

Sir Andrew Dilnot CBE
Chair, UK Statistics Authority
1 Drummond Gate
London SW1V 2QQ

5 April 2015

Dear Sir Andrew

Living Standards

I am writing to you following comments made by the leader of the Labour Party, Ed Miliband, in relation to living standards.

In a speech made in Warrington on 4 April 2015, Mr. Miliband said:

‘What did David Cameron say on Thursday night: after five years he wants to finish the job. Living standards plummeting...And he wants to finish the job.’¹

However:

- According to forecasts by the Office for Budget Responsibility, Real Household Disposable Income (RHDI) per-capita – the measure of living standards which the UK Statistics Authority recently welcomed greater use of – is rising, with families on average £900 better off in 2015 than in 2010.²
- The Office for National Statistics (ONS) recently confirmed that living standards are rising, with RHDI per person (excluding Non-Profit Institutions Serving Households) increasing by 1.9 per cent in the fourth quarter of 2014 compared to a year earlier.³
- The latest figures from the ONS show that wages are rising significantly faster than inflation, with total pay up 1.8 per cent in the last year. Inflation measured by the Consumer Price Index over the same period increased by 0.6 per cent.⁴

Will you therefore make it publically clear that it is extremely misleading for the leader of a political party to claim that living standards are plummeting?

I am sure you agree that, particularly during the campaign for next month’s General Election, it is absolutely crucial that politicians make statistical claims with great care.

Yours sincerely,

David Gauke

¹ Ed Miliband, *Labour Party Press Release*, 4 April 2015.

² Monitoring Review 1/2015 – ‘The Coherence and Accessibility of Official Statistics on Income and Earnings’, UKSA, February 2015; HM Treasury, Budget 2015, 18 March 2015.

³ ONS, *Economic Well-being*, 31 March 2015.

⁴ ONS, *Labour Market Statistics*, 18 March 2015.