



Households Below Average Income

An analysis of the income distribution
1994/95 – 2006/07

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1994/95 – 2006/07**

Editorial team

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Comparison of old and new table numbers

2005/06 table number or name	2005/06 page number	2006/07 table number	2006/07 page number
Whole population: Trends over time for headline figures (percentages)	32	3.1tr & 3.2tr	40 & 41
Whole population: Trends over time for headline figures (numbers)	33	3.3tr & 3.4tr	42 & 43
Children: Trends over time for headline figures (percentages)	52	4.1tr & 4.2tr	72 & 73
Children: Trends over time for headline figures (numbers)	53	4.3tr & 4.4tr	74 & 74
Working age: Trends over time for headline figures (percentages)	73	5.1tr & 5.2tr	114 & 115
Working age: Trends over time for headline figures (numbers)	74	5.3tr & 5.4tr	116 & 117
Pensioners: Trends over time for headline figures (percentages)	88	6.1tr & 6.2tr	142 & 143
Pensioners: Trends over time for headline figures (numbers)	89	6.3tr & 6.4tr	144 & 145
A2	100	2.1ts	20 & 21
A3	102	2.2ts	22 & 23
A4	104 & 105	Table dropped	Table dropped
A5	106	2.3ts	24
B1	108	3.1ts	44
B2	109	3.2ts	45
B3	110	4.1ts	77
B4	111	4.4ts	80
B5	112	4.5ts	81
B6	113	5.1ts	118
B7	114	5.2ts	119
B8	115	5.3ts	120
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2005/06 table number or name	2005/06 page number	2006/07 table number	2006/07 page number
B10	117	6.2ts	149
C.	118	2.4ts	26
D1	120 & 121	Table dropped	Table dropped
D2	122 & 123	Table dropped	Table dropped
D3	124 & 125	Table dropped	Table dropped
D4	126 & 127	Table dropped	Table dropped
D5	128	3.7ts	50
D6	129	3.8ts	51
D7	130	3.3ts	46
D8	131	3.4ts	47
D9	132	3.9ts	52
D10	133	3.10ts	53
D11	134	Table dropped	Table dropped
D12	135	Table dropped	Table dropped
E1	136	Table dropped	Table dropped
E2	137	Table dropped	Table dropped
E3	139	4.12ts	88
E4	140	4.15ts	91
E5	141	4.6ts	82
E6	142	Table dropped	Table dropped
E7	143	4.16ts	92
E8	143	4.19ts	95
E9	145	4.9ts	85

2005/06 table number or name	2005/06 page number	2006/07 table number	2006/07 page number
E10	146	4.11ts	87
F1	148 & 149	Table dropped	Table dropped
F2	150 & 151	Table dropped	Table dropped
F3	154	5.8ts	125
F4	140	5.9ts	126
F5	141	5.4ts	121
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F8	159	5.11ts	128
F9	160	5.6ts	123
F10	161	5.7ts	124
G1	162, 163, 164 & 165	Table dropped	Table dropped
G2	166 & 167	Table dropped	Table dropped
G3	168	6.6ts	153
G4	169	6.7ts	154
G5	170	6.4ts	151
G6	171	6.5ts	152
G7	172	6.9ts	156
G8	173	6.10ts	157
G9	174	Table dropped	Table dropped
G10	175	Table dropped	Table dropped
H1	176	3.1tr	40
H2	176	4.1tr	72

2005/06 table number or name	2005/06 page number	2006/07 table number	2006/07 page number
H3	177	5.1tr	114
H4	177	6.1tr	142
H5	178	3.2tr	41
H6	178	4.2tr	73
H7	179	5.2tr	115
H8	179	6.2tr	143
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A3 3.1	203	A3.6	197
A3 4.0	204	A3.7	198
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Note: A number of tables have been dropped from the publication following a user consultation, although all tables are available upon request. This has enabled us to introduce a number of new tables to the publication.

Introduction and summary of key findings

Introduction

Background

This is the nineteenth edition 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 2006/07, 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.

Changes to the publication

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

- Statistics pertaining to levels of the number of children in relative low-income households and in material deprivation

have been introduced. This is a third indicator of child poverty that was specifically defined as part of the Comprehensive Spending Review.

- The publication has been restructured to bring the supplementary tables into the main body of the publication bringing together all statistics on a particular group. Tables showing headline trends over time have a **tr** suffix and tables showing time series have a **ts** suffix. A matrix showing the old and new numbering of the tables is available following the content pages.
- Time series tables for pensioners based on a threshold of 50 per cent of contemporary median income have been introduced to help to monitor that element of the 'Tackle poverty and promote greater independence and wellbeing in later life' PSA target.
- The way levels of savings are classified on the Family Resources Survey have changed. This means fewer households are shown to have no savings and more with small levels of savings. This means figures in this publication are not directly comparable with figures in the previous publication.
- Following consultation with users, the questions on pension provision in the Family Resources Survey have changed to try to more accurately capture contributions to pensions. While we are evaluating the impact of these changes, we have tried to mirror the former question block as far as possible to minimise any discontinuity in analysing pension provision, however pension provision breakdowns have been changed in line with these new questions.
- A more detailed age split for pensioners has been introduced, as have time trends tables for individuals aged 65 or over.

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- Minor changes have been made to some HBAI tabulations to align these with standard National Statistics breakdowns and other DWP publications.
- Minor changes to breakdowns for some chapters have been made because of small sample sizes.
- Like in the last publication, high-level trends tables from 1994/95 which are included in **Chapters 3, 4, 5, and 6** show UK level data from 1998/99 onwards, with data for Great Britain (GB) for the earlier years. For these 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 this section in the previous publication and 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. Such mixed coverage may cause unreliable interpretation of real-terms changes in point estimates of changes between the 1994/95 survey year and the 2006/07 survey year. As in the 2005/06 publication, such comparisons are therefore excluded from this publication.
- Summary information for GB from 1994/95 to 2006/07, based on the McClements equivalisation scales is available in **Appendix 3**. These tables retain the style of previous years, and estimates on these bases are still used as indicators in the Government's annual 'Opportunities for all' report on tackling poverty and social exclusion. In addition, readers can easily compare these latest Ofa-style results with comparable series published in previous years.
- The years 1995/96, 2000/01 and 2003/04 have been dropped from all time series presented in the **long term trend tables** for reasons of space. All years, however, are included in the high-level summaries in the middle of each chapter and in versions of time series shown on the internet.
- The four-year period 1996 to 1999 has been dropped from the persistent low-income tables in **Appendix 3**. All periods, however, are included in versions of time series shown on the internet.

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 HBAI **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 life 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 will overstate the living standards of individuals whose housing costs are high relative to the quality of their accommodation (for example for some residents of London). Growth over time in income before housing costs could also overstate improvements in living standards 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 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 2006/07, full interviews were completed with 23,874 households in Great Britain and 1,918 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 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.

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.
- **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 2006/07, based on

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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 risk 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 unequivalised 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. Among pensioners and children, minority ethnic groups are small and detailed ethnic estimates are only possible if 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://www.dwp.gov.uk/asd/hbai/quality_review/quality_review.asp.

Acknowledgements

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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.

Contact points

We welcome feedback on our publications. If you have any comments or questions regarding this or previous editions of HBAI please contact the DWP statistician responsible for HBAI by telephone on 020 7962 8232 or the HBAI team by e-mail at team.hbai@dwp.gsi.gov.uk.

Summary of key findings

The income distribution

- Overall, the income distribution in 2006/07 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 2006/07, with growth being the greatest in the second quintile on both Before Housing Costs and After Housing Costs measures.
- The ratio of the incomes of the top quintile (fifth) of the population to the incomes of the bottom quintile has shown little change between 1994/95 and 2006/07.
- 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 shown no change between 2005/06 and 2006/07.

Whole population

- Over the period 1994/95 to 2006/07, the percentage of the population below various low-income thresholds of contemporary median income showed slight falls on the 60 per cent and 70 per cent thresholds on both Before Housing Cost and After Housing Cost bases. Over the same period the number of individuals below 60 per cent contemporary median income increased on a Before Housing Costs basis but fell on an After Housing Costs basis.
- The proportion and number of the population below low-income thresholds that remained fixed in real terms fell substantially over the same period – with proportions falling by around one half.
- In 2006/07, individuals in workless families were much more likely to live in low-income

households than those with one or more adults in full-time work.

- Families with children, particularly lone-parent families, were more at risk of low income than their childless counterparts.
- Women had a marginally higher risk of low income than men.
- 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.
- Individuals living in households headed by a member of 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 Council or Housing Association accommodation were more likely to live in low-income households than other tenure types. This was also true of those in Private rented accommodation – particularly After Housing Costs
- Individuals in low-income households were more likely than the rest of the population to have no bank account.
- Around half of individuals in low-income households lived in families reporting no savings.
- Individuals living in the North East 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 South East and the East of England 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 2006/07. The figures showed a rise in the earlier years of the period and a fall in later years, however between 2005/06 and 2006/07, the numbers increased and the proportions either stayed the same or rose, depending on the measure. The number and proportion of children who were living in low-income and material deprivation fell over the last year.
- Over the period 1994/95 to 2006/07, there was a marked fall in the proportion of children below income thresholds held constant in real terms, however between 2005/06 and 2006/07 the proportions either stayed the same or rose, depending on the measure.
- In 2006/07, 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 households than those in families with two adults. However, there has been a reduction in the risk of relative low income for children in lone-parent families since 1996/97.
- Children in workless families were much more likely to live in low-income households than those with one or more adults in full-time work.
- Children in large families – those with three or more children – were more likely to live in low-income households, although the risk of relative low income for this group has decreased since 1996/97.
- Children in families containing someone disabled were more likely to live in low-income households than those in families with no disabled people, if they were not in receipt of disability benefits.
- Children living in a family headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for those headed by someone of Pakistani

or Bangladeshi origin, where the majority of children were in households below 60 per cent of median income.

- Children in Inner London had a greater risk of low income than for any other region, with nearly half of children in households below 60 per cent of median income After Housing Costs.
- Children in low income and material deprivation were more likely to live in social rented sector housing and workless households. Their family was also more likely to receive income support or housing benefit. Children in the two lowest quintiles of the income distribution were most likely to lack a week's holiday away from home, because their families could not afford to provide this.

Working-age adults

- Over the period 1994/95 to 2006/07 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 2005/06 and 2006/07 the number of working-age adults below 60 per cent contemporary median income remained the same on a Before Housing Costs basis but rose on an After Housing Costs basis.
- There were marked falls over the period in the percentage of working-age adults below various low-income thresholds that were fixed in real terms, although there has been less change since 2001/02.
- In 2006/07, 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 workless households or families were much more likely to experience low income than those in

1 Summary of key findings

households or families with one or more adults in full-time work.

- Working-age adults living in families with at least one disabled adult or child were more likely to live in low-income households, though not if they received disability benefits. Working-age adults who were disabled or had a disabled partner accounted for around three in ten of those in households with incomes below 60 per cent of median income.
- 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 those headed by a member of the Pakistani or Bangladeshi communities, of whom around half were in households with below 60 per cent of median income on a Before Housing Cost basis.
- Of those working-age adults in low-income households, around half lived in families that reported no savings.
- Among working-age adults with three household bills in arrears, around three quarters were in the bottom two quintiles.
- 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 2006/07, 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; a slight rise was followed by a drop since 1998/99. However, there was an increase between 2005/06 and 2006/07. 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.
- From 1994/95 to 2006/07, there were pronounced falls in the proportions and numbers of pensioners below low-income thresholds held constant in real terms, on both income measures, although there was an increase between 2005/06 and 2006/07.

- In 2006/07, pensioners were more likely to be in the bottom two income quintiles and less likely to be in the top two quintiles of the income distribution, than the population as a whole.
- Single pensioners living alone had a higher risk of low income than all other groups.
- In general, the older the age of the pensioners, the greater the likelihood of low income.
- Pensioners living in a household headed by someone from an ethnic minority group had a greater risk of low income.
- The majority of pensioners in low-income households were owner-occupiers who owned their homes outright, although the risk for this group was fairly typical when compared with all pensioners.
- Around 40 per cent of pensioners in households below 60 per cent of contemporary median household income After Housing Costs had someone receiving a personal or occupational pension, compared to 70 per cent of all pensioners.

Persistence of Low Income

- Persistence of low income is defined as spending three or more years out of any four-year period in a household with below 60 per cent of median income.
- On both Before Housing Cost and After Housing Cost bases there were small falls in persistent low income for the whole population over the period 1991 to 2005.
- 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 the most recent period 2002-2005. On an After Housing Cost basis, there were falls since 1995-1998.
- On a Before Housing Cost basis there was little change in persistent low income for people of working age. However, there were falls when incomes were measured

on an After Housing Cost basis for this group.

- On a Before Housing Cost basis there was a slight increase in the incidence of persistent low income among pensioners up to 1998-2001. Since this time, however there has been a continued fall. On an After Housing Cost basis the proportion of pensioners experiencing persistent poverty rose between the periods 1991-1994 and 1998-2001, but has since shown a marked and continuing fall.
- For all individuals, children, working age individuals, and pensioners, the level of persistent poverty in 2002-2005 was lower than it was at the start of the 15-year period on both a Before Housing Cost basis and an After Housing Cost basis.

The income distribution

- Income distribution Overall, the income distribution in 2006/07 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.
- 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 2006/07, with growth being the greatest in the second quintile on both Before Housing Costs and After Housing Costs bases.
- 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 between 1994/95 and 2006/07.
- Inequality 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 shown no change between 2005/06 and 2006/07.

2 The income distribution

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 2006/07.

The economic climate

Table 2.1 presents a time series of key economic indicators, which show over the period 1995 to 2007:

- Sustained growth in GDP.
- Rising employment rates (as a result of falling or generally stable unemployment during the period), though there has been little change since 2000.
- Low inflation and a general decline in interest rates, although years since 2003 have shown small successive rises in base interest rates. In 2007, there was a marked increase in the inflation and interest rates.
- Growth in average earnings generally above the rate of inflation since 1996, although 2007 is the first year since 1995 where this is not the case.

- Sustained growth in real disposable income.

All of the above are indicators of a growing economy, although this growth appeared to have slowed somewhat around 2001. The implication for statistics on incomes and living standards as presented in HBAI is that average incomes in real terms (both mean and median) are likely to exhibit strong rises over the period as a whole, with slightly reduced growth for more recent years. This is supported by the HBAI figures appended to the table.

The overall income distribution

Figure 2.1 shows the income distribution for the United Kingdom in 2006/07 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.

Figure 2.1 (BHC): Income distribution for the total population, 2006/07

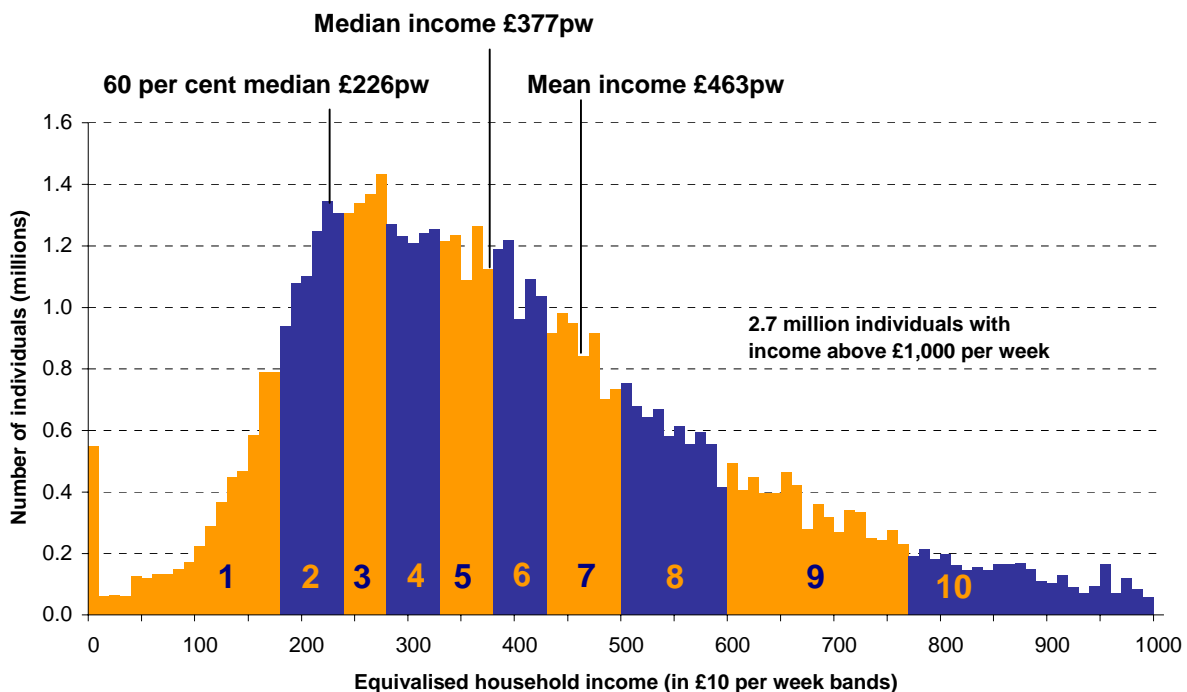
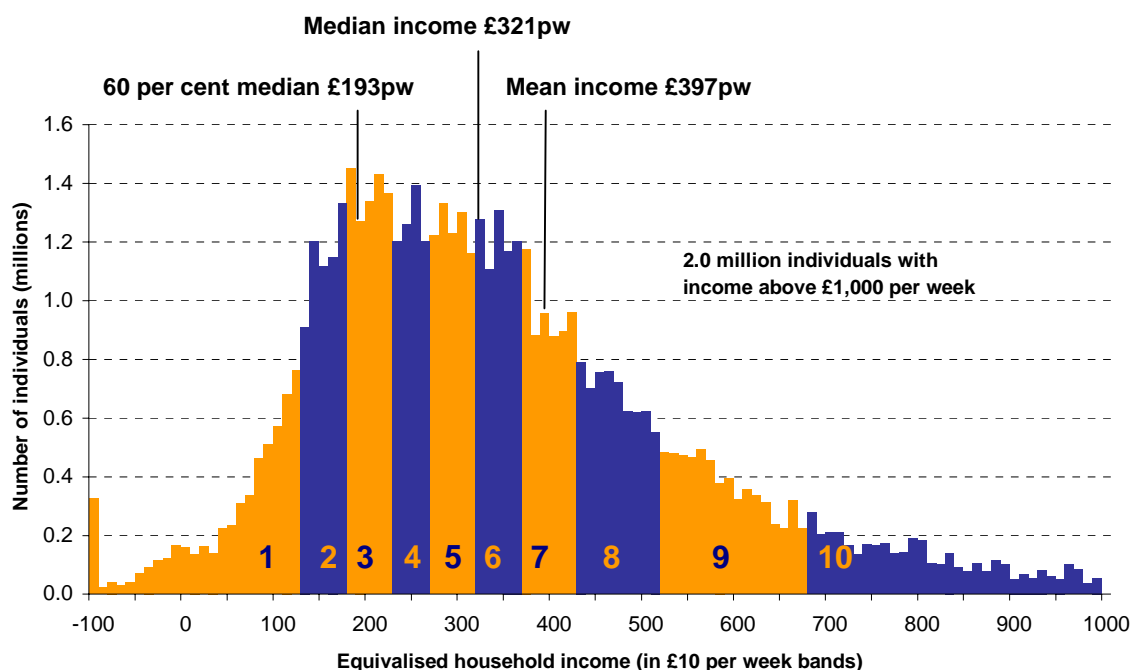


Figure 2.1 (AHC): Income distribution for the total population, 2006/07



The income distribution for 2006/07 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 equivalentised 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.

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 equalisation.

Equalisation 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.

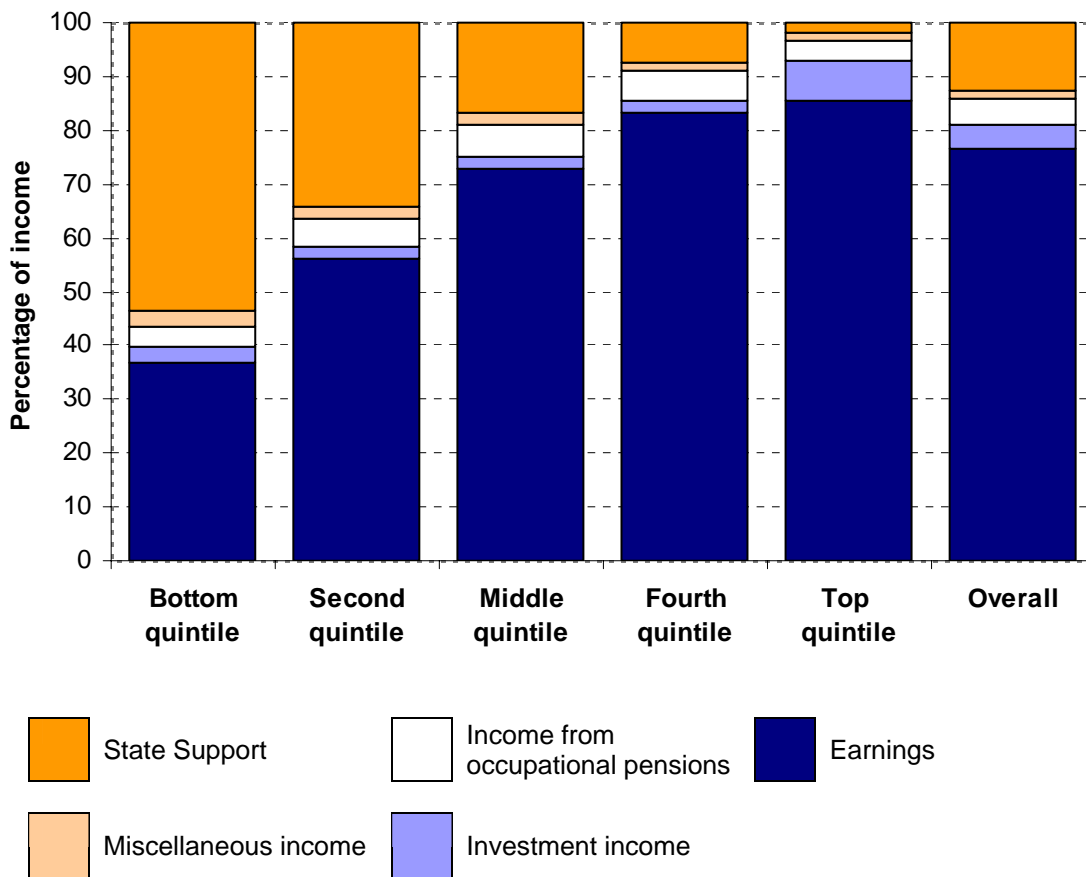
Equivalence scales conventionally take a couple with no children as the reference point. Consider a single person, a couple, and a couple with two children aged fourteen and ten, all having unadjusted weekly household incomes of £200 (Before Housing Costs). The process of equalisation, as conducted in HBAI, gives an equalised income of £299 to the single person, £200 to the couple, but only £131 to the couple with children one aged under 14 and the other aged 14. **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.

2 The income distribution

Figure 2.2 (BHC): Income sources as a proportion of gross income by quintiles, 2006/07



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 35 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.

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 2006/07 was £377 per week. This translates into an actual net income of £377 for a couple with no children, £252 for a

single person with no children, £576 for a couple with two children aged five and fourteen and £452 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 (90th percentile) to the bottom quintile median (10th percentile). **Table 2.1ts** shows that there is some evidence to suggest that on the BHC basis, this measure has stayed roughly constant since 1999/00. **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 2006/07, 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 the top 10 and 20 per cent of the income distribution have fluctuated over the entire period 1994/95 to 2006/07. The shares of the top 30, 40 and 50 per cent showed very little change over the period 1994/95 to 2006/07.

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 2006/07. 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 2006/07, the coefficient was 35 for income Before Housing Costs, and 39 for income After Housing Costs. Changes between 1994/95 and 2006/07 have been slight and have fluctuated, with no change since 2005/06.

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^{1,2,3}

Percentages							Source: ONS
	GDP Growth ⁴	Base Interest Rate ⁵	Inflation Rate (Headline) ⁶	Male Employment rate ⁷	Female Employment Rate ⁷	Average Earnings Growth ⁸	Real Household Disposable Income growth ⁹
1995	2.9	6.6	3.4	76.3	65.8	3.1	2.6
1996	2.8	5.9	2.4	76.6	66.7	3.6	2.4
1997	3.1	6.6	3.1	77.7	67.4	4.2	3.8
1998	3.4	7.2	3.4	78.3	67.9	5.2	1.5
1999	3.0	5.3	1.6	78.6	68.6	4.8	2.8
2000	3.8	6.0	2.9	79.3	69.1	4.5	4.5
2001	2.4	5.2	1.8	79.5	69.4	4.4	4.3
2002	2.1	4.0	1.6	79.0	69.6	3.6	1.7
2003	2.8	3.7	2.9	79.4	69.8	3.4	2.4
2004	3.3	4.3	3.0	79.4	69.9	4.4	1.7
2005	1.8	4.7	2.8	79.0	70.1	4.0	2.9
2006	2.9	4.6	3.2	78.7	70.1	4.1	0.9
2007	3.0	5.5	4.3	78.9	69.7	4.0	1.2

Notes:

1. All growth figures are for the year in question compared to the previous 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. GDP at market prices, chained volume measure (UK National Accounts 2007 Edition).
5. The base interest rate is the annual average for the relevant calendar year.
6. Inflation rate is the annual average change for each calendar year as measured by All Items Retail Price Index.
7. Employment Rates are seasonally adjusted figures for the Spring quarter of each year (March to May).
8. Average earnings growth is the actual (as opposed to real terms) annual average for each calendar year.
9. Real disposable income growth is based on the Real Disposable Income series, calendar years.

Percentages			Source: FRS
	HBAI mean net disposable unequivalised income growth (BHC) ^{1,2,3}		
	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	

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.
3. Some minor revisions have been made since last year.

Table 2.2: Income sources as a proportion of gross¹ income by quintile

Percentage of gross ¹ income	Source: FRS 2006/07					
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	Overall
Before Housing Costs						
Earnings	37	56	73	83	85	76
Investments	3	2	2	3	7	5
Occupational pensions	3	5	6	5	4	5
Miscellaneous	3	3	2	2	1	2
State support received	53	34	17	7	2	13
After Housing Costs						
Earnings	43	59	75	82	84	76
Investments	2	2	2	2	8	5
Occupational pensions	2	4	5	6	5	5
Miscellaneous	4	3	2	1	1	2
State support received	48	32	16	8	2	13

Notes:

1. Gross income is not equivalised
2. Percentages may not sum to 100 per cent due to rounding.

Table 2.3: Statistics relating to the overall equivalised net disposable income distribution and their equivalent money values for different family types, in 2006/07 prices, United Kingdom¹

£ per week equivalent 2006/07 prices		Source: FRS 2006/07							
	Mean	Median	50% mean	60% median	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile
Including the self-employed									
Before Housing Costs									
Couple with no children (equivalised income benchmark)	463	377	231	226	< 235	235 - 327	328 - 431	432 - 597	598 +
Single with no children	310	252	155	151	< 158	158 - 219	220 - 289	290 - 400	401 +
Couple with two children aged 5 and 14	708	576	354	346	< 360	360 - 501	502 - 659	660 - 914	915 +
Single with two children aged 5 and 14	556	452	278	271	< 282	282 - 393	394 - 517	518 - 717	718 +
After Housing Costs									
Couple with no children (equivalised income benchmark)	397	321	199	193	< 183	183 - 273	274 - 370	371 - 520	521 +
Single with no children	231	186	115	112	< 106	106 - 159	160 - 215	216 - 302	303 +
Couple with two children aged 5 and 14	644	520	322	312	< 297	297 - 443	444 - 600	601 - 843	844 +
Single with two children aged 5 and 14	477	385	238	231	< 220	220 - 328	329 - 444	445 - 625	626 +

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 including the self-employed, it shows that 60 per cent of median (equivalised) income in 2006/07 was £226 per week. This implies that a single person without children needs a cash income of £151 or less to be below 60 per cent of median (equivalised) income for the population as a whole.

Table 2.3 (continued): Statistics relating to the overall equivalised net disposable income distribution and their equivalent money values for different family types, in 2006/07 prices, United Kingdom¹

	Mean	Median	50% mean	60% median	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile
Source: FRS 2006/07									
Excluding the self-employed									
Before Housing Costs									
Couple with no children	448	372	224	223	< 235	235 - 324	325 - 426	427 - 587	588 +
(equivalised income benchmark)									
Single with no children	300	249	150	150	< 157	157 - 217	218 - 285	286 - 393	394 +
Couple with two children aged 5 and 14	686	569	343	341	< 359	359 - 496	497 - 651	652 - 898	899 +
Single with two children aged 5 and 14	538	446	269	268	< 282	282 - 389	390 - 511	512 - 704	705 +
After Housing Costs									
Couple with no children	385	319	192	191	< 184	184 - 272	273 - 368	369 - 513	514 +
(equivalised income benchmark)									
Single with no children	223	185	112	111	< 106	106 - 158	159 - 213	214 - 297	298 +
Couple with two children aged 5 and 14	623	517	311	310	< 297	297 - 441	442 - 596	597 - 830	831 +
Single with two children aged 5 and 14	461	383	231	230	< 220	220 - 326	327 - 441	442 - 615	616 +

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 excluding the self-employed, it shows that 60 per cent of median (equivalised) income in 2006/07 was £223 per week. This implies that a single person without children needs a cash income of £150 or less to be below 60 per cent of median (equivalised) income for the population as a whole.

Table 2.1ts: Money values of decile medians and overall population mean in average 2006/07 prices, United Kingdom^{1,2}

	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	128	168	201	237	278	325	379	444	538	767	300	362
1996/97	130	173	208	247	290	338	391	458	558	793	314	377
1997/98	129	176	212	252	297	343	398	467	567	810	319	386
1998/99	132	178	215	256	301	351	409	481	588	856	324	400
1999/00	134	185	222	263	310	358	416	492	596	866	334	408
2001/02	147	203	244	290	337	387	445	523	644	933	362	445
2002/03	146	208	250	295	342	394	455	529	645	941	368	449
2004/05	150	214	256	301	347	396	458	535	653	948	372	453
2005/06	147	214	257	301	348	402	463	543	661	974	375	459
2006/07	142	212	258	303	351	402	463	544	667	972	377	463
Income After Housing Costs												
1994/95	72	118	144	180	218	259	304	360	441	636	237	287
1996/97	80	120	149	189	230	272	317	375	462	669	250	302
1997/98	78	123	155	196	235	276	323	383	470	680	255	311
1998/99	85	126	158	200	239	283	334	395	487	722	261	324
1999/00	85	132	167	207	249	293	342	408	498	737	271	333
2001/02	94	150	188	234	276	321	371	438	544	802	298	368
2002/03	94	156	196	240	285	332	384	452	554	811	308	377
2004/05	94	165	207	248	292	339	392	462	569	845	315	388
2005/06	91	162	205	249	294	345	399	473	581	868	319	394
2006/07	86	160	205	250	297	345	400	472	584	870	321	397

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.
3. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 2.1ts (continued): Money values of quintile medians and overall population mean in average 2006/07 prices, United Kingdom^{1,2}

(£pw equivalised)	Quintile group medians										Source: FRS
	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		
Income Before Housing Costs											
1994/95	151	218	300	409	617	362	4.1	2.1	2.0	2.0	
1996/97	155	227	314	422	639	377	4.1	2.0	2.0	2.0	
1997/98	157	231	319	430	650	386	4.2	2.0	2.0	2.0	
1998/99	159	235	324	442	675	400	4.2	2.1	2.0	2.0	
1999/00	165	242	334	452	685	408	4.2	2.0	2.0	2.0	
2001/02	180	267	362	481	743	445	4.1	2.1	2.0	2.0	
2002/03	183	271	368	487	747	449	4.1	2.0	2.0	2.0	
2004/05	188	278	372	494	749	453	4.0	2.0	2.0	2.0	
2005/06	188	279	375	500	761	459	4.1	2.0	2.0	2.0	
2006/07	185	279	377	500	767	463	4.2	2.0	2.0	2.0	
Income After Housing Costs											
1994/95	102	161	237	331	505	287	5.0	2.1	2.3	2.3	
1996/97	105	168	250	344	531	302	5.1	2.1	2.4	2.4	
1997/98	107	175	255	351	542	311	5.1	2.1	2.4	2.4	
1998/99	111	179	261	362	565	324	5.1	2.2	2.3	2.3	
1999/00	115	187	271	373	576	333	5.0	2.1	2.4	2.4	
2001/02	130	211	298	403	630	368	4.8	2.1	2.3	2.3	
2002/03	134	217	308	416	643	377	4.8	2.1	2.3	2.3	
2004/05	138	227	315	425	661	388	4.8	2.1	2.3	2.3	
2005/06	136	227	319	433	674	394	5.0	2.1	2.4	2.4	
2006/07	133	227	321	433	680	397	5.1	2.1	2.4	2.4	

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.
3. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

2 The income distribution

Table 2.2ts (BHC): Income shares and Gini coefficient, United Kingdom^{1,2}

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Quintile shares of total income (%)										
Bottom 20% of the income distribution	7.7	7.7	7.5	7.4	7.4	7.4	7.5	7.6	7.4	7.2
Second quintile	12.1	12.1	12.0	11.8	11.9	12.0	12.1	12.3	12.2	12.1
Middle quintile	16.7	16.7	16.6	16.3	16.4	16.3	16.4	16.4	16.4	16.3
Fourth quintile	22.8	22.6	22.4	22.3	22.3	21.8	21.9	22.0	22.0	21.8
Top 20% of the income distribution	40.8	40.9	41.5	42.2	42.0	42.4	42.0	41.8	42.1	42.6
Share ratios										
Ratio top quintile share to middle quintile share	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6
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	2.3
Ratio top quintile share to bottom quintile share	5.3	5.3	5.5	5.7	5.7	5.7	5.6	5.5	5.7	5.9
Other comparisons										
<i>Bottom 10% of the income distribution</i> ³	3.1	3.1	2.9	2.9	2.9	2.9	2.8	2.9	2.8	2.7
Bottom 30% of the income distribution	13.2	13.2	13.0	12.8	12.9	12.9	13.0	13.2	13.0	12.8
Bottom 40% of the income distribution	19.8	19.8	19.5	19.2	19.3	19.4	19.6	19.9	19.6	19.3
Bottom 50% of the income distribution	27.5	27.5	27.2	26.7	26.9	27.0	27.2	27.5	27.2	26.9
<i>Top 10% of the income distribution</i> ⁴	25.8	26.0	26.7	27.4	27.2	27.8	27.5	27.2	27.6	28.0
Top 30% of the income distribution	53.1	53.1	53.6	54.2	54.1	54.2	53.8	53.6	54.0	54.3
Top 40% of the income distribution	63.6	63.5	63.9	64.5	64.3	64.3	64.0	63.7	64.1	64.4
Top 50% of the income distribution	72.5	72.5	72.8	73.3	73.1	73.0	72.8	72.5	72.8	73.1
Ratio top 30% share to bottom 30% share	4.0	4.0	4.1	4.2	4.2	4.2	4.1	4.1	4.1	4.2
Ratio top 40% share to bottom 40% share	3.2	3.2	3.3	3.4	3.3	3.3	3.3	3.2	3.3	3.3
Ratio top 50% share to bottom 50% share	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7
Gini coefficient (per cent)	33	33	34	35	35	35	34	34	35	35

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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
6. Percentages may not sum to 100 per cent due to rounding.

Table 2.2ts (AHC): Income shares and Gini coefficient, United Kingdom^{1,2}

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

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. They are also affected by the presence of negative incomes on the After Housing Cost measure.
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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
6. Percentages may not sum to 100 per cent due to rounding.

2 The income distribution

Table 2.3ts (BHC): Money values of quintile medians and population mean for family type and economic status groups in average 2006/07 prices^{1,2,3}

Income Before Housing Costs (£pw equivalised)	Quintiles of family type and economic status					Whole Group (mean)
	Bottom quintile	Second quintile	Middle quintile (median)	Fourth quintile	Top quintile	
1994/95 (Great Britain)						
Pensioner couple	154	204	261	343	535	321
Single male pensioner	146	190	226	288	459	284
Single female pensioner	131	178	209	262	400	249
Couple with children	149	225	300	392	563	351
Couple without children	193	331	431	546	789	486
Single with children	147	171	193	235	338	223
Single male without children	153	238	339	444	655	390
Single female without children	160	250	339	441	630	377
One or more full-time self-employed	112	223	327	464	815	445
Single/couple all in full-time work	279	375	457	552	748	507
Couple, one full-time, one part-time work	229	297	356	435	595	396
Couple, one full-time work, one not working	174	239	298	384	572	354
No full-time, one or more part-time work	144	197	249	326	505	313
Workless, head or spouse aged 60 or over	141	187	224	290	435	269
Workless, head or spouse unemployed	109	144	165	203	318	196
Workless, other inactive	132	167	191	235	356	226
All individuals	151	218	300	409	617	362
2006/07 (United Kingdom)						
Pensioner couple	184	262	338	441	690	418
Single male pensioner	181	250	298	373	527	352
Single female pensioner	162	229	287	359	496	330
Couple with children	191	288	378	485	745	474
Couple without children	240	402	522	669	971	604
Single with children	168	217	256	313	432	283
Single male without children	171	297	399	527	766	470
Single female without children	186	303	398	521	728	445
One or more full-time self-employed	151	287	414	564	1020	597
Single/couple all in full-time work	315	425	524	654	911	594
Couple, one full-time, one part-time work	288	368	442	550	794	537
Couple, one full-time work, one not working	207	269	342	449	726	460
No full-time, one or more part-time work	169	244	309	406	609	372
Workless, head or spouse aged 60 or over	167	236	292	369	531	340
Workless, head or spouse unemployed	93	166	203	250	400	228
Workless, other inactive	121	193	228	286	428	269
All individuals	185	279	377	500	767	463

Notes:

1. The 1994/95 information is for Great Britain and 2006/07 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, year-on-year comparisons should be treated with caution.
3. Results for the bottom quintile median is particularly vulnerable to income measurement problems.

Table 2.3ts (AHC): Money values of quintile medians and population mean for family type and economic status groups in average 2006/07 prices^{1,2,3}

Income After Housing Costs (£pw equivalised)	Quintiles of family type and economic status					Source: FRS Whole Group (mean)
	Bottom quintile	Second quintile	Middle quintile (median)	Fourth quintile	Top quintile	
1994/95 (Great Britain)						
Pensioner couple	121	165	218	296	474	274
Single male pensioner	119	144	185	262	431	251
Single female pensioner	103	134	156	224	366	210
Couple with children	98	167	230	306	452	271
Couple without children	136	261	349	442	651	391
Single with children	90	118	130	164	265	157
Single male without children	77	168	266	365	547	306
Single female without children	89	180	270	356	522	294
One or more full-time self-employed	44	163	255	372	678	354
Single/couple all in full-time work	214	297	366	448	612	409
Couple, one full-time, one part-time work	174	229	284	348	482	317
Couple, one full-time work, one not working	122	181	229	303	460	276
No full-time, one or more part-time work	91	142	191	263	432	249
Workless, head or spouse aged 60 or over	113	140	182	251	391	228
Workless, head or spouse unemployed	49	91	106	131	243	128
Workless, other inactive	66	113	128	163	280	157
All individuals	102	161	237	331	505	287
2006/07 (United Kingdom)						
Pensioner couple	164	234	313	416	666	393
Single male pensioner	159	221	273	364	567	344
Single female pensioner	144	207	267	357	506	320
Couple with children	130	227	310	407	635	395
Couple without children	177	336	447	578	865	519
Single with children	108	155	190	253	369	220
Single male without children	100	222	338	455	685	399
Single female without children	115	231	331	442	648	370
One or more full-time self-employed	90	232	338	484	911	516
Single/couple all in full-time work	248	354	445	562	800	510
Couple, one full-time, one part-time work	230	306	375	472	701	463
Couple, one full-time work, one not working	141	208	281	376	634	384
No full-time, one or more part-time work	112	191	259	354	551	318
Workless, head or spouse aged 60 or over	146	210	270	354	527	322
Workless, head or spouse unemployed	29	98	140	181	318	158
Workless, other inactive	65	132	163	216	354	199
All individuals	133	227	321	433	680	397

Notes:

1. The 1994/95 information is for Great Britain and 2006/07 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, year-on-year comparisons should be treated with caution.
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.

2 The income distribution

Table 2.4ts: Equivalent money values of overall distribution mean, median, 50 per cent of mean and 60 per cent of median income for different family types in 2006/07 prices, United Kingdom^{1,2}

£pw equivalent 2006/07 prices	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Income Before Housing Costs										
Median										
Couple no children	300	314	319	324	334	362	368	372	375	377
Single no children	201	210	214	217	224	242	247	249	251	252
Couple with two children aged 5 and 14	460	480	489	496	511	553	563	569	574	576
Single with two children aged 5 and 14	360	377	383	389	401	434	442	446	450	452
60% below median										
Couple no children	180	188	192	195	201	217	221	223	225	226
Single no children	121	126	128	130	134	145	148	149	151	151
Couple with two children aged 5 and 14	276	288	293	298	307	332	338	341	344	346
Single with two children aged 5 and 14	216	226	230	233	241	260	265	268	270	271
Mean										
Couple no children	362	377	386	400	408	445	449	453	459	463
Single no children	243	252	259	268	273	298	301	304	308	310
Couple with two children aged 5 and 14	555	576	591	612	624	681	686	693	703	708
Single with two children aged 5 and 14	435	452	464	480	490	534	538	544	551	556
50% below mean										
Couple no children	181	188	193	200	204	222	224	227	230	231
Single no children	121	126	129	134	137	149	150	152	154	155
Couple with two children aged 5 and 14	277	288	295	306	312	340	343	347	351	354
Single with two children aged 5 and 14	217	226	232	240	245	267	269	272	276	278
Income After Housing Costs										
Median										
Couple no children	237	250	255	261	271	298	308	315	319	321
Single no children	138	145	148	151	157	173	179	183	185	186
Couple with two children aged 5 and 14	385	406	413	422	439	483	499	510	517	520
Single with two children aged 5 and 14	285	300	306	313	325	358	370	378	383	385
60% below median										
Couple no children	142	150	153	156	163	179	185	189	191	193
Single no children	83	87	89	91	94	104	107	110	111	112
Couple with two children aged 5 and 14	231	243	248	253	264	290	299	306	310	312
Single with two children aged 5 and 14	171	180	184	188	195	215	222	227	230	231
Mean										
Couple no children	287	302	311	324	333	368	377	388	394	397
Single no children	167	175	181	188	193	214	219	225	228	231
Couple with two children aged 5 and 14	465	489	504	524	540	597	611	628	638	644
Single with two children aged 5 and 14	345	362	373	388	400	442	452	465	473	477
50% below mean										
Couple no children	144	151	156	162	167	184	188	194	197	199
Single no children	83	87	90	94	97	107	109	112	114	115
Couple with two children aged 5 and 14	233	244	252	262	270	298	305	314	319	322
Single with two children aged 5 and 14	172	181	187	194	200	221	226	233	236	238

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 different family types. For example, for results Before Housing Costs, it shows that 60 per cent of median (equivalised) income in 2006/07 was £226 per week. This translates to a cash income of £151 for a single person with no children. This implies that a single person with no children with a cash income of £151 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 2006/07, 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. Over the same period the number of individuals below 60 per cent contemporary median income increased on a Before Housing Costs basis but fell on an After Housing Costs basis.
- **Real trends** The proportion and number of the population below low-income thresholds that remained fixed in real terms fell substantially over the same period – with proportions falling by around one half.
- **Economic status** In 2006/07, individuals in workless families were much more likely to live in low-income households than those with one or more adults in full-time work.
- **Family type** Families with children, particularly lone-parent families, were more at risk of low income than their childless counterparts.
- **Gender and adulthood** Women had a marginally higher risk of low income than men.
- **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.
- **Ethnicity** Individuals living in households headed by a member of 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.
- **Tenure** Individuals living in Council or Housing Association accommodation were more likely to live in low-income households than other tenure types. This was also true of those in Private rented accommodation – particularly After Housing Costs.
- **Direct payment accounts** Individuals in low-income households were more likely than the rest of the population to have no bank account.
- **Savings and assets** Around half of individuals in low-income households lived in families reporting no savings.
- **Regional differences** Individuals living in the North East 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 South East and the East of England were least likely to live in low-income households on both bases.

3 Whole population

Introduction

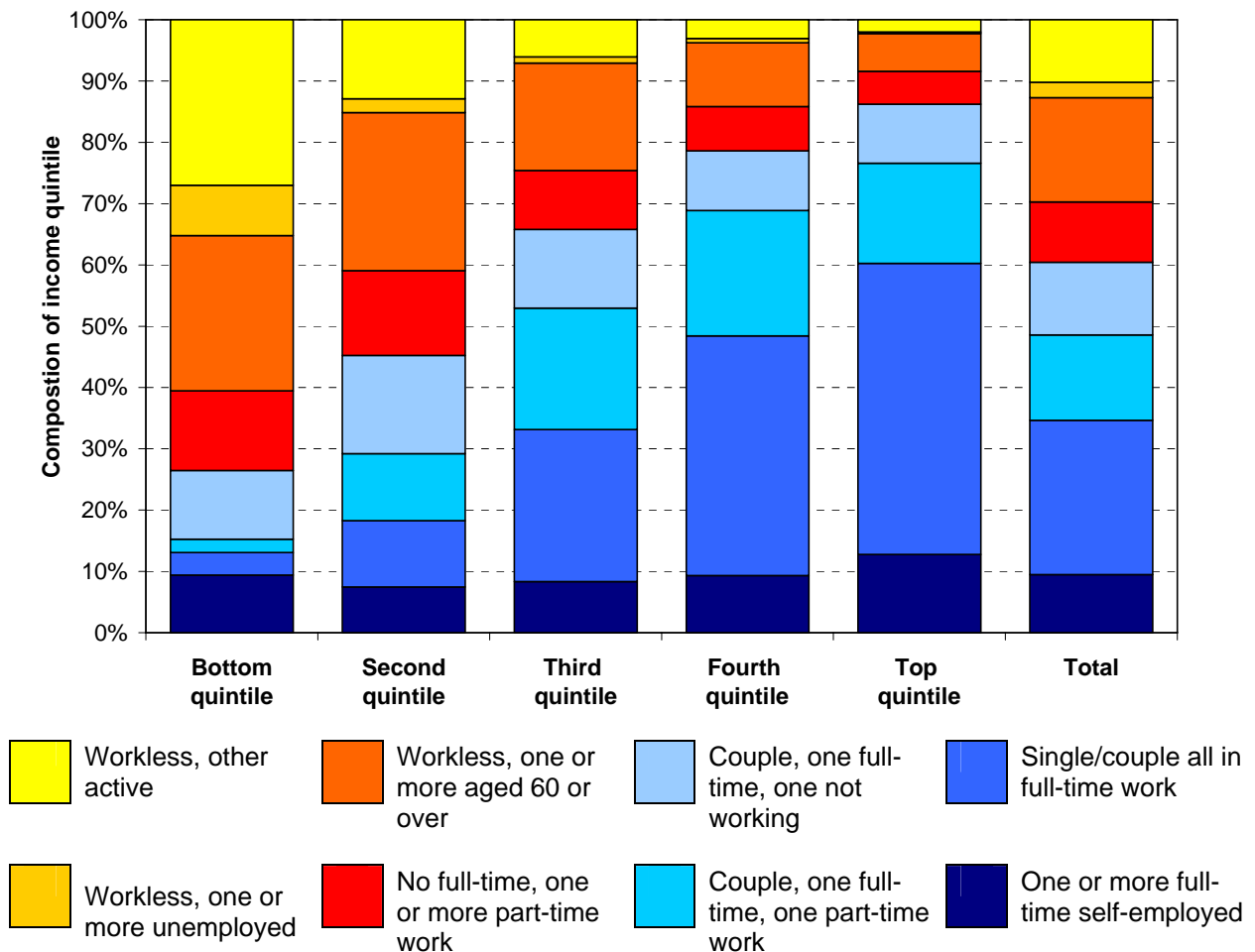
This chapter examines the position of groups making up the whole population of the United Kingdom in the income distribution in 2006/07 and looks in more detail into how this might be linked to their family or household characteristics. High-level trends over time, from 1994/95 onwards, are also examined, with data for Great Britain from 1994/95 to 1997/98 and for the United Kingdom for some groups

from 1998/99 to 2002/03 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 2006/07



Tables in this chapter are:

3.1 Quintile distribution of income for all individuals by: economic status of adults in the family; family type; gender and adulthood; ethnic group.

3.2 Quintile distribution of income for all individuals by: disability and receipt of disability benefits; tenure; direct payment accounts; savings and assets; region and country.

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

3.5 – 3.6 Risk of falling into low-income groups with categories as described for Tables 3.1 – 3.2.

3.1tr – 3.4tr Trends over time for headline figures for all the 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 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; 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; 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 3.3ts – 3.4ts

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

3.9ts – 3.10ts Risk 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 3.8ts – 3.10ts

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.

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

For analysis by ethnic group, individuals have been classified by the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person). This means that information about households of mixed ethnic composition is lost. It should also be noted that for the classifications 'Asian or Asian British' and 'Black or Black British' it is not possible to distinguish between those who were born abroad and those who were born in the United Kingdom.

The figures must be treated with some caution, as the sample sizes are small for ethnic minority groups, especially in the case of households headed by a person of mixed, Black Caribbean or Black non-Caribbean ethnicity. This means that figures for ethnic groups are subject to a degree of year-on-year sampling variation which is large in relation to

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any change which may have occurred in the estimates themselves.

Single-year estimates showing ethnic breakdowns are presented in this chapter for the most recent year 2006/07. However, smaller ethnic minority groups exhibit year-on-year variation which limits comparisons over time. To address this point, time series using three-year averages were presented in Appendix 5 of the 2004/05 HBAI publication. This year such three-year averages have been used to present ethnic breakdowns for children in **Chapter 4** and pensioners in **Chapter 6**.

Disability

For this analysis, disability is defined as having any long-standing illness, disability or infirmity that leads to a significant 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. Separate income analyses are included for working-age adults and their families or household members with some disability and receipt of disability benefits.

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.

Savings and assets

Data relating to assets and savings should be treated with caution. Questions relating to assets 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 assets and therefore around one in seven cases are

imputed. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.

The way levels of savings are classified on the Family Resources Survey have changed. This means fewer households are shown to have no savings and more with small levels of savings. This means figures in this publication are not directly comparable with figures in the previous publication.

Region and country

In the 2005/06 publication, for the first time, estimates were presented for Northern Ireland and the United Kingdom. Before 2005/06 coverage was for Great Britain only. Disaggregation by geographical regions is presented in this chapter as three-year averages. Estimates for the UK, however, are shown as single-year estimates for the latest available year.

Regional three-year averages are presented as single-year regional estimates are considered too volatile. 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. From the 2005/06 publication, results are presented for the UK and based on OECD equivalisation scales (see **Appendix 2** for 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 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
Economic status of adults in the family						
One or more full-time self-employed	20	16	18	20	27	5.6
Single/couple all in full-time work	3	9	20	31	38	15.0
Couple, one full-time, one part-time work	3	16	28	29	23	8.3
Couple, one full-time work, one not working	19	27	22	16	16	7.1
No full-time, one or more part-time work	26	28	20	15	11	5.8
Workless, one or more aged 60 or over	30	30	21	12	7	10.1
Workless, one or more unemployed	66	18	8	6	2	1.5
Workless, other inactive	53	25	12	6	4	6.1
Family type						
Pensioner couple	23	25	21	17	15	7.5
Single pensioner	30	32	20	12	6	4.5
Male	25	36	21	12	7	1.2
Female	31	30	20	13	5	3.3
Couple with children	18	20	23	21	18	20.4
Couple without children	10	10	15	27	39	11.6
Single with children	40	33	17	8	2	5.1
Single without children	19	16	21	22	22	10.5
Male	20	16	20	22	22	6.4
Female	18	17	21	22	21	4.1
Gender and adulthood						
Adult male	17	18	20	22	24	22.6
Adult female	20	20	20	20	20	24.0
Children	25	24	21	17	13	12.8
Ethnic group						
White	19	20	20	21	21	53.7
Mixed	27	18	17	15	23	0.4
Asian or Asian British	37	20	16	13	13	2.9
Indian	23	17	21	17	21	1.3
Pakistani or Bangladeshi	54	26	9	7	4	1.2
Black or Black British	31	22	20	15	12	1.5
Black Caribbean	27	23	19	19	13	0.7
Black Non-Caribbean	35	22	21	11	10	0.8
Chinese or other ethnic group	27	21	14	16	22	0.9
All individuals	20	20	20	20	20	59.5

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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
Economic status of adults in the family						
One or more full-time self-employed	21	17	17	18	27	5.6
Single/couple all in full-time work	4	9	20	30	36	15.0
Couple, one full-time, one part-time work	4	16	28	28	23	8.3
Couple, one full-time work, one not working	21	27	21	15	15	7.1
No full-time, one or more part-time work	27	27	19	15	12	5.8
Workless, one or more aged 60 or over	19	32	22	16	10	10.1
Workless, one or more unemployed	71	15	8	5	2	1.5
Workless, other inactive	60	22	10	5	4	6.1
Family type						
Pensioner couple	15	25	23	19	18	7.5
Single pensioner	18	33	21	17	10	4.5
Male	15	35	21	16	12	1.2
Female	19	32	21	18	9	3.3
Couple with children	20	22	22	20	17	20.4
Couple without children	11	9	17	26	37	11.6
Single with children	46	29	15	8	2	5.1
Single without children	23	15	19	22	21	10.5
Male	24	14	18	21	22	6.4
Female	21	16	21	22	20	4.1
Gender and adulthood						
Adult male	17	17	20	22	24	22.6
Adult female	19	20	20	21	20	24.0
Children	27	25	20	16	12	12.8
Ethnic group						
White	18	20	20	21	21	53.7
Mixed	34	20	13	12	22	0.4
Asian or Asian British	39	21	18	10	12	2.9
Indian	25	18	23	15	19	1.3
Pakistani or Bangladeshi	55	26	10	5	4	1.2
Black or Black British	39	21	17	12	11	1.5
Black Caribbean	31	21	20	15	12	0.7
Black Non-Caribbean	46	21	15	9	9	0.8
Chinese or other ethnic group	33	15	17	17	18	0.9
All individuals	20	20	20	20	20	59.5

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 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
Disability and receipt of disability benefits¹						
No disabled adult, no disabled child	17	17	19	22	24	42.8
No disabled adult, 1 or more disabled child	25	29	23	13	10	1.5
In receipt of disability benefits	12	40	36	9	3	0.4
Not in receipt of disability benefits	30	25	19	14	13	1.1
1 or more disabled adult, no disabled child	27	26	21	16	10	14.4
In receipt of disability benefits	17	32	29	16	6	4.7
Not in receipt of disability benefits	31	24	18	15	12	9.7
1 or more disabled adult, 1 or more disabled child	30	29	22	14	5	0.9
In receipt of disability benefits	17	38	25	14	5	0.3
Not in receipt of disability benefits	39	23	21	13	4	0.5
Tenure						
Owners	15	17	21	23	25	42.8
Owned outright	24	20	20	18	19	15.9
Buying with a mortgage	10	15	21	26	28	26.9
Social Rented Sector Tenants	39	33	17	9	2	9.8
Rented from council	41	33	17	8	2	5.4
Rented from a housing association	37	34	18	10	2	4.4
All Rented Privately	24	22	20	18	16	6.9
Rented privately unfurnished	25	24	19	18	15	4.9
Rented privately furnished	23	18	22	17	20	2.0
Direct payment account²						
No accounts	34	19	17	17	14	2.2
With one or more accounts	19	20	20	20	20	57.3
Savings and assets						
No savings	30	26	20	15	9	17.8
Less than £1,500	22	22	22	20	14	14.5
£1,500 but less than £3,000	13	18	23	23	23	4.0
£3,000 but less than £8,000	14	18	20	25	24	7.7
£8,000 but less than £10,000	11	14	20	26	29	1.8
£10,000 but less than £16,000	13	16	20	24	28	3.5
£16,000 but less than £20,000	14	13	19	24	30	1.6
£20,000 or more	10	11	15	21	42	8.5
Region/Country (3-year average)						
England	20	20	20	20	21	49.5
North East	23	24	21	19	13	2.5
North West	23	22	21	19	16	6.7
Yorkshire and the Humber	22	22	22	20	14	5.0
East Midlands	22	21	21	20	15	4.2
West Midlands	24	23	21	18	15	5.3
East of England	16	19	21	21	24	5.4
London	20	16	16	17	31	7.4
Inner	21	16	14	16	32	2.8
Outer	19	15	17	18	31	4.6
South East	15	16	18	22	28	8.0
South West	17	21	22	22	19	5.0
Scotland	20	20	21	21	18	5.0
Wales	23	22	21	19	14	2.9
Northern Ireland	23	23	22	18	14	1.7
All individuals³	20	20	20	20	20	59.5

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; 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. Direct payment accounts are defined as accounts accepting Automatic Credit Transfers (ACT), which are defined as 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 2006/07 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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All individuals (millions)
Disability and receipt of disability benefits¹						
No disabled adult, no disabled child	19	17	19	21	24	42.8
No disabled adult, 1 or more disabled child	26	31	21	13	9	1.5
In receipt of disability benefits	12	44	30	10	3	0.4
Not in receipt of disability benefits	31	27	17	14	11	1.1
1 or more disabled adult, no disabled child	23	27	22	17	12	14.4
In receipt of disability benefits	15	30	29	19	8	4.7
Not in receipt of disability benefits	27	25	18	16	13	9.7
1 or more disabled adult, 1 or more disabled child	31	30	21	13	5	0.9
In receipt of disability benefits	15	42	26	14	3	0.3
Not in receipt of disability benefits	41	23	19	12	6	0.5
Tenure						
Owners	12	18	21	24	25	42.8
Owned outright	14	20	21	22	24	15.9
Buying with a mortgage	11	17	22	25	26	26.9
Social Rented Sector Tenants	43	32	15	8	2	9.8
Rented from council	42	33	15	8	2	5.4
Rented from a housing association	43	30	16	8	2	4.4
All Rented Privately	39	18	18	14	12	6.9
Rented privately unfurnished	38	18	18	14	12	4.9
Rented privately furnished	40	16	16	16	13	2.0
Direct payment account²						
No accounts	33	20	16	17	15	2.2
With one or more accounts	20	20	20	20	20	57.3
Savings and assets						
No savings	33	25	20	14	8	17.8
Less than £1,500	23	24	22	19	13	14.5
£1,500 but less than £3,000	12	19	23	24	22	4.0
£3,000 but less than £8,000	11	18	22	26	23	7.7
£8,000 but less than £10,000	8	14	22	26	30	1.8
£10,000 but less than £16,000	11	14	21	26	28	3.5
£16,000 but less than £20,000	10	14	20	24	32	1.6
£20,000 or more	8	10	14	22	46	8.5
Region/Country (3-year average)						
England	20	20	20	20	20	49.5
North East	21	23	22	19	14	2.5
North West	21	22	21	19	16	6.7
Yorkshire and the Humber	20	23	22	20	15	5.0
East Midlands	21	21	21	21	16	4.2
West Midlands	22	23	21	19	16	5.3
East of England	17	18	20	21	23	5.4
London	26	15	15	16	28	7.4
Inner	29	15	13	15	28	2.8
Outer	24	14	16	17	29	4.6
South East	17	17	17	22	27	8.0
South West	18	21	21	21	19	5.0
Scotland	18	20	21	22	19	5.0
Wales	20	22	23	20	16	2.9
Northern Ireland	18	24	23	20	15	1.7
All individuals³	20	20	20	20	20	59.5

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; 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. Direct payment accounts are defined as accounts accepting Automatic Credit Transfers (ACT), which are defined as 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 2006/07 only and are not three-year averages.
4. Percentages may not sum to 100 per cent due to rounding.

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

Percentage of individuals	Source: FRS 2006/07						All individuals
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in the family							
One or more full-time self-employed	12	10	9	11	10	9	9
Single/couple all in full-time work	3	4	5	5	5	6	25
Couple, one full-time, one part-time work	2	2	3	2	3	4	14
Couple, one full-time work, one not working	8	10	13	11	13	14	12
No full-time, one or more part-time work	13	13	14	14	13	14	10
Workless, one or more aged 60 or over	25	25	26	14	17	20	17
Workless, one or more unemployed	10	9	7	10	8	7	2
Workless, other inactive	27	28	25	32	29	25	10
Family type							
Pensioner couple	13	14	15	8	10	12	13
Single pensioner	12	11	11	6	7	9	8
Male	2	2	3	1	2	2	2
Female	10	9	9	5	6	7	6
Couple with children	31	31	32	34	34	34	34
Couple without children	12	10	9	11	10	10	19
Single with children	13	17	17	19	20	18	9
Single without children	20	17	16	22	19	18	18
Male	13	11	10	14	12	11	11
Female	7	6	6	8	7	7	7
Gender and adulthood							
Adult male	35	33	33	34	33	33	38
Adult female	40	40	40	37	38	39	40
Children	24	27	27	29	30	29	22
Ethnic group							
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 or Bangladeshi	6	6	6	6	6	5	2
Black or Black British	4	4	4	5	5	4	3
Black Caribbean	1	1	1	2	2	2	1
Black Non-Caribbean	3	2	2	3	3	3	1
Chinese or other ethnic group	3	2	2	3	2	2	2
All individuals (millions=100%)	6.3	10.7	15.7	9.0	13.2	17.5	59.5

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 2006/07						All individuals
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Disability and receipt of disability benefits¹							
No disabled adult, no disabled child	63	62	62	67	66	65	72
No disabled adult, 1 or more disabled child	3	3	3	3	3	3	2
In receipt of disability benefits	0	0	1	0	1	1	1
Not in receipt of disability benefits	3	3	3	3	3	3	2
1 or more disabled adult, no disabled child	32	32	32	28	28	30	24
In receipt of disability benefits	6	7	8	5	6	7	8
Not in receipt of disability benefits	26	26	24	23	22	22	16
1 or more disabled adult, 1 or more disabled child	2	2	2	2	2	2	1
In receipt of disability benefits	0	0	1	0	0	1	1
Not in receipt of disability benefits	2	2	2	2	2	2	1
Tenure							
Owners	59	54	54	42	44	48	72
Owned outright	35	32	30	18	19	21	27
Buying with a mortgage	24	22	24	24	25	27	45
Social Rented Sector Tenants	26	32	32	34	35	34	16
Rented from council	16	18	18	18	19	19	9
Rented from a housing association	11	13	14	16	16	15	7
All Rented Privately	15	14	14	24	21	19	12
Rented privately unfurnished	10	10	10	17	15	13	8
Rented privately furnished	5	4	4	8	6	5	3
Direct payment account²							
No accounts	8	6	6	6	6	5	4
With one or more accounts	92	94	94	94	94	95	96
Savings and assets							
No savings	46	46	45	50	49	47	30
Less than £1,500	26	26	27	28	28	28	24
£1,500 but less than £3,000	4	4	5	4	4	5	7
£3,000 but less than £8,000	8	9	9	7	7	8	13
£8,000 but less than £10,000	2	2	2	1	1	2	3
£10,000 but less than £16,000	4	4	4	4	3	3	6
£16,000 but less than £20,000	2	2	2	1	1	1	3
£20,000 or more	8	7	7	6	6	6	14
Region/Country (3-year average)							
England	83	83	83	85	85	84	84
North East	4	5	5	4	5	5	4
North West	13	13	13	12	12	12	11
Yorkshire and the Humber	9	9	9	8	8	9	8
East Midlands	8	8	8	7	7	7	7
West Midlands	11	10	10	10	10	10	9
East of England	8	7	8	8	8	8	9
London	13	12	12	17	16	14	12
Inner	5	5	5	8	7	6	5
Outer	8	7	7	10	9	8	8
South East	11	10	10	12	11	12	14
South West	7	7	8	8	7	8	8
Scotland	8	8	8	7	8	8	8
Wales	6	6	6	5	5	5	5
Northern Ireland	3	3	3	2	3	3	3
All individuals (millions=100%)³	6.3	10.7	15.7	9.0	13.2	17.5	59.5

Notes:

- Disability benefits are Disability Living Allowance; War Disablement Pension; Attendance Allowance; Industrial Injuries Disablement Benefit. Disability benefits may be received by or on behalf of the eligible person in the household.
- Direct payment accounts are defined as those that accept Automatic Credit Transfers (ACT), which are defined as Basic Bank Accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.
- The totals for all individuals are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.
- Percentages may not sum to 100 per cent due to rounding.

3 Whole population

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

Percentage of individuals	Source: FRS 2006/07						All individuals (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in the family							
One or more full-time self-employed	14	18	25	17	23	29	5.6
Single/couple all in full-time work	1	3	5	3	5	7	15.0
Couple, one full-time, one part-time work	1	3	6	3	5	9	8.3
Couple, one full-time work, one not working	7	16	28	15	25	35	7.1
No full-time, one or more part-time work	14	23	36	21	30	41	5.8
Workless, one or more aged 60 or over	16	27	40	13	23	35	10.1
Workless, one or more unemployed	42	62	73	62	73	80	1.5
Workless, other inactive	28	49	63	48	63	73	6.1
Family type							
Pensioner couple	11	20	31	9	17	27	7.5
Single pensioner	17	27	40	13	21	35	4.5
Male	12	21	36	10	18	32	1.2
Female	18	29	41	14	23	37	3.3
Couple with children	10	16	24	15	22	29	20.4
Couple without children	6	9	12	8	12	15	11.6
Single with children	16	35	53	33	51	62	5.1
Single without children	12	18	24	19	24	30	10.5
Male	13	18	24	20	25	30	6.4
Female	10	16	23	18	23	29	4.1
Gender and adulthood							
Adult male	10	16	23	14	19	25	22.6
Adult female	11	18	26	14	21	28	24.0
Children	12	22	33	20	30	39	12.8
Ethnic group							
White	10	17	25	14	20	27	53.7
Mixed	15	25	34	27	37	44	0.4
Asian or Asian British	23	35	47	31	42	50	2.9
Indian	14	22	28	20	27	32	1.3
Pakistani or Bangladeshi	31	51	71	43	60	72	1.2
Black or Black British	17	27	38	31	41	48	1.5
Black Caribbean	11	22	32	23	31	40	0.7
Black Non-Caribbean	23	32	44	38	50	55	0.8
Chinese or Other Ethnic Group	18	25	33	27	36	42	0.9
All individuals	11	18	26	15	22	29	59.5

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

Percentage of individuals	Source: FRS 2006/07						All individuals (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Disability and receipt of disability benefits¹							
No disabled adult, no disabled child	9	16	23	14	20	27	42.8
No disabled adult, 1 or more disabled child	12	23	35	20	30	41	1.5
In receipt of disability benefits	3	11	28	8	19	34	0.4
Not in receipt of disability benefits	15	28	38	24	34	43	1.1
1 or more disabled adult, no disabled child	14	24	35	18	26	36	14.4
In receipt of disability benefits	8	15	26	10	17	27	4.7
Not in receipt of disability benefits	17	29	40	21	31	40	9.7
1 or more disabled adult, 1 or more disabled child	15	29	41	23	34	47	0.9
In receipt of disability benefits	6	15	29	8	18	33	0.3
Not in receipt of disability benefits	20	38	48	33	45	56	0.5
Tenure							
Owners	9	13	20	9	13	19	42.8
Owned outright	14	22	30	10	16	23	15.9
Buying with a mortgage	6	9	14	8	12	17	26.9
Social Rented Sector Tenants	17	35	51	31	48	61	9.8
Rented from council	18	37	52	30	47	61	5.4
Rented from a housing association	15	33	50	33	48	60	4.4
All Rented Privately	14	22	32	32	41	48	6.9
Rented privately unfurnished	13	22	33	30	40	47	4.9
Rented privately furnished	15	21	30	35	42	49	2.0
Direct payment account²							
No accounts	23	32	40	26	35	42	2.2
With one or more accounts	10	17	26	15	22	29	57.3
Savings and assets							
No savings	16	28	39	25	36	46	17.8
Less than £1,500	11	19	29	17	25	34	14.5
£1,500 but less than £3,000	7	12	18	8	14	21	4.0
£3,000 but less than £8,000	6	12	18	8	13	19	7.7
£8,000 but less than £10,000	6	10	15	6	9	15	1.8
£10,000 but less than £16,000	8	12	18	9	13	17	3.5
£16,000 but less than £20,000	8	12	18	8	11	15	1.6
£20,000 or more	6	9	13	6	9	12	8.5
Region/Country (3-year average)							
England	10	17	26	15	22	29	49.5
North East	10	21	30	14	23	31	2.5
North West	11	20	30	15	23	31	6.7
Yorkshire and the Humber	10	19	29	14	21	30	5.0
East Midlands	11	20	28	14	22	30	4.2
West Midlands	12	20	31	15	23	32	5.3
East of England	8	14	22	12	18	25	5.4
London	11	18	25	20	27	33	7.4
Inner	11	19	27	23	31	37	2.8
Outer	11	17	24	18	25	30	4.6
South East	8	13	20	13	18	25	8.0
South West	9	15	23	13	19	26	5.0
Scotland	10	17	26	12	19	26	5.0
Wales	11	20	30	15	22	29	2.9
Northern Ireland	11	20	30	12	20	29	1.7
All individuals³	11	18	26	15	22	29	59.5

Notes:

- Disability benefits are Disability Living Allowance; War Disablement Pension; 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.
- Direct payment accounts are defined as those that accept Automatic Credit Transfers (ACT), which are defined as Basic Bank Accounts, Current accounts, Post Office accounts, or savings accounts with any other bank or building society.
- The totals for all individuals are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.

3 Whole population

Table 3.1tr Percentage of individuals below thresholds of contemporary median income, United Kingdom ^{1,2}

Percentage of individuals		Source: FES/FRS					
		Before Housing Costs Below median			After Housing Costs Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	5	13	22	6	15	24
	1981	5	13	23	8	16	25
	1987	8	18	27	12	22	30
	1988/89	11	21	28	15	24	31
	1990/91	13	22	29	17	25	31
	1991/92	12	22	29	17	25	32
	1992/93	12	21	29	17	26	32
	1993/95	11	20	28	16	25	31
	1994/96	10	19	27	16	25	31
	1995/97	10	20	28	18	26	32
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
Change	1998/99-2006/07 ^{2,3}	0	-1	-2	-1	-2	-1
	2005/06-2006/07 ^{2,3}	1	0	0	1	1	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.

Table 3.2tr Percentage of individuals below thresholds of 1998/99 real-terms median income, United Kingdom ^{1,2}

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
Change	1998/99-2006/07 ^{2,3}	-4	-8	-10	-6	-10	-11
	2005/06-2006/07 ^{2,3}	0	1	0	1	1	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 individual below low-income thresholds may not equal the difference between the total percentage of individual 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 ^{1,2}

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)	1979	2.9	6.9	11.8	3.3	7.9	12.8	54.0
	1981	2.8	7.2	12.5	4.1	8.7	13.9	54.7
	1987	4.4	9.8	15.1	6.6	12.0	16.6	55.4
	1988/89	6.3	11.6	15.8	8.4	13.2	17.1	56.0
	1990/91	7.1	12.1	16.1	9.7	13.9	17.6	56.1
	1991/92	7.0	12.3	16.6	9.9	14.4	18.2	56.6
	1992/93	6.8	12.0	16.7	9.8	14.6	18.5	57.1
	1993/95	6.4	11.2	16.0	9.2	14.3	17.9	57.3
	1994/96	5.9	10.8	15.8	9.3	14.2	17.8	57.5
	1995/97	6.0	11.4	16.3	10.2	14.8	18.3	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
FRS (UK)	1997/98	6.0	10.9	15.7	9.2	13.6	17.1	55.7
	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
Change	1998/99-2006/07 ^{2,3}	0.2	-0.5	-0.4	-0.3	-0.8	-0.2	2.0
	2005/06-2006/07 ^{2,3}	0.4	0.3	0.2	0.4	0.4	0.3	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.

Table 3.4tr Number of individuals below various thresholds of 1998/99 median income held constant in real terms, United Kingdom ^{1,2}

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)	1979	10.9	17.7	24.6	11.9	18.8	25.7	54.0
	1981	12.2	19.0	25.6	13.5	19.9	26.4	54.7
	1987	9.9	15.9	20.8	12.1	17.5	22.1	55.4
	1988/89	9.6	14.9	19.4	11.4	15.9	20.1	56.0
	1990/91	9.6	14.6	18.7	11.5	15.8	19.8	56.1
	1991/92	9.2	14.6	19.1	11.8	16.2	20.1	56.6
	1992/93	8.9	14.5	19.1	11.8	16.4	20.3	57.1
	1993/95	7.9	13.2	18.2	10.9	15.5	19.4	57.3
	1994/96	7.1	12.3	17.3	10.3	15.0	18.8	57.5
1995/97	6.8	12.4	17.3	10.6	15.1	18.6	57.7	
FRS (GB)	1994/95	7.2	12.9	18.0	11.2	15.8	19.7	55.3
	1995/96	6.9	12.5	17.8	10.8	15.7	19.7	55.5
	1996/97	6.6	11.9	16.7	10.4	15.0	18.6	55.6
FRS (UK)	1997/98	6.3	11.4	16.2	9.8	14.1	17.7	55.7
	1998/99	6.1	11.2	16.1	9.3	14.0	17.8	57.5
	1999/00	5.4	10.2	15.3	8.3	12.9	16.7	57.7
	2000/01	4.9	8.9	13.7	7.0	11.5	15.3	57.9
	2001/02	4.0	7.5	12.2	5.8	9.7	13.7	58.1
	2002/03	3.9	7.1	11.5	5.4	8.8	12.7	58.3
	2003/04	3.9	7.0	11.2	5.5	8.6	12.0	58.5
	2004/05	3.6	6.6	10.6	5.2	7.8	11.2	58.8
	2005/06	3.9	6.6	10.7	5.4	8.2	11.6	59.1
2006/07	4.1	6.9	10.8	5.8	8.6	11.8	59.5	
Change	1998/99-2006/07 ^{2,3}	-2.1	-4.3	-5.3	-3.5	-5.4	-6.0	2.0
	2005/06-2006/07 ^{2,3}	0.2	0.3	0.1	0.3	0.4	0.2	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.

3 Whole population

Table 3.1ts: Individuals - Total population by family type, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of individuals whose family type is: (millions)										
Pensioner couple	6.5	6.5	6.4	6.5	6.6	6.9	7.2	7.3	7.4	7.5
Single male pensioner	0.9	1.0	1.0	1.0	1.1	1.0	1.0	1.1	1.1	1.2
Single female pensioner	3.3	3.3	3.4	3.4	3.3	3.2	3.3	3.3	3.3	3.3
Couple with children	20.8	20.7	20.5	20.3	20.0	19.7	20.3	20.3	20.2	20.4
Couple without children	10.7	10.6	10.9	10.8	10.9	11.1	11.6	11.5	11.4	11.6
Single with children	4.1	4.3	4.4	4.6	4.8	4.9	5.1	5.1	5.1	5.1
Single male without children	5.4	5.5	5.6	5.7	5.7	5.9	6.0	6.2	6.4	6.4
Single female without children	3.5	3.5	3.5	3.6	3.6	3.7	3.8	4.0	4.1	4.1
Adult male	20.5	20.6	20.7	20.7	20.8	21.1	21.8	22.2	22.4	22.6
Adult female	22.2	22.3	22.4	22.4	22.5	22.7	23.5	23.7	23.9	24.0
Children	12.6	12.7	12.7	12.7	12.7	12.6	13.0	12.9	12.8	12.8
All individuals (millions)	55.3	55.6	55.7	55.9	56.1	56.4	58.3	58.8	59.1	59.5
Percentage of individuals whose family type is:										
Pensioner couple	12	12	12	12	12	12	12	12	12	13
Single male pensioner	2	2	2	2	2	2	2	2	2	2
Single female pensioner	6	6	6	6	6	6	6	6	6	6
Couple with children	38	37	37	36	36	35	35	35	34	34
Couple without children	19	19	20	19	20	20	20	20	19	19
Single with children	7	8	8	8	9	9	9	9	9	9
Single male without children	10	10	10	10	10	10	10	11	11	11
Single female without children	6	6	6	6	6	7	7	7	7	7
Adult male	37	37	37	37	37	37	37	38	38	38
Adult female	40	40	40	40	40	40	40	40	40	40
Children	23	23	23	23	23	22	22	22	22	22
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 3.2ts: Individuals - Total population by economic status of the family, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of individuals whose economic status is: (millions)										
One or more full-time self-employed	6.2	5.7	5.3	5.2	5.2	5.2	5.3	5.5	5.6	5.6
Single/couple all in full-time work	12.1	12.7	13.1	13.1	13.8	14.2	14.7	14.5	14.7	15.0
Couple, one full-time, one part-time work	7.2	8.0	8.5	8.7	8.5	8.3	8.6	8.5	8.6	8.3
Couple, one full-time work, one not working	7.4	6.8	6.8	6.8	6.5	6.6	6.9	6.9	6.7	7.1
No full-time, one or more in part-time work	3.3	4.0	4.4	4.4	4.5	4.8	5.2	5.5	5.8	5.8
Workless, one or more aged 60 or over	9.8	9.8	9.7	9.8	9.8	9.9	10.0	10.1	10.1	10.1
Workless, one or more unemployed	3.7	2.8	2.4	2.1	1.9	1.4	1.6	1.4	1.6	1.5
Workless, other inactive	5.4	5.8	5.5	5.7	5.9	6.0	6.0	6.2	6.1	6.1
All individuals (millions)	55.3	55.6	55.7	55.9	56.1	56.4	58.3	58.8	59.1	59.5
Percentage of individuals whose economic status is:										
One or more full-time self-employed	11	10	10	9	9	9	9	9	10	9
Single/couple all in full-time work	22	23	24	23	25	25	25	25	25	25
Couple, one full-time, one part-time work	13	14	15	16	15	15	15	14	14	14
Couple, one full-time work, one not working	13	12	12	12	12	12	12	12	11	12
No full-time, one or more in part-time work	6	7	8	8	8	9	9	9	10	10
Workless, one or more aged 60 or over	18	18	17	18	18	18	17	17	17	17
Workless, one or more unemployed	7	5	4	4	3	3	3	2	3	2
Workless, other inactive	10	10	10	10	10	11	10	11	10	10
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

3 Whole population

Table 3.3ts: Individuals - composition of those living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom¹

Percentage of individuals	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Pensioner couple	12	12	13	14	13	15	15	13	13	14
Single male pensioner	2	2	2	2	2	2	2	2	2	2
Single female pensioner	10	10	10	10	9	9	9	9	8	9
Couple with children	38	36	35	34	33	30	30	30	32	31
Couple without children	9	8	8	8	9	9	9	10	10	10
Single with children	16	18	19	19	20	19	19	18	17	17
Single male without children	9	8	8	8	9	10	10	11	11	11
Single female without children	5	5	5	5	5	6	6	6	7	6
All individuals (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Pensioner couple	10	10	10	10	10	12	12	10	9	10
Single male pensioner	2	2	3	3	2	2	2	1	1	2
Single female pensioner	10	10	10	9	9	8	7	5	5	6
Couple with children	36	34	34	34	32	31	31	33	34	34
Couple without children	8	8	8	8	8	9	9	10	10	10
Single with children	18	20	20	21	22	22	21	21	20	20
Single male without children	10	10	9	9	10	10	11	12	13	12
Single female without children	6	6	6	6	6	6	7	7	8	7
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 3.4ts: Individuals - composition of those living in households with less than 60 per cent of contemporary median household income, by economic status of the family, United Kingdom¹

Percentage of individuals	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
One or more full-time self-employed	13	9	10	9	10	9	9	10	11	10
Single/couple all in full-time work	1	2	3	2	3	3	4	3	3	4
Couple, one full-time, one part-time work	1	2	3	3	2	3	2	3	3	2
Couple, one full-time work, one not working	8	10	10	10	10	8	9	9	9	10
No full-time, one or more in part-time work	8	10	10	11	12	12	12	12	12	13
Workless, one or more aged 60 or over	25	25	25	27	25	27	26	25	23	25
Workless, one or more unemployed	21	17	14	13	12	9	10	9	10	9
Workless, other inactive	22	26	25	25	27	29	28	29	27	28
All individuals (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
One or more full-time self-employed	12	9	9	9	9	9	8	10	11	10
Single/couple all in full-time work	2	3	3	3	4	4	5	5	5	5
Couple, one full-time, one part-time work	2	3	3	3	3	4	3	4	4	3
Couple, one full-time work, one not working	9	10	10	11	10	9	11	11	11	13
No full-time, one or more in part-time work	7	10	11	11	12	13	13	13	13	13
Workless, one or more aged 60 or over	23	23	23	23	22	22	21	18	16	17
Workless, one or more unemployed	20	16	13	12	11	9	9	9	10	8
Workless, other inactive	25	27	26	27	29	31	30	31	29	29
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

3 Whole population

Table 3.5ts: Individuals - composition of those living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type, United Kingdom¹

Percentage of individuals	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Pensioner couple	13	13	13	14	13	14	14	13	11	13
Single male pensioner	2	2	2	2	2	2	2	2	2	2
Single female pensioner	11	10	10	10	9	10	9	9	8	10
Couple with children	36	35	35	34	33	31	30	30	33	31
Couple without children	9	8	8	8	9	10	11	11	11	11
Single with children	16	18	19	19	20	16	16	15	13	13
Single male without children	9	8	8	8	9	10	11	12	13	13
Single female without children	5	5	5	5	5	6	7	7	7	6
All individuals (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Pensioner couple	11	10	11	10	10	10	9	7	6	7
Single male pensioner	2	2	3	3	2	1	1	1	1	1
Single female pensioner	11	10	10	9	9	5	5	4	4	5
Couple with children	35	34	34	34	32	32	31	33	35	34
Couple without children	8	8	8	8	8	10	10	11	11	11
Single with children	17	19	20	21	22	23	23	20	19	18
Single male without children	10	10	9	9	10	11	12	14	15	15
Single female without children	5	6	6	6	6	7	8	9	9	8
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 3.6ts: Individuals - composition of those 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 Kingdom¹

Percentage of individuals	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
One or more full-time self-employed	12	9	10	9	10	11	10	12	13	12
Single/couple all in full-time work	2	2	3	2	3	2	3	3	3	3
Couple, one full-time, one part-time work	2	2	3	3	2	2	2	2	3	2
Couple, one full-time work, one not working	9	11	10	10	9	7	7	7	8	8
No full-time, one or more in part-time work	7	10	10	11	12	13	12	13	12	13
Workless, one or more aged 60 or over	26	25	26	27	25	27	26	25	22	26
Workless, one or more unemployed	19	16	14	13	12	11	12	10	12	10
Workless, other inactive	22	25	25	25	27	27	28	28	26	27
All individuals (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
One or more full-time self-employed	11	9	9	9	9	10	10	11	14	11
Single/couple all in full-time work	2	3	3	3	4	3	5	4	5	5
Couple, one full-time, one part-time work	3	3	4	3	3	3	2	3	3	2
Couple, one full-time work, one not working	10	11	11	11	10	9	9	9	9	11
No full-time, one or more in part-time work	8	10	11	11	12	13	13	13	13	14
Workless, one or more aged 60 or over	25	23	24	23	22	18	15	13	12	14
Workless, one or more unemployed	18	15	13	12	12	11	12	11	12	10
Workless, other inactive	23	26	26	27	30	34	34	35	32	32
All individuals (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

3 Whole population

Table 3.7ts: Individuals - risk of living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 3.8ts: Individuals - risk of living in households with less than 60 per cent of contemporary median household income, by economic status of the family, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

3 Whole population

Table 3.9ts: Individuals - risk of living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by family type, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 3.10ts: Individuals - risk of 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 Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

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 2006/07. The figures showed a rise in the earlier years of the period and a fall in later years, however between 2005/06 and 2006/07, the numbers increased and the proportions either stayed the same or rose, depending on the measure. The number and proportion of children who were living in low-income and material deprivation fell over the last year.
- **Real trends** Over the period 1994/95 to 2006/07, there was a marked fall in the proportion of children below income thresholds held constant in real terms, however between 2005/06 and 2006/07 the proportions either stayed the same or rose, depending on the measure.
- **Quintile distributions** In 2006/07, 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 households than those in families with two adults. However, there has been a reduction in the risk of relative low income for children in lone-parent families since 1996/97.
- **Economic status** Children in workless families were much more likely to live in low-income households than those with one or more adults in full-time work.
- **Family size** Children in large families – those with three or more children – were more likely to live in low-income households, although the risk of relative low income for this group has decreased since 1996/97.
- **Disability status** Children in families containing someone who is disabled 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.
- **Ethnicity** Children living in a family headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for those headed by someone of Pakistani or Bangladeshi origin, where the majority of children were in households below 60 per cent of median income.
- **Regional differences** Children in Inner London had a greater risk of low income than for any other region, with nearly half of children in households below 60 per cent of median income After Housing Costs.
- **Material deprivation** Children in low income and material deprivation were more likely to live in social rented sector housing and workless households. Their family was also more likely to receive income support or housing benefit. Children in the two lowest quintiles of the income distribution were most likely to lack a week's holiday away from home, because their families could not afford to provide this.

4 Children

Introduction

This chapter looks at how family and household characteristics related to the position of children in the income distribution in 2006/07. 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 from 1998/99 to 2006/07.

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 education. Unmarried 19 year olds in full-time 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 2006/07, which was skewed towards the lower end of the overall population distribution.

Figure 4.1 (BHC): Income distribution; all individuals and all children by income band, 2006/07

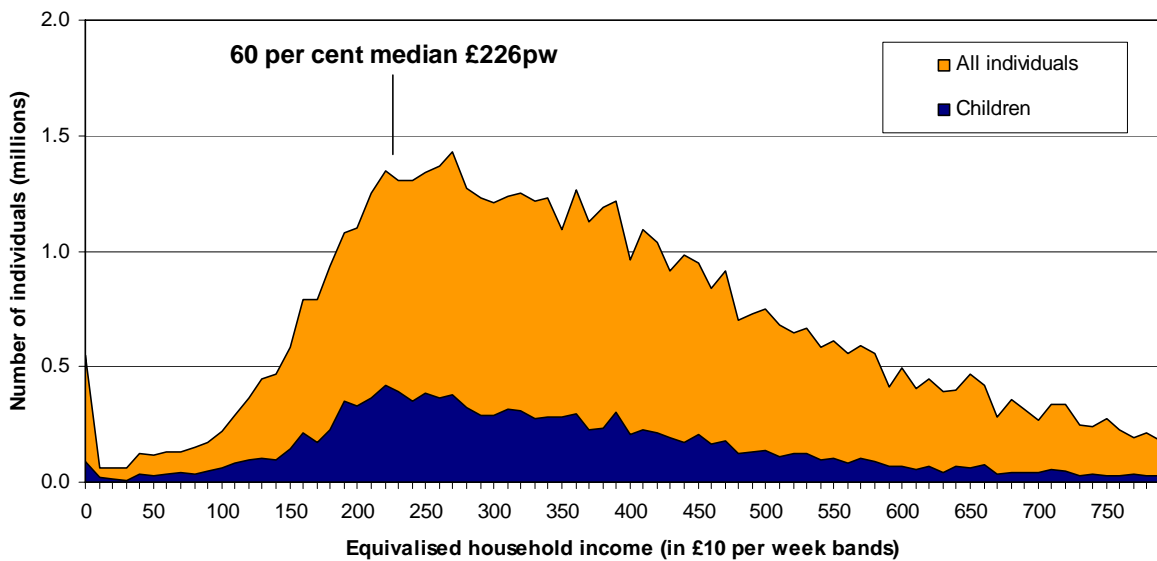
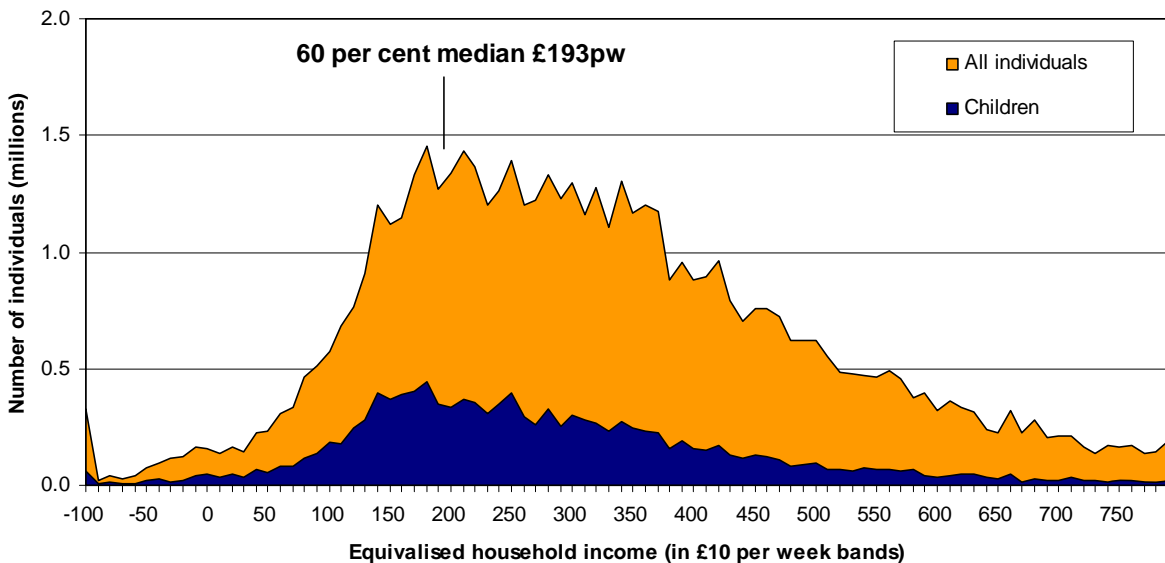


Figure 4.1 (AHC): Income distribution; all individuals and all children by income band, 2006/07



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 assets; 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 Risk of falling into low-income groups with categories 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 all the 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 median income respectively. Tables 4.3tr and 4.4tr show the number for the same measures as outlined for 4.1tr and 4.2tr. Table 4.5tr presents a new series that shows trends over time for low income and material deprivation.

4.1ts – 4.5ts Populations over time Tables 4.1ts to 4.5ts present populations over time by: family type and economic status of the family; economic status of household; region and country (three-year averages); number of children in family; tenure.

4.6ts – 4.8ts 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.

4.9ts – 4.11ts 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 4.6ts – 4.8ts.

4.12ts – 4.15ts Risk 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); number of children in family.

4.16ts – 4.19ts Risk 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 4.12ts – 4.15ts.

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.

Self-employed incomes

It should be noted that a significant proportion of the self-employed are believed to report incomes that do not reflect their living standards.

Definition of 'benefit units' and 'households'

A family, or benefit unit, is a single adult or a couple, 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 main residence, who either share one meal a day together or share the living accommodation

4 Children

(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.

Disability

For this analysis, disability is defined as having any long-standing illness, disability or infirmity that leads to a significant 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. Separate income analyses are included for working-age adults and their families or household members with some disability and receipt of disability benefits.

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. It should also be noted that for the classifications 'Asian or Asian British' and 'Black or Black British' it is not possible to distinguish between those who were born abroad and those who were born in the United Kingdom.

For the first time this year, 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.

Region and country

As with the 2005/06 publication, estimates are shown for Northern Ireland and the United Kingdom. Before 2005/06, coverage was up to the level of Great Britain only. 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.

Savings and assets

The data relating to assets and savings should be treated with some caution. Questions relating to assets 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 assets and therefore around one in seven cases are imputed. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.

The way levels of savings are classified on the Family Resources Survey have changed. This means fewer households are shown to have no savings and more with small levels of savings. This means figures in this publication are not directly comparable with figures in the previous publication.

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. For the first time this year, new 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.

Trends over time for headline figures

All time trends are based on thresholds of median income. Like the 2005/06 publication, results in this chapter 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 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 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 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children (millions)
Economic status and family type						
Lone parent:	42	33	16	7	2	3.2
In full-time work	9	30	32	21	8	0.6
In part-time work	24	44	23	7	1	0.9
Not working	65	28	5	2	0	1.6
Couple with children:	20	21	22	20	17	9.7
Self-employed	26	20	19	17	19	1.6
Both in full-time work	3	9	28	33	28	1.6
One in full-time work, one in part-time work	4	19	31	27	19	2.9
One in full-time work, one not working	24	31	20	13	12	2.3
One or more in part-time work	49	31	9	5	6	0.7
Both not in work	71	21	6	2	0	0.6
Economic status of household¹						
All adults in work	9	21	27	24	18	7.2
At least one in work, but not all	33	30	16	11	10	3.6
Workless households	69	24	5	1	0	2.0
Number of children in family						
One child	20	21	21	22	16	3.4
Two children	20	23	23	19	15	5.7
Three or more children	37	30	16	9	7	3.7
Disability and receipt of disability benefits²						
No disabled adult, no disabled child	23	23	21	18	15	9.9
No disabled adult, 1 or more disabled child	28	30	23	11	9	0.8
In receipt of disability benefits	13	42	34	8	2	0.2
Not in receipt of disability benefits	33	26	19	12	11	0.6
1 or more disabled adult, no disabled child	36	27	16	13	8	1.6
In receipt of disability benefits	26	41	21	8	4	0.4
Not in receipt of disability benefits	39	23	15	15	9	1.3
1 or more disabled adult, 1 or more disabled child	32	31	21	12	4	0.5
In receipt of disability benefits	17	41	25	12	4	0.2
Not in receipt of disability benefits	42	25	19	12	3	0.3
Ethnic group (3-year average)						
White	23	24	21	18	14	11.2
Mixed	28	31	20	12	9	0.1
Asian or Asian British	46	26	13	9	8	0.9
Indian	29	23	19	12	17	0.3
Pakistani and Bangladeshi	58	28	7	4	2	0.5
Black or Black British	37	24	19	12	9	0.5
Black Caribbean	32	23	22	15	9	0.2
Black Non-Caribbean	41	24	16	10	9	0.3
Chinese or other ethnic group	36	22	16	13	13	0.2
All children³	25	24	21	17	13	12.8

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; War Disablement Pension; 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 2006/07 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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children (millions)
Economic status and family type						
Lone parent:	47	30	15	7	2	3.2
In full-time work	12	30	30	19	8	0.6
In part-time work	27	41	22	8	1	0.9
Not working	71	23	4	1	0	1.6
Couple with children:	21	23	22	18	16	9.7
Self-employed	27	23	18	14	19	1.6
Both in full-time work	4	11	28	32	26	1.6
One in full-time work, one in part-time work	5	20	31	25	19	2.9
One in full-time work, one not working	25	34	19	11	11	2.3
One or more in part-time work	50	31	7	7	5	0.7
Both not in work	73	20	5	2	0	0.6
Economic status of household¹						
All adults in work	11	22	27	23	18	7.2
At least one in work, but not all	34	32	16	9	9	3.6
Workless households	76	20	3	1	0	2.0
Number of children in family						
One child	25	19	21	20	15	3.4
Two children	23	23	22	17	15	5.7
Three or more children	37	32	16	8	7	3.7
Disability and receipt of disability benefits²						
No disabled adult, no disabled child	25	23	21	17	14	9.9
No disabled adult, 1 or more disabled child	28	33	20	11	8	0.8
In receipt of disability benefits	13	46	30	9	2	0.2
Not in receipt of disability benefits	34	28	17	12	9	0.6
1 or more disabled adult, no disabled child	36	30	16	11	7	1.6
In receipt of disability benefits	27	46	19	5	4	0.4
Not in receipt of disability benefits	39	25	16	12	8	1.3
1 or more disabled adult, 1 or more disabled child	33	33	20	11	4	0.5
In receipt of disability benefits	15	45	25	12	3	0.2
Not in receipt of disability benefits	44	25	16	10	5	0.3
Ethnic group (3-year average)						
White	25	24	21	17	13	11.2
Mixed	36	28	20	7	10	0.1
Asian or Asian British	47	26	12	7	8	0.9
Indian	30	24	20	10	16	0.3
Pakistani and Bangladeshi	60	28	7	3	3	0.5
Black or Black British	46	21	16	8	8	0.5
Black Caribbean	38	21	22	9	10	0.2
Black Non-Caribbean	53	20	12	8	8	0.3
Chinese or other ethnic group	45	17	17	10	11	0.2
All children³	27	25	20	16	12	12.8

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; War Disablement Pension; 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 2006/07 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					All children (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
State support received by family¹						
Disability Living Allowance	19	42	27	9	3	0.8
Jobseeker's Allowance	78	19	1	2	0	0.2
Incapacity Benefit	42	33	17	6	2	0.3
Child Tax Credit	27	30	24	15	4	7.5
Working Tax Credit	30	38	22	8	2	2.4
Income Support	62	30	6	2	0	1.7
Housing Benefit	58	32	8	2	0	2.2
Not in receipt of any benefit/tax credit listed above	13	14	18	23	32	4.2
Age of youngest child in family						
0 - 4	29	25	19	15	12	5.3
5 - 10	25	25	21	16	14	4.1
11 - 15	20	23	24	20	13	2.8
16 - 19	14	22	22	23	18	0.6
Tenure						
Owners	15	20	24	22	18	8.7
Owned outright	27	20	20	14	18	1.3
Buying with mortgage	13	20	25	23	18	7.4
Social rented sector tenants	53	32	11	4	0	2.8
Rented from council	56	29	11	3	0	1.5
Rented from a housing association	48	34	12	5	1	1.3
All rented privately	31	33	18	11	6	1.4
Rented privately unfurnished	30	33	19	11	6	1.2
Rented privately furnished	37	35	13	6	8	0.2
Savings and assets						
No savings	38	32	18	9	3	4.6
Less than £1,500	28	26	24	15	7	3.6
£1,500 but less than £3,000	11	23	29	21	17	0.8
£3,000 but less than £8,000	12	20	23	28	18	1.4
£8,000 but less than £10,000	6	9	26	37	22	0.3
£10,000 but less than £16,000	11	12	26	27	25	0.6
£16,000 but less than £20,000	9	9	20	30	32	0.2
£20,000 or more	8	10	13	22	47	1.3
Household bills in arrears²						
No bills in arrears	21	23	22	19	15	10.6
One bill in arrears	43	34	13	7	2	1.1
Two bills in arrears	49	28	18	4	1	0.6
Three bills in arrears	53	27	13	3	4	0.3
Four or more bills in arrears	50	31	12	6	1	0.2
Region/Country (3-year average)						
England	25	24	21	17	14	10.8
North East	32	25	21	16	7	0.5
North West	28	27	20	15	9	1.5
Yorkshire and the Humber	28	27	23	14	8	1.1
East Midlands	27	25	21	18	10	0.9
West Midlands	31	28	19	13	9	1.2
East of England	18	23	23	19	17	1.2
London	28	20	17	14	20	1.6
Inner	34	22	14	11	19	0.6
Outer	25	19	19	16	21	1.0
South East	18	21	19	21	21	1.7
South West	21	24	25	19	11	1.0
Scotland	24	23	22	19	12	1.0
Wales	29	26	20	16	9	0.6
Northern Ireland	27	28	22	15	9	0.4
All children³	25	24	21	17	13	12.8

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 2006/07 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					All children (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
State support received by family¹						
Disability Living Allowance	20	46	24	8	3	0.8
Jobseeker's Allowance	83	14	2	1	0	0.2
Incapacity Benefit	45	32	15	5	3	0.3
Child Tax Credit	28	30	23	14	4	7.5
Working Tax Credit	30	40	21	8	1	2.4
Income Support	69	26	5	1	0	1.7
Housing Benefit	69	25	5	1	0	2.2
Not in receipt of any benefit/tax credit listed above	15	15	18	21	30	4.2
Age of youngest child in family						
0 - 4	32	25	18	14	12	5.3
5 - 10	26	25	20	15	14	4.1
11 - 15	23	24	23	18	12	2.8
16 - 19	16	21	25	23	15	0.6
Tenure						
Owners	15	23	24	21	17	8.7
Owned outright	19	20	23	18	21	1.3
Buying with mortgage	14	24	24	21	17	7.4
Social rented sector tenants	54	32	11	3	1	2.8
Rented from council	54	32	10	3	0	1.5
Rented from a housing association	54	31	11	4	1	1.3
All rented privately	53	20	14	7	6	1.4
Rented privately unfurnished	51	21	16	6	6	1.2
Rented privately furnished	64	17	5	10	4	0.2
Savings and assets						
No savings	42	30	17	8	3	4.6
Less than £1,500	30	28	22	14	6	3.6
£1,500 but less than £3,000	13	22	28	22	14	0.8
£3,000 but less than £8,000	11	22	24	26	16	1.4
£8,000 but less than £10,000	7	11	28	32	22	0.3
£10,000 but less than £16,000	11	13	27	26	23	0.6
£16,000 but less than £20,000	10	11	21	29	30	0.2
£20,000 or more	9	11	13	20	47	1.3
Household bills in arrears²						
No bills in arrears	22	24	22	18	15	10.6
One bill in arrears	49	32	11	6	2	1.1
Two bills in arrears	55	26	14	3	1	0.6
Three bills in arrears	66	21	6	3	4	0.3
Four or more bills in arrears	61	26	11	1	0	0.2
Region/Country (3-year average)						
England	28	24	20	16	13	10.8
North East	30	25	21	16	7	0.5
North West	29	26	22	15	9	1.5
Yorkshire and the Humber	28	28	22	14	8	1.1
East Midlands	27	26	21	18	9	0.9
West Midlands	30	29	19	13	8	1.2
East of England	23	22	23	18	15	1.2
London	38	17	14	11	19	1.6
Inner	45	17	10	10	18	0.6
Outer	35	17	17	12	19	1.0
South East	23	21	18	19	18	1.7
South West	24	26	22	18	10	1.0
Scotland	23	23	23	19	12	1.0
Wales	27	27	22	15	9	0.6
Northern Ireland	23	29	23	16	9	0.4
All children³	27	25	20	16	12	12.8

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 2006/07 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 2006/07							All children
	Low income and Material Deprivation ¹	Before Housing Costs			After Housing Costs			
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
Economic status and family type								
Lone parent:	57	34	40	41	41	42	40	25
In full-time work	2	1	2	2	2	2	3	5
In part-time work	9	5	6	9	6	8	9	7
Not working	46	28	32	29	33	32	28	13
Couple with children:	43	66	60	59	59	58	60	75
Self-employed	3	18	13	12	13	12	12	12
Both in full-time work	0	1	1	2	1	2	2	13
One in full-time work, one in part-time work	2	3	3	5	4	5	6	22
One in full-time work, one not working	12	14	16	20	15	18	20	18
One or more in part-time work	8	12	11	10	11	9	9	5
Both not in work	18	19	15	12	16	13	11	5
Economic status of household²								
All adults in work	14	20	20	25	21	24	28	56
At least one in work, but not all	26	38	37	38	35	36	37	28
Workless households	60	42	43	38	44	41	35	15
Number of children in family								
One child	21	22	21	20	26	23	22	26
Two children	35	34	36	37	36	37	38	45
Three or more children	44	44	43	42	39	40	40	29
Disability and receipt of disability benefits³								
No disabled adult, no disabled child	63	69	69	70	71	72	71	77
No disabled adult, 1 or more disabled child	9	7	7	7	7	7	7	7
In receipt of disability benefits	2	1	1	1	1	1	2	2
Not in receipt of disability benefits	7	6	7	6	6	6	6	5
1 or more disabled adult, no disabled child	22	19	19	17	18	17	17	13
In receipt of disability benefits	4	4	3	3	3	3	3	3
Not in receipt of disability benefits	18	16	16	14	15	14	13	10
1 or more disabled adult, 1 or more disabled child	7	5	5	5	5	4	5	4
In receipt of disability benefits	2	1	1	1	1	1	1	1
Not in receipt of disability benefits	5	4	4	4	4	4	3	2
Ethnic group (3-year average)								
White	78	74	78	80	77	79	80	87
Mixed	1	1	1	1	1	1	1	1
Asian or Asian British	12	17	13	12	13	11	11	7
Indian	2	3	3	3	3	3	3	2
Pakistani and Bangladeshi	9	11	9	8	9	8	7	4
Black or Black British	7	5	5	5	6	6	5	4
Black Caribbean	2	2	2	2	2	2	2	1
Black Non-Caribbean	5	4	3	3	4	4	3	2
Chinese or other ethnic group	2	3	2	2	3	2	2	2
All children (millions=100%)⁴	2.0	1.5	2.9	4.3	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; War Disablement Pension; 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 2006/07 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 2006/07						
	Low Income and Material Deprivation ¹	Before Housing Costs			After Housing Costs			All children
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
State support received by family²								
Disability Living Allowance	7	5	5	6	4	5	6	6
Jobseeker's Allowance	6	5	5	4	6	4	4	2
Incapacity Benefit	6	5	5	5	5	4	4	3
Child Tax Credit	63	56	61	65	58	61	64	58
Working Tax Credit	21	20	21	25	20	22	25	19
Income Support	48	23	32	30	31	32	29	13
Housing Benefit	60	29	39	38	42	42	37	17
Not in receipt of any state support listed above	7	25	18	16	20	18	17	33
Age of youngest child in family								
0 - 4	50	45	47	48	48	48	47	41
5 - 10	31	31	32	31	30	31	31	32
11 - 15	17	20	18	18	19	18	19	22
16 - 19	2	3	3	3	3	3	3	5
Tenure								
Owners	21	49	41	43	38	37	42	68
Owned outright	4	14	11	10	7	7	7	10
Buying with mortgage	17	35	30	33	31	30	35	58
Social rented sector tenants	62	37	45	43	40	43	40	21
Rented from council	35	23	27	24	21	23	22	12
Rented from a housing association	27	14	19	19	19	19	18	10
All rented privately	17	13	13	14	22	20	18	11
Rented privately unfurnished	13	11	11	12	18	16	15	9
Rented privately furnished	4	3	2	3	4	4	3	2
Savings and assets								
No savings	68	54	55	54	56	55	54	36
Less than £1,500	30	31	31	31	31	31	31	28
£1,500 but less than £3,000	1	3	3	3	2	3	4	6
£3,000 but less than £8,000	1	4	5	5	4	5	6	11
£8,000 but less than £10,000	0	1	1	1	1	1	1	3
£10,000 but less than £16,000	0	3	2	2	2	2	2	4
£16,000 but less than £20,000	0	1	1	1	1	1	1	2
£20,000 or more	0	4	3	3	3	3	3	10
Household bills in arrears³								
No bills in arrears	51	70	68	69	65	67	69	83
One bill in arrears	21	12	14	14	15	15	15	8
Two bills in arrears	15	10	10	9	11	9	9	5
Three bills in arrears	8	5	5	4	6	5	4	2
Four or more bills in arrears	5	3	3	3	3	3	3	1
Region/Country (3-year average)								
England	84	84	83	84	86	86	85	84
North East	5	4	5	5	4	5	4	4
North West	13	13	13	13	12	12	12	12
Yorkshire and the Humber	9	9	10	10	8	9	9	9
East Midlands	8	7	8	7	7	7	7	7
West Midlands	11	12	11	11	10	10	11	9
East of England	6	6	6	7	7	8	8	9
London	17	16	14	14	19	17	15	12
Inner	8	6	6	6	8	7	6	4
Outer	9	9	8	8	11	10	9	8
South East	9	10	9	10	12	11	12	14
South West	6	6	6	7	7	7	7	8
Scotland	7	7	8	7	6	7	7	8
Wales	5	5	6	5	5	5	5	5
Northern Ireland	3	4	4	4	3	3	3	3
All children (millions=100%)⁴	2.0	1.5	2.9	4.3	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 2006/07 only and are not three-year averages.
5. Percentages may not sum to 100 per cent due to rounding.

4 Children

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

Percentage of children	Source: FRS 2006/07							All children (millions)
	Low Income and Material Deprivation ¹	Before Housing Costs			After Housing Costs			
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
Economic status and family type								
Lone parent:	36	16	37	55	33	52	63	3.2
In full-time work	5	3	7	17	9	16	26	0.6
In part-time work	19	8	19	40	17	33	47	0.9
Not working	58	26	58	78	52	77	87	1.6
Couple with children:	9	10	18	26	16	23	31	9.7
Self-employed	4	17	23	32	22	30	37	1.6
Both in full-time work	0	1	2	4	2	4	6	1.6
One in full-time work, one in part-time work	1	2	3	7	3	6	11	2.9
One in full-time work, one not working	10	9	20	36	17	30	43	2.3
One or more in part-time work	25	28	47	63	42	54	70	0.7
Both not in work	56	44	68	81	62	77	84	0.6
Economic status of household²								
All adults in work	4	4	8	15	7	13	19	7.2
At least one in work, but not all	14	16	29	45	25	39	51	3.6
Workless households	61	32	63	82	58	81	89	2.0
Number of children in family								
One child	13	10	18	26	20	27	33	3.4
Two children	12	9	18	28	16	25	33	5.7
Three or more children	24	18	33	49	27	42	54	3.7
Disability and receipt of disability benefits³								
No disabled adult, no disabled child	13	11	20	30	18	28	36	9.9
No disabled adult, 1 or more disabled child	21	13	25	38	21	32	44	0.8
In receipt of disability benefits	17	4	12	29	8	19	36	0.2
Not in receipt of disability benefits	22	16	30	41	26	37	47	0.6
1 or more disabled adult, no disabled child	27	18	33	46	29	41	51	1.6
In receipt of disability benefits	22	15	23	40	20	29	47	0.4
Not in receipt of disability benefits	28	19	35	48	31	44	52	1.3
1 or more disabled adult, 1 or more disabled child	28	15	31	44	24	36	50	0.5
In receipt of disability benefits	16	6	16	31	8	19	36	0.2
Not in receipt of disability benefits	35	21	40	52	35	48	60	0.3
Ethnic group (3-year average)								
White	15	10	20	31	17	27	35	11.2
Mixed	23	11	25	39	25	41	52	0.1
Asian or Asian British	28	28	42	57	37	50	62	0.9
Indian	13	16	27	37	22	32	42	0.3
Pakistani and Bangladeshi	39	36	55	74	47	63	76	0.5
Black or Black British	32	17	31	45	34	48	56	0.5
Black Caribbean	24	13	26	38	28	38	46	0.2
Black Non-Caribbean	38	20	36	50	39	56	64	0.3
Chinese or other ethnic group	22	20	33	42	36	46	53	0.2
All children⁴	16	12	22	33	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. 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; War Disablement Pension; 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 2006/07 only and are not three-year averages.

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

Percentage of children	Source: FRS 2006/07							All children (millions)
	Low Income and Material Deprivation ¹	Before Housing Costs			After Housing Costs			
		Income Thresholds - Below Median						
		50%	60%	70%	50%	60%	70%	
State support received by family²								
Disability Living Allowance	18	9	17	34	14	24	41	0.8
Jobseeker's Allowance	63	40	75	91	71	85	94	0.2
Incapacity Benefit	33	23	39	56	36	48	64	0.3
Child Tax Credit	17	11	23	37	20	32	43	7.5
Working Tax Credit	17	12	25	44	21	36	51	2.4
Income Support	58	21	55	76	48	76	86	1.7
Housing Benefit	55	20	51	74	50	75	85	2.2
Not in receipt of any benefit/tax credit listed above	3	9	12	16	12	17	20	4.2
Age of youngest child in family								
0 - 4	19	13	26	39	23	36	45	5.3
5 - 10	15	11	22	32	18	29	37	4.1
11 - 15	12	11	19	28	18	26	34	2.8
16 - 19	8	8	13	20	13	17	25	0.6
Tenure								
Owners	5	9	14	21	11	17	24	8.7
Owned outright	6	17	25	32	15	22	28	1.3
Buying with mortgage	5	7	12	19	11	16	24	7.4
Social rented sector tenants	45	21	47	66	38	61	73	2.8
Rented from council	47	23	51	68	37	61	74	1.5
Rented from a housing association	43	17	43	65	39	60	71	1.3
All rented privately	25	15	27	45	42	56	64	1.4
Rented privately unfurnished	23	14	27	43	40	54	62	1.2
Rented privately furnished	35	20	31	59	52	69	76	0.2
Savings and assets								
No savings	30	18	34	50	31	47	58	4.6
Less than £1,500	17	13	25	37	22	34	43	3.6
£1,500 but less than £3,000	3	5	10	17	7	15	22	0.8
£3,000 but less than £8,000	1	4	10	16	7	13	19	1.4
£8,000 but less than £10,000	1	4	5	9	5	7	10	0.3
£10,000 but less than £16,000	1	7	10	14	10	13	17	0.6
£16,000 but less than £20,000	0	6	9	12	8	11	14	0.2
£20,000 or more	0	5	7	11	7	9	13	1.3
Household bills in arrears³								
No bills in arrears	10	10	18	28	16	25	33	10.6
One bill in arrears	39	17	38	57	36	54	67	1.1
Two bills in arrears	49	25	44	64	46	60	73	0.6
Three bills in arrears	58	25	49	67	52	73	79	0.3
Four or more bills in arrears	53	22	45	59	41	64	74	0.2
Region/Country (3-year average)								
England	16	11	22	33	20	30	39	10.8
North East	20	12	28	38	19	33	41	0.5
North West	19	13	25	38	20	31	41	1.5
Yorkshire and the Humber	17	12	25	37	18	29	40	1.1
East Midlands	17	11	24	34	18	29	39	0.9
West Midlands	20	14	26	41	21	33	44	1.2
East of England	11	8	15	26	16	25	33	1.2
London	22	14	25	37	29	41	47	1.6
Inner	29	16	31	44	35	48	55	0.6
Outer	19	13	22	32	26	37	43	1.0
South East	11	8	15	24	17	25	33	1.7
South West	13	9	17	28	17	26	33	1.0
Scotland	15	11	21	31	15	25	32	1.0
Wales	18	12	25	37	20	29	39	0.6
Northern Ireland	15	12	24	36	14	26	36	0.4
All children⁴	16	12	22	33	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 2006/07 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 ¹		Net equivalised disposable household income					All children
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
Outdoor space / facilities to play safely	Have this	76	80	88	92	96	85
	Don't have this	24	20	12	8	4	15
Enough bedrooms for every child 10 years or over and of a different gender	Child/ren has/have this	71	79	90	95	95	83
	Want but can't afford this	29	18	9	4	3	15
	Don't want or need; doesn't apply	0	3	1	1	3	2
Celebrations on special occasions	Child/ren has/have this	90	94	96	99	99	95
	Want but can't afford this	8	5	3	0	0	4
	Don't want or need; doesn't apply	2	1	2	1	1	1
Leisure equipment such as sports equipment or a bicycle	Child/ren has/have this	79	86	92	93	95	88
	Want but can't afford this	14	8	3	1	0	6
	Don't want or need; doesn't apply	6	6	5	6	4	5
At least one week's holiday away from home with family	Child/ren has/have this	40	52	72	84	94	64
	Want but can't afford this	55	43	24	13	4	32
	Don't want or need; doesn't apply	6	5	4	3	2	4
Hobby or leisure activity	Child/ren does/do this	67	73	83	85	86	77
	Would like to but can't afford this	14	8	2	1	1	6
	Don't want or need; doesn't apply	19	19	15	14	13	16
Swimming at least once a month	Child/ren does/do this	47	57	62	65	73	59
	Would like to but can't afford this	21	13	6	1	1	10
	Don't want or need; doesn't apply	32	30	32	33	27	31
Have friends round for tea or a snack once a fortnight	Child/ren does/do this	63	68	74	78	81	71
	Would like to but can't afford this	15	9	4	1	0	7
	Don't want or need; doesn't apply	22	23	22	21	19	22
Go on school trip at least once a term	Child/ren does/do this	82	87	92	95	96	89
	Would like to but can't afford this	12	7	4	1	0	6
	Don't want or need; doesn't apply	6	6	5	4	4	5
Go to a playgroup at least once a week	Child/ren does/do this	51	62	73	77	86	66
	Would like to but can't afford this	12	7	3	0	0	6
	Don't want or need; doesn't apply	37	31	23	23	14	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 ¹		Net equivalised disposable household income					Source: FRS 2006/07
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
Outdoor space / facilities to play safely	Have this	75	83	88	92	96	85
	Don't have this	25	17	12	8	4	15
Enough bedrooms for every child 10 years or over and of a different gender	Child/ren has/have this	72	80	90	98	94	83
	Want but can't afford this	28	17	9	2	3	15
	Don't want or need; doesn't apply	0	3	2	0	3	2
Celebrations on special occasions	Child/ren has/have this	89	95	97	99	99	95
	Want but can't afford this	9	4	2	1	0	4
	Don't want or need; doesn't apply	2	1	1	1	1	1
Leisure equipment such as sports equipment or a bicycle	Child/ren has/have this	78	88	93	94	96	88
	Want but can't afford this	15	7	2	1	0	6
	Don't want or need; doesn't apply	7	5	5	5	4	5
At least one week's holiday away from home with family	Child/ren has/have this	39	54	75	86	94	64
	Want but can't afford this	55	41	22	11	4	32
	Don't want or need; doesn't apply	6	5	4	3	2	4
Hobby or leisure activity	Child/ren does/do this	65	76	84	85	87	77
	Would like to but can't afford this	14	6	2	1	1	6
	Don't want or need; doesn't apply	21	17	13	15	13	16
Swimming at least once a month	Child/ren does/do this	46	58	63	66	74	59
	Would like to but can't afford this	21	12	5	1	1	10
	Don't want or need; doesn't apply	33	30	32	33	25	31
Have friends round for tea or a snack once a fortnight	Child/ren does/do this	62	70	74	79	82	71
	Would like to but can't afford this	15	8	3	1	0	7
	Don't want or need; doesn't apply	23	23	23	20	18	22
Go on school trip at least once a term	Child/ren does/do this	80	89	91	96	96	89
	Would like to but can't afford this	14	6	3	1	0	6
	Don't want or need; doesn't apply	6	5	6	3	4	5
Go to a playgroup at least once a week	Child/ren does/do this	51	64	74	77	86	66
	Would like to but can't afford this	11	7	3	1	0	6
	Don't want or need; doesn't apply	38	29	24	22	14	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 ¹		Net equivalised disposable household income					All children
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
Money to decorate home	Have this	59	74	83	90	96	77
	Would like this but cannot afford it	36	22	13	7	2	18
	Don't want or need; doesn't apply	6	4	4	3	2	4
Hobby or leisure activity	Adult/s has/have this	43	49	61	72	82	58
	Would like this but cannot afford it	30	24	13	6	3	17
	Don't want or need; doesn't apply	27	27	26	21	15	24
Holiday away from home one week a year not with relatives	Adult/s does/do this	31	43	65	77	90	57
	Would like this but cannot afford it	63	51	30	18	7	38
	Don't want or need; doesn't apply	6	5	4	5	3	5
Home contents insurance	Adult/s has/have this	47	68	85	93	97	74
	Would like this but cannot afford it	41	22	9	3	1	18
	Don't want or need; doesn't apply	12	10	6	4	2	8
Friends round for drink / meal at least once a month	Adult/s has/have this	50	55	66	75	84	63
	Would like this but cannot afford it	28	19	11	5	1	15
	Don't want or need; doesn't apply	22	25	24	21	14	22
Make savings of 10 pounds a month or more	Adult/s does/do this	30	43	62	78	87	55
	Would like to but cannot afford it	65	52	33	17	9	40
	Don't want or need; doesn't apply	5	5	5	6	4	5
Two pairs of all weather shoes for each adult	Adult/s has/have this	79	86	94	97	98	89
	Would like this but cannot afford it	18	13	5	1	1	9
	Don't want or need; doesn't apply	3	2	1	1	1	2
Replace worn out furniture	Adult/s does/do this	37	50	65	77	87	59
	Would like to but cannot afford it	50	38	24	13	6	30
	Don't want or need; doesn't apply	13	12	11	9	7	11
Replace broken electrical goods	Adult/s does/do this	50	63	77	87	94	71
	Would like to but cannot afford it	40	28	15	7	3	22
	Don't want or need; doesn't apply	10	9	9	6	3	8
Money to spend on self each week	Adult/s has/have this	40	54	71	86	93	65
	Would like this but cannot afford it	56	43	26	12	5	32
	Don't want or need; doesn't apply	4	3	3	2	2	3
Keep house warm	Adult/s has/have this	82	90	95	97	99	91
	Want but can't afford this	17	10	4	2	1	8
	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 ¹		Net equivalised disposable household income					Source: FRS 2006/07
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All children
	Have this	58	76	84	91	97	77
Money to decorate home	Would like this but cannot afford it	35	21	13	6	2	18
	Don't want or need; doesn't apply	7	3	3	3	1	4
	Adult/s has/have this	43	50	62	74	82	58
Hobby or leisure activity	Would like this but cannot afford it	31	22	12	5	3	17
	Don't want or need; doesn't apply	26	28	25	21	15	24
	Adult/s does/do this	30	46	67	79	92	57
Holiday away from home one week a year not with relatives	Would like this but cannot afford it	64	48	29	16	6	38
	Don't want or need; doesn't apply	6	6	4	5	3	5
	Adult/s has/have this	45	71	88	94	97	74
Home contents insurance	Would like this but cannot afford it	42	20	7	3	0	18
	Don't want or need; doesn't apply	13	9	6	4	2	8
	Adult/s has/have this	51	56	67	74	84	63
Friends round for drink / meal at least once a month	Would like this but cannot afford it	29	18	9	5	1	15
	Don't want or need; doesn't apply	21	26	24	21	14	22
	Adult/s does/do this	29	45	64	79	88	55
Make savings of 10 pounds a month or more	Would like to but cannot afford it	66	50	29	16	8	40
	Don't want or need; doesn't apply	5	5	6	5	4	5
	Adult/s has/have this	78	87	95	97	98	89
Two pairs of all weather shoes for each adult	Would like this but cannot afford it	19	11	4	1	1	9
	Don't want or need; doesn't apply	3	1	1	1	1	2
	Adult/s does/do this	35	53	68	77	88	59
Replace worn out furniture	Would like to but cannot afford it	51	35	21	13	5	30
	Don't want or need; doesn't apply	14	12	10	9	6	11
	Adult/s does/do this	47	66	79	89	94	71
Replace broken electrical goods	Would like to but cannot afford it	42	26	13	6	3	22
	Don't want or need; doesn't apply	11	8	8	5	3	8
	Adult/s has/have this	40	56	74	87	94	65
Money to spend on self each week	Would like this but cannot afford it	56	41	23	11	4	32
	Don't want or need; doesn't apply	4	3	3	2	2	3
	Adult/s has/have this	82	91	96	98	99	91
Keep house warm	Want but can't afford this	17	8	3	2	1	8
	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.

4 Children

Table 4.1tr: Percentage of children falling below various thresholds of contemporary median income, United Kingdom^{1,2}

Percentage of children		Source: FES/FRS					
		Before Housing Costs Below median			After Housing Costs Below median		
		50%	60%	70%	50%	60%	70%
FES (UK)	1979	6	13	23	7	15	26
	1981	8	18	28	12	22	32
	1987	10	23	32	17	27	37
	1988/89	14	24	32	20	28	37
	1990/91	18	27	35	24	32	40
	1991/92	17	28	36	24	33	41
	1992/93	17	29	37	25	34	42
	1993/95	16	27	36	24	34	40
	1994/96	15	27	36	25	34	40
	1995/97	15	29	38	27	36	43
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
Change	1998/99-2006/07 ^{2,3}	-2	-4	-3	-4	-3	-2
	2005/06-2006/07 ^{2,3}	1	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 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.

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

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
Change	1998/99-2006/07 ^{2,3}	-6	-13	-14	-12	-15	-14
	2005/06-2006/07 ^{2,3}	1	0	0	1	1	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 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^{1,2}

Number of children (millions)		Source: FES/FRS						All children
		Before Housing Costs			After Housing Costs			
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK)	1979	0.8	1.7	3.1	1.0	2.1	3.6	13.8
	1981	1.1	2.5	3.8	1.6	2.9	4.3	13.6
	1987	1.2	2.8	4.0	2.1	3.4	4.6	12.4
	1988/89	1.8	3.0	4.0	2.5	3.5	4.6	12.5
	1990/91	2.2	3.4	4.4	3.0	4.0	5.1	12.5
	1991/92	2.2	3.5	4.6	3.1	4.2	5.2	12.7
	1992/93	2.2	3.7	4.8	3.3	4.4	5.4	13.0
	1993/95	2.1	3.6	4.7	3.2	4.4	5.3	13.2
	1994/96	1.9	3.5	4.7	3.3	4.5	5.3	13.3
	1995/97	2.0	3.8	5.0	3.6	4.8	5.7	13.3
FRS (GB)	1994/95	1.5	3.2	4.5	2.7	4.1	5.1	12.6
	1995/96	1.4	3.0	4.5	2.7	4.2	5.2	12.7
	1996/97	1.8	3.4	4.6	3.2	4.3	5.3	12.7
	1997/98	1.8	3.4	4.7	3.1	4.2	5.2	12.7
FRS (UK)	1998/99	1.8	3.4	4.8	3.1	4.4	5.4	13.1
	1999/00	1.7	3.4	4.8	3.1	4.3	5.4	13.2
	2000/01	1.6	3.1	4.5	2.8	4.1	5.2	13.1
	2001/02	1.5	3.0	4.6	2.6	4.0	5.1	13.1
	2002/03	1.5	2.9	4.4	2.6	3.9	5.0	13.0
	2003/04	1.4	2.9	4.3	2.5	3.7	4.9	13.0
	2004/05	1.4	2.7	4.3	2.3	3.6	4.8	12.9
	2005/06	1.4	2.8	4.2	2.5	3.8	4.9	12.8
Change	1998/99-2006/07 ^{2,3}	-0.3	-0.6	-0.5	-0.5	-0.5	-0.4	-0.3
	2005/06-2006/07 ^{2,3}	0.1	0.1	0.1	0.1	0.1	0.1	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 numbers of children below low-income thresholds may not equal the difference between the total number of children below thresholds for any pair of years shown.

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

Number of children (millions)		Source: FES/FRS						All children
		Before Housing Costs			After Housing Costs			
		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
Change	1998/99-2006/07 ^{2,3}	-0.8	-1.7	-1.9	-1.6	-2.0	-1.9	-0.3
	2005/06-2006/07 ^{2,3}	0.1	0.1	0.0	0.1	0.1	0.0	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 numbers of children below low-income thresholds may not equal the difference between the total number of children below thresholds for any pair of years shown.

4 Children

Table 4.5tr: Percentage and number of children falling below thresholds of low income and material deprivation¹, United Kingdom²

		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
Change	2005/06-2006/07 ^{2,3}	-1	-0.1	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. 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.

3. 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.

Table 4.1ts: Population of dependent children by family type and economic status of the benefit unit, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of children whose family type is: (millions)										
Lone parent:	2.6	2.7	2.8	2.9	3.1	3.1	3.2	3.1	3.2	3.2
in full-time work	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.6	0.7	0.6
in part-time work	0.4	0.5	0.6	0.6	0.7	0.8	0.9	0.9	0.9	0.9
not working	1.7	1.8	1.7	1.8	1.8	1.7	1.7	1.6	1.7	1.6
Couple with children:	10.1	10.0	9.9	9.8	9.6	9.5	9.8	9.7	9.6	9.7
self-employed	1.8	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.5	1.6
both in full-time work	1.4	1.5	1.5	1.4	1.5	1.6	1.6	1.5	1.5	1.6
one in full-time work, one in part-time work	2.7	2.9	3.1	3.2	3.1	2.9	3.0	3.0	3.0	2.9
one in full-time work, one not working	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.3	2.2	2.3
one or more in part-time work	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.7
both not in work	1.2	1.2	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.6
All children (millions)	12.6	12.7	12.7	12.7	12.7	12.6	13.0	12.9	12.8	12.8
Percentage of children whose family type is:										
Lone parent:	21	21	22	23	24	25	25	24	25	25
in full-time work	3	3	4	4	5	5	5	5	5	5
in part-time work	3	4	5	5	5	6	7	7	7	7
not working	14	14	14	14	14	14	13	13	13	13
Couple with children:	79	79	78	77	76	75	75	76	75	75
self-employed	14	13	12	11	11	12	11	12	12	12
both in full-time work	11	12	12	11	12	13	13	12	12	13
one in full-time work, one in part-time work	21	23	24	25	24	23	23	24	23	22
one in full-time work, one not working	20	19	19	18	17	18	18	18	17	18
one or more in part-time work	3	4	4	4	4	4	4	4	5	5
both not in work	10	9	8	7	7	6	6	6	6	5
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.2ts: Population of dependent children by economic status of household¹, United Kingdom²

	Source: FRS									
	94/95 ³	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of children by economic status of household: (millions)										
All adults in work	..	6.6	7.0	7.1	7.1	7.2	7.5	7.3	7.3	7.2
At least one in work, but not all	..	3.4	3.3	3.2	3.2	3.2	3.3	3.4	3.4	3.6
Workless households	..	2.7	2.4	2.4	2.4	2.2	2.2	2.1	2.1	2.0
All children (millions)	12.6	12.7	12.7	12.7	12.7	12.6	13.0	12.9	12.8	12.8
Percentage of children by economic status of household:										
All adults in work	..	52	55	56	56	57	57	57	57	56
At least one in work, but not all	..	26	26	25	25	25	26	27	27	28
Workless households	..	21	19	19	19	18	17	16	16	15
All children (per cent)	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 is not available on a consistent basis for earlier years.
4. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
5. Percentages may not sum to 100 per cent due to rounding.

Table 4.3ts: Population of dependent children by region and country, United Kingdom¹

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

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.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
4. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.4ts: Population of dependent children by number of children in the family, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of children by number of children in the family: (millions)										
One child	2.9	3.0	2.9	2.9	2.9	2.9	3.1	3.3	3.3	3.4
Two children	5.7	5.7	5.6	5.6	5.6	5.7	5.9	5.7	5.7	5.7
Three or more children	4.1	4.1	4.2	4.1	4.2	4.0	4.1	3.9	3.8	3.7
All children (millions)	12.6	12.7	12.7	12.7	12.7	12.6	13.0	12.9	12.8	12.8
Percentage of children by number of children in the family:										
One child	23	23	23	23	23	23	24	25	26	26
Two children	45	44	44	44	44	45	45	45	45	45
Three or more children	32	32	33	33	33	32	31	30	30	29
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 4.5ts: Population of dependent children by tenure, United Kingdom¹

	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
	Source: FRS									
Number of children whose tenure type is: (millions)										
Owners	8.4	8.4	8.5	8.5	8.5	8.4	8.9	8.8	8.7	8.7
Owned outright	0.7	0.7	0.8	0.8	0.8	0.9	1.0	1.2	1.2	1.3
Buying with mortgage	7.7	7.7	7.7	7.7	7.6	7.6	7.9	7.6	7.5	7.4
Social rented sector tenants	3.2	3.4	3.3	3.2	3.2	3.1	3.0	2.9	2.8	2.8
Rented from council	2.7	2.7	2.5	2.4	2.4	2.1	2.0	1.6	1.6	1.5
Rented from a housing association	0.5	0.7	0.8	0.8	0.8	1.0	1.0	1.3	1.2	1.3
All rented privately	1.0	1.0	0.9	1.0	1.0	1.1	1.1	1.2	1.3	1.4
Rented privately unfurnished	0.6	0.5	0.6	0.6	0.7	0.7	0.7	1.0	1.1	1.2
Rented privately furnished	0.4	0.5	0.4	0.4	0.4	0.3	0.4	0.2	0.2	0.2
All children (millions)	12.6	12.7	12.7	12.7	12.7	12.6	13.0	12.9	12.8	12.8
Percentage of children whose tenure type is:										
Owners	66	66	67	67	66	67	69	68	68	68
Owned outright	5	6	6	6	7	7	8	9	10	10
Buying with mortgage	61	60	61	60	60	60	61	59	59	58
Social rented sector tenants	25	27	26	25	26	25	23	23	22	21
Rented from council	22	21	20	19	19	17	15	13	12	12
Rented from a housing association	4	5	6	6	6	8	8	10	10	10
All rented privately	8	8	7	8	8	9	8	9	10	11
Rented privately unfurnished	5	4	4	5	5	6	6	8	8	9
Rented privately furnished	4	4	3	3	3	3	3	1	2	2
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.6ts: Children - composition of those living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the benefit unit, United Kingdom¹

Percentage of children	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Lone parent:	35	39	40	40	43	43	43	43	40	40
in full-time work	1	1	1	1	2	2	2	2	2	2
in part-time work	3	4	5	6	5	6	6	6	5	6
not working	31	34	34	33	36	35	35	34	33	32
Couple with children:	65	61	60	60	57	57	57	57	60	60
self-employed	16	10	12	11	11	12	11	14	15	13
both in full-time work	0	0	1	0	0	0	1	1	1	1
one in full-time work, one in part-time work	2	3	4	4	3	4	3	4	5	3
one in full-time work, one not working	13	15	14	15	15	12	13	13	13	16
one or more in part-time work	6	8	8	9	10	10	10	9	9	11
both not in work	28	24	21	20	17	18	19	18	17	15
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Lone parent:	39	42	42	43	45	46	45	45	42	42
in full-time work	1	2	2	2	2	2	3	3	2	2
in part-time work	4	5	6	7	7	8	8	8	7	8
not working	34	36	35	34	37	36	34	34	33	32
Couple with children:	61	58	58	57	55	54	55	55	58	58
self-employed	14	10	11	10	10	11	10	12	13	12
both in full-time work	0	1	1	0	1	1	1	1	1	2
one in full-time work, one in part-time work	3	4	5	5	5	5	4	5	6	5
one in full-time work, one not working	14	15	15	16	15	13	15	14	15	18
one or more in part-time work	5	7	7	7	8	8	8	8	8	9
both not in work	25	21	19	18	16	16	16	16	15	13
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 4.7ts: Children - composition of living in households with less than 60 per cent of contemporary median household income, by economic status of household¹, United Kingdom²

Percentage of children	Source: FRS									
	94/95 ³	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
All adults in work	..	16	20	20	19	22	20	22	21	20
At least one in work, but not all	..	29	30	31	32	29	31	31	34	37
Workless households	..	55	50	49	50	49	49	47	45	43
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
All adults in work	..	18	22	23	22	24	23	24	24	24
At least one in work, but not all	..	28	29	30	30	27	30	30	33	36
Workless households	..	54	49	47	48	48	46	46	43	41
All children (per cent)	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 is not available on a consistent basis for earlier years.
4. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
5. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.8ts: Children - composition of those living in households with less than 60 per cent of contemporary median household income, by number of children in family, United Kingdom¹

Percentage of children	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
One child	15	16	15	15	17	19	20	20	22	21
Two children	36	34	37	34	36	36	37	38	38	36
Three or more children	49	50	49	50	47	45	44	41	41	43
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
One child	19	19	17	18	19	20	21	22	23	23
Two children	36	35	38	37	36	36	38	39	39	37
Three or more children	45	46	45	45	45	43	41	39	38	40
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 4.9ts: Children - composition of those 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 benefit unit, United Kingdom¹

Percentage of children	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Lone parent:	36	39	40	40	43	39	39	38	33	36
in full-time work	1	2	1	1	2	2	3	2	1	1
in part-time work	3	4	5	6	5	6	6	5	4	5
not working	32	33	34	33	36	31	31	31	28	29
Couple with children:	64	61	60	60	57	61	61	62	67	64
self-employed	15	11	12	11	11	15	13	16	19	16
both in full-time work	0	0	1	0	0	0	0	1	1	1
one in full-time work, one in part-time work	3	4	4	4	3	4	3	4	4	3
one in full-time work, one not working	15	16	15	15	14	10	10	10	11	13
one or more in part-time work	5	7	8	9	11	12	11	11	11	12
both not in work	26	23	20	20	18	21	23	20	21	18
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Lone parent:	38	41	42	43	46	47	47	43	40	40
in full-time work	2	2	2	2	2	2	3	2	2	2
in part-time work	4	5	6	7	6	7	7	7	6	6
not working	32	34	34	34	38	38	37	35	33	32
Couple with children:	62	59	58	57	54	53	53	57	60	60
self-employed	13	10	11	10	10	12	10	14	17	13
both in full-time work	0	1	1	0	1	0	1	1	1	1
one in full-time work, one in part-time work	4	5	5	5	4	4	3	4	5	4
one in full-time work, one not working	16	16	15	16	15	11	11	12	11	15
one or more in part-time work	5	7	7	7	9	9	9	8	9	11
both not in work	23	21	18	18	16	18	20	18	17	16
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.10ts: Children - composition of those living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of household¹, United Kingdom²

Percentage of children	Source: FRS									
	94/95 ³	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
All adults in work	..	17	20	20	18	24	20	22	20	20
At least one in work, but not all	..	30	30	31	31	30	32	34	37	38
Workless households	..	53	50	49	50	47	49	45	43	42
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
All adults in work	..	19	23	23	21	22	21	22	22	21
At least one in work, but not all	..	29	29	30	30	26	27	30	33	36
Workless households	..	52	48	47	49	52	52	48	45	43
All children (per cent)	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 is not available on a consistent basis for earlier years.
4. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
5. Percentages may not sum to 100 per cent due to rounding.

Table 4.11ts: Children - composition of those 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 Kingdom¹

Percentage of children	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
One child	16	16	15	15	17	20	21	21	22	22
Two children	36	34	37	34	35	37	36	38	40	35
Three or more children	47	50	48	50	48	43	42	41	38	44
All children (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
One child	18	19	17	18	19	22	24	26	26	26
Two children	37	35	38	37	36	39	38	38	38	35
Three or more children	45	46	44	45	45	39	39	37	35	39
All children (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

4 Children

Table 4.12ts: Children - risk of living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the benefit unit, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 4.13ts: Children - risk of living in households with less than 60 per cent of contemporary median household income, by economic status of household¹, United Kingdom²

Percentage of children	Source: FRS									
	94/95 ³	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
All adults in work	..	8	10	9	8	9	8	8	8	8
At least one in work, but not all	..	29	31	32	32	26	27	25	28	29
Workless households	..	69	71	68	69	64	65	60	60	63
All children (per cent)	25	27	27	26	26	23	23	21	22	22
After Housing Costs										
All adults in work	..	12	13	14	13	13	12	12	12	13
At least one in work, but not all	..	36	37	40	39	33	35	32	37	39
Workless households	..	86	86	85	85	84	82	78	78	81
All children (per cent)	33	34	33	34	33	31	30	28	30	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 is not available on a consistent basis for earlier years.
4. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

4 Children

Table 4.14ts: Children - risk of living in households with less than 60 per cent of contemporary median household income, by region and country, United Kingdom¹

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	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07
Before Housing Costs										
Region/Country										
England	25	25	26	26	24	22	22	22	22	22
North East	32	33	35	34	34	32	30	31	28	28
North West	29	30	33	32	30	26	26	24	24	25
Yorkshire and the Humber	31	30	32	32	30	27	26	25	25	25
East Midlands	26	25	25	24	26	26	24	23	23	24
West Midlands	27	29	28	28	27	26	26	25	26	26
East of England	19	19	20	19	17	15	15	15	16	15
London	25	26	27	27	27	25	26	27	26	25
South East	17	17	17	16	15	14	13	13	13	15
South West	21	21	23	24	22	19	18	18	17	17
Scotland	29	29	29	29	28	26	25	23	22	21
Wales	29	31	30	30	29	28	27	26	24	25
Northern Ireland	..	..	..	..	29	26	26	25	25	24
All children (per cent)²	25	26	27	26	25	23	23	22	22	22
After Housing Costs										
Region/Country										
England	33	33	34	33	33	30	30	29	29	30
North East	37	38	40	40	39	36	33	34	32	33
North West	36	36	39	38	37	33	32	30	31	31
Yorkshire and the Humber	35	35	36	36	35	32	32	31	30	29
East Midlands	31	30	30	30	30	29	28	28	27	29
West Midlands	33	34	34	33	34	34	32	31	32	33
East of England	29	27	28	27	26	23	23	23	24	25
London	41	42	42	42	41	39	38	40	41	41
South East	27	26	26	25	24	23	22	22	22	25
South West	31	31	32	31	30	28	28	26	26	26
Scotland	32	32	32	31	32	30	28	26	25	25
Wales	36	37	36	36	35	34	32	31	28	29
Northern Ireland	..	..	..	..	30	28	28	27	27	26
All children (per cent)²	33	33	34	33	33	30	30	29	29	30

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.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 4.15ts: Children - risk of living in households with less than 60 per cent of contemporary median household income, by number of children in family, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

4 Children

Table 4.16ts: Children - risk of 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 benefit unit, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 4.17ts: Children - risk of living in households with less than 60 per cent of 1998/99 median household income held constant in real terms, by economic status of household¹, United Kingdom²

Percentage of children	Source: FRS									
	94/95 ³	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
All adults in work	..	10	10	9	8	6	5	5	4	5
At least one in work, but not all	..	32	32	32	29	18	17	16	18	18
Workless households	..	72	73	68	63	40	41	35	33	36
All children (per cent)	30	29	28	26	23	15	14	13	13	13
After Housing Costs										
All adults in work	..	13	14	14	11	9	7	7	7	7
At least one in work, but not all	..	40	38	40	36	24	22	20	23	24
Workless households	..	88	87	85	83	68	63	52	50	54
All children (per cent)	37	36	34	34	31	23	21	18	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 is not available on a consistent basis for earlier years.
4. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

4 Children

Table 4.18ts: Children - risk of 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 Kingdom¹

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	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07
Before Housing Costs										
Region/Country										
England	29	28	27	25	22	16	14	13	13	13
North East	37	36	35	33	30	22	19	17	15	14
North West	34	33	34	31	27	18	17	15	15	14
Yorkshire and the Humber	34	33	32	31	28	19	16	15	14	15
East Midlands	30	28	26	24	24	19	15	14	13	13
West Midlands	31	32	30	28	25	20	17	16	16	16
East of England	23	21	21	19	16	10	10	9	10	9
London	30	30	28	27	24	18	16	16	17	16
South East	20	19	18	16	14	9	8	8	9	10
South West	26	25	25	23	19	13	12	11	10	10
Scotland	33	33	31	28	25	18	16	15	13	12
Wales	35	34	31	30	27	18	14	14	13	14
Northern Ireland	..	..	..	..	27	19	17	16	15	14
All children (per cent)²	29	29	28	26	23	16	14	14	13	13
After Housing Costs										
Region/Country										
England	37	36	35	33	31	24	21	20	19	19
North East	42	41	41	40	37	28	24	22	18	18
North West	40	39	40	37	34	25	22	20	20	20
Yorkshire and the Humber	38	37	37	36	33	24	21	19	17	17
East Midlands	36	33	31	29	28	23	20	19	18	18
West Midlands	36	37	35	33	32	26	23	20	20	20
East of England	32	29	29	27	24	18	16	15	15	15
London	44	44	43	42	39	33	31	30	30	29
South East	30	28	27	25	23	17	16	15	15	16
South West	35	34	33	31	28	21	19	16	15	16
Scotland	36	35	33	31	29	21	19	17	16	15
Wales	41	40	37	35	34	26	22	20	19	19
Northern Ireland	..	..	..	..	26	21	19	17	15	13
All children (per cent)²	37	36	35	33	31	24	21	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.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 4.19ts: Children - risk of 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 Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Working-age adults

- **Contemporary trends** Over the period 1994/95 to 2006/07 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 2005/06 and 2006/07 the number of working-age adults below 60 per cent contemporary median income remained the same on a Before Housing Costs basis but rose on an After Housing Costs basis.
- **Real trends** There were marked falls over the period in the percentage and number of working-age adults below various low-income thresholds that were fixed in real-terms, although there has been less change since 2001/02.
- **Quintile distributions** In 2006/07, 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.
- **Economic status** Working-age adults in workless households or families were much more likely to experience low-income than those in households or families with one or more adults in full-time work.
- **Disability status** Working-age adults living in families with at least one disabled adult or child were more likely to live in low-income households. Working-age adults who were disabled or had a disabled partner accounted for around three in ten of those in households with incomes below 60 per cent of median income.
- **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 those headed by a member of the Pakistani and Bangladeshi communities, of whom around half were in households with below 60 per cent of median income on a Before Housing Cost basis.
- **Savings and assets** Of those working-age adults in low-income households, around half lived in families that reported no savings.
- **Household debt** Among working-age adults with three or more household bills in arrears, around three quarters were in the bottom two quintiles.
- **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.

5 Working-age adults

Introduction

This chapter examines the position of working-age adults in the income distribution in 2006/07 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 from 1998/99 to 2006/07.

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 income distribution is defined by the net equivalised income of their household.

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 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.

Figure 5.1 (BHC): Income distribution for all individuals and for working-age adults with and without children by income band, 2006/07

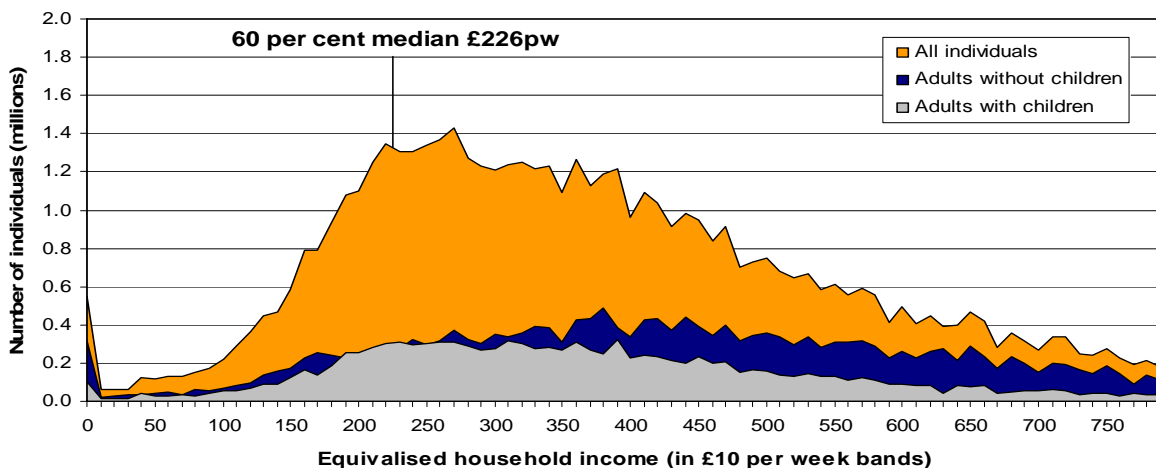
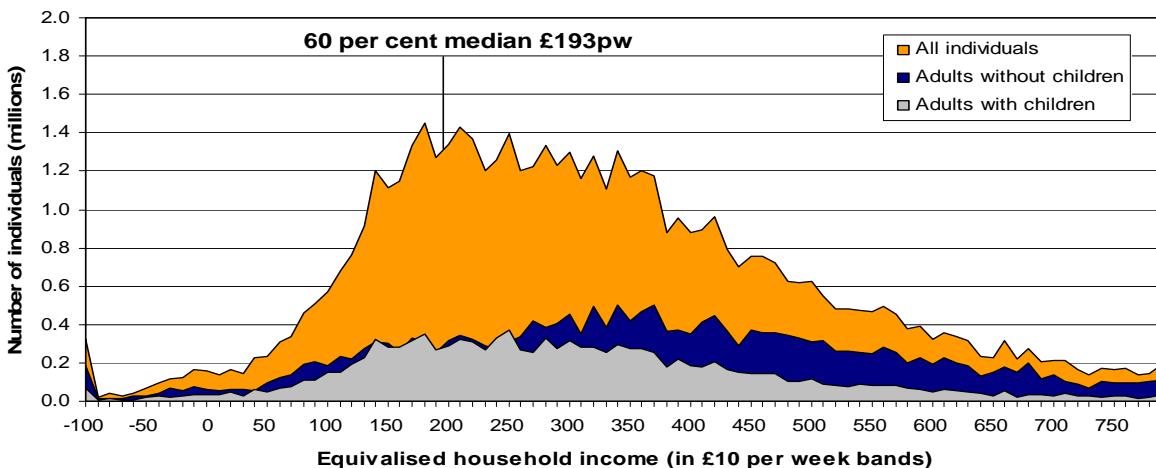


Figure 5.1 (AHC): Income distribution for all individuals and for working-age adults with and without children by income band, 2006/07



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; region and country (three-year average).

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

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

5.7 – 5.9 Risk of falling into low-income groups with categories outlined for tables 5.1 – 5.3.

5.1tr – 5.4tr Trends over time for headline figures for all the 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 5.1tr and 5.2tr.

5.1ts – 5.3ts Populations over time Tables 5.1ts to 5.3ts present populations over time by: family type; family type and economic status of the family; tenure.

5.4ts – 5.5ts 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.

5.6ts – 5.7ts 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 5.4ts – 5.5ts.

5.8ts – 5.9ts Risk of working-age adults in households with incomes below 60 per cent of contemporary median income over time by the categories outlined for 5.4ts – 5.5ts.

5.10ts – 5.11ts Risk 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 5.4ts – 5.5ts.

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.

Self-employed incomes

It should be noted that a significant proportion of the self-employed are believed to report incomes that do not reflect their living standards.

Definition of 'benefit units' and 'households'

A family, or benefit unit, is a single adult or a couple, 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 main residence, who either share one meal a day together, or share the living

5 Working-age adults

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.

Ethnicity

Working-age individuals have been classified according to the ethnic group of the household reference person (see **Appendix 1** for full definition), which means that information about households of mixed composition is lost. It should also be noted that for the classifications 'Asian or Asian British' and 'Black or Black British' it is not possible to distinguish between those who were born abroad and those who were born in the United Kingdom.

The figures must be treated with some caution, as sample sizes are smaller for ethnic minority groups, especially in the case of households headed by a person of mixed, Black Caribbean or Black non-Caribbean ethnicity. This means that figures for ethnic groups are subject to a degree of year-on-year sampling variation which is large in relation to any change which

may have occurred in the estimates themselves.

Single-year estimates showing ethnic breakdowns are presented in this chapter for the most recent year 2006/07. However, smaller ethnic minority groups exhibit year-on-year variation which limits comparisons over time. To cover this point, time series using three-year averages were presented in Appendix 5 of the 2004/05 HBAI publication.

Region and country

As with the 2005/06 publication, estimates are shown for Northern Ireland and the United Kingdom. Before 2005/06, coverage was up to the level of Great Britain only. 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 information is 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 infirmity that leads to a significant 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. Separate income analyses are included for working-age adults and their families or household members with some disability by receipt of disability benefits.

Pension provision

Following consultation with users, the questions on pension provision in the Family Resources Survey have been changed to try to more accurately capture contributions to pensions. While we are evaluating the impact of these changes, we have tried to mirror the former question block as far as possible to minimise any discontinuity in analysing pension provision.

Savings and assets

The data relating to assets and savings should be treated with caution. Questions relating to assets 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 assets and therefore around one in seven cases are imputed. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.

The way levels of savings are classified on the Family Resources Survey have changed. This means fewer households are shown to have no savings and more with small levels of savings. This means figures in this publication are not directly comparable with figures in the previous publication.

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 those for 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. Like in the 2005/06 publication, results in this chapter 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 Review 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.

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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Economic status of adults in the family						
One or more full-time self-employed	18	14	17	21	30	3.8
Single/couple all in full-time work	3	8	18	31	40	12.7
Couple, one full-time, one part-time work	3	14	27	30	25	5.3
Couple, one full-time work, one not working	17	26	22	17	17	4.5
No full-time, one or more in part-time work	27	26	19	16	12	3.4
Workless, one or more aged 60 or over	39	26	18	8	8	0.8
Workless, one or more unemployed	62	19	10	6	3	1.1
Workless, other inactive	48	24	14	8	5	4.2
Economic status of household¹						
All adults in work	6	11	20	29	35	21.9
At least one adult in work, but not all	22	24	22	18	15	9.6
Workless households	60	23	11	4	2	4.3
Family type²						
Couples	13	14	19	24	29	23.3
Singles	22	19	20	20	19	12.4
All working-age adults with children						
Couples	20	21	22	20	16	12.7
Singles	17	19	23	22	19	10.8
All working-age adults without children						
Couples	38	32	18	9	3	1.9
Singles	14	13	18	24	30	23.0
Male	10	10	16	26	38	12.6
Female	19	16	21	22	22	10.5
Male	20	16	20	22	22	6.4
Female	18	17	21	22	21	4.1
Gender by number of adults in the family and work status³						
Males						
Couple, in work	16	15	19	23	26	18.6
Couple, workless	10	14	20	26	31	11.0
Single, in work	55	21	12	7	6	1.0
Single, workless	8	12	22	28	30	4.4
Females						
Couple, in work	44	24	18	9	5	2.2
Couple, workless	17	17	19	22	24	17.2
Single, in work	10	14	19	26	31	10.5
Single, workless	57	22	12	6	4	0.8
All working-age adults						
	16	16	19	23	25	35.8

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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Economic status of adults in the family						
One or more full-time self-employed	20	15	17	19	30	3.8
Single/couple all in full-time work	4	8	19	31	38	12.7
Couple, one full-time, one part-time work	4	14	27	30	25	5.3
Couple, one full-time work, one not working	20	25	22	17	16	4.5
No full-time, one or more in part-time work	28	25	19	16	13	3.4
Workless, one or more aged 60 or over	36	24	20	9	10	0.8
Workless, one or more unemployed	66	17	9	6	3	1.1
Workless, other inactive	55	21	13	6	5	4.2
Economic status of household¹						
All adults in work	7	11	20	28	34	21.9
At least one adult in work, but not all	25	24	22	16	13	9.6
Workless households	65	18	10	4	3	4.3
Family type²						
Couples	15	15	20	23	28	23.3
Singles	26	17	19	20	18	12.4
All working-age adults with children						
Couples	23	22	21	19	15	12.7
Singles	19	21	22	21	18	10.8
All working-age adults without children						
Couples	44	28	16	9	3	1.9
Singles	16	12	18	24	30	23.0
Male	11	10	17	26	37	12.6
Female	23	15	19	22	21	10.5
	24	14	18	21	22	6.4
	21	16	21	22	20	4.1
Gender by number of adults in the family and work status³						
Males	18	15	19	23	26	18.6
Couple, in work	11	14	20	25	30	11.0
Couple, workless	54	20	13	7	7	1.0
Single, in work	10	11	20	28	30	4.4
Single, workless	51	22	14	8	5	2.2
Females	19	16	20	21	23	17.2
Couple, in work	11	14	20	25	30	10.5
Couple, workless	59	20	12	5	5	0.8
Single, in work	13	20	24	25	20	3.7
Single, workless	56	20	12	6	5	2.1
All working-age adults	19	16	19	22	25	35.8

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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Age of head of family						
With children						
16 - 24	43	28	19	9	2	0.6
25 - 29	32	27	19	16	5	1.0
30 - 34	20	23	24	18	15	1.9
35 - 39	20	21	22	20	16	2.9
40 - 44	17	21	22	21	19	2.9
45 - 49	14	19	22	24	21	2.1
50 - 54	14	17	24	26	20	0.9
55 +	24	18	18	19	21	0.4
Without children						
16 - 19	19	21	21	25	13	1.5
20 - 24	15	15	22	27	21	3.4
25 - 29	10	9	14	27	40	2.6
30 - 34	9	7	13	24	47	2.1
35 - 39	11	9	14	23	43	1.6
40 - 44	14	10	19	24	34	1.6
45 - 49	14	12	18	26	30	2.1
50 - 54	14	13	17	25	31	2.8
55 +	18	16	19	21	25	5.5
Tenure						
Owners	11	13	20	26	31	25.6
Owned outright	18	15	19	22	26	7.0
Buying with mortgage	8	12	20	27	33	18.6
Social rented sector tenants	40	28	18	11	3	5.1
Rented from council	40	28	17	11	3	2.8
Rented from a housing association	39	29	18	11	3	2.3
All rented privately	21	18	20	21	20	5.0
Rented privately unfurnished	21	20	18	21	19	3.3
Rented privately furnished	21	16	23	19	21	1.7
Ethnic group¹						
White	15	16	20	24	26	32.1
Mixed	27	17	15	14	27	0.3
Asian or Asian British	32	18	17	16	17	1.8
Indian	19	16	21	20	25	0.9
Pakistani and Bangladeshi	52	25	10	8	6	0.7
Black or Black British	28	18	21	18	15	0.9
Black Caribbean	22	18	19	22	18	0.4
Black Non-Caribbean	33	19	22	14	12	0.5
Chinese or other ethnic group	23	20	15	16	26	0.6
Region/Country (3-year average)						
England	16	15	19	23	26	29.7
North East	20	19	22	23	16	1.5
North West	19	17	21	22	20	4.0
Yorkshire and the Humber	18	17	22	24	18	3.0
East Midlands	18	17	21	24	20	2.5
West Midlands	20	18	21	21	19	3.1
East of England	13	14	19	24	30	3.2
London	16	12	15	19	38	4.8
Inner	17	13	14	17	39	1.9
Outer	15	11	15	20	38	2.9
South East	12	12	16	25	35	4.8
South West	14	17	21	24	24	2.9
Scotland	17	16	20	24	23	3.1
Wales	20	19	21	22	18	1.7
Northern Ireland	19	20	23	21	17	1.0
All working-age adults²	16	16	19	23	25	35.8

Notes:

1. Due to small sample sizes, figures for Mixed and Black or Black British categories should be treated with caution.
2. The totals for all working-age adults are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.
3. 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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Age of head of family						
With children						
16 - 24	55	23	13	7	2	0.6
25 - 29	37	25	18	15	4	1.0
30 - 34	25	22	22	16	15	1.9
35 - 39	21	23	22	18	16	2.9
40 - 44	18	22	23	19	18	2.9
45 - 49	16	21	21	24	19	2.1
50 - 54	16	16	25	25	18	0.9
55 +	24	16	22	17	21	0.4
Without children						
16 - 19	24	21	21	23	12	1.5
20 - 24	22	15	22	24	17	3.4
25 - 29	12	9	17	29	33	2.6
30 - 34	11	8	15	23	42	2.1
35 - 39	13	7	16	24	40	1.6
40 - 44	16	10	18	21	35	1.6
45 - 49	15	11	18	25	31	2.1
50 - 54	14	12	17	24	33	2.8
55 +	17	14	18	22	29	5.5
Tenure						
Owners	10	13	20	26	31	25.6
Owned outright	13	13	19	24	32	7.0
Buying with mortgage	9	14	20	26	31	18.6
Social rented sector tenants	44	27	16	10	3	5.1
Rented from council	43	28	16	11	3	2.8
Rented from a housing association	46	25	18	9	3	2.3
All rented privately	35	15	19	17	14	5.0
Rented privately unfurnished	34	16	19	17	14	3.3
Rented privately furnished	37	15	17	17	14	1.7
Ethnic group¹						
White	17	15	19	23	25	32.1
Mixed	35	18	12	12	23	0.3
Asian or Asian British	35	18	20	12	15	1.8
Indian	21	15	24	17	22	0.9
Pakistani and Bangladeshi	53	26	11	5	5	0.7
Black or Black British	36	18	18	15	14	0.9
Black Caribbean	27	16	20	20	17	0.4
Black Non-Caribbean	43	20	15	10	11	0.5
Chinese or other ethnic group	31	13	17	18	20	0.6
Region/Country (3-year average)						
England	19	15	19	22	25	29.7
North East	20	18	22	22	18	1.5
North West	20	17	21	22	21	4.0
Yorkshire and the Humber	19	17	22	23	19	3.0
East Midlands	19	16	21	24	20	2.5
West Midlands	20	19	20	21	19	3.1
East of England	16	14	18	23	28	3.2
London	23	11	14	18	33	4.8
Inner	25	13	13	16	33	1.9
Outer	22	10	15	19	34	2.9
South East	15	13	16	23	32	4.8
South West	17	17	20	23	24	2.9
Scotland	17	16	20	24	24	3.1
Wales	19	18	22	21	19	1.7
Northern Ireland	17	20	23	22	19	1.0
All working-age adults²	19	16	19	22	25	35.8

Notes:

1. Due to small sample sizes, figures for Mixed and Black or Black British categories should be treated with caution.
2. The totals for all working-age adults are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.
3. 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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Disability and receipt of disability benefits¹						
No disabled adult, no disabled child	14	14	19	24	29	28.2
No disabled adult, 1 or more disabled child	22	27	24	15	12	0.6
In receipt of disability benefits	10	38	38	10	3	0.1
Not in receipt of disability benefits	26	23	19	17	15	0.5
1 or more disabled adult, no disabled child	27	22	20	18	14	6.6
In receipt of disability benefits	21	29	27	15	7	1.9
Not in receipt of disability benefits	29	18	17	19	16	4.7
1 or more disabled adult, 1 or more disabled child	28	27	25	16	5	0.4
In receipt of disability benefits	16	35	26	17	7	0.1
Not in receipt of disability benefits	35	21	24	15	5	0.2
State support received by family²						
Disability Living Allowance	20	31	27	15	7	2.2
Carer's Allowance	19	40	25	12	4	0.6
Jobseeker's Allowance	64	21	9	5	1	0.8
Incapacity Benefit	31	28	22	13	6	1.9
Child Tax Credit	22	27	26	19	6	7.1
Working Tax Credit	27	36	24	11	2	2.4
Income Support	52	29	13	5	1	2.0
Housing Benefit	55	29	12	4	1	2.9
Not in receipt of any benefit listed above	10	11	18	26	35	24.2
Pension provision						
Employer organised pension only	4	9	18	29	39	10.2
Self arranged personal pension only	14	14	20	22	29	3.2
Self arranged stakeholder pension only	11	15	15	25	34	0.3
Combinations of employer organised and self arranged pensions	4	8	16	27	45	1.3
Not contributing to a non-state pension	24	20	20	20	17	20.9
Savings and assets						
No savings	26	22	21	19	12	11.3
Less than £1,500	17	18	22	23	19	8.9
£1,500 but less than £3,000	10	13	21	26	30	2.5
£3,000 but less than £8,000	8	12	19	29	32	4.7
£8,000 but less than £10,000	7	8	17	27	40	1.0
£10,000 but less than £16,000	7	10	17	28	38	2.0
£16,000 but less than £20,000	9	7	16	26	42	0.9
£20,000 or more	9	8	11	21	52	4.4
Household bills in arrears³						
No bills in arrears	14	15	19	24	27	31.4
One bill in arrears	34	27	18	14	7	1.7
Two bills in arrears	42	27	19	9	3	0.8
Three bills in arrears	48	25	16	4	7	0.4
Four or more bills in arrears	42	24	18	11	5	0.3
Educational attainment						
Qualification degree level or above	7	7	13	22	51	8.3
Qualification below degree level	15	17	22	25	20	20.4
Student	24	21	21	19	16	1.7
No qualifications	32	23	20	16	8	5.4
All working-age adults	16	16	19	23	25	35.8

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension and 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	Net equivalised disposable household income					Source: FRS 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All working-age adults (millions)
Disability and receipt of disability benefits¹						
No disabled adult, no disabled child	16	14	19	23	27	28.2
No disabled adult, 1 or more disabled child	24	29	21	15	11	0.6
In receipt of disability benefits	12	41	31	12	3	0.1
Not in receipt of disability benefits	27	24	18	16	14	0.5
1 or more disabled adult, no disabled child	28	21	20	17	14	6.6
In receipt of disability benefits	23	29	25	15	8	1.9
Not in receipt of disability benefits	30	18	17	18	17	4.7
1 or more disabled adult, 1 or more disabled child	28	27	24	15	5	0.4
In receipt of disability benefits	14	38	27	18	3	0.1
Not in receipt of disability benefits	38	20	22	13	7	0.2
State support received by family²						
Disability Living Allowance	22	30	26	15	7	2.2
Carer's Allowance	19	42	24	12	3	0.6
Jobseeker's Allowance	67	19	9	4	1	0.8
Incapacity Benefit	33	26	21	13	7	1.9
Child Tax Credit	24	27	25	18	6	7.1
Working Tax Credit	29	36	22	11	2	2.4
Income Support	60	24	11	3	1	2.0
Housing Benefit	67	22	8	2	0	2.9
Not in receipt of any benefit listed above	12	11	18	25	34	24.2
Pension provision						
Employer organised pension only	5	10	19	28	38	10.2
Self arranged personal pension only	15	14	19	23	30	3.2
Self arranged stakeholder pension only	12	17	13	22	36	0.3
Combinations of employer organised and self arranged pensions	5	8	15	27	45	1.3
Not contributing to a non-state pension	27	19	20	18	16	20.9
Savings and assets						
No savings	30	21	21	17	11	11.3
Less than £1,500	20	19	22	22	17	8.9
£1,500 but less than £3,000	11	14	22	25	28	2.5
£3,000 but less than £8,000	9	12	19	30	30	4.7
£8,000 but less than £10,000	7	8	18	28	39	1.0
£10,000 but less than £16,000	9	8	17	29	37	2.0
£16,000 but less than £20,000	9	8	16	24	44	0.9
£20,000 or more	8	7	11	20	54	4.4
Household bills in arrears³						
No bills in arrears	16	15	20	23	27	31.4
One bill in arrears	40	25	17	12	6	1.7
Two bills in arrears	51	23	17	7	3	0.8
Three bills in arrears	58	23	11	4	5	0.4
Four or more bills in arrears	51	21	19	6	3	0.3
Educational attainment						
Qualification degree level or above	10	7	13	23	47	8.3
Qualification below degree level	17	17	22	24	21	20.4
Student	36	18	18	16	12	1.7
No qualifications	34	22	19	16	9	5.4
All working-age adults	19	16	19	22	25	35.8

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension and 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 2006/07						All working-age adults
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in the family							
One or more full-time self-employed	14	12	11	11	11	11	11
Single/couple all in full-time work	5	6	7	7	8	9	35
Couple, one full-time, one part-time work	2	2	4	2	4	5	15
Couple, one full-time work, one not working	9	12	15	12	14	16	12
No full-time, one or more in part-time work	15	15	16	14	15	15	10
Workless, one or more aged 60 or over	6	5	5	4	5	4	2
Workless, one or more unemployed	14	13	10	12	11	9	3
Workless, other inactive	35	35	31	37	34	31	12
Economic status of household¹							
All adults in work	22	20	24	22	23	26	61
At least one adult in work, but not all	31	35	38	34	37	39	27
Workless households	47	45	39	45	40	35	12
Family type²							
Couples	54	53	54	50	52	53	65
Singles	46	47	46	50	48	47	35
All working-age adults with children							
Couples	29	31	32	29	31	33	30
Singles	9	12	13	12	13	12	5
All working-age adults without children							
Couples	25	23	22	20	21	21	35
Singles	37	35	33	38	35	34	29
Male	25	22	21	25	22	21	18
Female	13	12	12	14	13	13	11
Gender by number of adults in the family and work status³							
Males							
Couple, in work	17	18	20	17	19	20	31
Couple, workless	11	10	8	8	8	7	3
Single, in work	6	6	6	7	7	7	12
Single, workless	19	17	15	19	16	15	6
Females							
Couple, in work	16	17	19	17	18	20	29
Couple, workless	10	8	7	8	7	6	2
Single, in work	5	6	8	6	7	9	10
Single, workless	15	17	16	19	18	16	6
All working-age adults (millions =100%)	3.4	5.3	7.6	5.3	7.3	9.2	35.8

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 2006/07						All working-age adults
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Age of head of family							
With children							
16 - 24	3	4	4	5	5	4	2
25 - 29	4	5	6	5	6	6	3
30 - 34	6	6	7	7	7	7	5
35 - 39	9	10	10	9	9	10	8
40 - 44	8	8	9	8	8	9	8
45 - 49	5	5	6	5	5	6	6
50 - 54	2	2	2	2	2	2	2
55 +	2	2	2	1	1	1	1
Without children							
16 - 19	5	5	5	6	5	6	4
20 - 24	10	9	9	12	11	10	9
25 - 29	5	4	4	5	5	5	7
30 - 34	3	3	3	3	3	3	6
35 - 39	3	3	3	3	3	3	4
40 - 44	4	4	4	4	4	4	5
45 - 49	6	5	4	5	5	4	6
50 - 54	7	7	6	6	6	6	8
55 +	20	17	17	14	14	14	15
Tenure							
Owners							
Owned outright	26	22	21	13	14	14	20
Buying with mortgage	26	25	28	25	27	30	52
Social rented sector tenants							
Rented from council	17	20	19	17	18	18	8
Rented from a housing association	12	15	15	16	16	14	6
All rented privately							
Rented privately unfurnished	12	12	12	18	16	15	9
Rented privately furnished	7	6	6	11	9	8	5
Ethnic group¹							
White	80	81	82	81	81	83	90
Mixed	1	1	1	2	1	1	1
Asian or Asian British							
Indian	3	3	3	3	3	2	2
Pakistani and Bangladeshi	6	6	6	5	5	5	2
Black or Black British							
Black Caribbean	1	2	2	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
Region/Country (3-year average)							
England	83	82	82	85	84	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	8	9	8
East Midlands	8	8	8	7	7	7	7
West Midlands	10	10	10	9	10	10	9
East of England	7	7	7	8	8	8	9
London							
Inner	6	6	5	8	7	7	5
Outer	8	8	7	10	9	8	8
South East	10	10	10	11	11	11	13
South West	7	7	7	7	7	8	8
Scotland	9	9	9	8	8	8	9
Wales	5	6	6	5	5	5	5
Northern Ireland	3	3	3	2	3	3	3
All working-age adults (millions=100%)²	3.4	5.3	7.6	5.3	7.3	9.2	35.8

Notes:

1. Due to small sample sizes, figures for Mixed and Black or Black British categories should be treated with caution.
2. The totals for all working-age adults are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.
3. 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 2006/07						All working-age adults
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Disability and receipt of disability benefits¹							
No disabled adult, no disabled child	67	66	66	69	69	69	79
No disabled adult, 1 or more disabled child	2	2	3	2	2	2	2
In receipt of disability benefits	0	0	1	0	0	1	0
Not in receipt of disability benefits	2	2	2	2	2	2	1
1 or more disabled adult, no disabled child	30	30	29	28	27	27	18
In receipt of disability benefits	7	7	8	6	7	7	5
Not in receipt of disability benefits	23	23	22	22	21	20	13
1 or more disabled adult, 1 or more disabled child	2	2	2	1	2	2	1
In receipt of disability benefits	0	0	1	0	0	0	0
Not in receipt of disability benefits	1	1	1	1	1	1	1
State support received by family²							
Disability Living Allowance	7	7	9	6	7	8	6
Carer's Allowance	1	2	2	1	2	2	2
Jobseeker's Allowance	9	9	7	9	7	6	2
Incapacity Benefit	9	10	10	9	9	9	5
Child Tax Credit	21	26	29	24	27	29	20
Working Tax Credit	8	10	13	9	11	12	7
Income Support	13	18	17	17	17	16	6
Housing Benefit	21	27	26	30	28	25	8
Not in receipt of any benefit listed above	50	43	42	45	44	44	68
Pension provision							
Employer organised pension only	7	7	8	7	8	9	28
Self arranged personal pension only	9	7	7	7	7	7	9
Self arranged stakeholder pension only	1	1	1	1	1	1	1
Combinations of employer organised and self arranged pensions	1	1	1	1	1	1	4
Not contributing to a non-state pension	82	84	83	85	84	82	58
Savings and assets							
No savings	50	51	50	52	52	50	32
Less than £1,500	25	26	27	27	27	28	25
£1,500 but less than £3,000	4	4	4	4	4	5	7
£3,000 but less than £8,000	6	7	7	6	7	7	13
£8,000 but less than £10,000	1	1	1	1	1	1	3
£10,000 but less than £16,000	3	3	3	3	3	3	6
£16,000 but less than £20,000	2	1	1	1	1	1	2
£20,000 or more	8	7	6	6	5	5	12
Household bills in arrears³							
No bills in arrears	78	76	77	74	75	76	88
One bill in arrears	8	10	9	10	10	10	5
Two bills in arrears	5	5	5	6	6	5	2
Three bills in arrears	3	3	3	3	3	3	1
Four or more bills in arrears	2	2	2	2	2	2	1
Educational attainment							
Qualification degree level or above	13	11	10	13	12	11	23
Qualification below degree level	50	52	55	50	52	54	57
Student	8	7	7	10	9	9	5
No qualifications	29	30	29	27	27	26	15
All working-age adults (millions=100%)	3.4	5.3	7.6	5.3	7.3	9.2	35.8

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension and 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: Risk of being in low-income groups of working-age adults by various family and household characteristics, United Kingdom

Percentage of working-age adults	Source: FRS 2006/07						All working-age adults (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in the family							
One or more full-time self-employed	13	17	22	16	21	26	3.8
Single/couple all in full-time work	1	2	4	3	4	7	12.7
Couple, one full-time, one part-time work	1	2	5	2	5	8	5.3
Couple, one full-time work, one not working	7	14	26	14	23	33	4.5
No full-time, one or more in part-time work	15	24	35	22	31	40	3.4
Workless, one or more aged 60 or over	26	36	48	26	40	48	0.8
Workless, one or more unemployed	41	59	68	58	69	76	1.1
Workless, other inactive	28	44	57	46	58	67	4.2
Economic status of household¹							
All adults in work	3	5	8	5	8	11	21.9
At least one adult in work, but not all	11	19	30	19	28	37	9.6
Workless households	37	56	69	55	68	75	4.3
Family type²							
Couples	8	12	18	11	16	21	23.3
Singles	12	20	28	21	28	34	12.4
All working-age adults with children							
Couples	9	15	23	14	21	28	10.8
Singles	15	33	50	33	49	59	1.9
All working-age adults without children							
Couples	7	10	13	9	12	15	12.6
Singles	12	18	24	19	24	30	10.5
Male	13	18	24	20	25	30	6.4
Female	10	16	23	18	23	29	4.1
Gender by number of adults in the family and work status³							
Males							
Couple, in work	5	9	14	8	12	17	11
Couple, workless	37	52	62	44	57	64	1.0
Single, in work	5	7	11	8	11	15	4.4
Single, workless	29	42	52	45	54	63	2.2
Females							
Couple, in work	5	9	14	8	13	17	10.5
Couple, workless	39	54	66	49	61	69	0.8
Single, in work	5	9	16	9	14	21	3.7
Single, workless	24	44	58	46	60	69	2.1
All working-age adults	9	15	21	15	20	26	35.8

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: Risk of being in low-income groups of working-age adults by various family and household characteristics, United Kingdom

Percentage of working-age adults	Source: FRS 2006/07						All working-age adults (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Age of head of family							
With children							
16 - 24	16	38	52	42	59	64	0.6
25 - 29	14	28	42	26	42	51	1.0
30 - 34	10	18	28	19	27	34	1.9
35 - 39	10	18	26	16	23	31	2.9
40 - 44	9	15	23	14	21	29	2.9
45 - 49	7	13	20	12	18	24	2.1
50 - 54	8	13	19	13	17	22	0.9
55 +	15	21	28	18	25	28	0.4
Without children							
16 - 19	11	18	26	20	26	35	1.5
20 - 24	10	14	20	19	23	28	3.4
25 - 29	7	9	12	10	14	17	2.6
30 - 34	5	8	10	8	12	14	2.1
35 - 39	6	10	13	11	14	16	1.6
40 - 44	8	13	18	14	18	21	1.6
45 - 49	9	13	17	13	17	20	2.1
50 - 54	8	12	18	12	15	19	2.8
55 +	12	17	23	13	18	23	5.5
Tenure							
Owners							
Owned outright	12	17	22	10	15	19	7.0
Buying with mortgage	5	7	11	7	10	15	18.6
Social rented sector tenants							
Rented from council	20	37	50	32	47	58	2.8
Rented from a housing association	18	35	50	37	50	59	2.3
All rented privately							
Rented privately unfurnished	12	20	28	28	36	41	3.3
Rented privately furnished	14	19	26	33	39	45	1.7
Ethnic group¹							
White	8	13	19	13	18	24	32.1
Mixed	17	26	33	30	37	45	0.3
Asian or Asian British							
Indian	11	17	23	17	22	26	0.9
Pakistani and Bangladeshi	30	49	67	41	58	69	0.7
Black or Black British							
Black Caribbean	10	19	26	21	28	34	0.4
Black Non-Caribbean	22	30	40	36	46	51	0.5
Chinese or other ethnic group	16	22	28	25	35	40	0.6
Region/Country (3-year average)							
England							
North East	10	18	25	15	22	28	1.5
North West	10	17	25	15	21	27	4.0
Yorkshire and the Humber	9	16	23	14	20	26	3.0
East Midlands	10	16	22	14	20	26	2.5
West Midlands	11	18	25	15	22	28	3.1
East of England	7	12	17	12	17	22	3.2
London							
Inner	9	16	22	21	26	32	1.9
Outer	10	14	19	18	23	26	2.9
South East	7	11	16	12	16	21	4.8
South West	8	12	19	13	18	23	2.9
Scotland	9	15	21	13	18	24	3.1
Wales	10	17	25	15	20	26	1.7
Northern Ireland	10	17	25	11	18	25	1.0
All working-age adults²	9	15	21	15	20	26	35.8

Notes:

1. Due to small sample sizes, figures for Mixed and Black or Black British categories should be treated with caution.
2. The totals for all working-age adults are shown for the United Kingdom for the year 2006/07 only and are not three-year averages.

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

Percentage of working-age adults	Source: FRS 2006/07						All working-age adults (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Disability and receipt of disability benefits¹							
No disabled adult, no disabled child	8	12	18	13	18	22	28.2
No disabled adult, 1 or more disabled child	10	21	32	18	28	37	0.6
In receipt of disability benefits	3	10	27	7	19	33	0.1
Not in receipt of disability benefits	13	24	34	21	31	38	0.5
1 or more disabled adult, no disabled child	15	24	34	22	30	38	6.6
In receipt of disability benefits	12	19	30	16	25	35	1.9
Not in receipt of disability benefits	17	26	35	25	32	38	4.7
1 or more disabled adult, 1 or more disabled child	14	26	37	21	31	42	0.4
In receipt of disability benefits	6	14	27	8	17	30	0.1
Not in receipt of disability benefits	19	34	44	30	40	50	0.2
State support received by family²							
Disability Living Allowance	11	18	30	15	24	36	2.2
Carer's Allowance	8	16	29	12	21	38	0.6
Jobseeker's Allowance	41	61	72	60	70	78	0.8
Incapacity Benefit	16	28	41	26	35	45	1.9
Child Tax Credit	10	19	31	18	28	37	7.1
Working Tax Credit	12	23	41	21	34	47	2.4
Income Support	22	47	64	47	64	74	2.0
Housing Benefit	24	50	68	55	71	80	2.9
Not in receipt of any benefit listed above	7	10	13	10	13	17	24.2
Pension provision							
Employer organised pension only	2	4	6	4	6	8	10.2
Self arranged personal pension only	10	13	18	12	16	20	3.2
Self arranged stakeholder pension only	7	10	14	10	13	19	0.3
Combinations of employer organised and self arranged pensions	3	4	6	4	6	7	1.3
Not contributing to a non-state pension	13	21	30	21	29	36	20.9
Savings and assets							
No savings	15	24	34	24	33	41	11.3
Less than £1,500	9	15	23	16	22	28	8.9
£1,500 but less than £3,000	6	9	13	8	13	17	2.5
£3,000 but less than £8,000	5	7	11	7	10	14	4.7
£8,000 but less than £10,000	5	6	9	6	7	11	1.0
£10,000 but less than £16,000	6	7	10	8	10	12	2.0
£16,000 but less than £20,000	7	9	12	7	9	12	0.9
£20,000 or more	6	8	11	7	9	11	4.4
Household bills in arrears³							
No bills in arrears	8	13	19	12	17	22	31.4
One bill in arrears	17	31	43	32	44	53	1.7
Two bills in arrears	21	38	53	43	56	65	0.8
Three bills in arrears	25	45	58	49	62	69	0.4
Four or more bills in arrears	23	39	50	42	54	60	0.3
Educational attainment							
Qualification degree level or above	5	7	9	8	10	12	8.3
Qualification below degree level	8	14	20	13	19	24	20.4
Student	16	22	29	31	39	45	1.7
No qualifications	18	30	40	27	37	45	5.4
All working-age adults	9	15	21	15	20	26	35.8

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension and 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^{1,2}

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	4	7	13	5	9	15
	1981	4	9	14	7	11	17
	1987	6	13	19	11	17	22
	1988/89	9	14	19	12	17	22
	1990/91	10	15	20	14	18	24
	1991/92	10	16	22	15	20	25
	1992/93	10	16	22	15	20	26
	1993/95	9	15	21	14	20	25
	1994/96	8	15	21	14	20	25
	1995/97	9	15	21	15	20	25
FRS (GB)	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
FRS (UK)	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	
Change	1998/99-2006/07 ^{2,3}	1	0	0	1	1	1
	2005/06-2006/07 ^{2,3}	0	0	0	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 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.

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

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	
Change	1998/99-2006/07 ^{2,3}	-2	-4	-6	-4	-5	-6
	2005/06-2006/07 ^{2,3}	0	0	0	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 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.

5 Working-age adults

Table 5.3tr: Number of working-age adults falling below various thresholds of contemporary median income, United Kingdom^{1,2}

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	1.2	2.3	3.9	1.6	2.9	4.6	31.2
	1981	1.3	2.9	4.6	2.1	3.6	5.5	31.6
	1987	2.1	4.3	6.4	3.6	5.6	7.4	33.1
	1988/89	2.9	4.7	6.5	4.1	5.7	7.5	33.6
	1990/91	3.2	5.0	6.7	4.6	6.1	7.9	33.5
	1991/92	3.4	5.4	7.3	5.0	6.7	8.5	33.7
	1992/93	3.3	5.5	7.5	5.1	6.9	8.7	33.9
	1993/95	3.1	5.1	7.1	4.9	6.8	8.4	33.9
	1994/96	2.9	5.0	7.0	4.9	6.7	8.4	34.1
	1995/97	3.0	5.2	7.2	5.2	7.0	8.6	34.3
FRS (GB)	1994/95	2.6	4.8	7.0	4.7	6.6	8.2	32.8
	1995/96	2.6	4.6	6.8	4.5	6.5	8.2	32.8
	1996/97	2.8	5.0	7.1	5.0	6.8	8.5	32.9
FRS (UK)	1997/98	2.9	5.0	7.1	4.8	6.5	8.1	33.1
	1998/99	2.9	5.0	7.1	4.8	6.6	8.4	34.1
	1999/00	3.0	5.1	7.3	4.9	6.7	8.5	34.3
	2000/01	3.1	5.1	7.3	4.9	6.6	8.5	34.4
	2001/02	3.0	5.1	7.2	4.7	6.5	8.3	34.7
	2002/03	3.1	5.1	7.3	4.8	6.7	8.5	34.8
	2003/04	3.1	5.1	7.3	4.9	6.7	8.6	35.0
	2004/05	3.1	5.0	7.3	4.7	6.5	8.5	35.2
	2005/06	3.3	5.4	7.7	5.2	7.2	9.1	35.5
	2006/07	3.4	5.3	7.6	5.3	7.3	9.2	35.8
Change	1998/99-2006/07 ^{2,3}	0.5	0.4	0.4	0.5	0.6	0.8	1.6
	2005/06-2006/07 ^{2,3}	0.1	0.0	-0.1	0.1	0.1	0.0	0.3

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 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 5.4tr: Number of working-age adults falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom^{1,2}

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	
Change	1998/99-2006/07 ^{2,3}	-0.6	-1.4	-1.8	-1.2	-1.5	-1.8	1.6
	2005/06-2006/07 ^{2,3}	-0.1	0.0	-0.1	0.1	0.1	0.0	0.3

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 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.

5 Working-age adults

Table 5.1ts: Population of working-age adults by family type, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of working-age adults whose family type is: (millions)										
Working-age adults without children	20.5	20.6	20.8	20.9	21.1	21.6	22.4	22.6	22.9	23.0
Couples	11.6	11.5	11.7	11.7	11.8	12.0	12.6	12.4	12.4	12.6
Single male	5.4	5.5	5.6	5.7	5.7	5.9	6.0	6.2	6.4	6.4
Single female	3.5	3.5	3.5	3.6	3.6	3.7	3.8	4.0	4.1	4.1
Working-age adults with children	12.3	12.4	12.3	12.2	12.2	12.1	12.5	12.6	12.6	12.7
Couples	10.8	10.8	10.6	10.5	10.4	10.3	10.6	10.7	10.7	10.8
Lone parents	1.5	1.6	1.6	1.7	1.8	1.8	1.9	1.9	1.9	1.9
All working-age adults (millions)	32.8	32.9	33.1	33.2	33.3	33.7	34.8	35.2	35.5	35.8
Percentage of working-age adults whose family type is:										
Working-age adults without children	62	62	63	63	63	64	64	64	64	64
Couples	35	35	35	35	36	36	36	35	35	35
Single male	17	17	17	17	17	17	17	18	18	18
Single female	11	11	11	11	11	11	11	11	12	11
Working-age adults with children	38	38	37	37	37	36	36	36	36	36
Couples	33	33	32	32	31	31	30	30	30	30
Lone parents	5	5	5	5	5	5	5	5	5	5
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. 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 Kingdom¹

	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Source: FRS										
Number of working-age adults whose economic status is: (millions)										
Working-age adults without children	20.5	20.6	20.8	20.9	21.1	21.6	22.4	22.6	22.9	23.0
One or more full-time self-employed	2.3	2.0	2.0	1.9	1.9	2.0	2.0	2.0	2.2	2.1
Single/couple all in full-time work	8.2	8.6	9.0	9.1	9.4	9.6	10.0	10.0	10.0	10.2
Couple, one full-time, one part-time work	1.5	1.8	1.9	2.0	2.0	2.0	2.1	2.0	2.0	2.0
Couple, one full-time work, one not working	1.9	1.8	1.8	1.8	1.7	1.8	1.9	1.9	1.9	2.0
No full-time, one or more in part-time work	1.4	1.7	1.7	1.7	1.7	1.9	2.0	2.2	2.3	2.2
Workless, one or more unemployed	1.8	1.3	1.2	1.0	1.0	0.8	0.9	0.8	1.0	0.8
Workless, other inactive	3.3	3.3	3.2	3.4	3.4	3.5	3.6	3.7	3.6	3.8
Working-age adults with children	12.3	12.4	12.3	12.2	12.2	12.1	12.5	12.6	12.6	12.7
One or more full-time self-employed	1.9	1.8	1.6	1.6	1.6	1.5	1.5	1.7	1.6	1.7
Single/couple all in full-time work	2.0	2.2	2.1	2.1	2.3	2.3	2.4	2.3	2.4	2.5
Couple, one full-time, one part-time work	2.9	3.2	3.4	3.4	3.4	3.3	3.3	3.3	3.4	3.3
Couple, one full-time work, one not working	2.7	2.4	2.4	2.4	2.3	2.3	2.5	2.4	2.4	2.5
No full-time, one or more in part-time work	0.7	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.2	1.2
Workless, one or more unemployed	0.9	0.7	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3
Workless, other inactive	1.2	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.2
All working-age adults (millions)	32.8	32.9	33.1	33.2	33.3	33.7	34.8	35.2	35.5	35.8
Percentage of working-age adults whose economic status is:										
Working-age adults without children	62	62	63	63	63	64	64	64	64	64
One or more full-time self-employed	7	6	6	6	6	6	6	6	6	6
Single/couple all in full-time work	25	26	27	27	28	29	29	28	28	28
Couple, one full-time, one part-time work	5	5	6	6	6	6	6	6	6	6
Couple, one full-time work, one not working	6	5	5	6	5	5	5	5	5	6
No full-time, one or more in part-time work	4	5	5	5	5	6	6	6	7	6
Workless, one or more unemployed	6	4	4	3	3	2	2	2	3	2
Workless, other inactive	10	10	10	10	10	10	10	10	10	11
Working-age adults with children	38	38	37	37	37	36	36	36	36	36
One or more full-time self-employed	6	5	5	5	5	5	4	5	5	5
Single/couple all in full-time work	6	7	6	6	7	7	7	7	7	7
Couple, one full-time, one part-time work	9	10	10	10	10	10	10	9	10	9
Couple, one full-time work, one not working	8	7	7	7	7	7	7	7	7	7
No full-time, one or more in part-time work	2	2	3	3	3	3	3	3	3	3
Workless, one or more unemployed	3	2	2	1	1	1	1	1	1	1
Workless, other inactive	4	4	4	4	4	4	4	4	4	3
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

5 Working-age adults

Table 5.3ts: Population of working-age adults by tenure, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of working-age adults whose tenure type is: (millions)										
Owners	23.5	23.7	23.9	24.1	24.3	24.6	25.7	25.8	25.7	25.6
Owned outright	5.0	4.9	5.1	5.3	5.5	5.7	6.3	7.0	7.1	7.0
Buying with mortgage	18.5	18.8	18.9	18.8	18.8	18.9	19.4	18.9	18.6	18.6
Social rented sector tenants	5.7	5.7	5.6	5.4	5.3	5.2	5.1	5.0	5.1	5.1
Rented from council	4.8	4.5	4.4	4.2	4.1	3.6	3.5	3.0	2.9	2.8
Rented from a housing association	0.9	1.1	1.1	1.2	1.3	1.5	1.6	2.1	2.2	2.3
All rented privately	3.6	3.6	3.5	3.7	3.6	3.9	4.0	4.4	4.7	5.0
Rented privately unfurnished	1.5	1.3	1.6	1.6	1.7	1.8	1.9	2.8	3.1	3.3
Rented privately furnished	2.1	2.3	2.0	2.1	2.0	2.1	2.2	1.6	1.6	1.7
All working-age adults (millions)	32.8	32.9	33.1	33.2	33.3	33.7	34.8	35.2	35.5	35.8
Percentage of working-age adults whose tenure type is:										
Owners	72	72	72	73	73	73	74	73	72	72
Owned outright	15	15	15	16	17	17	18	20	20	20
Buying with mortgage	56	57	57	57	56	56	56	54	52	52
Social rented sector tenants	17	17	17	16	16	15	15	14	14	14
Rented from council	15	14	13	13	12	11	10	8	8	8
Rented from a housing association	3	3	3	4	4	5	5	6	6	6
All rented privately	11	11	11	11	11	12	12	12	13	14
Rented privately unfurnished	5	4	5	5	5	5	5	8	9	9
Rented privately furnished	6	7	6	6	6	6	6	5	4	5
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

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

Table 5.4ts: Composition of those working-age adults living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom¹

Percentage of working-age adults	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Working-age adults without children	49	50	50	50	51	55	56	57	57	57
Couples	21	21	21	22	22	23	22	23	22	23
Single male	18	18	18	18	19	20	20	21	22	22
Single female	10	11	11	11	11	12	13	13	13	12
Working-age adults with children	51	50	50	50	49	45	44	43	43	43
Couples	39	37	36	36	34	31	30	30	31	31
Lone parents	12	14	14	14	15	14	14	13	12	12
All working-age adults (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Working-age adults without children	51	52	51	50	52	53	55	56	56	56
Couples	19	18	20	19	19	20	21	20	20	21
Single male	21	20	19	19	20	20	21	22	22	22
Single female	12	13	13	12	13	13	13	14	14	13
Working-age adults with children	49	48	49	50	48	47	45	44	44	44
Couples	35	34	34	34	32	31	30	30	31	31
Lone parents	13	15	15	16	15	16	15	14	13	13
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

5 Working-age adults

Table 5.5ts: Composition of those 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 Kingdom¹

Percentage of working-age adults	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Working-age adults without children	49	50	50	50	51	55	56	57	57	57
One or more full-time self-employed	7	5	6	5	6	5	5	5	6	5
Single/couple all in full-time work	2	3	4	4	4	4	5	4	5	4
Couple, one full-time, one part-time work	0	0	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	3	2	2	2	3	3	4	3	4
No full-time, one or more in part-time work	5	6	6	7	6	7	7	8	8	7
Workless, one or more unemployed	16	13	13	11	12	8	9	9	10	8
Workless, other inactive	18	19	18	20	21	26	25	26	24	27
Working-age adults with children	51	50	50	50	49	45	44	43	43	43
One or more full-time self-employed	10	7	8	7	7	7	6	7	8	7
Single/couple all in full-time work	0	1	1	1	1	1	1	1	1	1
Couple, one full-time, one part-time work	1	2	2	3	2	2	2	2	2	2
Couple, one full-time work, one not working	8	9	9	9	9	7	7	7	7	8
No full-time, one or more in part-time work	5	6	7	7	8	8	7	7	7	8
Workless, one or more unemployed	14	10	8	8	6	5	5	4	5	4
Workless, other inactive	13	15	16	15	16	16	16	15	13	13
All working-age adults (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Working-age adults without children	51	52	51	50	52	53	55	56	56	56
One or more full-time self-employed	6	5	6	4	5	5	5	4	5	5
Single/couple all in full-time work	3	4	5	5	5	5	6	7	6	6
Couple, one full-time, one part-time work	0	1	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	3	3	3	2	3	4	4	4	5
No full-time, one or more in part-time work	5	6	6	6	6	7	7	8	8	7
Workless, one or more unemployed	16	13	12	10	11	7	8	8	9	7
Workless, other inactive	19	21	19	21	22	25	25	24	23	26
Working-age adults with children	49	48	49	50	48	47	45	44	44	44
One or more full-time self-employed	8	7	7	7	6	6	5	6	7	6
Single/couple all in full-time work	1	1	1	1	1	1	2	1	1	2
Couple, one full-time, one part-time work	1	2	3	3	3	3	2	3	3	3
Couple, one full-time work, one not working	8	9	9	10	9	8	8	8	8	10
No full-time, one or more in part-time work	4	6	7	7	7	8	7	7	7	7
Workless, one or more unemployed	12	9	7	7	6	4	4	4	4	4
Workless, other inactive	14	15	15	16	16	16	15	15	13	13
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 5.6ts: Composition of those working-age adults living in households with less than 60 per cent of 1998/99 real-terms median household income, by family type, United Kingdom¹

Percentage of working-age adults	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Working-age adults without children	50	50	50	50	52	57	60	61	61	61
Couples	21	21	21	22	22	24	24	25	24	24
Single male	19	18	18	18	19	21	22	23	24	25
Single female	10	11	11	11	11	12	13	13	13	12
Working-age adults with children	50	50	50	50	48	43	40	39	39	39
Couples	38	37	36	36	34	31	29	28	30	29
Lone parents	12	14	14	14	14	12	11	10	9	9
All working-age adults (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Working-age adults without children	51	52	51	50	52	55	57	59	59	59
Couples	20	19	20	19	19	21	21	20	20	20
Single male	20	20	19	19	21	21	22	24	24	25
Single female	11	13	13	12	13	13	14	15	14	14
Working-age adults with children	49	48	49	50	48	45	43	41	41	41
Couples	36	34	34	34	32	30	28	28	29	29
Lone parents	13	14	15	16	16	16	15	13	12	12
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

5 Working-age adults

Table 5.7ts: Composition of those 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 Kingdom¹

Percentage of working-age adults	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Working-age adults without children	50	50	50	50	52	57	60	61	61	61
One or more full-time self-employed	6	5	6	5	6	6	6	6	7	6
Single/couple all in full-time work	2	3	4	4	4	4	5	5	5	4
Couple, one full-time, one part-time work	0	0	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	3	2	2	2	3	3	3	3	3
No full-time, one or more in part-time work	5	6	6	7	6	8	7	9	8	8
Workless, one or more unemployed	16	13	13	11	12	9	11	10	11	9
Workless, other inactive	19	19	18	20	21	27	27	28	26	30
Working-age adults with children	50	50	50	50	48	43	40	39	39	39
One or more full-time self-employed	9	7	8	7	7	8	6	8	8	8
Single/couple all in full-time work	1	1	1	1	1	0	1	1	1	1
Couple, one full-time, one part-time work	2	2	2	3	2	2	1	2	2	2
Couple, one full-time work, one not working	9	10	9	9	8	5	5	5	5	6
No full-time, one or more in part-time work	4	6	7	7	8	8	7	7	6	7
Workless, one or more unemployed	12	10	8	8	6	5	6	4	5	5
Workless, other inactive	13	15	16	15	16	14	14	13	11	11
All working-age adults (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Working-age adults without children	51	52	51	50	52	55	57	59	59	59
One or more full-time self-employed	6	5	5	4	5	5	5	5	6	5
Single/couple all in full-time work	3	4	5	5	5	4	5	6	6	5
Couple, one full-time, one part-time work	0	1	1	1	1	1	1	1	1	1
Couple, one full-time work, one not working	2	3	3	3	3	3	3	3	3	4
No full-time, one or more in part-time work	5	6	6	6	6	6	7	8	8	7
Workless, one or more unemployed	15	13	12	10	11	8	10	9	10	8
Workless, other inactive	19	20	19	21	22	26	26	26	25	29
Working-age adults with children	49	48	49	50	48	45	43	41	41	41
One or more full-time self-employed	8	7	7	7	6	7	5	7	8	7
Single/couple all in full-time work	1	1	1	1	1	1	1	1	1	1
Couple, one full-time, one part-time work	2	3	3	3	2	2	2	2	2	2
Couple, one full-time work, one not working	9	9	9	10	9	6	6	6	6	8
No full-time, one or more in part-time work	5	6	7	7	7	7	7	6	6	7
Workless, one or more unemployed	11	8	7	7	6	5	6	4	5	5
Workless, other inactive	13	15	15	16	16	17	16	15	13	12
All working-age adults (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 5.8ts: Risk of working-age adults living in households with less than 60 per cent of contemporary median household income, by family type, United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

5 Working-age adults

Table 5.9ts: Risk 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 Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 5.10ts: Risk 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 Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

5 Working-age adults

Table 5.11ts: Risk 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 Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Pensioners

- **Contemporary trends** Between 1994/95 and 2006/07, 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; a slight rise was followed by a drop since 1998/99. However, there was an increase between 2005/06 and 2006/07. 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.
- **Real trends** From 1994/95 to 2006/07, there were pronounced falls in the proportions and numbers of pensioners below low-income thresholds held constant in real terms, on both income measures, although there was an increase between 2005/06 and 2006/07.
- **Quintile distributions** In 2006/07, pensioners were more likely to be in the bottom two income quintiles and less likely to be in the top two quintiles of the income distribution, than the population as a whole.
- **Family type** Single pensioners living alone had a higher risk of low income than all other groups.
- **Age** In general, the older the age of the pensioners, the greater the likelihood of low income.
- **Ethnicity** Pensioners living in a household headed by someone from an ethnic minority group had a greater risk of low income.
- **Tenure** The majority of pensioners in low-income households were owner-occupiers who owned their homes outright, although the risk for this group was fairly typical when compared with all pensioners.
- **Pensions receipt** Around 40 per cent of pensioner families in households below 60 per cent of contemporary median household income After Housing Costs had someone receiving a personal or occupational pension compared to 70 per cent of all pensioners.

6 Pensioners

Introduction

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

The position of pensioners in the income distribution is defined by the net equivalised income of the household in which they live. Care should be taken in comparing results for singles and couples in this chapter, as conclusions drawn from them are often sensitive to the choice of equivalence scale.

Comparisons within groups, however, are not affected. From the 2005/06 publication, the OECD equivalence scale has been used to adjust household income to approximate the material living standards of that household (details of equivalence scales are outlined in **Appendix 2**).

The position of pensioners in the overall income distribution

Figure 6.1 compares the income distribution of pensioners in 2006/07 with that of the entire population.

Figure 6.1 (BHC): Income distribution; all individuals and pensioners by income band, 2006/07

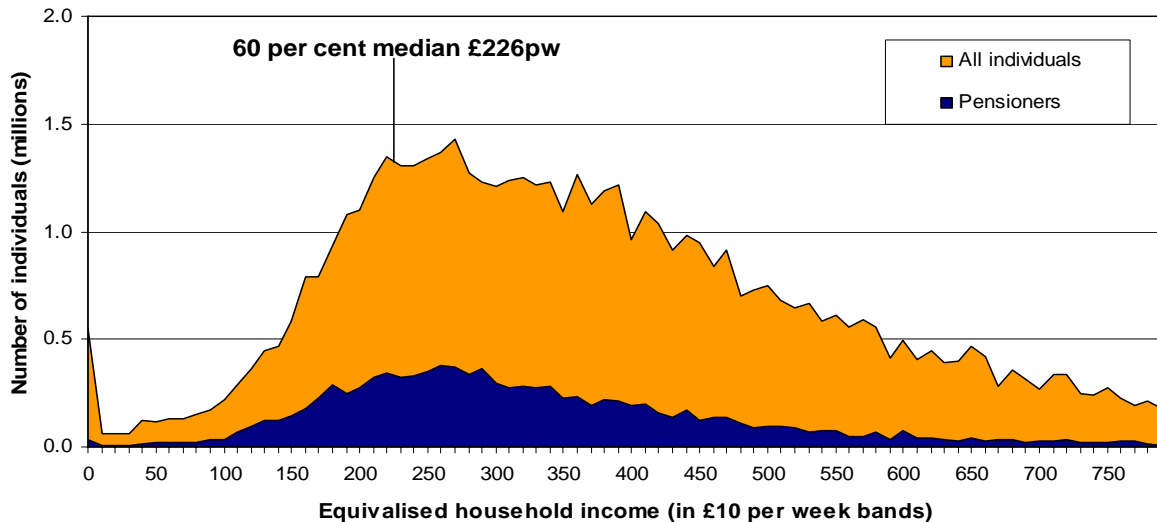
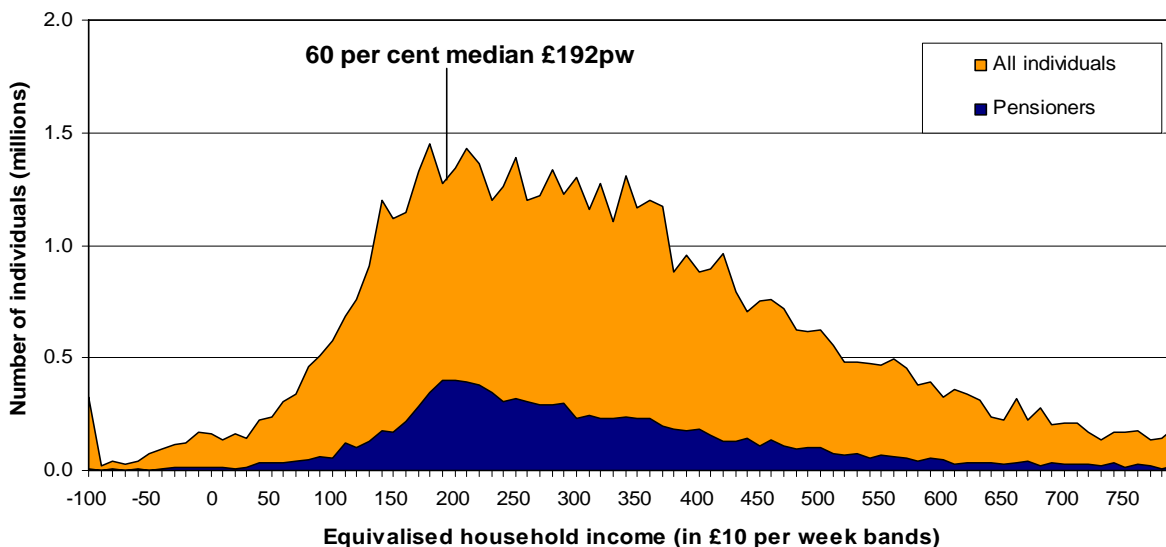


Figure 6.1 (AHC): Income distribution; all individuals and pensioners by income band, 2006/07



Tables in this chapter are;

6.1 Quintile distribution of income in pensioner households 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 in pensioner households by: pension receipt; state support received by family; savings and assets; region and country (three-year average).

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

6.5 – 6.6 Risk of falling into low-income groups with categories outlined for 6.1 – 6.2.

6.1tr – 6.6tr Trends over time for headline figures for all the 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 median income respectively. Tables 6.3tr and 6.4tr show the number for the same measures as outlined for 6.1tr and 6.2tr, while Tables 6.5tr and Table 6.6tr presents a new series that only includes pensioners aged 65 or over. This is in line with international measures of risk 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.

6.1ts – 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 averages).

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

6.6ts to 6.8ts Risk 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 averages).

6.9ts to 6.11ts Risk 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 6.6ts – 6.8ts.

6.12ts to 6.13ts Composition of pensioners in households with incomes below 50 per cent of contemporary median income over time by: age and gender; tenure.

6.14ts to 6.16ts Risk of pensioners in households below 50 per cent of contemporary median income over time by: age and gender; tenure; region and country (three-year averages).

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, 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 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

A new age split has been included for the first time in this edition of the publication. 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 recalled that HBAI attempts to measure the living standards of an individual as determined by household income. This assumes that both

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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 infirmity that leads to a significant 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. Separate income analyses are included for working-age adults and their families or household members with some disability by receipt of disability benefits.

Pension provision

Following consultation with users, the questions on pension provision in the Family Resources Survey have been changed to try to more accurately capture contributions to pensions. While we are evaluating the impact of these changes, we have tried to mirror the former question block as far as possible to minimise any discontinuity in analysing pension provision.

Ethnicity

Pensioners are classified according to the ethnic group of the household reference person (see **Appendix 1** for definition of household reference person).

With relatively few ethnic minority pensioners in the UK in 2006/07, sample sizes using a single year's data were too small to allow analysis of ethnicity at a disaggregated level. To allow a more detailed analysis of pensioners' ethnic groups, estimates are presented as three-year averages.

However, some figures must be treated with caution, as the sample sizes for three years are still small for certain minority ethnic groups. This was especially true of households headed by a person of mixed, Black non-Caribbean or Pakistani / Bangladeshi ethnicity.

Savings and assets

The data relating to assets and savings should be treated with caution. Questions relating to assets 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 assets and therefore around one in seven cases are imputed. Evidence also suggests that there is some under-reporting of capital by respondents, in terms of both the actual values of the assets and the investment income.

The way levels of savings are classified on the Family Resources Survey have changed. This means fewer households are shown to have no savings and more with small levels of savings. This means figures in this publication are not directly comparable with figures in the previous publication.

Region and country

As with the 2005/06 publication, estimates are shown for Northern Ireland and the United Kingdom. Before 2005/06, coverage was up to the level of Great Britain only. 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. Like in the 2005/06 publication, results 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 taken 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 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					All pensioners (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
Economic status of adults in family						
One or more working	9	15	22	25	28	1.6
No one working	29	31	21	13	7	9.2
Age						
60 - 64	20	22	20	19	19	1.7
65 - 69	21	28	21	17	13	2.6
70 - 74	24	31	22	13	10	2.2
75 - 79	33	30	20	10	8	1.8
80 - 84	29	31	20	15	5	1.6
85+	34	25	24	14	4	1.0
Family type						
Couple living with others	14	22	27	22	15	0.6
Couple living alone	24	26	21	15	13	5.8
Single living with others	16	28	27	20	9	0.7
Single living alone	32	33	19	11	5	3.8
Gender						
Male	24	29	22	14	11	4.1
Female	27	28	21	15	10	6.8
Disability and receipt of disability benefits¹						
No disabled adult	28	24	18	15	15	4.7
One or more disabled adults	24	31	24	14	7	6.1
In receipt of disability benefits	13	33	31	18	5	2.4
Not in receipt of disability benefits	32	30	19	11	8	3.7
Tenure						
Owners	27	24	20	16	13	8.5
Owned outright	29	24	20	15	12	7.6
Buying with mortgage	17	20	24	21	18	0.8
Social rented sector tenants	17	48	23	11	1	1.9
Rented from council	19	50	22	8	1	1.1
Rented from a housing association	16	45	24	14	2	0.9
All rented privately	34	30	23	8	5	0.4
Rented privately unfurnished	34	30	22	9	5	0.4
Rented privately furnished	38	29	24	5	4	0.1
Ethnic group (3-year average)						
White	25	29	21	15	10	10.4
Mixed	34	14	25	16	11	0.0
Asian or Asian British	35	24	17	13	11	0.2
Indian	35	19	19	14	13	0.1
Pakistani and Bangladeshi	41	35	12	6	7	0.1
Black or Black British	31	32	19	14	4	0.1
Black Caribbean	33	33	20	12	2	0.1
Black Non-Caribbean	22	27	16	21	14	0.0
Chinese or other ethnic group	36	25	15	14	9	0.1
All pensioners²	26	28	21	15	10	10.9

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; Attendance Allowance; 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 2006/07 only and are not three-year averages.

3. 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 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners (millions)
Economic status of adults in family						
One or more working	6	13	21	27	33	1.6
No one working	18	32	22	17	11	9.2
Age						
60 - 64	14	22	21	20	23	1.7
65 - 69	13	28	22	21	17	2.6
70 - 74	15	30	24	18	13	2.2
75 - 79	18	36	21	15	10	1.8
80 - 84	18	33	22	18	9	1.6
85+	22	28	22	21	7	1.0
Family type						
Couple living with others	12	19	29	24	16	0.6
Couple living alone	15	27	22	19	17	5.8
Single living with others	14	23	30	23	11	0.7
Single living alone	19	35	20	16	10	3.8
Gender						
Male	14	30	23	18	15	4.1
Female	17	29	22	19	14	6.8
Disability and receipt of disability benefits¹						
No disabled adult	17	27	18	18	20	4.7
One or more disabled adults	15	31	25	19	10	6.1
In receipt of disability benefits	7	28	33	24	8	2.4
Not in receipt of disability benefits	20	34	20	16	10	3.7
Tenure						
Owners	14	25	23	21	17	8.5
Owned outright	14	26	23	21	17	7.6
Buying with mortgage	12	21	24	23	20	0.8
Social rented sector tenants	22	45	20	11	2	1.9
Rented from council	23	46	20	10	1	1.1
Rented from a housing association	20	45	20	12	3	0.9
All rented privately	33	34	17	10	5	0.4
Rented privately unfurnished	34	34	16	11	5	0.4
Rented privately furnished	29	35	24	6	6	0.1
Ethnic group (3-year average)						
White	15	30	23	18	14	10.4
Mixed	24	25	17	21	13	0.0
Asian or Asian British	29	27	19	14	11	0.2
Indian	27	25	19	17	13	0.1
Pakistani and Bangladeshi	38	33	14	8	7	0.1
Black or Black British	26	36	18	16	5	0.1
Black Caribbean	25	39	18	14	3	0.1
Black Non-Caribbean	28	22	17	22	11	0.0
Chinese or other ethnic group	29	28	15	18	10	0.1
All pensioners²	16	29	22	19	14	10.9

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; Attendance Allowance; 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 2006/07 only and are not three-year averages.

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

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

Percentage of pensioners	Net equivalised disposable household income					All pensioners (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
Pensions receipt						
Couples	23	26	22	16	14	6.4
No occupational/personal pensions	42	27	14	9	7	1.4
Only one with occupational/personal pension	24	28	23	14	12	3.1
Both with occupational/personal pensions	9	21	25	23	21	1.9
Single	30	32	20	12	6	4.5
No occupational/personal pensions	40	32	17	9	3	2.0
Occupational/personal pension	22	32	23	16	8	2.5
Benefit receipt of family¹						
Disability Living Allowance	15	35	30	15	4	1.2
Attendance Allowance	10	30	33	22	6	1.2
Pension Credit	32	39	18	9	1	2.0
Housing Benefit	13	52	24	10	1	1.5
Not in receipt of any benefit listed above	27	23	20	16	14	6.9
Savings and assets						
No savings	35	33	19	9	4	1.8
Less than £1,500	31	33	21	11	4	2.0
£1,500 but less than £3,000	28	34	21	13	3	0.6
£3,000 but less than £8,000	31	33	20	11	4	1.6
£8,000 but less than £10,000	25	31	23	13	8	0.4
£10,000 but less than £16,000	26	30	22	13	8	1.0
£16,000 but less than £20,000	23	27	25	17	7	0.5
£20,000 or more	13	16	22	23	26	2.8
Region/Country (3-year average)						
England	25	29	21	15	11	9.0
North East	24	37	20	12	6	0.5
North West	28	31	21	13	8	1.2
Yorkshire and the Humber	27	32	21	13	6	0.9
East Midlands	30	31	21	12	7	0.8
West Midlands	26	30	22	14	8	1.0
East of England	22	28	23	17	11	1.0
London	23	26	19	16	16	1.0
Inner	23	28	18	16	14	0.3
Outer	23	24	20	16	16	0.7
South East	22	24	21	17	16	1.5
South West	23	28	21	17	11	1.1
Scotland	24	31	23	14	9	0.9
Wales	27	29	21	15	8	0.6
Northern Ireland	31	27	20	14	7	0.3
All pensioners²	26	28	21	15	10	10.9

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 2006/07 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 2006/07
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All pensioners (millions)
Pensions receipt						
Couples	14	27	23	19	17	6.4
No occupational/personal pensions	33	33	16	10	8	1.4
Only one with occupational/personal pension	12	30	25	19	14	3.1
Both with occupational/personal pensions	5	17	24	27	27	1.9
Single	18	33	21	17	10	4.5
No occupational/personal pensions	28	39	18	12	4	2.0
Occupational/personal pension	11	28	24	22	15	2.5
Benefit receipt of family¹						
Disability Living Allowance	9	30	34	21	6	1.2
Attendance Allowance	5	24	33	28	11	1.2
Pension Credit	17	49	20	12	3	2.0
Housing Benefit	18	50	19	11	2	1.5
Not in receipt of any benefit listed above	16	23	22	20	19	6.9
Savings and assets						
No savings	26	37	21	12	5	1.8
Less than £1,500	21	37	22	14	6	2.0
£1,500 but less than £3,000	15	39	21	21	5	0.6
£3,000 but less than £8,000	16	35	26	16	6	1.6
£8,000 but less than £10,000	13	31	26	17	13	0.4
£10,000 but less than £16,000	16	27	25	20	12	1.0
£16,000 but less than £20,000	12	27	27	22	12	0.5
£20,000 or more	7	15	19	26	33	2.8
Region/Country (3-year averages)						
England	16	30	22	18	14	9.0
North East	14	36	25	15	9	0.5
North West	16	33	22	17	11	1.2
Yorkshire and the Humber	15	34	24	18	9	0.9
East Midlands	18	32	24	16	10	0.8
West Midlands	16	30	24	17	12	1.0
East of England	14	27	24	20	16	1.0
London	20	26	18	17	19	1.0
Inner	26	29	15	15	16	0.3
Outer	17	25	19	18	20	0.7
South East	14	25	20	19	21	1.5
South West	15	27	23	20	15	1.1
Scotland	13	31	24	18	13	0.9
Wales	16	29	24	19	12	0.6
Northern Ireland	18	30	23	19	11	0.3
All pensioners²	16	29	22	19	14	10.9

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 2006/07 only and are not three-year averages.
3. Percentages may not sum to 100 per cent due to rounding.

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

Percentage of pensioners	Source: FRS 2006/07						All pensioners
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in family							
One or more working	5	5	6	6	5	6	15
No one working	95	95	94	94	95	94	85
Age							
60 - 64	13	12	12	14	14	12	15
65 - 69	19	19	21	20	20	21	24
70 - 74	18	19	20	19	19	19	20
75 - 79	20	22	21	17	19	20	17
80 - 84	17	16	16	16	16	16	14
85+	14	12	10	14	12	11	9
Family type							
Couple living with others	3	3	3	4	4	4	5
Couple living alone	44	49	50	46	49	49	53
Single living with others	5	4	4	6	6	5	7
Single living alone	48	44	43	44	41	42	35
Gender							
Male	31	33	36	33	34	35	37
Female	69	67	64	67	66	65	63
Disability and receipt of disability benefits¹							
No disabled adult	50	47	46	48	47	45	44
One or more disabled adults	50	53	54	52	53	55	56
In receipt of disability benefits	8	10	13	10	10	12	22
Not in receipt of disability benefits	42	43	42	42	43	43	34
Tenure							
Owners	85	83	78	67	65	64	78
Owned outright	80	78	73	61	60	59	70
Buying with mortgage	5	5	5	6	6	6	8
Social rented sector tenants	9	11	16	24	26	28	18
Rented from council	5	7	10	13	15	16	10
Rented from a housing association	4	4	6	11	11	13	8
All rented privately	6	6	5	9	8	7	4
Rented privately unfurnished	5	5	4	8	7	6	4
Rented privately furnished	1	1	1	1	1	1	1
Ethnic group (3-year average)							
White	93	95	95	92	94	95	96
Mixed	0	0	0	1	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	1	1	1
Black or Black British	1	1	1	2	2	1	1
Black Caribbean	1	1	1	1	1	1	1
Black Non-Caribbean	0	0	0	0	0	0	0
Chinese or other ethnic group	1	1	1	1	1	1	1
All pensioners (millions=100%)²	1.4	2.5	3.8	1.1	2.1	3.4	10.9

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; Attendance Allowance; 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 2006/07 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 2006/07						All pensioners
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Pensions receipt							
Couples	48	52	53	50	53	53	59
No occupational/personal pensions	24	21	19	26	26	21	13
Only one with occupational/personal pension	19	25	27	20	22	25	29
Both with occupational/personal pensions	5	6	7	5	5	6	18
Single	52	48	47	50	47	47	41
No occupational/personal pensions	36	29	26	35	32	31	18
Occupational/personal pension	16	19	21	15	15	17	23
Benefit receipt of family¹							
Disability Living Allowance	5	6	7	6	6	7	11
Attendance Allowance	3	4	5	3	4	5	11
Pension Credit	18	22	23	14	22	27	18
Housing Benefit	3	6	11	14	18	22	14
Not in receipt of any benefit listed above	74	66	63	71	62	56	63
Savings and assets							
No savings	28	23	22	29	28	25	17
Less than £1,500	24	23	23	24	25	25	19
£1,500 but less than £3,000	5	7	6	5	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	3	3	4	4
£10,000 but less than £16,000	9	9	9	9	9	8	9
£16,000 but less than £20,000	4	4	4	3	3	3	4
£20,000 or more	12	13	13	12	11	11	26
Region/Country (3-year average)							
England	83	83	83	85	84	84	84
North East	4	4	5	3	4	5	4
North West	12	13	13	11	12	13	11
Yorkshire and the Humber	8	9	9	8	8	9	9
East Midlands	9	9	9	9	8	8	7
West Midlands	10	9	10	9	9	9	9
East of England	8	8	9	8	9	9	10
London	10	9	8	13	11	10	9
Inner	3	3	3	6	5	4	3
Outer	7	6	6	7	7	6	6
South East	12	12	12	14	12	13	14
South West	10	9	9	10	9	9	10
Scotland	7	8	9	7	8	8	9
Wales	7	6	6	6	6	5	5
Northern Ireland	3	3	3	2	3	3	2
All pensioners (millions=100%)²	1.4	2.5	3.8	1.1	2.1	3.4	10.9

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 2006/07 only and are not three-year averages.
3. Percentages may not sum to 100 per cent due to rounding.

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

Percentage of pensioners	Source: FRS 2006/07						
	Before Housing Costs			After Housing Costs			All pensioners (millions)
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Economic status of adults in family							
One or more working	4	8	13	4	7	11	1.6
No one working	15	26	39	12	21	34	9.2
Age							
60-64	11	18	27	10	17	25	1.7
65-69	10	18	30	9	16	27	2.6
70-74	11	21	35	10	17	29	2.2
75-79	15	29	43	11	21	37	1.8
80-84	16	27	40	12	21	34	1.6
85+	20	32	41	16	25	39	1.0
Family type							
Couple living with others	8	12	20	8	14	21	0.6
Couple living alone	11	21	32	9	17	28	5.8
Single living with others	9	15	23	9	16	24	0.7
Single living alone	18	29	43	13	22	38	3.8
Gender							
Male	11	21	33	9	17	29	4.1
Female	14	25	36	11	20	32	6.8
Disability and receipt of disability benefits¹							
No disabled adult	15	25	36	12	20	32	4.7
One or more disabled adults	12	22	34	10	18	30	6.1
In receipt of disability benefits	5	11	20	5	9	17	2.4
Not in receipt of disability benefits	16	29	42	13	24	39	3.7
Tenure							
Owners	14	25	35	9	16	25	8.5
Owned outright	15	26	36	9	16	26	7.6
Buying with mortgage	8	15	23	9	14	22	0.8
Social rented sector tenants	7	15	32	14	28	49	1.9
Rented from council	7	16	36	14	29	49	1.1
Rented from a housing association	7	13	28	15	26	49	0.9
All rented privately	19	32	44	22	38	54	0.4
Rented privately unfurnished	17	31	44	23	39	54	0.4
Rented privately furnished	28	38	43	21	31	52	0.1
Ethnic group (3-year average)							
White	11	21	34	9	17	30	10.4
Mixed	19	28	40	17	25	38	0.0
Asian or Asian British	24	32	43	21	32	44	0.2
Indian	24	33	38	19	29	38	0.1
Pakistani and Bangladeshi	33	39	59	28	43	60	0.1
Black or Black British	15	28	41	16	29	46	0.1
Black Caribbean	15	29	43	15	29	47	0.1
Black Non-Caribbean	16	22	33	21	31	39	0.0
Chinese or other ethnic group	24	33	44	18	30	41	0.1
All pensioners²	13	23	35	10	19	31	10.9

Notes:

1. Disability benefits are Disability Living Allowance; War Disablement Pension; Attendance Allowance; 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 2006/07 only and are not three-year averages.

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

Percentage of pensioners	Source: FRS 2006/07						All pensioners (millions)
	Before Housing Costs			After Housing Costs			
	Income Thresholds - Below Median						
	50%	60%	70%	50%	60%	70%	
Pensions receipt							
Couples	11	20	31	9	17	28	6.4
No occupational/personal pensions	25	39	52	21	39	51	1.4
Only one with occupational/personal pension	9	20	33	7	14	27	3.1
Both with occupational/personal pensions	4	8	14	3	6	11	1.9
Single	17	27	40	13	21	35	4.5
No occupational/personal pensions	26	37	51	20	33	52	2.0
Occupational/personal pension	9	19	32	7	12	22	2.5
Benefit receipt of family¹							
Disability Living Allowance	5	12	22	6	10	19	1.2
Attendance Allowance	3	8	17	3	7	14	1.2
Pension Credit	13	28	44	8	23	45	2.0
Housing Benefit	3	10	28	10	24	49	1.5
Not in receipt of any benefit listed above	15	24	35	12	19	27	6.9
Savings and assets							
No savings	21	32	46	18	31	46	1.8
Less than £1,500	16	28	43	13	25	41	2.0
£1,500 but less than £3,000	12	26	38	10	20	37	0.6
£3,000 but less than £8,000	13	27	41	10	19	34	1.6
£8,000 but less than £10,000	12	22	34	8	16	29	0.4
£10,000 but less than £16,000	13	24	37	11	18	28	1.0
£16,000 but less than £20,000	11	20	33	8	14	22	0.5
£20,000 or more	6	12	18	5	8	13	2.8
Region/Country (3-year average)							
England	11	22	34	9	18	30	9.0
North East	9	20	38	7	17	31	0.5
North West	12	24	37	8	19	33	1.2
Yorkshire and the Humber	11	24	37	9	17	32	0.9
East Midlands	14	27	40	11	21	33	0.8
West Midlands	12	22	36	9	18	31	1.0
East of England	10	19	30	8	16	27	1.0
London	12	20	31	12	22	33	1.0
Inner	13	21	32	18	28	42	0.3
Outer	12	20	31	10	19	29	0.7
South East	10	19	29	9	16	27	1.5
South West	11	20	31	9	16	27	1.1
Scotland	10	20	34	7	16	29	0.9
Wales	14	24	36	10	19	28	0.6
Northern Ireland	16	28	40	9	20	33	0.3
All pensioners²	13	23	35	10	19	31	10.9

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 2006/07 only and are not three-year averages.

6 Pensioners

Table 6.1tr: Percentage of pensioners falling below various thresholds of contemporary median income, United Kingdom^{1,2}

Percentage of pensioners		Before Housing Costs			After Housing Costs			Source: FES/FRS
		Below median			Below median			
		50%	60%	70%	50%	60%	70%	
FES (UK)	1979	10	32	52	8	32	50	
	1981	5	20	43	5	23	44	
	1987	11	27	47	10	31	46	
	1988/89	16	38	53	18	41	51	
	1990/91	17	37	49	21	37	46	
	1991/92	14	32	46	17	34	44	
	1992/93	13	28	43	14	32	42	
	1993/95	12	24	41	11	31	41	
	1994/96	10	23	40	11	30	40	
	1995/97	11	24	40	14	30	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	
Change	1998/99-2006/07 ^{2,3}	-1	-4	-6	-3	-10	-8	
	2005/06-2006/07 ^{2,3}	2	2	2	2	2	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 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 6.2tr: Percentage of pensioners falling below various thresholds of 1998/99 median income held constant in real terms, United Kingdom^{1,2}

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
Change	1998/99-2006/07 ^{2,3}	-7	-12	-18	-7	-19	-23
	2005/06-2006/07 ^{2,3}	1	2	2	1	2	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 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^{1,2}

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	0.9	2.9	4.7	0.7	2.9	4.5	9.1
	1981	0.5	1.9	4.1	0.4	2.1	4.2	9.5
	1987	1.1	2.7	4.7	1.0	3.1	4.6	9.9
	1988/89	1.6	3.8	5.3	1.8	4.0	5.1	9.9
	1990/91	1.7	3.7	5.0	2.1	3.7	4.7	10.1
	1991/92	1.5	3.3	4.7	1.8	3.5	4.5	10.2
	1992/93	1.3	2.9	4.4	1.4	3.3	4.4	10.2
	1993/95	1.2	2.5	4.1	1.1	3.1	4.2	10.2
	1994/96	1.1	2.3	4.1	1.1	3.0	4.1	10.1
	1995/97	1.1	2.4	4.0	1.4	3.1	4.0	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
	1997/98	1.3	2.5	4.0	1.3	2.9	3.8	10.0
FRS (UK)	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
Change	1998/99-2006/07 ^{2,3}	0.0	-0.2	-0.4	-0.2	-0.9	-0.6	0.6
	2005/06-2006/07 ^{2,3}	0.3	0.3	0.2	0.2	0.2	0.2	0.1

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 numbers of pensioners below low-income thresholds may not equal the difference between the total number of pensioners below thresholds for any pair of years shown.

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

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	
Change	1998/99-2006/07 ^{2,3}	-0.6	-1.2	-1.7	-0.7	-1.9	-2.2	0.6
	2005/06-2006/07 ^{2,3}	0.2	0.3	0.2	0.2	0.2	0.2	0.1

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 numbers of pensioners below low-income thresholds may not equal the difference between the total number of pensioners below thresholds for any pair of years shown.

6 Pensioners

Table 6.5tr: Percentage of pensioners aged 65 or over below thresholds of contemporary and 1998/99 real-terms median income, United Kingdom¹

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	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
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
2005/06-2006/07 ^{2,3}	3	3	2	2	2	2

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	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
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
2005/06-2006/07 ^{2,3}	2	3	2	2	2	2

Notes:

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
2. 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.
3. 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.

Table 6.6tr: Number of pensioners aged 65 or over below thresholds of contemporary and 1998/99 real-terms median income, United Kingdom¹

Numbers of pensioners (millions)	Source: FRS						All pensioners
	Before Housing Costs			After Housing Costs			
	Below median			Below median			
	50%	60%	70%	50%	60%	70%	
Contemporary income thresholds							
1994/95	1.1	2.1	3.6	1.0	2.5	3.6	8.5
1995/96	1.1	2.1	3.6	0.9	2.5	3.5	8.5
1996/97	1.1	2.2	3.6	1.1	2.6	3.5	8.5
1997/98	1.2	2.3	3.6	1.1	2.6	3.4	8.6
1998/99	1.3	2.4	3.7	1.2	2.6	3.4	8.6
1999/00	1.2	2.3	3.5	1.1	2.5	3.4	8.6
2000/01	1.2	2.2	3.5	1.0	2.3	3.2	8.7
2001/02	1.2	2.3	3.5	1.0	2.3	3.3	8.7
2002/03	1.2	2.3	3.6	1.0	2.2	3.4	9.0
2003/04	1.1	2.1	3.4	0.9	1.9	3.2	9.0
2004/05	1.0	2.0	3.2	0.7	1.6	2.8	9.1
2005/06	1.0	2.0	3.1	0.8	1.6	2.7	9.2
2006/07	1.2	2.2	3.4	1.0	1.8	2.9	9.2
2005/06-2006/07 ^{2,3}	0.2	0.3	0.2	0.2	0.2	0.2	0.0
1998/99 income thresholds held constant in real terms							
1994/95	1.5	2.8	4.2	1.7	3.2	4.1	8.5
1995/96	1.5	2.8	4.2	1.6	3.2	4.1	8.5
1996/97	1.3	2.5	3.8	1.4	2.8	3.7	8.5
1997/98	1.3	2.4	3.7	1.3	2.7	3.6	8.6
1998/99	1.3	2.4	3.7	1.2	2.6	3.4	8.6
1999/00	1.1	2.0	3.3	0.9	2.2	3.1	8.6
2000/01	0.9	1.8	3.0	0.7	1.7	2.8	8.7
2001/02	0.7	1.6	2.6	0.6	1.3	2.5	8.7
2002/03	0.6	1.5	2.5	0.5	1.0	2.1	9.0
2003/04	0.6	1.3	2.3	0.5	0.9	1.7	9.0
2004/05	0.5	1.2	2.2	0.4	0.7	1.4	9.1
2005/06	0.6	1.1	2.0	0.4	0.7	1.3	9.2
2006/07	0.7	1.4	2.2	0.5	0.9	1.5	9.2
2005/06-2006/07 ^{2,3}	0.1	0.2	0.2	0.1	0.2	0.2	0.0

Notes:

1. Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
2. Due to rounding, the estimates of change in numbers of pensioners below low-income thresholds may not equal the difference between the total number of pensioners below thresholds for any pair of years shown.
3. 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.

6 Pensioners

Table 6.1ts: Population of pensioners by age and gender, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of pensioners whose age is: (millions)										
60 - 64	1.4	1.4	1.4	1.4	1.5	1.4	1.5	1.6	1.6	1.7
65 - 69	2.5	2.5	2.6	2.5	2.5	2.5	2.5	2.6	2.7	2.6
70 - 74	2.5	2.3	2.2	2.3	2.2	2.3	2.3	2.2	2.2	2.2
75 - 79	1.6	1.7	1.8	1.9	1.9	1.9	1.9	1.8	1.8	1.8
80 - 84	1.2	1.2	1.2	1.1	1.1	1.2	1.4	1.6	1.5	1.6
85+	0.7	0.7	0.8	0.8	0.8	0.9	0.8	0.9	0.9	1.0
Number of pensioners whose gender is: (millions)										
Male	3.5	3.6	3.6	3.6	3.6	3.7	3.9	4.0	4.0	4.1
Female	6.4	6.4	6.4	6.4	6.4	6.4	6.6	6.7	6.8	6.8
All pensioners (millions)	9.9	9.9	10.0	10.0	10.0	10.1	10.5	10.7	10.8	10.9
Percentage of pensioners whose age is:										
60 - 64	14	14	14	14	15	14	14	15	15	15
65 - 69	25	26	26	25	25	24	24	25	25	24
70 - 74	25	23	23	23	22	22	22	21	20	20
75 - 79	16	17	18	19	19	18	18	17	17	17
80 - 84	12	12	12	11	11	12	13	15	14	14
85+	7	7	8	8	8	8	8	8	9	9
Percentage of pensioners whose gender is:										
Male	35	36	36	36	36	37	37	37	37	37
Female	65	64	64	64	64	63	63	63	63	63
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

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

Table 6.2ts: Population of pensioners by tenure, United Kingdom¹

	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Number of pensioners whose tenure type is: (millions)										
Owners	6.5	6.8	6.9	7.0	7.1	7.4	7.7	8.1	8.4	8.5
Owned outright	5.7	5.9	6.0	6.1	6.2	6.6	6.8	7.3	7.5	7.6
Buying with mortgage	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8
Social rented sector tenants	2.8	2.7	2.6	2.5	2.4	2.3	2.3	2.1	2.0	1.9
Rented from council	2.3	2.1	2.1	2.0	1.8	1.6	1.6	1.2	1.1	1.1
Rented from a housing association	0.4	0.5	0.5	0.5	0.6	0.7	0.7	0.8	0.8	0.9
All rented privately	0.6	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.4
Rented privately unfurnished	0.5	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4
Rented privately furnished	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
All pensioners (millions)	9.9	9.9	10.0	10.0	10.0	10.1	10.5	10.7	10.8	10.9
Percentage of pensioners whose tenure type is:										
Owners	65	68	69	70	71	73	74	76	78	78
Owned outright	58	59	60	61	62	65	65	68	69	70
Buying with mortgage	8	9	9	9	9	9	8	8	8	8
Social rented sector tenants	28	27	26	25	24	22	22	19	18	18
Rented from council	24	22	21	20	18	16	15	12	10	10
Rented from a housing association	5	5	5	5	6	7	7	8	8	8
All rented privately	6	5	5	5	5	4	4	4	4	4
Rented privately unfurnished	6	3	4	4	5	4	4	4	4	4
Rented privately furnished	1	2	1	1	1	1	1	0	0	1
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

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Table 6.3ts: Population of pensioners by region and country, United Kingdom¹

	Source: FRS									
	94/95- 96/97	95/96- 97/98	96/97- 98/99	97/98- 99/00	98/99- 00/01	00/01- 02/03	01/02- 03/04	02/03- 04/05	03/04- 05/06	04/05- 06/07
Number of pensioners whose region/country is: (3-year average, millions)										
England	8.5	8.5	8.5	8.6	8.6	8.7	8.8	8.8	8.9	9.0
North East	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
Yorkshire and the Humber	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	0.8	0.8	0.8	0.8
West Midlands	0.9	0.9	0.9	0.9	0.9	0.9	0.9	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
London	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	1.5	1.5	1.5	1.5
South West	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1
Scotland	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
Northern Ireland	..	..	..	..	..	..	..	0.3	0.3	0.3
All pensioners (millions)²	9.9	9.9	10.0	10.0	10.1	10.2	10.4	10.6	10.7	10.8
Percentage of pensioners whose region/country is: (3-year average)										
England	86	86	86	86	86	86	86	84	84	84
North East	5	5	5	5	5	5	5	4	4	4
North West	12	12	12	12	12	12	12	12	12	11
Yorkshire and the Humber	9	9	9	9	9	9	9	9	9	9
East Midlands	7	7	7	7	7	7	7	7	7	7
West Midlands	9	9	9	9	9	9	9	9	9	9
East of England	9	9	9	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	9	9	9
South East	14	14	14	14	14	14	14	14	14	14
South West	10	10	10	10	10	10	10	10	10	10
Scotland	9	9	9	9	9	9	9	9	9	9
Wales	6	6	6	6	6	6	6	5	5	5
Northern Ireland	..	..	..	..	..	..	..	2	2	2
All pensioners (per cent)²	100	100	100	100	100	100	100	100	100	100

Notes:

1. Figures are for the United Kingdom from 2002/03-2004/05 onwards. Earlier years are for Great Britain only.
2. The all pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
4. 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 Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Age										
60 - 64	10	11	10	10	10	11	11	11	12	12
65 - 69	19	19	19	19	19	18	19	19	22	19
70 - 74	26	24	24	25	23	23	23	19	21	19
75 - 79	19	21	23	23	22	22	21	20	18	22
80 - 84	17	16	15	14	16	16	16	19	17	16
85+	9	9	9	10	10	11	10	11	10	12
Gender										
Male	31	31	32	33	33	34	35	34	34	33
Female	69	69	68	67	67	66	65	66	66	67
All pensioners (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Age										
60 - 64	10	10	10	10	11	12	12	15	14	14
65 - 69	19	19	20	19	20	19	21	22	24	20
70 - 74	28	24	23	24	23	23	22	19	19	19
75 - 79	21	22	23	23	21	21	20	19	17	19
80 - 84	15	17	15	14	16	15	16	16	15	16
85+	7	9	10	10	10	10	10	10	11	12
Gender										
Male	30	30	32	32	32	33	35	35	35	34
Female	70	70	68	68	68	67	65	65	65	66
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

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Table 6.5ts: Composition of pensioners living in households with less than 60 per cent of contemporary median household income, by tenure, United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Tenure										
Owners	71	71	71	72	74	75	79	83	84	83
Owned outright	65	66	65	66	67	70	73	76	78	78
Buying with mortgage	6	5	6	5	6	5	6	6	6	5
Social rented sector tenants	21	23	23	23	20	19	16	13	11	11
Rented from council	17	18	20	19	16	13	12	8	6	7
Rented from a housing association	4	5	3	4	4	6	4	5	4	4
All rented privately	8	6	6	5	7	5	5	5	5	6
Rented privately unfurnished	7	5	5	5	6	4	4	4	5	5
Rented privately furnished	1	2	1	1	1	1	1	1	1	1
All pensioners (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Tenure										
Owners	42	43	45	47	49	53	56	62	64	65
Owned outright	36	38	39	41	43	48	50	55	56	60
Buying with mortgage	6	4	6	5	6	5	6	7	8	6
Social rented sector tenants	49	50	47	46	43	40	37	30	27	26
Rented from council	40	39	38	36	32	27	26	18	15	15
Rented from a housing association	9	11	9	10	11	13	12	12	12	11
All rented privately	10	8	8	7	8	7	7	7	9	8
Rented privately unfurnished	8	5	6	6	7	6	6	7	8	7
Rented privately furnished	1	2	1	1	1	2	1	1	1	1
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 6.6ts: Risk of pensioners living in households with less than 60 per cent of contemporary median household income, by age and gender United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

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Table 6.7ts: Risk of pensioners living in households with less than 60 per cent of contemporary median household income, by tenure, United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Tenure										
Owners	26	26	26	28	26	26	26	23	23	25
Owned outright	27	27	28	29	27	27	27	24	23	26
Buying with mortgage	18	15	16	17	19	15	18	17	15	15
Social rented sector tenants	18	21	22	24	21	22	18	14	12	15
Rented from council	17	20	24	25	22	22	19	14	13	16
Rented from a housing association	19	22	17	20	17	22	14	13	11	13
All rented privately	31	32	31	31	31	29	29	23	25	32
Rented privately unfurnished	32	34	30	31	31	30	29	23	25	31
Rented privately furnished	29	26	38	28	32	26	29	22	33	38
All pensioners (per cent)	24	25	25	27	25	25	24	21	21	23
After Housing Costs										
Tenure										
Owners	18	18	19	19	19	19	18	14	14	16
Owned outright	18	19	19	19	19	19	18	14	14	16
Buying with mortgage	20	15	19	17	19	16	17	15	17	14
Social rented sector tenants	48	54	52	52	50	45	41	28	25	28
Rented from council	47	52	52	52	49	44	42	27	25	29
Rented from a housing association	56	59	53	55	51	48	40	28	26	26
All rented privately	43	45	45	44	42	43	38	29	34	38
Rented privately unfurnished	43	47	44	45	41	41	37	30	35	39
Rented privately furnished	46	42	56	39	51	49	44	20	27	31
All pensioners (per cent)	28	29	29	29	28	26	24	18	17	19

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 6.8ts: Risk of pensioners living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom¹

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

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 pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

6 Pensioners

Table 6.9ts: Risk of pensioners living in households with less than 60 per cent of 1998/99 real-terms median income, by age and gender United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 6.10ts: Risk of pensioners living in households with less than 60 per cent of 1998/99 real-terms median income, by tenure, United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Tenure										
Owners	31	28	27	28	24	19	18	15	13	16
Owned outright	32	30	29	29	25	21	19	15	14	17
Buying with mortgage	22	16	17	17	17	9	12	10	7	9
Social rented sector tenants	33	27	25	24	16	11	8	8	6	8
Rented from council	34	27	27	25	16	10	9	8	6	8
Rented from a housing association	29	26	18	20	15	13	7	7	6	8
All rented privately	41	36	31	31	28	23	19	15	16	22
Rented privately unfurnished	41	40	30	31	27	23	18	15	15	21
Rented privately furnished	40	29	38	28	30	23	22	14	26	29
All pensioners (per cent)	32	28	27	27	22	18	16	13	12	15
After Housing Costs										
Tenure										
Owners	24	20	20	19	17	11	10	6	7	8
Owned outright	24	21	20	19	17	11	9	6	7	9
Buying with mortgage	25	17	20	17	17	10	11	8	7	8
Social rented sector tenants	61	57	54	52	45	23	16	13	11	13
Rented from council	60	56	54	52	44	22	16	12	11	12
Rented from a housing association	67	64	55	55	47	26	16	14	11	13
All rented privately	54	49	47	44	38	26	22	15	17	20
Rented privately unfurnished	53	51	46	45	37	26	21	16	17	21
Rented privately furnished	58	46	58	39	48	23	28	11	22	16
All pensioners (per cent)	36	32	31	29	25	14	12	8	8	10

Notes:

1. Figures are for United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.
2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

6 Pensioners

Table 6.11ts: Risk of pensioners living in households with less than 60 per cent of 1998/99 real-terms median income, by region or country, United Kingdom¹

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

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 pensioners figures here are three year averages and are therefore not directly comparable with the totals in the main tables.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 6.12ts: Composition of pensioners living in households with less than 50 per cent of contemporary median household income, by age and gender United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Age										
60 - 64	10	11	10	10	10	11	12	14	13	13
65 - 69	16	15	17	17	17	17	18	19	22	19
70 - 74	24	21	19	22	21	20	21	18	19	18
75 - 79	20	22	25	24	21	22	20	18	16	20
80 - 84	19	19	17	16	18	18	18	18	16	17
85+	11	12	13	12	12	14	12	12	13	14
Gender										
Male	27	27	29	31	29	30	31	31	31	31
Female	73	73	71	69	71	70	69	69	69	69
All pensioners (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Age										
60 - 64	12	13	12	11	12	12	14	17	16	14
65 - 69	19	19	20	19	21	20	19	23	24	20
70 - 74	25	22	21	24	20	20	23	17	17	19
75 - 79	18	20	22	23	20	19	18	17	15	17
80 - 84	18	14	15	13	16	16	16	16	15	16
85+	8	12	11	10	10	12	10	11	14	14
Gender										
Male	28	31	31	33	32	33	33	32	32	33
Female	72	69	69	67	68	67	67	68	68	67
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

6 Pensioners

Table 6.13ts: Composition of pensioners living in households with less than 50 per cent of contemporary median household income, by tenure, United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Tenure										
Owners	81	80	81	82	82	80	83	84	85	85
Owned outright	76	75	76	76	76	76	78	78	81	80
Buying with mortgage	6	5	5	5	6	4	5	6	4	5
Social rented sector tenants	11	13	12	12	11	14	11	11	9	9
Rented from council	8	9	9	9	8	9	7	6	5	5
Rented from a housing association	3	4	3	2	3	5	3	5	4	4
All rented privately	8	7	7	6	7	6	6	5	6	6
Rented privately unfurnished	7	5	6	6	6	5	5	4	5	5
Rented privately furnished	1	2	1	1	1	1	1	1	1	1
All pensioners (per cent)	100	100	100	100	100	100	100	100	100	100
After Housing Costs										
Tenure										
Owners	48	48	51	49	55	57	61	61	66	67
Owned outright	39	42	43	43	47	51	53	53	58	61
Buying with mortgage	9	6	7	7	8	6	8	8	8	6
Social rented sector tenants	39	43	41	41	35	35	31	30	25	24
Rented from council	27	30	32	31	25	22	21	17	14	13
Rented from a housing association	12	13	9	10	10	13	10	13	11	11
All rented privately	13	9	9	10	10	8	8	8	9	9
Rented privately unfurnished	12	6	7	8	8	6	7	8	8	8
Rented privately furnished	2	3	1	1	2	1	2	1	1	1
All pensioners (per cent)	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. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.
3. Percentages may not sum to 100 per cent due to rounding.

Table 6.14ts: Risk of pensioners living in households with less than 50 per cent of contemporary median household income, by age and gender United Kingdom¹

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

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

6 Pensioners

Table 6.15ts: Risk of pensioners living in households with less than 50 per cent of contemporary median household income, by tenure, United Kingdom¹

Percentage of pensioners	Source: FRS									
	94/95	96/97	97/98	98/99	99/00	01/02	02/03	04/05	05/06	06/07
Before Housing Costs										
Tenure										
Owners	15	15	16	17	16	15	15	12	12	14
Owned outright	16	16	17	18	16	16	16	12	13	15
Buying with mortgage	9	7	8	9	9	6	8	8	6	8
Social rented sector tenants	5	6	6	6	6	9	6	6	5	7
Rented from council	4	6	6	6	6	8	6	6	5	7
Rented from a housing association	8	9	7	7	7	10	6	7	5	7
All rented privately	16	17	19	19	18	19	17	12	15	19
Rented privately unfurnished	15	20	17	20	18	20	16	12	14	17
Rented privately furnished	18	13	27	14	22	18	20	11	25	28
All pensioners (per cent)	12	13	13	14	13	14	13	11	11	13
After Housing Costs										
Tenure										
Owners	8	9	10	9	10	9	9	7	7	9
Owned outright	8	9	9	9	10	9	9	6	7	9
Buying with mortgage	13	8	11	10	11	8	10	8	8	9
Social rented sector tenants	16	20	20	22	19	18	15	13	11	14
Rented from council	13	17	20	21	18	16	15	12	11	14
Rented from a housing association	30	30	23	27	21	22	15	14	12	15
All rented privately	24	23	22	27	24	20	21	15	18	22
Rented privately unfurnished	24	25	22	28	23	20	20	16	18	23
Rented privately furnished	23	20	25	24	33	18	25	11	24	21
All pensioners (per cent)	11	13	13	13	13	11	11	8	8	10

Notes:

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

2. The years 1995/96, 2000/01 and 2003/04 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Table 6.16ts: Risk of pensioners living in households with less than 50 per cent of contemporary median household income, by region or country, United Kingdom¹

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

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 pensioners figures here are three-year averages and are therefore not directly comparable with the totals in the main tables.
3. The years 1999/00-2001/02 have been dropped for reasons of space. All years are shown in the Excel versions of the time series shown on the internet.

Low-income dynamics

- Persistence of low income is defined as spending three or more years out of any four-year period in a household with below 60 per cent of median income.
- On both Before Housing Cost and After Housing Cost bases there were small falls in persistent low income for the whole population over the period 1991 to 2005.
- 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 the most recent period 2002-2005. On an After Housing Cost basis, there were falls in the persistent low-income estimates for children since 1995-1998.
- On both Before Housing Cost and After Housing Cost bases there were slight falls in persistent low income for people of working age over the period 1991 to 2005.
- On both Before Housing Cost and After Housing Cost bases there was a slight increase in the incidence of persistent low income among pensioners up to 1998-2001. Since this time, however the proportion of pensioners experiencing persistent poverty rose has since shown a marked and continuing fall.
- For all individuals, children, working age individuals, and pensioners, the level of persistent poverty in 2002-2005 was lower than it was at the start of the 15-year period on both a Before Housing Cost basis and an After Housing Cost basis.

7 Low-income dynamics

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, Institute for Social and Economic Research. Further information is on their web-site at <http://www.iser.essex.ac.uk/ulsc/bhps/doc>

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 15 waves of the British Household Panel Survey (BHPS), from 1991 up to and including 2005. This chapter is based on the findings of the 'Low-Income Dynamics' (LID) analytical paper which was published by DWP in August 2007. 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. Analysis of 2006 (Wave 16) BHPS data will therefore be published separately in Summer 2008.

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 2002-2005. 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://www.dwp.gov.uk/asd/hbai.asp#low_income

Changes since last year

Some of the BHPS figures presented in this chapter have been revised since their publication in the last (2005/06) HBAI report.

This is due to changes made by the data providers.

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.

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

'Opportunity for all' persistent low-income indicators

Table 7.1 (BHC) presents the persistent low-income indicators for children, pensioners and working-age adults that are included in the Government's annual report on tackling poverty

and social exclusion 'Opportunity for all' (Ofa), with additional figures presented here for 'all individuals' for comparative purposes. **Table 7.1 (AHC)** presents the same figures on an After Housing Costs basis.

For the period 2002-2005 **Table 7.1 (BHC)** shows that, for income Before Housing Costs:

- 9 per cent of individuals lived in households with below 60 per cent of median income for at least three out of four consecutive years. This figure has shown a small fall over the period 1991 to 2005.
- 11 per cent of children lived in households with below 60 per cent of median income for at least three years. There was a reduction for children over the period 1991-1994 to 1993-1996, which remained broadly the same up to 1999-2002. There have been continuing falls since then to the most recent period 2002-2005.
- 6 per cent of working-age adults lived in households with below 60 per cent of median income for at least three years. This series has shown little change since 1991-1994.
- 15 per cent of pensioners lived in households with below 60 per cent of median income for at least three years. For pensioners, there were increases up to 1998-2001, followed by successive falls since.
- For all individuals, children, working age individuals, and pensioners, the level of persistent poverty in 2002-2005 was lower than it was at the start of the 15-year period.

On an After Housing Costs basis, **Table 7.1 (AHC)** shows that for 2002-2005:

- 11 per cent of individuals experienced persistent low income (defined as at least three out of any four years below 60 per cent of median income). This figure has seen a small fall since 1991-1994.
- 17 per cent of children lived in households with below 60 per cent of median income for at least three years. This figure has fallen since 1995-1998.

- 8 per cent of working-age adults experienced persistent low income. This figure has decreased since 1991-1994.
- 13 per cent of pensioners lived in households with below 60 per cent of median income for at least three out of four consecutive years. For pensioners, the proportion rose between the periods 1991-1994 and 1998-2001, but has shown a marked fall since.
- For all individuals, children, working age individuals, and pensioners, the level of persistent poverty in 2002-2005 was lower than it was at the start of the 15-year period.

The definition of persistence used in Ofa is 'at least three years out of four below thresholds of 60 or 70 per cent of median income'. An alternative definition that does not appear in Ofa, 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 Ofa 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): Opportunity for all indicators ¹

Source: BHPS 1991-2005				
Percentage of group below threshold in at least 3 out of 4 years				
	Ofa definition		Alternative definition ²	
	Below 60% of median	Below 70% of median	In bottom 20%	In bottom 30%
All individuals				
1991 - 1994	12	20	14	24
1992 - 1995	11	20	14	24
1993 - 1996	11	20	14	24
1994 - 1997	12	20	14	24
1995 - 1998	11	20	14	24
1996 - 1999	11	20	14	24
1997 - 2000	12	20	14	24
1998 - 2001	12	20	14	24
1999 - 2002	11	20	14	24
2000 - 2003	11	20	14	24
2001 - 2004	10	19	13	24
2002 - 2005	9	18	13	23
Children				
1991 - 1994	20	29	22	33
1992 - 1995	18	29	21	32
1993 - 1996	17	29	20	33
1994 - 1997	17	28	20	32
1995 - 1998	17	28	20	32
1996 - 1999	16	27	20	32
1997 - 2000	17	27	20	32
1998 - 2001	17	26	21	31
1999 - 2002	17	27	20	31
2000 - 2003	15	26	18	31
2001 - 2004	13	24	17	30
2002 - 2005	11	22	16	28
Working-age adults				
1991 - 1994	8	13	9	15
1992 - 1995	8	14	9	16
1993 - 1996	7	14	9	17
1994 - 1997	7	13	9	16
1995 - 1998	7	13	9	16
1996 - 1999	7	13	9	15
1997 - 2000	7	13	9	15
1998 - 2001	7	13	9	16
1999 - 2002	7	12	8	16
2000 - 2003	7	13	9	16
2001 - 2004	7	12	9	16
2002 - 2005	6	12	9	16
Pensioners				
1991 - 1994	17	35	21	41
1992 - 1995	17	33	21	41
1993 - 1996	17	34	22	41
1994 - 1997	19	35	25	43
1995 - 1998	19	35	24	42
1996 - 1999	20	36	24	43
1997 - 2000	20	37	25	45
1998 - 2001	21	37	26	44
1999 - 2002	19	37	24	44
2000 - 2003	18	34	24	42
2001 - 2004	16	34	23	43
2002 - 2005	15	31	23	40

Notes:

1. Some of the figures presented in the table above have seen revisions since their publication in the last (2005/06) HBAI report. This is due to changes to the base dataset made by the data providers.

2. 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): Opportunity for all indicators ¹

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

Notes:

1. Some of the figures presented in the table above have seen revisions since their publication in the last (2005/06) HBAI report. This is due to changes to the base dataset made by the data providers.

2. 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.

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.

Cumulative decile groups

These are combinations of **decile groups** working either upwards from the bottom or down from the top of the income distribution. Tables showing the bottom 30 per cent of the income distribution, for example, include all those people in the lowest three decile groups.

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 50th **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. **Quantile 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.

Risk

This is the chance of individuals in a group being below a given **threshold** (e.g. the risk for children in lone parent families being below 60 per cent of the **median**). It is calculated as the number in the group below the given threshold divided by the total number in the group.

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 updated 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 2006/07 has been updated for inflation over the period.

Measures of Income¹

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, free welfare milk 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.

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

¹ 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 cohabiters) 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 2006/07 prices.

Couple / married couple/civil partnership

A man and woman living together as husband and wife, including cohabiters. From January 2006, same-sex civil partners are also included in the same benefit unit.

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.
South West:	Cornwall and the Isles of Scilly, Devon, Dorset, Gloucestershire, Somerset, Wiltshire.
East of England:	Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk, Suffolk.
South East:	Buckinghamshire, East Sussex, Hampshire, Kent, Oxfordshire, Surrey, West Sussex.
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/Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Kingston-upon-Thames, Merton, Redbridge, Richmond-upon-Thames, Sutton, Waltham Forest.

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.

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.

Appendix 1

- 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

The Family Resources Survey (FRS) definition of 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. 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

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).

Low Income and Material Deprivation

The Low Income and Material Deprivation is a combined measure 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).

Self-employed households

Those containing one or more individuals who normally work self-employed in his/her main job for 31 or more hours a week. In Table 2.3 of Chapter 2, where denoted with the heading 'excluding the self-employed', all individuals living in these households are excluded.

State support

Tax credits or Social Security benefits included in this category are:

- Attendance Allowance
- Back-To-Work Bonus ended 25th October 2004, accrued amounts frozen until 25th January 2007
- 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
- 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 Disablement Pension
- 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

Workless working-age household

A household where no adult members are in employment or are self-employed and where there is at least one adult below state pension age.

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 Pensioners chapter (Chapter 6), 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.

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.

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 fuller 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

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the 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 their 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. 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 a 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 (except part of Table 2.3). Nevertheless, it should be noted that a significant proportion of this group 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. 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 2006/07, full interviews were completed with 23,874 households in Great Britain and 1,918 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 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

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://www.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 them, they are asked whether this is because they do not want them or because they cannot afford them.

These questions will be 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/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 those families lacking all items which other families had access to potentially 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.

The full list of questions, prevalence weights and final scores are shown in **Table A2.2**.

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 2006/07, non-pensioners are classified as rich if their **net** income exceeded £150,000 per annum and pensioners 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

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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 2006/07 estimates were projections based on 2004/05 data.

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, have reviewed 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, NI 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 **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.

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 previous 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.

Two Supplementary Tables which showed such changes – formerly Tables A1 and A4 in the 2004/05 publication – have been dropped since the 2005/06 publication. These tables measured income changes in real terms between the start of the HBAI series in 1994/95 and the most recent year. These tables were dropped as estimates in the current publications – in incorporating Northern Ireland data only from the 2002/03 survey year – would introduce a further source of sampling variation.

Sampling errors for numbers below income thresholds

The 95 per cent confidence interval of those individuals below 60 per cent of 2006/07 median income on a Before Housing Cost basis is of the order of around $\pm 330,000$ individuals or 0.6 percentage points.

Figures for the number of individuals below 60 per cent of median income are shown in **Table A2.4**. 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, just under one percentage point or 420-480,000 individuals.
- For children, around 1.5 percentage points or 170-190,000 children.

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- For working-age adults, just under 1.5 percentage points, or 470-510,000 working-age adults.
- For pensioners, just under 1.5 percentage points or 140-160,000 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 equalisation would also be magnified, and the latter would remain the more important source of uncertainty.

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 University of Essex, 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: <http://www.iser.essex.ac.uk/ulsc/bhps/>

Whilst some analysis is based on the full 14-years' worth of data (i.e. individuals present in each of the 14 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. The periods 1995 to 1998 and 2001 to 2004 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-respondents, 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 ¹	OECD 'Companion' Scale to equalise 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 ³	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 ¹	0.20	0.20	0.20	0.20
Children aged 14yrs and over ¹	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

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A2.2: Material deprivation scores

Material deprivation questions	Weights	Final scores
For Adults		
A holiday away from home for at least one week a year, whilst not staying with relatives at their home	0.581	3.80
Have friends or family around for a drink or meal at least once a month	0.598	3.91
Two pairs of all weather shoes for each adult	0.889	5.82
Enough money to keep your home in a decent state of decoration	0.790	5.17
Household contents insurance	0.761	4.98
Regular savings of £10 a month or more for rainy days or retirement	0.555	3.63
Replace any worn out furniture	0.596	3.90
Replace or repair major electrical goods such as a refrigerator or a washing machine, when broken	0.707	4.63
A small amount of money to spend each week on yourself, not on your family	0.654	4.28
A hobby or leisure activity	0.588	3.85
In winter, able to keep accommodation warm enough	0.925	6.05
For Children		
A family holiday away from home for at least one week a year	0.645	4.22
Enough bedrooms for every child of 10 or over of a different sex to have their own bedroom	0.851	5.57
Leisure equipment such as sports equipment or a bicycle	0.848	5.55
Celebrations on special occasions such as birthdays, Christmas or other religious festivals	0.934	6.11
Swimming at least once a month	0.570	3.73
A hobby or leisure activity	0.737	4.82
Friends around for tea or a snack once a fortnight	0.682	4.46
Toddler group/nursery/playgroup at least once a week	0.648	4.24
Go on school trips	0.887	5.80
Outdoor space or facilities nearby to play safely	0.840	5.50
Sum of all weights	15.286	100

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 of individuals below 60 per cent contemporary median income in 2006/07, United Kingdom

	Percentage points				Number of people			
	lower bound	HBAI estimate	upper bound	+/-	lower bound	HBAI estimate	upper bound	+/-
Before Housing Costs								
All individuals	17.5	18.0	18.6	0.6	10,380,000	10,710,000	11,040,000	330,000
Children	21.3	22.3	23.4	1.0	2,730,000	2,870,000	3,000,000	130,000
Working-age adults	13.8	14.9	16.0	1.1	4,940,000	5,330,000	5,710,000	380,000
Pensioners	22.1	23.2	24.2	1.1	2,410,000	2,520,000	2,640,000	120,000
After Housing Costs								
All individuals	21.7	22.2	22.8	0.5	12,910,000	13,230,000	13,540,000	310,000
Children	29.5	30.5	31.5	1.0	3,790,000	3,910,000	4,040,000	130,000
Working-age adults	19.4	20.3	21.2	0.9	6,950,000	7,260,000	7,570,000	310,000
Pensioners	18.0	18.9	19.7	0.9	1,960,000	2,050,000	2,150,000	100,000

Opportunity for all Indicators

The Government's annual report on tackling poverty and social exclusion 'Opportunity for all' 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 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 below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

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

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

Percentage of individuals experiencing persistent low income, Great Britain

Percentage of individuals living in households below threshold in at least 3 out of 4 years	Source: BHPS										
	1991 to 1994	1992 to 1995	1993 to 1996	1994 to 1997	1995 to 1998	1997 to 2000	1998 to 2001	1999 to 2002	2000 to 2003	2001 to 2004	2002 to 2005
BHC thresholds											
Below 60% median	12	11	11	12	11	12	12	11	11	10	9
Below 70% median	20	20	20	20	20	20	20	20	20	19	18
AHC thresholds											
Below 60% median	15	15	15	15	15	14	14	13	12	12	11
Below 70% median	23	23	22	22	22	21	21	21	21	20	19

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.
2. The years 1996 to 1999 have been dropped for reasons of space. All years are shown in Chapter 7 of this report.

Table A3.2: Number of individuals below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

Number of individuals (millions)	Source: FRS						All individuals
	Before Housing Costs			After Housing Costs			
	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
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

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.

Appendix 3

Table A3.3: Percentage of children below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

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

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

Percentage of children experiencing persistent low income, Great Britain

Percentage of children living in households below threshold in at least 3 out of 4 years	Source: BHPS										
	1991 to 1994	1992 to 1995	1993 to 1996	1994 to 1997	1995 to 1998	1997 to 2000	1998 to 2001	1999 to 2002	2000 to 2003	2001 to 2004	2002 to 2005
BHC thresholds											
Below 60% median	20	18	17	17	17	17	17	17	15	13	11
Below 70% median	29	29	29	28	28	27	26	27	26	24	22
AHC thresholds											
Below 60% median	25	23	23	24	24	22	22	21	19	17	17
Below 70% median	33	33	32	32	31	30	30	30	30	28	26

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.
2. The years 1996 to 1999 have been dropped for reasons of space. All years are shown in Chapter 7 of this report.

Table A3.4: Number of children below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

Number of children (millions)	Source: FRS						All children
	Before Housing Costs			After Housing Costs			
	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

Number of children (millions)	Source: FRS						All children
	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	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

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.

Appendix 3

Table A3.5: Percentage of working-age adults below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

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	

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	

Percentage of working-age adults experiencing persistent low income, Great Britain

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	1993 to 1996	1994 to 1997	1995 to 1998	1997 to 2000	1998 to 2001	1999 to 2002	2000 to 2003	2001 to 2004	2002 to 2005
BHC thresholds											
Below 60% median	8	8	7	7	7	7	7	7	7	7	6
Below 70% median	13	14	14	13	13	13	13	12	13	12	12
AHC thresholds											
Below 60% median	11	11	11	11	10	9	9	9	8	8	8
Below 70% median	15	16	16	15	15	14	15	14	15	14	13

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.
2. The years 1996 to 1999 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 below thresholds of contemporary and 1998/99 real-terms median income, Great Britain 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%		
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	
Number of working-age adults (millions)								
	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	

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.

Appendix 3

Table A3.7: Percentage of pensioners below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

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

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

Percentage of pensioners experiencing persistent low income, Great Britain

Percentage of pensioners living in households below threshold in at least 3 out of 4 years	Source: BHPS										
	1991 to 1994	1992 to 1995	1993 to 1996	1994 to 1997	1995 to 1998	1997 to 2000	1998 to 2001	1999 to 2002	2000 to 2003	2001 to 2004	2002 to 2005
BHC thresholds											
Below 60% median	17	17	17	19	19	20	21	19	18	16	15
Below 70% median	35	33	34	35	35	37	37	37	34	34	31
AHC thresholds											
Below 60% median	18	17	17	19	21	22	22	18	16	15	13
Below 70% median	35	34	34	34	33	34	34	33	31	30	27

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.
2. The years 1996 to 1999 have been dropped for reasons of space. All years are shown in Chapter 7 of this report.

Table A3.8: Number of pensioners below thresholds of contemporary and 1998/99 real-terms median income, Great Britain ¹

Numbers of pensioners (millions)	Source: FRS						All pensioners
	Before Housing Costs			After Housing Costs			
	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
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

Note:

1. Some of the FRS-based figures presented above have seen revisions since their publication in the last (2005/06) HBAI report.

Households Below Average Income

An analysis of the income distribution

1994/95 – 2006/07

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 nineteenth in the HBAI series and principally gives information on the income distribution from 1994/95 – 2006/07 using cross-sectional data from the DWP Family Resources Survey. It also includes a small section on persistence of low income over the period 1991 to 2005 using longitudinal data from the British Household Panel Survey, which is run by the ESRC UK Longitudinal Studies Centre at the University of Essex.

This report can be found on;

www.dwp.gov.uk/asd/hbai.asp

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