

Statistical bulletin

# Income estimates for small areas, England and Wales: financial year ending 2023

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

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Release date:  
10 December 2025

Next release:  
To be announced

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# 1 . Main points

- For Middle-layer Super Output Areas (also known as local areas or small areas), mean equivalised household disposable (net) income, before housing costs, ranged from £20,800 to £107,600 in the financial year ending 2023.
- Of the 50 local areas with the highest incomes, before housing costs, 47 were in the London region, including areas within the local authorities of Wandsworth, Richmond upon Thames, Camden, and Tower Hamlets.
- Of the 50 local areas with the lowest incomes, before housing costs, 19 were in the North West region and 17 were in the West Midlands region, all of which were in Birmingham.
- After housing costs, all regions had at least one local area in the top and bottom disposable income deciles.

Caution should be applied when interpreting trends over time as the methodology used to produce the estimates is optimised for a given year and not for estimating temporal change. Additionally, updates to MSOA boundaries may affect comparability. See [Section 5: Data sources and quality](#) for more information.

## 2 . Small area income estimates

### Average household income by local area

This bulletin looks at the mean household disposable (net) income on an equivalised basis for Middle layer Super Output Areas (MSOAs) (also described as “local areas” throughout this bulletin) in England and Wales for financial year ending (FYE) 2023, unless otherwise specified. All values presented in this bulletin have been equivalised using the modified-OECD scale for before housing costs and companion scale for after housing costs.

The data are modelled using Family Resources Survey data, which benefited from a sample boost in FYE 2023, increasing the sample size to around 25,000 compared with the usual 20,000. The sample is expected to return to its usual level in future years. See our [Income estimates for small areas QMI](#) for further information.

### Figure 1: Enter a postcode to see the average household income for the local area (based on areas of between 2,000 and 6,000 households called MSOAs)

Mean average equivalised disposable annual household income, before and after housing costs, for local areas (MSOAs), financial year ending March 2023, England and Wales

#### Notes:

1. To compare local areas, the confidence intervals associated with the estimates should be considered. These confidence intervals can be found in the dataset.
2. Postcode placement is indicative rather than exact.

**Download the data**

## **Before housing costs, almost half of local areas in London are among the richest 10%**

All regions in England and Wales, except the North East, had at least one local area among the overall local areas with the highest 10% of mean disposable household incomes before housing costs (BHC). London had the highest proportion with almost half (45%) of its areas among the richest 10%. In comparison, just under 15% of local areas in the South East were in the richest 10% BHC.

The North East, the West Midlands, and the North West had between 21% and 23% of their local areas within the lowest disposable income decile for BHC.

## **After housing costs, London had 41% of local areas in the top income decile**

Disposable income before housing costs and after housing costs are derived independently and should not be directly compared.

The South East ranked second for disposable income, after housing costs (AHC), with 18% of its local areas within the richest 10% of households. Income AHC ranged from £16,100 to £26,700 in local areas within the bottom 10%. The North West and West Midlands had the highest proportions of local areas in the bottom decile, at 23% and 22%, respectively.

## **Figure 2: 45% of local areas in London were among the richest 10% of areas before housing costs**

Percentage of local areas (MSOAs) in each rank decile for the regions of England and Wales

### **Notes:**

1. "E and W" means England and Wales.
2. Rank deciles divide local areas into ten equal groups based on income, ranked from lowest to highest. Decile 1 represents the 10% of areas with the lowest incomes, while Decile 10 represents the 10% with the highest incomes.
3. Figures before housing costs and after housing costs are derived independently and should not be directly compared.
4. Income has been equivalised using the modified-OECD scale for before housing costs and companion scale for after housing costs.

**Download the data**

## Distribution of income for England and Wales

Mean household disposable income (equivalised), BHC, in local areas of England and Wales differed by £86,800 from the lowest to the highest, in the financial year ending (FYE) 2023. Under 1% of local areas had a mean household disposable income above the [midpoint \(see definition\)](#) of this range (£64,200). This is because of very high incomes, BHC, in the top three local areas which influence this range. However, when looking at disposable income AHC, the midpoint range is £44,300 with 7% of local areas above this.

Table 1: Percentiles of mean household disposable (net) equivalised income (to the nearest 100)

Percentile	Before Housing Costs	After Housing Costs
25th	32700	30100
50th (median)	36800	34500
75th	41800	38400
90th	47200	42800

Source: Office for National Statistics

### Notes

1. Before housing costs and after housing costs are derived independently and should not be directly compared.

## Figure 3a: Enter a postcode to see where the local area falls in the income distribution

Mean average equivalised disposable annual household income, before housing costs, for local areas (MSOAs), financial year ending March 2023, England and Wales

[Download the data](#)

## Figure 3b: Enter a postcode to see where the local area falls in the income distribution

Mean average equivalised disposable annual household income, after housing costs, for local areas (MSOAs), financial year ending March 2023, England and Wales

### Notes:

1. "E and W" means England and Wales.
2. Postcode placement is indicative rather than exact.
3. Figures before housing costs and after housing costs are derived independently and should not be directly compared.

[Download the data](#)

## 3 . Data

### [Small area income estimates](#)

Dataset | 10 December 2025

Estimates of annual (mean) household income for four income measures for Middle layer Super Output Areas (MSOAs) in England and Wales.

## 4 . Glossary

### Local area

Local areas within this bulletin refer to [Middle layer Super Output Areas \(MSOAs\)](#). MSOAs comprise between 2,000 and 6,000 households and have a usually resident population between 5,000 and 15,000 persons. MSOAs fit within local authorities.

Outputs from Census 2021 are for 2021 MSOAs and are made up of unchanged 2011 MSOAs and new 2021 MSOAs.

### Average (mean) income

The average (mean) income is the equivalent of adding every household income together and dividing by the number of households.

### Disposable (net) household income

The sum of the disposable (net) income of every member of the household, that is, all income (from wages and salaries, self-employment, pensions, investments, benefits) minus Income Tax, National Insurance, Council Tax, maintenance or child payments deducted through pay, and contributions to occupational pensions.

### Equivalisation

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 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. These estimates use the modified Organisation for Economic Co-operation and Development (OECD) equivalisation scale for before housing costs and companion scale for after housing costs.

### Confidence intervals

This represents a range of values that a measure can take, based on statistical uncertainty and the fact that the data were derived from a sample of households across the country. For further details, please see our [Uncertainty and how we measure it for our surveys guide](#).

### After Housing Costs (AHC)

This measure is calculated from the Family Resources Survey after housing costs (for example, rent and mortgage interest payments) have been deducted from disposable income. Disposable income before housing costs and after housing costs are derived independently and should not be directly compared.

## Midpoint

The midpoint is the income value which lies exactly halfway between the lowest and highest income in the range.

For more definitions, please refer to our [Income and earnings: glossary of terms](#).

## 5 . Data sources and quality

### Measuring the data

These estimates are designated [Accredited official statistics](#) which are calculated using a model-based method to produce four estimates of income. The estimates are produced using a combination of survey data from the [Family Resources Survey](#), the 2021 Census, and various administrative data sources.

More information on the quality, data sources, and methods used to produce small area income estimates is available in our [Income estimates for small areas QMI](#) and [Income estimates for small areas in England and Wales, technical report: financial year ending 2020](#). We aim to update the technical report in early 2026. The methodology has remained consistent with that of previous publications.

### Strengths and limitations

#### Areas with extreme estimates of income

The modelling process tends to shrink estimates towards the average level, so the true distribution of local area average incomes has a much higher range of values than these estimates. However, the rankings of the Middle layer Super Output Areas (MSOAs) are still reliable and not affected by this.

#### Ranking average household income for local areas

It is possible to use these estimates to rank local areas in terms of their mean household income. However, these should be used alongside associated confidence intervals.

#### Comparing different income types

Each of the four models of income have been developed separately to produce the most accurate estimate of each income type. This may result in some inconsistencies between the different types of income for some local areas. Therefore, care should be taken when comparing estimates of one income type with estimates of another income type.

For further information about this, please see our accompanying QMI and technical report.

#### Comparing different years

The latest estimates are produced using the Census 2021 MSOA boundaries as opposed to the previously used 2011 MSOA boundaries. Of the 7264 MSOAs, 7080 stayed the same, however 184 of the MSOAs changed boundaries to either expand or split further.

#### Coronavirus (COVID-19)

Modelled estimates have not been produced for either financial year ending (FYE) 2021 or 2022, given the impact of the coronavirus pandemic on the Family Resources Survey (FRS) during this period, including reduction in sample size and modal change to telephone interviews. This limits reliability for small area income estimates. For further information please see the [FRS Technical Report](#).

## Future developments

We also publish [official statistics in development](#) admin-based income statistics (ABIS), which are being developed to use a wide range of administrative data sources. We aim to publish a more detailed plan for the development of household finances, including admin-based income, in Spring 2026, as outlined in the recent [Economic Statistics Plan](#) update.

We welcome feedback on the approach to producing income estimates for small areas. Please email your feedback to [AMIE@ons.gov.uk](mailto:AMIE@ons.gov.uk).

## 6 . Related links

### [Income estimates for small areas](#)

QMI | Released 10 December 2025

Background information and methodology for income estimates for small areas, England and Wales, detailing the strengths and limitations of the data, methods used, and data uses and users.

### [Admin-based income statistics, England and Wales: tax year ending 2018](#)

Article | Released 20 December 2022

Brings together data from the Pay as You Earn and benefits systems to generate experimental estimates of gross and net income.

### [Population estimates by output areas, electoral, health, and other geographies, England and Wales: mid-2023 and mid-2024, revised mid-2022](#)

Bulletin | Released 7 November 2025

National population estimates broken down into small geographical areas (Super Output Areas, health geographies, electoral wards, parliamentary constituencies, and national parks).

### [Average household income, UK: financial year ending 2024](#)

Bulletin | Released 2 May 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.

### [Household income inequality, UK: financial year ending 2024](#)

Bulletin | Released 2 May 2025

Main estimates of household income inequality in the UK and how these measures have changed over time accounting for inflation and household composition.

## 7 . Cite this statistical bulletin

Office for National Statistics (ONS), published 10 December 2025, ONS website, statistical bulletin, [Income estimates for small areas, England and Wales: financial year ending 2023](#)