

ASDA INCOME TRACKER

REPORT: APRIL 2026



Making Business Sense

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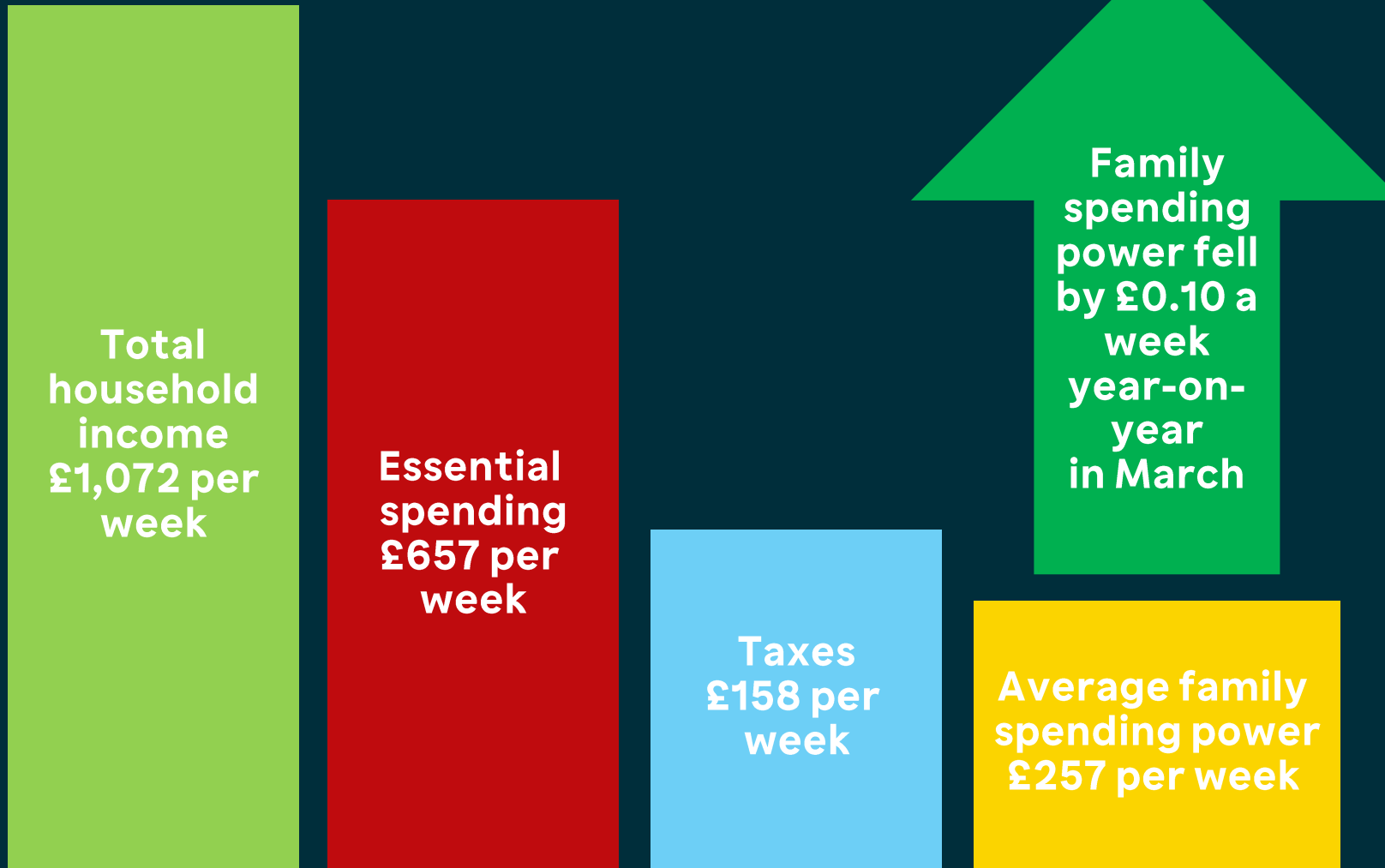
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The ASDA logo is the word "ASDA" in a bold, white, sans-serif font, centered within a dark blue oval shape.

ASDA

ASDA INCOME TRACKER – KEY FIGURES

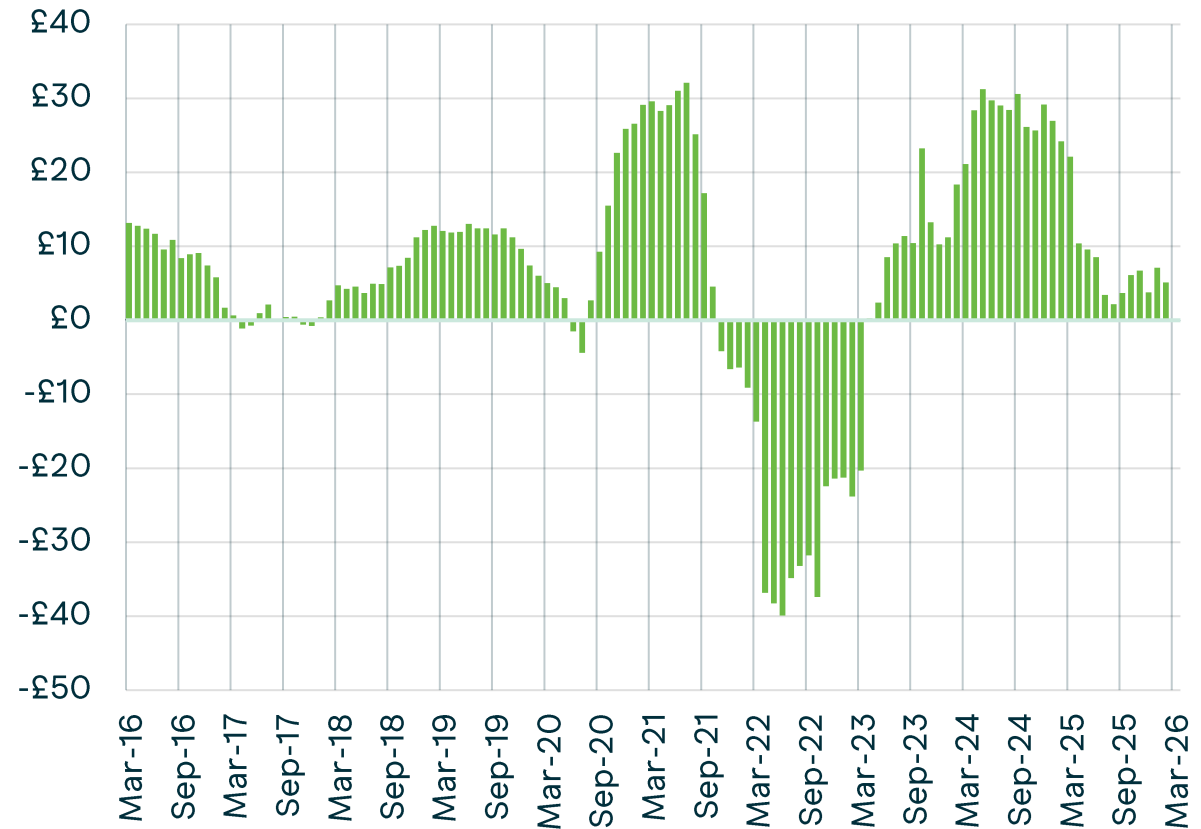


INCOME TRACKER CONTRACTS YEAR-ON-YEAR FOR THE FIRST TIME SINCE 2023

The Asda Income Tracker was £0.10 a week lower in March 2026 than in March 2025

- The Asda Income Tracker contracted slightly in March, by under 0.1%. This signifies a 2.0 percentage point slowdown in growth between February and March, reflecting price volatility from the outbreak of war in the Middle East.
- On a monthly basis, March saw household purchasing power contract by £5.32 per week compared to February. Average household discretionary income is now estimated to stand at £257 per week.
- Headline CPI inflation accelerated markedly to 3.3% in March, up from 3.0% in February, driven predominantly by rising motor fuel prices. These are expected to transfer to wider price adjustments over the coming months.
- Gross income growth decelerated for the fifth consecutive month to 2.9%, down by 0.3 percentage points compared to the previous month. Earnings growth continues to slow despite a marginal improvement in the UK's unemployment rate in February, from 5.2% to 4.9%. The fall in the jobless rate was driven more by an increase in economic inactivity rather than strong hiring activity.
- Looking ahead, renewed inflationary pressures are expected to drive further contractions in the Income Tracker. Current levels of labour market slack will also limit the ability of workers to

Year-on-year change in Asda Income Tracker, £

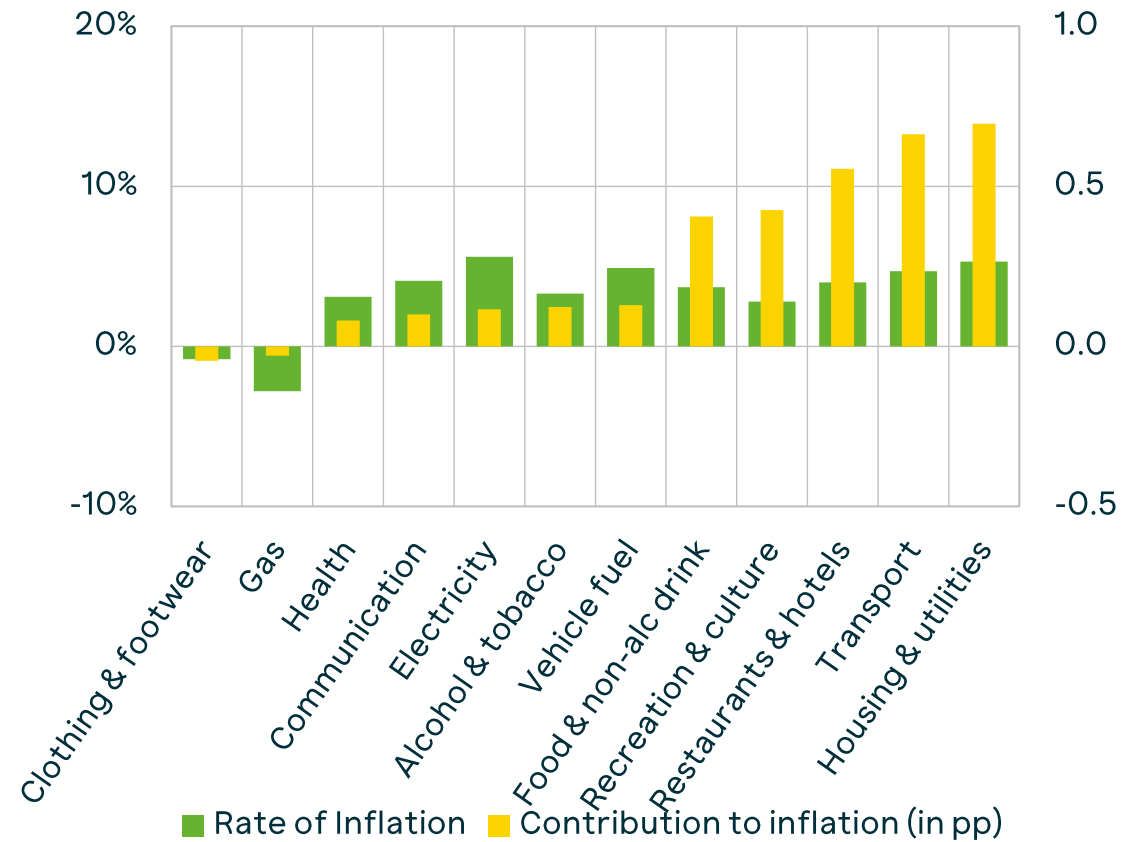


COMMODITY PRICE VOLATILITY SPURS RENEWED INFLATIONARY PRESSURES

The main factors affecting family costs in March were:

- Inflation, as measured by the Consumer Prices Index (CPI) accelerated by 0.3 percentage points in March to 3.3%, signalling a reversal of the disinflationary momentum evident in the first two months of 2026.
- Transport inflation accelerated by 2.3 percentage points to 4.7%, making it the second-most significant contributor to CPI inflation in March. This was primarily driven by motor fuels which, after deflating by 4.6% year-on-year in February, rose by 4.9% in March, a 9.5 percentage point swing.
- Housing and utilities, the largest contributor, accelerated by 0.7 percentage points to 5.3%, despite the continued deflation of gas prices. Notably, the startling 100.5 percentage point reversal in liquid fuel deflation to a year-on-year rate of 95.3% made a significant contribution despite the very small percentage of the population that use heating oil in their homes.
- Households remain protected from significant jumps in gas and electricity prices until July due to the Ofgem price cap, although both saw a 0.3 percentage point uptick.
- Looking ahead, continued supply-side disruptions and commodity price fluctuations are likely to strongly impact inflation. Households will be partially insulated in Q2 due to a lower energy price cap, set before the outbreak of war, however the drastic shift in transport inflation is likely to have a significant impact.

Inflation of selected goods, annual rate (LHS) and contribution to headline inflation (RHS), March 2026



Vehicle fuel is a sub-category of Transport
Gas and electricity are sub-categories of Housing & utilities

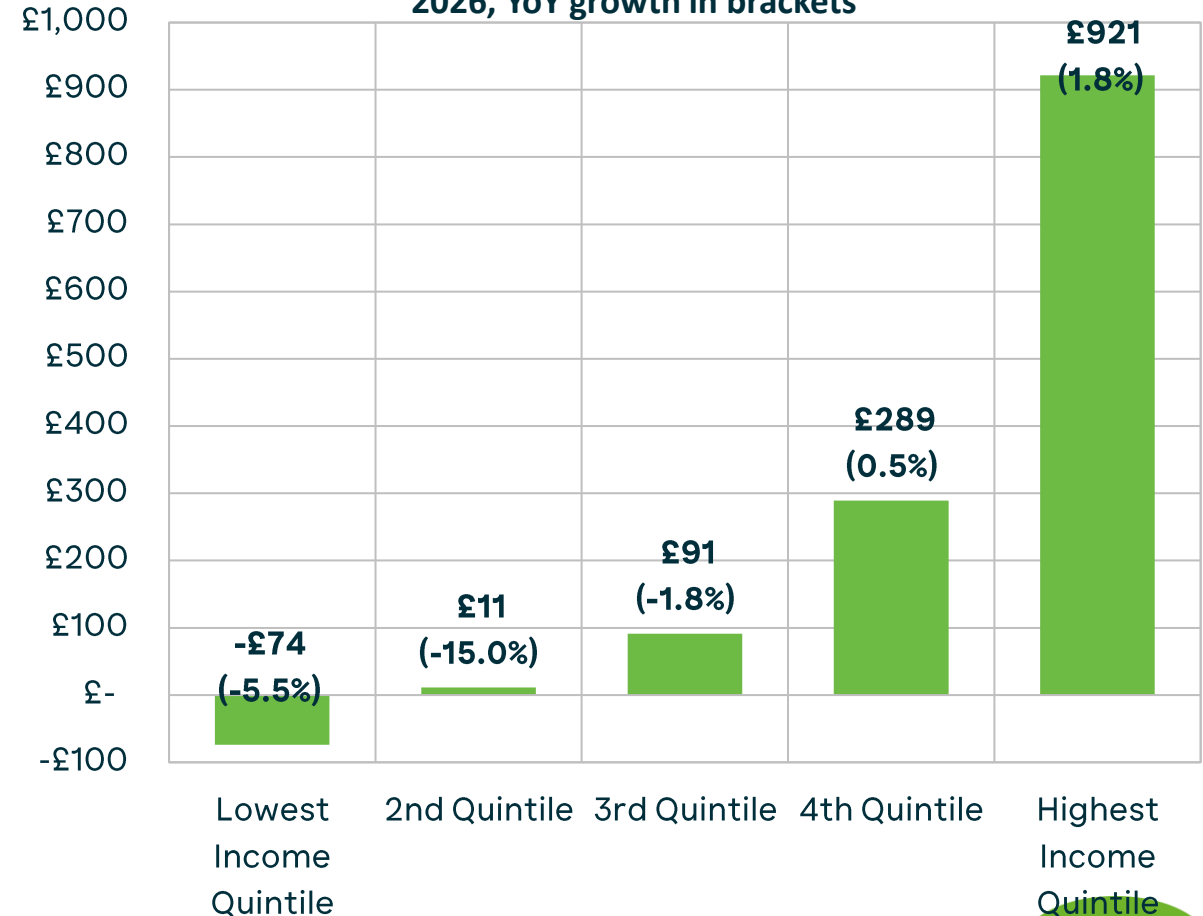


LOW AND MIDDLE EARNERS SEE PURCHASING POWER CONTRACT IN MARCH

The top two income quintiles continued to grow but at substantially slower rates

- Annual growth in discretionary incomes worsened in March for all income quintiles. The first and second income quintiles saw substantial contractions of 5.5% and 15.0%, respectively, while the third income quintile contracted by 1.8% after growing by 3.8% in February.
- For those in the lowest income quintile, the gap between essential spending and net income has widened, resulting in a £74 shortfall. This is close to the Income Tracker's historic low of -£76 during the 2022/23 cost-of-living crisis
- The top two income quintiles saw purchasing power grow, but the rate of growth decelerated. Despite experiencing the weakest gross income growth, high earners maintained growth in purchasing power because vehicle fuels take up a lower proportion of their income, leaving them less exposed when prices rise.
- A worsening outlook in March reflects the interaction of continued and worsening labour market slack with heightened inflation, increasing the risk of stagflation. Approximately 60% of households are expected to feel that their weekly pay package was going further a year ago compared to now

Average weekly discretionary income by household income group, March 2026, YoY growth in brackets

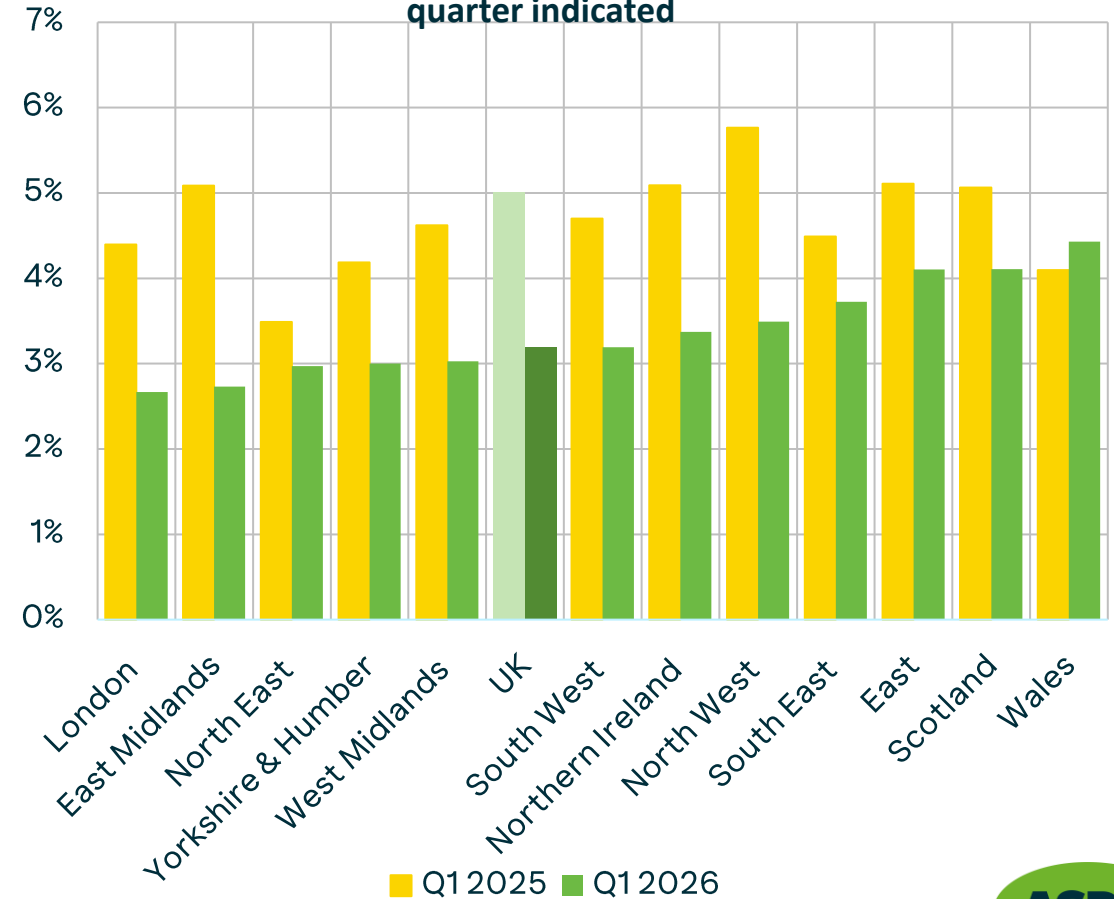


ALL REGIONS EXCEPT WALES SEE ANNUAL GROSS INCOME GROWTH DECELERATE COMPARED TO Q1 2025

UK-wide gross income growth fell to 3.2% year-on-year in Q1 2026

- Annual gross income growth continued to slow across almost all UK regions in Q1 2026, compared with the same period a year ago. Wales remains the only exception, seeing growth accelerate by 0.3 percentage points to 4.4% in the year to Q1 2026. Stronger gross income growth in Wales and Scotland compared to the UK average reflects comparatively lower unemployment and higher proportions of public sector workers, who have seen stronger pay growth over the past year relative to their private sector counterparts.
- Labour market conditions in the UK continue to worsen despite a drop in the unemployment rate to 4.9% in February. This was driven more by a rise in economic inactivity, as opposed to an uptick in employment activity, particularly amongst those aged 16-24, as students and graduates leave the jobs market in the face of fewer entry-level job opportunities. Early estimates from PAYE data for March also indicate that payrolled employment fell compared to February.
- The East Midlands and London remain the regions with the lowest annual gross income growth, with both at 2.7%. As a manufacturing hub, the East Midlands continues to suffer from ongoing trade uncertainty. Meanwhile, poor productivity growth in the capital, alongside a marked reduction in hiring

National and regional gross income, annual change to quarter indicated

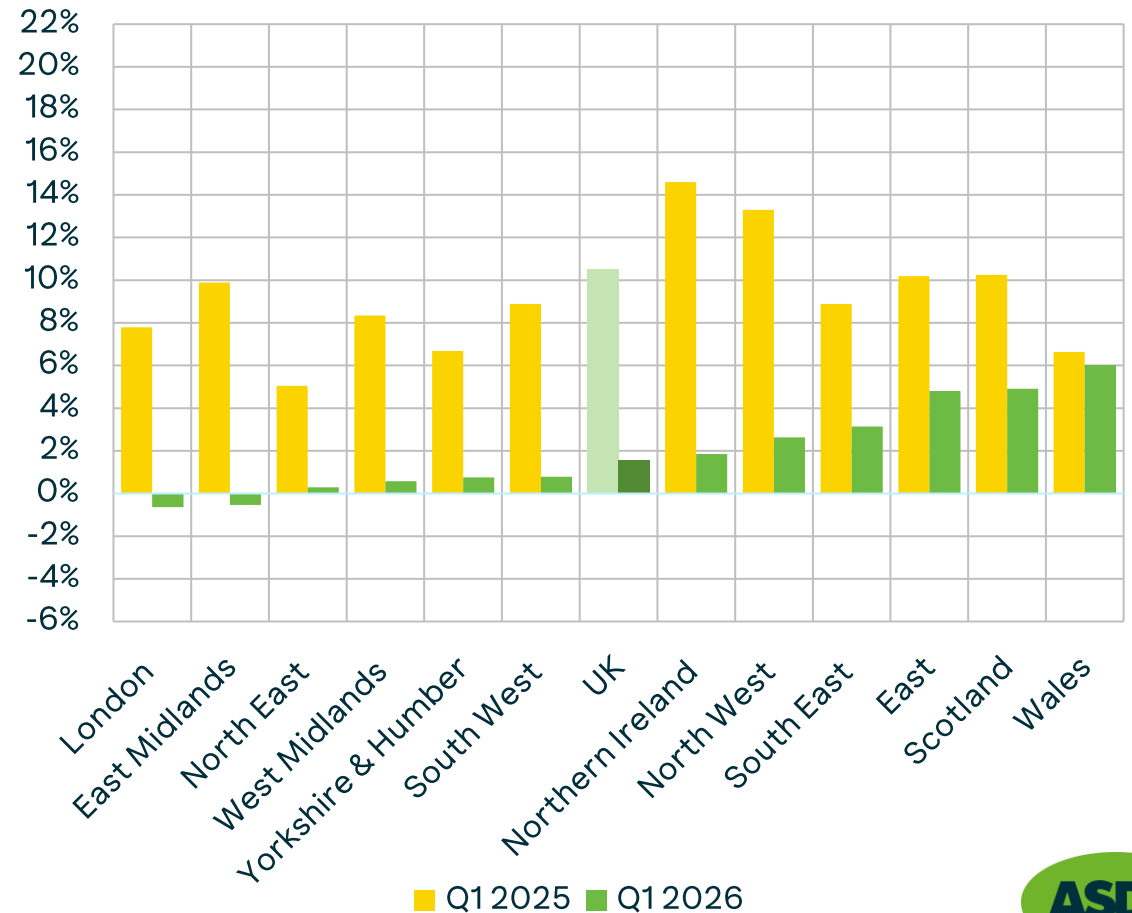


INCOME TRACKER CONTRACTIONS IN Q1 2026 CONTRAST AGAINST THE STRONG START TO 2025

The UK-wide Asda Income Tracker grew by 1.6% year-on-year in Q1 2026

- Compared to a period of stronger growth in the Income Tracker in early 2025, Q1 2026 shows worsening financial conditions for households. Discretionary incomes contracted in London and the East Midlands and grew by under 1% year-on-year for a further four of the UK's twelve regions and nations.
- The most marked slowdown in growth was observed in Northern Ireland, where purchasing power growth fell by 12.8 percentage points from 14.6% to 1.8%. It also saw the largest slowdown on a quarter-to-quarter basis, from 6.0% in Q4 2025.
- London was the worst performing region for the second consecutive quarter with the Income Tracker contracting by 0.6% in Q1 2026. Weaker gross income growth in the capital, combined with a rising cost of living, sees it remain below the struggling East Midlands for discretionary income growth.
- Q1 2025 is likely to be the final quarter to be influenced by base effects from purchasing power bouncing back after the cost-of-living crisis. In general, momentum in the UK economy has been weak for years, and while growth for Q1 2026 paints a distinctly negative picture, it reflects a more normal trajectory for purchasing power than the especially strong growth observed in late 2024 and early 2025.

Asda Income Trackers by nation and region, annual % change to quarter indicated

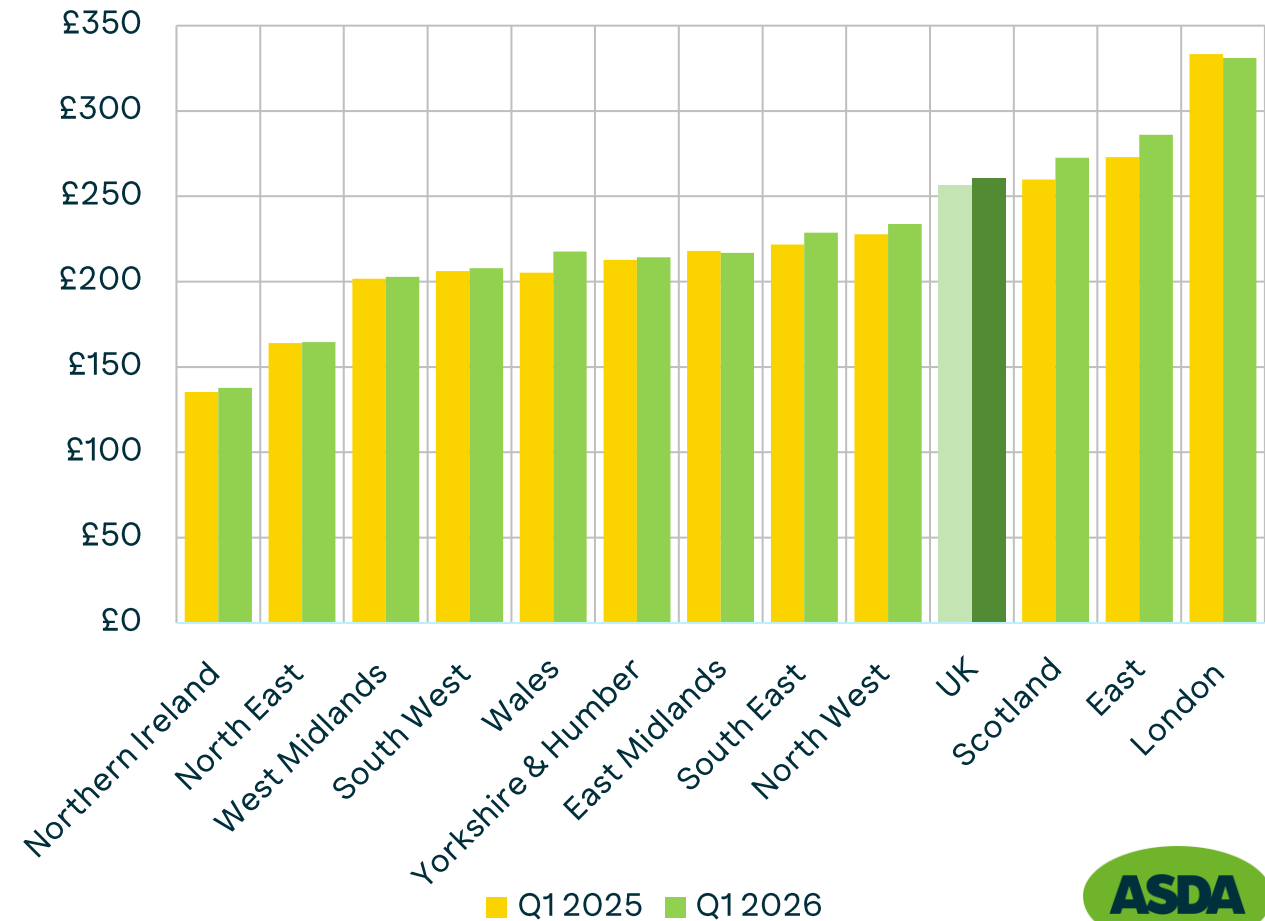


LONDON REMAINS THE TOP PERFORMING REGION IN THE INCOME TRACKER IN Q1 DESPITE YEARLY CONTRACTION

The UK-wide Asda Income Tracker averaged £261 in Q1 2026

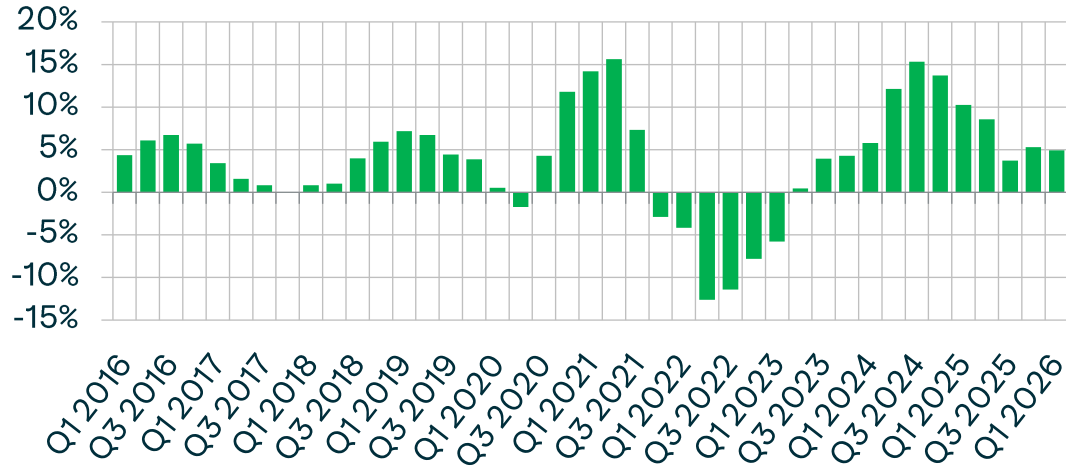
- The average UK household had £261 in weekly discretionary income in the first quarter of 2026.
- Discretionary incomes were highest in London, at £331 per week, despite a year-on-year contraction of 0.6%. The region with the second highest purchasing power, the East of England, saw the Income Tracker rise to £286. The gap between London and the East of England has closed from £60.25 per week in Q1 2025 to £45.02 per week.
- While it remains the region with the lowest spending power, Northern Ireland saw the Income Tracker rise by £2.50 on the year and by £1.22 on the quarter. Discretionary income in Northern Ireland now stands at £138 per week, £22.67 lower than the North East, the next worst-off region.
- Contractions in March moderated a potentially strong Q1 performance for the Income Tracker, as disinflationary momentum in January and February drove up purchasing power growth.
- Outside of London and the East of England, Scotland was the only other region to record an Income Tracker value above the UK average at £272 per week

Average household discretionary income by nation and region, £ per week in quarter indicated

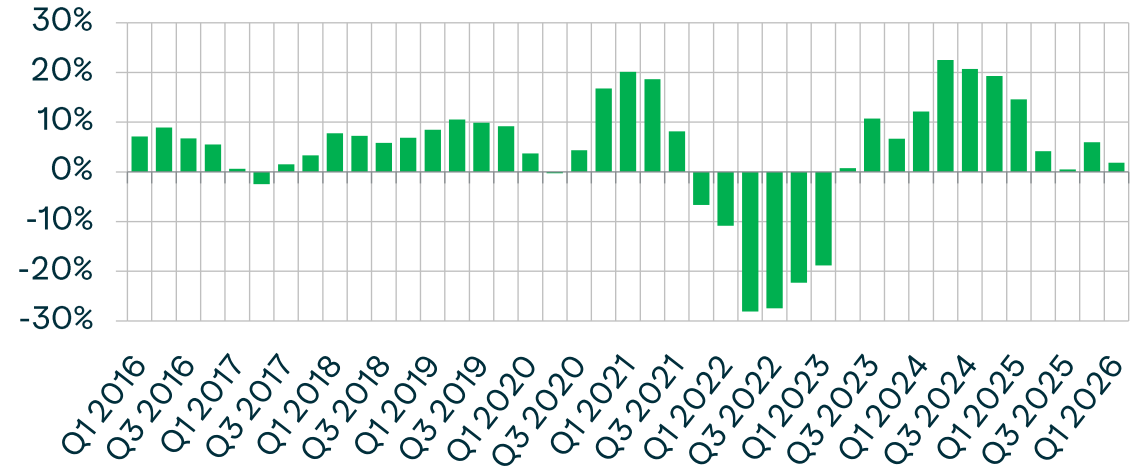


FOCUS ON SCOTLAND AND NORTHERN IRELAND

Annual % change in discretionary incomes, Scotland



Annual % change in discretionary incomes, Northern Ireland



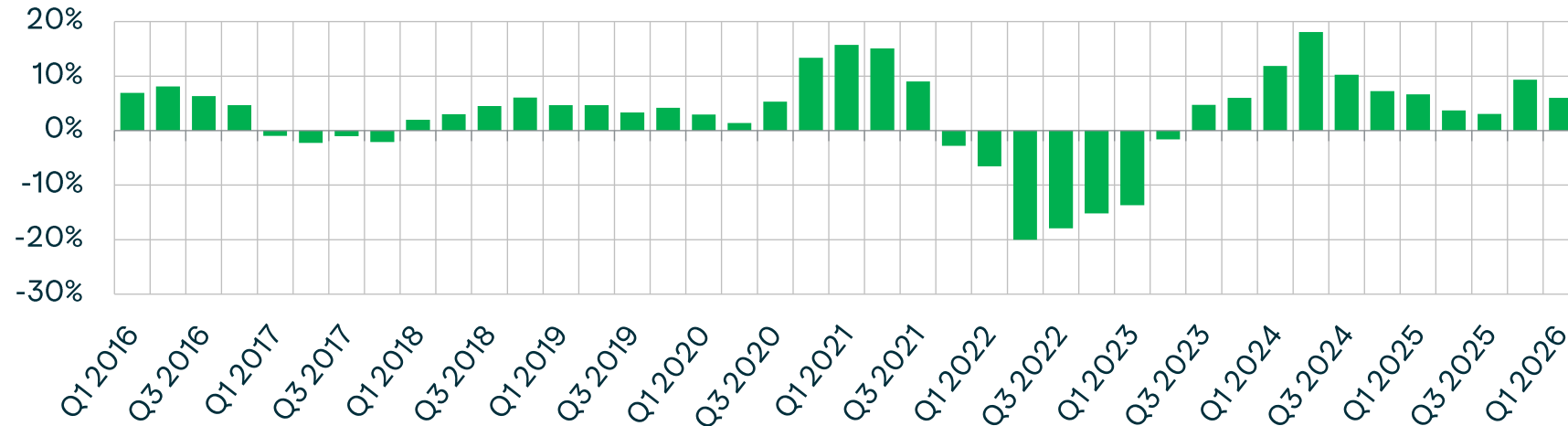
- The Asda Income Tracker for Scotland rose by 4.9% year-on-year in Q1 2026, slowing by 0.4 percentage points from the previous quarter.
- On a quarter-on-quarter basis, purchasing power rose by £1.46 per week compared to Q4 2025. Average purchasing power in Scotland now stands at £273 per week.
- Growth in discretionary incomes in Scotland over Q1 was primarily driven by slowing inflation, something that has been reversed following the outbreak of war in the Middle East.
- While Scotland's relatively tight labour market has driven stronger gross income growth compared to the UK average, it has experienced falling employment and rising inactivity over 2025. Unemployment currently stands at 4.1%.

- The Income Tracker increased by 1.8% annually in Northern Ireland in Q1 2026, decelerating significantly from 6.0% in Q4 2025. Discretionary incomes in Northern Ireland remain the lowest out of all UK regions and nations at £138 per week.
- While it was not the worst performing UK region or nation, gross income growth remains depressed at 3.4%. This reflects the Northern Irish economy's higher rate of low-paid, low-productivity jobs compared to the UK average.
- Pressure on discretionary incomes in Northern Ireland was acute in March. It has the highest percentage usage of heating oil in the UK, an item that saw prices almost double as commodity markets reacted to attacks on gulf energy infrastructure and the closure of the Strait of Hormuz.



FOCUS ON WALES

Annual % change in discretionary incomes, Wales



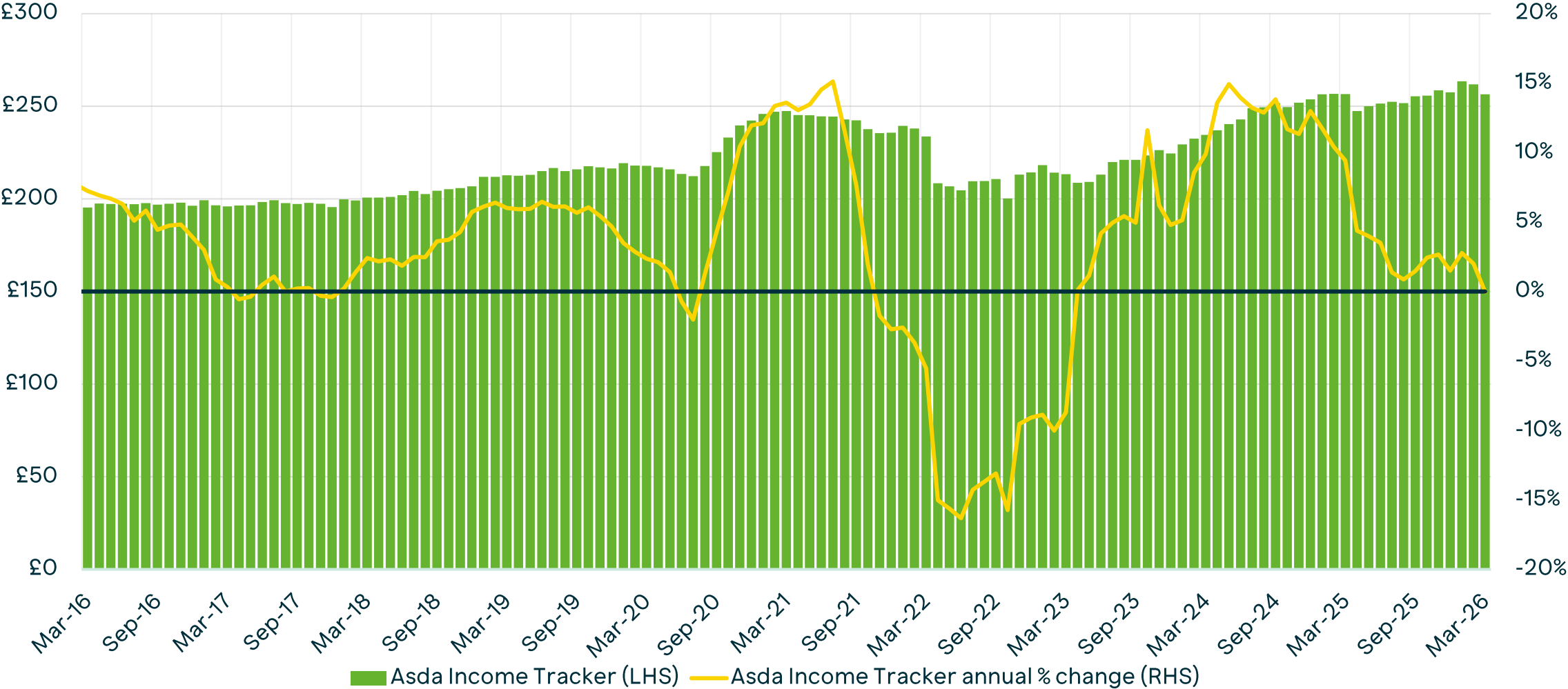
- The Income Tracker for Wales rose by 6.0% year-on-year in Q1 2026, decelerating by 3.4 percentage points compared to the previous quarter, but significantly above the UK average of 1.6%. Growth in purchasing power was the highest out of all the UK regions this quarter.
- On a quarterly basis, average household discretionary incomes rose by £4.23 compared to Q4 2025. The Income Tracker for Wales now stands at £218 per week.
- Earnings growth in Wales has benefitted greatly from an increasingly tight labour market. Employment rose by 1.6% in the three months to February 2026 compared to the three months to February 2025, the joint-highest growth in the UK. This is a potential example of rising wage floors having positive effects on employment. While labour market slack has risen in the UK since the hike to the National Minimum and Living wages in April 2025, it has fallen in Wales. Higher wage floors likely encouraged people to join the labour force, boosting demand and driving further economic activity. This effect could thus be exacerbated by wage floors seeing a further significant nominal hike earlier this month.

APPENDIX



MONTHLY ASDA INCOME TRACKER

Asda Income Tracker and year-on-year change (excluding bonuses)



MONTHLY ASDA INCOME TRACKER

Average UK household Income Tracker, £ per week, current prices, excluding bonuses

Month	Income Tracker	Month	Income Tracker	Month	Income Tracker	Month	Income Tracker	Month	Income Tracker
January 2022	£239	January 2023	£218	January 2024	£229	January 2025	£256	January 2026	£264
February 2022	£238	February 2023	£214	February 2024	£232	February 2025	£257	February 2026	£262
March 2022	£234	March 2023	£213	March 2024	£234	March 2025	£257	March 2026	£257
April 2022	£208	April 2023	£209	April 2024	£237	April 2025	£247		
May 2022	£207	May 2023	£209	May 2024	£240	May 2025	£250		
June 2022	£205	June 2023	£213	June 2024	£243	June 2025	£251		
July 2022	£210	July 2023	£220	July 2024	£249	July 2025	£252		
August 2022	£210	August 2023	£221	August 2024	£249	August 2025	£252		
September 2022	£211	September 2023	£221	September 2024	£251	September 2025	£255		
October 2022	£200	October 2023	£223	October 2024	£249	October 2025	£256		
November 2022	£213	November 2023	£226	November 2024	£252	November 2025	£259		
December 2022	£214	December 2023	£224	December 2024	£253	December 2025	£257		
2022 Average	£216	2023 Average	£218	2024 Average	£243	2025 Average	£254		



ECONOMIST'S VIEW

Reacting to this month's Income Tracker, Sam Miley, Head of Forecasting and Thought Leadership at Cebr, said:

“Q1 2026 marked another quarter of steady growth in the Income Tracker, driven primarily by easing inflation in January and February amidst weak earnings growth. Data for March have given the first indications of how UK consumers are likely to be affected by ongoing supply disruptions from war in the Middle East. As expected, UK inflation accelerated significantly, driven primarily by vehicle fuels. While utility bills will be protected by the Ofgem price cap until July, those using heating oil saw prices almost double. As a result, the UK-wide Income Tracker contracted year-on-year for the first time since March 2023.

Unlike in the cost-of-living crisis in 2022/23, greater labour market slack reduces the risk of a wage-price spiral, which lowers the incentives for aggressive interest rate hikes from the Bank of England. Nevertheless, with disruption ongoing and no end in sight, further contractions in the Income Tracker seem likely over the rest of 2026.”

NATIONAL AND REGIONAL INCOME TRACKER

ESTIMATES

Average household Income Tracker, £ per week, current prices, excluding bonuses, by region, March 2026

North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East
£161	£230	£210	£212	£198	£282

London	South East	South West	Wales	Scotland	Northern Ireland
£327	£224	£204	£213	£270	£133

METHOD NOTES

The Asda Income Tracker is calculated from the following equations:

- Total household income minus taxes equals net income
- Net income minus basic spend equals Asda Income Tracker

Total household income for the United Kingdom is derived from the Living Costs and Food Survey 2012 (released December 2013). This is updated on a monthly basis using official statistics on average earnings, unemployment, social security payments, interest rates and pension income. Earnings data from the Office for National Statistics that is released in the month of the report refers to the previous month. We forecast earnings data for the month of the report.

Taxes are subtracted from total household income to estimate the actual amount that can be spent on goods and services, i.e. net income or disposable income. The average amount of tax paid is calculated using the latest version of the Living Costs and Food Survey. This is updated on a monthly basis using Office for National Statistics data and Cebr modelling.

The following components are based on official statistics and Cebr calculations.

- Net income is calculated by deducting our tax estimate from our total household income estimate.
- Basic spend (cost of living) figures are updated using monthly consumer price data and the trend growth rate in the volume of essential goods and services purchased over the most recent ten-year period. A full list of items constituting basic (or 'essential') spending was created in collaboration between Asda and Cebr when the Income Tracker concept was originally formed in 2008. This list is available on request.
- The Asda Income Tracker is a measure of 'discretionary income', reflecting the amount remaining after the average UK household has had taxes subtracted from their income and bought essential items such as: groceries, electricity, gas, transport costs and mortgage interest payments or rent. The Income Tracker measures the amount left over to spend on discretionary purchases such as leisure and recreational goods and services.



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DISCLAIMER

This report was produced by the Centre for Economics and Business Research (Cebr), an independent economics and business research consultancy established in 1993 providing forecasts and advice to City institutions, government departments, local authorities and numerous blue-chip companies throughout Europe. The main contributors to this report are Cebr economists Sam Miley and Dan Smith.

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London, April 2026

