

Focus on Annual Household Income

Life in the UK





Acknowledgements

Life in the UK has been a team effort from the beginning. Thank you to Emily Gray, Alice Diaz, Karl Ashworth and the Ipsos team for conducting the survey, capturing the data and conducting factor and regression analysis. Anita Aggarwal, Amy Baker, Hannah Paylor, Adam Milne and Adam Lang played critical roles in further analysis, discussion of data and emerging findings, and shaping this report. Stuart Mackinnon and Sarah Davidson also helped sharpen thinking and messaging. Thank you to Alison Manson for her role in designing the reports and many thanks also to Helen Holden for generating the logo and report design templates.

We were lucky to work with an expert Advisory Group whose views supported us from the outset of this initiative through to, and including, this report. We would like to extend our thanks to Paul Allin (Honorary Officer for National Statistics and member of the National Statistician's Expert User Advisory Committee), Jacob Ellis (Lead Change Maker, Future Generations Commissioner), Nancy Hey (Director, What Works Wellbeing), Richard Heys (Deputy Chief Economist), Ed Humpherson (Director General, Statistics Regulation Authority), Ally McAlpine (Chief Statistician, Scottish Government), Matthew McFarland (Northern Ireland Statistics and Research Agency) and Liz Zeidler (Chief Executive, Centre for Thriving Places). Colin Firth and Megan Mathias also provided helpful insights. Any mistakes or issues with this report are our own.

With thanks also to the people who took part in the survey and for sharing how their life is.

Please cite this publication as: Peachey, J. and Wallace, J. (2023) *Life in the UK: Focus on Annual Household Income*. Dunfermline: Carnegie UK

ISBN number: 978-1-7384384-0-2

Contents

Introduction	4
Collective wellbeing	5
Social wellbeing	7
Economic wellbeing	9
Environmental wellbeing	12
Democratic wellbeing	14



Introduction

Life in the UK measures the collective wellbeing of people across the UK.

We started with a simple question: can we bring together data from different aspects of our lives to give a richer picture of how we are really doing? And if so, can we compare experiences of different groups to better understand the inequalities in society?

This insights paper presents further detail on the inequalities we identified in wellbeing according to differing levels of household income.

About the index

Life in the UK provides:

- › a single score for collective wellbeing that will show if we are living better or worse over time.
- › a score for each of the four domains of wellbeing: social, economic, environmental and democratic.
- › collective wellbeing and domain scores for each of the nations and regions of the UK.
- › collective wellbeing and domain scores for different demographics.

How to read the wellbeing scores

The Life in the UK index has been designed to provide an overall assessment of 'how life is'. The overall index score is an average of the scores for each of the four wellbeing domains: social, economic, environmental and democratic. Higher scores indicate a higher level of wellbeing.

- › The index is based upon a 26-question survey of more than 6,900 people across the UK. The questions relate to the different domains of wellbeing and were tested with focus groups and an Advisory Group. The survey was administered through the Ipsos Knowledge Panel, a random probability survey panel based on a random sample of UK households. The survey was administered through the Ipsos Knowledge Panel, a random probability survey panel based on a random sample of UK households.
- › The overall collective wellbeing index score and the wellbeing domain scores have a value of between 0 and 100. Note that although the scores are on a scale of 0 to 100, they are not percentages.
- › The collective wellbeing scores, domain scores and individual questions were analysed to compare aspects of life for different types of people and different parts of the UK.
- › We have only commented on statistically significant relationships.
- › We used factor analysis to construct the index scores and regression analysis to help us understand which demographic characteristics (including gender, age, income, disability, area deprivation, tenure and ethnicity) are most associated both with collective wellbeing overall and with social, economic, environmental and democratic wellbeing specifically.

In taking this approach, the Life in the UK index is unique. In the coming years we will be able to use this measure to track whether lives are improving. This year, our focus is on what the data has revealed about the extent of inequality in the UK.

Carnegie UK and Ipsos designed, developed and analysed the index in partnership. The recommendations outlined in the full report are Carnegie UK's alone. More information on the methodology is available [here](#).

Collective wellbeing

Carnegie UK has been involved in understanding and measuring wellbeing for over a decade. We have supported governments to take a broader view of social progress, to consider social, economic, environmental and democratic (SEED) outcomes as equally important in decision making, allocating resources and tackling the challenges of our time. Taken in turn, these domain scores evidence whether:

- everyone has access to the services and support that they need (social wellbeing)
- we all have a decent minimum living standard (economic wellbeing)
- we are all able to access a quality local environment and collectively live within our planet’s natural resources to secure the environment for future generations (environmental wellbeing)
- we all have a voice in the decisions that affect us (democratic wellbeing)

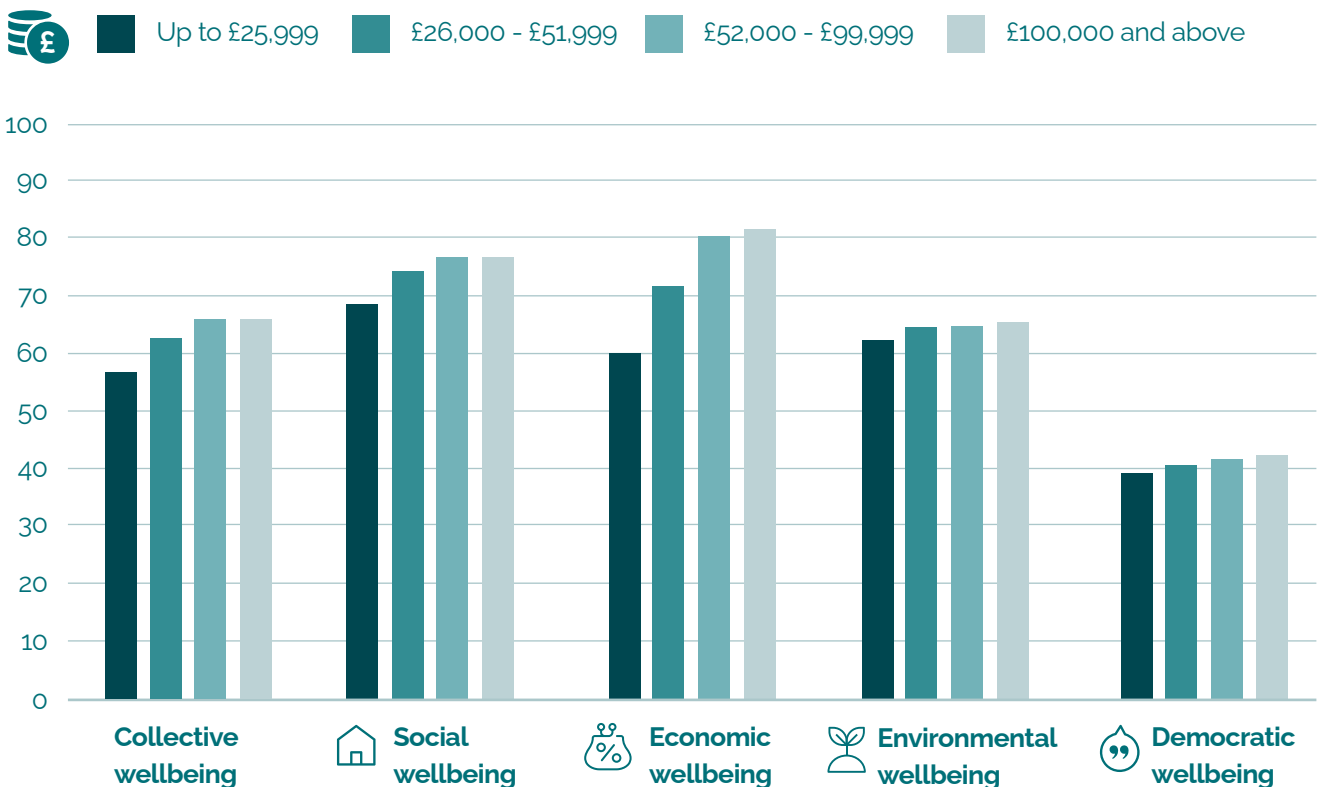
Our analysis found that there is a broadly linear relationship between collective wellbeing and household income, where, as household income increases, collective wellbeing increases, up to the income bracket £52,000-£99,999, at which point it levels off.

Table 1: Collective wellbeing and domain scores by annual household income

	Annual Household Income			
	Up to £25,999	£26,000 to £51,999	£52,000 to £99,999	£100,000 and above
Collective wellbeing	57	63	66	66
Social wellbeing	68	74	76	76
Economic wellbeing	60	72	80	82
Environmental wellbeing	62	64	64	64
Democratic wellbeing	39	41	42	43



Chart 1: Collective wellbeing and domain scores by annual household income



Social wellbeing

Social wellbeing includes aspects from health and mental health to neighbourhood safety and relying on each other. A higher score for a particular demographic or geographic area means that we found higher levels of social wellbeing for those people or places.

We found an eight-point gap between the social wellbeing scores for the lowest and two highest income brackets (a score of 68 for households earning up to £25,999 and 76 for households earning £52,000-£99,999 and £100,000 and above).

We also found a broadly linear relationship between annual household income and social wellbeing scores: as household income increases, social wellbeing scores increase, up to the income bracket £52,000-£99,999, at which point it plateaus.

Looking at what drives this disparity in scores, people with the lowest annual household income (up to £25,999) are around twice as likely to report that they have very bad or bad health or mental health than any other income group. They are also substantially more likely to report that they feel unsafe walking alone in the local neighbourhood after dark, and more likely to report that they experience discrimination than all other income groups. Those in the lowest household income group also disagree that they have someone to rely on in the neighbourhood if alone and needing help, compared to people with a household income of £26,000-£51,999 or £52,000-£99,999.

Table 2: Positive and negative responses to individual questions on social wellbeing (%)

	Annual Household Income			
	Up to £25,999 (1761)	£26,000 to £51,999 (2149)	£52,000 to £99,999 (1184)	£100,000 and above (478)
Self-reported health is good or very good	53	66	75	77
Self-reported health is bad or very bad	13	6	3	6
Self-reported mental health is good or very good	54	65	68	68
Self-reported mental health is bad or very bad	15	7	6	8
Feels safe/fairly safe walking alone in local neighbourhood after dark	61	76	80	80
Feels a bit unsafe/very unsafe walking alone in local neighbourhood after dark	37	23	20	20
Able to rely on someone if alone and needed help	64	69	69	70
Not able to rely on someone if alone and needed help	18	14	14	17
Easy to access grocery store or supermarket in person	83	91	95	94
Difficult to access grocery store or supermarket in person	7	4	2	1
Experience of being unfairly treated or discriminated against in the last 12 months	43	39	39	36
Not unfairly treated or discriminated against in the last 12 months	54	60	60	63

Health and mental health

- People with the lowest annual household income (up to £25,999) are:
 - at least twice as likely to report that they have **very bad or bad health** than any other income group.
 - are around twice as likely to report that they have **very bad or bad mental health** than any other income group

Safety and community

- People with the lowest annual household income (up to £25,999) are:
 - more likely to report that they feel **unsafe walking alone** in the local neighbourhood after dark than any other income group.
 - more likely to disagree that they have **someone to rely** on in the neighbourhood if alone and needing help, compared to people with a household income of £26,000-£51,999 or £52,000-£99,999.

Discrimination

- People with the lowest annual household income (up to £25,999) are more likely than any other income group to report having experienced **discrimination** in the 12 months prior to being surveyed.





Economic wellbeing



Economic wellbeing includes access to a decent income, affordability, financial resilience, job opportunities and skills. A higher score for a particular demographic or geographic area means that we found higher levels of economic wellbeing for those people or places.

We found that people with the lowest annual household income (up to £25,999) have a lower economic wellbeing score than all other income groups (60, compared to 72 for households earning £26,000-£51,999, 80 for households earning £52,000-£99,999 and 82 for households earning £100,000 and above).

Looking at what drives this disparity in scores, people with the lowest annual household income (up to £25,999) are more likely to express dissatisfaction with their education and skills and with job opportunities in their local area compared to all other income brackets. They are also at least twice as likely as people in all other income groups to report that they are unable to afford to keep their homes adequately warm, buy enough food for everyone in the household, take a week's annual holiday, socialise once a month outside the home and meet an unexpected expense of £850.

It is worth noting that those with the second lowest annual household income (£26,000-£51,999) also have a substantially lower score than those in the two highest income brackets (£52,000-£99,999 and £100,000 and above).

In terms of what drives this disparity in scores, people in households earning £26,000-£51,999 are more likely to express dissatisfaction with their education and skills than the two higher income groups. Compared to the highest two income brackets they are also: almost four times more likely to disagree that they can keep their homes adequately warm and socialise outside of the home; three times more likely to disagree that they can meet an unexpected but necessary expense of £850; and around twice as likely to report that they are unable to afford enough food for everyone in the household or a week's annual holiday.



Table 3: Positive and negative responses to individual questions on economic wellbeing (%)

	Annual Household Income			
	Up to £25,999 (1761)	£26,000 to £51,999 (2149)	£52,000 to £99,999 (1184)	£100,000 and above (478)
Satisfied with education and skills	72	82	88	90
Not satisfied with education and skills	9	7	4	3
Satisfied with job opportunities in the local area	27	31	40	39
Not satisfied with job opportunities in the local area	28	22	19	19
Can afford to keep home adequately warm	56	77	87	88
Cannot afford to keep home adequately warm	30	14	8	8
Can afford to buy enough food for everyone in the household	77	91	96	97
Cannot afford to buy enough food for everyone in the household	11	5	2	1
Can afford to pay for a week's annual holiday away from home (not staying with relatives)	48	69	83	85
Cannot afford to pay for a week's annual holiday away from home (not staying with relatives)	39	21	12	9
Can afford to socialise with friends or family outside of the home once a month if desired	63	82	91	92
Cannot afford to socialise with friends or family outside of the home once a month if desired	22	11	4	5
Can afford to pay an unexpected, but necessary, expense of £850	43	62	78	82
Cannot afford to pay an unexpected, but necessary, expense of £850	47	29	17	15



Education, skills and job opportunities

- People with the lowest annual household income (up to £25,999) are:
 - more likely to express dissatisfaction with their **education and skills** compared to people in all other income brackets.
 - more likely to express dissatisfaction with **job opportunities** in their local area compared to people in all other income brackets
- People in households earning £26,000-£51,999 are more likely to express dissatisfaction with their **education and skills** compared to people in the highest two household income brackets (£52,000-£99,999 and £100,000 and above).

Affordability: absolute poverty

We included two measures that relate to absolute poverty – the ability to keep one's home adequately warm and the ability to buy enough food for everyone in the household. We found that:

- People with the lowest annual household income (up to £25,999) are:
 - almost four times more likely than those in the top two income brackets (£52,000-£99,999 and £100,000 and above) and twice as likely as those whose household income is £26,000-£51,999 to disagree that they can keep their **homes adequately warm**.
 - five times more likely than those in households earning £52,000-£99,999, and over twice as likely as those in households earning £26,000-£51,999 to disagree that they can afford enough **food for everyone in their household**.¹
- People in households earning £26,000-£51,999 are:
 - almost twice as likely to disagree that they can afford to keep their **homes adequately warm** compared to people in the highest two household income brackets (£52,000-£99,999 and £100,000 and above).
 - over twice as likely as those in households earning £52,000-£99,999, and five times more likely than those in households earning over £100,000, to disagree that they can afford enough **food for everyone in their household**.

Affordability: relative poverty

The focus groups that informed survey design were clear that when it comes to money, it is also important to be able to afford to 'make memories' and enjoy life. Following from this, we included two measures that relate to relative poverty – the ability to afford a week's annual holiday away from home (not staying with relatives) and to socialise with friends or family outside of the home once a month if desired. We found that:

- People with the lowest annual household income (up to £25,999) are:
 - over four times more likely than those in households earning £100,000 and above, over three times more likely than those in households earning £52,000-£99,999, and more likely than those in households earning £26,000-£51,999 to disagree that they can afford a **week's annual holiday** away from home.
 - around four times more likely than those in the highest two income brackets (£52,000-£99,999 and £100,000) and twice as likely as those in households earning £26,000-£51,999 to disagree that they can afford to **socialise outside of the home** once a month if they chose to do so.
- People in households earning £26,000-£51,999 are:
 - around twice as likely as those in the highest income brackets (£52,000-£99,999 and over £100,000) to disagree that they can afford a **week's annual holiday** away from home.
 - over twice as likely as those in the highest income brackets (£52,000-£99,999 and over £100,000) to disagree that they can afford to **socialise outside of the home** once a month if they chose to do so.

¹ Note that we have removed comparison for households earning £100,000 and above due to the small number of respondents who have this income and cannot afford to adequately heat their homes (two people).

Affordability: an emergency expense

We asked whether people could afford an unexpected but necessary expense of £850 as a loose estimate of whether people had financial security or a degree of wealth. We found that:

- People with the lowest annual household income (up to £25,999) are around three times more likely than those in the highest two income brackets (£52,000-£99,999 and £100,000 and above) and substantially more likely than those in households earning £26,000-£51,999 to disagree that they can meet an **unexpected but necessary expense of £850**.
- People in households earning £26,000-£51,999 are around twice as likely as those in the highest two income brackets (£52,000-£99,999 and £100,000 and above) to disagree that they can meet an **unexpected but necessary expense of £850**.





Environmental wellbeing



Environmental wellbeing includes access to green and blue spaces, quality of the local environment and collectively living within the planet's natural resources. A higher score for a particular demographic or geographic area means that we found higher levels of environmental wellbeing for those people or places.

We found that there is not much difference in environmental wellbeing scores by household income. However, those in households earning up to £25,999 do have a lower score than those in the next two higher income brackets (62 compared to 64 for all other income brackets).

Looking at what drives these scores, people in households earning up to £25,999 and £26,000-£51,999 are twice as likely as those in households earning £100,000 and over, and more likely than those in households earning £26,000-£51,999 and £52,000-£99,999, to report dissatisfaction with the public, green or open space in their local area nearest to their home. People in households in the lowest income bracket are also more likely to report major or moderate problems with noise and litter compared to people in households earning £26,000-£51,999 and £52,000-£99,999.

In counterpoint to these findings, people in households earning £52,000-£99,999 and £100,000 and above are more likely than people living in households earning up to £25,999 to report dissatisfaction with efforts to preserve the environment in the UK. In another vein, people in households earning £100,000 and above are more likely to report major or moderate problems with air quality than those in households earning £26,000-£51,999 and £52,000-£99,999.

Table 4: Positive and negative responses to individual questions on environmental wellbeing (%)

	Annual Household Income			
	Up to £25,999 (1761)	£26,000 to £51,999 (2149)	£52,000 to £99,999 (1184)	£100,000 and above (478)
Satisfied with the quality of the public, green or open space in local area	64	73	78	81
Dissatisfied with the quality of the public, green or open space in local area	15	12	11	7
Satisfied with efforts to preserve the environment in the UK	27	27	25	26
Not satisfied with efforts to preserve the environment in the UK	42	43	50	49
Major/moderate problems with noise	23	19	19	20
Minor/no problems with noise	76	81	81	80
Major/moderate problems with air quality	22	20	19	27
Minor/no problems with air quality	74	77	78	71
Major/moderate problems with litter or rubbish on the street	37	33	29	35
Minor/no problems with litter or rubbish on the street	62	67	70	65

Local green space

- People in households earning up to £25,999 are twice as likely as those in households earning £100,000 and above, and more likely than those in households earning £26,000-£51,999 and £52,000-£99,999 to report dissatisfaction with the **public, green or open space in their local area** nearest to their home.
- People in households earning £26,000-£51,999 are almost twice as likely as those in households earning £100,000 and above to report dissatisfaction with the **public, green or open space in their local area** nearest to their home.

Efforts to preserve the environment

- People in households earning £52,000-£99,999 or £100,000 and above are more likely to report dissatisfaction with **efforts to preserve the environment in the UK** than people living in households earning up to £25,999.

Problems with noise, air pollution and litter

- People in households earning up to £25,999 are more likely to report major or moderate problems with **noise** compared to people in households earning £26,000-£51,999 or £52,000-£99,999,
- People in households earning £100,000 and above are more likely to report major or moderate problems with **air quality** than those in households earning £26,000-£51,999 or £52,000-£99,999,
- People in households earning up to £25,999 are more likely to report major or moderate problems with **litter** compared to people in households earning £26,000-£51,999 or £52,000-£99,999,



Democratic wellbeing

Democratic wellbeing includes participation, trust in key institutions and ability to influence decisions at a national and local level. A higher score for a particular demographic or geographic area means that we found higher levels of democratic wellbeing for those people or places.

Low scores for democratic wellbeing are common across the population. Analysis shows that demographic variables explain less of the variation between people's democratic wellbeing score compared with other wellbeing domains. This reflects that there are wider issues influencing respondents' democratic wellbeing (for example, trust and influence) that go beyond core demographic characteristics.

It follows that democratic wellbeing scores are broadly similar across income groups with scores increasing by one or two points per income group: 39 for household incomes of up to £25,999, 41 for £26,000-£51,999, 42 for £52,000-£99,999 and 43 for £100,000 and above.

Looking behind these scores, people with the lowest annual household income (up to £25,999) are more likely than all other income groups to report low levels of trust in local councils, the legal system and courts and trust in the police. Meanwhile, people in households earning £26,000-£51,999 are more likely than the highest two income groups to report low levels of trust in local councils and the legal system and courts. Finally, people in households earning £52,000-£99,999 are more likely to report that they can influence decisions affecting their local area than the lowest two income groups (up to £25,999 and £26,000-£51,999).

Table 5: Responses to individual questions on democratic wellbeing (%)

	Annual Household Income			
	Up to £25,999 (1761)	£26,000 to £51,999 (2149)	£52,000 to £99,999 (1184)	£100,000 and above (478)
Low trust in local councils	31	26	20	22
Low trust in the legal system and courts	22	16	11	10
Low trust in the police	23	17	18	16
I can influence decisions affecting the local area	12	12	17	15
I cannot influence decisions affecting the local area	55	58	54	58



Local councils: trust and ability to influence

- People with the lowest annual household income (up to £25,999) are more likely to report low levels of **trust in local councils** than all other income groups.
- People in households earning £26,000-£51,999 are more likely to report low levels of **trust in local councils** than those in the next highest income bracket (£52,000-£99,999).
- People in households earning £52,000-£99,999 are more likely to report that they can **influence decisions affecting their local area** than the lowest two income groups (up to £25,999 and £26,000-£51,999).

Law and order: legal system, courts and the police

- People with the lowest annual household income (up to £25,999) are:
 - more likely to report low levels of **trust in the legal system and courts** than all other income groups.
 - more likely to report low levels of **trust in the police** than all other income groups.
- People in households earning £26,000-£51,999 are more likely to report low levels of **trust in the legal system** and courts than those in households in the two highest income brackets (£52,000-£99,999 and £100,000 and over).

Other institutions: news media and banks

- People from the 'Other White' ethnic group are:
 - more likely than those in the Asian, Black and White British ethnic groups to report low levels of **trust in the news media**.
 - more likely than those from Black and White British ethnic groups to report low levels of **trust in banks**.



Life in the UK



Carnegie UK

Andrew Carnegie House
Pittencrieff Street
Dunfermline
Fife, Scotland
KY12 8AW

T +44 (0)1383 721445

www.carnegieuktrust.org.uk

Registered Charity No: SC 012799 operating in the UK
Registered Charity No: 20142957 operating in Ireland

