

UKMOD for gendered distributional analysis

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UK Women's Budget Group

UKMOD Fest

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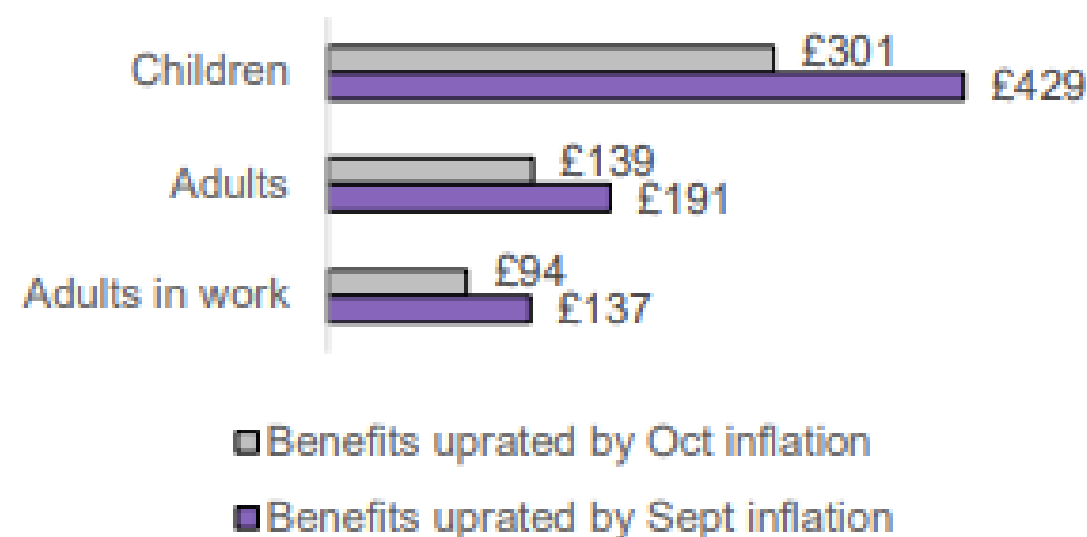


The UK Women's Budget Group (WBG) is the UK's leading feminist economics think tank, providing evidence and analysis on women's economic position and proposing policy alternatives for a gender-equal economy. We act as a link between academia, the women's voluntary sector and progressive economic think tanks.

Pre-budget briefings: Social Security

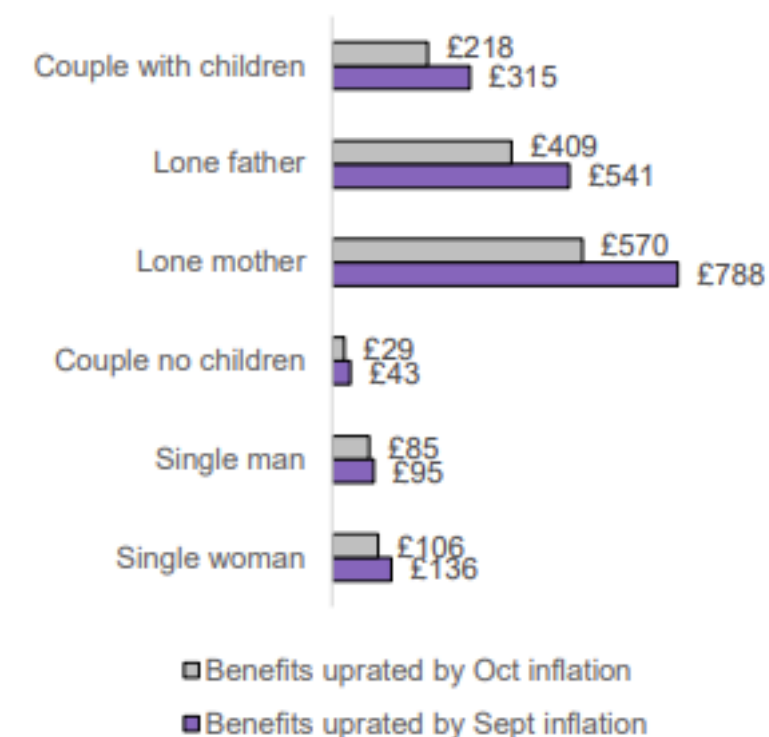
Prior to the Autumn Statement 2023, there was no certainty about whether the government would increase benefits in line with September 2023 inflation (6.7%).

Figure 1: change in disposable income per year, per population group for 2024 – AHC
Children would be the most affected if benefits are not uprated.



Source: WBG estimations using UKMOD B1.08 and 2019 data.

Figure 2: change in disposable income per year, per household type for 2024 - AHC
Not increasing benefits in line with September inflation will have a major negative effect on households with children, and particularly lone mothers.

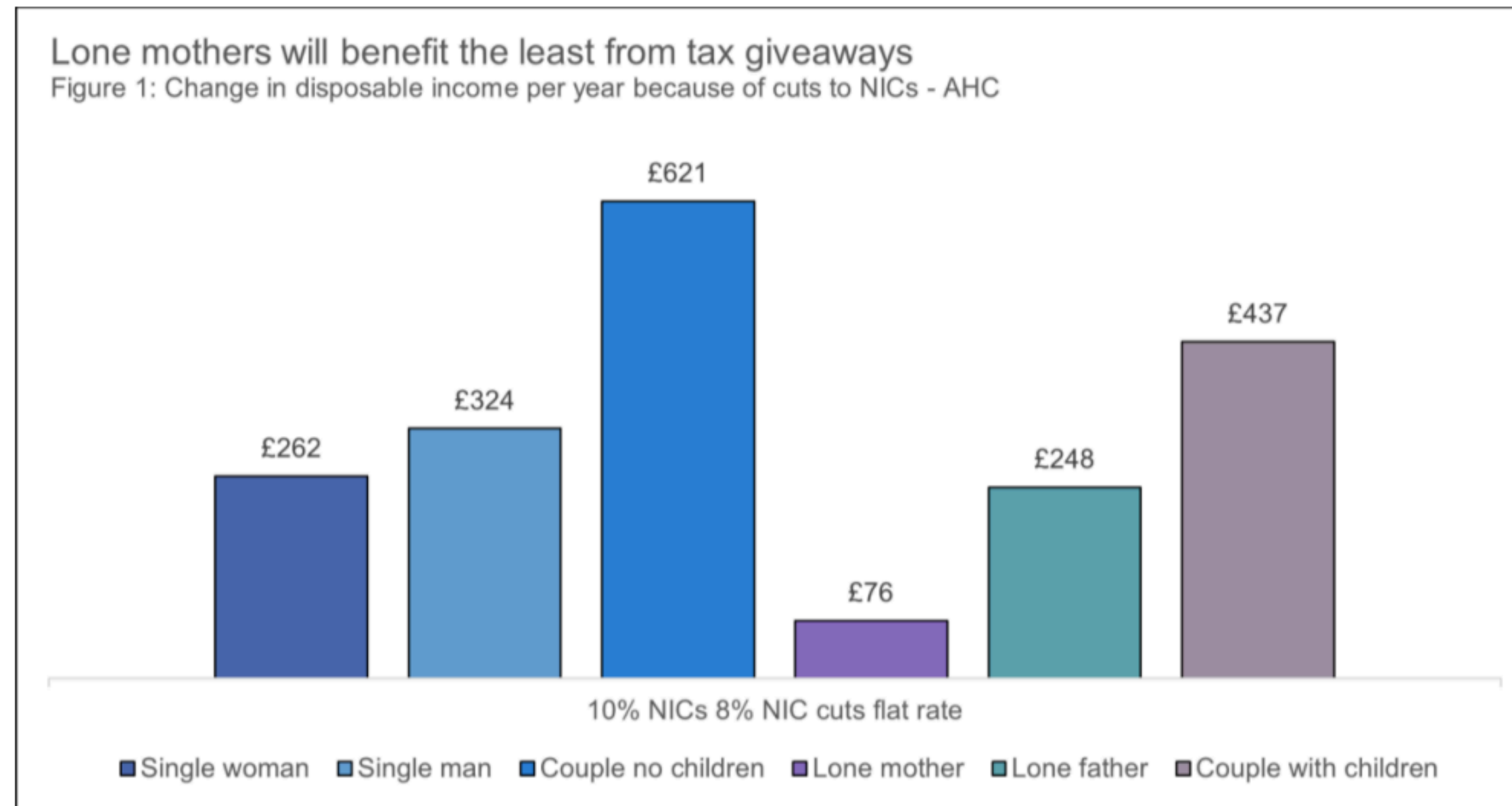


Source: WBG estimations using UKMOD B1.08 and 2019 data.

Autumn Statement 2023: cut to NICs

Lone mothers will benefit the least from tax giveaways

Figure 1: Change in disposable income per year because of cuts to NICs - AHC

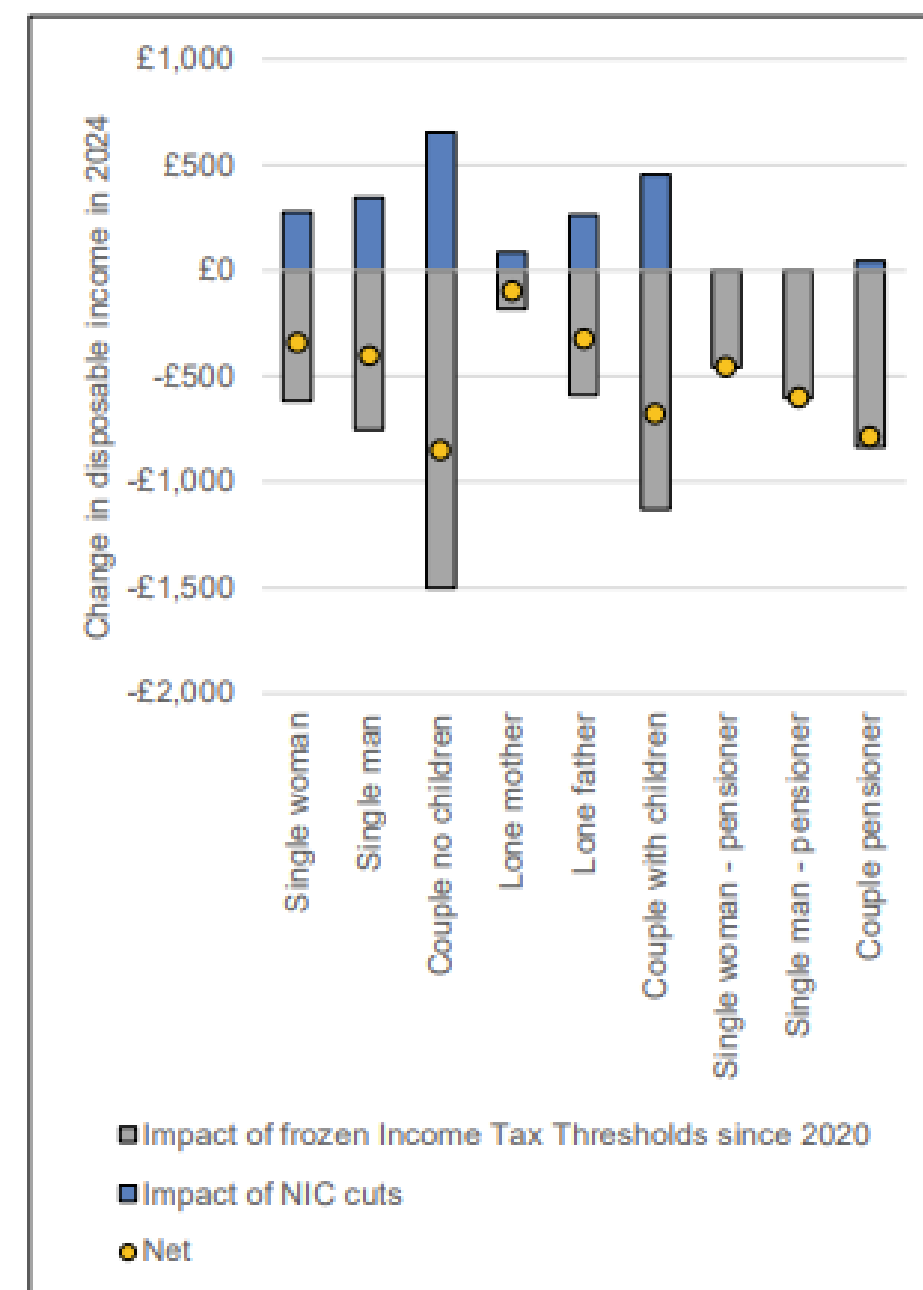


Notes: WBG calculations using UKMOD B1.08 and Family Resources Survey 2019, for 2024. The analysis includes a 6.7% increase in benefits and the National Living Wage for 2024. UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The process of extending and updating UKMOD was financially supported by the Nuffield Foundation (2018-2021) and the abrdn Financial Fairness Trust (2023-2024). The results and their interpretation are the authors' sole responsibility.

Pre-budget briefings: Taxes

Cuts in NIC do not compensate for the increase in personal taxes through the freeze of thresholds.

Figure 1: Impact on annual disposable income of tax decisions – 2024

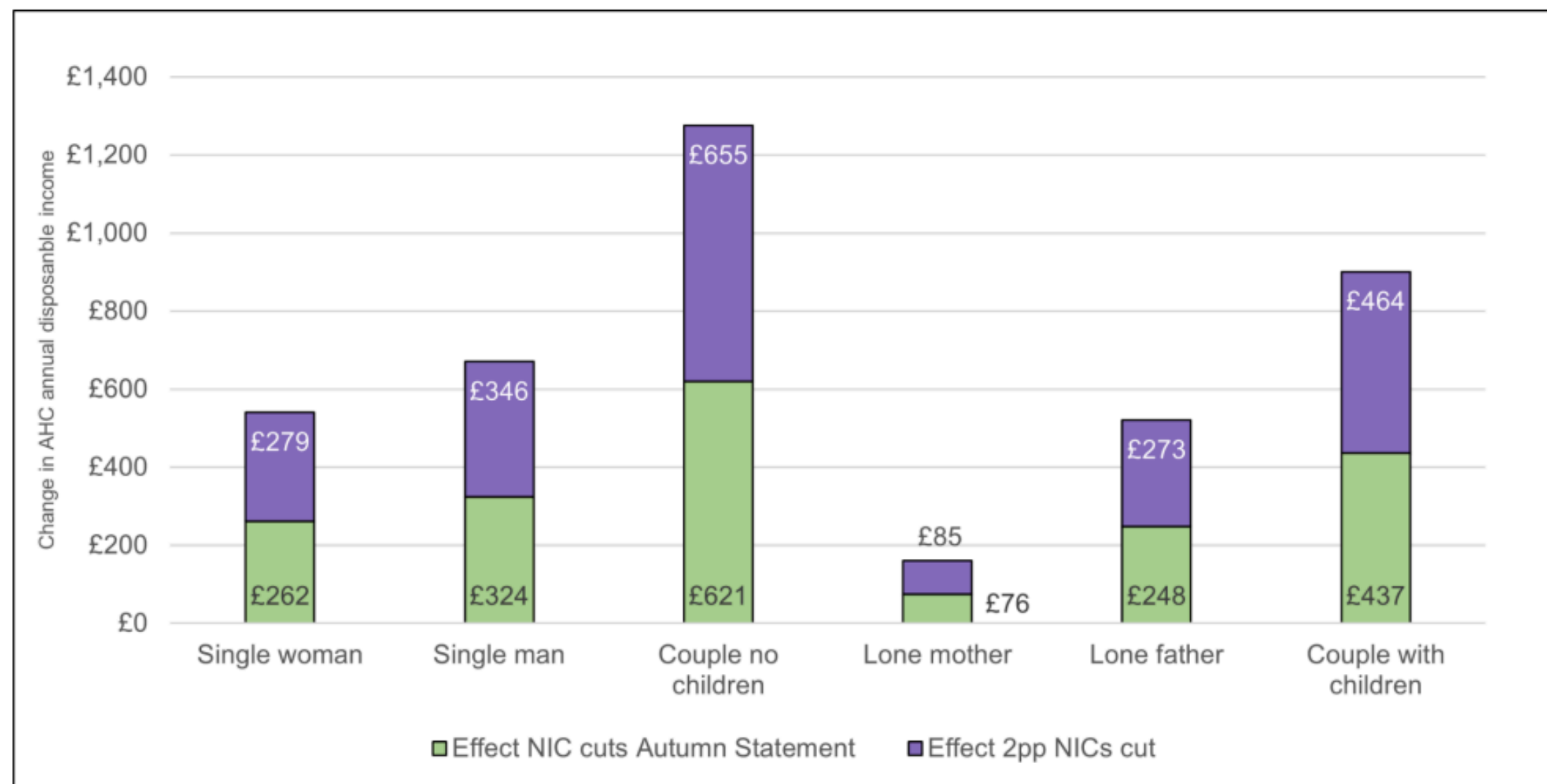


Notes: AHC equivalised disposable annual income for 2024. Comparison of the current scenario and a hypothetical scenario where the income tax personal allowance and thresholds for the basic rate (20%), higher rate (40%), and additional rate (45%) increase in each fiscal year, based on the inflation of September of the previous year, from 2020/21 to 2024/25. WBG calculations using UKMOD⁵¹ B.109 with 2019 FRS data.

Spring Budget 2024: cut to NICs v2

Cuts to NICs benefit lone mothers the least

Figure 1: cumulative effect of cuts to NICs: Autumn Statement 2023 and Spring Budget 2024



Notes: AHC equivalised disposable annual income for 2024. "Effect of 2pp NICs cut" is a comparison of the current scenario and a scenario with a 2 percentage point cut in Class 1 Employee NIC (from 10% to 8%) and a 2 percentage point cut in Class 4 NIC (from 8% to 6%). WBG calculations using UKMOD B.109 with 2019 FRS data. UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis at the Institute for Social and Economic Research (ISER), University of Essex. The results and their interpretation are WBG's sole responsibility.

Day-to-day use

- Sense-check policy proposals
- Changes in government spending/revenue
- UKMOD Explore

UKMOD Statistics - Baseline vs Reforms Results for United Kingdom 2024

Fiscal Overview	Poverty (fixed)	Poverty (floating)	Inequality	Mean HH income (equ)	Mean BU income (equ)	Income Shares	G
1001	312.71	319.90	7.27	139.11	139.11	0.00	

5.4 Income averages by gender (AHC income)

	Disposable Income (base)	Disposable Income (reform)	Difference to base	Original Income (base)	Original Income (reform)	Difference to base
Male	804.13	808.87	4.73	986.48	986.48	0.00
Female	757.90	762.99	5.09	887.34	887.34	0.00
All	780.76	785.68	4.91	936.37	936.37	0.00
Poor	255.22	263.10	7.88	182.79	182.79	0.00

5.5 Income averages by household type (BHC income)

	Disposable Income (base)	Disposable Income (reform)	Difference to base	Original Income (base)	Original Income (reform)	Difference to base
No Earners	704.58	707.25	2.67	436.74	436.74	0.00
One Earner	745.89	752.48	6.58	813.91	813.91	0.00
Two+ Earners	1,024.34	1,029.65	5.31	1,278.81	1,278.81	0.00
With Children	760.14	771.10	10.96	839.53	839.53	0.00
Three+ Children	600.47	616.41	15.95	563.68	563.68	0.00
Single no children	835.77	835.77	0.00	976.46	976.46	0.00
Lone Parent	560.35	573.99	13.64	352.44	352.44	0.00
Young mother	499.69	511.83	12.13	317.33	317.33	0.00
Couple one income no children	831.17	831.17	0.00	1,024.21	1,024.21	0.00
Couple dual income no children	1,254.04	1,254.04	0.00	1,661.27	1,661.27	0.00
Couple one income with children	623.31	635.26	11.95	685.60	685.60	0.00
Couple dual income with children	953.74	963.89	10.15	1,221.71	1,221.71	0.00
Single pensioners	767.64	767.68	0.04	521.20	521.20	0.00
Couple pensioners	928.92	928.95	0.03	710.40	710.40	0.00

Thank you!