

# The Impoverishment Index | Overview

Adam Tugwell | 29 May 2026



The **Impoverishment Index** is a new analytical measure designed to capture what traditional economic indicators fail to show: the real-world erosion of living standards experienced by ordinary people, even during periods of reported economic growth.

Where metrics such as GDP, CPI, and average wages describe the economy from above, the Impoverishment Index measures it from the ground - from the perspective of households whose purchasing power, security, and prospects are quietly shrinking. It provides a way to quantify the widening gap between the story the economy tells and the reality people live.

At its core, the Impoverishment Index asks a simple question:

### **How much poorer do people become as the economy “grows”?**

The answer reveals a structural pattern of decline that has been largely overlooked.

## Definition

### **The Impoverishment Index**

*A measure of the rate at which individuals or households lose real economic value - in earnings, savings, and purchasing power - relative to the rate of national economic growth.*

It captures the difference between economic performance and lived experience, highlighting the extent to which growth no longer translates into shared prosperity.

## Purpose of the Impoverishment Index

- To provide a clear, accessible measure of real-world economic decline.
- To expose the disconnect between official narratives and everyday experience.
- To help explain why the current system feels increasingly unstable and unsustainable.
- To support wider systems analysis focused on understanding collapse dynamics and structural inequality.
- To create a foundation for future reform by making the underlying processes visible.

## Why the Index Matters

Traditional indicators increasingly fail to reflect the pressures people face:

- GDP can rise while households become poorer.
- Inflation measures often understate the real cost of essentials.
- Wage averages can mask stagnation or decline for most workers.
- Employment figures can hide insecurity, underemployment, and falling job quality.

The Impoverishment Index cuts through these distortions by focusing on net outcomes for people, not abstract aggregates.

## Key Takeaways

### **1. The UK is experiencing systemic impoverishment**

A slow, cumulative erosion of living standards is underway, compounding year after year.

### **2. Economic growth no longer guarantees prosperity**

The economy can expand while households contract - and this has become normal.

### **3. The gap between narrative and reality is widening**

Official data suggests stability; lived experience suggests decline.

### **4. Impoverishment is structural, not accidental**

It is the predictable outcome of a system that concentrates gains at the top while distributing costs downward.

### **5. The lack of public discussion is itself revealing**

Impoverishment is rarely measured or debated, even as it becomes a defining feature of everyday life.

### **6. The Index is a tool for clarity**

It does not tell people what to think; it helps them see what is happening.

### **7. Understanding the process is the first step toward change**

You cannot fix what you cannot measure. The Index provides the missing measurement.

## Further Information

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[www.adamtugwell.blog](http://www.adamtugwell.blog)

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