

# Cost of living unbearable for millions of Londoners

Allison Smith  
1 June 2015

A recent report published by Loughborough University's Centre for Research in Social Policy reveals that it is much harder to make ends meet in London than anywhere else in the country.

London is home to around 12 percent of Britain's population.

The report found that just over one third do not have enough money for a decent standard of living in the UK's capital city, compared with 27 percent elsewhere. This rises to a staggering 43 percent of families with children, because housing, transport and childcare costs are so much higher than in the rest of the country.

Only the rich and very well-paid can afford to live in London. It is leading to "social cleansing", with London becoming the playground of tourists and the financial elite while young people and workers on low incomes are forced to share homes, move out to the fringes or out of the capital altogether. Those that remain have to eke out an existence, making the class disparities between rich and poor more visible than ever before.

The Loughborough University study, funded by the poverty and equality charity Trust for London, defines a decent standard of living, the minimum socially acceptable standard, as an income that is sufficient for housing, transport, food, household goods and toiletries, clothing, household services and personal care, and social and cultural activities.

Crucially, the researchers asked Londoners themselves what they needed to maintain a minimum standard of living. They found that needs vary according to age group and whether people live in Inner or Outer London. For example, Trust for London estimates that a single working adult needs £410 a week if living in Inner London, £376 in Outer London or £279 outside London. In other words, it is necessary

to have an income that is nearly 50 percent higher than in the rest of the country just to get by.

Pensioners who are entitled to free public transportation but have greater heating needs require £330.50 a week in Inner London compared to £309.80 in Outer London.

These figures are dramatically higher than those used by the government to determine welfare benefits. This gap is set to get worse with the new Conservative government seeking to cut the welfare budget by a further £12 billion.

The cost of housing in London is among the highest in the world, due in large part to the privatisation of public housing begun in the 1980s under the Thatcher government, and continued by the successive Labour governments that, alongside Labour councils across London, refused to reverse the privatisation policies.

London is also home to the super-rich from the Middle East, China and Russia, who have bought up property as a safe haven for their ill-gotten gains, not to mention the well-heeled bankers, pushing up prices for the rest. Many council estates have been converted into luxury apartments, especially in the former industrial Docklands area of London where apartments regularly sell for £1 million or more.

According to Rightmove, the average price of a London home is now £533,000, compared with £332,312 in the nearby South East, £268,083 in East England and £175,726 in the East Midlands. Homes in the west and north of London regularly sell for millions, with the most expensive flat in Knightsbridge selling for £50 million.

Rented accommodation is no more affordable. Last year, a survey of Gumtree found that the then-current rental asking price for homes in London was £1,516, with landlords asking £1,211 a month for one-bedroom

flats and £1,605 for two-bedroom flats. The overall average for the rest of the UK was £665.

Based on a lower estimate of an average of £250 a week rent, the survey finds workers need an annual salary of about £27,100 to afford to rent a studio flat, or £22,300 to rent a shared flat. In reality, this would leave one both struggling and in danger of building up debt.

Young people and workers on low incomes are forced to share homes, move out to London's fringes or out of the capital altogether.

With Londoners having one of the longest commutes to work in Europe, transport costs—which have soared since privatisation, deregulation, private finance and outsourcing—eat up a large part of their income. For example, an Oyster (transport) card for Zones 1 to 6 costs £225.10 a month. At the current minimum wage of £6.50 an hour, adults earning that amount need to work 35 hours, equivalent to almost one quarter of the standard working month, just to earn enough money to buy a travel pass.

The cost of childcare for London is also much higher. The study estimates that a couple with two children, living in Inner London, needs to budget £249 a week for childcare. That means that parents on the minimum wage must work 153 hours a month just to afford care for their children.

The combined effect is that families often go without “extras,” even food. In February 2014, a Trussell Trust charity report revealed that the number of Londoners visiting food banks had increased nearly fourfold between 2011 and 2013. From 2011 to 2012, there were 12,839 visits to food banks; however, from April 2013 to December 2013 the number jumped nearly fivefold to 63,367, including 24,510 children.

The decline in decent-paying jobs is plunging a record number of Londoners into poverty. According to a Joseph Rowntree Foundation report released last February, the UK has a larger proportion of low-skilled, low-paid jobs than virtually any other Northern and Western European country, with one in five workers paid at or below the living wage in 2012.

As employers continue to slash costs, they are offering more zero-hour contracts, meaning that on any given day workers may or may not be called into work. According to the Chartered Institute of Personnel and Development, the average weekly number of hours worked on a zero-hour contract is 19.5, meaning that

zero-hour workers earning minimum wage are taking home an average of £126.75 a week. This is a far cry from the Loughborough study's recommended minimum income of £410.09 a week necessary to live with dignity in London. Zero-hour contract workers are mostly young workers aged 18 to 24 and older workers aged 55 and over.

What these awful statistics do not capture is the immense social suffering, misery and stress—not to say seething discontent—that poverty entails. This, in a city where there are more billionaires per capita than anywhere else in the world.

The situation in London, while more acute than in the rest of the UK, is an international phenomenon. It bears witness to the fact that the requirement of the financial elite for an ever larger share of the wealth created by the working class is making life all but impossible for the vast majority.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**