with mortgage	7	12	19	8	13	18	0.8
Social rented sector tenants	7	15	29	14	24	44	1.9
All rented privately	14	23	35	21	30	45	0.5
<b>Ethnic group of head (3-year average)<sup>2</sup></b>							
White	12	22	33	10	17	28	10.7
Mixed	..	..	..	..	..	..	..
Asian or Asian British	27	37	45	23	35	45	0.2
Indian	28	36	42	21	31	39	0.1
Pakistani and Bangladeshi	31	46	59	31	49	61	0.1
Black or Black British	18	29	44	22	31	47	0.1
Black Caribbean	20	33	48	21	30	48	0.1
Black Non-Caribbean	..	..	..	..	..	..	..
Chinese or other ethnic group	23	32	42	18	30	40	0.1
<b>All pensioners<sup>3</sup></b>							
	11	20	31	9	16	26	11.3

**Notes:**

1. Disability benefits are Disability Living Allowance; Armed Forces Compensation Scheme; Attendance Allowance (for those over 65 years old); Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.

2. The figures for Mixed and Black Non-Caribbean have been suppressed due to small sample sizes.

3. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

**Table 6.6: Percentage of pensioners in low-income groups by various family and household characteristics, United Kingdom**

Percentage of pensioners				Source: FRS 2008/09			
	Before Housing Costs			After Housing Costs			All pensioners (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
<b>Pensions receipt</b>							
Couples	9	18	28	8	15	23	6.6
No occupational/personal pensions	22	35	47	20	32	44	1.5
Only one with occupational/personal pension	7	17	28	6	12	22	3.2
Both with occupational/personal pensions	4	8	15	4	7	11	2.0
Single	14	23	36	11	18	30	4.7
No occupational/personal pensions	22	32	45	18	27	46	1.9
Occupational/personal pension	9	18	30	7	12	20	2.8
<b>State support received by family<sup>1</sup></b>							
Disability Living Allowance	4	10	19	5	8	15	1.4
Attendance Allowance	3	8	16	3	6	11	1.2
Pension Credit	11	25	40	7	17	40	1.9
Housing Benefit	3	9	24	9	20	44	1.5
Not in receipt of any benefit listed above	13	22	31	11	16	23	7.2
<b>Savings and investments</b>							
No savings	16	28	42	15	26	42	2.4
Less than £1,500	14	25	36	12	20	33	1.4
£1,500 but less than £3,000	11	22	39	9	17	30	0.7
£3,000 but less than £8,000	11	24	38	9	16	29	1.7
£8,000 but less than £10,000	12	23	34	11	18	25	0.4
£10,000 but less than £16,000	11	21	33	7	15	25	1.0
£16,000 but less than £20,000	12	22	33	8	16	25	0.5
£20,000 or more	6	10	16	5	7	11	3.3
<b>Region/Country (3-year average)</b>							
England	12	22	33	10	18	29	9.3
North East	11	21	35	8	18	30	0.5
North West	12	22	35	9	17	30	1.3
Yorkshire and the Humber	14	25	39	10	19	32	0.9
East Midlands	14	27	39	11	20	31	0.8
West Midlands	12	22	33	9	16	28	1.0
East of England	12	21	32	11	18	28	1.1
London	14	22	31	15	23	32	1.0
Inner	14	23	31	18	29	40	0.3
Outer	14	22	31	13	20	29	0.7
South East	11	19	27	9	16	26	1.6
South West	12	22	32	10	17	27	1.1
Scotland	10	19	33	7	14	27	0.9
Wales	14	25	36	10	18	28	0.6
Northern Ireland	19	29	40	13	22	32	0.3
<b>All pensioners<sup>2</sup></b>	11	20	31	9	16	26	11.3

**Notes:**

1. The population figures given for benefit receipt do not sum to all pensioners as they are not mutually exclusive groups, since people can receive more than one benefit.

2. The totals for all pensioners are shown for the United Kingdom for the year 2008/09 only and are not three-year averages.

## 6 Pensioners

**Table 6.7 (BHC): Quintile distribution of income for pensioners by extent of their deprivation of items and services, United Kingdom<sup>1</sup>**

Percentage of pensioners <sup>2</sup>		Net equivalised disposable household income						Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners	Most common reason for 'no' response <sup>3</sup>
At least one filling meal a day	Yes	99	99	99	99	100	99	.. <sup>5</sup>
	No	1	1	1	1	0	1	
Go out socially at least once a month	Yes	67	68	72	78	90	72	37%
	No	33	32	28	22	10	28	Health / disability prevents me
See friends or family at least once a month	Yes	94	94	94	96	95	95	38%
	No	6	6	6	4	5	5	Other reason
Take a holiday away from home	Yes	53	53	58	67	85	60	36%
	No	47	47	42	33	15	40	Health / disability prevents me
Able to replace cooker if it broke down	Yes	86	86	89	96	99	89	87%
	No	14	14	11	4	1	11	No money for this
Home kept in a good state of repair	Yes	94	96	97	98	99	96	53%
	No	6	4	3	2	1	4	No money for this
Heating, electrics, plumbing and drains working	Yes	97	98	99	98	100	98	46%
	No	3	2	1	2	0	2	No money for this
Have a damp-free home	Yes	92	94	95	97	97	94	44%
	No	8	6	5	3	3	6	Other reason
Home kept adequately warm	Yes	94	95	97	96	98	96	72%
	No	6	5	3	4	2	4	No money for this
Able to pay regular bills	Yes	94	95	97	98	99	96	83%
	No	6	5	3	2	1	4	No money for this
Have a telephone to use, whenever needed	Yes	99	98	99	100	100	99	44%
	No	1	2	1	0	0	1	No money for this
Have access to a car or taxi, whenever needed	Yes	84	87	93	94	99	90	38%
	No	16	13	7	6	1	10	No money for this
Have hair done or cut regularly	Yes	84	88	91	93	94	89	29%
	No	16	12	9	7	6	11	Not priority on current income
Have a warm waterproof coat	Yes	98	98	98	98	99	98	44%
	No	2	2	2	2	1	2	No money for this

		Net equivalised disposable household income						Most common reason for 'yes' response <sup>4</sup>
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners	
Able to pay an unexpected expense of £200	Yes	83	82	87	93	99	87	56%
	No	17	18	13	7	1	13	Use savings

### Notes:

1. For 2008/09, the first year this set of questions were asked on the Family Resources Survey, there is only 11 months worth of data. From 2009/10 onwards the questions will cover the full 12 months.

2. Percentages relate to the proportion of pensioners who answered the material deprivation questions, some pensioners have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

3. For the first 14 questions in the table the follow up questions were asked to explore the reason for a "no" response. Options were: No money for this; Not priority on current income; Health/disability prevents me; Too much trouble/too tiring; No-one to do this with or help me; Not something I want; Not relevant to me; Other.

4. For the last question in the table relating to being able to meet an unexpected expense of £200, the follow up question was asked to explore how those who responded "yes" would pay. Options were: Use own income but cut back on essentials; Use own income but not need to cut back on essentials; Use my savings; Use a form of credit; Get money from friends or family; Other.

5. The figures for most common reason for "no" response for at least one filling meal a day has been suppressed due to small sample size.

6. Percentages may not sum to 100 per cent due to rounding.



**Table 6.7 (AHC): Quintile distribution of income for pensioners by extent of their deprivation of items and services, United Kingdom<sup>1</sup>**

Percentage of pensioners <sup>2</sup>		Net equivalised disposable household income						Source: FRS 2008/09
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners	Most common reason for 'no' response <sup>3</sup>
At least one filling meal a day	Yes	99	99	99	99	100	99	.. <sup>5</sup>
	No	1	1	1	1	0	1	
Go out socially at least once a month	Yes	66	65	72	75	88	72	37%
	No	34	35	28	25	12	28	Health / disability prevents me
See friends or family at least once a month	Yes	93	94	94	96	96	95	38%
	No	7	6	6	4	4	5	Other reason
Take a holiday away from home	Yes	50	52	58	63	82	60	36%
	No	50	48	42	37	18	40	Health / disability prevents me
Able to replace cooker if it broke down	Yes	83	83	90	95	99	89	87%
	No	17	17	10	5	1	11	No money for this
Home kept in a good state of repair	Yes	93	95	96	98	99	96	53%
	No	7	5	4	2	1	4	No money for this
Heating, electrics, plumbing and drains working	Yes	97	98	99	98	100	98	46%
	No	3	2	1	2	0	2	No money for this
Have a damp-free home	Yes	92	93	94	96	98	94	44%
	No	8	7	6	4	2	6	Other reason
Home kept adequately warm	Yes	94	93	96	97	98	96	72%
	No	6	7	4	3	2	4	No money for this
Able to pay regular bills	Yes	93	94	97	98	99	96	83%
	No	7	6	3	2	1	4	No money for this
Have a telephone to use, whenever needed	Yes	98	98	99	100	100	99	44%
	No	2	2	1	0	0	1	No money for this
Have access to a car or taxi, whenever needed	Yes	81	85	93	94	98	90	38%
	No	19	15	7	6	2	10	No money for this
Have hair done or cut regularly	Yes	83	85	91	93	94	89	29%
	No	17	15	9	7	6	11	Not priority on current income
Have a warm waterproof coat	Yes	97	97	98	98	99	98	44%
	No	3	3	2	2	1	2	No money for this

		Net equivalised disposable household income						Most common reason for 'yes' response <sup>4</sup>
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners	
Able to pay an unexpected expense of £200	Yes	79	79	88	94	99	87	56%
	No	21	21	12	6	1	13	Use savings

**Notes:**

1. For 2008/09, the first year this set of questions were asked on the Family Resources Survey, there is only 11 months worth of data. From 2009/10 onwards the questions will cover the full 12 months.

2. Percentages relate to the proportion of pensioners who answered the material deprivation questions, some pensioners have not been included in computing the above breakdowns due to either: a skipped response, doesn't know the answer or refusal to answer the question.

3. For the first 14 questions in the table the follow up questions were asked to explore the reason for a "no" response. Options were: No money for this; Not priority on current income; Health/disability prevents me; Too much trouble/too tiring; No-one to do this with or help me; Not something I want; Not relevant to me; Other.

4. For the last question in the table relating to being able to meet an unexpected expense of £200, the follow up question was asked to explore how those who responded "yes" would pay. Options were: Use own income but cut back on essentials; Use own income but not need to cut back on essentials; Use my savings; Use a form of credit; Get money from friends or family; Other.

5. The figures for most common reason for "no" response for at least one filling meal a day has been suppressed due to small sample size.

6. Percentages may not sum to 100 per cent due to rounding.

## 6 Pensioners

Table 6.1tr: Percentage of pensioners falling below various thresholds of contemporary median income, United Kingdom<sup>1,2</sup>

Percentage of pensioners		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK) <sup>4</sup>	1979	10	33	53	7	29	49
	1981	5	22	44	4	20	43
	1987	11	28	48	8	29	45
	1988/89	17	40	54	16	39	50
	1990/91	17	37	50	18	36	45
	1991/92	14	33	46	16	33	43
	1992/93	13	28	44	13	31	42
	1993/95	12	25	41	10	29	40
	1994/96	10	23	40	10	29	39
	1995/97	11	24	40	12	29	39
FRS (GB)	1994/95	12	24	41	11	28	40
	1995/96	12	24	40	10	28	40
	1996/97	13	25	40	13	29	39
	1997/98	13	25	40	13	29	38
FRS (UK)	1998/99	14	27	41	13	29	38
	1999/00	14	25	40	13	28	38
	2000/01	13	25	39	11	26	36
	2001/02	14	25	39	11	26	37
	2002/03	13	24	39	11	24	37
	2003/04	12	23	36	10	21	34
	2004/05	11	21	34	8	18	30
	2005/06	11	21	33	8	17	29
	2006/07	13	23	35	10	19	31
	2007/08	13	23	34	10	18	29
Change	1998/99-2008/09 <sup>2,3</sup>	-3	-7	-9	-4	-13	-12
	2007/08-2008/09 <sup>2,3</sup>	-2	-2	-2	-1	-2	-3

### Notes:

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.
2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.
3. Due to rounding, the estimates of change in percentages of pensioners below low-income thresholds may not equal the difference between the total percentage of pensioners below thresholds for any pair of years shown.
4. FES figures have seen revisions since their publication in the last (2007/08) HBAI report. This is due to methodological improvements.

Table 6.2tr: Percentage of pensioners falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>

Percentage of pensioners		Source: FES/FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	49	64	73	48	62	71
	1981	42	60	71	43	57	68
	1987	28	50	62	31	49	58
	1988/89	29	50	61	33	48	57
	1990/91	26	45	56	29	42	51
	1991/92	21	40	52	25	39	48
	1992/93	17	37	50	21	37	47
	1993/95	15	31	47	16	35	45
	1994/96	13	28	45	15	32	42
	1995/97	12	27	43	15	31	40
FRS (GB)	1994/95	16	32	48	19	36	47
	1995/96	16	32	47	18	35	46
	1996/97	14	28	43	16	32	42
	1997/98	14	27	42	15	31	40
FRS (UK)	1998/99	14	27	41	13	29	38
	1999/00	12	23	37	10	25	35
	2000/01	10	20	33	8	20	31
	2001/02	8	18	29	7	14	28
	2002/03	7	16	27	6	12	23
	2003/04	7	15	25	6	10	19
	2004/05	6	13	23	5	8	15
	2005/06	6	12	21	5	8	14
	2006/07	7	15	23	6	10	16
	2007/08	7	14	23	6	9	15
	2008/09	7	12	20	5	9	13
Change	1998/99-2008/09 <sup>2,3</sup>	-8	-15	-21	-8	-20	-25
	2007/08-2008/09 <sup>2,3</sup>	-1	-2	-3	0	-1	-1

Notes:

1. FES figures are for the United Kingdom, FRS figures are for Great Britain up to 1997/98, and for the United Kingdom from 1998/99, with estimates for Northern Ireland imputed for the years 1998/99 through 2001/02. The reference period for FRS figures is single financial years. FES figures are single calendar years from 1979-87, two combined calendar years from 1988/89-1992/93 and two financial years combined from 1993/95-1995/97.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages of pensioners below low-income thresholds may not equal the difference between the total percentage of pensioners below thresholds for any pair of years shown.

## 6 Pensioners

Table 6.3tr: Number of pensioners falling below various thresholds of contemporary median income, United Kingdom<sup>1,2</sup>

Number of pensioners (millions)		Source: FES/FRS						
		Before Housing Costs			After Housing Costs			All pensioners
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK) <sup>4</sup>	1979	0.9	3.0	4.8	0.6	2.6	4.4	9.1
	1981	0.5	2.1	4.2	0.4	1.9	4.1	9.5
	1987	1.1	2.8	4.8	0.8	2.9	4.5	9.9
	1988/89	1.7	3.9	5.3	1.6	3.9	5.0	9.9
	1990/91	1.8	3.8	5.0	1.8	3.7	4.6	10.1
	1991/92	1.5	3.4	4.7	1.6	3.4	4.4	10.2
	1992/93	1.3	2.9	4.5	1.3	3.1	4.3	10.2
	1993/95	1.2	2.5	4.2	1.0	3.0	4.1	10.2
	1994/96	1.1	2.3	4.1	1.0	2.9	4.0	10.1
	1995/97	1.1	2.5	4.1	1.2	3.0	3.9	10.2
FRS (GB)	1994/95	1.2	2.4	4.0	1.1	2.8	4.0	9.9
	1995/96	1.2	2.4	3.9	1.0	2.8	3.9	9.9
	1996/97	1.3	2.4	4.0	1.2	2.9	3.9	9.9
FRS (UK)	1997/98	1.3	2.5	4.0	1.3	2.9	3.8	10.0
	1998/99	1.5	2.8	4.2	1.4	2.9	3.9	10.3
	1999/00	1.4	2.6	4.1	1.3	2.8	3.9	10.3
	2000/01	1.4	2.6	4.0	1.2	2.7	3.7	10.3
	2001/02	1.4	2.6	4.0	1.2	2.7	3.8	10.4
	2002/03	1.4	2.5	4.0	1.1	2.5	3.8	10.5
	2003/04	1.3	2.4	3.8	1.0	2.2	3.6	10.5
	2004/05	1.2	2.3	3.7	0.9	1.9	3.2	10.7
	2005/06	1.2	2.2	3.6	0.9	1.8	3.1	10.8
	2006/07	1.4	2.5	3.8	1.1	2.1	3.4	10.9
	2007/08	1.4	2.5	3.7	1.1	2.0	3.2	11.1
	2008/09	1.3	2.3	3.6	1.1	1.8	3.0	11.3
Change	1998/99-2008/09 <sup>2,3</sup>	-0.2	-0.5	-0.6	-0.3	-1.1	-1.0	1.0
	2007/08-2008/09 <sup>2,3</sup>	-0.2	-0.2	-0.2	-0.1	-0.2	-0.3	0.2

Table 6.4tr: Number of pensioners falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom<sup>1,2</sup>

Number of pensioners (millions)		Source: FES/FRS						
		Before Housing Costs			After Housing Costs			All pensioners
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK)	1979	4.4	5.8	6.7	4.4	5.6	6.5	9.1
	1981	4.0	5.7	6.7	4.1	5.5	6.4	9.5
	1987	2.8	4.9	6.1	3.1	4.8	5.8	9.9
	1988/89	2.9	5.0	6.1	3.3	4.7	5.7	9.9
	1990/91	2.7	4.6	5.6	3.0	4.2	5.2	10.1
	1991/92	2.1	4.1	5.3	2.6	4.0	4.9	10.2
	1992/93	1.8	3.7	5.1	2.1	3.8	4.8	10.2
	1993/95	1.5	3.2	4.8	1.7	3.5	4.6	10.2
	1994/96	1.4	2.9	4.5	1.5	3.3	4.3	10.1
	1995/97	1.2	2.7	4.4	1.6	3.2	4.1	10.2
FRS (GB)	1994/95	1.6	3.2	4.7	1.9	3.6	4.6	9.9
	1995/96	1.6	3.1	4.7	1.8	3.5	4.5	9.9
	1996/97	1.4	2.8	4.2	1.6	3.2	4.1	9.9
	1997/98	1.4	2.7	4.2	1.4	3.0	4.0	10.0
FRS (UK)	1998/99	1.5	2.8	4.2	1.4	2.9	3.9	10.3
	1999/00	1.3	2.3	3.8	1.1	2.5	3.6	10.3
	2000/01	1.1	2.0	3.4	0.8	2.0	3.2	10.3
	2001/02	0.9	1.8	3.1	0.7	1.5	2.9	10.4
	2002/03	0.8	1.7	2.8	0.6	1.2	2.4	10.5
	2003/04	0.7	1.6	2.6	0.6	1.1	2.0	10.5
	2004/05	0.6	1.4	2.4	0.5	0.9	1.6	10.7
	2005/06	0.6	1.3	2.3	0.5	0.8	1.5	10.8
	2006/07	0.8	1.6	2.5	0.7	1.1	1.7	10.9
	2007/08	0.8	1.6	2.5	0.6	1.0	1.6	11.1
Change	2008/09	0.7	1.4	2.3	0.6	1.0	1.5	11.3
	1998/99-2008/09 <sup>2,3</sup>	-0.7	-1.4	-1.9	-0.8	-1.9	-2.4	1.0
	2007/08-2008/09 <sup>2,3</sup>	-0.1	-0.2	-0.3	0.0	0.0	-0.1	0.2

## 6 Pensioners

**Table 6.5tr: Percentage of pensioners aged 65 or over falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, United Kingdom<sup>1</sup>**

Percentage of pensioners		Source: FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
<b>Contemporary income thresholds</b>							
FRS (GB)	1994/95	13	25	43	12	29	42
	1995/96	13	25	42	11	29	42
	1996/97	13	26	42	13	30	41
	1997/98	14	27	42	13	31	40
	1998/99	15	28	43	14	30	40
	1999/00	14	26	41	13	29	39
	2000/01	14	26	40	11	27	38
FRS (UK)	2001/02	14	26	40	11	26	38
	2002/03	13	25	40	11	25	38
	2003/04	12	24	38	10	21	35
	2004/05	11	22	35	8	18	31
	2005/06	11	21	34	8	17	30
	2006/07	13	24	36	11	19	32
	2007/08	13	23	35	10	18	30
	2008/09	11	21	33	9	16	27
<b>Change</b>	2007/08-2008/09 <sup>2,3</sup>	-2	-2	-2	-1	-2	-3

Percentage of pensioners		Source: FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%
<b>1998/99 income thresholds held constant in real terms</b>							
FRS (GB)	1994/95	17	34	50	20	38	49
	1995/96	17	33	49	19	37	48
	1996/97	15	29	45	16	33	44
	1997/98	15	28	44	15	32	42
	1998/99	15	28	43	14	30	40
	1999/00	13	24	39	11	26	37
	2000/01	11	20	34	8	20	32
FRS (UK)	2001/02	9	18	30	7	15	29
	2002/03	7	16	28	5	12	23
	2003/04	7	15	26	6	10	19
	2004/05	6	14	24	4	8	15
	2005/06	6	12	22	4	8	14
	2006/07	8	15	24	6	10	16
	2007/08	7	14	24	5	9	15
	2008/09	6	12	21	5	8	13
<b>Change</b>	2007/08-2008/09 <sup>2,3</sup>	-1	-2	-3	0	-1	-1

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Small changes in estimates from year to year, particularly at the bottom of the income distribution, may not be significant in view of data uncertainties; see references to sampling errors in Appendix 2.

3. Due to rounding, the estimates of change in percentages of pensioners below low-income thresholds may not equal the difference between the total percentage of pensioners below thresholds for any pair of years shown.

Table 6.6tr: Number of pensioners aged 65 or over falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, United Kingdom<sup>1</sup>

Numbers of pensioners (millions)		Source: FRS					
		Before Housing Costs			After Housing Costs		
		Below median			Below median		
		50%	60%	70%	50%	60%	70%

Table 6.1ts: Population of pensioners by age and gender, United Kingdom<sup>1</sup>

	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Number of pensioners whose age is: (millions)</b>															
60 - 64	1.4	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.8	1.9
65 - 69	2.5	2.6	2.5	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.7	2.6	2.6	2.6
70 - 74	2.5	2.4	2.3	2.2	2.3	2.2	2.3	2.3	2.3	2.4	2.2	2.2	2.2	2.2	2.3
75 - 79	1.6	1.6	1.7	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.9	1.9
80 - 84	1.2	1.2	1.2	1.2	1.1	1.1	1.2	1.2	1.4	1.4	1.6	1.5	1.6	1.5	1.5
85 +	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.9	0.9	1.0	1.0	1.1
<b>Number of pensioners whose gender is: (millions)</b>															
Male	3.5	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.9	3.9	4.0	4.0	4.1	4.1	4.2
Female	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.6	6.6	6.7	6.8	6.8	7.0	7.1
<b>All pensioners (millions)</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.1</b>	<b>10.1</b>	<b>10.5</b>	<b>10.5</b>	<b>10.7</b>	<b>10.8</b>	<b>10.9</b>	<b>11.1</b>	<b>11.3</b>
<b>Percentage of pensioners whose age is:</b>															
60 - 64	14	14	14	14	14	15	14	14	14	15	15	15	15	16	17
65 - 69	25	26	26	26	25	25	25	24	24	24	25	25	24	24	23
70 - 74	25	24	23	23	23	22	22	22	22	22	21	20	20	20	20
75 - 79	16	17	17	18	19	19	19	18	18	18	17	17	17	17	17
80 - 84	12	12	12	12	11	11	12	12	13	14	15	14	14	14	14
85 +	7	7	7	8	8	8	8	8	8	8	8	9	9	9	9
<b>Percentage of pensioners whose gender is:</b>															
Male	35	36	36	36	36	36	36	37	37	37	37	37	37	37	37
Female	65	64	64	64	64	64	64	63	63	63	63	63	63	63	63
<b>All pensioners (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.



Table 6.2ts: Population of pensioners by tenure, United Kingdom<sup>1</sup>

	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Source: FRS															
<b>Number of pensioners whose tenure type is: (millions)</b>															
Owners	6.5	6.7	6.8	6.9	7.0	7.1	7.2	7.4	7.7	7.9	8.1	8.4	8.5	8.8	8.9
Owned outright	5.7	5.8	5.9	6.0	6.1	6.2	6.4	6.6	6.8	7.1	7.3	7.5	7.6	8.0	8.1
Buying with mortgage	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.8	0.8	0.8
Social rented sector tenants	2.8	2.7	2.7	2.6	2.5	2.4	2.4	2.3	2.3	2.2	2.1	2.0	1.9	1.9	1.9
All rented privately	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.4	0.5	0.5	0.4	0.4	0.5
<b>All pensioners (millions)</b>	9.9	9.9	9.9	10.0	10.0	10.0	10.1	10.1	10.5	10.5	10.7	10.8	10.9	11.1	11.3
<b>Percentage of pensioners whose tenure type is:</b>															
Owners	65	67	68	69	70	71	72	73	74	75	76	78	78	79	79
Owned outright	58	59	59	60	61	62	63	65	65	68	68	69	70	72	72
Buying with mortgage	8	8	9	9	9	9	9	9	8	8	8	8	8	7	7
Social rented sector tenants	28	28	27	26	25	24	23	22	22	21	19	18	18	17	17
All rented privately	6	5	5	5	5	5	5	4	4	4	4	4	4	4	4
<b>All pensioners (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 6.3ts: Population of pensioners by region and country, United Kingdom<sup>1</sup>

	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Number of pensioners whose region/country is: (3-year average, millions)</b>													
England	8.5	8.5	8.5	8.6	8.6	8.7	8.7	8.8	8.8	8.9	9.0	9.1	9.3
North East	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
North West	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3
Yorkshire and the Humber	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
East Midlands	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
West Midlands	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0
East of England	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1
London	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
South East	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.6
South West	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
Scotland	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Wales	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Northern Ireland	..	..	..	..	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>All pensioners (millions)<sup>2</sup></b>	<b>9.9</b>	<b>9.9</b>	<b>10.0</b>	<b>10.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.4</b>	<b>10.5</b>	<b>10.6</b>	<b>10.7</b>	<b>10.8</b>	<b>10.9</b>	<b>11.1</b>
<b>Percentage of pensioners whose region/country is: (3-year average)</b>													
England	86	86	86	86	84	84	84	84	84	84	84	84	84
North East	5	5	5	5	5	5	5	5	4	4	4	4	4
North West	12	12	12	12	12	12	12	12	12	12	11	11	11
Yorkshire and the Humber	9	9	9	9	9	9	9	9	9	9	9	8	8
East Midlands	7	7	7	7	7	7	7	7	7	7	7	7	7
West Midlands	9	9	9	9	9	9	9	9	9	9	9	9	9
East of England	9	9	9	10	9	9	9	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	9	9	9	9	9
South East	14	14	14	14	14	14	14	14	14	14	14	14	14
South West	10	10	10	10	10	10	10	10	10	10	10	10	10
Scotland	9	9	9	9	9	9	9	9	9	9	9	9	8
Wales	6	6	6	6	5	5	5	5	5	5	5	5	5
Northern Ireland	..	..	..	..	2	2	2	2	2	2	2	2	2
<b>All pensioners (per cent)<sup>2</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.
- Percentages may not sum to 100 per cent due to rounding.

Table 6.4ts: Composition of pensioners living in households with less than 60 per cent of contemporary median household income, by age and gender, United Kingdom<sup>1</sup>

Percentage of pensioners														Source: FRS	
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Age</b>															
60 - 64	10	9	11	10	10	10	11	11	11	12	11	12	12	13	15
65 - 69	19	21	19	19	19	19	20	18	19	19	19	22	19	20	20
70 - 74	26	24	24	24	25	23	23	23	23	22	19	21	19	19	20
75 - 79	19	21	21	23	23	22	22	22	21	21	20	18	22	18	18
80 - 84	17	16	16	15	14	16	13	16	16	18	19	17	16	17	17
85 +	9	9	9	9	10	10	11	11	10	9	11	10	12	11	11
<b>Gender</b>															
Male	31	32	31	32	33	33	33	34	35	33	34	34	33	33	34
Female	69	68	69	68	67	67	67	66	65	67	66	66	67	67	66
<b>All pensioners (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
<b>Age</b>															
60 - 64	10	9	10	10	10	11	12	12	12	13	15	14	14	16	17
65 - 69	19	21	19	20	19	20	20	19	21	20	22	24	20	21	22
70 - 74	28	25	24	23	24	23	22	23	22	23	19	19	19	19	18
75 - 79	21	22	22	23	23	21	22	21	20	20	19	17	19	17	16
80 - 84	15	15	17	15	14	16	13	15	16	16	16	15	16	16	16
85 +	7	8	9	10	10	10	10	10	10	8	10	11	12	10	11
<b>Gender</b>															
Male	30	32	30	32	32	32	32	33	35	33	35	35	34	32	33
Female	70	68	70	68	68	68	68	67	65	67	65	65	66	68	67
<b>All pensioners (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
2. Percentages may not sum to 100 per cent due to rounding.

Table 6.5ts: Composition of pensioners living in households with less than 60 per cent of contemporary median household income, by tenure, United Kingdom<sup>1</sup>

Percentage of pensioners	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Tenure</b>															
Owners	71	74	71	71	72	74	73	75	79	80	83	84	83	84	83
Owned outright	65	69	66	65	66	67	67	70	73	75	76	78	78	79	79
Buying with mortgage	6	5	5	6	5	6	6	5	6	5	6	6	5	5	4
Social rented sector tenants	21	21	23	23	23	20	21	19	16	14	13	11	11	12	12
All rented privately	8	5	6	6	5	7	6	5	5	5	5	5	6	4	5
<b>All pensioners (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>After Housing Costs</b>															
<b>Tenure</b>															
Owners	42	45	43	45	47	49	49	53	56	58	62	64	65	68	67
Owned outright	36	40	38	39	41	43	43	48	50	53	55	56	60	61	61
Buying with mortgage	6	5	4	6	5	6	5	5	6	5	7	8	6	7	6
Social rented sector tenants	49	48	50	47	46	43	44	40	37	34	30	27	26	26	25
All rented privately	10	8	8	8	7	8	7	7	7	7	7	9	8	6	8
<b>All pensioners (per cent)</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 6.6ts: Percentage of pensioners living in households with less than 60 per cent of contemporary median household income, by age and gender, United Kingdom<sup>1</sup>

Percentage of pensioners															Source: FRS
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Age</b>															
60 - 64	17	16	19	18	19	18	18	19	18	18	17	18	18	19	17
65 - 69	18	19	18	19	20	19	20	18	19	18	17	18	18	20	18
70 - 74	25	24	25	27	29	26	25	26	25	23	19	21	21	22	20
75 - 79	28	30	30	32	33	29	29	31	28	27	25	22	29	25	22
80 - 84	32	32	33	32	33	36	28	32	29	30	27	24	27	28	25
85 +	33	28	31	30	33	30	34	33	32	26	29	25	32	27	23
<b>Gender</b>															
Male	21	22	21	22	25	23	23	23	23	20	19	19	21	20	18
Female	26	25	27	27	28	26	26	26	25	25	23	22	25	24	22
<b>All pensioners (per cent)</b>	24	24	25	25	27	25	25	25	24	23	21	21	23	23	20
<b>After Housing Costs</b>															
<b>Age</b>															
60 - 64	20	19	21	20	21	21	21	21	20	19	18	16	17	18	16
65 - 69	21	22	21	22	21	22	21	20	20	18	16	16	16	16	15
70 - 74	31	29	29	30	30	28	25	27	24	21	16	16	17	17	14
75 - 79	37	36	36	37	35	30	31	29	27	23	19	17	21	19	16
80 - 84	34	34	39	37	37	39	30	31	30	24	19	18	21	20	19
85 +	30	30	38	38	35	35	33	31	29	22	22	22	25	20	18
<b>Gender</b>															
Male	24	25	24	26	26	24	23	23	23	18	16	16	17	16	14
Female	31	30	32	31	30	29	28	27	25	22	18	18	20	20	17
<b>All pensioners (per cent)</b>	28	28	29	29	29	28	26	26	24	21	18	17	19	18	16

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 6.7ts: Percentage of pensioners living in households with less than 60 per cent of contemporary median household income, by tenure, United Kingdom<sup>1</sup>

Percentage of pensioners														Source: FRS	
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Tenure</b>															
Owners	26	26	26	26	28	26	25	26	26	24	23	23	25	24	21
Owned outright	27	28	27	28	29	27	26	27	27	25	24	23	26	25	22
Buying with mortgage	18	14	15	16	17	19	16	15	18	15	17	15	15	15	12
Social rented sector tenants	18	18	21	22	24	21	23	22	18	16	14	12	15	16	15
All rented privately	31	25	32	31	31	31	29	29	29	30	23	25	32	24	23
<b>All pensioners (per cent)</b>	24	24	25	25	27	25	25	25	24	23	21	21	23	23	20
<b>After Housing Costs</b>															
<b>Tenure</b>															
Owners	18	18	18	19	19	19	18	19	18	16	14	14	16	16	13
Owned outright	18	19	19	19	19	19	18	19	18	16	14	14	16	15	14
Buying with mortgage	20	16	15	19	17	19	16	16	17	14	15	17	14	17	13
Social rented sector tenants	48	48	54	52	52	50	49	45	41	34	28	25	28	28	24
All rented privately	43	41	45	45	44	42	39	43	38	38	29	34	38	28	30
<b>All pensioners (per cent)</b>	28	28	29	29	29	28	26	26	24	21	18	17	19	18	16

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 6.8ts: Percentage of pensioners living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom<sup>1</sup>

Percentage of pensioners													Source: FRS
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	24	24	25	26	25	25	25	24	23	21	22	22	22
North East	26	26	26	28	30	28	26	23	22	20	20	21	21
North West	24	25	27	27	26	25	25	25	24	24	24	24	22
Yorkshire and the Humber	28	28	30	30	29	28	27	25	24	22	24	25	25
East Midlands	26	28	30	31	31	31	30	29	27	26	27	27	27
West Midlands	25	26	27	26	26	26	27	27	26	25	22	23	22
East of England	24	23	25	26	26	25	25	24	22	20	19	19	21
London	19	20	20	21	20	21	20	21	20	20	20	21	22
South East	21	20	21	22	22	22	22	21	20	19	19	19	19
South West	23	26	26	27	25	25	25	25	22	20	20	22	22
Scotland	28	27	27	25	26	24	23	22	22	21	20	20	19
Wales	27	26	26	26	26	26	25	26	24	25	24	25	25
Northern Ireland	..	..	..	..	30	30	28	26	25	27	28	27	29
<b>All pensioners (percentage)<sup>2</sup></b>	24	25	26	26	26	25	25	24	23	22	22	22	22
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	28	29	29	29	28	27	26	24	21	18	18	18	18
North East	33	33	32	31	31	28	27	23	20	17	17	19	18
North West	28	28	29	28	27	25	25	24	21	19	19	18	17
Yorkshire and the Humber	30	31	32	32	31	29	26	24	20	17	17	18	19
East Midlands	27	29	30	30	29	28	27	25	22	21	21	21	20
West Midlands	29	28	29	28	28	27	28	26	23	20	18	18	16
East of England	29	28	29	28	28	26	25	24	21	18	16	16	18
London	30	31	31	32	30	30	27	26	23	21	22	22	23
South East	26	26	26	26	24	24	23	22	19	16	16	16	16
South West	27	29	28	28	26	25	24	22	19	16	16	18	17
Scotland	31	31	29	28	27	26	25	23	21	18	16	16	14
Wales	26	27	26	26	24	24	23	22	20	20	19	19	18
Northern Ireland	..	..	..	..	27	26	23	21	20	19	20	20	22
<b>All pensioners (percentage)<sup>2</sup></b>	28	29	29	28	27	26	25	23	21	18	18	18	18

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

Table 6.9ts: Number of pensioners living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom<sup>1</sup>

Number of pensioners	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.0	1.9	1.9	2.0	2.0
North East	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
North West	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Yorkshire and the Humber	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
East Midlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
West Midlands	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2
East of England	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
London	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
South East	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
South West	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Scotland	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Wales	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All pensioners (millions)</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	2.4	2.4	2.5	2.5	2.4	2.3	2.2	2.1	1.8	1.6	1.6	1.7	1.7
North East	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
North West	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Yorkshire and the Humber	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
East Midlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
West Midlands	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
East of England	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
London	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
South East	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
South West	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Scotland	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Wales	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>All pensioners (millions)</b>	<b>2.8</b>	<b>2.9</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.5</b>	<b>2.2</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three year averages and are therefore not directly comparable with the totals in the main tables.



Table 6.10ts: Percentage of pensioners living in households with less than 60 per cent of 1998/99 median income held constant in real terms, by age and gender, United Kingdom<sup>1</sup>

Percentage of pensioners	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Age</b>															
60 - 64	22	22	21	19	19	16	15	13	13	13	12	11	12	13	12
65 - 69	25	26	22	21	20	17	15	12	12	11	11	11	11	12	10
70 - 74	33	33	29	28	29	23	19	16	15	14	12	11	13	12	10
75 - 79	39	39	34	33	33	26	24	21	18	17	15	12	17	14	13
80 - 84	42	39	36	33	33	33	23	25	20	20	16	14	17	18	15
85 +	41	35	35	32	33	29	28	27	22	18	20	18	23	18	15
<b>Gender (millions)</b>															
Male	28	29	25	24	25	20	18	15	14	12	11	10	12	11	10
Female	34	33	30	29	28	24	21	19	17	16	15	13	16	16	13
<b>All pensioners (per cent)</b>	32	32	28	27	27	22	20	18	16	15	13	12	15	14	12
<b>After Housing Costs</b>															
<b>Age</b>															
60 - 64	25	24	24	21	21	19	18	13	11	9	9	8	9	10	10
65 - 69	27	28	24	23	21	20	15	11	9	8	7	7	8	9	8
70 - 74	38	36	32	31	30	25	20	14	12	9	7	6	9	8	7
75 - 79	45	44	39	38	35	27	23	16	12	12	8	7	10	9	8
80 - 84	48	47	42	38	37	34	20	19	14	12	9	8	11	9	11
85 +	46	41	41	39	35	29	25	19	14	13	11	12	15	10	10
<b>Gender (millions)</b>															
Male	31	32	27	27	26	22	17	13	10	8	7	7	8	7	8
Female	39	38	35	33	30	26	21	15	12	11	9	9	11	10	9
<b>All pensioners (per cent)</b>	36	35	32	31	29	25	20	14	12	10	8	8	10	9	9

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 6.11ts: Percentage of pensioners living in households with less than 60 per cent of 1998/99 median income held constant in real terms, by tenure, United Kingdom<sup>1,2</sup>

Percentage of pensioners														Source: FRS	
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Tenure</b>															
Owners	31	32	28	27	28	24	21	19	18	16	15	13	16	15	13
Owned outright	32	34	30	29	29	25	23	21	19	17	15	14	17	16	13
Buying with mortgage	22	19	16	17	17	17	13	9	12	8	10	7	9	8	7
Social rented sector tenants	33	31	27	25	24	16	14	11	8	9	8	6	8	9	8
All rented privately	41	31	36	31	31	28	23	23	19	21	15	16	22	16	16
<b>All pensioners (per cent)</b>	32	32	28	27	27	22	20	18	16	15	13	12	15	14	12
<b>After Housing Costs</b>															
<b>Tenure</b>															
Owners	24	24	20	20	19	17	13	11	10	8	6	7	8	8	7
Owned outright	24	25	21	20	19	17	13	11	9	8	6	7	9	8	7
Buying with mortgage	25	22	17	20	17	17	14	10	11	8	8	7	8	10	8
Social rented sector tenants	61	60	57	54	52	45	36	23	16	15	13	11	13	13	13
All rented privately	54	48	49	47	44	38	31	26	22	21	15	17	20	19	19
<b>All pensioners (per cent)</b>	36	35	32	31	29	25	20	14	12	10	8	8	10	9	9

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 6.12ts: Percentage of pensioners living in households with less than 60 per cent of 1998/99 median income held constant in real terms, by region or country, United Kingdom<sup>1</sup>

Percentage of pensioners													Source: FRS
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	30	28	27	25	23	20	18	16	15	13	13	14	14
North East	35	31	28	27	26	21	18	14	12	11	12	13	12
North West	32	30	29	27	24	20	18	17	16	14	14	14	13
Yorkshire and the Humber	36	33	32	30	26	21	17	16	14	12	13	15	15
East Midlands	33	33	32	30	28	25	23	21	18	17	17	17	16
West Midlands	32	30	29	25	23	21	20	19	18	16	14	14	13
East of England	30	28	27	25	24	20	18	16	14	13	12	11	13
London	23	23	22	21	18	17	15	14	14	14	14	14	15
South East	25	24	22	21	20	18	17	15	13	12	12	12	12
South West	29	29	28	26	23	20	18	16	14	13	13	14	14
Scotland	36	33	29	25	22	18	15	13	13	12	11	12	11
Wales	32	30	28	26	25	21	18	16	15	16	16	16	15
Northern Ireland	..	..	..	..	29	25	21	19	18	18	19	19	21
<b>All pensioners (percentage)<sup>2</sup></b>	31	29	27	25	23	20	18	16	15	13	13	14	14
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	34	33	30	28	25	20	15	12	10	9	9	9	9
North East	40	37	33	30	26	20	14	10	8	7	6	7	7
North West	34	31	30	27	23	18	14	11	10	8	8	8	8
Yorkshire and the Humber	38	36	33	31	27	21	15	11	9	8	8	9	9
East Midlands	33	33	32	30	26	22	19	15	12	10	11	11	11
West Midlands	35	33	31	27	24	20	17	13	11	9	9	8	8
East of England	34	31	30	28	25	19	14	11	10	8	7	7	10
London	35	34	33	31	27	23	17	14	12	11	12	13	14
South East	31	29	27	25	22	18	14	12	10	9	8	9	9
South West	33	32	29	27	24	19	15	11	10	8	8	9	9
Scotland	38	35	31	27	23	18	14	11	9	7	7	7	7
Wales	33	30	28	25	22	18	14	11	8	9	9	9	9
Northern Ireland	..	..	..	..	25	20	15	12	10	9	9	10	12
<b>All pensioners (percentage)<sup>2</sup></b>	35	33	30	28	24	20	15	12	10	9	9	9	9

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three year averages and are therefore not directly comparable with the totals in the main tables.

Table 6.13ts: Number of pensioners living in households with less than 60 per cent of 1998/99 median income held constant in real terms, by region or country, United Kingdom<sup>1</sup>

Number of pensioners													Source: FRS
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region / Country (3-year average)</b>													
England	2.5	2.4	2.3	2.2	2.0	1.7	1.6	1.4	1.3	1.2	1.2	1.2	1.3
North East	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
North West	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Yorkshire and the Humber	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
East Midlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
West Midlands	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1
East of England	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
London	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
South East	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
South West	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.1
Scotland	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wales	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
<b>All pensioners (millions)<sup>2</sup></b>	3.0	2.9	2.7	2.5	2.4	2.1	1.8	1.7	1.5	1.4	1.4	1.5	1.5
<b>After Housing Costs</b>													
<b>Region / Country (3-year average)</b>													
England	2.9	2.8	2.6	2.4	2.1	1.7	1.3	1.1	0.9	0.8	0.8	0.8	0.9
North East	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
North West	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Yorkshire and the Humber	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
East Midlands	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
West Midlands	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
East of England	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
London	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
South East	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1
South West	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Scotland	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wales	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>All pensioners (millions)<sup>2</sup></b>	3.4	3.2	3.0	2.8	2.5	2.0	1.6	1.3	1.0	0.9	0.9	1.0	1.0

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three year averages and are therefore not directly comparable with the totals in the main tables.

Table 6.14ts: Composition of pensioners living in households with less than 50 per cent of contemporary median household income, by age and gender, United Kingdom<sup>1</sup>

Percentage of pensioners	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Age</b>															
60 - 64	10	8	11	10	10	10	12	11	12	13	14	13	13	16	17
65 - 69	16	19	15	17	17	17	17	17	18	17	19	22	19	20	20
70 - 74	24	21	21	19	22	21	19	20	21	21	18	19	18	17	17
75 - 79	20	22	22	25	24	21	23	22	20	21	18	16	20	16	17
80 - 84	19	19	19	17	16	18	15	18	18	18	18	16	17	18	17
85 +	11	11	12	13	12	12	14	14	12	10	12	13	14	12	11
<b>Gender</b>															
Male	27	29	27	29	31	29	30	30	31	28	31	31	31	29	30
Female	73	71	73	71	69	71	70	70	69	72	69	69	69	71	70
<b>All pensioners (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>After Housing Costs</b>															
<b>Age</b>															
60 - 64	12	10	13	12	11	12	15	12	14	14	17	16	14	18	20
65 - 69	19	21	19	20	19	21	19	20	19	18	23	24	20	23	21
70 - 74	25	20	22	21	24	20	21	20	23	21	17	17	19	18	16
75 - 79	18	20	20	22	23	20	21	19	18	22	17	15	17	17	16
80 - 84	18	18	14	15	13	16	12	16	16	16	16	15	16	14	17
85 +	8	11	12	11	10	10	13	12	10	10	11	14	14	10	11
<b>Gender</b>															
Male	28	29	31	31	33	32	31	33	33	31	32	32	33	30	32
Female	72	71	69	69	67	68	69	67	67	69	68	68	67	70	68
<b>All pensioners (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

- Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
- Percentages may not sum to 100 per cent due to rounding.

Table 6.15ts: Composition of pensioners living in households with less than 50 per cent of contemporary median household income, by tenure, United Kingdom<sup>1</sup>

Percentage of pensioners	Source: FRS														
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Tenure</b>															
Owners	81	84	80	81	82	82	82	80	83	82	84	85	85	85	84
Owned outright	76	79	75	76	76	76	77	76	78	78	78	81	80	81	80
Buying with mortgage	6	5	5	5	5	6	5	4	5	4	6	4	5	4	5
Social rented sector tenants	11	10	13	12	12	11	12	14	11	12	11	9	9	10	10
All rented privately	8	7	7	7	6	7	6	6	6	6	5	6	6	5	5
<b>All pensioners (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>After Housing Costs</b>															
<b>Tenure</b>															
Owners	48	52	48	51	49	55	54	57	61	60	61	66	67	68	65
Owned outright	39	45	42	43	43	47	47	51	53	54	53	58	61	60	59
Buying with mortgage	9	8	6	7	7	8	7	6	8	6	8	8	6	8	7
Social rented sector tenants	39	37	43	41	41	35	39	35	31	32	30	25	24	24	25
All rented privately	13	10	9	9	10	10	7	8	8	9	8	9	9	8	9
<b>All pensioners (per cent)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

2. Percentages may not sum to 100 per cent due to rounding.

Table 6.16ts: Percentage of pensioners living in households with less than 50 per cent of contemporary median household income, by age and gender, United Kingdom<sup>1</sup>

Percentage of pensioners														Source: FRS	
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Age</b>															
60 - 64	9	7	10	10	10	10	11	11	11	11	10	10	11	13	11
65 - 69	8	9	8	9	9	10	9	9	10	8	9	9	10	11	10
70 - 74	12	10	11	11	13	13	11	12	12	11	10	10	11	11	10
75 - 79	16	15	17	19	18	15	16	16	14	14	12	10	15	12	12
80 - 84	19	19	20	19	20	22	17	20	18	16	14	12	16	17	14
85 +	19	18	21	22	20	20	22	22	19	16	16	16	20	17	13
<b>Gender</b>															
Male	9	10	10	11	12	11	11	11	11	9	9	9	11	10	9
Female	14	13	15	15	15	15	14	15	14	14	12	12	14	14	12
<b>All pensioners (per cent)</b>	12	12	13	13	14	13	13	14	13	12	11	11	13	13	11
<b>After Housing Costs</b>															
<b>Age</b>															
60 - 64	9	7	11	11	11	10	12	10	11	9	9	9	10	11	11
65 - 69	9	8	9	10	10	11	8	9	8	7	8	8	9	10	8
70 - 74	11	9	12	12	14	12	11	10	11	9	7	7	10	9	8
75 - 79	13	12	15	16	17	13	12	11	11	12	8	7	11	10	9
80 - 84	17	15	14	16	15	18	12	15	13	11	9	9	12	10	12
85 +	14	15	20	18	17	16	17	16	14	13	11	13	16	11	11
<b>Gender</b>															
Male	9	8	11	11	12	11	10	10	9	8	7	7	9	8	8
Female	13	11	13	14	14	13	12	12	11	11	9	9	11	11	10
<b>All pensioners (per cent)</b>	11	10	13	13	13	13	11	11	11	10	8	8	10	10	9

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

Table 6.17ts: Percentage of pensioners living in households with less than 50 per cent of contemporary median household income, by tenure, United Kingdom<sup>1</sup>

Percentage of pensioners														Source: FRS	
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
<b>Before Housing Costs</b>															
<b>Tenure</b>															
Owners	15	15	15	16	17	16	15	15	15	13	12	12	14	14	12
Owned outright	16	16	16	17	18	16	16	16	16	14	12	13	15	14	12
Buying with mortgage	9	7	7	8	9	9	8	6	8	7	8	6	8	8	7
Social rented sector tenants	5	4	6	6	6	6	7	9	6	7	6	5	7	8	7
All rented privately	16	15	17	19	19	18	16	19	17	17	12	15	19	15	14
<b>All pensioners (per cent)</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>13</b>	<b>11</b>
<b>After Housing Costs</b>															
<b>Tenure</b>															
Owners	8	8	9	10	9	10	8	9	9	8	7	7	9	9	8
Owned outright	8	8	9	9	9	10	8	9	9	8	6	7	9	9	8
Buying with mortgage	13	9	8	11	10	11	10	8	10	8	8	8	9	11	8
Social rented sector tenants	16	14	20	20	22	19	19	18	15	15	13	11	14	14	14
All rented privately	24	20	23	22	27	24	17	20	21	21	15	18	22	21	21
<b>All pensioners (per cent)</b>	<b>11</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>9</b>

**Notes:**

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.



Table 6.18ts: Percentage of pensioners living in households with less than 50 per cent of contemporary median household income, by region or country, United Kingdom<sup>1</sup>

Percentage of pensioners													Source: FRS
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	12	13	14	14	14	14	14	13	12	11	11	12	12
North East	11	11	11	12	13	12	11	10	9	9	9	11	11
North West	13	13	14	14	14	13	13	14	13	12	12	12	12
Yorkshire and the Humber	13	14	14	14	13	13	13	12	11	10	11	13	14
East Midlands	12	13	15	16	17	17	18	17	15	14	14	15	14
West Midlands	14	15	15	14	14	14	16	15	14	13	12	12	12
East of England	13	13	14	14	15	14	13	12	11	10	10	10	12
London	11	12	13	12	12	12	12	12	12	12	12	13	14
South East	11	11	12	13	13	13	13	12	11	10	10	11	11
South West	12	14	14	15	14	14	14	12	11	10	11	13	12
Scotland	12	13	12	12	11	11	10	10	10	10	10	10	10
Wales	13	13	14	14	14	14	13	13	13	13	14	14	14
Northern Ireland	..	..	..	..	18	18	17	16	16	15	16	17	19
<b>All pensioners (percentage)<sup>2</sup></b>	12	13	13	14	14	13	13	13	12	11	12	12	12
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	12	12	13	13	13	12	11	11	10	9	9	10	10
North East	12	12	12	13	12	11	10	8	7	7	7	7	8
North West	10	11	13	13	12	11	10	10	9	8	8	9	9
Yorkshire and the Humber	11	11	11	12	12	11	11	10	9	8	9	10	10
East Midlands	10	11	13	14	14	13	14	13	12	11	11	12	11
West Midlands	10	11	11	11	12	12	12	11	10	9	9	9	9
East of England	12	12	14	13	13	11	10	10	9	8	8	8	11
London	14	14	16	16	15	14	13	13	11	12	12	14	15
South East	12	12	12	13	11	11	11	9	9	9	9	9	9
South West	12	13	15	14	13	11	10	10	9	8	9	10	10
Scotland	9	11	12	12	12	11	10	9	9	8	7	8	7
Wales	12	12	13	13	12	12	10	10	8	9	10	10	10
Northern Ireland	..	..	..	..	13	12	11	11	10	9	9	10	13
<b>All pensioners (percentage)<sup>2</sup></b>	11	12	13	13	12	12	11	11	10	9	9	10	10

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

Table 6.19ts: Number of pensioners living in households with less than 50 per cent of contemporary median household income, by region or country, United Kingdom<sup>1</sup>

Number of pensioners	Source: FRS												
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	99/00- 01/02	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07	05/06- 07/08	06/07- 08/09
<b>Before Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.0	1.1	1.1
North East	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
North West	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.1
Yorkshire and the Humber	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
East Midlands	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
West Midlands	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
East of England	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
London	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
South East	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2
South West	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Scotland	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wales	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
<b>All pensioners (millions)<sup>2</sup></b>	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3	1.2	1.2	1.3	1.4
<b>After Housing Costs</b>													
<b>Region/Country (3-year average)</b>													
England	1.0	1.0	1.1	1.1	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.9	0.9
North East	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North West	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Yorkshire and the Humber	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
East Midlands	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
West Midlands	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
East of England	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
London	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
South East	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
South West	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Scotland	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wales	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Northern Ireland	..	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>All pensioners (millions)<sup>2</sup></b>	1.1	1.2	1.3	1.3	1.3	1.2	1.1	1.1	1.0	0.9	1.0	1.1	1.1

**Notes:**

- Figures are for the United Kingdom from 1998/99-2000/01 onwards. Earlier years are for Great Britain only. Data for Northern Ireland has been imputed for 1998/99 to 2001/02.
- The all pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.

# Chapter 7

## Low-income dynamics

- **Definition:** Persistence of low income is defined as spending three or more years out of any four-year period in a household with an income below 60 per cent of median income. Incomes are equivalised using the McClements equivalisation scale.
- **Overall trends:** On both a Before and After Housing Cost basis there was a fall in persistent low income for the whole population over the period 1991 to 2007.
- **Trends for children:** On a Before Housing Cost basis, there was a reduction in persistent low income for children over the period 1991-1994 to 1993-1996. While trends remained broadly the same between 1993-1996 and 1999-2002, since then there has been a continued fall to 2003-2006. The level for the most recent period 2004-2007 has remained stable. On an After Housing Cost basis, there were falls in the persistent low-income estimates for children since 1996-1999 until the latest period which has seen a small increase.
- **Trends for working-age adults:** On both Before Housing Cost and After Housing Cost bases, there were falls in persistent low income for working-age adults over the period 1991 to 2007.
- **Trends for pensioners:** On both Before Housing Cost and After Housing Cost bases, there were slight increases in the incidence of persistent low income among pensioners up to around 1998-2001. Since this time, however the proportion of pensioners experiencing persistent poverty has since shown a continuous fall.
- **Long-term trends:** For all individuals, children, working-age adults and pensioners, the level of persistent poverty in 2004-2007 was lower than it was at the start of the 17-year period on both a Before Housing Cost basis and an After Housing Cost basis.
- **Further details:** For further details see the DWP Low Income Dynamics publication available at <http://research.dwp.gov.uk/asd/lid.asp>.

### Introduction

HBAI analysis contained elsewhere uses a snapshot survey, and records usual household income at the time of the interview. The extent to which individuals living in low-income households at a point in time are simply experiencing transitory fluctuations in income, or are persistently experiencing low income, is clearly an important issue and one that can only be addressed using longitudinal data. The issues of income mobility and the extent of persistence of low incomes experienced by different groups are therefore addressed in this chapter, using data from the longitudinal British Household Panel Survey (BHPS).

The BHPS is run by The University of Essex's Institute for Social and Economic Research. Further information is on their website at <http://www.iser.essex.ac.uk/survey/bhps>

The data were made available through the UK Data Archive and were released under the auspices of the ESRC UK Longitudinal Studies Centre (ULSC) at the University of Essex. Neither the ULSC nor the Archive bears any responsibility for the analysis or interpretation of the BHPS data presented here.

The information presented in this chapter is based on analysis of 17 waves of the British Household Panel Survey (BHPS), from 1991 up to and including 2007. This chapter is based on the findings of the 'Low-Income Dynamics' (LID) analytical paper which was published by DWP in autumn 2009. Due to improvements in the timeliness of the availability of Family Resources Survey (FRS) data, it is no longer possible to include the analysis of the latest wave of BHPS in the HBAI report. We hope to publish analysis based on 2008 (Wave 18) BHPS separately in autumn 2010.

This chapter focuses mainly on the trends in relation to individuals who are persistently observed as living in low-income households between 1991-1994 and 2004-2007. Full details of the analysis of income mobility and transition rates are covered in the LID paper, which is available on the DWP website at <http://research.dwp.gov.uk/asd/lid.asp>.

### Changes since last year

Some of the BHPS figures presented in this chapter have been revised since their publication in the last (2007/08) HBAI report. This is due to changes made by the data providers.

### Equivalisation scale used

Note that incomes have been equivalised using the McClements equivalisation scale (see **Appendix 2** for details on equivalisation scales).

## Definition of income

The measures of income used in the BHPS analysis presented in this chapter are very similar to those used in FRS analysis (see **Appendix 1**), but with two notable exceptions:

- i) This chapter presents results on the persistence of low income on both Before Housing Costs (BHC) and After Housing Costs (AHC) measures. However, the housing costs in BHPS differ from the ones normally used in HBAI (see **Appendix 1** for a list of housing costs used in HBAI). For this analysis, housing costs have been defined simply as weekly gross housing costs as recorded on the BHPS. In the case of renters, these housing costs will include service and water charges because this is how the information is requested on the questionnaire. For mortgage payers, these amounts will not be included. There is also no information collected in the BHPS on the cost of structural insurance payments. Another difference is that for HBAI methodology, only the interest element from a repayment mortgage is deducted as housing costs; whereas in BHPS both the repayment and interest elements will be included as part of 'gross housing costs'. On the BHPS, there were around 500 cases with this type of mortgage, whose AHC income (as compared with standard HBAI methodology) will be understated.
- ii) As a form of general taxation, Council Tax is also deducted from the definition of net disposable income used in FRS-based HBAI analysis. However, there was insufficient information on Council Tax collected on the BHPS in earlier years to allow the construction of an income measure deducting Council Tax.

Like the BHC series from the BHPS, the BHPS-based AHC series does not deduct Council Tax payments from income.

## Persistent low-income indicators

**Table 7.1 (BHC)** presents the persistent low-income indicators for individuals, and for children, pensioners and working-age adults. **Table 7.1 (AHC)** presents the same figures on an After Housing Costs basis.

The definition of persistence used in is 'at least three years out of four below thresholds of 60 or 70 per cent of median income'. An alternative definition using the bottom 20 or 30 per cent of the income distribution as opposed to thresholds of median income, is also included for validation purposes. This is useful as threshold results may be subject to variation due to the density of the income distribution around the 60 and 70 per cent of median markers.

Using this alternative definition of the bottom 20 or 30 per cent of the income distribution to describe low income is also shown in **Tables 7.1 BHC and 7.1 AHC**. While there was a slight tendency for 20 / 30 per cent levels to show less variation on a BHC basis than on an AHC basis, the trends over time were broadly consistent.

## 7 Low-income dynamics

Table 7.1 (BHC): Persistent low income by group<sup>1</sup>

Source: BHPS 1991-2007					
Percentage of group below threshold in at least 3 out of 4 years					
	Main definition		Alternative definition <sup>2</sup>		
	Below 60% of median	Below 70% of median	In bottom	20% In bottom	30%
<b>All individuals</b>					
1991 - 1994	12	20	14	24	
1992 - 1995	12	20	14	24	
1993 - 1996	11	20	14	24	
1994 - 1997	12	20	15	24	
1995 - 1998	11	20	14	24	
1996 - 1999	12	20	15	24	
1997 - 2000	12	20	14	24	
1998 - 2001	12	19	14	24	
1999 - 2002	11	19	14	24	
2000 - 2003	10	19	14	24	
2001 - 2004	10	19	14	24	
2002 - 2005	9	17	13	23	
2003 - 2006	8	17	13	23	
2004 - 2007	8	17	13	23	
<b>Children</b>					
1991 - 1994	19	29	22	33	
1992 - 1995	18	28	21	32	
1993 - 1996	17	27	20	33	
1994 - 1997	17	27	21	32	
1995 - 1998	17	28	20	32	
1996 - 1999	17	28	21	33	
1997 - 2000	17	27	21	32	
1998 - 2001	17	26	21	32	
1999 - 2002	16	27	19	32	
2000 - 2003	14	25	18	31	
2001 - 2004	12	23	17	30	
2002 - 2005	11	21	15	29	
2003 - 2006	10	20	15	27	
2004 - 2007	10	21	16	27	
<b>Working-age adults</b>					
1991 - 1994	8	13	9	15	
1992 - 1995	8	13	9	16	
1993 - 1996	7	13	9	16	
1994 - 1997	7	12	9	16	
1995 - 1998	7	13	9	16	
1996 - 1999	7	13	9	16	
1997 - 2000	7	12	9	15	
1998 - 2001	7	12	8	15	
1999 - 2002	7	12	8	15	
2000 - 2003	6	12	8	16	
2001 - 2004	6	12	9	16	
2002 - 2005	6	11	9	15	
2003 - 2006	5	11	8	15	
2004 - 2007	5	11	9	16	
<b>Pensioners</b>					
1991 - 1994	19	37	23	43	
1992 - 1995	19	35	24	43	
1993 - 1996	19	34	25	43	
1994 - 1997	21	35	26	43	
1995 - 1998	20	36	25	43	
1996 - 1999	20	36	26	42	
1997 - 2000	20	38	26	45	
1998 - 2001	21	37	27	44	
1999 - 2002	19	37	25	44	
2000 - 2003	18	36	25	43	
2001 - 2004	17	36	25	44	
2002 - 2005	16	32	24	42	
2003 - 2006	16	31	24	41	
2004 - 2007	14	29	23	39	

**Notes:**

1. There is a higher density of individuals around 60% and 70% median income. The alternative definition is presented for validation purposes as it presents estimates that are not vulnerable to errors in measuring median income.

Table 7.1 (AHC): Persistent low income by group<sup>1</sup>

Source: BHPS 1991-2007				
Percentage of group below threshold in at least 3 out of 4 years				
	Main definition		Alternative definition <sup>2</sup>	
	Below 60% of median	Below 70% of median	In bottom 20%	In bottom 30%
<b>All individuals</b>				
1991 - 1994	15	22	14	23
1992 - 1995	15	23	14	24
1993 - 1996	14	22	14	24
1994 - 1997	15	22	15	24
1995 - 1998	15	22	14	24
1996 - 1999	15	21	14	24
1997 - 2000	14	21	14	24
1998 - 2001	14	21	14	24
1999 - 2002	13	21	13	24
2000 - 2003	12	21	13	24
2001 - 2004	11	20	13	24
2002 - 2005	11	19	13	22
2003 - 2006	9	18	13	23
2004 - 2007	10	18	12	23
<b>Children</b>				
1991 - 1994	25	32	23	34
1992 - 1995	23	32	22	33
1993 - 1996	22	31	22	33
1994 - 1997	23	31	22	33
1995 - 1998	23	31	22	34
1996 - 1999	23	31	23	33
1997 - 2000	22	30	22	33
1998 - 2001	21	30	22	34
1999 - 2002	20	30	21	34
2000 - 2003	17	28	19	33
2001 - 2004	15	27	19	32
2002 - 2005	16	26	19	31
2003 - 2006	14	24	19	31
2004 - 2007	15	26	19	32
<b>Working-age adults</b>				
1991 - 1994	10	14	9	16
1992 - 1995	10	16	10	17
1993 - 1996	10	15	10	16
1994 - 1997	10	14	10	16
1995 - 1998	10	14	9	17
1996 - 1999	9	14	9	16
1997 - 2000	9	14	9	16
1998 - 2001	9	14	9	16
1999 - 2002	8	14	9	16
2000 - 2003	8	14	9	17
2001 - 2004	8	13	9	16
2002 - 2005	8	13	9	16
2003 - 2006	7	13	9	17
2004 - 2007	7	13	9	17
<b>Pensioners</b>				
1991 - 1994	21	36	17	38
1992 - 1995	20	36	17	39
1993 - 1996	19	35	18	38
1994 - 1997	21	35	20	40
1995 - 1998	23	34	22	38
1996 - 1999	23	34	22	37
1997 - 2000	23	35	22	38
1998 - 2001	22	35	23	38
1999 - 2002	18	34	20	38
2000 - 2003	17	33	20	37
2001 - 2004	16	31	20	37
2002 - 2005	14	27	17	33
2003 - 2006	11	24	16	32
2004 - 2007	9	20	12	29

**Notes:**

1. There is a higher density of individuals around 60% and 70% median income. The alternative definition is presented for validation purposes as it presents estimates that are not vulnerable to errors in measuring median income.





# Appendix 1

## Glossary and Definitions of Concepts and Technical Terms

### Technical Terms

#### Confidence Interval

A measure of **sampling error**. A 95 per cent confidence interval for an estimate is the range that contains the 'true' figure on average 19 times out of 20. Note that this ignores any systematic errors which may be present in the survey and analysis processes.

#### Deciles / decile points

Deciles (or decile points) are the income values which divide the United Kingdom population, when ranked by income, into ten equal-sized groups. **Decile** is also often used as a shorthand term for **decile group**; for example 'the bottom decile' is used to describe the bottom ten per cent of the income distribution.

#### Decile groups

These are groups of the population defined by the **decile points**. The lowest decile group is the ten per cent of the population with the lowest incomes. The second decile group contains individuals with incomes above the lowest decile point but below the second decile point. The two lowest decile groups combined make up the lowest **quintile group**.

#### Decile group medians / quintile group medians

These are **median** income values for a particular **decile** or **quintile group**, i.e. the income value which divides the group into two equal-sized parts. The median of the lowest decile is thus the same as the 5th **percentile**; the median of the lowest quintile is the same as the 10th **percentile**.

#### Equivalisation

The process by which household income is adjusted by household size and composition as a proxy for material living standards. Household incomes are divided by household equivalence factors which vary according to the number of adults and the number and age of dependants in the household. For more information see **Appendix 2**.

### Equivalised income

Income which has undergone **equivalisation**.

### Equivalence scales

The scales used in **equivalisation**. **Appendix 2** gives the scales used in HBAI and discusses the methodology.

### Gini coefficient

A widely-used, international standard summary measure of inequality. It can take values from zero to 100, where a value of zero would indicate total equality, with each household having an equal share of income, while higher values indicate greater inequality.

### Mean

Mean household income of individuals is the “**average**”, found by adding up equivalised household incomes for each individual in a population and dividing the result by the number of people. For example if one household with a total weekly equivalised income of £1,000 contains three persons and a second household with income of £2,000 contains four persons, mean weekly household income would be £1,571 as computed as  $((3 \times £1,000) + (4 \times £2,000)) / 7$ .

### Median

Median household income divides the population of individuals, when ranked by equivalised household income, into two equal sized groups. The median of the whole population is the same as the 50<sup>th</sup> **percentile**. The term is also used for the midpoint of the subsets of the income distribution: see **decile/quintile group medians**.

### Percentiles

These are the income values which divide the United Kingdom population, when ranked by income, into 100 equal-sized groups. Ten per cent of the population have incomes below the 10th percentile, 20 per cent have incomes below the 20th percentile and so on.

### Quantiles

A quantile group is any sub-group of the population extracted from the population when ranked by income. **Quintile groups** and **decile groups** are examples of quantile groups – or quantiles for short.

## Quintiles

Quintiles are income values which divide the United Kingdom population, when ranked by income, into five equal-sized groups. The lowest quintile is the same as the 20th **percentile**. Quintile is also, often, used as a shorthand term for **quintile group**; for example 'the bottom quintile' to describe the bottom 20 per cent of the income distribution.

## Quintile groups

These are groups of the population defined by the **quintiles**. The lowest quintile group is the 20 per cent of the population with the lowest incomes. The second quintile group is the population with incomes above the lowest quintile but below the second quintile.

## Sampling error

The uncertainty in the estimates which arises from taking a random sample of the household population. The likely size of this error for a particular statistic can be identified and expressed as a **confidence interval**. For more information see **Appendix 2**.

## Threshold

An **equivalised income** value used for comparing sections of an income distribution over time or for comparing proportions of groups over time, for example: fractions of 1998/99 **median** income or fractions of contemporary **medians**. A relative threshold is relative to the contemporary median for each year's survey. A fixed threshold uses the median from an 'anchor' year which is then uprated for inflation as appropriate. For example, the absolute threshold '60 per cent of the 1998/99 median income' in 1998/99 is the same as the relative threshold, but the corresponding value in 2008/09 has been uprated for inflation over the period.

### Measures of Income<sup>1</sup>

The income measure used in HBAI is weekly net (disposable) equivalised household income. This comprises total income from all sources of all household members including dependants.

Income is adjusted for household size and composition by means of **equivalence scales**, which reflect the extent to which households of different size and composition require a different level of income to achieve the same standard of living. This adjusted income is referred to as **equivalised income**. (See **Appendix 2** for further details).

**Income Before Housing Costs (BHC)** includes the following main components:

- usual net earnings from employment;
- profit or loss from self-employment (losses are treated as a negative income);
- all Social Security benefits (including Housing Benefit, Social Fund, maternity, funeral and community care grants, but excluding Social Fund loans) and Tax Credits. For the full list, please see the 'Other definitions used in HBAI' section;
- income from occupational and private pensions;
- investment income;
- maintenance payments, if a person receives them directly;
- income from educational grants and scholarships (including, for students, top-up loans and parental contributions);
- the cash value of certain forms of income in kind (free school meals, Healthy Start vouchers and free school milk and free TV licence for those aged 75 and over).

Income is net of the following items:

- income tax payments;
- National Insurance contributions;
- domestic rates / council tax;
- contributions to occupational pension schemes (including all additional voluntary contributions (AVCs) to occupational pension schemes, and any contributions to stakeholder and personal pensions);
- all maintenance and child support payments, which are deducted from the income of the person making the payment;
- parental contributions to students living away from home;
- student loan repayments.

**Income After Housing Costs (AHC)** is derived by deducting a measure of **housing costs** from the above income measure.

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<sup>1</sup> The definition of income detailed here applies to the analyses based on FRS data. A very similar definition was used for analyses based on the Family Expenditure Survey. For details of the differences between the definitions please see **Appendix 2 of HBAI 1979–1996/97**.

## Housing costs

These include the following:

- rent (gross of housing benefit);
- water rates, community water charges and council water charges;
- mortgage interest payments;
- structural insurance premiums (for owner occupiers);
- ground rent and service charges.

For Northern Ireland households water provision is funded from taxation and there are no direct water charges. Therefore it is already taken into account in the Before Housing Costs measure.

In the 1995/96 and subsequent datasets, a refinement was made to the calculation of mortgage interest payments to disregard additional loans which had been taken out for purposes other than house purchase.

Negative incomes BHC are reset to zero, but negative AHC incomes calculated from the adjusted BHC incomes are possible. Where incomes have been adjusted to zero BHC, income AHC is derived from the adjusted BHC income.

### Other definitions used in HBAI

A number of other definitions are employed in compiling the HBAI results. The main definitions are described below.

#### Adult

All those individuals who are aged 16 and over, unless defined as a dependent child (see Child); all adults in the household are interviewed as part of the Family Resources Survey (FRS).

#### Benefit unit

A single adult or a couple living as married and any dependent children; from January 2006 same-sex partners (civil partners and cohabitees) are also included in the same benefit unit.

#### Child

A dependent child is defined as an individual aged under 16. A person will also be defined as a child if they are 16 to 19-years old and they are:

- Not married nor in a Civil Partnership nor living with a partner; and
- living with parents; and
- in full-time non-advanced education or in unwaged government training.

#### Contemporary average income

The average income for the period covered by the survey. Household incomes are adjusted from the date of interview to an average of 2008/09 prices.

#### Couple

Two adults, of same or different sex, who are married (spouse), or from January 2006 in a civil partnership (partner), or are assumed to be living together as such (cohabitee).

#### Families / family units

The terms 'families' and 'family units' are used interchangeably with benefit units. See definition above.

#### Full-time work

Normally working 31 or more hours a week, either as an employee or self-employed.

## Government Office Region

English Government Office Regions comprise the following counties:

North East:	Durham, Northumberland, Tyne and Wear.
North West:	Cumbria, Cheshire, Greater Manchester, Lancashire, Merseyside.
Yorkshire and the Humber:	North Yorkshire, South Yorkshire, West Yorkshire.
East Midlands:	Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire.
West Midlands:	Shropshire, Staffordshire, Warwickshire, West Midlands, Worcestershire.
East of England:	Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk, Suffolk.
London:	Greater London – which can also be split down into Inner and Outer London, which comprise of the following local authorities:
Inner London:	City of London, Camden, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth, Westminster.
Outer London:	Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Haverling, Hillingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, Waltham Forest.
South East:	Buckinghamshire, East Sussex, Hampshire, Kent, Oxfordshire, Surrey, West Sussex.
South West:	Cornwall and the Isles of Scilly, Devon, Dorset, Gloucestershire, Somerset, Wiltshire.

## Head of benefit unit

The head of the first benefit unit will be the same as the head of the household. For second and subsequent benefit units the head will be the first adult to be interviewed.

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### Head of household (used prior to 2001/02, since replaced by household reference person)

Interviewers classified the head of household using standard procedures:

- In a household containing only husband, wife and children under 16 (and boarders), the husband was always the head of household.
- Similarly, when a couple has been recorded as living together/cohabiting, the male partner was treated as the head of household.
- In all situations where there are other relatives in the household or where some or all of the household are unrelated (except that a husband always takes precedence), the person in whose name the accommodation was owned or rented was taken as the head.
- When the accommodation is supplied with a job or provided rent free for some other reason, the person to whom the accommodation was given in this way was the head.
- Occasionally more than one person will have equal claim to be the head, in these cases, where they are of the same sex, the oldest was the head; where they are of different sexes, the male was the head.

### Household

A single person or group of people living at the same address as their only or main residence, who either share one meal a day together or share the living accommodation (i.e. living room). A household will consist of one or more benefit units.

### Household reference person (used from 2001/02 onwards)

This is classified as the Highest Income Householder (HIH); without regard to gender.

In a single adult household

- The HIH is the sole householder (i.e. the person in whose name the accommodation is owned or rented).

If there are two or more householders

- The HIH is the householder with the highest personal income from all sources.

If there are two or more householders who have the same income

- The HIH is the eldest householder



## Material Deprivation

**Children** - The material deprivation suite of questions was introduced, from 2004/05, to investigate deprivation amongst families with children. Questions were asked on whether people were able to afford to buy essential items or services, or to participate in leisure or social activities. An analysis of how individuals responded to these questions by their location in the income distribution is given in **Chapter 4 (Children)**.

**Pensioners** - The material deprivation suite of questions was introduced, from 2008/09, to investigate deprivation amongst pensioners. Questions were asked on whether people were able to afford to buy essential items or services, or to participate in leisure or social activities. An analysis of how individuals responded to these questions by their location in the income distribution is given in **Chapter 6 (Pensioners)**.

More details on material deprivation is given in **Appendix 2**.

## Low Income and Material Deprivation

The Low Income and Material Deprivation is a combined measure for children using a **prevalence weighted** score from the material deprivation questions in combination with a 70 per cent income threshold. A child is considered materially deprived if it lives in a family that has a score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs. An analysis of the risk and composition of children being materially deprived is given in **Chapter 4 (Children)**. See **Appendix 2** for further details.

## Prevalence Weighted

Prevalence weighting is a technique of scoring deprivation, in which more weight in the deprivation measure is given to families lacking those items that most families already have. This means a greater importance, when an item is lacked, is assigned to those items that are more commonly owned in the population. See **Appendix 2** for further details.

## Part-time work

Normally working fewer than 31 hours a week, either as an employee or self-employed.

## Pensioner

A person of state pension age or above (65 for men, 60 for women).

### State support

Tax credits or Social Security benefits included in this category are:

- Armed Forces Compensation Scheme (formerly War Disablement Pension)
- Attendance Allowance
- Carer's Allowance (formerly Invalid Care Allowance)
- Child Benefit
- Child Maintenance Bonus
- Child Tax Credit and Working Tax Credit, including disabled elements;
- Community Care Grants
- Council Tax Benefit
- Disability Living Allowance both CARE and MOBILITY components
- Disability Working Allowance
- Employment and Support Allowance
- Extended Payment of Council Tax Benefit
- Extended Payment of Housing Benefit
- Guardian's Allowance
- Housing Benefit
- In Work Credit
- Incapacity Benefit
- Income Support
- Industrial Injuries Disablement Benefit
- Job Grant (formerly Lone parent benefit run-on)
- Jobseeker's Allowance (Contributions-based)
- Jobseeker's Allowance (Income-based)
- Maternity Allowance
- Other State Benefits
- Pension Credit
- Rates Rebate
- Retirement Pension
- Return to Work Credit (only available in a few remaining pilot areas within the UK)
- Severe Disablement Allowance (ceased to be available to new claimants as of 6th April 2001)
- Social Fund Grant for Funeral Expenses
- Social Fund Grant for Maternity Expenses
- Statutory Adoption Pay
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Sick Pay
- War Widow's Pension
- Widow's Payment/Bereavement Payment
- Widow's Pension/Bereavement Allowance
- Widowed Mother's Allowance/Widowed Parents Allowance
- Winter Fuel payments
- Work Search premium

## Family type and economic status classifications

For some analyses, individuals are classified into family type or economic status groups. Individuals are classified according to the status of the benefit unit in which they live. All individuals in a benefit unit (adults and children) will therefore be given the same classification. The classifications are defined below.

### Family type

**Pensioner couple** - a couple where one or more of the adults are state pension age or over. However, in the **Chapter 6 (Pensioners)**, results for pensioner couples do not count anyone who is not a pensioner.

**Single male pensioner** - single male adult of state pension age or over.

**Single female pensioner** - single female adult of state pension age or over.

**Couple with children** - a non-pensioner couple with dependent children.

**Single with children** - a non-pensioner single adult with dependent children.

**Couple without children** - a non-pensioner couple with no dependent children.

**Single male without children** - a non-pensioner single adult male with no dependent children.

**Single female without children** - a non-pensioner single adult female with no dependent children.

### Economic status

Individuals are allocated to the first category which applies in the following order; so, for example, a couple with one partner unemployed and the other working part-time would be allocated to the 'One or more in part-time work' group. It should be noted that this classification is not consistent with the International Labour Organization (ILO) classification.

**One or more full-time self-employed** - Benefit units where at least one adult usually works self-employed in their main job for 31 or more hours a week.

**Single or couple, all in full-time work** - Benefit units where all adults usually work 31 or more hours a week.

**Couple, one in full-time work, one in part-time work** - Benefit units headed by a couple, where one partner usually works 31 or more hours a week and the other partner usually works fewer than 31 hours a week.

## Appendix 1

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**Couple, one in full-time work, one not working** - Benefit units headed by a couple, where one partner usually works 31 or more hours a week and the other partner does not work.

**No-one in full-time work, one or more in part-time work** - Benefit units where at least one adult works, but for fewer than 31 hours a week.

**Workless, one or more aged 60 or over** - Benefit units where at least one adult is aged 60 or over.

**Workless, one or more unemployed** - Benefit units where at least one adult is unemployed.

**Workless, other inactive** - Benefit units not classified above (this group includes the long term sick, disabled people and non-working single parents).

### Economic status groups for children

The tables that show estimates for dependent children use an amended economic status classification closely related to the definitions used above. Children are grouped according to family type and the economic status of their parent(s) as defined in the previous section. As with the main economic status groups, individuals are allocated to the first category that applies in the following order:

#### **Lone parent**

- In full-time work (includes self-employed)
- In part-time work
- Not working (unemployed or inactive)

#### **Couple with children**

- One or more full-time self-employed
- Both in full-time work
- One in full-time work, one in part-time work
- One in full-time work, one not working
- Neither in full-time work, one or more in part-time work
- Both workless (unemployed or inactive)

### Economic status of household

For this analysis, households are classified according to an assessment of the employment status of all working-age adults and working pensioners within the household (i.e. non-working pensioners are not considered in the assessment, except in the case of those households where children live only with pensioners, where the status of all adults is considered). Individuals are assigned to one of three categories:

**All adults in work** - A household where all working-age adults are in employment or are self-employed, or if there are no working-age adults in the household, at least one working pensioner.

**At least one, but not all adults in work** - A household where at least one working-age adult is in employment or is self-employed, or where a pensioner is in work if none of the working-age adults in the household are in work.

**Workless household** - A household where no adult members are in employment or are self-employed. Within households, pensioners are excluded from the classifications if they are not working, and are included if they are working. So for example, a household with a pensioner in work, but a working-age person not in work, would be in the 'At least one adult in work, but not all' category. A household with all working-age adults in work and a pensioner not in work would be categorised as 'All adults in work'.



## Methodology

### Household incomes as an indicator of individuals' living standards

Households Below Average Income (HBAI) uses household disposable incomes, adjusted for household size and composition, as a proxy for the material living standards of individuals or, more precisely, for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

The unit of analysis is the individual, so the populations and percentages in the tables are numbers and percentages of individuals – both adults and children.

The living standards of an individual depend not only on his or her own income, but also on the income of others in the household. Consequently, the analyses are based on **total household income**: the equivalised income of a household is taken to represent the income level of every individual in the household. Equivalisation, a technique that allows comparison of incomes between households of different sizes and compositions, is explained later in this Appendix. Thus, all members of any one household will appear at the same point in the income distribution.

The family type and economic status groupings used in some tables are classifications of individuals according to the characteristics of the **benefit unit** to which they belong. Therefore, these tables are analyses of individuals classified by their type of benefit unit and by their household income. A definition of **benefit unit** can be found in **Appendix 1**.

### Use of the OECD scales

The OECD equivalisation scales are used throughout the main body of the HBAI publication.

This change occurred from the 2005/06 publication and was prompted by the Government's 2004 Spending Review, which stated that future child poverty measurements will report incomes Before Housing Costs and equivalised using the OECD scale. More detail on the use of these scales can be found in **Appendix 3 of the 2004/05 HBAI publication**.

The Opportunity for all (Ofa) Indicators in **Appendix 3** of this publication use the McClements equivalisation scales and represent Great Britain only. Ofa publications continue to use these bases for equivalisation and coverage, and these **Appendix 3** tables provide consistent Ofa indicators.

### Equivalisation using OECD scales

The income measures used in HBAI take into account variations in the size and composition of the households in which individuals live. This reflects the common sense notion that, in order to enjoy a comparable standard of living, a household of say three adults will need a higher income than a single person living alone. The process of adjusting income in this way is known as equivalisation and is needed in order to make sensible income comparisons between households.

Equivalence scales conventionally take an adult couple without children as the reference point, with an equivalence value of one. The process then increases relatively the income of single person households (since their incomes are divided by a value of less than one) and reduces relatively the incomes of households with three or more persons, which have an equivalence value of greater than one.

Consider a single person, a couple with no children, and a couple with two children aged fourteen and ten, all having unadjusted weekly household incomes of £200 (Before Housing Costs). The process of equivalisation, as conducted in HBAI, gives an equivalised income of £299 to the single person, £200 to the couple with no children, but only £131 to the couple with children.

The main equivalence scales now used in HBAI are the OECD scales, which take the values shown in **Table A2.1**. The equivalent values used by the McClements equivalence scales are also shown for comparison alongside OECD values. The McClements scales were used by HBAI to adjust income up to the 2004/05 HBAI publication.

In both the OECD and McClements versions two separate scales are used, one for income Before Housing Costs (BHC) and one for income After Housing Costs (AHC). The construction of household equivalence values from these scales is quite straightforward. For example, the BHC equivalence value for a household containing a couple with a fourteen year old and a ten year old child together with one other adult would be 1.86 from the sum of the scale values:

$$0.67 + 0.33 + 0.33 + 0.20 + 0.33 = 1.86$$

This is made up of 0.67 for the first adult, 0.33 for their spouse, the other adult and the fourteen year old child and 0.2 for the ten year old child. The total income for the household would then be divided by 1.86 in order to arrive at the measure of equivalised household income used in HBAI analysis.

### Housing costs

It may be argued that the costs of housing faced by different households at a given time do not always match the true value of the housing that they actually enjoy, and that housing costs should therefore be deducted from any definition of disposable income. However, any measure of income defined in this way would understate the relative standard of living of those individuals who were actually benefiting from a better quality of housing by paying more for better accommodation. Income growth



over time would also understate improvements in living standards where higher costs reflected improvements in the quality of housing.

Conversely, any income measure that does not deduct housing costs may overstate the living standards of individuals whose housing costs are high relative to the quality of their accommodation (for example, some residents of London). Income growth over time may also overstate improvements in living standards for low-income groups, as a rise in Housing Benefit to offset higher rents (for a given quality of accommodation) would be counted as an income rise.

Therefore, HBAI presents analyses of disposable income on two bases: Before Housing Costs (BHC) and After Housing Costs (AHC). This is principally to take into account variations in housing costs that themselves do not correspond to comparable variations in the quality of housing. A definition of housing costs can be found in **Appendix 1**.

## Population

The analyses in this publication are primarily based on the Family Resources Survey (FRS). Households in Northern Ireland (NI) were surveyed for the first time in the 2002/03 survey year. A detailed analysis of observed trends, together with results for NI and the UK for the first three years of NI data can be found in **Appendix 3 of the 2004/05 publication**.

The survey covers the private household sector. All the results therefore exclude people living in institutions, e.g. nursing homes, halls of residence, barracks or prisons, and homeless people living rough or in bed and breakfast accommodation. The area of Scotland north of the Caledonian Canal was included in the FRS for the first time in the 2001/02 survey year, and from the 2002/03 survey year, the FRS was extended to include a 100 per cent boost of the Scottish sample. This has increased the sample size available for analysis at the Scottish level.

A further adjustment is that households containing a married adult whose spouse is temporarily absent, whilst within the scope of the FRS, are excluded from HBAI. Similarly, prior to the 1996/97 data, households containing a self-employed adult who had been full-time self-employed for less than two months were excluded. This exclusion is no longer made because of the improvements in the self-employment questions in the FRS.

## Self-employed

All analyses in this volume include the full-time self-employed. Nevertheless, it should be noted that a proportion of this group are believed to report incomes that do not reflect their living standards and there are also recognised difficulties in obtaining timely and accurate income information from this group. Previous analysis of the level of material deprivation reported by those self-employed and reporting incomes amongst the lowest 20 per cent of incomes suggests that the link between

lower incomes and higher levels of material deprivation is much weaker than it is for the population as a whole.

There are few differences in the overall picture of proportions in low-income households when analysis is performed either including or excluding the self-employed. However, this is an area that will be kept under review.

### Income definition

Analyses from the FRS were first presented in HBAI in the 1979 to 1993/94 volume. Prior to that, the Family Expenditure Survey (FES) was used exclusively. The FRS was launched in October 1992 to meet the information requirements of the then DSS. The large sample of the FRS (in 2008/09, full interviews were completed with 23,163 households in Great Britain and 1,929 households in Northern Ireland) makes it possible for HBAI to present information for individual years without – in most cases – unduly large sampling errors.

Moving from the FES to the FRS, both as a result of improved questions in the FRS or following the recommendations of a Methodological Review, has introduced some differences in the definition of income. These are detailed in **Appendix 2 of the 1996/97 volume**. Comparisons of the results were published in the GSS Methodology Series No 18, 'Comparisons of income data between the Family Expenditure Survey and the Family Resources Survey'.

### Material deprivation for children

A suite of questions designed to capture the material deprivation experienced by families with children has been included in the Family Resources Survey since 2004/05. Respondents are asked whether they have 21 goods and services, including child, adult and household items. The list of items was identified by independent academic analysis. See McKay, S. and Collard, S. (2004). *Developing deprivation questions for the Family Resources Survey*, Department for Work and Pensions Working Paper Number 13 available at <http://research.dwp.gov.uk/asd/asd5/WP13.pdf>. Together, these questions form the best discriminator between those families that are deprived and those that are not. If they do not have a good or service, they are asked whether this is because they do not want them or because they cannot afford them.

These questions are used as an additional way of measuring living standards for children and their families, as outlined in the conclusions of the Measuring Child Poverty Consultation.

A prevalence weighted approach has been used, in combination with a 70 per cent income threshold. Prevalence weighting is a technique of scoring deprivation in which more weight in the deprivation measure is given to families lacking those items that most families already have. This means a greater importance, when an item is lacked, is assigned to those items that are more commonly owned in the population.

For each question a score of 1 indicates where an item is lacked because it cannot be afforded. If the family has the item, the item is not needed or wanted, or the question does not apply then a score of 0 is given. This score is multiplied by the relevant prevalence weight. The scores on each item are summed and then divided by the total maximum score; this results in a continuous distribution of scores ranging from 0 to 1. The scores are multiplied by 100 to make them easier to interpret. The final scores, therefore, range from 0 to 100, with any families lacking all items which other families had access to scoring 100.

A child is considered materially deprived if they live in a family that has a final score of 25 or more and a household income below 70 per cent contemporary median income, Before Housing Costs.

From the 2008/09 edition of the publication, we have moved to using the prevalence weights relative to the survey year in question, rather than fixed 2004/05 weights, which were used in previous publications. The full list of questions, prevalence weights for the latest survey year and final scores are shown in **Table A2.2**.

### Material deprivation for pensioners

A suite of questions designed to capture the material deprivation experienced by pensioner families has been included in the Family Resources Survey since May 2008. Respondents are asked whether they have access to 15 goods and services. The list of items was identified by independent academic analysis. See Legard, R., Gray, M. and Blake, M. (2008), *Cognitive testing: older people and the FRS material deprivation questions*, Department for Work and Pensions Working Paper Number 55 available at <http://research.dwp.gov.uk/asd/asd5/WP55.pdf> and McKay, S. (2008), *Measuring material deprivation among older people: Methodological study to revise the Family Resources Survey questions*, Department for Work and Pensions Working Paper Number 54 available at <http://research.dwp.gov.uk/asd/asd5/WP54.pdf>. Together, these questions form the best discriminator between those pensioner families that are deprived and those that are not.

In all cases except being able to pay an unexpected expense of £200, if they do not have a good or service, they are asked whether this is because; they do not have the money for this; it is not a priority on their current income; their health / disability prevents them; it is too much trouble or tiring; they have no one to do this with or help them; it is not something they want; it is not relevant to them; other.

For the unexpected expense question, the follow up question was asked to explore how those who responded yes would pay. Options were: use own income but cut back on essentials; use own income but not need to cut back on essentials; use savings; use a form of credit; get money from friends or family; other.

### Grossing

‘Grossing up’ is the term usually given to the process of applying factors to sample data so that they yield estimates which represent the overall population. The simplest grossing system would be a single factor, the uniform grossing factor, which could be calculated as the number of households in the population divided by the number in the achieved sample. However, surveys are normally grossed by a more complex set of factors, which attempt to correct for differential non-response (i.e. that certain groups are less likely to respond than others) at the same time as they scale up sample estimates.

The system used to calculate grossing factors for HBAI mirrors that of FRS grossing with two differences. FRS grossing uses population estimates as control totals for sample categories which exhibit non-response bias, and have been chosen with the aims of DWP studies in mind. The population estimates are based on control variables, with values derived from external data sources.

The first difference with FRS grossing is that the sample of households is smaller for HBAI purposes because households with spouses living away from home are excluded (see *Population* section above). The second difference is that separate control totals are introduced for ‘very rich’ households so that the top end of the income distribution is more accurately reflected, which is particularly important for estimates of mean income (see *Survey of Personal Incomes* section above).

Department for Work and Pensions statisticians, in consultation with other departments and external experts, reviewed the previous grossing methodology for the FRS, and the latest changes were taken on board for the 2003/04 edition of HBAI; with estimates for historic years revised accordingly. The current publication continues to use the regime adopted for 2003/04.

The 2003/04 publication included more detail of the factors underlying any changes to low-income estimates resulting from the adoption of these new methods.

The control variables and their sources are listed in **Table A2.3**. The HBAI grossing system controls for variables at both household level and benefit unit level. A grossed count of the number of owner occupying households would thus tie in with the Department for Communities and Local Government (CLG) figure, whilst the grossed number of men aged 80 and over, or men living in the North East, would be consistent with Office for National Statistics estimates. Some adjustments have been made to the original control total data sources so that definitions match those in the FRS, for example an adjustment has been made to the demographic data to exclude people not resident in private households.

In order to reconcile control variables at different levels and estimate their joint population, software (CALMAR) provided by the French National Statistics Institute, INSEE, has been used. This software works by iterating towards an optimal solution that, given the particular control totals, minimises the range (maximum to minimum values) of the grossing factors chosen. This should maximise the potential precision of the grossed estimates. CALMAR is used for estimating both Great Britain (GB) and Northern Ireland (NI) populations.

Careful consideration was given to the combination of control totals and the way in which age ranges, Council Tax bands and so on, were grouped together. The aim was to strike a balance so that the grossing system will provide, where possible, accurate estimates in different dimensions without significantly increasing variances.

## Grossing data for Northern Ireland

Apart from the comparable grossing of Northern Ireland data for males, females, children, lone parents, and households as indicated in **Table A2.3**, there are some differences between the methods used to gross the Northern Ireland sample as compared with the Great Britain sample.

Local taxes in Northern Ireland are collected through the rates system, so Council Tax Band as a control variable is not applicable.

In addition, Northern Ireland housing data are based largely on small-sample surveys. Since it is not desirable to introduce the variance of one survey into another by using it to compute control totals, tenure type has not been used as a control variable.

## Sampling error

The HBAI tables are derived from the sample provided by the Family Resources Survey (FRS). All the figures are therefore subject to sampling error.

Sampling error is the uncertainty in estimates that arises because the results are derived from a random sample of the household population. No two randomly chosen samples would give exactly the same picture of the income distribution and the particular sample chosen in any year could yield results that, by chance, are either high or low. However the likely size of such variation can be identified, at least approximately, by taking account of the size and design of the samples.

Sampling error is thus quite distinct from any systematic errors or biases that may be present in the survey and analysis processes, such as a tendency for respondents to under-report a particular item of income. An estimate of sampling error is a measure of only one particular type of uncertainty in the estimate, and therefore cannot be taken as a guarantee that the figure is 'accurate' within certain limits.

Different figures in HBAI are subject to widely differing levels of sampling error. However, two general observations may usefully be made: firstly, other things being equal, the smaller the sample (or part of sample) from which the estimate is derived, the larger the sampling error; and secondly, estimates of changes, as shown in the **Trend and Time Series Tables**, are invariably subject to greater sampling error than point-in-time estimates.

Estimates of sampling error in **Table A2.4** are expressed here in the form of estimated 95 per cent confidence intervals. The confidence interval would contain the

true value on average 19 out of 20 times, if sampling error were the sole source of errors.

### Survey of Personal Incomes (SPI) – adjustment for individuals with very high incomes

An adjustment is made to sample cases at the top of the income distribution to correct for volatility in the highest incomes captured in the survey. This adjustment uses data from Her Majesty's Revenue and Customs' Survey of Personal Incomes (SPI) to control the numbers and income levels of the very rich while retaining the FRS data on the characteristics of their households. The methodology defines a household as rich if it contains a rich individual and it adjusts pensioners and non-pensioners separately.

For 2008/09, non-pensioners in Great Britain are classified as rich if their **net** income exceeded £150,000 per annum (£100,000 in Northern Ireland) and pensioners in the United Kingdom are rich if their **gross** income exceeded £60,000 per annum. These thresholds have been set at the level above which, for each group, the FRS data is considered to be volatile due to small numbers of cases.

The numbers of rich pensioners and non-pensioners in survey estimates are matched to SPI estimates by the introduction of two extra control totals into the grossing regime. One is for the total number of pensioners above the pensioner threshold and the other for the number of non-pensioners above the non-pensioner threshold. The grossing factors for individual cases are only marginally changed as a result of this adjustment. In addition, each 'very rich' individual in the FRS is assigned an income level derived from the SPI, as the latter gives a more accurate indication of the level of high incomes than the FRS. Again this adjustment is carried out separately for pensioners and non-pensioners.

The estimates using SPI data are provided by Her Majesty's Revenue and Customs' statisticians. The 2008/09 estimates were projections based on 2006/07 data.

### Sampling errors for income growth

The figures in HBAI most susceptible to sampling error are the estimates of the median incomes of particular groups, and especially the estimates of the real changes in these incomes.

In some earlier publications, estimates of such income changes were shown in brackets where necessary to reflect the uncertainty arising from sampling error. For example, estimates were enclosed in brackets if the uncertainty arising from sampling error, as represented by the 95 per cent confidence interval, was beyond +/- 2.5 percentage points and 30 per cent of the estimated change itself. Where uncertainty was even greater, i.e. for example the confidence interval was wider than +/- 10 percentage points or if it was not possible to tell whether a change is positive or negative, ranges were given or else expressed as confidence intervals. These have not been included in this publication.



## Sampling errors for numbers below income thresholds

The 95 per cent confidence interval of those individuals below 60 per cent of 2008/09 median income on a Before Housing Cost basis is of the order of around +/- 340,000 individuals or 0.6 percentage points.

Figures for the number of individuals below 50, 60 and 70 per cent of contemporary median income are shown in **Table A2.4**, with figures for the number of individuals below 60 per cent of 1998/99 median income held constant in real terms shown in **Table A2.5**. For changes in the different groups below 60 per cent of median income between two points in time to be statistically significant, they need to be around the following order of magnitude:

- For the whole population, around 0.8 percentage points or 430-500,000 individuals.
- For children, around 1.5 percentage points or 170-200,000 children.
- For working-age adults, just under one percentage point, or 270-330,000 working-age adults.
- For pensioners, around 1.2 percentage points or 120-130,000 pensioners.

## Sampling errors for compositional figures

The compositional figures in the time series tables for all individuals, for example the proportion of a particular income group who are pensioners, tend to have relatively small sampling errors; in general the uncertainty in these figures from the choice of equivalence scale will be much greater than the sampling error. Bunching of a population type close to a particular income threshold could magnify the relevant sampling error, since a small difference in that threshold would cause a relatively large difference in the percentage of the group below the threshold. However, the uncertainty from equivalisation would also be magnified, and the latter would remain the more important source of uncertainty.

## Methodological improvements made in 2008/09

Some minor methodological improvements have been made for the 2008/09 publication. These include improving the imputation of Winter Fuel Payments amounts, including the increased Christmas Bonus as income and including Healthy Start vouchers which have replaced Welfare Milk. The new Employment Support Allowance has also been included as income. The child maintenance questions on the Family Resources Survey have changed to no longer also collect information on spousal maintenance, so spousal maintenance is no longer included as income.

## British Household Panel Survey

Estimates of persistence of low-incomes derived in **Chapter 7** are based on data from the British Household Panel Survey (BHPS), a longitudinal dataset developed at the

## Appendix 2

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University of Essex's Institute for Social and Economic Research, with core funding from the UK Economic and Social Research Council. The first wave was designed as a nationally representative sample of the population of Great Britain living in private households in 1991 and the sample have been re-interviewed every year since then. Each survey is based on a target sample of approximately 5,000 households.

Like the Family Resources Survey, BHPS does not include people in residential institutions, or the homeless. Interviewing started in September 1991 for the first wave and the September of each subsequent year. In the text wave one is referred to as 1991, wave two as 1992 and so on.

The measure of income used here is the sum, across all household members, of income from employment and self-employment, investments and savings, private and occupational pensions, Social Security benefits, Child and Working Tax Credits, and miscellaneous income, less income tax and National Insurance contributions. The components refer to receipts and payments made in the month prior to the interview or the most recent relevant period. Income here, unlike the main HBAI estimates, does not deduct local taxation (including Council Tax). This is something that has to be borne in mind given the variation in Council Tax rates between local councils and the reduction that operates for single householders.

In the BHPS, some self-employment incomes and income from second jobs are reported gross rather than net. Income tax and National Insurance contributions have been imputed for these cases to ensure consistency.

Estimates are equivalised using the McClements scale. Estimates are presented on a Before Housing Costs (BHC) basis and on an After Housing Costs (AHC) basis.

More information on the survey and methods used is available on the ISER web-site at <http://www.iser.essex.ac.uk/ulsc/bhps/>.

Whilst some analysis is based on the full 17-years of data (i.e. individuals present in each of the 17 waves), analysis of different 'rolling' four-year periods is presented as a variation on this. The period 1991 to 1994 uses individuals present in all of the first four waves. Other periods use individuals present in each wave up to and including the end of that four-year period, except that children born to permanent panel members must be present in each wave from birth to the end of the four-year period.

The same individuals are re-interviewed in successive waves. Account is also taken of the inevitable changes of location that some interviewees experience. The survey follows members of the original household if they move to a new household, which ensures that the household/family history is not lost, and that there is no significant fall-off in interview numbers.

Estimates have been weighted using the longitudinal weights which are constructed by the University of Essex. Although the weights attempt to correct for biases arising from sample attrition that are related to factors observed within the data, such as non-response, unequal selection and accommodation type, it is possible that some biases are related to factors which are uncontrolled.



## A2.1: Comparison of OECD and McClements equivalence scales

Equivalence scales				
	Modified OECD rescaled to couple without children=1 <sup>1</sup>	OECD 'Companion' Scale to equivalise AHC results	McClements BHC	McClements AHC
First Adult	0.67	0.58	0.61	0.55
Spouse	0.33	0.42	0.39	0.45
Other Second Adult <sup>2</sup>	0.33	0.42	0.46	0.45
Third Adult	0.33	0.42	0.42	0.45
Subsequent Adults	0.33	0.42	0.36	0.40
Children aged under 14yrs <sup>3</sup>	0.20	0.20	0.20	0.20
Children aged 14yrs and over <sup>3</sup>	0.33	0.42	0.32	0.34

**Notes:**

1. Presented here to two decimal places.

2. For the McClements scale, the weight for 'Other second adult' is used in place of the weight for 'Spouse' when two adults living in a household are sharing accommodation, but are not living as a couple. 'Third adult' and 'Subsequent adult' weights are used for the remaining adults in the household as appropriate. In contrast to the McClements scales, apart from for the first adult, the OECD scales do not differentiate for subsequent adults.

3. The McClements scale varies by age within these groups; appropriate average values are shown in the table.

## Appendix 2

### A2.2: Material deprivation scores in 2008/09<sup>1</sup>

Material deprivation questions	Weights	Final scores
<b>For Children</b>		
Outdoor space or facilities nearby to play safely	0.872	5.81
Enough bedrooms for every child of 10 or over of a different sex to have their own bedroom	0.859	5.72
Celebrations on special occasions such as birthdays, Christmas or other religious festivals	0.947	6.30
Leisure equipment such as sports equipment or a bicycle	0.856	5.70
A family holiday away from home for at least one week a year	0.617	4.11
A hobby or leisure activity	0.735	4.89
Swimming at least once a month	0.540	3.59
Friends around for tea or a snack once a fortnight	0.654	4.35
Go on school trips	0.879	5.85
Toddler group/nursery/playgroup at least once a week	0.641	4.27
<b>For Adults</b>		
Enough money to keep your home in a decent state of decoration	0.769	5.12
A hobby or leisure activity	0.575	3.83
A holiday away from home for at least one week a year, whilst not staying with relatives at their home	0.554	3.69
Household contents insurance	0.735	4.89
Have friends or family around for a drink or meal at least once a month	0.607	4.04
Regular savings of £10 a month or more for rainy days or retirement	0.541	3.60
Two pairs of all weather shoes for each adult	0.891	5.93
Replace any worn out furniture	0.562	3.74
Replace or repair major electrical goods such as a refrigerator or a washing machine, when broken	0.674	4.49
A small amount of money to spend each week on yourself, not on your family	0.641	4.26
In winter, able to keep accommodation warm enough	0.874	5.82
<b>Sum of all weights</b>	<b>15.023</b>	<b>100</b>

#### Notes:

1. Material deprivation weights are now calculated based on responses in the survey year in question.

**Table A2.3: Grossing factor control totals**

Control variables used to generate grossing factors for private households		
Variable	Groupings	Source of data
Males by: Government Office Region/age/sex (England); and Country/age/sex (Scotland, Wales, and Northern Ireland)	For each region/country: males in the following age groups: 0-9, 10-19* dependents, 0-19 dependents (NI only), 16-24* non-dependents, 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-64, 65-74, 75-79, 80 plus	Office for National Statistics (ONS), Northern Ireland Statistics and Research Agency (NISRA)
Females by: Government Office Region/age/sex (England); and Country/age/sex (Scotland, Wales, and Northern Ireland)	For each region/country: females in the following age groups: 0-9, 10-19* dependents, 0-19 dependents (NI only), 16-24* non-dependents, 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-69, 70-74, 75-79, 80 plus	ONS, NISRA
*16-19 year old dependents	Dependents aged 16-19 in Scotland, England and Wales	DWP estimates using data derived from ONS and HMRC
Lone parents (Great Britain)	Male, Female	DWP estimates
Lone parents (Northern Ireland)	All	Northern Ireland Department for Social Development (DSD) estimates
Families (England and Wales, Scotland)	Number of families with children	HMRC estimates
Tenure type (England and Wales, Scotland)	Number of households of types: LA renters, private renters, owner occupiers	Communities and Local Government (CLG)
Council Tax Band (England and Wales, Scotland)	Number of households of types: A, B, C-D, E-H (as well as band I for Wales)	Valuation Office, Scottish Government
Region	Number of households in London, Scotland, "rest of England and Wales", Northern Ireland	CLG estimates, DSD estimates
Households Containing 'Very Rich' People (Great Britain and Northern Ireland)	Pensioners, Non-pensioners	HMRC Survey of Personal Incomes (SPI)

## Appendix 2

**Table A2.4: Ninety-five per cent confidence intervals for numbers and proportions of individuals below various thresholds of contemporary median income, United Kingdom<sup>1</sup>**

Source: FRS 2008/09

	Percentage of individuals				Number of individuals			
	lower bound	HBAI estimate	upper bound	+/-	lower bound	HBAI estimate	upper bound	+/-
<b>50 per cent of median income</b>								
<b>Before Housing Costs</b>								
All individuals	9.9	10.4	10.9	0.5	5,990,000	6,270,000	6,550,000	280,000
Children	10.4	11.2	12.0	0.8	1,330,000	1,430,000	1,540,000	110,000
Working-age adults	9.4	9.9	10.4	0.5	3,390,000	3,580,000	3,770,000	190,000
Pensioners	10.5	11.1	11.8	0.7	1,180,000	1,260,000	1,340,000	80,000
<b>After Housing Costs</b>								
All individuals	15.1	15.7	16.2	0.6	9,100,000	9,440,000	9,780,000	340,000
Children	19.1	20.1	21.1	1.0	2,440,000	2,570,000	2,710,000	140,000
Working-age adults	15.4	16.0	16.7	0.7	5,550,000	5,800,000	6,040,000	240,000
Pensioners	8.8	9.5	10.1	0.6	1,000,000	1,070,000	1,140,000	70,000
<b>60 per cent of median income</b>								
<b>Before Housing Costs</b>								
All individuals	17.5	18.1	18.6	0.6	10,540,000	10,890,000	11,230,000	340,000
Children	20.8	21.8	22.9	1.0	2,660,000	2,800,000	2,930,000	130,000
Working-age adults	15.4	16.0	16.6	0.6	5,550,000	5,780,000	6,010,000	230,000
Pensioners	19.5	20.4	21.2	0.9	2,210,000	2,310,000	2,400,000	90,000
<b>After Housing Costs</b>								
All individuals	21.7	22.3	22.9	0.6	13,080,000	13,440,000	13,810,000	370,000
Children	29.2	30.3	31.3	1.1	3,730,000	3,870,000	4,010,000	140,000
Working-age adults	20.8	21.5	22.2	0.7	7,510,000	7,760,000	8,010,000	250,000
Pensioners	15.3	16.0	16.8	0.7	1,730,000	1,810,000	1,900,000	90,000
<b>70 per cent of median income</b>								
<b>Before Housing Costs</b>								
All individuals	25.4	25.9	26.5	0.6	15,280,000	15,620,000	15,960,000	340,000
Children	31.1	32.1	33.1	1.0	3,980,000	4,110,000	4,240,000	130,000
Working-age adults	21.4	22.0	22.6	0.6	7,730,000	7,950,000	8,170,000	220,000
Pensioners	30.6	31.5	32.3	0.9	3,460,000	3,560,000	3,660,000	100,000
<b>After Housing Costs</b>								
All individuals	28.7	29.3	29.9	0.6	17,310,000	17,650,000	17,990,000	340,000
Children	37.9	38.9	39.8	1.0	4,850,000	4,970,000	5,100,000	130,000
Working-age adults	26.2	26.8	27.5	0.6	9,470,000	9,700,000	9,930,000	230,000
Pensioners	25.5	26.3	27.1	0.8	2,890,000	2,980,000	3,060,000	80,000

1. Levels of change needed between two periods for a significant movement based on 60 per cent of median are shown in the 'Sampling errors for number below income thresholds' section above.

**Table A2.5: Ninety-five per cent confidence intervals for numbers and proportions of individuals below 60 per cent of 1998/99 median income held constant in real terms, United Kingdom**

Source: FRS 2008/09								
	Percentage of individuals				Number of individuals			
	lower bound	HBAI estimate	upper bound	+/-	lower bound	HBAI estimate	upper bound	+/-
<b>60 per cent of 1998/99 median income held constant in real terms</b>								
<b>Before Housing Costs</b>								
All individuals	10.7	11.2	11.7	0.5	6,470,000	6,760,000	7,050,000	290,000
Children	11.5	12.4	13.2	0.9	1,470,000	1,580,000	1,690,000	110,000
Working-age adults	10.0	10.5	11.1	0.5	3,610,000	3,810,000	4,010,000	200,000
Pensioners	11.4	12.1	12.8	0.7	1,290,000	1,370,000	1,450,000	80,000
<b>After Housing Costs</b>								
All individuals	14.2	14.8	15.3	0.6	8,550,000	8,890,000	9,220,000	330,000
Children	17.6	18.6	19.6	1.0	2,260,000	2,390,000	2,510,000	120,000
Working-age adults	14.6	15.2	15.9	0.7	5,270,000	5,510,000	5,750,000	240,000
Pensioners	8.2	8.8	9.4	0.6	920,000	990,000	1,060,000	70,000



# Appendix 3

## Opportunity for all Indicators

The Government's report on tackling poverty and social exclusion 'Opportunity for all' (OFa) includes some HBAI-based indicators for the proportions of different groups of the population below low-income thresholds of median income.

The Ofa indicators continue to be measured on the same basis as in previous years, and, unlike the headline results presented in the trends tables in **Chapters 3 to 6**, cover Great Britain only and use the McClements scales for equivalisation (see **Appendix 2** for more details of this process).

Such uniformity of presentation style helps to maintain the time series element from the start of the series in 1994/95.

Tables on the following pages present proportions and numbers for all individuals; for children; for working-age adults; and for pensioners. Estimates are presented for thresholds of both contemporary income and 1998/99 income held constant in real terms. Also included are tables showing the proportion of each group experiencing low income for three or more years out of four years, with low income defined here as below 60 per cent and 70 per cent of median income only. The persistent low income tables also use the McClements scales for equivalisation.

## Appendix 3

**Table A3.1: Percentage of individuals falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain**

Percentage of individuals							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	9	18	27	15	24	31	
1995/96	9	17	26	14	23	31	
1996/97	10	18	27	16	25	32	
1997/98	10	18	27	16	24	31	
1998/89	10	18	27	16	24	30	
1999/00	10	18	27	15	24	31	
2000/01	10	17	26	15	23	30	
2001/02	9	17	26	14	22	29	
2002/03	10	17	26	14	22	29	
2003/04	9	17	26	14	21	29	
2004/05	9	16	25	13	20	28	
2005/06	10	17	25	14	21	29	
2006/07	10	17	26	15	22	29	
2007/08	10	18	26	15	22	29	
2008/09	10	17	26	15	22	29	

Percentage of individuals				Source: FRS		
	Before Housing Costs			After Housing Costs		
	Below median			Below median		
	50%	60%	70%	50%	60%	70%
1998/99 income thresholds held constant in real terms						
1994/95	12	22	32	19	28	35
1995/96	12	21	31	18	28	35
1996/97	11	20	29	18	27	33
1997/98	11	19	28	17	25	31
1998/89	10	18	27	16	24	30
1999/00	9	16	25	14	22	29
2000/01	8	14	23	12	19	26
2001/02	7	12	20	10	16	23
2002/03	6	12	18	9	15	21
2003/04	6	11	18	9	14	20
2004/05	6	11	17	9	13	18
2005/06	6	11	17	9	13	19
2006/07	7	11	17	9	14	19
2007/08	7	11	17	9	14	19
2008/09	7	11	17	10	14	19

### Percentage of individuals experiencing persistent low income, Great Britain<sup>1</sup>

Percentage of individuals living in households below threshold in at least 3 out of 4 years											Source: BHPS
	1991 to 1994	1992 to 1995	1994 to 1997	1996 to 1999	1997 to 2000	1998 to 2001	2000 to 2003	2001 to 2004	2002 to 2005	2003 to 2006	2004 to 2007
<b>BHC thresholds</b>											
<b>Below 60% median</b>	12	12	12	12	12	12	10	10	9	8	8
<b>Below 70% median</b>	20	20	20	20	20	19	19	19	17	17	17
<b>AHC thresholds</b>											
<b>Below 60% median</b>	15	15	15	15	14	14	12	11	11	9	10
<b>Below 70% median</b>	22	23	22	21	21	21	21	20	19	18	18

**Note:**

1. The years 1993 to 1996, 1995 to 1998 and 1999 to 2002 have been dropped for reasons of space. All years are shown in **Chapter 7** of this report.



**Table A3.2: Number of individuals falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain**

Number of individuals (millions)							Source: FRS
Before Housing Costs				After Housing Costs			All individuals
Below median			Below median				
50%	60%	70%	50%	60%	70%		
Contemporary income thresholds							
1994/95	5.1	9.8	14.9	8.2	13.1	17.1	55.3
1995/96	4.9	9.4	14.5	7.7	12.9	17.1	55.5
1996/97	5.5	10.2	15.2	9.0	13.8	17.6	55.6
1997/88	5.5	10.2	15.0	8.8	13.3	17.0	55.7
1998/99	5.6	10.2	15.1	8.7	13.2	17.0	55.9
1999/00	5.4	10.0	15.2	8.6	13.2	17.1	56.1
2000/01	5.5	9.6	14.6	8.3	12.7	16.7	56.2
2001/02	5.2	9.6	14.5	8.1	12.3	16.5	56.4
2002/03	5.4	9.6	14.6	8.0	12.2	16.7	56.6
2003/04	5.3	9.5	14.6	8.1	12.0	16.4	56.8
2004/05	5.2	9.2	14.3	7.4	11.4	15.9	57.1
2005/06	5.5	9.7	14.4	8.3	12.2	16.6	57.4
2006/07	5.9	10.0	14.8	8.5	12.5	16.9	57.8
2007/08	6.1	10.2	14.9	8.9	13.0	17.1	58.1
2008/09	5.9	10.1	14.9	8.9	12.9	17.0	58.5

Number of individuals (millions)							Source: FRS
Before Housing Costs				After Housing Costs			All individuals
Below median			Below median				
50%	60%	70%	50%	60%	70%		
1998/99 income thresholds held constant in real terms							
1994/95	6.8	12.1	17.5	10.4	15.4	19.4	55.3
1995/96	6.5	11.7	17.2	10.1	15.4	19.4	55.5
1996/97	6.1	11.2	16.2	9.9	14.7	18.3	55.6
1997/88	5.9	10.7	15.6	9.3	13.7	17.5	55.7
1998/99	5.6	10.2	15.1	8.7	13.2	17.0	55.9
1999/00	4.9	9.2	14.2	7.7	12.2	16.0	56.1
2000/01	4.5	8.1	12.7	6.5	10.6	14.5	56.2
2001/02	3.7	6.9	11.2	5.4	9.1	12.8	56.4
2002/03	3.6	6.6	10.5	5.1	8.3	11.8	56.6
2003/04	3.7	6.4	10.4	5.3	8.1	11.4	56.8
2004/05	3.4	6.0	9.6	4.9	7.3	10.5	57.1
2005/06	3.7	6.1	9.9	5.0	7.6	10.8	57.4
2006/07	3.8	6.3	10.0	5.4	7.8	11.0	57.8
2007/08	4.0	6.5	10.2	5.5	8.1	11.3	58.1
2008/09	3.8	6.2	9.8	5.7	8.4	11.3	58.5

## Appendix 3

**Table A3.3: Percentage of children falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain**

Percentage of children							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	11	23	34	20	31	39	
1995/96	11	22	34	19	31	40	
1996/97	12	25	35	23	33	41	
1997/98	13	25	35	23	32	40	
1998/99	13	24	35	23	33	40	
1999/00	12	23	35	22	32	40	
2000/01	11	21	33	20	30	39	
2001/02	10	21	33	19	30	38	
2002/03	10	21	32	19	28	38	
2003/04	11	21	32	19	28	37	
2004/05	10	20	32	17	27	37	
2005/06	11	20	32	19	29	38	
2006/07	12	21	32	19	29	38	
2007/08	11	21	32	20	30	39	
2008/09	11	20	31	19	29	38	

Percentage of children							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
1998/99 income thresholds held constant in real terms							
1994/95	15	28	39	25	36	44	
1995/96	15	27	39	25	36	45	
1996/97	14	27	37	25	35	43	
1997/98	14	26	36	24	33	41	
1998/99	13	24	35	23	33	40	
1999/00	10	21	33	19	30	38	
2000/01	9	17	29	15	25	34	
2001/02	7	14	25	12	22	31	
2002/03	7	13	22	11	19	27	
2003/04	7	13	23	11	19	27	
2004/05	7	12	21	10	17	25	
2005/06	7	12	21	10	17	25	
2006/07	7	12	21	11	17	25	
2007/08	7	12	21	11	18	26	
2008/09	7	11	19	11	17	25	

### Percentage of children experiencing persistent low income, Great Britain<sup>1</sup>

Percentage of children living in households below threshold in at least 3 out of 4 years											Source: BHPS
	1991 to 1994	1992 to 1995	1994 to 1997	1996 to 1999	1997 to 2000	1998 to 2001	2000 to 2003	2001 to 2004	2002 to 2005	2003 to 2006	2004 to 2007
<b>BHC thresholds</b>											
<b>Below 60% median</b>	19	18	17	17	17	17	14	12	11	10	10
<b>Below 70% median</b>	29	28	27	28	27	26	25	23	21	20	21
<b>AHC thresholds</b>											
<b>Below 60% median</b>	25	23	23	23	22	21	17	15	16	14	15
<b>Below 70% median</b>	32	32	31	31	30	30	28	27	26	24	26

#### Note:

1. The years 1993 to 1996, 1995 to 1998 and 1999 to 2002 have been dropped for reasons of space. All years are shown in **Chapter 7** of this report.

Table A3.4: Number of children falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain

Number of children (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All children
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	1.4	2.9	4.3	2.5	4.0	5.0	12.6
1995/96	1.4	2.8	4.3	2.4	4.0	5.0	12.7
1996/97	1.6	3.2	4.5	2.9	4.2	5.2	12.7
1997/98	1.6	3.1	4.5	2.9	4.1	5.1	12.7
1998/99	1.6	3.1	4.5	2.9	4.1	5.1	12.7
1999/00	1.5	3.0	4.5	2.8	4.1	5.1	12.7
2000/01	1.4	2.7	4.2	2.5	3.8	4.9	12.7
2001/02	1.3	2.6	4.2	2.4	3.7	4.8	12.6
2002/03	1.3	2.6	4.1	2.3	3.5	4.7	12.6
2003/04	1.3	2.6	4.0	2.4	3.5	4.6	12.5
2004/05	1.3	2.4	3.9	2.1	3.4	4.6	12.4
2005/06	1.3	2.5	3.9	2.3	3.5	4.7	12.4
2006/07	1.4	2.6	4.0	2.4	3.6	4.7	12.4
2007/08	1.4	2.6	4.0	2.5	3.8	4.8	12.4
2008/09	1.3	2.5	3.9	2.3	3.6	4.7	12.4

Number of children (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All children
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
1998/99 income thresholds held constant in real terms							
1994/95	1.9	3.6	5.0	3.2	4.5	5.6	12.6
1995/96	1.9	3.4	4.9	3.2	4.6	5.7	12.7
1996/97	1.8	3.4	4.7	3.2	4.5	5.4	12.7
1997/98	1.7	3.3	4.6	3.1	4.2	5.2	12.7
1998/99	1.6	3.1	4.5	2.9	4.1	5.1	12.7
1999/00	1.3	2.7	4.2	2.4	3.8	4.8	12.7
2000/01	1.1	2.2	3.6	1.9	3.2	4.3	12.7
2001/02	0.9	1.7	3.2	1.5	2.8	3.9	12.6
2002/03	0.9	1.7	2.8	1.3	2.4	3.5	12.6
2003/04	0.9	1.6	2.8	1.4	2.4	3.3	12.5
2004/05	0.8	1.5	2.5	1.2	2.1	3.1	12.4
2005/06	0.8	1.5	2.6	1.3	2.1	3.1	12.4
2006/07	0.9	1.5	2.6	1.4	2.1	3.1	12.4
2007/08	0.9	1.5	2.6	1.4	2.2	3.2	12.4
2008/09	0.8	1.4	2.4	1.3	2.2	3.1	12.4

## Appendix 3

**Table A3.5: Percentage of working-age adults falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain**

Percentage of working-age adults							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	8	14	21	14	20	25	
1995/96	8	14	20	13	19	25	
1996/97	8	15	22	15	21	26	
1997/98	8	15	21	14	19	24	
1998/99	8	14	21	14	19	24	
1999/00	8	14	21	14	20	25	
2000/01	9	14	21	14	19	24	
2001/02	8	14	20	13	19	24	
2002/03	9	14	21	14	19	24	
2003/04	9	14	21	14	19	24	
2004/05	9	14	21	13	18	24	
2005/06	9	15	21	15	20	26	
2006/07	9	15	21	15	20	26	
2007/08	10	15	22	15	21	26	
2008/09	10	16	22	16	21	27	

Percentage of working-age adults							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
1998/99 income thresholds held constant in real terms							
1994/95	10	17	25	17	23	28	
1995/96	10	17	24	16	22	28	
1996/97	9	16	23	16	22	27	
1997/98	9	15	22	15	20	25	
1998/99	8	14	21	14	19	24	
1999/00	8	13	20	13	18	23	
2000/01	8	12	18	12	17	21	
2001/02	6	10	16	10	15	19	
2002/03	6	10	15	9	14	18	
2003/04	6	10	15	10	14	18	
2004/05	6	10	14	9	13	17	
2005/06	7	10	15	10	14	18	
2006/07	6	10	15	10	14	18	
2007/08	7	10	15	10	14	19	
2008/09	7	10	15	11	15	19	

### Percentage of working-age adults experiencing persistent low income, Great Britain<sup>1</sup>

Percentage of working-age adults living in households below threshold in at least 3 out of 4 years											Source: BHPS
	1991 to 1994	1992 to 1995	1994 to 1997	1996 to 1999	1997 to 2000	1998 to 2001	2000 to 2003	2001 to 2004	2002 to 2005	2003 to 2006	2004 to 2007
<b>BHC thresholds</b>											
<b>Below 60% median</b>	8	8	7	7	7	7	6	6	6	5	5
<b>Below 70% median</b>	13	13	12	13	12	12	12	12	11	11	11
<b>AHC thresholds</b>											
<b>Below 60% median</b>	10	10	10	9	9	9	8	8	8	7	7
<b>Below 70% median</b>	14	16	14	14	14	14	14	13	13	13	13

**Note:**

1. The years 1993 to 1996, 1995 to 1998 and 1999 to 2002 have been dropped for reasons of space. All years are shown in **Chapter 7** of this report.

Table A3.6: Number of working-age adults falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain

Number of working-age adults (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All working-age adults
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	2.7	4.7	6.9	4.6	6.5	8.2	32.8
1995/96	2.5	4.5	6.7	4.3	6.4	8.1	32.8
1996/97	2.8	4.9	7.1	4.8	6.8	8.4	32.9
1997/98	2.7	4.8	6.9	4.6	6.4	8.1	33.1
1998/99	2.7	4.7	6.8	4.6	6.3	8.0	33.2
1999/00	2.8	4.8	7.1	4.7	6.5	8.2	33.3
2000/01	2.9	4.7	6.9	4.6	6.4	8.2	33.5
2001/02	2.8	4.6	6.8	4.5	6.3	8.0	33.7
2002/03	3.0	4.8	7.0	4.6	6.4	8.2	33.9
2003/04	3.0	4.8	7.1	4.7	6.5	8.3	34.0
2004/05	2.9	4.8	7.1	4.5	6.2	8.2	34.2
2005/06	3.2	5.2	7.4	5.1	6.9	8.8	34.5
2006/07	3.2	5.1	7.4	5.1	7.0	8.9	34.8
2007/08	3.4	5.3	7.5	5.3	7.3	9.1	34.9
2008/09	3.5	5.6	7.8	5.6	7.5	9.4	35.1
Number of working-age adults (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All working-age adults
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
1998/99 income thresholds held constant in real terms							
1994/95	3.4	5.7	8.1	5.5	7.4	9.2	32.8
1995/96	3.2	5.5	7.9	5.3	7.3	9.3	32.8
1996/97	3.0	5.3	7.6	5.2	7.2	8.8	32.9
1997/98	2.9	5.0	7.2	4.8	6.6	8.3	33.1
1998/99	2.7	4.7	6.8	4.6	6.3	8.0	33.2
1999/00	2.6	4.4	6.6	4.2	6.1	7.7	33.3
2000/01	2.5	4.1	6.1	3.9	5.6	7.2	33.5
2001/02	2.1	3.5	5.3	3.3	4.9	6.4	33.7
2002/03	2.1	3.5	5.1	3.2	4.7	6.2	33.9
2003/04	2.2	3.5	5.2	3.3	4.8	6.2	34.0
2004/05	2.1	3.3	5.0	3.2	4.4	5.8	34.2
2005/06	2.3	3.5	5.3	3.3	4.7	6.3	34.5
2006/07	2.2	3.4	5.1	3.4	4.7	6.3	34.8
2007/08	2.4	3.6	5.3	3.5	4.9	6.5	34.9
2008/09	2.4	3.6	5.4	3.8	5.3	6.8	35.1

## Appendix 3

**Table A3.7: Percentage of pensioners falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain**

Percentage of pensioners							Source: FRS
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	10	22	37	11	27	40	
1995/96	10	22	36	10	26	39	
1996/97	11	22	36	12	28	39	
1997/98	12	23	37	13	27	38	
1998/99	12	24	38	13	27	38	
1999/00	12	23	36	12	26	37	
2000/01	11	22	35	11	24	36	
2001/02	11	23	35	11	23	37	
2002/03	11	22	35	11	22	37	
2003/04	10	21	33	10	20	34	
2004/05	9	19	32	8	17	29	
2005/06	9	19	30	9	17	29	
2006/07	11	21	32	10	18	30	
2007/08	11	21	31	10	18	29	
2008/09	10	19	29	9	16	26	

Percentage of pensioners				Source: FRS		
	Before Housing Costs			After Housing Costs		
	Below median			Below median		
	50%	60%	70%	50%	60%	70%
1998/99 income thresholds held constant in real terms						
1994/95	15	28	45	18	35	46
1995/96	14	28	43	17	34	45
1996/97	13	25	39	15	31	41
1997/98	13	24	38	14	29	40
1998/99	12	24	38	13	27	38
1999/00	10	21	34	10	23	35
2000/01	9	18	30	7	18	30
2001/02	7	16	27	7	14	25
2002/03	6	14	25	5	11	21
2003/04	6	13	23	6	10	18
2004/05	5	11	20	5	8	15
2005/06	5	10	19	4	8	13
2006/07	7	13	21	6	9	15
2007/08	6	12	21	5	9	14
2008/09	6	10	18	5	8	13

### Percentage of pensioners experiencing persistent low income, Great Britain<sup>1</sup>

Percentage of pensioners living in households below threshold in at least 3 out of 4 years											Source: BHPS
	1991 to 1994	1992 to 1995	1994 to 1997	1996 to 1999	1997 to 2000	1998 to 2001	2000 to 2003	2001 to 2004	2002 to 2005	2003 to 2006	2004 to 2007
<b>BHC thresholds</b>											
<b>Below 60% median</b>	19	19	21	20	20	21	18	17	16	16	14
<b>Below 70% median</b>	37	35	35	36	38	37	36	36	32	31	29
<b>AHC thresholds</b>											
<b>Below 60% median</b>	21	20	21	23	23	22	17	16	14	11	9
<b>Below 70% median</b>	36	36	35	34	35	35	33	31	27	24	20

**Note:**

1. The years 1993 to 1996, 1995 to 1998 and 1999 to 2002 have been dropped for reasons of space. All years are shown in **Chapter 7** of this report.

Table A3.8: Number of pensioners falling below various thresholds of contemporary and 1998/99 median income held constant in real terms, Great Britain

Numbers of pensioners (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All pensioners
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	1.0	2.1	3.6	1.1	2.7	4.0	9.9
1995/96	1.0	2.2	3.6	1.0	2.6	3.9	9.9
1996/97	1.1	2.2	3.6	1.2	2.8	3.9	9.9
1997/98	1.2	2.3	3.6	1.3	2.7	3.8	10.0
1998/99	1.2	2.4	3.8	1.3	2.7	3.8	10.0
1999/00	1.2	2.3	3.6	1.2	2.6	3.7	10.0
2000/01	1.1	2.2	3.5	1.1	2.5	3.6	10.1
2001/02	1.2	2.3	3.5	1.1	2.3	3.7	10.1
2002/03	1.1	2.3	3.5	1.1	2.3	3.7	10.2
2003/04	1.0	2.1	3.4	1.0	2.0	3.5	10.3
2004/05	1.0	2.0	3.3	0.8	1.8	3.1	10.4
2005/06	1.0	2.0	3.1	0.9	1.8	3.1	10.5
2006/07	1.2	2.2	3.4	1.1	1.9	3.2	10.6
2007/08	1.2	2.3	3.4	1.1	1.9	3.1	10.8
2008/09	1.1	2.1	3.2	1.0	1.7	2.9	11.0
Numbers of pensioners (millions)							Source: FRS
	Before Housing Costs			After Housing Costs			All pensioners
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
1998/99 income thresholds held constant in real terms							
1994/95	1.4	2.8	4.4	1.7	3.5	4.6	9.9
1995/96	1.4	2.8	4.3	1.6	3.4	4.5	9.9
1996/97	1.3	2.5	3.9	1.5	3.1	4.1	9.9
1997/98	1.3	2.4	3.8	1.4	2.9	4.0	10.0
1998/99	1.2	2.4	3.8	1.3	2.7	3.8	10.0
1999/00	1.0	2.1	3.4	1.0	2.3	3.5	10.0
2000/01	0.9	1.8	3.0	0.8	1.8	3.1	10.1
2001/02	0.7	1.6	2.7	0.7	1.4	2.5	10.1
2002/03	0.6	1.5	2.5	0.6	1.1	2.1	10.2
2003/04	0.6	1.3	2.4	0.6	1.0	1.8	10.3
2004/05	0.5	1.2	2.1	0.5	0.8	1.5	10.4
2005/06	0.5	1.1	2.0	0.5	0.8	1.4	10.5
2006/07	0.7	1.3	2.2	0.6	1.0	1.6	10.6
2007/08	0.7	1.3	2.3	0.6	1.0	1.5	10.8
2008/09	0.6	1.1	2.0	0.6	0.9	1.4	11.0







**Households Below Average  
Income: An analysis of the  
income distribution  
1994/95 – 2008/09**

Households Below Average Income (HBAI) uses household disposable incomes, adjusted for household size and composition, as a proxy for material living standards or, more precisely, for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

This report is the twenty-first in the HBAI series and principally gives information on the income distribution from 1994/95 – 2008/09 using cross-sectional data from the DWP Family Resource Survey. It also includes a small section on persistence of low income over the period 1991 to 2007 using longitudinal data from the British Household Panel Survey, which is run by the ESRC UK Longitudinal Studies Centre at the University of Essex.

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ISBN 978-1-84947-351-4  
Published by the Department for  
Work and Pensions  
20 May 2010  
[www.dwp.gov.uk](http://www.dwp.gov.uk)