

SPEND AT END

FAMILIES in the UK have suffered the biggest fall in spending power since the 70s.

Household disposable income has plunged by 2.7 per cent in the past year — the largest annual drop since 1977.

Gerard Lyons, chief economist at Standard Chartered, said: "This is why it doesn't feel like a recovery to so many people.

"Take home pay is being squeezed from both sides. Wages aren't going up and

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taxes are rising." Office of National Statistics figures yesterday also showed the UK's economic output rose by 0.5 per cent between January and March.

But it revealed that household disposable income dropped by 0.8 per cent in that period.

The ONS said homeowners were buying fewer goods.