PEAK INJUSTICE

Solving Britain's Inequality Crisis

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Yesterday, tomorrow – and hope

The UK's long-running crisis will not solve itself. The minor remedial actions taken by a wide variety of British governments over the past five decades have served only to briefly mitigate the worst of the most visible effects of rapidly rising – and then peak – inequality. In the 1980s there was a bitter debate about how poverty should be measured in the UK. The progressives won, but now almost no one notices when the results of the Department for Work and Pensions' annual Households Below Average Income (HBAI) analysis, based on an annual detailed survey, are released each March. This analysis has been released in the same form since the mid-1990s. Here, I summarise what could be seen within the March 2023 release, before moving on to what was revealed a year later, in March 2024. During these years there was no in-depth reporting by the British press of what the new statistics were revealing each year. Perhaps because everyone knew the situation was bad.

The 23 March 2023 data release for the HBAI survey – numbers generally referred to as the UK's 'poverty statistics' – revealed that the household incomes of individuals in the bottom quarter of the income distribution experienced *real-terms reductions* even before the cost-of-living crisis set in, up to the endpoint of the latest data collection, which was March 2022. Since then, all other households will have become poorer, too, with the poorest sinking into destitution as food prices rose more quickly than benefits.

There has been no change in overall inequality since 2011. If you exclude those in the top 1 per cent (who are never included in a representative way in the annual surveys that the progressives of the 1980s won), then peak inequality came in 2018. We reached a peak because inequality kept inching up, to achieve the most extreme excess to date in 2018 and to help demonstrate that trickle-down never actually redistributes. It took a devastating, world-economy-changing global pandemic to force the extremely rich in Britain to (perhaps temporarily) slow down the rise in what had been an ever-larger grab for themselves. They would say they were only trying to match place with the chief executive officers of the largest funds, the hedge fund managers, and a few celebrities and sport stars rising further and further away from them.

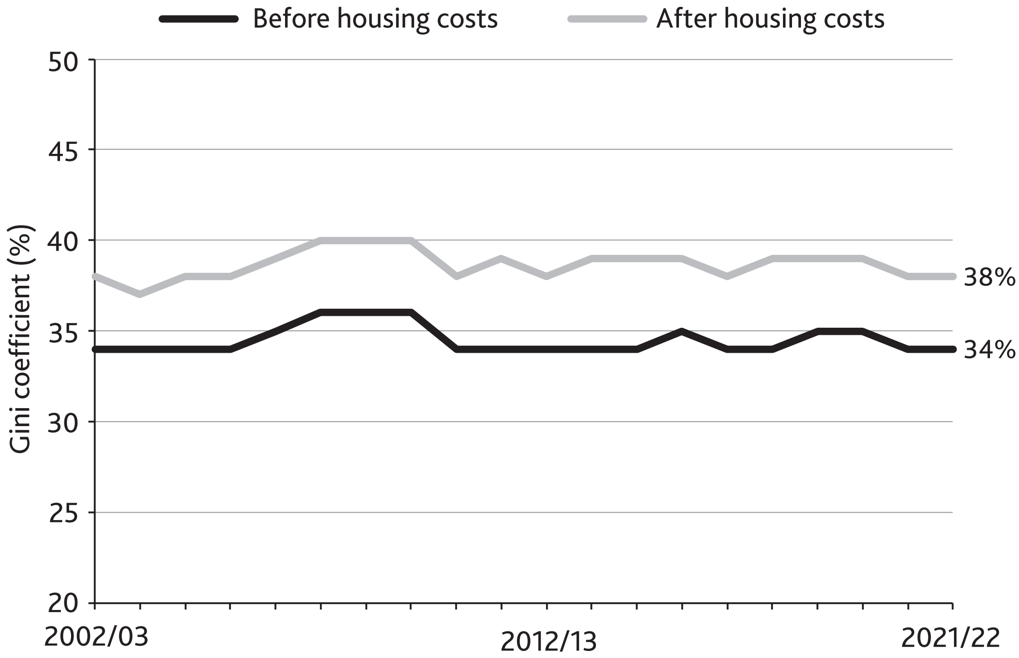
Within the past decade, the top 1 per cent were the only social group to become better off, and then only for a time – at least through to 2018.[1] Ignoring them, income inequality (measured by the Gini Coefficient) has remained unchanged since FYE (Final Year Ending) 2021, both before and after housing costs are considered. The level has remained broadly stable since FYE 2011,[2] and in fact, once you look back far enough, since at least 2002. The slight apparent drop in the pandemic years is possibly due to who is not now included in the sample. It became harder to measure poverty during the pandemic, because surveys were no longer done door-to-door, and growing numbers of potential respondents could not be contacted by phone. It is particularly because of this that the update released in March 2024 matters so much too. The next official update will be in March 2025.

Figure 6.1, taken from the 23 March 2023 HBAI report, shows that if we ignore the top 1 per cent, then *nothing changed of any significance between 2002 and 2022*. It does matter that it does not reveal how the take of the 1 per cent, and especially of the super-rich, continued to climb until 2018, with the super-rich not taking a hit until 2020. The 1 per cent and the super-rich are not included in the national statistics on everyone else; they are treated by UK statisticians as if they are a separate species. The 1 per cent are seen as not like the 'little people' who might aspire, one fine day, for better pay, or for decent pensions, or even the privilege of being able to take out a mortgage.

[1] See the Introduction to this book for what is most likely happening now, although the present is always unsure.

[2] https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022/households-below-average-income-an-analysis-of-the-uk-income-distribution-fye-1995-to-fye-2022

Figure 6.1: Income inequality in the UK 2002–22, before and after housing costs



Source: DWP (2023) Household Below Average Incomes statistics, as released on 23 March 2023

When the income inequality lines are flat, injustice grows each year. The better-off can save, the worse-off fall further into debt. The rich, as they grow older, order their groceries online; and increasingly, their children eat food cooked by others, and delivered by courier.

Below, in the following long bullet-pointed list, I have set out some of the numbers showing what changed between when the pandemic began and when we were first able to collect survey data again. Numbers such as those gathered in the HBAI survey may well not be enough, but they can help when it is suggested that the problems of inequality and poverty are not serious enough to require more than a little tinkering. Here are 21 facts about what has happened recently.

What changed between 2019–20 and 2021–22, and beyond?

1. By March 2022 there were 14.4 million children in the UK, some 500,000 (3.6 per cent) more than in 2019–20, as during those two years fewer were turning 18 than were born, and also because of net migration. Deaths of children also fell during the

pandemic. One reason was that there were fewer car crashes. Deaths on the roads have increased again since March 2022.[3] In Britain we value our children far lower in monetary terms than they do in more progressive more equal countries which have safer roads and cities for walking and cycling.

2. Children living in lone-parent families rose to 3.4 million, from 3.1 million just two years earlier. More families than usual had split up. An additional 300,000 children were living in lone-parent families where the parent had no work; a rise from 1.1 to 1.4 million children, a 27 per cent increase in just two years. No one seized on this when the statistics were first released because these numbers were, as always, hidden in the spreadsheets, and it is at the peak of injustice that apathy is usually greatest.
3. There was an increase of 200,000 in the number of children living with two parents where one of them was not in work. In total, half a million more children had at least one parent not in work in 2021–22, as compared to 2019–20. This deepened poverty further.
4. There was a large and rapid change in the average number of siblings. According to the estimates released in March 2023, there were 400,000 fewer children living with no brothers or sisters, and 800,000 with two or more siblings (three or more children in the household). This was a big change – it may have partly been due to increased error in the sample due to the pandemic; and to fewer first-time mothers filling in the survey. But in March 2024, when the very latest HBAI figures were released, we learnt that a huge change had *actually* occurred during and after the pandemic within British society. Families were becoming more overcrowded, as rising food prices left less in the budget for soaring rents. Because of this they could often less afford not to be so crowded together, and fewer new households were being formed.
5. Some 500,000 *fewer* children in 2022 lived in a household where *no one was disabled* than had done in early 2020. During the same time, the number of children living in a family where

[3] For one example of just one city, see: Danny Dorling (2023) 'The souls of the people of Oxford', Oxford Magazine, Noughth Week, Michaelmas Term, 10 October, https://www.dannydorling.org/?page_id=9883

someone received disability benefits had increased in just two years from 0.9 million to 1.5 million. This was because disability had increased, partly due to long COVID, but there were many other reasons too, not least new households forming more slowly. This 600,000 increase is a huge and very rapid change, which by March 2024 was confirmed not to be a one-off statistical artefact.

6. More children were described as being of mixed ethnicity than two years previously (300,000 instead of 200,000). This might reflect changes in social attitudes as much as other factors (people being happier to say 'mixed'). No other obvious shifts had occurred by ethnicity in the population as surveyed by the Department for Work and Pensions. There may have been increased in-migration of mixed ethnicity families; or we were continuing, on average, to become less racist.[4]
7. An extra 300,000 children were living in social housing by 2021–22, and some 200,000 more in a home with a mortgage. So, most of the increase in numbers was in children in social housing. The number of children in private renting was unchanged, but as the total number of children was rising this suggests a fall in the proportion of those living in privately rented homes during the pandemic. Little extra social housing was built in these years, so it is extremely likely that there is now more overcrowding of children within UK homes, especially in social housing, as compared to a year earlier.
8. The median child in the UK in 2019–20 (the child compared to whom half of all other children were in families with less money to live on and half had more) lived in a family with £390 a week left after housing costs to spend on everything they needed for the entire family. That has now risen to £400 a week although, because of inflation the real-terms value has fallen. However, the best-off 10 per cent of children now live in families with *at least* £850 to spend a week after housing costs. Two years ago, that was around £870 a week, so there may have been a small contraction in incomes at the top. However, as yet, we have not seen this happen among the top 1 per cent (as we know from other tax-based data sources).

[4] See Chapter 4.2 in this volume.

9. The number of children *without* access to outdoor space or other facilities to play safely outdoors fell sharply from 6 per cent to 4 per cent, so by a third in these two years. Perhaps the pandemic led to parents discovering spaces and facilities they did not know of before, and/or other spaces had been opened up or made accessible by local authorities better controlling local car traffic? Children began to find places to play again. There is always some good news in these statistics. In the future we hope the majority will be good – we will then know we have passed a peak.
10. The number of families with enough bedrooms for every child aged 10 years or over and of a different sex remained the same, at 80 per cent, meaning a fifth of UK children did not have a suitable bedroom to sleep in. Many more children will not have had a bedroom of their own, but would have been sharing their bedroom with parents, uncles and aunts, or with siblings of the same sex or mixed, but all aged under 10 years old (which is deemed suitable). The situation did worsen slightly for the majority of children in poorer families, with overcrowding in bedrooms increasing between FYE 2019–20 and FYE 2021–22.
11. The number of children living in families able to afford celebrations on special occasions, such as birthdays, remained the same at 97 per cent. However, the proportion of children living in the poorest families whose parents said they did not need to celebrate such events tripled from 1 per cent to 3 per cent (that is still very low). A celebration that can be had for almost no cost is still a celebration, so this does not mean that all other poorer children received birthday presents, just that their birthdays were celebrated. Some may have only got a card, some nothing – other than 'a celebration'.
12. The number of children whose parents could afford to buy them leisure equipment such as a bicycle fell from 90 per cent of children to 88 per cent. However, 9 per cent of the parents of the poorest two-sevenths of children now said they did not need such things (up from 5 per cent in 2019–20), as did 7 per cent of the parents of the next-poorest two sevenths (up from 5 per cent). This would suggest that people were beginning to adapt to long-term poverty and had reduced their expectations of what it was normal to be able to have.

13. The number of children who had at least one week's holiday away from home with family fell from 66 per cent to 62 per cent. The number of parents saying their children would like such a holiday but could not afford one rose from 30 per cent to 31 per cent. However, there was a big jump – from 4 per cent to 7 per cent in just two years – in parents saying their children didn't need holidays, or that they didn't see having a single holiday a year as a realistic aspiration. That jump was largest for the poorest children, 11 per cent of whose parents said in 2021–22 that a single week-long annual holiday was no longer something that was needed, as compared to the 5 per cent who had said so two years earlier.
14. Being able to afford for children to pursue a hobby or leisure activity fell from 79 per cent of all UK children to 75 per cent. The number of parents saying such things were not needed rose from 16 per cent to 18 per cent. Here the falls were not highest for those who already were able to do the least. Perhaps the parents of the best-off children discovered that they did not need to be engaged in quite so many 'activities' each week as they had been doing before the pandemic?
15. Parents able to afford for their children to have friends round for tea or a snack once a fortnight fell from 69 per cent to 62 per cent. A third (exactly 33 per cent) of children now had parents saying such a thing was an extravagance, as compared to just 27 per cent two years earlier. The fall in the possibility of inviting friends round and offering them a snack was greatest for the poorest children, unsurprisingly. There is statistical error associated with all these estimates, but the overall direction of injustice up to March 2022 was clear.
16. There was a large drop in the proportion of children whose parents said they could pay for them to go on a school trip at least once a term, from 90 per cent in 2019–20 to 80 per cent in 2021–22. Those who responded their children 'don't need such a thing' jumped from 19 per cent to 24 per cent. Again, the change was greatest for the poorest children, with a drop to only 69 per cent having parents able to afford it two years into the pandemic, as compared to 82 per cent in 2019–20. It is likely that many schools now offer far fewer trips than they did before the pandemic. The cost of hiring a coach has increased, and school budgets have been cut too.

17. Parents able to take their children to a playgroup at least once a week fell from 73 per cent to 68 per cent; again, the greatest rise was in parents saying it was no longer necessary, up from 24 per cent to 28 per cent. And again, the change was greatest for the parents of the majority of the poorest (four out of every seven children) who had seen their lives change the most, down from 65 per cent to 69 per cent (for those four separate sevenths) being able to do this in the year before the pandemic to just 59 per cent to 60 per cent two years after the pandemic had begun.
18. For the proportion of children whose parents were able to afford for them to attend organised activities once a week, the drop was from 73 per cent in 2019–20 to 68 per cent in the spring of 2022. Those no longer wishing their children to do so (whether they could afford to or not) had jumped from 19 per cent to 24 per cent. And again, the largest drops were for the four out of every seven children whose parents had the least, with fewer attending scouts, guides, dance classes, football or any other organised activity. In detail, this fell from those things being a possibility and affordable for 61 per cent for the poorest two out of seven, and 70 per cent for the next two out of seven, to 56 per cent and 60 per cent, respectively. It might also have been the case that less was now being offered, but the question in the HBAI survey was not about availability but whether you could afford it if it was available.
19. Living in a family able to afford to eat fresh fruit and/or vegetables every day actually rose from 94 per cent to 95 per cent of children in the statistics release in March 2023, and fewer parents said they did not wish their children to eat such things (a drop from 4 per cent to 3 per cent). However, that slight 1 per cent rise was for children living in the median family by income: that is, the one where four out of seven families are poorer than theirs and just two are better off. It is not easy to measure small changes, but you can take all these numbers in the round as being representative. Some will slightly overestimate falls and rises, others underestimate them as this is all based on a sample survey. These statistics then did worsen again the year after.
20. The median household by income is now actually a better-than-average household for families with children. We don't know about actual food consumption; it is very likely that more parents

say they can afford fresh fruit and vegetables than actually can, as people don't want to appear to be bad parents. Items such as these are now frequently entirely absent from supermarket shelves in poorer areas, or are prohibitively expensive if they are stocked. Meanwhile, upmarket supermarkets will deliver anywhere, at a cost.

21. On the final measure in the HBAI government survey, 99 per cent of parents reported at the start of this period that their children had a warm winter coat. It has since fallen slightly, to 98 per cent for the poorest out of every seven children, and it is quite possible that if inflation remains high, in future this number will fall significantly. As always, it is up to each parent to define what they think a warm coat is, and they are not asked if the coat actually still fits the child – just if they have one.

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Reducing countless complex lives to statistics such as these can seem bleak and uncaring. This is the problem with statistics. But the picture is made bleaker by the fact that none of the scant media coverage of the poverty and inequality figures released on 23 March 2023 appeared to be based on more than the briefest of looks at the data. Perhaps journalists thought readers were sick of details such as these, or perhaps they struggled to open and understand the complex, and extremely hard to find, spreadsheets on the government website.

This is what else we learnt in the spring of 2023, with just a few hints of what came next included. There follow nine more facts for you, each relating to the adults living with their children. Please note that the situation I describe below is what was occurring immediately before everything became even worse again. We often forget bad news today in the UK because worse news follows it a year later.

In March 2024 we learnt from the official report not only that the average family had become absolutely poorer again in the year ending March 2023, but income inequalities between families were also rising. This resulted in a huge and rapid increase in poverty, possibly the most rapid ever recorded in the UK. For example, we were told that: 'Eighty-three percent of children in the UK population lived in a food-secure household in FYE 2023, compared to 88% last year.'[5] In other words, 17 per cent were going hungry several times a month as compared to 12 per cent the year before. If that rise – of five percentage points in a single year – were to continue even for just another few years, it would mean that the UK would become a failed state, many of its children facing rates of hunger not seen in Europe since the Second World War. So, please be aware as you continue to confront the impact of the latest statistics as described in what follows, that the situation will have since deteriorated even further and at an even faster rate.

1. The same proportion of parents of children in the UK said that they do not have enough money to decorate their homes (5 per cent) as did in 2019–20, but practically none of the best-off parents now said they could not afford it (it had been 1 per cent before the pandemic hit). The better-off had saved a little money over this period, but perhaps had also learnt a little about necessity.
2. On affording a holiday away from home one week a year (not spent with relatives), this had dropped from 59 per cent to 56 per cent of parents who said they could afford it. This is worse than for children, as increasingly only one parent accompanies children on holiday, so the rise in parents having no holiday is faster than the rise in children having none. It is a little like mothers going without food before their children have to go without. One parent carries on working.
3. Home contents insurance uptake has hardly altered. However, the proportion of parents of the poorest two children out of seven who said it was something they no longer considered needing rose from 25 per cent to 27 per cent. In contrast, only 4 per cent of the best-off children's parents said this (down from 6 per cent). Many UK families had already given up insuring

[5] DWP (2024) *National statistics: Households Below Average Income: an analysis of the UK income distribution: FYE 1995 to FYE 2023*, 21 March, https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023/households-below-average-income-an-analysis-of-the-uk-income-distribution-fye-1995-to-fye-2023#children-in-low-income-households

their possessions before 2019. Even though the rationale for insuring was rising, because it would cost more in future, due to inflation, to replace items lost in a fire or flood, or due to theft, many people, and especially parents, simply could not afford to insure against these risks any more.

4. On being able to make savings of £10 a month or more, the proportion did increase from 64 per cent to 66 per cent of parents in the UK being able to do this by 2021–22. However, it fell as a possibility for the parents of the majority of UK children, and rose only for the best-off minority. We know from many other sources that the better-off were able to save more during the pandemic, but it is only from these statistics that we can confirm the obvious: that those families that didn't ever eat out, travel or go to the cinema anyway due to the expense saved nothing as a result of the lockdown restrictions.
5. On being able to replace worn-out furniture, there was little overall change in the affected number of adults, rather than children. However, for the parents of the poorest two-sevenths of all children, the situation had improved a little; and interestingly, even (perhaps) encouragingly, increasing numbers of better-off parents said that they didn't need to replace their furniture. Again, maybe some were beginning to learn to make do and mend, and for the very best-off, not to want their furniture to always look new, as so desperately (and expensively) as they had wanted before the pandemic. Was more being given to charity warehouses rather than being thrown away, as people began to think a little more of others? It is very hard to know when you are at a peak and sentiment is changing. We had just lived through the worst years of a pandemic: was this helping to shift people's views for the better? Or were they just not worrying about keeping up appearances when no one was allowed round for dinner parties?
6. When it came to the usually more urgent need to replace broken electrical goods such as a phone or computer, there was a rise among the parents of the poorest children who said they no longer needed to do this, from 12 per cent to 18 per cent in two years. Either their electrical goods were not breaking as often, or they had fewer of them and had learnt to do without. But it is increasingly hard to survive without a phone or computer

in a world in which the pandemic made these items even more essential than they had been in 2019. At least now we better understand that such things are necessities today, not luxuries.

7. On money to spend on themselves each week, there was a slight fall in those parents who said they could, from 71 per cent to 70 per cent, and more of the UK's poorer parents said they didn't need to spend anything on themselves (up from 3 per cent to 5 per cent in two years). Imagine saying that you need nothing for yourself – no drink in a pub, no new clothes, no cigarettes – nothing, ever. It is a way to get by. The rich sometimes talk about de-growth as a desirable environmental outcome. The poor in the UK have been practising it recently. What all these numbers show is that a few have far too much and the many have not enough.
8. On being able to keep the house warm, this *had* risen by one percentage point, to 93 per cent of children's families. However, that was before fuel prices rose sharply. Before that rise, only 9 per cent of the parents of the poorest two out of seven children said they could *not* afford to keep their house warm in 2021–22, as compared to 13 per cent in 2019–20. That 9 per cent figure jumped to 23 per cent by 2022–23 when the very latest figures were released. This was almost certainly the fastest rise ever recorded in poorer children having to live through a winter in the UK without proper heating.[6]
9. Finally, on keeping up to date with bills – this had also hardly changed over these two years from just before the pandemic began to after we had experienced it for one year. The statistics actually became slightly better for the poorest parents, who were using more and more of what money they still had, and in some cases also relying on the temporary uplift in Universal Credit, to buy food and pay bills. They may well have done this instead of spending money on the other small things that add joy to life

[6] Table 4.8db_AHC cell C31 in the datafile 'Children-hbai-detailed-breakdown-2022-23-tables', which can be found within the UK government's incredibly complex website that almost no one can navigate to find any of these numbers. Note that you have to download the 4.1MB zip file from here: https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023

> – a second-hand bike at Christmas, going to swimming classes, or having one short, inexpensive holiday a year. You begin to learn to live without.

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We now know so much, but care so little.

A century ago, when inequality last peaked, we were only just beginning to have significant information about the lives of people in Britain. Social surveys revealed rural poverty, poverty among mothers, how many people were living on a pound a week, and what that meant. There were poor law commissions and increasingly frequent and heated debates in Parliament. There was a new generation of researchers and politicians who in many cases had both studied under and worked for the Victorian anti-poverty pioneers. When we look back, we often see that their reports are full of tables and numbers. This was not just because that was the style of the age, but because to them, the numbers were more real. They saw the people begging and wasting away on the streets, and smelt the sewage, but numbers were a more compelling and authoritative way to capture what they saw. We are smelling the sewage and seeing the wasting away again, but we are still ignoring the numbers – and thus there were almost no news reports about what the March 2023 statistics revealed.

By spring 2022 (as reported in spring 2023), some 4.2 million children lived in households with incomes below 60 per cent of the UK median after housing costs. That is not an easy sentence to understand, or an easy statistic to absorb. In short it means that a huge number of families with children were living below what had become the accepted poverty line. They were scraping a living, and these households were the homes of exactly that many millions of children. However, the story of just one child growing up in poverty, being hungry and cold and having their health and learning harmed as a response, is a tragedy. Turn that number into millions and you can no longer easily imagine this multitude. A million is one thousand children, sitting in a line, with another thousand lined up parallel to each one. You can try to imagine a field as far as you can see of these children. Give each a square metre to sit in and your field is a kilometre square