

Poverty at the end of life in the UK in 2023



Juliet Stone

Centre for Research in Social Policy,
Loughborough University

November 2024



Loughborough
University

Centre for Research
in Social Policy

Contents

1	Introduction.....	2
2	UK statistics	3
	2.1 Key findings	3
	2.2 Country/region breakdown	6
3	Subgroups at risk of poverty at the end of life	10
	3.1 Key findings	10
	3.2 Sex	10
	3.3 Ethnicity	12
	3.4 Diagnosis	13
4	Local area variation	16
5	Pathways into poverty	20
	5.1 Key findings	20
	5.2 Patterns of poverty at the end life	20
	5.3 Moving into poverty at the end of life	27
6	Conclusions.....	30
7	References.....	31
8	Appendix: Indicative scenarios showing the potential financial impact of diagnosis of a terminal illness for different household types.....	33

Poverty at the end of life in the UK

Key points:

- Around 111,000 people a year experience poverty during the last year of their lives, using the Social Metrics Commission's definition of poverty.
- For people dying aged 20-64, the risk of being in poverty is 28% in the last year of life, compared to 22% for others of this age – an increase of more than a quarter.
- For people dying after age 65, the difference is smaller: 16% compared to 13%, an increase of 16%. However, they have seen a bigger increase in their risk of poverty since 2019 than people of working age.
- The majority of people who die aged 20-64 and about a quarter of people who die over pension age have experienced poverty at some point in the previous five years.
- Only 6% of people dying fell into poverty in the last year or two years of their life. However, 13% of working age parents who die have recently fallen into poverty.

1 Introduction

This report provides an update to work first published in 2022 to estimate the risk of prevalent poverty in the last year of life among people across the UK (Stone and Hirsch, 2022). In this initial report, based on data from 2019, we estimated that every year, more than 90,000 people were experiencing poverty during the last 12 months of life. The updated analysis indicates that this situation has now deteriorated even further, with 111,000 people dying in poverty in 2023. The findings provide further evidence that it is working-age people who are most at risk of being in poverty at the end of life, despite overall mortality being dominated by older age groups. However, it is among those aged 65 and over that we see the biggest rise in the number and proportion of people in poverty at the end of life.

These findings for 2023 reflect the impact of a long period of difficult economic circumstances for people on low incomes in the UK, with a sustained period of austerity, the Covid-19 pandemic and the cost of living crisis having a cumulative detrimental impact on people's living standards. For people at the end of life, who are already vulnerable in many ways, including financially, this has been particularly damaging. It has been estimated that someone with a terminal illness can experience a negative financial impact of up to £16,000 per year (APPG for Terminal Illness, 2019), due to lost income from giving up or reducing paid work, the additional costs of assistance with aspects of daily living such as transport and personal care, and substantial expenditure on, for example, home adaptations and specialist equipment. The fact that we have seen no improvement in the risk of poverty at the end of life since 2019 is not surprising given the challenging circumstances of recent years, and the lack of policy solutions to improve the living standards of people on low incomes. However, the findings further reinforce the need to continue to monitor and increase our understanding of the extent to which people are experiencing poverty at the end of life, to inform potential approaches to reducing financial insecurity for people at the end of life.

In this report, we largely use the same data and methods as in the earlier report, which provides more detailed information on the data and methods. The analysis combines data from the **Understanding Society** household survey, for the years 2009-2023, with estimates of poverty for subgroups of the population from the **Family Resources Survey**, and administrative data on mortality rate and local area characteristics. To measure poverty, we use the indicator developed by the Social Metrics Commission (Social Metrics Commission, 2020a), which is more suitable than the standard measure of relative poverty (60% of median income after housing costs) because it takes into account 'inescapable costs', including the additional cost of disability. To produce these estimates, we use code provided by the producers of the Social Metrics Commission indicator (Social Metrics Commission, 2020b).

In the first part of the report, we outline the headline statistics on poverty at the end of life, with breakdowns by age group, country and region. We then look at how this differs for key subgroups within the population, and finally explore how pathways into poverty at the end of life can help us understand how we might identify groups who are particularly at risk of moving below the poverty line in the last 12 months of life.

2 UK statistics

2.1 Key findings

- In 2023, more than 111,000 people died in poverty in the UK; around 18% of the total number of people who died that year. This is an increase of over 20,000 people, when compared to 90,000 dying in poverty in the original 2019 study, and an increase in the overall percentage in poverty, up from 16%.
- Among people aged 20-64, the risk of experiencing poverty among those who are in the last 12 months of life is 6 percentage points higher than for others in the same age group, at 28% versus 22%.
- The overall risk for those aged 65 and older is lower, but being in the last year of life still increases their likelihood of experiencing poverty from 13% to 16%.
- The regional picture reflects overall differences in poverty rates across the UK, with people living in North East of England showing the highest risk of dying in poverty.

These statistics were produced by combining administrative data for the UK that provides information on mortality rates at different ages, with different sources of survey data that allow estimates of a) the poverty rates in the general population at different ages and b) the relationship between poverty and mortality among individuals and households.

Our main indicator on which these headline figures are based uses the definition of poverty put forward by the **Social Metrics Commission (SMC)** (Social Metrics Commission, 2018). The SMC measure also uses household income after housing costs as its primary basis, but the initial measurement of financial circumstances includes two key adjustments:

1. All material resources are incorporated, not just incomes, including available liquid assets.
2. The measure takes account of inescapable costs, including childcare and the extra costs of disability, by deducting them from income¹.

Thresholds for being below the poverty line are specific to family type, for example in 2022/23 the following approximate weekly values would apply:

- *Couple*: £341 p/w
- *Single adult*: £198 p/w
- *Couple with two dependent children*: £478 p/w
- *Lone parent with two dependent children*: £334 p/w

Table 2.1 shows the estimated number and percentage of people in poverty by broad age group. We find that the annual number of people dying in poverty has increased by more than 20,000 among people aged 20 or older, from 90,000 in 2019 to 111,000 in 2023. This in part reflects an increase in the size of the population over the time period we are looking at (ONS 2023), as well as an increase in the overall risk of poverty in the population, from 18.5% in 2019 to 19.9% in 2023. Among people aged 20-64, the proportion of people in the last year of life who are in poverty has remained stable at around 28%, but for the older age group, the risk has increased, with 16% now dying in poverty, compared with 13% in 2019. This again reflects a more notable increase in the overall risk of poverty

¹ To account for the extra costs of disability, the value of any benefits paid to members of the household to help cover these costs are deducted from their net household income. In many cases, this is unlikely to reflect the full costs of terminal illness or ill health in general, and in other cases individuals may not be receiving any benefits but will still need to bear the additional costs. It is therefore likely that the estimates presented here are conservative, and the prevalence and risk of poverty could in fact be greater for people with terminal illness if the true cost of ill health were taken into account.

between 2019 and 2023 for those aged 65 and older as compared to younger adults; and because older people are more likely to be in the last year of life, this has a substantial impact on the total number of adults dying in poverty.

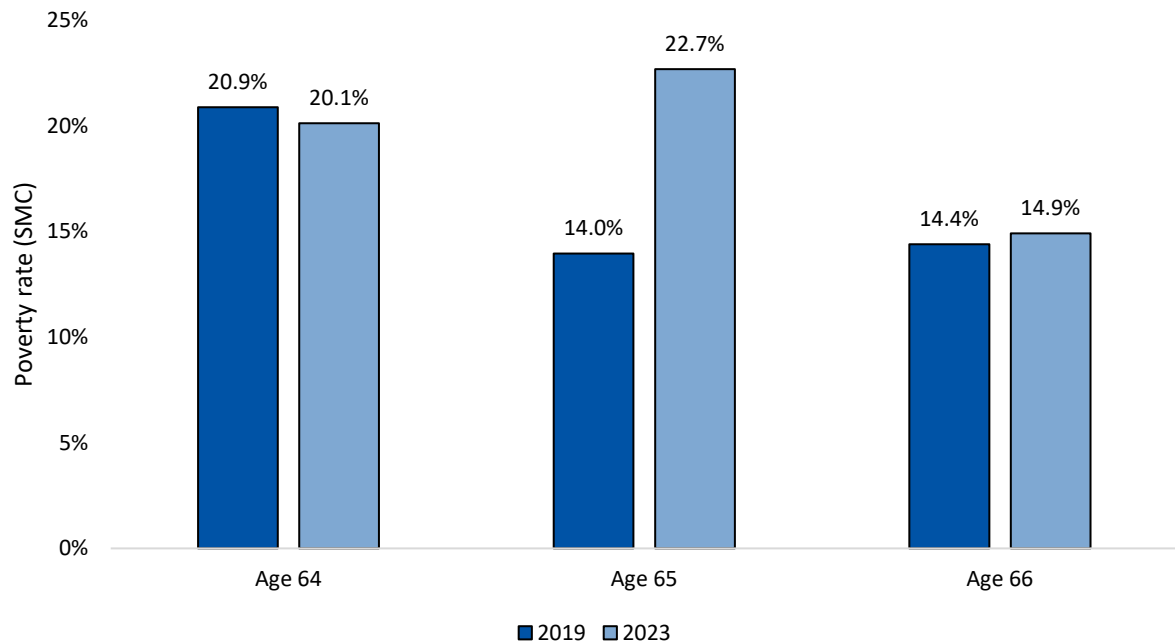
Table 2.1 Estimated number and proportion of people in poverty in the UK in 2019 and 2023, by mortality status and age group

	<i>In last year of life</i>		<i>Not in last year of life</i>		<i>Total</i>	
	<i>Number*</i>	<i>%</i>	<i>Number*</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Age 20-64						
2019	25,000	27.6%	8,192,000	20.6%	8,217,000	20.6%
2023	24,000	27.9%	8,948,000	21.8%	8,971,000	21.8%
Age 65+						
2019	68,000	13.4%	1,227,000	10.9%	1,295,000	11.0%
2023	88,000	16.1%	1,730,000	13.1%	1,817,000	13.2%
Total						
2019	93,000	15.5%	9,419,000	18.5%	9,512,000	18.5%
2023	111,000	18.0%	10,677,000	19.9%	10,789,000	19.9%

**Numbers rounded to nearest 1000*

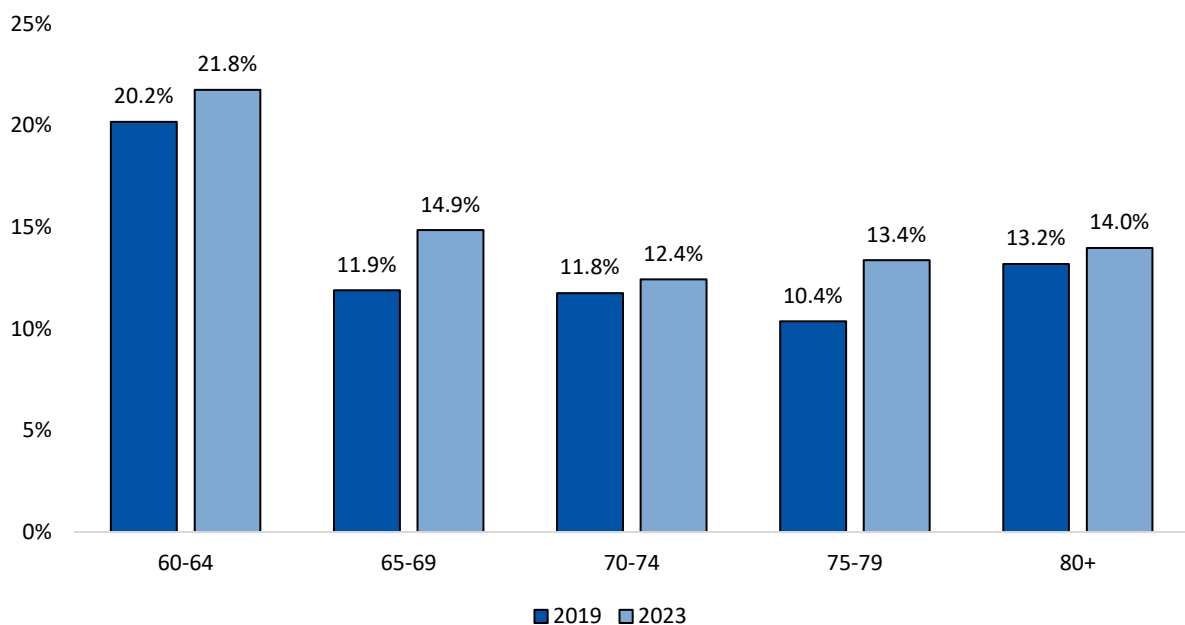
An additional change since 2019 is that the age at which people can claim their state pension has now equalised at 66 years for men and women, while in 2019 the gradual increase from age 65 was still ongoing. This means that using the threshold of age 65 for the two age groups in our analysis does not completely differentiate those eligible for their state pension. The fact the older age group now includes those age 65, who would still only be eligible for working-age benefits rather than the more generous state pension, could potentially be contributing to the rise in the poverty rate for this age group. Figure 2.1 shows that the risk of poverty among people aged 65 has increased markedly more since 2019 than for those one year younger or older. As expected, their risk of poverty is now more like their working age counterparts. Figure 2.2 shows how this affects the risk of poverty by five-year age band. We do see a marked increase in the age 65-69 category, although poverty rates have risen for all age groups aged 60+, with a notable rise in the group aged 75-79, in particular.

Figure 2.1 Estimated proportion of people aged 64-66 in poverty in the UK in 2019 and 2023, by single year of age



Source: Family Resources Survey (DWP)

Figure 2.2 Estimated proportion of people aged 60+ in poverty in the UK in 2019 and 2023, by 5-year age group



Source: Family Resources Survey (DWP)

To assess the impact of the change in pension age on our findings, we re-estimated the poverty rates by age group and mortality status, with the revised assumption that those aged 65 were now included in the working age category. Table 2.2 shows the original and adjusted estimates. In fact, the change had very little impact on the poverty rates in either age group. This is not entirely

surprising given that it only affects people in one single year of age, i.e. only a small percentage of the total population at risk. As the additional data that we incorporate (e.g. mortality rates for demographic sub-groups, and local area statistics) are often only available in five-year age bands, it is not possible to use the adjusted age categories into subsequent analyses, but the comparison of headline findings provide reassurance that it is unlikely to have had a substantial impact on the results. Nevertheless, the pronounced increase in poverty rates among those aged 65 in the most recent year of data reinforces the extent to which the State Pension is much more effective at providing an adequate income than working-age benefits, both in the general population and for those at the end of life.

For ease of description, the remainder of the report, we will continue to refer to the two age groups as ‘working age’ and ‘pensioners’, while acknowledging that this is a descriptive rather than a precise definition.

Table 2.2 Estimated proportion of people in poverty in the UK in 2023, by mortality status and adjusted age group

	Poverty rate		
	<i>In last year of life</i>	<i>Not in last year of life</i>	<i>Total</i>
Age 20-64	28.2%	21.6%	21.6%
Age 20-65	28.1%	21.6%	21.6%
Age 65+	16.2%	13.9%	14.0%
Age 66+	16.1%	13.4%	13.6%

2.2 Country/region breakdown

Table 2.3, and Figures 2.3 and 2.4, show the estimated poverty rate among people in the last 12 months of life for the countries and regions of the UK. There is an increased risk of poverty at the end of life in every geographical area. For working age adults, the overall risk of poverty is highest in the North East of England, and in this region, more than a third of those at the end of life are in poverty. The region also has the biggest percentage point difference in poverty rates between those at the end of life and not at the end of life (34.0% versus 26.7%, a difference of 7.3 percentage points). However, it is in the South East, which has one of the lowest overall poverty rates (17.8%), where we see the biggest *proportional* difference between those in the last 12 months of life and the rest of the population in this age group, with being at the end of life increasing the risk of being in poverty by 32%. This emphasises that the increased risk of poverty associated with being at the end of life is an issue across the UK, regardless of how this impact is measured.

For pensioners, the region with the highest poverty rate overall – Yorkshire and the Humber – has the highest proportion of people in poverty at the end of life (22.8%), and the biggest percentage point difference from those not at the end of life (3.4 percentage points). The South East again has the highest proportional difference between those at the end of life (14.9% versus 12.4%, a 19.9% difference).

Table 2.3 Estimated number and proportion of people in poverty in countries/regions of the UK in 2023, by mortality status and age group

Country/region	Working age (20-64)				Pensioners (65+)			
	<i>In last year of life</i>		<i>Not in last year of life</i>		<i>In last year of life</i>		<i>Not in last year of life</i>	
	<i>Number*</i>	<i>%</i>	<i>Number*</i>	<i>%</i>	<i>Number*</i>	<i>%</i>	<i>Number*</i>	<i>%</i>
England	19,000	27.1%	7,569,400	20.9%	72,200	17.2%	1,439,400	14.5%
North East	1,400	34.0%	446,600	26.7%	4,200	17.9%	78,700	15.2%
North West	3,400	30.4%	1,127,100	23.8%	11,800	19.7%	220,600	16.7%
Yorkshire and The Humber	2,200	28.3%	776,100	22.3%	10,100	22.8%	192,400	19.4%
East Midlands	1,700	26.6%	637,700	20.6%	6,500	16.7%	127,600	14.0%
West Midlands	2,300	29.2%	859,300	23.0%	7,800	16.9%	153,300	14.4%
East of England	1,600	22.5%	687,200	17.3%	7,100	14.4%	142,900	12.0%
London	2,400	27.2%	1,347,300	21.8%	7,700	20.1%	175,600	17.5%
South East	2,400	23.4%	1,040,000	17.8%	10,400	14.9%	214,700	12.4%
South West	1,600	24.0%	648,100	18.3%	6,600	13.1%	133,600	11.0%
Wales	1,400	30.4%	460,900	23.9%	4,900	17.4%	93,100	14.8%
Scotland	2,400	25.7%	694,900	19.8%	8,000	17.0%	145,500	14.2%
Northern Ireland	800	23.3%	222,300	18.7%	2,500	19.0%	51,800	16.5%

**Numbers rounded to nearest 100*

Figure 2.3 Estimated proportion of people aged 20-64 in poverty in countries/regions of the UK in 2023, by mortality status

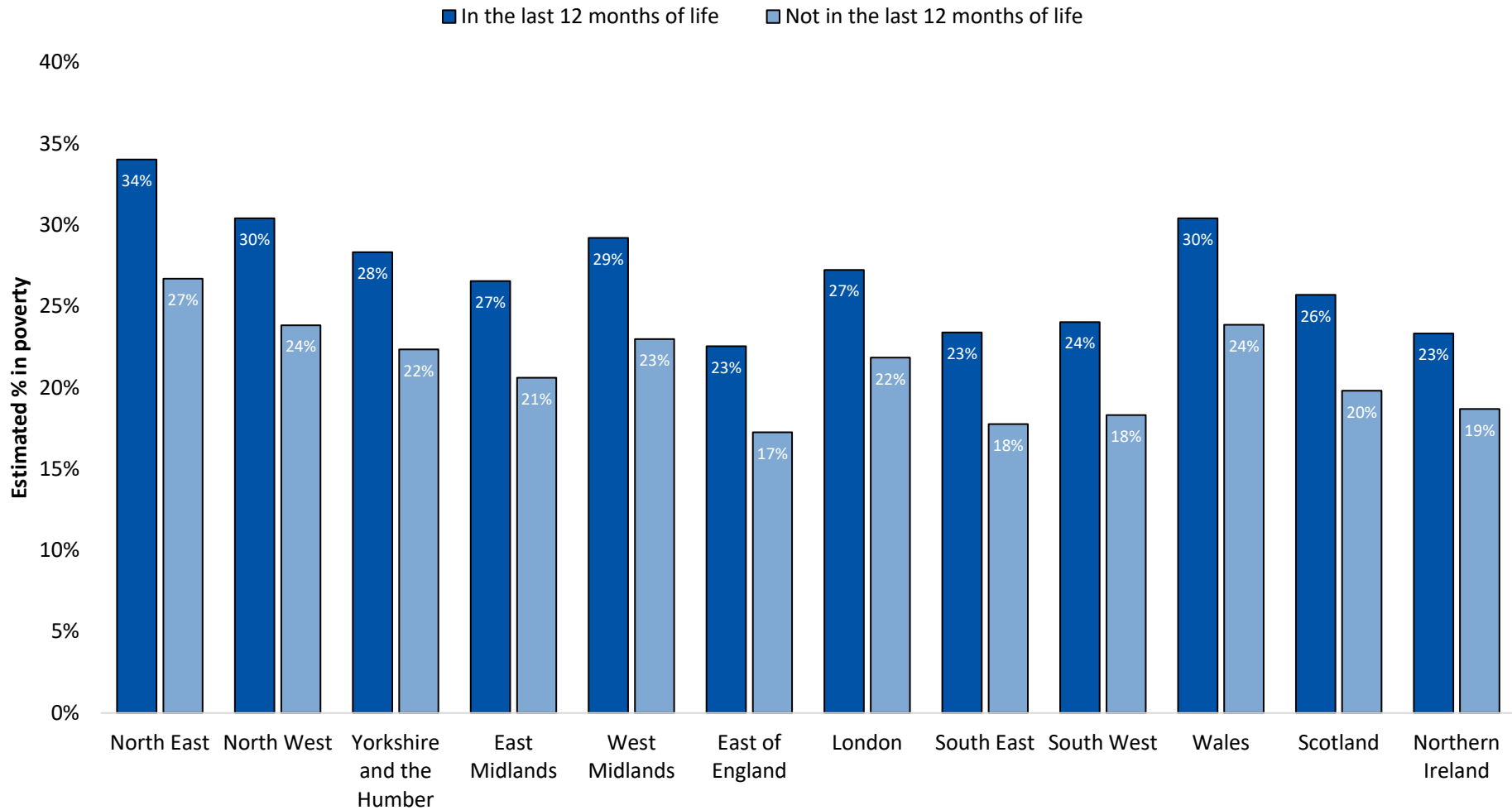
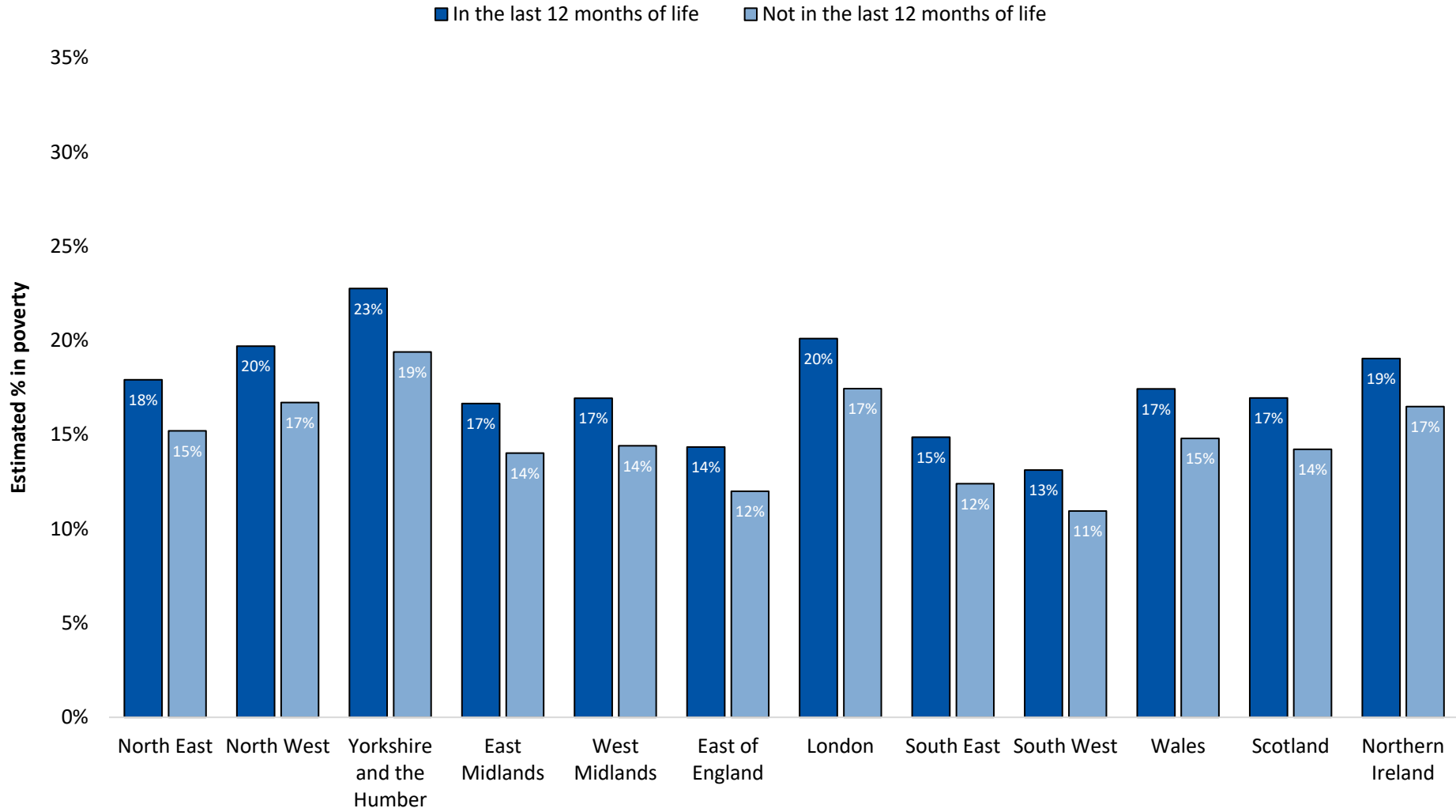


Figure 2.4 Estimated proportion of people aged 65+in poverty in countries/regions of the UK in 2023, by mortality status



3 Subgroups at risk of poverty at the end of life

The following section examines how the overall statistics outlined in the previous section vary for different groups of the population, some of whom may be particularly vulnerable to experiencing poverty at the end of life.

3.1 Key findings

- Women are more likely to be in poverty at the end of life than men, reflecting the higher risk of poverty among women in the general population. The gap between men and women has widened since 2019, likely due to the increasing inadequacy of state support for working and non-working households, which disproportionately affects women.
- Poverty rates are substantially higher overall among minority ethnic groups than in the white population, and this inequality persists at the end of life. Those in Black ethnic minority groups are particularly disadvantaged, with more than 40% of working-age people in this group estimated to be in poverty in the last 12 months of life.
- For people in the last 12 months of life at working age, the risk of being in poverty is notably higher for those with conditions other than cancer, and for pensioners, this inequality has increased since 2019.

3.2 Sex

It is well established that women are, overall, more likely to be in poverty than men, and in 2022/23 19.1% of men were in poverty, compared to 20.5% of women, based on the Social Metrics Commission Indicator.² There are various reasons underlying this (Millar, 2009); but for working age women it is related to the gender pay gap that means women earn less, on average, than men (Francis-Devine, 2024), and the fact that they are more likely than men to bear both the financial and the opportunity costs associated with having children. For pension-age women, as well as the ongoing impact of gender differences on financial status during working life, it is also related to the fact that they are more likely to be living in a single person household, due to the higher life expectancy among women than men (Office for National Statistics, 2024).

Table 3.1 shows that this gender difference persists and is exacerbated among people at the end of life, both in working age and at older ages. Among working age adults, 29.5% of women are in poverty, compared with 25.4% of men, and being at the end of life is associated with a 4.4 percentage point increase in the risk of poverty among men, and a 7.0 percentage point increase among women. The difference between men and women is, therefore, greater for those in the last 12 months of life than for those who are not. The situation is similar for pensioners; 17.5% of female pensioners are in poverty, compared with 14.5% of men, and this is 3.1 percentage points higher than for those not at the end of life among women, compared with 1.8 percentage points among men.

Figures 3.1 and 3.2 show how this difference has changed and widened since the previous analysis in 2019. The risk of poverty at the end of life at working age has fallen slightly for men since 2019, from 26.7% to 25.4%, while for women it has increased from 28.0% to 29.5%. Although the risk of poverty at the end of life has increased for both male and female pensioners, this increase is slightly more pronounced among women, again indicating a widening sex-based inequality. For working-age

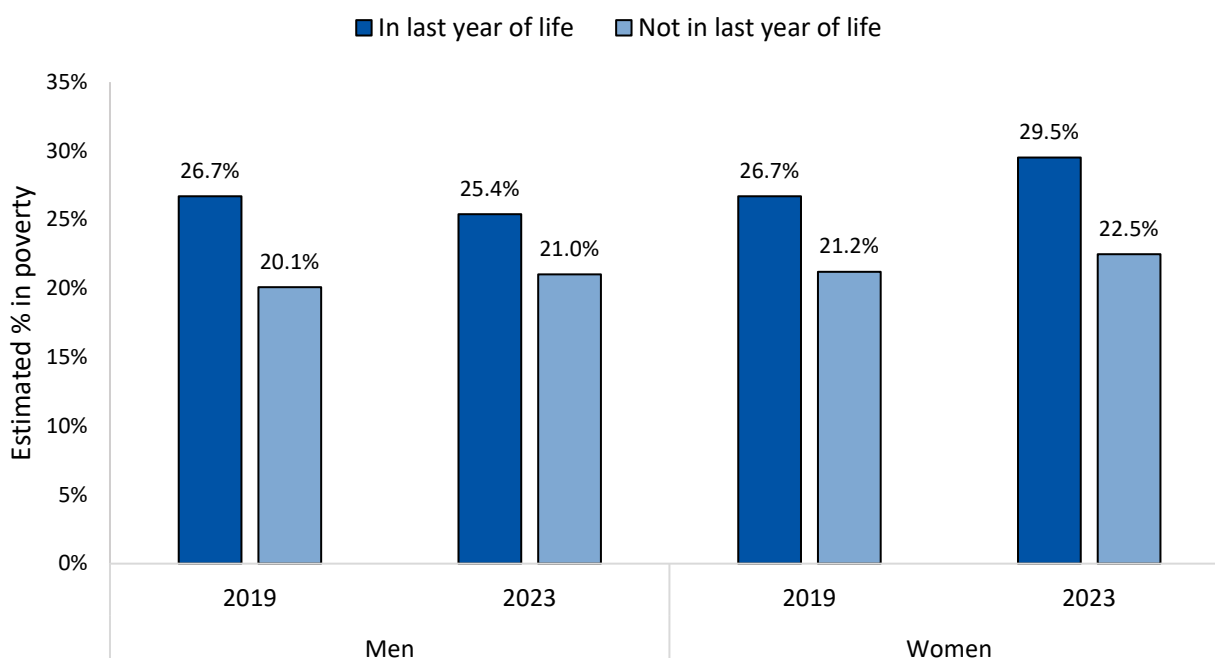
² Author's analysis of the Family Resources Survey using SMC code.

women, this is likely in part due to the increasing risk of poverty for women in general. Women are more likely than men to have dependent children – in the 2021 census, 45% of working age women had at least one dependent child in their household, compared with 39% of men³, and in 2023, lone mothers accounted for 85% of the 3.2 million lone parent families in the UK (Office for National Statistics, 2024). In part because of this they are more likely to be receiving benefits (whether in work or not) – in January 2024, 58% of people claiming Universal Credit were women (Department for Work and Pensions, 2024). The real value of working-age benefits has fallen since 2019; and 2022 saw the the greatest fall in the value of the basic rate of unemployment benefits since the start of annual uprating in 1972 (Matejic, 2022). Among older adults, there is evidence that single women of pension age are particularly vulnerable to being in poverty, (Age UK, 2021).

Table 3.1 Estimated number and proportion of people in poverty in the UK in 2023, by mortality status, age group and sex

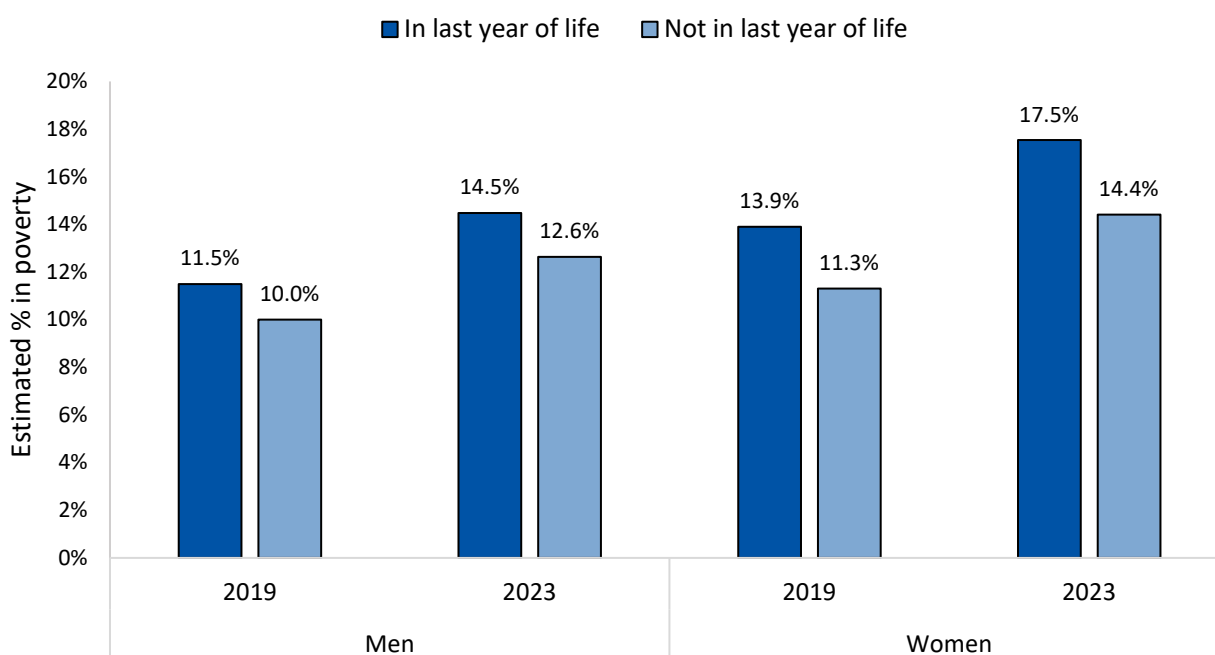
	<i>In last year of life</i>		<i>Not in last year of life</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Men				
Age 20-64	13,000	25.4%	4,278,000	21.0%
Age 65+	38,000	14.5%	747,000	12.6%
Women				
Age 20-64	14,000	29.5%	4,667,000	22.5%
Age 65+	46,000	17.5%	986,000	14.4%

Figure 3.1 Estimated proportion of people aged 20-64 in poverty in the UK in 2019 and 2023, by mortality status, age group and sex



³ Author's analysis. Census data are available here <https://www.ons.gov.uk/census>

Figure 3.2 Estimated proportion of people aged 65+ in poverty in the UK in 2019 and 2023, by mortality status, age group and sex



3.3 Ethnicity

The Care Quality Commission identifies minority ethnic groups as one of the subgroups of the population for whom inequality is observed at the end of life (Care Quality Commission, 2016), and there is much evidence that ethnicity is an important determinant of health inequalities, in relation to both morbidity and mortality (Evandrou et al., 2016; Marmot, 2020). In a recent review, the majority of studies reported that minority ethnic groups are more vulnerable to financial hardship at the end of life than white ethnic groups (Gardiner et al., 2020).

Limited sample sizes mean that we are only able to break down ethnicity into the relatively broad categories of White, Asian, Black and Mixed/Other. However, this can still provide us with an insight into the risk of poverty at the end of life associated with ethnicity. Table 3.2 shows that, unsurprisingly, the risk of poverty in the last 12 months of life is markedly higher for all minority ethnic groups when compared with the White group, for both working age adults and pensioners. For all ethnic groups, the risk of poverty is higher for those in the last 12 months of life than for those who are not. While the additional risk associated with being at the end of life is highest for the White population (28% and 31% higher than those not at the end of life for working age and pensioners, respectively), it remains the case that those from ethnic minority groups have a markedly higher risk of being in poverty that is exacerbated by being at the end of life. Those in the Black minority group are particularly at risk, with 47% of those of working age and 32% of pensioners in poverty at the end of life.

Table 3.2 Estimated number and proportion of people in poverty in the UK in 2023, by mortality status, age group and ethnicity

	<i>In last year of life</i>		<i>Not in last year of life</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Working age				
White	17,700	25.2%	6,609,500	19.8%
Asian	3,600	42.8%	1,411,900	35.4%
Black	1,700	47.0%	672,900	39.1%
Mixed/other	600	37.2%	253,200	30.5%
Pensioners				
White	78,900	15.5%	1,545,300	11.8%
Asian	5,500	27.1%	119,500	22.7%
Black	2,400	31.5%	52,000	26.4%
Mixed/other	600	27.2%	13,100	22.3%

3.4 Diagnosis

There is much evidence that experiences of end of life care and access to services are more difficult in many ways for patients with non-cancer diagnoses (Dixon et al., 2015; Gardiner et al., 2020; Hospice UK, 2021). The majority of referrals to hospital support and outpatient services are for people with cancer diagnoses, and less predictable disease trajectories for terminal non-cancer conditions makes providing such support even more challenging (Dixon et al., 2015). Our previous report indicated that those with non-cancer diagnoses are also disadvantaged in terms of their financial circumstances; those with non-cancer conditions had a markedly higher risk of being in poverty at the end of life in comparison to those with cancer (Stone and Hirsch, 2022). Table 3.3 shows the risk of poverty at the end of life in 2023 broken down by diagnosis, and demonstrates that this situation has remained worse for those with non-cancer conditions for both working age adults and pensioners; we see a difference of around six percentage points for working age adults and four percentage points for pensioners in the poverty rate based on diagnosis.

Figures 3.4 and 3.5 show, for working age adults and pensioners, respectively, how the risk of poverty has changed since 2019. For working age adults, we see a reduction in inequality between those with cancer and those with other conditions – but this is largely because the poverty rate has gone up overall, and for those with cancer, rather than due to any substantial improvement for those with non-cancer conditions. For pensioners, we see the opposite trend, with a widening in inequality based on diagnosis. While the poverty rate for those with non-cancer conditions was only around one percentage point higher than for those with cancer in 2019, in 2023 this has risen to a difference of four percentage points, with 17% of pensioners with non-cancer conditions who are in the last 12 months of life being in poverty. We also see the impact of the overall increase in poverty rates among pensioners, with the rate among those not at the end of life increasing from 11% to 13% between 2019 and 2023. But the increase among those in the last 12 months of life appears to have been driven mainly by those with non-cancer conditions; for those with cancer, the rate has increased by less than one percentage point.

Table 3.3 Estimated number and proportion of people in the last year of life who are in poverty in the UK in 2023, by health condition

	<i>Cancer</i>		<i>Other condition</i>		<i>Not in last year of life</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Working age	6,900	24.6%	16,700	30.0%	9,241,000	21.8%
Pensioners	17,900	13.4%	69,600	17.1%	1,548,000	13.1%
TOTAL	24,900	15.4%	86,300	18.7%	10,789,000	19.9%

Figure 3.4 Estimated proportion of people aged 20-64 in poverty in the UK in 2019 and 2023, by mortality status and diagnosis

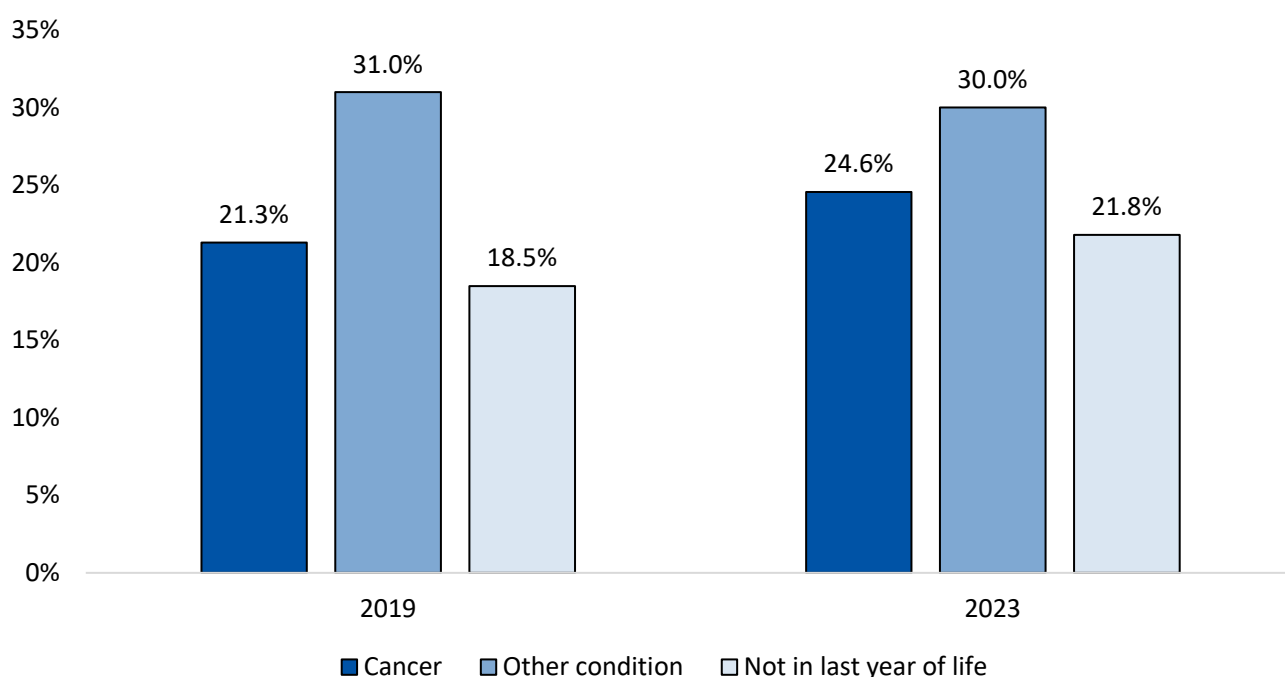
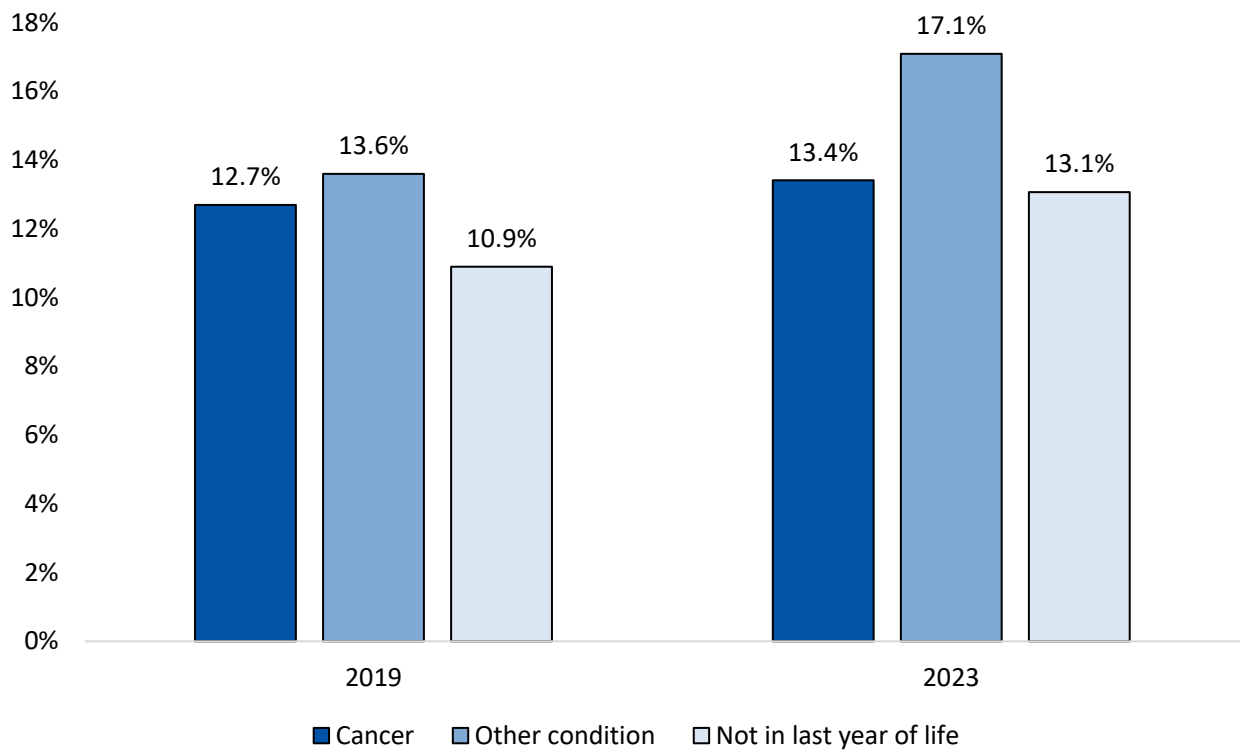


Figure 3.5 Estimated proportion of people aged 65+ in poverty in the UK in 2019 and 2023, by mortality status and diagnosis



4 Local area variation

There is clear evidence that local area characteristics are associated with health inequalities in general, and with life expectancy specifically; in 2018-2020, men living in the most deprived areas had a life expectancy 9.7 years shorter and women 7.9 years shorter than those living in the least deprived areas, and this gap has increased over time (Rea and Tabor, 2022). This in turn may mean that poverty is more prevalent at the end of life in deprived areas.

Table 4.1 shows the twenty local authorities in the UK where the poverty rate among people in the last year of life is highest among working age people. In the previous report, local authorities in London dominated the list of areas most badly affected by poverty at the end of life; in 2023, areas in the North East and the North West now fare worst, and together account for half of the twenty areas with the highest poverty rates for people at the end of life. This mirrors the overall poverty statistics for countries and regions, shown in section 2. For pensioners, areas in Yorkshire and the Humber and the North West feature most prominently, again reflecting the regional statistics.

Full data on poverty at the end of life in local areas can be accessed here: <https://www.lboro.ac.uk/research/crsp/our-research/poverty-end-of-life/>

Table 4.1 Top 20 local authorities with the highest percentage of working age people dying in 2023 who were in poverty

Local Authority	Region	% in poverty among those who died
Middlesbrough	North East	44.5%
Manchester	North West	42.3%
Birmingham	West Midlands	39.9%
Blackburn with Darwen	North West	39.1%
Newcastle upon Tyne	North East	39.1%
Leicester	East Midlands	38.4%
Hartlepool	North East	37.6%
Tower Hamlets	London	37.5%
Liverpool	North West	37.3%
Sandwell	West Midlands	37.2%
Blackpool	North West	36.8%
South Tyneside	North East	36.6%
Wolverhampton	West Midlands	36.5%
Salford	North West	35.6%
Kingston upon Hull, City of	Yorkshire and The Humber	35.4%
Bradford	Yorkshire and The Humber	35.3%
Luton	East of England	35.2%
Nottingham	East Midlands	35.1%
Blaenau Gwent	Wales	35.1%
Sunderland	North East	34.9%

Figure 4.1 Percentage of people dying who were in poverty by local authority (working age)

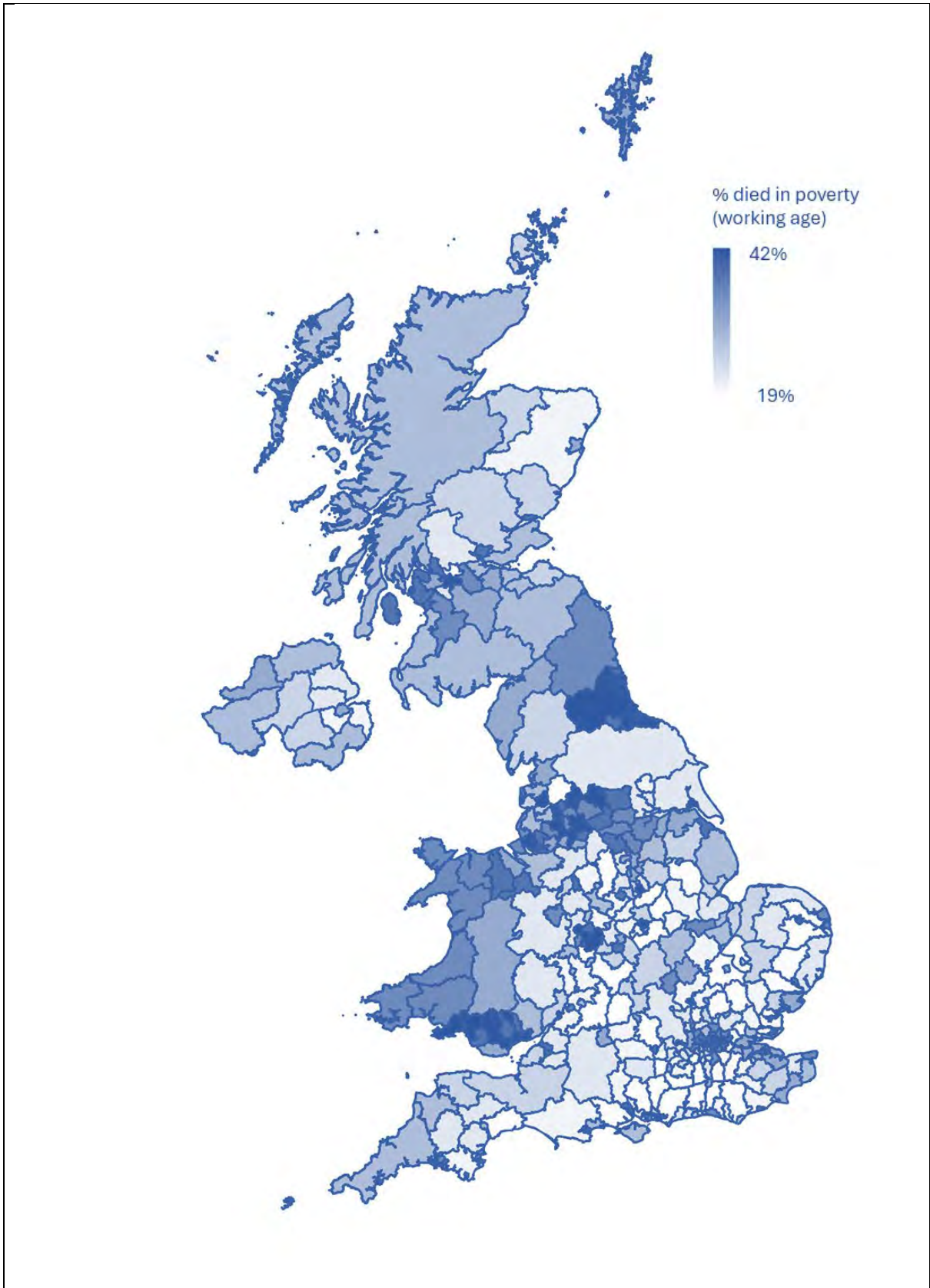
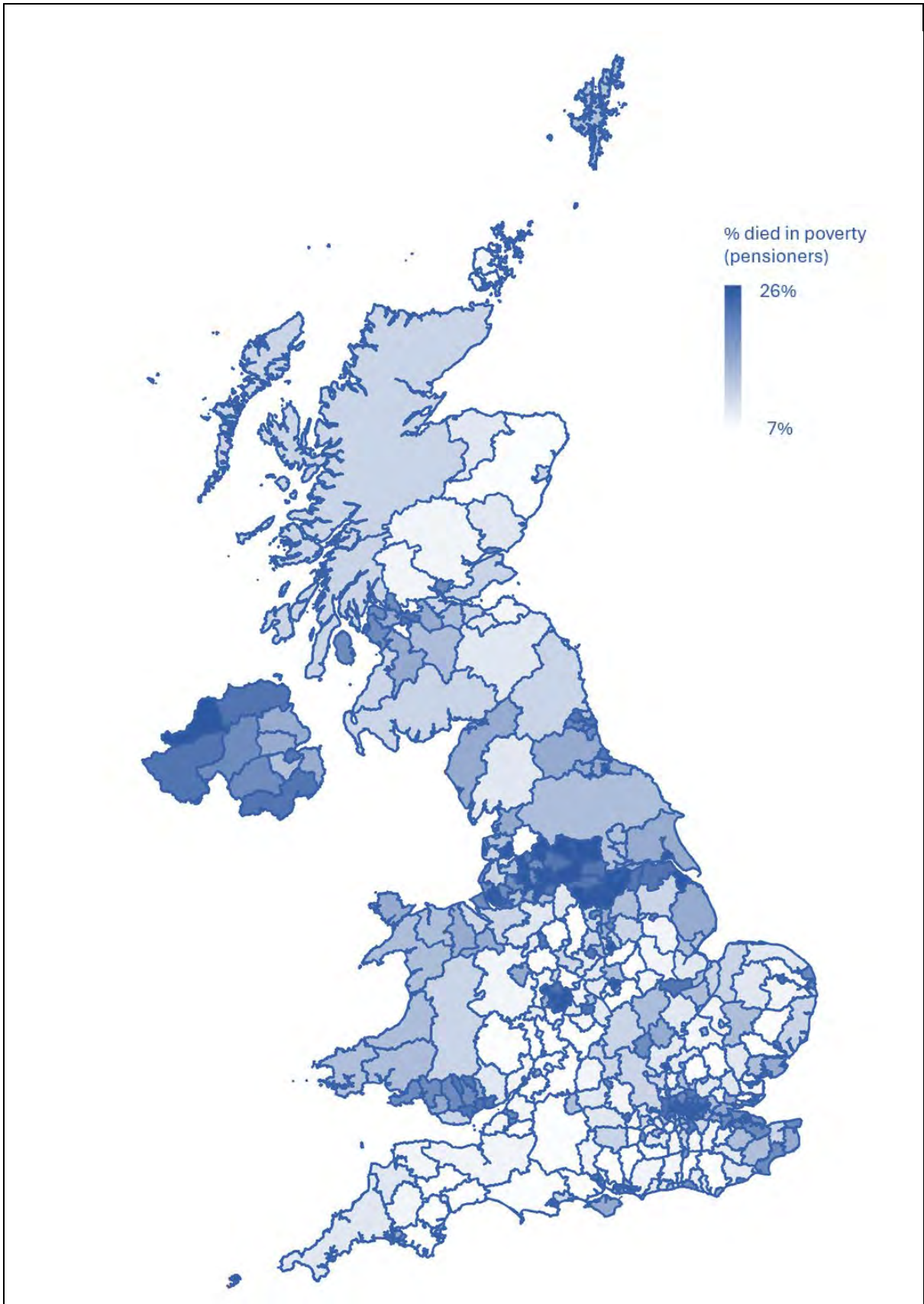


Table 4.2 Top 20 local authorities with the highest percentage of pensioners dying who were in poverty

Local Authority	Region	% in poverty among those who died
Manchester	North West	29.7%
Tower Hamlets	London	29.6%
Kingston upon Hull, City of	Yorkshire and The Humber	29.0%
Bradford	Yorkshire and The Humber	28.9%
Leicester	East Midlands	27.4%
Blackburn with Darwen	North West	26.9%
Newham	London	26.8%
Liverpool	North West	25.2%
Birmingham	West Midlands	25.2%
Blackpool	North West	24.8%
City of London	London	24.7%
Luton	East of England	24.6%
Nottingham	East Midlands	24.4%
Middlesbrough	North East	24.2%
Slough	South East	24.2%
Hackney	London	24.2%
Sheffield	Yorkshire and The Humber	24.0%
Brent	London	24.0%
Salford	North West	23.8%
Barking and Dagenham	London	23.6%

Figure 5.2 Percentage of people dying who were in poverty by local authority (pensioners)



5 Pathways into poverty

5.1 Key findings

- Among people dying at **pension age**, 75% have not experienced poverty during the five years preceding death. This reflects an overall lower risk of poverty among people of pension age than of working age.
- In contrast, the majority of those dying at **working age**, have experienced poverty at some point in the previous five years. A substantial minority **move below the poverty line** in the last two years of life, or experience movement in and out of poverty.
- There is significant variation by **ethnicity**: those in minority ethnic groups are particularly likely to move into poverty at the end of life, or to be consistently in poverty.
- **Housing tenure** is a strong predictor of being in a disadvantaged trajectory, with those in private or social rented housing more at risk.
- During the last five years of life, reporting a **newly diagnosed** health condition shows a significant association with moving into poverty during the same 12 month period.
- Those who are consistently **unemployed or inactive** are also more likely to move into poverty, but the group with the highest risk were those who have been in employment, but exit the labour market.
- These two risk factors **interact** - for those who are unemployed/inactive or who exit the labour market, diagnosis of a new health condition substantially increases their risk of movement into poverty.

While the previous analyses have given us a snapshot of which and how many people are at risk of poverty at the end of life in the UK at a particular point in time, we can also use the longitudinal data available in Understanding Society to look at the pathways people take into poverty. We originally developed this approach in our 2022 report, in which a more detailed description of the methods can be found (Stone and Hirsch, 2022).

5.2 Patterns of poverty at the end life

The relationship between health and poverty is complex, but by looking at how this association changes for individuals over time, we can begin to investigate the extent to which poverty is a *consequence* or a *cause* of poor health. We initially examine this with descriptive analysis of the patterns of poverty risk in the period preceding end of life. Looking at the five years before death, we identify five broad categories of poverty trajectory:

1. Never in poverty

These were individuals who were never recorded as being in poverty during the five years preceding death.

2. Mostly in poverty

Individuals who were in poverty for at least three of the five years preceding death.

3. Moving into poverty at the end of life























This group were not in poverty at the start of the five-year spell preceding death, and remained out of poverty until the last one or two years before death.

4. Moving in and out of poverty at the end of life

Those who had one or two periods in poverty during the five years prior to death, but without a clear pattern of consistently moving into poverty.

Figure 5.1 below gives an illustration of what a ‘typical’ sequence of spells in and out of poverty might look like for each of these four groups, in the last five years of life.

Figure 5.1 Illustration of typical poverty sequence in the last 5 years of life for different poverty trajectory groups

 = NOT IN POVERTY  = IN POVERTY					
POVERTY TRAJCETORY	YEARS PRECEDING DEATH				
	5 years	4 years	3 years	2 years	1 year
Never in poverty					
Mostly in poverty					
Moving into poverty at the end of life					
Moving in and out of poverty at the end of life					

The key characteristics of each group are shown in Table 5.1. The largest group are never in poverty, representing 69% of respondents. This partly reflects the age composition of the population at the end of life because the group is dominated by older age groups, who are less likely to be in poverty overall. This is apparent when we look at the age and family type breakdowns – this group is mostly made up of people in the older two age groups who are in retired single or couple pensioner households.

The most disadvantaged group made up of people who are mostly in poverty in the five years preceding death is, unsurprisingly, more likely to include people with characteristics that are generally associated with poverty – for example 43% are living in social housing, compared with only 22% overall, and 28% are unemployed or inactive, compared with just 6% overall. The other groups show more of a mix of characteristics, but working age adults are over-represented in all of these more disadvantaged trajectories.

Table 5.1 Composition of poverty trajectory groups by key characteristics

	Poverty trajectory in last five years of life				Total
	Never in poverty	Mostly in poverty	Moving into poverty	Moving in and out of poverty	
N (unweighted)	1,401	277	130	315	2,123
% of total*	68.5%	12.1%	6.3%	13.0%	100%
Age group					
20-44	1.7%	10.1%	6.9%	4.4%	3.4%
45-64	15.6%	41.4%	22.3%	28.0%	20.6%
65-79	42.8%	21.6%	43.8%	34.8%	39.3%
80+	40.0%	26.9%	27.1%	32.8%	36.7%
Sex					
Male	54.9%	56.4%	51.4%	50.4%	54.3%
Female	45.1%	43.6%	48.6%	49.6%	45.7%
Ethnicity**					
White	98.2%	92.4%	94.5%	95.5%	96.9%
Minority ethnic group	1.8%	7.6%	5.5%	4.5%	3.1%
Economic activity					
Retired	79.6%	45.1%	64.3%	61.7%	72.3%
Unemployed/Inactive	1.4%	27.7%	7.3%	7.8%	5.6%
Employed to retired	6.1%	4.7%	9.5%	9.1%	6.6%
Employed to inactive	6.2%	6.3%	7.6%	8.3%	6.5%
Mostly retired, + inactive	2.4%	10.4%	4.4%	7.3%	4.1%
Mostly inactive, + retired	4.4%	5.9%	6.9%	5.9%	4.9%
Diagnosis					
Cancer	2.4%	1.8%	3.0%	3.3%	2.5%
Other diagnosis	97.6%	98.2%	97.0%	96.7%	97.5%
Housing tenure					
Owned outright	72.0%	30.0%	44.9%	36.9%	60.6%
Owned with mortgage	9.0%	13.1%	9.5%	12.7%	10.0%
Private rented	4.9%	13.5%	4.8%	14.9%	7.3%
Social rented	14.1%	43.4%	40.9%	35.5%	22.2%
Family type					
Working age single	5.6%	29.3%	15.1%	15.5%	10.3%
Working age couple	9.5%	15.0%	7.0%	10.8%	10.2%
Working age with children	2.1%	7.2%	7.1%	6.1%	3.6%
Pensioner single	39.9%	23.7%	40.8%	42.0%	38.3%
Pensioner couple	42.9%	24.8%	30.1%	25.6%	37.7%

*All percentages are weighted

**Due to sample size issues we are unable to break down ethnicity into the more detailed categories for this analysis

Table 5.2 shows the unadjusted associations between the key characteristics in Table 5.1 and the risk of being in each of the four poverty trajectories. Table 5.3 shows the same associations, adjusted for age and sex. Unsurprisingly, the risk of being in the ‘mostly in poverty’ group is particularly high for those who are unemployed or inactive, for working age single adults, for working age adults with children, and for people in minority ethnic groups. The risk is higher for those in rented housing than for owner-occupiers, but is highest for those in private rented accommodation. These patterns all follow what we would expect to see, given trends in poverty in the general population. However, looking at the group who move from being above the poverty line to below it in the two years preceding death (‘moving into poverty’), gives us further insight into the specific impact of being at the end of life on the risk of poverty. The youngest age group (20-44 year) has the highest risk of moving into poverty. Among family types, people living in households with children are most likely to move into poverty at the end of life (Figure 5.3), reinforcing the findings from our original 2022 report. However, this group is small in size, so changes over time should be treated with caution. Looking at housing tenure, those in social housing are clearly most at risk of moving into poverty at the end of life (Figure 5.4). In the next section, we focus more specifically on the risk and prevalence of moving into poverty at the end of life.

Table 5.2 Risk of being in each poverty trajectory group by key characteristics

	Poverty trajectory in last five years of life			
	Never in poverty	Mostly in poverty	Moving into poverty	Moving in and out of poverty
N (unweighted)	1,401	277	130	315
% of total*	68.5%	12.1%	6.3%	13.0%
Age group				
20-44	34.4%	35.3%	13.3%	17.0%
45-64	52.0%	23.6%	7.0%	17.4%
65-79	75.0%	6.5%	7.2%	11.4%
80+	75.1%	8.6%	4.8%	11.5%
Sex				
Male	69.3%	12.6%	6.0%	12.1%
Female	67.6%	11.6%	6.7%	14.1%
Ethnicity				
White	69.6%	11.4%	6.2%	12.8%
Minority ethnic group	39.9%	29.4%	11.5%	19.3%
Economic activity				
Retired	75.9%	7.2%	5.7%	11.2%
Unemployed/Inactive	16.5%	56.9%	8.3%	18.3%
Employed to retired	64.4%	8.2%	9.2%	18.2%
Employed to inactive	64.9%	11.1%	7.4%	16.6%
Mostly retired, + inactive	40.5%	29.2%	6.9%	23.3%
Mostly inactive, + retired	61.4%	13.9%	9.0%	15.7%
Diagnosis				
Cancer	66.0%	9.0%	7.7%	17.5%
Other diagnosis	68.6%	12.2%	6.3%	12.9%
Housing tenure				
Owned outright	81.4%	6.0%	4.7%	7.9%
Owned with mortgage	61.5%	16.0%	6.0%	16.5%
Private rented	46.6%	22.6%	4.1%	26.6%
Social rented	43.7%	23.8%	11.7%	20.8%
Family type				
Working age single	37.6%	33.6%	9.5%	19.4%
Working age couple	64.5%	17.4%	4.5%	13.7%
Working age with children	41.2%	23.9%	12.9%	22.1%
Pensioner single	71.8%	7.3%	6.9%	14.1%
Pensioner couple	78.4%	7.7%	5.2%	8.7%

Table 5.3 Risk of being in each poverty trajectory group by key characteristics, adjusted for age and sex*

	Poverty trajectory in last five years of life			
	Never in poverty	Mostly in poverty	Moving into poverty	Moving in and out of poverty
N (unweighted)	1,401	277	130	315
% of total	68.5%	12.1%	6.3%	13.0%
Age group				
20-44	34.3%	35.2%	13.3%	17.2%
45-64	51.8%	23.6%	7.0%	17.6%
65-79	74.8%	6.5%	7.3%	11.5%
80+	75.4%	8.6%	4.7%	11.2%
Sex				
Male	70.7%	11.8%	6.1%	11.4%
Female	66.8%	11.7%	7.0%	14.5%
Ethnicity				
White	69.6%	11.2%	6.5%	12.7%
Minority ethnic group	48.6%	24.9%	8.7%	17.8%
Economic activity				
Retired	74.5%	8.3%	6.3%	10.9%
Unemployed/Inactive	23.0%	44.7%	8.8%	23.6%
Employed to retired	70.1%	4.2%	7.4%	18.3%
Employed to inactive	69.1%	8.3%	6.4%	16.2%
Mostly retired, + inactive	46.1%	23.9%	5.0%	25.0%
Mostly inactive, + retired	60.7%	15.2%	9.4%	14.7%
Diagnosis				
Cancer	62.7%	10.6%	8.0%	18.8%
Other diagnosis	69.1%	11.8%	6.4%	12.7%
Housing tenure				
Owned outright	80.0%	6.6%	5.3%	8.1%
Owned with mortgage	68.5%	9.8%	5.6%	16.1%
Private rented	51.3%	19.1%	3.9%	25.7%
Social rented	46.4%	22.2%	11.3%	20.1%
Family type*				
Working age single	37.3%	33.6%	9.5%	19.6%
Working age couple	64.4%	17.4%	4.5%	13.7%
Working age with children	41.3%	23.9%	12.9%	22.0%
Pensioner single	72.2%	7.2%	6.9%	13.7%
Pensioner couple	78.1%	7.8%	5.2%	8.9%

*Family type is adjusted for sex only

Figure 5.2 Risk of being in a particular poverty trajectory group by family type

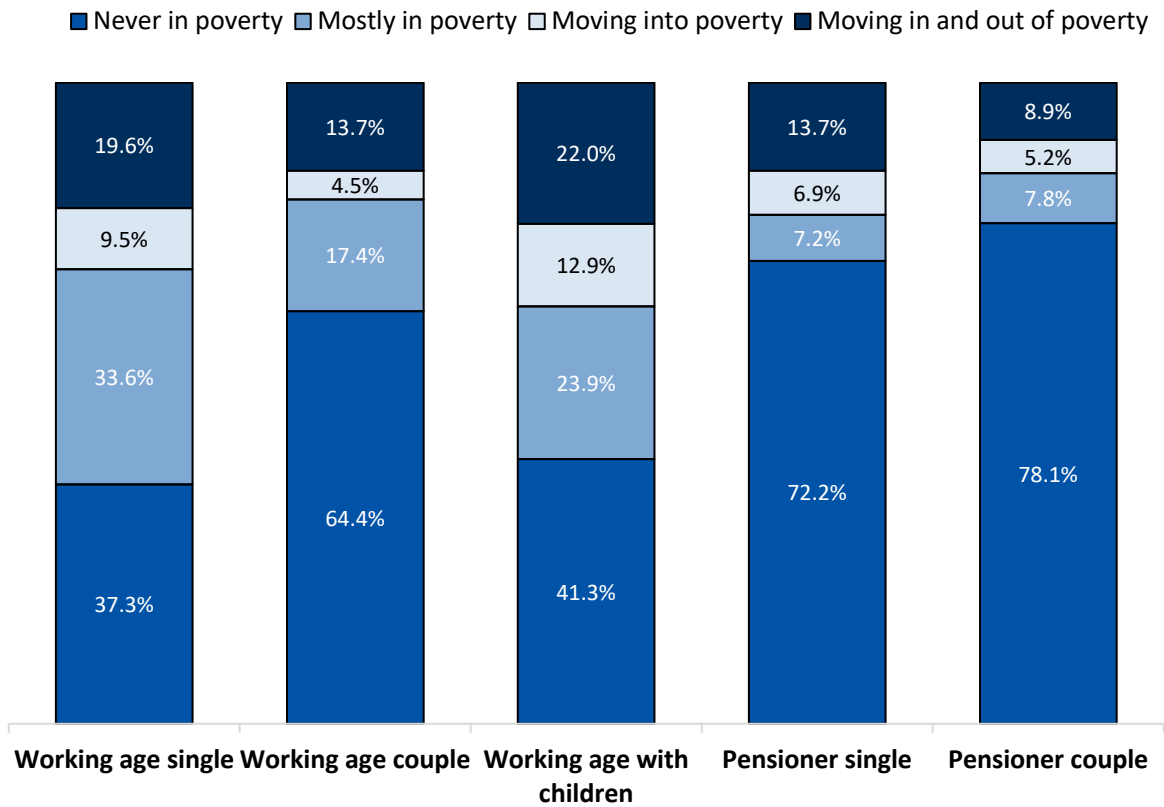
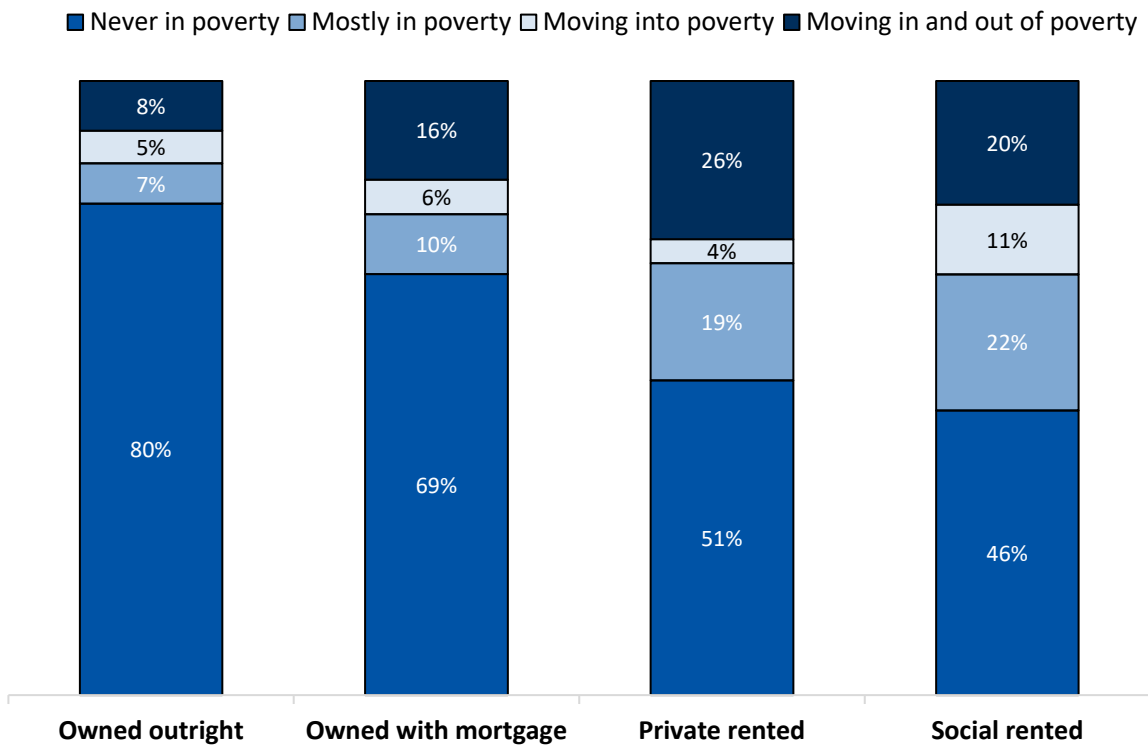


Figure 5.3 Risk of being in a particular poverty trajectory group by housing tenure



5.3 Moving into poverty at the end of life

To better understand the factors that might be associated with moving into poverty at the end of life, we carried out additional analysis focusing just on those who started out above the poverty line at the first point at which they joined the Understanding Society survey, and who later died. This gave us information on people for up to 11 years before they died. We could then model the risk of moving into poverty in a particular year, based on other changes in status during that year. We particularly focused on changes in economic activity status, and the diagnosis of new health conditions. Economic activity was coded into four categories to capture year-on-year changes in status:

- Ongoing in employment – they were in employment in the current and previous year
- Ongoing retired – they were retired in the current and previous year
- Ongoing unemployed/inactive – they were unemployed or economically inactive (excluding retired) in the current and previous year
- Exited labour market – they were employed in the previous year, but no longer employed in the current year

Figure 5.4 shows that the risk of moving into poverty increases as the number of years until death decreases, from 5.2% 11 years before death to 9.5% in the last 12 months of life. This confirms the results we reported in 2022, which also showed a significant increase in risk of moving into poverty as the number of years until death decreased. Figure 5.5 shows the how diagnosis of a new health condition and economic activity dynamics are associated with the risk of moving into poverty. We see a significant relationship between reporting a new health condition, and moving into poverty during the same 12 month period. Those who were consistently unemployed or inactive were also more likely to move into poverty, but the group with the highest risk were those who exited the labour market.

We next repeated the previous analysis including an *interaction* between diagnosis of a new health condition and economic activity, in predicting the risk of moving into poverty at the end of life (Figure 5.6). The risk of moving into poverty is highest for people for whom diagnosis of a new health condition coincides with moving out of the labour market. While we cannot be certain that this represents a causal effect, it suggests that having to leave employment due to a deterioration in health is a potential driver of poverty at the end of life.

Figure 5.4 Predicted probability of moving into poverty at the end of life, by years until death

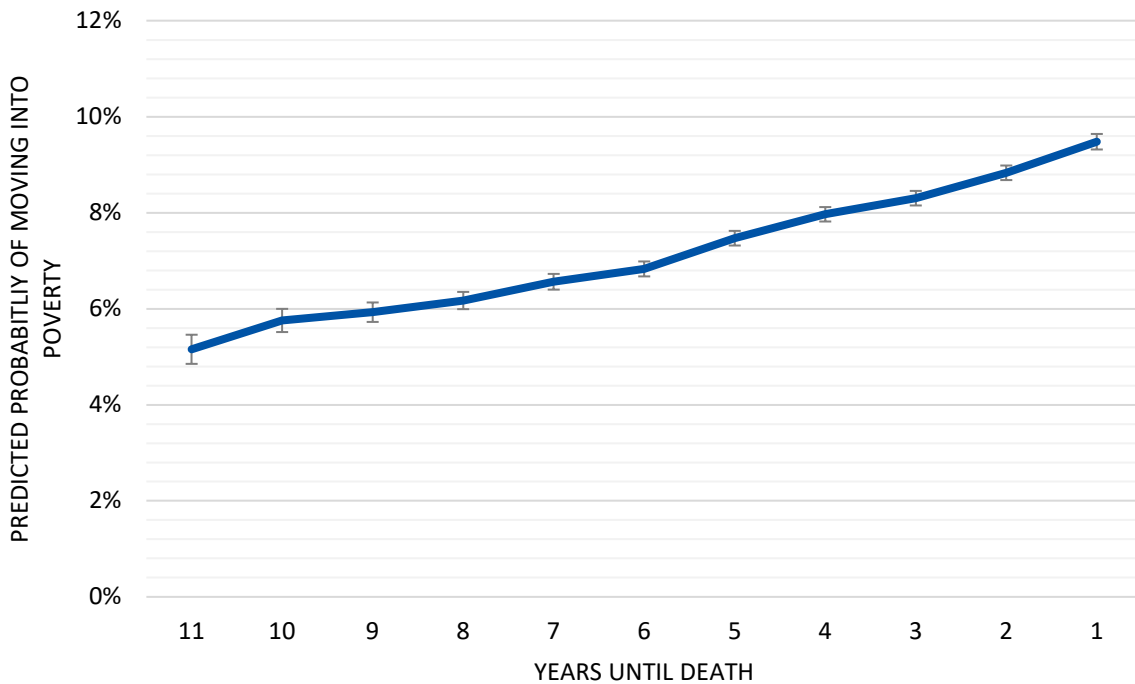


Figure 5.5 Predicted probability of moving into poverty at the end of life, by diagnosis of a new health condition and economic activity status

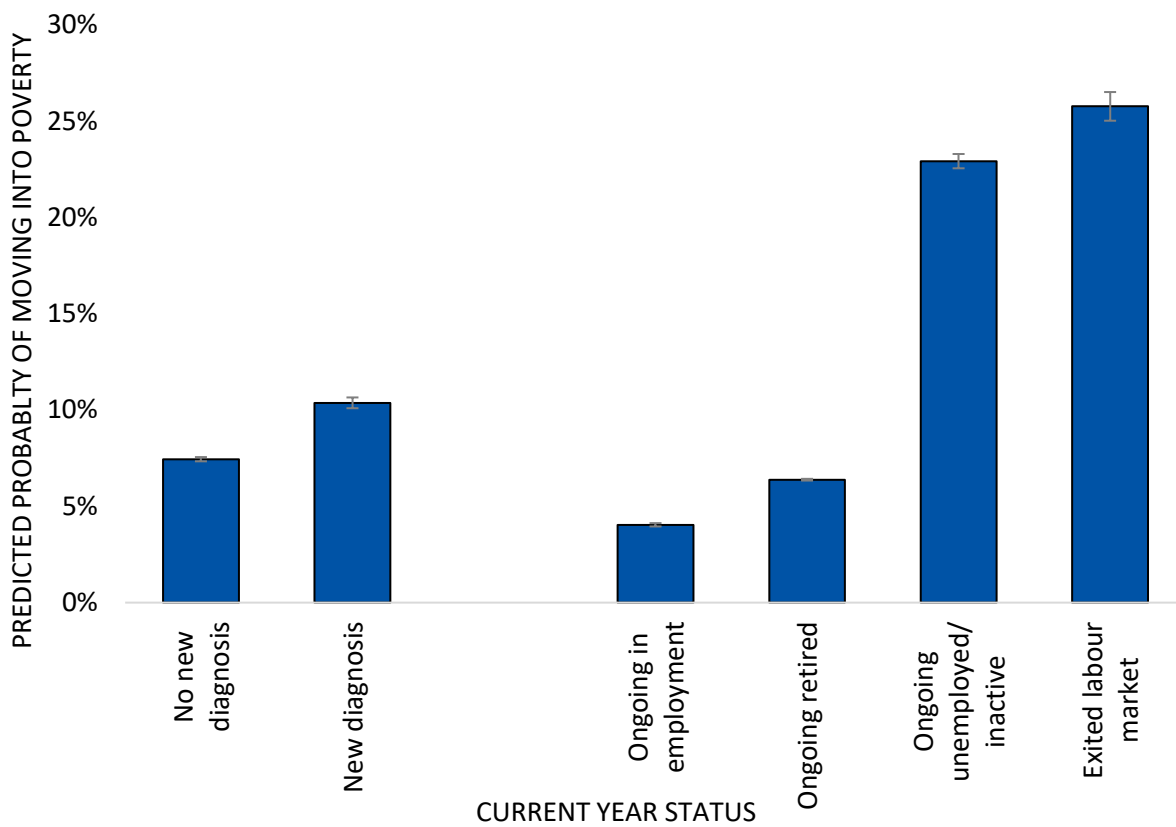
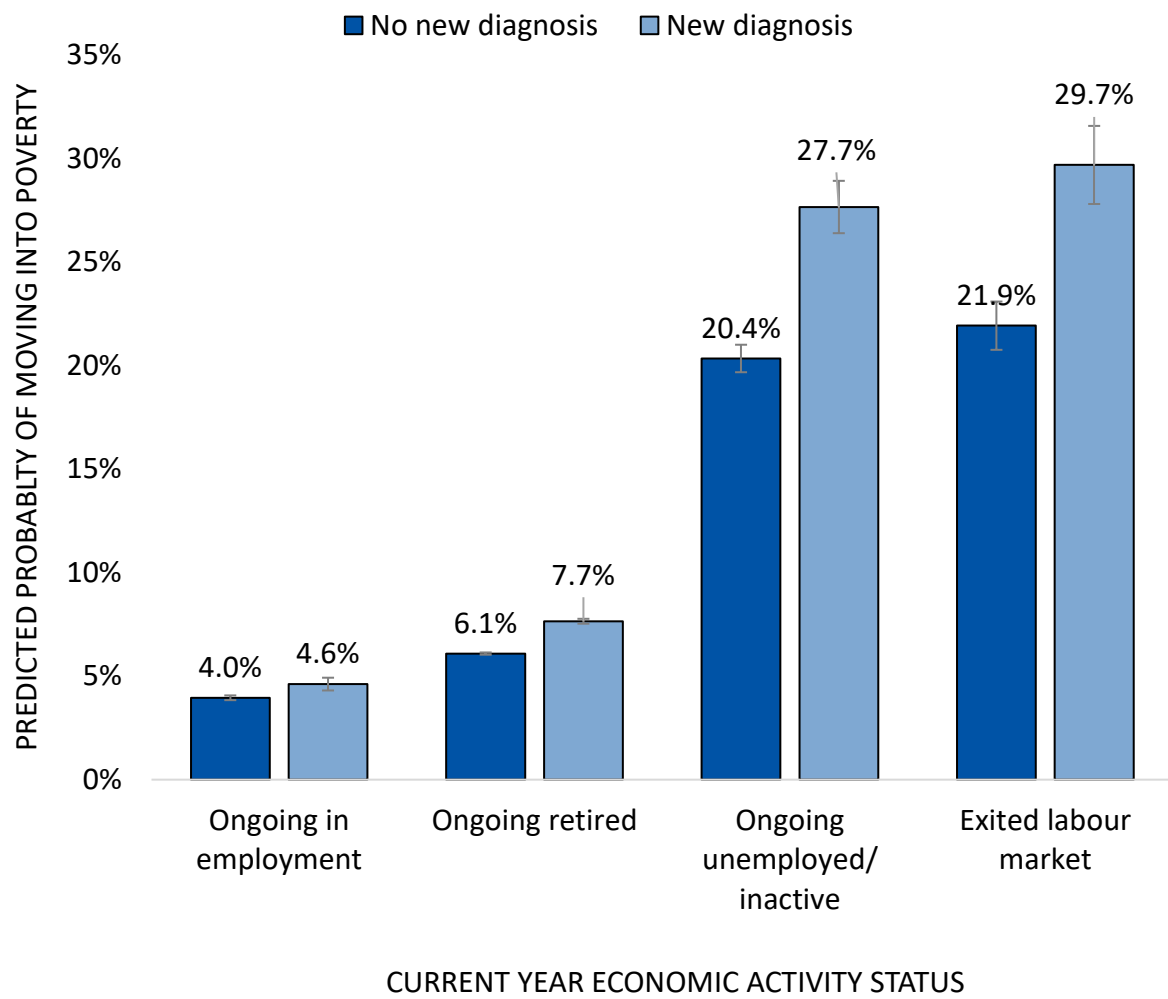


Figure 5.6 Predicted probability of moving into poverty at the end of life for different economic activity statuses, by diagnosis of a new health condition



6 Conclusions

The past four years have been challenging in many ways for low-income households across the UK. The period of very high inflation during 2021-2023 has increased living costs for all households, but for many this will have been exacerbated by unexpected life events – such as being diagnosed with a terminal illness. For people in the last year of life, the risk of poverty reflects the inequalities in the general population, with those who are already vulnerable to financial constraints based on where they live, their employment situation, or their demographic characteristics most likely to be living with an inadequate income. But for every subgroup we have looked at in this report, those in the last year of life have a higher risk of being in poverty than those who are not.

Confirming the findings of our original 2022 report, it is clear that people of working age are substantially more vulnerable to being in poverty at the end of life than those of pension age. We have shown that giving working age people with a terminal illness early access to their state pension could help reduce this inequality, lifting thousands of people out of poverty for a relatively small cost to the state (Stone, 2022). However, this would not be nearly enough to eradicate poverty for working age people at the end of life; although the State Pension is more generous than working age benefits, giving people this additional income would not solve the issues of, for example, high living costs in terms of housing, food and domestic fuel, or account for the additional costs that people face when living with a terminal illness (APPG for Terminal Illness, 2019).

It is further apparent that the State Pension does not fully protect people from poverty given that since 2019, it is people of pension age who have seen the most prominent rise in their risk of poverty, both in the general population and among people in the last year of life. The increase in poverty rates among pensioners has been driven by multiple factors, but is in part due to the interaction between the State Pension and means-tested benefits. Although increases in the cash value of the State Pension have, for some, helped raise incomes, for the poorest group of pensioners it has meant that they are more likely to be above the income threshold to be eligible for other state support through, for example, housing benefit (Cribb et al., 2024). This means that, overall, their income has fallen. Pensioners on low incomes have also not seen the same benefit from rises in employment income and private pension income over time, which have boosted the incomes of those in more advantaged financial circumstances (Cribb et al., 2024). For those in the last year of life, this increase in pensioner poverty is especially concerning at a population level, because in absolute terms, people in this older age group are much more likely to be at the end of life than those of working age; it is pensioner poverty that has primarily driven the increase from 90,000 to 111,000 people in poverty at the end of life since 2019.

It is clear that poverty at the end of life cannot be fully tackled without efforts to address poverty more generally. For the Labour Government taking power in 2024, it is crucial to confront rising poverty rates head-on, with a need for clear policies to help those on the lowest incomes. However, it is also clear that people in the last year of life face additional obstacles to achieving an adequate standard of living, and are often facing financial hardship at an already difficult time. Specific policies are therefore also needed to help this particularly vulnerable group. This could include giving access to the State Pension for working age people with a terminal illness, but as we have shown, this alone would not be sufficient. In particular, there is also a need to address the additional costs that people face when diagnosed with a terminal illness; this points to the inadequacy of disability benefits, but also to a need to improve the availability of, and access to, affordable services, including those related to social care. While this will not be an easy task, it is nevertheless important to keep sight of the ultimate goal of improving the experiences of end of life for those with a terminal illness, and allowing for a dignified death without the additional burden of financial hardship.

7 References

- Age UK. (2021), "Making ends meet: why pensioner poverty is still an issue", available at: <http://www.dwp.gov.uk/publications/corporate-publications/dwp-business-plan-2011-2015/business-plan-transparency/pensioner-poverty/>.
- APPG for Terminal Illness. (2019), "Six Months to Live? Report of the APPG for Terminal Illness inquiry into the legal definition of terminal illness".
- Care Quality Commission. (2016), "A different ending: Addressing inequalities in end of life care", No. May.
- Cribb, J., Henry, A. and Karjalainen, H. (2024), *How Have Pensioner Incomes and Poverty Changed in Recent Years?*, London, UK, available at: <https://ifs.org.uk/publications/how-have-pensioner-incomes-and-poverty-changed-recent-years>.
- Department for Work and Pensions. (2024), *Universal Credit Statistics, 29 April 2013 to 11 January 2024*, available at: <https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-11-january-2024> (accessed 20 July 2024).
- Dixon, J., King, D., Matosevic, T., Clark, M. and Knapp, M. (2015), "Equity in the provision of palliative care in the UK: Review of evidence", No. April, p. 145.
- Evandrou, M., Falkingham, J., Feng, Z. and Vlachantoni, A. (2016), "Ethnic inequalities in limiting health and self-reported health in later life revisited", *Journal of Epidemiology and Community Health*, Vol. 70 No. 7, pp. 653–662.
- Francis-Devine, B. (2024), *The Gender Pay Gap*.
- Gardiner, C., Robinson, J., Connolly, M., Hulme, C., Kang, K., Rowland, C., Larkin, P., et al. (2020), "Equity and the financial costs of informal caregiving in palliative care: A critical debate", *BMC Palliative Care*, Vol. 19 No. 1, available at: <https://doi.org/10.1186/s12904-020-00577-2>.
- Hospice UK. (2021), "Equality in hospice and end of life care : challenges and change".
- Marmot, M. (2020), "Health equity in England: The Marmot review 10 years on", available at: <https://doi.org/10.1136/bmj.m693>.
- Matejic, P. (2022), *Fifty Years of Benefit Up-rating*, York, available at: <https://www.jrf.org.uk/social-security/fifty-years-of-benefit-up-rating>.
- Millar, J. (2009), "The United Kingdom: The Feminization of Poverty?", *Poor Women in Rich Countries: The Feminization of Poverty Over the Life Course*, Oxford University Press, available at: <https://doi.org/10.1093/acprof:oso/9780195314304.003.0005>.
- Office for National Statistics. (2024), *Families and Households in the UK: 2023*, available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2023> (accessed 20 July 2023).
- Rea, M. and Tabor, D. (2022), "Health state life expectancies by national deprivation deciles, England: 2018 to 2020", pp. 1–18.

Social Metrics Commission. (2018), "A new measure of poverty for the UK: The final report of the Social Metrics Commission".

Social Metrics Commission. (2020a), *Measuring Poverty 2020*, available at: <https://socialmetricscommission.org.uk/wp-content/uploads/2020/06/Measuring-Poverty-2020-Web.pdf>.

Social Metrics Commission. (2020b), "Code Download", available at: <https://socialmetricscommission.org.uk/code-download/> (accessed 28 July 2021).

Stone, J. (2022), *Policy Interventions to Alleviate Poverty at the End of Life – a Cost/Benefit Analysis*, available at: <https://www.mariecurie.org.uk/globalassets/media/documents/policy/policy-publications/2022/policy-interventions-to-alleviate-poverty-at-the-end-of-life.pdf>.

Stone, J. and Hirsch, D. (2022), *Poverty at the End of Life in the UK*, available at: <https://www.mariecurie.org.uk/globalassets/media/documents/policy/dying-in-poverty/h420-poverty-at-the-end-of-life-in-the-uk-2nd-pp.pdf>.

8 Appendix: Indicative scenarios showing the potential financial impact of diagnosis of a terminal illness for different household types

Scenario 1

A man aged 33, privately renting a one-bedroom property alone (£430pcm) in the East Midlands in Council Tax Band A. He is working full-time and earning the National Living Wage (£9.50 an hour in 2022/23).

Weekly Income		Housing Costs	
Net earnings	£308	Rent	£100
		Council Tax	£15
TOTAL	£308	TOTAL	£115

According to the Social Metrics Commission's definition of poverty, the threshold for this man being in poverty after housing costs is **£198 per week**. After housing costs, he has an income of **£194** and just **below the poverty line**.

If he was diagnosed with a terminal illness and had to give up work due to disability, his income would change as follows:

Weekly Income		Housing Costs	
Universal Credit*	£252	Rent	£100
Council Tax Support	£13	Council Tax	£15
PIP daily living component**	£92		
PIP mobility component**	£24		
TOTAL	£382	TOTAL	£115

The man's income after housing costs and minus disability benefits (not included as disability is an inescapable cost) has fallen to **£150**. Therefore, according to the Social Metrics Commission's definition of poverty, the man has fallen even further **below the poverty line**.

**Assume higher rate daily living, standard rate mobility
(All calculations based on 2022/23 values)

Scenario 2

A woman aged 69, living alone in a socially-rented one-bedroom property (£352pcm) in the East Midlands in Council Tax Band A. She is receiving the State Pension, but not the full amount as she does not have enough National Insurance Contributions, so she is receiving pension credit. She has no private pension income or other income sources.

Weekly Income		Housing Costs	
State pension	£125	Rent	£81
Pension credit	£58		
Council tax support	£21	Council Tax	£17
Housing benefit	£90		
Winter fuel allowance	£4		
TOTAL	£297	TOTAL	£98

According to the Social Metrics Commission's definition of poverty, the threshold for this woman being in poverty after housing costs is approximately **£198 per week**. After housing costs, she has an income of **£186** and is **below the poverty line**.

If she was diagnosed with a terminal illness and entitled to claim disability benefits, her income would change as follows:

Weekly Income		Housing Costs	
State pension	£125	Rent	£81
Pension Credit	£58	Council Tax	£17
Council Tax Support	£17		
Housing Benefit	£81		
Warm Home Discount	£4		
PIP daily living component*	£92		
PIP mobility component*	£24		
TOTAL	£401	TOTAL	£98

The woman's income after housing costs and minus disability benefits (not included as disability is an inescapable cost) remains **£186**. Therefore, according to the Social Metrics Commission's definition of poverty, the woman remains **below the poverty line**.

*Assume higher rate daily living, standard rate mobility
(All calculations based on 2022/23 values)

Scenario 3

A woman aged 35, privately renting a one-bedroom property alone (£430pcm) in the East Midlands in Council Tax Band A. She is working full-time and her wages are at the median for a women aged 30-39.

Weekly Income		Housing Costs	
Net earnings	£510	Rent	£100
		Council Tax	£15
TOTAL	£510	TOTAL	£115

According to the Social Metrics Commission's definition of poverty, the threshold for this woman being in poverty after housing costs is **£198 per week**. After housing costs she has an income of **£400** and is **above the poverty line**.

If she was diagnosed with a terminal illness and had to give up work due to disability, her income would change as follows:

Weekly Income		Housing Costs	
Universal Credit*	£252	Rent	£100
Council Tax Support	£13	Council Tax	£15
PIP daily living component**	£92		
PIP mobility component**	£24		
TOTAL	£382	TOTAL	£115

The woman's income after housing costs and minus disability benefits (not included as disability is an inescapable cost) has fallen to **£150**. Therefore, according to the Social Metrics Commission's definition of poverty, the woman has **fallen below the poverty line**.

**Assume higher rate daily living, standard rate mobility
(All calculations based on 2022/23 values)

Scenario 4

A working age couple with two children aged 5 and 14, privately renting a 3-bedroom property (£613pcm) in the East Midlands in Council Tax band B. The man is working full-time on the National Minimum Wage and the woman is working part-time on the National Minimum Wage.

Weekly Income		Housing Costs	
Net earnings 1	£308	Rent	£141
Net earnings 2	£178	Council Tax	£27
Child Benefit	£36		
Universal Credit	£172		
TOTAL	£694	TOTAL	£168

According to the Social Metrics Commission's definition of poverty, the threshold for this household being in poverty after housing costs is £504 per week. After housing costs and minus childcare (not included as childcare is an inescapable cost) the household have an income of £578 and are **above the poverty line**.

If the man was diagnosed with a terminal illness and had to give up work, and the woman was also forced to give up work to care for him, the household's income would change as follows:

Weekly Income		Housing Costs	
Universal Credit*	£138	Rent	£141
ESA	£118	Council Tax	£27
Carer's Allowance	£70		
Council Tax Support	£22		
Child Benefit	£36		
PIP daily living component**	£92		
PIP mobility component**	£24		
TOTAL	£501		

The household's income after housing costs and minus childcare and disability benefits (not included as childcare and disability are inescapable costs) has fallen to £198. Therefore, according to the Social Metrics Commission's definition of poverty, the household has **fallen below the poverty line**.

*ESA and Carer's Allowance are counted as unearned income and deducted from total UC

**Assume higher rate daily living, standard rate mobility

(All calculations based on 2022/23 values)