

The incidence of taxes and social service benefits in 1967

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I. Introduction

The central government and local authorities raise large sums of money in taxes of various kinds and social insurance contributions from individuals and families, depending on their circumstances (level of income, number of children, etc.) and how much they spend on goods and services which attract Customs and Excise duties, purchase tax, and other indirect taxes. Much of the revenue is handed back to the same or to different families in the form of cash benefits (e.g. family allowances, national insurance benefits) or is used to provide benefits in kind (e.g. state education, national health services), the costs of which are known or can be estimated. Some of the revenue is used to finance expenditure on defence, administration, and law and order, the benefits from which cannot reasonably be allocated to individual families. Some revenue also goes towards expenditure on roads, libraries, museums, parks and other services for the community as a whole, but there is no satisfactory way of estimating the value of the benefits which any individual family derives from these various environmental services. It is nevertheless interesting to assess and compare the impact of all taxes and all social service benefits which can be allocated to individual families, and to see how much families in different circumstances gain or lose on balance. The present article, which is the fifth of a series,⁽¹⁾ presents results for 1967 and includes some general comparisons with the results for earlier years.

The estimates are based on detailed information obtained from the Family Expenditure Survey⁽²⁾ which has been carried out by the Department of Employment and Productivity, with the help of the Government Social Survey, every year since 1957. This is a sample survey in which some 3,000 households⁽³⁾ co-operated each year up to 1966. The number of households which co-operated in 1967, when the size of the sample was increased, was over 7,000. Each household is asked to provide detailed information about all forms of income, including national insurance and other cash benefits received from the State; payments of income tax and surtax; the type of dwelling occupied; the kind of education which any member of the household is receiving; and so on. Each adult in the household is asked to

keep a full record of all purchases made during two consecutive weeks and to provide information over longer periods about things that are purchased infrequently (e.g. three months for heating and lighting, twelve months for school fees and licences).

Despite the recent increase in the size, this is still a relatively small sample to support such an elaborate analysis and most of the information about each household covers only a short period of time. So it is necessary to exercise caution and to remember the accompanying explanations and qualifications when reading the results. The intention is to give a broad picture of the incidence of taxes and benefits and too much attention should not be paid to results which refer to a small number of households in a particular income range. The collection of so much information on a voluntary basis from a relatively small sample of households and the preparation of these estimates present numerous difficulties and problems. A number of assumptions and approximations have to be made; and in a few cases (mentioned below) it has been necessary to make some adjustments to the data recorded in the Family Expenditure Survey. As experience has gradually been gained, the detailed methods used have, over the years, been modified and improved, so that the estimates for more recent years should be a little more reliable than those for earlier years. The increase in the size of the sample in 1967, the ninth year for which such estimates have been compiled, should also have improved the reliability of the results.

II. Summary of results

The results are briefly summarised here and described in more detail in Section IV. The relative incidence of taxes and benefits on households of different types and different income levels was broadly the same in 1967 as in the years covered by the previous articles (see Tables A-F). Families in the lowest income ranges gain much more from benefits than they pay in taxes, while families with higher incomes pay rather more in taxes than they receive in benefits (Table 1). Within each income range, the largest families gain most and the smallest families gain least (or lose most), on balance, from all taxes and benefits combined. When the net gain or loss from all taxes and benefits is expressed as a proportion of the family's original income, the contrast is more marked. It is generally true to say that the smaller the income of the family and the larger the size of the family, the greater is the net gain from benefits and taxes as a proportion of income (where benefits exceed taxes); and (where taxes exceed benefits) the larger the income of the family and the smaller the size of the family, the larger generally is the net loss from taxes and benefits as a proportion of income (Tables A and B).

(1) Estimates for 1957 and 1959, 1961 and 1962, 1963 and 1964, 1965 and 1966, were published in *Economic Trends* in November 1962, February 1964, August 1966 and February 1968, and additional estimates for low income households in July 1968.

(2) For a description of these surveys and the general results, see *Family Expenditure Survey—Report for 1967* and similar reports for earlier years, published for the Department of Employment and Productivity by H.M.S.O.

(3) Throughout this article the terms 'household' and 'family' are used synonymously.

It is usual to compare the incidence of different taxes and benefits on different groups of households in terms of the proportion which they bear to the income of the household. It is conventional to describe a tax as *progressive* if, in general, it absorbs a larger proportion of high than of low incomes, and *regressive* if it absorbs a smaller proportion of high than of low incomes. Similarly, a benefit is termed progressive if, in general, it forms a larger proportion of low than of high incomes (this is true of all benefits included in these estimates).

All taxes and benefits combined are progressive in the sense just defined, and also in the sense of favouring large as against small families. For each type of family, direct and indirect taxes combined form a remarkably stable proportion of income over a wide range of incomes; and generally form a smaller proportion of the income of large than of small families, but the differences are not very marked (Table C). While income tax (including surtax) is progressive, national insurance and national health contributions (particularly the flat rate contributions) are regressive and indirect taxes as a whole are also regressive, so that all taxes combined are only mildly progressive (Tables E and F). It should, however, be noted that while, for the groups of households for which separate estimates are shown here, total taxes as a proportion of income show surprisingly small variations, the proportion of income paid in taxes by individual households in each of these groups may well show quite wide variations.

Social service benefits as a whole are very progressive and each of the benefits included in these estimates is progressive, favouring both families with low incomes much more than those with high incomes and larger families more than smaller families. It is largely because flat rate benefits form a much larger proportion of low than of high incomes that benefits as a whole are much more progressive than taxes as a whole (Table D).

A comparison of the results for 1967 with those for earlier years shows that taxes as a proportion of income have been rising, while benefits as a proportion of income have also been rising. The break-even levels of income (where total taxes equal total benefits) have been rising; and the break-even levels for families consisting of two adults with one or two children appear to have risen more than those for families containing two adults with three children. Prices of consumer goods and services have of course been rising at the same time.

The changes which have occurred over the period 1961-1967 appear to have slightly favoured families with relatively low compared with those with relatively high incomes, i.e. all taxes and benefits combined have perhaps become slightly more progressive over this period. This change can be mainly explained by improvements in direct benefits, particularly national insurance benefits (Table 3).

III. General description

A general description of the estimates, explaining what taxes and benefits are included or excluded, and a brief account of the problems and how they are dealt with are given here. Fuller details of the definitions and methods used are given in Section V.

Direct taxes on personal income include income tax and surtax and employers' and employees' contributions to national insurance and national health services. In accordance with conventions used in national income estimates, the employer's contribution is regarded as part of the employee's original income and as a tax on his income⁽⁴⁾. On the other hand the selective employment tax is treated as a tax on expenditure. Death duties, being regarded as a tax on capital rather than income, are not included. Nor are taxes on undistributed profits; although undistributed profits belong in a sense to shareholders, they are not treated as part of personal income for purposes of income tax and they are not part of a family's disposable income. Capital gains, in accordance with national income conventions, are also excluded from income, and so taxes on capital gains are likewise omitted.

Direct benefits include both benefits paid in cash and what can broadly be termed benefits in kind. *Cash benefits* include family allowances, pensions, national insurance benefits, etc., but not scholarships and education grants. The contribution to a family's income of some of these benefits depends to a certain extent on the period to which incomes and benefits relate; the estimates generally relate to the previous twelve months (see Section V). To a lesser extent, the amounts paid in taxes on expenditure are also affected by the period covered.

What are here termed *benefits in kind* include the national health services, state education, school health services, school meals, milk and welfare foods and also scholarships and education grants because they are a contribution to the cost of education. In estimating the benefits from state education, it is assumed that all children at each of the eight main types of educational establishment (see Section V) derive the same benefit, equal to the average expenditure per child by the State on that type of education. In estimating the benefits derived from the national health services, it is similarly assumed that the total value of all the services—except maternity services which are separately allocated—is the same for all persons in each of six different categories of the population (see Section V).

No attempt has been made to estimate the benefits derived from government expenditure on administration, defence, police, museums, libraries, parks, roads, and so on. Most of these items, the largest of which is defence, are not generally regarded as bringing tangible benefits that can be expressed in terms of additions to the incomes of individual families. Expenditure on such items as tax collection, maintaining employment exchanges or administering the national insurance scheme are the unavoidable costs of providing social services rather than benefits themselves. Other expenditure goes on what have been aptly termed 'regrettable necessities' rather than benefits (e.g. defence, prisons). Thus it is not, perhaps, even sensible to try to value the benefit which individual families derive from some forms of government expenditure.

(4) The appropriateness of this treatment for this type of analysis is being reconsidered. It may be preferable to regard the employer's contribution as an indirect tax included in the prices of all goods and services produced in the United Kingdom.

Many families undoubtedly derive enjoyment from government expenditure on libraries, museums, roads, parks, public ceremonies and so on. But there does not seem to be any valid and practical method of estimating the value to each individual family of any of these environmental services (i.e. how much the family would be willing to pay for the service, or the equivalent addition to its income). In the absence of any information about the extent to which different people make use of these amenities, which must vary a lot, any method of allocation is bound to be extremely arbitrary and would probably be very wide of the mark. Total expenditure on this group of items⁽⁵⁾ has amounted in recent years to about 15 per cent of expenditure on the benefits which are included in the present estimates; but, partly because some of the services are also used by industry and by the government, this is probably an upper limit of the value of benefits which are omitted.

The only *indirect benefits* included in these estimates are *housing subsidies*, which are defined as the difference between current account expenditure by public authorities on housing and the rents paid by tenants of local authority dwellings. They are estimated separately for each local authority dwelling in the sample, on the basis of rateable values. *Agricultural subsidies* are not treated as benefits to consumers since they merely have the effect of keeping the prices of domestic produce down to the same level as the prices of imported foods which are unrestricted. These subsidies are included in the original income of farmers, not as benefits to farmers, since they form part of the earnings of farmers who could otherwise earn comparable incomes in other employment.

Indirect taxes, or taxes on expenditure, e.g. local rates, motor vehicle duties, Customs and Excise duties, are assumed to be fully reflected in the prices paid by consumers when buying commodities which are subject to tax. Payments of indirect taxes which are levied directly on consumer goods are estimated from the details of expenditure given by families co-operating in the surveys, the proportion which the tax bears to the retail price being estimated from the known rates of tax and from information obtained from various sources about retailers' margins. Since the purchase tax on motor vehicles affects the prices of second-hand vehicles, it is assumed to form part of expenditure on second-hand cars and of receipts from sales of second-hand cars, as well as being included in the prices of new cars.

Indirect taxes on *intermediate products*, i.e. materials, etc. purchased by industry, are also assumed to be fully reflected in the prices of the goods and services that are taxed, and to be passed on in full at each subsequent stage of production. Their allocation between different headings of consumers' expenditure is based on input-output tables.

Three general qualifications which affect the accuracy of the estimates should be borne in mind, in addition to those already mentioned. Firstly, the basic information is obtained from a small sample of families; and, although

(5) Comprising: roads and public lighting; water, sewerage and refuse disposal; public health services; parks and pleasure grounds; libraries, museums and arts; police; fire service; local welfare services.

the sample is very carefully designed to be as representative as possible of all private households in the United Kingdom, the results are subject to the normal errors expected in probability samples. It is most important to remember this where the number of families of a given type in a particular income range is quite small. More particularly, the estimated payments of purchase tax are based on the purchases which families in the sample happened to make in a short period—three months for goods acquired on hire purchase, a fortnight for other goods. The results should therefore be read in conjunction with the numbers of families which are shown in the tables. For this reason, results are not shown where the number of families in an income range is fewer than 10.

Secondly, on average, households fail to record about 50 per cent of their expenditure on alcoholic drink and about 25 per cent of their expenditure on tobacco. All the recorded figures of expenditure on each of these items have therefore been increased in the same proportion, so as to bring average expenditure into line with the total yields of duties on alcoholic drink and tobacco. There is also known to be appreciable under-reporting of expenditure on confectionery, ice cream and soft drinks and all the recorded figures of expenditure on each of these items have similarly been increased to make them consistent with the total yields of purchase tax.

Thirdly, in recent years between 70 and 75 per cent of the households included in the sample have co-operated by providing all the information requested (the proportion co-operating was somewhat smaller in 1957-1959); the families which do not co-operate may differ in important respects from those that co-operate. Even among families of a given type in a given income range, the two groups may differ in the amounts they pay in direct taxes, in the amounts of benefits they receive in cash and kind and in their purchases of drink and tobacco and other items that are subject to indirect tax. In the years before 1963, the sample was re-weighted to allow for apparent variations in the proportions of families of different types and in different income ranges co-operating in the survey. Since the results thus obtained were not altogether satisfactory, these adjustments are no longer made and all the estimates shown here (including those for the years before 1963) are unweighted averages.

IV. Results

The incidence of taxes and benefits as a whole and of the main groups of taxes and benefits on the 10 main types of family and all families combined, at different income levels, is shown in Tables A-F. Detailed estimates of taxes paid and benefits received by each type of family (those consisting of 1 adult, 2 adults with 0-4 children, 3 adults with 0-2 children, and 4 adults) and by all households combined are shown in Tables 1 and 2. The 10 main types of household between them account for some 85 per cent of the sample. In the previous articles, results were given for six types of household (those consisting of one adult or two adults with 0-4 children) which made up about 65 per cent of the sample. The four other types of household for which results are

Income after all taxes and benefits as a percentage of original income

TABLE A

Percentages

| | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
|-------------------------------------|--------------------------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| 1961 | | | | | | | | | | | | | | | |
| 1 adult | 104 | 91 | 82 | 82 | 77 | 73 | 72 | 69 | | | | | | | 88 |
| 2 adults | 152 | 122 | 114 | 96 | 87 | 81 | 77 | 74 | 74 | 72 | 73 | 73 | 69 | 69 | 81 |
| 2 adults, 1 child .. | | | | 96 | 88 | 85 | 84 | 81 | 80 | 77 | 75 | | | | 81 |
| 2 adults, 2 children .. | | | | 102 | 101 | 94 | 92 | 89 | 88 | 87 | 86 | | | | 90 |
| 2 adults, 3 children .. | | | | | 112 | 118 | 108 | 107 | 95 | | | | | | 103 |
| 2 adults, 4 children .. | | | | | | 117 | 110 | | | | | | | | 108 |
| 3 adults | | | | 127 | 99 | 99 | 86 | 80 | 76 | 72 | 73 | 73 | | | 80 |
| 3 adults, 1 child .. | | | | | | | 93 | 91 | 85 | 80 | 76 | | | | 80 |
| 3 adults, 2 children .. | | | | | | | 99 | 103 | 95 | 87 | 81 | | | | 91 |
| 4 adults | | | | | | | | 91 | 80 | 75 | 75 | 71 | | | 76 |
| All households in the sample | 145 | 114 | 111 | 102 | 94 | 91 | 88 | 85 | 82 | 80 | 78 | 76 | 74 | 70 | 87 |
| 1967 | | | | | | | | | | | | | | | |
| 1 adult | 150 | 130 | 107 | 92 | 87 | 73 | 67 | 62 | 66 | 63 | 63 | 69 | | 56 | 80 |
| 2 adults | 216 | 176 | 151 | 129 | 105 | 89 | 82 | 74 | 72 | 69 | 67 | 65 | 65 | 60 | 75 |
| 2 adults, 1 child .. | | | | | 103 | 89 | 81 | 80 | 77 | 75 | 74 | 74 | 73 | 66 | 77 |
| 2 adults, 2 children .. | | | | | 118 | 110 | 95 | 89 | 87 | 87 | 82 | 79 | 78 | 70 | 85 |
| 2 adults, 3 children .. | | | | | | 114 | 106 | 104 | 98 | 95 | 90 | 88 | 83 | 77 | 96 |
| 2 adults, 4 children .. | | | | | | | 131 | 117 | 112 | 105 | 98 | | | | 113 |
| 3 adults | | | | 185 | | 120 | 106 | 91 | 83 | 74 | 69 | 67 | 66 | 67 | 74 |
| 3 adults, 1 child .. | | | | | | | | 110 | 95 | 84 | 84 | 78 | 77 | 75 | 85 |
| 3 adults, 2 children .. | | | | | | | | | 106 | 87 | 87 | 87 | 86 | | 91 |
| 4 adults | | | | | | | | | 102 | 91 | 78 | 72 | 68 | 66 | 73 |
| All households in the sample | 205 | 168 | 152 | 131 | 113 | 98 | 90 | 86 | 85 | 80 | 76 | 74 | 73 | 67 | 83 |

now included are more heterogeneous than the others; for example, a household consisting of three adults may contain a married couple with a son or daughter over 16 (and possibly still at school), a married couple plus a single man or woman, possibly an elderly dependant, or three single persons. The enlarged sample includes sufficient numbers of these households to make it worth showing separate results for them. In addition, results are given for all households combined, including some types for which the separate results are not shown.

The one and two-adult households for which results are given in Tables A-F and Tables 1 and 2 exclude pensioner households, so defined if at least three-quarters of the household income is derived from old age pensions, national insurance pensions, and supplementary pensions and allowances (formerly national assistance)⁽⁶⁾. All such households have very small original incomes and pay next to nothing in direct taxes, and thus fall into a category of their own. (Results for these and other retired households are shown in Tables 5 and 6.) Other households with an original income of less than £260 a year are also omitted from these tables because many of them consist of one or two adults, a large proportion of whom receive retirement or similar pensions and whose circumstances resemble those of pensioner households. Of the one and two-adult households in the lowest income ranges shown, a fair proportion also contain retired people receiving substantial amounts of state pension.

Households are classified by ranges of original income, marked off by equal intervals on a logarithmic scale. Table 7 shows the distribution, by type of family and

(6) The tables include results for retired *non-pensioner* households.

income range, of all households which co-operated in the Family Expenditure Survey in 1967. The numbers of households of each type in each income range are also shown in Table 1. Results are shown where there are at least 10 households in the income range, but it must be remembered that results referring to a small number of households may not be very representative and even those referring to larger numbers may be considerably influenced by one or two, possibly untypical, households. For instance, one household containing a student with a large educational grant may considerably influence the average benefits received; another may have bought an expensive durable good in the two weeks of the survey and the purchase tax included in the price, when converted to an annual rate of payment, may be very large. It is always advisable, therefore, to look at the general run of figures for families in several adjacent income ranges.

Results for 1967

The broad effects of taxes and benefits in 1967 compared with 1961 are summarised in Tables A-F. Tables A and B show, respectively, income after all taxes and benefits, and income after direct taxes and benefits, as percentages of original income. Since some cash benefits are taxable, total payments in all taxes are expressed as percentages of original income *plus* cash benefits in Table C, and total benefits as percentages of the same total in Table D⁽⁷⁾. Since indirect taxes fall on expenditure, total payments in indirect taxes are shown as percentages of disposable income (i.e. income after direct

(7) In the earlier articles total taxes and total benefits were expressed as percentages of original income.

taxes and benefits) in Table E. Corresponding figures for each of six main groups of indirect taxes are shown in Table 2. The separate effects of income tax and surtax, national insurance contributions, direct benefits in cash and direct benefits in kind, expressed in each case as percentages of original income *plus* cash benefits, are shown in Table F.

Table 1 gives the absolute figures for 1967, *viz.* the average incomes at different stages, the average amounts paid in each main form of tax and the average amounts received in each main form of benefit by each of the 10 main types of family in different income ranges. The results for 1967, which display similar general features to those for earlier years, were summarised above. This section mentions a few additional features and some of the points which need to be borne in mind when making comparisons. The families whose incomes show the largest proportional gain from all taxes and benefits combined are single adults in the lowest two income ranges shown and those consisting of two adults in the lowest three income ranges shown; also the very small number (13) of households containing three adults with an average original income of little over £500 per year, shared between the three of them. A substantial proportion of each of these groups of families, as is clear from Table 7, contain retired persons who do not pay national insurance contributions and whose pattern of expenditure must be expected to differ from that of working people. The income ranges immediately above those mentioned include a fair number, but smaller proportions, of retired persons. Some of these retired persons may be receiving national insurance pensions which amount to less than

75 per cent of the income of the household, and so are not classified as pensioners. This would partly explain why families in the very lowest income ranges pay a smaller proportion of their income in total taxes than other families, among whom the proportion of total taxes to income shows relatively small variations at different income levels.

It should be remembered that all the figures in the accompanying tables represent averages, covering a specified group of households, and there may be substantial variations in, for example, the proportion of income paid in all taxes by individual households within each of the groups shown. In particular, the proportion paid in indirect taxes is likely to vary according to how much the family spends on alcoholic drink, tobacco and petrol.

Benefits in cash, as a proportion of income, decline markedly as income rises and so are very progressive. The proportion of cash benefits to income also increases as the number of children in the family increases; the high proportions shown for one and two adults are probably explained by the presence of retired persons in the lower income ranges. Benefits in kind, as a proportion of income, decline (though less markedly than cash benefits) with increasing income and are progressive both in this sense and (more so than cash benefits) in the sense of forming a higher proportion of the income of large than of small families. A substantial proportion of benefits in kind (health services) can only be allocated on a rough basis, in the absence of detailed information about the extent to which different people make use of these services.

Income after direct taxes and benefits as a percentage of original income

| TABLE B | Percentages | | | | | | | | | | | | | | |
|------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|-----------------|--------------------------------|
| | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| 1961 | | | | | | | | | | | | | | | |
| 1 adult | 115 | 108 | 99 | 97 | 95 | 87 | 86 | 80 | | | | | | | 104 |
| 2 adults | 182 | 150 | 140 | 116 | 103 | 97 | 92 | 90 | 89 | 87 | 85 | 86 | 82 | 79 | 97 |
| 2 adults, 1 child .. | | | | 116 | 105 | 102 | 99 | 97 | 95 | 90 | 88 | | | | 96 |
| 2 adults, 2 children .. | | | | 121 | 117 | 113 | 108 | 104 | 104 | 98 | 96 | | | | 105 |
| 2 adults, 3 children .. | | | | | 127 | 132 | 122 | 119 | 109 | | | | | | 120 |
| 2 adults, 4 children .. | | | | | | 138 | 126 | | | | | | | | 122 |
| 3 adults | | | | 155 | 122 | 119 | 104 | 96 | 93 | 89 | 89 | 86 | | | 95 |
| 3 adults, 1 child .. | | | | | | | 112 | 105 | 98 | 96 | 93 | | | | 95 |
| 3 adults, 2 children .. | | | | | | | 122 | 119 | 110 | 103 | 97 | | | | 108 |
| 4 adults | | | | | | | | 106 | 97 | 91 | 90 | 87 | | | 91 |
| All households in the sample | 169 | 143 | 133 | 121 | 112 | 110 | 105 | 101 | 98 | 95 | 92 | 89 | 87 | 80 | 103 |
| 1967 | | | | | | | | | | | | | | | |
| 1 adult | 172 | 156 | 122 | 110 | 104 | 91 | 85 | 81 | 81 | 81 | 76 | 81 | | 64 | 98 |
| 2 adults | 260 | 215 | 189 | 158 | 130 | 112 | 102 | 94 | 90 | 85 | 83 | 81 | 79 | 72 | 93 |
| 2 adults, 1 child .. | | | | | 131 | 113 | 104 | 99 | 96 | 92 | 90 | 90 | 86 | 76 | 95 |
| 2 adults, 2 children .. | | | | | 151 | 133 | 118 | 108 | 106 | 104 | 98 | 94 | 91 | 82 | 102 |
| 2 adults, 3 children .. | | | | | | 142 | 130 | 124 | 117 | 114 | 107 | 102 | 97 | 88 | 114 |
| 2 adults, 4 children .. | | | | | | | 156 | 135 | 131 | 124 | 118 | | | | 133 |
| 3 adults | | | | 213 | | 151 | 132 | 113 | 103 | 93 | 88 | 85 | 82 | 79 | 91 |
| 3 adults, 1 child .. | | | | | | | | 136 | 116 | 105 | 101 | 94 | 92 | 88 | 102 |
| 3 adults, 2 children .. | | | | | | | | | 126 | 112 | 107 | 103 | 102 | 110 | |
| 4 adults | | | | | | | | | 124 | 115 | 97 | 89 | 87 | 81 | 91 |
| All households in the sample | 241 | 204 | 184 | 158 | 138 | 121 | 111 | 106 | 103 | 97 | 93 | 91 | 89 | 81 | 102 |

Total taxes as a percentage of original income plus cash benefits

TABLE C

Percentages

| | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
|------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| 1961 | | | | | | | | | | | | | | | |
| 1 adult | 22 | 25 | 29 | 28 | 32 | 32 | 31 | 33 | | | | | | | 29 |
| 2 adults | 22 | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 30 | 31 | 30 | 29 | 32 | 32 | 29 |
| 2 adults, 1 child .. . | | | | 29 | 28 | 28 | 28 | 29 | 29 | 29 | 30 | | | | 29 |
| 2 adults, 2 children .. . | | | | 30 | 27 | 29 | 27 | 28 | 27 | 25 | 23 | | | | 27 |
| 2 adults, 3 children .. . | | | | | 28 | 27 | 25 | 24 | 27 | | | | | | 26 |
| 2 adults, 4 children .. . | | | | | 28 | 24 | | | | | | | | | 25 |
| 3 adults | | | | 27 | 31 | 29 | 30 | 30 | 31 | 33 | 32 | 31 | | | 30 |
| 3 adults, 1 child .. . | | | | | | | 30 | 25 | 27 | 30 | 33 | | | | 32 |
| 3 adults, 2 children .. . | | | | | | | 29 | 26 | 26 | 29 | 31 | | | | 29 |
| 4 adults | | | | | | | | 26 | 30 | 33 | 31 | 33 | | | 31 |
| All households in the sample | 23 | 29 | 27 | 27 | 28 | 29 | 28 | 28 | 29 | 30 | 30 | 30 | 31 | 34 | 29 |
| 1967 | | | | | | | | | | | | | | | |
| 1 adult | 22 | 26 | 25 | 30 | 30 | 37 | 40 | 42 | 39 | 40 | 39 | 34 | | 44 | 35 |
| 2 adults | 24 | 25 | 28 | 29 | 32 | 34 | 34 | 37 | 36 | 36 | 37 | 38 | 37 | 42 | 36 |
| 2 adults, 1 child .. . | | | | | 38 | 35 | 38 | 35 | 35 | 34 | 35 | 34 | 32 | 38 | 35 |
| 2 adults, 2 children .. . | | | | | 41 | 33 | 34 | 32 | 32 | 32 | 32 | 33 | 31 | 38 | 33 |
| 2 adults, 3 children .. . | | | | | | 34 | 36 | 30 | 31 | 30 | 31 | 30 | 31 | 33 | 31 |
| 2 adults, 4 children .. . | | | | | | | 32 | 31 | 28 | 30 | 31 | | | | 30 |
| 3 adults | | | | 27 | | 31 | 33 | 33 | 35 | 36 | 39 | 39 | 38 | 37 | 37 |
| 3 adults, 1 child .. . | | | | | | | | 36 | 34 | 36 | 33 | 35 | 34 | 33 | 34 |
| 3 adults, 2 children .. . | | | | | | | | | 32 | 37 | 35 | 32 | 32 | 33 | 33 |
| 4 adults | | | | | | | | | 33 | 40 | 36 | 36 | 40 | 39 | 38 |
| All households in the sample | 25 | 26 | 28 | 29 | 32 | 33 | 35 | 35 | 34 | 35 | 35 | 36 | 36 | 39 | 35 |

The only indirect benefits are housing subsidies, which are small in comparison with other benefits. Generally it is the households in the lowest income ranges which receive the largest housing subsidies (see Table 1); these subsidies (though not shown here as proportions of income) must therefore form a declining proportion of increasing income and are thus progressive.

While indirect taxes as a whole are regressive (see Table E), the incidence of different types of indirect tax shows considerable variation (see Table 2). Both local rates and duties on tobacco absorb a larger proportion of income at the lower than at the higher income levels and so are clearly regressive. The proportion paid in taxes on alcoholic drink fluctuates between different income ranges and such taxes as a whole cannot be said to be markedly progressive or regressive. A more detailed analysis reveals that duties on beer are slightly regressive. The incidence of purchase tax seems, on the whole, to be more or less neutral. Indirect taxes on intermediate products are, in general, mildly regressive. The only indirect taxes which tend to form a smaller proportion of the income of larger families than of smaller families are local rates and taxes on drink:

The broad effects of taxes and benefits on the five main types of household are illustrated in Chart 1, which shows clearly both the progressive incidence of benefits and the stable proportion of income taken in taxes over a wide range of incomes.

Chart 2 shows, for 1967, the average income after taxes and benefits plotted against the average original income of families consisting of 1 adult and 2 adults (retired and non-retired combined) and 2 adults with 1-4 children.

For all points on the diagonal line, income after taxes and benefits is equal to original income. Families represented by points above this line receive more, on average, in benefits than they pay in taxes; families represented by points below this line pay more, on average, in taxes than they receive in benefits. If the line joining the points for a given type of family crosses the diagonal at a fairly clearly defined point, this can be regarded as the approximate 'break-even' level of income in respect of all the benefits and taxes included in these estimates. But, as it happens, in most cases the points for a given type of family do not lie on a clearly defined line, particularly near the diagonal, or they lie on a fairly straight line but it crosses the diagonal at a narrow angle. It is then difficult to determine the break-even level of income.

It is also important to keep in mind the number of families (given in Table 1) represented by each point on these charts; an unusually large amount of taxes paid, or of benefits received, by one family in the period of the survey may completely dominate the average amount of tax or benefit for a particular group of families. Furthermore, the positions of the points representing one and two-adult households in the lowest income ranges are considerably influenced by the inclusion of a fair proportion of retired persons receiving state pensions, and so it is not possible from these charts to determine the break-even points for households containing one or two adults who have not retired.

For households with children it is sometimes possible to estimate the approximate break-even levels of income from the charts. But, even in these cases, judgment is involved in assessing the relative importance of the

different plotted points lying near the break-even line.

Subject to these qualifications, it appears that in 1967 the break-even levels of income after direct taxes and benefits were approximately £1,050 for 2 adults with 1 child, £1,800 for 2 adults with 2 children and £2,500 for 2 adults with 3 children; after all taxes and benefits, the break-even levels for the same families were around £650, £850 and £1,250 respectively. These break-even levels of income in 1967 are very much the same as they were in 1966. If the benefits which individual households can reasonably be said to enjoy from the environmental services mentioned in Section III above (roads, libraries, museums, police, etc.) were included in the estimates all the break-even levels would be slightly higher.

Comparisons, 1961-1967

The broad effects of taxes and benefits on all types of household combined in each of the years 1961 to 1967 and on the three commonest types of household—2 adults with 0, 1 or 2 children—in 1961, 1964 and 1967 are set out in Table 3, which assembles the results published in earlier articles. (Corresponding results for 1957 and 1959 were on a somewhat different basis, mainly because they excluded indirect taxes on intermediate goods, and so are not shown here.) It must be remembered that, as most incomes have been increasing over this period, families in a given income range in 1961 would have moved into higher income ranges in succeeding years; typically, they might have moved up two income ranges (on the scale used here) between 1961 and 1967. Thus, looking at the first section of Table 3, taxes and

benefits combined would have brought considerable gains to any families which remained in the lowest income ranges during this period, while families which remained in the higher income ranges shown would have suffered comparatively small reductions in income. But, since the original income of most families was increasing over the period, it is somewhat difficult to make any definite statements about the changes experienced by any particular group of families. For all families combined, the right-hand column of the table shows that the net effect of all taxes and benefits was to reduce their average income by the same proportion (13 per cent) in each of the three years 1961 to 1963, and by a proportion which increased in the following years, reaching 17 per cent in 1967. The main changes in this period apparently occurred in the years 1964 onwards.

While it appears that families in the lowest income ranges gained substantially between 1961 (or 1963) and 1967, this apparent improvement may be largely explained by the fact that many households will have moved during this period into higher income ranges, so that the families which remained in the lowest income ranges are likely to include an increasing proportion of people who are receiving national insurance pensions. This is to some extent confirmed by the fact that the families which improved their position most over the period were those in the lowest three income ranges shown, the large majority of them consisting of one or two adults. Thus, looking at the figures for families in income ranges between about £560 and £1,200 per year, and allowing for the general movement over the years from lower to higher income ranges, on the whole these

Total benefits as a percentage of original income plus cash benefits

| TABLE D | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
|------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| 1961 | | | | | | | | | | | | | | | |
| 1 adult | 25 | 17 | 12 | 11 | 11 | 6 | 4 | 3 | | | | | | | |
| 2 adults | 53 | 41 | 37 | 23 | 16 | 11 | 8 | 5 | 5 | 4 | 3 | 3 | 2 | 1 | 18 |
| 2 adults, 1 child .. . | | | | 26 | 17 | 13 | 12 | 10 | 9 | 6 | 5 | | | | 11 |
| 2 adults, 2 children .. . | | | | 31 | 28 | 23 | 19 | 17 | 15 | 12 | 9 | | | | 18 |
| 2 adults, 3 children .. . | | | | | 36 | 40 | 30 | 28 | 19 | | | | | | 29 |
| 2 adults, 4 children .. . | | | | | | 43 | 33 | | | | | | | | 32 |
| 3 adults | | | | 45 | 30 | 28 | 17 | 11 | 8 | 5 | 6 | 4 | | | 11 |
| 3 adults, 1 child .. . | | | | | | | 24 | 17 | 12 | 10 | 9 | | | | 12 |
| 3 adults, 2 children .. . | | | | | | | 28 | 29 | 21 | 17 | 13 | | | | 21 |
| 4 adults | | | | | | | | 18 | 12 | 9 | 7 | 4 | | | 9 |
| All households in the sample | 52 | 40 | 36 | 29 | 23 | 21 | 17 | 14 | 12 | 10 | 8 | 6 | 5 | 3 | 17 |
| 1967 | | | | | | | | | | | | | | | |
| 1 adult | 52 | 45 | 31 | 23 | 18 | 12 | 8 | 4 | 6 | 4 | 2 | 4 | | 1 | 18 |
| 2 adults | 75 | 63 | 56 | 48 | 36 | 25 | 18 | 13 | 10 | 6 | 4 | 3 | 3 | 2 | 13 |
| 2 adults, 1 child .. . | | | | | 40 | 25 | 20 | 16 | 13 | 10 | 9 | 8 | 5 | 4 | 13 |
| 2 adults, 2 children .. . | | | | | 56 | 41 | 30 | 22 | 19 | 19 | 14 | 12 | 10 | 7 | 18 |
| 2 adults, 3 children .. . | | | | | | 46 | 41 | 33 | 29 | 26 | 21 | 18 | 15 | 10 | 28 |
| 2 adults, 4 children .. . | | | | | | | 59 | 46 | 39 | 34 | 29 | | | | 41 |
| 3 adults | | | | 75 | | 44 | 37 | 26 | 20 | 12 | 9 | 6 | 5 | 5 | 13 |
| 3 adults, 1 child .. . | | | | | | | | 45 | 29 | 21 | 18 | 13 | 11 | 8 | 19 |
| 3 adults, 2 children .. . | | | | | | | | | 37 | 25 | 22 | 19 | 19 | | 25 |
| 4 adults | | | | | | | | | 34 | 32 | 16 | 9 | 8 | 5 | 12 |
| All households in the sample | 75 | 63 | 58 | 51 | 42 | 32 | 26 | 22 | 20 | 15 | 12 | 11 | 9 | 6 | 19 |

Indirect taxes as a percentage of income after direct taxes and benefits

TABLE E

Percentages

| | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
|------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| 1961 | | | | | | | | | | | | | | | |
| 1 adult | 11 | 17 | 18 | 16 | 19 | 17 | 16 | 14 | | | | | | | 16 |
| 2 adults | 18 | 20 | 20 | 19 | 18 | 17 | 18 | 19 | 16 | 17 | 14 | 15 | 15 | 13 | 17 |
| 2 adults, 1 child .. | | | | 18 | 18 | 17 | 16 | 17 | 17 | 14 | 15 | | | | 16 |
| 2 adults, 2 children .. | | | | 18 | 17 | 18 | 16 | 16 | 16 | 12 | 11 | | | | 15 |
| 2 adults, 3 children .. | | | | | 17 | 15 | 14 | 14 | 16 | | | | | | 15 |
| 2 adults, 4 children .. | | | | | | 16 | 15 | | | | | | | | 13 |
| 3 adults | | | | 20 | 20 | 18 | 19 | 18 | 18 | 20 | 18 | 15 | | | 17 |
| 3 adults, 1 child .. | | | | | | | 18 | 14 | 15 | 18 | 19 | | | | 16 |
| 3 adults, 2 children .. | | | | | | | 20 | 14 | 14 | 16 | 17 | | | | 16 |
| 4 adults | | | | | | | | 15 | 18 | 19 | 17 | 18 | | | 16 |
| All households in the sample | 16 | 21 | 18 | 17 | 17 | 18 | 16 | 16 | 17 | 17 | 16 | 15 | 15 | 13 | 16 |
| 1967 | | | | | | | | | | | | | | | |
| 1 adult | 16 | 18 | 14 | 18 | 17 | 21 | 23 | 24 | 19 | 21 | 17 | 14 | | 12 | 19 |
| 2 adults | 19 | 20 | 21 | 20 | 21 | 21 | 21 | 22 | 20 | 20 | 20 | 20 | 18 | 17 | 20 |
| 2 adults, 1 child .. | | | | | 24 | 22 | 24 | 20 | 20 | 19 | 19 | 17 | 15 | 14 | 19 |
| 2 adults, 2 children .. | | | | | 24 | 19 | 20 | 19 | 18 | 17 | 17 | 16 | 14 | 15 | 17 |
| 2 adults, 3 children .. | | | | | | 21 | 20 | 17 | 17 | 17 | 16 | 14 | 14 | 13 | 16 |
| 2 adults, 4 children .. | | | | | | | 16 | 16 | 15 | 16 | 18 | | | | 16 |
| 3 adults | | | | 16 | | 21 | 21 | 21 | 20 | 21 | 22 | 22 | 20 | 15 | 20 |
| 3 adults, 1 child .. | | | | | | | | 20 | 19 | 21 | 17 | 18 | 16 | 14 | 18 |
| 3 adults, 2 children .. | | | | | | | | | 17 | 23 | 19 | 16 | 15 | | 17 |
| 4 adults | | | | | | | | | 19 | 22 | 21 | 20 | 22 | 18 | 20 |
| All households in the sample | 18 | 19 | 19 | 18 | 19 | 20 | 21 | 20 | 19 | 19 | 19 | 19 | 18 | 17 | 19 |

families may not have gained much and may in fact have lost ground between 1961 (or 1964) and 1967. There is less doubt, however, that taxes and benefits combined reduced the income of families in the higher income ranges by more in 1967 than in the earlier years. On balance, therefore, the evidence suggests that, over recent years, there has been some, though perhaps only a small, improvement in the position of families with low incomes relatively to that of families with high incomes. Benefits appear to have contributed more to this change than taxes. Families in all income ranges have had to pay appreciably more in taxes of one kind or another—either income tax (partly because of the general increase in income), national insurance contributions or indirect taxes.

Table 4 compares the changes which have occurred in the years 1961 to 1967 in the average incomes before and after taxes and benefits of all households of each of the six main types, and of all households combined. The right-hand section of this table shows that, in the case of five of the six types of household shown, the net effect of all taxes and benefits was to cause a larger reduction (or in one case to convert a gain into a loss) in average income in 1964 and in 1967 than in 1961. Only households consisting of two adults and four children increased their net gain in income and only in the latter half of this period. Otherwise, there does not appear to have been any substantial change in the relative incidence on families of different size of all taxes and benefits combined, either between 1961 and 1964 or between 1964 and 1967.

It is also noticeable that, of the six main family types, one-adult households, whose average income is much

less than that of any of the other five main types, enjoyed the largest increase in average original income between 1961 and 1967. Two adults with three children showed the next largest rise, while two adults with four children experienced a much smaller increase in original income than any of the others. As a result of the combined effects of changes in original income and the impact of taxes and benefits, the incomes of families with three and four children showed very substantial improvements while those of two adults with no child or one child showed only small improvements.

Retired households ⁽⁸⁾

The results given in the summary Tables A-F and in Tables 1-4 cover both retired and non-retired households but exclude pensioner households⁽⁹⁾. Tables 5 and 6 compare, for households consisting of one or two adults, the results for pensioner, other retired and non-retired households. Table 5 shows total taxes and total benefits as percentages of original income *plus* cash benefits, and indirect taxes as percentages of income after direct taxes and benefits (corresponding to the summary Tables C, D and E which give similar results for all except pensioner households⁽⁹⁾). Table 6 (corresponding to Table 1) shows the absolute figures.

Retired households pay, on average, only small amounts in national insurance contributions and their total payments of taxes are almost always smaller than those for non-retired households in the same income range. As expected, total benefits generally form a

⁽⁸⁾ See definition in Section V.

⁽⁹⁾ Except in the averages shown for all households combined.

Direct benefits and taxes as percentages of original income plus cash benefits
1967

TABLE F

Percentages

| | Range of original income: £ per year | | | | | | | | | | | | | | Average over all income ranges |
|---|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | |
| Cash benefits | | | | | | | | | | | | | | | |
| 1 adult | 41 | 37 | 23 | 18 | 11 | 8 | 5 | 2 | 3 | 3 | 1 | 3 | | 1 | 14 |
| 2 adults | 56 | 50 | 46 | 34 | 25 | 18 | 11 | 7 | 5 | 3 | 2 | 1 | 1 | 1 | 8 |
| 2 adults, 1 child | | | | | 17 | 7 | 5 | 3 | 2 | 1 | 1 | 1 | — | — | 3 |
| 2 adults, 2 children | | | | | 13 | 14 | 7 | 4 | 3 | 2 | 2 | 2 | 1 | 1 | 3 |
| 2 adults, 3 children | | | | | | 15 | 8 | 7 | 5 | 4 | 3 | 2 | 2 | 1 | 6 |
| 2 adults, 4 children | | | | | | | 14 | 9 | 8 | 6 | 4 | | | | 10 |
| 3 adults | | | | 44 | | 36 | 27 | 17 | 12 | 6 | 4 | 2 | 1 | 1 | 7 |
| 3 adults, 1 child | | | | | | | | 13 | 7 | 4 | 3 | 1 | 2 | 1 | 4 |
| 3 adults, 2 children | | | | | | | | | 10 | 6 | 4 | 3 | 2 | | 6 |
| 4 adults | | | | | | | | | 19 | 11 | 8 | 5 | 2 | 1 | 6 |
| All households in the sample | 53 | 46 | 42 | 32 | 23 | 17 | 11 | 7 | 6 | 4 | 3 | 2 | 2 | 1 | 8 |
| Benefits in kind | | | | | | | | | | | | | | | |
| 1 adult | 7 | 6 | 5 | 5 | 6 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | | 1 | 4 |
| 2 adults | 17 | 11 | 9 | 12 | 9 | 6 | 6 | 5 | 4 | 3 | 2 | 2 | 1 | 1 | 4 |
| 2 adults, 1 child | | | | | 20 | 17 | 14 | 13 | 10 | 9 | 8 | 7 | 5 | 4 | 10 |
| 2 adults, 2 children | | | | | 42 | 26 | 21 | 17 | 16 | 16 | 12 | 10 | 9 | 7 | 15 |
| 2 adults, 3 children | | | | | | 29 | 32 | 26 | 23 | 21 | 18 | 16 | 13 | 9 | 21 |
| 2 adults, 4 children | | | | | | | 44 | 34 | 31 | 28 | 25 | | | | 30 |
| 3 adults | | | | 27 | | 7 | 9 | 8 | 7 | 5 | 5 | 4 | 3 | 3 | 5 |
| 3 adults, 1 child | | | | | | | | 31 | 21 | 16 | 14 | 11 | 9 | 7 | 14 |
| 3 adults, 2 children | | | | | | | | | 26 | 18 | 18 | 16 | 17 | | 19 |
| 4 adults | | | | | | | | | 13 | 19 | 7 | 4 | 7 | 4 | 6 |
| All households in the sample | 19 | 15 | 15 | 17 | 18 | 13 | 14 | 14 | 13 | 11 | 9 | 8 | 7 | 5 | 10 |
| Income tax and surtax | | | | | | | | | | | | | | | |
| 1 adult | 5 | 7 | 8 | 8 | 9 | 12 | 13 | 15 | 17 | 18 | 23 | 20 | | 35 | 14 |
| 2 adults | 1 | 3 | 4 | 5 | 6 | 7 | 8 | 10 | 11 | 13 | 14 | 16 | 18 | 27 | 13 |
| 2 adults, 1 child | | | | | 4 | 3 | 5 | 7 | 9 | 11 | 12 | 14 | 15 | 26 | 11 |
| 2 adults, 2 children | | | | | 1 | 3 | 3 | 4 | 5 | 8 | 10 | 14 | 16 | 23 | 9 |
| 2 adults, 3 children | | | | | | — | 2 | 2 | 5 | 5 | 8 | 11 | 14 | 20 | 7 |
| 2 adults, 4 children | | | | | | | 1 | 2 | 3 | 4 | 5 | | | | 4 |
| 3 adults | | | | 3 | | 5 | 6 | 6 | 9 | 9 | 12 | 13 | 15 | 22 | 13 |
| 3 adults, 1 child | | | | | | | | 4 | 5 | 7 | 9 | 12 | 13 | 17 | 10 |
| 3 adults, 2 children | | | | | | | | | 5 | 5 | 7 | 9 | 11 | | 8 |
| 4 adults | | | | | | | | | 6 | 9 | 9 | 10 | 13 | 18 | 13 |
| All households in the sample | 4 | 4 | 4 | 5 | 5 | 6 | 6 | 7 | 8 | 10 | 11 | 13 | 14 | 21 | 11 |
| National insurance contributions | | | | | | | | | | | | | | | |
| 1 adult | 1 | 1 | 4 | 5 | 5 | 8 | 8 | 8 | 7 | 5 | 4 | 3 | | 1 | 5 |
| 2 adults | 1 | 1 | 3 | 3 | 6 | 7 | 8 | 8 | 8 | 7 | 7 | 6 | 5 | 2 | 6 |
| 2 adults, 1 child | | | | | 8 | 9 | 9 | 9 | 8 | 7 | 6 | 5 | 4 | 2 | 7 |
| 2 adults, 2 children | | | | | 9 | 8 | 9 | 9 | 8 | 7 | 5 | 4 | 3 | 3 | 6 |
| 2 adults, 3 children | | | | | | 9 | 10 | 8 | 8 | 7 | 6 | 4 | 3 | 2 | 6 |
| 2 adults, 4 children | | | | | | | 9 | 9 | 7 | 7 | 6 | | | | 7 |
| 3 adults | | | | 5 | | 6 | 7 | 8 | 8 | 9 | 8 | 8 | 6 | 4 | 7 |
| 3 adults, 1 child | | | | | | | | 8 | 8 | 8 | 8 | 7 | 7 | 3 | 7 |
| 3 adults, 2 children | | | | | | | | | 8 | 8 | 8 | 7 | 6 | | 7 |
| 4 adults | | | | | | | | | 8 | 9 | 9 | 9 | 8 | 6 | 8 |
| All households in the sample | 1 | 2 | 4 | 5 | 6 | 7 | 8 | 8 | 8 | 7 | 7 | 7 | 6 | 4 | 6 |

higher proportion of the income of retired than of non-retired households. The exceptions are one and two-adult households in the lowest income range, and two-adult households in the income range £260-315; in each of these three groups members of some of the non-retired households were at university and so their benefits from state education were unusually large. As between different retired households, benefits appear to be a little less progressive with respect to income than between different non-retired households; but this is also to be expected since substantial pensions are received by retired households in the higher as well as in the lower income ranges.

Indirect taxes as percentages of disposable income are generally slightly lower for retired than for non-retired households. There are a few exceptions, where two-adult retired households with original incomes between about £380 and £560 paid, on average, much more in local rates and duties on alcoholic drink than non-retired households.

V. Definitions and notes on methods

The main source for these estimates is the Family Expenditure Survey which covers a representative sample of private households in the United Kingdom. The survey does not include residents in hotels, boarding houses and other institutions, or members of the armed forces and the merchant navy who are stationed away from home. A household comprises persons who live at the same address and who share in the catering for at least one meal a day. It includes children at boarding school but not university students, etc. who are residing away from home at the time of the survey and who may be included as separate households. Age 16 is taken as the dividing line between adults and children.

Households are first classified by the number of adults and children they contain but those consisting of one or two 'pensioners', so defined if at least three-quarters of their income is derived from old age pensions, national insurance pensions and supplementary pensions and allowances (formerly national assistance) are classified separately. In 1967, for the first time, non-pensioner households were further classified into 'retired' and 'non-retired' households, a *retired household* being defined as one in which the combined income of members who are at least 60 and describe themselves as retired or unoccupied makes up at least half the income of the household as a whole.

The estimates shown in the tables represent averages for households grouped by ranges of original income as defined below. The income ranges are marked off by equal intervals on a logarithmic scale, thus providing wider intervals for the highest ranges where there are fewer households with widely dispersed incomes. The use of a logarithmic scale also facilitates comparisons over time when prices are rising.

The taxes and benefits included in the estimates are classified as follows:

DIRECT TAXES

Income tax and surtax

The estimates of income tax and surtax are based mainly on the amounts stated to have been deducted

from the most recent payments of wages or salaries, and on tax payments in the previous twelve months in respect of investment income and income from self-employment.

Employers' and employees' contributions to national insurance and national health services

Employers' contributions to the Redundancy Fund are excluded. The selective employment tax is treated as an indirect tax (see below).

DIRECT BENEFITS

Cash benefits

- family allowances
- national insurance benefits (pensions; sickness, unemployment, industrial injury, maternity benefits, etc.; death grants)
- non-contributory old age pensions
- supplementary pensions and allowances (formerly national assistance grants)
- war pensions, service grants and allowances

Benefits in kind

- state education, including school health services (see below)
- scholarships and education grants
- school meals, milk and other welfare foods
- national health services (see below)

The direct benefits assigned to each household are the amounts stated to have been received in cash in the twelve months prior to the time of the survey, or, in the case of benefits in kind, the amounts estimated as described below.

INDIRECT BENEFITS

Housing subsidies

These are defined, for each local authority dwelling separately, as the excess of the estimated economic rent, over the actual rent paid by the tenant. The economic rent is calculated by marking up the rateable value of the dwelling in the ratio of the total current account expenditure on all dwellings owned by the local authority to the total rateable value of those dwellings. The housing subsidy estimated for a particular household can (exceptionally) be negative.

INDIRECT TAXES ON FINAL CONSUMER GOODS AND SERVICES

Local rates on dwellings (after deduction of rebates)

Customs and Excise duties on beer, wines, spirits, tobacco, oil, betting, etc.

Purchase tax

Purchase tax on motor vehicles (see below) is applied to purchases of new and second-hand vehicles and (negatively) to sales of second-hand vehicles.

Motor vehicle and driving licences

Radio and television licences

Stamp duties

Selective employment tax (after deduction of refunds)

Payments made by industries which do not qualify for a premium or a refund of tax have been allocated between the various categories of consumers' expenditure as in the National Income Blue Book.

INDIRECT TAXES ON INTERMEDIATE PRODUCTS

Payments by businesses in respect of:

Local rates

Vehicle licences

Duties on oil

Purchase tax and other revenue duties

Import duties on raw materials and on other goods and services

Stamp duties

Selective employment tax (after deduction of refunds)

ORIGINAL INCOME

This is the sum of the incomes, including income in kind, of all members of the household before deduction of all taxes and before the addition of all benefits listed above.

Thus original income differs from the amount of income which is liable to income tax since it excludes national insurance pensions, family allowances and other benefits and grants from public authorities, and includes employers' contributions to national insurance and national health services. It also differs from the term 'gross income' as used in the published reports of the Family Expenditure Surveys, since the latter includes national insurance and other cash benefits and excludes income in kind and employers' contributions to national insurance and national health services.

The figures of income are the estimated normal annual income at the rate current at the time of the survey or, in the case of investment income and the income of self-employed persons, the amount received in the latest year for which the information is available. For wage and salary earners, the normal rate of annual income is estimated by taking into account all the information given about (i) the wage or salary received in the previous week (those paid weekly) or in the previous month (those paid monthly), (ii) the wage or salary usually received in the recent past (if the last payment is stated to be abnormal), (iii) occasional bonus payments and (iv) periods of absence from work through illness or unemployment during the previous twelve months.

Education

The benefit of state education is taken to be the estimated average expenditure per child by public authorities under each of the following headings: special schools, primary, secondary modern, other secondary

and direct grant schools, universities, colleges of advanced technology and teachers' training colleges. The fact that every child has a right to free education at the appropriate level is itself considered to be a benefit and children attending private schools are allotted a benefit * equal to the average cost per child of either state primary or all state secondary schools. The effect on the averages of attributing a benefit to children at private schools was measured for one year and found to be very small.

National health service

It is not known to what extent different households make use of the various national health services. The values of the benefits assumed to be obtained were estimated as follows. The current cost of maternity services was estimated separately and the average cost per birth was allocated to each household which reported the receipt of national insurance maternity benefit. The values of the benefits from all other national health services combined were based on rough estimates of the differences in the extent to which these services are used by (i) children, (ii) adults below retirement age (65 for men and 60 for women) and (iii) adults above retirement age, in each case separate estimates being available for males and females.

Purchase tax

Estimates of indirect taxes are based on detailed information about expenditure in the two weeks of the survey and in the previous three months in the case of goods bought on hire purchase. The amount of indirect tax, which is assumed to be fully reflected in the retail price, is based on the rate of tax current at the time of purchase. In general, the average weekly payment of tax is converted into a corresponding annual amount. But the expenditure during two weeks on durable goods normally bought at infrequent intervals, when converted to an annual basis, may produce a very large estimated payment of purchase tax for individual households. Motor vehicles bought outright (or with a large down payment) during the period of the survey are an extreme example. When a household in the sample makes such a purchase, the average payment of purchase tax reckoned over the whole year is very large (26 times the average payment in the two weeks) and gives a false impression of the incidence of the tax, since the number of households in one income range is seldom large. In such cases, therefore, the payment of purchase tax on motor vehicles is spread (proportionately to income after direct taxes and benefits) over all households in the same income range plus a sufficient number of adjacent income ranges to make up at least 300 households (150 in the years before 1967) or at least 30 per cent of the households of that type.

*Central Statistical Office
and
Department of Health
and Social Security*

APPENDIX

Average incomes before and after taxes and benefits
1967

TABLE 1

| | Range of original income: £ per year | | | | | | | | | | | Average over all income ranges | | | | |
|---|--------------------------------------|------|------|------|------|------|------|-------|--------|--------|--------|--------------------------------|--------|------------------|------------|--|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,556- | 3,104- and above | £ per year | |
| 1 adult | | | | | | | | | | | | | | | | |
| Number of households | 40 | 35 | 32 | 55 | 56 | 64 | 76 | 64 | 37 | 31 | 16 | 15 | | 10 | 724 | |
| Original income | 284 | 347 | 416 | 514 | 612 | 749 | 912 | 1,090 | 1,308 | 1,615 | 1,937 | 2,364 | | 4,415 | 750 | |
| Direct benefits: | | | | | | | | | | | | | | | | |
| cash benefits | 199 | 205 | 126 | 110 | 76 | 68 | 47 | 20 | 47 | 54 | 24 | 66 | | 32 | 118 | |
| benefits in kind | 33 | 34 | 30 | 29 | 43 | 24 | 21 | 21 | 20 | 21 | 24 | 21 | | 22 | 34 | |
| Direct taxes: | | | | | | | | | | | | | | | | |
| national insurance contributions | 5 | 5 | 22 | 33 | 37 | 63 | 75 | 86 | 95 | 83 | 76 | 66 | | 48 | 41 | |
| income tax and surtax | 23 | 37 | 43 | 53 | 61 | 95 | 129 | 163 | 225 | 295 | 442 | 478 | | 1,574 | 125 | |
| Income after direct taxes and benefits | 488 | 543 | 506 | 567 | 634 | 682 | 776 | 881 | 1,056 | 1,313 | 1,466 | 1,906 | | 2,847 | 736 | |
| Indirect benefits | 17 | 8 | 12 | 8 | 5 | 6 | 9 | 6 | 8 | 5 | — | 7 | | — | 7 | |
| Indirect taxes: | | | | | | | | | | | | | | | | |
| on final goods and services | 62 | 78 | 53 | 80 | 89 | 116 | 148 | 180 | 166 | 234 | 209 | 238 | | 297 | 115 | |
| on intermediate products | 17 | 22 | 19 | 22 | 20 | 25 | 28 | 35 | 39 | 48 | 35 | 37 | | 57 | 26 | |
| Income after all taxes and benefits | 426 | 450 | 446 | 472 | 530 | 548 | 609 | 671 | 859 | 1,026 | 1,222 | 1,638 | | 2,493 | 602 | |
| 2 adults | | | | | | | | | | | | | | | | |
| Number of households | 41 | 47 | 46 | 60 | 89 | 102 | 205 | 251 | 270 | 271 | 227 | 128 | | 74 | 2,023 | |
| Original income | 288 | 353 | 421 | 510 | 624 | 749 | 907 | 1,092 | 1,322 | 1,594 | 1,919 | 2,335 | | 4,576 | 1,345 | |
| Direct benefits: | | | | | | | | | | | | | | | | |
| cash benefits | 368 | 357 | 353 | 267 | 210 | 160 | 115 | 85 | 69 | 46 | 34 | 24 | | 32 | 124 | |
| benefits in kind | 109 | 78 | 69 | 93 | 74 | 52 | 59 | 59 | 57 | 43 | 45 | 43 | | 40 | 58 | |
| Direct taxes: | | | | | | | | | | | | | | | | |
| national insurance contributions | 6 | 7 | 19 | 27 | 47 | 65 | 79 | 93 | 107 | 114 | 132 | 135 | | 100 | 87 | |
| income tax and surtax | 9 | 22 | 30 | 40 | 48 | 61 | 78 | 116 | 156 | 208 | 264 | 381 | | 507 | 194 | |
| Income after direct taxes and benefits | 749 | 758 | 794 | 803 | 814 | 835 | 924 | 1,029 | 1,185 | 1,361 | 1,601 | 1,885 | | 3,307 | 1,245 | |
| Indirect benefits | 19 | 13 | 9 | 13 | 13 | 12 | 11 | 9 | 8 | 9 | 4 | 5 | | — | 9 | |
| Indirect taxes: | | | | | | | | | | | | | | | | |
| on final goods and services | 114 | 119 | 126 | 125 | 140 | 143 | 154 | 185 | 197 | 225 | 264 | 309 | | 333 | 204 | |
| on intermediate products | 32 | 29 | 41 | 34 | 34 | 36 | 38 | 40 | 44 | 49 | 56 | 63 | | 65 | 46 | |
| Income after all taxes and benefits | 622 | 622 | 636 | 657 | 653 | 668 | 742 | 813 | 951 | 1,096 | 1,286 | 1,518 | | 2,747 | 1,004 | |
| 2 adults, 1 child | | | | | | | | | | | | | | | | |
| Number of households | | | | | 17 | 27 | 74 | 147 | 162 | 151 | 87 | 38 | | 18 | 762 | |
| Original income | | | | | 623 | 757 | 909 | 1,103 | 1,309 | 1,590 | 1,906 | 2,301 | | 4,222 | 1,433 | |
| Direct benefits: | | | | | | | | | | | | | | | | |
| cash benefits | | | | | 128 | 60 | 48 | 30 | 26 | 18 | 12 | 29 | | 1 | 40 | |
| benefits in kind | | | | | 153 | 137 | 134 | 143 | 139 | 137 | 149 | 168 | | 147 | 145 | |
| Direct taxes: | | | | | | | | | | | | | | | | |
| national insurance contributions | | | | | 58 | 76 | 90 | 103 | 106 | 110 | 116 | 108 | | 119 | 101 | |
| income tax and surtax | | | | | 28 | 25 | 52 | 80 | 114 | 169 | 239 | 330 | | 423 | 158 | |
| Income after direct taxes and benefits | | | | | 818 | 853 | 948 | 1,094 | 1,254 | 1,465 | 1,712 | 2,060 | | 2,404 | 1,359 | |
| Indirect benefits | | | | | 23 | 11 | 14 | 9 | 8 | 7 | 12 | 1 | | — | 9 | |
| Indirect taxes: | | | | | | | | | | | | | | | | |
| on final goods and services | | | | | 156 | 152 | 181 | 175 | 203 | 217 | 264 | 293 | | 289 | 210 | |
| on intermediate products | | | | | 43 | 36 | 43 | 43 | 48 | 56 | 58 | 65 | | 76 | 51 | |
| Income after all taxes and benefits | | | | | 641 | 676 | 739 | 886 | 1,011 | 1,198 | 1,402 | 1,703 | | 2,039 | 1,108 | |

Average incomes before and after taxes and benefits
1967

£ per year

| | Range of original income: £ per year | | | | | | | | | | Average over all income ranges | | | |
|---|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------------------------------|--------|--------|--------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | | 1,752- | 2,122- | 2,566- |
| 2 adults, 2 children | | | | | | | | | | | | | | |
| <i>Number of households</i> | | | | | | | | | | | | | | 26 |
| Original income | | | | | | | | | | | | | | 852 |
| Direct benefits: | | | | | | | | | | | | | | 1,551 |
| cash benefits | | | | | | | | | | | | | | 49 |
| benefits in kind | | | | | | | | | | | | | | 234 |
| Direct taxes: | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | 101 |
| income tax and surtax | | | | | | | | | | | | | | 147 |
| Income after direct taxes and benefits | | | | | | | | | | | | | | 1,585 |
| Indirect benefits | | | | | | | | | | | | | | 8 |
| Indirect taxes: | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | 219 |
| on intermediate products | | | | | | | | | | | | | | 56 |
| Income after all taxes and benefits | | | | | | | | | | | | | | 1,318 |
| 2 adults, 3 children | | | | | | | | | | | | | | |
| <i>Number of households</i> | | | | | | | | | | | | | | 14 |
| Original income | | | | | | | | | | | | | | 361 |
| Direct benefits: | | | | | | | | | | | | | | 1,510 |
| cash benefits | | | | | | | | | | | | | | 90 |
| benefits in kind | | | | | | | | | | | | | | 341 |
| Direct taxes: | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | 99 |
| income tax and surtax | | | | | | | | | | | | | | 120 |
| Income after direct taxes and benefits | | | | | | | | | | | | | | 1,723 |
| Indirect benefits | | | | | | | | | | | | | | 11 |
| Indirect taxes: | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | 224 |
| on intermediate products | | | | | | | | | | | | | | 58 |
| Income after all taxes and benefits | | | | | | | | | | | | | | 1,452 |
| 2 adults, 4 children | | | | | | | | | | | | | | |
| <i>Number of households</i> | | | | | | | | | | | | | | 161 |
| Original income | | | | | | | | | | | | | | 1,332 |
| Direct benefits: | | | | | | | | | | | | | | 153 |
| cash benefits | | | | | | | | | | | | | | 445 |
| benefits in kind | | | | | | | | | | | | | | |
| Direct taxes: | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | 99 |
| income tax and surtax | | | | | | | | | | | | | | 63 |
| Income after direct taxes and benefits | | | | | | | | | | | | | | 1,768 |
| Indirect benefits | | | | | | | | | | | | | | 16 |
| Indirect taxes: | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | 222 |
| on intermediate products | | | | | | | | | | | | | | 58 |
| Income after all taxes and benefits | | | | | | | | | | | | | | 1,504 |

Average incomes before and after taxes and benefits
1967

TABLE 1 (continued)

£ per year

| | Range of original income: £ per year | | | | | | | | | | Average over all income ranges | | | | |
|---|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------------------------------|--------|--------|--------|-----------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | | 1,752- | 2,122- | 2,566- | 3,104 and above |
| 3 adults | | | | | | | | | | | | | | | |
| Number of households | | | | | | | | | | | | | | | |
| Original income | | | | | | | | | | | | | | | |
| Direct benefits: | | | | | | | | | | | | | | | |
| cash benefits | | | | | | | | | | | | | | | |
| benefits in kind | | | | | | | | | | | | | | | |
| Direct taxes: | | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | | |
| income tax and surtax | | | | | | | | | | | | | | | |
| Income after direct taxes and benefits | | | | | | | | | | | | | | | |
| Indirect benefits | | | | | | | | | | | | | | | |
| Indirect taxes: | | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | | |
| on intermediate products | | | | | | | | | | | | | | | |
| Income after all taxes and benefits | | | | | | | | | | | | | | | |
| 3 adults, 1 child | | | | | | | | | | | | | | | |
| Number of households | | | | | | | | | | | | | | | |
| Original income | | | | | | | | | | | | | | | |
| Direct benefits: | | | | | | | | | | | | | | | |
| cash benefits | | | | | | | | | | | | | | | |
| benefits in kind | | | | | | | | | | | | | | | |
| Direct taxes: | | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | | |
| income tax and surtax | | | | | | | | | | | | | | | |
| Income after direct taxes and benefits | | | | | | | | | | | | | | | |
| Indirect benefits | | | | | | | | | | | | | | | |
| Indirect taxes: | | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | | |
| on intermediate products | | | | | | | | | | | | | | | |
| Income after all taxes and benefits | | | | | | | | | | | | | | | |
| 3 adults, 2 children | | | | | | | | | | | | | | | |
| Number of households | | | | | | | | | | | | | | | |
| Original income | | | | | | | | | | | | | | | |
| Direct benefits: | | | | | | | | | | | | | | | |
| cash benefit | | | | | | | | | | | | | | | |
| benefits in kind | | | | | | | | | | | | | | | |
| Direct taxes: | | | | | | | | | | | | | | | |
| national insurance contributions | | | | | | | | | | | | | | | |
| income tax and surtax | | | | | | | | | | | | | | | |
| Income after direct taxes and benefits | | | | | | | | | | | | | | | |
| Indirect benefits | | | | | | | | | | | | | | | |
| Indirect taxes: | | | | | | | | | | | | | | | |
| on final goods and services | | | | | | | | | | | | | | | |
| on intermediate products | | | | | | | | | | | | | | | |
| Income after all taxes and benefits | | | | | | | | | | | | | | | |

Average incomes before and after taxes and benefits
1967

TABLE 1 (continued)

| | Range of original income: £ per year | | | | | | | | | | | Average over all income ranges | | | |
|---|--------------------------------------|------|------|------|------|------|-------|-------|--------|--------|--------|--------------------------------|--------|--------|-----------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | | 2,122- | 2,566- | 3,104 and above |
| 4 adults | | | | | | | | | | | | | | | |
| Number of households | 99 | 99 | 105 | 166 | 210 | 295 | 558 | 791 | 970 | 985 | 825 | 585 | 341 | 359 | 7,386 |
| Original income | 287 | 349 | 418 | 513 | 620 | 750 | 908 | 1,099 | 1,321 | 1,596 | 1,927 | 2,326 | 2,804 | 4,294 | 1,394 |
| Direct benefits: | | | | | | | | | | | | | | | |
| cash benefits | 321 | 303 | 300 | 240 | 183 | 156 | 110 | 83 | 78 | 63 | 58 | 59 | 55 | 61 | 129 |
| benefits in kind | 114 | 96 | 107 | 130 | 141 | 120 | 139 | 162 | 185 | 176 | 173 | 183 | 207 | 211 | 156 |
| Direct taxes: | | | | | | | | | | | | | | | |
| national insurance contributions .. | 7 | 11 | 25 | 34 | 47 | 66 | 83 | 98 | 109 | 119 | 138 | 159 | 169 | 179 | 97 |
| income tax and surtax | 23 | 24 | 29 | 38 | 43 | 52 | 64 | 82 | 110 | 160 | 220 | 302 | 408 | 917 | 167 |
| Income after direct taxes and benefits | 691 | 714 | 771 | 810 | 853 | 907 | 1,010 | 1,163 | 1,365 | 1,556 | 1,799 | 2,107 | 2,489 | 3,470 | 1,415 |
| Indirect benefits | 18 | 11 | 10 | 14 | 11 | 12 | 13 | 12 | 11 | 10 | 9 | 12 | 6 | 5 | 11 |
| Indirect taxes: | | | | | | | | | | | | | | | |
| on final goods and services | 96 | 108 | 110 | 116 | 129 | 146 | 167 | 187 | 207 | 238 | 278 | 325 | 362 | 485 | 215 |
| on intermediate products | 27 | 29 | 33 | 34 | 34 | 36 | 41 | 44 | 50 | 56 | 63 | 71 | 82 | 106 | 51 |
| Income after all taxes and benefits | 586 | 587 | 638 | 674 | 701 | 738 | 815 | 944 | 1,119 | 1,272 | 1,466 | 1,723 | 2,050 | 2,883 | 1,161 |
| All households in the sample | | | | | | | | | | | | | | | |
| Number of households | 99 | 99 | 105 | 166 | 210 | 295 | 558 | 791 | 970 | 985 | 825 | 585 | 341 | 359 | 7,386 |
| Original income | 287 | 349 | 418 | 513 | 620 | 750 | 908 | 1,099 | 1,321 | 1,596 | 1,927 | 2,326 | 2,804 | 4,294 | 1,394 |
| Direct benefits: | | | | | | | | | | | | | | | |
| cash benefits | 321 | 303 | 300 | 240 | 183 | 156 | 110 | 83 | 78 | 63 | 58 | 59 | 55 | 61 | 129 |
| benefits in kind | 114 | 96 | 107 | 130 | 141 | 120 | 139 | 162 | 185 | 176 | 173 | 183 | 207 | 211 | 156 |
| Direct taxes: | | | | | | | | | | | | | | | |
| national insurance contributions .. | 7 | 11 | 25 | 34 | 47 | 66 | 83 | 98 | 109 | 119 | 138 | 159 | 169 | 179 | 97 |
| income tax and surtax | 23 | 24 | 29 | 38 | 43 | 52 | 64 | 82 | 110 | 160 | 220 | 302 | 408 | 917 | 167 |
| Income after direct taxes and benefits | 691 | 714 | 771 | 810 | 853 | 907 | 1,010 | 1,163 | 1,365 | 1,556 | 1,799 | 2,107 | 2,489 | 3,470 | 1,415 |
| Indirect benefits | 18 | 11 | 10 | 14 | 11 | 12 | 13 | 12 | 11 | 10 | 9 | 12 | 6 | 5 | 11 |
| Indirect taxes: | | | | | | | | | | | | | | | |
| on final goods and services | 96 | 108 | 110 | 116 | 129 | 146 | 167 | 187 | 207 | 238 | 278 | 325 | 362 | 485 | 215 |
| on intermediate products | 27 | 29 | 33 | 34 | 34 | 36 | 41 | 44 | 50 | 56 | 63 | 71 | 82 | 106 | 51 |
| Income after all taxes and benefits | 586 | 587 | 638 | 674 | 701 | 738 | 815 | 944 | 1,119 | 1,272 | 1,466 | 1,723 | 2,050 | 2,883 | 1,161 |

TABLE 2
Average payments of indirect taxes as percentages of income after direct taxes and benefits
 1967

| | Range of original income: £ per year | | | | | | | | | | | Percentages | | | |
|--------------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|-------------|--------|-----------------|-------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | Average overall income ranges |
| Local rates | | | | | | | | | | | | | | | |
| 1 adult | 5.5 | 6.0 | 4.5 | 4.8 | 4.9 | 4.8 | 4.5 | 3.7 | 3.5 | 4.0 | 3.2 | 3.6 | | 1.8 | 4.4 |
| 2 adults | 3.6 | 4.2 | 3.8 | 4.2 | 4.1 | 3.5 | 3.4 | 3.3 | 2.9 | 2.9 | 2.6 | 2.7 | 2.4 | 2.3 | 3.0 |
| 2 adults, 1 child | | | | | 3.6 | 3.2 | 2.9 | 2.9 | 2.8 | 2.6 | 2.4 | 2.5 | 2.2 | 2.1 | 2.7 |
| 2 adults, 2 children | | | | | 3.0 | 3.2 | 2.9 | 2.7 | 2.6 | 2.5 | 2.6 | 2.4 | 2.4 | 2.4 | 2.6 |
| 2 adults, 3 children | | | | | | 2.8 | 2.3 | 2.4 | 2.4 | 2.4 | 2.1 | 2.4 | 2.7 | 2.1 | 2.4 |
| 2 adults, 4 children | | | | | | 3.1 | 2.1 | 2.4 | 2.1 | 2.0 | 2.0 | 2.2 | 2.0 | 2.1 | 2.2 |
| 3 adults | | | | 2.5 | | | 2.5 | 2.5 | 2.4 | 2.4 | 2.2 | 2.1 | 2.1 | 2.2 | 2.3 |
| 3 adults, 1 child | | | | | | | 2.5 | 2.4 | 2.2 | 2.3 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 |
| 3 adults, 2 children | | | | | | | 2.2 | 2.4 | 2.2 | 2.3 | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 |
| 4 adults | | | | | | | 2.1 | 2.4 | 2.1 | 1.6 | 1.9 | 2.0 | 1.7 | 1.7 | 1.8 |
| All households in the sample | 4.1 | 4.4 | 3.5 | 3.6 | 3.7 | 3.4 | 3.1 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 | 2.1 | 1.9 | 2.6 |
| Drink | | | | | | | | | | | | | | | |
| 1 adult | 1.1 | 2.3 | 0.3 | 1.9 | 1.5 | 2.7 | 4.0 | 5.5 | 3.5 | 5.5 | 4.5 | 1.9 | | 5.1 | 3.2 |
| 2 adults | 2.7 | 2.4 | 1.8 | 2.9 | 3.1 | 3.1 | 2.7 | 3.3 | 2.8 | 2.9 | 2.8 | 3.0 | 2.8 | 3.6 | 2.9 |
| 2 adults, 1 child | | | | | 3.1 | 2.9 | 2.4 | 1.8 | 2.0 | 2.6 | 2.8 | 2.9 | 1.2 | 2.8 | 2.4 |
| 2 adults, 2 children | | | | | 2.6 | 1.3 | 2.6 | 2.2 | 2.2 | 1.8 | 2.1 | 2.0 | 1.2 | 3.6 | 2.1 |
| 2 adults, 3 children | | | | | | 1.3 | 2.3 | 1.7 | 1.8 | 2.4 | 2.2 | 2.0 | 1.2 | 1.3 | 1.9 |
| 2 adults, 4 children | | | | | | | 1.6 | 1.5 | 1.6 | 1.6 | 2.3 | 2.0 | 1.2 | 1.7 | 1.7 |
| 3 adults | | | | 1.9 | | 5.5 | 4.3 | 3.3 | 2.5 | 3.0 | 3.7 | 3.9 | 4.0 | 2.9 | 3.4 |
| 3 adults, 1 child | | | | | | | | 3.0 | 2.2 | 3.0 | 2.4 | 2.3 | 2.4 | 1.6 | 2.3 |
| 3 adults, 2 children | | | | | | | | 3.0 | 1.3 | 2.8 | 2.7 | 1.9 | 2.7 | 2.3 | 2.3 |
| 4 adults | | | | | | | | | 2.2 | 4.9 | 3.6 | 2.7 | 5.5 | 3.7 | 3.7 |
| All households in the sample | 1.9 | 2.4 | 1.3 | 2.2 | 2.0 | 2.6 | 2.7 | 2.6 | 2.2 | 2.7 | 2.8 | 3.0 | 3.1 | 3.3 | 2.7 |
| Tobacco | | | | | | | | | | | | | | | |
| 1 adult | 3.1 | 2.4 | 2.5 | 3.5 | 3.3 | 4.8 | 4.9 | 5.0 | 2.4 | 2.5 | 2.3 | 2.9 | | 1.5 | 3.4 |
| 2 adults | 4.1 | 4.9 | 5.1 | 4.0 | 5.5 | 5.1 | 5.2 | 5.5 | 4.9 | 4.5 | 3.7 | 3.2 | 3.1 | 2.0 | 4.2 |
| 2 adults, 1 child | | | | | 6.6 | 6.5 | 6.3 | 5.4 | 4.5 | 3.8 | 4.1 | 3.1 | 3.1 | 1.7 | 4.4 |
| 2 adults, 2 children | | | | | 5.7 | 6.0 | 4.4 | 4.8 | 3.8 | 3.1 | 3.1 | 2.0 | 1.2 | 1.2 | 3.3 |
| 2 adults, 3 children | | | | | | 6.0 | 6.8 | 4.4 | 4.1 | 3.6 | 2.9 | 2.3 | 1.5 | 2.1 | 3.6 |
| 2 adults, 4 children | | | | | | 6.0 | 4.5 | 4.5 | 3.6 | 3.2 | 1.8 | 2.3 | 1.5 | 2.1 | 3.6 |
| 3 adults | | | | 3.7 | | 4.4 | 5.5 | 4.8 | 5.8 | 5.0 | 5.4 | 4.7 | 3.6 | 2.3 | 4.4 |
| 3 adults, 1 child | | | | | | | 5.5 | 5.1 | 4.9 | 5.4 | 4.4 | 3.8 | 3.0 | 1.6 | 4.1 |
| 3 adults, 2 children | | | | | | | 5.1 | 5.1 | 4.1 | 6.3 | 4.6 | 3.8 | 2.6 | 4.0 | 4.0 |
| 4 adults | | | | | | | 6.2 | 4.9 | 6.2 | 4.9 | 5.2 | 5.1 | 4.9 | 3.7 | 4.8 |
| All households in the sample | 3.9 | 4.2 | 5.2 | 4.0 | 4.7 | 5.2 | 5.2 | 5.1 | 4.4 | 4.1 | 4.0 | 3.9 | 3.4 | 2.7 | 4.1 |

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1967

TABLE 2 (continued)

| | Range of original income: £ per year | | | | | | | | | | Percentages | | | | |
|--------------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|-------------|--------|--------|-----------------|--------------------------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | Average over all income ranges |
| Purchase tax | | | | | | | | | | | | | | | |
| 1 adult | 1.0 | 1.0 | 1.2 | 1.8 | 1.5 | 1.8 | 2.2 | 2.6 | 2.4 | 1.9 | 1.3 | 1.0 | | 0.5 | 1.7 |
| 2 adults | 2.3 | 1.5 | 1.5 | 1.7 | | 1.7 | 1.6 | 1.9 | 1.8 | 1.9 | 3.1 | 3.2 | 2.6 | | 2.2 |
| 2 adults, 1 child | | | | | | | 1.8 | 2.0 | 2.4 | 2.0 | 2.0 | 1.9 | 1.9 | 1.3 | 2.1 |
| 2 adults, 2 children | | | | | | | 1.6 | 1.8 | 1.8 | 2.1 | 2.0 | 2.2 | 1.5 | 2.0 | 1.9 |
| 2 adults, 3 children | | | | | | | 2.5 | 1.9 | 1.9 | 3.3 | 3.8 | 1.4 | 2.6 | 1.9 | 1.9 |
| 2 adults, 4 children | | | | | | | 1.5 | 1.6 | 1.9 | 3.3 | 3.8 | | | | 2.3 |
| 3 adults | | | | 1.4 | | 1.5 | 1.3 | 1.8 | 1.9 | 2.4 | 2.6 | 2.6 | 2.3 | 1.4 | 2.2 |
| 3 adults, 1 child | | | | | | | | 2.5 | 2.4 | 2.7 | 1.8 | 1.8 | 1.3 | 2.3 | 2.0 |
| 3 adults, 2 children | | | | | | | | | 2.0 | 3.4 | 2.1 | 1.9 | 1.7 | 2.1 | 2.1 |
| 3 adults, 3 children | | | | | | | | | 1.8 | 2.3 | 2.3 | 2.2 | 2.4 | 2.3 | 2.3 |
| 4 adults | | | | | | | | | 2.0 | 2.0 | 2.3 | 2.2 | 2.4 | 2.3 | 2.0 |
| All households in the sample | 1.7 | 1.5 | 1.4 | 1.7 | 1.5 | 1.6 | 1.7 | 1.8 | 2.0 | 2.0 | 2.3 | 2.2 | 2.0 | 2.4 | 2.0 |
| Oil | | | | | | | | | | | | | | | |
| 1 adult | 0.4 | 0.5 | 0.3 | 0.4 | 1.1 | 1.0 | 1.5 | 1.5 | 2.1 | 1.9 | 1.5 | 1.7 | | 0.6 | 1.2 |
| 2 adults | 0.5 | 0.7 | 1.2 | 0.8 | | 1.5 | 1.4 | 1.6 | 2.0 | 2.2 | 2.0 | 2.3 | 2.3 | 1.3 | 1.8 |
| 2 adults, 1 child | | | | | | | 2.1 | 1.6 | 2.0 | 1.6 | 2.1 | 2.0 | 1.8 | 1.9 | 1.8 |
| 2 adults, 2 children | | | | | | | 1.6 | 1.6 | 1.8 | 2.0 | 2.0 | 2.4 | 2.3 | 1.1 | 1.8 |
| 2 adults, 3 children | | | | | | | 1.0 | 1.2 | 1.5 | 1.7 | 1.9 | 1.6 | 0.9 | 1.0 | 1.4 |
| 2 adults, 4 children | | | | | | | 1.5 | 0.8 | 1.2 | 1.5 | 1.6 | | | | 1.4 |
| 3 adults | | | | 1.1 | | 1.1 | 0.9 | 1.7 | 1.6 | 2.0 | 2.2 | 2.6 | 2.6 | 2.0 | 2.1 |
| 3 adults, 1 child | | | | | | | | 1.4 | 1.2 | 1.7 | 1.4 | 1.7 | 2.1 | 1.4 | 1.6 |
| 3 adults, 2 children | | | | | | | | | 2.2 | 2.3 | 1.8 | 1.8 | 1.7 | 1.8 | 1.8 |
| 4 adults | | | | | | | | | 1.4 | 2.1 | 1.9 | 2.0 | 2.1 | 1.8 | 1.9 |
| All households in the sample | 0.5 | 0.7 | 0.9 | 0.8 | 1.2 | 1.2 | 1.5 | 1.5 | 1.8 | 1.9 | 1.9 | 2.1 | 2.1 | 1.7 | 1.7 |
| Intermediate taxes | | | | | | | | | | | | | | | |
| 1 adult | 3.5 | 4.1 | 3.7 | 3.8 | 3.1 | 3.6 | 3.7 | 4.0 | 3.7 | 3.7 | 2.4 | 1.9 | | 2.0 | 3.5 |
| 2 adults | 4.2 | 3.9 | 5.2 | 4.2 | 4.2 | 4.3 | 4.1 | 3.9 | 3.7 | 3.6 | 3.5 | 3.3 | 2.9 | 2.9 | 3.7 |
| 2 adults, 1 child | | | | | 5.3 | 4.3 | 4.5 | 3.9 | 3.8 | 3.8 | 3.4 | 3.1 | 3.1 | 2.8 | 3.7 |
| 2 adults, 2 children | | | | | 6.3 | 4.0 | 4.6 | 3.8 | 3.7 | 3.4 | 3.1 | 3.1 | 3.1 | 3.0 | 3.6 |
| 2 adults, 3 children | | | | | | 4.3 | 4.0 | 3.4 | 3.5 | 3.3 | 3.2 | 2.8 | 3.6 | 2.7 | 3.4 |
| 2 adults, 4 children | | | | | | 3.8 | 3.4 | 3.5 | 3.2 | 2.8 | 4.0 | | | | 3.3 |
| 3 adults | | | | 4.0 | | | 4.1 | 4.1 | 3.7 | 4.0 | 3.8 | 3.8 | 3.5 | 2.9 | 3.7 |
| 3 adults, 1 child | | | | | | | | 3.8 | 3.9 | 3.8 | 3.4 | 3.3 | 3.1 | 3.4 | 3.5 |
| 3 adults, 2 children | | | | | | | | | 3.6 | 3.9 | 3.5 | 3.0 | 3.0 | 3.3 | 3.3 |
| 4 adults | | | | | | | | | 3.7 | 3.9 | 3.8 | 3.5 | 3.6 | 3.4 | 3.6 |
| All households in the sample | 3.9 | 4.0 | 4.3 | 4.2 | 4.0 | 4.0 | 4.1 | 3.8 | 3.7 | 3.6 | 3.5 | 3.4 | 3.3 | 3.1 | 3.6 |

**Income after all taxes and benefits as a percentage of original income
1961—1967**

| | | Range of original income: £ per year | | | | | | | | | | | | | Average over all income ranges | | |
|-------------------------------------|----|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------|--------|--------------------------------|----|--|
| | | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | | |
| 2 adults | | | | | | | | | | | | | | | | | |
| 1961 | .. | 152 | 122 | 114 | 96 | 87 | 81 | 77 | 74 | 74 | 72 | 73 | 73 | 69 | 69 | 81 | |
| 1964 | .. | 190 | 164 | 127 | 101 | 93 | 85 | 77 | 71 | 71 | 72 | 71 | 72 | 64 | 56 | 77 | |
| 1967 | .. | 216 | 176 | 151 | 129 | 105 | 89 | 82 | 72 | 69 | 67 | 65 | 65 | 60 | 60 | 75 | |
| 2 adults, 1 child | | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 96 | 88 | 85 | 84 | 80 | 77 | 75 | 75 | 75 | | | 81 | |
| 1964 | .. | | | | | 93 | 87 | 83 | 80 | 77 | 69 | 69 | | | | 81 | |
| 1967 | .. | | | | | 103 | 89 | 81 | 77 | 75 | 74 | 74 | 74 | 73 | 66 | 77 | |
| 2 adults, 2 children | | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 102 | 101 | 94 | 92 | 88 | 87 | 86 | 86 | 83 | 78 | | 90 | |
| 1964 | .. | | | | | 98 | 95 | 94 | 87 | 86 | 87 | 83 | 83 | 78 | | 88 | |
| 1967 | .. | | | | | 118 | 110 | 95 | 87 | 87 | 87 | 82 | 79 | 78 | 70 | 85 | |
| All households in the sample | | | | | | | | | | | | | | | | | |
| 1961 | .. | 145 | 114 | 111 | 102 | 94 | 91 | 88 | 82 | 80 | 80 | 76 | 76 | 74 | 70 | 87 | |
| 1962 | .. | 163 | 124 | 119 | 109 | 98 | 93 | 88 | 83 | 81 | 81 | 77 | 76 | 72 | 65 | 87 | |
| 1963 | .. | 142 | 145 | 113 | 110 | 99 | 94 | 90 | 82 | 79 | 78 | 75 | 75 | 76 | 72 | 87 | |
| 1964 | .. | 159 | 147 | 131 | 106 | 100 | 94 | 91 | 83 | 81 | 78 | 75 | 73 | 73 | 66 | 85 | |
| 1965 | .. | 157 | 141 | 135 | 110 | 109 | 95 | 91 | 85 | 81 | 77 | 74 | 74 | 73 | 72 | 86 | |
| 1966 | .. | 173 | 155 | 161 | 121 | 97 | 100 | 91 | 86 | 81 | 76 | 74 | 74 | 73 | 69 | 84 | |
| 1967 | .. | 205 | 168 | 152 | 131 | 113 | 98 | 90 | 85 | 80 | 76 | 74 | 74 | 73 | 67 | 83 | |

Income after direct taxes and benefits as a percentage of original income
1961—1967

TABLE 3 (ii)

| | | Range of original income: £ per year | | | | | | | | | | | Percentages | | | |
|-------------------------------------|----|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|-------------|--------|-----------------|------------------------------------|
| | | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | Average over all income and ranges |
| 2 adults | | | | | | | | | | | | | | | | |
| 1961 | .. | 182 | 150 | 140 | 116 | 103 | 97 | 92 | 90 | 89 | 87 | 85 | 86 | 82 | 79 | 97 |
| 1964 | .. | 224 | 194 | 164 | 127 | 114 | 103 | 94 | 89 | 88 | 86 | 84 | 82 | 76 | 63 | 93 |
| 1967 | .. | 260 | 215 | 189 | 158 | 130 | 112 | 102 | 94 | 90 | 85 | 83 | 81 | 79 | 72 | 93 |
| 2 adults, 1 child | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 116 | 105 | 102 | 99 | 97 | 95 | 90 | 88 | | | | 96 |
| 1964 | .. | | | | 114 | 114 | 106 | 101 | 99 | 95 | 92 | 86 | | | | 97 |
| 1967 | .. | | | | 131 | 131 | 113 | 104 | 99 | 96 | 92 | 90 | 90 | 86 | 76 | 95 |
| 2 adults, 2 children | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 121 | 117 | 113 | 108 | 104 | 104 | 98 | 96 | | | | 105 |
| 1964 | .. | | | | 120 | 120 | 114 | 113 | 106 | 102 | 102 | 97 | 97 | 91 | 82 | 104 |
| 1967 | .. | | | | 151 | 151 | 133 | 118 | 108 | 106 | 104 | 98 | 94 | | | 102 |
| All households in the sample | | | | | | | | | | | | | | | | |
| 1961 | .. | 169 | 143 | 133 | 121 | 112 | 110 | 105 | 101 | 98 | 95 | 92 | 89 | 87 | 80 | 103 |
| 1962 | .. | 188 | 150 | 147 | 128 | 116 | 110 | 104 | 101 | 98 | 95 | 91 | 90 | 84 | 73 | 102 |
| 1963 | .. | 174 | 166 | 135 | 130 | 118 | 112 | 107 | 102 | 98 | 95 | 92 | 90 | 88 | 80 | 103 |
| 1964 | .. | 188 | 176 | 162 | 127 | 121 | 113 | 109 | 105 | 99 | 96 | 94 | 89 | 86 | 75 | 102 |
| 1965 | .. | 190 | 166 | 167 | 138 | 131 | 115 | 111 | 103 | 100 | 97 | 94 | 91 | 88 | 84 | 103 |
| 1966 | .. | 212 | 184 | 189 | 144 | 119 | 121 | 112 | 105 | 101 | 98 | 93 | 90 | 88 | 82 | 102 |
| 1967 | .. | 241 | 204 | 184 | 158 | 138 | 121 | 111 | 106 | 103 | 97 | 93 | 91 | 89 | 81 | 102 |

**Total taxes as a percentage of original income plus cash benefits
1961—1967**

| | | Range of original income: £ per year | | | | | | | | | | | Percentages | | | |
|-------------------------------------|----|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|-------------|--------|-----------------|--------------------------------|
| | | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | 2,122- | 2,566- | 3,104 and above | Average over all income ranges |
| 2 adults | | | | | | | | | | | | | | | | |
| 1961 | .. | 22 | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 30 | 31 | 29 | 30 | 32 | 29 | |
| 1964 | .. | 18 | 22 | 35 | 30 | 29 | 31 | 32 | 33 | 33 | 31 | 31 | 32 | 45 | 33 | |
| 1967 | .. | 24 | 25 | 28 | 29 | 32 | 34 | 34 | 37 | 36 | 36 | 38 | 37 | 42 | 36 | |
| 2 adults, 1 child | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 29 | 28 | 28 | 28 | 29 | 29 | 29 | 30 | | | 29 | |
| 1964 | .. | | | | | 29 | 31 | 31 | 31 | 29 | 31 | 36 | | | 31 | |
| 1967 | .. | | | | | 38 | 35 | 38 | 35 | 35 | 34 | 35 | 32 | | 35 | |
| 2 adults, 2 children | | | | | | | | | | | | | | | | |
| 1961 | .. | | | | 30 | 27 | 29 | 27 | 28 | 27 | 25 | 23 | | | 27 | |
| 1964 | .. | | | | | 31 | 30 | 28 | 29 | 27 | 28 | 30 | 27 | | 29 | |
| 1967 | .. | | | | | 41 | 33 | 34 | 32 | 32 | 32 | 32 | 31 | 38 | 33 | |
| All households in the sample | | | | | | | | | | | | | | | | |
| 1961 | .. | 23 | 29 | 27 | 27 | 28 | 29 | 28 | 28 | 29 | 30 | 30 | 30 | 34 | 29 | |
| 1962 | .. | 22 | 28 | 29 | 27 | 28 | 28 | 29 | 30 | 29 | 29 | 31 | 31 | 38 | 30 | |
| 1963 | .. | 27 | 23 | 26 | 27 | 29 | 29 | 29 | 29 | 30 | 31 | 30 | 30 | 32 | 30 | |
| 1964 | .. | 22 | 24 | 31 | 28 | 29 | 30 | 30 | 30 | 30 | 31 | 32 | 32 | 38 | 31 | |
| 1965 | .. | 23 | 23 | 28 | 31 | 30 | 31 | 33 | 32 | 32 | 32 | 34 | 36 | 34 | 32 | |
| 1966 | .. | 25 | 24 | 27 | 28 | 32 | 31 | 34 | 33 | 33 | 33 | 34 | 34 | 35 | 33 | |
| 1967 | .. | 25 | 26 | 28 | 29 | 32 | 33 | 35 | 35 | 34 | 35 | 36 | 36 | 39 | 35 | |

**Total benefits as a percentage of original income plus cash benefits
1961—1967**

| | Range of original income: £ per year | | | | | | | | | | | Percentage | | | | | |
|-------------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|-----------------------|---|--------|--------|--|--|
| | | | | | | | | | | | | 3,104 and above | Average over all income ranges | | | | |
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | | | 2,122- | 2,566- | | |
| 2 adults | | | | | | | | | | | | | | | | | |
| 1961 | 53 | 41 | 37 | 23 | 16 | 11 | 8 | 5 | 5 | 4 | 3 | 3 | 2 | 1 | 12 | | |
| 1964 | 63 | 56 | 53 | 31 | 23 | 14 | 10 | 9 | 4 | 3 | 4 | 3 | 3 | 1 | 11 | | |
| 1967 | 75 | 63 | 56 | 48 | 36 | 25 | 18 | 13 | 10 | 6 | 4 | 3 | 3 | 2 | 13 | | |
| 2 adults, 1 child | | | | | | | | | | | | | | | | | |
| 1961 | | | | 26 | 17 | 13 | 12 | 10 | 9 | 6 | 5 | | | | 11 | | |
| 1964 | | | | | 23 | 18 | 14 | 12 | 9 | 9 | 6 | | | | 12 | | |
| 1967 | | | | | 40 | 25 | 20 | 16 | 13 | 10 | 9 | 8 | 5 | 4 | 13 | | |
| 2 adults, 2 children | | | | | | | | | | | | | | | | | |
| 1961 | | | | 31 | 28 | 23 | 19 | 17 | 15 | 12 | 9 | | | | 18 | | |
| 1964 | | | | | 29 | 25 | 22 | 18 | 14 | 15 | 13 | | | | 17 | | |
| 1967 | | | | | 56 | 41 | 30 | 22 | 19 | 19 | 14 | 10 | 10 | 7 | 18 | | |
| All households in the sample | | | | | | | | | | | | | | | | | |
| 1961 | 52 | 40 | 36 | 29 | 23 | 21 | 17 | 14 | 12 | 10 | 8 | 6 | 5 | 3 | 17 | | |
| 1962 | 59 | 46 | 43 | 34 | 26 | 22 | 17 | 15 | 12 | 11 | 8 | 7 | 4 | 4 | 17 | | |
| 1963 | 52 | 52 | 36 | 35 | 28 | 23 | 20 | 16 | 12 | 11 | 8 | 8 | 6 | 3 | 18 | | |
| 1964 | 57 | 53 | 52 | 39 | 29 | 25 | 21 | 18 | 13 | 12 | 11 | 7 | 6 | 4 | 18 | | |
| 1965 | 55 | 49 | 51 | 39 | 38 | 27 | 24 | 18 | 15 | 13 | 11 | 10 | 8 | 6 | 19 | | |
| 1966 | 62 | 55 | 65 | 42 | 30 | 32 | 26 | 21 | 17 | 15 | 11 | 9 | 9 | 6 | 19 | | |
| 1967 | 75 | 63 | 58 | 51 | 42 | 32 | 26 | 22 | 20 | 15 | 12 | 11 | 9 | 6 | 19 | | |

**Indirect taxes as a percentage of income after direct taxes and benefits
1961—1967**

TABLE 3 (v)

Percentages

| | Range of original income: £ per year | | | | | | | | | | | Average over all income ranges | | | |
|-------------------------------------|--------------------------------------|------|------|------|------|------|------|------|--------|--------|--------|--------------------------------|--------|--------|-----------------|
| | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988- | 1,196- | 1,448- | 1,752- | | 2,122- | 2,566- | 3,104 and above |
| 2 adults | | | | | | | | | | | | | | | |
| 1961 | 18 | 20 | 20 | 19 | 18 | 17 | 18 | 19 | 16 | 17 | 14 | 15 | 15 | 13 | 17 |
| 1964 | 15 | 16 | 24 | 22 | 19 | 18 | 19 | 19 | 20 | 17 | 16 | 13 | 16 | 10 | 18 |
| 1967 | 19 | 20 | 21 | 20 | 21 | 21 | 21 | 22 | 20 | 20 | 20 | 20 | 18 | 17 | 20 |
| 2 adults, 1 child | | | | | | | | | | | | | | | |
| 1961 | | | | 18 | 18 | 17 | 16 | 17 | 17 | 14 | 15 | | | | 16 |
| 1964 | | | | | 19 | 19 | 18 | 18 | 17 | 17 | 20 | | | | 17 |
| 1967 | | | | | 24 | 22 | 24 | 20 | 20 | 19 | 19 | 17 | 15 | 14 | 19 |
| 2 adults, 2 children | | | | | | | | | | | | | | | |
| 1961 | | | | 18 | 17 | 18 | 16 | 16 | 16 | 12 | 11 | | | | 15 |
| 1964 | | | | | 19 | 18 | 17 | 17 | 15 | 16 | 15 | 16 | 14 | 15 | 16 |
| 1967 | | | | | 24 | 19 | 20 | 19 | 18 | 17 | 17 | 16 | 14 | 15 | 17 |
| All households in the sample | | | | | | | | | | | | | | | |
| 1961 | 16 | 21 | 18 | 17 | 17 | 18 | 16 | 16 | 17 | 17 | 16 | 15 | 15 | 13 | 16 |
| 1962 | 15 | 18 | 20 | 16 | 16 | 16 | 17 | 17 | 16 | 16 | 16 | 16 | 15 | 11 | 16 |
| 1963 | 20 | 14 | 17 | 16 | 17 | 17 | 17 | 16 | 17 | 17 | 16 | 17 | 15 | 11 | 16 |
| 1964 | 17 | 17 | 20 | 18 | 18 | 18 | 18 | 17 | 18 | 17 | 17 | 17 | 16 | 13 | 17 |
| 1965 | 18 | 17 | 20 | 21 | 18 | 19 | 19 | 18 | 18 | 17 | 19 | 20 | 17 | 14 | 18 |
| 1966 | 20 | 17 | 16 | 17 | 20 | 18 | 20 | 19 | 18 | 18 | 18 | 18 | 18 | 15 | 18 |
| 1967 | 18 | 19 | 19 | 18 | 19 | 20 | 21 | 20 | 19 | 19 | 19 | 19 | 18 | 17 | 19 |

**Average incomes before and after taxes and benefits
1961-1967**

| | £ per year | | | | | | | Percentage of original income | | | |
|--|------------|-------|-------|-------|-------|-------|-------|-------------------------------|------|------|---------------------------------------|
| | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1961 | 1964 | 1967 | Percentage of original income in 1961 |
| 1 adult⁽¹⁾ | | | | | | | | | | | |
| Original income | 467 | 457 | 572 | 668 | 639 | 638 | 750 | 100 | 100 | 100 | 161 |
| Income after direct taxes and benefits | 485 | 479 | 568 | 642 | 653 | 646 | 736 | 104 | 96 | 98 | 158 |
| Income after all taxes and benefits | 412 | 404 | 478 | 531 | 540 | 544 | 602 | 88 | 79 | 80 | 129 |
| 2 adults⁽¹⁾ | | | | | | | | | | | |
| Original income | 926 | 975 | 1,024 | 1,133 | 1,169 | 1,271 | 1,345 | 100 | 100 | 100 | 145 |
| Income after direct taxes and benefits | 895 | 909 | 968 | 1,050 | 1,104 | 1,185 | 1,245 | 97 | 93 | 93 | 134 |
| Income after all taxes and benefits | 747 | 756 | 807 | 870 | 900 | 969 | 1,004 | 81 | 77 | 75 | 108 |
| 2 adults, 1 child | | | | | | | | | | | |
| Original income | 1,041 | 1,057 | 1,141 | 1,146 | 1,322 | 1,438 | 1,433 | 100 | 100 | 100 | 138 |
| Income after direct taxes and benefits | 1,005 | 1,015 | 1,096 | 1,117 | 1,275 | 1,358 | 1,359 | 96 | 97 | 95 | 131 |
| Income after all taxes and benefits | 847 | 860 | 931 | 926 | 1,050 | 1,121 | 1,108 | 81 | 81 | 77 | 106 |
| 2 adults, 2 children | | | | | | | | | | | |
| Original income | 1,051 | 1,090 | 1,212 | 1,247 | 1,284 | 1,513 | 1,551 | 100 | 100 | 100 | 148 |
| Income after direct taxes and benefits | 1,107 | 1,150 | 1,275 | 1,299 | 1,355 | 1,522 | 1,585 | 105 | 104 | 102 | 151 |
| Income after all taxes and benefits | 948 | 995 | 1,096 | 1,091 | 1,135 | 1,279 | 1,318 | 90 | 88 | 85 | 125 |
| 2 adults, 3 children | | | | | | | | | | | |
| Original income | 991 | 1,041 | 1,164 | 1,198 | 1,333 | 1,431 | 1,510 | 100 | 100 | 100 | 152 |
| Income after direct taxes and benefits | 1,187 | 1,249 | 1,324 | 1,386 | 1,505 | 1,626 | 1,723 | 120 | 116 | 114 | 174 |
| Income after all taxes and benefits | 1,020 | 1,081 | 1,145 | 1,201 | 1,288 | 1,382 | 1,452 | 103 | 100 | 96 | 147 |
| 2 adults, 4 children | | | | | | | | | | | |
| Original income | 1,053 | 966 | 1,043 | 1,167 | 1,259 | 1,308 | 1,332 | 100 | 100 | 100 | 126 |
| Income after direct taxes and benefits | 1,283 | 1,279 | 1,348 | 1,453 | 1,600 | 1,667 | 1,768 | 122 | 125 | 133 | 168 |
| Income after all taxes and benefits | 1,135 | 1,125 | 1,192 | 1,259 | 1,370 | 1,407 | 1,504 | 108 | 108 | 113 | 143 |
| All households in the sample ⁽²⁾ | | | | | | | | | | | |
| Original income | 984 | 1,026 | 1,086 | 1,162 | 1,211 | 1,345 | 1,394 | 100 | 100 | 100 | 142 |
| Income after direct taxes and benefits | 1,016 | 1,047 | 1,116 | 1,188 | 1,252 | 1,365 | 1,415 | 103 | 102 | 102 | 144 |
| Income after all taxes and benefits | 858 | 888 | 944 | 992 | 1,037 | 1,129 | 1,161 | 87 | 85 | 83 | 118 |

⁽¹⁾ Excluding pensioner households.

⁽²⁾ Including pensioner households.

Taxes and benefits as percentages of income for retired and non-retired households⁽¹⁾⁽²⁾
1967

TABLE 5

Percentages

| | Range of original income: £ per year | | | | | | | | | | Average over all income ranges | |
|---|--------------------------------------|------|------|------|------|------|------|------|------|-----------|--------------------------------|-----|
| | Under 216 | 216- | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988-1,196 | | |
| Total taxes as a percentage of original income plus cash benefits | | | | | | | | | | | | |
| 1 adult: pensioner | 20 | | | | | | | | | | | 20 |
| retired non-pensioner | 23 | | | | | | | | | | | 28 |
| non-retired | 26 | 25 | 20 | 26 | 21 | 27 | 24 | | | | | 38 |
| | | 23 | 25 | 26 | 28 | 31 | 32 | | | | | |
| 2 adults: pensioner | 22 | | | | | | | | | | | 22 |
| retired non-pensioner | 25 | | 23 | 24 | 29 | 32 | 30 | 30 | 30 | 36 | | 34 |
| non-retired | 29 | | 30 | 28 | 27 | 28 | 33 | 34 | 35 | 37 | | 36 |
| Total benefits as a percentage of original income plus cash benefits | | | | | | | | | | | | |
| 1 adult: pensioner | 108 | | | | | | | | | | | 108 |
| retired non-pensioner | 74 | 57 | 52 | 44 | 37 | 32 | 27 | | | | | 38 |
| non-retired | 102 | 58 | 51 | 45 | 27 | 20 | 15 | | | | | 13 |
| 2 adults: pensioner | 108 | | | | | | | | | | | 108 |
| retired non-pensioner | 93 | | 70 | 64 | 61 | 54 | 43 | 35 | 32 | 29 | | 44 |
| non-retired | 110 | | 92 | 60 | 51 | 45 | 33 | 23 | 16 | 12 | | 9 |
| Indirect taxes as a percentage of income after direct taxes and benefits | | | | | | | | | | | | |
| 1 adult: pensioner | 17 | | | | | | | | | | | 17 |
| retired non-pensioner | 19 | 22 | 15 | 17 | 12 | 17 | 14 | | | | | 16 |
| non-retired | 19 | 19 | 18 | 20 | 16 | 18 | 18 | | | | | 20 |
| 2 adults: pensioner | 18 | | | | | | | | | | | 18 |
| retired non-pensioner | 22 | | 18 | 19 | 23 | 23 | 22 | 21 | 20 | 20 | | 21 |
| non-retired | 22 | | 22 | 21 | 19 | 18 | 21 | 21 | 21 | 22 | | 20 |

(1) Figures are shown only for those income ranges in which there are at least 10 retired and 10 non-retired households for comparison.
 (2) For definitions of pensioner households and retired households see Section V.

Average incomes before and after taxes and benefits
Retired and non-retired households
1967

TABLE 6

£ per year

| | Range of original income: £ per year | | | | | | | | | | Average over all income ranges |
|--|--------------------------------------|------|------|------|------|------|------|------|------|-----------|--------------------------------|
| | Under 216 | 216- | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988-1,196 | |
| 1 adult—pensioner | | | | | | | | | | | |
| <i>Number of households</i> | 366 | | | | | | | | | | 366 |
| Original income | 24 | | | | | | | | | | 24 |
| Direct benefits: | | | | | | | | | | | |
| cash benefits | 298 | | | | | | | | | | 298 |
| benefits in kind | 38 | | | | | | | | | | 38 |
| Direct taxes | — | | | | | | | | | | — |
| Income after direct taxes and benefits .. | 360 | | | | | | | | | | 360 |
| Indirect benefits | 12 | | | | | | | | | | 12 |
| Indirect taxes: | | | | | | | | | | | |
| on final goods and services | 48 | | | | | | | | | | 48 |
| on intermediate products | 15 | | | | | | | | | | 15 |
| Income after all taxes and benefits .. | 309 | | | | | | | | | | 309 |
| 1 adult—retired non-pensioner | | | | | | | | | | | |
| <i>Number of households</i> | 93 | 16 | 22 | 18 | 11 | 13 | 13 | | | | 219 |
| Original income | 138 | 238 | 287 | 346 | 408 | 520 | 628 | | | | 445 |
| Direct benefits: | | | | | | | | | | | |
| cash benefits | 222 | 226 | 195 | 203 | 180 | 186 | 176 | | | | 199 |
| benefits in kind | 38 | 40 | 38 | 39 | 39 | 39 | 38 | | | | 38 |
| Direct taxes | 6 | 8 | 19 | 47 | 58 | 75 | 84 | | | | 82 |
| Income after direct taxes and benefits .. | 392 | 495 | 501 | 540 | 569 | 671 | 758 | | | | 601 |
| Indirect benefits | 6 | — | 18 | — | — | — | — | | | | 4 |
| Indirect taxes: | | | | | | | | | | | |
| on final goods and services | 58 | 90 | 58 | 73 | 50 | 87 | 87 | | | | 79 |
| on intermediate products | 17 | 18 | 17 | 21 | 17 | 26 | 19 | | | | 20 |
| Income after all taxes and benefits .. | 322 | 387 | 444 | 447 | 502 | 558 | 652 | | | | 507 |
| 1 adult—non-retired | | | | | | | | | | | |
| <i>Number of households</i> | 61 | 15 | 18 | 17 | 21 | 42 | 43 | | | | 505 |
| Original income | 95 | 235 | 280 | 350 | 420 | 511 | 607 | | | | 882 |
| Direct benefits: | | | | | | | | | | | |
| cash benefits | 222 | 215 | 204 | 208 | 98 | 86 | 46 | | | | 83 |
| benefits in kind | 93 | 28 | 27 | 28 | 25 | 26 | 45 | | | | 32 |
| Direct taxes | 6 | 17 | 38 | 38 | 69 | 89 | 102 | | | | 203 |
| Income after direct taxes and benefits .. | 404 | 461 | 473 | 546 | 474 | 534 | 596 | | | | 794 |
| Indirect benefits | 9 | 18 | 15 | 16 | 18 | 10 | 7 | | | | 8 |
| Indirect taxes: | | | | | | | | | | | |
| on final goods and services | 59 | 70 | 67 | 84 | 55 | 78 | 89 | | | | 131 |
| on intermediate products | 18 | 18 | 17 | 24 | 19 | 20 | 20 | | | | 28 |
| Income after all taxes and benefits .. | 337 | 390 | 404 | 454 | 417 | 446 | 493 | | | | 643 |

Average incomes before and after taxes and benefits
Retired and non-retired households
1967

TABLE 6 (continued)

£ per year

| | Range of original income: £ per year | | | | | | | | | | Average over all income ranges | |
|---|--------------------------------------|------|------|------|------|------|------|-------|-------|-----------|--------------------------------|-------|
| | Under 216 | 216- | 260- | 315- | 382- | 460- | 559- | 676- | 816- | 988-1,196 | | |
| 2 adults—pensioner | | | | | | | | | | | | |
| Number of households | 208 | | | | | | | | | | | 208 |
| Original income | 52 | | | | | | | | | | | 52 |
| Direct benefits: | | | | | | | | | | | | |
| cash benefits | 450 | | | | | | | | | | | 450 |
| benefits in kind | 80 | | | | | | | | | | | 80 |
| Direct taxes | 1 | | | | | | | | | | | 1 |
| Income after direct taxes and benefits.. | 580 | | | | | | | | | | | 580 |
| Indirect benefits | 10 | | | | | | | | | | | 10 |
| Indirect taxes: | | | | | | | | | | | | |
| on final goods and services | 82 | | | | | | | | | | | 82 |
| on intermediate products | 25 | | | | | | | | | | | 25 |
| Income after all taxes and benefits .. | 483 | | | | | | | | | | | 483 |
| 2 adults—retired non-pensioner | | | | | | | | | | | | |
| Number of households | 90 | 20 | 30 | 32 | 19 | 20 | 19 | 15 | 20 | 13 | | 319 |
| Original income | 122 | 237 | 288 | 351 | 416 | 505 | 630 | 750 | 900 | 1,076 | | 639 |
| Direct benefits: | | | | | | | | | | | | |
| cash benefits | 386 | 368 | 375 | 384 | 443 | 276 | 339 | 289 | 324 | 326 | | 352 |
| benefits in kind | 71 | 78 | 77 | 76 | 79 | 141 | 73 | 70 | 70 | 74 | | 77 |
| Direct taxes | 4 | 3 | 17 | 29 | 42 | 52 | 84 | 99 | 141 | 264 | | 147 |
| Income after direct taxes and benefits.. | 576 | 680 | 722 | 782 | 897 | 870 | 957 | 1,010 | 1,154 | 1,211 | | 921 |
| Indirect benefits | 14 | 7 | 11 | 12 | 4 | 8 | — | — | 1 | 1 | | 7 |
| Indirect taxes: | | | | | | | | | | | | |
| on final goods and services | 99 | 94 | 102 | 117 | 150 | 152 | 163 | 181 | 181 | 190 | | 152 |
| on intermediate products | 26 | 25 | 31 | 30 | 57 | 44 | 42 | 35 | 46 | 54 | | 38 |
| Income after all taxes and benefits .. | 464 | 569 | 600 | 648 | 694 | 682 | 751 | 795 | 928 | 967 | | 738 |
| 2 adults—non-retired | | | | | | | | | | | | |
| Number of households | 34 | | 11 | 15 | 27 | 40 | 70 | 87 | 185 | 238 | | 1,704 |
| Original income | 83 | | 289 | 356 | 425 | 512 | 623 | 749 | 908 | 1,093 | | 1,477 |
| Direct benefits: | | | | | | | | | | | | |
| cash benefits | 404 | | 347 | 298 | 290 | 262 | 175 | 138 | 92 | 72 | | 81 |
| benefits in kind | 122 | | 195 | 83 | 61 | 69 | 74 | 49 | 58 | 59 | | 54 |
| Direct taxes | 9 | | 9 | 31 | 54 | 74 | 98 | 130 | 159 | 205 | | 306 |
| Income after direct taxes and benefits.. | 600 | | 823 | 707 | 721 | 770 | 775 | 805 | 899 | 1,019 | | 1,306 |
| Indirect benefits | 10 | | 41 | 13 | 13 | 15 | 16 | 14 | 12 | 10 | | 9 |
| Indirect taxes: | | | | | | | | | | | | |
| on final goods and services | 107 | | 146 | 123 | 109 | 112 | 133 | 137 | 151 | 185 | | 214 |
| on intermediate products | 27 | | 35 | 29 | 30 | 28 | 32 | 36 | 37 | 40 | | 47 |
| Income after all taxes and benefits .. | 476 | | 683 | 568 | 595 | 644 | 626 | 646 | 722 | 805 | | 1,054 |

**Distribution of households co-operating in the Family Expenditure Survey⁽¹⁾
1967**

| Range of original income £ per year | Pensioner households | | Non-pensioner households | | | | | | | | | | All house- holds | | | | | |
|--|----------------------|----------|--------------------------|-----------------|----------|-----------------|---------------------|-----------------|------------------------|-----------------|------------------------|-----------------|------------------------|---------------------|-----------------|------------------------|----------|--------|
| | 1 adult | 2 adults | 1 adult | | 2 adults | | 2 adults 1 child | | 2 adults 3 children | | 2 adults 4 children | | | 3 adults 1 child | | 3 adults 2 children | 4 adults | Others |
| | | | retired | non- retired | retired | non- retired | retired | non- retired | retired | non- retired | retired | non- retired | | | | | | |
| | | | | | | | | | | | | | | retired | non- retired | | | |
| At least | 366 | 208 | 93 | 61 | 90 | 34 | 9 | 1 | 8 | 3 | 3 | 15 | 1 | 1 | 1 | 1 | 38 | 928 |
| Less than | 216 | 16 | 16 | 15 | 20 | 8 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 3 | 70 |
| 216 | 1 | 22 | 18 | 30 | 30 | 11 | 1 | 1 | 1 | 1 | 1 | 7 | 1 | 1 | 1 | 1 | 4 | 99 |
| 260 | | 18 | 17 | 32 | 15 | 3 | 3 | 2 | 2 | 2 | 2 | 4 | 2 | 2 | 1 | 1 | 6 | 99 |
| 315 | | 11 | 21 | 19 | 27 | 6 | 6 | 5 | | | | | | | | | 5 | 105 |
| 382 | | 13 | 42 | 20 | 40 | 6 | 6 | 8 | 4 | 3 | 3 | 6 | 2 | 2 | 2 | 2 | 11 | 166 |
| 460 | | 13 | 43 | 19 | 70 | 17 | 10 | 10 | 8 | 4 | 4 | 1 | 1 | 1 | 1 | 1 | 14 | 210 |
| 559 | | 8 | 56 | 15 | 87 | 27 | 24 | 24 | 14 | 6 | 6 | 6 | 5 | 2 | 2 | 3 | 24 | 295 |
| 676 | | 8 | 68 | 20 | 185 | 74 | 85 | 27 | 27 | 21 | 21 | 4 | 9 | 1 | 1 | 2 | 22 | 558 |
| 816 | | 3 | 61 | 13 | 238 | 147 | 126 | 52 | 52 | 32 | 32 | 2 | 15 | 4 | 4 | 8 | 42 | 791 |
| 988 | | 1 | 36 | 8 | 262 | 162 | 182 | 84 | 84 | 30 | 30 | | 47 | 30 | 30 | 19 | 46 | 970 |
| 1,196 | | 2 | 29 | 14 | 257 | 151 | 182 | 63 | 63 | 25 | 25 | 1 | 53 | 18 | 16 | 16 | 49 | 985 |
| 1,448 | | 4 | 12 | 7 | 220 | 87 | 111 | 50 | 50 | 17 | 17 | 1 | 55 | 26 | 35 | 35 | 50 | 825 |
| 1,752 | | 3 | 12 | 2 | 126 | 38 | 54 | 18 | 18 | 9 | 9 | 1 | 47 | 22 | 43 | 43 | 79 | 585 |
| 2,122 | | 2 | 6 | 3 | 57 | 15 | 35 | 14 | 14 | 2 | 2 | 3 | 24 | 16 | 34 | 34 | 67 | 341 |
| 2,566 | | 2 | 4 | 3 | 30 | 7 | 13 | 10 | 10 | | | 1 | 6 | 4 | 29 | 29 | 41 | 182 |
| 3,104 | | 2 | 2 | 1 | 18 | 7 | 6 | 6 | 6 | | | 1 | 5 | 1 | 15 | 15 | 16 | 80 |
| 3,770 | | | 2 | 1 | 9 | 3 | 5 | 2 | 2 | | | 1 | 3 | 1 | 2 | 2 | 12 | 47 |
| 4,545 | | | 1 | 2 | 5 | 2 | 2 | 1 | 1 | 2 | 2 | | 1 | 1 | 4 | 4 | 3 | 31 |
| 5,502 | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 8 |
| 6,656 | | | | | | | | | | | | | | | | | | |
| 8,055 | | | | | | | | | | | | | | | | | | |
| 9,745 | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | 1 | 2 | 5 |
| 11,791 | | | | | 2 | 2 | 2 | 2 | 2 | | | | 1 | 1 | 1 | 1 | 3 | 3 |
| 14,266 | | | | | | | | | | | | | | | | | | 1 |
| 17,264 | | | | | | | | | | | | | | | | | | 1 |
| 20,888 | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 |
| All income ranges... | 366 | 209 | 219 | 505 | 319 | 1,704 | 762 | 852 | 361 | 161 | 53 | 718 | 275 | 130 | 217 | 535 | 7,386 | |

(1) See Section V for definitions of pensioner, retired and non-retired households.

CHART 1 Average taxes paid and benefits received by households in different income ranges 1967

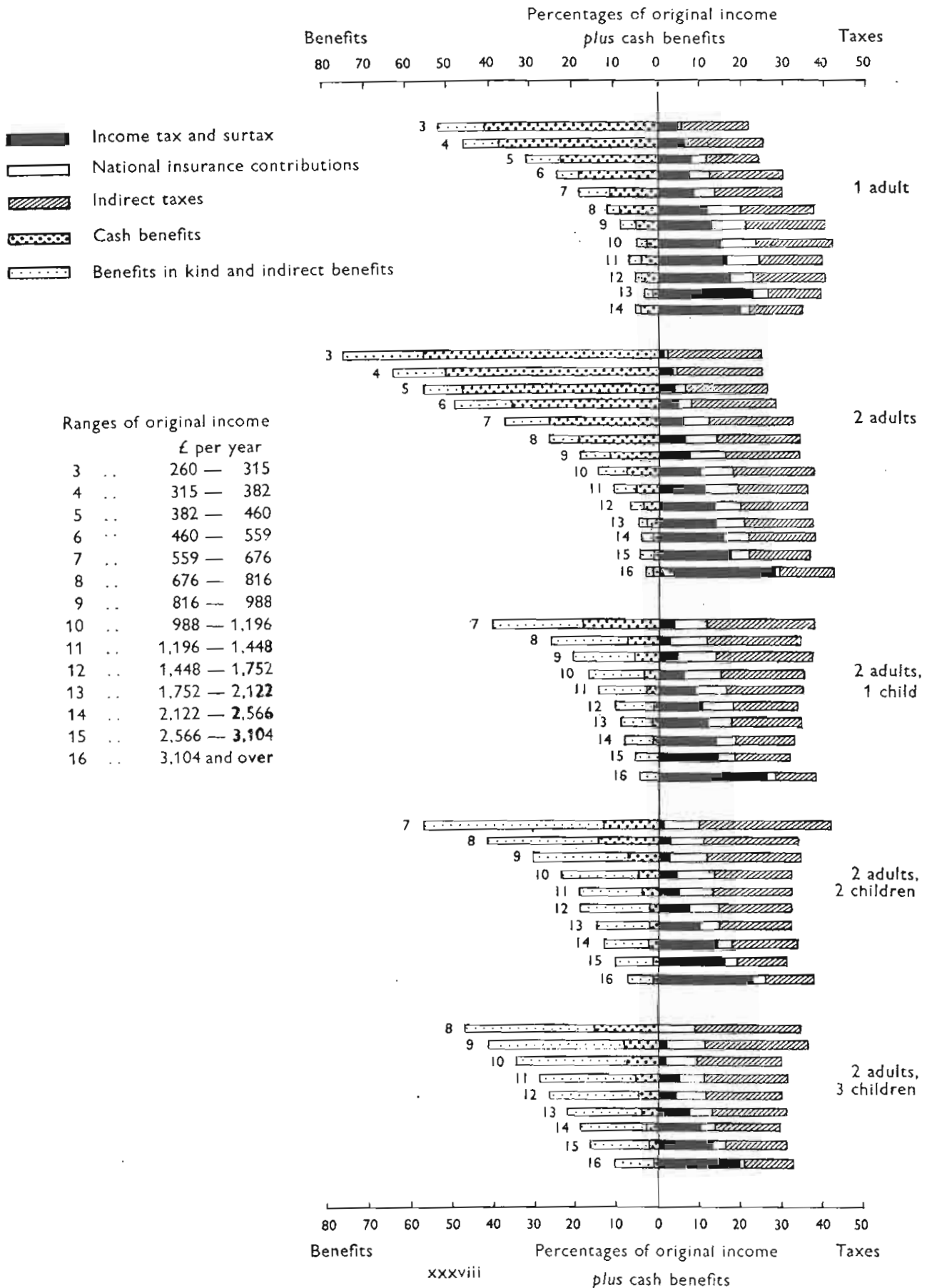


CHART 2

Original income and income after taxes and benefits

1967

