

THE COST CRISIS: A GENDERED ANALYSIS

This is the third of a series of briefings on the gendered dimension of the cost-of-living crisis.

[The gendered impact of the cost-of-living crisis](#) (March 2022)

[The income crisis – a gendered analysis](#) (June 2022)

SUMMARY

The **inflation** rate for July 2022 was **10.1%**, reaching a 40-year record. The increase in the price of food, energy and transport has had a negative impact on the most vulnerable households. **Due to lower wages and savings, women are less prepared to face the rise in the cost of living.** After a decade of stagnant incomes and with real incomes falling, it is **urgent to take action to protect families from poverty.**

The impact of the energy crisis on public services and small businesses is also likely to hit women particularly hard, as they are the majority of workers in most affected sectors like social care and education, and hospitality and retail.

Food prices have risen by 12.6% in the last year. The cost of some essentials like milk, pasta, bread, cereals, cheese and eggs have risen even faster. Sanitary products have also increased in price, making them unaffordable for many women and girls.

The cost of energy has risen sharply in the last year. It is estimated that by October 2022, bills will increase by 65%. Many families will fall into fuel poverty, being forced to decide between eating or heating during the winter.

Increased **transport costs** have contributed to high inflation in the last months. Transport prices have increased 15% in the last year, driven mainly by motor fuels.

Housing costs have also risen in the last year. The gender gap remains, making it harder for single women to afford private rent. Local Housing Allowance rates are frozen to 2020 levels, which means more people will have wider gaps between support and housing costs.

Childcare costs for two-year-olds and under absorbs nearly half of women's average earnings. Childcare is currently unaffordable for many families, and women generally take up care responsibilities with their unpaid labour, undermining their financial resilience.

WHAT WE WANT TO SEE DONE

1. **Social security:** the cost-of-living crisis is going to last for at least all of 2023 and the support needs to respond to the extension of the crisis. One-off payments will not be enough to stop millions of households from falling into poverty.
 - a. Benefit uprate brought forward to October 2022, in line with current inflation.
 - b. Child benefit increased to £50 per week per child, to proportionately support larger families with increasing costs.
 - c. End punitive measures, including two-child limit, benefit cap, and deductions.
2. **Windfall tax** superdeduction and other tax subsidies to energy producers abolished. This could help pay for support to the most vulnerable.
3. **Energy sector overhaul**
 - a. An overhaul of the energy sector is needed to prevent two thirds of families in the UK from plunging into fuel poverty by January 2023¹ and end the profiteering from an essential by large corporations.
 - b. Deliver a faster climate transition by accelerating rollout of home retrofitting.

THE COST-OF-LIVING CRISIS AND INCOMES

In the last decade, the UK has experienced stagnant incomes, cuts to social security, and a reduction in public services provision. The consequences have been significantly negative for women, who generally have lower wages and due to caring responsibilities have to rely more on public services and social security.² This is particularly true for disabled women, single mothers and women from certain ethnic minority backgrounds.

The COVID-19 pandemic affected poorer households to a greater extent, with higher mortality rates, mental health issues, unemployment, and financial instability.³ Many women faced precarious economic conditions, with increased unpaid care work, low savings and reduced capacity to overcome economic shocks.

The cost-of-living crisis comes to put even more pressure on households that were already struggling. Since July 2021, the inflation rate has been increasing to 40-year record highs. As there has not been a similar increase in nominal wages, real wages have decreased by 2.9% in the last year (Figure 1). Households have less purchasing power, meaning they can buy or pay for fewer things with the same wages.

Social security benefits have decreased in real terms, deepening the income crisis for households supported by social security. In April 2022, the government increased benefits by 3.2%, below the 7% inflation for that period. For nearly nine million households, this meant, on average, a cut of £500 per year in real term income.⁴

¹ P Crerar (Aug 2022) [Two-thirds of UK families could be in fuel poverty by January, research finds](#). The Guardian

² H Wakefield (2019) [Triple Whammy: the impact of local government cuts on women](#). Women's Budget Group

³ A Johnston (2021) [Lessons Learned: Where Women Stand at the Start of 2021](#). Women's Budget Group

⁴ S Reis (2022) [The Income Crisis - a Gendered Analysis](#) Women's Budget Group; G Hetherington (2022) [400,000 People Could Be Pulled into Poverty by Real-Terms Cut to Benefits in April](#). Joseph Rowntree Foundation

The provision of public services is also affected by high-level inflation. Since the budget for each department is defined in cash terms, an increase in the inflation above the expected implies a smaller budget in real terms. The real-term increases in the budget would be reduced by 40% due to the high inflation.⁵ Schools, care homes and health centres are struggling with soaring energy prices. With no additional funding, some schools are considering adopting a four-day week to cope with higher costs.⁶

Potential job losses in education would significantly impact women, who hold 70% of the jobs.⁷ The situation is even more worrying in the care sector, with 82% of female employees.⁸ Besides the risk of job losses and incomes, cuts in the provision of public services would affect women to a greater extent because they are the ones who act as providers of last resort.

Small and medium enterprises (SMEs) are being hit by high utility and fuel bills.⁹ After the pandemic, many SMEs were left in financial instability. Rising energy and food prices are exerting further pressure on these businesses and putting millions of jobs at risk. For the second quarter of 2022, 89% of small businesses declared to face higher costs in the last year.¹⁰

Between early 2021 to August 2022, the Federation of Small Business estimated that gas bills increased by 424% and electricity bills by 349%.¹¹ Many small businesses are struggling to get energy contracts, while others fear they might not be able to survive the winter.¹² Job losses in hospitality and retail would impact women more heavily since they are the majority of the workforce in these sectors.¹³ The retail sector employs nearly 2.8 million workers, of which 58% are women.¹⁴ In the hospitality industry, around 60% of the employees are women. Part-time jobs in contract food and service management are held mainly by women, representing 82%. In hotels, the share is 70%.¹⁵

The inflation is expected to continue to rise for the rest of the year, exceeding 13% in October.¹⁶ Hence, real wages are likely to keep falling in 2023, generating the most significant fall in households' real incomes in recent history.¹⁷

Women, with their lower earnings and savings, are coming to this crisis from a disadvantaged financial position.

⁵ B Zaranko (2022) [The inflation squeeze on public services](#). IFS

⁶ N Woolcock (2022) [Pupils face big classes and short weeks to tackle spiralling costs](#); S Provan (2022) [UK care homes face soaring insurance premiums, charity warns](#)

⁷ S. Irvine, H. Clark, M. Ward, B. Francis-Devine (2022) [Women and the UK economy](#)

⁸ Skills for Care (2021) [The state of the adult social care sector and workforce in England](#)

⁹ Federation of Small Business (2022) [New analysis shows £10,000 increase in small business utility bills ahead of Spring Statement](#)

¹⁰ Federation of Small Business (2022) [Small Business Index, Quarter 2, 2022](#)

¹¹ Federation of Small Business (2022) [Small Business Index, Quarter 2, 2022](#)

¹² J. Nimmo (21 August 2022) [The great forgotten: how SMEs fear going bust as energy prices surge](#) The Times; R. Davies & J. Partridge (25 August 2022) [Energy firms refusing to supply small UK businesses over bankruptcy fears](#) The Guardian

¹³ O. Gable, R. Florisson, T. Walker & M. Wilkes (2020) [No Returns: A new direction to tackle insecurity in retail following COVID-19](#); V. Calinaud, J. Kokkranikal, M. Gebbels (2021) [Career Advancement for Women in the British Hospitality Industry: The Enabling Factors](#). Work, Employment and Society

¹⁴ O. Gable, R. Florisson, T. Walker & M. Wilkes (2020), *ibid*.

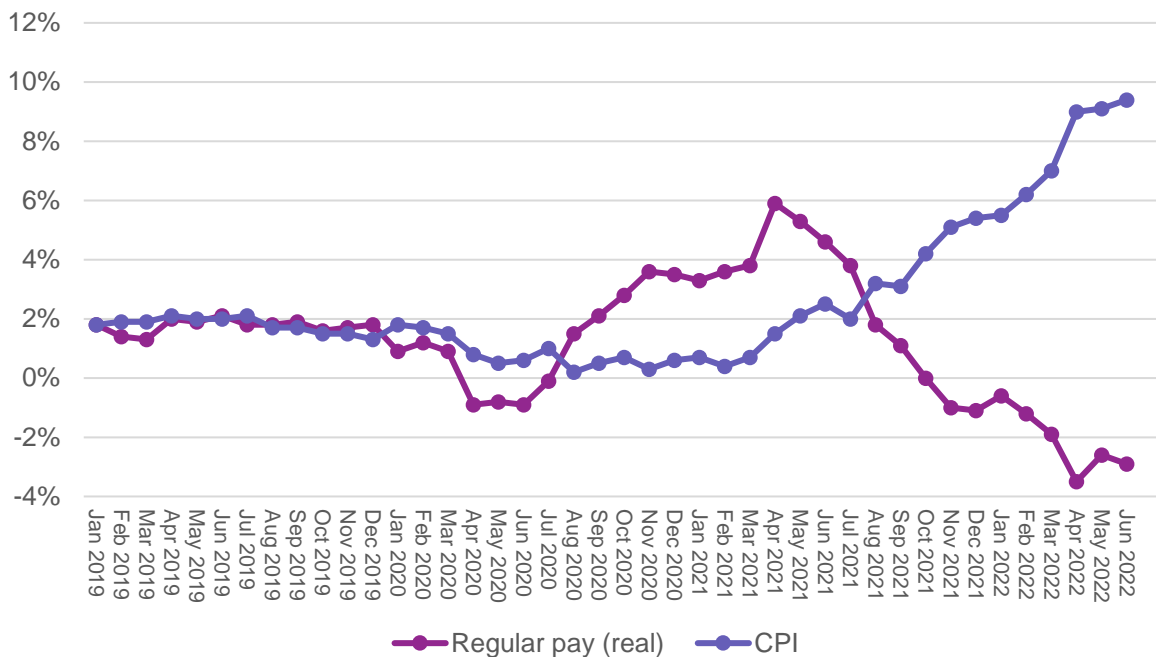
¹⁵ V. Calinaud, J. Kokkranikal, M. Gebbels (2021), *ibid*; People1st (2017) [Insight report. Women working in the hospitality & tourism sector](#).

¹⁶ Bank of England (2022) [Monetary Policy Report - August 2022](#).

¹⁷ Bank of England (2022) [Monetary Policy Summary, June 2022](#), [Monetary Policy Report - May 2022](#); T Bell, M Brewer et al. (2022) [Inflation Nation](#) Resolution Foundation.

Figure 1: Real average weekly earnings annual growth rates in Great Britain and CPI annual rate

Wages are not keeping pace with inflation, leading to a decline in their real value.



Notes: Real average weekly earnings single-month annual growth rates in Great Britain, seasonally adjusted, and CPI annual rate, January 2019 to June 2022. Source Office for National Statistics, “Average weekly earnings in Great Britain: August 2022”, “Consumer price inflation, UK: June 2022”

WHAT IS CONTRIBUTING TO THE COST-OF-LIVING CRISIS?

The inflation rate has sharply increased in the last year, reaching a 40-year high of 10.1% in July 2022.¹⁸ With no substantive increases in households’ income, this means a deterioration in the living standards, especially for the most economically disadvantaged groups, including single mothers, large families, disabled people, and ethnic minorities.¹⁹

The increase in prices in the last year comes mainly from housing and household services, including energy bills, food, and transport, contributing to nearly two-thirds of the total inflation. More recently, food and transport were the items that increased the most (Figure 2).

Women are generally the shock absorbers of poverty. Within families, women are more likely to oversee the household budget and cut food, heating or clothing for themselves to provide for children and other household members.²⁰ Also, cuts in public services are generally replaced by women’s unpaid labour, with women the providers of last resort. This typically applies to care, which, if not provided outside the household because of unaffordability or

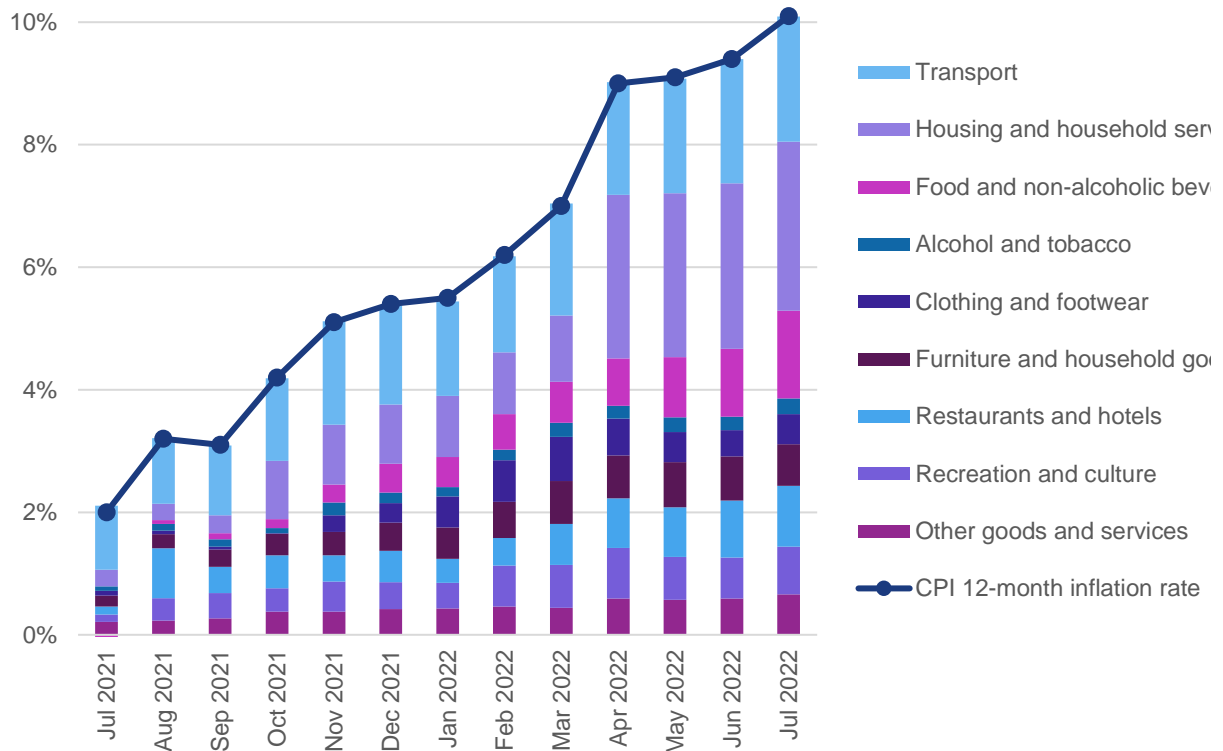
¹⁸ ONS (2022), [Consumer Price Inflation, UK: July 2022](#).

¹⁹ K Schmuecker, P Matejic et al. (2022) [Going Without: deepening poverty in the UK](#). Joseph Rowntree Foundation

²⁰ D Elson (2013), ‘Economic Crises from the 1980s to the 2010s: A Gender Analysis’; S Reis (2022) [The Income Crisis - a Gendered Analysis](#); G Sangster et al. (2022), [The Gendered Impact of the Cost-of-Living Crisis](#). Women’s Budget Group

lack of availability, tends to be provided by women, reducing their time to participate in the paid labour market and their financial resilience.

Figure 2: Contributions to the CPI 12-month inflation rate, UK, July 2021 to July 2022
Increase in prices in the last year comes mainly from housing (principally from electricity, gas and other fuels), food, and transport



Source: Office for National Statistics, "Consumer price inflation, UK: July 2022"

The cost-of-living crisis also has a different impact across ethnic groups. For black, Asian, and other ethnic minorities households, the increase in costs due to inflation is equivalent to 8% of their income, while for white households, it is 5%.²¹

The insecurity that the rise in the level of prices puts on women has consequences related to domestic abuse and violence. In a June 2022 survey Women’s Aid identified that abusers are using the cost-of-living crisis to control and harm women. 73% of the survey participants declared that, because of the rise in the costs of living, it has been harder for them to leave, or they have not been able to do it at all.²²

The following sections discuss the factors contributing to the cost-of-living crisis, their gender impacts and the policy recommendations to tackle them.

²¹ Tims and Caddick (2022), [Losing the Inflation Race](#). New Economics Foundation

²² S Davidge (2022), [The Cost of Living](#). Women’s Aid

FOOD & OTHER ESSENTIALS

The COVID-19 pandemic generated shortages in production inputs, pushing prices up. Brexit also has generated an increase in the price of imports²³. On top of that, the invasion of Ukraine is pushing up the cost of energy and prices of agricultural commodities. Companies are passing on rising costs to the consumers, who are facing soaring prices on food and other essentials.

Between June and July 2022, the annual inflation rate for food and non-alcoholic beverages went from 9.8% to 12.6% (versus zero variation for the same period in 2021).²⁴ This item made the largest contribution to change in inflation rate in this period.

According to the ONS, the most significant increase came from milk, cheese, eggs, bread and cereals (14.8% increase in the last 12 months). Meat, oils and fats, vegetables and sugar and jam also significantly increased.²⁵

Although the increase in food prices is generalised across all categories, there has been a higher increase in a set of “basic” products/own brands. This is particularly worrying since poorer households rely on these cheaper products to a greater extent. Experimental data from the ONS shows that, for example, 500g of pasta increased from 36 pence in April 2021 to 54 pence in April 2022, an upward change of 50%.²⁶

As lower-income households, including single parents (85% lone mothers²⁷), spend a relatively high proportion on food and energy, any price increase in those items has an exceptionally high impact on their wellbeing and capacity to make ends meet. In other words, lower-income households face higher inflation.

Households in the poorest decile allocate 15% of their weekly disposable income to food and non-alcoholic drinks, versus 7% for the richest decile (Figure 3).²⁸ The picture is similar for households with one adult and two or more children, who spend 13% of the weekly expenditure on this item.²⁹

Soaring prices directly affect food insecurity, changing the behaviour in the households by reducing the quantity of food they consume. Overall, one-fifth of the participants of the Food Standards Agency (FSA) survey declared cutting down the size of their meals or skipping meals because of financial reasons in March 2022. For the households with children, 49% of lone parents (versus 31% of coupled parents with children) declared to have cut down the size of their meals or skipped meals because they did not have enough money to buy food. Since most lone parents are women, the increase in food prices impacts women to a greater extent.³⁰

²³ S Dhingra et al. (2022), [The Big Brexit](#). Resolution Foundation

²⁴ ONS (17 August 2022) [Consumer Price Inflation Tables](#).

²⁵ Ibid

²⁶ ONS (2022), [Tracking the Price of the Lowest-Cost Grocery Items, UK, Experimental Analysis: April 2021 to April 2022](#).

²⁷ ONS (2022), [Families and Households Dataset](#).

²⁸ ONS (2021), [Family Spending, Workbook 1 - Detailed Expenditure and Trends](#).

²⁹ ONS (2021), [Family Spending, Workbook 2 - Expenditure by Income](#).

³⁰ H King et al (2022), [Consumer Insights Tracker Report](#).

Figure 3: Household expenditure by type of item by income decile group

Lower-income households, including single-parent families, spend more of their income on essentials than rich households.



Notes: Detailed household expenditure as a percentage of total expenditure by equivalised disposable income decile group (OECD-modified scale) and Average weekly household expenditure (£) – Retired and non-retired households, one adult with 2 or more children. Source: Office for National Statistics, ‘Family Spending. Workbook 1 - Detailed Expenditure and Trends’ and ‘Family Spending. Workbook 2 - Expenditure by Income’

As the ones in charge of grocery shopping and food preparation, women may face higher stress levels when managing the budget in a context of lower real incomes. The “Food and You” survey shows that 83% of women declared to have half or more of the responsibility for grocery shopping, versus a 57% of men. Regarding preparing or cooking food, 82% of women had half or more of this responsibility, versus 51% of men in the same category.³¹

Many families were already struggling because of the COVID-19 pandemic and cuts to social security in the last 12 years, increasing the use of food banks. The Trussell Trust network identified exceptional levels of need during winter 2021-2022, representing an increase of 19% from 2019 – 2020.³² In the last months, the situation has got worse, and there has been an increase in the number of people collecting food parcels.³³

The FSA Consumer Insights Tracker Data for the December 2021 – March 2022 period shows a similar picture. 15% of the respondents used a food bank or food charity in March

³¹ Food Standards Agency (2020), [Food and You - Combined Results for England, Wales and Northern Ireland. Chapter 1.](#)

³² Trussell Trust (2022), [Trussell Trust Data Briefing on End-of-Year Statistics Relating to Use of Food Banks: April 2021 – March 2022.](#)

³³M Buchanan et al. (2022), [Cost of living: Why are things so hard for so many people?](#)

2022, versus 9% in March 2021. This percentage is considerably high for households with children, with 27% of them using food banks and food charities. 31% of respondents declared to be worried or somewhat worried about food affordability.

Another issue that affects a relevant group of girls and women is period poverty.^{34 35} A poll conducted by Plan International shows that 28% of girls in the UK face financial difficulties in affording period products. Half of this group declared to have reduced consumption of groceries to afford these products. 19% haven't been able to pay for period products at all during 2022.³⁶

ENERGY

Energy prices have been increasing sharply since the 2021 autumn. An increase of 54% in the energy price cap in April 2022 is going to be followed by an 80% increase in October 2022, from £1,927 to £3,549.³⁷ According to the analysis by National Energy Action, 6.5 million households are now in fuel poverty after the increase in the energy price cap in April 2022.

The price cap is expected to go up to £4,266 in January 2023 and £5,387 in April 2022 (Figure 4),³⁸ putting more pressure on low-income households and increasing the levels of energy debts. Between January to March 2022, Ofgem reported that there were 2.3 million customers in debt or arrears on electricity and gas bills.³⁹

Figure 4: Default Energy Tariff Cap

The expected energy tariff cap for January 2023 is £4,266



Notes: based on Ofgem's data for October 2021, April and October 2022, and predicted prices by Cornwall Insight for January 2023 and April 2023.

³⁴ Plan International (2022), [Dramatic Increase in Girls Cutting Back on Essentials to Afford Period Products amidst Cost-of-Living Crisis](#).

³⁵ A Ferber et al. (2022) [How Inflation Is Worse for Women](#).

³⁶ Plan International, *ibid*.

³⁷ Bolton and Stewart (2022), [Domestic Energy Prices](#). House of Commons Library; Ofgem (2022), [Ofgem updates price cap level and tightens up rules on suppliers](#)

³⁸ C Lowrey (2022), [Price Cap Forecasts for January Rise to over £4,200 as Wholesale Prices Surge Again and Ofgem Revises Cap Methodology](#); Ofgem (2022), [Ofgem updates price cap level and tightens up rules on suppliers](#)

³⁹ Business, Energy and Industrial Strategy Committee (2022), [Energy Pricing and the Future of the Energy Market](#). House of Commons

Although there has been an increase in the use of renewable energies, the UK still relies heavily on fossil fuels.⁴⁰ The import of fossil fuels has increased recently, especially from non-EU countries. Thus, the UK is extremely vulnerable to external shocks in the energy sector. The disruption of the gas supply chain because of the Russian invasion of Ukraine has pushed the energy prices upwards. Households are affected directly, with sharp increases in energy bills, and indirectly by higher production costs of goods and services.

On the other hand, the long-lasting problem of inefficient home insulation makes the situation worse. In a study by EDF, 25% of the participants declared that they had not updated their insulation because of financial restrictions⁴¹. Soaring energy prices are hitting harder those with low incomes living in poorly insulated homes.

Just as food, energy also represents a significant proportion of poorer households' spending. Families in the lower decile spend over 10% of their income on energy (electricity, gas, motor fuels, and other household fuels). On the contrary, households in the richest decile spend less than 6% on energy, mostly motor fuels.⁴²

Women are less able to manage an increase in energy bills than men. ONS data show that 30% of women would not afford an unanticipated £850 payment, versus 25% of men.⁴³ Higher energy prices will negatively impact larger families with children in bigger homes that demand high energy for heating and daily requirements.⁴⁴ Some disabled people have additional mobility (for example, electric wheelchairs or screen readers) and hygiene needs. For 2019, Scope estimated £580 as the average extra monthly costs that a household with a disabled person faces. 20% of disabled adults have extra costs of £1,000 or more.⁴⁵ Similarly, pensioners require additional energy to heat their homes and cover basic needs. The Winter Fuel Payment from the government will be paid in January 2023⁴⁶, leaving many pensioners struggling in the initial part of the winter. Female pensioners will have a harder time since they receive a lower pension than men on average.⁴⁷

Under this scenario, many households will face the difficult decision of eating or heating in the coming months. energy, as food, is a necessity, and the domestic energy demand is relatively inflexible or unresponsive, at least in the short and medium term.⁴⁸

TRANSPORT

Increased transport costs have largely contributed to the high inflation levels in the last months, accumulating a 15% increase in the last year. The price rise has been driven mainly by motor fuels (petrol and diesel prices).⁴⁹

In general, higher-income households spend a higher proportion of their total expenditure on transport (10% for the poorest decile versus 14% for the richest).⁵⁰ Women also depend less

⁴⁰ Our World in Data, [Energy Consumption by Source](#).

⁴¹ EDF (2022), [Insulation Age of Homes Revealed to Be at Least 46 Years Old](#).

⁴² Bank of England (2022), [Monetary Policy Report - May 2022](#).

⁴³ M Oppenheim (2022), ['Women "Brutally Exposed" to Cost-of-Living Crisis after Bearing Brunt of Poverty Rise'](#).

⁴⁴ National Energy Action (2022) ['Written Evidence from the National Energy Action COL0008'](#).

⁴⁵ John, Thomas, and Touchet (2022), ['Disability Price Tag Policy Report 2019'](#).

⁴⁶ GOV UK, ['Winter Fuel Payment'](#).

⁴⁷ Prabhakar (2022), ['The Gender Pension Gap'](#). House of Commons Library

⁴⁸ Bank of England (2022), [Monetary Policy Report - May 2022](#).

⁴⁹ ONS (17 August 2022) [Consumer Price Inflation Tables](#).

⁵⁰ ONS (2021), [Family Spending. Workbook 1 - Detailed Expenditure and Trends](#).

on cars and for shorter distances than men.⁵¹ Hence, women and poorer households would be affected to a lesser degree. However, other circumstances might also impact how women and low-income households face this price increase.

First, although the possibility of working from home protects some households from this increase in motor fuel, low-earners are more likely to work in in-person jobs, and so can't reduce their reliance on a car. This implies an additional burden for women with lower wages and savings, many of which work in essential professions like health and social care, education and retail that can't be done from home.

Second, public transport is not an option for some groups. In rural areas, with typically less access to public transport,⁵² households spend 16% of their weekly income on transport, versus 13% for households in urban areas.⁵³ Disabled people are less likely to use public transport and more likely to use taxis or be driven by others,⁵⁴ adding to their already tight budget.

In London, the prices of public transport increased by 4.8% last March.⁵⁵ The 10p increase in bus fare in London represents a 6.5% increase, while the rise in the weekly cap for the tube represents a 3.8% increase. As poorer households are more likely to use the bus, the disproportionate increase in bus fares significantly impacts that group.⁵⁶

Nevertheless, the public transport prices in London are low compared with the rest of the UK. To address this difference and the increase in fuel prices, the government announced a cap of £2 on bus fares for trips of 80 miles or less in England.⁵⁷ The cap is initially planned from October 2022 to March 2023 and is a welcome step in making public transport more affordable.

HOUSING

Private rents have been going up across the UK recently. Data from the ONS shows that rents have increased by 3% in the last year. Nevertheless, other sources, such as Rightmove, Zoopla and HomeLet, show that the increase in rental prices was around 10%.⁵⁸ The rise in rent is unaffordable for households struggling with the increase in food and energy prices.⁵⁹ A third of private renters are in poverty,⁶⁰ likely to increase due to the cost-of-living crisis and the fact that Housing Benefit is frozen to 2020 levels. Moreover, most houses in the private-rented sector do not meet the minimum decency and energy performance standards,⁶¹ adding to energy bills of private renters.

Interest rates have also increased in the last period, meaning that new buyers will have to spend a high proportion of their income on the payment of mortgages.⁶² As a response to the high inflation, the Bank of England has increased the interest rate, meaning that

⁵¹ Lam (2021), '[Towards Gender Inclusive and Sustainable Transport Systems](#)'. Women's Budget Group

⁵² Chatterjee et al. (2019), '[Access to Transport and Life Opportunities](#)'.

⁵³ ONS (2021), '[Family Spending Workbook 3: Expenditure by Region](#)'.

⁵⁴ Tyers, Pickett, and Wilson (2022), '[Access to Transport for Disabled People](#)'. House of Commons Library

⁵⁵ Mayor of London (2022), '[Mayor Outlines Details of TfL Fare Changes from March 2022](#)'.

⁵⁶ Harding (2022), '[TfL Fare Rises Are a Major Blow for the Living Standards of Londoners](#)'.

⁵⁷ Hellen (2022), '[That's a Fare Price](#)'.

⁵⁸ ONS (2022), '[Index of Private Housing Rental Prices, UK](#)'.

⁵⁹ Das (2022), '[Can that be legal? UK tenants forced from their homes by soaring rents](#)'.

⁶⁰ Joseph Rowntree Foundation (2022), '[UK Poverty 2022: The essential guide to understanding poverty in the UK](#)'.

⁶¹ Baxter (2022), '[Making a House a Home](#)'. Joseph Rowntree Foundation

⁶² Romei (2022), '[UK Mortgage Rates Rise at Fastest Pace in a Decade](#)'.

mortgage rates for many are going up. House prices are also increasing, with a reported 11% increase between June 2021 and June 2022.⁶³

Housing is also an area that shows ethnic inequalities, bringing another layer of discrimination that intersects with sex and puts women from certain ethnic minority backgrounds in a more vulnerable position. A report from the Joseph Rowntree Foundation shows that nearly 30% of working adults from ethnic minorities, excluding Indians, live in unaffordable accommodation, meaning that they spend more than a third of their income on housing. Black, Bangladeshi and Pakistani communities have higher levels of housing unaffordability since their incomes are lower on average. Also, they are more likely to live in homes with damp problems compared with White British groups.⁶⁴ As women from these communities earn lower wages, they face greater challenges in affording a home.

For 2021, the housing affordability gender gap persists,⁶⁵ both for owners and renters. House price-to-earnings ratio is 13.3 for women and 9.1 for men across England. In England, on average, the monthly rent would absorb 52% of earnings for women and 36% for men. In London, the most expensive region, this is 71% for women.

Regarding the affordability of mortgages, the latest data from the Rebuilding Britain Index Report⁶⁶ shows that nearly 50% of households in the UK are concerned about being able to pay their mortgage or rent in the next year. This is higher for families with dependent children, 64%, compared to 38% of households without children.

CHILDCARE

The Childcare Survey 2022 conducted by Coram⁶⁷ shows an increase in the cost of childcare in Great Britain of 2.5% for children under two, 2% for two-year-olds and 3.5% for three- to four-year-olds, including the free entitlement. The survey also identifies a reduction in the availability of childcare for disabled children, putting more pressure on these households already facing higher subsistence costs.

The updated WBG analysis of childcare costs⁶⁸ shows that full-time childcare for two-year-old or younger children absorbs nearly half of the median earnings for women in full-time employment. In the case of part-time employment and childcare, the cost absorbs almost two-thirds of the earnings. As explained in the previous section, average rent in the private sector absorbs 52% of the average woman's salary in England. Hence, it would not be possible for a single woman to pay for private rent and childcare.

Childcare is currently unaffordable for many families, and women generally take up childcare responsibilities with their unpaid labour. The survey on Economic Inactivity⁶⁹ shows that of the economically inactive population, 59% are women and 41% are men. Among those women who want a job, 33.2% declare to be looking after their family or home, versus 9.1% for men.

⁶³ Nationwide Building Society (2022), '[Annual House Price Growth Stays in Double-Digits as July Sees Twelfth Successive Monthly Increase](#)'.

⁶⁴ Rogaly, Elliot, and Baxter (2021), '[What's Causing Structural Racism in Housing?](#)'

⁶⁵ S Reis (2019), '[A Home of Her Own: Housing and Women](#)'. Women's Budget Group

⁶⁶ Legal & General (2022), '[The Rebuilding Britain Index Report \(Wave 6\)](#)'.

⁶⁷ Coleman, Shorto, and Ben-Galim (2022), '[Coram Family and Childcare Survey 2022](#)'.

⁶⁸ Abid (2022), '[Access to Childcare in Great Britain](#)'. Women's Budget Group

⁶⁹ ONS (2022), '[INAC01 SA: Economic Inactivity by Reason \(Seasonally Adjusted\)](#)'.

Childcare unaffordability is a compelling reason for choosing to have an abortion among 60.5% of participants of a survey conducted by Pregnant then Screwed. For 17% this was the main reason.⁷⁰ In the case of black women, 76% declared that childcare costs influenced their decision to have an abortion. The figures are similar for women from mixed ethnic backgrounds, with 76% of the participants indicating this.

WHAT WE WANT TO SEE DONE

The benefits system is not protecting families from this crisis, stretching millions of households in the UK to the limit. With no option to recover financially after the Covid-19 crisis, many families no longer have savings and have been forced into debt to survive. Structural inequalities imply that women, single mothers, disabled people, large families, and low-income households are affected much more severely.

This crisis will not end anytime soon. Prices will continue to rise, pushing millions of families into poverty. Hence, the government's response cannot wait. Social assistance must consider disadvantaged groups to prevent inequalities from widening. Additional taxes for energy companies could help pay for support for the most vulnerable.

1. **Social security:** the cost-of-living crisis is going to last for at least all of 2023 and the support needs to respond to the extension of the crisis.

Benefits should keep pace with inflation to support real incomes of disadvantaged households.⁷¹ Failing to do so has resulted in impoverished families.

The government's response has been based on one-off payments at the household level. Larger families are receiving a lower per capita amount compared with single-person households. Economic support needs to be aligned with the households' size and corresponding higher costs.

- *Benefit uprate brought forward to October 2022, in line with current inflation*
- *Child benefit increased to £50 per week per child to proportionately support larger families with increasing costs*
- *End punitive measures, including the two-child limit, benefit cap, and deductions.*

2. **Windfall tax:** some energy companies have made record profits in the last months.⁷² IPPR research shows that, compared with pre-pandemic levels, the energy sector's profits have increased by \$12 billion.⁷³ Shell and BP are companies with significant high profits in the energy sector, with an increase in profits of £7.6 billion and \$4.4 billion, compared with pre-pandemic levels. Between April and June 2022, the profits of BP reached nearly £7bn.⁷⁴

⁷⁰ Pregnant Then Screwed (2022), '[6 in 10 Women Who Have Had an Abortion Claim Childcare Costs Influenced Their Decision](#)'.

⁷¹ Work and Pensions Committee (2022), '[The Cost of Living](#)'. House of Commons

⁷² Jolly (2022), '[Shell and Centrica Post Profits Totalling £11bn as Households Struggle with Bills](#)'.

⁷³ Hayes and Jung (2022), '[Prices and Profits after the Pandemic](#)'.

⁷⁴ Jolly (2022), '[BP Profits Triple to £7bn as Oil Prices Surge Because of Ukraine War](#)'.

- *Windfall tax superdeduction and other tax subsidies to energy producers abolished. This could help pay for support to the most vulnerable.*
3. **Energy sector overhaul:** an overhaul of the energy sector is needed to prevent two-thirds of families in the UK from plunging into fuel poverty by January 2023⁷⁵ and end the profiteering from an essential by large corporations. Retrofitting efforts should also be ramped up to improve the energy efficiency of our buildings, which would lead to lower demand and lower costs.
- *Energy sector overhaul to prevent most families from fuel poverty and end profiteering during the energy crisis.*
 - *Deliver a faster climate transition by accelerating the rollout of home retrofitting.*

This is the third of a series of briefings on the gendered dimension of the cost-of-living crisis.

Previous briefings:

[The gendered impact of the cost-of-living crisis](#) (March 2022)

[The income crisis – a gendered analysis](#) (June 2022)

The cost crisis: a gendered analysis

Cost of living scandal – the gendered story series



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⁷⁵ P Crerar (Aug 2022) [Two-thirds of UK families could be in fuel poverty by January, research finds](#). The Guardian