

**FABIAN
SOCIETY**

IN THE SHADOWS

HOW 'SHADOW WELFARE' HAS
OVERTAKEN SOCIAL SECURITY

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March 2022

Acknowledgements

I am hugely grateful for the support of current and former colleagues at the Fabian Society during research on ‘shadow welfare’ spanning almost a decade. In writing this paper I have particularly benefited from the assistance of Josh Abey, Emma Burnell, Kate Murray, Eloise Sacares and Luke Raikes.

Previous Fabian Society reports examining ‘shadow welfare’ include *Inequality by stealth* (2019) and *For us all: redesigning social security for the 2020s* (2016).

The public opinion research and some of the analysis in this paper was supported by a grant from the abrdn Financial Fairness Trust, as part of a wider Fabian Society project ‘social security solutions’ conducted from 2020 to 2021. Particular thanks to Mubin Haq, the trust’s chief executive.

Distributional analysis and modelling using the Family Resources Survey was conducted by Howard Reed of Landman Economics using the Tax Transfer Model. The public opinion research cited in this report was led by Josh Abey at the Fabian Society. The polling was conducted by YouGov in February 2021. The qualitative research was facilitated by Hopkins Van Mil and the full findings are available in *Fair to all: findings from the Fabian Society citizens’ jury on the future of social security* (2021).

Research supported by:



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Summary

‘Shadow welfare’ is the financial support provided to households by the tax-free allowances in income tax and national insurance.

Following the March 2022 Spring Statement for the first time, in 2022/23, the value of tax-free allowances for a single working adult (£80 per week) will be higher than the basic universal credit payment for an adult aged 25 or over without work (£77 per week). The minimum support available to people with middle and high earnings is therefore higher than for those without work.

This is the latest move in a huge rebalancing in how government supports household living standards. Over the last 12 years the cash value of tax-free allowances has grown by 117 per cent. Inflation has increased by 30 per cent and basic working-age benefits by 17 per cent.

Even before the latest announcement, in 2018/19 more was being ‘spent’ on tax-free allowances (£74 per week) than social security (£67 per week) for working-age households on average.

Tax-free allowances act like a universal basic income, but one that is only available to people with sufficient earnings: they are means-tested in reverse. When social security and ‘shadow welfare’ are looked at together we have a broadly flat-rate system, with middle and high income households being entitled to only slightly less than low-income households on average.

- From July 2022 (in one example) a family of four renting a home will receive £20,000 per year in benefits if they have no earnings, and £19,000 of support through in-work benefits and tax allowances if they have £30,000 of earnings.
- In 2018/19 working-age households in the second to fifth income deciles received only slightly more assistance from government (around £170 per week) than households in the eighth to tenth deciles (around £130 per week).
- On average in 2018/19 working-age households in the bottom two fifths of the income distribution received less in social security (£103 per week) than households in the top two fifths received in tax-free allowances (£105 per week).

The balance between the resources devoted to ‘shadow welfare’ and working-age social security is unjust and causes hardship. It is particularly harmful for children. However Fabian Society public attitudes research shows that people are unaware of the parallels between tax-free allowances

IN THE SHADOWS

and social security, and they tend to prefer tax allowances over social security when it comes to supporting living standards.

We recommend policy changes that will both shift the balance of resources from 'shadow welfare' to social security, and improve understanding and transparency. In the long term, the aim should be to integrate tax-free allowances and social security into a single tax-benefit system.

1. Introduction

The March 2022 Spring Statement marked the latest development in an extraordinary transformation in the shape of tax and social security seen over the last 12 years. During that time severe austerity in social security has been accompanied by a ballooning of ‘shadow welfare’ - the tax-free allowances in income tax and national insurance.

On 23 March chancellor Rishi Sunak extended the work of his predecessors by announcing a huge increase in the tax-free allowance for employee and self-employed national insurance. Collectively Sunak and his fellow Conservative chancellors have more than doubled the value of tax-free allowances over the last 12 years, by increasing the starting point at which people pay income tax and national insurance.

- **For the first time in 2022/23 the value of ‘shadow welfare’ for an individual in work will be greater than the basic social security payment for someone aged over 24 out of work.** From July the tax-free allowances in income tax and national insurance will be worth up to £4,180 per employee per year (£80 per week), while the standard level of universal credit for a single adult aged 25 or over will be £4,019 per year (£77 per week), or £3,184 per year (£61 per week) for a single adult under 25.
- **The gap will be wider still for couples.** A couple who are both working will together receive £8,359 per year in financial support from the government through the tax-free allowances in income tax and national insurance. By contrast the basic universal credit payment intended to sustain a non-working couple will be worth £4,997 when both are under 25, or £6,309 when one or both are over 25.
- **In cash terms the value of this ‘shadow welfare’ has more than doubled since the Conservatives came to power,** increasing by 117% since 2010/11. By contrast the cash value of most basic social security payments has increased by just 18 per cent. This is less than CPIH inflation which has risen by 30% over the last 12 years.
- **The government now ‘spends’ more on tax-free allowances than working-age social security.** Official survey data from 2018/19 shows the average value of ‘shadow welfare’ per working-age household was £74 per week, while average social security spending was £67 per week. The announcements in the Spring Statement have further widened this gap.

2. 'Shadow welfare' compared to basic benefit payments

The Fabian Society's analysis examines tax-free allowances ('shadow welfare') and social security on a like-for-like basis by presenting the cash value of the allowances within the income tax and national insurance systems – ie the amount the government 'spends' by not taxing people from the first pound of their income. This is the same approach HMRC takes at an aggregate level when it calculates the overall cost of tax reliefs and expenditures. We only look at the basic tax-free allowances (the income tax personal allowance and its equivalent in national insurance) and not the plethora of other tax reliefs that usually benefit the rich far more than the poor.

In the 2022 Spring Statement the chancellor increased the value of tax-free allowances by raising the earnings threshold for paying employee and self-employed national insurance from £9,880 per year to £12,570 per year (matching the existing threshold for income tax). This is equivalent to a payment of up to £330 for a single adult, or £660 for a two-earner household. However, recipients of universal credit or tax credits do not benefit in full, as more than half the amount they gain is clawed-back through reduced social security payments.

This measure is the latest in a series of increases in the value of 'shadow welfare' over the last 12 years, starting with sharp increases in the income tax personal allowance under chancellor George Osborne. The cash value of these tax-free allowances is now very high compared to basic social security payments. For people who earn enough to benefit in full (ie over £12,570 per year) 'shadow welfare' will be worth £80 per week from April – or £160 per week for a couple who each earn enough. Individuals with earnings over £100,000 have some of this money clawed-back through a tax adjustment.

Figure 1 shows how the value of 'shadow welfare' is now in excess of the basic amount paid in social security to those out of work, for both single adults and couples. It also shows what a stark contrast this is to the position in 2010.

The huge amounts already 'spent' on 'shadow welfare' for adults in work brings the debate on 'universal basic income' into sharp relief. **The answer to the question 'should the UK have a UBI?' is that we already do**, once tax-free allowances are taken into account. The 'shadow welfare' of tax-free allowances is a quasi-UBI, but one that excludes people who earn little or nothing: it is means-tested in reverse.

FIGURE 1: THE CASH VALUE OF 'SHADOW WELFARE' HAS INCREASED FAR FASTER THAN BASIC OUT-OF-WORK SOCIAL SECURITY PAYMENTS OVER THE LAST 12 YEARS

	10/11	21/22	22/23*	Change over 12 years
Single adults				
Working adult	£1,924	£3,662	£4,180	117%
Adult without work (under 25)	£2,704	£3,088	£3,184	18%
Adult without work (25 and over)	£3,413	£3,898	£4,019	18%
Couples				
Couple – both working	£3,848	£7,324	£8,359	117%
Couple without work (under 25)	£5,358	£4,847	£4,997	-7%
Couple without work (25 and over)	£5,358	£6,119	£6,309	18%

Cqsh values. Between 2010/11 and 2022/23 CPIH inflation increased by 30% *policy takes effect in July 2022; these are full-year figures

3. 'Shadow welfare' and the wider social security system

We have seen that the basic out-of-work payment in universal credit is now worth less than the value of tax-free allowances for people in work, for both couples and (from July 2022) for single adults. However many non-working households receive more than this basic payment, if they have rent, children, disability or caring responsibilities. In these cases the value of the support people without work receive will often be higher than the tax-free allowances available to workers.

However when social security and 'shadow welfare' are looked at together, the differences between what is available for non-working and working households are surprisingly small. Figure 2 compares the value of government support for households with zero earnings and with £30,000 in earnings (through tax-free allowances and in-work benefits combined). Appendix 1 presents charts with a lot more detail for a selection of different types of households, showing how government financial support changes as their earnings increase.

FIGURE 2: AFTER TAKING ACCOUNT OF 'SHADOW WELFARE' THERE IS LITTLE DIFFERENCE BETWEEN THE FINANCIAL SUPPORT AVAILABLE TO HOUSEHOLDS WITH NO EARNINGS AND MIDDLE EARNINGS

Combined value of social security and 'shadow welfare' per year (from July 2022)	Zero household earnings	£30,000 household earnings	Percentage difference
Single adult, under 25, no rent	£3,200	£4,200	+31%
Couple, over 25, no rent	£6,300	£8,400	+33%
Single parent, under 25, no rent	£7,200	£5,300	-26%
Couple with 2 children, over 25, no rent	£14,100	£10,600	-25%
Couple, over 25, renting	£14,100	£8,400	-40%
Single parent, under 25, renting	£17,100	£10,200	-40%
Couple with 2 children, over 25, renting	£20,000*	£19,000	-5%

Note: Calculations include universal credit, child benefit, and the value of the tax-free allowances in income tax and employee national insurance. Examples for working couples assume both earn over £12,570 annually. Renting examples are based on the Milton Keynes housing market area. * Benefit cap applied

The table shows that the government only provides a lot more to households with no earnings, compared to those with middle earnings, when they are responsible for paying rent. This is because universal credit payments can more than double to help cover rent: it is the costs of subsidising unaffordable housing that really makes the difference between the help available to households with zero earnings and middle earnings. However, the gap is small even for renters if high out-of-work payments

are restricted by the benefit cap, as the example of a couple with two children shows. With zero earnings this family of four receive £20,000 per year in financial support, and with £30,000 of earnings they receive £19,000 per year through tax-free allowances and in-work benefits combined.

All told, the financial support for households with very different levels of earnings is pretty flat when the combined effects of the government's tax-free allowance and benefit policies are considered side-by-side. Families with decent earnings are receiving similar amounts as families whose only income comes from the state. **At a time when minimum social security payments are insufficient to meet basic needs this is a huge hidden injustice arising from politicians' decisions to prioritise 'shadow welfare'.**

4. Distributional impacts

When social security and ‘shadow welfare’ payments are looked at together we can see that government financial support is allocated fairly broadly and evenly between households with different incomes. As figure 2 and the appendix show, the overall effect is far more universalist than our tightly means-tested social security system.

We can see how this plays out in more detail using pre-pandemic survey evidence. Figure 3 presents data from the 2018/19 Family Resources Survey, modelled for the Fabian Society by Landman Economics as part of our 2020-2021 project Social Security Solutions (kindly supported by the abrden Financial Fairness Trust). This analysis is taken from a time when the value of ‘shadow welfare’ was lower in comparison to social security spending than it is now.

FIGURE 3: IN 2018/19 HIGH-INCOME WORKING-AGE HOUSEHOLDS RECEIVED NEARLY AS MUCH HELP AS LOW-INCOME HOUSEHOLDS ONCE TAX-FREE ALLOWANCES WERE TAKEN INTO ACCOUNT



Government financial support per working-age household per week, including both social security and tax-free allowances. Deciles of household income (adjusted for household size, before housing costs). Source: Landman Economics Tax Transfer Model using Family Resources Survey 2018/19. 2020 prices

Looking at households under pension age, the first point to note is that the government ‘spends’ more on tax-free allowances than social security. In 2018/19 average ‘shadow welfare’ per working-age household was £74 per week, while average social security spending was £67 per week (mainly because more households receive tax-free allowances than social security).

This is an eye-catching finding considering how politicians have sought to portray working-age social security expenditure as excessive.

The distribution of this spending is also striking. Taking social security and tax-free allowances together, in 2018/19 working-age households in the second to fifth income deciles received assistance from government averaging over £160 per week. But households in the eighth to tenth deciles received almost as much, averaging over £120 per week. Households in the first income decile received the least (these are largely people who are not in work and whose circumstances mean they are entitled to very little in benefits).

There is one more striking fact. On average working-age households in the bottom two fifths of the income distribution receive less in social security (£103 per week) than households in the top two fifths receive in tax-free allowances (£105 per week).

As a result there is a near flat distribution of financial support for households across the income distribution. This raises enormous issues of social justice at a time when low-income families are facing so much hardship. While there is nothing wrong with the principle of universalism, it cannot be justified if it means resources are spread so thinly that those who rely only on state support must face extreme hardship. This is also the main argument against fully replacing tax-free allowances and social security with a universal basic income.

The Spring 2022 increase in ‘shadow welfare’ (not shown in figure 3) will further flatten the variation between support for low and high income families. The Resolution Foundation calculates that the increase in the tax-free allowance in national insurance will be worth on average around £400 per year for the households in the top half of the income distribution, but less than half this amount for low-income households (ie 2nd income decile).¹

Relying so heavily on tax-free allowances has other potentially undesirable distributional consequences. Compared to social security, prioritising tax-free allowances favours:

- **Couples over single adults** – because two working adults receive double the value of ‘shadow welfare’ even though their living costs are lower than those of two single people living alone.
- **Families without children over those with children** – because tax-free allowances take no account of size of family or the cost of children.

Families with children are also more likely to have at least one adult who is not working or has very low earnings.

The damage done to children by ‘shadow welfare’ is a particular issue. Over the last 12 years the cash value of tax-free allowances for working adults has increased by 117 per cent, while the cash value of child benefit has increased by 4 per cent, far less than inflation. This is a huge transfer in non-means-tested financial support from children to adults (and it comes on top of real terms cuts to payments for children in means-tested tax credits and universal credit).

Figure 4 and 5 present average ‘shadow welfare’ payments for households with different circumstances – for single adults and couples, and households with and without children.

FIGURE 4: ON AVERAGE COUPLES BENEFIT FAR MORE THAN SINGLE ADULTS FROM ‘SHADOW WELFARE’

	Single	Couple
All 18-65	£43	£108
All 66+	£39	£75
All not working	£21	£62
Not working – 18-65	£6	£34
Not working – 66+	£39	£73
Working	£61	£114
Working part-time	£48	£73 to £121
Working full-time	£68	£134

Value of income tax and employee national insurance tax-free allowances per household per week.
Source: Landman Economics Tax Transfer Model using Family Resources Survey 2018/19. 2020 prices

FIGURE 5: ON AVERAGE HOUSEHOLDS WITH CHILDREN RECEIVE SLIGHTLY LESS IN ‘SHADOW WELFARE’ THAN THOSE WITHOUT, EVEN THOUGH THEIR COSTS ARE SIGNIFICANTLY HIGHER

	Single	Couple
No children – aged 18-65	£43	£109
Families with children	£40	£106

Value of income tax and employee national insurance tax-free allowances per household per week.
Source: Landman Economics Tax Transfer Model using Family Resources Survey 2018/19. 2020 prices

5. 'Shadow welfare' is a huge and growing cost

The chancellor's huge increase in the tax-free allowance for employee and self-employed national insurance was a fiscal giveaway of over £6bn. But this is small beer compared to the overall cost of the tax-free allowances in income tax and national insurance.

Figure 6 shows that, according to HMRC, the personal allowance and its equivalent in national insurance cost the exchequer £148bn per year in 2021/22 (ie before the latest increase). This compares to total social security spending on all adults and children of £210bn, of which £86bn is spent on working-age households (excluding housing-related support).

In figure 6 we've split out the amount spent in social security on helping people pay for housing in order to make another revealing point. While observers often bemoan the amount spent supporting low income households to pay rent, this sum of £30bn per year is actually much less than the amount of 'shadow welfare' designed to support the housing market. HMRC calculates that the exchequer forgoes £47bn per year on two major tax-free allowances benefitting the owners of residential property (the exemption from capital gains tax for primary residences; and the exemption from VAT for newbuild homes).

Looking at 'shadow welfare' support for both household living standards and the housing market the total comes to £195 billion per year. This is four-fifths of the amount spent on the state pension and social security each year.

FIGURE 6: IN 2021/22 GOVERNMENT 'SPENDING' ON FOUR TAX-FREE ALLOWANCES WAS EQUIVALENT TO AROUND FOUR-FIFTHS OF ITS SPENDING ON STATE PENSIONS AND SOCIAL SECURITY

	Social security (GB)*	Tax-free allowances (UK)
Individuals	£210bn £86bn (children & working age) £123bn (pensioners)	£148bn £115bn (income tax) £33bn (NICs)
Housing costs	£30bn £24 (working age) £6bn (pensioners)	£47bn £30bn (CGT primary residence) £17bn (VAT newbuild)
Total	£240bn	£195bn

Sources: Expenditure and caseload forecasts, Autumn Budget 2021, DWP; Structural reliefs cost estimates, December 2021, HMRC

* equivalent figures are not available for Northern Ireland (whose social security spending is around 3 per cent of UK spending)

IN THE SHADOWS

For a decade the House of Commons public accounts committee has been criticising ministers for making and reviewing decisions about tax reliefs and allowances with less rigour than equivalent choices regarding public spending. Decisions concerning tax 'expenditures' and public spending are still not made side-by-side on the same basis.

6. People don't see the connection between 'shadow welfare' and social security

The Fabian Society conducted research on the future of social security in 2020 and 2021 and as part of this we asked about tax-free allowances. We were keen to understand how people responded to information and arguments about the similar roles played by 'shadow welfare' and social security. The research was supported by the abrdn Financial Fairness Trust.

Our research showed very low awareness and understanding of the role of tax-free allowances and how they compare to social security. We also found considerable hostility to the idea of shifting the balance of financial support from tax allowances to social security. This was particularly evident when people were asked cold, rather than after being provided information and the opportunity to discuss the issue.

We asked two questions about tax-free allowances as part of a poll on social security commissioned from YouGov in February 2022. After reading a short statement about tax-free allowances and social security only 25 per cent of respondents thought the two were 'very similar' while 42 per cent said they were 'completely different'. A high 33 per cent of respondents said 'don't know' (see figure 7).

FIGURE 7: ONLY A QUARTER OF PEOPLE SEE TAX ALLOWANCES AND BENEFIT PAYMENTS AS EQUIVALENT

As well as paying social security benefits, the government supports people's living standards using tax allowances. People are not taxed on the first part of their earnings and this raises many people's disposable income. Which of these statements comes closest to your own view?	
Tax allowances and social security benefits are completely different. One involves paying less money to the government, the other is about receiving money from the government.	42
Tax allowances and social security benefits are very similar. In practice there's no real difference between an allowance that cuts your tax and a payment from the government.	25
Don't know	33

Fabian Society YouGov poll of 1,647 GB adults, 12-13 February 2021

We also found that increasing tax-free allowances was more popular than increasing social security, as a way to raise living standards, although again a high number did not express a view either way (see figure 8). A breakdown of how different sub-groups of the population responded to these two questions is provided in the appendix.

This clear preference for tax-free allowances may help to explain why successive chancellors have prioritised tax allowances over social security. Politicians who want to rebalance towards social security need to consider how they educate and persuade the public.

FIGURE 8: INCREASING TAX-FREE ALLOWANCES IS MORE POPULAR THAN RAISING BENEFITS AS A WAY TO RAISE LIVING STANDARDS

Which of these statements comes closest to your own view?	
To help raise people's living standards, the government's first priority should be to increase tax allowances, as this will help almost everyone who works.	46
To help raise people's living standards, the government's first priority should be to increase social security benefits, as this will help people with low incomes the most.	26
Neither of these	10
Don't know	18

Fabian Society YouGov poll of 1,647 GB adults, 12-13 February 2021

Opinion was more evenly divided when we discussed the role of tax-free allowances during an online citizens' jury on the future of social security conducted in November 2020. This is probably because people were asked for their views during a broader multi-day debate on the future of social security, where they were provided with evidence and given the opportunity to deliberate.

At the start of our discussion, the jurors were presented with information about the amount of money the government 'spends' on individuals through tax allowances and through benefits. This included a comparison of the total cost to the exchequer of each; and evidence that (at the time) both tax allowances and benefits paid around £70 a week to a single adult.

Jurors reacted largely with surprise to this information – most if not all of them had not previously thought about the equivalence of tax-free allowances and social security. In a survey after the discussion the jurors were exactly split between thinking that tax allowances and benefits were comparable and thinking that they were very different (11 votes each).

"That graph has opened my eyes. I had no idea they were effectively equal, £70 a week for someone that's working in tax relief versus £70 a week for someone that's not working on benefits. I had no appreciation of that comparison until I saw that graph." – Man not in receipt of benefits, 40, East Midlands

"I think it is a difficult concept to wrap your head around, isn't it?" – Woman not in receipt of benefits, 38, Wales

IN THE SHADOWS

Jurors were unsure when asked about whether to reform the tax-benefit system so as to give people more via benefits and less via tax allowances. Many found the discussion confusing. In a post-deliberation survey we asked jurors whether they agreed or disagreed with the statement: 'over time the government should give people more help through the benefits system and less help through tax allowances'. There was no consensus on this question, with over a quarter agreeing and disagreeing with the statement, while the largest group selected 'neither agree nor disagree' (perhaps indicating a struggle to engage with the topic).

"I would say probably the benefits is probably a better way to do it. I feel like when you talk about tax-free allowances, it's not very personal to the individual at the moment anyway. But I feel like with benefits at least it is slightly tailored towards your situation, even though it's not ideal at the moment the way that it works." – Man not in receipt of benefits, 30, North East

"I would imagine it's probably a lower cost to adjust somebody's tax rather than administrating a separate benefit system, but I think it will only work for some sorts of benefits." – Woman not in receipt of benefits, 51, North West

7. Policy recommendations

For more than a decade ministers have prioritised tax-free allowances over largely means-tested working-age social security.

There is nothing wrong with the principle of providing financial support broadly, but the growth of ‘shadow welfare’ has come at a time when help for people with low incomes has declined a lot. We have now reached the point where millions of people need handouts to avoid acute hardship and sometimes destitution.

The balance between tax-free allowances and social security is therefore unjust. In particular, it is wrong that people with middle and high earnings can now receive more financial support than those without work. The shift in the extent of support for households with and without children is also wrong.

However as things stand there is very little public recognition of this issue, nor support for shifting the balance in favour of social security. Policy changes therefore need to progress in a staged fashion, with a focus on educating and persuading citizens as well as changing the distribution of resources. We propose the following measures:

1. **Permanently freeze the cash value of tax-free allowances** and recycle the revenue this raises (as inflation and national prosperity increase) to raising living standards in better targeted ways. In particular, use this money to increase levels of child benefit and universal credit. The government has announced a four year freeze on tax-free allowance thresholds but this money is not being recycled into more progressive support for living standards.
2. **Create institutional machinery to treat social security and ‘shadow welfare’ alike** so that decisions on tax-free allowances and benefits are developed, evaluated and scrutinised on a like-for-like basis. The overall direction of tax and social security should be reviewed together once every parliament; a single fiscal ‘envelope’ for tax-free allowances and social security should be established to replace the welfare cap; and the Office for Budget Responsibility and National Audit Office should have an enhanced role in scrutinising ‘shadow welfare’ choices.
3. **Present tax-free allowances as flat-rate credits** so that people understand their value and how they equate to other forms of financial support from government, by changing payslips to show allowances as cash credits from HMRC. Then over time turn allowances into genuine

flat-rate credits by making their full value available to everyone with more than a minimal level of earnings.

4. **Gradually reduce tax reliefs supporting the housing market** and recycle the money into building and refurbishing affordable homes, and to increasing housing-related social security so that it is adequate to meet modest, reasonable housing needs in each locality.
5. **Work in the long term towards tax benefit integration** to amalgamate tax-free allowances and social security. A single brand and integrated administrative system should eventually offer working-age households:
 - a. A flat-rate universal allowance for each adult (evolving from today's tax-free allowances)
 - b. A flat-rate universal allowance for each child and disabled person (evolving from child benefit and personal independence payment)
 - c. Generous means-tested social security for people with zero or low earnings, or high living costs, to supplement the universal allowances (evolving from universal credit). The goals must be to deliver everyone an adequate income sufficient to meet all the reasonable costs associated with their individual household circumstances
 - d. Non-means-tested income replacement benefits that work alongside a universal allowance to replace a high share of people's former earnings for a time-limited period after they leave work or when their earnings are temporarily interrupted (learning lessons from the Covid-19 furlough scheme).

IN THE SHADOWS

Appendix

FIGURE A1: 'SHADOW WELFARE' AND SOCIAL SECURITY PAYMENTS AS EARNINGS RISE – NOT RENTING



IN THE SHADOWS



IN THE SHADOWS

FIGURE A2: 'SHADOW WELFARE' AND SOCIAL SECURITY PAYMENTS AS EARNINGS RISE – RENTING

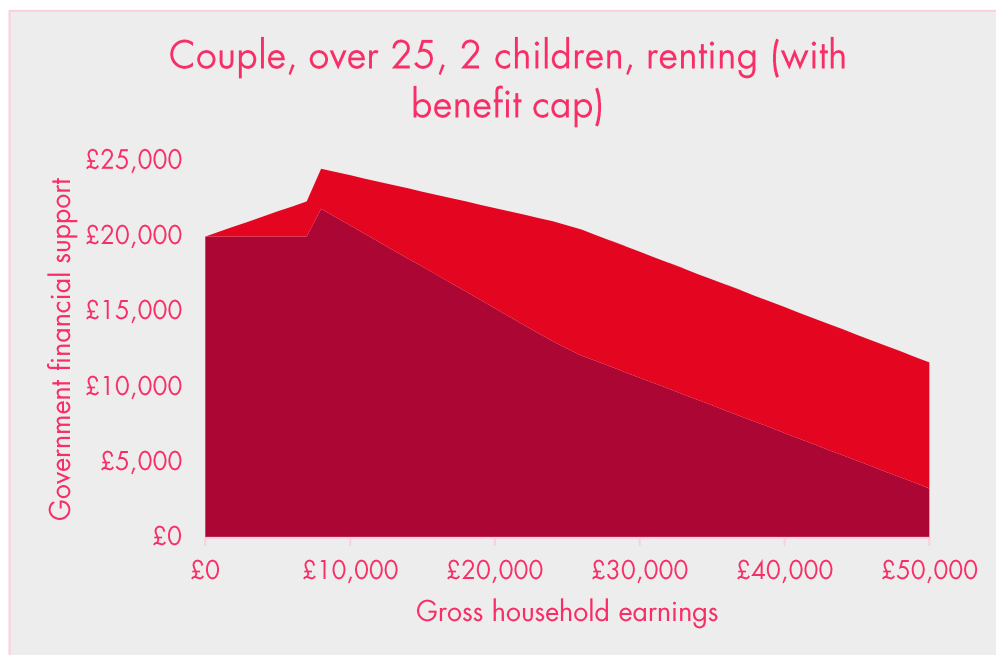
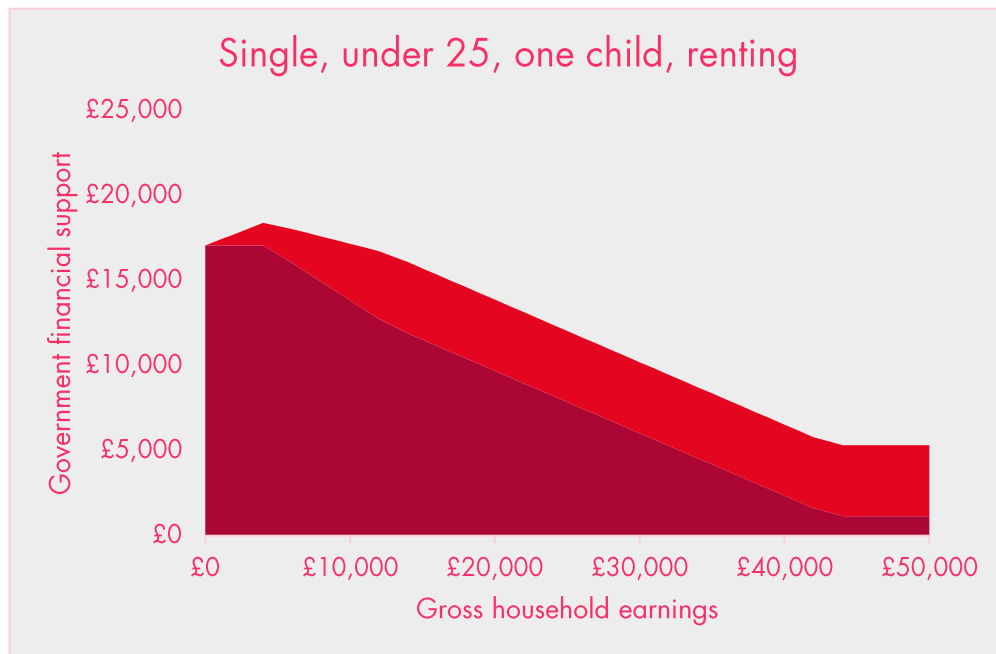


FIGURE A3: 2021 FABIAN SOCIETY YOUNG GOV POLLING ON 'SHADOW WELFARE'

	Total	Vote In 2019 GE			2016 EU Ref		Gender		Age				Social Grade		Region					18-65 benefit recipient
		Con	Lab	Lib Dem	Remain	Leave	Male	Female	18-24	25-49	50-64	65+	ABC1	C2DE	London	Rest of South	Midlands / Wales	North	Scotland	
Weighted Sample	1647	558	408	148	611	652	800	847	180	687	397	384	939	708	198	553	357	397	142	289
Unweighted Sample	1647	599	423	157	673	694	687	960	128	654	415	450	995	652	181	605	359	395	107	273

As well as paying social security benefits, the government raises living standards using tax allowances. Those in work are not taxed on the first part of their earnings and this increases many people's disposable income. Which of these statements comes closest to your own view?

Tax allowances and social security benefits are completely different...	42	50	39	50	47	44	42	41	38	40	49	40	46	36	37	45	39	43	41	35
Tax allowances and social security benefits are very similar...	25	24	29	32	26	27	29	22	22	25	23	30	28	22	28	27	22	25	27	32
Don't know	33	25	33	18	28	29	28	37	40	35	27	30	26	42	36	28	39	32	33	33

Which of these statements comes closest to your own view?

To help raise people's living standards, the government's first priority should be to increase tax allowances...	46	66	35	43	44	58	48	44	29	43	51	54	48	43	38	49	47	49	34	32
To help raise people's living standards, the government's first priority should be to increase social security benefits...	26	14	41	37	35	19	25	27	28	26	27	24	28	24	31	23	24	26	38	38
Neither of these	10	9	8	8	8	10	11	9	10	10	10	8	9	11	9	10	8	10	14	11
Don't know	18	11	17	13	13	13	16	20	33	20	12	13	15	21	22	17	21	15	14	20

Survey conducted by YouGov Plc. Total sample size was 1,647 adults. Fieldwork was undertaken between 12th - 13th February 2021. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

Endnotes

¹ Inflation Nation, Resolution Foundation, March 2022