

Effects of taxes and benefits on household income 1975

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The purpose of the analysis

Articles on the incidence of taxes and social service benefits have been published in *Economic Trends* regularly since the early sixties. Their general purpose is to show how public expenditure on social services, cash benefits, and consumer subsidies, and taxation to finance them, affect the distribution of income of different types of households. The present article, with estimates for 1975, is in the same series. The previous article (*Economic Trends* No. 268 February 1976, pp. 78–118) introduced a new format and substantial changes to the tables. That format has been continued in the current article. The main tables, that is Tables 1–8, are in Appendix II but there are a number of summary tables included in the text. Charts 1 and 2 are at the end of Appendix II.

In 1975 public expenditure amounted to £54.5 thousand million and was financed by £16.7 thousand million from direct taxes on persons, £14.0 thousand million from indirect taxes falling on expenditure and £23.8 thousand million from other sources such as corporation tax and borrowing (Tables A and B). All households both contribute to and benefit from this expenditure. They pay taxes either directly in the form of income tax and national insurance contributions or indirectly through local rates and the taxes falling on the goods and services they buy. At some stage all households benefit from public spending on social services, including state education, the national health service, and housing and food subsidies, as well as payments in cash. In general, these benefits can be valued in money terms and apportioned to different types of households. But there are other services also paid for out of general taxation, such as defence and the maintenance of law and order, which are difficult to apportion to individual types of 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. Similarly some kinds of financing, such as corporation tax and government receipts from public corporations, are difficult to apportion to individual households and would probably not be thought of by most people as leading to a reduction in their personal incomes. There is, nonetheless, considerable interest in estimating and making comparisons of the total amounts of all those taxes and benefits which can be allocated to particular households.

In the estimates in this article, only some 40 per cent of total public expenditure and 53 per cent of total public receipts in 1975 are in the categories which are directly allocated to households. Allocated taxes thus make up more of public financing than do allocated benefits of public expenditure. Since this reflects only the practical

and conceptual possibilities of allocating the individual receipts and expenditures to households, it has no special significance, but it does mean that, on average, households are shown in the tables as paying more in taxes than they receive in benefits.

Even if more taxes and benefits were to be allocated it must be emphasised that the analysis is limited to describing the flows of taxes and benefits from and to particular groups of households in a single year. In the sense that they use a set of accounting conventions recording the outcome of the circumstances prevailing in a given year, the estimates are closely analogous to Blue Book estimates of national income and expenditure. The analysis does not attempt to show the distribution of income after taxes are paid and benefits are received in comparison with a very different situation in which taxes and benefits did not exist. While it reflects the results of economic policies and conditions, it is not intended to provide more than a rough basis for estimating the effects of changes either in policy or in other circumstances.

The estimates can, in some cases, be used to estimate the immediate redistributive effects of marginal changes in the levels of taxes and benefits (for example changes in the standard rate of income tax or in family allowances) on the households directly concerned. They become increasingly inappropriate for estimating the effects of larger changes in the levels of taxes or benefits because of the reactions which the changes provoke. For example, it is not possible to use the estimates of receipts of food subsidies given in Table 1 to make other than a rough initial estimate of the distributional effects of, say, halving food subsidies. If the rates of subsidy on the foods which were subsidised in 1975 had been half what they actually were, the prices of those foods in the shops would have been higher. The amounts of food subsidies received by households would then have dropped by more than half, because the shoppers would have bought less subsidised foods, as well as having received half the previous rate of subsidy on those subsidised foods they did buy. In addition, taking this example further, incomes dependent on the production and supply of subsidised foods would have been affected, although only part of the subsequent effects would have happened before the end of 1975.

Similarly, the estimates are not suitable for estimating all the effects of a fundamental change in the structure of a tax or benefit, or the substitution of one form of tax or benefit by another. Substantial changes of that kind (such as the replacement of child tax allowances by child benefits) may also have important secondary effects, that is, they may also lead to changes in relative incomes or the pattern of household expenditure. To obtain valid estimates of the total redistributive effects of large changes, we would need a behavioural model. The estimates do not constitute a model of this kind.

The section which follows describes in some detail the way the estimates are compiled and discusses further some of the problems of interpretation. Though the second section is essential to a full understanding some readers may prefer to go direct to the third section which analyses the contribution which each stage of redistribution makes to the final results, and then to the final section which discusses the total of taxes and benefits and their particular impact on different types of household.

The estimates – compilation and problems of interpretation

The household

The basic unit of analysis in the article is the household. The estimates are presented in terms of the distribution and redistribution of income between groups of households defined as working and retired and subdivided by numbers of adults and children. The classification approximates to a broad life cycle approach and, although a study of the redistribution of income within an individual's lifetime would require longitudinal data relating to that particular person, the results from the cross sectional analysis of the single year household data can be used to demonstrate the net flow of benefits and taxes towards households with children, away from those of working age and towards pensioners.

In principle, studies of income and its redistribution could be based on a range of different units. Income is normally earned by individuals, income tax is paid by tax units (individuals, or married couples taken as one), and social security benefits are paid to individuals or families. The particular unit chosen will affect the level and shape of the income distribution. For example, although in 1975 78 per cent of households contained only one tax unit, the rest contained two or more tax units so that on average households had higher incomes than tax units.

Not only does the choice of the household as the basic unit influence the pattern of the distribution and redistribution of income but, over time, a change in the pattern may result from demographic and social changes in the structure of the chosen units. For example average household size has been falling for many years. This is partly because higher incomes have enabled more families and individuals to buy or rent accommodation of their own, but it is also a result of the increasing numbers of older people in the population, many of whom are widows living alone, and more recently of lower birth rates, and in particular of much lower numbers of births to women who already have two or three children. All these changes in household structure will affect the way in which the pattern of incomes shown for 1975 in Table 3 compares with the pattern for earlier years shown in the same table. An article by the Central Statistical Office on some of the effects of changes in household structure on income distribution appeared in the December 1975 issue of *Economic Trends*.¹

One of the major reasons for choosing the household as the basic unit of analysis is that it is more appropriate than the family or the individual for determining the redistributive effect of indirect taxes and subsidies. In the Family Expenditure Survey (which is the main source of the estimates), a household is defined as a group of people who

live at the same address and share common catering for at least one meal a day. Their spending on many items, but particularly on housing, fuel and light, and food, is largely joint spending. So it would not be possible without further information to apportion indirect taxes or the effects of housing and food subsidies to individuals or other subdivisions of households, except in a highly arbitrary way.

Very little is known about the actual extent to which income is pooled within households or any other groupings. This analysis however does not depend on assumptions about the degree of pooling or sharing since it is based entirely on the household as a unit and is designed to show the taxes paid and benefits received by households in different groups. But when using the analysis to discuss the living standards of members of households it is important to remember that income will not be wholly pooled. For example, the living standard of an old person or working teenager living in a large household may be much worse or much better than that implied by the position of the household as a whole.

The Family Expenditure Survey

The estimates presented are based mainly on detailed information from private households taking part in the Family Expenditure Survey (FES); people living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Approximately 7,000 households cooperate. Although it was designed principally as a source of information on household expenditure, a wide range of other information is also obtained. Every household member aged 16 and over is asked to give detailed information where appropriate about income, including national insurance and other cash benefits received from the State, payments of income tax, age, occupation, and kinds of education being received. Each of these people keeps a full record of all payments made during 14 consecutive days and answers questions about hire purchase and other payments. Information on family composition and housing tenure is also obtained. Further details of the Survey and notes on the accuracy of the data are included in Appendix I.

Taxes

The estimates of the incidence of taxes on households are derived from the data recorded in the Family Expenditure Survey. Direct taxes depend on the income size and circumstances of the household; indirect taxes depend on its pattern of expenditure. The taxes allocated in this analysis, which in 1975 financed rather more than half of public expenditure (see Table B) are of three main types: direct taxes, that is, taxes on household income and employees' national insurance contributions; indirect taxes on final goods and services, such as local rates, value added tax, and duties on drink and tobacco; and indirect taxes on intermediate products, such as local rates on commercial and industrial property and employers' national insurance contributions. The major taxes not allocated are corporation tax and taxes on capital. Taxes on capital, that is capital gains tax and death duties, are excluded because capital gains are not included in the figures of income in this analysis.

¹ *Economic Trends*, No. 266, December 1975. 'The effect of changes in household composition on the distribution of income, 1961-73': M. Semple. (HMSO 1975).

Benefits

Some 40 per cent of public expenditure in 1975 is in categories which have been allocated to households (see Table A), half being in the form of benefits in kind such as education and health services and the rest in the form of cash benefits and housing and food subsidies. State benefits in cash are taken to increase a household's income by the amount of cash received, and 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, are measured by their net cost to public authorities (that is excluding charges for prescriptions, spectacles, etc). If this analysis were trying to estimate their effects on the welfare of households, they should perhaps be measured in terms of the values placed upon them by the households themselves – but there is no practicable way of doing this.

Government expenditure not allocated to households falls into four broad categories. The first relates to expenditure on defence and on administration costs, such as tax collection. These items are not generally thought of as conferring benefits of a kind which can be allocated to 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. Expenditure on these programmes, as with defence, does ultimately affect household incomes because it influences the general levels of taxation and it may also affect the type,

pay structure and location of employment opportunities as well as the pattern of market prices for goods and services which prevail in the rest of the economy. But there is, at least at present, no practical way of estimating these effects on individual households. The third category includes expenditure on environmental and protective services such as refuse collection, museums, libraries, parks and fire services. Virtually all these services, in some degree, directly benefit households, but not enough is known about the variation in the extent to which each is used to enable them to be allocated. The fourth category excluded from the analysis is the benefit of capital expenditure on the social services. Households derive current benefits from past capital expenditure on schools, hospitals, etc. but to value them requires more information than is presently available.

The way expenditure on the benefits allocated in this analysis fits into public expenditure as a whole is shown in Table A which is based on the Analysis of public expenditure given in Table 10.2 of *National Income and Expenditure 1965-75* (the Blue Book). Current and capital expenditure on the social, environmental and protective services as a whole amounted, in 1975, to 59 per cent of total public expenditure. Most of this – 40 per cent of total public expenditure – is current expenditure in categories where the costs of providing services and benefits to people living in private households have been allocated. Of the remainder, 9 per cent is current expenditure which is not allocated and 9 per cent represents capital expenditure.

Public expenditure in 1975

TABLE A

	£ million	Percentage of total expenditure		£ million	Percentage of total expenditure
Allocated benefits*					
Benefits in cash	8,570	15.7			
Subsidies					
Housing (including rent rebates and allowances)	1,310	2.4			
Food	630	1.2			
Benefits in kind					
Health services	4,810	8.8			
Education	5,960	10.9			
School meals, milk, welfare foods	390	0.7			
	21 670	39.8			
Other current expenditure on social, environmental and protective services					
Social services					
Health, education and welfare foods					
Imputed rent	280	0.5			
Other	30	—			
Social security benefits					
Administration	490	0.9			
Personal social services	960	1.8			
Environmental services					
Housing	120	0.2			
Water, sewerage, land drainage, and public health	490	0.9			
Parks etc.	330	0.6			
Miscellaneous local authority services	610	1.1			
Libraries, museums, and arts	260	0.5			
Protective services					
Police	910	1.7			
Parliaments, courts and prisons	440	0.8			
Fire services	220	0.4			
	5,140	9.4			
Capital expenditure on social, environmental and protective services					
Social services	1,120	2.1			
Environmental services					
Housing	2,850	5.2			
Other	1,000	1.8			
Protective services	130	0.2			
	5,110	9.4			
Other current expenditure					
Defence and external relations	5,570	10.2			
Roads, transport and communications	1,590	2.9			
Industry, trade, agriculture, research and employment	2,420	4.4			
Other	1,020	1.9			
	10,590	19.4			
Other capital expenditure					
Public corporations	5,010	9.2			
Other	2,440	4.5			
	7,450	13.7			
Debt interest	4 510	8.3			
Total expenditure	54,470	100.0			

* Including benefits to people not living in private households.

Financing of public expenditure in 1975

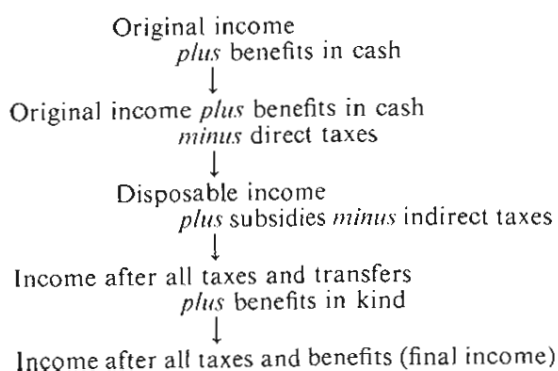
TABLE B

	£ million	Percentage of total financing
Allocated taxes*		
Direct taxes		
Income and surtax	13,910	25.5
Employees' and self-employed NI contributions	2,780	5.1
Indirect taxes		
On final goods and services	9,380	17.2
On intermediate goods and services	3,070	5.6
	29,140	53.5
Unallocated taxes		
Corporation tax etc.	2,260	4.1
Taxes on expenditure not allocated to consumers' expenditure	3,250	6.0
Public employers' NI contributions	2,390	4.4
Taxes on capital	830	1.5
	8,720	16.0
Trading surplus, interest, rent, dividends	6,310	11.6
Public sector borrowing requirement	10,480	19.2
Other receipts on capital account	-180	-0.3
Total financing	54,470	100.0

* Including taxes paid by people not living in private households.

Income definitions

The next section gives an account of the effect of the redistribution of household income resulting from allocating taxes and benefits in the way described in the previous paragraphs. The starting point is original income, that is the income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. Income in cash includes earned income, income from investment, and private pensions. Income in kind includes an income imputed to owner-occupiers based on the rateable value of their dwelling, and the value of the concessions on certain items such as miners' coal. The estimates are intended to relate to the annual rate of income at the time of the FES interview.² Substantial numbers of households, particularly those of elderly people, have original incomes which are very small or zero. The diagram below illustrates the framework which is used:



Details of the categories of income, taxes, transfers (that is cash benefits and subsidies) and benefits in kind are given in Appendix I, together with details of how they are allocated to households.

The diagram corresponds to the order of the stages of redistribution which is shown in Table I at the end of the article. This table shows in considerable detail the taxes paid and benefits received by different types of households at different levels of original income. Because of the relatively small size of the Family Expenditure Survey sample, many of the figures in this table refer to small numbers of households and may therefore not be very representative³. Even those referring to larger numbers may be considerably influenced by one or two, possibly atypical, households. It is always advisable when interpreting the tables to look at the general run of figures for households in several adjacent income ranges. The income scales shown in all the tables are basically logarithmic – that is, the end point of each successive income range is in a constant ratio to the end point of the previous range, although some ranges have been amalgamated to give more equal sample sizes.

This order of presentation follows that of last year's article. The main change from earlier years was designed to show disposable income as a separate sub-total.

The definition of disposable income used here differs slightly from the more usual definitions because it includes those elements of income in kind such as imputed rent included in original income – but it does nevertheless provide an indication of the money households have to spend or save. Secondly, it becomes possible to show income after all taxes and all cash benefits and subsidies, that is after all taxes and transfers. This corresponds to what is called 'available income' in the United Nations recommendations for systems of national accounts, and relates to the 'factor cost' estimates shown in the National Income Blue Books. The Blue Book figures of consumers' expenditure at factor cost are calculated by subtracting indirect taxes from expenditure at market prices, and adding consumer subsidies. This corresponds to the way in which income after all taxes and transfers is worked out in this analysis. Thirdly, this order of presentation separates benefits in kind from other taxes and benefits. The values put on the health and education services here represent the average net cost of providing them to each type of household. It would be difficult to put a market valuation on them because very few people buy these services privately and only small markets therefore exist. The sums thus give some general indication of the current cost of the resources used by each type of household, but they may bear little relation to the value which the household concerned would itself put on these services.

² See Appendix I for a fuller explanation.

³ See Appendix I for a note on sampling errors and response bias.

Stages of redistribution

Cash benefits

The first stage in estimating redistribution is the addition of direct transfers, that is cash benefits such as national insurance pensions, unemployment benefit, etc., to original income. Although most cash benefits are akin to insurance benefits, that is, they are designed to support people during periods of days or years when they are not earning, the effect of these benefits as a whole is very markedly redistributive. Table C shows the average amounts received by households in different ranges of original income. It is clear that, for each household type, those with the lowest original incomes benefit most. Cash benefits as a whole therefore substantially increase both the amount and the proportion of aggregate household income going to the less well off.

Table I shows how the totals shown in Table C are made up. The high levels of benefit going to retired households consist, as would be expected, largely of retirement pensions. But the high levels of benefit going to non-retired 1 and 2 adult households with low original incomes are also made up largely of retirement pensions. The classification of a household as 'retired' depends partly on whether its members describe themselves as 'retired' or 'unoccupied'. Many of

these low income non-retired 1 and 2 adult households therefore include people who do some paid work, although they are 60 and over and largely dependent on the retirement pension.

Direct taxes

Original income *plus* cash benefits is thus more equally distributed than original income. Original income *plus* some of those cash benefits is, broadly, the basis on which liability for income tax is assessed. The effect of income tax and surtax is shown in Table D as a percentage of original income *plus* cash benefits. Better-off households pay a substantially higher proportion of their income in tax but in interpreting the table two factors need to be borne in mind. First, child tax allowances and other personal allowances reduce the tax paid by the larger households in each income range. Secondly, the effects of income taxation shown here include the effects of tax reliefs such as those on mortgage interest and life insurance premiums. These tax reliefs tend to have more effect on tax paid as a proportion of income by the better-off households, because these households usually pay out proportionately more of their incomes in mortgage interest and insurance premiums, and have more taxable income against which to set the reliefs.

Cash benefits

TABLE C

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	930	806	853	771	543	361	200	145	131	125	377
Retired households											
1 adult	770	639	634	608	640	572	601				730
2 adults	1,163	1,095	1,028	1,050	979	922	882	993	727		1,081
Non-retired households											
1 adult	655	505	444	384	256	144	51	36	6		238
2 adults	1,105	940	923	758	552	341	165	66	39	45	209
2 adults, 1 child				799	257	148	75	51	48	72	111
2 adults, 2 children					437	167	110	99	84	66	144
2 adults, 3 children						242	172	195	158	127	212
2 adults, 4 children						460	272	219			366

Income tax and surtax as a percentage of original income *plus* cash benefits

TABLE D

	Percentage										
	Range of original income: £ per year										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	0.1	2.1	3.9	5.6	8.5	11.4	14.7	17.1	19.2	25.0	16.4
Retired households											
1 adult	0.4	3.9	7.0	10.7	14.4	17.1	21.6				6.9
2 adults	0.2	1.1	3.9	4.7	10.2	13.3	17.4	22.0	25.1		8.7
Non-retired households											
1 adult	-1.6	3.1	7.1	11.4	13.8	18.5	22.3	21.9	22.7		18.7
2 adults	-0.1	-0.2	1.8	4.3	7.4	12.3	16.9	19.7	21.0	25.7	18.8
2 adults, 1 child					3.2	10.1	14.9	17.4	20.9	19.7	16.4
2 adults, 2 children				0.5	2.0	7.8	13.2	16.4	20.0	28.3	16.1
2 adults, 3 children						5.0	11.3	14.2	16.7	42.3	17.5
2 adults, 4 children						5.0	11.4	12.2			11.4

National insurance contributions as a percentage of original income *plus* cash benefits

TABLE E

	Percentage											Average over all income ranges
	Range of original income: £ per year										8,038 and above	
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-			
All households in the sample	—	—	0.3	0.8	2.2	3.4	4.2	4.1	3.8	2.8	3.5	
Retired households												
1 adult	—	—	—	—	—	—	—	—	—	—	—	
2 adults	—	0.2	0.2	—	0.1	—	—	0.1	0.3	—	0.1	
Non-retired households												
1 adult	—0.2	—0.1	1.1	1.9	3.0	4.0	4.4	3.9	2.4	2.2	3.3	
2 adults	—0.4	—0.3	0.2	1.2	2.7	3.7	4.3	4.4	3.9	2.1	3.8	
2 adults, 1 child					4.3	4.6	4.7	4.2	3.4	1.9	4.0	
2 adults, 2 children				1.6	3.8	4.4	4.6	4.0	3.3	1.6	3.9	
2 adults, 3 children						4.5	4.4	3.8	3.1	—	3.5	
2 adults, 4 children						2.8	4.3	3.6	—	—	3.4	

The rest of direct taxation, apart from income tax, is made up of employees' (and self employed) national insurance contributions. Table E shows these contributions, again as percentages of original income *plus* cash benefits. For each household type, the percentages tend to rise and then to fall as original income rises. This is determined by the number, and level of earnings, of the workers in the household. Households with low original incomes will tend to have no

workers, or at most one worker, and therefore to pay relatively little in national insurance contributions.

During 1975 the national insurance contribution system changed from one of flat-rate contributions with graduated contributions on gross pay in the range £9.00 per week to £62.00 per week, to one with constant proportional contributions on gross pay in the range of £11.00 per week to £69.00 per week. The change was effective from 6 April 1975.

Total indirect taxes as a percentage of disposable income

TABLE F

	Percentage											Average over all income ranges
	Range of original income: £ per year										8,038 and above	
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490			
All households in the sample	19.8	22.5	20.0	21.2	22.8	23.7	21.7	20.6	19.6	18.0	20.5	
Retired households												
1 adult	17.3	20.6	18.5	18.1	15.6	19.8	15.7	—	—	—	17.4	
2 adults	20.2	18.2	17.3	19.9	19.5	19.8	17.0	17.2	14.1	—	19.1	
Non-retired households												
1 adult	25.3	23.3	19.0	16.8	21.7	22.8	19.9	19.1	16.3	14.4	20.3	
2 adults	26.8	23.8	22.9	26.0	25.2	24.4	21.5	19.9	17.6	16.2	19.8	
2 adults, 1 child					26.6	26.9	23.5	20.2	18.3	14.5	21.4	
2 adults, 2 children				24.1	22.4	24.2	21.8	20.2	19.2	14.5	20.5	
2 adults, 3 children						22.6	20.3	20.4	16.4	18.2	19.6	
2 adults, 4 children						26.1	22.2	18.3	—	—	20.8	

Net local authority rates as a percentage of disposable income

TABLE G

	Percentage											Average over all income ranges
	Range of original income: £ per year											
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5 490-	8,038 and above		
All households in the sample	5.8	5.4	4.6	4.5	4.2	3.7	3.1	2.6	2.3	2.0	2.9	
Retired households												
1 adult	6.6	5.8	5.7	5.1	5.3	5.4	4.3				6.0	
2 adults	4.7	4.4	4.2	4.0	3.8	4.6	3.7	3.5	2.8		4.2	
Non-retired households												
1 adult	6.9	7.1	5.8	5.7	4.9	3.8	3.4	2.9	2.7		3.9	
2 adults	4.3	4.7	4.2	5.0	4.3	3.6	3.1	2.5	2.3	2.0	2.7	
2 adults, 1 child					3.5	3.5	3.1	2.8	2.5	2.1	2.9	
2 adults, 2 children				3.8	4.0	3.4	3.3	2.9	2.9	2.8	3.1	
2 adults, 3 children						3.6	3.1	2.8	2.8	2.7	2.9	
2 adults, 4 children						4.1	2.8	2.5			2.9	

Indirect taxes as a percentage of disposable income of all households

TABLE H

	Percentage											Average over all income ranges
	Range of original income: £ per year											
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above		
Rates	5.8	5.4	4.6	4.5	4.2	3.7	3.1	2.6	2.3	2.0	2.9	
Beer	0.8	1.0	0.9	0.9	0.9	1.5	1.5	1.5	1.4	1.2	1.3	
Wines and spirits	0.8	1.1	0.8	1.4	1.5	1.8	1.4	1.6	1.7	2.3	1.6	
Tobacco	3.2	3.9	3.3	3.5	4.0	4.2	3.5	3.0	2.4	1.8	3.0	
Value added tax	2.2	3.0	2.5	2.8	3.2	3.2	3.2	3.3	3.6	3.4	3.3	
Oil	0.6	0.9	1.3	1.2	1.8	2.0	2.1	2.1	2.1	1.7	1.9	
Import duty	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	
Intermediate taxes	4.9	5.6	4.9	5.3	5.4	5.5	5.1	4.9	4.8	4.5	4.9	
Other	1.1	1.2	1.3	1.3	1.4	1.3	1.4	1.2	1.0	0.8	1.1	
Total indirect taxes	19.8	22.5	20.0	21.2	22.8	23.7	21.7	20.6	19.6	18.0	20.5	

Indirect taxes and subsidies

The amount of subsidies received and indirect tax paid depends on how each household spends its money, because both subsidies and indirect taxes are different for different types of goods and services. If the proportion of household income spent on the item rises with income, indirect taxes on a particular good or service will tend to be progressive, that is to take proportionately more income from better-off households. They will tend to be regressive, that is to take proportionately more income from less well-off households, if the proportion of income spent on the item falls with rising income. The following paragraphs discuss the initial impact of the various indirect taxes and subsidies as shown in the tables. It should be remembered that, as explained in the first section, they may have secondary and subsequent effects on income distribution and these effects are not

considered here.

The overall effect of indirect taxes, shown as percentages of disposable income, are given in Table F. The net effects of local rates are shown in Table G. Indirect taxes as a whole tend to take a lower proportion of income from those households with higher incomes. The proportion of income taken over low and middle income ranges varies and is complicated by the effect of local rates, where the real impact on those households in the two lowest income brackets is rather overstated. While rates are included net of rate rebates for those households which receive a rebate, no rebate is made to ratepayers getting supplementary benefit or supplementary pensions. An allowance for rates is added to the supplementary benefit, but this appears as an increase in cash benefits rather than a reduction in rates paid.

Food subsidies

TABLE I

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	19	21	22	25	25	29	34	37	41	43	32
Retired households											
1 adult	15	17	16	15	15	17	13				15
2 adults	23	23	26	29	26	29	28	37	27		25
Non-retired households											
1 adult	13	15	15	14	14	12	13	13	14		13
2 adults	22	21	24	25	27	25	26	25	25	23	25
2 adults, 1 child					31	29	33	36	34	41	34
2 adults, 2 children				30	38	38	39	41	46	45	40
2 adults, 3 children						42	47	49	52	38	47
2 adults, 4 children						47	51	58			55

Housing subsidies

TABLE J

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	130	111	83	82	87	90	73	53	50	36	77
Retired households											
1 adult	108	79	21	49	5	5	—	—	—		89
2 adults	166	93	66	50	23	22	—	—	—		106
Non-retired households											
1 adult	106	145	126	87	71	70	63	21	30		75
2 adults	141	214	126	74	97	79	67	45	31	4	59
2 adults, 1 child					31	73	44	45	18	—	46
2 adults, 2 children				169	148	84	68	37	14	—	55
2 adults, 3 children						129	79	65	23	17	75
2 adults, 4 children						224	153	91			152

Indirect taxes less subsidies as a percentage of disposable income

TABLE K

	Percentage										
	Range of original income: £ per year										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	5.3	11.9	12.9	14.8	16.6	18.2	17.8	18.1	17.9	16.9	16.9
Retired households											
1 adult	3.0	11.6	15.5	13.6	14.5	18.9	15.2				7.7
2 adults	5.5	10.7	11.7	15.8	17.2	17.9	16.1	16.4	13.6		11.8
Non-retired households											
1 adult	10.0	6.3	5.3	8.3	15.9	18.2	16.6	18.1	15.4		15.6
2 adults	13.8	7.5	13.4	19.9	18.4	19.5	17.9	17.9	16.4	14.0	17.2
2 adults, 1 child					22.9	21.8	20.5	17.9	17.2	15.7	18.9
2 adults, 2 children				12.9	12.1	18.4	17.9	18.1	18.1	13.9	17.7
2 adults, 3 children						14.9	15.8	17.4	14.9	17.4	16.1
2 adults, 4 children						14.9	15.3	14.6			14.7

Value added tax and oil duty are both somewhat progressive, reflecting the fact that demand for the products to which they apply tends to rise more than proportionately with income. Excise duty on tobacco is slightly regressive overall but the duty on drink is broadly neutral in its effect. Intermediate taxes appear to be regressive, but not very markedly so. The effects of these components of total indirect taxes are shown for all households together as percentages of disposable income in Table H.

The average amounts which the different types of household received in food and housing subsidies are shown in Tables I and J. Like expenditure on food, receipts of food subsidies depends more on the number of adults and children in each household than on income level (and decline as a percentage of income as incomes rise). The pattern of receipts of housing subsidies for all household types has two peaks, at the lowest income level and at the bottom quartile of original income. Households with 3 and 4 children receive significantly greater than average subsidies, those with 1 or 2 children rather less than average. The subsidies for retired households are concentrated in the lowest income group, although on average they receive no more than non-retired households. This table does not show

the implicit subsidies received by those getting mortgage relief

The figures for housing subsidies for 1973 and 1974 have been revised and are shown in Appendix II Table 9 (see also Appendix I). A number of printed errors in last year's article are corrected in the footnote to Table 9.

Indirect taxes are treated here as part of the same stage of redistribution as indirect transfers - that is, subsidies. An average shopping basket will almost certainly contain goods bearing value added tax together with subsidised foods, and both these types of goods, on the assumptions used here, will bear a share of intermediate taxes. Similarly, many households are likely to hand over one payment for rates and rent. Rates are an indirect tax, while most council rents are reduced by housing subsidies which, like food subsidies, are an indirect transfer. Subsidies - particularly housing subsidies - are progressive in their effect (that is they represent higher percentages of the incomes of less well-off households), and they offset to quite a substantial extent the regressive impact of indirect taxes. The combined effect of indirect taxes and indirect transfers (or subsidies) is shown as a percentage of disposable income in Table K

Benefits in kind

TABLE L

	£ per year										Average over all income ranges
	Range of original income										
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	282	429	321	355	381	495	540	580	621	606	494
Retired households											
1 adult	156	155	155	150	154	138	147				154
2 adults	303	307	296	286	282	282	261	272	281		295
Non-retired households											
1 adult	287	368	282	123	85	122	72	65	69		142
2 adults	395	264	255	283	236	257	184	165	151	183	194
2 adults, 1 child					363	505	448	446	528	381	464
2 adults, 2 children				663	740	671	681	726	740	737	707
2 adults, 3 children						1,172	1,105	1,170	1,178	868	1,137
2 adults, 4 children						1,428	1,573	1,599			1,554

Benefits from the education service

TABLE M

	£ per year										Average over all income ranges
	Range of original income										
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490-	8,038 and above	
All households in the sample	74	218	87	135	172	250	288	343	375	345	258
Retired households											
1 adult	—	—	—	—	—	—	—	—	—	—	—
2 adults	2	—	—	—	—	—	—	—	—	—	1
Non-retired households											
1 adult	198	267	164	29	—	44	—	—	3		60
2 adults	229	—	—	46	34	68	11	17	14	28	27
2 adults, 1 child					125	102	141	208	238	99	176
2 adults, 2 children				389	454	389	398	458	479	467	432
2 adults, 3 children						807	774	829	834	555	796
2 adults, 4 children						991	1,168	1,212			1,154

Benefits from the national health service

TABLE N

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381-	557-	816-	1,194-	1,749-	2,561-	3,750-	5,490	8,038 and above	
All households in the sample	200	205	228	210	195	228	234	217	230	246	220
Retired households											
1 adult	156	155	155	150	154	138	147				154
2 adults	301	307	296	286	282	278	261	272	281		294
Non-retired households											
1 adult	89	101	118	94	84	78	72	65	66		82
2 adults	166	264	255	237	201	188	173	148	137	155	167
2 adults 1 child					231	396	299	223	276	271	277
2 adults, 2 children				239	248	255	255	234	223	221	243
2 adults, 3 children						296	279	270	276	258	277
2 adults, 4 children						342	318	302			317

Benefits in kind

The inclusion with other forms of income of current benefits in kind is shown at the bottom of the diagram on page 99. Table L shows the total of all allocated benefits in kind and Tables M and N show the education and health benefits going to each type of household. The ways in which the benefits of the education and health services and of welfare foods are allocated are explained in Appendix I. The allocation of benefits in kind depends far more on the composition of each household than on its income.

In interpreting the allocation of education benefits to different income groups it is important to remember two factors. First, that people aged 16 and over are counted as adults and the benefits of sixth form education are therefore in general shown as going to households with 3 or more adults. Secondly, that for households with children, there is a tendency for better-off parents to be older and consequently to have older children; that is, to have fewer children under school age and more children in secondary school than less well-off households with the same number of children. For that reason they will tend to benefit more from the education service. This factor probably explains most of the general rise in education benefits with income which is shown in Table M for households with two adults and children.

The method of allocating health service benefits is entirely dependent on the age and sex of the people in each household (except in the case of benefit from the maternity services which is allocated to households reported in the Family Expenditure Survey to have received national insurance maternity benefits). The variation in health service benefits shown in Table N is therefore dependent on the average age and sex structure of each household type. The highest benefits are allocated to households with retired people or very young children who make greater demands on the health service than people of working age.

Benefits and taxes – the total impact

Table O shows the sum of all kinds of benefits allocated in this analysis to different types of household. Table P shows a similar analysis of allocated taxes. The sums of allocated benefits, which are in effect the part of the 'social wage'

which can be allocated in this exercise to households of particular types, are largest *per capita* for retired households and for households with children. The amounts are highest for those with the lowest original incomes, but the variation by household composition is also very substantial because so many of the benefits included go to virtually all people in particular age groups, like pensioners or school children, whatever the income of their household. The totals paid in taxes, on the other hand, are much higher for those households with higher incomes and the variation by household type is less marked than the variation by income. The net result in money terms is to redistribute income both from households with larger incomes to those with smaller incomes and from the smaller households to the larger ones.

Chart 1 shows in absolute terms the make up of benefits received by the different types of household in the income ranges shown in the summary tables. For each type of household the benefits going to the least well-off are higher, largely because of their much greater receipts of cash benefits. These consist mainly of pensions and supplementary benefits for households without children; and national insurance benefits (sickness and unemployment benefit) and supplementary benefit for households with children. Chart 1 also shows the make-up of total tax paid by the different types of household. In absolute terms, the better-off households in each case pay very considerably more indirect tax, but most of the difference between the total tax paid by the better-off and least well-off households is due to the amounts of income tax paid by the better-off.

Chart 2 also shows receipts of benefits and payments of tax by the different types of household, but this time as percentages of original income *plus* cash benefits.

The pattern of redistribution is complex. But it is clear that income is redistributed from working people with higher incomes and few children both to those who are working but have lower incomes and more children and to those who are dependent on cash benefits. Income tax and cash benefits taken together have the major impact in redistributing income from households in the higher income ranges to households in the lower income ranges. Benefits in kind tend to be higher for the larger households within

Total benefits

TABLE O

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381 - 557-	557- 816-	816- 1,194-	1,194- 1,749-	1,749- 2,561-	2,561- 3,750-	3,750- 5,490-	5,490- 8,038 and above		
All households in the sample	1,361	1,367	1,279	1,232	1,036	975	847	816	844	810	980
Retired households											
1 adult	1,047	890	826	821	815	731	761				988
2 adults	1,655	1,518	1,416	1,415	1,310	1,254	1,170	1,302	1,035		1,507
Non-retired households											
1 adult	1,062	1,033	868	607	425	348	200	135	120		467
2 adults	1,663	1,439	1,328	1,140	913	702	443	301	245	254	488
2 adults, 1 child					683	755	601	579	628	495	654
2 adults, 2 children				1,662	1,363	960	898	902	883	848	946
2 adults, 3 children						1,586	1,403	1,479	1,411	1,050	1,471
2 adults, 4 children						2,160	2,049	1,968			2,127

Total taxes

TABLE P

	£ per year										
	Range of original income										Average over all income ranges
	Under 381	381 - 557-	557- 816-	816- 1,194-	1,194- 1,749-	1,749- 2,561-	2,561- 3,750-	3,750- 5,490-	5,490- 8,038 and above		
All households in the sample	205	308	360	463	629	889	1,234	1,758	2,529	4,354	1,366
Retired households											
1 adult	152	262	319	430	567	910	1,244				263
2 adults	263	302	356	481	674	919	1,204	1,938	2,612		516
Non-retired households											
1 adult	183	249	287	384	604	920	1,307	1,778	2,328		914
2 adults	328	335	394	522	671	922	1,263	1,811	2,461	4,226	1,610
2 adults, 1 child					578	883	1,255	1,705	2,467	3,566	1,493
2 adults, 2 children				467	516	793	1,180	1,687	2,510	4,571	1,524
2 adults, 3 children						735	1,096	1,611	2,097	6,556	1,632
2 adults, 4 children						836	1,203	1,485			1,289

each income range and hence tend to redistribute resources to the larger households (and to some extent also to the elderly households) in each range. The other taxes and benefits make lesser although still very significant contributions to the final effect. This complex pattern of redistribution is due largely to different policies with varied purposes; it does not stem from a policy explicitly designed to produce a particular intended redistributive effect. However the Government can on occasion use two or more stages of the process to produce a specific redistributive effect (such as the raising of family allowances combined with increased claw-back *via* the lowering of tax allowances for children for whom family allowances are received).

It is very difficult to say how the final overall effects set out in Tables O and P are influenced by the quality of the basic data and by the assumptions and approximations which have been made. With better information on use of services the attribution of health services benefits could be improved, and spending on personal social services, libraries, parks, and refuse collection, etc. could be included in the analysis. It might also be possible to allocate some of the relevant spending on police and fire services to those types of households making the greatest demands on property protection services. But the total of all the extra items would

be small relative to the total already allocated, and although there may be some tendency for the services they cover to be used more intensively by households with higher incomes, any such effect would probably not be large enough to change the overall picture greatly. The effects of several alternative sets of assumptions about the incidence of all unallocated benefits are discussed in a paper by Nicholson and Britton.⁴ The picture would also be changed somewhat if different assumptions were made about the valuation of benefits in kind going to each household, and the incidence of taxes were estimated in a different way. But the results presented here aim at giving a comprehensible picture of the impact of government expenditure and taxation on individual households in different circumstances – and there are practical and presentational advantages in a straight-forward approach.

Future articles

It is proposed that in the future the annual articles in this series should contain fewer purely numerical tables and more discussion, the tables would still be available from CSO on request. We would be grateful for any comments readers may have on this proposal.

⁴ 'The Redistribution of Income'; J. L. Nicholson and A. J. C. Britton published in *The Personal Distribution of Incomes 1976*. (George Allen and Unwin).

APPENDIX I

Definitions and method

Family Expenditure Survey

The estimates in this article are based on an extended analysis of data derived from the Family Expenditure Survey (FES). The FES is a continuous annual survey of the expenditure of households; households are also questioned in detail about their income from all sources, but there is no systematic linkage of income and expenditure to yield a balanced household budget. One of the main purposes of the Family Expenditure Survey is to yield information on household expenditure patterns for use in weighting the index of retail prices. The Survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on the Survey. The latest report is *Family Expenditure Survey Report for 1975*. Details of the Survey method are set out in *Family Expenditure Survey - Handbook on the sample, fieldwork and coding procedure* by W F F Kemsley. Both are published by Her Majesty's Stationery Office.

The number of households co-operating in the FES in 1975 was 7,203. This is considerably more than in 1974 when the sampling was suspended during the two general election campaigns. The effective response rate was 70 per cent which is similar to recent years.

Households

A household is defined in the FES as comprising persons who live at the same address and who share common catering for at least one meal a day. In the article, in order to maintain comparability with earlier years all persons aged 16 and over are counted as adults.

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. Pensioner households are defined as those where more than three-quarters of the household income consists of national insurance retirement and similar pensions, or supplementary allowances supplementing such pensions.

There is some evidence that households who respond to the FES differ from those who do not (see 'Family Expenditure Survey: A study of differential response based on a comparison of the 1971 sample with the census', W F F Kemsley, *Statistical News*, No. 31, November 1975).

It is believed that older households, households where the head of household is self-employed and households without children are less likely to co-operate. There are regional variations in response: in the GLC area it is noticeably lower than in other areas. There are also indications that higher income households are less likely to respond. It is not possible at present to correct for non-response bias and all tables are based on households actually co-operating in the survey.

Original income

The Original income of the household corresponds to the total combined income of the members of the household from employment, self-employment and investment, including occupational pensions. It is based on a concept of 'Normal income' around which the FES income questions

are structured. Normal income is a function of the income received in the pay period preceding the interview (usually a week or a month) adjusted, in those cases where the last payment was abnormal, to take account of the amount usually received. Allowance is also made for periods of absence from work through sickness and unemployment, and for occasional payments. In the case of investment and self-employment income the normal income figure is taken as the amount received in the last twelve months for which details are available.

Some income in kind is taken into account, though the coverage of fringe benefits is not comprehensive. Households living in owner-occupied or rent-free dwellings are assigned an imputed income based on the rateable value of the dwelling. The various components of income are converted to estimated normal annual rates.

Direct benefits

These consist of:

- Family allowances
- Retirement and old-age pension, widow's pension, disablement and war disability pension, invalidity pension and allowance
- Unemployment benefit, sickness and industrial injury benefits
- Family income supplement, supplementary benefits
- Maternity benefit
- Death grant, redundancy payment
- Other cash benefits

Supplementary benefits include all supplementary allowances where separately distinguished by respondents. The amount of benefit is taken as the amount received by the household in the twelve months prior to interview. Redundancy benefit is the sole exception to this: the amount of benefit received is divided by the number of years it is intended to cover. Adding direct benefits to original income gives *original income plus cash benefits*.

Direct taxes

These are:

- Income tax
- Surtax
- Employees' and self-employed contributions to national insurance and national health services

The estimates are based on the amount deducted from the last payment in the case of employment incomes and on the amount paid in the last twelve months for which figures are available in the case of self-employment and investment incomes.

Disposable income

Original income *plus* direct benefits *less* direct taxes gives *disposable income*.

Indirect benefits

- Housing subsidies
- Food subsidies

Housing subsidies for local authority tenants are defined as the difference between current account expenditure by public authorities on housing (the sum of the 'economic grants') 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 subsidies estimated for a particular household can (exceptionally) be negative. In the case of non-local authority tenants the value of any rent allowances received is counted as a housing subsidy, and is not included in original income.

The 1973 housing subsidies figures have been revised to take account of the 1973 rating revaluation in England and Wales. Since the re-organisation of local authorities the data on which the housing subsidies calculations are based have been very late and incomplete, although this is now improving. The 1974 figures have therefore been revised to take account of improved data; the 1975 figures will be revised at a later date, if necessary. The revisions to 1973 and 1974 data (including the revised figures for final income) are shown in Table 9.

Food subsidies are estimated by applying the cost of the subsidies to estimates of consumers' expenditure in the subsidised product field; no estimate has been made of the additional small effect that may occur if adjustments to retailers' margins take place.

The subsidy factors derived in this way are applied to the actual expenditures on the product field recorded by each household. It is not possible to distinguish expenditure on subsidised and unsubsidised categories within each product field. Consumer subsidies on milk, butter, cheese, household flour, bread and tea are treated in this way.

In accordance with practice in earlier years, agricultural subsidies are regarded as forming part of the original income of farmers and not as benefits to the consumer.

The subsidies do not include payments by EEC. These included £36 million special import subsidies on sugar, £11 million social beef subsidies, £21 million butter subsidies, and £156 million net in intra-community trade MCAs (monetary compensation amounts, related to the value of the green pound). Not all of this amount can be directly allocated to households.

Indirect taxes

i. On final consumer goods and services:

- Local domestic rates on dwellings (after rebates)
- Customs and excise duty on beer, wines, spirits, tobacco, oil, betting, etc.
- Value added tax
- Car tax
- Motor vehicle duties
- Driving licences
- Television licences
- Stamp duties

Indirect taxes on final consumer goods and services are either paid in full by the consumer (for example local rates) or assumed to be fully incident on the consumer. For example, the amount of value added tax paid by a household is calculated from its total expenditure on those classes of goods and services subject to the different rates of VAT. In the case of those goods which are subject to both excise duties and VAT, the VAT is consolidated with the excise duty, reflecting the situation at the introduction of VAT. Thus 'duty on wines', for example, includes both excise duty and VAT.

VAT and car tax affect the prices of second-hand cars and are therefore assumed to be incident on the purchase of second-hand cars. Expenditure on alcoholic drink, tobacco, ice-cream, soft drinks and confectionery recorded by households is weighted to allow for the known under-recording of these items in the FES. The true expenditure in each case is assumed to be proportional to the recorded expenditure. It should be noted that rates are paid in full by recipients of supplementary benefit as the supplementary benefit covers this payment.

ii. On intermediate goods and services:

- Local rates on commercial and industrial property
- Vehicle licences
- Customs and excise duties on hydrocarbon oils
- Import duties
- Stamp duties
- Employers' contributions to national insurance and national health services and to 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. Their allocation between different categories of expenditure is based on input-output tables. That part of those taxes which bears on goods and services bought by consumers is assumed to be fully shifted onto the consumer.

Income after all taxes and transfers

Disposable income *plus* indirect benefits *less* indirect taxes gives *Income after all taxes and transfers*.

Benefits in kind

- National health service
- State education
- School health service
- Scholarships and education grants from public funds
- School meals, milk and other welfare foods.

The benefit of the national health service is estimated at the average national cost of providing the service to individuals. The value of the benefit to households is assigned on the basis of household composition using estimates of the cost of the health service by age and sex groups. The benefit of the maternity services is assigned separately to those households in receipt of maternity benefit.

Education benefit is based on the estimated cost per pupil or student of the various educational services, for example special schools, primary, secondary and direct grant schools, universities and teachers' training colleges. The value of the benefit attributed to households is dependent on the number of persons in the household recorded in the FES as receiving each kind of education.

The figures for 1975 include two additional items which have not previously been allocated – the cost of transport between home and school and the fees paid to universities and other higher educational establishments as part of the LEA/DES awards to students. Together they add approximately 2 per cent to the education benefits allocated to households.

Actual scholarship payments by the state are added and the individual household's benefit is net of the fees and contributions made by parents.

School meals and other welfare foods. The value of these benefits is based on their cost to public authorities. The individual household's benefit is net of the contributions from the household.

Final income

Income after all taxes and transfers *plus* benefits in kind gives *final income*.

Sampling error

As the majority of statistics shown in this article are based on samples, the figures are subject to sampling error. The customary method of measuring this is to calculate the standard error associated with an estimate based on a sample. The standard error of the estimated number with particular characteristic is obtained from the formula \sqrt{npq} where n is the size of the sample, (in this case 7,203 households), p is the proportion with the characteristic and $q=(1-p)$. In the case of large samples there is a 1 in 20 chance that this estimate will differ from the true value by more than $1.96\sqrt{npq}$. The limits $\pm 1.96\sqrt{npq}$ are usually referred to as the 95 per cent confidence limits of the sample estimate. When the number in the sample is small, that is $np < 15$, the calculation of the confidence limits is slightly more complicated.

In the following table, specimen sample numbers of households, and the range within which it is expected with 95 per cent confidence the number of households will lie, are shown.

Number of households in the sample with a particular characteristic (np where the sample size n is 7,203)	Sample Standard error	Range within which it is expected with 95 per cent confidence the number of households will lie	
		lower limit	upper limit
0	0	0	4
5	2.2	2	12
10	3.2	5	18
15	3.9	7	23
25	5.0	15	35
50	7.0	36	64
100	10	80	120
250	16	219	281
500	22	457	543
1000	29	942	1058

Previous articles

This article is the latest in an annual series. Earlier articles covering the years 1957 to 1973 were published in *Economic Trends*: November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976. The December 1974 article contains a comprehensive account of the methods employed and the changes in treatment over the years. As far as is practicable with the resources available the CSO will provide on request analyses for 1975 on a comparable basis to earlier years.

APPENDIX II CONTENTS

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Average incomes, taxes and benefits—1975
By household composition

TABLE 1

	£ per year										Average over all income ranges										
	Range of original income																				
	Under 381	381- 470	470- 557	557- 687	687- 816	816- 902	902- 1,085	1,085- 1,324	1,324- 1,601	1,601- 1,940	1,940- 2,341	2,341- 2,841	2,841- 3,429	3,429- 4,126	4,126- 4,993	4,993- 5,990	5,990- 7,239	7,239- 10,569	10,569- 13,886	13,886- 17,203	
(i) Retired and non-retired households																					
All households in the sample	1,151	167	203	119	123	156	201	292	455	617	818	823	828	527	370	353	7,203				
Number of households	102	470	687	902	1,085	1,324	1,601	1,940	2,341	2,841	3,429	4,126	4,993	5,990	7,239	10,569	13,886				
Original income	7	7	9	9	20	9	20	28	34	31	44	41	37	33	29	28	28				
Direct benefits in cash:																					
family allowance	606	624	655	599	450	352	268	226	156	93	55	46	40	48	43	46	213				
retirement and old age pension	32	50	37	50	55	64	54	27	26	8	14	13	10	7	8	8	21				
widow's pension	15	12	15	18	11	7	11	9	8	5	5	8	7	8	3	4	9				
disability and war disability pension	39	27	42	26	41	37	14	28	19	23	10	10	3	8	7	9	18				
invalidity pension and allowance	10	34	29	20	36	23	44	29	23	11	12	4	10	7	7	4	13				
unemployment benefit	5	7	12	16	26	26	34	28	32	22	24	18	15	16	10	11	17				
sickness and industrial injury benefit	—	—	2	—	6	3	4	2	1	—	—	—	—	—	—	—	1				
family income supplement	208	43	36	44	100	66	55	23	21	17	12	9	13	10	7	11	50				
supplementary benefit	—	—	—	—	1	1	2	4	7	6	6	3	2	2	3	2	3				
maternity benefit	1	2	1	1	—	1	—	1	1	—	—	—	—	—	—	—	1				
death grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
redundancy payment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
other cash benefits	7	—	14	5	6	6	5	4	1	2	1	—	—	—	—	—	3				
Original income and cash benefits	1,032	1,277	1,540	1,689	1,840	1,913	2,108	2,352	2,670	3,063	3,612	4,280	5,131	6,129	7,359	10,694	13,886				
Direct taxes:																					
national insurance, employees' contributions	—	—	5	9	18	35	51	68	98	128	154	178	207	236	274	296	130				
income tax and surtax	1	26	60	94	105	152	187	234	325	436	543	707	898	1,118	1,493	2,671	617				
Disposable income	1,031	1,250	1,474	1,586	1,717	1,726	1,869	2,050	2,247	2,499	2,916	3,395	4,025	4,775	5,592	7,727	3,016				
Indirect benefits:																					
housing subsidies	130	111	83	65	98	64	105	99	84	76	70	56	51	55	43	36	77				
food subsidies	19	21	22	23	26	24	26	27	30	32	36	36	38	40	43	43	32				
Indirect taxes:																					
local rates	59	67	67	69	79	75	77	80	80	81	89	93	100	113	122	155	89				
on other final goods and services	93	144	155	169	207	251	230	280	338	331	398	451	517	594	709	883	381				
on intermediate products	51	70	72	75	100	104	93	111	124	130	147	167	197	230	268	349	149				
Income after all taxes and transfers	976	1,101	1,284	1,362	1,454	1,385	1,601	1,707	1,819	2,065	2,389	2,776	3,300	3,932	4,578	6,418	2,506				
Direct benefits in kind:																					
education	74	217	87	64	203	147	191	220	269	246	320	389	347	368	385	344	258				
national health service	200	205	228	211	209	188	201	215	236	230	237	220	213	225	237	246	220				
welfare foods	7	7	6	4	15	10	17	14	20	15	21	21	20	16	17	15	16				
Income after all taxes and benefits	1,258	1,530	1,605	1,641	1,882	1,730	2,010	2,155	2,344	2,556	2,966	3,356	3,880	4,541	5,217	7,024	3,000				

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year										Aver- age 8,038 over all and income above ranges											
	Range of original income																					
	Under 381	381- 466	466- 508	508- 521	521- 588	588- 680	680- 777	777- 816	816- 906	906- 987		987- 1,088	1,088- 1,327	1,327- 1,574	1,574- 1,936	1,936- 2,338	2,338- 2,855	2,855- 3,455	3,455- 4,117	4,117- 5,090	5,090- 5,946	5,946- 6,642	6,642- above ranges
(i) Retired and non-retired households 1 adult																						
Number of households	698	92	77	43	56	61	72	79	78	57	40	20	10	4	9	1,442						
Original income	381	466	680	906	1,088	1,327	1,574	1,936	2,338	2,855	3,455	4,117	5,090	5,946								
Direct benefits in cash:																						
family allowance	518	508	463	420	360	279	203	123	99	80	52	67	51	—	8	—	—	—	—	—	—	—
retirement and old age pension	34	52	51	52	92	88	108	66	75	—	50	—	—	—	—	—	—	—	—	—	—	—
widow's pension	8	6	—	—	—	3	—	7	3	—	—	—	—	—	—	—	—	—	—	—	—	—
disability and war disability pension	14	9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
invalidity pension and allowance	3	4	5	5	5	3	8	10	4	6	1	1	—	—	—	—	—	—	—	—	—	—
unemployment benefit	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
sickness and industrial injury benefit	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
family income supplement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
supplementary benefit	166	7	14	9	1	3	—	15	—	—	—	—	—	—	—	—	—	—	—	—	—	
maternity benefit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
death grant	1	3	2	1	1	2	1	1	2	1	1	1	—	—	—	—	—	—	—	—	—	—
redundancy payment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
other cash benefits	11	—	23	14	18	15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Original income and cash benefits	849	1,059	1,238	1,407	1,571	1,730	1,896	2,171	2,528	2,946	3,577	4,194	5,157	5,954	1,654							
Direct taxes:																						
national insurance, employees' contributions	—	—	5	11	16	30	46	63	88	122	133	155	164	182	33							
income tax and surtax	2	39	87	142	188	205	298	362	493	650	805	894	1,239	1,569	229							
Disposable income	847	1,020	1,145	1,254	1,367	1,494	1,553	1,746	1,947	2,174	2,639	3,144	3,754	4,203	1,393							
Indirect benefits:																						
housing subsidies	107	101	63	58	80	44	61	66	53	45	74	25	8	39	83							
food subsidies	15	16	16	15	14	15	14	14	13	14	12	13	12	17	14							
Indirect taxes:																						
local rates	56	63	65	65	77	74	80	74	78	74	95	94	107	131	67							
on other final goods and services	58	101	93	88	98	167	149	218	272	235	325	392	340	486	134							
on intermediate products	39	54	56	53	78	73	63	86	92	94	116	139	143	173	63							
Income after all taxes and transfers	816	919	1,010	1,122	1,208	1,239	1,336	1,448	1,570	1,830	2,189	2,559	3,185	3,470	1,225							
Direct benefits in kind:																						
education	19	90	66	—	31	—	1	49	26	—	—	—	—	4	24							
national health service	149	137	140	126	115	112	96	86	89	79	80	71	70	64	126							
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—							
Income after all taxes and benefits	984	1,146	1,216	1,247	1,354	1,351	1,432	1,583	1,685	1,910	2,269	2,630	3,254	3,537	1,374							

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year										Average age and income ranges								
	Range of original income																		
	Under 381	381- 479	479- 557	557- 686	686- 816	816- 987	987- 1,073	1,073- 1,328	1,328- 1,615	1,615- 1,956	1,956- 2,331	2,331- 2,828	2,828- 3,432	3,432- 4,112	4,112- 4,974	4,974- 5,981	5,981- 7,186	7,186- 11,054	11,054- above
(i) Retired and non-retired households 2 adults																			
Number of households	348	54	103	56	48	62	68	108	147	189	205	236	247	157	91	77	2,196		
Original income	132	479	686	896	1,073	1,328	1,615	1,956	2,331	2,828	3,432	4,112	4,974	5,981	7,186	11,054	3,129		
Direct benefits in cash:																			
family allowance	1	925	868	864	705	535	489	440	229	147	83	58	48	50	48	1	—	—	—
retirement and old age pension	2	24	11	20	49	36	64	12	36	11	18	20	8	2	—	—	—	—	—
widow's pension	26	27	13	3	24	—	15	14	3	16	3	10	15	2	—	—	—	—	—
disability and war disability pension	69	24	51	45	50	71	42	18	33	12	10	3	2	4	6	—	—	—	—
invalidity pension and allowance	5	14	14	4	28	33	22	8	22	14	9	2	5	3	1	—	—	—	—
unemployment benefit	6	5	10	9	22	23	37	15	27	20	26	14	13	9	2	—	—	—	—
sickness and industrial injury benefit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
family income supplement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
supplementary benefit	128	33	10	30	29	29	27	12	16	12	8	—	—	—	—	—	—	—	—
maternity benefit	—	—	—	—	3	1	1	—	—	—	1	1	—	—	—	—	—	—	—
death grant	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
redundancy payment	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
other cash benefits	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Original income and cash benefits	1,291	1,531	1,674	1,873	1,983	2,057	2,313	2,476	2,702	3,067	3,592	4,222	5,065	6,052	7,244	11,119	3,590		
Direct taxes:																			
national insurance, employees' contributions	—	—	4	7	9	24	45	65	89	121	148	181	212	234	258	236	115		
income tax and surtax	2	12	53	77	101	132	239	278	358	497	628	822	1,021	1,221	1,640	2,941	618		
Disposable income	1,289	1,518	1,618	1,788	1,873	1,900	2,029	2,132	2,255	2,449	2,817	3,219	3,841	4,597	5,346	7,942	2,857		
Indirect benefits:																			
housing subsidies	164	127	89	59	57	46	91	82	60	60	67	51	37	36	19	3	73		
food subsidies	23	22	25	28	27	26	28	27	25	25	27	25	26	25	25	23	25		
Indirect taxes:																			
local rates	60	68	68	76	82	79	81	93	78	79	85	86	95	111	124	158	86		
on other final goods and services	140	157	170	223	234	280	247	284	346	313	388	420	471	489	583	713	343		
on intermediate products	65	73	76	87	98	115	98	109	117	118	135	148	177	194	242	294	132		
Income after all taxes and transfers	1,211	1,369	1,418	1,489	1,543	1,497	1,722	1,755	1,798	2,024	2,304	2,642	3,160	3,865	4,442	6,803	2,394		
Direct benefits in kind:																			
education	17	—	—	—	—	35	33	11	93	31	20	2	11	20	12	15	27	19	
national health service	292	295	280	270	267	232	231	213	195	182	172	159	147	142	143	159	204		
welfare foods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Income after all taxes and benefits	1,520	1,664	1,699	1,759	1,845	1,762	1,965	2,061	2,026	2,227	2,478	2,812	3,328	4,020	4,600	6,989	2,617		

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year										Average age 8,038 and above income ranges						
	Range of original income																
	Under 381	381- 557	557- 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	3,750- 4,537	4,537- 5,490	5,490- 6,642	6,642- above ranges		
(i) Retired and non-retired households																	
2 adults, 1 child																	
Number of households	8	4	3	1	4	6	20	22	45	102	135	104	86	35	20	23	618
Original income	1,603	1,926	2,326	2,873	3,418	4,128	4,970	5,947	7,220	10,285	3,880						
Direct benefits in cash:																	
family allowance	—	4	2	—	—	—	1	—	—	—	—	—	—	4	—	—	9
retirement and old age pension	26	—	12	4	4	—	—	—	—	—	—	—	15	20	—	—	10
widow's pension	—	40	—	9	9	—	—	—	—	—	—	—	10	—	—	—	11
disability and war disability pension	17	—	37	—	5	—	—	—	—	—	—	—	6	—	—	—	6
invalidity pension and allowance	—	—	—	8	7	—	—	—	—	—	—	—	—	—	—	—	7
unemployment benefit	76	18	7	6	4	—	—	—	—	—	—	—	—	1	—	—	14
sickness and industrial injury benefit	47	16	32	15	25	—	—	—	—	—	—	—	8	14	3	5	20
family income supplement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
supplementary benefit	97	47	2	—	—	—	—	—	—	—	—	—	—	—	—	—	21
maternity benefit	9	31	52	32	20	—	—	—	—	—	—	—	8	19	26	20	20
death grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
redundancy payment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
other cash benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Original income and cash benefits	1,876	2,082	2,470	2,949	3,494	4,182	5,018	6,005	7,249	10,358	3,991						
Direct taxes:																	
national insurance, employees' contributions	74	92	117	139	165	183	198	209	244	213	161						
income tax and surtax	17	166	271	392	559	702	902	1,148	1,710	2,039	654						
Disposable income	1,785	1,824	2,082	2,418	2,770	3,296	3,919	4,648	5,295	8,106	3,176						
Indirect benefits:																	
housing subsidies	23	111	54	48	42	—	—	—	—	—	—	—	—	—	—	—	46
food subsidies	29	28	29	31	35	35	38	34	33	41	34						
Indirect taxes:																	
local rates	59	57	75	79	85	95	104	113	135	171	92						
on other final goods and services	257	300	369	355	420	444	461	520	619	818	428						
on intermediate products	103	111	129	132	146	166	177	205	235	324	159						
Income after all taxes and transfers	1,418	1,496	1,593	1,931	2,197	2,679	3,250	3,872	4,340	6,833	2,577						
Direct benefits in kind:																	
education	132	108	99	119	158	211	204	246	225	99	176						
national health service	231	325	430	331	275	227	217	267	292	271	277						
welfare foods	10	13	5	6	9	16	15	11	18	11	11						
Income after all taxes and benefits	1,791	1,941	2,127	2,387	2,638	3,132	3,687	4,396	4,875	7,215	3,041						

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year										Average age and income ranges					
	Range of original income															
Under 381	381- 557-	557- 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-	3,750- 4,537-	4,537- 5,490-	5,490- 6,642-	6,642- above	8,038 and above	
(i) Retired and non-retired households																
2 adults, 2 children																
	Number of households															
Original income	8	4	4	8	12	14	33	67	113	191	189	164	52	44	25	928
Direct benefits in cash:					1,289	1,640	1,921	2,340	2,830	3,407	4,146	4,954	5,954	7,181	11,285	4,039
family allowance					57	61	63	68	65	66	69	72	74	74	64	68
retirement and old age pension					84											1
widow's pension												9				6
disability and war disability pension							5	4	6	1	3					4
invalidity pension and allowance							19	7	6			3				7
unemployment benefit					59	97	62	9	3	16	4	7		8		16
sickness and industrial injury benefit					96	51	19	63	25	14	8	7	5	6		19
family income supplement					15	1										
supplementary benefit					273	93		7	4							17
maternity benefit					2	5	7	3	3	7	4	2	1	1	1	4
death grant																2
redundancy payment							3	1								1
other cash benefits										1						1
Original income and cash benefits					1,876	1,949	2,099	2,501	2,947	3,512	4,243	5,055	6,034	7,270	11,351	4,182
Direct taxes:																
national insurance, employees' contributions					70	76	83	114	137	160	178	193	215	218	215	162
income tax and surtax					45	33	115	218	361	482	681	846	1,104	1,573	3,210	675
Disposable income					1,760	1,840	1,901	2,169	2,449	2,870	3,384	4,015	4,715	5,478	7,926	3,345
Indirect benefits:																
housing subsidies					140	154	51	101	86	57	37	37	16	12		55
food subsidies					39	37	37	38	38	39	41	41	45	47	45	40
Indirect taxes:																
local rates					68	76	67	72	83	93	101	112	145	153	219	102
on other final goods and services					228	215	271	330	327	382	415	496	503	638	618	413
on intermediate products					117	107	110	130	130	147	169	202	254	268	310	171
Income after all taxes and transfers					1,527	1,634	1,541	1,775	2,034	2,344	2,776	3,282	3,874	4,478	6,824	2,754
Direct benefits in kind:																
education					593	335	349	409	373	412	431	489	514	438	467	432
national health service					227	265	265	249	249	259	240	227	225	222	221	243
welfare foods					50	29	22	30	26	29	31	36	37	37	49	32
Income after all taxes and benefits					2,397	2,263	2,177	2,464	2,681	3,045	3,479	4,034	4,649	5,175	7,562	3,461

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year											Aver- age 8,038 and income above ranges			
	Range of original income														
	Under 381	381- 557-	557- 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-	3,750- 4,537-	4,537- 5,490-	5,490- 6,642-	6,642- above ranges
(i) Retired and non-retired households 2 adults, 3 children															
Number of households	1	2	1	1	3	4	12	20	49	66	56	45	31	7	18 316
Original income	1,959	2,362	2,834	3,423	4,061	4,904	5,977	12,005	4,266						
Direct benefits in cash:															
family allowance	132	142	133	134	143	139	146	126	137						
retirement and old age pension															
widow's pension	13	21													5
disability and war disability pension															1
invalidity pension and allowance	88	21	5	8	10										22
unemployment benefit	27	22	34	25	13	12	11								21
sickness and industrial injury benefit	26														1
family income supplement	4	6	2	3	2	1	2	1	3						16
supplementary benefit															
maternity benefit															
death grant															
redundancy payment															
other cash benefits															
Original income and cash benefits	2,249	2,575	3,008	3,593	4,283	5,066	6,137	12,132	4,478						
Direct taxes:															
national insurance, employees' contributions	87	124	132	160	171	187	183	188	157						
income tax and surtax	29	180	317	422	583	754	1,044	5,131	782						
Disposable income	2,133	2,271	2,558	3,011	3,528	4,125	4,910	6,813	3,539						
Indirect benefits:															
housing subsidies	142	121	127	43	75	53	29	17	75						
food subsidies	34	47	48	47	50	47	53	38	47						
Indirect taxes:															
local rates	63	90	86	88	97	114	139	184	103						
on other final goods and services	259	325	304	372	501	453	499	646	412						
on intermediate products	110	127	133	146	177	204	228	408	178						
Income after all taxes and transfers	1,876	1,897	2,209	2,494	2,878	3,455	4,126	5,631	2,968						
Direct benefits in kind:															
education	591	937	801	755	816	846	802	555	796						
national health service	304	291	277	281	273	267	278	258	277						
welfare foods	50	80	48	54	77	61	70	55	64						
Income after all taxes and benefits	2,821	3,206	3,335	3,584	4,044	4,629	5,276	6,499	4,105						

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year													Aver- age over all income ranges			
	Range of original income																
	Under 381	381- 557-	557- 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-	3,750- 4,537-	4,537- 5,490-	5,490- 6,642-	6,642- above	8,038 and above	
(i) Retired and non-retired households																	
3 adults																	
Number of households	12	5	6	4	6	7	9	14	34	28	59	64	90	93	64	47	542
Original income	110							1,927	2,349	2,817	3,479	4,162	5,059	6,003	7,229	10,182	4,896
Direct benefits in cash:																	
family allowance	1,004								648	570	248	173	112	79	68	101	258
retirement and old age pension								11	19		14	18	10	13			10
widow's pension								43		44	10	22	10	21			19
disability and war disability pension								296	70	119	30	20	3				36
invalidity pension and allowance								72	40	12	24	10	17	7	2		16
unemployment benefit								57	38	42	37	22	14	22	8	11	23
sickness and industrial injury benefit																	
family income supplement																	
supplementary benefit	381							112	79	31	57	15	9	6	5		39
maternity benefit								7									
death grant																	
redundancy payment									7								
other cash benefits											1			1	3	1	2
Original income and cash benefits	1,829							2,970	3,250	3,634	3,901	4,442	5,245	6,155	7,312	10,296	5,301
Direct taxes:																	
national insurance, employees' contributions								78	102	135	148	183	230	264	298	307	200
income tax and surtax								259	372	504	510	719	927	1,157	1,526	2,729	969
Disposable income	1,879							2,633	2,776	2,995	3,243	3,540	4,088	4,734	5,488	7,259	4,132
Indirect benefits:																	
housing subsidies	107							73	116	62	123	72	89	94	53	47	90
food subsidies								32	36	40	37	35	38	38	37	39	37
Indirect taxes:																	
local rates								71	85	76	98	86	91	102	116	138	97
on other final goods and services								295	424	401	466	495	616	741	770	871	590
on intermediate products								118	152	150	169	205	257	274	349	211	
Income after all taxes and transfers	1,693							2,254	2,266	2,471	2,670	2,898	3,303	3,767	4,418	5,988	3,361
Direct benefits in kind:																	
education									190	181	196	111	161	85	117	119	153
national health service								333	300	307	249	240	231	224	219	219	250
welfare foods									6		1	3			1		1
Income after all taxes and benefits	2,293							2,587	2,760	2,959	3,116	3,250	3,695	4,076	4,755	6,325	3,765

Average incomes, taxes and benefits—1975
By household composition

TABLE 1 (continued)

	£ per year											Aver- age 8,038 over all and income above ranges						
	Range of original income																	
	Under 381	381- 557-	557- 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-	3,750- 4,537-	4,537- 5,490-	5,490- 6,642-	6,642- above ranges			
(i) Retired and non-retired households 3 adults, 1 child	2	—	1	1	1	1	3	3	3	3	3	3	3	3	257			
Original income	381	557	816	987	1,194	1,446	1,749	2,116	2,561	3,099	3,750	4,537	5,490	6,642	5,186			
Number of households	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct benefits in cash:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
family allowance	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
retirement and old age pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
widow's pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
disability and war disability pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
invalidity pension and allowance	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
unemployment benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
sickness and industrial injury benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
family income supplement	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
supplementary benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
maternity benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
death grant	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
redundancy payment	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
other cash benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Original income and cash benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct taxes:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
national insurance, employees' contributions	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
income tax and surtax	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Disposable income	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indirect benefits:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
food subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indirect taxes:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
local rates	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
on other final goods and services	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
on intermediate products	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and transfers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct benefits in kind:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
education	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
national health service	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
welfare foods	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	3,017	2,947	3,634	3,805	4,055	4,860	5,433	7,476	4,391	3,096	3,216	3,796	4,270	5,175	6,148	7,354	9,991	5,391
	87	143	156	176	222	248	292	295	210	209	265	423	545	821	1,064	1,491	2,001	865
	2,800	2,808	3,218	3,549	4,131	4,835	5,572	7,695	4,316	2,250	2,214	2,669	2,867	3,298	3,946	4,603	6,456	3,520
	179	152	77	88	70	65	71	42	83	42	40	43	46	45	49	45	45	45
	114	99	96	93	97	113	113	176	106	465	501	393	542	612	646	715	822	593
	192	186	179	179	240	240	261	330	225	2,250	2,214	2,669	2,867	3,298	3,946	4,603	6,456	3,520
	455	444	681	644	507	662	571	757	603	304	268	257	271	234	238	246	249	249
	8	21	27	24	15	13	21	17	19	3,017	2,947	3,634	3,805	4,055	4,860	5,433	7,476	4,391

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year													Aver- age over all and income ranges		
	Range of original income															
	Under 381	381- 557	557- 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	3,750- 4,537	4,537- 5,490	5,490- 6,642	6,642- 8,038	8,038 and above
(i) Retired and non-retired households 3 adults, 2 children	1	—	—	1	2	2	2	6	7	14	24	35	20	15	13	143
Number of households	3,545	4,196	5,072	6,012	7,208	9,652	5,089
Original income
Direct benefits in cash:
family allowance	68	80	82	81	79	88	79
retirement and old age pension	86	52	75	64	43	47	89
widow's pension	75	—	32	30	—	94	28
disability and war disability pension	12	21	—	26	—	17	14
invalidity pension and allowance	—	—	28	—	—	—	31
unemployment benefit	7	7	2	—	—	—	9
sickness and industrial injury benefit	39	56	32	16	10	3	38
family income supplement	—	—	—	—	—	—	—
supplementary benefit	—	—	—	—	—	—	—
maternity benefit	2	1	2	5	—	—	9
death grant	—	—	—	—	—	—	45
redundancy payment	—	—	—	—	—	—	—
other cash benefits	—	—	—	—	—	—	—
Original income and cash benefits	56	—	—	—	—	—	1
Direct taxes:	3,891	4,412	5,325	6,244	7,385	9,909	5,436
national insurance, employees' contributions	168	179	230	254	265	268	202
income tax and surtax	419	511	925	1,007	1,352	1,612	805
Disposable income	3,304	3,723	4,170	4,983	5,768	8,029	4,430
Indirect benefits:
housing subsidies	42	76	70	55	33	52	73
food subsidies	53	53	54	53	57	58	52
Indirect taxes:
local rates	75	91	90	104	120	159	98
on other final goods and services	544	467	643	671	829	807	611
on intermediate products	204	190	234	267	309	320	233
Income after all taxes and transfers	2,574	3,104	3,328	4,050	4,600	6,853	3,613
Direct benefits in kind:
education	822	857	814	885	969	909	875
national health service	294	293	289	310	276	277	302
welfare foods	19	41	46	49	50	14	40
Income after all taxes and benefits	3,709	4,295	4,477	5,294	5,894	8,053	4,830

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year																Aver- age over all income ranges	
	Range of original income																	
	Under 381	381- 557	557- 816	816- 987	987- 1,075	1,075- 1,304	1,304- 1,612	1,612- 1,968	1,968- 2,311	2,311- 2,740	2,740- 3,099	3,099- 3,750	3,750- 4,537	4,537- 5,490	5,490- 6,642	6,642- above		8,038 and above
(ii) Retired households 2 adults																		
Number of households	325	39	64	38	29	26	23	26	15	12	6	10	8	6	4	3	634	
Original income	132	473	687	898	1,075	1,304	1,612	1,968	2,311	2,740	4,032						890	
Direct benefits in cash:																		
family allowance	1	968	937	937	889	805	914	968	656	742							930	
retirement and old age pension	976	33	8	42	40	40	13	22									6	
widow's pension	2	20	18	4	40	140	12	33	71	141							22	
disablement and war disability pension	26	49	27	42	67	140	12	33	71	141							53	
invalidity pension and allowance	4	1	2	6	20	52											7	
unemployment benefit	4																3	
sickness and industrial injury benefit																		
family income supplement	103	46	3	18	15	4	21										59	
supplementary benefit																		
maternity benefit																		
death grant																		
redundancy payment																		
other cash benefits	1		17														2	
Original income and cash benefits	1,295	1,568	1,714	1,931	2,148	2,253	2,625	2,991	3,057	3,648	4,950						1,971	
Direct taxes:																		
national insurance, employees' contributions		3	4	2	-1	3											2	
income tax and surtax	2	18	67	89	105	192	312	392	414	586	1,118						172	
Disposable income	1,292	1,548	1,643	1,840	2,044	2,057	2,312	2,600	2,643	3,062	3,821						1,797	
Indirect benefits:																		
housing subsidies	166	93	66	64	31	8	40	34									106	
food subsidies	23	23	26	29	29	27	25	30	26	25	46						25	
Indirect taxes:																		
local rates	61	68	69	70	87	77	87	123	116	113	138						75	
on other final goods and services	136	144	146	235	196	276	188	254	323	321	398						185	
on intermediate products	64	69	71	86	92	120	92	98	156	116	161						83	
Income after all taxes and transfers	1,221	1,382	1,450	1,542	1,729	1,618	2,010	2,188	2,075	2,537	3,170						1,585	
Direct benefits in kind:																		
education	2																1	
national health service	301	307	296	283	290	278	287	286	264	266	284						294	
welfare foods																		
Income after all taxes and benefits	1,524	1,689	1,747	1,825	2,018	1,896	2,297	2,474	2,348	2,803	3,454						1,881	

Average incomes, taxes and benefits—1975

By household composition

TABLE 1 (continued)

	£ per year													Aver- age over all and income ranges				
	Range of original income																	
	Under 381	381- 466	466- 557	557- 674	674- 911	911- 1,089	1,089- 1,343	1,343- 1,578	1,578- 1,942	1,942- 2,330	2,330- 2,857	2,857- 3,457	3,457- 4,118	4,118- 5,065	5,065- 5,946	5,946- 6,642	6,642- 8,038	8,038- and above
(iii) Non-retired households 1 adult																		
Number of households	66	31	31	24	22	37	48	60	67	70	52	38	17	10	3	7	583	2,178
Original income	109	466	674	911	1,089	1,343	1,578	1,942	2,330	2,857	3,457	4,118	5,065	5,946				
Direct benefits in cash:																		
family allowance											3				8			
retirement and old age pension	98	315	306	260	112	112	94	49	20	20		33						86
widow's pension	131	155	77	100	180	133	138	68	88		55							80
disability and war disability pension	27					5		8	4			7	14					6
invalidity pension and allowance	102	7																12
unemployment benefit	31	13	12	10	11	4	10	2	5	6	1	1						8
sickness and industrial injury benefit	19	13			7	12	2	16	9	5	5	1	4					8
family income supplement																		
supplementary benefit	244																	32
maternity benefit																		
death grant																		
redundancy payment	3	2		1	1	2		1	2	1	1	1						1
other cash benefits																		
other cash benefits			31	26	35													4
Original income and cash benefits	765	971	1,119	1,326	1,438	1,612	1,824	2,104	2,457	2,889	3,533	4,162	5,084	5,954				2,415
Direct taxes:																		
national insurance, employees' contributions	-2	-1	12	20	31	46	58	75	104	136	146	164	192	182				81
income tax and surtax	-12	30	79	137	180	179	285	354	488	637	802	878	1,191	1,569				451
Disposable income	778	941	1,027	1,169	1,227	1,388	1,480	1,675	1,865	2,117	2,586	3,120	3,701	4,203				1,884
Indirect benefits:																		
housing subsidies	106	145	126	59	118	67	74	78	62	50	81	26	9	39				75
food subsidies	13	15	15	14	14	14	14	12	12	15	11	13	12	17				13
local rates	54	67	59	63	74	66	74	67	68	71	89	89	105	131				73
on other final goods and services	100	98	89	72	92	192	154	216	280	242	328	402	368	486				223
on intermediate products	43	54	47	48	53	80	66	83	92	95	115	140	155	173				87
Income after all taxes and transfers	701	882	973	1,058	1,139	1,130	1,275	1,399	1,500	1,774	2,146	2,528	3,094	3,470				1,589
Direct benefits in kind:																		
education	198	267	164		60		1	59	30					4				60
national health service	89	101	118	101	86	86	83	79	77	72	73	68	60	64				82
welfare foods																		
Income after all taxes and benefits	988	1,250	1,255	1,159	1,286	1,216	1,358	1,537	1,607	1,847	2,219	2,596	3,154	3,537				1,731

Average incomes, taxes and benefits—1975
By household composition

TABLE 1 (continued)

	£ per year											Average age over all income ranges					
	Range of original income																
	Under 381-	381- 495	495- 557	557- 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	3,750- 4,537	4,537- 5,490	5,490- 6,642	6,642- and above
(iii) Non-retired households																	
2 adults																	
Number of households	23	15	39	18	19	36	45	82	132	177	199	226	239	151	87	74	1,562
Original income	136	495	686	890	1,069	1,345	1,616	1,952	2,333	2,833	3,435	4,115	4,973	5,982	7,177	10,987	4,038
Direct benefits in cash:																	
family allowance					425	340	271	273	180	107	67	20	24	26	17	23	119
retirement and old age pension	146	810	755	711	62	59	63	96	15	40	12	19	21	8	2	8	19
widow's pension			15	62	5	5	16	12	4	17	3	11	3	2	—	4	8
disability and war disability pension	37	45			23	21	58	14	28	3	5	3	2	4	—	15	15
invalidity pension and allowance	351	17	66		40	57	7	10	23	15	8	2	1	2	1	—	10
unemployment benefit	61	50	36		40	56	40	55	20	30	20	15	13	9	2	8	19
sickness and industrial injury benefit	32	17	23	29	56	40	55	20	30	20	27	15	13	9	2	8	19
family income supplement																	
supplementary benefit	475		21	56	51	47	29	15	18	12	9	—	—	—	—	—	16
maternity benefit					8	1	2			1	1	1	—	—	—	—	1
death grant					2	1	—	1		—	—	—	—	—	—	—	1
redundancy payment					2	1	—	1	1	1	1	1	1	1	—	—	1
other cash benefits							2		5	5							1
Original income and cash benefits	1,242	1,435	1,609	1,749	1,732	1,915	2,154	2,312	2,662	3,027	3,575	4,190	5,031	6,030	7,200	11,032	4,247
Direct taxes:																	
national insurance, employees' contributions	-5	-5	3	17	24	39	67	86	99	129	152	189	219	243	268	244	161
income tax and surtax	-1	-3	29	54	95	89	202	242	352	491	622	809	1,002	1,204	1,620	2,839	799
Disposable income	1,248	1,443	1,577	1,679	1,612	1,787	1,885	1,984	2,211	2,408	2,801	3,193	3,809	4,583	5,311	7,948	3,287
Indirect benefits:																	
housing subsidies	141	214	126	48	98	73	117	98	67	64	69	53	38	38	20	4	59
food subsidies			21	24	26	25	29	26	25	25	27	24	26	25	24	23	25
Indirect taxes:																	
local rates	54	68	66	89	75	80	78	83	74	77	84	84	93	108	124	158	90
on other final goods and services	203	191	210	196	294	283	277	294	349	313	391	421	472	489	596	696	407
on intermediate products	77	84	86	90	107	111	101	113	113	118	135	148	177	192	245	288	152
Income after all taxes and transfers	1,076	1,334	1,365	1,378	1,259	1,410	1,575	1,618	1,767	1,990	2,287	2,618	3,131	3,856	4,391	6,832	2,722
Direct benefits in kind:																	
education	229				89	56	17	123	35	22	2	12	21	13	15	28	27
national health service	166	264	255	242	233	198	203	190	187	177	169	153	143	137	136	155	167
welfare foods																	
Income after all taxes and benefits	1,471	1,599	1,620	1,620	1,581	1,665	1,795	1,930	1,989	2,188	2,459	2,783	3,295	4,007	4,543	7,015	2,916

Average incomes, taxes and benefits—1975
By household composition

TABLE 1 (continued)

	£ per year													Aver- age over all and income ranges		
	Range of original income															
	Under 381	381- 557-	557- 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-	3,750- 4,537-	4,537- 5,490-		5,490- 6,642-	6,642- above
(iii) Non-retired households 3 adults	3	1	3	3	3	6	10	31	28	59	61	88	92	61	46	499
Number of households	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Original income	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct benefits in cash:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
family allowance	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
retirement and old age pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
widow's pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
disablement and war disability pension	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
invalidity pension and allowance	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
unemployment benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
sickness and industrial injury benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
family income supplement	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
supplementary benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
maternity benefit	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
death grant	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
redundancy payment	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
other cash benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Original income and cash benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct taxes:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
national insurance, employees' contributions	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
income tax and surtax	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Disposable income	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indirect benefits:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
food subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indirect taxes:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
local rates	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
on other final goods and services	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
on intermediate products	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and transfers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Direct benefits in kind:	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
education	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
national health service	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
welfare foods	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	2,836	3,203	3,634	3,901	4,428	5,233	6,137	7,249	10,221	5,443	2,836	3,203	3,634	3,901	4,428	5,233
	95	112	135	148	188	234	264	306	314	215	95	112	135	148	188	234
	241	362	504	510	727	921	1,147	1,519	2,649	1,010	241	362	504	510	727	921
	2,500	2,729	2,995	3,243	3,513	4,079	4,726	5,424	7,258	4,218	2,500	2,729	2,995	3,243	3,513	4,079
	102	127	62	123	76	91	95	55	48	94	102	127	62	123	76	91
	33	36	40	37	36	39	38	36	39	37	33	36	40	37	36	39
	65	82	76	98	85	91	103	113	139	98	65	82	76	98	85	91
	234	422	401	466	483	622	739	781	887	608	234	422	401	466	483	622
	114	150	150	169	166	204	258	275	352	216	114	150	150	169	166	204
	2,222	2,238	2,471	2,670	2,891	3,291	3,759	4,347	5,967	3,428	2,222	2,238	2,471	2,670	2,891	3,291
	—	151	181	196	116	106	86	122	121	145	—	151	181	196	116	106
	332	290	307	249	237	231	223	210	214	240	332	290	307	249	237	231
	—	6	—	1	3	—	—	—	1	—	—	6	—	1	3	—
	2,554	2,685	2,959	3,116	3,246	3,628	4,069	4,681	6,303	3,813	2,554	2,685	2,959	3,116	3,246	3,628

Quantile shares of income by household type—1975

TABLE 2

		Percentage share of total income in groups of 5 per cent of households																						
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total		
1 adult																								
Pensioner																								
Original income	..	22.9	17.3	14.9	12.6	10.1	8.4	6.2	4.0	2.4	1.0	0.3	—	—	—	—	—	—	—	—	—	—	100.0	
Disposable income	..	7.3	6.2	5.9	5.7	5.6	5.5	5.3	5.2	5.1	5.0	4.9	4.8	4.7	4.6	4.4	4.3	4.2	4.0	3.8	3.6	3.4	100.0	
Income after all taxes and benefits	..	7.6	6.7	6.2	5.9	5.7	5.6	5.4	5.3	5.1	5.0	4.8	4.7	4.6	4.5	4.3	4.2	4.0	3.8	3.6	3.4	2.9	100.0	
Non-pensioner, non-retired																								
Original income	..	26.2	12.9	9.5	7.4	6.3	5.5	4.7	4.0	3.6	3.1	2.7	2.5	2.2	1.9	1.8	1.6	1.5	1.3	1.1	0.4	—	100.0	
Disposable income	..	14.4	8.9	7.3	6.4	5.8	5.4	5.0	4.7	4.4	4.2	4.0	3.8	3.7	3.6	3.4	3.3	3.2	3.1	2.9	2.4	—	100.0	
Income after all taxes and benefits	..	13.3	8.1	6.8	6.2	5.8	5.5	5.2	4.9	4.7	4.5	4.3	4.1	4.0	3.8	3.7	3.6	3.4	3.2	3.0	1.9	—	100.0	
Non-pensioner, retired																								
Original income	..	16.5	10.2	8.8	7.9	7.1	6.6	6.0	5.5	5.1	4.7	4.3	3.8	3.4	3.0	2.4	1.9	1.4	1.0	0.4	—	—	100.0	
Disposable income	..	14.5	9.0	7.7	6.9	6.3	5.8	5.5	5.1	4.8	4.6	4.3	4.0	3.8	3.5	3.2	2.9	2.7	2.4	2.0	1.1	—	100.0	
Income after all taxes and benefits	..	13.9	8.7	7.5	6.8	6.2	5.7	5.3	5.0	4.8	4.6	4.3	4.1	3.8	3.6	3.4	3.1	2.8	2.6	2.2	1.5	—	100.0	
2 adults																								
Pensioner																								
Original income	..	16.9	12.0	10.5	9.4	8.5	7.6	6.8	6.1	5.5	4.7	4.0	3.2	2.5	1.5	0.6	—	—	—	—	—	—	—	100.0
Disposable income	..	7.9	6.5	5.9	5.6	5.4	5.3	5.1	5.0	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1	4.0	3.5	—	100.0	
Income after all taxes and benefits	..	7.7	6.6	6.2	6.0	5.7	5.5	5.3	5.2	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.1	3.9	3.5	3.0	—	100.0	
Non-pensioner, retired																								
Original income	..	23.7	13.2	9.1	7.2	6.4	5.6	4.8	4.2	3.7	3.3	3.0	2.8	2.6	2.3	2.1	1.9	1.6	1.3	1.1	0.1	—	100.0	
Disposable income	..	13.1	8.9	7.2	6.3	5.8	5.5	5.1	4.7	4.6	4.4	4.2	4.0	3.9	3.8	3.6	3.4	3.3	3.1	2.9	2.3	—	100.0	
Income after all taxes and benefits	..	12.0	8.2	7.0	6.1	5.7	5.4	5.1	4.9	4.7	4.5	4.3	4.2	4.1	3.9	3.8	3.7	3.6	3.4	3.2	2.4	—	100.0	
Non-pensioner, non-retired																								
Original income	..	13.4	8.9	7.8	7.1	6.6	6.2	5.8	5.5	5.1	4.8	4.5	4.2	3.8	3.6	3.3	2.9	2.6	2.2	1.5	0.6	—	100.0	
Disposable income	..	12.1	8.3	7.2	6.7	6.2	5.8	5.5	5.2	4.9	4.7	4.4	4.2	4.0	3.8	3.5	3.3	3.1	2.8	2.4	1.9	—	100.0	
Income after all taxes and benefits	..	12.3	8.3	7.3	6.6	6.1	5.7	5.4	5.1	4.9	4.6	4.4	4.2	4.0	3.8	3.6	3.4	3.1	2.9	2.5	1.7	—	100.0	

Quantile shares of income by household type—1975

TABLE 2 (continued)

		Percentage share of total income in groups of 5 per cent of households																				
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
2 adults, 1 child																						
Original income	..	12.4	8.4	7.1	6.6	6.2	5.8	5.4	5.2	4.9	4.6	4.5	4.3	4.1	3.9	3.8	3.6	3.2	2.8	2.3	1.1	100.0
Disposable income	..	12.0	7.9	6.8	6.3	6.0	5.6	5.3	5.1	4.9	4.7	4.5	4.3	4.1	3.9	3.8	3.6	3.4	3.2	2.8	1.9	100.0
Income after all taxes and benefits	..	11.4	7.7	6.9	6.3	6.0	5.7	5.4	5.2	5.0	4.8	4.6	4.4	4.2	4.0	3.8	3.6	3.3	3.1	2.8	1.9	100.0
2 adults, 2 children																						
Original income	..	11.8	8.1	6.9	6.4	6.1	5.8	5.5	5.3	5.1	4.8	4.6	4.4	4.2	4.0	3.8	3.5	3.3	2.9	2.4	1.3	100.0
Disposable income	..	10.6	7.6	6.7	6.3	6.0	5.7	5.5	5.2	5.0	4.8	4.6	4.4	4.2	4.1	3.9	3.7	3.5	3.3	2.9	2.2	100.0
Income after all taxes and benefits	..	10.0	7.4	6.6	6.2	5.9	5.7	5.5	5.3	5.1	4.9	4.7	4.5	4.3	4.1	4.0	3.8	3.5	3.3	3.0	2.3	100.0
2 adults, 3 children																						
Original income	..	14.7	8.2	7.0	6.4	5.9	5.5	5.2	4.9	4.6	4.5	4.3	4.1	3.9	3.8	3.6	3.4	3.2	2.9	2.5	1.4	100.0
Disposable income	..	12.1	8.3	7.0	6.5	6.1	5.7	5.4	5.1	4.8	4.7	4.5	4.3	4.1	4.0	3.8	3.7	3.5	3.2	3.0	0.4	100.0
Income after all taxes and benefits	..	10.4	7.7	6.8	6.3	5.9	5.7	5.4	5.1	4.9	4.8	4.7	4.5	4.3	4.2	4.1	3.9	3.7	3.5	3.2	0.9	100.0
2 adults, 4 children																						
Original income	..	12.0	8.1	7.5	7.1	6.4	6.0	5.8	5.4	5.1	4.8	4.6	4.5	4.1	3.7	3.4	3.2	2.9	2.5	2.0	0.8	100.0
Disposable income	..	10.2	7.7	6.9	6.6	6.2	5.8	5.5	5.3	5.1	4.8	4.5	4.3	4.2	4.1	3.8	3.7	3.5	3.2	2.8	1.7	100.0
Income after all taxes and benefits	..	9.1	7.3	6.6	6.1	5.9	5.8	5.6	5.4	5.1	5.0	4.8	4.7	4.4	4.2	4.1	3.9	3.7	3.4	3.0	2.1	100.0
All households in the sample																						
Original income	..	15.5	10.7	9.1	8.1	7.5	6.8	6.3	5.8	5.3	4.9	4.5	4.1	3.5	3.0	2.3	1.4	0.7	0.3	0.1	—	100.0
Disposable income	..	13.1	9.4	8.2	7.3	6.8	6.3	5.8	5.4	5.1	4.8	4.4	4.1	3.7	3.4	3.0	2.6	2.2	1.8	1.5	1.0	100.0
Income after all taxes and benefits	..	12.8	9.3	8.1	7.3	6.8	6.3	5.9	5.5	5.1	4.7	4.4	4.1	3.7	3.3	3.0	2.7	2.3	2.0	1.7	1.1	100.0

Average incomes before and after taxes and benefits—1961-1975

TABLE 3

	Average income					Percentage of original income					Percentage of corresponding income in 1961				
	£. per year					Percentages					1961 = 100				
	1961	1965	1969	1974	1975	1961	1965	1969	1974	1975	1965	1969	1974	1975	
Retired and non-retired households															
1 adult															
Original income	312	420	510	931	1,123	100	100	100	100	100	135	163	298	360	
Disposable income	375	502	618	1,141	1,393	120	120	121	123	124	134	165	304	371	
Income after all taxes and benefits .. .	341	439	546	1,105	1,374	109	105	107	119	122	129	160	324	403	
2 adults															
Original income	824	1,007	1,351	2,479	3,129	100	100	100	100	100	122	164	301	380	
Disposable income	809	988	1,273	2,341	2,857	98	98	94	94	91	122	157	289	353	
Income after all taxes and benefits .. .	698	828	1,054	2,106	2,617	85	82	78	85	84	119	151	302	375	
2 adults, 1 child															
Original income	1,016	1,281	1,586	3,097	3,880	100	100	100	100	100	126	156	305	382	
Disposable income	921	1,148	1,398	2,614	3,176	91	90	88	84	82	125	152	284	345	
Income after all taxes and benefits .. .	836	1,032	1,220	2,464	3,041	82	81	77	80	78	123	146	295	364	
2 adults, 2 children															
Original income	1,026	1,245	1,762	3,293	4,039	100	100	100	100	100	121	172	321	394	
Disposable income	961	1,159	1,582	2,834	3,345	94	93	90	86	83	121	165	295	348	
Income after all taxes and benefits .. .	936	1,113	1,473	2,865	3,461	91	89	84	87	86	119	157	306	370	
2 adults, 3 children															
Original income	967	1,289	1,705	3,385	4,266	100	100	100	100	100	133	176	350	441	
Disposable income	962	1,225	1,618	3,006	3,539	99	95	95	89	83	127	168	312	368	
Income after all taxes and benefits .. .	1,008	1,263	1,625	3,297	4,105	104	98	95	97	96	125	161	327	407	
2 adults, 4 children															
Original income	1,030	1,219	1,638	3,275	3,594	100	100	100	100	100	118	159	318	349	
Disposable income	1,023	1,227	1,650	3,139	3,374	99	101	101	96	94	120	161	307	330	
Income after all taxes and benefits .. .	1,123	1,343	1,760	3,705	4,432	109	110	107	113	123	120	157	330	395	
3 adults															
Original income	1,282	1,616	2,140	3,914	4,896	100	100	100	100	100	126	167	305	382	
Disposable income	1,197	1,475	1,907	3,425	4,132	93	91	89	88	84	123	159	286	345	
Income after all taxes and benefits .. .	1,035	1,248	1,609	3,064	3,765	81	77	75	78	77	121	155	296	364	
3 adults, 1 child															
Original income	1,457	1,571	2,123	4,216	5,186	100	100	100	100	100	108	146	289	356	
Disposable income	1,230	1,453	1,879	3,673	4,316	88	92	89	87	83	114	147	287	337	
Income after all taxes and benefits .. .	1,182	1,387	1,743	3,688	4,391	81	88	82	87	85	117	147	312	371	
3 adults, 2 children															
Original income	1,289	1,661	2,232	3,844	5,089	100	100	100	100	100	129	173	293	395	
Disposable income	1,214	1,565	2,070	3,459	4,430	94	94	93	90	87	129	171	285	365	
Income after all taxes and benefits .. .	1,190	1,607	2,014	3,722	4,830	92	97	90	97	95	135	169	313	406	
4 adults															
Original income	1,742	2,064	2,789	5,342	6,989	100	100	100	100	100	118	160	307	401	
Disposable income	1,558	1,860	2,456	4,625	5,625	89	90	88	87	80	119	158	297	361	
Income after all taxes and benefits .. .	1,352	1,625	2,079	4,330	5,107	78	79	75	81	73	120	154	320	378	
All households in the sample															
Original income	960	1,172	1,519	2,719	3,386	100	100	100	100	100	122	158	283	353	
Disposable income	922	1,121	1,421	2,509	3,016	96	96	94	92	89	122	154	272	327	
Income after all taxes and benefits .. .	847	1,019	1,271	2,453	3,000	88	87	84	90	89	120	150	290	354	

Distribution of households co-operating in the Family Expenditure Survey—1975

By range of original income

TABLE 4

Range of income £ per year	Number																All house- holds	
	1 adult		2 adults		3 adults		2 adults		3 adults		4 adults		3 adults		4 adults			Others
	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired		
At least	632	66	325	23	9	4	3	8	1	2	2	2	1	2	1	1	1	70
Less than	381	31	39	15	4	4	1	4	2	—	—	—	—	—	—	—	—	10
381	61	31	39	15	4	4	1	4	2	—	—	—	—	—	—	—	—	5
557	46	31	64	39	3	3	3	4	1	2	1	1	1	1	1	1	1	5
816	22	24	38	18	1	1	3	4	1	—	—	—	—	—	—	—	—	5
987	21	22	29	19	2	4	4	8	3	3	3	1	1	1	1	1	1	5
1,194	19	37	26	36	4	3	6	12	—	—	—	—	—	—	—	—	—	9
1,446	13	48	23	45	3	6	20	14	4	2	1	1	2	2	2	2	2	18
1,749	12	60	26	82	4	10	22	33	12	8	3	3	3	3	3	3	3	18
2,116	12	67	15	132	3	31	45	67	20	15	12	12	6	6	6	6	6	28
2,561	8	70	12	177	—	28	102	113	49	8	14	14	7	7	7	7	7	24
3,099	5	52	6	199	—	59	135	191	66	23	21	21	14	14	14	14	14	40
3,750	3	38	10	226	3	61	104	189	56	17	38	38	24	24	24	24	24	41
4,537	2	17	8	239	2	88	86	164	45	14	57	57	35	35	35	35	35	49
5,490	—	10	6	151	1	92	35	52	31	6	52	52	20	20	20	20	20	46
6,642	1	3	4	87	3	61	20	44	7	3	33	33	15	15	15	15	15	56
8,038	2	7	3	74	1	46	23	25	18	3	18	18	13	13	13	13	13	70
8,038 and above	2	7	3	74	1	46	23	25	18	3	18	18	13	13	13	13	13	70
All income ranges	859	583	634	1,562	43	499	618	928	316	107	257	257	143	143	160	160	160	494

Note: The retired households not shown separately in the tables are distributed as follows:
 2 adults, 1 child (2); 2 adults, 2 children (1); 2 adults, 3 children (1); 4 adults (1); 4 adults (1); others (2).
 1 adult and 2 adult retired households in the lowest range of income include 518 and 287 pensioner households respectively; in addition there are 8 pensioner households in other ranges.

Distribution of households co-operating in the Family Expenditure Survey—1975

By range of original income plus cash benefits

TABLE 5

Range of income £ per year	Number														All house- holds			
	1 adult		2 adults		3 adults		2 adults		3 adults		4 adults		3 adults					
	retired	non- retired	retired	non- retired	retired	non- retired	1 child	2 children	3 children	4 children	1 child	2 children	3 children	4 adults		Others		
At least	Less than																	
381	381	—	8	—	2	—	—	—	—	—	—	—	—	—	—	—	—	2
557	557	13	9	1	1	—	—	—	—	—	—	—	—	—	—	—	—	4
816	816	237	30	1	2	—	—	—	—	—	—	—	—	—	—	—	—	5
987	987	288	33	14	4	—	—	—	—	—	—	—	—	—	—	—	—	9
1,194	1,194	136	43	90	11	—	—	—	—	—	—	—	—	—	—	—	—	20
1,446	1,446	63	42	178	19	2	—	—	—	—	—	—	—	—	—	—	—	26
1,749	1,749	34	52	106	68	1	4	16	13	3	1	—	—	—	—	—	—	22
2,116	2,116	32	71	90	83	6	3	25	32	6	4	5	—	—	—	—	—	21
2,561	2,561	19	80	49	123	11	13	47	63	18	7	5	3	—	—	—	—	28
3,099	3,099	15	80	40	202	7	19	97	123	47	19	14	11	3	—	—	—	33
3,750	3,750	11	54	23	223	4	58	139	186	64	20	20	10	4	—	—	—	32
4,537	4,537	3	43	12	257	3	83	111	190	66	23	45	25	14	—	—	—	50
5,490	5,490	3	18	8	244	3	101	88	173	48	14	57	38	22	—	—	—	48
6,642	6,642	2	10	11	159	1	96	38	62	36	9	54	24	27	—	—	—	58
8,038	8,038	—	3	5	90	1	72	20	46	7	2	36	18	34	—	—	—	57
8,038 and above	8,038 and above	3	7	6	74	4	46	25	26	19	4	19	13	56	—	—	—	79
All income ranges	All income ranges	859	583	634	1,562	43	499	618	928	316	107	257	143	160	494	—	—	7,203

Distribution of households co-operating in the Family Expenditure Survey—1975

By range of disposable income

TABLE 6

Range of income £ per year	Number															All house- holds		
	1 adult		2 adults		3 adults		2 adults		3 adults		4 adults		2 children		4 adults		Others	
	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	retired	non- retired	1 child	2 children				
At least																		
Less than																		
381	..	8	..	1	..	2	..	1	..	1	..	1	..	1	..	..	..	15
557	..	13	..	10	..	1	..	1	..	..	..	..	..	..	..	..	..	28
816	..	241	..	33	..	3	..	1	..	..	..	..	..	..	..	..	..	286
987	..	297	..	45	..	7	..	15	..	2	..	2	..	2	..	..	..	379
1,194	..	144	..	60	..	11	..	90	..	4	..	7	..	1	..	..	..	339
1,446	..	60	..	75	..	34	..	191	..	8	..	7	..	1	..	..	..	416
1,749	..	41	..	79	..	114	..	109	..	7	..	23	..	2	..	..	..	428
2,116	..	25	..	95	..	155	..	97	..	8	..	58	..	3	..	..	..	553
2,561	..	16	..	73	..	228	..	49	..	23	..	151	..	12	..	2	..	779
3,099	..	10	..	47	..	279	..	34	..	59	..	202	..	25	..	6	..	958
3,750	..	6	..	28	..	283	..	21	..	112	..	207	..	52	..	16	..	1,011
4,537	..	3	..	17	..	201	..	8	..	111	..	160	..	64	..	21	..	840
5,490	..	3	..	3	..	132	..	11	..	98	..	63	..	56	..	38	..	566
6,642	..	2	..	2	..	60	..	4	..	50	..	25	..	30	..	39	..	320
8,038	..	4	..	4	..	29	..	2	..	20	..	14	..	7	..	25	..	174
8,038 and above	..	1	..	4	..	23	..	1	..	7	..	9	..	4	..	13	..	111
All income ranges	..	859	..	583	..	1,562	..	634	..	499	..	928	..	257	..	160	..	7,203

Distribution of households co-operating in the Family Expenditure Survey—1975
By range of income after all taxes and transfers

Range of income £ per year	Number														All house- holds			
	1 adult		2 adults		3 adults		2 adults		3 adults		4 adults		Others	All house- holds				
	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	
At least																		
Less than																		
381 ..	8	6	2	2	3	3	3	2	2	—	—	—	—	—	—	—	5	29
557 ..	37	16	2	2	4	4	2	1	1	—	—	—	—	—	—	—	1	64
816 ..	294	56	22	22	22	22	5	4	4	—	—	—	—	—	—	—	12	420
987 ..	215	61	53	53	20	20	6	7	7	1	1	1	1	3	—	—	12	381
1,194 ..	150	69	115	115	40	40	7	7	7	2	4	4	1	4	—	—	23	424
1,446 ..	75	95	144	144	92	92	6	35	35	6	2	2	—	2	—	—	26	528
1,749 ..	38	94	135	135	155	155	7	67	67	22	6	5	3	5	—	—	28	633
2,116 ..	16	64	70	70	233	233	8	101	150	32	12	11	5	11	—	—	32	758
2,561 ..	9	55	39	39	277	277	5	72	136	75	19	23	11	12	—	—	39	958
3,099 ..	7	26	22	22	260	260	9	106	199	68	21	52	39	14	—	—	55	989
3,750 ..	3	18	11	11	190	190	2	109	152	47	18	62	37	27	—	—	61	811
4,537 ..	3	6	8	8	137	137	2	99	67	32	13	52	21	31	—	—	70	574
5,490 ..	1	4	6	6	62	62	1	42	28	11	5	26	12	39	—	—	65	319
6,642 ..	—	1	4	4	35	35	1	17	9	9	3	12	8	23	—	—	40	176
8,038 ..	—	2	1	1	14	14	2	5	7	6	1	1	2	8	—	—	13	66
8,038 and above	3	10	—	—	18	18	—	5	2	5	1	3	3	5	—	—	12	73
All income ranges ..	859	583	634	634	1,562	1,562	43	499	618	928	316	107	143	160	494	7,203		

Distribution of households co-operating in the Family Expenditure Survey—1975
By range of income after all taxes and benefits

Range of income £ per year	Number																All house- holds
	1 adult		2 adults		3 adults		2 adults		3 adults		4 adults		Others				
	retired	non- retired	retired	non- retired	retired	non- retired	1 child	2 children	3 children	4 children	1 child	2 children	4 adults	Others			
At least																	
Less than																	
381 ..	4	2	1	2	—	—	1	—	—	—	—	—	—	—	—	—	11
557 ..	7	5	1	2	—	—	—	1	—	—	—	—	—	—	—	—	16
816 ..	120	43	2	5	—	—	1	1	—	—	—	—	—	—	3	176	
987 ..	235	52	8	20	—	—	1	1	—	—	—	—	—	—	6	323	
1,194 ..	241	65	37	21	—	—	6	2	—	—	—	—	—	—	7	380	
1,194	136	94	112	52	1	—	14	4	—	—	—	—	—	—	14	429	
1,446	64	102	185	129	2	—	26	20	1	—	—	—	—	—	11	547	
1,749	23	84	138	212	9	—	79	49	2	—	—	—	—	—	26	635	
2,116	11	56	80	299	7	—	106	121	13	3	—	—	—	—	24	765	
2,561	9	40	30	293	6	—	135	187	44	8	—	—	—	—	32	921	
3,099	3	20	20	225	10	—	132	228	84	21	—	—	—	—	19	995	
3,750	2	8	8	151	2	—	118	195	78	25	—	—	—	—	28	864	
4,537	2	4	6	75	2	—	69	26	54	31	—	—	—	—	41	575	
5,490	—	1	5	43	1	—	23	12	19	10	—	—	—	—	35	305	
6,642	—	—	1	15	2	—	8	7	12	3	—	—	—	—	14	157	
8,038	2	5	—	18	1	—	6	7	9	3	—	—	—	—	9	104	
8,038 and above	2	5	—	18	1	—	6	7	9	3	—	—	—	—	9	104	
All income ranges	859	583	634	1,562	43	499	618	928	316	107	257	143	160	494	7,203		

CHART 1 Average taxes paid and benefits received by retired and non-retired households in different income ranges - 1975

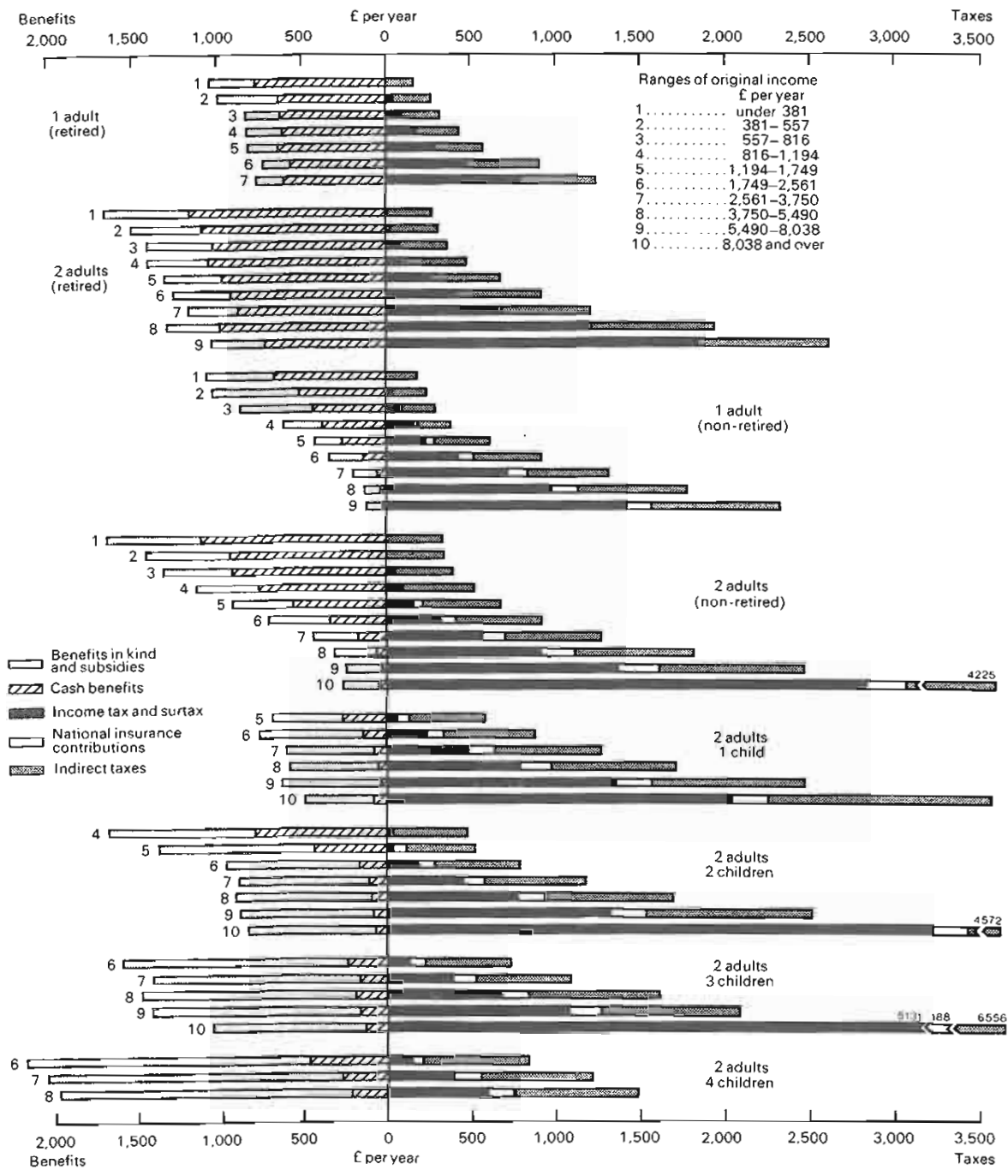
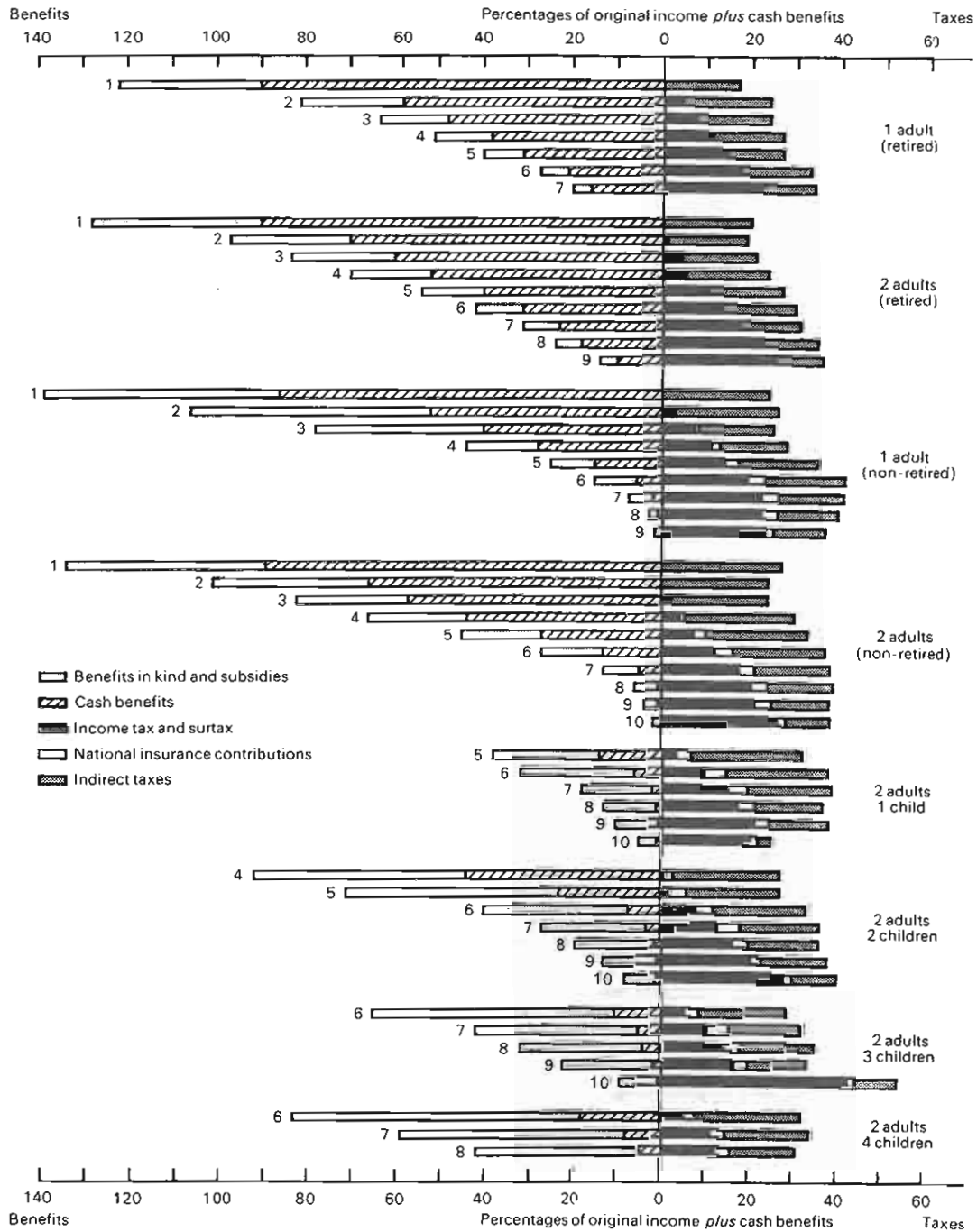


CHART 2

Average taxes paid and benefits received by retired and non-retired households in different income ranges - 1975



Corrigendum: Revised housing subsidies and income after all taxes and benefits—1974

TABLE 9 (continued)

	£ per year											Aver- age over all income ranges					
	Range of original income																
	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	3,750- 4,537	4,537- above ranges		
(i) Retired and non-retired households																	
All households in the sample																	
Housing subsidies	92	58	32	48	52	51	58	70	64	55	53	47	48	40	22	57	
Income after all taxes and benefits	990	1,204	1,200	1,211	1,347	1,455	1,476	1,681	1,670	1,873	2,115	2,444	2,808	3,269	3,757	5,630	2,453
1 adult																	
Housing subsidies	75	46	41	53	42	34	41	35	43	35	34	25	9	—	—	—	56
Income after all taxes and benefits	771	906	889	926	1,020	1,061	1,067	1,210	1,228	1,379	1,575	1,936	2,121	2,620	3,048	5,617	1,105
2 adults																	
Housing subsidies	107	56	27	48	44	54	49	57	53	47	56	41	49	47	20	10	54
Income after all taxes and benefits	1,146	1,337	1,315	1,293	1,395	1,486	1,522	1,538	1,472	1,679	1,826	2,111	2,381	2,804	3,342	5,142	2,106
2 adults, 1 child																	
Housing subsidies	110	98	98	93	56	39	25	28	31	17	51	—	—	—	—	—	—
Income after all taxes and benefits	1,711	1,347	1,726	1,755	1,975	2,252	2,581	3,027	3,638	5,940	2,464	—	—	—	—	—	—
2 adults, 2 children																	
Housing subsidies	112	72	63	35	68	36	27	33	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	2,123	1,810	1,932	2,196	2,509	2,897	3,356	4,005	5,747	2,865	—	—	—	—	—	—	—
2 adults, 3 children																	
Housing subsidies	136	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	1,983	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2 adults, 4 children																	
Housing subsidies	168	106	63	69	42	17	18	72	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	2,804	3,120	3,350	3,618	4,075	4,828	7,147	3,705	—	—	—	—	—	—	—	—	—
3 adults																	
Housing subsidies	59	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	1,401	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		82	65	91	49	63	59	73	37	61	—	—	—	—	—	—	—
		1,982	2,281	2,340	2,493	2,611	3,020	3,552	4,983	3,064	—	—	—	—	—	—	—

Corrigendum: Revised housing subsidies and income after all taxes and benefits—1974

TABLE 9 (continued)

	£ per year										Average over all and income ranges					
	Range of original income															
Under	381	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750-	4,537-	5,490-	
	381	461-	557-	674-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750-	4,537-	5,490-	
(i) Retired and non-retired households (continued)																
3 adults, 1 child																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 adults, 2 children																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4 adults																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(ii) Retired households																
1 adult																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2 adults																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(iii) Non-retired households																
1 adult																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2 adults																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 adults																
Housing subsidies	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Income after all taxes and benefits	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Note: The following corrections should be made to the 1974 figures shown in the article which appeared in *Economic Trends* February 1976.

TABLE 1—All households, income range £816-1,194, should read £762.

TABLE 2—2 adults, 4 children, income range £2,561-3,750 should read £762.

TABLE 1—4 adults, income range £3,099-3,750, invalidity pension should read £43.

TABLE 2—All households, the line 'disposable income' should read 14.1, 9.3, 8.0, 7.3, 6.8, 6.2, 5.8, 5.4, 5.0, 4.7, 4.4, 4.0, 3.7, 3.3, 3.0, 2.6, 2.2, 1.8, 1.5, 1.0.