

2 Total Individual Income by Source of Income

2.1 Introduction

Section 2 looks at the seven main components of mean weekly total individual income and the variation in these components for men and women. Differences in total individual income by family type are also examined.

Normally median income is used in analysis such as this because it is less sensitive to estimation error than mean income, but due to the nature of the analysis in this section mean individual income has been used to allow the dis-aggregation of individual income by its source.

It should be noted that the number of cases of single men with children (lone fathers) collected in the Family Resources Survey was small, hence this category is not presented separately within the tables, with the exception of Table 1.1. These figures should be treated with caution.

2.2 Key Findings

- Mean total individual income for women in 2002/03 was £191 per week; 64% was sourced from earnings (employment and self-employment); 26% from benefits; 4% from Non-State Pensions.
- Mean total individual income for men in 2002/03 was £306 per week; 79% was sourced from earnings (employment and self-employment); 11% from benefits; 6% from Non-State Pensions.
- For 39% of all women and 23% of all men, State Support made up at least 75% of their income.
- 56% of all men and 38% of all women received at least 75% of their income from employment.
- Over half of female lone parents derive 75%+ of their income from State Support.
- There was little difference in total individual income between sexes for singles. Couples exhibit the greatest variation, with pensioner couples showing the most disparity; female pensioners in couples have under half the income of their male counterparts.

2.3 Individual Income by Source of Income and Family Type

The seven main sources of total individual income employed in this section are:

- Earnings
- Self-employment income
- Non-state pensions and annuities
- Investment income
- Tax credits
- Other income (including maintenance, income from an absent partner, trade union sick and strike pay, income from babysitting, odd jobs and other miscellaneous sources)
- Benefit income: This has been sub-divided into three categories which take account of whether benefits are received by individuals or benefit units / households. The three categories are:
 1. Dependent benefits (most importantly: Child Benefit and Income Support)
 2. Mainly personal benefits (most importantly: state Retirement Pension and Incapacity Benefit)
 3. Individual benefits (most importantly: Disability Living Allowance and Attendance Allowance)

It should be noted that benefit payments have not been split into claimant / dependant entitlements, therefore the individual receiving the payment in respect of a partner and/or other dependants, has been assigned the full payment for the purposes of this analysis.

All women and all men

Tables 2.1, 2.2 and Figure 2.1 look at the mean value of total individual income and composition by family and source of income.

Earned income (employed or self-employed) accounted for the majority of income in both sexes, with 64% of women's income coming from these two categories, compared to 79% for males. The next highest contributor to income was benefits at 26% for women and 11% for men, of which the main component for both sexes was mainly personal benefits such as retirement pension and Incapacity benefit. Benefit receipt of benefits such as Child Benefit and Income Support, which fall under Dependent benefits were higher for women. Tax credit receipt was also higher for women.

The mean individual income for women was £191, compared to £306 for men. Male earnings from employment and self-employment largely accounted for this marked difference, with £242 of male income coming from these categories, compared to only £122 for women. An explanation for this was that more men than women were self employed (4% of women, compared to 16% of men).

Another contributing factor to the difference in mean income by sex is the higher percentage of males receiving non-state pensions.

Table 2.1 Mean Total Individual Income and Composition by Source of Income, by Family Type, All Women, 2002/03

Source of Income	Percentage						All Women
	Single without children	Single with children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Earnings	81	36	3	84	71	15	60
Self-employment	2	3	1	6	6	1	4
Non-State pensions	1	1	18	1	-	17	4
Investments	-	-	2	1	1	5	1
Tax Credits	1	11	0	-	3	0	2
Benefit Income							
Dependent Benefits	4	38	0	1	12	-	9
Mainly Personal Benefits	3	1	60	3	2	46	12
Individual Benefits	4	3	13	3	3	14	5
Total	11	43	72	7	17	60	26
Other	4	5	3	1	1	1	2
Total Income (£ per week 2002/03)	185	220	157	206	232	109	191

Table 2.2 Mean Total Individual Income and Composition by Source of Income, by Family Type, All Men, 2002/03

Source of Income	Percentage					All Men
	Single without children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Earnings	71	8	76	69	10	63
Self-employment	14	6	11	23	5	16
Non-State pensions	2	17	5	1	34	6
Investments	1	3	1	1	5	1
Tax Credits	0	0	0	1	-	-
Benefit Income						
Dependent Benefits	4	0	2	1	1	2
Mainly Personal Benefits	3	57	3	1	36	7
Individual Benefits	3	7	1	1	6	2
Total	10	64	6	3	43	11
Other	2	2	-	1	3	1
Total Income (£ per week 2002/03)	202	180	353	432	234	306

Figure 2.1 Mean Total Individual Income and Composition by Source of Income, by Family Type, 2002/03

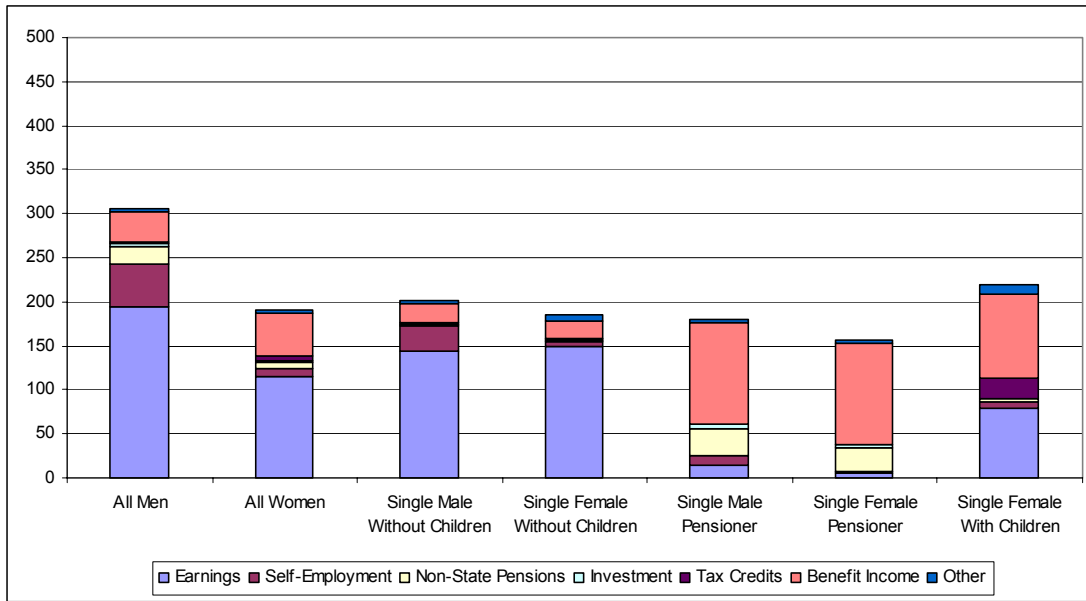


Figure 2.1 cont. Mean Total Individual Income and Composition by Source of Income, by Family Type, 2002/03

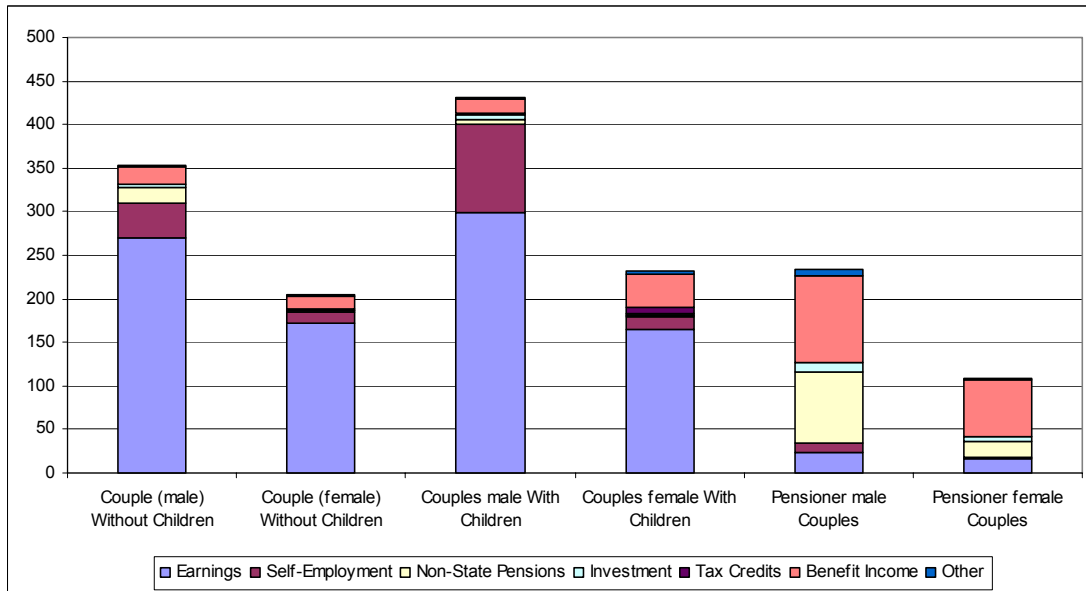


Table 2.3 Proportion of Total Individual Income from State Support and Employment by Family Type, All Women, 2002/03

Proportion of Income	Percentage						All Women
	Single without children	Single with children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
From State Support							
Less than 25%	79	15	6	82	58	16	47
Between 25% and 50%	1	17	13	2	8	10	8
Between 50% and 75%	2	12	13	1	4	12	6
75% or greater	17	56	68	15	31	62	39
From Employment							
Less than 25%	33	61	96	30	34	90	54
Between 25% and 50%	2	14	1	1	4	2	4
Between 50% and 75%	4	12	1	2	8	4	5
75% or greater	61	12	1	66	54	4	38

Table 2.4 Proportion of Total Individual Income from State Support and Employment by Family Type, All Men, 2002/03

Proportion of Income	Percentage					All Men
	Single without children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
From State Support						
Less than 25%	78	6	83	88	23	68
Between 25% and 50%	1	15	2	2	17	5
Between 50% and 75%	1	19	1	1	13	4
75% or greater	21	60	14	9	47	23
From Employment						
Less than 25%	43	88	24	15	88	41
Between 25% and 50%	1	6	-	-	3	1
Between 50% and 75%	-	2	2	2	2	2
75% or greater	56	3	73	83	6	56

Non-pensioner singles without children

Mean total individual income for men was slightly higher than for women (£202) than for women (£185), however the composition of income was quite close, with the major difference arising in the self-employment category, where 14% of male income was sourced here, compared to only 2% of women's income.

17% of single women without children received 75% or more of their income from state support, compared to 21% of males. Employment income made up at least 75% of total income for approximately three-fifths of men and women.

Single women with children

The mean total individual income for female lone parents was £220 per week. 43% of this was derived from benefits, followed by 36% from earnings and 11% from Tax Credits. The 43% from benefits comprised of 3% from Individual and Mainly Personal benefits and 38% from dependent benefits, which includes Child Benefit and Income Support.

Over half lone mothers derive 75% of their income from State Support. Over three-fifths derive less than 25% from employment.

Single pensioners

Mean total individual income for single pensioners was £157 per week for women. The majority of this was derived from benefits (72%), in particular Mainly Personal benefits (60%). This category of benefits comprises of mainly Retirement Pension and Incapacity Benefit. 18% of income was also derived from Non-State pensions and 2% from Investments.

Mean total individual income for single male pensioners was higher at £180 per week. Men received a slightly lower percentage of their income from Non-State pensions (17%), and benefits (64%), predominantly from Mainly Personal Benefits (57%).

68% of single female pensioners obtain at least three-quarters of their income from State Support, compared to 60% of men. The distribution of income from employment for single pensioners differed slightly between sexes, with more males deriving a higher percentage of income from employment.

Non-pensioner couples without children

Women in couples without children had a mean total individual income of £206 per week. This is just over half what their male counterparts receive (£353). While income from employment earnings is the main source of income for both males and females, it is much higher for women; 84% for women, compared to 76% for men. Men however obtain 11% of their income from self-employment, compared to only 6% for women. Benefit income is slightly higher for women at 7%, compared to 6% for men.

While the sexes essentially receive the same proportion of income from State Support, the amount received from employment differs. 66% of women gain at least 75% of their income from employment, compared to 73% of men.

Non-pensioner couples with children

Men in couples with children had a mean total individual income of £432 per week, compared to £232 per week for women. As with couples without children, earnings from employment was the primary source of income for both sexes and males received a higher proportion of income from self employment; 23%, compared to 6% for women.

Women received 17% of their income from benefits, chiefly from dependent benefits. Conversely, men received only 3% of their income from benefits.

31% of women receive at least 75% of their income from State Support, compared to 9% of men. When looking at income from employment, again women received a lower proportion from employment, with only 54% receiving at least three-quarters from employment, compared to 83% of men.

Pensioner couples

Women sourced a slightly higher proportion of their income from employment earnings (15%) than men (10%). Men however had a higher proportion from self-employment (5%), compared to women (1%). Men also received 34% of their income from Non-State pensions, compared to only 17% for women. Conversely, women received more income from benefits; 60%, compared to 43% for men. For both sexes the majority of benefit income came from Mainly Personal Benefits, which includes Retirement Pension and Incapacity Benefit.

62% of women sourced at least three quarters of their income from benefits, compared to 47% of men. 6% of men earned at least 75% of their income from employment, compared to 4% of women.

2.4 Individual Income by Income Component and Family Type

Tables 2.5 and 2.6 examine mean values of individual income by income component and family type by sex. The three income measures used in this report are comprised of the components listed (see Appendix 2 for definitions).

It should be noted that figures within these tables have been rounded to the nearest pound. In some cases income amounts may appear to be zero, when they are in fact very small amounts rounded.

The Family Resources Survey does not collect information on who makes childcare cost payments. As a result, an adjustment has been made for the purposes of this analysis: in the case of couples, childcare costs are allocated to the women and then deducted from her disposable income. Childcare costs are also deducted from the disposable income of all single parents.

Travel to work costs were higher for men than women, especially for couples. Overall men paid £17 per week on getting to work, compared to only £10 for women. Childcare costs and housing costs are higher for women.

Table 2.5 Mean Values of Individual income by Income Component and Family Type, All Women, 2002/03

Income Component	£ per week (2002/03 prices)						All Women
	Single without children	Single with children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Total Individual Income	185	220	157	206	232	109	191
Net Individual Income	156	206	150	171	199	104	168
Housing Costs	4	0	0	0	0	0	1
Travel to work costs	15	4	0	14	14	1	10
Maintenance Payments	0	0	0	0	0	0	0
Student Support	0	0	0	0	0	0	0
Childcare costs	0	6	0	0	10	0	3
Disposable Individual Income	143	222	162	158	177	105	160

Table 2.6 Mean Values of Individual income by Income Component and Family Type, All Men, 2002/03

Income Component	£ per week (2002/03 prices)					All Men
	Single without children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Total Individual Income	202	180	353	432	234	306
Net Individual Income	170	168	277	343	213	250
Housing Costs	0	0	0	0	0	0
Travel to work costs	13	1	21	29	2	17
Maintenance Payments	1	0	1	1	1	1
Student Support	1	0	1	2	0	1
Childcare costs	0	0	0	0	0	0
Disposable Individual Income	161	178	255	312	213	234