Office for National Statistics

Statistical bulletin

Wealth in Great Britain Wave 5: 2014 to 2016

Main results from the fifth wave of the Wealth and Assets Survey covering the period July 2014 to June 2016.

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Release date:
1 February 2018

Next release:
To be announced

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1 . Main points

- This bulletin releases the main results from the Wealth and Assets Survey for the period July 2014 to June 2016; all values are in nominal terms (not adjusted for inflation).

- Aggregate total net wealth of all households in Great Britain was £12.8 trillion in July 2014 to June 2016, up 15% from the July 2012 to June 2014 figure of £11.1 trillion.

- Median household total net wealth was £259,400 in July 2014 to June 2016, up from £225,100 in the previous period (an increase of 15%).

- In July 2014 to June 2016, the wealth held by the top 10% of households was around five times greater than the wealth of the bottom half of all households combined.

- In July 2014 to June 2016, aggregate total private pension wealth of all households in Great Britain was £5.3 trillion; this has increased from £4.4 trillion in July 2012 to June 2014.

- In July 2014 to June 2016, 49% of individuals aged 16 to 64 years had some form of active private pension that they were contributing to (up from 44% in the previous period).

- In July 2014 to June 2016, 66% of employees were actively contributing to a private pension scheme compared with 25% of self-employed, with median current pension wealth for employees being £33,000 compared with £21,000 for the self-employed.

- There was a striking increase in the value of net property wealth for households in London compared with all other regions; median net property wealth in London was £351,000 in July 2014 to June 2016, a 33% increase from £263,000 in July 2012 to June 2014.

- Total aggregate debt of all households in Great Britain was £1.23 trillion in July 2014 to June 2016 (a 7% increase from July 2012 to June 2014), of which £1.12 trillion was mortgage debt (6% higher) and £117.0 billion was financial debt (15% higher).

2 . Things you need to know about this release

The Wealth and Assets Survey (WAS) is a longitudinal household survey, which aims to address the economic well-being of households by gathering information on, amongst other things, level of savings and debt, saving for retirement, how wealth is distributed across households and factors that affect financial planning.

Respondents are interviewed every two years – with each two-year period being termed a “wave”. Wave 1 covered the period July 2006 to June 2008. This bulletin marks the release of the full wave 5 datasets, covering the period July 2014 to June 2016. At the start of each wave, in addition to going back to responding households from the previous wave, a new “cohort” of addresses are selected with the aim of maintaining an achieved number of responding households of around 20,000. The advantages of this are discussed in the detailed methodology paper.

WAS defines wealth as the sum of four components:

- net property wealth

- net financial wealth

- private pension wealth

- physical wealth

These components are discussed in more detail in this section.

Net property wealth

Respondents' self valuation of any property owned, both their main residence plus any other land or property owned in the UK or abroad; less the outstanding value of any loans or mortgages secured on these properties. Self valuation tends to yield higher estimates of worth than most other property indicators may suggest – however, when assessing individuals' opinions or behaviours, it is this perceived worth that will drive the individuals concerned.

Net financial wealth

The values of any financial assets held, both formal investments such as bank or building society current or saving accounts, investment vehicles such as Individual Savings Accounts (ISAs), endowments, stocks and shares, and informal savings (money under the bed or loaned to family or friends) and children's assets; less any financial liabilities such as outstanding balances on credit cards, arrears on household bills, loans (including student loans) from formal or informal sources.

Private pension wealth

The value of any pension pots already accrued that are not state basic retirement or state earning related. This includes occupational pensions, personal pensions, retained rights in previous pensions and pensions in payment. Estimating the value of some private pension pots is straightforward. For example, if a pension is a defined contribution type scheme (not in payment) the valuation is obtained from the respondents' latest statement from their pension administrator. This is an accurate estimation of each individual pension pot taking into account any relevant market influences (for example, investment returns).

However, estimating the value of other schemes where a specific level of payment is guaranteed at retirement (for example, defined benefit type schemes) or for pensions in payment where an annuity has already been purchased, any pension statements received would not include the value of the pension pot, only the value of the benefit to be received on retirement. Therefore, the value of the pot required to pay the defined benefit is estimated using the length of employment, accrual fraction and earned income, together with external economic indicators such as annuity rates and discount factors.

As a result, the value of such pots can change significantly between waves when the underlying information received from respondents has not really changed. Whilst this can seem intuitively incorrect, it is simply recognising that external economic factors can significantly change the value of a pension pot required to yield a specific value of pension.

Physical wealth

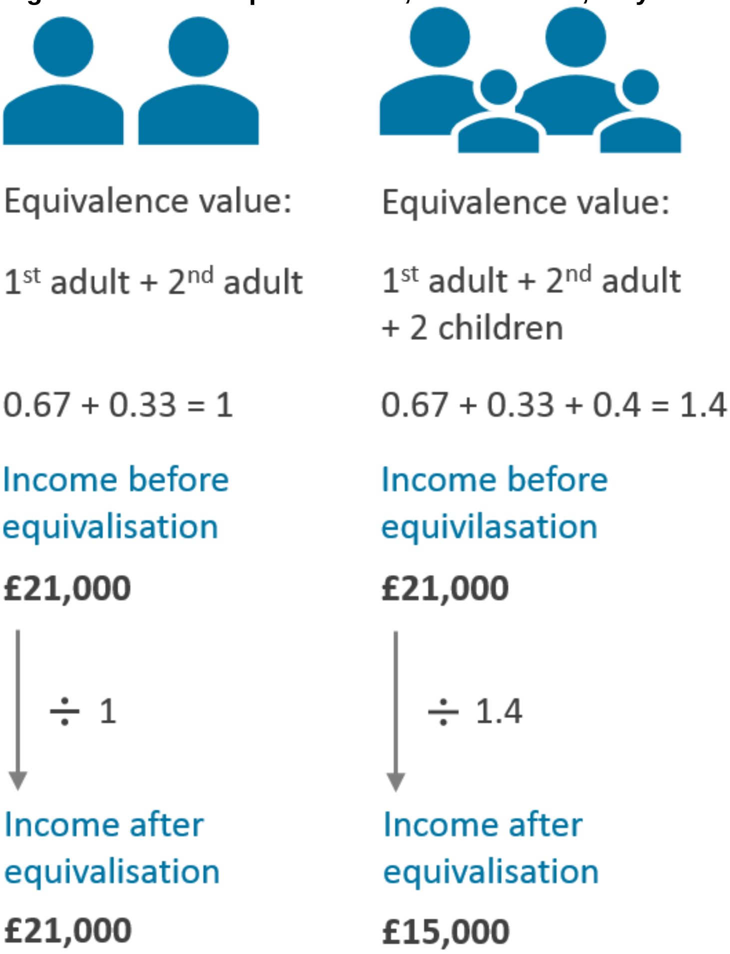
The (self-evaluated) value of household contents, possessions and valuables owned such as antiques, artworks, collections and any vehicles owned by individuals (including the value of any personalised number plates). As wealth is highly skewed towards the top, the survey was designed to pick up the very wealthy. However, this does mean that the sample now contains some very wealthy outliers. All such cases are thoroughly checked but they are included in the survey results. Given the skewed nature of wealth data and the effect that outliers can have on parametric estimates, this bulletin and the associated background tables do not generally report mean values, instead using the median values to report central tendency (except for physical wealth estimates for which the median value is meaningless).

Equivalisation

Equivalisation is a standard methodology that adjusts measures to account for different demands on resources, by considering the household size and composition. For the first time, net equivalised income is presented alongside wealth. However, measures of wealth have not been equivalised.

To calculate equivalised income each member of the household is given an equivalence value. The first adult is given a value of 0.67 while a second adult gets a value of 0.33 to account for the use of joint amenities. For larger households, each additional person over the age of 14 years is given a smaller value of 0.33. Children under the age of 14 years are given a value of 0.2 to take account of their lower living costs.

Figure 1: Income equivalisation, Great Britain, July 2014 to June 2016



Accounting for inflation

All estimates within the Wealth in Great Britain 2014 to 2016 report are presented as current values (that is, the value at time of interview) and have not been adjusted for inflation. Like equivalisation, deflating wealth estimates is not as straight-forward as for other economic estimates.

Sampling errors and significance testing

All reasonable attempts have been made to ensure that the data are as accurate as possible. However, there are two potential sources of error that may affect the reliability of estimates and for which no adequate adjustments can be made; these are known as “sampling” and “non-sampling errors”. These concepts are explained further in the Quality and Methodology Information report.

No estimates are included that are based on fewer than 30 responding households. However, due to the complexity of the data (such as imputed values and complex weighting) no formal significance testing has been undertaken at this stage, though this will be covered in later chapters.

3 . Total wealth

Aggregate total wealth of all private households in Great Britain was £12.8 trillion in the period July 2014 to June 2016. This was an increase of 15% compared with the period July 2012 to June 2014, when the figure was £11.1 trillion. The majority of the change is due to the growth in private pension wealth and net property wealth.

Table 1: Breakdown of aggregate total wealth, by components [1]

Great Britain, July 2012 to June 2016

	£ billion		
	July 2012 to June 2014	July 2014 to June 2016	Percentage Change
Property Wealth (net)	3,908	4,570	17
Financial Wealth (net)	1,607	1,636	2
Physical Wealth	1,153	1,248	8
Private Pension Wealth	4,446	5,324	20
Total Wealth (including Private Pension Wealth)	11,114	12,778	15
Total Wealth (excluding Private Pension Wealth)	6,668	7,454	12

Source: Wealth and Assets Survey, Office for National Statistics

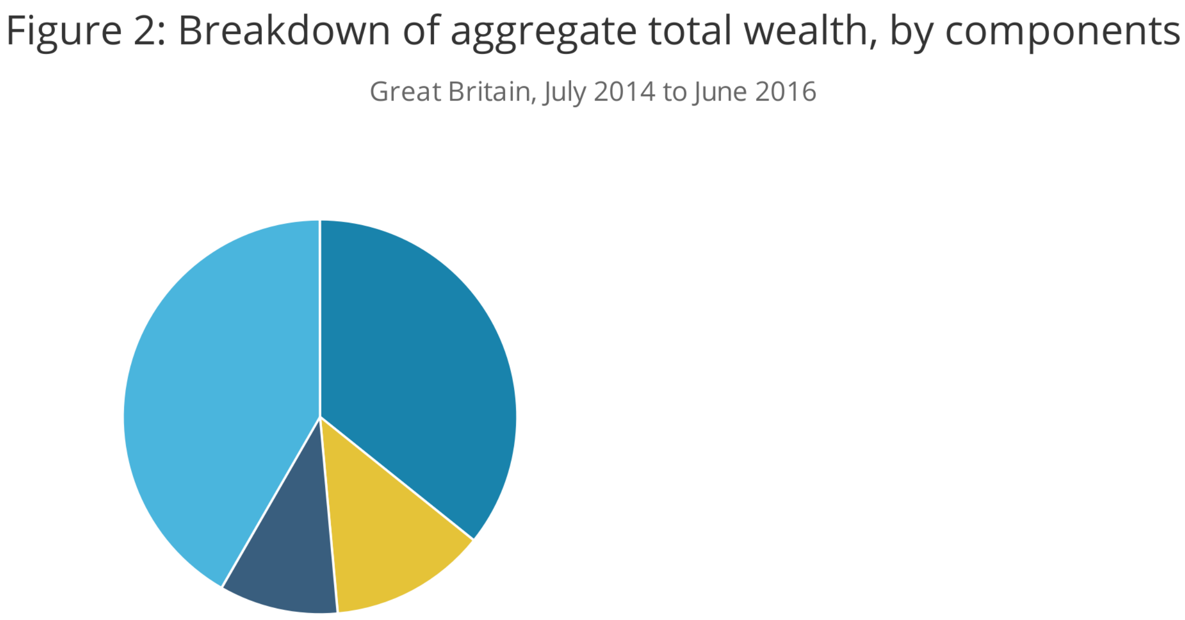
Notes:

1. See Background table 2.1 for more detailed figures.

Private pension wealth (which forms 42% of total aggregate wealth – Figure 2) was the component of total wealth, which has shown the strongest growth accounting for more than half (53%) of the growth in aggregate total wealth. Aggregate private pension wealth increased by 20% from £4.4 trillion to £5.3 trillion between the periods. However, as noted in section 2 and explained in more detail in section 4, the calculation of the value of some private pensions is dependent on external market factors. It is estimated that over a third of the increase in aggregate private pension wealth is due to the effect of changes in these market factors, rather than any increase in the number of people contributing to or the levels of contributions they are making to private pension schemes.

Figure 2: Breakdown of aggregate total wealth, by components

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. See Background table 2.1 for more detailed figures.

Aggregate net property wealth (which forms 36% of total aggregate wealth) accounted for a further 40% of the growth in aggregate total wealth. Aggregate net property wealth increased by 17% from £3.9 trillion in July 2012 to June 2014 to £4.6 trillion in July 2014 to June 2016. This is considered further in section 5 of this bulletin.

The two other components of wealth, net financial wealth and physical wealth both had much less effect on the overall levels of aggregate total wealth. Aggregate physical wealth (which forms 10% of total aggregate wealth) accounted for just 6% of the overall increase. Aggregate net financial wealth (which forms 13% of total aggregate wealth) remained almost the same in both periods.

Distribution of household total wealth

This section aims to demonstrate the inequality of wealth across households in Great Britain and considers how this has changed over time.

The median household total wealth including private pension wealth was £260,400 in July 2014 to June 2016 (Table 2). This means that 50% of households had wealth of £260,400 or more. This increased by 16% from £225,100 in July 2012 to June 2014.

The median household total wealth excluding private pension wealth was £156,100 in July 2014 to June 2016. This increased by 11% from £141,600 in July 2012 to June 2014.

Table 2: Median household total wealth, including and excluding private pension wealth [1]

Great Britain, July 2012 to June 2016

	£		
	July 2012 to June 2014	**July 2014 to June 2016**	**Percentage change**
Household wealth including private pension wealth	225,100	259,400	15
Household wealth excluding private pension wealth	141,600	156,000	10

Source: Wealth and Assets Survey, Office for National Statistics

Whilst the median gives a good “average” picture, this does not reflect the large differences in the value of total wealth held by households with the lowest wealth and those households with the greatest wealth.

There has been little change in the proportion of total wealth held by wealthier households compared with less wealthy households between July 2012 to June 2014 and July 2014 to June 2016. The wealth held by the top 10% of households was around five times greater than the wealth of the bottom half of all households combined (see table 2.3 of the datasets).

Table 3: Household total wealth distribution: summary statistics

Great Britain, July 2012 to June 2016

£ billion

	July 2012 to June 2014		**July 2014 to June 2016**	
	Aggregate total wealth	**Percentage of total wealth**	**Aggregate total wealth**	**Percentage of total wealth**
Least wealthy: 1% to 50%	962	9	1,118	9
Middle wealth: 51% -90%	5,176	47	6,066	47
Wealthiest 10%	4,975	45	5,595	44
All Households	11,114	100	12,778	100

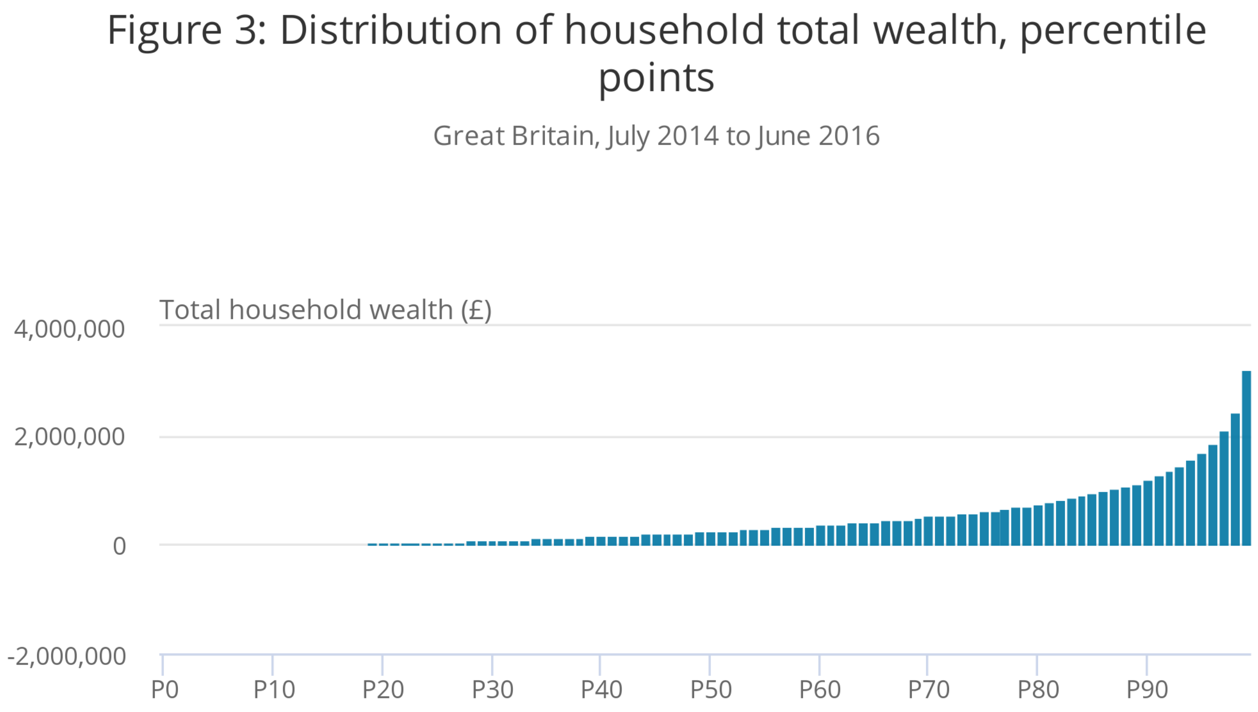
Source: Wealth and Assets Survey, Office for National Statistics

The wealthiest 10% of households owned 44% of aggregate total wealth in Great Britain in July 2014 to June 2016. The wealthiest 10% also had more total wealth than the aggregate wealth of the first eight deciles put together, as well as more than double the total wealth of the ninth decile in July 2014 to June 2016. This was also the case in July 2012 to June 2014, as well as all other survey periods since the first in July 2006 to June 2008.

Figure 3 shows the percentile points for total household wealth (these are the boundary values for total household wealth if the population is split into 100 groups) in July 2014 to June 2016. The median value, that is, the 50th percentile point, for household total wealth was £259,400. Belonging to the wealthiest 10% of households required total wealth greater than £1,210,000. The top 1% of households had total wealth of at least £3,208,500. To be in the bottom 10% of the distribution, a household's value of total wealth needed to be less than £13,600.

Figure 3: Distribution of household total wealth, percentile points

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Bottom 10% of households have total wealth of £14,100 or less.
2. Median total household wealth is £260,400.
3. Top 10% of households have total wealth of £1,208,300 or more.
4. Top 1% of households have total wealth of £3,227,500 or more.

The inequality in total wealth and its components across the whole wealth distribution can be compared using a number of methods. Here we present Gini co-effecients (Table 4) and Lorenz curves (Figure 4) to demonstrate wealth inequality.

The Gini coefficient takes a value between zero and one, with zero representing a perfectly equal distribution and one representing maximal inequality.

Table 4: Gini coefficients for aggregate total wealth, by components [1,2]

Great Britain, July 2006 to July 2016

	July 2006 to June 2008[2]	July 2008 to June 2010	July 2010 to June 2012	July 2012 to June 2014	July 2014 to June 2016
Property Wealth (net)	0.62	0.63	0.64	0.66	0.67
Financial Wealth (net)	0.81	0.81	0.92	0.91	0.91
Physical Wealth[2]	0.46	0.45	0.44	0.45	0.46
Private Pension Wealth	0.77	0.76	0.73	0.73	0.72
Total Wealth[1]	0.61	0.61	0.61	0.63	0.62

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. The Gini coefficient is a measure of inequality, where 0 expresses no inequality (e.g. where everyone has the same income) and 1 expresses maximal inequality (e.g. one person has all the wealth and all others have none).

2. July 2006 to June 2008 estimates for physical and total wealth are based on half sample.

3. See Background table 2.5

Of the four wealth components, inequality remained the lowest for physical wealth, with a Gini coefficient of 0.46 in the period July 2014 to June 2016, which has differed by no more than 0.2 over all five survey periods.

Unlike net financial and net property wealth, every household will have a positive physical wealth value, as they will have some physical assets. However, it is possible to have negative financial and property wealth where liabilities exceed assets in these areas.

The wealth component with the highest inequality in the latest period of July 2014 to June 2016 was net financial wealth, which had a Gini coefficient of 0.91, unchanged from the period July 2012 to June 2014. Financial wealth has always had the highest Gini coefficient since July 2006 to June 2008, but inequality increased quite substantially between July 2008 to June 2010 and July 2010 to June 2012 when the Gini coefficient increased from 0.81 to 0.92. This reflected the difference in recovery of financial assets following the economic downturn of 2007 by those with higher levels of financial assets.

The order in which the four components of wealth have been displayed in terms of inequality has remained the same over the five survey periods. However, there was a continuation in the worsening of inequality in net property wealth in the period July 2014 to June 2016. It displayed a Gini coefficient of 0.67, the highest it has been over the five survey periods.

Private pension wealth was the only component of wealth where the trend in inequality has decreased over the five survey periods, with a Gini coefficient of 0.72 in July 2014 to June 2016, compared with 0.77 in the first survey period of July 2006 to June 2008.

The difference in inequality between each of the four wealth components is also illustrated in Figure 4, which shows the Lorenz curves for the wealth components in the period July 2014 to June 2016. Lorenz curves are a graphical representation of the inequality of distribution, where the diagonal 45 degree line illustrates a scenario where wealth is equally shared. The closer the Lorenz curve is to the diagonal line, the more equal the distribution becomes.

Figure 4: Lorenz curves for the components of wealth

Great Britain, July 2014 to June 2016

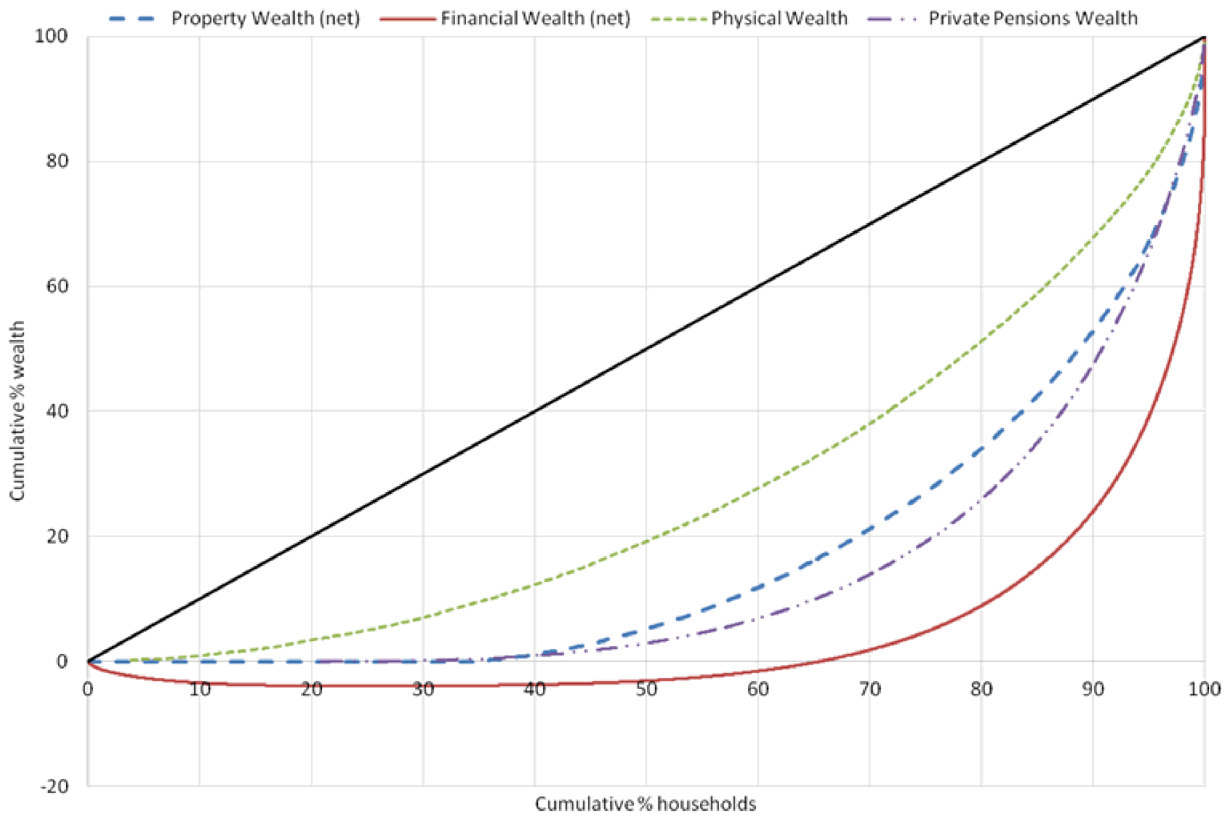
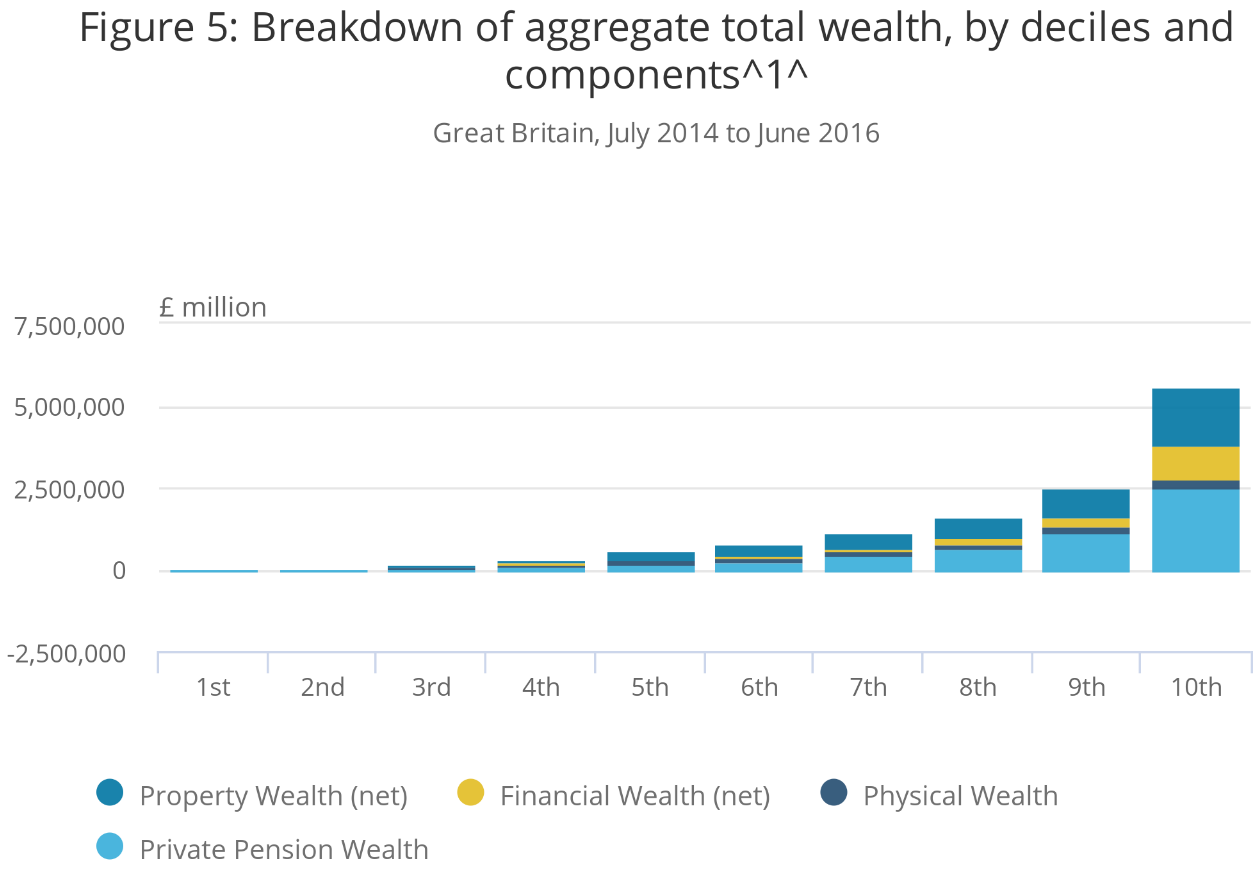


Figure 5 shows aggregate total wealth by deciles, which are broken down by the components of total wealth. Deciles divide the data, sorted in ascending order, into 10 equal parts so that each part contains 10% of the wealth distribution. The least wealthy 10% of households are in the first decile and the wealthiest 10% are in the 10th.

Figure 5: Breakdown of aggregate total wealth, by deciles and components [1]

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. See Background tables 2.3 and 2.4 for more detailed figures.

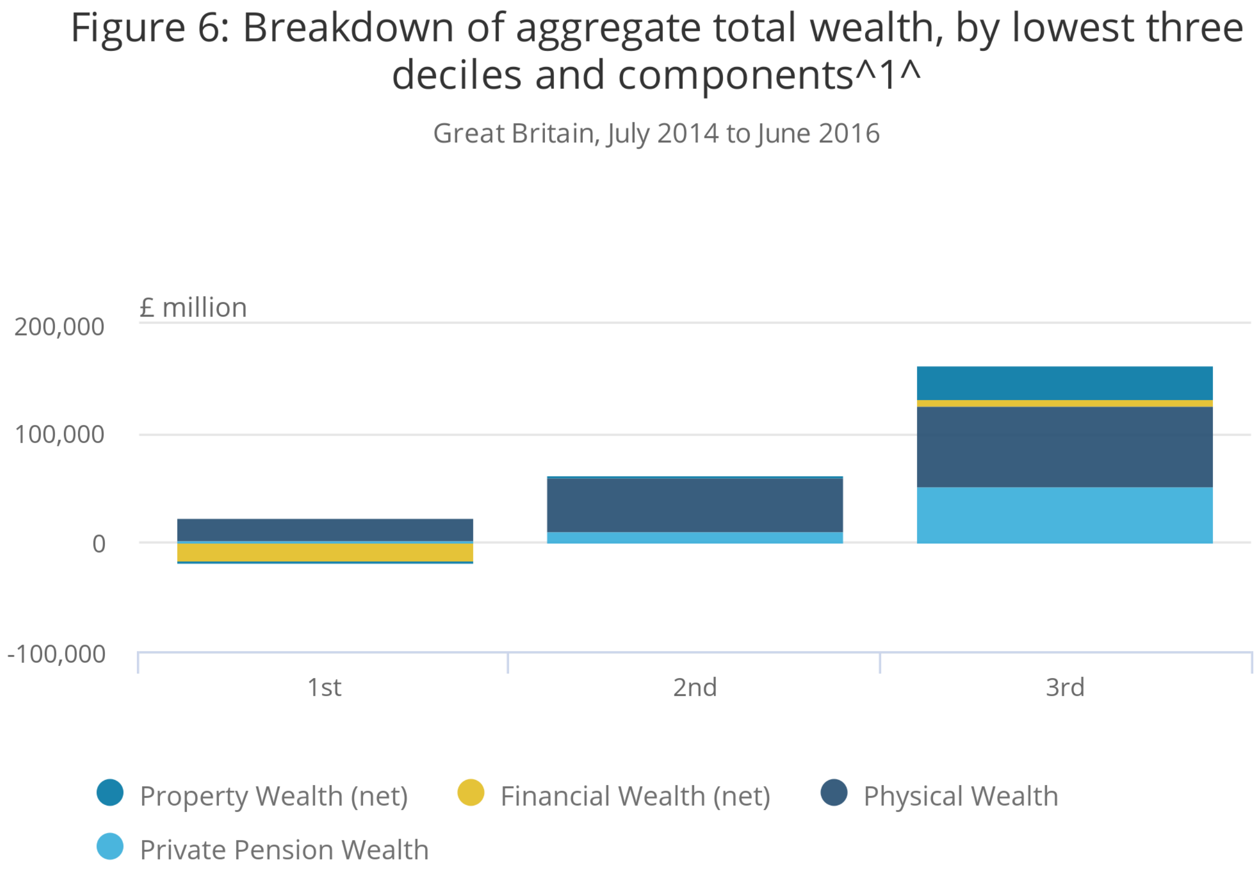
Private pension wealth made up the largest component of total wealth for the wealthiest 30% of households in July 2014 to June 2016. It made up 44% of the wealthiest 10%, 47% of the second wealthiest 10% and 41% of the third wealthiest 10%. The component of total wealth that made up the smallest proportion for the wealthiest 30% was physical wealth, which made up less than a 10th of 1% of the wealth of each of the three wealthiest deciles.

Net property wealth made up the largest proportion of total wealth of the fourth to the seventh deciles, making up between 37% and 44% of each in July 2014 to June 2016. The component that made up the smallest proportion of total wealth for these deciles was net financial wealth, which made up between 5% and 9% of each (see Background table 2.3).

The least wealthy 10% of households had negative net property wealth and net financial wealth in July 2014 to June 2016 (Figure 6). This means that their liabilities in these areas exceeded their assets. The component that made up the largest proportion of their total wealth was physical wealth. However, due to the fact that the least wealthy 10% had negative net financial and property wealth, physical wealth was over three times larger than their total wealth, once liabilities had been accounted for.

Figure 6: Breakdown of aggregate total wealth, by lowest three deciles and components [1]

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. See Background tables 2.3 and 2.4 for more detailed figures.

Physical wealth was the largest component of total wealth for each of the least wealthy deciles in July 2014 to June 2016, showing that it makes up a very significant proportion of the wealth of the least wealthy. This is in sharp contrast to the proportion that it makes up of the wealthiest deciles. The component that had the smallest positive contribution to each of the three least wealthy deciles was financial wealth.

Household total wealth by main household characteristics

This section considers differences in household total wealth by total household net equivalised income and by region of residence. Data for total wealth by household type are also provided in background tables 2.10 to 2.13.

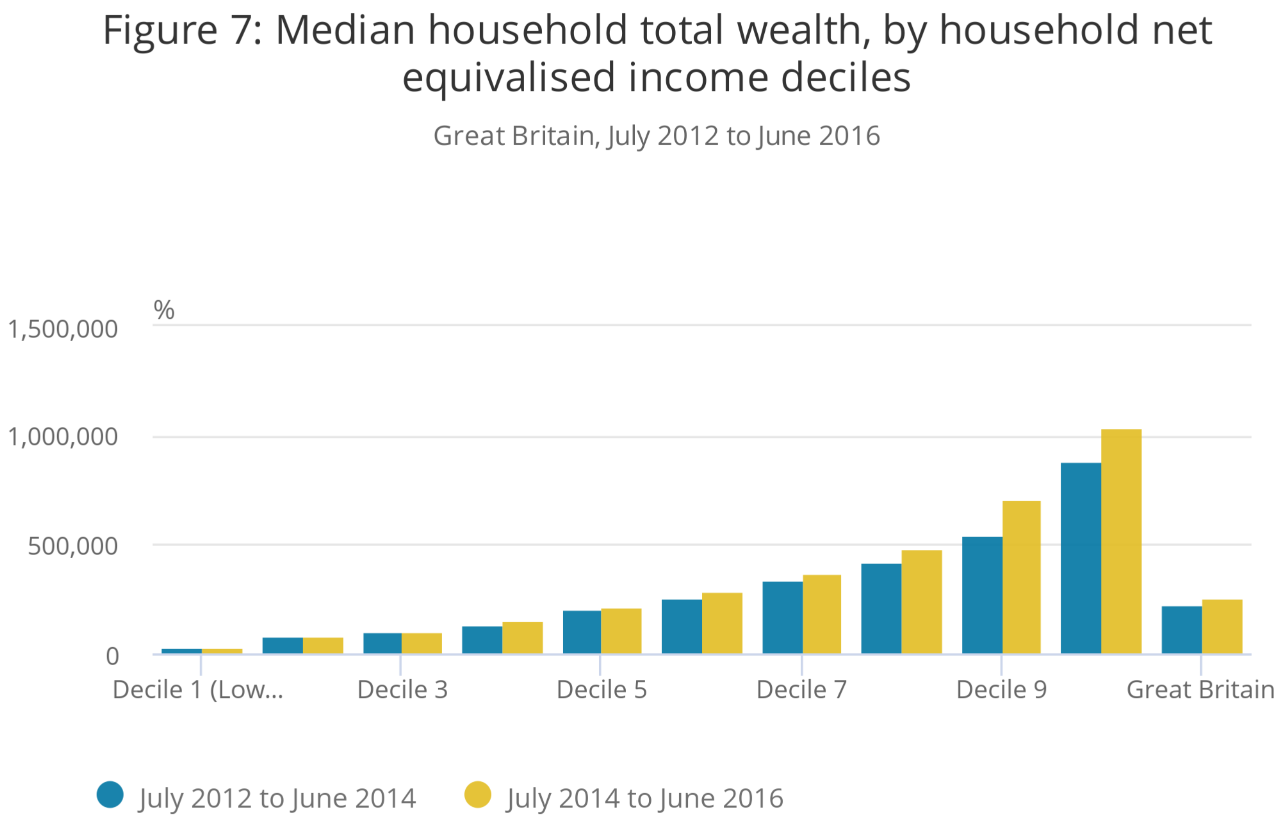
Distribution of household total wealth by income

To give a truer reflection of a household's income than the raw figures, a process of "equivalisation" has been performed. This is a process that takes into account the size and composition of households. For example, we might expect two households of equal income to have different financial outcomes if one has a larger household size than another, or contains more dependents. Therefore, this adjustment means that the incomes of all households will be on a comparable basis (see section 2 for further details).

Figure 7 shows the median household wealth by the levels of household net equivalised income. In July 2014 to June 2016, households in the highest income band had a median household total wealth of £1,039,400. This increased by 17.3% from £886,400 in July 2012 to June 2014. Households in the lowest band of income had a median total wealth of £32,100 in July 2014 to June 2016. This decreased by 9% from £35,100 in July 2012 to June 2014. The median total wealth also decreased for the second income band between these periods, but increased over these periods for each of the top eight income deciles.

Figure 7: Median household total wealth, by household net equivalised income deciles

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

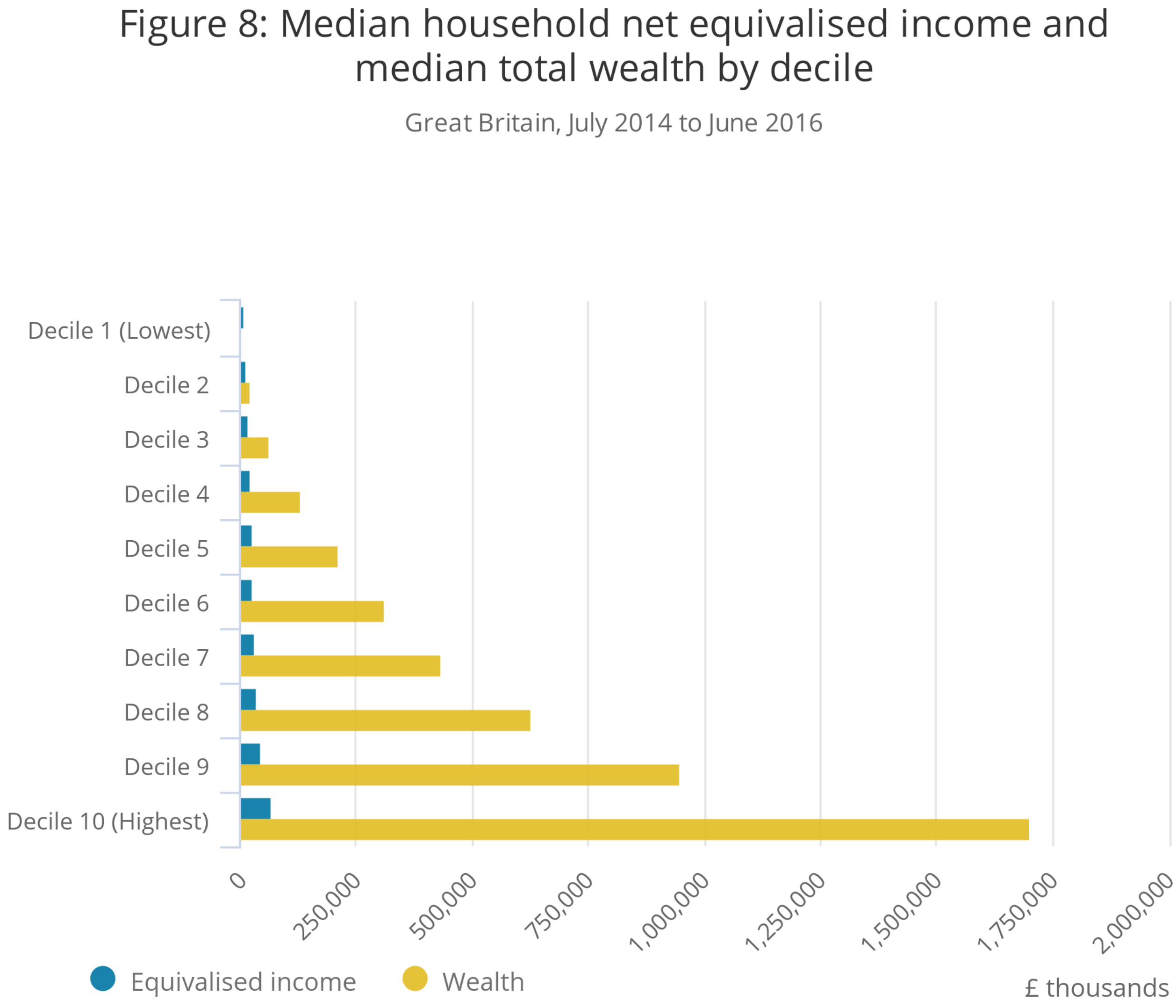
Notes:

1. See Background table 2.9 for more detailed figures.

The distribution of wealth is far more unequal than that of income. This is shown clearly in Figures 8 and 9. The median household net equivalised income for those in the lowest decile is £10,000, which is higher than the median total wealth of £5,800 for those in the lowest wealth decile. However, the median household net equivalised income of households in the top decile is £67,600, which is far smaller than the median total wealth figure of £1,701,600 for households in the top wealth decile. The median household net equivalised income of the top decile is 6.8 times that of the lowest decile. However, the equivalent figure for household wealth for the top decile is more than 290 times greater than that of the lowest decile.

Figure 8: Median household net equivalised income and median total wealth by decile

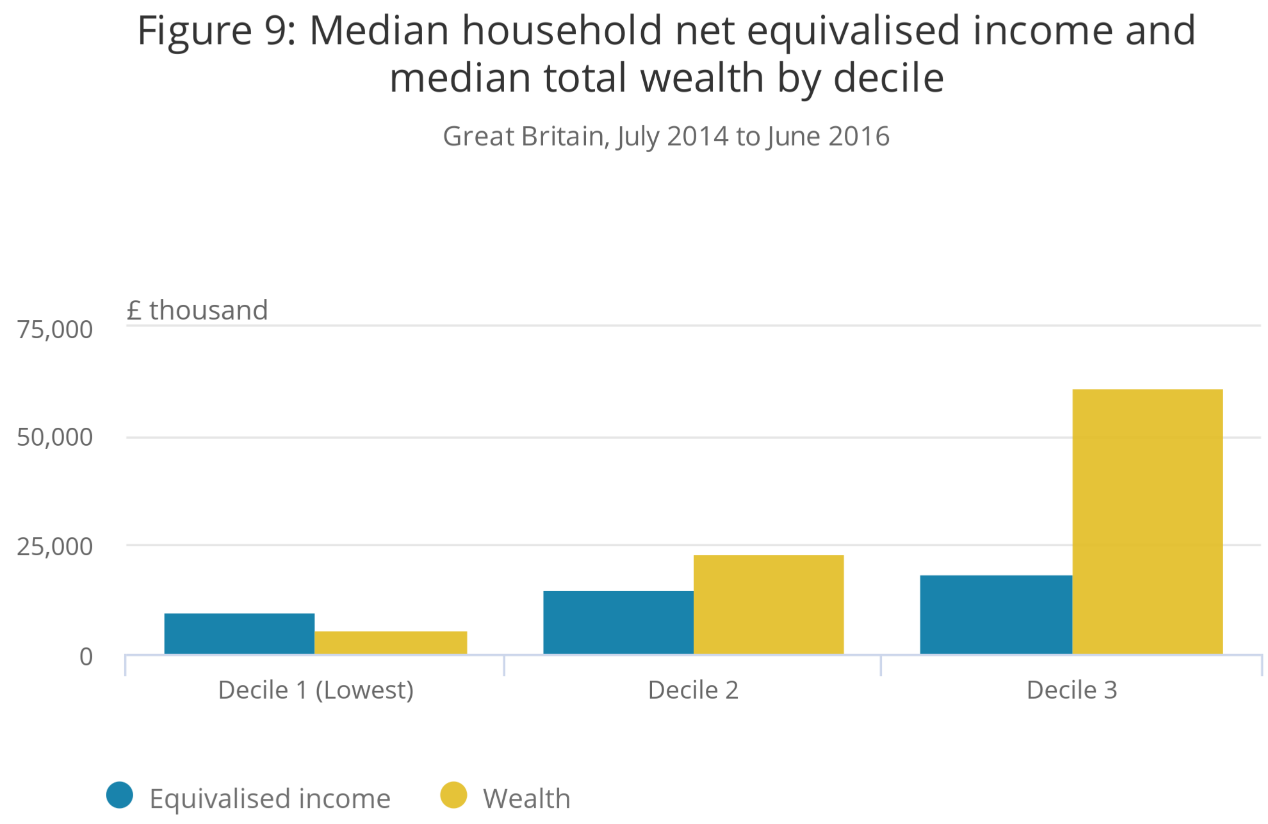
Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 9: Median household net equivalised income and median total wealth by decile

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Households that have high levels of income often also have high levels of wealth. However, this is not always the case. For example, there are some in the younger age groups who have high incomes, as they may have well-paid jobs. However, they have comparatively low levels of wealth. This is because they have not yet had time to accumulate levels of wealth that would put them in a decile equivalent to that which they are in for income.

This can be seen by comparing the distributions shown in Tables 5 and 6. In July 2014 to June 2016, 79% of households with a household reference person (HRP) aged 16 to 34 years were in one of the lowest four wealth deciles, whilst only 42% of such households were in one of the lowest four net equivalised income deciles.

Conversely, there are some households in the older age groups that have high levels of wealth, having accumulated it for long periods of time. However, once they have retired, their incomes may not be as comparatively high. This can also be seen in the data, as 51% of those households with a HRP aged 65 and over were in the top four deciles of wealth. However, only 34% of such households were in the top four deciles for net equivalised income.

Table 5: Percentage of households in each household total wealth decile, by age of household reference person

Great Britain, July 2014 to June 2016

Total Wealth decile	16 to 34	35 to 64	65+
Decile 1 (lowest)	24	9	5
Decile 2	21	9	7
Decile 3	18	9	7
Decile 4	16	9	8
Decile 5	9	10	10
Decile 6	7	10	11
Decile 7	3	11	12
Decile 8	2	10	14
Decile 9	0	11	13
Decile 10 (highest)	0	12	12

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. The age groups used in this table are not standard age groups but have been used to demonstrate the distribution of wealth between the young and old.

Table 6: Percentage of households in each household net equivalised income decile, by age of household reference person

Great Britain, July 2014 to June 2016

%

Net household equivalised income decile	16 to 34	35 to 64	65+
Decile 1 (lowest)	11	10	10
Decile 2	11	8	13
Decile 3	10	9	12
Decile 4	10	9	11
Decile 5	11	10	10
Decile 6	9	11	9
Decile 7	11	10	9
Decile 8	10	10	9
Decile 9	10	11	8
Decile 10 (highest)	7	12	7

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

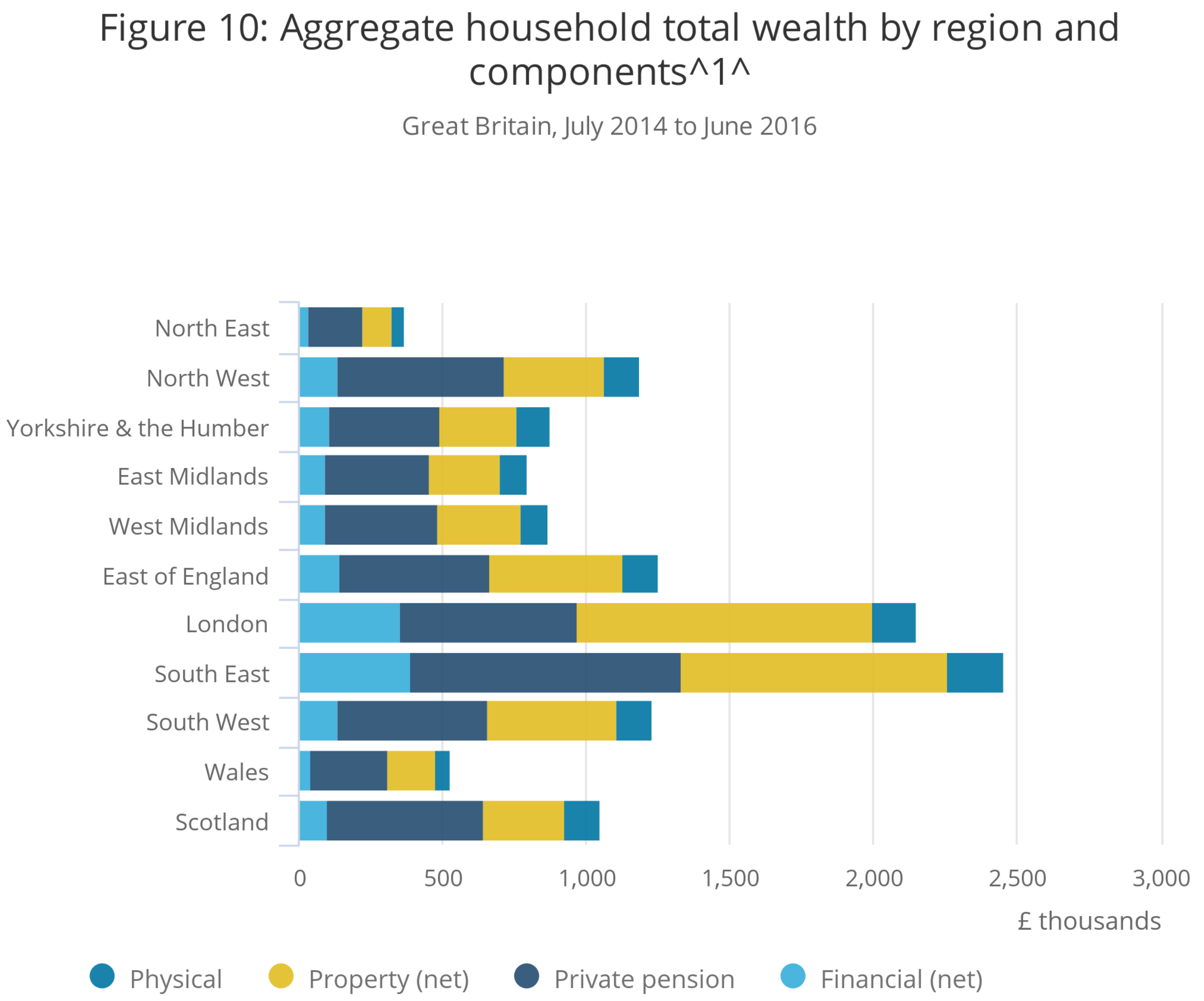
1. The age froups used in this table are not standard age groups but have been used to demonstrate the distribution of income between the young and old.

Distribution of household total wealth by region

Figure 10 shows aggregate household total wealth broken down by the four wealth components for Scotland, Wales and the nine English regions (with London shown separately; the figures for the South East exclude London).

Figure 10: Aggregate household total wealth by region and components [1]

Great Britain, July 2014 to June 2016



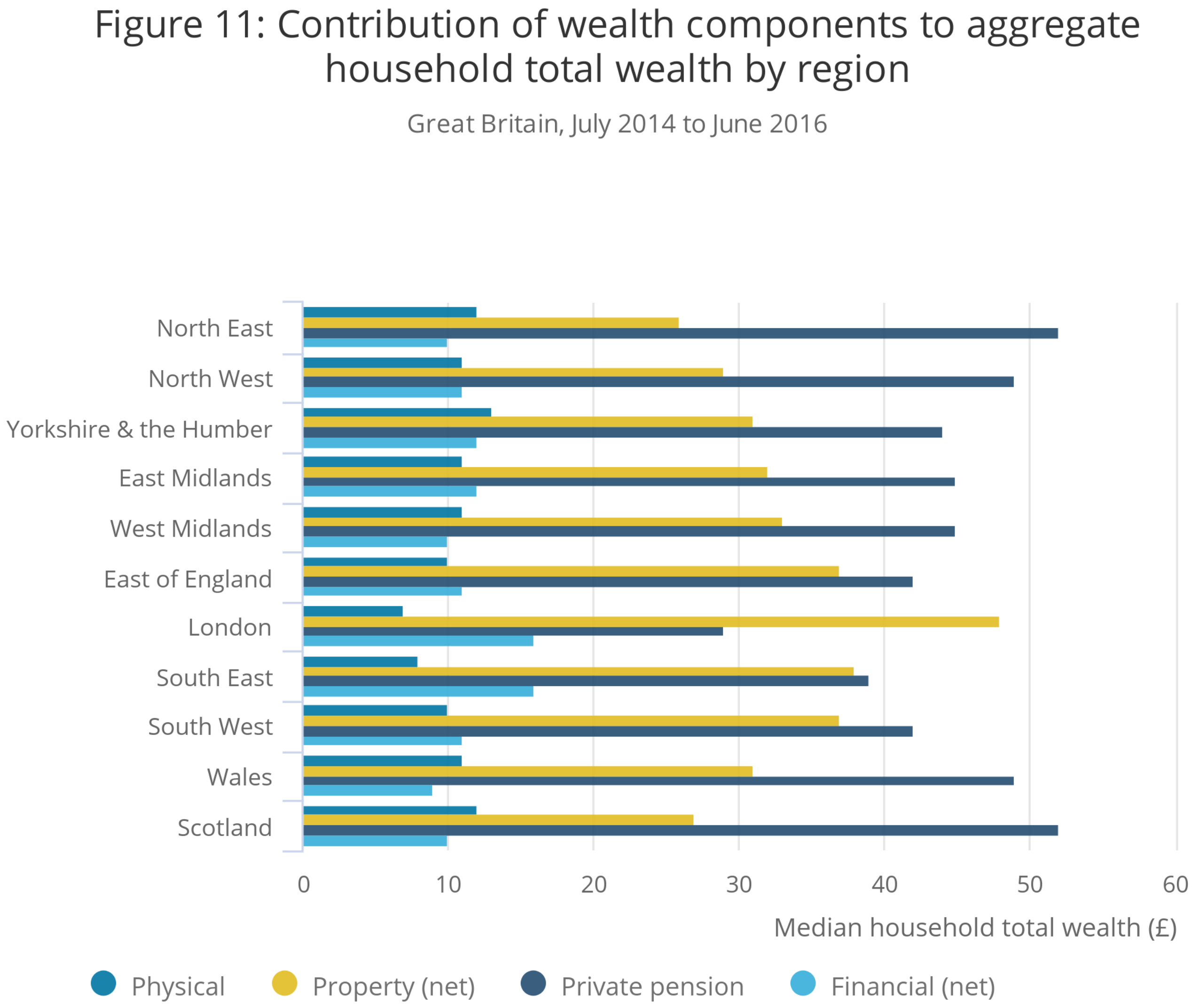
Source: Wealth and Assets Survey, Office for National Statistics

In July 2014 to 2016, the South East region of England had the highest aggregate household total wealth of all regions (though this does reflect the fact that this region is also the largest in terms of number of households), contributing £2.46 billion to the aggregate wealth of households in Great Britain. This was closely followed by London, which had aggregate total wealth of £2.15 trillion (which is also the region with the second highest number of households in Great Britain). Changes affecting these areas will have a high impact on the overall aggregate household total wealth estimates for Great Britain.

Conversely, the North East, with the fewest number of households of all regions, contributed the least to the aggregate household total wealth of Great Britain (£0.37 trillion), followed by Wales, which had aggregate total wealth of £0.99 trillion. Changes affecting these areas will have less impact on the overall aggregate household total wealth estimates for Great Britain.

Figure 11: Contribution of wealth components to aggregate household total wealth by region

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

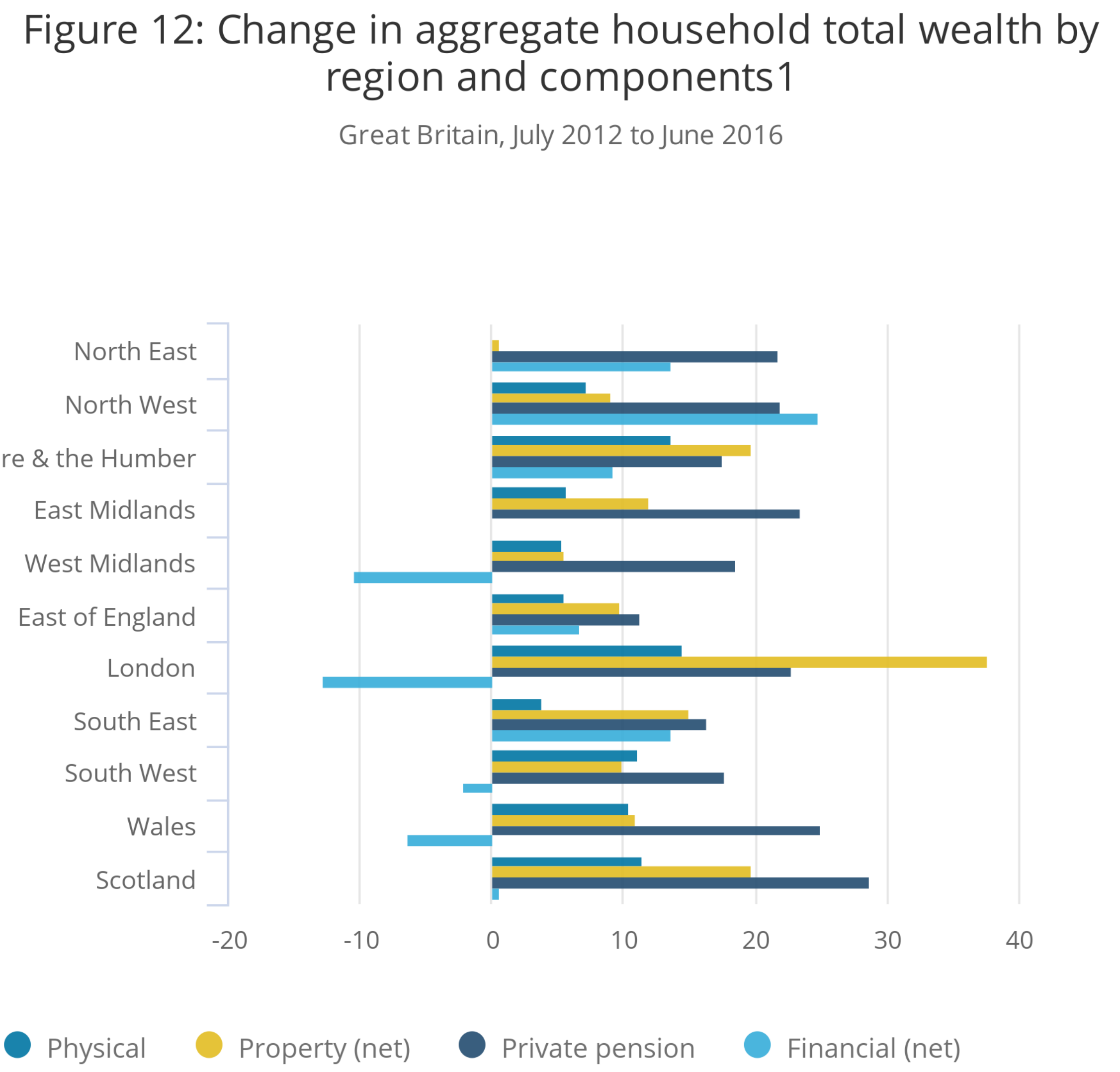
1. See Background tables 2.11 and 2.12 for more detailed figures.

Figure 11 illustrates how the various components of wealth contribute to aggregate household total wealth in each region. Private pension wealth is the main component of aggregate wealth in most areas – with the exception of London, where property wealth contributes the most, and the South East, where pension wealth and property wealth contribute almost the same to aggregate total wealth.

Figure 12 shows where the changes in aggregate household total wealth occurred between July 2012 to June 2014 and July 2014 to June 2016. The most striking change is the increase in the percentage change to property wealth in London, increasing by 38% from £0.75 trillion to £1.03 trillion over the period.
In summary, the increase in property values in London seems to be one of the main reasons for the increase in aggregate household total wealth in Great Britain between July 2012 to June 2014 and July 2014 to June 2016. This is explored further in section 5.

Figure 12: Change in aggregate household total wealth by region and components1

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. See Background tables 2.11 and 2.12 for more detailed figures.

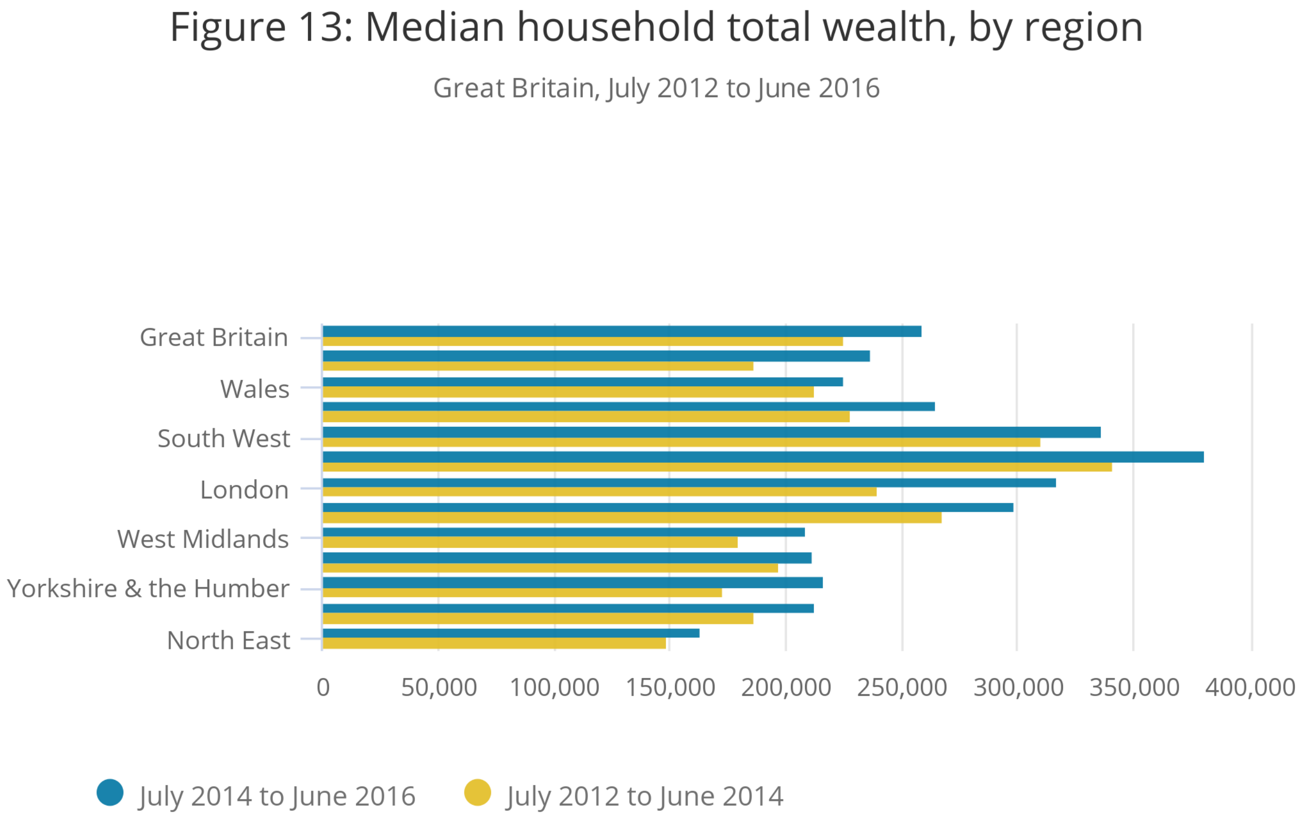
The breakdowns of aggregate wealth by region can assist in understanding why aggregate wealth in Great Britain has increased, this alone does not indicate whether the growth has been evenly distributed across Great Britain.

Figure 13 shows the median values of household total wealth by region of residence. The South East remains the wealthiest; where half of all households had wealth of £381,800 or more in the period July 2014 to June 2016. The South East was followed by the South West and London, with median household total wealth of £335,700 and £326,200 respectively.

The North East remains the lowest median household total wealth in the period July 2014 to June 2016 with a value of £163,000.

Figure 13: Median household total wealth, by region

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. "Other" includes pension wealth expected from former partner, retained rights for drawdown and AVC schemes. Calculations for wealth estimates exclude those with zero pension wealth (that is, only cover those with pensions).

The median household total wealth for England rose by 16% to £265,300 between July 2012 to June 2014 and July 2014 to June 2016. In comparison, the median household total wealth for Scotland increased by 29% to £240,200 and the median household total wealth for Wales increased by 6% to £224,100.

Looking at how the separate components of wealth have contributed to these changes (see separate chapters), Scotland saw an increase in all four wealth components, but most significantly in financial wealth and private pension wealth where the medians increased by 38% and 31% respectively. Similarly, England saw an increase in all four components, but most significantly in private pension wealth. Conversely, Wales saw a fall in financial and property wealth, but these were offset by the increases in private pension wealth. In July 2014 to June 2016, the median household total wealth for Wales was 7% lower than the corresponding value for Scotland and 16% lower than the value for England.

4 . Private pensions wealth

As reported in section 3 of this bulletin, aggregate private pension wealth accounted for over half (53%) of the growth in aggregate total wealth between July 2012 to June 2014 and July 2014 to June 2016, increasing by 20% from £4.4 trillion to £5.3 trillion over this period. As explained later in this section, some of this increase has been caused by market factors changing over this period (annuity rates and discount factors used to determine the value a pension pot needs to be to pay out a certain level of pension), but even after this is taken into account, private pension wealth would still account for 41% of the change in aggregate total wealth. This section explores where this growth has occurred and any possible reasons for the growth.

Household private pension wealth

Table 7 shows the proportion of households with wealth in private pensions and the amount of wealth held in each pension type from July 2012 to June 2016. The percentages of households with pension wealth held in defined contribution pension schemes (either current occupational or retained rights) have increased between July 2012 to June 2014 and July 2014 to June 2016. This growth in membership is likely to be as a result of automatic enrolment to workplace pensions.

Automatic enrolment was introduced in October 2012 as a consequence of the Pensions Act 2011 and 2014 and applies to eligible employees who are not already participating in a qualifying workplace pension scheme. Automatic enrolment states that all employers select a qualifying pension scheme for their employees and consequently enrol eligible employees into this scheme. Staged automatic enrolment began in October 2012 (based on the size of employer's Pay As You Earn (PAYE) scheme) and is being rolled out to all employers by 2018.

Between October 2012 and April 2018, the minimum contribution is 2% of an employee's qualifying earnings of which at least 1% must come from the employer. Automatic enrolment means that individuals will have a new pension pot with each new employer, resulting in an increase to retained and current occupational defined contribution schemes. This is highlighted throughout the bulletin. Conversely, the percentage of households with current personal pensions has decreased during this period, from 15% in July 2012 to June 2014 to 12% in July 2014 to June 2016.

The percentage of households with wealth in all other types of private pension remained largely unchanged when compared with July 2012 to June 2014. In July 2014 to June 2016, the pension type with the largest median wealth was pensions in payment.

Table 7: Proportion of households with wealth in private pensions and amount of wealth (£) held in such pensions, by pension type[1,2,3,4,5,6,7]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014			July 2014 to June 2016		
	% with	£ Median [1]	Aggregate private pension wealth[1] £ Billion	% with	£ Median [1]	Aggregate private pension wealth[1] £ Billion
Current occupational defined benefit pensions[1]	28	84,900	1,358	29	108,200	1,723
Current occupationaldefined contribution pensions[1]	16	11,000	138	22	7,000	202
Personal pensions[1]	15	21,000	214	12	22,000	172
AVCs[1]	1	8,900	7	1	7,700	8
Retained rights in defined benefit pensions[1]	14	46,200	385	14	64,200	497
Retained rights in defined contribution pensions[1]	15	10,100	143	17	12,300	180
Rights retained in pensions for drawdown[1]	0	120,000	6	0	60,000	11
Pensions expected from former spouse/partner[1]	2	13,300	17	1	9,500	20
Pensions in payment[1]	30	147,200	2,178	30	170,900	2,511
Total pension wealth[1]	N/A	96,500	4,446	N/A	111,500	5,324
Total pension wealth (whole population)[2]	76	46,500	4,446	79	58,000	5,324

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Calculations for wealth estimates exclude those with zero pension wealth (i.e. only cover those with pensions).

2. The rows highlighted in bold and labelled ‘Total pension wealth (whole population)’ include those with zero pension wealth.

3. Although the methodology for calculating DB pension wealth has remained the same in all three waves, there have been changes in the financial assumptions.

4. Households can have wealth in more than one type of pension.

5. Figures in italics are based on 30 or more unweighted cases but less than 50 - such data should be treated with some caution.

6. Where the percentage is denoted as 0 it is rounded to the nearest figure, therefore it means the percentage of individuals with wealth in pensions in payment is closer to 0 than it is to 1.

7. N/A = not applicable

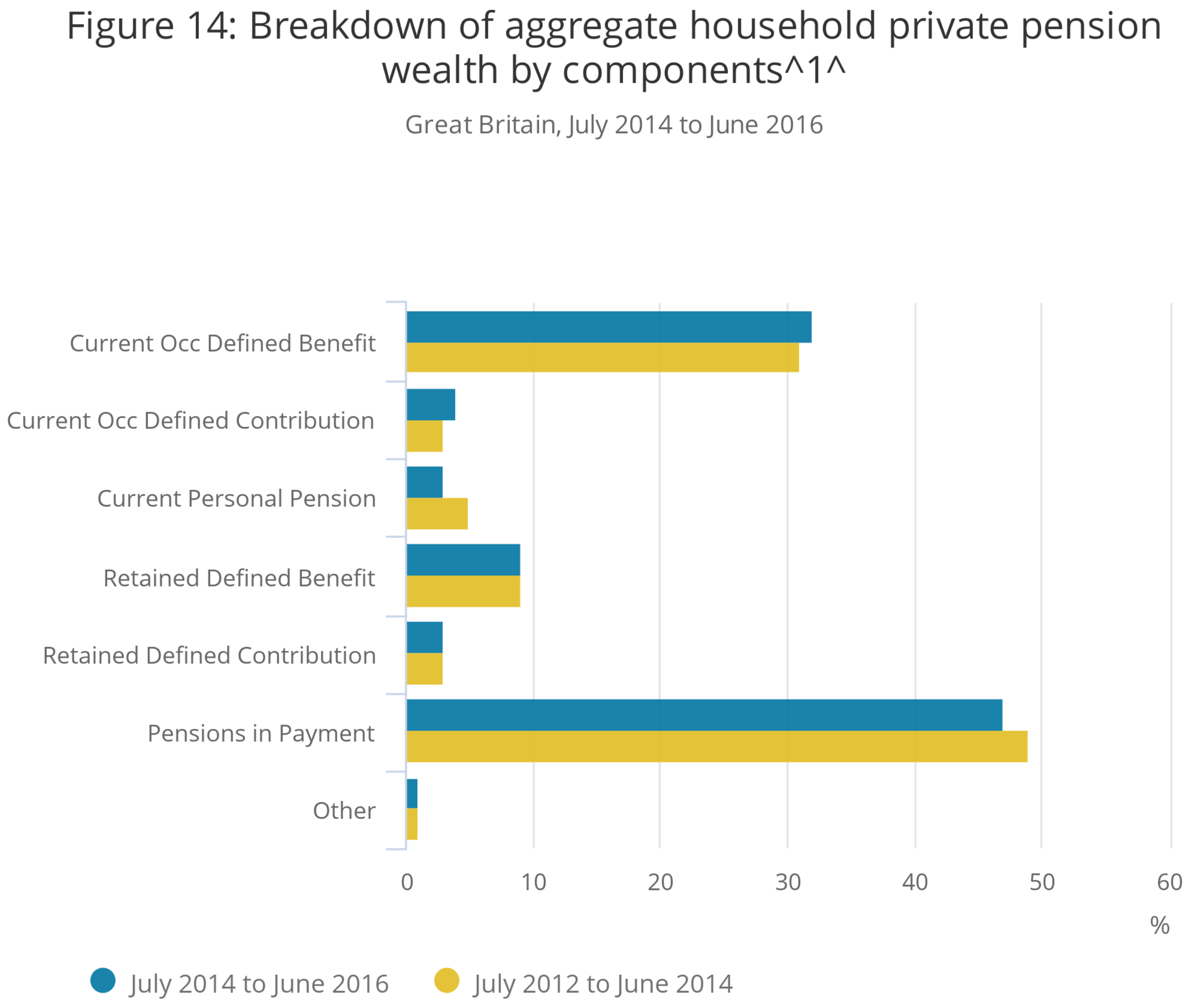
8. See Background table 6.11 for more detailed figures.

A breakdown of aggregate household private pension wealth is shown for July 2014 to June 2016 (Figure 14). The largest share of private pension wealth was pensions in payment, at 47%, followed by current pensions (occupational and personal), at 39%. This is consistent with July 2012 to June 2014, with pensions in payment accounting for 49% and current pension wealth accounting for 38% of all private pension wealth.

Wealth from defined benefit pensions (current, retained and pensions in payment) is valued as the pension pot required for a specific income in the future. It is calculated using financial assumptions (discount and annuity factors) that are obtained each month to reflect current market influences. The resulting effect of changes to these rates between July 2012 to June 2014 and July 2014 to June 2016 consequently accounted for approximately 67% of the increase to aggregate pension in payment wealth (see background table 6.17).

Figure 14: Breakdown of aggregate household private pension wealth by components [1]

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. "Other" includes pension wealth expected from former partner, retained rights for drawdown and AVC schemes.

2. Calculations for wealth estimates exclude those with zero pension wealth (that is, only cover those with pensions).

The percentage of households with wealth in private pensions and the value of wealth are shown in Table 8 by household type. Between July 2012 and June 2014 and July 2014 and June 2016, households that include lone parents, couples with dependent children and couples below State Pension age have seen the largest increases in private pension wealth ownership. The rise for all of these household types was predominantly due to their accumulation of current occupational defined contribution scheme wealth.

Table 8: Percentage of households with wealth in private pensions and amount of wealth (£) held in such pensions, by household type[1,2,3]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014		July 2014 to June 2016	
	% with	£ Median[1]	% with	£ Median[1]
Single HHold, over SPA[2]	68	71,600	69	81,700
Single HHold, under SPA[2]	64	55,300	67	67,200
Married/Cohabiting both over SPA[2], no children	89	195,600	90	237,200
Married/Cohabiting both under SPA[2], no children	86	95,500	91	128,000
Married/Cohabiting 1 over, 1 under SPA[2], no children	91	331,500	88	403,200
Married/Cohabiting, dependent children	79	76,300	84	86,300
Married/Cohabiting, non-dependent children only	91	211,800	91	247,900
Lone parent, dependent children	47	28,000	51	29,700
Lone parent, non-dependent children	70	79,600	77	77,300
2 or more families/Other HHold type	70	88,800	73	71,100

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians and quartiles exclude individuals with zero wealth; percentages do not exclude such individuals.

2. SPA – refers to State Pension Age at time of interview.

3. See Background table 6.16 for more detailed figures.

Individual pension wealth

Current occupational pension wealth

Table 9 shows that the percentage of adults aged 16 to 64 years in Great Britain contributing to a private pension increased to 49% in July 2014 to June 2016 from 44% in July 2012 to June 2014. The percentage varies by gender with 51% of men making contributions compared with 47% of women.

Table 9: Percentage of individuals aged 16 to 64 years that currently contribute to a private pension scheme, by pension type and sex[1]

%

	July 2010 to June 2012			July 2012 to June 2014			July 2014 to June 2016		
	Men	Women	All	Men	Women	All	Men	Women	All
No current pension	55	61	58	54	59	56	49	53	51
Any type of pension	45	39	42	46	41	44	51	47	49
of which									
Occupational defined benefit only	20	24	22	18	24	21	20	25	23
Occupational defined contribution only	10	7	8	13	9	11	19	14	16
Personal pension only	10	4	7	10	5	8	7	4	5
More than one type	6	4	5	5	3	4	5	3	4

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Figures may not sum to totals due to rounding.

During July 2014 to June 2016, there were 66% of employees (aged 16 and over) actively contributing to a private pension scheme (occupational defined benefit, defined contribution or personal pension), compared with 25% of self-employed. The median pension wealth of these schemes for employees is £33,000 compared with £21,000 for the self-employed (see table 6.19 of the datasets).

Current occupational defined contribution pension wealth

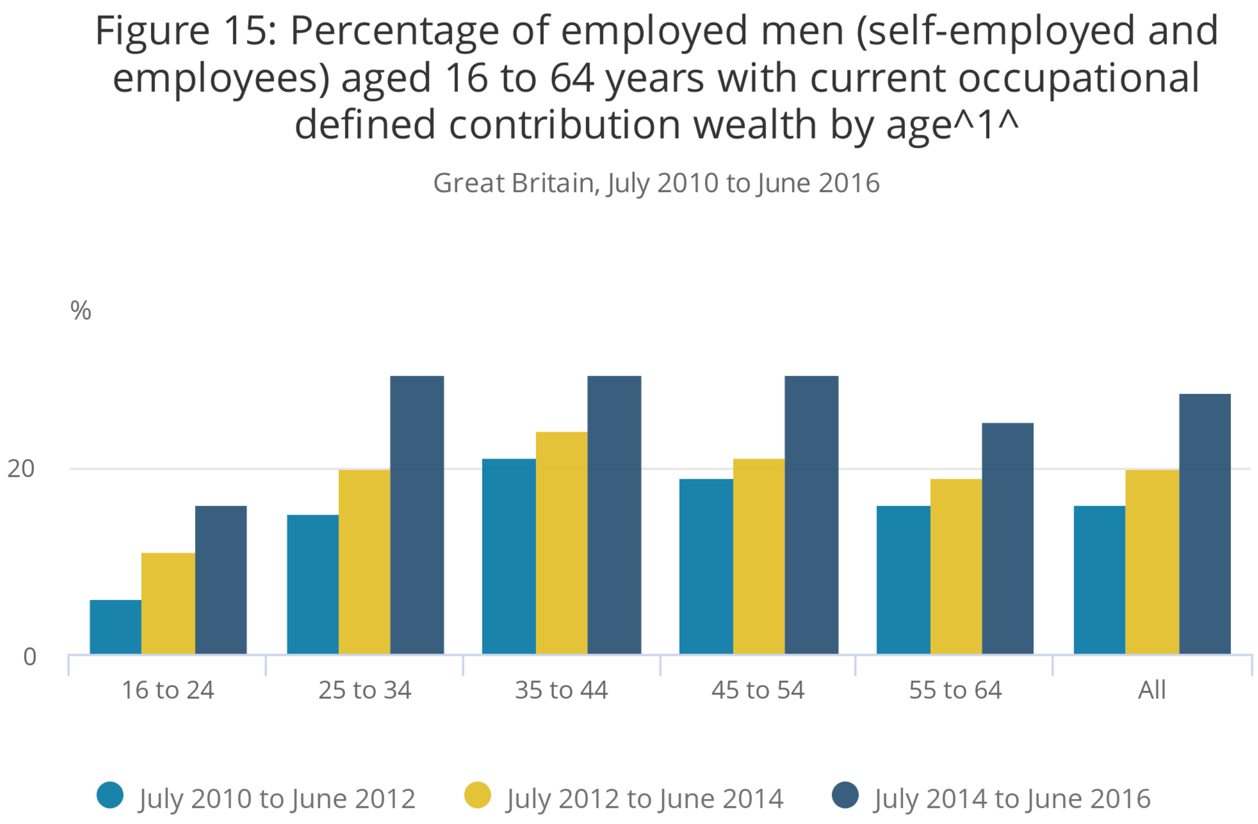
The increase in membership of current private pensions was driven by the rise in membership of occupational defined contribution schemes, which have been increasing since 2012. As already mentioned, this rise is likely to be a consequence of automatic enrolment into workplace pensions.

Figure 15 illustrates the percentage of employed men, (self-employed and employees) aged 16 to 64 years with an active occupational defined contribution scheme. This chart shows that males with membership of a current occupational defined benefit scheme increased by 8 percentage points, from 20% in July 2012 to June 2014 to 28% in July 2014 to June 2016.

Males aged 25 to 34 years were the age group with the largest growth in membership between July 2012 to June 2014 and July 2014 to June 2016. There were 20% of men contributing to an occupational defined contribution scheme in July 2012 to June 2014, compared with 30% of men contributing to a scheme in July 2014 to June 2016. There was also a growth in membership levels for employed women aged 16 to 64 years, rising from 16% in July 2012 to June 2014 to 21% in July 2014 to June 2016 (Figure 16).

Figure 15: Percentage of employed men (self-employed and employees) aged 16 to 64 years with current occupational defined contribution wealth by age[1]

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Employed includes employees and self-employed.

2. "All" includes individuals aged 16 to 64 years.

Figure 16: Percentage of employed women (self-employed and employees) aged 16 to 64 years with current occupational defined contribution wealth by age[1]

Great Britain, July 2010 to June 2016

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Employed includes employees and self-employed.

2. "All" includes individuals aged 16 to 64 years.

Although membership of current occupational defined contribution schemes increased between July 2012 to June 2014 and July 2014 to June 2016, the median value of wealth held in such schemes decreased during this period for almost all age groups (Table 10). This is a result of the increase of occupational defined contribution membership because of automatic enrolment, with members contributing at the current minimum level and only having a small period of time to accumulate their wealth.

As staged automatic enrolment began in October 2012 and will not be implemented to all employers until April 2018, automatically enrolled members have had less time to accumulate their wealth hence pulling down the median wealth of all current occupational defined contribution schemes.

Table 10: Percentage of individuals with wealth in current occupational defined contribution pensions and amount of wealth (£) held in such pensions, by age and sex [1,2,3,4,5]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014						July 2014 to June 2016					
	Men		Women		All		Men		Women		All	
	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]
16 to 24	7	1,500	4	1,000	5	1,000	9	1,000	7	900	8	1,000
25 to 34	16	4,400	13	4,100	15	4,400	26	2,500	19	2,000	22	2,000
35 to 44	20	16,800	13	8,000	17	11,800	27	9,300	19	4,000	23	7,000
45 to 54	17	19,500	12	8,000	15	14,300	25	12,500	16	7,500	21	10,000
55 to 64	12	23,800	7	10,000	9	17,000	17	20,000	10	9,000	13	15,000
65+	1	22,000	..	..	1	10,000	1	11,700	..	..	1	11,700
All	12	12,000	8	5,500	10	9,000	17	5,500	11	3,600	14	4,700

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians and quartiles exclude individuals with zero wealth in current occupational DC schemes; percentages do not exclude such individuals.

2. "Figures may not sum to totals due to rounding."

3. Figures in italics are based on 30 or more unweighted cases but less than 50 - such data should be treated with some caution.

4. ".." - estimates that have been suppressed due to fewer than 30 unweighted cases.

5. See Background table 6.3 for more detailed figures

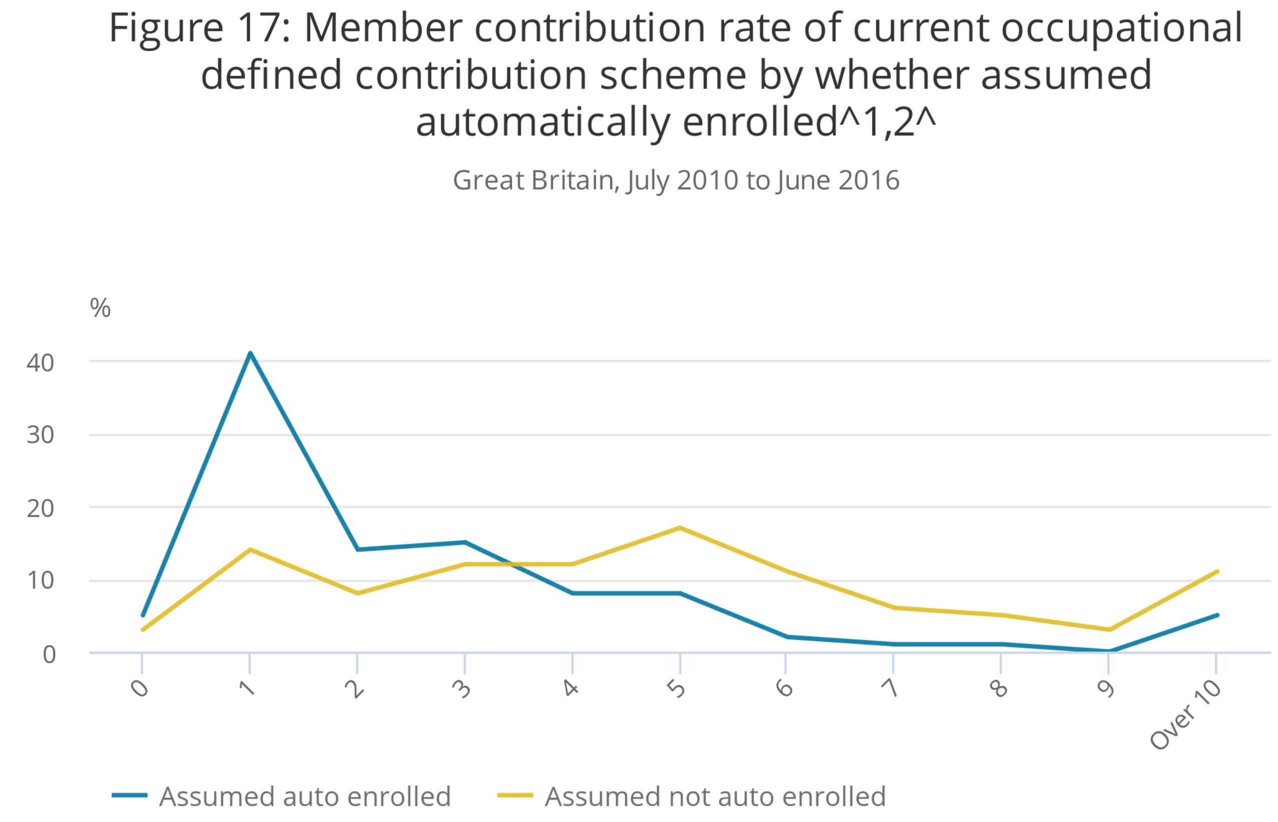
The Wealth and Assets Survey collects information on pension contributions. Contribution rates are likely to be influenced by automatic enrolment to workplace pensions. To assess whether the participant should be assumed likely to be a member of an automatically enrolled scheme, eligibility requirements relating to multiple characteristics were applied. These included age, employment earnings, employer size with corresponding staging date, date of joining pension scheme and date of entering current employment.

For longitudinal members, additional analysis was performed using information from the last period (July 2012 to June 2014) such as whether the participant was in the same job, whether they were a member of an occupational pension scheme and details from their pension schemes. Figure 17 shows contribution rates (member contribution only) for current occupational defined contribution pension schemes in July 2014 to June 2016 by whether the scheme member is assumed to be automatically enrolled or not.

Three-quarters of assumed automatically enrolled members had a contribution rate up to 3%, with a clear spike at 1% contribution, the current required automatic enrolment minimum level. This compares with 36% of members assumed not automatically enrolled having member contributions of up to 3%. There was a broader distribution spread for the assumed not automatically enrolled members.

Figure 17: Member contribution rate of current occupational defined contribution scheme by whether assumed automatically enrolled[1,2]

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Automatically enrolled and not automatically enrolled are assumptions based on eligibility criteria.

2. Where the contribution rate is denoted as 0 it is rounded to the nearest figure, therefore it means the contribution rate is closer to 0 than it is to 1.

Current occupational defined benefit pension wealth

Occupational defined benefit schemes remain the pension category with the highest membership levels within current private pension schemes. Table 11 shows that in July 2014 to June 2016, the percentages of both men and women with current occupational defined benefit membership increased by 1 percentage point to 18% and 21% respectively.

Table 11: Percentage of individuals with wealth in current occupational defined benefit pensions and amount of wealth (£) held in such pensions, by age and sex [1,2,3,4,5]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014						July 2014 to June 2016					
	Men		Women		All		Men		Women		All	
	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]
16 to 24	6	6,800	7	4,700	6	5,100	7	9,700	10	8,900	9	9,600
25 to 34	21	24,100	25	18,700	23	21,500	23	37,900	27	27,800	25	32,500
35 to 44	26	78,200	34	48,200	30	58,800	28	105,500	33	70,500	31	79,800
45 to 54	29	206,100	34	100,500	31	146,600	28	231,200	36	117,000	32	162,900
55 to 64	18	286,500	21	140,600	19	189,400	20	359,600	22	152,800	21	209,200
65+	1	143,100	1	133,800	1	140,600	1	192,800	1	118,700	1	175,700
All	17	87,000	20	52,100	18	64,200	18	109,800	21	67,000	19	78,100

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians exclude individuals with zero wealth in current occupational DB schemes; percentages do not exclude such individuals.

2. Although the methodology for calculating DB pension wealth has remained the same across the three waves (2010-2016), there have been changes in the financial assumptions.

3. "Figures may not sum to totals due to rounding."

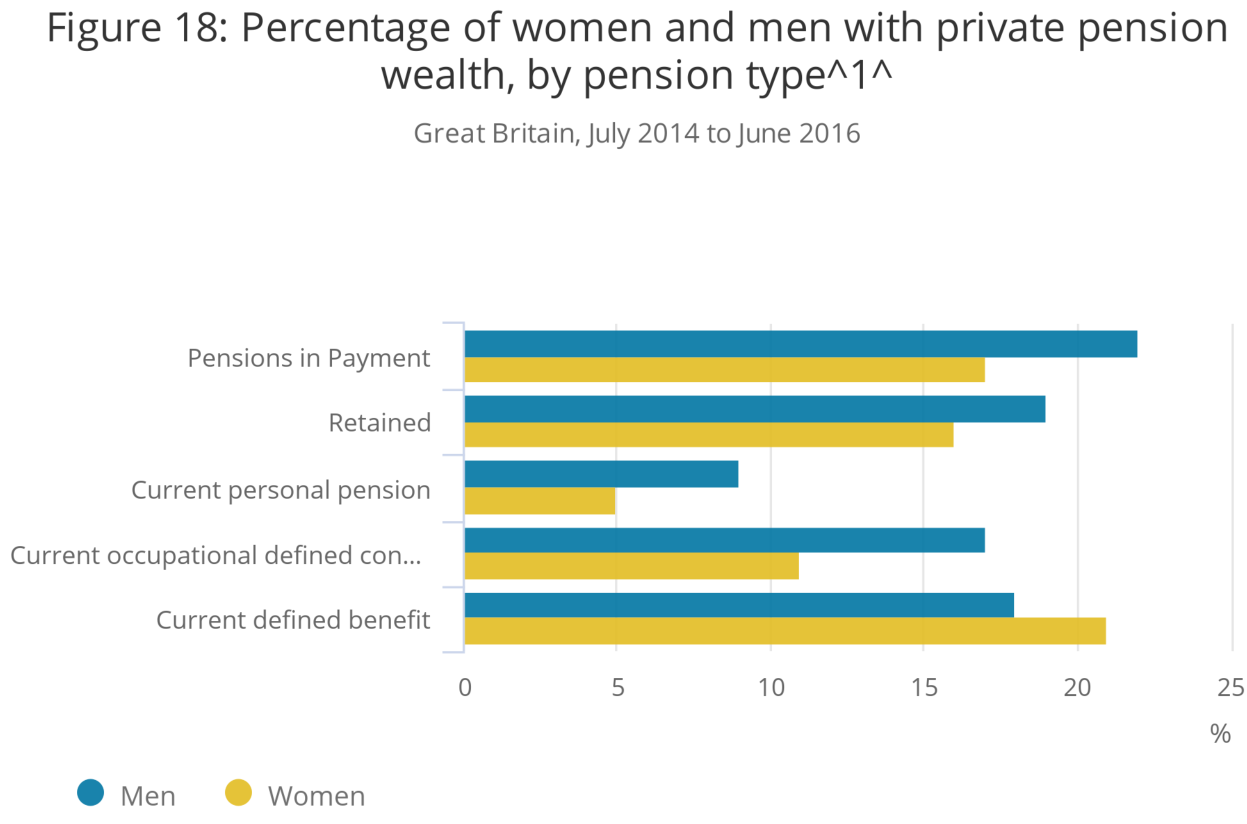
4. Figures in italics are based on 30 or more unweighted cases but less than 50 - such data should be treated with some caution.

5. See Background table 6.2 for more detailed figures.

Current occupational defined benefit pension wealth continues to be the only pension wealth component with higher participation rates from women than men (Figure 18). The median current occupational defined benefit pension wealth increased at a similar rate for men and women between July 2012 to June 2014 and July 2014 to June 2016, with men maintaining substantially higher wealth than women. Lower defined benefit pension wealth of women reflects the combination of generally lower earnings of women and fewer years of pension membership.

Figure 18: Percentage of women and men with private pension wealth, by pension type [1]

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. See Background tables 6.2, 6.3, 6.4, 6.7 and 6.9 for more detailed figures.

The aggregate wealth for this pension type grew by 27% between July 2012 to June 2014 and July 2014 to June 2016, with current occupational defined benefit wealth accounting for 32% of all private pension wealth (Table 7). The increase to wealth between these periods is predominantly explained by the derivation of occupational defined benefit wealth (valued as the pension pot required for a specific income in future). The variables applied in the formulae include age, annuity factors and discount rates with annuity factors and discount rates being obtained monthly to reflect market influences.

Between July 2012 to June 2014 and July 2014 to June 2016, the average annuity factor for defined benefit wealth (not yet in payment) increased by 3% (see table 6.18). The resulting changes to annuity factors and discount rates consequently accounted for approximately 82% of the increase to current occupational defined benefit pension wealth (see table 6.17). Although the derivation methodology of this wealth type accounted for more than three-quarters of the growth, the overall increase is still large.

Active occupational pension scheme membership in the private sector increased from 42% in July 2012 to June 2014 to 53% in July 2014 to June 2016. This is likely to be due to the introduction of automatic enrolment (Table 12) boosting the membership of occupational defined contribution schemes in the private sector.

The majority of active memberships of occupational pension schemes in the public sector are for defined benefit schemes. Although automatic enrolment also applies to defined benefit schemes, a much larger proportion of public sector employees were already members of qualifying pension schemes prior to automatic enrolment, compared with the private sector.

Defined benefit schemes also saw membership levels increase but at a much slower pace than the private sector, from 84% to 87% between July 2012 to June 2014 and July 2014 to June 2016. There was a large difference between the median value of current occupational pension wealth of employees in the public sector (£80,600) compared with employees in the private sector (£15,300) in July 2014 to June 2016. This difference (£65,300) was nearly twice the size of that in July 2012 to June 2014 (£37,500).

This is seemingly a consequence of automatic enrolment requirements, as a large proportion of recently automatically enrolled members in the private sector are contributing the current minimum level (referenced in Figure 17) and as recent joiners, have had a small time period to accumulate their wealth compared with public sector employees. As the majority of public sector employees have active defined benefit schemes, the median wealth growth for these schemes is partially explained by the derivation of occupational defined benefit wealth, which is affected by changes to the economic market (such as annuity factors and discount rates).

Table 12: Percentage of employees with wealth in current occupational (defined benefit and defined contribution) pension schemes and amounts of wealth (£) held in such pensions, by age and sector [1,2,3,4,5]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014						July 2014 to June 2016					
	Public		Private		All Employees		Public		Private		All Employees	
	% with	Median [1] £	% with	Median [1] £	% with	Median [1] £	% with	Median [1] £	% with	Median [1] £	% with	Median [1] £
16 to 24	49	4,200	16	2,800	20	3,500	62	7,400	23	2,000	29	3,500
25 to 34	86	21,900	39	8,700	51	13,500	89	37,900	54	5,000	62	12,000
35 to 44	89	56,200	50	27,200	62	38,700	90	81,500	62	18,600	70	35,000
45 to 54	89	133,800	51	50,400	63	84,300	90	153,400	63	36,000	71	66,900
55 to 64	82	161,900	46	68,000	57	110,700	84	191,600	56	48,000	64	104,000
65+	40	128,000	21	50,800	26	61,400	43	163,100	17	35,800	23	97,900
All	84	61,300	42	23,800	53	36,000	87	80,600	53	15,300	62	31,100

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians exclude those with zero occupational pension wealth; percentages do not exclude such individuals.

2."All employees" includes cases which were not classified as belonging to either the public or private sector, but still have some occupational pension wealth.

3. This table refers only to employees contributing to occupational pension schemes at the time of the interview. It does not include those employees who have personal pensions.

4. "Figures may not sum to totals due to rounding."

5. See Background table 6.6 for more detailed figures.

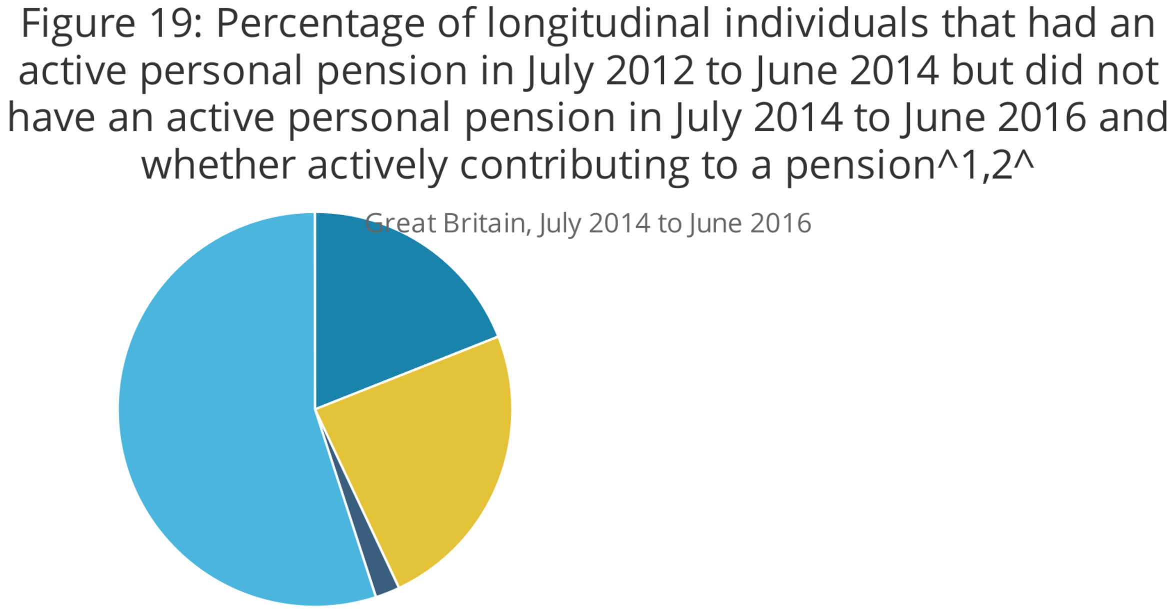
Current personal pension wealth

Between July 2012 to June 2014 and July 2014 to June 2016, current personal pension membership declined by 2 percentage points from 9% to 7% (see table 6.4). In July 2014 to June 2016, nearly three-quarters of adults responded to the Wealth and Assets Survey (WAS) in the previous period (July 2012 to June 2014, analysis was performed from this dataset).

From this longitudinal dataset, half of people with active personal pensions in July 2012 to June 2014 stopped contributing to a personal pension in July 2014 to June 2016. Figure 19 demonstrates that of those no longer contributing to a personal pension in July 2014 to June 2016, more than half did not have an active pension of any type and nearly one-quarter were contributing to only an employer defined contribution pension.

Figure 19: Percentage of longitudinal individuals that had an active personal pension in July 2012 to June 2014 but did not have an active personal pension in July 2014 to June 2016 and whether actively contributing to a pension[1,2]

Great Britain, July 2014 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Longitudinal individuals are those that responded in July 2012 to June 2014 and July 2014 to June 2016.

2. Includes all economic activities (employees, self-employed, unemployed, inactive).

The current personal pension membership decrease was driven primarily by the decline of members that are employees (nearly half a million). However, the self-employed were the group with the largest percentage fall from 26% in July 2012 to June 2014 to 19% in July 2014 to June 2016 (reducing by around 220,000). Total aggregate wealth in personal pensions also decreased during this period for these categories (employees and the self-employed), both decreasing by a similar amount (£20 billion).

Table 13: Percentage of individuals aged 16 and over that currently contribute to a personal pension scheme by economic activity[1,2]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014				July 2014 to June 2016				
	% with	Weighted frequency	Unweighted frequency	Aggregate personal pension wealth (£ million)	% with	Weighted frequency	Unweighted frequency	Aggregate personal pension wealth (£ million)	% change in aggregate personal pension wealth
Employee	11	2,800,000	2,170	126,000	9	2,300,000	1,648	104,000	-17
Self-employed	26	900,000	798	63,000	19	700,000	568	41,000	-35
Other	3	600,000	547	25,000	3	500,000	431	28,000	9

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. "Other" relates to unemployed and economically inactive.

2. Percentage change relates to July 2012 to June 2014 compared to July 2014 to June 2016.

As personal pension wealth for employees was twice the size of that of the self-employed, the percentage reduction of aggregate personal pension wealth between July 2012 to June 2014 and July 2014 to June 2016 for the self-employed (negative 35%) was double the size of that of employees (negative 17%).

Retained pension wealth

The total number of adults with retained pension entitlements increased by 1 percentage point from 16% in July 2012 to June 2014 to 17% in July 2014 to June 2016 (see table 6.7), with defined benefit or defined contribution schemes accounting for nearly all retained pension wealth.

Table 14 presents the percentage of adults with wealth in retained defined benefit and defined contribution schemes and their corresponding median wealth by age and sex. Increases in the number of adults with retained pensions are primarily a result of increases to defined contribution schemes, particularly for adults aged 35 to 64 years. It is most likely that auto enrolment has contributed to this, either through job moves post-auto enrolment or through employers providing new schemes based on the auto enrolment criteria.

The increase in the value of retained pension wealth in July 2014 to June 2016 is highly influenced by defined benefit schemes. Between July 2012 and June 2014 and July 2014 and June 2016, median retained defined benefit pension wealth grew by approximately £15,000, whereas the growth of median retained defined contribution pension wealth only grew by approximately £1,000.

The difference between these growths is a result of the derivation of retained defined benefit wealth and the increase to the number of small retained defined contribution pension pots, influenced by auto enrolment. Derived on the same basis as current defined benefit wealth, retained defined benefit pension wealth growth is influenced by the methodology derivation (market influences, annuity rates and discount factors). The consequence of changes to annuity factors and discount rates resulted in approximately 49% of the growth to retained defined benefit pension wealth.

Table 14: Percentage of individuals with wealth in retained defined benefit and defined contribution pensions and median wealth held in such pensions by age and sex [1,2,3]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014											
	Defined Benefit						Defined Contribution					
	Men		Women		All		Men		Women		All	
	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]
16 to 24	..	..	..	..	..	..	..	..	..	..	..	..
25 to 34	5	16,700	6	9,200	6	14,000	8	6,000	5	3,000	6	4,800
35 to 44	13	28,900	13	22,700	13	26,100	15	9,700	12	5,800	14	7,700
45 to 54	17	69,300	17	42,800	17	55,000	20	13,900	14	8,000	17	10,500
55 to 64	13	113,900	10	62,100	12	88,000	19	17,000	10	10,100	14	14,000
65+	1	153,700	1	47,800	1	85,400	3	29,000	1	11,900	2	20,000
All	8	54,100	8	30,400	8	41,600	11	12,000	7	7,000	9	9,800
	July 2014 to June 2016											
	Defined Benefit						Defined Contribution					
	Men		Women		All		Men		Women		All	
	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]
16 to 24	..	..	..	..	..	..	..	..	..	..	..	..
25 to 34	4	20,900	6	16,500	5	18,200	7	8,000	5	2,500	6	3,900
35 to 44	12	40,000	13	28,600	13	33,800	17	10,000	14	5,400	16	7,700
45 to 54	17	104,000	17	54,500	17	73,600	24	18,000	18	7,000	21	12,000
55 to 64	13	137,300	12	77,300	12	107,700	21	23,000	12	12,000	16	17,000
65+	1	162,600	1	32,200	1	67,500	3	45,000	1	22,000	2	37,000
All	8	74,600	8	44,000	8	55,600	12	14,700	8	6,600	10	11,000

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians exclude individuals with zero wealth; percentages do not exclude such individuals.

2. Retained defined contribution wealth comprises of occupational and personal pensions.

3. ".." - estimates that have been suppressed due to fewer than 30 unweighted cases.

Pensions in payment

Table 15 shows estimates for the percentage of individuals that are in receipt of private pension payments and the value of this wealth, by age and sex. The percentage of men (22%) and women (17%) in receipt of private pensions did not alter between July 2012 to June 2014 and July 2014 to June 2016.

Similar to the derivation of current and retained defined benefit wealth, the calculation of pensions in payment wealth is calculated as the pension pot required to provide a specific income for the remainder of life. Consequently, those with a shorter period of remaining life (older age groups) will have less pension wealth than younger age groups who will be in receipt of pension income for a longer period.

As with defined benefit pension, wealth factors such as individuals' age and monthly market annuity factors are used to determine the wealth of pensions in payment. Between July 2012 to June 2014 and July 2014 to June 2016, the average annuity factor used to calculate pensions in payment wealth increased from 23% to 24% (see table 6.18 of the datasets) hence accounting for 67% of the wealth increase (see table 6.17 of the datasets). During July 2014 to June 2016, the median wealth held in pensions in payment for men (£195,400) was considerably larger and continued to escalate at a faster rate than for women (£85,900), which (as with defined benefit schemes) is a reflection of generally lower earnings of women and fewer years of pension membership.

Table 15: Percentage of individuals with wealth in pensions in payment and amount of wealth held in such pensions, by age and sex[1,2,3,4,5,6]

Great Britain, July 2012 to June 2016

	July 2012 to June 2014						July 2014 to June 2016					
	Men		Women		All		Men		Women		All	
	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]	% with	£ Median[1]
< 50	1	364,300	0	338,300	0	363,200	0	409,700	..	..	0	339,000
50 to 54	8	332,700	5	189,500	7	278,600	6	403,400	2	221,400	4	357,000
55 to 59	20	355,600	13	223,800	17	277,900	21	433,400	13	230,300	17	342,900
60 to 64	48	353,800	45	140,600	46	216,900	45	388,000	43	175,900	44	257,800
65 to 69	77	239,200	53	105,200	64	170,800	75	279,000	53	136,600	64	208,200
70 to 74	78	146,800	49	68,600	63	115,000	79	192,400	53	85,600	66	141,000
75+	79	73,500	53	34,500	64	50,200	80	86,900	55	45,500	65	61,200
All	22	163,400	17	74,100	19	116,100	22	195,400	17	85,900	20	135,800

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Medians exclude individuals with zero private pension wealth (i.e. only includes those with private pension wealth; percentages do not exclude such individuals.

2. Pension in payment wealth comprises private pensions from which individuals were receiving an income (including spouse pensions).

3. Where the percentage is denoted as 0 it is rounded to the nearest figure, therefore it means the percentage of individuals with wealth in pensions in payment is closer to 0 than it is to 1.

4. Figures in italics are based on 30 or more unweighted cases but less than 50 - such data should be treated with some caution.

5. ".." - estimates that have been suppressed due to fewer than 30 unweighted cases.

6. See Background table 6.9 for more detailed figures.

5 . Property wealth

As reported in section 3 of this bulletin, aggregate net property wealth accounted for 41% of the growth in aggregate total wealth between July 2012 to June 2014 and July 2014 to June 2016, increasing by 17% from £3.9 trillion to £4.6 trillion over this period. This section explores where this growth has occurred and any possible reasons for the growth.

Property ownership

Table 16 presents estimates of property in each two-year period covered by the separate periods of the survey. Around two-thirds of households interviewed in each period owned their main residence (either outright or buying it with a mortgage); a percentage which has seen little change since 2006. There were no changes in the percentage of households who owned their main residence either with or without a mortgage in the latest two survey periods, with half of those households who owned their main residence owning their properties outright and half buying it with the help of a mortgage. Around one-third of households did not own their main residence.

Table 16: Percentage of individuals with wealth in pensions in payment and amount of wealth held in such pensions, by age and sex

%

	July 2006 to June 2008	July 2008 to June 2010	July 2010 to June 2012	July 2012 to June 2014	July 2014 to June 2016
Ownership of main residence					
Owned	68	67	68	66	66
of which owned outright	30	31	32	33	33
of which owned with mortgage	38	37	36	33	33
Not owned (rent or rent free)[1]	32	31	32	34	34
All Households[2]	100	100	100	100	100
% of other property owned[3]					
Other houses/flats in UK[4]	6	N/A	N/A	N/A	N/A
Second Homes	N/A	3	3	3	4
Buy-to-lets	N/A	4	4	4	5
Other buildings	1	1	1	1	1
Land in the UK	1	1	1	1	1
Land or property overseas	3	3	3	2	3
All Other Property[5]	10	10	11	11	12
All Property[6]	70	70	70	68	68

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Includes squatting.

2. Includes a small number of households (<1%) who part own part rent their residence.

3 Ownership of other property relates to mortgaged or owned outright.

4. During the period July 2006 to June 2008, respondents were only offered the category ‘Other houses /flats in the UK’, second homes and buy-to-lets were not separately identified.

5. Households may own more than one type of other property, resulting in the columns not adding up. This estimate also includes households who owned other property but did not specify the type of other property owned.

6 Includes either main residence or other property.

See Background tables 3.1, to 3.3 for more detailed figures.

Some households own property other than their main residence. In July 2014 to June 2016, 12% of households owned some other property. Most of these were buy-to-lets (5%) or second homes (4%). As a result, 70% of households own either their main residence or some other property (some households who rent their main residence own additional property).

Net property wealth is the value of property (gross) less any mortgages secured on the property. Table 17 shows aggregate gross property wealth, mortgage debt and net property wealth. The increase in aggregate net property wealth was greater between the latest two survey periods (17%) than any of the other periods shown. Aggregate gross property wealth increased by 15% between July 2012 to June 2014 and July 2014 to June 2016, whilst mortgage debt only increased by 6%.

Table 17: Aggregate and median estimates of property wealth[2]

£ Billion

	July 2006 to June 2008	July 2008 to June 2010	July 2010 to June 2012	July 2012 to June 2014	July 2014 to June 2016
Aggregate household gross property wealth	4,492	4,359	4,541	4,963	5,686
Aggregate mortgage debt	960	980	1,012	1,056	1,116
Aggregate household net property wealth	3,532	3,379	3,528	3,908	4,570
Median household net property wealth[1] (£)	150,000	148,000	150,000	153,000	173,000

Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Includes only those households who owned any property.

2. See Background tables 3.7 and 3.8 for more detailed figures.

In July 2014 to June 2016, half of all households who owned property had a net property wealth of £173,000, that is 13% higher than the median value in July 2012 to June 2014.

Characteristics of households with property wealth

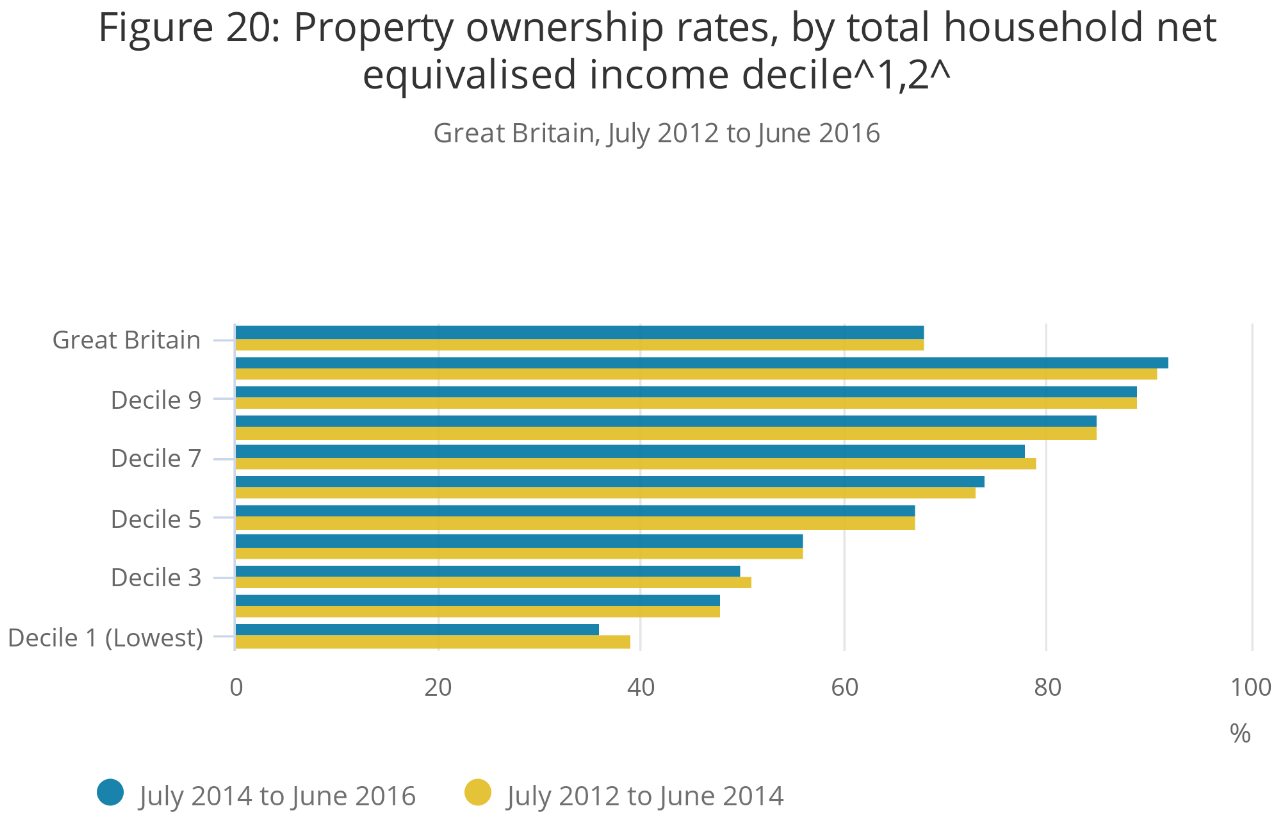
This section looks at two characteristics of households who own property, the annual household income and the region of residence, to see if the increase in property wealth is distributed evenly across all households.

Household income

Figure 20 shows property ownership rates by net equivalised income deciles. As might be expected, ownership rates increase as income increases, with half or less of households in the lowest three deciles of net equivalised income owning property. In contrast, over 90% of households in the top wealth decile owned some form of property. There was very little difference in the ownership rates in July 2014 to June 2016 compared with the previous survey period.

Figure 20: Property ownership rates, by total household net equivalised income decile [1,2]

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Results are for the ownership of main residence and any other property.

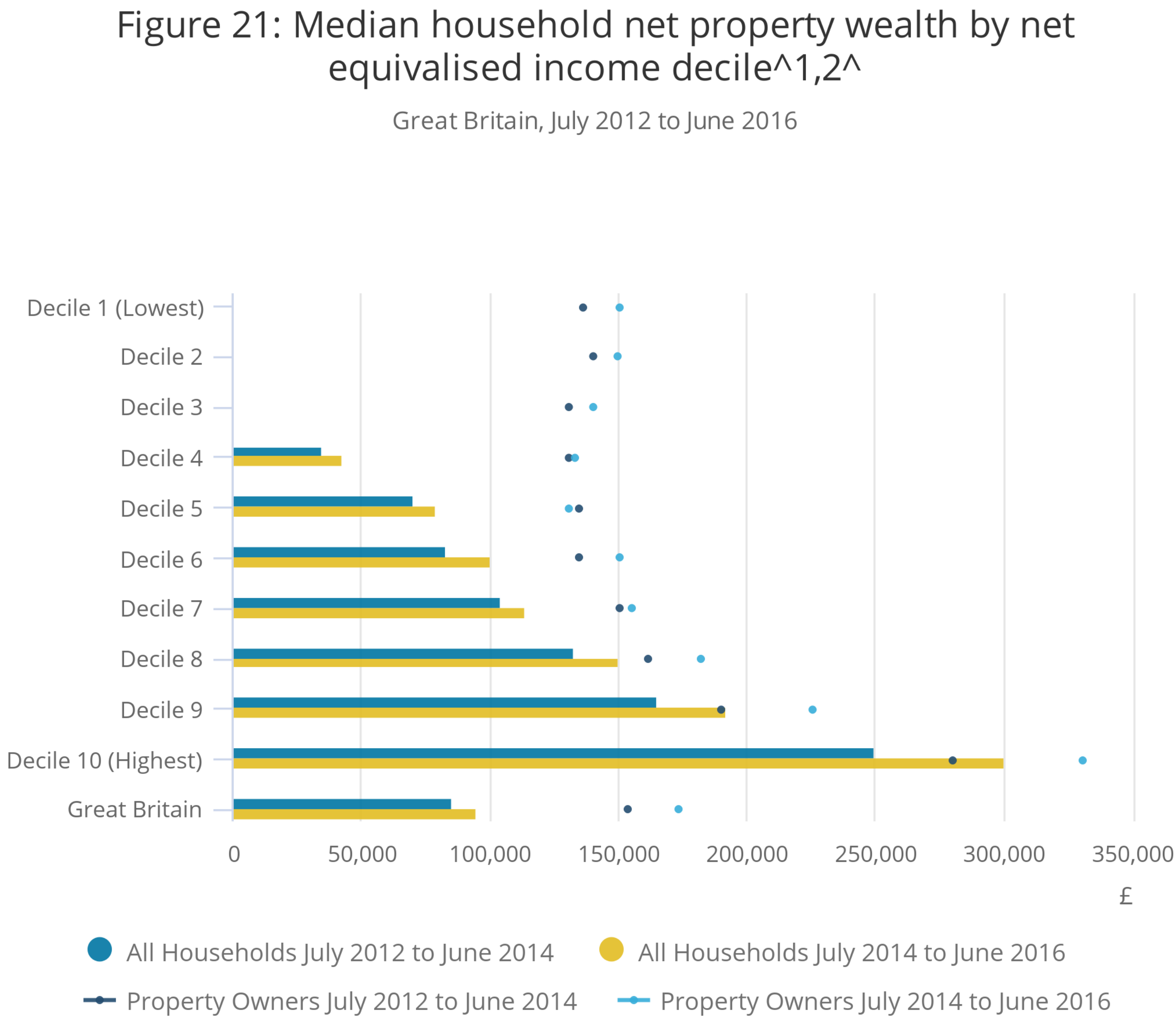
2. See Background table 3.9 for further details.

Figure 21 shows median household net property wealth within each net equivalised income decile. The fact that half or less of households in the bottom three wealth deciles own any property was reflected in the fact that the median value of net property wealth for all households in these deciles was zero. However, if we consider only those households who do own property, half of all such households in the lowest income decile had net property wealth of £150,000 or more in July 2014 to June 2016 (a 10% increase from the median estimate in July 2012 to June 2014).

The median value of net property wealth increases for all households as income increases. However, the picture is slightly different if we consider only property owners in each income decile. Households with income in the fourth and fifth income deciles had the lowest median net property wealth (£133,000 and £130,000 respectively) and these values were similar to that seen in the previous survey period.

Figure 21: Median household net property wealth by net equivalised income decile [1,2]

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Results are for the ownership of main residence and any other property.
2. See Background tables 3.10 for more detailed figures.

Region of residence

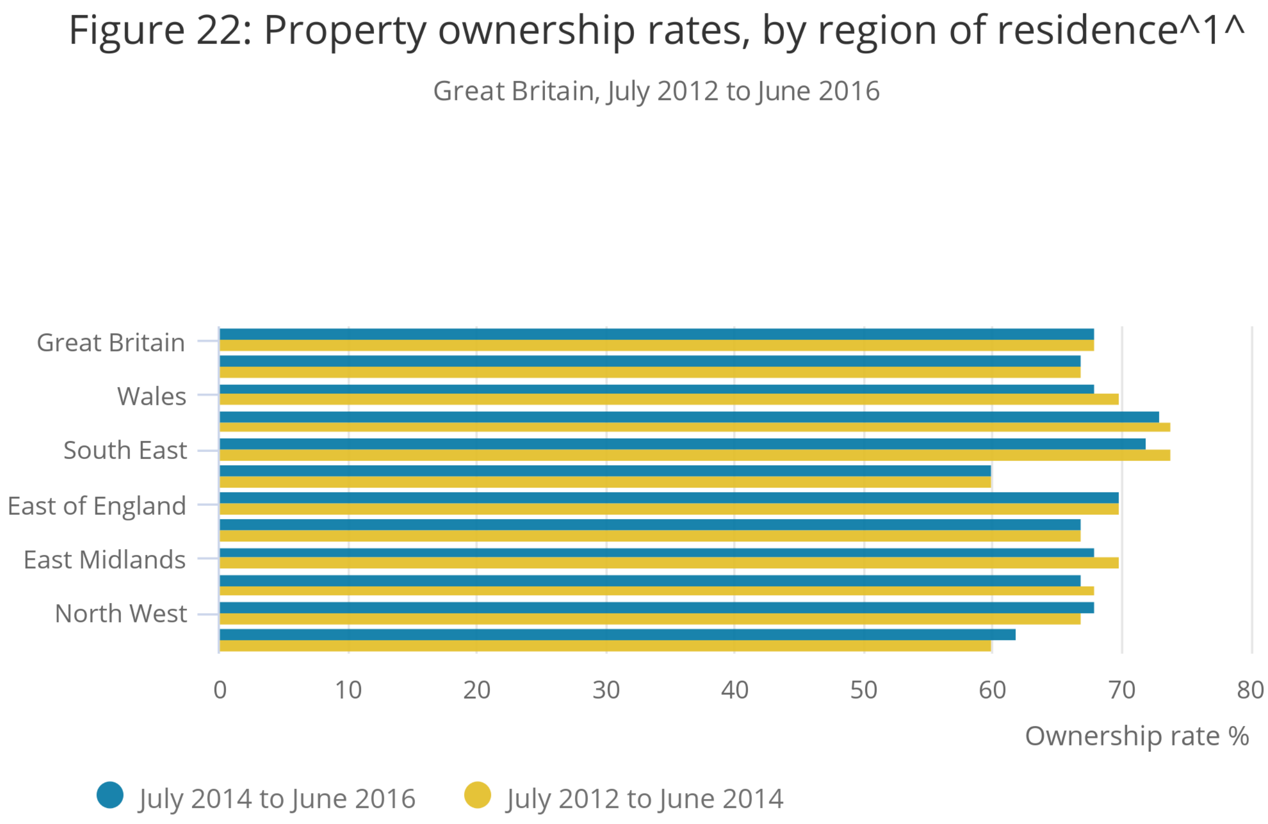
Figure 11 of section 3 highlighted the disproportionate increase in aggregate property wealth in London and lesser so in the South East of England. This section explores the regional changes in property wealth a little further.

Figure 22 shows property ownership rates according to the location of the main residence of the household. It shows Scotland, Wales and the nine English regions (with London shown separately; the figures for the South East exclude London).

Fewer households own their main residence in London (60% in July 2014 to June 2016) and the North East (62%). The regions with the highest property ownership rates are the South East and South West of England – where 70% of households owned property in July 2014 to June 2016. The ownership rates for all regions remained fairly stable between the latest two survey periods (changing by no more than 2 percentage points), so ownership rates do not explain the large increases in property wealth.

Figure 22: Property ownership rates, by region of residence[1]

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

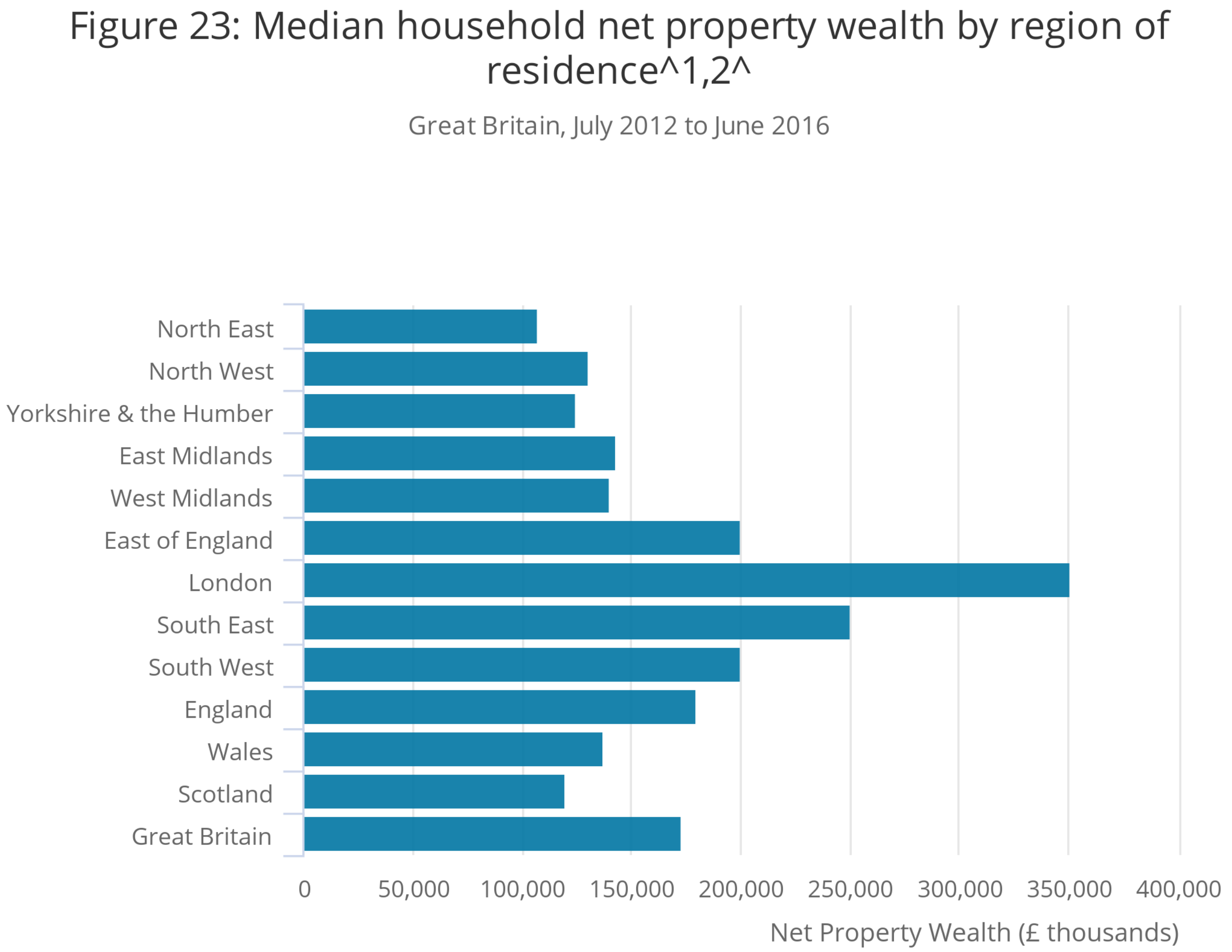
1. Results are for the ownership of main residence and any other property.

2. See Background tables 3.10 for more detailed figures.

Median household net property wealth for property owners in Great Britain as a whole stood at £173,000 in the period July 2014 to June 2016. The wealthiest parts of Great Britain in terms of median net household property wealth were London and the South East (Figure 23), with values of £351,000 and £250,000 respectively. The North East region had the lowest median value of net property wealth at £107,000.

Figure 23: Median household net property wealth by region of residence [1,2]

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Results are for the ownership of main residence and any other property.

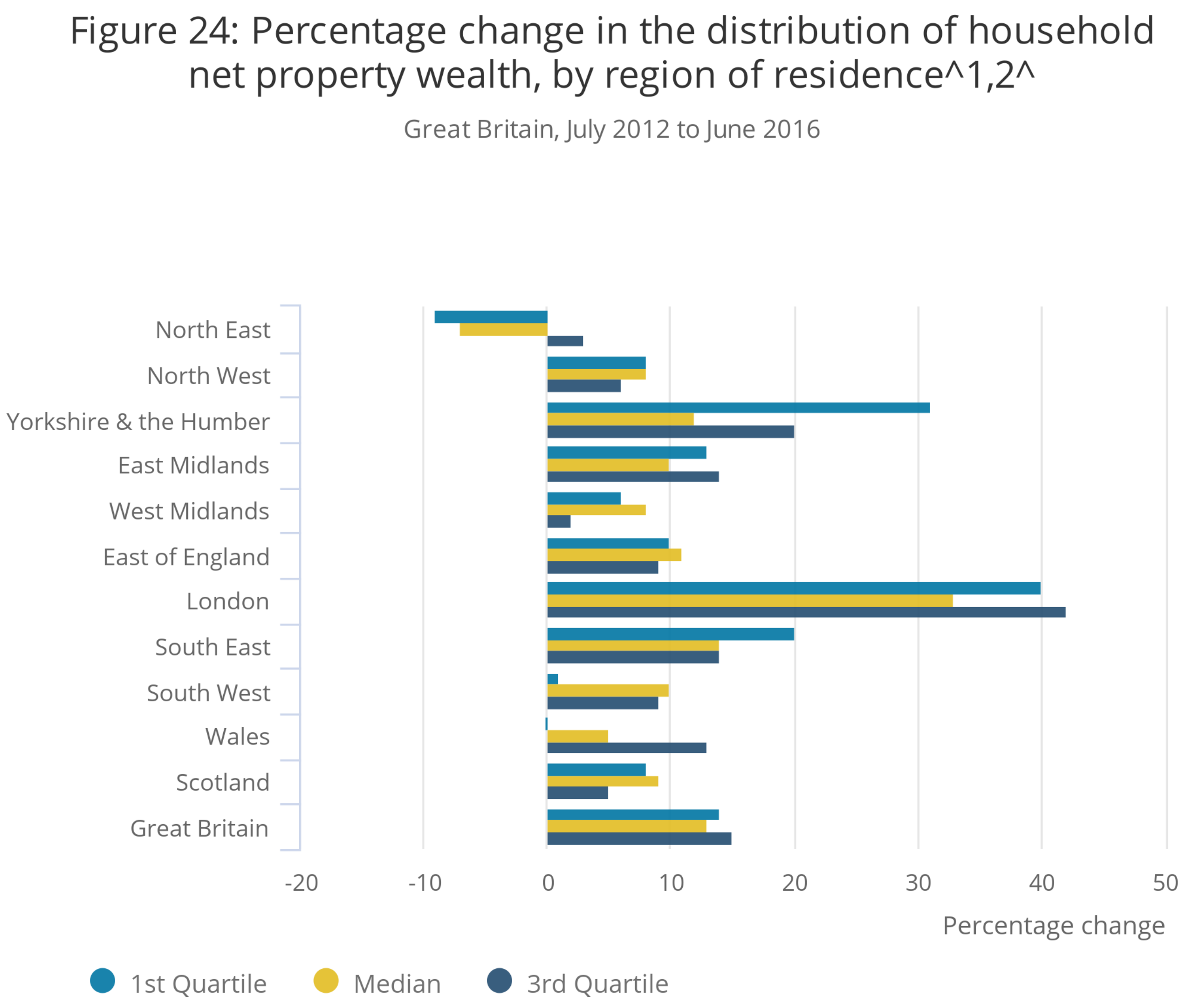
2. See Background table 3.12 for more detailed figures.

Figure 24 shows the percentage increase in median value of net property wealth, along with the changes in the first quartile and third quartile points of the distribution (that is, the value of net property at the 25th and 75th percentile points in the distribution of net property wealth in the region). There was a striking increase in the median value of net property wealth in London compared with all the other areas shown, with the median value in London increasing by some 33% between July 2012 to June 2014 (£263,000) and July 2014 to June 2016 (£351,000). Such an increase in the median value does not necessarily mean net property values have increased equally for all properties in this region.

However, as comparable increases can be seen across the distribution, with the first quartile and third quartile points also increasing by more than 40%, this indicates that in London net property wealth had similar growth throughout the distribution. Other house price indicators (for example, Halifax, Nationwide or the Office for National Statistics (ONS) House Price Index) all show large increases in house prices in London. There is a similar picture across regions as given by other house price indicators. For more information, see the Wealth and Assets Survey (WAS) Wave 5 quality assurance report.

Figure 24: Percentage change in the distribution of household net property wealth, by region of residence 1,2

Great Britain, July 2012 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Notes:

1. Results are for the ownership of main residence and any other property.
2. See Background table 3.13 for further details.

The North East region of England was the only area where median net property wealth fell between July 2012 to June 2014 and July 2014 to June 2016. There seems to have been a decrease in net property values for those with lower property wealth but a small increase for those with higher property wealth.

6 . Household debt

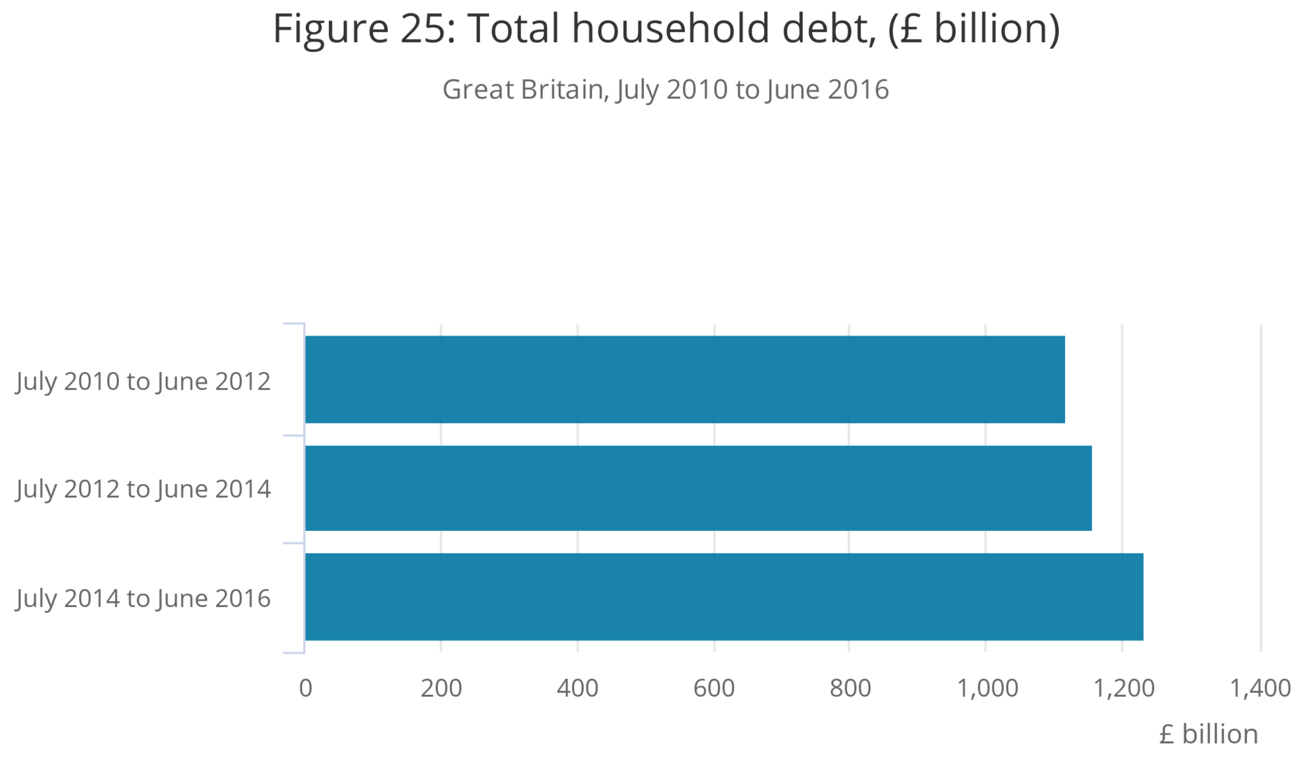
Aggregate debt

In the period July 2014 to June 2016, the aggregate level of household debt in Great Britain was £1.23 trillion. This was 7% higher than the figure in the period July 2012 to June 2014, which was £1.16 trillion. The aggregate debt figure is made up of property debt (mortgages) and financial debt (credit cards, loans and other non-mortgage debt). In the period July 2014 to June 2016, property debt was £1.12 trillion, which rose by 6% from £1.06 trillion in the period July 2012 to June 2014. Financial debt rose by 15% from £101.5 billion to £117.0 billion in the period July 2012 to June 2014.

In July 2014 to June 2016, 49% of the population had some form of financial debt and 35% had some form of property debt. This was stable compared with the period July 2012 to June 2014, where 48% had some form of financial debt and 36% had property debt.

Figure 25: Total household debt, (£ billion)

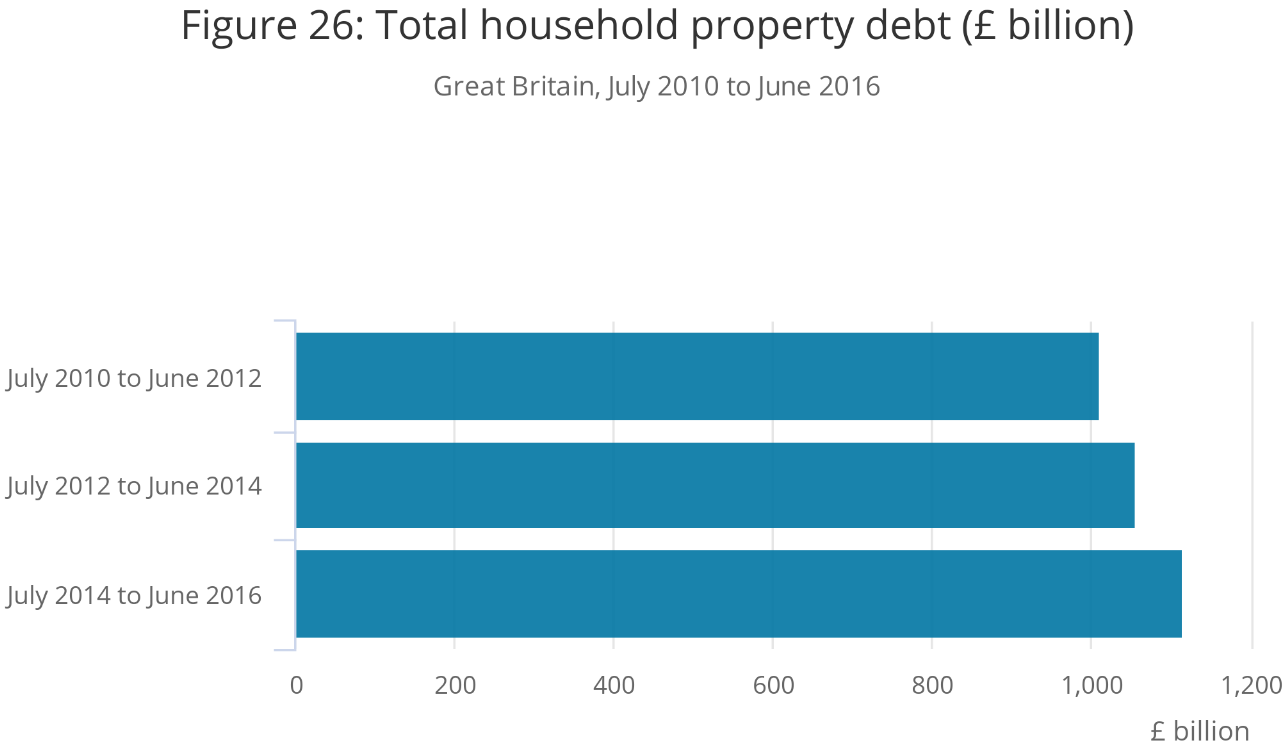
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 26: Total household property debt (£ billion)

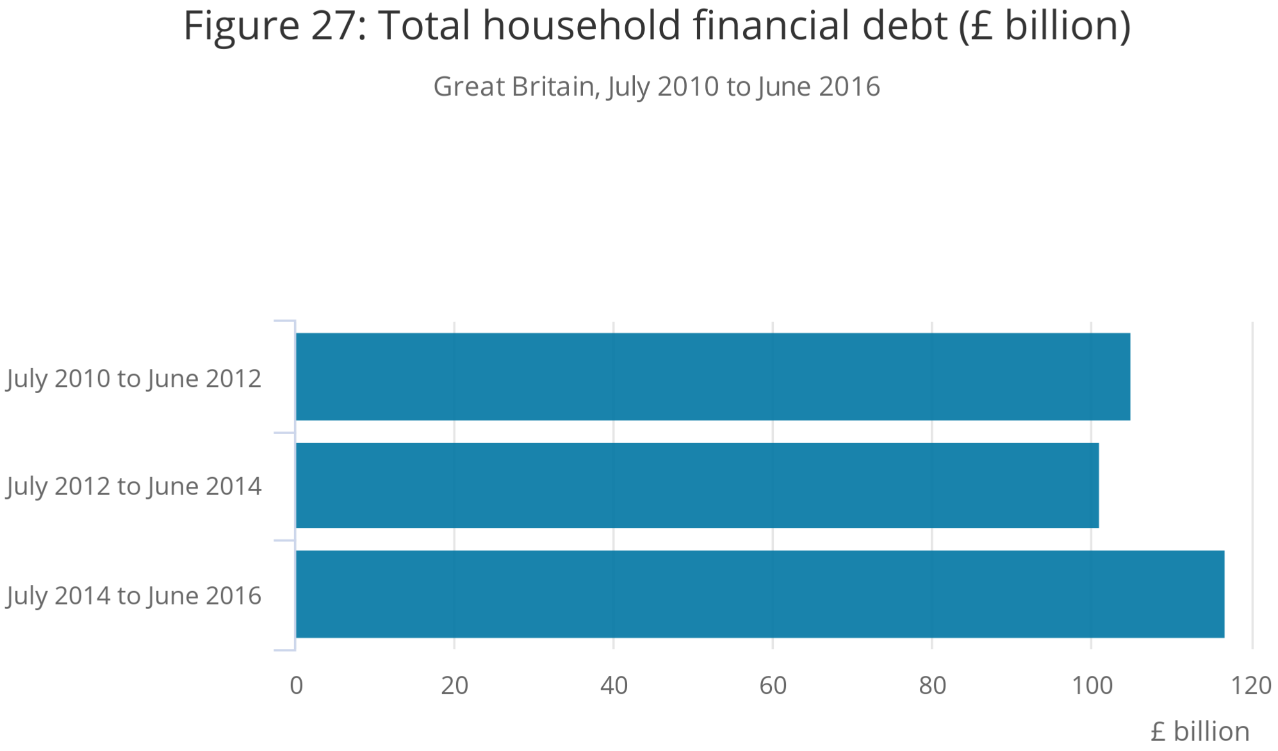
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 27: Total household financial debt (£ billion)

Great Britain, July 2010 to June 2016

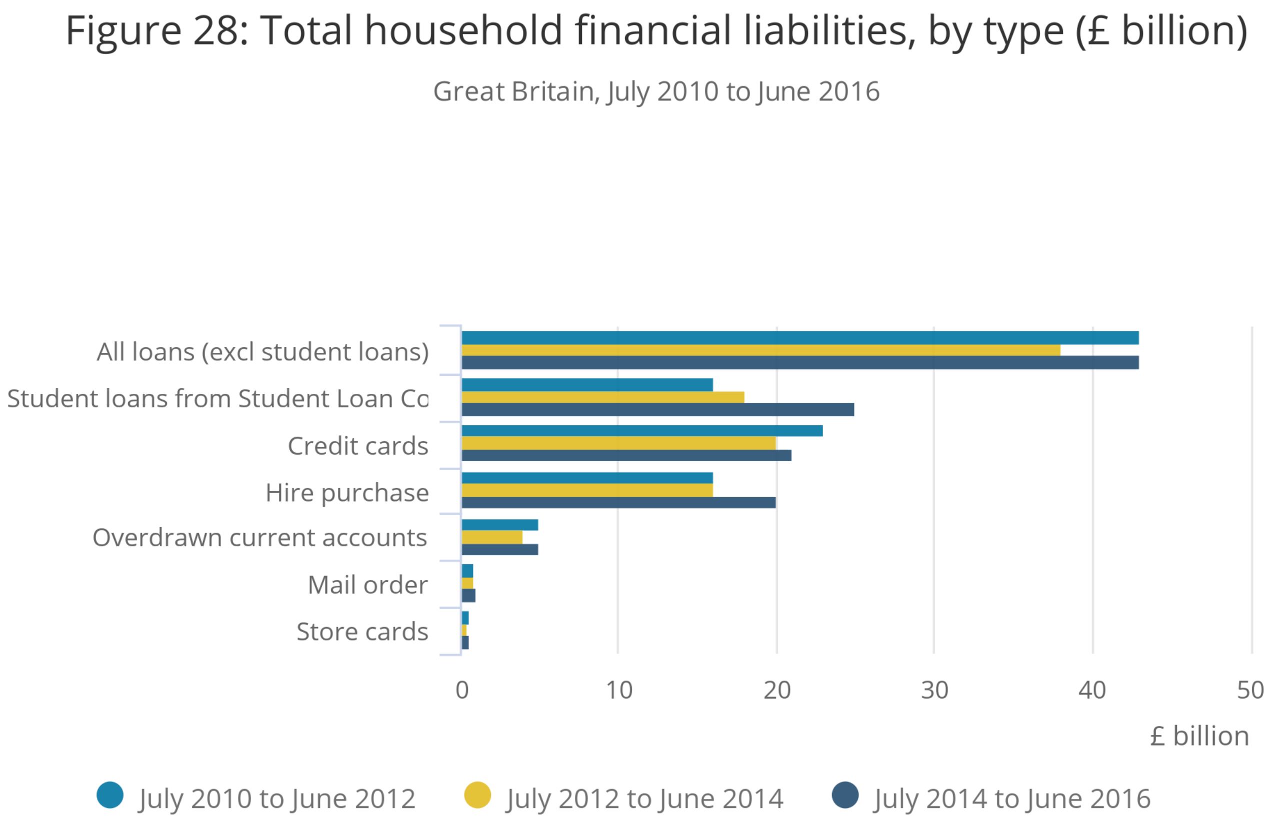


Source: Wealth and Assets Survey, Office for National Statistics

The largest category of financial debt in Great Britain in July 2014 to June 2016 was loans (excluding student loans). The level of debt from loans stood at £42.9 billion, which was 12% higher than in the period July 2012 to June 2014. The category of financial debt that grew the most between the periods July 2012 to June 2014 and July 2014 to June 2016 was student loans from the Student Loan Company, which grew by 38% from £18.3 billion to £25.2 billion.

Figure 28: Total household financial liabilities, by type (£ billion)

Great Britain, July 2010 to June 2016

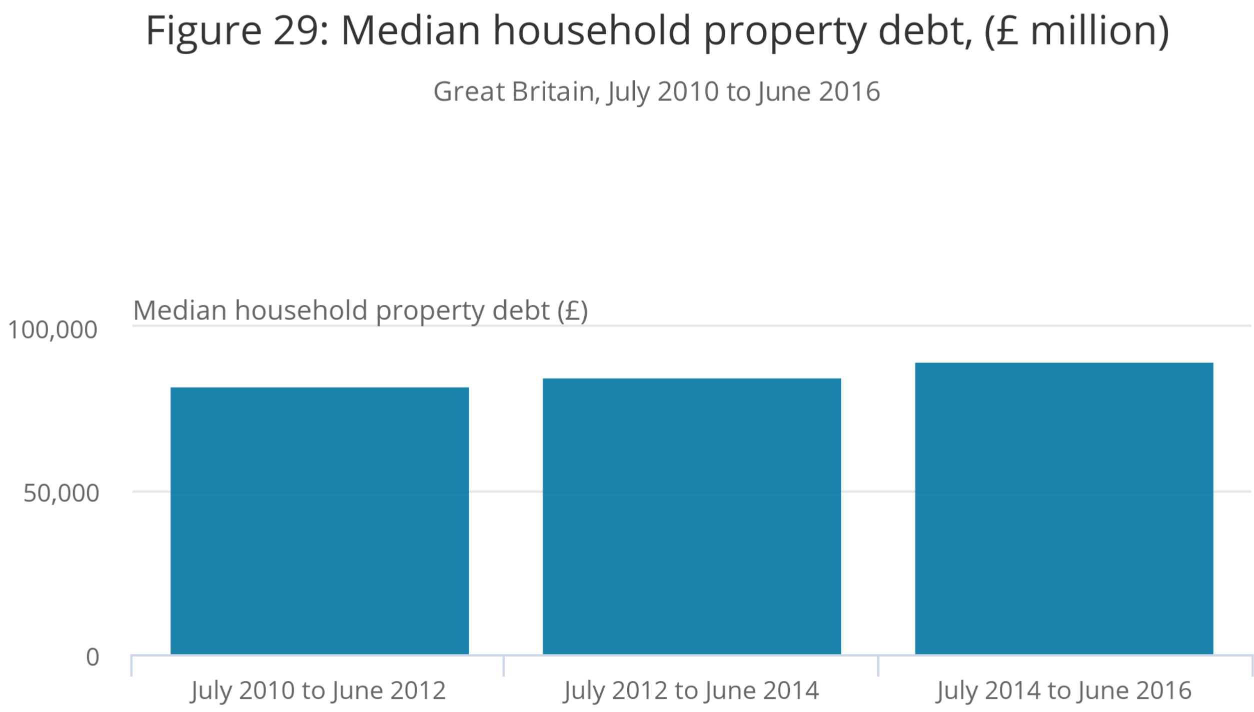


Source: Wealth and Assets Survey, Office for National Statistics

The median level of household financial debt for those who had it, in the period July 2014 to June 2016, was £4,000. This increased by 12% from £3,500 in the period July 2012 to June 2014. The median level of household property debt for those who had it, in the period July 2014 to June 2016, was £90,000. This increased by 6% from £84,000 in the period July 2012 to June 2014.

Figure 29: Median household property debt, (£ million)

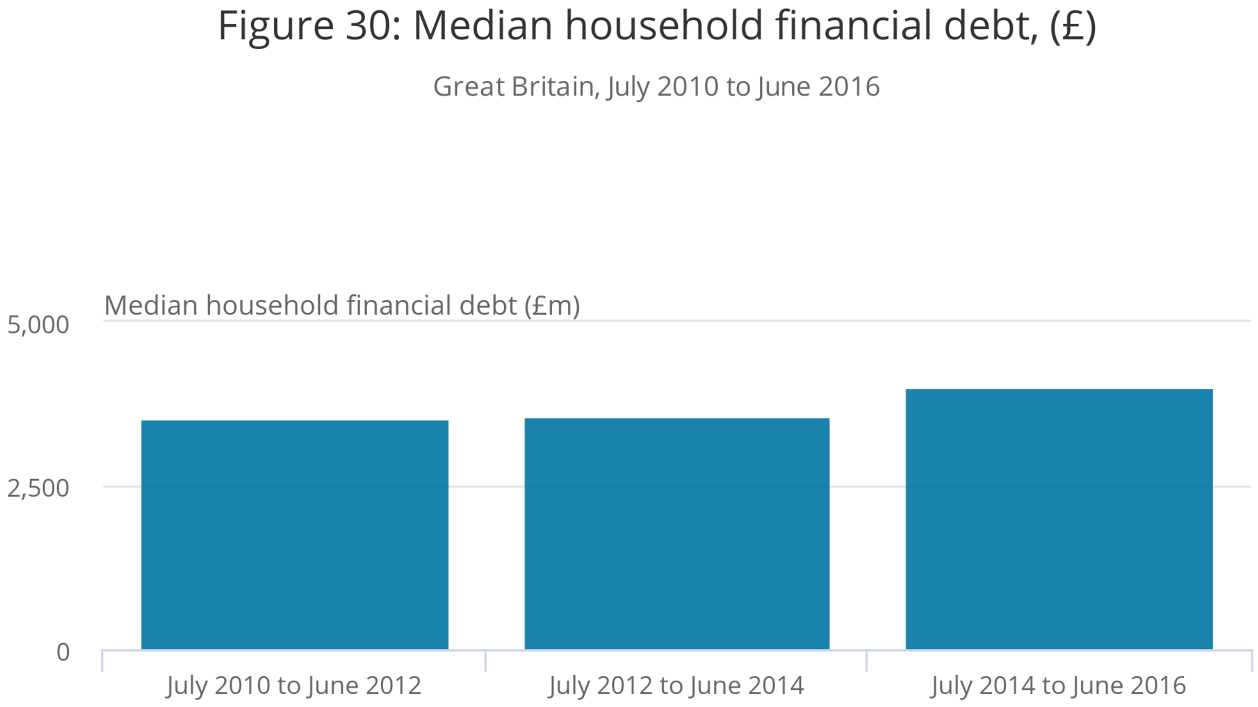
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 30: Median household financial debt, (£)

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Debt burden

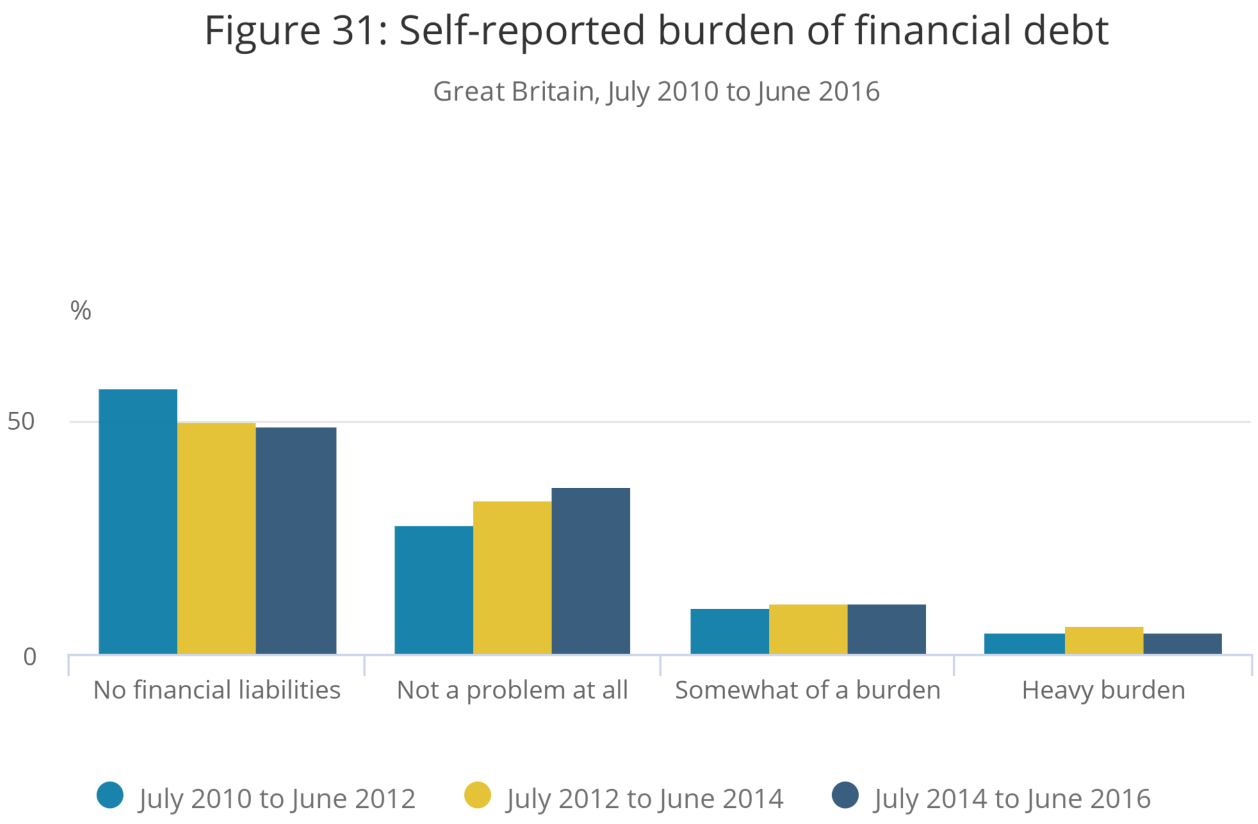
The level of debt alone does not measure its effect on the household's finances. It is also dependent on other factors such as a household's income, the attitudes of its members to money and their financial acuity. Therefore, we ask those with both property debt and with financial debt to report the extent to which they find these debts to be a burden.

Of those with property debt, 9% indicated that they found it to be a heavy burden. This fell slightly from 12% in the period July 2012 to June 2014. A further 60% reported that it was not a problem at all in the period July 2014 to June 2016, which increased from 55% in the period July 2012 to June 2014.

Of those with financial debts, 9% also indicated that they found these debts to be a "heavy burden", 21% that it was somewhat of a burden and 70% that it was not a problem at all. Since the period July 2010 to June 2012, there has been a decline in the proportion of respondents with financial debt who considered it to be somewhat of a burden or a heavy burden, from 23% and 11% respectively. This corresponded with an increase in the proportion of respondents who reported that their financial debts were not a problem at all, from 66% in July 2010 to June 2012 to 70% in July 2014 to June 2016.

Figure 31: Self-reported burden of financial debt

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 32: Self-reported debt burden of individuals with financial debt

Great Britain, July 2010 to June 2016

Source: Wealth and Assets Survey, Office for National Statistics

The East Midlands and North West were the two regions that had the highest number of households with some financial liabilities in July 2014 to June 2016. Both had 54%, up from 51% and 52% respectively in the period July 2012 to June 2014.

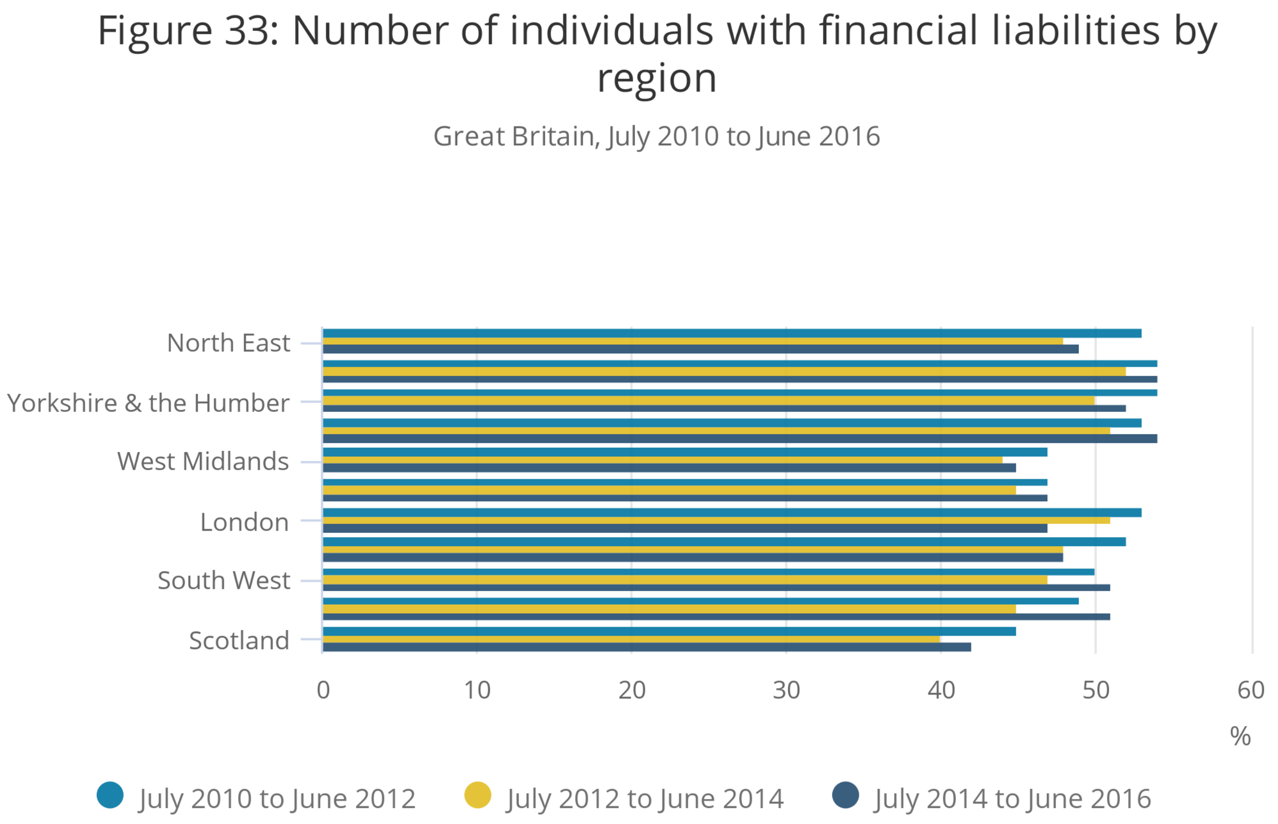
The East Midlands was also the region with the joint highest proportion of individuals who found their financial debt to be a heavy burden in July 2014 to June 2016 – 12% reported this, which was stable compared with the period July 2012 to June 2014. In London, 12% of individuals also reported their financial debts to be a heavy burden in July 2014 to June 2016. This fell from 15% in the period July 2012 to June 2014.

Of households in Scotland, 42% reported having some financial liabilities in the period July 2014 to June 2016. This was the lowest of any region of Great Britain, but increased slightly from 40% in the period July 2012 to June 2014. Scotland was also the region with the lowest proportion of individuals reporting their financial debts to be a heavy burden – 6% reported this, which fell from 9% in the period July 2012 to June 2014.

However, it was the South East where the highest proportion of individuals reported their financial debts to not be a problem at all – 75% reported this, which rose from 72% in the period July 2012 to June 2014. In the South East, 51% of households reported having some financial liabilities.

Figure 33: Number of individuals with financial liabilities by region

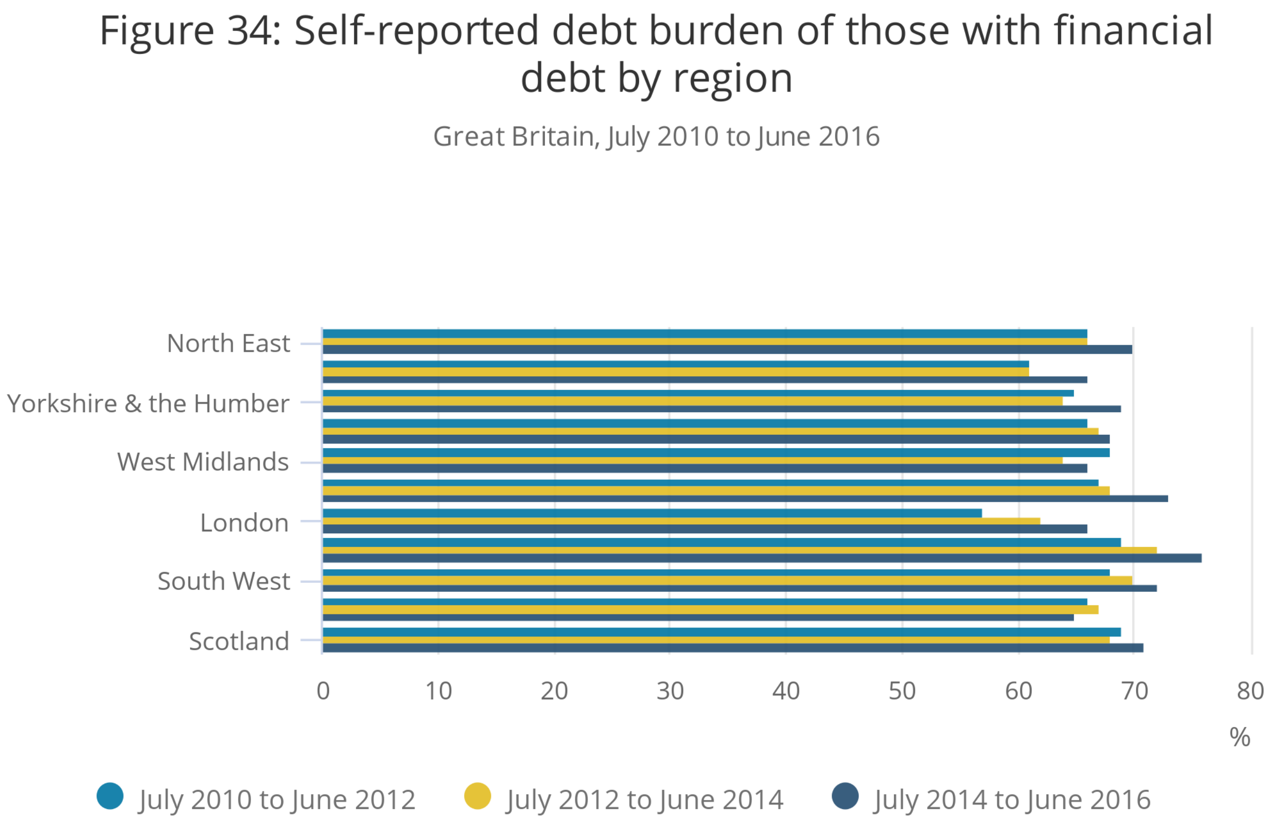
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 34: Self-reported debt burden of those with financial debt by region

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

The age group for which the highest proportion of individuals had financial liabilities was 35 to 44 years, of which 50% had some in the period July 2014 to June 2016. Of those in the age group 25 to 34 years, 49% also had financial liabilities. This was stable for both age groups when compared with the period July 2012 to June 2014.

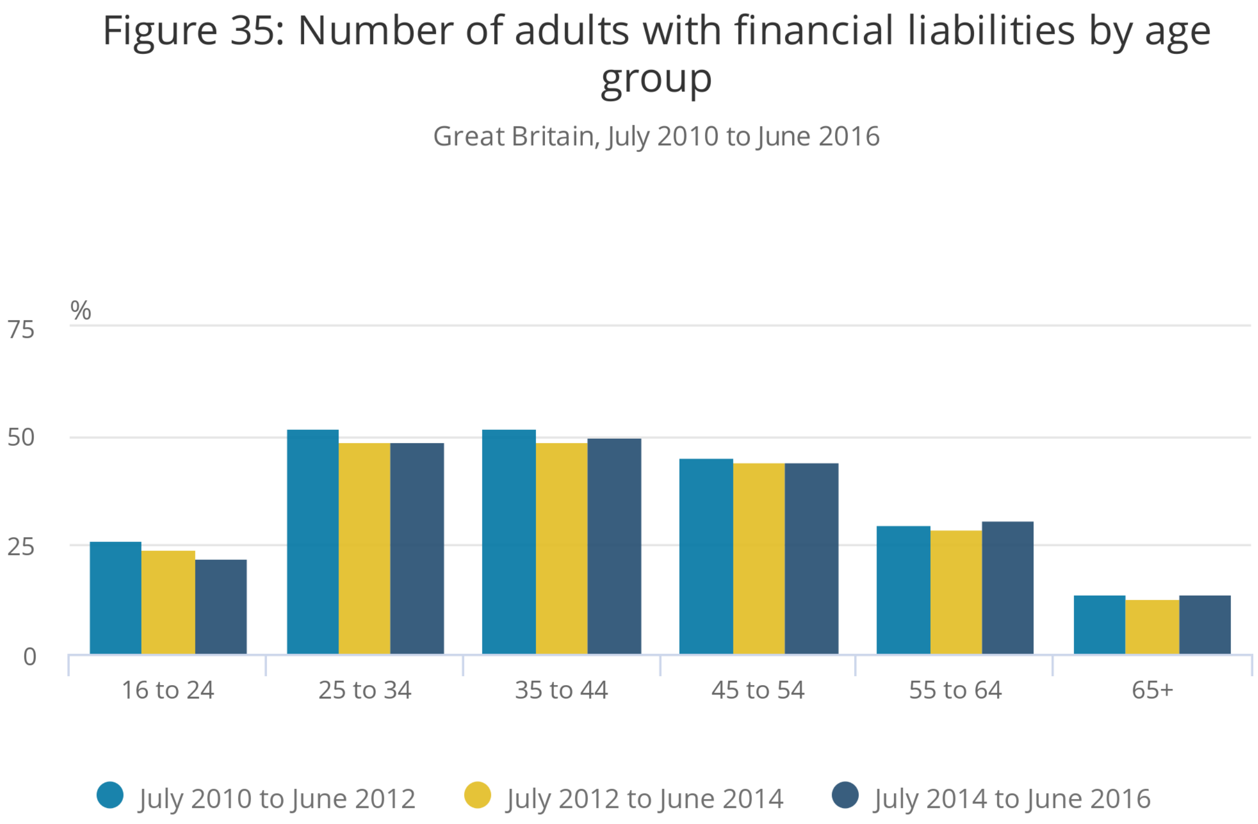
Those in the age group 35 to 44 years were also the most likely to find their financial debts to be a heavy burden, with 14% reporting this in the period July 2014 to June 2016. This fell from 16% in the period July 2012 to June 2014. Of those aged 16 to 24 years, 14% also reported their financial debts to be a heavy burden, which was stable when compared with the period July 2012 to June 2014.

The age group for which the lowest proportion of individuals had financial liabilities was those aged 65 and over, of which 14% had some financial liabilities in the period July 2014 to June 2016. This was stable when compared with the period July 2012 to June 2014.

Those aged 65 and over were also the least likely to find their financial debts to be a heavy burden, with 5% of those with financial debts reporting this in the period July 2014 to June 2016. However, this increased from 3% in the period July 2012 to June 2014. They were also the most likely to report their financial debts to not be a problem at all, with 83% of those with financial liabilities reporting this in the period July 2014 to June 2016. However, this fell from 86% in the period July 2012 to June 2014.

Figure 35: Number of adults with financial liabilities by age group

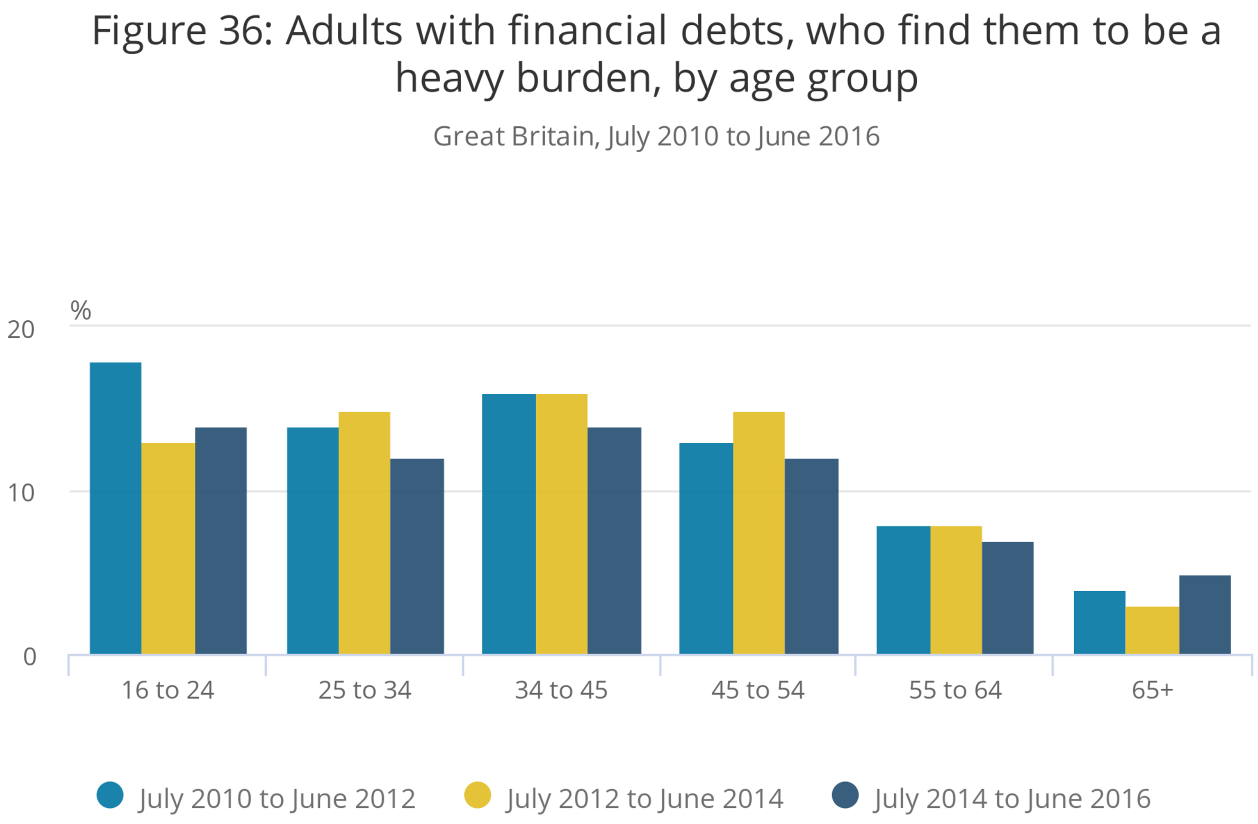
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 36: Adults with financial debts, who find them to be a heavy burden, by age group

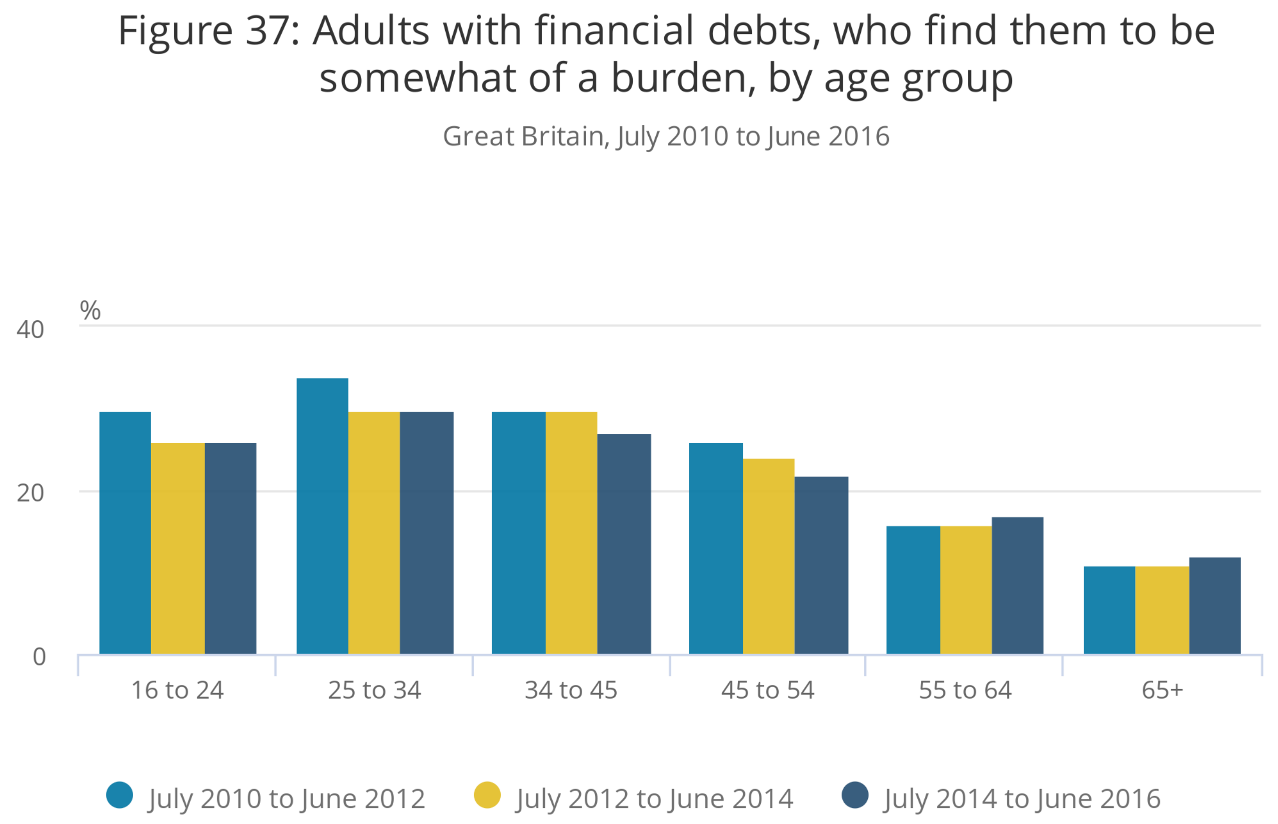
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 37: Adults with financial debts, who find them to be somewhat of a burden, by age group

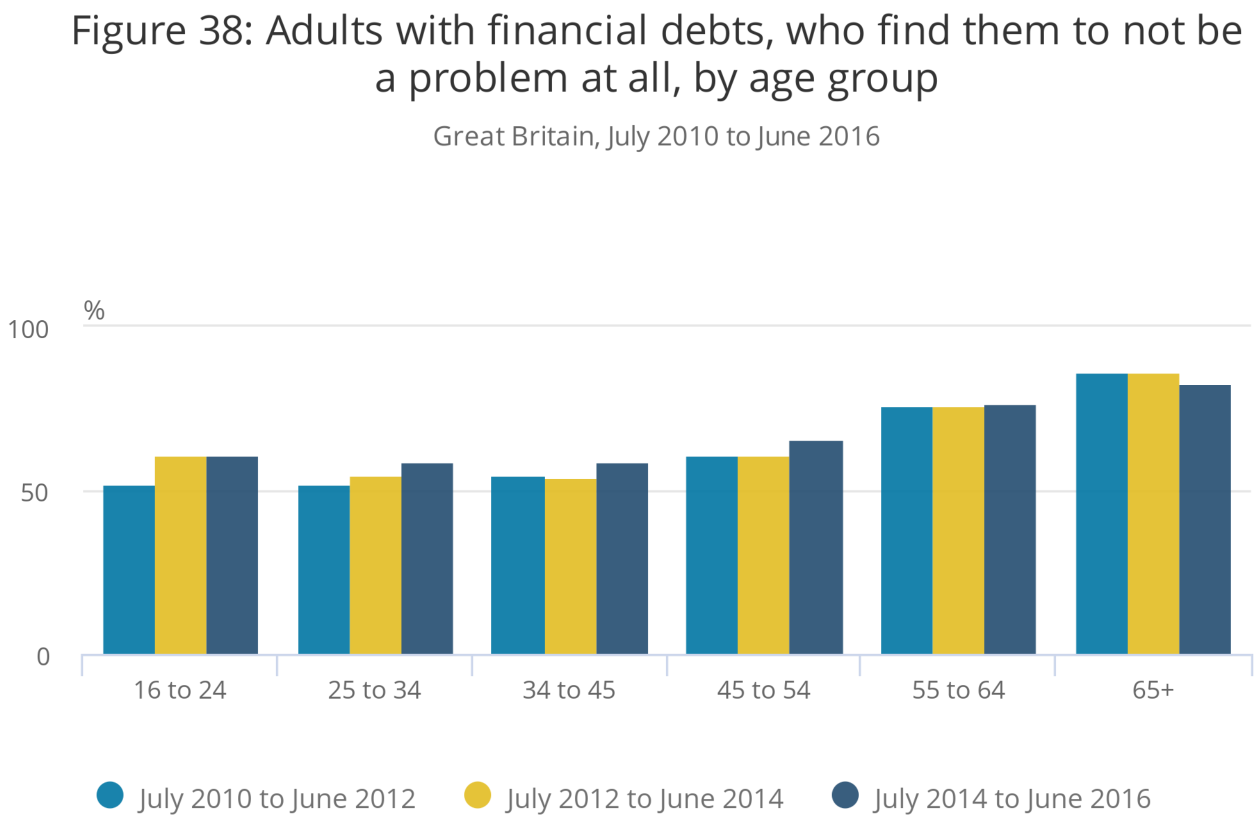
Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Figure 38: Adults with financial debts, who find them to not be a problem at all, by age group

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

Problem debt

For a minority of households, their debt has become more than just a burden. This section sets out the prevalence of “problem debt” in households in Great Britain. A household is defined as being in problem debt if they are living in a household that has liquidity problems only, solvency problems only or both liquidity and solvency problems. These terms are defined in this section.

Liquidity problems

Where household debt repayments represent at least 25% of net monthly income and at least one adult in the household reports falling behind with bills or credit commitments; or where at least one adult in the household is currently in two or more consecutive months arrears on bills or credit commitments and at least one adult in the household reports falling behind with bills or credit commitments.

Solvency problems

Where household debt represents at least 20% of net annual income and at least one adult considers their debt a heavy burden.

Student loans are very different to other forms of debt as the levels of monthly repayments are determined by the level of income. As a result, they have been excluded from the calculation of debt. Further details can be found in a methodological note on the derivation of problem debt.

The Institute for Fiscal Studies (IFS) has recently (16 January 2018) published a report “Problem debt and low-income households” where they consider in detail when households with unsecured debt might be thought to be in problem debt. The concepts they have developed differ from those used in this bulletin. Instead of the liquidity and solvency measures we use, they identify households with “servicing pressure” or “repayment pressure”. The main difference between these concepts and the concepts used in this bulletin, is that the IFS have not considered any subjective measures and have considered other financial assets of the household that might be used to pay off debt.

More precisely, the liquidity measure used here is similar to the “servicing pressure” concept, except that it does not require anyone in the household to have reported that they felt they were falling behind with bills or credit commitments. We would therefore expect the IFS’s measure of servicing pressure to apply to a greater proportion of the population than our liquidity measure of problem debt.

The solvency measure of problem debt used in this bulletin is again broadly similar to the concept of “repayment pressure” developed by the IFS, but more significantly the IFS only considers when debt net of financial assets represents at least 20% of a household’s annual income, and do not require that anyone in the household feel that their debt is a heavy burden. It is therefore likely that the IFS’s measure of repayment pressure will apply to a smaller proportion of the population than our solvency measure of problem debt.

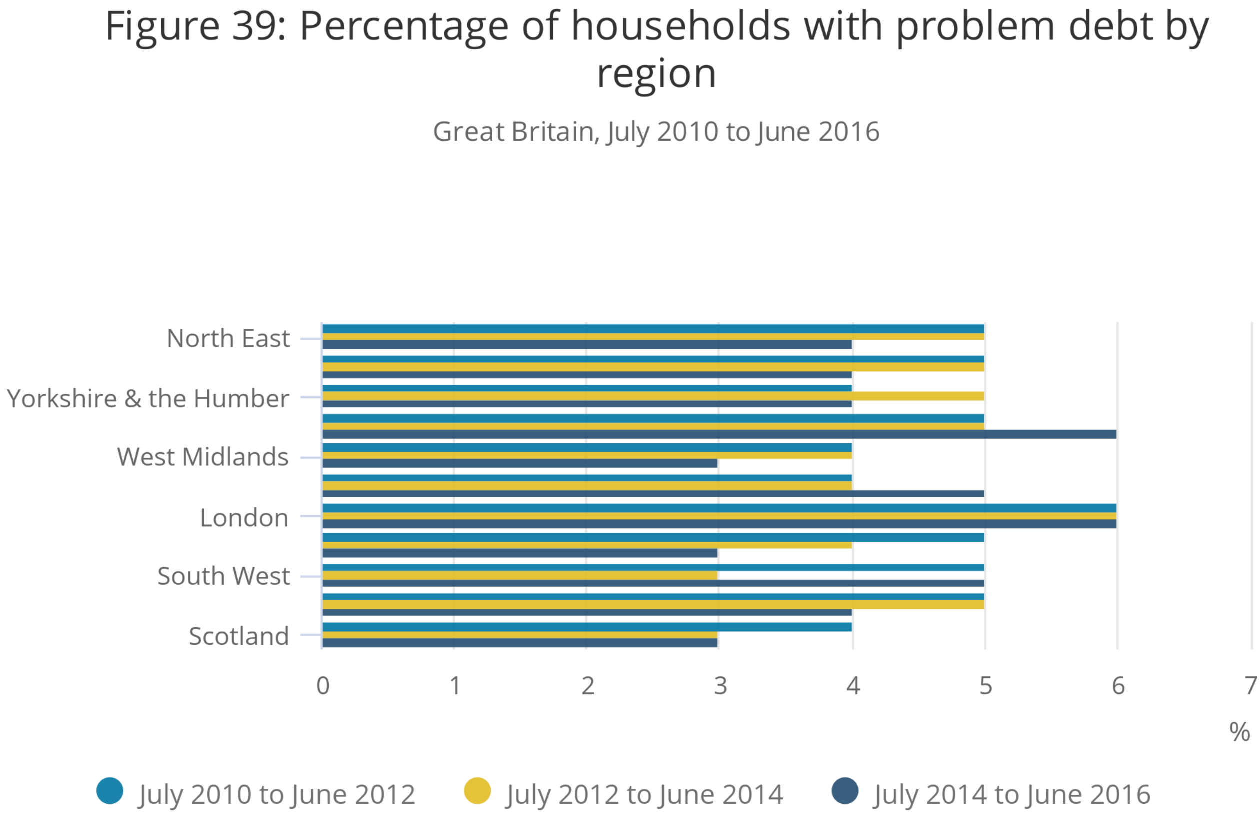
A separate report will be produced in the coming months comparing these different concepts and exploring the question of problem debt further.

In July 2014 to June 2016, 6% of households were identified as being in problem debt. This was down slightly from 7% in July 2012 to June 2014.

The decrease in the proportion of households with problem debt was not especially pronounced in any particular region, with none having a decrease of more than 2 percentage points between the periods July 2012 to June 2014 and July 2014 to June 2016. The three regions of Great Britain for which the largest proportion of households had problem debt were London, Yorkshire and The Humber and the East Midlands, in which 6% were identified. The region with the lowest percentage of households identified as being in problem debt was Scotland, which had 3%.

Figure 39: Percentage of households with problem debt by region

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

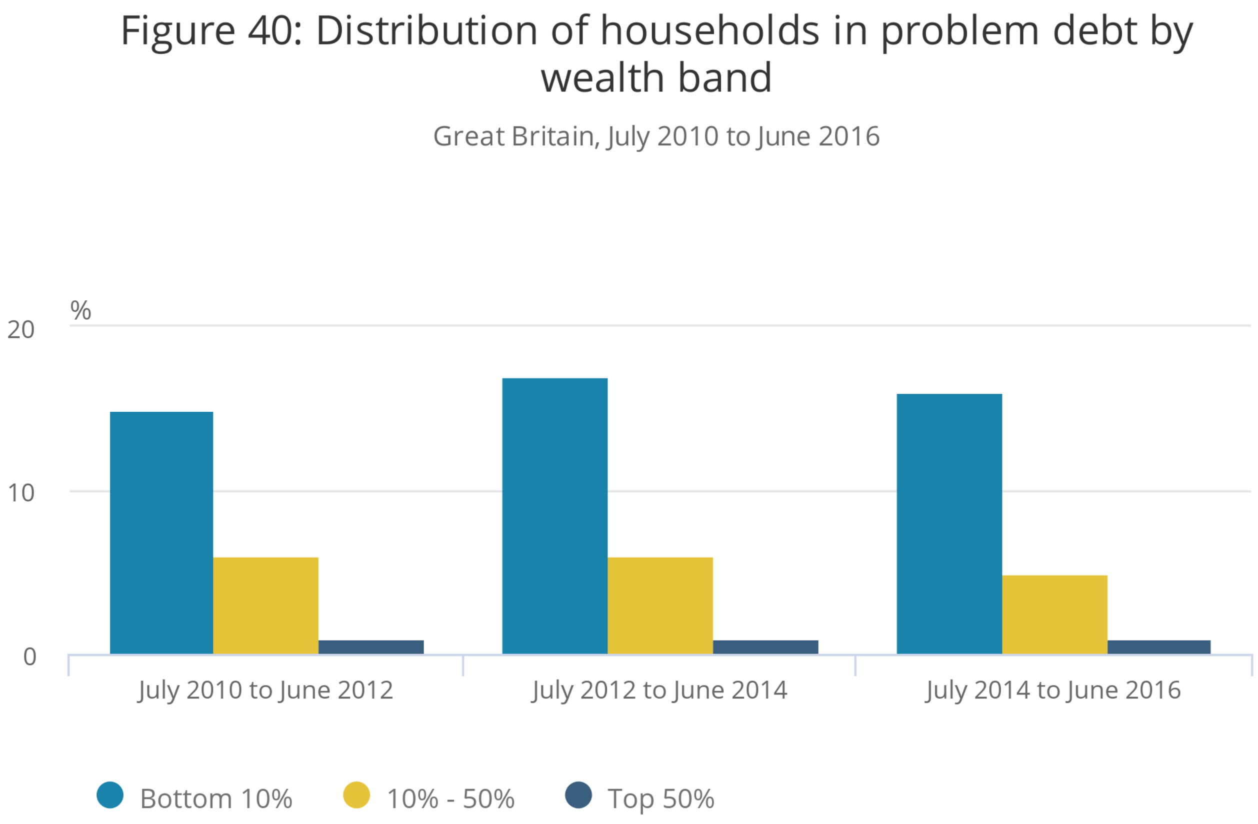
This section considers the proportion of households with problem debt by wealth bands. Households are ranked by their total wealth and split into "deciles". The 10% of households with the most total wealth were in the 10th (top) decile and the 10% of households with the least total wealth were in the first (bottom) decile.

Of those households in the bottom decile, 18% had problem debt in the period July 2014 to June 2016. This fell slightly compared with the period July 2012 to July 2014, when the figure was 20%. The proportion of households with problem debt in the next four wealthiest deciles was less than half that of households in the bottom decile, with 7% in problem debt in the period July 2014 to June 2016. This decreased slightly from 9% in the period July 2010 to June 2014.

The proportion of households in the wealthiest 50% of households (top five deciles) with problem debt was 2% in the period July 2014 to June 2016. This was stable when compared with the period covering July 2010 to June 2014.

Figure 40: Distribution of households in problem debt by wealth band

Great Britain, July 2010 to June 2016



Source: Wealth and Assets Survey, Office for National Statistics

In the period July 2014 to June 2016, 63% of households in problem debt rented their homes. This increased slightly from 59% in the period July 2012 to June 2014 and was compared with 34% of the general population.

A further 31% of households with problem debt owned their home either outright, with a mortgage, or as part of a shared ownership scheme. This decreased slightly from 35% in the period July 2012 to June 2014 and was compared with 66% of the general population.

Table 18: Distribution of general population and households in problem debt by housing tenure

%

	July 2010 to June 2012		July 2012 to June 2014		July 2014 to June 2016	
	Households with problem debt	General Population	Households with problem debt	General Population	Households with problem debt	General Population
Own it outright	6	32	6	33	5	33
Buying it with the help of a mortgage or loan/shared ownership	40	36	35	34	31	33
Rent it (including living rent free)	54	32	59	34	63	34

Source: Wealth and Assets Survey, Office for National Statistics

Of all households in problem debt in July 2014 to June 2016, 7% had a household reference person (HRP) who was unemployed. This decreased slightly from 10% in the period July 2012 to June 2014 and was compared with 2% of the general population.

However, the opposite relationship can be observed of households where the HRP was retired. Of all households in problem debt, 6% were retired in the period July 2014 to June 2016, which was stable when compared with the period July 2012 to June 2014. This was compared with 29% of the general population.

Table 19: Distribution of general population and households in problem debt by employment status of the household reference person (HRP)

%

	July 2010 to June 2012		July 2012 to June 2014		July 2014 to June 2016	
	Households with problem debt	General Population	Households with problem debt	General Population	Households with problem debt	General Population
Employed	65	60	61	59	66	60
Unemployed	8	3	10	3	7	2
Inactive	37	38	29	38	27	39
of which retired	5	28	6	29	6	29

Source: Wealth and Assets Survey, Office for National Statistics

7 . Links to related statistics

Income

Further statistics on income have been released by the Department for Work and Pensions (DWP), including Households Below Average Income 1994 to 1995 to 2015 to 2016 and Family Resources Survey financial year ending 2016.

HM Revenue and Customs (HMRC) have also published statistics on income in the release Personal income statistics: 2014 to 2015.

Workplace pensions, savings and investments

Further statistics on workplace pensions and pensions, savings and investments in the UK are available.

DWP have recently published their analytical report in December 2017, analysing work place reforms and automatic enrolment.

Debt

The Institute of Fiscal Studies (IFS) have recently produced the report Problem debt and low-income households. This report analyses data from our release Wealth in Great Britain, Wave 4: 2012 to 2014.

8 . Quality and methodology

The Wealth and Assets Survey (WAS) launched in 2006 and is a biennial longitudinal survey conducted by Office for National Statistics (ONS). This survey measures the well-being of households and individuals in terms of their assets, savings and debt and planning for retirement. The survey also examines attitudes and attributes related to these. Classificatory variables (age, sex, employment status) are also collected.

Data from this longitudinal survey will also provide users with the ability to measure changes of wealth in Great Britain over time. The survey is currently sponsored by a funding consortium, including ONS, Department for Work and Pensions (DWP), HM Revenue and Customs (HMRC), Financial Services Authority (FSA) and the Scottish Government (SG). Interviewers working on the survey refer to it as the Household Assets Survey (HAS).

The first wave of the survey commenced with interviews carried out over two years from July 2006 to June 2008 with approximately 30,000 households interviewed. A second wave took place two years on from initial interviews, covering the period July 2008 to June 2010, with approximately 20,000 interviews obtained. Wave 3 obtained approximately 21,000 interviews, wave 4 obtained 20,000 and wave 5 obtained 18,000. As wealth is known to be unevenly distributed, addresses more likely to contain wealthier households were sampled at a higher rate to improve the efficiency of the sample. These addresses were identified utilising data from HMRC.

The WAS is a continuous survey with interviews spread evenly over the year, which helps to ensure that estimates are not biased by seasonal variations. The survey samples private households in Great Britain, excluding north of the Caledonian Canal, the Scottish Islands and the Isles of Scilly.

The Wealth and Assets Survey Quality and Methodology Information report contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

Accounting for inflation

All estimates within the Wealth in Great Britain 2014 to 2016 report are presented as current values (that is, the value at time of interview) and have not been adjusted for inflation. Like equivalisation, deflating wealth estimates is not as straight-forward as for other economic estimates.

Sampling errors

All reasonable attempts have been made to ensure that the data are as accurate as possible. However, there are two potential sources of error that may affect the reliability of estimates and for which no adequate adjustments can be made; these are known as sampling and non-sampling errors.

Wave 1 half sample

A methodological decision at wave 1 (July 2006 to June 2008) 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. 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 are therefore based upon data from this half-sample of 17,316 households.

To estimate aggregate total wealth, 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. For subsequent periods of the survey, each household were asked the full suite of questions on the components of net wealth. Consequentially, later estimates of total household and aggregate total wealth are both based upon the full responding sample.