

Tackling the cost of living crisis for low-income UK households

Sara Davies
Jamie Evans
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University of
BRISTOL
Personal Finance
Research Centre

The Coronavirus
Financial Impact
Tracker survey

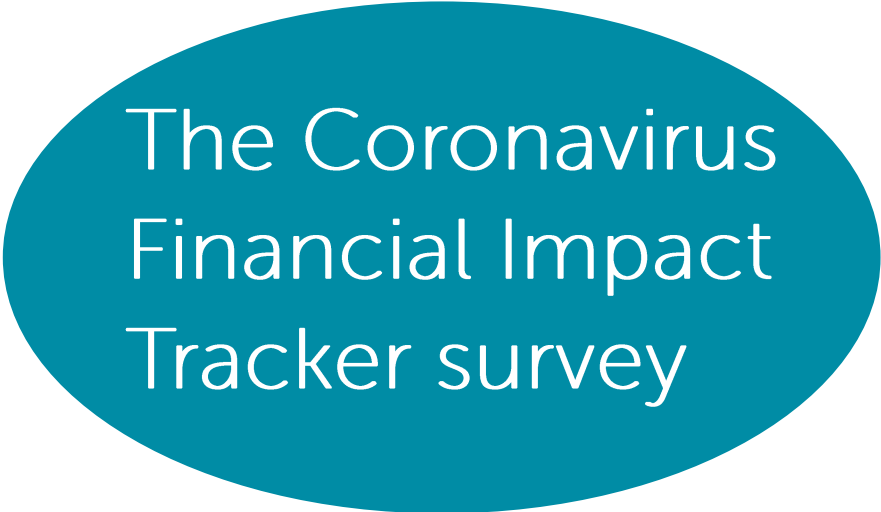
Six cross-sectional survey
waves since Apr 2020

Most recent is Jun 2022

Findings not yet published,
so please don't share...!

Funded by:





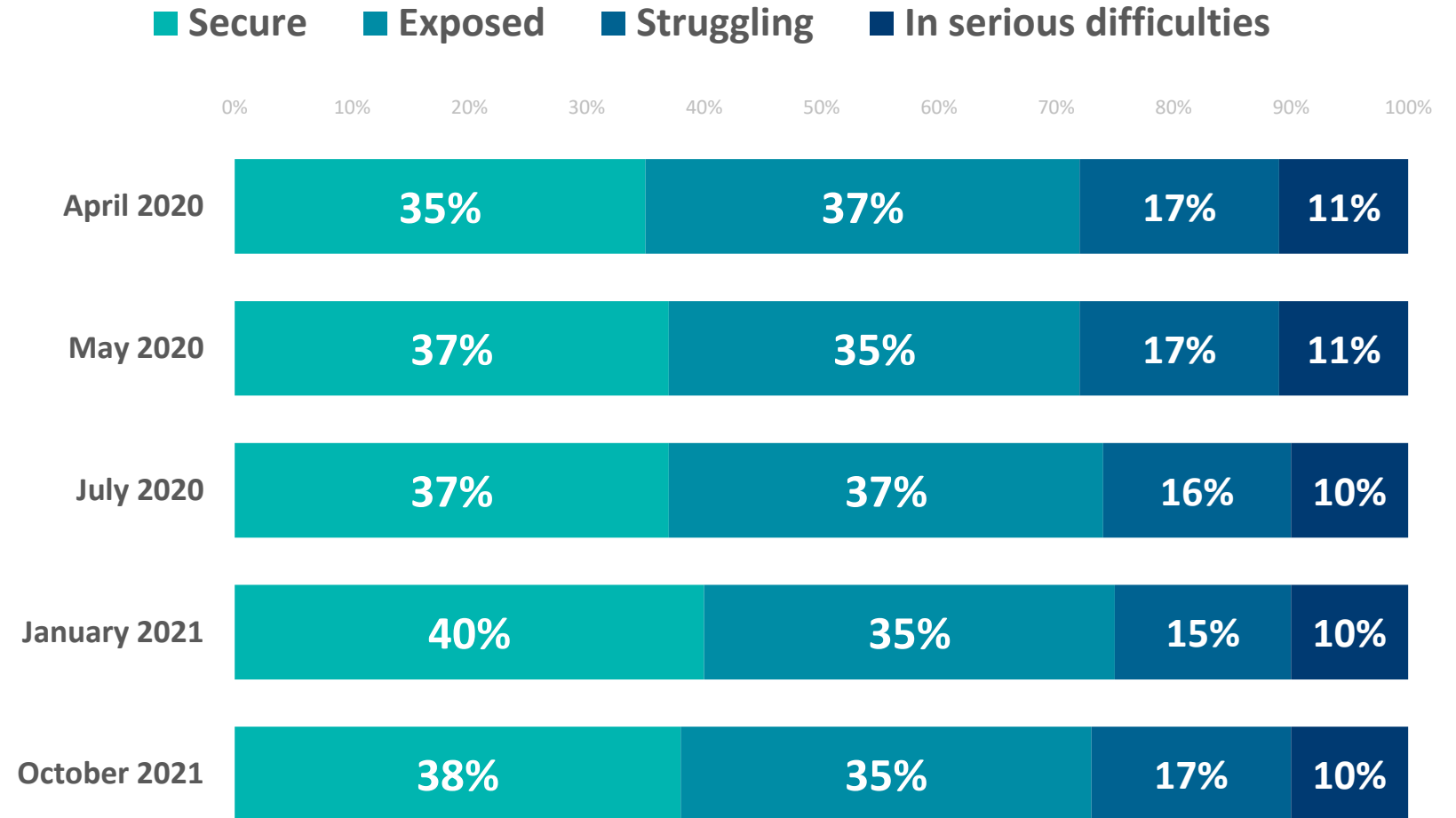
The Coronavirus
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We construct a Financial Wellbeing score - based on PCA of seven key survey questions related to current financial strain and future financial resilience.

Allows us to assign households into four categories: secure, exposed, struggling, serious difficulties.

The financial wellbeing of UK households remained relatively stable throughout the pandemic...

(% of UK households)

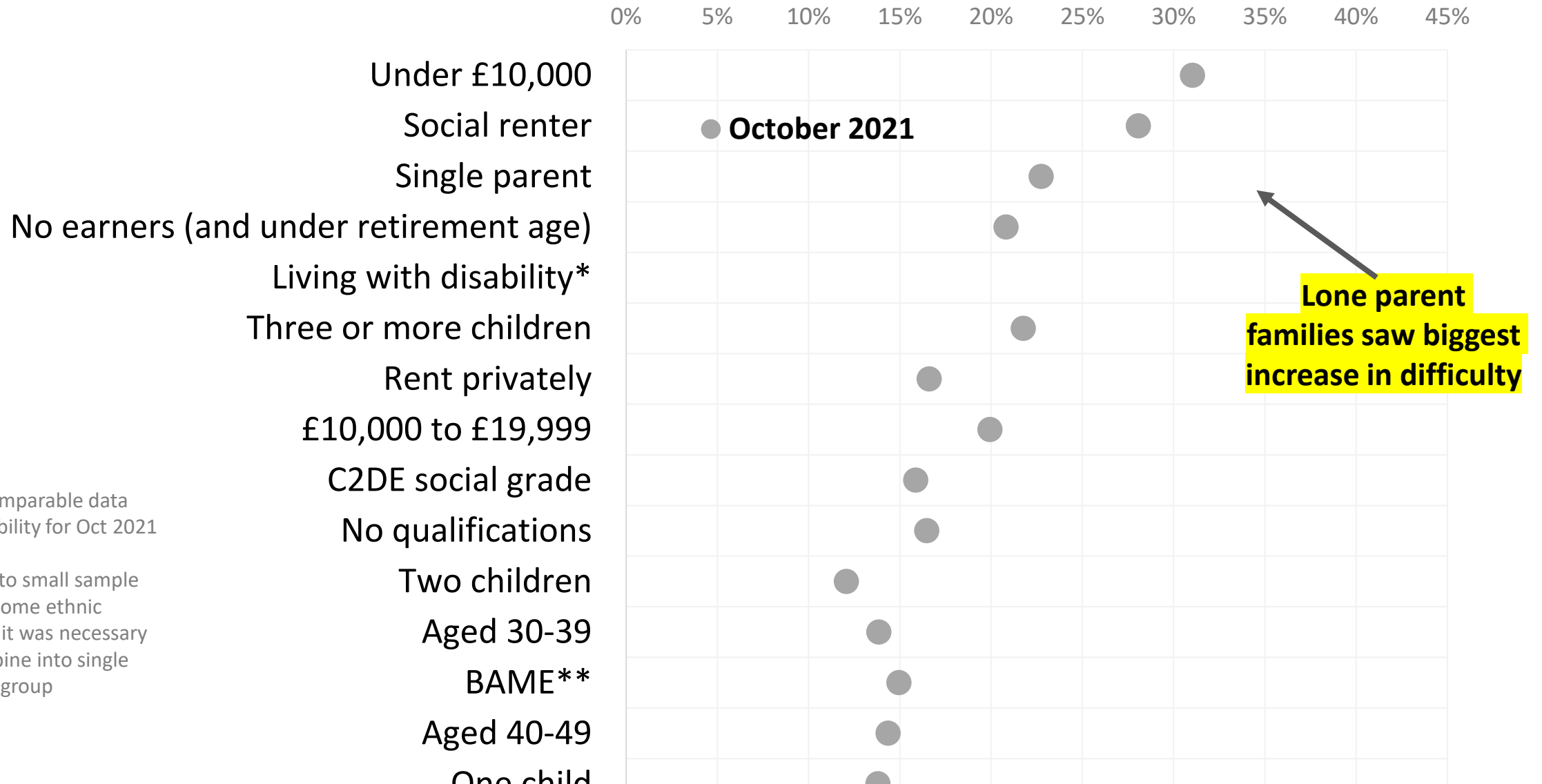


General financial confidence has worsened since October

		October 2021	June 2022
How is your current financial situation?	Very bad	3%	
	Bad	12%	
Current ability to pay bills and credit commitments	Constant struggle	12%	
	Struggle from time to time	33%	
	Without any difficulty	55%	
Currently struggling to pay for food and necessary expenses	Strongly agree	5%	
	Agree	8%	
Thinking about my financial situation makes me anxious	Agree / strongly agree	46%	
How overall finances compare to pre-pandemic	Better	20%	
	About the same	46%	
	Worse	33%	

Some groups are struggling more than others

Percentage of households in different socio-demographic groups who are 'in serious difficulties'

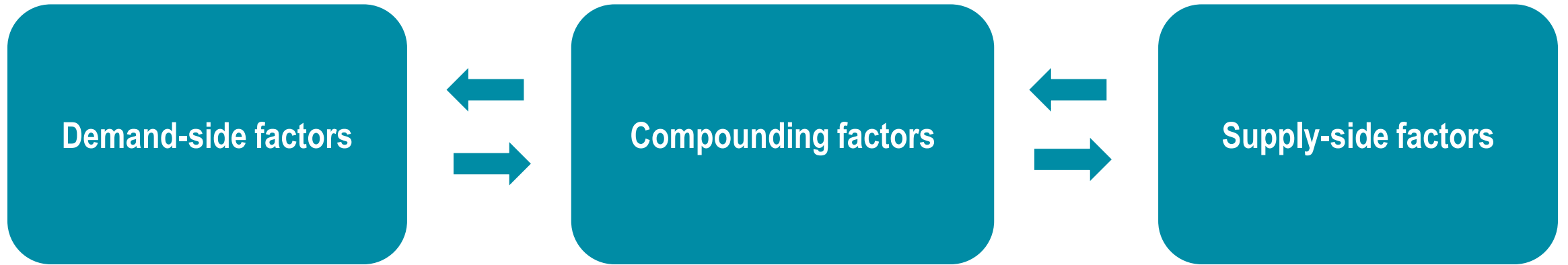


* No comparable data for disability for Oct 2021

** Due to small sample size of some ethnic groups, it was necessary to combine into single 'BAME' group

“The reason that the rich were so rich, Vimes reasoned, was they managed to spend less money”

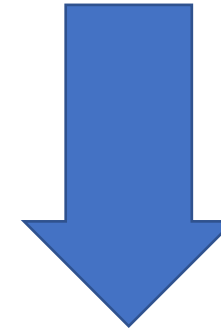
*Captain Samuel Vimes “Boots”
theory of socioeconomic justice*



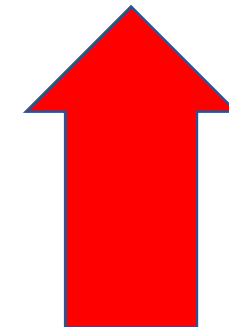
The poverty premium represents a mismatch between the needs and circumstances of low-income households and the markets that serve them

Energy costs over time

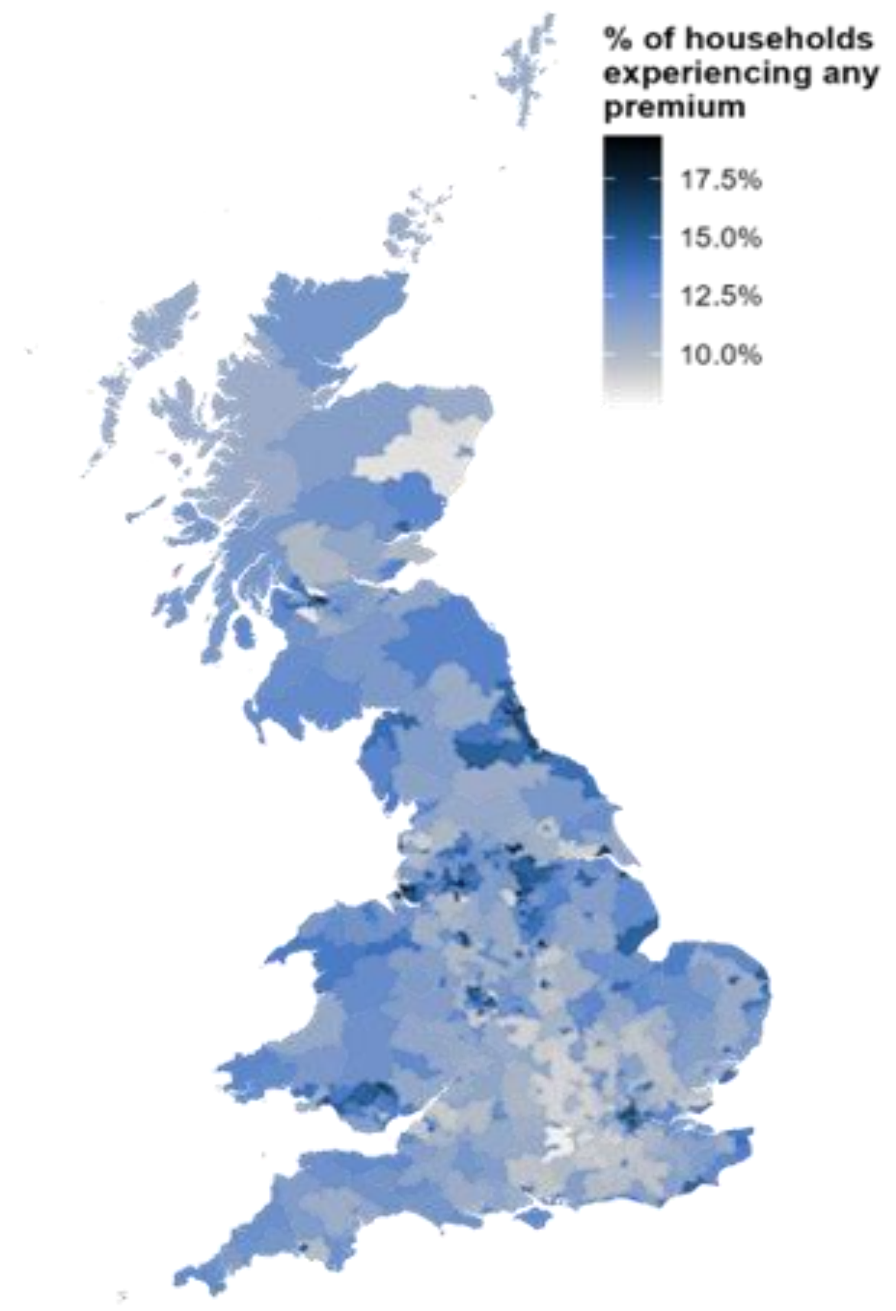
POVERTY PREMIUM	2016	2019	2022
Standard variable (D/D)	£317	£213	£0?
PPM	£70	£58	£46
Pay on receipt of bill	£76	£108	£130



COST	2016	2019	2022
Standard variable (D/D)	£1,095.60	£1,206	£1,971
PPM	£1,165.55	£1,264	£2,017
Pay on receipt of bill	£1,172.27	£1,314	£2,101
Best deal	£778.30	£937.80	



Levelling
up?

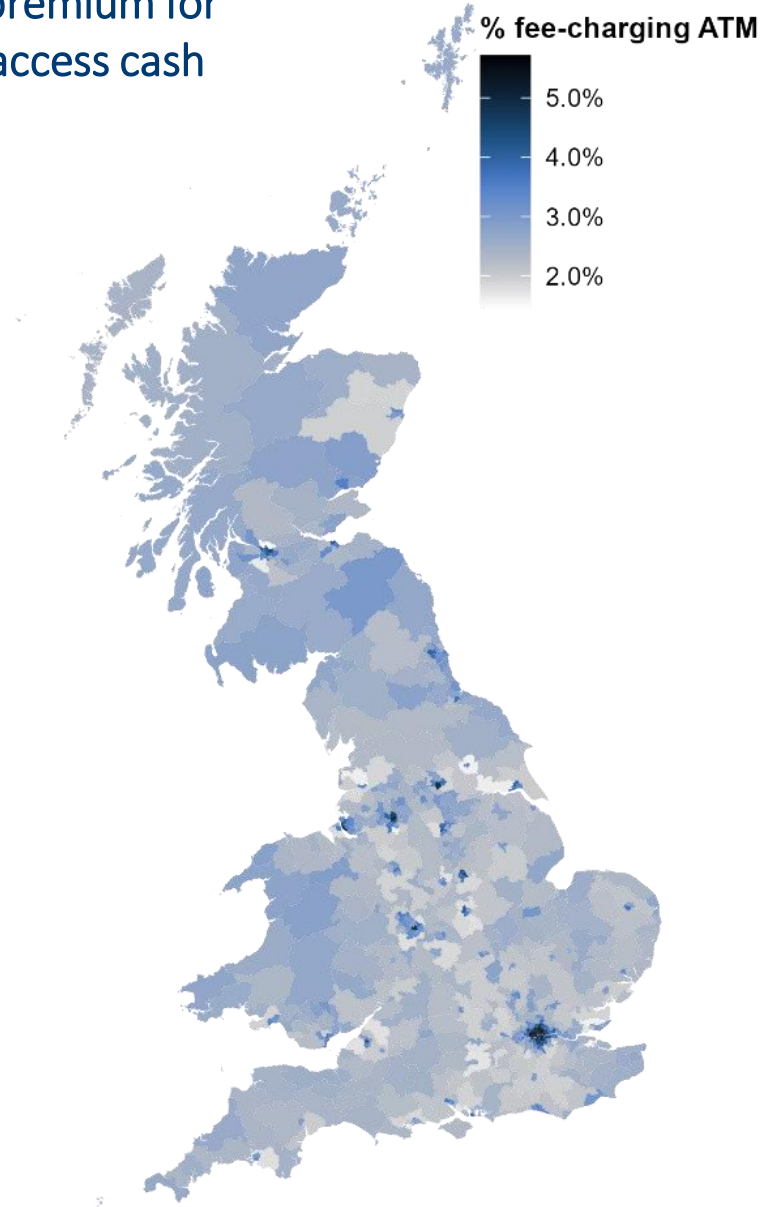


The average cost of the poverty premium in a typical constituency is £4.5 million

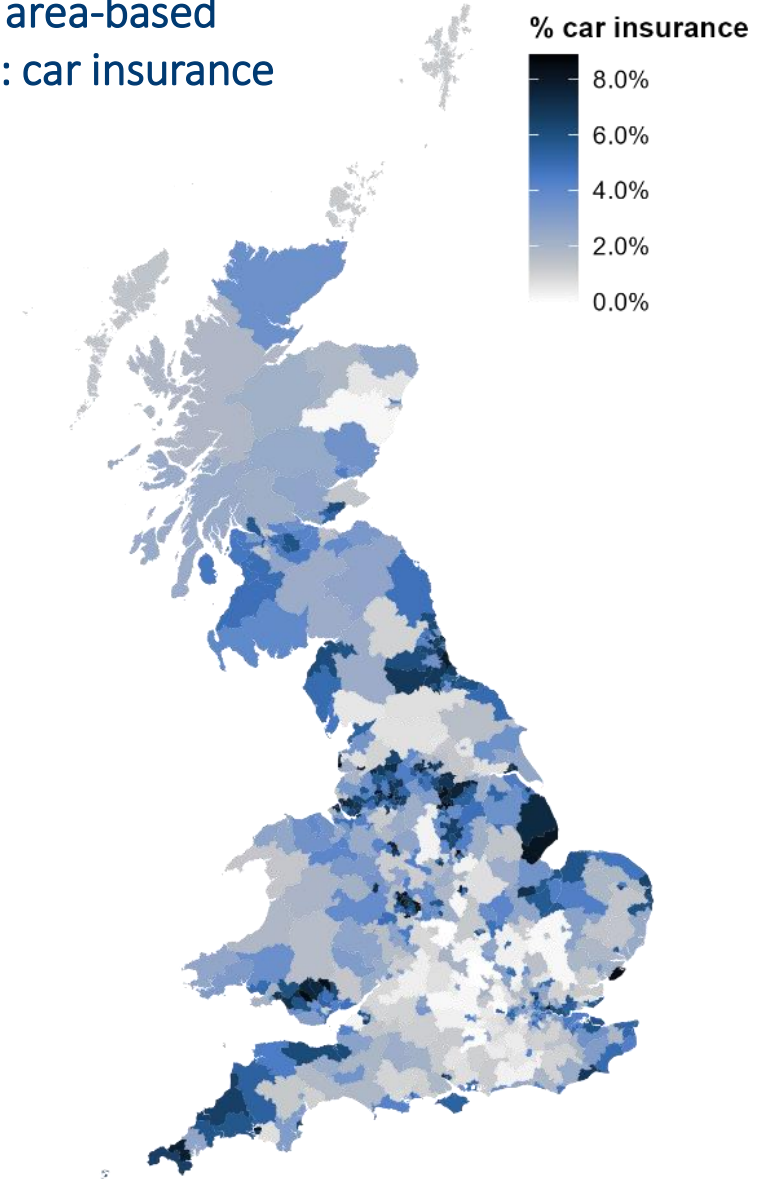
Region (constituencies)	% experiencing any poverty premium	Average constituency cost of all premiums
North East (N=29)	14.7%	£5,025,164
North West (N=75)	13.4%	£4,841,754
Yorkshire and The Humber (N=54)	13.4%	£4,888,512
London (N=73)	13.1%	£5,040,067
Wales (N=40)	13.1%	£3,745,448
West Midlands (N=59)	12.8%	£4,611,447
East Midlands (N=46)	12.5%	£4,508,086
Scotland (N=59)	12.2%	£4,102,808
South West (N=55)	11.8%	£4,169,628
East of England (N=58)	11.7%	£4,211,719
South East (N=84)	11.0%	£3,971,148
Total (N=632)	12.6%	£4,460,890

Labour held seats 2019	£5.5M
Conservative held seats 2019	£3.9M
Labour to Conservative switch 2019	£5.0M

% of households
incurring premium for
paying to access cash



% of households
incurring area-based
premium: car insurance



Email:

Sara.Davies@bristol.ac.uk

Jamie.Evans@bristol.ac.uk

Twitter:

[@PFRC_Jamie](https://twitter.com/PFRC_Jamie), [@PFRC_Sara](https://twitter.com/PFRC_Sara),

[@PFRC_UK](https://twitter.com/PFRC_UK)

Website:

www.pfrc.bris.ac.uk

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