

Smoking and poverty

December 2022

Summary of key findings

In 2022 smokers spent on average £2,451 a year on cigarettes, enough to cover the energy bill for a typical household in Great Britain.¹

In 2019, the last year for which comprehensive data were available at the time of analysis:²

- 1.5 million households including smokers lived in poverty containing
 - 2.2 million working age adults
 - 1 million children
 - 400,000 pensioners
- On average stopping smoking would have increased disposable incomes by 9% in 2019, ranging from 6.4% in London to 11.4% in the North East.

Background

Smoking is a costly addiction, and the vast majority of smokers become addicted as children.³ This is an addiction which drives and exacerbates inequalities in wealth as well as health. On average, smokers spend £2,451 a year on smoking – which is over £200 a month and £47 a week. Higher smoking rates are linked with virtually every indicator of social and economic disadvantage, meaning those at the sharp end of inequalities are more likely to smoke and as a result to suffer significant income loss and harm to health. People who smoke spent £15.7 billion in total in 2022 on tobacco, lining the pockets of the tobacco manufacturers which make excessive profits. On average UK manufacturing companies make under 10% net operating profit,⁴ while tobacco manufacturers make around five times that amount. In 2019, the most profitable, Imperial Tobacco, made over £70 pure profit for every £100 in sales of well-known brands like Lambert and Butler, John Player Special and Golden Virginia rolling tobacco.⁵ However, the majority of the cost of smoking is due to taxation and government therefore has a moral responsibility to do all it can to support smokers to quit, and that includes capping tobacco manufacturers profits and using the money raised to pay for tobacco control programmes.

What is the impact of smoking on poverty in the UK?

In 2019 around 4.6 million households across the UK contained at least one smoker (smoking households). When smoking spend is factored in, the estimated number of smoking households in poverty in the UK was 1,521,000 (32.4%).²

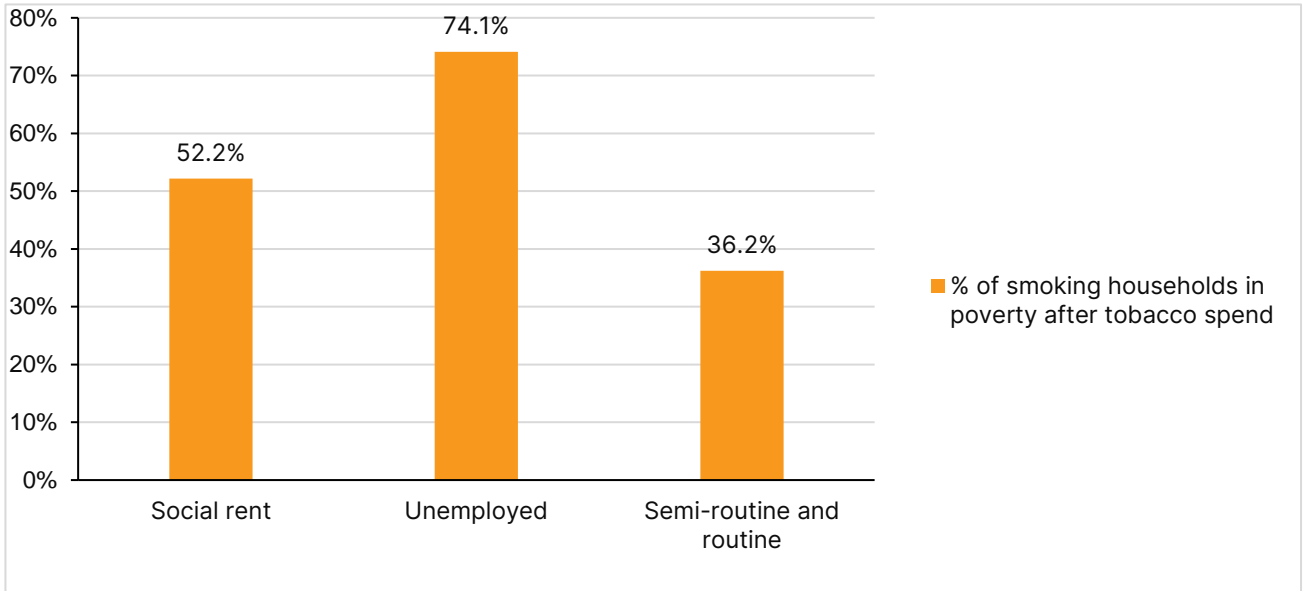
Regional variation in the impact of smoking and poverty across England

The impact of smoking on poverty varies between different regions within England, with the highest proportion of smoking households living in poverty in the North East, which has the lowest gross disposable household income (GDHI) per head in the United Kingdom.⁶

2019 data	GDHI per head	% GDHI per head on tobacco	Smoking households in poverty '000s	% smoking households in poverty	% smoking prevalence
North East	£17,096	11.4%	112	42.4%	15.3%
Yorks & Humber	£17,959	10.9%	148	34.6%	15.7%
West Midlands	£18,350	10.6%	146	37.7%	14.1%
North West	£18,601	10.5%	208	38.5%	14.5%
East Midlands	£18,635	10.5%	115	31.7%	14.8%
South West	£21,222	9.2%	110	30.3%	14.0%
East of England	£22,392	8.7%	103	25.6%	13.7%
South East	£24,715	7.9%	133	25.8%	12.2%
London	£30,256	6.4%	82	16.7%	13.0%
England	£21,978	8.9%	1,164	31%	13.9%
United Kingdom	£21,433	9.1%	1,500	32.4	14.1%

Smoking as a driver of poverty among socio-economically disadvantaged groups

As smoking is more highly concentrated among disadvantaged groups, they are disproportionately affected by its economic impact. The analysis by Landman Economics for ASH looks specifically at the impact of smoking on poverty broken down by (i) housing tenure; (ii) number of people in household in employment; and (iii) occupation.



As the graph above shows, rates of poverty among smoking households in socio-economically disadvantaged groups are high and poverty could be significantly alleviated by helping smokers quit. The total number of households containing smokers living in poverty in disadvantaged groups is as follows:

- Over three quarters of a million (765,000) social rented households
- 1.6 million households with no earner live in poverty (unemployed)
- 1.3 million semi-routine and routine worker households in poverty

Significant poverty alleviation among socio-economically disadvantaged groups can therefore be achieved by providing support to stop smoking.

Methods

Data analysis and synthesis to estimate relative poverty of smoking households was carried out by Landman Economics. Estimates of the average cost of smoking were updated in December 2022 using the [ASH Ready Reckoner Methodology](#) Section 5 Tobacco Expenditure. Estimates of the relative poverty of smoking households were calculated using national datasets for 2019, and updated figures for 2021 will be produced in the new year now all the necessary datasets are available. These include the Annual Population Survey (APS) 2021 published December 2022; Department for Work and Pensions' Households Below Average Income (HBAI); the Family Resources Survey (FRS) and the Living Costs and Food Survey (LCSF).

For more information on the impact of smoking on poverty and wider socio-economic inequalities, see:

- ASH – [Up in smoke: How tobacco drives economic and health inequalities dashboard](#)

References

¹ BEIS. [Energy bills support factsheet](#). Policy Paper updated 1 November 2022. Accessed 12th December 2022.

² Landman Economics - [Estimates of poverty in the UK adjusted for expenditure on tobacco, 2021 update](#)

³ [Delivering a Smokefree 2030: The All Party Parliamentary Group on Smoking and Health recommendations for the Tobacco Control Plan 2021](#). London: APPG on Smoking and Health. 2021.

⁴ Office for National Statistics. [Profitability of UK companies](#): October to December 2019. April 2020.

⁵ Featherstone H. [Establishing a Smoke-free 2030 Fund](#). ASH. 2021.

⁶ ONS. [Regional gross disposable household income, UK: 1997 to 2019](#). 14 October 2021. Accessed 12th December 2022.