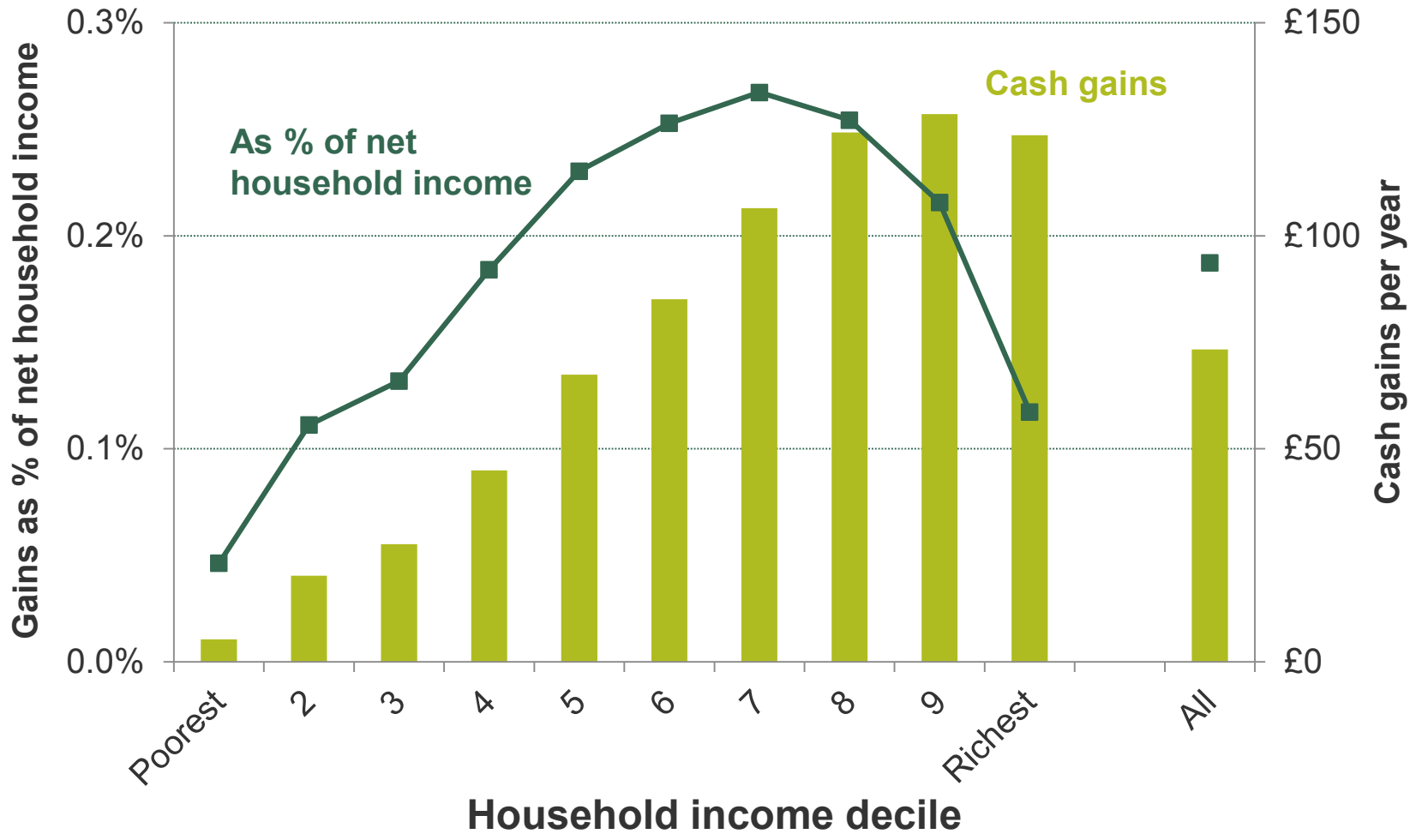# Institute for Fiscal Studies

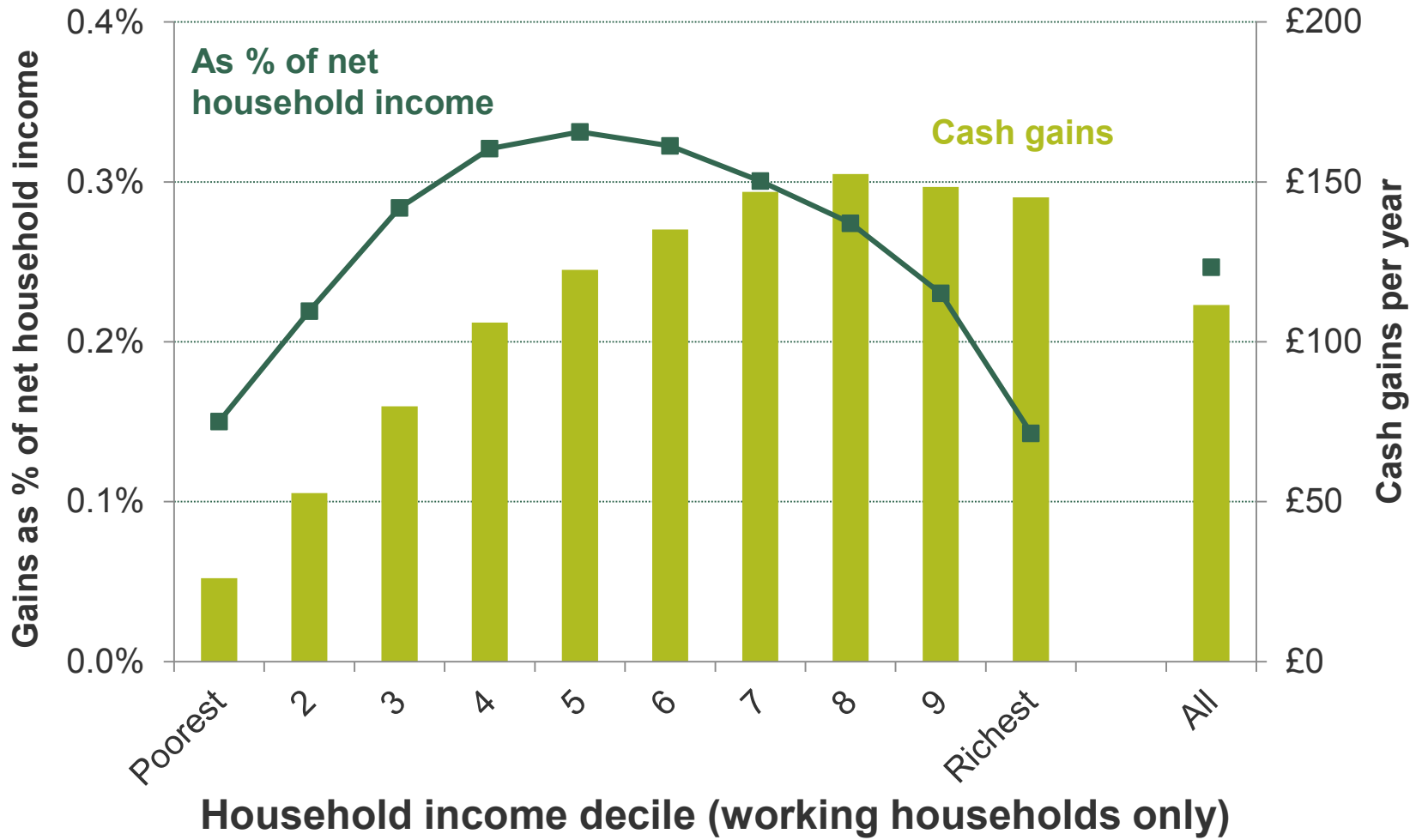# Budget 2020 Distributional Analysis

Tom Waters and Xiaowei Xu

Effect of raising NICs threshold by household income

Cash gains

As % of net household income

Gains as % of net household income

Cash gains per year

Household income decile

Poorest, 2, 3, 4, 5, 6, 7, 8, 9, Richest, All

Effect of raising NICs threshold by household income, working households only

As % of net household income

Cash gains

Gains as % of net household income

Household income decile (working households only)

Cash gains per year

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Effect of direct taxes by household income
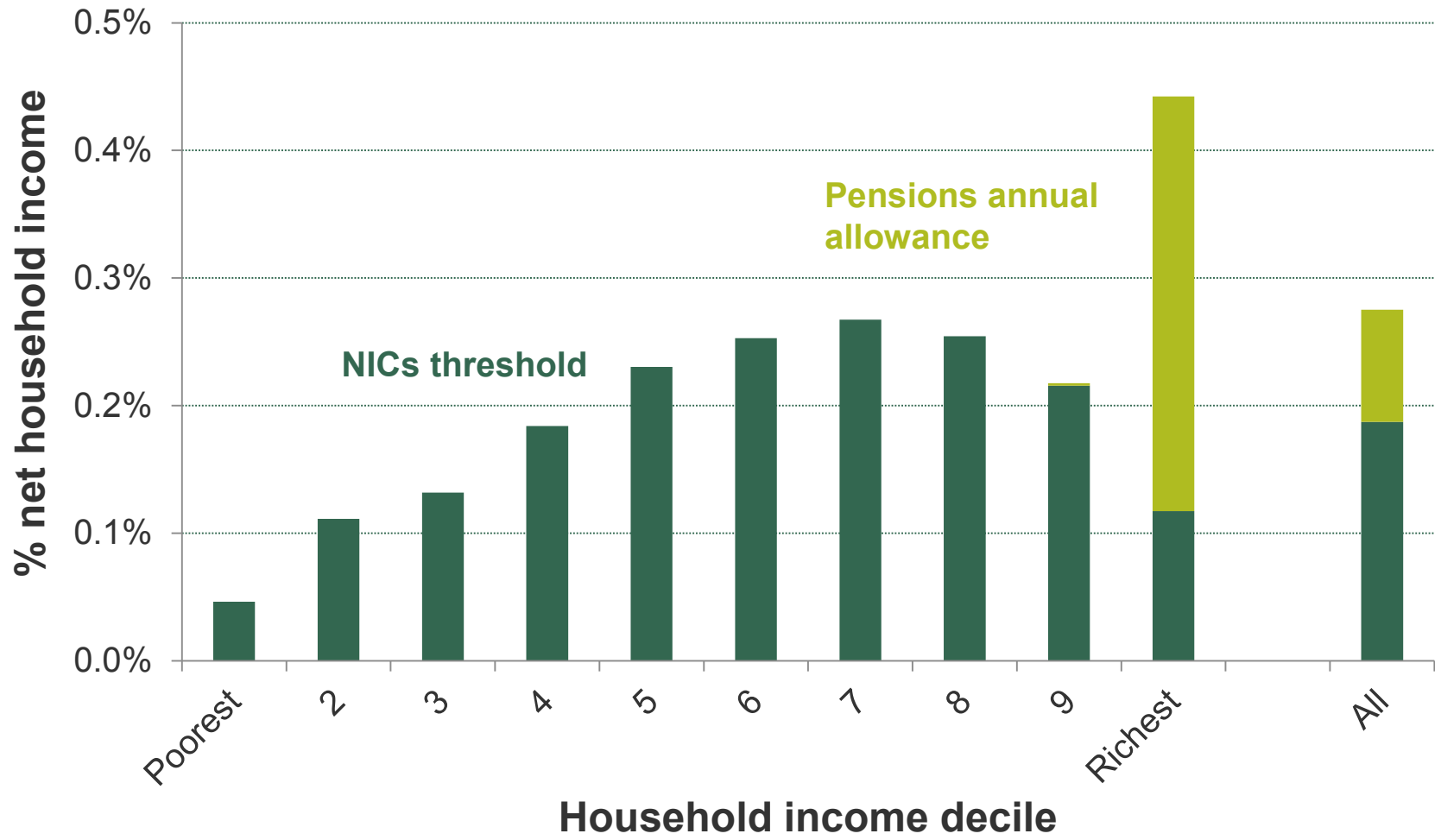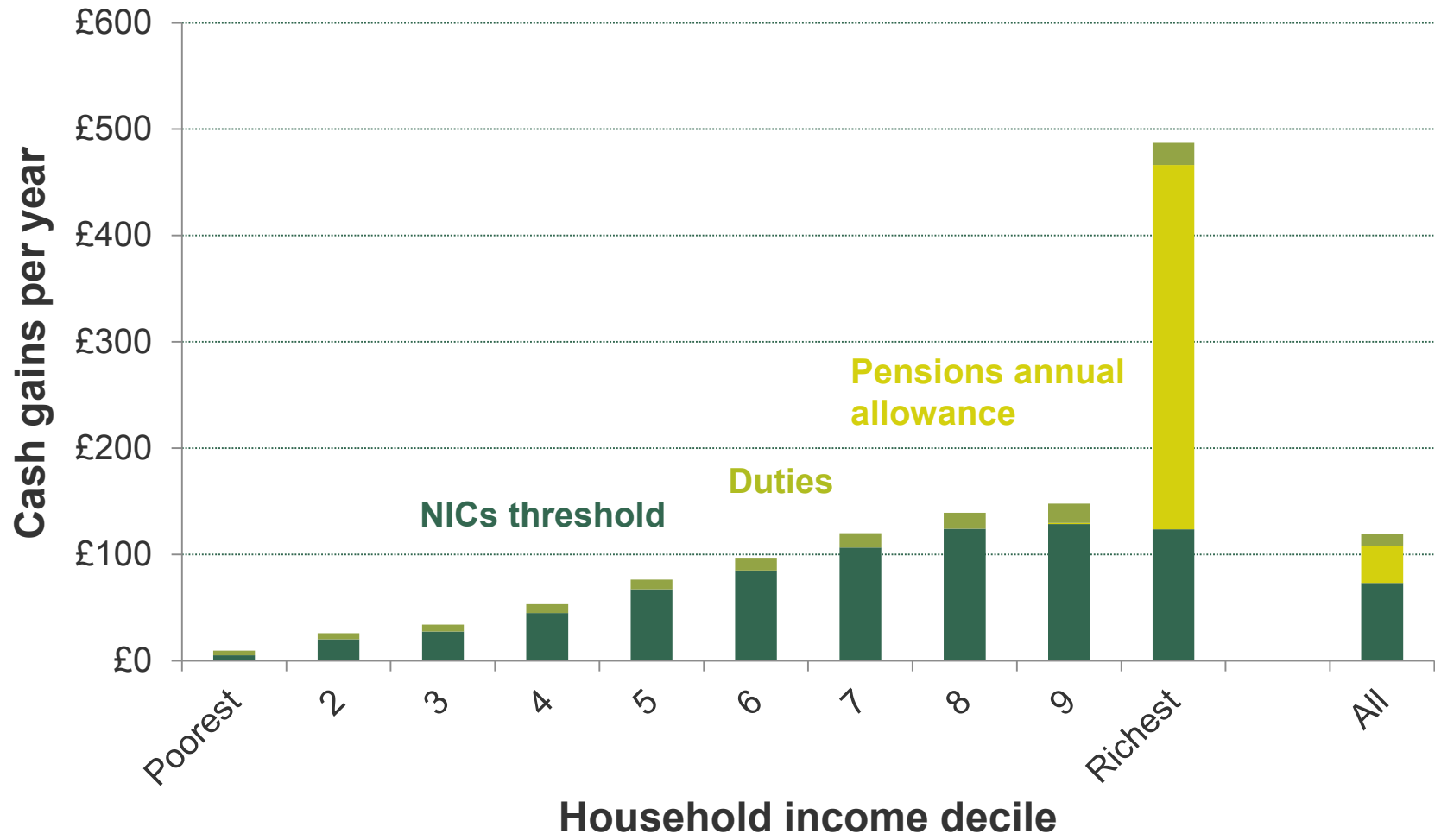
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Effect of direct and indirect taxes by household income

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Cash gains per year (vertical axis: £0, £100, £200, £300, £400, £500, £600)

Household income decile (horizontal axis: Poorest, 2, 3, 4, 5, 6, 7, 8, 9, Richest, All)

Pensions annual allowance

Duties

NICs threshold

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Effect of direct and indirect taxes by household type

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Cash gains per year

£700
£600
£500
£400
£300
£200
£100
£0

Poorest, 2, 3, 4, 5, 6, 7, 8, 9, Richest, All

Household income decile

Working households

Pensioner households

Out-of-work households

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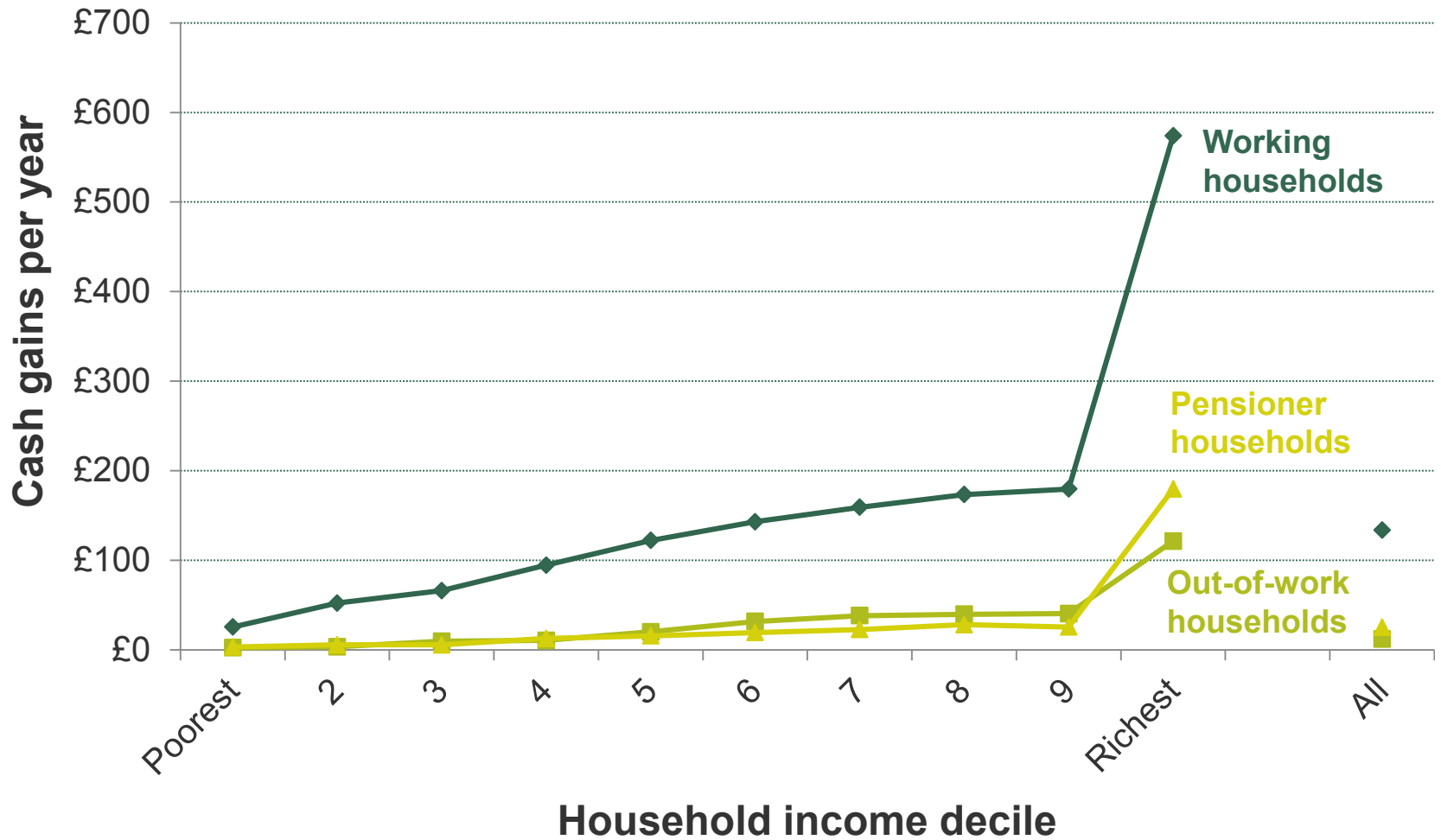
Effect of direct and indirect taxes by household composition

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Legend: ■ NICs ■ Pension allowance ■ Duties

Household composition	Cash gains per year
All	~£120
Multi-family household with children	~£195
Multi-family household, no children	~£170
Couple pensioner	~£40
Single pensioner	~£5
Couple with children, two earners	~£220
Couple, no children, two earners	~£255
Couple with children, one earner	~£170
Couple, no children, one earner	~£130
Couple with children, no work	~£5
Couple, no children, no work	~£10
Lone parent, in work	~£35
Lone parent, no work	~£1
Single, in work	~£90
Single, no work	~£5

Cash gains per year (x-axis: £0, £50, £100, £150, £200, £250, £300)