

## Freedom of Information request 2015-365

Date received 26 January 2015

Date of response 23 February 2015

### Information request

“As just discussed on the phone, could you please send me the distribution of gross annual household income by income band, for the UK.”

You clarified the request as follows:

“The distribution of unequivalised gross annual household income by the following income bands, for the UK:

£6,400 to less than £9,600  
£9,600 to less than £16,000  
£16,000 to less than £22,000  
£22,000 to less than £32,000  
£32,000 to less than £48,000  
£48,000 to less than £64,000  
£64,000 or more.”

### DWP response

In response to your query, the information requested is provided in the table below. Please read the notes following the table.

**Number of households with unequivalised gross annual household income by the income bands requested, 2012/13, UK.**

<b>Annual Household Income Bands</b>	<b>Number of Households (millions)</b>
Less than £6,400	0.7
Greater or equal to £6,400 and less than £9,600	1.3
Greater or equal to £9,600 and less than £16,000	4.2
Greater or equal to £16,000 and less than £22,000	3.8
Greater or equal to £22,000 and less than £32,000	4.9
Greater or equal to £32,000 and less than £48,000	5.3
Greater or equal to £48,000 and less than £64,000	3.0
Greater or equal to £64,000 or more	3.7

These statistics are based on Households Below Average Income (HBAI) data sourced from the Family Resources Survey (FRS). The reference period for HBAI figures is the financial year.

HBAI uses variants of Retail Prices Index (RPI) to adjust for inflation to look at how incomes are changing over time in real terms. Inflation is the speed at which the prices of goods and services bought by households rise or fall. The use of different inflation measures has an effect on trends in household income. Using other inflation indices instead of RPI would decrease real terms income prior to 2012/13 (with the largest differences in earlier years).

All estimates are based on survey data and are therefore subject to a degree of uncertainty. Small differences should be treated with caution as these will be affected by sampling error and variability in non-response.

Numbers of households have been rounded to the nearest hundred thousand.

#### Definition of income

The data published in the HBAI publication are based on net disposable household income, adjusted using modified OECD equivalisation factors for household size and composition, as an income measure as a proxy for standard of living. Net disposable income includes earnings from employment and self-employment, state support, income from occupational and private pensions, investment income and other sources. Income tax payments, National Insurance contributions, council tax / domestic rates and some other payments are deducted from incomes.

The data provided in this request are based on gross household income where income tax payments, National Insurance contributions, council tax / domestic rates and some other payments have not been deducted from incomes. The income measure provided is unequivalised, i.e. it has not been adjusted for household size and composition. This means that the statistics presented are on a different basis to those in the HBAI publication.

#### Definition of a household

A household is defined as one person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area. A household will consist of one or more families/benefit units. Families (or benefit units) are defined as a single adult or couple living as married and any dependent children, including same sex couples (civil partnerships and cohabitees) from January 2006.

If you have any queries about this letter please contact us quoting the reference number above.

Yours sincerely

Freedom of Information Team  
Statistical Services  
Department for Work and Pensions