

Average household income, UK: financial year ending 2025

Estimates of average household income in the UK, with analysis of how these measures have changed over time, accounting for inflation and household composition.

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1 . Main points

In the financial year ending 2025 (April 2024 to March 2025):

- Median household disposable income in the UK was £39,200, an increase of 3.5% from financial year ending (FYE) 2024, based on estimates from the Office for National Statistics (ONS) Household Finances Survey (HFS).
- Median household disposable income for the poorest fifth of the population increased by 5.6% to £18,300, bringing it back in-line with FYE 2020 pre-coronavirus (COVID-19) pandemic levels.
- Median household disposable income for the richest fifth of the population increased by 5.0% to £77,000, returning to FYE 2021 levels following two years of decline.
- Income inequality, as measured with the Gini coefficient, remained relatively stable between FYE 2024 and FYE 2025, decreasing by 0.2 percentage points to 32.7%, following a similar trend as FYE 2024.
- The ratio between the mean household disposable income for the richest fifth and poorest fifth of households (S80/S20 ratio) remained 5.6 times greater for the richest fifth than the poorest fifth households.
- Users should be aware that the HFS sample size for FYE 2025 has notably decreased following the cessation of the Survey of Living Conditions (SLC); more granular income estimates including decile-level and retired households are subject to greater uncertainty, please see Section 4: Data sources and quality for more details.

2 . Data on average household income

[The effects of taxes and benefits on household income, disposable income estimate FYE 2025](#)

Dataset | Released 2 October 2026

Average UK household incomes taxes and benefits by household type, tenure status, household characteristics and long-term trends in income inequality.

3 . Glossary

Disposable income

Disposable income is arguably the most widely used household income measure. Disposable income is the amount of money that households have available for spending and saving after direct taxes, such as Income Tax, National Insurance and Council Tax, have been accounted for. It includes earnings from employment, private pensions and investments, and cash benefits provided by the state.

Equivalisation

We compare different types of individuals and households (such as retired and non-retired, or rich and poor) over time after income has been equivalised. Equivalisation is the process of accounting for the fact that households with many members are likely to need a higher income to achieve the same standard of living as households with fewer members. Equivalisation considers the number of people living in the household and their ages, acknowledging that while a household with two people in it will need more money to sustain the same living standards as one with a single person, the two-person household is unlikely to need double the income.

This analysis uses the [modified Organisation for Economic Co-operation and Development \(OECD\) equivalisation scale \(PDF, 165KB\)](#).

Mean and median income

The mean measure of income divides the total income of individuals by the number of individuals. A limitation of using the mean is that it can be influenced by just a few individuals with very high incomes and therefore does not necessarily reflect the standard of living of the "typical" person. However, when considering changes in income and direct taxes by income decile or types of households, the mean allows for these changes to be analysed in an additive way.

Many researchers argue that growth in median household incomes provides a better measure of how people's well-being has changed over time. The median household income is the income of what would be the middle person if all individuals in the UK were sorted from poorest to richest. Median income provides a good indication of the standard of living of the "typical" individual in terms of income.

Retired and non-retired households

A retired household is one where more than 50% of its income is sourced from retired people. A retired person requires satisfying one of the following criteria:

- their self-defined employment status is "Retired", and they are aged over 50 years
- their self-defined employment status is "Sick or Injured," not seeking work, and aged at or above the State Pension age

As such, analysis of the average income of people living in retired households can include much younger people and potentially exclude older people. However, the strength of this measure is that it highlights those individuals who are most likely to be affected by policy.

4 . Data sources and quality

Data sources

This release provides headline estimates of average disposable income, calculated using the Household Finances Survey (HFS) data. Data are derived from both the [Living Costs and Food \(LCF\) Survey](#) and the [Survey on Living Conditions \(SLC\)](#), with harmonised income collection, covering approximately 8,000 private households in the UK for financial year ending (FYE) 2025, April 2024 to March 2025.

The HFS is a sample of the private household population and does not include those who live in institutionalised households, such as care homes and hostels, or people who are homeless. Therefore, many of the poorest in society are unlikely to have been captured.

Household income surveys can suffer from underreporting at the top and bottom of the income distribution. While an [adjustment to address survey undercoverage](#) of the richest people has been introduced for statistics covering FYE 2002 onwards, measurement issues at the bottom remain.

The Office for National Statistics (ONS) estimates of household income from 1977, up to and including the financial year ending (FYE) 2017, are based on the LCF. From FYE 2018 onwards, estimates have been revised to include data from the HFS and remain comparable with those produced using the LCF for the same period. Further detail is available in our [Improving the measurement of household income methodology](#).

Comparable estimates are available back to 1977, allowing analysis of long-term trends. To make robust comparisons over time, unless otherwise stated, data have been adjusted for the effects of inflation and are equivalised to account for changes in household composition. When growth rates are quoted, they compare the average for a group of households in one period with the average for a different set of households in the next period.

The UK has two main, official data sources of household income statistics: the Family Resources Survey (FRS) run by the Department for Work and Pensions (DWP) and the Household Finances Survey (HFS) run by the Office for National Statistics (ONS).

The FRS estimates underpin the DWP's Households Below Average Income (HBAI) series, which is the UK's primary source of poverty estimates. With a larger sample size, it is also the main source for household incomes. HFS data are used to produce our [Household disposable income inequality \(HDI\)](#) and [Effects of taxes and benefits \(ETB\)](#) series. These outputs are the main source for considering the overall financial well-being of households.

The two sources of data are complementary, but there are some important methodological differences between them, which means that their income estimates can be different. For example, the FRS focuses on respondents' weekly incomes at the time of interview, whereas HFS focuses more on annual income. The treatment of pension contributions also differs, with our estimate of gross household income being calculated before pension contributions.

As part of our strategy to deal with falling survey response rates and to boost samples that underpin headline economic statistics on prices and the labour market, we announced [the cessation of the Survey on Living Conditions \(SLC\)](#) in February 2025. Resultingly, the HFS achieved sample size decreased by 29% from 11,300 households to 8,000 households between FYE 2024 and FYE 2025, reflecting these wider operational challenges. The reduction in sample size has increased the [uncertainty](#) of some of our more granular estimates, as described in further detail in the Quality section.

Quality

Following the mid-round stopping of the Survey of Living Conditions (SLC), FYE 2025 is a transitional year for the Household Finances Survey (HFS). While still comprised of both the Survey of Living Conditions (SLC) and the Living Costs and Food Survey (LCF), the LCF now provides the greater proportion (38% FYE 24 and 63% FYE 25) of underlying data. From FYE 2026 onwards, the HFS will be comprised of LCF data only. This operational transition, alongside a 29% reduction in overall HFS sample size, and increased response bias, has contributed to a compositional shift for FYE 2025, which is not fully accounted for through current weighting approaches.

While year-on-year changes in headline and quintile-level estimates for all UK households remain broadly consistent with the Department for Work and Pensions' accredited official statistics on Households Below Average Income (HBAI) series, divergence is seen in decile-level estimates. There will naturally be greater [uncertainty](#) associated with decile groups because of smaller sample sizes, given household counts for FYE 2025 are lower than in previous years, decile-level movements should be interpreted with caution as they may reflect sampling variability, coverage limitations, as well as genuine changes in household income.

Income estimates for retired households are less coherent with DWP's HBAI and Pensioner income statistics, particularly at the quintile level, however, definitional differences do not allow for direct comparisons to be drawn. We recommend that users exercise caution when interpreting year-on-year changes in retired households, particularly at the quintile and decile level, and estimates of uncertainty (as provided in Table 32) should be incorporated into any analysis undertaken.

Users should note that income estimates for retired households are subject to particular uncertainty for FYE 2025; attributed to increased non-response bias and underlying compositional changes. While the proportion of retired households in the weighted HFS sample increased by only 0.8 percentage points between FYE 2024 and FYE 2025, the proportion of retired households in the top quintile increased by 3.7 percentage points.

Within retired households, the proportion of owner-occupiers increased by 2.5 percentage points compared with FYE 2024, while the proportion of social renters decreased by 5.6 percentage points. This suggests compositional shifts in the achieved sample towards richer retired homeowners, which are not fully accounted for through weighting.

While the current weighting approach adjusts for population characteristics including, age, sex, region, employment status and tenure, it does not directly adjust for all aspects of household characteristics or for the loss of lower income households within the achieved sample for FYE 2025. As a result, weighting can reduce but not fully remove the effects of sample composition change and may amplify some movements in household income already present in the achieved sample. Notably, tenure calibration is applied at the UK population level rather than specifically within the retired household population. As a result, the observed shift on retired owner-occupiers may not be fully accounted for through weighting.

To ensure quality and align with the [Code of Practice for Statistics](#), all tables have been reviewed for robustness. Given the reduced sample size in FYE 2025 and the increased uncertainty associated with some detailed breakdowns, selected estimates for some detailed components of original income, cash benefits and direct taxes data have been suppressed because of low household counts. This affects Tables 13, 14, 17, 18, 21, 22, 25, 26 and 29. Notes have been added to indicate where suppression has been applied. Users should consider available measures of uncertainty alongside the table-specific notes, particularly where estimates are based on smaller household counts.

Because of reduced sample size for FYE 2025, care should be taken in interpreting changes over time in the individual components of original income. Components such as investment income in original income can be affected by both the amount earned by those who receive it, and the number of people with an equivalised disposable income in a given range in the sample, which can vary from year to year. Further, some detailed income components may also be affected by the top-income adjustment used to improve coverage of the highest-income households, so component-level estimates by quintile or decile should not be over-interpreted.

Cost of living support schemes

The Low-income benefits and tax credits Cost of Living Payment, the Disability Cost of Living Payment, and the Pensioner Cost of Living Payment were available in both FYE 2023 and FYE 2024 but were discontinued in FYE 2025. As a result, households did not receive any cost-of-living support scheme payments in FYE 2025.

For details on the cost of living support schemes and the methods used to measure receipt of payments, please see the Average household income publications for FYE 2023 and FYE 2024.

Future developments

From FYE 2026 onwards, the LCF will be the sole data source for the HFS, with the issued sample increased to 30,000 households from April 2026. A series of improvements are planned for the LCF questionnaire to enhance data quality and improve sustainability, alongside updates to processing infrastructure and data pipelines, to improve efficiency and reliability. Further information can be found in our [Living Costs and Food Survey technical report: financial year ending March 2025](#) and in the [Living Costs and Food Survey guide FYE 2025](#).

Developments to the LCF align with our broader plans for quality recovery of household financial surveys and statistics as set out in the [ONS surveys and economic statistics improvement plan](#). As part of the recovery plan, we will carry out a further review of current weighting methodologies to mitigate the impact of a reduced sample size.

Accredited official statistics

These [accredited official statistics](#) were independently reviewed by the Office for Statistics Regulation in December 2011. They comply with the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) and should be labelled "accredited official statistics".

5 . Related links

[Family spending in the UK: April 2024 to March 2025](#)

Bulletin | Released 11 June 2026

Average weekly household expenditure on goods and services in the UK, by age, income, economic status, socio-economic class, household composition and region.

[Income estimates for small areas, England and Wales: financial year ending 2023](#)

Bulletin | Released 10 December 2025

Small area model-based income estimates covering local areas called Middle layer Super Output Areas (MSOAs) in England and Wales.

[Effects of taxes and benefits on UK household income: financial year ending 2024](#)

Bulletin | Released 25 September 2025

The redistribution effects on individuals and households of direct and indirect taxation and benefits received in cash or kind, analysed by household type.

[Households below average income: for financial years ending 1995 to 2025](#)

Report | Published 26 March 2026

Statistics on the number and percentage of people living in low-income households for financial years between 1995 and 2025.

[The effects of taxes and benefits on household income, technical report: financial year ending 2019](#)

Article | 25 June 2020

The redistribution effects on households of direct and indirect taxation and benefits received in cash or kind analysed by household type, and the changing levels of income inequality over time.

[Income and earnings coherence workplan for 2025 and 2026](#)

Report | Updated 16 October 2025

The Government Statistical Service (GSS) income and earnings coherence workplan sets out the actions needed to achieve the GSS vision for coherence of income and earnings statistics.

6 . Cite this statistical bulletin

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