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Egzamin pisemny dla kandydatów na tłumaczy przysięgłych języka angielskiego

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Spiralling energy prices will turbocharge the UK's cost-of-living crisis into a catastrophe

A £300 one-off payment to millions of low-income households is the minimum needed to mitigate rising bills

A cost of living catastrophe is what British families are facing in early 2022. The government has been understandably focused on Omicron but has woken up to this crisis and is now discussing policy action to address it. But there is no magic bullet. What's worse, this comes on the back of a decade of stagnant living standards.

The big-picture driver of the cost of living crunch is rapidly rising inflation, which is already at 5.1% and forecast to hit a 30-year high of more than 6% this spring. Fast price rises mean pay packets were already shrinking in real terms late last year - for the third time in a decade. Prior to the financial crisis, real wages basically never fell.

But there are specific features that will turn our current cost-of-living crunch into a cost of living catastrophe this April - rising taxes and soaring energy bills. Both are painful, but taxes at least have the merit of being borne by those with the broadest shoulders, while the £12.5bn of extra revenue from higher national insurance contributions is badly needed by the NHS.

There are no merits to soaring energy bills unless you're reading this in Moscow. Rising gas prices mean that typical energy bills could increase by £700 or more when the energy price cap is lifted in April. And unlike tax rises, this squeeze will be felt most keenly by low-income families. If typical energy bills reach £2,000 a year, that would mean - according to the Resolution Foundation's latest analysis - the poorest third of households spending at least 10% of family budgets on energy bills alone. This is comparable to what richer households spend on the likes of restaurants, hotels and holidays.