



**intergenerational
foundation**

Fairness for Future Generations

Pensioner Millionaires in the UK

Identifying the numbers

By Jeremy Leach, Senior Researcher

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The Intergenerational Foundation (www.if.org.uk) charity no: 1142 230

Summary

The starting point for the Intergenerational Foundation's work is the UK government's Wealth and Asset Survey that was completed in 2010. This research includes an analysis of total household wealth (including private pension wealth but not the value of state pensions) and identifies the total numbers of households with assets of £1million and above by age band.

By calculating the numbers of individuals that these households represent (based on average household size for each age band) it is possible to say how many people aged over 65, and in each of the individual years between 60 and 65, live in households with a total wealth of more than £1million.

In 2011 IF estimates these figures to be as follows for those aged 60+ living in the UK.

	Total in 000's UK
Aged 65+	988.6
Aged 64+	1,124.1
Aged 63+	1,321.4
Aged 62+	1,509.1
Aged 61+	1,684.5
Aged 60+	1,855.3

IF sets out how we have arrived at these estimates in the detailed findings below.

In summary, the Wealth and Assets Survey tells us what proportion of the households in each age band has assets of £1million and above. Office of National Statistics data tells us the total number of households. Data from the Communities and Local Government provides the structure of those households by age group. With this data we can work out how many people live in households with assets of £1million and over. EU data on the UK population indicates how many people on average live in households in each of the different age bands. From this we can, therefore, estimate the total numbers of people living in households with assets of £1m+.

The Detailed Findings

The findings should be read in combination with:

- The attached Appendix.
- Chapter 2 of the Wealth and Assets Survey http://www.ons.gov.uk/ons/dcp171776_271539.pdf from the 2008/2010 wave covers Total Household wealth. This was comprised as follows:

PAGE 2 - Aggregate total wealth (including private pension wealth) of all private households in Great Britain in 2008/10 was £10.3 trillion, rising from £9.1 trillion in 2006/08.

Breakdown of aggregate wealth: by components, 2006/08, 2008/10, Great Britain, £ Billion

	2006/08	2008/10
Property wealth (net)	3,532	3,447
Financial wealth (net)	1,031	1,085
Physical wealth	961	1,012
Private Pension wealth	3,626	4,786
Total Wealth (including Private pension wealth)	9,149	10,330
Total Wealth (excluding Private pension wealth)	5,523	5,544

On page 17 of the Wealth and Assets Survey the household total wealth is shown by age band.

It is from this starting point that all the calculations have been made (Table 1).

Knowing the structure of each of the wealth bands is only useful in relation to the whole population. It is possible to identify the numbers of households that each age band represents in all of the countries that make up Great Britain (the area covered by the Wealth & Asset Survey).

The total numbers of households appears in **Table 2** (having been brought up to 2011 figures as accurately as possible).

These are then calculated into the number of households in each age band in **Table 3**.

With the structure of the age bands it is now possible to calculate the numbers of households in each age band and wealth band that were given in Table 1 – this is shown in **Table 4**. The number of households which have assets of more than £1million by age band is revealed.

The next question is how many individuals the figures represent and to identify accurately the numbers of those who are retired who fall within the age band 55 to 64.

Data sources for the average household size per age band are not readily available so The Intergenerational Foundation has created an estimate of them using EU population data which used samples that are representative of the UK population and bringing them up to date. This is shown in **Table 5** – the yellow band shows the average household size by age band.

It is then possible to convert the numbers of households by age and wealth band into individuals contained (**Table 6**).

Finally it is possible to assess the numbers covered by the age band 55 to 64 and break them down into the individual years. **Table 7** shows the structure of the GB population by age between 55 and 64.

Given that there were 1,732,000 persons aged 55 to 64 living in households with £1million + in assets, Table 7 can be used to estimate how they will be apportioned by year (**Table 8**).

Table 9 adds these together to reveal the cumulative increase in numbers from those aged 65+ to those aged 60+.

The original Wealth Asset Survey figures were for Great Britain only but if Northern Ireland is also included (on the basis of its own population structure BUT assuming the same household wealth structure as GB) then the total in the number of people with assets over £1 million increases for the whole of the UK as follows:

	GB (000s)	NI (000s)	Total-UK (000s)
Aged 65+	962.0	26.6	988.6
Aged 64+	1,120.1	4.0	1,124.1
Aged 63+	1,316.4	5.0	1,321.4
Aged 62+	1,504.3	4.8	1,509.1
Aged 61+	1,680.0	4.5	1,684.5
Aged 60+	1,851.0	4.3	1,855.3

Appendix

Table 1

Age of persons by household wealth¹, 2006/08², 2008/10 in Great Britain (percentages)

2008/10												
	Number of HHS (2006) GB	< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000 but < £500,000	£150,000 but < £250,000 but < £500,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1 million	£1 million or more	
Age Band												
16-24	967	14.4	13.5	11.5	6.7	11.9	4.8	11.1	6.8	9.6	9.8	100.0
25-34	3,648	12.5	13.1	19.0	11.0	16.9	4.7	9.8	4.6	5.0	3.4	100.0
35-44	5,209	7.8	8.7	11.4	8.7	16.0	6.6	14.6	8.3	11.9	5.7	100.0
45-54	4,622	5.4	6.4	6.8	5.0	12.2	6.4	14.5	11.0	16.4	16.0	100.0
55-64	4,241	4.0	5.1	4.8	4.8	10.1	5.4	14.3	10.7	18.3	22.7	100.0
65+	6,669	4.9	7.3	7.8	6.1	14.4	7.4	17.4	10.9	13.9	10.0	100.0
All	25,357	7.7	8.7	10.1	7.1	13.8	6.0	13.9	8.9	12.7	11.1	100.0

Table 2

Total number of households (1,000s)

	England	Wales	Scotland	GB	NI	UK	No of members in each household England
2001	20,523	1,212	2,195	23,930	627	24,557	2.37
2002	20,691	1,224	2,211	24,126	636	24,762	2.36
2003	20,831	1,235	2,230	24,296	645	24,941	2.35
2004	20,969	1,249	2,249	24,467	655	25,122	2.35
2005	21,170	1,259	2,271	24,700	664	25,364	2.34
2006	21,344	1,271	2,291	24,906	673	25,579	2.34
2007	21,527	1,284	2,314	25,125	681	25,806	2.33
2008	21,731	1,297	2,331	25,359	689	26,048	2.33
2009	21,842	1,308	2,345	25,495	694	25,830	2.36
2010	21,952	1,320	2,357	25,629	698	26,010	2.36
2011	22,063	1,332	2,368	25,763	703	26,258	2.35

Table 3

Number of households in each age band

Age	2011
16-24	973
25-34	3,683
35-44	5,258
45-54	4,674
55-64	4,263
65+	6,910
Total	25,763

Table 4

Number of households by wealth band and age band

	2011 HH Structure - ALL HHs	< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1million	£1 million or more
16-24	973	140	131	112	65	115	47	108	66	93	96
25-34	3,683	460	484	701	405	621	173	360	171	182	126
35-44	5,258	412	458	601	458	843	349	767	439	628	302
45-54	4,674	250	297	319	233	568	298	680	515	765	750
55-64	4,263	170	217	205	203	428	230	609	454	778	969
65+	6,910	338	503	536	424	995	511	1,201	752	958	690
All	25,763	1,770	2,091	2,474	1,788	3,572	1,608	3,725	2,396	3,405	2,932

Table 5

Household size by age band

Age Group	16-24	25-34	35-44	45-54	55-64	65+	Grand Total
1	78	124	110	104	191	537	1,144
2	147	294	215	332	473	574	2,034
3	234	258	223	190	126	46	1,076
4	197	255	370	186	32	16	1,057
5	114	95	155	62	13	2	441
6	53	44	35	16	5	3	155
7	21	17	22	4	4	1	70
8	7	3	4	-	-	-	15
9	-	5	1	-	-	-	6
10	-	2	-	-	-	-	2
Grand Total	851	1,096	1,135	895	844	1,179	6,000
	3.47	3.15	3.41	2.82	2.09	1.63	2.75
Adjustment for actual 2011 figure of 2.35	2.96	2.69	2.91	2.41	1.79	1.39	2.35

Table 6

Resulting numbers of persons living in each class of age and wealth band (GB)

		2011 HH Structure (All HHs)	< £12,500	£12,500 but < £40,000	£40,000 but < £100,000	£100,000 but < £150,000	£150,000 but < £250,000	£250,000 but < £300,000	£300,000 but < £450,000	£450,000 but < £600,000	£600,000 but < £1 million	£1 million or more
2008	-											
2010	16-24	2,883	415	388	331	192	342	139	321	195	277	283
	25-34	9,905	1,237	1,301	1,885	1,090	1,671	465	968	460	490	340
	35-44	15,326	1,202	1,336	1,753	1,335	2,458	1,018	2,236	1,278	1,830	880
	45-54	11,258	602	716	769	561	1,369	717	1,637	1,239	1,843	1,806
	55-64	7,623	303	388	366	363	766	411	1,089	813	1,391	1,732
	65+	9,634	471	701	748	592	1,387	713	1,674	1,048	1,336	962
	All	60,484	4,155	4,908	5,808	4,197	8,385	3,774	8,745	5,625	7,994	6,884

Table 7

Population size by age 55-64

COUNTRY	55	56	57	58	59	60	61	62	63	64	Total
UK	727	727	713	705	707	725	744	795	830	670	7,342
GREAT BRITAIN	706	707	693	686	688	706	726	776	811	653	7,151
ENGLAND AND WALES	639	641	628	623	625	642	660	708	737	597	6,500
ENGLAND	603	603	591	586	587	602	619	665	693	561	6,111
WALES	36	38	37	37	38	39	40	43	44	36	389
SCOTLAND	67	66	65	63	64	64	66	68	73	56	651
NORTHERN IRELAND	20	20	20	19	19	19	19	19	19	17	191

Table 8

Age distribution of people aged 55 to 64 in GB in £1M+ HHS

	55	56	57	58	59	60	61	62	63	64	Total
Great Britain - each year as % of total in Age Band	10.3%	10.2%	9.9%	9.6%	9.8%	9.8%	10.1%	10.4%	11.3%	8.6%	100.0%
Including 2012 number of people	178.0	175.8	172.3	166.2	169.0	170.6	175.4	180.2	195.3	149.2	1,732.0
Cumulative increase from 64 to 55 is as follows:	1,732.0	1,554.0	1,378.2	1,205.9	1,039.7	870.7	700.1	524.7	344.5	149.2	

Table 9

Total number of people in £1M+ HHS (000s)

	GB	NI	Total UK
Aged 65+	962.0	26.6	988.6
Aged 64+	1,120.1	4.0	1,124.1
Aged 63+	1,316.4	5.0	1,321.4
Aged 62+	1,504.3	4.8	1,509.1
Aged 61+	1,680.0	4.5	1,684.5
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