Analysis Paper: Beyond the cost of living crisis

August 2026

Carnegie UK defines economic wellbeing as ensuring that everyone has a decent minimum living standard and can absorb financial shocks. This includes access to a decent income, affordability, financial resilience, job opportunities and skills.

Carnegie UK overview:

The cost-of-living crisis has been a defining feature of public discussion across the UK in recent years.

When people cannot afford essentials, cope with unexpected costs or participate fully in society, the effects reach beyond household finances and into wider wellbeing. Economic wellbeing shapes people's choices, opportunities and ability to live well.

Understanding these realities requires us to look beyond headline economic indicators and consider whether people have the resources and resilience they need in their daily lives.

Measures such as inflation, employment, wages and growth provide important context, but they do not necessarily tell us whether people can afford essentials or withstand financial shocks or take part in activities that contribute to wellbeing.

Using data from Carnegie UK's Life in the UK index, this paper examines affordability and financial resilience across the UK and its four jurisdictions in 2026. By tracking changes over time and examining differences across the UK, it provides insight into how financial pressures are experienced today, where progress has been made and where challenges remain.

While some pressures have eased since 2023, particularly in relation to how affordable people find it to keep their home adequately warm, improvement is not universal across all measures of affordability and financial resilience.

Key Findings

- 1 in 20 (6%) people across the UK cannot afford enough food for everyone in their household, a figure that hasn't improved over the last four years.
- 1 in 8 (12%) people across the UK cannot afford to keep their home adequately warm, the lowest figure recorded since the survey began in 2023.
- Over 1 in 4 (28%) people across the UK cannot afford £850 in an emergency, a figure that hasn't improved over the last four years.
- 1 in 8 (12%) people across the UK cannot afford to socialise once a month if they want to, a figure that has not changed since the survey began in 2023.
- Around 1 in 4 (23%) people across the UK cannot afford to go away on a week's annual holiday, two percentage points higher than in 2025 (21%).

Methodology

The data was collected via the larger Life in the UK wellbeing index, a 26-question survey of 6,731 respondents in 2026 using Ipsos' KnowledgePanel, a random probability survey panel with selection based on a random sample of UK households. The fieldwork in 2026 was carried out between 21st and 27th May. To ensure the survey results are as representative of the target population as possible, the data were weighted to account for differences between the achieved sample and the wider population. Weighting was applied using demographic characteristics including age, gender, region, education, ethnicity and levels of deprivation. The full Life in the UK report for 2026 is expected to be published in October 2026. The survey has been running since 2023, with sample sizes of around 7,000 each year and fieldwork conducted at a comparable time each year in May.

The findings presented in this report come from the questions that feed into the economic domain of Carnegie UK's Life in the UK wellbeing index, specifically those questions relating to affordability.

The questions are as follows:

There are some things that many people cannot afford, even if they would like them. To what extent do you agree or disagree with each of the following statements?

- *My household can afford to buy enough food for everyone in the household.*
- *My household can afford to keep our home adequately warm (including in the winter months).*
- *My household can afford to pay an unexpected, but necessary, expense of £850.*
- *My household can afford to socialise with friends or family outside of the home once a month if we want to.*
- *My household can afford to pay for a week's annual holiday away from home (not staying with relatives).*

Respondents could answer *strongly agree, tend to agree, neither agree nor disagree, tend to disagree, strongly disagree, don't know or prefer not to say*. For the analysis, *strongly agree and tend to agree were combined, as were strongly disagree and tend to disagree. Responses of neither agree nor disagree, don't know and prefer not to say* were excluded from the graphs, meaning percentages do not sum to 100%.

Throughout the report, statistical significance testing has been carried out, tested to 95%, which means that we can have a high level of confidence that any changes represent meaningful shifts over time or differences between groups of people. Any changes mentioned throughout the report are statistically significant. Where no changes are noted this means there is no statistically significant difference.

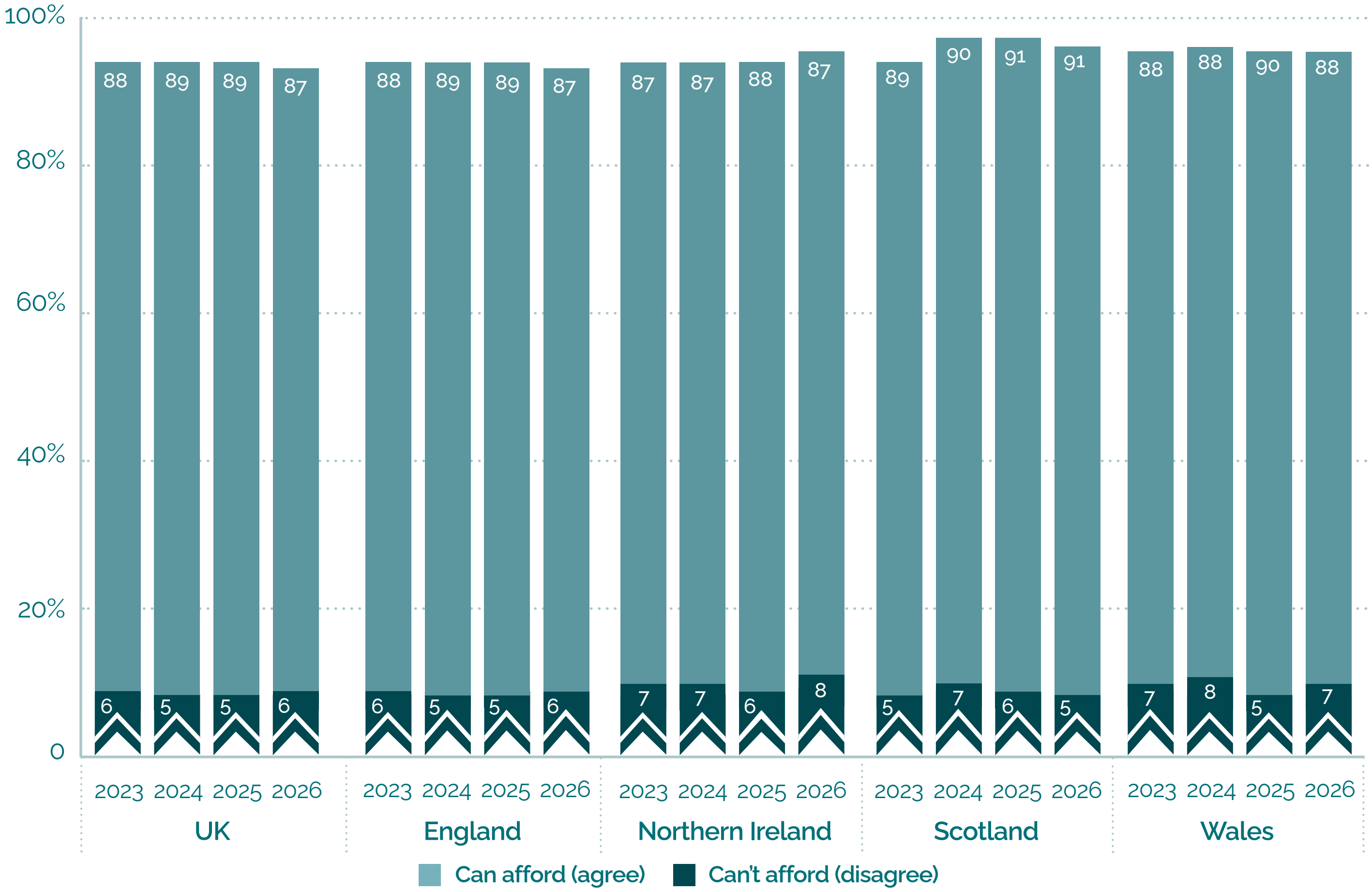
Carnegie UK has been working with leading social research agency Ipsos since the inception of Life in the UK in 2023, with Ipsos conducting the fieldwork and analysis of the survey.

Carnegie UK is committed to following the principles of the Code of Practice for Statistics in the production of our Life in the UK index and related outputs. We outline how we adhere to these principles in our Voluntary Statement of Compliance.

Results

Food

Figure 1. My household can afford to buy enough food for everyone in the household



Base (2026 only): UK (n=6,731), England (n=4452), Northern Ireland (n=714), Scotland (n=1046) and Wales (n=519)

Across the UK in 2026, 1 in 20 (6%), people could not afford to buy enough food for everyone in their household. This hasn't changed over the past four years. Overall, 87% of people reported that they could afford enough food for their household, two percentage points lower than in 2024 and 2025, when the figure stood at 89%. This figure is at its lowest since the data series began[1]. Similar figures are seen in England.

In Northern Ireland, 1 in 12 (8%) cannot afford enough food for their household while 87% can. Neither figure has changed over the past four years.

In Scotland, 1 in 20 people (5%) cannot afford to buy enough food for their household while 9 in 10 (91%) can. Neither figure has changed over the past four years. More people in Scotland can afford food for their household compared with England and Northern Ireland, where the figure is 87%.

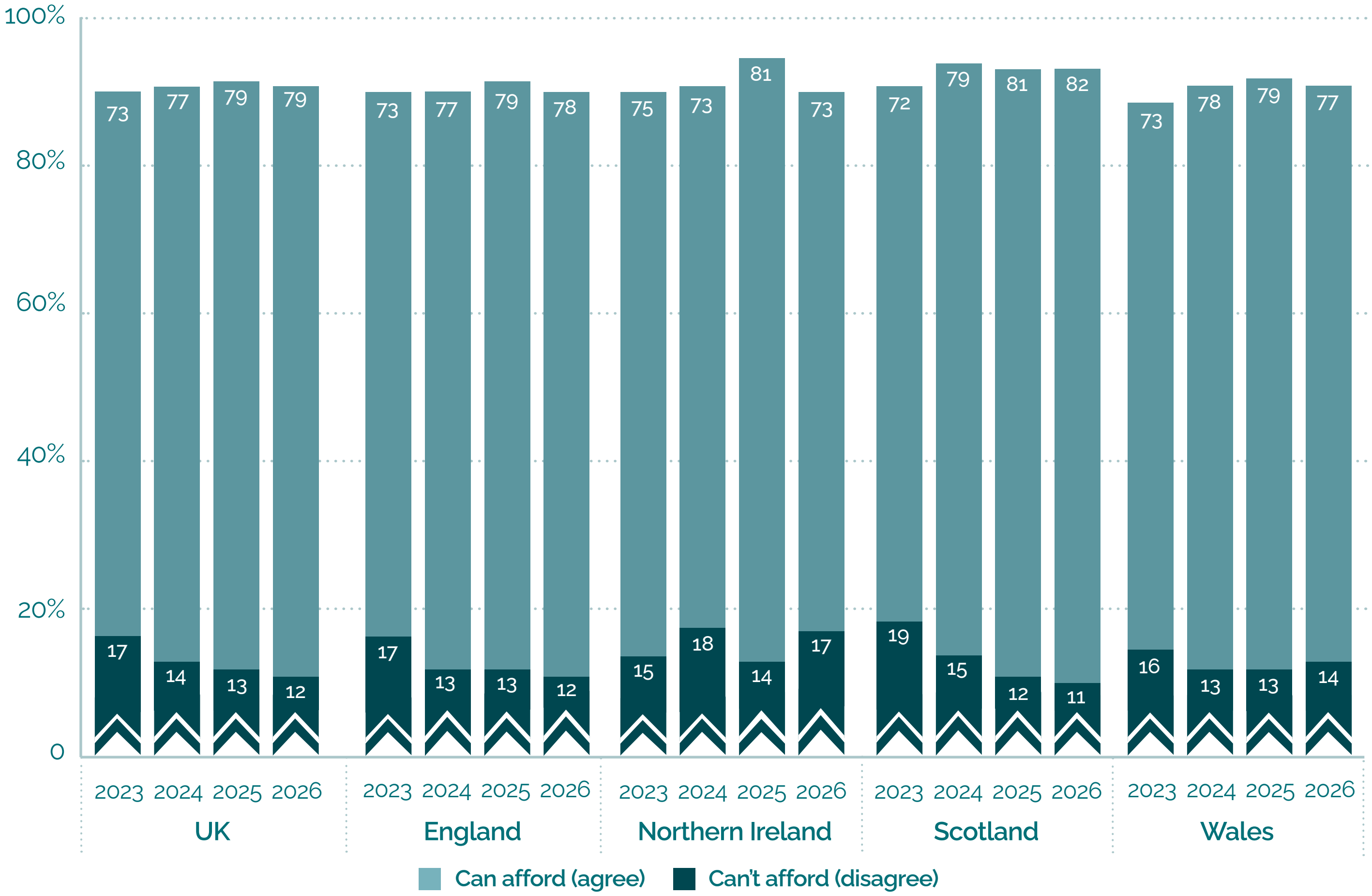
In Wales, 7% of people cannot afford enough food for their household while 88% can. Neither figure has changed over the past four years.

Overall, food affordability has remained relatively stable across the UK and its four jurisdictions since 2023. Nevertheless, there have been some small declines over the last three years and some 2026 figures have reached the lowest points seen since the survey began.

1 Note: This finding is driven by an increase in the proportion of people who answered "neither agree nor disagree" in 2026. Seven per cent selected this response in 2026, significantly higher than in the previous three years (2023: 6%; 2024: 5%; 2025: 5%).

Warm home

Figure 2. My household can afford to keep our home adequately warm (including in the winter months).



Base (2026 only): UK (n=6,731), England (n=4452), Northern Ireland (n=714), Scotland (n=1046) and Wales (n=519).

Across the UK, one in eight (12%) people cannot afford to keep their home adequately warm, the lowest figure recorded since the survey began in 2023. This has fallen by five percentage points since 2023, when 17% of people could not afford to keep their home adequately warm. Four in five (79%) people report that they can afford to keep their home adequately warm, matching the figure in 2025 and six percentage points higher than in 2023 when the figure stood at 73%. Similar figures are noted in England.

In Northern Ireland, almost 1 in 5 (17%) people cannot afford to keep their home adequately warm. This figure has fluctuated over the past four years. Almost three quarters (73%) report that they can afford to do so, a drop of eight percentage points from 2025 (81%) and a return to 2024 levels. The affordability of keeping an adequately warm home is worse in Northern Ireland compared to England, Scotland and the UK overall.

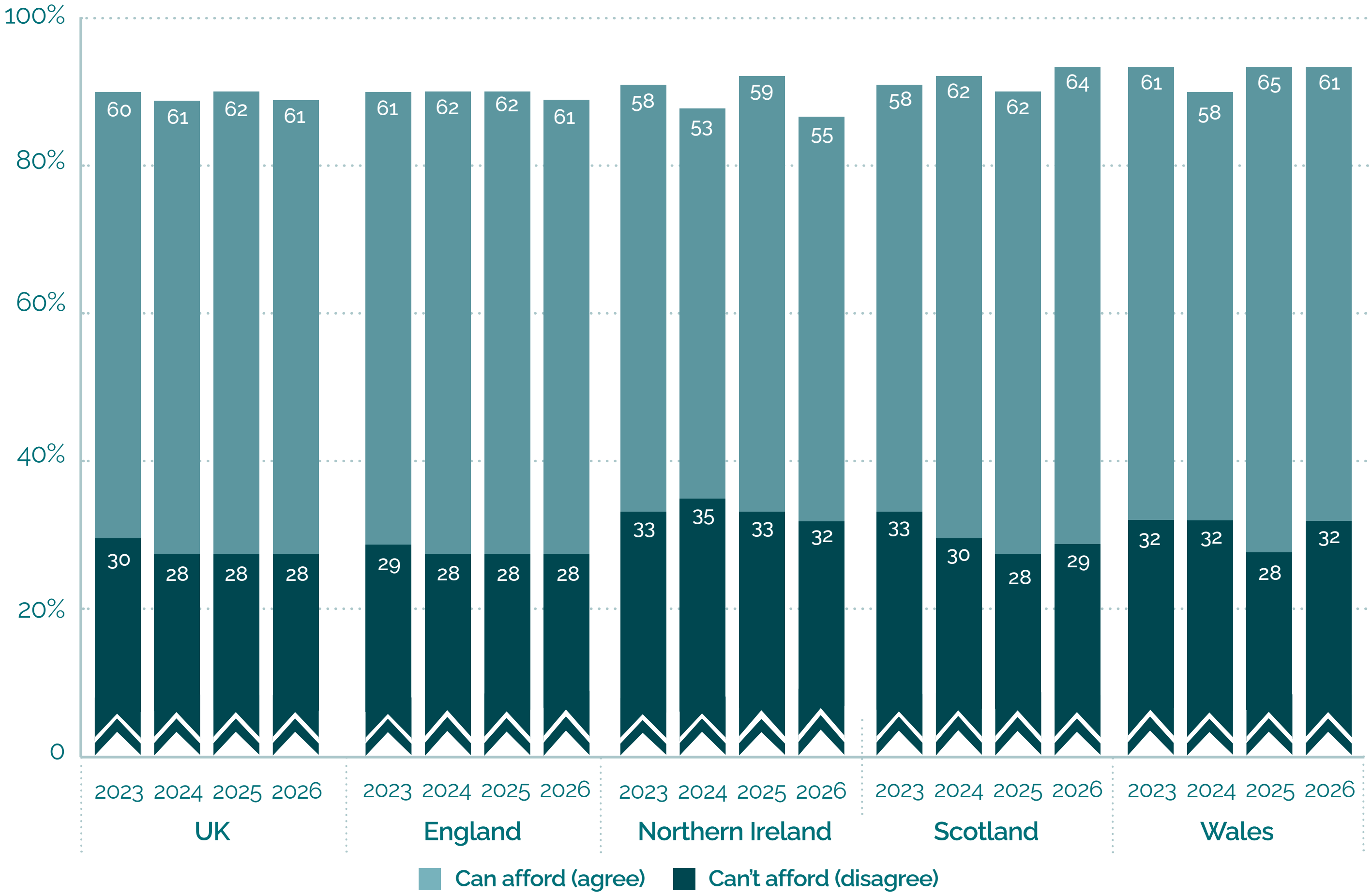
In Scotland, one in 10 (11%) people cannot afford to keep their home adequately warm, eight percentage points lower than in 2023 (19%) and the lowest proportion since the survey began in 2023. Four in five (82%) can afford to do so, 10 percentage points higher than in 2023 (72%) and the highest proportion since the survey began.

In Wales, 14% of people cannot afford to keep their home adequately warm, while 77% can. Neither figure has changed over the past four years.

Overall, the affordability of heating has improved across much of the UK since 2023, with the proportion of people unable to afford to keep their home adequately warm falling to its lowest level on record in the UK and Scotland. However, affordability remains worse in Northern Ireland than other parts of the UK.

Unexpected £850 expense

Figure 3. My household can afford to pay an unexpected, but necessary, expense of £850.



Base (2026 only): UK (n=6,731), England (n=4452), Northern Ireland (n=714), Scotland (n=1046) and Wales (n=519).

Across the UK, 28% of people cannot afford £850 in an emergency while 61% can. Neither figure has changed over the past four years. Similar figures are noted in England.

In Northern Ireland, one third (32%) of people cannot afford an unexpected £850 expense, while just over half (55%) can. Neither figure has changed over the past four years. Fewer people can afford this type of expense in Northern Ireland compared to England (61%) and Scotland (64%).

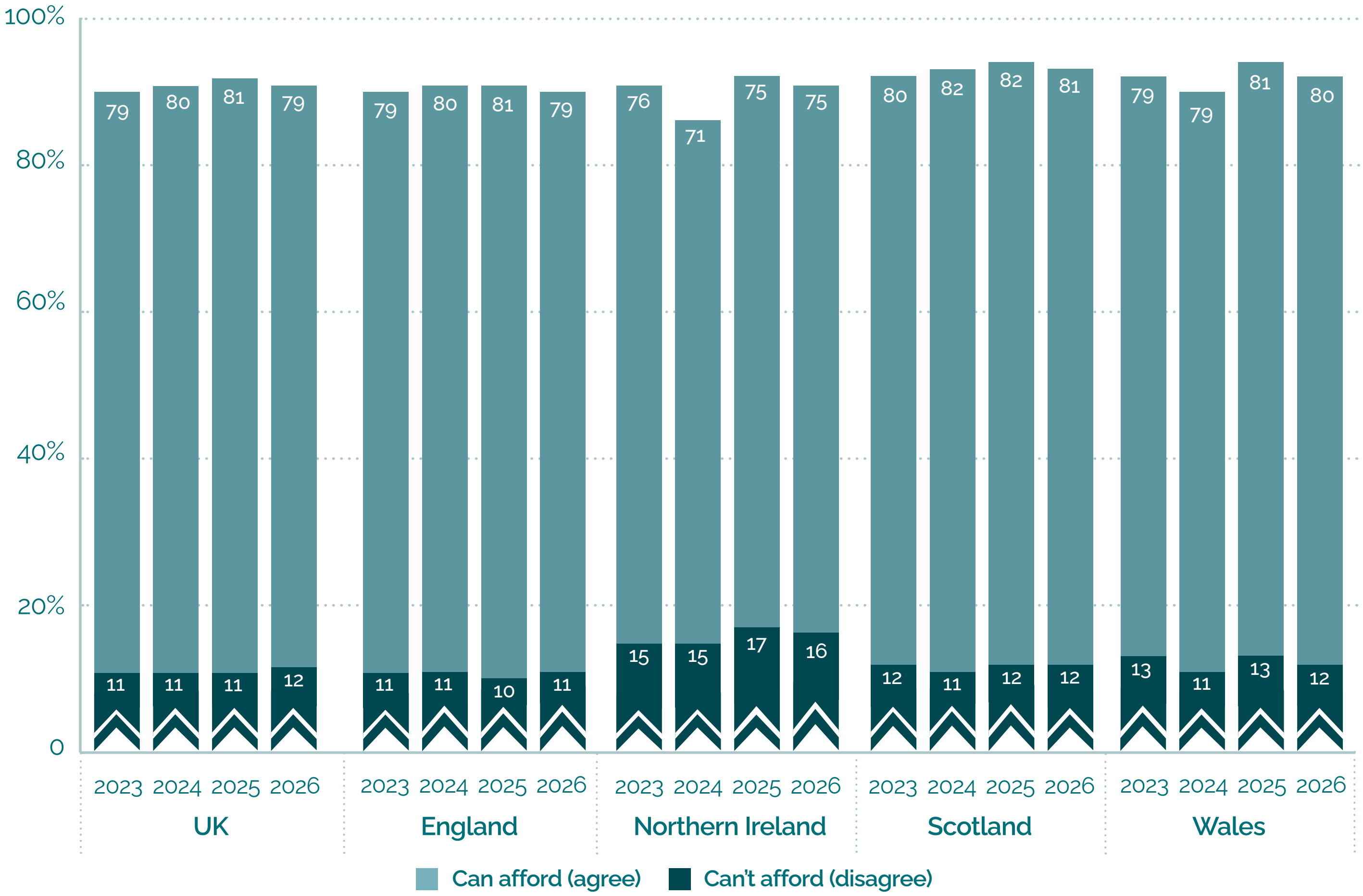
In Scotland, almost 3 in 10 (29%), people cannot afford £850 in an emergency. This has not changed over the past four years. Meanwhile, almost two thirds (64%) can afford such an expense, an improvement of six percentage points compared to 2023 (58%) and the highest proportion since the survey began.

In Wales, one third (32%) of people cannot afford an unexpected but necessary £850 while 3 in 5 (61%) can. Neither figure has changed over the past four years.

Overall, the ability to afford an unexpected £850 expense has remained relatively stable across the UK since 2023. While Scotland and Northern Ireland recorded their most positive results since the survey began, the ability to afford an unexpected £850 expense remains lower in Northern Ireland than in England and Scotland.

Socialising

Figure 4. My household can afford to socialise with friends or family outside of the home once a month if we want to.



Base (2026 only): UK (n=6,731), England (n=4452), Northern Ireland (n=714), Scotland (n=1046) and Wales (n=519).

Across the UK, 12% of people cannot afford to socialise on a monthly basis. This has not changed since the survey began in 2023. Overall, 79% can afford to socialise once a month, although this is two percentage points lower than in 2025 (81%). Similar figures are noted in England.

In Northern Ireland, 16% of people cannot afford to socialise once a month, while three quarters (75%) can. Neither figure has changed over the past four years. More people in Northern Ireland struggle to afford to socialise compared with England (11%). The proportion of people who can afford to socialise in Northern Ireland is also lower than in Scotland (81%).

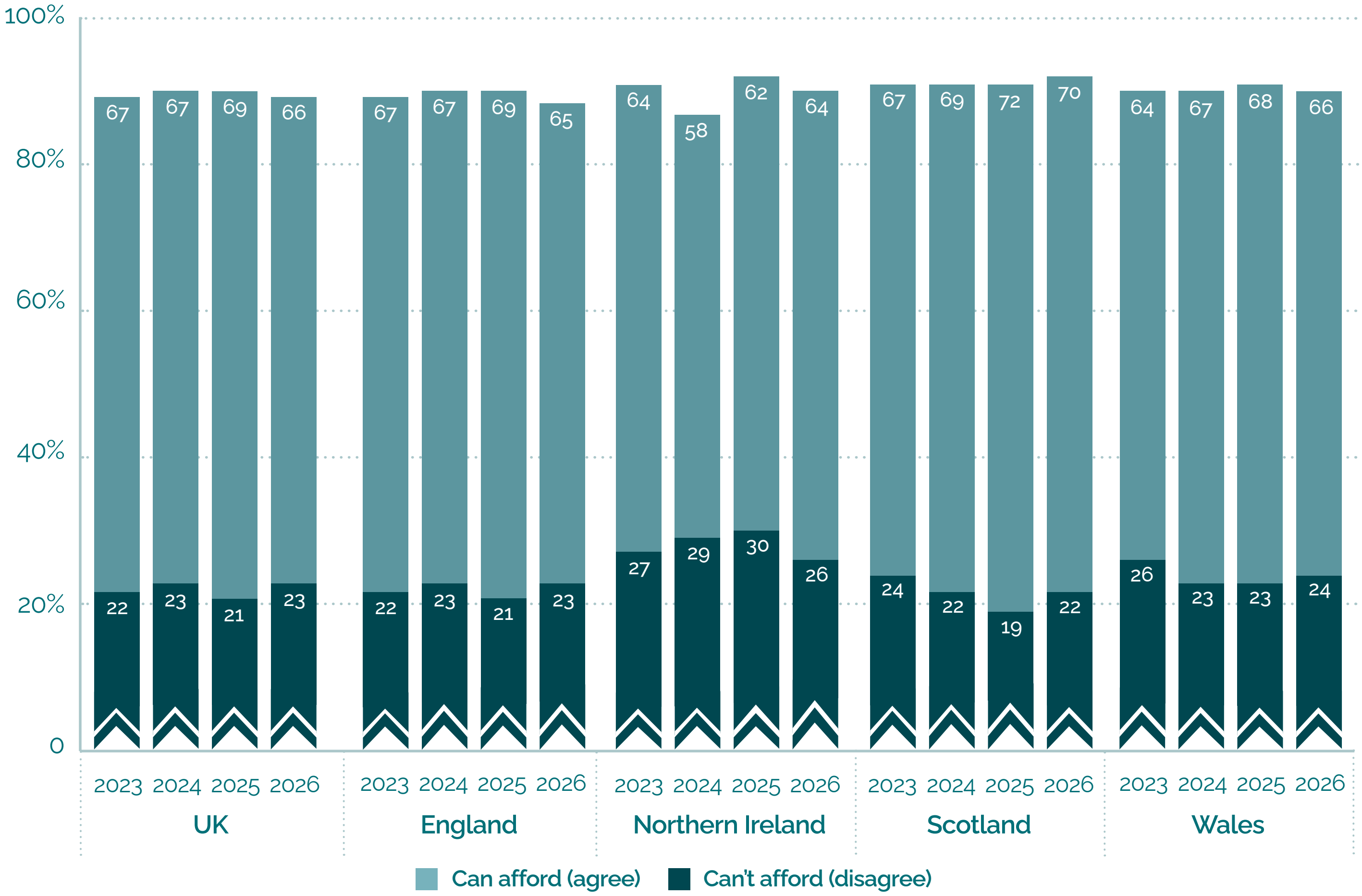
In Scotland, 1 in 8 (12%) people cannot afford to socialise on a monthly basis while 4 in 5 (81%), can. Neither figure has changed over the past four years.

Similarly, in Wales, 1 in 8 (12%) cannot afford to socialise once a month while four in five (80%) can. Neither figure has changed over the past four years.

Overall, the affordability of socialising has remained relatively stable across the UK and its four nations since 2023. Fewer people can afford to socialise in Northern Ireland than in England and Scotland.

Holiday

Figure 5. My household can afford to pay for a week's annual holiday away from home (not staying with relatives).



Base (2026 only): UK (n=6,731), England (n=4452), Northern Ireland (n=714), Scotland (n=1046) and Wales (n=519).

Across the UK, almost one in four (23%) people cannot afford a week's holiday away from home, two percentage points higher than in 2025 (21%). Two thirds (66%) can afford a week's holiday away from home, three percentage points lower than in 2025 (69%) and the lowest proportion recorded since the survey began. Similar figures are noted in England.

In Northern Ireland, one in four (26%) people cannot afford a week's annual holiday away from home, the lowest proportion recorded since the survey began, while almost two thirds (64%) can.

In Scotland, one in five (22%) people cannot afford a week's holiday away from home while 70% can. Neither result has changed over the past four years. The proportion of people who can afford a holiday in Scotland is higher than in England (65%) and Northern Ireland (64%).

In Wales, one in four (24%) people cannot afford a week's holiday away from home while 66% can. Neither figure has changed over the past four years.

Overall, the affordability of a week's holiday away from home has worsened across the UK, with the proportion of people able to afford a holiday falling to its lowest level since the survey began in 2023. However, more people in Scotland can afford a holiday than in England and Northern Ireland.

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