

The Cost of Hungerand Hardship: Headline findings



1. Introduction

A robust, mixed methods research project

1.

Economic analysis to understand the costs of facing hunger and hardship, a measure of severe hardship

2.

Qualitative and participatory research with people facing hunger and hardship to understand the causal links between lived experience and costs

3.

Modelling both the impact of policies on the scale of hunger and hardship and the wider cost benefit of implementation



The different types of costs covered

Economy costs

The impact of hunger and hardship on employment and productivity

Fiscal costs

The impact of hunger and hardship on social security spending and tax revenue

Public service costs

The impact of hunger and hardship on likelihood to use public services in areas such as health, housing and education

The measure

People face hunger and hardship if they are more than 25% below the Social Metrics Commission's poverty line.

This captures both people who are likely to need to turn to a food bank now, and people who are at high risk of needing food bank support in the future.

2. Headline findings

£75.6

billion

The amount public finances and the UK economy could benefit each year if people were protected from hunger and hardship 9.3

million

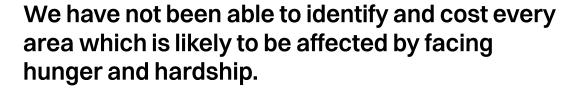
The amount of people facing hunger and hardship

This includes 6.3 million adults and 3 million children



These costs are likely to be an underestimate





With finite capacity, we prioritised impact analysis with the strongest evidentiary base, data availability, and the areas assumed to have the largest impacts.

As a result, the figures are likely an underestimate of the true cost of hunger and hardship.



We have taken a cautious approach to modelling.

The impacts of facing hunger and hardship often interact and reinforce each other.

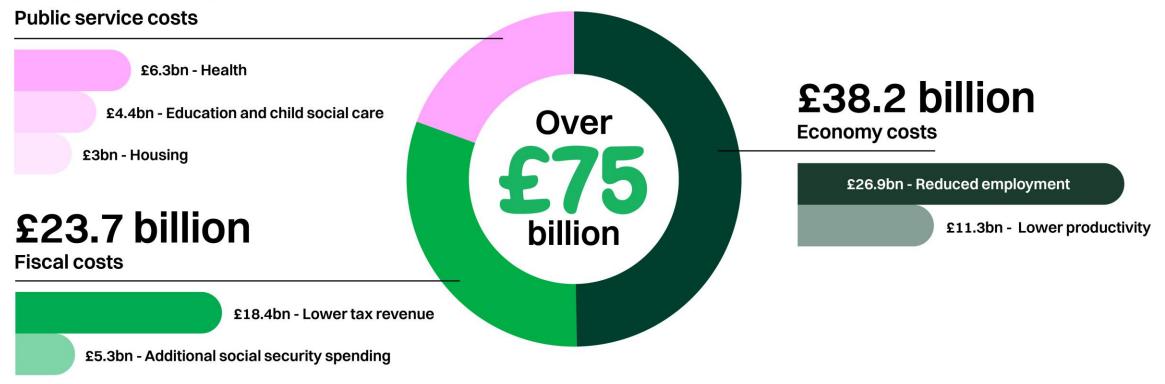
We have been careful to identify and account for these areas of potential double counting.

For example, we assume that additional health impacts of poor quality housing are contained within our overall costing of health impacts.



Cost of hunger and hardship - 2022/23

£13.7 billion



It's about having a future that is worth aiming for, which gives people hope and makes them happier.

It's about having no future other than poverty and bad health.

It's about how the pain and drudgery of poverty grinds you down...



Female, 50s, Scotland



Adults' wellbeing cost

£73.3 billion

This figure is not included in the headline costs, to focus on the most immediate and direct impact of hunger and hardship. However, it is an important part of the picture. In fact, our current Prime Minister has previously stated it was key to "treat wellbeing equally to growth".

People who fall into hunger and hardship report lower levels of wellbeing than people who do not hunger and hardship. Our analysis shows their wellbeing is also damaged for the future.

On average, people who fall into hunger and hardship have a 4% lower life satisfaction score over a 10-year period, compared to people who do not.

We use the approach recommended by HM Treasury's Green Book, to translate this subjective wellbeing impact to an equivalent financial cost.



3. How hunger and hardship affect mental and physical health

Stress of struggling financially

Limited ability to live an enjoyable life

Stigma of hunger and hardship

Poor mental health

Struggling to afford adequate food and exercise

Poor living conditions

Long working hours

Poor physical health

Unable to afford time off work or transport for healthcare

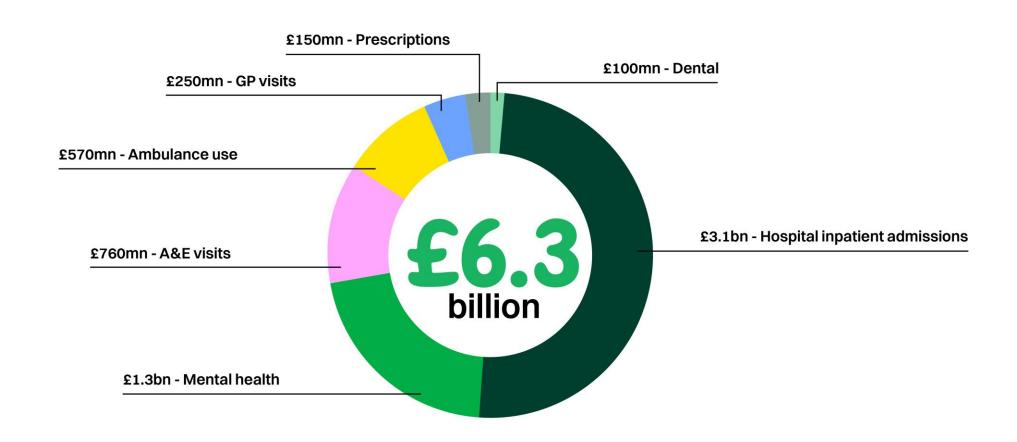
Unable to meet costs of prescriptions

Long waiting lists

=

Untreated/ worsening health issues

Costs relating to health services



I think the impact it has on your physical and mental health. Some days you literally cannot afford to eat and will have 'sleep for dinner'.

Sometimes you're so hungry you can't stand up straight.





Female, 30s, England

4. How hunger and hardship affect education, care and skills

Struggling to afford school related costs

Home environment not conducive to learning

Feeling different to and isolated from peers

=

More challenging for children to get the most from school

Supporting children who are emotionally distressed

Children turning up at school hungry

Helping families find advice and support

=

Extra pressure on schools

Unable to meet costs of additional qualifications

Juggling long working hours and childcare

Limited confidence new skills will 'pay off'

Difficult to develop new skills past childhood

Costs relating to education, care and skills

£1.5 billion

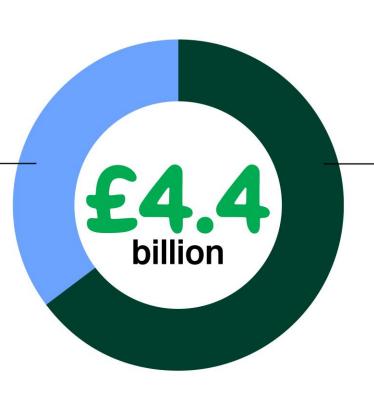
Education

£490mn - Free school meals

£400mn - Pupil premium

£400mn - Special Educational Needs and Disabilities

£170mn - Lower school attendance



£2.89 billion

Children's social care cost

£2.37bn - Residential care

£310mn - Foster care

£210mn - Children in need of support from social services

When he goes to a dinner queue and they go, 'you can't have any food, you've got no money'. And apparently, they're not very quiet about it...so that doesn't help their mental health and it doesn't help them in school because they're gonna need food. Food is fuel.



Female, 50s, Wales, has children



5. How hunger and hardship affect employment, productivity, and finances

Financial barriers to finding work (transport, clothes, childcare)

Health problems often exacerbated by financial situation Stress and headspace - living in survival mode

More difficult to find and sustain work

Childhood experience of hardship - lower educational attainment

Lack of resources makes it difficult to invest in skills

Confidence and financial position lower bargaining power

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More likely to be in poor quality or insecure work

Lack of resources means cutting back on essentials With no savings planning feels impossible

More likely to use high risk credit leaving in cycle of debt

Driven into extreme budgeting and debt

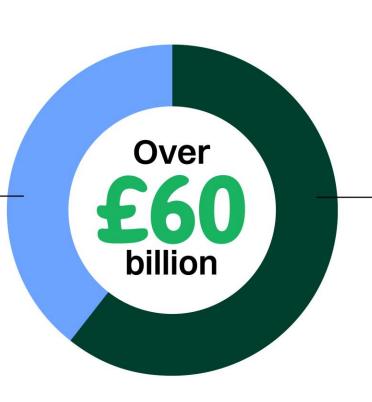
Costs relating to work and finances

£23.7 billion

Fiscal costs

£18.4bn - Lower tax revenue

£5.3bn - Additional social security spending



£38.2 billion

Economy costs

£26.9bn - Reduced employment

£11.3bn - Lower productivity

I have done everything I can think of and nothing has worked... I feel so frustrated and stuck. I have applied for 200 jobs and have had 4 interviews. The barriers I experience include no laptop for Microsoft Teams interviews...no money for interview clothes, arranging childcare, no Wi-Fi in local hub, no laptop to do a presentation and prepare.







6. How hunger and hardship affect housing and homelessness

Increased risk of living in unaffordable and insecure housing Lack financial resources to move to more suitable housing

Lack of resources means unable to challenge decisions by landlords

Threat of eviction and homelessness

Increased risk living in poor quality housing

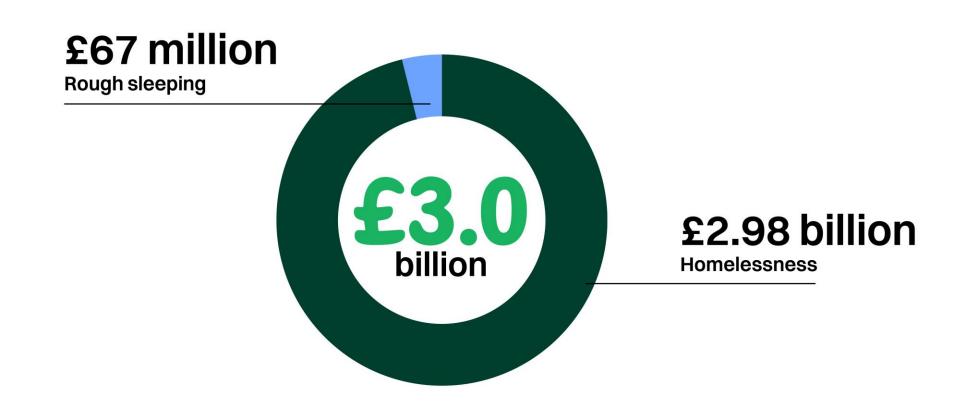
Unable to afford to heat home

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Increased mental and physical health problems

Difficult to take part in society including finding and sustaining work

Cost relating to housing and homelessness



When you've got insecure housing you're literally living on survival. You're not thriving, you're not able to enjoy life. You are literally surviving. And people function better when they're not on survival level all the time because of something so basic and such a human right as housing.



77

Female, 50s, England

7. How hunger and hardship affect communities and relationships

Unable to afford to invite people over

Embarrassment about experiencing hardship

Worries about finance take up all available headspace

More risk of becoming socially isolated

Financial worries putting strain on relationships

Unable to afford to visit friends and family

Long working hours leaving no time for relationships

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Higher likelihood of relationship breakdown

Feeling stigmatised due to living on a low income

Growing resentment and tension caused by financial hardship

Lack of necessary services and amenities locally

Reduced social cohesion

Why we haven't separately costed the impact on communities and relationships

Unlike the previous areas, we have not produced separate costings of the impact of hunger and hardship on communities and relationships. We have assumed that many related costs are picked up within other areas explored, such as health, education, and work.

The main additional cost to consider would be any impact of facing hunger and hardship on an increased propensity to commit crime – driving additional policing and justice system costs, and costs to society.

A lack of consistent evidence and data meant we could not generate meaningful and robust estimate of the additional impact of facing hunger and hardship on rates of crime.



When you're lonely in life it's crap anyway. But when you're lonely and you're in your head about finances... it gets scary.



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Female, 30s, England

8. What does this tell us about tackling hunger and hardship?

The impact of hunger and hardship affects us all

Hunger and hardship is clearly placing an immense strain on people, as well as our economy, public finances, and public services.

Hunger and hardship prevents progress on living standards

We must tackle hunger and hardship if we are to deliver better living standards for us all.

Costs of policies are significantly offset by benefits

New modelling shows targeted policies can tackle hunger and hardship, as well as deliver benefits that significantly offset the cost of the policy itself.

Social security policies are our most effective lever

In line with research over the years, social security policies have the biggest and most direct impact on hunger and hardship across the UK.



Social security levers and cost impact

Assumes policies introduced in 2022/23, costs from year 5 outlined below (2026/27)

Policy

Increased costs from additional payments

Reduced costs to the economy, UK government, and public services

Increased employment and productivity

Increased tax revenue, lower social security payments

Reduced public service costs

Value of increased subjective wellbeing (not included in overall cost impact)







It's really simple, we need enough coming in from our benefits in order to be able to live... Everyone should be given the right to flourish in life and not just be desperately trying to survive, because it's not a life worth living, it really isn't. It's just so gruelling and it could change in an instant if we had a compassionate government.



Male, 50s, England

Want to know more?

More on hunger and hardship

More information on the metric and why we have developed and used it <u>here.</u>

Full report and methodology

Available in our final report here.

Contact us

If you have further questions, contact us at research@trussell.org.uk



Thank you!

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