

UK cost-of-living crisis deeper and broader than ever

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A report by the Joseph Rowntree Foundation (JRF) social inequality charity has revealed families struggling ever harder with the cost-of-living crisis—including households not previously considered poor.

Record numbers cannot afford the essentials: JRF's cost of living tracker, summer 2026, estimates that 7.4 million low-income households were unable to afford at least one essential item in the six months to May/June 2026:

“These are items that are necessary for an acceptable standard of living”—clothing, shoes, soap, shampoo, even a toothbrush or sanitary items, furniture, household appliances, dental treatment, over-the-counter pain relief and food.

This is the highest number since the tracker began in 2021, up from 7.1 million a year earlier. The JRF extrapolated its figures from a survey of 4,121 adults from the poorest 40 percent of households.

Of the most deprived households—those receiving Universal Credit (UC), younger families, from a black or mixed ethnic background or non-UK citizens, with three or more children or lone-parent families—more than 80 percent reported being unable to afford an essential item in the last six months.

Although households receiving UC were hit hardest, the fastest growth in hardship was among groups traditionally not experiencing deprivation.

Among households not receiving means-tested benefits, 53 percent were struggling, compared with 47 percent two years ago. The increase was fastest among mortgage-free homeowners, childless households, families without disabilities or health conditions and households with someone aged 65 or over.

The report found “Food increasingly unaffordable for millions of low-income households.” 47 percent of low-income families went hungry, reduced meal sizes or skipped meals the previous month. This represents 5.6

million households, up from 5.5 million in May 2025.

Food inflation averaged 4.1 percent between May 2025 and May 2026, compared with 3.6 percent overall inflation. According to the British Retail Consortium, global factors pushed goods inflation up by 1.5 percent in the year to August and food by 2.8 percent. Food inflation jumped from 2.2 percent to 2.8 percent in a month.

This disproportionately affects poorer households. 1.5 million households used a foodbank in the previous six months, while half surveyed bought less fresh and more processed food.

The rising cost-of-living is forcing families into debt. 3.8 million households borrowed money to pay for essentials, while 1.3 million used high-cost lenders such as payday lenders, loan sharks, or pawnbrokers in May 2026 to pay for food, housing or bills. The number of households in arrears on bills or debt repayments rose over the last two years to 4.5 million or 40 percent of those on low income.

Many families have made cutbacks for years—inadequately heating their homes, cutting baths or showers, reducing socialising, stopping pension contributions.

According to government figures published under Prime Minister Andy Burnham’s predecessor Keir Starmer in March 2026, 13.4 million people in the UK were living in relative poverty after housing costs in 2024/25. This represented 20 percent of the population, including 4 million children. Relative poverty is defined as household income below 60 percent of the national median, adjusted for household composition. This was an increase from the revised 2023/24 figure of 12.93 million.

The Trussell Trust reported that in 2025 they distributed 2.6 million emergency food parcels—a 45 percent rise in five years. These figures do not include parcels from the several hundred food providers outside the Trussell Trust, such as the Rainbow Surprise CIO that covers the

Crumpsall district in north Manchester.

Speaking to the WSWS, Shabnam Hussain, the CEO at Rainbow Surprise, concurred, saying, “There has been an increase in demand—from people on benefits not as much as working parents—single parents, two parents working full-time, part-time workers, low paid workers, and those on benefits sanctioned by the job centre.

“We also have a community shop that sells low-priced perishable and non-perishable goods, sourced from Amazon return parcels for example.”

“A lot of people don’t want a handout and prefer to pay something at our shop.

“It’s a lot harder to get donations now,” she continued. “It’s hard to source cheap food because food prices have gone sky high at the supermarkets and people are buying up all the reduced goods because of the cost-of-living.”

Her colleague Shabana, explained, “We get 20-50 foodbank referrals a week, referrals from GPs, a mental health nurse or midwife, the job centre. Service users get a free one-off emergency food parcel. We have seen an increase in demand. We get a lot of nurses and care workers coming in.”

Economic forecasts indicate worse to come, as the UK-backed wars drive up inflation and energy prices worldwide.

An October 8 report by the Resolution Foundation thinktank, *Counting the Cost*, assesses “the toll of three crises (the post-pandemic supply shock, the invasion of Ukraine and conflict in the Middle East),” concluding that they have left typical households £2,900 worse off this year.

Another forecast, from the Energy and Climate Intelligence Unit thinktank, predicts UK gas and electricity users face a collective rise of £190 million each week the war continues. The average forecast from British Gas, EDF and E.ON is an annual rise in bills by £350 for January-March 2027.

JRF concludes that the cost-of-living crisis has “fundamentally changed the way of life for millions of households,” predicting that the poorest fifth of households will see their incomes plunge by 3.4 percent over this parliament.

The JRF nevertheless appeals to Burnham’s Labour government with a list of reformist demands that will never be implemented, declaring “government policy can make a difference.”

When Burnham replaced Starmer, he announced his government would “do something to make life more affordable, to put more money in people’s pockets... so

that they can have a better life”.

His record shows he will do nothing to alleviate social misery. His speech to the Labour conference offered only his token £2 cap on (single trip) bus fares in England and no VAT on electricity bills for six months—a pitiful annual saving of £45 per household already wiped out in the increase in energy bills. Burnham also announced he would end the triple-lock pension increase—meaning any subsequent rise under a new formula would be cut by at least £170 a year from 2030.

His commitment to meeting the NATO-demanded target of spending 5 percent of GDP on the military and related infrastructure by 2035 means the diversion of tens and hundreds of billions. To fund this, he declared as he prepared to take office that he would not be “squeamish” about cutting welfare.

Burnham’s public-private partnership, “Manchesterism”, to be rolled out nationally will only enrich private companies and impoverish the working class further.

As Mayor of Greater Manchester (2017–2026), he provided cheap loans to property billionaires to build glitzy skyscrapers offering luxury accommodation while homelessness soared. The economic growth he boasts of in Manchester only benefited an affluent minority.

This month it was revealed that the Burnham-controlled Greater Manchester Housing Investment Loans Fund handed over £55 million in taxpayer-funded loans for Manchester Life housing developments. Manchester Life is a joint venture between Labour-run Manchester City Council and the billionaire Abu Dhabi owners of Manchester City football club—estimated by Bloomberg as the second-richest family in the world with \$335.9 billion.

Burnham pledged to end rough sleeping in Greater Manchester by 2020. By the time he left office it was worse than ever. Six of Greater Manchester’s local wards are among the 60 most deprived in the UK, with children particularly affected. In ethnically diverse Cheetham Hill, government figures for 2024/25 put 51 percent of children living in poverty.



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