

Asda Income Tracker

Report: September 2026



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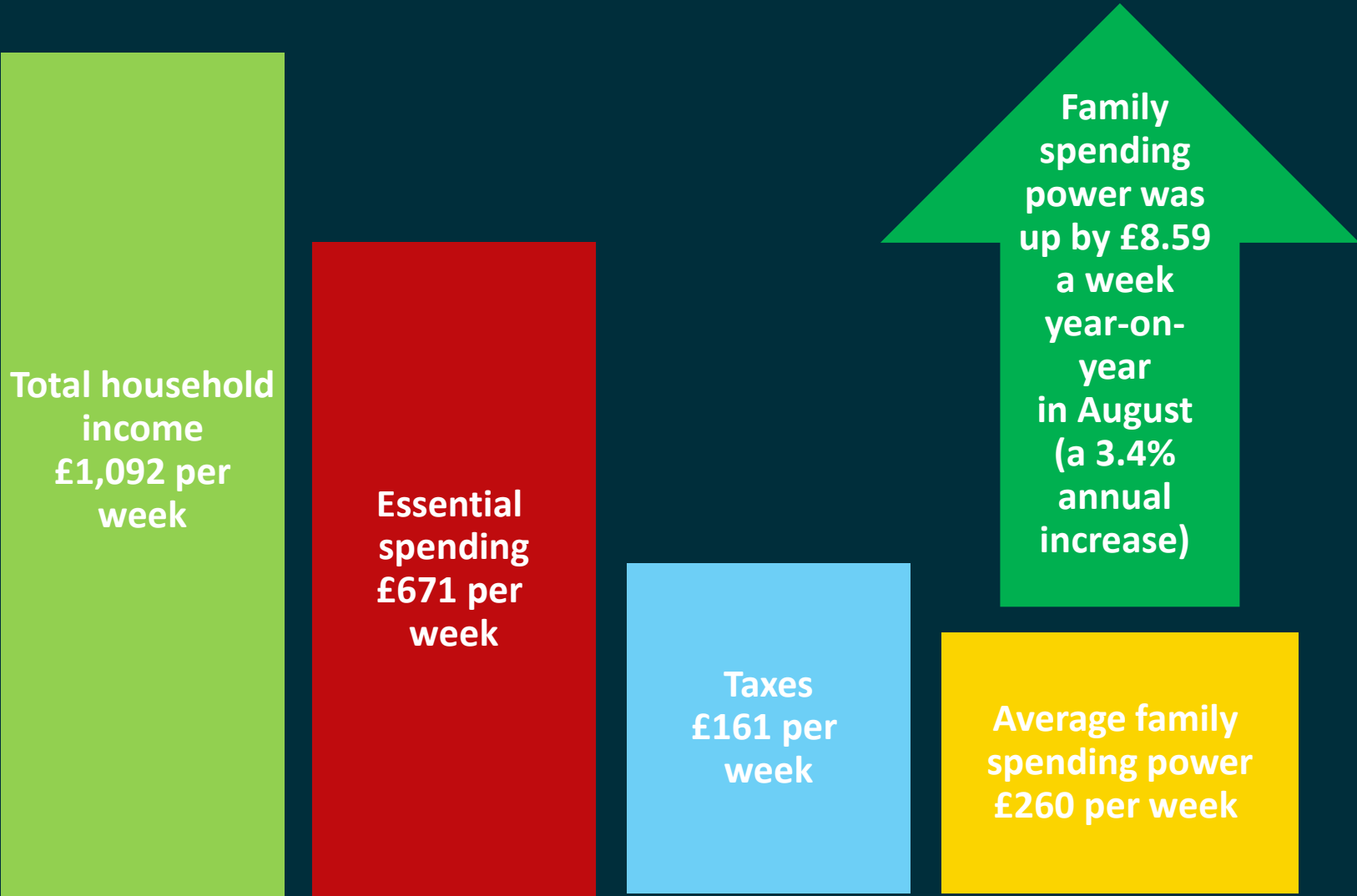
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The ASDA logo is the word "ASDA" in a bold, sans-serif font, enclosed within a red oval border.

ASDA

Asda Income Tracker – Key Figures

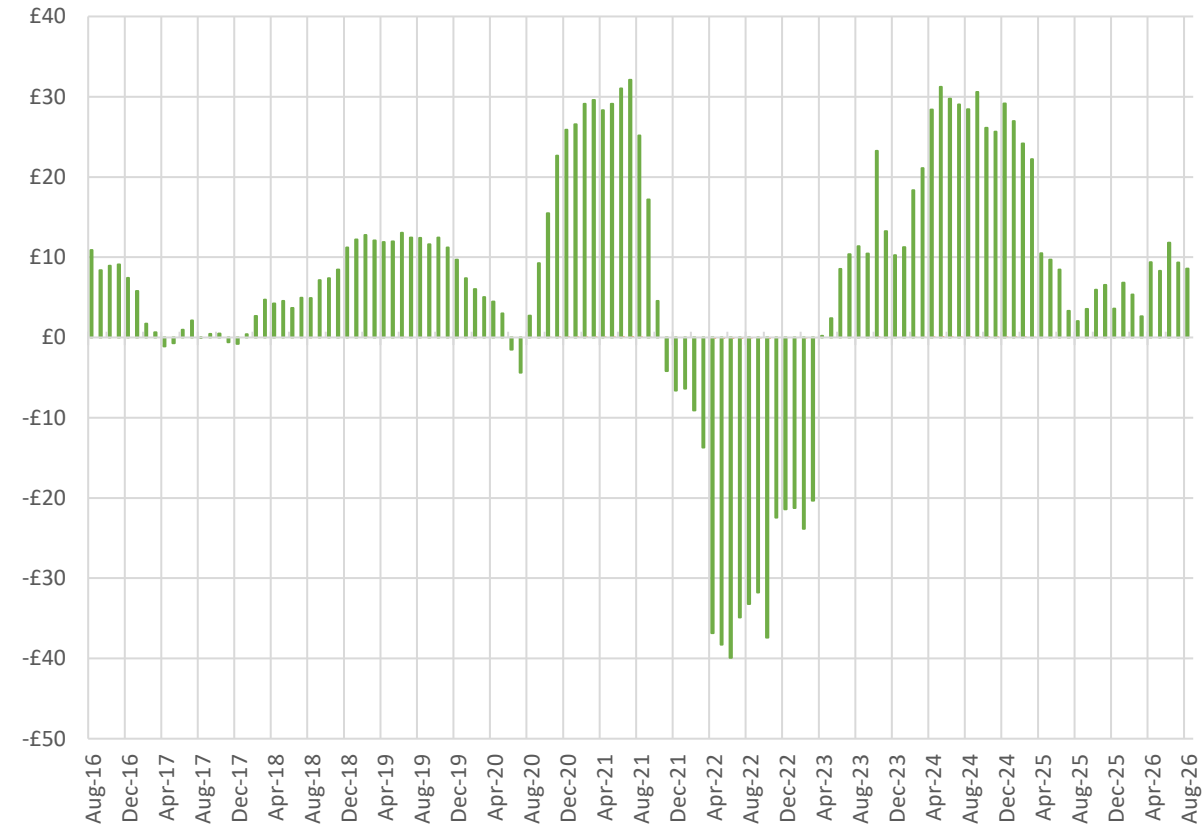


Annual growth in the Income Tracker slows in August

The Asda Income Tracker was £8.59 a week higher in August 2026 than in August 2025

- The Asda Income Tracker recorded annual growth of 3.4% in August, a second consecutive month of deceleration and its slowest pace of growth since March 2026.
- On a monthly basis, discretionary income fell by £1.41 (0.5%), taking the Income Tracker to £260 in August.
- Headline inflation of the Consumer Prices Index accelerated to 3.1% in August, its highest rate since March 2026, up from 2.9% in July. Transport was the largest contributor, as annual inflation in the category rose to 4.6% from 3.6%, driven by a reacceleration in vehicle fuel costs to 23.0%. Housing and utility inflation also picked up, with a large contribution coming from heating oil, with annual inflation rising to 64.6%, from 42.8% in July.
- Gross income growth accelerated to 3.8% year-on-year in August, from 3.6% in July, but essential spending grew even faster, up 3.9% from 3.6%. The Income Tracker's slowdown in August therefore reflects accelerating inflationary pressure, rather than weaker pay growth. Cebr expects inflation to stay above 3.0% into the autumn.

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

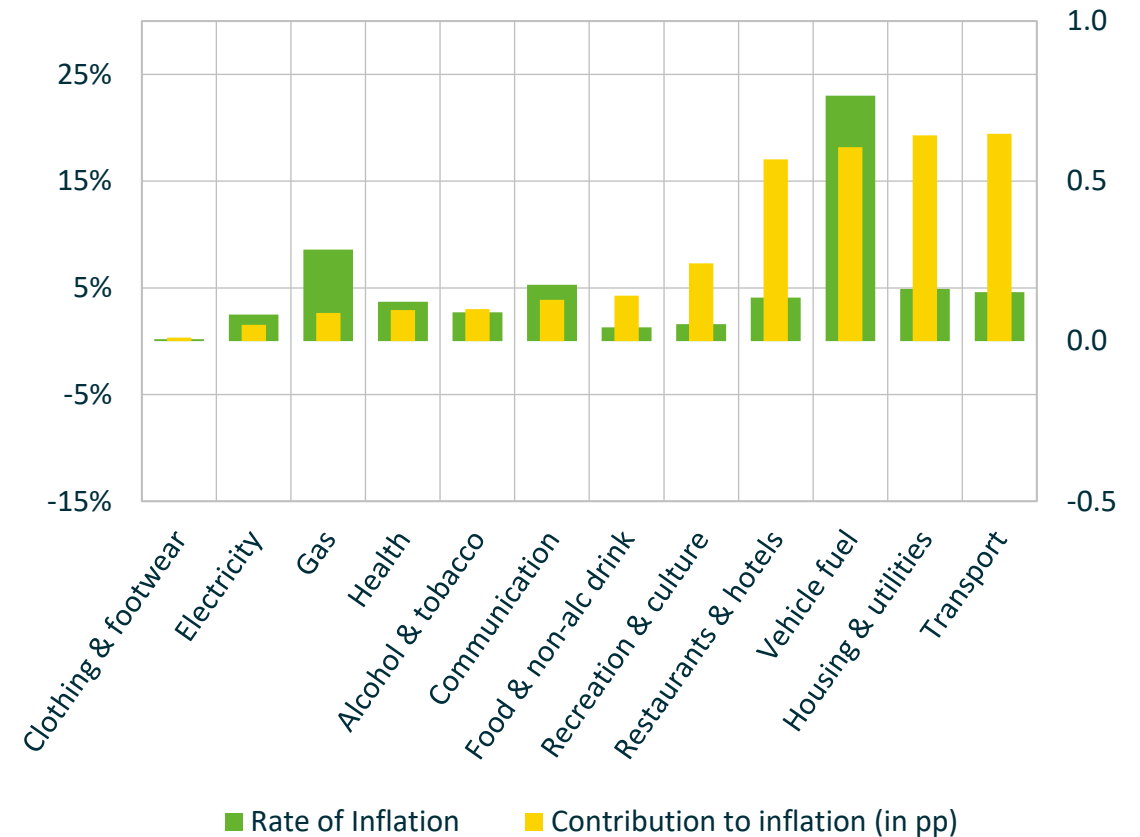


At 3.1%, inflation climbs to its highest level since March 2026

The main factors affecting family costs in August were:

- Inflation, as measured by the CPI, accelerated to 3.1% in August, its highest rate since March 2026.
- The most significant contributor to August's inflation rate was transport. Annual inflation accelerated to 4.6% in the year to August 2026, up from 3.6% in July.
- Vehicle fuel price inflation has been volatile over the past five months, ranging between 15.5% and 24.6% since April, but its reacceleration to 23.0% in August kept transport the largest single driver of the headline rate.
- Housing and utility cost inflation also picked up, to 4.9% from 4.6%, as the effects of July's increase in the energy price cap continue to be felt by households. Renewed pressures on oil prices, driven by the conflict in the Middle East, have also fed through to heating oil prices in particular, which rose by 64.6% on the year and 13.0% on the month in August.
- Inflation remains above the Bank of England's 2.0% target. Cebr expects inflation to stay above 3.0% in the near term, averaging 3.1% across 2026 as a whole. While the Bank of England is expected to hold Bank Rate at its September meeting, the acceleration in price pressures has increased the risk of a hike before the year is out.

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

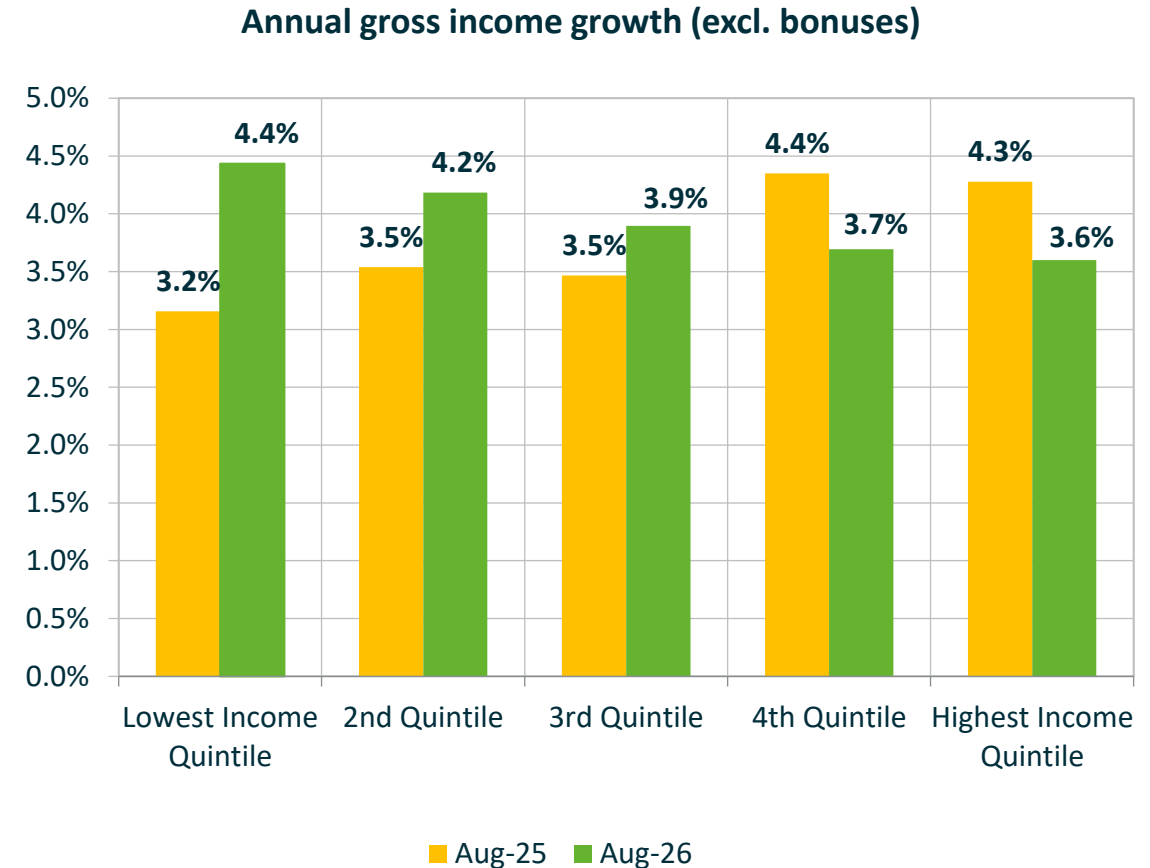


Vehicle fuel is a sub-category of Transport
Gas and electricity are sub-categories of Housing & utilities

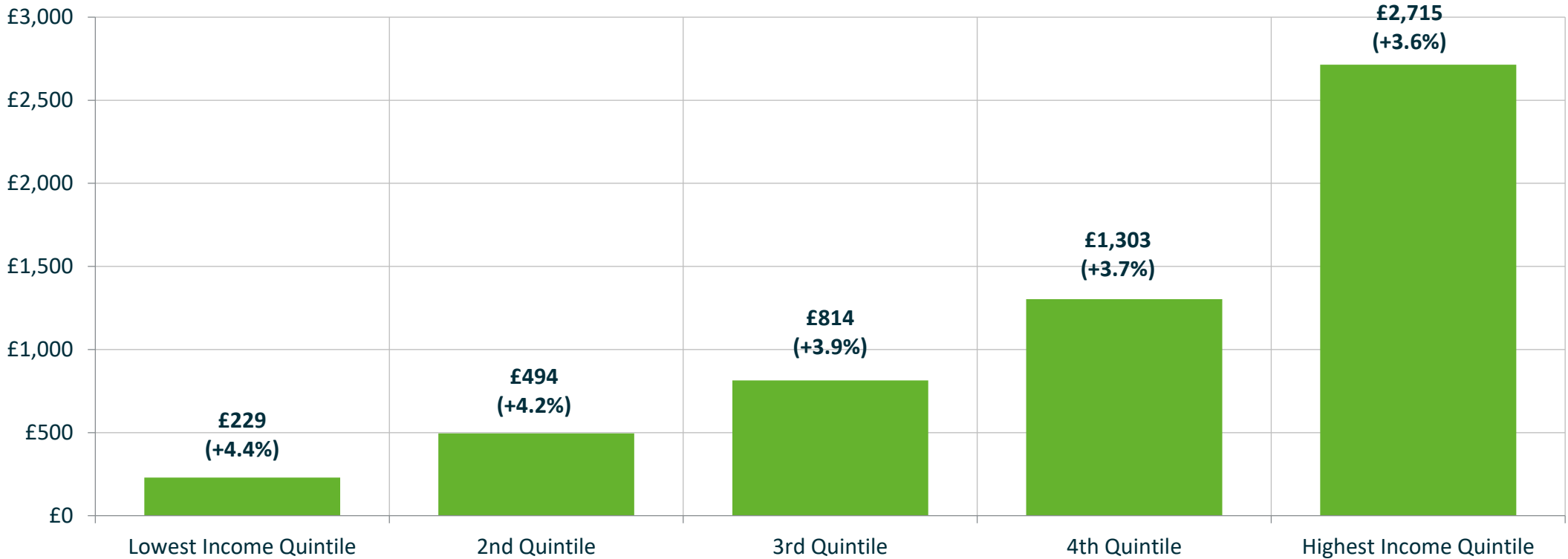
Gross income growth accelerates across the bottom three income quintiles

Higher income quintiles continued to see the sharpest slowdown in annual earnings growth.

- Annual gross income growth diverged further across the income distribution in August. The bottom three income quintiles saw their annual growth accelerate relative to a year earlier, while the top two quintiles continued to slow.
- Higher-income groups saw a further slowdown. Gross income growth for the fourth income quintile eased to 3.7% year-on-year from 4.4% in August 2025, while the highest income quintile recorded the largest deceleration, slowing to 3.6% from 4.3% a year earlier.
- The lowest income quintile recorded gross income growth of 4.4% in August, up from 3.2% a year earlier, the strongest acceleration across the distribution. The second and third quintiles also picked up, to 4.2% and 3.9%, respectively, continuing to benefit from above-inflation increases in the National Minimum and Living Wage and the State Pension.
- Despite this divergence in nominal gross income growth, differential exposure to inflation means discretionary income gaps are not closing at the same pace. Rental costs, which make up a larger share of spending for younger and lower-income households, accelerated to their fastest pace since September 2025 in August, eroding some of the benefit of faster wage growth for these groups.



Gross weekly income excluding bonuses by income quintile, August 2026, annual growth rates in brackets

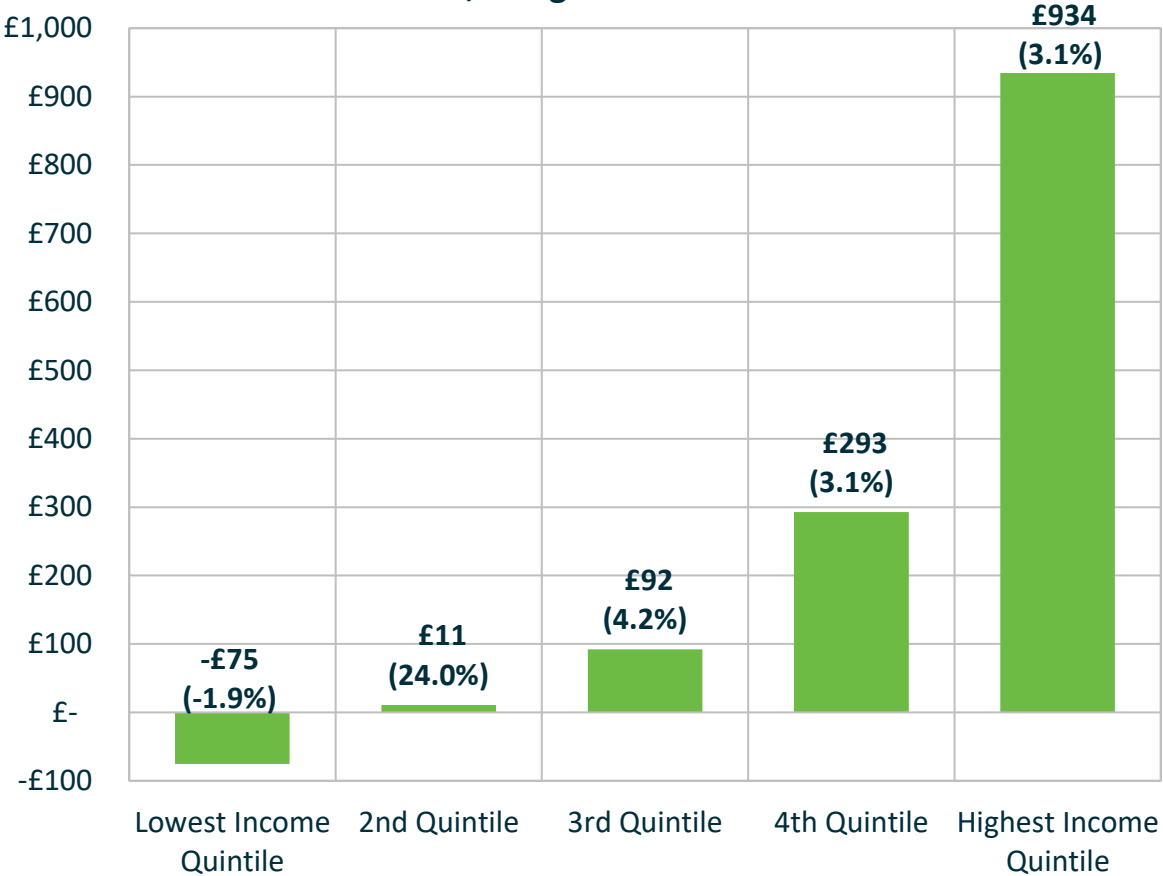


Discretionary income falls for the lowest earners as other groups see gains

The lowest income quintile was the only group to see discretionary income deteriorate in August.

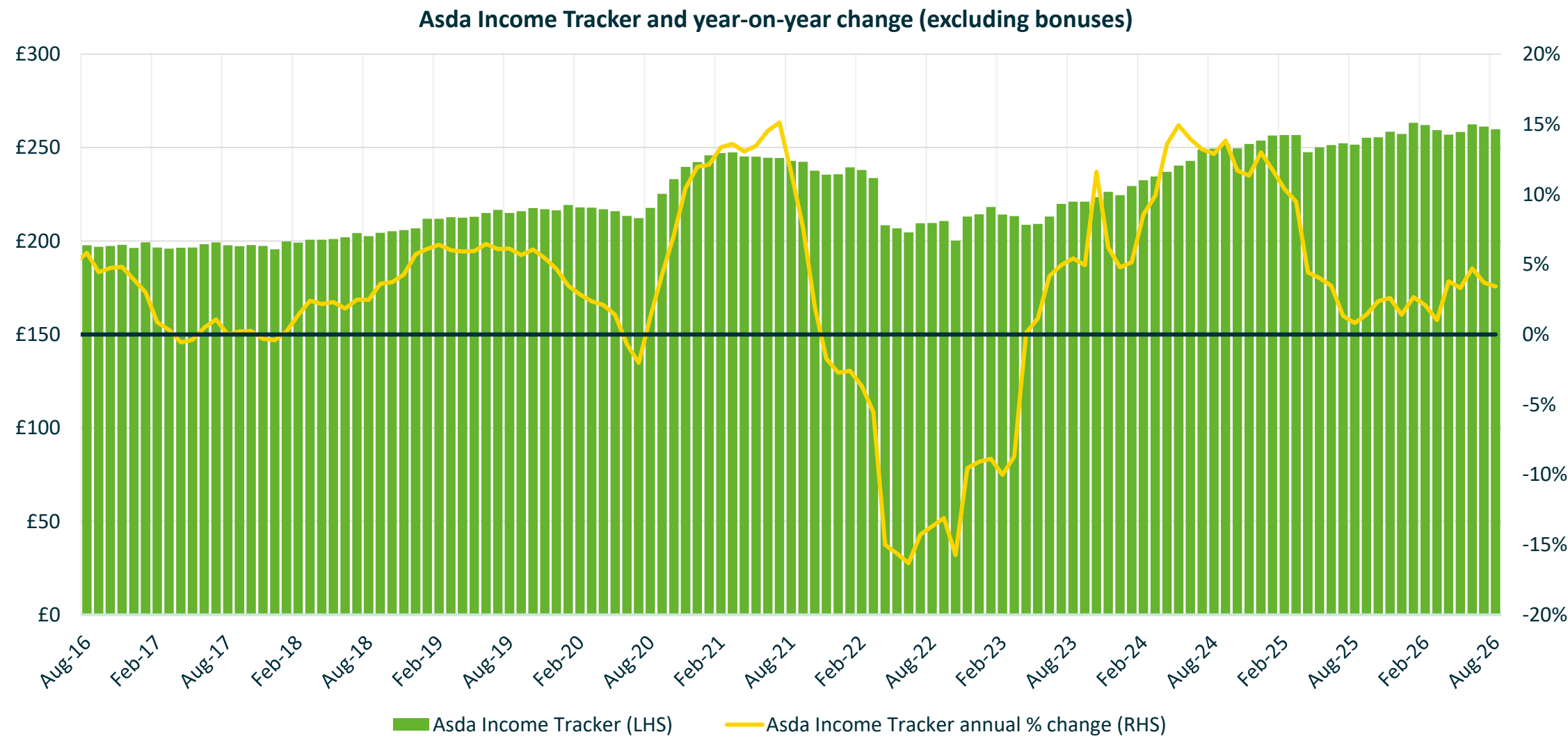
- Average weekly discretionary income diverged sharply across income groups in August. The lowest income quintile's deficit widened by £1.43 to -£75 a week compared to August 2025, a 1.9% decline. It was the only group to see its position worsen over the year.
- All other income groups recorded positive annual growth. The second and third income quintiles saw the strongest growth in percentage terms, albeit from a low base, while growth in absolute terms remained strongest among the highest quintile, whose discretionary income rose by £27.91 a week to £934.
- Despite recording the slowest gross income growth of any group, the highest income quintile maintained solid discretionary income growth. Housing and rental costs, which have accelerated sharply this year, make up a much smaller share of spending for these households, insulating them from a pressure that weighs more heavily on lower income, often renting, families.
- In level terms, conditions for the lowest income quintile remain the most challenging in the deck, with the average household in this group still unable to cover essential spending from net income alone. With inflation now accelerating rather than easing, the risk to discretionary incomes across lower income groups is tilted to the downside heading into the final quarter of the year.

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



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	£240	January 2023	£219	January 2024	£230	January 2025	£256	January 2026	£263
February 2022	£238	February 2023	£215	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	£261
August 2022	£210	August 2023	£221	August 2024	£249	August 2025	£251	August 2026	£260
September 2022	£211	September 2023	£221	September 2024	£252	September 2025	£255		
October 2022	£201	October 2023	£224	October 2024	£250	October 2025	£255		
November 2022	£214	November 2023	£227	November 2024	£252	November 2025	£258		
December 2022	£215	December 2023	£225	December 2024	£254	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, Pushpin Singh, Managing Economist at Cebr, said:

"Growth in the Asda Income Tracker slowed further in August 2026 to 3.4%, its weakest pace since March. While earnings growth has picked up slightly, it was outpaced by a considerable acceleration in CPI inflation.

Inflation remains the primary risk to the outlook for the Income Tracker, both through direct effects on the cost of essentials, and indirect effects on earnings growth through monetary policy adjustments. Price volatility stemming from the ongoing conflict in the Middle East has taken expected interest rate cuts for 2026 off the table, with rate hikes now a genuine possibility before the end of the year. These factors are likely to squeeze discretionary incomes for UK households heading into the new year."

Regional Income Tracker estimates

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

North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East
£168	£232	£214	£219	£200	£287

London	South East	South West	Wales	Scotland	Northern Ireland
£335	£223	£206	£214	£267	£134



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, September 2026

