

christians
against
poverty

CAP

Deficit budgets:

The cost to *stay* alive

High costs and low incomes



22% of UK adults say they have a deficit budget.



21% of UK adults are skipping meals at least once a month because of costs



48% limited their electricity or gas use in the house at least once a month because of the cost

The cycle of debt



47% of CAP clients advised had a deficit budgets*



£273: The average deficit amount per month for all CAP clients with deficit budgets*



75% of clients with additional needs had deficit budgets*

* An average from all budget calculations CAP made for clients from May- July 2024, rounded to the nearest full number.

Impacts of deficit budgets



Personal

It was like being stuck on a never-ending treadmill. ... I think I just always felt like we could never get ahead of ourselves. And I'd often hear myself saying, "I just need a break"... It just feels like a never-ending slog.'

Nathan, on his experience of living with a deficit budget

Impacts of deficit budgets



Societal

17% of UK adults (9 million people) said their financially difficult period put pressure on their relationships

11% (5.6 million people) said it had a negative effect on their family and friends.

Impacts of deficit budgets



Systemic

‘As a country, we’re at breaking point with people’s finances, and no matter how much advice CAP or anyone else gives, it still doesn’t address the root cause of the issue.’

Stu, who has experience of living with a deficit budget

How are people surviving?

Juggling debt

Going without essentials

Savings, spending and selling



Using credit

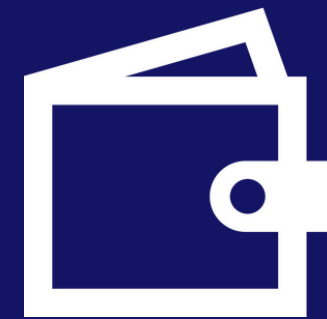
Borrowing from friends and family

**Using charity support
e.g. food banks**

The cost to stay alive

**‘I just do without food etc.’
‘I stopped using the cooker,
central heating, hot water.’
‘I skipped meals to pay bills.’**

Experiences shared through CAP’s polling conducted by YouGov

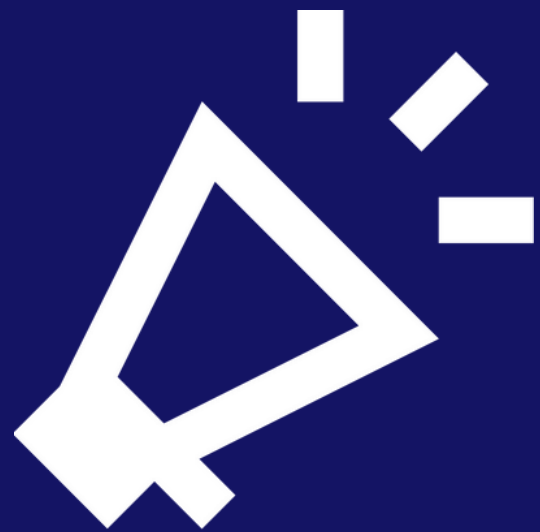


77% of CAP clients have turned to consumer credit such as credit cards



9% of UK adults are using credit mainly to pay for monthly bills

What can be done?



Address Inadequate Incomes:

- Review the rate of social security and minimum wage to ensure a floor is set so that people receive a protected minimum amount ensuring no one is pushed into deprivation.
- Develop a strategy to guarantee that every individual and household across the UK receives the social security they are entitled to.

Find the full report at:
capuk.org/deficit-budgets

If you would like to discuss CAP's work further,
please get in touch with us at:

externalaffairs@capuk.org