

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 Summary of Key Findings

- Mean total individual income for women in 2003/04 was £199 per week; 63% was sourced from earnings (employment and self-employment); 26% from benefits; 5% from Non-State Pensions.
- Mean total individual income for men in 2003/04 was £311 per week; 78% was sourced from earnings (employment and self-employment); 11% from benefits; 7% from Non-State Pensions.
- For 40% of all women and 25% of all men, State Support made up at least 75% of their income.
- 55% of all men and 36% 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 less than 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 63% of women's income coming from these two categories, compared to 78% 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 £199, compared to £311 for men. Male earnings from employment and self-employment largely accounted for this marked difference, with £244 of male income coming from these categories, compared to only £126 for women. An explanation for this was that more men than women were self employed (5% of women, compared to 19% 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, 2003/04

Source of Income	Percentage						All Women
	Single without children	Single with children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Earnings	77	36	3	81	71	12	58
Self-employment	1	4	0	7	6	10	5
Non-State pensions	3	-	22	1	1	17	5
Investments	1	-	2	3	1	2	1
Tax Credits	-	14	0	-	6	-	3
Benefit Income							
Dependent Benefits	5	35	-	1	11	-	8
Mainly Personal Benefits	3	3	59	4	2	47	12
Individual Benefits	5	3	14	3	2	10	5
Total	13	41	73	7	16	57	26
Other	5	5	1	1	1	1	2
Total Income (£ per week 2003/04 prices)	198	235	173	206	236	120	199

Table 2.2 Mean Total Individual Income and Composition by Source of Income, by Family Type, All Men, 2003/04

Source of Income	Percentage					All Men
	Single without children	Single pensioner	Couple without children	Couple with children	Pensioner couple	
Earnings	72	0	65	68	10	59
Self-employment	11	4	23	23	10	19
Non-State pensions	2	18	4	1	36	7
Investments	1	3	2	1	2	1
Tax Credits	-	0	-	2	-	1
Benefit Income						
Dependent Benefits	5	0	1	2	1	2
Mainly Personal Benefits	4	61	2	1	34	7
Individual Benefits	3	14	2	1	5	2
Total	12	74	5	4	39	11
Other	3	1	1	1	2	1
Total Income (£ per week 2003/04 prices)	194	168	388	418	252	311

Figure 2.1 Mean Total Individual Income and Composition by Source of Income, by Family Type, 2003/04

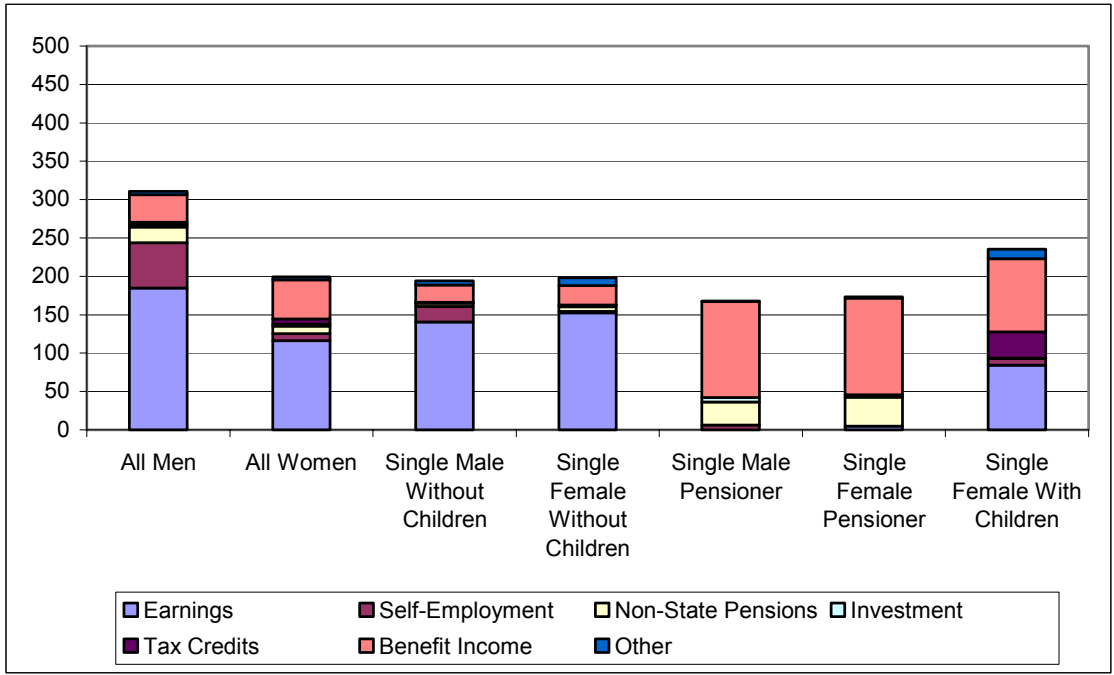


Figure 2.1 cont. Mean Total Individual Income and Composition by Source of Income, by Family Type, 2003/04

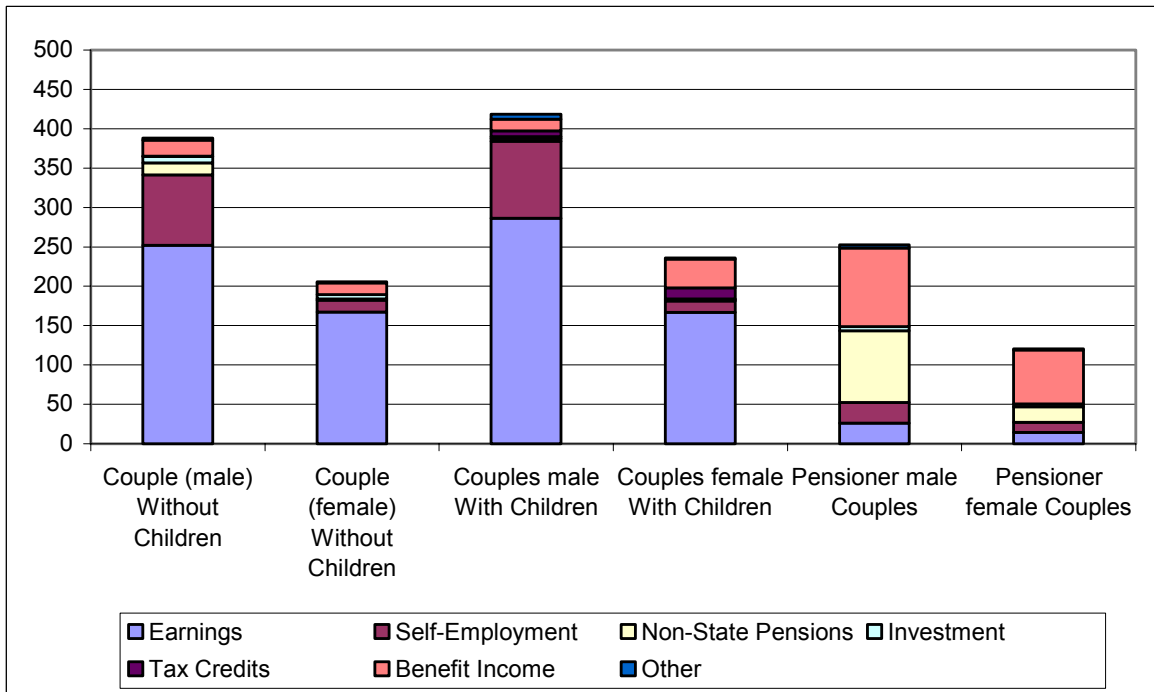


Table 2.3 Proportion of Total Individual Income from State Support and Employment by Family Type, All Women, 2003/04

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%	77	17	4	82	55	13	46
Between 25% and 50%	3	17	10	-	10	10	8
Between 50% and 75%	2	12	14	1	4	10	6
75% or greater	18	53	72	17	31	67	40
From Employment							
Less than 25%	34	58	97	36	33	91	54
Between 25% and 50%	4	11	1	-	4	2	4
Between 50% and 75%	5	20	1	0	11	2	6
75% or greater	56	11	1	64	52	5	36

Table 2.4 Proportion of Total Individual Income from State Support and Employment by Family Type, All Men, 2003/04

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%	73	2	82	86	24	65
Between 25% and 50%	1	10	1	3	17	5
Between 50% and 75%	1	22	2	1	16	5
75% or greater	25	66	15	10	43	25
From Employment						
Less than 25%	40	98	24	14	86	41
Between 25% and 50%	1	1	3	1	3	2
Between 50% and 75%	1	0	1	5	2	3
75% or greater	58	1	72	81	8	55

Non-pensioner singles without children

Mean total individual income was slightly higher for women (£198) than for men (£194), however the composition of income was quite close, with the major difference arising in the self-employment category, where 11% of male income was sourced here, compared to only 1% of women's income.

18% of single women without children received 75% or more of their income from state support, compared to 25% of males. Employment income made up at least 75% of total income for approximately three-quarters of men and women.

Single women with children

The mean total individual income for female lone parents was £235 per week. 41% of this was derived from benefits, followed by 36% from earnings and 14% from Tax Credits. The 41% from benefits comprised of 3% from Individual and Mainly Personal benefits and 35% from dependent benefits, which includes Child Benefit and Income Support.

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

Single pensioners

Mean total individual income for single pensioners was £173 per week for women. The majority of this was derived from benefits (73%), in particular Mainly Personal benefits (59%). This category of benefits comprises of mainly Retirement Pension and Incapacity Benefit. 22% of income was also derived from Non-State pensions and 2% from Investments.

Mean total individual income for single male pensioners was higher at £168 per week. While men received a slightly lower percentage of their income from Non-State pensions (18%), they did receive a slightly higher proportion from benefits (74%), predominantly from Mainly Personal Benefits (61%).

72% of single female pensioners obtain at least three-quarters of their income from State Support, compared to 66% of men. The distribution of income from employment for single pensioners was much the same between sexes.

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 (£388). While income from employment earnings is the main source of income for both males and females, it is much higher for women; 81% for women, compared to 65% for men. Men however obtain 23% of their income from self-employment, compared to only 7% for women. Benefit income is higher for women at 7%, compared to 5% for men.

While the sexes essentially receive the same proportion of income from State Support, the amount received from employment differs. 64% of women gain at least 75% of their income from employment, compared to 72% of men.

Non-pensioner couples with children

Men in couples with children had a mean total individual income of £418 per week, compared to £236 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 16% of their income from benefits, chiefly from dependent benefits. Conversely, men received only 4% of their income from benefits.

31% of women receive at least 75% of their income from State Support, compared to 10% of men. When looking at income from employment, again women received a lower proportion from employment, with only 52% receiving at least three-quarters from employment, compared to 81% of men.

Pensioner couples

Men and women sourced approximately the same proportion of their income from employment earnings and self-employment (10%-12% for each category). Men, however, received 36% of their income from Non-State pensions, compared to only 17% for men. Conversely, women received more income from benefits; 57%, compared to 39% for women. For both sexes the majority of benefit income came from Mainly Personal Benefits, which includes Retirement Pension and Incapacity Benefit.

67% of women sourced at least three quarters of their income from benefits, compared to 43% of men. 8% of men earned at least 75% of their income from employment, compared to 5% 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 £19 per week on getting to work, compared to only £10 for women. Maintenance payments are also higher for men.

Table 2.5 Mean Values of Individual income by Income Component and Family Type, All Women, 2003/04

Income Component	£ per week (2003/04 prices)						
	Single without children	Single with children	Single pensioner	Couple without children	Couple with children	Pensioner couple	All Women
Total Individual Income	198	235	173	206	236	120	199
Net Individual Income	167	220	165	170	201	114	174
Housing Costs	1	0	0	0	0	0	0
Travel to work costs	17	11	0	12	12	1	10
Maintenance Payments	0	0	0	0	0	0	0
Student Support	1	0	0	1	0	0	0
Childcare costs	0	9	0	0	11	0	4
Disposable Individual Income	154	227	176	159	179	116	166

Table 2.6 Mean Values of Individual income by Income Component and Family Type, All Men, 2003/04

Income Component	£ per week (2003/04 prices)					
	Single without children	Single pensioner	Couple without children	Couple with children	Pensioner couple	All Men
Total Individual Income	194	168	388	418	252	311
Net Individual Income	162	163	311	335	227	256
Housing Costs	1	0	0	0	0	0
Travel to work costs	17	0	23	29	2	19
Maintenance Payments	3	1	1	1	0	2
Student Support	1	0	2	2	0	1
Childcare costs	na	na	na	na	na	na
Disposable Individual Income	147	172	288	303	227	237