

# The *Quids in!* Reader Survey 2018

Understanding financial resilience among social tenants, benefit claimants and low paid workers, the impact of money worries on their wellbeing, and the responses required to prepare them and their finances for the future

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# 1

## FINANCIAL RESILIENCE... AND UNIVERSAL CREDIT

**T**his is our fourth national survey of social tenants. We have carried them out every two years since 2012, giving us a picture of financial resilience in hard-pressed communities over time. There has not been so much uncertainty about what the future holds for all of us in the UK in at least a generation. Brexit, Universal Credit (and its

agenda to modernise welfare delivery) and global economics, for example, all play a part. Many social tenants, benefit claimants and low paid workers (and their peers around the world) have voted for change at any cost, saying it cannot be any worse. But can it?

### BANKING, BUDGETING AND BEING ONLINE

**B**y turning our focus from financial wellbeing in previous surveys to financial resilience, we are looking now at how prepared people are for any future setbacks.

We have been following Universal Credit (UC) since this overarching welfare reform was announced. Whatever happens to this system, modernisation is essential and inevitable. Claimants will need to be online, have an active bank account and be better equipped to make sure more is coming in than going out. This survey helps illustrate how the design of UC miscalculates the capabilities of its stakeholders and the ways implementation is mismatched with the lives of claimants. In turn, it investigates solutions and highlights the important role of 'The 3 B's' - banking, budgeting and being

online in promoting resilience.

At the same time, it is still vital to monitor the links between poor financial wellbeing and communities' physical and mental health as the tangible outcomes of poverty and financial exclusion. We don't only fight for financial inclusion and promote money skills just because of social justice but because people tangibly suffer otherwise. Our survey found 68 per cent of working age people not in full-time employment feel frightened, anxious or depressed on account of money worries, for example. We believe there are steps they can take that will make them more resilient so they are better off both financially and health-wise.

### A CHANGING PROFILE (READERSHIP)

**T**he number of respondents to the 2018 survey was lower than in 2016. A higher proportion responded online, and fewer were above working age, making it difficult to compare over years. Digitally excluded people are shown to be worse off, and as more benefits claimants are forced to use the internet we expect to see their financial capability increase. Conversely, older readers have always demonstrated greater financial capability. In short, the readership profile has changed and we would expect this to affect the picture of financial resilience. The research is robust enough for us to build *Quids In's* strategy going forward, as any good reader survey should inform how publishers meet their readers needs.

In terms of social policy, however, we recognise it is only an indication of what might be happening, although our previous findings have been borne out by subsequent mainstream research. In 2016, for example, we identified older people as being relatively secure. This challenged perceptions that it was this group most at risk but the Resolution Foundation later published research that found they were in fact better

off than working age groups.

This research can be utilised by participating landlords who circulated it in *Quids in!* magazine from late 2017, building it into their understanding of what their working age tenants need moving forward. It may support the principle behind the government's recently published *Green Paper on social housing*<sup>1</sup>, which aims to re-connect tenants, increase social mobility, and tackle the stigma attached to social tenants. The Paper stops short of reinstating landlords' duty of care for tenants' financial wellbeing, which was scrapped in 2010, but we expect many will interpret this as integral to the fairness, quality, security and dignity that legislation will call for. As a result of the risks attached to UC (and rent reductions in England), many landlords *do* promote financial capability. The impetus, however, has often come from finance departments managing risk. Some have even started screening new tenants to assess (and improve) their financial capability... and reduce the chances of housing someone likely to fall into arrears.

1 <https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

## UNIVERSAL CREDIT

**Once more, working age people who are not in full-time employment have told us they're suffering most and a brief snapshot analysis in this report suggests things are even worse for UC claimants.** It is estimated that payments for one in five new UC claims are delayed and that the more vulnerable the claimant, the more likely they'll have to suffer delays. We have made it our goal to reduce this number by helping people improve their financial resilience, starting with a review of the 3 Bs. As such, this report pays particular attention to respondents' access to banking

services, IT and preparedness to deal with any financial setbacks.

We hope this report will at least make the case for bolder strategies to enhance low income households' financial resilience. In uncertain times, they are completely exposed to the fall-out of financial, political and social crises. It is our collective responsibility to help them future-proof their finances so they stand a fighting chance of weathering any storms or setbacks.

## 2 QUIDS IN! – MAKING A DIFFERENCE

**Quids in!, (the public face of the Social Publishing Project), is a not-for-profit enterprise in business to address poverty and social exclusion by promoting financial resilience and ways vulnerable people can help themselves.** We produce reader-friendly materials like [Quids in! quarterly magazine](#)<sup>1</sup> and our [Guide to Universal Credit](#)<sup>2</sup>. Our money email service, the [Quids In Readers Club](#)<sup>3</sup>, won a [Civic Innovation Award](#)<sup>4</sup> from the Mayor of London for promoting digital skills and financial inclusion. Also in 2018, we launched our first [money skills programme](#)<sup>5</sup>, which is built around our 3 Bs methodology (see also p20) and takes attendees through the essentials of banking, budgeting and being online.

We are also sector-facing and run the Quids In Professional Network (QIPRO), boasting 2,000 advisers and policy-formers as subscribers who receive briefings, articles and news to help them improve services. As a part of this service, in 2018 we launched [www.quidsinpro.com](#), which is home to a Universal Credit Knowledge Bank, keeping subscribers briefed through a part-Q&A, part-Wiki resource on how UC works and good practice for responding to its unintended consequences. The research we undertake, such as this report, informs QIPRO's work. We support networks and forums around the country with financial capability presentations and briefings where we

share these unique insights on the financial resilience of social tenants, benefit claimants and low paid workers.

*Quids in!* is largely self-funding with only a few projects forming the exceptions, such as our bilingual loan sharks publications funded by the Welsh Illegal Money Lending Team. We work in partnership with landlords and authorities, who buy our products, licence our digital content and commission our training. Support from sponsors like Aviva enable us to develop other work and it was their support that meant we could conduct this research. Similarly, we worked with the Open University on their Money Advice Service-funded project to explore engagement models that could boost financial capability among lower income households. All our partners value our approach to reaching an audience that is often talked about but rarely talked to, let alone listened to. They recognise our independent and familiar voice cuts through to groups left cold by formal information from authorities, landlords or state-backed sources of money advice.

Based on our 2016 survey, we re-focused *Quids in!* content to address the needs of working age readers and subscribers, not in full-time employment. The results have been phenomenal. In 2018, 31 per cent said they found *Quids in!* useful 'All the time' and this is up from 17 per cent. An incredible 54 per cent 'Think more carefully about their finances' compared to 33 per cent in 2016. On all our key impact indicators, scores are up. Most notably, however, the impact was most keenly felt among the audience we identified as most in need. These are also the people most likely to be on, or moving onto, Universal Credit.

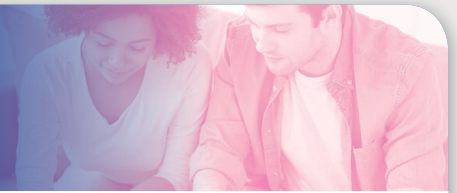
1 <http://www.socialpublishingproject.com/quids-in-magazine.html>

2 [www.socialpublishingproject.com/universal-credit-guide](http://www.socialpublishingproject.com/universal-credit-guide)

3 <http://www.socialpublishingproject.com/quids-in-readers-club.html>

4 <http://www.socialpublishingproject.com/uploads/9/6/1/1/9611868/oct.18.qirc.cic.intro.onepager.pdf>

5 <http://www.socialpublishingproject.com/3-bs-money-skills-programme.html>



**T**he data presented in this report was collected using three separate postal or online surveys:

1. *Quids in!* Survey received by post (144)
2. *Quids in!* Survey received online (213)
3. Online '3 Bs' survey (assisted for workshop attendees) (39)

There were 396 respondents in total. This report mainly presents the combined results for questions that are common to all surveys and where this is not the case, the commentary indicates this.

The survey itself was designed by *Quids in!* and independent researchers to create continuity from previous research but also to introduce indicators of financial resilience. This drew on our learning about how this can be achieved, especially for groups that showed in past research that they were suffering most. We draw on the common elements of the different surveys in use but it is worth acknowledging that where, for example, one version is used to benchmark the financial confidence of low income attendees of our new 3 Bs money skills training, participants have already decided to take action on their finances.

We ran the survey over a longer period, from December 2017 to October 2018 and offered two draw prizes of £300 to incentivise response rates. It was included on two pages in two editions of *Quids in!* and in our UC Guide, while a free-standing survey was inserted into the annual edition provided for the Northern Ireland Housing Executive. Links to the online survey were included in a number of editions of the *Quids In* Readers Club email service.

Although we achieved a sample size robust enough for a magazine reader survey, helping us develop our products, it was disappointing that the response rate was smaller than that of previous surveys. We were not able to include response envelopes, (there are logistical limitations for this, given our distribution through third parties), but we did publish a FREEPOST address to encourage responses. We have limited how far we drill down into the data because of sample size, however, by age and working status because of our specific interest in the needs of working age people who are not in full-time employment. (We look specifically at Universal Credit claimants' responses for one question but acknowledge that the small sample size means it is not statistically robust.) We are confident the findings reflect the feelings of low income households but, in terms of social policy, we hope our data prompts further social research.

Previously, we found people who respond online were generally much better off, so we were also concerned that the majority of responses switched from postal to electronic responses. However, there is a level of continuity to key findings. If this were driving the effect, the data would have shown that people are dramatically better off or the nature of their needs are significantly different but any improvements were generally marginal. With hindsight, it is logical that more would respond online, given the growing pressures to be online to find deals and offers, but also vital services and benefits.

As before, we are grateful to Aviva for their ongoing sponsorship. Although they are stakeholders in financial inclusion, offering services alongside other institutions that we'd hope more of our readers would take up, they have always encouraged us to give our audience a voice. Ten years into the *Quids in!* project, through one of the toughest economic periods in recent times, it is so important we keep talking - and listening - to low income households.

# 4

## DEMOGRAPHICS - WHO ARE WE TALKING ABOUT?

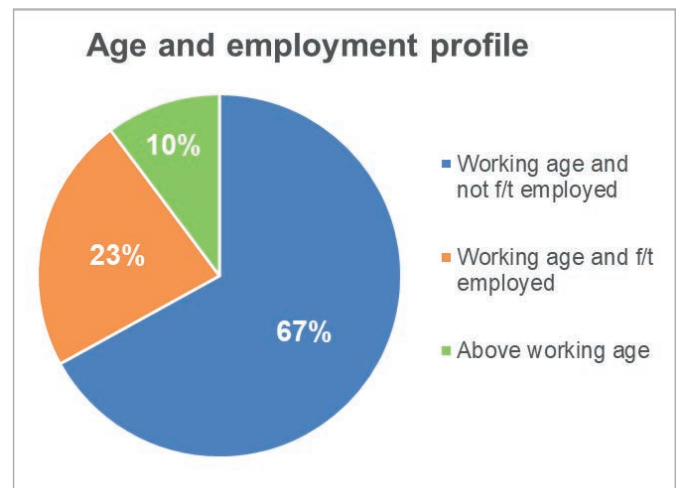
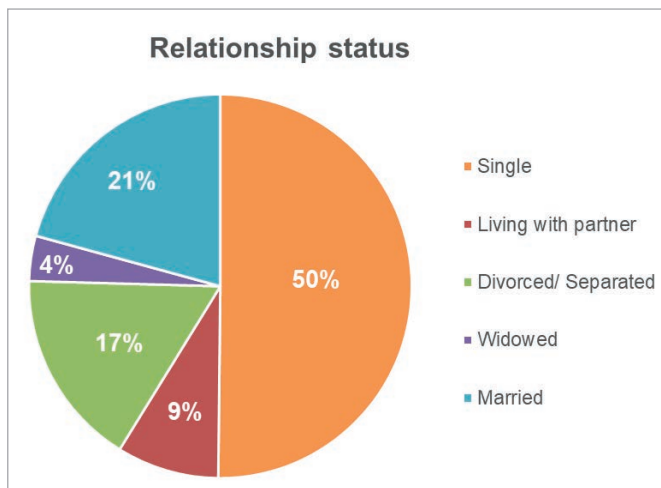
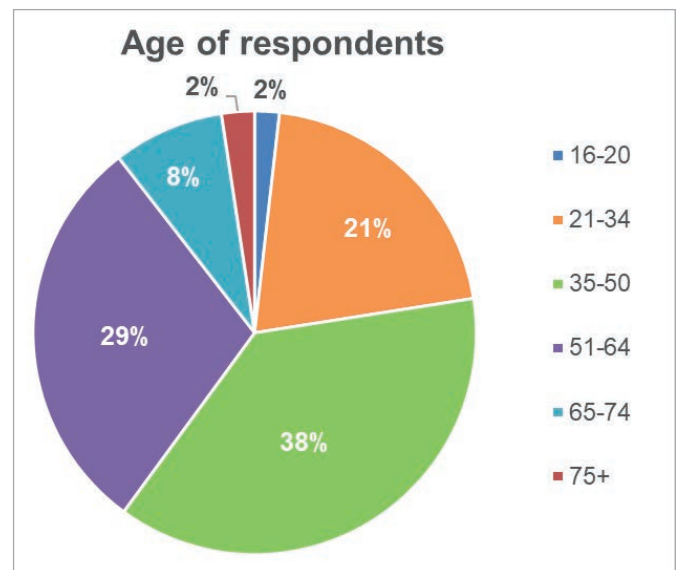
**Q**uids in!, its Quids In Readers Club email service, and our guides to Universal Credit and new tenancies are all written for social tenants, benefit claimants and working people struggling to make ends meet. Our survey is a rare opportunity for their voices to be heard on how they are managing financially, although our reach is primarily to social tenants. There are up to 10 million people across the UK in social housing and millions more on the breadline renting privately or just about keeping up a mortgage.

The majority, 88 per cent, of respondents were aged between 21 and 64. There is a fairly broad range within this group but almost two in five (38%) were aged 35-50. The fact responses from older people dropped to 10 per cent (from 24%) prompts a note of caution about research comparisons over time. These are changes to *Quids In's* readership, not the make-up of social tenants. As working age people have previously been found to face more hardship, this will influence the proportion of respondents struggling now. The older age of respondents may explain why a larger number this time responded online.

Half of readers (50%) were single, 17 per cent were divorced or separated, and 4 per cent were widowed. Nine per cent were living with a partner and 21 per cent were married.

Two thirds were working age but not full-time employed and this includes part-time workers (17% of those who responded to the question), carers (9%), and students (4%), for example, as well as jobseekers (11%) and people unable to work through ill-health or disability (21%). A quarter of respondents (23% of all respondents) were full-time employed and just ten per cent were above working age, (compared to 24% in 2016). This is a significant shift and demonstrates that *Quids in!* is reaching its target audience more effectively.

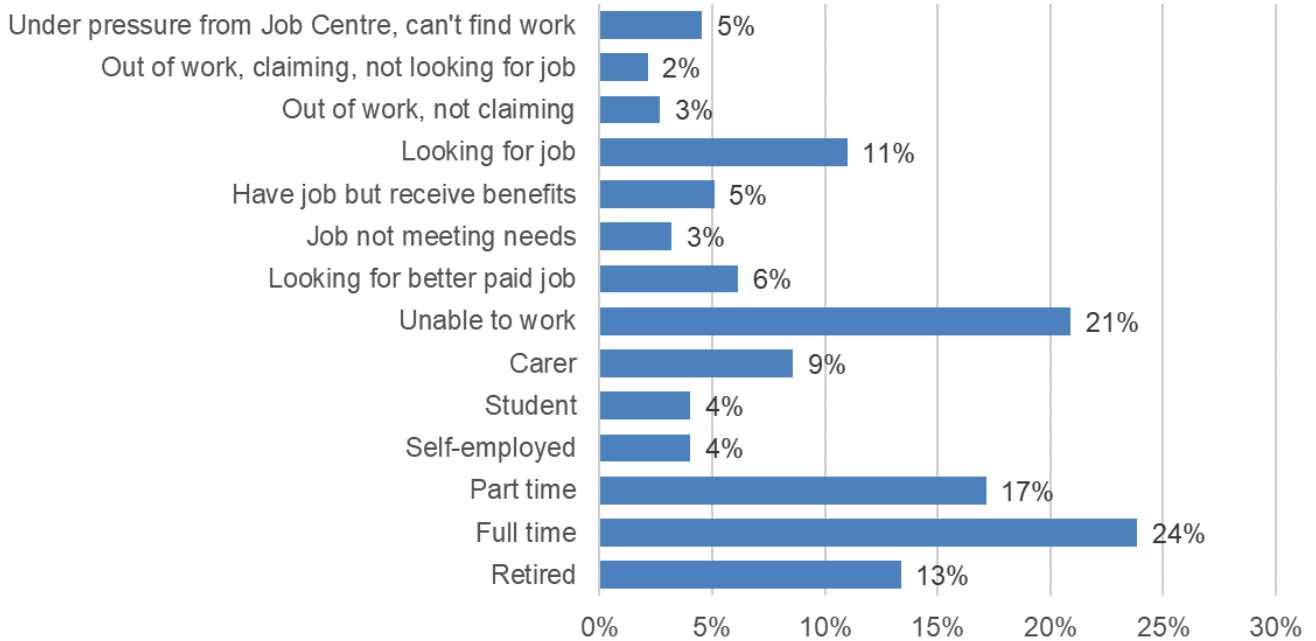
Given the amalgamation of benefits under Universal Credit, it is not meaningful to compare any changes over time to the profile of *Quids in!* readers by welfare receipt. It is useful to note, however, that more than half (56%) claim Housing Benefit and just over one in ten (12%) claim Universal Credit, which is six times the number in 2016.



(Note: Proportion of all respondents to survey)

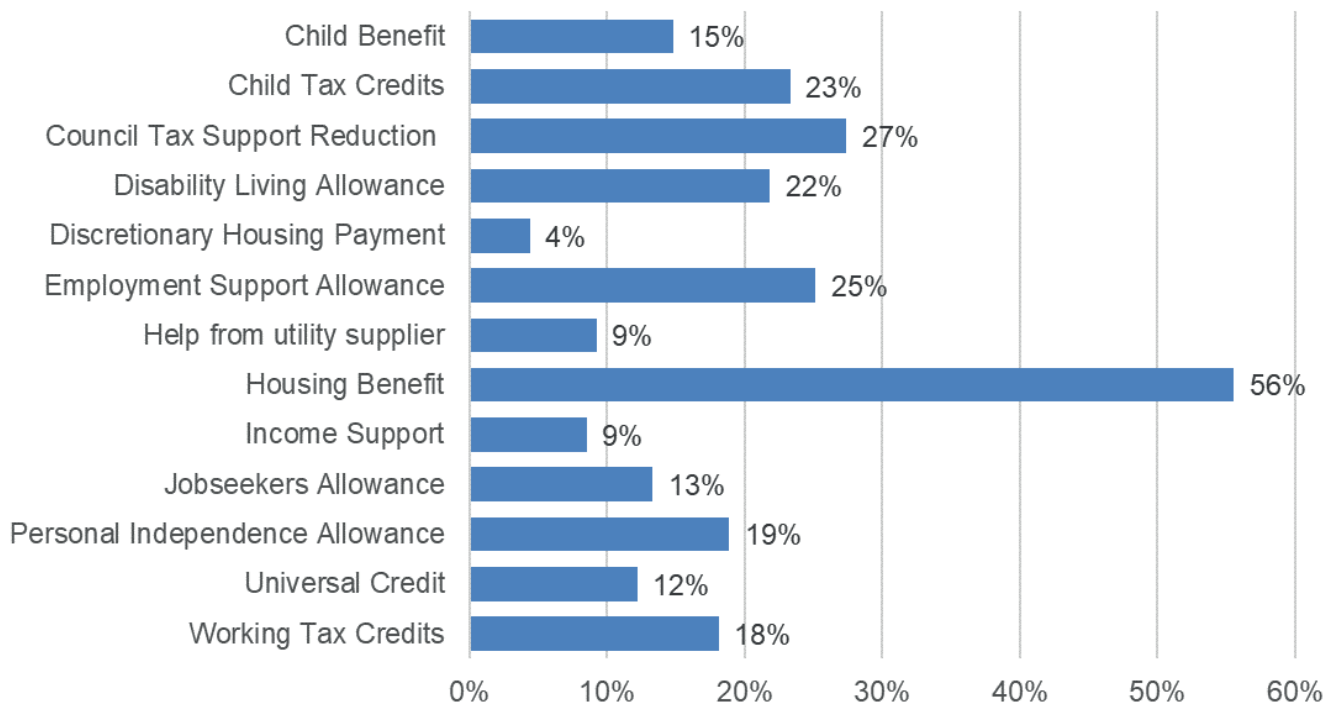


## Employment status



(Note: Proportion of respondents to this question)

## Benefits claimed



## WHY THE 3 B'S?

**T**he issues of banking, budgeting and being online represent the triple threat for new Universal Credit claimants. Our previous research for low income households, particularly those moving on to Universal Credit, proved what people affected by welfare reform were telling us and our partners on the ground. Many did not use a bank account despite it being the best way to guarantee trouble-free benefits payments are received. By having just a Basic Bank Account, rent can also be paid almost as smoothly as it was when Housing Benefit went straight to the landlord, (under UC, it goes to the claimant). Receiving all their benefits, then, rightly treats claimants as adults but that's not to say they were ready for this responsibility. Data we collected demonstrated money worries were already causing great harm to their mental and physical health. Few had savings to fall back on and we've found that making sure more was coming in than going out was a tall order for many. Finally, the 'digital divide' is real and while this part of the picture is changing rapidly, thinking every claimant could even use a mouse, let alone upload photo evidence of bank statements, was over-optimistic.

All this exposed the false assumptions designed into UC. It suggested none of its architects had ever met a claimant. And it's the simple explanation for why its implementation has been problematic for DWP – and catastrophic for many claimants. There is an explicit mismatch with the lives of low income households as UC tries to fit square pegs into round holes. Campaigning groups rightly want the process to change but while they try to change the shape of the hole, *Quids in!* focuses on the pegs, helping them fit into the system. To this end, *Quids in!* is a self-help initiative, (not to be



confused with being an apologist for a flawed system), and 'The 3 Bs' are a good rule of thumb for starting people off.

Universal Credit is not the only concern, however. With uncertainty around Brexit and the economy, and where public services and financial products are modernising, The 3 Bs start the conversation on how social tenants, benefit claimants and workers struggling to make ends meet can future-proof their finances. They lead onto financial capability issues like income maximisation, savings, and cutting spending, and then onto a 25-point financial resilience checklist we've devised: The Future-Proof Finance Test, (see page 11.)

## 3 B'S MONEY SKILLS SESSIONS

*Quids In!*'s day-long programme guides learners as they explore their attitudes to money, their hopes and fears, set goals and develop an understanding of their rights. Talking together, they realise they are not alone and identify where to find help. There is no expectation for anyone to share personal information, instead we invite them to help create a personalised edition of *Quids in!* magazine. They compile their top tips on spending wisely, keeping money safe and building some savings, maximising their income,

balancing the books and fending off debt. It's a uniquely interactive programme, as attendees become editor for the day, working up 'cheap eats' recipes, researching online calculators and playing agony aunt/uncle to offer advice to people like themselves.

By the end of the session, learners have grown in confidence and understand the importance of self-advocacy, whether in a bank, Jobcentre Plus or a weekly payment store. They set personal challenges they will address and we signpost them to the right local and specialist support.

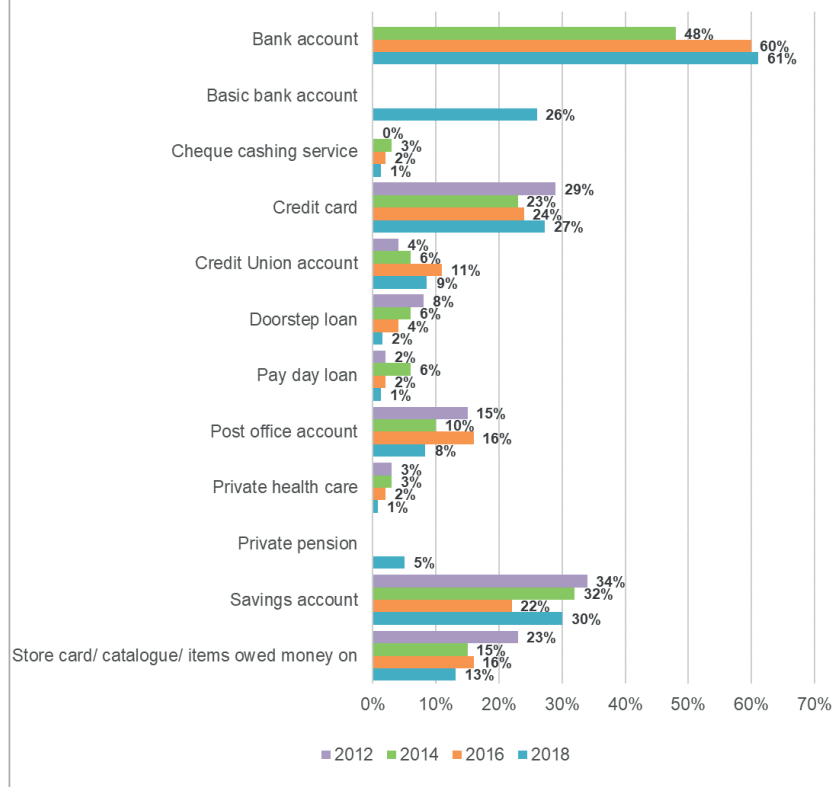


## BANKING - ACCOUNTS AND SAVINGS

**T**here are small but positive signals here. Just one per cent more people use a bank account than two years ago and this figure needs to be transformed, especially among prospective Universal Credit claimants. For this group, it's encouraging to see the number using a Post Office account has halved as landlords identified this as a major risk to claimants withdrawing their benefits, now a month's at a time including rent, in cash. But where are they banking instead? Use of credit union accounts has decreased and, in any case, they do not always offer direct debit facilities to pay rent and bills. More work needs to be done, not only by finance and welfare advisers but everyone working with low income households. Advisers in all sectors should promote mainstream and Basic Bank Accounts, to which everyone is entitled. Some progress seems to have been made in terms of accessibility, as just two per cent reported ID causing problems opening an account, compared to five per cent in 2016.

It's good to see the use of savings accounts has leapt from 22 per cent to 30 per cent but this too needs to change massively if people are to become truly financially resilient. Payday loans have all but disappeared, primarily due to regulation, and doorstep loans, cheque cashing services and use of expensive catalogues and store cards are falling too. Only the use of

Use of financial services (comparison over time)



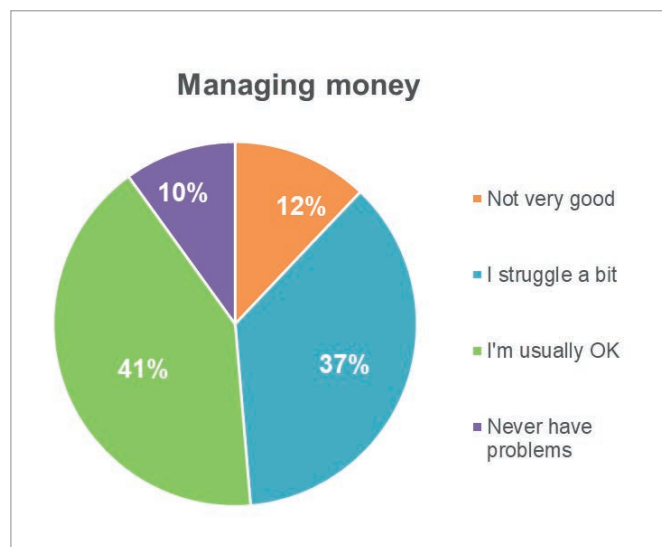
credit cards has increased (to 27%), and further investigation found it is people working full-time who are more confident about using them.

## BUDGETING

**M**any people on low incomes are experts at stretching a limited budget. Others feel they are getting by, just fine. But ask them if they know exactly how much they have coming in each month and a good number don't really know. Then ask if they know how much goes out and the majority will look blankly back. That's the experience of our 3 Bs money skills workshops. What's more, people who feel they do just fine don't realise how much better off they could be if they deployed a few simple tactics. This is why when we ask how confident they feel about their finances at the start of our training and compare it at the end, it has dropped. Understanding *what could be* massively alters their self-perception and helps them understand the benefits to be gained with improvement.

One woman on our 3 Bs money skills training told us she was on top of her money but then disclosed she was living on half a Pot Noodle a day. The trainer stepped in and during some

Managing money



follow up support, reviewed her benefits, helped her open her post and reviewed her expenditure. She was able to cut costs by £185 a month, so £2,220 a year. We discovered she was due a £680 housing rebate and a Benevolent Fund payment of £1,800. That's a total boost of £4,700.

*Quids in!* is either now reaching a higher proportion of people who feel they are not very good at managing their money, (12 per cent compared to nine per cent in 2016), or our readers are generally struggling more. Just ten per cent say they never have problems but as the case study above reveals, people's perception of how well they're doing is not always a reflection of what's really going on.

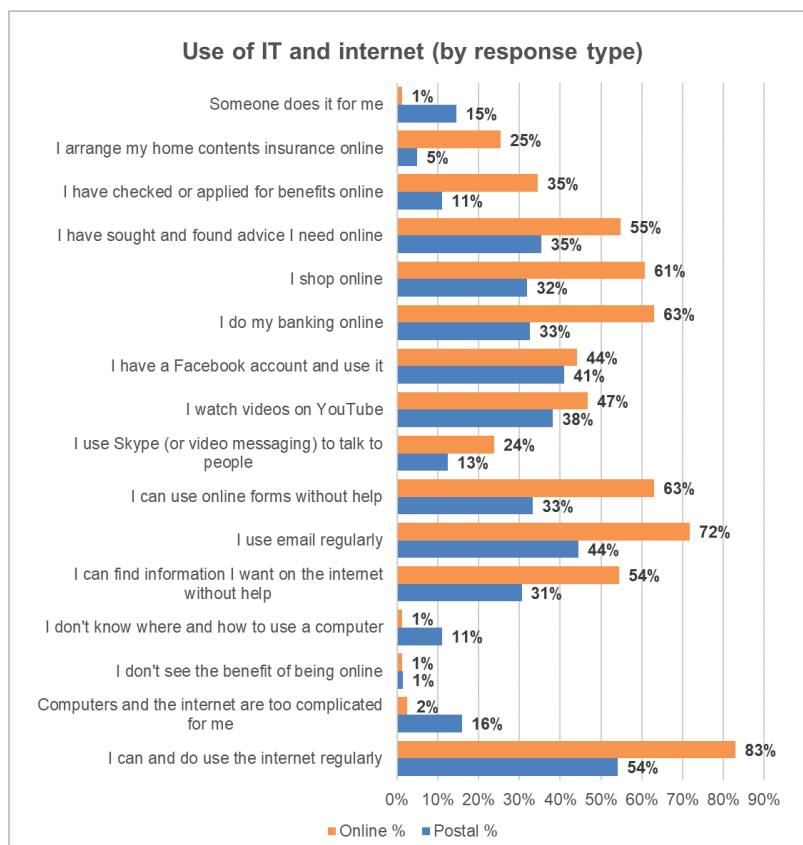
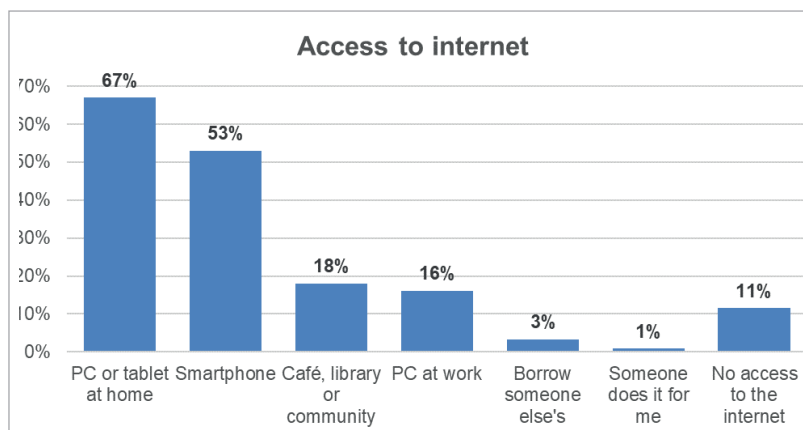
## BEING ONLINE

**P**revious surveys were better able to compare those who responded by post and online and demonstrated how those online were better off. The picture is not so clear now. More people have access to the internet, on a smart phone or using a library, for example, but not everyone knows what to do next.

What we can see, however, is that 11 per cent still say they have no access to the internet. This is almost half the 21 per cent who reported this in 2016, which is very positive. But when we consider the improved public access to IT, either people find free-to-use IT facilities too hard to use or they don't know about them. Both of these issues should be addressed because it becomes a social justice issue if benefits can only be claimed online and authorities don't make the means to do so accessible. It is worth noting slightly fewer claimed to have access at a cafe, library or community centre, (18% in 2018 compared to 20% in 2016). This might reflect the closure of libraries and council offices or the facilities being over-subscribed as more people are forced to go online to access welfare and services. At least more have access at home, with an encouraging increase from just 41 per cent in 2016 to 67 per cent now.

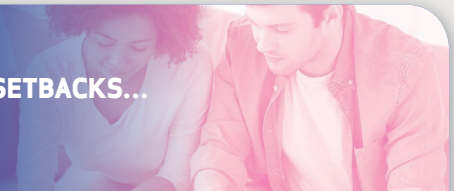
*Quids in!* has developed a money email service specifically for social tenants, benefit claimants and people suffering in-work poverty. In 2018 The Quids In Readers Club won the Mayor of London's Civic Innovation Challenge award for promoting digital skills and financial inclusion and this led to a new partnership with Lloyds Bank. This research gave us the opportunity to learn more about readers' digital habits, so we can link our online activities to them but also helping us understand what aspirations to start with for people who are new to the internet. Many online respondents regularly use email (72%) and the internet (84%), almost two in three (63%) able to fill out online forms, which is deemed to be an essential basic digital skill. A similar amount do their banking (63%) and shopping (61%) online. Just over half (54%) found information they needed without help and roughly the same accessed advice online

(55%). Just 35 per cent had checked their benefits online and this is both a simple and essential exercise for everyone on low incomes, especially as welfare systems and entitlements regularly change.



# 6

## RESILIENCE: PREPARING COMMUNITIES FOR SETBACKS... AND UNIVERSAL CREDIT

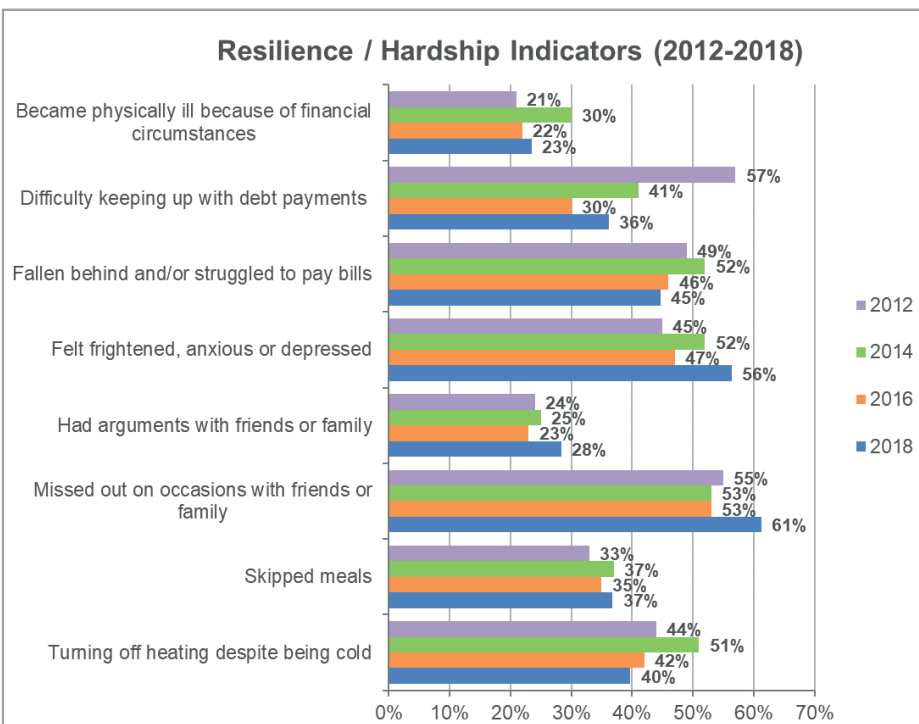


**W**hile the 3 Bs represent our methodology, they are also only a starting point for more impactful work to improve financial resilience. This is a move towards a focus on future-proofing householders against setbacks, not just how to improve *how they are now*, ie, their financial wellbeing. As presented though, this agenda is vital for Universal Credit claimants but applies to all low (and probably mid) income households in the context of uncertainty around Brexit and a precarious global economy.

### HARDSHIP AND RESILIENCE

**A** key question in our survey lists the actions people may have taken in response to their financial situation. These include what we term 'hardship indicators' like skipping meals or feeling frightened, anxious or depressed. Indicators, like switching utility suppliers, is a positive response so suggests resilience. They all belong on the same scale, however, because they all indicate how people cope - one person might reduce their energy usage (positive) but another feels forced to turn off the heating despite being cold (negative). As we have seen in our new money skills training programme, some people feel they are doing okay if they are living on a food budget of a few pounds a week. Without sounding paternalistic, we have to take a view about the point at which an adviser should intervene when in the room and when *Quids in!* should interpret responses as showing unacceptable hardship or good financial capability.

In 2016, it seemed there was a trend emerging of small, incremental improvements over time in respondents' financial wellbeing. We now have four years' data to compare against eight of the indicators. On the face of it, it seems we have bad news in 2018 and our readers as a whole group are generally in worse shape, although more in terms of their emotional wellbeing and relationships with friends and family. Numbers feeling anxious, frightened or depressed, specifically on account of money worries, grew from 47 per cent to 56 per cent. Most of the other indicators were marginally worse, with



Note: Indicators in alphabetical order; n= 307.

### FUTURE-PROOF FINANCES QUIZ

Coinciding with the publication of this research is the launch of our Future-Proof Finances Test. There are three versions of this 25-point tool: It appears as a self-help quiz in the 10th anniversary edition of *Quids in!* magazine, an interactive quiz version can be accessed online and a free download of the checklist is available to advisers at our sector-facing website [quidsinpro.com](https://quidsinpro.com)<sup>1</sup>.

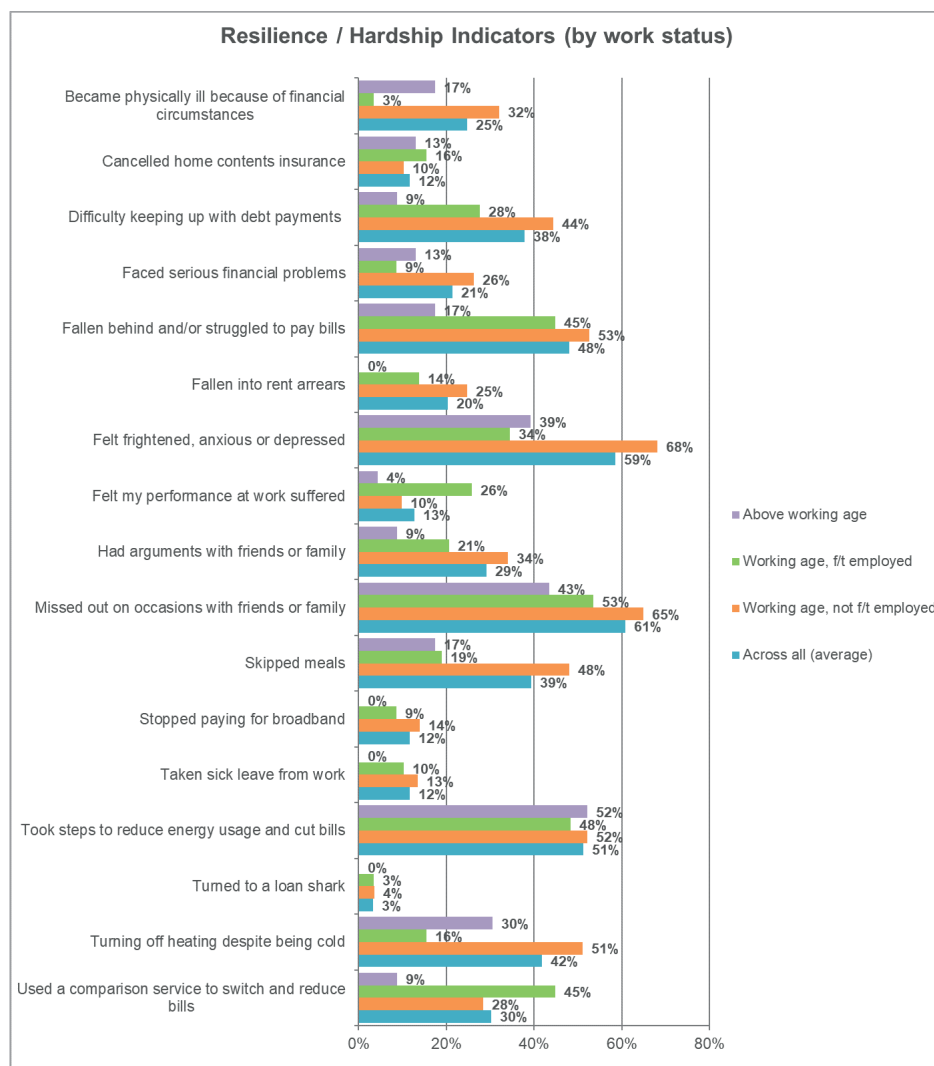
Each question reflects a factor indicating resilience. A 'no' response triggers a 'mini-challenge' to turn a negative answer into a positive one, so helping participants to work towards an improved score in future. It also includes a paragraph of information to fully embed the principles relating to the question. For example, we explain why even setting a few pence aside each day will create an important habit supporting resilience, or why having a full set of ID documents to hand might prevent problems before they happen. The resource is designed to reduce the number of Universal Credit claims failing or being delayed. But it is equally vital for all social tenants, claimants and low paid working households because it lays solid foundations for dealing with any financial setbacks that could come about in the next few years. It can be integrated into activities to benchmark resilience, then guide and monitor subsequent progress.

<sup>1</sup> <https://quidsinpro.com/>

slightly more feeling physically ill (from 22% to 23%) and skipping meals (from 35% to 37%). There were only slight improvements with managing bills (from 46% to 45%) and those going cold (from 42% to 40%). Given the sample size, however, minor swings either way should be considered no movement and when also considering the changing profile of *Quids in!* readers we should focus instead on the bigger picture where readers are now: Too many social tenants

are in some form of significant hardship, a quarter whose physical health suffered and more than half with some degree of mental health or emotional support need due to money worries.

These findings disguise a widening gap between groups distinguished by age and work status. For almost all these hardship indicators, working age respondents not in full-time employment suffered more than the rest. Among this group, numbers whose money worries impacted their mental wellbeing rose to a staggering 68 per cent, compared to 34 per cent among their working age counterparts in full-time employment. Around half skipped meals (48%, compared to 19% among full-time employed people) and/or turned off the heating despite being cold (51% vs 16%). A quarter in this group fell into rent arrears (25% vs 14%), two in five struggled to manage debts (44% vs 28%), and more than half were in difficulty covering rent bills (53% vs 45%). As previously stated, working age people not in full-time employment are the group most likely to move onto Universal Credit, and experience shows this will add further challenges to their financial wellbeing. (We return to this below.)



Note: Indicators in alphabetical order; n= 275 (who indicated age/ work status/ actions taken). For this reason the 'Across all (average)' figures in this chart differ slightly to the results in 'Resilience/ Hardship Indicators (2012-2018)'

## UNIVERSAL CREDIT AND HARDSHIP

**D**ue to the level of interest in how Universal Credit is impacting claimants, we might have been justified putting the chart below on the cover of this report but we acknowledge this analysis is too small a sample to draw strong conclusions from. It is, however, consistent with what is inferred by the analysis by age and work status, where we can see working age people not in full-time employment are facing greatest hardship.

According to this snapshot, UC claimants' health is under even more pressure than others. Immediately, we can see three in

four (74%) feel frightened, anxious or depressed on account of money worries, compared to (a still significant) 60 per cent of the rest of our readers (who indicated any hardship factors). They were consistently just under twice as likely to skip meals (63% vs 38%), slip into rent arrears (33% vs 19%), see performance suffer at work (22% vs 13%) and feel physically ill than their counterparts (41% vs 24%).

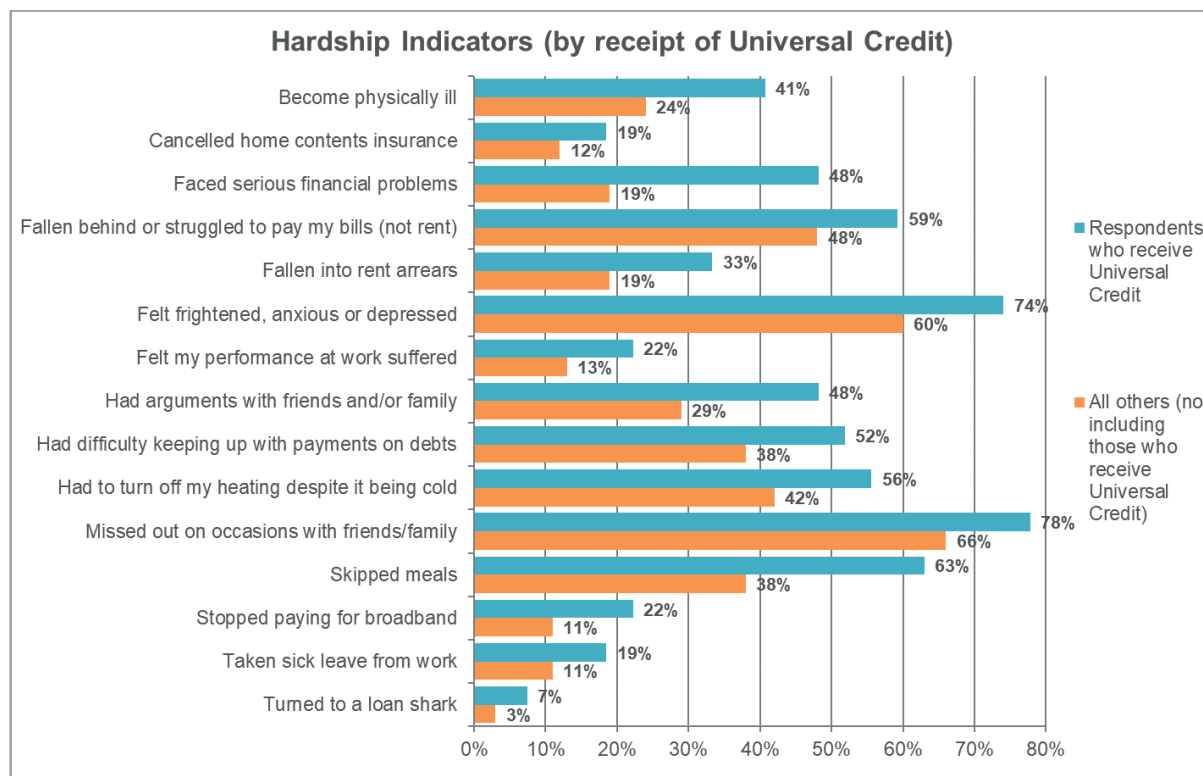
The direct impact on their financial wellbeing is huge. They are two to three times more likely to face serious financial problems, (48%, compared to 19% not on UC) or turn to

loan sharks (7%, compared to 3% of other groups). In terms of future resilience, one in five (19%) cancelled their home contents insurance (vs 12%) on account of money worries. Similarly, but counter-intuitively (because claims must be managed online), UC claimants are also twice as likely to have stopped paying for broadband at home (22% vs 11%), meaning they lose out on easy access to the financial benefits of being online.

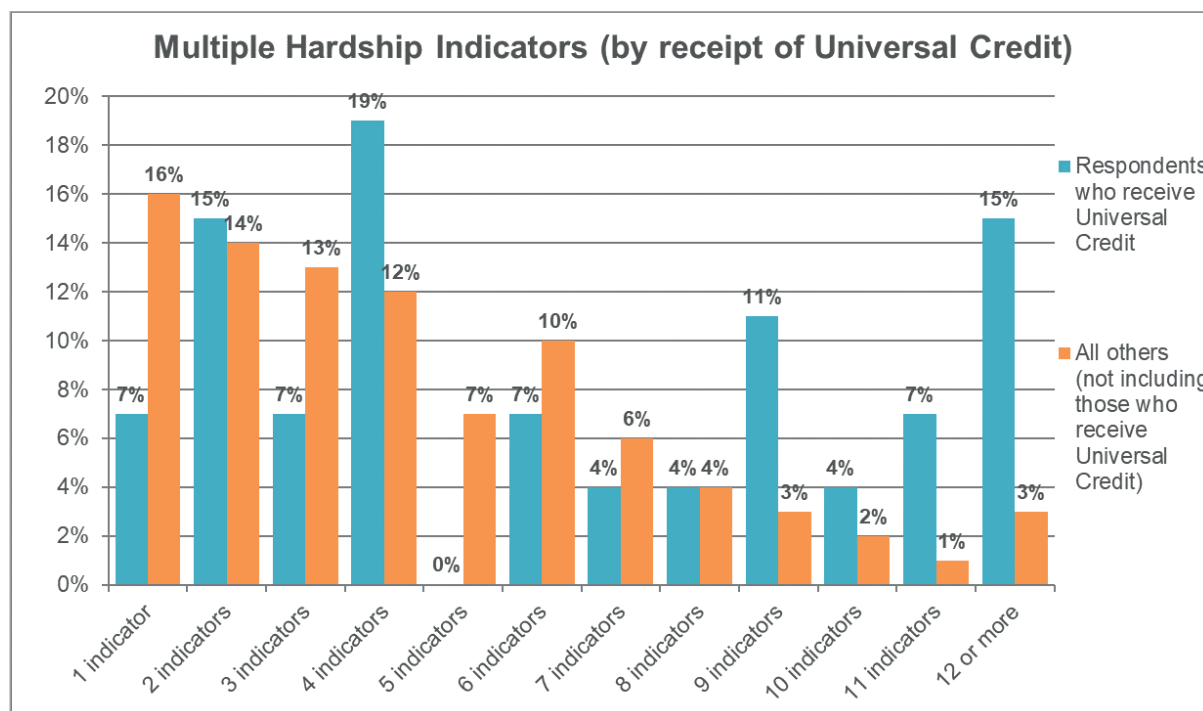
UC will increasingly impact working households too (because it replaces Housing Benefit, Income Support and Tax Credits).

As this snapshot includes unemployed *and* employed people on UC, a surprising number of UC claimants have been more absent from work due to money worries (19% vs 11%) and more feel this stress has affected their work (22% vs 13%).

This picture is further illuminated by a brief analysis of multiple hardship indicators. The chart below shows the number of different ways UC claimants have been impacted by money worries compared to the rest of respondents. Five times as many ticked 12 or more indicator boxes (15% vs 3%) and half as many selected only one (7% vs 16%).



Note: n=280 (Respondents who indicated any Hardship Indicators). In receipt of UC=27; Not in receipt of UC=253.





## FUTURE-PROOFING - SAVINGS AND INSURANCE

**E**xperts like StepChange say a nest-egg of £1,000 will cover most domestic setbacks but this figure feels out of reach to most low income households. In its Future-Proof Finances Quiz, *Quids in!* set its sights much lower in terms of indicators that could trigger a positive response: *Do you set aside even a few pence each day or week?* And, *Do you have a savings account?* For anyone not in the savings habit, this will be a step onto the right path, from which we hope resilience will grow. According to survey respondents here, we know that just 30 per cent have a savings account. This is a significant improvement against 2016 when it was just one in five (22%). In the context of saving for unexpected setbacks, including a minimum five weeks without benefit payments for those moving onto UC, the savings agenda needs to go to just about the top of the financial resilience agenda. Other indicators are also promising:

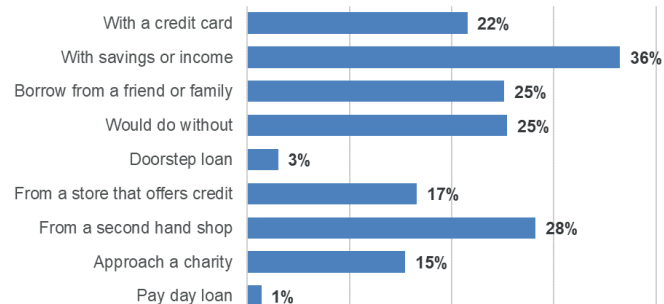
- Fewer than half (43%) said they saved for things they wanted to buy
- 26 per cent regularly saved to cover unexpected expenses
- 18 per cent had sought advice on their savings, (up from 10% in 2016)

In the context of financial resilience, it is useful to know how low income households would deal with a domestic setback. Since 2012, we have asked how they might replace a broken down washing machine worth around £400. Encouragingly, more than a third (36%) said they would have savings or income they can put to use, (although only 26 per cent said they were regular savers). This was up against 2016 when just 24 per cent reported they could do so. This confidence is also reflected in the numbers that would use a credit card, up 100 per cent (from 11% to 22%), and this is consistent with the picture of more readers in work and more of those in full-time employment using a credit card than in 2016. Around the same, however, would use a store offering credit (17% vs 18% in 2016) or a doorstep loan (3% vs 4%), although further evidence of the demise of payday loans companies is reflected in a drop to one per cent using them for this purpose (from 3% in 2016).

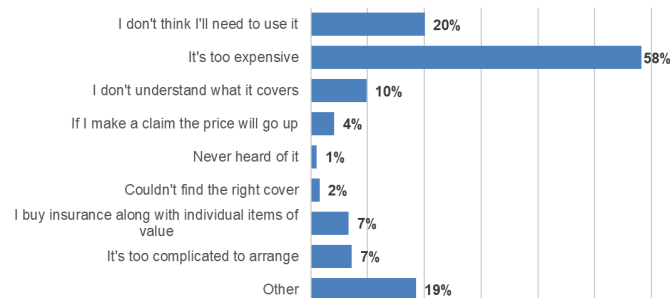
## BOOSTING RESILIENCE

**E**arly intervention targeting working age people, not in full-time employment is essential and *Quids in!* will continue to build on its 3 Bs methodology to promote appropriate bank accounts and savings, being online and knowing how best to manage budgets. Small steps can make a big difference in smoothing the transition to UC, which is where the delays (and a lack of income) cause most problems. In addition, reassurance is required as people already feel frightened, anxious or depressed and fears around UC are likely to exacerbate this as more reaches the public domain about its impact on claimants. Again, starting with simple actions to mitigate some of the issues will help.

Means of replacing household goods



Reasons for not taking up household insurance



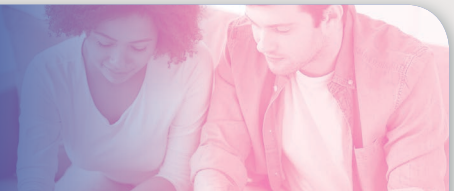
Half of respondents (compared to 41% in 2016) did not have home contents insurance. Despite the cheapest policies advertised at less than a pound a week, the majority (58%) of uninsured respondents considered it too expensive. Although many *Quids in!* readers remind us they watch every penny, let alone a pound each week, this is potentially a question of perceived value for money, rather than cost itself. This is reflected in the one in five (20%) who felt they didn't think they'd need to use it. More information needs to be shared about how it works and what it covers. Some myth-busting might address perceptions about how difficult it is to organise, costs if a claim is made and, importantly, why it is way more expensive to buy insurance on individual items, for example when buying from a weekly payment store or catalogue.

In the context of managed migration, where existing claimants were due to start moving over to UC in 2019, the findings above are particularly alarming. Many will be long-term sick and as many as 80 per cent of those may have mental health issues. The anxiety and practical challenges UC has presented already can only grow proportionally worse as it scales up. The government is reported to be slowing down the roll-out so problems can be ironed out first. Currently one in five claims fail or are significantly delayed, especially where people are more vulnerable. Clearly, if the above snapshot of hardship faced by UC claimants is in any way indicative, this slow down is essential.



# 7

## CUTTING THROUGH TO IMPROVE FINANCIAL RESILIENCE: QUIDS IN!



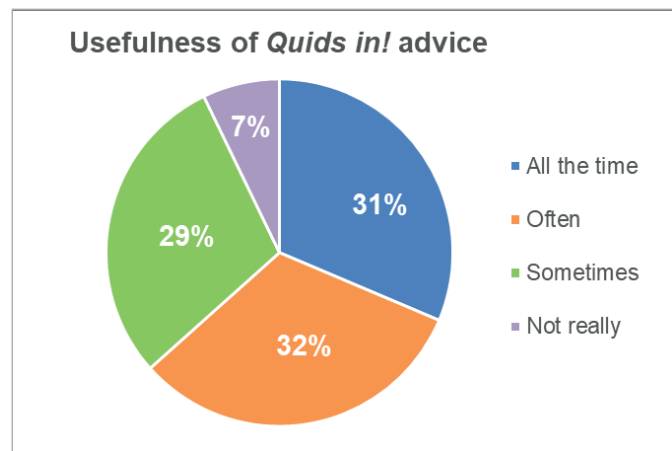
**In our 2016 survey, social tenants told us they were facing most hardship if they were working age but not in full-time employment.** Although this seemed intuitive, the media traditionally focuses on older people as struggling most. (It was interesting that the Resolution Foundation later found older people were actually the least badly off following policy changes that, for example, protected pension increases.) We also knew that many working age people on low incomes

would face the challenge of moving onto Universal Credit, where claimants often experience increased financial stress. As a result, we focused *Quids in!* around the 3 Bs, (banking, budgeting and being online). We consider these the triple-threat for claimants but they do not exclude other readers as they form useful headings under which we can promote financial resilience more widely.

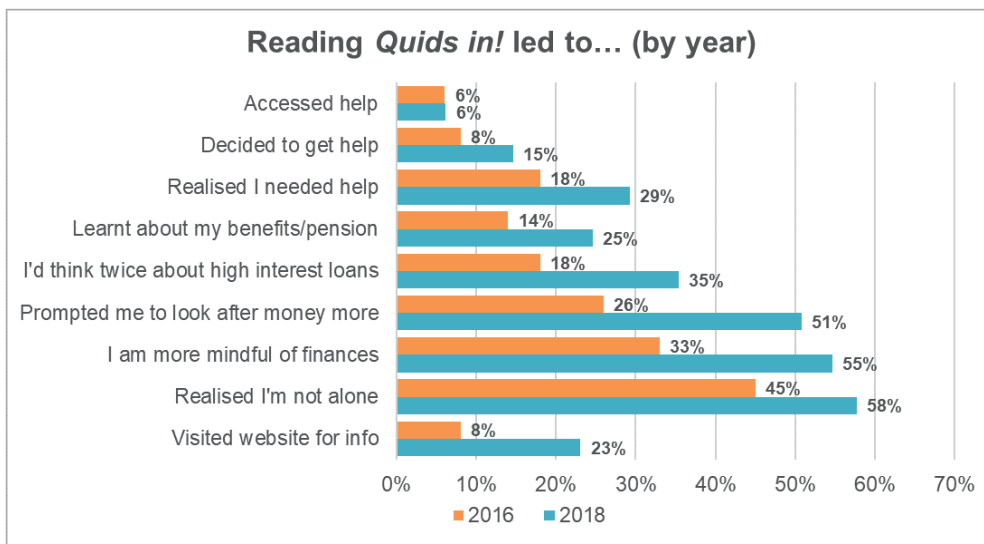
### FEELING QUIDS IN?

**In 2018, we saw 63 per cent find our advice useful, (31% 'All the time' or 32% 'Often').** The first of these figures is up significantly on 2016, from 17 per cent, so representing an 82 per cent increase in this level of reader satisfaction. The numbers who didn't really find content useful dropped from eleven per cent to just seven per cent. This initial 'thumbs up' suggests editorial decision-making has cut through better to engage our readers more.

What matters, of course, is the impact we make. Obviously, we want as many readers as possible to take action on their finances. Our 'Theory of Change' is that we are part of a process where people start being more conscious of their financial issues, realise they could use help and be better off, and then do something about it. We have embedded behavioural theory in our editorial decision-making and acknowledge we want to make more impact at the 'accessed help' end of the process. Not all the positive reader responses involved accessing help per se, of course, so cutting back on spending, doing a benefit check or starting to save are not reported here. Our new work with the interactive, online engagement that the Quids In Readers Club offers will be a better tool for monitoring these kinds of impacts, where we are able to watch how subscribers respond to prompts to explore and take particular actions.



All the indicators, except for actually accessing help (which remains at 6%), demonstrate *Quids in!* is making a difference more than before. After reading *Quids in!* content, more than half realised they are not alone (58%), became more mindful of their money (55%), and decided to be more careful (51%). More than a third would think twice about a high cost loan (35%) and a quarter picked up information about their benefits or pension (25%). Readers who realised they needed help increased by 50 per cent (from 18% to 29%),

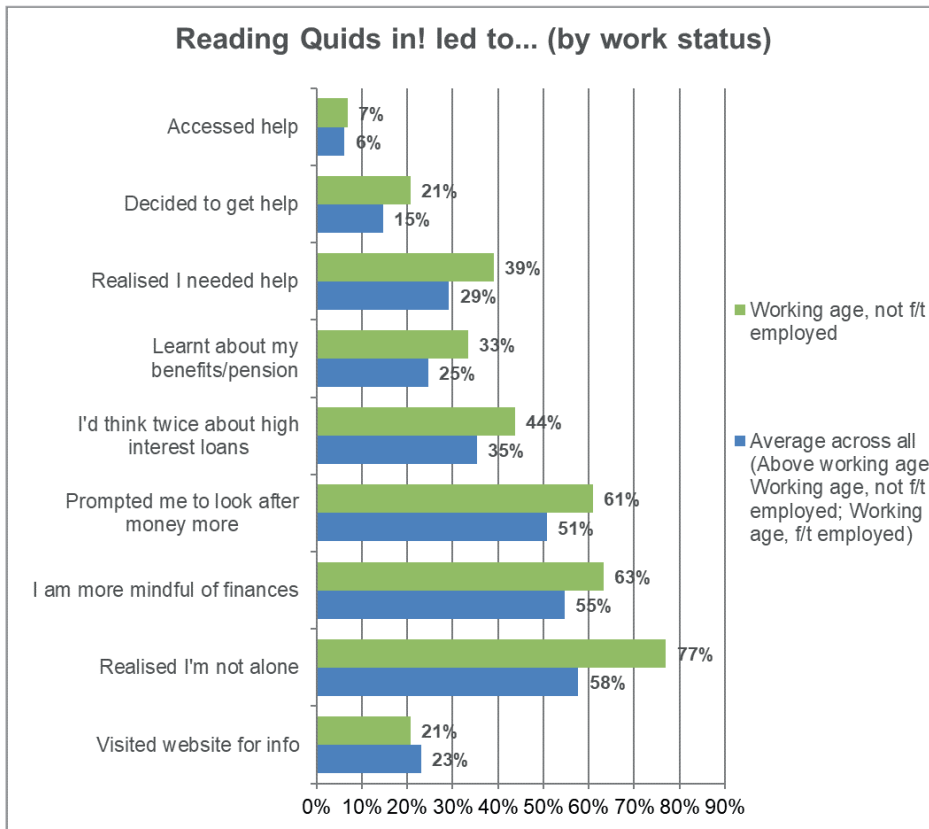


with one in seven (15%) deciding to do something about it but, still, as in 2016, just six per cent accessing help.

As mentioned above, we are learning that many of our target readers consider their circumstances to be 'okay', even if they are struggling but see that as normal. On this, we have an interesting challenge: We know it matters a lot to readers when they find they are not alone but we don't want people to feel like their hardship is *just how things are*. At the same time, readers respond to other people like them, so we try to present human interest stories where people overcome hardship, offering inspiration.

To understand if we are reaching the groups most at risk, we firstly broke responses down by age and work status. The number of respondents already on Universal Credit is still relatively low, (at 12%), so we initially focus on how well we cater for working age readers not in full-time employment. The indicators clearly show we are hitting poverty where it hurts, as the response rates spike for this most at risk group. Three quarters of them (77%), for example, felt less isolated compared to the number across all

Reading Quids in! led to... (by work status)

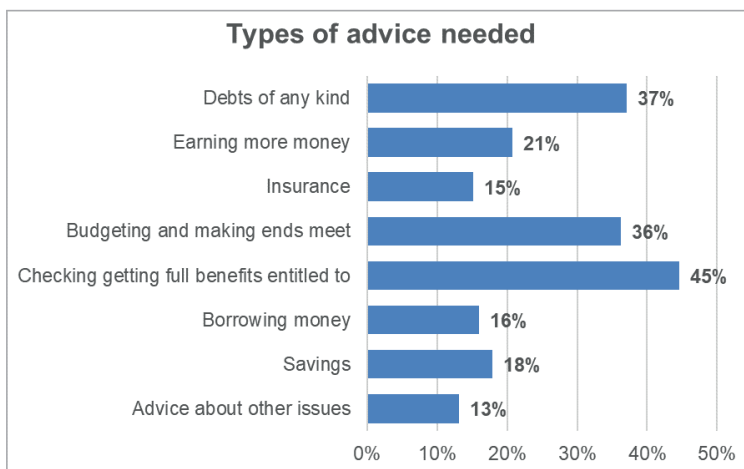


our readers (58%). Those realising they needed help jumped to 39 per cent (from 29%), similarly with those deciding to find help (from 15% to 21%), although those accessing help only increased by one per cent (from 6% to 7%).

**ADVICE**

**U**nderstanding the kind of advice low income households need is essential, if we are to help them grow their financial resilience. It is also useful for understanding why the numbers accessing help remains stubbornly low - perhaps it's not help they need, but direction. The biggest need for advice respondents identified related to their benefit entitlements (45%) and this makes sense with increasing (negative) experiences and media coverage about Universal Credit. For *Quids in!*, the starting point for advice would be to get online (if people are able) and to undertake a simple benefit check at entitledto.co.uk. This has become a key element of our promotion of 'being online' as part of our 3 Bs messaging, as we have found people are hugely motivated by seeing how easy - and lucrative - it can be. It may not require a decision to access further advice, just to make a claim. Although the numbers of people struggling with debt has decreased (see page 11), those seeking advice for it remains at 37 per cent (36% in 2016). Most of the responses are the same but those that increased have

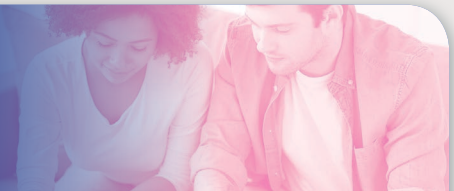
Types of advice needed



positive connotations, with 21 per cent interested in earning more (11% in 2016) and 18 per cent looking at savings (10% in 2016). This could reflect the larger proportion of working age respondents, however.

# 8

## ACKNOWLEDGEMENTS



### WITH THANKS TO...

**T**hanks to researchers **Cerys de Vekey, (and congratulations on the arrival of baby Sebastian), and Jane de Vekey for all the hard work on data capture, analysis and presentation.** Our thanks also go to sponsors Aviva who, as always, contributed more than the resources to conduct this research, feeding into the content and objectives of the survey itself. We are grateful to the social landlords and local authorities who cooperated to help us give their lower income tenants and residents a voice. And, of course, we

thank our readers themselves who so openly shared personal information to help us understand their concerns about money and the impact these have on their day-to-day lives. As with previous surveys, we pledge to use this intelligence to improve the products and services that we deliver, like *Quids in!* training, but we will also share all we've learnt here with others designing and delivering support in communities to help them do the same.



**A**viva is the leading insurance and savings business in the UK and Ireland with over 15 million customers in the UK. We became a Living Wage employer in 2014 and currently chair the Living Wage Foundation. There are 10.5m people in the UK who are renting their homes and have need for some contents insurance, but have no insurance protection against fire, flood or burglary. For over 20 years Aviva has worked with social landlords and broker partners

offering tenants both affordable and easily accessible home contents insurance to provide valuable protection for their belongings and help our customers get back on their feet after a loss. We now work with over 100 landlords (mainly council and housing associations) across the UK offering schemes tailored to the requirements of social tenants who may otherwise be excluded from financial products.

# Quids in! SURVEY

In partnership with:



Aviva underwrites home contents insurance for tenants of social and council housing. Ask your landlord if they have a scheme in place.

**Welcome to Quids In's 2018 survey!** We want to know how you are faring with your money so we can tailor our magazine to what you need. Do the survey online (go to [qimag.uk/qisurvey1718](http://qimag.uk/qisurvey1718)) or pop your completed survey into an envelope and send it to our FREEPOST address (**FREEPOST QUIDS IN MAGAZINE, Bath BA1 2AT**) and we'll enter you into a Prize Draw with a chance to win a whopping £500! Entry closes on 26th January 2018. (See [quidsinmagazine.com](http://quidsinmagazine.com) for full terms and conditions).

Let us know if you'd like to receive monthly money emails from the Quids In Readers Club or take part in further research, otherwise your personal details will only be used for making sure you're in the running for winning that prize!



## ABOUT YOU

### 1. On employment, which of the following do you agree with?

(Please tick all that apply)

- I am retired
- I am full-time employed
- I am part-time employed
- I am self-employed
- I am a student
- I am a carer (looking after a dependant)
- I am unable to work
- I'm in work but I'd like a better paid job
- My job is not meeting my money or personal needs
- I have a job but receive benefits or tax credits
- I don't have a job but am looking
- I'm out of work but not claiming benefits
- I'm under pressure from the Job Centre but can't find work

### 2. Thinking of everyone living with you, what is your household's weekly income, whether benefits or earnings (after tax):

- £260 or less  £261-385
- £386-442  £443-507
- £508+  Don't know



### 3. Do you have access to the internet? (tick all that apply)

- PC or tablet at home  On my Smart Phone
- Café, library or community centre
- Borrow someone else's  No access

### 4. Regarding the internet, which of the following do you agree with? (Please tick all that apply)

- I can and do use the internet regularly
- Computers and the internet are too complicated for me
- I don't see the benefit of being online
- I don't know where and how to use a computer
- I can find information I want on the internet without help
- I use email regularly
- I can use online forms without help
- I use Skype (or video messaging) to talk to people
- I watch videos on YouTube
- I have a Facebook account and use it
- I do my banking online
- I shop online
- I have sought and found advice I need online
- I have checked or applied for benefits online
- I arrange my home contents insurance online
- If I need any of the above, I have someone to do it for me

## YOUR MONEY

### 5. How good are you at managing your money?

- Not very good  I struggle a bit
- I'm usually okay  Never have a problem

### 6. In the last year, due to money worries have you?

(Please tick all that apply)

- Skipped meals
- Stopped paying for broadband
- Fallen into rent arrears
- Fallen behind or struggled to pay bills (not rent)
- Felt my performance at work suffered
- Taken sick leave from work
- Cancelled home contents insurance
- Used a comparison service to switch and reduce bills
- Took steps to reduce energy usage and cut bills
- Missed out on occasions with friends/ family
- Had to turn off heating despite it being cold

- Had difficulty keeping up with payments on debts?
- Felt frightened, anxious or depressed
- Had arguments with friends and/or family
- Become physically ill
- Faced serious financial problems
- Turned to a loan shark
- None of the above

### 7. Do you or anyone in your household claim any of these?

- Universal Credit  Jobseekers Allowance
- Council Tax Support/Reduction
- Personal Independence Payment
- Disability Living Allowance  Working Tax Credits
- Employment Support Allowance  Income Support
- Housing Benefit  Child Tax Credits
- Discretionary Housing Payment
- Help from gas/electricity/water supplier

**8. Which of the following do you have and which do you use?**

have use

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Savings account                                 |
| <input type="checkbox"/> | <input type="checkbox"/> | A private pension plan                          |
| <input type="checkbox"/> | <input type="checkbox"/> | A work-based pension plan                       |
| <input type="checkbox"/> | <input type="checkbox"/> | Credit card                                     |
| <input type="checkbox"/> | <input type="checkbox"/> | Bank account                                    |
| <input type="checkbox"/> | <input type="checkbox"/> | Basic Bank Account                              |
| <input type="checkbox"/> | <input type="checkbox"/> | Post Office account                             |
| <input type="checkbox"/> | <input type="checkbox"/> | Private health care                             |
| <input type="checkbox"/> | <input type="checkbox"/> | Credit union account                            |
| <input type="checkbox"/> | <input type="checkbox"/> | Pay day loan                                    |
| <input type="checkbox"/> | <input type="checkbox"/> | Store card, catalogue or items you owe money on |
| <input type="checkbox"/> | <input type="checkbox"/> | Loan from someone who approached me at home     |
| <input type="checkbox"/> | <input type="checkbox"/> | Cheque cashing services                         |



**9. With regard to banking, which statements apply to you?**

- I couldn't open an account as I didn't have ID
- I was refused a loan/overdraft and don't know why
- I couldn't get what I wanted as I don't use the internet
- I save for things I want to spend on
- I regularly save to cover unexpected expenses

**10. Imagine you need to replace something, like a washing machine, costing about £300, how would you do it?**

(Please tick all that apply)

- With a credit card  From savings or income
- Borrow from friend or family  Would do without
- A loan company that I know, which will call at my home
- From a store that offers credit
- From a second hand shop
- Approach a charity  Pay day loan

**11. Do you have home contents insurance?**

- Yes  No (please specify why below)
- I don't think I'll need to use it  It's too expensive
- I don't understand what it covers me for
- If I make a claim on the insurance the price will go up
- I've never heard of it  Couldn't find right cover
- I buy insurance along with individual items of value (e.g. tv, phone)
- It's too complicated to arrange  Other

**12. If on Universal Credit, how did you find the process of applying for it?**

- Very hard
- Tricky but managed on my own
- No problem at all



**HELP AND ADVICE**

**13. Have you needed advice about any of the issues below in the last year or so? (Please tick all that apply)**

- Debts of any kind  Earning more money
- Insurance  Budgeting and making ends meet
- Checking you get all the benefits you are entitled to
- Borrowing money  Savings  Other

**14. Did you go to anyone for advice in the last year?**

- No  Bank/building society  Friends/family
- Power/water supplier  Citizens Advice
- Debt charity  Professional debt adviser  GP
- Didn't know where to go  Other (please specify)

**16. If you receive Quids in! do you find the advice useful?**

- All the time  Often  Sometimes  Not really

**15. In relation to Quids in!, which of the following do you agree with? (Tick all that apply)**

- I have read the magazine
- I have visited quidsinmagazine.com
- It made me realise I'm not alone in my situation
- It makes me think more carefully about my finances
- It prompted me to look after my money more carefully
- I would now think twice about high interest loans
- I learnt what is happening to my benefits/pension
- After reading something, I realised I might need help
- After reading something, I decided to get help
- After reading something, I got help
- I'd like to receive your monthly money emails (Quids In Readers Club)

**MORE ABOUT YOU**

(To be in with the chance of winning £500, we need these details to enter you into our Prize Draw)

Name  Name of landlord/who owns your home

Address  Town/City  Postcode

Age:  Male  Female  Married  Widowed  Divorced  Living with partner  Single

How many of the following are living with you? Children  Adult dependents  Lodger/sub-tenant  I live alone

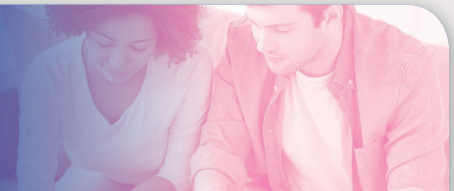
Tel/Mobile  Email

Would you be interested in taking part in future research, (sometimes paid) Yes  No

Please contact me by: Post, I'm not online  Email but send a text alert  Email, I check it regularly



# QUIDS IN! - 3 BS MONEY SKILLS PROGRAMME



## QUIDS IN! AND PARTNERS

**Q**uids in! (Social Publishing Project) is a not-for-profit money skills initiative. The social enterprise produces publications for low income households, offers digital content with signposting and advice, and delivers training. It works in partnership with Clean Slate Training & Employment, which works in Universal Credit (UC) Pathway areas (Bath and South London). Together, we successfully piloted a cohesive response to UC offering work, money and digital skills support through peer advisers and structured training in established community settings. We hope to establish similar partnerships in other areas. The sector-facing Quids In Professional Network undertakes research, shares intel and best practice, and helps influence policy through a network of around 3,000 advisers nationwide.

Celebrating its 10th anniversary in 2018, *Quids in!* has been there for low income households through the economic

crash, recession, rocketing unemployment, austerity and welfare reform. We followed the development and implementation of UC, building advice and information into core activity, guides and the 3 Bs money skills sessions. We know one in five claims fail or are delayed, affecting vulnerable people most. We know not being online and not having a bank account (or ready access to ID) are key factors. And we know those affected are not prepared for

five weeks without an income, let alone more, and lack the skills to manage monthly payments made in arrears.



## 3 'B'S MONEY SKILLS

**B**udgeting, Banking and Being online, (the 3 Bs), present the triple-threat for vulnerable claimants moving onto Universal Credit but also form a robust starting point for anyone wanting to improve their financial wellbeing. This day-long programme, which can be modularised for groups who may find this a challenge, is fully interactive:

- Learners explore their attitudes to money, their hopes and fears, set goals and develop an understanding of their rights. Talking together, they realise they are not alone and identify where to find help
- There is no expectation for anyone to share personal information, instead we invite them to help create a personalised edition of *Quids in!* magazine, for example reviewing and listing their top tips on the 3 Bs but also on spending wisely, building some savings, maximising their income and fending off debt
- It's a uniquely interactive programme, as attendees

become editor for the day, working up 'cheap eats' recipes, researching online calculators and playing agony aunt/uncle to offer advice to people like themselves

By the end of the session, learners have grown in confidence and understand the importance of self-advocacy, whether in a bank, Jobcentre Plus or a weekly payment store. They make a 'public commitment' to achieving a goal within three months (that we later 'nudge' them about by SMS) and set out their personal challenges they will address. From here, we signpost them to the right local and specialist support.



## TO BUY IN, COMMISSION OR LICENCE

**3** Bs money skills sessions can be bought in to be delivered anywhere in the UK by one of *Quids In's* facilitators by the day or commissioned as a rolling support service. Partner organisations with established community engagement programmes can purchase a licence to deliver this unique money skills project. The annual licence includes:

- Training of local facilitators and peer advisers, plus quality assurance through observation visits/ feedback
- Provision of *Quids in!* branded learning materials, worksheets and Readers Club email subscriptions
- Independent benchmarking, monitoring and impact measurement through remote contact with learners



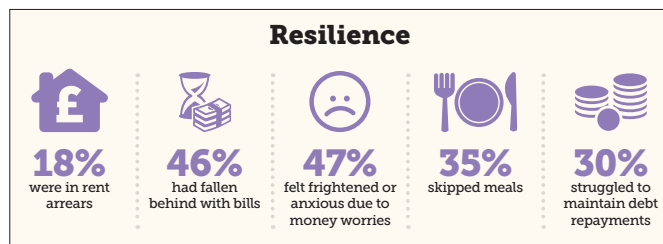
# Quids in! Readers Club



## QUIDS IN!

**Quids in! is a money skills initiative for social tenants, benefit claimants and people suffering in-work poverty.** We work with social landlords, authorities and support agencies who buy in our printed magazine and guides (such as our Universal Credit Guide for claimants<sup>1</sup>), our digital service and our 3 Bs Money Skills<sup>2</sup> courses. We provide people with the latest news on benefits and pensions while offering accessible advice on ways to escape debt, juggle a tight budget, maximise their income and prioritise payments that protect their wellbeing. For advisers, we run the Quids In Pro network with a monthly briefing newsletter and a Knowledge Bank on Universal Credit ([see quidsinpro.com](http://seequidsinpro.com)).

- 1 Universal Credit Guide: [www.socialpublishingproject.com/universal-credit-guide](http://www.socialpublishingproject.com/universal-credit-guide)
- 2 3 Bs: Banking, Budgeting and Being Online, considered to be the triple-threat for people accessing Universal Credit



## QUIDS IN GOES DIGITAL

**The Quids In Readers Club<sup>1</sup> emails members with the same kind of tips, advice and news updates as the magazine.** Carefully selected deals grab members' attention alongside advice to support informed decision-making on money matters like dealing with benefits, rent arrears or reducing costs. Digital content is interactive and, supported by content on [quidsinmagazine.com](http://quidsinmagazine.com), designed to ensure subscribers exploit all the financial benefits of being online. Like with the magazine, we work with housing providers and authorities to maximise our reach and impact by licencing the email for them to send onto their tenants and residents, working within their data policies.

- 1 See a sample copy here: [qimag.uk/qircsep18](http://qimag.uk/qircsep18)



**Quids in!**  
**Readers Club**

## CONTEXT

**Social tenants are struggling<sup>1</sup>.** Nine in ten struggle with their money to some degree and financial resilience is low: 74% have no savings to fall back on, 40% do not use a bank account, 16% say they face serious problems. They are less digitally included: Just 41% have access to the internet at home, 21% have none at all.

Universal Credit (UC) requires claimants to be online, (generally) have a bank account, and be able to manage monthly payments in arrears. Without savings, they cannot cope with a minimum five weeks without income. Our *10 Critical Insights on UC<sup>2</sup>* briefing calls for early interventions to mitigate some unintended consequences.

- 1 Source: Quids in! Financial Wellbeing Survey 2016: See [www.socialpublishingproject.com/2016-survey-report](http://www.socialpublishingproject.com/2016-survey-report)
- 2 [www.socialpublishingproject.com/critical-insights-on-uc](http://www.socialpublishingproject.com/critical-insights-on-uc)

## CIVIC INNOVATION CHALLENGE – OUR OFFER TO YOU

**The Quids In Readers Club won the Mayor of London's Civic Innovation Challenge award for promoting financial inclusion and digital skills.** From October 2018, we are working with Lloyds Bank to scale up and prove the impact of our money advice emails. We are linking with digital inclusion programmes and working closer with social landlords and authorities to extend our reach and make content more engaging, interactive and effective. We nudge subscribers towards finding savings online, ensuring they have the right financial services in place, such as a current account/Basic Bank Account and a savings facility, and understanding their options on credit.

If your organisation is in contact with social tenants, benefit claimants and people suffering in-work poverty, and you recognise the need to increase their financial resilience, we want to work with you. There is no cost for generic subscriptions set up during the period of the Civic Innovation Challenge. The Readers Club provides an incentive to 'get the IT habit' for people who are 'new to digital' or missing out on important information and savings. There will be options to deepen our collaboration with local or more targeted content. Sign up for further information: <https://qimag.uk/CivicChallenge>.

