

THE END OF THE CRISIS?

Why the cost of living still matters despite falling inflation

Inflation is falling and could soon reach the Bank of England's 2% target. This sounds like good news - so why are families still feeling the pinch?

This briefing explains why headline inflation doesn't give us the full picture, and sets out helpful facts which prove that **the cost of living crisis is not over.**

STOP THE SQUEEZE

10.1 M
PEOPLE

Falling behind on bills and/or finding their payments a heavy burden in the UK - a **31.2% increase** since 2017 ¹

28%
HIGHER (£360)

Typical annual household energy bills in 2024 in real terms compared to pre-crisis levels in 2021 ²

+80%
FOOD BANKS

Reported a significant number of people needing help for the first time in 2023 ³

30%
HIGHER

Food and non-alcoholic drink prices compared to 2021 ⁴

25%
INCREASE

In the number of people in mortgage arrears over 2023 ⁵

884,999
UK MORTGAGES

Up for renewal in the first three quarters of 2024, meaning higher mortgage rates for thousands ⁶

WAGES ARE STARTING TO RISE

So why is inflation still hurting workers?



The cost of living crisis didn't begin in 2021. Families have been struggling to buy as much with the same pay for many years. According to the TUC, **pay packets are worth less than in 2008 in nearly two-thirds of the UK local authority areas, making this the longest pay squeeze in over 200 years.** Had wages kept growing at pre-financial crisis rates, the average UK worker would now be £200 a week better off. So although there are hopeful signs, there is a lot of catching up to do.

THE GENERAL ELECTION WILL BE ABOUT THE COST OF LIVING

YouGov polling for Stop the Squeeze from August 2023 found that:



Over half of voters say the cost of living crisis will be one of the top issues for them at the next election



Less than a quarter think the crisis is a priority for the Conservatives or Labour



Only 15% say they have a good idea of what either party would do to tackle the cost of living crisis

ONLY 9% OF BRITS THINK THE COST OF LIVING CRISIS IS OVER

9%

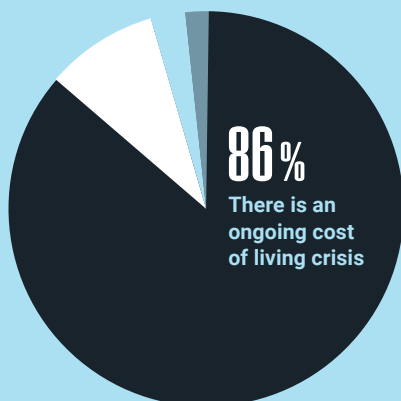
There was a cost of living crisis but there is no longer one

3%

Don't know

2%

There hasn't been a cost of living crisis in recent years



Polling we conducted earlier this month found that when asked about the status of the cost of living crisis, **86% of Brits agreed that "there is an ongoing cost of living crisis"**

Our broad coalition of civil society organisations, trade unions and grassroots groups think it is time for a real plan for an affordable Britain.



For more information on our demands, visit: **stopthesqueeze.org**

For any questions about the campaign, email: **megan@econchange.org**