Quids in!

Published June 2014

The *Quids in!* Reader Survey 2014

Social tenants, their money and their views

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3 Monmouth Place, Bath BA1 2AT
✆ 08456 804 906

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FOREWORD

***Quids in!* Magazine celebrated its fifth birthday in December 2013 when we published the Reader Survey that feeds into this report.** Since we started the magazine (and we were working on the new title for over a year before its launch) the world has changed.

When the idea to create a small money management magazine for people in low incomes first came to me, I was at a financial inclusion taskforce meeting in Bristol. It was in response to the frustrations of credit unions, debt advice and support agencies, and social landlords and local authorities. They felt they just didn't have the resources to compete with high interest doorstep lenders or the means to talk the banks into opening their doors to people on estates where the charge for using a cashpoint was almost as much as what people could afford to withdraw in the first place.

My reason for attending the meeting was to promote my social firm, Clean Slate Training & Employment[1]. (I wanted paid work to feature much higher on the financial inclusion agenda.) As a social entrepreneur, however, I'm always on the look-out for enterprising solutions, and started thinking about what else could be done to support financial capability in communities. I thought back to my experience – 14 years at The Big Issue magazine – and wondered if we could sell a cost-effective publication to social landlords, distributed free as a quarterly supplement to tenant newsletters. I had no idea it would grow to reach 160,000 households across England, Scotland and Wales.

Since *Quids in!* launched in 2008, the world is a different place. The collapse of the finance sector didn't cause ripples for work on financial inclusion, it was like a depth charge exploding. Complaining that poorer people couldn't get bank accounts was the least of anyone's worries, although symptomatic of what had been going wrong.

Governments were forced to bail out the banks or face ruin themselves and turned to austerity to pay for it. And people without the private means to sidestep the cuts turned to payday loans – the one success story out of the banking meltdown.

There is hope that the rebooting of the finance sector will lead to fairer access to products and services that in turn mean people can better manage their money, especially if they have less of it. The Marmot Review, *Fair Society Healthy Lives,*[2] looked at health and wellbeing inequalities in England post 2010 and said:

"This report is published in an adverse economic climate. We join our voice to those who say that a crisis is an opportunity: it is a time to plan to do things differently. Austerity need not lead to retrenchment in the welfare state. Indeed, the opposite may be necessary: the welfare state in England, the NHS itself, was born in the most austere post-war conditions. This required both courage and imagination. Today we call for courage and imagination again…"

Unfortunately, in our core activity of monitoring policy and practice that may affect people on low incomes, *Quids in!* has seen less 'courage and imagination' and more denial and demonisation; denying the impact of austerity on the poorest and blaming those with least influence on the economy about the state it's in. We offer our findings as evidence that there might be a different reading of how hardship is affecting social tenants and how they are taking responsibility for helping themselves. They are authentic and come 'from the ground up', not 'policy down', and give voice to a massive, under-reported, under-represented group of people in the UK.

I am optimistic, however, that communities themselves can and will respond to the intelligence low income households have shared, by exploring some of our ideas about what can be done. We will continue to help bring together better-informed opinions and catalyse change that will at least enable people to help themselves by taking control of their lives – something at the heart of *Quids in!* magazine. We hope this will also lead to other projects that build on the foundations we have laid.

Jeff Mitchell
Managing Director
Social Publishing Project

1 www.cleanslateltd.co.uk

2 ***Fair Society Healthy Lives***, (2010, The Marmot Review) – commissioned by the Dept of Health

READER SURVEYS

I have 25 years experience in consumer magazines, first as a writer and editor and later as a publisher. The sort of consumer magazines I was trained and inclined to produce at Future Publishing, and then with my own business, were ones that championed readers. Like *Which?* or *Top Gear* we'd tell you if a car or a washing machine were worth buying. For me the reader is the first and only responsibility of a good consumer magazine. The reader always comes first. Commercial considerations are secondary because unless you build a bond of trust and understanding with your reader you have nothing to sell to advertisers anyway. That's why our readers respond to *Quids in!* more than they do to other publications they receive. You can't fool all your readers all of the time, and they know that the editorial in *Quids in!* is written by people whose only interest is to educate and inform them and help them make better decisions about their money management. They know it because it is simply true.

The reader survey is a long established tool of consumer magazines and the information it produces is recognised as gold dust. This prized information comes straight from the readers and is seized upon by both editorial and commercial teams alike. Editorial teams are dying to know what their readers think of the material they present to them – what bits of the magazine are their favourites, which bits maybe don't work so well – and above all what are the readers like. Who are they? How old are they? Where do they live? For if you know your reader, it becomes much easier to communicate to them. Commercial teams love the information provided by reader surveys because it enables them to build a profile of the reader that they can use to sell advertising space with– What do they buy? Where does their money go? If you can tell your advertisers that your readers spend a total of £5million pounds every year on washing powder, then Persil will soon be booking an advert, or so the theory goes.

But clearly *Quids in!* is not an ordinary consumer magazine. What I've come to realise since Jeff first approached me with the idea more than five years ago is that this is the sort of magazine I've always wanted to produce. By making ourselves a social enterprise we've managed to liberate ourselves from the commercial pressures that can ruin consumer magazines. There is no tension between our commercial and editorial teams over content, our duty to be straight with our readers is enshrined in the very articles of our enterprise, there are no options.

So the information in this report is gold dust too, and unlike commercially sensitive reader surveys produced for traditional consumer magazine, in this instance we want to share it with as many people as we can. It might not have the academic heft of other surveys, it might be more open to interpretation, but I can tell you one thing. If you want a window on the financial issues facing the 150,000+ readers of *Quids in!* today this is it (and by not unreasonable extrapolation the 10m people we estimate live in social housing). This is how they're managing or not, this is what they fear and what they don't. This is life as they know it, told straight to us because our readers rightly trust us.

Steve Faragher
Publisher, *Quids in!*

We use compelling covers carefully designed to draw our readers in…

…and reward them with great content to help them make better choices

1 INTRODUCTION

Background

This is the third reader survey conducted by *Quids in!* magazine and is now something we publish every other year. Over time it will provide a sense of how the lives of social tenants and people generally on low incomes are changing. Our research helps set our agenda but we do acknowledge it is best seen as something that complements better-resourced and academic studies because ours remains a publishing initiative, limited in size and scope for detailed analysis.

SURVEY METHODOLOGY

The team at the Social Publishing Project has extensive experience in publishing and, in the first instance, approached this research into the financial resilience of people on low incomes as a conventional reader survey. 100,000 hard copy surveys were produced and most were inserted into *Quids in!* magazine, which in turn were slotted into the tenant newsletters of social landlords. Around 10,000 were inserted direct into a landlords' newsletter without *Quids in!* accompanying it. Readers were invited to return it to us using a Freepost address.

We took the decision to also publish the survey online, on a well-flagged page on the *Quids in!* website (www. quidsinmagazine.com). We expected this to influence the findings of the survey but aimed to maximise response rates and we set out to monitor the differences between readers who responded online and by post (hard copy).

We acknowledge that readers want something convenient and cost-free. In previous research, we had achieved a **1.5%** response rate on a landlord-specific survey where a pre-addressed and postage paid envelope was included but this is not cost-effective. The last national survey we ran (without an envelope but with a Freepost address) achieved a **0.6%** response rate but we felt the £100 of shopping vouchers we offered was limited in appeal. For the 2014 research, we achieved a **0.8%** response rate by offering a £400 cash prize or iPad; We received 796 viable[1] responses; 629 by post and 167 online.

Although the survey was originally designed as a conventional reader survey, wanting to understand more about readers' lives and lifestyles, our interest in communities' economic wellbeing means the research quickly becomes a de facto financial resilience study. To ensure we did not underplay this, we engaged a social impact measurement company, SiMPACT Strategy Group, who maintained an overview of the design, content and analysis of the survey. Much of the question content was consistent with our previous research, however, to provide us with comparative data alongside new questions to reflect socio-economic developments and how they have impacted our readers. One question about insurance was included at the request of Aviva, one of our sponsors, and this was in keeping with the purpose of the survey and addresses a topic that regularly features at financial inclusion forum events.

Space is the key limitation of the survey. There is so much more we might want to know, especially now we can see key themes around health, employment and digital inclusion. To this end, we were pleased to see so many readers agreeing to share more information through further research, should the opportunity to do so arise. (We suspect this willingness reflects a sense of wanting to tell people what's really happening, not what is usually reported in the mainstream media.) There is some intelligence missing, however, because we only had room for a question or two about each of the far-reaching subject areas that financial resilience issues encompass and because we did not want to be too intrusive, which is why we did not ask about levels of debt for example. We also decided it was important to share our 'big data' with trusted and specialist partners. We have limited capacity to do justice to the impersonal stories that emerged from the data and hope this will lead to new collaborations and joint working to make a full representation of the lives of people on low incomes.

The decision to publish the survey online was right but it did complicate the picture around readers' levels of digital inclusion. Inevitably, people who respond online are highly likely to have overcome most barriers to the opportunities the internet presents. Others, however, could well be online but chose to respond by post for other reasons. While determining levels of digital exclusion is problematic, we did learn about how much better off people who responded online seemed to be. Again, it would be useful to look into these issues in much more detail.

Analysis
Data entry and initial analysis was taken care of by SiMPACT. They provided the Social Publishing Project team with the statistics and charts to begin to see the trends and general findings. From here, SiMPACT manipulated the data to drill down to more closely inspect how different groups had been affected by changes to cost of living, welfare and services.

We hoped to have an equal spread of responses from different parts of the UK. It was a decision early on, for example, to differentiate readers in London from the rest of the South of England, not only because the profile of wealth and the state of the economy in the capital is unrepresentative of anywhere else in the UK but also because what's happening in the capital warrants understanding in its own right. The response rates from London, and from Wales and Scotland, however, were relatively small and so conclusions about regional variations are difficult to substantiate. We've made some assessment where we can but acknowledge analysis loses clarity at a lower level.

[1]An unforeseen issue arose when a link to our survey was published on the moneysavingexpert.com website. It appeared on a user forum for attractive competitions on the 18th January. We immediately noticed an uplift in responses with 840 coming in online in the following 11 days. We suspected this would skew the results because the site's visitors are digitally included, motivated to maximise their financial wellbeing and mainly interested in the cash prize. We have been praised for choosing to exclude all online responses received after the 17th January from our statistics (but not from the prize draw) but it was not a difficult decision, after a brief review of the findings: For example, **44%** of online respondents after the 17th were in full-time employment compared to **35%** of online responses prior and just **15%** of all handwritten responses. We could also not be sure they were social tenants or familiar at all with *Quids in!* magazine.

Recommendations for future research:

1 Co-design future research with specialist partners to help maximise usefulness of the data gathered, acknowledging the limitations of space in this survey

2 Build partnerships with regional bodies and work closer with landlords to ensure equally good distribution of the survey (with or without *Quids in!* magazine) and responses so that they that can be meaningfully broken down and compared from all regions of the UK

3 Find sponsorship for pre-addressed, pre-paid response envelope to maximise response rates

4 Explore opportunities for follow up studies into employment, health and digital inclusion issues for social tenants and other groups often characterised with low incomes or affected by poverty

5 Seek support for Social Return on Investment study to properly quantify the value of *Quids in!* and other financial inclusion and anti-poverty activity and build a case for more investment in the most effective projects

6 *Quids in!* to maximise usefulness of its privileged (if not unique) connection with readers and maintain its relationship with them as a publisher in the first instance, developing its 'ground up' perspective on issues around poverty and financial resilience

7 Build on the publisher/reader relationship, perhaps creating an observatory or platform for social research that is influenced and informed by the people affected by policy change, not those who create it

8 Review and implement best practice research techniques for online surveys and improve processes to ensure future research among readers is representative of social tenants and *Quids in!* readers and that it screens out other responses

2 DEMOGRAPHICS

SOCIAL TENANTS

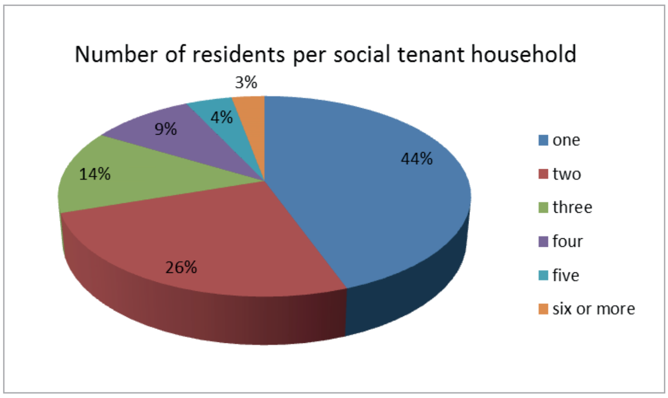
According to English Housing Survey 2011-12, there were 3.8 million social tenant households in England. Scotland had 597,000 units[1], as at March 2012. In Wales, there were 225,919 more. In total, the UK social housing stock included approximately 4.6 million households. Statistics are not consistent (or equally accessible) between countries, so assuming the English data is reasonably representative and applying occupancy rates to all tenancies, there are over 9.8 million people in social housin in the UK.

Social Tenants are, for us at the Social Publishing Project, householders who rent their home from social landlords, local authorities or other non-private landlords. They are not a cohesive group, however. Social housing may be increasingly hard to access unless people are in particular hardship but while it is most likely that people in poverty and on low incomes will be a social tenant, it is also true that others have been in their homes since social housing was more accessible by all, or have worked their way to good jobs and higher incomes while remaining social tenants.

We cannot be completely sure that everyone who responded to ur survey was a social tenant but few people who did not live in social housing would have been aware of the survey. If they came across it because they were involved with a service helping people struggling to manage the money, then their feedback was very welcome. The only exclusion we made, which was significant, was to online responses made after a link was published on the moneysavingexpert website, advertising our attractive draw prize. A brief analysis of the responses demonstrated that responses from people who found us at moneysyavingexpert were not at all consistent with the experiences of *Quids in!* readers who had responded via hard copy, which was only available through *Quids in!*/ housing association newsletters.

We received almost 800 viable responses from *Quids in!* readers and it is important to note some reasonable assumptions about the nature of the people who completed the survey. The demographic data is only an indication of the background of social tenants and cannot be relied upon as a representative sample of all people in council or housing association accommodation. There will also be a slight skew towards people who are really engaging with *Quids in!* and consumers who have the time and inclination to respond to reader surveys. (A good number of people who responded online had done so at work, suggesting they were motivated to do so but also that entering was more convenient for people who have ready access to a PC and the internet)

1 The Scottish Government (http://bit.ly/1j6h659)



About the Participants

Only a small proportion (**16%**) were older than usual working age. The largest age group was between 42 and 51 years old, representing almost a quarter of all respondents (**23%**). Only **12%** were under 32 years old. Over two thirds (**69%**) were between 22 and 61 years of age. It is consistent with social housing allocation policy that fewer young people would be householders. If *Quids in!* magazine wanted to target people of working age who are on lower incomes, this is a positive result. Older readers who are struggling to make ends meet are an important group, but their responses tell us that if we are preaching, they are very much the choir – our advice is common sense to many of them.

Of those who told us their gender, around two thirds were female (**64%**) and a third were male (**36%**). It would be unsurprising that Quids in! reaches more women than men because our approach to maximising accessibility has been to emulate populist magazine titles like supplements to tabloid newspapers and publications like *Take a Break* and *Now*, which are targeted at women. The men who responded tended to suggest they were less likely to need money management advice and this could be a cultural response of denying they are in need, or a reflection of a higher level of financial resilience. Either way, women's responses suggest they need or appreciate the advice we offer more.

Surprisingly, almost three quarters of respondents (**72%**) said they had no children. Perhaps parents were too busy to respond. There is a po,ssibility the layout of the survey was ambiguous and we will remain conscious of this in the design of future research. Only ten respondents (**1.3%** of all respondents) had four or more children and these are the families most at risk from benefit caps. Only one of these said they were in full-time employment while others said they were unemployed or only part-time employed, there was no opportunity to say whether their partner or ex-partner was employed or not, (all of them said they were married or divorced).

Of those who told us their relationship status, the biggest group of respondents (**43%**) were single. This suggests that they are not necessarily the householder, as social housing has been increasingly difficult to access by single people, although their circumstances could have changed. A quarter (**25%**) are married and one in twelve (**8%**) are living with a partner. **17%** of respondents are divorced and **7%** are widowed.

Where we will in future try to get a more representative spread of responses is by region. This will mean, in part, improving the relevance of *Quids in!* magazine to audiences in areas where responses were relatively low. It is worth noting, however, that while responses were equally low from Wales and London, circulation is much higher in Wales so this is a bigger concern.

While we were keen to analyse the responses from different regions, we need a better spread for these to be taken as representative. Really, only comparisons between readers in the North and the South of England provide robust information but to focus on this would go against the targeted approach *Quids in!* takes in its publishing, for example producing an optional Welsh language edition and a Scottish edition. We stand by the decision to remove London responses from the rest of the South of England, as the capital's economy is moving at a different rate to elsewhere in the UK and we call on more studies to take this approach, especially in the context of poverty, employment and financial exclusion.

BRIEF THOUGHTS ON POVERTY

Issues around poverty are very much central to this report but it is a complex area. There are two measures: relative and absolute poverty. Relative poverty is the Government's preferred measure, setting the income line at **60%** of the median average household income – anyone below **60%** of the average income (based on their family status) is in poverty. Absolute poverty takes inflation and the increasing cost of living into account.

Claims that the number of people in poverty has declined over time, or stayed static in 2011-12, seem counter-intuitive in the economic climate. Campaigners say this is only because the average household income has decreased so people are better off relative to it and that absolute poverty will give a better measure. The BBC reported[1] in June 2013 that The Children's Society believed: "There are now 2.4 million children in working households living in absolute poverty… [In one year], 300,000 more children faced a real fall in living standards that pushed them into absolute poverty. The entire increase is from homes where parents are working."

The findings of this report demonstrate how life is tough for millions of social tenants. It aims to understand in which ways they are affected by financial hardship and provides context for issues around poverty, rather than attempting to quantify it or join the debate on who is or isn't poor. The purpose is to evidence real people's struggles so we can all come together to try to alleviate their difficulties.

1 ***One in six children lives in poverty, UK statistics show*** (BBC, June 2013 - http://bbc.in/1j68ATI)

3 MONEY WORRIES AND DEBT

Key Findings

- The challenges faced are less about luxuries or even items required for a decent standard of living; people are going without meals, heating and family occasions
- Issues of debt, low incomes and rising living costs are inter-related with health, employability and digital inclusion. Each impacts the other. Over half are struggling to pay off things they owe and keep on top of bills
- Social tenants who are neither retired nor in full-time employment are struggling most to cope financially. Almost three quarters are struggling to keep on top of bills and debts
- Money worries affected many readers' mental and physical wellbeing. Their mental health and contact with family and friends were under attack and their ability to feed themselves or stay warm during cold weather had been affected
- There's a clear gap between the debt advice our readers need and the debt advice they're accessing with **33%** of readers accessing debt advice, while **41%** of them acknowledge they are in danger of falling behind with payments. Older readers seem to be more secure in their finances and less in need of advice.
- Readers seem less confident about accessing advice online than they are about shopping online, and only 15% of our readers considered themselves to have access to a computer in a public or shared space.

Debt is an inevitable focal point when discussing financial exclusion but it is a complicated issue. Many people, especially home owners, live with debt as a fact of life. Many have to dip into debt for larger or emergency purchases and this is often no cause for concern. However, among people on lower incomes and for those already struggling to make ends meet, debt can be corrosive. Not only does it feed itself, growing through interest charges as minimum or defaulted repayments fail to offset the amount borrowed, it also undermines individuals' standard of living, their health and their relationships. Unlike with a social return on investment study, this one dimensional survey asking about debt itself does not provide a picture of whether people are financially resilient or not but we have tried to create some context by asking about readers' money worries and the impact it has had on their lives. It starts to show how they prioritise when money is tight and how many are actively trying to keep on top.

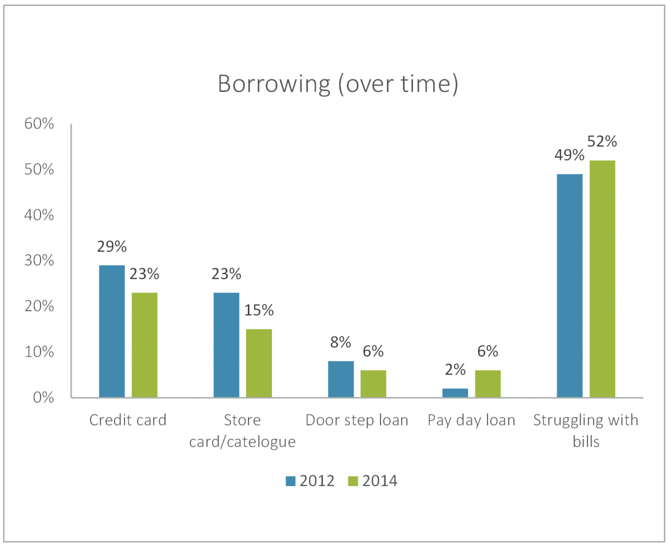
ON DEBT

Financially, the overall picture is bleak for almost two thirds (**62%**) of social tenants who said they were struggling to keep on top of payments on things they owe. This led to over half (**52%**) falling behind or struggling to meet bills and many of these (**41%**) had difficulty keeping up with debt repayments.

Although using certain services doesn't necessarily mean people don't understand the risks, we asked how readers borrow money:

- 3% used a cheque cashing service
- 6% took out a payday loan
- 6% accepted a loan from someone who approached them at home
- 15% used a store card or catalogue to purchase items
- 23% made use of a credit card

The good news is that over time, it appears that readers are turning to credit less, except for with payday loans. This may say more about payday loans' increased prevalence than people developing bad habits. We can also see that people are

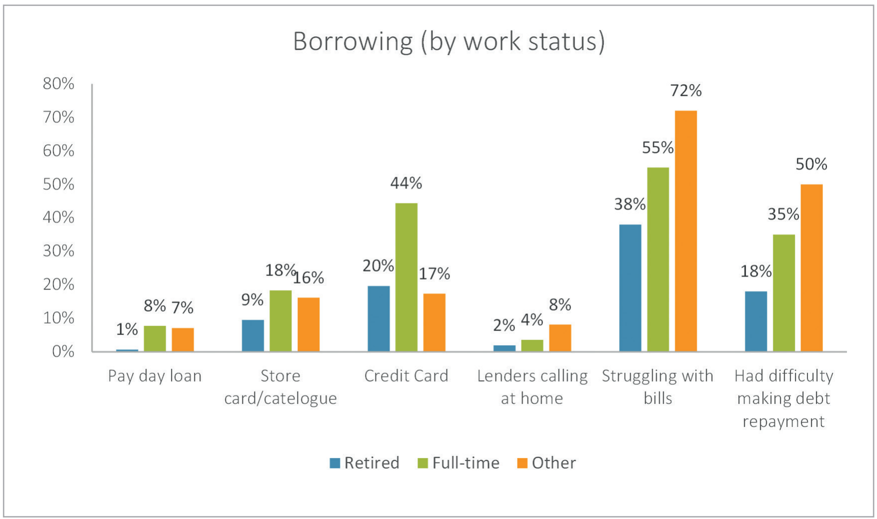


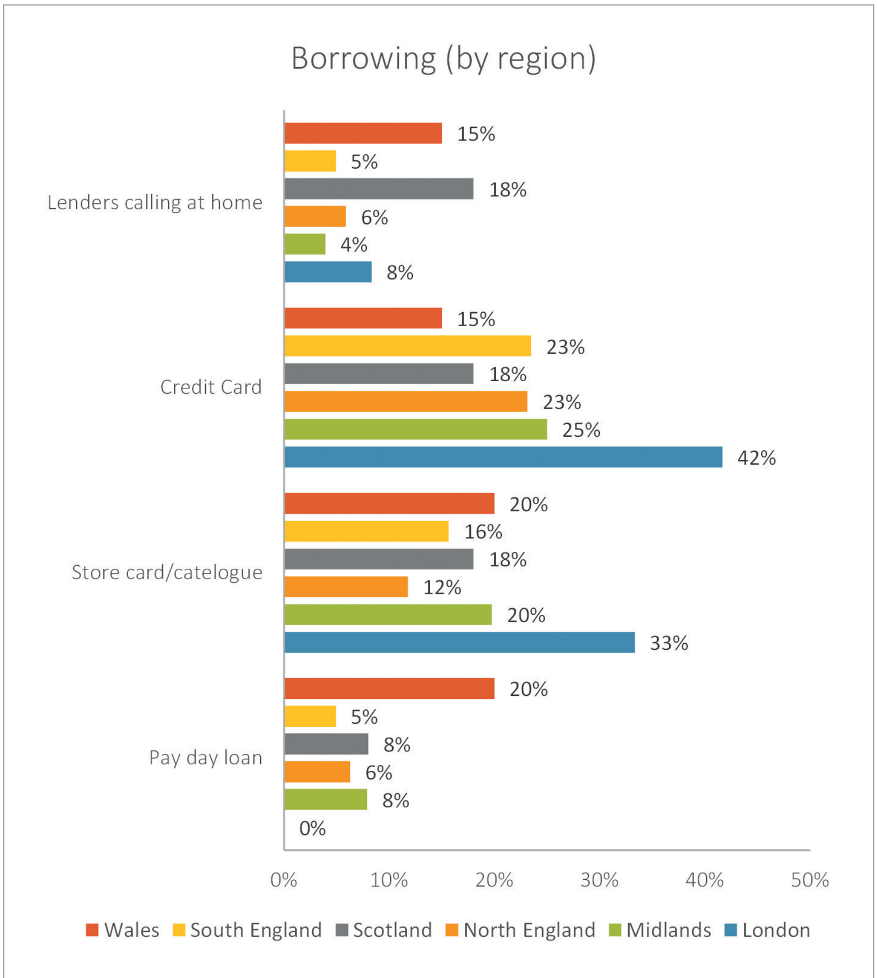
struggling more with bills now.

Sometimes, a minor domestic disaster can force people to borrow money to bridge the gap but high interest lending has boomed in recent years, targeting people on low incomes[1,2]. We asked where readers would turn if a washing machine worth £400 broke down:

- 3% a payday loan
- 5% a loan company that calls at home
- 13% credit card
- 16% store that offers credit
- 19% borrow from family

So far, so worrying, but social tenants are a diverse mix of people of different ages, income streams (pensions, employment and benefits), and levels of wealth. *Quids in!* magazine is also circulated around England, Scotland and Wales. We drilled down to see which groups are affected most and took a look at the UK's regional differences, also splitting results in England into North, South (excluding London) and London.





The picture, when filtered by employment status, shows people in full-time work are more likely to borrow using credit cards. Over recent years, more mainstream lenders such as high street banks have been more cautious about lending and access to affordable credit has often been limited to people seen as a safe bet against bad debt – ie, people in full-time work. Conversely, it probably follows that more people not in full-time employment turned to loans from (most likely high interest) lenders calling at home, with twice as many (**8%**) doing so compared to those in full-time work (**4%**). However, older people were less likely to do so (**2%**).

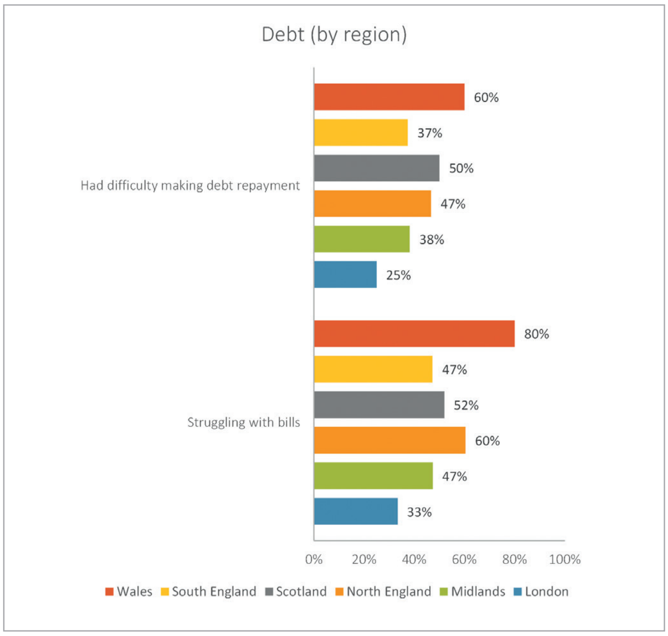
Retired people also appeared to be most careful about debt with only **1%** turning to payday loans, **9%** using a store card or catalogue, and **20%** making purchases on credit cards. Only **38%** of older people identified themselves as struggling to stay on top of bills compared, way below the average of **62%**. These remain significant numbers, however, and we should bear in mind that older people have been spared the additional hardship of cuts to benefits.

Acknowledging a relatively low sample from the country, readers in Wales appear to struggle most with bills, with almost 4 in 5 people (**80%**) in difficulty. Three fifths of readers there (**60%**) also said they had difficulty making debt repayments and so face debt crisis. Readers of our Scottish edition said half of them (**50%**) faced problems with debt repayments and a similar number (**52%**) were having trouble keeping on top of bills. In the North of England, more people than in Scotland (**60%**) were struggling with bills but fewer (**47%**) had difficulty with debt repayments. With both, London readers were faring much better but still a quarter (**25%**)

1 'Legal loan sharks' target working poor (Financial Times, 2011 - http://on.ft.com/1i-meNPE)

2 Payday Lending: Compliance Review Final Report (Office of Fair Trading, 2013, Appx F, para 62: "Respondents alleged that lenders targeted the unemployed by displaying signage encouraging applications from those on benefits and by advertising on daytime television" - http://bit.ly/1oqaGTz, http://bit.ly/1uAqkzX

were in or facing debt crisis, while a third (**33%**) were finding bills tricky. Although the Midlands and South of England were midway on the charts between the North and London, the chart shows that it was important to treat London separately. Where people struggled most to keep up with payments, ie, in Wales, payday loans appear to be used more than in other regions. This corresponds inversely with less use of credit cards, which might suggest less access there to appropriate banking facilities. Meanwhile, in London, where credit cards are used most, people struggle least to stay on top of payments. Lenders calling at home are more prevalent in Scotland (**18%**) and Wales (**15%**), although for these statistics, we did not distinguish between a loan company or a loan shark.

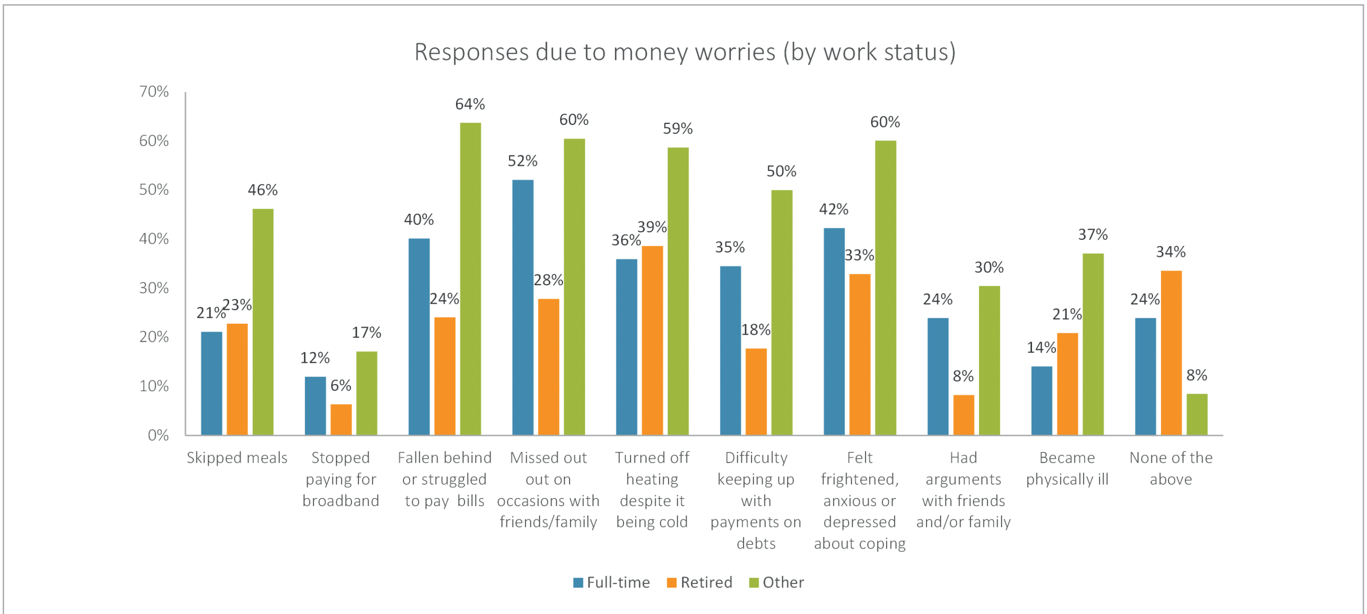


ON PRIORITIES

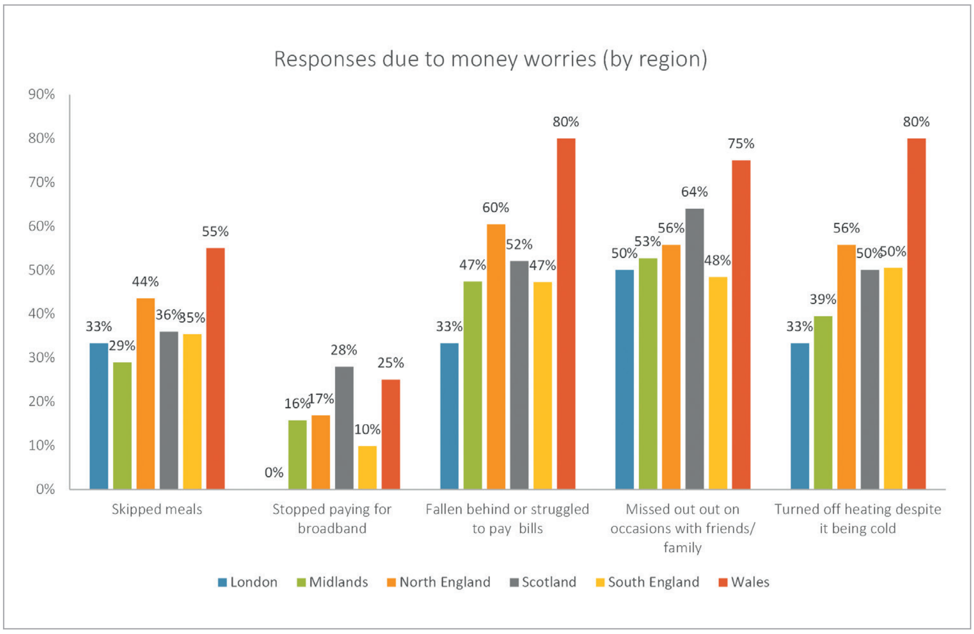
Interestingly, **43%** of readers said that they would do without, if their washing machine broke down. This might suggest readers are not necessarily sold on the principle of 'buy now, pay later'. It may also mean readers have no access to affordable credit (and recognise that). In future research, we might include the option of 'Use a launderette instead' because this may tell whether readers feel they're forced to resort to a more expensive option over the long term. Hand washing (with damp clothing hanging around the home) or not washing clothes at all may have health implications and, at least, suggest a backward step in domestic living standards. We also asked how many had decided to stop paying for broadband to help balance their books (**14%** across all respondents), skipped meals (**37%**), turned off heating despite being cold (**51%**), and missed out on family occasions (**53%**).

Investigating how people prioritise spending their money leads to a note of caution about how we determine financial resilience. It can be as readily argued that cutting back on essentials demonstrates how carefully people manage their budget as it can be suggested that they are not financially resilient. We do not under-estimate the ability of many people to stretch their finances but the above responses reflect serious hardship. People are making conscious decisions to cut back on things we might consider basic human needs. We return to the health implications of making these priority decisions later.

Not only are older people more cautious about debt, it is a key finding of our research is that it is working age people affected most by money worries. The chart below clearly demonstrates how people who are neither retired nor in full-



time work are suffering most. Many of these will be on benefits but **17%** of respondents are in part-time employment and also having to make cut backs that affect their health and relationships. It would be helpful to further explore in-work poverty affecting social tenants as a false dichotomy has been portrayed in the mainstream media: Hard-working families or undeserving poor people on benefits. Most families are hard-working, even if that work is about raising children or struggling to find work, however our point here is that hardship is affecting even households where individuals are working. It is also important to acknowledge that the labour market changed dramatically in recent years and where more people are employed than immediately after the recession, many are still in lower paid work and more are in part-time employment than before the economic crisis. These are the readers who we are finding are faring worst.



Consistent with other findings about readers in Wales, four in five people (**80%**) have fallen behind or struggled to pay bills and starting turning off the heating, despite feeling cold. Three quarters (**75%**) there have missed out on occasions with families or friends and more than half (**55%**) have skipped meals. Apart from the findings from Wales, there is less of a marked distinction between regions and how they prioritise where they save money except for broadband, which is clearly valued more in the South of England and London.

ON ADVICE

Many readers sought out advice to help them improve their financial situation:

- 14% wanted advice about making more money
- 18% on borrowing
- 27% with respect to budgeting and making ends meet
- 31% checked they were getting all the benefits they were entitled to
- 33% have needed advice about debt of some kind

One in five (**20%**) had turned to Citizens Advice and a similar number (**21%**) had asked friends or family for advice. Around one in ten had sought help from appropriate professional bodies such as utility companies (**10%**) or bank/ building society (**12%**). Just **7%** had turned to a debt charity and **6%** to a professional debt advisor, who may or may not charge the user for their service.

By implication, however, we know that **62%** of readers are struggling to keep on top of payments. The numbers actually in debt is less clear but **41%** said they were at least in danger of falling behind with repayments. In light of this, it seems more than a third would benefit from debt advice and many more could use information on ways to budget better, maximise income and reduce the amount of borrowing in the first place. Income maximisation, of course, can also be addressed by employers increasing wage levels and by central Government thinking again about welfare cuts and also investing in other initiatives to ensure appropriate credit is available to all.

Older people feel less need to seek advice and this is consistent with the findings above that they are relatively confident about their finances, although this may also mask cultural factors such as being unaware of help available or being too proud to ask for it. Half as many older people (**12%**) turned to family for advice compared to working age people (**23%**), while many fewer (**9%**) made use of CAB compared to **23%** of people under pension age who did. One per cent of older people used a debt advice charity and 8% of working age people found advice there. However, age is not the major differentiation:

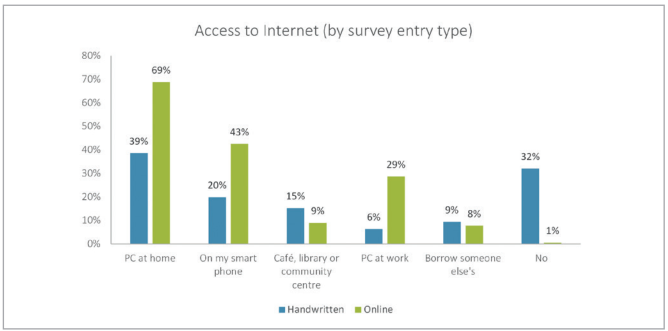
Of all people seeking advice, **80%** of them are neither retired nor in full-time employment. **12%** of them were retired and **8%** were in full-time work.

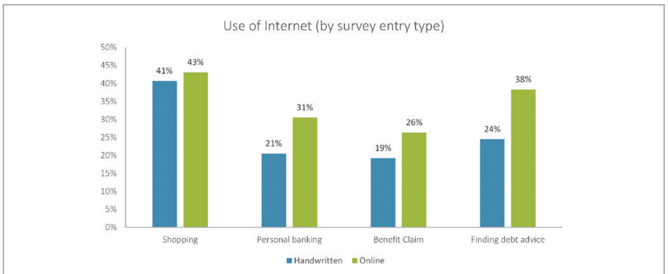
ONLINE ADVICE

As public spending for services like advice face significant cuts in coming years, it was an aim to better understand how accessible online advice is to readers. Our findings reasonably consistently told us that people who were online were better off, in all senses. There is no doubt that most advice that anyone with money worries could need is already online and that the most cost-effective form of help is self-help but we wanted to test how safe it would be to assume that people on low incomes would find help over the internet accessible.

Significant IT access issues remain for people on low incomes, especially if unemployed. The disparity between the perception of online and offline respondents about access to internet facilities in public spaces is interesting. In both cases, it is very low, (**15%** said they had access here, at best). It seems likely that people who responded offline are less likely to feel confident enough to even look for the resources and that access without support might also be considered no access at all, if they lack the skills to use it. As supported by other findings in this report, responses gathered online suggested better financial wellbeing amongst this group. (Beyond the data presented here, we have acknowledged responses that came in from 17th January, after promotion on moneysavingexpert.com. This group has been excluded specifically because it is by definition online and using IT to obtain advice.)

Quids in! magazine has an agenda to promote digital inclusion, recognising the benefits to readers of being able to shop around, access jobs, services and benefits, and find advice. We acknowledge the difficulties around assessing readers' engagement with the internet because we offered both offline and online response facilities and these are not distributed equally. However, among both groups, respondents were more confident using the internet for shopping (**41%** offline respondents/ **43%** online) than finding advice (**24%** offline/ **38%** online).





Conclusions and recommendations

1 Social tenants who are neither retired nor in full-time employment are struggling most to cope financially. Almost three quarters struggle to keep on top of bills and debts. This group includes part-time employed (**28%**), unemployed (**22%**), students (**4%**), carers (**8%**), and people identifying themselves as 'unfit for work' (**38%**)

2 Credit Unions and other institutions providing appropriate credit to low income households must be promoted. We support the call1 for a national not-for-profit institution, paid for by a levy on the consumer credit market, to support improved access to products by low income households

3 Housing providers could consider shared laundry facilities or hiring of white goods for short periods when items breakdown. Affordable furniture is available to tenants from projects such as www.smarterbuys.org.uk, which emerged from a consortium of landlords. More ideas could be developed

4 Money worries caused many tenants not to cut back a little here or there but led to serious impacts on their health, skipping meals or staying cold

5 A Social Return on Investment study could support a 3-dimensional review of people's lifestyles and how debt and ill-health and pressure from Job Centre Plus, for example, compounds difficulties – but also how effective support exponentially benefits stakeholders

6 As face-to-face advice services are cut2, digital inclusion should be promoted so people can access online support. Authorities and landlords must ensure availability of facilities but also appropriate support and web content that takes literacy and numeracy into account

7 *Quids in!* will continue to publish new products for stakeholders that are cost-effective due to economies of scale and reader-friendly using our targeted publishing experience

8 As mentioned in the Methodology section above, caution should be noted about the sometimes low response rates from certain areas, (like Wales and London). More research should be undertaken into the regional differences on financial resilience, which appears here and in some other studies to be significant

1 *Jumping the shark: Building institutions to spread access to affordable credit* (Institute for Public Policy Research, 2014 - http://bit.ly/1no8E6k)

2 Advice charities cutting back face-to-face services (civilsociety.co.uk, 2013 - http://bit.ly/1uAeN3A)

4 WELFARE

Key Findings

- 36% of our readers are in work, but only 19% are in full-time work and 23% describe themselves as unfit for work
- Around the country one in ten people (11%) are in work but also claiming benefits. This rises to 25% in London with a further 25% of londoners saying their job does not meet their financial needs. Elsewhere one in seven say their job does not pay enough
- Almost half (43%) of working age readers said they had had their benefits reduced in the last two years. A quarter of those out of work told us they had faced sanctions from their Job Centre
- One in five of our readers (19%) is concerned a lot about Personal Indpendence Payments with a further 11% worried a bit. Among people who see themselves as unfit for work, 37% are concerned a lot

Since the Coalition Government took power in 2010, the UK has seen the most wide-ranging and deep-rooted welfare reforms in at least a generation. They have been presented as part of a broader response to difficult economic times where cuts to public spending have been made. Policies are under review, including how social housing will be allocated in future. Older people (beyond working age) have largely been protected against cuts, so for this section we primarily look at the situation for working age people, who represent **79%** of all respondents.

Although **36%** are in work, only one in five (**19%**) are full-time. **5%** were carers and **2%** were students. The largest group among all our readers were people who described themselves as unfit for work (**23%**), while just **14%** said they were unemployed and looking for work. The Government has made it clear that it feels more people can do more to help themselves into work but the majority in our Survey identified themselves as either in work, with limited means to access work, or unable to work. In future studies it would be useful to explore what help unemployed people want, need and are able to access locally. More independent research is required into the situation of social tenants who describe themselves as unfit to work, as they are most likely to feel the squeeze of welfare reform without a sense of being able to do anything about it.

Employment status gives us limited insight into the means people have to improve their financial circumstances. We offered respondents a series of statements and asked them to choose which ones they identified with. Working age people told us:

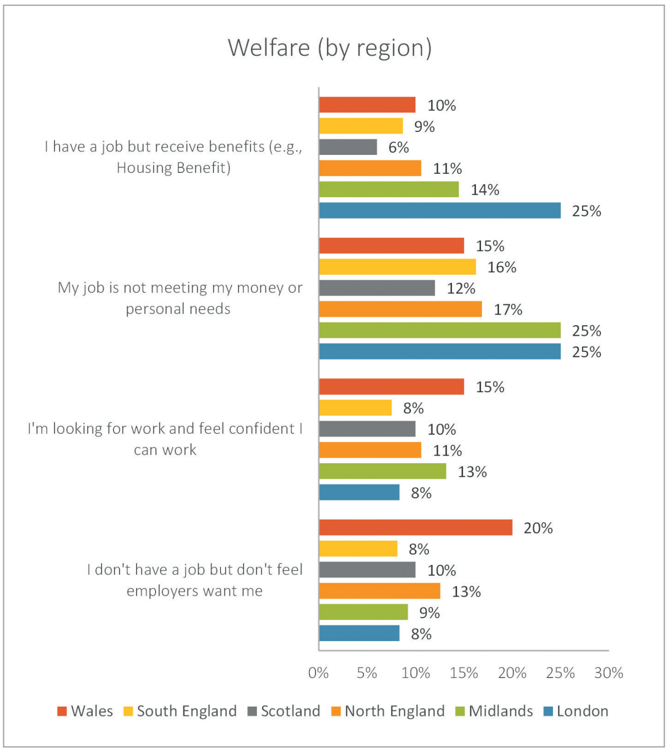
I am retired or unable to work (pension, DLA, etc)	**25%**
I have a job but receive benefits (eg, Housing Benefit)	**11%**
I don't have a job but don't feel employers want me	**12%**
I'm out of work but not claiming benefits	**3%**
I'm under pressure from the Job Centre but I can't find work	**10%**

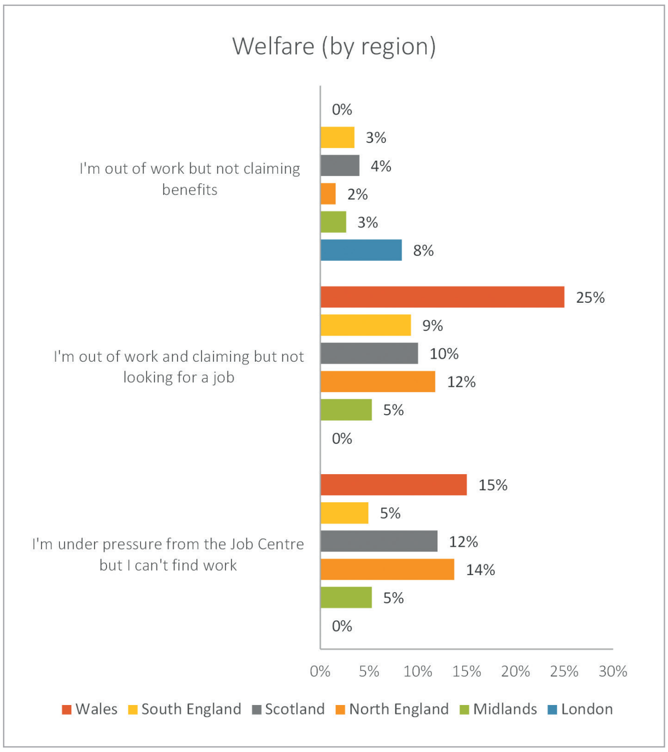
Around one in ten people (**11%**) are in low paid work and need to claim benefits such as Housing Benefit. A similar number (**12%**) are out of work but have little confidence about employers taking them on and many of these are probably also included among the jobseekers who felt under pressure from Job Centre Plus (**10%**). Only four people (**0.6%**) who said they were unemployed also said they were not looking for work – two of those have given up because they believe employers will not give them a chance. On the other hand, **3%** of working age people were out of work and not claiming benefits, so also unlikely to show up on unemployment figures – if this is representative, there are 114,000 more social tenants out of work, probably including partners of people in work.

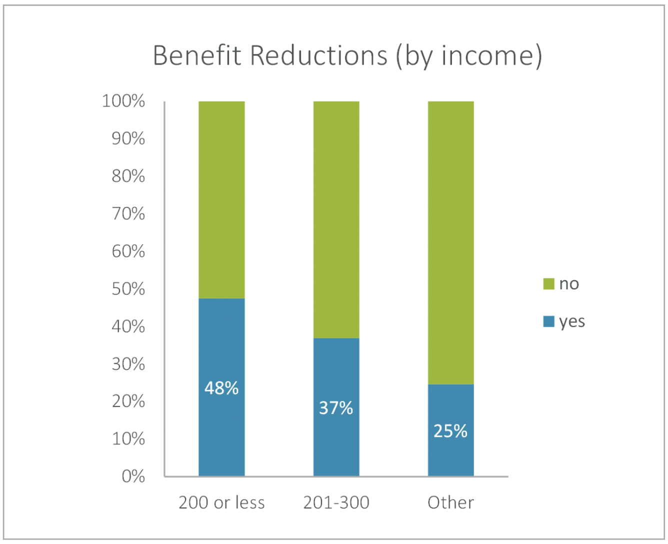
In general, these figures are surprising. We expected confidence among active jobseekers to be lower, so the percentage of people thinking employers don't want them would be higher. The number of people who are out of work but now claiming benefits is also surprising and may mean tenants were not thinking of Housing Benefit, which gets paid straight to the landlord. Taking these figures at face value, however, and applying them to all social tenants of working age in the UK, there are over one million in work but on benefits, nearer 1.2 million out of work and lacking confidence to find employment, and approaching 982,000 feeling the pressure from Job Centre Plus.

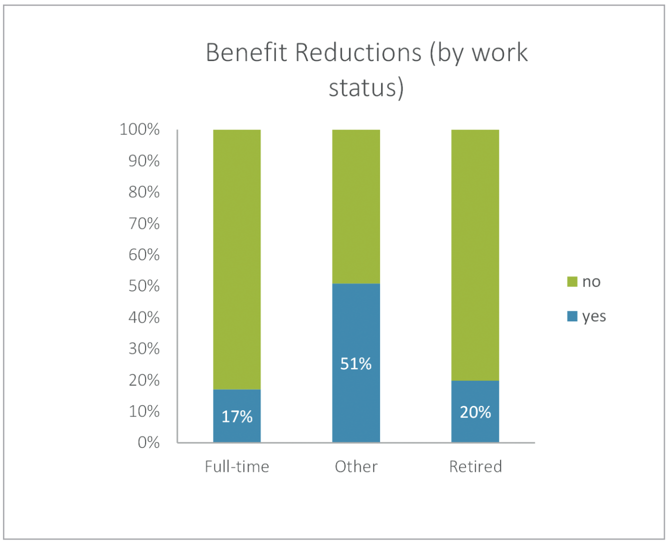
Predictably, the picture is different region by region of UK. With the usual caveats about sample size (for Wales and London, in particular), we found:
In London, the higher cost of living is reflected in readers telling us their job is not meeting their financial needs (**25%**) and having a job but still relying on benefits like Housing Benefit (**25%**). There are more people in the capital, however, with independent means – with no job but not claiming benefits (**8%**). Elsewhere, around the same numbers, roughly one in seven (**12-17%**), say their job is not paying enough.

Approximately the same proportion of readers said they







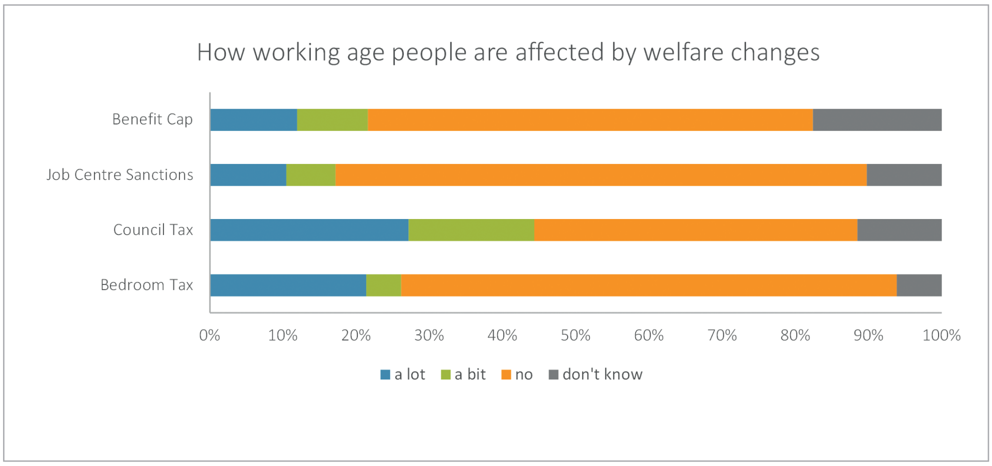


were either out of work and confident about their prospects or negative about their prospects. More significant are the findings around people who feel under pressure from Job Centre Plus, with twice as many people in this position in Scotland (**15%**), North of England (**12%**) and Wales (**14%**) as in the South of England (**5%**) and Midlands (**5%**). This suggests that either the Job Centre there is more proactive or jobseekers are less hopeful about finding work.

Working age readers told us **43%** of them had seen their benefits reduced in the previous year, compared to **18%** of older people. Excluding people who are older or in full-time employment reveals over half the rest (**51%**) are living on less income from benefits than in 2012. Most people affected by benefit cuts were on £200 per week or less, with just under half (**48%**) facing a reduction. The poverty threshold in 2012 (the latest available) including for housing was £219 for a single person household, £378 for a couple, and £612 for a couple with two children. People on or below the level set for single householders and couples have been affected by cuts most.

Comparing older people to working age respondents demonstrated welfare reforms have effectively targeted people below pension age. Only changes to council tax benefit figured in older people's minds with **17%** saying they had been affected a lot (**7%**) or a bit (**10%**). For working age people, the picture was quite different with over a quarter (**27%**) saying they had felt the impact a lot and almost one in five (**17%**) more saying they'd been affected a bit. **12%** didn't know if they'd been affected.

The chart above [Benefit Reductions (by work status)] usefully presents data together but is limited in so much as the different changes to welfare affect different groups in different ways. Council tax benefit changes could affect people of any employment status and decision-making on who receives benefit and how much support they receive has been devolved to local authorities so it is inconsistent, difficult to provide advice on a national basis and impossible to see how right readers were to be concerned about them. Under-occupancy rules, (called Bedroom Tax in our Survey to keep the terms accessible and within appropriate literacy ranges), can affect anyone claiming Housing Benefit including people in full-time work on low incomes. The Benefit Cap will mainly affect larger households or those with high support needs but around one in eight households (**12%**) feel affected a lot, while one in five (**22%**) have been affected to some degree.



Joseph Rowntree Foundation research[1] adds some compelling context to these findings and supports *Quids in!* readers' responses that suggest big changes, not small incremental ones, have been required to make ends meet:

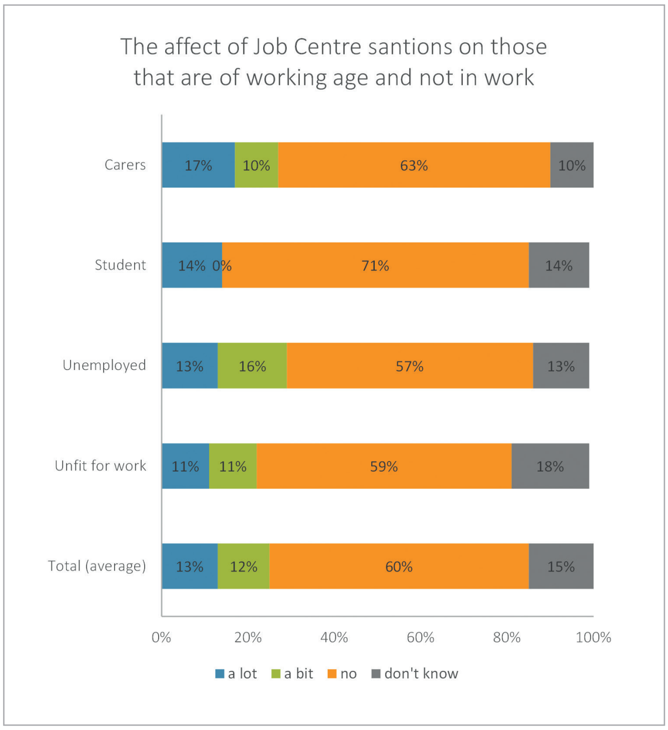
"The replacement of Council Tax Benefit by Council Tax Support in April 2013 […] left around 2.4 million families facing an increase in Council Tax (usually after having had a full rebate up until that point). Two million of them are estimated to be in poverty – three-quarters in 'deep' poverty (less than 50 per cent of median income). 20 per cent of these are in working families. Impacts vary, from around £1 a week and with an average £2.60. And 440,000 were hit by the under-occupancy penalty (with a combined weekly impact of £16.90 on average).

"The biggest impacts — an estimated £93 a week on average — fell on 40,000 families as a result of the household benefit cap. To lose a sum of money this large must require a drastic change in the way a family lives."

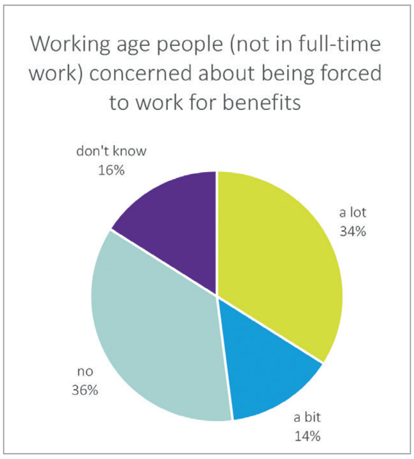
There has been good news from the Treasury, with the changes to the tax threshold on earnings. This means people on lower incomes, including those in part-time work, benefit most. Further analysis should explore the impact on working people of tax changes in comparison to cuts to welfare to measure the true (net) benefit.

We have drilled further into the data around Job Centre Plus sanctions, ie, the threat or decision to suspend payment of jobseeker benefits, and the chart middle right presents how those not in full-time work (or retired) are affected:

A quarter of all people out of work have faced or experienced sanctions. Shockingly, people with carer responsibilities (although a statistically smaller sample) fare worst in terms



of the level of pressure exerted by the Job Centre to find work or meet other conditions attached to their benefits. We asked people who were working age and not in full-time employment if they were concerned about being forced to work for benefits. Almost half (**48%**) are. Over a third (**34%**) said coercion worried them a lot and one in seven (**14%**) were a bit concerned.

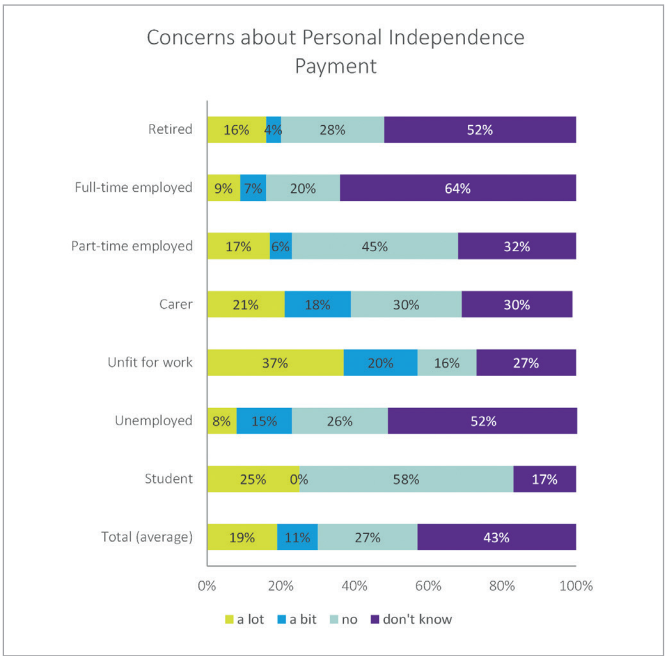


We asked readers whether they were concerned about Personal Independence Payments (PIP), which began to replace Disability Living Allowance from April 2013.

1 ***Monitoring Poverty and Social Exclusion*** (Joseph Rowntree Foundation, 2013, p7)

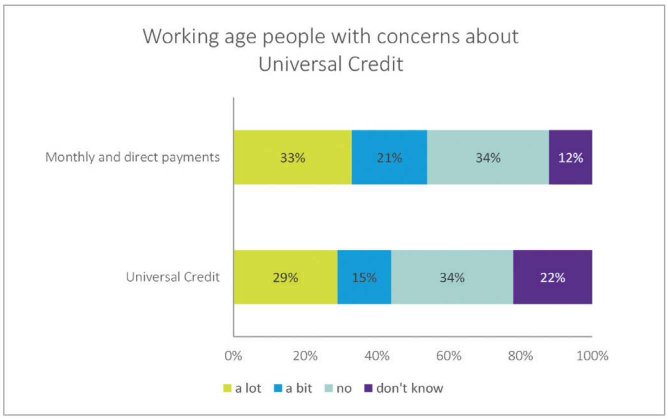
It is payable to people who need help because of a health condition or disability, whether they are in or out of work. It has been reported[2] that claimants are facing delays with the introduction of the new system and assessments for access to PIP and disability groups have protested about the assessment process and how it, in its own right, causes distress and anxiety[3], [4].

Almost one in five (**19%**) *Quids in!* readers is concerned a lot about PIP, with a further **11%** worried a bit. Over half



of people who see themselves as unfit for work (**57%**) are worried about it and most of those are concerned a lot (**37%**). A large proportion of carers (**39%**) are concerned to some degree and this may also reflect worries on behalf of the person they are caring for. The number of people in part-time employment who fear they will be negatively affected (**23%**) is not insignificant. People affected by ill-health are more likely to access social housing and will naturally be over-represented compared to the general population. As mentioned above, further exploration of the issues faced by people who describe themselves as unfit to work would be insightful and probably of much use to landlords.

The introduction of Universal Credit (UC) is one of the biggest changes to welfare. It will bring a range of in- and out-of-work benefits under one heading and promises to simplify the system as one claim will replace most others. It should also make life easier for people transitioning in and out of work, as some jobseekers in low paid, short hours employment may do, and ensure people are always better off in work. UC will be administered differently to former benefits too: Enrolment is 'online by default'; Payments are made monthly, direct to the recipient (the Housing Benefit element will no longer be paid direct to landlords), and the benefits of all members of the household will be paid to one individual only.



Just under one in three people are concerned a lot about the introduction about Universal Credit and a further **15%** are a bit concerned. Significant to these findings are the 'don't knows' who represent about a fifth (**22%**) of respondents because our belief was that awareness of UC remained very low. Release of information has been incremental, like UC's introduction, and it has had a low profile in the media. This question really only exposes people's perception of the system and may only know a little – which could skew the findings positively or negatively. Reviewing these statistics in two years, once many more people have migrated onto the new system, will be of particular interest. It is consistent then that the one question we were able to ask that is self-explanatory enough about the way that UC will be administered, yielded even more negative responses. More than half (**54%**) are worried about the prospect of receiving monthly and direct payments, with a third (**33%**) being worried a lot.

The most apparent cause for concern around monthly and direct payments is claimants' budgeting skills. We cannot tell from this study how people would rate these abilities but we do know **30%** of working age people reported having asked for help with budgeting and making ends meet.

Separately, we asked readers how comfortable they would feel about using a public computer for making a benefit claim. There were some significant differences between people who responded online and those who returned a paper copy and here, only **26%** who responded online said they'd be happy making a benefit claim this way and **19%** among others. It was important to ask this question in the context of public access facilities because we also learned that among working age people, not in full-time work, only **45%** had access to a PC at home (compared to **66%** of people employed full-time). Although exceptions to the 'online by default' rule may be made, over half of people more likely to need access to Universal Credit may have to apply in a non-private setting and only a fifth of people not already using the internet are prepared to do so. Even where there is public access to computers, there is also little support for those with limited IT skills and time restrictions often apply for usage

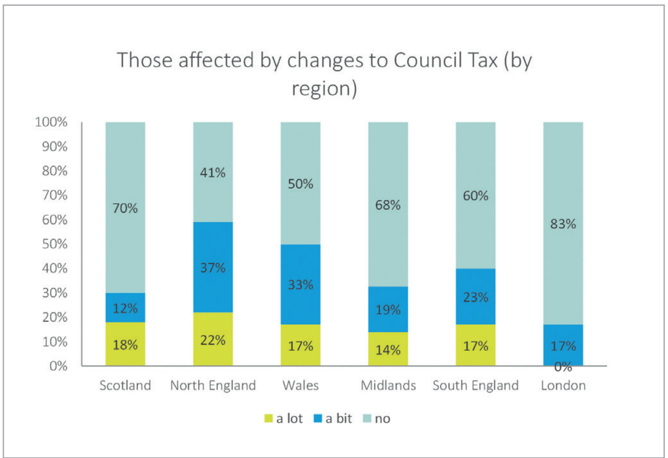
2 ***Disability welfare changes delayed by assessment process*** (BBC, 2013 - http://bbc.in/R0rwNd)

3 ***Legal challenge launched against 'unfair' government disability test*** (Disabled People Against Cuts, 2012 - http://bit.ly/1lBv8NV)

4 ***Finally – legal proof that disability benefits test is unfair for people with mental illness*** (Rethink Mental Illness, 2013 - http://bit.ly/1j2RK8p)

Most welfare reforms have been implemented by central Government and, once fully rolled out, the difference in impact by region will depend on factors outside the benefits regime. Council Tax Benefit was scrapped in April 2013 and responsibility for schemes to support residents was devolved to local authorities. This has created a patchwork of policies implemented differently from area to area. The Scottish Parliament and Welsh Assembly, however, agreed to maintain the level of support claimants received from Council Tax Benefit. These differences are not necessarily reflected in readers' responses to the question 'Have you been affected by changes to [Council Tax]':

Almost a third of readers in Scotland and half in Wales said they had been affected by changes to Council Tax Benefit cuts. Claimants in the North of England have been affected



most, with over one in five (**22%**) saying they had been affected a lot and one in three (**37%**) saying a bit – almost three in five people in total (**59%**). The Midlands and London seemed to be impacted least.

Clearly there is an issue of perception here. It is also not possible to distinguish whether readers in different regions are more resilient or whether their local authorities' policies are more or less supportive.

In 2012, we expected awareness about forthcoming changes to benefits to be low. Most changes were introduced, albeit phased in incrementally, from April 2013 so we might think perceptions are much clearer among claimants now. (Universal Credit is the next major change and has had a very slow start.) In 2012, we asked whether readers were concerned about future changes to their benefits and pensions. In 2014, we asked more specifically about certain elements of welfare reform but generally whether they had already had their benefits reduced:

2012: Concerned about future changes

Very concerned	**51%**
Quite concerned	**31%**
Not concerned at all	**18%**

2014: Affected by benefit reductions

Yes	**39%**
No	**61%**

There is an inconsistency between increasing levels of hardship and ill-health brought on by money worries (covered elsewhere in this report) and relatively low negative responses about benefit changes. The Government has managed the introduction of benefit changes slowly, incrementally and generally through many small cuts. Even for an individual affected by a number of changes, (maybe just Housing Benefit and Council Tax Benefit), each one feels painless but adds up to a significant impact. This process will continue over the next few years, especially as claimants migrate to Universal Credit, where a range of benefits will come under one payment system. Interestingly, had UC been in place, the range of cuts would have been much more perceptible to those in receipt.

Conclusions and recommendations

1 Partners at employment project, Clean Slate Training & Employment, believe levels of low confidence or pressure felt from Job Centre Plus are under-reported in this survey. Undertake more in-depth research to identify unemployed people's aspirations, and what support they want, need and are able to access locally

2 With landlords as key stakeholders, explore the situation of social tenants who identify themselves as unfit to work, as they are most likely to feel the squeeze of welfare reform. People affected by ill-health are more likely to access social housing and will be over-represented compared to the general population

3 Living Wage legislation should be explored, perhaps for larger employers with high turnovers or a certain numbers of staff, including analysis of the impact on in-work poverty and a social return on this investment

4 As Universal Credit is introduced, attention should be paid (through research) to its possibly very positive impact on part-time workers in lower paid employment. However, the impact of the methods of accessing payments (from application to receipt) should be monitored. Information and advice should be made widely available to claimants by agencies who are independent of Job Centre Plus and its agencies

5 Review the findings in two years once many more people have migrated to the new benefits regime(s) as it is currently uncertain how clear claimants are about how they will be affected

6 Analysis should explore the net impact on working people of tax changes in comparison to cuts to welfare to measure the true benefit

5 ACCESS TO FINANCIAL PRODUCTS... FOR BETTER OR WORSE

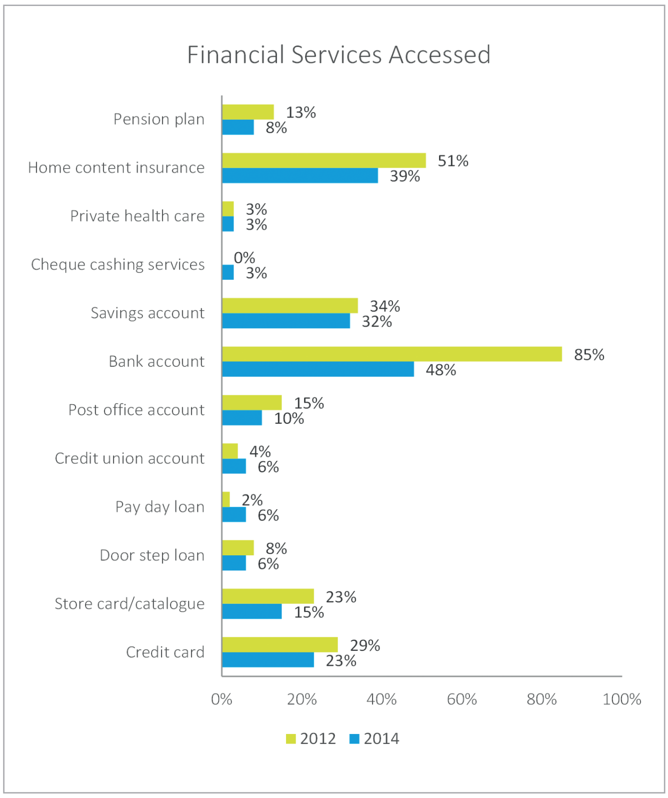
Key Findings

- ✔ The percentage of Social tenants with bank accounts dropped from 85% in 2012 to 48% in 2014. Qualitative research should be urgently undertaken. Once substantiated, policy makers should be involved
- ✔ Links should be made with research bodies to make use of the raw data and drill down to more detailed enquiry around the relationship between different stakeholders and financial products
- ✔ Alternative means to assess borrowers' 'creditworthiness' should be adopted by lower cost lenders and new credit rating schemes designed to acknowledge tenants with good histories of paying rent should be supported, although independently monitored

THE 'UNBANKED'

Core to the financial inclusion agenda has always been unequal access to appropriate financial products and services. In general, it has been harder for poorer people to obtain bank accounts and banking facilities, (like free to use ATMs), insurance services, and affordable loans. Living without these makes people on lower incomes worse off and, for example, exposed to the risks of borrowing from high interest lenders and losing everything if burgled or affected by fire or flood. It's a Catch 22 of hardship. Communities affected by poverty often find it harder to manage their money. At the same time, financial systems are paradoxically more interested in helping wealthy customers while sustaining themselves by charging for debt. All this means is that it simply costs more to be poor.

It is therefore a staple to ask *Quids in!* readers what financial services they have accessed. We asked the same questions in 2012 and so can begin to track changes in social tenants' financial habits. Since the time of our previous survey, however, the Government's austerity agenda brought about from 2010 after needing to bail out the finance sector, has really begun to affect people on low incomes, especially benefit claimants. A lack of protest might suggest communities have been happy to suffer in silence. Could it really be that their relationships with finance institutions could be any colder than they already were?



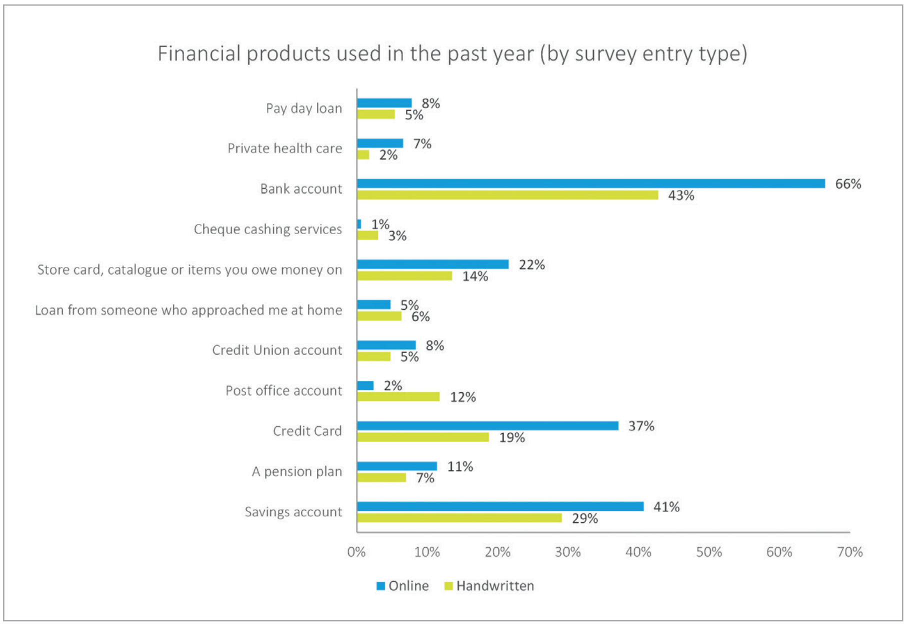
In general, it appears that people have become less likely to use financial services, although credit unions have had an increase in take up. Use of credit cards (**23%**), Post Office accounts (**10%**), home contents insurance (**39%**) and pension plans (**8%**) were all down by approaching one third against 2012.

Payday loans and cheque cashing services have seen an increase in usage, although catalogue companies and store cards (and high street credit companies, like Brighthouse) appear to have declined slightly. Payday loans have enjoyed a post-crash heyday since *Quids in!* was created in 2008. Their suppliers are undoubtedly the big winners out of the recession, creating in their wake some big losers among low income borrowers who are sinking with £1,647[1] debt.

Alarmingly, use of banks appeared to be down from **85%** in 2012 to **48%** in 2014. A reduction by almost half seems inconceivable and we double-checked our data. This is what

1 Number of people seeking help for payday loan problems doubles and average debts exceed monthly pay of borrowers (thisismoney.co.uk, 2014 - http://bit.ly/1sXtDh6)

our sample said and in other questions, comparisons over time are consistent. Possible skewing of this result could be due to less satisfied people responding this time; the cash prize, rather than vouchers, might have attracted more financially excluded people, although the alternative iPad prize would compensate for this by attracting more digitally included and so financially included people. Banks themselves may have turned more social tenants away, because of more stringent risk management. Perhaps the level of people who are 'unbanked' was misrepresented in 2012. Did customers become so jaded with the banks that they voted with their feet? Have finance institutions become so sullied by scandal after scandal that people would rather deal with either credit unions or payday loans companies? The truth is probably very complex.



We also checked these results by comparing self-entered data from online respondents against those who replied by post. Most other results told us people who responded online were more likely to demonstrate other indicators of financial wellbeing: More likely to be full-time employed, less affected by benefit cuts, etc. This remained true on access to financial products and services but while take up of bank accounts showed a significant variance, both groups still used them less than in 2012. Two thirds of people responding online (**66%**) had used a bank account while just **43%** of others had one.

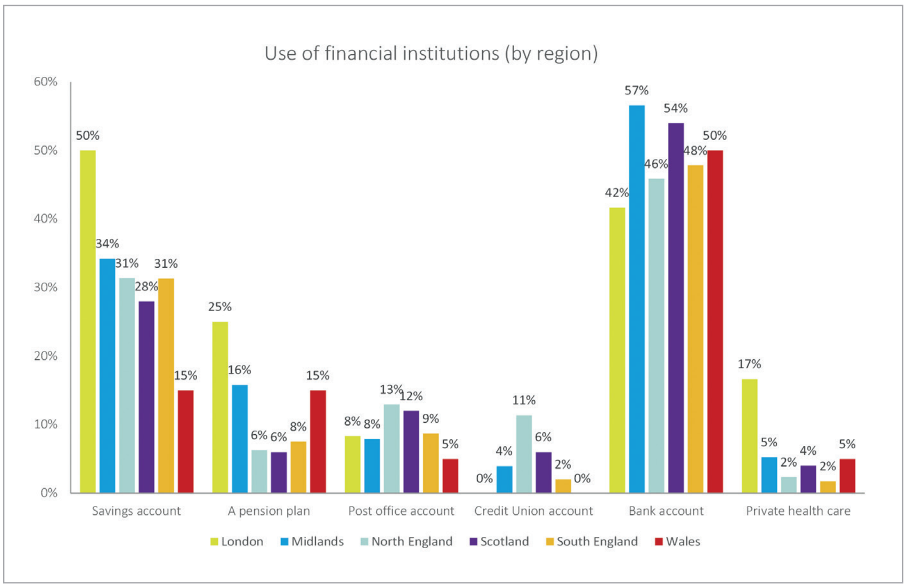
Large numbers of 'unbanked' people constitutes a big problem for Government, especially with the modernisation agenda within the over-arching changes to welfare administration. The trend in Whitehall policy is away from Post Offices as the benefit payment vehicle of choice and towards facilities that reflect the norms amongst full-time employed people – ie, paid online, monthly in arrears and into banks. If less well-off people are moving away from this, then this approach becomes less tenable. It will also exacerbate problems with managing budgets (with monthly, direct payments, for example, and by limiting options like direct debits to minimise costs and keep on top of bills). The impact of the suggestion that half of all social tenants do not have a bank account should not be underestimated.

The British Bankers' Association (BBA) publishes a quarterly report on the health of their sector and the indicators it reports on are around lending, not uptake (or closure) of personal accounts, let alone Basic Bank Accounts for which there was previously a Government target to ensure fewer people were 'unbanked'. The BBA does, however, report a "seismic decline in the use of banks' high street outlets", blaming a cultural shift towards internet banking[2] – excluding, then, a high number of social tenants. Further research is definitely required.

Elsewhere we explored how different groups are affected differently by money worries. Those who are neither retired nor in full-time work are struggling most. With regard to accessing financial products, we found:

	Savings	Pension	Credit Card	Credit Union	Bank Account
Full-time	53%	18%	44%	4%	63%
Retired	35%	11%	20%	4%	32%
Other	24%	4%	17%	6%	49%

2 *Even seasoned insiders are stunned by the pace of banking's root and branch revolution* (BBA, 2013 - http://bit.ly/1vDSM4z)



It seems retired people are least likely to trust banks, with less than a third (**32%**) depending on them. Half of people not in full-time employment or retired do not use a bank account, with just one in 20 of them (**5%**) having a pension, and a quarter (**24%**) with savings.

Across the country, acknowledging inconsistent sample sizes, it seems different regions have different levels of access to or trust in financial institutions. Again, there is still something suspicious (but consistent) about our findings on use of bank accounts with even London, generally found to be most financially included by most other indicators, reporting less usage (**42%**) than in other regions. The North reported more use of institutions less affected, reputation-wise, by the finance sector's collapse with around one in eight (**13%**) having a Post Office account and one in nine (**11%)** having a credit union account. This is potentially reinforced inversely by the low number of readers in the North reporting having a bank account (**46%**).

Fewer people in Wales have a savings account (**15%**), while half (**50%**) of respondents in London did. On the other hand, people in Wales were more likely to have a pension plan (**15%**) than those in the North and Scotland where just **6%** in both areas did.

RESPONSIBLE BORROWING

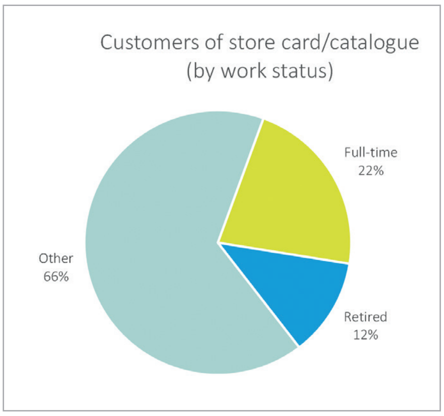
It is important to distinguish between different types of borrowing and to acknowledge that our social system is predicated on people taking loans to cover shortfalls, as investment, or for bridging cashflow when the need arises. In this context it also worth pointing out that payday loan companies charging multiple thousands of percent APR for a short-term loan usually only become a horror story for *Quids in!* readers when they are extended and rolled over (with full encouragement from lenders) for periods of time. Meanwhile high street banks who charge, say, £25 for an unauthorised overdraft of £50 for three days in the run up to payday are also actually charging in the region of 5,000% APR. Many borrowers understand their options and minimise these costs. Many, however, do not.

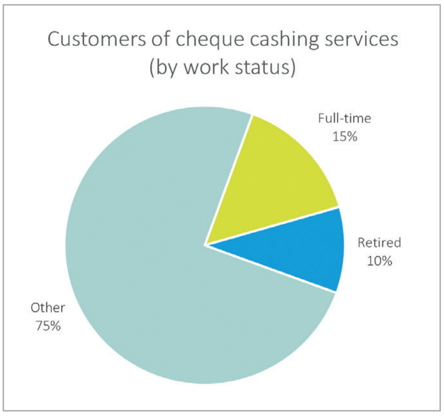
Of the **6%** who have turned to a payday loan company, people who are neither in full-time work nor retired make up the majority of these borrowers. This is consistent across all forms of the worst types of lending, whereby 'worst' means high interest, aggressively marketed, and on the poorest terms (outside of loan shark activity*). On the charts to the right, it is clear people on lowest incomes are turning to payday loans, cheque cashing services, store cards, catalogues, credit stores (like Brighthouse) and doorstep lenders the most.

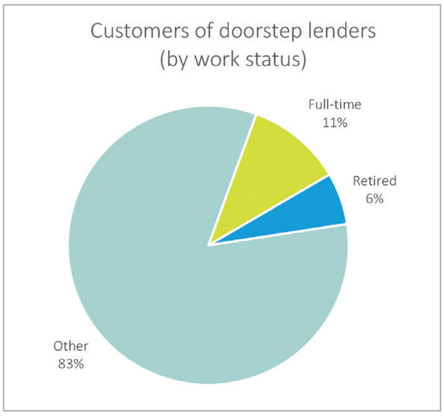
**We asked if people had borrowed from someone who approached them at home and for research purposes, assume this is a company calling at home (like Provident Finance). Because loan sharks are difficult to qualify in limited space (and identify in real life), we were not able to distinguish them in the survey.*

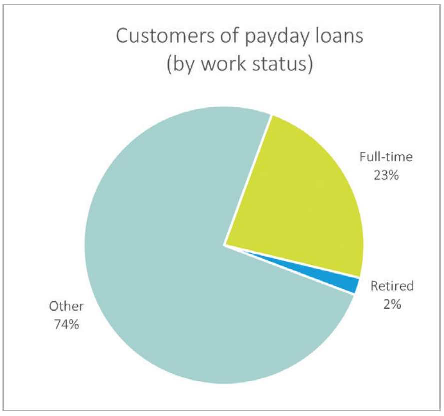
The same group is also most likely to seek advice on borrowing, with **22%** doing so (compared to **16%** of people in full-time work). **39%** needed most advice on debt, compared to **34%** of full-time employed people.

The reported use of credit cards demonstrates that people who are in full-time work are most likely to have them. This suggests a healthy picture, where people who are more likely to be able to afford to repay them (hopefully, in full each









month) are the ones in possession. It could be argued this is a reflection of appropriate lending, with access denied to people without incomes to guarantee that they will stay out of debt crisis, however many people on low incomes manage their money well but are now forced to turn to more expensive payday or short-term loans. Among working age people, other forms of credit are more readily available, making credit cards less desirable. Users on low incomes may recognise them as a temptation to spend money they can't repay. Older people on the other hand tell us in a range of ways they are less interested in borrowing in general and are more likely to live within their means.

FUTURE PROOFING

Our findings strongly suggest people are less likely to be planning pensions, setting aside savings for a rainy day, or insuring their homes. As above, working age people not in full-time employment are least likely to be prepared for the future. Again, then, the poorest are most likely to remain poor and are exposed to further hardship should domestic disaster strike.

Despite warnings from Government about the need for individuals to take responsibility for maximising their own pension provision, it appears to mainly be an option for full-time employed people only. Even then, only **18%** of social tenants in full-time employment are knowingly investing in a pension. Just **4%** of other working age people are doing so. It is worth acknowledging that if people's trust in high street banks has been significantly shaken, leading to a fall in people using them, pension schemes are also tainted by high profile scandals.

The number of people saving has declined but only slightly. This may be surprising because of record low interest rates yielding poor returns for savers but still only a third (**32%**) are doing so, although over half of people in full-time employment (**53%**) are making this provision. In our question about how people would replace a high value item like a washing machine, only **22%** said they would be able to do so by drawing on savings or earned income and twice as many (**43%**) said they would have to do without.

The numbers of people investing in home contents insurance completes this picture: In 2012, **53%** of readers told us they were covered and this dropped to just **39%** in 2014. It is a reflection of social tenants' priorities. It is unlikely to suggest they value insurance less, although trust is an issue as householders worry they might have to fight for a pay-out. The open question we asked about what they would miss most suggests people are well aware of the possessions they would hate to lose whether they are covered or not, and so insurance may just be less of a priority when having to manage on less income. Indeed, **41%** of people neither in full-time employment nor retired said they did not have it because it was too expensive, compared to **24%** of retired people and **20%** of full-time employed people. Just **28%** of working age people not in full-time employment had cover compared to **56%** of other working age people and **57%** of retired people. There may have been some reputational fall-out from the collapse of the finance sector and insurance companies will have to be seen doing the right thing when disaster strikes.

Conclusions and recommendations

1 Further exploration should be made around the significant drop in numbers of people with bank accounts, with a telephone survey made possible by our collection of contact details and request to undertake follow up research. Once substantiated, policy makers should be involved and challenged to engage with the issue

2 The collapse of the finance sector and the squeeze on low income households' finances may have undone all the good work to build people's confidence in using appropriate financial products. They were encouraged to make informed choices and institutions may need to work harder to rebuild their reputations

3 The raw data from the *Quids in!* survey is available to any research body to make more detailed use of the data. We would like to revisit it ourselves to analyse further the relationships between certain financial products and the nature of the people using them.

4 A Social Return On Investment study should look at how usage of financial products have changed over time and why. This will inform us on the impact positive influences can have, for example if *Quids in!* readers are encouraged to take out insurance or use a credit union

5 People on low incomes need more help to avoid risky credit options. We welcome credit rating schemes such as the Experian Rental Exchange[1] acknowledging tenants who pay rent on time so they can access more appropriate financial products. This should be independently monitored to assess its impact and any detrimental impact on tenants who slip into debt. Other 'affordability' measures should also be in place for people seeking credit, along the lines of how credit unions (and mortgage companies, these days) work through budgets before approving loans

1 Experian Rental Exchange (Experian - http://ex.pn/1tiAqUu)

6 CONSUMERS CONSUMED

Key Findings

- More readers are online than in 2012 but less than a third of those online are prepared to claim benefits that way. Banking is increasingly web-based so as local branches close poorer customers lose out again
- A staggering 83% of readers said they had had to change their shopping habits due to money worries; 55% cut down on essential items; 38% are buying in bulk or bargain hunting; 35% now buy second hand
- Many people would turn to a high interest lender to replace high value white goods. 3% of people on less than £200 a week would use a payday loan to replace a £400 washing machine despite having no payday at which they could possibly pay off a loan in one term
- The heat or eat dilemma has changed as it appears many cannot afford to do either properly. This is not an issue of priorities – they don't have the financial means to cover basic human needs

ONLINE/ OFFLINE

The financial concerns of social tenants are not limited to low incomes from benefits, pensions and employment, they also include rising prices (especially of energy[1]). Managing a budget means prioritising and choosing what to miss out on – or go into debt for. Understanding some of the spending habits and decisions of *Quids in!* readers as consumers is as important as analysis of the changing nature of their income.

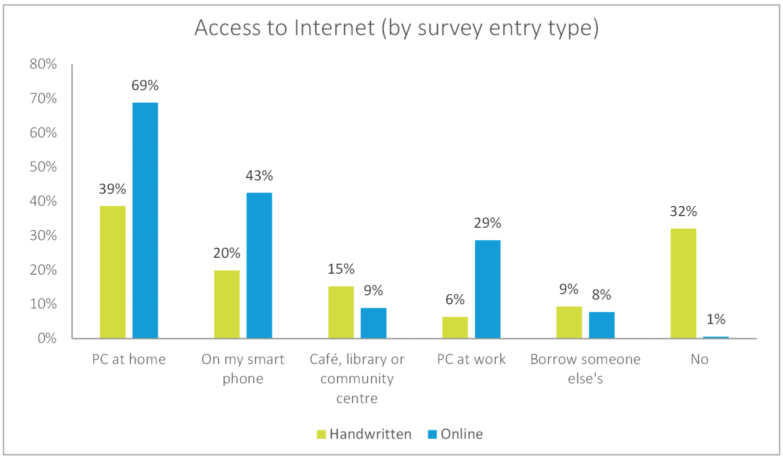
1 *Energy bills: Could you cut your bills by switching and where are the best deals?*: "The average Big Six standard tariff bill is at an eye-watering £1,315 compared to £819 just five years ago" (thisismoney.co.uk, 2014 - http://bit.ly/1gOcLJW)

According to digital inclusion champions Go ON UK, consumers regularly using the internet can be £500 per year better off through shopping around, finding deals and offers, and by accessing advice and benefits. At the Social Publishing Project, we have become aware of levels of significant inequality in digital inclusion. The proven link between deprivation and educational achievement[1] means people from less well-off backgrounds are disproportionately excluded from IT because of its pre-requisite for literacy skills and self-confidence. There is also complacency among authorities who often consider limited access and stringently firewalled PCs made available in libraries as adequate public access to IT facilities. There is an increasingly consistent message from digital inclusion specialists that there needs to be support for making use of IT, in familiar community-based settings (not institutional environments where people may feel alienated)[2]. People who cannot afford a PC at home are excluded digitally and disadvantaged financially – another reason why it costs more to be poor.

In 2012, readers told us half of them had no regular access to the internet. In 2014, only **26%** had no access to it:

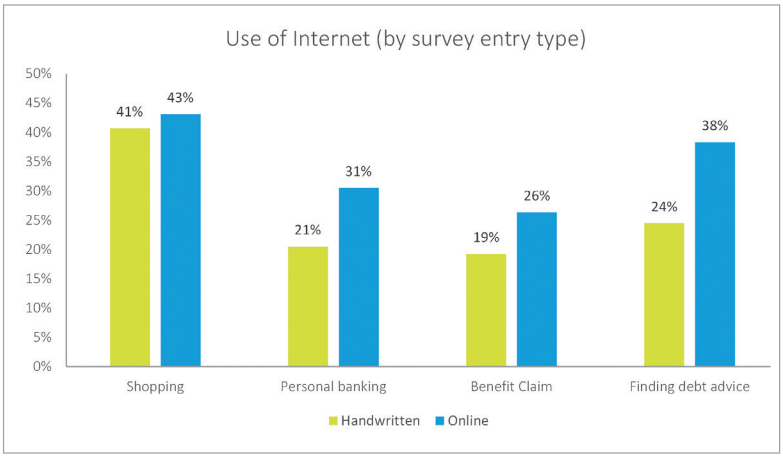
- **45%** have a PC at home
- **25%** use a smart phone
- **14%** access a PC at a café, library or community space
- **11%** have access to a PC at work
- **9%** borrow someone else's
- **26%** have no access

Deeper analysis of some of these figures was problematic because of our decision to publish the survey on the *Quids in!* website. We were keen to maximise response rates and make

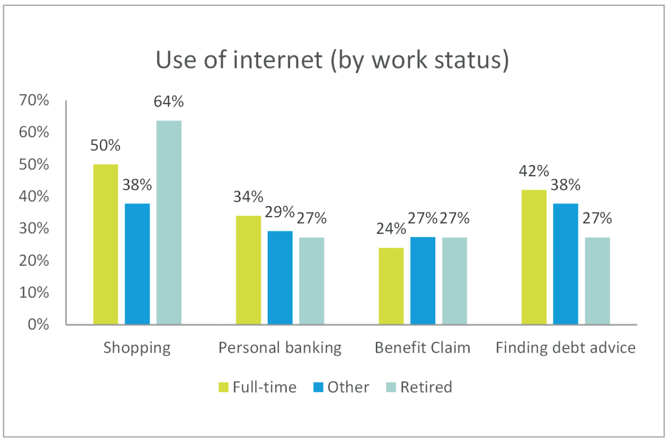


1 *Deprivation and education: the evidence on pupils in England - foundation stage to key stage 4* (Dept for Education, 2009 - http://bit.ly/1pc6sPP)

2 *'Digital Nation?' infographic depicts UK's digital divide*: "72% of employers wouldn't even interview entry level candidates with no IT skills" (digitalbydefaultnews.co.uk, 2013 - http://bit.ly/1gmLr4N)



We decided to separate analysis about IT and the internet by how readers had responded: Even though it seems more people are now online than in our previous research, the numbers of people using the internet in ways that will see them better off remain low, with less than half even confident to shop online. Again, it is a complex issue to fully grasp because 'unbanked' users will be unable to pay online and *Quids in!* magazine for one would warn against using credit cards while also encouraging use of the internet to find deals and bargains. Messages need to be kept simple but advice is sometimes conflicting and we need to consider this. Further analysis could drill down to how only those with bank accounts and credit cards (the means to make payment) utilise the internet.



Government policy assumes benefits will be accessed 'online by default', starting with the introduction of Universal Credit. According to our research, at best, one in four (**27%**) of people not retired or in full-time employment would want to use the internet to make a benefit claim. The false assumptions about accessibility to online facilities could prove costly to Government – and individuals not able to migrate to new benefits regimes.

Acknowledging inconsistent response rates by region, we did look at the variances in internet use between areas of the UK. Online respondents in Wales were much more likely to use public or work IT or borrow someone else's, while in London significantly more people had smart phones they could use. Readers in Scotland appeared to be much less likely to have either a smart phone (**33%**) or a PC at home (**60%**), while in England all regions said **70-75%** had a PC at home, although we didn't stipulate that it was connected to the internet.

it as easy as possible for people to take part and **21%** of responses were online. Overall, online responses were much more positive and demonstrated higher levels of financial resilience, supporting Go ON UK's assertion that people are better off using the internet but also reflecting how poorer people are also less likely to have IT access, confidence or skills.

One in seven (**14%**) readers had cancelled their broadband connection to save money. This may be a false economy but only to those who know how to make best use of the internet. We are also regularly reminded by readers, people who spend more, have more to save – so people on the tightest budgets may already be maximising the savings available to them. The internet may have lower returns for poorer people as consumers. Interestingly, it was retired people (**6%** of all retired readers) who were least likely to cancel broadband, perhaps because fewer had subscribed to it in the first place. Working age people not in full-time employment (**17%**) were most likely to cancel broadband, which will start to work against them as benefit claims go 'digital by default'.

Online response	South of England	Midlands	North of England
PC at home	70%	74%	73%
Smart phone	38%	63%	41%
Happy to shop online	38%	44%	46%
Prepared to claim benefits via internet	29%	30%	22%
Banking online	29%	41%	24%
Accessing web-based debt advice	45%	37%	37%

By post	South of England	Midlands	North of England
PC at home	39%	47%	34%
Smart phone	19%	29%	19%
Happy to shop online	37%	51%	43%
Prepared to claim benefits	18%	31%	18%
Banking online	18%	20%	24%
Accessing debt advice	19%	37%	28%

Campaigning groups like Age UK have pointed out a significant 'digital divide' between North and South, reporting for example that **63%** of over-65s in Surrey are online compared to less than **28%** in Tyne and Wear[3]. Our findings were more general but by separating London responses, we found English readers were much more on a level playing field in the North and South, with readers in the Midlands seeming much more confident. There were still differences, however. You can see these from the two charts to the left where we can see the clear differences between those responding online (top) and those by post (bottom).

3 *North-south divide among silver surfers* (Age UK, 2013 - http://bit.ly/1m3hGW4)

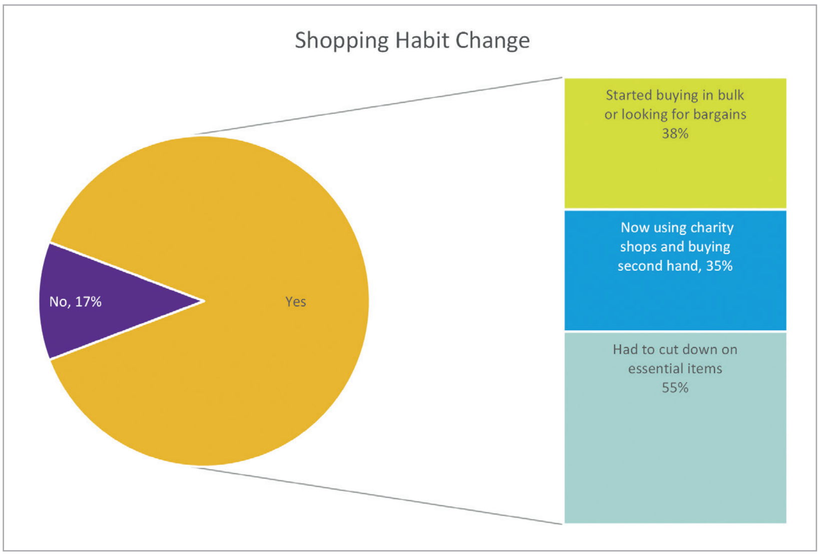
SPENDING

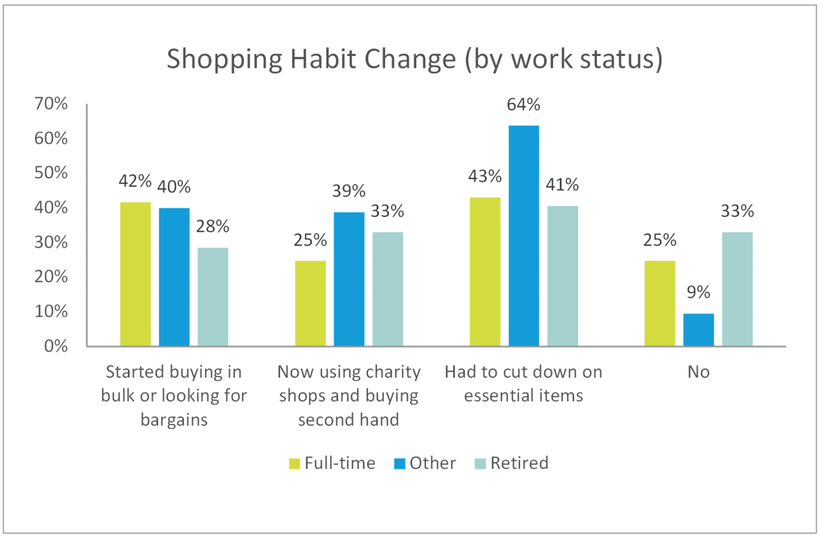
Fewer than one in five said they had not been forced to change their shopping habits in the past year (2013). Overall, over a third (**38%**) had said they had started keeping an eye out for bargains or shopping in bulk. Slightly fewer (**35%**) said they were now using second-hand and charity shops. Over half said they were now having to cut down, not on luxury items, but on essential items.

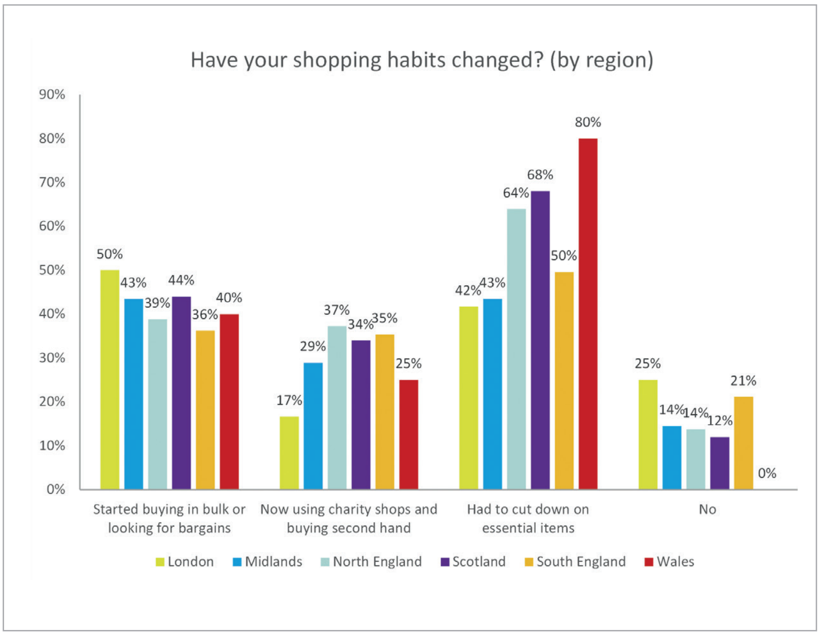
As could be predicted, the situation is worse for lower income households, who we already know correspond most with working age people not in full-time work. Almost two thirds of this group (**64%**) said they had to cut down on essentials. More people in full-time work (**42%**) reported looking to stretch their budgets by buying in bulk and looking for bargains and this is reasonable given these kinds of savings require an upfront investment to make a saving but the proportion of working age people not in full-time employment were not far behind with **40%** saying they did the same.

It is worth noting that some promotions like 'Buy One Get One Free' or 'Mulitbuy Offers' are so familiar they may not be perceived as bulk buying. It would also be useful to know whether these were always savings on goods consumers would have bought anyway, or an extra cost. Another practical factor is transport: Only households with access to a car (as well as the budget) will be able to carry bulk purchases and the cost of running a car may be prohibitive, although we did not ask about this in the survey.

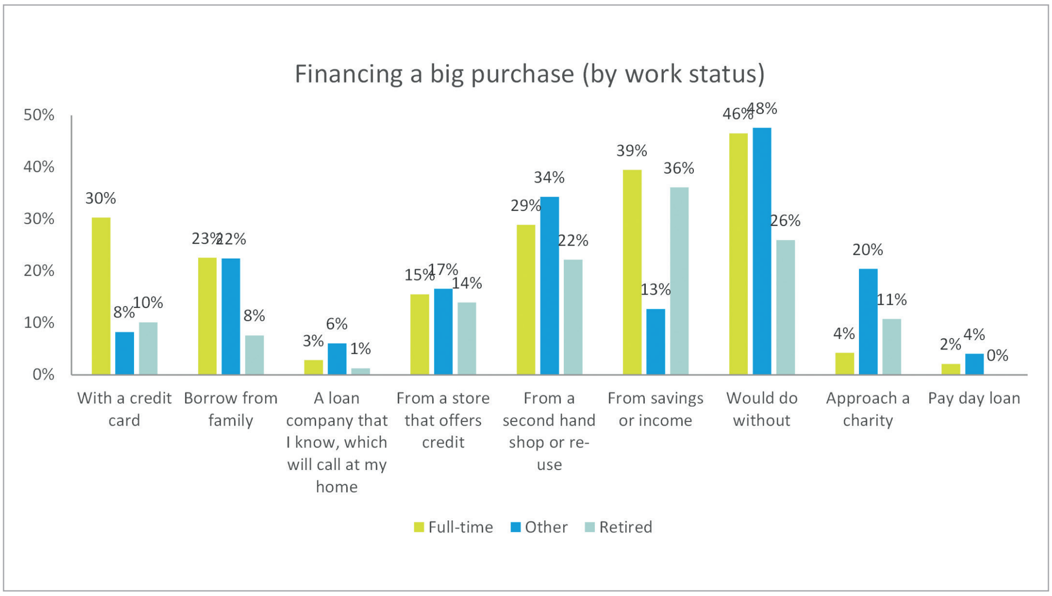
Two thirds of respondents from Scotland (**68%**), Wales (**80%**) and the North of England (**64%**) had been forced to cut down on essential items but over a third of readers elsewhere had to do the same. Readers in the North (**37%**) and the South of England (**35%**) were more likely to have started buying second hand or shopping in charity shops. Readers in London were more likely to have taken steps towards making their money stretch further by buying in bulk or checking out bargains than people elsewhere, although more people in all regions were doing this rather than turning to second hand goods. It is worth noting that in order to buy in bulk, consumers need ready cash up front to save this way, which reflects the relative wealth (or financial resilience) of readers in London, which is also why more people from London (**25%**) said they hadn't changed their shopping habits at all.







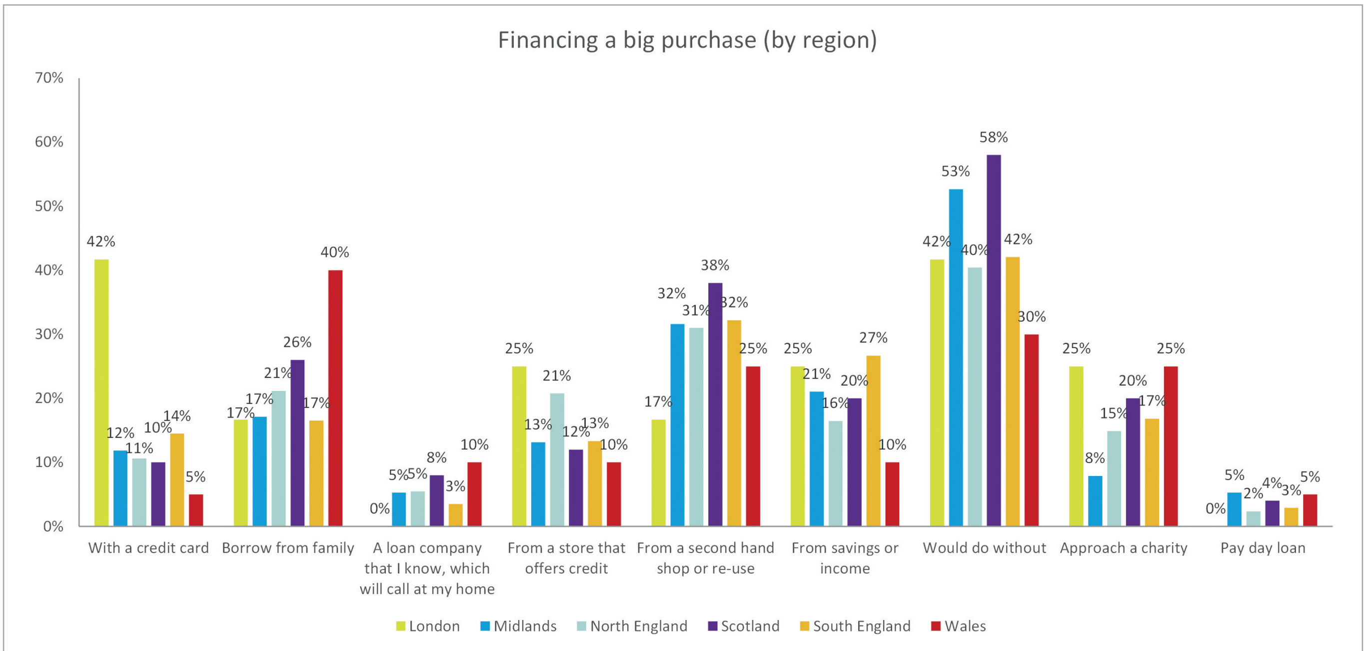
The scenario we presented about readers needing a new washing machine was also very revealing. It told us more people (**43%**) would have to do without than could afford to replace it from savings or income (**22%**). As above, a good proportion would turn to a second hand or re-use project (**31%**) or approach a charity for help (**16%**), although it cannot be guaranteed these would be accessible locally or whether they would meet a local project's criteria. Others would borrow to replace it by:



- **13%** Credit Card
- **19%** Borrowing from family
- **5%** Taking a loan from a company that calls at home
- **16%** Using a store offering credit
- **3%** Payday loan

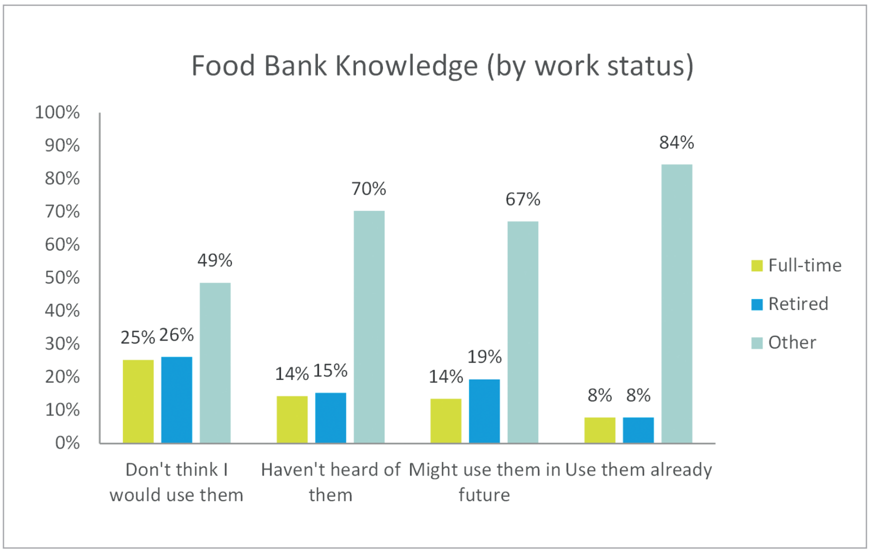
Although there was not room to specify exactly what we meant by certain options, a loan company that calls at home is almost certainly a high interest lender, making inappropriate loans difficult to refuse. The store offering credit, which seems to appeal equally to one in seven people regardless of employment status, might be a catalogue shop or a regular department store offering finance, but more likely it is a shop like Brighthouse with seemingly attractive weekly payment terms but high prices and hidden tie-ins, like mandatory insurance cover. Somewhat reassuringly, it is much more likely for someone in full-time work to use a credit card to make this kind of purchase. Meanwhile one in twenty five working age people not in full-time employment would turn to a payday loan and for a £400 washing machine, which we stipulated, it is difficult to imagine repayment would be manageable for someone on part-time wages or benefits in a single loan term. Indeed, **3%** of people in the lowest income bracket (less than £200 per week) said they would use a payday loan.

In response to this question, readers from different parts of the UK told us more people in London would use a credit card (**42%**) or a store offering credit (**25%**). Respondents from Wales (**40%**) and Scotland (**26%**) were more likely to borrow from family. In Scotland, **58%** would do without a washing machine if they had to, as would **53%** in the Midlands. Only **8%** of people in the Midlands would turn to a charity, while a quarter of readers (**25%**) in London and Wales said they would. No-one in London said they would use a payday loan but **5%** of respondents from the Midlands and Wales said it was their choice.



EATING

A lot has been aired in the media about people on low incomes having to choose between 'eating or heating'. It is an emotive subject and a frame within which some commentators have attempted to discredit poorer people for the choices they make. Often this is to disguise the reality that many people often simply find themselves poorer than they were. Decision-making also takes place in the context of other influencers: Parents are also under immense pressure to provide fresh, and therefore generally more expensive, food for children on health grounds; Many have dropped from relative wealth through redundancy or reduction of hours and are still working through lifestyle changes. *Quids in!* readers told us:



- **37%** have gone without meals due to money worries
- **52%** of people with incomes of less than £200 a week have skipped meals, and **31%** of people on less than £300
- **23%** of retired people have had to skip meals, **21%** of people in full-time employment, and **46%** of other working age people

What is clear from this picture is that there is a distinct group of people who are simply not able to feed themselves properly: People on low incomes, especially those below the poverty level. It is not limited to people who are out of work and applies less to older people. However, at least one in five social tenants from each employment group is going hungry and this should not be overlooked. Communities are suffering and there will be a long-term cost to the State in healthcare and other provision for people in desperate need.

Foodbanks are a relatively new phenomenon and are as popular among politicians as soup runs for homeless people, which have been discredited for 'creating need'. Commentators have appeared on TV visiting foodbank users' homes, criticising them for having a dog and a large television. What all this disguises, however, is that many people's choices are made in better times, perhaps when they were in work and relatively affluent. We found that, of those who commented at all about Foodbanks, it was people in full-time employment (**27%**) who could most see a time that they might need them, with one in twenty people in that group already using them. Still, it is people who are neither in full-time work nor retired who use them most (**10%**). The question only allowed one response, although not having heard of them already did not mean respondents may or may not use them in future. Older people were less likely to know about them but fewest among this group ruled out turning to them at some time.

BILLS, BILLS, BILLS

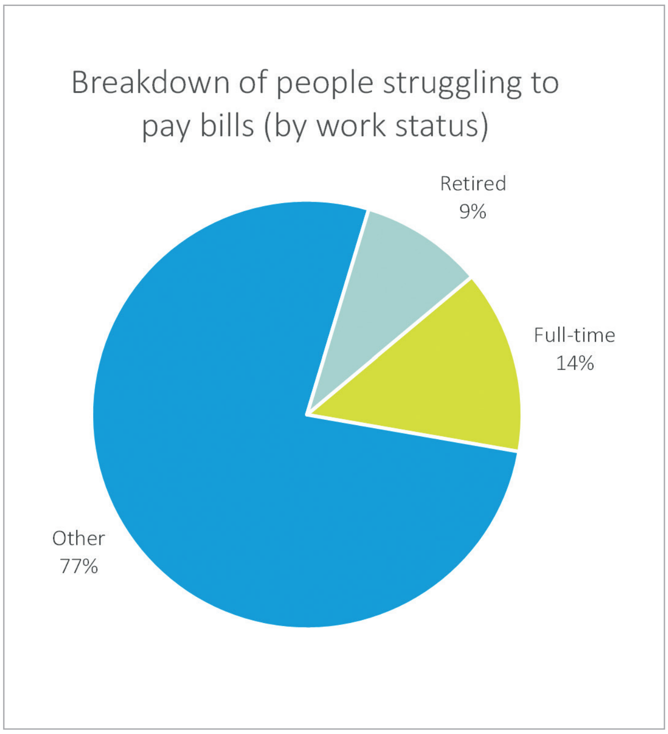
More than half our readers (**52%**) are struggling to pay bills or are already falling behind. For landlords, local authorities and utility companies, this should be of major concern and the foundation for a business case to help social tenants stretch their finance further. Drilling down, we also found:

- **40%** of those who responded online were struggling, while **55%** who were more likely to be digitally excluded were falling behind
- **64%** of working age people not in full-time employment, **40%** in full-time work, and **24%** of retired social tenants are struggling
- **64%** of people on incomes of less than £200 per week are affected, **50%** under £300, **38%** on £301+
- Of those who were falling behind, over three quarters (**77%**) are working age and not in full-time employment

Just over half (**54%**) of readers had switched gas, electricity or broadband provider to save money. We asked people who had switched how they done it: **33%** had used an online switching service. Only **6%** said they thought switching was a con, (something readers have told us in letters and at events before, possibly because prices rise even after switching but maybe by less than if they had not). Full-time employed people are most likely to switch (**64%** had done so), retired people are least likely to (**41%** had), with just over half (**55%**) of others having tackled bills this way.

Clearly the same groups are struggling to keep up with bills as are going without meals due to money concerns. Their health is already under siege but they are also more likely to be going cold. There are proven links between levels of poverty and morbidity and mortality rates, so as hardship increases so must ill-health and death rates. Combined with the picture in other sections of this report, that the situation has deteriorated over the past two years, *Quids in!* has gathered proof that social tenants' lives are in decline. This is consistent with an emerging body of research calling for policy change, (some of which is cited throughout this report).

Four in five of the relatively small number of respondents from Wales (**80%**) told us they were falling behind with bills, while an equally small sample from London told us just a third (**33%**) were struggling the same way. Three fifths (**60%**) of a more representative sample from the North of England said bills were getting on top of them, while this was a problem for almost half of readers in the Midlands (**47%**) and the South of England (**47%**). In Scotland, **52%** of respondents said this was an issue. The pattern was mirrored in the number of people from different regions who turned off their heating despite being cold, although proportionately fewer people from the Midlands (**39%**) did so compared to people in the South of England (**50%**), Scotland (**50%**) and the North (**56%**).



Conclusions and recommendations

1 Utility companies and comparison websites need to do more to promote switching, fixing payments and paying by direct debit. Like finance institutions, utility companies' reputations for sharp selling practices make consumers wary and they should do more to be seen 'doing the right thing'

2 More must be done to encourage people not to cut broadband in order to save money. Ways the internet can save and make people money should be promoted more, starting with ways to offset the cost of broadband each month. We will continue to challenge the idea that people can't make use of the internet

3 A national network of existing agencies must come together to tackle digital inclusion. It must broadcast the 'what's in it for me?' message (including the public sector 'digital by default' agenda) and inform authorities on access issues. *Quids in!* will produce a guide to 'Getting the Most out of the Internet' and explain the benefits and risks, including the best ways to pay, keeping to a budget and avoiding temptation to spend (or borrow) more. Cost comparisons could include smart phones, tablets, home PCs, broadband

4 Further analysis could drill down to how only those with bank accounts and credit cards (the means to make payment) utilise the internet. Also, cultural influences should be reviewed: How secure do people feel internet payments would be? What else do they use the internet for – celebrity gossip, news, etc? This intelligence is required to understand the drivers that should be used to attract more people online

5 More analysis of how people prioritise their spending on leisure and lifestyle would help enlighten debate about people's decision-making on items like having a large TV, which may have been bought during a period of employment and enables a family to watch a movie at home instead of spending on going to the cinema

6 'Consumer collectives' should be established, with support from landlords, where not only white goods and furniture could be sourced more cheaply, but so could food, household items, kit for school, toys/ games, etc

7 A 'Borrowing in Emergency' guide could be published that demonstrates the options and the costs and risks attached to each choice. It should highlight how payday loans are not appropriate to buy large goods unless the borrower is due considerable income (ie, on payday)

8 Space-allowing, in future research, we will clarify the question about income (that it should include housing benefit and applies to whole household). We will ask about weekly outgoings to provide us with a clearer picture about the challenge of budgeting and will include transport and travel, especially running a car

7 MAKING SOCIAL HOUSING WORK

Key Findings

- ✔ One in five are in full-time work (19%), in part-time work (17%) or retired (21%). A similar number (20%) have a job that does not meet their financial needs
- ✔ The most practical way for many people to overcome poverty and move toward financial inclusion is through employment. However, when 23% consider themselves unfit for work and huge swathes of readers are going without food, unable to stay warm and reporting declining mental and physical health, it seems they will be trapped in unemployment too
- ✔ 12% said employers don't want them. With poor health and confidence, and low skills being linked to low incomes, this could be true? Austerity cannot fix this
- ✔ People who responded online were more likely in work and/or financially better off. Employers say IT skills are increasingly a pre-requisite. Authorities must ensure

In other sections of this report, we have seen people who are neither in full-time work nor retired are facing more hardship than other social tenants. But the picture that also emerges is that while it might be important to prioritise help for people most at risk of financial crisis, many others do still struggle, even if they are in full-time employment, on low pay or confronted by escalating costs associated with a larger family, for example. With a political squeeze on benefits, the best option for those who can seems to be to increase income through work, more work or better paid work.

EMPLOYMENT STATUS

Respondents told us that just one in five (**19%**) is in full-time employment and this breaks down further to **22%** of men and **17%** of women. Only slightly fewer people again (**17%**) are working part-time, with a major differential between men (just **7%**) and women (**22%**). In more in-depth research, it would be useful to understand how many had had to drop from full-time to part-time hours in the past few years and also how men and women had been affected, possibly differently.

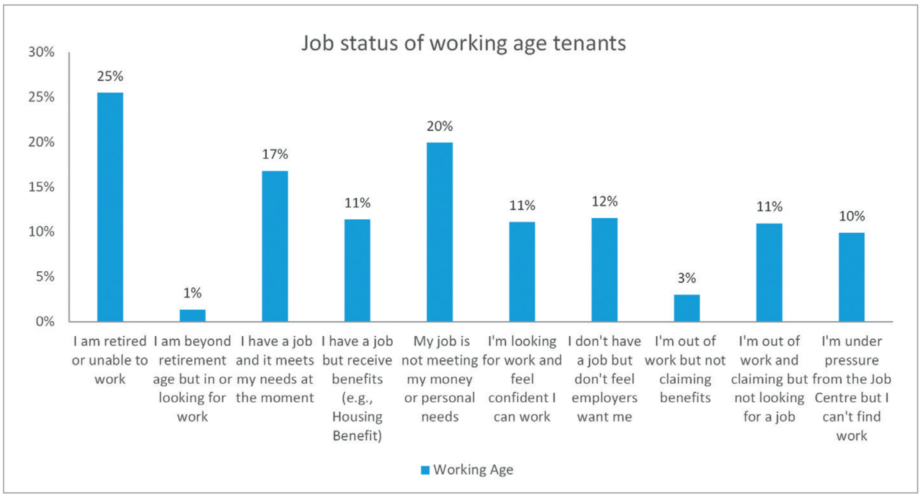
Around one in five (**21%**) is retired, with **26%** of male respondents being retired and just **16%** of women.

Roughly one in seven (**14%**) were unemployed and around a quarter said they were unfit for work. Marginally more women were unemployed but almost a third more of male respondents (**27%**) said they were unfit for work compared to women (**21%**).

Financial hardship, poverty even, is no respecter of employment status. Even 'hardworking families' told us they are struggling despite the Government's stated aim to support them more than people they say refuse to work[1].

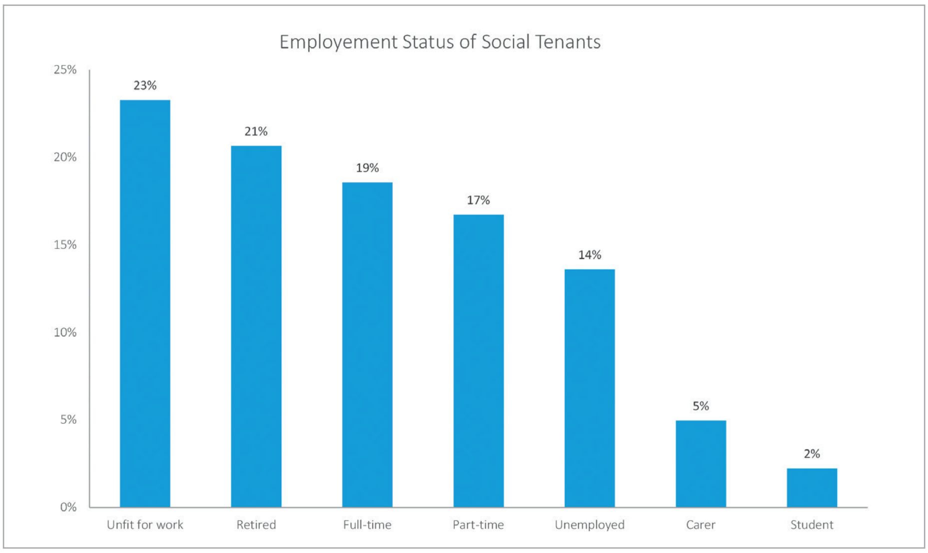
We asked readers to respond to a series of statements about their employment status and how well it was helping them make ends meet. See the graph 'Job Status of working age tenants' below.

More people in some form of employment find that it is not meeting their personal needs (**20%**) than those who find it does (**17%**). One in ten people are in work and still claiming benefits, which demonstrates benefit claimants are not all out of work, and that employment is not the end of the journey for people struggling to make ends meet. To be eligible for housing benefit, most workers would have to be earning only slightly more than they would be claiming if unemployed altogether.

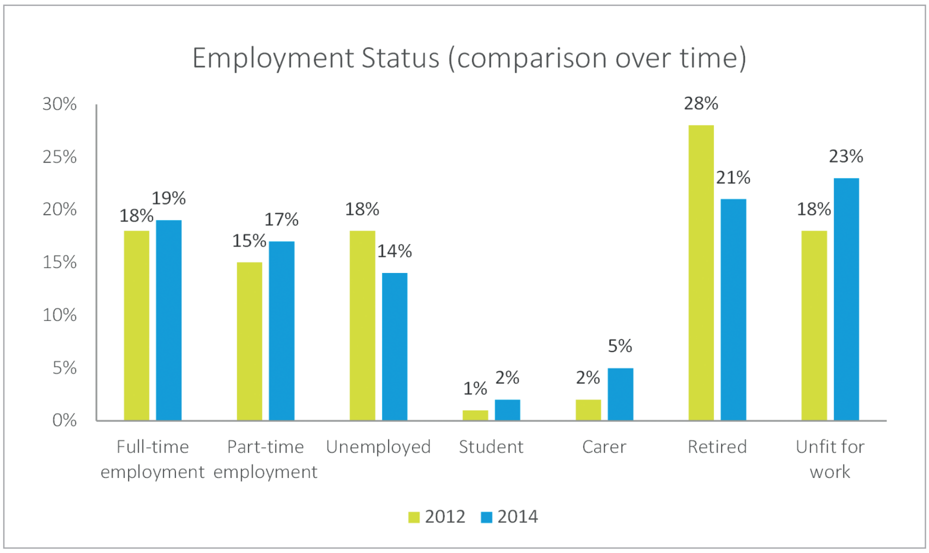


1 ***The Tories' shameful new ad campaign against "the scroungers"*** (New Statesman, 2012 - http://bit.ly/TtZzQ3)

We deliberately juxtaposed statements that might appeal to jobseekers who are more confident or those who appear to have given up on finding work. The idea was to quantify the numbers who really choose not to find work. However further analysis is required to see how many who said 'I'm out of work and claiming but not looking for a job' were working age but retired, disabled and/ or identified themselves as unfit to work. Around one in ten (**11%**) are looking for work and confident they *can* work, given the opportunity. A similar number (**12%**) feel employers don't want them. The same again (**10%**) are under pressure from Job Centre Plus but cannot find a job. A further **11%** say they are out of work and not looking.



A small number (**3%**) are out of work but not claiming benefits. These are almost certainly missing from official unemployment statistics and may include people of private means, such as living off redundancy payments, inheritance or savings, as well as spouses living on a partners' income and young people who are able to live off the 'bank of mum and dad'.



We are able to compare the employment status of readers over time, having run the same survey two years earlier. The findings are consistent with minor changes to the numbers who are unemployed, dropping from **18%** to **14%**, and those who may have moved into part-time work (from **15%** to **17%**) and full-time work (from **18%** to **19%**). Fewer of our readers are in retirement, **21%** compared to **28%** before, reflecting legislative changes increasing retirement age and prohibiting employers from forcing people to leave due to age. More say they are unfit for work, **23%** rather than **18%** two years ago.

EMPLOYABILITY

The survey was not about employment per se but *Quids in!* is clear that employment (and employability) and financial inclusion are linked. We feel this has been sometimes lacking from the financial inclusion agenda. Many people's first step towards inclusion, or at least out of poverty, is a practical one to increase their income and achieving this through welfare is increasingly unlikely. Many unemployed people want to work but a number of indicators in this research suggest unemployed social tenants are not well-equipped to find work (or more work).

Asking if unemployed readers felt 'employers don't want me' is about confidence, self-esteem and perceptions about employers. Of the **12%** who agreed with this statement, men and women were equally pessimistic. Interestingly, those who responded online were less confident, with **38%** saying they didn't feel employers wanted them and **2%** who posted their reply saying the same. Ironically, it is those with IT skills that employers are most likely to recruit[1]. Jobseekers in Wales (**20%** agreed) and the North of England (**13%**) feel least confident and those in London (**8%**) and the South (**8%**) are marginally more so. These responses are missing from mainstream discourse about jobseekers who are described as 'won't work', rather than 'can't work'. Attention should be paid to whether their unemployment is due to employers' needs and expectations. Low skilled work, (traditionally manufacturing

1 ***'Digital Nation?' infographic depicts UK's digital divide***: "72% of employers wouldn't even interview entry level candidates with no IT skills" (digitalbydefaultnews.co.uk, 2013 - http://bit.ly/1gmLr4N)

and manual labour, including *unskilled* construction work), is less in demand – so what happens to jobseekers with lower skills? Maybe, for many, it's shocking and true that employers don't want them.

For people in debt, one challenge is that it erodes individuals' confidence and emotional wellbeing. This immediately damages jobseekers' ability to find work – or people in low paid jobs to compete for better ones. Almost two thirds of readers who are neither full-time employed nor retired (**60%**) told us that money worries had made them feel anxious, frightened or depressed and it is highly unlikely they will be in the best frame of mind to find work. Ironically, one of the pressures on jobseekers is the threat of sanctions (for not doing enough to find work) or being forced to work to receive benefits, with **21%** of working age people worried about this a lot. As with the question of jobseekers with low skills, do employers want people who are not confident or experience ill-health? The usefulness of employers using State-sponsored labour should also be questioned: Do these schemes create (or negate) jobs or lead to employment for jobseekers? Ways to ensure they do should be explored.

Jobseekers with poor health will also be significantly disadvantaged in the job market. Skipping meals and going cold will not help and **37%** of working age people not in full-time employment reported physical illness that they put down to money worries. They will be more likely to be unfit for work, if not already (like the **23%** who said they are), then in the future.

According to Go ON UK, by 2015 **90%** of all jobs will have some requirement for IT skills. Our findings on readers' digital literacy were relatively incoherent because of the mix of online and hard copy response options but more people are online than in the past. Even working age people not in full-time work who responded by post said **41%** had a PC at home, (not necessarily connected to the internet or used by a jobseeker with IT skills). Our impression remains that more public access and training is required to tackle digital exclusion, especially amongst jobseekers, who are disadvantaged both in the process of job search and in the workplace without IT skills.

One interesting finding was the significant discrepancy in incomes between people who replied online and by post. While a third (**33%**) of online responses came from people saying they had less than £200 a week income, over half (**53%**) of postal responses indicated the same. This suggests a link between levels of digital literacy and poverty, which should be borne in mind when it comes to strategies for engaging people on the lowest incomes.

INCOME AND IN-WORK BENEFITS

Around half (**49%**) of social tenants said their household had a weekly income of less than £200; one in four of these (**26%**) had one child, one in five (**21%**) had two, and **7%** had three or more. A further **23%** reported less than £300; **42%** of these had one child, **6%** had two, **27%** had three or four.

There is a clear picture that people on low incomes are not necessarily out of work. As above, one in five people (**20%**) said they had a job but it was not meeting their financial needs and one in ten (**11%**) were still having to claim housing benefit. In principle, the introduction of Universal Credit (UC) should mean anyone in work is better off in work than unemployed and so low incomes will be topped up through this mechanism. Still, **29%** of working age people are worried a lot about UC and **15%** a bit.

Conclusions and recommendations

1 There should be a survey of employers' attitudes and needs. Can they, and will they employ workers with low skills, poor health, low confidence and poor IT capability? Findings should be put in the context of poverty and financial exclusion to create understanding about the challenges unemployed people face and what the solutions are

2 It is too detailed for this Survey but further research would be useful into the numbers employed on part-time and zero hours contracts to see if they impact workers' level of hardship. It must assess the terms that affect individuals' income and wellbeing, and ways flexible conditions could benefit people. It should also monitor trends; how people are moving away from or towards more hours and who is driving these changes

3 *Quids in!* will link up with employability projects, authorities and landlords to review the skills, health, confidence and IT capability of jobseekers. This will mirror a survey of employers' attitudes and needs

4 An evaluation should be made of the 3% not in work but not claiming benefits. Are employment statistics misleading? Should figures be independent and more transparent than politically manipulated ones?

8 HEALTH AND WELLBEING

Key Findings

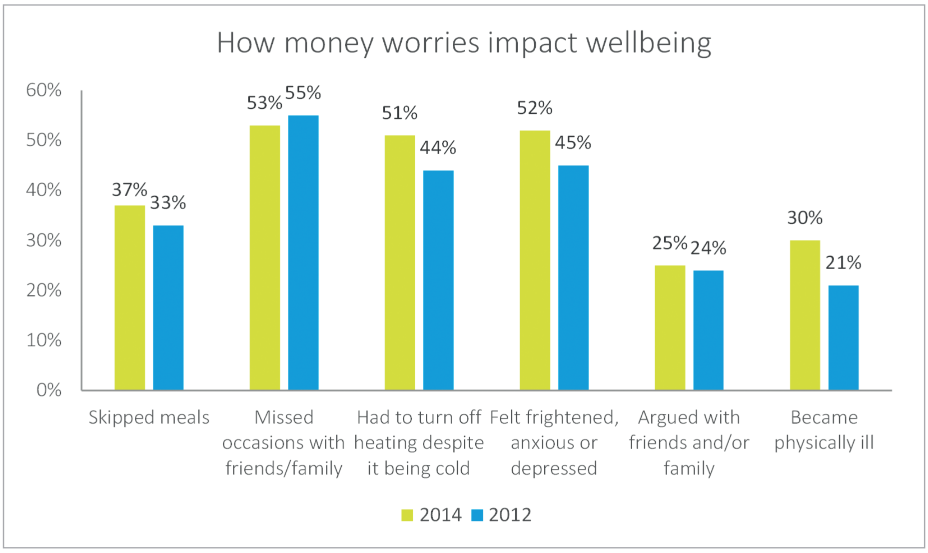
- ✔ Readers' health and wellbeing is in decline. In almost every way, (eating, heating, mentally and physically), more people felt money worries had adversely affected them than when we surveyed them in 2012. People were marginally better off socially, with slightly fewer having to miss out on occasions with family and friends
- ✔ Many more working age people not in full-time employment were affected than others. Twice as many (41%) skipped meals compared to older people (19%)
- ✔ Income had the biggest influence with 52% of people on less than £200 per week skipping meals. Other indicators were consistent,with 66% switching off heating, 65% feeling frightened, anxious or depressed, and 42% reported physical illness due to money worries. Poverty, not financial capability, is the deciding factor amongst this group

Possibly the most shocking and telling findings in our research related to *Quids in!* readers' health and wellbeing. So much so, we broke our own embargo to share the results with readers in the Spring edition of the magazine.

Over half our readers (**52%**) said money worries had caused them to feel frightened, anxious or depressed, compared to **44%** of the general population affected by mental *or* physical ill-health in 2009[1]. Over half (**51%**) said they had had to turn off heating despite it being cold. Around one in three (**30%**) told us money worries had caused them to become physically ill, while more (**37%**) reported skipping meals. We asked about their relationships with friends and family and take this to be a further indicator of wellbeing[2]: **53%** had missed out on occasions with friends or family and a quarter (**25%**) had had arguments with them about money.

Almost all these results showed a worse picture than in our previous research two years ago. Most dramatic is the near fifty percent increase among people reporting physical illness to be a direct result of concerns about finances, which rose from just over one in five people (**21%**) to just under one in three (**30%**). This is likely to be linked to higher numbers of people skipping meals and turning off their heating despite being cold. Similarly, those reporting impact on their mental health went up by **14%**, suggesting financial burdens are affecting more than half social tenants' emotional and/ or mental wellbeing.

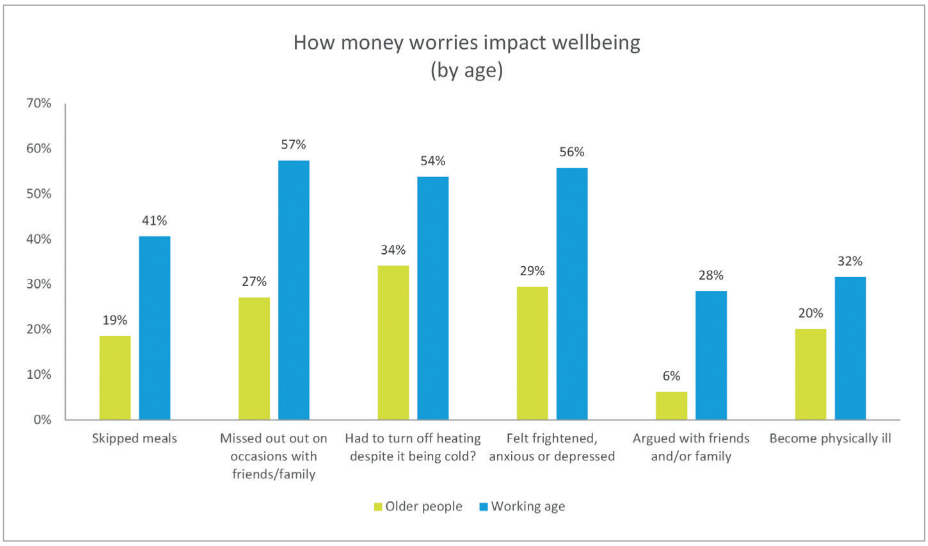
Worse still is that these figures relating to all readers hide an even more horrendous and slightly surprising story. If we break down the responses from older people and working age people, we find that older people are faring better in the face of rocketing bills, contrary to media representation perhaps. When split apart, we find over twice as many working age people (**41%**) had skipped meals as older people (**19%**) and missed out on occasions with friends or family (**27%** of older people and **57%** of younger people), although the latter also reflects levels of isolation among older people who may feel they always miss out in any case. It seems older people are coping better emotionally as well as in terms of keeping warm. There is a note of caution here, however, about cultural differences between generations: Older readers persistently remind us that their approach to money management is more often about living within their means and accepting that. They may also have time and the inclination to cook from scratch,

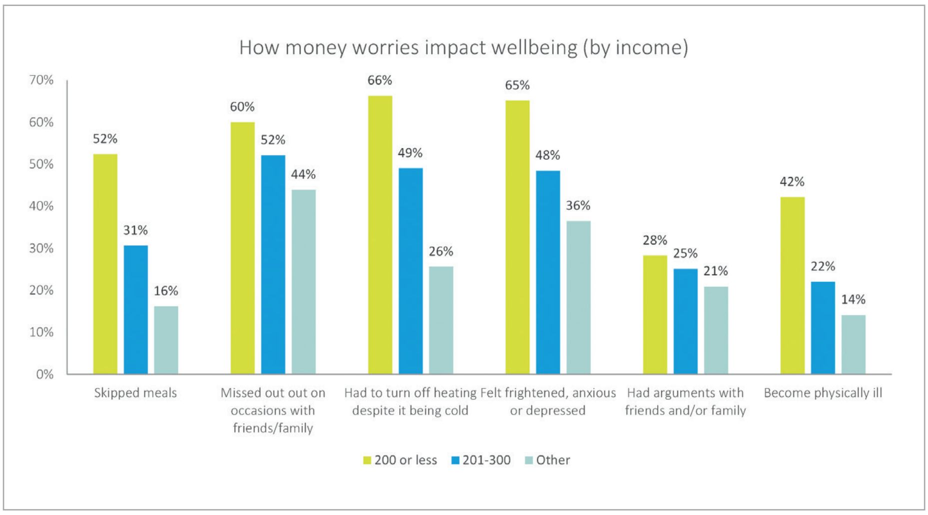


1 *Primary Care Guidance on Debt and Mental Health*: "Key learning points: Debt increases the risk of mental illness and mental illness increases the risk of debt Change in financial status is associated with suicidal ideation and difficulty repaying debt is a risk factor for suicide 44% of the debt problems reported 'led to physical or stress-related ill-health [and that] the average cost to the NHS was around £50 (£20 per debt problem)" (RCGP & RC Psych Forum, 2009 - http://bit.ly/1kHxxtl0)

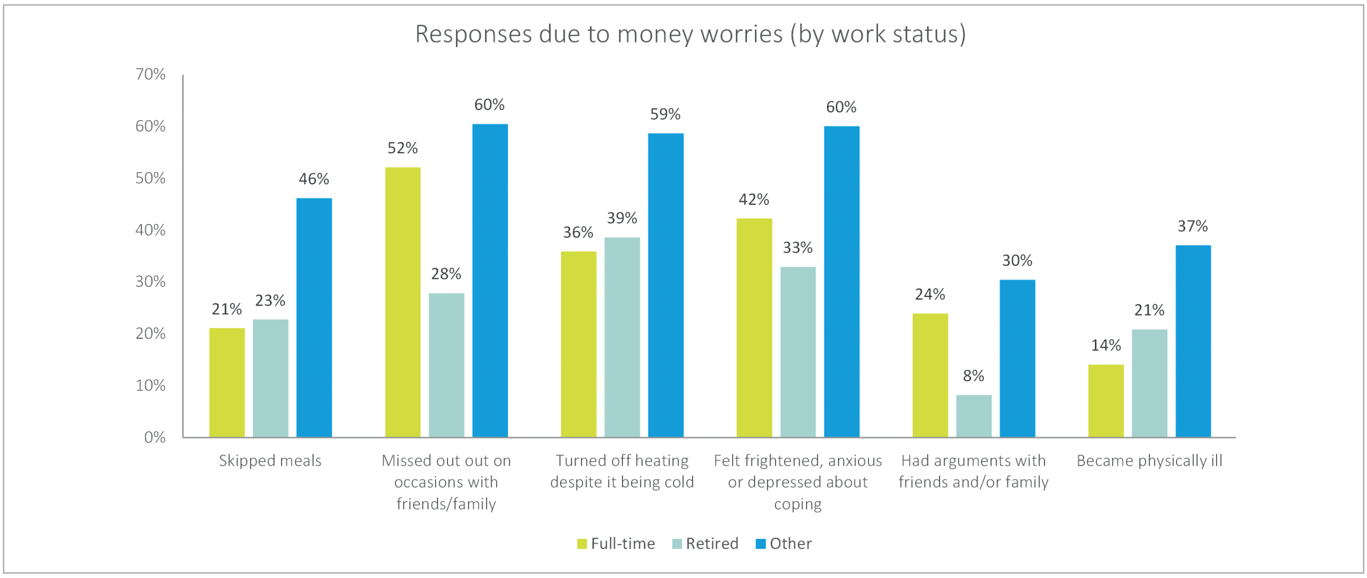
2 "People with supportive friends and family generally have better mental and physical health than those who lack these networks." *Mental health and social relationships* (Economic & Social Research Council, 2013 - http://bit.ly/1mRW3ap)

which will be cheaper, while working age people with children will be harder pushed for time and more likely to use more expensive pre-prepared meals. It seems that this creates more financial (and health) resilience, although this pattern also reflects the Government's focus on reducing working age benefits and a successful policy of protecting older people more from rising prices and austerity. We looked at the difference between people of different employment status, separating out those who have retired, those in full-time employment and the rest, (see below). Here we see further distinctions in where life is getting hardest for social tenants in the UK. Although 'retired' does not correspond directly to age, the wellbeing of older people and those in full-time employment are largely speaking correspondent. Consistent with the above, retired people remain less likely to miss out on social occasions and they also fall out with family and friends less. This could equally suggest they are relatively more isolated and accept their situation or that families *do* involve them in occasions. Retired people's physical health suffered (**21%**), again unsurprisingly due to their likely older age, but still less than for people who are neither retired nor in full-time employment (**37%**), almost half of whom (**46%**) are also skipping meals.





Issues of poverty, especially in the context of an apparent 'boom' in the use of Foodbanks, helping people in crisis through free donations of essential foods, have become something of a political football. Some politicians like to put this trend down to the fact that more people know about them now or poor prioritisation at home – spending money on a pet or having a large TV and not leaving enough to pay for food – but the picture already emerging here is of considerable hardship, not shared fairly across all social groups.



At this point, it becomes clear that financial resilience, or health and emotional wellbeing for that matter, is clearly not just down to cultural differences (eg, between generations) or people's abilities to budget better. Levels of income make an incontrovertible difference to their wellbeing. For people whose households bring in less than £200 a week, levels now nudge two thirds in terms of feeling unable to pay for adequate heating (**66%**) and in terms of stress and emotional burden (**65%**). Here, over half (**52%**) skip meals and almost twice as many have become physically ill (**42%**) compared to people on just £100 more (**22%** of people on £301-£400). Bear in mind that as of 2012, the poverty line for a single person (the lowest) was set at weekly income of £219 (including for housing).

While the breakdown by income illustrates some of the issues well, statistically, it is difficult. Until full migration to Universal Credit, benefit claimants may overlook payment of their rent as income because it is paid direct to landlords. It is likely income is under-reported among benefit claimants. It may also be that wages may be a mix of net and gross pay. Household and individual income may also have been confused by some. However, the above reports on the relationship between income (actual or perceived) and its impact on decision-making that affects lifestyle choices and health. These findings and the trends they evidence, thanks to a decent sample size, are legitimate.

There were few surprises when we looked at the use of foodbanks and whether it reflected how groups were affected by money worries, in particular those who were skipping meals. It remains a small number who use them but almost completely people on incomes of under £300 per week. Interestingly, though, **23%** of readers who said they are skipping meals also ruled out turning to Foodbanks. Among all readers, we found:

- **12%** already use them
- **30%** might use them in future
- **28%** hadn't heard of them
- **23%** wouldn't use them

The take up of Foodbanks has grown enormously since our last survey. The simple question belies a complicated picture where access is usually by referral and limited to just a few visits. Usually run or staffed by volunteers, coverage is not consistent between areas and so low awareness may reflect no local provision.

Conclusions and recommendations

1 Social tenants' wellbeing has worsened over the past two years, despite talk of economic recovery and little or no discernible protest against 'austerity' in the face of rising costs. Cutting back on welfare and public services has hit the living standards of working age people not in full-time employment most

2 Direct intervention from the Government is necessary for those who are neither retired nor in full-time employment and on the lowest incomes – like winter fuel payments (currently used for older people)

3 Poverty campaigners and health charities must collaborate to expose the time bomb of deteriorating health among working age people not in full-time employment. Self-help through finding work is the practical remedy for unemployed people but only if work is available and they are fit to work. Ill-health is linked to low levels of income. This Catch 22 requires State intervention from both health and welfare perspectives

4 Findings that older people are faring better than working age social tenants, when it comes to money issues and wellbeing, are consistent with other research[1]. Inter-generational dialogue should be encouraged as older people have much to teach younger people about attitudes to money and ways to make it stretch. Our research should be compared with that of Age UK, for example, to help qualify our findings that older people fare better money-wise than other socio-economic groups or whether other factors may have influenced our findings

5 We support the call for high interest lenders to pay greater financial penalties in proportion with the greater negative impact they have on borrowers health and wellbeing[2]

6 Promoting healthier eating is a continuing opportunity for the Social Publishing Project. Many working age people may feel cooking from scratch is requiring time and skill but simple, cost-effective meals save money and improve families' nutritional intake. The approach should reflect real people's modern lives and engage their perceptions of food. We will work with Foodbanks, cookery experts and older people with tips to pass on

1 "Pensioners have been spared most of this [poverty]. The 14 per cent pensioner poverty rate is half what it was 20 years ago and one-third of what it was in the 1960s", *Monitoring Poverty and Social Exclusion* (Joseph Rowntree Foundation, 2013)

2 Loan companies should face greater financial penalties, says think-tank (Charity Times, 2014 - http://bit.ly/1sleAzq)

9 ARE WE FEELING QUIDS IN?

Key Findings

- *Quids in!* is overwhelmingly well-received and valued by its readers. Its role has grown beyond improving readers' financial capability to enabling them to make less go further, in the context of austerity and rising costs
- It is rewarding to see that people whose lives have been hit most by the economic environment are benefiting most from the magazine
- From here it is possible to begin to explore the social value *Quids in!* offers to readers and the stakeholders who purchase it but further research is required. We must understand how readers engage and will then be able to fully assert the social return on investment

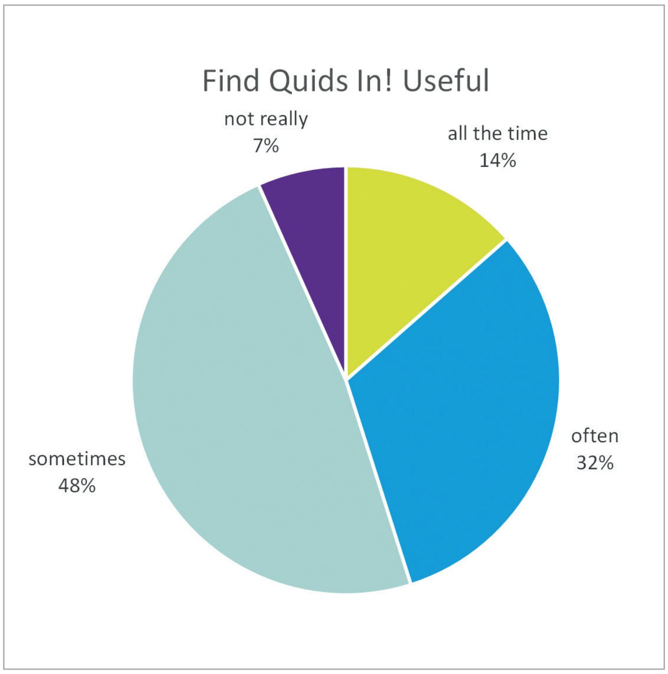
The role of all financial inclusion initiatives has increased in importance since 2008 and the meltdown in the finance sector, leading to public borrowing and austerity measures. The poorest were always going to suffer most, having least to fall back on. Programmes that aimed to help people access financial products and services to help them manage their money better have had to extend their attention to making less money go further. Inevitably, we're talking about more poverty – absolute poverty[1] based on how much of a basic standard of living people can afford, not relative poverty measured against average wages, which have generally fallen over the past five years.

It is important to make sure *Quids in!* magazine is fulfilling its purpose to provide low income households with the means to avoid inappropriate products and access the right ones. Our aim from the start was to help readers help themselves; not to patronise or assume people were bad at money management but to offer accessible tips they could take or leave as desired. But do we make a difference?

We asked a simple question: How useful do you find the magazine?

Fewer than one in fourteen (**7%**) said they did not really find *Quids in!* useful. Twice as many said they found it useful all the time. More women said they found it more useful, more of the time, as did people who responded to the survey by post, rather than online.

People on the lowest incomes found it most useful with **46%** of people on less than £200 a week saying *Quids in!* was useful often (**31%**) or all the time (**15%**). For those on less than £300 a week, with **39%** finding it useful often and **10%** all the time. Only **4%** of the lowest income bracket did not really



find it useful and **3%** of people bringing in £201-£300. This suggests the magazine is really reaching the groups who need the advice most.

Also consistent with other findings in the survey, we found working age people appreciated it most. Older people often tell us our advice is common sense but still, **11%** said they found our content useful all the time.

Demonstrating a clear divide, no-one in London responded with strong feelings for or against the magazine, while readers in the North of England had more people finding it useful all the time (**18%**) but also had almost one in ten (**9%**) not really finding it useful at all. By far, Welsh readers value *Quids in!* most, with over two thirds (**69%**) finding it useful often or all the time – and no-one said it was not really useful. Reports that London's economy is changing faster than the rest of the

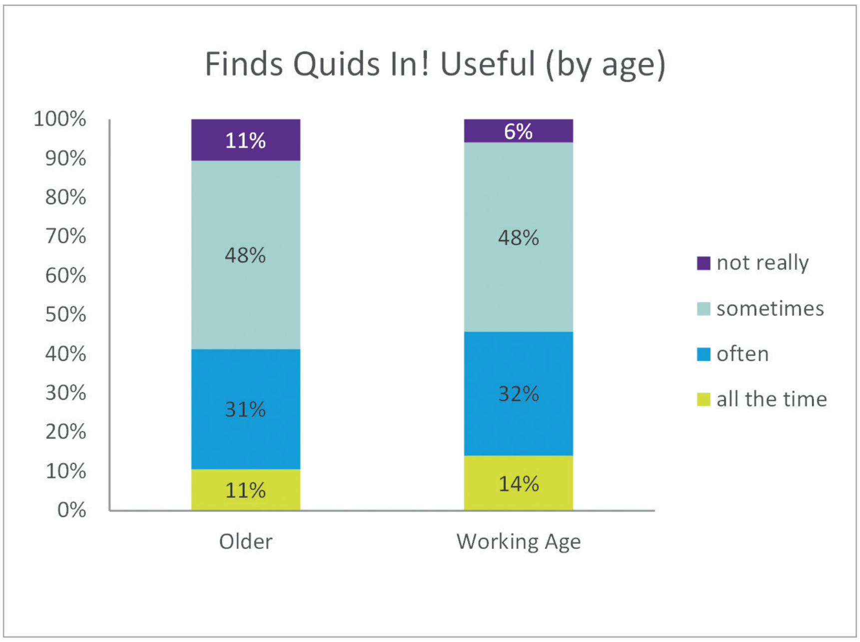
1 *What is meant by 'poverty'?*: "An absolute poverty line thus represents a certain basic level of goods and services, and only rises with inflation to show how much it would cost to buy that package." (Joseph Rowntree Foundation - http://bit.ly/1h5rQH2)

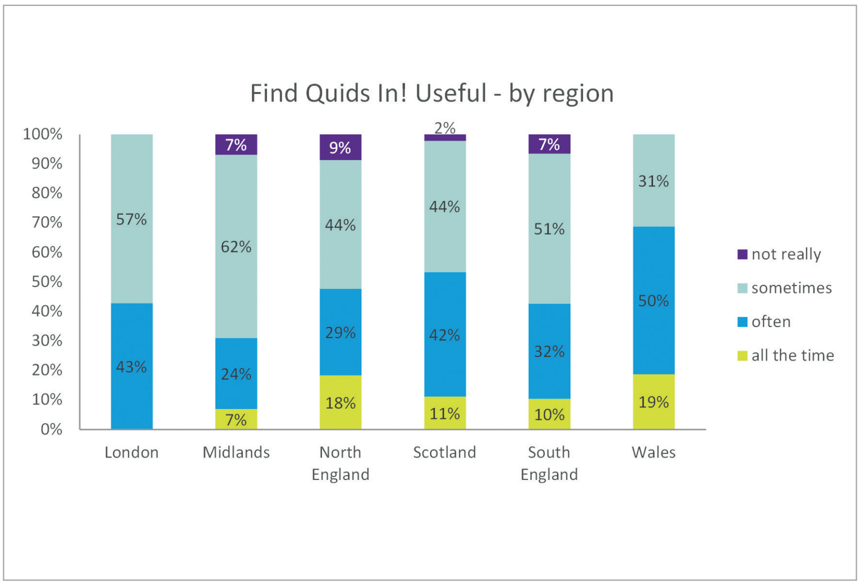
UK[2] led us to expect a distinction between London readers and the rest of the South of England and while this is true in terms of strength of feeling, they are otherwise consistent: **42%** from the South said they found it useful often or all the time compared to **43%** of Londoners, while **58%** only found it useful sometimes or not really in the South as opposed to **57%** in London. Overall, readers from the Midlands were more lukewarm in their response.

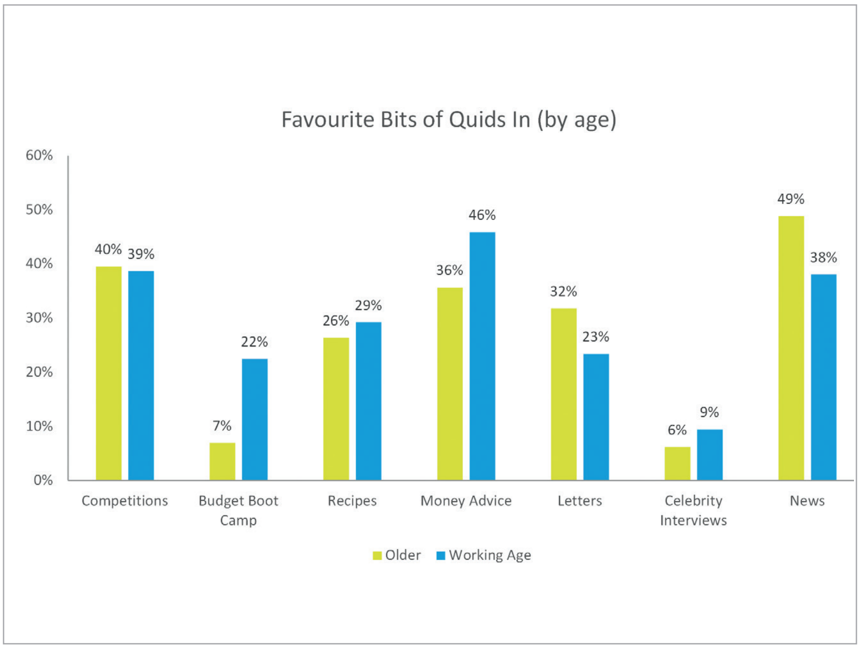
We approached this research like a conventional magazine readers' survey. It is important for us to know, as publishers, which parts of the magazine resonate most with the audience. In the context of financial resilience, of course, it also tells us which content could be targeted or presented better and what is already hitting the mark. Across the board, readers told us their favourite elements are money advice (**34%**) and the news section (**29%**). More people actually told us they liked competitions most but at the risk of overlooking a key finding, we feel the draw prize attached to our survey may have attracted readers with more than an average interest in this. (We acknowledge, however, that on-the-shelf magazines similar in style to *Quids in!* run a good number of competitions, so it is universally considered a valuable connection between publication and reader.) Money advice is generally a theme in all content and although just a third of readers rated this most highly, it may be a testament to how money management messages are embedded within sections like recipes and celebrity interviews. It is encouraging to see that the news is popular: It has been challenging to find the right balance and steer clear of the campaigning stories, which are important to a decision-maker audience in favour of stories that help readers on low incomes more on the practical steps they can take to help themselves day to day.

There are striking differences between working age and older readers. Reinforcing the relative resilience of older people, working age people were more keen on money advice (**46%** compared to **36%**) and budget bootcamp, where the theme is always explicitly about ways to manage money better (**22%** compared to **7%**). Interestingly, older people show the most interest in news coverage.

2 *Centre for Cities says economic gap with London widening* (BBC, 2014 - http://bbc.in/1om6p6H)







We hope to follow up this research with a more in-depth study on the social return on investment, which would include the value of changes to the wider health and social wellbeing among readers who benefit from *Quids in!* magazine. One argument is that due to the nature of our direct social goals being economic, and the direct link between social tenants' financial wellbeing and their ability to manage their rent, a simple return on investment analysis will tell us a lot. A crude example of what we might derive from the information above:

- **46%** of working age people say they find Quids in! useful all the time or often
- *Quids in!* reaches around 160,000 social tenant households and as it is passed on, readership is likely to add another **50%**
- According to our research, **79%** are working age, suggesting a working age readership of 189,600
- Even assuming **46%** of working age readers save just one pound* per issue, as a readership they will save **£87,216** – or an average of 56 pence per household
- Collectively, customers (eg, social landlords) paid £20,513 for Issue 22 (Spring 2014), so the return on investment would be over **300%**
- *It is likely that readers would save more than one pound by taking one piece of advice
- The figure excludes benefit to older people and those who 'sometimes' found *Quids in!* useful
- And this does not consider the additional benefits to readers who are prompted to seek debt advice, avoid payday loans or cut back on spending, where each individual could save hundreds of pounds
- Tenants' ability to pay rent, stay more healthy and access employment would additionally save landlords, the NHS and the Dept for Work and Pensions thousands of pounds more
- The above analysis is academically rigorous but may underplay the impact *Quids in!* can have on a household. A social return on investment analysis will change the baseline assumption of £1 value per edition by researching how readers engage with the magazine. Another way to appraise it, is to look at the content and the value of the changes it advocates. This way, it can be demonstrated that by influencing small lifestyle changes, major impacts could be achieved: Eg, 'Cut smoking by five cigarettes a day' = approx. £14 per week or £730 a year. A range of similar examples can be put forward and our estimate is that the average return on investment per issue may be as high as £41.77 and the return on investment therefore over **%12,500** if those readers who find us all the time or often useful follow just one piece of our advice per year

Conclusions and recommendations

1 Where absolute poverty is more of an issue than when *Quids in!* launched, income maximisation must be higher on our agenda. More welfare rights content will advise readers who are unfit to work while issues around employability and job search will target others as the most practical way to increase incomes

2 A social return on investment study will enable us to rigourously evaluate the impact *Quids in!* magazine makes and also identify principles that can be used by other financial inclusion and anti-poverty activity. It should make a case for more targeted investment

10 CONCLUSIONS AND RECOMMENDATIONS

EXECUTIVE SUMMARY

The 2014 *Quids in!* reader survey provides insight into the financial resilience of social tenants across England, Scotland and Wales. Almost 800 viable responses were received online and by post. The research provides invaluable insight into how financial issues have impacted many of the poorest in the UK over the past year or two. It paints a picture of declining health, negative expectations and increasing divisions between those who are able to access help and financial services and those whose lives simply prove that it costs more to be poor.

The context:

- There are over 4.6 million social tenant households in England, Scotland and Wales
- *Quids in!* magazine reaches 160,000 of them each quarter, circulated as a free supplement to landlords' newsletters, offering accessible advice on financial capability, income maximisation and where to find help
- People in poverty, or who are disabled or unable to work, or affected by social exclusion are most likely to access social housing. Many older people have tenancies from when social housing was more accessible to anyone who needed it. As a group, their stories tell us about living at the hard end of Government policy
- The collapse of the financial sector in 2008 led to increased unemployment (and under-employment), recession and a tightening of how institutions offer credit
- In 2010 the Coalition Government instituted a period of 'austerity', pledging to balance the country's books by cutting welfare and public spending, and modernising access to benefits as 'digital by default'
- Living costs have risen, starting with an increase in VAT but also driven by rocketing energy prices

Money Worries and Debt

- **62%** of respondents said they were struggling to keep on top of payments on things they owe
- **52%** were falling behind or struggling to meet bills – **72%** among people not retired or in full-time work
- **41%** had difficulty keeping up with debt repayments
- Many had turned to high interest credit: **6%** took out a payday loan, **6%** had a loan from someone calling at home, **15%** used a store offering credit (including store cards) or catalogue, **23%** used a credit card
- Use of payday loans tripled since *Quids in!*'s previous research in 2012, while other forms of credit was down
- **43%** said they would do without a high value item like a washing machine, if it broke down
- **53%** missed out on occasions with families and friends
- **51%** turned off their heating despite being cold
- **37%** skipped meals on account of money worries
- **33%** needed advice about debt of some kind; **31%** checked they were accessing the benefits they were entitled to; **27%** needed advice on budgeting; **18%** on borrowing; **14%** on increasing income
- Older people tend to need less help. Working age people not in full-time employment needed most help
- **39%** of people who responded by post and **69%** online said they had a PC at home. Only **19%** of posted responses said they were prepared to access benefits online – **26%** of those who responded online
- We call for investment in digital inclusion activity and accessible self-help advice resources and for more institutions providing (and promoting) appropriate credit as an alternative to high interest borrowing

Welfare

- Of working age respondents:
- **25%** were unable to work or retired already
- **11%** had a job but received benefits as well
- **12%** didn't have a job but felt employers did not want them
- **3%** were out of work but not claiming benefits
- **10%** were under pressure from the Job Centre but couldn't find work; **17%** faced sanctions by the Job Centre
- **43%** saw their benefits reduced in the previous year. (**18%** of older people reported this.) People already living below the poverty line were most affected – **48%** of those with income of less than £200 a week
- **27%** were affected by changes to Council Tax Benefit 'a lot' and **17%** more 'a bit'
- **26%** had been hit by under-occupancy rules and **22%** by benefit caps
- **30%** of working age people were concerned about Personal Independent Payment
- **54%** were concerned about the prospect of monthly and direct benefit payments
- Further research is required among tenants who identify themselves as unfit to work, the reasons behind low confidence among unemployed people and monitor the impact of Universal Credit as it is introduced

Access to financial products

- Surprising results showed social tenants are using financial products less now than two years ago. Further research is required to look into a statistical drop from **85%** using bank accounts to just **48%**
- Payday loans and (more positively) credit unions buck the trend and saw increased usage
- People are less protected against the future: Home contents cover had declined from **51%** to **39%**; only **4%** of working age people not in full-time work have a pension

plan and only **24%** have savings

- **74%** of payday loans customers were not in full-time work or retired, as were **83%** of people using doorstep lenders, **66%** of people using stores offering credit or catalogues, and **80%** of cheque cashing service users

Consumers Consumed

- **83%** had changed shopping habits on account of money worries: **38%** had started to look for bargains or buy in bulk; **35%** were now buying second hand; more than half had cut down on purchases of essential items
- **52%** of people on incomes of less than £200 a week were skipping meals and **31%** of those on less than £300
- **10%** of working age people not in full-time employment use foodbanks and **5%** of those in full-time work
- **64%** of working age people not in full-time employment are falling behind with bills
- Around **42%** of respondents were happy to shop online
- Ways to help more people benefit from shopping online should be explored in the context of skills, the importance of having money to spend, (you save more if you spend more), and access to, eg, bank cards
- Scottish readers were less likely to have access to the IT and the internet

Employment, Employability and Income

- **19%** of respondents are in full-time employment (**22%** men, **17%** women); **17%** work part-time (**7%** men, **22%** women); **21%** are retired (**26%** men, **16%** women)
- **14%** were unemployed and **23%** identified themselves as unfit for work
- **20%** of working age people said they had a job but it was not meeting their needs, (**17%** said it did)
- **12%** were unemployed but felt employers didn't want them; **11%** were out of work and not looking for a job
- In two years, more readers were employed but more in part-time work – but more say they are unfit to work
- Ironically, more unemployed people who responded online were pessimistic about their prospects despite **72%** of employers reported to reject candidates without IT skills
- Further research to explore the how debt, ill-health, long-term unemployment and poor confidence conspire against jobseekers' ability to find work – and how each issue negatively impacts the other
- **33%** of online respondents said their income was less than £200 a week; **53%** of postal responses said this

Health and wellbeing

- **52%** of readers said money worries had caused them to feel frightened, anxious or depressed
- **51%** turned off their heating despite it being cold; **37%** reported skipping meals
- **30%** said money worries caused them to become physically ill
- All the above were an increase on two years ago
- Many had become more isolated with **53%** missing out on occasions with friends or family
- Older people appear to fare better and working age people not in full-time employment suffer worst
- Of people on less than £200 a week: **52%** skipped meals; **60%** missed social occasions; **66%** turned off heating; **65%** felt frightened, anxious or depressed; **42%** became physically ill

Feeling Quids In?

- **48%** found *Quids in!* useful sometimes, **32%** often, **14%** all the time. Only **7%** did not find it useful
- Of people on less than £200 a week **31%** found the magazine useful often and **15%** all the time
- **18%** of readers in the North of England found it useful all the time, (**29%** often). **69%** of Welsh readers find it useful often or all the time
- Money advice mattered most to working age readers, while news was most important to older readers
- A social return on investment study should follow up to see the impact and value of interventions on financial capability, income maximisation and signposting help
- Using the statistics collated, a conservative analysis suggests a bare minimum **300%** return on investment in *Quids in!* magazine and a quarterly financial benefit to readers worth at least £87,216, though our own figures suggest this to be much higher

11 PARTNERS' COMMENTS AND CONTRIBUTIONS

SIMPACT COMMENTS

SiMPACT Strategy Group

Working with *Quids In!* to develop an effective readership survey has been truly a pleasure. Starting with consideration of how questions on the survey could highlight different financial situations while also capturing information that will illustrate change over time and moving on to the actual analysis of the data we were consistently impressed with the understanding that *Quids In!* brought to the complexity of finances and social situations in the UK.

Once the readership survey was implemented, the response rate (both online and hand written) was incredible. The high response rate speaks, in our minds, to the engagement of *Quids In!* readers and leads to data that provides statistically significant sample sizes. Maintaining this response rate will be important for future studies. It will also be important in the future to find ways of engaging readers in areas where the response rate was lower to ensure that findings broken down by region are valid.

One challenge explained in the main body of the report, arose with the online survey being promoted through a contest website. This added some complexity to understanding the results received, and led to the exclusion in the analysis of online surveys after the date that the survey was posted to the website. Since the online results from actual readers provided an interesting breakdown of results, we would not recommend doing away with the online tool, but would rather recommend greater security for future online surveys.
Going forward, SiMPACT would recommend continuing the use of the readership survey to understand the financial circumstances of *Quids In!* readers. While political situations may change and additional questions may need to be added to capture these changes (e.g. if there are cuts to different social programs), we would recommend adding questions rather than changing the structure of the survey, so that comparable data, year-on-year, can be captured. This data will help to illustrate, over time, the *change* that results for readers of *Quids In!*.

While the data won't necessarily be matched to specific readers (although looking at systems that could do this may be helpful), an overall picture of the readership and the changes they experience can be captured by continuing to survey in future years. A continued large sample size would be ideal for understanding, in a statistically significant way, changes over time. Additionally, adding a qualitative component to the analysis may be helpful, and could be done to help mitigate limitations brought about by smaller sample sizes in different regions (e.g. a couple of focus groups in different regions).

Once a clear picture of the *change* readers are experiencing can be demonstrated, the next step will be understanding the *value* of that change. As the report mentioned, the Social Return on Investment (SROI) methodology can be used to assign value to the changes experienced by readers of *Quids In!*. This methodology can help to capture a broad range of value, including economic and social value, to help demonstrate the return on investment to different stakeholders including readers, the magazine, the government, and others.

Overall, both the administration of the survey and the results from that survey are very impressive, and SiMPACT would be very happy to help evolve the use of results to include SROI analysis in the future.

MIND COMMENTS

Mind welcomes this research by *Quids In*, which provides a valuable insight into how people on low incomes are coping in the current economic climate, both in financial terms but also in terms of their wellbeing.

In recent years, we've consistently heard from our supporters and people who use our services that changes to benefits and the general economic environment and are making life very difficult for them. These tough circumstances can have a very negative impact on people's wellbeing – exacerbating the symptoms of people who already have mental health problems, and putting others at risk of developing mental health problems.

Mind is campaigning to try to ensure that people with mental health problems get the support that they need and are not put under unnecessary financial or psychological stress and pressure as a result of changes to benefits. We also want to make sure that people have access to the advice and support they need to cope with their mental health problem and their financial circumstances.

To find out more about Mind, our work in this area, and the support we provide, use the links and information below:

- Mind's website: www.mind.org.uk
- Mind's work on benefits: www.mind.org.uk/benefits
- Mind's information resources (including guides on managing money and coping with debt problems): www.mind.org.uk/information-support/
- Mind's Infoline: 0300 123 3393

AVIVA

Aviva is one of the UK's leading insurers with 9 million customers, insuring 1 in 9 households. We have worked with social landlords and broker partners for over 20 years offering tenants both affordable and easily accessible home contents insurance to provide valuable protection for their belongings. We now work with over 100 landlords (mainly councils and housing associations) across the UK offering schemes tailored to the requirements of social tenants who may otherwise be excluded from financial products.

AURIGA

Auriga Services Ltd are at the forefront of customer debt management working with organisations to assist them in the identification and maintenance of vulnerable customers. Our debt advice service is independent and offers solutions for their vulnerable customers who are suffering with money problems. We specialise in offering a bespoke service built directly to your needs and required outcomes. Services include, income maximisation, benefit checks, helping customers back into a financial position.

12 ACKNOWLEDGEMENTS

Thanks to Alex Joyce , Anne Miller and Stephanie Robertson at SiMPACT Strategy Group for their expertise, patience and support for what the Social Publishing Project is trying to achieve.

Special thanks to Carole Crouch for her considerable input into the report and her long-standing commitment to combatting financial exclusion, including her encouragement for the creation of *Quids in!* magazine before we launched it. Thanks also to Paul Anders for his feedback, and our new friends at Mind and the National Housing Federation.

We also acknowledge the support of social landlords who carried the survey, listed below, and others who continue to support their tenants by purchasing and circulating *Quids in!* magazine and the range of self-help products published to help people on low incomes take control of their money.

Abronhill Housing
All Pulling Together
ANCHO
Antonine Housing Association
B&NES Children's Centres
Bedfordshire Pilgrims Housing Association
Bellsmyre Housing Association Ltd
Birmingham Co-operative Housing Services
Bournville Village Trust
Bridgewater Housing Association
Bristol City Council
Bro Myrddin Housing Association
Bromsgrove And Redditch Council
Bron Afon Community Housing
Children's Services, Hertfordshire County Council
Curo Housing
Cynon-Taf HA
Derbyshire County Council
Eastland Homes
Family Mosaic
Great Places Housing
Green Vale Homes (Together Housing)
Hertfordshire County Council
Horizon Housing
Hounslow Homes
Housing Pendle (Together Housing)
Housing Solutions
Link Group Limited
Manor Estates
Merthyr Valleys Homes
Mid Wales Housing Association
Monmouthshire Housing Association Ltd.
Muirhouse Housing Association Limited
Newport City Homes
Nottingham Community Housing Association
Paradigm Housing
Pembrokeshire Housing
Prospect Community Housing
Railway Housing Association and Benefit Fund (10)
Raven Housing Trust
Richmond Housing Partnership
Rooftop Housing
Salvation Army Housing Association
Scottish League of Credit Unions
Solon South West Housing
South Essex Homes
South Gloucester Council
Stroud District Council
Taff Housing
Twin Valley Homes (Together Housing)
Two Rivers Housing Association
Viewpoint
Venture Housing Association
Viridian Housing
Watford Community Housing
West Granton Housing Cooperative
Yarlington Housing Group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