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The incidence of taxes and social service benefits in 1971

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I. Introduction

All households pay taxes of one kind or another, either directly in the form of income tax, surtax and national insurance contributions or indirectly through local rates and the taxes falling on the goods and services they buy. Much of the revenue from general taxation is used to finance the various social services, including State education, the national health services and housing subsidies, as well as payments in cash, from which practically all of us benefit at some stage in our lives. In general, these benefits can be valued in money terms and apportioned to individual households. But there are other services also paid for out of general taxation, such as defence, administration, the maintenance of law and order and various environmental services, which are difficult to apportion to individual households. While few would dispute that the community as a whole is better off with than without these services, most people would probably not consider that they personally derive benefits from them that can be valued in money terms. There is, none the less, considerable interest in estimating and comparing the amounts which different households pay in contributions and taxes of various kinds and the values of the benefits they derive, personally and collectively, from the various social services which can be allocated to them.

The estimates presented here are based on detailed information obtained from private households taking part in the Family Expenditure Survey⁽¹⁾ and are thus

(¹) For a description of these surveys and the general results, see *Family Expenditure Survey Report for 1971* 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.

subject to the inevitable limitations of a relatively small sample. This article, the ninth of a series, presents results for 1971 on a broadly similar basis to those published for earlier years⁽²⁾.

II. General notes on the 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 1971, 7,239 households co-operated. Every household is asked to give detailed information about 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 also asked to provide details of regular items of expenditure, such as rent and rates, gas, electricity and telephone accounts; 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.

On the basis of this information estimates are made of the taxes paid and benefits received by each household, some of these estimates depending on the income, size and circumstances of the household, others (indirect taxes) depending on its pattern of expenditure. Households are then classified by size-type and by range of income, and average taxes and benefits are calculated for

(²) Estimates for 1957 and 1959, 1961 and 1962, 1963 and 1964, 1965 and 1966, 1967, 1968, 1969 and 1970 were published in *Economic Trends* in November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971 and 1972 and additional estimates for low income households in July 1968.

Net total benefits received (+) less total taxes paid (—)

1971

TABLE A(i)

£ per year

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample ..	+494	+523	+216	+ 21	—196	—413	— 758	—1,594	—259
Retired households									
1 adult	+358	+156	+ 29	— 88	—293				+273
2 adults	+546	+349	+227	+142	—111	—411			+383
Non-retired households									
1 adult	+339	+ 74	— 67	—271	—472	—768	—1,269		—250
2 adults	+511	+322	+277	— 93	—366	—661	—1,008	—2,075	—569
2 adults, 1 child ..	+992		+224	— 66	—270	—510	— 810	—1,505	—423
2 adults, 2 children ..	+840		+234	+ 83	—137	—343	— 673	—1,312	—328
2 adults, 3 children ..				+290	+ 12	—165	— 348	—1,227	—100
2 adults, 4 children ..				+489	+238	+126	— 249		+ 41

Net direct benefits received (+) less direct taxes paid (—)

1971

TABLE A(ii)

£ per year

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample ..	+ 601	+540	+413	+260	+121	— 11	—230	— 813	+ 91
Retired households									
1 adult	+ 428	+279	+224	+131	— 64				+365
2 adults	+ 686	+565	+472	+377	+200	+ 37			+566
Non-retired households									
1 adult	+ 415	+170	+ 61	— 85	—244	—461	—790		— 63
2 adults	+ 680	+550	+486	+144	— 51	—278	—533	—1,347	—200
2 adults, 1 child ..	+1,161		+416	+198	+ 36	—128	—338	— 696	— 52
2 adults, 2 children ..	+1,023		+470	+339	+174	+ 35	—194	— 598	+ 51
2 adults, 3 children ..				+573	+372	+238	+113	— 638	+293
2 adults, 4 children ..				+749	+575	+539	+309		+477

households falling in different income ranges. Definitions of households, income, and the taxes and benefits covered, are given in Appendix I. Changes in these definitions which have been introduced at different times during the years covered by the series of articles are noted in Appendix II.

ACCURACY OF THE DATA

(i) The size of the sample

The sample is carefully designed to be as representative as possible of all private households in the United Kingdom but the results are, of course, subject to sampling errors. There are many cases where the number of households of a given type in a given income range is small and the averages may therefore be unreliable. For this reason, except in Tables 6-8 where the full household distributions are shown, results are not given where there are fewer than 10 households in any range of income.

(ii) Differential response

The Family Expenditure Survey is conducted on a voluntary basis and 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 those which do. It is known that there are regional variations in response levels; there is also 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. Even among households of a given type in a given income range, co-operating and non-co-operating households may differ in the amounts they pay in direct taxes, in the benefits they receive in cash and kind, and in their purchases of tax-bearing items. It has not so far been possible to develop a satisfactory basis for re-weighting the sample to allow for differences between co-operating and non-co-operating households

and the tables which follow show the averages for households co-operating in the survey.

(iii) *Estimates of income*

A comparison of grossed-up Family Expenditure Survey results with the corresponding figures in the national accounts suggests under-estimation of income from investment and self-employment. As it is not known whether this is attributable to understatement by respondents or to the differential response mentioned in the preceding paragraph there is no basis for making adjustments to the recorded figures.

(iv) *Estimates of expenditure*

The average expenditure on both alcoholic drink and tobacco recorded by households in the sample is well below the level 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 both in the United Kingdom and elsewhere. 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 procedure 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 it is only practicable to make these simple pro rata adjustments. 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.

**Income after all taxes and benefits as a percentage of original income
1971**

TABLE B Percentages

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	547	176	131	102	87	81	75	70	86
Retired households									
1 adult	539	135	104	91	80				207
2 adults	569	175	133	114	92	81			188
Non-retired households									
1 adult	291	116	90	73	67	63	59		77
2 adults	336	167	140	91	75	69	67	63	72
2 adults, 1 child	971 ^(*)		134	94	82	75	73	70	79
2 adults, 2 children	582		132	108	91	84	78	74	84
2 adults, 3 children				127	101	92	88	77	95
2 adults, 4 children				147	116	106	91		102

(*) The average original income of the sample households in this cell was exceptionally low.

**Income after direct taxes and benefits as a percentage of original income
1971**

TABLE C Percentages

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	644	217	159	125	108	99	92	85	105
Retired households									
1 adult	624	162	133	113	96				243
2 adults	690	222	168	138	114	102			231
Non-retired households									
1 adult	334	137	109	92	83	78	75		94
2 adults	413	215	171	114	97	87	82	76	90
2 adults, 1 child	1,119 ^(*)		163	119	102	94	89	86	97
2 adults, 2 children	688		165	132	112	102	94	88	102
2 adults, 3 children				154	125	111	104	88	114
2 adults, 4 children				171	139	126	111		123

(*) See footnote to Table B.

III. Problems of interpretation

The present estimates of the incidence of taxes and benefits are derived as straightforwardly as possible from the data on income and expenditure recorded in the Family Expenditure Survey. The amounts of income tax and surtax paid by each household are recorded and it is assumed that the full amount of indirect taxes (including those on intermediate products) falling on the goods and services bought by households are included in the prices paid. State benefits in cash are taken to increase a household's income by the amount of cash received; the costs of administration are not counted as part of the benefit. Benefits in kind provided by the State, e.g. the national health services and State education, should perhaps be measured in terms of the values placed upon them by the households themselves but since this information is not available they are measured here by their net cost to public authorities (i.e. excluding charges for prescriptions, spectacles, etc.). This is consistent with the treatment of taxes and cash benefits, which are measured in terms of actual additions to, or deductions from, household income. It is also the only practicable method. A possibly more important limitation is the absence, at present, of detailed information about the extent to which each household makes use of the various national health services and of some forms of State education. The General Household Survey should in time prove a useful source for some of this kind of information.

Allocation of the whole of government revenue and expenditure is not attempted. Payments by the personal sector of taxes on income and expenditure and of national insurance, etc. contributions account for nearly three-quarters of all government⁽²⁾ current receipts, and expenditure by public authorities on the social services and housing accounts for just over one half of all government current expenditure. In this analysis the dividing line between those taxes and benefits which are taken into account and those which are not is to some extent arbitrary. Capital gains tax and corporation tax

are not taken into account because the definition of household income, broadly following national accounting conventions, excludes capital gains and undistributed profits, and also because in the case of corporation tax the extent to which it falls on dividends or is passed on in higher prices is not known.

Government expenditure which is not allocated falls into three broad categories. The first includes expenditure on defence, police, prisons and the unavoidable costs of administration, such as tax collection. There is good reason to exclude these items since they are not generally thought of as conferring benefits on individual households. The second category consists of expenditure on items such as roads, research and investment grants, which are part of regional or industrial development programmes and cannot be allocated because it is impossible to assess the extent to which households rather than other sectors benefit from such expenditure. Although some at least of the benefits to other sectors will eventually be passed on to households—through, for instance, improvements in the quality of goods and services provided, reductions in prices or increased employment—there is no way of assessing the benefit nor of allocating it between households. The third category includes expenditure on environmental services such as museums, libraries and parks which, although directly benefiting individuals and households, are not allocated because not enough is known about variations in the accessibility of these amenities or the extent to which different individuals use them.

These estimates, derived by procedures kept as simple as possible, depict the flows of taxes and benefits actually observed in a single year; they show the average amounts which were paid in different forms of taxes and the values of the various benefits which were received in that year by different types of household. While their primary purpose is to describe the situation in recent past years, they can be used as a basis for assessing the immediate effects of a moderate change in the rate of a particular tax, or in the value of a particular benefit, on the amounts paid or received under that particular tax or benefit. In the case

⁽²⁾ Central and local government.

**Total taxes as a percentage of original income plus cash benefits
1971**

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	24	29	29	33	35	35	36	37	35
Retired households									
1 adult	22	26	32	33	35				26
2 adults	25	28	31	32	34	38			30
Non-retired households									
1 adult	26	27	32	36	39	40	43		37
2 adults	28	31	29	35	38	38	36	38	37
2 adults, 1 child ..	29 ⁽¹⁾		24	35	35	35	34	34	34
2 adults, 2 children ..	24		33	30	33	32	33	32	32
2 adults, 3 children ..				31	34	34	31	32	33
2 adults, 4 children ..				25	32	31	34		33

⁽¹⁾ See footnote to Table B.

**Total benefits as a percentage of original income *plus* cash benefits
1971**

TABLE E

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	111	70	51	34	23	17	11	7	22
Retired households									
1 adult	102	47	35	26	17				72
2 adults	106	65	51	42	28	22			71
Non-retired households									
1 adult	98	38	24	11	6	4	3		16
2 adults	102	66	56	27	15	7	3		11
2 adults, 1 child	180 ⁽¹⁾		49	29	17	11	7	2	14
2 adults, 2 children	123		57	37	24	17	11	6	17
2 adults, 3 children				53	35	26	19	10	28
2 adults, 4 children				62	46	37	26		34

(¹) See footnote to Table B.

of social security benefits, the initial effect on the amount received will in general be proportional to the change in the rate of benefit. The effect of a tax change might, particularly in the case of an indirect tax, be influenced by people's reactions to the change; for instance, a reduction in purchase tax might, by reducing the price of a commodity, lead people to buy larger quantities of it. Since, in addition, changes in taxes and benefits often have interactions on one another, it is not in general possible from these estimates alone to assess the eventual effects of any given change on the total amounts of taxes paid and benefits received by each type of household; for instance, a reduction in income tax would lead to differential increases in disposable incomes and purchases of goods which are subject to indirect tax might increase. There would be additional difficulties in estimating the eventual effects of a large change, or of abolishing altogether a particular form of tax such as SET, since this would have wide repercussions and might in time have some effects on original incomes. Thus the estimates cannot, and do not purport to, show the full economic effects of each tax or benefit nor the full effects of any changes in taxes or benefits.

IV. Comments on the results

General

As the sources and methods used throughout the period since 1957 have been fundamentally the same, it is possible to make broad comparisons of the main results in successive years. This article includes tables corresponding to all the summary tables and the main tables published in the most recent article in the series (February 1972), two additional tables (Table A and Table 4) and an expanded version of Table 3 (quintiles). The figures for 1971 are comparable with those for 1969 and 1970 but not wholly so with those for earlier years, mainly because of the change in the definition of original income (from 1969) which affects the income distribution of households. (See Appendix I and Appendix II.)

Tables A-G summarize the main results for non-retired⁽⁴⁾ households consisting of 1 adult and 2 adults with 0-4 children, and for retired⁽⁴⁾ households consisting of 1 or 2 adults. Together these types of households account for about three-quarters of the whole sample. The figures for all households combined cover, in addition, miscellaneous types of household for which separate results are not shown.

Summary Tables A-G

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 Table A, in absolute terms, and in Tables B and C which respectively give 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 in general lower than those for the corresponding retired households.

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 B and C.)

Table D shows direct and indirect taxes combined as a percentage of original income *plus* cash benefits (this

(⁴) A retired household is one in which the combined income of members who are at least 60 and retired amounts to at least half the total income of the household. (See Appendix I.)

Indirect taxes as a percentage of income after direct taxes and benefits
1971

TABLE F

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	19	20	20	20	21	20	19	18	20
Retired households									
1 adult	18	17	21	20	16				18
2 adults	20	21	22	19	19	21			20
Non-retired households ..									
1 adult	20	19	20	21	21	20	21		20
2 adults	21	23	20	23	23	22	19	17	21
2 adults, 1 child ..	15		18	23	22	20	18	19	20
2 adults, 2 children ..	18		25	20	20	18	17	16	18
2 adults, 3 children ..				19/	21	18	15	13	18
2 adults, 4 children ..				17	18	16	18		18

denominator is chosen because some cash benefits are taxable). All taxes combined are seen to be only mildly progressive; indeed over a wide range of income the percentages are remarkably constant for the same type of household and do not show very wide variations even between households of different types. The explanation is that while income tax and surtax are certainly progressive (Table G) the present national insurance 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 F) are also if anything mildly regressive. The substantially smaller percentages shown in Table D for households in the lowest ranges of income may be partly explained by the fact that these households, even when not classified as retired, contain large numbers of retired persons who are not liable for national insurance contributions. It is worth mentioning that, while for the types of household for which estimates are shown in Table D 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 groups often show wide variations. In particular, the proportion paid in indirect taxes is likely to vary according to how much the household spends on alcoholic drink, tobacco and petrol.

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 E).

Benefits in cash, as a proportion of income, decline markedly as income rises and so are very progressive (see Table G). Cash benefits also form an increasing proportion of income as the number of children in the household increases and so are progressive in this sense as well. (The high proportions of income shown for 1 and 2 adult non-retired households in the lower income ranges are partly explained by the presence of some retired

people in many of these households.) 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. It must be remembered that a substantial proportion of benefits in kind (health services) can only be allocated on a rough basis without reference to income (see Appendix I).

Main Tables 1-8

Table 1 shows estimates of the average incomes, and the average amounts of benefits received and taxes paid, for all households combined and for each of 10 different types of household at different levels of income. The 10 types of household—the 6 types shown in the summary tables plus 3 adults with 0-2 children and 4 adults—between them account for over 90 per cent of all the households in the survey. Households containing 3 or 4 adults are more heterogeneous than the others; for example, a household containing 3 adults may include a married couple with a son or daughter over 16 and possibly still at school, or a married couple and a single person, possibly an elderly dependant, or 3 single persons, any or all of whom may be working or retired. Results are shown for retired and non-retired households combined and, where numbers permit, retired and non-retired separately. Pensioner households (see Appendix I) are a sub-division of retired households with very low original incomes and, except for some results given at the end of Table 5, are included with the rest of the retired households in all the tables. The separate figures shown for retired and non-retired households consisting of 1, 2 and 3 adults⁽⁵⁾ 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

⁽⁵⁾ There were not enough 3 adult retired households to be shown separately.

**Direct benefits and taxes as percentages of original income *plus* cash benefits
1971**

TABLE G

Percentages

	Range of original income: £ per year								Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
Cash benefits									
All households in the sample ..	81	46	29	16	8	4	2	1	10
Retired households									
1 adult	82	38	28	20	13				57
2 adults	83	51	38	31	22	17			54
Non-retired households									
1 adult	63	27	14	6	2	1	1		9
2 adults	69	47	32	15	7	2	1	1	5
2 adults, 1 child	83		25	8	4	1	1	—	3
2 adults, 2 children	80		26	13	5	3	2	1	4
2 adults, 3 children				18	9	5	4	2	7
2 adults, 4 children				21	11	8	5		9
Benefits in kind									
All households in the sample ..	26	23	19	16	14	12	8	5	11
Retired households									
1 adult	16	9	7	6	4				11
2 adults	20	14	12	9	7	5			14
Non-retired households									
1 adult	27	7	7	4	3	2	1		5
2 adults	31	18	21	11	7	4	2	1	5
2 adults, 1 child	94 ⁽¹⁾		23	20	12	9	6	4	10
2 adults, 2 children	40		24	22	18	13	9	5	13
2 adults, 3 children				32	25	20	15	8	20
2 adults, 4 children				38	33	28	20		25
Income tax and surtax									
All households in the sample ..	1	4	5	7	10	12	15	19	13
Retired households									
1 adult	1	9	12	15	21				8
2 adults	1	5	7	14	17	20			9
Non-retired households									
1 adult	2	6	9	13	17	21	25		16
2 adults	1	4	3	9	12	15	17	24	16
2 adults, 1 child	—		—2	4	9	13	15	16	12
2 adults, 2 children	—		—1	3	7	10	14	16	11
2 adults, 3 children				2	6	11	12	20	11
2 adults, 4 children				—	6	8	13		10
National insurance contributions									
All households in the sample ..	—	1	2	4	4	4	4	2	3
Retired households									
1 adult	—	—	—	—	—	—			—
2 adults	—	—	—	—	—	—			—
Non-retired households									
1 adult	—	2	4	4	5	4	2		3
2 adults	—	1	2	5	4	4	4	2	4
2 adults, 1 child	1		4	6	5	4	3	2	4
2 adults, 2 children	—1		4	4	5	4	3	2	3
2 adults, 3 children				4	4	4	3	2	3
2 adults, 4 children				3	4	4	3		3

(¹) See footnote to Table B.

are small in comparison with other benefits. These subsidies form a declining proportion of increasing income and are thus progressive.

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 households in several adjacent income ranges.

Table 2 shows the estimated amounts paid under each main type of indirect tax expressed as percentages of income after direct taxes and benefits (broadly equivalent to disposable income *plus* benefits in kind). Indirect taxes as a whole were shown in Table F to be, if anything, mildly regressive but the effects of different groups of these taxes show marked variations. Local rates and duties on tobacco, for example, absorb a larger proportion of income at lower than at higher income levels and so are clearly regressive. Taxes on intermediate products are only slightly regressive. Duties on alcoholic drink as a whole and purchase tax seem more or less neutral. Except for local rates, which appear to bear more heavily on retired households, and tobacco duties which appear to bear more heavily on non-retired households, there is little difference in the incidence of the various indirect taxes as between these two categories of household. Within a given income range, however, indirect taxes as a whole, and particularly local rates, form a lower proportion of the income of larger than of smaller households.

Table 3 shows the trends over the five latest years in the first and fourth quintile and median incomes, before and after taxes and benefits, for the different types of household. 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 half of the households in question have lower (higher) incomes. In general, the median is reduced by all taxes and benefits but the reductions become progressively smaller as the size of the household increases. (For 2 adults with 4 children and single adult households, retired and non-retired combined, the median shows an increase after all taxes and benefits.) The median is increased after direct taxes and benefits for 1 adult households (retired and non-retired combined) and for households with 2 or more children. The lowest quintile is increased after all taxes and benefits for all households (retired and non-retired) combined, but reduced when the retired households are excluded. The lowest and highest quintiles of income are in general much closer to the medians after allowing for benefits and taxes: this is illustrated by the changes shown in the first and fourth quintile incomes at different stages, expressed as percentages of the medians. The raising of the lowest quintile and the lowering of the highest quintile relative to the median illustrates the extent of redistribution at each stage of income. 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, for non-retired households, income tax and surtax have the greatest influence at the higher levels.

A comparison of the effects of all benefits and taxes at the three points of the distribution (lowest quintile, median and highest quintile) in 1971 shows that in absolute terms the largest net deduction from original income is for 4 adult households at the highest quintile (£1,086) and the largest net increase is for 2 adult households at the lowest quintile (£361). For all non-retired households combined the net effect of all benefits and taxes is a reduction in income, but the reduction is smaller in relative, as well as in absolute, terms at the lowest quintile than at the median and highest quintile; this is also true for 1 and 2 adult non-retired households and for 2 adults with 1 or 2 children. For 2 adults with 3 or 4 children incomes are increased by all benefits and taxes at the lowest quintile, and also at the median level for 2 adults with 4 children. For all non-retired households combined, the increase in the ratio of the lowest quintile to the median as a result of all taxes and benefits is greater than the decline in the ratio of the highest quintile to the median; and the same is true for most of the separate types of household.

Looking now at the 5 year period 1967 to 1971, first in terms of original income: there was apparently a downward trend in the ratio of the lowest quintile to the median for 2 adults with 0-4 children and for non-retired 1 adult households, and an upward trend in the ratio of the highest quintile to the median for 1 adult households and households with up to 2 children (for households with 3 or 4 children there was no discernible trend). In terms of income after all taxes and benefits no type of household showed a definite trend in the ratio of the lowest quintile to the median, but the highest quintile as a ratio of the median followed a broadly similar trend to that of original income. Thus for 2 adults with 0-2 children and for non-retired 1 adult households, the extent of redistribution over these 5 years apparently favoured the lowest quintile compared with both the median and the highest quintile; the minor year to year fluctuations in these ratios may well be attributable to sampling errors. It is unlikely that changes in the definition and coverage of items have had a significant effect on the relative positions of the different quintiles.

Table 4 shows, in percentage terms, some comparisons between the effects of taxes and benefits on the commonest types of household (1 adult and 2 adults with 0-2 children) and on all households in the sample in 1969, 1970 and 1971. The sections of the table follow the order of the results shown in the summary tables B-F. Households remaining in the same income range over the period in most cases gained more (or lost less) in each succeeding year as a result of taxes and benefits (parts (i) and (ii)). But since incomes were increasing each year and most households in a given income range in 1969 would have moved into the next higher range by 1971, it is difficult to make definite statements about the changes experienced by particular households. In the lowest ranges of original income, households are largely dependent on national insurance benefits of one kind or another, and these were increased substantially during the period.

For all households combined, the right-hand column of part (i) of Table 4 shows that the net effect of all taxes and benefits was to reduce the average income by 16 per cent in 1969 and 1970 and by 14 per cent in 1971.

The net effect of direct taxes and benefits (part (ii)) was the same in all 3 years for all households combined but, for the non-retired households, direct taxes increased very slightly more than direct benefits. Results for the retired households alone show fluctuations which are attributable to differences in the sample of households in the 3 years.

For most types of household in most income ranges both total taxes (part (iii)) and indirect taxes (part (v)), expressed as percentages of income, show reductions between 1969 and 1971, even though average household incomes increased over the period. For all types of household the corresponding percentages for benefits (part (iv)) show substantial increases within income ranges, but little change over all income ranges combined.

Table 5 compares the changes which have occurred between 1961 and 1971 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^(*) 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 also increased 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.

The averages for original income and income after all taxes and benefits have been shown under both old and new definitions. For the two earlier years (1961 and 1965) figures for income after all taxes and benefits under the new definition were estimated roughly and are shown in brackets. 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 (previously treated as part of employees' income) for that type of household. The difference between old and new figures for income after all taxes and benefits 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 (from 1969) now that education benefit is no longer attributed to children in private schools.

The percentages shown for the five years in columns 6-10 of Table 5 indicate that, for most types of household, both income after direct taxes and benefits and

^(*) i.e. retired and non-retired but excluding pensioner households. (See Appendix I.)

income after all taxes and benefits declined as proportions of original income between 1961 and 1969 or 1970, but in general showed slight increases between 1970 and 1971. Households consisting of 2 adults with 4 children and 3 adults with 2 children were exceptional in showing declines between the last two years, but the former were the only households, apart from single adults (retired and non-retired combined), whose average incomes were increased by all taxes and benefits in 1971.

By combining the increases in original income over the whole period with the effects of all taxes and benefits on original income in 1971, (columns 10 and 14), it is possible to compare income after all taxes and benefits in 1971 with original income in 1961. Single adult households (retired and non-retired combined) and households with 3 or 4 children have in this sense fared substantially better than the other types of household over the 10 years.

Tables 6, 7 and 8 show the distribution of households co-operating in the Family Expenditure Survey in 1971 classified respectively by original income, income after direct taxes and benefits and income after all taxes and benefits. A comparison of the three tables shows the extent of the redistribution of income which takes place within each type of household as a result of direct taxes and benefits and of all taxes and benefits. (See Chart 2 below.)

The tables published in this article present a selection of the material which is analysed each year. Readers who are interested in further analyses, e.g. for households classified by ranges of net household income (Tables 6-8 in the corresponding article for 1969) are invited to write to the Press and Information Service of the Central Statistical Office.

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 child. In part (ii) results are shown for households without children so that comparisons can be made between non-retired households with 1, 2 or 3 adults and 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 alongside the corresponding distributions classified by (i) income after direct taxes and benefits and (ii) income after all taxes and benefits. The diagrams illustrate the extent to which taxes and benefits reduce the inequality in the distributions of original income.

Central Statistical Office

APPENDIX I

Definitions of households, incomes, taxes and benefits used in the estimates

HOUSEHOLDS: DEFINITION AND CLASSIFICATION

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.

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 at least 60 and describe themselves as retired or unoccupied amounts to at least half the total gross income of the household. For some purposes retired households are further classified 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 but there is very little difference between these groups at the lowest levels of original income where the pensioner households occur. Except for the two cases given at the end of Table 5, pensioner households are included with the other retired households in the results shown throughout this article.

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. 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.

In the years up to and including 1968 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 below). Thus it is no longer possible to make full comparisons between the results for 1971 and those for years earlier than 1969. For households which include no employees, original income is unaffected by the change in definition. For other households, original income on the new definition is lower than on the old definition. The difference on average over all households combined is about £65 for 1971 (see Table 5). The effect on income after all taxes and benefits is smaller (£33 for all households combined in 1971) 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.

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 and 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
Family income supplement
National insurance benefits (pensions, sickness, unemployment, redundancy, industrial injury, maternity benefits, etc.; death grants)
Non-contributory old age pensions
Supplementary pensions and allowances
War pensions, service grants and allowances

Except for redundancy benefit the value of each form of cash benefit (and of scholarships and education grants from public funds, which are treated as benefits in kind) is the amount stated to have been received by the household during the twelve months prior to the interview.

Redundancy benefit. Although redundancy benefits take the form of a single lump sum payment they are in general intended to provide long-term benefit. In these estimates, therefore, only part of the recorded receipts is taken to relate to the current year: if the period covered by the redundancy payment is n years, then the current benefit is taken to be $1/n$ th of the amount received.

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 are therefore estimated as follows. The current cost of maternity services is estimated separately and the average cost per birth is allocated to each household reporting the receipt of national insurance maternity benefit. The values of the benefits from all other national health services combined are 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 the benefit assigned to each household is the average net cost to the State of providing each service, i.e. after allowing for prescription charges and payments made for dental, ophthalmic and other services. It is not 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). 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. The 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, hydrocarbon oils, betting, etc.
Purchase tax
Motor vehicle duties
Driving licences
Radio and television licences
Stamp duties

Indirect taxes, or taxes on expenditure, are either paid separately 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 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 hydrocarbon oils
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 and to the redundancy fund

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 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, etc., is consistent with estimates included in the National Income Blue Book.

APPENDIX II

Changes in definition and treatment of items

The main changes in the definition and treatment of items, introduced from time to time during the period covered by the series of articles (1957-1971), are listed below:

Item	Change	Survey year when change took effect	Item	Change	Survey year when change took effect
<i>Original income</i>	Redefined to exclude employers' contributions to national insurance, etc.	1969	<i>Indirect taxes on intermediate goods and services</i>	(i) Introduced with coverage: rates, motor vehicle duties, oil and stamp duties (ii) Extended to include import duties (iii) Extended to include SET (iv) Extended to include purchase tax and other revenue duties (v) Extended to include employers' national insurance, etc. contributions, when original income was redefined	1961 1963 1966 1967 1969
<i>Education benefit</i>	(i) Benefit assigned according to type of school attended (ii) Coverage extended to include Colleges of Advanced Technology and Teachers' Training Colleges (iii) Benefit to children at secondary schools assigned according to age instead of by type of school (iv) Benefit no longer assigned to children at private schools	1959 1963 1966 1969	<i>Size of sample</i>	Approximately doubled	1967
<i>National health service benefit</i>	Maternity benefit allocated only to households reporting the receipt of national insurance maternity benefit	1963	<i>Classification of households</i>	(i) Households divided into retired/non-retired categories (ii) Results for <i>pensioner</i> households combined with results for retired <i>non-pensioner</i> households in the same income ranges, except where specifically stated	1967 1969
<i>Indirect benefits</i>	(i) Allocation of benefit from <i>food subsidies</i> discontinued (ii) <i>Housing subsidies</i> estimated separately for each local authority dwelling Rent rebates introduced	1959 1964 1969	<i>Logarithmic scale used for income ranges</i>	(i) Basic scale: income at upper limit of each range equal to 4/3 income at lower limit. For incomes between £616 and £1,464 per year each range split into two parts (scale factors (4/3) ⁴) (ii) Income at upper limit of each range equal to (11/10) ² income at lower limit at all levels of income	1957 1961
<i>Indirect taxes on final consumer goods and services</i>	(i) Purchase tax on cars bought outright spread in order to smooth the incidence of the tax (ii) Purchase tax on cars bought outright based on purchases over 12 months: spreading discontinued (iii) Rate rebates introduced	1961 1968 1967	<i>Adjustments for non-response</i>	Discontinued	1963

APPENDIX III

Average incomes before and after taxes and benefits
1971

TABLE 1

	Range of original income: £ per year											£ per year			
	Under 381	381-461	461-557	557-674	674-816	816-987	987-1,194	1,194-1,446	1,446-1,749	1,749-2,116	2,116-2,561	2,561-3,099	3,099-3,750 and above	Average over all income ranges	
(i) Retired and non-retired households															
1 adult															
Number of households	708	47	27	36	68	61	81	64	47	43	32	11	10	13	1,248
Original income	96	424	505	622	736	900	1,089	1,320	1,574	1,936	2,282	2,836	3,381	5,161	612
Direct benefits in cash:															
family allowances	—	—	—	—	—	—	1	—	—	—	1	—	—	—	—
pensions ⁽¹⁾	261	208	195	144	134	99	80	34	55	53	15	73	—	—	145
other cash benefits ⁽²⁾	92	22	9	22	20	10	14	9	4	9	14	8	—	—	58
Direct benefits in kind:															
education	12	—	—	—	18	—	12	25	—	—	—	—	—	—	10
national health service	66	56	—	50	47	44	41	36	40	37	35	45	35	57	56
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:															
national insurance, employees' contributions	—	5	7	14	27	37	41	59	61	68	76	61	79	26	18
income tax and surtax	4	40	63	64	97	139	165	231	311	425	518	669	952	1,494	111
Income after direct taxes and benefits	522	665	694	760	831	878	1,031	1,134	1,301	1,541	1,753	2,232	2,385	3,843	797
Indirect benefits	25	20	3	18	14	8	11	20	9	13	27	20	—	—	20
Indirect taxes:															
on final goods and services	65	80	92	116	121	135	159	161	215	233	234	368	326	404	109
on intermediate products	31	35	44	43	45	50	56	54	67	74	91	120	106	117	43
Income after all taxes and benefits	451	570	561	620	679	701	827	939	1,029	1,247	1,455	1,763	1,953	3,322	665
2 adults															
Number of households	452	39	62	53	67	103	149	172	192	284	251	184	117	120	2,245
Original income	130	419	506	615	751	907	1,097	1,320	1,616	1,927	2,322	2,812	3,366	5,666	1,650
Direct benefits in cash:															
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	446	435	384	342	272	186	138	103	81	55	31	27	15	38	172
other cash benefits ⁽²⁾	98	42	49	45	68	67	42	40	27	15	14	12	6	6	41
Direct benefits in kind:															
education	14	40	20	112	46	18	46	23	30	26	5	11	—	—	21
national health service	133	123	122	115	106	100	87	85	80	73	70	64	63	68	91
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:															
national insurance, employees' contributions	—	3	6	11	19	38	55	57	69	87	95	104	111	105	58
income tax and surtax	5	33	42	38	60	93	130	165	241	280	375	469	610	1,403	274
Income after direct taxes and benefits	815	1,023	1,034	1,181	1,165	1,147	1,225	1,347	1,524	1,729	1,973	2,354	2,730	4,271	1,643
Indirect benefits	23	6	8	14	33	26	28	18	18	15	18	6	6	—	17
Indirect taxes:															
on final goods and services	117	140	177	169	186	181	199	233	258	284	314	357	375	542	251
on intermediate products	50	58	72	71	66	63	78	83	89	98	109	117	125	176	89
Income after all taxes and benefits	671	832	792	956	947	930	975	1,049	1,196	1,362	1,568	1,887	2,236	3,553	1,321

See footnotes on page xxvi.

Average incomes before and after taxes and benefits

1971

TABLE 1 (continued)

	Range of original income: £ per year										Average overall income ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-		2,116-	2,561-	3,099-	3,750 and above
(i) Retired and non-retired households (continued)														
2 adults, 1 child														
Number of households	19	20	2	40	96	132	143	96	62	33	39	701		
Original income	114	920	1,099	1,324	1,589	1,930	2,282	2,812	3,405	4,969	1,982			
Direct benefits in cash:														
family allowances	2	2	1	1	1	1	—	—	1	1	2	1		
pensions ⁽¹⁾	198	23	5	12	11	2	4	2	—	5	18			
other cash benefits ⁽²⁾	346	124	54	64	41	25	24	16	10	3	46			
Direct benefits in kind:														
education	480	105	106	73	64	79	102	87	107	103	97			
national health service	128	132	103	108	109	102	99	91	83	84	102			
welfare foods	16	5	3	4	4	4	5	4	3	4	4			
Direct taxes:														
national insurance, employees' contributions	7	58	66	67	74	85	87	94	106	97	77			
income tax and surtax	—	39	56	118	150	248	284	418	485	801	242			
Income after direct taxes and benefits	1,275	1,214	1,249	1,401	1,596	1,807	2,145	2,500	3,018	4,273	1,930			
Indirect taxes:	17	6	23	27	18	15	5	10	4	—	15			
on final goods and services	128	185	214	234	245	276	305	323	372	593	280			
on intermediate products	58	71	81	87	90	102	109	129	160	217	106			
Income after all taxes and benefits	1,106	965	977	1,108	1,279	1,444	1,736	2,058	2,491	3,463	1,559			
2 adults, 2 children														
Number of households	12	20	59	90	131	177	151	88	54	46	846			
Original income	174	749	911	1,099	1,322	1,616	1,916	2,321	2,806	3,387	2,108			
Direct benefits in cash:														
family allowances	55	47	42	46	47	47	45	44	46	47	45			
pensions ⁽¹⁾	91	24	—	14	7	5	3	5	4	—	7			
other cash benefits ⁽²⁾	529	158	129	89	50	21	11	13	6	3	35			
Direct benefits in kind:														
education	213	107	76	150	160	169	172	183	179	191	173			
national health service	111	99	144	109	104	99	98	96	97	88	96			
welfare foods	17	27	16	17	12	11	9	11	9	11	9			
Direct taxes:														
national insurance, employees' contributions	—	33	43	50	65	78	82	86	90	92	86			
income tax and surtax	—	4	16	40	82	140	195	262	397	522	837			
Income after direct taxes and benefits	1,199	1,181	1,261	1,434	1,556	1,750	1,977	2,324	2,661	3,113	4,528			
Indirect taxes:	30	85	9	26	18	21	11	18	7	—	15			
on final goods and services	151	222	187	203	228	246	262	314	327	375	515			
on intermediate products	64	92	73	81	90	94	98	116	125	159	109			
Income after all taxes and benefits	1,014	952	1,010	1,177	1,256	1,430	1,628	1,912	2,215	2,579	3,814			

See footnotes on page xxvii.

**Average incomes before and after taxes and benefits
1971**

TABLE 1 (continued)

	Range of original income: £ per year										Average overall income and above ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-		2,116-	2,561-	3,099-	3,750 and above
(i) Retired and non-retired households (continued)														
2 adults, 3 children														
Number of households						12	26	39	66	73	54	35	18	21
Original income						929	1,121	1,343	1,602	1,955	2,325	2,761	3,380	5,291
Direct benefits in cash:														
family allowances						94	99	97	94	96	93	99	99	101
pensions ⁽¹⁾						63	21	10	9	—	1	20	—	—
other cash benefits ⁽²⁾						164	79	56	24	24	8	6	8	3
Direct benefits in kind:														
education						274	269	265	267	311	332	376	270	289
national health service						133	119	121	124	117	112	105	116	110
welfare foods						32	22	18	17	18	15	16	21	16
Direct taxes:														
national insurance, employees' contributions						43	61	65	77	80	82	88	87	88
income tax and surtax						8	38	82	117	210	293	356	441	1,069
Income after direct taxes and benefits						1,640	1,630	1,764	1,945	2,232	2,510	2,940	3,366	4,653
Indirect benefits						19	35	24	31	30	8	19	—	1
Indirect taxes:														
on final goods and services						202	245	215	326	298	330	330	352	372
on intermediate products						71	87	89	113	105	123	132	146	217
Income after all taxes and benefits						1,385	1,334	1,484	1,537	1,860	2,065	2,497	2,868	4,064
2 adults, 4 children														
Number of households							12	11	19	26	16	13		121
Original income							1,092	1,314	1,598	1,927	2,277	2,748		2,097
Direct benefits in cash:														
family allowances							151	151	148	147	148	147		148
pensions ⁽¹⁾							—	—	5	—	—	—		3
other cash benefits ⁽²⁾							118	34	41	25	20	22		56
Direct benefits in kind:														
education							299	396	404	443	532	500		412
national health service							150	136	129	138	129	123		133
welfare foods							31	29	17	20	19	20		24
Direct taxes:														
national insurance, employees' contributions							37	65	76	80	93	83		72
income tax and surtax							2	38	132	159	208	338		227
Income after direct taxes and benefits							1,800	1,956	2,135	2,461	2,824	3,139		2,574
Indirect benefits							50	36	18	16	8	8		18
Indirect taxes:														
on final goods and services							212	224	275	308	300	389		305
on intermediate products							93	89	116	117	126	164		149
Income after all taxes and benefits							1,545	1,679	1,762	2,051	2,406	2,594		2,138

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1971

TABLE 1 (continued)

	Range of original income: £ per year										Average age over all income ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-		2,116-	2,561-	3,099-	3,750 and above
(i) Retired and non-retired households (continued)														
3 adults														
Number of households	35	15	23	27	53	74	101	85	86	607				
Original income	152	913	1,102	1,335	1,622	1,940	2,352	2,806	3,362	5,213	2,504			
Direct benefits in cash:														
family allowances	—	—	—	—	1	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	582	434	302	284	229	130	121	48	25	36	156			
other cash benefits ⁽²⁾	200	77	174	75	75	76	48	29	13	11	65			
Direct benefits in kind:														
education	141	116	66	136	136	67	63	37	156	67	95			
national health service	178	154	131	134	124	115	109	102	102	102	117			
welfare foods	1	—	—	1	—	—	—	—	—	—	—			
Direct taxes:														
national insurance, employees' contributions	—	40	44	69	74	95	109	120	136	160	100			
income tax and surtax	—	54	107	151	212	257	345	382	545	1,015	389			
Income after direct taxes and benefits	1,263	1,600	1,624	1,678	1,902	1,975	2,239	2,520	2,977	4,256	2,449			
Indirect benefits	20	24	34	15	32	27	27	30	15	12	23			
Indirect taxes:														
on final goods and services	155	269	234	253	293	352	382	433	421	618	381			
on intermediate products	72	93	94	134	108	124	135	144	144	210	136			
Income after all taxes and benefits	1,056	1,262	1,330	1,306	1,533	1,526	1,749	1,973	2,426	3,439	1,956			
3 adults, 1 child														
Number of households					19	30	58	55	37	28	245			
Original income					1,619	1,954	2,345	2,813	3,459	5,434	2,761			
Direct benefits in cash:														
family allowances					7	11	15	12	9	17	12			
pensions ⁽¹⁾					46	43	63	42	19	—	51			
other cash benefits ⁽²⁾					55	43	26	24	14	3	41			
Direct benefits in kind:														
education					159	246	313	252	232	251	252			
national health service					131	116	121	102	107	112	116			
welfare foods					6	4	7	6	5	3	6			
Direct taxes:														
national insurance, employees' contributions					89	98	101	116	138	134	108			
income tax and surtax					118	208	241	347	482	956	355			
Income after direct taxes and benefits					1,815	2,110	2,549	2,788	3,225	4,730	2,776			
Indirect benefits					31	23	6	40	18	4	19			
Indirect taxes:														
on final goods and services					256	298	309	455	467	605	386			
on intermediate products					94	116	132	158	167	221	145			
Income after all taxes and benefits					1,497	1,720	2,112	2,214	2,610	3,908	2,265			

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1971

TABLE 1 (continued)

	Range of original income: £ per year										Average over all income ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-		2,116-	2,561-	3,099-	3,750 and above
(i) Retired and non-retired households (continued)														
3 adults, 2 children														
Number of households								10	18	20	28	18	20	128
Original income								1,595	1,934	2,345	2,803	3,370	5,009	2,744
Direct benefits in cash:														
family allowances								68	51	55	48	42	62	52
pensions ⁽¹⁾								83	82	53	96	52	109	92
other cash benefits ⁽²⁾								60	40	18	10	9	28	48
Direct benefits in kind:														
education								394	472	376	330	232	424	358
national health service								134	133	129	130	126	135	133
welfare foods								5	18	5	11	9	7	9
Direct taxes:														
national insurance, employees' contributions								84	89	102	123	141	104	103
income tax and surtax								103	150	267	339	504	772	343
Income after direct taxes and benefits								2,152	2,492	2,612	2,964	3,195	4,897	2,991
Indirect taxes:														
on final goods and services								294	295	376	402	584	431	388
on intermediate products								112	126	140	141	186	210	151
Income after all taxes and benefits								1,758	2,094	2,111	2,447	2,465	4,256	2,471
4 adults														
Number of households									11	21	39	36	66	183
Original income									1,932	2,351	2,839	3,382	5,144	3,582
Direct benefits in cash:														
family allowances									4	—	—	—	—	1
pensions ⁽¹⁾								257	257	236	111	80	65	122
other cash benefits ⁽²⁾								76	76	87	77	32	23	55
Direct benefits in kind:														
education									264	251	99	242	174	189
national health service								150	150	150	130	131	128	134
welfare foods								3	3	—	—	—	—	—
Direct taxes:														
national insurance, employees' contributions								92	92	107	137	146	183	146
income tax and surtax								199	199	260	347	484	910	546
Income after direct taxes and benefits								2,394	2,394	2,709	2,771	3,237	4,442	3,393
Indirect taxes:														
on final goods and services								46	46	15	13	27	13	19
on intermediate products								431	431	354	489	510	674	527
Income after all taxes and benefits								1,859	1,859	2,232	2,142	2,578	3,543	2,702

See footnotes on page xxvi.

**Average incomes before and after taxes and benefits
1971**

TABLE 1 (continued)

	Range of original income: £ per year											Average age over all income ranges		
	£ per year													
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-		2,561-	3,099-	3,750 and above
(i) Retired and non-retired households (continued)														
All households in the sample														
Number of households	1,312	112	110	124	193	261	426	544	700	931	874	672	454	526
Original income	111	420	506	618	745	908	1,098	1,323	1,607	1,931	2,322	2,810	3,388	5,280
Direct benefits in cash:														
family allowances	5	11	7	9	19	15	26	24	28	29	27	24	20	22
pensions ⁽¹⁾	319	305	296	243	174	129	88	68	54	41	42	38	23	38
other cash benefits ⁽²⁾	132	89	66	64	79	82	66	53	33	27	26	25	17	18
Direct benefits in kind:														
education	49	91	97	78	102	72	114	103	127	143	157	152	164	167
national health service	95	94	99	98	87	98	94	97	100	97	100	99	99	107
welfare foods	4	5	5	4	9	6	9	7	6	6	7	5	5	4
Direct taxes:														
national insurance, employees' contributions	—	4	8	15	22	39	52	62	73	86	94	108	121	133
income tax and surtax	3	31	41	36	55	80	99	134	182	241	306	401	533	1,036
Income after direct taxes and benefits	712	980	1,027	1,062	1,138	1,192	1,343	1,480	1,700	1,948	2,280	2,644	3,061	4,467
Indirect benefits	24	18	13	13	29	18	27	21	21	18	17	19	16	9
Indirect taxes:														
on final goods and services	90	125	162	145	166	175	199	227	262	290	326	389	421	577
on intermediate products	42	54	68	62	63	65	77	87	95	105	120	137	152	213
Income after all taxes and benefits	604	819	809	868	938	970	1,093	1,187	1,365	1,572	1,850	2,138	2,503	3,686

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1971

TABLE 1 (continued)

	£ per year										Average over all income ranges	
	Under 381	381-461	461-557	557-674	674-816	816-987	987-1,194	1,194-1,446	1,446-1,749	1,749-2,561		2,561-3,099	3,750 and above
(ii) Retired households												
1 adult												
Number of households	600	11	11	20	15	13	15	11	12			722
Original income	82	503	620	726	886	1,082	1,082					256
Direct benefits in cash:												
family allowances												
pensions ⁽¹⁾	274	272	258	256	252	248	248					270
other cash benefits ⁽²⁾	88	3		16	2							74
Direct benefits in kind:												
education												
national health service												
welfare foods												
Direct taxes:												
national insurance, employees' contributions												
income tax and surtax	4	89	78	127	153	229	4					47
Income after direct taxes and benefits	509	762	872	936	1,058	1,165	1,165					621
Indirect taxes:												
on final goods and services	62	92	162	136	154	161	161					76
on intermediate products	30	52	51	46	63	59	59					34
Income after all taxes and benefits	439	618	659	750	840	946	946					529
2 adults												
Number of households	393	27	18	24	18	14	14	11	12			566
Original income	116	500	617	756	905	1,087	1,087	1,296	1,592			434
Direct benefits in cash:												
family allowances												
pensions ⁽¹⁾	465	426	396	420	436	407	384	281				448
other cash benefits ⁽²⁾	90	46	9	18	30	9	19	112				71
Direct benefits in kind:												
education												
national health service												
welfare foods	136	134	133	132	132	139	123	121				134
Direct taxes:												
national insurance, employees' contributions												
income tax and surtax	5	51	43	109	166	244	232	394				1
Income after direct taxes and benefits	803	1,055	1,106	1,216	1,334	1,398	1,583	1,712				1,000
Indirect taxes:												
on final goods and services	115	167	139	229	180	172	178	279				144
on intermediate products	50	67	61	75	63	97	67	94				59
Income after all taxes and benefits	662	829	905	936	1,123	1,132	1,338	1,341				816

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1971

TABLE 1 (continued)

	Range of original income: £ per year											Average overall income and income ranges		
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-		2,561-	3,099-	3,750 and above
(iii) Non-retired households														
1 adult														
Number of households	108	23	16	25	48	46	68	59	39	38	31	10	526	
Original income	178	424	507	622	740	905	1,091	1,318	1,578	1,934	2,287	3,381	1,101	
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	1	—	—	—	2	—	—	
pensions ⁽¹⁾	184	146	141	95	84	50	48	21	15	29	7	—	79	
other cash benefits ⁽²⁾	113	39	13	32	22	13	16	10	4	10	14	—	35	
Direct benefits in kind:														
education	79	—	—	—	25	—	15	27	—	—	—	—	23	
national health service	47	46	44	40	39	35	36	34	34	33	34	35	39	
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	
Direct taxes:														
national insurance, employees' contributions	1	11	13	20	38	48	48	64	73	76	78	79	42	
income tax and surtax	7	31	45	58	85	134	153	223	297	401	509	952	198	
Income after direct taxes and benefits	593	614	648	711	787	820	1,006	1,122	1,262	1,529	1,756	2,385	1,039	
Indirect benefits	40	38	5	26	21	10	14	22	11	14	28	—	22	
Indirect taxes:														
on final goods and services	81	73	91	96	115	129	159	165	218	244	240	326	154	
on intermediate products	35	40	39	39	44	46	56	54	67	78	93	106	55	
Income after all taxes and benefits	517	539	522	602	649	655	805	925	988	1,221	1,451	1,953	852	
2. adults														
Number of households	59	17	35	35	43	85	135	161	180	277	242	116	115	
Original income	217	416	510	615	749	907	1,098	1,321	1,618	1,927	2,323	3,367	5,642	
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	
pensions ⁽¹⁾	319	408	352	315	190	133	110	84	67	43	20	10	79	
other cash benefits ⁽²⁾	154	67	51	63	96	74	45	41	21	15	14	6	31	
Direct benefits in kind:														
education	103	92	36	170	72	22	50	24	32	27	6	—	28	
national health service	110	108	114	106	92	94	82	82	77	71	68	63	77	
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	
Direct taxes:														
national insurance, employees' contributions	1	7	11	13	30	45	60	61	74	89	98	112	78	
income tax and surtax	6	29	35	36	32	77	119	160	231	276	366	607	338	
Income after direct taxes and benefits	897	1,055	1,017	1,220	1,137	1,108	1,207	1,331	1,511	1,717	1,966	2,728	1,860	
Indirect benefits	18	14	7	21	38	24	31	19	19	15	19	6	16	
Indirect taxes:														
on final goods and services	133	137	185	184	161	181	202	237	256	280	315	376	286	
on intermediate products	53	51	76	75	61	62	76	85	88	97	109	125	99	
Income after all taxes and benefits	728	881	764	982	953	889	959	1,029	1,186	1,354	1,561	2,233	1,491	

See footnotes on page xxvi.

**Average incomes before and after taxes and benefits
1971**

TABLE 1 (continued)

£ per year

	Range of original income: £ per year										Average overall income ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-		2,116-	2,561-	3,099-	3,750 and above
(iii) Non-retired households (continued)														
3 adults														
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														
	1,257	1,338	1,306	1,533	1,525	1,752	1,960	2,426	3,439	2,025	2,426	3,439	2,025	2,426

⁽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.

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1971

	Percentages														
	Range of original income: £ per year												Average over all income ranges		
	Under 381-	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-		3,099-	3,750 and above
Local rates															
All households in the sample	4.6	3.9	3.8	3.8	3.6	3.3	2.9	2.8	2.7	2.4	2.2	2.1	1.9	1.8	2.5
Retired households															
1 adult	6.0	5.8	4.1	5.8	5.4	5.8	5.2		4.1						5.6
2 adults	4.3	4.5	4.1	4.6	4.2	4.4	4.1								4.1
Non-retired households															
1 adult	5.3	5.5	4.3	4.5	4.2	3.7	3.6	3.9	2.7	3.2	3.2		2.5	2.0	3.7
2 adults	3.5	3.1	3.5	3.0	3.4	3.4	3.2	2.9	2.9	2.6	2.4	2.4	2.2	2.0	2.6
2 adults, 1 child	2.9					2.6	2.9	2.8	2.7	2.7	2.4	2.3	2.1	1.7	2.5
2 adults, 2 children	3.2				2.9	3.1	2.6	2.6	2.5	2.4	2.5	2.4	2.1	2.0	2.4
2 adults, 3 children						2.1	2.1	2.4	2.5	2.4	2.2	2.1	2.2	1.9	2.3
2 adults, 4 children							2.0	2.4	2.2	1.9	1.8	1.8		1.9	1.9
3 adults	2.9					2.6	2.7	2.3	2.5	2.3	2.1	2.0	2.0	1.8	2.1
3 adults, 1 child									2.3	2.0	1.8	2.1	1.6	2.1	1.9
3 adults, 2 children									2.0	1.6	1.8	1.8	1.8	1.8	1.8
4 adults									1	2.3	1.8	1.5	1.5	1.5	1.6
Drink															
All households in the sample	1.4	1.4	2.5	2.2	2.0	2.4	2.0	2.3	2.6	2.5	2.6	3.0	2.7	3.3	2.6
Retired households															
1 adult	1.1	1.2	1.4	5.2	2.7	3.5	1.1								1.6
2 adults	1.8	2.3	1.8	2.1	3.4	3.3	2.6	0.6	2.6						2.2
Non-retired households															
1 adult	1.3	0.1	1.5	2.1	2.7	3.5	3.1	2.8	4.8	4.3	2.8		4.2	3.4	3.1
2 adults	2.4	1.7	3.6	2.9	1.8	2.5	2.1	2.8	3.4	2.8	3.1	3.4	2.7	3.4	3.0
2 adults, 1 child	0.5					2.1	2.3	3.0	2.2	2.5	2.3	1.4	1.9	3.2	2.3
2 adults, 2 children	0.6				1.9	2.3	1.9	2.0	1.7	1.8	2.2	1.6	1.8	2.2	1.9
2 adults, 3 children						1.0	1.5	1.2	2.8	2.4	1.9	1.4	1.6	1.6	1.9
2 adults, 4 children							1.6	1.4	1.8	2.3	2.7	2.1	2.6	2.1	2.1
3 adults	2.0					3.9	1.7	2.3	2.9	4.0	4.2	3.5	2.6	4.2	3.5
3 adults, 1 child									1.7	1.8	1.6	3.7	3.4	3.2	2.7
3 adults, 2 children									2.3	1.3	3.3	2.5	5.7	0.9	2.5
4 adults										4.1	2.2	4.4	2.5	4.3	3.7

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1971

	Range of original income: £ per year													Percentages	
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750 and above	over all income ranges
Tobacco															
All households in the sample	3.0	3.2	3.8	2.9	3.7	4.0	4.2	4.2	3.6	3.6	3.0	3.1	2.7	1.9	3.1
Retired households															
1 adult	2.0	2.0	3.4	1.1	1.4	1.8	3.9	3.9	1.7						1.7
2 adults	3.9	3.2		1.6	3.8	2.5	2.9	1.1							3.2
Non-retired households															
1 adult	2.8	2.4	4.6	3.3	3.4	3.6	3.3	2.8	3.6	2.5	1.6	1.9	1.9	1.5	2.8
2 adults	4.7	4.3	5.1	3.8	4.0	4.5	4.3	4.8	3.9	4.0	3.5	2.4	2.4	1.5	3.3
2 adults, 1 child	2.4					5.0	4.8	4.6	3.6	3.4	2.9	2.2	1.6	1.1	3.0
2 adults, 2 children	5.5				5.4	3.9	4.3	4.1	3.3	2.8	2.4	2.0	1.6	0.8	2.6
2 adults, 3 children						4.6	5.4	3.9	4.1	3.2	3.0	1.6	0.6	0.8	2.9
2 adults, 4 children						4.4	4.4	4.0	4.1	3.4	2.0	2.9	0.6	0.8	2.9
3 adults	2.8					5.6	5.0	5.1	4.3	4.5	3.4	3.7	3.2	2.1	3.4
3 adults, 1 child									2.7	3.8	2.4	3.9	2.8	1.9	3.0
3 adults, 2 children									4.7	3.4	4.0	3.7	4.7	1.7	3.3
4 adults									4.7	4.7	3.1	4.3	4.0	2.6	3.3
Purchase tax															
All households in the sample	1.6	2.1	2.9	2.2	2.6	2.0	2.4	2.4	2.7	2.7	2.8	2.8	2.9	2.6	2.6
Retired households															
1 adult	1.2	1.6	5.2	3.1	2.2	2.1	1.7	1.7	3.3						1.5
2 adults	1.9	1.9	2.9	2.5	4.0	1.1	1.0	1.4							2.1
Non-retired households															
1 adult	1.8	2.0	2.1	1.9	2.0	2.2	2.7	1.7	2.7	2.3	2.9	1.5	1.5	2.3	2.3
2 adults	1.8	1.4	2.8	1.8	2.1	2.0	2.9	3.1	2.6	3.0	3.0	2.7	2.7	2.9	2.8
2 adults, 1 child	1.5					2.4	2.8	2.8	2.7	2.7	2.7	3.3	3.7	4.7	3.1
2 adults, 2 children	2.1				4.5	2.3	2.2	2.2	2.5	2.6	2.6	2.6	3.0	3.6	2.7
2 adults, 3 children						1.7	3.0	1.9	3.4	2.1	2.9	2.5	2.6	1.9	2.5
2 adults, 4 children							1.9	1.4	2.2	1.8	2.0	3.0	2.6	1.9	2.5
3 adults	2.0					2.2	1.8	1.9	2.4	3.3	3.3	3.2	2.7	3.1	2.9
3 adults, 1 child									2.6	2.7	3.0	3.0	2.6	2.7	2.8
3 adults, 2 children									2.3	2.3	2.5	2.2	2.6	2.1	2.3
4 adults									3.3	3.3	2.3	2.8	3.2	2.5	2.7

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1971

	Range of original income: £ per year											Aver- age overall income ranges			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-		2,561-	3,099-	3,750 and above
Oil															
All households in the sample ..	0.6	0.9	1.3	1.2	1.3	1.4	1.7	1.8	2.1	2.0	2.1	2.1	2.1	1.8	1.8
Retired households															
1 adult ..	0.4	0.4	0.3	1.7	1.2	0.3	0.8								0.6
2 adults ..	0.8	0.8	1.6	0.6	1.6	0.8	0.6	1.8	2.5						1.1
Non-retired households															
1 adult ..	0.8	0.7	0.4	0.5	1.2	1.5	1.6	1.8	2.0	2.1	1.7		2.3		1.5
2 adults ..	0.8	0.8	1.4	1.9	1.3	1.8	2.3	2.0	2.1	2.1	2.3	2.1	2.3	1.5	2.0
2 adults, 1 child ..	1.0					1.7	2.5	1.6	2.3	2.2	2.3	2.1	1.6	1.7	2.0
2 adults, 2 children ..	0.3				2.3	1.6	1.5	2.1	2.2	2.0	2.2	2.2	2.3	1.8	2.1
2 adults, 3 children ..						1.5	1.3	1.3	2.1	1.7	1.6	2.1	2.2	1.0	1.7
2 adults, 4 children ..						0.7	1.3	1.3	1.1	1.7	1.0	1.5	2.0	1.3	1.3
3 adults ..	1.2					1.2	1.8	1.9	1.9	1.9	2.3	2.6	2.0	2.0	2.1
3 adults, 1 child ..									1.8	2.1	1.8	2.2	2.3	1.7	2.0
3 adults, 2 children ..									2.6	1.8	1.6	1.9	2.0	1.2	1.7
4 adults ..										1.9	2.1	2.8	2.8	2.6	2.6
Intermediate taxes															
All households in the sample ..	5.8	5.5	6.6	5.9	5.5	5.5	5.8	5.9	5.6	5.4	5.3	5.2	5.0	4.8	5.3
Retired households															
1 adult ..	6.0	4.4	6.8	5.9	4.9	6.0	5.1								5.5
2 adults ..	6.2	6.4	6.4	5.6	6.2	4.7	6.9	4.2	5.5						5.8
Non-retired households															
1 adult ..	5.9	6.5	6.1	5.5	5.6	5.6	5.5	4.9	5.3	5.1	5.3		4.4		5.3
2 adults ..	5.9	4.8	7.5	6.2	5.4	5.6	6.3	6.4	5.8	5.7	5.5	5.0	4.6	4.1	5.3
2 adults, 1 child ..	4.6					5.8	6.5	6.2	5.6	5.7	5.1	5.2	5.3	5.1	5.5
2 adults, 2 children ..	5.3				7.8	5.8	5.7	5.8	5.4	5.0	5.0	4.7	5.1	4.4	5.1
2 adults, 3 children ..						4.3	5.3	5.0	5.8	4.7	4.9	4.5	4.3	4.7	4.9
2 adults, 4 children ..						5.8	5.2	4.6	5.5	4.8	4.5	5.2	4.3	4.7	5.8
3 adults ..	5.7					5.8	5.8	8.0	5.7	6.3	6.0	5.7	4.9	4.9	5.5
3 adults, 1 child ..									5.2	5.5	5.2	5.7	5.2	4.7	5.2
3 adults, 2 children ..									5.2	5.1	5.4	4.8	5.8	4.3	5.1
4 adults ..										6.3	5.1	5.6	5.5	5.4	5.4

**First and fourth quintile incomes compared with median: incomes before and after taxes and benefits
1967-1971⁽¹⁾**

TABLE 3

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
Retired and non-retired households															
1 adult															
£ per year															
Original income	91	87	85	90	103	251	224	213	248	256	904	925	913	1,031	1,118
Original income plus cash benefits .. .. .	..	..	348	369	406	..	..	473	525	553	..	..	982	1,125	1,215
Income after direct taxes and benefits	347	363	395	424	473	463	491	515	558	619	800	824	877	965	1,048
Income after all taxes and benefits	293	305	329	350	399	394	413	432	457	532	642	657	689	759	848
Percentage of original income															
Original income plus cash benefits .. .. .	..	..	409	411	394	..	..	222	212	216	..	..	108	109	109
Income after direct taxes and benefits	381	417	465	472	459	184	219	242	225	242	88	89	96	94	94
Income after all taxes and benefits	322	351	387	390	387	157	184	203	184	208	71	71	75	74	76
Percentage of median															
Original income	36	39	40	36	40	100	100	100	100	100	360	413	429	416	437
Original income plus cash benefits .. .. .	..	..	74	70	73	..	..	100	100	100	..	..	208	214	220
Income after direct taxes and benefits	75	74	77	76	76	100	100	100	100	100	173	168	170	173	169
Income after all taxes and benefits	74	74	76	77	75	100	100	100	100	100	163	159	159	166	159
2 adults															
£ per year															
Original income	378	298	358	388	377	1,125	1,162	1,236	1,368	1,486	1,821	1,925	2,017	2,271	2,511
Original income plus cash benefits .. .. .	..	..	738	791	837	..	..	1,337	1,477	1,624	..	..	2,053	2,339	2,547
Income after direct taxes and benefits	703	744	784	857	926	1,063	1,119	1,214	1,324	1,465	1,564	1,635	1,762	1,983	2,156
Income after all taxes and benefits	558	583	602	662	738	838	870	932	1,011	1,147	1,273	1,332	1,398	1,580	1,737
Percentage of original income															
Original income plus cash benefits .. .. .	..	..	206	204	222	..	..	108	108	109	..	..	102	103	101
Income after direct taxes and benefits	186	250	219	221	246	94	96	98	97	99	86	85	87	87	86
Income after all taxes and benefits	148	196	168	170	196	74	75	75	74	77	70	69	69	70	69
Percentage of median															
Original income	34	26	29	28	25	100	100	100	100	100	162	166	163	166	169
Original income plus cash benefits .. .. .	..	..	55	54	52	..	..	100	100	100	..	..	154	158	157
Income after direct taxes and benefits	66	66	65	65	63	100	100	100	100	100	147	146	145	150	147
Income after all taxes and benefits	67	67	65	65	64	100	100	100	100	100	152	153	150	156	151

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£ per year														
Retired and non-retired households (contd.)															
2 adults, 1 child	1,000	1,072	1,052	1,182	1,205	1,336	1,443	1,496	1,659	1,807	1,776	1,972	2,049	2,293	2,532
Original income .. .. .	..	..	..	1,124	1,259	..	..	1,536	1,705	1,845	..	..	2,067	2,317	2,543
Original income plus cash benefits	990	1,077	1,121	1,248	1,274	1,278	1,381	1,485	1,628	1,752	1,661	1,821	1,928	2,097	2,367
Income after direct taxes and benefits	764	854	838	928	972	1,044	1,120	1,154	1,285	1,400	1,375	1,498	1,576	1,727	1,960
Income after all taxes and benefits	Percentage of original income														
Original income	99	..	107	104	104	..	..	103	103	102	..	..	101	101	100
Original income plus cash benefits	76	80	80	79	81	78	78	77	77	77	77	76	77	75	77
Income after direct taxes and benefits	75	74	70	71	67	100	100	100	100	100	133	137	137	138	140
Income after all taxes and benefits	77	78	75	77	73	100	100	100	100	100	130	132	130	129	135
Income after direct taxes and benefits	73	76	73	72	69	100	100	100	100	100	132	134	137	134	140
Income after all taxes and benefits	Percentage of median														
Original income	1,045	1,119	1,163	1,256	1,363	1,423	1,511	1,602	1,716	1,942	1,937	2,039	2,230	2,424	2,676
Original income plus cash benefits .. .. .	..	..	1,237	1,351	1,461	..	..	1,685	1,798	2,001	..	..	2,267	2,459	2,758
Original income plus cash benefits	1,167	1,226	1,310	1,412	1,537	1,500	1,563	1,686	1,781	2,019	1,960	2,064	2,164	2,417	2,619
Income after direct taxes and benefits	926	972	1,032	1,091	1,238	1,245	1,283	1,365	1,435	1,652	1,662	1,732	1,750	1,969	2,230
Income after all taxes and benefits	Percentage of original income														
Original income	112	..	106	108	107	..	..	105	105	103	..	..	102	101	103
Original income plus cash benefits	89	87	89	87	91	87	85	86	84	85	86	85	78	81	83
Income after direct taxes and benefits	73	74	73	73	70	100	100	100	100	100	136	135	139	141	138
Income after all taxes and benefits	78	78	78	75	73	100	100	100	100	100	131	138	128	136	130
Income after direct taxes and benefits	74	76	76	76	75	100	100	100	100	100	133	135	128	137	135
Income after all taxes and benefits	Percentage of median														
Original income	73	74	73	73	70	100	100	100	100	100	136	135	139	141	138
Original income plus cash benefits .. .. .	..	..	73	75	73	..	..	100	100	100	..	..	135	137	138
Income after direct taxes and benefits	78	78	78	79	76	100	100	100	100	100	131	138	128	136	130
Income after all taxes and benefits	74	76	76	76	75	100	100	100	100	100	133	135	128	137	135

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Retired and non-retired households (contd.)															
2 adults, 3 children															
£ per year															
Original income	1,013	1,093	1,074	1,202	1,295	1,384	1,503	1,540	1,757	1,847	1,928	2,005	2,296	2,375	2,583
Original income plus cash benefits			1,241	1,343	1,495			1,658	1,878	2,012			2,367	2,452	2,745
Income after direct taxes and benefits	1,264	1,373	1,463	1,563	1,725	1,625	1,744	1,847	1,995	2,169	2,091	2,196	2,442	2,559	2,852
Income after all taxes and benefits	1,036	1,117	1,166	1,229	1,371	1,373	1,462	1,508	1,631	1,820	1,744	1,863	2,035	2,143	2,401
Percentage of original income															
Original income plus cash benefits	125	126	116	112	115	117	116	108	107	109	108	110	103	103	106
Income after direct taxes and benefits	102	102	136	130	133	99	-97	98	93	99	90	93	89	108	110
Income after all taxes and benefits			109	102	106									90	93
Percentage of median															
Original income	73	73	70	68	70	100	100	100	100	100	139	133	149	135	140
Original income plus cash benefits			75	72	74								143	131	136
Income after direct taxes and benefits	78	79	79	78	80	100	100	100	100	100	129	126	132	128	131
Income after all taxes and benefits	75	76	77	75	75	100	100	100	100	100	127	127	135	131	132
2 adults, 4 children															
£ per year															
Original income	891	997	995	1,108	1,221	1,234	1,351	1,414	1,589	1,855	1,725	1,814	2,136	2,021	2,635
Original income plus cash benefits			1,244	1,450	1,515			1,588	1,764	2,021			2,311	2,120	2,707
Income after direct taxes and benefits	1,363	1,477	1,518	1,778	1,848	1,680	1,778	1,973	2,122	2,415	2,101	2,277	2,538	2,534	3,042
Income after all taxes and benefits	1,111	1,221	1,273	1,401	1,528	1,427	1,485	1,628	1,778	2,024	1,850	1,926	2,086	2,211	2,530
Percentage of original income															
Original income plus cash benefits	153	148	125	131	124	136	132	112	111	109	122	126	108	105	103
Income after direct taxes and benefits	125	122	128	126	125	116	110	115	112	109	107	106	98	125	115
Income after all taxes and benefits														109	96
Percentage of median															
Original income	72	74	70	70	66	100	100	100	100	100	140	134	151	127	142
Original income plus cash benefits			78	82	75								146	120	134
Income after direct taxes and benefits	81	83	77	84	77	100	100	100	100	100	125	128	129	119	126
Income after all taxes and benefits	78	82	78	79	75	100	100	100	100	100	130	130	128	124	125

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year
Retired and non-retired households (contd.)															
3 adults															
Original income	1,139	1,171	1,216	1,355	1,384	1,822	1,896	1,992	2,190	2,330	2,488	2,655	2,804	3,054	3,462
Original income plus cash benefits .. .. .	..	..	1,469	1,625	1,711	..	..	2,090	2,301	2,502	..	..	2,867	3,112	3,521
Income after direct taxes and benefits	1,249	1,312	1,460	1,529	1,656	1,639	1,736	1,911	2,045	2,250	2,132	2,313	2,501	2,718	3,025
Income after all taxes and benefits	979	1,012	1,048	1,121	1,274	1,284	1,363	1,448	1,563	1,763	1,726	1,881	1,966	2,114	2,465
Percentage of original income															
Original income plus cash benefits	110	112	120	120	124	..	..	105	105	107	..	..	102	102	102
Income after direct taxes and benefits	86	86	86	83	92	90	92	96	93	97	86	87	89	89	87
Income after all taxes and benefits	86	86	86	83	92	70	72	73	71	76	69	71	70	69	71
Percentage of median															
Original income	63	62	61	62	59	100	100	100	100	100	137	140	141	139	149
Original income plus cash benefits .. .. .	..	..	70	71	68	..	..	100	100	100	..	..	137	135	141
Income after direct taxes and benefits	76	76	76	75	74	100	100	100	100	100	130	133	131	133	134
Income after all taxes and benefits	76	74	72	72	72	100	100	100	100	100	134	138	136	135	140
3 adults, 1 child															
£ per year															
Original income	1,309	1,343	1,481	1,596	1,896	1,776	1,968	2,024	2,233	2,542	2,415	2,735	2,732	3,094	3,381
Original income plus cash benefits .. .. .	..	..	1,593	1,726	1,998	..	..	2,077	2,340	2,649	..	..	2,784	3,202	3,469
Income after direct taxes and benefits	1,485	1,555	1,664	1,797	2,102	1,832	1,994	2,094	2,344	2,653	2,305	2,509	2,688	2,984	3,378
Income after all taxes and benefits	1,191	1,242	1,297	1,390	1,625	1,520	1,629	1,647	1,863	2,166	1,980	2,089	2,109	2,468	2,754
Percentage of original income															
Original income plus cash benefits	113	116	112	113	111	103	101	103	105	104	..	..	102	103	103
Income after direct taxes and benefits	91	92	88	87	86	86	83	81	83	85	82	76	77	80	81
Income after all taxes and benefits	91	92	88	87	86	100	100	100	100	100	136	139	135	139	133
Percentage of median															
Original income	74	68	73	71	75	100	100	100	100	100	136	139	135	139	133
Original income plus cash benefits .. .. .	..	..	77	74	75	..	..	100	100	100	..	..	134	137	131
Income after direct taxes and benefits	81	78	79	77	79	100	100	100	100	100	126	126	128	127	127
Income after all taxes and benefits	78	76	79	75	75	100	100	100	100	100	130	128	128	132	127

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£ per year														
Retired and non-retired households (contd.)															
3 adults, 2 children															
Original income	1,322	1,401	1,393	1,576	1,782	1,837	1,963	1,999	2,226	2,599	2,505	2,559	2,695	2,901	3,547
Original income plus cash benefits .. .. .	..	..	1,581	1,853	1,965	1,993	2,196	2,095	2,385	2,755	2,503	2,838	2,874	3,086	3,660
Income after direct taxes and benefits	1,618	1,694	1,769	1,995	2,162	1,993	2,196	2,257	2,499	2,800	2,503	2,838	3,091	3,042	3,598
Income after all taxes and benefits	1,326	1,372	1,393	1,590	1,706	1,654	1,759	1,814	2,018	2,241	2,122	2,356	2,463	2,536	3,000
Percentage of original income															
Original income plus cash benefits .. .. .	..	..	113	118	110	..	112	105	107	106	..	..	107	106	103
Income after direct taxes and benefits	122	121	127	127	121	108	112	113	112	108	100	111	115	105	101
Income after all taxes and benefits	100	98	100	101	96	90	90	91	91	86	85	92	91	87	85
Percentage of median															
Original income	72	71	70	71	69	100	100	100	100	100	136	130	135	130	136
Original income plus cash benefits .. .. .	..	..	75	78	71	..	..	100	100	100	..	..	137	129	133
Income after direct taxes and benefits	81	77	78	80	77	100	100	100	100	100	126	129	137	122	129
Income after all taxes and benefits	80	78	77	79	76	100	100	100	100	100	128	134	136	126	134
4 adults															
£ per year															
Original income	1,589	1,860	1,858	2,088	2,447	2,344	2,588	2,662	3,012	3,289	3,324	3,448	3,517	3,933	4,473
Original income plus cash benefits .. .. .	..	..	2,148	2,317	2,687	2,344	2,588	2,817	3,105	3,455	3,324	3,448	3,641	4,041	4,524
Income after direct taxes and benefits	1,673	1,855	2,011	2,226	2,505	2,175	2,337	2,497	2,793	3,106	2,844	2,999	3,298	3,625	4,091
Income after all taxes and benefits	1,325	1,429	1,472	1,676	1,884	1,727	1,819	1,887	2,151	2,495	2,315	2,398	2,498	2,835	3,387
Percentage of original income															
Original income plus cash benefits .. .. .	..	..	116	111	110	..	..	106	103	105	..	..	104	103	101
Income after direct taxes and benefits	105	100	108	107	102	93	90	94	93	94	86	87	94	92	91
Income after all taxes and benefits	83	77	79	80	77	74	70	71	71	76	70	70	71	72	76
Percentage of median															
Original income	68	72	70	69	74	100	100	100	100	100	142	133	132	131	136
Original income plus cash benefits .. .. .	..	..	76	75	78	..	..	100	100	100	..	..	129	130	131
Income after direct taxes and benefits	77	79	81	80	81	100	100	100	100	100	131	128	132	130	132
Income after all taxes and benefits	77	79	78	78	76	100	100	100	100	100	134	132	132	132	136

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£ per year														
Retired and non-retired households (contd.)															
All households in the sample															
Original income	565	498	495	521	482	1,293	1,359	1,402	1,540	1,679	2,036	2,142	2,261	2,472	2,724
Original income plus cash benefits .. .. .	..	..	770	827	857	..	..	1,513	1,656	1,799	..	..	2,337	2,541	2,833
Income after direct taxes and benefits	762	776	806	875	926	1,322	1,382	1,483	1,594	1,726	1,952	2,072	2,221	2,431	2,649
Income after all taxes and benefits	595	604	616	666	737	1,069	1,107	1,157	1,240	1,381	1,622	1,704	1,758	1,965	2,168
<i>Percentage of original income</i>															
Original income plus cash benefits .. .. .	..	..	156	159	178	..	..	108	108	107	..	..	103	103	104
Income after direct taxes and benefits	135	156	163	168	192	102	102	106	104	103	96	97	98	98	97
Income after all taxes and benefits	105	121	124	128	153	83	81	83	81	82	80	80	78	79	80
<i>Percentage of median</i>															
Original income	44	37	35	34	29	100	100	100	100	100	157	158	161	161	162
Original income plus cash benefits .. .. .	..	..	51	50	48	..	..	100	100	100	..	..	154	153	157
Income after direct taxes and benefits	58	56	54	55	54	100	100	100	100	100	148	150	150	153	153
Income after all taxes and benefits	56	55	53	54	53	100	100	100	100	100	152	154	152	158	157
Non-retired households															
1 adult															
£ per year															
Original income	343	364	314	342	373	765	800	749	900	976	1,210	1,319	1,380	1,539	1,662
Original income plus cash benefits .. .. .	..	..	497	567	596	..	..	811	980	1,047	..	..	1,414	1,553	1,694
Income after direct taxes and benefits	463	496	509	573	613	697	719	757	846	902	994	1,094	1,187	1,248	1,400
Income after all taxes and benefits	379	392	409	440	504	552	568	583	647	737	800	903	953	979	1,116
<i>Percentage of original income</i>															
Original income plus cash benefits .. .. .	..	..	158	166	160	..	..	108	109	107	..	..	102	101	102
Income after direct taxes and benefits	135	136	162	168	164	91	90	101	94	92	82	83	86	81	84
Income after all taxes and benefits	110	108	130	129	135	72	71	78	72	76	66	68	69	64	67
<i>Percentage of median</i>															
Original income	45	46	42	38	38	100	100	100	100	100	158	165	184	171	170
Original income plus cash benefits .. .. .	..	..	61	58	57	..	..	100	100	100	..	..	174	158	162
Income after direct taxes and benefits	66	69	67	68	68	100	100	100	100	100	143	152	157	148	155
Income after all taxes and benefits	69	69	70	68	68	100	100	100	100	100	145	159	163	151	151

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1967-1971⁽¹⁾**

	1st quintile					Median					4th quintile				
	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971	1967	1968	1969	1970	1971
	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year
Non-retired households (continued)															
2 adults															
Original income	861	894	900	1,011	1,082	1,328	1,453	1,499	1,668	1,868	1,969	2,082	2,178	2,494	2,784
Original income plus cash benefits .. .. .	..	..	1,031	1,163	1,249	..	..	1,556	1,732	1,930	..	..	2,219	2,529	2,814
Income after direct taxes and benefits	863	925	972	1,069	1,190	1,184	1,282	1,373	1,505	1,664	1,662	1,736	1,923	2,118	2,346
Income after all taxes and benefits	673	716	727	813	911	947	998	1,056	1,148	1,320	1,359	1,427	1,508	1,715	1,913
Percentage of original income															
Original income plus cash benefits	100	103	115	115	115	89	88	104	104	103	84	83	102	101	101
Income after direct taxes and benefits	78	80	81	106	110	71	69	70	69	71	69	69	69	85	84
Income after all taxes and benefits	78	80	81	80	84	71	69	70	69	71	69	69	69	69	69
Percentage of median															
Original income	65	62	60	61	58	100	100	100	100	100	148	143	145	150	149
Original income plus cash benefits .. .. .	..	..	66	67	65	..	..	100	100	100	..	..	143	146	146
Income after direct taxes and benefits	73	72	71	71	72	100	100	100	100	100	140	135	140	141	141
Income after all taxes and benefits	71	72	69	71	69	100	100	100	100	100	144	143	143	149	145
All non-retired households															
£ per year															
Original income	926	986	970	1,060	1,134	1,432	1,536	1,589	1,743	1,930	2,135	2,306	2,403	2,638	2,925
Original income plus cash benefits .. .. .	..	..	1,101	1,212	1,291	..	..	1,682	1,854	2,027	..	..	2,470	2,734	3,013
Income after direct taxes and benefits	981	1,043	1,101	1,201	1,301	1,447	1,536	1,637	1,764	1,942	2,035	2,195	2,357	2,557	2,832
Income after all taxes and benefits	764	814	837	902	1,008	1,172	1,238	1,294	1,397	1,566	1,696	1,807	1,884	2,075	2,332
Percentage of original income															
Original income plus cash benefits	106	106	114	114	114	82	81	106	106	105	95	95	103	104	103
Income after direct taxes and benefits	83	83	86	85	89	101	100	103	101	101	79	78	98	97	97
Income after all taxes and benefits	83	83	86	85	89	82	81	81	80	81	79	78	78	79	80
Percentage of median															
Original income	65	64	61	61	59	100	100	100	100	100	149	150	151	151	152
Original income plus cash benefits .. .. .	..	..	65	65	64	..	..	100	100	100	..	..	147	147	149
Income after direct taxes and benefits	68	68	67	68	67	100	100	100	100	100	141	143	144	145	146
Income after all taxes and benefits	65	66	65	65	64	100	100	100	100	100	145	146	146	149	149

⁽¹⁾ Figures for 1967 and 1968 are on a different basis from that used for the later years. See Appendix I for notes on the effects of changes in the definition of original income from 1969 onwards.

Income after all taxes and and benefits as a percentage of original income
1969-1971

		Range of original income: £ per year													Percentages	
		Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750 and above	Aver- age over all income ranges
All households in the sample																
1969..	..	461	159	141	120	106	98	91	85	80	77	76	74	69	66	84
1970..	..	494	178	141	130	113	104	89	86	81	78	78	74	73	67	84
1971..	..	547	195	160	141	126	107	100	90	85	81	80	76	74	70	86
Retired households																
1 adult																
1969..	..	506	112	100	105	97	80	77								206
1970..	..	538	133	114	108	103	95	87								219
1971..	..	539	141	123	106	103	95	87								207
2 adults																
1969..	..	528	191	142	131	115	95	92	88	79	74	72				174
1970..	..	544	176	144	137	129	108	90		84						150
1971..	..	569	189	166	147	124	124	104	103							188
Non-retired households																
1 adult																
1969..	..	261	111	112	84	74	60	66	64	64	61	69	62			77
1970..	..	250	123	110	84	77	70	68	60	61	56	65				74
1971..	..	291	127	103	97	88	72	74	70	63	63	63	58			77
2 adults																
1969..	..	264	160	144	121	98	80	79	72	68	67	67	64	65	57	71
1970..	..	276	184	129	124	97	91	78	70	69	68	66	66	66	62	71
1971..	..	336	212	150	160	127	98	87	78	73	70	67	67	66	63	72
2 adults, 1 child																
1969..	..	502			119	91	94	80	79	73	75	74	73	68		77
1970..	..	759				116	92	90	81	75	73	75	72	73	69	77
1971..	..	971					105	89	84	81	75	76	73	73	70	79
2 adults, 2 children																
1969..	..	462			156	119	111	96	88	85	79	76	79	75	71	84
1970..	..	598					117	93	89	83	81	81	77	70	83	
1971..	..	582				127	111	107	95	88	85	82	79	76	74	84

**Income after direct taxes and benefits as a percentage of original income
1969-1971**

	Range of original income: £ per year													Percentages	
														3,750 and above	Aver- age over all income ranges
	Under 381	381- 461	557	674	816	987	1,194	1,446	1,749	2,116	2,561	3,099	3,750 and above	Aver- age over all income ranges	
All households in the sample															
1969..	561	200	178	135	125	115	108	102	97	96	93	90	81	105	
1970..	600	217	178	144	131	114	109	104	99	97	93	91	82	105	
1971..	644	233	203	153	131	122	112	106	101	98	94	90	85	105	
Retired households															
1 adult															
1969..	599	155	133	127	108	99								249	
1970..	636	164	135	128	108	108								263	
1971..	624	168	151	141	119	108								243	
2 adults															
1969..	653	239	188	149	128	120	114	101	104	90				219	
1970..	672	225	188	162	135	130	122	108						188	
1971..	690	237	211	161	147	129								231	
Non-retired households															
1 adult															
1969..	310	134	133	95	90	84	84	79	77	81	76			95	
1970..	315	141	128	100	91	87	80	81	78	79				94	
1971..	334	145	128	106	91	92	85	80	79	77		71		94	
2 adults															
1969..	340	202	186	126	105	101	93	89	86	85	82	83	72	91	
1970..	353	222	173	128	116	101	94	91	88	85	83	81	74	90	
1971..	413	253	199	152	122	110	101	93	89	85	84	81	76	90	
2 adults, 1 child															
1969..	677	161	161	126	120	105	101	96	94	91	90	84		98	
1970..	909	150	150	150	125	115	103	97	93	92	89	89	81	97	
1971..	1,119	132	114	106	132	114	106	100	94	94	89	89	86	97	
2 adults, 2 children															
1969..	603	192	149	149	134	119	110	105	99	95	95	91	85	103	
1970..	1,006	144	144	144	144	119	111	105	100	99	94	94	86	102	
1971..	688	158	158	158	138	131	118	108	103	102	95	92	88	102	

**Total taxes as a percentage of original income plus cash benefits
1969-1971**

	Range of original income: £ per year											Percentages			
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750 and above	Average over all income ranges
All households in the sample															
1969..	25	30	30	31	33	35	35	36	36	36	36	36	39	40	36
1970..	25	26	31	30	33	34	36	37	38	37	36	38	37	39	36
1971..	24	26	32	28	30	32	33	35	36	36	35	36	36	37	35
Retired households															
1 adult															
1969..	22	35	35	28	33	42	40								28
1970..	22	28	26	27	33	32	34								27
1971..	22	24	30	33	31	32	34								26
2 adults															
1969..	26	30	34	33	33	37	36	37	40	44	39				32
1970..	25	28	34	28	30	34	44	28	39						33
1971..	25	27	29	24	35	30	34	28	39						30
Non-retired households															
1 adult															
1969..	27	27	27	34	36	38	40	41	40	41	32	40			38
1970..	31	25	27	36	35	39	39	43	42	46	38				38
1971..	26	25	28	28	33	37	36	38	41	41	40		43		37
2 adults															
1969..	30	28	28	29	34	37	37	38	39	38	37	38	36	44	38
1970..	29	24	36	29	36	35	36	39	39	38	38	37	36	40	38
1971..	28	25	34	31	28	33	36	38	38	37	38	37	36	38	37
2 adults, 1 child															
1969..	42		42	37	42	34	38	36	38	35	35	33	36		36
1970..	45		41		41	33	35	36	38	37	35	35	35	35	36
1971..	29		33		33	33	36	36	34	36	34	34	33	34	34
2 adults, 2 children															
1969..	38		25	30	25	21	31	34	33	35	35	32	35	35	34
1970..	112					29	34	35	36	35	33	35	36	36	35
1971..	24		35			29	30	33	33	32	33	33	33	32	32

**Total benefits as a percentage of original income plus cash benefits
1969-1971**

	Range of original income: £ per year													Aver- age over all income ranges	
	Under 381	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-		3,750 and above
All households in the sample															
1969..	103	64	56	45	38	33	27	22	17	14	13	11	9	6	21
1970..	106	67	57	51	43	37	26	23	20	16	14	12	10	6	21
1971..	111	74	67	54	49	37	33	25	22	18	16	13	10	7	22
Retired households															
1 adult															
1969..	97	42	35	32	30	26	22								71
1970..	99	48	36	33	30	28	24								73
1971..	102	49	45	38	33	28	24								72
2 adults															
1969..	102	75	57	51	43	33	30	27		22	14				67
1970..	102	65	58	50	47	40	37	31	22						60
1971..	106	68	63	53	50	46	37	31	26						71
Non-retired households															
1 adult															
1969..	93	35	37	20	11	8	6	6	5	3	1	2			17
1970..	92	41	35	23	14	12	7	4	4	3	3				15
1971..	98	44	31	26	23	11	11	8	4	4	4		1		16
2 adults															
1969..	88	60	56	44	32	20	17	11	7	5	4	3	2	1	10
1970..	89	67	53	46	33	27	17	13	10	6	5	3	3	2	10
1971..	102	77	61	68	47	31	25	17	13	9	5	4	3	2	11
2 adults, 1 child															
1969..	133			51	34	28	18	15	11	10	9	6	4		13
1970..	189				54	26	26	17	14	10	10	7	6	3	14
1971..	180				37	37	25	21	15	12	10	7	6	4	14
2 adults, 2 children															
1969..	139			72	40	38	27	23	19	15	12	11	10	6	18
1970..	234				56	43	27	25	20	17	15	13	10	7	18
1971..	123				38	38	36	28	22	18	16	12	10	6	17

TABLE 4 (iv)

**Indirect taxes as a percentage of income after direct taxes and benefits
1969-1971**

TABLE 4 (v)

	Percentages														
	Range of original income: £ per year												Aver- age over all and income ranges		
	Under 381-	381-	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-		3,099-	3,750 and above
All households in the sample															
1969..	21	22	21	22	23	23	22	22	22	21	21	20	23	19	21
1970..	20	19	22	20	22	22	23	22	23	22	22	21	20	19	21
1971..	19	18	22	19	20	20	21	21	21	20	20	20	19	18	20
Retired households															
1 adult															
1969..	19	27	25	17	18	26	22								20
1970..	19	21	16	16	19	21	19								19
1971..	18	16	19	24	19	21	19								18
2 adults															
1969..	21	21	25	23	23	26	23	23	22	29	20				22
1970..	21	22	24	17	21	21	32	22	22						22
1971..	20	21	22	18	25	18	19	15	22						20
Non-retired households															
1 adult															
1969..	19	21	17	23	24	25	23	25	21	21	14	19			21
1970..	22	14	17	23	24	23	24	25	26	28	18		18		22
1971..	20	18	20	19	20	21	21	20	23	21	19				20
2 adults															
1969..	24	22	24	22	24	25	24	25	25	23	22	22	21	21	23
1970..	23	19	28	22	25	23	24	24	25	24	23	21	21	17	22
1971..	21	18	26	21	20	22	23	24	23	22	22	20	18	17	21
2 adults, 1 child															
1969..	27			27	29	23	25	23	25	21	20	20	20		22
1970..	22			24	24	27	22	23	23	22	20	19	20	16	21
1971..	15			21	21	21	24	23	21	21	19	18	18	19	20
2 adults, 2 children															
1969..	24			19	22	19	21	21	20	21	20	17	18	17	20
1970..	41			21	21	21	23	21	21	21	19	18	18	19	20
1971..	18			27	27	21	20	20	19	18	18	17	17	16	18

**Average incomes before and after taxes and benefits
1961-1971**

TABLE 5

	Average income					Percentage of original income					Percentage of corresponding income in 1961				
	1961	1965	1969	1970	1971	1961	1965	1969	1970	1971	1965	1969	1970	1971	
	£ per year					Percentages					1961=100				
Retired and non-retired households															
1 adult															
Old basis															
Original income	319	429	522	576	630	100	100	100	100	100	100	100	100	100	
Income after direct taxes and benefits	404	534	670	729	797	127	124	128	127	127	132	132	132	132	
Income after all taxes and benefits	346	446	555	601	679	108	104	106	104	108	129	129	129	129	
New basis															
Original income	312	420	510	560	612	100	100	100	100	100	135	135	135	135	
Income after direct taxes and benefits	404	534	670	729	797	129	127	131	130	130	132	132	132	132	
Income after all taxes and benefits	(341)	(439)	546	588	665	(109)	(105)	107	105	109	(129)	(129)	(129)	(129)	
2 adults															
Old basis															
Original income	843	1,039	1,395	1,552	1,706	100	100	100	100	100	123	123	123	123	
Income after direct taxes and benefits	847	1,034	1,352	1,486	1,643	100	100	97	96	96	122	122	122	122	
Income after all taxes and benefits	707	844	1,074	1,194	1,350	84	81	77	77	79	119	119	119	119	
New basis															
Original income	824	1,007	1,351	1,500	1,650	100	100	100	100	100	122	122	122	122	
Income after direct taxes and benefits	847	1,034	1,352	1,486	1,643	103	103	100	99	100	122	122	122	122	
Income after all taxes and benefits	(698)	(829)	1,054	1,168	1,321	(85)	(82)	78	78	80	(119)	(119)	(119)	(119)	
2 adults, 1 child															
Old basis															
Original income	1,041	1,322	1,643	1,878	2,056	100	100	100	100	100	127	127	127	127	
Income after direct taxes and benefits	1,005	1,275	1,559	1,758	1,930	97	96	95	94	94	127	127	127	127	
Income after all taxes and benefits	847	1,050	1,244	1,427	1,593	81	79	76	76	77	124	124	124	124	
New basis															
Original income	1,016	1,281	1,586	1,810	1,982	100	100	100	100	100	126	126	126	126	
Income after direct taxes and benefits	1,005	1,275	1,559	1,758	1,930	99	100	98	97	97	127	127	127	127	
Income after all taxes and benefits	(836)	(1,032)	1,220	1,396	1,559	(82)	(81)	77	77	79	(123)	(123)	(123)	(123)	
2 adults, 2 children															
Old basis															
Original income	1,051	1,284	1,819	1,965	2,181	100	100	100	100	100	122	122	122	122	
Income after direct taxes and benefits	1,107	1,355	1,818	1,944	2,159	105	106	100	99	99	122	122	122	122	
Income after all taxes and benefits	948	1,132	1,498	1,603	1,815	90	88	82	82	83	119	119	119	119	
New basis															
Original income	1,026	1,245	1,762	1,897	2,108	100	100	100	100	100	121	121	121	121	
Income after direct taxes and benefits	1,107	1,355	1,818	1,944	2,159	108	109	103	102	102	122	122	122	122	
Income after all taxes and benefits	(936)	(1,113)	1,473	1,568	1,780	(91)	(89)	84	83	84	(119)	(119)	(119)	(119)	
2 adults, 3 children															
Old basis															
Original income	991	1,333	1,762	1,982	2,118	100	100	100	100	100	135	135	135	135	
Income after direct taxes and benefits	1,187	1,505	1,971	2,166	2,340	120	113	112	109	110	127	127	127	127	
Income after all taxes and benefits	1,020	1,285	1,651	1,804	1,985	103	96	94	91	94	126	126	126	126	
New basis															
Original income	967	1,289	1,705	1,915	2,047	100	100	100	100	100	133	133	133	133	
Income after direct taxes and benefits	1,187	1,505	1,971	2,166	2,340	123	117	116	113	114	127	127	127	127	
Income after all taxes and benefits	(1,008)	(1,263)	1,625	1,769	1,947	(104)	(98)	95	92	95	(125)	(125)	(125)	(125)	

See note on page xlii.

**Average incomes before and after taxes and benefits
1961-1971**

TABLE 5 (continued)

	Average income					Percentage of original income					Percentage of corresponding income in 1961				
	£ per year					Percentages					1961=100				
	1961	1965	1969	1970	1971	1961	1965	1969	1970	1971	1965	1969	1970	1971	
Retired and non-retired households (continued)															
2 adults, 4 children															
Old basis															
Original income	1,053	1,259	1,692	1,791	2,166	100	100	100	100	100	120	161	170	206	
Income after direct taxes and benefits	1,283	1,600	2,121	2,248	2,574	122	127	125	126	119	125	165	175	201	
Income after all taxes and benefits	1,135	1,364	1,768	1,899	2,184	108	108	106	106	101	120	158	167	192	
New basis															
Original income	1,030	1,219	1,638	1,724	2,097	100	100	100	100	100	118	159	167	204	
Income after direct taxes and benefits	1,283	1,600	2,121	2,248	2,574	125	131	129	130	123	125	165	175	201	
Income after all taxes and benefits	(1,123)	(1,343)	1,760	1,863	2,138	(109)	(110)	107	108	102	(120)	157	166	190	
3 adults															
Old basis															
Original income	1,318	1,672	2,221	2,381	2,603	100	100	100	100	100	127	169	181	197	
Income after direct taxes and benefits	1,258	1,569	2,065	2,202	2,449	95	94	93	92	94	125	164	175	195	
Income after all taxes and benefits	1,049	1,270	1,640	1,753	2,001	80	76	74	74	77	121	156	167	191	
New basis															
Original income	1,282	1,616	2,140	2,285	2,504	100	100	100	100	100	126	167	178	195	
Income after direct taxes and benefits	1,258	1,569	2,065	2,202	2,449	98	97	96	96	98	125	164	175	195	
Income after all taxes and benefits	(1,035)	(1,248)	1,609	1,713	1,956	(81)	(77)	75	75	78	(121)	155	166	189	
3 adults, 1 child															
Old basis															
Original income	1,495	1,628	2,207	2,594	2,868	100	100	100	100	100	109	148	174	192	
Income after direct taxes and benefits	1,415	1,689	2,195	2,532	2,776	95	104	99	98	97	119	155	179	196	
Income after all taxes and benefits	1,198	1,411	1,776	2,081	2,313	80	87	80	80	81	118	148	174	193	
New basis															
Original income	1,457	1,571	2,123	2,499	2,761	100	100	100	100	100	108	146	172	189	
Income after direct taxes and benefits	1,415	1,689	2,195	2,532	2,776	97	108	103	101	101	119	155	179	196	
Income after all taxes and benefits	(1,182)	(1,387)	1,743	2,036	2,265	(81)	(88)	82	81	82	(117)	147	172	192	
3 adults, 2 children															
Old basis															
Original income	1,326	1,721	2,307	2,348	2,842	100	100	100	100	100	130	174	177	214	
Income after direct taxes and benefits	1,426	1,918	2,491	2,573	2,991	108	111	108	110	105	135	175	180	210	
Income after all taxes and benefits	1,209	1,637	2,051	2,131	2,522	91	95	89	91	89	135	170	176	209	
New basis															
Original income	1,289	1,661	2,232	2,258	2,744	100	100	100	100	100	129	173	175	213	
Income after direct taxes and benefits	1,426	1,918	2,491	2,573	2,991	111	115	112	114	109	135	175	180	210	
Income after all taxes and benefits	(1,190)	(1,607)	2,014	2,091	2,471	(92)	(97)	90	93	90	(135)	169	176	208	

See note on page xlv.

**Average incomes before and after taxes and benefits
1961-1971**

TABLE 5 (continued)

	Average income					Percentage of original income					Percentage of corresponding income in 1961				
	£ per year					Percentages					1961 = 100				
	1961	1965	1969	1970	1971	1961	1965	1969	1970	1971	1965	1969	1970	1971	
Retired and non-retired households (continued)															
4 adults															
Old basis															
Original income	1,797	2,147	2,914	3,299	3,727	100	100	100	100	100	119	162	184	207	
Income after direct taxes and benefits	1,629	2,027	2,698	2,924	3,393	91	94	93	89	91	124	166	179	208	
Income after all taxes and benefits	1,371	1,654	2,119	2,319	2,763	76	77	73	70	74	121	155	169	202	
New basis															
Original income	1,742	2,064	2,789	3,158	3,582	100	100	100	100	100	118	160	181	206	
Income after direct taxes and benefits	1,629	2,027	2,698	2,924	3,393	94	98	97	93	95	124	166	179	208	
Income after all taxes and benefits	(1,352)	(1,625)	2,079	2,266	2,702	(78)	(79)	75	72	75	(120)	154	168	200	
All households in the sample															
Old basis															
Original income	984	1,211	1,572	1,718	1,867	100	100	100	100	100	123	160	175	190	
Income after direct taxes and benefits	1,016	1,252	1,600	1,734	1,894	103	103	102	101	101	123	157	171	186	
Income after all taxes and benefits	858	1,037	1,295	1,413	1,577	87	86	82	82	84	121	151	165	184	
New basis															
Original income	960	1,172	1,519	1,656	1,802	100	100	100	100	100	122	158	173	188	
Income after direct taxes and benefits	1,016	1,252	1,600	1,734	1,894	106	107	105	105	105	123	157	171	186	
Income after all taxes and benefits	(847)	(1,019)	1,271	1,383	1,544	(88)	(87)	84	84	86	(120)	150	163	182	
Retired and non-retired households (excluding pensioner households)															
1 adult															
Old basis															
Original income	467	639	787	884	933	100	100	100	100	100	137	169	189	200	
Income after direct taxes and benefits	485	653	805	890	952	104	102	102	101	102	135	166	184	196	
Income after all taxes and benefits	412	540	659	721	801	88	85	84	82	86	131	160	175	194	
New basis															
Original income	458	625	769	859	907	100	100	100	100	100	136	168	188	198	
Income after direct taxes and benefits	485	653	805	890	952	106	104	105	104	105	135	166	184	196	
Income after all taxes and benefits	(406)	(531)	647	705	784	(89)	(85)	84	82	86	(131)	159	174	193	
2 adults															
Old basis															
Original income	926	1,169	1,565	1,733	1,911	100	100	100	100	100	126	169	187	206	
Income after direct taxes and benefits	895	1,104	1,441	1,580	1,750	97	94	92	91	92	123	161	177	196	
Income after all taxes and benefits	747	900	1,141	1,266	1,435	81	77	73	73	75	120	153	169	192	
New basis															
Original income	905	1,133	1,516	1,675	1,847	100	100	100	100	100	125	168	185	204	
Income after direct taxes and benefits	895	1,104	1,441	1,580	1,750	99	97	95	94	95	123	161	177	196	
Income after all taxes and benefits	(737)	(883)	1,119	1,239	1,404	(81)	(78)	74	74	76	(120)	152	168	191	

Note: Figures in brackets are estimated.

**Distribution of households co-operating in the Family Expenditure Survey
by range of original income
1971**

At least	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	Number
	Less than	..	retired	non- retired	retired	non- retired	retired	non- retired
381	381	..	600	108	393	59	30	5	19	12	9	2	3	1	1	70	1,312
461	461	..	24	23	22	17	3	4	4	2	1	—	1	1	—	10	112
557	557	..	11	16	27	35	—	4	2	1	2	—	—	—	—	12	110
674	674	..	11	25	18	35	1	7	9	3	1	1	3	—	—	10	124
816	816	..	20	48	24	43	2	7	6	12	6	3	1	1	—	20	193
816	987	..	15	46	18	85	2	13	20	20	12	5	—	2	—	23	261
987	1,194	..	13	68	14	135	2	21	40	59	26	12	4	3	2	27	426
1,194	1,446	..	5	59	11	161	—	27	96	90	39	11	6	6	2	31	544
1,446	1,749	..	8	39	12	180	4	49	132	131	66	19	19	10	5	26	700
1,749	2,116	..	5	38	7	277	3	71	143	177	73	26	30	18	11	52	931
2,116	2,561	..	1	31	9	242	3	98	96	151	54	16	58	20	21	74	874
2,561	3,099	..	2	9	5	179	3	82	62	88	35	13	55	28	39	72	672
3,099	3,750	..	—	10	1	116	—	80	33	54	18	4	37	18	36	47	454
3,750 and above	..	..	7	6	5	115	—	86	39	46	21	9	28	20	66	78	526
All income ranges	..	..	722	526	566	1,679	53	554	701	846	363	121	245	128	183	552	7,239

Note: The retired households not shown separately in the table are distributed as follows:

2 adults, 1 child (6); 2 adults, 2 children (1); 3 adults, 1 child (1); 4 adults (3); others (7).

1 adult and 2 adult retired households in the lowest range of income include 419 and 247 pensioner households respectively.

**Distribution of households co-operating in the Family Expenditure Survey
by range of income after direct taxes and benefits
1971**

Range of income after direct taxes and benefits £ 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	Number
	retired	non-retired	retired	non-retired	retired	non-retired	retired	retired	retired	retired	retired	retired	retired	retired	All households
At least	28	7	3	2	—	—	—	—	—	—	—	—	—	—	41
Less than	155	24	3	1	—	—	—	—	—	—	—	—	—	—	183
381	258	39	1	4	—	—	—	—	—	—	—	—	—	2	305
461	141	73	44	10	—	—	—	—	—	—	—	—	—	7	277
557	52	78	185	25	—	—	—	—	—	—	—	—	—	12	359
674	31	84	152	113	4	1	12	—	—	—	—	—	—	32	438
816	26	70	74	184	16	8	53	4	—	—	1	—	—	32	497
987	11	56	50	248	9	23	102	16	2	2	6	—	1	23	640
1,194	7	48	19	351	8	79	175	56	11	5	15	3	3	29	951
1,446	4	23	14	292	6	110	165	147	94	23	27	18	8	38	1,027
1,749	2	12	13	219	4	127	83	88	88	29	61	25	27	75	954
2,116	3	6	4	117	5	100	51	58	58	30	67	36	51	103	731
2,561	1	3	1	57	1	56	26	28	28	11	42	24	45	96	437
3,099	3	3	3	56	—	50	27	34	18	10	25	20	47	103	399
3,750 and above	722	526	566	1,679	53	554	701	846	363	121	245	128	183	552	7,239
All income ranges															

ΣX

**Distribution of households co-operating in the Family Expenditure Survey
by range of income after all taxes and benefits
1971**

Range of income after all taxes and benefits £ 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 households	
		retired	non-retired	retired	non-retired	retired	non-retired	retired	non-retired								
At least	Less than																
381	381	157	37	19	16	1	1	2	1	1	—	—	—	—	2	237	
461	461	214	38	14	10	1	—	1	1	1	—	—	—	—	—	280	
557	557	175	67	45	16	—	—	8	2	1	—	—	—	—	6	320	
674	674	74	82	139	53	4	3	6	4	—	—	—	—	—	13	378	
816	816	49	88	178	126	3	4	25	17	3	—	2	1	—	26	522	
816	987	17	77	64	206	10	12	68	35	9	3	2	—	2	27	532	
987	1,194	14	51	47	259	14	42	113	83	19	3	10	1	2	33	691	
1,194	1,446	7	37	26	306	7	76	156	150	55	12	12	9	4	32	889	
1,446	1,749	6	26	18	265	5	116	130	191	74	23	39	17	15	46	971	
1,749	2,116	2	11	7	193	2	118	90	162	96	26	50	29	37	70	893	
2,116	2,561	2	6	4	96	2	83	45	120	49	32	67	25	37	102	670	
2,561	3,099	2	3	2	72	4	49	28	40	33	10	39	25	41	83	431	
3,099	3,750	2	1	1	23	—	24	20	23	11	7	13	7	19	62	213	
3,750 and above		1	2	2	38	—	26	9	17	11	5	11	14	26	50	212	
All income ranges		722	526	566	1,679	53	554	701	846	363	121	245	128	183	552	7,239	

CHART | Part I

Average taxes paid and benefits received by non-retired households in different income ranges - 1971

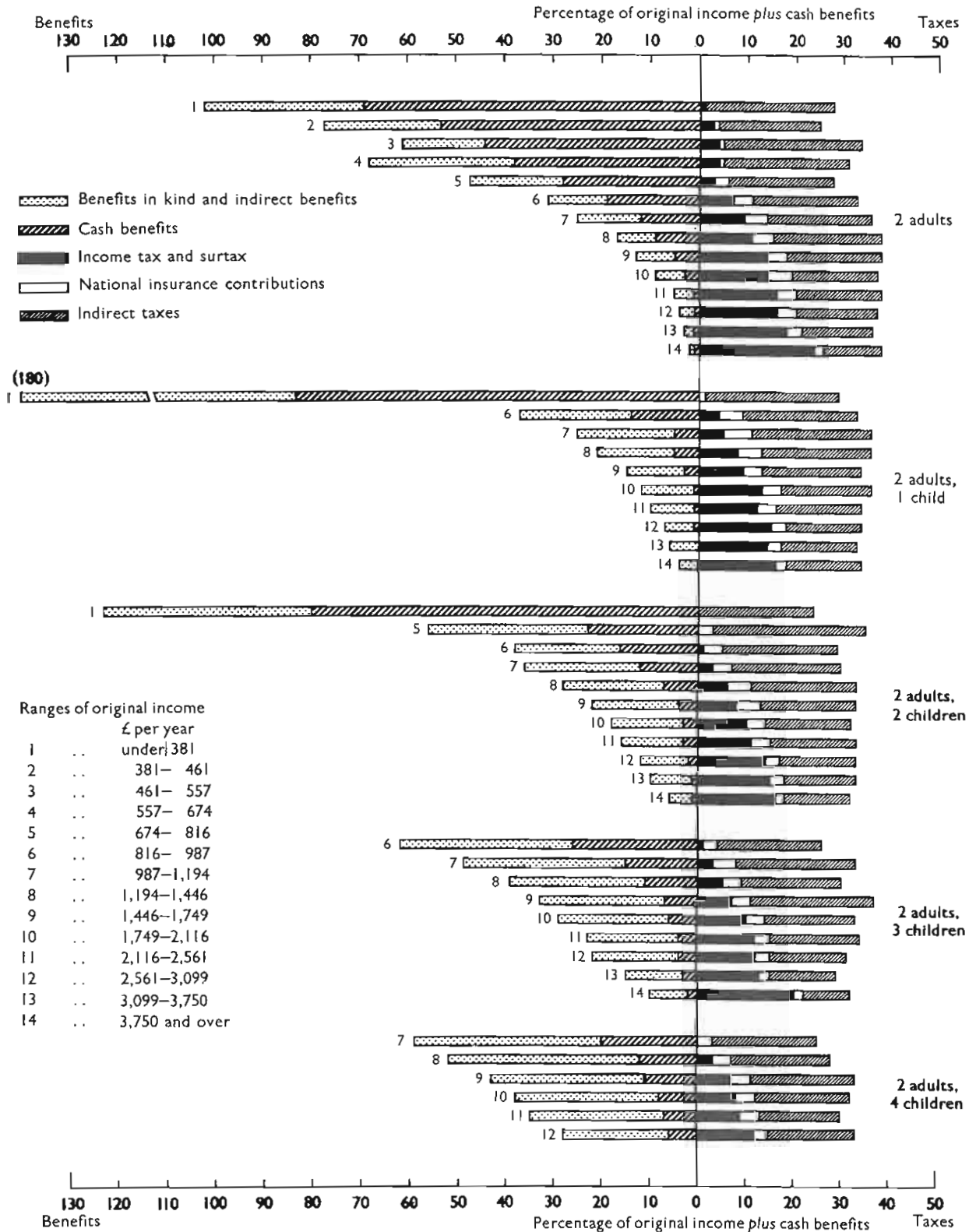


CHART I Part 2

Average taxes paid and benefits received by retired and non-retired households in different income ranges - 1971

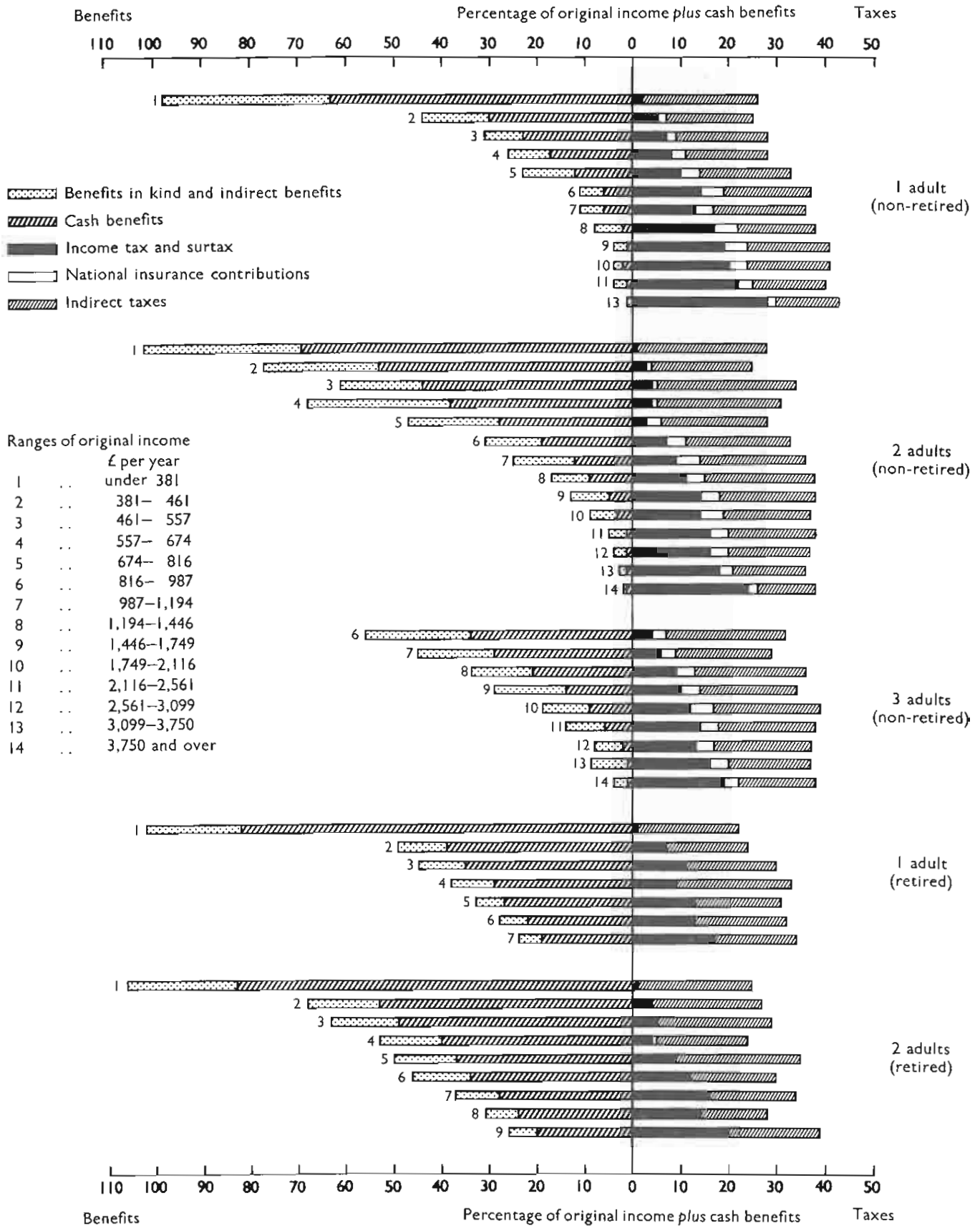
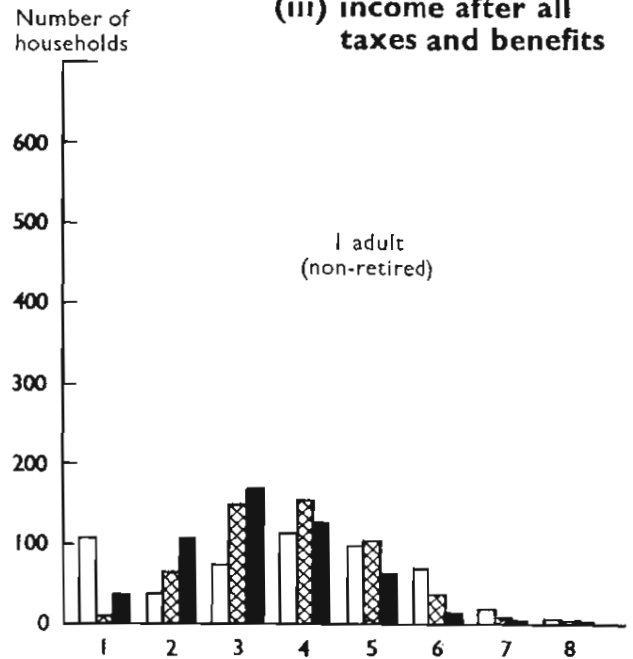
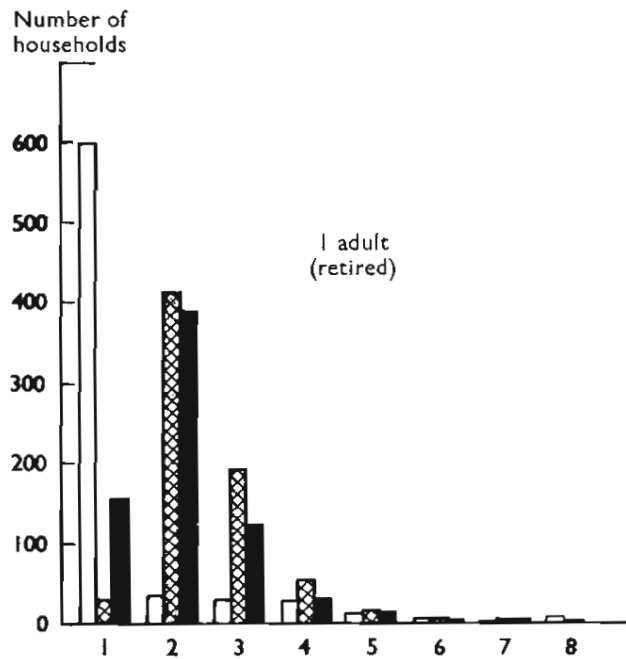


CHART 2 Part I

Distributions of retired and non-retired households classified by (i) original income
1971 (ii) income after direct taxes and benefits

(iii) income after all taxes and benefits



Ranges of income		
£ per year		
1	.. under 381	□ Original income
2	.. 381- 557	▨ Income after direct taxes and benefits
3	.. 557- 816	■ Income after all taxes and benefits
4	.. 816-1,194	
5	.. 1,194-1,749	
6	.. 1,749-2,561	
7	.. 2,561-3,750	
8	.. 3,750 and over	

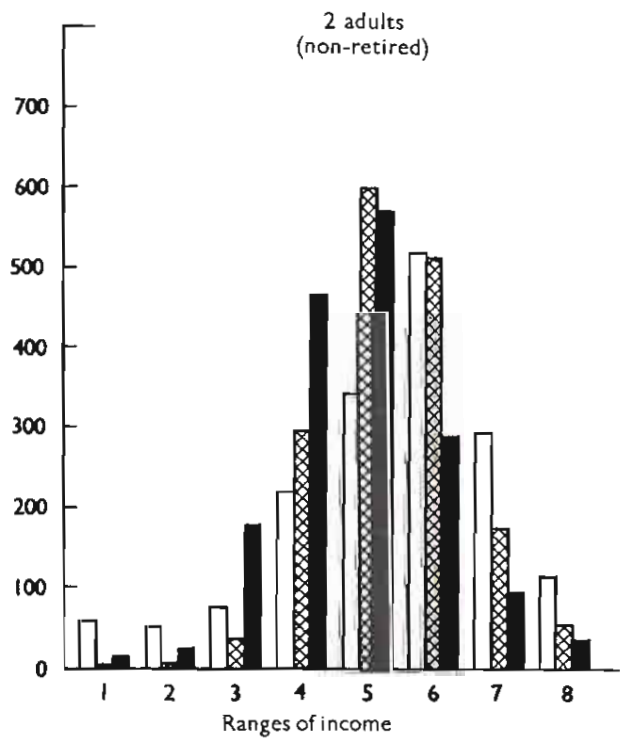
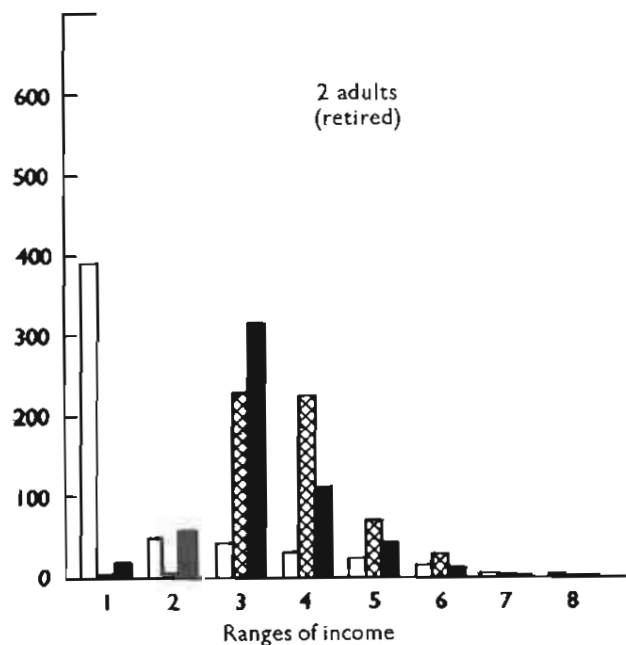
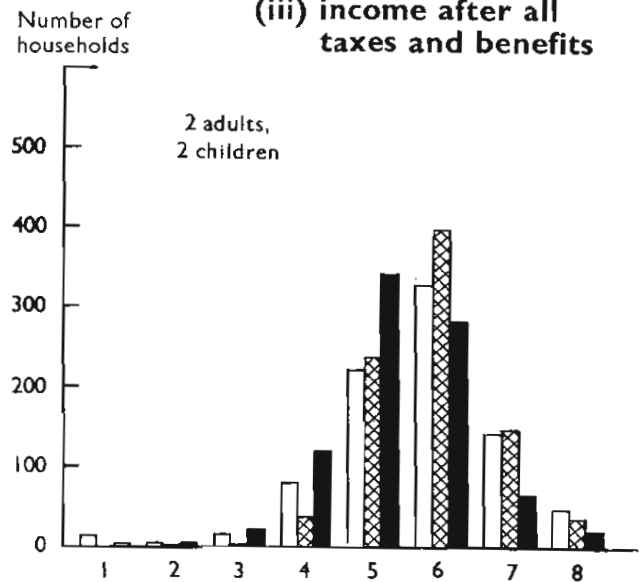
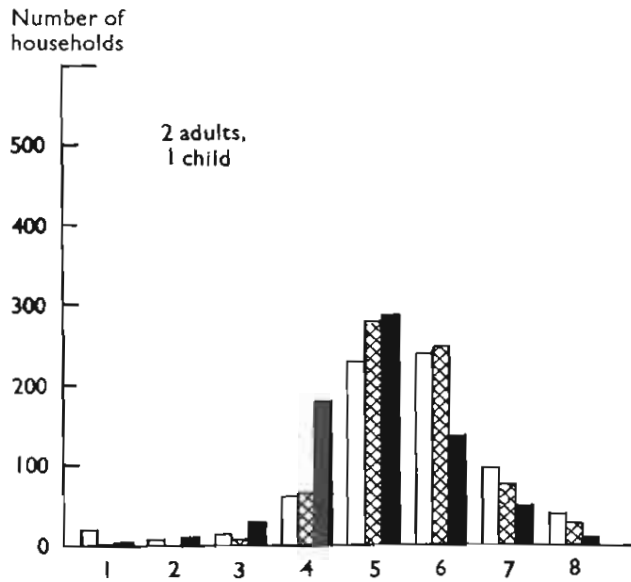


CHART 2 Part 2

Distributions of retired and non-retired households classified by (i) original income
 1971 (ii) income after direct taxes and benefits
 (iii) income after all taxes and benefits



Ranges of income		
£ per year		
1	.. under 381	□ Original income
2	.. 381- 557	▨ Income after direct taxes and benefits
3	.. 557- 816	■ Income after all taxes and benefits
4	.. 816-1,194	
5	.. 1,194-1,749	
6	.. 1,749-2,561	
7	.. 2,561-3,750	
8	.. 3,750 and over	

