



Income in the United Kingdom

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In terms of global poverty criteria, the United Kingdom is a wealthy country, with virtually no people living on less than £4 a day. In 2012-13, median personal income was approximately £21,000 a year but varies considerably by age, location, data source and occupation.^[2] There is both significant income redistribution and income inequality; for instance, in 2013/14 income in the top and bottom fifth of households was £80,800 and £5,500, respectively, before taxes and benefits (15:1). After tax and benefits, household income disparities are significantly reduced to £60,000 and £15,500 (4:1).^[3]

The UK Gini coefficient for 2013/14 estimated at 0.34.^[4] There were 720,000 net worth Sterling millionaires in the United Kingdom in 2015 (1 in 65 adults).^[5]



UK median household disposable income by income group for 2008-2016, indexed to 2008^[1]

Data sources

There are a number of different sources of data on income which results in different estimates of income due to different sample sizes, population types (e.g. whether the population sample includes the self-employed, pensioners, individuals not liable to tax), definitions of income (e.g. gross earnings vs original income vs gross income vs net income vs post tax income).^[6]

The **Survey of Personal Incomes (SPI)** is a dataset from HM Revenue and Customs (HMRC) based on individuals who could be liable to tax. HMRC does not hold information on individuals whose income is below the personal allowance (£8,105 in 2012/13).^[7] Furthermore, SPI does not include income from non taxable benefits such as housing benefits or job seekers allowance.^{[2][6]}

The **Annual Survey of Hours and Earnings (ASHE)** is a dataset from an annual survey of approximately 50,000 businesses by the Office for National Statistics (ONS) and covers annual earnings, public and private sector pay differential and the gender pay gap. ASHE does not cover individuals who are self-employed.^{[6][8]}

The **Households Below Average Income (HBAI)** dataset is based on the Family Resources Survey (FRS) from the Department for Work and Pensions (DWP). It includes information on equalised household disposable income and can be used to represent the distribution of household income and income inequality (Gini coefficient).^{[4][6]}

Other data sources include Average Weekly Earnings, Labour Force Survey, Index of Labour Cost per Hour, Unit Labour Costs, Effects of Taxes and Benefits on Household Income / Living Costs and Food Survey, European Union Statistics on Income and Living Conditions, Pensioners Income Series, Wealth and Assets Survey, National Accounts Estimates of Gross Disposable Household Income, and Small Area Income Estimates.^[6]

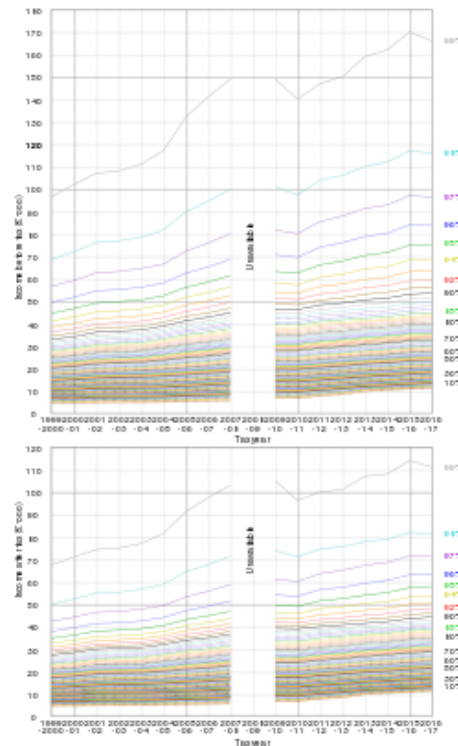
Taxable income

The most recent SPI report (2012/13) gave annual median income as £21,000 before tax and £18,700 after tax.^[2] The 2013/14 HBAI report gave median household income (2 adults) as £23,556.^[4] The provisional results from the April 2014 ASHE report gives median gross annual earnings of £22,044 for all employees and £27,195 for full-time employees.^[8]

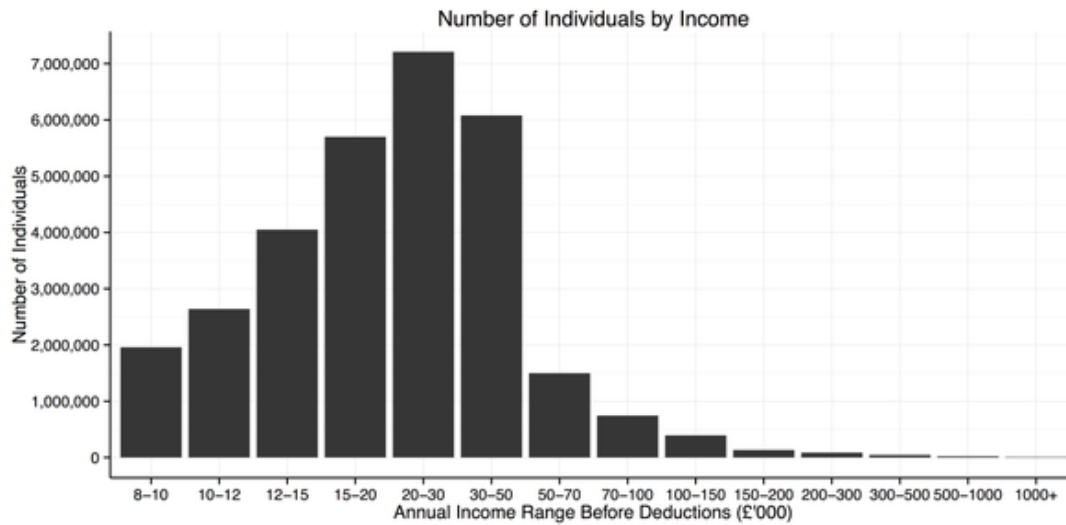
According to the OECD the average household net-adjusted disposable income per capita is \$27,029 a year (in USD, ranked 14/36 OECD countries), the average household net financial wealth per capita is estimated at \$60,778 (in USD, ranked 8/36), and the average net-adjusted disposable income of the top 20% of the population is an estimated \$57,010 a year, whereas the bottom 20% live on an estimated \$10,195 a year giving a ratio of 5.6 (in USD, ranked 25/36).^[9]

The 2013/14 HBAI reported that 15% of people had a relative low income (below 60% of median threshold) before housing costs.^[4]

Data from HMRC 2012-13; incomes are before tax for individuals. The personal allowance or income tax threshold was £8,105 (people with incomes below this level did not pay income tax).^[7]



Annual income percentiles for taxpayers in the UK, before and after income tax. In the SVG file (https://upload.wikimedia.org/wikipedia/commons/a/ae/UK_income_percentiles.svg), hover over a graph to highlight it.



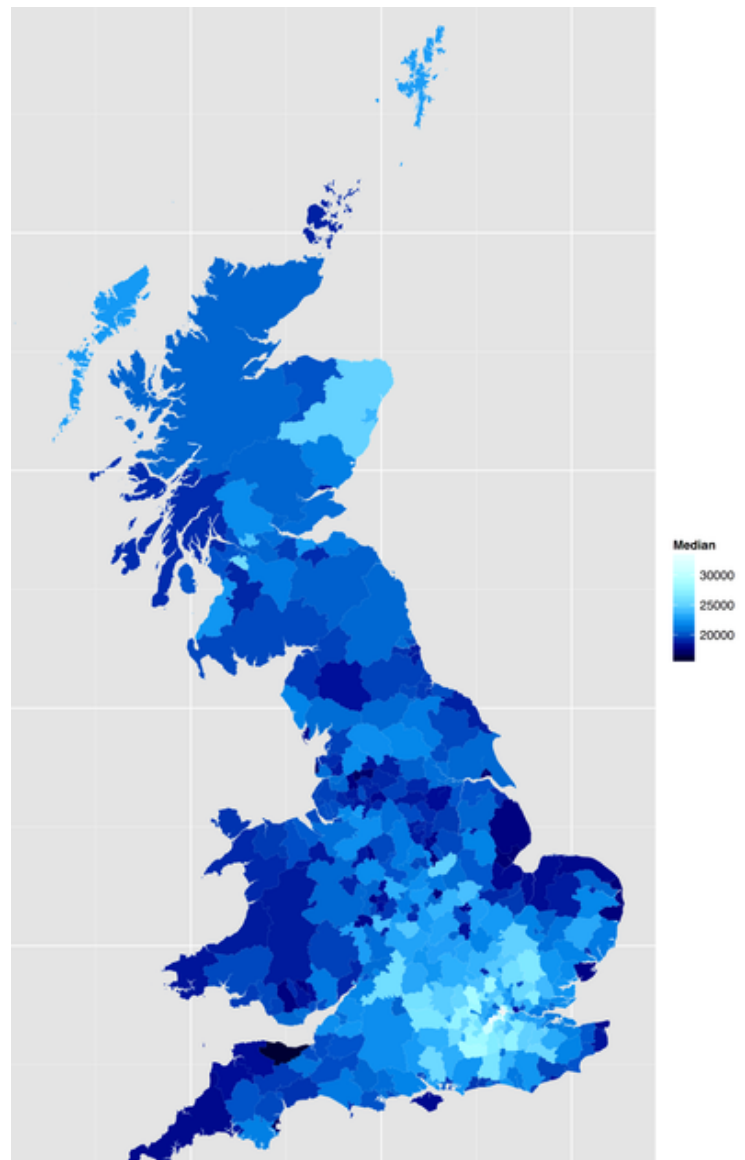
Income by location

Income can vary considerably by location. For example, the locations (local administrative unit) with the highest incomes were the City of London, Kensington and Chelsea, and Westminster with median annual incomes of £58,300, £37,800 and £35,200 respectively. The locations with the lowest incomes were Hyndburn, Torbay, and West Somerset with median annual incomes of £17,000, £16,900 and £16,000 respectively.

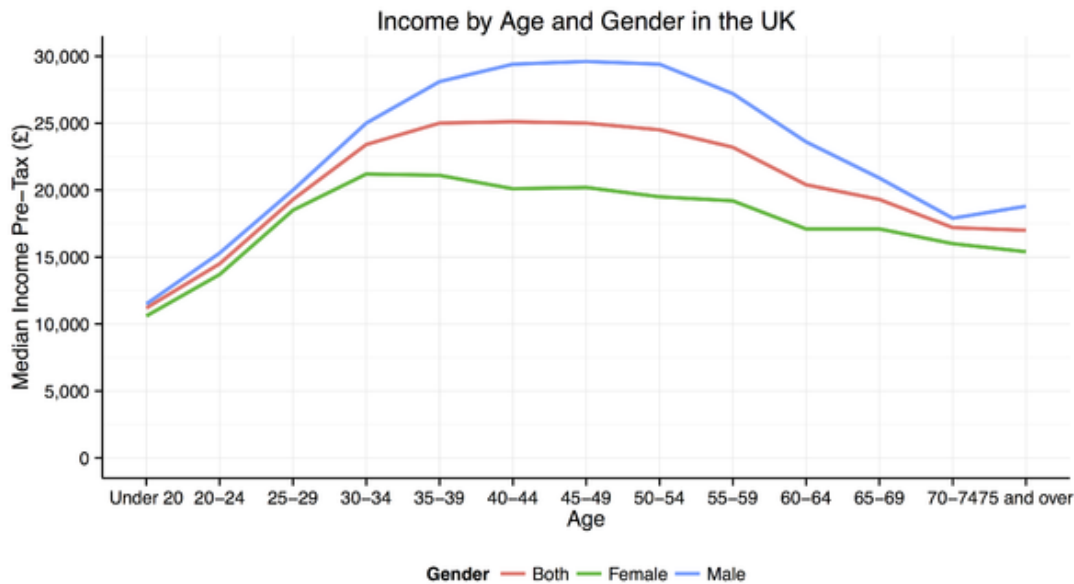
A 2017 report from Trust for London found that London has a poverty rate of 27%, compared to 21% in the rest of England.^[10]

Income by age and gender

Data from the *Survey of Personal Incomes 2012/13*.



Median Income by location on the island of Great Britain



Income by occupation

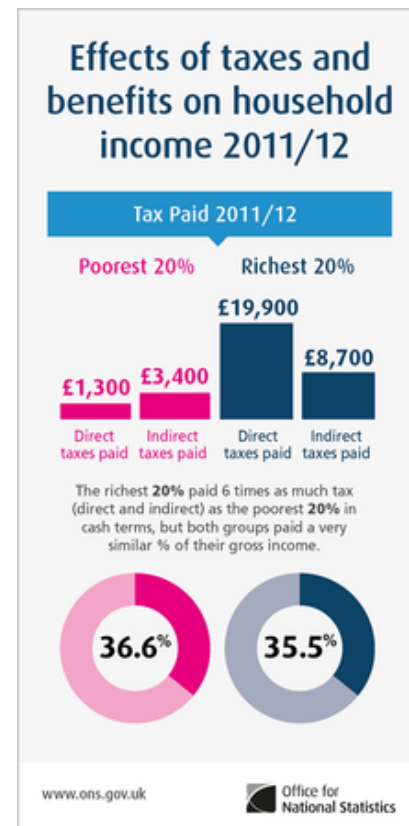
The tables below shows the ten highest and ten lowest paid occupations in the UK respectively, as at April 2014.^[11]

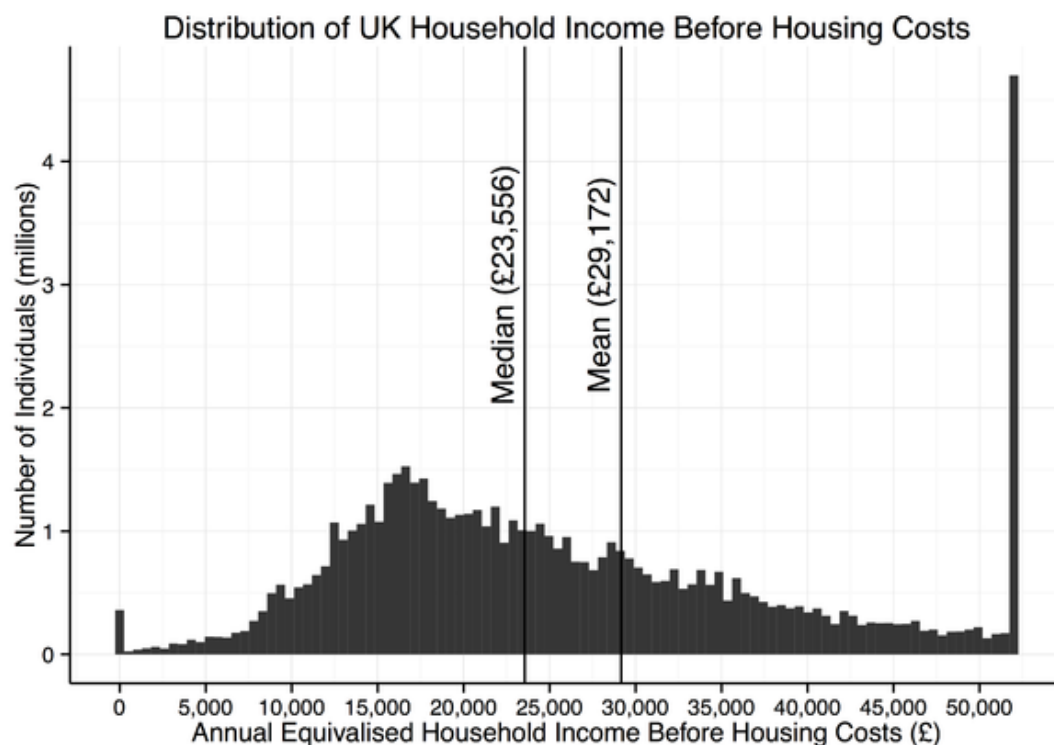
Occupation	Median full-time gross weekly pay (£)
Aircraft pilots and flight engineers	1,746.6
Air traffic controllers	1,549.4
Chief executives and senior officials	1,533.3
Marketing and sales directors	1,298.7
Advertising and public relations directors	1,289.5
Information technology and telecommunications directors	1,226.7
Legal professionals (not included elsewhere)	1,217.3
Medical practitioners	1,167.1
Brokers	1,149.9
Financial managers and directors	1,143.0

Occupation	Median full-time gross weekly pay (£)
Cleaners and domestics	285.5
Nursery nurses and assistants	285.2
Other elementary services occupations (not included elsewhere)	279.9
Retail cashiers and check-out operators	278.7
Leisure and theme park attendants	272.7
Kitchen and catering assistants	268.4
Hairdressers and barbers	267.8
Launderers, dry cleaners and pressers	259.3
Waiters and waitresses	257.6
Bar staff	253.6

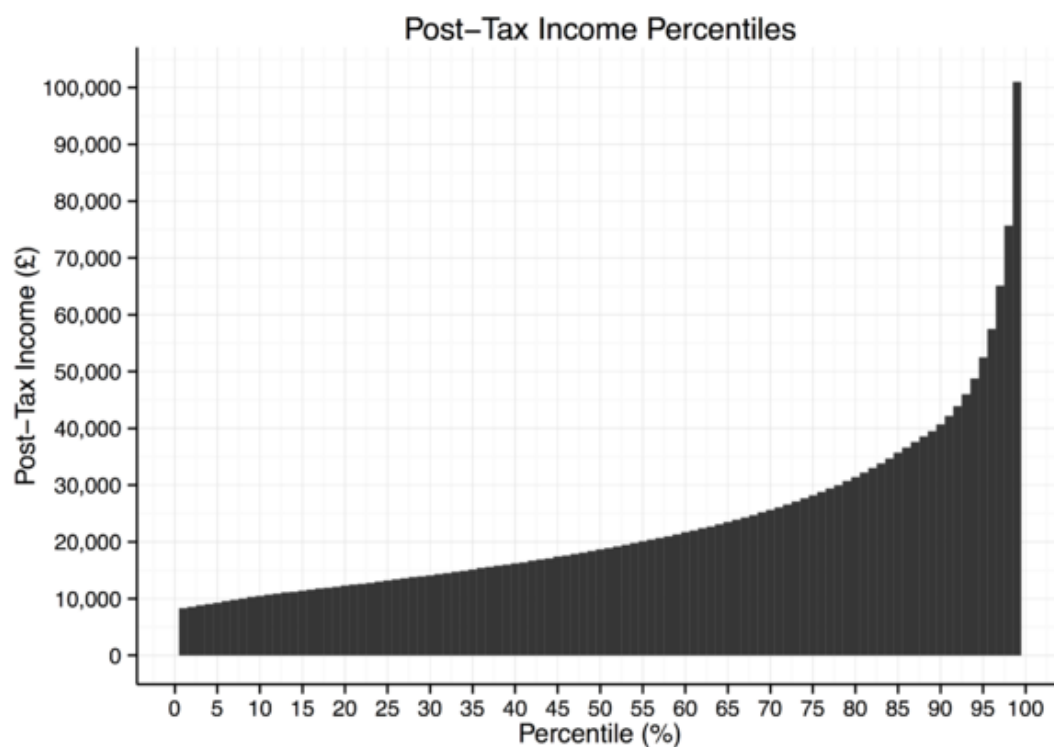
Post tax household income

Data from the *Households Below Average Income* (HBAI) report from the Department of Work and Pensions 2013/14:





Data from HMRC – Percentile points of the income distribution as estimated from the *Survey of Personal Incomes*, note this only includes individuals who pay some income tax:



Wealth

The net worth information is based on data from HMRC for 2004–2005^[12] and includes marketable assets including house equity, cash, shares, bonds and investment trusts. These values do not include personal possessions.

Percentile point	Wealth to qualify	Percentage of total wealth owned by people at and above this level
Top 1%	£688,228	21% of total UK wealth
2%	£460,179	28% of total UK wealth
5%	£270,164	40% of total UK wealth
10%	£176,221	53% of total UK wealth
25%	£76,098	72% of total UK wealth
50%	£35,807	93% of total UK wealth

High income

The Institute for Fiscal Studies issued a [report](http://www.ifs.org.uk/publications.php?publication_id=4108) (http://www.ifs.org.uk/publications.php?publication_id=4108) on the UK's highest earners in January 2008. There are 42 million adults in the UK of whom 29 million are income tax payers. (The remainder are pensioners, students, homemakers, the unemployed, those earning under the personal allowance, and other unwaged.) A summary of key findings is shown in the table below:

	All taxpayers	Top 10% to 1% (adults)	Top 1% to 0.1% (adults)	Top 0.1% (adults)
Number	29.5 million	4.21 million	421,000	42,000
Entry level for group	£5,093	£35,345	£99,727	£351,137
Mean value for group	£24,769	£49,960	£155,832	£780,043
Average income tax paid	£4,415	£10,550	£49,477	£274,482
Percentage of national personal income	100%	27.6%	8.6%	4.2%

The top 0.1% are 90% male and 50% of these people are in the 45 to 54 year age group. 31% of these people live in London and 21% in South East England. 33% of these people are company directors (as reported to HMRC). 30% work in finance and 38% in general business (includes law). The very richest rely on earnings (salary and bonuses) for 58% of income. Income from self-employment (such as partnerships in law or accountancy firms) accounts for 23% of income and about 18% from investment income (interest and share dividends).

Sources of income

The *Family Resources Survey* is a document produced by the [Department for Work and Pensions](#). This details income amongst a representative sample of the British population. This report tabulates sources of income as a percentage of total income.^[13]

Region	Employment (salaries & wages)	Self employed	Investment income	Working tax credit	State pensions	Occupational pensions	Disability benefits	Other social security benefits	Other income sources
UK	64%	11%	2%	1%	6%	7%	2%	5%	2%
Northern Ireland	60%	11%	1%	2%	7%	5%	4%	7%	3%
Scotland	66%	7%	2%	2%	7%	7%	3%	5%	2%
Wales	60%	8%	2%	2%	8%	8%	4%	6%	1%
England	64%	11%	2%	1%	6%	7%	2%	5%	2%
North East England	64%	5%	2%	2%	8%	6%	4%	7%	2%
North West England	59%	13%	2%	2%	7%	7%	3%	6%	2%
Yorkshire	64%	7%	2%	2%	7%	7%	2%	5%	3%
East Midlands	65%	9%	2%	1%	7%	6%	2%	5%	3%
West Midlands	62%	8%	3%	2%	8%	6%	2%	5%	3%
Eastern England	56%	22%	2%	1%	5%	7%	1%	3%	2%
London	71%	10%	2%	1%	4%	4%	1%	5%	3%
South East	66%	9%	4%	1%	7%	8%	1%	4%	2%
South West England	60%	9%	4%	1%	7%	10%	2%	4%	2%

Other social security benefits include: Housing Benefit, Income Support and Jobseeker's Allowance

See also

- Poverty in the United Kingdom
- Taxation in the United Kingdom
- Pension provision in the United Kingdom
- United Kingdom labour law

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11. "Annual Survey of Hours and Earnings, 2014 Provisional Results, Selected Estimates, Table 11" (<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-337425>). Office for National Statistics. 19 November 2014. Retrieved 15 September 2015.
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13. "*Family Resources Survey 2005-06*" (http://www.dwp.gov.uk/asd/frs/2005_06/index.asp).
 - HMRC statistics – [1] (http://www.hmrc.gov.uk/stats/income_tax/index.htm)
 - IFS – [2] (<http://www.ifs.org.uk/wheredoyoufitin/>)

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