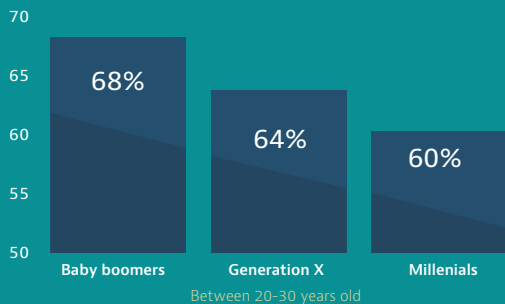


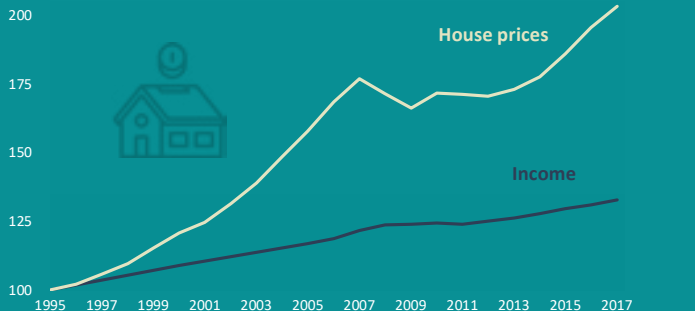
## The shrinking middle class...

% of population in middle-income households by generation



## House prices have increased much faster than middle incomes ...

Index of average evolution of real house prices and median household incomes

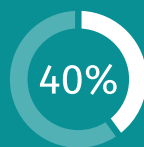


## Jobs at risk of automation...

1 in 6 current middle-income jobs are at high risk of automation



## A significant share are financially vulnerable...



40% of middle-income households are financially vulnerable - they are either in arrears, or would not be able to absorb unexpected expenses or a sudden drop in income.

## How can we help relieve the pressure?

### Taxes



- » Lower effective taxes on earnings
- » Expand the taxation of capital and large inheritances

### Housing



- » Build more affordable housing
- » Help young people accumulate wealth

### Skills



- » Modernise vocational education and training
- » Develop adult learning to improve workers' skills (particularly digital skills)