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The incidence of taxes and social service benefits in 1969

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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 households, the amounts 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 households 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, the maintenance of law and order, and various environmental services for the community as a whole, but there is no satisfactory way of estimating the value of the benefit which any individual household derives from any of this expenditure. It is nevertheless of interest to estimate all those taxes and benefits which can be allocated to individual households in order to assess their effect on what may be called the 'household budget'.

The estimates are based on detailed information obtained from the Family Expenditure Survey⁽¹⁾ and comprise the taxes (direct and indirect) paid and the benefits (in cash and in kind) received by various types of house-

(1) For a description of these surveys and the general results, see *Family Expenditure Survey Report for 1969* and similar reports for earlier years, published for the Department of Employment by HMSO, and *Family Expenditure Survey—Handbook on the sample, fieldwork and coding procedures* by W. F. F. Kemsley, published for the Government Social Survey (now the Social Survey Division of the Office of Population Censuses and Surveys) by HMSO.

hold in different income ranges. It should be borne in mind, however, that (i) the estimates are derived from a sample of households and have the inevitable limitations of a relatively small sample survey, (ii) the estimates deal with the effects of taxes and benefits on the income and expenditure of private households only, and (iii) they cover only those taxes and benefits which can be sensibly allocated to individual households.

This article, the seventh of a series, presents results for 1969⁽²⁾. Because of a new definition of original income resulting from a change in the treatment of employers' national insurance and national health service contributions, the results shown here for 1969 are not fully comparable with those published for earlier years. Sections II and III of the present article include fuller explanations than previously of just what the estimates purport to show, and to avoid possible misrepresentation the qualifications which ought to be attached to them have been more fully spelled out. It is not possible, however, to discuss within the space of this article all the theoretical and practical problems involved.

II. Definitions of households and incomes used for the 1969 estimates

The Family Expenditure Survey is a sample survey which has been carried out by the Department of Employment, with the assistance of the Social Survey Division of the Office of Population Censuses and Surveys, on a continuous basis since 1957. In each year up to 1966 about

(2) Estimates for 1957 and 1959, 1961 and 1962, 1963 and 1964, 1965 and 1966, 1967 and 1968, were published in *Economic Trends* in November 1962, February 1964, August 1966, February 1968, February 1969, and February 1970, and additional estimates for low income households in July 1968.

3,000 households co-operated; from 1967, when the size of the sample was increased, the number co-operating in a year has been about 7,000. Every household is asked to give detailed information about most 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 household is asked to provide details of regular items of expenditure such as rent and rates, gas, electricity and telephone accounts, etc.; goods bought on hire purchase during the last three months; purchases of cars during the last twelve months; and to keep a full record of all expenditure incurred during fourteen consecutive days.

1. Definition and classification of households

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. Young persons aged 16 and over are counted as adults even if they are still at school. 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 not living in private households.

The estimates shown in most of the tables represent averages for households grouped by ranges of *original income* (see below). The income ranges are marked off by equal intervals on a logarithmic scale, thus providing wider intervals for the higher incomes where the households are fewer and their incomes more widely dispersed. The use of a logarithmic scale also facilitates comparisons over time when incomes are rising. In the last three tables households are classified by ranges of *net household income* (see below) on a scale similar to the one used for original income but with extra sub-divisions over the lower income ranges.

Retired and non-retired households of various sizes and types have been classified separately. A *retired household* is defined as one in which the combined income of members who are over 60 and describe themselves as retired or unoccupied amounts to at least half the total gross income of the household. In previous articles a further classification was made separating the retired households into *pensioner households* (so defined if at least three-quarters of their income is derived from national insurance retirement and similar pensions and/or benefits paid in supplementation) and other retired households. As there is very little difference between these groups at the lowest levels of original income (where the pensioner households occur) in this article results are shown in general only for both groups combined.

2. Definitions of income

The *original income* of a household is defined as the sum of the incomes in cash and kind (as measured in the survey) of all members of the household before the deduction of taxes and before the addition of the State benefits included in this analysis. In previous years original income was defined to include employers' contributions to national insurance and national health services, following conventions used in the national accounts, even though households do not generally regard such contributions as part of their incomes. As from 1969, it was decided to exclude these contributions from original income, on the grounds that, for the purpose of this analysis, employers' contributions are more appropriately regarded as a form of indirect tax on intermediate goods and services, to be treated in the same way as the selective employment tax (see Appendix I). Thus it is no longer possible to make full comparisons between the results for 1969 and those for earlier years. For households which include no employees, original income is unaffected by the change of definition. For other households, original income on the new definition is lower than on the old definition. The difference on average over all households is about £50 for 1969 (see

Income after all taxes and benefits as a percentage of original income
1969

	Range of original income: £ per year															Average over all income ranges
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above	
All households in the sample	672	209	183	159	141	120	106	98	91	85	80	77	76	74	67	84
1 adult	588	145	140	111	108	90	77	71	68	66	65	62	68	62	59	107
2 adults	662	192	191	172	143	125	101	82	80	72	68	67	67	65	59	78
2 adults, 1 child						119	91	94	80	79	73	75	74	73	68	77
2 adults, 2 children	854					156	119	111	96	88	85	79	76	79	72	84
2 adults, 3 children							118	111	112	101	96	92	86	86	79	95
2 adults, 4 children								153	124	110	110	102	97		107	
3 adults	696					156	140	119	104	93	79	74	72	69	63	75
3 adults, 1 child									109	102	87	83	77	78	71	82
3 adults, 2 children									132	102	93	91	89	87	78	90
4 adults										91	92	82	77	73	67	75
Non-retired households																
1 adult	438	132	141	111	112	84	74	69	66	64	64	61	69	62		77
2 adults	481	179	184	160	144	121	98	80	79	72	68	67	67	64	60	71
3 adults							137	114	100	92	79	74	72	69	63	74

**Income after direct taxes and benefits as a percentage of original income
1969**

TABLE B Percentages

	Range of original income: £ per year														Average over all income ranges	
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-		3,104 and above
All households in the sample	813	263	226	200	178	151	135	125	115	108	102	97	96	93	83	105
1 adult	694	183	162	141	133	112	98	92	87	86	80	78	80	76		131
2 adults	820	259	241	215	187	159	130	108	103	94	89	86	85	83	74	100
2 adults, 1 child ..						161	126	120	105	101	96	94	91	90	84	98
2 adults, 2 children ..	1,143					192	149	134	119	110	105	99	95	95	87	103
2 adults, 3 children ..							156	146	135	125	116	113	105	101	92	116
2 adults, 4 children ..								181	148	140	132	118	117			130
3 adults	877					187	173	154	132	119	106	95	93	88	80	96
3 adults, 1 child ..									139	129	111	102	99	98	89	103
3 adults, 2 children ..									157	127	118	114	110	108	94	112
4 adults										127	117	108	100	94	87	97
Non-retired households																
1 adult	513	177	162	134	133	106	95	90	84	84	79	77	81	76		95
2 adults	616	249	235	202	186	153	126	105	101	93	89	86	85	82	76	91
3 adults							170	149	128	119	106	95	93	88	79	95

Table 5). The effect on income after all taxes and benefits is smaller because only part of the employers' contribution is included in indirect taxes on consumers' expenditure, the rest falling on government expenditure, investment and exports. Income after direct taxes and benefits is unaffected.

Original income differs from the term *gross income* as used by the Department of Employment in the published reports of the Family Expenditure Surveys, since the latter includes national insurance and other cash benefits and excludes most forms of income in kind.

The figures of income are the estimated normal annual income at the rate current at the time the household is interviewed. For wage and salary earners the normal current rate of annual earnings 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. In the case of investment income and the income of self-employed persons, the income is taken to be the amount received in the latest twelve-month period for which the information is available. Households living in owner-occupied or rent-free dwellings are assigned an imputed income based on the rateable value of the dwelling.

Net household income, used to classify households in Tables 6-8, is defined as original income *plus* cash benefits from the State *less* all payments of direct taxes. It is broadly equivalent to the disposable income of a household.

III. Problems concerning the basic data and the methods used

The collection of so much information on a voluntary basis from a relatively small sample of households and

the preparation of the estimates in this article present a number of problems. These problems concern both the accuracy of the basic data and the methods used to define and measure the taxes paid and benefits received by each household; they are discussed briefly below.

(i) THE ACCURACY OF THE DATA

The size of the sample

Despite the recent increase in size, this is still a relatively small sample to support an elaborate analysis of households classified by size, composition and range of income. Although the sample is very carefully designed to be as representative as possible of all private households in the United Kingdom, the results are, of course, subject to sampling errors. It is most important to remember this where the number of households of a given type in a given income range is small. The results should therefore be read in conjunction with the numbers of households which are shown in the tables. For this reason results are not shown where the number of households in an income range is fewer than 10.

Differential response

In recent years about 70 per cent of the households approached have co-operated fully by providing all the information requested; households which do not co-operate may differ in important respects from co-operating households. Even among households 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 items that are subject to indirect tax. There is some evidence for believing that the response rate is below the average for households in the higher ranges of income and for households without children. However, no satisfactory basis for re-weighting the sample for apparent variations in response rates has yet

been developed. For this reason all the estimates shown in this analysis are unweighted averages.

Estimates of income

It is possible that certain forms of income, in particular income from investment, are under-estimated but no adjustments are made to the recorded figures.

Apparent under-recording of certain items of expenditure

The average expenditures on alcoholic drink and tobacco recorded by households in the sample are well below the levels which would be expected from the known total yields of duties on these items. Even after allowing for expenditure by residents in hotels, boarding houses, hospitals and other institutions not covered by the survey and also for business expenditure, roughly half the taxes on drink and a quarter of the taxes on tobacco remain unaccounted for. This is a common feature of expenditure surveys. To compensate for the deficiencies in taxes on drink and tobacco uniform proportional adjustments have been made to all the recorded figures of expenditure by each group of households on all forms of drink and on all forms of tobacco, to bring average expenditure into line with the known yields of the duties. This process may well introduce some bias into the results because the amount of under-reporting of such expenditure may not be proportional to the expenditure actually reported. But at present these simple pro rata adjustments to the reported data are the only practicable procedures. Similar but smaller adjustments have been made to the recorded figures of expenditure on confectionery, ice-cream and soft drinks to make the average expenditure consistent with the yields of purchase tax on these items.

(ii) PROBLEMS OF INTERPRETATION

Section III(i) above has dealt with the problems of the basic data of the Family Expenditure Survey and with the adjustments that are made to them in the initial stage of this exercise. The present estimates of the incidence of

taxes and benefits are derived in as simple a way as possible from the household income and expenditure patterns for 1969 as they emerged in the Survey. The amount of income tax and surtax paid by each household is directly recorded, and the amount of indirect taxes suffered can be calculated directly from the household's expenditure on tax-bearing goods and services. Cash benefits received by households are also directly recorded. Where social service benefits are received in the form of a direct service, such as health and education, there is a more difficult problem of valuation. It would indeed be desirable to value such benefits at the amount a household would be prepared to pay for such services, but in the absence of information on this such benefits are valued at the net cost to the public authorities of providing the services. The method of allocation for each tax and benefit is spelled out more fully in Appendix I in those cases where there might be doubt as to the procedure followed.

It is thought that the procedure of allocation adopted here provides a picture of intrinsic interest of the varying impact of taxes and benefits, as between households of different types or, for a given type, between different levels of original income. It also provides a framework for examining the probable effects on household types in particular income ranges of marginal changes in taxes or benefits or both.

Two major problems must nevertheless be kept in mind in interpreting the results. Firstly, no attempt has been made to allocate the whole government budget in these estimates, and the dividing line between those taxes and benefits taken into account and those not must remain to some extent arbitrary. The definition of income keeps as close as possible to national accounting conventions for household income. This excludes both capital gains and undistributed profits, and so neither capital gains tax nor corporation tax have been taken into account here. (The possibility that some part of corporation tax may be passed on in prices is also disregarded.)

Total taxes as a percentage of original income plus cash benefits
1969

	Range of original income: £ per year															Average over all income ranges
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above	
All households in the sample	25	31	26	30	30	31	33	35	35	36	36	36	36	36	39	36
1 adult	23	31	21	30	30	32	35	36	40	40	40	41	34	40		34
2 adults	26	34	26	28	31	31	34	37	37	38	39	37	37	38	43	37
2 adults, 1 child						37	42	34	38	36	38	35	35	33	34	36
2 adults, 2 children	40					30	25	29	31	34	33	35	35	32	35	34
2 adults, 3 children							36	40	31	34	32	33	33	29	30	32
2 adults, 4 children								27	32	36	31	32	30			31
3 adults	28					24	31	34	34	36	37	37	38	37	41	38
3 adults, 1 child									31	34	38	35	37	37	37	36
3 adults, 2 children									30	32	35	35	34	32	33	34
4 adults										42	34	37	37	39	39	39
Non-retired households																
1 adult	26	38	23	27	27	34	36	38	40	41	40	41	32	40		38
2 adults	31	37	27	28	28	29	34	37	37	38	39	38	37	38	42	38
3 adults							31	34	36	37	37	37	38	37	41	38

**Total benefits as a percentage of original income plus cash benefits
1969**

TABLE D

Percentages

	Range of original income: £ per year															Average over all income ranges
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above	
All households in the sample	110	83	67	64	56	45	38	33	27	22	17	14	13	11	7	21
1 adult	104	57	47	38	36	24	13	9	10	8	6	5	2	2		39
2 adults	107	73	68	66	56	47	35	22	18	12	8	5	4	3	2	18
2 adults, 1 child ..						51	34	28	18	15	11	10	9	6	3	13
2 adults, 2 children ..	151					72	40	38	27	23	19	15	12	11	7	18
2 adults, 3 children ..							50	49	42	35	28	26	19	16	10	28
2 adults, 4 children ..								69	52	45	40	34	28			38
3 adults	108					56	56	47	38	30	19	12	11	6	4	15
3 adults, 1 child ..									38	37	25	18	14	15	8	19
3 adults, 2 children ..									56	34	29	26	23	19	11	25
4 adults										35	28	22	16	13	7	15
Non-retired households																
1 adult	118	58	49	35	37	20	11	8	6	6	5	3	1	2		17
2 adults	114	72	66	60	56	44	32	20	17	11	7	5	4	3	2	10
3 adults							56	44	36	30	18	12	11	6	4	13

On the benefits side of the analysis, no attempt is made to allocate to households the benefits derived from government expenditure on defence, police, administration, museums, libraries, parks, roads and so on. Defence is much the largest item; this together with police, prisons and such like falls into a category which is not immediately thought of by households as conferring individual benefits^(*). A further group of items such as tax collection, the maintenance of employment exchanges and the administration of national insurance represents the unavoidable costs of providing social services rather than the benefits themselves. Only a relatively small share of government expenditure is represented by the third non-allocated category, that of providing environmental services which directly benefit private households (as well as other sectors of the economy); here the extent to which people make use of such amenities as museums, parks, etc. must vary considerably, but by how much is not known. All these categories of public expenditure therefore are left unallocated.

The second major problem of interpretation is a conceptual one. To take income tax as an example, it has been argued that the observed distribution of the tax gives no indication of what the resultant pattern of taxes and benefits would look like in its absence. Before this can be investigated properly, it must be specified whether for example it is envisaged that the tax is replaced by some other tax of equal yield, or that government expenditure is reduced by a similar amount. Whichever alternative is chosen is likely to cause shifts in the whole pattern of household incomes and expenditures and all these would need to be traced through before the incidence of the tax in this 'final' sense could be measured. The same argument applies for each of the other taxes and each benefit considered separately, and *a fortiori* for the sum of all taxes and benefits. But indeed, the pattern of household incomes and expenditures observed in any one year can never in itself be regarded as a general

equilibrium situation completely adjusted to the public authorities' policies since these are of necessity themselves changing over the years. It is certainly not and never has been claimed that the problems concerning the repercussions of the public authorities' policies have been resolved in the present estimates but no information exists on which to base any more sophisticated method of allocation. The non-equilibrium nature of the framework and the simplified assumptions used in making these estimates of the incidence of taxes and benefits must, however, always be borne in mind in interpreting the results which follow.

IV. Results

General

In previous articles results have been shown for at least two years. Because of the change in the treatment of employers' national insurance contributions and the different amounts by which (i) original income and (ii) indirect taxes are affected (see Section II) the results for 1969 in the tables showing figures for households classified by ranges of original income are not fully comparable with the corresponding results for earlier years. For this reason detailed results are now given only for 1969, but in Table 5, where average incomes over all ranges are shown, it has been possible to include some comparable figures for the earlier years.

The tables are similar in form to those published in the earlier articles. In general, results are given for 10 types of households (i.e. 1 adult, 2 adults with 0-4 children, 3 adults with 0-2 children, and 4 adults) but in many cases additional figures are shown for the non-retired households consisting of 1, 2 and 3 adults. The 10 types of household between them account for over 90 per cent of the sample. Households containing 3 or 4 adults 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 figures shown for all households

(*) It would indeed be very difficult, if not impossible, to find any way of allocating the benefits of such expenditure to households.

combined cover the 10 types of household and also miscellaneous types of households for which separate results are not shown.

For the first time the results shown in the tables cover households of a given type over the whole range of income (previously results for households with incomes below £260 a year were not shown separately). Tables A-F summarise the main results in percentage form. Detailed results are given in the tables and charts in Appendix II.

(i) *The summary tables*

The relative incidence of taxes and benefits as a whole on households of different types and at different income levels follows the general pattern shown in the earlier years: households with low incomes on average gain much more from benefits than they pay in taxes and households with high incomes pay more in taxes than they receive in benefits. Within a given income range the largest households gain most and the smallest gain least (or lose most) on balance from all taxes and benefits combined. These effects are shown in Tables A and B which give respectively income after all taxes and benefits and income after direct taxes and benefits as percentages of original income. The percentages for non-retired households are slightly lower than those for retired and non-retired combined, particularly at the lower levels of income where non-retired households receive on average smaller cash benefits than the corresponding retired households and also pay more in direct taxes (employees' national insurance contributions).

By convention, a tax is termed 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 households. (See Tables A and B.)

The amount by which the original income of a household is lower under the new definition depends on the number of employed persons in the household; there may be no difference if, for example, the household is retired. The effect on the household's income after all taxes and benefits depends on its expenditure pattern and need not necessarily (although it will generally) be smaller than the effect on original income; income after direct taxes and benefits is unaffected. The new definition will therefore have tended to increase slightly the figures for income after all taxes and benefits and income after direct taxes and benefits expressed as percentages of original income in Tables A and B, the effects being, in general, greater for the lower than for the higher incomes. On the other hand, the corresponding figures for retired households on their own will often be reduced.

Table C shows direct and indirect taxes combined as a percentage of original income *plus* cash benefits (this denominator is chosen because some cash benefits are taxable). All taxes combined are seen to be only slightly progressive: indeed over a wide range of income the percentages are remarkably constant for the same type of household and do not show very much variation even between households of different types. The explanation is that while income tax and surtax are progressive (Table F) the present national insurance employees' contributions (particularly the flat rate contributions) are mildly regressive and indirect taxes as a whole (shown as percentages of income after direct taxes and benefits in Table E) are also mildly regressive. The substantially smaller percentages shown in Table C for the households without children in the lowest ranges of income may be partly explained by the fact that these groups of households, even when not classified as retired, contain large numbers of retired persons who do not pay national insurance contributions (see also Table F). It is worth mentioning that while for the groups of households for which estimates are shown in Table C total taxes as a proportion of income show comparatively small variations, the proportions of income paid in taxes by individual households in each of these

**Indirect taxes as a percentage of income after direct taxes and benefits
1969**

TABLE E

Percentages

	Range of original income: £ per year															Average over all income ranges
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above	
All households in the sample	20	23	21	22	21	22	23	23	22	22	22	21	21	20	21	21
1 adult	19	24	16	23	20	21	23	23	22	23	20	20	15	19		20
2 adults	22	28	22	22	24	23	24	25	24	25	25	23	21	22	21	23
2 adults, 1 child ..						27	29	23	25	23	25	21	20	20	19	22
2 adults, 2 children ..	26					19	22	19	21	21	20	21	20	17	17	20
2 adults, 3 children ..							26	26	19	21	18	18	18	15	14	18
2 adults, 4 children ..								17	18	22	18	17	17			18
3 adults	22					18	21	24	23	23	26	24	23	22	21	23
3 adults, 1 child ..									22	21	23	20	23	21	21	21
3 adults, 2 children ..									19	21	21	21	19	20	17	20
4 adults										30	23	24	23	23	23	24
Non-retired households																
1 adult	18	30	17	21	17	23	24	25	23	25	21	21	14	19		21
2 adults	24	30	23	22	24	22	24	25	24	25	25	23	22	22	21	23
3 adults							22	25	24	24	26	23	23	22	21	23

groups often show wide variations. In particular, the proportion paid in direct taxes is likely to vary according to how much the household spends on alcoholic drink, tobacco and petrol. The effect of the change in treatment of employers' contributions on total taxes expressed as percentages of original income *plus* cash benefits is likely to be very small. For an individual household the percentage might be either increased or reduced slightly; for all households combined there is no change.

Social service benefits as a whole are very progressive and each of the benefits included in these estimates is progressive, favouring both households with low incomes much more than those with high incomes and larger households more than smaller households. It is mainly 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).

Benefits in cash, as a proportion of income, decline markedly as income rises and so are very progressive (see Table F). The proportion of cash benefits to income also increases as the number of children in the household increases and so they are progressive in this sense as well. (The high proportions of income shown for 1 and 2 adult households in the lower income ranges are partly explained by the presence of some retired people in many of these 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 households. 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 (see Appendix I).

In Tables D, E and F the figures will tend to be increased slightly as a result of the change in definition of original income (in no case can there be a reduction for any individual household).

(ii) *The main tables*

Table 1 shows the distribution of households co-operating in the Survey in 1969, classified by ranges of original income.

Estimates of the average incomes at different stages and the average amounts of taxes paid and benefits received by each of the 10 types of household, and by all households combined, in different income ranges, are shown in Table 2. The numbers of households of each type in each income range are also shown. The separate figures shown for retired and non-retired households consisting of 1, 2 and 3 adults⁽⁴⁾ emphasise the differences between both direct taxes and benefits for the two classes, because of the circumstances of the households, and indirect taxes, because of the differences in their expenditure patterns. The only indirect benefits taken into account 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; these subsidies (though not shown here as proportions of income) form a declining

⁽⁴⁾ There were not enough 3 adult retired households to be shown separately.

proportion of increasing income and are thus progressive. The largest proportionate gains from all taxes and benefits occur among the households without children, mainly because these households predominate in the lowest income ranges. The sample includes very few households with children with an average original income of less than £600 a year. The only such households occurring in sufficient numbers to be shown here (at least 10 households in an income range) are those consisting of 2 adults 2 children with incomes under £260.

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 item in the survey period 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.

Table 3 shows the estimated amounts paid under the main headings of indirect taxes expressed as percentages of income after direct taxes and benefits (broadly equivalent to disposable income *plus* benefits in kind).

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; if differential instead of pro rata adjustments had been made to these taxes their incidence might have appeared different so that it cannot definitely be said that these taxes as a whole are either progressive or regressive. A more detailed analysis reveals, however, 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. Within a given income range, indirect taxes as a whole generally form a lower proportion of the income of larger households than of smaller households, the proportions of income are noticeably smaller for local rates and drink over most income ranges and for tobacco in the higher income ranges.

A comparison of the figures for retired and non-retired households combined with those for non-retired households alone shows that, although in most ranges of income the proportions of income paid in local rates must be much the same for each of the two classes (i.e. retired, non-retired), in the lowest range the proportion paid by the retired households is substantially the larger. On the other hand, purchase tax and duties on tobacco and oil generally form larger proportions of the income of non-retired households. The proportions paid in intermediate taxes, which fall on expenditure as a whole, show little difference as between the two classes of household.

Table 4 shows the values of the first and fourth quintile and median incomes at four stages of income viz. original income, income after direct taxes and benefits, income after all taxes and benefits, and original income *plus* cash benefits, separately for each of the 10 types of household and for all households (retired and non-retired combined), and for the

**Direct benefits and taxes as percentages of original income plus cash benefits
1969**

TABLE F

Percentages

	Range of original income: £ per year															Average over a income range
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above	
Cash benefits																
All households in the sample	85	53	50	43	36	29	20	15	11	8	5	3	3	2	2	10
1 adult	83	41	36	30	24	16	7	5	6	5	3	3	1	1	—	30
2 adults	86	58	54	48	41	34	23	14	9	6	3	2	2	1	—	12
2 adults, 1 child						28	11	11	3	3	1	1	1	1	—	3
2 adults, 2 children	85					25	17	15	8	5	4	3	2	2	1	5
2 adults, 3 children							20	18	12	10	7	6	4	3	2	8
2 adults, 4 children								21	15	12	9	7	7			12
3 adults	86					42	36	33	24	15	10	5	4	2	1	7
3 adults, 1 child									19	11	5	3	2	2	1	4
3 adults, 2 children									20	14	7	5	5	3	2	6
4 adults										24	17	12	8	4	2	6
Non-retired households																
1 adult	73	37	37	26	20	11	5	4	3	3	2	1	—	1	—	10
2 adults	78	56	54	47	38	29	20	11	8	5	3	1	1	1	—	5
3 adults							34	30	22	14	9	4	4	2	1	6
Benefits in kind																
All households in the sample	21	28	16	19	19	15	16	17	15	13	11	10	9	8	5	11
1 adult	16	12	8	7	11	6	5	3	3	3	2	2	1	1	—	7
2 adults	19	13	12	16	14	12	10	7	8	5	4	3	2	2	1	5
2 adults, 1 child						21	22	16	13	11	9	8	8	5	3	10
2 adults, 2 children	65					46	21	22	18	17	14	11	10	9	6	13
2 adults, 3 children							28	29	27	23	21	20	15	13	7	19
2 adults, 4 children								46	36	33	30	23	21			25
3 adults	20					13	18	12	12	14	8	7	7	4	3	7
3 adults, 1 child									18	24	19	15	12	14	8	14
3 adults, 2 children									32	19	21	21	19	15	9	18
4 adults										10	9	9	8	9	5	8
Non-retired households																
1 adult	41	16	7	6	15	7	5	3	2	3	2	1	1	1	—	6
2 adults	33	12	11	11	17	13	11	7	8	5	4	3	2	2	1	4
3 adults							20	13	12	15	9	7	7	4	3	7
Income tax and surtax																
All households in the sample	—	2	2	4	4	6	5	7	8	9	11	12	13	14	20	12
1 adult	1	4	4	6	8	10	10	12	18	18	21	24	21	24	26	13
2 adults	—	2	2	4	3	6	7	10	10	12	14	14	15	18	26	14
2 adults, 1 child						1	3	4	7	9	11	12	14	13	17	11
2 adults, 2 children	—					—	—	3	3	8	9	12	14	14	19	11
2 adults, 3 children							—	5	4	7	9	11	12	13	17	10
2 adults, 4 children									5	5	6	11	9		8	
3 adults	—					2	4	5	7	8	9	12	13	14	22	14
3 adults, 1 child									3	5	9	11	11	13	17	11
3 adults, 2 children									3	5	7	8	10	8	16	10
4 adults										8	7	9	11	13	16	13
Non-retired households																
1 adult	1	4	3	5	6	9	9	12	17	17	20	22	18	24	—	17
2 adults	—	1	1	3	—	3	6	9	10	12	14	14	15	17	24	15
3 adults							3	5	7	9	8	12	13	14	22	14
National insurance contributions																
All households in the sample	—	1	1	1	1	2	4	4	4	4	4	4	3	3	2	3
1 adult	—	—	1	1	2	3	4	4	3	3	3	2	2	2	—	2
2 adults	—	1	—	1	—	1	3	4	4	4	4	3	3	3	2	3
2 adults, 1 child						3	6	5	4	4	4	3	3	2	2	4
2 adults, 2 children	2					2	5	5	5	4	4	3	3	2	1	3
2 adults, 3 children							4	5	4	4	4	3	3	2	1	3
2 adults, 4 children								3	5	4	4	3	3			3
3 adults	1					2	3	3	4	4	4	4	4	4	3	4
3 adults, 1 child									3	5	5	5	4	3	3	4
3 adults, 2 children									4	5	5	4	3	3	2	3
4 adults										5	5	5	4	5	4	4
Non-retired households																
1 adult	—	1	2	2	3	4	5	4	4	4	3	3	2	2	—	3
2 adults	—	3	1	1	1	2	4	5	5	4	4	4	3	3	2	3
3 adults							4	4	4	4	4	4	4	4	3	4

non-retired households consisting of 1, 2 and 3 adults in 1969. The lowest (highest) quintile is the income such that one-fifth of the households in question have lower (higher) incomes; the median is the income such that one half of the households in question have lower (higher) incomes. In general the median is reduced after all taxes and benefits. A comparison of the medians at the stages of original income and income after all taxes and benefits for households consisting of 2 adults (non-retired) and 2 adults with varying numbers of children shows that the reductions caused by all taxes and benefits become progressively smaller as the size of the family increases (for 2 adults 4 children the median shows an increase after taxes and benefits). This pattern is repeated for the 3 adult (non-retired) households with varying numbers of children. The lowest and highest quintiles of income are in general much closer to the medians after allowing for benefits and taxes: this is illustrated in absolute terms by the differences shown in the fourth and fifth columns and in percentage terms by the changes shown in the sixth and seventh columns of the table. A comparison of these differences at the various stages of income illustrates the extent to which redistribution is effected by raising the lowest or by reducing the highest quintile relative to the median. For each type of household, direct benefits, particularly cash benefits, have the greatest influence on the distribution of income at the lower levels of income, and income tax and surtax at the higher levels.

A comparison of the effects of all benefits and taxes at each end of the distribution for each of the 10 types of household shows that the greatest effect in absolute terms occurs at the lower end of the distribution of the 2 adult households (the difference between the first quintile and the median is reduced by over £500 a year). This is partly because of the large number of retired households of this type. The corresponding difference for the 2 adult non-retired households is only £270. In percentage terms the effects of taxes and benefits shown in the sixth and seventh columns of the table are very large at the lower end of the distribution of the 2 adult households and at both ends of the distribution of the 1 adult households, in each case taking retired and non-retired households combined. The corresponding effects for the non-retired households alone are much smaller. Apart from the 1 adult and 2 adult households already mentioned, it cannot be said that for households in general the proportionate changes are substantially larger at one end of the distribution than at the other.

Table 5 compares the changes which have occurred in the years 1961 to 1969 in the average incomes before and after taxes and benefits of all households of each of the 10 main types, and of all households combined. Additional figures are shown for non-pensioner households⁽⁵⁾ consisting of 1 and 2 adults. (It is not possible to show figures for non-retired households alone over the whole period because the classification into retired/non-retired is not available for years before 1967.)

Direct benefits, particularly national insurance benefits, have increased substantially over this period; taxes, particularly national insurance contributions and various kinds of indirect taxes have increased also but to a lesser

extent, so that, on balance, the changes will have favoured households with relatively low compared with those with relatively high incomes.

Where possible, the averages for original income and income after all taxes and benefits have been shown under both old and new definitions. The difference between old and new figures for average original income represents the average amounts of employers' contributions to national insurance and national health services (corresponding directly with the employees' contributions paid) for that type of household. The difference between old and new figures for income after all taxes and benefits (which can be shown only for 1969) represents the average amount of employers' contributions now included in the intermediate indirect taxes allocated to that type of household, together with the (very small) reduction in benefits now that education benefit is no longer attributed to children in private schools.

From the results shown for 1961, 1965 and 1969 in the right-hand section of the table it is apparent that for most types of household both income after direct taxes and benefits and income after all taxes and benefits declined as percentages of original income between 1961 and 1969. The corresponding percentages of original income shown for 1965 are sometimes intermediate between those for 1961 and 1969 and sometimes higher than those for 1961. The final column in the table shows that, over the whole period, as a result of the combined effects of changes in original income and the impact of either direct or all taxes and benefits, measured on the new basis, single adult households of all types combined and households with 3 and 4 children showed very substantial gains compared with the gains for the other types of household.

Table 6 shows the distribution of households co-operating in the survey in 1969, classified by ranges of net household income.

Table 7 shows the number of households and average net household income within each range for the 10 types of household and for all households combined, classified by ranges of net household income.

Table 8 shows the estimated amounts paid under various headings of indirect taxes expressed as percentages of net household income, in each case for households classified by net household income. This table thus gives in another form the results shown in Table 3 and described earlier, but, since the households are classified by net household income instead of by original income, for each type of household the shape of the distribution is changed. The net household income of a household is smaller than its income after direct taxes and benefits (which includes benefits in kind) so for any particular household the figures used for Table 8 are larger than those used for Table 3.

(iii) *Charts 1 and 2*

Chart 1 shows the broad effects on the main types of household of the main groups of taxes and benefits, expressed as percentages of original income *plus* cash benefits. In part (i) the households (all non-retired) are arranged so as to highlight the effect of each additional

⁽⁵⁾ i.e. retired and non-retired but excluding pensioner households.

child. In part (ii) results are shown for households without children so that comparisons can be made between (a) non-retired households with 1, 2 or 3 adults, (b) retired households consisting of 1 or 2 adults. The diagram for 2 adult non-retired households is shown for convenience in both parts of the chart.

Chart 2 shows the distributions of several types of household classified by original income superimposed on the corresponding distributions classified by net household income. The diagrams illustrate the extent to which direct taxes and cash benefits reduce the inequality in the distributions of original income.

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

APPENDIX I

Definitions of the taxes and benefits used in the analysis

DIRECT TAXES

Income tax

Surtax

Employees' contributions to national insurance and national health services

The estimates of income tax are based mainly on the amounts stated to have been deducted from the most recent payments of wages or salaries, and the recorded tax payments in the previous twelve months in respect of surtax, or, in the case of investment income and income from self-employment, the latest twelve-month period for which the information is available. Death duties, being taxes 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 household'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 IN CASH

Family allowances

National insurance benefits (pensions; sickness, unemployment, industrial injury, maternity benefits etc.; death grants)

Non-contributory old age pensions

Supplementary pensions and allowances

War pensions, service grants and allowances

The value of each form of cash benefit (and of scholarships and education grants from public funds) is the amount stated to have been received by the household during the twelve months prior to the interview.

DIRECT BENEFITS IN KIND

National health services

State education

School health services

Scholarships and education grants from public funds

School meals, milk and other welfare foods

National health services. Households are not asked about the extent to which they use the various national health services. The values of the benefits assumed to be received were therefore 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 normal retirement age (65 for men and 60 for women), and (iii) adults above normal retirement age, in each case separate estimates being available for males and females. The value of benefit assigned to each household is the average net cost to the State of providing the services, i.e. after allowing for prescription charges and payments made for dental, ophthalmic and other services. It has not been possible to distinguish cases where, because of special circumstances, patients receive drugs and other goods and services free of charge.

Education. Information is provided in the schedules about the type of full time education being received by each member of the household. The benefit of State education is taken to be the estimated average net cost per child to public authorities of providing tuition (and in the case of schools, school health services) under each of the following headings: special schools, primary, secondary and direct grant schools, universities and teachers' training colleges. The value of the benefit is taken to be the same for all children attending any one of these types of educational establishment (except that for children at secondary or direct grant schools larger benefits are assigned to children over 16 than to children under 16). From 1969, no benefit is attributed to children attending private schools. (Previously they were allocated the same benefit as children attending State schools). In the case of fee-paying students at universities the gross maintenance grants received are abated by the fees and contributions paid by parents.

School meals, milk, and welfare foods. The value of each of these benefits is taken to be the net cost to public authorities, after allowing for the contributions from households themselves.

INDIRECT BENEFITS

Housing subsidies

Housing subsidies are defined as the difference between current account expenditure by public authorities on

housing and the rents paid by tenants of local authority dwellings. The subsidy is estimated separately for each local authority dwelling in the sample and is taken to be the excess of the estimated economic rent over the actual rent paid by the tenant. The subsidy therefore includes any *rent rebates* which the tenant may be allowed. 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 these dwellings. The housing subsidy estimated for a particular household can (exceptionally) be negative. (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, and not treated as benefits, since they form part of the earnings of farmers who could otherwise earn comparable incomes in other employment.)

INDIRECT TAXES

- (i) *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
Motor vehicle duties
Driving licences
Radio and television licences
Stamp duties

Indirect taxes, or taxes on expenditure, are either paid directly by consumers, e.g. local rates, motor vehicle duties, or assumed to be fully reflected in the prices paid by consumers when buying commodities which are subject to tax, e.g. purchase tax, Customs and Excise

duties. Payments of indirect taxes which are levied directly on consumer goods are estimated from the details of expenditure given by households 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.

- (ii) *On intermediate goods and services*
Local rates on commercial and industrial property
Vehicle licences
Customs and Excise duties on oil
Purchase tax and other revenue duties
Import duties on raw materials and on other goods and services used by industry
Stamp duties
Selective employment tax (after deduction of refunds)
Employers' contributions to national insurance and national health services

Indirect taxes on intermediate products are defined as taxes falling on goods and services purchased by industry and used in the production of goods and services bought by consumers. It is assumed that these indirect taxes are fully reflected in the prices of the goods and services produced and therefore passed on at each stage of production. Their allocation between different headings of consumers' expenditure is based on input-output tables and, apart from the treatment of employers' contributions to national insurance and national health services, is consistent with estimates included in the National Income Blue Book.

APPENDIX II

Distribution of households co-operating in the Family Expenditure Survey
1969

TABLE 1

Range of original income £ per year	1 adult		2 adults		3 adults		2 adults 1 child	2 adults 2 children	2 adults 3 children	2 adults 4 children	3 adults 1 child	3 adults 2 children	4 adults	Others	All house- holds
	retired	non- retired	retired	non- retired	retired	non- retired									
At least	528	78	326	42	13	5	9	11	7	5			2	43	1,069
Less than	17	17	13	11	3	2	2	3	1	1				7	76
260	15	18	27	31	1	2	2	2	2	2	1	1		5	104
315	15	28	19	32	2	2	2	3	2	2	1	1	2	4	111
382	18	29	15	24	3	5	5	3	2	2				10	117
460	15	41	29	47	1	9	13	11	1	3				9	179
559	7	49	20	77	2	14	27	16	13	4	2	1	1	24	257
676	4	42	20	128	3	17	61	58	21	11	5	4	1	21	396
816	11	48	14	163	2	36	81	76	46	18	16	10	2	28	551
988	8	39	10	216	4	62	141	155	53	26	17	12	10	35	788
1,196	4	33	6	271	3	63	136	177	63	21	33	23	11	56	900
1,448	6	21	3	245	2	92	130	145	35	15	51	21	21	52	839
1,752	2	10	5	155		119	75	99	51	13	42	29	30	71	701
2,122		14	4	86	1	80	23	48	19	5	37	15	42	59	433
2,566	1	1	1	48	1	43	15	18	8	1	12	8	29	42	228
3,104		3		22		17	2	13	1	5	4	3	10	35	115
3,757	1		1	18		7	2	11	6	2	3	1	10	20	82
4,545			1	8		3	2	4					1	4	23
5,502	1			5		5				1			1	3	19
6,656				1		3	1						2	1	6
8,055															
9,745	1	1	1	3	1	1	2	2	1			2	1	2	14
9,745 and above	653	473	515	1,633	41	585	729	855	330	133	223	132	175	531	7,008
All income ranges...															

Note: The retired households not shown separately in the table are distributed as follows:
2 adults 1 child (3); 2 adults 2 children (1); 2 adults 3 children (2); 4 adults (4); others (6).
1 adult and 2 adult retired households in the lowest range of income include 391 and 241 pensioner households respectively.

Average incomes before and after taxes and benefits
1969

TABLE 2 (1)

	Range of original income: £ per year											Average age over all income ranges	
	£ per year	Under 260	260- 315	382- 460	559- 676	816- 988	1,196- 1,448	1,752- 2,122	2,566- 3,104 and above				
Retired and non-retired households													
1 adult													
Number of households	606	34	43	47	56	46	59	47	37	27	12	14	1,126
Original income	63	291	347	513	620	899	1,093	1,310	1,577	1,918	2,345	2,854	510
Direct benefits in cash:													
family allowances	299	195	151	141	107	32	67	64	42	57	31	19	204
pensions ⁽¹⁾	16	7	27	17	10	7	3	4	9	—	—	—	13
other cash benefits ⁽²⁾	15	20	—	37	12	12	—	7	—	—	2	—	12
Direct benefits in kind:	45	41	43	39	34	30	32	31	29	30	27	27	40
education	—	—	—	—	—	—	—	—	—	—	—	—	—
national health service	—	—	—	—	—	—	—	—	—	—	—	—	—
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:													
national insurance, employees' contributions	—	2	5	11	18	33	37	43	49	42	42	52	13
income tax and surtax	2	19	20	38	72	79	208	241	346	473	492	677	96
Income after direct taxes and benefits	436	533	563	680	693	824	950	1,132	1,261	1,491	1,870	2,170	670
Indirect taxes:	16	19	14	8	12	7	10	4	22	1	1	—	13
on final goods and services	56	90	64	99	109	118	161	199	198	222	192	314	98
on intermediate products	26	41	26	37	40	45	57	66	55	74	83	97	39
Income after all taxes and benefits	369	422	487	551	556	642	741	871	1,029	1,196	1,594	1,760	546
2 adults													
Number of households	368	24	58	39	76	148	177	226	277	248	160	90	2,148
Original income	82	289	347	509	618	904	1,090	1,313	1,604	1,926	2,315	2,817	1,351
Direct benefits in cash:													
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	427	351	370	287	263	113	88	65	42	20	37	29	18
other cash benefits ⁽²⁾	56	41	45	64	58	30	22	19	15	10	6	6	2
Direct benefits in kind:	13	—	47	42	30	6	32	1	5	8	3	—	1
education	93	90	84	80	80	71	63	63	56	53	54	—	11
national health service	—	—	—	—	—	—	—	—	—	—	—	—	68
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:													
national insurance, employees' contributions	—	8	7	3	11	30	45	57	65	74	78	77	45
income tax and surtax	—	13	14	29	56	68	101	126	227	280	361	499	213
Income after direct taxes and benefits	670	748	836	949	982	978	1,120	1,239	1,431	1,663	1,975	2,331	1,352
Indirect taxes:	17	12	9	9	11	11	14	14	12	7	4	—	11
on final goods and services	102	155	131	167	160	180	192	223	264	283	318	383	227
on intermediate products	44	51	49	63	62	67	72	82	88	96	106	131	82
Income after all taxes and benefits	541	554	664	717	771	760	869	949	1,090	1,292	1,555	1,817	1,054

See footnotes on page xxix

Average incomes before and after taxes and benefits
1969

TABLE 2 (i) (continued)

	Range of original income: £ per year											Average age over all income-ranges				
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-		1,752-	2,122-	2,566-	3,104 and above
Retired and non-retired households																
2 adults, 1 child																
Number of households																
Original income																
Direct benefits in cash:																
family allowances																
pensions ⁽¹⁾																
other cash benefits ⁽²⁾																
Direct benefits in kind:																
education																
national health service																
welfare foods																
Direct taxes:																
national insurance, employees' 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																
2 adults, 2 children																
Number of households																
Original income																
Direct benefits in cash:																
family allowances																
pensions ⁽¹⁾																
other cash benefits ⁽²⁾																
Direct benefits in kind:																
education																
national health service																
welfare foods																
Direct taxes:																
national insurance, employees' 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
1969

£ per year

	Range of original income: £ per year										Average over all and income ranges				
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-		1,448-	1,752-	2,122-	2,566-	3,104 and above
Retired and non-retired households															
2 adults, 3 children															
Number of households							13	21	46	53	63	35	51	19	16
Original income						767	914	1,096	1,332	1,587	1,913	2,328	2,849	4,358	1,705
Direct benefits in cash:															
family allowances						99	99	97	96	98	98	97	93	99	97
pensions ⁽¹⁾						—	8	2	3	2	16	—	—	6	6
other cash benefits ⁽²⁾						94	94	47	54	15	13	9	1	6	47
Direct benefits in kind:															
education						128	196	218	215	229	277	244	268	212	229
national health service						110	103	96	101	95	98	91	88	89	96
welfare foods						30	24	26	28	29	27	26	29	22	28
Direct taxes:															
national insurance, employees' contributions						38	53	54	58	61	65	64	60	58	57
income tax and surtax						—	9 ⁽³⁾	46	106	145	219	297	379	739	181
Income after direct taxes and benefits						1,198	1,333	1,482	1,663	1,848	2,158	2,434	2,890	3,996	1,971
Indirect taxes:															
on final goods and services						21	23	31	22	8	8	6	—	—	15
on intermediate products						223	251	198	246	238	284	301	290	355	254
Income after all taxes and benefits						903	900	84	95	99	113	133	138	188	107
2 adults, 4 children															
Number of households							11	18	26	21	15	13			133
Original income							888	1,108	1,308	1,614	1,938	2,290			1,638
Direct benefits in cash:															
family allowances							156	145	151	151	134	143			148
pensions ⁽¹⁾							—	—	14	—	5	6			4
other cash benefits ⁽²⁾							85	51	12	11	13	21			64
Direct benefits in kind:															
education							365	306	340	364	345	361			319
national health service							111	120	113	113	109	103			113
welfare foods							45	38	33	50	26	41			39
Direct taxes:															
national insurance, employees' contributions							37	60	62	63	70	65			55
income tax and surtax							5	61	81	105	223	217			147
Income after direct taxes and benefits							1,604	1,644	1,828	2,134	2,277	2,682			2,121
Indirect taxes:															
on final goods and services							19	16	6	29	70	4			18
on intermediate products							177	202	287	279	269	331			265
Income after all taxes and benefits							1,358	1,371	1,441	1,772	1,971	2,222			1,760

**Average incomes before and after taxes and benefits
1969**

TABLE 2 (i) (continued)

	Range of original income: £ per year											Average over all income ranges		
	Under 260	260-315	315-382	382-460	460-559	559-676	676-816	816-988	988-1,196	1,196-1,448	1,448-1,752		1,752-2,122	2,122-2,566	2,566-3,104 and above	£ per year
Retired and non-retired households														
3 adults														
Number of households	18				10	16	20	38	66	94	119	81	80	626
Original income	100				639	746	913	1,091	1,312	1,602	1,933	2,810	4,694	2,140
Direct benefits in cash:														
family allowances					266	380	306	275	186	143	65	38	41	132
pensions ⁽¹⁾	497				188	40	138	66	45	32	28	15	12	39
other cash benefits ⁽²⁾	143													
Direct benefits in kind:														
education	33				29	102	62	60	124	58	60	77	42	71
national health service	117				118	105	100	105	94	90	80	79	79	87
welfare foods	2					1	1	1		1				
Direct taxes:														
national insurance, employees' contributions	10				26	40	41	54	64	76	87	95	104	81
income tax and surtax	4				20	42	74	101	131	152	235	317	415	323
Income after direct taxes and benefits	878				1,193	1,292	1,403	1,442	1,566	1,697	1,844	2,141	2,464	2,065
Indirect benefits	12				14	27	24	31	19	10	13	15	8	14
Indirect taxes:														
on final goods and services	126				146	203	247	250	271	322	319	373	410	348
on intermediate products	66				66	75	93	84	96	112	116	126	135	122
Income after all taxes and benefits	697				995	1,042	1,087	1,138	1,219	1,272	1,422	1,657	1,927	1,609
3 adults, 1 child														
Number of households					16	17	33	51	66	111	142	177	199	223
Original income					1,086	1,312	1,629	1,951	2,338	2,820	3,353	3,770	4,213	2,123
Direct benefits in cash:														
family allowances					6	17	11	11	17	11	6	6	16	10
pensions ⁽¹⁾					132	66	34	21	18	8	18	8		36
other cash benefits ⁽²⁾					115	87	39	32	25	20	25	20	11	41
Direct benefits in kind:														
education					139	251	190	190	220	190	183	296	185	213
national health service					100	98	101	98	101	98	87	85	94	95
welfare foods					8	8	7	7	7	7	8	9	7	8
Direct taxes:														
national insurance, employees' contributions					44	68	81	95	81	95	93	96	97	85
income tax and surtax					38	80	151	213	259	383	532	632	732	246
Income after direct taxes and benefits					1,504	1,690	1,808	1,998	2,311	2,775	3,353	3,770	4,213	2,123
Indirect benefits					12	16	14	14	16	14	16	7	2	13
Indirect taxes:														
on final goods and services					240	258	299	284	380	420	420	420	502	336
on intermediate products					92	104	113	115	146	156	186	186	219	129
Income after all taxes and benefits					1,185	1,344	1,412	1,613	1,801	2,206	2,667	3,104	3,549	1,743

See footnotes on page xxix

**Average incomes before and after taxes and benefits
1969**

TABLE 2 (i) (continued)

	Range of original income: £ per year											Aver- age over all income ranges			
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-		1,752-	2,122-	2,566-	3,104 and above
Retired and non-retired households 3 adults, 2 children															
Number of households									10	12	23	21	29	15	132
Original income								1,089	1,358	1,629	1,938	2,338	2,839	4,901	2,232
Direct benefits in cash:															
family allowances									48	43	47	50	63	54	56
pensions ⁽¹⁾									94	109	56	42	34	18	51
other cash benefits ⁽²⁾									135	67	16	15	13	4	40
Direct benefits in kind:															
education								284	168	250	300	336	337	343	296
national health service								133	114	110	105	108	100	101	109
welfare foods								21	15	16	16	16	14	15	16
Direct taxes:															
national insurance, employees' contributions								50	72	81	87	84	84	84	78
income tax and surtax								45	78	121	164	247	230	791	230
Income after direct taxes and benefits								1,709	1,725	1,920	2,216	2,577	3,064	4,591	2,491
Indirect benefits								51	19	12	10	5	29	—	15
Indirect taxes:															
on final goods and services								230	254	299	339	351	421	535	348
on intermediate products								90	104	113	130	148	189	241	144
Income after all taxes and benefits								1,440	1,386	1,520	1,758	2,083	2,483	3,815	2,014
4 adults															
Number of households										10	11	21	30	42	175
Original income										1,294	1,627	1,962	2,339	2,838	2,789
Direct benefits in cash:															
family allowances											4	—	2	—	1
pensions ⁽¹⁾									329	263	182	182	127	90	134
other cash benefits ⁽²⁾									69	70	74	66	66	22	49
Direct benefits in kind:															
education									29	52	95	99	99	153	134
national health service									140	116	112	105	99	99	107
welfare foods									1	1	2	2	—	—	1
Direct taxes:															
national insurance, employees' contributions									82	96	106	113	113	137	124
income tax and surtax									140	136	207	289	383	688	392
Income after direct taxes and benefits								1,640	1,901	2,112	2,334	2,682	3,643	2,698	2,698
Indirect benefits									28	37	13	13	9	20	16
Indirect taxes:															
on final goods and services								356	328	328	376	412	464	634	475
on intermediate products								133	106	106	137	132	161	206	160
Income after all taxes and benefits								1,180	1,505	1,611	1,802	2,065	2,823	2,079	2,079

See footnotes on page xxix

**Average incomes before and after taxes and benefits
1969**

	Range of original income: £ per year											Aver- age overall and income ranges
	£ per year	Under 260	260- 315-	315- 382-	460- 559-	676- 816-	988- 1,196-	1,448- 1,752-	2,122- 2,566-	3,104 and above		
Retired and non-retired households												
All households in the sample												
Number of households	..	..	..	..	..	..	..	..	..	..	..	..
Original income	1,069	76	104	111	117	179	257	396	551	788	900	487
Direct benefits in cash:	..	..	..	..	..	..	..	..	..	..	..	..
family allowances	..	..	..	..	..	..	..	..	..	..	..	..
pensions ⁽¹⁾
other cash benefits ⁽²⁾
Direct benefits in kind:	..	..	..	..	..	..	..	..	..	..	..	..
education	..	..	..	..	..	..	..	..	..	..	..	..
national health service	..	..	..	..	..	..	..	..	..	..	..	..
welfare foods	..	..	..	..	..	..	..	..	..	..	..	..
Direct taxes:	..	..	..	..	..	..	..	..	..	..	..	..
national insurance, employees' contributions	..	..	..	..	..	..	..	..	..	..	..	..
income tax and surtax	..	..	..	..	..	..	..	..	..	..	..	..
Income after direct taxes and benefits	563	761	787	837	909	933	1,013	1,128	1,261	1,428	1,636	3,786
Indirect benefits	..	..	..	..	..	..	..	..	..	..	..	..
Indirect taxes:	..	..	..	..	..	..	..	..	..	..	..	..
on final goods and services	..	..	..	..	..	..	..	..	..	..	..	..
on intermediate products	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	465	604	636	666	723	744	795	888	999	1,123	1,285	3,023

See footnotes on page xxix

Average incomes before and after taxes and benefits
1969

TABLE 2 (ii)

	£ per year											Average age over all incomes and ranges			
	Range of original income: £ per year														
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-	2,122-	2,566-	3,104 and above
1 adult—retired															
Number of households	528	17	15	15	18	15	49	42	11	39	33	21	10	14	473
Original income	57	291	349	415	515	626	739	899	1,068	1,310	1,578	1,914	2,339	2,854	930
Direct benefits in cash:															
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	317	225	191	230	189	225	—	—	229	—	—	—	—	—	—
other cash benefits ⁽²⁾	6	7	—	—	16	—	—	—	3	—	—	—	—	—	—
Direct benefits in kind:															
education	—	48	48	50	47	46	—	—	—	49	—	—	—	—	—
national health service	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:															
national insurance, employees' contributions ..	—	—	—	—	3	—	—	—	—	—	—	—	—	—	—
income tax and surtax	2	20	22	53	79	103	—	—	290	—	—	—	—	—	41
Income after direct taxes and benefits	424	551	566	642	685	793	—	—	1,058	—	—	—	—	—	513
Indirect taxes:															
on final goods and services	55	67	60	130	118	100	—	—	167	—	—	—	—	—	69
on intermediate products	26	39	22	42	52	39	—	—	69	—	—	—	—	—	32
Income after all taxes and benefits	359	461	486	463	516	654	—	—	823	—	—	—	—	—	425
1 adult—non-retired															
Number of households	78	17	18	28	29	41	49	42	48	48	33	21	10	14	473
Original income	101	291	346	424	511	617	739	899	1,099	1,310	1,578	1,914	2,339	2,854	930
Direct benefits in cash:															
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	181	165	200	108	111	64	—	—	—	—	—	—	—	—	—
other cash benefits ⁽²⁾	88	8	5	41	18	14	7	12	3	5	10	—	—	—	—
Direct benefits in kind:															
education	120	39	—	—	60	16	14	—	—	9	—	—	2	—	—
national health service	31	34	38	34	33	30	27	29	28	27	26	26	22	27	28
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	29
Direct taxes:															
national insurance, employees' contributions ..	1	4	10	10	17	25	37	42	45	52	55	53	51	52	30
income tax and surtax	3	18	18	30	37	61	73	114	190	236	325	432	417	677	171
Income after direct taxes and benefits	515	515	560	568	677	656	705	807	925	1,097	1,252	1,479	1,896	2,170	886
Indirect taxes:															
on final goods and services	63	112	67	82	82	112	122	148	160	202	209	236	193	314	137
on intermediate products	28	42	30	35	34	40	46	51	54	67	57	76	80	97	49
Income after all taxes and benefits	440	384	488	469	573	520	544	619	723	832	1,011	1,168	1,622	1,760	712

See footnotes on page xxix

Average incomes before and after taxes and benefits
1969

TABLE 2 (ii) (continued)

	Range of original income: £ per year											Average over all income ranges			
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-		1,752-	2,122-	2,566-	3,104 and above
2 adults—retired															
Number of households	326	13	27	19	15	29	20	20	14	10					515
Original income	76	291	341	411	510	606	746	906	1,070	1,266					391
Direct benefits in cash:															
family allowances	448	381	393	400	401	398	387	292	305	317					417
pensions ⁽¹⁾	38	29	34	7	25	25	5	26	30	33					33
other cash benefits ⁽²⁾															
Direct benefits in kind:															
education	96	98	98	110	95	96	94	85	90	89					4
national health service															95
welfare foods															
Direct taxes:															
national insurance, employees' contributions	1	21	21	36	74	99	118	144	204	260					1
income tax and surtax	658	778	846	982	956	1,024	1,114	1,158	1,286	1,442					82
Income after direct taxes and benefits	17	8	10	9	8	5	4	3							856
Indirect taxes:															
on final goods and services	99	146	127	144	175	174	187	222	222	249					134
on intermediate products	42	51	47	62	68	60	72	76	76	82					53
Income after all taxes and benefits	534	589	682	785	721	795	859	864	987	1,111					682
2 adults—non-retired															
Number of households	42	11	31	32	24	47	77	128	163	216					1,633
Original income	124	286	352	422	508	626	751	904	1,092	1,315					1,654
Direct benefits in cash:															
family allowance	249	314	350	335	215	180	155	86	70	53					
pensions ⁽¹⁾	196	54	54	40	89	79	28	31	22	18					71
other cash benefits ⁽²⁾															24
Direct benefits in kind:															
education	117	81	86	9	68	48	37	6	34	1					14
national health service	74	81	86	79	71	69	65	66	61	61					60
welfare foods															
Direct taxes:															
national insurance, employees' contributions	—	18	6	11	4	17	38	51	54	60					59
income tax and surtax	— ⁽³⁾	4	9	24	—	29	55	94	119	161					255
Income after direct taxes and benefits	764	711	827	851	944	956	943	947	1,105	1,230					1,509
Indirect benefits	14	18	8	12	9	15	13	13	15	15					10
Indirect taxes:															
on final goods and services	127	164	135	132	163	151	157	173	190	222					257
on intermediate products	54	52	51	54	60	63	65	63	71	82					91
Income after all taxes and benefits	597	513	648	677	731	757	734	724	859	941					1,171

See footnotes on page xxix

**Average incomes before and after taxes and benefits
1969**

TABLE 2 (ii) (continued)

	Range of original income: £ per year										Average over all income ranges					
	Under 260	260-315	315-382	382-460	460-559	559-676	676-816	816-988	988-1,196	1,196-1,448		1,448-1,752	1,752-2,122	2,122-2,566	2,566-3,104 and above	
3 adults—non-retired																
Number of households
Original income
Direct benefits in cash:																
family allowances
pensions ⁽¹⁾
other cash benefits ⁽²⁾
Direct benefits in kind:																
education
national health service
welfare foods
Direct taxes:																
national insurance, employees' contributions
income tax and surtax
Income after direct taxes and benefits
Indirect taxes:																
on final goods and services
on intermediate products
Income after all taxes and benefits

⁽¹⁾ National insurance, retirement and widows' pensions, including supplementary allowances where these are not separately distinguished, war and disability pensions.

⁽²⁾ Including supplementary allowances where separately distinguished.

⁽³⁾ Several households falling within this range recorded substantial refunds of income tax.

**Average payments of indirect taxes as percentages of income after direct taxes and benefits
1969**

	Range of original income: £ per year													Percentages		
	Under 260	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
Local rates																
All households in the sample	4.8	4.1	4.0	3.7	3.5	3.8	3.3	2.9	2.8	2.5	2.5	2.3	2.2	2.1	1.8	2.5
1 adult	5.9	5.7	5.3	5.0	4.7	5.5	4.7	4.0	3.7	3.7	3.5	3.2	2.9	2.4	2.1	4.6
2 adults	4.1	3.7	3.8	3.3	3.6	3.2	2.6	3.4	3.1	2.8	2.9	2.6	2.6	2.4	2.1	2.9
2 adults, 1 child																
2 adults, 2 children	2.8					2.2	2.0	2.5	2.8	2.4	2.5	2.6	2.5	2.4	2.2	2.5
2 adults, 3 children							3.0	3.0	2.7	2.2	2.3	1.9	2.0	2.1	2.1	2.3
2 adults, 4 children								1.7	2.1	2.0	1.9	2.2	1.9	2.1	2.1	2.1
3 adults	3.7					2.5	2.3	2.3	2.5	2.2	2.3	2.0	2.1	2.1	1.7	2.1
3 adults, 1 child									2.1	2.0	2.0	2.0	2.0	1.9	2.1	2.0
3 adults, 2 children									1.9	2.4	2.1	1.8	1.8	2.0	2.2	2.0
4 adults										2.1	1.5	1.8	1.7	1.8	1.5	1.6
Non-retired households																
1 adult	4.8	6.0	4.7	5.2	3.9	4.7	4.7	3.9	3.5	3.3	3.5	2.7	3.0	2.4		3.8
2 adults	4.0	3.4	3.9	3.3	3.3	3.4	3.4	3.2	3.0	2.8	2.8	2.6	2.5	2.5	2.2	2.7
3 adults							2.3	1.9	2.5	2.2	2.3	2.1	2.1	2.1	1.7	1.8
Drink																
All households in the sample	1.6	2.3	2.1	2.7	2.5	2.1	2.4	2.6	2.2	2.7	2.6	2.8	2.7	3.0	3.5	2.7
1 adult	1.3	2.0	1.4	4.5	2.5	1.3	3.3	3.1	3.4	4.3	3.5	3.8	2.5	5.0		2.7
2 adults	2.0	4.0	2.5	2.1	3.0	3.1	2.8	3.0	2.5	3.8	3.1	3.3	2.7	3.9	4.0	3.1
2 adults, 1 child																
2 adults, 2 children	1.9					1.5	2.0	1.4	1.5	2.1	2.0	2.5	2.1	1.6	1.9	2.0
2 adults, 3 children							3.2	3.9	1.7	2.0	1.4	2.5	2.2	1.3	0.6	1.8
2 adults, 4 children								1.0	1.2	2.2	2.2	1.0	1.9			1.7
3 adults	1.5					1.1	0.9	3.9	2.2	3.5	4.0	2.8	3.2	3.5	4.1	3.3
3 adults, 1 child									2.1	1.9	2.1	1.5	2.7	2.6	3.3	2.3
3 adults, 2 children									1.4	1.1	2.6	3.4	2.1	2.0	2.5	2.3
4 adults										1.6	3.2	3.9	4.2	3.3	4.1	3.7
Non-retired households																
1 adult	2.0	2.8	1.4	0.8	1.9	1.1	3.7	3.4	3.7	4.4	3.9	4.5	2.6	5.0		3.2
2 adults	1.3	4.5	2.0	1.8	1.9	1.9	2.3	2.9	2.4	3.8	3.1	3.3	2.7	4.0	3.8	3.2
3 adults							1.0	4.4	2.2	3.5	4.0	2.7	3.2	3.4	4.1	3.4

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1969

	Percentages															
	Range of original income: £ per year												Average over all income ranges			
	Under 260	260-	315-	382-	460-	559-	676-	816-	988-	1,196-	1,448-	1,752-		2,122-	2,566-	3,104 and above
Tobacco																
All households in the sample	3.9	4.1	4.6	4.5	4.7	4.3	4.8	5.0	5.0	4.7	4.5	3.8	3.6	3.3	2.9	3.9
1 adult	2.4	2.8	2.7	2.7	3.4	3.7	3.7	3.8	3.7	3.1	3.1	1.6	1.1	2.3	2.0	2.8
2 adults	5.0	6.3	4.8	4.7	4.9	4.0	7.9	5.4	5.3	4.7	4.9	4.0	3.1	3.2	2.4	4.1
2 adults, 1 child	6.4					6.0	7.4	4.2	4.0	4.0	4.1	3.1	2.8	1.5	1.2	3.2
2 adults, 2 children						5.3	6.0	6.0	3.7	4.5	3.3	2.9	2.1	1.4	1.1	3.1
2 adults, 3 children								2.7	5.2	4.5	3.6	2.9	2.3	1.4	1.1	3.4
2 adults, 4 children						5.0	6.3	5.4	6.3	4.8	5.6	4.4	4.8	4.1	3.2	4.4
3 adults	4.4								5.9	6.4	5.0	4.1	4.6	3.4	2.7	4.2
3 adults, 1 child									5.5	3.9	4.4	5.1	3.6	2.9	1.7	3.6
3 adults, 2 children									6.9	5.9	5.9	4.9	4.5	4.2	4.5	4.6
4 adults																
Non-retired households																
1 adult	2.2	3.7	3.6	3.5	3.3	5.3	3.9	4.3	4.3	3.3	3.3	1.8	0.9	2.3	2.0	3.2
2 adults	5.1	8.1	5.5	5.3	4.9	4.1	5.9	6.5	6.7	5.6	5.0	4.1	3.2	3.3	3.2	4.1
3 adults										4.8	5.6	4.4	4.8	4.1	4.5	4.5
Purchase tax																
All households in the sample	1.6	2.4	1.5	2.2	2.1	2.4	2.6	2.5	2.4	2.5	2.7	2.7	2.9	2.8	3.2	2.7
1 adult	1.4	2.5	0.6	2.2	1.5	2.8	1.8	3.5	2.6	3.0	2.1	2.2	1.9	1.9	4.3	1.9
2 adults	1.6	3.0	1.6	2.3	3.0	2.4	2.7	2.9	2.4	2.1	3.1	2.8	3.4	3.0	3.5	2.9
2 adults, 1 child						3.6	3.2	1.9	3.2	2.9	3.5	2.6	3.0	2.5	2.9	2.9
2 adults, 2 children	2.3					1.8	1.9	1.8	2.4	2.4	2.2	2.7	3.0	2.8	3.4	2.6
2 adults, 3 children							2.4	3.1	2.0	2.3	2.2	2.0	2.7	2.5	2.7	2.4
2 adults, 4 children						1.8	2.6	2.3	1.5	2.3	1.9	2.1	2.4	2.8	2.0	2.0
3 adults	2.1							2.9	2.7	2.8	3.0	3.4	2.7	2.8	2.9	2.9
3 adults, 1 child									2.3	2.3	2.6	3.1	3.3	2.7	2.9	2.9
3 adults, 2 children									2.0	3.8	2.2	2.5	2.6	3.8	2.2	2.7
4 adults									5.3	5.3	2.5	3.2	2.6	3.8	3.3	3.3
Non-retired households																
1 adult	1.3	3.1	0.7	2.4	1.7	3.3	1.9	3.7	2.1	3.4	2.4	2.3	1.8	1.9	4.4	2.3
2 adults	3.0	2.5	1.6	2.8	3.8	3.1	2.9	2.9	2.3	2.0	3.0	2.8	3.4	3.0	3.1	3.1
3 adults						2.9	2.9	1.9	2.9	2.9	3.1	3.5	2.7	2.8	2.9	2.9

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1969

		Range of original income: £ per year												Percentages			
		Under 260	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
Oil																	
	All households in the sample ..	0.7	1.4	1.1	1.2	1.0	1.2	1.6	1.8	1.9	2.1	2.3	2.3	2.4	2.3	2.1	2.0
	1 adult ..	0.4	1.7	0.4	1.0	0.6	0.8	1.1	1.4	2.1	1.9	2.0	2.5	0.9	1.5		1.1
	2 adults ..	0.8	1.5	1.3	1.2	1.4	1.3	2.0	1.8	1.9	2.0	2.6	2.5	2.5	2.4	1.6	2.0
	2 adults, 1 child ..						2.6	2.6	2.2	2.2	2.1	2.5	2.3	2.4	3.0		2.3
	2 adults, 2 children ..	2.4					1.5	1.1	1.5	2.0	2.1	2.0	2.4	2.3	1.9	1.8	2.1
	2 adults, 3 children ..							1.9	1.4	1.6	2.1	2.0	2.2	2.0	1.6	1.4	1.8
	2 adults, 4 children ..							1.1	1.9	1.1	2.9	2.1	2.3	2.5	2.5	2.0	2.0
	3 adults ..	0.6					0.8	1.6	1.8	1.8	2.2	2.1	2.6	2.9	2.5	2.6	2.4
	3 adults, 1 child ..							1.7	1.7	1.7	1.1	2.9	1.8	2.3	2.9	2.6	2.3
	3 adults, 2 children ..							1.5	1.5	1.5	1.9	2.4	1.2	2.1	1.7	2.0	1.9
	4 adults ..										3.3	2.4	2.5	3.0	2.5	2.4	2.6
	Non-retired households																
	1 adult ..	0.6	3.3	0.5	1.1	0.4	1.0	1.3	1.5	2.2	2.2	2.0	3.1	0.9	1.5		1.6
	2 adults ..	1.3	2.0	1.7	0.9	1.5	1.5	2.2	1.7	2.0	2.0	2.6	2.5	2.6	2.5	1.6	2.2
	3 adults ..							1.7	1.9	2.0	2.2	2.2	2.6	2.9	2.4	2.6	2.5
	Intermediate taxes																
	All households in the sample ..	6.3	6.7	5.8	6.2	6.0	6.1	6.6	6.3	6.1	6.2	5.9	5.8	5.6	5.5	5.6	5.9
	1 adult ..	6.0	7.6	4.7	6.3	6.0	5.8	6.2	6.1	6.0	5.8	4.4	5.0	4.5	4.5	5.8	5.8
	2 adults ..	6.5	6.9	5.9	6.4	6.7	6.3	6.8	6.6	6.4	6.6	6.2	5.8	5.4	5.6	5.7	6.1
	2 adults, 1 child ..						7.5	7.9	6.0	6.7	6.3	6.5	5.8	5.4	5.0	5.2	6.1
	2 adults, 2 children ..	7.7					5.7	5.9	5.5	6.1	5.9	5.5	5.8	5.5	5.2	5.5	5.6
	2 adults, 3 children ..							7.7	6.8	5.6	5.7	5.4	5.2	5.5	4.8	4.7	5.4
	2 adults, 4 children ..								5.5	5.3	5.8	5.3	4.7	5.0	5.5	5.4	5.4
	3 adults ..	7.6					5.5	5.8	6.6	5.9	6.1	6.6	6.3	6.3	5.5	5.5	5.9
	3 adults, 1 child ..									6.1	6.1	6.2	5.7	6.3	5.6	5.5	5.9
	3 adults, 2 children ..									5.3	6.0	5.9	5.9	5.7	6.2	5.3	5.8
	4 adults ..										8.1	5.6	6.5	5.7	6.0	5.7	5.9
	Non-retired households																
	1 adult ..	5.5	8.1	5.3	6.2	5.0	6.2	6.6	6.3	5.8	6.1	4.5	5.1	4.2	4.5	5.5	5.5
	2 adults ..	7.1	7.3	6.2	6.4	6.4	6.6	6.9	6.7	6.5	6.6	6.2	5.8	5.4	5.6	5.7	6.0
	3 adults ..							5.8	6.5	6.0	6.3	6.4	6.3	5.9	5.5	5.5	5.9

First and fourth quintile incomes compared with median incomes before and after taxes and benefits

1969

TABLE 4

	1st quintile	Median	4th quintile	Median less 1st quintile	4th quintile less median	Percentage of median	
	£ per year					1st quintile	4th quintile
Retired and non-retired households							
1 adult							
Original income	85	213	913	128	700	40	429
Original income <i>plus</i> cash benefits	348	473	982	126	509	74	208
Income after direct taxes and benefits	395	515	877	120	361	77	170
Income after all taxes and benefits	329	432	689	103	258	76	159
2 adults							
Original income	358	1,236	2,017	878	781	29	163
Original income <i>plus</i> cash benefits	738	1,337	2,053	599	716	55	154
Income after direct taxes and benefits	784	1,214	1,762	430	548	65	145
Income after all taxes and benefits	602	932	1,398	331	466	65	150
2 adults, 1 child							
Original income	1,052	1,496	2,049	444	553	70	137
Original income <i>plus</i> cash benefits	1,124	1,536	2,067	412	530	73	135
Income after direct taxes and benefits	1,121	1,485	1,928	364	443	75	130
Income after all taxes and benefits	838	1,154	1,576	316	422	73	137
2 adults, 2 children							
Original income	1,163	1,602	2,230	439	628	73	139
Original income <i>plus</i> cash benefits	1,237	1,685	2,267	448	582	73	135
Income after direct taxes and benefits	1,310	1,686	2,164	376	477	78	128
Income after all taxes and benefits	1,032	1,365	1,750	333	385	76	128
2 adults, 3 children							
Original income	1,074	1,540	2,296	466	756	70	149
Original income <i>plus</i> cash benefits	1,241	1,658	2,367	416	709	75	143
Income after direct taxes and benefits	1,463	1,847	2,442	385	595	79	132
Income after all taxes and benefits	1,166	1,508	2,035	342	527	77	135
2 adults, 4 children							
Original income	995	1,414	2,136	419	722	70	151
Original income <i>plus</i> cash benefits	1,244	1,588	2,311	344	724	78	146
Income after direct taxes and benefits	1,518	1,973	2,538	455	565	77	129
Income after all taxes and benefits	1,273	1,628	2,086	355	458	78	128
3 adults							
Original income	1,216	1,992	2,804	776	812	61	141
Original income <i>plus</i> cash benefits	1,469	2,090	2,867	621	777	70	137
Income after direct taxes and benefits	1,460	1,911	2,501	451	591	76	131
Income after all taxes and benefits	1,048	1,448	1,966	400	518	72	136
3 adults, 1 child							
Original income	1,481	2,024	2,732	543	708	73	135
Original income <i>plus</i> cash benefits	1,593	2,077	2,784	484	707	77	134
Income after direct taxes and benefits	1,664	2,094	2,688	430	594	79	128
Income after all taxes and benefits	1,297	1,647	2,109	350	463	79	128
3 adults, 2 children							
Original income	1,393	1,999	2,695	605	696	70	135
Original income <i>plus</i> cash benefits	1,581	2,095	2,874	513	780	75	137
Income after direct taxes and benefits	1,769	2,257	3,091	488	835	78	137
Income after all taxes and benefits	1,393	1,814	2,463	421	650	77	136

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1969**

TABLE 4 (continued)

	1st quintile	Median	4th quintile	Median less 1st quintile	4th quintile less median	Percentage of median	
	£ per year					1st quintile	4th quintile
Retired and non-retired households							
4 adults							
Original income	1,858	2,662	3,517	804	855	70	132
Original income plus cash benefits	2,148	2,817	3,641	669	824	76	129
Income after direct taxes and benefits	2,011	2,497	3,298	486	801	81	132
Income after all taxes and benefits	1,472	1,887	2,498	415	611	78	132
All households in the sample							
Original income	495	1,402	2,261	907	859	35	161
Original income plus cash benefits	770	1,513	2,337	743	824	51	154
Income after direct taxes and benefits	806	1,483	2,221	677	738	54	150
Income after all taxes and benefits	616	1,157	1,758	541	602	53	152
Non-retired households							
1 adult							
Original income	314	749	1,380	435	631	42	184
Original income plus cash benefits	497	811	1,414	313	603	61	174
Income after direct taxes and benefits	509	757	1,187	249	430	67	157
Income after all taxes and benefits	409	583	953	174	370	70	163
2 adults							
Original income	900	1,499	2,178	599	679	60	145
Original income plus cash benefits	1,031	1,556	2,219	524	664	66	143
Income after direct taxes and benefits	972	1,373	1,923	401	551	71	140
Income after all taxes and benefits	727	1,056	1,508	329	452	69	143
3 adults							
Original income	1,306	2,064	2,848	758	785	63	138
Original income plus cash benefits	1,532	2,142	2,908	609	767	72	136
Income after direct taxes and benefits	1,496	1,948	2,526	452	578	77	130
Income after all taxes and benefits	1,083	1,479	1,990	396	512	73	135

Average incomes before and after taxes and benefits

1961-1969

TABLE 5

	1961	1962	1963	1964	1965	1966	1967	1968	1969	Percentage of original income				Percentage of original income in 1961
										1961	1965	1969	1969	1969 new basis
										£ per year					old basis	new basis	1969 new basis
Retired and non retired households														
1 adult														
Original income: old basis	319	304	373	439	429	444	506	501	522	100	100	100		
new basis	312	298	366	431	420	434	493	488	510				100	163
Income after direct taxes and benefits	404	394	453	509	534	545	610	630	670	127	124	128	131	215
Income after all taxes and benefits: old basis ..	346	337	385	427	446	460	503	521	555	108	104	106		
new basis									546				107	175
2 adults														
Original income: old basis	843	880	908	1,028	1,039	1,128	1,224	1,247	1,395	100	100	100		
new basis	824	858	885	1,002	1,007	1,095	1,186	1,205	1,351				100	164
Income after direct taxes and benefits	847	857	903	992	1,034	1,108	1,183	1,246	1,352	100	100	97	100	164
Income after all taxes and benefits: old basis	707	713	755	824	844	908	956	1,000	1,074	84	81	77		
new basis									1,054				78	128
2 adults, 1 child														
Original income: old basis	1,041	1,057	1,141	1,146	1,322	1,438	1,433	1,578	1,643	100	100	100		
new basis	1,016	1,027	1,110	1,112	1,281	1,392	1,384	1,523	1,586				100	156
Income after direct taxes and benefits	1,005	1,015	1,096	1,117	1,275	1,358	1,359	1,516	1,559	97	96	95	98	153
Income after all taxes and benefits: old basis ..	847	860	931	929	1,050	1,121	1,108	1,239	1,244	81	79	76		
new basis									1,220				77	120
2 adults, 2 children														
Original income: old basis	1,051	1,090	1,212	1,247	1,284	1,513	1,551	1,644	1,819	100	100	100		
new basis	1,026	1,063	1,181	1,213	1,245	1,467	1,502	1,591	1,762				100	172
Income after direct taxes and benefits	1,107	1,150	1,275	1,299	1,355	1,522	1,585	1,680	1,818	105	106	100	103	177
Income after all taxes and benefits: old basis	948	995	1,096	1,094	1,132	1,279	1,318	1,392	1,498	90	88	82		
new basis									1,473				84	144
2 adults, 3 children														
Original income: old basis	991	1,041	1,164	1,198	1,333	1,431	1,510	1,610	1,762	100	100	100		
new basis	967	1,014	1,133	1,164	1,289	1,387	1,462	1,559	1,705				100	176
Income after direct taxes and benefits	1,187	1,249	1,324	1,386	1,505	1,626	1,723	1,831	1,971	120	113	112	116	204
Income after all taxes and benefits: old basis	1,020	1,081	1,145	1,205	1,285	1,382	1,452	1,520	1,651	103	96	94		
new basis									1,625				95	168
2 adults, 4 children														
Original income: old basis	1,053	966	1,043	1,167	1,259	1,308	1,332	1,556	1,692	100	100	100		
new basis	1,030	939	1,010	1,136	1,219	1,265	1,284	1,506	1,638				100	159
Income after direct taxes and benefits	1,283	1,279	1,348	1,453	1,600	1,667	1,768	1,974	2,121	122	127	125	129	206
Income after all taxes and benefits: old basis ..	1,135	1,125	1,192	1,263	1,364	1,407	1,504	1,642	1,788	108	108	106		
new basis									1,760				107	171
3 adults														
Original income: old basis	1,318	1,393	1,455	1,519	1,672	1,777	1,934	2,015	2,221	100	100	100		
new basis	1,282	1,354	1,412	1,473	1,616	1,715	1,864	1,939	2,140				100	167
Income after direct taxes and benefits	1,258	1,285	1,356	1,442	1,569	1,679	1,768	1,882	2,065	95	94	93	96	161
Income after all taxes and benefits: old basis ..	1,049	1,080	1,126	1,191	1,270	1,357	1,425	1,501	1,640	80	76	74		
new basis									1,609				75	126

**Average incomes before and after taxes and benefits
1961-1969**

TABLE 5 (continued)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	Percentage of original income				Percentage of original income in 1961
										1961	1965	1969	1969	1969 new basis
										£ per year					old basis	new basis	1969 new basis
Retired and non-retired households														
3 adults, 1 child														
Original income: old basis	1,495	1,466	1,494	1,593	1,628	1,958	1,890	2,076	2,207	100	100	100		
new basis	1,457	1,426	1,451	1,543	1,571	1,890	1,821	2,000	2,123				100	146
Income after direct taxes and benefits	1,415	1,462	1,518	1,581	1,689	1,920	1,925	2,108	2,195	95	104	99	103	151
Income after all taxes and benefits: old basis	1,198	1,232	1,295	1,322	1,411	1,582	1,599	1,722	1,776	80	87	80		
new basis									1,743				82	120
3 adults, 2 children														
Original income: old basis	1,326	1,514	1,513	1,701	1,721	1,631	1,931	2,031	2,307	100	100	100		
new basis	1,289	1,472	1,468	1,657	1,661	1,568	1,865	1,956	2,232				100	173
Income after direct taxes and benefits	1,426	1,599	1,661	1,829	1,918	1,846	2,117	2,293	2,491	108	111	108	112	193
Income after all taxes and benefits: old basis	1,209	1,352	1,374	1,522	1,637	1,528	1,763	1,903	2,051	91	95	89		
new basis									2,014				90	156
4 adults														
Original income: old basis	1,797	1,980	1,992	2,108	2,147	2,445	2,552	2,707	2,914	100	100	100		
new basis	1,742	1,922	1,929	2,039	2,064	2,350	2,452	2,587	2,789				100	160
Income after direct taxes and benefits	1,629	1,794	1,849	1,944	2,027	2,254	2,319	2,525	2,698	91	94	93	97	155
Income after all taxes and benefits: old basis	1,371	1,509	1,549	1,618	1,654	1,828	1,864	1,997	2,119	76	77	73		
new basis									2,079				75	119
All households in the sample														
Original income: old basis	984	1,026	1,086	1,162	1,211	1,345	1,394	1,453	1,572	100	100	100		
new basis	960	998	1,056	1,129	1,172	1,301	1,347	1,401	1,519				100	158
Income after direct taxes and benefits	1,016	1,047	1,116	1,188	1,252	1,365	1,415	1,502	1,600	103	103	102	105	167
Income after all taxes and benefits: old basis	858	888	944	995	1,037	1,129	1,161	1,223	1,295	87	86	82		
new basis									1,271				84	132
Retired and non-retired households, excluding pensioners														
1 adult														
Original income: old basis	467	457	572	668	639	638	750	750	787	100	100	100		
new basis	458	448	561	655	625	623	730	730	769				100	168
Income after direct taxes and benefits	485	479	568	642	653	646	736	760	805	104	102	102	105	176
Income after all taxes and benefits: old basis	412	404	478	533	540	544	602	621	659	88	85	84		
new basis									647				84	141
2 adults														
Original income: old basis	926	975	1,024	1,133	1,169	1,271	1,345	1,391	1,565	100	100	100		
new basis	905	951	998	1,104	1,133	1,233	1,303	1,344	1,516				100	168
Income after direct taxes and benefits	895	909	968	1,050	1,104	1,185	1,245	1,321	1,441	97	94	92	95	159
Income after all taxes and benefits: old basis	747	756	807	872	900	969	1,004	1,059	1,141	81	77	73		
new basis									1,119				74	124

**Distribution of households co-operating in the Family Expenditure Survey
1969**

Range of net household income £ per year	1 adult		2 adults		3 adults		2 adults 1 child	2 adults 2 children	2 adults 3 children	2 adults 4 children	3 adults 1 child	3 adults 2 children	4 adults	Others	All house- holds
	retired	non- retired	retired	non- retired	retired	non- retired									
At least															
Less than															
260	21	5	2	3	1	1	1	3						1	36
286	25	5	1	1	1			1						1	34
315	44	9	1	1										1	55
346	86	15	1	2				2							102
382	130	17	3	2											156
419	97	23	7	2	1	1	1	1						2	133
460	76	20	26	3	3				1					4	131
507	40	26	59	6	6				1					3	139
559	28	34	75	11	11				1					8	160
614	23	35	84	21	21				1		1			8	178
676	15	36	45	37	1	1	6	5						11	156
744	12	41	43	64	2	5	20	12		1				8	210
816	14	24	37	95	2	2	18	8						9	213
900	4	35	26	89	10	6	46	23		4				11	262
988	5	26	18	103	4	16	41	41		2				10	290
1,087	8	16	26	125		14	66	54		8				20	360
1,196	5	29	16	132	1	28	75	71		32				15	432
1,318	7	23	15	159	1	32	85	102		39				21	523
1,448	4	12	8	142	2	53	87	98		35				22	515
1,594	3	8	2	168	5	57	70	101		41				24	539
1,752	2	5	7	113	5	63	66	93		32				39	499
2,122	2	13	4	173	2	133	85	129		48				88	814
2,566		10	7	95	2	101	29	59		36				93	557
3,104		4	1	44	1	38	12	20		11				52	246
3,757	1	1	1	13		17	6	16		3				44	131
4,545	1	1	1	20		8	3	9		4				5	83
6,050				8		9	2	5		1				2	37
6,050 and above				3		1		2		1				3	17
All income ranges	653	473	515	1,633	41	585	729	855	330	133	223	132	175	531	7,008

Average net household income
1969

TABLE 7

£ per year

	Range of net household income: £ per year													Average over all income ranges	
	Under 559	559-614	614-676	676-744	744-816	816-900	900-988	988-1,087	1,087-1,196	1,196-1,318	1,318-1,448	1,448-1,594	1,594-1,752		1,752-2,122 and above
Retired and non-retired households															
All households in the sample															
Number of households	946	178	156	213	262	290	360	432	523	515	539	499	814	1,071	7,008
Net household income	409	584	646	777	858	946	1,034	1,142	1,256	1,386	1,519	1,670	1,920	2,397	1,421
1 adult															
Number of households	701	58	51	38	39	31	24	34	30	16	11	11	15	18	1,126
Net household income	388	584	641	775	859	934	1,031	1,143	1,243	1,371	1,509	1,665	1,931	2,744	619
2 adults															
Number of households	202	105	82	132	115	121	151	148	174	150	170	120	177	194	2,148
Net household income	483	584	647	776	854	944	1,029	1,141	1,257	1,383	1,519	1,665	1,915	2,938	1,266
2 adults, 1 child															
Number of households			20	18	46	41	66	75	85	87	70	66	85	52	729
Net household income			716	782	864	952	1,034	1,143	1,256	1,390	1,519	1,666	1,902	2,745	1,398
2 adults, 2 children															
Number of households			12	23	23	41	54	71	102	98	101	93	129	111	855
Net household income			724	861	953	1,036	1,144	1,259	1,384	1,524	1,671	1,820	2,092	2,895	1,587
2 adults, 3 children															
Number of households					18	18	14	32	39	35	41	32	48	56	330
Net household income					943	1,031	1,139	1,249	1,389	1,517	1,662	1,819	2,076	2,753	1,636
2 adults, 4 children															
Number of households								10	25	12	21	21	15	24	133
Net household income								1,150	1,258	1,370	1,670	1,883	2,151	2,961	1,677
3 adults															
Number of households			16	16		20	14	29	33	55	62	68	135	177	626
Net household income			851	851		948	1,045	1,146	1,257	1,391	1,516	1,669	1,926	2,867	1,892
3 adults, 1 child															
Number of households									28	24	24	26	58	61	223
Net household income									1,402	1,512	1,682	1,919	2,580	3,470	1,870
3 adults, 2 children															
Number of households										18	17	17	29	43	132
Net household income										1,514	1,674	1,925	3,003	4,050	2,050
4 adults															
Number of households											10	10	35	110	175
Net household income											1,690	1,938	2,890	4,452	2,452
Non-retired households															
1 adult															
Number of households	154	35	36	24	35	26	16	29	23	12			13	16	473
Net household income	423	585	641	784	860	935	1,031	1,145	1,239	1,366			1,927	2,641	831
2 adults															
Number of households	29	21	37	95	89	103	125	132	159	142	168	113	173	183	1,633
Net household income	435	588	644	777	853	946	1,028	1,141	1,256	1,383	1,519	1,666	1,916	2,940	1,427
3 adults															
Number of households						16	14	28	32	53	57	63	133	174	585
Net household income						948	1,045	1,147	1,257	1,391	1,514	1,669	1,925	2,874	1,939

Average payments of indirect taxes as percentages of net household income
1969

	Range of net household income: £ per year													Average over all income ranges		
														2,122 and above	1,752-	
	Under 559	559-	614-	676-	744-	816-	900-	988-	1,087-	1,196-	1,318-	1,448-	1,594-	1,752-	2,122 and above	Percentages
Local rates																
All households in the sample ..	6.3	4.8	4.8	4.3	4.2	3.7	3.6	3.4	3.2	3.0	2.8	2.7	2.6	2.4	2.1	2.8
1 adult	6.6	5.1	5.1	4.9	5.1	4.7	3.8	3.7	3.6	4.0	3.6	3.3	3.0	3.0	2.3	5.0
2 adults	5.1	4.6	4.8	4.1	4.0	3.8	3.6	3.4	3.3	3.2	3.0	2.7	2.6	2.6	2.3	3.1
2 adults, 1 child..	..	..	..	4.1	3.6	3.4	3.3	3.2	3.0	3.1	2.8	2.6	2.6	2.5	2.2	2.8
2 adults, 2 children	..	..	..	3.3	..	3.0	3.4	3.3	3.2	2.8	2.8	2.9	3.0	2.7	2.4	2.8
2 adults, 3 children	..	..	..	..	..	..	4.4	3.7	3.5	2.9	2.5	2.8	2.7	2.4	2.4	2.7
2 adults, 4 children	..	..	..	..	..	..	..	3.2	2.9	2.8	2.5	2.5	2.4	2.3	2.0	2.3
3 adults .. .. .	..	..	..	..	..	3.0	3.2	..	2.5	2.5	2.5	2.5	2.4	2.3	2.3	2.4
3 adults, 1 child..	..	..	..	..	..	..	..	..	..	..	2.3	2.9	2.4	2.3	2.4	2.4
3 adults, 2 children	..	..	..	..	..	..	..	..	..	..	..	3.0	2.2	2.1	2.5	2.4
4 adults .. .. .	..	..	..	..	..	..	..	..	..	..	..	1.7	1.7	1.9	1.7	1.8
Non-retired households																
1 adult	6.0	4.6	4.6	4.8	4.0	4.4	3.7	3.6	3.2	3.5	3.5	2.7	2.8	2.9	2.2	4.0
2 adults	6.5	4.5	4.3	3.9	3.9	3.4	3.4	3.2	3.1	3.0	2.9	2.4	2.4	2.6	2.3	2.9
3 adults .. .. .	..	..	..	..	..	..	3.1	3.2	2.5	2.5	2.5	..	..	2.3	2.0	2.2
Drink																
All households in the sample ..	1.8	3.1	2.8	3.1	3.0	3.0	2.9	2.9	2.9	3.1	2.8	3.1	2.8	3.2	3.5	3.1
1 adult	1.4	4.0	4.4	2.7	3.8	3.1	5.8	2.2	4.0	3.5	1.9	5.6	3.6	8.9	3.6	3.0
2 adults	2.5	2.9	2.0	3.8	3.2	3.5	2.7	3.8	3.2	3.5	2.9	3.6	3.4	2.9	3.9	3.4
2 adults, 1 child..	..	..	..	1.6	2.1	3.6	3.2	3.1	3.0	3.1	3.2	3.2	2.3	2.9	2.9	3.0
2 adults, 2 children	..	..	..	3.7	..	1.6	2.1	1.5	2.0	2.8	2.3	1.9	2.8	2.4	2.1	2.3
2 adults, 3 children	..	..	..	..	..	..	2.3	2.4	3.9	2.0	2.2	2.9	1.8	2.5	1.6	2.2
2 adults, 4 children	..	..	..	..	..	..	1.1	1.2	1.0	2.7	1.8	2.5	2.5	2.5	2.1	2.1
3 adults .. .. .	..	..	..	..	..	2.1	..	..	3.0	3.9	3.8	3.3	2.7	3.9	4.0	3.6
3 adults, 1 child..	..	..	..	..	..	..	..	..	..	..	2.1	3.0	1.6	2.6	3.3	2.7
3 adults, 2 children	..	..	..	..	..	..	..	..	..	..	..	3.3	3.0	4.0	2.2	2.8
4 adults .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	4.3	3.9	4.2	4.1
Non-retired households																
1 adult	1.9	1.5	4.6	3.2	3.3	3.4	6.8	2.9	3.8	3.6	2.5	3.6	3.2	3.9	4.2	3.5
2 adults	1.9	2.3	1.2	5.3	3.0	2.6	2.9	3.3	3.3	3.6	2.9	3.6	2.9	2.9	3.9	3.3
3 adults .. .. .	..	..	..	..	..	..	1.3	1.2	3.0	4.0	3.8	4.0	2.7	3.8	4.0	3.7

Average payments of indirect taxes as percentages of net household income
1969

	Range of net household income : £ per year													Percentages		
	Under 559-	559-	614-	676-	744-	816-	900-	988-	1,087-	1,196-	1,318-	1,448-	1,594-	1,752-	2,122- and above	Average over all: income ranges
Tobacco																
All households in the sample ..	4.5	5.1	5.4	6.2	6.1	6.1	6.1	5.7	5.1	4.9	5.3	5.1	4.2	4.2	3.4	4.4
1 adult	3.0	3.4	4.5	4.7	4.3	2.5	3.8	3.2	3.3	1.5	2.3	0.8	3.0	3.0	1.4	3.0
2 adults, 1 child ..	7.4	5.6	4.9	5.8	5.8	6.6	5.3	6.0	4.8	4.7	5.3	4.7	3.8	3.4	2.3	4.4
2 adults, 2 children ..	..	..	..	8.0	10.2	7.6	6.9	6.0	6.3	4.7	4.6	4.8	3.6	3.1	2.9	4.7
2 adults, 3 children ..	..	..	..	10.8	..	6.2	6.8	4.9	4.3	4.6	4.6	4.3	3.7	3.5	1.5	3.7
2 adults, 4 children ..	..	..	..	..	..	..	9.0	6.6	5.9	4.7	5.7	4.8	3.5	2.6	1.5	3.7
3 adults .. .. .	..	..	..	..	..	6.4	8.0	7.8	5.6	6.6	6.5	4.4	4.4	4.6	1.9	4.3
3 adults, 1 child ..	..	..	..	..	..	..	..	..	5.0	6.8	6.0	6.2	5.1	5.0	3.8	4.8
3 adults, 2 children ..	..	..	..	..	..	..	..	..	7.2	..	7.1	7.1	4.3	5.0	3.7	4.9
4 adults .. .. .	..	..	..	..	..	..	..	..	..	..	..	5.6	5.5	5.1	2.5	4.4
..	..	..	..	..	..	..	..	..	..	..	..	..	4.9	5.9	4.7	5.1
Non-retired households																
1 adult	4.3	4.5	5.0	5.4	5.2	2.8	4.4	4.2	3.1	1.7	2.6	4.8	3.9	2.4	1.6	3.4
2 adults	9.5	6.1	4.5	6.7	6.4	6.9	5.5	6.5	5.1	5.0	5.5	6.6	5.1	3.4	2.4	4.4
3 adults .. .. .	..	..	..	..	..	..	8.6	7.8	4.9	6.8	5.9	..	5.1	5.0	3.8	4.8
Purchase tax																
All households in the sample ..	2.1	1.9	2.1	3.0	3.1	3.0	2.9	3.0	2.9	3.0	3.0	3.0	3.0	3.2	3.2	3.0
1 adult	1.7	2.2	1.5	2.2	3.3	3.7	1.5	4.6	2.8	2.3	1.3	3.3	..	2.0	1.5	2.1
2 adults	2.7	1.6	2.3	3.4	3.2	2.8	2.6	2.2	2.5	3.0	2.8	2.8	3.6	3.2	3.9	3.1
2 adults, 1 child ..	..	..	..	2.8	2.3	2.8	4.6	3.3	3.8	3.1	3.5	3.4	2.7	3.1	3.2	3.3
2 adults, 2 children ..	..	..	..	2.8	..	2.2	2.5	3.1	3.0	3.0	2.7	2.4	2.9	2.9	3.6	3.0
2 adults, 3 children ..	..	..	..	2.8	..	..	3.1	4.0	2.1	2.6	3.1	2.7	2.6	2.8	3.0	2.9
2 adults, 4 children ..	..	..	..	..	..	2.6	3.7	2.8	1.9	3.1	2.7	2.7	2.7	2.5	2.3	2.6
3 adults .. .. .	..	..	..	..	..	2.6	..	..	3.3	2.8	3.3	3.7	2.9	3.5	2.8	3.1
3 adults, 1 child ..	..	..	..	..	..	..	..	..	..	..	2.0	3.7	3.8	3.7	3.2	3.3
3 adults, 2 children ..	..	..	..	..	..	..	..	..	..	..	..	3.0	2.7	3.4	3.1	3.2
4 adults .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	2.6	2.9	3.7	3.7
Non-retired households																
1 adult	2.0	2.5	1.4	2.6	4.2	4.0	1.5	4.1	3.2	2.6	1.3	2.8	3.5	2.3	1.6	2.5
2 adults	8.1	2.5	2.9	4.2	3.5	3.1	2.8	2.3	2.5	2.9	2.7	2.8	3.2	3.2	4.0	3.2
3 adults .. .. .	..	..	..	..	..	..	4.2	2.8	3.2	2.9	3.4	3.5	3.1	3.6	2.8	3.1

Average payments of indirect taxes as percentages of net household income
1969

	Range of net household income : £ per year													Percentages		
	Under 559-	559-	614-	676-	744-	816-	900-	988-	1,087-	1,196-	1,318-	1,448-	1,594-	1,752-	2,122 and above	Average over all income ranges
Oil																
All households in the sample ..	0.9	1.2	1.3	1.6	2.2	1.8	1.9	2.1	2.2	2.5	2.5	2.4	2.5	2.8	2.3	2.3
1 adult	0.6	0.9	0.9	1.2	1.3	1.5	1.4	3.7	2.0	1.6	1.9	1.8	2.5	1.7	0.9	1.2
2 adults	1.3	1.1	1.3	1.7	2.3	1.8	1.8	1.8	2.2	2.2	2.6	2.2	2.6	2.8	1.9	2.2
2 adults, 1 child ..				2.0	4.7	2.6	2.0	3.0	2.4	3.0	2.8	2.2	2.4	2.7	2.1	2.5
2 adults, 2 children ..				1.0		2.0	2.2	1.7	2.3	3.0	2.5	2.2	2.4	2.7	2.0	2.4
2 adults, 3 children ..							1.7	1.4	1.8	2.7	2.4	2.4	2.5	2.7	1.8	2.2
2 adults, 4 children ..									2.1	3.1	2.2	2.7	2.7	2.3	2.1	2.5
3 adults						1.2	2.4	1.1	2.3	2.1	2.4	2.6	2.1	3.3	2.7	2.7
3 adults, 1 child ..											2.9	1.6	2.7	2.8	3.0	2.7
3 adults, 2 children ..												2.0	2.9	2.1	2.3	2.3
4 adults													3.1	3.4	2.6	2.9
Non-retired households																
1 adult	1.1	1.1	1.1	1.3	1.6	1.6	1.6	4.5	2.2	1.9	2.1	2.6	2.6	1.9	0.8	1.7
2 adults	4.8	2.4	1.2	1.9	2.4	2.1	2.8	1.8	2.3	2.3	2.6	2.8	2.3	2.8	2.0	2.3
3 adults																2.7
Intermediate taxes																
All households in the sample ..	7.9	7.5	7.4	8.4	7.6	7.4	7.3	7.5	7.2	6.9	6.6	6.6	6.4	6.3	6.0	6.6
1 adult	6.9	6.9	6.7	6.6	6.1	5.7	5.3	6.6	6.2	5.1	4.4	5.6	6.0	4.6	6.6	6.3
2 adults	9.0	7.7	7.5	8.8	7.8	7.4	7.0	7.1	6.6	6.7	6.1	6.2	6.2	5.5	5.7	6.5
2 adults, 1 child ..				9.8	8.1	8.3	8.4	7.7	7.7	6.7	7.0	6.7	6.2	5.8	5.5	6.8
2 adults, 2 children ..				9.1		7.2	7.3	7.5	7.6	7.0	6.4	6.2	6.2	6.3	5.8	6.8
2 adults, 3 children ..							8.8	7.5	7.6	7.2	7.0	6.7	6.5	6.3	5.6	6.6
2 adults, 4 children ..									7.0	7.4	8.1	7.2	6.7	6.0	6.2	6.8
3 adults						8.4	7.1	7.7	7.9	7.4	6.9	7.2	6.4	6.7	5.7	6.4
3 adults, 1 child ..											6.6	7.9	6.9	7.1	6.4	6.9
3 adults, 2 children ..												7.2	7.6	7.1	6.5	7.0
4 adults													7.2	6.5	6.3	6.5
Non-retired households																
1 adult	7.1	7.1	6.4	6.3	6.7	6.0	5.6	6.4	6.4	5.0	4.6	6.2	5.9	4.6	4.3	5.9
2 adults	13.0	9.0	8.5	10.2	7.8	7.6	7.0	7.2	6.7	6.7	6.1	7.2	6.3	5.5	5.8	6.4
3 adults							7.6	7.7	7.7	7.4	7.0	7.2	6.3	6.7	5.8	6.4

CHART I Part I

Average taxes paid and benefits received by non-retired households in different income ranges – 1969

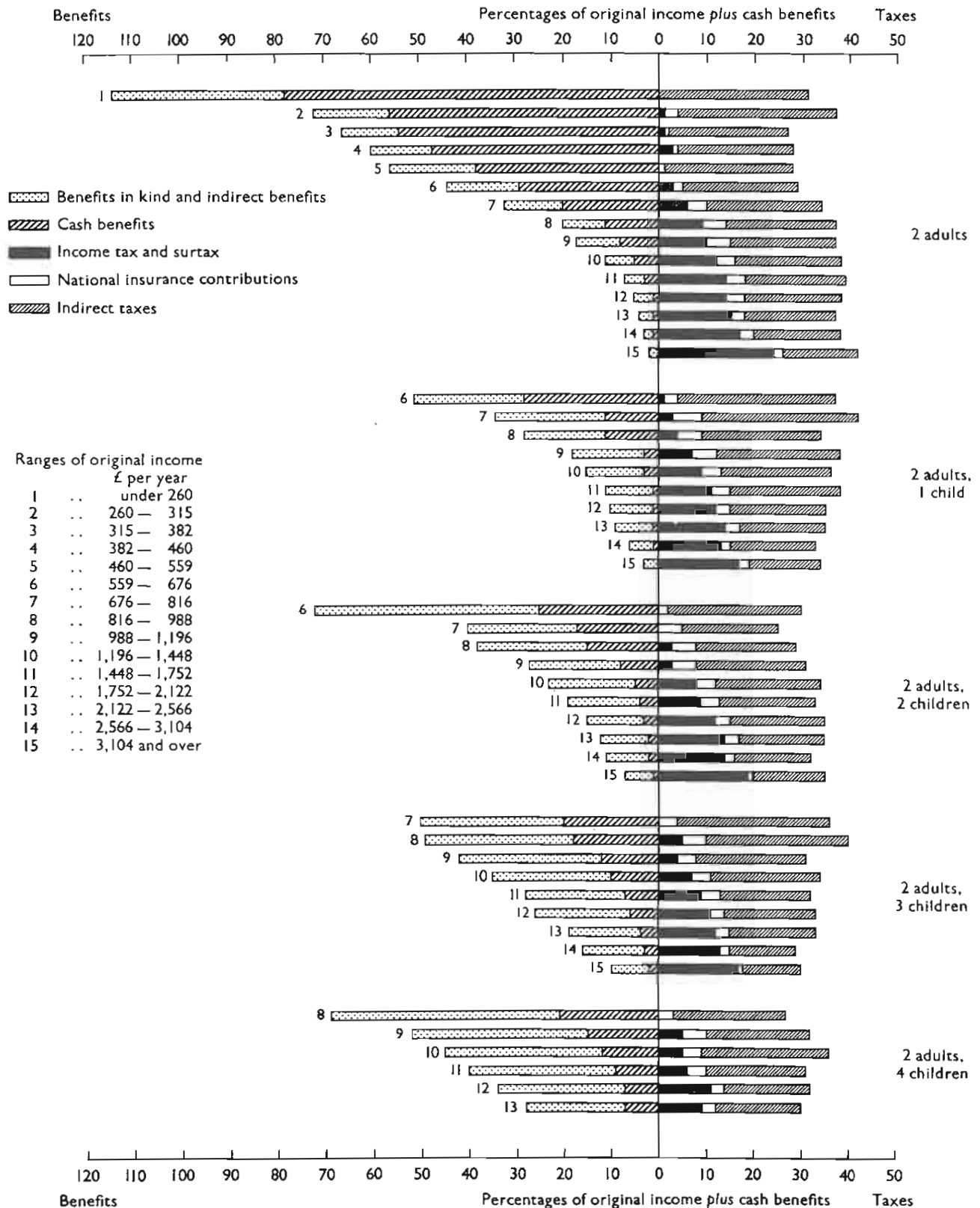


CHART I Part 2

Average taxes paid and benefits received by retired and non-retired households in different income ranges – 1969

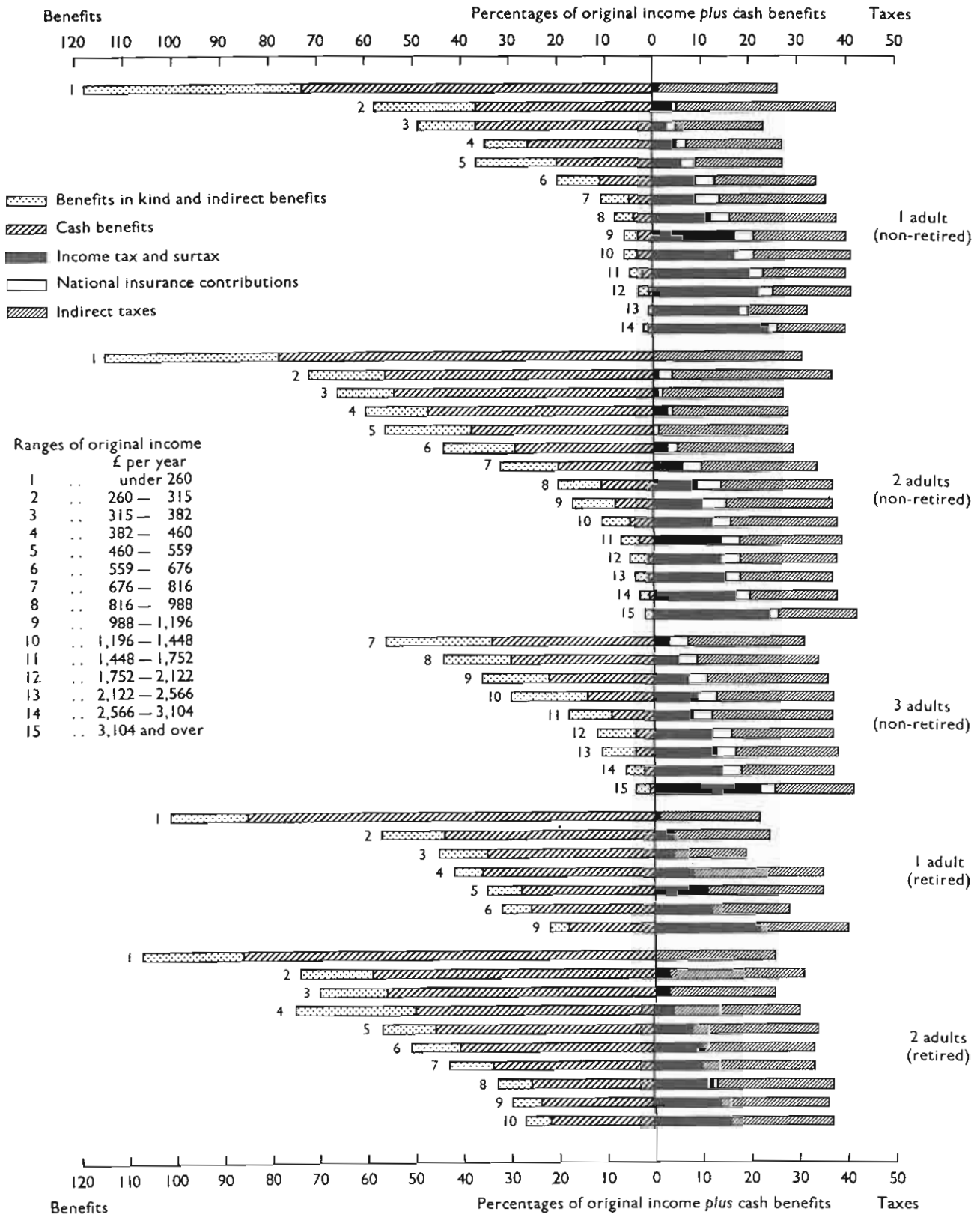
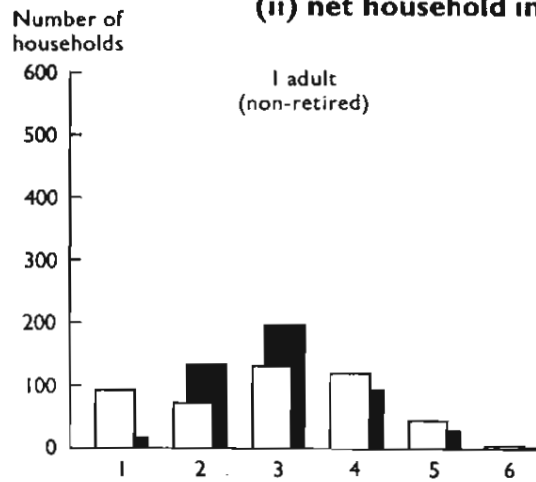
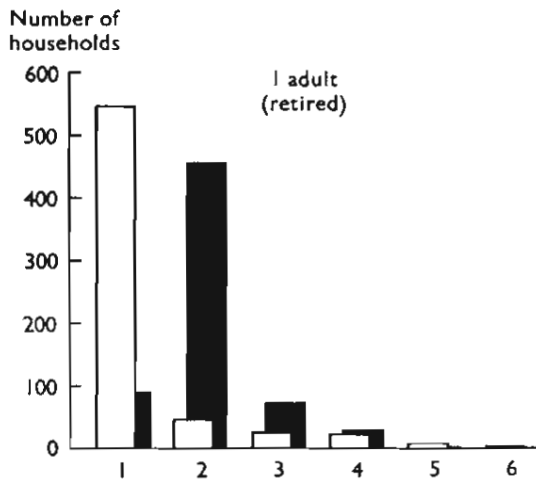


CHART 2

**Distributions of retired and non-retired households classified by (i) original income
1969 (ii) net household income**



Ranges of income
£ per year

1 ..	under 315
2 ..	315 — 559
3 ..	559 — 988
4 ..	988 — 1,752
5 ..	1,752 — 3,104
6 ..	3,104 and over

Original income (white bar)
Net household income (black bar)

