

GREATERLONDONAUTHORITY

FOCUS ON LONDON 2010



INCOME AND SPENDING AT HOME

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Introduction

Household income in London far exceeds that of any other region in the UK. At £900 per week, London's gross weekly household income was 15 per cent higher than the next highest region and 35 per cent higher than the UK figure (£669). Furthermore, almost three in ten households in the capital had a gross weekly income in excess of £1,000 per week compared with two in ten in the UK. However, these figures mask considerable variation between areas within London.

Despite apparently high levels of household income, the costs to each household are also higher in the capital. Londoners pay a greater amount of their income in tax and national insurance than those elsewhere in the UK as well as footing a higher bill for housing and everyday necessities. All of which leaves London households less well off than the headline figures suggest.

This chapter begins with an analysis of income at both individual and household level, before discussing the distribution and sources of income. This is followed by a look at wealth and borrowing using headline figures from the Wealth and Assets Survey. Finally, the chapter focuses on expenditure including an insight to the cost of housing in London, compared with other regions in the UK.

Executive Summary

- > London's gross weekly household income of **£900** was **15 per cent** higher than the next highest region and **35 per cent** higher than the UK average.
- > London was the most polarised region in terms of income with **52 per cent** of households with an income of either less than £300 or greater than £1,000 per week. The UK average was 46 per cent.
- > Almost **16 per cent** of households in London - 426,000 - had an equivalised income of **less than £15,000 a year**. More than one in four households in Newham and almost a quarter in Barking and Dagenham had an annual income of less than £15,000.
- > Within London (excluding the City of London) median total **income was highest in Richmond upon Thames** at £42,208 followed by Kensington and Chelsea at £39,249.
- > At **£220,000** London was **top** in median household property wealth but was at the **bottom** in median household physical wealth at **£25,000**.
- > On average, people renting **accommodation** in London spent more than those in any other UK region at £162 per week, **34 per cent higher** than the next highest region (South East) and over £50 per week more than the UK average.
- > Mortgage holders in London spent on average **45 per cent more** in total **mortgage payments**, 57 per cent more in interest payments and 26 per cent more in capital repayments than those in the UK.
- > Total **household expenditure** (excluding mortgage payments) in London during 2006-08 was £545 per week - **18 per cent higher** than the UK average of £460. However, excluding housing costs and taking into account London's larger average household size the difference in spending between London and the UK was **10 per cent** with South East taking the top spot on this measure, 2 per cent higher than London.
- > At **13 per cent** London had the highest estimated percentage of households in **arrears** and at **£2,800** was joint fourth in terms of average non-mortgage **borrowing**.

Individual Income

Official HM Revenue and Customs data for the 2007/08 financial year show that individuals paying tax in London had a median annual income of £21,800, £1,400 higher than the next highest region and £3,300 higher than the UK average. The difference between the mean and median measure of individual income in London was more than £15,000 in 2007/08, by far the highest of any region. This demonstrates the importance of using a median measure when discussing income, as a mean figure could be pulled higher by the presence of a relatively small group of extremely high earners within the population (see Chart 1). Table 1 shows that London had the third highest median annual income among those paying tax on self-employed income at £11,000 behind the East and South East regions. The amount of income earned from investments by those in London was £82 per year, fourth highest regionally. Pension income in London was second highest among all UK regions at £10,100.

Household Income

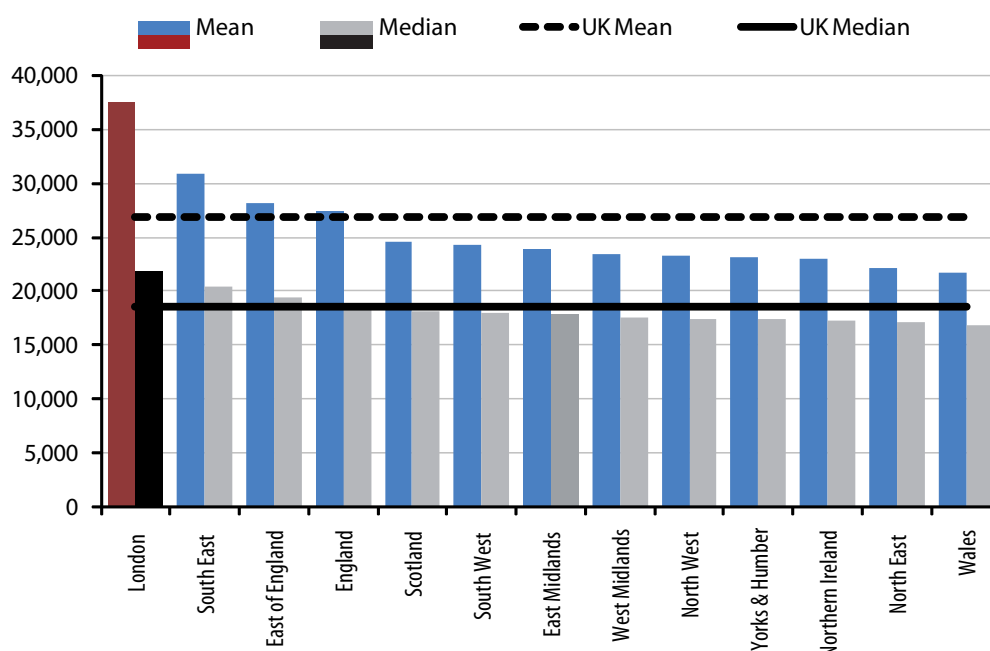
PayCheck data provides modelled estimates of gross household income including income derived from investments and social security benefits. London's median gross annual household income in 2009 was

Table 1: Median Taxable Income by Type of Income, UK regions and countries, 2007/08, £ per year

| | Self Employment Income | Employment Income | Pension Income | Investment Income | Total Income |
|-----------------------|------------------------|-------------------|----------------|-------------------|---------------|
| North East | 9,380 | 16,700 | 9,360 | 59 | 17,100 |
| North West | 9,560 | 16,700 | 9,600 | 71 | 17,400 |
| Yorks & Humber | 9,770 | 16,600 | 9,550 | 69 | 17,400 |
| East Midlands | 10,300 | 17,000 | 9,460 | 75 | 17,900 |
| West Midlands | 9,970 | 16,900 | 9,330 | 74 | 17,600 |
| East of England | 11,700 | 18,400 | 10,000 | 85 | 19,400 |
| London | 11,000 | 21,600 | 10,100 | 82 | 21,800 |
| South East | 11,200 | 19,200 | 10,400 | 95 | 20,400 |
| South West | 9,980 | 16,800 | 9,670 | 92 | 18,000 |
| England | 10,500 | 17,900 | 9,770 | 80 | 18,700 |
| Wales | 9,420 | 16,100 | 9,540 | 75 | 16,900 |
| Scotland | 10,600 | 17,400 | 9,830 | 67 | 18,200 |
| Northern Ireland | 10,100 | 16,400 | 9,510 | 75 | 17,300 |
| United Kingdom | 10,400 | 17,700 | 9,770 | 79 | 18,500 |

Source: Survey of Personal Incomes

Chart 1: Mean and Median Taxable Income, UK regions and countries, 2007/08, £ per year



Source: Survey of Personal Incomes

£33,430, over £4,000 higher than the Great Britain average of £29,363 (see Table 2, p.6). The 2009 figure represented a decrease of £340 on the previous year, equivalent to one per cent. Figures for Great Britain showed an increase of 2.3 per cent from £28,698 in 2008 to £29,363 in 2009.

Despite relatively high levels of wealth in London, compared with Great Britain, almost 426,000 households (16 per cent) in London have an equivalised annual household income of less than £15,000 – that is, less than half of the

Table 2: Annual Household Income, Unequalised and Equalised, London boroughs, 2009, £ per year and percentages

| | Unequalised | | | Equalised | | |
|------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| | Median (£) | < £15,000 (%) | >£60,000 (%) | Median (£) | < £15,000 (%) | >£60,000 (%) |
| City of London | 44,337 | 7 | 30 | 48,334 | 5 | 36 |
| Barking and Dagenham | 27,477 | 19 | 9 | 23,954 | 24 | 7 |
| Barnet | 35,680 | 11 | 19 | 31,554 | 14 | 16 |
| Bexley | 33,624 | 12 | 16 | 29,272 | 16 | 12 |
| Brent | 30,679 | 15 | 13 | 26,437 | 21 | 10 |
| Bromley | 37,357 | 10 | 21 | 33,545 | 12 | 18 |
| Camden | 33,337 | 13 | 17 | 32,696 | 14 | 18 |
| Croydon | 33,442 | 13 | 17 | 29,649 | 16 | 14 |
| Ealing | 33,391 | 13 | 17 | 29,088 | 18 | 14 |
| Enfield | 31,955 | 14 | 15 | 27,995 | 19 | 12 |
| Greenwich | 30,650 | 15 | 14 | 27,870 | 19 | 12 |
| Hackney | 29,187 | 17 | 12 | 26,788 | 21 | 11 |
| Hammersmith and Fulham | 34,821 | 12 | 19 | 32,996 | 14 | 18 |
| Haringey | 30,998 | 15 | 15 | 28,278 | 19 | 13 |
| Harrow | 35,377 | 11 | 19 | 29,994 | 15 | 14 |
| Havering | 33,399 | 13 | 16 | 29,002 | 16 | 12 |
| Hillingdon | 33,538 | 12 | 16 | 29,349 | 16 | 13 |
| Hounslow | 33,175 | 13 | 16 | 28,946 | 17 | 13 |
| Islington | 31,985 | 14 | 16 | 30,047 | 16 | 15 |
| Kensington and Chelsea | 39,249 | 9 | 24 | 39,407 | 9 | 26 |
| Kingston upon Thames | 37,787 | 9 | 22 | 33,973 | 12 | 18 |
| Lambeth | 32,321 | 14 | 16 | 29,977 | 17 | 15 |
| Lewisham | 31,154 | 15 | 14 | 28,518 | 18 | 12 |
| Merton | 35,461 | 11 | 19 | 31,717 | 14 | 16 |
| Newham | 27,314 | 19 | 9 | 23,265 | 26 | 7 |
| Redbridge | 34,333 | 12 | 17 | 29,534 | 16 | 13 |
| Richmond upon Thames | 42,028 | 7 | 27 | 39,058 | 8 | 25 |
| Southwark | 30,639 | 16 | 15 | 28,612 | 19 | 14 |
| Sutton | 35,381 | 11 | 19 | 31,663 | 14 | 15 |
| Tower Hamlets | 30,777 | 16 | 15 | 28,199 | 20 | 15 |
| Waltham Forest | 31,231 | 14 | 14 | 27,637 | 19 | 11 |
| Wandsworth | 38,330 | 10 | 23 | 35,756 | 11 | 22 |
| Westminster | 37,398 | 10 | 22 | 37,936 | 10 | 24 |
| London | 33,430 | 13 | 17 | 30,168 | 16 | 15 |
| Inner London | 32,825 | 14 | 17 | 30,766 | 16 | 16 |
| Outer London | 33,850 | 12 | 17 | 29,797 | 16 | 14 |
| Great Britain | 29,363 | 17 | 11 | 26,518 | 21 | 10 |

Source: PayCheck 2009, CACI Solutions

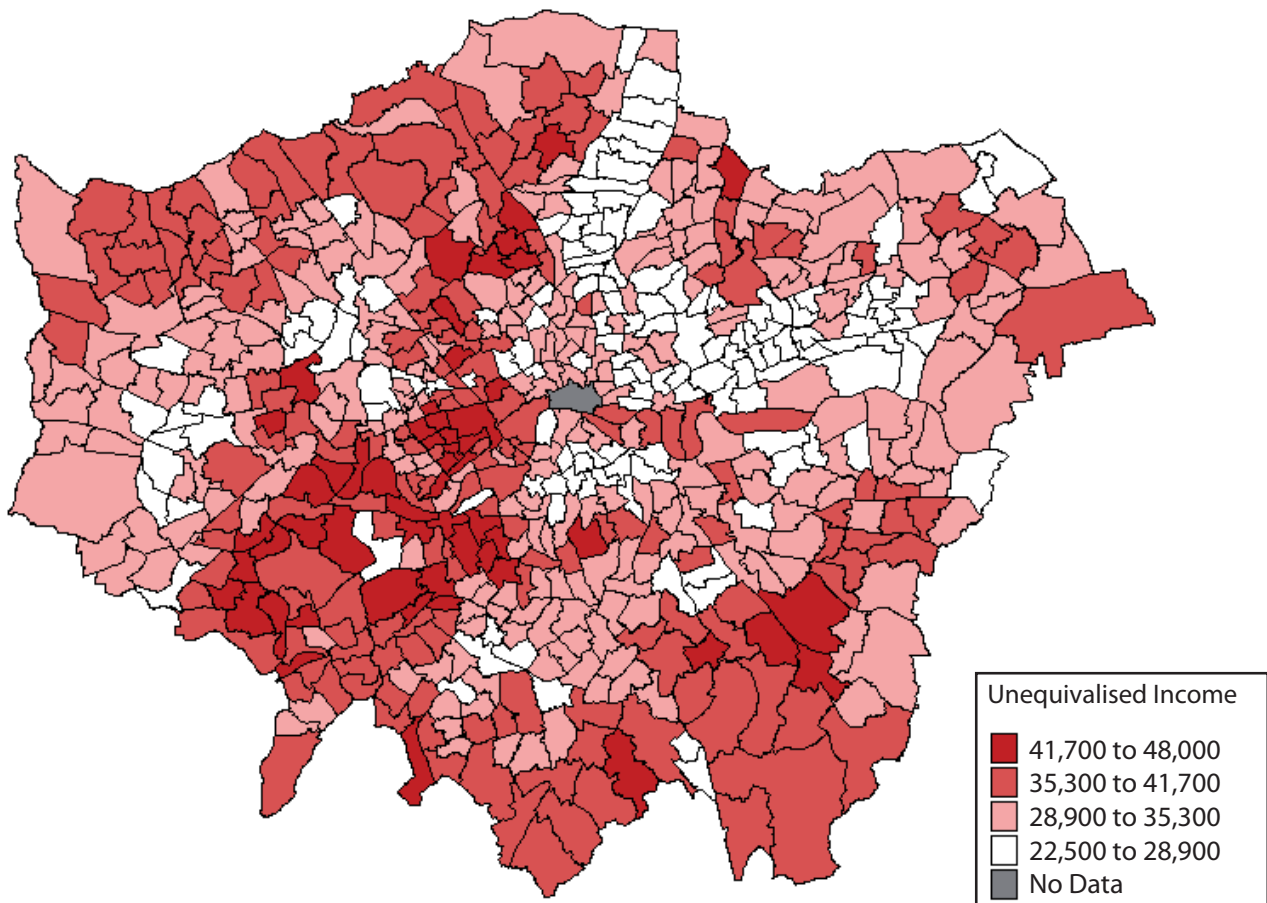
median figure for London. Eight per cent of all GB households with an equivalised income of less than £15,000 lived in London. Equivalised income estimates take into account the size and composition of a household and reflect the idea that a larger household would require a larger income than a smaller household in order to achieve an equivalent standard of living. More than one in four households in Newham and almost a quarter of households in Barking and Dagenham had an annual income of less than £15,000. A further three boroughs (Brent, Hackney and Tower Hamlets) had one in five households living below this threshold (Table 2, p.6).

At the opposite end of the income scale, almost 15 per cent of households in London had an equivalised annual income greater than £60,000, almost double the median figure. This compares with one in ten households in Great Britain. Excluding the City of London, Kensington and Chelsea had the highest proportion of households with an annual income in excess of £60,000 at 26 per cent, followed by Richmond at 25 per cent.

Map 1 shows median unequivalised income by ward in London. Within London (excluding the City of London), median total income was highest in Richmond upon Thames at £42,208 followed by Kensington and Chelsea at £39,249. Lower incomes are clearly concentrated in the East, particularly within Newham, Haringey and Barking and Dagenham. Median gross household income exceeded £30,000 a year in just four wards in Newham. Small clusters of wards with low incomes can also be seen in Southwark, Lewisham and Croydon in the South, Brent and Enfield to the North and in the West – Ealing and Hounslow. Excluding wards in the City, Thamesfield ward in Wandsworth had the highest median income at £47,953, while Fieldway ward in Croydon had the lowest at £22,510.

The Living Costs and Food Survey provides mean estimates of both gross and disposable household income on a weekly basis. Average gross weekly household income in London was £900 in 2006-08, 35 per cent higher than the UK

Map 1: Unequivalised Median Household Income, London wards, 2009, £ per year



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Source: PayCheck 2009, CACI Solutions

Table 3: Weekly Mean Household Income, UK regions and countries, 2006-08, £ per week

| | Gross | Disposable ¹ | Disposable as % of Gross |
|--------------------------|------------|-------------------------|--------------------------|
| North East | 538 | 449 | 84 |
| North West | 587 | 482 | 82 |
| Yorkshire and the Humber | 575 | 475 | 83 |
| East Midlands | 610 | 496 | 81 |
| West Midlands | 622 | 509 | 82 |
| East | 712 | 579 | 81 |
| London | 900 | 712 | 79 |
| South East | 783 | 626 | 80 |
| South West | 642 | 528 | 82 |
| England | 683 | 554 | 81 |
| Wales | 571 | 474 | 83 |
| Scotland | 612 | 499 | 82 |
| Northern Ireland | 616 | 512 | 83 |
| United Kingdom | 669 | 544 | 81 |

¹ Gross weekly cash income less the statutory deductions and payments of income tax (taking refunds into account) and national insurance contributions.

Source: Family Spending 2009, Living Costs and Food Survey 2008

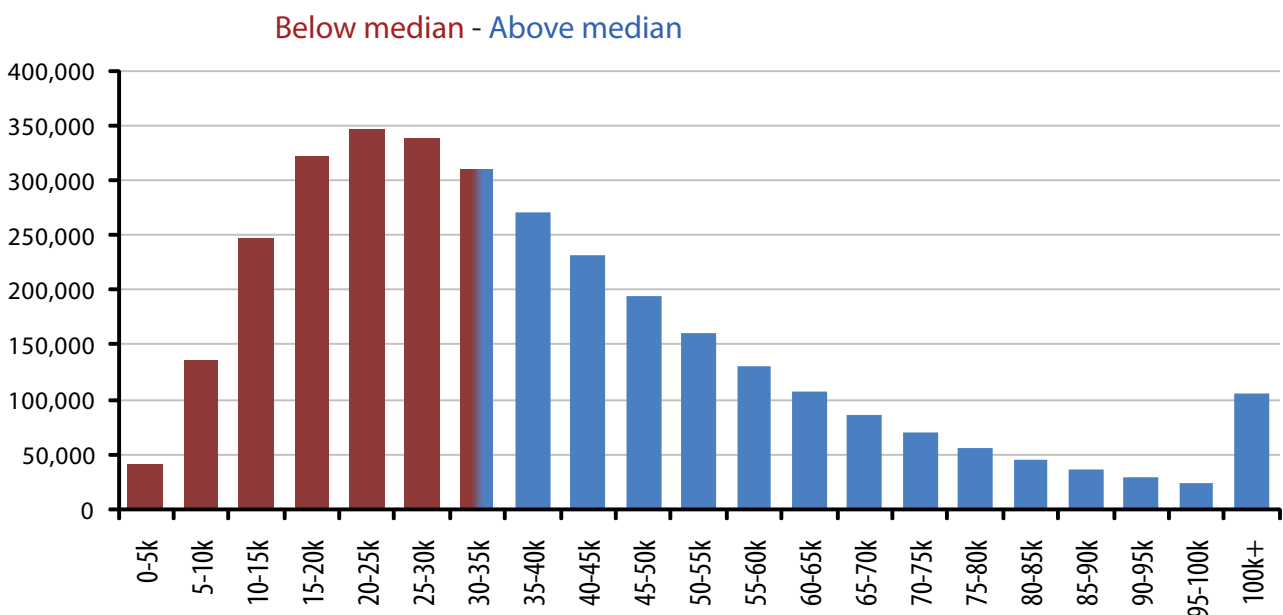
average, and significantly higher than any other UK region (see Table 3). Disposable income refers to the income that remains after statutory deductions, income tax and national insurance contributions. People in London had the highest disposable income but also paid the highest share of their gross earnings in taxes and national insurance contributions. In consequence, a measure of disposable income expressed as a percentage of gross income sees London ranked the lowest at 79 per cent, compared with 84 per cent in the North East where the percentage was the highest.

Distribution of Income

Chart 2 shows the distribution of London households across £5,000 bands of total annual household income. Exactly two in five households in London had an annual income between £15,000 and £35,000. Just over three per cent of households had an income greater than £100,000 per year. This is equivalent to more than 100,000 households.

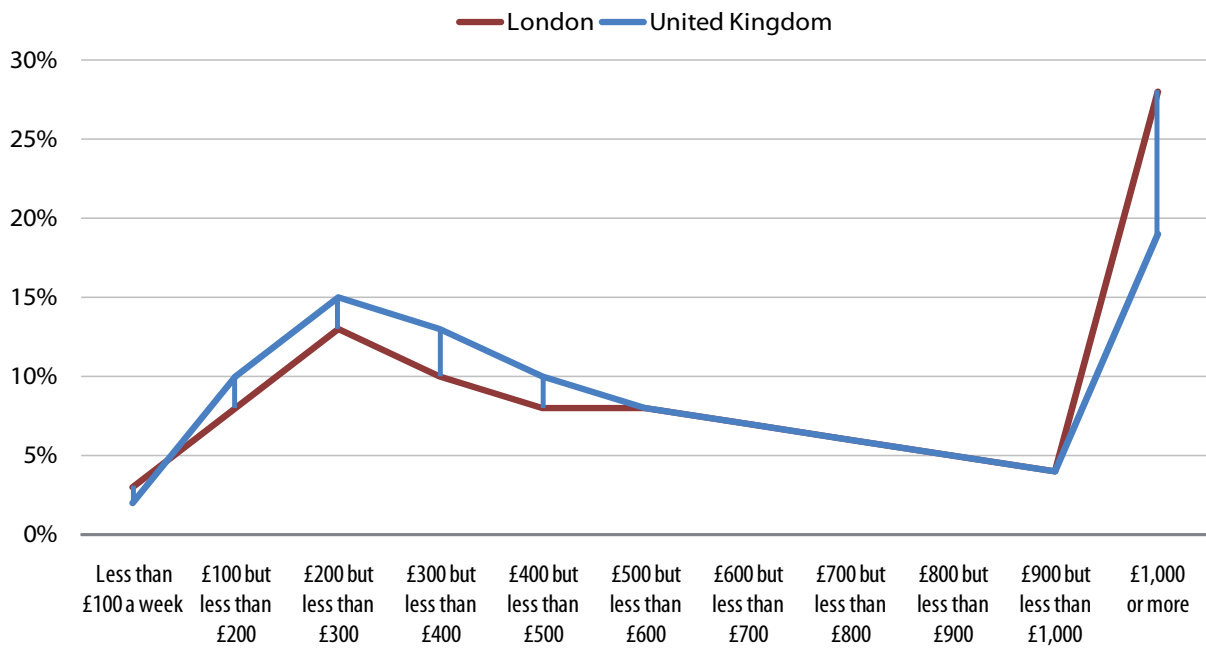
Table 4 (p.9) shows that 28 per cent of households in London had a gross weekly income in excess of £1,000. The outer London rate was 28 per cent - nine percentage points higher than the UK rate. The inner London figure was slightly lower at 26 per cent but remained higher than any other region with the exception of the South East. London had the highest proportion of households with an income of either less than £300 or greater than £1,000 per week at 52 per cent compared with 46 per

Chart 2: Distribution of Unequalised Household Income, London, 2009, £ per year



Source: PayCheck 2009, CACI Solutions

Chart 3: Households by Total Weekly Household Income Band, London and UK, 2007/08



Source: Family Resources Survey

Table 4: Households by Weekly Income, UK regions and countries, 2007/08, percentages

| | Less than £300 | £1,000 or more | Less than £300 or £1,000 or more |
|--------------------------|----------------|----------------|----------------------------------|
| North East | 33 | 15 | 48 |
| North West | 30 | 14 | 44 |
| Yorkshire and the Humber | 30 | 15 | 45 |
| East Midlands | 29 | 15 | 44 |
| West Midlands | 27 | 17 | 44 |
| East of England | 25 | 23 | 48 |
| London | 24 | 28 | 52 |
| Inner London | 26 | 26 | 52 |
| Outer London | 23 | 28 | 51 |
| South East | 21 | 27 | 48 |
| South West | 25 | 18 | 43 |
| England | 26 | 20 | 46 |
| Wales | 29 | 15 | 44 |
| Scotland | 29 | 17 | 46 |
| Northern Ireland | 29 | 15 | 44 |
| United Kingdom | 27 | 19 | 46 |

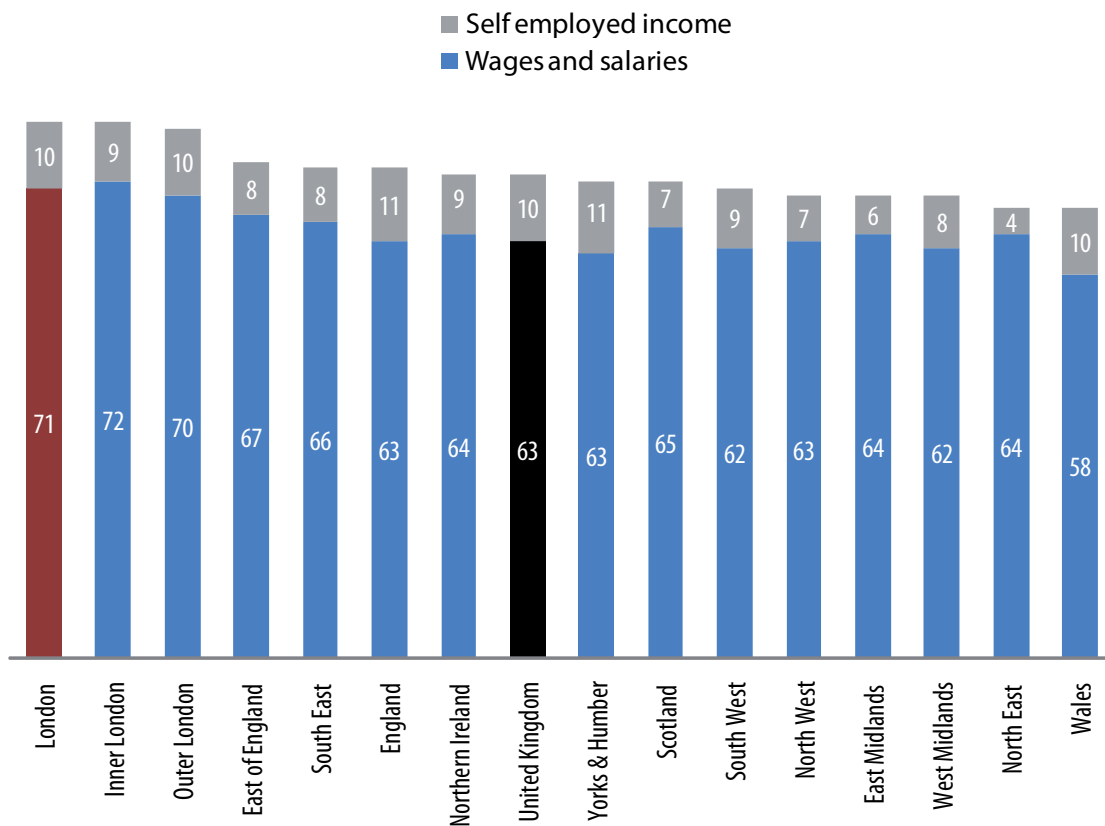
Source: Family Resources Survey

cent in the UK. This shows how the distribution of income in the capital is polarised to a greater extent in London than elsewhere in the UK (Chart 3) - with a higher proportion of people with income of less than £100 and more than £1,000 a week.

Sources of Income

At 71 per cent, Londoners drew a greater proportion of their total weekly household income from wages and salaries than people in any other UK region. The London figure is eight percentage points higher than the UK average and four percentage points higher than the next closest region – the East. Households in inner London drew 70 per cent of total income from wages and salaries compared with 66 per cent in outer London (Chart 4, p.10). A tenth of total household income in London was derived from the self-employed sector matching the proportion of working-age people who were self-employed (10.7 per cent). A further six per cent was derived from social security benefits, both broadly consistent with the UK figures.

Chart 4: Selected Sources of Household Income, UK regions and countries, 2007/08, percentages



Source: Family Resources Survey

Household Wealth

The figures presented in Table 5 show total wealth as the sum of net property wealth, physical wealth, net financial wealth, and private pension wealth. These figures are taken from the *Wealth in Great Britain* report which gives headline figures from the first wave of the Wealth and Assets Survey, undertaken between July 2006 and June 2008. The median total wealth of a household in London (excluding those with zero wealth) during the period 2006-08 was £173,400, over £100,000 less than the highest figure of £287,900 in the South East and just £23,000 higher than the lowest figure of £150,600 in Scotland.

Net Property Wealth refers to the value of the main residence of a household and of any subsequent properties it owns minus value of all mortgages and amounts owed as a result of equity release. London has the highest median household property wealth at £220,000, ten per cent higher than the South East, the next closest region. The median property wealth of a household in London was double that of a household in Scotland during 2006-08 (see Chart 5, p.11).

Table 5: Household Wealth (median figures), GB regions and countries, 2006-08, £

| | Total Wealth inc Pension Wealth | Net Propety Wealth ¹ | Physical Wealth | Financial Wealth ² | Private Pension Wealth ³ |
|-----------------|---------------------------------|---------------------------------|-----------------|-------------------------------|-------------------------------------|
| North East | 169,500 | 120,000 | 29,500 | 2,500 | 79,900 |
| North West | 168,200 | 127,000 | 27,000 | 3,100 | 75,000 |
| Yorks & Humber | 172,700 | 123,000 | 30,000 | 4,700 | 64,700 |
| East Midlands | 213,700 | 135,000 | 33,000 | 6,700 | 76,800 |
| West Midlands | 187,700 | 140,000 | 30,000 | 4,700 | 69,600 |
| East of England | 241,300 | 180,000 | 35,000 | 9,000 | 80,000 |
| London | 173,400 | 220,000 | 25,000 | 4,900 | 75,000 |
| South East | 287,900 | 200,000 | 36,000 | 10,500 | 90,500 |
| South West | 277,700 | 180,000 | 35,400 | 8,800 | 80,500 |
| Wales | 205,500 | 135,000 | 27,000 | 3,500 | 71,200 |
| Scotland | 150,600 | 100,000 | 28,000 | 4,500 | 78,400 |

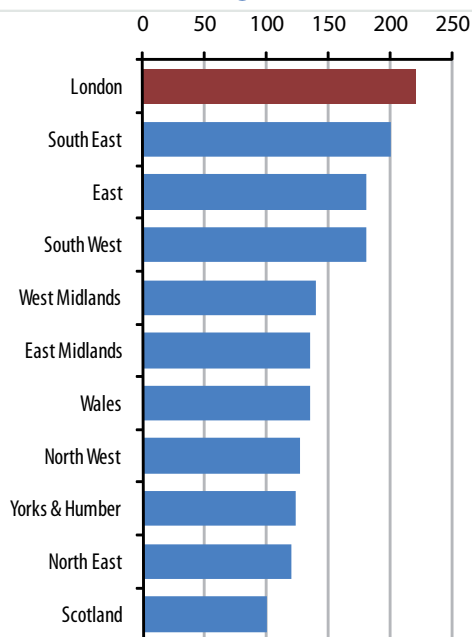
¹ Excludes households with zero property wealth.

² Excludes households with zero financial wealth.

³ Excludes households with zero private pension wealth.

Source: Wealth and Assets Survey, Office for National Statistics

Chart 5: Household Net Property Wealth (median), GB regions, 2006-08, £ (000s)



Source: Wealth and Assets Survey

Chart 6: Household Physical Wealth (median), GB regions, 2006-08, £ (000s)



Source: Wealth and Assets Survey

Physical wealth is the sum value of the contents of a household's main residence and contents of any other property which the household owns other than the main residence - including collectables, valuables, vehicles and personalised number plates. The estimated physical wealth of a household in London was £25,000, the lowest of any region in Great Britain and £11,000 less than the South East, the region with the highest value (see Chart 6).

Financial wealth includes the value of formal and informal financial assets held by adults and of children's assets. Formal refers to bank accounts, premium bonds, savings etc. Informal refers to less structured sources of financial wealth eg money boxes or informal loans. London's median household financial wealth in 2006-08 was £4,900, less than half of the total for the South East of £10,500. The North East was the least wealthy on this measure at £2,500.

Pension wealth refers to the amount of capital an individual would need to set aside (at the time of interview) in order to ensure the same income stream throughout retirement as that which they will receive from their private pensions. In 2006-08 median private pension wealth in London totalled £75,000. Again, the South East had the highest pension totals at just over £90,000, compared with the lowest of £64,700 in Yorkshire and Humber.

See notes and definitions section for a more in depth explanation of how the estimates have been generated.

Arrears and Borrowing

The Wealth and Assets Survey also provides figures for the proportion of households in arrears and an estimate of median non-mortgage household borrowing. Households were defined as being in arrears if they had fallen behind with any household bills, such as utility bills, council tax and rent, a mortgage on the main home or if any household member was behind with non-mortgage borrowing payments. In 2006-08, over 400,000 households, equivalent to 13 per cent in London, were estimated to be in arrears, the highest of all regions and five percentage points higher than the lowest rate, shared by the East and Scotland (see Chart 7, p.12).

Non-mortgage borrowing was defined as the use of any credit or store cards that were not settled in full each month, overdrafts and all forms of fixed-term loans (including personal loans, hire purchase agreements and mail order accounts). Median non-mortgage borrowing in London totalled £2,800 joint fourth highest of all regions with Yorkshire and The Humber (see Chart 8, p.12). Of those households owing money in non-mortgage borrowing, London households owed £1,000 less than households in the South East and £1,200 more than households in Scotland.

Chart 7: Proportion of Households in Arrears, GB regions, 2006-08, percentages



Source: Wealth and Assets Survey

Chart 8: Non-mortgage Borrowing (median), GB regions, 2006-08, £



Source: Wealth and Assets Survey

Expenditure

Those renting in London spent more than those in any other UK region at £162 per week, 34 per cent higher than the next closest region (South East) and over £50 per week more than the UK average. The capital also had the highest net rent (gross less housing benefit, rebate and allowances) at £105 compared with just £45 in the North East. However, as a percentage of gross rent, the amount of housing benefit, rebate and allowance received in London was third lowest at 35 per cent, behind the South East at 30 per cent and the East at 31 per cent (see Table 6).

During 2008 the average weekly payment made by mortgage holders in London was £216. Mortgage interest payments of £153 per week accounted for 70 per cent of the total, with capital repayments of £58 making up a further 27 per cent and the final three per cent being spent on mortgage protection premiums. Chart 9 (p.13) compares London mortgage payments with those in the UK as a whole. On average, mortgage holders in London spend 45 per cent more in total mortgage payments than those in the UK, 57 per cent more in interest payments and 26 per cent more in capital repayments. Households in London and the UK spend the same amount (£4.80) on mortgage protection payments.

Table 6: Expenditure¹ on Rents, UK regions, 2008, £ per week

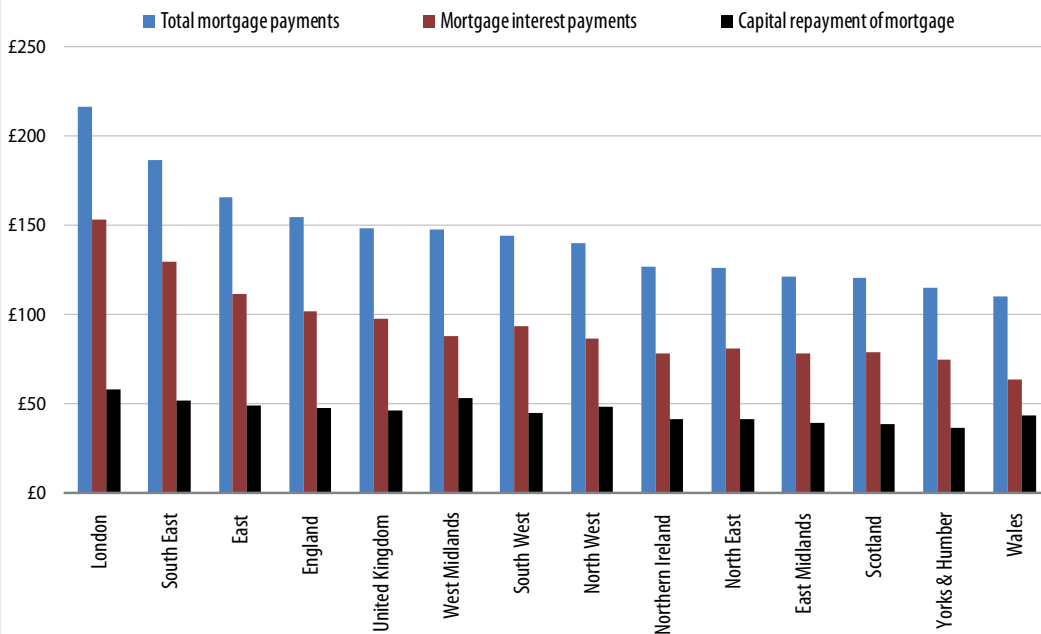
| | Gross rent | Less housing benefit, rebates and allowances received | Net rent ² | Housing Benefit, rebates and allowances as % of gross rent |
|-----------------------|------------|---|-----------------------|--|
| North East | 87 | 42 | 45 | 48 |
| North West | 90 | 43 | 47 | 48 |
| Yorks & Humber | 83 | 30 | 53 | 36 |
| East Midlands | 92 | 38 | 54 | 41 |
| West Midlands | 93 | 43 | 49 | 47 |
| East | 112 | 35 | 77 | 31 |
| London | 162 | 57 | 105 | 35 |
| South East | 121 | 37 | 84 | 30 |
| South West | 106 | 41 | 65 | 39 |
| England | 112 | 42 | 69 | 38 |
| Wales | 90 | 38 | 52 | 43 |
| Scotland | 86 | 37 | 50 | 42 |
| Northern Ireland | 84 | 36 | 48 | 42 |
| United Kingdom | 108 | 42 | 66 | 39 |

¹Primary dwelling.

²The figure is an average of all people who pay rent and does not include those who do not pay rent. The figure included in total expenditure is net rent as opposed to gross rent.

Source: Family Spending 2009

Chart 9: Mortgage Payments, UK regions and countries, 2008, £ per week



Excluding the “other expenditure” category, the highest proportion of total expenditure in London was spent on housing, fuel and power at 14 per cent followed by transport at 12 per cent of total expenditure. In all other regions, expenditure on transport ranked ahead of housing, fuel and power.

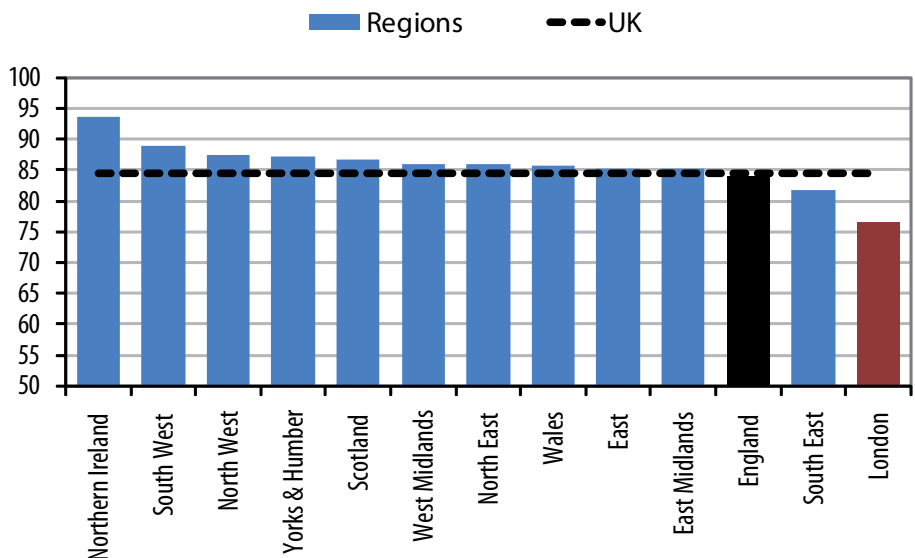
Source: Family Spending 2009, Living Costs and Food Survey 2008

Table 7 (p.14) shows that total household expenditure in London during 2006-08 was £545 per week, the highest average of any UK region. However, expressed as a proportion of disposable household income, London spends the lowest percentage at 77 per cent, eight percentage points less than the UK average (see Chart 10). This figure does not include mortgage payments.

London households spent the highest amount on housing, fuel and power (£73.90), education (£14.80), restaurants and hotels (£45.00), health (£7.00) and communication (£14.50), of any UK region. However, as in the previous year, households in London spent the lowest amount of any region on alcoholic drinks, tobacco and narcotics at £10 per week.

Table 8 (p.14) shows the percentage of households in a region with selected durable goods - such as a car, a washing machine, a mobile phone etc. - in 2008. Across 12 categories London had a lower proportion of households with those goods than the wider UK. The proportion of households in London with tumble dryers was 13 percentage points lower than households in the UK. Households in London are 12 percentage points less likely to own a car than those across the UK. London

Chart 10: Total Household Expenditure as a Percentage of Disposable¹ Household Income, UK regions, 2006-08



¹ Gross weekly cash income less the statutory deductions and payments of income tax (taking refunds into account) and national insurance contributions.

Source: Family Spending 2009, Living Costs and Food Survey 2008

Table 7: Household Weekly Expenditure by Type, UK regions and countries, 2006-08, £ per week

| | Food & non-alcoholic drinks | Alcoholic drinks, tobacco & narcotics | Clothing & footwear | Housing (net) ¹ , fuel & power | Household goods & services | Health | Transport | Communication | Recreation & culture | Education | Restaurants & hotels | Miscellaneous goods & services | Other Expenditure | Total Expenditure | Expenditure per person |
|------------------|-----------------------------|---------------------------------------|---------------------|---|----------------------------|--------|-----------|---------------|----------------------|-----------|----------------------|--------------------------------|-------------------|-------------------|------------------------|
| North East | 43.10 | 10.50 | 21.60 | 42.40 | 29.40 | 3.60 | 49.70 | 10.30 | 50.60 | 4.60 | 33.80 | 28.40 | 58.20 | 386.10 | 163.60 |
| North West | 46.20 | 12.20 | 21.50 | 42.70 | 26.00 | 5.90 | 52.60 | 11.20 | 56.70 | 4.00 | 35.70 | 34.10 | 72.50 | 421.20 | 175.40 |
| Yorks & Humber | 45.30 | 10.50 | 20.10 | 46.20 | 30.50 | 4.50 | 54.60 | 10.60 | 55.50 | 4.50 | 37.20 | 30.30 | 64.80 | 414.60 | 179.90 |
| East Midlands | 46.80 | 10.40 | 19.40 | 43.10 | 27.50 | 6.30 | 60.60 | 11.40 | 56.60 | 4.10 | 35.10 | 32.10 | 69.00 | 422.30 | 180.80 |
| West Midlands | 48.60 | 11.80 | 23.80 | 44.70 | 29.10 | 4.70 | 59.60 | 11.50 | 58.30 | 4.60 | 36.10 | 34.60 | 69.80 | 437.10 | 177.90 |
| East | 49.00 | 10.30 | 21.90 | 53.10 | 34.40 | 6.10 | 68.70 | 12.70 | 63.80 | 6.00 | 37.60 | 40.60 | 89.10 | 493.40 | 214.10 |
| London | 50.20 | 10.00 | 26.10 | 73.90 | 31.90 | 7.00 | 63.50 | 14.50 | 54.30 | 14.80 | 45.00 | 39.40 | 114.10 | 544.70 | 222.20 |
| South East | 51.70 | 10.70 | 21.10 | 55.80 | 32.90 | 6.40 | 76.40 | 11.90 | 61.70 | 7.80 | 39.30 | 42.00 | 94.80 | 512.30 | 220.10 |
| South West | 49.80 | 10.30 | 19.90 | 53.30 | 31.50 | 6.00 | 65.60 | 11.70 | 63.60 | 8.90 | 36.70 | 35.20 | 76.70 | 469.20 | 205.40 |
| England | 48.40 | 10.80 | 21.90 | 52.10 | 30.50 | 5.80 | 62.50 | 11.90 | 58.30 | 7.10 | 37.90 | 36.10 | 82.00 | 465.20 | 197.00 |
| Wales | 47.70 | 11.60 | 19.40 | 47.80 | 25.70 | 3.50 | 56.20 | 10.60 | 58.20 | 5.00 | 30.90 | 29.70 | 60.40 | 406.70 | 175.90 |
| Scotland | 46.80 | 12.30 | 23.30 | 42.30 | 30.00 | 4.50 | 59.90 | 11.00 | 59.20 | 4.30 | 35.40 | 32.50 | 71.10 | 432.80 | 197.90 |
| Northern Ireland | 55.40 | 13.80 | 34.50 | 45.00 | 32.80 | 4.40 | 62.80 | 14.60 | 55.90 | 4.60 | 44.30 | 39.20 | 72.40 | 479.70 | 180.50 |
| United Kingdom | 48.40 | 11.00 | 22.20 | 50.80 | 30.30 | 5.60 | 62.00 | 11.80 | 58.30 | 6.70 | 37.50 | 35.50 | 79.70 | 459.70 | 195.60 |

Source: Family Spending 2009

¹ Excluding mortgage interest payments, council tax and Northern Ireland rates. The figure is an average across all households irrespective of whether they rent or own.

Table 8: Households with Selected Durable Goods, UK regions and countries, 2006-08, percentages

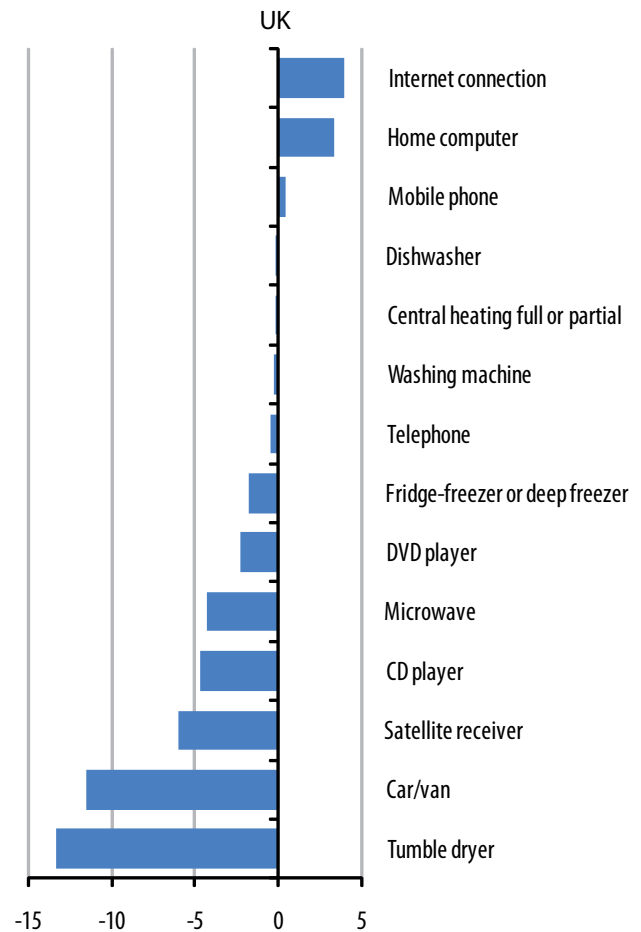
| | Car/van | One | Two | Three or more | Central heating full or partial | Fridge-freezer or deep freezer | Washing machine | Tumble dryer | Dish-washer | Micro-wave | Telephone | Mobile phone | DVD player | Satellite receiver ¹ | CD player | Home computer | Internet connection |
|------------------|---------|-----|-----|---------------|---------------------------------|--------------------------------|-----------------|--------------|-------------|------------|-----------|--------------|------------|---------------------------------|-----------|---------------|---------------------|
| North East | 66 | 41 | 20 | 4 | 98 | 96 | 98 | 55 | 25 | 92 | 88 | 73 | 87 | 79 | 86 | 64 | 57 |
| North West | 71 | 42 | 25 | 5 | 94 | 96 | 97 | 59 | 32 | 94 | 88 | 78 | 88 | 83 | 87 | 68 | 60 |
| Yorks & Humber | 73 | 45 | 24 | 5 | 94 | 96 | 96 | 59 | 32 | 94 | 88 | 82 | 85 | 77 | 86 | 66 | 58 |
| East Midlands | 79 | 45 | 28 | 7 | 96 | 97 | 97 | 59 | 37 | 93 | 91 | 84 | 86 | 76 | 88 | 70 | 62 |
| West Midlands | 75 | 43 | 25 | 7 | 94 | 95 | 97 | 64 | 32 | 93 | 89 | 84 | 86 | 75 | 87 | 69 | 61 |
| East | 83 | 45 | 30 | 8 | 96 | 96 | 97 | 62 | 43 | 91 | 93 | 83 | 86 | 77 | 89 | 71 | 65 |
| London | 63 | 44 | 16 | 4 | 95 | 94 | 96 | 45 | 37 | 87 | 90 | 79 | 83 | 71 | 82 | 73 | 66 |
| South East | 80 | 41 | 31 | 8 | 95 | 96 | 97 | 59 | 45 | 89 | 92 | 79 | 87 | 76 | 88 | 74 | 68 |
| South West | 83 | 46 | 30 | 8 | 94 | 96 | 96 | 62 | 42 | 92 | 93 | 84 | 84 | 76 | 88 | 70 | 63 |
| England | 75 | 43 | 25 | 6 | 95 | 96 | 97 | 58 | 37 | 91 | 90 | 81 | 86 | 76 | 87 | 70 | 63 |
| Wales | 76 | 44 | 26 | 6 | 94 | 96 | 97 | 60 | 34 | 94 | 90 | 52 | 83 | 77 | 86 | 68 | 59 |
| Scotland | 70 | 44 | 22 | 4 | 95 | 97 | 96 | 60 | 38 | 91 | 91 | 84 | 87 | 79 | 87 | 68 | 60 |
| Northern Ireland | 77 | 44 | 26 | 7 | 98 | 98 | 96 | 61 | 48 | 92 | 87 | 54 | 81 | 78 | 81 | 64 | 55 |
| United Kingdom | 75 | 44 | 25 | 6 | 95 | 96 | 97 | 58 | 37 | 92 | 90 | 79 | 86 | 77 | 87 | 70 | 62 |

Source: Family Spending 2009

¹ Includes digital and cable receivers.

those across the UK. London households were however, more likely to possess goods associated with communication and ICT. For instance, a higher proportion of households in London possessed a mobile phone, a home computer and an internet connection than households elsewhere in the UK (see [Chart 11](#)).

Chart 11: Households with Selected Durable Goods, London compared with the UK, 2008, difference in percentages



Source: Family Spending 2009, Living Costs and Food Survey 2008

Notes

Living Costs and Food Survey (Family Spending Report) (Tables 3, 6, 7 and Charts 9, 10, 11)

The Living Costs and Food Survey (LCFS - formerly the Expenditure & Food Survey and Family Expenditure Survey) is a sample survey of private households in the United Kingdom. The sample is representative of all regions of the UK and of different types of households. The survey is continuous with interviews spread evenly over the year to ensure that estimates are not biased by seasonal variation. The survey results show how households spend their money; the proportion spent on food, clothing and so on; and how spending patterns vary depending on income, household composition, and regional location of households.

Households selected for the LCFS are asked to complete an interview covering information about the household, regular items of household expenditure and details of household income. Following this, all adults within the household are asked to keep a diary to record all items of expenditure in the following two weeks. Children aged 7-15 years are also asked to keep a diary of their personal expenditure.

Since 2001/02, the Classification of Individual Consumption by Purpose (COICOP) system has been used to classify expenditure on the LCFS. COICOP is the internationally agreed standard classification for reporting household consumption expenditure within National Accounts. COICOP is also used on Household Budget Surveys (HBS) across the European Union.

One of the main purposes of the LCFS is to define the weights for the 'basket of goods' for the Retail Price Index (RPI) and the Consumer Price Index (CPI). The RPI has a vital role in the uprating of state pensions and welfare benefits, while the CPI is a key instrument of the government's monetary policy. Information from the survey is also a major source for estimates of Household Expenditure in the UK National Accounts. In addition, many other government departments use LCFS data as a basis for policy making, for example in the areas of housing and transport. The Department for Environment, Food and Rural Affairs (DEFRA) uses LCFS data to report on trends in food consumption and nutrient intake within the UK. Users of the LCFS outside government include independent research institutes, academic researchers and business/market researchers.

Family Resources Survey (Table 4 and Charts 3, 4)

The FRS is a continuous survey with results published annually by the Department for Work and Pensions (DWP). The 2008/09 version surveyed approximately 25,000 households in the UK, including just over 2,000 in London.

The income of a household before housing costs is defined as the total income of all members of the household after the deduction of income tax, National Insurance contributions, contributions to personal pensions, additional voluntary contributions to personal pensions, maintenance/child support payments, parental contributions to students living away from home and council tax.

Income includes earnings from employment and self-employment, social security benefits including Housing Benefit, occupational and private pensions, investment income, maintenance payments, educational grants, scholarships and top-up loans and some in-kind benefits such as luncheon vouchers, and free TV licenses for the over 75's.

The income of a household after housing costs is derived by deducting a measure of housing costs from the above measure. Housing costs include rent (gross of housing benefit), water rates, community water charges and council water charges, mortgage interest payments (net of tax relief), structural insurance premiums (for owner occupiers), ground rent and service charges.

Wealth and Assets Survey (Table 5 and Charts 5, 6, 7, 8)

For more information regarding the methods used to generate estimates of wealth and borrowing in the Wealth and Assets Survey, please see the report at the following link

<http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=15074>

Survey of Personal Incomes (Table 1 and Chart 1)

The sample survey is based on information held by HM Revenue & Customs (HMRC) tax offices on persons who could be liable to tax. It is carried out annually and covers the income assessable for tax in each year. The table in this section is based on the survey for 2007/08.

Samples were selected from three HMRC operational IT systems, which are as follows:

COP: this covers all employees and occupational or personal pension recipients with a PAYE record;

CESA: this covers the self-assessment population; those with self employment, rent or untaxed investment income, directors and other people with complex tax affairs or very high incomes (over £100k). Some people have both a COP and CESA record, although after the refinement of many higher rate employees out of Self-Assessment this group has reduced.

Claims: this covers people without COP or CESA records who have had too much tax deducted at source and claim repayment.

The approximate sample size for the survey was 600,000.

Figures and estimates provided relate only to those liable to pay tax.

The population of records is not grouped before the sample is selected. The geographical indicators are attached only to the selected sample based on address and postcode.

Household Expenditure (Table 7)

The table of expenditure by commodity and service shows total weekly household expenditure in the UK and expenditure by the 12 Classification of individual consumption by purpose (COICOP) headings. COICOP is the internationally agreed classification system for reporting household consumption expenditure.

Definitions:

Housing (net), fuel and power includes: rent, maintenance and repair, water, electricity, gas and other fuels. Mortgage capital payments and amounts paid for the outright purchase of the dwelling or for major structural alterations are not included as housing expenditure under the COICOP classification.

Household goods and services includes: furnishings, textiles, appliances, tools, and equipment for house and garden, goods and services for routine household maintenance.

Health includes: medicines, prescriptions, healthcare products, spectacles, lenses, accessories and repairs and hospital services.

Transport includes: purchase of vehicles; operation of personal transport i.e. fuel, servicing, spares and transport services (including rail, tube, bus and coach fares).

Communication includes: postal services, telephone and telefax and services.

Recreation and culture includes: audio-visual, photographic and information processing equipment (including TV, videos, computers, CD players); games, toys, hobbies, sport equipment, pets, gardens and recreational services (including cinema, TV licenses, TV subscriptions, leisure class fees, internet); newspapers, books and stationery; package holidays (not including spending money).

Miscellaneous goods and services includes: personal care i.e. hairdressing, toiletries, personal effects; social protection, household, medical and vehicle insurances; other services (including moving house costs, banking charges and professional fees)

Other expenditure are those items excluded from COICOP classifications, such as mortgage interest payments; council tax and domestic rates; licenses, fines and transfers; holiday spending; cash gifts and charitable donations and interest on credit cards.

PayCheck 2009 (Map 1, Chart 2 and Table 3)

PayCheck provides modelled estimates of gross household income (including investment income and social security benefits) at a number of geographic levels down to Output Areas (OA) and postcodes. The data are produced by CACI Information Solutions, a market analysis consultancy.

For further information regarding the PayCheck dataset, please contact CACI Information Solutions at www.caci.co.uk.

Websites, References and Further Reading

Websites

Government Actuary's Department
www.gad.gov.uk

Department for Work and Pension
www.dwp.gov.uk

References and further reading

Expenditure and Food Survey, Office for National Statistics
www.statistics.gov.uk/ssd/surveys/expenditure_food_survey.asp

Family Resources Survey, Department for Work and Pensions
www.dwp.gov.uk/asd/frs/

Survey of Personal Incomes, HMRC
www.hmrc.gov.uk/stats/income_distribution/menu.htm

Wealth and Assets Survey
<http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=15074>

Family Spending - A report on the 2008 Living Costs and Food Survey
http://www.statistics.gov.uk/downloads/theme_social/Family-Spending-2008/FamilySpending2009.pdf

PayCheck 2009
www.caci.co.uk

Households Below Average Income
www.dwp.gov.uk/asd/hbai.asp

