Asda Income Tracker

Report: July 2026

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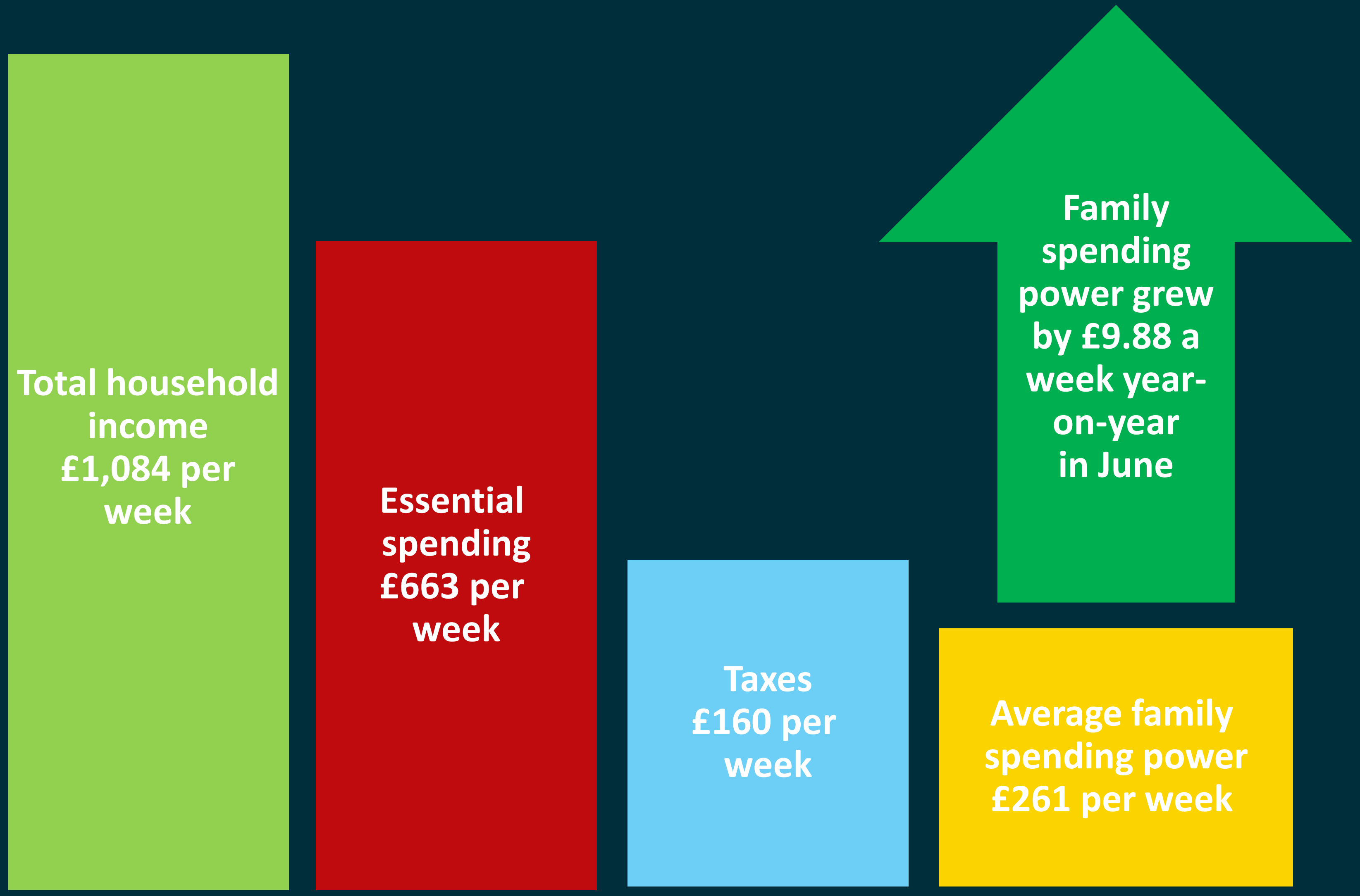
Making Business Sense

Asda Income Tracker – Key Figures

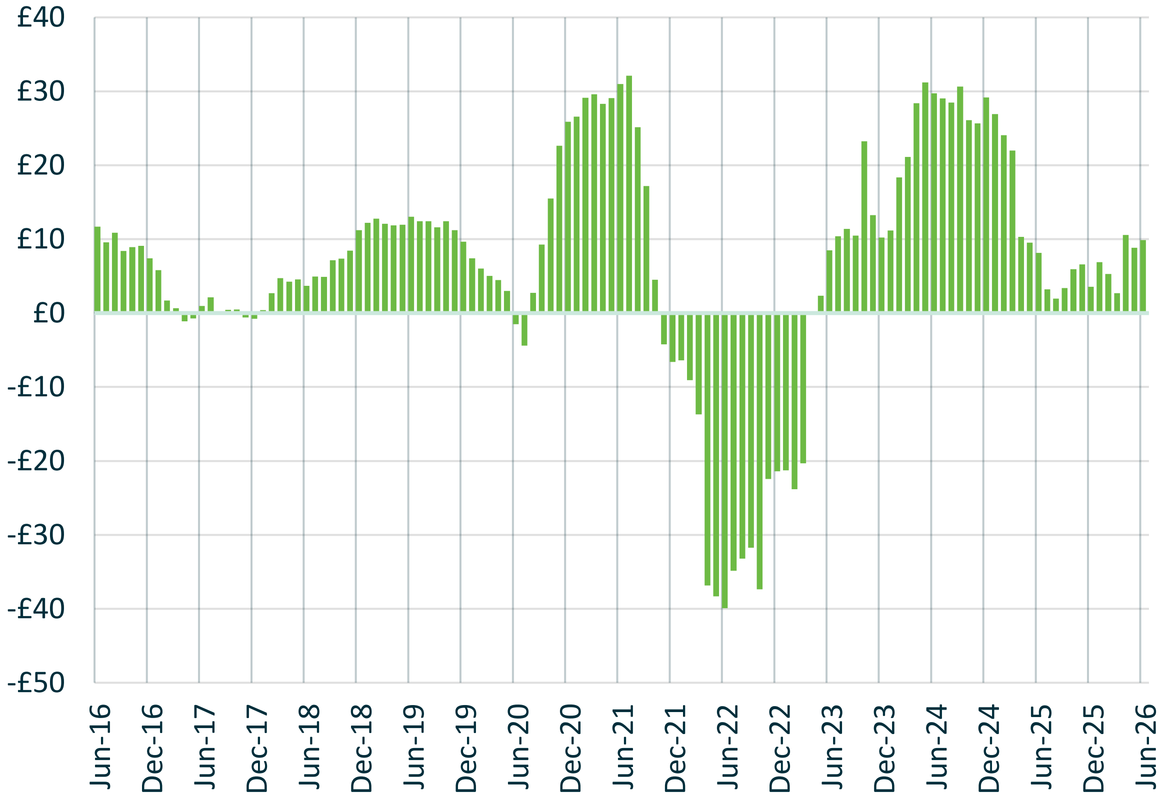


Income Tracker demonstrates resilience in June despite persistent headwinds

The Asda Income Tracker was £9.88 a week higher in June 2026, compared to a year ago.

- The Asda Income Tracker posted moderate annual growth of 3.9% in June. This represents a 0.4 percentage point uplift in growth between May and June, attributable to easing energy price pressures.
- On a monthly basis, purchasing power edged higher in June, averaging £2.06 per week more than in May. Average household discretionary income is now estimated to stand at £261 per week.
- Headline CPI inflation decelerated to 2.6% in June, down from 2.8% in May, driven primarily slowing motor fuel inflation. This disinflation is likely to be temporary, with a resumption of hostilities in the Middle East resulting in another surge in wholesale oil and gas prices, and with a higher energy price cap being implemented from July.
- Gross income growth remained relatively stable in the latest month, recording a modest 0.1 percentage point decline to 3.3% in June. This is despite the most recent official statistics showing the UK unemployment rate falling to 4.9%.
- Looking ahead, renewed inflationary pressures are expected to weigh on the Income Tracker. Furthermore, although the labour market is showing signs of stabilisation, it has continued to cool, limiting workers' bargaining power and their ability to secure stronger earnings growth.

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

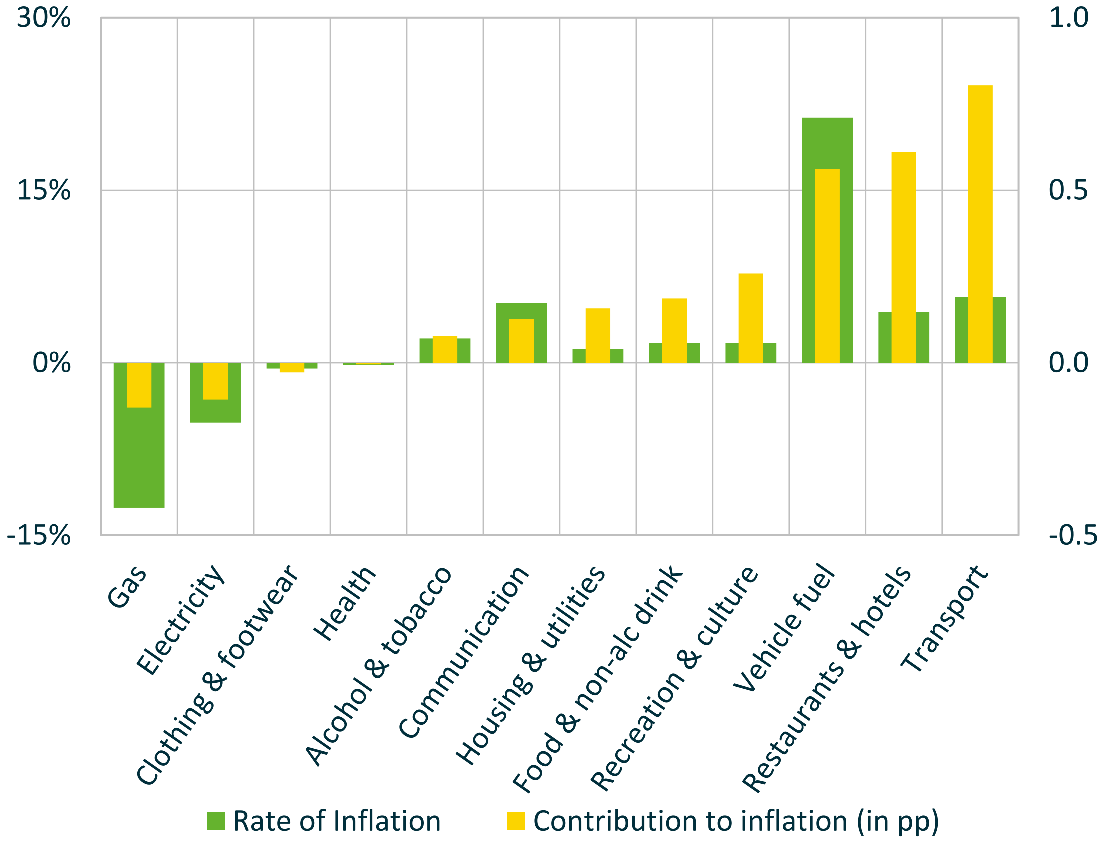


Lower fuel costs ease pressure on household finances in June

The main factors affecting family costs in June were:

- Inflation, as measured by the Consumer Prices Index (CPI) slowed by 0.2 percentage points in June to 2.6%, as the ceasefire between the US and Iran led to a moderation in energy prices.
- Transport inflation decelerated by 1.1 percentage points to 5.7%, though it remained the most significant contributor to CPI inflation in June. This was primarily driven by motor fuels, where prices rose by 21.3% in the 12 months to June 2026, easing from 24.6% in May. Drivers of diesel vehicles felt the greatest benefit, with prices at the pump down 10.7 pence per litre on the month.
- Food and non-alcoholic beverages inflation slowed to 1.7% in the 12 months to June 2026, down from 2.2% in the previous month.
- Households remained insulated from significant jumps in gas and electricity prices in June due to the Ofgem price cap. However, July's 13% uprating of the cap is expected increased energy costs and squeeze discretionary incomes. That said, prolonged periods of warm weather may reduce household energy demand, helping to offset some of the upward pressure on energy bills.
- Looking ahead, continued supply-side disruptions and commodity price fluctuations are likely to drive inflation higher, as businesses pass through higher costs of production to consumers. Cebr forecasts inflation of 3.1% for 2026.

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



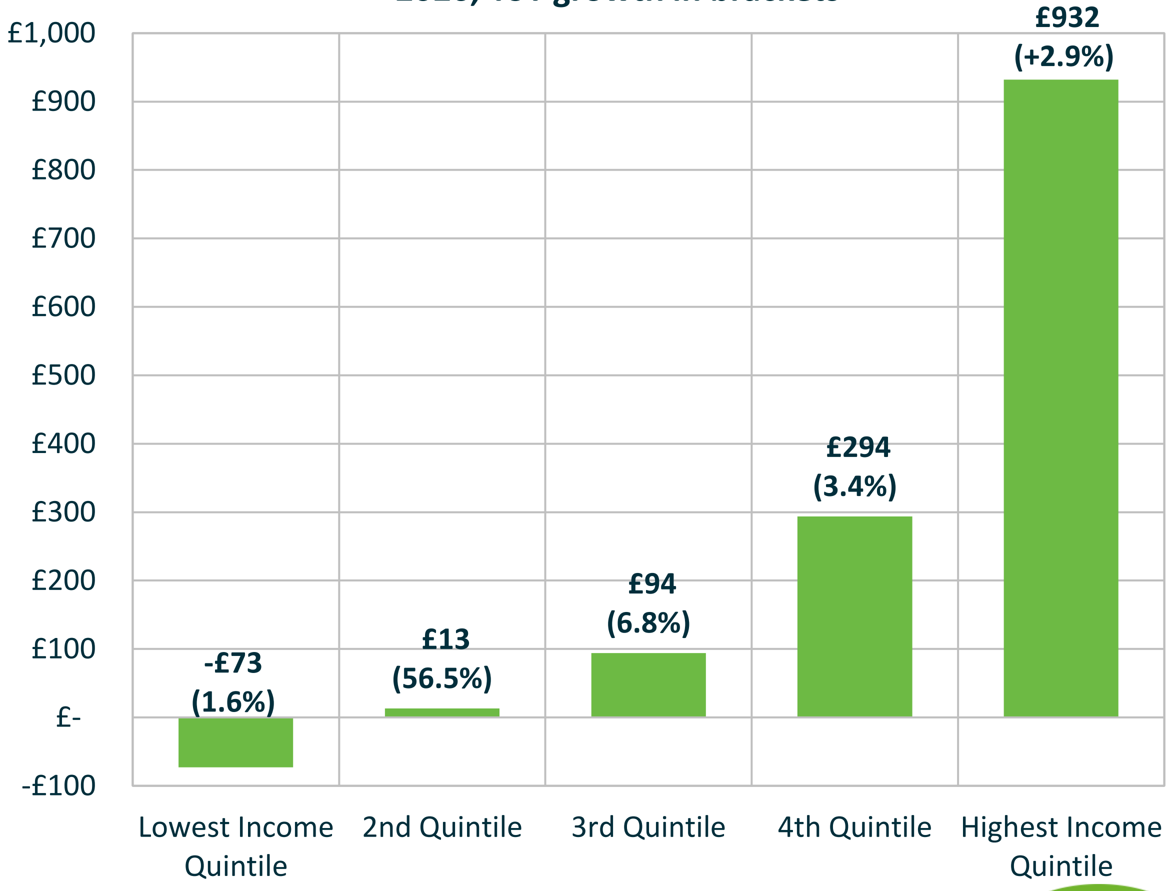
Vehicle fuel is a sub-category of Transport
Gas and electricity are sub-categories of Housing & utilities

Higher earners continue to experience steady purchasing power growth

Households in the third income quintile also saw strong year-on-year growth in discretionary income.

- Annual growth in discretionary incomes improved in June for all quintiles, signalling a universal improvement in household purchasing power.
- For those in the lowest income quintile, average weekly discretionary income has stabilised in recent months, albeit at a low level. These households faced a £73 shortfall in June, as essential expenditure continued to exceed gross income.
- The top two income quintiles recorded an expansion in purchasing power, with growth rates also exhibiting early signs of stabilisation. Average weekly discretionary incomes grew by 3.4% on the year in the fourth quintile and 2.9% in the highest income quintile. Higher earners are less exposed to accelerating inflation in essential spending categories as they typically spend a lower proportion of their income on them.
- Looking forward, renewed inflationary risks from the resumption of hostilities have dampened the consumer outlook. Further price rises are expected to increase the cost of essential spending and weigh on purchasing power.

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

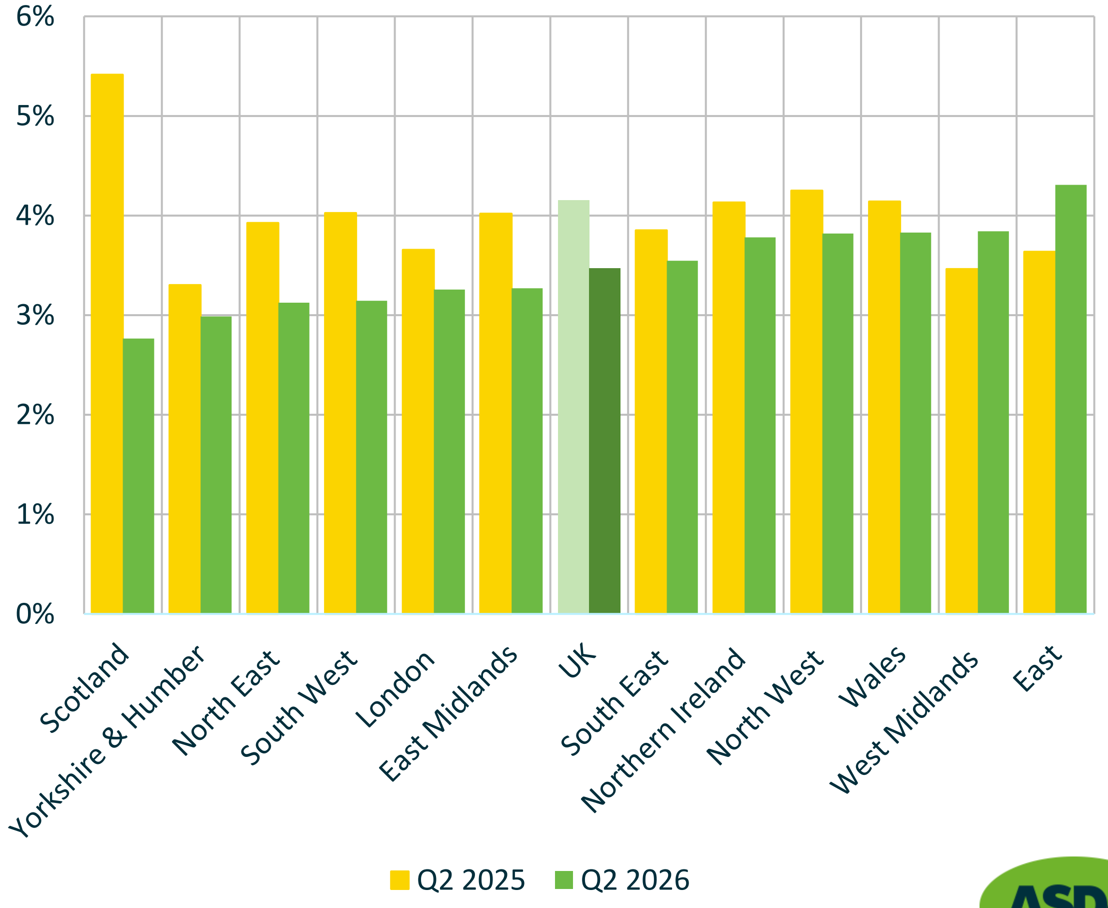


East of England and West Midlands the only regions in June to record an acceleration in annual gross income growth

UK-wide gross income growth accelerated to 3.5% year-on-year in Q2 2026

- Annual gross income growth continued to slow across most UK regions in Q2 2026, compared with the same period a year ago. In contrast to the national picture, gross income growth strengthened in the East of England and West Midlands, reaching 4.3% and 3.8%, respectively.
- Labour market conditions in the UK remain cool but there is evidence of stabilisation, as the headline unemployment rate remained unchanged at 4.9% in the three months to May. However, under the backdrop of the Iran conflict, subdued labour demand is expected to persist in the coming months, as firms' revenue growth continues to weaken and increases to input costs squeeze profit margins.
- Gross income growth in Scotland lagged all other regions in Q2 2026, increasing by only 2.8% year-on-year. In recent months, Scotland's unemployment rate has risen sharply, increasing from 4.3% in the three months to April to 4.7% in the three months to May. A growing number of jobseekers, coupled with declining vacancies, has intensified competition for available roles, putting downward pressure on wage growth.

National and regional gross income, annual change to quarter indicated

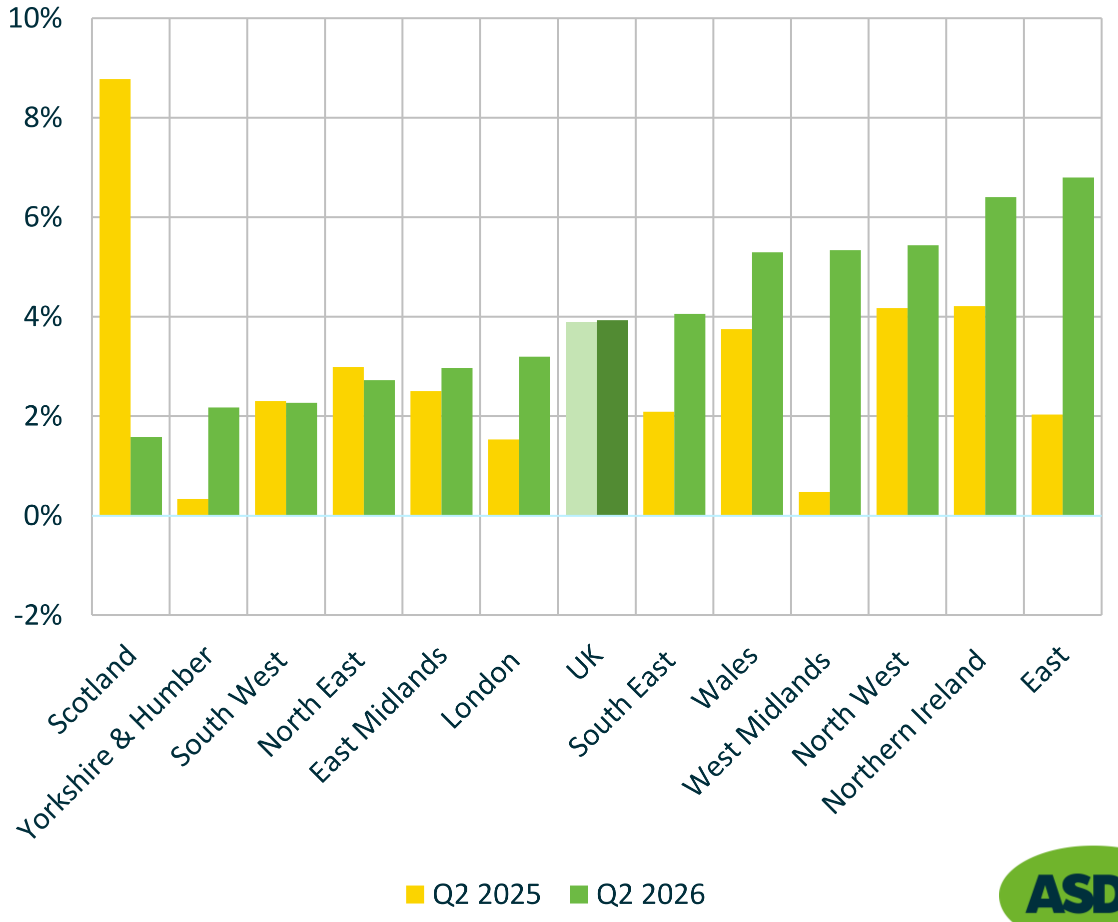


UK Income Tracker growth stalls amid a marked slowdown in Scotland

The UK-wide Asda Income Tracker grew by 3.9% in the year to Q2 2026.

- Many regions have experienced a slight recovery in purchasing power growth during Q2 2026. Indeed, 9 out of 12 regions saw accelerations in average weekly discretionary income growth, when compared with Q2 2025.
- Despite relative resilience of household finances in many regions, annual Income Tracker growth in Scotland sharply deteriorated, falling from 8.8% in Q2 2025 to 1.6% in Q2 2026. Recent slowdowns in earnings growth, combined with elevated food and energy prices, have led the purchasing power of Scottish households to stagnate. Quarter-on-quarter purchasing power growth was also modest, with a 1.3% rise in the Income Tracker recorded in Q2.
- Unlike the previous quarter, no regions experienced contractions in average weekly discretionary income. While the South West returned to positive discretionary income growth, gains remained modest at just 2.2%.
- Annual growth in the UK-wide Income Tracker was unchanged relative to Q2 2025 and remains firmly below the growth rates witnessed at the end of 2024.

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

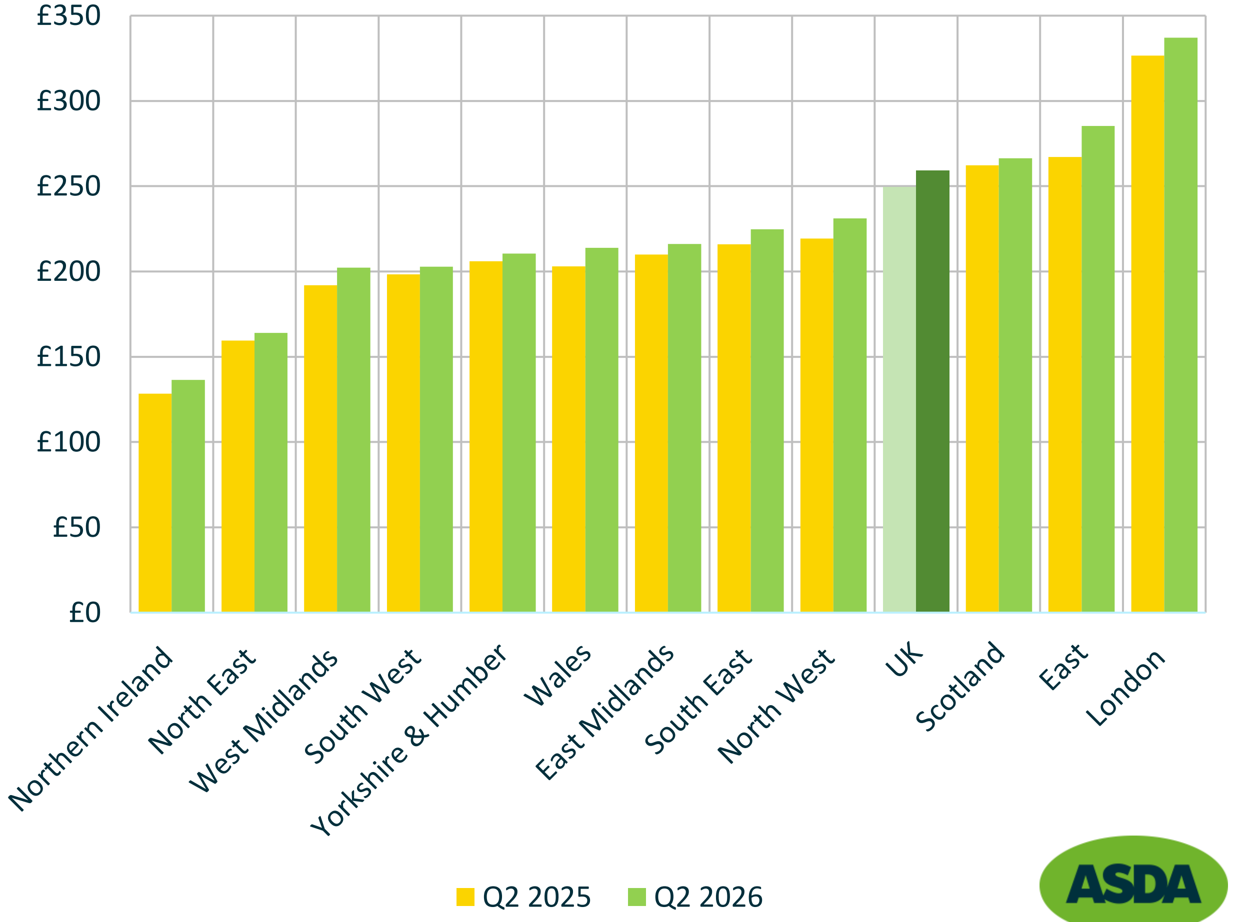


Households in London have greatest purchasing power, but income differential with the East of England continues to shrink

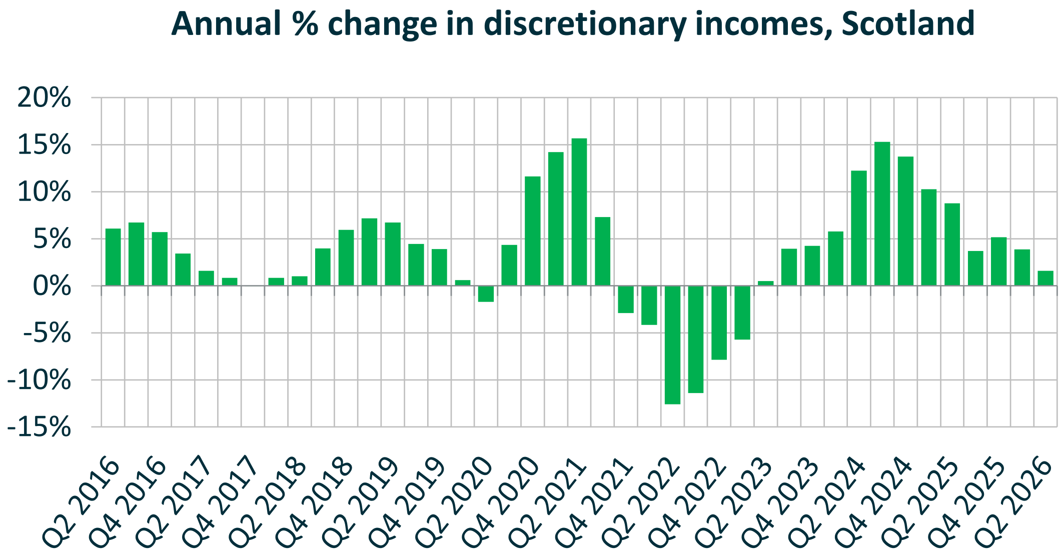
The UK-wide Asda Income Tracker averaged £259 in Q2 2026

- The average UK household had £259 in weekly discretionary income in the second quarter of 2026.
- Discretionary incomes remained highest in London, at £337 per week, following annual growth of 3.2%. The region with the second highest purchasing power, the East of England, saw the Income Tracker rise to £285. The gap between London and the East of England has continued to narrow, closing from £59.48 per week in Q2 2025 to £51.75 per week. This partly reflects stronger growth in essential spending in London, particularly housing-related costs, which have eroded the region's traditional advantage in discretionary income.
- While it remains the region with the lowest spending power, Northern Ireland saw the Income Tracker gain £8.22 on the year, despite a £3.38 contraction on the quarter. Discretionary income in Northern Ireland currently stands at £137 per week, £27.42 lower than the North East, the next worst-off region.
- Other than London and the East of England, Scotland was the only other region with an Income Tracker above the UK-wide average, with average weekly discretionary income at £266 in Q2 2026.

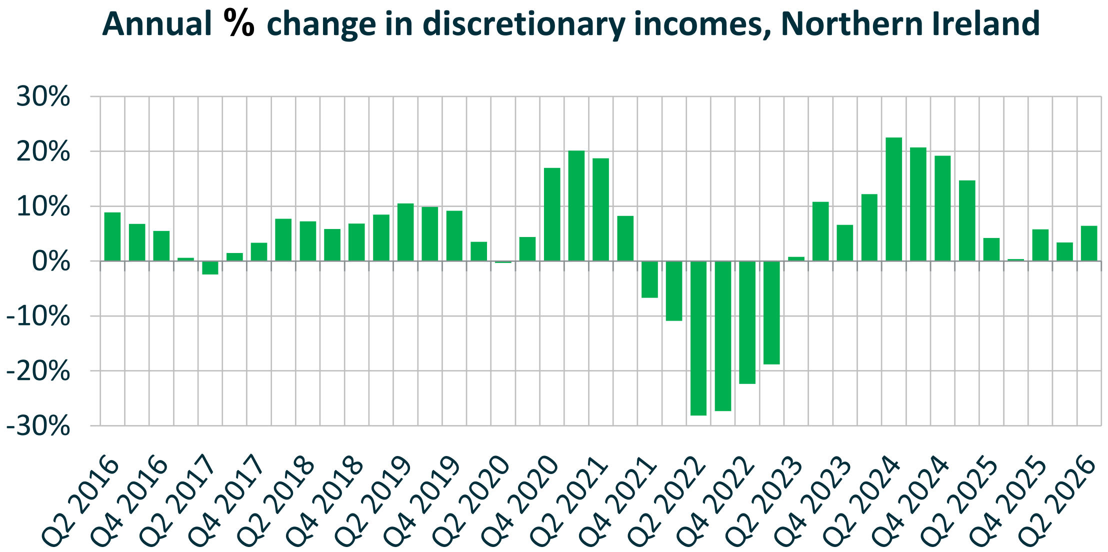
Average household discretionary income by nation and region, £ per week in quarter indicated



Focus on Scotland and Northern Ireland

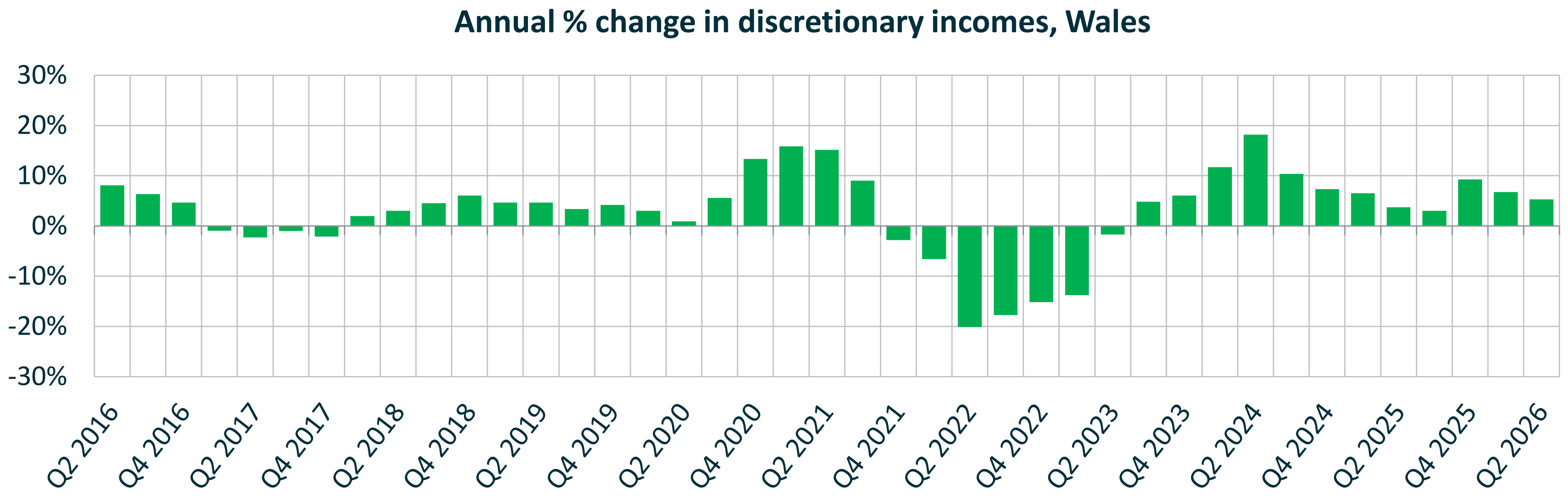


- The Asda Income Tracker for Scotland rose by 1.6% year-on-year in Q2 2026, slowing by 2.3 percentage points from the previous quarter.
- On a quarter-on-quarter basis, purchasing power fell by £3.86 per week compared to Q1 2026. Average purchasing power in Scotland now stands at £266 per week.
- The contraction in discretionary incomes in Scotland over Q2 was driven by gross income growth being outstripped by growth in essential expenditure, leaving less residual income for Scottish households.
- While previously tight relative to the rest of the UK, the Scottish labour market has notably slackened in the latest quarter, with the unemployment rate ticking up to 4.7% in May. Reduced worker bargaining power has contributed to weakening earnings growth in Scotland.



- The Income Tracker increased by 6.4% annually in Northern Ireland in Q2, marking a 3.0 percentage point acceleration on Q1. Discretionary incomes in Northern Ireland remain the lowest out of all UK regions and nations at £137 per week.
- Only the East of England had stronger gross income growth than Northern Ireland in Q2 2026, where earnings rose by 3.8% year-on-year. While Northern Ireland has traditionally lagged other regions due to its concentration of lower-productivity sectors, recent data suggest this gap is beginning to narrow.
- Pressure on discretionary incomes in Northern Ireland eased in June as oil prices fell in April and May following the temporary resolution of the US-Iran conflict. Liquid fuel prices fell 20.0% between May and June.

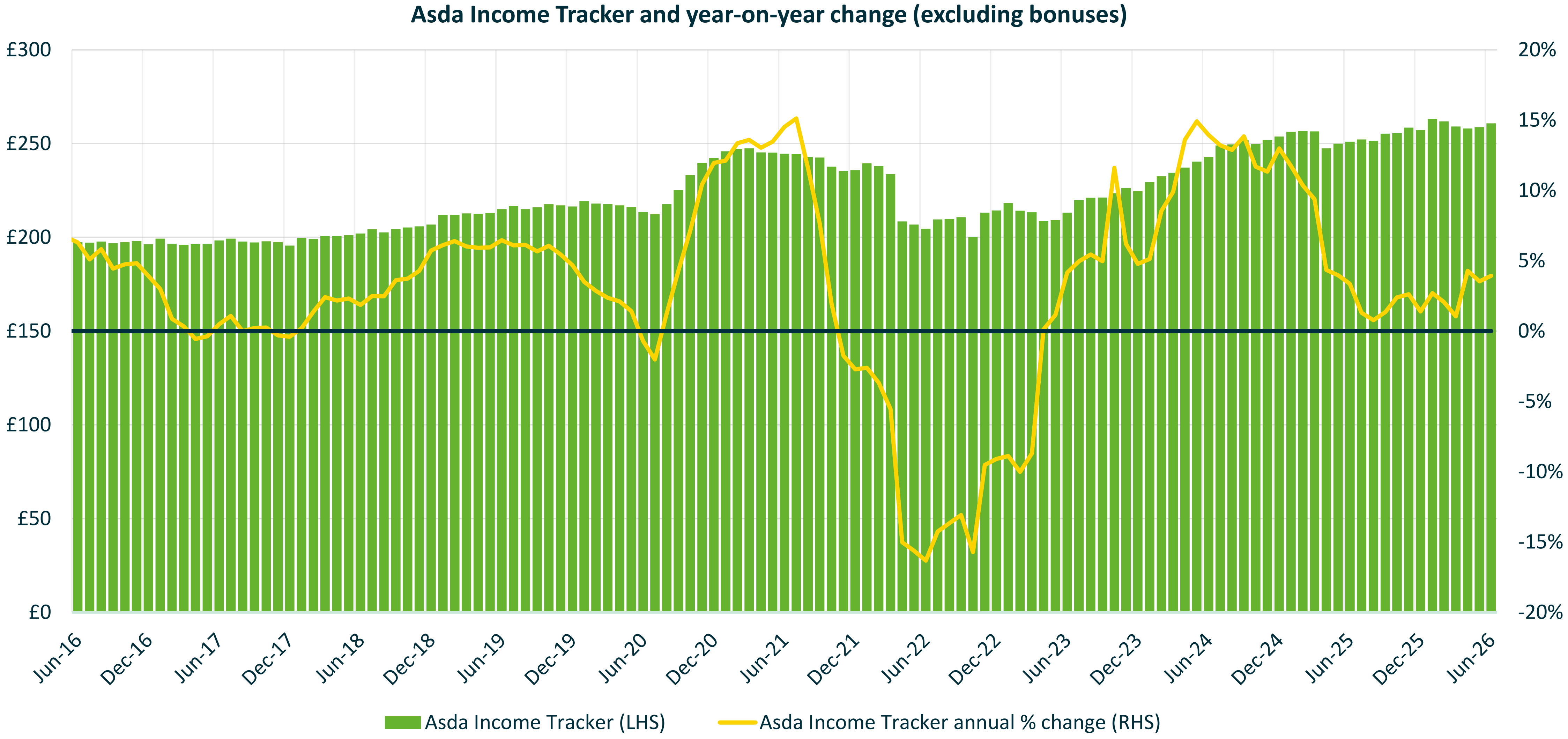
Focus on Wales



- The Income Tracker for Wales rose by 5.3% year-on-year in Q2 2026, decelerating by 1.5 percentage points compared to the previous quarter, but significantly above the UK average of 3.9%. Only four other regions have recorded faster growth in purchasing power in the last 12 months.
- On a quarterly basis, average household discretionary incomes decreased by £5.07 compared to Q1 2026. The Income Tracker for Wales now stands at £214 per week.
- Strong earnings growth in Wales reflects relatively robust labour market conditions. The unemployment rate fell by 0.5 percentage points to 4.3% in the three months to May 2026, relative to the three months to May 2025. Simultaneously, the economic inactivity rate, the proportion of the working-age population not actively seeking work, declined by 0.5 percentage points to 23.6%. Although increasing labour force participation has expanded labour supply, resilient labour demand and successive National Living Wage upratings have helped sustain upward pressure on earnings.

Appendix

Monthly Asda Income Tracker



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	£263
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	£259
April 2022	£208	April 2023	£209	April 2024	£237	April 2025	£247	April 2026	£258
May 2022	£207	May 2023	£209	May 2024	£240	May 2025	£250	May 2026	£259
June 2022	£205	June 2023	£213	June 2024	£243	June 2025	£251	June 2026	£261
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:

“Q2 2026 saw annual growth in the Asda Income Tracker pick up to its highest rate in over a year. Pass-through of inflationary pressures from the war in Iran has been more muted than many anticipated, while the Ofgem price cap has insulated most consumers from a significant hike to their energy bills over the quarter. Meanwhile, while earnings growth remains depressed and unemployment elevated, the labour market has shown signs of stabilising, a positive sign for Income Tracker growth going forward.

However, significant headwinds remain for the Income Tracker. Recalibrated energy bills will combine with a resumption of hostilities in the Middle East to add new inflationary pressures throughout the second half of the year. These pressures would be expected to stall the Income Tracker’s recent momentum, with contractions in purchasing power still possible.”

National and Regional Income Tracker estimates

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

North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East
£165	£233	£212	£217	£203	£287

London	South East	South West	Wales	Scotland	Northern Ireland
£339	£226	£205	£215	£269	£137

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, July 2026