Hard times:
Financial wellbeing among low & middle earners

An analysis using the 2008-10 Wealth and Assets Survey

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Acknowledgments and credits

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The analysis reported here is based on secondary analysis of the Wealth and Assets Survey, using the 10th edition release of the wave 1-2 data to the UK Data Archive in March 2013 (SN6415, Wealth and Assets Survey, Waves 1-2, 2006-2010: Special Licence Access). However, some preliminary analysis (reported in section 1 of this report) was undertaken using the October 2012 wave 1-2 data release, using a wave 1 variable (personal earned income: DVALLNetW1) that was not available in the later edition.

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Executive summary

This research draws on quantitative analysis of the Wealth and Assets Survey. It provides a detailed picture of the financial wellbeing of low and middle earners in relation to their overall wealth, liquidity, savings (including pension savings), indebtedness and use of consumer credit.

The survey data (wave 2 of the Wealth and Assets Survey) were collected between 2008 and 2010 and so represent the financial circumstances of working age people at a time when the UK had fallen into recession, unemployment was rising and average earnings were falling. However, the data precede the austerity measures taken by the Coalition Government to reduce public spending.

The research focuses on people of working age and excludes those who have never worked or who have been long-term unemployed. Working-age adults are grouped into three earnings categories based on earnings data recorded in wave 1 of the survey in 2006-08: low earners who had a mean annual earned income of £7,300 in 2006-08; middle earners who had a mean annual earned income of £14,800; and high earners who had a mean annual earned income of £27,000.

The characteristics of low, middle and high earners

In 2008-10, low earners included the largest proportion of people who were unemployed or economically inactive (due to caring responsibilities or due to ill-health or disability) and included the highest proportion of part-time workers. Low earners were more likely to be female and living in rented accommodation. Lone-parent households were most likely to be low earners. Young adults (age 16-24) were also concentrated in the low-earner group. Fewer low earners were working in the public sector compared to the middle and high-earner groups; this reflects differences in occupational composition between the public and private sectors and perhaps better rates of pay for those in the lowest paid occupations where they are directly employed in public sector positions.

Low earners were more susceptible to a change in work status – moving into or out of employment. For those whose work status had not changed between survey waves 1 and 2, low earners were more likely than other groups to have experienced a period of unemployment or reduced pay and to have experienced a change in job. These findings suggest that low earners were subject to greater levels of insecurity in their work status and working arrangements. This is reflected in the extent to which low earners were more likely than either the middle or high earners to say that their financial situation was worse now compared with two years ago.

Middle earners tended to reflect more closely the profile of working age adults as a whole, but comprised the highest proportion of people who were self-employed. Among 25 to 44 year olds, higher proportions were in the middle and high earner groups.

By comparison, high earners were more likely to be male and living in mortgaged homes. A disproportionately high number of high earners lived in London and the South East. Couples without children were also more likely to be high earners. The high earner group contained the highest proportion of people in work (90 per cent). High earners were the most likely to report an improvement in their financial situation, suggesting that this group were less affected by the impacts of the recession.

The financial wellbeing of low, middle and high earners

As might be expected, financial difficulties were more common the lower the earnings group, whilst financial assets (savings and private pensions savings) were higher the higher the earnings group.

In terms of saving behaviour, three-quarters of working age people (78 per cent) had put money away in a savings account at some time in the past, but only a half (50 per cent) had saved money in the past two years. There was significant variation across the earnings classes, with three-quarters of high earners (73 per cent), a half of middle earners (54 per cent) and only a third of low earners (32 per cent) having put some money away. The most common reason why non-savers had not saved

was because they *could not afford to, their income was too low, or their costs (outgoings) were too high* (73 per cent), with this reason becoming more common the lower the earnings class. In terms of the amount of savings people had, low earners had the least (median of £300) and high earners the most (median of £12,200).

Only three in ten low and middle earners (31 per cent) were saving into a pension (either an occupational pension or personal pension) in 2008-10, falling to just 18 per cent among low earners. Pension saving among higher earners was significantly higher (54 per cent), but even this is low given government aims to increase pension savings. It is important to note, however, that the data precede the implementation of pension reform under *The Pension Act 2008* which is intended to increase access to pension saving among people of working age.

Almost a half of all working age adults had some form of outstanding borrowing in 2008-10 (46 per cent), with middle earners the most likely to have any active borrowing (48 per cent). Although high earners were less likely than middle earners to have any borrowing, the amounts owed by the high-earner borrowers were higher on average than the middle earners. Low earners who had any borrowing, owed far less than middle earners. High cost credit, such as home collected credit, payday loans and pawnbroking, was not commonly used (just one per cent of all working age adults), but its use was significantly higher among low earners (three per cent).

Among low and middle earners one in five reported running out of money (before the end of the week or month) most or all of the time, with low earners being more likely to report this (28 per cent) than middle earners (16 per cent). However, it was unusual for people to have actually fallen behind with the repayments on any of their borrowing commitments. Only two per cent of all borrowers of working age had fallen behind with their consumer borrowing, but when default on household bills was taken into account this increased to five per cent of all working age adults and to seven per cent among low and middle earners. Low earners were also far more likely to report finding their borrowing commitments a burden and to have fallen behind with credit payments or household bills.

Key determinants of wealth and financial wellbeing

Regression analysis was conducted to identify characteristics that are independently related to levels of financial wealth and wellbeing and to identify those that are the strongest predictors. Income data was not available for the analysis.

Age was a significant factor in determining wealth and financial wellbeing and reflects the different life stages of career progression, asset accumulation and expenditure. Wealth increased steadily with age, reflecting the ability of older people to have accumulated savings and pensions over the course of their working lives. This was most evident in relation to financial wealth (savings and investments) where the oldest age group (55 to 64 year olds) had the highest savings level, with a median holding of £6,200 compared to just £100 for 16 to 34 year olds. Pension wealth also increased with age in terms of the proportion of people who had pension savings and the amount of pension savings held. This may partly reflect a greater propensity for younger people to work in the private sector and have greater employment instability, which are also linked to poorer financial wellbeing outcomes.

As described above, the youngest age group (16 to 24 year olds) were concentrated in the low earner group, reflecting that they are just starting out in working life. Consumer borrowing by both low and middle earners was highest among 25 to 44 year olds, with the amounts owed peaking among the 35 to 44 age group. This coincides with additional expenditure associated with setting up home and raising a family. The analysis showed that within the low and middle earner groups young adults (aged 16 to 24) had a much higher propensity to run out of money (31 per cent), especially in comparison with 55 to 64 year olds (13 per cent), which may reflect financial inexperience in budgeting and money management or that their incomes were lower than their older counterparts

(or both). Even so, older people, while having better outcomes overall than their younger counterparts, are not all *necessarily* well off. A significant minority of them are, for example, low earners and people living in rented homes, groups which tend to have poorer financial wellbeing.

Housing tenure was also a key predictor of wealth and financial wellbeing. Housing tenure is indicative of both people's income and age, whereby younger people and those on lower incomes are more likely to be living in rented accommodation. Even so, regardless of age, owning one's home outright was associated with greater wealth and greater odds of having pension wealth. Conversely, living in a mortgaged or rented home reduced wealth and the odds of having any pension wealth. Tenure was a strong predictor of consumer credit use among low and middle earners, whereby people living in mortgaged and rented homes had higher odds than outright owners. Those living in rented homes were at additional risk of running out of money (31 per cent) and of falling behind with credit repayments or household bills (18 per cent); and they were less likely than other tenure types to save (28 per cent). Compared to those who owned their home outright, those living in a home with a mortgage had lower amounts of savings, but more than those in rented homes.

Household composition, particularly in relation to lone parents, was a factor in predicting financial wellbeing. Within the low and middle earner groups, lone parents had a greater likelihood than other household types of using consumer credit, of running out of money (37 per cent) and of falling behind with credit repayments or household bills (23 per cent). Lone parents were also the least likely to have saved (25 per cent). People living in lone-parent households were most likely to be low earners, but these findings nonetheless suggest that they faced particular challenges to their financial wellbeing.

Work status was, not surprisingly, a key determinant of wealth. Those in work had the highest levels of wealth across all measures, with the unemployed having the lowest. Being unemployed predicted lower average total household wealth and being without pension wealth. Barely one per cent of people not in work were saving into a pension. Low and middle earners who were unemployed or economically inactive faced a higher risk of running out of money (48 per cent and 30 per cent, respectively). Although those in work were more likely to use consumer credit and to have borrowed larger amounts (perhaps because of better access to credit or a perception that larger sums were manageable), those who were not in work were more likely to have fallen behind with credit repayments or household bills, particularly those recorded as unemployed (19 per cent). Among people in work it was also notable that women tended to have poorer outcomes across several measures of financial wellbeing.

Type of work was a significant determinant for some aspects of wealth and financial wellbeing. Among low and middle earners, people working in the public sector had consistently higher wealth across the measures compared with those working in the private sector. This may seem surprising; however, national statistics from the Annual Survey of Hours and Earnings show that, as a group, public sector workers earn more on average, although the types and nature of the jobs between the sectors are not necessarily comparable, particularly given the diversity nature of the private sector. As these compositional differences mean that the public sector overall will contain more better-paid staff than the private sector overall, this is likely to have significant bearing on observed differences between the groups. In particular, working in the public sector increased the odds that someone had pension wealth, with 64 per cent of public sector workers paying into a pension. This is likely to reflect the pension schemes public sector organisations have historically offered as well as greater levels of automatic enrolment into these. Public sector workers were also more likely than their private sector counterparts to report that their general financial situation had improved compared with two years ago (although since the data reflect the position in 2008-10 they do not take account of public sector pay and job cuts which have since been introduced).

In contrast, while people who were self-employed had higher levels of total wealth and financial wealth, pension saving was particularly low among the self-employed (20 per cent), something

which the recent pension reforms (and in particular the introduction of the National Employment Savings Trust) hope to address. Being self-employed was associated with lower private pension wealth by £54,700, whereas working in the public sector was associated with higher pension wealth by some £84,400 compared with their employee and private sector counterparts, possibly because of the more stable nature of public sector employment and increased prevalence of good quality pension schemes (or both).

In terms of **hours of work**, people who worked full time had over three times more pension wealth than part-time workers. Hours worked was also strong predictor of consumer credit use among low and middle earners: those working full time had higher odds of using credit than those working part time, which could reflect a greater willingness or need to borrow among full-time workers. People's working arrangements played a more moderate role in self-reported saving behaviour, seeming to underline the role played by people's predisposition to save rather than their ability to do so. However, working part-time was independently associated with higher levels of non-pension savings held. This seems counter-intuitive but could indicate a degree of choice in working part time for some people, perhaps having accumulated larger amounts of savings when previously working full time or that part-time workers hoped to compensated for lower pensions savings with greater liquid savings.

Stability of work patterns also had a key influence on wealth and financial wellbeing. Total household wealth and financial wealth was higher among those whose work status had not changed (the majority of these being in work at both waves). Interestingly, a change in earnings group between survey waves was a key determinant of wealth across the measures, but moving into higher earnings class actually *reduced* wealth. This is likely to be reflecting people's historical earning power, rather than their current earning power. For pension wealth, those who had experienced a change in work status (a move in or out of work) between survey waves had higher odds of being without pension wealth. This could either be reflecting difficulties in joining a workplace pension scheme, or a disinclination to join; the introduction of auto-enrolment should help to address this. Stability in work status and not having experienced a period of no or reduced pay were strong determinants of having pension savings. Low and middle earners whose work status had changed between survey waves were also at additional risk of running out of money (32 per cent) as were those who had experienced a period of no or reduced pay (25 per cent) compared with those who had not (14 per cent).

Conclusions for policy

The analysis described in this report points to a number of conclusions and implications for policy. First, the finding that the self-employed and those with unstable work patterns have much lower rates of pension saving and wealth highlights the potential role to improve pension saving of the recent pension reforms, which were implemented after this survey was undertaken. The new National Employment Savings Trust (Nest) is a new and unique opportunity for self-employed workers to enrol in a workplace pension scheme and auto-enrolment of employees into workplace schemes should benefit people who often find themselves moving in and out of work or between jobs. As yet, however, it remains unclear what the scale of the impact of these reforms will be and whether it will be sufficient to provide people with an adequate pension pot. In particular, the disruptive nature of work instability for other aspects of financial wellbeing, including liquidity, raise questions about whether the most vulnerable workers can afford (or feel they can afford) to pay into pensions and therefore, without further incentives or financial assistance, whether they choose to opt out of these schemes.

It is clear that among low and middle earners, public-sector workers have better outcomes than private-sector workers across nearly all measures of financial wellbeing. This may in part relate to the younger profile of private sector workers, and greater instability of employment within the private sector, and also to wider compositional differences in employment between the two sectors.

Disparities in private pension saving and pension wealth accrued are especially noteworthy; while acknowledging the limitations of the pension wealth measure (which excludes state pension wealth, including from any second tier pensions not 'contracted out'), these disparities may additionally reflect a gradual deterioration in occupational pension provision in the private sector in recent years. Even so, levels of pension wealth enjoyed by most public-sector workers fall well short of those seen among Britain's 10 per cent wealthiest households, whose pension wealth exceeded £1 million, in our accompanying report (Finney, 2013). Moreover, the extent to which the benefit public sector workers appear to receive will be sustained in later years is uncertain, given the ongoing contraction in the public sector following the 2010 Spending Review, particularly within the civil service, and pay freezes and changes to pensions for those who remain in the sector.

Young people and lone parents stand out as particular socio-demographic groups who experience poor financial wellbeing outcomes. For young people this is likely to be driven by financial inexperience, at least in part. Support for younger people, for example in the form of financial skills training, whether they are in or out of work, could therefore help improve their outcomes. Young people who are working should also benefit from the auto-enrolment into workplace pensions. However, they need to be supported by Government and employers to ensure they do not opt-out. They are also a particular group who could be encouraged to increment their pensions savings as they move between jobs and earnings groups – as they climb their career ladder – through schemes like Save More Tomorrow (pioneered in the US, available in UK to Axa scheme members and advocated by the Association of British Insurers) which asks people them to commit to increase their level of saving following *future* pay increases. The finding that people moving to a higher earner occupation have poorer outcomes on certain measures, perhaps as a result of a lag in the effect of increased earnings or of over-optimism in their ability to manage on higher earnings for example, suggests a role for greater support to people at the time of these transitions. The analysis remains moot as to whether the effect observed across the age range is a life-cycle or a generational effect, however structural changes in the security of work and in particular the move away from 'jobs-for-life' is expected to impact more on younger generations; even so, this is also something that people approaching retirement now are not immune to.

For lone parents, the findings point strongly to a lack of financial resilience for this group. This is likely to reflect higher fixed expenditure in these households relative to their incomes, while their incomes are also likely to be constrained by more limited employment choices. This is despite gains in employment and income outcomes among lone parents in the years preceding the recession in 2008. Lone-parent households are one of the groups expected to lose out the most under Universal Credit when it is rolled out between late 2013 and 2017.

More generally, the timing of the survey coincided with the onset of the deepest recession since the Great Recession of the 1930s but was prior to the implementation of austerity measures and welfare reform by the Coalition Government. This suggests that, compared with 2008-10, people's financial wellbeing will deteriorate in subsequent years of the survey. Which groups feel the effect of this the most is as yet unknown, indeed it may affect working-age adults across the earnings spectrum. Nonetheless, caps to housing benefit and local housing allowance and new rules relating to under-occupancy may be expected to sharpen the differences in financial wellbeing between low and middle earners who rent and those living in owner-occupier households by reducing disposable incomes.

The continued fall in real wages and the new welfare benefit cap will also reduce disposable incomes for some households, making it more difficult for people who are out of work (or who spend large periods out of work) to manage day-to-day and aspire to saving for the medium and long-term, including for retirement. The withdrawal of Disability Living Allowance will impact most on low earners of working age who are disproportionately likely to be economically inactive. Additionally, contraction in legal aid provision is likely to see fewer people on low and especially middle incomes access debt advice and find themselves in increasingly entrenched debt and financial difficulties. In

the absence of any new social policies to boost living standards among vulnerable households, for example through taxation, welfare benefits and 'pre-distribution' policies that improve wages for lower earners, including those working part-time, it is likely that the current inequalities in financial wellbeing outcomes between high, middle and low earners will widen further.

1 Introduction

Recent years have seen household incomes in Britain squeezed due not only to the increased cost of living but also to the impact of the economic crisis and the subsequent recession on workers' job security, pay and working hours. In light of this, the Trades Union Congress (TUC) commissioned the Personal Finance Research Centre to explore financial wellbeing outcomes nationally, with a particular focus on the outcomes for low and middle earners.

The aim of the research, which involved analysis of the recently released 2008-10 Wealth and Assets Survey, was to explore levels and patterns of saving, retirement saving and indebtedness among low and middle earners of working age in Great Britain, and place this in the context of the situations of higher earners. The specific objectives were to:

- Describe the distribution of wealth, assets and indebtedness by earnings across the population
- Describe and explore level and patterns of wealth, indebtedness and financial assets (i.e. the amounts saved) among low and middle earners
- Explore the determinants of saving among low and middle earners
- Understand the impact of work-related events such as job loss on wealth, saving, indebtedness and financial difficulties among low and middle earners
- Understand the role of indebtedness on saving behaviour among low and middle earners, with a particular focus on use of high cost credit.

Based on data from 2008-10, the analysis represents the financial circumstances of working age people at a time when the UK had fallen into recession, unemployment was rising and average earnings were falling. However, the data precede the austerity measures taken by the Coalition Government to reduce public spending, as well as the recent implementation of the Government's pension reforms under the auspices of *The Pension Act 2008* which include the introduction of auto-enrolment into workplace pension schemes and the National Employment Savings Trust.

1.1 The Wealth and Assets Survey

The Wealth and Assets Survey is a large-scale national survey of individuals and households living in private households in Great Britain. First undertaken in 2006-2008, the survey is longitudinal in design. Each wave comprises a two-year period, with respondents to the first wave being interviewed at two-year intervals following their initial 'wave one' interview. A sample of approximately 30,000 private households and 70,000 individuals (aged 16 and over) were interviewed in wave 1.[1] In wave 2, which was carried out in 2008-10, a total of 46,347 individuals living in 20,170 households were successfully interviewed (many of whom were also successfully interviewed in wave 1).

The primary purpose of the survey is to provide survey-based estimates of the economic well-being of households. It measures wealth across four components, namely, property wealth, financial wealth, physical wealth and private pension wealth. In doing so the survey captures both assets and liabilities in considerable detail. In addition to the main measures of wealth captured in the Wealth and Assets Survey, the survey also includes a range of supplementary measures, encompassing household and individual demographics, socio-economic characteristics, and measures of financial behaviours, attitudes and financial difficulties.

[1] The sample size is somewhat lower for attitudinal questions, which were only asked of individuals who responded to the survey in person (i.e. they were not asked of those who were interviewed by proxy).

1.1.1 Data considerations: measures of wealth and income

While property and physical wealth make up the largest shares of total wealth measured in the Wealth and Assets Survey, the focus of this report is primarily on assets (and liabilities) occurring at the person level, namely financial wealth and private pension wealth. We additionally consider total wealth, as it is captured in the Wealth and Assets Survey. This includes pension wealth as one of the four components of wealth. It is important to note, however, that pension wealth is characteristically different from the other components of wealth captured in the survey. This is partly because it is a particular form of wealth that is not immediately accessible through liquidation to individuals (Tetlow and Bank, 2009) and it cannot be transferred to others, for example through inheritance or gifts. In other words, it is a type of *deferred* wealth or, more correctly, a type of *deferred income*.

Moreover, pension wealth measured in the Wealth and Assets Survey excludes accrued state pension entitlement, including were people have 'contracted-out' of the second tier pension. This makes it a partial measure of total pension wealth (and hence total wealth captured in the survey), to a greater or lesser extent depending on people's employment histories and pension choices. The effect of excluding state pension entitlement is also likely to be skewed by wealth, as the value of any state pension entitlement (however modest that value may be compared with other forms of wealth) will have greater proportionate value to people with lower private pension and other assets. For example, it has previously been calculated that the mean average state pension entitlement accrued among people aged between 50 and State Pension Age was almost £54,000 (Bozio et al., 2010).

As such, and while private pension wealth has been *included* in the measure of total wealth reported here, there are strong arguments for *excluding* pension wealth from measures of total wealth. This is reflected in the approach used in Office for National Statistics headline reports from the survey and in our accompanying report (Finney, 2013), in which alternative measures of total wealth that include and exclude pension wealth are both considered.

The analysis reported here is based on the second release of data from the second wave of the survey, representing wealth and assets in Great Britain in 2008-10. This dataset comprises all respondents who were successfully interviewed in each wave, although it is not comprehensive in its coverage of survey question variables and some derived variables. Notably, total household income is not available for either wave, and earned income is not available for wave 2, as we discuss further in section 1.2.

1.2 Defining low and middle earners

TUC's primary interest was in the financial wellbeing of people living in low and middle income households. However, total income is not available for analysis on the Wealth and Assets Survey, due to concerns about its robustness.[2] Earned income was deemed sufficiently robust, and analysis of wealth by earned income was published separately from the main results at wave 1.[3] For the purposes of this research, the decision was therefore taken to define low, middle and high income based on earnings.

However, earned income is not available for wave 2. Instead, we have used the findings of preliminary analysis of wave 1 data to allocate respondents to a high, medium or low earnings category indirectly, based on their occupation. Occupational classifications are defined in the Wealth and Assets Survey according to standardised categories, and are based on their current or most recent job if they are not currently in work. People are only not classified by their occupation if they

[2] See Office for National Statistics (2009).
[3] See Office for National Statistics (2009).

have never worked or are long-term unemployed or if there was insufficient data collected in the survey about their current or most recent job to base classification on.[4]

The most detailed analytical classification reports eight classes:[5]

- **Class 1.1 Large employers and higher managerial and administrative occupations**
    - e.g. senior government officials, financial managers, advertising and PR managers, police inspectors
- **Class 1.2 Higher professional occupations**
    - e.g. civil engineers, probation officers, social science researchers, dentists
- **Class 2 Lower managerial, administrative and professional occupations**
    - e.g. social workers; primary and secondary school teachers, construction managers, opticians, librarians, nurses, sales representatives
- **Class 3 Intermediate occupations**
    - e.g. police sergeant and below, graphic designers, company secretaries
- **Class 4 Small employers and own account workers**
    - e.g. hotel managers, shopkeepers, farmers, childminders
- **Class 5 Lower supervisory and technical occupations**
    - e.g. train drivers, TV engineers, road construction workers
- **Class 6 Semi-routine occupations**
    - e.g. pharmacy dispensers, fitness instructors, chefs and cooks, caretakers
- **Class 7 Routine occupations**
    - e.g. upholsterers, fishmongers, craft woodworkers, coal miners, bus drivers, waiters, cleaners

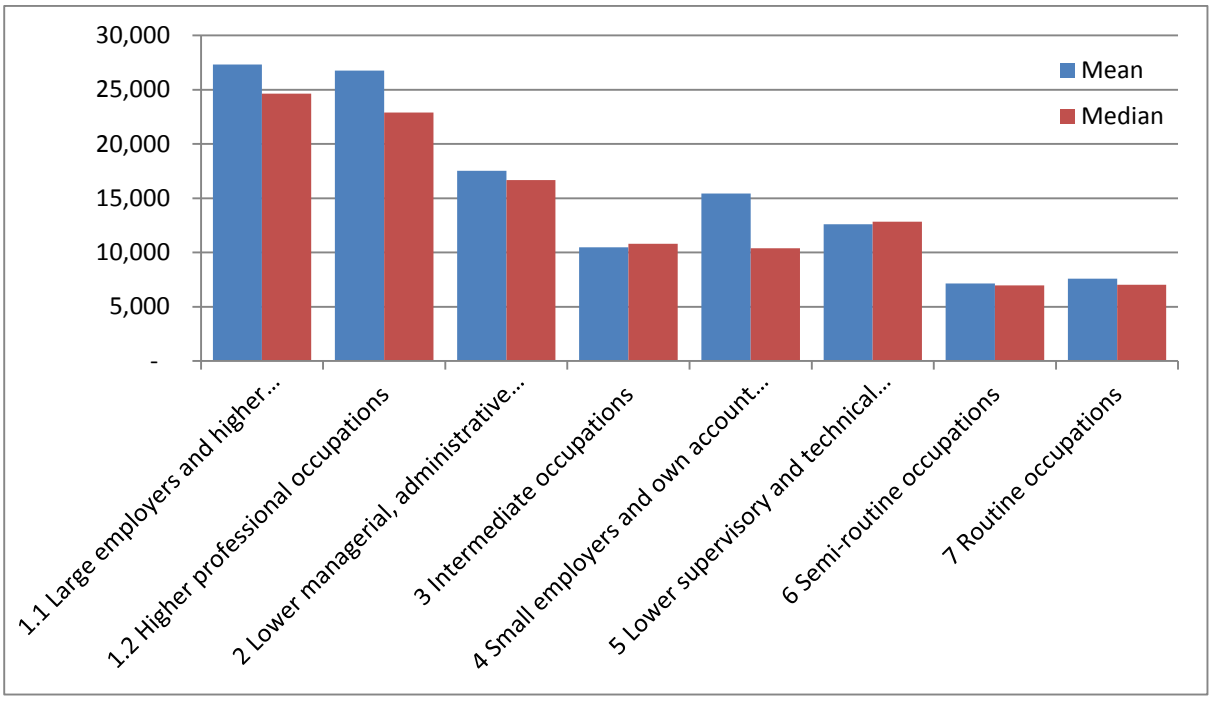
Figure 1.1 below shows the average (mean and median) earnings by occupational class at wave 1. The mean and median values both suggested that average earnings for classes 1.1 and 1.2 were similar (with means of more than £25,000 per year and a median of more than £20,000). At the other end of the extreme, classes 6 and 7 were clearly at the lower end of the earnings spectrum, and distinct from all other classes, with mean and median earnings of around £7,000. Between these two extremes, and despite some fluctuation between them, Classes 2 to 5 also appeared relatively closely clustered, with means and medians ranging from a minimum of about £10,400 to £17,500.

Based on these results, we grouped the occupational classes into three broad earnings groups, high, low and middle earnings respectively.

[4] Those without an occupational classification (i.e. those falling into either of these two groups) were excluded from our analysis.

[5] For the more detailed classes, see Appendix 1

Figure 1.1 Average annual earnings by occupational classification (£)



Source: Wealth and Assets Survey, wave 1, cross-sectional weight applied
Base is all wave 1 respondents of working age classified into one of the eight occupational classes (n=41,698).

Figure 1.2 confirms the correlation between the new categorisation and levels of earnings in the wave 1 data, with average earning levels falling away substantially from the high to middle group and the medium to low earnings group respectively.

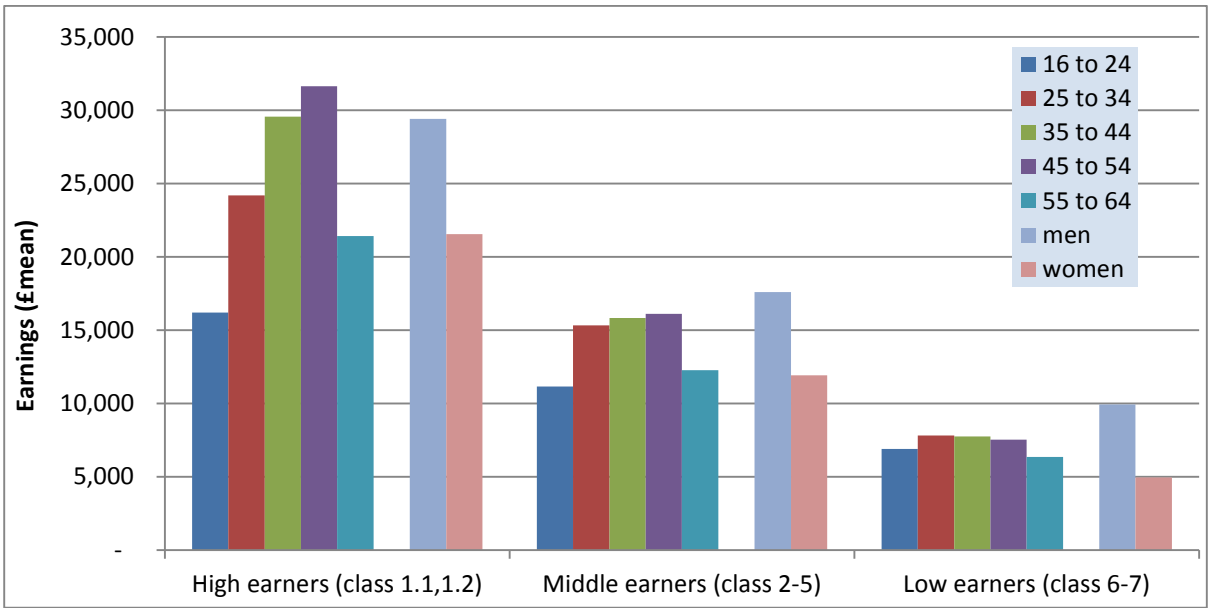
Figure 1.2 Average (mean and median) earnings by earnings class (£)

Source: Wealth and Assets Survey, wave 1, cross-sectional weight applied
Base is all wave 1 respondents of working age classified into one of the eight occupational classes (n=41,698).
Estimates are rounded to the nearest £100.

This breakdown is shown with the addition of age and gender (Figure 1.3). A strong pattern emerges whereby – in each of the three earnings groups – men of working age had higher mean earnings than women. Earnings also varied relatively consistently with age, peaking among people aged 45 to

54 among the high and middle earners, and more broadly among people aged 25 to 54 among the low earners; it also clear, however, that the variation was most marked among the high earners, becoming more muted among the middle earners and again among the low earners. The importance of both age and sex on earnings, even within these groups, is important to bear in mind in later sections.

Figure 1.3 Mean earnings by earnings class and age and sex (£)



Source: Wealth and Assets Survey, wave 1, cross-sectional weight applied
Base is all wave 1 respondents of working age classified into one of the eight occupational classes (n=41,698).

The new earnings categorisation was applied to the wave 2 data to represent high, middle and low earners among the working age population at wave 2. It is important to note that high, middle and low earners were not necessarily in work at the time of the wave 2 interview, but had been at some point in the past. This classification therefore relates to individuals potential, rather than actual, earnings. Only the never worked and long-term unemployed (along with those with unclassifiable occupations) are excluded.

1.3 This report

The remainder of this report describes findings based only on working age respondents to wave 2 of the Wealth and Assets Survey, defined as ages 16 to 59 among women, and 16 to 64 among men at the time of their interview. The analysis is further limited to those allocated to the high, medium or low earners group (occupational classes 1.1 to 7) at wave 2 resulting in a final sample size of 21,977 working age adults. They may or may not have been in work at the time of the wave 2 survey, although they exclude people who had never worked or were long-term unemployed. Although we refer to the population this sample represents as 'earners' and 'working age adults' throughout this report for brevity, please note these definitions.

We use bivariate and multivariate analysis of the Wealth and Assets Survey wave 2 data to explore financial wellbeing outcomes in six sections:

- Section 2 considers the socio-demographic profile of high, medium and low earners and explores how a range of work-related characteristics vary depending on earnings. These are important measures as they are expected play a role in the financial wellbeing outcomes examined in the subsequent chapters.
- Section 3 explores the distribution and determinants of total wealth, financial wealth and private pension wealth as captured by the Wealth and Assets Survey. As discussed above in

section 1.1.1, it is important to note the partial nature of the survey's measure of total wealth due to the exclusion of state pension entitlement.

- Section 4 examines consumer indebtedness and saving behaviour.
- Section 5 examines liquidity and financial difficulties.
- Section 6 explores levels of saving in relation to saving behaviour and the financial assets people held.
- Section 7 considers pension saving in relation to whether or not people were saving into a private pension and the amount of pension savings they held.

Full tables of this analysis are provided in the body of the text and in Appendix 1. Where relevant throughout the report, we have also given consideration to the variation in the outcomes measures and their correlates (such as socio-demographic characteristics) by age group across the whole of the adult life-cycle (i.e. from ages 16 to 24 to people aged 85 and over). It is important to note that this analysis includes all adults, regardless of their earnings classification. Full tables of this analysis are provided in Appendix B.

1.4 Our analysis

All analysis is undertaken in SPSS on weighted data at the person level (including some measures such as total wealth and housing tenure that are only captured at the household level). Only variations across and differences that are statistically significant at the five per cent level ($p<.05$) are reported. This means that the observed variation or difference would only be expected to occur by chance in the population on five occasions in every one hundred, and can therefore be generalised from the sample to the population with confidence. When related to wealth and asset values, significance testing is undertaken on the mean rather than the median. Design effects have not been taken into account in significance testing.

The type of multivariate analysis used throughout this report is regression analysis. Regression analysis controls for the natural relationships between 'predictor' characteristics to identify which ones are related to an outcome measure of interest independently of those other characteristics.

Due to a problem known as multi-collinearity it was not possible to include all characteristics of interest in the same model. The problem arises in this instance because characteristics of people's working arrangements are only relevant where people are in work, meaning that these characteristics and people's overall work status cannot be included in the same model. As such, two separate models were run for each outcome measure containing two subsets of characteristics, the first relating to all earners and the second to just those in work at the time of their wave 2 interview. The results of both models are described in the report and full tables of results can be found in Appendix 2. For the same reason, some categories of some measures entered into the regression analysis need to be collapsed compared with the bivariate analysis.

We have used two variants of multivariate regression analysis in the report: multiple linear regression and binary logistic regression. Linear regression identifies the unit change in an outcome measure (e.g. wealth) that is associated with the unit change of a particular 'predictor' characteristic (e.g. respondent's age). Multiple linear regression in turn considers the influence of multiple predictors simultaneously in the same model, enabling the unique influence of each predictor on the change in the outcome measure to be determined. The constant in a multiple linear regression relates to a (hypothetical) reference group. For all linear regression models described in this report, the reference group is defined as single men aged 16 to 24 living in a home owned outright in the North East of England; who had not received an inheritance of substantial gift and whose financial situation not changed due to a change in household circumstances or income; who were in work, with no change in work status and in same earnings class as wave 1; and, for the model limited to those in work, employees experiencing no period of reduced or no pay since wave 1, working full-time in the private sector and in one job only.

Binary logistic regression analysis is a related technique which is particularly well-suited to outcome measures with two categories (binary measures, e.g. household has a particular outcome characteristic (coded 1) or it does not (coded 0)). As such, it identifies the propensity to have an outcome characteristic of interest compared with not having that characteristic. Logistic regression expresses differences between predictor groups in the propensity to have the characteristic of interest as an odds ratio. Odds are a concept similar to and related to probability, though not on equivalent scales. A predictor category with an odds ratio of greater than 1 is more likely to have the outcome characteristic of interest compared with its reference category, and a predictor category with an odds ratio of less than one is less likely than the reference category to have the outcome of interest.

2 The characteristics of high, middle and low earners

Throughout this report, we draw key inferences on the wellbeing outcomes of working age adults, distinguishing between high, medium and low earners. Section 1 described how eight occupational classes were used to help derive the three earnings groups. Before moving on to consider financial wellbeing outcomes in later sections, this section briefly explores these groups further, to explore how socio-demographic and work-related characteristics, which might also play a role in people's wider financial wellbeing, vary by earnings status.

2.1 High, middle and low earners

We start by summarising the composition of the earnings groups in wave 2 by occupational class at wave 2 (Table 2.1). Low and middle earners comprised the large majority of all working age adults.

Low earners, comprising occupational classes 6 and 7, represented 30 per cent of people rising to 56 per cent among middle earners comprising occupational classes 2 to 5. Class 2, the lower managerial, administrative and professional occupations, is in fact the largest occupational class of them all, comprising a quarter (26 per cent) of all classifiable working age adults. Occupational classes 1.1 and 1.2, which make up the high earners group, between them represented 14 per cent of adults.

Table 2.1 Breakdown of working age adults by earnings and occupational class

	Occupational classes	Percentage (%) of adults
High earners	1.1 Large employers and higher managerial and administrative occupations (5%) 1.2 Higher professional occupations (8%)	14
Middle earners	2 Lower managerial, administrative and professional occupations (26%) 3 Intermediate occupations (12%) 4 Small employers and own account workers (8%) 5 Lower supervisory and technical occupations (9%)	56
Low earners	6 Semi-routine occupations (18%) 7 Routine occupations (13%)	30

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).
Figures may not sum correctly due to rounding.

2.2 The socio-demographic profile of high, medium and low earners

Throughout this report, we consider how wellbeing outcomes vary among the low and middle earners by a range of socio-demographic characteristics, and which of these, if any are key determinants of those outcomes for working age adults. To provide a context for this, here, we consider how the socio-demographic profile of working age adults varies across the high, middle and low earners.

2.2.1 High, middle and low earners by sex and age

Among people of working age, men and women from across the age range were represented among the high, middle and low earner classes. There were some key differences however in the composition of the classes by sex as well as age (Table A 1).

In particular, people in the high earner occupations were highly likely to be men (67 per cent). Looked at another way, only 10 per cent of women of working age were classed as high earners,

compared with 17 per cent of men. Meanwhile, women were disproportionately found among low earners (52 per cent; with women comprising 47 per cent of all working age adults), representing a slight majority of the low earners. This suggests that the workforce is divided somewhat along gender lines, which might impact in turn on wellbeing outcomes for women, except in households such as couple households in which income and wealth might be pooled.

There was little variation in the composition of the earnings classes by age among those aged over 45. In other words, older workers are found in similar proportions in each of the classes, rather than being concentrated among the higher earners, as might be expected. However, notable differences are observed for younger adults (Figure 2.2; Table A 1). Only three per cent of people in the high earners class were aged under 25, rising to 16 per cent among the low earners. The opposite picture emerges for the next two age groups, whereby the proportions of people aged 25 to 34 and 35 to 44 were higher among middle earners than low earners, and higher still among high earners.

Figure 2.2 Age breakdown by earnings class

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).
Figures may not sum correctly due to rounding.

These findings might suggest that people's earning potential, based on their occupational class, is subject to change early on in people's working lives, from lower to higher classes, before settling down during later middle age. Alternatively, it may suggest something particular about the economic environment at the time of the survey, for example an abundance of lower occupational status jobs coming available in the market for the current cohort of younger age groups, the effect of which might persist through their lifetimes. Given the cross-sectional nature of the data we are using, these types of explanations – and in particular the relative importance of ageing and generational effects – are impossible to confirm or negate. However, evidence from later waves of the Wealth and Assets Survey may enable them to be explored.

2.2.2 Household circumstances

In addition to age and sex, we have considered the composition of the earnings classes by three key characteristics of people's living arrangements: household type, housing tenure and where people lived in relation to the Government Office Regions of Great Britain. Again, we find that all groups are represented among high, middle and low earners, but that stark differences, in some cases stronger than those seen in relation to age and sex, emerge (Table A 1).

The differences by housing tenure are especially marked. Nearly seven in ten high earners lived in mortgaged homes (69 per cent; compared with 54 per cent of all working age adults). In comparison, 45 per cent of low earners lived in rented homes (compared with 27 per cent of all working age adults); to put it another way, a half of people living in rented homes were from the low earning occupational classes (50 per cent). These are likely to be drawn from across the age range, including the one in five of older people who live in rented homes (Appendix 3, Table B 1). The relationship between earnings status and housing tenure is not unexpected, given the strong relationship between housing tenure and poverty that has been observed elsewhere (Tunstall et al, 2013).

While the proportion of single-adult households and couple households with children did not vary across the earnings classes, a higher proportion of couple households without children were found among the high earners (26 per cent) than the average for all working age adults (20 per cent). A slightly higher proportion of lone parents (nine per cent) and 'other' households (15 per cent), which are disproportionately likely to be the very young (16 to 24) or older (55 to 64) working-age adults, were drawn from the low earner class than the average (six per cent and 12 per cent respectively).

The profile of middle earners by region closely matched the profile of all working age adults in Britain (Table A 1). However, a disproportionately high number of high earners were living in London (19 per cent; compared with Londoners making up 12 per cent of all working age adults) and to a lesser extent the South East (18 per cent, compared with 14 per cent). Conversely, people living in the North West (13 per cent) and North East of England (six per cent) made up a disproportionately large share of the low earners, although this was not marked (compared with people in these regions making up four per cent and 11 per cent of all working age adults respectively).

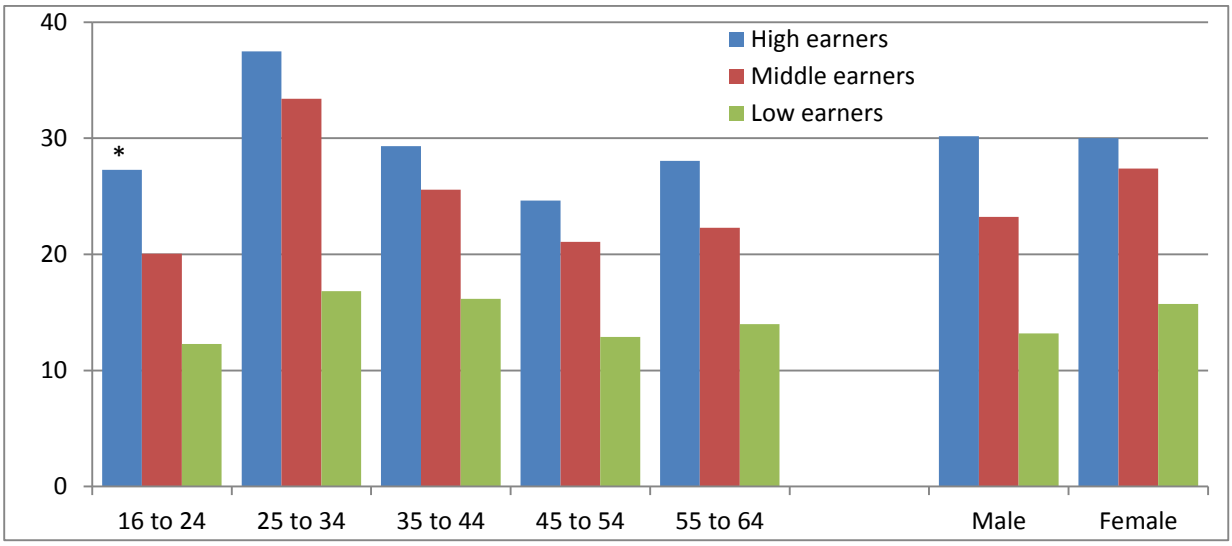
2.2.3 Receipt of an inheritance or substantial gift

People may receive an inheritance or substantial gift from others at any stage in their lives. Depending on size of the total sums received, this might be expected to influence financial wellbeing outcomes, such as wealth, and perhaps even help to reduce wealth inequality in Great Britain (Daffin, 2009). Recent analysis for the Nuffield Foundation, however, has suggested that the receipt of inheritance tends to maintain inequality in wealth, rather than equalise or exacerbate it, because it tends to be received more often and in larger sums by people are already relatively well-off (Hills et al., 2013).

Taking into account responses to the wave 2 and wave 1 editions of the Wealth and Assets Survey, we have been able to derive a measure of the receipt of inheritances and a larger gifts (of over £250) up to within the last seven and four years respectively.[6] Overall, 23 per cent of working age adults had received either an inheritance or a gift in this timeframe (rising to 29 per cent of all adults aged 25 to 34; Table B 1), and this varied significantly depending on earnings class. Some 30 per cent of people classed as high earners had received an inheritance or gift, falling away to 25 per cent among middle earners and 15 per cent of low earners. This lends support to the findings from recent research (Hills et al., 2013). Moreover, high earners were consistently more likely than others to have received an inheritance or gift across the age range (Figure 2.3).

[6] Information for wave 2 respondents who were not interviewed in wave 1 were set to missing; for these respondents only an inheritance or gift received in the two years prior to the 2008-10 survey was taken into account in the derivation of this measure. We also explored the potential to take account of the receipt of money from trusts in the Wealth and Assets Survey data. However, the reference period for the receipt of funds from trusts (in the last 12 months) is not compatible with the reference period for receipt of inheritance or gifts (which both cover a much longer period). There were insufficient numbers of people (19) in the wave 2 sample to enable the receipt of trusts to be included as a separate measure.

Figure 2.3 Receipt of inheritance by earnings class and age and sex (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).
Figures may not sum correctly due to rounding. * Treat with caution due to small base (n=57).

In turn, the receipt of an inheritance or gift varied by age and sex, albeit not as markedly as for earnings class (Figure 2.3). Regardless of earnings class, the likelihood that someone had received an inheritance or gift peaked among those aged 25 to 34 (perhaps reflecting a peak in inheritance from grandparents or financial gifts to help set up home). It tailed away among those aged in their late 30s to early 50s, before increasing slightly again among those aged 55 to 64 (possibly reflecting the age of this group's parents). Even so, the relatively low rates of receipt among those approaching retirement with people suggests that people in this age group are not particularly advantaged by inheritances and other financial gifts compared with other age groups. Women in the middle and low earners category were somewhat more likely to have received an inheritance or gift than their male counterparts; there was no difference between men and women in the high earner class.

2.2.4 Changes in people's general financial situation and influences on these

Finally, we have looked at respondents' perceptions of changes in their general financial situation since wave 1 and explored where these were income-related or to changes in household circumstances (Table 2.4). Low earners were somewhat more likely than the middle or high earners to say that their situation was generally worse financially now compared with two years ago. Within each earner class, the likelihood that someone said their situation was better off decreased with increasing age (Table A 2).

In the follow up question, low earners were at the high end of the range in terms of their propensity to say that a decrease in household income (18 per cent) had made them worse off; this could have been for a range of reasons including redundancy, reduced hours or earnings or early retirement (for health or non-health reasons). Far fewer people overall felt they were worse off as a result of household changes (eight per cent), though again low and middle earners were at the high end of the range compared with high earners (six per cent). Regardless of earnings class, people aged 55 to 64 were particularly likely to say that they were worse off because of a change in household income, including 17 per cent of low and middle earners in this age bracket (Table A 2).

Further analysis (Table A 3) shows considerable variation among the occupational classes making up the middle earners in particular. People in lower managerial, administrative and professional occupations were rather more likely than small employers and own account workers for example to report that their general financial situation was better (37 per cent, compared with 22 per cent). And

small employers and own account workers were at increased risk of reporting that their situation was worse off due to a change in household income (25 per cent).

Table 2.4 Change in general financial situation by earnings class

Column percentages (%)		High earners	Middle earners	Low earners	All
General financial position now compared with two years ago	Better	40	32	23	30
	Worse	23	30	35	30
	About the same	37	38	43	39
Whether better or worse off due to change in household income	No change due to income changes	57	61	67	62
	Better off (increase in income)	31	23	15	22
	Worse off (decrease in income)	12	16	18	16
Whether better or worse off due to change in household circumstances	No change due to household changes	90	90	90	90
	Better off	3	3	2	3
	Worse off	6	8	8	8
Unweighted base		2,691	10,302	5,029	18,022

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners, but excludes missing cases on the measures (including respondents interviewed by proxy). Figures may not sum correctly due to rounding.

2.3 The profile of high, middle and low earners by work-related characteristics

In addition to people's occupational class, the Wealth and Assets Survey offers a number of other, work-related, measures. While we find substantial variations across the lifecycle for several of these measures (Table B 2 and Table B 3), as we report in the later sections, some of these measures prove to be important determinants of financial wellbeing outcomes in their own right, independently of age. Here we consider how these work-related characteristics vary depending on earnings class.

2.3.1 Current work status and working arrangements

At the time of the wave 2 survey, eight in ten people of working age overall (81 per cent) were in work, 14 per cent were economically inactive and a small proportion (four per cent) were unemployed.[7] However, this varied considerably across the earnings groups (Table 2.5), reflecting the variation in work status by age group (Table B 2).

Table 2.5 Current work status by earnings class

Column percentages (%)	High earners	Middle earners	Low earners	All
In work	90	84	70	81
Unemployed	1	3	6	4
Economically inactive	8	12	22	14
Other	<1	1	2	1
Missing	<1	<1	<1	<1
Unweighted base	3,309	12,485	6,183	21,977

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners.
Figures may not sum correctly due to rounding. '<1' denotes greater than zero but less than 0.5.

People drawn from the high and middle earning occupations were somewhat more likely to be in work than the low earners. Meanwhile, a greater proportion of low earners were either economically inactive or unemployed (Table 2.5). The proportion of people who were economically

[7] Recall that the earnings classes (and the occupational classes from which they are derived) include people who were not necessarily in work at the time of the wave 2 interview but had been in work at some point in the relatively recent past. The never worked and long-term unemployed are excluded however.

inactive at the time of the wave 2 survey tended to increase with age overall. However, among the low earners, it was high in all age groups from ages 25 to 34 and older, at over one in five people (Table A 4); on further analysis the low earners who were economically inactive were evenly split between people who were looking after the family home (42 per cent) and unable to work due to ill-health or disability (46 per cent) and reflecting this three quarters were aged over 35 (74 per cent) and a half (51 per cent) were aged over 45. The work status of a small proportion of people overall (one per cent) was classed as 'other' and work status was missing in a further minority of cases (less than one per cent).

Table 2.6 Current working arrangements by earnings class, among those in work

Column percentages (%)		High earners	Middle earners	Low earners	All
Employment status (main job)	Employee	91	83	100	89
	Self-employed	9	17	-	11
Hours worked (main job)	Full-time	90	81	62	77
	Part-time	10	19	38	23
Sector (main job)	Private firm, business, ltd company or plc	68	66	76	69
	Public sector organisation or nationalised industry	28	29	20	26
	Missing	4	5	5	5
Number of current jobs	One	97	96	94	96
	Two or more	3	4	5	4
	Missing	<1	<1	<1	<1
Unweighted base		2,888	10,314	4,232	17,434

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of in-work working age classed as high, middle or low earners.
Figures may not sum correctly due to rounding. '<1' denotes greater than zero but less than 0.5; '-' denotes no cases in sample.

If we consider just those people who were in work at the time of their wave 2 interview, there was also significant variation in people's working arrangements depending on their earnings levels (Table 2.6). First, all low earners in the sample were employees, while middle earners were most likely of all the groups to be self-employed (17 per cent), the likelihood also falling with age among the high and middle earner groups (Table A 5). Low earners were disproportionately likely to be working part time (38 per cent) in their main job, and were very often working in the private sector (76 per cent) compared with the average. Taken together, this may indicate a greater degree of income volatility among the low earners; moreover, younger low earners were particularly likely to work in the private sector (88 per cent among those aged 16 to 24; Table A 5; see also Table B 3).

Finally, although the differences were small in absolute terms, there was variation across the groups in relation to whether people had two or more jobs or only their main job. Only three per cent of high earners had a second job, rising to four per cent among middle earners and five per cent among low earners (Table 2.6). There was very little variation in the propensity to have a second job by age, regardless of which earner class people were in (Table A 5).

2.3.2 Recent changes in working arrangements and employment volatility

The Wealth and Assets Survey data also allows us to look at certain changes in people's work status and arrangements between wave 1 and wave 2, where people were successfully interviewed at both wave. Again, we find that there were small but significant variations in these depending on whether people were high, middle or low earners (Table 2.7). For each measure, and consistent with the findings reported above, low earners were most susceptible to changing situations. On several measures, middle earners were the least likely to have experienced change, with high earners falling

in between the two ends of the range, although there were some measures that diverged from this typical pattern.

In particular, nearly one in five low earners (18 per cent) recorded a different work status at wave 2 compared with wave 1, including eight per cent who had moved into work and five per cent who had become unemployed. Even for those whose work status had not changed, low earners – and again, the under 25s – were more likely than other groups to have experienced a period of unemployment or reduced pay in the interim (also 18 per cent; Table 2.6 and Table B 3).

Table 2.7 Change in working arrangements by earnings class

Column percentages (%)		High earners	Middle earners	Low earners	All
Change in work status, wave 1 to wave 2	No change	92	90	82	88
	Into work	3	4	8	5
	Into unemployment	1	2	5	3
	Into inactive/other	3	4	5	4
	Unweighted base	2,936	11,019	5,253	19,208
Periods of unemployment or reduced pay since wave 1, among those in work at both waves	Yes	11	14	18	15
	No	89	86	82	85
	Unweighted base	2,433	8,473	3,082	13,988
Whether working in the same job as at wave 1	Same job	76	77	74	76
	Same job, different employer[1]	9	6	7	7
	Different job	15	17	19	17
	Unweighted base	2,430	8,459	3,073	13,962
Any change in occupation wave 1 to wave 2[2]	Yes	42	48	58	50
	No	58	52	42	50
	Unweighted base	2,901	10,872	5,200	18,973
Change in earnings level, wave 1 to wave 2	Lower	N/A	5	12	6
	Same	77	88	86	86
	Higher (including from never worked/long term unemployed at wave 1)	23	7	2	8
	Unweighted base	2,884	10,843	5,168	18,895

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classed as high, middle or low earners. Bases differ between measures due to missing values.
Figures may not sum correctly due to rounding. '<1' denotes greater than zero but less than 0.5; '-' denotes no cases in sample. 'N/A' indicates not applicable.
Notes: 1. Applies to employees only. 2. Relates to any change in the 40 operational occupational classes.

Moving on to consider people's occupations, regardless of whether they were in work or not at either wave, it is also clear that the propensity to have experienced some change in occupation type (from a total of 40 operational classes) was disproportionately high among low earners. Compared with 42 per cent of high earners for example, 58 per cent of low earners had switched occupation. If we look similarly at whether people had moved between the high, middle and low earner groups, we find that 12 per cent of low earners in wave 2 had been in a higher group at wave 1 (compared with 5 per cent of middle earners). Even so, low earners (86 per cent) and middle earners (88 per cent) were somewhat more likely to have been recorded in the same earnings group at both waves than the high earners (77 per cent).

Further analysis (Table A 6) evidences variation, in some cases wide variation, between the occupational classes making up the middle earners in particular. Small employers and own account workers were particularly likely to report a period of no or reduced pay (25 per cent) and to be working in the same job since two years previously (82 per cent). In comparison, the likelihood that someone had had a changed occupations was at the high end of the range among those in

intermediate occupations and lower supervisory and technical occupations at wave 2 (53 per cent) and those in lower supervisory and technical occupations were particularly likely to have moved up into the middle earners group from low earner occupations or long-term unemployment (15 per cent).

Moreover, across the earnings classes, people working in the private sector at wave 2 were particularly likely to have experienced a period of no or reduced pay since wave 1 (16 per cent) compared with public sector workers (9 per cent); and were twice as likely to be doing the same job for a different employer (eight per cent compared with four per cent; Table not shown). To a great extent, this reflects the picture for middle earners overall. They were not markedly more likely to have changed occupation or earnings class.

When we turn to look at the breakdown by age, within the high, middle and low earners, we find that younger adults, those aged under 35 and especially those aged under 25, were particularly likely to have experienced changes in their working arrangements across the measures (Table A 7). This was particularly marked among the low earners and to a lesser extent the middle earners.

2.4 Summary

Taken together, the findings in this section suggest strongly that low earners were subject to greater levels of insecurity in their work status and working arrangements. They were more likely than other groups to have moved into or out of work since wave 1 and changed occupation. They were also more likely to work part-time in the private sector and have second jobs. This is in turn reflected in the extent to which low earners reported deterioration in their general financial situation compared with two years previously.

Low earners were also likely to be younger, women, lone parent and 'other' households renting their homes. Middle earners, meanwhile, tended to reflect more closely the profile for working age adults as a whole. However, even taking into account the younger profile of low earners, young low earners were particularly susceptible to volatility in their working arrangements compared with older low earners and their middle and high earner counterparts, including in relation to moving in and out of work between survey waves and experiencing a period of unemployment or reduced pay in the last two years. This may partly reflect a greater tendency for young low earners to be employees working in the private sector.

Variation in these socio-demographic characteristics and exposure to different work- and occupation-related outcomes by earnings suggests that these may be important factors to take into account when exploring the wider financial wellbeing of working age adults. They may help to explain a variation in financial wellbeing outcomes by the earnings groups themselves and they may even be important influences on these outcomes in their own right, over and above the effect of earnings. As such, we include many of these measures in the analysis reported in subsequent sections, where our primary focus turns to the low and middle earners.

3 Wealth

This section considers how wealth is distributed among low and middle earners, with particular reference to the influence of the work-related measures considered in section 2. We consider three measures of wealth: total household wealth as defined by the survey; and financial and private pension wealth of the individual.

Total household wealth comprises wealth across all four components of wealth (financial, pension, property and physical) summed across all household members. Financial wealth in turn measures financial assets held across current accounts, savings and investments (including savings held informally in cash, for example at home of over £250) net of financial liabilities from consumer credit commitments and informal borrowing. Pension wealth captures all private (non-State) pension saving, whether from workplace pension schemes or personal pension plans.[8]

The measure of pension wealth pre-dates the introduction in 2013 of the Government's pension reforms under *The Pensions Act 2008* which include auto-enrolment and the new workplace pension scheme (National Employment Savings Trusts; NEST). We also note that, unlike other forms of wealth, private pension wealth is not as accessible for most individuals, normally being unavailable for drawdown before at least age 50 (Tetlow and Banks, 2009). This makes it difficult to compare directly with other forms of wealth. The further exclusion of state pension wealth makes true comparisons of pension wealth between groups of people particularly problematic, not least because of the effects of 'contracting out' of the second tier of the state pension, which effectively transfers wealth from state pension to private pension provision (see Tetlow and Banks, 2009 for further information). As such, the distribution of private pension wealth is expected to be more unequal than total pension wealth.

Individuals' financial and pension wealth, when aggregated to household level, therefore make up two of the components of total household wealth captured in the Wealth and Assets Survey (which also includes household property wealth and household physical wealth). And, because of the potential for particularly high values to skew mean estimates of wealth, our main focus here remains on the median values. For completeness, however, the median and mean estimates of wealth for all three measures are shown in Appendix 2, Table A1.

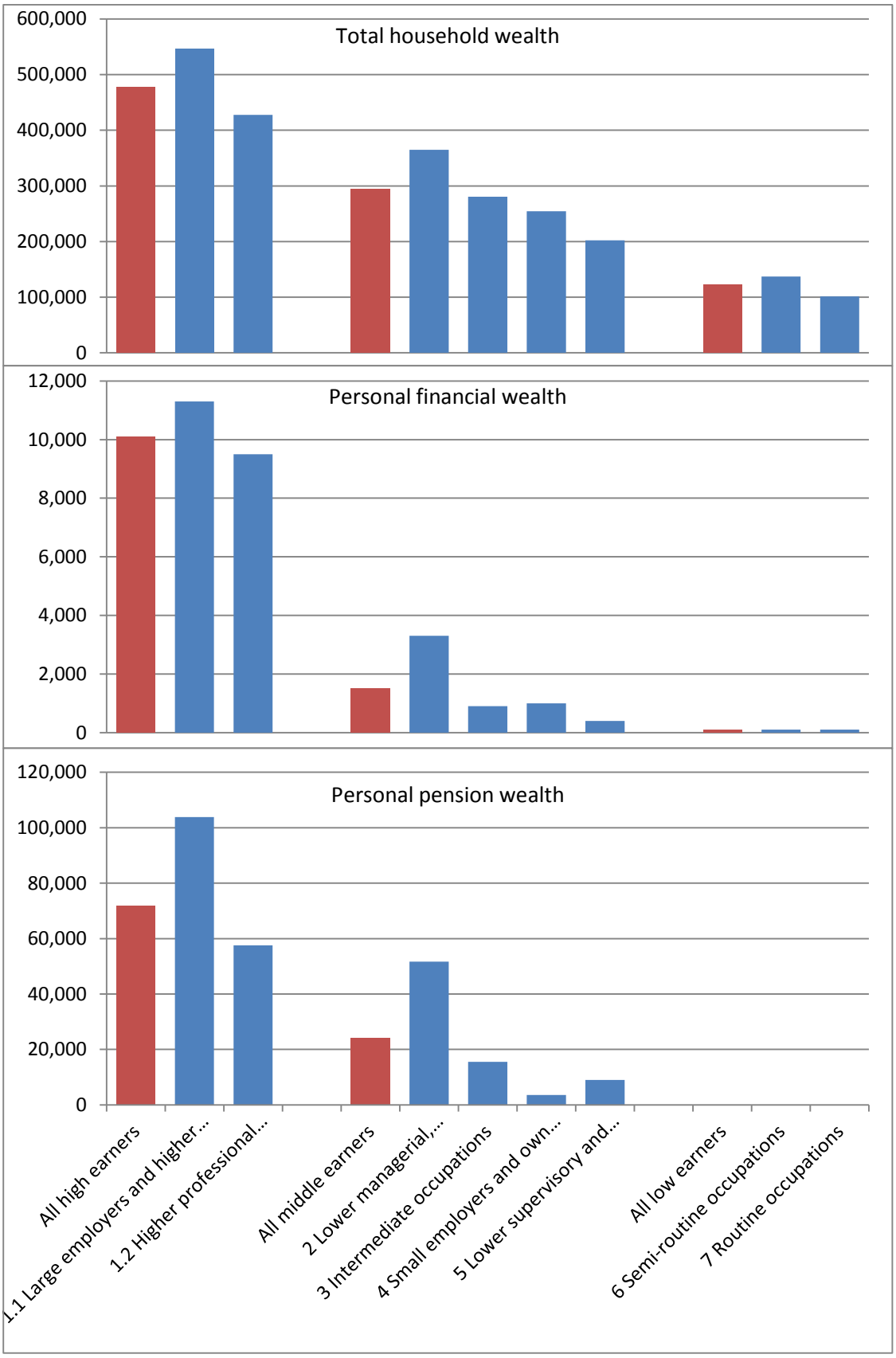
The median average total household wealth across our working-age groups overall was £251,900 in 2008-10, peaking at £470,900 among all adults in the years immediately prior to retirement (Table B 4). For financial wealth it was £1,000 and for pension wealth, the median average was £14,000. We start by considering how wealth varies across the three earnings groups, and the occupational groups they relate to. Then we look at variation among the low and middle earnings groups by key socio-demographic and employment-related factors, before briefly putting this into context by examining the variation by the same factors among the high earnings group.

3.1 The distribution of wealth by earnings and occupational class

When examined by earnings class, levels of wealth across all three measures vary clearly and consistently (Figure 3.1). High earners lived in households with by far the greatest total wealth, with a median wealth of some £477,100. Middle earners lived in households with a median total wealth of £294,500 in 2008-10, with low earners living in the least wealthy households, with a median total wealth of £122,400 (Figure 3.1; see also Appendix 2, Table A4).

[8] The precise definition of private pension wealth is the amount of money an individual would need to have to bring them the same income throughout retirement as their accrued pension rights at the date of interview provide. Estimates of private pension wealth, as captured in the Wealth and Assets Survey, are derived from nine separate questionnaire components. See Tetlow and Banks (2009) for more information.

Figure 3.1 Median wealth, by earnings and occupational class (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied
Base is all wave 2 respondents of working age classified into one of the eight occupational classes.

This variation was more marked still in relation to individuals' financial wealth, albeit on a different scale from total household wealth. Here we find that the median financial wealth among high earners was £10,100 in 2008-10. This falls away starkly to £1,500 among middle earners, while the financial wealth of low earners was just £100 on average. A similar picture emerges for pension wealth. Here, high earners had a median pension wealth of £71,800, falling to £24,100 among middle earners. A majority of low earners, however, had no pension wealth whatsoever, resulting in a median average of £0 (Figure 3.1; see also Appendix 2, Table A4).

Median wealth holding by occupational class varies in line with this pattern. As such, we find that wealth tends to vary from high to low consistently from classes 1.1 to 7 (Figure 3.1; Table A4). This is clearest in relation to total household wealth, whereby lower managerial, administrative and professional occupations (class 2) lived in households with a total wealth of £365,000, falling steadily to £101,300 among lower supervisory and technical occupations (class 7) for example.

When financial wealth and pension wealth are considered, however, small employers and own account workers (class 4) stand out as the exception. With a median of £1,000, people in this occupational class have similar levels of financial wealth as those in the intermediate occupations class 3; £900). Conversely, with only £3,600 saved in pensions, they have considerably less pension wealth than either those in class 3 (£15,500) or those in lower supervisory and technical occupations (class 5; £9,000). This is likely to reflect that, prior to the introduction of the pension reforms under the *Pension Act 2008*, occupational pension schemes were not available to the self-employed, who may have instead preferred to diversify their retirement planning (if any) into non-pension products (see Finney, 2009). There are very similar findings when the mean values are considered (Table A 8).

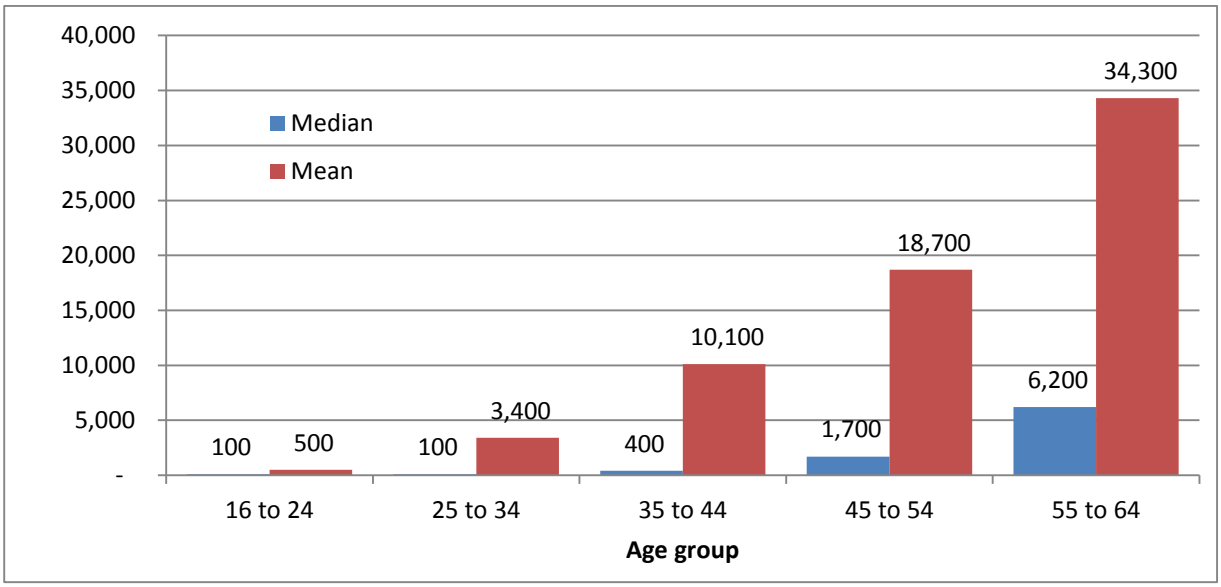
Altogether, these findings suggest that low earners are at a clear disadvantage in terms of the levels of wealth they hold on average, compared with middle earners. This may at least partly relate to the slightly younger age profile of the low earners (Table B 1). In turn, middle earners hold considerably less wealth on average than the highest earners.

3.2 Variation in wealth among low and middle earners

Concentrating on those respondents who were classed as low or middle earners, there were significant variations in wealth holding depending on several socio-demographic and work-related characteristics.

Of particular note, there was considerable variation in wealth holding by age group, with wealth increasing steadily with age (Table A 9). The exception related to total household wealth among people aged 25 to 34, whose households had lower median total wealth (£98,400) than those aged immediately younger (£139,900) or older than them (£206,500). This could reflect a number of factors, including that younger adults aged 16 to 24 might still be living in the parental home, and that those in their late 20s and early 30s may, as first-time buyers, be highly mortgaged relative to their property assets and other wealth. The clearest effect of age was in relation to financial wealth (Figure 3.2), for which the median holding of £6,200 among the oldest groups of working age (55 to 64) approached the median of £10,000 for the high earners (as shown in Figure 3.1).

Figure 3.2 Financial wealth of low and middle earners by age group (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners (n=18,866).
All estimates are rounded to the nearest £100.

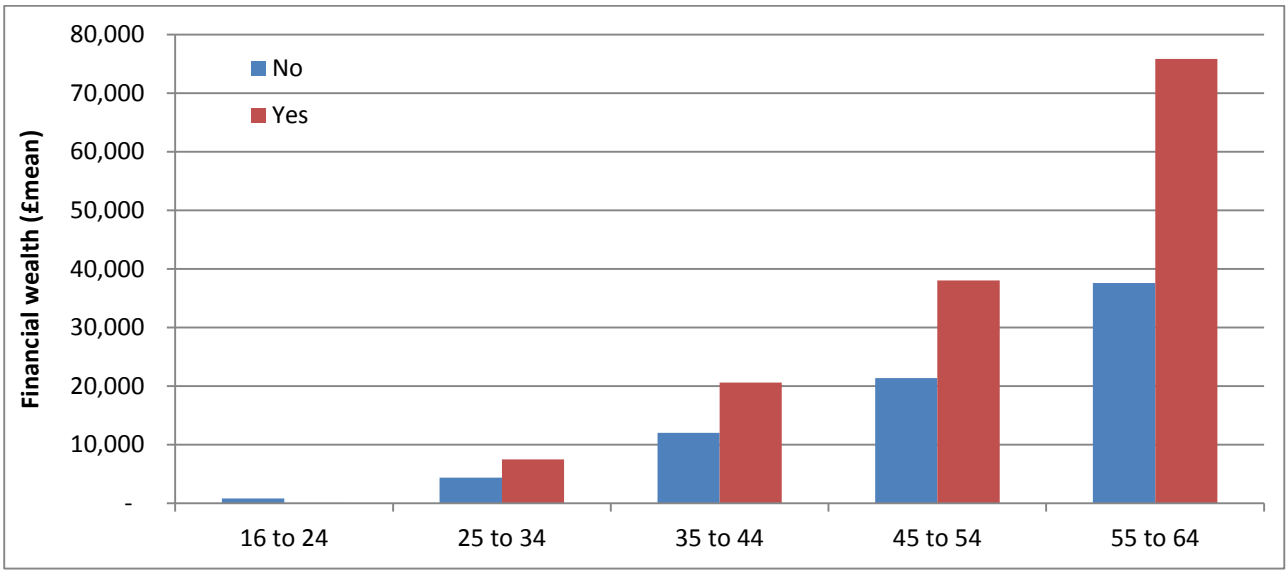
We also find that there are substantial differences in private pension wealth by the sex of the respondent. This was more than three times higher among men (£13,500) than women (£4,300; Table A 9). This is likely to reflect greater disruption to women's working lives due to child-rearing, although it may reflect a greater propensity for men than women to have 'contracted out' of the second tier state pension. There was no difference by sex for total household wealth or financial wealth.

It is interesting to note that people who had recently received an inheritance (in the last 7 years) or substantial gift (in the last four years) were wealthier on average on the measures of total household wealth and financial wealth than those who had not been beneficiaries. Figure 3.3 shows how this breaks down by age. In addition to the characteristic increase in wealth by age, wealth also varies by the receipt of an inheritance or gift within age, whereby greater differences in levels of wealth are found among older people who had received an inheritance compared with those who had not, compared with their counterparts in younger age groups, even though (as reported above) people aged 25 to 34 were somewhat more likely to have received an inheritance or gift in recent years (Table B 1).

Those who felt better off as a result of a change in household income or circumstances were also wealthier on these two measures than either those who reported no change or who felt worse off as a result of such changes. Appendix Table A 9 shows the full breakdown for these and other measures.

There are even more striking findings when people's work-related characteristics are considered (Table A 10). Perhaps not surprisingly, those in work had the highest levels of wealth across the measures, with the unemployed having the lowest. Total wealth was higher among those whose work status had not changed since wave 1 (the majority of these being in work at both waves) and those who had not experienced a period of no or reduced pay since wave 1. Financial wealth was also higher for those whose work status had not changed.

Figure 3.3 Financial wealth of low and middle earners by whether or not has recently received an inheritance or substantial gift and age (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners (n=18,866).
All estimates are rounded to the nearest £100.

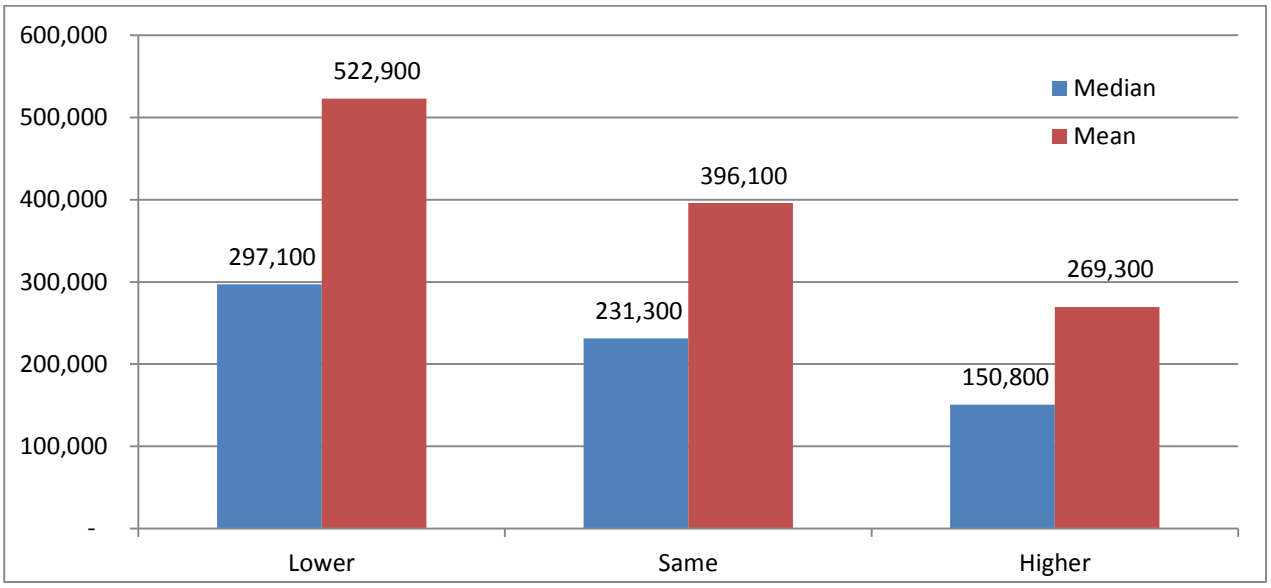
The small proportion of people who had moved to a lower earnings class since wave 1 had more wealth on average than either those whose earnings level had stayed the same or moved into a higher class (Figure 3.4, Table A 10). This greater wealth would appear to reflect the historical earning capacity of these adults, rather than their current earning power.

Among the low and middle earners, we find that people working in the public sector had consistently higher wealth across the measures compared with those working in the private sector (Table A 10). Analysis of the Annual Survey of Hours and Earnings shows that public sector workers earn more on average than private sector workers, although jobs between the sectors are unlikely to be comparable, given the extremely diverse and nature of the private sector (with many low skill, low pay jobs) and a greater proportion of graduate and professional occupations in the public sector (Office for National Statistics, 2012). The self-employed meanwhile had higher levels of total wealth and financial wealth, but lower levels of pension wealth than employees. This is consistent with previous research (e.g. Daffin, 2009).

Full-time workers also had over three times the private pension wealth of part-time workers, which may not be unexpected, given a greater propensity for part-time working among women. Finally, people with two or more concurrent jobs had higher mean average total wealth and pension wealth than those with one job only (the small difference for financial wealth was not significant).

Altogether, this analysis has shown that several socio-demographic and work-related characteristics are associated with wealth holding. However, many of these are likely to be inter-related. As such we undertook regression analysis (a form of multivariate analysis) to control for these relationships and identify which characteristics are independently related to wealth among low and middle earners and, of these, which are the strongest predictors of wealth.

Figure 3.4 Total household wealth of low and middle earners by change in earnings class, wave 1 to wave 2 (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners (n=18,866).
All estimates are rounded to the nearest £100.

3.3 Determinants of wealth among low and middle earners

We have used regression analysis to explore predictors of wealth. For each measure we have undertaken two regressions, with a slightly different set of characteristics used in each model. The first examines key characteristics among all low and middle earners taking into account their current work status. The second looks at key characteristics among just those low and middle earners who were in work at wave 2 with a particular focus on characteristics of their current working arrangements.

3.3.1 Predictors of total household wealth

Among a 'reference group' of all low and middle earners (shown in model 1, Table A 11), the mean household wealth captured by the Wealth and Assets Survey was £447,800 (to the nearest £100; shown as the constant in the regression). Compared with this group there are some significant and notable effects on total household wealth for certain characteristics. All other things being equal, being in a couple household with children increased it by £166,400 for example, and being aged in the years immediately prior to retirement (55 to 64) increased total wealth by some £219,800 (consistent with the variation in wealth by age shown in Table B 4 for all components of wealth).

Being female also increased total household wealth by some £35,400 all other things being equal. This appears counter-intuitive, but with household composition additionally taken into account, it is likely to reflect the measurement of total wealth at the household level, whereby women in couple households represent the potential benefit to be gained from intra-household pooling of resources and economies of scale; or conversely that male single adult household have particularly low levels of wealth. Certainly, as subsequent analysis in this section shows, the effect is not driven by women's pension or financial wealth.

There is considerable variation depending on where in Great Britain people lived. In particular, living in the South East of England or London increased mean wealth by £202,700 and £174,700 respectively.

However, the effects are not all in the positive direction. Notably, living in a rented or mortgaged home *reduced* mean wealth by a substantial amount (£577,400 and £308,200 respectively).

Unlike in the bivariate analysis described above, receiving an inheritance or substantial gifts in the last few years, or feeling worse or better off due to changes in household income or circumstances were not generally significant determinants of total wealth among low and middle earners when other factors were controlled for. This may because the material financial impacts of these changes are relatively small. Current work status and a change in work status since wave 1 were also not significant (although being unemployed was borderline significant, with the effect of reducing total wealth). The exception was that feeling worse off due to a change in household income was associated with a substantial decrease in total wealth of £71,600; given the magnitude of this effect, the most likely reason for this is that poorer households are more susceptible to these sorts of negative changes over the long term, for example from volatility of employment or other income sources (e.g. welfare benefits and tax credit and financial support from friends or family members), rather than this being a direct effect of a single drop in income.

However, a change in earnings class since wave 1 was important in the model. In keeping with the findings described earlier, being in a lower class now increased total wealth (by £98,100) and being in a higher class decreased it significantly (by £62,400;Table A 11).

When analysis was limited to just those in work at the time of the wave 2 interview, the results were similar overall (model 2, Table A 11). The one notable difference relates to sex, the effect of which on total wealth disappeared (possibly because of the introduction of full or part-time working into the model, although this did not reach significance in the model). There were two characteristics of people's working arrangements that were significant in this new model. Being self-employed increased total wealth on average by £43,600, and working in the public sector increased it by some £129,900 (relative to the constant in this model of £402,500), likely reflecting the greater proportion of low skilled and low paid jobs in the private sector captured among the low and middle earners and the greater proportion of higher-level jobs within the public sector, even within this subset of earners (factors which are not controlled for within the analysis; Office for National Statistics, 2012). Having experienced a period of no or reduced pay since wave 1 and working part-time were not significant predictors of total household wealth.

3.3.2 Predictors of financial wealth

The additional financial wealth associated with age tended to increase with increasing age, living in London or the South East of England increased financial wealth more than elsewhere, and feeling financially worse off due to a decrease in household income again reduced financial wealth. Renting or owning the home with a mortgage reduced financial wealth substantially (by £33,700 and £26,900 respectively to the overall mean of £22,700 in model 1, (Table A 12). Meanwhile, moving to a lower earnings class and being self-employed were again associated with higher financial wealth. Here, however, the parallels with the findings for total household wealth appear to end.

Unlike for total household wealth, there was no significant effect of sex or household composition on financial wealth. In addition to the effect of working on a self-employed basis (which added £6,300 to the overall mean of £20,200 in model 2; Table A 12), working part-time increased financial wealth significantly, by £5,000, all other things being equal. This appears counter-intuitive, but might reflect a degree of choice in working part-time among (better-off) people who feel they can afford to not work full time.

3.3.3 Predictors of private pension wealth

Because a large proportion of low and middle earners (some 41 per cent) had no private pension wealth whatsoever in 2008-10, we have taken a slightly different approach when predicting private pension wealth compared with the previous measures. We have used a different type of regression to model whether or not they have any private pension wealth at all, rather than modelling the

amount of wealth held.[9] We have nonetheless retained our two-stage approach to the regression analysis.

The regression analysis models those who had no private pension wealth in 2008-10, compared with those who had some. The results suggest that a large number of characteristics were related to having no pension wealth, independently of the factors included in the analysis. It is important to note throughout the reporting of this analysis that accrued entitlement to state pensions is not included in the measure of pension wealth captured in the Wealth and Assets Survey, making it a partial measure, and that differences in the treatment of pensions, particularly whether or not someone 'contracted out' of the second tier state pension,[10] will tend to exaggerate differences between groups.

As might be expected, current work status was among the stronger of these (Table A 13, model 1). Compared with those who were in work, the odds of having no pension wealth were significantly and substantially higher among the unemployed (by a ratio of 2.6 times), the economically inactive (by 3.2 times) and those with 'other' work status (by 2.5 times). A change in work status also seemed important, albeit only weakly in the model that included current work status (model 1).

Another strong predictor of being without pension wealth was housing tenure, whereby the odds were 2.5 times higher among people living in a rented home than those in a home owned outright. But the strongest predictor overall was age group. Compared with those aged under 25, all groups were significantly *more* likely to have pension wealth, and this rose steadily with age. For example, the odds of having no pension wealth were some ten times smaller among the 35 to 44 age group than the youngest group (Table A 13). This is not altogether unexpected, given the nature of pension products and the expectation that they are paid into throughout the course of people's working lives.

Women were more likely to be without pension wealth than men, all other things being equal and there were some variations by household composition, with lone parents and those in 'other' households (such as multi-occupancy households) being at the high end of the range. The odds were significantly lower among people who had received a recent inheritance or substantial gift, and those who reported being better off due to a change in household circumstance or income. In other words, people who had received bequests and who felt better off financially were more likely to have pension wealth, all others things being equal.

Where people lived also made a difference. The odds of being without pension wealth were at the high end of the range among people living in London; and were lowest among those in the East and South East of England (Table A 13).

When people's working arrangements are considered, three factors appeared to be important (Table A 13, model 2). As might be expected, the odds of having no pension wealth were higher among the self-employed compared with employees (by 1.6 times), and they were higher among those working part time than full time (by 1.7 times). Moreover, the odds were five times higher among people working in the private sector than the public sector, albeit noting the limitations of the measure of pension wealth used (as mentioned above). This could reflect a range of factors,

[9] Unlike total household and financial wealth it is not possible to have negative pension wealth. As a result, there are naturally large numbers of cases with zero value pension holdings. Linear regressions are not appropriate for use with data containing large numbers of zero cases. This analysis instead uses binary logistic regression to predict the propensity to be without pension wealth.

[10] Additionally, contracting out of defined benefit schemes (more often offered in the public sector) was more popular than among defined contribution schemes (more often offered in the private sector). See http://www.carsontrotter.co.uk/site/knowledgebank/knowledgearticle/know_pensions_contractingout?id=ifa_know_rp_contractingout_the_contracting_out_decision_dcs.html

including an historical emphasis within the public sector on the good quality defined benefit schemes (e.g. Pensions Policy Institute, 2012), high penetration rates of these (e.g. CIPD), most likely as a result of automatic enrolment into many schemes, and a greater proportion of graduate-level jobs within the public sector (Office for National Statistics, 2012).

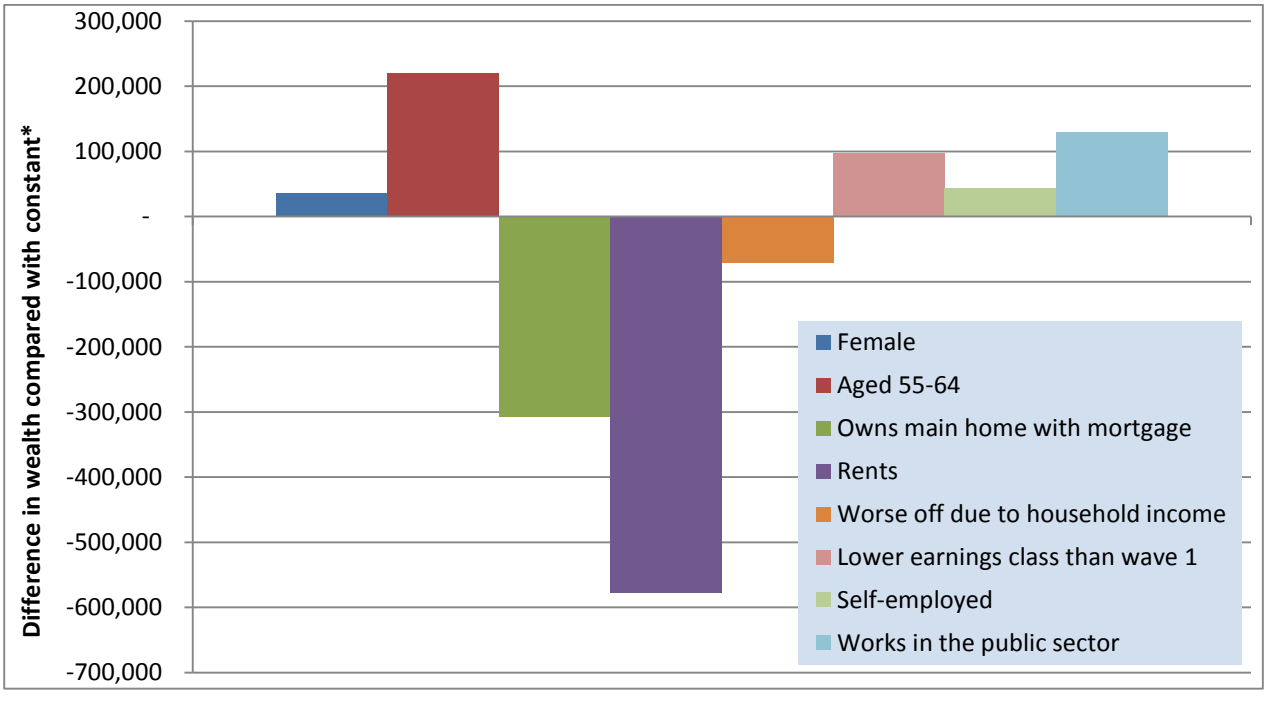
A change in work status was also more strongly predictive of having no pension wealth in this model. The odds were 2.2 times higher among those who had changed work status, compared with those who had not (Table A 13, model 2). This may indicate a difficulty among people who transit in and out of work to get security from workplace pension schemes, at least prior to the introduction of the Government's new workplace pension scheme (NEST).

3.4 Summary

This section has evidenced significant disparities in wealth outcomes in Britain, first by earnings levels overall and then among low and middle earners. Wealth, as measured by total household wealth, financial wealth and private pension wealth, varies consistently across the earnings classes, with each successive class carrying increasingly higher levels of average wealth.

When focussing on the low and middle earners only, age, housing tenure and a change in earnings class since wave 1 emerge as the most consistent key determinants of wealth across the measures. Increasingly higher age groups and owning the home outright were associated with greater wealth and greater odds of having pension wealth. Conversely being younger, living in a mortgaged or rented home and moving into higher earnings class between wave 1 and wave 2 *reduced* wealth and the odds of having any pension wealth. The effects of these and other key determinants of total household wealth are summarised in Figure 3.5.

Figure 3.5 The effect of key strong determinants on total household wealth of low and middle earners, summarised (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners (n=18,866).
* For a definition, see section 1.4.

Being a woman was associated with higher levels of total household wealth, even when other factors were controlled for; as discussed above, this is likely to represent the potential benefit to be gained in couple households from economies of scale and the pooling of resources. Certainly, this

was not the case for financial wealth (where sex did not have a significant effect) or for pension wealth (which men were more likely to hold, all other things being equal).

Work status and working arrangements were important determinants for some wealth outcomes, but not always consistently so. Being unemployed at the time of the wave 2 survey predicted lower average total household wealth and being without pension wealth. Experiencing a change in work status since wave 1 also increased the odds that someone was without pension wealth.

Among those in work at wave 2, self-employees had far poorer financial and pension wealth outcomes than their counterparts working as employees, but had higher total household wealth overall, suggesting a preference for alternative forms of wealth and pension planning. Working in the public sector as opposed to the private sector predicted greater total household wealth and increased the odds that someone had pension wealth, although it is important to note the effect of the different ways pension schemes accrue wealth, the exclusion of state pension wealth from this measure and the different profiles of workers in the private and public sectors. People working part time in their main job meanwhile had higher average financial wealth, all other things being equal, but lower odds of having pension wealth; the former might partly be intended to compensate the latter. Having a period of no or reduced pay since wave 1 and having two or more jobs did not have a significant effect on wealth outcomes.

4 Indebtedness

The previous section considered individuals' net financial wealth; within financial wealth, the financial liabilities people have play an important role. The Wealth and Assets Survey provides the richest source of survey data on household consumer credit use in Britain.[11] Suites of questions ask about current holding across six product types, overdrafts, credit, store cards, mail order, hire purchase and personal and cash loans, and establish the sums currently outstanding on these commitments.[12] This section considers the extent to which people of working age had in 2008-10 had any outstanding credit commitments at all, the types of commitments they had and the amounts they owed. The breakdown by age group across the adult lifecycle is additionally considered (Table B 5 and Table B 6).

4.1 Consumer borrowing

Across all six types of consumer credit commitments, almost a half of all working age adults had some form of outstanding borrowing in 2008-10 (46 per cent; Table 4.1). The most commonly held type of commitment on which people owed money was a credit or charge card (22 per cent), and approaching one in five people had personal or cash loans and overdrafts that were in use. It was unusual for people to have a store card or credit account (three per cent).

Table 4.1 Types of outstanding consumer credit commitments held by earnings class

Percentages (%)	High earners	Middle earners	Low earners	All
Credit or charge card	22	25	17	22
Any personal or cash loan[1]	18	18	17	18
Overdraft	13	18	17	17
Hire purchase	11	11	8	10
Mail order	2	5	9	6
Store card or credit account	2	4	4	3
Any active credit commitments	**43**	**48**	**44**	**46**
Unweighted base	*3,309*	*12,485*	*6,183*	*21,977*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).
1. Includes loans from the Student Loan Company and cash loans from friends or family.

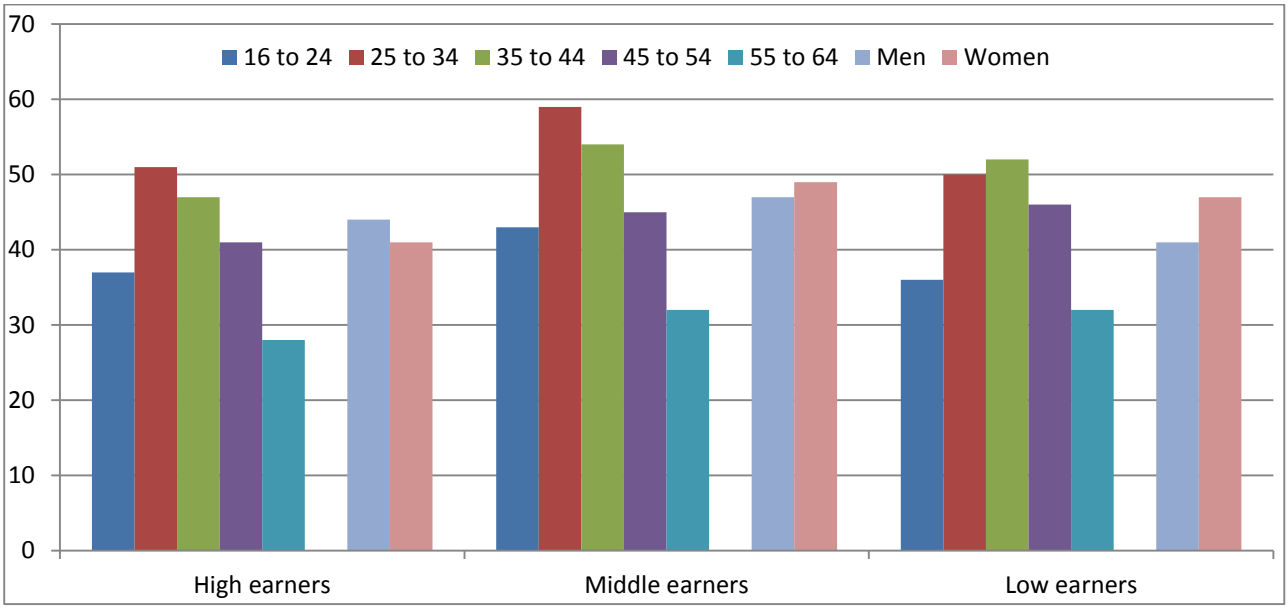
There were significant variations in percentage of people holding each type of credit commitments by earnings class (Table 4.1). People classed as middle earners were particularly likely to have active credit or charge cards (25 per cent), high earners were least likely of all the groups to have an overdraft that they were using (13 per cent) and low earners were more likely than the others to have a mail order account (nine per cent). Overall, the middle earners were most likely of all the groups to have any active borrowing (48 per cent).

When we explored how this broke down by age and sex within the earnings classes (Figure 4.2), we found that although 25 to 44 year olds were most likely of all the age groups to have any borrowing, the proportion of people with borrowing in these groups did not differ *substantially* between the earnings classes (although it was higher among the middle earners). Among the high earners, men

[11] Here the focus is exclusively on non-mortgage borrowing.
[12] Only credit and store cards that have a balance at the time of the interview and which are not settled in full each month and overdrafts that are in use at the time of the interview are deemed to have an outstanding balance (referred to as 'active commitments'). Joint credit and store card and overdraft holding has been resolved in the data by allocating half of the outstanding balance to each joint owner.

were slightly more likely to have active credit commitments than women, while the reverse patterned emerged among the low and middle earner groups.

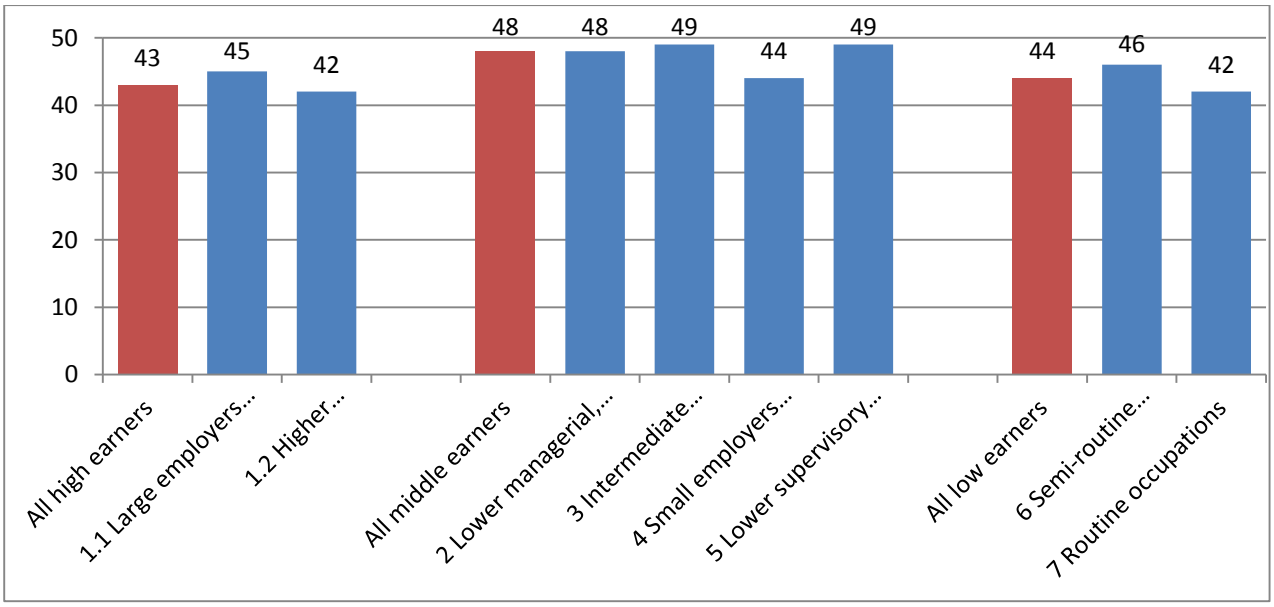
Figure 4.2 Percentage of people with any active credit commitments by age and sex within earnings class (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

When we consider the variation in any borrowing by occupational class, the polarised picture found above largely holds true. It is those in the higher professional occupations (class 1.2) and the routine occupations (class 7) who are at the low end of the range (42 per cent). Meanwhile, classes 2 to 5 are consistently towards the high end of the range, with the exception the small employers and own account workers (class 4; 44 per cent; Figure 4.3).

Figure 4.3 Percentage of people with any outstanding consumer credit commitments by earnings and occupational class (%)



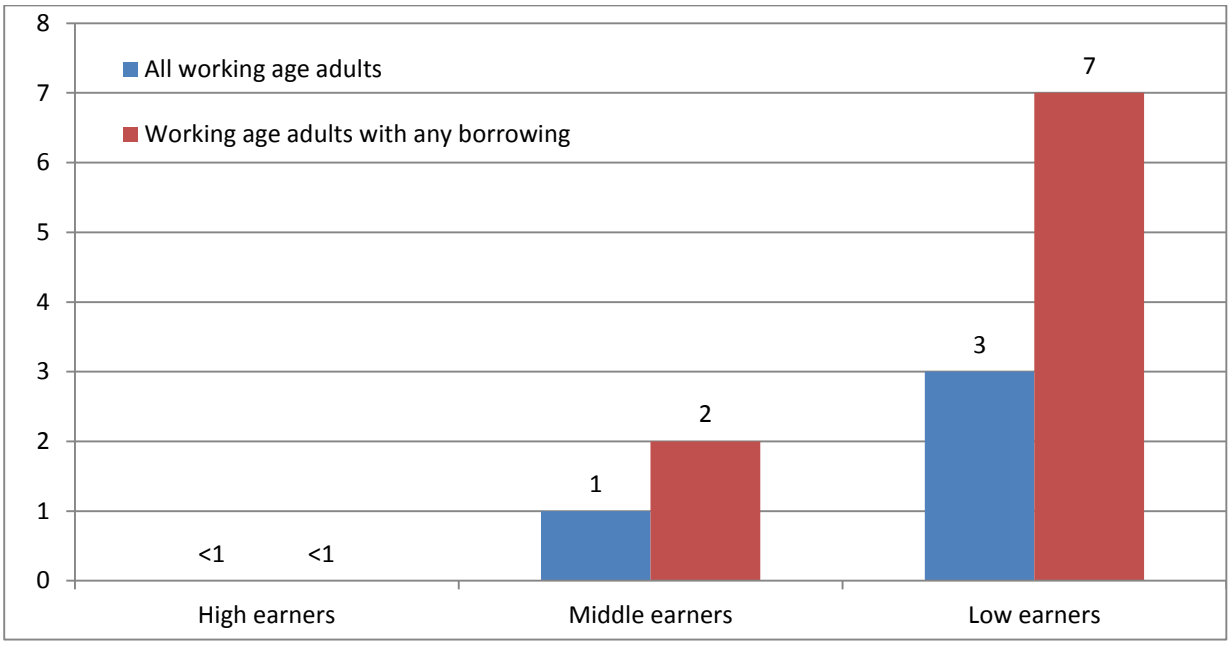
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

Among those with any borrowing, the mean number of commitments was 2.0.[13] Again, this was significantly higher among the middle-earner borrowers, albeit only marginally so (with 2.1 commitments on average). Twenty-eight per cent of middle-earner borrowers had three or more commitments, compared with 26 per cent among high earners with any commitment and 23 per cent among low earners.

We have also been able to distinguish some types of high cost credit use from other, more mainstream sources. These encompass home collected credit (including home collected hire purchase), payday loans and pawnbroking. Only one per cent of all working age adults had one or more of these types of products in 2008-10, albeit reaching two per cent among people aged under 45 (Table B 5). This is similar to recently published findings from the 2006-08 Wealth and Assets Survey, which found that only one per cent of all adults (regardless of age) were using high cost credit at the time of the survey (PFRC, 2013). High cost credit use in 2008/10 varied significantly by earnings class; less than one per cent of high earners rising to three per cent of low earners had outstanding high cost credit commitments (Figure 4.4). Further analysis shows that it is as high as four per cent among people in routine occupations (class 7; table not shown).

Among those with any borrowing, the percentage of people with high cost credit commitments varied more markedly still by earnings level, with some seven per cent of low-earner borrowers having outstanding high cost borrowing (Figure 4.4). Again, this was as high as nine per cent among the routine occupations (class 7; table not shown).

Figure 4.4 Percentage of low and middle earners of working age with any outstanding high cost credit commitments by earnings class (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

[13] This may be a slight underestimate, as data were only collected in relation to five commitments of each type.

4.1.1 Determinants of consumer borrowing among low and middle earners

The previous analysis has evidenced significant variation in the propensity to have borrowing and levels of indebtedness among those with any borrowing both between and within the earnings classes. Here we explore the possible determinants of levels of borrowing among the low and middle earners.

In bivariate analysis, there was significant variation in the likelihood that someone had any type of outstanding credit commitment across *all* demographic and work-related measures. In many instances the variation was relatively small. However, compared with the average of 47 per cent overall among low and middle earners, the percentage of people with any consumer borrowing was particularly high among those aged 25-44, living in lone parent households, those who had received an inheritance or gift, and those feeling worse off due either to a change in household income or circumstances. And women were slightly more likely to have outstanding borrowing than men (45 per cent; Table A 15). People who were in work at both waves but had experienced a period of reduced or no pay since wave 1 were also more likely than those who had not to have some consumer borrowing, and it was particularly high among people with two or more jobs (56 per cent; Table A 16).

Regression analysis confirmed that almost all measures were significant predictors of consumer credit use, although most were only weakly related (Table A 17). Only sex was non-significant when work status was taken into account (Table A 17, model 1).

The strongest predictors were housing tenure, age group, and household composition. Consistent with the bivariate analysis, people living in mortgaged and rented homes had higher odds than outright owners of having any borrowing by a factor of 2.9. People aged 25 to 34 and 35 to 44 were at the higher end of the range; compared with those aged 16 to 24, the odds of having any borrowing were 1.6 times and 1.4 times higher among these groups respectively.[14] And the odds were particularly high among lone parents, being some 1.5 times higher among this group than all other types of households.

Work status also had a moderately strong effect in the model. This showed that people in work and the unemployed were equally likely, all other things being equal, to have outstanding borrowing (Table A 17, model 1).

Among people in work at the time of the wave 2 survey, the results were very similar (Table A 17, model 2). However, women had significantly higher odds of having any consumer credit commitments than men, by a factor of 1.1. Among the employment-related variables, whether or not someone worked full or part time had the strongest effect. Those working full time had 1.4 times higher odds than those working part-time. The finding reported above – that people with a second job were more likely to have outstanding borrowing than those with only one job – held true when the influence of other characteristics were taken into account. Being an employee and having experienced a period of no or reduced pay also increased the odds that someone had borrowing, although the effect of these factors were particularly weak (Table A 17, model 2).

4.2 Levels of indebtedness

With a median amount owing of £0 across all working age adults (reflecting that less than 50 per cent of people had any borrowing), the mean average amount people of working age owed in consumer borrowing was £2,500 (rounded to the nearest £100). Expanding our focus briefly to all adults, regardless of earnings class, the amounts owed were particularly high among people in the main family-rearing years (25 to 54) at over £5,000 (Table B 6).

[14] Noting that the minimum legal age for commercial borrowing is 18.

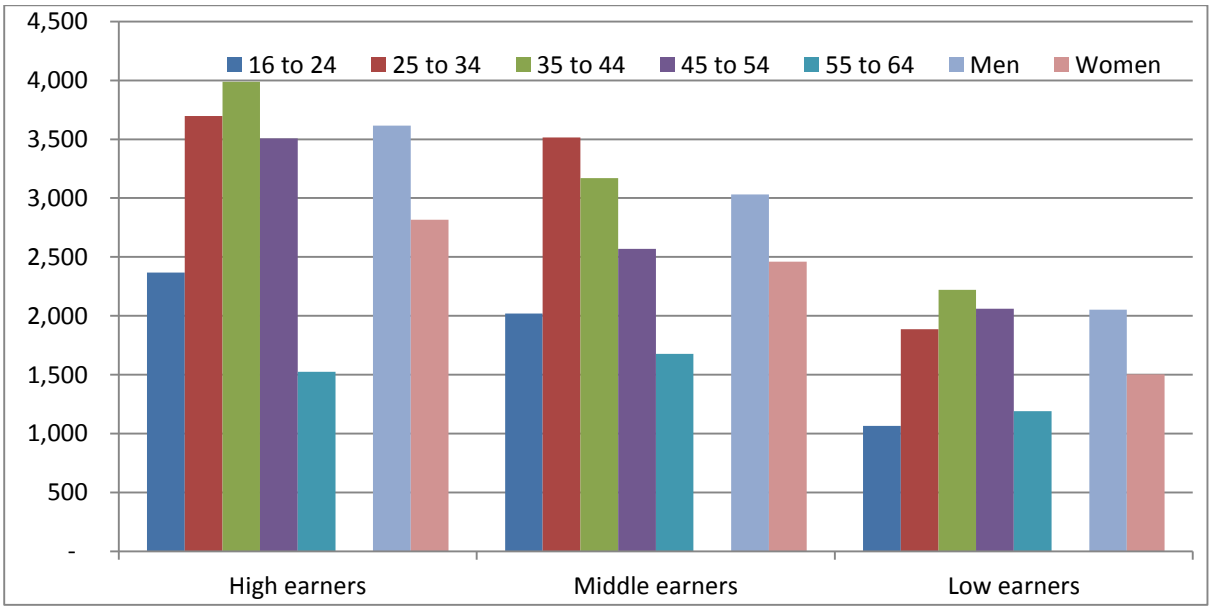
Figure 4.5 Mean and median amounts owed in outstanding consumer credit commitments, among those with any borrowing (£)

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners with any borrowing (n=9,619).

Among those with any borrowing, the median rises to £2,300 with a corresponding mean average of £5,500. This varied significantly and consistently across the three earner classes. Although high earners were less likely than middle earners to have any borrowing, the amounts owed by the high-earner borrowers were higher on average than the middle earners. Low earners who had any borrowing, owed far less still than the middle earners. This was true regardless of whether the mean or median was considered (Figure 4.5).

There was also significant variation in the mean amount owed *within* the middle earner group, with borrowers from lower managerial, administrative and professional occupations being at the high end of the range and those from intermediate occupations at the lower end (Appendix 2, Table A 14). The apparent variations among the high earners and low earners by occupation were not significant.

Figure 4.6 Mean amounts owed in outstanding consumer credit commitments by age and sex within earnings class, among those with any borrowing (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners with any borrowing (n=9,619).

Delving a little deeper, it is high earners aged in their family-rearing years (especially those aged 35 to 44) overall who owed the most in consumer borrowing, where they owed any at all. Among middle and low earners, the sums owed also peaked among people in their family-rearing years. Men also owed the more than women, regardless of earnings class (Figure 4.6).

4.2.1 Determinants of indebtedness among low and middle earners

Among those with any outstanding commitments, low and middle earners owed a median of £2,100 and a mean average of £5,100. Again there was significant variation by all demographic and work-related measures in bivariate analysis, albeit with one exception in this case (change in earnings class since wave 1). In particular, men owed more than women on average, amounts borrowed were particularly high among couple households with children and people living in a home owned with a mortgage (Table A 15). The median and mean amount owed was also particularly high among people living in the East Midlands (£2,500 and £6,200 respectively), and people who felt their financial situation had got worse due to changes in household circumstances (£2,900 and £6,500; Table A 15).

When broken down by work-related and employment characteristics, self-employed workers owed comparatively high median and mean amounts (£2,800 and £6,500) as did full time workers (£2,900 and £6,000; Table A 16). People who had experienced a period or no or reduced pay were, as we saw above in relation to the propensity to borrow, towards the high end of the range (£2,700 and £6,100). The economically inactive are notable for the relatively small median amount they owed (£900; Table A 16).

When these and other characteristics were included in a linear regression analysis several of them remained significantly correlated with the average amounts people owed (Table A 18). The effect of sex was particularly strong. Compared with the reference group (shown as the constant in the Table), women owed on average (mean) £1,600 less (rounded to the nearest £100; Table A 16, model 1). Living in Wales or Scotland reduced the average amount owed by £1,800 and £1,600 respectively. Feeling *better off* because of a change in household income also increased the amount owed (by £1,100); while feeling *worse off* financial because of a change in household circumstances *increased* the amount owed (by £1,500; Table A 18, model 1).

The effect of work status was also important. Those in work were at the higher end, such that being unemployed or economically inactive at wave 2 decreased the average amount owed (by £1,200; Table A 18, model 1). Little changed when only those who were in work at wave 2 were considered, except to exaggerate the effect of living in Wales in reducing the average amount owed (£2,100; Table A 18, model 2). Among the employment-related measures only one was statistically significant. Compared with the reference group, working part time decreased the average amounts owed, by £1,600 (Table A 18, model 2).

As such, it appears that socio-demographic factors are more important drivers of any borrowing and the amounts borrowed than work-related characteristics. Even so, these characteristics – collectively – do not explain a large proportion of the variation in consumer borrowing and indebtedness among low and middle earners (indicated by the R-Squared (R^2) statistics provided in the tables). Unobserved factors account for a very large proportion of the variance. In a separate otherwise identical model to the first model which predicted the amounts owed among those with any borrowing (Table A 18, model 1), but which also included the use of high cost types of credit as another predictor, this additional factor was not significant and therefore did not improve the overall ability of the model to explain levels of indebtedness. Nonetheless, it remains clear from the earlier analysis across the earnings classes that high earners owe more on average than middle and low earners, where any money is owed, although they are less likely to owe money in this way.

4.3 Summary

Although consumer borrowing was more common among middle earners than either low or high earners, high earners owed more on average than those in other groups, while low earners were significantly more likely to use high cost credit.

Among low and middle earners, current work status was a key determinant of consumer borrowing, levels of indebtedness among those with any borrowing. Those who were in work and the unemployed were both highly likely to have some outstanding borrowing all other things being equal, although those in work owed far larger sums. Related to this, feeling better off due to an increase in household income helped predict the amounts borrowers owed. Housing tenure, household composition and where people lived in the UK were also key drivers of these outcomes. In contrast, in-work factors were generally of far less importance.

5 Liquidity and financial difficulty

Our focus in this section switches from levels of wealth and consumer borrowing to people's liquidity and their propensity to have been in financial difficulty in 2008-10. We start by considering people's self-reported liquidity, based on the frequency with which people had money left over at the end of the week or month and how often they reported running out of money.

5.1 Liquidity and the propensity to run out of money

Two questions were asked in the wave Wealth and Assets Survey to indicate people's liquidity and their capacity to save from their regular income. These were asked only of people responding to the survey in person.[15]

The first question asked how often someone had had money left over at the end of the week or month in the last 12 months. Table 5.1 evidences a markedly greater propensity for high earners to report having money left over always (31 per cent) or most of the time (24 per cent) compared with middle earners (20 per cent and 18 per cent) and in turn the low earners (12 per cent and 13 per cent). Regardless of earnings class, the tendency to report always having money left over increased steadily with increasing age (Table B 7). Conversely, low earners were more likely than middle earners and high earners (and younger people were more likely than older people) to say that they had never or hardly ever had money left over at the end of the week or month in the last 12 months (Table 5.2 and Table B 7).

Table 5.1 How often someone had money left over in the last 12 months by earnings class

Column percentages (%)	High earners	Middle earners	Low earners	All
Always	31	20	12	19
Most of the time	24	18	13	17
Sometimes	21	23	25	24
Hardly ever	15	20	25	21
Never	8	17	25	18
Don't know/too hard to say/varies too much	1	1	1	1
Unweighted Base	*2,685*	*10,400*	*5,131*	*18,216*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as high, middle or low earners.

The second question asked how often someone had run out of money before the end of the week or month. Those saying that they had had money left over always or most of the time in the last 12 months (and those who 'did not know') were not asked this question, but are included in the base here for completeness.

Taking into account the fact that many more older people had had money left over all or much of the time, younger people, and especially those aged under 25, were particularly likely to report having run out of money frequently (Table B 7). This may partly be because younger people are less able capable at managing their money over the course of the budgeting cycle (Atkinson et al., 2005), though, it may also be because they have fewer resources; it is also clear that the low earners were more likely to have run out of money before the week or month end than the high earners, with the middle earners between these two extremes (Table 4.2).

[15] People who could not be interviewed in person for the survey were interviewed 'by proxy', meaning that another household member responded on their behalf.

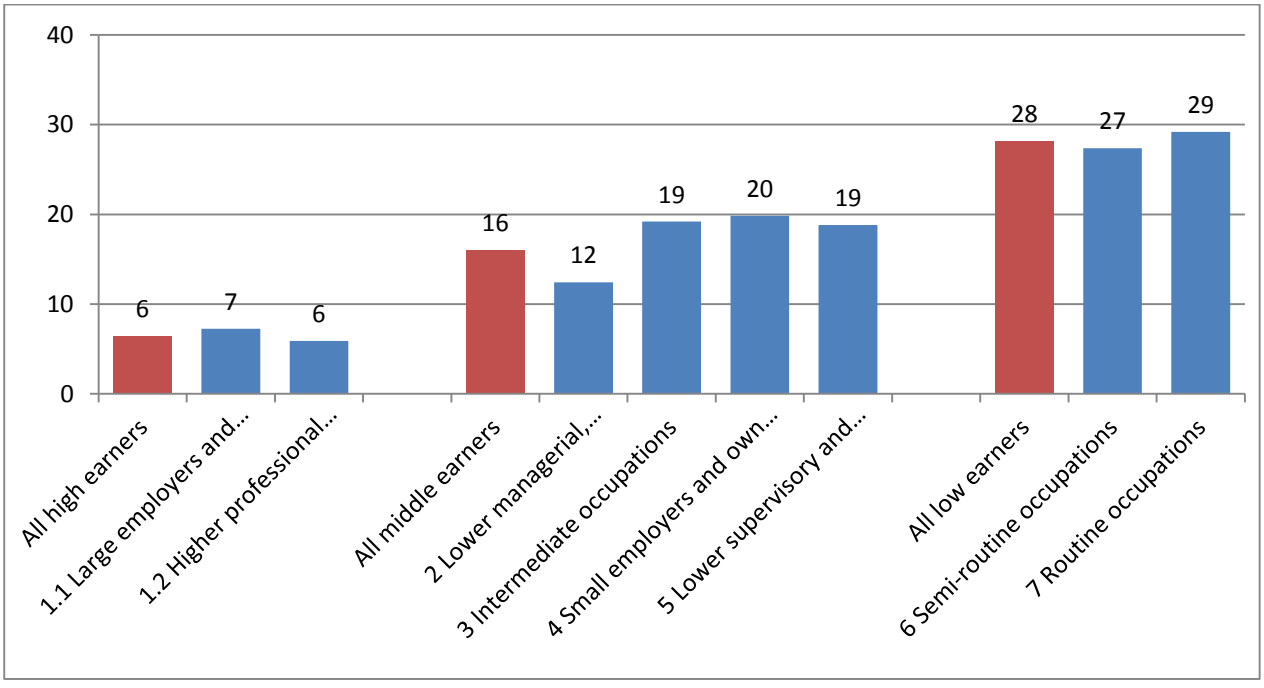
Table 5.2 How often someone had run out of money in the last 12 months by earnings class

Column percentages (%)	High earners	Middle earners	Low earners	All
Always	2	7	13	8
Most of the time	4	9	15	11
Sometimes	13	19	24	20
Never or hardly ever	25	26	23	25
Had money left over always/ most of time	55	38	24	36
Don't know/too hard to say/varies too much[1]	1	1	1	1
Unweighted Base	*2,685*	*10,400*	*5,131*	*18,216*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as high, middle or low earners. Note. 1. Includes people saying 'Don't know' at the previous question (these were not asked the follow up question).

Altogether, some 28 per cent of low earners had run out all or most of the time, falling to 16 per cent among middle earners and only six per cent among high earners compared with the average of 18 per cent (Figure 5.3; figures do not appear to sum due to rounding). The percentages of people in each of the eight occupational classes who had run out of money all or most of the time clustered relatively around the averages for their earnings groups. The exception was those in the lower managerial, administrative and professional occupations (class 2). Only 12 per cent of people in these occupations had run out of money this often, compared with closer to one in five among the other occupational classes making up the middle earners.

Figure 5.3 Percentage (%) of people reporting running out of money all or most of time in last 12 months, by earnings and occupational class



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as high, middle or low earners (n=18,215).
Note. 1. Includes people saying 'Don't know' at the previous question (these were not asked the follow up question). Those saying 'too hard to say/varies too much' were asked the follow up question

5.1.1 Determinants of the propensity to run out of money among low and middle earners

We have looked in more detail at which types of people among the low and middle earners were particularly likely to have run out of money most if not all of the time. Bivariate analysis found that there were significant differences across the full range of socio-demographic and work-related measures considered in the previous section. Compared with the average of 20 per cent of low and middle earners overall who reported having run out most or all of the time, the following types of people were at particular risk:

- Young adults, aged 16 to 24 (31 per cent), compared with for example with only 13 per cent of 55 to 64 year olds
- Lone parents (37 per cent)
- People living in rented homes (31 per cent)
- Those feeling worse off due to a change in household income (37 per cent) or circumstances (39 per cent).

There were also significant variations depending on people's work status, with the following groups being particularly likely to say they had run out of money all or most weeks or months:

- Those whose work status had changed since wave 1 (32 per cent), and especially
- People who were unemployed at wave 2 (48 per cent).

The full breakdowns are shown in Table A 19 and Table A 20.

When the independent influence of these characteristics was explored in regression analysis, their effect remained significant and strong. As before, we took a two-stage approach to the regression, looking first at all low and middle earners and then at just those in work at wave 2. Taking the regression analysis as a whole, and consistent with the bivariate analysis reported above, age, housing tenure, feeling better or worse off as a result of changes in household income or circumstances and work status appeared to be the strongest predictors of frequently running out of money (Table A 21).

If we consider socio-demographic characteristics first, the odds of reporting having run out of money always or most of the time reduced with age, such that people aged 55 to 64 had less than half the odds of running out than the youngest adults (ages 16 to 24). This reflects the finding reported above, that only 13 per cent of 55 to 64 year olds reported having run out of money, compared with some 31 per cent of 16 to 24 year olds. People living in rented homes had about three times higher odds and people living in mortgaged homes had around twice the odds of those living in homes owned outright to report running out of money this often.

Although they were much less strong, sex and household composition were also significant in the model. All other things being equal, women were more likely than men say they had run out of money always or most of the time, and lone parents – a group who have been identified as losing out from the introduction of Universal Credit in 2013 to 2017 (Brewer et al., 2012) – were more likely than most other groups to say this; this is despite the effect of gains in employment and income outcomes for lone parents in the years running up to the time of the survey (Gregg et al., 2007). Lone-parent households are one of the groups expected to lose out the most under Universal Credit when it is rolled out between late 2013 and 2017.

There were also small differences depending on where people lived, although people living in Scotland were at the low end of the range while people in the West Midlands, North East, South East and South West of England were at the high end of the range in terms of their propensity to report often running out of money.

Reporting feeling worse off in the last two years, either as a result of changes in household income or circumstances, increased the odds than someone also reported running out of money most or all of the time in the last 12 months, significantly and substantially, particularly when compared with

those who felt better off. Given the nature of these self-report measures, this might be expected. The recent receipt of an inheritance or substantial gift did not have an effect.

When turning to people's working arrangements, whether or not people were currently in work had the strongest effect. Compared with those in work at wave 2, the odds of reporting running out of money most or all of the time were some 2.3 times higher among the unemployed, and 1.8 times higher among the economically inactive. A change in work status since wave 1 was not significant in the model for all low and middle earners (model 1, Table A 21). However, when work status was removed, and the focus placed on just those in work at wave 2, a change in work status was significant, associated with 1.7 times higher odds of reporting running out of money compared with those who work status was not different from wave 1.

Moving into a higher earnings class had a moderate effect among all low and middle earners. This is difficult to interpret, since moving into a higher earnings class may be expected to bring greater earnings and hence higher disposable incomes. Recent research, however, suggests that *potential* or *prospective* increases in earnings can lead to greater spending, even when the increase in earnings needed to cover these do not materialise (Collard et al, 2012). The effect of a period of no or reduced pay among those in work was also moderate and in the expected direction, increasing the likelihood that someone reported running out of money, reflecting the impact of a period with no or reduced pay on spending. People can fail to adapt strongly or quickly enough to reduce spending when faced with reduced incomes; in other cases, particularly where people have dependents, it may be difficult to reduce spending in the face of greater fixed costs (Collard et al, 2012).

Employees and part-time workers were more likely to report having run out of money always or most of the time, all other things being equal, but only relatively weakly so. The sector in which people worked and whether or not they had second jobs were not significant determinants.

5.2 Financial difficulty

In this section, we consider two measures of financial difficulty. First, with our focus placed firmly on working age adults who had any consumer commitments, we briefly consider the extent to which people reported finding keeping up with credit repayments to be a burden or heavy burden. Then we consider in more depth the extent to which working age adults overall had fallen behind with any of their financial commitments (including household bills), taking into account people's consumer borrowing.

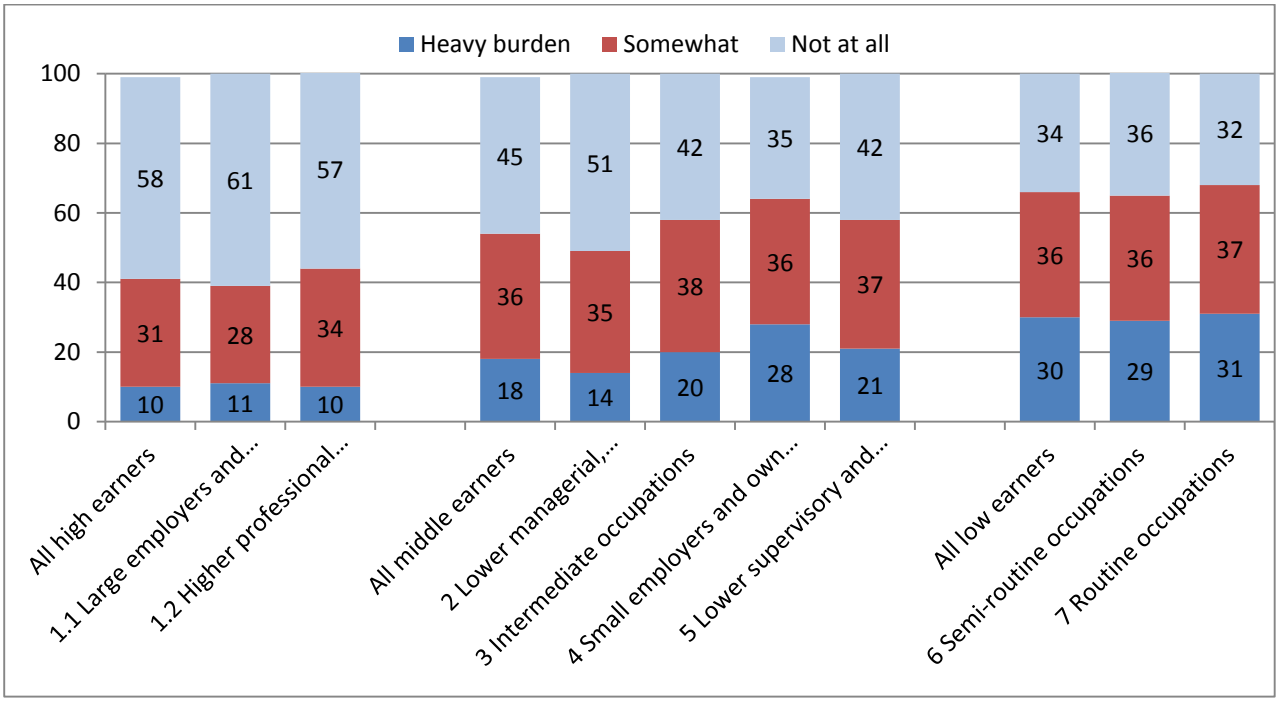
A majority of working age adults who had any type of consumer borrowing at the time of the wave 2 survey reported that their debts were a burden (56 per cent), varying somewhat with age when all adults are taking into (Table B 8).[16] Thirty six per cent described them as 'somewhat of a burden', while one in five (21 per cent) described them as a 'heavy burden'.

This varied significantly by earnings class. One in ten high-earner borrowers described their debt as a heavy burden, rising to nearly two in ten among middle earners and three in ten of low earners (Figure 5.4). Only a third of low earners (34 per cent) considered their debt to be no burden at all. Variation among the middle earners by occupational class was also significant. The more moderate average amounts owed among the lower managerial, administrative and professional occupations (class 2) may help explain why this group was comparatively unlikely to describe their borrowing as a

[16] Due to complex routing to this question a minority of respondents, when considering how much of a burden they find their commitments, were asked to additionally take any payments on household bills that they had fallen behind with into account. Only one person per household (the first respondent to be interviewed) was asked whether the household was behind with any payments on utility, council tax, phone bills and a range of other household bills. This applies to 5.7 per cent of the sample of working age adults with outstanding consumer borrowing who answered this question (n=469).

heavy burden (14 per cent). Meanwhile, some 28 per cent of small employers and own account workers (class 4) with any borrowing felt it was a heavy burden (Figure 5.4).

Figure 5.4 Percentage of borrowers reporting their debts to be a burden by earnings and occupational class (%)



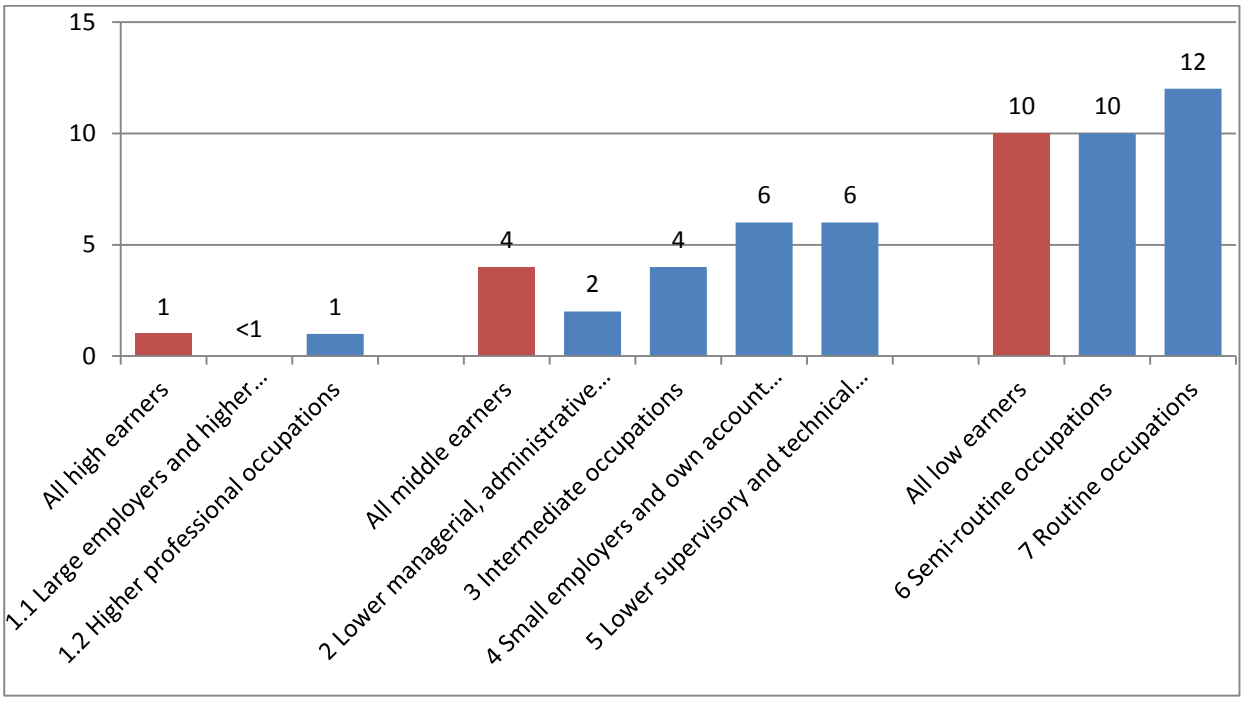
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as high, middle or low earners who had any outstanding borrowing (n=8,224). Categories may not appear to sum to 100 due to a small number of 'don't know' responses.

Overall, however, it was very unusual for people to have actually fallen behind with the repayments on any of their borrowing commitments, where held. Only two per cent of all borrowers of working age had fallen behind with their consumer borrowing. This is equivalent to one per cent of all working age adults; however, when default on household bills (measured at the level of the household) is taken into account this increases substantially to five per cent of all working age adults.[17]

We have explored how this varies by earnings and occupational class (Figure 5.5). The percentage of people who had fallen behind with any type financial commitment ranged from one per cent among the high earners to 10 per cent of low earners. In other words, there is a clear relationship between falling behind and people's earnings class. There was also a clear correlation by occupational class, with less than one per cent of those in large employers and higher managerial and administrative occupations (class 1.1) and 12 per cent of those in routine occupations (class 7) having fallen behind (Figure 5.5).

[17] This is a composite measure derived from responses to several survey questions. Respondents with mail order credit, hire purchase and personal or cash loans were asked if they were currently behind with these commitments by two or more consecutive months. One respondent per household, responding on behalf of the household, was also asked whether they were currently behind on any of a list of household bills by two or more consecutive months; their response has been copied to all other members of that household. Respondents with credit and store cards were asked if they had been unable to make the minimum payment on any of their credit or store cards in the last 12 months. An affirmative response to any of these questions is taken to indicate that the respondent had fallen behind with their financial commitments.

Figure 5.5 The percentage of working age adults behind with the payments on non-mortgage borrowing or household bills (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

5.2.1 Determinants of financial difficulties among low and middle earners

Among the low and middle earners, we have explored the propensity to have fallen behind with credit repayments or household bills by the full range of socio-demographic and work-related factors (Table A 22; Table A 23). Compared with the average of seven per cent among all low and middle earners, there were significant variations for all measures considered. The variation was particularly notable by household composition, housing tenure and whether someone felt their financial situation had changed since wave 1 because of a change in household income or circumstances. Lone parent (23 per cent) and single adult households (11 per cent), people living in rented homes (18 per cent) and people who felt worse off (14 per cent) were especially likely to have fallen behind (Table A 22). There were also strong variations for several of the employment related measures, where people whose work status had changed since wave 1 (11 per cent) and the unemployed (19 per cent) and economically inactive (11 per cent) were at the high end of the range (Table A 23). However, even though men owed significantly more than women in unsecured borrowing, they were no more likely than women to report being in difficulty, perhaps suggesting that their resources were sufficient to service their debts, or that they tend to *feel* the burden of higher levels of borrowing less.

In regression analysis, several factors were again independently related to having fallen behind. Strong predictors, and in the direction indicated by the bivariate analysis above, were:

- Housing tenure
- Household composition
- A change in household income.

Where people lived also had a strong effect, whereby people living in the North West and South West of England had about twice the odds of being in arrears compared with people living in the North East (Table A 24).

The effect of work status was also significant, albeit more moderate in its effect. Compared with people in work, the unemployed and economically inactive were more likely – all other things being equal – to had fallen behind (Table A 24; model 1). A change in work status since wave 1 was not significant. However a change in earnings level was, again with those who had moved into a higher earnings class carrying higher odds. Among low and middle earners in work at wave 2, those who had experienced a period of no or reduced pay since wave 1 and those working in the private sector were more likely to have fallen behind (Table A 24; model 2). However, the influence of these characteristics was not particularly strong.

We have also explored whether the likelihood of falling behind varies depending on people's credit use. Almost twice as many people with outstanding consumer credit commitments had fallen behind on one or more commitments (nine per cent compared with five per cent; table not shown). This is partly by virtue of consumer borrowing being implicit to the derivation of the measure of falling behind. However, people with high cost credit commitments were far more likely than those with only mainstream types of credit (as defined earlier) to have fallen behind; some 40 per cent of people with high cost commitments had done so, compared with nine per cent of those with only mainstream commitments.

This factor was also significant when it was added into the original regression analysis (model 1), and its influence in the model was strong. Compared with people with no outstanding borrowing, the odds of having fallen behind were 1.7 times higher among those with mainstream credit only, and 4.8 times higher among those with high cost credit (table not shown). This is consistent with the findings from previous analysis (PFRC, 2013). It is important to emphasise that we do not know the nature of this relationship, and that we cannot assume that the use of high cost credit (or any borrowing) *per se* leads to financial difficulties; indeed it is possible that people may resort to using credit when they are already facing or anticipating financial difficulties (PFRC, 2013).

5.3 Summary

The analysis has evidenced considerable variation in the capacity for people to save from their incomes. Across the piece, low earners were particularly likely to run out of money most if not all weeks or months. Low earners were also far more likely to report finding their borrowing commitments a burden and to have fallen behind with credit payments or household bills.

Certain characteristics stand out as particularly strong and consistent predictors of liquidity and financial difficulty among the low and middle earners. These are housing tenure, work status, feeling a change in one's general financial situation due to changes in household incomes or circumstances. Across the measures, people living in rented homes (followed by those with mortgages), those feeling worse off and the unemployed (followed by the economically inactive) were most likely to have poorer outcomes, all other things held equal.

Instability of employment (including having periods of no or reduced pay and movement between earnings classes since wave 1) played a role in explaining the likelihood that someone was in financial difficulty and experiencing a period of no or reduced pay helped explained running out of money. Consumer credit use and particularly high cost borrowing helped explain the variation in the propensity for low and middle earners to have fallen behind with their payments.

Overall, and notwithstanding the importance of age – whereby younger adults were at greater risk of poorer outcomes – these findings point clearly to the role played by socio-economic factors, including specifically people's in-work characteristics, for understanding people's liquidity and hence their capacity to save, the focus of the next section.

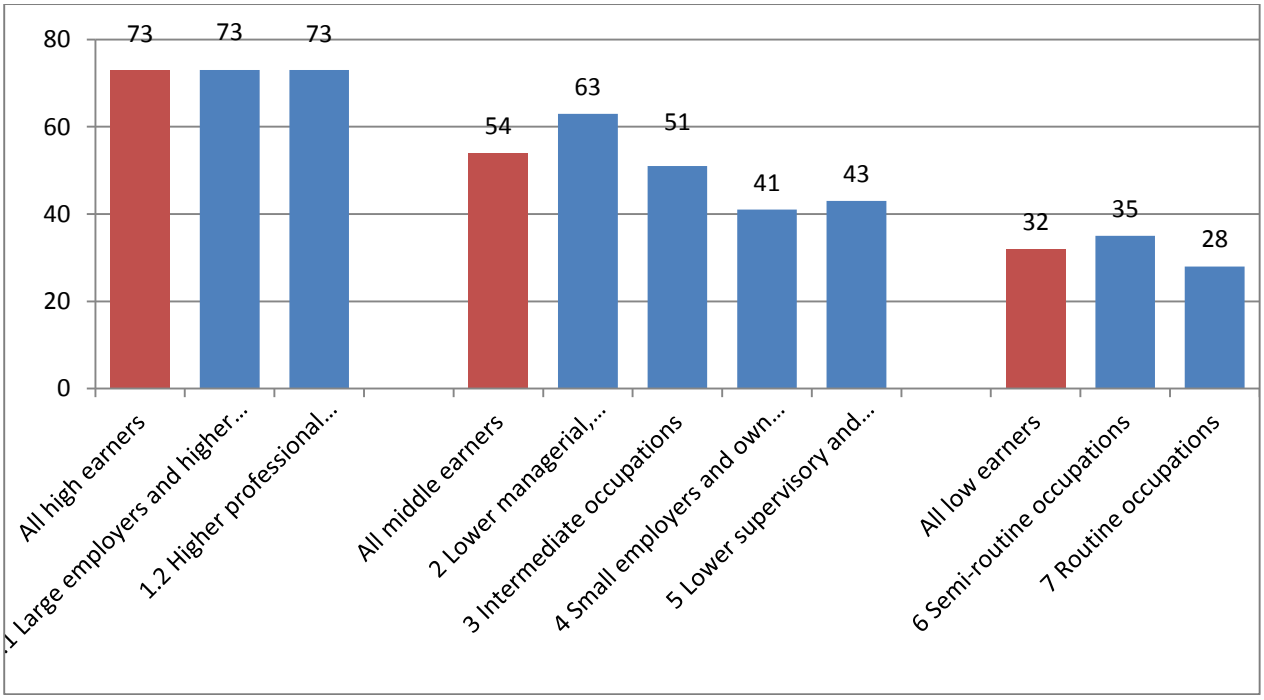
6 Saving

In this report, we have so far we considered individuals' financial wealth, comprised of the financial assets people held net of their financial liabilities (consumer borrowing) in section 3. In section 4 we considered financial liabilities, and in section 4 we considered liquidity and financial difficulties, which are likely to affect people's ability to save. In this section, our attention turns towards the next part of this jigsaw to consider people's actual saving behaviour and the amount of financial assets people hold; in other words, their stock of savings.

6.1 Saving from income

Looking across both waves of the survey, 78 per cent of people who were interviewed in both waves reported having saved from income by putting money away in a bank, building society or Post Office at some time in the past. This ranged significantly from 62 per cent among the low earners, through 82 per cent among the middle earners to 93 per cent among the high earners. It is important to note, however, that people may have saved in other ways, not just into accounts, for example they may have saved cash at home or by giving it to someone else to look after. Previous research has shown that saving informally is particularly common among lower income groups (Kempson and Finney, 2009).

Figure 6.1 Percentage of people reporting having saved in the last two years by earnings and occupational class (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as high, middle or low earners (n=18,215).

Figure 6.1 looks at just those who reported having saved from income in the last two years. The proportion of working age adults saving in the last two years was considerably lower compared with any time in the past, at 50 per cent. Again, there is significant variation across the earnings classes, with around three-quarters of high earners, a half of middle earners and only a third of low earners having put some money away. The variation by occupational class *within* the earnings classes is generally muted, the most notable being between the occupations of the middle earners.

We have explored further what people save for when they do save, and why others say they don't save. The most common answers people gave for having saved in the last two years were for an *unexpected expense or a rainy day* (61 per cent) and for *holidays, leisure or recreation* (51 per cent). The proportions of savers giving these reasons did not differ greatly depending on earnings status (Table A 25). The bigger differences tended instead to relate to the reasons for saving that were long term in nature or related to the growth potential and intrinsic enjoyment of saving. For example, more than twice as many high earners (22 per cent) reported saving *to see my money grow, for good interest rates or speculation* than low earners (10 per cent), with 14 per cent of middle earners giving this set of reasons. And more high (26 per cent) and middle earners (22 per cent) gave saving *to provide an income for retirement* as a reason than the low earners (15 per cent); this also varied by the age of the respondent when all adults were considered, peaking among those aged 55 to 64 (41 per cent).

Turning to the reasons why non-savers had not saved, by far the most common reason among working-age adults was that they *could not afford to, their income was too low, or their costs (outgoings) were too high* (73 per cent; Table A 26). When looked at across all adults, this varied across the life cycle (Table B 9), and among the working-age adults it varied significantly by earnings class (Table A 22). Eight in ten low earners gave this as a reason, compared with seven in ten middle earners and five in ten high earners. This is likely to reflect people's earnings status directly, at least in part, if not their perceptions of their financial wellbeing, and their priorities for any disposable income. It is also telling that more than three times as many high earners said they hadn't saved because they *didn't need to save* (seven per cent compared with two per cent respectively). The extent to which non-savers said they hadn't saved because *they wanted to pay their debts off first* also varied by earnings class. Sixteen per cent of non-saving low earners gave this as a reason, increasing to 23 per cent among middle earners and some 28 per cent among higher earners (Table A 26).

The following subsection considers the determinants of saving from income among low and middle earners more directly, by examining how saving varies by demographic and work status with this subset of working age adults.

6.1.1 Determinants of saving from income among low and middle earners

Bivariate analysis evidences considerable variation in the likelihood that someone had saved in the last two years by a number of demographic and work-related characteristics. Compared with the average of 46 per cent of low and middle earners overall who had done so, the following groups were particularly likely to have saved:

- Low and middle earners living in couple households with children (59 per cent)
- Those living in a home owned outright (60 per cent).
- People who felt better off since two years ago due either to a change in household or income (65 per cent) or circumstances (64 per cent).
- Those in work at the time of their wave 2 interview (52 per cent), those who had moved into a lower earnings class since wave 1 (55 per cent) and those who had gone without their usual pay at some point since wave 1 (55 per cent).
- Current employees (53 per cent) and those working full-time (55 per cent).
- Those working in the public sector (60 per cent; Table A 27 and Table A 28)

Conversely, people in lone parent households (25 per cent), those living in rented homes (28 per cent) and people feeling worse off due to a change in household income (30 per cent) or circumstances (29 per cent) were comparatively unlikely to have saved. Moreover, only 22 per cent of low and middle earners who were unemployed at wave 2 reported having saved in the last two years. Interestingly, there was no difference by gender.

When these and other characteristics were considered in a regression analysis that predicted reporting having saved in the last two years, a familiar pattern emerged (Table A 29; model 1). The influence of housing tenure, a change in financial wellbeing due to a change in household income, and current work status were particularly strong.

As such, people living in a home owned either outright or with a mortgage had far higher odds of having saved in the last two years than those who were in rented homes. The odds were in turn higher among those owning outright than those owning with a mortgage, by a factor of 1.7. Feeling better off financially as a result of changes in household income increased the odds that someone had saved in the last two years by 2.1 times compared with those who felt neither better nor worse off and by 3.6 times compared with those who felt worse off for this reason. Finally, being in work roughly doubled the odds that someone had saved compared with people who were unemployed or economically inactive at wave 2.

In addition to these, people living in couple households with children were also more likely, all things being equal, than all other types of households to have saved, but particularly so when compared with the lone parent households. Several other characteristics in the regression analysis had a small effect on whether or not low and middle earners had saved. These included sex, age, where people lived in Britain, receiving an inheritance or substantial gift in the recent past and feeling worse off due to a change in household circumstances (Table A 29; model 1).

A change in earnings class was also only a weak predictor. The odds of saving were higher among people who experienced no change in class or moved into a lower class, than those who went into a higher class (Table A 29; model 1).

When we turn to the subset of low and middle earners who were in work at wave 2, the same characteristics overall remain significant, with the exception of sex (Table A 29; model 2). Additionally, people whose work status had not changed since wave 1 were more likely to have saved in the last two years compared with those whose work status had changed. Some aspects of people's working arrangements were significant, if weak, predictors in this model, the odds of reporting having saved being higher among employees, full-time workers and those working in the public sector (likely reflecting higher average wages in the public than the private sector given the different profile of jobs within the sectors; Office for National Statistics, 2012). When these and other factors were controlled, having experienced a period of no or reduced pay since wave 1 and currently working in a second job did not relate to saving behaviour (Table A 29; model 2).

In a third model that was otherwise identical to model 1, we included the self-reported propensity to run out of money as an additional predictor. It was highly significant in the model, in fact the strongest predictor overall. The odds of reporting saving were some five times higher among those saying they ran out of money at most sometimes compared with those running out of money often or always. The inclusion of this measure did not have a substantial effect on the influence of other factors on the propensity to report having saved (table not shown).

6.2 Savings held

Here we turn our attention to the amount of savings people have, encompassing positive balances on current accounts, saving accounts and investments and money saved informally).[18]

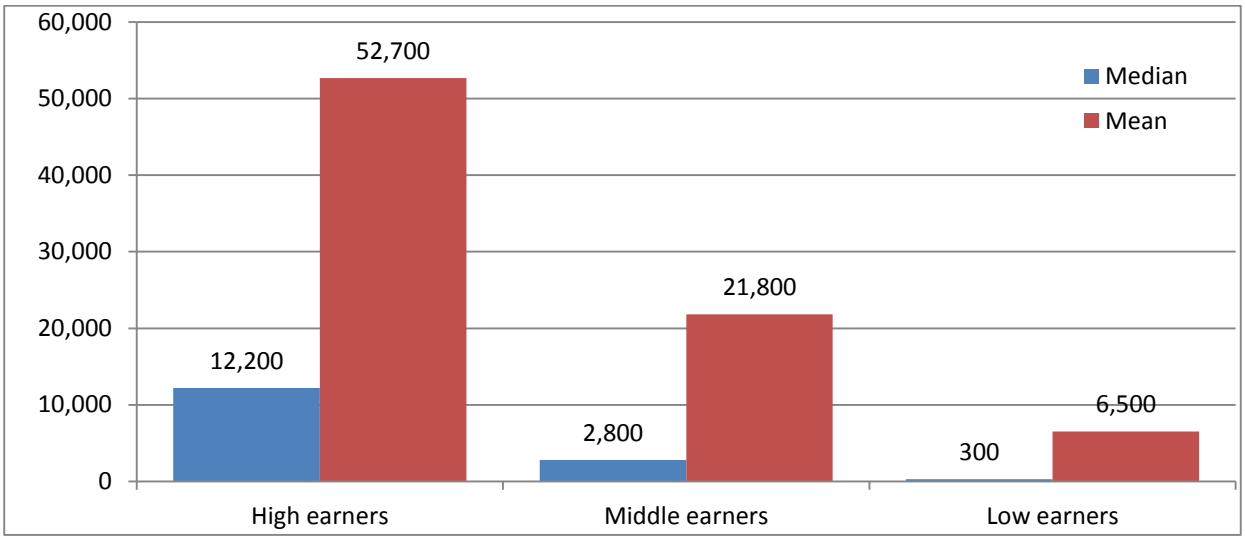
In 2008-10, 93 per cent of all working age adults had some money saved. This ranged from 87 per cent of all low earners, through 95 per cent of middle earners to 98 per cent of high earners. Overall, working age adults held a median of £2,000 with a far higher mean average amount of £21,400 (rounded to the nearest £100), indicating that that there is a strong positive skew on asset holding

[18] Informal savings, such as those saved in cash at home and money loaned to another individual, were only captured in the Wealth and Assets Survey if totalling at least £250.

(with many people holding small amounts and a small minority holding very large sums). Moreover, this varied considerably by age group across the life cycle, peaking at an estimated £44,500 among those aged 55 to 64 (Table B 10).

Figure 6.2 shows how this varies by earnings class among working-age adults. The median amount saved was as low as £300 for the low earners, and the mean amount was as high as £52,700 for people classed as high earners.

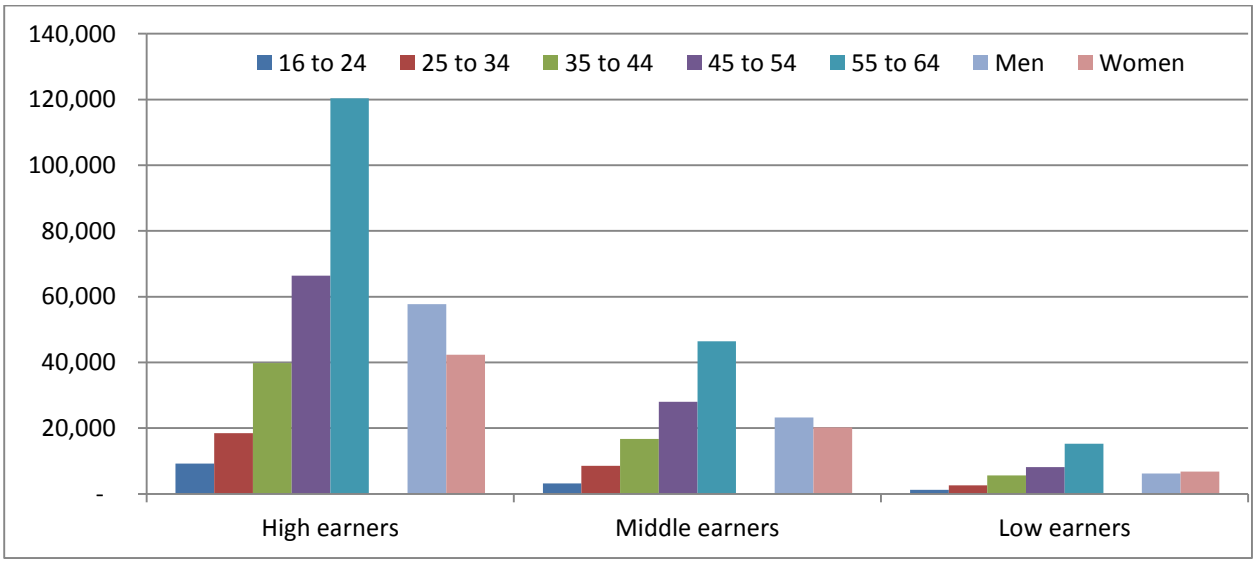
Figure 6.2 Median and mean amount held in savings by earnings class (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

When examining the same breakdown with the addition of age and sex, the findings are particularly striking. High earners in their years immediately prior to state pension age (55 to 64) stand out as the single group with the highest levels of savings (some £120,400; Figure 6.3). This pattern is repeated for middle and low earners, only to a lesser extent. As such, high earners who were aged 45 to 54 or men held more in savings than any middle or low earner group. Middle earners who were men also held more than middle-earner women, however there was no difference in the amount of saving men and women in the low-earner group held.

Figure 6.3 Mean amount held in savings by age and sex within earnings class (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

6.2.1 Determinants of saving amounts held among low and middle earners

Among low and middle earners the median amount held in savings was only £1,400, with a corresponding mean of £16,400. As we might expect given the findings from previous sections, there were significant variations in the mean amounts held among low and middle earners by a range of socio-demographic characteristics (Appendix 2, Table A 30). Only feeling better or worse off as a result of changes in household income did not vary with mean amounts saved. The amounts saved were much less likely to be influenced by people's employment characteristics, only varying significantly depending on whether someone had moved earnings class since wave 1, their current working status and whether they were working as employees or were self-employed (Table A 31).

When these characteristics were included in a linear regression, only a few socio-demographic characteristics were significantly related to the amounts held independently of the other characteristics included (Table A 32, model 1). Age was significant, with average savings increasing steadily with each older age group, such that the pre-retirement years (55 onwards) added £20,900 on average to the total amounts saved, compared with the reference group (shown as the constant in the table). Where people lived also had some effect, with living in London or the South East of England increasing the amounts saved quite significantly. Working status also had an effect in the model, whereby those whose 'other' working status had higher average amounts saved. They were also higher among people who have received an inheritance or gift in the recent past and those in a lower earnings class than at wave 1.

Housing tenure had a particularly strong effect, whereby living in a mortgaged or rented home, as opposed to owning the home outright, was associated with *lower* amounts of savings. Feeling better off due to an increase in household income also lowered the average amount of savings.

Among people in work at wave 2, the findings were similar, except that being a woman was associated with lower savings amounts, albeit only weakly so (Table A 32, model 2). Additionally, the influence of feeling better off due to an increase in household income was reversed, such that this *increased* the average amounts held, and feeling worse off decreased them.

Among the employment-related characteristics, working part-time and on a self-employed basis were each associated with higher levels of savings. No other characteristics were significant (Table A 32, model 2).

However, as with sums owed in consumer credit, these did not, collectively, account for a large proportion of the variance in savings holdings.

6.2.2 The role of indebtedness and financial difficulties in saving amounts held among low and middle earners

In addition to the predictors included in model 1 above, we have also taken account of people's tendency to run out of money, their levels of consumer borrowing and financial difficulties in a second variation of the analysis. Perhaps surprisingly, these measures did not improve the overall fit of the regression model.[19]

Two of the three measures were significant in the model, however. Running out of money all or most of the time in the last 12 months reduced the average amounts saved by some £8,800. And every £1 of consumer borrowing reduced average savings by 22 pence (or £220 for every £1,000 of borrowing), all other things being equal. Having fallen behind on the payments on consumer borrowing or household bills was not significant in the model. Even when our measure of liquidity in the model (running out of money) and the total amount of borrowing people had were removed from the model, falling behind was not significant.

[19] The adjusted R-squared value was .6 (compared with .5 in the original model).

6.3 Summary

The analysis has evidenced considerable variation in people's saving behaviour and the amount of savings they held. Across the piece, low earners were less likely than middle earners and high earners in turn to have saved into bank and building society accounts in recent time; and they had lower sums held in savings.

Certain characteristics stand out as particularly strong and consistent predictors of saving behaviour among the low and middle earners. These are housing tenure, work status, feeling a change in one's general financial situation due to changes in household incomes or circumstances, work status and a change in work status since wave 1. Across the measures, people living in rented homes (followed by those with mortgages), those feeling worse off and the unemployed (followed by the economically inactive) and those whose work status had changed since wave 1 generally had the poorest outcomes. Among those in work, working arrangements generally played a more moderate role in self-reported saving behaviour.

However, work-related factors were strongly predictive of the levels of savings people held. Additionally, reporting running out of money all or most of the time related to levels of saving held independently of other characteristics, as did levels of consumer borrowing. This suggests strongly that liquidity and the financial burden of consumer borrowing contributes to comparatively low rates of saving among low and middle earners. Collectively, however, these factors – along with the full range of socio-demographic and work-related characteristics considered – did not explain large proportions of the overall variance in savings held. As such other unobserved factors would appear to be far more important drivers of financial asset holding.

7 Pension saving

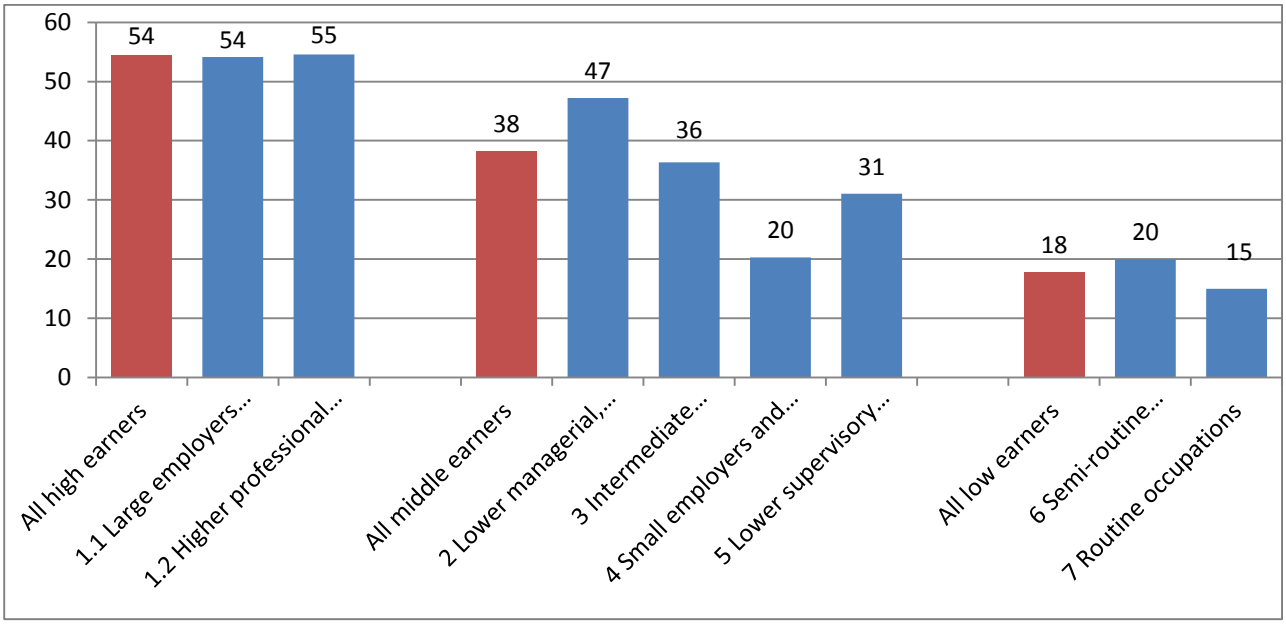
In this section, we consider two aspects of pension saving, first saving into private pensions, and second the amount of private pension savings people hold. Pension savings and pension wealth are equivalent. Therefore, where we consider pension savings we briefly revisit the earlier analysis of the determinants of pension wealth (from section 3), while considering for the first time the influence of consumer credit use, indebtedness and financial difficulties on the extent to which people hold any pension savings, and among those who do, the amounts held. As we also saw in section 3 it is important to acknowledge the limitations of the measures of pension saving captured in the Wealth and Assets Survey, as they exclude state pensions, are affected by the 'contracting out' of second tier pensions and represent a particular type of wealth that it largely inaccessible to individuals during their working lives.

7.1 Saving into a pension

We have been able to derive a further saving behaviour measure from the Wealth and Assets Survey relating to pension saving. This is different from the analysis discussed in section 3, which looked at stocks of pension saving, and whether or not people have any money saved in pensions. Here, we look across the different private pension schemes respondents said they belonged to, including occupational pensions (defined contribution and defined benefit), additional voluntary contributions and added years and personal pension plans. From these we identified whether an individual was making any *contribution* to a private pension at or around the time of the survey.[20]

A third of working age adults overall were contributing to a private pension at the time of the survey (34 per cent). This was rather lower among low earners (18 per cent) compared with middle earners (38 per cent), and in turn higher earners (54 per cent; Figure 7.1). Altogether, this seems low.

Figure 7.1 Percentage of people saving into a private pension at the time of the interview by earnings and occupational class (%)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (n=21,977).

[20] The questions used to elicit this information were not worded in a consistent way. We have taken any mention that a contribution was being made, in whatever form or frequency, as indication of 'current' contributions. It is important to note that this survey was undertaken before implementation of *The Pension Act 2008* including the introduction of the Government's new NEST workplace pension scheme.

Previous research has shown that people without any private pension savings are highly likely to report expecting to rely solely or mainly on State retirement pension (Finney, 2009). Alternatively, some employees may be relying on employer contributions into workplace pensions. Certainly, the likelihood of making pension contributions was lower still among small employers and account workers (Class 4, who, by definition, are self-employed) at only one in five. The same research referred to above also found, however, that self-employed people 'expressed more favourable attitudes towards property than pensions for provision in retirement' (p.99) suggesting that this occupational class may have had alternative arrangements.

This points to a strong role played by earnings levels, both between and within, in private pension contributions. Regardless of earnings levels, there was also strong variation by age, with 41 per cent of all adults aged 45 to 54 paying into a pension, dropping to 24 per cent among men and women aged 55 to 64 (partly reflecting the historical lower retirement age for women; Table B 11). In the following subsection we explore variation among the low and middle earners to help identify the key determinants of this.

7.1.1 Determinants of private pension saving among low and middle earners

Thirty-one per cent of low and middle earners overall were saving into a pension. In bivariate analysis, the likelihood that someone was doing this varied considerably by age, household type, housing tenure, whether someone felt better or worse off as a result of a change in household income or circumstances. It was markedly higher among:

- Low and middle earners aged 45 to 54 (39 per cent)
- Those living in a home owned with a mortgage (40 per cent)
- Those feeling better off due to either a change in household income (41 per cent) or circumstances (47 per cent; Table A 34 and Table A 34).

Again, there was no difference by gender. Variation depending on the work status and working arrangements among low and middle earners was even more striking in many instances. Thirty-nine per cent of those in work at the time of the wave 2 survey were contributing to a pension, while barely one per cent of the rest (i.e. those not in work) were doing so. People's whose pay had not been interrupted by a period of no or reduced pay since wave 1 (45 per cent), employees (41 per cent), full-time workers (42 per cent) and public sector workers (64 per cent) were all far more likely than the average to be paying into a pension. This suggests that stability and security of employment are important correlates of pension saving. This is further underlined by the finding that 36 per cent of low and middle earners whose work status had *not* changed since wave 1 were saving into a pension (compared with seven per cent whose work situation *had* changed).

Regression analysis was undertaken to help strip out any inter-relationships between these characteristics and identify the factors that are independently related to the pension saving among low and middle earners. The results show that the large majority of these characteristics were in fact independently related to pension saving. Only sex and, among those in work, whether someone had a second job were not significant in the model (Table A 35).

Many of the predictors were, however, only weakly related to whether or not someone was contributing to a pension. The stronger predictors were age, housing tenure, and current work status, the latter being the most noteworthy (Table A 35, model 1). Here, the odds of contributing to a pension were 19 times lower among the unemployed and 142 times lower among the economically inactive compared with those in work. Other more moderate drivers of pension saving were feeling better off financially due to a change in household income and experiencing no change in work status since wave 1.

Among the low and middle earners who were in work at wave 2, the results of the analysis were largely similar, although where people lived and whether they had moved earnings class since wave 1 were no longer significant, and sex reached significance (Table A 35, model 2). Some aspects of

respondents' working arrangements were particularly strong determinants of pension saving. In particular, the odds were some four times higher among public sector than private sector workers, , most likely for the reasons outlined above in sections 3 and 6. They were also twice as high among full-time workers and employees (compared with those working part-time or on a self-employed basis) and around 1.5 times higher among those who had not had a period of no or reduced pay since wave 1. Again, security and stability of working arrangements appear to play an especially important part in low and middle earners financial wellbeing.

7.2 Pension savings held

Because it is not possible to have negative pension holding, pension wealth and pension savings are equivalent. In section 3, we considered in detail levels of private pension wealth across the earnings classes and the determinants of having any private pension wealth among the low and middle earners. High earners had a median pension wealth of £71,800, falling to £24,100 among middle earners and £0 among low earners, reflecting that a majority of low earners had no private pension wealth whatsoever. Mean pension wealth varied even more markedly (Figure 3.1). Strong determinants of having any private pension wealth among all low and middle earners were current work status, housing tenure, age group and, among people in work, whether people worked in the public or private sector (Table A 13).

7.3 Determinants of the amount of pension savings held among low and middle earners

Among low and middle earners with any pension wealth, only a handful of characteristics were predictive of the amounts held in regression analysis (Table A 36). As we should expect, increasing age was associated with increasing levels of pension wealth. Sex and housing tenure also played a strong role, with women and people living in mortgaged home having less saved on average, with less still among those in rented homes.

Current work status at wave 2 was also not significant, although having moved into a lower earnings class since wave 1 was associated with higher average pension wealth and moving into a higher class predicted lower pension wealth (Table A 36; model 1). Among people who were in work, two additional characteristics were important (Table A 36; model 2). Being self-employed was associated with a reduction in private pension wealth of some £54,700 (rounded to the nearest £100). Working in the public sector was associated with higher pension wealth of £84,400, although, as noted above, the Wealth and Assets Survey measure of pension wealth excludes state pensions, including where the second tier pension is not contracted out.

We extend this analysis by exploring to what extent running out of money, levels of consumer borrowing and financial difficulties influence the likelihood that someone has any private pension savings and the amount of pension savings they have if they have any.

7.3.1 The role of indebtedness and financial difficulties in pension savings

As we saw above in relation to non-pension savings, whether or not someone reported having run out of money all or most of the time and the amount of consumer borrowing they had were significant predictors of having any pension savings in regression analysis, although their inclusion did not improve the fit of the model.[21] The odds of having *no* pension savings were 1.4 times higher among people who frequently ran out of money than those who did not. The odds of having no pension savings tended to fall with increasing amounts of consumer borrowing held, with those owing more than £10,000 at the lower end of the range (with an odds ratio of 0.7 compared with those with no borrowing). Whether or not someone had fallen behind with their consumer borrowing or household bill payments was not significant.

[21] The Nagelkerke R-squared remained at .32.

The effect of liquidity, consumer borrowing and financial difficulties were even less important when predicting the amounts of pension saving (among those with any). The amount of money people owed in borrowing and whether or not they had fallen behind with their commitments were not significant in the model. Running out of money was only weakly significant in the model (p=0.039), although its effect was in the expected direction; people who reported having run out of money often or always in the last 12 months had reduced pension savings of £21,400 on average.

7.4 Summary

Among working age adults, significant inequalities exist in the extent to which people were contributing to pensions in 2008-10 and levels of pension savings held, inequalities which are illustrated clearly across the earnings classes. High earners were more likely than middle earners and low earners in turn to be saving into a pension at the time of their interview; they also had far more of these assets in 2008-10 than low and middle earners.

Certain characteristics stand out as particularly strong and consistent predictors of pension saving and the amounts held. These include age and housing tenure. People living in rented homes (followed by those with mortgages) and younger people were far less likely to have saved into a pension and had lower pension wealth overall. The unemployed (followed by the economically inactive), those experiencing a recent change in work status or reporting feeling worse off as a result of changes in household income or circumstances were far less likely to have saved into a pension, all other things being equal.

Among those in work, working arrangements also played an important role in these outcomes, in particular the propensity to be saving into a pension. Working in the public sector and being an employee rather than self-employed helped explain recent engagement with current pension saving and the levels of pension savings held, noting the pensions schemes traditionally offered within the public sector and the exclusion of the state pension from the measure of pension savings. The likelihood that someone was saving into a pension was also higher, all other things being equal, among full time workers and people who had not experienced a period of no or reduced pay.

Additionally, reporting running out of money all or most of the time and higher levels of consumer borrowing also helped explained not having any pension savings (but not the *amount* of pension savings among those with any). Again, this suggests strongly that liquidity and the financial burden of consumer borrowing contributes to comparatively low rates of pension saving among low and middle earners, as we found in relation to saving into liquid assets. Nonetheless, the factors we were able to consider explain very little of the variation in levels of pension saving among those with any pension savings; as such other unobserved factors would appear to be far more important drivers of pension wealth.

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Appendix 1: NS-SEC analytic classes, operational categories and sub-categories

Analytic classes	Operational categories and sub-categories
1.1	**L1 Employers in large organisations**
	L2 Higher managerial occupations
1.2	**L3 Higher professional occupations**
	L3.1 'Traditional' employees
	L3.2 'New' employees
	L3.3 'Traditional' self-employed
	L3.4 'New' self-employed
2	**L4 Lower professional and higher technical occupations**
	L4.1 'Traditional' employees
	L4.2 'New' employees
	L4.3 'Traditional' self-employed
	L4.4 'New' self-employed
	L5 Lower managerial occupations
	L6 Higher supervisory occupations
3	**L7 Intermediate occupations**
	L7.1 Intermediate clerical and administrative
	L7.2 Intermediate sales and service
	L7.3 Intermediate technical and auxiliary
	L7.4 Intermediate engineering
4	**L8 Employers in small organisations**
	L8.1 Employers in small organisations (non-professional)
	L8.2 Employers in small organisations (agriculture)
	L9 Own account workers
	L9.1 Own account workers (non-professional)
	L9.2 Own account workers (agriculture)
5	**L10 Lower supervisory occupations**
	L11 Lower technical occupations
	L11.1 Lower technical craft
	L11.2 Lower technical process operative
6	**L12 Semi-routine occupations**
	L12.1 Semi-routine sales
	L12.2 Semi-routine service
	L12.3 Semi-routine technical
	L12.4 Semi-routine operative
	L12.5 Semi-routine agricultural
	L12.6 Semi-routine clerical
	L12.7 Semi-routine childcare

Table continues on next page

Appendix 1 table continued

7	**L13 Routine occupations**
	L13.1 Routine sales and service
	L13.2 Routine production
	L13.3 Routine technical
	L13.4 Routine operative
	L13.5 Routine agricultural
8	**L14 Never worked and long-term unemployed**
	L14.1 Never worked
	L14.2 Long-term unemployed
*** L15 Full-time students**	
*** L16 Occupations not stated or inadequately described**	
*** L17 Not classifiable for other reasons**	

** For complete coverage, categories L15, L16 and L17 are added as 'Not classified'. The composition of 'Not classified' will be dependent on the data source.*

Source: Table 2, from Office for National Statistics (2005)

Appendix 2: Additional tables

Table A 1 Profile of high, medium and low earners by socio-demographic characteristics

Column percentages (%)	High earners	Middle earners	Low earners	All
Sex				
Male	67	52	48	53
Female	33	48	52	47
Age group				
16 to 24	3	7	16	9
25 to 34	27	23	19	22
35 to 44	30	27	24	27
45 to 54	25	26	25	25
55 to 64	16	17	16	17
Household type				
Single adult household	12	11	10	11
Couple without children	26	22	14	20
Couple with children	53	53	51	52
Lone parent with children	1	4	9	6
Other	8	11	15	12
Housing tenure				
Own it outright	19	19	16	18
mortgage	69	59	39	54
Rent it	12	22	45	27
Government Office Region				
North East	3	4	6	4
North West	9	11	13	11
Yorkshire and The Humber	7	9	10	9
East Midlands	7	8	9	8
West Midlands	8	9	10	9
East of England	10	10	9	10
London	19	12	9	12
South East	18	15	11	14
South West	8	9	8	9
Wales	3	5	5	5
Scotland	8	9	10	9
Whether has recently received an inheritance or substantial gift				
No	70	75	85	77
Yes	30	25	15	23
Change in financial situation due to change in household circumstances				
No (or missing)	92	92	92	92
Better off	3	2	2	2
Worse off	5	6	6	6
Change in financial situation due to change in household income				
No (or missing)	66	68	73	69
Better off	25	19	12	18
Worse off	9	13	15	13
Unweighted base	*3,309*	*12,485*	*6,183*	*21,977*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners.

Table A 2 Change in general financial situation by earnings class and age

Column percentages (%)		16 to 24	25 to 34	35 to 44	45 to 54	55 to 64
General financial position now compared with two years ago						
High earners	Better		53	41	33	27
	Worse		17	24	23	31
	About the same		30	35	44	42
	Unweighted base	*27***	*490*	*756*	*745*	*673*
Middle earners	Better	54	42	30	28	22
	Worse	20	25	30	30	36
	About the same	26	32	39	42	42
	Unweighted base	362	1683	2812	2997	2448
Low earners	Better	40	23	23	18	17
	Worse	26	34	35	36	39
	About the same	34	43	42	46	44
	Unweighted base	*439*	*814*	*1279*	*1396*	*1101*
Whether better or worse off due to change in households income						
High earners	No change in income or missing	77	56	65	71	72
	Yes, increased household income	23	36	25	20	14
	Yes, decreased household income	0	8	10	9	14
	Unweighted base	*57**	*603*	*962*	*928*	*759*
Middle earners	No change in income or missing	70	62	69	71	71
	Yes, increased household income	24	26	18	16	12
	Yes, decreased household income	6	12	13	14	17
	Unweighted base	*678*	*2157*	*3387*	*3495*	*2768*
Low earners	No change in income or missing	74	74	71	74	75
	Yes, increased household income	19	13	13	10	8
	Yes, decreased household income	7	14	16	17	17
	Unweighted base	*802*	*1033*	*1485*	*1624*	*1239*
Whether better or worse off due to change in households circumstances						
High earners	None or missing	96	93	91	92	94
	Better off	2	3	2	2	4
	Worse off	2	5	7	6	2
	Unweighted base	*57**	*603*	*962*	*928*	*759*
Middle earners	None or missing	96	91	91	90	94
	Better off	2	2	2	3	2
	Worse off	2	7	8	7	4
	Unweighted base	*678*	*2157*	*3387*	*3495*	*2768*
Low earners	None or missing	96	89	90	92	95
	Better off	1	1	2	2	2
	Worse off	3	10	9	6	3
	Unweighted base	*802*	*1033*	*1485*	*1624*	*1239*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as high, middle or low earners (21,977).

Figures may not sum correctly due to rounding. * Treat with caution due to low base (less than 100). ** Figures have been suppressed due to an insufficient number of cases (less than 50).

Table A 3 Change in general financial situation by occupational class

Column percentages (%)		1.1 Large employers and higher managerial and administrative occupations	1.2 Higher professional occupations	2 Lower managerial, administrative and professional occupations	3 Intermediate occupations	4 Small employers and own account workers	5 Lower supervisory and technical occupations	6 Semi-routine occupations	7 Routine occupations	All
Whether general financial position is better, worse or about the same compared with two years ago	Better	40	40	37	30	22	28	25	19	30
	Worse	21	24	26	30	39	33	32	38	30
	About the same	39	36	37	40	39	39	43	43	39
Whether better or worse off compared with two years ago due to change in household income	None	61	56	59	64	61	66	68	67	63
	Better off	30	31	27	21	14	19	16	13	21
	Worse off	9	13	14	14	25	16	16	20	16
Whether better or worse off compared with two years ago due to change in household circumstances	None	90	91	89	90	90	92	90	91	90
	Better off	3	3	3	3	1	2	2	1	2
	Worse off	7	6	8	7	9	7	8	7	7
Unweighted base		1053	1638	4947	2245	1553	1557	2973	2056	18022

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied

Base is all wave 2 respondents of working age classified into one of the eight occupational classes (21,977).

Figures may not sum correctly due to rounding.

Table A 4 Current work status by earnings class and age

Column percentages (%)		16 to 24	25 to 34	35 to 44	45 to 54	55 to 64
High earners	In work	97	96	95	93	69
	Unemployed	3	1	1	1	2
	Economically inactive	-	3	4	5	28
	Other	-	-	-	1	1
	Missing	-	-	-	-	-
	Unweighted base	*57**	*603*	*962*	*928*	*759*
Middle earners	In work	90	89	88	86	68
	Unemployed	5	3	2	3	3
	Economically inactive	4	6	9	10	28
	Other	1	1	1	1	2
	Missing	-	-	-	<1	-
	Unweighted base	*678*	*2157*	*3387*	*3495*	*2768*
Low earners	In work	76	70	73	71	57
	Unemployed	11	7	5	6	3
	Economically inactive	10	22	21	22	37
	Other	2	2	1	1	3
	Missing	-	-	-	<1	-
	Unweighted base	*802*	*1033*	*1485*	*1624*	*1239*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners (21,977).
Figures may not sum correctly due to rounding. * Treat with caution due to low base (less than 100). '-' indicates no cases in sample. '<1' indicates a value of less than one but greater than zero.

Table A 5 Current working arrangements by earnings class and age, among those in work

Column percentages (%)		16 to 24	25 to 34	35 to 44	45 to 54	55 to 64
Employment status (main job)						
High earners	Employee	96	94	93	88	79
	Self-employed	4	6	7	12	21
	Unweighted base	*56**	*575*	*912*	*840*	*507*
Middle earners	Employee	92	88	83	81	75
	Self-employed	8	12	17	19	25
	Unweighted base	*609*	*1907*	*2968*	*2991*	*1844*
Low earners	Employee	100	100	100	100	100
	Self-employed	-	-	-	-	-
	Unweighted base	*601*	*693*	*1076*	*1143*	*721*
Hours worked (main job)						
High earners	Full-time	97	93	88	92	82
	Part-time	3	7	12	8	18
	Unweighted base	*56**	*575*	*912*	*840*	*507*
Middle earners	Full-time	86	85	78	80	76
	Part-time	14	15	22	20	24
	Unweighted base	*609*	*1907*	*2968*	*2991*	*1844*
Low earners	Full-time	62	64	62	61	62
	Part-time	38	36	38	39	38
	Unweighted base	*601*	*693*	*1076*	*1143*	*721*
Sector (main job)						
High earners	Private firm, business, ltd company or plc	83	69	69	67	60
	Public sector organisation or nationalised industry	17	26	26	28	36
	Missing	-	5	4	5	4
	Unweighted base	*56**	*575*	*912*	*840*	*507*
Middle earners	Private firm, business, ltd company or plc	75	67	65	62	67
	Public sector organisation or nationalised industry	19	27	30	33	28
	Missing	5	6	5	5	5
	Unweighted base	*609*	*1907*	*2968*	*2991*	*1844*
Low earners	Private firm, business, ltd company or plc	88	78	72	71	71
	Public sector organisation or nationalised industry	7	17	23	25	23
	Missing	4	5	4	4	6
	Unweighted base	*601*	*693*	*1076*	*1143*	*721*
Number of current jobs						
High earners	No - One job only	96	97	97	97	94
	Yes - Two or more jobs	4	3	3	3	6
	Missing	-	-	<1	-	0
	Unweighted base	*56**	*575*	*912*	*840*	*507*
Middle earners	No - One job only	98	98	95	95	96
	Yes - Two or more jobs	2	2	5	5	3
	Missing	1	<1	<1	<1	0
	Unweighted base	*609*	*1907*	*2968*	*2991*	*1844*
Low earners	No - One job only	94	95	94	94	95
	Yes - Two or more jobs	6	5	5	6	5
	Missing	<1	-	1	<1	<1
	Unweighted base	*601*	*693*	*1076*	*1143*	*721*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as high, middle or low earners (17,434).

Figures may not sum correctly due to rounding. * Treat with caution due to low base (less than 100). '-' indicates no cases in sample. '<1' indicates a value of less than one but greater than zero.

Table A 6 Change in working arrangements by occupational class (column percentages; %)

Column percentages (%)		1.1 Large employers and higher managerial and administrative occupations	1.2 Higher professional occupations	2 Lower managerial, administrative and professional occupations	3 Intermediate occupations	4 Small employers and own account workers	5 Lower supervisory and technical occupations	6 Semi-routine occupations	7 Routine occupations	All
Change in work status, wave 1 to wave 2	No change	93	92	91	87	87	90	83	81	88
	Into work	3	4	3	6	4	3	8	8	5
	Into unemployment	1	1	2	2	3	4	4	6	3
	Into inactive/other	3	3	4	6	5	3	5	5	4
	Unweighted base	1180	1758	5310	2319	1741	1655	3056	2198	19217
Periods of unemployment or reduced pay since wave 1	Yes	10	12	12	14	25	12	17	20	15
	No	90	88	88	86	75	88	83	80	85
	Unweighted base	950	1483	4246	1689	1318	1220	1886	1196	13988
Whether working in the same job as at wave 1	Same job	74	78	77	73	82	80	74	74	76
	Same job, different employer[1]	7	10	6	6	4	7	5	9	7
	Different job	19	12	17	21	14	13	21	17	17
	Unweighted base	948	1482	4239	1684	1316	1220	1878	1195	13962
Any change in occupation wave 1 to wave 2	Yes	48	39	45	53	46	53	59	58	50
	No	52	61	55	47	54	47	41	42	50
	Unweighted base	1162	1739	5229	2280	1728	1635	3020	2180	18973
Change in earnings level, wave 1 to wave 2	Lower	-	-	7	3	3	2	15	8	6
	Same	71	81	89	89	90	83	84	90	86
	Higher (including from never worked/long term unemployed)	29	19	4	8	7	15	1	2	8
	Unweighted base	1163	1721	5219	2270	1718	1636	2997	2171	18895

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied

Base is all wave 2 respondents of working age classified into one of the eight occupational classes. Bases differ between measures due to missing values.

Figures do not sum correctly due to rounding. '<1' denotes greater than zero but less than 0.5; '-' denotes no cases in sample. 1. Applies to employees only.

Table A 7 Change in working arrangements by earnings class and age

Column percentages (%)		16 to 24	25 to 34	35 to 44	45 to 54	55 to 64
Change in work status wave 1 to wave 2						
High earners	No change		92	96	94	87
	Into work		5	2	2	3
	Into unemployment		1	1	1	2
	Into inactive/other		3	2	2	8
	Unweighted base	*35**	*474*	*866*	*852*	*711*
Middle earners	No change	79	88	92	93	86
	Into work	14	5	3	3	2
	Into unemployment	3	3	2	2	3
	Into inactive/other	5	4	3	2	9
	Unweighted base	*404*	*1740*	*3051*	*3210*	*2620*
Low earners	No change	68	80	83	87	86
	Into work	16	9	8	5	4
	Into unemployment	8	6	4	5	3
	Into inactive/other	7	6	4	3	7
	Unweighted base	*443*	*850*	*1328*	*1471*	*1162*
Period of unemployment or reduced pay since wave 1, among those in work at both waves						
High earners	Yes		15	10	9	12
	No		85	90	91	88
	Unweighted base	*26**	*420*	*790*	*755*	*442*
Middle earners	Yes	19	18	13	12	13
	No	81	82	87	88	87
	Unweighted base	*308*	*1414*	*2514*	*2609*	*1628*
Low earners	Yes	25	22	17	15	18
	No	75	78	83	85	82
	Unweighted base	*243*	*465*	*835*	*923*	*616*
Whether working in the same job as at wave 1						
High earners	Same job		66	77	84	87
	Same job, different employer[1]		13	10	6	3
	Different job		21	14	10	10
	Unweighted base	*26**	*419*	*791*	*752*	*442*
Middle earners	Same job	52	68	80	82	87
	Same job, different employer[1]	11	8	6	5	3
	Different job	37	24	14	13	10
	Unweighted base	*308*	*1408*	*2511*	*2605*	*1627*
Low earners	Same job	52	69	75	81	82
	Same job, different employer[1]	11	5	8	5	6
	Different job	37	26	17	14	12
	Unweighted base	*242*	*463*	*832*	*920*	*616*
Any change in occupation wave 1 to wave 2[2]						
High earners	Yes		44	39	36	53
	No		56	61	64	47
	Unweighted base	*35**	*466*	*849*	*843*	*708*
Middle earners	Yes	67	50	45	42	54
	No	33	50	55	58	46
	Unweighted base	*395*	*1711*	*3014*	*3166*	*2586*
Low earners	Yes	70	63	56	51	60
	No	30	37	44	49	40
	Unweighted base	*437*	*842*	*1312*	*1455*	*1154*

Table continues on next page

Table A 7 continued		16 to 24	25 to 34	35 to 44	45 to 54	55 to 64
Change in earnings level, wave 1 to wave 2						
High earners	Lower		-	-	-	-
	Same		74	76	79	86
	Higher (including from never worked/long term unemployed at wave 1)		26	24	21	14
	Unweighted base	*25**	*450*	*857*	*843*	*709*
Middle earners	Lower	1	4	6	5	5
	Same	75	87	87	90	91
	Higher (including from never worked/long term unemployed at wave 1)	24	9	6	5	4
	Unweighted base	*359*	*1692*	*3016*	*3174*	*2602*
Low earners	Lower	9	14	14	12	9
	Same	83	84	84	88	91
	Higher (including from never worked/long term unemployed at wave 1)	7	2	2	0	0
	Unweighted base	*396*	*834*	*1315*	*1465*	*1158*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied

Base is all wave 2 respondents of working age classed as high, middle or low earners. Bases differ between measures due to missing values. Figures may not sum correctly due to rounding. '<1' denotes greater than zero but less than 0.5; '-' denotes no cases in sample. 'N/A' indicates not applicable. 1. Applies to employees only. 2. Relates to any change in the 40 operational occupational classes. * Figures have been suppressed due to small base (less than 50 cases).

Table A 8 Wealth by earning and occupational class, median and mean

	Total household wealth		Financial wealth		(private) Pension wealth		*Unweighted base*
	Median (£)	Mean (£)	Median (£)	Mean (£)	Median (£)	Mean (£)	
All high earners	**477,100**	**773,600**	**10,100**	**49,200**	**71,800**	**266,100**	***3,309***
1.1 Large employers and higher managerial and administrative occupations	546,000	862,500	11,300	63,800	103,800	319,400	*1,301*
1.2 Higher professional occupations	427,600	718,700	9,500	40,100	57,600	233,200	*2,008*
All middle earners	**294,500**	**479,800**	**1,500**	**18,900**	**24,100**	**120,500**	***12,485***
2 Lower managerial, administrative and professional occupations	365,000	573,600	3,300	24,500	51,700	170,800	*5,934*
3 Intermediate occupations	280,700	448,100	900	13,700	15,500	89,400	*2,727*
4 Small employers and own account workers	254,300	426,200	1,000	21,600	3,600	55,200	*1,935*
5 Lower supervisory and technical occupations	202,000	303,400	400	7,600	9,000	77,900	*1,889*
All low earners	**122,400**	**245,800**	**100**	**4,500**	**0**	**38,100**	***6,183***
6 Semi-routine occupations	137,200	266,700	100	5,400	0	38,600	*3,601*
7 Routine occupations	101,300	217,100	100	3,400	0	37,500	*2,582*
All	**251,900**	**448,700**	**1,000**	**18,700**	**14,000**	**115,300**	***21,977***

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as high, middle or low earners.
All estimates are rounded to the nearest £100.

Table A 9 Wealth by socio-demographic characteristics, low and middle earners, median and mean

	Total household wealth		Financial wealth		(private) Pension Wealth		*Unweighted base*
	Median(£)	Mean(£)	Median(£)	Mean(£)	Median(£)	Mean(£)	
Sex							
Male	225,500	394,000	600	14,700	13,500	116,800	*9,094*
Female	226,300	400,600	600	13,000	4,300	65,700	*9,574*
Age group							
16 to 24	139,900	324,100	100	500	-	2,800	*1,480*
25 to 34	98,400	196,500	100	3,400	-	23,600	*3,190*
35 to 44	206,500	308,400	400	10,100	12,100	68,200	*4,872*
45 to 54	335,600	511,600	1,700	18,700	30,200	130,600	*5,119*
55 to 64	440,000	670,100	6,200	34,300	62,600	212,300	*4,007*
Household type							
Single adult household	97,400	215,400	600	17,000	17,300	109,000	*2,031*
Couple without children	268,500	490,200	2,400	20,800	22,400	119,000	*3,991*
Couple with children	293,000	456,300	700	13,100	9,800	93,300	*9,442*
Lone parent	36,100	107,900	- 100	3,000	-	35,700	*1,225*
Other	172,300	305,300	200	8,800	-	53,400	*1,979*
Housing tenure							
Own it outright	564,800	814,300	10,700	42,600	35,500	178,700	*4,242*
Own with mortgage	288,000	427,600	1,000	10,600	18,400	96,500	*9,624*
Rent	32,400	94,100	-	2,300	-	30,300	*4,802*
Government Office Region							
North East	152,400	299,300	100	7,900	6,000	81,400	*921*
North West	206,400	351,000	200	7,900	6,600	92,600	*2,202*
Yorkshire and The Humber	208,900	350,800	600	12,400	9,700	83,400	
East Midlands	190,300	365,800	700	11,800	5,600	81,200	
West Midlands	193,000	377,500	600	11,600	7,000	89,800	*1,718*
East of England	254,500	427,900	1,000	14,800	11,300	92,300	*1,845*
London	200,600	420,200	600	18,600	2,500	76,000	*1,602*
South East	313,100	518,400	900	20,700	15,800	116,900	*2,472*
South West	262,700	395,400	800	15,600	8,300	86,300	*1,478*
Wales	216,200	390,300	700	11,300	10,300	100,000	*1,029*
Scotland	209,700	366,200	700	12,800	10,000	93,800	*1,889*
Whether has recently received an inheritance or substantial gift							
No	216,100	389,700	500	12,000	5,800	89,500	*14,720*
Yes	253,500	425,200	1,900	20,400	19,600	98,500	*3,948*
Change in financial situation due to change in household circumstances							
No (or missing)	228,500	402,100	700	14,400	8,000	90,400	*17,091*
Better off	286,300	460,300	1,900	15,300	31,300	138,900	*406*
Worse off	168,300	306,400	-	5,100	10,400	91,300	*1,171*
Change in financial situation due to change in household income							
No (or missing)	235,800	410,900	600	14,500	7,700	92,200	*13,182*
Better off	231,700	400,600	1,500	14,400	14,000	98,200	*2,910*
Worse off	178,200	323,500	100	9,900	6,000	79,300	*2,576*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed.
All estimates are rounded to the nearest £100.

Table A 10 Wealth by employment characteristics, low and middle earners, median and mean

	Total household wealth		Financial wealth		(private) Pension wealth		*Unweighted base*
	Median(£)	Mean(£)	Median(£)	Mean(£)	Median(£)	Mean(£)	
Change in earnings level, wave 1 to wave 2							
Lower	297,100	522,900	1,900	24,100	24,700	155,300	*1,200*
Same	231,300	396,100	800	14,500	12,400	97,000	*14,100*
Higher	150,800	269,300	200	5,000	-	33,600	*700*
Change in work status, wave 1 to wave 2							
No	243,300	408,000	900	14,700	15,500	101,500	*14,200*
Yes	132,400	335,400	100	13,700	-	63,400	*2,100*
Working status, wave 2							
In work	254,100	414,900	900	13,400	15,000	96,000	*14,600*
Unemployed	69,900	207,300	-	4,000	-	24,800	*700*
Economically inactive	115,100	356,000	100	17,500	-	87,100	*3,100*
Other	171,300	401,800	200	25,900	-	76,000	*300*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves							
Yes	219,800	375,300	400	11,300	9,500	89,500	*1,700*
No	276,400	431,800	1,500	15,100	25,000	109,500	*9,800*
Whether working as an employee or self employed							
Employee	250,100	407,900	900	12,300	17,000	99,900	*12,700*
Self-employed	294,500	468,400	1,600	22,200	5,000	66,200	*1,900*
Not currently working	106,000	330,500	100	15,500	-	74,200	*4,100*
Hours worked							
Full-time	250,700	402,700	1,000	12,400	18,800	101,800	*10,600*
Part-time	265,800	451,300	900	16,300	5,200	78,400	*3,900*
Not currently working	106,000	330,500	100	15,500	-	74,200	*4,100*
Whether works in private or public sector							
Private firm, business, ltd company or plc	219,900	373,800	700	13,300	4,000	71,400	*9,800*
Public sector organisation or nationalised industry	349,800	523,200	2,000	13,700	67,800	160,600	*3,900*
Not currently working	106,000	330,500	100	15,500	-	74,200	*4,100*
Whether has a second job							
No - One job only	253,700	413,300	1,000	13,300	15,000	95,600	*13,900*
Yes - Two or more jobs	269,000	458,400	800	15,300	14,900	106,600	*600*
Not currently working	106,000	330,500	100	15,500	-	74,200	*4,100*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed.
All estimates are rounded to the nearest £100.

Table A 11 Linear regression predicting total household wealth, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Unstandardised coefficient (B; £)	Significance (p-value)	Unstandardised coefficient (B; £)	Significance (p-value)
Female	35,437	.000	4,300	.726
Aged 25-34	- 109,803	.000	- 129,477	.000
Aged 35-44	- 21,079	.256	- 42,769	.045
Aged 45-54	135,567	.000	130,762	.000
Aged 55-64	219,837	.000	208,253	.000
Couple without children	159,289	.000	147,679	.000
Couple with children	166,396	.000	175,245	.000
Lone parent	- 26,913	.147	- 60,125	.008
Other	70,242	.000	97,844	.000
Owns main home with mortgage	- 308,150	.000	- 285,511	.000
Rents	- 577,422	.000	- 534,627	.000
Lives in North West of England	37,751	.146	48,181	.122
Yorkshire and the Humber	38,085	.160	26,831	.406
East Midlands	58,382	.036	63,615	.053
West Midlands	67,971	.012	74,465	.021
East of England	112,641	.000	113,488	.000
London	174,722	.000	182,676	.000
South East of England	202,653	.000	207,272	.000
South West of England	75,899	.006	79,329	.015
Wales	68,677	.024	71,415	.051
Scotland	67,245	.013	54,826	.088
Recently received an inheritance or substantial	21,808	.062	14,950	.261
Worse off due to change in household	- 10,834	.592	- 9,905	.683
Better off due to change in household	30,740	.368	31,160	.399
Worse off due to household income	- 71,609	.000	- 73,396	.000
Better off due to household income	25,473	.053	26,344	.068
Lower earnings class than wave 1	98,122	.000	108,472	.000
Higher earnings class	- 62,390	.007	- 53,413	.028
Change in work status since wave 1	28,099	.096	15,629	.722
Unemployed at wave 2	- 53,816	.049		
Economically inactive	- 17,454	.229		
Other	12,139	.762		
Period of no or reduced pay since wave 1			- 6,801	0.690
Self-employed			43,610	0.010
Works part-time			25,761	0.070
Works in the public sector			129,905	0.000
Has two or more jobs			7,681	0.780
(Constant)	447,786	.000	402,519	.000
Model statistics	Adj. R^2= .15	F Ratio = 70	Adj. R^2= .13	F Ratio =65
Unweighted base		*18,668*		*14,556*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed.

Values in grey were not statistically significant in the model

Table A 12 Linear regression predicting financial wealth, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Unstandardised coefficient (B; £)	Significance (p-value)	Unstandardised coefficient (B; £)	Significance (p-value)
Female	- 254	.812	- 2,087	.118
Aged 25-34	1,929	.347	2,418	.297
Aged 35-44	8,374	.000	8,720	.000
Aged 45-54	13,699	.000	13,865	.000
Aged 55-64	20,861	.000	21,436	.000
Couple without children	1,705	.376	750	.741
Couple with children	- 2,543	.131	- 2,973	.139
Lone parent	- 3,213	.116	- 4,915	.046
Other	- 3,739	.059	- 2,289	.333
Owns main home with mortgage	- 26,860	.000	- 22,393	.000
Rents	- 33,653	.000	- 28,445	.000
Lives in North West of England	- 325	.909	- 1,702	.616
Yorkshire and the Humber	3,648	.221	1,536	.663
East Midlands	3,106	.309	1,846	.607
West Midlands	2,974	.316	1,945	.580
East of England	6,208	.036	4,822	.166
London	12,486	.000	11,545	.001
South East of England	12,006	.000	8,915	.007
South West of England	6,714	.026	5,653	.110
Wales	2,061	.538	1,306	.743
Scotland	4,601	.121	4,397	.210
Recently received an inheritance or substantial gift	7,208	.000	5,794	.000
Worse off due to change in household	- 4,075	.067	- 4,734	.073
Better off due to change in household circumstances	- 1,148	.760	- 93	.982
Worse off due to household income	- 4,704	.003	- 6,260	.002
Better off due to household income	2,463	.089	3,485	.027
Lower earnings class than wave 1	9,547	.000	10,490	.000
Higher earnings class	- 4,505	.076	- 4,395	.097
Change in work status since wave 1	2,312	.214	174	.971
Unemployed at wave 2	- 2,588	.390		
Economically inactive	2,583	.106		
Other	10,792	.014		
Period of no or reduced pay since wave 1			- 2,406	.197
Self-employed			6,326	.001
Works part-time			5,012	.001
Works in the public sector			- 851	.555
Has two or more jobs			- 965	.748
(Constant)	22,667	.000	20,234	.000
Model statistics	Adj. R^2= .05	F Ratio = 32	Adj. R^2= .04	F Ratio = 18
Unweighted base		*18,668*		*14,556*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners.

Values in grey were not statistically significant in the model. Missing categories have been suppressed.

Table A 13 Logistic regression predicting having no private pension wealth, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p-value)	Odds ratio Exp(B)	Significance (p-value)
Female (ref. is Male)	1.3	.000	1.3	.000
Age group (ref. is 16-24)		.000		.000
Aged 25-34	.2	.000	.2	.000
Aged 35-44	.1	.000	.1	.000
Aged 45-54	.1	.000	.1	.000
Aged 55-64	.0	.000	.0	.000
Household composition (ref. is Single adult)		.000		.000
Couple without children	1.2	.004	1.1	.089
Couple with children	1.4	.000	1.4	.000
Lone parent	1.6	.000	1.6	.000
Other	2.1	.000	2.2	.000
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	.9	.278	1.0	.473
Rents	2.5	.000	2.4	.000
Government Office Region (ref. is North East)		.000		.000
Lives in North West of England	1.0	.813	.8	.020
Yorkshire and the Humber	.8	.077	.8	.055
East Midlands	1.0	.619	.8	.030
West Midlands	1.0	.848	.9	.251
East of England	.8	.040	.7	.001
London	1.1	.274	1.0	.714
South East of England	.8	.008	.7	.000
South West of England	1.0	.638	.9	.183
Wales	.9	.171	.8	.104
Scotland	.9	.209	.8	.022
Recently received an inheritance or substantial gift (ref. is No)	.7	.000	.7	.000
Better or worse off due to change in household circumstances (ref. is No change)		.000		.000
Better off	.8	.032	.8	.069
Worse off	.8	.001	.7	.000
Better or worse off due to change in household income (ref. is No change)		.000		.000
Better off	.7	.000	.7	.000
Worse off	1.1	.163	1.1	.037
Change in earnings class (ref. is no change)		.000		.000
Lower earnings class than wave 1	.9	.207	.9	.028
Higher earnings class	1.8	.000	1.6	.000
Change in work status since wave 1 (ref. is No change)		.046		.000
Yes	1.2	.017	2.2	.000
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	2.6	.000		
Economically inactive	3.2	.000		
Other	2.5	.000		
Period of no or reduced pay since wave 1 (ref. is No)			1.0	.098
Yes			1.1	.372
Self-employed (ref. is Employee*)			1.6	.000
Works part time (ref. is Full time*)			1.7	.000
Employment sector (ref. is private sector)				.000
Public sector			.2	.000
Two or more jobs (ref. is One job only*)			.9	.609
Constant	2.5	.000	2.6	.000
Model statistics Nagelkerke R^2 | Chi sq/df	.3	5558/34	.4	5181/38
Unweighted base		*18,668*		*14,556*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category as the modal category.

Table A 14 Median and mean amounts outstanding in consumer credit commitments (financial liabilities) among those with any, by earnings and occupational class

	Median (£)	Mean (£)	*Unweighted base*
All high earners	**4,200**	**7,800**	***1,290***
1.1 Large employers and higher managerial and administrative occupations	3,800	8,000	*526*
1.2 Higher professional occupations	4,500	7,600	*764*
All middle earners	**2,700**	**5,700**	***5,633***
2 Lower managerial, administrative and professional occupations	3,100	6,200	*2,703*
3 Intermediate occupations	2,100	4,700	*1,264*
4 Small employers and own account workers	2,600	6,300	*779*
5 Lower supervisory and technical occupations	2,700	5,400	*887*
All low earners	**1,200**	**4,000**	***2,696***
6 Semi-routine occupations	1,200	3,800	*1.613*
7 Routine occupations	1,200	4,300	*1,083*
All	**2,300**	**5,500**	***9,619***

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners with any outstanding consumer credit commitments at the time of the survey. All estimates are rounded to the nearest £100.

Table A 15 Consumer borrowing and indebtedness by socio-demographic characteristics, low and middle earners

	Any borrowing (%)	*Unweighted base*[1]	Median (£)	Mean (£)	*Unweighted base*[2]
Sex					
Male	45	*9,094*	2,900	6,000	*3,881*
Female	49	*9,574*	1,600	4,300	*4,448*
Age group					
16 to 24	39	*1,480*	1,200	3,800	*604*
25 to 34	56	*3,190*	2,400	5,400	*1,769*
35 to 44	53	*4,872*	2,300	5,400	*2,551*
45 to 54	45	*5,119*	2,000	5,300	*2,209*
55 to 64	32	*4,007*	2,000	4,700	*1,196*
Household type					
Single household	48	*2,031*	2,200	5,100	*943*
Couple household without children	46	*3,991*	2,800	6,000	*1,608*
Couple household with children	46	*9,442*	2,100	5,100	*4,152*
Lone parent household	63	*1,225*	1,200	3,700	*788*
Other	42	*1,979*	1,600	4,800	*838*
Housing tenure					
Own outright	24	*4,242*	1,700	4,500	*941*
Own with mortgage	52	*9,624*	2,600	5,800	*4,941*
Rent	51	*4,802*	1,400	4,200	*2,447*
Government Office Region					
North East	48	*921*	2,400	5,500	*441*
North West	48	*2,202*	2,100	4,700	*1,034*
Yorkshire and The Humber	46	*1,870*	2,200	5,500	*831*
East Midlands	47	*1,642*	2,500	6,200	*730*
West Midlands	44	*1,718*	2,000	4,500	*716*
East of England	48	*1,845*	2,300	5,400	*832*
London	46	*1,602*	2,000	5,100	*716*
South East	52	*2,472*	2,500	5,700	*1,194*
South West	48	*1,478*	1,800	5,100	*671*
Wales	42	*1,029*	1,300	4,000	*418*
Scotland	40	*1,889*	1,800	4,200	*746*
Whether has recently received an inheritance or substantial gift					
No	45	*14,720*	2,000	5,000	*6,391*
Yes	53	*3,948*	2,400	5,600	*1,938*
Change in financial situation due to change in household circumstances					
No (or missing)	46	*17,091*	2,000	5,000	*7,389*
Better off	48	*406*	2,500	5,600	*194*
Worse off	64	*1,171*	2,900	6,500	*746*
Change in financial situation due to change in household income					
No (or missing)	45	*13,182*	2,000	4,900	*5,775*
Better off	48	*2,910*	2,400	5,400	*1,312*
Worse off	53	*2,576*	2,200	6,000	*1,242*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

1. Base is all wave 2 respondents of working age classed as low or middle earners. 2. Base is all wave 2 respondents of working age classed as low or middle earners with any borrowing. All estimates are rounded to the nearest £100.

Table A 16 Consumer borrowing and indebtedness by work-related characteristics, low and middle earners

	Any borrowing (%)	*Unweighted base[1]*	Median (£)	Mean (£)	*Unweighted base[2]*
Change in earnings level, wave 1 to wave 2					
Lower	50	*1,194*	1,800	5,100	*557*
Same	47	*14,117*	2,100	5,200	*6,270*
Higher	48	*700*	2,400	5,000	*325*
Change in work status, wave 1 to wave 2					
No	48	*14,218*	2,300	5,300	*6,474*
Yes	43	*2,061*	1,200	4,100	*826*
Working status, wave 2					*7,300*
In work	49	*14,550*	2,400	5,500	*6,801*
Unemployed	46	*675*	1,400	4,000	*303*
Economically inactive	38	*3,148*	900	3,500	*1,129*
Other	33	*292*	1,300	3,500	*95*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves					
Yes	53	*1,726*	2,700	6,100	*881*
No	49	*9,829*	2,600	5,600	*4,569*
Whether working as an employee or self employed					
Employee	49	*12,668*	2,400	5,300	*6020*
Self-employed	45	*1,882*	2,800	6,500	*781*
Not currently working	39	*4,115*	1,000	3,600	*1527*
Hours worked					
Full-time	50	*10,606*	2,900	6,000	*5,140*
Part-time	44	*3,946*	1,300	3,800	*1,662*
Not currently working	39	*4,115*	1,000	3,600	*1,527*
Whether works in private or public sector					
Private firm, business, ltd company or plc	48	*9,844*	2,400	5,500	*4,539*
Public sector organisation or nationalised industry	50	*3,946*	2,600	5,300	*1,915*
Not currently working	39	*4,115*	1,000	3,600	*1,527*
Whether has a second job					
No - One job only	48	*13,887*	2,400	5,500	*6,454*
Yes - Two or more jobs	56	*641*	2,800	5,600	*337*
Not currently working	39	*4,115*	1,000	3,600	*1,527*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

1. Base is all wave 2 respondents of working age classed as low or middle earners. 2. Base is all wave 2 respondents of working age classed as low or middle earners with any borrowing. Missing categories have been suppressed. All estimates are rounded to the nearest £100.

Table A 17 Logistic regression predicting having any consumer credit commitments, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p value)	Odds ratio Exp(B)	Significance (p value)
Female (ref. is Male)	1.1	.077	1.1	.001
Age group (ref. is 16-24)		.000		.000
Aged 25-34	1.6	.000	1.7	.000
Aged 35-44	1.4	.000	1.5	.000
Aged 45-54	1.2	.002	1.2	.001
Aged 55-64	.9	.382	1.0	.679
Household composition (ref. is Single adult household)		.000		.000
Couple household without children	.9	.203	.9	.044
Couple household with children	.9	.002	.9	.010
Lone parent household	1.5	.000	1.5	.000
Other	.8	.000	.7	.000
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	2.9	.000	2.8	.000
Rents	2.9	.000	2.9	.000
Government Office Region (ref. is North East)		.000		.000
Lives in North West of England	1.0	.871	1.1	.527
Yorkshire and the Humber	.9	.147	1.0	.666
East Midlands	.9	.322	.9	.507
West Midlands	.8	.027	.9	.274
East of England	.9	.259	.9	.370
London	.8	.036	.9	.286
South East of England	1.1	.321	1.1	.147
South West of England	.9	.517	.9	.553
Wales	.8	.012	.8	.086
Scotland	.7	.000	.7	.001
Recently received an inheritance or substantial gift (ref. is	1.3	.000	1.3	.000
Better or worse off due to change in household circumstances (ref. is No		.000		.000
Better off	1.1	.527	1.1	.646
Worse off	1.7	.000	1.6	.000
Better or worse off due to change in household income (ref. is No change)		.000		.000
Better off	1.0	.384	.9	.154
Worse off	1.3	.000	1.3	.000
Change in earnings class (ref. is No change)		.005		.008
Lower earnings class than wave 1	1.0	.653	1.0	.976
Higher earnings class	1.0	.799	1.0	.826
Change in work status since wave 1 (ref. is No change)		.000		.000
Yes	.8	.000	.7	.010
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	.9	.267		
Economically inactive	.7	.000		
Other	.6	.000		
Period of no or reduced pay since wave 1 (ref. is No)				.013
Yes			1.1	.043
Self-employed (ref. is Employee*)			.9	.017
Works part time (ref. is Full time*)			.7	.000
Employment sector (ref. is Private sector)				.277
Public sector			1.0	.228
Two or more jobs (ref. is One job only*)			1.4	.000
Constant	.3	.000	.3	.000
Model statistics Nagelkerke R2 | Chi sq/df	1777/34	.11	1328/38	.10
Unweighted base		*18,668*		*8,329*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category, as the modal category.

Table A 18 Linear regression predicting amount owed in consumer credit commitments (financial liabilities) among those with any, low and middle earners

	1. All low and middle earners with any borrowing		2. Low and middle earners in work with any borrowing	
	Unstandardised coefficient (B;£)	Significance (p-value)	Unstandardised coefficient (B;£)	Significance (p-value)
Female	- 1,603	.000	- 1,299	.000
Aged 25-34	1,204	.001	1,111	.008
Aged 35-44	1,326	.000	1,474	.001
Aged 45-54	1,228	.001	1,319	.002
Aged 55-64	631	.157	478	.355
Couple household without children	781	.022	929	.016
Couple household with children	- 290	.329	- 181	.596
Lone parent household	- 421	.235	- 435	.302
Other	79	.825	225	.586
Owns main home with mortgage	899	.009	630	.100
Rents	- 196	.593	- 90	.830
Lives in North West of England	- 1,038	.039	- 867	.138
Yorkshire and the Humber	- 276	.601	- 108	.860
East Midlands	373	.490	281	.653
West Midlands	- 1,307	.014	- 1,406	.022
East of England	- 365	.484	- 142	.814
London	- 442	.389	- 441	.459
South East of England	- 108	.826	- 129	.821
South West of England	- 513	.333	- 1,039	.090
Wales	- 1,795	.003	- 2,129	.003
Scotland	- 1,553	.004	- 1,555	.012
Recently received an inheritance or substantial gift	249	.256	163	.502
Worse off due to change in household	1,482	.000	1,279	.002
Better off due to change in household	613	.355	492	.484
Worse off due to household income	363	.162	1,311	.000
Better off due to household income	1,144	.000	354	.202
Lower earnings class than wave 1	- 675	.065	- 588	.121
Higher earnings class	- 257	.562	- 285	.534
Change in work status since wave 1	- 482	.171	- 9	.992
Unemployed at wave 2	- 1,216	.028		
Economically inactive	- 1,219	.000		
Other	- 1,676	.070		
Period of no or reduced pay since wave 1			311	.323
Self-employed			655	.059
Works part-time			- 1,553	.000
Works in the public sector			284	.253
Has two or more jobs			657	.183
(Constant)	4,967	.000	4,971	.000
Model statistics	Adj. R^2= .03	F Ratio = 9	Adj. R^2= .03	F Ratio = 7
Unweighted base		*8,329*		*6,801*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners who had any outstanding consumer credit commitments at the time of the survey. Values in grey were not statistically significant in the model. Missing categories have been suppressed.

Table A 19 Percentage of people running out of money always or most of the time by socio-demographic characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Sex			
Male	18	82	*7,294*
Female	22	78	*8,237*
Age group			
16 to 24	31	69	*876*
25 to 34	22	78	*2,567*
35 to 44	22	78	*4,100*
45 to 54	19	81	*4,419*
55 to 64	13	87	*3,569*
Household type			
Single adult household	20	80	*2,031*
Couple without children	13	87	*3,392*
Couple with children	19	81	*7,427*
Lone parent	37	63	*1,182*
Other	26	74	*1,499*
Housing tenure			
Own outright	10	90	*3,497*
Own with mortgage	17	83	*7,862*
Rent	31	69	*4,172*
Government Office Region			
North East	24	76	*774*
North West	21	79	*1,853*
Yorkshire and The Humber	19	81	*1,529*
East Midlands	20	80	*1,367*
West Midlands	23	77	*1,418*
East of England	17	83	*1,567*
London	23	77	*1,280*
South East	22	78	*2,062*
South West	21	79	*1,264*
Wales	19	81	*834*
Scotland	14	86	*1,583*
Whether has recently received an inheritance or substantial gift			
No	21	79	*12,053*
Yes	18	82	*3,478*
Change in financial situation due to change in household circumstances			
No or missing	19	81	*13,965*
Better off	9	91	*405*
Worse off	39	61	*1,161*
Change in financial situation due to change in household income			
No (or missing)	19	81	*10,077*
Better off	9	91	*2,889*
Worse off	37	63	*2,565*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed.

Table A 20 Percentage of people running out of money always or most of the time by employment characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Change in earnings level, wave 1 to wave 2			
Lower	16	84	*997*
Same	20	80	*12,127*
Higher	26	74	*555*
Change in work status, wave 1 to wave 2			
No	18	82	*12,102*
Yes	32	68	*1,801*
Working status, wave 2			
In work	17	83	*11,829*
Unemployed	48	52	*564*
Economically inactive	30	70	*2,887*
Other	26	74	*251*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves			
Yes	25	75	*1,464*
No	14	86	*8,205*
Whether working as an employee or self employed			
Employee	17	83	*10,313*
Self-employed	15	85	*1,516*
Not currently working	33	67	*3,701*
Hours worked			
Full-time	15	85	*8,396*
Part-time	22	78	*3,433*
Not currently working	33	67	*3,701*
Whether works in private or public sector			
Private firm, business, ltd company or plc	17	83	*7,779*
Public sector organisation or nationalised industry	15	85	*3,381*
Not currently working	33	67	*3,701*
Whether has a second job			
No - One job only	16	84	*11,252*
Yes - Two or more jobs	20	80	*559*
Not currently working	33	67	*3,701*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed.

Table A 21 Binary logistic regression predicting running out of money most or all of the time, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p-value)	Odds ratio Exp(B)	Significance (p-value)
Female (ref. is Male)	1.2	.000	1.2	.001
Age group (ref. is 16-24)		.000		.000
Aged 25-34	.6	.000	.6	.000
Aged 35-44	.6	.000	.5	.000
Aged 45-54	.6	.000	.5	.000
Aged 55-64	.4	.000	.4	.000
Household composition (ref. is Single adult)		.000		.000
Partnered without children	.7	.000	.6	.000
Partnered with children	1.0	.819	.9	.483
Lone parent	1.4	.000	1.4	.006
Other	1.2	.008	1.1	.306
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	1.8	.000	2.0	.000
Rents	2.9	.000	2.8	.000
Government Office Region (ref. is North East)		.000		.000
Lives in North West of England	.9	.424	.9	.244
Yorkshire and the Humber	.8	.064	.8	.083
East Midlands	.8	.126	.8	.085
West Midlands	1.0	.879	.9	.435
East of England	.7	.004	.6	.000
London	.9	.512	1.0	.757
South East of England	1.0	.876	1.0	.843
South West of England	1.0	.674	.8	.226
Wales	.8	.074	.6	.001
Scotland	.5	.000	.5	.000
Recently received an inheritance or substantial gift (ref. is No)	.9	.177	.9	.240
Better or worse off due to change in household circumstances (ref. is No Change)		.000		.000
Better off	.6	.005	.6	.017
Worse off	1.8	.000	1.6	.000
Better or worse off due to change in household income (ref.		.000		.000
Better off	.4	.000	.4	.000
Worse off	2.1	.000	2.1	.000
Change in earnings class (ref. is no change)		.000		.000
Lower earnings class than wave 1	1.0	.877	.9	.147
Higher earnings class	1.6	.000	1.6	.000
Change in work status since wave 1 (ref. is No change)		.127		.021
Yes	1.1	.051	1.7	.008
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	2.3	.000		
Economically inactive	1.8	.000		
Other	1.5	.011		
Period of no or reduced pay since wave 1 (ref. is No)				.000
Yes			1.6	.000
Self-employed (ref. is Employee*)			.8	.024
Works part time (ref. is Full time*)			1.2	.009
Employment sector (ref. is private sector)				.090
Public sector			.9	.085
Two or more jobs (ref. is One job only*)			1.1	.319
Constant	.2	.000	.2	.000
Model statistics Nagelkerke R^2 | Chi sq/df	1994/34	.18	1190/38	.15
Unweighted base		*15,531*		*11,829*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category, as the modal category.

Table A 22 Percentage of people who had fallen behind with the payments on their consumer borrowing or household bills by socio-demographics, low and middle earners

	Fallen behind on any financial commitments (%)	*Unweighted base*
Sex		
Male	6	*9,094*
Female	8	*9,574*
Age group		
16 to 24	9	*1,480*
25 to 34	8	*3,190*
35 to 44	8	*4,872*
45 to 54	6	*5,119*
55 to 64	4	*4,007*
Household type		
Single household	11	*2,031*
Couple household without children	3	*3,991*
Couple household with children	6	*9,442*
Lone parent household	23	*1,225*
Other	7	*1,979*
Housing tenure		
Own outright	1	*4,242*
Own with mortgage	3	*9,624*
Rent	18	*4,802*
Government Office Region		
North East	6	*921*
North West	9	*2,202*
Yorkshire and The Humber	7	*1,870*
East Midlands	7	*1,642*
West Midlands	7	*1,718*
East of England	6	*1,845*
London	7	*1,602*
South East	6	*2,472*
South West	10	*1,478*
Wales	5	*1,029*
Scotland	6	*1,889*
Whether has recently received an inheritance or substantial gift		
No	7	*14,720*
Yes	6	*3,948*
Change in financial situation due to change in household circumstances		
No (or missing)	7	*17,091*
Better off	4	*406*
Worse off	14	*1,171*
Change in financial situation due to change in household income		
No (or missing)	6	*13,182*
Better off	4	*2,910*
Worse off	14	*2,576*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners.

Table A 23 Percentage of people who had fallen behind with the payments on their consumer borrowing or household bills by work-related characteristics, low and middle earners

	Fallen behind on any financial commitments (%)	*Unweighted base*
Change in earnings level, wave 1 to wave 2		
Lower	4	*1,194*
Same	6	*14,117*
Higher	9	*700*
Change in work status, wave 1 to wave 2		
No	5	*14,218*
Yes	11	*2,061*
Working status, wave 2		
In work	4	*14,550*
Unemployed	19	*675*
Economically inactive	11	*3,148*
Other	8	*292*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves		
Yes	7	*1,726*
No	3	*9,829*
Whether working as an employee or self employed		
Employee	4	*12,668*
Self-employed	4	*1,882*
Not currently working	12	*4,115*
Hours worked		
Full-time	4	*10,606*
Part-time	6	*3,946*
Not currently working	12	*4,115*
Whether works in private or public sector		
Private firm, business, ltd company or plc	5	*9,844*
Public sector organisation or nationalised industry	3	*3,946*
Not currently working	12	*4,115*
Whether has a second job		
No - One job only	4	*13,887*
Yes - Two or more jobs	4	*641*
Not currently working	12	*4,115*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed.

Table A 24 Logistic regression predicting having fallen behind with the payments on consumer borrowing or household bills, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p value)	Odds ratio Exp(B)	Significance (p value)
Female (ref. is Male)	1.0	.908	1.0	.585
Age group (ref. is 16-24)		.000		.000
Aged 25-34	1.0	.712	.9	.230
Aged 35-44	1.0	.682	.9	.343
Aged 45-54	.8	.053	.7	.015
Aged 55-64	.6	.000	.4	.000
Household composition (ref. is Single adult household)		.000		.000
Couple household without children	.5	.000	.4	.000
couple household with children	.8	.017	.9	.665
Lone parent household	1.6	.000	1.9	.000
Other	.7	.003	.7	.047
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	3.3	.000	3.2	.000
Rents	16.5	.000	16.9	.000
Government Office Region (ref. is North East)		.000		.000
Lives in North West of England	1.9	.000	1.6	.041
Yorkshire and the Humber	1.3	.117	1.3	.245
East Midlands	1.4	.085	1.0	.885
West Midlands	1.4	.070	1.5	.052
East of England	1.1	.681	.9	.685
London	1.0	.866	.8	.287
South East of England	1.2	.390	.8	.292
South West of England	2.1	.000	1.6	.030
Wales	.9	.533	.6	.092
Scotland	1.1	.656	.9	.565
Recently received an inheritance or substantial gift (ref. is No)	1.0	.668	.8	.027
Better or worse off due to change in household circumstances (ref. is No Change)		.000		.107
Better off	.8	.352	.8	.405
Worse off	1.5	.000	1.3	.054
Better or worse off due to change in household income (ref. is No change)		.000		.000
Better off	.6	.000	.7	.000
Worse off	2.1	.000	2.2	.000
Change in earnings class (ref. is no change)		.000		.006
Lower earnings class than wave 1	1.2	.259	1.1	.528
Higher earnings class	1.9	.000	1.6	.000
Change in work status since wave 1 (ref. is No change)		.156		.071
Yes	1.1	.178	.7	.163
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	2.1	.000		
Economically inactive	1.8	.000		
Other	1.4	.169		
Period of no or reduced pay since wave 1 (ref. is No)				.000
Yes			1.5	.000
Self-employed (ref. is Employee)			1.1	.406
Works part time (ref. is Full time)			1.2	.065
Employment sector (ref. is private sector)				.000
Public sector			.7	.005
Two or more jobs (ref. is One job only)			.9	.682
Constant	.0	.000	.0	.000
Model statistics Nagelkerke R2 | Chi sq/df	2018/34	.24	1214/38	.22
Unweighted base		*18,668*		*8,329*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category, as the modal category.

Table A 25 Reasons for saving among people who had saved from income in the last two years, low and middle earners

Percentages (%)	High earners	Middle earners	Low earners	All
For unexpected expenditures or rainy day	63	60	59	61
For holidays or other leisure recreation	50	52	47	51
To cover a planned expense in the future	42	35	31	36
To provide income for retirement	26	22	15	21
For other family members (including for gifts or inheritance)	18	16	16	17
To see my money grow or good interest rates speculation	22	14	10	15
For a deposit to buy property	15	9	6	10
Don't spend all of income	11	7	5	7
As speculation or recreationally	8	7	4	7
To provide a regular income over the next 12 months	6	6	5	6
Some other reason	4	4	4	4
Don't know	0	0	0	0
Unweighted Base	*1,977*	*5,816*	*1,694*	*9,487*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners who had saved in the last two years. More than one response was allowed.

Table A 26 Reasons for not saving among people who had not saved from income in the last two years, low and middle earners

Percentages (%)	High earners	Middle earners	Low earners	All
Can't afford to/ Income too low/ Costs too high	51	70	80	73
Want to pay off debts first	28	23	16	21
Intended to, but debts too high	8	8	7	8
Haven't thought about it/ don't want to/ haven't got round to	8	8	6	7
Don't need to save	7	4	2	3
Have an offset mortgage	2	1	0	1
Would lose out on benefits	0	0	1	1
Too late to start saving	1	1	1	1
Some other reason	13	7	4	6
Don't know	1	1	1	1
Unweighted Base	*706*	*4,575*	*3,428*	*8,709*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners who had not saved in the last two years. More than one response was allowed.

Table A 27 Percentage of people who reported having saved in the last two years, by socio-demographic characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Sex			
Male	47	53	*7,294*
Female	46	54	*8,237*
Age group			
16 to 24	38	62	*876*
25 to 34	46	54	*2,567*
35 to 44	46	54	*4,100*
45 to 54	46	54	*4,419*
55 to 64	50	50	*3,569*
Household type			
Single adult household	45	55	*2,031*
Couple without children	59	41	*3,392*
Couple with children	46	54	*7,427*
Lone parent household	25	75	*1,182*
Other	39	61	*1,499*
Housing tenure			
Own it outright	60	40	*3,497*
mortgage	52	48	*7,862*
Rent it	28	72	*4,172*
Government Office Region			
North East	40	60	*774*
North West	41	59	*1,853*
Yorkshire and The Humber	46	54	*1,529*
East Midlands	51	49	*1,367*
West Midlands	44	56	*1,418*
East of England	50	50	*1,567*
London	47	53	*1,280*
South East	50	50	*2,062*
South West	46	54	*1,264*
Wales	42	58	*834*
Scotland	46	54	*1,583*
Whether has recently received an inheritance or substantial gift			
No	44	56	*12,053*
Yes	54	46	*3,478*
Change in financial situation due to change in household circumstances			
No	47	53	*13,965*
Better off	64	36	*405*
Worse off	29	71	*1,161*
Change in financial situation due to change in household income			
No (or missing)	45	55	*10,077*
Better off	65	35	*2,889*
Worse off	30	70	*2,565*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners.

Table A 28 Percentage of people who reported having saved in the last two years, by work-related characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Change in earnings level, wave 1 to wave 2			
Lower	55	45	*997*
Same	46	54	*12,127*
Higher	41	59	*555*
Not classified in either year (usually due to insufficient info)	47	53	*224*
Change in work status, wave 1 to wave 2			
No	49	51	*12,102*
Yes	32	68	*1,801*
Working status, wave 2			
In work	52	48	*11,829*
Unemployed	22	78	*564*
Economically inactive	26	74	*2,887*
Other	36	64	*250*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves			
Yes	47	53	*1,464*
No	55	45	*8,205*
Whether working as an employee or self employed			
Employee	53	47	*10,313*
Self-employed	46	54	*1,516*
Not currently working	26	74	*3,701*
Hours worked			
Full-time	55	45	*8,396*
Part-time	45	55	*3,433*
Not currently working	26	74	*3,701*
Whether works in private or public sector			
Private firm, business, ltd company or plc	49	51	*7,779*
Public sector organisation or nationalised industry	60	40	*3,381*
Not currently working	26	74	*3,701*
Whether has a second job			
No - One job only	52	48	*11,252*
Yes - Two or more jobs	54	46	*559*
Not currently working	26	74	*3,701*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed.

Table A 29 Binary logistic regression predicting reporting having saved in the last two years, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p-value)	Odds ratio Exp(B)	Significance (p-value)
Female (ref. is Male)	1.1	.041	1.1	.191
Age group (ref. is 16-24)		.000		.000
Aged 25-34	1.4	.000	1.3	.003
Aged 35-44	1.5	.000	1.4	.000
Aged 45-54	1.3	.001	1.3	.007
Aged 55-64	1.5	.000	1.4	.000
Household composition (ref. is Single adult)		.000		.000
Partnered without children	1.3	.000	1.4	.000
Partnered with children	.8	.000	.9	.049
Lone parent	.5	.000	.6	.000
Other	.7	.000	.8	.004
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	.6	.000	.5	.000
Rents	.3	.000	.3	.000
Government Office Region (ref. is North East)		.000		.000
Lives in North West of England	1.0	.756	1.0	.825
Yorkshire and the Humber	1.1	.258	1.2	.075
East Midlands	1.4	.000	1.6	.000
West Midlands	1.1	.323	1.2	.066
East of England	1.3	.004	1.4	.002
London	1.4	.000	1.4	.001
South East of England	1.3	.001	1.4	.001
South West of England	1.1	.216	1.2	.084
Wales	1.0	.945	1.1	.448
Scotland	1.2	.112	1.3	.037
Recently received an inheritance or substantial gift (ref. is No)	1.2	.000	1.2	.000
Better or worse off due to change in household circumstances (ref. is No Change)		.000		.000
Better off	1.5	.000	1.5	.001
Worse off	.6	.000	.7	.000
Better or worse off due to change in household income (ref.		.000		.000
Better off	2.1	.000	2.1	.000
Worse off	.6	.000	.6	.000
Change in earnings class (ref. is no change)		.000		.001
Lower earnings class than wave 1	1.1	.123	1.2	.021
Higher earnings class	.7	.000	.8	.003
Change in work status since wave 1 (ref. is No change)		.078		.000
Yes	.9	.024	.6	.000
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	.5	.000		
Economically inactive	.4	.000		
Other	.6	.001		
Period of no or reduced pay since wave 1 (ref. is No)				.934
Yes			1.0	.714
Self-employed (ref. is Employee*)			.8	.001
Works part time (ref. is Full time*)			.8	.000
Employment sector (ref. is Private sector)				.000
Public sector			1.4	.000
Two or more jobs (ref. is One job only*)			1.1	.147
Constant	1.2	.096	1.2	.232
Model statistics Nagelkerke R2 | Chi sq/df	2681/34	.20	1580/38	.15
Unweighted base	*15,531*	.041	*11,829*	

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category, as the modal category.

Table A 30 Median and mean amount held in savings by socio-demographic characteristics, low and middle earners

	Median (£)	Mean (£)	*Unweighted base*
Sex			
Male	1,500	17500	*9,094*
Female	1,400	15200	*9,574*
Age group			
16 to 24	200	2200	*1,480*
25 to 34	700	6600	*3,190*
35 to 44	1,200	13100	*4,872*
45 to 54	2,800	21200	*5,119*
55 to 64	7,000	35900	*4,007*
Household type			
Single household	1,600	19700	*2,031*
Partnered without children	3,600	23700	*3,991*
Partnered with children	1,500	15600	*9,442*
Lone parent	100	5600	*1,225*
Other	600	11000	*1,979*
Housing tenure			
Own it outright	11,300	43700	*4,242*
Own with mortgage	2,100	13700	*9,624*
Rent	200	4700	*4,802*
Government Office Region			
North East	500	10700	*921*
North West	800	10400	*2,202*
Yorkshire and The Humber	1,400	15100	*1,870*
East Midlands	1,500	14800	*1,642*
West Midlands	1,300	13700	*1,718*
East of England	2,000	17500	*1,845*
London	1,300	21200	*1,602*
South East	2,100	23800	*2,472*
South West	1,600	18200	*1,478*
Wales	1,400	13100	*1,029*
Scotland	1,400	14600	*1,889*
Whether has recently received an inheritance or substantial gift			
No	1,000	14400	*14,720*
Yes	3,200	23500	*3,948*
Change in financial situation due to change in household			
No (or missing)	1,500	16800	*17,091*
Better off	3,100	18100	*406*
Worse off	500	9500	*1,171*
Change in financial situation due to change in household income			
No (or missing)	1,300	16800	*13,182*
Better off	2,800	17200	*2,910*
Worse off	600	13300	*2,576*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 respondents of working age classed as low or middle earners.

Table A 31 Median and mean amounts held in saving by work-related characteristics, low and middle earners

	Median(£)	Mean(£)	*Unweighted base*
Change in earnings level, wave 1 to wave 2			
Lower	3,000	2,6800	*1,200*
Same	1,600	1,7100	*14,100*
Higher	500	7800	*700*
Change in work status, wave 1 to wave 2			
No	1,900	1,7400	*14,200*
Yes	400	1,5700	*2,100*
Working status, wave 2			
In work	2,000	1,6200	*14,600*
Unemployed	100	6000	*700*
Economically inactive	300	1,9100	*3,100*
Other	400	2,7400	*300*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves			
Yes	1,300	1,4700	*1,700*
No	2,600	1,7900	*9,800*
Whether working as an employee or self employed			
Employee	1,800	1,5000	*12,700*
Self-employed	2,900	2,5200	*1,900*
Not currently working	200	1,7100	*4,100*
Hours worked			
Full-time	2,000	1,5500	*10,600*
Part-time	1,500	1,8100	*3,900*
Not currently working	200	1,7100	*4,100*
Whether works in private or public sector			
Private firm, business, ltd company or plc	1,500	1,6000	*9,800*
Public sector organisation or nationalised industry	3,200	1,6500	*3,900*
Not currently working	200	1,7100	*4,100*
Whether has a second job			
No - One job only	2,000	1,6100	*13,900*
Yes - Two or more jobs	1,800	1,8500	*600*
Not currently working	200	1,7100	*4,100*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners. Missing categories have been suppressed.
All estimates are rounded to the nearest £100.

Table A 32 Linear regression predicting amount held in savings, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Unstandardised coefficient (B; £)	Significance (p-value)	Unstandardised coefficient (B; £)	Significance (p-value)
Female	- 1,027	.332	- 2,635	.047
Aged 25-34	3,033	.137	3,486	.130
Aged 35-44	9,271	.000	9,691	.000
Aged 45-54	14,297	.000	14,510	.000
Aged 55-64	20,939	.000	21,458	.000
Partnered without children	1,957	.307	1,132	.615
Partnered with children	- 2,915	.081	- 3,197	.109
Lone parent	- 3,121	.124	- 4,759	.052
Other	- 4,111	.037	- 2,612	.266
Owns main home with mortgage	- 25,345	.000	- 20,949	.000
Rents	- 32,632	.000	- 27,290	.000
Lives in North West of England	- 686	.809	- 1,927	.567
Yorkshire and the Humber	3,459	.242	1,486	.671
East Midlands	3,299	.277	2,041	.567
West Midlands	2,224	.451	1,178	.736
East of England	5,976	.042	4,688	.175
London	12,241	.000	11,386	.001
South East of England	12,106	.000	9,061	.006
South West of England	6,442	.031	5,023	.153
Wales	1,084	.745	124	.975
Scotland	3,590	.223	3,336	.338
Recently received an inheritance or substantial gift	7,701	.000	6,248	.000
Worse off due to change in household	- 2,435	.270	- 3,238	.217
Better off due to change in household	- 837	.822	136	.973
Worse off due to household income	2,641	.067	- 5,073	.011
Better off due to household income	- 3,749	.018	3,669	.019
Lower earnings class than wave 1	9,267	.000	10,212	.000
Higher earnings class	- 4,321	.086	- 4,220	.108
Change in work status since wave 1	1,948	.292	- 94	.984
Unemployed at wave 2	- 3,299	.270		
Economically inactive	1,790	.259		
Other	9,746	.026		
Period of no or reduced pay since wave 1			- 2,079	0.261
Self-employed			6,509	0.001
Works part-time			3,886	0.011
Works in the public sector			- 659	0.646
Has two or more jobs			- 180	0.952
(Constant)	24,216	.000	21,639	.000
Model statistics	Adj. R2= .05	F Ratio =31	Adj. R2= .04	F Ratio = 17
Unweighted base		*18,866*		*14,556*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners. Values in grey were not statistically significant in the model. Missing categories have been suppressed.

Table A 33 Percentage of people currently paying into a private pension by socio-demographic characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Sex			
Male	31	69	*9,094*
Female	31	69	*9,574*
Age group			
16 to 24	8	92	*1,480*
25 to 34	29	71	*3,190*
35 to 44	35	65	*4,872*
45 to 54	39	61	*5,119*
55 to 64	29	71	*4,007*
Household type			
Single adult household	31	69	*2,031*
Couple without children	37	63	*3,991*
Couple with children	32	68	*9,442*
Lone parent household	19	81	*1,225*
Other	22	78	*1,979*
Housing tenure			
Own it outright	33	67	*4,242*
mortgage	40	60	*9,624*
Rent it	14	86	*4,802*
Government Office Region			
North East	28	72	*921*
North West	28	72	*2,202*
Yorkshire and The Humber	31	69	*1,870*
East Midlands	31	69	*1,642*
West Midlands	30	70	*1,718*
East of England	33	67	*1,845*
London	30	70	*1,602*
South East	33	67	*2,472*
South West	31	69	*1,478*
Wales	30	70	*1,029*
Scotland	34	66	*1,889*
Whether has recently received an inheritance or substantial gift			
No	29	71	*14,720*
Yes	37	63	*3,948*
Change in financial situation due to change in household circumstances			
No (or missing)	31	69	*17,091*
Better off	47	53	*406*
Worse off	31	69	*1,171*
Change in financial situation due to change in household income			
No (or missing)	31	69	*13,182*
Better off	41	59	*2,910*
Worse off	21	79	*2,576*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners.

Table A 34 Percentage of people currently paying into a private pension by work-related characteristics, low and middle earners

Row percentages (%)	Yes	No	*Unweighted base*
Change in earnings level, wave 1 to wave 2			
Lower	40	60	*1,194*
Same	32	68	*14,117*
Higher	26	74	*700*
Not classified in either year (usually due to insufficient info)	25	75	*272*
Change in work status, wave 1 to wave 2			
No	36	64	*14,218*
Yes	7	93	*2,061*
Working status, wave 2			
In work	39	61	*14,550*
Unemployed	1	99	*675*
Economically inactive	<1	100	*3,148*
Other	-	100	*292*
Periods of unemployment or reduced pay since wave 1, among those in work at both waves			
Yes	29	71	*1,726*
No	45	55	*9,829*
Whether working as an employee or self employed			
Employee	41	59	*12,668*
Self-employed	24	76	*1,882*
Not currently working	1	99	*4,115*
Hours worked			
Full-time	42	58	*10,606*
Part-time	30	70	*3,946*
Not currently working	1	99	*4,115*
Whether works in private or public sector			
Private firm, business, ltd company or plc	29	71	*9,844*
Public sector organisation or nationalised industry	64	36	*3,946*
Not currently working	1	99	*4,115*
Whether has a second job			
No - One job only	39	61	*13,887*
Yes - Two or more jobs	37	63	*641*
Not currently working	1	99	*4,115*
All	31	69	*18,643*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners.

Table A 35 Logistic regression predicting contributing to a private pension, low and middle earners

	1. All low and middle earners		2. Low and middle earners in work	
	Odds ratio Exp(B)	Significance (p-value)	Odds ratio Exp(B)	Significance (p-value)
Female (ref. is Male)	1.0	.221	.9	.003
Age group (ref. is 16-24)		.000		.000
Aged 25-34	4.2	.000	3.8	.000
Aged 35-44	5.5	.000	5.1	.000
Aged 45-54	6.7	.000	6.2	.000
Aged 55-64	5.6	.000	5.5	.000
Household composition (ref. is Single adult)		.000		.000
Partnered without children	.9	.030	.9	.277
Partnered with children	.8	.000	.9	.019
Lone parent	.7	.000	.8	.010
Other	.6	.000	.7	.000
Housing tenure (ref. is Owns outright)		.000		.000
Owns with mortgage	1.0	.900	.9	.082
Rents	.4	.000	.4	.000
Government Office Region (ref. is North East)		.021		.256
Lives in North West of England	.9	.325	1.0	.668
Yorkshire and the Humber	1.0	.868	1.1	.633
East Midlands	1.0	.993	1.1	.217
West Midlands	1.0	.995	1.1	.288
East of England	1.0	.802	1.2	.158
London	1.1	.258	1.2	.045
South East of England	1.0	.777	1.1	.235
South West of England	1.0	.883	1.1	.331
Wales	1.0	.993	1.1	.479
Scotland	1.2	.051	1.3	.025
Recently received an inheritance or substantial gift (ref. is No)	1.2	.000	1.3	.000
Better or worse off due to change in household circumstances (ref. is No Change)		.000		.000
Better off	1.5	.001	1.3	.017
Worse off	1.3	.001	1.3	.000
Better or worse off due to change in household income (ref. is No change)		.000		.000
Better off	1.5	.000	1.4	.000
Worse off	.7	.000	.8	.000
Change in earnings class (ref. is no change)		.004		.082
Lower earnings class than wave 1	.9	.395	1.0	.992
Higher earnings class	.7	.000	.8	.016
Change in work status since wave 1 (ref. is No change)		.000		.000
Yes	.4	.000	.3	.000
Work status, wave 2 (ref. is In Work)		.000		
Unemployed	.1	.000		
Economically inactive	.0	.000		
Other	.0	.993		
Period of no or reduced pay since wave 1 (ref. is No)				.000
Yes			.7	.000
Self-employed (ref. is Employee*)			.5	.000
Works part time (ref. is Full time*)			.5	.000
Employment sector (ref. is Private sector)				.000
Public sector			4.1	.000
Two or more jobs (ref. is One job only*)			.9	.364
Constant	.2	.000	.2	.000
Model statistics Nagelkerke R2 | Chi sq/df	5398/34	.33	3684/38	.28
Unweighted base	*15,531*		*11,829*	

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 non-proxy respondents of working age classed as low or middle earners. Missing categories have been suppressed. Values in grey were not statistically significant in the model. * The small number of missing cases have been included in this category, as the modal category.

Table A 36 Linear regression predicting private pension wealth, low and middle earners with any pension wealth

	1. All low and middle earners			2. All low and middle earners in work		
		Unstandardised coefficient (B; £)	Significance (p-value)		Unstandardised coefficient (B; £)	Significance (p-value)
Female	-	52,371	.000	-	66,725	.000
Aged 25-34		13,798	.691		11,809	.744
Aged 35-44		62,797	.065		68,334	.056
Aged 45-54		136,067	.000		149,231	.000
Aged 55-64		207,528	.000		213,113	.000
Partnered without children		3,784	.836	-	6,169	.763
Partnered with children	-	4,902	.763	-	4,797	.793
Lone parent	-	3,704	.872	-	11,534	.654
Other	-	31,883	.146	-	31,397	.198
Owns main home with mortgage	-	49,784	.000	-	36,742	.020
Rents	-	107,680	.000	-	79,695	.000
Lives in North West of England		13,180	.651		24,547	.450
Yorkshire and the Humber	-	1,183	.969		6,867	.838
East Midlands		32	.999		9,695	.779
West Midlands		13,609	.653		24,795	.463
East of England		9,127	.758		20,975	.526
London		16,031	.591		24,055	.470
South East of England		44,049	.120		60,832	.054
South West of England		1,144	.970		11,010	.746
Wales		21,621	.520		19,081	.614
Scotland		17,685	.556		4,820	.885
Recently received an inheritance or substantial gift		566	.963		1,135	.931
Worse off due to change in household circumstances		30,360	.162		34,777	.148
Better off due to change in household circumstances		35,720	.297		30,940	.383
Worse off due to household income		24,425	.079		24,005	.103
Better off due to household income	-	29,826	.065	-	15,003	.434
Lower earnings class than wave 1		66,313	.001		71,089	.000
Higher earnings class	-	58,611	.039	-	50,184	.083
Change in work status since wave 1	-	1,303	.952	-	7,947	.865
Unemployed at wave 2	-	45,441	.252			
Economically inactive		26,605	.151			
Other		20,348	.692			
Period of no or reduced pay since wave 1					7,172	0.689
Self-employed				-	54,726	0.004
Works part-time				-	9,756	0.526
Works in the public sector					84,376	0.000
Has two or more jobs					16,152	0.564
(Constant)		106,077	.021		62,384	.214
Model statistics		Adj. R^2= .06	F Ratio = 20		Adj. R^2= .03	F Ratio = 8
Unweighted base			*3,686*			*2,770*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 respondents of working age classed as low or middle earners with any pension wealth.
Values in grey were not statistically significant in the model. Missing categories have been suppressed.

Appendix 3 The role of age in financial wellbeing

Wealth and financial wellbeing is expected to vary across the lifecycle, however age is also an important factor in other outcomes that are also relate to wealth and financial wellbeing. To help provide a context for the findings described throughout this report, we have undertaken an analysis – by the age of the individual respondent – of all of the other socio-demographic and work-related characteristics, wealth and other financial wellbeing measures the report has considered. In contrast to the analysis described in the main report, this analysis takes accounts of all adults age 16 and over and is not limited to those of working age classified into one of the three earnings classes.

The following tables provide breakdowns of all of the measures found in this report by age in 10-year bands across the whole of the life cycle, from 16 to 24 year olds to people aged 85 and over. Where they provide relevant contextual information, they are also referenced in the main report.

Table B 1 Socio-demographic characteristics, by age

Column percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Sex									
Male	50	50	49	49	49	48	42	37	48
Female	50	50	51	51	51	52	58	63	52
Household type									
Single adult household	3	9	11	12	12	-	-	-	8
Couple without children	8	25	13	19	23	-	-	-	14
Couple with children	54	47	61	53	41	12	3	1	42
Lone parent household	9	5	8	6	1	<1	-	-	4
Other	26	14	8	11	23	88	97	99	31
Housing tenure									
Owned outright	15	8	8	21	51	70	69	62	30
Owned with mortgage	43	54	64	57	29	8	5	5	42
Rents	42	38	28	22	20	21	26	33	28
Government Office Region									
North East	5	4	4	5	5	5	5	6	4
North West	14	11	10	12	12	11	12	11	11
Yorkshire and The Humber	8	9	9	8	9	9	7	8	9
East Midlands	9	8	7	7	8	8	7	9	8
West Midlands	10	9	9	9	10	10	8	8	9
East of England	8	9	10	10	9	10	11	11	10
London	13	15	14	11	11	9	11	8	12
South East	11	13	15	15	13	14	14	15	14
South West	8	7	9	9	9	10	10	13	9
Wales	5	5	5	5	6	6	7	5	5
Scotland	10	9	8	10	9	9	9	8	9
Whether has recently received an inheritance or substantial gift									
No	85	71	77	81	79	85	91	92	80
Yes	15	29	23	19	21	15	9	8	20
Change in financial situation due to change in household circumstances									
No (or missing)	97	91	91	91	95	98	98	98	94
Better off	1	2	2	3	2	1	<1	<1	2
Worse off	2	7	8	6	3	1	2	1	5
Change in financial situation due to change in household income									
No (or missing)	76	65	70	72	73	80	84	81	73
Better off	18	23	17	14	11	8	9	13	15
Worse off	6	12	13	14	16	12	8	6	12
Unweighted base	*2,305*	*4,096*	*6,063*	*6,210*	*6,710*	*5,562*	*3,210*	*812*	*34,968*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults. <1' indicates a value of less than one but greater than zero. '-' indicates no cases in the sample.

Table B 2 Working and occupational status, by age

Column percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Working status, wave 2									
In work	62	80	82	80	55	11	3	<1	59
Unemployed	12	5	3	4	2	<1	-	-	4
Economically inactive	23	14	14	15	40	88	97	99	36
Looking after the family home	6	8	8	5	3	1	1	<1	5
Due to being sick or disabled	2	3	5	8	10	1	<1	1	5
Retired	-	<1	<1	1	27	86	96	98	24
Student	15	2	1	<1	<1	-	-	-	2
Other	2	1	1	1	2	1	<1	<1	1
Missing	-	<1	-	<1	<1	<1	<1	-	<1
Occupational class									
Large employers and higher managerial and administrative occupations	1	4	6	6	4	4	3	3	4
Higher professional occupations	2	11	8	7	7	6	4	5	7
Lower managerial, administrative and professional occupations	9	26	28	26	25	21	20	19	23
Intermediate occupations	12	13	11	11	13	12	14	13	12
Small employers and own account workers	2	6	8	9	10	9	7	7	8
Lower supervisory and technical occupations	7	8	8	10	9	9	10	10	9
Semi-routine occupations	21	15	16	16	17	19	19	20	17
Routine occupations	15	9	11	13	13	17	17	17	13
Never worked and long-term unemployed	12	4	3	2	2	2	5	6	4
Not classified	20	3	1	1	1	1	1	1	3
Earnings level									
High earners (class 1.1,1.2)	3	15	15	13	11	9	8	8	11
Middle earners (class 2-5)	30	53	55	55	56	51	50	49	52
Low earners (class 6-7)	36	24	26	29	31	36	36	36	30
Never worked/long-term unemployed	12	4	3	2	2	2	5	6	4
Not classified	20	3	1	1	1	1	1	1	3
Unweighted base	*2,305*	*4,096*	*6,063*	*6,210*	*6,710*	*5,562*	*3,210*	*812*	*34,968*
Change in working status, wave 1 to wave 2[1]									
No change	71	86	90	91	85	91	98	100	88
Into work	14	6	4	3	3	2	1	<1	4
Into unemployment	8	4	3	3	2	<1	-	-	2
Into inactive/other	7	5	4	3	10	7	1	<1	5
Any change in occupation wave 1 to wave 2[1 2]									
Yes	68	54	48	45	61	92	98	99	63
No	32	46	52	55	39	8	2	1	37
Change in earnings level wave 1 to wave 2									
Lower (including into never worked/long term unemployed)[1]	**4**	**6**	**7**	**6**	**4**	**1**	**<1**	**<1**	**5**
Same	64	80	83	86	91	97	99	99	87
Higher	12	9	7	6	3	1	<1	-	5
Not classified in either year	21	5	2	2	1	1	1	1	3
Unweighted base	*1,114*	*3,274*	*5,446*	*5,662*	*6,320*	*5,368*	*3,112*	*770*	*31,066*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults. <1' indicates a value of less than one but greater than zero. '-' indicates no cases in the sample. * Treat with caution due to small base (less than 100 cases). ** Figures have been suppressed due to small base (less than 50 cases). 1. Base is further limited to wave 2 respondents who were interviewed at wave 1. 2. Relates to any change in the 40 operational occupational classes.

Table B 3 In-work characteristics, by age

Column percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Whether working as an employee or self employed (main job)									
Employee	96	92	89	87	83	70	62		88
Self-employed	4	8	11	13	17	30	38		12
Unweighted base	*1,402*	*3,226*	*4,984*	*4,991*	*3,683*	*688*	*104*	*7***	*19,085*
Whether currently working full or part-time (main job)									
Full-time	71	82	76	77	68	28	17		74
Part-time	29	18	24	23	32	72	83		26
Unweighted base	*1,399*	*3,226*	*4,984*	*4,993*	*3,685*	*689*	*104*	*7***	*19,087*
Whether works in private or public sector (main job)									
Private firm, business, ltd company or plc	86	74	71	68	69	77	77		72
Public sector organisation or nationalised industry	14	26	29	32	31	23	23		28
Unweighted base	*1,342*	*3,033*	*4,738*	*4,738*	*3,467*	*617*	*82**	*6***	*18,023*
Whether has a second job									
No - One job only	96	97	95	95	96	96	98		96
Yes - Two or more jobs	4	3	5	5	4	4	2		4
Unweighted base	*1,396*	*3,221*	*4,969*	*4,984*	*3,675*	*680*	*104*	*7***	*19,036*
Periods of unemployment or reduced pay since wave 1[1]									
Yes	21	18	13	12	14	13	11		15
No	79	82	87	88	86	87	89		85
Unweighted base	*593*	*2,311*	*4,153*	*4,293*	*3,221*	*554*	*73**	*5***	*15,203*
Whether working in same job since wave 1[1]									
Same job	50	66	76	80	85	90	87		75
Same job, different employer[2]	11	8	7	5	4	2	2		6
Different job	36	23	14	13	10	7	6		16
In work at both waves but missing 'same job' info	2	3	2	2	2	2	5		2
Unweighted base	*606*	*2,376*	*4,249*	*4,371*	*3,288*	*562*	*77**	*6***	*15,535*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults who were in work at wave 2. Bases differ due to missing values.

<1' indicates a value of less than one but greater than zero. '-' indicates no cases in the sample. * Treat with caution due to small base (less than 100 cases). ** Figures have been suppressed due to small base (less than 50 cases). 1. Base is further limited to those also interviewed at wave 1 and who were in work at both waves. Bases differ due to missing values.2. Employees only.

Table B 4 Wealth and the components of wealth, by age (£)

	Mean	25th percentile	Median	75th percentile	*Unweighted base*
Total household wealth					
16 to 24	358,300	25,100	150,800	447,900	*2,305*
25 to 34	209,100	35,100	108,100	244,700	*4,096*
35 to 44	341,300	75,600	223,200	455,200	*6,063*
45 to 54	572,300	157,100	376,500	723,600	*6,210*
55 to 64	755,000	209,200	470,900	941,400	*6,710*
65 to 74	568,700	178,000	381,400	682,200	*5,562*
75 to 84	400,900	123,400	271,900	476,100	*3,210*
85 and over	313,700	54,800	213,400	348,800	*812*
All	457,400	83,100	265,100	567,400	*34,968*
Total household physical wealth					
16 to 24	40,800	15,000	32,000	54,300	*2,305*
25 to 34	34,000	15,000	27,500	45,500	*4,096*
35 to 44	43,700	18,400	36,400	58,100	*6,063*
45 to 54	51,500	25,000	42,000	66,000	*6,210*
55 to 64	53,000	25,000	43,500	66,500	*6,710*
65 to 74	47,100	22,000	38,000	62,500	*5,562*
75 to 84	39,300	15,000	31,500	48,500	*3,210*
85 and over	33,500	14,500	25,000	42,000	*812*
All	44,500	18,000	36,000	59,000	*34,968*
Total household property wealth					
16 to 24	114,700	0	38,000	160,000	*2,305*
25 to 34	71,200	0	21,000	94,000	*4,096*
35 to 44	112,100	0	73,000	152,400	*6,063*
45 to 54	171,400	30,000	124,000	225,000	*6,210*
55 to 64	217,600	78,000	160,000	273,000	*6,710*
65 to 74	206,400	77,200	160,000	250,000	*5,562*
75 to 84	174,300	0	150,000	230,000	*3,210*
85 and over	149,000	0	130,000	200,000	*812*
All	149,100	0	100,000	200,000	*34,968*
Total (individual) pension wealth					
16 to 24	2,100	0	0	0	*2,305*
25 to 34	25,600	0	300	27,200	*4,096*
35 to 44	79,600	0	15,800	84,300	*6,063*
45 to 54	157,700	0	38,500	175,400	*6,210*
55 to 64	230,400	0	57,800	255,300	*6,710*
65 to 74	140,900	0	41,300	151,100	*5,562*
75 to 84	79,800	0	16,400	72,600	*3,210*
85 and over	34,400	0	3,100	29,600	*812*
All	107,000	0	11,700	90,500	*34,968*
Total (individual) financial wealth					
16 to 24	700	-300	0	800	*2,305*
25 to 34	5,000	-1,700	200	4,100	*4,096*
35 to 44	13,500	-1,000	600	8,800	*6,063*
45 to 54	24,100	-100	2,400	18,000	*6,210*
55 to 64	43,100	400	8,500	41,000	*6,710*
65 to 74	39,700	1,500	10,300	39,000	*5,562*
75 to 84	35,500	2,300	9,800	34,000	*3,210*
85 and over	32,700	2,100	8,600	29,300	*812*
All	22,500	0	2,000	16,100	*34,968*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 adults

Table B 5 Types of consumer credit commitments held, by age

Percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Credit or charge card	9	25	27	22	14	7	3	<1	17
Any personal or cash loan[1]	15	25	19	15	9	4	2	<1	14
Overdraft	18	21	19	15	8	5	2	-	14
Hire purchase	6	11	11	10	6	4	1	-	8
Mail order	5	6	6	6	4	3	2	1	5
Store card	3	4	5	3	2	1	1	-	3
Any high cost credit commitments[2]	2	2	2	1	1	-	-	-	1
Any active credit commitments	**36**	**54**	**52**	**44**	**30**	**18**	**8**	**1**	**38**
Unweighted base	*2,305*	*4,096*	*6,063*	*6,210*	*6,710*	*5,562*	*3,210*	*812*	*34,968*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 adults. Figures sum to more than 100 as people could have more than one type of commitment.
1. Includes loans from the Student Loans Company and cash loans from friends or family.
2. Encompass home collected credit (including home collected hire purchase), payday and pawnbroking loans.
<1' indicates a value of less than one but greater than zero. '-' indicates no cases in the sample.

Table B 6 Amounts owed in outstanding consumer credit commitments, by age (£)

	Mean	25th percentile	Median	75th percentile	*Unweighted base*
All adults					
16 to 24	1,400	0	0	400	*2,305*
25 to 34	3,100	0	100	3,000	*4,096*
35 to 44	3,000	0	100	2,500	*6,063*
45 to 54	2,500	0	0	1,700	*6,210*
55 to 64	1,400	0	0	200	*6,710*
65 to 74	500	0	0	0	*5,562*
75 to 84	200	0	0	0	*3,210*
85 and over	<100	0	0	0	*812*
All	1,900	0	0	800	*34,968*
Adults with any active credit commitments					
16 to 24	3,800	300	1,100	5,600	*859*
25 to 34	5,700	700	2,500	8,000	*2,204*
35 to 44	5,800	600	2,300	6,900	*3,086*
45 to 54	5,600	500	2,300	6,800	*2,603*
55 to 64	4,500	400	1,700	5,800	*1,845*
65 to 74	2,800	200	800	3,200	*877*
75 to 84	2,100	200	700	2,300	*242*
85 and over					*8**
All	5,100	500	2,000	6,600	*11,724*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 adults.
*Figures have been suppressed due to small base (less than 50 cases).

Table B 7 Percentage of people reporting having money left over at or running out of money before the end of the week or month, by age

Column percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
How often someone had money left in the last 12 months									
Always	13	16	17	20	26	28	31	37	22
Most of the time	15	19	15	17	18	21	23	23	18
Sometimes	22	25	24	22	22	24	24	22	23
Hardly ever	22	22	23	21	17	15	13	11	19
Never	25	17	21	19	15	10	8	5	16
Don't know/too hard to say/varies too much	3	1	1	1	2	2	2	3	2
How often someone had run out of money in the last 12 months									
Always	16	8	9	7	6	3	1	1	7
Most of the time	16	12	11	11	6	4	2	1	9
Sometimes	20	22	22	19	15	13	10	7	18
Never or hardly ever	17	22	24	26	28	29	32	30	26
Has money left over always or most of the time	28	35	32	36	44	49	53	59	40
Don't know/too hard to say/varies too much[1]	3	1	1	1	1	2	2	1	1
Unweighted base	*1,348*	*3,286*	*5,038*	*5,293*	*5,986*	*5,199*	*3,037*	*738*	*29,925*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults responding in person.

1. Includes people saying 'don't know' at the previous question (these were not asked the follow up question).

Table B 8 Percentage of people in financial difficulty, by age

Percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
All adults									
Household is in arrears on household bills	10	7	7	3	2	1	<1	<1	5
Individual has any arrears on consumer credit commitments	1	1	1	1	<1	<1	-	-	1
Any arrears	10	8	8	5	3	1	<1	<1	6
Unweighted base	*2,305*	*4,096*	*6,063*	*6,210*	*6,710*	*5,562*	*3,210*	*812*	*34,968*
Those with any consumer credit commitments									
Individual has any arrears on consumer credit commitments									
Yes	2	2	2	2	1	1	-		2
No	98	98	98	98	99	99	100		98
Unweighted base	*859*	*2,204*	*3,086*	*2,603*	*1,845*	*877*	*242*	*8**	*11,724*
Extent to which consumer credit commitments are a burden[1]									
A heavy burden,	21	23	23	20	15	15	9		20
Somewhat of a burden,	33	37	37	35	30	24	25		34
Not a problem at all?	45	41	39	45	55	61	66		45
Don't know	1	<1	<1	<1	<1	-	<1		<1
Unweighted base	*566*	*1,849*	*2,647*	*2,273*	*1,686*	*825*	*223*	*8**	*10,077*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults.

'<1' indicates a value of less than 100 but greater than zero. '-' indicates no cases in sample. 1. Base is further limited to respondents responding in person. *Figures have been suppressed due to small base (less than 50 cases).

Table B 9 Whether someone reported having saved from income in the last two years and their reasons for (not) doing so

Percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Yes	**35**	**49**	**49**	**49**	**52**	**47**	**49**	**53**	**48**
For unexpected expenditures or rainy day	39	57	65	63	60	59	59	56	60
For holidays or other leisure recreation	42	48	51	54	50	47	32	13	47
To cover a planned expense in the future	41	40	36	35	29	25	22	18	33
To provide income for retirement	2	9	15	26	41	17	9	8	20
For other family members (including for gifts or inheritance)	8	12	17	20	20	23	27	29	19
To see my money grow or good interest rates/speculation	11	16	14	15	15	12	9	5	14
Don't spend all of income	6	8	7	7	7	9	12	13	8
For a deposit to buy property	22	22	8	4	1	<1	<1	<1	7
To provide a regular income over the next 12 months	4	6	6	5	8	8	6	5	6
As speculation or recreationally	5	8	7	6	5	3	2	2	5
Some other reason	5	5	3	3	2	2	3	5	3
Don't know	<1	-	<1	-	<1	<1	<1	1	<1
Unweighted base	*461*	*1,589*	*2,572*	*2,761*	*3,288*	*2,664*	*1,593*	*403*	*15,331*
No	**65**	**51**	**51**	**51**	**48**	**53**	**51**	**47**	**52**
Can't afford to/ Income too low/ Costs too high	75	72	75	73	72	67	62	57	71
Want to pay off debts first	10	26	23	19	12	5	4	2	16
Intended to, but debts too high	5	9	10	6	4	1	1	<1	6
Haven't thought about it/ don't want to/ haven't got round to	12	8	5	6	5	7	7	9	7
Don't need to save	5	2	2	3	8	14	17	24	7
Too late to start saving	-	<1	<1	<1	2	6	9	9	2
Would lose out on benefits	<1	1	1	1	1	1	1	1	1
Have an offset mortgage	<1	<1	1	1	1	<1	-	-	<1
Some other reason	4	6	6	7	8	6	7	6	6
Don't know	1	1	<1	1	1	1	2	3	1
Unweighted Base	*876*	*1,695*	*2,463*	*2,531*	*2,690*	*2,524*	*1,436*	*331*	*14,546*
Unweighted Base	***1,348***	***3,286***	***5,038***	***5,293***	***5,984***	***5,197***	***3,037***	***738***	***29,921***

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.

Base is all wave 2 adults responding in person.

<1' indicates a value of less than 100 but greater than zero. '-' indicates no cases in sample.

Table B 10 Amount held in savings (financial assets), by age (£)

	Mean	25th percentile	Median	75th percentile	*Unweighted base*
16 to 24	2,400	<100	200	1,300	*2,305*
25 to 34	8,300	100	1,000	5,300	*4,096*
35 to 44	16,700	200	1,500	10,000	*6,063*
45 to 54	26,800	300	3,500	19,500	*6,210*
55 to 64	44,500	1,000	9,600	41,500	*6,710*
65 to 74	40,300	2,000	10,500	39,100	*5,562*
75 to 84	35,700	2,500	10,000	34,200	*3,210*
85 and over	32,700	2,100	8,600	29,300	*812*
All	24,600	300	3,000	17,000	*34,968*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 adults
<1' indicates a value of less than 100 but greater than zero. '-' indicates no cases in sample.

Table B 11 Whether or not someone was paying into a pension

Column percentages (%)	16 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 84	85 and over	All
Yes	6	31	37	41	24	1	-	-	24
No	94	69	63	59	76	99	100	100	76
Unweighted Base	*2,305*	*4,096*	*6,063*	*6,210*	*6,710*	*5,562*	*3,210*	*812*	*34,968*

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all wave 2 adults
'-' indicates no cases in sample.


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