

THE 'NOT QUITE MANAGINGS'

The depth of income crisis in the UK



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60-SECOND SUMMARY

For many, the safety net is not working. Between 2014 and 2015, approximately 950,000 households were in 'income crisis'. This means that they were unable to pay two or more of their essential bills – their mortgage or rent, energy bills, water rates or council tax – at any one time.

Income crisis is associated with those who are economically precarious, yet it should not be thought of as a problem that only effects those on benefits or with the lowest incomes. The majority of households in income crisis have at least one adult in work. Many own their own homes, and more than half contain children.

The depth and frequency of income crisis varies. For some, it is a temporary problem with meeting a few bills, while others face an inability to afford all or almost all of their essential outgoings for extended periods of time.

There is limited policy support for those in income crisis. That which is available has been reduced in recent years, and many schemes are too long term in their solutions to help those in temporary crisis. Accordingly, a number of civil society solutions have emerged to address this problem. The rise of foodbanks has been particularly symbolic of this.

The number of food parcels handed out by leading provider the Trussell Trust, which provides a minimum three days' food to those in need, has increased by 4,000 per cent since 2008/09. More recently, and in partnership with energy supplier npower, fuel banks (npower Fuel Bank) have also been established. These provide a voucher to cover two weeks' worth of fuel for those on prepayment meters who are accessing Trussell Trust foodbanks.

Data analysed in this report shows that these interventions have a significant impact in addressing the immediate needs of those in income crisis. In the longer term, it is for the government to understand and address their underlying needs. However, in the short term, there are some practical steps that can and should be taken to support families that are at risk of income crisis on a day-to-day basis.

- The fuel bank model should be scaled up to other parts of the country, with a coalition of energy suppliers supporting the initiative.

- The lessons of the fuel bank model should be learnt, and the underlying approach of a private and civil society partnership to deal with 'income crisis' should be widened to other areas outside of energy.
- Government should measure 'income crisis' with the intention of addressing the underlying problems in the medium term.

For the full report, including all references, data sources and notes on methodology, see:
www.IPPR.org/publications/the-not-quite-managings-the-depth-of-income-crisis-in-the-uk

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