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**HOUSEHOLD INCOME AND EXPENDITURE  
2001**

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By

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## KEY POINTS

This report highlights the overwhelming evidence that incomes of residents in Tyne & Wear are among the lowest in the UK. Guidance on the use of the indicators is given (§1), with the IMD (Index of Multiple Deprivation) Income Domain as an alternative measure of people on low incomes. Six indicators have been examined, mainly relating to typical incomes, not the lowest incomes (§2):

- **Household Disposable Income (HDI) per head** in the North East has been the lowest of any UK region with the exception of Northern Ireland, between 1994-99, **standing over 17% lower than the UK** in 1999 at £8,353pa (§3). In 1995, Tyne & Wear had the lowest HDI of any UK county. Source: ONS Economic Trends (Appendix 2).
- **Household Income per household is about 21% below the UK average in the North East**, at £379 gross per week (or nearly £19,700pa), third-lowest only to Wales and Northern Ireland (§3.2). Source: Family Expenditure Survey, FES, 2000/01. FES results are not available by county.
- **Earnings for full-time employees at workplaces in Tyne & Wear are 13% below the average for GB, at £20,200pa in 2001** (§3.2). These relate to workplaces, not residents. In-commuting to Tyne & Wear workplaces is very probably for the better-paid jobs. Source: New Earnings Survey 2001.
- Personal Income, or taxable income, was very low in all Tyne & Wear Districts (§3.4). Gateshead had the lowest personal income among Districts in TW at £14,100, or 72% of UK. These estimates of Personal Income are subject to a wide margin of error. Source: Inland Revenue Statistics 2001 (1999/2000 data only).
- Estimates of household incomes for 1999 show very low levels for Tyne & Wear (§3.5). Source: CACI Wealth of the Nation report and *Paychecks* 1999.
- High proportions of adults are in 'financial distress' in Tyne & Wear Districts. Source: Experian.

Lower than average household income is a function (§3.2) of:

- Low 'employment rates' (Tyne & Wear is about 6 percentage points below the UK);
- Low earnings (about 13% below GB average);
- An age structure with relatively more people beyond working age.

**North East households obtain significantly less of their (gross) income from work (70%) than in the UK (76%)** (§3.3). This is partly due to wages & salaries contributing a lower proportion (65%) than in the UK (67%). It is also due to a very low contribution from self-employment, 5% (UK 9%). **Conversely, NE households obtain more than 1½ times the proportion of their income from Social Security Benefits (19%) as in the UK (12%)**. Source: Family Expenditure Survey 2000/01.

According to the Index of Multiple Deprivation 2000, the **North East has**, on average, the most income deprivation in England and **the highest proportion of children in families that claim means tested benefits (42%)**, compared to 40% in the North West and just 23% in the South East (§3.6).

**Expenditure by North East households is the lowest of any UK region at £297pw (or around £15,400pa)** (§4.1). This is around £70pw (or 19%) or £3,600pa less than the UK average. This is narrower than the income gap, perhaps due to greater spending out of capital and/or a lower propensity to save. Expenditure patterns are shown in §5.

Living standards are low in real terms. Ownership of consumer durables provides an indicator of real living standards (§6). The North East's low living standards show in its low ownership of three durables:

- Dishwashers – 16% of households (UK 24%);
- Telephones – at 92%, was the lowest for any region and around 2% less than the UK;
- Cars – 61% of households owned a car (or van) compared to 71% in the UK.

## 1. GUIDANCE ON USE OF INCOME INDICATORS

This page suggests appropriate uses for the various indicators. Table 1 gives the strengths and weaknesses of each income indicator. The indicators in this report relate to averages (except IMD). They measure typical incomes rather than measuring the numbers below certain income levels. They are not well-suited to identifying this aspect of poverty.

**Household Disposable Income (HDI)** per head is conceptually the best indicator because it captures all sources of income. Its main drawback is that it is years before it is available. It is suitable for measuring differences in levels and for long-term analysis, as in TWRI's *Economic Trends in Tyne & Wear*.

**Earnings** is the most statistically robust measure, suitable for policy monitoring purposes over five years or so and available within a year of the event, giving local information. This is also by far the largest component of HDI. Its main drawback is that it relates to workplaces, not residents. The average earnings of Tyne & Wear residents are lower than the average earnings at workplaces in Tyne & Wear, due to commuting (See Personal Income for evidence). Earnings trends can be combined with changes in the "employment rate" (§3.2) to estimate income from employment. For example, between 1992 and 1997 employment in the North East rose by only about 1% whilst in the UK it rose by 4% (Source: LFS: quoted in GONE's North East Labour Market Study, 1999). This depressed North East incomes relative to the UK, independently of the trend in earnings per employee. ONS now produce NES (Volume F): Analyses for part-time employees; analyses by age group; distribution of hours and of earnings by hours.

The **Family Expenditure Survey (FES)** provides the only data on household expenditure. It thus includes expenditure financed from spending out of capital/wealth (important for people on very low or zero incomes).

**Personal Income** is the least useful measure, because it is not statistically robust. Nevertheless, in careful conjunction with other evidence it can be used.

The **IMD income domain** should be suitable for identifying wards with the greatest poverty (e.g. for Neighbourhood Renewal Fund (NRF)). It directly counts the number of people (including children) on one of the four means-tested benefits. This produces estimates of the proportion of people deprived of a reasonable income. The government has set targets to reduce the numbers of households living below half the average income (HB½AI). The DWP has an annual publication "Households Below Average Income" (HBAI). These data are not available at District and ward-level. At District and ward-level, the IMD's proportion of people income-deprived is likely to become the standard indicator of low incomes.

Other "income indicators" not covered in this report:

**GDP per capita** is a measure of the productiveness of an economy. It is a poor measure of income below regional-level because it is seriously distorted by commuting effects. The Office for National Statistics (ONS) divides the GDP created in Tyne & Wear (including that by net in-commuters) by the *resident* population. The GDP per capita estimates thus over-state the prosperity of Tyne & Wear. In Tyne & Wear's case this over-statement of prosperity is probably at least 7 percentage points.

It is good practice to use several indicators. A small number of indicators each with a decent time series (at least seven data points normally) provides a good basis for judgement. The TWRI report *Economic Trends in Tyne & Wear* (published in 1998) provides the most thorough analysis of trends. It also shows that, relative to the UK, income indicators moved in the opposite direction (downward) from GDP per capita (upward) for the best part of a decade to 1993. Since 1993, available income indicators suggest further deterioration.

## 2 INTRODUCTION

This report is a development of a series based on the Family Expenditure Survey (FES) which presents information on household incomes, ownership of household goods and expenditure in the North East. The report now, for the third year, also includes data from four additional sources:

- earnings (from the New Earnings Survey, NES),
- “personal income” (from the Inland Revenue, IR),
- household income (and household disposable income ) from ONS,
- financial hardship (from Experian).

Each of these sources is tabulated below (Table 1)

**Table 1: Source of data on Incomes and Expenditure; Summary of Features**

Source	Lowest Geographical Level	Strengths	Weaknesses
Family Expenditure Survey (FES) from National Statistics	Region, North East	Expenditure as well as income. Gives income by type	Small sample. Data combined for three years for some variables. Per household (therefore comparisons affected by changes in or differences in household size).
Household Disposable Income (HDI) from National Statistics	County, Tyne & Wear Now produced at NUTS levels. NUTS2 = Northumberland and Tyne & Wear.	Includes the effect of direct taxes. Per head (not affected by household size).	Long delay before release (three years or more): 1995 is Tyne & Wear latest, provisional 1999 is North East latest.
New Earnings Survey (NES)	District	The most robust series (at Tyne & Wear level). Recent (2001). Long, consistent series since 1970. Analysed since 1980 by TWRI. Men and women separately.	Only covers earned income of employees, i.e., excludes self-employed, investment income, pensions and benefits.
Personal Income (from Inland Revenue)	District	Medians as well as means. Income by type (self-employment, employment total).	Personal income excludes non-taxable income. Extremely rough estimates (wide confidence interval).
Experian	Postcode sector Ward	Local. Recent (1999) Allows identification of different types of financial hardship.	No estimate of income (in £). Partly based on Census 1991.
Household Income (from CACI Paychecks)	Ward	Local. Recent (2001).	Modelled estimates. No confidence intervals published.

*Source: Tyne & Wear Research and Information.*

Data on incomes is of patchy quality. At District-level and below the data are of poor quality. Regrettably, the 2001 Census of Population did not include an income question. Nevertheless there are six sources available which have different strengths and uses.

The first three sources (in Table 1) are official data from the Office for National Statistics (ONS). The last three sources are much less transparent, but are presented for completeness. The Inland Revenue’s estimates of Personal Income are statistically unreliable. The District means (averages) of personal

income are less than 95% certain to fall within + or – 25% of the stated estimates. The two commercial sources, CACI and Experian, provide estimates down to small areas (for a fee). CACI *Paychecks* estimates of household income at County, District and Postal Town-level are based on records from 4m households and modelled relationships. Experian estimates the proportion of resident (adults) who are in financial hardship on the basis of cluster analysis.

The New Earnings Survey (NES) is the most statistically robust of the six sources and earnings make up the majority of household income (around 65% in the North East in 2001<sup>1</sup>). The sample is sufficient to accurately measure change over short periods of a few years. The NES collects information on levels, distribution and make-up of earnings for a one per cent sample of employees who are members of PAYE income tax schemes. TWRI's report *Earnings in Tyne & Wear, 2001* covers these data in detail.

The Family Expenditure Survey (FES) estimates household income, which makes it conceptually one of the best sources. It is also the only official source of *expenditure* data for households. The FES is much less statistically robust than the earnings data, because the sample size is only about one-fifteenth the size. The 2000/01 FES sample was just under 900 households in the North East, compared with the 2000 NES sample of about 4,600 in the North East<sup>2</sup>. ONS does not publish FES results below regional level for this reason.

This report focuses on average households, not households in poverty. The report should thus not be used as a source of indicators on poverty or deprivation (except for the estimates of financial hardship). TWRI's report *Income Deprivation in Tyne & Wear – A report based on the IMD 2000. Also including the Child Poverty Index* covers poverty and deprivation in more detail. Tyne & Wear's rates are high for both Income Deprivation (32%) and Child Poverty (45%). (Details §3.6).

This report shows clearly that there is substantial evidence that household incomes in Tyne & Wear are very low. The evidence suggests that the income gap is wider than the earnings gap (reported in *Earnings in Tyne & Wear, 2001*) (Table 2).

This report does not cover GDP per capita because this is a measure of productiveness not prosperity:

- Gross Domestic Product (GDP) is a measure of economic output (not the incomes of households). ONS recognises this in its Regional Competitiveness Indicators.
- Profits do not accrue to the area in which they are made.
- ONS estimates are distorted by commuting, producing high figures for areas with high in-commuting such as cities.

ONS have produced regional indices of prices (Economic Trends, January 2002). The results show the North East to be cheapest UK region for; all products including housing rents (-4.7% below UK average), all products excluding rents (-3.6%) and for goods (-2.8%) and services (-5.1%) (excluding rents).

An ONS report (see Economic Trends No. 582, May 2002), *The effects of taxes and benefits on household income 2000/01*, examines how taxes and benefits redistribute income between various groups of households in the UK. It reports on how Government intervention, through taxes and benefits, alters the incomes of households. In general, households in the top half of the distribution pay more in taxes than they receive in benefits while the reverse is true in the lower half. Taxes and benefits therefore tend to reduce the differences between households' incomes.

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<sup>1</sup> Source: Family Expenditure Survey, 2000/01, ONS (Crown Copyright).

<sup>2</sup> In 2001, the NES sample for Tyne & Wear was 2,355 full-time employees and for the North East it was 4,612 full-time employees.

**Table 2: Income Comparisons with the UK**

	<b>Comparison with UK</b>	<b>Rank</b>
<u>Gross Weekly Household Income</u> From FES 2000/01 (3-year average 1998/99-2000/01)	NE 21% below the UK	Only Northern Ireland and Wales are lower.
<u>Household Expenditure</u> From FES 2000/01	NE 19% below UK	Lowest UK region.
<u>Household Disposable Income per head</u> 1999	TW 15% below UK in 1995	Lowest county in UK in 1995
From NS' Economic Trends	NE 18% below the UK in 1999	Lowest UK region in 1999
<u>Personal Income</u> From Inland Revenue 1999/00 (latest)	TW 18% below UK in 1999/00	Sixth-lowest county in UK 1999/00.
<u>Full-time Earnings</u> From NES 2001	TW 13% below GB*	55 <sup>th</sup> from top in England. 30 <sup>th</sup> from bottom in England.
<u>Financial Hardship</u> From Experian	16 percentage points more of the adult population than in GB	n.a. District ranks only
<u>Household Income</u> From CACI <i>Paychecks</i> 2001	TW, Districts	To be obtained.

*Source: Tyne & Wear Research and Information*

\*Note: GB, UK not available

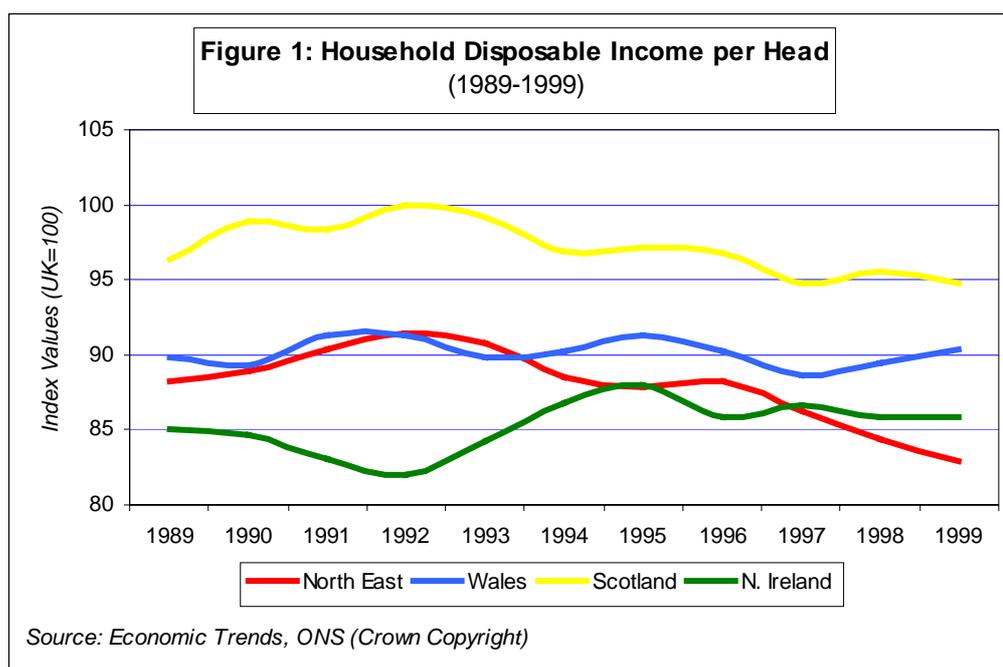
### 3. TOTAL HOUSEHOLD INCOME

#### 3.1 Household Income and Disposable Income (HDI) per head

Household Income and Household Disposable Income respectively have fallen relative to the UK in the North East since 1992 and particularly since 1996. North East *Household Income* in 1999 was £12,056 per head, the lowest of any UK region with the exception of Northern Ireland. This was 18% lower than for the UK<sup>3</sup>. (Provisional figures for 1999.)

Since 1994 Household Disposable Income (HDI) *per head* in the North East has been the lowest of any UK region, except Northern Ireland, since 1997 it has fallen below even Northern Ireland. In 1999 it was 3 percentage points below Northern Ireland and 7.5 percentage points below Wales (Figure 1)<sup>4</sup>. In 1999 North East HDI per head at £8,353 was 82.8% of the UK average. The graph shows that the North East's improvement in its relative position in 1991-93, during the last deep UK recession, was temporary. Northern Ireland steadily improved its position to 88% of the UK during the first half of the 1990s, probably due to the benefits of the economic boom in the Irish Republic. Scottish HDI per head has fallen since 1993 in a similar pattern to the North East.

HDI is measured after the effect of direct taxes, national insurance and pension contributions. The (mildly) re-distributive effect of the tax system tends to narrow the range of HDI index values compared with those for Household Income. HDI only captures the effect of direct taxes. Indirect taxes have to be paid out of HDI and their incidence is regressive.



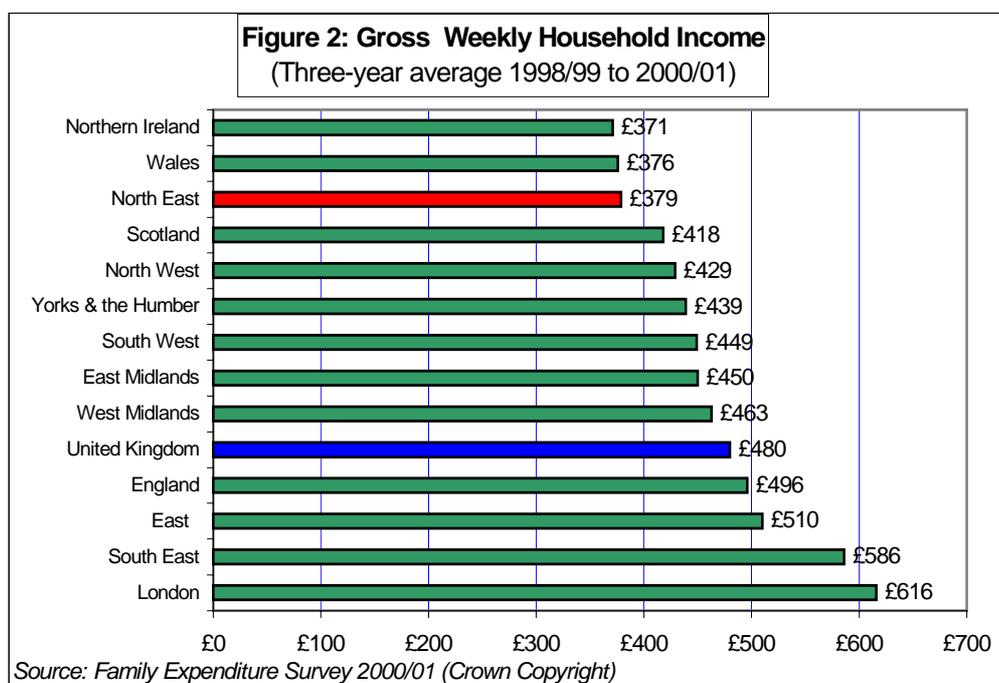
Further evidence on HDI, and other variables, over periods of ten years or more were given in TWRI's report *Economic Trends in Tyne & Wear* (1998). This report highlighted the divergence between business indicators (improving during 1987-93) whilst income-related indicators have continued to deteriorate (all relative to national, usually UK comparators).

<sup>3</sup> Source: National Statistics New Release July 2001 Regional Household Sector Income 1999.

<sup>4</sup> These data, published in 2001, are the third household incomes series to be published using the new ESA95 (European System of Accounts 1995) definitions, with household sector income data revised back to 1989. Sub-regional estimates are now published at NUTS levels.

### 3.2 Household Income *per household* (Gross weekly household income)

The Family Expenditure Survey (FES) showed that, averaged over the three years to 2000/01, the North East had the third-lowest household income of all UK regions, 21% below the UK average (Figure 2). The FES estimates take no account of household size (unlike the estimates per head from Economic Trends on the previous page). North East average weekly household income, at £379pw (or £19,700pa), was £101pw or £5,250pa lower than the UK and 38% (£237pw, £12,300pa) lower than in London.



Household income in the North (SSR)<sup>5</sup> up to 1996/7 was, on average, 17% below the UK average. Thereafter in the North East (GOR)<sup>6</sup>, from 1997/98 household income was around 20% below the UK average (Table 3). The FES estimates are subject to quite wide sampling error because of the small sample size. The FES sample is too small to generate estimates with narrow confidence intervals, necessary to identify trends. The levels of these index figures, however, closely corroborate the Household Income and HDI index values (on the previous page). It remains an inconsistency, however, that, compared to the North East, Northern Ireland has a higher index per head and larger household size and yet lower average household *income per household* (FES). This inconsistency probably reflects sampling error.

**Table 3: Gross weekly household income 1991 to 2000/01**

	1991	1992	1993	1994/ 95	1995/ 96	1996/ 97		1996/ 97	1997/ 98	1996/7- 1998/9	1997/8- 1999/00	1998/9- 2000/01
<b>North</b>	£276	£285	£291	£304	£338	£330	<b>North East</b>	£321	£339	£357	£363	£379
<b>UK</b>	£347	£343	£353	£369	£381	£397	<b>UK</b>	£397	£421	£430	£455	£480
<b>North as % of UK</b>	79%	83%	83%	82%	89%	83%	<b>NE as % of UK</b>	81%	81%	83%	80%	79%

Source: Family Expenditure Survey: Office for National Statistics (Crown Copyright)

<sup>5</sup> SSR means Standard Statistical Region, that is including Cumbria.

<sup>6</sup> GOR means Government Office Region. The North East is the Northern Region minus Cumbria.

This household income gap (of approximately 20%) is wider than the earnings gap (which is about 13%)<sup>7</sup>. This highlights the fact that the North East's low incomes are not just due to low earnings. They are made worse by a number of other factors including:

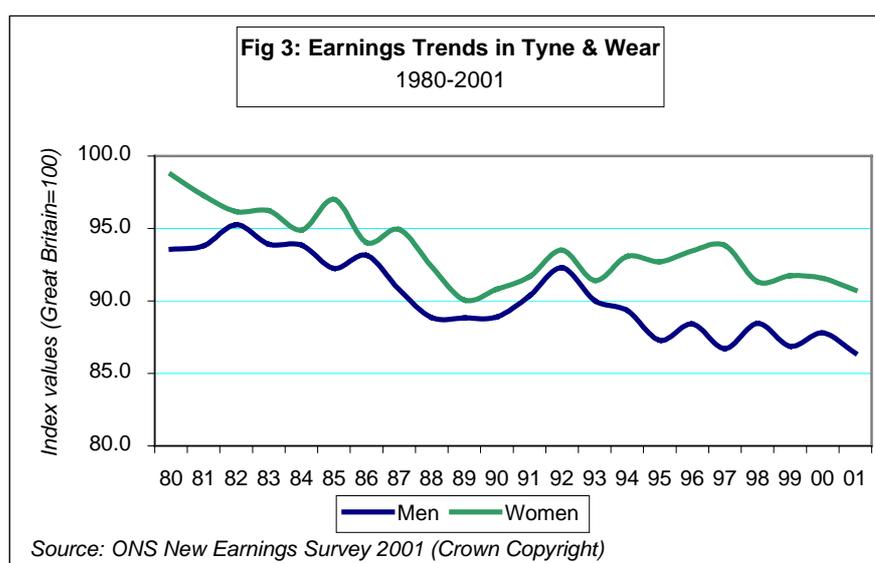
- The low 'Employment Rate'(about 6 percentage points below the UK average. Tyne & Wear is 7 percentage points below the UK average. Source: LFS)<sup>8</sup>.
- Low Earnings (about 13% below the GB average) for those in work.
- An age structure with relatively more people beyond working age.

These reasons for low incomes are partly offset by state benefits (19% of income, UK 12%), but only partly. Not only has the North East an employment rate which is 6 percentage points below the UK average, but its share of income from benefits is 7 percentage points above the UK average. The North East's dependence on state benefits is a huge weakness for two reasons:

- Benefits tend to be lower than earnings; and
- They generally do not rise with the growth of the economy (as earnings tend to), instead being linked only to prices. This drags the region further and further behind with time. Since 1997, however, some state benefits, notably Child Benefit, have been raised in real terms. Also Working Families Tax Credit (WFTC), introduced in October 1999, may well have raised the North East's income from benefits more rapidly than in the UK.

It is important to note that household income is a wider concept than earnings as it includes social security, pensions, investment income and self-employment income.

Compared with Great Britain, in the 1980s earnings in Tyne & Wear fell by 5-8% (Figure 3). This followed the dramatic loss of about 80,000 jobs, or nearly 16% of employment between 1978-87. Again relative to Great Britain, since about 1990 earnings in Tyne & Wear rose for women up to 1997 before beginning a gradual decline. The trend for men has been flat. However, the earnings gap with Great Britain widened for both men and women in 2001, standing at 9% for women and 14% for men. Full details are given in TWRI's report *Earnings in Tyne & Wear, 2001*.

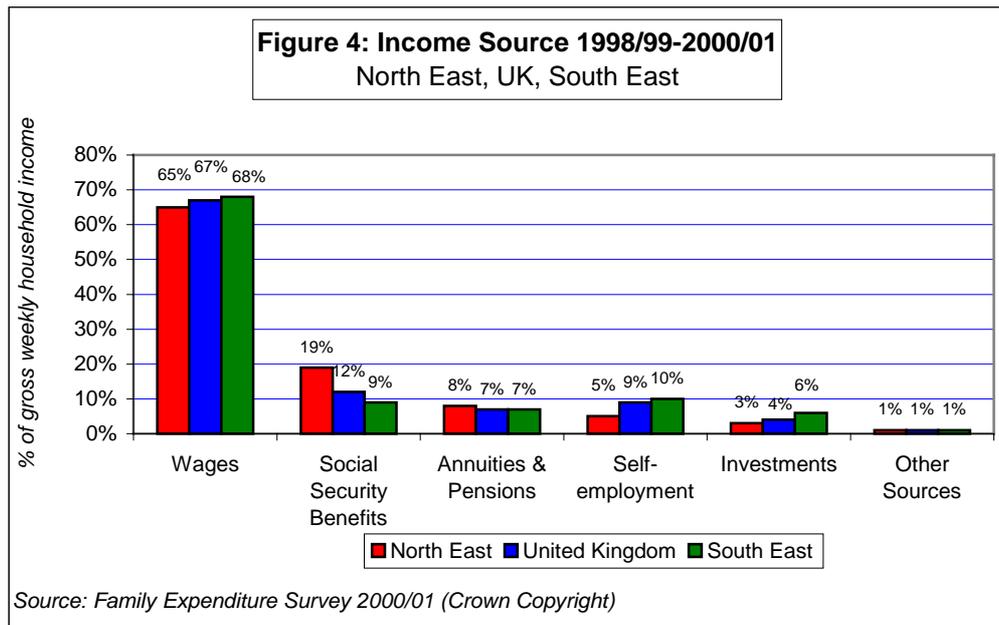


<sup>7</sup> The comparison is not perfect because earnings have to be compared with GB rather than the UK, but this will make very little difference. Even if N. Ireland earnings were 25% below the GB average this would only reduce the UK average by about 0.75 of one percentage point relative to the UK.

<sup>8</sup> The 'employment rate' is the proportion of the population of working age (PWA, i.e., aged 16-59/64) who have a job. This is a key measure used by the European Commission. It picks up 'hidden unemployment'.

### 3.3 Sources of Income

Sources of income vary widely between regions, with the proportion from wages, or self-employment, in the North East (70%) being notably lower than in the UK (76%) (Figure 4). North East households obtain less of their income from wages & salaries (65%) than in the UK (67%). The North East is also very low on income from self-employment (5%) compared to the UK (9%). Conversely, the North East obtains a much higher proportion of its income from benefits (19%) compared to the UK (12%) and more than twice the proportion in the South East (9%). [Source: Family Expenditure Survey 2000/01 gives all these proportions of household income averaged over the last 3 years.]



### 3.4 Inland Revenue Personal Income

Personal Income is taxable income. It is therefore a much narrower concept than household income. TWRI's view is that it is not a useful indicator. First, it excludes the following three categories of income:

- incomes of *people below the threshold* for income tax.
- those *state benefits which are non-taxable* (such as Incapacity Benefit and Sickness Benefit).
- income from *tax-exempt sources* (ISAs and their predecessors PEPs and TESSAs).

Secondly, the denominator used to calculate the statistics is the number of tax records (roughly the number of tax-payers). This denominator therefore excludes non-taxpaying adults and all children, unlike the Household Income per head figures in Section 3.1. Thirdly, the Inland Revenue personal income estimates are not statistically robust at District-level. They are based on very small samples with huge confidence intervals<sup>9</sup>. (Detailed estimates are given in Appendix 1 for information only).

<sup>9</sup> Note: Personal Income normally excludes an individual's income if it was under £4,335 in 1999/00. Some records exist of people with incomes below the tax threshold. It has, however, been possible to adjust for these problems at the regional level. Details are given in Inland Revenue Statistics 2000.

Inland Revenue Personal Income has, however, two small advantages over, for example, earnings data. Firstly, it relates to residents (whereas NES earnings relate to workplaces). Secondly, it includes self-employment income as well as earnings from employment (by which Inland Revenue mean employees).

Tyne & Wear's mean Personal Income was the lowest in any UK county in 1996/97, at £13,000. Personal Income was also notably lower than the UK (£16,000) and North East (£13,600) (81% of UK, and 95% of NE). By 1999/00 the figure for Tyne & Wear had increased to £16,000 (82% of the UK and 99% of NE). The North East mean of £13,600, the lowest of any GOR in 1996/97 increased to £16,200 by 1999/00 but this remained below the comparative figures for Wales and Northern Ireland of £16,700 and £16,400 respectively.

It is striking that 'Personal Income from employment' of Tyne & Wear residents ranks lower than in Northumberland and only marginally higher than in Durham. The NES Earnings of employees (based on their workplace) data show Tyne & Wear to be above both Northumberland and Durham. In other words the Inland Revenue data provide some evidence that the NES workplace earnings figures are probably high relative to the actual earnings of residents in Tyne & Wear.

Within the Tyne & Wear Districts, Gateshead had the lowest mean Personal Income (£14,100) at only 72% of the UK. Personal income in North Tyneside and South Tyneside (£15,500 and £15,600 respectively) was likewise very low relative to the UK (79% and 80% of the UK).

### 3.5 CACI Estimates of Household Income

CACI estimates of household income reinforce the data discussed thus far. Unfortunately, CACI has refused to allow any release from copyright of any examples of their estimates. CACI's estimates are published as its *Paychecks* series. Essentially, CACI's estimates are modelled from the linking of the following three elements; income data from 4 million market research forms (rolled forward where out-of-date), census data (1991) (claiming to use this to ED-level), and CACI's classification of residential neighbourhoods (ACORN). Where data are incomplete, proxy data are imputed (created from the known relationship between income and household characteristics in other areas). This procedure has produced low estimates of household income in the North East.

It is not possible to assess the accuracy of CACI's detailed estimates. (That could have been achieved by an income question in the Census). At county-level, however, they should tally with the ONS estimates of household income. One possible use of the CACI estimates is for implementing 'affordable housing' where average incomes may be more appropriate. For this it is helpful that estimates are available down to ward-level.

CACI's county and postal town estimates, the Wealth of the Nation report, is purchasable for a fee of £245+VAT. For estimates for a county set of wards, *Paychecks*, their price is about £1,000.

### 3.6 Index of Multiple Deprivation 2000

Produced by the DETR, the Index of Multiple Deprivation 2000 (IMD 2000) has been constructed by Oxford University following a review of the Index of Local Deprivation 1998 (ILD 98). IMD 2000 utilises 34 variables from a composite of six weighted 'domains' or 'dimensions' (Income 25%, Employment 25%, Health & Disabilities 15%, Education & Skills 15%, Housing 10% and Geographical Access 10%) to produce an overall index score for each ward. The IMD 2000 allows an analysis of deprivation from each or all of the selected domains within the 113 wards in Tyne & Wear (8,414 in England) based on newly available ward-level DSS benefits data.

IMD 2000 has several advantages over its predecessor. These advantages include an extensive use of recent data, the concept of hidden unemployment is now central to the definition of work deprivation and the removal of a 'scale-bias' (which had favoured larger local authorities). IMD 2000 essentially defines income deprivation as dependence on one of the key means-tested benefits, i.e., Income Support, Job Seekers Allowance – Income Based, Family Credit, Disability Working Allowance and (modelled) data on pensioners & disabled people on Council Tax Benefit. In terms of income deprivation, Tyne & Wear has 76 wards in the most deprived quintile (most deprived fifth) of wards in England.

Although not directly analogous, on average for comparable wards, the rank of Tyne & Wear wards is shown to be 79 places more deprived with the IMD 2000 than with the ILD 98. Consequently, 50 of the 113 Tyne & Wear wards are in the worst decile (worst tenth) in England. IMD has recently been utilised in identifying areas for NRF (Neighbourhood Renewal Fund), of which Tyne & Wear will receive £54m over the three years to April 2004.

In terms of the most deprived wards in Tyne & Wear with regards to income, Newcastle has five of the six most deprived wards and seven in the top 20. Of the other Tyne & Wear Districts, Sunderland has five of the 20 most deprived wards in terms of income, South Tyneside four and North Tyneside and Gateshead just two wards.

In IMD 2000, income deprivation is expressed as a percentage rate of people who are dependent upon the key means-tested benefits. The average rate amongst wards in Tyne & Wear is 32.44%. The North East has, on average, the most income deprivation of all regions in England, with a mean ward rank of 2,576. Child poverty, which is a derivative of income deprivation, is defined within IMD 2000 as children living in families in receipt of means-tested benefits. The average rank amongst wards in Tyne & Wear is 1,920. The North East has the highest rate of child poverty, or proportion of children in families that claim means-tested benefits (42%), compared to 40% in the North West and just 23% in the South East.

**Table 4: Income Deprivation and Child Poverty, Tyne & Wear**

	Average rate of Income Deprivation (%)	Average rate of Child Poverty (%)
Gateshead	30.6	43.8
Newcastle	34.1	46.9
North Tyneside	29.5	39.6
South Tyneside	35.2	46.5
Sunderland	32.5	45.4
<b>Tyne &amp; Wear</b>	<b>32.4</b>	<b>44.6</b>
Median ward in England <sup>10</sup>	15.7	22.5

*Source: Index of Multiple Deprivation 2000*

<sup>10</sup> These are the percentage rates for the 4,207<sup>th</sup>, or middle, ward in England. Note: These rates are below the population-weighted average for England because large (urban) wards tend to be the most deprived.

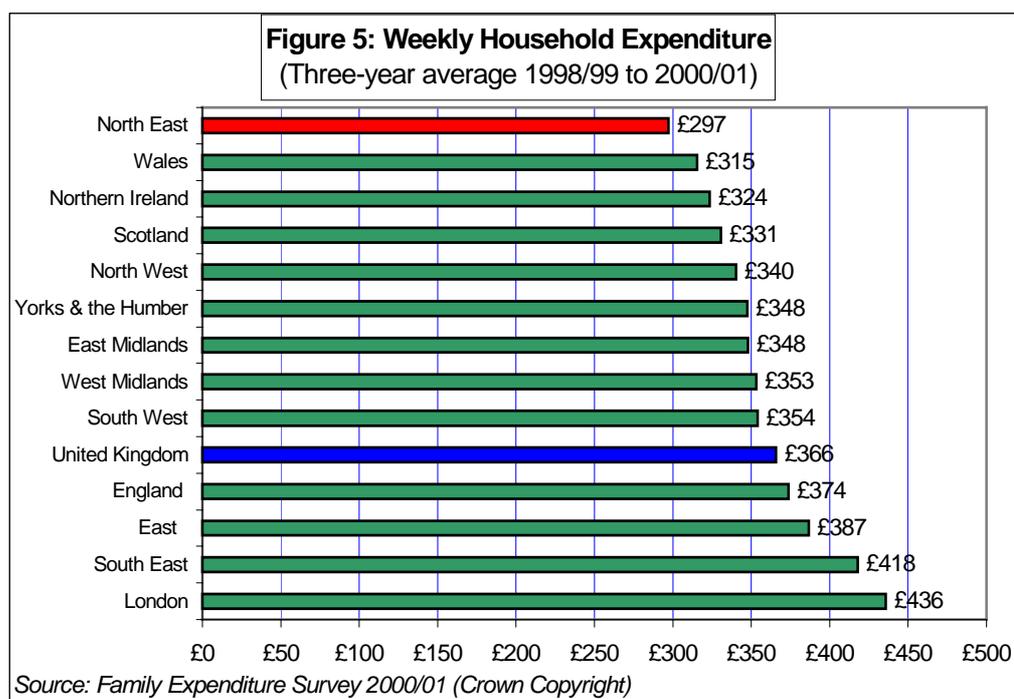
## 4. TOTAL HOUSEHOLD EXPENDITURE IN THE NORTH EAST

### 4.1 Expenditure 2000/01

According to the Family Expenditure Survey, FES (Figure 5), the North East had the lowest weekly household expenditure of any region in the UK in the three years to 2000/01. This is even weaker than the rank for household *income* for the region, which is the third-lowest in the FES.

The percentage gap between the North East and the UK is narrower for expenditure (19%) than for income (21%). This could well be due to greater spending by running down savings (and other forms of wealth) than in the UK and/or saving a lower proportion of income than in the UK. The North East's high unemployment and large proportion of people who are otherwise without work make both these phenomena likely.

North East average household weekly spending was £297.20 (almost £15,500pa) or around £70 (or 19%, £3,600pa) less than the UK average. London had the highest weekly spending, at £435.70 (£22,700pa), some 32% higher than the North East. The rankings of regions on expenditure broadly reflects the distribution on income.



Note: ONS averaged the data over the three years 1998/99 to 2000/01 to give more reliable results. The total number of households in the sample over 3 years was 886 in the North East – the smallest of all regions.

### 4.2 Trends in household expenditure

Household expenditure in the North remained fairly stable between 1981 and 1996/97 at around 88% of the UK level (varying within about 4 percentage points of this level) (Table 5). However, since 1998/99 household expenditure in the North East has fallen by almost 4 percentage points to 81% of the UK. However, it is not possible to make strong inferences from these data due to the small FES sample sizes and consequent wide confidence intervals.

<b>Table 5: Weekly Household Expenditure (1981-2001)</b>						
				<b>Index NR=UK</b>	<b>Indexed 1981=100</b>	
	<b>North</b>	<b>UK</b>	<b>Difference</b>	<b>UK=100</b>	<b>North</b>	<b>UK</b>
1981	£109.94	£118.30	-£8.36	92.9	100	100
1982	£116.13	£129.64	-£13.51	89.6	106	110
1983	£119.00	£138.12	-£19.12	86.2	108	117
1984	£124.16	£146.52	-£22.36	84.7	113	124
1985	£131.16	£156.87	-£25.71	83.6	119	133
1986	£144.95	£170.39	-£25.44	85.1	132	144
1987	£150.21	£183.24	-£33.03	82.0	137	155
1988	£164.38	£196.44	-£32.06	83.7	150	166
1989	£191.68	£216.05	-£24.37	88.7	174	183
1990	£204.37	£236.07	-£31.70	86.6	186	200
1991	£210.52	£253.10	-£42.58	83.2	192	214
1992	£235.53	£271.83	-£36.30	86.6	214	230
1993	£245.94	£276.68	-£30.74	88.9	224	234
1994	£239.64	£283.58	-£43.94	84.5	218	240
1995	£258.20	£289.86	-£31.66	89.1	235	245
1996/97	£272.13	£309.07	-£36.94	88.0	248	261
				<b>Index NE=UK</b>	<b>Indexed 1996/97=100</b>	
	<b>North East</b>	<b>UK</b>	<b>Difference</b>	<b>UK=100</b>	<b>North East</b>	<b>UK</b>
1996/97	£264.88	£309.07	-£44.19	85.7	100	100
1997/98	£277.30	£328.80	-£51.50	84.3	105	106
1998/99*	£282.90	£332.60	-£49.70	85.1	107	108
1999/00*	£285.40	£348.20	-£62.80	82.0	108	113
2000/01*	£297.20	£365.80	-£68.60	81.3	112	118

Source: Family Expenditure Survey, National Statistics (Crown Copyright)

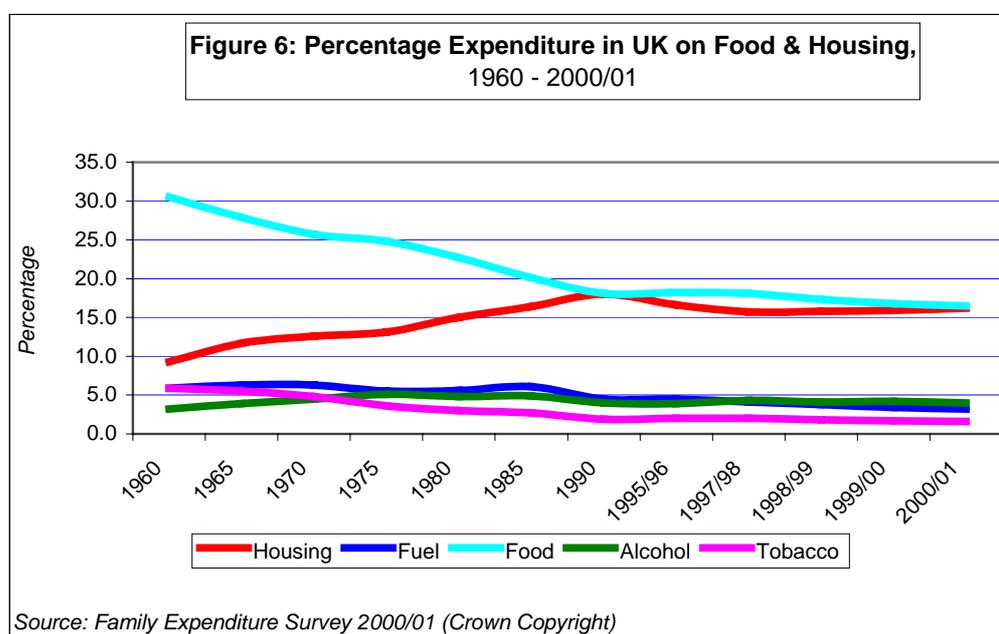
**Note:** \*Figures for 1998/99, 1999/00 and 2000/01 refer to 3-year averages over the respective periods 1996/97 to 1998/99, 1997/98 to 1999/00 and 1998/99 to 2000/01.

## 5. EXPENDITURE BY CATEGORY

### 5.1 Long-Term Changes in the UK 1960-2001

Since 1960, expenditure on housing has risen dramatically as a proportion of total household expenditure to roughly match food since 1990 as the largest single item (Figure 6). In 1960, housing accounted for under 10% of the weekly budget, whilst food took over 30%. By 2000/01 expenditure on food and housing had converged at around 16%. The proportion of spending on housing rose constantly until 1990 before stabilising (reflecting lower interest rates and, for some years, lower house prices as a multiple of earnings).

The proportion of spending on fuel has remained remarkably constant, falling below 5% after 1990. Similarly spending on alcohol has remained fairly constant at around 4%. The overall proportion of spending on tobacco has gradually fallen from about 6% in 1960 to less than 2% in recent years.



Note: Intervals are narrower for the last four years given.

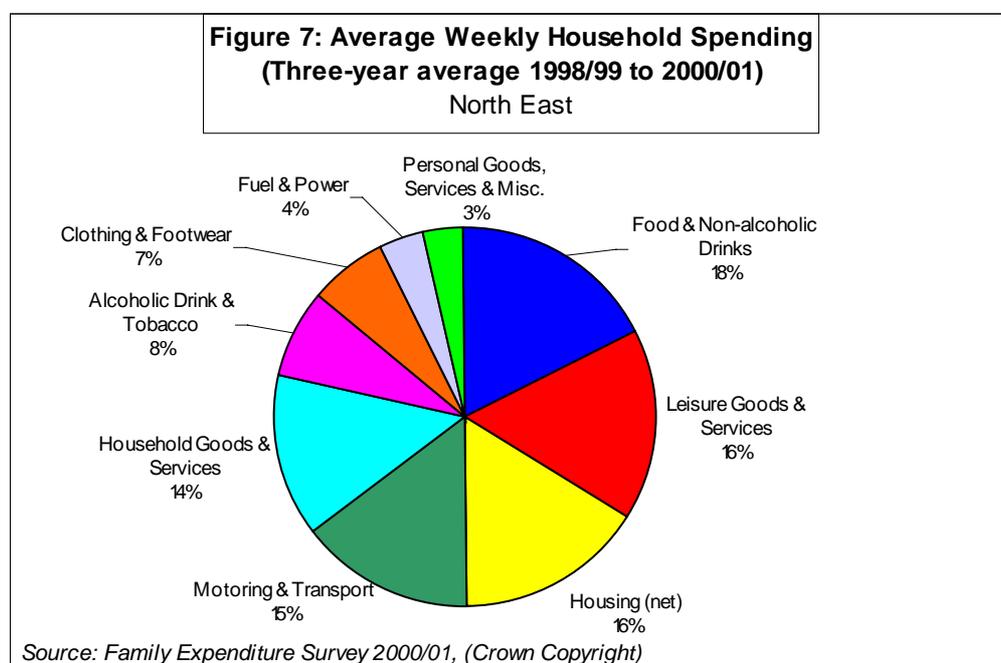
Expenditure by category is examined below, in declining size order. About half of all expenditure is accounted for by the largest three categories; food, leisure goods & services and housing (Figure 7).

## 5.2 North East Expenditure by Categories, 2000/01

**Table 6: Average Weekly Expenditure by Categories, 2000/01**

	NE (£)	UK (£)	Diff. (£)	NE (%)	UK (%)	Diff. (%)
Expenditure per household:	297.20	365.80	-68.60	100.0	100.0	0.0
Food & Non Alcoholic Drinks	52.20	60.20	-8.00	17.6	16.5	1.1
Leisure Goods & Services	48.50	64.20	-15.70	16.3	17.6	-1.3
Housing	46.60	59.40	-12.80	15.7	16.2	-0.5
Motoring & Transport	43.40	62.10	-18.70	14.6	17.0	-2.4
Household Goods & Services	41.60	50.90	-9.30	14.0	13.9	0.1
Alcoholic Drink & Tobacco	22.60	20.80	1.80	7.6	5.7	1.9
Clothing & Footwear	20.20	21.60	-1.40	6.8	5.9	0.9
Fuel & Power	11.30	11.60	-0.30	3.8	3.2	0.6
Personal Goods & Services	9.90	14.00	-4.10	3.3	3.8	-0.5

Source: Family Expenditure Survey, 2000/01, National Statistics (Crown Copyright)



### Food (and Non-Alcoholic Drinks) 18%

Spending on food (and non-alcoholic drinks), at an average of £52 per week (£60 in the UK), was the largest element of household expenditure. The proportion of spending on food (and non-alcoholic drinks), at almost 18%, was marginally higher than in the UK (16.5%) (see Figure 7 and Table 6). This category includes restaurant and café meals – the largest single item under food (at over £7pw); take-aways and snack foods; state school meals and meals at work.

### Leisure Goods & Services 16%

Spending on Leisure Goods & Services was close behind Food, at an average of £49 per week (£64 in the UK). The proportion of spending on Leisure Goods & Services, at 16.3% was below the UK figure of 17.6%. The main items in this category are holidays abroad; TVs, videos, computers and audio equipment; gifts; gambling; and TV rental & licences.

### **Housing 16%**

The FES measures household expenditure net of housing benefits, rebates and allowances received. These reduce gross housing costs by £10 per week in the UK. Conversely, the FES includes housing maintenance costs under this heading (£8.0 per week in the UK).

Net spending on housing, at £47 per week, was around £13 a week less in the North East than the UK. This is probably due to cheaper housing, a higher proportion renting rather than buying and also a large older population (not only retired people) who are more likely to own their homes outright. The proportion of spending on housing in the North East at 15.7% was only marginally lower than the UK (16.2%).

### **Motoring & Transport 15%**

Spending on Motoring & Transport showed the biggest difference between the North East and the UK, constituting around 15% of weekly spending in the North East compared to 17% in the UK. In money terms, average weekly spending was £43.40 per week in the North East and £62.10 in the UK. The smaller proportion of spending on Motoring & Transport clearly reflects the smaller proportion of households with cars in the region (61% of households have at least one car, or van compared to 71% in the UK overall).

The average North East household spent almost £37 on Motoring, of which just over £14 was on the purchase of motor vehicles (UK £23) and under £12 on petrol etc. (UK £14.40). North East households spent £6.60 per week on fares and other travel costs (UK £9.00).

### **Household Goods & Services 14%**

Spending on Household Goods & Services accounted for about 14% of weekly spending in the North East and in the UK overall, equating to £41.60 and £50.90 per week respectively. The largest items were furniture (about £8.00pw), telephones (about £6pw) and kitchen/garden equipment & household hardware (approximately £3.60pw).

### **Clothing & Footwear 7%**

Average weekly spending on clothing & footwear in the North East, at around £20.20, made up around 7% of expenditure. In money terms, average weekly spending was £21.60 in the UK, equating to 6% of expenditure.

### **Alcohol & Tobacco 8%**

Spending on Alcohol & Tobacco made up around 8% of weekly spending in the North East, compared to 6% in the UK. In money terms, weekly spending was very similar at £22.60 in the North East and £20.80 for the UK overall. This is the only category in which North East households spent absolutely more (in £) than the UK average. The FES records higher spending on beer & cider at £10.20pw (UK £8.20) and on cigarettes £5.60 (UK £5.30). Moreover, the FES is unlikely to pick up expenditure on smuggled tobacco which has been estimated by the Treasury to cost £2.5bn a year in lost duty.

**Fuel & Power 4%**

In money terms, spending on Fuel & Power in the North East at £11.30 was almost identical to the UK at £11.60. In proportionate terms North East households spend approximately 4% on Fuel & Power, compared to just over 3% for UK households overall, due to lower incomes as well as a colder climate.

**Personal Goods & Services 3%**

Average weekly spending on Personal Goods & Services, at around £9.90, accounted for just over 3% of expenditure. In money terms, average weekly spending was £14.00 in the UK, which equated to slightly less than 4% of expenditure. The largest items in this category are cosmetics & hair products (£2.40pw) and hairdressing & beauty treatment (£1.90pw). It also includes toiletries, travel goods and medicines/prescriptions.

## 6 OWNERSHIP OF HOUSEHOLD GOODS

An alternative way of measuring expenditure is to measure ownership rates for key household goods. Ownership rates have the advantage of not being prone to distortion by differences between areas in price levels in the way income or expenditure data in £ could be. The FES now reports 15, averaging the data for the last three years. The figures should be regarded as rough estimates. The confidence intervals on these percentage estimates are not given by National Statistics but are likely to be several percentage points. The smaller the region (e.g., North East) the less robust the estimates.

These ownership rates are consistent with the other evidence of low incomes and expenditure in the North East. They provide evidence, in the absence of regional price indices, that North East incomes are not only low in nominal terms but in real (i.e., price-adjusted) terms. Of the 11 main goods categories, the North East is particularly low on Personal Computers, Internet Connections, Telephones (both land lines and mobiles), Cars and Dishwashers.

### **North East relatively high: Microwaves, Central Heating & Washing Machines**

The 2000/01 FES shows the North East to have a high proportion of households with microwaves, central heating and washing machines (Table 7). The North East has the highest proportion of households of any UK region with microwaves and central heating. Around 88% of households have microwaves (UK 81%) and 97% have central heating (UK 90%). The high proportion with central heating most likely stems from the cooler climate in the North East coupled with the large proportion of public sector housing.

### **North East close to average: Video Recorders, CD Players**

Ownership rates for video recorders in the North East at 86% are exactly the same as the UK average. However, ownership rates throughout the country only vary by 4 percentage points. Ownership rates for CD players (70%, UK 72%) are also very similar to the UK average.

### **North East low: Personal Computers, Internet Connection & Mobile Phones**

Only Northern Ireland has a lower proportion (24% and 12% respectively) than the North East in terms of ownership of mobile phones (35%, UK 40%) and connection to the internet (15%, UK 21%). Personal computers (32%, UK 38%) are also very low relative to the UK. This poses questions for the region both in terms of social exclusion and the adoption of e-commerce within the 'New economy'. Remember these rates are averages over three years and likely to be substantially higher in the latest year.

### **North East lowest: Telephones, Car Ownership & Dishwashers**

The 2000/01 FES shows that the North East has a lower proportion of households with telephones, cars and dishwashers than any other UK region.

Around 92% of households have telephones (UK 94%). Only 61% of households in the North East own at least one car (or van) – much lower than the UK average (71%). 15 percent of households own two cars, compared to 22% in the UK and 27% in the South East. The proportion of households with dishwashers (16%) is also lower than any other UK region, and well below the national average of 24%.

**Table 7: % of Households Owning Selected Durable Goods by Region, 2000/01 (based on 3 years' data)**

<b>Microwave</b>		<b>Central Heating</b>		<b>Washing Machine</b>	
<b>North East</b>	88	<b>North East</b>	97	<b>North East</b>	95
Wales	86	Eastern	95	Yorks & Humberside	95
Yorks & Humberside	85	Northern Ireland	94	Scotland	95
North West & Merseyside	83	East Midlands	92	East Midlands	94
East Midlands	83	London	91	Wales	93
Scotland	82	South East	91	Northern Ireland	93
<b>United Kingdom</b>	81	Scotland	91	North West & Merseyside	92
West Midlands	81	England	90	Eastern	92
South West	81	Wales	90	<b>United Kingdom</b>	92
Northern Ireland	81	<b>United Kingdom</b>	90	West Midlands	91
South East	80	South West	88	South East	91
England	80	West Midlands	86	South West	91
Eastern	79	North West & Merseyside	85	England	91
London	72	Yorks & Humberside	84	London	88
<b>Video Recorder</b>		<b>CD Player</b>		<b>Personal Computer</b>	
Wales	88	South East	75	London	45
Yorks & Humberside	87	East Midlands	74	South East	44
North West & Merseyside	87	North West & Merseyside	73	Eastern	42
East Midlands	87	Yorks & Humberside	73	England	40
South East	87	Eastern	73	East Midlands	39
West Midlands	87	London	73	West Midlands	39
<b>North East</b>	86	South West	73	South West	39
<b>United Kingdom</b>	86	England	73	<b>United Kingdom</b>	38
Eastern	86	Scotland	72	North West & Merseyside	36
England	86	<b>United Kingdom</b>	72	Yorks & Humberside	36
South West	85	West Midlands	71	<b>North East</b>	32
Scotland	84	<b>North East</b>	70	Scotland	32
Northern Ireland	84	Wales	67	Wales	31
London	84	Northern Ireland	59	Northern Ireland	22
<b>Mobile Phone</b>		<b>Internet Connection</b>		<b>Note:</b> Confidence intervals for these estimates will vary inversely with size of region, with wider margins for the North East than for most regions.	
South East	44	London	27		
London	43	South East	25		
East Midlands	42	Eastern	23		
West Midlands	42	South West	22		
Eastern	41	England	22		
England	41	<b>United Kingdom</b>	21		
Yorks & Humberside	40	North West & Merseyside	20		
<b>United Kingdom</b>	40	East Midlands	20		
North West & Merseyside	39	West Midlands	20		
Wales	38	Yorks & Humberside	18		
South West	37	<b>North East</b>	15		
<b>North East</b>	35	Wales	15		
Scotland	35	Scotland	15		
Northern Ireland	24	Northern Ireland	12		
<b>Telephone</b>		<b>Car (or Van)</b>		<b>Dishwasher</b>	
Eastern	97	Eastern	79	South East	31
South East	96	South West	78	Eastern	27
Yorks & Humberside	95	South East	77	South West	27
London	95	East Midlands	76	London	26
England	95	West Midlands	74	Northern Ireland	26
North West & Merseyside	94	England	73	England	25
East Midlands	94	Yorks & Humberside	71	<b>United Kingdom</b>	24
West Midlands	94	<b>United Kingdom</b>	71	East Midlands	23
South West	94	Wales	70	West Midlands	22
Wales	94	North West & Merseyside	69	Yorks & Humberside	21
<b>United Kingdom</b>	94	Northern Ireland	66	North West & Merseyside	20
Scotland	93	London	64	Scotland	20
Northern Ireland	93	Scotland	63	Wales	17
<b>North East</b>	92	<b>North East</b>	61	<b>North East</b>	16

## APPENDIX 1: PERSONAL INCOME

<b>Table A1: 'Personal Income' in North East Counties, Tyne &amp; Wear Districts and UK Regions, 1998/99 and 1999/00 (mean or average)</b>						
	Self-employment Income (£)		Employment Income (£)		Total Income (£)	
	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00
North East GOR	14,600	16,700	14,900	15,500	15,100	16,200
Durham	-	15,500	-	15,200	-	16,200
Northumberland	-	16,500	-	16,300	-	16,900
Tees Valley*	-	17,200	-	15,500	-	15,800
Tyne & Wear	-	17,000	-	15,300	-	16,000
Gateshead	-	-	-	-	-	14,100
Newcastle	-	-	-	-	-	18,100
North Tyneside	-	-	-	-	-	15,500
South Tyneside	-	-	-	-	-	15,600
Sunderland	-	-	-	-	-	16,100
North West & Merseyside GOR	15,800	17,200	15,200	16,100	15,800	17,400
Yorkshire & Humberside	15,000	16,600	15,100	15,900	15,800	17,200
East Midlands GOR	15,900	17,300	15,800	16,700	16,300	18,000
West Midlands GOR	15,100	16,900	15,600	16,600	16,200	17,800
Eastern GOR	17,900	19,500	18,500	19,900	19,200	21,200
London GOR	22,300	24,500	21,800	23,300	22,600	25,000
South East GOR	18,900	20,300	19,800	21,100	20,700	22,700
South West GOR	14,600	16,000	15,400	16,700	16,100	18,100
England	17,300	18,900	17,400	18,500	18,100	19,900
Wales	13,300	14,800	14,300	15,800	14,500	16,700
Scotland	16,400	17,600	15,800	16,900	16,400	17,800
Northern Ireland	16,600	18,900	14,200	14,700	14,900	16,400
United Kingdom	17,000	18,700	17,100	18,200	17,700	19,500

Source: Inland Revenue Statistics, 2001, Government Statistical Service

Note: This source also gives medians

\*Figures given are for Unitary Authorities

Note: Estimates are uncertain.

'Personal Income' relates to individuals whereas household income refers to a domestic unit. These Inland Revenue figures estimate 'personal income' or 'taxable income' very roughly. They are based upon very small samples. TWRI believes the sample size could be as low as about a hundred or so per Local Authority District. The Inland Revenue sample is stratified, with about '1 in 750 employees and occupational pensioners with smaller 1999/00 tax liabilities'.

The table only covers 'individuals for whom Inland Revenue tax offices hold records. There may be no record if an individual's income is less than the PAYE threshold (£4,335 in 1999/00). No attempt has been made to estimate the missing data.... The...table includes some individuals who earn above the PAYE threshold but whose allowances and reliefs render them not liable to tax.'

Personal Income, given above, is biased by two major opposite effects compared with household income: upwards by its general exclusion of people below the income tax threshold. Downwards by its exclusion of income from non-taxable sources (especially some state benefits) and to a lesser extent, probably, from tax-free sources (ISAs etc.).

## APPENDIX 2: HOUSEHOLD DISPOSABLE INCOME PRE-ESA95 DATA

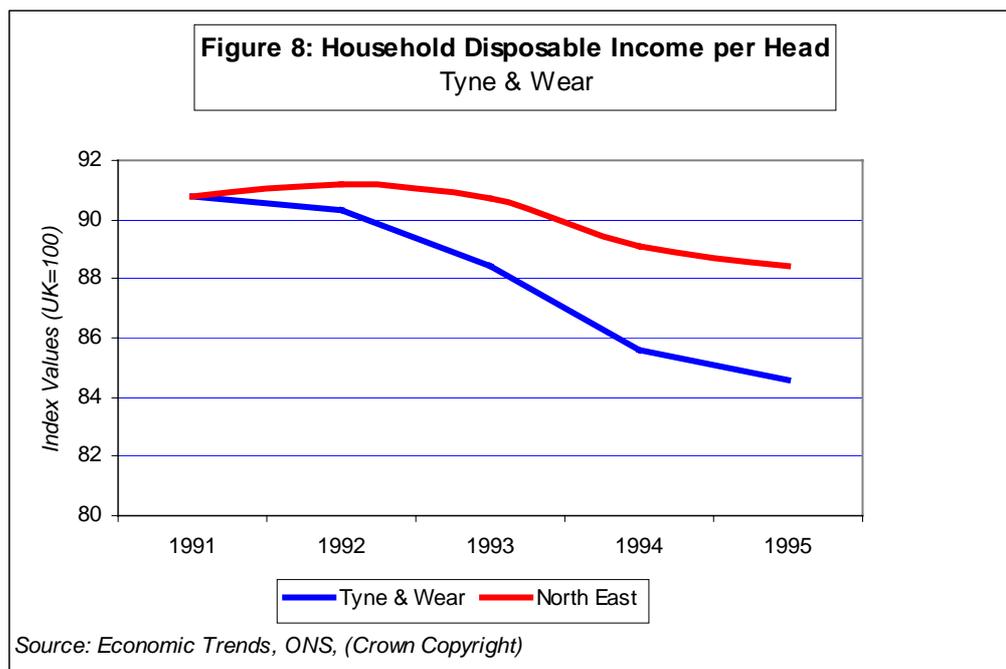
### Pre-ESA95 data on Tyne & Wear (to 1995 only) are presented here:

The new, ESA95, time series to 1999 is used in the main text but this was for regions only (§3):

Household income and household disposable income are persistently low in Tyne & Wear and falling relative to the UK. The Office for National Statistics (ONS) estimated total *household income* in 1995 in Tyne & Wear to be £8,476 per head. This was the lowest estimate for any UK County and 17% below the UK estimate of £9,153 per head<sup>11</sup>. It is also 4% below the average for the North East (£8,869 per head).

In 1995, *Household Disposable Income* (HDI) in Tyne & Wear was the lowest of any UK County. At £7,166, the estimate for Tyne & Wear was about 85% of the UK (£8,471) and around 96% of the North East estimate (£7,492). Household Disposable Income in Tyne & Wear and the North East has been low relative to the UK since 1991 and the gap has been steadily widening (Figure 1). This is more marked in Tyne & Wear than for the North East.

HDI is measured after the effect of direct taxes, national insurance and pension contributions. The (mildly) re-distributive effect of the tax system tends to narrow the range of HDI index values compared with those for Household Income. HDI only captures the effect of direct taxes. Indirect taxes have to be paid out of HDI and their incidence is regressive.



Further evidence on HDI, and other variables, over periods of ten years or more are given in TWRI's report *Economic Trends in Tyne & Wear* (1998). This report highlighted the divergence between business indicators (improving during 1987-93) whilst income-related indicators have continued to deteriorate (all relative to national, usually UK, comparators).

<sup>11</sup> Source: *Economic Trends*, June 1998, ONS (Crown Copyright).

**A2.1 Gross Disposable Household Income per head indices, UK (excl. the Continental Shelf) = 100**

	1990	1991	1992	1993	1994	1995	1996	1997 (p)	1998 (p)	1999 (p)
Scotland	98.9	98.3	99.9	99.1	96.9	97.1	96.7	94.8	95.5	94.8
N.Ireland	84.6	83.0	82.0	84.2	86.8	88.0	85.9	86.7	85.9	85.9
Wales	89.3	91.3	91.3	89.9	90.2	91.3	90.3	88.7	89.4	90.4
NE	88.9	90.4	91.5	90.8	88.5	87.9	88.2	86.2	84.4	82.9

This table is the basis of Figure 1. p = provisional

**A2.2 Household Disposable Income per head (£)**

	1996	1997 (p)	1998 (p)	1999 (p)
UK	8,878	9,413	9,614	10,088
UK excl. Continental Shelf	8,867	9,403	9,603	10,078
Scotland	8,579	8,918	9,172	9,558
N. Ireland	7,621	8,150	8,247	8,659
Wales	8,010	8,338	8,583	9,113
NE	7,819	8,108	8,104	8,353

p = provisional

**A2.3 Sources of Household Income, 1999 (£m) (provisional)**

	Scotland	N. Ireland	Wales	North East
Compensation of employees	40,593	10,502	19,732	17,352
All pensions	8,961	1,684	5,093	3,819
Net property income	6,591	1,751	3,133	2,357
Other Social Benefits	6,242	3,304	3,864	3,517
Gross Operating Surplus	3,413	955	2,049	1,483
Gross Mixed Income	2,677	1,243	1,744	1,132
Net Other Income	2,820	848	1,554	1,460
TOTAL INCOME	71,296	20,287	37,169	31,120
Tax & other deductions	-22,365	-5,637	-10,405	-9,557
Disposable Income	48,931	14,650	26,764	21,563

**A2.4 Sources of Household Income, 1999 (%) (provisional)**

	UK	Scotland	N. Ireland	Wales	North East
Compensation of employees	56.3	56.9	51.8	53.1	55.8
All pensions	12.3	12.6	8.3	13.7	12.3
Net property income	8.6	9.2	8.6	8.4	7.6
Other Social Benefits	7.8	8.8	16.3	10.4	11.3
Gross Operating Surplus	6.2	4.8	4.7	5.5	4.8
Gross Mixed Income	5.0	3.8	6.1	4.7	3.6
Net Other Income	3.9	4.0	4.2	4.2	4.7
TOTAL INCOME	100	100	100	100	100
Tax & other deductions*	-31.3	-31.4	-27.8	-28.0	-30.7
Disposable Income#	68.7	68.6	72.2	72.0	69.3

\*Implied by the table above. #As stated by National Statistics

Source (for Tables A2.1-4): ONS News Release on Regional Household Sector Income (July 2001).

APPENDIX 3: GROSS DISPOSABLE HOUSEHOLD INCOME<sup>1</sup> – COMPONENTS, NUTS 1 & 2: 1999

Nuts Level 1 Nuts Level 2	Component of Gross Disposable Household Income (£million)													
	Gross Operating Surplus	Mixed Income: Sole Traders	Compensation of Employees	Other Property Income	Pension Income	Social Benefits Received: excl. Retirement & Widows' Pensions	Miscellaneous Transfers Received, and Non-life Insurance	TOTAL HOUSEHOLD INCOME	Total Taxes Paid	Total Social Contributions Paid	Property Expenditure	Miscellaneous Transfers Paid, and Non-life Insurance Premiums	TOTAL USES	GROSS DISPOSABLE HOUSEHOLD INCOME
<b>United Kingdom<sup>2,3</sup></b>	<b>51,197</b> (5.5%)	<b>52,464</b> (5.6%)	<b>494,387</b> (53.1%)	<b>118,539</b> (12.7%)	<b>109,967</b> (11.8%)	<b>68,533</b> (7.4%)	<b>35,800</b> (3.8%)	<b>930,887</b> (100%)	<b>113,455</b> (12.2%)	<b>141,579</b> (15.2%)	<b>47,925</b> (5.1%)	<b>23,385</b> (2.5%)	<b>326,344</b> (35.1%)	<b>604,543</b> (64.9%)
<b>North East</b>	<b>1,422</b> (4.2%)	<b>1,170</b> (3.4%)	<b>18,635</b> (54.6%)	<b>3,355</b> (9.8%)	<b>4,665</b> (13.7%)	<b>3,422</b> (10.0%)	<b>1,442</b> (4.2%)	<b>34,111</b> (100%)	<b>3,358</b> (9.8%)	<b>5,147</b> (15.1%)	<b>1,426</b> (4.2%)	<b>903</b> (2.6%)	<b>10,833</b> (31.8%)	<b>23,278</b> (68.2%)
Tees Valley & Durham	<b>615</b> (4.0%)	<b>510</b> (3.3%)	<b>8,484</b> (55.4%)	<b>1,440</b> (9.4%)	<b>2,061</b> (13.5%)	<b>1,551</b> (10.1%)	<b>654</b> (4.3%)	<b>15,315</b> (100%)	<b>1,450</b> (9.5%)	<b>2,364</b> (15.4%)	<b>610</b> (4.0%)	<b>409</b> (2.7%)	<b>4,834</b> (31.6%)	<b>10,481</b> (68.4%)
Northumberland & Tyne & Wear	<b>808</b> (4.3%)	<b>659</b> (3.5%)	<b>10,151</b> (54.0%)	<b>1,915</b> (10.2%)	<b>2,605</b> (13.9%)	<b>1,871</b> (10.0%)	<b>788</b> (4.2%)	<b>18,797</b> (100%)	<b>1,908</b> (10.2%)	<b>2,783</b> (14.8%)	<b>815</b> (4.3%)	<b>493</b> (2.6%)	<b>5,999</b> (31.9%)	<b>12,797</b> (68.1%)

Source: ONS Regional, sub-regional and local area household income, March 2002. (Crown Copyright)

1. Household income covers the income received by households and non-profit institutions serving households.
2. Components may not sum to totals as a result of rounding.
3. Includes Extra-regio: parts of UK economic territory that cannot be attached to any particular region.