

Improving living standards to support better health

Tackling poverty - A call to action conference, 17 May 2024

Hannah Slaughter, Senior Economist, Resolution Foundation

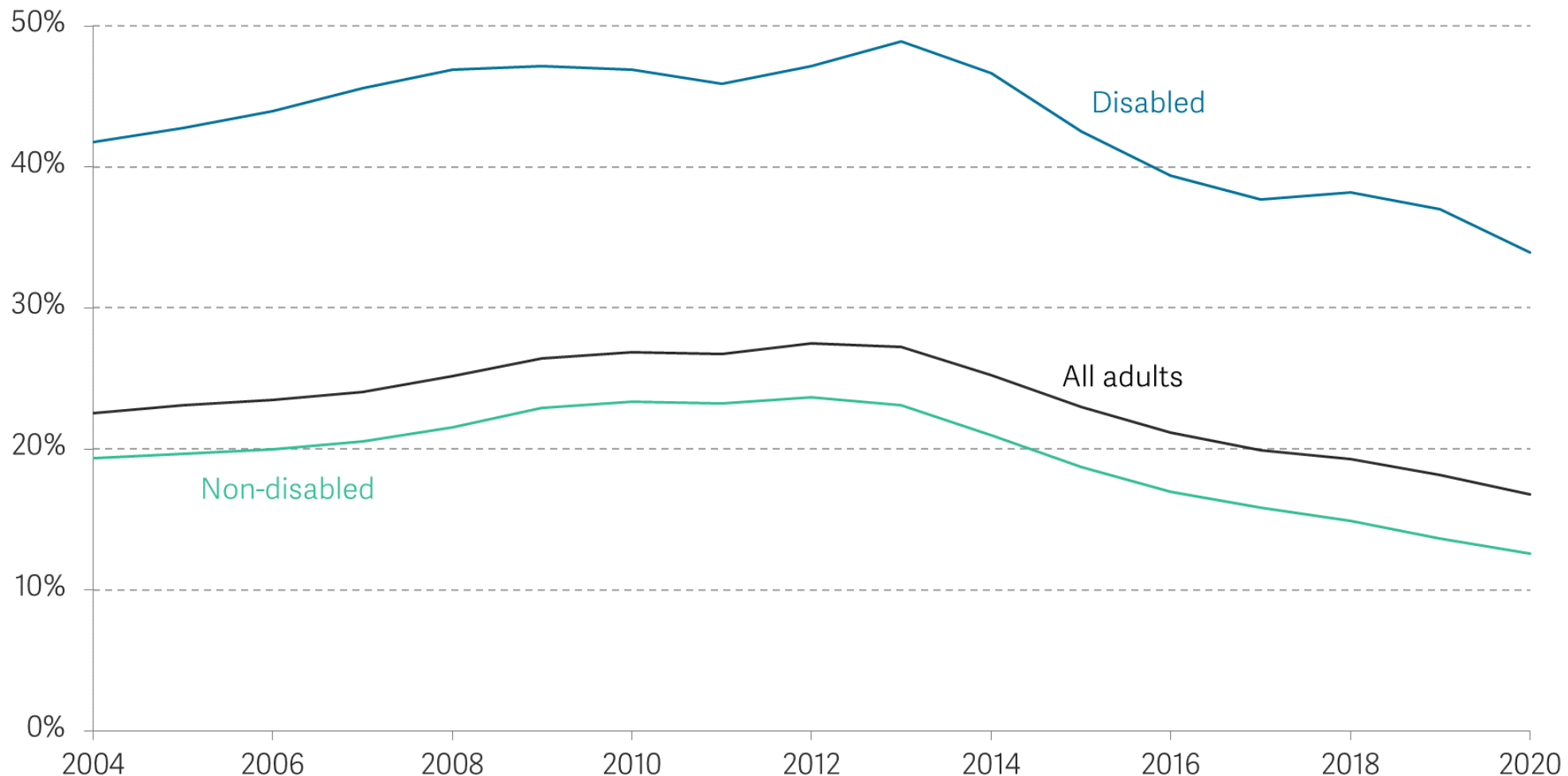
Statement of interest slide

No interests to disclose

The problem

There has long been a link between health and living standards

Proportion of disabled, non-disabled and all working-age populations who are in a materially deprived household: UK



Source: O El Dessouky & C McCurdy, Costly differences: Living standards for working-age people with disabilities, Resolution Foundation, January 2023.

Ill health is having an acute impact on living standards

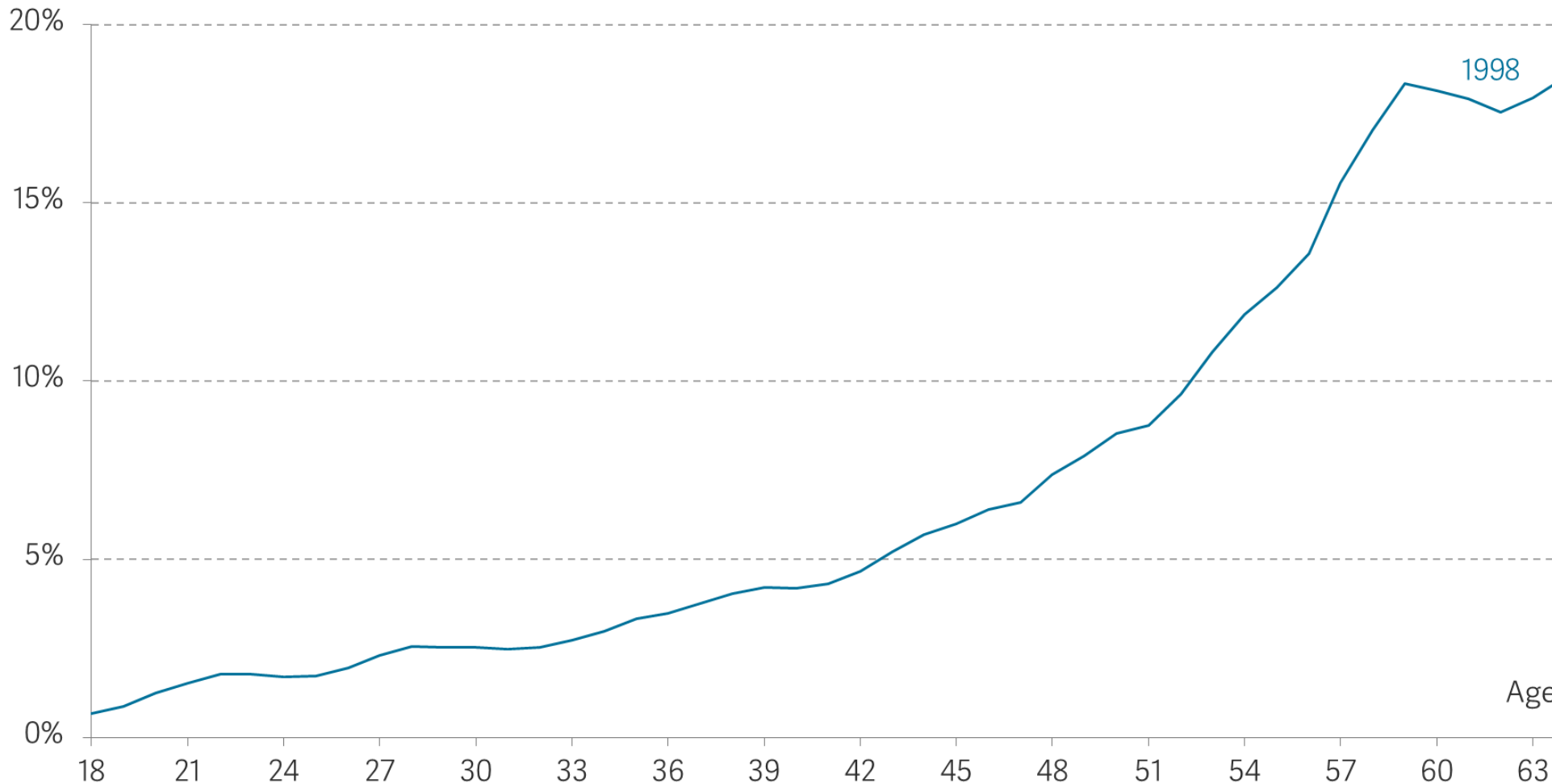
Number of adults aged 16-64 who are economically inactive due to long-term sickness: UK



Source: L Murphy, A U-shaped legacy: Taking stock of trends in economic inactivity in 2024, Resolution Foundation, March 2024.

Worklessness due to ill health has tended to increase with age...

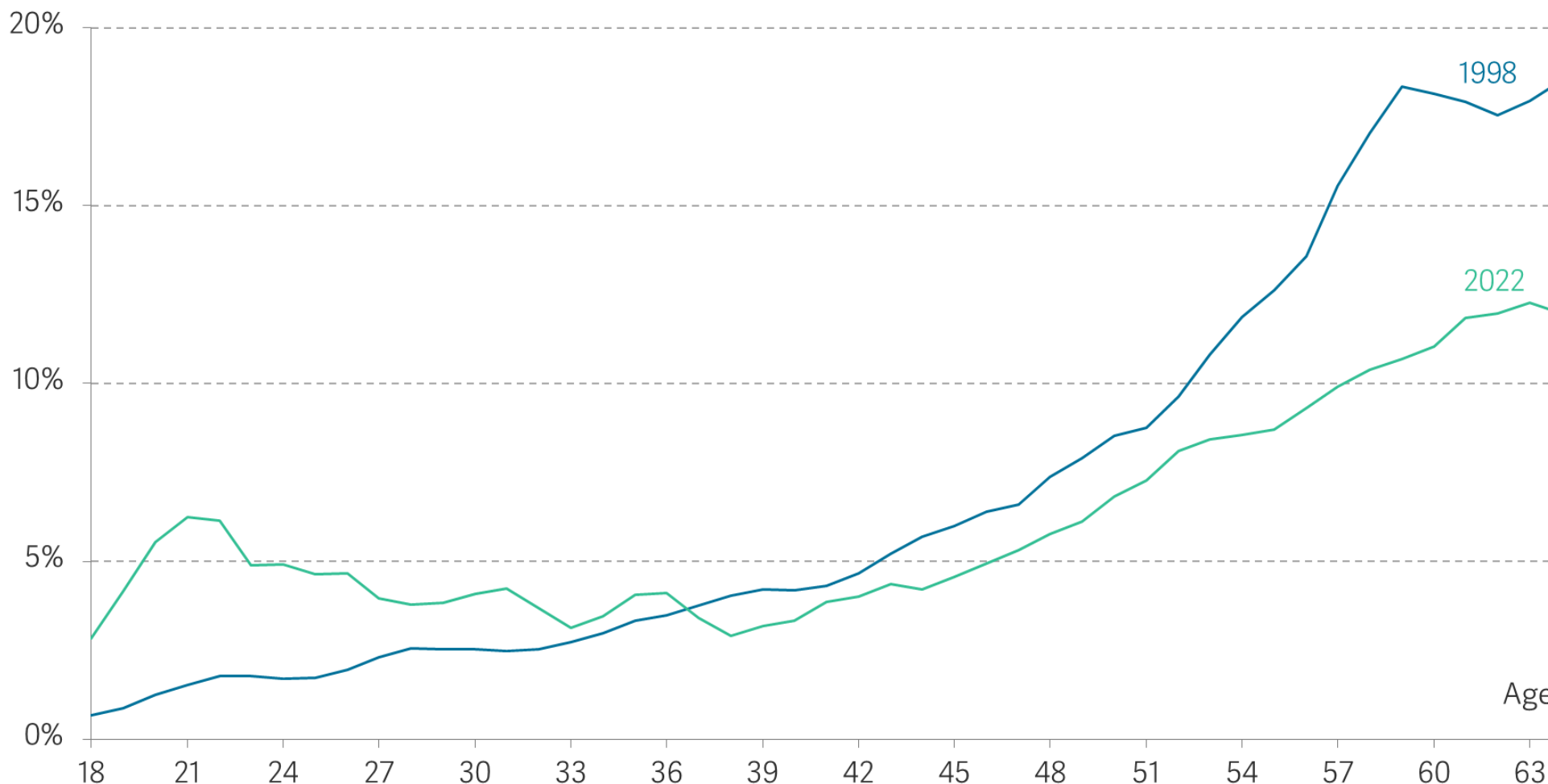
Proportion of working-age adults who are economically inactive due to ill health, by single year of age: UK



Source: C McCurdy & L Murphy, We've only just begun: Action to improve young people's mental health, education and employment, Resolution Foundation, February 2024.

...but recently this pattern has begun to reverse

Proportion of working-age adults who are economically inactive due to ill health, by single year of age: UK



Source: C McCurdy & L Murphy, We've only just begun: Action to improve young people's mental health, education and employment, Resolution Foundation, February 2024.

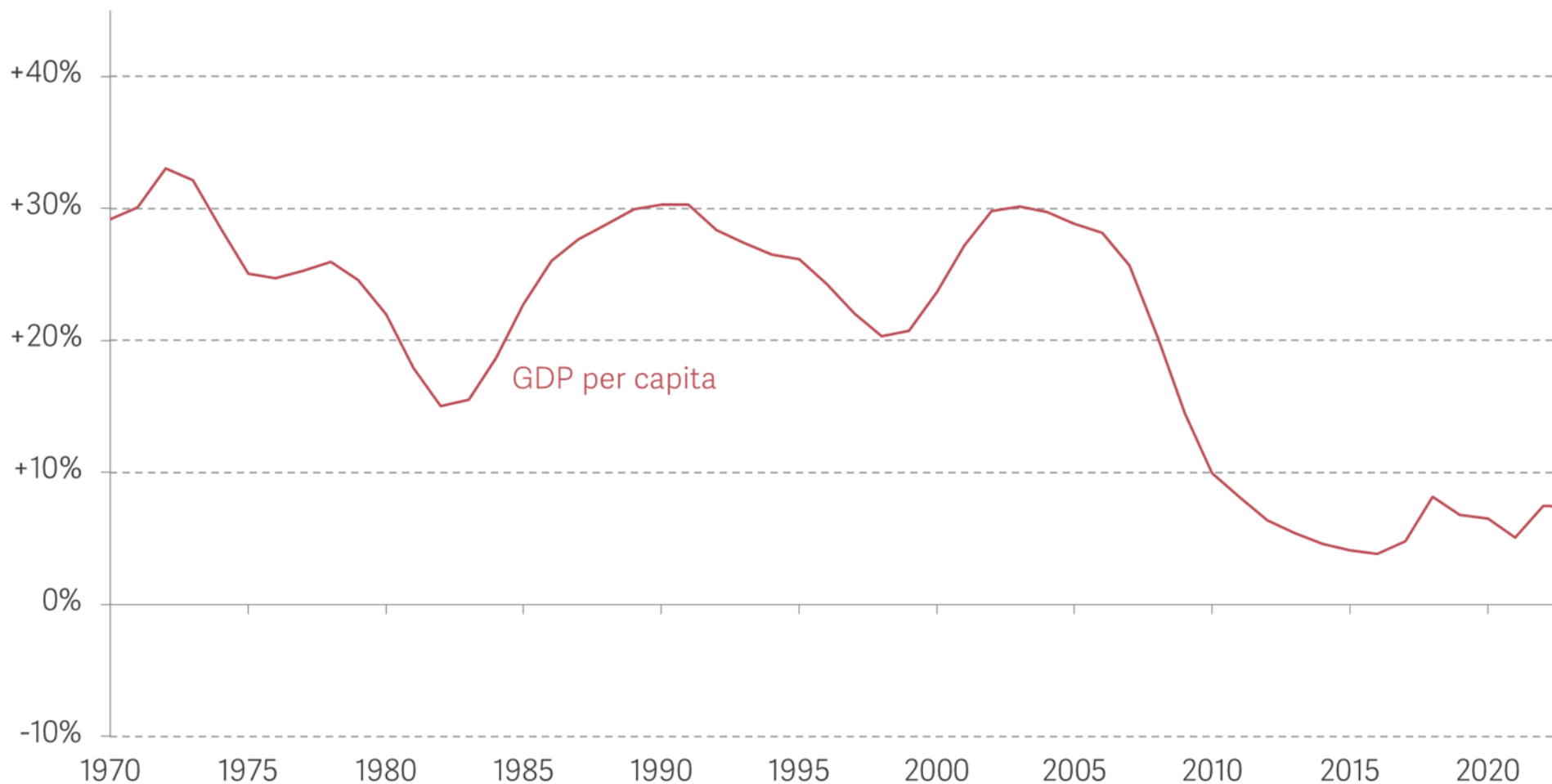
Economic circumstances can also influence health

“The stress with money has put me into hospital.”

- Single parent with health condition, Sunderland

Our economic position is weak: 15 years of stagnation...

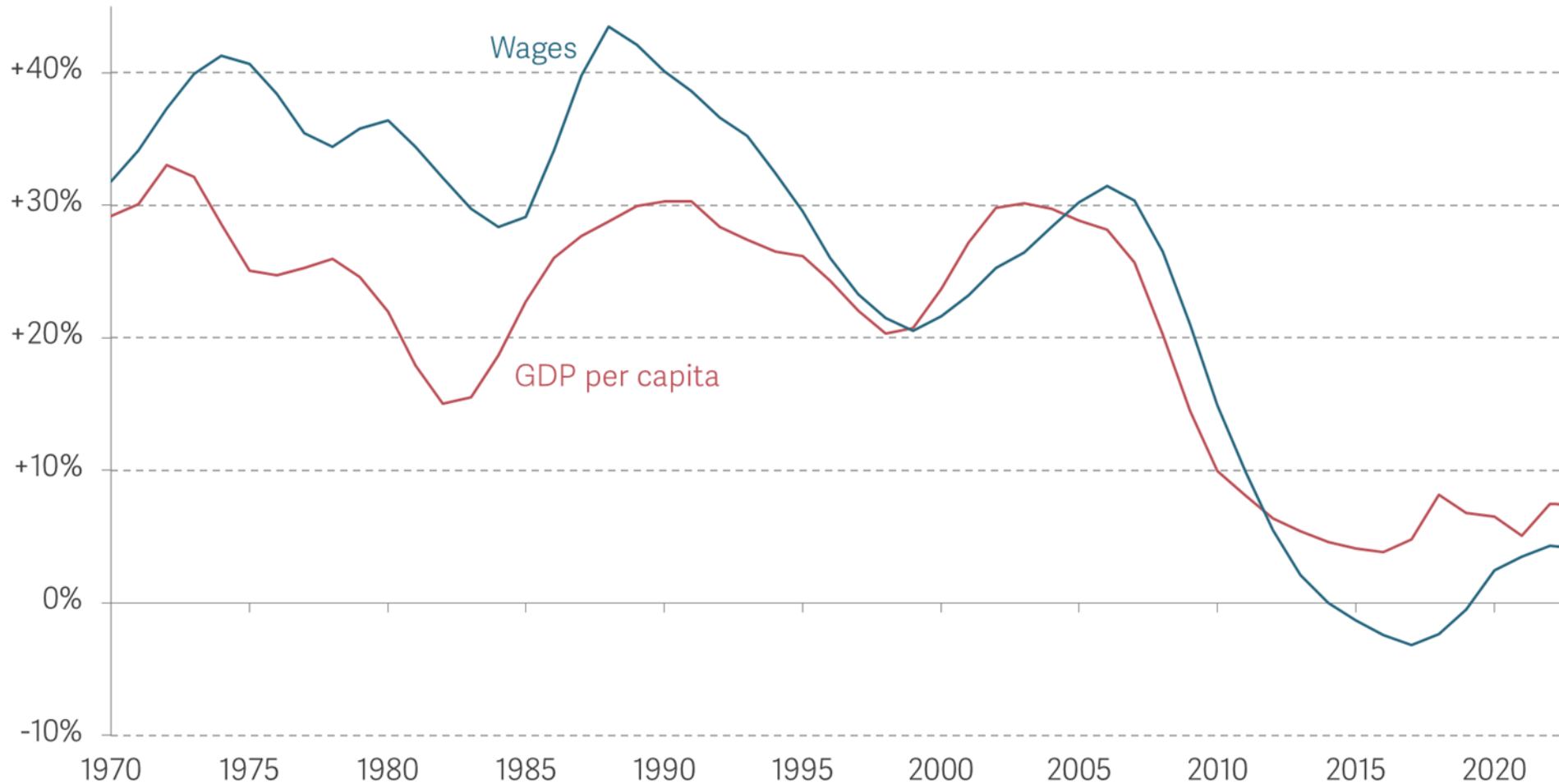
Rolling decadal growth rate of real GDP per capita: GB/UK



Source: Resolution Foundation & Centre for Economic Performance, LSE, Ending Stagnation: A New Economic Strategy for Britain, Resolution Foundation, December 2023.

...and stagnating wages...

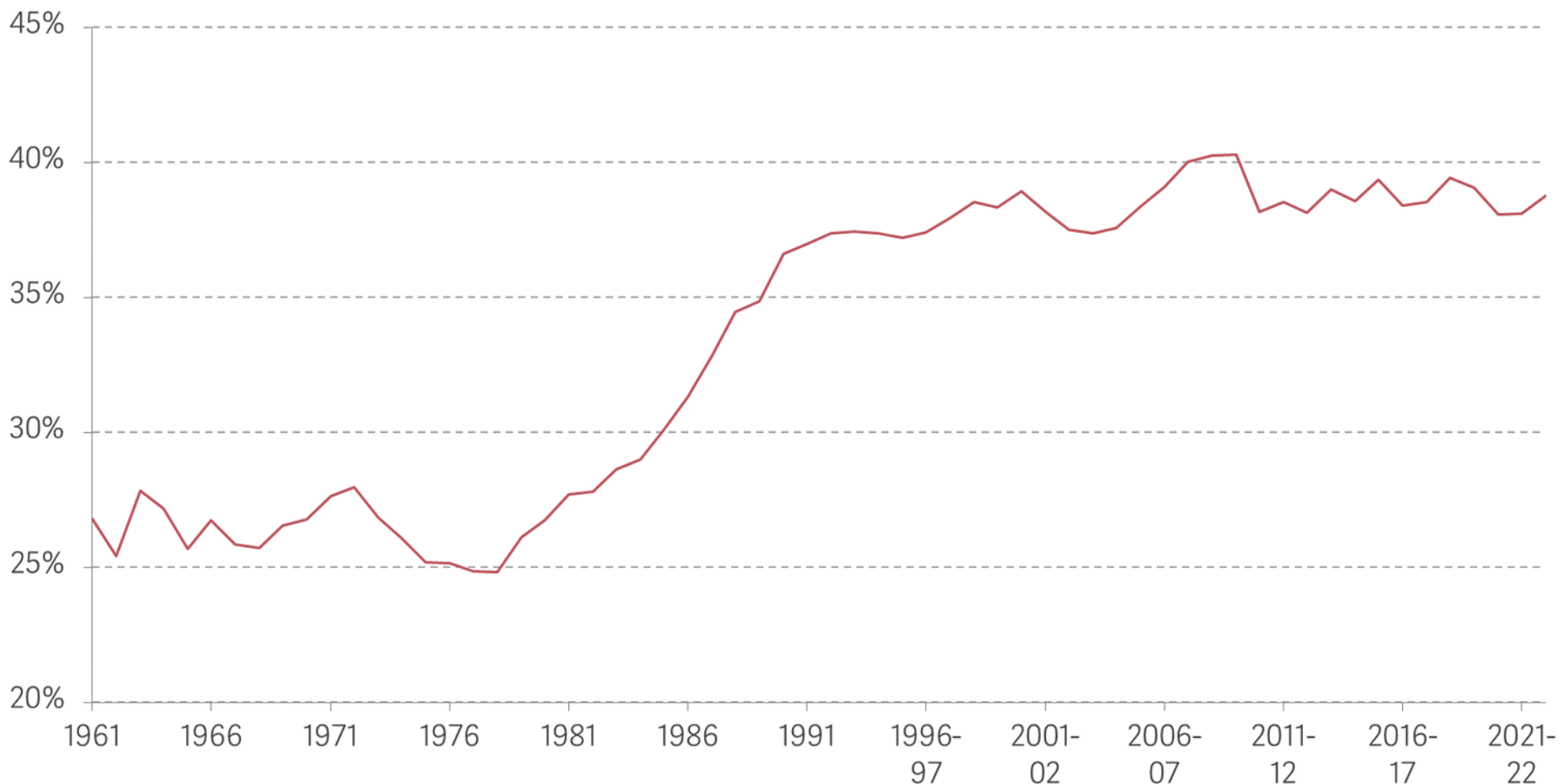
Rolling decadal growth rates of real GDP per capita and real wages: GB/UK



Source: Resolution Foundation & Centre for Economic Performance, LSE, Ending Stagnation: A New Economic Strategy for Britain, Resolution Foundation, December 2023.

...coupled with long-standing high inequality

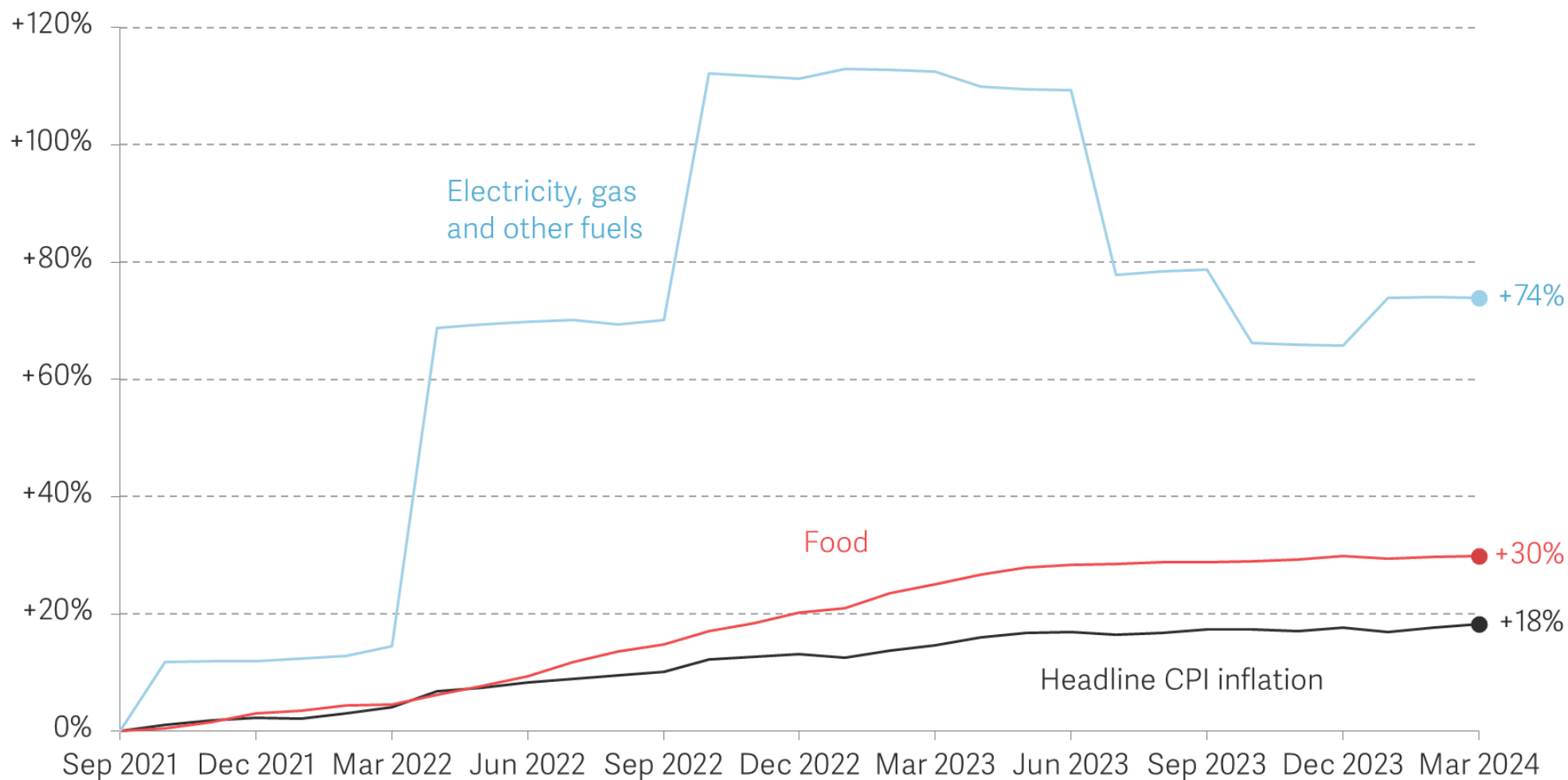
Gini coefficient for equivalised disposable household income (after housing costs): UK



Source: Resolution Foundation & Centre for Economic Performance, LSE, Ending Stagnation: A New Economic Strategy for Britain, Resolution Foundation, December 2023.

This has been exacerbated by the cost of living crisis...

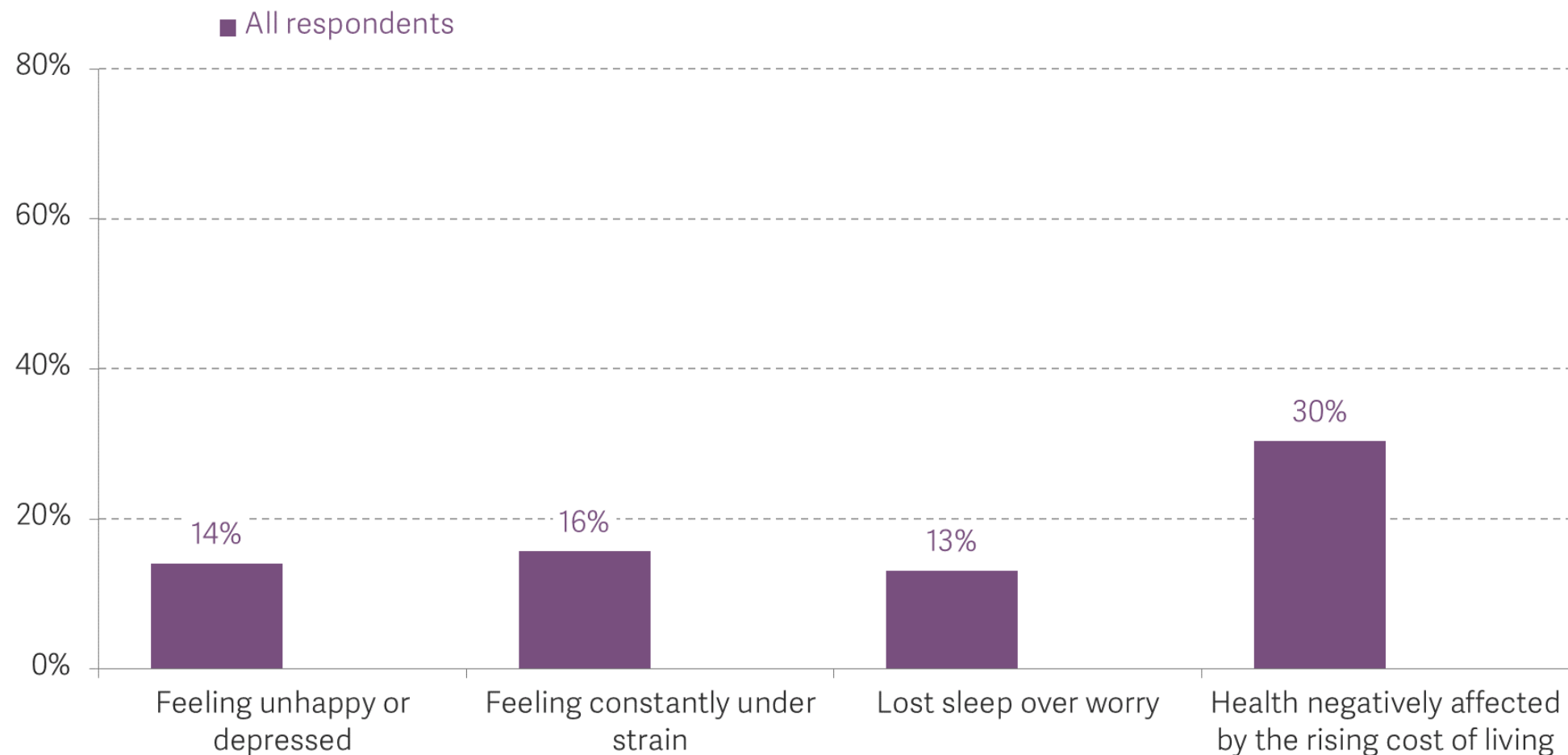
Cumulative change in CPI price level since September 2021, by spending category: UK



Source: ONS, Consumer price inflation.

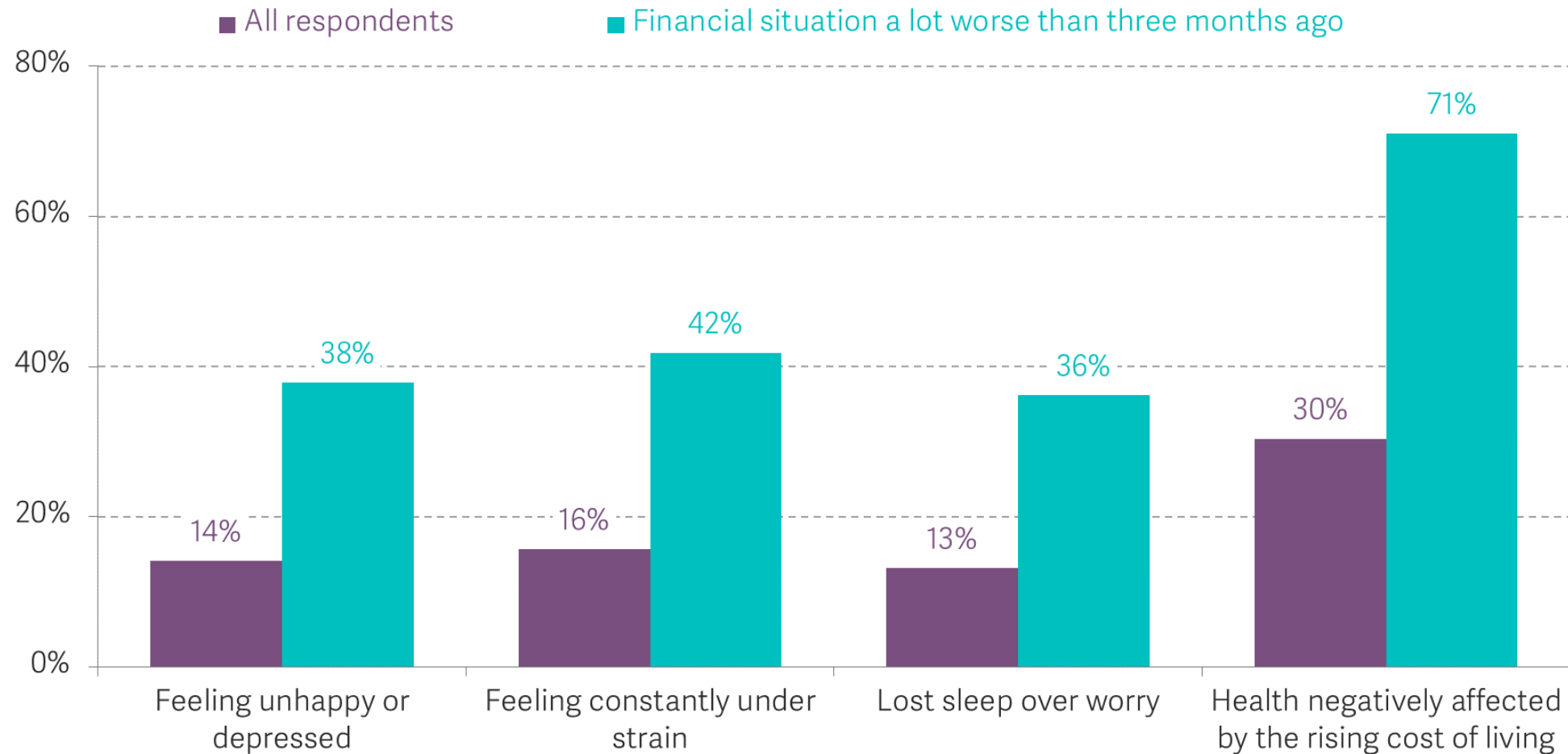
...which has had particular impacts on health

Proportion of respondents reporting various health consequences, by financial situation: UK, 6-13 March 2023



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Proportion of respondents reporting various health consequences, by financial situation: UK, 6-13 March 2023



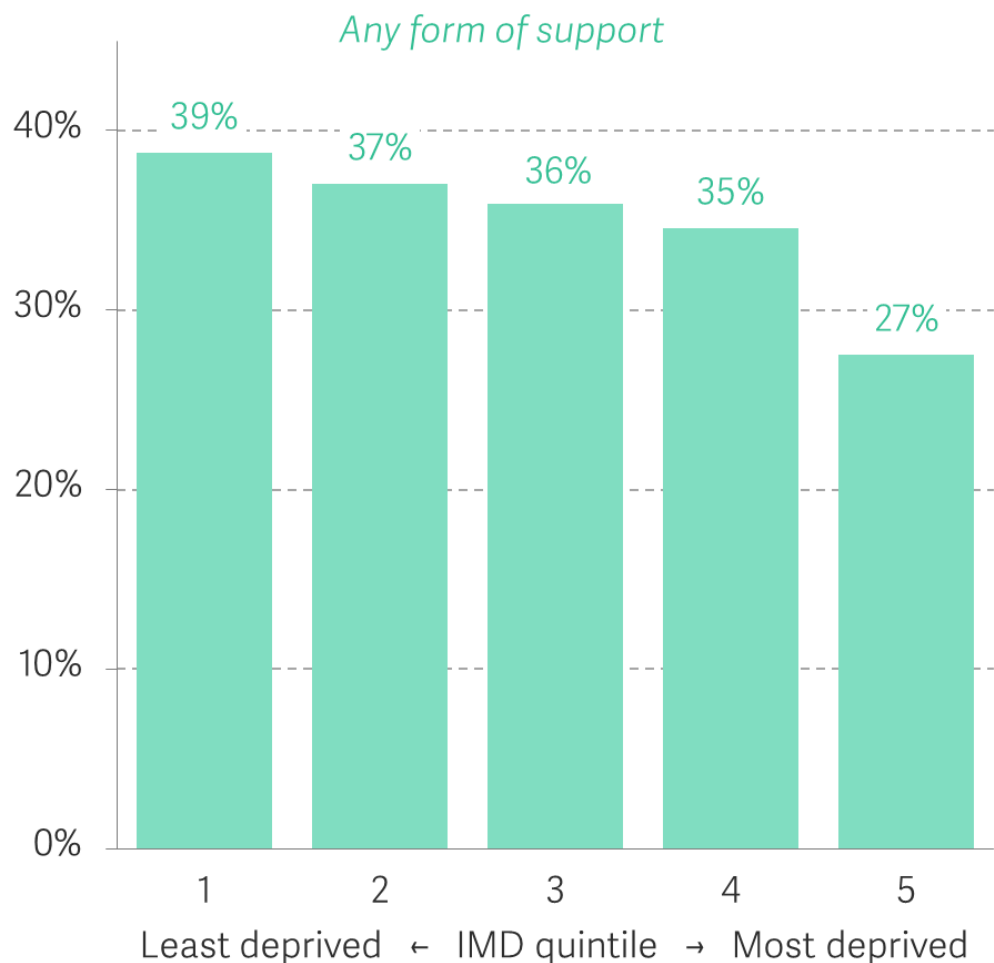
The solution is multi-faceted

Areas for policy to focus

1. Improving access to healthcare
2. Education
3. Employment – and good jobs
4. Economic growth
5. Sharing the benefits

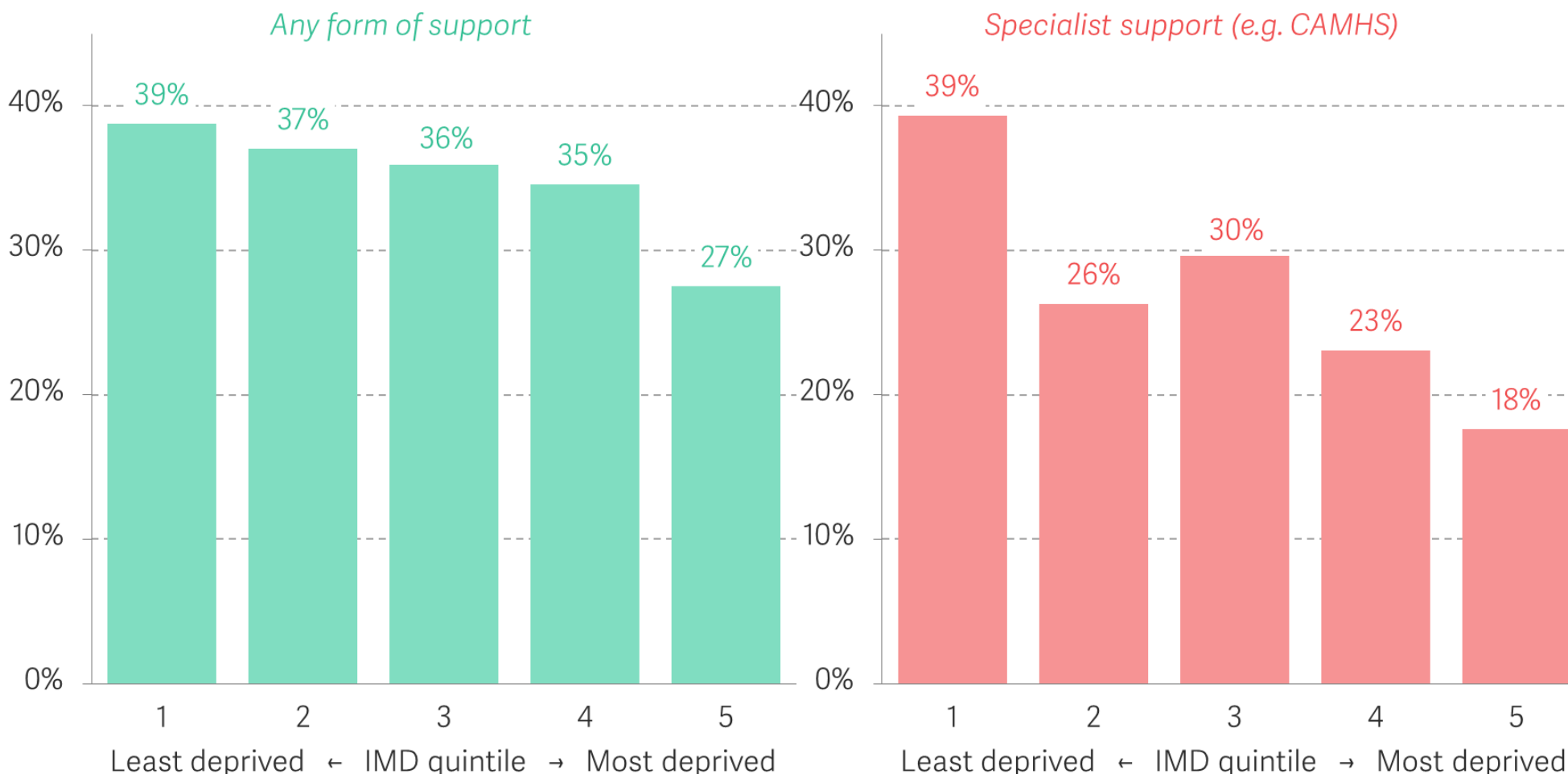
Mental health support is weakest in the most deprived areas

Proportion of young people in Year 13 (aged 17-18) who sought mental health support and were still waiting/never got support, by IMD income quintile and form of support: England, 2022



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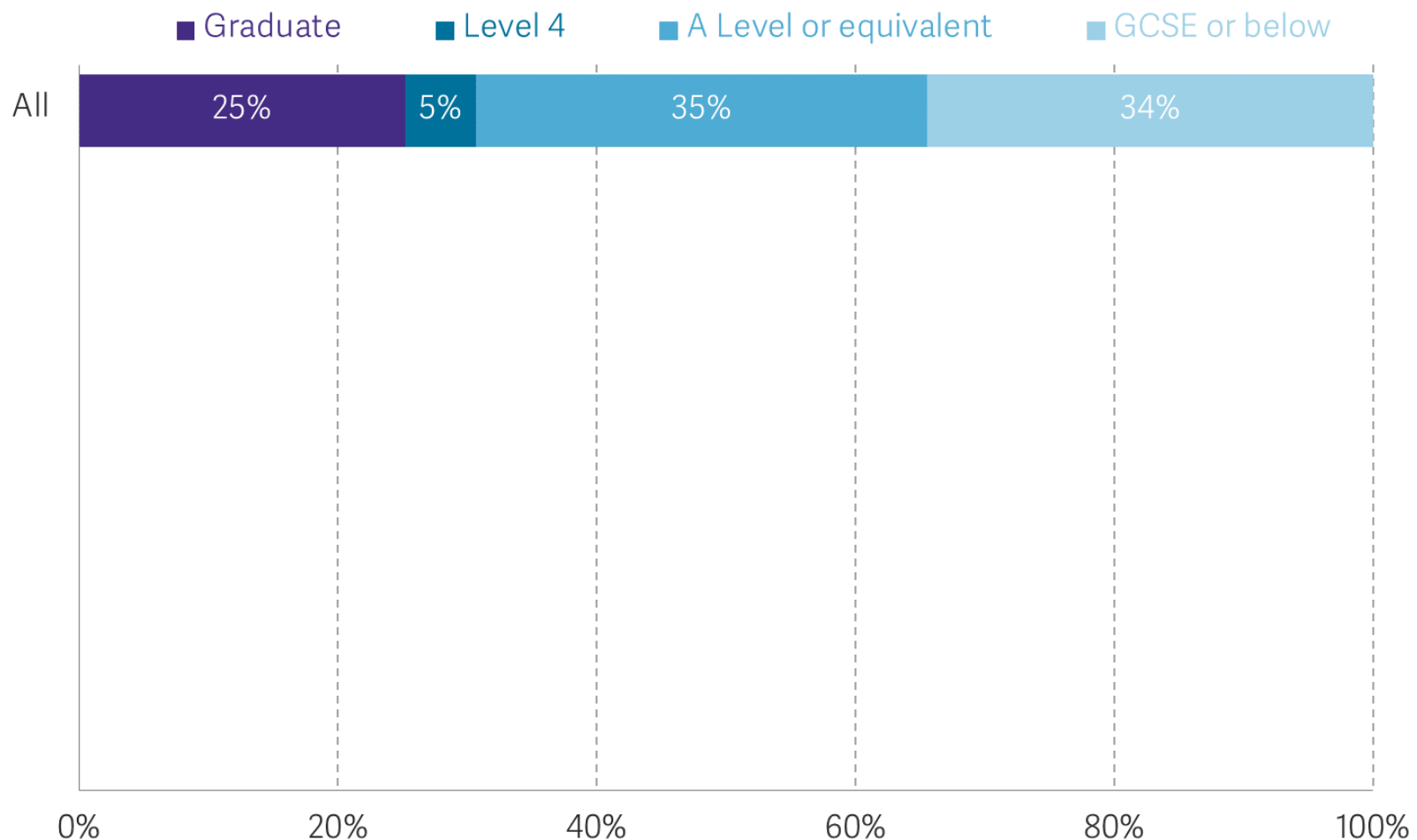
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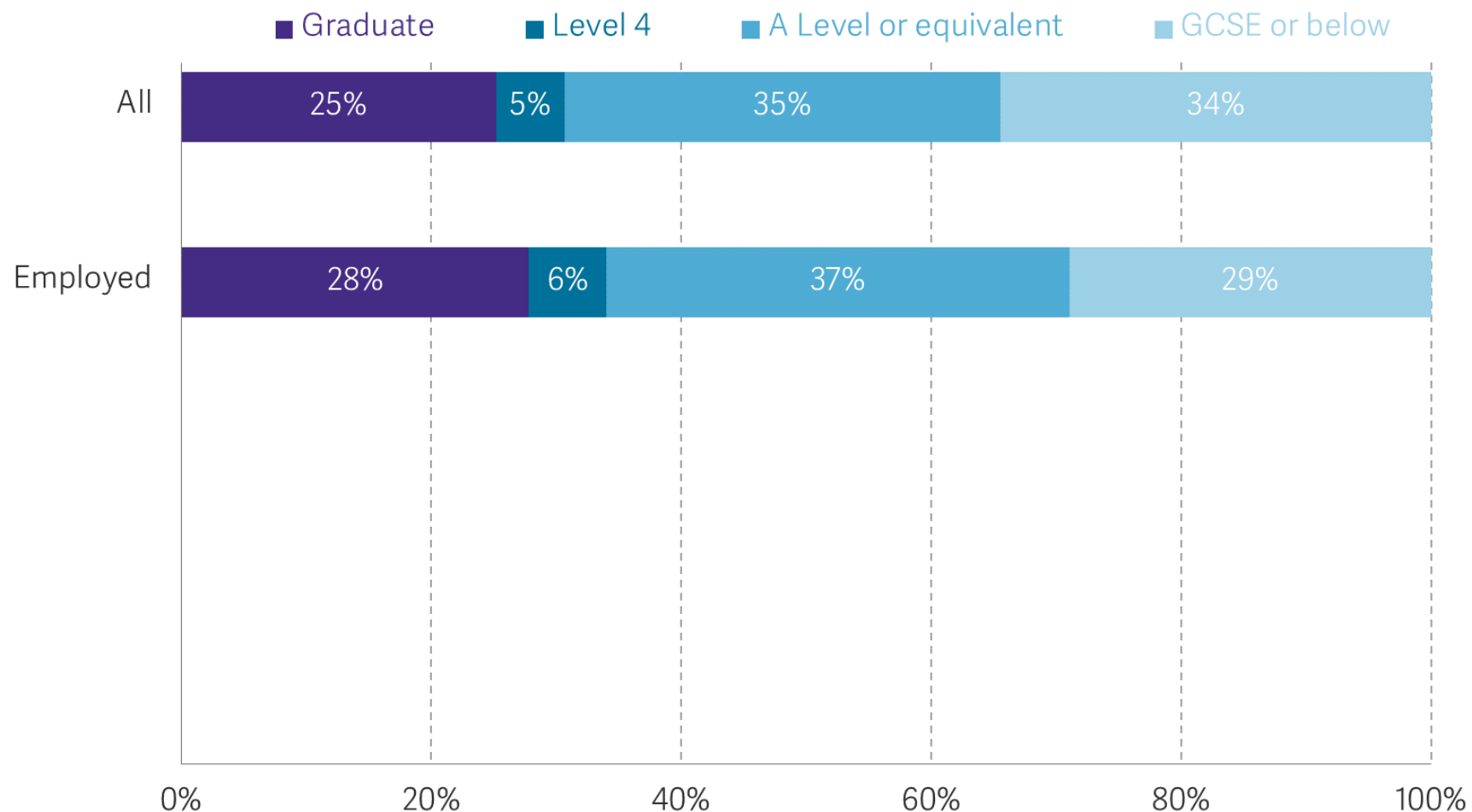
Education can have a 'protective power'

Highest qualification level of 18-24-year-olds, by current economic status (excluding full-time students):
UK, 2020-2022



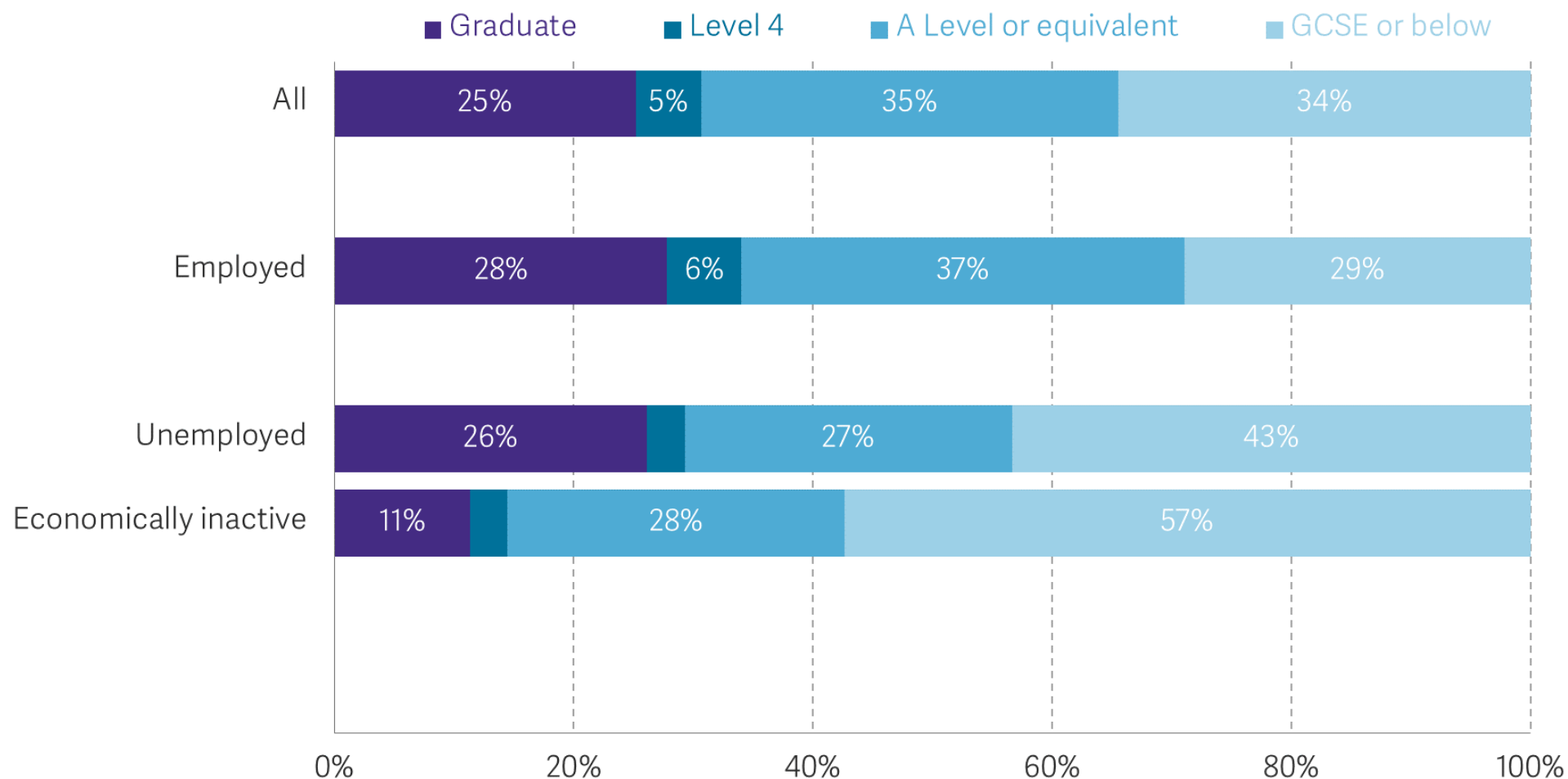
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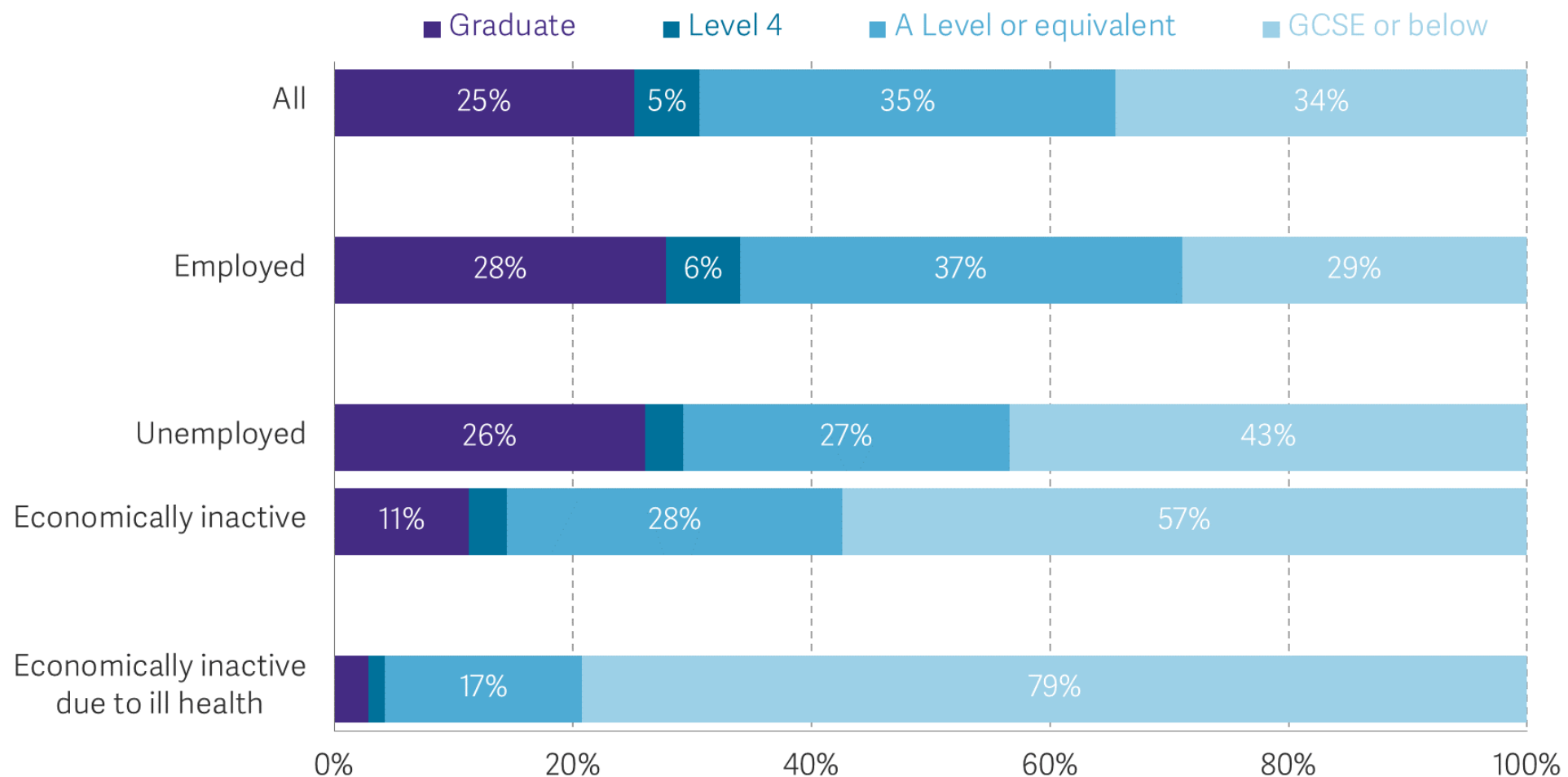
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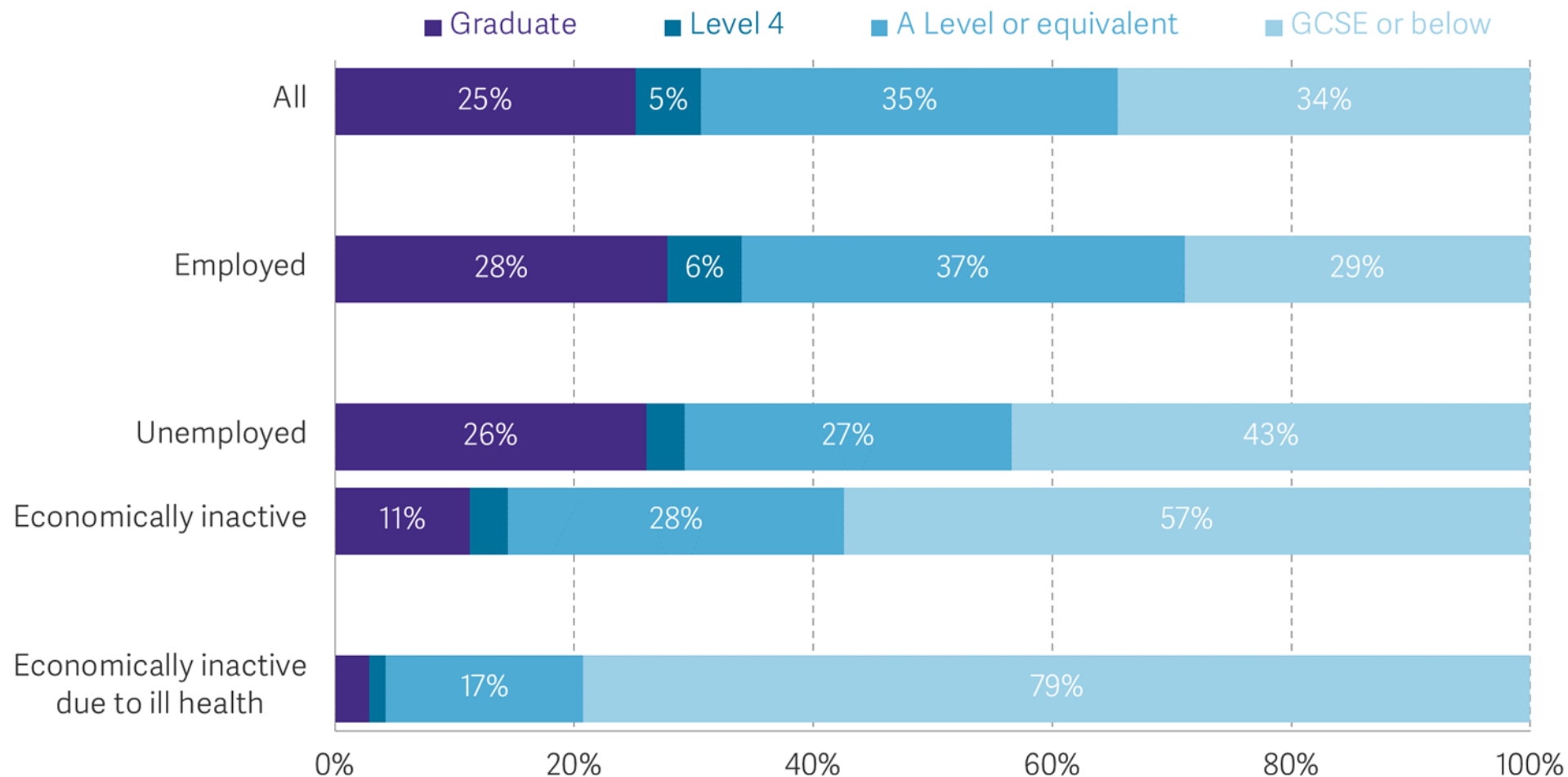
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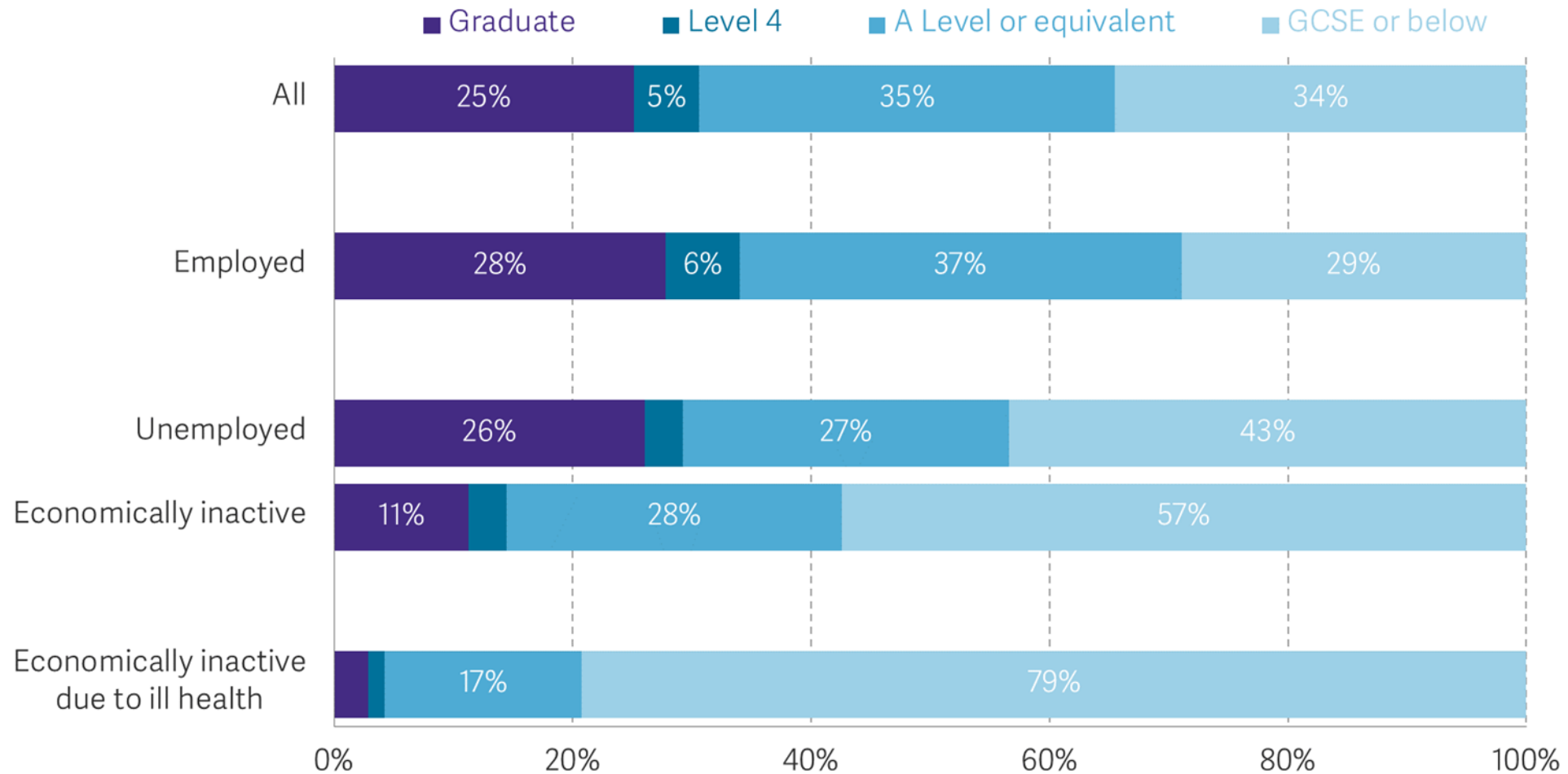
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Policy must ensure meaningful second chances...

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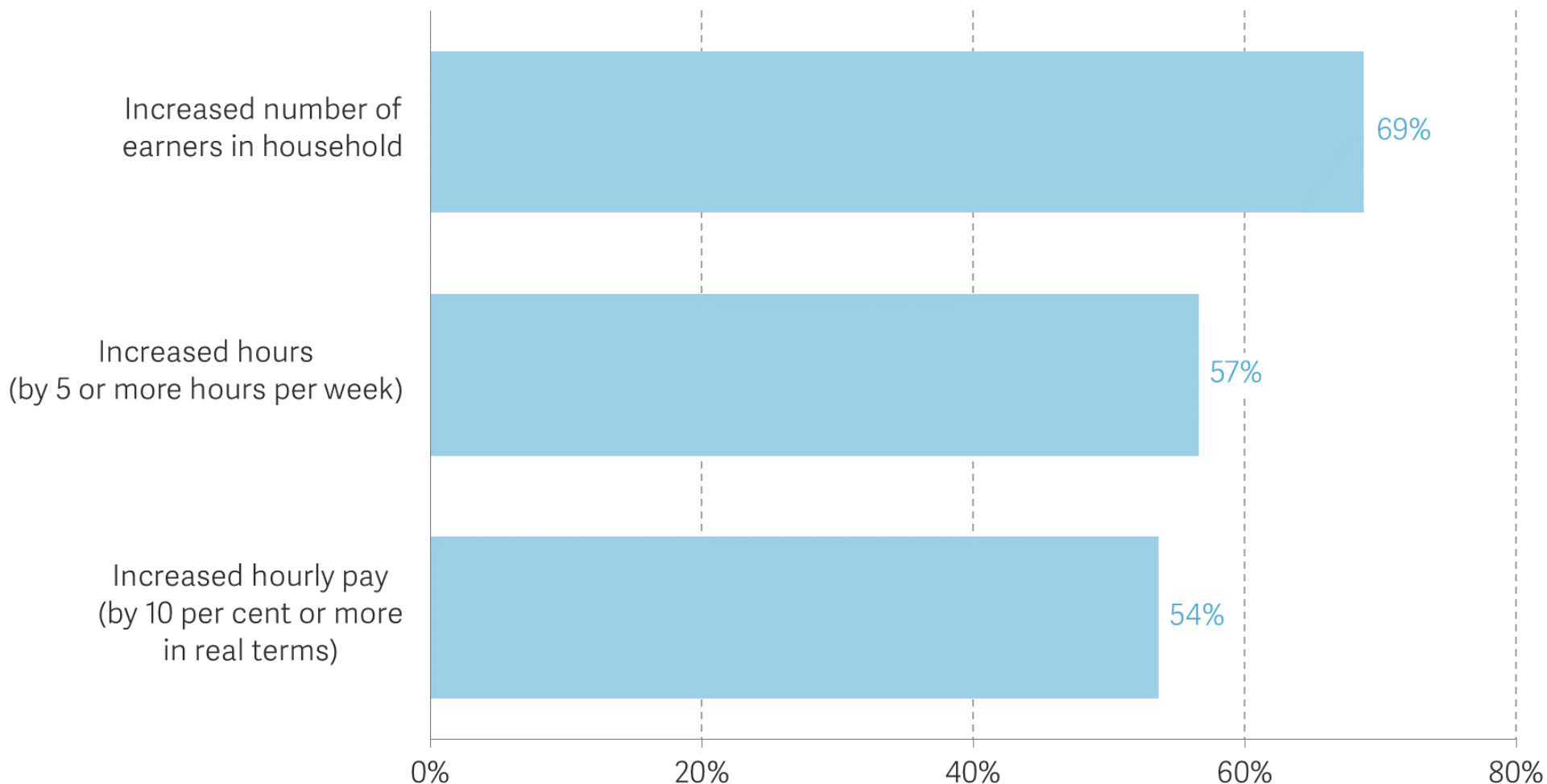


Policy must ensure meaningful second chances...

...as well as improved advice and opportunities for those not on the university pathway

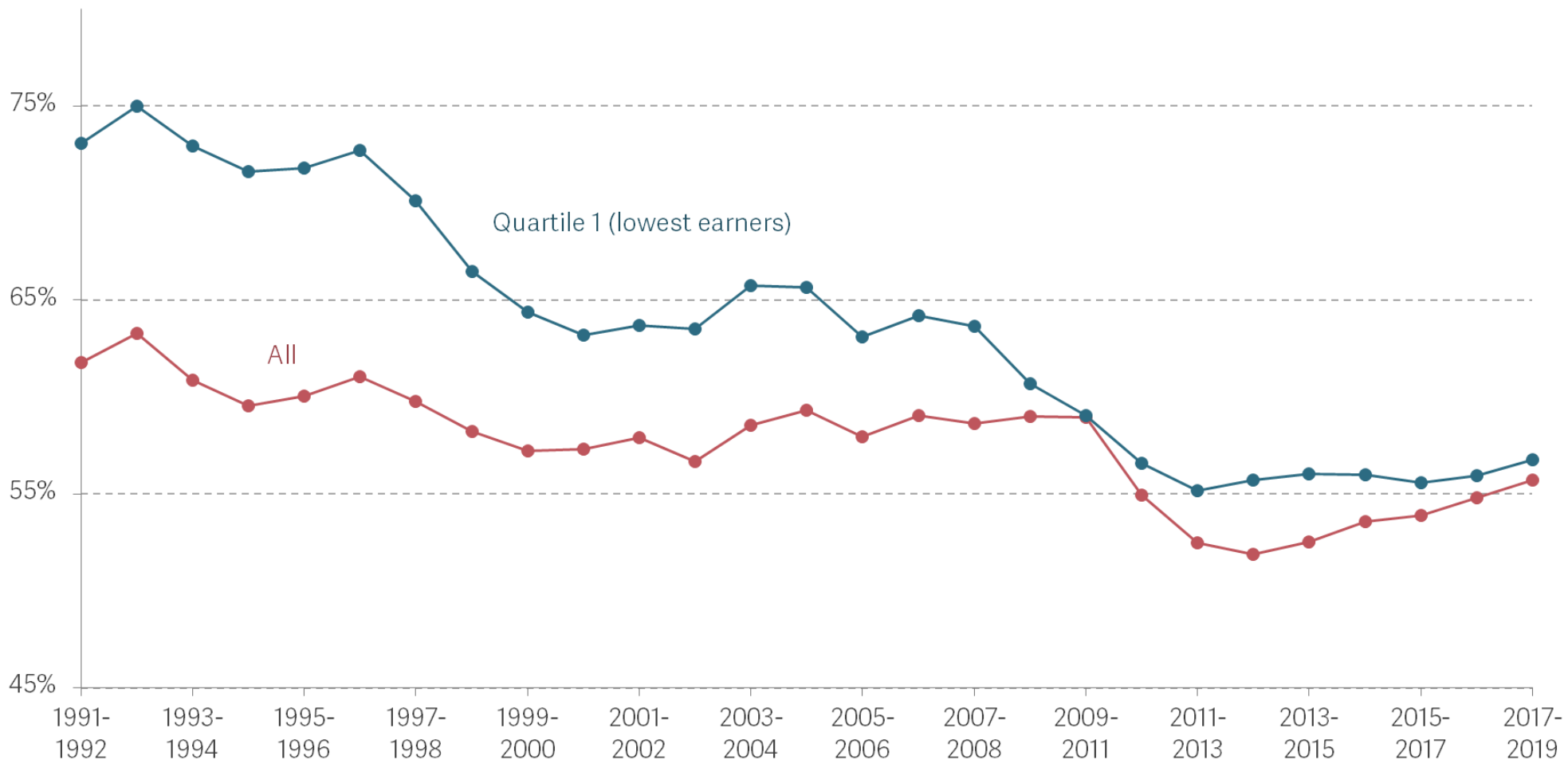
Entering work is the best way of lifting people out of poverty...

Proportion of people in in-work poverty households in 2014-15 who escaped poverty in 2017-18, by change in circumstances: UK



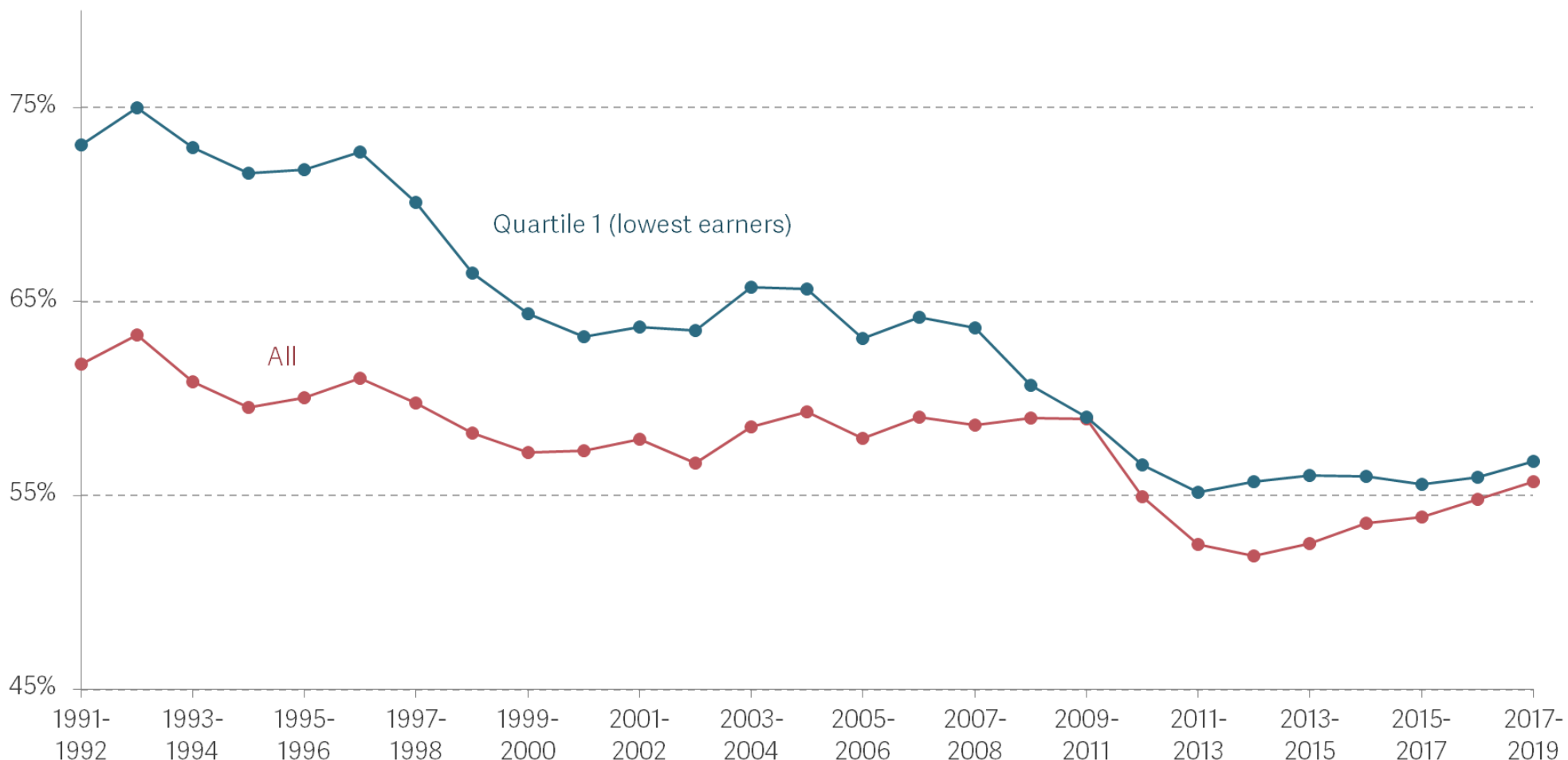
...but jobs need to be good ones...

Proportion of employees who are “mostly” or “completely” satisfied with their present job overall, by monthly earnings quartile: GB/UK, 1991-1992 to 2017-2019



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Some aspects of 'good' jobs:

- Decent pay
- Security (e.g. over hours)
- Flexibility
- Prospects for progression
- Dignity and respect

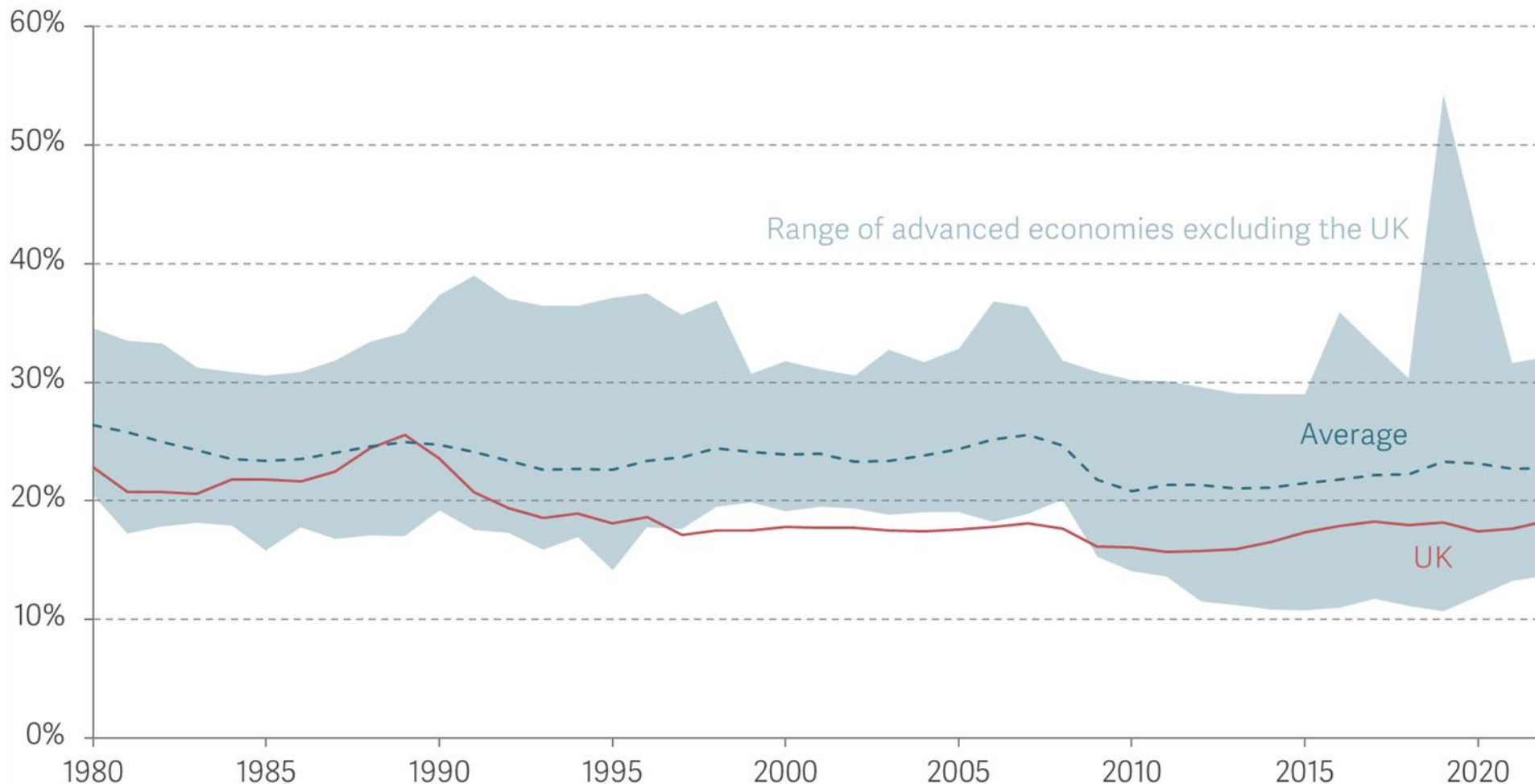
...and managers should be mental health-aware

“I’ve been struggling with my mental health ... I think it’s really important that you have good management. I think a good manager goes a long way.”

- Young person, not university-educated

Economic growth provides the foundations for prosperity

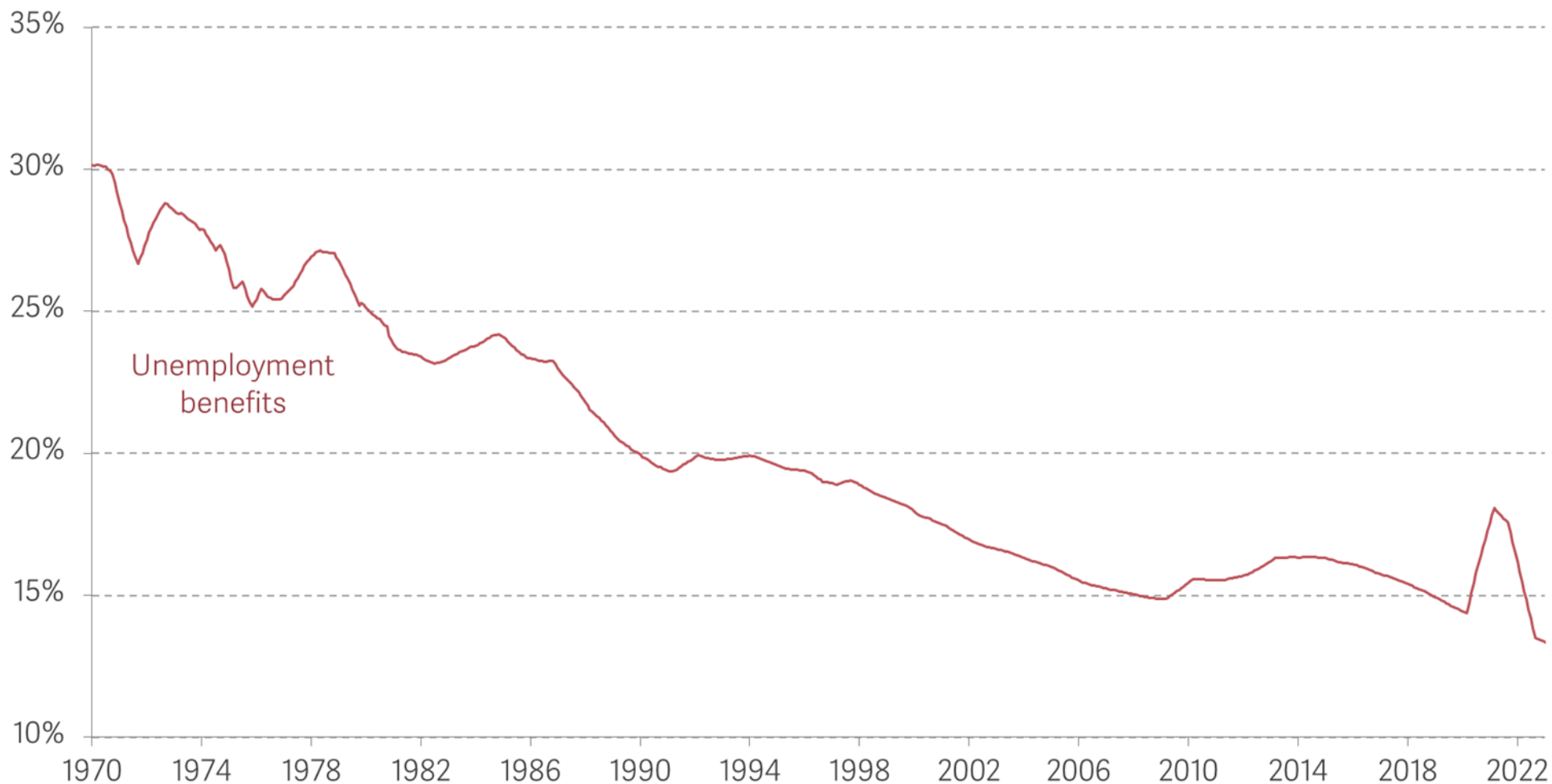
Gross fixed capital formation as a proportion of GDP: selected advanced economies



To boost productivity, we need to be an investment nation – across both private and public sector

But policy makers must ensure the benefits are shared

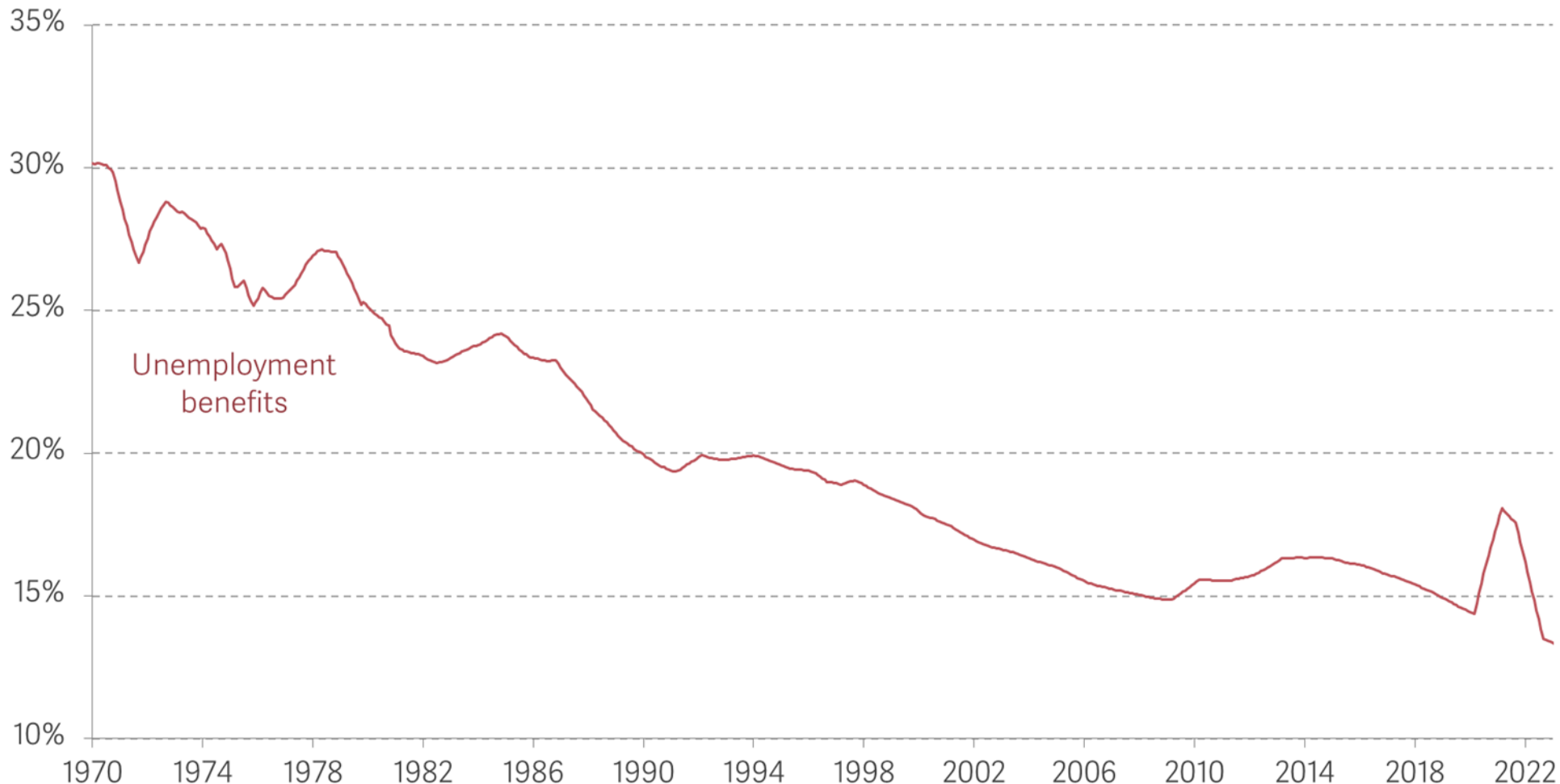
Real value of unemployment benefits as a proportion of average weekly earnings: UK



Source: M Brewer et al., Sharing the benefits: Can Britain secure broadly shared prosperity?, Resolution Foundation, July 2023.

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Real value of unemployment benefits as a proportion of average weekly earnings: UK



Benefits should be updated in line with earnings, rather than prices, to share the gains from growth

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