

Date: 29 March 2006  
Reference No. PENS -021

Coverage:  
United Kingdom

Theme:  
Social and Welfare

**DWP** Department for  
Work and Pensions

**Issued by:**  
Pensioners' Incomes Team  
Pensions Analysis Directorate  
Department for Work and  
Pensions

Press Office:  
020 3267 5144

DWP website:  
[www.dwp.gov.uk](http://www.dwp.gov.uk)

**Statistician:**  
Jo Semmence  
Pensions Analysis Directorate  
Department for Work and  
Pensions  
4<sup>th</sup> floor  
The Adelphi  
1-11 John Adam Street  
London WC2N 6HT

Telephone: 020 7962 8975  
Facsimile: 020 7962 8613  
email:  
[Jo.Semmence@dwp.gsi.gov.uk](mailto:Jo.Semmence@dwp.gsi.gov.uk)

**Next Publication:**  
To be announced

## The Pensioners' Incomes Series 2005/6

The Pensioners' Incomes Series 2005/6 is published today.

The Series contains estimates of the levels, sources and the distribution of pensioners' incomes and examines the position of pensioners within the income distribution of the population as a whole.

The publication is based on two household surveys. The **latest information**, for the financial years 1994/5 to 2005/6, comes from the Family Resources Survey (FRS).

**Historical trends** are examined in more detail using the Family Expenditure Surveys (FES) from the calendar year 1979 to the financial year 1996/7. It is strongly advised that users do not make any direct comparisons of results between the two different surveys.

---

### The main findings from the publication:

*(Table 2.1)*

In 2005/6 the **average net income for all pensioner units** (pensioner couples and single pensioners together) was £292 per week before housing costs.

*(Table A2.1)*

Between 1979 and 1996/7 pensioners' net income rose by 64 per cent before housing costs and by 70 per cent after housing costs in real terms. By way of comparison, average earnings in the whole economy grew by 36 per cent in real terms over the same period.

*(Table A2.1)*

The rise in average income was driven by substantial increases in incomes from benefits, occupational pensions and investments.

*(Table 2.2)*

Between 1996/7 and 2005/6, average net income before housing costs continued to rise and increased by 27 per cent over the period. Recent growth estimates in this publication are subject to particular uncertainty, but the average almost certainly increased at a faster rate than average earnings (up 16 per cent over the same period).

Recent growth in average income has been driven by continued increases in benefit and occupational pension income.

---

## **Differences amongst pensioners:**

### **Differences by status**

(Tables 2.1-2)

Average net income for pensioner couples in 2005/6 was almost twice that of singles.

In 2005/6 **average net income of pensioner couples** was £397 per week before housing costs are taken into account and £375 per week after housing costs. Between 1996/7 and 2005/6 the net income of pensioner couples grew by 23 per cent in real terms.

The **average net income of single pensioners** was £205 per week in 2005/6 before housing costs and £178 per week after housing costs. Between 1996/7 and 2005/6 the net income of single pensioners grew by 30 per cent in real terms.

### **Differences by sex**

(Table 2.6)

The average net income of single female pensioners' per week was approximately 90 per cent of single male pensioners' net income per week before housing costs in 2005/6.

The **average net income of single male pensioners** was £222 per week in 2005/6 before housing costs and £194 per week after housing costs. The **average net income of single female pensioners** was £200 per week in 2005/6 before housing costs and £173 per week after housing costs.

### **Differences by age**

(Tables 2.3-6)

On average older pensioners had lower incomes than younger pensioners.

The **average net income of pensioner couples with the head aged under 75** was £425 per week in 2005/6 before housing costs, and £401 per week after housing costs. Single pensioners under 75 had £217 before housing costs, and £190 after housing costs.

The **average net income of pensioner couples with the head aged 75 or over** was £329 per week in 2005/6 before housing costs and £309 per week after housing costs. This was £195 before housing costs and £169 after housing costs for single pensioners aged 75 or over.

## **Sources of income for pensioner units:**

Estimates of income from different sources are dependent on survey respondents correctly identifying the different elements of their income, for example exactly which benefits they are receiving. Therefore results are subject to misreporting. However, they do provide a useful picture of broad levels and trends.

(Table 2.1)

In 2005/6 **benefit income** (45 per cent) was the most substantial component of pensioner units' gross incomes, followed by **occupational pensions** (25 per cent), **earnings** (16 per cent), **investment income** (9 per cent) and **personal pension income** (3 per cent). However, not all pensioners receive income from all these sources.

### **Benefits**

(Table 3.3)

Nearly all (96 per cent) pensioner units received some **income from the State Pension** (including widow's benefits) in 2005/6. The average amount received was £120 per week in 2005/6 (£100 for singles and £144 for couples).

(Table 3.4)

33 per cent of pensioner units received some **income from income related benefits** in 2005/6. The average amount received by those units with some income related benefits was £61 per week in 2005/6.

(Table 3.5)

Over one fifth (23 per cent) of pensioner units received some **income from disability benefits** in 2005/6. The average amount received by those with income from disability benefits was £58 per week in 2005/6.

### **Occupational pensions**

(Table 3.7)

The proportion of pensioner units with some **income from occupational pensions** was 59 per cent in 2005/6. The average amount received by those units with some occupational pension was £146 per week in 2005/6.

## Notes to Editors

1. The Pensioner' Incomes Series 2005/6 is largely based on information contained in the Family Resources Survey (FRS) from the financial years 1994/5 to 2005/6, run by the Department for Work and Pensions (DWP), and covering the United Kingdom (Great Britain before 2002/3).
2. Pensioners' Incomes Series (PI) results have also been produced for the calendar year 1979 to the financial year 1996/7 using data from the Family Expenditure Survey (FES), which is run by the Office for National Statistics and covers the United Kingdom. Results from the FRS and FES should not be directly compared to one another.
3. Neither the FRS nor the FES collects information on people living in institutions, e.g. nursing homes, barracks, or jails; and homeless people living rough or in bed and breakfast accommodation. Therefore the PI Series does not cover these people.
4. A pensioner unit is defined as a single (non-cohabiting) person over State Pension Age (SPA) or a couple (married or cohabiting) where one or more members is over SPA. SPA is 65 years for men and 60 years for women.
5. Two measures of net income are given. Net income Before Housing Costs (BHC) measures net income before deductions for the cost of housing. Net income After Housing Costs (AHC) measures net income after a deduction for the cost of housing.
6. All reported amounts are given in £ per week in 2005/6 prices and are mean averages unless otherwise stated. Estimates are rounded to the nearest £1 or 1 per cent.
7. Measured growth in pensioners' incomes refers to growth in summary measures and implies nothing about the growth in incomes of individual pensioners.
8. The Pensioner' Incomes Series 2005/6 is a National Statistics publication and is produced to the high professional standards outlined in the National Statistics Code of Practice. National Statistics publications undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

"The Pensioners' Incomes Series 2005/6"  
ISBN 978-1-84695-801-4

Press Enquiries: 020 3267 5144

Copies are available from:

Sam Mold  
Pensions Analysis Directorate  
Department for Work and Pensions  
The Adelphi  
1-11, John Adam Street  
London, WC2N 6HT

Tel: 020 7712 2496  
Fax: 020 7962 8613  
Email: [Sam.Mold@dwp.gsi.gov.uk](mailto:Sam.Mold@dwp.gsi.gov.uk)

For those with access to the internet a ".pdf" version of the publication can be downloaded from:  
[http://www.dwp.gov.uk/asd/asd6/pensioners\\_income.asp](http://www.dwp.gov.uk/asd/asd6/pensioners_income.asp)