What makes the wealthy wealthy? The composition of wealth across the wealth distribution and its determinants

An analysis using the 2008-10 Wealth and Assets Survey

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Acknowledgments and credits

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Executive summary

As part of suite of analysis of the 2008-10 Wealth and Assets Survey examining financial wellbeing in Great Britain, the Trades Union Congress (TUC) asked the Personal Finance Research Centre to explore who the wealthy are and what their wealth is composed of. In doing so, the analysis described in this report explores how the nature of wealth varies depending on how much wealth a household has, and whether wealthy and super-wealthy households are represented by a broad cross-section of people or a particular type (or types) of person. Wealthy households are defined as the wealthiest 10 per cent of households, and the super wealthy are defined as the wealthiest 1 per cent of households represented by the Wealth and Assets Survey.

Total household wealth measured in the Wealth and Assets Survey is comprised of four components: physical wealth, private pension wealth, property wealth and financial wealth. Mean household wealth across these components ranged from £2,100 among the least wealthy 10 per cent of households to £1.8m among the wealthiest 10 per cent. Among the super wealthy, those in the top 1 per cent, this figure rose to an estimated £5.3m. Even within these groups, however, wealth is skewed. At the top end of the distribution this is reflected in means that are far higher than median wealth, while at the bottom the reverse is true. The effect of household size on wealth is also unequal across the distribution. Among the least and most wealthy deciles, households with two or more adults held more wealth on average, but this difference was less apparent among the intervening deciles and disappeared among the super wealthy. The effect of the number of earners in the household on total wealth across the deciles was more striking still. Although, overall, two-earner households were wealthier than one-earner and no-earner households, the wealthiest 10 per cent and 1 per cent of households had greater wealth on average if there was one earner than if they had either no or two or more earners.

As we might expect, heads of households drawn from high-earner occupations were heavily concentrated among higher-wealth deciles, and in turn among the super wealthy. Moreover, earnings class was the single strongest predictor of being a wealthy or super wealthy household overall, with the odds that high earners belonged to these groups outstripping middle earners and low earners. This underlines the inextricable link between earnings capacity over the life cycle and household wealth, even taking into account that the heads of wealthier households were older. Even so, a substantial minority of heads of wealthy households were from middle-earner occupations. Middle earners were also found in large proportions in several other middle and high wealth deciles. Low earners meanwhile were most concentrated in the bottom half of the distribution.

Other characteristics, particularly housing tenure and household composition, were also important and inequalities were also evident depending on where people lived; those in the south of England were more likely to be found among the wealthy, all other things being equal. Of particular note is the finding that the recent receipt of inheritance or large gifts was also independently predictive of wealth (albeit only weakly so). This may be a direct reflection of the sums of wealth transferred this way; or it may simply indicate that wealthier households are more likely to know or be related to wealthy benefactors. Either way, this is very suggestive of its role in compounding wealth inequality.

When the in-work wealth characteristics of household heads were considered, working in the public sector was a strong predictor of being wealthy. However, this relationship disappeared when pension wealth was excluded. As such, rather than representing large amounts of financial or property wealth among public sector workers, this finding illustrates the greater prevalence of defined benefit pensions in the public sector compared to the private sector (as is discussed in further detail below). In addition, only 15 per cent of public-sector workers were among the top 10 per cent wealthy households, suggesting that they may be a very particular subset of public-sector workers.

Part-time working was also predictive of being wealthy and super wealthy. Given their households' net wealth, the latter may indicate a degree of choice among these workers. Among those in work, the importance of gender was also underlined; all other things being equal, super-wealthy households were more likely to be headed by a man than a woman.

Overall, pension wealth made up the largest share of the total wealth of households and increasingly so with increasing wealth, driven primarily by pensions already in payment and secondarily by current or retained defined benefit pensions. Property wealth also increased with increasing wealth, with a marked step-up among the top 10 per cent and 1 per cent of households. However, its share of total wealth peaked among the middle deciles before falling away. This undoubtedly reflects the dominance of pension wealth in these households, despite the propensity for wealthy and super wealthy households to have second homes, buy-to-let property or other buildings, land and property. Nonetheless the value of the main home was the main contributor to property wealth in households across the distribution. Outstanding debt on the main home was a clear contributor to low net wealth among households in the lowest three wealth deciles.

Physical wealth made up only a small proportion of total household wealth, its share decreasing with increasing wealth. Within this, the value of household contents was the main contributor, suggesting that for the least wealthy households their wealth is heavily tied in assets that cannot readily be released into a different form (e.g. financial wealth). Though not apparently contributing a large share of that wealth, there is evidence suggestive of conspicuous consumption among the super-wealthy, with almost one in ten of them owning a boat, compared with only one in 100 of all households. With increasing wealth an increasing proportion of physical wealth was also held in collectables and valuables. Financial wealth comprised only a small share of total wealth, but this increased towards the high end of the distribution.

The partial coverage of pension wealth in the Wealth and Assets Survey, and the limited comparability of private pension wealth to other forms of wealth (being inaccessible to most households as a form of deferred income), led to an additional suite of analysis being undertaken which excluded pensions from the wealth measure. Total average wealth was considerably lower on this measure (by a factor of nearly a half), and property wealth made up the largest share – by some margin. Reflecting this, housing tenure was the strongest single predictor of wealth, albeit with earnings class and the age of the HRP in particular remaining important factors. Being self-employed was additionally linked to greater levels of wealth, all other things being equal. However, working in the public sector was not associated with heading up a wealthy or super-wealthy household; conversely, working in the private sector was a strong predictor of living in a super-wealthy household.

So, what does make the wealthy wealthy? Households' earnings potential and their pension wealth undoubtedly play key roles in the total wealth, as captured by the Wealth and Assets Survey, of wealthy and super-wealthy households. Within these, working in a high-earner occupation and having private pensions already in payment and defined benefit pensions, the 'gold standard' of occupational pensions, are integral. To this extent, the regressive nature of tax incentives for pension saving would appear to play a key role in overall wealth inequalities. Home ownership is also of fundamental importance, the value of the main home contributing the most to households' property wealthy, the second largest component of total household wealth. This underlines the importance of helping people to move into home ownership wherever possible, something that has become more difficult in the years following the financial crisis of 2008. High house prices in some parts of the country also appear to be an important factor in shoring up the wealth of the wealthiest households. Finally, the assets associated with households' collectables and valuables and second homes, buy-to-let property and other building land and property also contribute to the net wealth of the wealthiest households, though to a much smaller extent, and the propensity to receive of inheritance and gifts appears only to compound underlying inequalities in wealth.

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 compared with high earners, using the recently released 2008-10 Wealth and Assets Survey.

The research comprised three strands of analysis. The aim of this strand was to explore how the composition of wealth varies with increasing levels of total wealth. In essence, this analysis sought to understand: *does the nature of wealth change depending on how much wealth a household has*? It also explores which types of people live in wealthy and super-wealthy households in Great Britain, based on their socio-demographic and other characteristics, particularly within the context of earning potential among people of working age, distinguishing high, middle and low earners (based on occupational class). In other words: *are the wealthy and super-wealthy a broad cross-section of people or a particular type (or types) of person*? The specific objectives were to:

- Explore the characteristics of individuals who live in wealthy and super-wealthy households.
    - Compare how this differs from the characteristics of individuals living in less wealthy households.
        - In particular, to explore which deciles of wealth best represent middle, low and high earners.
- Identify the composition of wealth that is held by wealthy and super-wealthy households.
    - Compare how this varies compared with less wealthy households to identify patterns of wealth holding with increasing levels of wealth.

In addressing these objectives, this short paper extends analyses presented in the main publication from the 2008-10 Wealth and Assets Survey by the Office for National Statistics (2012). The other strands of our analysis explored the determinants of financial wellbeing outcomes among low and middle earners or working age and considered variations in these and other socio-demographic characteristics across the lifecycle; the findings are reported in our accompanying report (Finney, Hayes and Hartfree, 2013).

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:

- Physical wealth;

[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).

- Private pension wealth;
- Property wealth; and
- Financial wealth.

In doing so the survey captures assets and liabilities (the latter in relation to property and financial wealth) 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.

However, pension wealth stands out from the other components of wealth because it is not immediately accessible – through liquidation – to most individuals (Tetlow and Banks, 2009), and it is non-transferable (for example through inheritance). In other words, pension wealth is a form of deferred, rather than actual current, wealth and can be seen as representing the amount of money someone would have needed to have put aside to provide the income stream their current pension rights entitle them to (Tetlow and Banks, 2009). The measure of pension wealth available in the Wealth and Assets Survey also excludes state pension wealth, but includes the value of pensions 'contracted out' of the second tier state pension, making it an incomplete and potentially partial measure of total pension entitlement depending on people's employment histories and pension choices. With mean average accrued pension entitlement having previously been calculated at £54,000 for people aged between 50 and State Pension Age (Bozio et al., 2010), the significance of any state pension entitlement – however modest compared with other forms of wealth – will clearly be greater for people with fewer private pension and other assets. As such, the distribution of pension wealth and total wealth captured in the Wealth and Assets Survey will be more unequal than they otherwise might have been. With these limitations in mind, and while the main focus of this report is on total wealth including private pension wealth, we also provide (in Section 5) some analysis that excludes pension wealth from the total to portray a picture of wealth holding that is relatively easy to liquidate to represent the actual, current wealth available to households.

High, middle and low earners were derived specially for the purpose of this programme of analysis and are based on the respondents' occupational classification (whether or not someone was in work at the time of their wave 2 interview):

- High earners comprise large employers, higher managerial and administrative, and higher professional occupations (analytical classes 1.1 and 1.2).
- Middle earners comprise lower managerial, administrative and professional occupations, intermediate occupations, small employers and own account workers and lower supervisory and technical occupations and (analytical classes 2 to 5).
- Low earners comprise semi-routine and routine occupations (analytical classes 6 and 7).[2]

1.2 This report

The remainder of this report describes the results of new analysis of the Wealth and Assets Survey wave 2 data, in four substantive sections:

- Section 2 describes the distribution of wealth among households in Great Britain by decile of wealth. This section also considers the importance of household size as a potential determinant of household wealth and its relative importance across the distribution.
- Section 3 explores the characteristics of people living in wealthy and super-wealthy households, including multivariate analysis to predict membership of these households.

[2] For more detail on the process and empirical basis for these definitions, please see the main report (Finney et al., 2013).

- Section 4 examines the composition of total household wealth in relation to the four wealth components and how this varies with increasing wealth. It also considers the constitution of this wealth within the four components.
- Section 5 diverges from earlier section by considering total wealth, excluding pension wealth. This reflects the concerns, described above, about the comparability of pensions (characterised by deferred income that is inaccessible to most people until retirement) to other forms of wealth (which are assumed to be more-or-less realisable) and the partial coverage of pensions in the Wealth and Assets Survey data. This section re-considers the distribution of wealth and re-ranks households into a new decile (and percentile) using this measure. It briefly considers the composition of wealth and the characteristics associated with being a wealthy or super-wealthy household on this measure.

The analysis is based on the second release of data from the second wave of the survey. This comprised 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.

Throughout this report, the term ‘wealthy’ households is used to refer to the wealthiest 10 per cent of households, and ‘super-wealthy’ households is used to refer to the wealthiest 1 per cent. As such, these are comparative terms, and should not be interpreted as implying that households in lower wealth deciles or percentiles are not wealthy.

1.3 Our analysis

All analysis presented here is undertaken at the household level. Where the characteristics of individuals are referred to, these relate to the household reference person (HRP; or household head). The HRP is the person in whose name the main residence was owned or rented (i.e. the householder), or in the case of joint householders, the person with the higher income, or in the case of two or more householders with the same incomes, the older householder. In a small number of instances in which HRP was not interviewed (n=130), the characteristics of the HRP’s partner were used as a proxy. Households in which neither the HRP nor their partner were interviewed (n=25) were not included in any analysis by these characteristics due to missing data.

All analysis presented here was undertaken on weighted data, in SPSS. The type of multivariate analysis used in section 2 is forward step-wise logistic 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. Logistic regression analysis is particularly well-suited to outcome measures with two categories (binary measures, e.g. household is in the top x per cent (coded 1) or it is not (coded 0)). The particular advantage of the forward step-wise logistic regression is that it considers the characteristics in order of strength as they were entered into the model, giving a clear indication of the relative importance of each 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.

In addition to the forward-stepwise logistic regression, we also undertook an ordinal regression analysis using complementary log-log link function by way of comparison with one of our models (predicting being in the top 1 per cent of households). The purpose of this was to check the robustness of the results of the logistic regression model, given the small proportion of households falling into the code 1 category (which makes estimation of the odds ratios more problematic). We found extremely similar results in this alternative model (i.e. the same set of characteristics were statistically significant), suggesting that the results of the logistic regression results were robust. We have therefore reported the original stepwise logistic model here for consistency with the other regression analysis described. Even so, it is important to treat the odds ratio estimates associated with these models with caution.

To avoid a problem known as multi-collinearity it was necessary to run separate regression models containing different subsets of characteristics. The results of each model are described. For the same reason, some categories of some measures entered into the regression analysis needed to be collapsed compared with the bivariate analysis.

Finally only variations 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. Design effects have not been taken into account in significance testing.

1.3.1 A word of caution on the top 1 per cent wealthy

It is important to note that the heavily skewed distribution of wealth at the high end of the distribution creates challenges in the sampling and estimation process. Households expected to be living at the top 10 per cent wealthy addresses, based on HMRC tax data, were oversampled in the Wealth and Assets Survey to improve sampling error for this part of the distribution.[3] However, even within this top 10 per cent, our analysis shows clearly that wealth is unequally distributed. This reduces the certainty with which generalisations from the wealthiest 1 per cent of households in the sample to the wealthiest 1 per cent of households in Great Britain will be truly representative. This means that a degree of caution should always be taken when generalising results from the top end of the wealth distribution, particularly among the top 1 per cent of households; these estimates may under- or over-represent the wealth of this group. This is even more relevant when breaking down total wealth into its component parts or when considering the characteristics of these households and their members, as is done in sections 3 and 4 of this report.

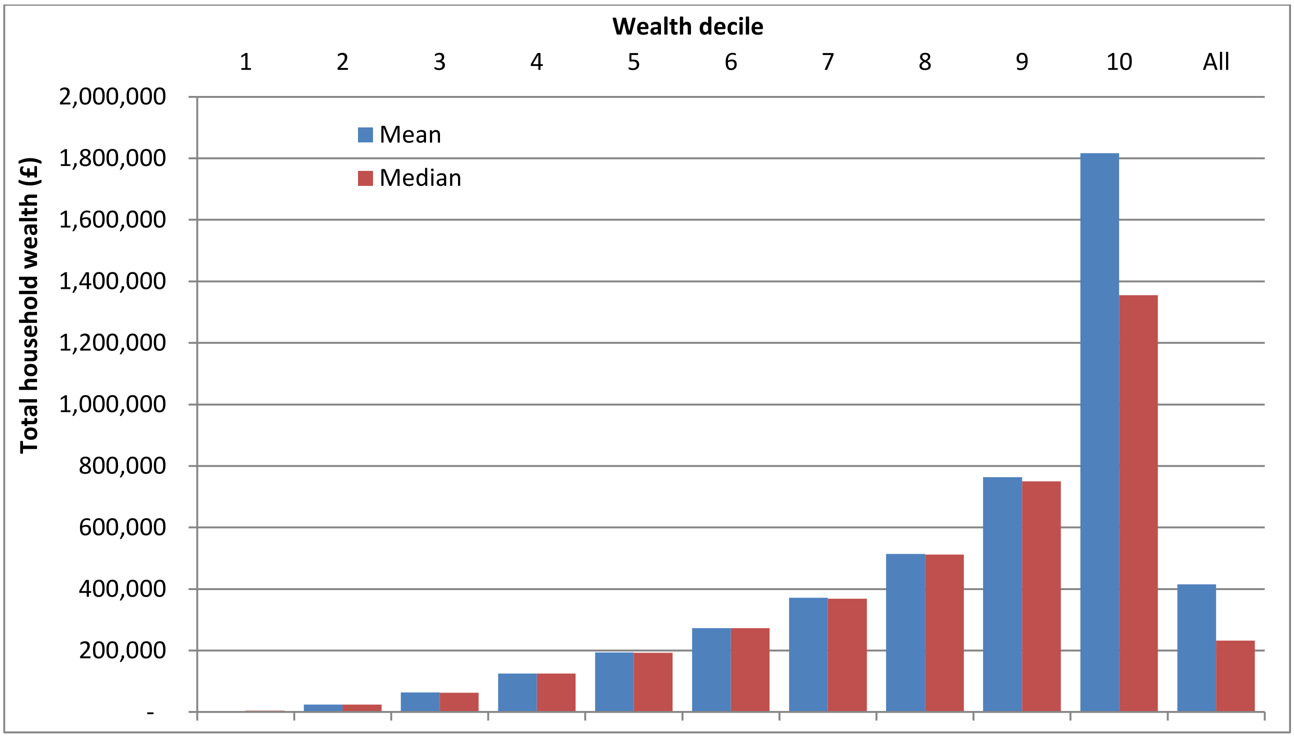
[3] See Daffin (2009) Chapter 10 for details.

2 The distribution of wealth including private pension wealth in Great Britain

Like other economic resources, the distribution of wealth is unequal.[4] This section briefly reviews the distribution of total household wealth, including private pension wealth as defined by the Wealth and Assets Survey, among households in Great Britain and considers the influence of household size in this.

Across all households, total (mean) average wealth was estimated at £414,900 in 2008-10.[5] The corresponding median was rather lower at £232,400. The 10 per cent least wealthy households (decile 1, Figure 2.1) held a mean average of £2,100 in 2008-10, with a corresponding median of £4,600. Wealth rises steadily with each wealth decile, such that mean total wealth among the 10 per cent wealthiest (decile 10) stood at over £1.8 million (£1,816,700) in 2008-10, with median wealth of £1,355,000.

Figure 2.1 Total household wealth, by wealth decile



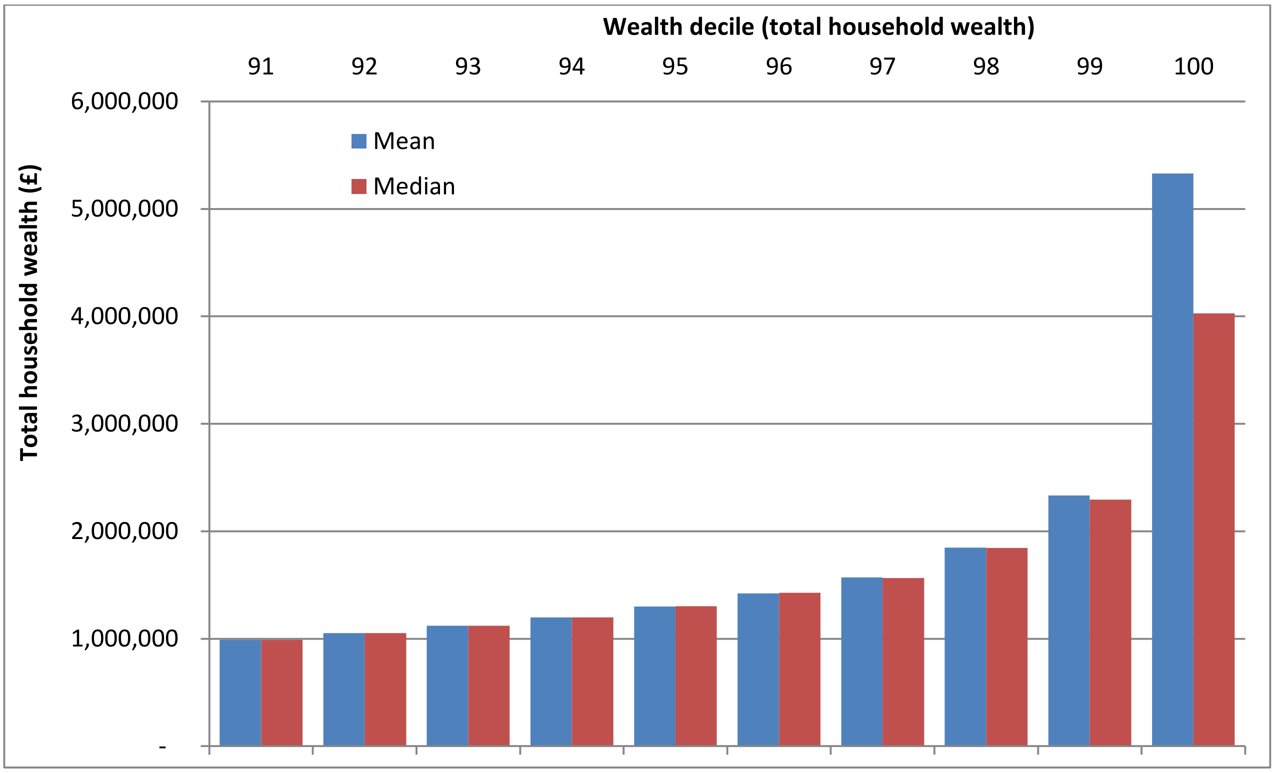
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

On closer inspection, however, the chart illustrates clearly that the increase from each group to the next is not constant. Looking left to right, from the least to the most wealthy 10 per cent, the increment between each decile appears to get bigger. This is borne out by the figures. For example, decile 2 held £22,400 more mean wealth than decile 1; decile 5 held £68,300 more than decile 4; and decile 9 held £243,300 more than decile 8. For the 10 per cent wealthiest households, the increment is even greater; these wealthy households have more than £1.0 million more mean wealth (£1,053,400) than the next wealth decile (decile 9); equivalent to 2.4 times the wealth.

[4] See, for example, Hills et al, 2013, OECD, 2008 and 2013, and Office for National Statistics, 2012.
[5] All wealth estimates are presented after rounding to the nearest £100.

We have further explored the distribution of total household wealth among the top 10 per cent wealthy, by percentile (Figure 2.2). Noting the change in scale on the left-hand axis, decile 100, which represents the top 1 per cent wealthy households in Great Britain, outstrips all other households in the top decile, in terms of their total wealth holding.[6] Compared for example with households in the 91st percentile, which held mean total wealth of £991,500 (median, £989,900), and the 99th decile, which recorded a mean total wealth of £2.3 million (£2,334,600; median, £2,299,500), the very wealthiest households had mean total wealth of some £5.3 million (£5,328,600; median, £4,028,400).

Figure 2.2 Total household wealth among the 10 per cent wealthiest households, by percentile (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=2,941).

It is interesting to note that, on the whole, mean and median wealth do not differ greatly from one another (albeit bearing in mind the compressed nature of the scale). This would tend to suggest that wealth is not skewed greatly within the decile or percentile respectively. The most notable exception, however, is the top 10 per cent wealthy (Figure 2.1) and again the top 1 per cent wealthy (Figure 2.2) for which mean wealth was far greater than median wealth in 2008-10. This indicates that within these subsets of households, a small minority of households had extremely high total wealth. This underlines the importance of treating the figures at the high end of the distribution with caution (see section 13.1)

Although less striking, the opposite is true among the 10 per cent least wealthy households. As reported above, median wealth among this group was higher than mean wealth (£4,600 and £2,100 respectively). This in turn indicates that many households had relatively high wealth, but a minority of them had especially low, and even negative, total wealth. Negative wealth is possible because two of the components – property and financial wealth – take account of liabilities. Where households' liabilities in relation to these are greater than their asset holding, net wealth falls below zero.

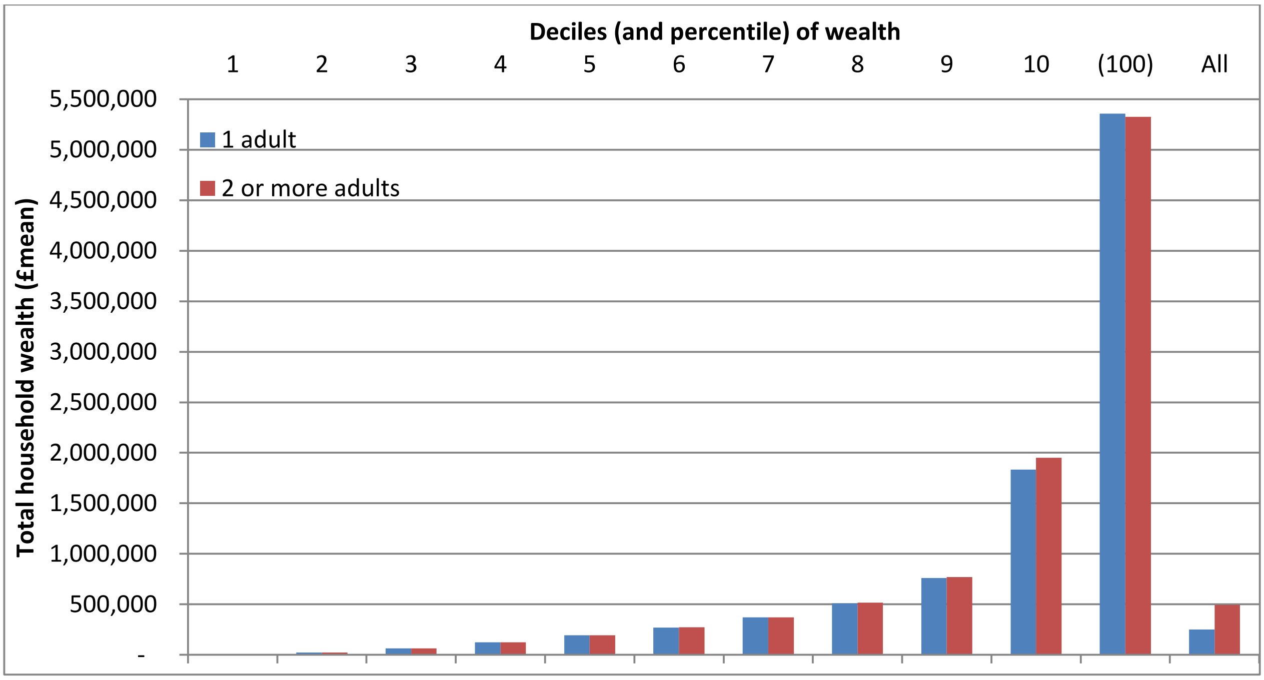
[6] Please remember to treat these estimates with caution (see section 1.3.1).

2.1 *The importance of household size*

A big influence on household wealth is likely to be household size. It stands to reason that larger households have the potential to be wealthier than smaller ones: the more people living in a household the more people there are to contribute to its wealth. The biggest contributors within the household are in turn likely to be adults. The mean total wealth in 2008-10 of all households containing only one adult was £315,600 (with a median of £170,100), rising to double this in two-person households (£639,800, with a median of £376,600). Similarly, three- and four-adult households had mean total wealth of £660,200 and £687,700 respectively, falling away again slightly – but still far outreaching average wealth of one-adult households – among households with five or more adults (£554,400).

Moreover, the effect of household size is not even across the wealth distribution. Figure 2.3 evidences notable absolute differences in mean wealth between households with one adult and two or more adults among the 10 per cent wealthiest households (£1,833,200 and £1,952,100). Differences between households of different size among less wealthy households and those in the top 1 per cent are far less apparent. However, the scale of the chart masks an important difference in wealth by household size among the 10 per cent least wealthy households. Mean wealth among one-adult households in this bottom decile was less than £100, rising to £1,600 for households with two or more adults.

Figure 2.3 Mean total wealth by number of adults in household, by wealth decile (and percentile) (£)



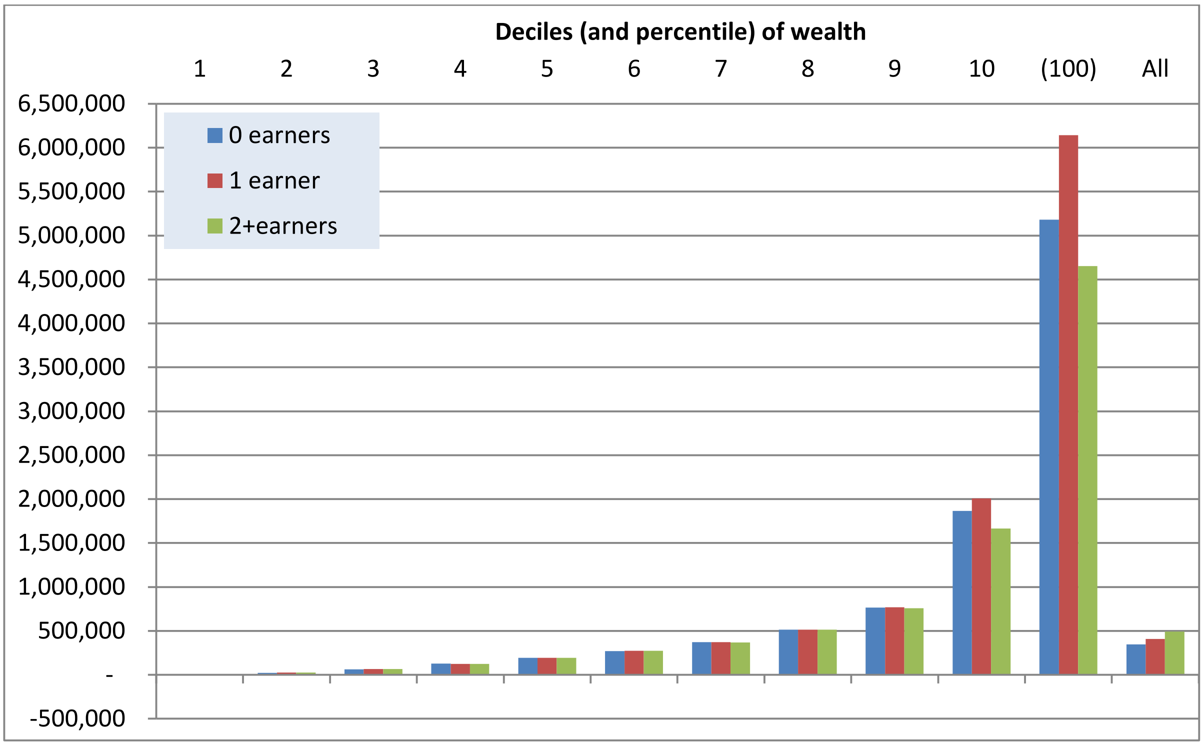
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

This confirms that household composition is an important factor to take account of when considering inequalities in total wealth on to this measure of wealth. We do so in the next section by including household composition in our analysis.

When we additionally consider the effect of the number of household members with any income from earnings, average wealth again increases in a broadly linear way although the variation is not quite as marked as it is in relation to household size (but it is still statistically significant). Households with no earners had mean total wealth of £347,200 (with a median of £181,000), rising to £407,700

(£193,900) in households with one earner, £480,000 (£301,100) in households with two earners and £551,000 (£386,000) in households with three or more earners.

Figure 2.4 Mean total wealth by number of earners in household, by wealth decile (and percentile) (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

What is striking about the breakdown by decile (and percentile) of wealth (shown in Figure 2.4) is that the number of earners currently in the household appears to have little influence over total household wealth within each group (although in fact, the differences between households with different numbers of earners does vary significantly in each group, albeit not in a consistent way). This is until we look at the wealthiest 10 per cent – and particularly 1 per cent – of households, in which the presence of a single earner is associated with markedly higher wealth. Two-earner households, in comparison with 1-earner and even the 0-earner households, held much lower wealth on average. Some of these one-earner households will in turn be one-adult households, but where this is not the case it may suggest that the presence of one particularly high-earning and high-wealth individual compensates for the need to work for other adult members.

2.2 Summary

Mean household wealth ranged from £2,100 among the least wealthy 10 per cent of households to £1.8m among the wealthiest 10 per cent. Among the super wealthy, those in the top 1 per cent, this figure rose to an estimated £5.3m. Even within these groups, however, wealth is skewed. At the top end of the distribution, this is reflected in means that are far higher than median wealth; while the reverse is true at the bottom end. The effect of household size on wealth is also unequal across the distribution. Among the least and most wealthy deciles, households with two or more adults held more wealth on average, but this difference was less apparent among the intervening deciles.

3 Who are the wealthy (and the super-wealthy)?

In the previous section, we saw how total household wealth was distributed across the population of Great Britain, based on deciles of wealth (including private pension wealth) and percentiles of wealth among the wealthiest households. This section explores the characteristics of the households on different parts of the distribution and asks whether certain types households are disproportionately found among certain deciles. In doing so, it first examines the socio-demographic and economic profiles of the wealthiest 10 per cent and the super-wealthy 1 per cent of households.[7] It then considers where on the distribution low and middle earners are largely found and compares the profile of these deciles to Britain's most wealthy households, and finally considers which characteristics are the strongest determinants of being wealthy and super-wealthy.

3.1 The characteristics of the wealthy and super wealthy

We have explored the composition of each decile of total wealth by key household characteristics and the socio-demographic and economic characteristics of the household head (or HRP). The male and older profile of heads of households in the wealthiest 10 per cent of households in Great Britain dominates the picture. Three-quarters were headed by a man (75 per cent, rising to 78 per cent among the wealthiest 1 per cent of households), and eight in 10 were aged in their late middle age to early retirement years, between 45 and 74 (81 per cent rising to 85 per cent; Table A 2). This is likely to relate to gender disparities in lifetime earnings (due to more discontinuity of employment for women and a persisting gender pay gap) and the length of time have had to accrue wealth before drawing it down in retirement.

They were also often couple households with no children (45 per cent rising to 53 per cent among the top 1 per cent) or with adult children only (14 per cent), and were highly likely to own their main home outright (60 per cent rising to 69 per cent; Table A 2). This is likely to reflect the older age profile of this group, and these households would be expected to have lower essential fixed outgoings, enabling them to accrue wealth more readily.

A disproportionally high number of the wealthiest households lived in London and especially the South East (21 per cent; Table A 2); this is likely to reflect the high earning opportunities within London, such as the financial services hub in the City of London and the short commuting distance into and out of London. It is also likely to reflect directly the heightened cost of property and real estate in this part of the country (Nationwide, 2013).

The propensity for HRPs to report a stable or improving household financial situation in the last two years because of a change in household circumstances or income was not markedly greater among those living in the wealthiest decile than the average across Britain (Table A 2). However, one or more household members in a relatively high proportion of households in the top decile had received a recent inheritance or substantial gift of over £250 (41 per cent compared with 29 per cent of all households). In contrast to previous commentary (e.g. Hills et al, 2013), this provides strong indicative evidence of inequalities in the transfer of wealth helping to drive, or at least compound, inequalities in wealth more generally.

A slightly higher than average proportion of heads of wealthy households were in work at the time of their interview in 2008/10 (66 per cent compared with 60 per cent overall; Table A 3). They were slightly more likely than the average to have one job only at the time of the survey (63 per cent compared with 57 per cent) and to be working full-time (53 per cent compared with 49 per cent). Although many were working in the private sector (42 per cent) a larger proportion than average

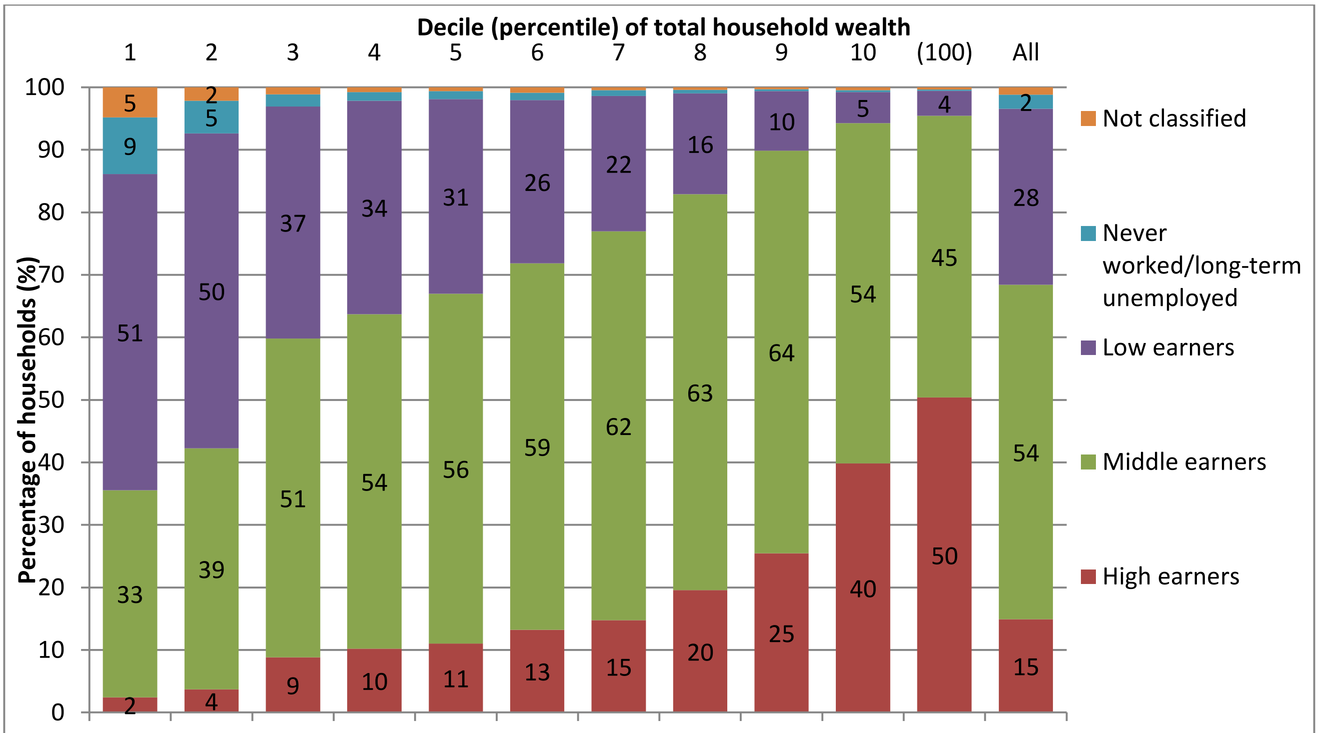
[7] Please remember to treat all estimates relating to the wealthiest 1 per cent of households captured in the survey with caution as the sampling error for this group will be especially large (see section 1.3.1 for detail).

were working in the public sector (or in a nationalised industry; 23 per cent compared with 16 per cent overall). This is likely to at least partly reflecting higher average wages of public sector workers given a greater profile of graduate-level and professional occupations within the public sector and a profusion of the lowest paid and least secure jobs in the private sector (Office for National Statistics, 2012a); and it will reflect higher levels of pension wealth among public sector low and middle earners (see Finney et al., 2013) derived in turn from the defined benefit schemes that have historically been offered within the public sector (Pensions Policy Institute, 2012).

Perhaps surprisingly, they were also slightly more likely to work as employees (56 per cent compared with an average of 52 per cent). However, the heads of super-wealthy households were disproportionately likely to work part time (20 per cent compared with 10 per cent overall) and were also comparatively likely to have experienced a period of no or reduced pay in the previous two years (20 per cent compared with 13 per cent; Table A 3).

Rather starker differences emerge when HRPs occupational class (whether or not people were in work) and related to this their earnings class is considered (Table A 3). Compared with the average (six per cent), the heads of the wealthiest decile of households were three times more likely to be drawn from large employers and higher managerial and administrative occupations such as financial managers and police inspectors (18 per cent); increasing even further among the top 1 per cent of households (22 per cent). They were more than twice as likely as the average household (nine per cent) to be drawn from higher professional occupations such as civil engineers and dentists (21 per cent rising to 28 per cent). Although somewhat more muted, they were also more likely to come from lower managerial, administrative and professional occupations (38 per cent) than the average for all households (25 per cent), albeit falling away to 30 per cent among the wealthiest 1 per cent of households. Only small minorities of wealthy households were represented by people drawn from other occupations (Table A 3).

Figure 3.1 Deciles of wealth by earnings class



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145).

We have been able to class these occupations into three groups – high, middle and low earners – based on an analysis of earnings data (see the accompanying report, Finney et al, 2013, for more details). All-tolled, 40 per cent of households in the top wealth decile were headed by high earners, rising to 50 per cent of the wealthiest 1 per cent of households (compared with only 15 per cent of all households regardless of wealth). A further 54 per cent of household heads in the top decile were middle earners, though falling away to 45 per cent among those in the very top percentile (shown as 100 in Figure 3.1). In other words, 95 per cent of households in the top decile and 95 per cent in the top percentile were high or middle earners. This underlines the role played by earnings potential in the accrual of wealth, although as we have seen in relation to inheritance and gifts, this is not the only source. Even so, a small proportion of wealthiest and super-wealthy households were headed by people with backgrounds in routine or semi-routine occupations (five per cent and four per cent respectively).

3.2 A comparison of the characteristics of middle- and low- earner deciles

We have seen above that a small majority of households in the wealthiest decile were headed by someone drawn from the middle earner class (54 per cent), while very few were low earners (five per cent). Even so, Figure 3.1 illustrates clearly how spread middle earners were across the deciles overall. This will partly reflect the large group that middle earners comprise overall and the higher number of occupational classes that are represented among them. It also highlights the finding that low earners are also found all across the wealth distributions, albeit it with greater concentration at the low end of the distribution, such that a half or more of households in deciles 1 and 2 were headed by a low earner. Moreover, nearly one in ten households (nine per cent) in the least wealthy decile was headed by someone who had never worked or was long-term unemployed.

Looked at another way, the (mean) average wealth of households headed by a high earner was £820,600, equivalent to around the 87th wealth percentile, with a corresponding typical (median) wealth of £530,900. This fell away to a mean of £439,700 for a middle earner (equivalent to around the 71st percentile) and a corresponding median of £281,000, and a mean of £188,200 for a low earner (equivalent to the 44th percentile) and a typical (median) wealth of £99,600. The average total wealth of a household headed by someone who had never worked or was long-term unemployed was £109,700 (closest to the 33rd percentile) with a typical (median) wealth of just £18,900.

Table A 3 additionally shows the variability within these broad classes. As such, we find that lower managerial, administrative and professional occupations are common among households in deciles 7 to 9 (making up three to four in ten of households in these deciles), and that there is slight over-representation of lower supervisory and technical occupations (middle earners) in deciles 3 to 6.

For illustrative purposes, we have selected two deciles to compare with the wealthiest 10 per cent of households, one to represent low earners (decile 2) and one to represent middle earners (decile 7). In decile 2, 50 per cent of households are headed by a low earner compared with 28 per cent of all households across the distribution. 62 per cent of people in decile 7 were middle earners compared with 54 per cent of all households.

Taking our second least wealthy decile first, representing low earners, it is clear that these households, compared with the wealthiest 10 per cent of households were more likely to:

- **Be headed by a woman** (54 per cent compared with 25 per cent);
- **Be headed by someone aged 25 to 44** (40 per cent compared with 11 per cent);
- **Be single adult households** (37 per cent) or one parent households with dependent children (14 per cent);
- **Rent their homes** (90 per cent compared with three per cent);
- **Have not received an inheritance or substantial gift** in the last few years (82 per cent compared with 59 per cent); and to

- **Be economically inactive and of working age** (48 per cent compared with 33 per cent) or over State Pension age (i.e. retired; 23 per cent compared with 11 per cent; Table A 2 and Table A 3).

In contrast, Decile 7, representing middle earners, were not such a distinct group. However, they were more likely than the wealthiest decile to:

- **Be headed by a woman** (35 per cent compared with 25 per cent);
- **Be headed by someone aged in their early retirement years** (18 per cent compared with 13 per cent)
- **Own their homes with a mortgage** (45 per cent compared with 37 per cent); and to
- **Be economically inactive and of working age** (37 per cent compared with 33 per cent (Table A 2 and Table A 3).

Many of these characteristics are likely to be inter-related. As such, we have undertaken regression analysis to determine the independent contribution each characteristic makes in explaining the propensity to be in the 10 per cent and 1 per cent wealthiest households in Britain.

3.3 Determinants of the wealthy and super-wealthy

We saw above that several characteristics were significantly correlated with the distribution of wealth by decile. Regression analysis controls for the natural relationships between characteristics to identify which ones are related to an outcome measure of interest independently of those other characteristics. The analysis presented here explores which characteristics were the strongest predictors of being a top 10 per cent wealthy household, and then, a top 1 per cent super-wealthy household.[8] We can look at HRPs' earnings class alongside other characteristics. In each case we have used a forward step-wise logistic regression model to predict membership of the most wealthy group of households.

3.3.1 Predicting being wealthy

First, we have predicted membership of the top 10 per cent of households based on total wealth measured by the Wealth and Assets Survey. In an initial model, which considered a range of socio-demographic characteristics and the HRP's earnings class and work status, eight characteristics were statistically significant (Table A 4). The strongest overall was the HRP's earnings class; here we find that compared with low earners, middle earners had three times the odds of being among the 10 per cent wealthiest households and high earners had some 16 times the odds. This points strongly to the importance, if not of people's current earnings levels, of their earnings potential during their working lives.

Other strong characteristics (those whose introduction to the model improves the model fit by 1 per cent or more) were:

- **The age of the HRP**, with the relative odds rising with increasing age until peaking (at 30 times the odds) among the pre-retirement years before falling away in later years;
- **Housing tenure**, the odds being four times higher among mortgaged households and 10 times higher among outright owners than households living in rented homes;
- **Household composition**, whereby the odds were around three times higher among couples (with and without children) than single adult and lone parent households; and
- **Where in Britain households lived**, the odds of being a wealthy households being more than double for households living in the South West and South East of England than those in the North East at the low end of the range.

[8] Please remember to treat the analysis of the top 1 per cent wealthy with caution (see section 1.3.1).

Whether or not someone in the household had received a recent inheritance or substantial gift, reporting a change in financial situation due to a change in household income and the HRP's work status were only weak predictors, albeit in the direction indicated by the bivariate analysis reported above. Unlike the earlier analysis, the sex of the HRP and a change in financial situation due to a change in household circumstances were not statistically significant (Table A 4).

In a second model, we focused solely on households in which the HRP was in work at the time of their 2008-10 interviews (Table A 5). This enables us to look closely at the HRP's in-work characteristics, whilst retaining the HRP's earning class; although it was necessary to combine households without an earnings class into the low earners category and collapse the two oldest age categories.[9] Compared with the first model, we find a similar set of measures were strongly predictive of being a top 10 per cent wealthy household, in this instance with the age of the HRP emerging as the strongest single predictor, followed by earnings class.

In relation to the in-work characteristics introduced in this second model, only the sector in which the HRP worked was strongly predictive, with those working in the public sector being more likely than those in the private sector to live in a wealthy household (with twice the odds compared with private sector workers). Recalling that this measure of wealth includes private pension wealth, this is very likely to relate to a greater incidence of membership of a defined benefit pension schemes by public-sector workers compared with their private sector counterparts (Finney et al., 2013; Pensions Policy Institute, 2012); once pension wealth is excluded from the analysis (as is shown in further detail below) the association between wealth and working in the public sector ceases to exist. Even so, only 15 per cent of public-sector workers were among the top 10 per cent wealthy households, suggesting that they may be a very particular subset of public-sector workers. Although only a weak predictor in the model, part-time workers (in their main job) were also more likely to head a wealthy household compared with full-time workers, suggesting a degree of choice in doing so, or that they had other business of work interest; however, whether someone had one or two or more jobs and whether they worked on a self-employed or employee basis were not significant (Table A 5).

3.3.2 Predicting being super-wealthy

Turning to the super-wealthy households, those in the top 1 per cent of households, a similar picture emerges in relation to the strongest predictors of total wealth, although far fewer characteristics were predictive overall; this analysis again uses a forward-stepwise regression model (Table A 6).[10] The earnings class the HRP belonged to was (again) the single strongest determinant, the odds of being a super-wealthy household being four times higher among middle earners and some 16 times higher among high earners compared with the low earners. Housing tenure and the age of the HRP were also strong predictors, while household composition and region were significant – if weak – in the model, all in the direction consistent with the earlier regression analyses.

In a variation of this model which examined the influence of in-work characteristics, a somewhat different set of findings emerged (Table A 7). The earnings class of the HRP was again a strong predictor, but its position as the strongest predictor in previous models was replaced by housing tenure in this analysis. Despite this, the odds ratio of being a top 1 per cent super-wealthy household among households headed by someone in work among the high and middle earners (compared with low earners) far outstripped those seen in any previous analysis reported above.[11]

The age of the HRP and the hours they worked were again strong predictors, the odds peaking among households headed by someone aged 45 to 54 and part-time workers. Households headed by

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[9] Due to multi-collinearity (see section 1.3).
[10] Please treat the odds ratio estimates with caution (see section 1.3 and 1.3.1).
[11] Treat with caution, as standard errors are likely to be large (see section 1.3.1).

a man who was in work had twice the odds of being super-wealthy than those headed by a woman. Finally, as we saw in the initial model, household composition was also a weak predictor of being a super-wealthy household, with couples without children being at the high end of the range (Table A 7). Notably, however, whether someone worked in the public or private sector did not emerge as a significant predictor of heading a super-wealthy household.

3.4 Summary

High earners were, as might be expected, concentrated among higher wealth deciles, and in turn among the super-wealthy. Surprisingly a substantial minority of heads of wealthy households were from middle-earner occupations. Middle earners were also found in large proportions in several other middle and high wealth deciles. Low earners meanwhile were most concentrated in the bottom half of the distribution. Earnings class was the single strongest predictor of being a wealthy or super wealthy household overall, with the odds that high-earner HRPs belonged to these groups outstripping middle earners and low earners. This underlines the inextricable link between earnings capacity over the life cycle and household wealth, even taking into account that the heads of wealthier households were older.

Other characteristics, particularly housing tenure and household composition were also important and inequalities were also evident depending on where people lived: those in the south of England were more likely to be found among the wealthy, all other things being equal. Of particular note is the finding that the recent receipt of inheritance or large gifts was also independently predictive of wealth (albeit only weakly so). This may be a direct reflection of the sums of wealth transferred this way; or it may simply indicate that wealthier households are more likely to know or be related to wealthy benefactors. Either way, this is very suggestive of its role in compounding wealth inequality.

When the in-work wealth characteristics of working HRPs were considered, working in the public sector and part-time were strong predictors of being wealthy (although the relationship only holds for a subset of these workers and when pension wealth is included). Working part-time also predicted being super wealthy, although being a public-sector worker did not. Given their households’ net wealth, the finding for part-time workers may indicate a degree of choice among them. For those in work, the importance of gender was also underlined; all other things being equal, super-wealthy households were more likely to be headed by a man than a woman.

4 The composition of wealth across the distribution

In section 3 we saw which types of households were disproportionately likely to be wealthy and super wealthy. In this section, the focus turns to the components of total wealth, as measured in the Wealth and Assets Survey, that these households held. First we consider the four components of wealth across the distribution, before exploring what makes up these components.

Turning to the individual components of wealth, households' physical wealth is notable for two reasons, first because it appears to contribute very little overall to total wealth (with an overall mean of £40,900; Table 4.1), and second because in absolute terms it increments only very modestly with each wealth decile, with the possible exception of the last decile (Figure 4.2). This pattern is replicated when looking in more detail at the ten percentiles making up the top 10 per cent households (Figure 4.3 on page 16).

Table 4.1 Total household wealth, by component (£)

	Mean	Median
Total physical wealth	40,900	32,500
Total private pension wealth	193,600	52,500
Total property wealth (net)	136,500	90,000
Total financial wealth (net)	43,900	6,400
Total household wealth (net)	414,900	232,400

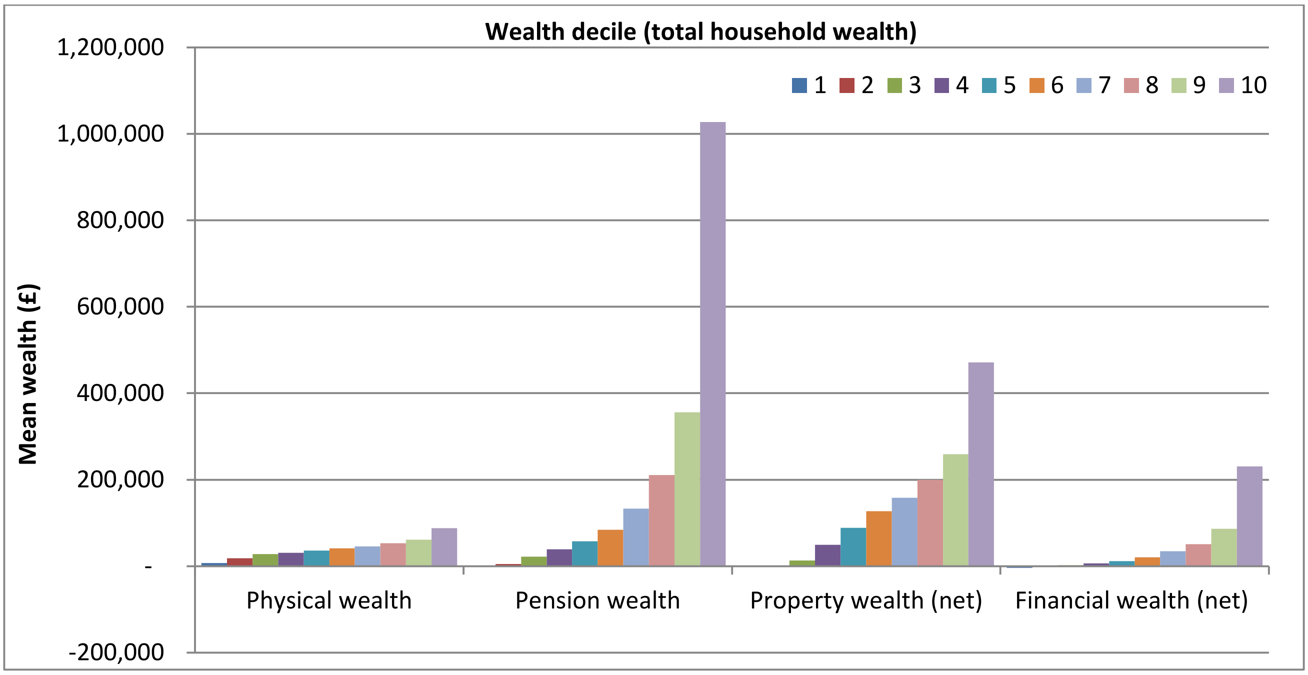
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

Private pension wealth is notable because of the steep acceleration in wealth across the deciles (Figure 4.2). This appears to be largely due to the particularly high levels of pension wealth recorded among the top 1 per cent wealthy, who were recorded as holding a mean average of almost £3.6 million (Figure 4.3). Across all households, pension wealth contributed the largest share of wealth to total household wealth (Table 4.1, above), something we explore in more detail later in the section. Moreover, (mean) average private pension wealth of households in each of the three wealthiest deciles was greater than the average *total* wealth of households headed by low earners reported in section 3 (£188,200). These findings suggest that the potential for pension wealth – as captured in the Wealth and Assets Survey – to skew the picture of total wealth is significant.

Financial wealth contributes in contrast only a small proportion of total household wealth (Table 4.1). It is also the slowest to accelerate across the wealth distributions until picking up in the upper half of the decile distribution (Figure 4.2); the increase is more muted among the top 10 per cent (Figure 4.3). This could suggest that other forms of wealth are a greater priority for households to accrue when facing limited resources, or that they are easier to accrue, or that there is less benefit attached to financial wealth than other types of wealth even when resources are not scarce. In fact (non-mortgage) consumer borrowing will be greater in some households than the balances on their saving and other accounts. This is illustrated in the chart, by a mean net financial wealth of below zero for the two least wealthy deciles (Figure 4.2).

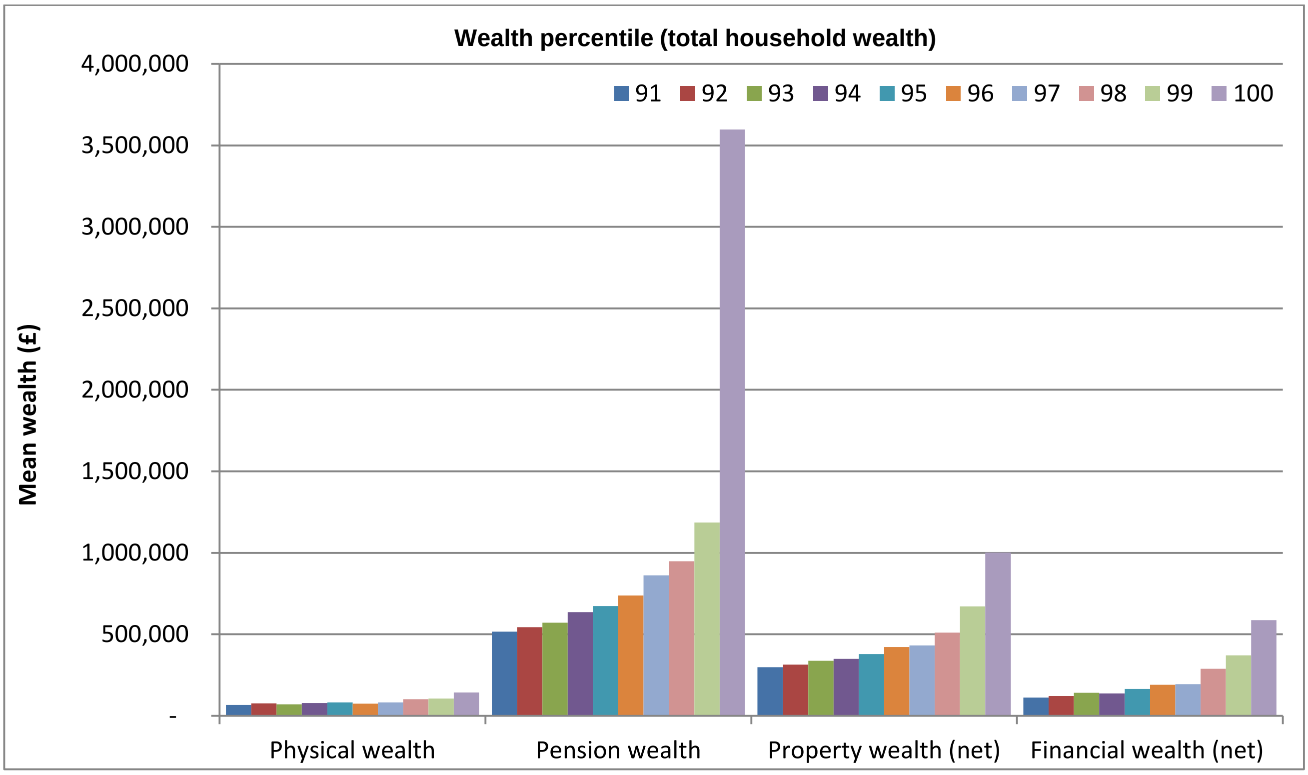
Finally, property wealth appears to increase in an even step-wise fashion with each decile, from a low of -£2,000 for the lowest wealth decile, indicating that these home-owning households on aggregate owed more in mortgages and other secured loans than their properties were worth. Of course, many households in this decile might not own property at all (instead renting their homes or living under some other arrangement). Among the wealthiest 10 and 20 per cent of households (deciles 10 and 9) their property wealth was less than their pension wealth on average, although it appears to contribute a large share of total wealth for households in the middle of the distribution (Figure 4.2). This points to property wealth as a big source of investment and future wealth accrual in addition to the simple earnings capacity of households members. Additionally, the (mean) average property wealth of households in the top three deciles was greater than the average total wealth of

Figure 4.2 Mean wealth holding by component, by wealth decile (£)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

Figure 4.3 Mean wealth holding by component among top 10 per cent wealthy, by percentile (£)

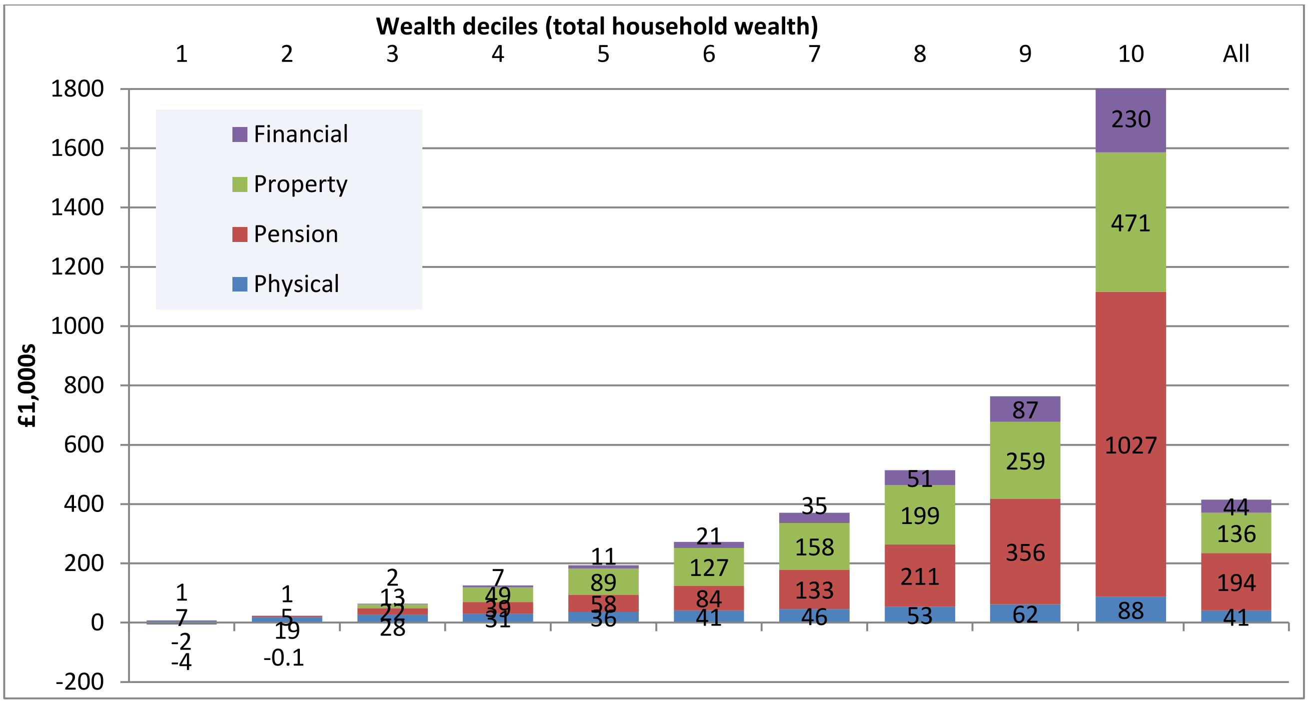


Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=2,941).

all households headed by a low earner, reported in section 3 (£188,200). We return to explore this in much more detail below.

Pulling the four components of wealth together, Figure 4.4 illustrates how they together make up total wealth.

Figure 4.4 Mean total wealth by component, by wealth deciles (£1,000s)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

4.1 The components of wealth as a percentage of total wealth

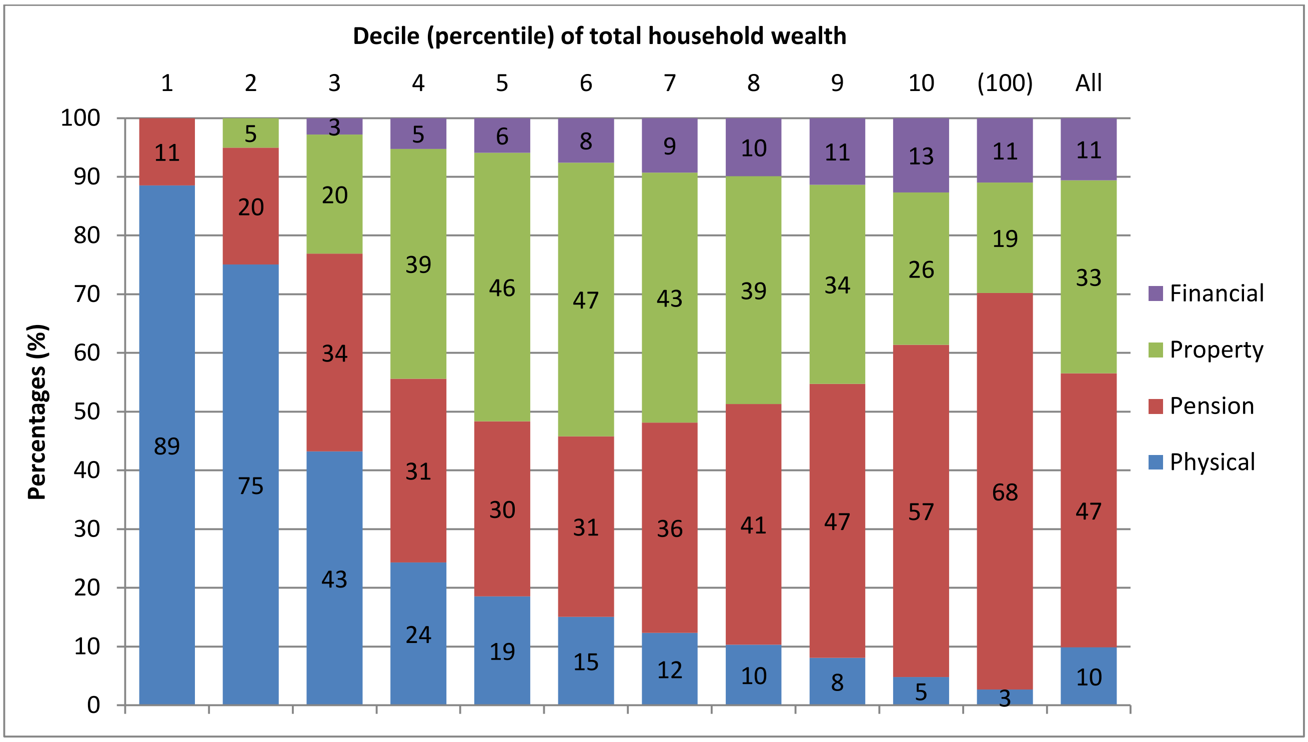
We can start to unpack the relative contribution made by each component of wealth. Taking mean wealth per component as a proportion of mean total wealth, Figure 4.5 considers the share of each of the four components in total wealth, regardless of the total amount of wealth households actually held. Recalling that mean property and financial wealth for the bottom decile and financial wealth for the second decile were less than zero (negative wealth) we consider only those components for which mean wealth was greater than zero (positive wealth) for each decile in turn. This means that for the bottom two deciles, the measure of total household wealth reported here is greater than households net total wealth reported above; for decile 1 it is £8,000 and for decile 2 £24,700 (Figure 4.4).

Stripping out the actual wealth held, it is clear that financial wealth consistently makes up only a small proportion of total (positive net) wealth across the wealth distribution (Figure 4.5). And, as wealth increases from a low base of three per cent for decile 3, equivalent to £3 in every £100, the share that is held in financial wealth also increases, comprising £13 of total wealth in every £100 among the wealthiest 10 per cent households (Figure 4.5). Compared with the top decile as a whole, this falls away again slightly to £11 in every £100 among the wealthiest 1 per cent of households (shown as percentile 100, Figure 4.5).

We saw above that physical wealth varied relatively little in magnitude across the wealth distributions, albeit with higher levels of physical wealth found among more wealthy households (Figure 4.2; Figure 4.3). However, physical wealth as a proportion of total wealth falls away dramatically from the least wealthy 10 per cent of households with increasing levels of wealth. Its decline slows towards the higher end of the distribution (Figure 4.5). As such, we find that while 89 per cent of (positive) wealth held by households in decile 1 comprised physical wealth (equivalent to

£89 in every £100), only five per cent of wealth (or £5 in every £100) among the wealthiest 10 per cent of households was made up of physical wealth. Among the super wealthy (percentile 100 in Figure 4.5), it was lower still at £3 in every £100.

Figure 4.5 Components of wealth as a percentage of total household wealth, by wealth decile



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

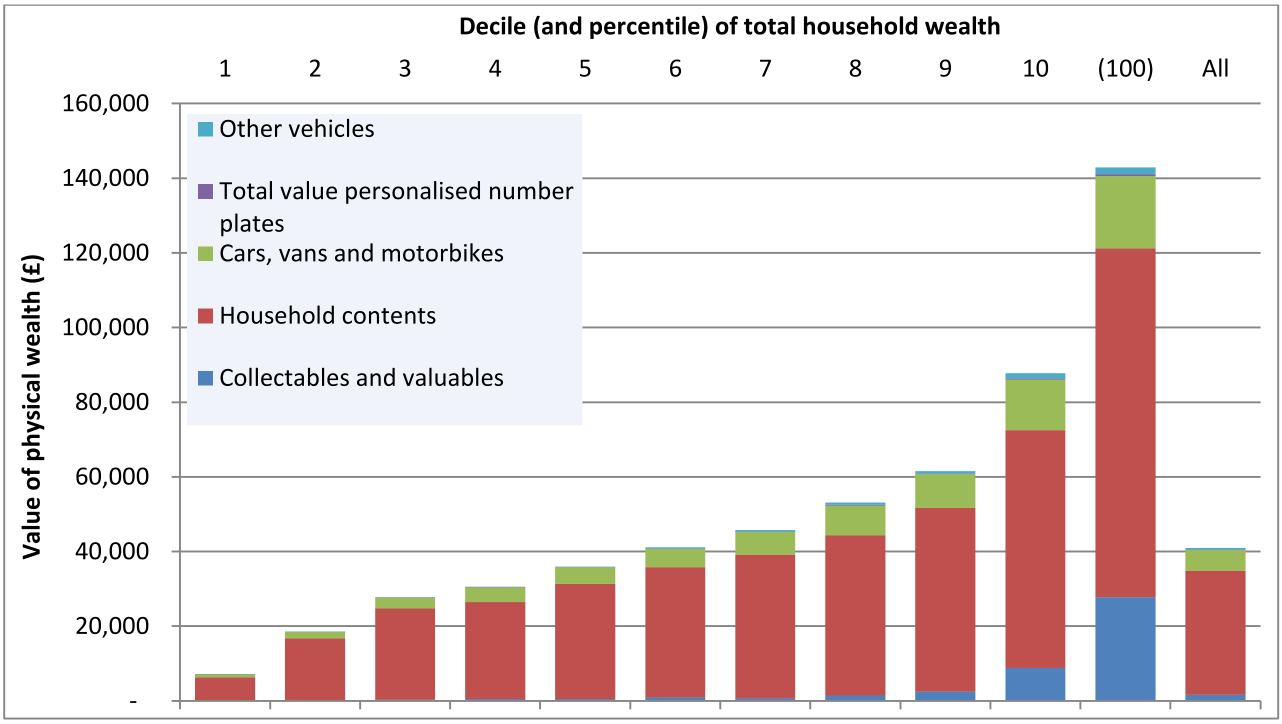
Private pension wealth increases across the distribution, making up 11 per cent of wealth among the least wealthy decile to some 57 per cent among the wealthiest decile. There is a notable step-up in the proportion of total wealth that pension wealth comprises from the second least wealthy decile (20 per cent) to the third (34 per cent). The very high levels of pension wealth observed among the top 1 per cent (see Figure 4.2) clearly dwarf other types of wealth for these households. As such, pension wealth for this group comprised £68 in every £100 of total wealth on average in 2008-10. In other words, it is not simply earning capacity that helped determine the wealth of these households (as shown in section 3) but also the particular benefit packages some employees are entitled to. However, this distribution will, by definition, be exaggerated by the exclusion of any state pension entitlement accrued by households, which will comprise a comparatively larger share of the total pension entitlement of less wealthy households than wealthier ones.

Finally, the proportion of wealth made up of property wealth increases from a low base of five per cent among decile 2, peaking at 47 per cent among households in decile 6 and falling away again to 26 per cent among the wealthiest 10 per cent of households. It falls away even further among the top 1 per cent of households, to £19 in every £100.

4.1.1 The constitution of physical wealth

Household contents (those kept in the main and other residences, in buy-to-let properties owned by household members or stored elsewhere) made up the largest share of total physical wealth in households across the wealth distribution. The value of household contents also increased steadily with increasing wealth across the distribution, from a low of £6,200 among the least wealthy decile to some £63,800 among the wealthiest (which in itself is above and more than the value of the homes of households in the bottom three deciles; see section 4.1.3 below). Among the top 1 per cent wealthy the value of household contents was estimated at £93,400 (Figure 4.6), more than the value of net property wealth of the households in the bottom five deciles of wealth, shown in Figure 4.2. However, and as we saw in relation to physical wealth overall as a proportion of total household wealth, household contents made up a larger share of physical wealth among less wealthy households than wealthier ones. Among households in first three wealth deciles, household contents comprised nearly £90 per £100 of physical wealth, falling away to £73 in the top decile and only £65 in the top 1 per cent of households. This suggests that a large share of the wealth held by households is tied up in assets that cannot readily release value, for example to help with cash flow.

Figure 4.6 Constitution of physical wealth by wealth decile (and percentile) (£mean)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).
Household contents includes contents in the main and other residences, buy-to-let properties and in land or property overseas.

The declining contribution of household contents to physical wealth across the distribution is offset by increasing amounts held in collectables and valuables as total wealth increases. These assets include items such as antiques, artworks and stamps. Households below median wealth (deciles 1 to 5) held only £1 in every £100 of their physical wealth in collectables or valuables, increasing steadily thereafter to £10 among top decile households, including £19 in every £100 amount the top 1 per cent of households. In absolute terms, this reflects an increase from £55 among the least wealthy 10 per cent of households to £8,800 among the wealthiest 10 per cent and £27,800 among the wealthiest 1 per cent. In other words, super-wealthy households held more in collectables and valuables than the mean total net household wealth of households in deciles 1 (£2,100) and 2 (£24,600). The survey does not collect more detailed information about the nature of these assets.[12]

[12] It is also not clear that jewellery is captured in the data. Respondents may have included jewellery in this category of assets, or in household contents, however, no explicit mention is made of it in the relevant survey questions.

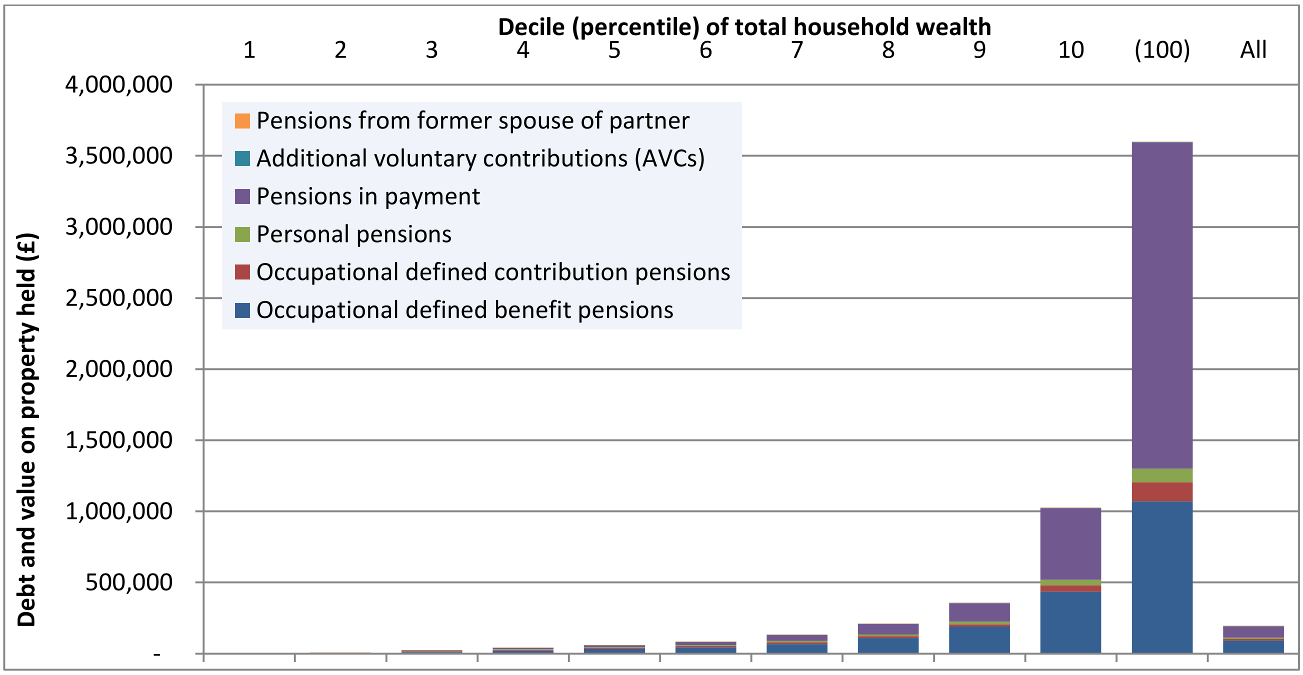
Looking across the distribution, an increasing amount of wealth was also held in cars, vans and motorbikes, from a mean of £800 among the least wealthy households to £19,000 among the top 1 per cent wealthy (Figure 4.6); this is more than the total physical wealth held by households in the two least wealthy deciles (£7,100 and £18,500). However, the *proportion* of physical wealth accounted for by cars, vans and motorbikes remained relatively even across the distribution, fluctuating around the overall average of £14 in every £100, although it was lower among decile 2 (£10).

Other vehicles, which include caravans and trailers, boats, planes and bicycles, also contributed only a small amount of overall physical wealth (£400 across all households, equivalent to £1 per £100 of physical wealth). Among the top wealth decile they contributed £1,400 of total physical wealth (£2 in every £100) and among the top percentile £2,600 (or £1 per £100). Although they made up only a small proportion of total physical wealth, it is notable that nine per cent of households in the top percentile had one or more boats (compared with less than one per cent of the bottom decile and one per cent overall) and four per cent had a caravan or trailer (compared with one per cent and three per cent respectively; see Appendix Table A 1). It was very unusual for households, even those in the top percentiles, to report owning planes, although it may be that the very wealthy charter planes for their use as required or own or run companies which in turn own private planes. Only one per cent of households overall owned bicycles (Table A 1) and personalised number plates made up a very small share of total physical wealth (£100, or less than £1 in every £100; Figure 4.6).

4.1.2 The constitution of private pension wealth

As we saw above, private pension wealth was a major contributor to total household wealth measured by the Wealth and Assets Survey. Recalling that this is a partial measure of total accrued pension entitlement, the proportion of pension wealth made up of the traditional occupational defined benefit pensions constituted nearly half of all private pension wealth overall, exceeding £50 in every £100 in the fourth to ninth deciles inclusive. It totalled more than £1.07m per household among the 1 per cent most wealthy households (Figure 4.7).

Figure 4.7 Constitution of private pension wealth by wealth decile (and percentile) (£mean)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170). Personal and occupational pensions include current and retained rights pensions.

This would seem to reflect the earlier finding, reported in section 3, that heads of households working in the public sector (where defined benefit schemes are more common) were particularly likely to live in wealthy households (when pensions wealth is included in the analysis), although it will also include private-sector workers with highly remunerative defined benefit scheme benefits.[13] With increasing total wealth, the level of *personal* pension assets increased, but as a proportion of total pension wealth it decreased from a peak of £18 per £100 among the second decile to £4 among the 10 per cent wealthiest and £3 among the 1 per cent wealthiest households.

The distribution of the stock of wealth remaining in private pensions that were already in payment is perhaps the most striking of all. It increased exponentially across the distribution, totalling £503,300 (or £49 in every £100) among the top 10 per cent and some £2.3m (or £64 in every £100) among the top 1 per cent of households (Figure 4.7). By virtue of the nature of pensions in payment – that most pensions are only paid in retirement – this finding suggests that the wealthier households were comparatively old on average, in keeping with the findings in section 3. In contrast, pensions in payment constituted only £83 (or £9 in every £100) of pension wealth on average among the 10 per cent least wealthy households, who were also younger on average (section 3).

4.1.3 The constitution of property wealth

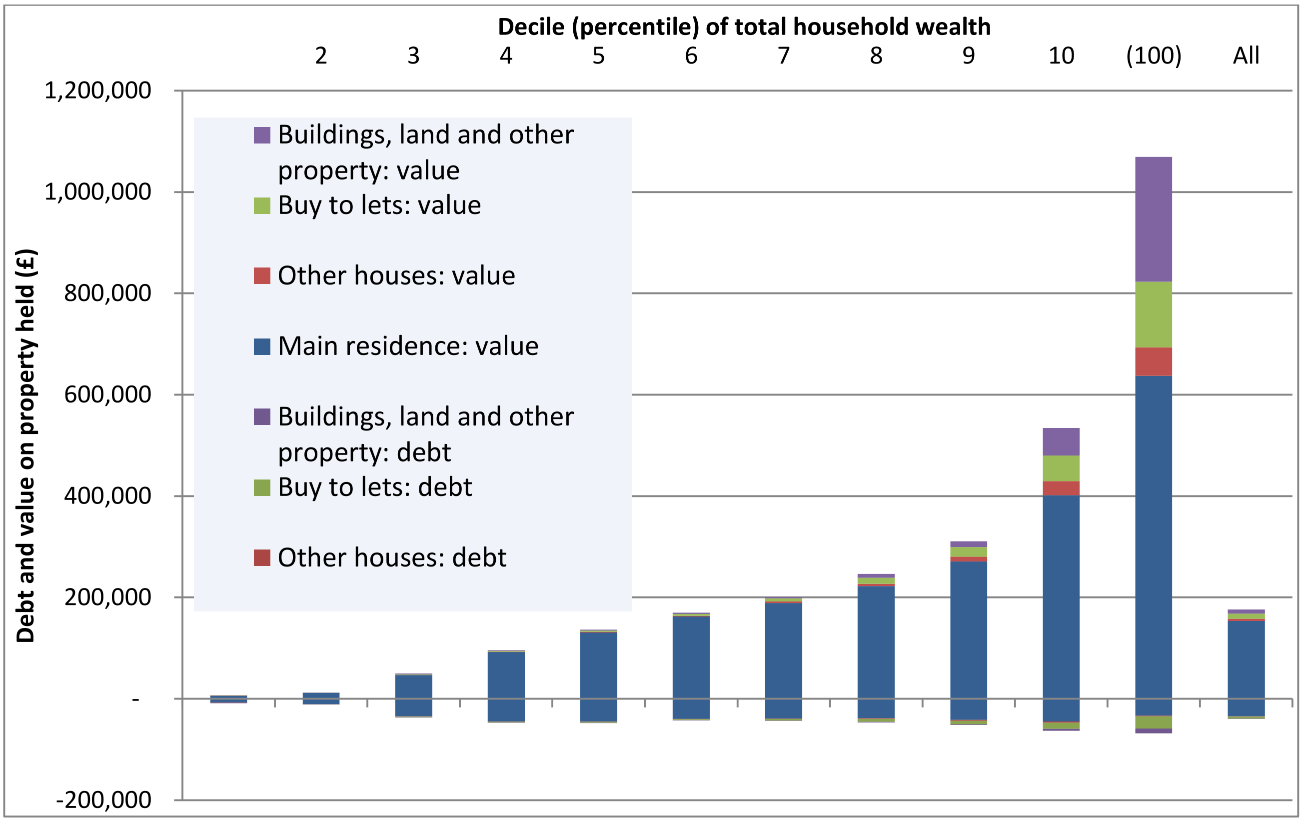
Across the distribution, it is clear that the biggest contributor to total property wealth is the value of households' main residences. Conversely, the amount of debt on the main residence (from mortgages, secured loans and equity release) remains relatively stable across the distribution, meaning a higher relative proportion of debt was held among lower wealth groups and a lower proportion among more wealthy groups (Figure 4.8).

With increasing wealth, the value of other houses and buy-to-let properties also plays a bigger role, together comprising £78,400 of total gross financial wealth among the top 10 per cent wealthy overall (Figure 4.8, below). Within these, other houses and buy-to-let properties held amounted to some £185,300 on average among the top 1 per cent wealthy; this is almost as much as the *total* wealth held by households headed by low earners (£188,200) and is, for example, twice the value of the main residence of households in decile 4 (£92,100). Note, however, that outstanding borrowing on these types of assets, particularly buy-to-let properties, also increase with increasing wealth, although the net value of those types of assets remain positive (greater than £0).

Finally, the value of other buildings (such as a shop or garage), land (UK and overseas) and other property also play a clear role in the property wealth of households in the higher deciles, particularly the 10 per cent wealthiest households who held assets worth a mean average of £54,000 and, among these, the top 1 per cent who held assets to the value of £246,500. This is, for example, equivalent to more than five times the value of the main home of households in decile 3. Dwarfed by the value of those assets, little debt was held on these types of assets overall, reaching only as high as £8,900 among the top 1 per cent of households, ensuring that buildings, land (UK and overseas) and other property were a viable source of property wealth for these households.

[13] Some 42 per cent of household heads in the wealthiest 10 per cent of households who worked in the private sector had defined benefit occupational pension schemes, compared with just 17 per cent of their counterparts in decile 5 and two per cent in decile 1. The figures for public sector workers were 85 per cent, 71 per cent and 10 per cent respectively.

Figure 4.8 Constitution of property wealth by wealth decile (and percentile) (£mean)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

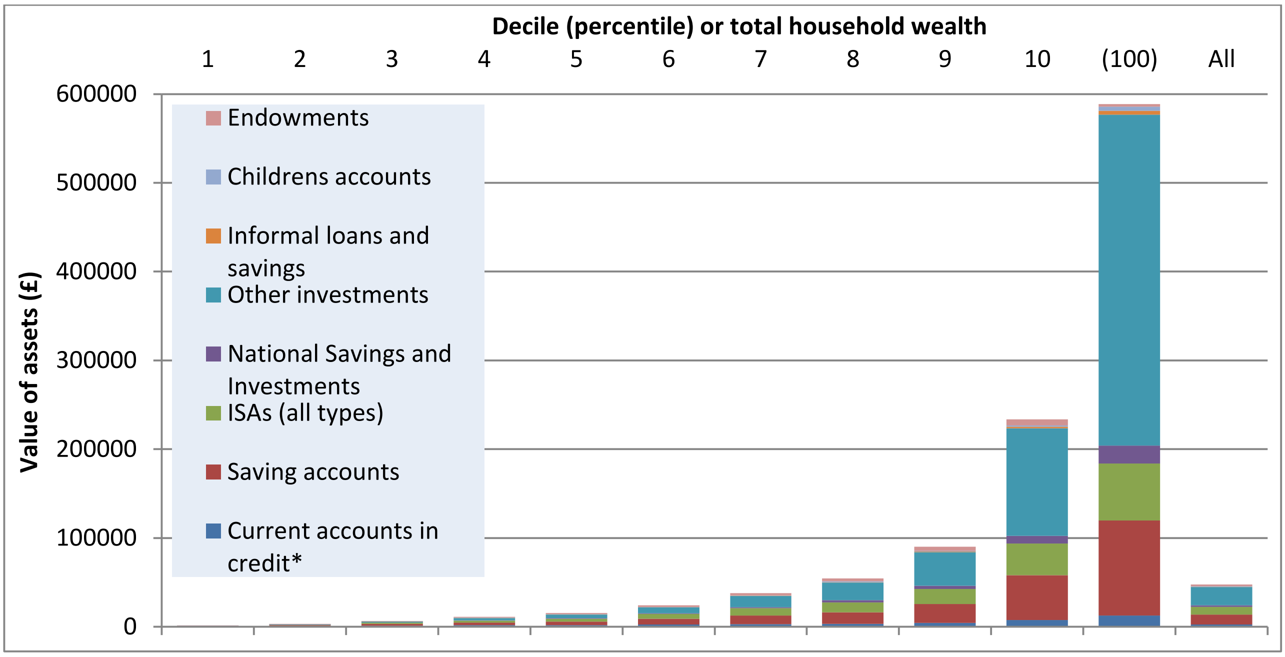
4.1.4 The constitution of financial wealth

We saw above that financial wealth makes up the smallest share of total wealth cross the distribution. Looking in more detail at the constitution of financial wealth, it is clear that investments – ranging from UK bonds and gilts to overseas shares – make up the largest share of gross financial wealth among the wealthiest households in Great Britain (Figure 4.9, below).[14] The wealthiest 10 per cent of households held a mean average of £121,100 (or £52 in every £100 of gross financial wealth) and the super-wealthy (the top 1 per cent) are estimated to have held a mean average of £372,900 (or £63 per £100) in these products in 2008-10. Though difficult to read from the chart, the proportion of wealth held in current accounts (in credit) increased with decreasing total wealth (Figure 4.9). Although households in decile 1 held only £400 on average in these accounts, this represented 39 per cent of their gross financial wealth, compared with £7,400 and three per cent among decile 10.

The constitution of outstanding debt (financial liabilities) is perhaps the least variable across the wealth distribution of all of the wealth components (Figure 4.10, below). Although the total amounts owed vary quite considerably across the distribution, formal non-mortgage personal and cash loans ('loans' in the chart; for example with a bank or finance company) make up the largest share of total financial liabilities for all deciles, followed by credit and store cards and hire purchase and mail order accounts. Loans from the Student Loans Company also make up a large share among people in the lowest wealth decile (totalling £600 or £12 in every £100 of financial liabilities).

[14] Here we have separated gross financial wealth (assets) from gross financial liabilities, due to the large number of categories in each.

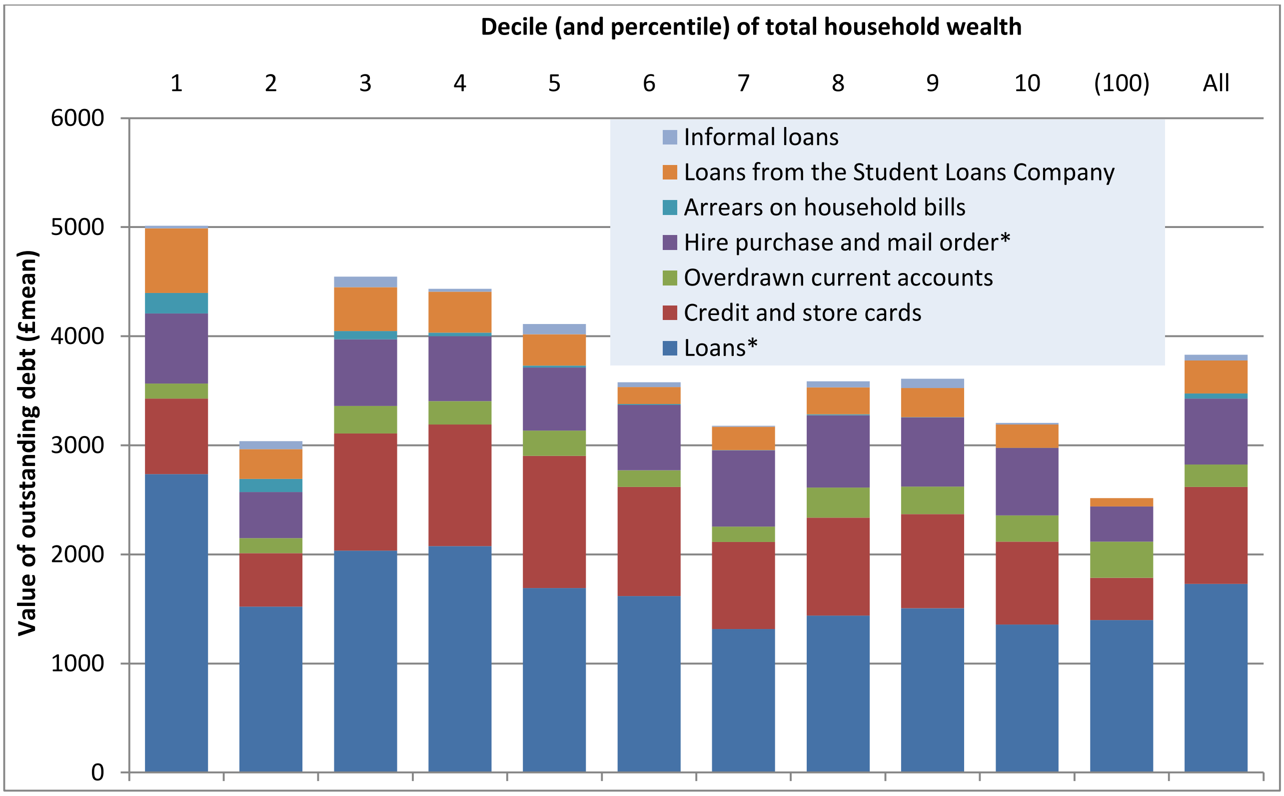
Figure 4.9 Constitution of gross financial wealth by wealth decile (and percentile) (£mean)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170). * Includes money held in basic bank accounts and Post Office Card Accounts, which are not true current accounts.

Meanwhile, among the super-wealthy – the wealthiest 1 per cent of households – overdraft balances constitute a share of total financial liabilities approaching that of credit and store cards and hire purchase and mail order accounts (£300 or £13 per £100).

Figure 4.10 Constitution of gross financial liabilities by wealth decile (and percentile) (£mean)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170). * Includes sums owed in arrears on these commitments.

4.2 Summary

Overall, private pension wealth made up the largest share of the total wealth of households as measured by the Wealth and Assets Survey and increasingly so with increasing wealth, driven primarily by pensions already in payment (partly a reflection of the older age of wealthier households) and secondarily by current or retained defined benefit pensions (a reflection of the preferential benefits of defined benefit schemes and greater lengths of time spent within a defined benefit pension scheme among older people). Physical wealth made up only a small proportion of total household wealth, its share decreasing with increasing wealth. Within this, household contents were the main contributor, suggesting that for the least wealthy households their wealth was heavily tied in assets that cannot readily be released into a different form (e.g. financial wealth). Though not apparently contributing a large share of that wealth, there is evidence suggestive of conspicuous consumption among the super-wealthy, with almost one in ten of them owning a boat, compared with only one in 100 of all households. With increasing wealth an increasing proportion of physical wealth was also held in collectables and valuables.

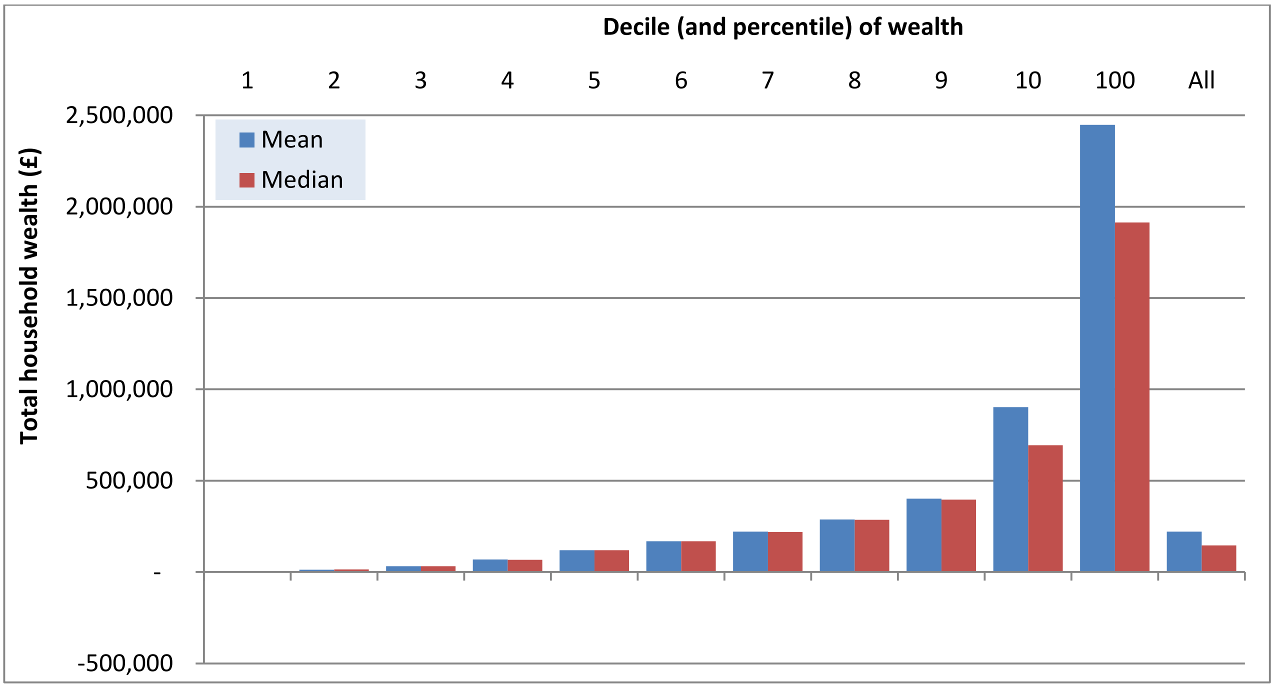
Financial wealth comprised only a small share of total wealth, but increased towards the high end of the distribution. Property wealth also increased with increasing wealth, with a marked step-up among the top 10 per cent and 1 per cent of households. However, its share of total wealth peaked among the middle deciles before falling away. This undoubtedly reflects the dominance of pension wealth in these households, despite the propensity for wealthy and super wealthy households to have second homes, buy-to-let property or other building, land and property. Nonetheless the value of the main home was the main contributor to property wealth in households across the distribution. Outstanding debt on the main home was a clear contributor to low net wealth among households in the lowest three wealth deciles.

5 The distribution of wealth excluding private pension wealth in Great Britain

We saw in earlier sections that private pension wealth, as captured in the Wealth and Assets Survey, makes up a large share of total household wealth, and that this is magnified among the wealthiest households. Pension wealth, however, is qualitatively different from other types of household wealth because it is a form of deferred, rather than current, wealth (or, more specifically, it is a form of deferred income). By its nature pension wealth is normally inaccessible to individuals prior to pensionable age and its full value may not be realised at all, if the pensionable person does not live to retirement age or live long into retirement if they do. Moreover, rights to state pension income, which will form the large share of regular income in retirement among poorer households, is excluded from the measure of pension wealth captured in the Wealth and Assets Survey. This means that the inclusion of pension wealth in the wider measure of total household wealth distorts (exaggerates) the variation in wealth across the distribution (see Tetlow and Banks, 2009). It is also important to take into account that the value of a pension promise is expressed in terms of how much it would cost to buy that income stream as an annuity from an insurance company. This does not necessarily reflect the value of contributions made or a notional share of any current defined benefit pension fund, so aggregate numbers can appear far larger than the annual value of the pension that any individual will be paid. The purpose of this section is to re-consider the distribution of wealth, and its determinants, when excluding private pension wealth – as defined in the Wealth and Assets Survey – from the measure of total wealth.

Total mean wealth excluding pensions across all households in Britain in 2008-10 was £221,300 (with a median of £144,800; Figure 5.1). This is just over half the total wealth reported in section 2 (which included pension wealth) (with a mean of £414,900 and a median of £232,400). The wealthiest 10 per cent of households on this measure (decile 10) had mean net wealth of £902,300, compared with £401,400 among households in decile 9 and -£1,500 among the 10 per cent least wealthy households (decile 1).

Figure 5.1 Total household wealth excluding pension wealth, by new wealth decile (and percentile)

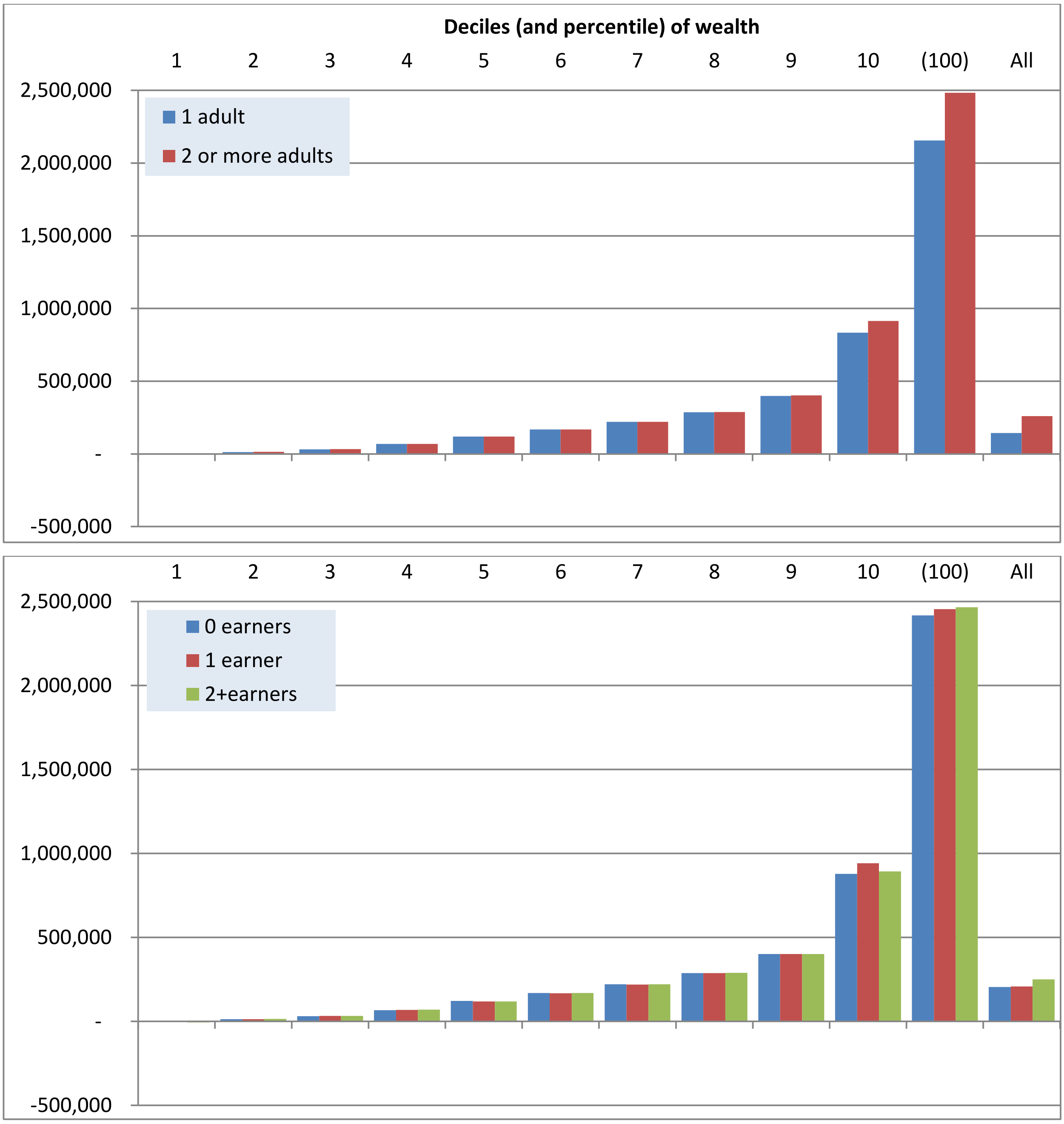


Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

5.1 *The effect of household size on wealth*

Wealth varies strongly depending on a household's size. Mean wealth peaked among four-adult households (at £293,700) from a low of £143,800 among one-adult households, before falling slightly to £268,700 among households containing five or more adults. When we consider the number of earners, mean wealth increased steadily from a low of £205,200 among households with none to £264,000 among households with three or more earners.

Figure 5.2 Mean total wealth by number of adults and earners in household, by new wealth decile (and percentile) (£)



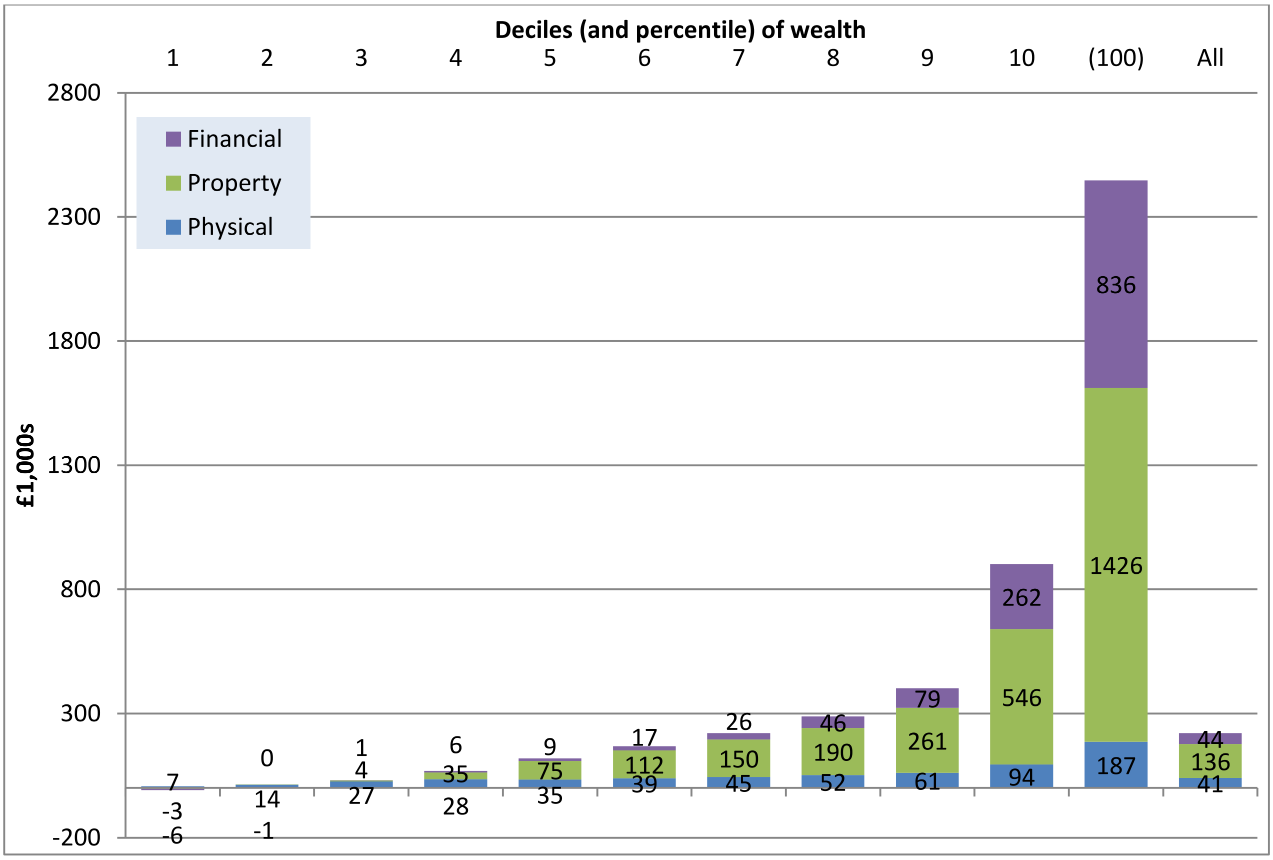
Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

Figure 5.2 shows mean wealth by the number of adults and earners in the household, by wealth decile and percentile. By showing these on the same scale (with a maximum of £250,000 on the vertical axis), we can see that the greater variation, which is at the wealthier end of the distribution, is more marked in relation to the number of adults in the household than it is for the number of earners. Among the wealthiest 10 per cent and 1 per cent of households, the presence of two or more adults was associated with markedly higher wealth. The presence of one earner was also associated with higher levels of wealth in these groups compared with households with none, but was higher still among the wealthiest 1 per cent of households where there were two or more earners present. This latter point contrasts with the finding reported earlier that mean wealth including pensions fell away again among super-wealthy households with two or more earners, suggesting that pension wealth in some way precludes the need for multiple household members to work.

5.2 The composition of wealth

The important contribution made by property wealth to the total is apparent, with the mean net property wealth being £136,500 across all households. In absolute terms, net property wealth grows with each successive wealth decile. But its relative contribution varies substantially, representing only three per cent of total wealth among decile 2 households (the first non-negative decile on this measure; with a mean of £500) to 68 per cent in decile 7 (£150,400) before falling away slightly to 61 per cent (£546,300) among the wealthiest 10 per cent of households and 58 per cent (£1,425,500) among the wealthiest 1 per cent of households.

Figure (4.4) Mean total wealth excluding pension wealth by component, by new wealth decile (and percentile) (£1,000s)



Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170).

At £43,900, net financial wealth represented £20 in every £100 of the total. As we saw in Section 4, the share – as well as the absolute amount – was greater in wealthier deciles, making up 29 per cent (£261,700) and 34 per cent of wealth (£835,800) in wealthy and super-wealthy households respectively. Physical wealth averaged £40,900 across all households. In total, it represented £18 in every £100 of British households' total wealth. Again as Section 4 found, it made up a comparatively large component of total wealth among less wealthy deciles: all of the wealth from non-negative components among decile 1, 97 per cent among decile 2 and 84 per cent of decile 3 (with a mean of £26,800). This will derive partly from the fact that physical wealth is the only of these three components to always be positive in value (i.e. an asset), the other components reflecting the balance of assets against liabilities. Even so, the limited extent to which this type of wealth will be realisable in times of need, particularly for less wealthy households (for which physical wealth comprises a large proportion of household contents, rather than valuables or collectables; see Section 4) suggests that it is of limited (financial) value to households. Its relative contribution then fell away steadily to 10 per cent of wealth among wealthy households (£94,300) and £8 in every £100 among the super-wealthy households (£186,900).

5.3 The characteristics of wealthy and super-wealthy households

When we examine the socio-demographic and other characteristics of households by their wealth, we see that there is variation in the composition of households by decile for most characteristics. Wealthy and super-wealthy households were disproportionately likely to be headed by a man (74 per cent and 75 per cent respectively), to be couples without children (44 per cent and 51 per cent) and to be headed by someone aged 55 to 64 (31 per cent and 36 per cent), so in the run up to and around the time of typical retirement age (Table A 8). Even so, a surprising one in fifty wealthy and super-wealthy households were headed by someone aged only in their mid-20s to mid-30s and a similar proportion were aged 85 and over. This may be for any number of reasons, but would seem at least in part to highlight differences in wealth that persist across the life-course (rather than wealth accrued during the life-course) due to factors associated with (inter-generational) social inequality. This is further underlined by a lower the proportion of super-wealthy households being were headed by someone aged over state pension age (30 per cent) than found in deciles 7 to 10 (ranging from 28 per cent to 40 per cent).

Implicit to the measure of wealth, the effect of home ownership was especially marked, with 67 per cent of wealthy and 74 per cent of super-wealthy households owning their homes outright. A geographical dimension was also evident, with households in London and particularly the South East of England being likely to be wealthy (18 per cent and 23 per cent) or super-wealthy (23 per cent and 30 per cent), at least partly reflecting consistently house prices there than elsewhere in Britain (Nationwide, 2013). However, households in London were noticeably polarised, with 20 per cent of the least wealthy households also living in London.

The receipt of an inheritance or substantial gift also played a role, again highlighting the effect of social inequalities that persist across generations. Forty-three per cent of wealthy households and 42 per cent of super-wealthy households had received these. This compares with only 17 per cent of households in the second lowest wealth decile, although 20 per cent of households in the very lowest decile had received one.

Turning to socio-economic characteristics, there was strong variation by the earnings class of the HRP. High earners were greatly over-represented among the wealthiest 10 per cent and 1 per cent of households, by a factor of two and three respectively. So while only 15 per cent of all households were headed by a high earner, 36 per cent of wealthy and 43 per cent of super-wealthy households were headed by a high earner (Table A 9). Within this, HRPs from large employers and higher managerial occupations (class 1.1) were somewhat more over-represented among the super-wealthy than were those from higher professional occupations (class 1.2). Middle earners also comprised a large proportion of wealthy and super-wealthy households (58 per cent and 54 per cent respectively), although this reflects closely their share of all households, regardless of wealth (54 per cent). Notably, middle earners in lower supervisory and technical occupations (class 5) were greatly under-represented among the wealthiest 10 per cent and 1 per cent of households.

Middle earners also made up nearly four in ten of the *least* wealthy decile (37 per cent), with low earners making up a further five in ten of this decile (47 per cent). Meanwhile, the largest contingent of unemployed HRPs was found among the least wealthy households (eight per cent); 45 per cent of the least wealthy (compared with 60 per cent of all HRPs) were in work.

Turning to the HRP's in-work characteristics, the most notable findings relate to their working arrangements: whether they were working as an employee or self-employed and full or part time (Table A 9). There was a marked concentration of employees among households in deciles 4 (68 per cent) and 5 (65 per cent) and a concentration of self-employed workers among the top wealth decile (17 per cent) and percentile (22 per cent). This reminds us that the self-employed tend to accrue property and financial wealth in particular in the absence of widespread private pension provision (Finney et al., 2013).

Similarly, households in deciles 1, 3, 4 and 5 were more likely – and those on deciles 8, 9 and 10 less likely – to work full time. In particularly twice as many super-wealthy households were headed by someone working part time in their main job (21 per cent) than the average for all households would suggest (10 per cent). This would appear to indicate that the wealthiest households have less need to work full time in their main job and could have the potential to contribute even more to the economy than they currently do; alternatively they may have (or have had) second (or multiple) jobs which also help account for their wealth.

Private sector workers were significantly over-represented among wealthy (46 per cent) and super-wealthy (52 per cent) households compared with the overall average of 43 per cent. They also made up large shares of deciles 4 (55 per cent) and 5 (52 per cent). Public sector workers comprised a substantial minority of the lowest wealth deciles (10 per cent of decile 1 and 11 per cent of decile 2) and, at the other end of the spectrum, super-wealthy households (nine per cent). Nonetheless, they were under-represented at these two extremes (heading up 16 per cent of all households on average). Instead, the greater proportion of households headed by public sector workers is found in the middle deciles (making up, for example, 19 per cent of decile 5).

5.4 Predicting being wealthy

When including these measures in multivariate analysis, several characteristics emerged as being strongly correlated with being a wealthy household (wealthiest 10 per cent) independently of the other characteristics considered. The single strongest characteristic was in fact housing tenure, which as mentioned above would appear to reflect the relative importance of property wealth in total wealth. The odds of being wealthy were some 18 times higher for households who owned their home outright than those who rented their homes and four times higher than those who owned their home with a mortgage (Table A 10).

Other strong factors, in decreasing order of strength, were:

- **Earnings class**, with the odds among high earners and middle earners being 13 and five times higher respectively than among low earners;
- **Where in Britain households lived**, with the odds being particularly high in the South East (four times) and South West (three times) of England and Wales (two times) compared with the North East, North West of England and Yorkshire and Humber at the lower end of the range (with odds ratios of one);
- **The age of the HRP**, with the odds peaking among those in their pre-near retirement years (ages 55 to 64; 11 times the odds of those under 35); and
- **Household composition**, whereby the odds were highest among couples, particularly those with dependent children only (at four times those of single-adult households).

Whether someone in the household had received a recent inheritance of substantial gift, their work status was other than unemployed, in work or economically inactive and being better off as a result of a change in household circumstances in the last two year were also predictive of being a wealthy household, albeit only weakly so.

When we look specifically at households headed by someone in work in 2008-10, housing tenure, earnings class, the age of the HRP, where households were living and their composition were again strongly predictors of being wealthy, with the highest odds again being associated with largely the same groups of households (Table A 11). Whether the HRP worked on an employee or self-employed basis was also a strong factor, with the self-employed being more likely to be wealthy households, all other things being equal (with two times higher odds than the employees). This is consistent with the bivariate analysis above.

Other in-work characteristics were significant in the model, albeit only weakly so. Having a second job was associated with twice the odds of being wealthy and working part time in the main job increased the odds marginally (by 1.3 times) compared with full-time working. Whether someone worked in the private or public sector was not significant in this analysis.

5.5 Predicting being super-wealthy

When we turn to consider the factors that drive belonging to the wealthiest 1 per cent of households, the super-wealthy, a similar – if more limited – set of factors emerge to those just described. Housing tenure was again the single strongest predictor, in the expected direction, and earnings class, where people lived in Great Britain, the age of the HRP and household composition were all strong predictors, in this order (Table A 12). No additional characteristics reached significance in the model.

In the model which looked only at those households whose HRP was in work at the time of the interview, housing tenure, earnings class and age group were strong predictors, in this order. Household composition was also a strong predictor. The relative odds associated with being a super-wealthy household were markedly higher among the high and middle earners compared with low earners (by 87 times and 33 times respectively). Like the models just discussed, where people lived was strongly significant (with households in London and the South East of England at the high end of the range with odds that were 11 and nine times higher respectively than those in the North East). In relation to HRPs' in-work characteristics, having a second job carried four times higher odds of being super-wealthy than one job only. Notably, however, working in the private sector carried three times the odds of being super-wealthy than public sector workers (this is calculated by dividing the unrounded odds of the former by the latter). Working part-time and on a self-employed basis were also significant factors, albeit only weakly so.

5.6 Summary

Pension wealth, particularly as measured in the Wealth and Assets Survey (which is a partial measure of private pension wealth), is a particular type of wealth that is not comparable with other forms of wealth. When pension wealth was removed from the Wealth and Assets Survey measure of total household wealth, average wealth reduced by almost a half. Nonetheless, variation in wealth across the distribution remained strong.

A key theme emerging from this analysis is the importance of property wealth, which is a large component – and strong driver – of wealth. Not only did mean property wealth of £135,500 comprise 62 per cent of the wealth held by households overall, and make up a far larger share of total wealth among wealthier households than less wealthy ones, housing tenure (and owning the home outright) was the strongest predictor of being a wealthy or super-wealthy household. High average house prices in some parts of the country are likely to explain why variation in wealth was particularly strong depending on where people lived.

Still, older householders, particularly in the years approaching state pension age and immediately following this, are more likely to head up wealthy and super-wealthy households, all other things being equal. This is consistent with the life-cycle hypothesis, in which household first accrue liabilities and with increasing age accrue increasing amounts of wealth before spending down that wealth. In contrast to the analysis which considered total wealth including pensions, in which men heading up working households were found to be more likely to head super-wealthy households, the sex of the HRP no longer predicted being super-wealthy. This would seem to underline particular disparities observed elsewhere in pension holding between men and women.

Another factor to emerge as important in predicting being a wealthy or super-wealthy household is whether the HRP is an employee or is self-employed. Self-employed HRPs were more likely than their employee counterparts to be wealthy and super wealthy. This highlights the alternative and preferred means by which people who are self-employed invest surplus income in the absence of (strong) pension saving options. Public-sector workers were not more likely than their private-sector counterparts to head up wealthy and super-wealthy households. Moreover, working in the private sector predicted being a super-wealthy household. A disproportionately high number of public-sector workers were instead found among the low and middle deciles of wealth. This may suggest the importance of private pension saving for security in retirement for public-sector workers in the face of greater difficulty accruing other forms of wealth.

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Appendix 1: Additional tables

Table A 1 Percentage of households with other types of vehicles, by wealth decile (and percentile) (%)

Decile (percentile)	Caravan or trailer	Boat	Plane	Bicycle	Other vehicle
1	1	<1	-	0.4	<1
2	1	<1	-	1	<1
3	2	<1	<1	1	<1
4	2	<1	<1	1	<1
5	3	<1	-	1	1
6	3	1	-	1	<1
7	4	1	-	1	1
8	5	1	<1	1	1
9	4	2	<1	2	1
10	4	4	<1	2	1
(100)	4	9	-	2	1
All	**3**	**1**	**<1**	**1**	**1**

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households (n=20,170). '-' indicates no cases in the sample. '<1' indicates a value of less than zero but greater than one.

Table A 2 Decile (percentile) of total household wealth by socio-demographic characteristics

Column percentages (%)	1	2	3	4	5	6	7	8	9	10	(100)[1]	**All**
Sex (of HRP)												
Male	44	46	55	58	60	62	65	66	71	75	78	**60**
Female	56	54	45	42	40	38	35	34	29	25	22	**40**
Age group (of HRP)												
16 to 24	12	6	2	1	1	0	-	-	-	-	-	**2**
25 to 34	26	23	31	23	16	9	7	4	2	1	1	**14**
35 to 44	20	22	24	25	24	22	20	18	17	10	6	**20**
45 to 54	15	15	14	15	17	20	20	25	26	27	27	**19**
55 to 64	9	11	9	12	13	14	18	22	27	38	38	**17**
65 to 74	7	9	8	11	12	14	18	18	19	17	21	**13**
75 to 84	6	9	9	9	12	14	14	11	8	6	6	**10**
85 and over	3	5	3	4	4	6	4	2	1	1	1	**3**
Whether HRP is over or under State Pension Age (SPA)												
Below SPA	81	74	78	73	69	63	61	65	67	73	70	**70**
Over SPA	19	26	22	27	31	37	39	35	33	27	30	**30**
Household composition												
Single adult household	44	37	33	34	31	31	27	21	18	12	14	**29**
Couple, no children	10	13	19	23	24	28	31	34	37	45	53	**26**
Couple with dependent children only	14	17	21	22	21	18	19	19	20	18	10	**19**
Couple with dependent and adult children	1	2	3	3	4	4	4	5	4	5	10	**3**
Couple with adult children only	1	3	4	4	7	7	9	10	12	14	9	**7**
Lone parent with dependent children only	17	14	8	4	4	3	2	2	1	1	0	**6**
Lone parent with dependent and adult children	2	3	3	2	1	1	0	0	0	0	-	**1**
Lone parent with adult children only	4	5	4	4	4	4	4	3	2	1	1	**4**
2 or more families/other types of household	6	7	6	5	5	5	4	5	5	4	3	**5**
Housing tenure												
Own it outright	0	0	3	20	32	43	49	50	52	60	69	**31**
Mortgage	5	10	36	52	54	49	45	44	44	37	26	**38**
Rent it	94	90	61	29	14	9	6	5	3	3	5	**31**

Table continues over page

Table A2 (continued) Decile (percentile) of total household wealth by socio-demographic characteristics

Government Office Region												
North East	6	6	5	5	4	4	4	4	3	3	1	**4**
North West	13	13	12	13	12	12	11	11	10	9	10	**12**
Yorkshire and The Humber	8	9	10	11	12	9	9	8	7	7	5	**9**
East Midlands	7	9	7	8	8	7	8	8	7	6	6	**8**
West Midlands	8	10	10	11	10	8	8	8	8	8	8	**9**
East of England	7	7	8	9	11	11	9	11	11	10	12	**10**
London	19	12	12	9	9	10	11	10	12	15	17	**12**
South East	9	10	11	11	11	14	15	16	19	21	21	**14**
South West	6	7	9	7	8	10	11	11	10	10	8	**9**
Wales	5	5	5	6	6	6	6	5	4	4	3	**5**
Scotland	11	11	11	11	10	9	9	8	8	6	9	**9**
Whether any household member has recently received an inheritance or substantial gift												
No	83	82	73	72	71	71	70	67	63	59	62	**71**
Yes	17	18	27	28	29	29	30	33	37	41	38	**29**
Change in financial situation due to change in household circumstances (self-report, HRP)												
No or missing	91	92	91	93	94	93	94	94	93	95	96	**93**
Better off	1	2	2	2	2	2	1	2	2	2	1	**2**
Worse off	7	6	7	6	4	5	5	4	5	3	2	**5**
Change in financial situation due to change in household income (self-report, HRP)												
No (or missing)	71	69	69	71	71	74	72	73	73	73	78	**72**
Better off	13	17	18	17	16	14	14	15	16	16	10	**15**
Worse off	16	14	14	12	13	12	14	12	11	12	12	**13**
Unweighted base	*1,598*	*1,650*	*1,600*	*1,746*	*1,869*	*1,971*	*2,083*	*2,229*	*2,460*	*2,939*	*348*	***20,145***

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145).
1. Treat with caution due to large sampling error.

Table A 3 Decile (percentile) of total household wealth by HRP work-related characteristics

Column percentages (%)	1	2	3	4	5	6	7	8	9	10	(100)[1]	**All**
Earnings class												
High earners	2	4	9	10	11	13	15	20	25	40	50	**15**
1.1 Large employers and higher managerial and administrative occupations	1	1	3	4	4	5	6	9	11	18	22	**6**
1.2 Higher professional occupations	2	3	6	6	7	8	9	10	15	21	28	**9**
Middle earners	33	39	51	54	56	59	62	63	64	54	45	**54**
2 Lower managerial, administrative and professional occupations	10	12	20	23	23	26	30	33	39	38	30	**25**
3 Intermediate occupations	7	8	11	9	10	11	12	11	9	6	6	**9**
4 Small employers and own account workers	7	7	8	9	10	9	10	9	9	7	9	**8**
5 Lower supervisory and technical occupations	10	11	12	12	13	12	10	10	8	3	1	**10**
Low earners	51	50	37	34	31	26	22	16	10	5	4	**28**
6 Semi-routine occupations	25	27	20	19	16	14	12	10	6	3	2	**15**
7 Routine occupations	26	23	17	15	15	12	9	6	4	2	2	**13**
Never worked and long-term unemployed	9	5	2	1	1	1	1	1	0	0	0	**2**
Not classified	5	2	1	1	1	1	0	0	0	0	0	**1**
Working status, wave 2												
In work	39	45	65	67	64	60	61	64	66	66	62	**60**
Unemployed	9	6	3	2	2	1	1	0	1	0	-	**2**
Economically inactive - below SPA	51	48	31	31	34	38	37	35	32	33	37	**37**
Economically inactive - over SPA	32	23	10	7	6	5	4	5	6	11	15	**11**
Other	2	2	1	0	1	1	1	1	1	1	0	**1**
Periods of unemployment or reduced pay since wave 1, among those in work at both waves												
Yes	21	17	16	13	14	11	13	12	9	12	20	**13**
No	79	83	84	87	86	89	87	88	91	88	80	**87**
Whether working as an employee or self employed												
Employee	35	40	58	59	55	53	53	55	57	56	48	**52**
Self-employed	4	5	7	8	9	8	8	9	10	11	14	**8**
Not currently working	61	55	35	33	36	40	39	36	34	34	38	**40**
Hours worked												
Full-time	26	32	54	57	56	52	53	54	56	53	42	**49**
Part-time	12	12	10	10	8	8	8	9	11	13	20	**10**
Not currently working	61	55	35	33	36	40	39	36	34	34	38	**40**

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Table A3 (continued) Decile (percentile) of total household wealth by HRP work-related characteristics

Column percentages (%)	1	2	3	4	5	6	7	8	9	10	(100)[1]	**All**
Whether works in private or public sector												
Private firm, business, ltd company or plc	32	36	50	51	47	43	41	42	43	42	43	**43**
Public sector organisation or nationalised industry	6	8	14	15	16	16	19	21	22	23	19	**16**
Not currently working	63	56	36	34	37	41	40	37	35	35	38	**41**
Whether has a second job												
No - One job only	37	42	62	65	61	58	59	62	64	63	57	**57**
Yes - Two or more jobs	2	2	2	3	3	2	2	2	3	3	6	**2**
Not currently working	61	55	35	33	36	40	39	36	34	34	38	**40**
Unweighted base	*1,598*	*1,650*	*1,600*	*1,746*	*1,869*	*1,971*	*2,083*	*2,229*	*2,460*	*2,939*	*348*	***20,145***

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

Base is all households in which the HRP or their partner responded in person (n=20,145).

1. Treat with caution due to large sampling error.

Table A 4 Logistic regression predicting being a top 10 per cent wealthy household

	Significance (p-value)	Odds ratio (Exp(B))
Earnings class (HRP) Ref: Low	.000	
High	.000	15.7
Middle	.000	4.8
Missing	.000	3.2
Age group (HRP) Ref: Under 35	.000	
35 to 44	.000	5.5
45 to 54	.000	19.5
55 to 64	.000	30.4
65 to 74	.000	12.7
75 and over	.000	6.5
Housing tenure Ref: Renting	.000	
Own outright	.000	10.0
Own with mortgage	.000	4.0
Household composition Ref: Single adult household	.000	
Couple, no children	.000	3.3
Couple, dependent children only	.000	3.5
Couple with adult children	.000	3.1
Lone parent with dependent children only	.478	.8
Lone parent with adult children	.112	.7
Other	.000	2.7
Government Office Region Ref: North East of England	.000	
North West of England	.241	1.2
Yorkshire and the Humber	.423	1.1
East Midlands	.329	1.2
West Midlands	.679	1.1
East of England	.131	1.2
London	.023	1.4
South East of England	.000	2.4
South West of England	.000	2.1
Wales	.002	1.5
Scotland	.703	1.1
Recently received an inheritance or substantial gift Ref: No	.000	1.3
Change in financial situation due to household income: Ref: None (or missing)	.018	
Better	.202	1.1
Worse	.007	1.3
Work status (HRP) Ref: Unemployed	.027	
In work	.002	3.2
Economically inactive	.004	3.1
Other	.002	4.5
Constant	.000	.0
Model Chi Sq/df at final step		3360/33
Nagelkerke R^2 at final step		.36

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex (HRP) and change in financial situation due to change in household circumstances.

Table A 5 Logistic regression predicting being a top 10 per cent wealthy household, households headed by someone in work

	Significance (p-value)	Odds ratio (Exp(B))
Age group (HRP) Ref: Under 35	.000	
35 to 44	.000	5.4
45 to 54	.000	18.1
55 to 64	.000	26.8
65 and over	.000	16.2
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	14.0
Middle	.000	4.5
Housing tenure Ref: Renting	.000	
Owned outright	.000	7.4
Owned with mortgage	.000	3.2
Household composition Ref: Single adult household	.000	
Couple, no children	.000	3.7
Couple, dependent children only	.000	3.9
Couple with adult children	.000	3.6
Lone parent with dependent children only	.101	.5
Lone parent with adult children	.101	.6
Other	.000	3.0
Work sector Ref: Private sector	.000	
Public sector	.000	1.7
Missing	.112	1.3
Government Office Region Ref: North East of England	.000	
North West of England	.155	1.4
Yorkshire and the Humber	.079	1.4
East Midlands	.218	1.3
West Midlands	.422	1.2
East of England	.053	1.4
London	.005	1.6
South East of England	.000	2.7
South West of England	.000	2.2
Wales	.016	1.5
Scotland	.425	1.2
Recently received an inheritance or substantial gift Ref: No	.002	1.3
Change in financial situation due to household income: Ref: None (or missing)	.006	
Better	.008	1.4
Worse	.002	1.6
Works part time Ref: Full time	.002	1.4
Constant	.000	.0
Model Chi Sq/df at final step		2219/30
Nagelkerke R^2 at final step		.35

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person and where that person was in work at the time of the survey (n=11,066). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex of HRP, change in financial situation due to a change in household circumstances and whether has experienced a period of no or reduced pay in the last two years and whether works on a self-employed or employee basis and in one job or two or more.

Table A 6 Logistic regression predicting being a top 1 per cent wealthy household

	Significance (p-value)	Odds ratio (Exp(B))
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	16.5
Middle	.000	4.4
Housing tenure Ref: Renting	.000	
Owned outright	.000	4.9
Owned with mortgage	.148	1.7
Age group (HRP) Ref: Under 45	.000	
45 to 54	.000	5.7
55 to 64	.000	6.0
65 and over	.004	2.7
Household composition Ref: single adult households	.000	
Couples without children	.000	2.5
Couple or lone parents	.043	1.7
Other	.345	1.5
Government Office Region Ref: North East of England	.039	
North West of England	.132	2.8
Yorkshire and the Humber	.398	1.8
East Midlands	.333	2.0
West Midlands	.122	2.9
East of England	.067	3.4
London	.017	4.9
South East of England	.046	3.8
South West of England	.214	2.4
Wales	.486	1.7
Scotland	.100	3.1
Constant	.000	.0
Model Chi Sq/df at final step		389/20
Nagelkerke R^2 at final step		.19

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex of HRP; Government Office Region, receipt of inheritance or gift, change in financial situation due to a change in household income or circumstances and work status.

Table A 7 Logistic regression predicting being a top 1 per cent wealthy household, households headed by someone in work

	Significance (p-value)	Odds ratio (Exp(B))
Housing tenure Ref: Renting	.000	
Owned outright	.004	3.1
Owned with mortgage	.757	1.1
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	41.2
Middle	.000	11.3
Age group (HRP) Ref: Under 45	.000	
45 to 54	.000	5.6
55 to 64	.000	4.6
65 and over	.006	3.6
Works part time Ref: Full time	.000	2.7
Female HRP Ref: male	.046	.6
Household composition Ref: single adult households	.051	
Couples without children	.016	2.1
Couple or lone parents	.304	1.4
Other	.096	2.3
Constant	.000	.0
Model Chi Sq/df at final step		245/12
Nagelkerke R2 at final step		.19

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person and where that person was in work at the time of the survey (n=11,066). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: region, receipt of inheritance or gift, change in financial situation due to a change in household income or circumstances, whether HRP experienced a period of no or reduced pay in last two years, whether working as an employee or self-employed, in the private or public sector and in one job or two or more.

Table A 8 Decile (percentile) of total household wealth excluding pensions by HRP socio-demographic characteristics

Column percentages (%)	1	2	3	4	5	6	7	8	9	10	(100)[1]	**All**
Sex (of HRP)[2]												
Male	50	47	53	58	62	63	63	64	68	74	75	**60**
Female	50	53	47	42	38	37	37	36	32	26	25	**40**
Age group (of HRP)[2]												
16 to 24	10	6	3	2	1	-	0	0	-	-	-	**2**
25 to 34	27	23	24	28	17	9	5	4	4	2	2	**14**
35 to 44	22	21	23	29	28	22	18	17	13	11	7	**20**
45 to 54	16	16	15	16	20	22	22	22	22	22	22	**19**
55 to 64	11	11	11	10	14	16	21	22	26	31	36	**17**
65 to 74	7	10	10	7	10	15	17	18	20	20	19	**13**
75 to 84	5	9	9	6	7	12	12	14	13	11	11	**10**
85 and over	3	4	4	2	3	4	4	5	3	3	2	**3**
Whether HRP is over or under State Pension Age (SPA)[2]												
Below SPA	84	74	74	83	76	67	62	60	60	62	70	**70**
Over SPA	16	26	26	17	24	33	38	40	40	38	30	**30**
Household composition												
Single adult household	44	37	33	28	29	29	28	25	20	14	11	**29**
Couple, no children	11	13	19	22	24	27	31	33	40	44	51	**26**
Couple with dependent children only	15	16	17	26	24	20	18	17	17	18	17	**19**
Couple with dependent and adult children	2	3	2	4	4	4	4	4	4	4	4	**3**
Couple with adult children only	1	2	5	4	7	9	9	11	10	11	10	**7**
Lone parent with dependent children only	15	13	9	6	3	3	2	1	1	1	1	**6**
Lone parent with dependent and adult children	2	3	3	2	1	1	1	0	0	0	-	**1**
Lone parent with adult children only	4	6	5	4	4	4	3	4	2	2	0	**4**
2 or more families/other types of household	6	6	8	5	4	4	4	5	5	5	6	**5**
Housing tenure												
Owned outright	0	0	0	5	26	39	52	56	62	67	74	**31**
Owned with mortgage	9	7	23	59	67	57	46	42	36	30	20	**38**
Renting	91	93	77	35	7	4	2	2	2	2	6	**31**

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Table A8 (continued) Decile (percentile) of total household wealth excluding pensions by HRP socio-demographic characteristics

Government Office Region												
North East of England	6	5	6	5	5	5	4	3	3	2	1	**4**
North West of England	13	14	11	13	15	13	12	10	8	7	4	**12**
Yorkshire and the Humber	8	8	10	11	11	10	10	8	6	6	4	**9**
East Midlands	7	9	8	7	9	9	7	8	7	6	5	**8**
West Midlands	9	8	10	9	10	11	8	9	7	7	6	**9**
East of England	7	8	9	9	8	10	10	12	12	10	10	**10**
London	20	14	11	10	7	7	8	11	14	18	23	**12**
South East of England	9	11	12	11	10	10	15	17	19	23	30	**14**
South West of England	7	7	9	8	6	8	11	11	11	11	10	**9**
Wales	5	5	4	6	7	7	7	5	4	4	2	**5**
Scotland	10	12	10	11	13	10	8	8	7	6	5	**9**
Whether any household member has recently received an inheritance or substantial gift												
No	80	83	75	69	72	72	70	69	64	57	58	**71**
Yes	20	17	25	31	28	28	30	31	36	43	42	**29**
Change in financial situation due to change in household circumstances (self-report, HRP)												
No (or missing)	91	92	91	91	93	93	94	94	94	96	97	**93**
Better off	1	2	2	2	2	2	1	2	2	2	1	**2**
Worse off	8	6	6	7	6	5	4	4	4	3	2	**5**
Change in financial situation due to change in household income (self-report, HRP)												
No (or missing)	72	70	68	67	72	73	74	73	74	73	76	**72**
Better off	13	17	18	20	16	16	14	15	13	13	10	**15**
Worse off	15	13	14	13	12	11	12	12	13	13	14	**13**
Unweighted base	*1,588*	*1,648*	*1,643*	*1,707*	*1,848*	*1,981*	*2,105*	*2,112*	*2,361*	*3,152*	*406*	***20145***

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145).
1. Treat with caution due to large sampling error.

Table A 9 Decile (percentile) of total household wealth excluding pensions by HRP work-related characteristics

Column percentages (%)	1	2	3	4	5	6	7	8	9	10	(100)[1]	**All**
Earnings class (of HRP)												
High earners	4	4	8	14	13	13	15	18	26	36	43	15
1.1 Large employers and higher managerial and administrative occupations	1	1	3	5	5	5	7	7	12	16	24	6
1.2 Higher professional occupations	3	3	5	9	8	7	8	10	14	20	20	9
Middle earners	37	41	49	54	56	57	61	63	61	58	54	54
2 Lower managerial, administrative and professional occupations	12	15	19	26	25	26	30	32	34	36	30	25
3 Intermediate occupations	8	9	9	10	11	10	11	11	10	5	3	9
4 Small employers and own account workers	7	6	7	8	8	8	9	8	10	14	19	8
5 Lower supervisory and technical occupations	10	11	13	10	13	12	11	11	6	3	2	10
Low earners	47	49	39	30	29	29	23	18	12	5	2	28
6 Semi-routine occupations	24	26	21	16	16	15	13	11	7	3	1	15
7 Routine occupations	23	24	18	14	13	14	10	8	4	2	1	13
Never worked and long-term unemployed	8	5	3	1	1	1	1	1	1	1	2	2
Not classified	4	2	2	1	1	1	1	1	0	0	1	1
Working status, wave 2 (of HRP)												
In work	45	47	57	75	72	63	61	58	58	61	62	60
Unemployed	8	5	4	2	1	1	1	1	1	1	-	2
Economically inactive - below SPA	16	24	24	15	21	30	33	35	34	29	24	26
Economically inactive - over SPA	29	22	14	7	5	5	5	6	6	8	13	11
Other	2	1	1	1	1	0	0	1	1	1	1	1
Periods of unemployment or reduced pay since wave 1, among those in work at both waves (HRP)												
Yes	19	17	14	14	12	12	12	12	12	13	15	13
No	81	83	86	86	88	88	88	88	88	87	85	87
Whether working as an employee or self employed (HRP)												
Employee	40	43	51	68	65	56	53	50	49	44	41	52
Self-employed	4	4	6	7	7	7	8	7	10	17	22	8
Not currently working	55	53	43	25	28	37	39	42	42	39	38	40
Hours worked (HRP)												
Full-time	33	35	46	64	65	55	52	49	47	47	41	49
Part-time	11	12	11	11	8	8	9	9	11	14	21	10
Not currently working	55	53	43	25	28	37	39	42	42	39	38	40

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Table A 9 (continued) Decile (percentile) of total household wealth excluding pensions by HRP work-related characteristics

Whether works in private or public sector (HRP)												
Private firm, business, ltd company or plc	33	34	41	55	52	44	42	38	42	46	52	43
Public sector organisation or nationalised industry	10	11	15	19	19	18	19	18	15	14	9	16
Not currently working	57	54	44	26	28	38	40	43	43	40	39	41
Whether has a second job (HRP)												
No - One job only	42	45	55	72	70	61	59	56	56	57	55	57
Yes - Two or more jobs	2	2	3	3	2	2	2	2	2	4	7	2
Not currently working	56	53	43	25	28	37	39	42	42	39	38	40
Unweighted base	*1584*	*1642*	*1640*	*1705*	*1846*	*1979*	*2104*	*2112*	*2360*	*3146*	*405*	*20118*

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

Base is all households in which the HRP or their partner responded in person (n=20,145).

1. Treat with caution due to large sampling error.

Table A 10 Logistic regression predicting being a top 10 per cent wealthy household, wealth excluding pensions

	Significance (p-value).	Odds ratio (Exp(B))
Housing tenure Ref: Renting	.000	
Owned outright	.000	18.3
Owned with mortgage	.000	4.6
Earnings class (HRP) Ref: Low	.000	
High	.000	13.2
Middle	.000	5.2
Government Office Region Ref: North East of England	.000	
North West of England	.380	.8
Yorkshire and the Humber	.836	1.0
East Midlands	.236	1.2
West Midlands	.360	1.1
East of England	.263	1.2
London	.000	1.7
South East of England	.000	3.8
South West of England	.000	2.8
Wales	.000	2.1
Scotland	.772	1.1
Age group (HRP) Ref: Under 35	.000	
35 to 44	.000	3.1
45 to 54	.000	7.3
55 to 64	.000	11.1
65 to 74	.000	8.9
75 and over	.000	7.4
Household composition Ref: Single adult household	.000	
Couple, no children	.000	2.8
Couple, dependent children only	.000	4.5
Couple with adult children	.000	3.0
Lone parent with dependent children only	.037	1.8
Lone parent with adult children	.019	1.5
Other	.000	3.0
Recently received an inheritance or substantial gift Ref: No	.000	1.6
Work status (HRP) Ref: Unemployed	.000	
In work	.120	1.7
Economically inactive	.590	1.2
Other	.016	2.8
Change in financial situation due to change in household circumstances Ref: None (or missing)	.002	
Better	.000	1.7
Worse	.121	1.5
Constant	.000	.0
Model Chi Sq/df at final step		3560/33
Nagelkerke R^2 at final step		.35

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex of HRP and change in financial situation due to household income.

Table A 11 Logistic regression predicting being a top 10 per cent wealthy household, wealth excluding pensions, households headed by someone in work

	Significance (p-value).	Odds ratio (Exp(B))
Housing tenure Ref: Renting	.000	
Owned outright	.000	13.9
Owned with mortgage	.000	3.7
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	12.5
Middle	.000	4.7
Age group (HRP) Ref: Under 35	.000	
35 to 44	.000	3.0
45 to 54	.000	6.8
55 to 64	.000	9.4
65 and over	.000	10.4
Government Office Region Ref: North East of England	.000	
North West of England	.164	.7
Yorkshire and the Humber	.749	1.1
East Midlands	.461	1.2
West Midlands	.938	1.0
East of England	.755	1.1
London	.040	1.4
South East of England	.000	3.4
South West of England	.000	2.4
Wales	.003	1.7
Scotland	.795	.9
Household composition Ref: Single adult household	.000	
Couple, no children	.000	3.2
Couple, dependent children only	.000	4.9
Couple with adult children	.000	3.3
Lone parent with dependent children only	.173	1.6
Lone parent with adult children	.024	1.7
Other	.000	2.9
Works on employee or self-employed basis Ref: Employee	.000	2.1
Recently received an inheritance or substantial gift Ref: No	.000	1.6
Whether has second job Ref: No	.001	
Yes	.000	1.9
Change in financial situation due to change in household circumstances Ref: None (or missing)	.001	
Better	.000	2.0
Worse	.065	1.7
Works part time Ref: Full time	.016	1.3
Constant	.000	.0
Model Chi Sq/df at final step		2125/31
Nagelkerke R^2 at final step		.35

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person and where that person was in work at the time of the survey (n=11,066). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex of HRP, change in financial situation due to income, and whether has experienced a period of no or reduced pay in the last two years and whether works in the public or private sector.

Table A 12 Logistic regression predicting being a top 1 per cent wealthy household, wealth excluding pensions

	Significance (p-value).	Odds ratio (Exp(B))
Housing tenure Ref: Renting	.000	
Owned outright	.000	5.8
Owned with mortgage	.590	1.2
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	19.3
Middle	.000	7.7
Government Office Region Ref: North East of England	.000	
North West of England	.467	1.9
Yorkshire and the Humber	.304	2.5
East Midlands	.195	3.1
West Midlands	.191	3.1
East of England	.069	4.7
London	.004	10.9
South East of England	.007	9.3
South West of England	.061	4.9
Wales	.705	1.4
Scotland	.253	2.7
Age group (HRP) Ref: Under 45	.000	
45 to 54	.000	3.5
55 to 64	.000	4.0
65 and over	.017	2.2
Household composition Ref: single adult households	.000	
Couples without children	.000	3.6
Couple or lone parents	.000	3.0
Other	.000	3.8
Constant	.000	.0
Model Chi Sq/df at final step		436/20
Nagelkerke R^2 at final step		.21

Source: Wealth and Assets Survey, wave 2, cross-sectional weight applied.
Base is all households in which the HRP or their partner responded in person (n=20,145). Missing categories were included in the analysis but are suppressed in the table.
Variables not significant in the model: sex of HRP; receipt of inheritance or gift, change in financial situation due to a change in household income or circumstances and work status.

Table A 13 Logistic regression predicting being a top 1 per cent wealthy household, wealth excluding pensions, households headed by someone in work

	Significance (p-value)	Odds ratio (Exp(B))
Housing tenure Ref: Renting	.000	
Owned outright	.000	3.9
Owned with mortgage	.670	.9
Earnings class (HRP) Ref: Low (or missing)	.000	
High	.000	87.1
Middle	.002	33.3
Age group (HRP) Ref: Under 45	.000	
45 to 54	.000	3.5
55 to 64	.000	4.0
65 and over	.001	4.6
Government Office Region Ref: North East of England	.000	
North West of England	.269	.1
Yorkshire and the Humber	.114	.3
East Midlands	.731	.8
West Midlands	.840	.9
East of England	.818	1.1
London	.466	1.4
South East of England	.011	3.2
South West of England	.031	2.6
Wales	.732	1.2
Scotland	.603	.7
Whether has second job Ref: No	.001	
Yes	.000	3.6
Household composition Ref: single adult households	.000	
Couples without children	.000	4.9
Couple or lone parents	.001	4.1
Other	.000	7.9
Work sector Ref: Private sector	.005	
Public sector	.001	.4
Works part time Ref: Full time	.015	1.8
Works on employee or self-employed basis Ref: Employee	.051	1.5
Constant	.000	.0
Model Chi Sq/df at final step		335/26
Nagelkerke R^2 at final step		.26

Base is all households in which the HRP or their partner responded in person and where that person was in work at the time of the survey (n=11,066). Missing categories were included in the analysis but are suppressed in the table. The borderline significance of employee vs self-employed reflects the thresholds at which measures are initially entered into the model (p<.05) and subsequently removed (p>.10).

Variables not significant in the model: gender of HRP, receipt of inheritance or gift, change in financial situation due to a change in household income or circumstances, whether HRP experienced a period of no or reduced pay in last two years.

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