



# First Release

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Coverage:  
United Kingdom

Theme:  
Social and Welfare

## The Pensioners' Incomes Series 2007-08

The Pensioners' Incomes Series 2007-08 is published today.

The Series contains estimates of the levels, sources and the distribution of pensioners' incomes and examines the position of pensioners within the income distribution of the population as a whole.

The series includes information for gross income, net income before housing costs and net income after housing costs. After housing costs estimates best reflect income pensioners have to spend.

The publication is based on two household surveys. The **latest information**, for the financial years 1994-95 to 2007-08, comes from the Family Resources Survey (FRS).

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### The main findings from the publication:

*(Table 2.1)*

In 2007-08 the **average net income for all pensioner units** (pensioner couples and single pensioners together) was £295 after housing costs (£322 per week before housing costs).

*(Table 2.2)*

Between 1998-99 and 2007-08, average net income after housing costs increased by 38 per cent. Before housing costs the rise was 25 per cent.

Average pensioners' income has grown faster between 1998-99 and 2007-08 than average earnings, which 11 per cent during the same period.

Recent growth in average income has been driven by continued increases in benefits, occupational pension income and earnings.

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### **Differences amongst pensioners:**

#### **Differences by status**

*(Tables 2.1-2)*

Average net income for pensioner couples in 2007-08 was almost twice that of singles.

In 2007-08 **average net income of pensioner couples** was £416 per week after housing costs are taken into account and £441 per week before housing costs. Between 1998/99 and 2007-08 the net income of pensioner couples grew by 33 per cent after housing costs in real terms after housing costs (22 per cent before housing costs).

The **average net income of single pensioners** was £193 per week in 2007-08 after housing costs and £221 per week before housing costs. Between 1998-99 and 2007-08 the net income of single pensioners grew by 33 per cent in real terms after housing costs (23 per cent before housing costs).

**DWP** Department for  
Work and Pensions

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#### **Next Publication:**

To be announced

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### **Differences by sex**

(Table 2.6)

The average net income of single female pensioners' per week was approximately 87 per cent of single male pensioners' net income per week before housing costs in 2007-08.

The **average net income of single male pensioners** was £216 per week in 2007-08 after housing costs and £245 per week before housing costs.

The **average net income of single female pensioners** was £185 per week in 2007-08 after housing costs and £213 per week before housing costs.

### **Differences by age**

(Tables 2.3-6)

On average older pensioners had lower incomes than younger pensioners.

The **average net income of pensioner couples with the head aged under 75** was £432 per week in 2007-08 after housing costs, and £458 per week before housing costs, Single pensioners under 75 had £206 after housing costs, and £237 before housing costs.

The **average net income of pensioner couples with the head aged 75 or over** was £378 per week in 2007-08 after housing costs and £398 per week before housing costs. This was £183 after housing costs and £208 before housing costs for single pensioners aged 75 or over.

The average net income of single male pensioners under 75 was £226 per week after housing costs (£258 per week before housing costs), single male pensioners 75 and over received £208 per week after housing costs (£234 before housing costs). The average net income of single female pensioners under 75 was £199 per week after housing costs (£230 before housing costs), single female pensioners 75 and over received £174 per week after housing costs (£199 before housing costs).

**Table (i): Differences amongst pensioners' incomes**

2007-08 prices

Family Resources Survey		Comparison over time		Latest year	
		per cent growth in net income after housing costs	per cent growth in net income before housing costs	Average net income after housing costs (£ per week)	Average net income before housing costs (£ per week)
		1998-99 -2007-08	1998-99 -2007-08	2007-08	2007-08
All pensioner units		38%	25%	295	322
<i>By status</i>					
Pensioner couples		33%	22%	416	441
Single pensioners		38%	23%	193	221
<i>By gender</i>					
Single male pensioners		37%	23%	216	245
Single female pensioners		38%	23%	185	213
<i>By age of head</i>					
Under 75	Pensioner couples	29%	20%	432	458
	Single pensioners	36%	24%	206	237
75 and over	Pensioner couples	46%	32%	378	398
	Single pensioners	40%	23%	183	208

**Sources of income for pensioner units:**

Estimates of income from different sources are dependent on survey respondents correctly identifying the different elements of their income, for example exactly which benefits they are receiving. Therefore results are subject to misreporting. However, they do provide a useful picture of broad levels and trends.

(Table 2.1)

In 2007-08 **benefit income** (42 per cent) was the most substantial component of pensioner units' gross incomes, followed by **occupational pensions** (24 per cent), **earnings** (18 per cent), **investment income** (11 per cent) and **personal pension income** (4 per cent). However, not all pensioners receive income from all these sources.

**Benefits**

(Table 3.3)

Nearly all (95 per cent) pensioner units received some **income from the State Pension** (including widow's benefits) in 2007-08. The average amount received was £130 per week in 2007-08 (£108 for singles and £157 for couples).

(Table 3.4)

Nearly a third (31 per cent) of pensioner units received some **income from income related benefits** in 2007-08. The average amount received by those units with some income related benefits was £67 per week in 2007-08.

(Table 3.5)

Over one fifth (22 per cent) of pensioner units received some **income from disability benefits** in 2007-08. The average amount received by those with income from disability benefits was £62 per week in 2007-08.

(Table 3.1)

The majority of pensioner units received some form of **income on top of state benefits** – 87 per cent received income from private sources in 2007/08.

(Table 3.2)

Over a third (39 per cent) of pensioner units received with more than half of income from private sources in 2007-08.

### **Investment income**

(Table 3.6)

The proportion of pensioner units with some **income from investments** was 72 per cent in 2007-08. The average amount received by those units with some investment income was £60 per week in 2006-07, although half of those in receipt received £7 per week or less.

### **Occupational pensions**

(Table 3.7)

The proportion of pensioner units with some **income from occupational pensions** was 59 per cent in 2007-08. The average amount received by those units with some occupational pension was £160 per week in 2007-08.

### **Personal pensions**

(Table 3.8)

The proportion of pensioner units with some **income from personal pensions** was 14 per cent in 2007-08. The average amount received by those units with some personal pension was £101 per week in 2007-08.

### **Earnings**

(Table 3.10)

The proportion of pensioner units with some **income from earnings** was 17 per cent in 2007-08. The average amount received by those units with some earnings was £407 per week in 2007-08.

### **Regional incomes**

(Table 2.7)

London had the **highest average gross income for pensioner couples** in 2007-08 at £679 per week.

London and the South West Region had the **highest average gross income for single pensioners** in 2007-08 at £284 per week.

### **Ethnic minority groups**

(Table 5.6)

Gross income for **Asian** (£337 per week), **Black** (£293) and **Chinese & other** (£344) pensioner units was less than that of **White** pensioner units (£384) in 2007-08. The proportion in receipt of State Pension was lower for Asian (81%), Black (89%) and Chinese & other groups (83%) than for the White group (96%). The proportion in receipt of private pensions was also lower for these groups.

## Notes to Editors

1. The Pensioner' Incomes Series 2007-08 is largely based on information contained in the Family Resources Survey (FRS) from the financial years 1994-95 to 2007-08, run by the Department for Work and Pensions (DWP), and covering the United Kingdom (Great Britain before 2002-03). The Survey of Personal Incomes of HM Revenue and Customs is used to estimate the income of very high income cases, as occurs in the DWP's Households Below Average Income (HBAI) series.
2. Pensioners' Incomes Series (PI) results have also been produced for the calendar year 1979 to the financial year 1996-97 using data from the Family Expenditure Survey (FES), which is run by the Office for National Statistics and covers the United Kingdom. These results can be found on the PI series website ([http://www.dwp.gov.uk/asd/pensioners\\_income\\_arc.asp](http://www.dwp.gov.uk/asd/pensioners_income_arc.asp)) and are used to provide information on historical trends in the main body of the publication.
3. Results from the FRS and FES should not be directly compared to one another. Thorough comparative analysis of results based on the two surveys can be found in recent editions of the HBAI publication.
4. Neither the FRS nor the FES collects information on people living in institutions, e.g. nursing homes, barracks, or jails; and homeless people living rough or in bed and breakfast accommodation. Therefore the PI Series does not cover these people.
5. A pensioner unit is defined as a single (non-cohabiting) person over State Pension Age (SPA) or a couple (married or cohabiting) where one or more members is over SPA. SPA is 65 years for men and 60 years for women.
6. The PI Series includes estimates for single pensioners split by gender. Estimates for pensioner couples are not split by gender as the extent of income sharing within pensioner units is not known.
7. Net income after housing costs estimates have been quoted first in this release. Net income after housing costs best reflects pensioners' disposable income and allows changes over time to be measured accurately. Around two thirds of pensioners own their own home outright, and so tend to have relatively low housing costs. Net income after deducting housing costs better reflects their living standards than net income before housing costs.
8. Gross income in the PI series is separated into six components: benefit income; income from occupational pensions; income from personal pensions; income from earnings (including profit and loss from self-employment); income from investments and other income. Investment income includes income from annuities, property, stocks and shares, as well as income from savings. Other income includes private benefits such as those from Friendly Societies, income of any dependent children, free TV licences for the over 75s, as well as other miscellaneous sources of income.
9. The PI series includes a further breakdown of benefit income into State Pension (basic and additional State Pension and widows' benefits), income related benefits (Pension Credit, Housing Benefit, Council Tax Benefit and Social Fund grants) and disability benefits (including Disability Living Allowance and Attendance Allowance). This breakdown is based on survey respondents' identification of different elements of benefit income, and is therefore subject to misreporting.
10. Net income is net of income tax payments, NI contributions, contributions to occupational and personal pension schemes, local taxes, maintenance and child support payments, and parental contributions to children living away from home.
11. Two measures of net income are given. Net income Before Housing Costs (BHC) measures net income before deductions for the cost of housing. Net income After Housing Costs (AHC) measures net income after a deduction for the cost of housing.

12. Housing costs are calculated by adding together the following components of the household's expenditure: rent; water rates, sewage rates and council water charges; structural insurance premiums (for owner occupiers); mortgage interest payments (net of tax relief); ground rent and service charges.
13. All reported amounts are given in £ per week in 2007-08 prices and are mean averages unless otherwise stated. Estimates are rounded to the nearest £1 or 1 per cent.
14. Measured growth in pensioners' incomes refers to growth in summary measures and implies nothing about the growth in incomes of individual pensioners.
15. The Pensioner' Incomes Series 2007-08 is a National Statistics publication and is produced to the high professional standards outlined in the National Statistics Code of Practice. National Statistics publications undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

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