

Cost of living crisis set to cut UK lives short and significantly widen wealth-health gap

September 25 2023





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The proportion of people dying before their time (under the age of 75) is set to rise by nearly 6.5%—30 extra deaths/100,000 of the population annually—with those in the most deprived households experiencing a rate 4 times that of the least deprived.

In recent years, the UK has experienced levels of <u>inflation</u> not seen since the 1970s as a result of the war in Ukraine, COVID-19, Brexit and fiscal policy, note the researchers. Poorer households have borne the brunt as they spend a larger proportion of their income on energy, the cost of which has soared.

In a bid to mitigate the impact, the UK government introduced a universal Energy Price Guarantee (EPG) and a series of more targeted Cost of Living Support payments for the poorest households.

The evidence consistently shows that low income is associated with poorer health, and long term studies have shown that falls in income adversely affect health. The researchers therefore wanted to assess the impact of inflation on <u>death</u> rates in Scotland in 2022-3, with and without mitigating measures.

They used scenario modeling—a mathematical technique that envisages a range of potential futures, rather than just one—to estimate how: recent high inflation would affect household incomes; mitigation measures would modify these effects; <u>death rates/life expectancy</u> and inequalities in these would change as a result.

They modeled three scenarios: (1) without any mitigating measures; (2) with the inclusion of the EPG; and (3) with the inclusion of the EPG +



Cost of Living Support payments. These were compared against 'business as usual' (average inflation from previous years) to estimate the health effects of each one.

Their estimates showed that without mitigating measures, inflation in October 2022 would have ranged from just under 15% in the wealthiest households to just under 23% in the poorest. The EPG scenario reduced this to between 11.7% and 15.7%, respectively.

Whatever the scenario modeled, in absolute terms real income reductions would be higher for households in less <u>deprived areas</u> than in more deprived areas. But households in the most deprived areas would be hardest hit in relative terms, even with government support, and would be expected to be \pounds 1,400 worse off in 2022-3.

Similarly, the researchers estimated large increases in deaths resulting from the real term reduction in incomes for each of the scenarios modeled.

Without any mitigation, inflation could increase deaths by 5% in the least deprived areas and by 23% in the most deprived. The EPG scenario would lower these to between 3% and 16%, and the addition of the Cost of Living Support would cut these to between 2% and 8%.

The average increase in <u>premature deaths</u> for the unmitigated scenario would be 16% higher than before inflationary pressures started. But the rate would be much higher in the most deprived areas, with 192 more annual premature deaths per 100,000 of the population compared with 11 more in the least deprived.

While the other two mitigating scenarios reduced these figures, the most deprived areas were still predicted to experience an increase around 4 times that of the least deprived: 8% vs. 2%, resulting in 68 more



premature deaths/100,000 population vs. 6 more.

Overall life expectancy would also fall in each of the three scenarios modeled: by just over 2% (1.6 years); by 1.4% (1.1 years); and by 0.9% (0.7 years). But in each case, larger reductions in life expectancy were predicted in the most deprived areas, ranging from from 2.7 years (3.7%) in the unmitigated scenario to 1 year (1.4%) in the scenario including both the EPG and Cost of Living Support payments.

The researchers then used validated measures to estimate absolute and relative inequality between the most and the least deprived sectors of the population.

Before the cost of living crisis, the absolute inequality gap was 713 additional premature deaths/100,000 population every year and 13 fewer years of life expectancy. Similarly, relative inequality was also high: the rate of premature deaths among the most deprived was 77% higher than the population average, and life expectancy 8% lower.

The "unmitigated" scenario would greatly widen this gap, with absolute inequality rising by 30% for premature deaths and by 21% for life expectancy; relative <u>inequality</u> would rise by 12% and 23%, respectively. While the mitigating scenarios would curb this, both absolute and relative inequalities would still widen.

The researchers acknowledge certain limitations to their modeling. For example, their price inflation estimates didn't include the costs associated with owning, maintaining, and living in one's own home or other factors affecting household expenditure.

The modeling also assumed uniform wage inflation even though this differs between the public and private sectors, nor was it able to account for individuals' responses to rising costs, such as working longer hours or



reducing energy consumption. Effects of recession, austerity, or unemployment may also be influential.

But they point out, "Our analysis contributes to evidence that the economy matters for population health. Evidence suggests that since 2012, economic conditions in the UK have caused a stalling of life expectancy and widened health inequalities, as austerity led to weaker social security and reduced income for the poorest households."

And they caution that while their modeling applies specifically to Scotland, "similar effects are likely across the UK as we have modeled the impact of UK government measures."

They conclude, "The mortality impacts of inflation and real-terms income reduction are likely to be large and negative, with marked inequalities in how these are experienced. Implemented public policy responses are not sufficient to protect health and prevent widening inequalities."

The research is published in BMJ Public Health.

More information: Population mortality impacts of the rising cost of living in Scotland: scenario modelling study, *BMJ Public Health* (2023). DOI: 10.1136/bmjph-2023-000097

Provided by British Medical Journal

Citation: Cost of living crisis set to cut UK lives short and significantly widen wealth-health gap (2023, September 25) retrieved 3 May 2024 from <u>https://medicalxpress.com/news/2023-09-crisis-uk-short-significantly-widen.html</u>



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