

**Table 1. Income Inequality Trends in the United Kingdom, 1688 - 1994**

FOR GRAPHI

**A. Rough estimates for early benchmark years**

Shares of pre-tax nominal personal income received by Real-income

	Top 5% of <u>households</u>	Top 20% of <u>households</u>	Nominal <u>Gini x 100</u>	shares (1911 base)	
				<u>Top 5%</u>	<u>Top 20%</u>
<i>England and Wales</i>					
1688 (King, revised)	35.6	58.1	55.6	n.a.	n.a.
1759 (Massie, revised)	35.4	57.5	52.2	21.1	46.4
1801/03 (Colquhoun, revise)	39.2	63.2	59.3	27.9	55.9
1867 (Baxter, revised)	41.2	57.3	49.0	37.4	55.6
<i>United Kingdom</i>					
1867 (Baxter, revised)	41.1	57.7	50.6	37.3	56.0
1911 (Bowley revised)	38.7	55.2	48.3	38.7	55.2

**B. Inland Revenue, Survey of Personal Incomes (SPI)**

Financial year be- ginning	Shares of pre-tax income received by			
	Top 1% of <u>tax units</u>	Top 5% of <u>tax units</u>	Top 20% of <u>tax units</u>	<u>Gini x 100</u>
1938	17.1	31.5	52.4	42.3
1949	10.6	23.1	45.3	36.4
1954	8.8	19.7	42.1	34.2
1959	7.9	18.7	41.2	33.4
1964	7.7	18.3	40.9	33.0
1965	7.8	18.5	41.1	33.5
1966	7.2	17.6	40.3	32.8
1967	7.0	17.4	40.2	32.8
1968	6.9	17.3	40.4	33.1
1969	6.7	17.1	40.0	32.6
1970	6.2	16.6	39.9	32.2
1971	6.1	16.4	39.8	32.5
1972	6.0	15.9	38.9	30.5
1973	6.2	16.1	39.0	31.2
1974	5.9	15.8	39.4	32.0

**C. CSO hybrid estimates (Blue Books)**

Financial year be- ginning	Shares of pre-tax income received by			
	Top 1% of <u>tax units</u>	Top 5% of <u>tax units</u>	Top 20% of <u>tax units</u>	<u>Gini x 100</u>

1968	7.1	17.8	42.5	37.4
1969	7.0	17.8	42.8	38.0
1970	6.6	17.7	43.4	38.5
1971	6.5	17.5	43.2	38.3
1972	6.4	17.2	42.7	37.4
1973	6.5	17.1	42.4	37.0
1974	6.2	16.8	42.4	37.1
1975 old	5.6	16.0	41.9	36.6
1975 new	5.7	16.4	42.3	37.3
1978	5.3	16.0	42.6	37.5
1981	6.0	17.6	45.0	40.0
1984	6.4	18.5	46.3	41.0

#### D. CSO-ONS equivalised-income series

Financial yr. beginning	<u>Original income of households:</u>		<u>Disposable income of households:</u>	
	<u>top 20% share</u>	<u>Gini x 100</u>	<u>top 20%</u>	<u>Gini x 100</u>
1977	43	43	36	27
1978	43	43	35	27
1979	43	44	36	27
1980	44	44	37	28
1981	46	46	38	28
1982	46	47	37	28
1983	47	48	38	28
1984	47	49	37	28
1985	47	49	38	29
1986	49	50	40	31
1987	50	51	41	33
1988	50	51	42	35
1989	49	50	41	34
1990	51	52	43	36
1991	50	51	42	35
1992	50	52	42	35
1993/4	52	54	42	34
1994/5	51	53	41	33
1995/6	50	52	40	33

#### Notes and sources to Table 1 and Figure 1:

Panel A: The main sources for the 1688-1867 rough estimates are Lindert

The detailed re-calculations are available upon request.

The "real" top-group shares are based on separate deflators for the incomes of the top 5%, top 20%, and all households, 1759 - 1911, as explained in (Lindert 1998). The deflators differ mainly because of pronounced movements in the relative prices of food and rent versus all commodities. Since the data on nominal incomes excluded income from owner-occupied housing, this housing should also be excluded from the cost-of-living bundle for the upper classes. The variant shown here assumes that the occupant-owned share of all housing was 100% for the top 5% of households, 67% for the next 15%, and 0% for the bottom 80% of households.

Panel B: Royal Commission (1977, pp. 240-3).

Panel C: The CSO hybrid estimates combine data from the SPI and the Family Expenditure Survey (FES), as reported in in the May 1978, July 1984, and November 1987 issues of Economic Trends.

In this series CSO defines households as "individual tax-units, i.e. married couples or single people over school-leaving age not at school." (Economic Trends, November 1987, p. 94.)

Panel D: The source is the set of articles in Economic Trends entitled "The Effects of Taxes and Benefits on Household Income", here cited from the December 1994, December 1995, and March 1997 issues.

The estimates distribute equivalised original income among households ranked by equivalised disposable (not original) income, except for the Gini coefficients on original income, which seem to be (correctly) ranked by original income. "Equivalised" here means that income has been divided by "equivalised persons" in the household, using the McClements scale as explained in Economic Trends, December 1995, p. 57.

NG Figures 1, 4:

						New CSO-ONS top 20%	
	UK top 5	UKtop 20	EW top 5	EW top 2	Hybrid to Hybrid to	Orig. income	Disp. income
1688			35.59	58.08			
1759			35.38	57.45			
1802			39.24	63.2			
1867			41.23	57.33			
1867	41.07	57.65					
1911	38.69	55.18					
1938	31.5	52.4					
1949	23.1	45.3			23.8	47.3	
1954	19.7	42.1			20.8	45.2	
1959	18.7	41.2			19.9	44.5	
1962					19.5	44.4	
1963					19.2	44.3	
1964	18.3	40.9			19.5	44.6	
1965	18.5	41.1			19.6	44.2	
1966	17.6	40.3			18.8	43.7	
1967	17.4	40.2			18.4	43.2	
1968	17.3	40.4			17.8	42.5	
1969	17.1	40			17.8	42.8	
1970	16.6	39.9			17.7	43.4	
1971	16.4	39.8			17.5	43.2	
1972	15.9	38.9			17.2	42.7	
1973	16.1	39			17.1	42.4	
1974	15.8	39.4			16.8	42.4	
1975					16	41.9	
1976							
1977						43	36
1978				16	42.6	43	35
1979						43	36
1980						44	37
1981				17.6	45	46	38
1982						46	37
1983						47	38
1984				18.5	46.3	47	37
1985						47	38
1986						49	40





UK gini	EW gini	Hybrid gini	New gini
	55.55		
	52.209		
	59.27		
	48.97		
50.555			
48.25			
42.3			
36.4		41.1	
34.2		40.3	
33.4		39.8	
		39.7	
		39.5	
33		39.9	
33.5		39	
32.8		38.6	
32.8		38.2	
33.1		37.4	
32.6		38	
32.2		38.5	
32.5		38.3	
30.5		37.4	
31.2		37	
32		37.1	
		37.3	
			43
		37.5	43
			44
			44
		40	46
			47
			48
		41	49
			49
			50