



First Release

12th May 2011

Coverage:
United Kingdom

Theme:
Social and Welfare

The Pensioners' Incomes Series 2009-10

The Pensioners' Incomes Series 2009-10 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 the income pensioners actually have to spend.

The publication is based on two household surveys. The **latest information**, for the financial years 1994-95 to 2009-10, comes from the Family Resources Survey (FRS).

All figures are given in 2009-10 prices and growth described in real terms.

The main findings from the publication:

In 2009-10 the **average net income for all pensioner units** (pensioner couples and single pensioners together) was £338 after housing costs (£366 per week before housing costs). *(Table 2.1)*

Between 1998-99 and 2009-10, average net income after housing costs increased by 47 per cent. Before housing costs the rise was 38 per cent. *(Table 2.2)*

Average pensioners' income has grown faster between 1998-99 and 2009-10 than average earnings, which grew by 14 per cent during the same period.

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

Differences amongst pensioners:

Differences by status

Average net income after housing costs for pensioner couples in 2009-10 was over twice that of singles. *(Tables 2.1-2)*

In 2009-10 the **average net income of pensioner couples** was £466 per week after housing costs are taken into account and £490 per week before housing costs. Between 1998-99 and 2009-10 the net income of pensioner couples grew by 38 per cent after housing costs (32 per cent before housing costs).

The **average net income of single pensioners** was £216 per week in 2009-10 after housing costs and £247 per week before housing costs. Between 1998-99 and 2009-10 the net income of single pensioners grew by 43 per cent after housing costs (33 per cent before housing costs).

DWP Department for
Work and Pensions

Issued by:
Pensioners' Incomes Team
Pensions Analysis and Incomes
Division
Department for Work and
Pensions

Press Office:
020 3267 5144

DWP website:
www.dwp.gov.uk

Analyst:
Jasbir Lally
Pensions Analysis and Incomes
Division
Department for Work and
Pensions
5th floor
Caxton House
6-12 Tothill Street
London SW1H 9NA

Telephone: 020 7449 7170
Facsimile: 020 7962 8613
email:
Pensioners-Incomes@dwp.gsi.gov.uk

Next Publication:
To be announced

Differences by gender

(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 after housing costs in 2009-10.

The **average net income of single male pensioners** was £240 per week in 2009-10 after housing costs and £274 per week before housing costs.

The **average net income of single female pensioners** was £208 per week in 2009-10 after housing costs and £238 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 £493 per week in 2009-10 after housing costs, and £518 per week before housing costs. Single pensioners under 75 had £224 after housing costs, and £259 before housing costs.

The **average net income of pensioner couples with the head aged 75 or over** was £400 per week in 2009-10 after housing costs and £421 per week before housing costs. This was £209 after housing costs and £238 before housing costs for single pensioners aged 75 or over.

Differences by age and gender

The **average net income of single male pensioners under 75** was £237 per week after housing costs (£277 per week before housing costs), single male pensioners 75 and over received £242 per week after housing costs (£272 before housing costs).

The **average net income of single female pensioners under 75** was £220 per week after housing costs (£253 before housing costs), single female pensioners 75 and over received £198 per week after housing costs (£227 before housing costs).

Table (i): Differences amongst pensioners' incomes

Family Resources Survey		2009-10 prices			
		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 -2009-10	1998-99 -2009-10	2009-10	2009-10
All pensioner units		47%	38%	338	366
<i>By status</i>					
Pensioner couples		38%	32%	466	490
Single pensioners		43%	33%	216	247
<i>By gender</i>					
Single male pensioners		41%	33%	240	274
Single female pensioners		43%	33%	208	238
<i>By age of head</i>					
Under 75	Pensioner couples	37%	31%	493	518
	Single pensioners	38%	31%	224	259
75 and over	Pensioner couples	43%	35%	400	421
	Single pensioners	49%	36%	209	238

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 2009-10 **benefit income** (42 per cent) was the most substantial component of pensioner units' gross incomes, followed by **occupational pensions** (25 per cent), **earnings** (20 per cent), **investment income** (8 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 (96 per cent) pensioner units received some **income from the State Pension** (including widow's benefits) in 2009-10. The average amount received was £146 per week in 2009-10 (£120 for singles and £173 for couples).

(Table 3.4)

Nearly a third (30 per cent) of pensioner units received some **income from income related benefits** in 2009-10. The average amount received by those units with some income related benefits was £73 per week in 2009-10.

(Table 3.5)

Over one fifth (22 per cent) of pensioner units received some **income from disability benefits** in 2009-10. The average amount received by those with income from disability benefits was £68 per week in 2009-10.

(Table 3.1)

The majority of pensioner units received some form of **income on top of state benefits** – 89 per cent received income from private sources in 2009-10.

(Table 3.2)

Two fifths (40 per cent) of pensioner units received more than half of their income from private sources in 2009-10.

Investment income

(Table 3.6)

The proportion of pensioner units with some **income from investments** was 71 per cent in 2009-10. The average amount received by those units with some investment income was £49 per week in 2009-10, although half of those in receipt received £5 per week or less.

Occupational pensions

(Table 3.7)

The proportion of pensioner units with some **income from occupational pensions** was 61 per cent in 2009-10. The average amount received by those units with some occupational pension was £184 per week in 2009-10.

Personal pensions

(Table 3.8)

The proportion of pensioner units with some **income from personal pensions** was 17 per cent in 2009-10. The average amount received by those units with some personal pension was £101 per week in 2009-10.

Earnings

(Table 3.10)

The proportion of pensioner units with some **income from earnings** was 19 per cent in 2009-10. The average amount received by those units with some earnings was £475 per week in 2009-10.

Regional incomes

(Table 2.7)

The South East region had the **highest average net income after housing costs for pensioner couples and single pensioners** in 2009-10 at £512 and £237 per week respectively.

Ethnic minority groups

(Table 5.6)

Net income after housing costs for **Asian/British Asian** (£305 per week), **Black/Black British** (£230) and **Chinese & other** (£282) pensioner units was less than that of **White** pensioner units (£326) in 2007-10. The proportion in receipt of State Pension was lower for Asian (87%), Black (88%) and Chinese & other groups (83%) than for the White group (96%). The proportion in receipt of personal pensions was also lower for these groups.

Notes to Editors

1. The Pensioner' Incomes Series 2009-10 is largely based on information contained in the Family Resources Survey (FRS) from the financial years 1994-95 to 2009-10, run by the Department for Work and Pensions (DWP), and covering the United Kingdom (Great Britain before 2002-03). The Survey of Personal Incomes (administered by 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.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 for the time period of this data (2009-10).
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. Nearly three quarters 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 compared to other groups 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 2009-10 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 2009-10 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.

“The Pensioners' Incomes Series 2009-10”
ISBN 978-1-84947-570-9
Press Enquiries: 020 3267 5144

A “.pdf” version of the publication can be downloaded from:
http://www.dwp.gov.uk/asd/pensioners_income.asp