Asda Income Tracker

Report: November 2026

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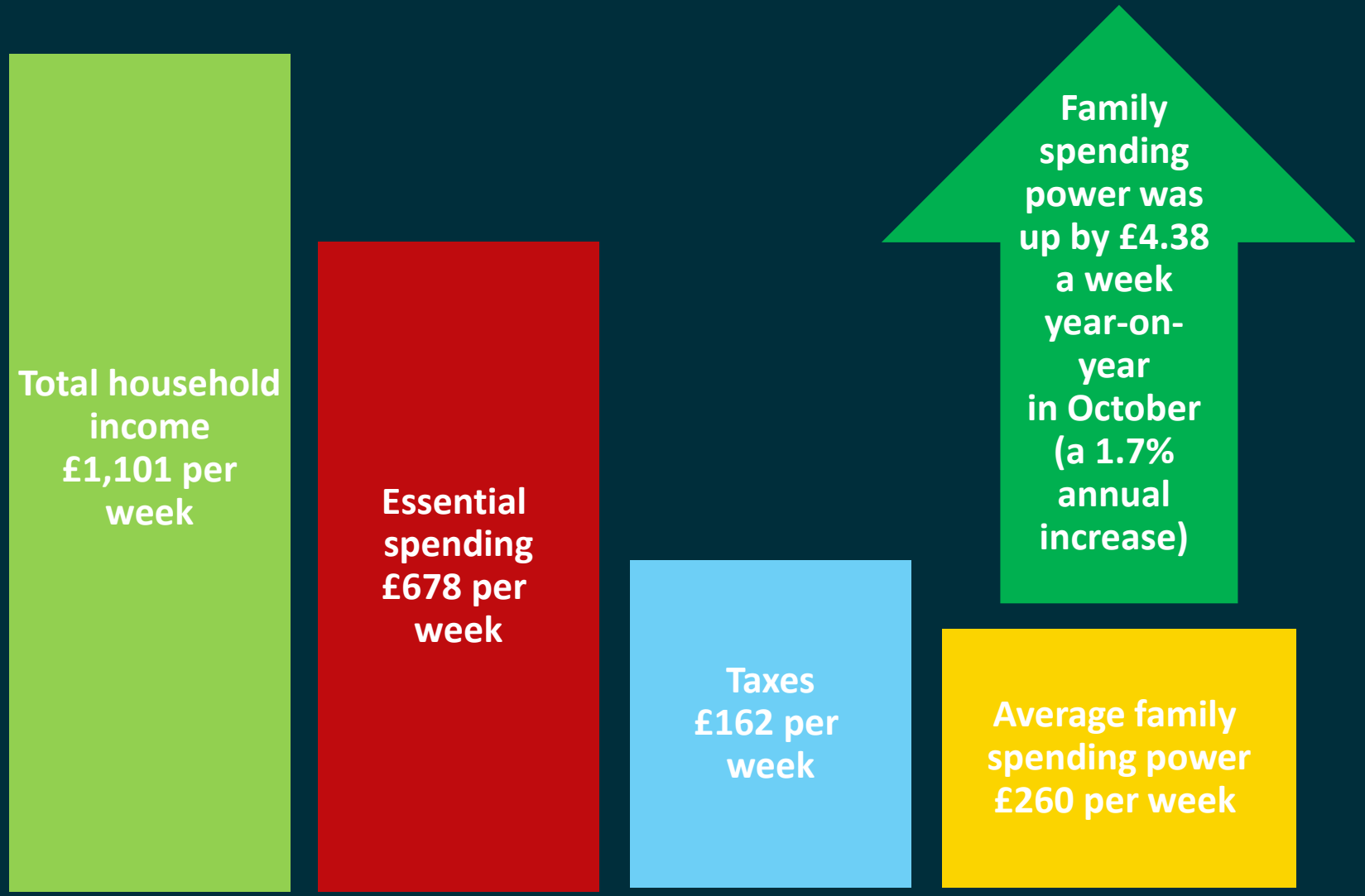
Asda Income Tracker – Key Figures

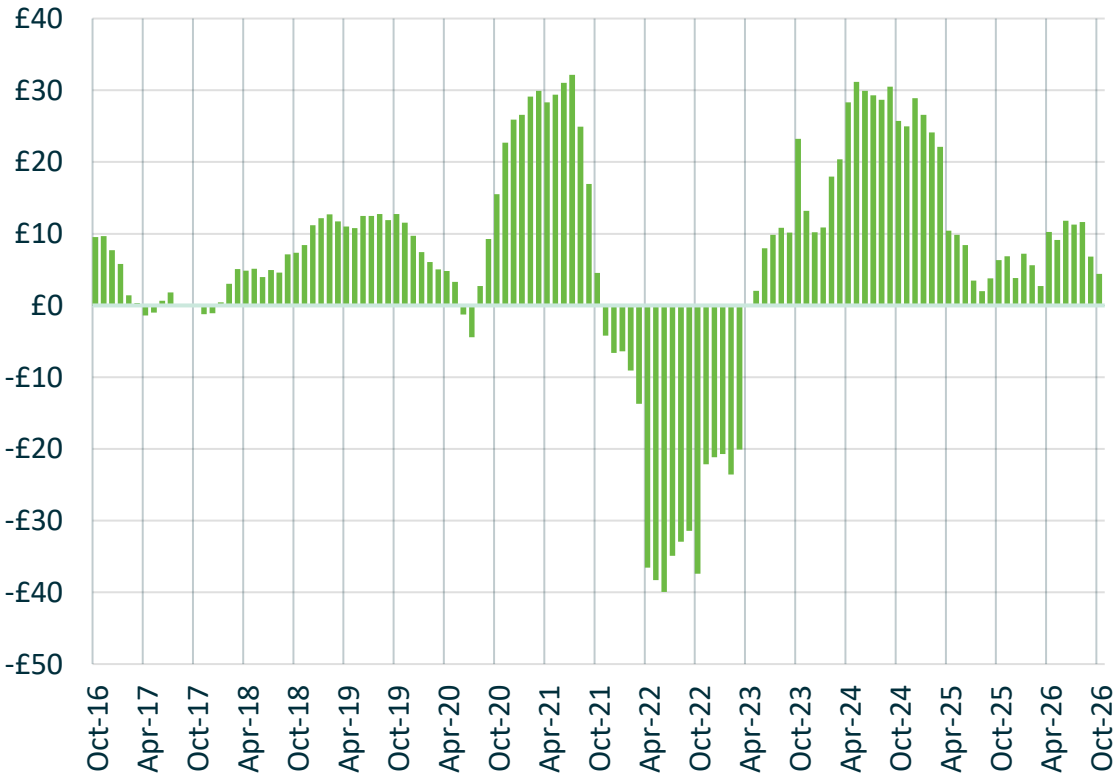


Rising fuel costs weigh on household spending power growth

The Asda Income Tracker was £4.38 a week higher in October 2026 than in October 2025

- The Asda Income Tracker grew 1.7% year-on-year in October, a 1.0 percentage point deceleration from 2.7% in September. This was the second consecutive month of deceleration and the weakest growth since March.
- On a monthly basis, purchasing power fell by £2.15 a week. Average household discretionary income now stands at £260 a week.
- Inflation, as measured by the Consumer Prices Index (CPI), accelerated to 3.6% in October from 3.5% in September as the conflict in the Middle East continues to push up fuel prices.
- The cost of essentials grew 4.6% year-on-year, accelerating from 4.3% in September, while gross income growth eased to 3.8% from 3.9%. Price acceleration contributed most to the slowdown in the annual Income Tracker: faster growth in essential costs took £1.51 off the Tracker's annual gain, while slower pay growth took £1.08, with these reductions partially offset by slower tax growth.
- Essential costs are likely to continue to rise faster than earnings for the near term, driven by higher pump prices combined with elevated gas prices due to an upward revision to the Ofgem price cap. Cebr expects inflation of 3.6% at the end of 2026, limiting future discretionary income growth.

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



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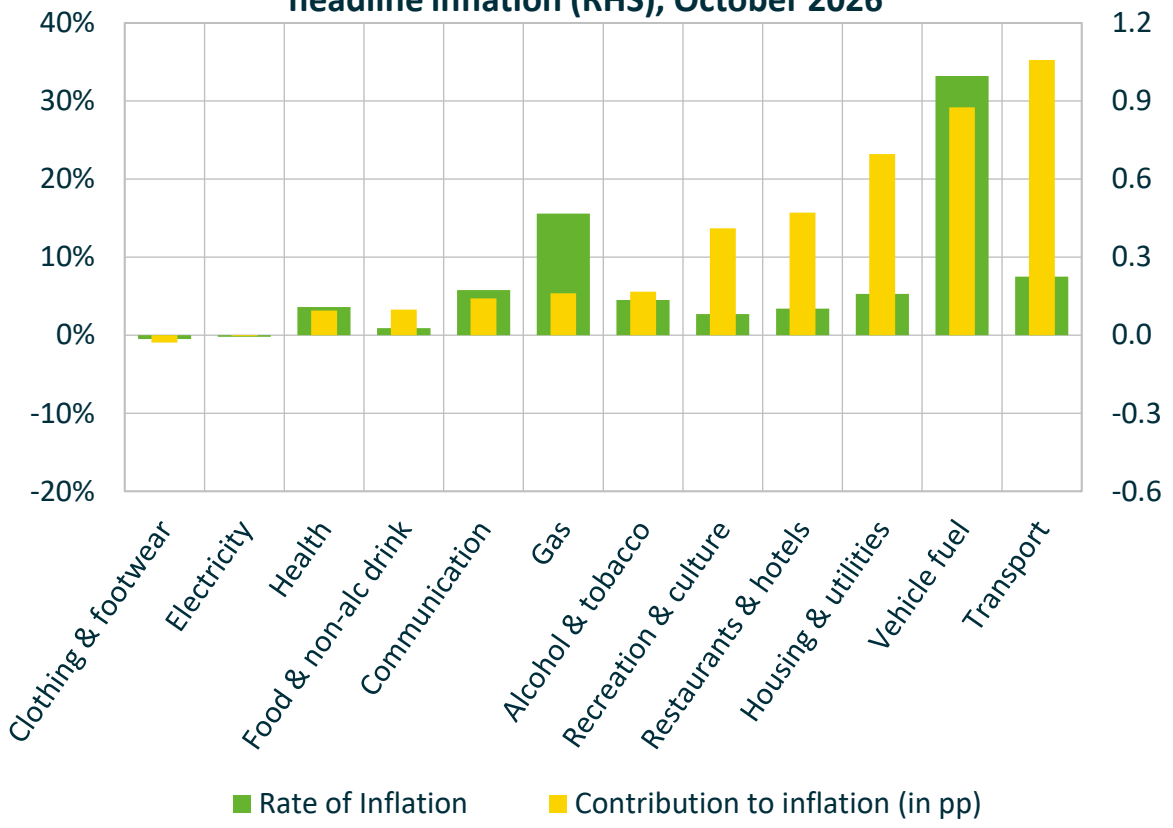
Inflation edges up to 3.6% as fuel and household gas costs climb

The main factors affecting family costs in October were:

- Inflation, as measured by the Consumer Prices Index (CPI), accelerated to 3.6% in October from 3.5% in September. Core inflation, which strips out energy, food, alcohol and tobacco, was unchanged at 2.8%.
- Transport was the largest upward driver, contributing 0.09 percentage points to the headline rate, as vehicle fuel inflation accelerated to 33.2% from 29.8% in September. Average petrol prices rose by 5.2 pence on the month to 174.7p per litre in October, reaching highs not seen since August 2022, after Russia's invasion of Ukraine. Meanwhile, diesel prices increased by 7.0 pence to 199.5p, their highest level since records began.
- Housing and utilities annual inflation was unchanged on the month at 5.3%. Electricity prices fell 0.2% year-on-year, supported by the removal of VAT from electricity bills. However, gas inflation accelerated to 15.6% in October from 9.8% in September, driven by an upward revision to the Ofgem price cap for unit gas rates reflecting continued upward pressures stemming from the conflict in the Middle East
- Food and non-alcoholic beverages inflation slowed to 0.9% in October from 1.3% in September, the lowest rate since September 2021. This slowdown in food price inflation was unable to mitigate the large increases in fuel inflation.
- With pressures on fuel prices to remain persistent, given continued hostilities in the Middle East, inflation is likely to remain above the Bank of England's 2.0% target. Cebr forecasts inflation of 3.1% for 2026.

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



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

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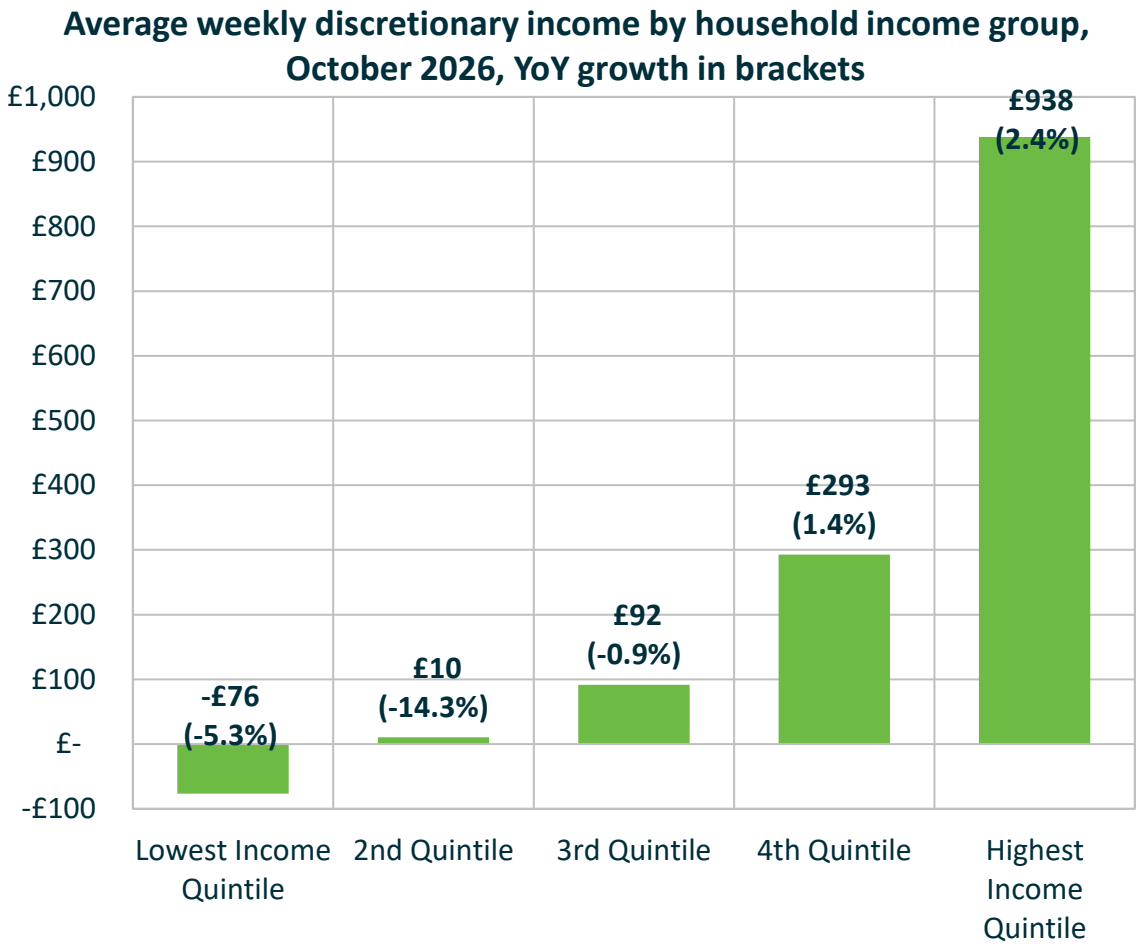
Bottom three income groups hit hardest as essential costs outpace incomes

The gap between the top and bottom quintiles widened by £26 a week compared to last year

- Annual gross income growth rates across the bottom three quintiles was marginally higher than the top two quintiles. Annual gross income growth for the bottom three quintiles came in between 3.8% and 4.0%, whilst the top two quintiles gross income grew by 3.7%.
- The poorest 20% of households have greater essential spending costs than their gross incomes. Their weekly shortfall came in at £76 deepening by £3.82 from a year prior.
- Despite annual gross income growth of 3.9% in the second quintile, essential costs rose by 4.4% year-on-year and took up more than 90% of gross income, leaving weekly discretionary income £1.73 lower than a year prior coming in at £10 a week.
- The third income quintile saw discretionary income fall by 0.9% year-on-year to £92 a week in October, its first annual decline since September 2025.
- Purchasing power in the top two quintiles grew by 1.4% and 2.4%, down from 2.2% and 2.9% in September as essential costs outpaced gross incomes.
- In cash terms, the top quintile gained £21.96 a week over the year while the bottom quintile lost £3.82, widening the gap between them to £1,014 a week.



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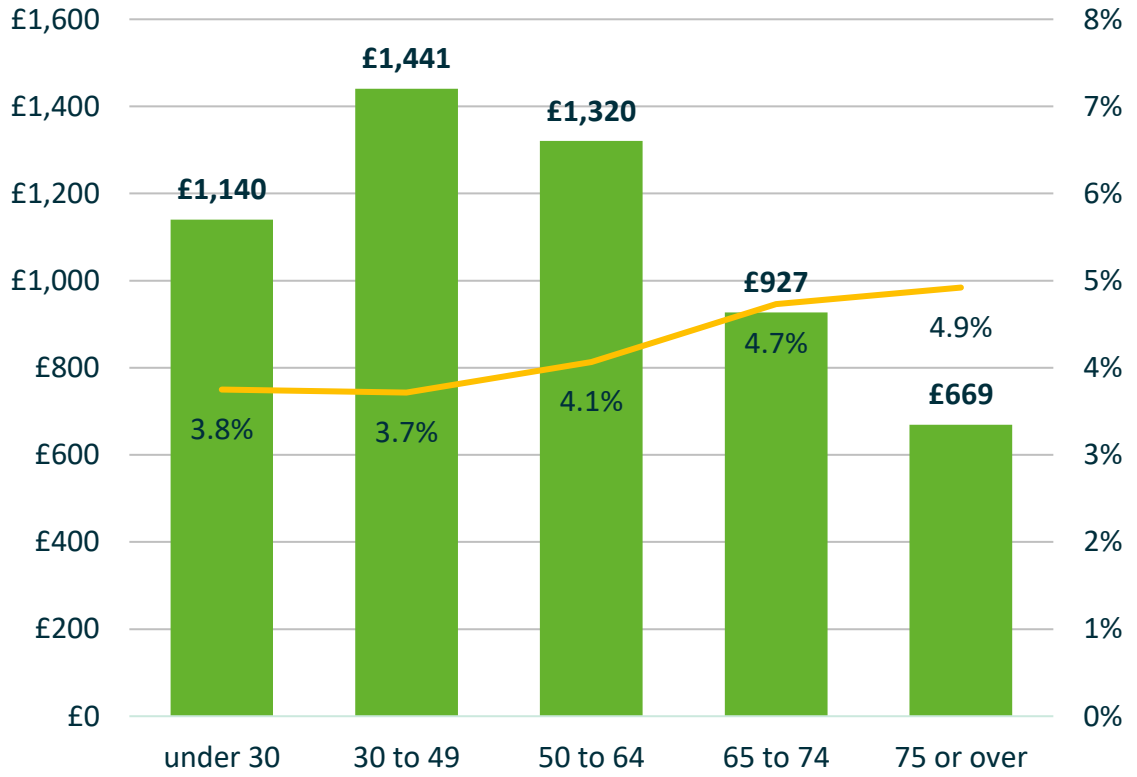
Pension-age incomes keep outpacing working-age pay

Gross income growth eased for every working-age group in October

- Gross incomes grew 4.9% for those aged 75 or over and 4.7% for those aged 65 to 74, weaker than last year's annual growth rates, but ahead of every working-age group.
- April's State Pension uprating continues to support pension-age incomes and will remain in the annual comparison until next April, at which point the State Pension is due to be uprated by 3.9%.
- Working-age pay growth has slowed further than pension-age income growth amid a cooling labour market, with regular pay growth easing to 3.5% in Q3 from 3.7% in the three months to August, and down from 4.7% a year prior.
- Employers have reduced headcount by hiring less, with payrolled employees falling by 32,000 on the quarter in Q3 to 30.2 million and vacancies in the three months to October falling to 690,000, their lowest since the 2021 national lockdown. This has weakened workers' bargaining power.
- Those aged 30 to 49 remain the highest earners, at £1,441 a week, £772 more than those aged 75 or over.

Average weekly gross income by age group, October 2026 (LHS), YoY growth in % (RHS)



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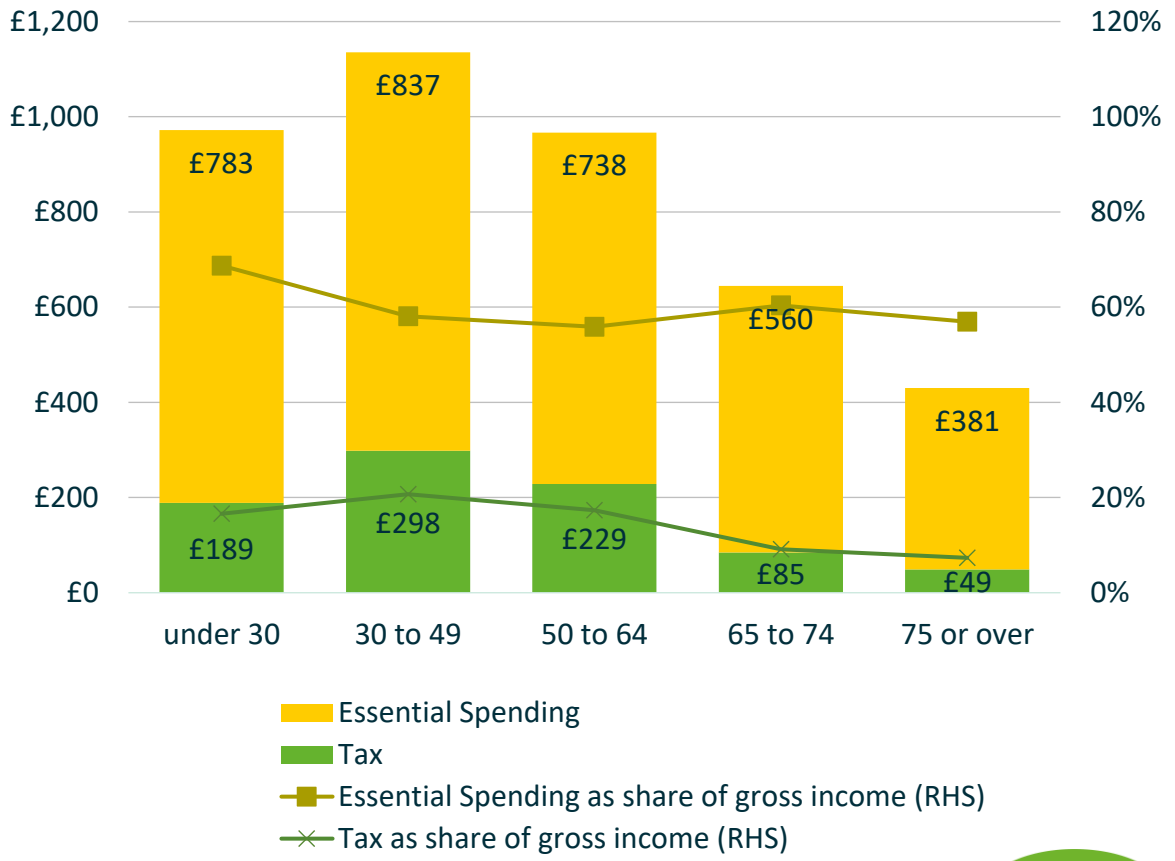
Essential costs accelerate for every age group

Under-30s still commit the largest share of gross income to essentials

- The essential basket tracked by the Asda Income Tracker rose 4.6% year-on-year in October, up from 4.3% in September and the fastest growth in a year.
- Growth accelerated for every age group, and was fastest for under-30s, at 4.8%, and slowest for those aged 75 or over, at 4.2%.
- Under-30s commit 68.7% of their gross income to essentials, the largest share of any group. Members of this group are more likely to be renters, adding to housing costs.
- Those aged 50 to 64 commit the smallest share, at 55.9%, though even for this group essentials take more than half of gross income.
- The removal of VAT from energy bills will offer some relief through the winter, when energy use is highest, but fuel costs remain the main pressure on the basket.

Average weekly tax burden and essential spending as a share of gross income by age group, October 2026



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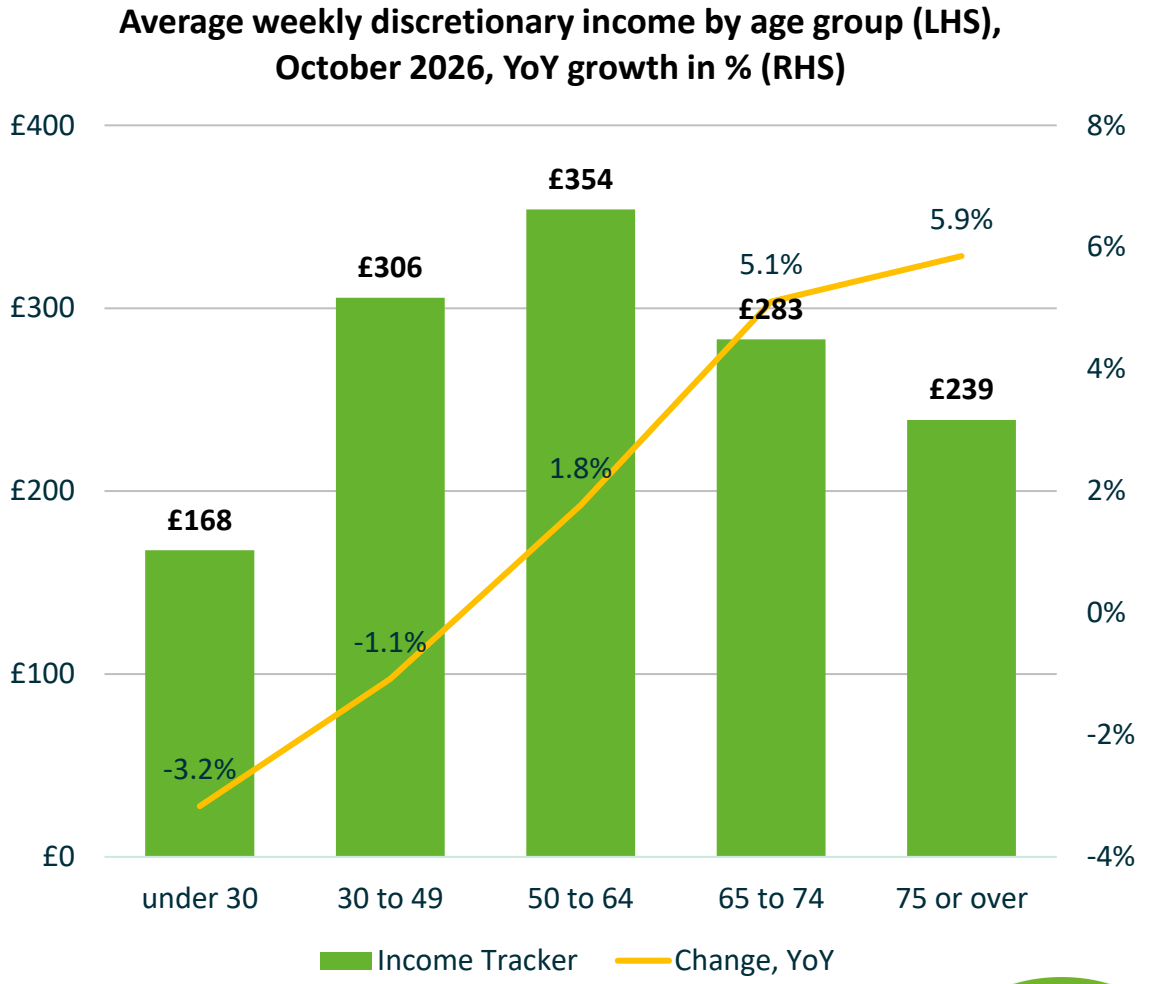
Under-30s fall further behind on spending power

Every age group saw the Income Tracker decline month-on-month

- Discretionary incomes fell 3.2% year-on-year for under-30s and 1.1% for those aged 30 to 49 in October, the second consecutive month of annual decline for both. For those aged 30 to 49, it was the steepest fall since June 2023.
- Pension-age households remain well ahead, with spending power up 5.9% for those aged 75 or over and 5.1% for those aged 65 to 74.
- On a month-on-month basis, every age group saw reduced purchasing power. Under-30s lost the most, £4.27 a week, and those aged 75 or over the least, £0.48.
- Under-30s are the worst off, with £168 a week of discretionary income, less than half the £354 of the best-off group, those aged 50 to 64.
- The divide reflects how incomes are set and how they are spent. Pension incomes are fixed by policy until next April, while working-age spending power depends on a labour market in which pay growth is easing. Younger household spending power is also limited due to higher proportion of gross income spent on essentials, and their essential spending has increased faster.



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Appendix

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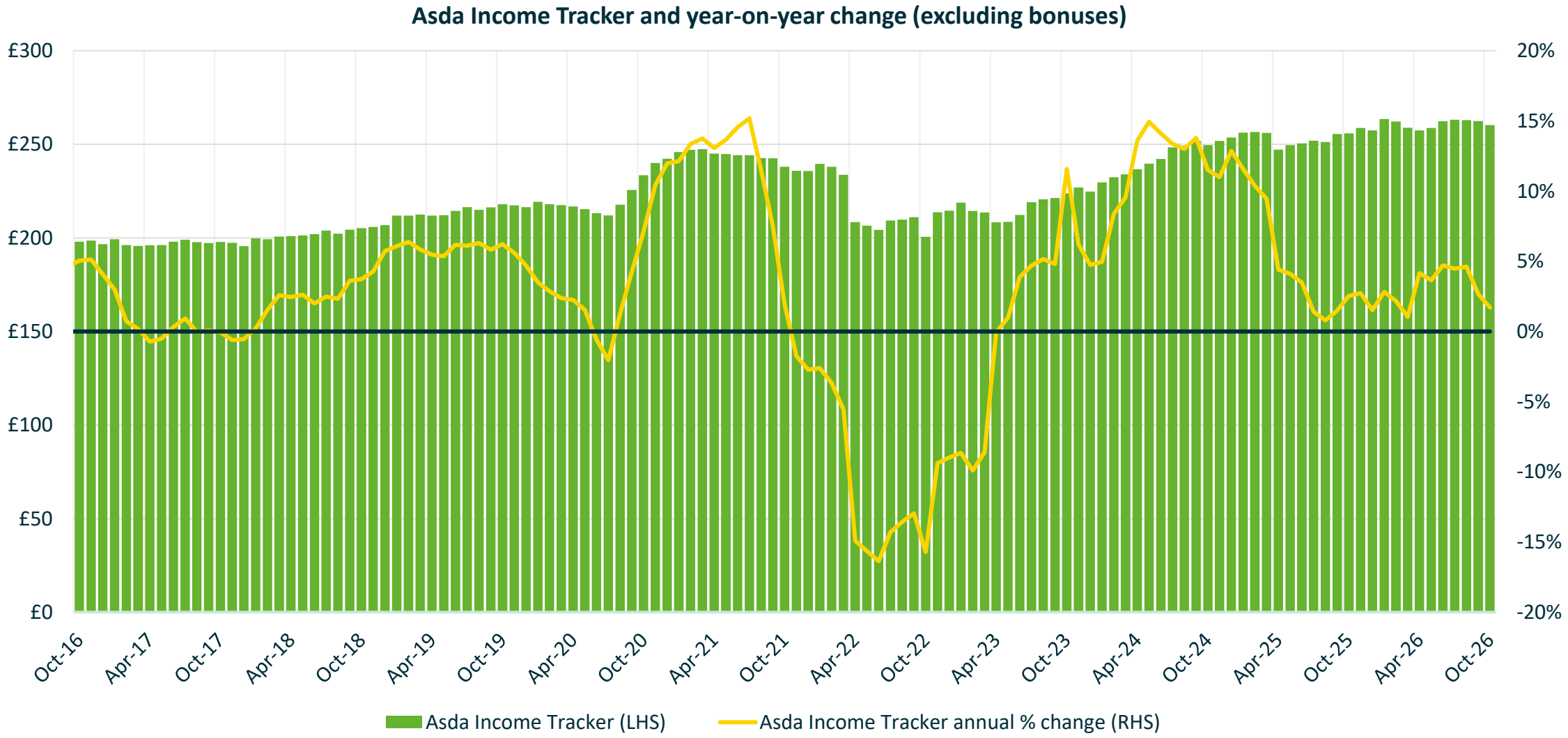
Monthly Asda Income Tracker



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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 2022	£240	January 2023	£219	January 2024	£230	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	£214	March 2024	£234	March 2025	£256	March 2026	£259
April 2022	£209	April 2023	£208	April 2024	£237	April 2025	£247	April 2026	£257
May 2022	£207	May 2023	£209	May 2024	£240	May 2025	£250	May 2026	£259
June 2022	£204	June 2023	£212	June 2024	£242	June 2025	£251	June 2026	£262
July 2022	£209	July 2023	£219	July 2024	£248	July 2025	£252	July 2026	£263
August 2022	£210	August 2023	£221	August 2024	£249	August 2025	£251	August 2026	£263
September 2022	£211	September 2023	£221	September 2024	£252	September 2025	£256	September 2026	£262
October 2022	£201	October 2023	£224	October 2024	£250	October 2025	£256	October 2026	£260
November 2022	£214	November 2023	£227	November 2024	£252	November 2025	£259		
December 2022	£215	December 2023	£225	December 2024	£254	December 2025	£257		
2022 Average	£216	2023 Average	£218	2024 Average	£243	2025 Average	£254		

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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:

“Elevated fuel costs continued to squeeze household discretionary incomes in October. Despite the cut to VAT on household electricity bills, the Income Tracker fell month-on-month to its lowest level since May.

The 2026 Autumn Budget is expected to offer some breathing space for households facing persistent cost pressures. Extending the VAT cut on electricity to July 2027, removing standing charges on gas bills and a one-off £100 Household Energy Payment in January 2027 should all provide welcome, if temporary, support to the Income Tracker. However, the ongoing conflict in the Middle East remains the key downside risk, with supply pressures driving vehicle fuel inflation in October to its highest rate since July 2022. As long as the conflict continues, the risk of further falls in the Income Tracker in the near term remains tangible.”

Regional Income Tracker estimates

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

North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East
£167	£234	£216	£220	£198	£283

London	South East	South West	Wales	Scotland	Northern Ireland
£337	£220	£206	£218	£268	£133

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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 2026

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