

# **INEQUALITIES IN FINANCIAL WELLBEING IN THE UK**

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# The Financial Fairness Tracker

Nine cross-sectional surveys since Apr 2020.

Most recent in **Oct 2023** – responses from 5,594 UK households.

We construct a Financial Wellbeing score based on statistical analysis of seven key survey questions related to **current financial strain** and **future financial resilience**.

Funded by  abrdrn  
Financial Fairness Trust

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We use the score to assign households into four categories:



**Secure:** Older, homeowners, no dependent children.

**Exposed:** Mortgagors, dependent children; gig workers. and self-employed over-represented.

**Struggling:** Social & private renters, dependent children, low-paid work.

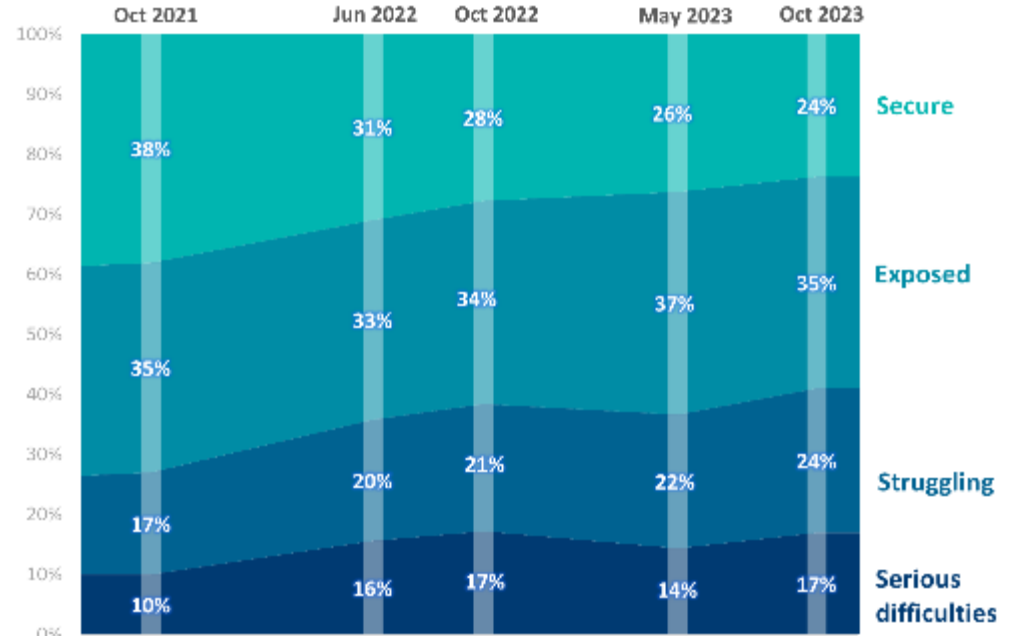
**In serious financial difficulties:** Social renters, dependent children, workless households.

# Household financial wellbeing in Oct 2023

The number of households in serious financial difficulties has risen...

from **2.8 million** (or 10% of all UK households) in Oct 2021

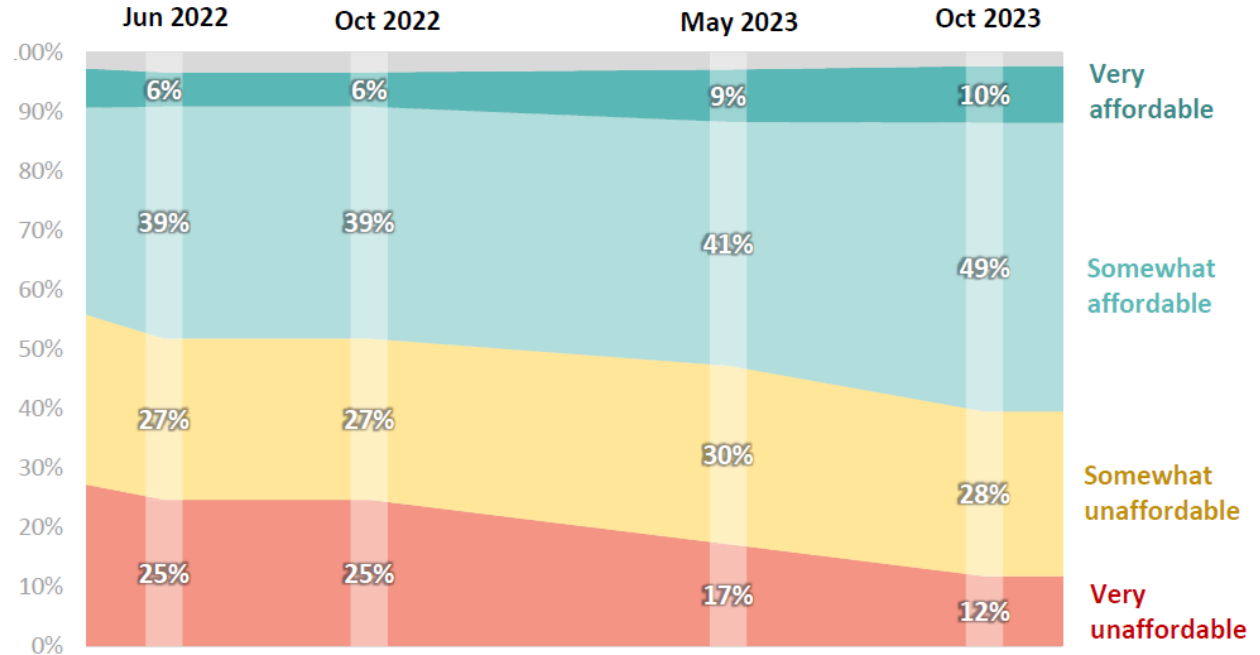
to **4.8 million** (17% of households) in Oct 2023.



Source: Financial Fairness Tracker, Wave 9, Oct 2023

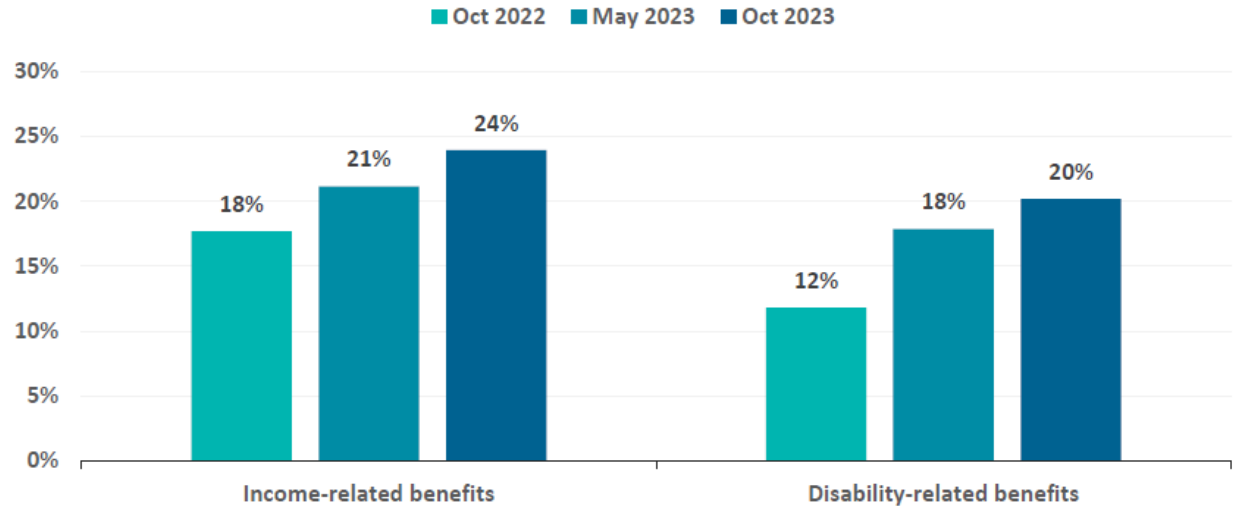
# The new normal?

In Oct 2023, households were much less likely to describe their energy bills as unaffordable... but this doesn't necessarily correlate with changes in the amount that households were paying for energy.



# Those in difficulty face real hardship

Food bank use has been increasing – particularly among households receiving income-related benefits and disability-related benefits.



# Credit is propping up household finances

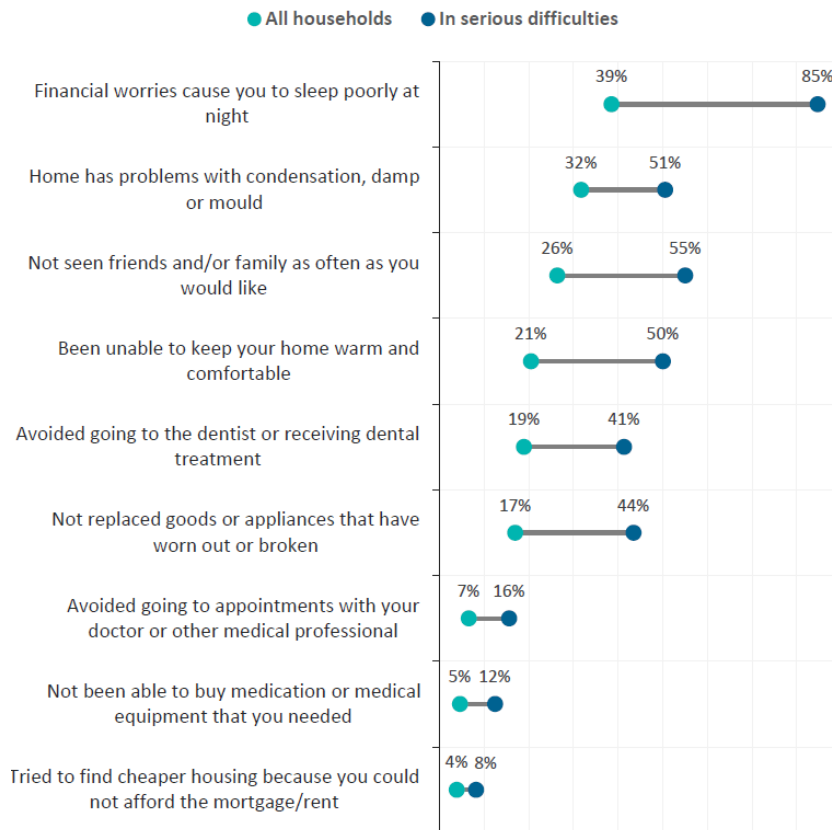
**65%** of households in serious difficulties had taken on new debt in the past six months compared with two-in-ten (19%) households that were financially secure.

**35%** of households in serious difficulties had borrowed money for daily living expenses in the previous four weeks compared with a handful (4%) of households that were financially secure.

**61%** of working age households in the bottom income quintile had taken out some form of new borrowing in the last six months, compared to 48% of middle-income households.

# Impacts on health and wellbeing

Financial hardship undermines households' wider health and wellbeing in a range of different ways.



# “We can’t go back to normal”

"Disasters and emergencies do not just throw light on the world as it is. They also rip open the fabric of normality. Through the hole that opens up, we glimpse possibilities of other worlds."

Peter Barker, "*We can't go back to normal*": *How will coronavirus change the world?* The Guardian, 31 March 2020

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