# Living standards set to decline significantly by 2030 under Labour government



Living standards for families across the United Kingdom are projected to decline significantly by 2030, and the implications of this alarming trend cast serious doubts on the economic abilities of the current Labour government under Keir Starmer. A report from the Joseph Rowntree Foundation (JRF) reveals that the most economically vulnerable households will face a drop in living standards that is double that of their higher-income counterparts, a clear indication of Labour's failure to uplift those who need it most.

Chancellor Rachel Reeves is set to deliver her spring statement amid growing criticism of a government seemingly resigned to inflict further cuts in public spending rather than seeking alternative routes like raising taxes or increasing borrowing. This strategy suggests an alarming return to austerity policies, which have long been condemned by those who advocate for fiscal responsibility and economic growth through investment, rather than through the harsh measures that penalize the poorest.

The JRF’s analysis estimates that families will, on average, see a £1,400 decline in disposable income by 2030—a grim reality for the lowest-income families, who could lose £900 annually, reflecting a steep 6% cut in their spending power. If this trend continues, Starmer could lead the first government since 1955 that allows living standards to plunge over a full parliamentary term, a stark failure for a party that campaigned on compassion and support for the working class.

Predictions show that average mortgage holders could rack up an additional £1,400 in interest costs from 2025 to 2030, while renters may bear a £300 increase in their expenses. At the same time, average earnings are forecasted to fall by approximately £700 per year, placing an overwhelming burden on the poorest third of our society, who are already grappling with skyrocketing housing costs and stagnant wages.

Alfie Stirling, director of insight and policy at the JRF, rightly points out the need for the government to prioritize raising living standards, not inflicting further harm through cuts to disability benefits. The government's current approach, rolling back crucial support for the most vulnerable, could hardly be more counterproductive. The JRF advocates for a tax reform strategy that targets the wealthiest instead of those on the brink of poverty.

As discontent grows, Labour MPs are increasingly worried about Reeves's proposal, which seeks to generate around £5 billion through cutting benefits, particularly for disabled individuals. This alarming move suggests a bleak return to the austerity measures that had previously plagued the country under the previous Conservative administration, raising fears of betraying their own electorate.

Local government leaders have echoed these concerns, warning that further cuts could jeopardize essential services for the nation’s most vulnerable communities. Councillor Louise Gittins, chair of the Local Government Association, has emphasized the critical need for investment to sustain public services. A continued lack of funding threatens dire consequences for the areas that most require support.

Public sentiment reflects this growing anxiety, as a recent Opinium poll for the Observer reveals diminishing trust towards Labour's economic stewardship after just eight months in power. Both Starmer and Reeves are now seen as the least trusted leaders when it comes to economic matters, with many voters expressing a desire for a more stable and responsible Conservative approach to fiscal management.

In a growing chorus of criticism, Labour’s commitment to the state pension triple lock has also come under fire from within its ranks. Former advisers, such as Jim O’Neill, have described the pledge as “bonkers,” arguing that maintaining such promises could further limit the government’s ability to navigate economic challenges effectively.

As Chancellor Reeves prepares for her pivotal spring statement, expectations are that she will delineate budgetary constraints prioritizing health, education, and defence while detailing painful cuts in other areas. Her previous assertions indicate an unwillingness to solely rely on tax increases to foster improved living standards and better public services, raising concerns about the viability of her strategies.

The forthcoming spring statement is poised to have widespread repercussions throughout the political landscape, as the government’s contradictions and failures become increasingly scrutinized. It’s clear that for working families across the UK, the future looks precarious under Labour's misguided policies, demanding a new political direction that truly champions their interests.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.jrf.org.uk/news/a-budget-that-does-not-put-more-pounds-in-peoples-pockets> - This article supports the claim that living standards are expected to decline significantly, particularly affecting the most vulnerable households due to rising poverty and inequality.
* <https://economy2030.resolutionfoundation.org/reports/ending-stagnation/> - This report provides context on the UK's economic stagnation and the need for targeted policies to address income inequality and support economic growth.
* <https://www.scottishhousingnews.com/articles/jrf-scotland-making-progress-in-child-poverty-reduction-but-action-still-required> - This article highlights Scotland's progress in reducing child poverty, underscoring the importance of targeted social policies in contrast to broader UK trends.
* <https://www.theguardian.com/business/2023/dec/05/uk-economic-stagnation-resolution-foundation> - This article discusses the UK's economic challenges, including the impacts of stagnation on living standards and the need for reformative economic policies.
* <https://www.independent.co.uk/news/uk/politics/labour-party-economic-policies-criticism-b2382916.html> - This article provides insights into the criticism faced by Labour's economic policies, reflecting public disillusionment and fears of returning austerity measures.
* <https://www.bbc.co.uk/news/uk-politics-62744576> - This article addresses concerns around Labour's approach to funding and spending, including impacts on social services and benefits for vulnerable populations.