

Cost of Living: Crunch Time

Report



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Preface

At the time of writing, reports¹ were coming through of record rises in wages for those in work, yet despite this, increases are still not keeping track with inflation or significantly, with the costs of food and energy. With this elevated financial pressure being put on UK households, particularly social housing residents, it's perhaps not surprising that this Resident Voice Index™ report contains even more disturbing results than those we collected in early 2022 for the ‘Surviving but not living’ report. We were shocked by the rapid decline in household financial circumstances over such a short amount of time and concerned for the future, especially with winter approaching.

The Resident Voice Index™ project is designed to collect data on the requirements, feelings and perceptions of social housing residents and communicate these to the broader audience who may be able to make a difference. More information on the project ethos and principles is available in previous publications².

The gathering momentum of this initiative and adoption by housing providers, for which we are very grateful, has meant that we had record numbers of respondents for this fourth survey. Thanks to the 5,719 UK social housing residents who gave us, on average, just under 5 minutes of their time to give us their opinions and accounts of their experiences.

We hope that the findings and recommendations of this report, along with those of our new Community Action Plans can be used at all levels to help provide some insight that can be used to alleviate some of the pressures that so many are under.

Doug Sarney
Solutions Principal & Project Lead
November 2022

Executive summary

The findings from the Resident Voice Index™ ‘Surviving but not living’ report made it clear that there was still a need to explore the experience of the cost of living crisis for social housing residents in order to provide insights that might enable support from those in a position to deliver it. To follow on from the spring results, we chose to explore household debt further, as well as the continuing emotional impacts of the crisis, and to measure elements of household financial resilience.

In May 2022, we wrote of unstable and uncertain times across the globe and in the UK, citing energy price caps, the invasion of Ukraine and rising taxes as factors that shrunk household incomes. Now in November, the chaos that reigned earlier this year feels, in hindsight, like a more stable time for the UK in the wake of the extraordinary upheaval of the previous months and what's forecast for the coming years. In that time, we have seen three Prime Ministers, a revolving door of cabinet members, four Housing Ministers, the pound crash, the monarch change, and we have made our first steps into recession. The outlook, for now, is unsettled.

From the over 5,700 people who answered this Cost of Living: Crunch Time survey, the findings unveil a myriad of ongoing pressures and tell of the limited and dwindling resources, both material and emotional at hand to weather them. Incomes and state assistance are falling short in keeping households afloat. Devastating impacts were reported, particularly for the most vulnerable in society. Many respondents shared their despair at the widening gap between need and means, where the basics for some are getting further out of reach.

"Milk, I cannot even afford milk."
Survey respondent

Key findings:

- 7 in 10 (69%) reported that they were worse off financially than they were 6 months ago
- Nearly 8 in 10 (78%) were worried all or most of the time about meeting monthly living expenses, a 10% increase on spring 2022
- 8 in 10 reported being in debt
- A third of all respondents weren't managing their debt
- 73% would not be able to cope with an unexpected household expense
- Almost one quarter (24%) of respondents were already in energy bill arrears
- 15% reported being in rent arrears

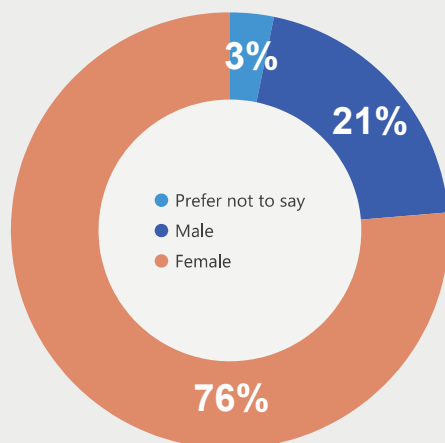
Many of the key findings represent a worsening financial picture for households. The numbers show that debt is entrenched in everyday life and that the ability to manage it is being eroded. For many, any deviation from carefully budgeted everyday spending could tip them into crisis.

For the first time since the Resident Voice Index™ project began, we received multiple responses which alluded to respondents' fears of losing their home because of the unmanageable rise in the cost of living. The responsibility of addressing this will inevitably fall on local authorities and charities, already at the limits of their capacity.

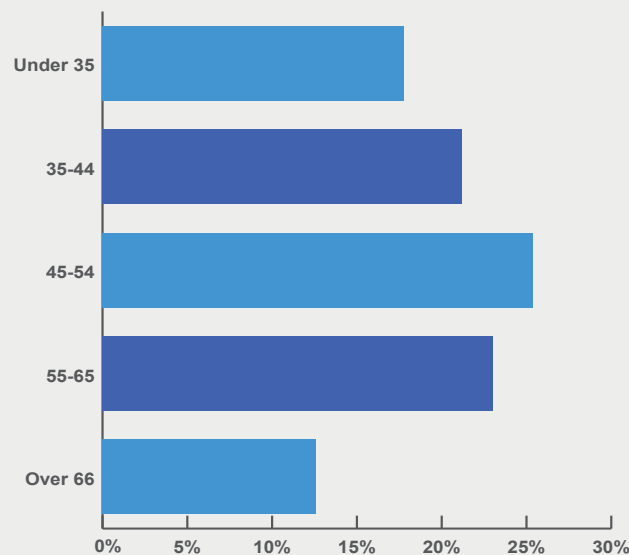
With uncertainty seeming to be the only constant at present and in the absence of wide-scale action to plug the multiple holes in the ship's hull, these findings are directed to those who are doing the work now and have the resources to alleviate some of these pressures in their communities. For housing providers, service providers, third sector organisations and community groups working tirelessly, we hope that they will be able to utilise these findings and the testimonies given by residents as evidence to deliver new initiatives and to target support where it is most needed.

Who took the survey?

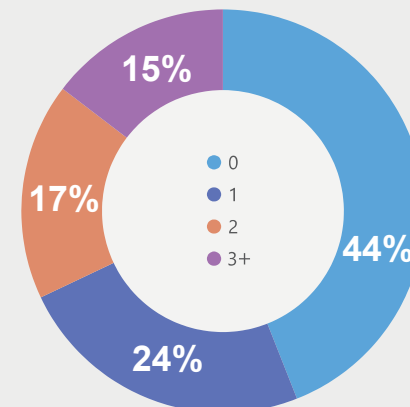
Respondents' gender



Respondents' age

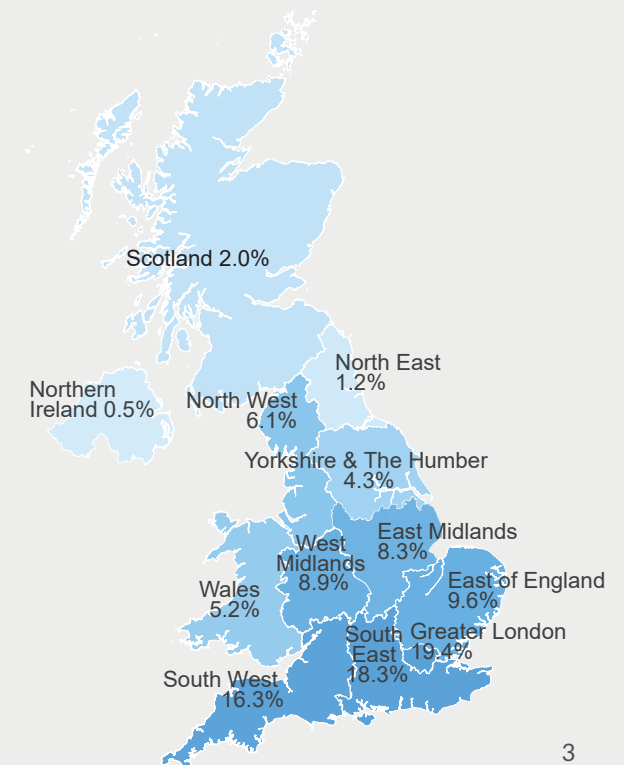


Number of dependants



Region

There were no significant regional differences found across all the measures in the survey indicating a shared level of experience by respondents across the UK.



Debt

In the Resident Voice Index™ ‘Surviving but not living’ report³ we uncovered a debt time bomb; in spring 2022 over half of respondents (53%) had used credit or buy-now-pay-later services to cover their household’s essential needs. A further 20% said that though they hadn’t, they had considered it.

This ticking time bomb spurred us to investigate experiences of debt amongst social housing residents, asking how they felt they were coping with debt, if they had it, the sources of debt they had and their feelings around it.

Debt was on the mind even before respondents saw questions about it – worry about debt presented itself early in free-text answers. Levels were high, with 8 in 10 of all respondents having debt. By informal extrapolation to the number of homes at social rent, this could represent approximately 3.2 million UK households. Of those with debt, 28% had four or more sources of debt, while 10% had 6 or more sources. In free-text answers, some respondents alluded to being indebted on a large scale, into five figure sums, which was having crippling effects on their wellbeing and quality of life.

“I’ve been in severe debt in the past and worry my mental health will suffer again and becoming homeless again.”
Survey respondent

“I’m not coping, I’m constantly breaking down and having to choose which bills I pay.”
Survey respondent

“I go without food to cover the debt.”
Survey respondent

Reports⁴ from November 2022 show a decrease in household spending alongside an increase in saving, attributed to people preparing for the UK economic situation to worsen. For households without that ability to tighten their belts any further, having possibly already lived in such circumstances for many years, the only place to turn may be to lenders. A debt crisis looms over households in the UK, set to have deep ramifications for the economy, families, health and communities.

Resident debt has always been an existential threat for housing providers. With household debt increasing rapidly and the cost of living crisis worsening, some residents will be faced with getting deeper into debt to manage the rising costs.

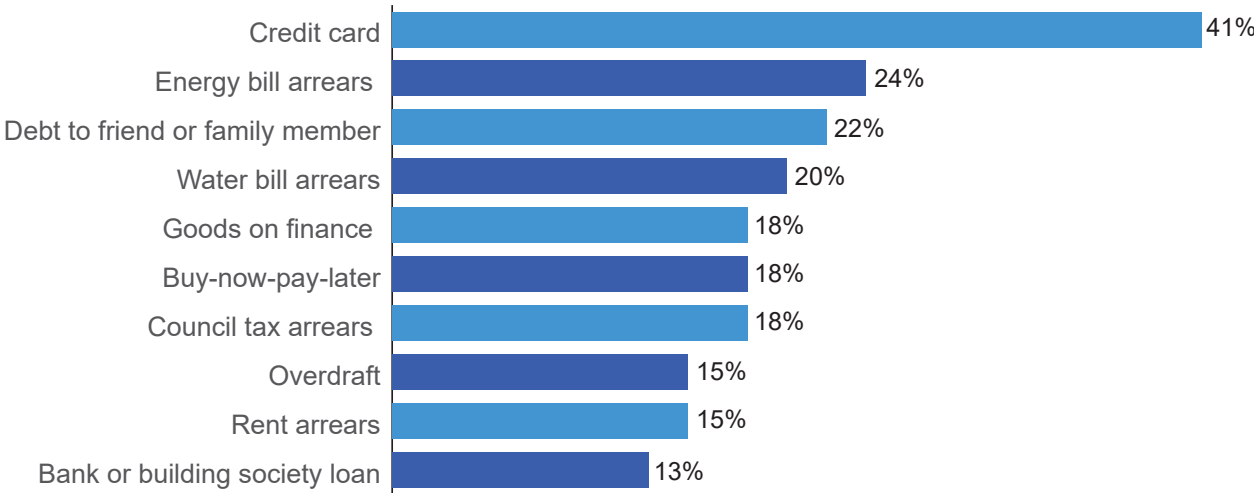


Sources of debt

To understand the debt landscape for social housing residents, we asked respondents to select all the sources of debt they had out of a list of 22 (including ‘No debt’ and ‘Other’). Credit card debt was by far the most prevalent, with 41% selecting it. Rent arrears featured in the top ten sources of debt, with 15% reporting being behind on payments. A quarter (24%) of respondents were already in energy bill arrears – particularly concerning, as almost all respondents (97%) took the survey before the introduction of the October 2022 energy price cap hikes.

“I can’t use any less fuel than I already do. On Universal Credit, I can’t afford the £100 a month now, £180pm in October, then increasing in cold weather. I will be in debt.”
Survey respondent

Top ten sources of debt



Data⁵ from Ofgem gathered in late October 2022 estimated that more than 2 million households were already in debt on electricity bills, representing over 8% of the UK’s households. The much higher rate of social housing residents reporting energy arrears in the survey should be a deep cause for concern.

The picture of domestic utilities debt became richer when we analysed common debt pairings. Energy bill arrears and water bill arrears was the most common combination of debt sources – despite credit cards overwhelmingly being the most prevalent form of debt that respondents selected.

Debt to friends and families represented the third most prevalent source of debt. Unofficial means of borrowing may represent a hidden debt crisis putting households under pressure. Other unofficial sources of debt and lending do not score highly, however outside evidence suggests that this is growing at an alarming rate⁶ as financial worries worsen. According to the Centre for Social Justice⁶, the most common reason people used loan sharks was everyday living costs.

“My money just covers bills, I have to borrow money from my daughter for food each month.”
Survey respondent

In the ‘Other’ category for sources of debt, Individual Voluntary Arrangements (IVAs) were a common input from respondents. These agreements between lenders and a person in debt consolidate what’s owed into one monthly payment over five years. It is estimated⁶ that one in four IVAs fail, however for some respondents there was evidence that they had been useful tools to help manage the debt they have.

For some, debt is to be avoided at all costs, regardless of the consequences. These answers intimate that for some of those who reported having no debt, it may not necessarily mean that those households are not struggling.

“I’d rather starve than get into debt.”
Survey respondent

“Despite our having no debt and managing our money well, we still remain in poverty.”
Survey respondent



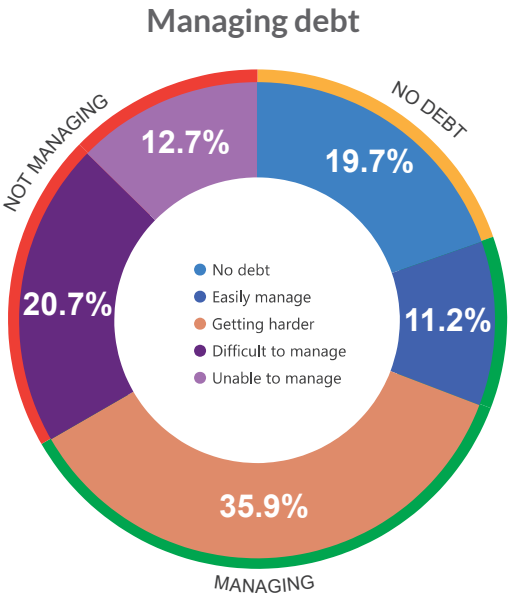
Managing debt?

To understand the levels of debt amongst respondents and how people believed they were managing it at the time, we asked survey takers to choose a statement that best described their ability to manage their debt (including the option of ‘No debt’). One third of respondents (33%) were having difficulty or reported being unable to manage their debt.

Almost half (47%) were labelled as ‘managing’ their debt. However, a majority (36%) of those chose the option: ‘I have debt that I can manage, but it’s getting harder’. This could signal that the current economic crisis is pushing a great number of households that have, up until now, been managing financially into real hardship due to debt. This represents an incoming at-risk group for housing providers.

“Currently doing ok and have a plan. But with the costs all going up I am getting worried about my future.”
Survey respondent

“Paddling like a duck. I look like I’m coping, but underneath I’m struggling.”
Survey respondent



Ability to manage debt and levels of worry appear to be closely related. Almost all (95%) of those who weren’t managing their debt reported being worried all or most of the time about meeting monthly living expenses. This compares with a much lower 69% amongst those who were coping with their debt. Both numbers are very high and the overall score for this high-level worry was 78% across all respondents.

“I’m completely overwhelmed with the thought of the gas and electric costs going through the roof.”
Survey respondent

“I’m more depressed than ever because I’m worrying about my debt which I can’t afford to pay and I have creditors calling me all the time and so afraid to answer my phone.”
Survey respondent

“I’m burying my head in the sand”

A theme from answers for coping with debt was that some respondents were ignoring the debt they had and hoping it went away, a tactic that has been linked to poor mental health⁷. The data showed that those who were not coping with their debt were much less likely to feel they could turn to someone in their community for advice about the cost of living crisis.

It is estimated that across the UK around £8.5 billion of debt is being hidden from people’s friends and families. Half⁸ of those who reach out to debt charity, StepChange are thought to wait a year or more before accessing help. For social housing providers this represents a silent element of their resident population that could be headed for, or already in, unmanageable debt.

“Try and forget about it. Which I know I shouldn’t be doing.”
Survey respondent

“I’m not [coping with my debt], letters and calls get avoided due to my anxiety, trying to tread water and failing.”
Survey respondent

Coping with debt

There were a good number of responses that described taking action to address debt and avoid situations worsening. Those who were managing their debt were 8 times more likely to be in a low-level state of worry than those who were not (17% vs 2%), although we note that these numbers are small. Across all respondents, just 12% were labelled as being ‘low-level worriers’; a keen inspiration for debt management to be championed by social housing providers.

“My partner has been working with StepChange - reducing his debt payments with their help will make my smaller ones even easier to manage and quicker to pay off.”
Survey respondent

“Paying small amounts each month to pay off, just going to take longer to pay off that’s all.”
Survey respondent

“I have communicated to all companies and reduced repayments as much as possible.”
Survey respondent

“I was in a lot of debt before but have managed to pay off this debt with the help of PayPlan who arranged a 6-year repayment plan with my creditors. I no longer entertain credit for anything and although I now have another credit card, I use this only to improve my score and pay off everything in full every month.”
Survey respondent

“I have been in touch with Citizens Advice and got things sorted.”
Survey respondent

Shame & stigma

During focus groups held with residents before the survey launched, discussions centred around, “debt becoming something of the norm, a fact of life.” With 8 in 10 survey takers reporting being in debt, this rings true and is a good reason to lift the lid on the shame and stigma some may feel for being in debt.

When respondents spoke about how they were coping with their debt, there were many answers that illustrated feelings of shame and in some circumstances, this appeared to be obstructing them from seeking the help they might need. Links have long been found⁹ between the experience of stigma and it hindering people’s access¹⁰ to the services they are entitled to.

“Ashamed of the situation I am in.”
Survey respondent

“Some religious communities have posted on newsletters that if people need help to come forward. However, it is very humiliating to ask, show and justify all expenditures and also accept things.”
Survey respondent

Feelings of shame about one’s debt have been shown¹¹ to exacerbate financial hardship and potentially lead to further financially destructive behaviours. Action could be taken by housing providers to normalise talking about debt and share that having it is, “the norm, a fact of life”, rather than an exception.

Case study Joined-up working: Barnet Homes & Fair for You

Survey data showed that working to manage debt with residents could reduce levels of worry by more than 20%. The organisation, ‘Responsible Finance’ advocates for housing providers to form partnerships with financial institutions¹² that focus on community development to support residents with debt reduction and financial resilience.

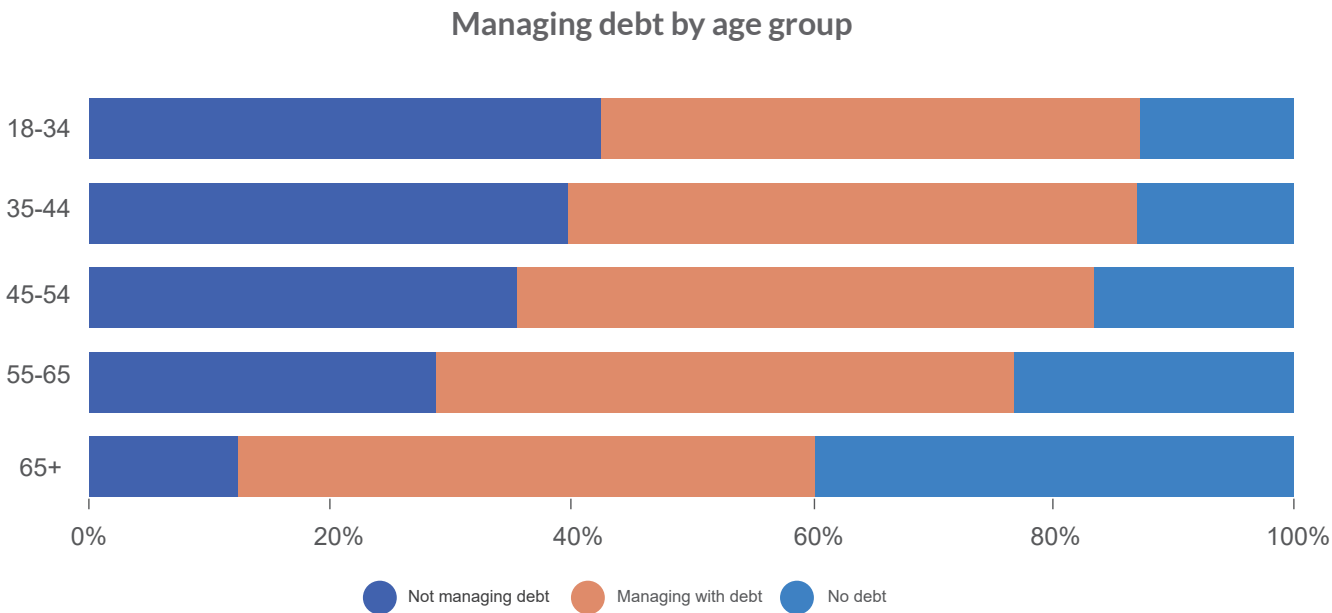
Barnet Homes has promoted Fair for You¹³ to their residents. This not-for-profit initiative provides affordable loans for household items and considers applications from people with poor credit histories. Over half¹⁴ (60%) of service users are single parents and around two thirds are entirely reliant on benefits for their income.

Fair For You has helped 71%¹⁴ of its customers move away from high-cost credit, resulting in savings of nearly £9 million for their borrowers and 6 in 10 have reported that they are better able to pay their household bills because of using Fair for You. Barnet Homes’ recommendation of the service illustrates how housing providers can identify and promote community-based financial institutions to diversify their support and take an active role in resident debt reduction.

Age & debt

Reports of having debt rose in younger respondents, with approaching 9 in 10 (87%) under 35s having debt – that lowered as respondents got older. Figures from ONS¹⁵ representing all households in the UK shared this trend. Importantly though, in September 2022 they reported that all age groups were borrowing more.

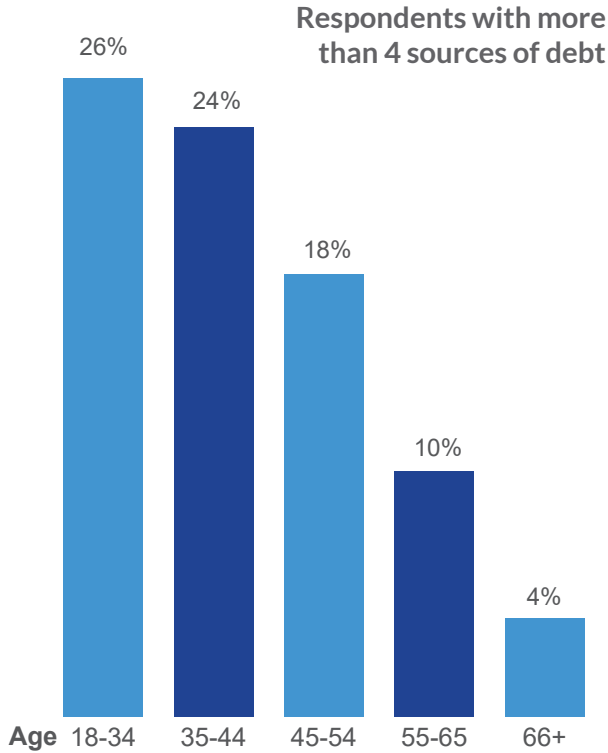
The proportion of those who had debt and were managing was almost identical across all age brackets – this could indicate that when it comes to age, the important factor is the presence or absence of debt. As mentioned before, but worth repeating, the absence of debt does not mean that a person is managing financially or that managing daily expenses is not a struggle.



Those of pensionable age fared better than any other age group. With 4 in 10 reporting having no debt, they were over three times more likely to be free of debt than under 35s. Additionally, they were more likely to have selected ‘No debt’ than any of the other 21 sources of debt in the list.

However, levels of debt were still high for those of pensionable age at 60%, with one fifth of those unable to manage it. For these households, the damage of debt could be more acute because the options, ability and time to address their debt become limited as opportunities to earn diminish.

The Children’s Society¹⁶ have brought together studies that link households that have multiple sources of debt with lower family wellbeing and higher instances of mental health disorders. In this survey, a quarter of 18–44-year-olds reported having four or more sources of debt. This number halves when looking at those approaching pensionable age (55–66) and only 4% of people of pensionable age (66+) were in the same situation.



Dependants & debt

Respondents with fewer dependants were more likely not to have any debt. Only 12% of those with 3 or more dependants had no debt; for those without dependants that amount more than doubled (26%).

“I’m not [coping with my debt]. I’m going without food to feed my children. Thinking of selling my car, but then I won’t be able to get my child to school.”
Survey respondent

“I am doing the best I can. I stick to budgets, cook in bulk batches to save energy. I have a debt relief order to help with the debts I am unable to pay. I buy clothes and household items second hand. I cut mine and my kids’ hair myself. I rarely ever go out unless it is somewhere very cheap or free.”
Survey respondent

For those with financial dependants, the likelihood of slipping into deeper debt appears more likely¹⁷ as the cost of living crisis deepens.

Last word

The long-term impacts of rising levels of debt, which tie the hands of citizens, causes elevated levels of worry and physical and mental health effects, all of which are well-documented. The burden on public services increases as a result of this and this load prevails as household debt increases.

Alongside the very real consequences experienced by residents, housing providers stand to suffer too, with this debt risk putting frontline services already under strain and organisational resilience at risk. Channel 4 Dispatches⁶ reported that, from 2019 to 2022, the average time to pay back debt had risen from 39 to 190 years. It is clearly in the interests of housing providers to support residents as they attempt to tackle their rising debt.



Families on the edge

Amongst all respondents with financial dependants, 85% were worried all or most of the time about being able to meet monthly living expenses, compared with 69% of those without them. Whilst we anticipated that there would be higher levels of worry in those with dependants, this extremely high level is shocking and indicates that many households are living at the edges of their limits.

In August, when surveying began, former UK Prime Minister, Gordon Brown brought dire warnings of what families could be facing this winter.

“The reality is grim and undeniable: a financial timebomb will explode for families in October as a second round of fuel price rises in six months sends shock waves through every household and pushes millions over the edge.”

Gordon Brown, August 2022¹⁸

With this ‘financial timebomb’ projected to hit immediately after surveying, it is concerning that those with dependants were already less likely to be able to cope with an unexpected expense than those without (17% vs 12%). Whilst this data relates to those living in social housing, our findings are being reflected, albeit not as drastically, across the population as a whole. September 2022 data from ONS¹⁹ indicated that a third of parents when surveyed, said that they were unable to afford an unexpected expense, compared with around a quarter of non-parents.

“My children are disabled, my youngest is at home, no school, age 11. I can't work due to this, husband does but not enough money... [direct debit] went from 100 a month to 200 and we are in debt with gas. They want 900 a month.”

Survey respondent

“We will definitely fall behind on bills, our children won't be getting a Christmas this year and our newborn is my biggest worry in all this - we will have to rely on food banks.”

Survey respondent

Deadline to Breadline, a recent study from Legal & General found²⁰ that the average UK working household would be only 19 days from financial crisis if they were to lose their jobs. A ‘financial crisis’ can mean many things, but for some respondents to the Cost of Living: Crunch Time survey, this manifested as a fear of losing their home as a result of the unmanageable rise in the cost of living.

“Are we going to be able to keep my home?”

Survey respondent

“Could be homeless, me and my family.”

Survey respondent

This fear is not unfounded. Research by Dispatches²¹ found that the number of families who are homeless or at imminent risk of homelessness had gone up by more than 23% in the last 12 months. If the cost of living continues to rise at a rate that cannot be absorbed by households, then there is a chance that a homelessness emergency will be waiting on the other side of our current crisis.

The dependants dip

	WITHOUT DEPENDANTS	WITH DEPENDANTS
High level worry	69%	85%
Not managing debt	25%	40%
Worse off than 6 months ago	64%	72%
Not financially resilient	67%	79%
Couldn't go to someone	66%	75%

Respondents to the survey that had financial dependants fared the worst across all measures. They were the most worried, the least able to manage their debt, the least able to cope with an unexpected expense and sadly, the least likely to feel they could go to somebody in their neighbourhood for advice about the cost of living.

Of those without dependants, 26% reported having no debt compared with 15% amongst those with them. For those without dependants, ‘I have no debt’ was the second most common source of debt chosen but for those with dependants it didn’t even make the top ten.

Childcare was cited by many respondents as a source of financial worry or a barrier to earning more. Analysis²² has recently shown that childcare for under-tuos in England costs almost two thirds of a parent’s weekly take-home pay.

“I no longer work, cannot afford to work to pay childcare costs and keep up with the increase of bills and food.”

Survey respondent

Those with dependants were also more likely to have utility bill debt than those without. Water bills and energy bills were the most prevalent pair of debt sources for those with dependants, while for those without dependants that dropped to the third most prevalent. This signals an extremely worrying basis for families approaching a winter of rising energy and food bills.

“I have to choose between electric or eating. I skip most meals everyday so that my child can eat.”

Survey respondent

Having dependants also made a small difference across gender; 86% of females with dependants had debt compared with 80% of males in the same situation, suggesting that women are slightly more likely to take on debt if they have financial dependants.

New research²³ from Work Foundation’s UK Insecure Work Index showed that working mothers with young children are almost 3 times more likely than fathers to experience severely insecure work, which could go some way to explaining their increased likelihood to take on debt. Additionally, the UK has the third worst ranking²⁴ maternity pay in Europe and mothers face a pay penalty of 45% lower earnings²⁴ in the 6 years after giving birth.

“On maternity leave and earning £200 less a month but still having to pay all the bills and rent and provide for my son and family.”

Survey respondent



The two-child benefit limit

The two-child limit introduced in 2017 aimed to reduce the benefits dependency of some families. The policy means that families do not receive extra child benefit after their second, for any child born after 2017. This policy has pushed more families into poverty²⁵.



Survey results showed that those with 3 or more dependants were more likely to be struggling to manage their debt than those with only 2 (45% vs 37%). They were also more likely to be worrying all or most of the time than those with 2 dependants (88% vs 83%). Some survey respondents named the two-child limit as contributing to their financial worry.

"It's unfair that the government stopped helping after the second child. Especially for people who are not able to work due to ill health."

Survey respondent



Impossible choices

In the Resident Voice Index™ 'Surviving but not Living' report³ that surveyed from March-May 2022, we witnessed concerning reports from many parents who were skipping meals so that their children could eat. Six months later, these latest results suggest that this option is no longer there for some parents and that their children are also now having to go without the essentials.

"I worry about not being able to feed me and my child after paying all the bills."

Survey respondent

"Fear that we can no longer afford food."

Survey respondent

UNICEF²⁶ defines child poverty as those, "who experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive." In 2020-21 there were 3.9 million²⁷ children, or 27% of children in the UK living in poverty. In the North East, this proportion rises to 38%²⁸.

For respondents to this survey, almost three quarters (73%) of those with dependants said that they were worse off than 6 months ago. Given this, we can only expect that as the cost of living crisis deepens, more children will be pushed into child poverty and more parents will be facing these impossible choices.

"Worry I'll lose my kids if I can't afford to keep them warm, fed, clothed and clean."

Survey respondent

"I can't feed my family or keep them warm."

Survey respondent

As it currently stands in the UK, only children in households that are on Universal Credit or Jobseeker's Allowance and have an annual income of no more than £7,400 are eligible for free school meals²⁹. Given the sharp rise in living costs, this low threshold may no longer be fit for purpose, leaving more children at risk of not being able to eat as their parents struggle to balance the increase in cost of utilities with that of food.

"Just trying to make a way for me and my children to survive even though I work full time."

Survey respondent

"There are some council schemes for vouchers and free school meals but because I earn 8k as a single parent I qualify for none of these."

Survey respondent



Single parenthood

Single-parent households are among those most vulnerable to the effects of the cost of living crisis, with a savings pot 20 times smaller than the UK average³⁰ - 75%³¹ of these households have less than £1,500 to fall back on.

"As a single mum of two I'm constantly under pressure to make ends meet... and right now that's damn near impossible."

Survey respondent

"I'm a single mum so I have to provide everything for the children and paying for childcare whilst I go to work contributes to expenses but I have no choice but to pay for childcare."

Survey respondent

"Stress, anxiety. Having to work 6 days a week as a single mum."

Survey respondent

Throughout free-text responses, single parenthood was mentioned frequently as a particular form of worry, with most referring to themselves as 'mothers' or 'mums'. This tallies with the national picture of single parenthood, where 90%³² of single parents are women. According to research by Slater & Gordon, 39%³³ of single mothers take out loans or rely on credit cards to make up for lack of income, a burden which is likely to only add to levels of worry¹⁷ for their family's security.

"I'm a single disabled mum of three children, middle being autistic so requires a lot of extra care. I've limited income and my youngest two children have food allergies so food doesn't come cheap, as 'free from' items are extortionate. The added worry of rising bills keeps me awake at night, my anxiety is sky high and to make money go further I skip meals so I know kids have plenty."

Survey respondent

In 2020-21, 49%²⁷ of children in single parent households were in poverty. According to the Office for National Statistics' Living Cost and Food Survey³⁴, single-parent households in Wales were already spending almost all of their disposable income on household essentials in March 2021, six months before the real impacts of the cost of living crisis hit. The average cost of these essentials is £356.80 a week, which works out as 87% of the average disposable income for single-parent households, leaving just £57.40 spare each week.



School uniform swaps

When asked about community actions that residents were aware of that are being taken to ease some of the impacts of the cost of living crisis, one of the popular suggestions was school uniform swaps.

These schemes provide an opportunity for parents to access free or cheap items that their children need and at the same time, donate items that they may have grown out of or are no longer required.

Research by the Children's Society in 2020³⁵ found that on average, school uniforms cost £337 per year for a child in secondary education and £315 for a child in primary education - a high bar for many families.

Last word

This data and so many other sources signal an extremely concerning picture for social housing residents across the UK, but when looking at households with dependants, that image darkens considerably. A society is judged by its ability to look after its most vulnerable; safeguarding children must be a priority or we will all be responsible for failing them.



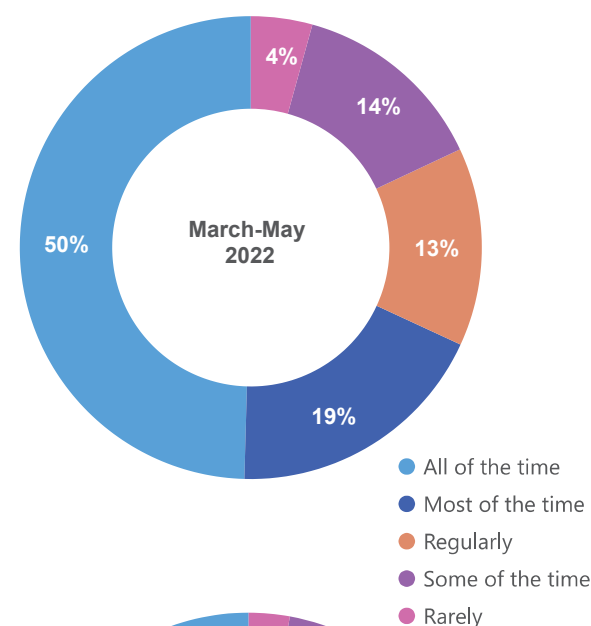
“Stuck between a rock and a hard place”

Throughout free-text answers, many respondents expressed a feeling of ‘chasing their tail’, an overwhelming sense that every decision made to alleviate one pressure would lead to a greater strain from another source. For many, there appeared to be no right decisions anymore.

“I feel like no matter how hard I work security slips ever further away and I have no control over the direction my life is taking.”
Survey respondent

A perceived lack of agency over circumstances has been shown³⁶ to increase stress levels. In this survey, levels of worrying all or most of the time about being able to meet normal monthly living expenses had increased to 78% from 68% in the 6 months since our first Cost of Living survey (March-May 2022). This rose to a disturbing 87% in the under-35s.

How often do you worry about being able to meet monthly living expenses?



The proportion of people worrying ‘All of the time’ rose from 51% to 59% in the same period. These levels of stress-inducing worry are unsustainable, both for the individuals experiencing them and for society. In 2019, stress-related illness was found³⁷ to be the biggest health expenditure in the UK annually, costing the NHS over £11 billion.

When asked, ‘What contributes to any feelings of financial worry that you may have?’, many people named multiple sources of worry or ‘everything’, displaying long-standing distress amongst a system that does not allow them to start afresh.

“How do I decide what is the most important? Do I decide not to pay my rent and risk losing my home? Or not pay my bills and get into trouble there? Or not buy the food I need to keep myself healthy and risk hospitalisation? I feel stuck between a rock and a hard place already and it seems things are only going to get worse.”
Survey respondent

“Sometimes I worry as no matter how hard I work to improve things for my family I’m just like a hamster on a wheel.”
Survey respondent

The worsening financial situation facing low-paid workers is also significantly impacting their quality of life, according to Living Wage Foundation³⁸. The organisation states that more than two thirds of low-paid workers report high levels of anxiety. Adding to this was the fear for some of losing their job or of insecure working hours.

“Not having secure employment - currently only a zero hours contract - and not knowing how the cost of living rise is going to impact me and my family.”
Survey respondent

“Just keeping our heads above water at the moment but can drown very quickly if things go any higher and income reduces anymore.”
Survey respondent



Media

Respondents consistently cited ‘the media’, be it traditional, broadcast, digital or social as contributing to their financial worries.

“We are forever hearing that it’s a crisis and should be worried.”
Survey respondent

The nature of our lives now, where news can be accessed through every outlet that we have to the outside world, means that this content can feel all-pervading; for many respondents, there was no escaping this cycle of negativity.

“Even if you get a ten-minute break from worrying you’re bound to hear or see something on a media platform that brings you back to the hard reality.”
Survey respondent

A study by Harvard and the Huffington Post³⁹ showed that those experiencing three minutes of negative news in the morning were 27% more likely to report having a bad day compared to 88% of people who reported having a good day if they watched positive and solutions-focused news.

For housing providers, sharing helpful news with residents and communicating information about the support that’s out there could go some way to balancing the all-consuming effects of negative news cycles.

Not adding up

Recent data showed⁴⁰ that a fifth of UK households now have an average shortfall of £60 a week between earnings and what’s needed to cover essentials, such as energy bills, rent, transport and food. The rising cost of living is leaving people with the lowest amount of spare money in almost five years⁴¹.

“I live in what’s called ‘affordable social housing’ my rent is £1,130. My wage as a full-time teaching assistant is £1,130. I’m stuck in a benefit trap. I have debts that I can’t pay already and I’m just going to end up in more debt. It’s soul destroying.”
Survey respondent

“Wages not matching the increase. Childcare costs are a massive one; I no longer work, cannot afford to work to pay childcare costs and keep up with the increase of bills and food.”
Survey respondent

The futility of going to work with young children to look after came up time and again. With the second most expensive childcare system in the world²⁴, parents across the UK are feeling priced out of a return to work.

Robbing Peter to pay Paul

In August this year and in anticipation of increasing energy bills, more than 1 in 8 UK households⁴² were reported to be in fear that there was nothing left to cut in order to absorb these rises. With limited capacity to increase earnings enough to cover the rising cost of essentials, many respondents had been left “robbing Peter to pay Paul” in order to get through the month’s expenditures.

When asked how they felt they were coping with their debt situation, survey takers expressed dismay at the impossible choices they were having to make around which bills to pay.

“Bill bingo. I pay the must-pay bills like rent, gas, electric, food and fuel. Then I play bill bingo to see who else gets paid that month. Petrified that I’ll be in court soon.”
Survey respondent

“The uncertainty of energy costs. I am a PAYG customer and therefore consumption can vary on many levels. It is very difficult to budget although I do my best but there are times, I have to ‘rob Peter to pay Paul’ which then knocks my budget out.”
Survey respondent

“I’m stuck”

Further frustrations were expressed from respondents whose attempts at making their situation more sustainable were not proving enough to increase their quality of life or move forward.

“I’m stuck, I can’t afford to advance my career which requires investment. I’m in a dead-end job, it’s time served and I’m a graduate, but the sector is being eroded. I don’t feel I have job security and bills just get higher every month.”
Survey respondent

“Becoming a student again to better my career but not being able to live off student loan.”
Survey respondent

“I am working part time self-employed, building a new business and still relying on Universal Credit to top up my income. Money doesn’t seem to stretch far enough and I am now in debt with the electric by nearly £800. I am single and live alone.”
Survey respondent

Answers implied that any changes that respondents had tried to make to improve on their current situation were proving either ineffective in the battle against the rising cost of living or were actively worsening their immediate circumstances. There was no winning.

Finding the right support

Survey respondents frequently suggested that financial help was only available to those who were not in work. When asked, ‘What actions within your community do you know of that are helping to ease some of the impacts of the cost-of-living crisis?’, many of the answers highlighted the lack of information about financial advice that is readily available.

“Not on benefits and therefore assume no help is available at all – even advice or community support.”

Survey respondent

Answers across the survey showed an emerging theme of not knowing how to access financial help and not believing that there was access to it if employed. The Resident Voice Index™ ‘Surviving but not Living’ report³ from early 2022, found that 56% of people did not know that help or support would be available to them if they faced a financial struggle.

“I don’t think I am able to ask for help because we all work, I don’t claim benefits, and my debt is small.”

Survey respondent

Lack of awareness is a major barrier to people accessing support, along with the stigma felt by some about asking for help. Sometimes called ‘anchor organisations’, housing providers are often one of the main communicators with communities. Signposting residents to appropriate sources of support if they are struggling financially will ensure that households have access to greater financial security as they continue to weather the cost of living crisis.

Case study
Lightning Reach

The Lightning Reach portal⁴³ connects individuals with the financial assistance for which they are eligible. The portal is secure, free to use and enables anyone seeking financial help to quickly find and apply for it, regardless of their individual circumstances.

The portal currently has over 20,000 users registered and has facilitated over £1.5 million in grant funding to individuals with trusted partners, such as the Royal British Legion. It has the potential to transform the way that people access sources of financial support, many of which are currently under-used.

Significantly, schemes such as these give housing providers a means to take a more active role as care providers within communities.

“Having seen how confusing and stressful it can be to get the support needed, we aim to hugely simplify and streamline the process so people can get the help they need, at the time they need it.”

Ren Hooi, Founder and CEO, Lightning Reach

A well faring state?

The current cost of living crisis is preceded by a longer ongoing condition of poverty in the UK. Whilst survey responses demonstrate that the situation has declined for the majority, financial struggles are nothing new for many social housing residents. Stagnant incomes and rising outgoings are causing large financial disparities that people simply cannot fill. Expected cuts and tax increases⁴⁴ will only aggravate the situation.

Individuals that cannot work full-time hours or work at all face an uphill climb to meet basic costs and live secure, comfortable lives. Survey results show that the consequences of rising costs are particularly hard for these people and for those who rely on state assistance to top up their income. This includes those with disabilities, caring responsibilities, and older age groups. Respondents who reported struggling with rising costs often felt under-supported by the Government. What this has led us to question is, as a state, are we looking after the welfare of those that need it?

“The ‘bonfire’ of our welfare state, NHS & benefits systems all mean that I and others in similar circumstances are left unable to live like human beings, as even cleaning oneself and one’s home has become unaffordable.”

Survey respondent

Incomes vs energy costs

The table below shows different incomes which may represent the experiences of social housing residents, compared to the latest energy price cap (as of October 2022). The price cap rise has created a scenario whereby individuals could spend substantial amounts of their yearly incomes on energy bills alone.

Income vs. Energy	AVERAGE INCOMES (AS OF OCT 2022)	AVERAGE INCOMES (AS OF APRIL 2023) AFTER RISES IN LINE WITH CPI INFLATION RATE OF 10.1%	YEARLY ENERGY PRICE CAP: £2,500 (AS OF OCT 2022) ⁴⁵ AS PERCENTAGE OF YEARLY INCOME	YEARLY ENERGY PRICE CAP: £3000 (AS OF APRIL 2023) AS PERCENTAGE OF YEARLY INCOME
Year’s worth of Universal Credit (single & under 25) ⁴⁶	£3,184	£3,502	79%	85%
Year’s worth of Universal Credit (single & over 25) ⁴⁶	£4,019	£4,420	62%	67%
Maximum year’s worth of PIP ⁴⁷	£8,159	£8,974	31%	33%
Annual salary on UK minimum wage (over 23, on 37 hours per week) ⁴⁸	£18,278	£20,048	14%	15%
Annual (median) salary on UK average wage ⁴⁹	£25,971	n/a	10%	n/a
Average annual salary for entry-level nurse ⁵⁰	£25,532	n/a	10%	n/a
Year’s worth of Maternity Pay ⁵¹	£6,106	£6,717	41%	44%
Year’s worth of State Pension ⁵²	£9,628	£10,591	26%	28%
Year’s worth of Carer’s Allowance ⁵³	£3,624	£3,986	69%	75%

*Figures in this table are rounded to the nearest whole number

The safety net?

Survey respondents expressed concern that buying the absolute essentials used up the majority or all of their Universal Credit. Choosing between basic living necessities such as “eating or heating” was a common theme in responses.

“How can I afford food or other bills if the gas and electric are going to take most of my Universal Credit? I don’t use lights at home anymore, and got rid of the dishwasher and the dryer. I feel like we are living in the 1940s.”

Survey respondent

Data published earlier this year supports the sentiment amongst respondents of living standards in the UK regressing, with reports that they were set to drop⁵⁴ at the fastest rate since the 1950s. Even though the UK is the world’s 6th largest economy⁵⁵, there was a sense of frustration amongst respondents that the economic system is not working for the less fortunate in society.

“Never in my 67 years have I experienced a situation like this with the rich getting richer and the poor getting poorer.”

Survey respondent

The Government has been warned by campaigners that failing to raise benefits in line with inflation would push many more people into poverty⁵⁶. This would have disproportionate consequences on social housing residents, who represent the housing tenure with the highest levels of poverty⁵⁷. The impact of this could be passed on to housing providers, as their ability to invest in new housing projects and maintain existing homes depends on rent collection.

Disabilities

Free-text responses amongst social housing residents who mentioned disabilities highlight a recurrent concern that disability benefits, such as Personal Independence Payment (PIP) are failing to cover the rising costs of fuel, food and other goods. The scale of this issue should not be underplayed; when respondents were asked about any contributors to feelings of worry, 3.5% of answers made voluntary reference to disability.

Some respondents felt that they may be rejected on their next PIP application despite their medical conditions. Department of Work and Pensions data⁶⁰ shows that less than half of people that claim are successful in securing the disability benefit. Some respondents have already experienced this.

“Disabled, chronic and autoimmune illness, PIP application rejection and the soaring cost of EVERYTHING.”

Survey respondent

Those living with disabilities often face extra challenges which may prevent them from earning adequate income. The most common reason²⁸ for households not participating in the labour market is disability.

There are a multitude of hidden costs associated with certain disabilities. Goods and services such as medical equipment, insurance and heating may put people living with disabilities at a financial disadvantage compared to their peers. It is crucial that the homes of disabled residents are properly maintained to be warm, secure and dry, as health-related issues can be exacerbated if houses do not meet accessibility needs.

“Gas, electric, fuel prices [are up] and there’s 2 disabled people in our house. One has an overnight feeding machine.”

Survey respondent

Survey results show that disabilities are compounding other worries for some social housing residents. Solutions could be aimed at helping housing providers to understand the needs of their residents with disabilities better, so that they can provide effective and personalised support.



Case Study
Hyde Housing,
Universal
Credit Helper

The Hyde Group⁵⁸ has developed a web tool to streamline the Universal Credit application process for their residents. The tool contains a step-by-step guide and is designed to be accessible and data-light. What’s more, the website contains information on how other organisations can create their own version⁵⁹ of it.

Carers in crisis

A year's worth of carers allowance⁵³ is currently just £3,624 in the UK. Carers often face economic exclusion, as their caring responsibilities can take up large amounts of their time. Those with caring responsibilities reported fears about surviving and supporting their family members or care recipients. This has concerning societal implications given that 1 out of 8 UK adults are carers⁶¹ in some capacity.

"I don't work because I am a carer for my disabled child. I also have two other children and I'm worried I will not be able to keep them warm and feed them in the winter months."

Survey respondent

Pensions

Despite being the cohort with the lowest levels of worry, almost 6 in 10 respondents of pensionable age reported being worried all or most of the time about meeting monthly living expenses. The same proportion reported feeling worse off than they did 6 months ago, the lowest rate of any other age group but high, nonetheless.

People of pensionable age may have no options to gain extra income. The safety net that pensions and savings should provide older generations offered little comfort in free-text responses. Some respondents reported returning to work to cope with the rising cost of living, in a time of their lives when they are expected to be enjoying retirement.

"Everything goes up daily and my earnings do not. Also, I am scared that I will not be able to work more than I am now due to aches, pains and general health getting worse now that I am over 60."

Survey respondent



Maternity pay

Several respondents mentioned how statutory maternity pay did not cover the basic costs and contributed to their feelings of worry.

"I am on statutory maternity pay after just having a baby and so we are losing £1,200 a month as it is without the cost of living increasing in the way it is."

Survey respondent

The current basic maternity pay rate⁶² from April 2022 is just 47% of the National Living Wage - far from enough to cover the costs for those with few extra means to gain income, and likely to contribute to other crises in the long-term such as household debt and child poverty.

NHS

Even those in stable work are having to make use of support networks, as their incomes are no longer sufficient to cover basic living expenses. Some respondents spoke of the difficulties they were facing as NHS staff on low levels of pay - their experiences are supported by reports of several NHS Trusts⁶³ that have opened food banks or started food voucher schemes to assist struggling healthcare workers.

"As a nurse my pay does not always meet my outgoings."

Survey respondent

There are wider societal consequences of this crisis, as it has been reported that 70%⁶⁴ of healthcare workers have considered leaving the NHS.

Coming up short

Across the board, social housing residents are experiencing struggles. Available benefits and allowances are often not sufficient to cope with monthly outgoings and are not set to increase in line with the extreme price rises that are currently being felt.

In the absence of an overhaul to the UK's benefits system, communities will continue to find internal mechanisms to help alleviate the financial circumstances of those who are under-served by an inadequate welfare system. However, high levels of worry and reports of many not coping will have physical and mental wellbeing implications that will end up costing the state in other ways.



"What's the point anymore?"

A particularly tough element of the results were contributions that laid bare the heightened difficulties faced by some, with references to thoughts of suicide, being overwhelmed or experiencing insufferable hardship, such as a lack of access to food. In the free-text answers about coping with debt, 2% were labelled by our researchers as 'Extreme', meaning that the response exhibited signs of alarming distress. These types of answers were also seen across other free-text questions.

"I feel that I am going to lose everything."

Survey respondent

"The money is not enough to pay so many bills, but I almost feel that I do not want to continue in this world. I do not see any reason to continue in this way."

Survey respondent

"There's not a minute in the day that I'm not consumed with the thoughts of not having enough money to survive. It's deeply depressing and your self-worth is really non-existent and I work full time."

Survey respondent

Within these most extreme examples, some spoke about how continued economic hardship and uncertainty was causing them to fear for their lives.

"I am frightened I will die this winter due to disability and cold."

Survey respondent

"[Worrying about] How much longer I may live, and do I have enough to manage until then?"

Survey respondent

The estimated negative impacts of this period of time have led The Health Foundation⁶⁵ to name the cost of living crisis as a 'health emergency'.

"[Coping with debt is] very hard, I lose sleep over it, I have lack of appetite, constant headaches, and mood swings."

Survey respondent

"Feels like drowning"

References to sinking and drowning were common amongst 'Extreme' answers. These water-based metaphors continued with responses that were labelled as 'coping', alluding to "staying afloat" or "keeping my head above water".

A sign that for some the worst is yet to come, was exhibited through answers where respondents explained how they had a positive outlook or a good set of tools in their arsenal but were now coming to the ends of their resources. Many people, especially in terms of their ability to cope with debt were expecting a point not too far down the line where they would become submerged.

"I am a physically active person and have always tried to address my diagnosis of anxiety depression through exercise and contact with nature, however, the increased energy costs are really pulling me down."

Survey respondent

Extreme behaviour

For others, the desperation that they felt regarding their finances was leading them to exhibit risky behaviours that may serve to worsen their situation. This type of perilous decision-making, such as gambling, substance abuse or engaging in criminal activity has been linked to income inequality⁶⁶. Given the current economic outlook, these behaviours could be set to increase, with possible negative consequences for individuals, households and wider society.

"I'm gambling to increase my chance of paying off debt and being able to move out of home."

Survey respondent

Last word

It seems unavoidable that more people will fall into these desperate states of mind and circumstances, since forecasts at the time of writing predict even tougher times ahead. Responses that are implemented today could prevent many from these types of feelings and are worth deploying with urgency.



The Resident Voice Index™ score

The Resident Voice Index™ score is calculated for each respondent based on their answers to three key questions in any survey. The purpose of this is to encompass all three key themes of the survey simultaneously and then use these results to give a different lens through which to look at the answers to other questions. At the end of each survey, each respondent scores 0, 1, 2 or 3 points depending on their answers. Analysis is performed to look for common traits of those who score 3 points and use these as aspirational. Conversely, analysis of the responses of those unable to score a point allows us to identify aspects that could be improved for this group. The full mechanism for calculating the index score is explained in more detail in previous Resident Voice Index™ reports⁶⁷.

Index 1. Worry
Index 2. Coping
Index 3. Financial resilience

On this occasion, a point was scored for classifying as a low-level worrier, another for being in a position of managing existing debt (or having none), and a third for agreeing with a statement that they would be able to manage an unexpected household expense.

Analysis

Index score 3

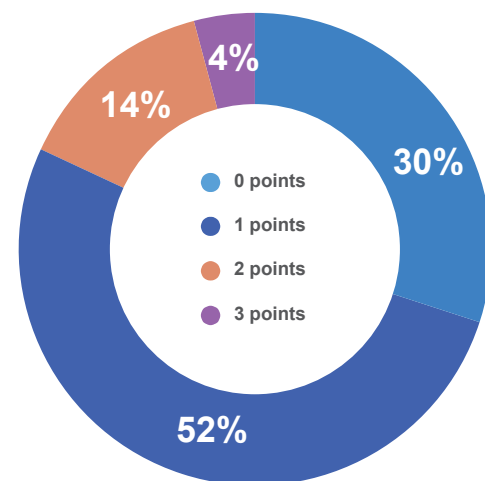
Only 4.2% (241 respondents) scored all 3 index points, meaning that they were experiencing low levels of worry, managing existing debt (or had none), and were financially resilient in that they would be able to cope with an unexpected household expense.

Whilst we accept that this sample size is somewhat small, the Index once again shows that young people under 35 are having the toughest time (only 1.5% of under-35s scored all 3 points compared with 7.5% of those over 55 years old). Put another way, almost two thirds of all those who scored 3 points were in their late fifties or above.

Index score 0

Of all respondents, 30% did not score a point in the index calculation, meaning unfortunately, that they were experiencing elevated levels of worry, were not managing their debt and were not financially resilient. This is the group that we would expect to need the most assistance and in line with previous observations, younger people were more likely to fall into this category. Analysis of the word clouds for contributors to feelings of worry for these people shows a high frequency of the word 'food' in contrast to those scoring 3 points.

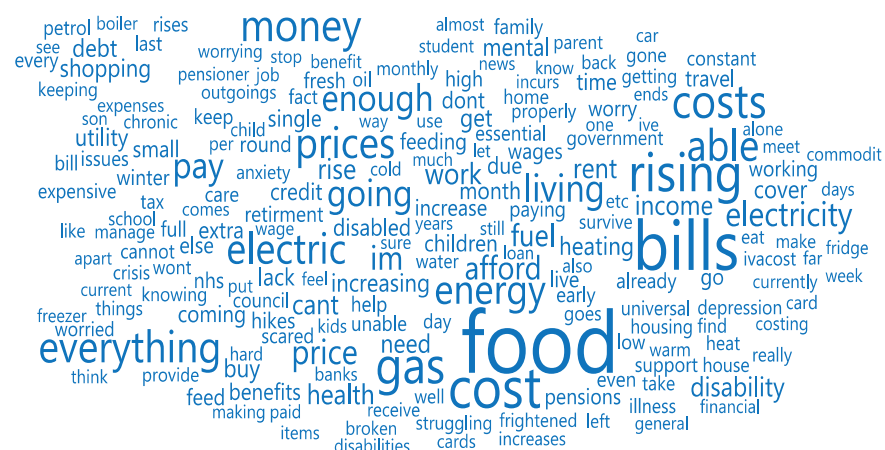
The index score breakdown



Contributors to feelings of financial worry for those with 3 index points



Contributors to feelings of financial worry for those with 0 index points



Better, the same, or worse

Cost of Living: Crunch Time survey respondents were asked to rate their financial situation compared with 6 months ago on a three-point scale: 'Better', 'The same', 'Worse'. An astonishing 69% indicated that their financial situation was worse and only 7% were able to commit to a better situation.

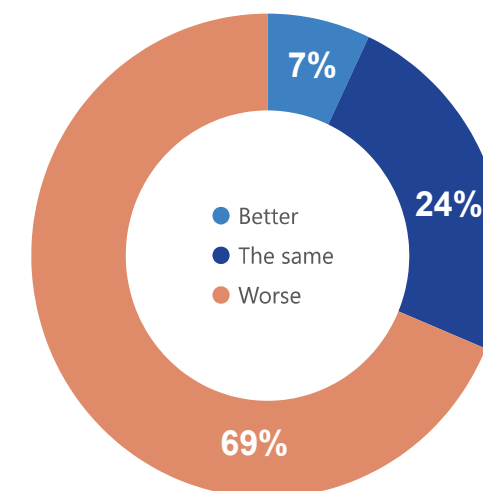
When analysed by age, there were only minor differences across the age groups, except for those of pensionable age. Within that group, there was a much higher prevalence of answering 'The same' (34% vs an average of 23% across the other age brackets) and lower percentages of 'Worse' and 'Better' responses.

This trend goes somewhat against most other Resident Voice Index™ data in that under-35s have usually fared significantly worse than other age groups. It should be reiterated however, that overall levels of 7 in 10 being worse off over such a short period of time is concerning.

In line with other measures, those with financial dependants (regardless of the number) had a significantly higher proportion of respondents declaring they were worse off financially across the last half year. No gender or geographical differences were observed.

With such a high percentage of respondents moving into a worse situation in such a short time, over the coming winter as the effects of domestic energy price rises, hikes in interest rates and rapidly rising inflation bite further, UK social housing residents could be forced into dire situations. At the time of writing, some central government intervention has occurred, but it appears that more is required to prevent catastrophe.

**Compared with 6 months ago,
my financial situation is:**



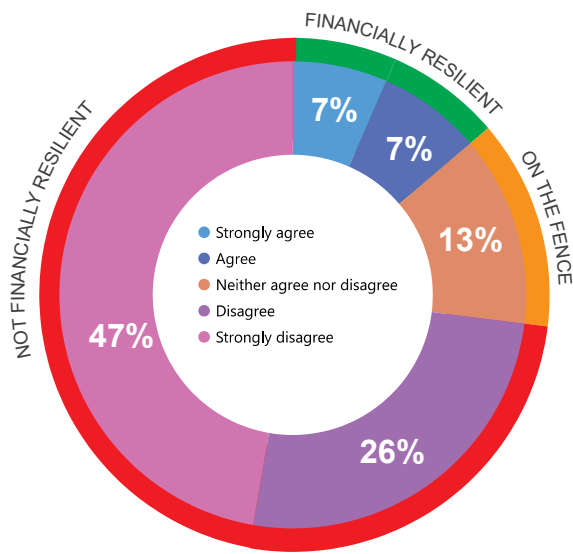
Resilience

The picture for household resilience is sombre; since 2020, the financial resilience of UK households has shrunk by 21%²⁰. The Resident Voice Index™ has explored this topic before⁶⁸, asking about individual resilience in terms of feelings of agency, as well as community resilience. For this survey we asked about respondents’ resilience within society, an area that housing providers often aim to improve⁶⁹.

Unexpected expenses

A common definition of financial resilience is the ability to withstand a financial shock and so this question focused on the ability to deal with an unexpected expense. Those who answered positively were labelled as ‘resilient’, those who answered negatively were labelled as ‘not resilient’ and respondents who picked neither were classified as ‘sitting on the fence.’

My household would be able to manage an unexpected expense



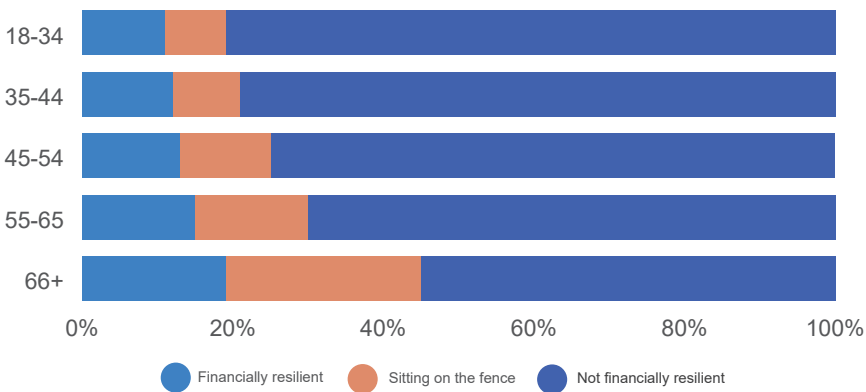
“I’m pretty ok with regards to appliances but dread them becoming faulty although (positive spin) I am sure they will not in the future.”

Survey respondent

Almost three quarters (73%) of respondents felt they would not be able to manage an unexpected cost and just 14% felt that they would manage. Levels of financial resilience by this measure rose as respondents got older. Those of pensionable age had significantly lower numbers of respondents labelled ‘not resilient’, although at over half (55%) it is still a cause for concern.

Those who wouldn’t be able to manage an unexpected household expense were almost twice as likely (40% vs 21%) to be not managing their debt. In 2021, Government statistics⁷⁰ estimated that 83% of households in social tenancies had no financial buffer in the form of savings and investment in comparison with 45% of all UK households. Following the pandemic and before the current cost of living crisis, these numbers, in tandem with those from this survey are evidence of the precarious financial situation many social housing residents may be in.

Financial resilience by age



Agency

Responses that exhibited elements of resilience were often contributions that showed taking control or described action in the face of the situation at hand. They showed the ability to accept things as they were and to imagine getting through it, thereby reducing the amount of fear. Sometimes however, they were tempered with the worry of worsening external factors impacting that resolve.

“I have a plan in place. I speak to the relevant people regularly and, so far, I have managed to keep paying the agreed amounts. I don't know how much longer I will be able to do that.”

Survey respondent

“I am a pensioner and I'm starting back to work at 68 just to give us a better life and clear our debt.”

Survey respondent

“Prices are rising, which we have no control over, but we have to find ways of managing it realistically without being in fear.”

Survey respondent

Case study Many Sisters Project, Southern Housing⁷¹

During the lockdowns of 2020, this project focused on bolstering residents’ financial resilience. Almost 400 women assessed to be in ‘medium need’ rather than immediate financial crisis partook in online workshops for a range of skills such as cooking, money management and empowerment. These acted as a funnel for one-to-one mentoring to encourage positive financial behaviours.

Southern received positive feedback from participants regarding the support, however no evidence was found that the measures improved financial resilience. The assessment of the work discovered a fundamental problem: financial resilience is hard to achieve without increased resources.



“It would not be a realistic expectation of a project like Many Sisters to have made a material difference to increased household income at the scale needed to achieve financial resilience.”

Southern Housing Group

“I have a clear budget and I have done budgeting training. I feel that the budget may be more difficult depending on the energy bills and other expenses.”

Survey respondent

Connected communities

The elements that constitute resilience are not just financial resources or individual character traits; community connections and the social infrastructure that a person has access to are also important. To get a simple measure of this ‘networked resilience’⁷² we asked whether respondents could go to someone in their neighbourhood if they needed advice about the current cost of living crisis.

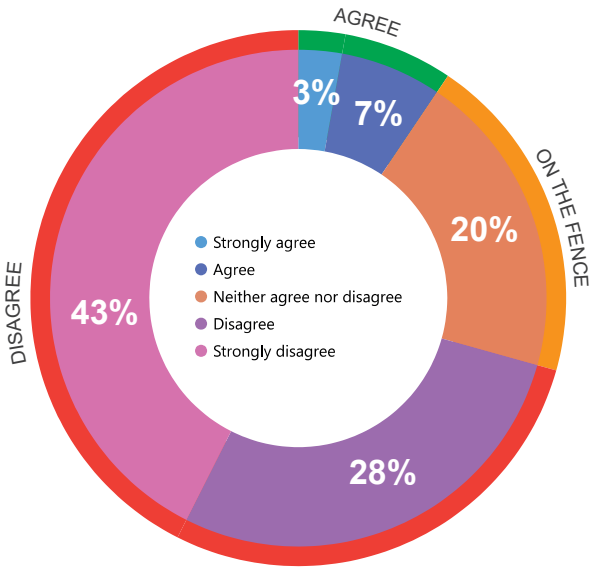
The responses implied that there was a distinct lack of networked resilience; only 9% felt that they could go to someone in their neighbourhood and a substantial 71% could not. Respondents that were labelled ‘financially resilient’ were over 4 times (25% vs 6%) more likely to feel able to go to somebody in their community, which may point to a relationship between individual financial resilience and community resilience that could be worth exploring further.

Moreover, those who could go to someone in their neighbourhood were less likely to be in high levels of worry (69% vs 81%). They were also much more likely to like where they lived (59% vs 35%) than those who reported not having those community links.

“Financial resilience is not just about solving immediate money problems, it’s about supporting people, and building strong, safe and secure communities in which they live.”

Kerry Starling,
Director of Communities and Social Impact,
Hyde Housing⁶⁹

If I needed advice about the current cost of living crisis I could go to someone in my neighbourhood



Bouncing forward

Resilience has typically been defined as the ability to survive, absorb, withstand or ‘bounce back’⁷³ under sustained pressure and uncertainty. There is a growing understanding that challenges this and believes that resilience should include the conditions for individuals and communities to thrive or ‘bounce forward.’

“It’s a case of having to. We have to try to cope.”

Survey respondent

“You get on with it.”

Survey respondent

Organisations, including housing providers that can promote and help develop this for individuals and communities will provide tangible social value.

Furniture poverty

We asked respondents to, ‘Name a household item that you don’t currently have, that would improve your quality of life.’ Most could name something that was missing but 12% either claimed that no household item would improve their quality of life or could not name one.

We also asked, ‘How much do you agree with this statement: ‘My household would be able to manage an unexpected expense’ (e.g., a higher-than-expected household bill, a car breakdown, etc.)’. Almost three quarters (73%) of respondents said that they would not be able to cope with an unforeseen expense. That sentiment was mirrored in the free-text answers about household items.

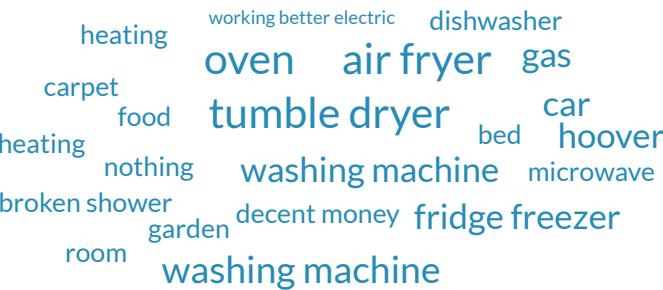
“I have everything I need, but if something breaks, I could be in trouble.”

Survey respondent

Furniture poverty is however, not defined only by the lack of a single significant household item but is a type of material deprivation. The organisation, End Furniture Poverty⁷⁴ describe it as a continuum that usually sits within wider experiences of poverty. They identify two positions on that spectrum; ‘furniture insecurity’, whereby if an item were to break the household wouldn’t be able to afford to replace it and ‘furniture destitution’, where a household has none or very little of the household items needed to maintain a basic standard of living.

In Wales⁷⁵, it’s been found that those living in social housing are more likely to experience material deprivation than any other tenure type. Going without household basics has been linked⁷⁴ to poor mental and physical health.

Name a household item that you don’t currently have, that would improve your quality of life



“Carpet! Can’t even afford that right now after moving, once winter hits the cold is going to be worse.”

Survey respondent

“Something to sit on, my sofa broke so I’m sitting on a box. Can’t afford to replace it, need every penny for the bills.”

Survey respondent

Many of the top items given by respondents are named by End Furniture Poverty as ‘essentials’ for any home, including washing machines, cookers, fridge/freezers and flooring.

Adequate provision for households to do laundry dominated the answers, followed by equipment to cook, especially in a more energy efficient manner. Air fryers were prominent in answers, a kitchen appliance whose popularity has soared⁷⁶ alongside the cost of living crisis.

Meanwhile, solar panels featuring in the top five results is a keen indicator to housing providers that residents are wanting them to act on net zero commitments to deliver cheaper, greener energy for them.



Digital inclusion

Items such as laptops or tablets also featured heavily in respondents’ answers. A lack of access to such items can contribute to social isolation but may also cause people to miss out on available support. In 2022, it was found that almost 40%⁷⁷ of available support schemes only allow people to apply online; highly impractical for those with low computing skills, a lack of internet access, or no digital devices.

“Home broadband, that would be like winning the lottery for us.”

Survey respondent

Case study

Housing Solutions

Housing Solutions’ digital inclusion strategy⁷⁷ has provided WiFi to 1,600 residents who would otherwise not be connected to the internet. Their chatbot, which includes a voice-activated Alexa system provides residents with an accessible service to communicate with them.

Housing Solutions are using digital inclusion to help streamline their service, with digital strategies that allow for personalised support that responds to residents’ needs and makes it easier for them to get online.

Adaptations for ageing & disability

A number of respondents asked for changes to their home that might help them “stay in my home safely for longer” or allow them to navigate it better.

Multiple studies⁷⁹ have assessed the net benefits made to the NHS, social care and the economy of suitable adaptations being made to people’s homes.

Concerning contributions

Some respondents didn’t name a household item. Instead, they named essentials like, “bread” or toiletries such as, “toothpaste” as the one item that would improve their quality of life.

“More than one hot meal a week.”

Survey respondent

A lack of access to basic items may be an indication of residents experiencing or approaching ‘hygiene poverty’⁸⁰. The chronic lack of affordability and access to these items can lead to social isolation, exclusion, poor mental health, and feelings of stigmatisation.

Case study

Blueprint for housing providers

Research suggests that only 2% of social tenancies are furnished⁸¹, in comparison to 29% of privately rented homes. End Furniture Poverty have developed a Blueprint for Furniture Provision in Social Housing⁸², a step-by-step guide that helps social landlords understand how a furnished tenancy can work, how they can recoup the costs through a service charge, and how to ensure that they can support their residents who could otherwise be living without essential furniture items. Also provided is information on operations, staffing, data strategy and performance measurement, along with a full section on financial modelling.

“Furnished tenancies can help build sustainable tenancies and reduce rental arrears - in a new tenancy, the cost of furniture is the biggest cause of debt in the first year. We support social landlords who are interested in furnished tenancies, helping them to prepare business cases and raising awareness of the huge benefits furnished tenancies can offer both residents and landlords.”

Claire Donovan, Head of Policy, Research and Campaigns, End Furniture Poverty

Furniture poverty & debt

Missing or unaffordable items may drive some into taking on debt. Of the 22 sources of debt that we asked respondents about, two could be indicators of furniture poverty or insecurity – 18% of respondents selected ‘goods on finance’ and 8% selected ‘hire purchase’.

“A bed. Mine broke about 6 months ago. I contacted Universal Credit about a budgeting loan and they said I couldn’t have one as I didn’t have a change of circumstances. I’ve been sleeping on my mattress on the floor.”

Survey respondent

Quality matters

The words “new”, “working”, “better” and “decent” featured in the top 20 most prevalent responses, indicating that for many respondents, while they do have these basic items, they aren’t in an adequate condition and there isn’t the means to source a quality replacement. This aligns with End Furniture Poverty’s definition of ‘furniture insecurity’.

Additionally, there were many occasions when the desire for an item was qualified by the affordability of running it or statements that energy costs were a barrier to maintaining a good quality of life.

“It’s not about what I don’t have. Now it’s about being able to USE what I have without getting into debt.”

Survey respondent



Food

Survey results show that community food schemes such as food banks are crucial for struggling households across the UK. When asked what community actions residents were aware of that are being taken to ease some of the impacts of the cost of living crisis, 17% of respondents mentioned community food schemes, making it the most frequent suggestion. A klaxon-like warning when we consider that over half (52%) of respondents replied that there were no actions being taken and a further 17% said they were not sure.

The Trussell Trust⁸³ manages over 1,200 food banks in the UK and has provided more than 2.1 million parcels⁸⁴ to people facing financial hardship in 2021/22, 14% more than the previous year.

There is a clear requirement for this type of support. Hospital admissions primarily linked to malnutrition have risen by 77%⁸⁵ in the past decade. Food prices will place extra strain on those struggling to maintain sufficient, healthy diets with the price of budget food in supermarkets rising by 17%⁸⁶ in the year to September.

"I don't eat most days because I've got a child to think of."
Survey respondent

Food banks dominated responses to this question, with some even signalling that food banks may be suffering from a lack of resources. Stigma, accessibility and a lack of information are other factors that respondents noted as reasons for not making use of community food schemes. Whilst food banks are a great help for many social housing residents, improvements could be made to their accessibility and their capacity. Furthermore, long-term national solutions aimed at ending the need for food banks would be judicious to limit our reliance on them.

"[The community] try to do food banks and fridges etc, but I don't feel comfortable going as I feel very judged."
Survey respondent

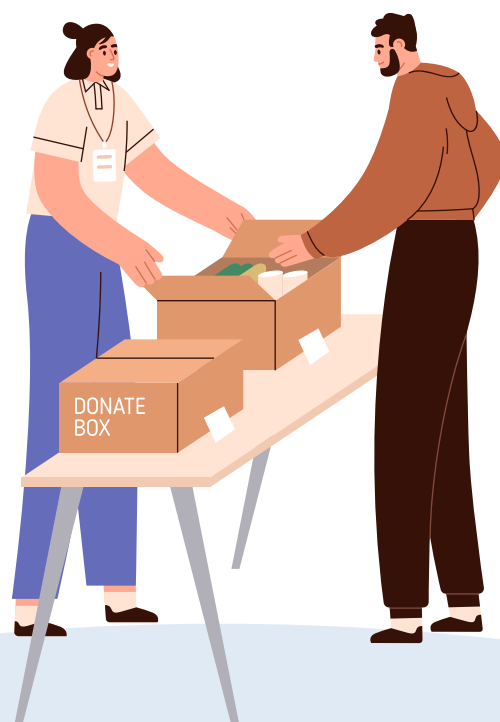
"I know there are food banks but I work Monday to Friday and they are closed when I finish."
Survey respondent

Suggestions also included community food growing programmes, kitchens and pantries alongside other schemes that may facilitate access to cheap and readily available food supplies. Additionally, in the context of multiple national crises in rising food prices and social isolation, they could create potential for building community cohesion and resilience.

To help communities transition to healthier, low-cost and sustainable modes of living, housing providers may be interested in supporting local food education and food growing programmes. Adopting a more personal approach with residents may also help to overcome the feelings of shame and stigma associated with food banks and other food schemes.

Case study OLIO

OLIO⁸⁷ was named by respondents as a source of community action. It is a free sharing app which aims to connect households and individuals to reduce household waste, with a focus on food items. Users can list food that would otherwise be going to waste and other users who can make use of the items arrange free pick up.



Where do we go from here?

The data and testimonies collected across the entire Resident Voice Index™ project have often been hard-hitting and revealed that there is much room for action and improvement for communities across the UK.

The place where we have found the most inspiration has been where respondents have spoken about communities coming together to create a positive local impact or about housing providers and third sector organisations working within their communities to address needs and build resilience. Following the 'Surviving but not living' report³ we wanted to amplify this work.

"Acts of kindness by neighbours."
Survey respondent

Community Action Plans

Since its inception, a core goal of the Resident Voice Index™ initiative has been to use our findings to draw out actionable insights that can be adopted by communities and housing providers to address the issues faced by residents. In response to increased need, we decided to translate those actionable insights into adoptable step-by-step guides, or 'Community Actions Plans'⁸⁸.

"We can together create the vision of community that we dream of. We need grassroots community organisations that can take action."
Resident Voice Index™ Cost of Living survey respondent

These guides are developed by working in partnership with community-led organisations to create a digestible resource describing an active community solution to local issues. Each Community Action Plan will describe in detail what the organisation does, the issue it tackles, how the community group set it up and how they manage it day-to-day.

To kick off this initiative, we decided to react to the findings across the project that the need for healthy, affordable food outmatched the provision for it in communities and that 'food' was the most common free-text input in the spring 2022 Cost of Living survey.

We worked with St Ann's Food Hub⁸⁹, a volunteer-run fruit and vegetable box scheme in North London that embodies the principles of mutual aid and the benefits of collective buying. Community powered, they provide fresh produce to local residents at a greatly reduced price compared with that of supermarkets and give free boxes to households in need.

Our aim is for the Community Action Plans to be shared widely by the housing sector to residents and community groups to inspire them to act and set up similar schemes.



The impact of the Resident Voice Index™

We have been proud to hear directly from some housing providers about how this research has influenced their work.

"The Resident Voice Index™ 'Surviving but not living' report was useful for us in helping to provide additional endorsement of projects, such as the creation of an internal 'support directory' with useful resources and tools that Peabody colleagues can refer our residents and communities to and increasing our resident hardship fund to £250k."

Helen Mulgan, Resident Wellbeing Project Manager,
Peabody Housing⁹⁰

On another occasion, a housing provider attendee to a Cost of living: Crunch Time focus group spoke about using the same report to evidence the need to make change in their communications strategy.

These kinds of responses spur on the Resident Voice Index™ towards its goal to help positively impact the lives of social housing residents. We look forward to working with the sector, communities, and respondents to produce more work that can inspire change.



Housing providers

None of the survey questions asked respondents about their relationship with their housing provider or the role that housing providers played in their communities. Regardless of this, housing providers were frequently mentioned in responses. Answers were mixed, with some respondents feeling that their situations would be improved by better communication from their housing provider, whilst others spoke positively about the level of support they received.

There were a number of responses that noted the significant role that housing providers play in their communities as sources of care and support, exemplifying the positive impact they can make, not only with the work they do, but with how it is communicated to residents.

“Our housing associations are always in touch to help or point you to [someone] who can.”
Survey respondent

“I’m 99.9% sure that my housing association would be able to provide at the very least good advice on the subject.”
Survey respondent

Home maintenance

Consistent with previous Resident Voice Index™ research, respondents spoke about how issues with damp, cold and general disrepair in their homes was affecting their lives. Housing providers face an extensive backlog of repairs and maintenance in many cases.

“I am disabled and rely on benefits and live in a damp cold council flat.”
Survey respondent

“My flat is tiny and mould on my clothes and elsewhere is rife despite airing the flat on a daily basis.”
Survey respondent

“8 years of trying to get my housing association to address black mould in the house and the fact that the boiler sometimes doesn’t work.”
Survey respondent

Housing providers face the problem of maintaining often aged housing stock and investing in new homes, whilst operating with limited financial resources. When asked for household items that would improve their quality of life, survey respondents mentioned simple objects and goods that would improve their living experience, such as carpets and dehumidifiers.

Case study Kitty’s Laundrette

A lack of access to adequate tools or facilities for laundry dominated answers for the question about missing household items. Kitty’s Laundrette⁹¹ in Everton is a not-for-profit community laundry. It offers below-average prices and doubles up as a warm, social space with coffee and WiFi.

These community-based partnerships may be a way to promote communal laundry services rather than housing providers offering these themselves or outsourcing to commercial operations.

Case study Pobl Housing

Solar panels were listed by residents in the top five items that they wanted in their homes, indicating an eagerness amongst residents for their communities to transition towards cheaper and more affordable energy.

Pobl Housing⁹² has built 16 homes designed to maximise solar gain, including batteries to store collected energy for on-demand use. Early reports⁹³ from residents in Swansea have shown them to be pleased with the switch.

Clash of ideas, but mutual interests

The proposed 7% rent cap rise presents a challenge for the sector. Housing associations have warned⁹⁴ that a cap could prevent safety goals and environmental goals from being reached, as well as potentially stalling plans for new builds. The proposed caps could lead to losses of over £1 billion⁹⁵ for housing providers.

This issue presents a catch-22 for housing providers, who must balance their economic viability with the needs of residents who are already on the breadline. In January 2021, social housing rent arrears reached £1 billion⁹⁶ in the UK. Increasing rents would lead to rent arrears building up further, creating concern for both residents and housing providers. Some respondents however, already felt like they were on the path to losing their home. Setting up personalised payment plans that give residents some flexibility could help to tackle rent arrears and give residents a sense of security.

“I have no idea how to overcome this other than becoming homeless.”
Survey respondent

“I’m not in this business to be levying 11%, 12% rent increases on people who are in work, people who are not able to make ends meet now. At Grand Union we are already looking at alternatives.”
Aileen Evans, Chief Executive, Grand Union

Bedroom tax

Bedroom tax was a source of worry for some survey respondents, an issue that is recurring throughout the Resident Voice Index™ project. The tax has been proven to exacerbate poverty and social exclusion⁹⁷.

“I am under occupied and have no help finding a smaller house, as I’m under occupied I get no help with rent or council tax even though I only work 21hr a week.”
Survey respondent

Some respondents reported being willing to relocate, highlighting the benefit housing providers stand to gain for having the right people in the right homes.

A holistic approach to community care?

The role of the modern housing provider encompasses so much more than the provision of good quality, low-cost housing for lower-income households. This expectation was made clear in many voluntary references to their housing provider by respondents of this survey - but the challenge for providers will be deciding what is feasible on limited budgets.

Support for residents needs to consider the social, economic, physical and emotional needs of residents and to design, fund and implement personalised support accordingly. Designing support methods that consider all these aspects of residents’ health and wellbeing would help to consolidate the role of housing providers in communities.

One way to action this change would be to use a data-driven, personalised approach which aims to understand the needs of individual residents. Employing such methods could also help to understand trends and patterns in communities, constructing a better idea of shared issues and policy dilemmas.

Ensuring homes are suited to the residents that live in them, adapted to specific needs, and well-maintained is essential, as is bringing residents and other organisations into decision-making processes.





Conclusion

This is the second Resident Voice Index™ report to focus on the cost of living crisis and its impact on UK social housing residents. The first, from June 2022, delivered concerning results that, along with feedback from residents and those working in the sector, prompted us to dig deeper into cost of living for this, the fourth report. In contrast to the last report, the actionable insights that are suggested herein are directed more towards housing providers and 'on the ground' organisations and slightly less at central and local government.

New aspects related to the cost of living that were explored in this survey uncovered even more concerning situations and trends. Some of the noteworthy results are that (compared with only 6 months ago) levels of worry are spiralling amongst those who took this survey and assuming this is representative, there are likely to be ramifications in the wider healthcare systems.

Levels of debt are high and looking to soar further in the coming months - and when combined with common human traits like denial, which was prevalent in the answers, rental and domestic bill arrears can only be expected to grow.

“I’m burying my head in the sand, because it keeps me awake at night to think about.”
Survey respondent

Household bills were the most common debt pairings that we uncovered, even though 97% of the responses to this survey were collected before the 1st October 2022 energy price cap change and all responses will have been written before any household received a full October 2022 domestic energy bill.

The obvious effects that all of this could have on housing providers, residents and families do not need to be spelled out but were explained by many.

“I simply cannot afford to pay all current essential bills each month and I’m skipping meals, I’m overdrawn even when I am paid, I’m depressed as I work full-time on a low wage and can’t sleep or concentrate at work anymore. What is the point in living like this and working so hard just to simply be in debt all the time.”
Survey respondent

Once again, younger people appear to be those most at risk of falling into increasingly desperate situations and are often facing impossible choices about where to direct the limited funds that they do have during this cost of living crisis. Levels of extreme feelings were higher in this survey than when we investigated cost of living previously and we also noted many instances where this appeared to be prompting alarming behaviour.

Our researchers diligently read through every free-text response, classifying them, as well as setting aside inspirational answers, suggestions, and examples of coping strategies. This analysis, combined with the powerful information that our analytical tools deliver, and the invaluable feedback from focus groups with both residents and housing providers, facilitates the more actionable parts of this report, which are highlighted as boxouts. To reiterate, anything that can be done should be done with urgency.

Resilience is a topic that we have covered in previous studies and is one that might well provide the keys to unlock some solutions. The inspirational work that third party organisations, charities, housing providers and communities are doing to improve and promote personal, financial, and community resilience are where we believe the sector has the greatest cause for optimism.

“I’ve learnt to stop worrying for the sake of my health.”
Survey respondent

“Communities are great at helping.”
Survey respondent

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“This latest report from the Resident Voice Index™ comes at a critical time for the social housing sector. The cost of living crisis is affecting everyone but those on the lowest incomes, many of whom live in social housing, are impacted the most. These research findings shine a light on the devastating impact that cost pressures are having on residents every day across the country and are invaluable for organisations such as ours in raising awareness. The social housing sector is well placed to support people but we need to work together to highlight the support available and to call for policy change where it’s needed.”

Gavin Smart, Chief Executive,
Chartered Institute of Housing



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