HM Treasury

Impact on households:

distributional analysis to accompany Spending Round 2013

June 2013

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You can download this publication from www.gov.uk

ISBN 978-1-909790-10-0
PU1521

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1 Introduction

1.1 The Government has taken unprecedented steps to increase transparency and enable effective scrutiny of its policy-making. It has gone further in this regard than previous governments by publishing regular distributional analysis of the impact of its reforms.

1.2 This document builds on the distributional analysis that was published at Spending Review 2010 and Budget 2013. It analyses the effects of the Government's policies on a cumulative basis, which means that it includes measures not only from Spending Round 2013, but also from all fiscal events since June Budget 2010. It also includes changes that were announced before June Budget 2010 that have been implemented by this Government.

1.3 As at Budget 2013, this analysis is being published online as a supplementary document to Spending Round 2013.

Understanding distributional analysis

1.4 This supplementary document to the Spending Round focuses on the distributional impacts on households of public service spending. HM Treasury developed a new methodology for the distributional analysis of spending on public services at Spending Review 2010 and has continued to develop and improve this analysis since. This methodology is explained in detail in Annex B of Spending Review 2010.

1.5 Chapter 2 presents analysis, focusing on public service spending, by household income quintiles. Grouping households by their income is recognised as the standard approach to distributional analysis, and a standard process called equivalisation is also used to ensure that households of differing sizes are compared on a consistent basis. As in previous publications, the effects of changes on households are presented in both cash and percentage terms. The analysis is presented for the year 2015-16, as this Spending Round sets departmental budgets for 2015-16, building on the programme of reforms which this Government began in 2010. It is presented in 2010-11 prices because this is the baseline used for analysis of changes to public service spending.

1.6 To capture the effect of changes in government spending on those services that directly benefit households, reported spending in 2010-11 on services within the scope of the model is compared to indicative estimates of spending on these services in 2015-16. The analysis presents the impact on households of the real changes in government spending over the period by accounting for the forecast change in prices between 2010-11 and 2015-16. Since Spending Review 2010, outturn spending information has become available and therefore 2010-11 spending is now presented on an outturn, rather than planned, basis. The 2015-16 spending figures are based on best estimates so should be taken as indicative only and will be subject to change as more information on departments' plans becomes available.

1.7 More detailed analysis of tax and welfare by both income and expenditure deciles was recently published at Budget 2013. Analysis on the basis of household expenditure is a useful complement to analysis by household income, and illustrates that some households in the lower income deciles – typically those containing students, self-employed or unemployed individuals –

have low incomes only temporarily, and may be maintaining a higher standard of living by funding their expenditure from savings or borrowings. However, no methodology for modelling public service spending currently allows us to group households by expenditure.

1.8 To analyse the effect of the Government's measures, assumptions have to be made about what would have happened in their absence. These assumptions are known as 'the counterfactual'. In this document, the effects of measures are assessed against a counterfactual assumption that the previous Government's policies – including the indexation of tax thresholds, tax credits, and benefits – would have continued into the future without any further fiscal consolidation.

1.9 Government debt would have been higher if the Government had not taken action to control the unsustainable deficit that it inherited. The analysis in this document does not show what the consequences for households would have been had the Government not taken action to reduce the structural deficit. These consequences could have included higher future taxes, lower spending on public services, or both, due to the need to meet the costs of higher debt.

Modelling the impact of public service spending

1.10 This distributional analysis of public spending covers Resource Departmental Expenditure Limit (RDEL) spending on services which people consume directly, for which data are available. This includes spending on frontline public services such as health care and schools, and excludes spending on public goods such as defence which benefit the population as a whole rather than specific households directly. For this reason central government administration costs have also been excluded. This approach best corresponds to the experience people have of government spending. In addition, capital spending is not included, as capital projects have geographically specific and multi-generational benefits which are difficult to capture robustly in distributional analysis. Excluding capital spending is consistent with other academic work in this field.[1] Expenditure by the devolved administrations is also excluded because decisions on the allocation of the devolved block budgets are matters for the devolved administrations. Detailed information on the approach taken can be found in Chapter 3 and in Annex B of Spending Review 2010.

1.11 The distributional analysis of public service spending is a relatively new field and the methodology used continues to be refined and updated as work progresses. In particular, the analysis has a number of limitations. The benefit accrued to the household is valued at the cost of providing the service, weighted across households according to their usage. This is similar to the approach taken by the ONS.[2] While this input cost modelling improves the objectivity and transparency of the analysis, there are a number of caveats. It:

- does not reflect the value people place on the services they consume nor how effective those services are at delivering desired outcomes (for example, low value programmes that are being stopped are measured at the same rate as high value programmes that are being kept);
- does not capture the further efficiency and reform opportunities identified in this Spending Round, which allow services to be delivered with the same or better outcomes for less money (for example, cutting waste is measured the same as if there were a reduction in services); and

[1] Demery L, 2003: *Analyzing the incidence of Public Spending, The Impact of Economic Policies on Poverty and Income Distribution* Bourguignon F, Pereira da Silva, Luiz A.

[2] *The Effects of Taxes and Benefits on Household Income*, 2010-11, Office for National Statistics, June 2012.

- only provides a static view of the monetary value households receive from benefits and does not capture incentives on individuals, for example, to return to work or retrain to receive a future higher income.

Modelling the impact of welfare spending

1.12 HM Treasury's distributional analysis of public service spending has always allocated spending to households on the basis of reported take-up of public services wherever possible. For example, while all children are entitled to state schooling, the benefit in kind from state schooling is allocated only to those who take it up, not to those who opt out of the state system.

1.13 However, in previous distributional analysis publications, it has been assumed that all households take up the full amount of benefits and tax credits to which they are entitled. As part of HM Treasury's continuous programme of developing and improving its distributional analysis, this assumption of 100 per cent take-up has been revised, since in practice a significant number of households do not take up all their benefits.

1.14 This document therefore includes modelling on the basis of incomplete take-up of benefits and tax credits, making the modelling of welfare spending more consistent with the modelling of public service spending and providing a more accurate representation of the impact of policy on households. Modelling incomplete take-up of benefits provides two advantages to the overall representativeness of the analysis:

- first, it now allows us to allocate the effects of changes to benefits policy to only those households that are actually in receipt of benefits; and
- second, it now allows us to capture the effects of policies that have a direct impact on the take-up, rather than the entitlement, of a benefit. For example, Universal Credit will result in a simplification of the tax credits and benefits system, which in turn is expected to lead to increased take-up of working-age benefits. This simplification effect could not be captured in entitlement-based modelling.

1.15 As a result of modelling incomplete take-up, the composition and shape of the income distribution changes: households who do not take up their benefit entitlements move further down the income distribution. Our analysis of spending on public services has also been adapted where possible to reflect this new distribution of household incomes.

1.16 Survey data on actual levels of benefit and tax credit take-up are used to estimate who will take up their income entitlements. While these decisions are as far as possible modelled with reference to known information in the survey data, data limitations mean that some further modelling assumptions are required. This approach is new, as previous HM Treasury distributional analysis of benefit and tax credit spending has been estimated on a full take-up basis, but draws on the best available data and analysis across government, including the Department for Work and Pensions' experience of modelling take-up. This modelling will continue to be refined and improved over time.

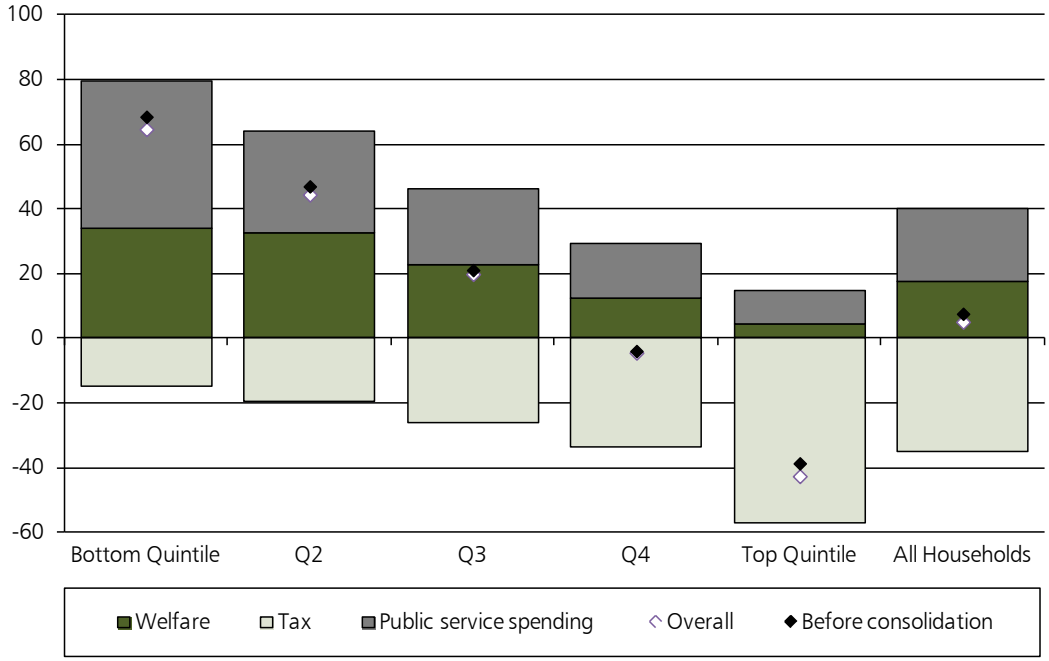
2 Impact on households

Overall impact of taxation and public spending

2.1 This analysis builds on that published at Budget 2013. It adds all spending changes from Spending Round 2013 that impact on households, are within the scope of the analysis as outlined above, and for which data are available. Spending figures for 2010-11 are on the basis of outturn spending data that have become available since distributional analysis of public service spending was first published at Spending Review 2010. Figures for 2015-16 are estimates and should be taken as indicative and subject to change in future, as more information on departments' spending plans becomes available.

2.2 Chart 2.A shows the overall level of receipt of benefits, tax credits, and public service spending, after tax, before and after the Government's fiscal consolidation measures. The tax and public spending system remains broadly as progressive following fiscal consolidation as it was before consolidation.

Chart 2.A: Overall level of benefits, tax credits and public service spending receipt, after tax, of households in 2015-16 as a per cent of 2010-11 net income (including households' benefits in kind from public services), before and after consolidation



Source: HM Treasury estimates based on a range of models and data sources

2.3 Chart 2.A shows that, taking into account benefits, tax credits and public service spending receipt, after tax:

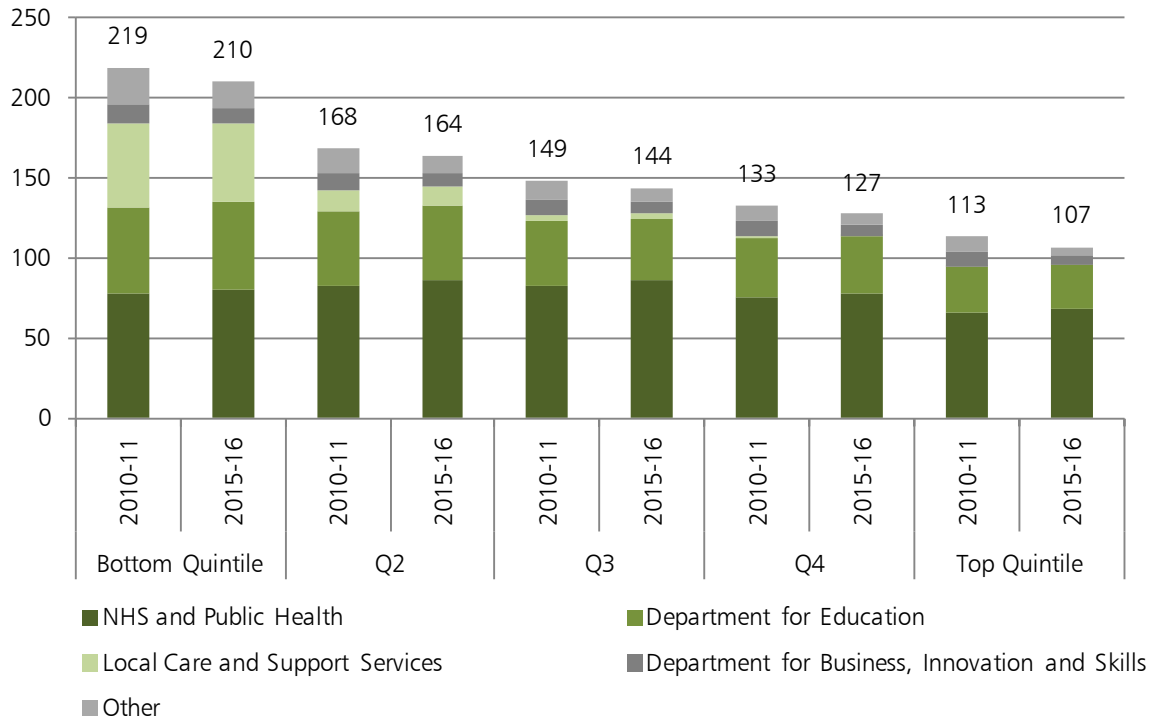
- on average, the poorest 20 per cent of households receive over five times as much support from public spending as they contribute in tax;
- on average, only the richest 20 per cent of households contribute significantly more to the state than they consume in public spending. Before consolidation, the richest 20 per cent contributed around three and a half times as much in tax as they received from public spending. This has now increased to around four times as much; and
- the profile across the quintiles after consolidation remains very similar to the profile before consolidation.

The distributional impact of changes to public service spending

2.4 This section considers the impact of changes to public service spending. It does not include the impact of tax and welfare measures. Combined analysis is presented later in this chapter.

2.5 Chart 2.B shows household consumption of benefits in kind from public services, such as health and education, across income quintiles, in 2010-11 and 2015-16.

Chart 2.B: Household consumption of benefits in kind by net equivalised income quintile in 2010-11 and 2015-16 (£ per week, 2010-11 prices)



Source: HM Treasury's RDEL distributional analysis model, based on a range of data sources

2.6 Table 2.A shows the average net equivalised household incomes for the income quintiles and the estimated average annual benefits in kind households received from public services in 2015-16. These figures are adjusted to reflect incomplete take-up: incomes will be lower in households that do not take up their benefit entitlements.

Table 2.A: Average annual net equivalised household income and benefits in kind by quintile (in 2010-11 prices)

Couple with no children	Bottom Quintile	Q2	Q3	Q4	Top Quintile
Average net income in 2010-11	£12,600	£18,500	£23,800	£31,500	£48,600
Average 2015-16 benefits in kind	£10,900	£8,500	£7,500	£6,600	£5,600

Source: HM Treasury estimates based on a range of models and data sources

2.7 All households benefit substantially from expenditure on public services. Households on average are estimated to receive over £7,800 per year of benefits in kind from public services in 2015-16. Consumption of services is heavily skewed towards lower income households. Households in the bottom quintile are projected to benefit on average from around £210 per week, which amounts to nearly £11,000 of expenditure per year. Households in the top quintile are projected to receive around half of this, around £110 per week. Around half of modelled frontline expenditure on public services is comprised of health care spending, and a further quarter by spending on education, underlining the scale of the Government's continued protection of spending on health care and schools.

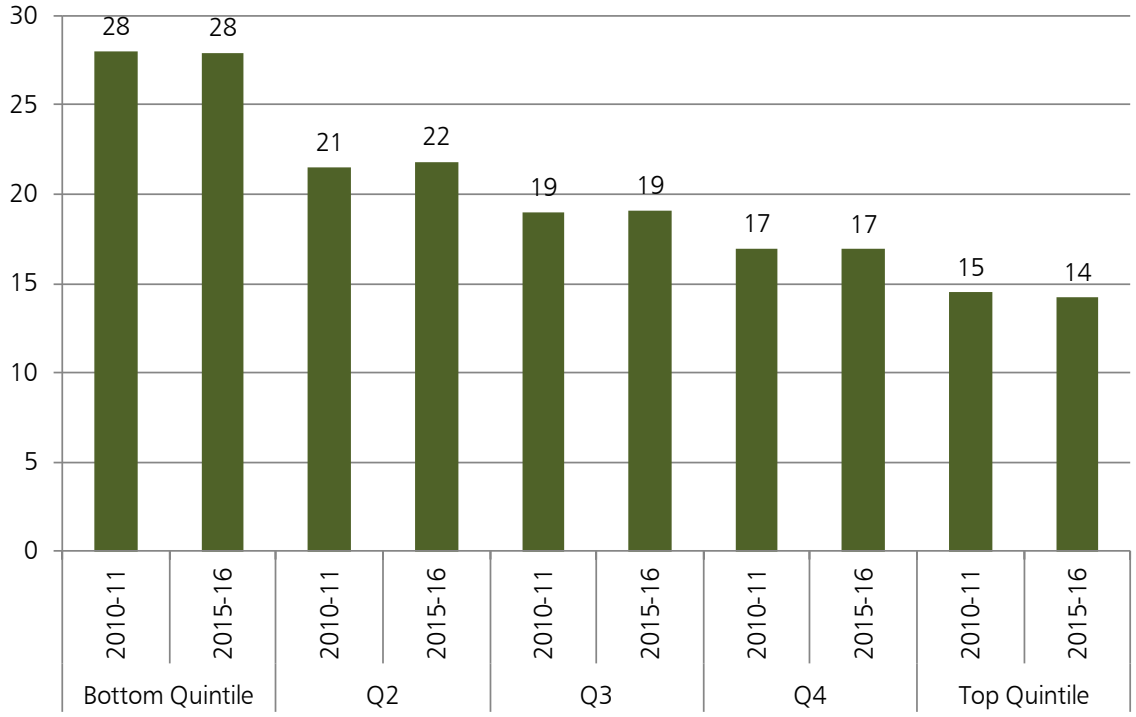
2.8 The pattern of spending on public services reflects the support that the state provides for those most in need. Lower income groups contain a higher proportion of children and pensioners, who are the most intensive users of major areas of public spending, such as schools and health care. Other factors affecting need, such as long standing illness, are reported more in lower income groups, and the state targets and means tests certain services, such as social care and free school meals. Finally, use of private alternatives such as private schools and health care is concentrated in the upper part of the income distribution.

2.9 The changes in public service spending per household are largely driven by policy changes described in Spending Review 2010 and Spending Round 2013, including:

- the continuing protection of health care spending in real terms;
- as part of this, an additional £2 billion through the NHS for local health and care services, building on the existing contribution for social care of around £1 billion in 2014-15. As Chart 2.B demonstrates, these services are more heavily consumed by those nearer the bottom of the income distribution;
- the pupil premium to provide additional support for disadvantaged pupils;
- £200 million to expand the Troubled Families programme to a further 400,000 families;
- 15 hours a week of early years education and childcare for disadvantaged two year olds, in addition to the continued universal entitlement to 15 hours for all three and four year olds; and
- reform to Higher Education and Further Education funding.

2.10 The above analysis abstracts from the overall scale of public service spending. To carry out the deficit reduction plan, RDEL spending has reduced. To reflect this, Chart 2.C shows the proportion of public spending on frontline public services received by each quintile in 2010-11 and 2015-16. It illustrates that although public service spending has reduced, the proportion of public service spending received by each quintile is very similar before and after consolidation.

Chart 2.C: Household consumption of benefits in kind by net equivalised income quintile in 2010-11 and 2015-16, as a proportion of all modelled public service spending



Source: HM Treasury's RDEL distributional analysis model, based on a range of data sources

Combined impact on households of taxation, welfare and public service spending changes

2.11 Charts 2.D and 2.E show the combined impact on households of changes to public service spending and tax, tax credits and benefits since June Budget 2010, including measures announced at Spending Round 2013. Chart 2.D shows this in cash terms, and Chart 2.E shows this as a per cent of net equivalised household income, including benefits in kind from public services. The charts show the impacts of tax, tax credits and benefits, and public service spending, alongside the net impact for each quintile which is shown by the black line.

2.12 Charts 2.D and 2.E show that, as at previous fiscal events, households in the top quintile make the greatest net contribution towards reducing the deficit, both in cash terms and as a per cent of their income and benefits in kind from public services, as well as making the biggest contribution overall to funding public spending as shown in Chart 2.A.

2.13 The distributional impacts shown in the charts are driven mainly by policy changes made since 2010, including those announced at Spending Round 2013. These include the real terms protection of health spending, the additional £2 billion through the NHS for local health and care services, the pupil premium, and the funding to councils to freeze council tax in 2014-15 and 2015-16. However, Charts 2.D and 2.E are not directly comparable to their equivalents at Budget 2013, and as such comparisons do not show the impacts of Spending Round 2013 decisions alone because:

- Charts 2.D and 2.E present analysis for 2015-16, rather than 2014-15, and incorporate the effects of previously-announced policies for 2015-16;
- the analysis at Budget 2013 was on the basis of 100 per cent take-up of benefits and tax credits, and this latest analysis amends this assumption as detailed above.

Accordingly, the composition and shape of the income distribution differs from the analysis at Budget 2013, and the analysis is now able to capture changes to net income as a result of policies that have a direct effect on take-up, such as Universal Credit; and

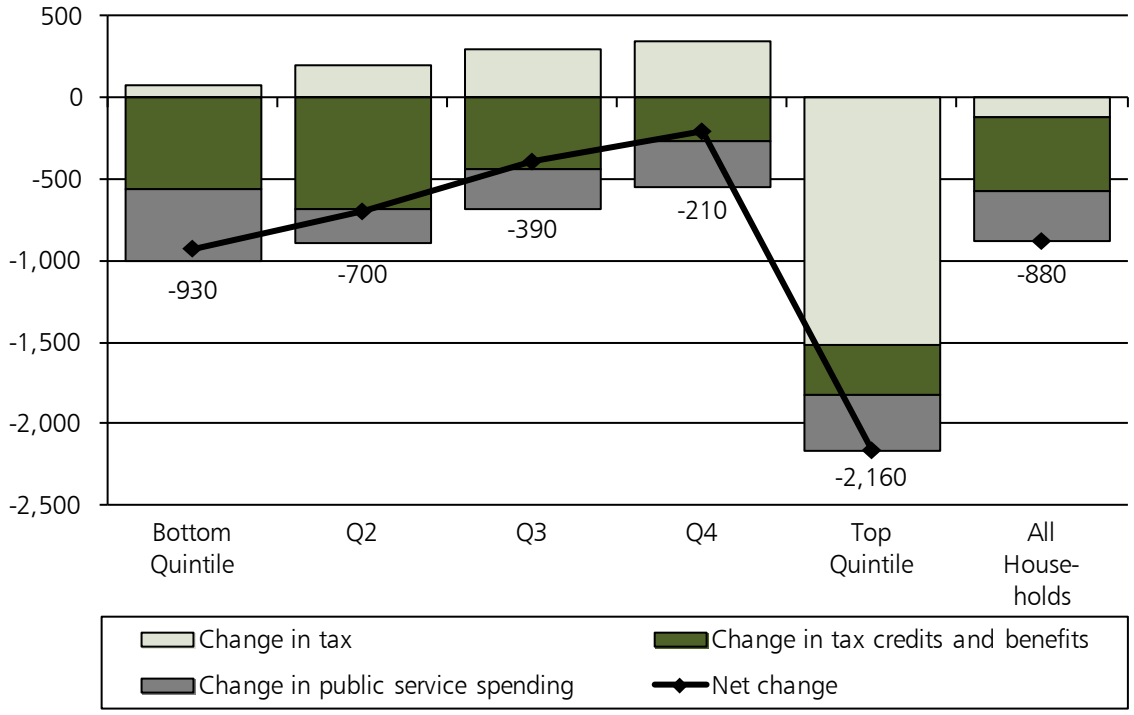
- as detailed in Chapter 3, HM Treasury has continued to update and develop its modelling of public service spending, such as incorporating both outturn data from 2010-11 and improved modelling estimates of the recipients of spending, such as for social care. This allows a more accurate estimate of the distributional impact of the Government's decisions.

2.14 As set out at Budget 2013, the charts below show the effects on households of changes to government policy, rather than of changes to other drivers of household incomes. One such driver is the relationship between the growth in earnings and inflation. Analysis presented in *Impact on households: distributional analysis to accompany Budget 2013* showed that:

- on average, households in the middle of the income distribution saw the largest reductions in real income between 2007-08 and 2010-11; and
- on average, households in the bottom two deciles saw their incomes protected against the effects of inflation.

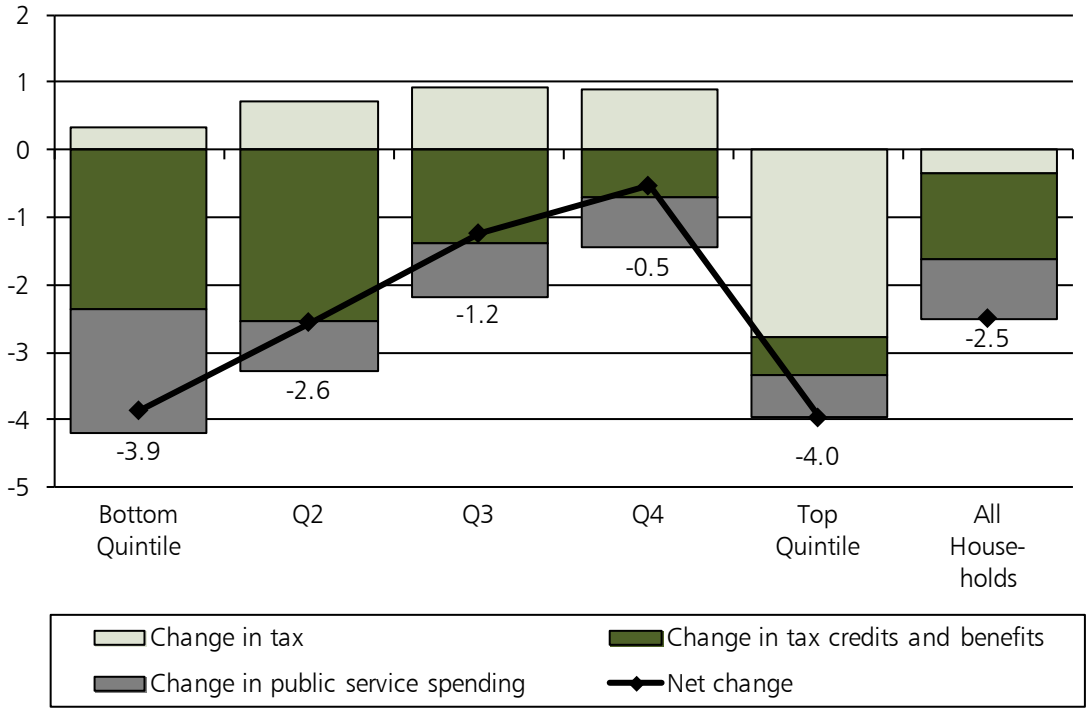
2.15 Analysis published at Budget 2013 suggests that the combined impact of falling real incomes and government policy on households is relatively even across most of the income distribution; that is, the households most affected by government policy are those that have been least affected by wider economic circumstances, as far as historical data is available. Households at the top end of the income distribution have seen relatively flat real income growth, coupled with substantial reductions to their income as a result of government policy, meaning that these households are likely to have seen the largest fall in income overall.

Chart 2.D: Overall impact of public service spending, tax, tax credit, and benefit changes on households in 2015-16 (£ per year), in 2010-11 prices



Source: HM Treasury estimates based on a range of models and data sources

Chart 2.E: Overall impact of public service spending, tax, tax credit and benefit changes on households in 2015-16 as a per cent of 2010-11 net income (including households' benefits in kind from public services)



Source: HM Treasury estimates based on a range of models and data sources

3 Data sources and methodology

Table 3.A: Data sources and methodology

Section	Details
	All figures in this document are calculated as economic estimates, including the effects of assumptions and results from economic analyses that have a material impact. They are therefore outside the domain of official statistics.
Paragraph 1.4	Public service spending distributional analysis was first undertaken at Spending Review 2010. A fuller description of the methodology for modelling the distributional impact of public service spending was set out in detail in the Spending Review 2010 document, paragraphs B.8 – B.15, available on www.gov.uk, and in the Spending Review 2010 data sources document, available on the National Archives website, http://webarchive.nationalarchives.gov.uk
Paragraph 1.5	The methodology behind the equivalisation process is set out in detail in the Budget 2012 data sources document available on http://webarchive.nationalarchives.gov.uk
Paragraph 1.7	More detailed analysis of tax and welfare, by income and expenditure deciles, can be found in Chapter 2 of *Impact on households: distributional analysis to accompany Budget 2013*, available on www.gov.uk
Paragraph 1.10	The analysis of Resource Departmental Expenditure Limit (RDEL) spending is based on information provided by departments from surveys of public service usage, as at Spending Review 2010. The analysis covers many of the services delivered by The Department of Health, The Department for Education, The Department for Work and Pensions, The Department for Communities and Local Government, The Department for Business, Innovation and Skills, The Department for Transport, Local Government, The Ministry of Justice, and The Department for Culture, Media and Sport. The modelling does not include spending by: The Ministry of Defence, The Home Office, HM Treasury, The Cabinet Office, The Foreign and Commonwealth Office, The Department for International Development, HM Revenue and Customs, The Department for Environment, Food and Rural Affairs, The Department for Energy and Climate Change, The Law Officers' Department and Independent Bodies. The nature of the services provided by these departments means it is not possible to identify end-users, as they benefit the population as a whole. The analysis of RDEL spending compares spending in 2010-11 and 2015-16, in real terms, adjusted using the GDP deflator. To carry out this analysis, the departments whose spending is included were asked to provide full updates to their spending data on the basis of decisions made in this Spending Round. As has been the case in each publication to date, these are indicative figures based on best estimates of departmental spending intentions, not finalised budget figures. In addition to this full spending update, the following improvements and

	additions to the modelling have been made: • The funding to expand the Troubled Families programme to a further 400,000 families has been incorporated in the analysis. It uses the same distributional information as The Department for Communities and Local Government's Troubled Families spending, on the basis that it targets a similar population. • For the first time, indicative analysis of the impact of the subsidised loan system for Further and Higher Education has been included in the charts. This modelling assigns the cost to the Exchequer of issuing loans on subsidised terms (the RAB charge) as a benefit to students. Due to the complexity of the system and the nature of the required modelling assumptions, this analysis should be taken as an approximation of the full impact of the system. • More detailed spending lines for the Department for Education (DfE) have been incorporated in this update, covering the adoption and care system, and reforms to Special Educational Needs provision and to the child protection and social care workforce. Distributional data for DfE lines have been updated wherever possible to bring the modelling into line with the new modelling assumptions regarding benefit take-up to improve accuracy – for example, entitlement to the Pupil Premium depends on benefits take-up. • The modelling of the Skills for Life budget now differentiates between spending on Literacy and Numeracy, and spending on English for Speakers of Other Languages (ESOL). Corresponding distributional information (which is similar for literacy, numeracy and ESOL) has been drawn from the Prior Qualifications Survey. • The modelling of social care has distinguished for the first time between residential and domiciliary care for older adults. The updated distributional information is derived from the Department of Health's social care funding model. Further information on the modelling of departmental spending was set out in the Spending Review 2010 document, and detail of last year's data update is available in the Autumn Statement 2012 document, available on http://webarchive.nationalarchives.gov.uk
Paragraph 1.14	The adjustment for incomplete take-up is applied to the following income-related benefits: Income Support, income-related Job Seekers Allowance, income-related Employment Support Allowance, Pension Credit, Housing Benefit and Council Tax Benefit. It is also applied to Child Tax Credit and Working Tax Credit. Modelling of receipt has to take account of human behaviour i.e. the person's choice whether or not to take up a benefit they are entitled to. This behavioural element inevitably makes modelling of receipt more assumption-based than entitlement modelling, although the modelling approach draws heavily on survey data on take-up by specific households and information from administrative data on actual take-up overall. The main assumption underpinning the analysis is that the model will always award positive take-up behaviour for a household where the model awards an entitlement and the underlying survey data reports receipt. Where the model awards an entitlement but the survey data shows no receipt it is initially assumed that this is evidence of non-take-up. This comparison of modelled entitlement and survey receipt is done using a version of the model set up to

	reflect the policy world in place at the time the survey was carried out. Other assumptions are made to refine this approach. There are three main refinements made: 1 there is significant under-reporting of the receipt of certain benefits in the survey data - administrative data shows much higher levels of take-up. Where this effect is clearly observed, a calculated proportion of the entitled non-recipient population is allowed to remain in receipt to help address the shortfall and make the model a more accurate representation of the real world; 2 to address time biases: the model's underlying survey data is a point-in-time snap-shot of the population. As such it cannot capture some important dynamics which can create biases in the estimates of take-up. For example, some families in the survey may not be receiving tax credits because they are making repayments on previous overpayments. Within a static modelling framework, which cannot observe historical incomes or awards, it would introduce a bias to treat observed non-receipt as evidence of non-take-up behaviour; and 3 some cases in the survey data report income levels which are effectively zero and report no receipt of any income-related benefits. Rather than assume that this questionable data is evidence of non-take-up, these cases are modelled as receiving Income Support or Job Seekers Allowance. As discussed in the main text, HM Treasury's receipt-based modelling is new and as such the assumptions summarised here are subject to ongoing development and improvement. While the modelling approach adjusts for non-receipt of benefits and tax credits, in contrast the model continues to assume that individuals meet their full tax obligations. As such, it is assumed that the gross incomes reported in the underlying survey data accurately underpin each individual's amount of taxable income and that individuals do not go any further to avoid or evade taxation.
Charts 2.A, 2.D and 2.E	These charts include around 90 per cent of tax, tax credits and benefits changes that will have an impact on households in 2015-16. They include over 60 per cent of RDEL spending in England in 2015-16, as the analysis does not include administrative spending or spending on public goods because these do not benefit specific households directly. Tax, tax credit and benefit changes are derived using HM Treasury's tax and benefit microsimulation model. Changes to RDEL spending are derived using HM Treasury's RDEL distributional analysis model. In addition to those measures modelled at Budget 2013, and the additional RDEL measures listed above, the charts include one additional tax measure: the 2014-15 and 2015-16 council tax freeze schemes. The Police and Crime Commissioners, Fire and Rescue Authorities and Councils that choose to freeze their council tax in each year will be eligible for a Government freeze grant. The Government's intention to set the council tax referendum threshold to two per cent, for all local authorities, is also included. The conditionality package announced at Spending Round 2013 is not included because it is anticipated that savings delivered will be reinvested in more help for claimants to get back into work and the cost of the new

	conditions the Government will ask Jobcentres to enforce. Chart 2.A is constructed using the same modelling inputs and assumptions as Charts 2.D and 2.E. They include all taxes and transfer payments captured within HM Treasury's tax and benefit microsimulation model as well as the additional measures described above. By construction, the differences between the 'overall' and 'before consolidation' data points in Chart 2.A equate to the percentage changes in Chart 2.E. The income denominator for the analysis in Charts 2.A, 2.D and 2.E is household income after taxes and benefits, including public spending benefits in kind. These income denominators are adjusted to reflect incomplete take-up of benefits. In Chart 2.A, the overall level across all households is positive. This is in part because the chart only captures the tax taken from households, whereas transfer payments and public services are funded by all taxes. In charts 2.D and 2.E, the overall impact on households after changes to tax, tax credit, benefit and public service spending changes is shown by the black line and black diamonds.
Chart 2.B	Estimates of RDEL spending are derived using HM Treasury's RDEL distributional analysis model, using the methodology described in this document and in the Spending Review 2010 document. NHS and Public Health includes frontline NHS spending and programmes to protect and improve the nation's health and support healthier choices. Local Care and Support Services includes anticipated spend on adult social care and pooled budgets for local health and care service integration.
Table 2.A	Estimates are net equivalised household incomes, derived from HM Treasury's distributional analysis modelling, and adjusted to reflect incomplete take-up of benefits. The equivalisation process converts all household incomes into the equivalent of two-adult households; therefore, the composition of the household affects where this household sits in the income distribution. Table 3.B at the end of this chapter expands on Table 2.A, providing average annual net incomes for other household compositions.
Paragraph 2.8	*The Effects of Taxes and Benefits on Household Income*, 2010-11, Office for National Statistics, June 2012.
Paragraph 2.9	The differences in public spending in the model are also driven by the OBR economic assumptions, as the analysis is shown in real terms, and changes to departments' forecasts of their future spending.
Paragraph 2.15	Based on data originally sourced from Office for National Statistics, *The Effects of Taxes and Benefits on Household Income* (2007-08 to 2010-11), subsequently published in *Impact on Households: Distributional analysis to accompany Budget 2013*.

3.2 The table below gives average annual net incomes for each quintile, after benefits, tax credits and tax. Different gross household incomes can result in different net household incomes, depending on how many earners there are in the household, the size of the household and which benefits the household qualifies for.

Table 3.B: Average annual net equivalised household income and benefits in kind by quintile (in 2010-11 prices)

Average net income in 2010-2011	One adult (£)	One adult and one child (£)	Two adults (£)	Two adults and one child (£)	Two adults and two children (£)
Bottom Quintile	7,700	10,300	12,600	15,200	17,800
Q2	11,300	15,200	18,500	22,400	26,300
Q3	14,500	19,500	23,800	28,800	33,800
Q4	19,200	25,800	31,500	38,100	44,800
Top Quintile	29,600	39,800	48,600	58,800	69,000

Source: HM Treasury estimates based on a range of models and data sources.

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ISBN 978-1-909790-10-0