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The incidence of taxes and social service benefits in 1972

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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

subject to the inevitable limitations of a relatively small sample. This article, the tenth of a series, presents results for 1972 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 1972, 7,017 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

(1) For a description of these surveys and the general results, see *Family Expenditure Survey Report for 1972* 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.

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

Net total benefits received (+) less total taxes paid (—)
1972

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	+ 586	+491	+319	+170	—109	—340	— 668	—1,374	—234
Retired households									
1 adult	+ 435	+229	+149	— 10	—220				+355
2 adults	+ 646	+491	+342	+293	+ 28	—338			+461
Non-retired households									
1 adult	+ 409	+153	— 20	—200	—440	—668	—1,109	—1,480	—286
2 adults	+ 660	+431	+286	+ 58	—270	—590	— 991	—1,707	—568
2 adults, 1 child ..	+1,044		+245	+161	—220	—458	— 757	—1,376	—447
2 adults, 2 children ..			+676	+265	—122	—302	— 582	—1,181	—354
2 adults, 3 children ..				+356	+216	— 21	— 315	—1,305	— 74
2 adults, 4 children ..				+618	+513	+141	— 109	—1,351	+233

Net direct benefits received (+) less direct taxes paid (—)
1972

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	+ 694	+675	+525	+423	+206	+ 47	—137	— 617	+140
Retired households									
1 adult	+ 504	+341	+283	+205	+ 24				+442
2 adults	+ 788	+708	+644	+563	+378	+ 66			+663
Non-retired households									
1 adult	+ 483	+289	+110	— 13	—189	—331	—665	— 817	— 59
2 adults	+ 809	+650	+500	+286	+ 24	—198	—471	—1,026	—171
2 adults, 1 child ..	+1,214		+469	+415	+109	—100	—287	— 742	— 67
2 adults, 2 children ..			+892	+535	+226	+ 77	— 71	— 501	+ 68
2 adults, 3 children ..				+633	+551	+372	+169	— 480	+347
2 adults, 4 children ..				+975	+797	+538	+466	— 514	+659

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
1972**

TABLE B

	Range of original income: £ per year								Percentages
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	Average over all income ranges
All households in the sample	695	205	146	117	93	84	78	73	88
Retired households									
1 adult	691	150	122	99	85				243
2 adults	668	205	150	130	102	84			192
Non-retired households									
1 adult	385	133	97	80	69	67	62	65	78
2 adults	532	193	142	106	82	72	67	67	75
2 adults, 1 child ..	1,163		135	116	85	78	75	72	80
2 adults, 2 children ..			199	126	92	86	81	76	85
2 adults, 3 children ..				134	114	99	90	78	97
2 adults, 4 children ..				158	134	107	96	79	111

**Income after direct taxes and benefits as a percentage of original income
1972**

TABLE C

	Range of original income: £ per year								Percentages
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	Average over all income ranges
All households in the sample	804	245	176	141	114	102	96	88	107
Retired households									
1 adult	784	175	142	121	102				279
2 adults	792	252	194	158	127	103			232
Non-retired households									
1 adult	436	162	116	99	87	84	77	81	95
2 adults	629	240	173	128	102	91	85	80	92
2 adults, 1 child ..	1,337		167	141	107	95	90	85	97
2 adults, 2 children ..			231	152	115	104	98	90	103
2 adults, 3 children ..				161	136	117	106	92	115
2 adults, 4 children ..				191	153	126	116	92	131

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, for example, 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 (that is, 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 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 central and local government 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 house-

hold 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

Total taxes as a percentage of original income plus cash benefits
1972

TABLE D	Range of original income: £ per year								Percentages
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750 and above	
All households in the sample	23	25	28	30	33	34	34	35	33
Retired households									
1 adult	20	22	27	33	32				24
2 adults	24	26	31	29	33	37			29
Non-retired households									
1 adult	23	27	29	34	37	36	40	37	35
2 adults	27	28	27	29	35	35	37	35	35
2 adults, 1 child ..	31		30	28	33	34	34	32	33
2 adults, 2 children ..			25	29	33	33	33	32	32
2 adults, 3 children ..				32	32	31	30	32	31
2 adults, 4 children ..				25	27	34	34	33	32

**Total benefits as a percentage of original income *plus* cash benefits
1972**

TABLE E

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	116	76	57	43	27	18	13	8	23
Retired households									
1 adult	107	52	42	32	19				78
2 adults	110	73	58	48	34	24			71
Non-retired households									
1 adult	105	48	26	16	7	4	3	2	15
2 adults	119	71	53	34	18	9	4	2	11
2 adults, 1 child ..	178		55	41	19	13	9	5	14
2 adults, 2 children ..			81	50	25	19	14	8	18
2 adults, 3 children ..				60	44	30	20	11	28
2 adults, 4 children ..				69	56	40	30	12	42

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, 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. The tables in this article correspond to those published in the most recent of the series (November 1972). The figures for 1972 are comparable with those for 1969, 1970 and 1971 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 II.)

Tables A—G summarize the main results for non-retired households consisting of 1 adult and 2 adults

with 0—4 children, and for retired⁽³⁾ 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, in general, gain most (or lose least) 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

⁽³⁾ 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
1972

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	18	19	20	20	21	19	19	17	19
Retired households									
1 adult	16	15	16	20	16				16
2 adults	20	20	23	18	19	19			19
Non-retired households									
1 adult	19	22	20	21	22	20	20	19	21
2 adults	20	23	22	21	22	21	21	16	20
2 adults, 1 child ..	19		23	20	22	19	18	15	19
2 adults, 2 children ..			18	21	21	19	17	15	18
2 adults, 3 children ..				22	19	17	16	15	17
2 adults, 4 children ..				20	16	17	18	14	17

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. (It should be remembered that some of the households described as non-retired contain people in receipt of state pensions; see footnote⁽³⁾.) 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⁽⁴⁾ 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⁽⁵⁾ and non-retired households combined and, where numbers permit, for these two groups separately.

The separate figures shown for retired and non-retired households consisting of 1, 2 and 3 adults⁽⁶⁾ indicate the effects of retirement on the amounts of direct taxes paid and benefits received, and on the payments of indirect taxes resulting from their different expenditure patterns.

⁽⁴⁾ The only indirect benefits taken into account are housing subsidies, which are small in comparison with other benefits. These subsidies form a declining proportion of increasing income and are thus progressive.

⁽⁵⁾ Pensioner households (see Appendix I) are a sub-division of retired households, with very low original incomes. Except for some results given at the end of Table 5, they are included with the retired households in all the tables.

⁽⁶⁾ There were not enough 3 adult retired households to be shown separately.

**Direct benefits and taxes as percentages of original income *plus* cash benefits
1972**

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 ..	84	52	36	22	10	5	2	2	10
Retired households									
1 adult	85	41	32	24	14				62
2 adults	85	55	46	37	26	18			54
Non-retired households									
1 adult	71	37	18	9	3	2	1	1	9
2 adults	79	53	38	22	9	3	1	1	6
2 adults, 1 child	86		28	16	5	2	1	—	3
2 adults, 2 children			44	19	6	3	2	1	4
2 adults, 3 children				19	11	6	3	2	7
2 adults, 4 children				24	13	7	6	2	11
Benefits in kind									
All households in the sample ..	26	21	18	18	14	12	9	6	11
Retired households									
1 adult	17	10	8	7	5				13
2 adults	21	17	12	11	8	6			14
Non-retired households									
1 adult	25	7	5	4	2	2	1	1	4
2 adults	34	14	11	9	7	5	3	2	4
2 adults, 1 child	81		22	22	13	9	7	4	9
2 adults, 2 children			32	26	18	14	12	7	13
2 adults, 3 children				34	30	22	16	9	20
2 adults, 4 children				41	39	31	23	9	28
Income tax and surtax									
All households in the sample ..	—	2	4	5	8	11	13	17	11
Retired households									
1 adult	1	7	11	15	17				7
2 adults	—	3	7	11	14	21			9
Non-retired households									
1 adult	—	4	7	11	14	16	22	19	14
2 adults	—	2	2	5	10	12	15	19	14
2 adults, 1 child	3		1	—	6	12	14	17	12
2 adults, 2 children			1	—	5	9	12	16	11
2 adults, 3 children				1	4	8	11	17	9
2 adults, 4 children				8	2	9	11	18	9
National insurance contributions									
All households in the sample ..	—	—	1	3	4	4	3	3	4
Retired households									
1 adult	—	—	—	—	—	—			—
2 adults	—	—	—	—	—	—			—
Non-retired households									
1 adult	—	1	3	4	5	4	3	2	4
2 adults	—	1	1	3	4	4	4	3	4
2 adults, 1 child	1		2	5	5	5	4	2	4
2 adults, 2 children			1	3	5	4	4	2	4
2 adults, 3 children				4	5	4	4	2	4
2 adults, 4 children				4	4	5	4	2	4

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 some variation. 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. Purchase tax, on the other hand, appears to have been slightly progressive. 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. 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. The lowest and highest quintiles are in general much closer to the median incomes after allowing for all taxes and benefits; this is illustrated by the changes in the first and fourth quintiles expressed as percentages of the medians. The narrowing of the gap between each quintile and the median illustrates the extent of redistribution at each stage of income (original income *plus* cash benefits; income after direct taxes and benefits; and income after all taxes and benefits). The table also shows the extent to which redistribution favours large compared to small families and retired compared to non-retired families. For example, the median income of non-retired households is generally reduced by all allocated taxes and benefits, but the reductions become progressively smaller as the number of children in the household increases; and for 2 adults with 4 children the median is increased; and, while the median income of all single adult households is substantially increased by taxes and benefits, for single adult non-retired households it is reduced.

Looking now at the changes in the five-year period 1968 to 1972, first in terms of original incomes there has apparently been some tendency for the lowest quintile to fall and the highest quintile to rise relative to the median. This movement is reasonably evident particularly at the

lowest quintile income, both for all households combined and for all non-retired households, although it does not hold good for every type of household considered separately. Looking next at income after all taxes and benefits there does not seem to be a general trend either way in the ratios of the quintiles to the median. Thus any tendency for the the degree of inequality of original income to increase was apparently offset by a small increase in the overall progressivity of taxes and benefits in this period. There are two points to be remembered when making statements of this kind. Firstly, the increase in unemployment over this period could explain some of the reduction in lowest quintile relative to median original income and would also, by itself, have caused some increase in the progressivity of direct benefits. In addition there is the more general point that these estimates are subject to year to year fluctuations attributable simply to sampling variation.

Table 4 (which is in five parts) shows, in percentage terms, some comparisons between the effects of taxes and benefits in the years 1969—1972 on the most numerous types of household (1 adult and 2 adults with 0—2 children) and on all households in the sample. 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, 14 per cent in 1971 and 12 per cent in 1972. Part (ii) (again for all households combined), shows that the net effect of *direct* taxes and benefits was to increase the average income of all households by 7 per cent in 1972 compared with 5 per cent in each of the three years 1969—1971. This 2 per cent change may have been largely the result of the 1972 Budget, together with a full year's application of the cut in standard rate and other measures in the 1971 Budget, partly offset by an increase in national insurance contributions. All benefits combined formed, on average, a slightly increasing proportion of income both in 1971 and 1972 compared with the two previous years. The reduction in total taxes as a proportion of income between 1970 and 1971, shown in part (iii), was mainly because of a reduction in indirect taxes.

The rising trend in the ratio of income after all taxes and benefits to original income was common to all household types shown. This movement was most marked for retired households, mainly because of increases in benefits as a proportion of income (part (iv)) but also because of reductions in indirect taxes as a proportion of income (part (v)).

It is difficult to make meaningful statements about changes in the effects of taxes and benefits over the years on households at comparable income level because, for example, households whose original incomes roughly kept pace with average earnings would, by and large, be expected to move up one range between 1970 and 1972. Those households which remained in the same income range in most cases gained more (or lost less) in each succeeding year as a result of taxes and benefits (parts (i) and (ii)).

Table 5 compares the changes which have occurred between 1961 and 1972 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⁽⁷⁾ 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 income after all taxes and benefits declined as proportions of original income between 1961 and 1969 but showed increases for each type between 1969 and 1972.

By combining the increases in original income over the whole period with the effects of all taxes and benefits on original income in 1972, (columns 10 and 14), it is possible to compare income after all taxes and benefits

⁽⁷⁾ That is, retired and non-retired but excluding pensioner households. (See Appendix 1.)

in 1972 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 11 years.

Tables 6, 7 and 8 show the distribution of households co-operating in the Family Expenditure Survey in 1972 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, for example, 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 1972 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 £79 for 1972 (see Table 5). The effect on income after all taxes and benefits is smaller (£38 for all households combined in 1972) 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, invalidity pensions and allowances, 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, that is, 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
Television licences
Stamp duties

Indirect taxes, or taxes on expenditure, are either paid separately by consumers, for example, local rates, motor vehicle duties, or are assumed to be fully reflected in the prices paid by consumers when buying commodities which are subject to tax, for example, 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 price 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 price 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 (1957-1972), 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) ²) (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
1972

TABLE 1

	£ per year											Average age over all income ranges		
	Range of original income: £ 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														
1 adult														
Number of households	646	36	26	46	51	49	68	73	62	56	24	13	14	1,194
Original income	82	426	510	616	744	904	1,086	1,313	1,592	1,902	2,811	3,297	4,433	677
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	—	—	1	3	—	—	—	—
pensions ⁽¹⁾	313	291	240	230	197	162	73	62	40	57	52	107	118	225
other cash benefits ⁽²⁾	103	17	37	2	24	34	16	13	12	10	1	34	11	63
Direct benefits in kind:														
education	9	—	—	—	—	16	—	—	—	—	3	—	—	6
national health service	79	67	63	66	57	53	45	42	39	45	39	43	51	65
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:														
national insurance, employees' contributions	—	4	3	12	12	22	45	59	69	73	88	82	69	21
income tax and surtax	3	38	42	76	93	123	137	194	230	321	390	588	1,075	106
Income after direct taxes and benefits	583	759	805	826	917	1,025	1,037	1,176	1,384	1,622	2,229	2,544	3,470	909
Indirect taxes:														
on final goods and services	67	86	119	91	125	155	166	176	234	233	274	306	438	122
on intermediate products	30	36	51	38	52	56	58	65	72	76	113	120	136	47
Income after all taxes and benefits	514	644	688	713	768	854	832	961	1,092	1,319	1,806	2,092	2,895	763
2 adults														
Number of households	418	52	60	50	50	67	98	137	195	236	219	152	163	2,140
Original income	120	420	506	612	752	906	1,094	1,324	1,587	1,929	2,804	3,385	5,210	1,790
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	505	474	500	418	345	349	225	153	109	67	49	32	46	206
other cash benefits ⁽²⁾	118	81	50	97	102	74	80	38	54	37	23	12	4	54
Direct benefits in kind:														
education	21	37	—	—	16	—	18	17	21	19	15	18	13	16
national health service	150	138	146	132	123	129	106	104	94	89	72	72	76	104
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:														
national insurance, employees' contributions	—	1	5	4	17	23	43	61	67	84	105	118	136	67
income tax and surtax	2	12	31	49	47	80	98	148	187	243	324	422	547	263
Income after direct taxes and benefits	911	1,137	1,166	1,207	1,275	1,354	1,382	1,428	1,611	1,814	2,078	2,408	4,161	1,840
Indirect taxes:														
on final goods and services	127	161	186	210	191	185	204	235	248	287	313	400	478	267
on intermediate products	52	63	74	79	76	75	78	88	91	105	116	141	202	102
Income after all taxes and benefits	768	936	934	937	1,044	1,127	1,136	1,140	1,304	1,439	1,667	1,904	3,485	1,494

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1972

TABLE 1 (continued)

	Range of original income: £ per year											Average age overall and income ranges		
	£ 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 above
(i) Retired and non-retired households (continued)														
2 adults, 1 child														
Number of households	12			10	17	29	64	99	163	126	103	52	54	741
Original income	98			750	905	1,083	1,334	1,587	1,937	2,334	2,814	3,383	4,938	2,223
Direct benefits in cash:														
family allowances	—			88	147	41	34	21	17	5	7	20	3	1
pensions ⁽¹⁾	85			197	168	89	62	58	43	24	20	12	—	23
other cash benefits ⁽²⁾	524													52
Direct benefits in kind:														
education	446			144	169	84	68	72	72	81	109	123	108	94
national health service	108			119	132	159	128	127	130	113	96	96	99	118
welfare foods	18			11	4	6	4	2	3	3	5	7	5	4
Direct taxes:														
national insurance, employees' contributions	—			24	45	63	74	79	93	104	110	124	122	92
income tax and surtax	—			8	38	28	85	113	210	301	359	533	843	268
Income after direct taxes and benefits	1,312			1,292	1,442	1,426	1,472	1,676	1,897	2,155	2,583	2,987	4,196	2,156
Indirect taxes:	80			72	25	38	18	17	22	34	24	14	—	26
on final goods and services	176			211	242	177	236	261	262	288	324	392	452	289
on intermediate products	75			87	92	82	92	96	108	115	132	167	182	116
Income after all taxes and benefits	1,142			1,065	1,133	1,205	1,162	1,336	1,549	1,786	2,150	2,441	3,562	1,776
2 adults, 2 children														
Number of households					15	33	53	103	164	174	136	70	75	844
Original income					894	1,102	1,326	1,622	1,940	2,324	2,813	3,407	5,018	2,388
Direct benefits in cash:														
family allowances					44	47	45	46	45	45	47	46	46	46
pensions ⁽¹⁾					32	36	4	—	3	1	—	8	6	7
other cash benefits ⁽²⁾					286	109	53	37	22	16	15	3	6	42
Direct benefits in kind:														
education					232	177	162	171	178	204	223	263	257	205
national health service					120	119	119	115	117	110	109	100	99	111
welfare foods					23	13	12	9	8	12	13	15	13	12
Direct taxes:														
national insurance, employees' contributions					24	53	68	79	91	105	111	113	120	94
income tax and surtax					49	17	63	94	161	246	329	466	807	261
Income after direct taxes and benefits					1,658	1,532	1,591	1,827	2,061	2,360	2,780	3,262	4,517	2,456
Indirect taxes:					75	61	24	27	43	28	4	—	2	25
on final goods and services					239	242	253	274	280	309	334	392	460	313
on intermediate products					90	96	97	112	110	128	144	191	222	133
Income after all taxes and benefits					1,404	1,255	1,266	1,468	1,714	1,950	2,307	2,678	3,837	2,034

See footnotes on page xxvii.

Average incomes before and after taxes and benefits
1972

TABLE 1 (continued)

	Range of original income: £ per year										£ 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	Average over all income ranges
(1) Retired and non-retired households (continued)															
2 adults, 3 children															
Number of households		11	19	25	39	917	1,103	1,340	1,625	1,921	2,341	2,812	3,382	6,016	371
Original income															
Direct benefits in cash:															
family allowances		94	99	95	99	94	99	95	99	97	93	93	92	94	95
pensions ⁽¹⁾		39	—	31	30	39	—	31	30	7	6	15	—	—	17
other cash benefits ⁽²⁾		220	83	94	35	220	83	94	35	51	15	8	3	4	57
Direct benefits in kind:															
education		295	245	344	357	140	141	141	131	125	134	127	120	115	129
national health service		140	141	141	131	140	141	141	131	125	134	127	120	115	129
welfare foods		16	35	16	31	16	35	16	31	19	21	17	21	19	22
Direct taxes:															
national insurance, employees' contributions		30	63	71	87	30	63	71	87	89	99	112	119	117	90
income tax and surtax		—	21	54	72	—	21	54	72	139	206	320	348	4,018	238
Income after direct taxes and benefits		1,712	1,642	1,935	2,147	1,712	1,642	1,935	2,147	2,349	2,662	2,976	3,560	5,536	2,733
Indirect benefits		116	82	55	56	116	82	55	56	40	27	14	18	—	39
Indirect taxes:															
on final goods and services		218	298	246	288	218	298	246	288	271	318	342	357	539	318
on intermediate products		83	114	109	124	83	114	109	124	122	140	142	168	287	142
Income after all taxes and benefits		1,527	1,312	1,635	1,791	1,527	1,312	1,635	1,791	1,996	2,231	2,506	3,053	4,711	2,313
2 adults, 4 children															
Number of households			10	11	24					25	17	14		11	134
Original income			1,097	1,333	1,573					1,928	2,342	2,833		6,371	2,142
Direct benefits in cash:															
family allowances			151	150	151					151	142	151		150	148
pensions ⁽¹⁾			—	—	—					—	—	—		—	9
other cash benefits ⁽²⁾			177	151	44					14	5	41		2	116
Direct benefits in kind:															
education			366	513	459					476	586	596		452	491
national health service			160	149	157					149	134	129		139	148
welfare foods			54	64	34					24	39	38		26	42
Direct taxes:															
national insurance, employees' contributions			56	67	81					101	114	115		122	87
income tax and surtax			—	124	23					191	229	346		1,162	209
Income after direct taxes and benefits			2,072	2,270	2,307					2,449	2,906	3,325		5,857	2,801
Indirect benefits			62	132	45					79	27	49		3	50
Indirect taxes:															
on final goods and services			290	253	250					303	345	462		540	330
on intermediate products			139	104	107					136	134	179		300	145
Income after all taxes and benefits			1,704	2,045	1,995					2,089	2,453	2,734		5,020	2,375

See footnotes on page xxvii.

Average incomes before and after taxes and benefits
1972

TABLE 1 (continued)

	Range of original income: £ per year										Average age overall 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
(i) Retired and non-retired households (continued)															
3 adults															
Number of households	27					15	13	29	23	59	65	90	100	111	550
Original income	169					938	1,065	1,334	1,609	1,947	2,368	2,839	3,401	4,919	2,781
Direct benefits in cash:															
family allowances	—					606	397	379	232	198	155	81	67	55	177
pensions ⁽¹⁾	594					69	140	108	89	69	36	42	38	20	62
other cash benefits ⁽²⁾	211														
Direct benefits in kind:															
education	301					79	117	43	52	82	147	145	80	65	112
national health service	187					192	156	148	142	132	127	111	116	111	127
welfare foods	2					—	3	1	—	—	1	—	—	—	—
Direct taxes:															
national insurance, employees' contributions	5					42	54	71	85	91	109	131	154	170	117
income tax and surtax	3					76	48	148	162	187	298	362	485	861	395
Income after direct taxes and benefits	1,456					1,766	1,775	1,794	1,878	2,150	2,426	2,726	3,064	4,140	2,749
Indirect benefits	36					—	46	30	32	49	48	23	31	29	33
Indirect taxes:															
on final goods and services	197					290	279	276	314	321	357	437	451	540	397
on intermediate products	78					110	115	106	111	121	142	150	168	223	153
Income after all taxes and benefits	1,218					1,365	1,427	1,442	1,485	1,758	1,975	2,162	2,475	3,405	2,232
3 adults, 1 child															
Number of households									11	23	40	51	39	48	225
Original income									1,648	1,958	2,336	2,843	3,382	4,683	2,991
Direct benefits in cash:															
family allowances									4	14	9	13	13	10	11
pensions ⁽¹⁾									138	56	45	62	21	17	59
other cash benefits ⁽²⁾									141	55	73	38	13	12	55
Direct benefits in kind:															
education									148	310	281	331	328	267	288
national health service									148	125	117	114	118	116	120
welfare foods									5	8	8	6	7	4	6
Direct taxes:															
national insurance, employees' contributions									67	83	111	132	145	165	124
income tax and surtax									43	131	164	291	453	671	333
Income after direct taxes and benefits									2,122	2,312	2,595	2,985	3,284	4,272	3,073
Indirect benefits									82	27	53	29	52	19	43
Indirect taxes:															
on final goods and services									396	334	332	388	441	499	400
on intermediate products									157	134	137	158	165	232	166
Income after all taxes and benefits									1,650	1,871	2,179	2,469	2,729	3,560	2,549

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1972

TABLE 1 (continued)

	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
(i) Retired and non-retired households (continued)														
3 adults, 2 children														
Number of households									18	26	24	20	27	137
Original income									1,926	2,354	2,838	3,440	4,785	2,862
Direct benefits in cash:									76	47	46	52	59	55
family allowances									133	59	66	49	41	73
pensions ⁽¹⁾									53	39	71	53	8	75
other cash benefits ⁽²⁾														
Direct benefits in kind:									766	397	302	456	495	458
education									135	151	146	135	138	142
national health service									18	13	10	19	9	14
welfare foods														
Direct taxes:									87	117	114	128	140	110
national insurance, employees' contributions									78	178	232	367	657	276
income tax and surtax									2,943	2,767	3,132	3,709	4,739	3,294
Income after direct taxes and benefits									99	48	23	—	5	38
Indirect benefits									300	358	406	483	570	429
Indirect taxes:									154	156	163	212	275	192
on final goods and services									2,588	2,301	2,585	3,009	3,899	2,711
on intermediate products														
Income after all taxes and benefits														
4 adults														
Number of households										19	25	38	77	176
Original income										2,387	2,821	3,471	5,334	3,866
Direct benefits in cash:										5	2	—	1	1
family allowances										136	132	92	56	124
pensions ⁽¹⁾										109	85	91	24	71
other cash benefits ⁽²⁾														
Direct benefits in kind:										188	202	347	195	282
education										160	149	148	135	150
national health service										—	1	1	1	1
welfare foods														
Direct taxes:										138	152	164	216	172
national insurance, employees' contributions										221	315	395	889	555
income tax and surtax									2,626	2,925	3,590	4,641	3,766	
Income after direct taxes and benefits									72	28	23	41	37	
Indirect benefits														
Indirect taxes:										376	440	490	710	546
on final goods and services										146	161	183	261	204
on intermediate products										2,176	2,352	2,939	3,711	3,052
Income after all taxes and benefits														

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1972

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)															
All households in the sample	1,197	99	112	123	150	195	303	440	593	850	848	789	584	734	7,017
Number of households	99	422	506	613	747	908	1,092	1,327	1,599	1,933	2,339	2,815	3,397	5,097	1,997
Original income															
Direct benefits in cash:															
family allowances	7	9	7	17	15	18	27	21	27	28	27	25	24	23	21
pensions ⁽¹⁾	368	385	409	303	232	236	126	102	64	52	41	38	42	41	132
other cash benefits ⁽²⁾	155	92	95	97	120	111	94	70	56	39	28	30	30	20	66
Direct benefits in kind:															
education	51	60	97	72	95	108	115	112	128	148	163	181	195	205	136
national health service	109	112	123	108	98	116	108	109	109	113	109	104	109	117	110
welfare foods	5	3	6	11	6	9	12	9	7	6	7	6	7	6	7
Direct taxes:															
national insurance, employees' contributions	—	1	6	12	17	29	50	63	74	89	106	118	136	161	79
income tax and surtax	792	21	25	41	49	65	62	114	140	199	272	354	473	868	253
Income after direct taxes and benefits	1,061	1,212	1,168	1,168	1,248	1,411	1,462	1,573	1,776	2,031	2,335	2,727	3,194	4,480	2,137
Indirect benefits	32	15	55	20	45	37	42	39	31	31	32	21	20	17	29
Indirect taxes:															
on final goods and services	98	134	174	175	165	197	218	234	266	282	317	373	424	543	287
on intermediate products	42	55	72	70	70	78	86	91	102	111	127	146	171	231	116
Income after all taxes and benefits	685	887	1,021	943	1,058	1,174	1,200	1,286	1,439	1,669	1,922	2,227	2,620	3,723	1,764

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1972

	£ per year											Aver- age over all income ranges	
	Range of original income: £ 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	3,750 and above
(1) Retired households													
1 adult													
Number of households	570	21	12	24	21	13							694
Original income	74	426	510	618	743	901							247
Direct benefits in cash:													
family allowances													
pensions ⁽¹⁾	326	316	295	312	305	327							322
other cash benefits ⁽²⁾	97	3	13	2	10	6							81
Direct benefits in kind:													
education													
national health service	84	76	78	81	80	80							83
welfare foods													
Direct taxes:													
national insurance, employees' contributions													
income tax and surtax	3	41	68	94	132	171							44
Income after direct taxes and benefits	577	780	828	919	1,006	1,143							689
Indirect benefits	26	5	18	10	27	24							24
Indirect taxes:													
on final goods and services	65	88	86	90	130	192							78
on intermediate products	29	33	37	35	52	64							33
Income after all taxes and benefits	509	664	723	804	851	911							602
2 adults													
Number of households	352	32	38	22	19	25							566
Original income	114	419	507	617	760	894							501
Direct benefits in cash:													
family allowances													
pensions ⁽¹⁾	540	527	534	619	537	561							533
other cash benefits ⁽²⁾	93	43	23	4									66
Direct benefits in kind:													
education													
national health service	157	145	156	159	150	166							3
welfare foods													156
Direct taxes:													
national insurance, employees' contributions													
income tax and surtax	2	9	41	91	93	143							2
Income after direct taxes and benefits	902	1,174	1,176	1,307	1,350	1,475							94
Indirect benefits	33	19	20	1		4							1,164
Indirect taxes:													
on final goods and services	125	162	174	221	219	205							161
on intermediate products	51	62	73	91	72	81							64
Income after all taxes and benefits	760	969	949	995	1,059	1,193							962

See footnotes on page xxvi.

Average incomes before and after taxes and benefits
1972

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	10	10	10	10	10	10	10	10	10		10	10
(ii) Non-retired households														
1 adult														
Number of households	76	15	14	22	30	36	62	66	57	51	29	22	10	500
Original income	144	425	510	613	745	906	1,087	1,310	1,587	1,897	2,293	2,801	3,236	4,218
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	214	255	192	141	121	103	56	47	17	31	36	28	31	40
other cash benefits ⁽²⁾	143	37	57	2	33	45	17	14	13	11	4	1	41	16
Direct benefits in kind:														
education	78	—	—	—	—	—	—	—	—	—	—	—	—	—
national health service	47	53	50	50	41	44	41	38	35	40	38	34	31	34
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:														
national insurance, employees' contributions	—	9	6	26	20	30	50	65	75	81	91	57	107	96
income tax and surtax	—	35	19	56	66	105	130	182	226	299	380	585	771	811
Income after direct taxes and benefits	627	728	784	725	854	982	1,021	1,162	1,351	1,602	1,900	2,185	2,461	3,401
Indirect benefits	42	10	48	23	30	45	20	28	15	5	12	2	19	—
Indirect taxes:														
on final goods and services	82	82	146	93	122	141	170	184	229	241	276	318	335	514
on intermediate products	34	40	64	42	52	53	58	67	70	79	114	126	133	148
Income after all taxes and benefits	553	616	622	614	710	833	813	939	1,067	1,287	1,521	1,744	2,012	2,738
2 adults														
Number of households	66	20	22	28	31	42	83	121	180	226	237	215	147	156
Original income	153	421	505	608	747	913	1,096	1,329	1,589	1,927	2,340	2,801	3,386	5,199
Direct benefits in cash:														
family allowances	—	—	—	—	—	—	—	—	—	—	—	—	—	—
pensions ⁽¹⁾	316	389	441	261	228	222	172	116	75	51	39	32	18	26
other cash benefits ⁽²⁾	247	143	97	170	165	118	83	41	56	37	23	15	12	4
Direct benefits in kind:														
education	135	20	—	—	25	107	21	19	23	20	15	18	—	13
national health service	111	126	129	111	107	107	97	98	87	87	80	71	69	73
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Direct taxes:														
national insurance, employees' contributions	—	6	9	7	24	36	51	68	72	87	108	120	140	141
income tax and surtax	—	18	14	15	18	42	78	139	175	232	316	414	537	1,002
Income after direct taxes and benefits	962	1,077	1,149	1,129	1,229	1,282	1,340	1,396	1,584	1,801	2,074	2,403	2,809	4,174
Indirect benefits	46	29	40	33	58	51	43	40	34	17	19	19	6	4
Indirect taxes:														
on final goods and services	138	158	207	201	174	173	209	233	247	288	312	381	401	482
on intermediate products	57	64	75	68	78	72	79	86	90	106	115	141	151	204
Income after all taxes and benefits	813	884	907	892	1,035	1,087	1,095	1,117	1,280	1,425	1,665	1,901	2,263	3,492

See footnotes on page xxvi.

**Average incomes before and after taxes and benefits
1972**

£ per year

	Range of original income: £ per year										Aver- age 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- 2,116		2,116- 2,561	2,561- 3,099	3,099- 3,750 and above
(iii) Non-retired households (continued)													
3 adults													
Number of households	11				10	12	26	23	58	64	89	99	106
Original income	161				930	1,070	1,334	1,609	1,948	2,368	2,837	3,401	4,892
Direct benefits in cash:													
family allowances	—				—	344	363	232	188	—	75	62	1
pensions ⁽¹⁾	282				469	152	121	89	70	149	43	39	25
other cash benefits ⁽²⁾	422				97	—	—	—	—	37	—	—	20
Direct benefits in kind:													
education	652				118	127	48	52	83	149	147	81	68
national health service	116				168	146	146	142	130	126	111	115	106
welfare foods	6				—	3	1	—	—	1	—	—	—
Direct taxes:													
national insurance, employees' contributions	1				55	58	74	85	91	110	132	155	175
income tax and surtax	—				71	39	145	162	182	295	360	484	842
Income after direct taxes and benefits	1,640				1,657	1,744	1,795	1,878	2,146	2,425	2,721	3,059	4,096
Indirect benefits	39				5	50	35	32	50	48	23	31	30
Indirect taxes:													
on final goods and services	259				330	297	281	314	324	358	438	452	546
on intermediate products	86				111	121	103	111	121	142	150	168	221
Income after all taxes and benefits	1,334				1,220	1,375	1,446	1,485	1,752	1,973	2,156	2,469	3,359

⁽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
1972**

	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
Local rates															
All households in the sample	4.8	3.9	3.9	4.1	3.7	3.6	3.1	2.9	2.7	2.5	2.4	2.2	2.1	1.9	2.5
Retired households															
1 adult	6.0	5.6	5.0	6.3	6.7	7.2	4.2	4.1	4.7	3.8					5.8
2 adults	4.4	3.7	4.0	4.8	4.1	4.2									4.2
Non-retired households															
1 adult	5.9	5.5	6.9	4.2	4.5	4.5	4.7	3.5	3.3	3.6	2.9	3.5	2.2	2.4	3.9
2 adults	4.0	3.4	3.4	3.8	3.7	3.5	3.2	3.1	3.0	2.7	2.6	2.5	2.4	2.2	2.6
2 adults, 1 child	3.4				2.8	3.1	2.7	2.7	2.6	2.6	2.6	2.5	2.4	2.2	2.5
2 adults, 2 children						2.8	2.8	2.9	2.8	2.6	2.5	2.4	2.2	2.3	2.5
2 adults, 3 children						3.1	2.7	3.1	2.2	2.1	2.0	2.1	2.1	1.9	2.2
2 adults, 4 children							2.3	2.6	2.2	2.1	1.8	2.0	2.0	1.9	2.1
3 adults		2.9				3.3	2.2	2.4	2.4	2.4	2.2	2.0	1.9	1.9	2.1
3 adults, 1 child								2.4	2.2	2.4	2.0	1.9	1.9	1.9	2.0
3 adults, 2 children								1.8	2.2	2.4	2.1	2.1	1.6	1.9	1.9
4 adults									1.6	1.8	1.6	1.3	1.7	1.6	1.6
Drink															
All households in the sample	1.2	1.7	2.3	2.1	1.4	1.7	2.3	2.4	2.5	2.5	2.5	2.8	2.7	2.7	2.5
Retired households															
1 adult	0.7	0.4	0.5	0.6	1.8	1.1	1.6	1.9	2.7	1.9					0.8
2 adults	1.6	3.0	3.7	2.6	2.6	1.4									2.1
Non-retired households															
1 adult	1.5	0.7	0.1	1.2	1.7	2.7	2.8	3.3	4.8	3.7	3.9	2.5	2.1	5.4	3.2
2 adults	1.5	1.8	3.4	3.3	1.1	1.3	2.2	2.3	2.8	3.2	3.1	3.9	2.8	2.6	2.9
2 adults, 1 child	1.0				2.9	2.4	1.8	2.5	2.2	2.2	2.2	2.1	2.3	2.3	2.2
2 adults, 2 children						2.0	2.6	2.9	1.8	2.4	2.2	1.9	2.0	1.5	2.0
2 adults, 3 children						1.4	1.8	1.7	2.2	2.1	2.1	2.1	1.5	1.8	1.9
2 adults, 4 children							3.4	1.1	1.1	2.8	1.6	4.1	1.4	1.4	2.2
3 adults		2.0				2.5	3.0	3.7	3.0	2.5	2.1	2.9	4.1	2.8	2.8
3 adults, 1 child									3.3	2.6	2.3	2.8	4.1	1.8	2.7
3 adults, 2 children										1.3	1.8	2.8	2.4	3.1	2.5
4 adults											3.5	3.9	3.2	4.4	3.9

**Average payments of indirect taxes as percentages of income after direct taxes and benefits
1972**

	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 overall income ranges
Tobacco															
All households in the sample	3.3	3.3	3.4	4.0	3.9	3.8	4.2	3.8	3.9	3.4	3.0	2.7	2.5	2.0	2.9
Retired households															
1 adult	2.0	2.8	1.4	1.0	1.1	3.0	1.1	1.7	2.2						1.8
2 adults	4.1	3.1	2.4	3.5	3.2	1.4				3.5					3.0
Non-retired households															
1 adult	2.6	1.8	2.7	3.9	4.6	3.4	4.2	2.9	3.2	2.4	1.4	1.6	1.9	0.9	2.7
2 adults	4.3	4.9	5.5	5.7	5.0	3.8	4.8	4.6	4.2	4.0	3.3	2.9	2.4	1.5	3.2
2 adults, 1 child	5.9				6.2	6.5	3.5	4.3	4.1	3.0	2.6	2.1	1.8	1.2	2.7
2 adults, 2 children						4.5	4.3	3.9	4.1	3.1	2.5	1.7	1.7	0.9	2.4
2 adults, 3 children						4.0	5.0	3.7	3.7	3.2	2.8	2.0	1.0	0.8	2.5
2 adults, 4 children						4.4	4.4	3.3	3.2	2.4	3.6	1.6	1.1	1.1	2.7
3 adults	5.3					5.6	4.2	4.0	5.3	4.6	3.9	4.0	2.9	2.4	3.4
3 adults, 1 child									6.0	3.9	3.0	2.8	2.9	2.1	2.9
3 adults, 2 children										2.7	4.0	4.0	2.9	1.6	3.1
4 adults										3.6	3.6	3.9	3.6	2.8	3.2
Purchase tax															
All households in the sample	1.2	1.3	2.1	2.2	1.9	2.1	2.1	2.2	2.2	2.1	2.3	2.4	2.6	2.5	2.3
Retired households															
1 adult	0.9	1.0	1.1	1.0	1.7	2.7	1.4	1.8	1.3						1.1
2 adults	1.4	1.2	1.6	3.6	2.6	3.0				0.9					1.7
Non-retired households															
1 adult	1.0	1.3	6.8	1.8	1.8	1.5	1.6	2.4	1.7	2.4	2.2	3.7	3.6	1.7	2.2
2 adults	1.4	1.4	2.5	1.5	2.0	1.9	1.8	2.7	1.9	2.2	2.4	2.7	3.0	2.5	2.4
2 adults, 1 child	1.2				2.0	2.2	1.7	2.5	2.5	2.5	2.5	2.4	3.0	2.8	2.5
2 adults, 2 children						2.3	2.1	2.2	2.3	2.1	2.2	2.4	3.2	2.5	2.4
2 adults, 3 children						1.6	4.5	1.8	1.9	1.8	2.0	2.3	2.7	2.8	2.3
2 adults, 4 children							1.3	1.4	1.4	1.7	1.9	2.9	2.6	2.6	2.0
3 adults	1.3					1.9	2.6	1.8	3.8	2.0	2.0	2.6	2.5	2.4	2.4
3 adults, 1 child										2.4	2.0	2.3	1.7	2.6	2.3
3 adults, 2 children										1.9	2.0	1.7	3.0	2.2	2.5
4 adults											3.1	1.8	1.8	2.8	2.4

Average payments of indirect taxes as percentages of income after direct taxes and benefits
1972

TABLE 2 (continued)

	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	
Oil															
All households in the sample	0.5	1.0	1.0	1.0	0.9	1.2	1.5	1.8	1.8	1.7	1.8	2.0	1.9	1.8	1.7
Retired households															
1 adult	0.3	0.3	0.8	0.2	0.4	1.1	1.1	3.1	0.8	0.9					0.5
2 adults	0.6	1.2	1.2	0.7	1.4	1.9	1.7								1.1
Non-retired households															
1 adult	0.6	0.4	0.8	0.4	0.4	0.8	1.5	1.8	1.9	1.6	2.7	1.9	1.8	3.5	1.6
2 adults	1.2	1.5	1.1	1.6	1.0	1.3	1.5	1.8	1.8	2.0	1.9	2.1	2.2	1.6	1.8
2 adults, 1 child	0.6				1.1	1.0	1.1	2.2	2.0	1.9	1.8	1.9	2.0	1.3	1.8
2 adults, 2 children						1.2	2.1	2.0	1.9	1.8	2.1	2.1	1.7	1.9	1.9
2 adults, 3 children						1.3	1.9	1.1	1.9	1.0	1.5	1.7	1.6	1.2	1.4
2 adults, 4 children							1.3	1.4	1.6	1.7	1.6	1.9	1.4	1.4	1.5
3 adults	0.7					1.6	1.5	1.5	2.0	1.7	1.8	2.6	2.4	2.1	2.1
3 adults, 1 child									1.7	1.4	1.7	1.6	1.5	1.9	1.7
3 adults, 2 children									1.2	1.2	1.3	1.3	1.8	1.9	1.6
4 adults										1.2	1.3	2.3	2.0	2.2	2.0
Intermediate taxes															
All households in the sample	5.3	5.2	6.0	6.0	5.6	5.5	5.9	5.8	5.7	5.5	5.5	5.4	5.3	5.2	5.4
Retired households															
1 adult	5.1	4.2	4.5	3.8	5.2	5.6	4.7	6.3	4.9	3.9					4.8
2 adults	5.6	5.3	6.2	7.0	5.4	5.5									5.5
Non-retired households															
1 adult	5.5	5.5	8.1	5.8	6.1	5.4	5.7	5.8	5.2	4.9	6.0	5.7	5.4	4.4	5.5
2 adults	5.9	6.0	6.5	6.1	6.8	5.6	5.9	6.2	5.7	5.9	5.6	5.9	5.4	4.9	5.6
2 adults, 1 child	5.7					6.4	5.8	6.3	5.7	5.7	5.3	5.1	5.6	4.3	5.4
2 adults, 2 children						5.5	6.3	6.1	6.1	5.3	5.4	5.2	5.9	4.9	5.4
2 adults, 3 children						4.9	6.9	5.6	5.8	5.2	5.3	4.8	4.7	5.2	5.2
2 adults, 4 children							6.7	4.6	4.7	5.6	4.6	5.4	5.1	5.1	5.2
3 adults	5.3					6.3	6.5	5.9	5.9	5.6	5.9	5.5	5.5	5.4	5.6
3 adults, 1 child								7.4	7.4	5.8	5.3	5.3	5.0	5.4	5.4
3 adults, 2 children									5.2	5.6	5.6	5.2	5.7	5.8	5.8
4 adults										5.2	5.6	5.5	5.1	5.6	5.4

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

	1st quintile					Median					4th quintile				
	1968	1970	1971	1972		1968	1970	1971	1972		1968	1970	1971	1972	
Retired and non-retired households															
1 adult															
£ per year															
Original income	87	90	103	106		224	213	256	281		925	913	1,031	1,118	1,309
Original income plus cash benefits .. .. .	..	348	406	462		..	473	553	645		..	982	1,125	1,215	1,384
Income after direct taxes and benefits	363	395	424	530		491	515	619	696		824	877	965	1,048	1,211
Income after all taxes and benefits	305	329	399	455		413	432	532	626		657	689	759	848	992
Percentage of original income															
Original income plus cash benefits .. .. .	..	409	394	436		..	222	212	230		..	108	109	109	106
Income after direct taxes and benefits	417	465	472	500		219	242	225	248		89	96	94	94	93
Income after all taxes and benefits	351	387	387	429		184	203	208	223		71	75	74	76	76
Percentage of median															
Original income	39	40	40	38		100	100	100	100		413	429	416	437	466
Original income plus cash benefits .. .. .	..	74	73	72		..	100	100	100		..	208	214	220	215
Income after direct taxes and benefits	74	77	76	76		100	100	100	100		168	170	173	169	174
Income after all taxes and benefits	74	76	75	73		100	100	100	100		159	159	166	159	158
2 adults															
£ per year															
Original income	298	358	377	396		1,162	1,236	1,486	1,660		1,925	2,017	2,271	2,511	2,821
Original income plus cash benefits .. .. .	..	738	837	947		..	1,337	1,477	1,814		..	2,033	2,339	2,547	2,879
Income after direct taxes and benefits	744	784	926	1,048		1,119	1,214	1,465	1,658		1,635	1,762	1,983	2,156	2,450
Income after all taxes and benefits	583	602	738	848		870	932	1,011	1,319		1,332	1,398	1,580	1,737	2,013
Percentage of original income															
Original income plus cash benefits .. .. .	..	206	222	239		..	108	109	109		..	102	103	101	102
Income after direct taxes and benefits	250	219	246	265		96	98	99	100		85	87	87	86	87
Income after all taxes and benefits	196	168	196	214		75	75	77	79		69	69	70	69	71
Percentage of median															
Original income	26	29	25	24		100	100	100	100		166	163	166	169	170
Original income plus cash benefits .. .. .	..	55	52	52		..	100	100	100		..	154	158	157	159
Income after direct taxes and benefits	66	65	63	63		100	100	100	100		146	145	150	147	148
Income after all taxes and benefits	67	65	64	64		100	100	100	100		153	150	156	151	153

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

	1st quintile						Median						4th quintile					
	1968	1969	1970	1971	1972	1972	1968	1969	1970	1971	1972	1972	1968	1969	1970	1971	1972	
	£ per year																	
Retired and non-retired households (contd.)																		
2 adults, 1 child																		
Original income	1,072	1,052	1,182	1,300	1,459	1,459	1,443	1,496	1,659	1,807	2,036	1,972	2,049	2,293	2,532	2,879		
Original income plus cash benefits .. .. .	..	1,124	1,231	1,365	1,537	1,536	..	1,536	1,705	1,845	2,090	..	2,067	2,317	2,543	2,902	
Income after direct taxes and benefits	1,077	1,121	1,248	1,362	1,526	1,526	1,381	1,485	1,628	1,752	2,013	1,821	1,928	2,097	2,367	2,686		
Income after all taxes and benefits	854	838	928	1,042	1,222	1,222	1,120	1,154	1,285	1,400	1,659	1,498	1,576	1,727	1,960	2,268		
<i>Percentage of original income</i>																		
Original income plus cash benefits .. .. .	..	107	104	105	105	105	..	103	103	102	103	..	101	101	100	101	
Income after direct taxes and benefits	100	107	106	105	105	105	96	99	98	97	99	92	94	91	93	93		
Income after all taxes and benefits	80	80	79	80	84	84	78	77	77	77	81	76	77	75	77	79		
<i>Percentage of median</i>																		
Original income	74	70	71	72	72	72	100	100	100	100	100	137	137	138	140	141		
Original income plus cash benefits .. .. .	..	73	72	74	74	74	..	100	100	100	100	..	135	136	138	139	
Income after direct taxes and benefits	78	75	77	78	76	76	100	100	100	100	100	132	130	129	135	133		
Income after all taxes and benefits	76	73	72	74	74	74	100	100	100	100	100	134	137	134	140	137		
2 adults, 2 children																		
<i>£ per year</i>																		
Original income	1,119	1,163	1,256	1,363	1,584	1,584	1,511	1,602	1,716	1,942	2,200	2,039	2,230	2,424	2,676	3,005		
Original income plus cash benefits .. .. .	..	1,237	1,351	1,461	1,703	1,703	..	1,685	1,798	2,001	2,272	..	2,267	2,459	2,758	3,051	
Income after direct taxes and benefits	1,226	1,310	1,412	1,537	1,795	1,795	1,563	1,686	1,781	2,019	2,289	2,064	2,164	2,417	2,619	2,991		
Income after all taxes and benefits	972	1,032	1,091	1,238	1,449	1,449	1,283	1,365	1,435	1,652	1,903	1,732	1,750	1,969	2,230	2,533		
<i>Percentage of original income</i>																		
Original income plus cash benefits .. .. .	..	106	108	107	108	108	..	105	105	103	103	..	102	101	103	102	
Income after direct taxes and benefits	110	113	112	113	113	113	103	105	104	104	104	101	97	100	98	100		
Income after all taxes and benefits	87	89	87	91	91	91	85	86	84	85	87	85	78	81	83	84		
<i>Percentage of median</i>																		
Original income	74	73	73	70	72	72	100	100	100	100	100	135	139	141	138	137		
Original income plus cash benefits .. .. .	..	73	75	73	75	75	..	100	100	100	100	..	135	137	138	134	
Income after direct taxes and benefits	78	78	79	76	78	78	100	100	100	100	100	132	128	136	130	131		
Income after all taxes and benefits	76	76	76	75	76	76	100	100	100	100	100	135	128	137	135	133		

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

	1st quintile					Median					4th quintile				
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
	£ 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.)															
2 adults, 3 children															
Original income	1,093	1,074	1,202	1,295	1,438	1,503	1,540	1,757	1,847	2,144	2,005	2,296	2,375	2,583	3,014
Original income plus cash benefits .. .. .	..	1,241	1,343	1,495	1,617	..	1,658	1,878	2,012	2,287	..	2,367	2,452	2,745	3,097
Income after direct taxes and benefits	1,373	1,463	1,563	1,725	1,917	1,744	1,847	1,995	2,169	2,515	2,196	2,442	2,559	2,852	3,274
Income after all taxes and benefits	1,117	1,166	1,229	1,371	1,607	1,462	1,508	1,631	1,820	2,124	1,863	2,035	2,143	2,401	2,823
Percentage of original income															
Original income plus cash benefits	126	116	112	115	112	116	108	107	109	107	110	103	103	106	103
Income after direct taxes and benefits	102	109	102	106	112	97	98	93	99	99	93	89	90	93	94
Income after all taxes and benefits	73	70	68	70	67	100	100	100	100	100	133	149	135	140	141
Percentage of median															
Original income .. .. .	..	75	72	74	71	..	100	100	100	100	..	143	131	136	135
Original income plus cash benefits .. .. .	..	79	78	80	76	100	100	100	100	100	126	132	128	131	130
Income after direct taxes and benefits	76	77	75	75	76	100	100	100	100	100	127	135	131	132	133
Income after all taxes and benefits .. .. .	..													
2 adults, 4 children															
£ per year															
Original income	997	995	1,108	1,221	1,212	1,351	1,414	1,589	1,855	1,837	1,814	2,136	2,021	2,635	2,722
Original income plus cash benefits .. .. .	..	1,244	1,450	1,515	1,514	..	1,588	1,764	2,021	2,002	..	2,311	2,120	2,707	2,916
Income after direct taxes and benefits	1,477	1,518	1,778	1,848	2,112	1,778	1,973	2,122	2,415	2,479	2,277	2,538	2,534	3,042	3,337
Income after all taxes and benefits	1,221	1,273	1,401	1,528	1,730	1,485	1,628	1,778	2,024	2,098	1,926	2,086	2,211	2,530	2,876
Percentage of original income															
Original income plus cash benefits	148	125	131	124	125	132	112	111	109	109	126	108	105	103	107
Income after direct taxes and benefits	122	128	126	125	143	110	115	112	109	114	106	98	109	115	123
Income after all taxes and benefits	74	70	70	66	66	100	100	100	100	100	134	151	127	142	148
Percentage of median															
Original income .. .. .	..	78	82	75	76	..	100	100	100	100	..	146	120	134	146
Original income plus cash benefits .. .. .	..	77	84	77	85	..	100	100	100	100	128	129	119	126	135
Income after direct taxes and benefits	82	78	79	75	82	100	100	100	100	100	130	128	124	125	137
Income after all taxes and benefits .. .. .	..													

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

	1st quintile								Median				4th quintile			
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Retired and non-retired households (contd.)																
3 adults																
Original income	1,171	1,216	1,355	1,384	1,551	1,896	1,992	2,190	2,330	2,716	2,655	2,804	3,054	3,462	3,762	
Original income plus cash benefits .. .. .	..	1,469	1,625	1,711	1,936	..	2,090	2,301	2,502	2,867	..	2,867	3,112	3,521	3,942
Income after direct taxes and benefits	1,312	1,460	1,529	1,656	1,906	1,736	1,911	2,045	2,250	2,596	2,313	2,501	2,718	3,025	3,449	
Income after all taxes and benefits	1,012	1,048	1,121	1,274	1,500	1,363	1,448	1,563	1,763	2,075	1,881	1,966	2,114	2,465	2,843	
<i>Percentage of original income</i>																
Original income plus cash benefits	112	121	120	124	125	..	105	105	107	106	..	102	102	102	105	
Income after direct taxes and benefits	86	120	113	120	123	92	96	93	97	96	87	89	89	87	92	
Income after all taxes and benefits	86	86	83	92	97	72	73	71	76	76	71	70	69	71	76	
<i>Percentage of median</i>																
Original income	62	61	62	59	57	100	100	100	100	100	140	141	139	149	139	
Original income plus cash benefits .. .. .	..	70	71	68	68	..	100	100	100	100	..	137	135	141	137
Income after direct taxes and benefits	76	76	75	74	73	100	100	100	100	100	133	131	133	134	133	
Income after all taxes and benefits	74	72	72	72	72	100	100	100	100	100	138	136	135	140	137	
3 adults, 1 child																
<i>£ per year</i>																
Original income	1,343	1,481	1,596	1,896	2,084	1,968	2,024	2,233	2,542	2,830	2,735	2,732	3,094	3,381	3,824	
Original income plus cash benefits .. .. .	..	1,593	1,726	1,998	2,227	..	2,077	2,340	2,649	2,949	..	2,784	3,202	3,469	3,893
Income after direct taxes and benefits	1,555	1,664	1,797	2,102	2,376	1,994	2,094	2,344	2,653	2,948	2,509	2,688	2,984	3,378	3,636	
Income after all taxes and benefits	1,242	1,297	1,390	1,625	1,889	1,629	1,647	1,863	2,166	2,446	2,089	2,109	2,468	2,754	3,036	
<i>Percentage of original income</i>																
Original income plus cash benefits .. .. .	..	108	108	105	107	..	103	105	104	104	..	102	103	103	102
Income after direct taxes and benefits	116	112	113	111	114	101	103	105	104	104	92	98	96	100	95	
Income after all taxes and benefits	92	88	87	86	91	83	81	83	85	86	76	77	80	81	79	
<i>Percentage of median</i>																
Original income	68	73	71	75	74	100	100	100	100	100	139	135	139	133	135	
Original income plus cash benefits .. .. .	..	77	74	75	76	..	100	100	100	100	..	134	137	131	132
Income after direct taxes and benefits	78	79	77	79	81	100	100	100	100	100	126	128	127	127	123	
Income after all taxes and benefits	76	79	75	75	77	100	100	100	100	100	128	128	132	127	124	

See footnote on page xxxvi.

**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

TABLE 3 (continued)

	1st quintile					Median					4th quintile				
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
Retired and non-retired households (contd.)															
3 adults, 2 children															
£ per year															
Original income	1,401	1,393	1,576	1,782	1,859	1,963	1,999	2,226	2,599	2,617	2,559	2,695	2,901	3,547	3,737
Original income plus cash benefits .. .. .	..	1,581	1,853	1,965	2,088	..	2,095	2,385	2,755	2,810	..	2,874	3,086	3,660	3,995
Income after direct taxes and benefits	1,694	1,769	1,995	2,162	2,488	2,196	2,257	2,499	2,800	3,053	2,838	3,091	3,042	3,598	4,147
Income after all taxes and benefits	1,372	1,393	1,590	1,706	2,077	1,759	1,814	2,018	2,241	2,535	2,356	2,463	2,536	3,000	3,397
Percentage of original income															
Original income plus cash benefits .. .. .	..	113	118	110	112	..	105	107	106	107	..	107	106	103	107
Income after direct taxes and benefits	121	127	127	121	134	112	113	112	108	117	111	115	105	101	111
Income after all taxes and benefits	98	100	101	96	112	90	91	91	86	97	92	91	87	85	91
Percentage of median															
Original income	71	70	71	69	71	100	100	100	100	100	130	135	130	136	143
Original income plus cash benefits .. .. .	..	75	78	71	74	..	100	100	100	100	100	100	100	133	142
Income after direct taxes and benefits .. .. .	..	77	80	77	81	100	100	100	100	100	129	137	122	129	136
Income after all taxes and benefits	78	77	79	76	82	100	100	100	100	100	134	136	126	134	134
4 adults															
£ per year															
Original income	1,860	1,858	2,088	2,447	2,542	2,588	2,662	3,012	3,289	3,562	3,448	3,517	3,933	4,473	5,263
Original income plus cash benefits .. .. .	..	2,148	2,317	2,687	2,800	..	2,817	3,105	3,455	3,775	..	3,641	4,041	4,524	5,368
Income after direct taxes and benefits	1,855	2,011	2,226	2,505	2,690	2,337	2,497	2,793	3,106	3,564	2,999	3,298	3,625	4,091	4,750
Income after all taxes and benefits	1,429	1,472	1,676	1,884	2,182	1,819	1,887	2,151	2,495	2,863	2,398	2,498	2,835	3,387	3,930
Percentage of original income															
Original income plus cash benefits .. .. .	..	116	111	110	110	..	106	103	105	106	..	104	103	101	102
Income after direct taxes and benefits	100	108	107	102	106	90	94	93	94	100	87	94	92	91	90
Income after all taxes and benefits	77	79	80	77	86	70	71	71	76	80	70	71	72	76	75
Percentage of median															
Original income	72	70	69	74	71	100	100	100	100	100	133	132	131	136	148
Original income plus cash benefits .. .. .	..	76	75	78	74	..	100	100	100	100	..	129	130	131	142
Income after direct taxes and benefits .. .. .	..	81	80	81	75	100	100	100	100	100	128	132	130	132	133
Income after all taxes and benefits	79	78	78	76	76	100	100	100	100	100	132	132	132	136	137

See footnote on page xxxvi.

First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾

TABLE 3 (continued)

	1st quintile					Median					4th quintile				
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
	£ 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.)															
All households in the sample															
Original income	498	495	521	482	553	1,359	1,402	1,540	1,679	1,877	2,142	2,261	2,472	2,724	3,041
Original income plus cash benefits	776	770	827	857	1,001	..	1,513	1,656	1,799	2,009	..	2,337	2,541	2,833	3,131
Income after direct taxes and benefits	604	806	875	926	1,066	1,382	1,483	1,594	1,726	1,977	2,072	2,221	2,431	2,649	2,987
Income after all taxes and benefits .. .. .	..	616	666	737	857	1,107	1,157	1,240	1,381	1,605	1,704	1,758	1,965	2,168	2,487
Percentage of original income															
Original income plus cash benefits .. .. .	..	156	159	178	181	..	108	108	107	107	..	103	103	104	103
Income after direct taxes and benefits	121	163	168	192	193	102	106	104	103	105	97	98	98	97	98
Income after all taxes and benefits .. .. .	..	124	128	153	155	81	83	81	82	86	80	78	79	80	82
Percentage of median															
Original income	37	35	34	29	29	100	100	100	100	100	158	161	161	162	162
Original income plus cash benefits .. .. .	..	51	50	48	50	..	100	100	100	100	..	154	153	157	156
Income after direct taxes and benefits	56	54	55	54	54	100	100	100	100	100	150	150	153	153	151
Income after all taxes and benefits	55	53	54	53	53	100	100	100	100	100	154	152	158	157	155
Non-retired households															
1 adult															
£ per year															
Original income	364	314	342	373	523	800	749	900	976	1,177	1,319	1,380	1,539	1,662	1,907
Original income plus cash benefits .. .. .	..	497	567	596	703	..	811	980	1,047	1,257	..	1,414	1,533	1,694	1,944
Income after direct taxes and benefits	496	509	573	613	720	719	757	846	902	1,101	1,094	1,187	1,248	1,400	1,612
Income after all taxes and benefits	392	409	440	504	608	568	583	647	737	884	903	953	979	1,116	1,322
Percentage of original income															
Original income plus cash benefits .. .. .	..	158	166	160	134	..	108	109	107	107	..	102	101	102	102
Income after direct taxes and benefits	136	162	168	164	138	90	101	94	92	94	83	86	81	84	85
Income after all taxes and benefits	108	130	129	135	116	71	78	72	76	75	68	69	64	67	69
Percentage of median															
Original income	46	42	38	38	44	100	100	100	100	100	165	184	171	70	162
Original income plus cash benefits .. .. .	..	61	58	57	56	..	100	100	100	100	..	174	158	162	155
Income after direct taxes and benefits	69	67	68	68	65	100	100	100	100	100	152	157	148	155	146
Income after all taxes and benefits	69	70	68	68	69	100	100	100	100	100	159	163	151	151	150

See footnote on page xxxvi.

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**First and fourth quintile incomes compared with median incomes before and after taxes and benefits
1968-1972⁽¹⁾**

	1st quintile				Median				4th quintile			
	1968	1970	1971	1972	1968	1970	1971	1972	1968	1970	1971	1972
	£ 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	894	1,011	1,082	1,241	1,453	1,499	1,868	2,064	2,082	2,178	2,784	3,070
Original income plus cash benefits	1,031	1,163	1,249	1,429	1,556	1,732	1,930	2,145	2,219	2,529	2,814	3,104
Income after direct taxes and benefits	925	1,069	1,190	1,337	1,282	1,373	1,664	1,908	1,736	1,923	2,346	2,652
Income after all taxes and benefits	716	813	911	1,047	998	1,056	1,320	1,520	1,427	1,508	1,913	2,190
<i>Percentage of original income</i>												
Original income plus cash benefits	115	115	115	115	104	104	103	104	102	102	101	101
Income after direct taxes and benefits	103	106	110	108	88	92	89	92	83	88	84	86
Income after all taxes and benefits	80	81	84	84	69	70	71	74	69	69	69	71
<i>Percentage of median</i>												
Original income	62	61	58	60	100	100	100	100	143	145	149	149
Original income plus cash benefits	66	67	65	67	100	100	100	100	143	143	146	145
Income after direct taxes and benefits	72	71	72	70	100	100	100	100	135	140	141	139
Income after all taxes and benefits	72	71	69	69	100	100	100	100	143	143	145	144
All non-retired households												
£ per year												
Original income	986	1,060	1,134	1,285	1,536	1,589	1,743	2,142	2,306	2,403	2,925	3,265
Original income plus cash benefits	1,043	1,212	1,291	1,463	1,682	1,854	2,027	2,266	2,470	2,734	3,013	3,372
Income after direct taxes and benefits	814	1,008	1,088	1,238	1,238	1,397	1,566	1,816	1,807	2,075	2,332	2,645
Income after all taxes and benefits	666	814	877	1,008	1,008	1,178	1,397	1,566	1,807	1,884	2,332	2,645
<i>Percentage of original income</i>												
Original income plus cash benefits	106	114	114	114	106	106	105	106	103	103	103	103
Income after direct taxes and benefits	83	85	89	92	81	81	80	85	78	78	79	81
Income after all taxes and benefits	68	68	68	65	66	66	66	66	66	66	66	66
<i>Percentage of median</i>												
Original income	64	61	59	60	100	100	100	100	150	151	152	152
Original income plus cash benefits	68	65	64	65	100	100	100	100	143	147	149	149
Income after direct taxes and benefits	68	67	67	67	100	100	100	100	143	144	146	143
Income after all taxes and benefits	66	65	64	65	100	100	100	100	146	146	149	146

⁽¹⁾ Figures for 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 benefits as a percentage of original income
1969-1972**

		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..	..	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
1972..	..	695	210	202	154	142	129	110	97	90	86	82	79	77	73	88
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	101									207
1972..	..	691	156	142	130	115	101									243
2 adults																
1969..	..	528	191	142	131	115	95	92	88	79	74	72				174
1970..	..	544	176	144	137	129	108	90								150
1971..	..	569	189	166	147	124	124	104	103	84	89					188
1972..	..	668	231	187	161	139	133	126	102	102						192
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		58		74
1971..	..	291	127	103	97	88	72	74	70	63	63	63	62	62	65	77
1972..	..	385	145	122	100	95	92	75	72	67	68	66				78
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	65	62	71
1971..	..	336	212	150	160	127	98	87	78	73	70	67	67	66	63	72
1972..	..	532	210	180	147	139	119	100	84	81	74	71	68	67	67	75
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		69	77
1971..	..	971				142	105	89	84	81	75	76	73	73	70	79
1972..	..	1,163				142	125	111	87	84	80	77	76	72	72	80
2 adults, 2 children																
1969..	..	462	119		156	119	111	96	88	85	79	76	79	75	71	84
1970..	..	598				127	117	93	89	83	81	81	77		70	83
1971..	..	582					111	107	95	88	85	82	79	76	74	84
1972..	..						157	114	96	91	88	84	82	79	76	85

**Income after direct taxes and benefits as a percentage of original income
1969-1972**

	Range of original income: £ per year											Percentages			
												3,750 and above	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	Average over all income ranges
All households in the sample															
1969..	561	200	178	151	135	125	115	108	102	97	96	93	90	81	105
1970..	600	217	178	160	144	131	114	109	104	99	97	93	91	82	105
1971..	644	233	203	172	153	131	122	112	106	101	98	94	90	85	105
1972..	804	252	239	190	167	155	134	119	111	105	100	97	94	88	107
Retired households															
1 adult															
1969..	599	155	133	127	118	108	99								249
1970..	636	164	135	128	118	108	108								263
1971..	624	168	151	141	129	119	108								243
1972..	784	183	162	149	135	127									279
2 adults															
1969..	653	239	188	169	149	128	120	114	101	104	90				219
1970..	672	225	188	164	162	135	130	122	108	107					188
1971..	690	237	211	179	161	147	129	122	108						231
1972..	792	280	232	212	178	165	149	130	124	107					232
Non-retired households															
1 adult															
1969..	310	134	133	106	95	90	84	84	79	77	81	76			95
1970..	315	141	128	108	100	91	87	80	81	78	79				94
1971..	334	145	128	114	106	91	92	85	80	79	77		71		94
1972..	436	171	154	118	115	108	94	89	85	84	83	78	76	81	95
2 adults															
1969..	340	202	186	153	126	105	101	93	89	86	85	82	83	72	91
1970..	353	222	173	155	128	116	101	94	91	88	85	83	81	74	90
1971..	413	253	199	199	152	122	110	101	93	89	85	84	81	76	90
1972..	629	256	228	186	165	140	122	105	100	93	89	86	83	80	92
2 adults, 1 child															
1969..	677	161	126	126	126	120	105	101	96	94	91	90	84		98
1970..	909	150	150	155	150	123	115	103	97	93	92	89	84	81	97
1971..	1,119	172	172	199	172	132	114	106	100	94	94	89	89	86	97
1972..	1,337	192	192	186	172	159	132	110	106	98	92	92	88	85	97
2 adults, 2 children															
1969..	603	149	149	192	149	134	119	110	105	99	95	95	91	85	103
1970..	1,006	158	158	158	158	144	119	111	105	100	99	94	92	86	102
1971..	688	158	158	158	158	138	131	118	108	103	102	95	92	88	102
1972..						185	139	120	113	106	102	99	96	90	103

**Total taxes as a percentage of original income plus cash benefits
1969-1972**

TABLE 4 (iii)

		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..	..	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	38	38	37	39	36
1971..	..	24	26	32	28	30	32	33	35	36	36	35	36	36	37	35
1972..	..	23	23	27	29	27	29	31	33	33	33	34	34	34	35	33
Retired households																
1 adult																
1969..	..	22	35	35	28	33	40	40	40	40	40	40	40	40	40	28
1970..	..	22	28	26	27	33	42	33	32	32	32	32	32	32	32	27
1971..	..	22	24	30	33	31	32	34	35	36	36	36	36	36	36	26
1972..	..	20	22	23	23	30	35	27	33	33	33	34	34	34	34	24
2 adults																
1969..	..	26	30	34	33	33	37	36	37	40	44	39	39	39	39	32
1970..	..	25	28	34	28	30	34	44	28	39	44	44	44	44	44	33
1971..	..	25	27	29	24	35	30	34	28	39	34	34	34	34	34	30
1972..	..	24	23	27	33	30	30	27	33	33	34	34	34	34	34	29
Non-retired households																
1 adult																
1969..	..	27	27	27	34	36	38	40	41	40	41	40	40	43	43	38
1970..	..	31	25	27	36	35	39	39	43	42	46	38	38	43	43	38
1971..	..	26	25	28	28	33	37	36	38	41	41	40	40	43	43	37
1972..	..	23	23	31	29	29	31	35	36	37	36	37	37	41	41	35
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	38	36	40	38
1971..	..	28	25	34	31	28	33	36	38	38	37	38	37	36	38	37
1972..	..	27	26	29	28	26	26	31	35	34	35	35	37	36	35	35
2 adults, 1 child																
1969..	..	42	42	42	37	42	34	38	36	38	35	35	33	36	36	36
1970..	..	45	41	41	41	41	33	35	36	38	37	35	35	35	35	36
1971..	..	29	30	36	36	36	33	36	36	34	36	34	33	33	34	34
1972..	..	31	30	34	24	34	34	24	34	33	34	34	33	36	32	33
2 adults, 2 children																
1969..	..	38	38	38	30	25	21	31	34	33	35	32	32	35	35	34
1970..	..	112	112	112	29	35	29	34	35	36	35	33	35	35	36	35
1971..	..	24	24	35	30	35	29	30	33	33	32	33	33	33	32	32
1972..

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**Total benefits as a percentage of original income plus cash benefits
1969-1972**

	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..	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
1972..	116	74	78	61	55	50	39	30	24	20	17	14	12	8	23
Retired households															
1 adult															
1969..	97	42	35	32	30	26	22								71
1970..	99	48	36	33	30	26	24								73
1971..	102	49	45	38	33	28	24								72
1972..	107	54	49	43	40	35									78
2 adults															
1969..	102	75	57	51	43	33	30	27			14				67
1970..	102	65	58	50	47	40	37								60
1971..	106	68	63	53	50	46	37	31	26	22					71
1972..	110	79	69	63	53	50	44	34	34	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	2	1		16
1972..	105	50	46	29	25	24	12	9	5	5	4	2	4	2	15
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	2	1	10
1971..	102	77	61	68	47	31	25	17	13	9	5	4	3	2	11
1972..	119	74	68	55	51	40	31	21	16	10	7	5	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	4	3	14
1971..	180					37	25	21	15	12	10	7	6	4	14
1972..	178				61	53	34	22	18	14	11	9	8	5	14
2 adults, 2 children															
1969..	139			72	40	38	27	23	19	15	12	11	10	6	18
1970..	234					43	27	25	20	17	15	13	10	7	18
1971..	123				56	38	36	28	22	18	16	12	10	6	17
1972..						65	43	29	24	21	17	14	13	8	18

Indirect taxes as a percentage of income after direct taxes and benefits
1969-1972

	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	
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	21	21	20	19	21	
1971..	19	18	22	19	20	20	21	21	21	20	20	20	19	18	20	
1972..	18	18	20	21	19	19	21	21	21	19	19	19	19	17	19	
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	21								18	
1972..	16	15	15	14	18	22	22								16	
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					22	
1971..	20	21	22	18	25	18	19	15	22	17					20	
1972..	20	19	21	24	22	19	15	21	18						19	
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				22	
1971..	20	18	20	19	20	21	21	20	23	21	19	18			20	
1972..	19	17	27	19	20	20	22	22	22	20	21	20	19		21	
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	17	17	22	
1971..	21	18	26	21	20	22	23	24	23	22	22	20	18	17	21	
1972..	20	21	25	24	20	19	22	23	21	22	21	22	20	16	20	
2 adults, 1 child																
1969..	27	27	24	27	29	23	25	23	25	21	20	20	20	16	22	
1970..	22	24	28	24	24	27	22	23	23	22	20	19	20	19	21	
1971..	15	21	26	21	21	21	24	23	21	21	19	18	18	19	20	
1972..	19	19	23	23	23	23	18	22	21	20	19	18	19	15	19	
2 adults, 2 children																
1969..	24	22	22	19	22	19	21	20	20	21	20	17	18	17	20	
1970..	41	21	21	21	21	21	23	21	21	21	19	18	19	19	20	
1971..	18	21	21	20	27	21	20	20	19	18	18	17	17	16	18	
1972..							22	22	21	19	19	17	18	15	18	

**Average incomes before and after taxes and benefits
1961-1972**

TABLE 5

	Average income					Percentage of original income					Percentage of corresponding income in 1961				
	£ per year					Percentages					1961 = 100				
	1961	1965	1969	1971	1972	1961	1965	1969	1971	1972	1965	1969	1971	1972	
Retired and non-retired households															
1 adult															
Old basis															
Original income	319	429	522	630	698	100	100	100	100	100	134	164	197	219	
Income after direct taxes and benefits	404	534	670	797	909	127	124	128	127	130	132	166	197	225	
Income after all taxes and benefits	346	447	555	679	779	108	104	106	108	112	129	160	196	225	
New basis															
Original income	312	420	510	612	677	100	100	100	100	100	135	163	196	217	
Income after direct taxes and benefits	404	534	670	797	909	129	127	131	130	134	132	166	197	225	
Income after all taxes and benefits	(341)	(439)	546	665	763	(109)	(105)	107	109	113	(129)	160	195	224	
2 adults															
Old basis															
Original income	843	1,039	1,395	1,706	1,857	100	100	100	100	100	123	165	202	220	
Income after direct taxes and benefits	847	1,034	1,352	1,643	1,840	100	100	97	96	99	122	160	194	217	
Income after all taxes and benefits	707	845	1,074	1,350	1,528	84	81	77	79	82	120	152	191	216	
New basis															
Original income	824	1,007	1,351	1,650	1,790	100	100	100	100	100	122	164	200	217	
Income after direct taxes and benefits	847	1,034	1,352	1,643	1,840	103	103	100	100	103	122	160	194	217	
Income after all taxes and benefits	(698)	(828)	1,054	1,321	1,494	(85)	(82)	78	80	83	(119)	151	189	214	
2 adults, 1 child															
Old basis															
Original income	1,041	1,322	1,643	2,056	2,313	100	100	100	100	100	127	158	198	222	
Income after direct taxes and benefits	1,005	1,275	1,559	1,930	2,156	97	96	95	94	93	127	155	192	215	
Income after all taxes and benefits	847	1,050	1,244	1,593	1,814	81	79	76	77	78	124	147	188	214	
New basis															
Original income	1,016	1,281	1,586	1,982	2,223	100	100	100	100	100	126	156	195	219	
Income after direct taxes and benefits	1,005	1,275	1,559	1,930	2,156	99	100	98	97	97	127	155	192	215	
Income after all taxes and benefits	(836)	(1,032)	1,220	1,559	1,776	(82)	(81)	77	79	80	(123)	146	186	212	
2 adults, 2 children															
Old basis															
Original income	1,051	1,284	1,819	2,181	2,479	100	100	100	100	100	122	173	208	236	
Income after direct taxes and benefits	1,107	1,355	1,818	2,159	2,456	105	106	100	99	99	122	164	195	222	
Income after all taxes and benefits	948	1,132	1,498	1,815	2,078	90	88	82	83	84	119	158	191	219	
New basis															
Original income	1,026	1,245	1,762	2,108	2,388	100	100	100	100	100	121	172	205	233	
Income after direct taxes and benefits	1,107	1,355	1,818	2,159	2,456	108	109	103	102	103	122	164	195	222	
Income after all taxes and benefits	(936)	(1,113)	1,473	1,780	2,034	(91)	(89)	84	84	85	(119)	157	190	217	
2 adults, 3 children															
Old basis															
Original income	991	1,333	1,762	2,118	2,476	100	100	100	100	100	135	178	214	250	
Income after direct taxes and benefits	1,187	1,505	1,971	2,340	2,733	120	113	112	110	110	127	166	197	230	
Income after all taxes and benefits	1,020	1,285	1,651	1,985	2,359	103	96	94	94	95	126	162	195	231	
New basis															
Original income	967	1,289	1,705	2,047	2,387	100	100	100	100	100	133	176	212	247	
Income after direct taxes and benefits	1,187	1,505	1,971	2,340	2,733	123	117	116	114	114	127	166	197	230	
Income after all taxes and benefits	(1,008)	(1,263)	1,625	1,947	2,313	(104)	(98)	95	95	97	(125)	161	193	229	

See Note on page xliiv.

Average incomes before and after taxes and benefits
1961-1972

TABLE 5 (continued)

	Average Income							Percentage of original income					Percentage of corresponding income in 1961			
	£ per year							Percentages					1961=100			
	1961	1965	1969	1971	1972	1961	1965	1969	1971	1972	1965	1969	1971	1972		
Retired and non-retired households (continued)																
2 adults, 4 children																
Old basis																
Original income	1,053	1,259	1,692	2,166	2,222	100	100	100	100	100	120	161	206	211		
Income after direct taxes and benefits	1,283	1,600	2,121	2,574	2,601	122	127	125	119	126	125	165	201	218		
Income after all taxes and benefits	1,135	1,364	1,788	2,184	2,423	108	108	106	101	109	120	158	192	213		
New basis																
Original income	1,030	1,219	1,638	2,097	2,142	100	100	100	100	100	118	159	204	208		
Income after direct taxes and benefits	1,283	1,600	2,121	2,574	2,801	125	131	129	123	131	125	165	201	218		
Income after all taxes and benefits	(1,123)	(1,343)	1,760	2,138	2,375	(109)	(110)	107	102	111	(120)	157	190	211		
3 adults																
Old basis																
Original income	1,318	1,672	2,221	2,603	2,896	100	100	100	100	100	127	169	197	220		
Income after direct taxes and benefits	1,258	1,569	2,065	2,449	2,749	95	94	93	94	95	125	164	195	219		
Income after all taxes and benefits	1,049	1,270	1,640	2,001	2,281	80	76	74	77	79	121	156	191	217		
New basis																
Original income	1,282	1,616	2,140	2,504	2,781	100	100	100	100	100	126	167	195	217		
Income after direct taxes and benefits	1,258	1,569	2,065	2,449	2,749	98	97	96	98	99	125	164	195	219		
Income after all taxes and benefits	(1,035)	(1,248)	1,609	1,956	2,232	(81)	(77)	75	78	80	(121)	155	189	216		
3 adults, 1 child																
Old basis																
Original income	1,495	1,628	2,207	2,868	3,116	100	100	100	100	100	109	148	192	208		
Income after direct taxes and benefits	1,415	1,689	2,195	2,776	3,073	95	104	99	97	99	119	155	196	217		
Income after all taxes and benefits	1,198	1,411	1,776	2,313	2,604	80	87	80	81	84	118	148	193	217		
New basis																
Original income	1,457	1,571	2,123	2,761	2,991	100	100	100	100	100	108	146	189	205		
Income after direct taxes and benefits	1,415	1,689	2,195	2,776	3,073	97	108	103	101	103	119	155	196	217		
Income after all taxes and benefits	(1,182)	(1,387)	1,743	2,265	2,549	(81)	(88)	82	82	85	(117)	147	192	216		
3 adults, 2 children																
Old basis																
Original income	1,326	1,721	2,307	2,842	2,968	100	100	100	100	100	130	174	214	224		
Income after direct taxes and benefits	1,426	1,918	2,491	2,991	3,294	108	111	108	105	111	135	175	210	231		
Income after all taxes and benefits	1,209	1,637	2,051	2,522	2,774	91	95	89	89	93	135	170	209	229		
New basis																
Original income	1,289	1,661	2,232	2,744	2,862	100	100	100	100	100	129	173	213	222		
Income after direct taxes and benefits	1,426	1,918	2,491	2,991	3,294	111	115	112	109	115	135	175	210	231		
Income after all taxes and benefits	(1,190)	(1,607)	2,014	2,471	2,711	(92)	(97)	90	90	95	(135)	169	208	228		

See Note on page xliiv.

**Average incomes before and after taxes and benefits
1961-1972**

TABLE 5 (continued)

	Average income				Percentage of original income				Percentage of corresponding income in 1961					
	£ per year				Percentages				1961=100					
	1961	1965	1969	1971	1972	1961	1965	1969	1971	1972	1965	1969	1971	1972
Retired and non-retired households (continued)														
4 adults														
Old basis														
Original income	1,797	2,147	2,914	3,727	4,036	100	100	100	100	100	119	162	207	225
Income after direct taxes and benefits	1,629	2,027	2,698	3,393	3,766	91	94	93	91	93	124	166	208	231
Income after all taxes and benefits	1,371	1,654	2,119	2,763	3,119	76	77	73	74	77	121	155	202	227
New basis														
Original income	1,742	2,064	2,789	3,582	3,866	100	100	100	100	100	118	160	206	222
Income after direct taxes and benefits	1,629	2,027	2,698	3,393	3,766	94	98	97	95	97	124	166	208	231
Income after all taxes and benefits	(1,352)	(1,625)	2,079	2,702	3,052	(78)	(79)	75	75	79	(120)	154	200	226
All households in the sample														
Old basis														
Original income	984	1,211	1,572	1,867	2,076	100	100	100	100	100	123	160	190	211
Income after direct taxes and benefits	1,016	1,252	1,600	1,894	2,137	103	103	102	101	103	123	157	186	210
Income after all taxes and benefits	858	1,037	1,295	1,577	1,802	87	86	82	84	87	121	151	184	210
New basis														
Original income	960	1,172	1,519	1,802	1,997	100	100	100	100	100	122	158	188	208
Income after direct taxes and benefits	1,016	1,252	1,600	1,894	2,137	106	107	105	105	107	123	157	186	210
Income after all taxes and benefits	(847)	(1,019)	1,271	1,544	1,764	(88)	(87)	84	86	88	(120)	150	182	208
Retired and non-retired households (excluding pensioner households)														
1 adult														
Old basis														
Original income	467	639	787	933	1,088	100	100	100	100	100	137	169	200	233
Income after direct taxes and benefits	485	653	805	952	1,113	104	102	102	102	102	135	166	196	229
Income after all taxes and benefits	412	540	659	801	938	88	85	84	86	86	131	160	194	228
New basis														
Original income	458	625	769	907	1,055	100	100	100	100	100	136	168	198	230
Income after direct taxes and benefits	485	653	805	952	1,113	106	104	105	105	105	135	166	196	229
Income after all taxes and benefits	(406)	(531)	647	784	919	(89)	(85)	84	86	87	(131)	159	193	226
2 adults														
Old basis														
Original income	926	1,169	1,565	1,911	2,082	100	100	100	100	100	126	169	206	225
Income after direct taxes and benefits	895	1,104	1,441	1,750	1,960	97	94	92	92	94	123	161	196	219
Income after all taxes and benefits	747	900	1,141	1,435	1,623	81	77	73	75	78	120	153	192	217
New basis														
Original income	905	1,133	1,516	1,847	2,007	100	100	100	100	100	125	168	204	222
Income after direct taxes and benefits	895	1,104	1,441	1,750	1,960	99	97	95	95	98	123	161	196	219
Income after all taxes and benefits	(737)	(883)	1,119	1,404	1,588	(81)	(78)	74	76	79	(120)	152	191	215

Note: Figures in brackets are estimated.

**Distribution of households co-operating in the Family Expenditure Survey
by range of original income
1972**

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		3 adults 1 child		3 adults 2 children		4 adults		Others	All house- holds
			retired		non- retired		retired		non- retired		retired		non- retired		retired		non- retired		retired			
Less than																						
381	570	76	352	66	16	11	12	9	9	1	1	7	1	1	1	—	—	2	66	1,197
461	21	15	32	20	2	1	—	1	1	1	—	—	—	—	—	—	—	—	6	99
557	12	14	38	22	1	6	6	1	1	1	—	—	—	—	—	—	—	1	8	112
674	24	22	22	28	1	—	6	4	1	4	—	—	—	—	—	—	—	1	9	123
816	21	30	19	31	2	5	10	6	8	2	1	2	1	1	1	—	—	—	14	150
816	13	36	25	42	5	10	17	15	11	1	—	—	—	—	—	—	—	2	18	195
987	6	62	15	83	1	12	29	33	19	10	3	3	3	4	4	—	—	1	25	303
1,194	7	66	16	121	3	26	64	53	25	11	8	7	8	7	7	—	—	3	30	440
1,446	5	57	15	180	—	23	99	103	39	24	11	11	11	9	9	—	—	2	26	593
1,749	5	51	10	226	1	58	163	164	67	25	23	23	23	18	18	—	—	5	34	850
2,116	1	29	6	237	1	64	126	174	72	17	40	26	40	26	26	—	—	19	36	848
2,561	2	22	4	215	1	89	103	136	52	14	51	24	51	24	24	—	—	25	51	789
3,099	3	10	5	147	1	99	52	70	35	6	39	20	39	20	20	—	—	38	59	584
3,750	4	10	7	156	5	106	54	75	31	11	48	27	48	27	27	—	—	77	123	734
and above																				
All income ranges	694	500	566	1,574	40	510	741	844	371	134	225	137	225	134	176	505	7,017			

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

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

1 adult and 2 adult retired households in the lowest range of income include 441 and 239 pensioner households respectively.

**Distribution of households co-operating in the Family Expenditure Survey
by range of income after direct taxes and benefits
1972**

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	All households	
	retired	non-retired	retired	non-retired	retired	non-retired										
At least																
Less than																
381	4	3	—	1	—	—	1	—	—	—	—	—	—	—	—	9
461	49	12	2	—	—	—	—	—	—	—	—	—	—	1	64	
557	216	23	2	3	—	—	—	—	—	—	—	—	—	1	245	
674	220	50	6	7	—	—	—	—	—	—	—	—	—	2	285	
816	90	37	88	17	1	—	5	—	—	—	—	—	—	11	250	
987	46	81	183	48	1	—	10	—	—	—	—	—	—	19	390	
1,194	38	80	113	129	2	5	20	3	—	—	—	—	—	20	421	
1,446	9	86	72	193	9	13	77	10	3	—	1	—	—	20	530	
1,749	5	51	47	248	8	35	133	37	5	3	5	4	1	37	711	
2,116	8	38	26	326	8	74	173	53	19	5	18	5	4	28	972	
2,561	1	24	12	256	4	106	152	92	49	36	36	22	23	45	1,041	
3,099	3	7	5	184	—	123	94	87	25	73	41	41	30	57	878	
3,750	4	7	6	85	2	91	40	55	17	57	26	26	42	93	595	
3,750 and above	1	1	4	77	5	62	36	34	16	35	39	39	76	171	626	
All income ranges	694	500	566	1,574	40	510	741	844	371	134	225	137	176	505	7,017	

**Distribution of households co-operating in the Family Expenditure Survey
by range of income after all taxes and benefits
1972**

At least	Range of income after all taxes and benefits £ per year		Number														
	Less than	..	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	1 child	2 children	3 children	4 children	1 child	2 children	3 children	4 children	
381	381	..	52	27	8	9	—	—	3	2	—	1	—	—	—	1	103
461	461	..	157	16	6	3	1	—	1	1	—	1	—	—	—	2	188
557	557	..	218	37	21	13	1	—	1	1	—	—	—	—	—	1	294
674	674	..	107	46	75	23	2	—	8	3	1	—	—	—	10	275	
816	816	..	74	94	145	75	2	1	16	1	2	—	—	1	11	422	
987	987	..	49	76	131	138	9	2	41	30	3	1	1	2	26	509	
1,194	1,194	..	14	76	78	186	11	6	64	41	13	—	2	1	19	511	
1,446	1,446	..	6	55	50	271	12	12	129	88	34	6	8	8	34	749	
1,749	1,749	..	7	32	23	283	6	6	153	167	40	19	18	3	31	870	
2,116	2,116	..	2	25	14	228	5	5	143	210	91	41	42	15	41	978	
2,561	2,561	..	2	10	4	183	—	—	99	140	87	30	56	42	35	857	
3,099	3,099	..	3	4	7	82	3	3	40	85	53	14	60	29	41	90	
3,750	3,750	..	3	2	3	38	—	—	28	46	24	12	23	21	30	91	
3,750 and above	3,750 and above	..	—	—	1	42	4	4	15	29	23	9	15	16	40	89	
All income ranges	694	500	566	1,574	40	510	741	844	371	134	225	137	176	505	7,017

CHART I Part I

Average taxes paid and benefits received by non-retired households in different income ranges – 1972

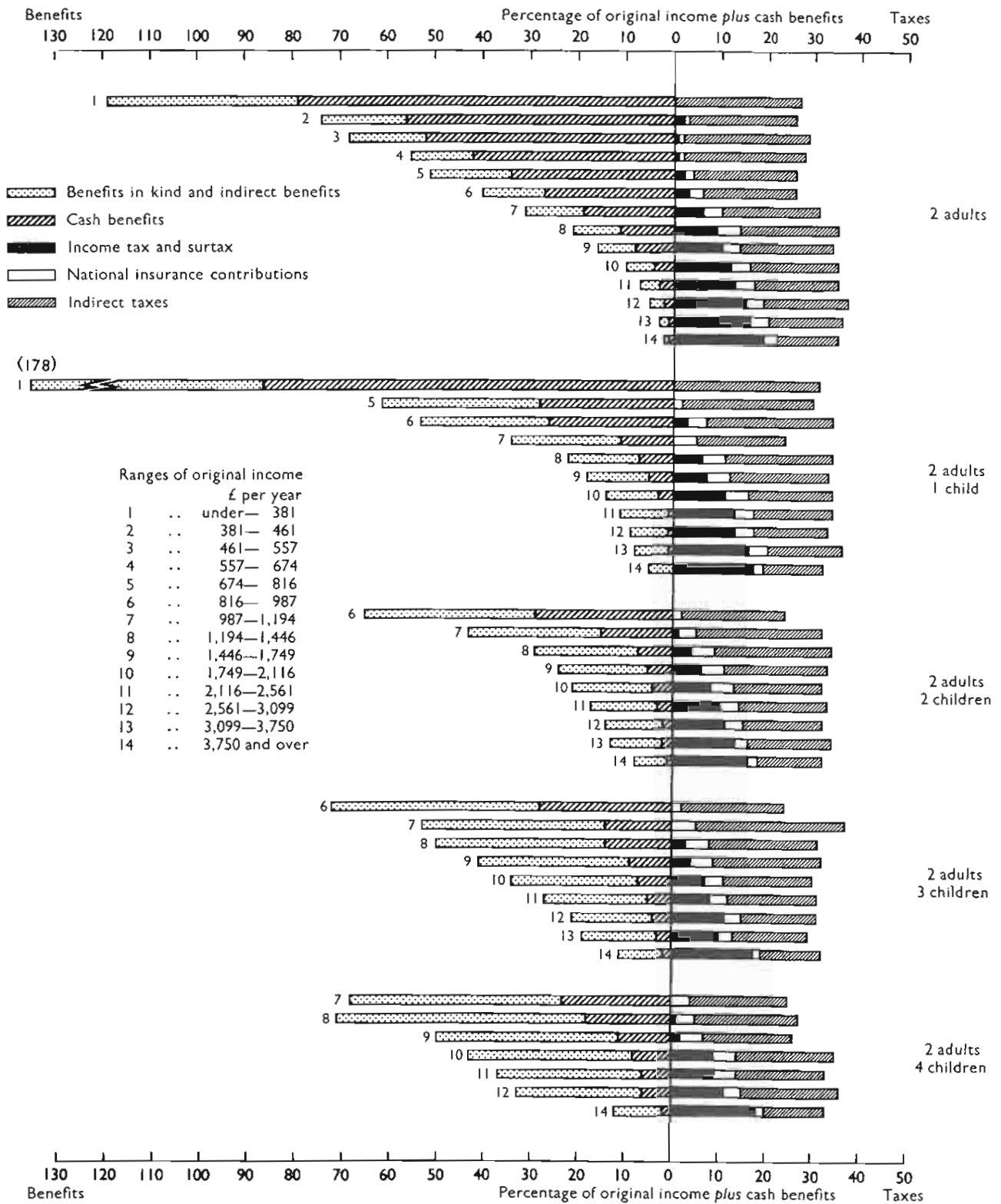


CHART I Part 2

Average taxes paid and benefits received by retired and non-retired households in different income ranges - 1972

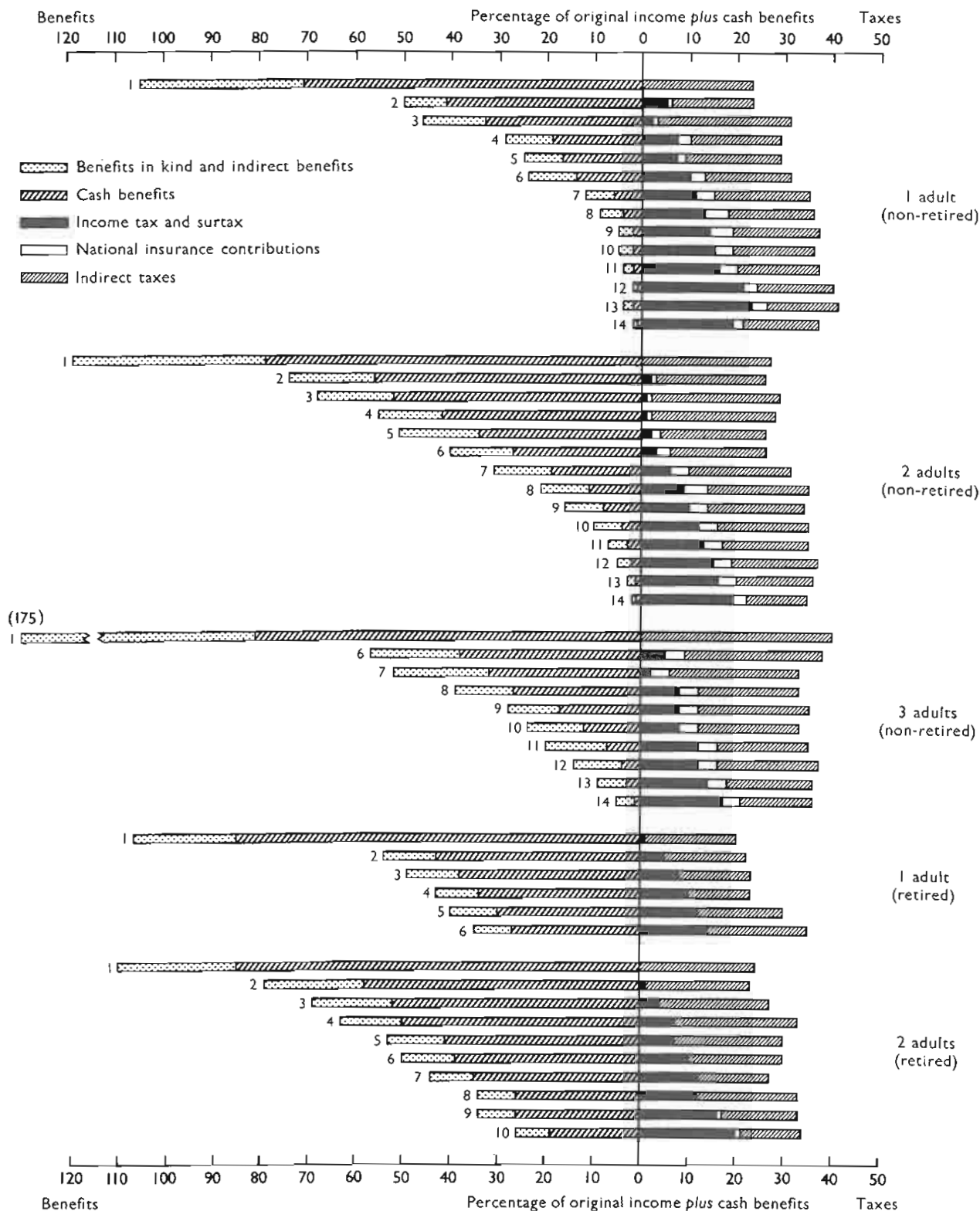
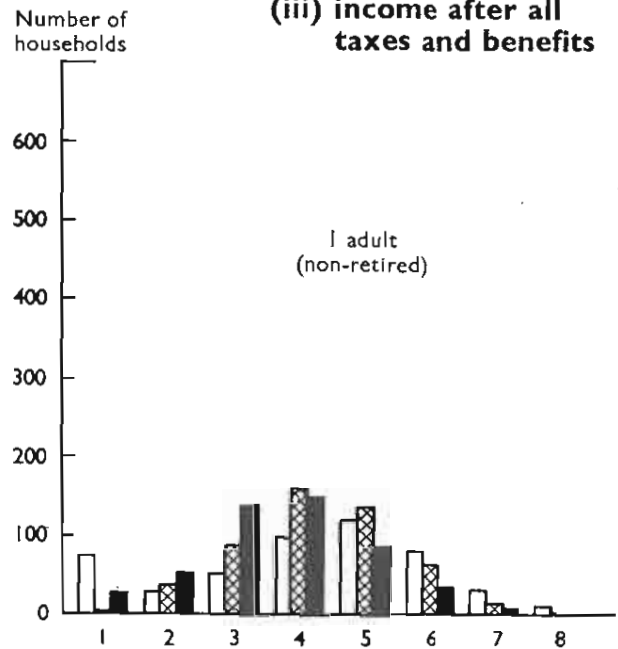
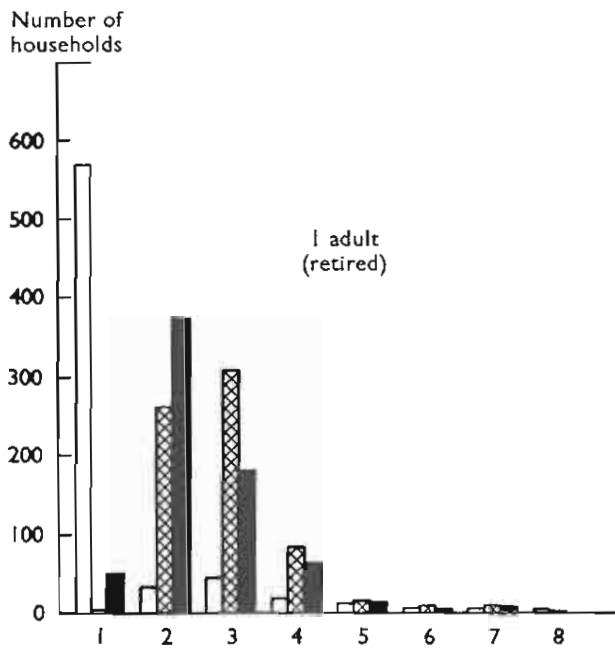


CHART 2 Part I

Distributions of retired and non-retired households classified by 1972

- (i) original income
- (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	

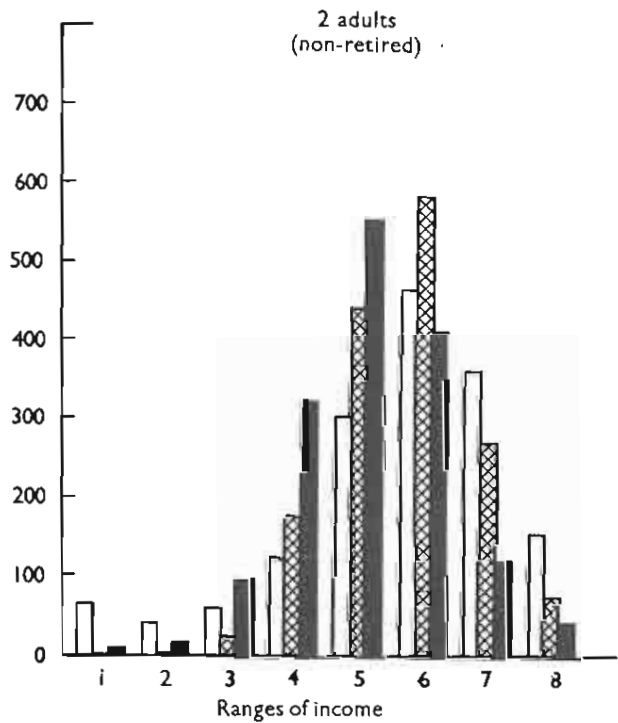
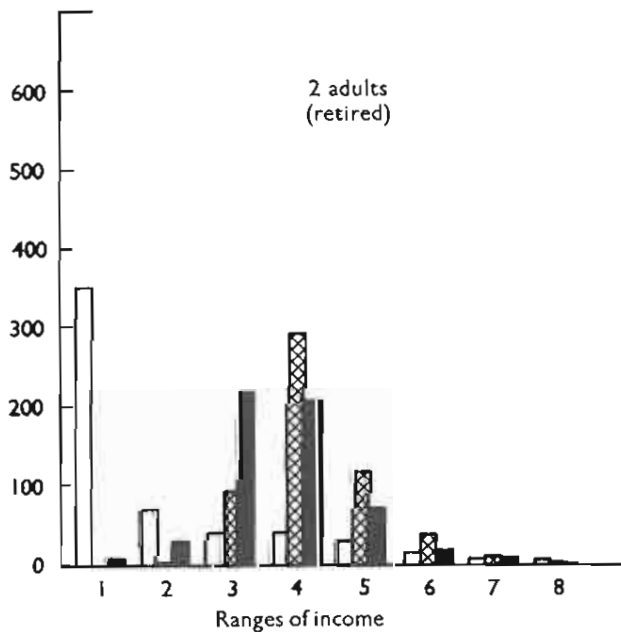
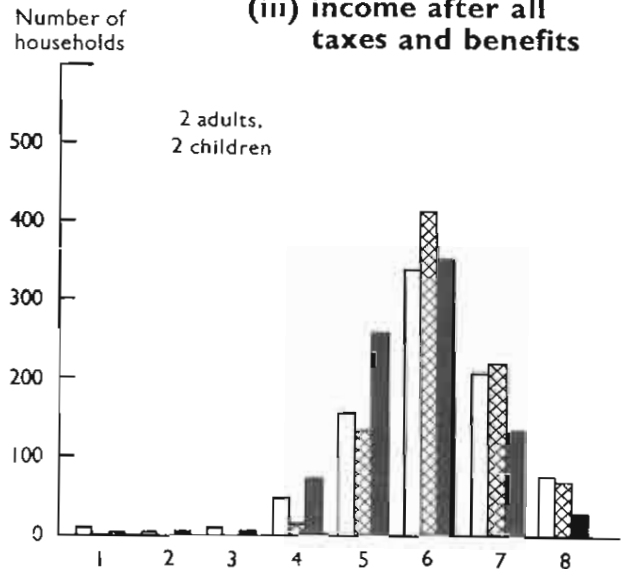
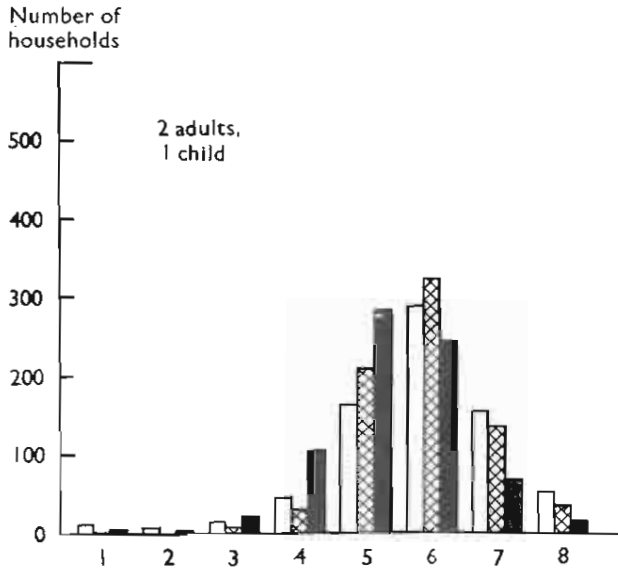


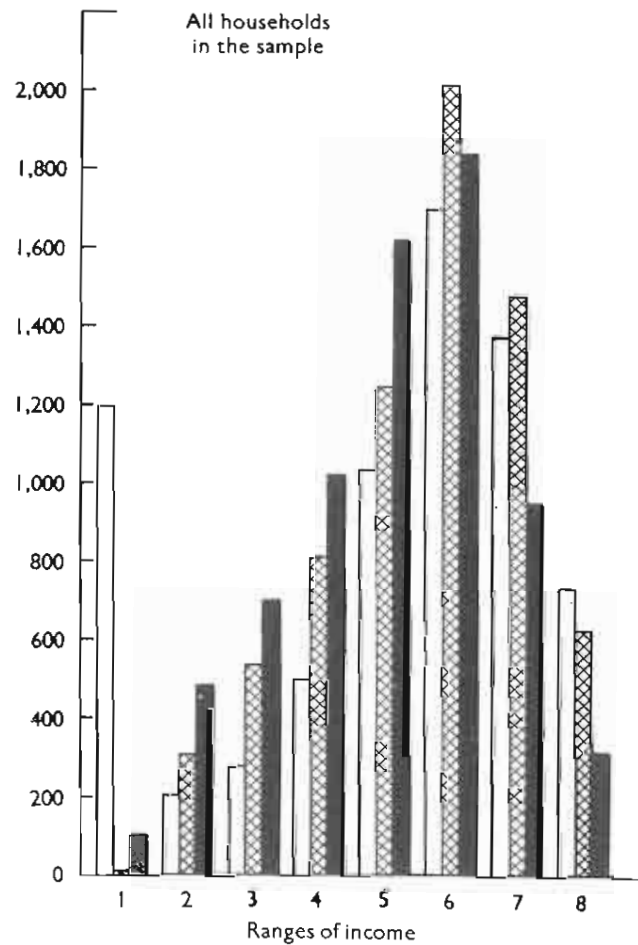
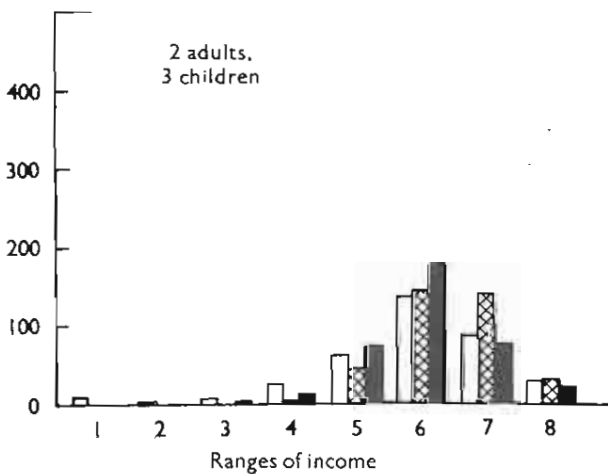
CHART 2 Part 2

Distributions of retired and non-retired households classified by (i) original income
 1972 (ii) income after direct taxes and benefits
 (iii) income after all taxes and benefits



Ranges of income		£ per year	
1	..	under	381
2	..	381-	557
3	..	557-	816
4	..	816-	1,194
5	..	1,194-	1,749
6	..	1,749-	2,561
7	..	2,561-	3,750
8	..	3,750	and over

□	Original income
▨	Income after direct taxes and benefits
■	Income after all taxes and benefits



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