

The Richest Income Earners in the UK: What are their Characteristics?

Stephen P. Jenkins
LSE
s.jenkins@lse.ac.uk

Richard V Burkhauser
University of Texas Austin

Nicolas Herault
University of Melbourne

Roger Wilkins
University of Melbourne

It is relatively well-known that the under-coverage of top incomes by household surveys but income data from personal income tax administrative data can provide a better view of top incomes. However, it is also well-known that tax data provide little information about the characteristics of the richest income earners because information about only few characteristics is used to assess income tax liabilities. In contrast, household surveys collect a substantial amount of information about the characteristics of respondents. In this paper, we show, for the UK, that income survey estimates of the characteristics of the richest income earners are very close to tax data estimates. (Although there is survey under-coverage of top incomes by the principal income survey, the rankings of different types of individual are very similar.) Following this validation exercise, we then use the household survey data to provide a detailed portrait of the characteristics of the richest income earners drawing on the rich set of characteristics available in the survey. We provide answers to the question “are the rich different from everyone else”?