

Funding the Future

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A number of related themes are apparent in commentary on the economy this morning.

One is poverty. As [the Guardian notes](#):

Millions of people – including one in five families with children – have gone hungry or skipped meals in recent weeks because they could not regularly afford to buy groceries, according to new food insecurity data.

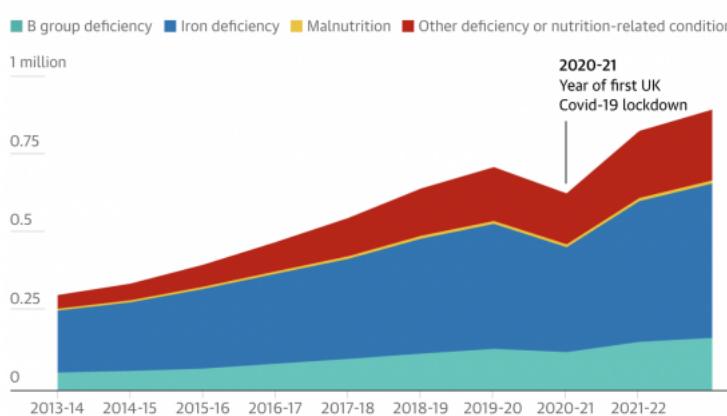
According to the [Food Foundation tracker](#), 15% of UK households – equivalent to approximately 8 million adults and 3 million children – experienced food insecurity in January, as high food prices continued to hit the pockets of low-income families.

This is a tale of destitution and misery in the UK.

They add this graph:

Hospital admissions resulting in nutrition-related diagnoses in England increased by more than 39% over the past decade

Hospital admissions which resulted in a diagnosis linked to poor diet, including rickets, vitamin and mineral deficiencies, by financial year



Guardian graphic. Source: NHS England. Note: data represents a count of activities rather than patients, and the same person may be recorded more than once if they have had multiple hospital visits and multiple diagnoses

We have a health crisis not just caused by Covid (although that is still very real) but by the existence of poverty thanks to George Osborne and successive subsequent Tory

Chancellors, soon to be perpetuated by Rachel Reeves. That crisis is not just personal; it is collective in its cost.

Then [there is this in the FT](#):

A lack of available loans from traditional UK lenders is pushing vulnerable consumers towards unregulated credit products as they struggle financially in the cost of living crisis, according to a study.

The UK nonprime lending market — which offers loans to riskier customers with average to low credit scores — has shrunk by more than a third since 2019.

In contrast, unsecured loans from unregulated lenders, such as those offering buy now, pay later (BNPL) products, have jumped in recent years, according to research from credit-checking platform ClearScore and consultancy EY.

The result is that the most vulnerable people in the UK who need to borrow to meet unexpected costs because they have little, or usually no, savings are being forced into the highest cost, most abusive, arrangements. It was this concern that [motivated a post I made yesterday](#): you would never have known it from the comments of the right-wing trolls who poured in during the day to offer abuse, and who got deleted for their efforts.

And finally, there is this, also in the FT but reported in a remarkably similar style in the Guardian:

Jeremy Hunt's financial planning is "dubious" and "lacks credibility" and the chancellor should not announce tax cuts in next week's budget if he cannot lay out how he will fund them, an economic thinktank has said.

The Institute for Fiscal Studies (IFS) calculates that Hunt would need to find £35bn of cuts from already threadbare public services if he plans to use a Whitehall spending freeze to pay for [pre-election giveaways](#).

A fresh round of austerity in unprotected departments would boost the chancellor's war chest for tax cuts, the independent tax and spending watchdog said, but an increase from an expected £15bn of headroom to about £50bn over the next five years would come at a high cost.

That cost will, in very large part, be seen in the perpetuation of poverty. The lowest paid will suffer tax rises. They will have the services that they need cut. The NHS, social care and housing will not be properly funded. Education, that was the route out of this, is unable to meet need. And benefit increases have not met inflation-hiked prices for basic commodities. And Hunt wants to make all of this worse.

A government unable to admit that there is Islamophobia in its rank hopes that rows on that issue will distract attention from another pressing concern, which is that its

deliberate policy of prejudicing the poorest in our society is imposing destitution on millions and relative poverty on us all because of the opportunities lost to the communities in which we all live.