

Freedom of Information request 2013-5449

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Information request

I am trying to get hold of an estimate of non-equivalised average household income in the United Kingdom and how this has changed over time. Do DWP calculate this from HBAI/FRS? If not, are you aware of any other data sources that estimate this?

DWP response

Estimates of the distribution of equivalised net household income for the UK population are published in the Households Below Average Income (HBAI) series.

The income measures used to derive the estimates shown in the table below are unequivalised and therefore employ a different methodology to the HBAI publication, which uses net household income, adjusted (or “equivalised”) for household size and composition, as an income measure as a proxy for standard of living. HBAI does not normally use unequivalised income to determine poverty levels. The table below shows the mean and median unequivalised incomes for households in the UK, both Before Housing Costs (BHC) and After Housing Costs (AHC) from 2002/03 to 2011/12, which is the latest year for which data are available.

Table 1: Net unequivalised household income Before Housing Costs and After Housing Costs, UK, 2002/03 – 2011/12, in 2011/12 prices.

	£ per week			
	Median Income		Mean Income	
	BHC	AHC	BHC	AHC
2002/03	£437	£379	£562	£494
2003/04	£442	£385	£561	£495
2004/05	£448	£393	£571	£510
2005/06	£451	£397	£577	£517
2006/07	£445	£389	£578	£518
2007/08	£447	£394	£583	£527
2008/09	£450	£387	£586	£521
2009/10	£452	£387	£595	£527

2010/11	£438	£374	£562	£493
2011/12	£428	£362	£551	£480

HBAI household incomes include income from all sources: earnings from employment and self-employment, state support, income from occupational and private pensions, investment income and other sources, and all members of the population including children, working age adults and pensioners.

Notes

1. These statistics are based on Households Below Average Income (HBAI) data sourced from the Family Resources Survey (FRS).
2. In the HBAI and FRS a benefit unit (family) is defined as a single adult or a married or cohabiting couple, plus any dependent children. From January 2006 same-sex partners (civil partners and cohabitees) are also included in the same benefit unit. A household is defined as a single person or group of people living at the same address as their only or main residence, who either share one meal together or share the living accommodation. A household will consist of one or more benefit units. The figures above are based on households.
3. Net disposable incomes have been used to answer the question. This includes earnings from employment and self-employment, state support, income from occupational and private pensions, investment income and other sources. Income tax payments, National Insurance contributions, council tax / domestic rates and some other payments are deducted from incomes. However, does not take into account assets owned by the family.
4. Figures have been presented on both a Before Housing Cost (BHC) and After Housing Cost (AHC) basis. BHC refers to income before housing costs have been deducted. Housing costs include; 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.
5. Median net unequivalised household income divides the number of households, when ranked by household income, into two equal-sized groups. Mean unequivalised household income is calculated by adding up the unequivalised income for each household and dividing the result by the number of households. Income has therefore been weighted at the household level in the table above, rather than the person level which is the basis for the equivalised figures presented in the HBAI publication.
6. The figures presented have not been equivalised, which means that net household incomes have not been adjusted for the size and composition of the family.

7. Figures have been rounded to the nearest £1. Estimates based on survey data are subject to uncertainty. The estimates are subject to sampling error.