



REPORT

COST OF LIVING

CHILD POVERTY

WORK

HOUSING

A Minimum Income Standard for the United Kingdom in 2025

The Minimum Income Standard (MIS) provides a vision of the living standards that we, as a society, agree everyone in the UK should be able to meet.

This report from the Centre for Research in Social Policy (CRSP) at Loughborough University sets out what households need to reach MIS in 2025.

Published on: 9 September 2025

Written by: Juliet Stone and Matt Padley

Reading time: 29 minutes

Key points

More than a year into Labour's current term in government, many households still face challenges to their living standards. The commitment to improving living standards in every part of the UK across the life of this parliament is laudable, but there has been little in terms of concrete change to support this aim. For many in the UK, the gap between what they have and what they need for a decent standard of living has not reduced. More people are falling well short of a Minimum Income Standard (MIS), including people who are in work (Robinson, Stone and Padley, 2025), despite increases in the National Living Wage (NLW). This latest report updates MIS to 2025, setting out what people agree is needed for a minimum socially acceptable standard of living. It shows that little has changed in the past year, with income from work and from benefits falling short of providing what people need to live with dignity.

- In 2025, we have updated budgets for all households based largely on price changes as captured through the Consumer Prices Index (CPI).
- A single person needs to earn £30,500 a year to reach a minimum acceptable standard of living in 2025. A couple with 2 children needs to earn £74,000 a year between them.
- April 2025 saw an inflation-based increase in benefits of 1.7%, pegged to the CPI rate in September 2024. By April 2025, CPI was 3.5%.
- The NLW for those aged 21 and over increased by 6.7% in April 2025, rising from £11.44 to £12.21 an hour.

- Against this backdrop, a couple with 2 children, where one parent is working full-time on the NLW and the other is not working, reaches 66% of MIS in 2025, compared with 67% in 2024.
- A single working-age adult working full-time on the NLW reaches 76% of MIS in 2025, compared with 77% in 2024.

1. Introduction

The MIS research has been monitoring living standards in the UK since 2008. This year's research, reflecting minimum needs and costs in April 2025, is the first since the change of government in July 2024. Among the Government's 6 'milestones for change' is an aim to raise living standards in every part of the UK, with economic growth stated as their 'number one mission' (HM Government, 2024). In this context, living standards refer to Real Household Disposable Income (RHDI) and Gross Domestic Product (GDP) per person.

While these macroeconomic indicators are valuable for tracking economy-wide growth, they are far less useful when considering how the living standards of households across the income distribution are changing over time. Conversely, MIS is specifically designed to determine the income that people in specific household configurations need to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. Further details of MIS and how it is produced can be found in the Appendix.

This update is part of a cycle of MIS updates, set out in Table 1. MIS budgets are updated annually, and we conduct new research with members of the public every 2 years. In intervening years, the update to MIS budgets is based predominantly on price changes as captured through the Consumer Prices Index (CPI) – as is the case this year. In 2024, all

household types were rebased – that is, we started from scratch with groups of members of the public, to produce detailed descriptions of the goods and services that the public agrees are needed to live with dignity in the UK.

In updating budgets in 2025, we have recalculated certain elements of the budget using additional information alongside CPI. Childcare costs are revised using the Coram Family and Childcare Survey (2025). Private rent and social rent are uprated based on the Price Index of Private Rents (ONS, 2025b) and the housing regulator’s limit on annual rent increases (Regulator of Social Housing, 2024), respectively. Council Tax is updated using data from the Ministry of Housing, Communities and Local Government (2025). Water rates are revised based on increases to a typical unmetered household bill reported by Severn Trent (2025).

Table 1: The current MIS updating cycle

	2021	2022	2023	2024	2025	2026
Households without children	Inflation uprating	Rebase	Inflation uprating	Rebase	Inflation uprating	Review
Households with children	Inflation uprating	Review	Inflation uprating	Rebase	Inflation uprating	Review

2. Minimum Income Standard budgets in 2025

A valuable feature of MIS is that minimum budgets are produced for specific individuals and household types. This means the research captures the distinct needs and costs associated with a range of household configurations. Budgets are constructed separately for working-age adults without children, pensioners, and working-age households with children. Within the latter, children are grouped into 4 age bands: age 0–1, 2–4, primary school age, and secondary school age. Within every household type, minimum budgets are produced for single and partnered adults.

In this section, we consider 4 example household types that provide an overview of the costs associated with a minimum socially acceptable standard of living in the UK in 2025. We present the budgets for a single working-age adult, a pensioner couple, a lone parent with 2 children, and a couple with 2 children. The households with children include one child aged 2–4 (pre-school age) and one primary school-age child. Because the core MIS research is based on the premise that working-age individuals should not be excluded from paid employment, the budgets for households with children include the cost of full-time childcare for younger children.

Table 2 details the MIS budgets for these 4 household compositions, broken down by broad budget category, with information on the extent to which the budgets have changed since 2024. There has been a moderate increase in all the budgets, although the cost of a minimum has increased the most for single working-age adults, rising by 4.6% since 2024. This increase is higher than overall CPI inflation in the 12 months to April 2025 (3.5%), reflecting the fact that inflation rates vary according to area of spending. For example, over this period, the cost of transport services increased by 10.0%, recreational and cultural services by 4.6%, and water rates by 26.2%.¹ Conversely, costs in some budget areas, such as furniture and furnishings, and tools and equipment for the house and garden, have decreased by up to 4.0% according to CPI.

Figures 1 to 4 show the composition of the minimum budgets for the 4 example household types set out in Table 2, in 2024 and 2025.

Table 2: Weekly MIS budgets, 4 household types, April 2025

	Single adult, working- age	Couple pensioner	Lone parent, 2 children aged 2-4 and primary	Couple, 2 children aged 2-4 and primary
Food	£75.60	£127.46	£147.57	£205.22

	Single adult, working- age	Couple pensioner	Lone parent, 2 children aged 2-4and primary	Couple, 2 children aged 2-4 and primary
Alcohol	£8.26	£12.47	£6.91	£13.84
Clothing	£13.81	£16.98	£34.84	£49.10
Water rates	£11.37	£13.42	£17.69	£17.69
Council tax	£22.42	£29.89	£26.15	£34.87
Household insurances	£1.87	£1.07	£6.51	£6.51
Fuel	£30.15	£33.05	£43.49	£46.02
Decorating and maintenance	£1.90	£3.81	£3.81	£3.81
Household goods	£16.05	£23.01	£38.89	£38.74
Household services	£4.72	£8.65	£21.97	£11.47
Childcare	£0.00	£0.00	£290.60	£280.08

	Single adult, working- age	Couple pensioner	Lone parent, 2 children aged 2-4and primary	Couple, 2 children aged 2-4 and primary
Personal goods and services	£44.68	£61.22	£86.99	£114.66
Motoring	£0.00	£0.00	£85.86	£85.91
Other travel costs	£47.76	£14.75	£6.35	£40.91
Social and cultural participation	£60.12	£84.90	£141.07	£174.02
Rent	£130.96	£115.03	£122.68	£122.68
Total excluding rent and childcare	£338.72	£430.66	£668.08	£842.76
% change since 2024	4.6%	3.8%	3.2%	3.9%
£ change since 2024	£14.87	£15.86	£20.69	£31.68
TOTAL ALL	£469.67	£545.69	£1,081.36	£1,245.52

	Single adult, working- age	Couple pensioner	Lone parent, 2 children aged 2-4and primary	Couple, 2 children aged 2-4 and primary
Total excluding childcare	£469.67	£545.69	£790.76	£965.43
Total excluding rent, childcare, council tax and water (comparable to After Housing Cost income measure)	£304.93	£387.36	£624.24	£790.20
Total excluding childcare and council tax (comparable to Before Housing Cost income measure)	£447.26	£515.80	£764.61	£930.57
Total excluding rent, council tax and childcare	£316.30	£400.77	£641.93	£807.89

Note: You can read a full [breakdown of what is included in each category](#)

(<https://www.lboro.ac.uk/research/crsp/minimum-income-standard/household-budgets/>). In

2024, there was an error in calculating budgets for working-age couples (with or without

children), whereby only one mobile phone was included in the basket of goods and services, instead of 2. This made a difference of £3.34 and £2.99 per week for households with and without children, respectively. With inflation, this increased to £3.53 and £3.16 per week in 2025. The error has been corrected in the 2025 budgets.

Figure 1: Composition of MIS budget (excluding rent), 2024 and 2025: single working-age adult

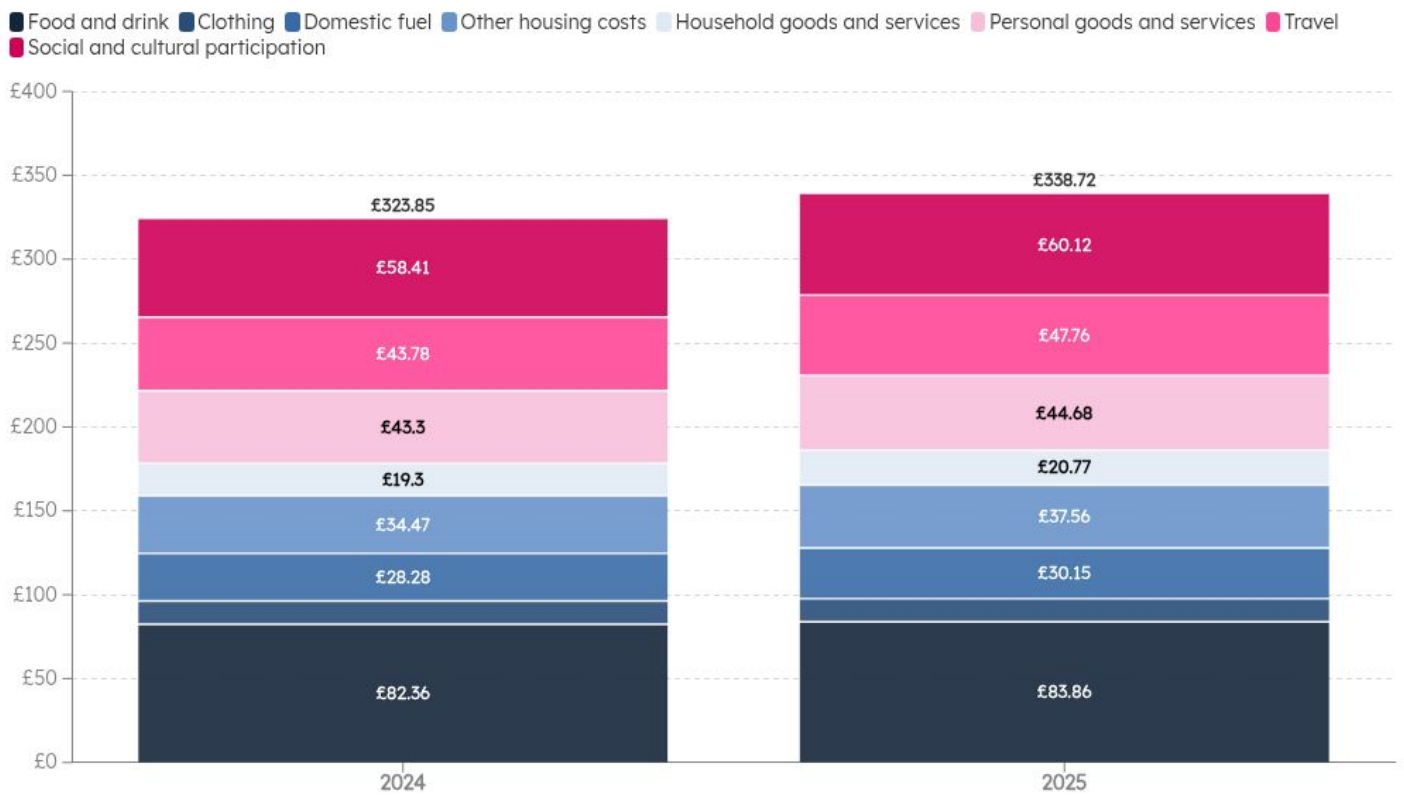


Figure 2: Composition of MIS budget (excluding rent), 2024 and 2025: couple pensioners

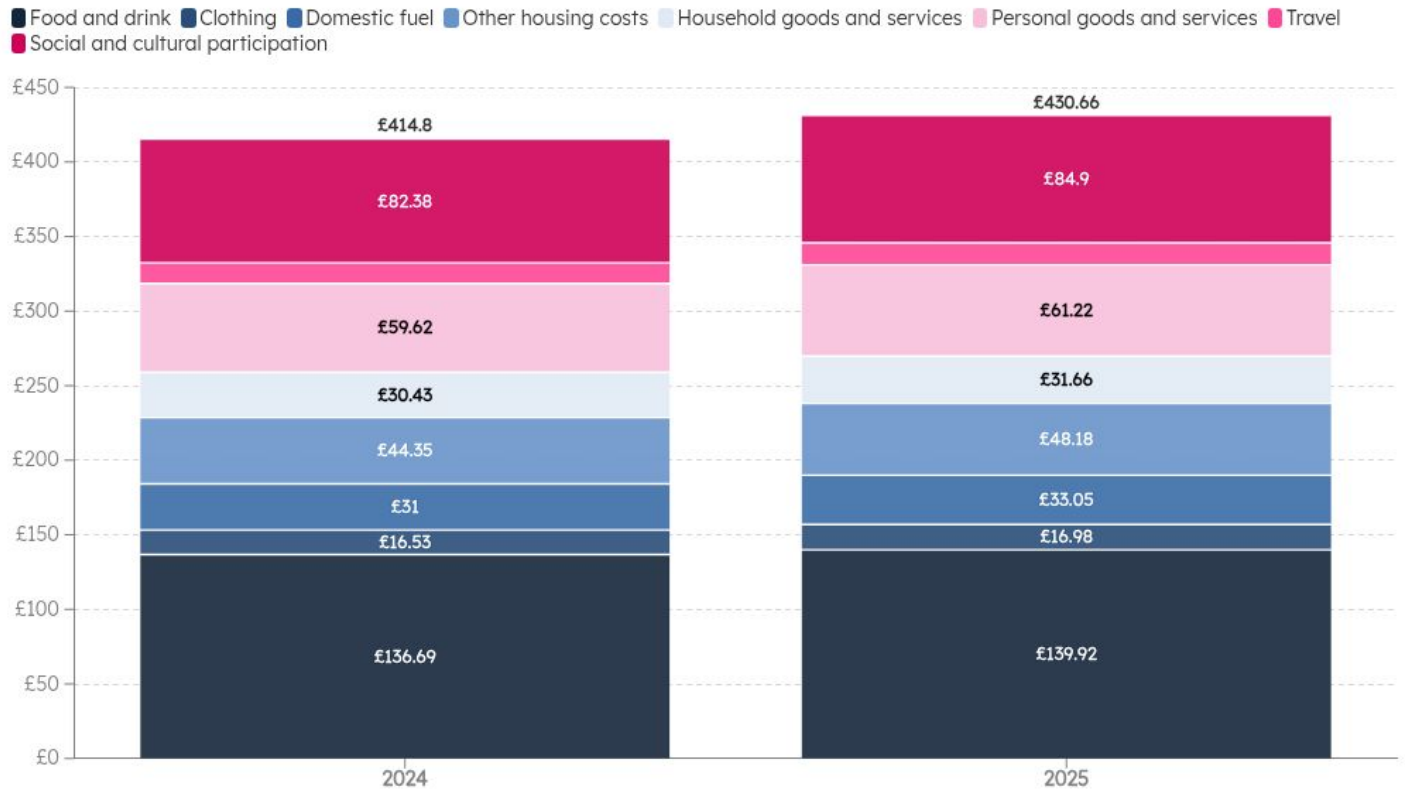


Figure 3: Composition of MIS budget (excluding rent and childcare), in 2024 and 2025: lone parent with 2 children, one aged 2–4 and the other at primary-school age



Figure 4: Composition of MIS budget (excluding rent and childcare) in 2024 and 2025: couple with 2 children, one aged 2–4 and the other at primary-school age



Note: The cost of household goods and services in 2025 corrects for the inclusion of 1 rather than 2 mobile phones for couples that affected budgets in 2024. Of the £4.04 increase in household goods and services, £3.53 is accounted for by this correction.

There has been very little change in the composition of the budgets for any of the 4 household types that we focus on in this report. The most notable changes, albeit minor, are for single working-age adults (Figure 1). In particular, the proportion of their budget used for transport has risen from 13.5% to 14.1% (an increase of around £4 a week, or 9.1%), reflecting the higher-than-average rate of inflation for fares on public transport. This is also the biggest increase in cash terms for single working-age adults.

In 2024, members of the public agreed that, as a minimum, working-age households without children would not need a car, but could rely on buses and occasional taxis to meet their transport needs, with a small amount of train travel for longer distances, such as holidays. Their transport costs, therefore, consist mainly of a monthly bus pass. In 2024, this cost £118, but in 2025 it rose to £130 per month – an increase of 10.2%. Because transport comprises a substantial proportion of the overall budget, this sharp increase is the main driver of the above-average rise in costs of 4.6% for single working-age adults.

For pensioners, who groups also agreed could use public transport to meet their minimum transport needs, the weekly travel budget has not increased in the same way as for single working-age adults (Figure 2). This is because pensioners are assumed to be able to take advantage of a bus pass that allows them to travel free of charge, with their costs limited to taking occasional taxis or rail travel for longer trips. Their transport costs, therefore, only represent a small proportion of their overall budget (3.4% in 2025).

Figures 3 and 4 show the budgets for working-age households with children. Although in 2025, transport comprises a similar proportion of their budget to single working-age adults, this group sees a much smaller increase in transport costs in cash terms, and the share of their overall costs accounted for by this budget area has not changed substantially. The budgets for households with children include a second-hand car, so they are not reliant on public transport in the same way as households without children. Furthermore, the cost of buying a second-

hand car increased by just 1.0%, and the overall costs of running and maintaining a vehicle increased by 1.8% in the 12 months to April 2025, compared with CPI of 10.0% for transport services (including public transport by road or rail). Those using public transport as their main means of getting around have therefore seen their minimum costs rise much more than those who have access to a car.

The other budget area that has seen a noticeable increase, this time across all household compositions, is 'other housing costs'. This is largely due to the big increase in water rates since 2024. For all household types, the typical water bill included as part of MIS has increased by at least £2 per week.

Aside from transport and water rates, other budget areas have shown only a minimal change in cash value or in the share of the budget that they represent, reflecting the relatively lower rate of overall inflation compared to recent years.

3. MIS compared with incomes on benefits and National Living Wage

Many households in the UK do not have the income they need to reach a minimum socially acceptable standard of living, whether they are in work or not (Robinson et al., 2025). This section takes the MIS budgets outlined in section 3 and compares the weekly cost of a minimum to the incomes that people would receive from benefits and earnings in April 2025.

MIS is based on the assumption that people are in relatively good health, so we do not include disability benefits in our calculations and primarily focus on Universal Credit for working-age people, and the State Pension and Pension Credit for those of retirement age. For those in work, we look at the extent to which earning the NLW would allow them to reach MIS. Disposable incomes here are defined as the amount that households have left to spend after paying taxes (including Council Tax), rent and childcare costs.

Since the previous report in 2024, the cost of living has continued to increase, with CPI only falling below 2% temporarily in 2024 and rising again to reach 3.5% in April 2025 (ONS, 2025a). However, the cash value of working-age benefits was only increased by 1.7%, as uprating is pinned to CPI in September of the previous year (DWP, 2024). This was the lowest rate of

inflation throughout the whole of 2024, and the only point at which CPI dropped below 2%. Therefore, the increase in benefits does not fully account for rising costs. This is exacerbated by the cumulative impact of rapid price rises during 2022 and 2023. Due to the Triple Lock mechanism,² the State Pension and Pension Credit will see a bigger increase, rising by 4.1% (average earnings growth).

Nevertheless, not all benefits have been increased. Local housing allowance (LHA) rates are frozen at 2024 levels, meaning that those living in the private rental sector will see increasing shortfalls in the support for housing costs that is available through Universal Credit. An estimated 20,000 private renters – including 10,000 children – will be pushed into poverty in 2025/26 as a direct result of this policy, with 50,000 more being pushed even further below the poverty threshold into deep or very deep poverty (Earwaker, 2024).

The Benefit Cap also remains frozen, having last been uprated in 2023. This means that many out-of-work households will see no change in the level of benefits that they receive, despite cash increases in the rates of Universal Credit and other means-tested benefits in 2025. Capital limits – the amount of savings you can have before your benefits are restricted – have also been frozen, effectively reducing the amount that people can save in real terms before their benefit entitlement is reduced.

More positively, the incomes of working households have been boosted by an increase in the NLW from £11.44 to £12.21 for those aged 21 and over – an increase of 6.7% (Low Pay Commission, 2025). For working parents, additional support with childcare is being gradually rolled out across England, with the free hours of childcare already available for children from the age of 2 years being extended to apply to children from 9 months old. This was introduced in September 2024 with an initial 15 free hours, with the expectation that by September 2025, working parents will be able to take advantage of 30 free hours of childcare for their child from 9 months until they start school.

In their 2024 manifesto, Labour committed to providing free breakfast clubs in all primary schools across England if elected to government. In April 2025, a pilot scheme was rolled out in an initial 750 schools in the most deprived areas of the country. It has not been without criticism, with a number of schools withdrawing, citing inadequate funding and logistical challenges (Storer and Whittaker, 2025). It therefore remains to be seen whether the full roll-out of the scheme will be viable in its current form.

Pensioners have been affected by one of the first changes to be introduced by the Government, bringing in means-testing of the previously universal Winter Fuel Payment for pension-aged households. The change meant that in Winter 2024, only pensioners claiming certain means-tested benefits (primarily Pension Credit) received the payment of £200 a year (or £300 for over-80s). As it was previously a universal benefit for those of retirement age, the

change created a situation whereby many pensioners on low incomes that were just above the threshold for eligibility suddenly lost their entitlement to the payment. Modelled estimates produced by the Department for Work and Pensions (DWP) suggested that up to 100,000 pensioners would be pushed into poverty by the change (Mackley et al., 2025). However, in June 2025, following extensive criticism of the way in which means-testing of the payment was implemented, the Government announced that from winter 2025/26, eligibility would be extended to all pensioners with an income below £35,000 per year, meaning that those on low-to-middle incomes will not miss out going forward.

Working-age adults without children

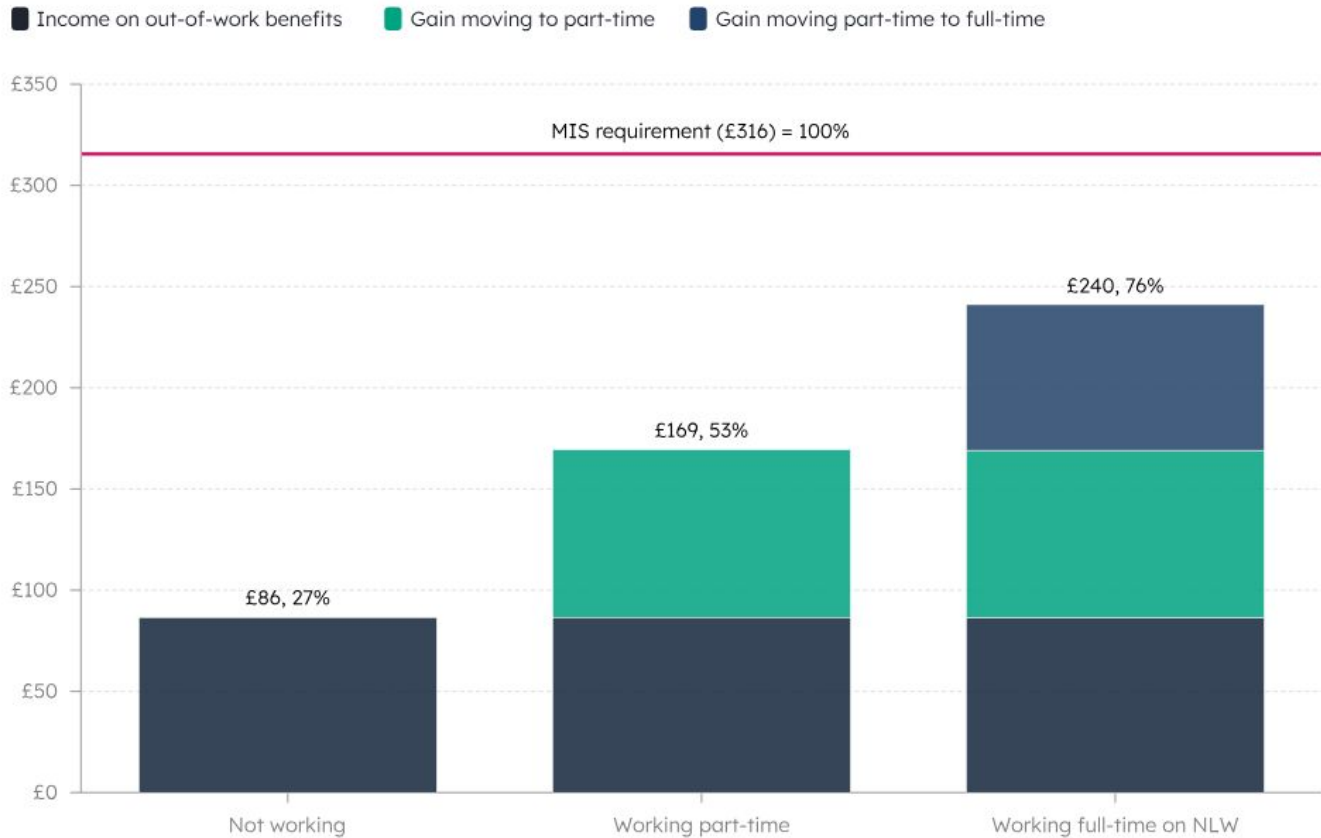
Figures 5 and 6 show the relationship between benefit receipt, levels of employment and MIS for working-age adults without children. As in previous years, those who are reliant on out-of-work benefits fall far short of reaching the MIS benchmark, with their disposable income providing just 27% and 26% of MIS for single and couple households, respectively.

For single people, moving into paid employment substantially improves the adequacy of their income, but even if working full-time on the NLW, they have only around three-quarters of what they need to reach MIS. This is similar to 2024, when working full-time meant that single adults had 77% of MIS. Couples fare somewhat better; they reach 83% of MIS even with one partner working full-time and one part-time. If both are working full-time, their income exceeds

MIS by 13%.

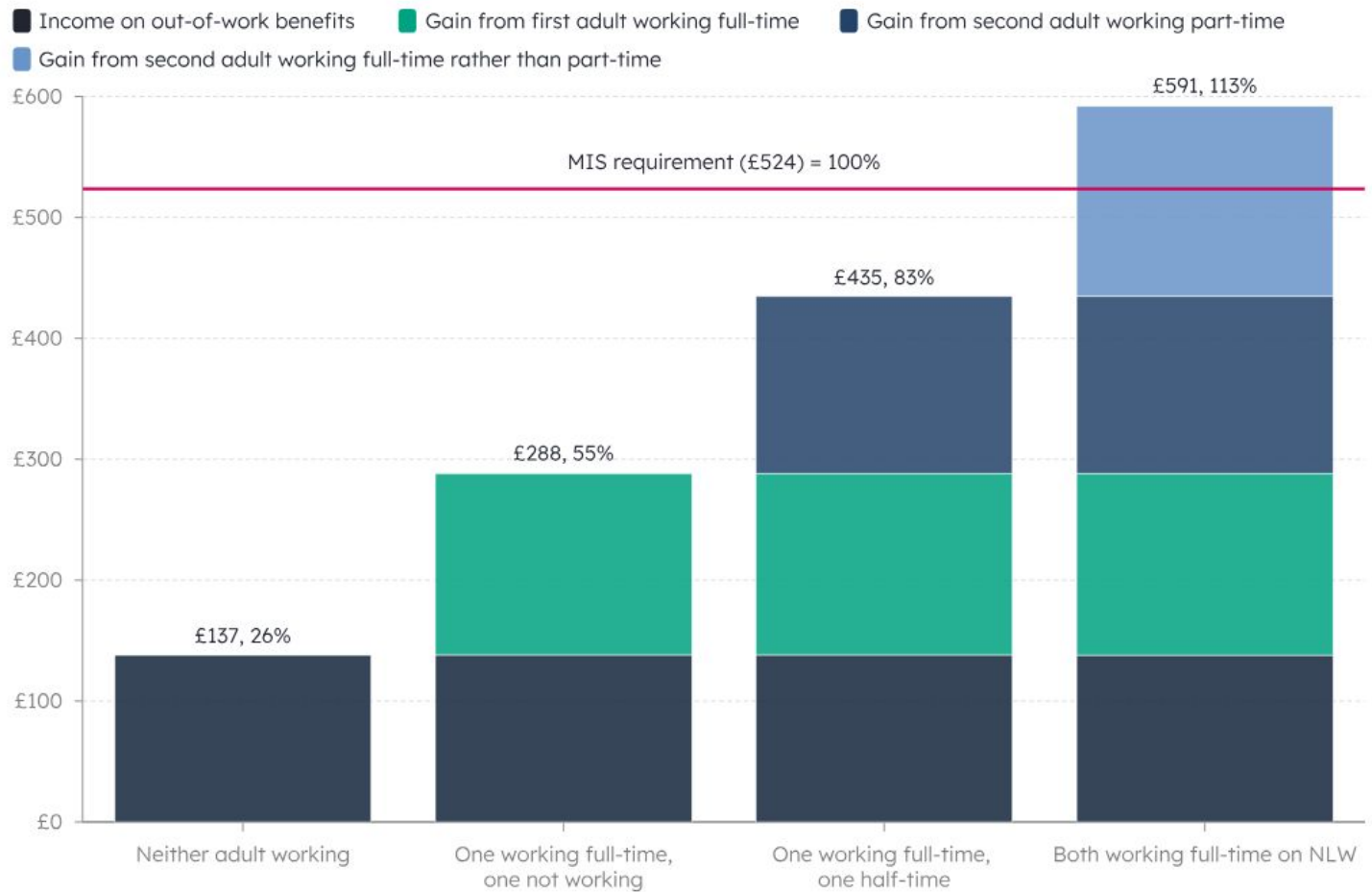
In 2025, single working-age adults need a gross annual income of **£30,500** to reach MIS, up from £28,000 in 2024. Working-age couples need **£43,000** (£21,500 each) to have enough disposable income to reach MIS (£40,600, or £20,300 each, in 2024). Working full-time on the NLW provides a gross income of £23,875 per year; this leaves single working-age adults nearly £7,000 per year short of the gross income needed to reach MIS, but gives couples enough to exceed the MIS threshold.

Figure 5: Single working-age adult, weekly disposable income relative to MIS requirement, on out-of-work benefits or National Living Wage



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

Figure 6: Couple, working age, no children, weekly disposable income relative to MIS requirement, on out-of-work benefits or National Living Wage



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

Households with children

Figures 7 and 8 show the adequacy of incomes from benefits and earnings relative to the minimum needs of households with children, based on different working patterns on the NLW.

The figures set out the disposable income for lone- and couple-parent households, each with 2 children aged 3 and 7.

As for working-age households without children, lone and couple parents have incomes far below MIS if they are not in work. Lone parents on out-of-work benefits have just 44% of what they need for a dignified standard of living, with a shortfall of £361 per week after housing costs. There is no improvement since 2024, when lone parents on out-of-work benefits also reached 44% of MIS. Moving into employment does increase their disposable income, but even working full-time on the NLW only brings them to 69% of MIS.

The gains from moving into full-time from part-time work are not substantial, both as a result of the tapering of Universal Credit as earnings increase, and because of the additional cost of childcare associated with full-time work. Universal Credit does provide support for paying for childcare, but only up to 85% of these costs, with a cash limit on eligible childcare costs covered. For most parents, this will mean topping up the shortfall out of their earnings. In 2025, a lone parent with 2 children would need gross annual earnings of **£61,000**, up from £57,000 in 2024.

Couple parents with 2 children who are not working have a disposable income that gives them just 37% of MIS, and their weekly income falls over £500 below the MIS threshold. This is even worse than in 2024, when they would have had 39% of MIS. Unlike couples without children,

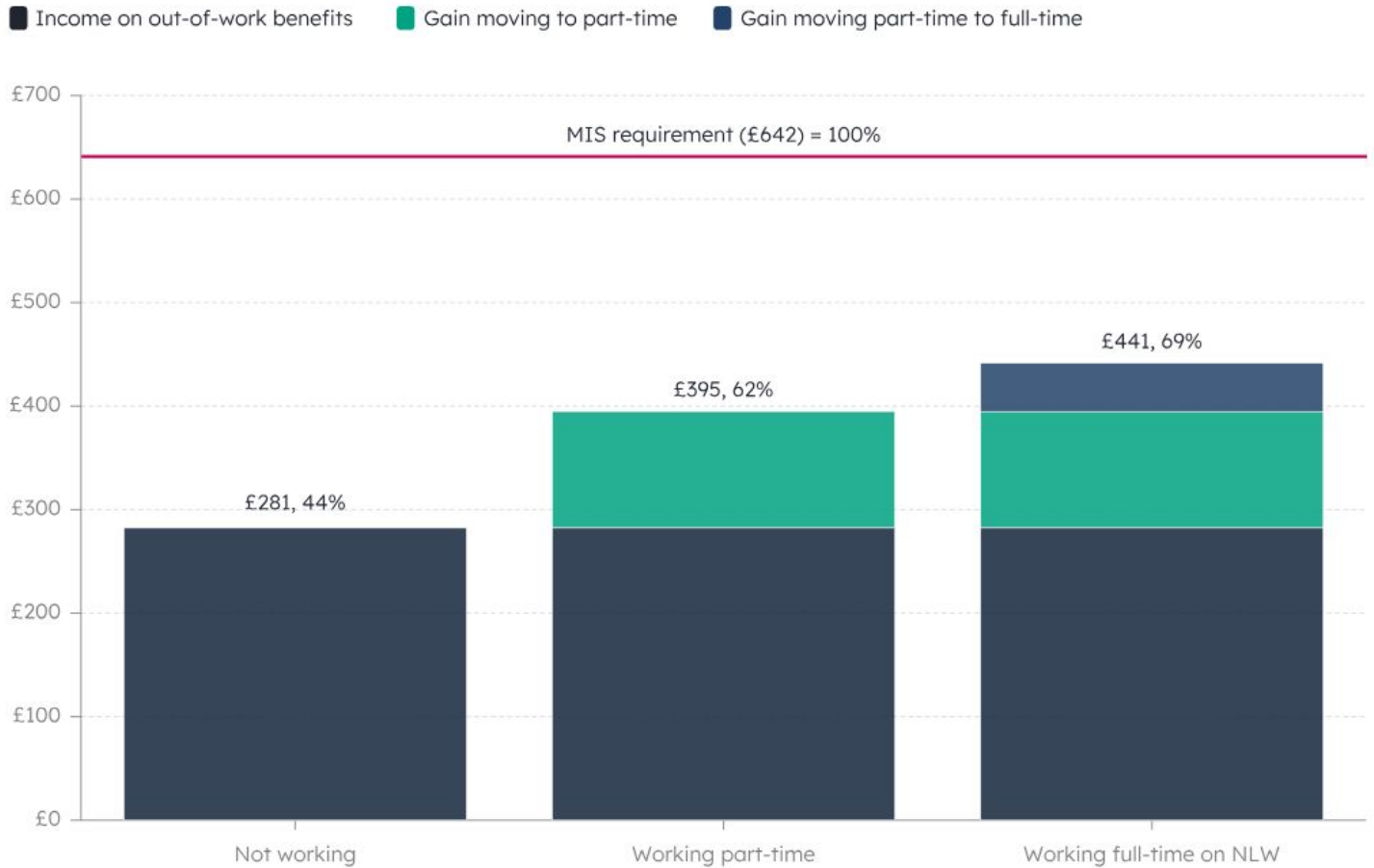
having 2 adults working full-time on the NLW does not give the household enough income to reach MIS – in this scenario, they have 82% of MIS and are not able to fully meet their needs for a minimum socially acceptable standard of living. To have an adequate disposable income to meet these needs, they would need to earn **£74,000** between them.

The extent to which the incomes of these households with children are stretched becomes even more apparent when we consider that the calculations described above are based on the assumption that these families are living in social housing. In 2024, focus groups with members of the public still agreed that social housing would be acceptable as a minimum in these circumstances, and that this could be accessed by households with children who needed it. However, social renting is fast becoming a minority tenure, in part at least because of the lack of availability, making this form of affordable housing more difficult to access.

In the latest MIS London research (Padley et al., 2025), households with children said that it was no longer reasonable to assume that these households would be able to access social housing in the capital, and so private rents are included as part of a minimum budget in London. Data from the English Housing Survey indicates that in 2023/24, less than 1 in 5 households with dependent children in England were living in the social rented sector, while around a quarter (24%) were in private rented accommodation, up from 22% the previous year (Ministry of Housing, Communities and Local Government, 2024). This is particularly relevant given the freeze in LHA and the Benefit Cap in 2025, as this means that households living in the private rented sector will increasingly see a shortfall in the proportion of their housing costs

covered by Universal Credit.

Figure 7: Weekly disposable income relative to MIS of a lone parent on out-of-work benefits or National Living Wage, with 2 children, one aged 2–4 and the other at primary-school age



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

Figure 8: Weekly disposable income relative to MIS of a couple on out-of-work benefits or National Living Wage, with 2 children, one aged 2–4 and the other at primary-school age.



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

Pensioners

Figures 9 and 10 show the amount of disposable income that single and couple pensioners, respectively, would have in 2025 if receiving the full State Pension, or having their income

topped up by Pension Credit. Looking first at single pensioners (Figure 9), they reach over 90% of MIS whether receiving Pension Credit or not. However, those on Pension Credit have a slightly higher weekly disposable income than those receiving the full State Pension (albeit a difference of only £3 per week). This is because these calculations are based on the situation in April 2025, when only those on Pension Credit would have been receiving the Winter Fuel Payment.

While in absolute terms this is a relatively small amount of money, working out as less than £4 per week, there are more pronounced implications for the income needed to reach MIS. Single pensioners would need a gross income of **£17,400** per year to reach MIS if receiving Pension Credit, but would need **£19,000** if their income was from the full State Pension and they were not receiving the Winter Fuel Payment. This gap of £1,600 is clearly more than the £200 Winter Fuel Payment and reflects the way in which Housing Benefit and Council Tax support, in particular, are tapered as income increases.

The Housing Benefit taper rate is 65% and the assumed Council Tax Support taper rate is 20%. This effectively means that once they reach the maximum eligible income, for every additional £1 of gross income, pensioners are only receiving 15p of net income. Therefore, their gross income needs to increase substantially to gain the net £200 lost due to the removal of the Winter Fuel Payment. The situation is not the same for couple pensioners, who are already above the income threshold at which means-tested benefits begin to taper even if on Pension Credit. The difference in income required to meet MIS is therefore just related to the Winter

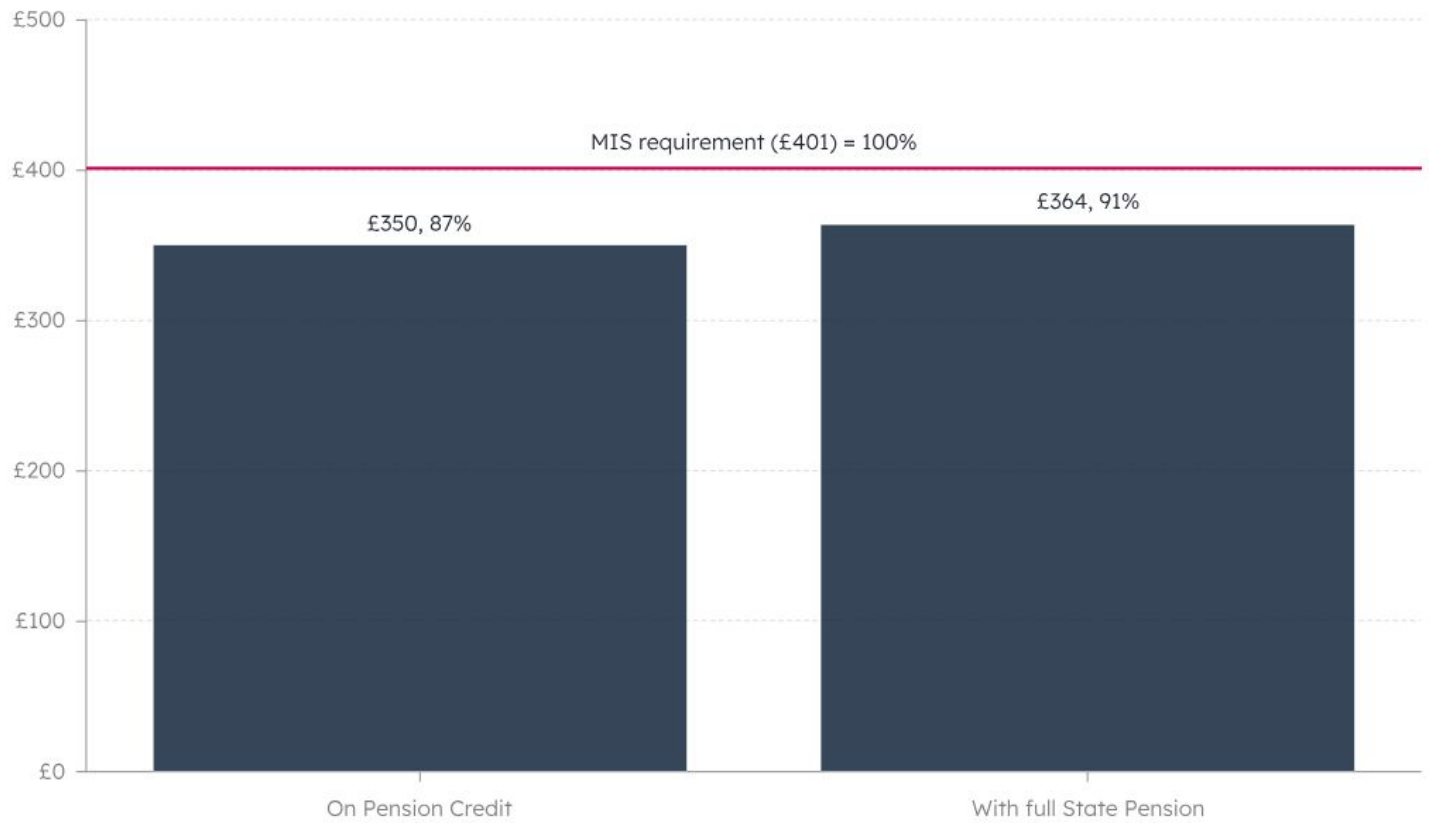
Fuel Payment – couple pensioners on Pension Credit need **£29,000** a year, while those with the State Pension only need **£29,200**.

Figure 9: Weekly disposable income on Pension Credit and full State Pension, compared to MIS – single pensioner



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

Figure 10: Weekly disposable income on Pension Credit and full State Pension, compared to MIS – couple pensioners



Note: Percentages show proportion of MIS budget covered, net of rent, childcare and Council Tax.

4. Conclusion

In the 12 months to April 2025, inflation based on CPI stabilised relative to the peak of 2022 and 2023. As a consequence, the composition of the uprated MIS basket of goods and services that people need for a socially acceptable standard of living has seen little change since 2024. While overall budgets have increased, the change is broadly in line with overall CPI, indicating that the cost-of-living pressures affecting the extent to which people can reach the MIS threshold are likely to be felt across the population.

This year's research indicates that people on low-to-middle incomes are still struggling to reach a minimum standard of living through benefits and earnings. There has been little or no change in the proportion of MIS that the households set out here can reach via income from Universal Credit and/or working at the NLW; as in 2024, working-age couples without children who are both working full-time are the only household type presented here whose income is high enough to allow them a dignified standard of living. However, for most households, even working full-time does not get them to this threshold, with lone parents faring worst at 69% of MIS if working full-time at the NLW.

These findings come in a year when work has been prioritised as a key element of the new Labour government's plans for economic growth, and a focus on 'making work pay' has

underpinned its strategy for labour market reform (Department for Business and Trade, 2024). The main driver of this is the Employment Rights Bill, which was introduced to Parliament in October 2024 and includes a commitment to make work more secure (for example by banning zero-hours contracts), improve statutory sick pay and increase access to flexible working. This reflects continued political discourse around paid employment being the route out of poverty and enabling people to reach a decent standard of living. This is also implicit in controversial proposals for changes to health benefits that aim to ‘get Britain Working’ and reduce the number of people who are registered as economically inactive (DWP, 2025). However, households where at least one person is in work make up an increasing proportion of those with incomes below MIS. In 2022/23, households with someone in work made up more than two-thirds (67.6%) of working-age households below MIS, up from 55.5% in 2008/09 (Robinson et al., 2025).

In this context, it is apparent that for many households, paid employment is not enough on its own to provide a minimum living standard, despite substantial increases in the NLW over recent years. One response to this is to target the rising costs faced by low-income households. There was some limited acknowledgement of this in the Government’s June 2025 spending review, in particular in relation to housing costs and the costs of raising children. The review outlined an allocation of £39 billion for affordable and social housing in England between 2026 and 2036, although there is limited information on how this ‘Affordable Homes Programme’ will be implemented, and how much of this will be set aside for new social housing.

Details of the expansion of the Free School Meals programme were also included in the review, with free school lunches available to all children with a parent receiving Universal Credit, starting from September 2026. In Autumn 2025, the Child Poverty Strategy should give further details of how the Government plans to provide support for households with children to improve their living standards.

However, while such changes are welcome, they are unlikely to be enough to lift low-income households above the MIS threshold without efforts to ensure that incomes can keep pace with costs. This is undermined by real-terms cuts to benefits for households both in and out of work, with working-age benefits uprated below the current rate of inflation. The Government has stated that one of the key milestones for progress is to raise living standards across the UK. To achieve this, policies that boost incomes for low-income households alongside addressing costs are essential to make sure that economic growth benefits the whole of society, enabling everyone to have a decent and dignified standard of living.

Annex: MIS in brief

What is MIS?

The Minimum Income Standard (MIS) is the income that people need to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. It is calculated by specifying baskets of goods and services required by different types of households to meet these needs and to participate in society. Based on consultation with groups of members of the public in the original research, this minimum is defined as follows:

A minimum standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.

How is MIS arrived at?

Members of the public have detailed negotiations, in groups, about the things a household needs to achieve an acceptable living standard. Each sequence of groups has a different role. The first set of groups goes through all aspects of household budgets, identifying what goods and services would be needed, of what quality, how long they would last and where they would be bought. Experts make selective inputs, notably checking the nutritional adequacy of the

food baskets, calculating domestic fuel requirements and advising on motoring costs where relevant. Subsequent groups check and amend the budget lists, which the research team then prices at various stores and suppliers.

Groups typically comprise 6 to 8 people from a range of socioeconomic and ethnic backgrounds, but all participants within each group are from the household category under discussion. So, parents with dependent children discuss the needs of parents and children, working-age adults without children discuss the needs of single and coupled working-age adults without children, and pensioner groups decide the minimum for pensioners. In all, more than 160 groups, involving new participants on each occasion, have taken part in the MIS research since it began in 2008.

A crucial aspect of MIS is its method of developing a negotiated consensus among these socially mixed groups. This process is described in detail in Davis et al. (2015). The MIS approach uses a method of projection, whereby group members are asked not to think of their own needs, but of those of hypothetical individuals (or case studies). Participants are asked first to imagine walking around the home of the individuals under discussion, to develop a picture of how they would live, to reach the living standard defined above, before considering needs outside of the home.

While participants do not always start with identical ideas about what is needed for a minimum socially acceptable standard of living, through detailed discussion and negotiation they commonly converge on answers that the group as a whole can agree on. Where this does not appear to be possible, for example where there are 2 distinct arguments for and against the inclusion or exclusion of an item, or where a group does not seem able to reach a conclusion, subsequent groups help to resolve differences.

What does MIS include?

As set out in the definition above, a minimum standard of living is about more than survival alone. However, it covers needs, not wants; and necessities, not luxuries – items that the public thinks people need in order to be part of society. In identifying things that everyone requires as a minimum, it does not attempt to specify extra requirements for particular individuals and groups who may have additional needs – for example, those resulting from living in a remote location or having a disability. So, not everybody who has more than the minimum income can be guaranteed to achieve an acceptable living standard. But someone falling below the minimum is unlikely to achieve such a standard.

How can I access the results?

There are several ways of accessing MIS results for different users:

- the online [Minimum Income Calculator \(https://www.minimumincome.org.uk/\)](https://www.minimumincome.org.uk/) shows the budgets and earnings requirements for any specified household type
- there are [lists of the items used to compile the budgets for each household type \(https://www.lboro.ac.uk/research/crsp/minimum-income-standard/household-budgets/\)](https://www.lboro.ac.uk/research/crsp/minimum-income-standard/household-budgets/)
- for users who want to analyse the data further, [the CRSP website \(https://www.lboro.ac.uk/research/crsp/usingmisdata/detailed-mis-spreadsheets/\)](https://www.lboro.ac.uk/research/crsp/usingmisdata/detailed-mis-spreadsheets/) hosts spreadsheets showing the budgets broken down by category for each of the main household types for each year of MIS, as well as an Excel version of the current year calculator, which can generate results for any specified household type for the present year
- all of the tables and figures from this report are in the Excel document download below.

MIS tables and figures 2025 XLSX, 130 KB

(<https://jrf-jrht->

brand.frontify.com/api/asset/eyJjbGllbnRJZCI6ImNsaWVudC1tenFieWtsc2Z0ZHpoN3V3IiwiaWQiOiJrowntree-foundation:b2dXU6FbLI7Jxj_iqLtoJBCX50N3FJosKV1NPfzrDEY/download)

[rowntree-foundation:b2dXU6FbLI7Jxj_iqLtoJBCX50N3FJosKV1NPfzrDEY/download](https://brand.frontify.com/api/asset/eyJjbGllbnRJZCI6ImNsaWVudC1tenFieWtsc2Z0ZHpoN3V3IiwiaWQiOiJrowntree-foundation:b2dXU6FbLI7Jxj_iqLtoJBCX50N3FJosKV1NPfzrDEY/download))

Who does it apply to?

MIS applies to households that comprise a single adult or a couple, with or without dependent children. It covers most such households, with its level adjusted to reflect their composition. The needs of more than 100 different family combinations (according to numbers and ages of family members) can be calculated. MIS does not cover families living with other adults in the main calculations, although supplementary reports on single adults sharing accommodation (Hill et al., 2015) and single adults in their 20s living with their parents (Hill and Hirsch, 2019) estimate variations for these household types.

Where does it apply?

MIS was originally calculated as a minimum for Britain; subsequent research in Northern Ireland in 2009 showed that the required budgets there were all close to those in the rest of the UK, so the national budget standard now applies to the whole of the UK. This main UK standard is calculated based on the needs of people in urban areas outside London. Between 2008 and 2020, most discussion groups were held in towns and cities in the Midlands, but since 2018, budgets have been reviewed in other parts of the UK. In 2022, as all MIS groups were held online, we were able to expand the geographical spread of groups, and held them with participants from towns and cities around the UK.

The research has also been applied in other geographical contexts, in supplementary projects considering costs in rural England (Smith et al., 2010), in London (Padley et al., 2025), in remote rural Scotland (Hirsch et al., 2013) and in Guernsey (Smith et al., 2011). Further research is ongoing in remote rural Scotland as part of the Scottish Government's monitoring of fuel poverty. The London research is also ongoing, and Inner and Outer London budgets are shown as a variation of the main UK results in the online Minimum Income Calculator. Other countries have used the same overall method, but employed their own definitions of the minimum. There have been studies in France (Gilles et al., 2014), Portugal, Japan (Davis et al., 2013), Singapore (Ng et al., 2023), Thailand, Tunisia and Mexico (Aban Tamayo et al., 2020). An ongoing MIS programme in the Republic of Ireland uses methods based on the UK work (Collins et al., 2012). And pilot research has been carried out in South Africa (Byaruhanga et al., 2017).

How is it related to the poverty line?

MIS is relevant to the discussion of poverty, but it does not claim to be a poverty threshold. This is because participants in the research were not asked to talk about what defines poverty, but instead what, in today's society, constitutes an acceptable minimum. However, it is relevant to the poverty debate in that almost all households officially defined as being in income poverty (having below 60% of median income) are also below MIS. Thus, households classified as being in relative income poverty are generally unable to reach an acceptable standard of living as defined by members of the public.

Who produces it?

The main MIS research is supported by the Joseph Rowntree Foundation (JRF) and carried out by the Centre for Research in Social Policy (CRSP) at Loughborough University. The original research in 2008 was developed by CRSP in partnership with the Family Budget Unit (FBU) at the University of York.

Notes

1. As noted in the previous section, in MIS we uprate water rates based on the increases to a typical unmetered household bill reported by Severn Trent (Severn Trent, 2025). This is slightly lower than CPI, at 23.0%.
2. The Triple Lock means that the State Pension and Pension Credit are increased by the highest of CPI, average earnings growth, or 2.5%.

References

Aban Tamayo, J. Becerra Perez, M. Delajara, M. Leon Robles, L. (2020) El Estándar de Ingreso Mínimo en cuatro grandes ciudades de México (<https://ceey.org.mx/el-estandar-de-ingreso-minimo-en-cuatro-grandes-ciudades-de-mexico/>)

Byaruhanga, C. Davis, A. Mpike, M. Ntshongwana, P. Padley, M. Wright, G. Zembe-Mkabile, W. (2017) A decent living level: A pilot of the Minimum Income Standard Approach in South Africa (https://www.saspri.org/SASPRI/SASPRI/wp-content/uploads/Docs/MIS_Pilot_in_South_Africa_150217.pdf)

Collins, M.L. MacMahon, B. Weld, G. Thornton, R. (2012) A Minimum Income Standard for Ireland: A consensual budget standards study examining household types across the lifecycle (https://www.budgeting.ie/download/pdf/a_minimum_income_standard_for_ireland__edition_27).

Coram (2025) Childcare Survey 2025 (<https://www.coram.org.uk/resource/childcare-survey-2025/>)

Davis, A. Hirsch, D. Iwanaga, R. Iwata, M. Shigekawa, J. Uzuki, Y. Yamada, A. (2013) 'Comparing the Minimum Income Standard in the UK and Japan: methodology and outcome', *Social Policy and Society*, 13(1), pp. 89–101

Davis, A. Hirsch, D. Padley, M. Marshall, L. (2015) How much is enough? Reaching social consensus on minimum household needs

(<https://www.lboro.ac.uk/media/wwwlboroacuk/content/crsp/downloads/reports/How%20much%20is%20enough.pdf>)

Department for Business and Trade (2024) Next steps to make work pay: Delivering the Government's Plan to Make Work Pay (<https://www.gov.uk/government/publications/next-steps-to-make-work-pay>)

Department for Work and Pensions (DWP) (2024) Benefit and Pension rates 2025 to 2026 (<https://www.gov.uk/government/publications/benefit-and-pension-rates-2025-to-2026/benefit-and-pension-rates-2025-to-2026>)

Department for Work and Pensions (DWP) (2025) Pathways to work: Reforming benefits and support to Get Britain Working Green Paper (<https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper>)

Earwaker, R. (2024) Stop the freeze: permanently re-link housing benefits to private rent (<https://www.jrf.org.uk/housing/stop-the-freeze-permanently-re-link-housing-benefits-to-private-rents>)

Gilles, L. Covelao, C. Concialdi, P. Math, A. (2014) Study conducted at the request of the French National Observatory on Poverty and Social Exclusion (ONPES) – final report. Paris: CREDOC

Hill, K. Hirsch, D. Padley, M. (2015) [Minimum budgets for single people sharing accommodation](https://www.lboro.ac.uk/media/media/research/crsp/downloads/minimum-budgets-for-single-people-sharing-accommodation.pdf)
(<https://www.lboro.ac.uk/media/media/research/crsp/downloads/minimum-budgets-for-single-people-sharing-accommodation.pdf>)

Hill, K. Hirsch, D. (2019) [Family sharing: A minimum income standard for people in their 20s living with parents](https://repository.lboro.ac.uk/articles/report/_Family_sharing_a_minimum_income_standard_for_living_with_parents)
(https://repository.lboro.ac.uk/articles/report/_Family_sharing_a_minimum_income_standard_for_living_with_parents)

Hirsch, D. Bryan, A. Davis, A. Smith, N. Ellen, J. Padley, M. (2013) [A minimum income standard for remote rural Scotland](https://www.hie.co.uk/media/3191/a-plus-minimum-plus-income-plus-standard-plus-for-plus-remote-plus-rural-plus-summary-plus-and-plus-key-plus-findings.pdf)
(<https://www.hie.co.uk/media/3191/a-plus-minimum-plus-income-plus-standard-plus-for-plus-remote-plus-rural-plus-summary-plus-and-plus-key-plus-findings.pdf>)

HM Government (2024) [Plan for change: Milestones for a mission-led government](https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf)
(https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf)

HM Treasury (2025) [Spending review 2025](https://www.gov.uk/government/publications/spending-review-2025-document/spending-review-2025-html)
(<https://www.gov.uk/government/publications/spending-review-2025-document/spending-review-2025-html>)

Low Pay Commission (2025) [The National Minimum Wage in 2025](#)

(<https://www.gov.uk/government/publications/the-national-minimum-wage-in-2025>)

Mackley, A. Kennedy, S. Hobson, F. (2025) [Changes to Winter Fuel Payment eligibility rules](#)

(<https://researchbriefings.files.parliament.uk/documents/CBP-10094/CBP-10094.pdf>)

Ministry of Housing, Communities and Local Government (2025) [Annex tables for English Housing Survey 2023 to 2024 headline findings on demographics and household resilience](#)

(<https://www.gov.uk/government/statistics/annex-tables-for-english-housing-survey-2023-to-2024-headline-findings-on-demographics-and-household-resilience>)

Ng, K.H. Wong, Y.L. Teo, Y.Y. Neo, Y.W. Maulod, A. Chok, S. (2023) [Minimum Income Standard 2023: Household budgets in a time of rising costs](#) (<https://whatsenough.sg/2023/09/14/mis-2023-household-budgets-in-a-time-of-rising-costs/>)

Office for National Statistics (ONS) (2025a) [Consumer price inflation, UK: April 2025](#)

(<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2025>)

Office for National Statistics (ONS) (2025b) [Price Index of Private Rents \(May 2025 Edition\)](#)

(<https://cy.ons.gov.uk/economy/inflationandpriceindices/datasets/priceindexofprivaterentsukmonthly>)

Padley, M. Blackwell, C. Hill, K. Ellis, W. Stone, J. Balchin, E. (2025) A Minimum Income Standard for London 2024

(https://trustforlondon.org.uk/documents/842/A_Minimum_Income_Standard_for_London_in_2024)

(https://trustforlondon.org.uk/documents/842/A_Minimum_Income_Standard_for_London_in_2024)

Regulator of Social Housing (2024) Limit on annual rent increases 2025–26

(<https://www.gov.uk/government/publications/limit-on-annual-rent-increases-2025-26-from-april-2025>)

Robinson, E. Stone, J. Padley, M. (2025) Households below the Minimum Income Standard: 2008–2023 (<https://www.jrf.org.uk/households-living-below-a-minimum-income-standard-2008-2023>)

Severn Trent (2025) Statement of significant changes: 2025–26 Household scheme of charges (<https://www.stwater.co.uk/content/dam/stw/my-account/our-charges/2025/st-statement-of-significant-changes-2025-26-hh.pdf>)

Smith, N. Davis, A. Hirsch, D. (2010) A Minimum Income Standard for rural households (<https://www.jrf.org.uk/sites/default/files/migrated/migrated/files/minimum-income-standards-rural-full.pdf>)

Smith, N. Davis, A. Hirsch, D. (2011), [A Minimum Income Standard for Guernsey](https://www.lboro.ac.uk/media/media/research/crsp/downloads/minimum-income-standard-for-guernsey-2011.pdf)
(<https://www.lboro.ac.uk/media/media/research/crsp/downloads/minimum-income-standard-for-guernsey-2011.pdf>)
(<https://www.lboro.ac.uk/media/media/research/crsp/downloads/minimum-income-standard-for-guernsey-2011.pdf>)

Storer, R. Whittaker, F. (2025) [79 schools withdraw from breakfast clubs trial](https://schoolsweek.co.uk/79-schools-withdraw-from-breakfast-clubs-trial/)
(<https://schoolsweek.co.uk/79-schools-withdraw-from-breakfast-clubs-trial/>)

About the authors

Dr Juliet Stone is Research Fellow at CRSP, where she focuses on quantitative analysis of income adequacy. She leads work on local child poverty indicators and poverty at the end of life.

Professor Matt Padley is Co-Director of CRSP, where he leads on data analysis and the application and development of MIS in London, the UK and globally. Matt has pioneered and leads research on Retirement Living Standards.

How to cite this report

If you are using this document in your own writing, our preferred citation is:

Stone, J. Padley, M. (2025) A Minimum Income Standard for the United Kingdom in 2025, York:
Joseph Rowntree Foundation.