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Coverage:
United Kingdom

Theme:
Social and Welfare

The Pensioners' Incomes Series 2005/6 (Revised)

The Pensioners' Incomes Series 2005/6 (Revised) is published today.

An error found in the Households Below Average Income (HBAI) series after publication affected "The Pensioners' Incomes Series 2005/6", originally published on 29 March. Although the extent of the revision to estimates is small, this has required the reproduction of all the statistics and the re-release of the report as "The Pensioners' Incomes Series 2005/6 (Revised)".

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 publication is based on two household surveys. The **latest information**, for the financial years 1994/5 to 2005/6, comes from the Family Resources Survey (FRS).

Historical trends are examined in more detail using the Family Expenditure Surveys (FES) from the calendar year 1979 to the financial year 1996/7. It is strongly advised that users do not make any direct comparisons of results between the two different surveys.

The main findings from the publication:

(Table 2.1)

In 2005/6 the **average net income for all pensioner units** (pensioner couples and single pensioners together) was £292 per week before housing costs.

(Table A2.1)

Between 1979 and 1996/7 pensioners' net income rose by 63 per cent before housing costs and by 68 per cent after housing costs in real terms. By way of comparison, average earnings in the whole economy grew by 36 per cent in real terms over the same period.

(Table A2.1)

The rise in average income was driven by substantial increases in incomes from benefits, occupational pensions and investments.

(Table 2.2)

Between 1996/7 and 2005/6, average net income before housing costs continued to rise and increased by 29 per cent over the period. Recent growth estimates in this publication are subject to particular uncertainty, but the average almost certainly increased at a faster rate than average earnings (up 16 per cent over the same period).

Recent growth in average income has been driven by continued increases in benefit and occupational pension income.

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Next Publication:
To be announced

Differences amongst pensioners:

Differences by status

(Tables 2.1-2)

Average net income for pensioner couples in 2005/6 was almost twice that of singles.

In 2005/6 **average net income of pensioner couples** was £398 per week before housing costs are taken into account and £375 per week after housing costs. Between 1996/7 and 2005/6 the net income of pensioner couples grew by 24 per cent in real terms.

The **average net income of single pensioners** was £205 per week in 2005/6 before housing costs and £178 per week after housing costs. Between 1996/7 and 2005/6 the net income of single pensioners grew by 31 per cent in real terms.

Differences by sex

(Table 2.6)

The average net income of single female pensioners' per week was approximately 90 per cent of single male pensioners' net income per week before housing costs in 2005/6.

The **average net income of single male pensioners** was £221 per week in 2005/6 before housing costs and £194 per week after housing costs. The **average net income of single female pensioners** was £200 per week in 2005/6 before housing costs and £173 per week after 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 £425 per week in 2005/6 before housing costs, and £402 per week after housing costs. Single pensioners under 75 had £218 before housing costs, and £190 after housing costs.

The **average net income of pensioner couples with the head aged 75 or over** was £330 per week in 2005/6 before housing costs and £310 per week after housing costs. This was £195 before housing costs and £169 after housing costs for single pensioners aged 75 or over.

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 2005/6 **benefit income** (45 per cent) was the most substantial component of pensioner units' gross incomes, followed by **occupational pensions** (25 per cent), **earnings** (16 per cent), **investment income** (9 per cent) and **personal pension income** (3 per cent). However, not all pensioners receive income from all these sources.

Benefits

(Table 3.3)

Nearly all (96 per cent) pensioner units received some **income from the State Pension** (including widow's benefits) in 2005/6. The average amount received was £120 per week in 2005/6 (£100 for singles and £144 for couples).

(Table 3.4)

33 per cent of pensioner units received some **income from income related benefits** in 2005/6. The average amount received by those units with some income related benefits was £62 per week in 2005/6.

(Table 3.5)

Over one fifth (23 per cent) of pensioner units received some **income from disability benefits** in 2005/6. The average amount received by those with income from disability benefits was £58 per week in 2005/6.

Occupational pensions

(Table 3.7)

The proportion of pensioner units with some **income from occupational pensions** was 59 per cent in 2005/6. The average amount received by those units with some occupational pension was £146 per week in 2005/6.

Notes to Editors

1. The Pensioner' Incomes Series 2005/6 (Revised) is largely based on information contained in the Family Resources Survey (FRS) from the financial years 1994/5 to 2005/6, run by the Department for Work and Pensions (DWP), and covering the United Kingdom (Great Britain before 2002/3).
2. The data was originally released on 29 March 2007, but it has since been revised because a data-processing error meant that incorrect population control totals were applied to the original dataset. A ministerial statement and press statement setting out the need for a revision were issued on 23 April.
3. Pensioners' Incomes Series (PI) results have also been produced for the calendar year 1979 to the financial year 1996/7 using data from the Family Expenditure Survey (FES), which is run by the Office for National Statistics and covers the United Kingdom. Results from the FRS and FES should not be directly compared to one another.
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. 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.
7. All reported amounts are given in £ per week in 2005/6 prices and are mean averages unless otherwise stated. Estimates are rounded to the nearest £1 or 1 per cent.
8. Measured growth in pensioners' incomes refers to growth in summary measures and implies nothing about the growth in incomes of individual pensioners.
9. The Pensioner' Incomes Series 2005/6 (Revised) 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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