

When Work Isn't Enough

Executive Summary

Adam Tugwell | 25 May 2026



When Work Isn't Enough examines whether UK households can realistically meet their basic living costs through full-time work supplemented by tax-free overtime, as proposed by Reform UK in 2026.

Using detailed modelling based on real prices in Cheltenham, the report concludes that the expectations placed on working households are **mathematically impossible** to meet under current economic conditions.

The analysis compares **real-world living costs** with **government/ONS assumptions**, integrates **Universal Credit (UC)** dynamics, and models three household types:

1. a single adult living independently,
2. two adults sharing,
3. two adults with one child.

Key Findings

1. Real-world costs far exceed government assumptions

Across all household types, real costs are **50–60% higher** than ONS figures. As the report states, *“Government/ONS assumptions are about half of real world costs.”* This gap underpins the structural shortfall faced by workers.

2. Minimum wage is structurally insufficient

Even with full-time hours, minimum-wage workers cannot meet basic needs:

- **Single adult** needs **£31,488/year** but earns **£22,554 net**.
- Required net hourly rate: **£15.13/hr** vs minimum wage **£12.71/hr**.
- Result: *“A single adult must work over 50 hours per week to meet basic needs without debt.”*

3. Shared living helps - but not enough

Two adults sharing still require **£24,420 net per adult**, above minimum-wage earnings. Even with economies of scale, each must work **42 hours/week** to break even.

4. Families with children face unavoidable deficits

Childcare, transport, and housing costs push required household income to **£60,456 net/year**.

Per adult requirement: **£30,228 net** → **£14.54/hr net**.

One parent must work **57.46 hours/week** in the central case.

The report notes: *“A family with one child requires £60,456 net per year... Minimum wage is not close.”*

5. Tax-free overtime does not solve the problem

Even at £16.90/hr tax-free, overtime cannot close the gap because:

- UC tapering removes **55%** of additional earnings.

- Effective gain per overtime hour: **£7.61**.
- Childcare costs can reduce this to **£0 or negative**.
- Benefit cliffs (e.g., loss of free school meals) can wipe out gains entirely.

As the report states: *“Overtime does not deliver £16.90/hour... It delivers £7.61/hour. And sometimes less than £0/hour after childcare.”*

6. Time poverty becomes inevitable

In realistic scenarios, one parent must work **57–66 hours/week**, leaving no time for rest, family life, or progression.

The report concludes: *“This is not a sustainable model for any society.”*

7. The system’s expectations are mathematically impossible

The combined effect of:

- underestimated living costs
- insufficient wages
- UC tapering
- childcare and housing shortfalls
- benefit cliffs
- insecure work patterns

...creates a situation where households are blamed for failing to achieve outcomes that **cannot be achieved through work alone**.

The report summarises this bluntly:

“The expectations being placed on working households are often mathematically impossible to meet.”

Overall Conclusion

The UK’s cost-of-living framework is fundamentally misaligned with the real economic pressures faced by households.

The National Minimum wage, even with tax-free overtime, cannot provide financial independence for single adults, shared households, or families with children.

Benefits partially fill the gap but introduce tapering and cliffs that neutralise the value of overtime.

The result is a system that produces **structural deficits, time poverty, and instability**, not self-reliance.

Disclaimer

This report has been prepared solely to illustrate the economic dynamics at work between real-world living costs, wage levels, benefit structures, and the expectations implied by recent policy proposals.

The analysis is intended to highlight the structural pressures faced by individuals and households under current conditions, and to examine whether the expectations being placed upon working people are realistic within those conditions.

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