

Chapter 2: Total Wealth, 2008/10

Coverage: **GB**

Date: **12 July 2012**

Geographical Area: **Region**

Theme: **Economy**

Summary

- In 2008/10, aggregate total wealth (including private pension wealth but excluding state pension wealth) of all private households in Great Britain was £10.3 trillion.
- The wealthiest 10 per cent of households were 4.4 times wealthier than the bottom 50 per cent of households combined.
- The wealthiest 20 per cent of households owned 62 per cent of total aggregate household wealth.
- Private pension wealth makes the largest contribution to total wealth for the wealthiest 30 per cent of households.

Introduction

This chapter looks at total net wealth of private households in Great Britain. The definition of wealth used in this survey is an economic one: total wealth (gross) is the value of accumulated assets, and total wealth (net) is the value of accumulated assets minus the value of accumulated liabilities. Total net wealth is defined as the sum of four components: property wealth (net) and physical wealth (each covered in [part one of the wave two report](#)), financial wealth (net) from Chapter 3, and private pension wealth from Chapter 4.

Net wealth is a 'stock' concept rather than a 'flow' concept. In other words, it refers to the balance at a point in time. In contrast, income refers to the flow of resources over time.

Wealth is capable of producing flows of income either in the present or – as in the case of pension wealth – in the future. Wealth accumulation allows households to consume more either now or in the future. The measure of net wealth is based on the personal, private wealth of households.

It does not include business assets owned by household members, for instance if they run a business; nor does it include rights to state pensions, which people accrue during their working lives and draw on in retirement.

The following chapter will present findings for two estimates of total wealth: total household wealth and aggregate total wealth. Total household wealth is a net wealth measure which reflects the sum of property wealth (net), financial wealth (net), physical wealth and private pension wealth.

Aggregate total wealth represents the combined net wealth of all private households within Great Britain.

A methodological decision at wave one (2006-08) of the WAS to reduce respondent burden resulted in a selection of questions, including components of physical wealth, to be asked only of a subset of households. This decision had implications for the estimation of aggregate total wealth for 2006/08.

This subsequent 'half sample' was sufficiently large to produce robust results and does not affect the reliability of the wealth distributions at a household level. Estimates of total household wealth for 2006/08 are therefore based upon data from this half-sample of 17,316 households.

To estimate aggregate total wealth for 2006/08 the full sample has been used for property wealth, financial wealth and private pension wealth (to correspond with the estimates presented in the separate chapters). However, estimates of aggregate physical wealth are based on responses for the half sample (17,316 households) which have been adjusted using a 'rating up factor' in addition to our standard weighting procedures.

Each wave two household were asked the full suite of questions on the components of net wealth. Consequentially 2008/10 estimates of total household and aggregate total wealth are both based upon the full responding sample.

Aggregate total wealth

Aggregate total wealth (including private pension wealth) of all private households in Great Britain in 2008/10 was £10.3 trillion, rising from £9.1 trillion in 2006/08 (Table 1).

Table 1: Breakdown of aggregate wealth: by components, 2006/08, 2008/10

Great Britain

	£ Billion	
	2006/08	2008/10
Property wealth (net)	3,532	3,375
Financial wealth (net)	1,031	1,085
Physical wealth¹	961	1,012
Private Pension wealth	3,626	4,786
Total Wealth (including Private Pension wealth)	9,149	10,257
Total Wealth (excluding Private Pension wealth)	5,523	5,472

Table notes:

1. 2006/08 figure is based on half sample and multiplied by factor of 1.7683.
2. 2008/10 figures updated, due to a minor error identified in the calculation
3. Source: Wealth and Assets Survey, Office for National Statistics

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The rise in aggregate total wealth is predominantly due to the increase in the estimate of aggregate private pension wealth. If private pension wealth is excluded there is virtually no change in the aggregate estimate (£5.5 trillion in both 2006/08 and 2008/10), with the small rises in financial and physical wealth being offset by the fall in property wealth.

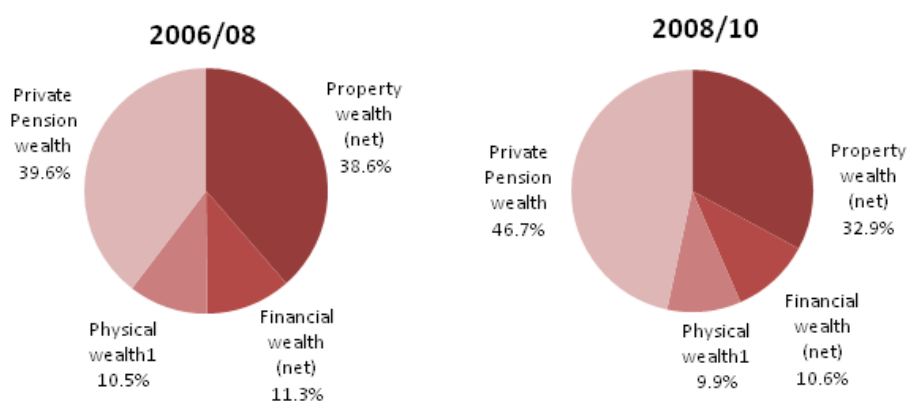
The large increase in private pension wealth is discussed in detail in Chapter 4, and is heavily influenced by the fact that the financial assumptions used in the modelling of parts of private pension wealth changed between wave 1 and wave 2 to reflect market developments. The effects on total wealth are discussed in more detail in Appendix 1 to this chapter.

Figure 2 shows how much of this total came from each of the four components of wealth. The overall contribution of private pension wealth increased from 39.6 per cent of total wealth (£3.6 trillion) in 2006/08 to 46.7 per cent in 2008/10 (£4.8 trillion)¹. In 2006/08 property wealth (net) accounted for 38.6 per cent of total wealth but in 2008/10 this percentage fell with property wealth (net) accounting for 32.9 per cent of total wealth. In contrast the contribution of financial wealth (net) and physical wealth remained more stable when the two waves are compared.

Financial wealth contributed to 11.3 per cent of overall wealth in 2006/08 and 10.6 per cent of overall wealth in 2008/10. Physical wealth accounted for 10.5 per cent of overall wealth in 2006/08 and 9.9 per cent of overall wealth in 2008/10.

Figure 2: Breakdown of aggregate wealth: by components, 2006/08, 2008/10

Great Britain, percentages



Notes:

1. 2006/08 Physical wealth estimates based on half sample and multiplied by factor of 1.7683.
2. Wave 1 figures based on half sample.
3. 2008/10 figures updated, due to a minor error identified in the calculation.
4. Source: Wealth and Assets Survey, Office for National Statistics

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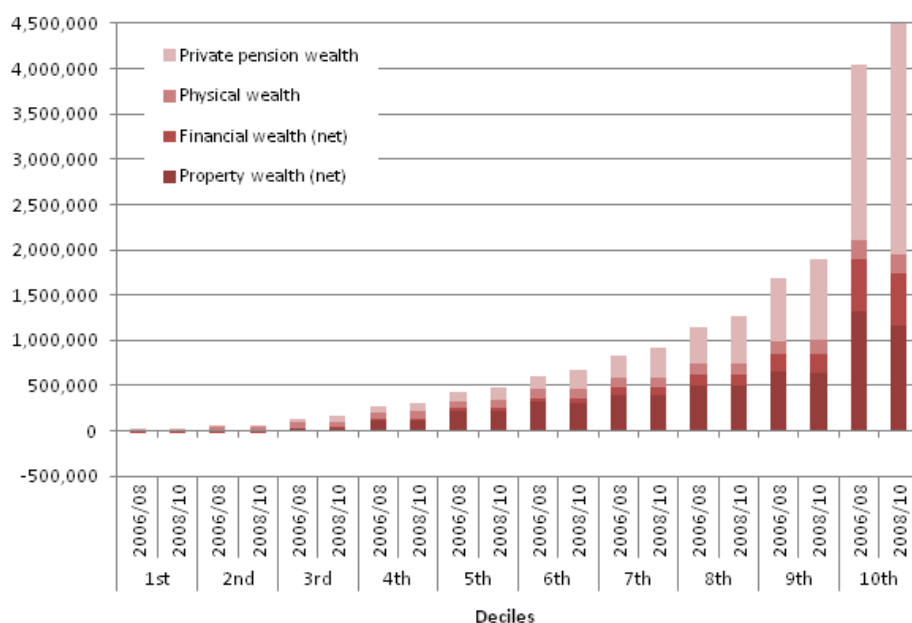
Figure 3 shows aggregate total wealth (including private pension wealth) by deciles and the breakdown of each decile into its components. Deciles divide the data, sorted in ascending order, into ten equal parts so that each part contains 10 per cent (one tenth) of the wealth distribution – from the least wealthy households in the 1st decile to the wealthiest in the 10th decile.

In both 2006/08 and 2008/10 the wealthiest 10 per cent of households were 2.4 times wealthier than the second wealthiest 10 per cent. In 2006/08 those households within the wealthiest decile were 4.7 times wealthier than the bottom 50 per cent of households (the bottom five deciles combined). In 2008/10, the wealthiest 10 per cent of households were 4.4 times wealthier than the bottom 50 per cent.

By combining the top two deciles, and the bottom two deciles a comparison can be made between the value of aggregate total wealth for the wealthiest 20 per cent of private households within Great Britain and the least wealthy 20 per cent. In 2006/08 the wealthiest 20 per cent of households had 127 times more aggregate total wealth than the lowest 20 per cent of households. In 2008/10 this difference reduced with the value of aggregate total wealth for the wealthiest 20 per cent of households 97 times greater than the least wealthy 20 per cent.

Figure 3: Breakdown of aggregate total wealth: by deciles and components, 2006/08, 2008/10

Great Britain, £ Million



Notes:

1. 2006/08 figure is based on half sample and multiplied by factor of 1.7683.
2. 2008/10 figures updated, due to a minor error identified in the calculation.
3. Source: Wealth and Assets Survey, Office for National Statistics

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In the lowest three wealth deciles, physical wealth made the largest contribution to total wealth for both 2006/08 and 2008/10. In 2006/08, net property wealth made the largest positive contribution towards total wealth for the 4th through to the 8th deciles.

In 2008/10 net property wealth made the largest positive contribution towards total wealth for the 4th through to the 7th deciles. Private pension wealth made the largest contribution to overall total wealth for households within the highest two wealth deciles in 2006/08 whereas in 2008/10 it made the largest contribution to overall total wealth for the top three wealth deciles.

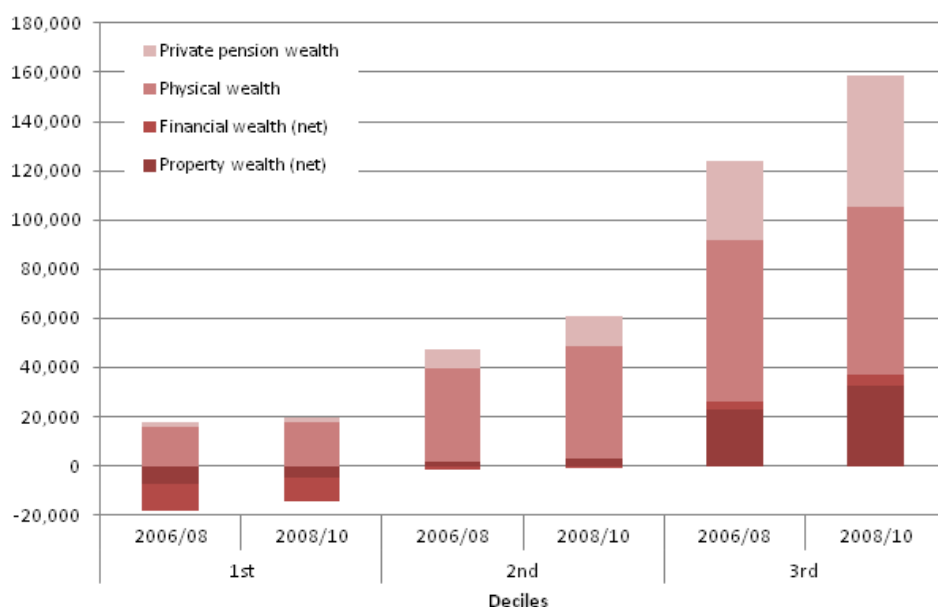
Figure 4 shows the breakdown of the lowest three wealth deciles in more detail for both 2006/08 and 2008/10.

The least wealthy 10 per cent of households had negative values for both net financial wealth and net property wealth in 2006/08. They did, however, have some physical wealth and a small amount of private pension wealth.

In 2008/10, the least wealthy 10 per cent of households still demonstrated negative values for both net financial wealth and net property wealth. However, these negative values were lower, particularly for property wealth.

Figure 4: Breakdown of aggregate total wealth: by lowest three deciles and components, 2006/08, 2008/10

Great Britain, £ Million



Notes:

- 2006/08 figure is based on half sample and multiplied by factor of 1.7683.

2. 2008/10 figures updated, due to a minor error identified in the calculation.
3. Source: Wealth and Assets Survey, Office for National Statistics

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In 2006/08 the 2nd decile was made up of physical wealth (84 per cent), private pension wealth (16 per cent), a small positive balance of net property wealth and a small negative balance of net financial wealth. In 2008/10 all components of total wealth within the 2nd decile were positive; physical wealth made up (75 per cent), private pension wealth (20 per cent), there was a small positive balance of net property wealth and a smaller balance of net financial wealth.

In the 3rd decile, all components of aggregate total wealth were positive in both 2006/08 and 2008/10. Physical wealth was still the most important component (53 per cent of the total) in 2006/08 but with significant contributions from private pension wealth (26 per cent) and net property wealth (19 per cent).

Net financial wealth contributed only 2 per cent of total wealth in the third lowest decile. In 2008/10, physical wealth contributed 43 per cent, private pension wealth contributed 34 per cent, net property wealth contributed 20 per cent and net financial wealth contributed 3 per cent in this third decile.

The distributions of the different components of aggregate total wealth can be compared by calculating Gini coefficients for each component. The Gini coefficient takes a value between 0 and 1, with 0 representing a perfectly equal distribution and 1 representing 'perfect inequality'.

Table 5 presents the Gini coefficients for the separate components of aggregate total wealth. Of the four wealth components, inequality is lowest for physical wealth in 2006/08 and 2008/10 with Gini coefficients of 0.46 and 0.45 respectively. Conversely, inequality is highest for the net financial wealth component of aggregate total wealth in both time periods: a Gini coefficient of 0.82 in 2006/08 and 0.81 in 2008/10.

Table 5: Gini Coefficients for aggregate total wealth: by components, 2006/08, 2008/10

Great Britain

	2006/08	2008/10
Property wealth (net)	0.63	0.63
Financial wealth (net)	0.82	0.81
Physical wealth	0.46	0.45
Private Pension wealth	0.77	0.75
Total Wealth	0.61	0.61

Table notes:

1. 2008/10 figures updated, due to a minor error identified in the calculation.

2. Source: Wealth and Assets Survey, Office for National Statistics

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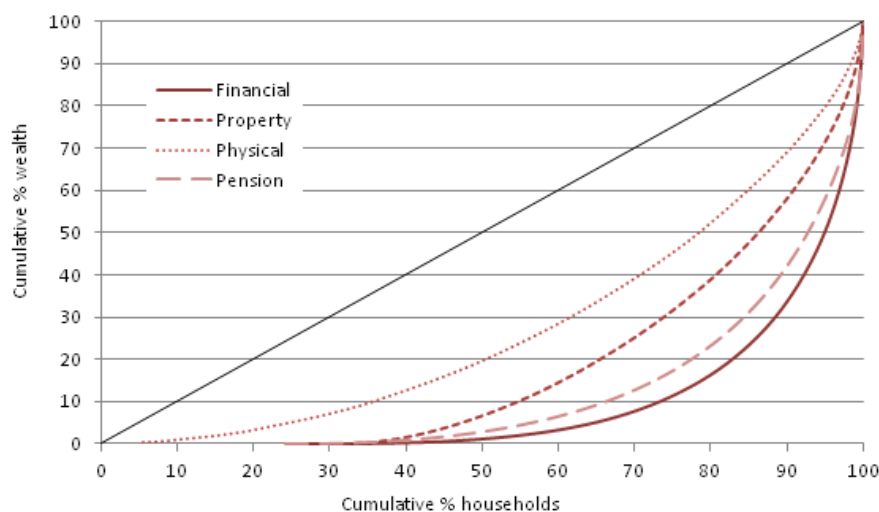
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The distribution of total wealth in Great Britain can also be shown using a Lorenz curve. Figure 6 shows the distribution of wealth separately for each of the four components of aggregate total wealth for 2008/10. The closer the curve is to the 45 degree line, or 'line of perfect equality', the more equal the wealth distribution. The most inequality is in net financial wealth, whilst physical wealth shows the most equality.

Figure 6: Distribution of aggregate total wealth, by individual components, 2008/10

Percentages



Notes:

1. 2008/10 figures updated, due to a minor error identified in the calculation
2. Source: Wealth and Assets Survey, Office for National Statistics

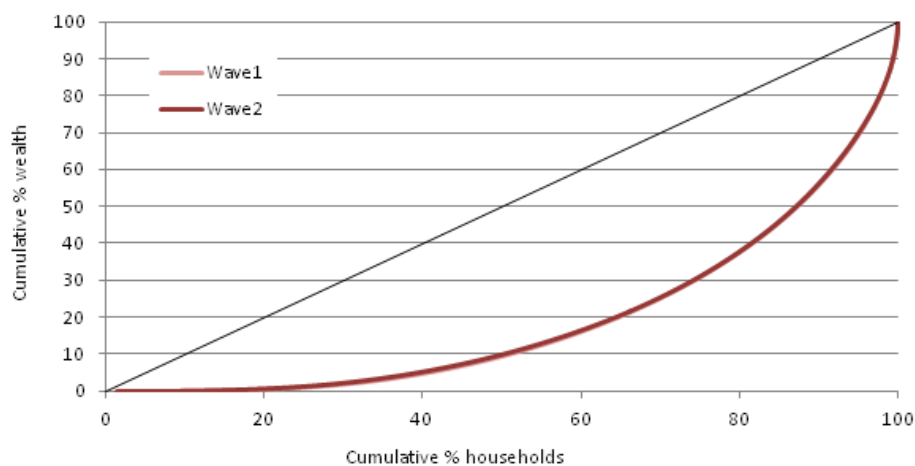
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Figure 7 shows the distribution of total aggregate wealth for 2006/08 and 2008/10. In 2008/10, the least wealthy half of households in Great Britain had 10 per cent of the total wealth (including private pension wealth), while the wealthiest half of households had 90 per cent of the total. The wealthiest 20 per cent of households had 62 per cent of the total wealth including private pension wealth. Little difference can be seen in the distribution of aggregate total wealth between 2006/08 and 2008/10.

Figure 7: Distribution of aggregate total wealth including private pension wealth, 2006/08 and 2008/10



Notes:

1. 2006/08 figures are based on half sample of 17,316 households.
2. 2008/10 figures updated, due to a minor error identified in the calculation.
3. Source: Wealth and Assets Survey, Office for National Statistics

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Notes

1. See appendix 1 for further information on the change in financial assumptions for pension wealth.
2. The Lorenz curve plots the cumulative percentage share of wealth (on the vertical axis) against the cumulative percentage share of the population (on the horizontal axis). The Gini coefficient is the ratio $A:(A+B)$, where A is the area between the 'line of perfect equality' (the 45 degree line) and the Lorenz curve; and B is the area below the Lorenz curve. The Gini coefficient takes a value between 0 (perfect equality) and 1 (perfect inequality). The vertical axis in Figure 6 shows wealth as a cumulative percentage of the total, when households were arranged in ascending order from the least to the most wealthy.

Household total wealth

In the next section total household wealth is considered. This is a net wealth measure for each household created by adding together the different types of household wealth; property wealth (net), financial wealth (net), physical wealth and private pension wealth. It should be noted that it does not

include business assets, accrued rights to state pensions or assets held in Trusts (see [Chapter 3](#) and [Chapter 4](#) for details).

Table 8: Household total wealth: summary statistics, 2006/08, 2008/10

Great Britain,

£

	Mean		Median	
	2006/08	2008/10	2006/08	2008/10
Household wealth including pension wealth	373,000	415,000	210,000	232,000
Household wealth excluding pension wealth	226,000	221,000	146,000	145,000

Table notes:

1. Excludes assets held in Trusts (except Child Trust Funds) and any business assets held by households.
2. 2008/10 figures updated, due to a minor error identified in the calculation.
3. Source: Wealth and Assets Survey, Office for National Statistics

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Where private pension wealth is included, mean household wealth was £415,000 in 2008/10, an increase of £42,000 from £373,000 in 2006/08. Half of all households had net total wealth (including private pension wealth) of £232,000 or less in 2008/10. Excluding private pension wealth, mean net household wealth was £221,000 in 2008/10, down from £226,000 in 2006/08. Half of all households had total net wealth (excluding private pension wealth) lower than £145,000 in 2008/10.

Table 9 presents the distribution of households by total wealth bands along with the mean and median values of total wealth within each band. The percentage of households with total wealth in the lowest two total wealth bands was 22.9 per cent in 2006/08; this fell to 20.0 per cent in 2008/10. The percentage of households in the top two total wealth bands was 17.7 per cent in 2006/08; this rose to rising to 20.5 per cent in 2008/10. There was very little difference between the two time periods for the remaining total wealth bands.

The value of mean total household wealth in the two lowest bands increased between 2006/08 and 2008/10, with the mean amount of total wealth for households in the lowest band rising from £1,300 to £2,000, and for the second lowest band from £24,000 to £24,500. In comparison, the value of mean total household wealth in the top band fell between 2006/08 and 2008/10, with the mean amount of total wealth for households in the top band falling from £1,892,100 to £1,879,300.

Table 9: Household total wealth (banded): 2006/08, 2008/10

Great Britain

	2006/08		2008/10			
	Percentage	Mean £	Median £	Percentage	Mean £	Median £
< £12,500	11.6	1,300	4,100	9.9	2,000	4,600
£12,500 but < £40,000	11.3	24,000	23,400	10.1	24,500	24,400
£40,000 but < £100,000	11.0	67,500	65,900	11.0	67,300	65,800
£100,000 but < £150,000	7.6	125,000	124,600	7.6	124,300	123,900
£150,000 but < £250,000	13.9	198,300	197,800	13.7	197,800	196,400
£250,000 but < £300,000	5.7	274,700	274,100	5.9	274,500	274,800
£300,000 but < £450,000	13.1	367,500	363,100	13.1	369,600	366,300
£450,000 but < £600,000	8.2	519,400	517,600	8.2	519,900	519,200
£600,000 but < £1 million	10.2	766,300	755,500	11.2	769,600	751,900
£1 million or more	7.5	1,892,100	1,409,300	9.3	1,879,300	1,399,300

Table notes:

1. Excludes households without this type of asset or liability (zeros).
2. 2008/10 figures updated, due to a minor error identified in the calculation.
3. Source: Wealth and Assets Survey, Office for National Statistics

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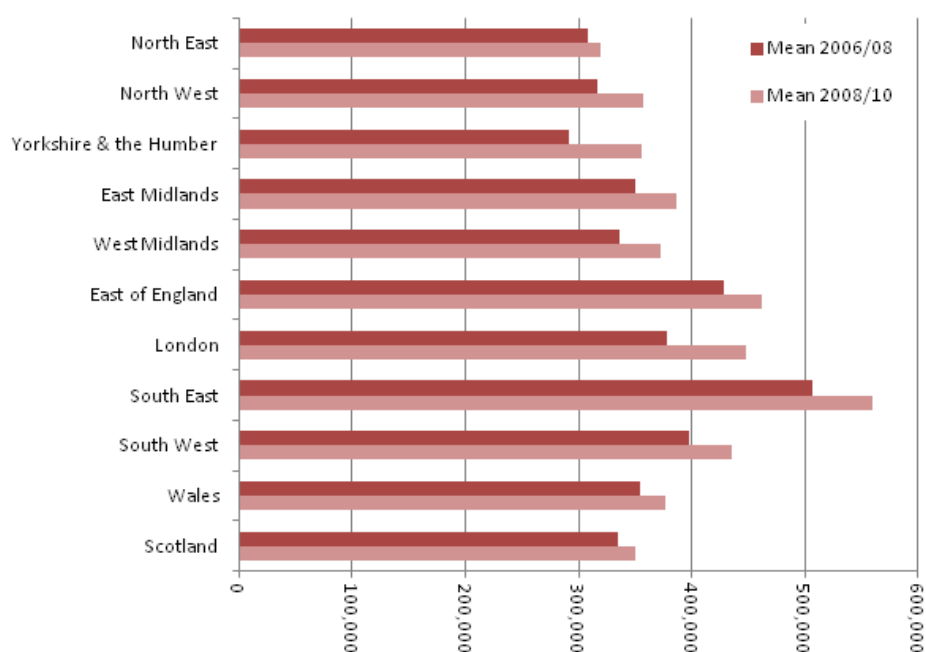
The bands have been created to illustrate the distribution of household total wealth. The breaks were broadly based on the decile points observed in 2008/10, but heavily rounded. The characteristics of individuals living in households with these net financial wealth bands are considered later in the chapter.

Household total wealth by key household characteristics

Household total wealth by region

Figure 10: Distribution of household wealth including pension wealth: means by region, 2006/08 and 2008/10

Great Britain, £



Notes:

1. 2008/10 figures updated, due to a minor error identified in the calculation
2. Source: Wealth and Assets Survey, Office of National Statistics

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Figure 10 demonstrates the distribution of household wealth (including private pension wealth) according to the location of the household. In both 2006/08 and 2008/10 the South East was the wealthiest region, where mean household total wealth rose from £507,400 in 2006/08 to £559,400 in 2008/10. In 2008/10 the South East was followed by the East of England, London and the South West, with mean household total wealth of £462,300, £448,700 and £435,000 respectively.

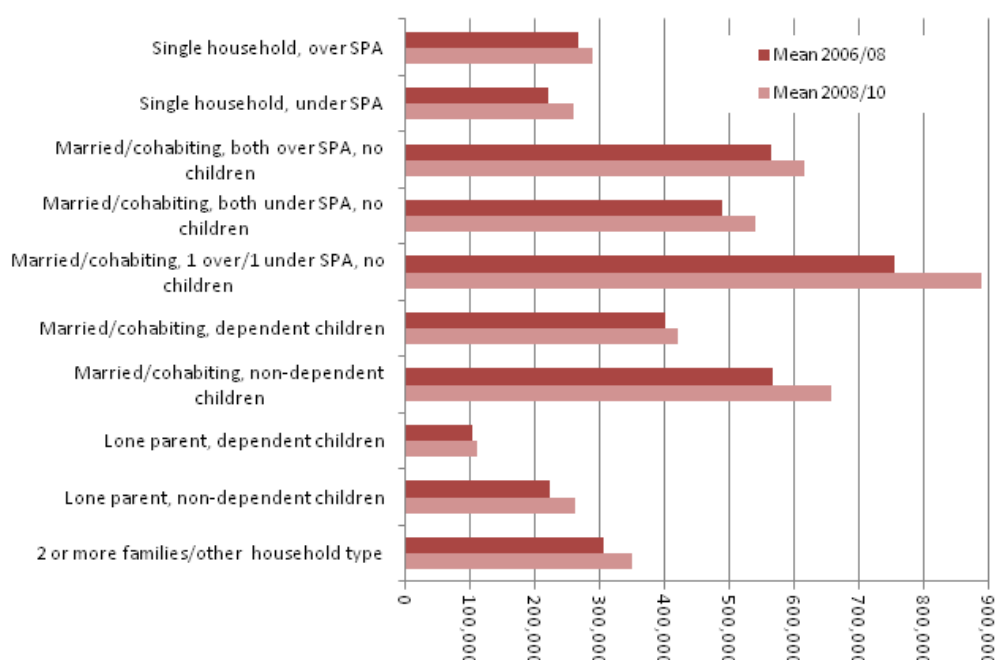
The region with the lowest mean household total wealth in 2006/08 was Yorkshire and the Humber with a value of £292,300. However, in 2008/10 it was households located within the North East which demonstrated the lowest mean household total wealth of £318,900.

Households located in Yorkshire and the Humber and London demonstrated the largest proportional increase in mean household total wealth between 2006/08 and 2008/10.

Household total wealth by household type¹

Figure 11: Distribution of household wealth including pension wealth: means by household type, 2006/08 and 2008/10

Great Britain, £



Notes:

- 2008/10 figures updated, due to a minor error identified in the calculation
- Source: Wealth and Assets Survey, Office of National Statistics

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Figure 11 shows the distribution of total household wealth (including private pension wealth) by the composition of the household. It shows the ten different categories for household type. It should be noted that some household types will have more adults than others. We would expect households with more than one adult to have higher levels of wealth than single person households because, in general, each additional adult makes a positive contribution to wealth accumulation.

The type of household with the highest mean total wealth in 2006/08 was 'married/cohabiting with one person over SPA² and one person under SPA, with no children'. This type of household had mean total wealth (including private pension wealth) of £752,600. Similarly this household type demonstrated the highest mean total wealth in 2008/10 (£887,400).

There were two other household types with considerable mean household wealth in 2008/10. These were households with adults under the state pension age who were married or cohabiting with non-dependent children (mean household wealth of £656,800) and households with adults over the state pension age who were married or cohabiting with no children (mean household wealth of £614,400).

The type of household with the lowest mean household total wealth including private pension wealth in 2006/08 and 2008/10 was the 'lone parent with dependent children' with a mean value of £102,900 and £111,300 respectively.

Notes

1. Household type describes the composition of the household based on the number and age of adults, dependent and non-dependent children.
2. SPA is State Pension Age (65 for men, 60 for women).

Characteristics of individuals by household total wealth bands

This section looks at some key characteristics of individuals (adults, over 16) living in households with the various total wealth bands (including private pension wealth).

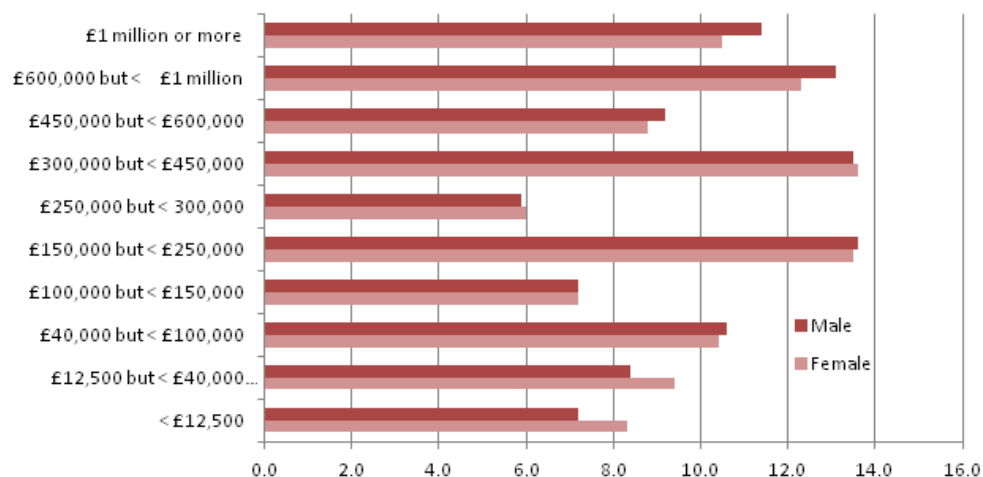
The percentage of individuals from households with less than £40,000 (lowest two bands) in total wealth was 20.2 per cent in 2006/08, falling by 3.5 percentage points to 16.7 per cent in 2008/10. At the upper end of the wealth distribution the percentage of individuals from households with £600,000 or more (top two bands) in total wealth was 19.9 per cent in 2006/08 and had risen to 23.6 per cent in 2008/10.

There was little change in the distribution of individuals living in households in the bands between £40,000 but less than £600,000 over the two time periods.

Gender of individuals by household total wealth bands

Figure 12: Distribution of individuals by gender and household total wealth: 2008/10

Great Britain, Percentage

**Notes:**

1. 2008/10 figures updated, due to a minor error identified in the calculation
2. Source: Wealth and Assets Survey, Office for National Statistics

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A higher percentage of women lived in households with lower total wealth and a higher percentage of men live in households with greater total wealth. The distribution of men and women is similar for those living in households with total wealth in the middle bands. This is illustrated in Figure 12, which shows the distribution of men and women by the total wealth of the households in which they lived.

Table 13 shows this distribution for both 2006/08 and 2008/10. The changes seen in the distribution across household total wealth bands is reflected in the changes for both men and women.

Table 13: Gender of persons: by household total wealth, 2006/08, 2008/10

Great Britain,

Percentage

	<£12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 < £1 million	£1 million or more
2006/08										
Male	9.3	9.8	10.5	7.1	13.7	5.7	14.0	9.3	11.7	9.0
Female	10.5	10.8	10.3	7.2	13.7	5.9	13.8	8.7	11.0	8.2
All	9.9	10.3	10.4	7.2	13.7	5.8	13.9	9.0	11.3	8.6
2008/10										
Male	7.2	8.4	10.6	7.2	13.6	5.9	13.5	9.2	13.1	11.4
Female	8.3	9.4	10.4	7.2	13.5	6.0	13.6	8.8	12.3	10.5
All	7.8	8.9	10.4	7.2	13.6	6.0	13.6	9.0	12.7	10.9

Table notes:

1. 2008/10 figures updated, due to a minor error identified in the calculation.
2. Source: Wealth and Assets Survey, Office for National Statistics

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Age of individuals by household total wealth bands

Table 14 shows the distribution of individuals living in households with varying degrees of total wealth according to their age.

In both time periods the percentage of individuals under the age of 35 living in households in the lowest two total wealth bands was far higher than those aged 35 or more.

However, this was far less pronounced in 2008/10 than in 2006/08. For individuals living in households in the lowest two total wealth bands, the greatest fall between the two time periods was seen in the 16-24 and 25-34 year old age groups.

In 2006/08, 22.8 per cent of all 16-24 year olds and 16.4 per cent of 25-34 year olds were living in households with a total wealth of less than £12,500; these figures had fallen to 14.8 per cent and 12.8 per cent respectively by 2008/10.

Conversely, it is in these two age groups where the greatest increases have been seen in the percentages living in households with higher total wealth.

In 2006/08, 5.1 per cent of 16-24 year olds and 2.4 per cent of 25-34 year olds were living in households with a total wealth of £1 million or more; these figures had increased to 9.3 per cent and 3.3 per cent in 2008/10.

Table 14: Age of persons: by household total wealth, 2006/08, 2008/10

Great Britain,

	Percentage									
	<£12,500	£12,500 but <£40,000	£40,000 but <£100,000	£100,000 but <£150,000	£150,000 but <£250,000	£250,000 but <£300,000	£300,000 but <£450,000	£450,000 but <£600,000	£600,000 but <£1 million	£1 million or more
2006/08										
16-24	22.8	19.1	12.1	5.8	8.4	3.7	10.0	6.1	7.0	5.1
25-34	16.4	15.7	19.5	11.3	15.6	4.3	7.4	4.1	3.4	2.4
35-44	9.3	9.3	10.7	8.8	16.5	6.6	15.2	9.2	9.6	4.8
45-54	6.4	7.2	7.5	5.6	12.2	5.5	15.8	11.2	15.8	12.9
55-64	4.3	5.5	4.8	4.6	11.1	5.4	15.0	11.9	18.9	18.5
65+	5.4	8.4	8.2	6.2	15.4	7.9	17.7	10.2	12.5	8.1
All	9.9	10.3	10.4	7.2	13.7	5.8	13.9	9.0	11.3	8.6
2008/10										
16-24	14.8	14.1	11.7	6.3	11.5	4.5	10.6	7.2	10.0	9.3
25-34	12.8	13.5	20.2	11.2	16.1	4.6	9.2	4.2	4.9	3.3
35-44	8.0	9.0	11.6	8.9	15.7	6.7	14.1	8.6	11.7	5.7
45-54	5.3	6.3	7.1	5.1	12.3	6.2	14.2	11.1	16.6	15.8
55-64	4.0	5.1	4.9	5.0	9.9	5.4	14.2	10.7	18.4	22.5
65+	4.8	7.4	7.8	6.1	14.4	7.4	17.3	11.0	13.8	10.0
All	7.8	8.9	10.4	7.2	13.6	6.0	13.6	9.0	12.7	10.9

Table notes:

1. Excludes assets held in Trusts (except Child Trust Funds) and any business assets held by households.
2. 2006/08 figures are based on half sample of 17,316 households.
3. 2008/10 figures updated, due to a minor error identified in the calculation.
4. Source: Wealth and Assets Survey, Office for National Statistics

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There is a clear life-cycle effect illustrated in Table 14. Apart from the youngest age band, as age increases, a higher proportion of individuals lived in households in the higher total wealth bands.

This is the case until the age of 65 and over when the percentage of individuals in the highest total wealth band decreases in both time periods.

Education level of individuals by household total wealth bands

The percentage of individuals who were educated to 'degree level or above' is highest for those from households with a total wealth of £1 million or more (18.8 per cent in 2006/08 and 22.6 per cent in 2008/10 – Table 12).

The decrease in the percentage of individuals in the lowest two total wealth bands between 2006/08 and 2008/10 was seen in all education levels.

However, the largest decrease was seen for individuals with no qualifications; in 2006/08 30.7 per cent of individuals with no qualifications lived in households with total wealth of less than £40,000 compared with 26.9 in 2008/10. Those with degree level or above qualifications were close behind; in 2006/08 11.5 per cent of individuals with a degree or above lived in households with total wealth of less than £40,000 compared with 7.8 per cent in 2008/10 .

Table 15: Education level of persons: by household total wealth, 2006/08, 2008/10

Great Britain, Percentages

		Percentages									
		<£12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1 million	£1 million or more
2006/08	Degree level or above	6.0	5.5	8.7	5.7	10.9	4.6	12.3	9.9	17.6	18.8
	Other qualifications	8.8	10.2	10.8	7.5	14.1	6.1	14.7	9.7	11.2	7.0
	No Qualifications	16.0	14.7	11.0	7.9	15.8	6.1	13.7	6.5	5.7	2.5
	All	9.9	10.4	10.4	7.2	13.7	5.8	13.9	9.0	11.3	8.6
2008/10	Degree level or above	3.8	4.0	8.2	6.0	11.6	4.6	12.3	9.9	17.1	22.6
	Other qualifications	7.4	9.1	10.8	7.3	13.9	6.2	14.4	9.3	12.8	8.8
	No Qualifications	13.2	13.7	11.9	8.4	14.6	6.8	13.1	6.9	7.5	3.8
	All	7.8	8.9	10.5	7.2	13.5	6.0	13.6	8.9	12.6	10.9

Table notes:

1. Excludes assets held in Trusts (except Child Trust Funds) and any business assets held by households.
2. 2006/08 figure are based on half sample of 17.316 households.
3. 2008/10 figures updated, due to a minor error identified in the calculation.
4. Source: Wealth and Assets Survey, Office for National Statistics

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Economic activity of individuals by household total wealth bands

Table 16 considers the economic activity of individuals living in the spread of household total wealth bands.

In 2008/10, 7.9 per cent of all individuals lived in households with less than £12,500. In comparison, 22.0 per cent of unemployed individuals and 10.8 per cent of all economically inactive individuals lived in these households.

Of individuals who were economically inactive, 24.3 per cent who gave their reasons for inactivity as 'sick or disabled', 22.5 per cent of those 'looking after family/home' and 16.9 per cent of inactive students were from households in the lowest total wealth band.

As the values of the total wealth bands increase, the percentage of individuals in the different economic activity groups varies. In 2008/10, the percentage of all individuals in the top total wealth category of '£1 million or more' was 10.8 per cent.

In comparison, only 2.1 per cent of economically inactive sick/disabled, 4.5 per cent of the unemployed and 7.0 of those looking after their family or home were living in households in this top total wealth band.

Table 16: Economic Activity of persons: by household total wealth, 2006/08, 2008/10

Great Britain, Percentages

		£12,500 £12,500 but < £40,000	£40,000 £40,000 but < £100,000	£100,000 £100,000 but < £150,000	£150,000 £150,000 but < £250,000	£250,000 £250,000 but < £300,000	£300,000 £300,000 but < £450,000	£450,000 £450,000 but < £600,000	£600,000 £600,000 but < £1 million	£1 million or £1 more million	
2006/08	Economically Active	7.8	8.7	11.5	7.9	14.4	5.8	14.1	9.6	11.7	8.5
	In Employment	6.7	8.2	11.4	8.1	14.7	6.0	14.5	9.8	12.0	8.7
	Employee	7.1	8.4	11.6	8.3	14.8	5.9	14.4	9.6	11.8	8.3
	Self-employed	3.8	6.7	10.5	6.6	14.0	6.3	15.1	11.4	13.7	11.9
	Unemployed	32.2	20.1	12.5	5.2	8.2	2.2	6.8	4.5	4.9	3.6
	Economically Inactive	13.2	12.8	8.5	6.0	12.8	5.8	13.6	8.1	10.7	8.6
	Student	26.0	23.9	7.3	7.0	5.8	2.5	8.5	4.3	7.2	7.4
	Looking after family/home	26.2	18.9	10.8	5.7	10.7	3.1	8.3	4.6	6.5	5.3
	Sick/disabled	28.1	23.0	9.9	6.6	11.0	4.0	7.0	4.7	4.1	1.7
	Retired	5.2	8.0	7.5	5.8	14.5	7.3	17.1	10.2	13.5	11.0
Other inactive	20.8	14.5	11.0	6.0	10.1	2.5	7.4	5.7	11.3	10.7	
All	9.9	10.4	10.4	7.2	13.7	5.8	13.9	9.0	11.3	8.6	
2008/10	Economically Active	6.2	7.7	11.3	8.0	14.1	6.0	13.6	9.2	13.1	10.8
	In Employment	5.3	7.1	11.4	8.1	14.4	6.3	13.9	9.4	13.3	10.8
	Employee	6.2	7.5	10.5	7.8	14.1	5.7	14.3	9.8	13.2	10.8
	Self-employed	4.3	5.9	9.1	7.3	13.0	5.5	14.1	10.5	15.9	14.5

	£12,500 £12,500 but < £40,000	£40,000 £40,000 but < £100,000	£100,000 £100,000 but < £150,000	£150,000 £150,000 but < £250,000	£250,000 £250,000 but < £300,000	£300,000 £300,000 but < £450,000	£450,000 £450,000 but < £600,000	£600,000 £600,000 but < £1 million	£1 million £1 million or £1 more million	£1 million or £1 more million
Unemployed	22.0	19.3	14.1	8.5	11.0	3.1	8.0	3.5	6.1	4.5
Economically Inactive	10.8	11.2	9.1	5.9	12.6	5.9	13.7	8.4	11.5	10.9
Student	16.9	12.6	11.0	5.1	9.1	3.7	10.0	7.3	10.5	13.8
Looking after family/home	22.5	18.2	11.3	6.8	11.4	3.3	8.5	4.2	7.1	7.0
Sick/disabled	24.3	22.3	13.8	6.1	12.6	4.0	7.3	3.8	3.8	2.1
Retired	4.7	7.3	7.3	5.7	13.3	7.0	16.7	10.5	14.3	13.2
Other inactive	17.5	13.2	13.0	6.3	9.5	5.1	9.9	5.3	8.4	11.7
All	7.9	9.0	10.5	7.2	13.5	6.0	13.6	8.9	12.5	10.8

Table notes:

1. Excludes assets held in Trusts (except Child Trust Funds) and any business assets held by households.
2. 2006/08 figures are based on half sample of 17,316 households.
3. 2008/10 figures updated, due to a minor error identified in the calculation.
4. Source: Wealth and Assets Survey, Office for National Statistics

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The patterns were very similar in 2006/08, however, most of the changes between 2006/08 and 2008/10 were concentrated in the lowest two and the top total wealth bands.

In 2006/08, 32.2 per cent of unemployed individuals lived in households with a total wealth of less than £12,500, but this fell to 22.0 per cent in 2008/10. Conversely, 11.9 per cent of the self employed were living in households in the top total wealth band of £1 million or more in 2006/08 rising to 14.5 per cent in 2008/10.

Socio-economic Classification of individuals by household total wealth bands

Table 17 shows the distribution of individuals across their socio-economic classifications¹ and by the household total wealth band in which they lived.

Table 17: Socio-economic classification of persons: by household total wealth, 2006/08, 2008/10

Great Britain, Percentages

		Percentages									
		< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 or more	
2006/08	Large employers and higher managerial	1.6	2.9	4.5	4.5	10.1	4.7	14.6	12.1	22.2	23.0
	Higher professional	3.1	4.2	7.9	4.1	11.0	5.1	14.4	11.1	19.0	20.2
	Lower managerial and professional	3.9	5.3	8.7	6.3	12.4	6.0	15.9	11.4	16.6	13.6
	Intermediate occupations	5.5	7.0	10.1	6.9	15.1	6.7	16.5	11.0	13.2	8.1
	Small employers and own account workers	5.5	7.8	10.3	7.3	15.5	6.7	15.4	11.0	12.1	8.5
	Lower supervisory and technical	9.5	12.2	13.1	8.4	17.2	6.6	14.2	7.7	7.7	3.3
	Semi-routine occupations	13.3	14.1	12.0	8.9	15.3	5.7	13.8	7.1	6.9	2.9
	Routine occupations	17.7	16.6	13.6	9.5	15.2	5.7	10.4	5.5	3.9	1.9
	Never worked/long	29.8	20.0	9.9	5.1	10.1	3.2	7.9	4.6	4.7	4.8

	< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1 million	£1 million or more
term unemployed										
All	9.9	10.4	10.4	7.2	13.7	5.8	13.9	9.0	11.3	8.6
2008/10										
Large employers and higher managerial	1.0	1.6	6.4	4.4	9.0	5.0	12.5	11.3	19.5	29.2
Higher professional	1.6	2.7	7.0	6.0	11.5	5.4	13.2	10.7	18.4	23.6
Lower managerial and professional	2.9	4.1	7.7	6.3	12.5	5.5	15.0	11.2	17.8	16.9
Intermediate occupations	4.8	6.2	10.1	6.3	13.0	7.1	16.9	10.3	15.4	10.0
Small employers and own account workers	6.3	7.2	10.0	7.8	14.2	6.2	15.0	9.7	13.6	10.0
Lower supervisory and technical	8.0	10.1	12.3	8.6	16.4	7.0	14.5	8.9	10.4	3.7
Semi- routine occupations	11.3	13.6	12.7	8.8	15.2	6.5	12.8	7.1	7.5	4.4
Routine occupations	14.6	16.8	14.2	8.9	15.8	5.9	10.8	5.4	5.1	2.6
Never worked/ long term unemployed	25.6	19.1	13.1	6.4	11.4	3.5	7.6	4.1	4.3	5.0

	< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1 million	£1 million or more
All	7.8	8.9	10.4	7.2	13.6	6.0	13.6	9.0	12.7	10.9

Table notes:

1. Excludes assets held in Trusts (except Child Trust Funds) and any business assets held by households.
2. 2006/08 figures are based on half sample of 17,316 households.
3. 2008/10 figures updated, due to a minor error identified in the calculation of the property wealth component
4. Source: Wealth and Assets Survey, Office for National Statistics

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The distribution of individuals across the socio-economic groups and household total wealth bands is very clear in both time periods. The higher the socio-economic group an individual is, the more likely they are to live in a household with higher total wealth.

In 2008/10 only 1.0 per cent of individuals who were classified as 'Large employers and higher managerial' were living in households with a total wealth of less than £12,500, but 29.2 per cent were living in households with a total wealth of £1 million or more.

The pattern was the same in 2006/08 although the difference between the top and bottom bands not quite so large; 1.6 per cent compared to 23.0 per cent, a difference of 21.4 per cent.

For individuals in the lowest socio-economic group, those who have 'never worked / long term unemployed', in 2008/10, 25.6 per cent were living in households with a total wealth of less than £12,500, but 5.0 per cent were living in households with total wealth of £1 million or more; a difference of 20.6 percentage points.

Once again the pattern was the same in 2006/08, but in this case the difference was greater (29.8 per cent compared to 4.8 per cent – a difference of 25 percentage points).

Notes

1. The questions required to determine the socio-economic group of an individual are asked of all persons aged 16 and above (excluding those still in full time education). There is no upper age limit. The distribution given therefore, is representative of all persons (including the retired). However approximately 3 per cent of those sampled gave insufficient information to determine their socio-economic group and approximately 4 per cent were either individuals who were non-contacts or refusals within an otherwise responding household.

Background notes

1. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

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Supporting Information

Further information

[Chapter 1: Introduction, 2008/10](#)

Introduction chapter to the Part 2 results from the Wealth and Assets Survey incorporating results from the second wave of the survey.

[Chapter 3: Financial Wealth, 2008/10](#)

Main results from the Wealth and Assets Survey incorporating results from the second wave of the survey.

[Chapter 4: Pension Wealth, 2008/10](#)

Pension Wealth chapter of the Wealth and Assets Survey (Part 2) 2008/10 report

[Chapter 5: Annex on Pension Wealth Methodology, 2008/10](#)

Annex explaining the changes in the financial assumptions for calculating pension wealth between waves 1 and 2.

[Wealth in Great Britain Wave 2](#)

Main results from the Wealth and Assets Survey incorporating results from the second wave of the survey.

[Wealth in Great Britain](#)

Results from the Wealth and Assets Survey

Appendices

Appendix 1: Changing financial assumptions for pension wealth

In order to produce estimates for some forms of private pension wealth, some modelling is required to establish the present day stock value (which is the basis for all other wealth estimates produced).

The financial assumptions used in the modelling of parts of pension wealth changed between wave 1 and wave 2 to reflect market developments. Since these assumptions have a significant impact on the valuation of wealth, the changes in assumptions have made it difficult to interpret changes in wealth between waves.

Changes in wealth resulting from updating financial assumptions represent revaluations, rather than real changes in the amount of benefits accrued by members.

Therefore, individuals would not have 'felt' any wealthier in terms of their pension (apart from the effect of having contributed for up to two more years). The rights that they had accrued would still deliver the same expected income as defined in the scheme rules.

The following table shows the effect of the change in the financial assumptions used for private pension wealth on the estimates of household total wealth and the aggregate value for total wealth for all private households in Great Britain.

Total Household Wealth: Impact changes to the pensions assumptions

Great Britain

	£		
	£ Million		
	Household		
	Mean	Median	Aggregate Household
Wave 1	373,000	210,000	9,149,457
Wave 2, old assumptions	395,500	226,800	9,779,310
Wave 2 new assumptions	417,800	235,500	10,329,515
Change using old assumptions	22,000	16,500	629,853
Change using new assumptions	44,300	25,200	1,180,058
Difference in change as a percentage of new change	50.3	34.4	46.6

Table notes:

1. See Chapter 5: Annex on Pension Wealth Methodology, 2008/10.
2. Source: Wealth and Assets Survey, Office for National Statistics

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Approximately half (46.6 per cent) of the increase in the estimate of aggregate household total wealth for all private households in Great Britain, can be accounted for by the change of financial assumptions made when modelling some components of private pension wealth.

The scale of the effect on the mean value of household total wealth is similar (50.3 per cent of the change being due to the change in assumptions) and a little less on the median value of household total wealth, with 34.4 per cent of the increase between wave 1 and wave 2 being down to the change in the assumptions.

The [annex on pension wealth methodology, 2008/10](#) gives further information on the changes.