

Changes in living standards for UK population have fallen

A copy of the research paper is available at: <<http://www.poverty.ac.uk/editorial/uk-living-standards-pse-election-briefing>>

Changes in the living standards of the UK population have fallen, particularly since the April 2013 cuts in social security and other austerity measures took effect, according to new analyses from the Poverty and Social Exclusion project team and the Townsend Centre for International Poverty Research.

Professor Dave Gordon, Director of the Townsend Centre for International Poverty Research at the University of Bristol, studied the latest data from the European Statistical Office (EUROSTAT), which enables statistical comparisons on living standards between the UK and other EU countries. His research found that living standards have fallen over the past five years, which confirms other reputable research which shows that incomes have fallen and poverty has increased. This is contrary to reports using National Accounts household sector GDP data which showed an improvement in living standards.

Although no official UK standard of living data from 2013-14 are available, the early-release data provided by the UK Government to the European Statistical Office, shows a dramatic change in UK living standards between 2009 and 2013.

The data, which analysed over 19,000 people in 2009 and over 23,000 in 2013 indicates that more people in the UK are now in financial difficulties and increasing numbers are unable to afford both the necessities of life (such as two pairs of shoes) and minor luxuries, such as a one-week holiday away from home. Both fuel poverty and utility bill arrears have increased.

In 2009, 45 per cent of people lived in households which did not have sufficient money to pay an unexpected expense; by 2013 this had increased to almost half (49 per cent) of the UK population. The figures also show that, for every single indicator of financial difficulty, more people were having problems in 2013 than in 2009. It is clear that both serious and more minor financial difficulties are increasing amongst the UK population, with over a third of people in 2013 having difficulties in making ends meet and over one in five people finding their housing costs a heavy burden.

The data also compares how the richest two-thirds of the UK populations' standard of living changed between 2009 and 2013. The percentage of people who could make ends meet without any difficulties fell from 69 per cent of the UK population to under two thirds (65 per cent). Only the very richest (those who could make ends meet very easily) saw no perceived fall in their living standards.

Professor Dave Gordon, who carried out the analysis, said: "The Chancellor, George Osborn's claim that living standards have risen is misleading as the National Accounts household sector data used are primarily a measure of the movement of money not the living standards of households.

"There is no information about how the total expenditure or income is distributed at the individual or household level. Thus, if only the richest one per cent have a rise in their incomes, this will also increase the average income in the household sector by exactly the same amount as if the increase had been shared equally by everybody. By shifting attention to the Real Household Disposable Income (RHDI) GDP measure the Coalition government has obscured the real impact on peoples' lives of fallen living standards"

“There is only one conclusion that can be drawn from the available scientific evidence – the majority of the UK population has suffered from a fall in their living standards. Both the poor and the majority have indeed ‘all been in it together’ - only the richest appear to have escaped.”

“It is a shame that the Coalition government was not prepared to release the latest statistical information on living standards to the public before the May 2015 election – fortunately it has recently become available via the European Union”

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Notes to Editors

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A copy of the UK Living Standards: Election Brief research paper is available at:
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Issued by the Public Relations Office, University of Bristol.