# Asda Income Tracker

## Report: November 2025

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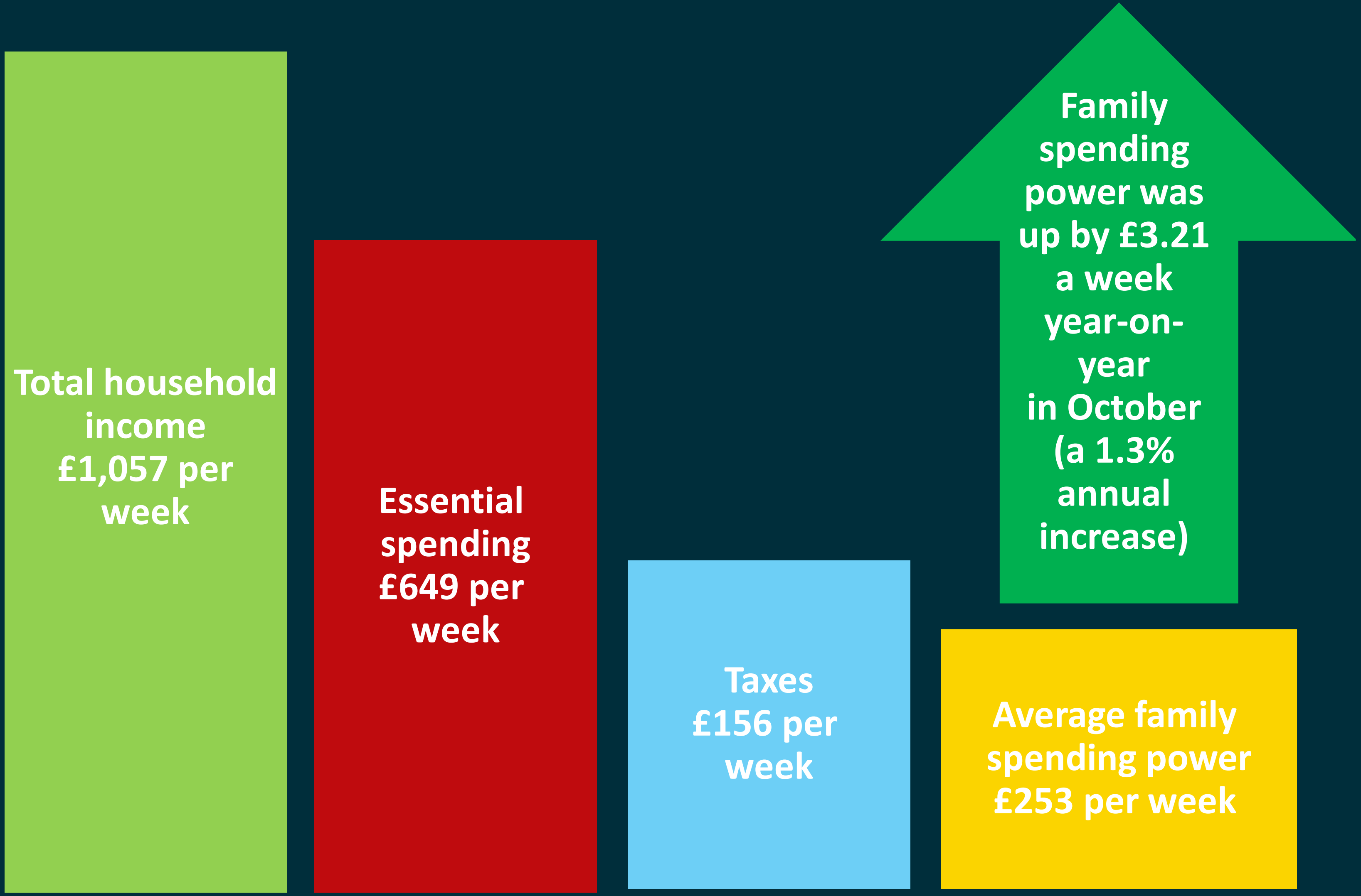
Making Business Sense

# Asda Income Tracker – Key Figures

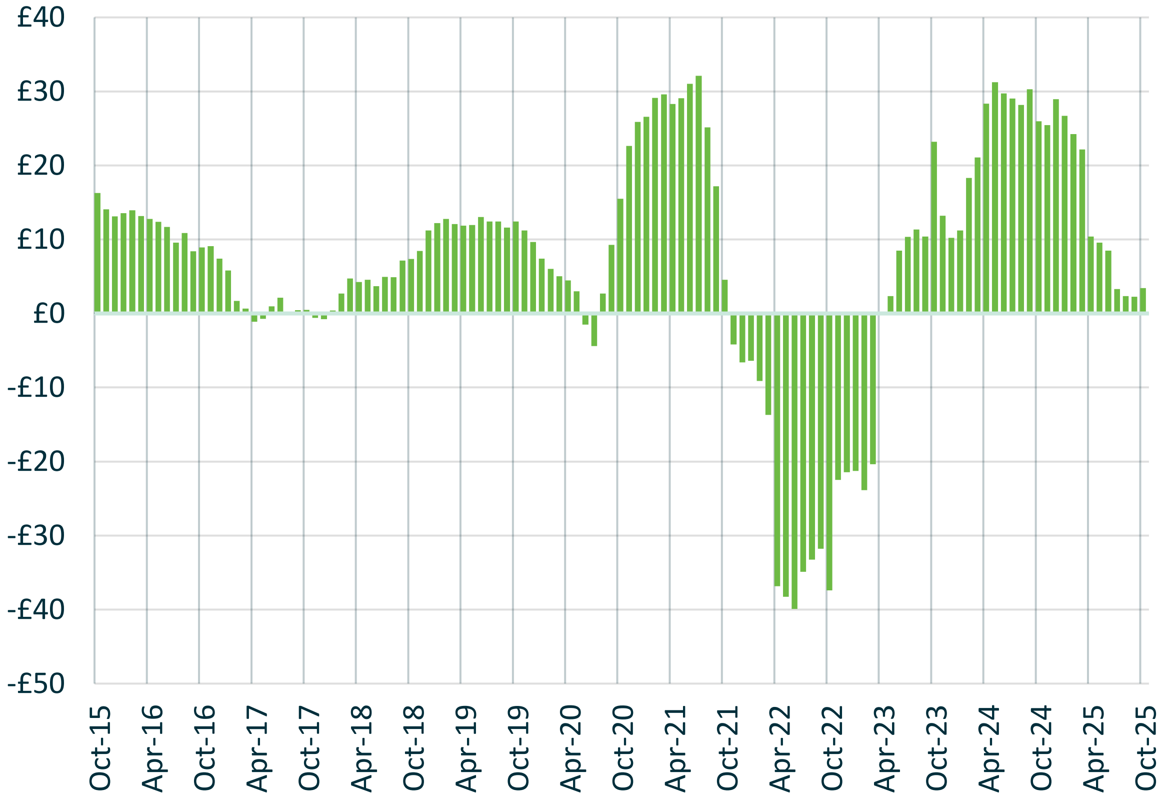


# Annual growth in the Income Tracker accelerates despite monthly contraction

## The Asda Income Tracker was £3.21 a week higher in October 2025 than in October 2024

- The Asda Income Tracker recorded annual growth of 1.3% in October, accelerating from 0.9% in September.
- However, the tracker fell by £1.01 month-on-month, down by 0.4% from September. Average household purchasing power now stands at £253 per week, the same figure as was recorded in December 2024.
- The annual rise in purchasing power was aided by a reduction in headline inflation from 3.8% in September to 3.6% in October. A key driver to this was the quarterly adjustment to the Ofgem price cap, which saw electricity and gas inflation fall from 8.0% and 13.0% to 2.7% and 2.1%, respectively.
- Gross income for the mean UK household grew by 3.6% in October, slowing slightly from September's growth of 3.7%. The acceleration in annual growth of the Income Tracker was therefore primarily driven by slowing inflation.
- Looking ahead, inflation is expected to remain above the Bank of England's 2% target throughout the remainder of 2025, while earnings growth is expected to decelerate further over the rest of the rest of 2025 and into 2026. This weakens the outlook for the Income Tracker, with continued monthly contractions a serious risk in the near term in the face of a weak labour market.

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

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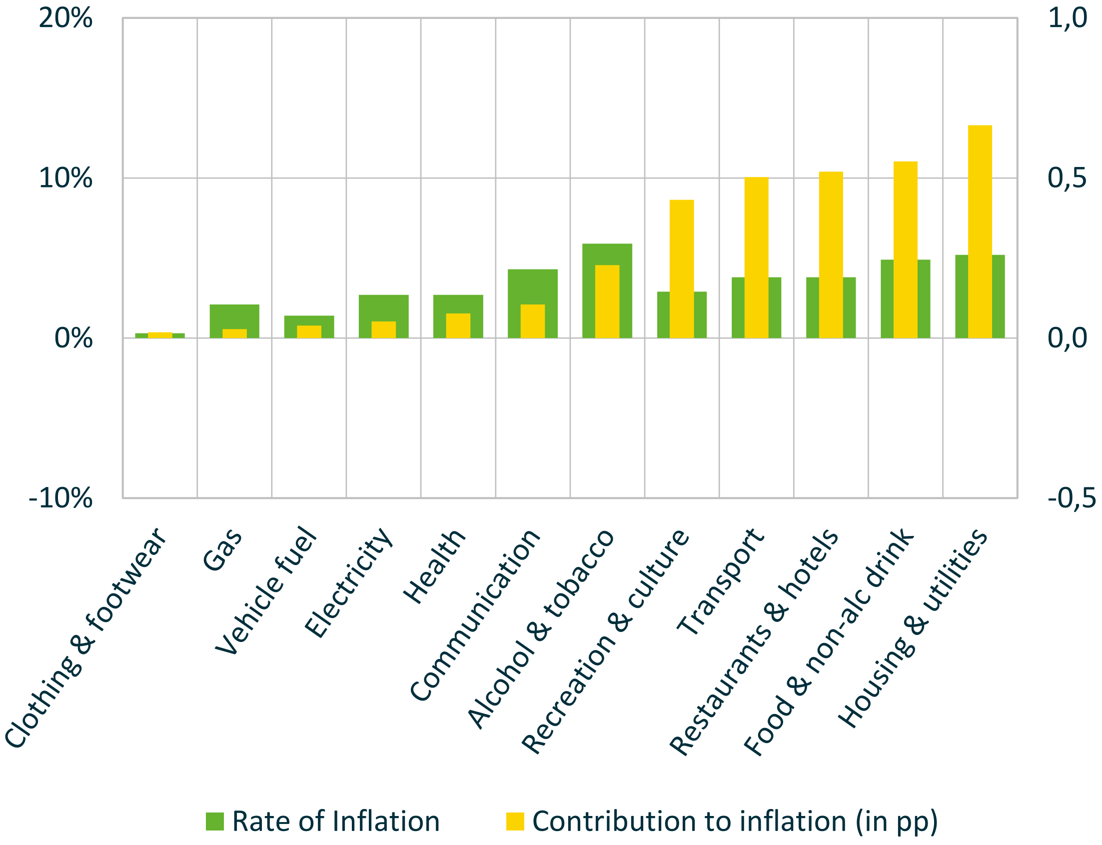
# Inflation slows in October, but remains well above target

## The main factors affecting family costs in October were:

- Inflation, as measured by the Consumer Prices Index (CPI), slowed to 3.6% in October, the first price deceleration since May.
- The most significant contribution to October's inflation rate still comes from housing and utilities, despite adjustments to the energy price cap that saw annual gas and electricity inflation slow considerably. April's adjustment to the price cap on water is also still a major influence; households are paying 26.4% more for water supply than in October 2024.
- After a slowdown in September, food inflation accelerated by 0.4 percentage points to 4.9% in October. Bread and cereals were particularly affected this month, with inflation picking up by 1.2 percentage points compared to September. While elevated, price rises for food items remain significantly slower than their cost-of-living crisis peak.
- Vehicle fuel prices rose by 1.4% year-on-year, the first annual price rise since July 2024 for this category. This contributed to transport inflation staying steady at 3.8% despite substantial slowdowns in price inflation for transport by air, sea, and rail this month.
- Despite the deceleration from September to October, inflation remains well above the Bank of England's 2.0% target. Cebr forecasts inflation to remain above 3.0% through the rest of 2025 and into 2026.

**Inflation of selected goods, annual rate (LHS) and contribution to headline inflation (RHS), October 2025**




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

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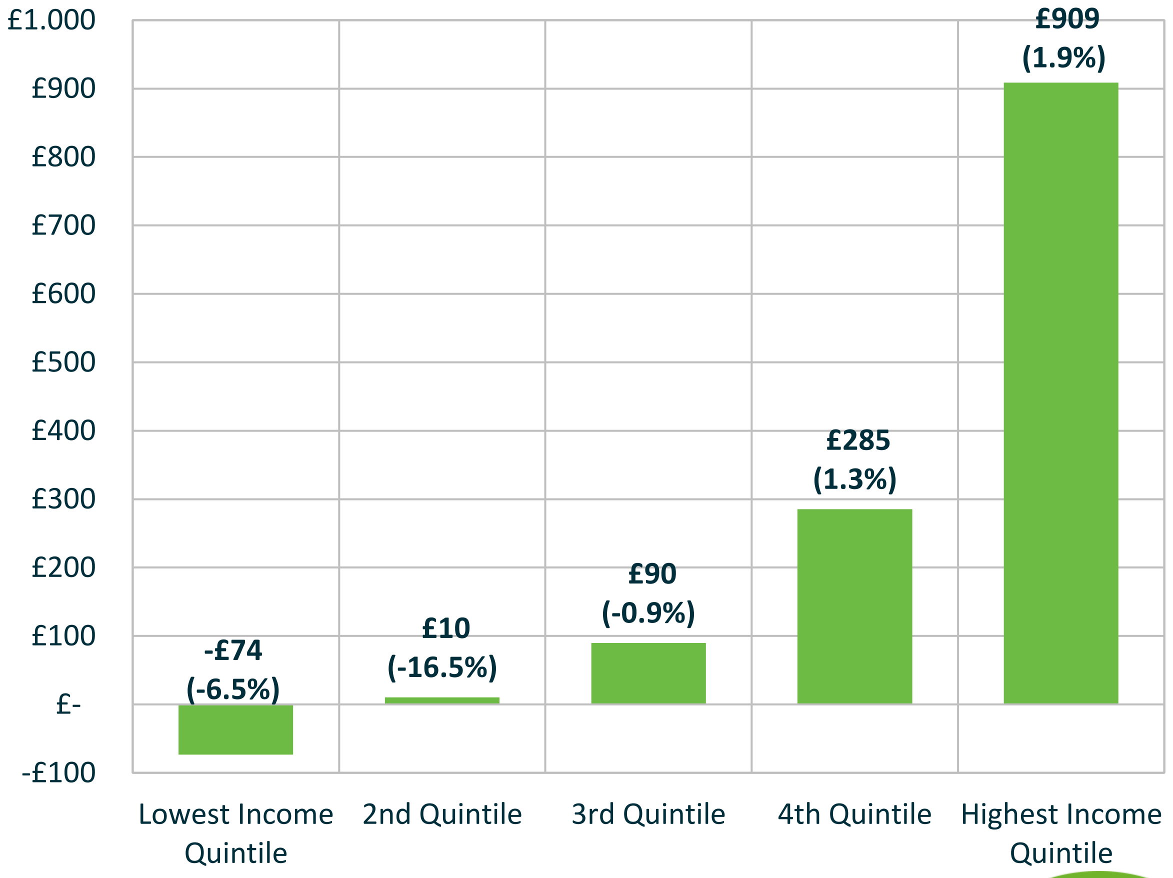
# Lower- and middle- income households face continued squeeze on discretionary incomes

## Growth in spending power for the top two income quintiles continues to slow

- October was the fourth consecutive month to see spending power eroded for the lowest three income quintiles compared to a year ago. This means that for these households, earnings growth was outpaced in the year to October 2025 by growth in tax payments and essential spending.
- More encouragingly, the rate at which discretionary income contracted in October was smaller than in September, indicating that October's slower inflation eased some of the existing pressures on spending power. An uptick in gross income growth for the two lowest income quintiles also contributed.
- The top two income quintiles maintained positive spending power growth in October, despite a modest deceleration in growth for the highest income quintile, driven by a slowdown in gross income growth.
- Food, housing, and utilities make up a higher proportion of spending for lower income households, and grew faster in October than headline CPI, despite slowdowns in electricity and gas inflation. It is because of this that discretionary incomes can rise for the higher income quintiles and fall for lower ones, despite gross incomes growing faster for lower income quintiles in October.

**Average weekly discretionary income by household income group, October 2025, YoY growth in brackets**

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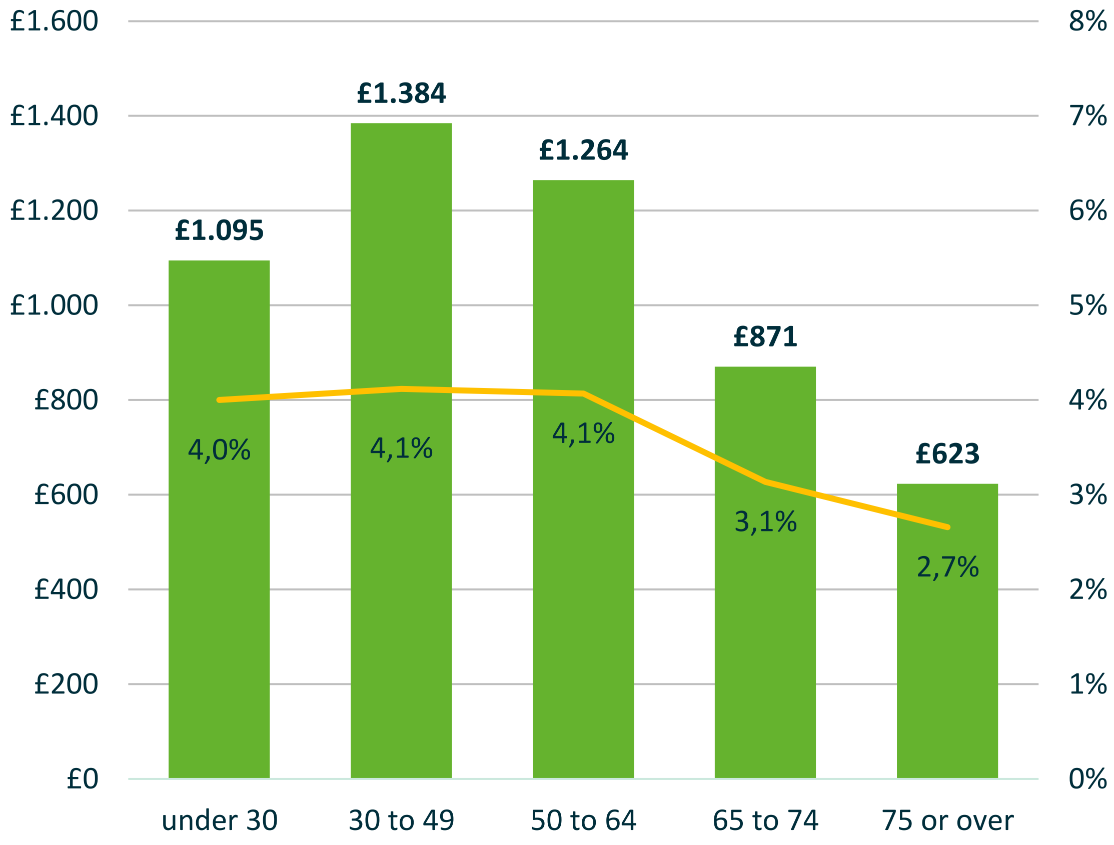
# Gross incomes rise year-on-year across all age groups in October

## Pensioners continue to see the weakest growth

- Gross incomes in October were higher across all age groups compared to a year ago, but the change in growth rates has been variable.
- In absolute terms, households aged 30 to 49 had the highest gross income, amounting to £1,384 per week in October.
- Growth in gross incomes was highest among those aged 30 to 49 and 50 to 64, at 4.1%. 50- to 64-year-olds saw growth remain constant between September and October, while those aged 30 to 49 saw a 0.1 percentage point slowdown.
- While they remain the group with the weakest growth, those aged 75 or over have seen a modest acceleration of 0.2 percentage points since September, with October's growth at 2.7%.
- In absolute terms, weekly gross income for pensioners is significantly lower than for working-age households. In October, those aged 30 to 49, the highest-earning age group, out-earned those aged 75 and over, the lowest-earning age group, by £761 per week.

**Average weekly gross income by age group, October 2025 (LHS), YoY growth in % (RHS)**




ASDA

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# Young people use the greatest proportion of their gross income on essential spending

## Working households aged 30 to 49 have the highest essential spending in absolute terms

- In October, the essential basket of goods and services tracked by the Asda Income Tracker rose 4.6% year-on-year for the mean UK household, showing a modest deceleration from 4.9% in September.
- Annual growth in essential spending remains elevated for all age groups despite a broad-based slowdown in cost pressures. This has put downward pressure on discretionary incomes.
- Households under 30 dedicate the largest proportion of their gross income to essential spending, at 68.3%, in part because they are disproportionately exposed to the UK's elevated rent costs.
- In absolute terms, those aged 30 to 49 had the highest essential spend per week, at £799, and paid the most tax, at £281, out of all the age groups.
- Looking ahead, while inflation has begun to ease, growth in essential spending remains a pressing concern for all households. All age groups will also be keenly awaiting the announcement of the November Budget. The Chancellor's requirement for additional tax revenue has been made clear to the public, meaning tax burdens may rise to put additional pressure on household budgets.

**Average weekly tax burden and essential spending as a share of gross income by age group, October 2025**


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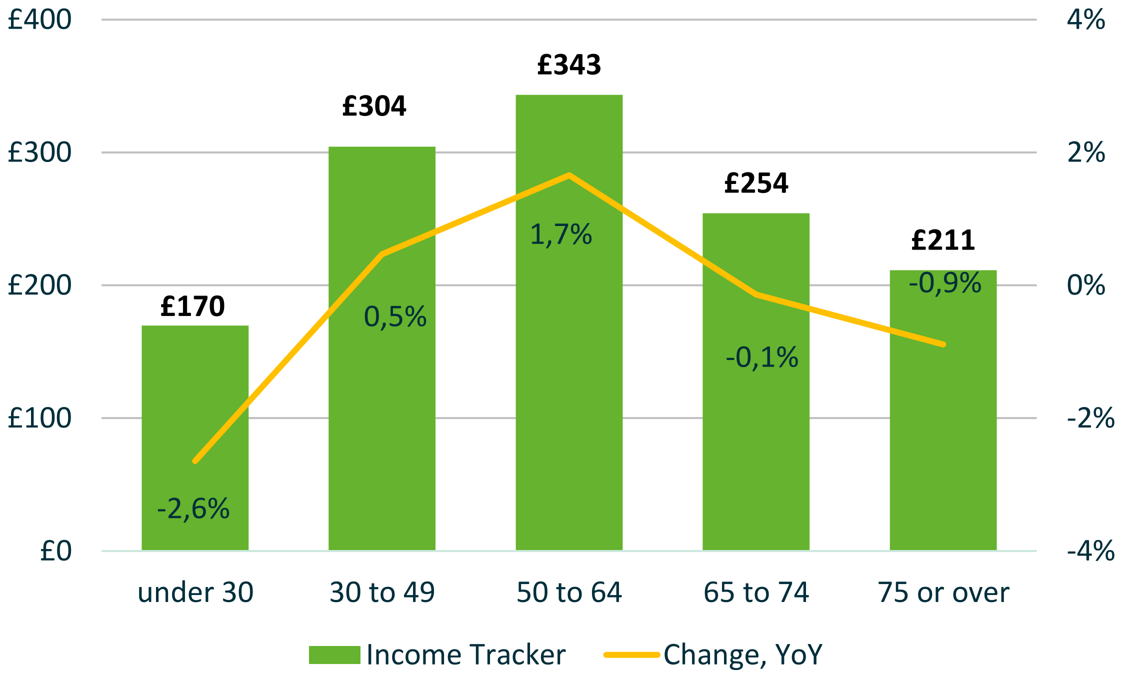
# Income Tracker continues to contract for pensioners and young people in October

## All age groups see a slight improvement in discretionary income growth compared to September

- In October, pension-age households and those under 30 experienced a year-on-year contraction in purchasing power.
- Discretionary income has been contracting since May for under-30s, and since April for pensioners, although the rate of contraction slowed year-on-year for all these age groups compared to September.
- On a monthly basis, however, all age groups saw purchasing power fall. The most marked reduction observed was for those aged under 30, who saw the Income Tracker contract by £4.37 compared to the month before.
- Only households aged 30 to 49 and 50 to 64 recorded annual growth in discretionary income. Growth was 0.5% for those aged 30 to 49 and 1.7% for those 50 to 64, showing a slight acceleration from September. Despite this, the growth picture remains muted, with annual growth significantly down from the first half of 2025.
- With monthly purchasing power down across all ages, the outlook remains uncertain. Cost pressures outlined in the previous slide, combined with a weak forecast for earnings growth, may mean continued contractions in the Income Tracker into the new year.

**Average weekly discretionary income by age group (LHS), October 2025, YoY growth in % (RHS)**

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# Appendix

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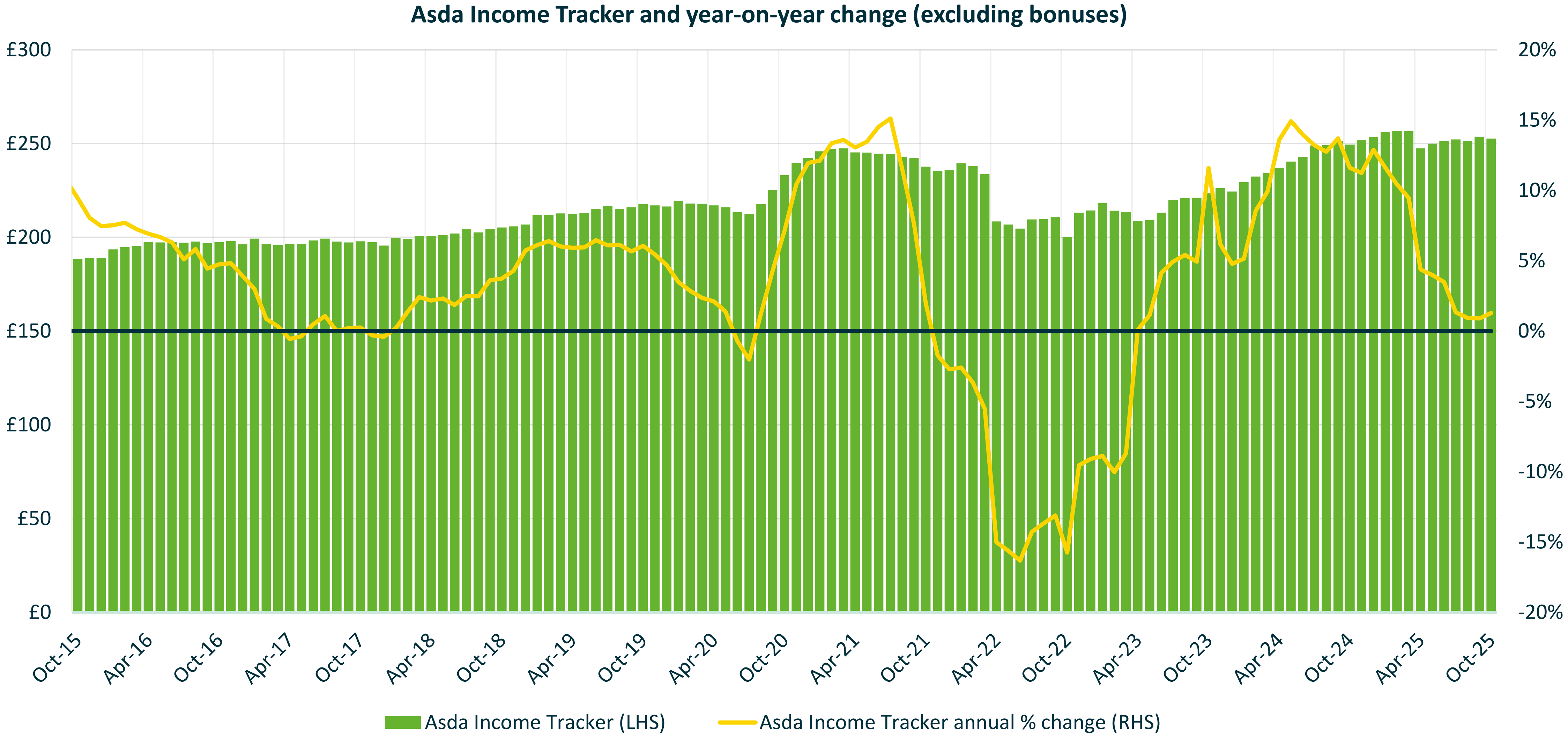
# Monthly Asda Income Tracker

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# 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 2021 | £246 | January 2022 | £239 | January 2023 | £218 | January 2024 | £229 | January 2025 | £256 |
| February 2021 | £247 | February 2022 | £238 | February 2023 | £214 | February 2024 | £232 | February 2025 | £257 |
| March 2021 | £247 | March 2022 | £234 | March 2023 | £213 | March 2024 | £234 | March 2025 | £257 |
| April 2021 | £245 | April 2022 | £208 | April 2023 | £209 | April 2024 | £237 | April 2025 | £247 |
| May 2021 | £245 | May 2022 | £207 | May 2023 | £209 | May 2024 | £240 | May 2025 | £250 |
| June 2021 | £245 | June 2022 | £205 | June 2023 | £213 | June 2024 | £243 | June 2025 | £251 |
| July 2021 | £244 | July 2022 | £210 | July 2023 | £220 | July 2024 | £249 | July 2025 | £252 |
| August 2021 | £243 | August 2022 | £210 | August 2023 | £221 | August 2024 | £249 | August 2025 | £251 |
| September 2021 | £242 | September 2022 | £211 | September 2023 | £221 | September 2024 | £251 | September 2025 | £254 |
| October 2021 | £238 | October 2022 | £200 | October 2023 | £223 | October 2024 | £249 | October 2025 | £253 |
| November 2021 | £236 | November 2022 | £213 | November 2023 | £226 | November 2024 | £252 | | |
| December 2021 | £236 | December 2022 | £214 | December 2023 | £224 | December 2024 | £253 | | |
| 2021 Average | $243 | 2022 Average | $216 | 2023 Average | $218 | 2024 Average | $243 | | |

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# Economist’s view

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

*“While the outturn inflation data for October supports Cebr’s view that inflationary pressures have peaked, there remain considerable risks to the outlook for the Income Tracker. Worse than expected labour market figures for September illustrate that the UK labour market has been weakened by raised employment costs and weak demand. Prospects for the UK economy are also not helped by the high likelihood of fiscal contraction in the November Budget. With households and business alike nervously waiting to see how much of the fiscal burden will be placed on their shoulders, there could well be risks ahead for the Income Tracker.”*

## Regional Income Tracker estimates

**Average household Income Tracker, £ per week, current prices, excluding bonuses, by region, October 2025**

| North East | North West | Yorkshire & Humber | East Midlands | West Midlands | East |
|---|---|---|---|---|---|
| £159 | £225 | £207 | £210 | £192 | £273 |

| London | South East | South West | Wales | Scotland | Northern Ireland |
|---|---|---|---|---|---|
| £331 | £219 | £204 | £203 | £267 | £131 |

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# 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, November 2025

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