

# Listen up

Individual experiences of work, consumption and society

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## The Economy 2030 Inquiry

The Economy 2030 Inquiry is a collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics, funded by the Nuffield Foundation. The Inquiry's subject matter is the nature, scale, and context for the economic change facing the UK during the 2020s. Its goal is not just to describe the change that Covid-19, Brexit, the Net Zero transition and technology will bring, but to help the country and its policy makers better understand and navigate it against a backdrop of low productivity and high inequality. To achieve these aims the Inquiry is leading a two-year national conversation on the future of the UK economy, bridging rigorous research, public involvement and concrete proposals. The work of the Inquiry will be brought together in a final report in 2023 that will set out a renewed economic strategy for the UK to enable the country to successfully navigate the decade ahead, with proposals to drive strong, sustainable and equitable growth, and significant improvements to people's living standards and well-being.

## The Nuffield Foundation

The Nuffield Foundation is an independent charitable trust with a mission to advance social well-being. It funds research that informs social policy, primarily in Education, Welfare, and Justice. It also funds student programmes that provide opportunities for young people to develop skills in quantitative and scientific methods. The Nuffield Foundation is the founder and co-funder of the Nuffield Council on Bioethics and the Ada Lovelace Institute. The Foundation has funded this project, but the views expressed are those of the authors and not necessarily the Foundation. Visit [www.nuffieldfoundation.org](http://www.nuffieldfoundation.org).

## Contents

Acknowledgements	2
Executive Summary	5
Section 1	
<b>Introduction</b>	<b>13</b>
Section 2	
<b>Listening to workers</b>	<b>16</b>
Section 3	
<b>Listening to consumers</b>	<b>27</b>
Section 4	
<b>Listening to social citizens</b>	<b>36</b>
Section 5	
<b>Implications for the UK's future economic strategy</b>	<b>46</b>

## Executive summary

What economic strategy should the UK pursue over the next decade, in order both to address long-standing problems in the country (stagnating living standards and high inequality) and to navigate ongoing change (Brexit, net zero transition and a post-pandemic world)? The Economy 2030 Inquiry is a two-year collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics investigating this very question. Drawing on evidence about how people, places and firms flourish, the Inquiry aims to provide a roadmap for a more productive and equitable UK in 2020s and beyond.

This report is unlike the majority of research produced by the Inquiry to date, however, in that it is based on the voices of 56 participants from six semi-structured focus groups we held in March 2022. We created this space in the Inquiry to listen to people from all walks of life voice their experience of the economy for a range of reasons. This exercise allowed us to test if what we have found in the Inquiry so far truly reflects people's lives, and to probe motivation, explore constraints and understand how people engage with, and experience, the world. Most importantly, these voices are key in helping us decide not just the objectives for a new economic strategy, but also which routes to change are desirable and feasible.

This, then, is what we heard.



## Work conditions matter to workers alongside pay

Work plays a huge role in most people's lives: three-quarters of working-age adults are in some form of paid employment, and almost everyone will have worked in the past, will work in the future, or live with other people who work. Although pay matters a great deal, our focus groups made clear that work was not valued just for money alone. Other considerations were important to people too in determining both the choices they make about jobs in the first instance, and their day-to-day experience of work.

Three aspects of a job were highly prized. First, participants were clear that work was rarely their be-all and end-all, and they wanted (in some cases needed) jobs that gave them the flexibility to succeed outside work as well. Second, people valued variety, or conversely, disliked the repetitive elements of their jobs. Being able to mix and match tasks at work made for a better experience, a finding consistent with studies that show autonomy is linked to job satisfaction. Third, purpose and meaning at work was key. Many higher earners and public sector workers had jobs that explicitly provided this. But others also found value in helping others or working alongside colleagues, suggesting that many jobs can be highly rewarding when structured well.

On the other hand, 'bad management' was a common cause for complaint in our focus groups. We found that this largely meant two things. First, for some, bad management was about lack of care and meaning: just as most enjoyed the human elements of their work, they disliked systems (and colleagues) that dehumanised them. Second, participants often complained about being driven too hard by management, consistent with studies that have shown rising work intensity in recent years. Critically, many noted that bad management was not just unpleasant but also made them less effective at work. They are not wrong: one estimate suggests that management practices account for around one quarter of gaps in total factor productivity both within and between countries.

Lower earners in our groups were more likely to report a lack of control over key aspects of their working lives than the higher paid. Whether it was the number of hours they worked or their working pattern, their ability to resist poor practices or ask for

a rise, lower earners were at a disadvantage. This is in line with existing evidence on worker power showing, for example, that low-wage workers are three-times less likely to be able decide when they start and finish their working day as high-wage workers. Higher-earning participants in our groups highlighted two key mechanisms through which they exercise their superior power. First, they had good access to senior decision-makers; second, they sometimes felt able to threaten to quit, confident that they would not be that easy to replace.

### Higher earners are wary of switching jobs, but for lower earners, change looks largely like more of the same

Current debate often foregrounds the risk of job loss that can accompany economic change, a prospect that was alarming for the higher earners in our focus groups. In part this reflected a belief that benefits system would not have their back – an accurate assessment given how low unemployment benefit replacement rates are for middle and higher earners in the UK today. Moreover, higher earners were anxious about finding an equally lucrative new role (again, a sensible fear given what data tells us about pay downgrades in the wake of involuntary job loss). But these sentiments also acted as a brake on voluntary job moves for higher earners: they were concerned at finding a job that would be a ‘good fit’, and reluctant to give up benefits such as flexibility that came with longer tenure in their existing role.

In contrast, lower earners in our focus groups were mostly unperturbed by the prospect of losing their jobs: they saw their skills as transferable and felt they would pick up work soon enough (most likely reflecting the strength of the labour market at the time our groups were held). But change essentially looks like more of the same for those on low pay, with little incentive to make a voluntary job move given the barriers they encountered in improving their lot. We heard how better-paid jobs frequently required a university degree or extensive experience for example – and although many were willing to undertake training to improve their prospects, the financial support to help them do so was often unavailable.

## Consumer choice is important, not least to keep prices down

Not all are in paid work, but almost everyone experiences and shapes the economy through the goods and services they buy. When we asked which factors people took into account when making a purchase, price came top of everyone's list. Our focus groups convened at a time when the cost of living crisis was intensifying, and those on lower incomes in particular spoke eloquently of their fears about making ends meet and coping strategies they employed. Moreover, the fact that prices were changing rapidly made it far more difficult to budget above and beyond the fact that price levels were high. But those on higher incomes were not oblivious to rising prices. Even though the trade-offs they were making were far less acute than those made by lower income families, they, too, reported a growing sense of economic insecurity.

Across the board, people felt they had a good level of choice for most goods and services helped, of course, by the rise of internet shopping. We place two caveats on this finding, though. First, all our groups were held in urban areas: those in a rural group may perhaps have disagreed. Second, no-one in our two consumer focus groups was on a very low income which clearly would severely constrain ones' ability to pick and choose in the marketplace. Participants were clear that choice was important not just for its own sake, but also for keeping prices down especially for essentials such as food. In their view, lots of options means they can shop around for the best deals, and that providers have to keep prices down because of competition.

## People want to effect change when they spend – but need government to regulate on their behalf

Price was not the only consideration for consumers however, and even those on tight incomes were keen to 'do the right thing'. Strikingly, buying local was the number one social consideration that participants raised in our consumer focus groups. Many were prepared to pay more if money went into the local economy and with an obvious feed-through to local people. However, a clear tension was apparent (and acknowledged) between the convenience and choice online shopping offers, and the much-lamented decline of local high streets and town centres.



Beyond the local, our focus group participants cared about other impacts of their purchasing behaviour. Environmental concerns were often uppermost– both in terms of buying sustainable products, and reducing unnecessary consumption to limit waste. Interestingly though, participants saw ‘green’ consumption less through the lens of saving the planet, and more through the lens of getting quality and longer-lasting products.

Finally, consumers were – at least in theory – open to the idea of paying more if it meant higher pay or better conditions for lower earners. But crucially, people were suspicious of whether the higher prices they might pay would be passed on to workers, and did not want to have to take responsibility for sifting through information to make ethical consumption choices of this nature. Instead, they wanted government to step in to ensure that workers in shops, services and supply chains all received a decent minimum wage and good working conditions.

### Unpaid work often absorbs a large part of people’s time, but it is highly valued

As our participants told us many times over, their lives are about far more than just work and spending. They were outspoken about how important parenting, supporting other family members, and participating in their broader communities were to them. Whether it was spending time with one’s children or mowing a sibling’s lawn, recording the memories of one’s grandmother or baking for an elderly neighbour, our participants gave us real insight into the contributions they make to the social fabric. Moreover, leisure activities were often framed in our discussion as much-needed replenishment in order to care better for others.

Of course, these activities have value not just for people’s sense of self but for the economy, even if they are not captured by the most commonly used economic indicators – in 2016, for example, unpaid work was estimated at around £1.2 trillion, or 63 per cent of GDP. When it came to helping people outside of family, our participants were very clear that their actions had benefits for the economy (for example, saving the NHS money by supporting others through difficult periods of mental health). But the wider societal and economic value of the significant amount of parenting and other family care that most of our participants did was not always apparent to them. Although some very clearly saw the support

they provided to children and other family members as having extrinsic as well as intrinsic value, others did not view it in that way until prompted.

Interestingly, we found that lower-income participants – both working-age and pensioner-age – placed economic greater value on activity outside of paid work, such as volunteering and supporting others in their own family and beyond, than higher-income participants. This sometimes reflected their lower engagement with work compared to higher-income individuals, who were more likely to report that they were active participants in the economy both at work and outside of work. For example, many of the people we spoke to who were not working were particularly generous in supporting their neighbours or communities.

### Participation in society requires a minimum income and good health

In many respects, our focus groups provided an upbeat account of life. It was noteworthy (although unsurprising) that higher-income participants were more likely to report varied, and costlier, activities (especially with their children), but lower-income participants generally felt they were able to fully participate in society too. That said, some in our focus groups had passed through very tough times. Reflecting back on periods of very low income, they were clear that life was very limited when money was extremely tight. Likewise, our participants pointed out that poor health or caring for someone else with a health condition or disability often severely curtailed their sense of freedom.

When circumstances change for the worse – whether that is losing a job, seeing the price of essentials rise or the onset of poor health – people frequently said that they would turn to support from family and friends. But the state is there to provide a safety net in times of need too. Given that multiple studies have shown that the level of support available for working-age people through the benefits system has become significantly less generous over time, it was no surprise to hear that participants in our groups who receive some of their income as benefits were finding life very hard. But it was not just the benefits system that was seen as inadequate: across our groups, people noted that key public services, such as support for those with mental health problems, seemed to be coming apart at the seams. Fixing public services

to relieve pressure on those with caring responsibilities and keep people in the best of health were popular calls in our focus group discussions. But despite widespread harrowing accounts of life on benefits, and direct experience some in the groups had of this, there was surprisingly little spontaneous support for improving benefit adequacy.

### Lessons for a new economic strategy

The UK's shared prosperity model is broken: growth is low and inequality is high. We need a new economic strategy, but unless this is attuned to people's lives and what they truly value, it risks solving the wrong problems or setting off in directions that are unlikely to succeed. Strikingly, no participant in our research felt they had the ability to affect economic change – economic change is currently done to people rather than by or with people. So, what can our focus groups tell us about how the country needs to change?

Anxiety about the cost of living crisis was widespread across our groups. There was a growing sense of economic insecurity even from those higher up the income scale, indicating that protecting and improving living standards is an increasingly urgent task. But, clearly, sustained growth in living standards cannot be achieved without improvements in productivity, so how is that to be achieved? Our focus group point to some strategies. Further intensification of work for lower earners is unlikely to produce much in the way of gains (a finding consistent with our previous work), for example, but more flexible work and better management practices very well might.

A more productive economy also requires a dynamic labour market, but we found real impediments to workers' ability to grow and change jobs. For many lower-skilled workers, change often looked just like more of the same. This suggests that clearer routes for progression and training are needed to help people escape often unfulfilling jobs. In contrast, higher-skilled workers need more support to take a leap, such as better social insurance to catch them if they fall, or improved and standardised labour market conditions around flexible work (for example for parents).

When it came to the cost of living, competition is clearly key to keeping prices down, but lower-income families also need

protection against rapid price increases. Moreover, if consumer behaviour has to change in the future – for example, to reach our net zero goals – our focus groups suggest this can only be achieved through regulation or price signals rather than expecting consumers or firms to make complex ethical choices themselves.

A flourishing economy underpins the things that are important in people's lives: providing for their children, for example, or a thriving local community. (We will be examining people's views on their places in more depth in forthcoming research). But our focus groups showed clearly that very low incomes and poor health are the biggest barriers to full participation in society. As we look to the future, we need to find a fair and sustainable way to fund a stronger benefit system and better public services.

Developing an economic model to achieve all these and other aims is not without its challenges. If we want better-paid and better-quality jobs, we will need businesses that are willing and able to provide them. It may prove hard to reconcile consumers' desire for both the choice of online shopping and a vibrant local high street. And providing more social protection and better services – for example, more subsidised childcare or improved mental health provision – has to be paid for somehow.

This report is the first providing us with deep insight into people's experience of the economy. In the next phase of the Economy 2030 Inquiry we will work once again with members of the public to explore these and other trade-offs further, and develop policies that underpin shared prosperity.

For now, though, we give the last word to one of our participants.

*“The system needs to change and the people like us ... who've gone through it, our views are so important to try and make that change.”*

**Participant living on a very low income, Sunderland**

## Section 1

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### Introduction

What economic strategy should the UK pursue over the next decade, in order both to address long-standing problems in the country (stagnating living standards and high inequality) and to navigate ongoing or imminent change (Brexit, net zero transition and a post-pandemic world)? The Economy 2030 Inquiry is a two-year collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics investigating just this question.<sup>1</sup> Drawing on evidence about how and why people, places and firms function in the economy today, the Inquiry will develop a roadmap to enable all in the UK to flourish in the 2020s and beyond.

This report is unlike the majority of research produced by the Inquiry so far, in that it is entirely based on the voices of those who are rarely heard from in economic debates. We set out to listen to people from all walks of life for a range of reasons. To begin, it allows us to test if what we have found from the data so far truly reflects people's lives. Second, we can probe motivation, explore constraints and understand how people engage with, and experience, the world. Third, and particularly importantly as we pivot towards policy, this exercise gives us a sense of what is possible, both in terms of how future change could play out in real life, as well as which options could prove politically viable.<sup>2</sup>

### Listening to people about their experience of the economy

This project needed a framework that would allow us to prompt people to talk widely about their experience of the economy, while also probing issues that have emerged through our existing research as key for the Inquiry. We decided to focus on three key roles that people play throughout their lives: workers, consumers and social citizens. Additionally, we agreed to orient our conversations about each of these roles around three common themes. First, we wanted to hear what people personally valued in each role, and what they felt had extrinsic value. Second, we wanted to explore the question of agency and choice: what level of control did people feel they have as workers, consumers

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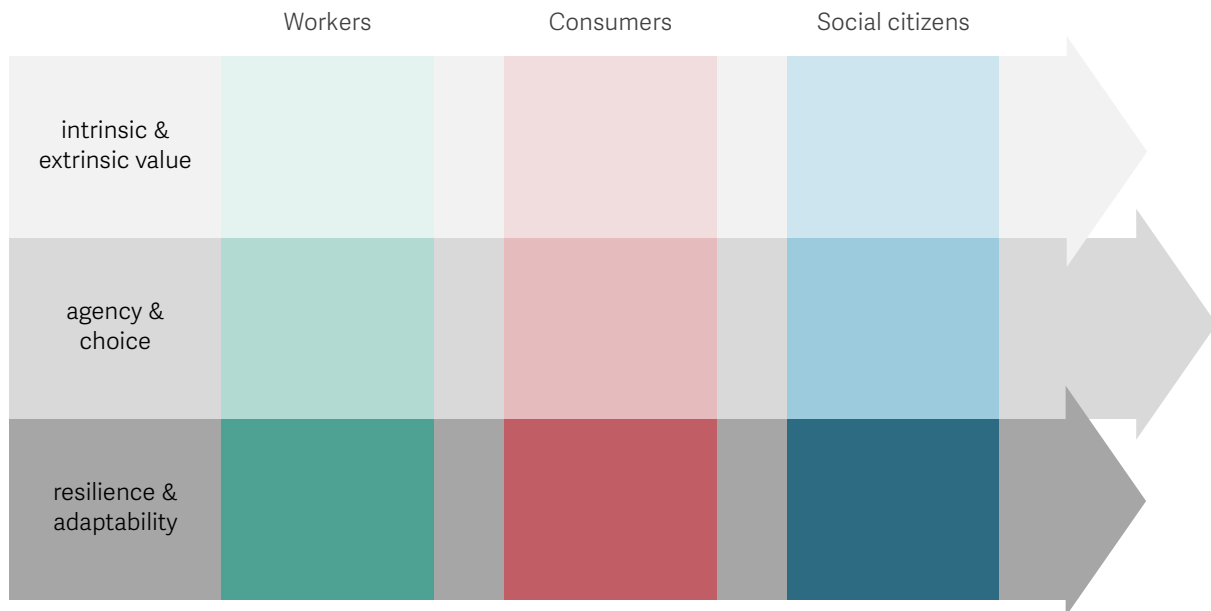
<sup>1</sup> For full details on the Inquiry, see: [The UK's decisive decade: The launch report for The Economy 2030 Inquiry](#), Resolution Foundation, May 2021.

<sup>2</sup> The Inquiry will investigate which policy options designed to tackle stagnation and inequality are most important to the public in the coming months through an attitudinal survey and a deliberative exercise.



and social citizens? And third, we wanted to hear how resilient or adaptable people felt they would be to both voluntary and involuntary change. Figure 1 summarises our approach.

**FIGURE 1: The roles and cross-cutting themes explored in our focus groups**



Furthermore, we decided to run a pair of focus groups for each role, one group with lower-earning/lower-income individuals, and the other with higher-earning/higher-income individuals.<sup>3</sup> This had two benefits. First, it enabled us to identify more easily both the commonalities and the different experiences between those with more or fewer material resources. Second, it provided a more comfortable environment for individuals to talk honestly and openly about sensitive questions on money, power and choice. We recognise, however, that people's economic fortunes wax and wane, and as a result, we must treat our observations about the differences between those on modest incomes and those who are better-off with some care.

Using this framework, we conducted six semi-structured focus groups, in person, with 56 people during March 2022.<sup>4</sup> The groups were held across the country in Chippenham, Croydon, Liverpool, Paisley, Solihull and Sunderland - locations selected to be geographically and economically diverse, and representative of the UK as a whole, based on the median wage in each area. Our workers focus group comprised adult participants who were currently in work (employed and self-employed), but our consumer and social

<sup>3</sup> We specified an earnings cut-off based on median earnings data (derived from ASHE) for the two workers groups, and an income cut-off based on household income data (derived from HBAI) for our consumer and social citizens groups.

<sup>4</sup> All our focus group participants were sourced by a professional recruitment company to a specified participant frame. All consented willingly to being part of this research, and received a small thank you payment for their time. All Covid-19 restrictions had eased by the time of our focus groups in England. For the one focus group in Scotland, we followed government guidance by ensuring that people sat at least 2 metres apart.

citizens focus groups contained working and non-working individuals, including some pensioners. For each group we ensured we had a good mix of genders, ages and family circumstances. We are conscious, however, that our focus groups did not contain anyone for whom life was very challenging at that very point in time. In the words of one of our participants:<sup>5</sup>

*“Two years ago, I couldn’t have come to a group like this, I had very much a recluse life.”*

### **Participant with experience of mental health issues, Sunderland**

## The structure of this report

In this report, we aim first to let our focus group participants recount their experiences as workers, consumers and social citizens, and second to draw out wider lessons from their testimony that have a bearing for the way we should think about the UK’s future economic strategy. To this end:

- Section 2 zooms in on people’s experience of work – the positives and negatives, how much power and autonomy they feel they have in their job, and their experience of, and preparedness for, voluntary and involuntary job change.
- Section 3 explores the role of consumers, what people value when choosing what to buy, how they experience trade-offs between price, quality and ethical issues, as well as how they adapt when prices change (a very pertinent question given our groups were held just as inflation sky-rocketed).
- Section 4 considers the broader experiences of people as social citizens, how people participate in society and why, what factors influence the choices they have, and how well-prepared people are for economic change.
- Section 5 concludes with the key lessons we want to take away from this listening exercise for the wider Economy 2030 Inquiry.

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<sup>5</sup> Throughout this report we give relevant information about the participant’s circumstances after each quote to provide additional context for their statements. This varies depending on the main theme of the focus group and the information available. As a result, we do not always use a single descriptor for each participant (i.e. the same participant can be described in multiple ways), and descriptors are not consistent throughout the report. All information that is used in the descriptors was shared by participants in the group with informed consent.

## Section 2

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### Listening to workers

Flexibility, variety and purpose matter to people in the workplace, while being treated like a cog in the machine and feeling under too much pressure were disliked. Higher earners had more power to achieve better conditions in the workplace for two reasons: they had greater access to senior decision-makers, and they knew they would be harder to replace. As a result, while low and higher earners valued similar things in their jobs, those in higher-paid work generally experienced these positive features in their job. Moreover, when it comes to job change, our groups painted a picture of a relatively rigid labour market. Those in lower-paid work not only lacked the power to improve their current jobs, they also had limited ability to move into a better job (partly because they could not afford to retrain). Higher earners, on the other hand feared losing the benefits of their current job (especially flexible working arrangements), and knew they would have very low levels of income replacement if they found themselves out of work.

Work plays a huge role in many people's lives: three-quarters of working-age adults are in some form of paid employment, and almost all of us have either worked in the past, will likely work in the future, or live with other people who work.<sup>6</sup> But, as we have documented before, the subjective experience of work varies greatly between those with different types of jobs, different qualification levels and different family situations.<sup>7</sup> This section captures the learnings from our focus groups when it comes both to participants'

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<sup>6</sup> In 2017-2018, just 3.5 per cent of the working-age population had never been in paid work (excluding students). Source: Office for National Statistics, [Analysis of people who have never done paid work](#), February 2019.

<sup>7</sup> See, for example: K Shah & D Tomlinson, [Work experiences: Changes in the subjective experience of work](#), Resolution Foundation, September 2021.

experience of work today – including what is important to them and how much of a say they have at work – and their perspectives on adapting to future change.<sup>8</sup>

## Work is not the be-all and end-all for the majority of people

To begin, we found that for the vast majority of people in our focus groups, work was not the most important thing in their lives. The view that work should fit around things that they valued more highly, rather than the other way around, was broad-based across our groups (while recognising that earnings from work support other life activities). Most obviously, there was a widespread desire to combine work effectively with parenting – even if a lack of suitable jobs sometimes meant (temporarily) forgoing work altogether.<sup>9</sup>

*“It’s all about balance [between pay and flexibility]. ... I’d rather lose the money and see the kids grow up.”*

**Self-employed participant, Solihull**

*“Because I have my son at weekends, I have to make the decision between getting a part-time job on the weekends or seeing my son. ... Any job, you have to be pretty much fully flexible – mornings, evenings, afternoons, and all weekends – for part-time work. ... There’s not an employer that will hire me for three evenings a week.”*

**Non-working, non-resident parent studying full-time, Sunderland**

Given this, it was unsurprising that participants placed a considerable premium on flexible work. Those who did manage to balance work and other aspects of their lives successfully were well aware of their good fortune – but also had made trade-offs between job flexibility and pay. Moreover, self-employed participants in particular flagged that the high level of control they had over their working lives was a key reason for why they had chosen to become self-employed in the first place, and that they would not take an employee job with higher pay if it meant giving up those benefits. Pay and conditions were frequently viewed as a package, and people often said they would not push for a pay rise if it came with a roll-back of flexible working. But, consistent with survey data, high-paid workers in our focus groups were also more likely to report better opportunities for flexible working.<sup>10</sup>

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<sup>8</sup> This section draws primarily on our worker focus groups, which were limited to people in paid employment, including both employees and self-employed workers, working either full or part time. We do, however, include findings and quotes from our focus groups exploring other roles where relevant.

<sup>9</sup> For further reading on the importance of flexibility for working parents in particular, see: King’s College London & Working Families, [Working parents, flexibility and job quality: What are the trade-offs?](#), November 2021.

<sup>10</sup> In 2018-2019, employees in the top weekly pay quintile were 2.6 times as likely as those in the bottom quintile to say that flexi-time was available at their workplace (40 per cent vs 15 per cent) and 3.8 times more likely to say they personally used flexi-time (20 per cent vs 5 per cent). There are similar pay gradients in the availability and use of working compressed hours, working annualised hours, and working from home. Source: Analysis of ISER, Understanding Society.

*“For me, it’s not just about pay. So, the smart working that we’ve got, the nine-day fortnight, to me is worth a lot. ... It’s all to do with the benefits and things instead.”*

**Public sector worker, Chippenham**

*“I think my general lifestyle would be difficult to try and fit around an employer, to be perfectly honest with you.”*

**Self-employed participant, Solihull**

The pandemic has given new energy to this desire to find a better work-life balance. Many workers in our focus groups said they did not want to go back to pre-pandemic ways of working – both because the crisis made them re-evaluate their lives and because they have seen what is possible.<sup>11</sup> While predictions of a lasting move to full remote working look wide of the mark, hybrid working does appear set to endure and employers have become more open-minded about flexible working.<sup>12</sup> But as is now well-established, workers in higher-paying jobs were more likely to be able to work from home in the first instance, and have more bargaining power with their employers to achieve the flexible schedule for the future that they would prefer.<sup>13</sup>

*“Since Covid has struck, and everything else, you’ve got to weigh up that in life. ... Is the money more important or is it spending time with the kids?”*

**In-work participant, Solihull**

*“I might have to work until eight [in the evening], but I’ll accept that because I’ve done two school runs that day. That’s managing my stress, because it’s more flexible to my needs as a parent. And that’s a change because of Covid – it never used to be like that.”*

**Public sector worker, Chippenham**

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<sup>11</sup> According to LinkedIn survey data, the desire for ‘flexible work arrangements’ has grown by 22 per cent in the UK since the start of the pandemic, the second-fastest growing priority behind ‘inclusive workplace for people of diverse background’. See: LinkedIn Talent Solutions, [Talent Market Drivers Since the Start of COVID: United Kingdom Report](#), accessed 19 April 2022.

<sup>12</sup> According to a CIPD survey in December 2021, two-fifths (42 per cent) of employers said that they would be more likely to grant requests for flexible working (besides working from home) once pandemic restrictions had been relaxed compared to before Covid-19, with just 7 per cent being less likely to. See: CIPD, [Majority of employers agree flexible working requests should be a day-one right](#), CIPD research finds, December 2021.

<sup>13</sup> For example, see: Office for National Statistics, [Which jobs can be done from home?](#), July 2020; M Brewer, C McCurdy & H Slaughter, [Begin again? Assessing the permanent implications of](#)

[Covid-19 for the UK’s labour market](#), Resolution Foundation, November 2021.



## Variety and purpose at work are highly prized

For all our participants, work was not just about money: non-pay aspects were also important in determining the choices people make about jobs in the first instance, and the day-to-day experience of work (it is worth noting that not a single person in either of our worker focus groups identified pay as the best thing about their job).<sup>14</sup> Two aspects of work stood out as especially important. First, people valued variety considerably (or conversely, disliked the repetitive elements of their jobs). It was clear that autonomy about how to do one's job allowed one to mix and match tasks more and made for a better experience – a finding consistent with the literature that shows workers with a high level of control over the ordering and way they do their work enjoy their jobs more.<sup>15</sup>

*[What do you like most about your job?] “No two days are the same.”*

**Managing director, Chippenham**

*[What do you like most about your job?] “I just put ‘varied’. No day is the same, really.”*

**Nurse, Solihull**

*[What would you change about your job?] “I would like more freedom to manage my team the way I think works best, the business rules are too strict.”*

**Manager, Solihull**

Second, the human element of a job was often very important to people. This took different forms. Some, particularly higher earners and those in the public sector, valued their jobs for the sense of contributing to society it gave them (a topic which we discuss further in Section 4). But those that had jobs that did not have upfront social purpose also often found value in helping others and enabling them to flourish, suggesting that many jobs can be highly rewarding when structured well. Likewise, many found real pleasure in personal growth and in interacting with colleagues.<sup>16</sup>

*[What do you like most about your job?] “I put ‘developing people’, because that’s part of my job.”*

**Team leader, Solihull**

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<sup>14</sup> The importance of non-pecuniary elements of work is widely acknowledged in the literature. See, for example: A Clark, M Cotofan & R Layard, [The Full Returns to Low Wage Jobs](#), Low Pay Commission, December 2021.

<sup>15</sup> For quantitative evidence on the relationship between autonomy and job satisfaction, see: D Wheatley, [Autonomy in Paid Work and Employee Subjective Well-Being](#), *Work and Occupations* 44(3), March 2017.

<sup>16</sup> See, for example: P Toynbee, *Hard Work: Life in Low-pay Britain*, Bloomsbury, January 2003.

*[What do you like most about your job?] “I’ve gone for ‘solving problems for people.’”*

**Private sector worker, Solihull**

*“I put three things: helping [others]; the people I work with; and the learning opportunities.”*

**Headteacher, Chippenham**

## Feeling like a number and pressure at work make people’s lives a misery – and undermine productivity

‘Bad management’ was a common cause for complaint in our focus groups, whether directed at workers’ immediate bosses or senior leaders at their company. When we unpacked this further, this generally meant one of two things. First, for some of our participants, bad management looked like lack of care. Just as most enjoyed the human elements of their work, they disliked systems (and colleagues) that dehumanised them. For some, they felt their jobs were over-bureaucratised and that they were treated like a cog in a machine.

*“At [work], I feel like just a number.”*

**Zero-hours contract worker in retail, Solihull**

*“Working for the NHS, I feel like a number too – they [management] don’t care about you on the ward.”*

**Nurse, Solihull**

*“Bureaucracy. Senior managers don’t help.”*

**Public sector worker, Chippenham**

Somewhat relatedly, participants often complained about being driven too hard by management. Work intensity was sometimes acutely felt, consistent with studies that have shown that the pace and volume of work has increased considerably over the years,<sup>17</sup> and that this can have a serious effect on wellbeing in the workplace.<sup>18</sup>

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<sup>17</sup> For example, see: F Green et al, [Working Still Harder](#), *Industrial & Labor Relations Review*, 75(2), March 2022 (first published January 2021); K Shah & D Tomlinson, [Work experiences: Changes in the subjective experience of work](#), Resolution Foundation, September 2021.

<sup>18</sup> T Hunt & H Pickard, [Harder, better, faster, stronger? Work intensity and ‘good work’ in the United Kingdom](#), *Industrial Relations Journal*, April 2022.

*“It seems to be all about how competitive we can be in this market that we’re in, but they’re just forgetting about the people on the ground that are actually generating this money. We just work at 150 miles an hour, and it just keeps going and going and going.”*

**Team leader, Solihull**

Many felt that bad management was not just unpleasant, but was also making them and their colleagues less effective at work. (They are arguably not wrong about that: one estimate has suggested that management practices account for about a quarter of gaps in total factor productivity both within and between countries).<sup>19</sup> As economic policy makers push for greater productivity after a decade and a half of a stagnation, it is worth bearing in mind one consequence of seeking to achieve this through higher work intensity: productivity improvements delivered by asking workers to speed up will be achieved against the natural desire to be respected and treated well in the workplace.

### Those on low pay have far less power in the workplace than higher earners

Although there were a lot of commonalities across our higher- and lower-earner focus groups when it came to good and bad things about work, it was also the case that low-paid workers found it harder to resist poor practice or manifest their preferences. High-paid participants, for example, tended to have a lot of say over the hours they worked – unless they were constrained by the nature of the job itself (for example, a headteacher largely working within the constraints of the school day) – and over wider workplace policies.<sup>20</sup> Lower earners, on the other hand, were more likely to say that their hours were set by their employer. The most striking case was someone on a zero-hours contract who had their shifts dictated by their employer: given the choice, they would have preferred to work almost double their usual weekly hours.

*“I’m on a [zero-hours] contract, so I get set shifts and then unless I’ve got a good reason, they’ll expect me to work them. And then obviously if they haven’t got any hours, they won’t give me any.”*

*[How many hours a week do you normally work?] “I do like 20, 24 probably.”*

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<sup>19</sup> N Bloom et al., [JEEA-FBBVA Lecture 2013: The New Empirical Economics of Management](#), Journal of the European Economic Association 12(4), August 2014.

<sup>20</sup> In 2017, over three-fifths (61 per cent) of employees in the top quartile of hourly pay agreed or strongly agreed that they could decide the time they started and finished work, compared to just one-fifth (20 per cent) of those in the bottom quartile. Source: Analysis of Skills & Employment Survey.

*[And how many would you like to work?] “I’d like 40. Nine to five, Monday to Friday.”*

### **Zero-hours contract worker in retail, Solihull**

This difference in power extends beyond workers’ day-to-day experiences of their jobs. Our high-paid group felt far more able to ask for a pay rise, for example. And although there was a difference between asking for a pay rise and actually getting one, higher-earning participants were also more likely to have stories of getting the pay rises they asked for.<sup>21</sup> The key exception was higher earners working in the public sector, where pay scales are far more rigid and set by external bodies. In addition, lower earners were more likely to experience bad management and had far less autonomy over how they did their jobs.<sup>22</sup>

*“I think it’s easy to ask for [a pay rise]. It’s whether or not you actually get one.”*

### **Manager, Chippenham**

*“My brain just doesn’t work that way. I get paid what I get paid.”*

### **Public sector worker, Chippenham**

*“Every time I put up my prices, I worry that I’ll put a customer off. It did, there were some people who [refused to pay higher prices].”*

### **Self-employed participant, Solihull**

It is far from a new finding that low-paid workers lack power in the workplace.<sup>23</sup> But our higher-earning participants highlighted two key mechanisms through which they exercise that power. First, they often had access to senior decision-makers: if they wanted better pay or working conditions, they tended to be closer in the hierarchy to the people with the authority to make that happen. Second, they felt more able to threaten to quit, and confident that this threat would influence their bosses to give them what they want. Even for higher earners, though, there was strength in numbers: participants’ experience of requesting pay rises or complaining about workplace conditions tended

<sup>21</sup> According to YouGov data, British workers from ‘ABC1’ occupations (also described as ‘middle-class’ jobs, such as managerial, administrative or professional roles) are more likely than other workers to have asked for a pay rise and been successful (30 per cent vs 18 per cent). See: I Kirk, [How many Britons have asked for a pay rise – and how many have been successful?](#), YouGov, April 2022.

<sup>22</sup> Both of these observations match survey data. In 2017, workers in the bottom quartile of hourly pay were more likely than other workers to say they were fairly, very or completely dissatisfied with their supervisor or manager, although the difference was small (8.3 per cent of workers in quartile 1, compared to 7.7 per cent, 5.8 per cent and 7.8 per cent in quartiles 2, 3, and 4 respectively). Source: Analysis of Skills & Employment Survey. And workers in lower-paying sectors, such as hospitality, retail, and transport and storage, are the most likely to report that they have ‘not much’ influence or ‘none at all’ over what tasks to do and how to do tasks. The lowest earners are also the least likely to be involved in decisions that affect them – and this disparity has widened substantially since the early 1990s. See Figure 18 of: K Shah & D Tomlinson, [Work experiences: Changes in the subjective experience of work](#), Resolution Foundation, September 2021.

<sup>23</sup> See, for example: R Ngai, [Why low-skilled worker wages have stagnated even while the economy has thrived](#), London School of Economics, July 2021.

to be more successful if they had made those requests alongside their colleagues, something that points to the importance of collective bargaining, whether formal or informal.<sup>24</sup>

*“As part of a team, we went to the board, we had direct access. And they were like, ‘Yeah, if all four of you feel the same way, then actually we need to look at it.’ And it worked.”*

**Manager, Chippenham**

*“I threatened to leave last year – I had a bad new manager. They were making some questionable decisions. ... And then fortuitously, other people complained as well, and [the manager] left.”*

**Manager, Chippenham**

## Higher-paid workers are especially wary of change

Even though some higher-earning participants in our focus groups spoke of threatening to quit, and in some cases had actually done so, most were anxious about an unemployment spell despite being relatively optimistic about their chances of finding a new job if they needed to (perhaps in part reflecting the strong labour market at the time of our focus groups).<sup>25</sup> Higher earners were particularly concerned about the hit to their household’s income if they were the main earner. Moreover, they were not at all confident that the benefit system would provide enough support to get them through a tough period, such as a job loss (rightly so given the hard evidence).<sup>26</sup>

*“I’m the main earner of the house. ... If I really wasn’t happy, OK, I might look for other jobs, but I wouldn’t just quit mine and walk. If my wife really wasn’t happy in her job, we could probably get by without her working while she was looking for something else. But as main breadwinner, no, I see it as my job to keep my salary coming in.”*

**Headteacher, Chippenham**

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<sup>24</sup> Previous Resolution Foundation research has recommended enhancing the strength of collective bargaining through allowing unions to enter workplaces and setting up 21<sup>st</sup> century wage boards in sectors most in need of improvement. This is particularly important for the lowest-paid workers, who are least likely to be members of a union. See: T Bell, N Cominetti & H Slaughter, [A new settlement for the low paid: Beyond the minimum wage to dignity and respect](#), Resolution Foundation, June 2020.

<sup>25</sup> Our focus groups took place in early March; in the three months to February 2022, the ratio of unemployed people to vacancies reached its lowest point on record (1.0 – that is, one unemployed person for each vacancy) following months of near-record labour market tightness on several measures. See: Office for National Statistics, [Vacancies and jobs in the UK](#), April 2022; G Thwaites, [Labour market tight, household budgets tighter](#), Resolution Foundation, March 2022.

<sup>26</sup> This anxiety is well-founded: the extremely poor levels of income security provided by the social security system for higher earners is shown in M Brewer et al., [Social Insecurity: Assessing trends in social security to prepare for the decade of change ahead](#), Resolution Foundation, January 2022.



*“Ultimately if you’ve got a mortgage and you’re doing a job, then you’re feeling like, if I lose my job then I don’t know what’s going to happen.”*

**Manager, Paisley**

But higher earners also feared involuntary unemployment because they worried about having to take a lower grade job afterwards. Many higher-earning participants were concerned about taking a ‘step down’ in terms of pay, especially if they had to move sectors, in part because they thought employers undervalued the transferability of their skills. Again, this sentiment is consistent with studies which shows that when high-paid workers move jobs involuntarily, they are more likely to take a substantial pay cut than those on lower salaries.<sup>27</sup>

*“There are jobs out there, but sometimes you have to be prepared to not necessarily do what you’re skilled or qualified in.”*

**Manager, Chippenham**

In addition, higher earners were also wary of making a voluntary move – not least because they were concerned about losing the non-contractual, non-pecuniary benefits – especially flexible working – they had in their current jobs. (Where participants had moved jobs voluntarily, this was often to gain flexibility, be it remote working or the flexibility to pick their children up from school and make up the hours at a time that suited them). Moreover, some participants cited the Covid-19 pandemic as making them less likely to take a risk: despite strong economic conditions at the time of our focus groups, participants were still unsure about quitting their jobs due to lasting feelings of insecurity.<sup>28</sup>

*“I think for me, it’s the hours that I’m hoping for [that makes me worry about finding another job]. From what I hear from people, there’s a lot more flexibility from employers, letting parents do the school run and things, but I have found previously it’s really hard to find a job that allows me to finish at half two to go and pick the children up.”*

**Manager, Chippenham**

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<sup>27</sup> See Figure 13 of: N Cominetti, *A U-shaped crisis, The impact of the Covid-19 crisis on older workers*, Resolution Foundation, April 2021.

<sup>28</sup> As one example of post-recession uncertainty, voluntary job-to-job moves – a measure of worker confidence – fell by more than half (from 1.1 per cent to 0.4 per cent of workers) after the financial crisis, and did not return to pre-financial crisis highs until 2017. See the Scorecard in: N Cominetti et al., *Labour Market Outlook Q1 2022: How should we interpret strong nominal earnings growth?*, Resolution Foundation, April 2022.

*“I think that’s really brave [quitting your job], like through Covid and the uncertainty surrounding that ... I think I would have been more inclined to do it pre-Covid than I would be now.”*

**Public sector worker, Chippenham**

## Change looks largely like more of the same for those on low pay

In contrast, lower earners were more confident that they could find work again in the face of involuntary job loss. Their confidence in finding a new job if they needed to often stemmed from the fact that they felt their skillset would be transferrable to other (low-skilled) jobs, consistent with what we have found previously when discussing the prospect of redundancy with retail workers.<sup>29</sup> It also reflected that they were more likely to have faced job shocks in the past.

*“I’ve been made redundant four times... What’s the worst that can happen? I’ll just get another [job].”*

**Retail assistant, Solihull**

*“If needs be, I’d have to [switch sector]. Tell me what it is, I could sell it to you.”*

**Private sector worker, Solihull**

*“I think because my job’s so basic, I could find [a new job], there are plenty of jobs out there.”*

**Zero-hours contract worker in retail, Solihull**

But lower-paid workers were as cautious as those on higher pay to make voluntary job moves, but for different reasons. In particular, lower-paid workers often felt that a new job would be similarly low paid, and not an improvement on the status quo (something that is consistent with research showing that only a minority of low-paid workers manage to escape low pay within a ten-year period).<sup>30</sup> While lower earners were willing, in theory, to retrain in order to get a pay rise, they did not see how they could afford to in practice. This is a big concern for the future of the labour market given that training is one of the best ways to increase workers’ wages and productivity, as well as helping to ensure that the workforce has the skills needed for a changing economy.<sup>31</sup> But with on-the-job training

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<sup>29</sup> L Gardiner & D Tomlinson, [Sorry, we’re closed: Understanding the impact of retail’s decline on people and places](#), February 2019.

<sup>30</sup> C D’Arcy & D Finch, [The Great Escape? Low pay and progression in the UK’s labour market](#), Resolution Foundation, October 2017.

<sup>31</sup> See, for example: L Dearden, H Reed & J Van Reenen, [The Impact of Training on Productivity and Wages: Evidence from British Panel Data](#), Centre for Economic Performance Discussion Paper No. 674, February 2005; K Henahan, [Can training help workers change their stripes?](#), [Retraining and career change in the UK](#), Resolution Foundation, August 2020.

becoming rarer and workers unable to fund their own training, it is hard to see how the skills for the future will be delivered.<sup>32</sup>

*[Would you retrain?] “It depends on money. If you can afford to do that, great. But usually, it’s just: job, job.”*

### **Retail assistant, Solihull**

*“I think that’s the biggest concern for me, is the qualification side of things. ... In my mind, you’ve got to rule out three years before you do anything, straightaway. And of course, if you’re not getting paid for it – do you do it while you’re doing another job? Well, then of course the extra workload of that, it’s quite daunting.”*

### **Self-employed participant, Solihull**

This section has shown that, for many workers in our focus groups, work is complimentary to the rest of their lives, and their lives are not fitted around their jobs. At work, people value jobs that are interesting and varied, and workplaces that offer flexible working; they prefer better management, and enjoy tasks that have more autonomy. Workers dislike structures that makes them feel like a number, or when there is unnecessary pressure and stress. If we want to get the most out of our workers in the economy – and raise productivity alongside that – then we need a country of better employers and managers.

Within our focus groups, lower earners were less likely to have any power – for example, they felt less likely to be able to ask for (and get) a pay-rise or request any other perks. Higher earners on the other hand were aware of the pay and benefits their jobs had, and were especially cautious about the loss in pay or non-pecuniary benefits that a move to a different employer or occupation might bring. Although lower earners were less risk-averse about job change (because they had less to lose), for them, a change in job normally looked like more of the same, low-paid, work.

In the next section, we turn to another important economic role: that of consumers.

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<sup>32</sup> The share of workers receiving ‘off the job’ training (as opposed to ‘on the job’ training, which is defined in the Labour Force Survey as ‘learning by example and practice while actually doing the job’) declined by over a third between 2002 and 2019, falling from 10.2 per cent to 6.6 per cent. For more details, see the Scorecard of: N Cominetti et al., [Labour Market Outlook Q1 2022: How should we interpret strong nominal earnings growth?](#), Resolution Foundation, April 2022.

## Section 3

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### Listening to consumers

Individuals both experience and shape the economy through their decisions about what and where to consume. In line with existing evidence, we find that consumers place considerable weight on price when choosing what to buy (especially in light of the current cost of living squeeze). However, higher- and lower- income consumers alike also care about the social impact of their purchases. We found that people are especially concerned about the effect their consumption patterns have on local areas. 'Green' consumer choices were valued to some extent, albeit perhaps more for durability rather than for more abstract environmental reasons. But when it came to paying more to improve wages, people did not want to have to make complex ethical judgements for themselves and were also sceptical of higher prices feeding through into higher wages. Instead they preferred the Government to set standards through regulation.

Every adult in the UK plays an important economic role as a consumer of goods and services. And as well as consumption being an important way in which individuals experience the economy, consumers also shape the economy through their preferences, the choice of products they purchase and the businesses they support. This section sets out what we heard in our two focus groups where we discussed participants' experience as consumers: the choices they make; what is important to them when making purchases; and how their consumption adjusts in the face of change (at the time of the focus groups, the cost of living crisis clearly dominated thinking).

## Choice is important for consumers, in part because it drives down price

Much of the literature on consumer behaviour suggests that price is the number one determinant of most people's purchases.<sup>33</sup> This was borne out in our focus groups: when we asked what three factors people considered most when making a purchase, the most popular answers involved the cost of the product. Alongside the price tag itself, participants also placed importance on related concepts such as value for money and quality. Perhaps inevitably, though, price loomed larger for those on lower incomes. Likewise, those in our lower-income focus group were more likely to point to durability as a consideration rather than quality.

*[What's important to you when choosing what to buy?] "Cost and the quality is probably the most important, because sometimes you can buy something that's great value for money but it's rubbish."*

### **Lower-income participant with one child, Liverpool**

*[What do you prioritise when buying things?] "Quality - you get what you pay for." "Some things I do care about the price, other things I put the price aside. For meat, I don't buy (cheaper)".*

### **Higher-income participant living with partner, Croydon**

As well as enjoying choice for its own sake, participants thought that it was important to have a good range of options because it could help keep their costs down. This was because it gave them more opportunities to compare and contrast products when they were shopping, and – as a result of this consumer pressure – meant more competition (for example, between different supermarkets) directly pushed down the prices that retailers charged. Participants generally felt that they did have a lot of choice in what to buy, particularly for essentials such as food.<sup>34</sup> There was also recognition that online shopping provided more options.

*[Would you rather have a lot of choice in essentials or luxuries?] "I'd say essentials – because then it's a fairer market share. It's going to be more competitive."*

### **Lower-income single parent, Liverpool**

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<sup>33</sup> For example, see: D Tighe, [Importance of price when shopping for UK consumers 2019/2020](#), Statista, November 2021, which finds that two-thirds of UK consumers agreed with the statement 'Price is the most important thing to me when choosing what I buy'.

<sup>34</sup> Although the UK food retail market is characterised by relatively few large supermarket chains, there are high levels of price competition between them. This is helped by the wide variety of products offered and the ease of switching between different supermarkets. See: Competition Commission, [Groceries market investigation](#), April 2008; Ø Thomassen et al., [Multi-Category Competition and Market Power: A Model of Supermarket Pricing](#), *American Economic Review* 107(8), August 2017.

That said, physically going shopping was valued highly by most of our participants, and not just for experiential reasons (in one of our focus groups, participants suggested that they would do less online shopping in the longer term because they were ‘bored’ of shopping online after the pandemic). For many, the ‘look and feel’ of the local area was strongly linked to the presence of good shops.<sup>35</sup> Some in our groups complained that choice in their local area had declined due to the long-standing rise in online shopping accelerated by the Covid-19 pandemic (they were not unaware that their own behaviours may be contributing to this).<sup>36</sup> But participants recognised the vicious circle they were part of: the lack of options locally was leading participants to do more of their shopping online, thereby further exacerbating the decline of local high streets.

*“I made a conscious decision to source things from local places to try and support local businesses.”*

**Higher-income semi-retired participant, Paisley**

*“Particularly during the lockdown, I’ve tried to emphasise going to local, smaller shops so they can survive. Because if they don’t survive, then the quality of your neighbourhood goes down.”*

**Higher-income participant, Croydon**

Two additional caveats are worth adding to this general finding. First, both of our consumer focus groups took place in urban areas; consumers in rural areas may, of course, have even less choice locally.<sup>37</sup> Second, as noted in our introduction, our consumer groups did not contain anyone on a very low income, yet studies have noted how ‘shopping around’ is a critical coping strategy for those living in severe financial hardship (and the constraints on this during the Covid-19 lockdowns caused costs to go up for some families).<sup>38</sup>

## Consumers care about the social impacts of their purchases, but prefer ethical values to be ‘baked in’ by regulation

Buying local was the number one social consideration that participants raised in our consumer focus groups, but they also cared about the wider impacts of their purchases. Participants spoke about the environmental impact of their purchases – both in terms of

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<sup>35</sup> This finding is consistent with: L Gardiner & D Tomlinson, [Sorry, we’re closed: Understanding the impact of retail’s decline on people and places](#), February 2019.

<sup>36</sup> The proportion of retail spending conducted online rose sharply at the start of the Covid-19 pandemic and peaked in February 2021 at 37.7 per cent of all sales, but has since fallen to its lowest level since the start of the pandemic (27.8 per cent of all sales in February 2022, compared to 22.7 per cent in March 2020). See: Office for National Statistics, [Retail sales, Great Britain: February 2022](#), March 2022.

<sup>37</sup> See: Local Government Association, [Health and wellbeing in rural areas](#), March 2017.

<sup>38</sup> See, for example: M Brewer & R Patrick, [Pandemic Pressures: Why families on a low income are spending more during Covid-19](#), Resolution Foundation, January 2021.

buying sustainable products, and reducing unnecessary consumption to reduce waste. Interestingly though, participants saw 'green' shopping less through the lens of saving the planet, and more through the lens of getting quality longer-lasting products.

*[Would you pay more for sustainable products?] "In 1995, I got ten [shirts from a more expensive brand] – fifteen years they lasted me. But 2015 ... we got two shirts from Primark, I wore them twice and they went in the bin because they just didn't last."*

**Lower-income participant, lives with partner, Liverpool**

*[Would you pay more for sustainable products?] "I'd rather buy things that are better quality and will last."*

**Higher-income participant, lives with partner, Croydon**

Alongside environmental considerations, participants in our focus groups also expressed concerns that behind low cost products sit low wages and even exploited workers.<sup>39</sup> Although the views participants expressed in the focus group may be not be a good guide to their actual purchasing decisions,<sup>40</sup> other research shows that consumers are willing to – and in many cases do – pay more for ethical and sustainable products.<sup>41</sup> This willingness to pay, however, came with caveats. For one, lower-income workers had, naturally, less ability to afford higher prices. Even those in the group who would have been able to cope with some price increases were sensitive to the fact that people who were struggling for money would not always be able to pay more. Moreover, it was interesting to note that buying more expensive products to address low wages did not arise as often as 'green' consumption, perhaps because unlike environmental products which people often saw as being more durable, higher-cost products that support better wages have no obvious pay-back for consumers.

*"I think it depends on what disposable income you've got yourself each month ....I'll put my hands up, if I had that choice, and I was struggling a little bit and I wanted to go for a meal, I would probably go to the cheaper place."*

**Lower-income single parent, Liverpool**

<sup>39</sup> Rises in the UK minimum wage have been associated with a statistically significant, though small, rise in prices for the most-exposed products. See: C Wilson, [Estimating the impact of minimum wages on prices: A study for the Low Pay Commission](#), Frontier Economics, September 2020.

<sup>40</sup> Participants may have been affected by social desirability bias in the context of focus groups, and consumers are not always conscious of the factors that go into their purchasing decisions. See, for example: H Arnold & D Feldman, [Social Desirability Response Bias in Self-Report Choice Situations](#), The Academy of Management Journal 24(2), June 1981; G Fitzsimons et al., [Non-Conscious Influences on Consumer Choice](#), Marketing Letters 13(3), August 2002.

<sup>41</sup> For example, see: Newcastle University Business School, [The rise of the ethical consumer](#), December 2021; S Allen, [Yes, Consumers Care if Your Product Is Ethical](#), Kellogg School of Management at Northwestern University, October 2021; S Banker, [Do Consumers Care About Ethical Sourcing?](#), Forbes, October 2021.



But perhaps most pertinently, there was some scepticism that higher prices would truly translate into (for example) pay rises for workers and not just be absorbed by firms as higher profits. (Consumers are probably right to think this way: research has found that claims of corporate social responsibility (CSR) tend to only be credible if backed up by third-party certification, whereas unsubstantiated claims can lead to consumers paying more for the same level of CSR investments by firms).<sup>42</sup> Here, participants had more trust in local businesses to pass on price rises to their workers, and, in general, participants tended to be more willing to spend more for pay rises for workers who they could see and relate to, such as servers in restaurants. But, crucially, participants did not like being asked to make complex decisions about ‘ethical’ consumption themselves. Instead, they preferred the Government to outlaw unethical practices or force companies to behave in socially beneficial ways. This came out particularly strongly when discussing the minimum wage.<sup>43</sup>

*“You know, I think if someone said to me, ‘Oh actually, if you’re paying more money for [things] and that’s actually going to someone who’s working there on minimum wage, and they’ll make more money,’ then of course I would. But you feel like the responsibility is put on you, when the owner of that kind of organisation or CEO or whoever is on ridiculous amounts of money and they’re making obscene profits anyway. So, you’re thinking, why are we then paying more?”*

**Lower-income worker with children, Liverpool**

*“Whose responsibility is it really? Why is it my responsibility that the first person in the chain is paid well?”*

**Higher-income, single retired participant, Croydon**

## Rising prices are eroding consumers’ purchasing power

Our focus groups took place in March 2022, and so high and rising prices were a reality for participants. Across the board, participants brought up the squeeze on incomes, and even those on relatively high incomes were worried about price rises eroding their purchasing power. Interestingly, participants did not see higher benefits or direct government support as the answer here. Instead, they thought it was key that wages kept up with inflation.

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<sup>42</sup> F Etilé & S Teyssier, [Signaling Corporate Social Responsibility: Third-Party Certification versus Brands](#), *The Scandinavian Journal of Economics* 118(3), July 2016.

<sup>43</sup> We have made a similar argument (that it should not be consumers’ responsibility to police firms’ behaviour in pursuit of policy goals) in the context of labour market enforcement. See: H Slaughter, [No shame, no gain? The role of reputation in labour market enforcement](#), Resolution Foundation, November 2021.

*[What would a better deal look like?] “A realistic minimum wage [that reflects the cost of living].”*

**Single parent, Sunderland**

*[What would a better deal look like?] “Even wages that follow inflation, at the minute. Some people are getting a 1 per cent increase in wages and inflation’s rocketing, you know, at four, five, six per cent.”*

**Lower-income student, Sunderland**

*“We’re working harder, paying more for everything, and getting less wages. I definitely think we’re getting less now.”*

**Higher-income parent, Paisley**

Moreover, and echoing what we heard about ethical goods, participants wanted more state regulation of firms to make them behave, in their eyes, more fairly. In the context of the cost of living crisis in particular, participants were in favour of more stringent price caps (particularly on energy bills), as well as higher taxes on large companies, and capping executives’ pay so that economic gains could be spread more fairly.

*“I think if everybody’s making sacrifices, if everybody’s going to pay more for electricity, pay more for fuel, we should all feel the pinch. ... It always seems to be the people on the lowest incomes, the people who are working-class, that’s having to struggle.”*

**Higher-income, semi-retired participant, Paisley**

*[What would a better deal look like?] “To see the Government cap big companies. All the petroleum companies and oil companies. They’re all still making billions in profit, and yet they’re all still hiking the prices up.”*

*“But you look at [international] companies that don’t even pay any tax, but we get taxed on every single thing.”*

**Lower-income self-employed participant, Sunderland**

## **Lower-income households are already adjusting their spending to cope with the cost of living squeeze...**

Low and high income families are, of course, experiencing price rises very differently. Participants in the lower-income groups talked about tangible actions they were taking to deal with rising prices: shopping around more to get the best deals, holding off buying

a car, or moving back in with their parents, for example.<sup>44</sup> And high inflation has other consequences: people said that the fact that prices were changing rapidly itself made it far more difficult for them to budget.

*“I’m holding off ... buying a car. ... Because of like, used car prices and fuel – I’m good, I’m good walking.”*

**Lower-income student, Sunderland**

*“You can’t budget because they’re changing the prices of everything every other day. ... I think sometimes, even shopping round in these places, it’s become more of an effort. ... You’re just shopping round, supermarket after supermarket.”*

**Lower-income participant, Liverpool**

Participants were also very conscious that they could be hit by further rises in the cost of living. For many on lower incomes, there was little left to cut back on. With price rises coming primarily from essential products, such as food and energy, some participants were at a loss for how to deal with it without facing substantial hits to their living standards.<sup>45</sup> This suggests that further price rises – either as the cost of living crisis deepens, or in the longer term if higher prices are needed to give workers better wages – will need to be met with stronger support for those on the lowest incomes.

*“We’re waiting for the next fall. What’s it next going to be? Cost of living, you know, it’s gas and electric going up, it’s fuel prices going up, I’m just literally waiting for the next thing now.”*

**Lower-income parent with two children, Liverpool**

*“I think all of this with the gas and electric, it’s making me worry even more. ... I’m struggling to pay the bills as it is. How are we going to afford to pay them all?”*

**Lower-income parent living with partner, Sunderland**

*“I don’t know how we would save money [if we needed to cut back further]. ... Everything is going up in the supermarkets. Everything is going up.”*

**Lower-income single parent, Liverpool**

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<sup>44</sup> Similarly, recent survey evidence suggests that the majority of consumers are cutting back on discretionary items to cover essential spending. See: Which?, [Consumer confidence and financial wellbeing in March 2022](#), March 2022.

<sup>45</sup> In the twelve months to March 2022, the biggest contributions to the CPIH inflation rate were housing and household services (including energy bills) and transport, which together accounted for close to half of the inflation rate (3.0 percentage points of the 6.2 per cent rise in prices). See: Office for National Statistics, [Consumer price inflation, UK: March 2022](#), April 2022. In addition, high inflation is currently having a greater effect on lower income households because the price rises have disproportionately affected the products they consume. For further details, see Box 2 of: A Corlett & L Try, [The Living Standards Outlook 2022](#), Resolution Foundation, March 2022.

## ... but higher-income families also feel insecure

Higher-income participants were also concerned about rising prices, albeit perhaps not as acutely as those on lower incomes. When higher-income participants were asked how they would deal with the cost of living squeeze, it was clear that they had substantial space to cut back on luxuries. People on higher incomes talked about no longer being able to overpay their mortgage, or having to cut back on non-essential energy use. By contrast, lower-income participants were worried about not being able to pay their bills, or losing their home if they couldn't pay their rent.

Instead, the main impact of the cost of living crisis for our higher-income focus groups was a sense of economic insecurity. Even though prospects of struggle were far less immediate than for lower-income participants, those on higher incomes feared for their future living standards.

*"I'm fine. I've got a house, I don't have a mortgage, and I've got quite a decent salary. However, it doesn't stop me from thinking about the uncertainty that's ahead with the energy and fuel prices etc going up and ... the Council Tax, and then the National Insurance. ... I do have quite a nice wee comfortable life, but I'm frightened that that's going to be taken away from me."*

### **Higher-income retired participant with adult children, Paisley**

It was not just the cost of living crisis making participants feel economically insecure – they were generally aware of the risk of losing what they had if they experienced an economic shock, such as losing their job. And, as noted in the previous section, higher-income participants had no confidence that the benefit system would provide them with enough support if they were to find themselves in trouble.

*"One of my work colleagues a few years ago said something to me that's always making me feel dead insecure. He said 'you're only three missed mortgage payments away from homelessness'. ... That's always at the back of my mind."*

### **Higher-income single participant, Paisley**

In the face of economic change to come, these findings highlight two important considerations for policy makers. If we want to improve standards – for example, ensuring decent wages for workers or more sustainable products – then government should step in to regulate product and labour markets, rather than relying on consumers to make complex ethical decisions themselves.

Crucially, though, if these changes come with higher prices, then those on the lowest incomes must be given financial support to protect their living standards from being squeezed even further.

Work and consumption are two major ways in which people engage with the economy – but a good standard of living is about more than just making or spending money. In the next section, we turn to people’s broader experience of the economy as social citizens.

## Section 4

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### Listening to social citizens

Individuals find value in many things in their lives beyond work and spending. Looking after children, supporting family members and people in the community absorbs a great deal of time and energy for many people. But most saw such activities as of value for society and the economy as well as for themselves. While work was viewed as the key contribution they made to society by some, for many others what they did outside of the workplace and in their everyday lives was what made them feel valued. Our groups provided a fairly upbeat account of life (we note that our focus group method excluded those experiencing serious hardship or health issues). Nonetheless, it was clear that a decent income and good public services were crucial to help people weather storms, even if support for benefit increases was limited.

So far, this report has examined people's experience of two roles where they play an explicit economic role: as producers and as consumers. But, as our participants told us many times over, their lives are about far more than just working and spending. In our final pair of focus groups, we used the concept of 'social citizen' as a jumping-off point to structure a discussion about the multitude of things that people do, value and aspire to achieve beyond work and consumption (see Box 1 for more details). Through a wide-ranging discussion about people's experience of family, unpaid work, health conditions and leisure activities, we gained a better understanding of the myriad ways that people can and do contribute to society alongside the support they would like in order to live full and productive lives.

## BOX 1: The concept of social citizenship

The concept of social citizenship was first advanced by the sociologist Thomas H Marshall in 1950, when he asserted that for people to feel they fully belong ('have citizenship'), they require both a baseline of economic security and wellbeing, and opportunities to participate in society in ways that are valued.<sup>46</sup> Marshall's thinking has subsequently been critiqued – not least for being overly focused on working men and the able-bodied – but has continued to inform social policy in more refined ways. Hartley Dean, for example, has argued that social citizenship comprises two elements: sociality – where humans make claims on one another – and negotiation – where humans acknowledge or recognise each other's needs.<sup>47</sup> More recently, Ruth Patrick has argued that the rights which are central to the social citizen concept (such as an adequate income) have

been weakened at the same time as the responsibilities or behaviours required to be considered a useful part of society have become more narrowly drawn (most obviously, through policy which requires one to maximise paid work).<sup>48</sup>

Although we did not exclusively use this concept to structure discussions in our third set of focus groups, it pointed us to certain areas of inquiry. For example, we investigated what participants value in their lives, as well as which activities they do that they feel are valued by society. We probed the degree of choice that people have in all their roles, and the extent to which they felt able to participate fully in the world around them given familial, financial and other constraints. Finally, we touched on the extent participants felt able to influence economic policy.

## Caring for others is a large and valuable part of people's lives

People enjoy a whole range of activities outside of work, but – for most – the use of their time that they felt was most valuable was caring for family. Although there were some challenges, our focus group participants with children generally viewed parenting as enjoyable and it was clearly their number one priority. (This is entirely consistent, of

<sup>46</sup> T H Marshall, *Citizenship and Social Class, and Other Essays*, Cambridge University Press, 1950.

<sup>47</sup> H Dean, *A post-Marshallian conception of global social citizenship*, 2014, originally published in E Isin & P Nyers, *Handbook of Global Citizenship Studies*, Routledge, pp. 128-138.

<sup>48</sup> R Patrick, *Wither Social Citizenship? Lived Experiences of Citizenship In/Exclusion for Recipients of Out-of-Work Benefits*, *Social Policy and Society*, Volume 16, Issue 2, November 2016.



course, with what we heard in our worker focus groups about the desire to combine work and parenting, as documented in Section 2).<sup>49</sup>

*“I don’t really do anything else now, I just haven’t got time, it’s just 24-7 when you’ve got kids.”*

#### **Single parent, Sunderland**

*[What gives you value in your life?] “If you’d asked us that question a few months ago, it would’ve been living for Friday/Saturday night. [My new baby] has come along, now everything revolves around them.”*

#### **New parent living with partner, Sunderland**

*“As long as the kids are happy, I’m happy.”*

#### **Full-time parent living with partner, Sunderland**

Family was as central to people’s lives though even if they did not have children, or their children were grown up. Our participants were eloquent on this theme, talking about they spent time doing things for their siblings; how as grandparents they provided childcare or other support; or how, as grandchildren, they took the time to help relieve the loneliness of older relatives.

*“In my spare time at the weekends, I’ll spend all day in the garden, my garden or doing garden for brothers and sisters.”*

#### **Retired single person, Paisley**

*“I’ve started recording memories of my grandma. She can’t really go out much now, so I take the dog down to see her, she loves seeing the dog. I ask her questions and record memories of her.”*

#### **In-work participant living with partner, Paisley**

*“It’s all about family really.”*

#### **In-work participant with adult children, Paisley**

Finally, our participants also looked beyond family when they spoke of things they valued doing and felt good about. For some, this was the result of deliberate action; for others, it was simply about taking the opportunity to improve someone’s day whenever they could.

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<sup>49</sup> It is interesting to note that quantitative analysis shows that the amount of time that parents dedicate to active childcare has increased significantly over the years. See: G Bangham & M Gustafsson, [The time of your life: Time use in London and the UK over the past 40 years](#), Resolution Foundation, July 2020.

*“Very often when I’m cooking meals, I’ll hand them round to my neighbours. I’ve got one very elderly neighbour, when I cook I know that I’m going to be giving her a meal, it kind of makes it all worthwhile for me.”*

**Retired participant, Paisley**

*“When you see people (while) walking the dog, especially older people, I think they benefit from meeting people they’ve never met before.”*

**In-work participant living with partner, Paisley**

## Unpaid work has significant positive impacts on society and for the economy

Interestingly, the wider societal and economic value of the significant amount of parenting and care that our participants did was not always apparent to them.<sup>50</sup> Although some very clearly framed the support they provided to children and other family members as having extrinsic as well as intrinsic value, others did not view it in that way until prompted.

*“Looking at my list, it’s a bit selfish actually. It’s just really about, you know, family... I don’t think anyone benefits from what I’m up to.”*

**In-work, single participant, Paisley**

*“By raising children, you are raising children to be a future contributing member of society – something that everyone else benefits from.”*

**Full-time parent living with partner, Sunderland**

But when it came to helping people outside of family, our participants were very clear that there are abundant benefits for the economy of their non-work activities. Helping others, be that family or otherwise, was a key theme across individual’s’ different roles in society. Strikingly, many of the people we spoke to who were not working were particularly generous in supporting their neighbours or communities.

*“[I supported] a suicidal ex-soldier with counselling from my [support] group, which I paid for... [he is] now back in full-time work. That saved the economy money, as he didn’t have to go to the NHS and have to wait six months, saved his family a lot of heartache. That put me in a privileged position.”*

**In-work, single participant, Sunderland**

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<sup>50</sup> Despite not being included in the formal definition of GDP, unpaid work does indeed have huge value, estimated at around £1.2 trillion, or 63 per cent of GDP, as of 2016. See: ONS, [Household satellite account, UK: 2015 and 2016](#) for further details.

*“I do a lot of work for free, charity work where they couldn’t afford to employ someone else.”*

**Out-of-work parent, Sunderland**

## Work provides some (but not all) with a sense of purpose

Many of our focus group participants also had a strong connection to their work. This was especially the case for those on higher incomes: strikingly – although perhaps unsurprising, given the increased pressures and often poor-quality management we documented for some workers in Section 2 – not a single person in our lower-income focus group mentioned work as something they value in life. But others felt proud of their work in ways that went beyond just the economic value they were generating and the taxes they paid. They saw their work as having direct social impact (again, this is consistent with what we heard from workers in Section 2). In addition to this, individuals also explained how earning money enabled them to give something back to society through charitable giving.

*“I’d rather do a job that I might not necessarily like, but it’s giving me more money and I want. I want to get a car, you know, I want to move in with my girlfriend.”*

**Full-time student, working part-time, Sunderland**

*“I am an active participant in society because of the work I do, my job... me and my company actively participate in the economy.”*

**Business owner, Paisley**

*“My job’s purpose is to serve society, a lot of work to keep people safe and do humanitarian projects. I also give 10 per cent of my salary to charity.”*

**Public sector worker, Paisley**

But for others, not only did they not feel a strong connection to work, but it was a challenge to work in the first place. Lack of flexibility (particularly for those with caring responsibilities), and lack of affordable childcare (with available jobs not paying enough to pay for childcare), made (full-time) work for some all but impossible.<sup>51</sup> These practical barriers to working our focus groups told us about are consistent with qualitative

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<sup>51</sup> Adequate and affordable childcare provision is an important factor in enabling parents (particularly mothers) to enter work. For example, free full-time childcare has been found to lead to significant increases in employment among mothers, while childcare costs were the single biggest barrier to working more hours encountered by social housing residents in working poverty. See: M Brewer et al, [Does more free childcare help parents work more?](#), Labour Economics, January 2022; L Judge & H Slaughter, [Working hard\(ship\): An exploration of poverty, work and tenure](#), Resolution Foundation, February 2020.

research of Universal Credit recipients which has suggested some families choose to work less, despite the apparent financial incentives to work more.<sup>52</sup>

*“By the time we were paying for childcare ... I was earning about 50 pence an hour. And you just think, it’s not worth it.”*

**Full-time parent living with partner, Sunderland**

*“Thank god she’s not in nursery anymore as that was costing £1000 per month.”*

**Single parent, Sunderland**

*“No employer wants me... I have to do the 30-minute walk to school with [my son] and then I come back. Then I’ve got to pick him up. ... I could get a phone call to say ... he’s got to come home. No employer wants somebody who can only do certain hours a day and getting phone calls every other day saying you need to come out and get your child.”*

**Single parent with a disabled child, Sunderland**

Our discussions provide one final insight on this topic, however: perhaps contrary to the prevailing political discourse, work was not seen by our groups as the only way one can contribute and have a stake in society.

*“If you don’t have money, you can just find other ways [to contribute to society and enjoy life].”*

**In-work participant living with partner, Paisley**

*“You can have no money, but still be a lovely person [to others].”*

**Full-time student and single parent, Sunderland**

## **A higher income means more scope to engage with the world**

Social citizenship is premised on a sufficient income – as Marshall put it in his original definition, “a modicum of economic welfare and security” is a prerequisite of being fully part of the group.<sup>53</sup> It was noteworthy (although perhaps unsurprising) that higher-income participants in our focus groups were more likely to report varied, and costlier, leisure activities (especially with their children). But although our lower-income participants were more constrained financially, and often had greater caring commitments, they, too, still found joy in their leisure time.

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<sup>52</sup> See: R Griffiths et al, *Couples navigating work, care and Universal Credit*, Institute for Policy Research, University of Bath, January 2022.

<sup>53</sup> T Marshall, *Citizenship and Social Class, and Other Essays*, Cambridge University Press, 1950.

*“I love going out for meals, going out for cinema days, watching sports on TV, going out for coffee with my friends.”*

**Retired participant, Paisley**

*“I never want to be that parent that says you can’t afford that when their friends can.”*

**In-work parent living with partner, Croydon**

*“I like to... walk and walk along the beach for hours. I like simple things, I don’t have to spend a lot of money to make me happy.”*

**Full-time carer for disabled child, Sunderland**

In many respects, our groups provided an upbeat account of life. As noted at the outset of this report, people in the most challenging of circumstances are highly unlikely to have the time or capacity to join an exercise of this type. That said, we did encounter people in our focus groups who had passed through some tough times. Reflecting back on periods of very low income, participants were clear that when money is tight, life is very limited indeed.<sup>54</sup> Critically, this can put one’s health and caring for others in jeopardy.

*“It’s impossible actually to save if on a low income... I got paid on Friday and it was gone by Monday.”*

**In-work parent, Sunderland**

*“The stress with money has put me into hospital.”*

**Single parent with health condition, Sunderland**

*“If you don’t look after yourself, you can’t look after anyone else.”*

**Retired participant, Sunderland**

Finally, our participants also described other circumstances that meant their ability to participate in the wider world was circumscribed, most obviously when in poor health, or when they had caring responsibilities for someone else with a health condition or disability.

*“I had a breakdown a few years ago. I was working as an electrician, and I had a breakdown where I couldn’t recognise what to do, so I stopped work.”*

**Self-employed participant, Sunderland**

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<sup>54</sup> There are many studies that confirm this point. See, for example, Joseph Rowntree Foundation, [UK Poverty 2022: The essential guide to understanding poverty in the UK](#), January 2022.

*“When you’ve got a disabled child, everything is a battle ... My youngest son couldn’t cope after lockdown. He’s now in specialist provision - so that’s a little bit of time back, but the place isn’t permanent so I can’t plan ahead.”*

**Full-time carer for disabled child, Sunderland**

## A threadbare social security system and substandard public services leave those in need exposed

When circumstances change for the worse – whether that is through job loss, having finances squeezed by higher prices, or the onset of poor health – people frequently say they would turn to support from family and friends.<sup>55</sup> Indeed, some participants explained how they were helping out family members in this way. However, as some focus group participants pointed out, this support is not always sufficient, and not everyone has the security of a family that is able to support them in times of need.

*“I couldn’t depend on them [family] to help me financially, but then they could depend on me to help them, which I do very, very often.”*

**In-work, single participant, Paisley**

*[How would you cope with an unexpected income loss?] “Like me mum and dad a little [would have helped], because they were mortgage free.”*

**Full-time parent living with partner, Sunderland**

*“I can’t ask family for money... [their parent didn’t have much to give].”*

**Full-time student, Sunderland**

In principle, the state is also there to provide a safety net. But, as multiple studies have shown, the level of support available for working-age people through the benefits system has become significantly less generous over time.<sup>56</sup> Policies such as the two-child limit and the Benefit Cap can be particularly challenging for some low income individuals. (The erosion in value of working-age state support is particularly evident right now, with standard policy being to uprate benefits according to a lagged measure of inflation driving a fall in incomes of more than 6 per cent at the bottom of the distribution in

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<sup>55</sup> This observation confirms what many other studies have shown. See, for example: K Summers et al., [Claimants’ experiences of the social security system during the first wave of COVID-19](#), Welfare at a (Social) Distance, February 2021. Also see: K Gush, J Scott & H Laurie, [Job loss and social capital: The role of family, friends and wider support networks](#), ISER Working Paper Series 2015-07, Institute for Social and Economic Research, April 2015.

<sup>56</sup> See, for example: M Brewer et al, [Social Insecurity: Assessing trends in social security to prepare for the decade of change ahead](#), Resolution Foundation, January 2022. Also see: F Maddison, [A lifeline for our children: Strengthening the social security system for families with children during this pandemic](#), Joseph Rowntree Foundation, June 2020.

2022-23).<sup>57</sup> It was no surprise, then, to hear that those participants in our groups receiving some of their income as benefits were finding life very hard indeed.<sup>58</sup>

*“[It’s] impossible to cope, even though I’m trying to contribute to society.”*

**Full-time student and parent, Sunderland**

*“Since I’ve lost my job they’ve put us on Universal Credit and I have probably £30 for the month after I’ve paid rent because the bills are so high and you get nothing off Universal Credit... you can’t live for two of us.”*

**Working parent, Sunderland**

*“It’s just difficult... hard to get enough money. With private rent, feels like paying someone else’s mortgage.”*

**Working parent, Sunderland**

Moreover, across our groups, people noted that key public services, such as support for those with mental health problems, seemed to be coming apart at the seams. Although people in our focus groups were extremely supportive of action to improve services, there were few spontaneous calls from those higher up the income scale to improve benefit adequacy. We can speculate as to why this was the case. Our higher-income participants largely ascribed their good fortune to hard work and motivation and therefore appeared to feel that benefits were ‘not for them’. Moreover, other studies have shown the stigma attached to claiming benefits is very strong and could plausibly act as an impediment to suggesting increased levels of benefit support.<sup>59</sup>

*[During discussion of mental health provision.] “I’ve always thought the support was there if you needed it, but clearly there’s something not quite right.”*

**Retired participant, Sunderland**

*“The NHS should be funded anyway without an increase in National Insurance.”*

**In-work participant living with partner, Paisley**

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<sup>57</sup> The most recent inflation forecasts suggest that the real value of all benefit income will fall by about £15 billion in 2022-23: see A Corlett, J Marshall & J Smith, [Crunch Time: Bank of England raises rates again and signals cost of living crisis is set to deliver a £1,200 hit to incomes](#), Resolution Foundation, May 2022.

<sup>58</sup> For other accounts of the challenges of living on benefits, see: Joseph Rowntree Foundation, [UK Poverty 2022: The essential guide to understanding poverty in the UK](#), January 2022, and: R Patrick et al., [Covid Realities: documenting life on a low income during the pandemic](#), CovidRealities, January 2022.

<sup>59</sup> K Summers et al, [Claimants’ experiences of the social security system during the first wave of COVID-19](#), Welfare at a (Social) Distance project, February 2021.



## If not redistribution, then what?

If increased benefits were not a natural go-to suggestion to improve resilience to change for many in our focus groups, what was? Echoing what we heard in our worker focus groups, many thought the Government should use regulation to discipline firms' behaviour. There was much support for minimum wage legislation, for example, as well as regulation to ensure better terms and conditions at work.

*"Everything is on the side of employers."*

**In-work parent, Sunderland**

*"Stability would be more employee rights for employees with children - especially children with disabilities."*

**Full-time carer for disabled child, Sunderland**

The cost of living crisis, and especially rising energy bills, cast a particularly large shadow over this discussion. There was a strong sense of unfairness about rising prices, and a belief that the Government should intervene with companies both to ensure the most vulnerable were better protected, and that the wealthiest in society did not benefit from the current people's predicament.

"I think if everybody's making sacrifices, if everybody's going to pay more for electricity, pay more for fuel, we should all feel the pinch, not just – it always seems to be the people on the lowest incomes, the people who are working-class, that's having to struggle."

*"[The Government] should be capping energy bills... people are struggling. A cap should be funded by CEOs and businesses. That money should filter down."*

**In-work participant, Paisley**

Overall, our discussions with participants about their role as social citizens was highly revealing. It was clear that there were prerequisites to participating fully in society and the economy – an adequate income and good health being the two most obvious attributes required. But life was generally rich and rewarding: activities with family, friends and communities gave meaning and value to people's lives, and were often seen as contributing to the economy too. In the final section, we take a look at all our findings in the round, and consider what our six focus groups can tell us about how we should think about the UK's future economic strategy if we want a return to shared prosperity.

## Section 5

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# Implications for the UK's future economic strategy

The UK's shared prosperity model is broken.<sup>60</sup> If we want a country that is more productive and more equitable, we need an economic model that delivers positive change across multiple domains. Listening to the experiences of people from all walks of life – hearing their views about the past, present and future – will help ensure that the objectives of a new economic strategy are sound, and the routes to change are both desirable and feasible. So what lessons should the Economy 2030 Inquiry draw from our focus groups?

Right now, the country finds itself facing a cost of living crisis, with the highest rate of inflation in over 40 years.<sup>61</sup> But this acute period of stress comes after more than a decade of weak growth in real earnings and weak growth in productivity compared with comparable countries; income growth has also been especially poor for those on the lowest incomes. Participants in our focus groups were all too aware of the lived reality of these trends, demonstrating the need to boost growth and productivity as a route to higher living standards.

But how? Participants in our focus groups bemoaned the intensification of low-paid work, and higher-paid workers wanted to protect the flexibility their jobs offered. The productivity change people want comes from improved technology and higher skills, not from working faster and harder. Their experience told us that management practices matter too: being treated well not only meant higher productivity, but also a better experience of work and improved well-being overall.

One of the main routes to higher pay and productivity gains is for people to move jobs.<sup>62</sup> But, as our focus group participants explained, there are barriers to mobility. Lower earners typically have little to gain by moving to another low-skill role, and better jobs were too often unachievable, requiring qualifications they couldn't attain, or experience they didn't have. In contrast, higher earners' saw job change as coming with many risks,

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<sup>60</sup> See: [The UK's decisive decade: The launch report for The Economy 2030 Inquiry](#), Resolution Foundation, May 2021.

<sup>61</sup> Monetary Policy Committee, [Monetary Policy Report](#), Bank of England, May 2022.

<sup>62</sup> For a discussion on how voluntary job moves lead to pay rises, see: N Cominetti et al, [Changing jobs?: Change in the UK labour market and the role of worker mobility](#), Resolution Foundation, May 2021.

both in terms of whether their skills would be as valued by another employer, and what would happen to their flexible terms and conditions. If we want the dynamic labour market that a more productive economy requires, then we must tackle the impediments that workers encounter in progressing their careers, whether in the same job, or a different one. We should also standardise flexible working rights and practices for workers with care responsibilities so they are more comfortable to reduce the risk that comes with moving jobs.

Earnings and incomes may be the key determinant of living standards, but so too are the prices of the goods and services we consume. Our consumer focus groups made clear that they valued choice because they wanted low prices and high-quality products. But they also recognised societal trade-offs when deciding what to buy: ethical products (more environmentally friendly, funding higher wages) would come at a higher price, while online shopping habits could mean local shops decline. If we want to align spending power with positive ends – for example, to reach our net zero goals – our focus groups suggest this can best be achieved through regulation, rather than expecting consumers (or firms) to make complex ethical choices on an individual basis.

Living on a low income reduces the choices that people have, and living on a very low income is often debilitating. Likewise, being in poor health – or having a family member that needs care and support – limits opportunities to work or engage in other activities, and in turn also means a lower income. If we want an economic strategy that delivers for everyone, then it needs to address these barriers. But delivering better healthcare services, providing more funded childcare, or further supporting families on a low income all require public service cuts elsewhere, or higher taxes. A new economic strategy must address this trade-off, choosing to what extent these priorities are addressed and where the tax burden should fall.

Finally, we end with the observation that no participant in our research felt they had the ability to affect economic change – economic change is currently done to people rather than by or with people. In the next phase of the Economy 2030 Inquiry we will seek to improve on that when we work once again with members of the public exploring their attitudes to economic change, and developing policy recommendations to achieve shared prosperity that are alive to their lived experience.

For now, though, we give the last word to one of our participants.

*“The system needs to change and the people like us ... who’ve gone through it, our views are so important to try and make that change.”*

**Single parent with disabled child, Sunderland**

# THE ECONOMY 2030 INQUIRY

SHAPING A DECADE OF CHANGE

The UK is on the brink of a decade of huge economic change – from the Covid-19 recovery, to exiting the EU and transitioning towards a Net Zero future. The Economy 2030 Inquiry will examine this decisive decade for Britain, and set out a plan for how we can successfully navigate it.

The Inquiry is a collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics. It is funded by the Nuffield Foundation.

**For more information on The Economy 2030 Inquiry, visit**  
[economy2030.resolutionfoundation.org](https://economy2030.resolutionfoundation.org).

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