

**UNISON NHS Glasgow
Clyde & CVS Branch:
Standards of Living
Report**

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EXECUTIVE SUMMARY

Background

This report was produced for UNISON NHS Glasgow Clyde & CVS Branch to inform their bargaining agenda in relation to the pay of their members. The aim of the research that underpins the report was to conduct: a postal survey of all 13,621 Branch members asking about key aspects of their current employment, their access to a range of basic consumer necessities and activities, fuel poverty, their standards of living (and perceived change in this), their ability to meet their current financial commitments and access to emergency finances, and their use of credit; a series of semi-structured qualitative depth interviews with members on issues arising from the survey returns.

Alongside the empirical data, the report draws on the literature on NHS pay and pensions, and poverty. The findings presented derive from analysis of the survey and qualitative data.

Method

A self-completion survey questionnaire was developed in early 2013 and issued by post to all 13,621 UNISON NHS Glasgow Clyde & CVS Branch members in June 2013. The survey covered 25 questions and used standard measures adapted from an earlier *Poverty & Social Exclusion Survey* (PSE) which was based on a consensual approach to measuring poverty. The survey questions covered a range of questions on: people's jobs in the NHS; their necessities and standards of living; bills and credit; and questions about their personal and household characteristics.

A total of 1718 questionnaires were returned: a response rate of 13%. The data was weighted using NHS workforce data in terms of sex and age to ensure the analysis was based on a representative sample using these criteria. The sample was mainly full-time (63%), female (86%) employees between the ages of 35 and 54 years (63%) who lived with other adults (67%) in dual-income (86%) households. Around a third had dependent children at home (32%).

The survey material was supplemented by 22 semi-structured telephone interviews with survey respondents who opted to take part in further research.

Findings

The main findings arising from the data analysis are:

- In terms of consumer necessities, items were more unaffordable than activities: the average number of unaffordable items was 3 while the average number of unaffordable activities was 1. Those who had children living at home, or who were financially responsible for children, reported not being able to afford just over one item and just less than one activity on average. This suggested that respondents prioritised spending on children compared to the general household.
- The most *unaffordable items* concerned short and long term economic security: having the 'resources to pay an unexpected expense of £500' (59%); and, just over two-fifths reported that they were unable to afford to save a minimum of £20

per month (43%). Concerns about access to ‘emergency’ resources and being unable to save a minimum amount each month, are both indicative of the ‘fragile’ and ‘uncertain’ households with reduced economic contingencies.

- In terms of *unaffordable activities*, nearly a third of respondents also reported not being able to afford sport/exercise classes (32%), while around a fifth reported being unable to attend events such as weddings (20%) and celebrations on special occasions (19%).
- In terms of *unaffordable items for children* concerned having disposable income: to invest in savings for children, which was an issue for nearly a quarter of the sample (24%); and to provide children with regular pocket money (16%).
- Respondents were more likely to prioritise spending for children on items rather than activities. The main *unaffordable activities for children* concerned holidays (17%) and monthly day trips (16%).
- Compared to the PSE data on *unaffordable items*, there was a tendency on almost every comparable measure for the UNISON NHS sample figures to be around between one and a half to twice the level of unaffordability of the general population in the UK and Scotland. We have drawn appropriate attention to the nature of this comparison in the text in the main findings.
- Most survey respondents (60%) did not report any arrears in the past year. Two-fifths reported falling into arrears of some description (40%). Of those who fell into arrears the most significant areas concerned credit card payments (20%) Council Tax (17%), utility bills (16%) and hire purchase payments (15%).
- Nearly fifth of respondents thought that they were able to keep up with bills without any difficulty (19%), meaning that the vast majority experienced a degree of difficulty (81%). Half of this latter group experienced an intermittent struggle to pay bills from time to time (40%). However, nearly a third of the sample reported that they faced a constant struggle to meet their ongoing household bills (29%) and of most concern, 10% of respondents said that they were not keeping up with their bills and had fallen behind with some of them. Only 2% reported that they had fallen behind with many of their bills.
- The majority of the survey respondents (and nearly the sample) had not used any of our listed sources to borrow money in the past year (47%). Of those who did, just over two-fifths borrowed from other family members (44%). A further 13% had also borrowed from friends. Only 5% reported that they had used a pawnbroker, or taken out a payday loan (4%).
- Most survey respondents proactively did something about to reduce their use of fuel last winter (94%). The average number of fuel-reducing measures that respondents used was four. Most responded to rising fuel costs by reducing inefficiencies: cutting their heating hours (81%), turning off lights (70%) and heating (63%). A majority had also actively consumed less fuel (56%) and presumably reduced their journeys, while just under a half also only partially heated their homes (45%).

- Most had also cut household expenditure (94%), mainly concerning cuts in everyday consumption: items of food (81%) and skimmed on food for themselves (24%); reduced social visits (81%) and spent less on hobbies (64%); reduced visits to hairdressers (66%); continued to wear clothes or worn out shoes (54%) and bought second-hand clothes (30%). Of concern, however, just over two-fifths reported that they had either postponed or stopped visits to their dentist (42%).
- Food and fuel were the most salient issues for qualitative interviewees and these respondents outlined a number of strategies on how their households had cut costs. These strategies largely centred on being more cost-conscious about purchases: switching suppliers and stores, buying cheaper items and consuming less food, energy and fuel.
- Over the past five years 60% felt their standard of living had decreased (60%): 37% by ‘a little’. At the sharp end, nearly a quarter of respondents reported that their standard of living had decreased by ‘a lot’ over the past five years (23%).
- Two-fifths reported that their standard of living has increased over the past five years despite the financial crisis, recession and the impact of a pay freeze over recent years. Just over a quarter thought that their standard of living had remained much the same (26%). From the qualitative interviews, most associated declining living standards with rising costs and stagnant wages.
- Only 2% thought their current standard of living was well above average. Most rated it as average (59%) and nearly a quarter as below average (24%) with only 4% ‘well below average’. Most respondents felt that their living standards had declined and that their current standard of living was either average or below average. From the qualitative interviews, most expected that the immediate future would bring further rises in living costs and continuing years of stagnant wages.
- Using the PSE (consensual) approach to measuring poverty, 48% could not afford 3 or more necessity items and were defined on this basis as experiencing ‘in-work poverty’. This compares with 34% for the UK population as a whole and 28% for the Scottish population. Living alone/having children; being a tenant rather than a homeowner, having a second job and being in the 35-55 age category are all characteristics of the poor in our survey.

The data highlight significant proportions of respondents in households who manage fragile economies: who have responded to rising living costs and stagnant wages by trying to cut consumption, particularly their costs in areas such as food, fuel and energy. This is consistent with the wider literature on people’s responses in a stagnant economy with high inflation as it constricts household budgets. In the current economic climate, people felt that their household budgets were being increasingly squeezed. This not only reduced their everyday household consumption but adversely affected their ability to plan for emergencies and save for the future. Not surprisingly, many expressed a concern over tight household’s budgets and the strain this put on their ability to meet their bills and make ends meet. Most felt that their standards of living had declined over the past five years with every expectation that living costs would continue to increase without much if any compensation in wages.

1. INTRODUCTION

This report was commissioned by UNISON NHS Glasgow Clyde & CVS Branch to examine the impact of the pay levels on the living conditions of branch members and their spending choices over the past five years. The work will be used by UNISON NHS Glasgow Clyde & CVS Branch at a Scottish and UK level to influence their political and bargaining machinery as a backdrop to their ongoing pay campaign. This reports draws on two sources of primary research with NHS employees who are UNISON NHS Glasgow Clyde & CVS (GC&CVS) branch members: a postal survey of all NHS employees who are GC&CVS branch members; and, qualitative interviews with members of the same group to provide additional contextual and descriptive data around the themes pursued during the survey. The findings presented as part of this report derive from the analysis of these two sources of data, alongside wider literature on pay and living conditions in Scotland and the UK.

The aim is to provide a detailed assessment of the impact of the pay levels on the living conditions of this group of NHS employees over the past five years.

1.1 Aims & Objectives

The aim is to provide a detailed assessment of the impact of the pay levels on the living conditions of UNISON NHS Glasgow Clyde & CVS Branch members over the past five years. As specified by UNISON, the research addressed two specific objectives. These were to conduct a:

- Survey of all 13,621 UNISON NHS Glasgow Clyde & CVS Branch members asking about key aspects of their current employment, their access to a range of basic consumer necessities and activities, fuel poverty, their standards of living (and perceived change in this), their ability to meet their current financial commitments and access to emergency finances, and their use of credit.
- Series of semi-structured qualitative depth interviews with members on issues arising from the survey returns.

1.2 Structure of the Report

In the following sections we outline the policy background behind this project and how pay levels have changed for NHS employees over the past five years (Chapter 2). We then look at the wider literature on the issue of changes in people's standards of living since the financial crash of 2008 (Chapter 3). In Chapter 4 we outline our methodology and in subsequent chapters we focus exclusively on the findings of the study in terms of affording necessities (Chapter 5), managing bills and credit (Chapter 6) and making household cuts (Chapter 7). We then focus on people's perceptions of their current standards of living and how these have changed over the past five years, and the proportion of our sample that can be classified as being in poverty (Chapter 8). In Chapter 9 we summarise our findings.

2. BACKGROUND

2.1 Introduction

In this chapter we look at a number of issues: current pay levels in the NHS; the pay of UNISON NHS Glasgow Clyde & CVS Branch members and their occupational profile; the relationship between wages and inflation over the past five years, and changes to their pension arrangements after the financial crash of 2008; and more generally on how the financial crisis has impacted on people's income and living standards.

2.2 Pay Levels in the NHS

The NHS Pay Review body (NHSPRB) publishes an annual series of recommendations on pay in the NHS that are then acted upon by the UK Government and devolved administrations. The NHSPRB is an advisory non-departmental public body of the Department of Health composed of members who come from a variety of professional, academic and business backgrounds. It makes recommendations on the remuneration of all NHS staff paid under the Agenda for Change (AfC) grading and pay system (see below). NHSPRB recommendations apply to all NHS staff with the exception of doctors, dentists and very senior managers. Their remit covers just under 1.5 million staff across England, Scotland, Wales and Northern Ireland and annual reports are submitted jointly to the Prime Minister, the Secretary of State for Health and Ministers of the Scottish Government, the Welsh Assembly and the Northern Ireland Executive. The review body receives evidence on pay and related issues from Governments, employers and staff organisations. It also conducts its own research on pay and other related matters (e.g. strategic workforce planning and NHS staff roles) (Cope 2013).

Agenda for Change

AfC is the current grading and pay system for all NHS staff, with the exception of doctors, dentists and some senior managers. AfC is a set of harmonised pay scales and career progression arrangements across traditionally separate occupational groupings. It replaced the previous Whitley Council Grades Pay Scales that had been in operation since the NHS was founded.

AfC was agreed 1 December 2004, by unions, employers and government, but it is not yet fully implemented nationwide. Although most NHS employees in England and Wales have been transferred to the new system and received their back-pay, Scotland has been slower to implement the system because it took a more robust approach to the implementation of AfC. All of the signatory organisations have agreed to implement it through a partnership approach.

AfC assimilates staff to a new salary according to an evaluation of their job weight under an NHS Job Evaluation Scheme. There are nine numbered pay bands subdivided into points. A set of national job profiles has been agreed to assist in the process of matching posts to pay bands. All staff will either be matched to a national job profile, or their job will be evaluated locally. In theory, AfC is designed to evaluate the job rather than the person in it, and to ensure equity between similar posts in different areas. In reality however, it has been implemented differently in different places, and some posts have been graded very differently to similar jobs elsewhere, despite the supposedly tighter definitions.

Under AfC, all staff will have annual development reviews against the NHS Knowledge and Skills Framework (KSF). Normal pay progression is one point a year, but pay progression at

specified 'gateway' points in each pay band depends on how the individual matches the KSF outline for their post¹.

2.3 NHS Pay & UNISON NHS Glasgow Clyde & CVS Branch Members

Table 2.1 shows the staff covered under each AfC pay band and the proportion of UNISON NHS Glasgow Clyde & CVS Branch members in each of these bands.

Table 2.1: AfC Pay Bands, Staff Coverage & UNISON Glasgow Clyde & CVS Branch members (%)²

| Band | Staff Coverage | % Members |
|------|--|-----------|
| 1 | Administration, catering, domestic, portering. | 1 |
| 2 | Administration, catering, clinical support worker, patient transport, pharmacy assistant. | 32 |
| 3 | Microbiology assistant, secretary, security, emergency care support workers, occupational therapy assistants, physiotherapy assistants, speech therapy assistants. | 17 |
| 4 | Mortuary, radiography or occupational therapy assistant, office manager, medical secretary, operating department practitioner (during training or entry level), assistant psychologists, nursing auxiliaries and nursery nurses, ambulance practitioners, physiotherapy assistants, speech therapy assistants. | 10 |
| 5 | Nurse & midwife (old D and E grades), dental technician (entry level), Diagnostic/Therapeutic Radiographers, dietician, occupational therapist, paramedic, emergency medical technician, senior pharmacy technician, physiotherapist, assistant psychologists (higher grade), Clinical Physiologists, operating department practitioner (qualified), Speech & Language Therapists (newly qualified). | 22 |
| 6 | Junior Sister/ specialist senior staff nurse, Senior II Radiographer (diagnostic/therapeutic) Art therapist, specialist dental technician, paramedic practitioner, emergency nurse/care practitioner, health visitor, nurse specialist, trainee clinical psychologist, pharmacist, Senior Clinical Physiologists, Senior Physiotherapist, Senior Occupational Therapist. | 11 |
| 7 | Senior sister, Senior Radiographer (diagnostic/therapeutic team leader), Chief dental technician, management - clinical & administrative, qualified psychologist, specialist pharmacist, specialist paramedic, Chief Clinical Physiologists, Senior Physiotherapist, Senior Occupational Therapist, Physician Assistant. | 3 |
| 8 | Advanced pharmacists, paramedic, nurse & midwife consultants, Superintendent Radiographers (diagnostic/therapeutic), higher management, psychologists, senior therapists (divided into 4 bands - a, b, c, d), Senior Chief Clinical Physiologists, Senior Physician Assistant. | 4 |
| 9 | Consultant Psychologists who run large services, Chief Pharmacists managing large/multiple departments. | 0 |

UNISON NHS Glasgow Clyde & CVS Branch members are mainly concentrated in pay bands 2, 3 and 5. These combined capture nearly three-quarters of all branch members (71%) and over 80% of branch members are in pay bands 2 to 5. Just under a third of all branch members are in Band 2 and 50% are in Bands 2 and 3 combined.

In terms of staff coverage, Table 2.2 outlines these pay bands against a breakdown of UNISON NHS Glasgow Clyde & CVS Branch membership occupations.

¹ See NHS Employers Agenda for Change (<http://www.nhsemployers.org/PayAndContracts/AgendaForChange/Pages/Afc-Homepage.aspx>).

² Information provided by UNISON Glasgow Clyde & CVS Branch. March 2013.

Table 2.2: UNISON NHS Glasgow Clyde & CVS Branch AfC Pay Bands & Branch Membership Coverage (n, %)³

| Band | UNISON NHS Glasgow Clyde & CVS Branch Members Occupations | | | | | | Total (n) |
|-----------|---|------------------|-------------|---------------|------------------------|------------|---------------|
| | Ancillary | Admin & Clerical | Nursing | Allied Health | Prof & Technical (PTB) | PTA | |
| 1 | 122 | 1 | 0 | 0 | 0 | 0 | 123 |
| 2 | 1860 | 809 | 1484 | 4 | 64 | 0 | 4221 |
| 3 | 256 | 476 | 1395 | 148 | 38 | 5 | 2318 |
| 4 | 51 | 1068 | 186 | 29 | 35 | 6 | 1375 |
| 5 | 24 | 213 | 2234 | 452 | 44 | 2 | 2969 |
| 6 | 20 | 145 | 1092 | 173 | 27 | 0 | 1457 |
| 7 | 9 | 84 | 275 | 28 | 6 | 0 | 402 |
| 8 | 4 | 31 | 409 | 16 | 12 | 0 | 472 |
| 8A | 1 | 15 | 48 | 7 | 12 | 0 | 83 |
| 8B | 3 | 7 | 14 | 6 | 0 | 0 | 30 |
| 8C | 0 | 1 | 0 | 3 | 0 | 0 | 4 |
| Total (n) | 2350 | 2850 | 7137 | 866 | 238 | 13 | 13,454 |
| Total % | 18 | 21 | 53 | 6 | 2 | 0.1 | 100 |

In terms of these figures, there are varying membership numbers across different occupational groups and pay bands, with some interesting variations in pay between occupational groupings. The main points are:

- Membership coverage is greatest in the nursing profession, who constitute over half of UNISON NHS Glasgow Clyde & CVS Branch members (53%). Both administrative & clerical (21%), and ancillary occupations (18%) comprise around a fifth of members respectively.
- These three occupational categories comprise over nine-tenths of all UNISON NHS Glasgow Clyde & CVS Branch members (92%).
- Nurses are mainly concentrated in both higher pay bands 5 and 6 (47%), and in lower bands 2 and 3 (40%). Nursing members are the biggest occupational group in pay bands 3 and in pay bands 5 to 8.
- Administrative & Clerical members are mainly concentrated in bands 2 to 5 (90%) with the largest grouping in band 4 (38%). Administrative & Clerical members are the biggest occupational group in pay band 4.
- In contrast to the other occupational member groups, Ancillary workers are mainly concentrated in lower pay bands 2 and 3. However, nearly four-fifths of Ancillary members are in band 2 (79%). Ancillary members are the biggest occupational group in pay band 2.

2.4 NHS Pay Settlements

Between 2008 and 2011, NHS pay was regulated under a three-year pay deal worth 8.1% (and up to 10.5% for entry-grade professionals). The annual rates over this period were: 2.75% in 2008/09, 2.54% in 2009/10 (introducing a new minimum wage of £6.77 an hour for all NHS staff, 18% higher than the statutory minimum wage and meaning that those on the lowest pay point received an increase of 5.7%) and 2.5% in 2010/11 (including a flat rate increase of £420 - worth 3.17% at the lowest point - for the bottom three grades).

³ Information provided by UNISON Glasgow Clyde & CVS Branch. March 2013.

In the aftermath of the global financial crisis in financial institutions in 2008, the Scottish Government along with other UK administrations implemented a ‘freeze’ on all public sector pay in April 2011, including the NHS. Consequently, in 2011/12 and 2012/13, all NHS staff received no pay increase. In 2013/14, however, all NHS employees are to receive a 1% increase in pay (from April 2013). The Scottish Government also accepted the recommendations of the NHSPRB and has outlined its 2013/14 public sector pay policy as a 1% cap, a pay freeze for all staff earning over £80,000, a minimum £250 increase for all staff earning less than £21,000, and an increase to the Scottish Living Wage. In terms of the latter, in November 2012 the Scottish Government announced a new living wage of £7.45 per hour for employees working in parts of the public sector under the Government’s pay policy⁴. The 2013 hourly rate for the Living Wage in Scotland is 18% above that of the minimum wage.

2.5 NHS Wages & Pensions

Table 2.3 shows the variation in NHS pay since 2008 alongside measures of inflation and how changes in NHS pay were positioned in relation to changes in the Retail price Index (RPI) and the Consumer Price Index (CPI) over 2008-2013.

Table 2.3: NHS Pay Against Inflation: RPI & CPI Bands & Branch Membership Coverage (%)

| Measure | Yearly Average | | | | | |
|------------------|----------------|------|------|------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| RPI | 4.0 | -0.5 | 4.6 | 5.2 | 3.2 | 2.9 |
| CPI | 3.6 | 2.2 | 3.3 | 4.5 | 2.8 | 2.4 |
| % Change NHS Pay | 2.75 | 2.54 | 2.50 | 0.00 | 0.00 | 1.00 |

The main points are that NHS pay increases were:

- Below RPI and CPI in every year except 2009.
- Significantly below RPI and CPI in 2011/12 and in 2012/13 the period of the public sector pay freeze. This was especially so in relation to 2011/12 when both RPI and CPI were at their highest point over this period.
- Although a 1% pay increase has been agreed over 2013/14, even this modest increase is below both RPI and CPI rates in April 2013.

Looking at NHS wage increases against measures of CPI and RPI since 2008, paints a picture of high inflation and stagnant wages: representing a significant decline in ‘real’ wages (i.e. accounting for inflation) for NHS workers. ‘Real’ wages in the UK have fallen for 35 consecutive months and incomes are expected to be £1,520 lower in 2015 than in 2010 (Guardian 2013). This analysis is supported by figures presented by a recent report by a leading UK tax ‘thinktank’ in 2013 which has shown that most employees have suffered more financial pain since 2008 than in any other five-year period in the modern age (Allen 2012). According to this research, employees across the UK have sacrificed reductions in their pay in order to maintain their jobs: with these drops in incomes and consumer spending maintained over a longer time period than ever before. The research showed that many UK

⁴ The corresponding rates for 2011-12 and 2012-2013 were £7.15 and £7.20 respectively. Set as an annual gross salary equivalent of but, in circumstances where conditioned hours are less than 37.5, the full-time annual salary must correspond to an hourly rate of at least these amounts. This Living Wage is in excess of the amounts delivered through the minimum wage from 2011 (see <http://www.scotland.gov.uk/News/Releases/2012/11/Livingwage051112>).

companies, particularly smaller businesses, have cut wages rather than lay off staff. Conversely, larger companies have tended to reduce their workforce more but maintained wages.

Describing the current economic downturn as the longest and deepest slump in a century, the IFS says wages have flatlined and that workers have generally suffered pay cuts of 6% in real terms over the last five years, which they have described as ‘unprecedented’: historically, real wages have tended to rise by about 2% a year, and this research suggests that people are more than 15% worse off than they would have been if the pre-crisis wage trends had continued.

Commenting on these figures, Claire Crawford, the programme director at the IFS said⁵:

"The falls in nominal wages that workers have experienced during this recession are unprecedented, and seem to provide at least a partial explanation for why unemployment has risen less – and productivity has fallen more – than might otherwise have been expected. To the extent that it is better for individuals to stay in work, albeit with lower wages, than to become unemployed, the long-term consequences of this recession in terms of labour market performance may be less severe than following the high unemployment recessions of the 1980s and 1990s."
Claire Crawford (Guardian <http://www.guardian.co.uk/money/2013/jun/12/workers-deepest-cuts-real-wages-ifs>).

This research was substantiated by ONS data on incomes looking at the fall in *total* wages over 2007-2012. This showed that incomes fell across the whole of the UK over this period and that total wages in Scotland as a whole declined by 9.7%: similar to the decline in other areas of the UK such as the West Midlands, Wales and Yorks & Humber but more than twice the rate of the decline in Northern Ireland, East England and London (ONS 2012)⁶. Recent Scottish government data also substantiate the relative decline in household earnings. For example, in Scotland, the median equivalised household income fell in real terms from £439 per week to £416 between 2009/10 and 2010/11. Similarly, there has been a reduction in average household earnings over 2009/2010 to 2010/11, from £461 per week to £436 per week: a decline of 5.4%⁷.

The decline in UK wages is further highlighted by comparative data on changes to incomes the EU, where the UK has seen one of the sharpest declines in wages relative to other EU countries.

- Average hourly wages in the UK have fallen by 5.5% since 2010 compared to an EU average (27 countries) of 0.7% and a Eurozone average (18 countries) of 0.1%.
- Only incomes in Greece, Portugal and the Netherlands suffered a steeper decline than the UK, with many of those countries hit by the Eurozone debt crisis have suffered less (e.g. Spain 3.3% decline, Cyprus 3% decline).
- In contrast, wages in the EU's two other net contributor countries increased: Germany by 2.4% and France by 0.4%⁸.

⁵ Cited in Allen (2013).

⁶ Cited in Allen (2013).

⁷ See <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/IncomePoverty>

⁸ See UK Wages Fall Among the Sharpest in the EU. [theguardian.com](http://www.theguardian.com), Sunday 11 August 2013 (<http://www.theguardian.com/money/2013/aug/11/uk-wages-fall-sharpest-eu>).

Pensions

A decline in the purchasing and consumer power of NHS pay is further evident in increases for public sector NHS employees in their pension contributions. An independent Public Service Pensions Commission chaired by Lord Hutton conducted a fundamental structural review of all UK public service pension provision in 2011. NHS employers currently contribute 14% of a member's pensionable pay in the form of contributions. Conversely, tiered employee contribution rates start at a 5% rate and increase in 7 steps to 13.3% on income above £110,000.

The Hutton Report (2011) however, recommended that wide-ranging public sector pension reform was needed and the UK Government accepted their recommendations as a basis for consultation with public sector workers and trade unions for the longer-term reform of pension arrangements. These changes are expected in 2015. Further consultations on rises in employee contributions are planned for 2013-2014 and 2014-2015.

Ahead of this longer-term reform, the Hutton Commission made clear that there was a rationale for increasing pension scheme member contributions to ensure a fairer distribution of pension scheme costs between taxpayers and members. Consequently, increased pension contributions became effective from April 2012-2013. The planned rates (gross and net) for this period are in Table 2.4 and 2.5⁹.

Table 2.4: 2012/2013 Contribution Rates before Tax Relief (Gross)

| Annual pensionable pay (full time equivalent) (£) | Contribution rate (before tax relief) 2011/12 (gross) (%) | Contribution rate (before tax relief) 2012/13 (gross) (%) | Gross rise in contribution rate (% points) |
|---|---|---|--|
| Up to 15,000.99 | 5.0 | 5.0 | 0 |
| 15,001.00 - 21,175.99 | 5.0 | 5.0 | 0 |
| 21,176.00 - 26,557.99 | 6.5 | 6.5 | 0 |
| 26,558.00 - 48,982.99 | 6.5 | 8.0 | 1.5 |
| 48,983.00 - 69,931.99 | 6.5 | 8.9 | 2.4 |
| 69,932.00 - 110,273.99 | 7.5 | 9.9 | 2.4 |
| 110,274.00+ | 8.5 | 10.9 | 2.4 |

NHS Pensions Scheme employee contributions are deducted from gross pay before income tax. Therefore, they normally benefit from significant tax relief so the real cost to a member is less than the headline figures shown. This 'real cost' is shown in Table 2.5.

Table 2.5: 2012/2013 Contribution Rates before Tax Relief (Gross)

| Full-time 2010/11 pay (£) | 2011-12 | | 2012-13 | |
|---------------------------|--|---|---|-------------------------------|
| | Contribution rate after tax relief (net) | Contribution rate net of tax relief (net) | Net rise in contribution rate (percentage points) | Additional cost (£ per month) |
| 10,000 | 4.00 | 4.00 | 0 | 0 |
| 15,000 | 4.00 | 4.00 | 0 | 0 |
| 20,000 | 4.00 | 4.00 | 0 | 0 |
| 25,000 | 5.20 | 5.20 | 0 | 0 |
| 30,000 | 5.20 | 6.40 | 1.20 | 30 |
| 40,000 | 5.20 | 6.40 | 1.20 | 40 |
| 60,000 | 3.90 | 5.34 | 1.44 | 72 |
| 80,000 | 4.50 | 5.94 | 1.44 | 96 |
| 130,000 | 5.10 | 6.54 | 1.44 | 156 |

⁹ See [http://www.nhsbsa.nhs.uk/Pensions/Documents/Pensions/Cost_and_Contributions_Factsheet_2012-13_\(Practitioner\)_V1_0](http://www.nhsbsa.nhs.uk/Pensions/Documents/Pensions/Cost_and_Contributions_Factsheet_2012-13_(Practitioner)_V1_0) and http://www.nhsbsa.nhs.uk/Documents/Pensions/Tiered_contributions_2011-12.pdf.

The main impact of increased pension contributions in the NHS will be felt by all of those higher income earners in the top tier of Band 5 of the AfC pay scale and above (i.e. all those earning 27,625 p.a. and above). On the basis of the AfC rates of pay in 2012/13 (and the data in Table 1.1 on NHS staff pay bands), these changes would adversely affect approximately a fifth of all current UNISON NHS Glasgow Clyde & CVS Branch members: who have an additional cost of between £30-72 in their monthly pension contributions.

3. INCOMES & LIVING STANDARDS IN THE UK

3.1 Introduction

In this chapter we look at different approaches to definition and measurement of relative poverty. This allows us to set the scene against which we will examine the living standards of the group of NHS employees surveyed as part of this research.

3.2 Poverty & Living Standards

Research into living standards and poverty mainly falls into two categories: studies that focus on income and those that focus on the goods and services. The two concepts are clearly connected but they are not synonymous. Studies that focus on income use this as a proxy for the levels of goods and services which people can access, while studies on goods and services focus on what people consume. The ability to turn income into goods and services is, in turn, affected by where people live, the structure of their families, the credit facilities they have access to and, importantly, the stability and permanence of the incomes streams they rely on.

Yet conventional income-based indicators of poverty have not been particularly good at measuring the squeeze on people's living standards (Hirsch *et al* 2011). The most commonly used measure of adequate income is relative income poverty: the number of households living below 60 per cent of current median income, adjusted for household size. As median incomes have fallen, so has this threshold, meaning that someone on the verge of poverty can have a falling income without crossing the line. This highlights the need to consider more than one measure when thinking about poverty, and government proposals to find new definitions of poverty partly reflect difficulties in interpreting such a measure in today's unprecedented economic circumstances (DWP 2012).

Below we highlight two approaches to the definition and measurement of poverty: *Minimum Income Standards* (MIS) and a *Consensual* approach. While the latter focuses on necessities, MIS research has produced a regularly updated threshold against which income adequacy or efficacy can be monitored. MIS represents a regularly updated measure of what income is needed for a minimum acceptable standard of living in the eyes of members of the public.

3.3 Joseph Rowntree Minimum Income Standards 2013

The lower consumer power of wages against a background of economic cuts to services, rising prices and pensions, and changes to tax credits and welfare reform policies is reflected in a body of research on MIS over 2008-2013 conducted by the Joseph Rowntree Foundation (JRF). The work on MIS is linked to a wider interest in poverty and social exclusion and it provides an interesting insight into recession-hit Britain as people define their household needs and what is required to achieve a socially acceptable minimum standard of living. The value of this research is that it widens the debate away from statistics solely looking at income towards a broader focus on whether wages reflect and support people's necessities and their living costs.

The headline findings of the 2013 research are summarised in Table 3.1 for four key types of working households.

Table 3.1: Summary of JRF April 2013 Minimum Income Standard

| | Working Household Type¹⁰ | | | |
|---|--|--|--|------------------------------|
| | Single Adult (F-time Income) | Couple +2 Children (Single F-time Income) | Couple +2 Children (Dual F-time Income) | Lone Parent + 1 child |
| Weekly Budget (excluding rent/childcare) | £201 | £471 | £471 | £285 |
| Percentage increase 2008-2012 | 22 | - | 23 | 31 |
| Annual earnings required | £16,852 | £36,050 | £38,759 | £25,586 |
| Hourly wage requirement | £8.62 | £18.44 | £9.91 | £13.09 |
| Amount above NMW Hourly | £2.43 | £12.25 | £3.72 | £6.90 |

Source: Hirsch (2013).

These 2013 figures show little variation from 2008 and that actual incomes have risen more slowly than minimum income requirements. In single working adult households where minimum living costs have risen, greater tax allowances have largely kept the earnings requirements of these individuals down. However, spiraling living costs and stagnant wages (combined with changes to the tax and benefits system) really show their impact in single and dual income families with children where minimum earnings requirements have risen much faster than in other household types to produce substantially greater earnings requirements. In addition to the effect of higher living costs, the costs arising from cuts in tax credits for families with children appeared to have outweighed the benefits of higher tax allowances (Davis 2012).

The research also showed how households adapted their budgets and spending to rising costs with increases in spending on fuel, food items balanced against reduced levels of social participation and spending on children. Taken as a whole, the JRF research shows that over 2008-2013 people have had to think more carefully about how to meet their household needs in radically different ways (Davis *et al* 2012).

In terms of household essentials Hirsch (2013) also details how the cost of necessities has risen over the past five years particularly in those relatively high household spending areas such as:

- Energy by 39%.
- Childcare by 37%.
- Public transport by 30%.
- Rent in social housing by 26%.
- Food by 24%.

A decline in living standards is also reflected in figures on poverty and the ‘working poor’. The annual *Monitoring Poverty and Social Exclusion Report* by the JRF in late 2013 highlighted that employment may not necessarily be a route out of poverty: with over half of

¹⁰ Children aged 3 to 7.

the 13 million people estimated to be in poverty in the UK - surviving on less than 60% of the national median (middle) income - were from working families (MacInnes *et al* 2013). Assessing Department for Work and Pensions (DWP) figures, the report's authors found that: working adults without dependent children were the most likely group to be living in poverty; that child poverty was at its lowest level for 25 years, and that from having a higher rate than England and Wales, Scotland now has a much lower level of child poverty (Aldridge *et al* 2013). It also said the number of people in low-paid jobs had risen, with average incomes falling by 8% since their peak in 2008.

However, a decline in living standards is more serious for those households finding it hardest to make ends meet. The effects of inflation are felt most strongly by people on lower incomes because the prices of items most prominent in a basic household budget, such as food and heating costs, have been rising faster than average. For this reason, low-income groups not only started to feel the effects of stagnant wages and rising prices earlier than others, they could go on feeling it for longer into the future compared to others (Hirsch *et al.*, 2011). Such changes are also bound to have an effect on the number of families unable to reach a standard of living considered adequate by these contemporary standards.

3.4 PSE Consensual Method 2013

The focus on income is of course only one means of looking at poverty. Another approach has been based on developing a list of what are commonly accepted as necessities by the population as a whole (i.e. *consensual*) and then analysing individuals' poverty status by looking at how many of these necessities they lack because they are unaffordable. The PSE Project, funded by the Economic and Social Research Council (ESRC), pursues a consensual approach and has as its main aims¹¹ the development of methods to measure poverty, deprivation, social exclusion and standard of living. The research also focuses on the relationship between different dimensions of poverty, deprivation and social exclusion; the current pattern and distribution of poverty in Britain; and, what policies would best address these problems.

This method has been well-articulated and applied since 1999:

*"The research uses the consensual method for measuring poverty and is developing and improving on the 'Poverty and Social Exclusion Survey in Britain in 1999' (funded by the Joseph Rowntree Foundation). This 1999 survey followed the 'Breadline Britain in the 1990s' and 'Breadline Britain 1983' surveys. This method was also used in the PSE Northern Ireland survey in 2002/3. It will therefore be the fourth in a series of nationally representative surveys in Britain and the second in Northern Ireland that use a consensual measure of minimum necessary living standards and direct measures of material and social deprivation rather than solely relying on proxy income data"*¹².

As part of this research a large scale UK survey was carried out in 2012 in which respondents were asked to select from a list of the items and activities those which they considered necessities¹³. This is consistent with a long-established view that poverty is best considered as a relative, as opposed to absolute, concept. The inability to live without shame/embarrassment and being excluded from common day to day activities is a definition of poverty which connects individual/family circumstances to their wider society. Figures

¹¹ Taken from <http://www.poverty.ac.uk/pse-research/about> on 23/12/13. Details of the methodology and output from this project can be obtained via <http://www.poverty.ac.uk/consensual-method>.

¹² Ibid.

¹³ PSE is a random stratified population survey of around 5000 households and 7500 individuals conducted across Britain and Northern Ireland who opted-in to further research after participating in the Family Resources Survey. The survey is administered to these participants (plus a booster sample) through a series of face-to-face interviews with respondents.

from the PSE 2012 study, for instance, indicate that 22% of adults feel embarrassed because of low income.

The survey responses from an initial large scale survey were used to construct a list of those items and activities which are considered necessities by 50% or more of the population. This is the origin of the term 'consensual'. This list is then used to ask individuals whether they had these items and, if not, whether this was because they didn't want them or couldn't afford them. In terms of defining poverty the researchers argue that the line between the poor and the non-poor lies somewhere between lacking, because they can't afford them, two or three necessities. The PSE project team, in order to make their results more robust, use the lack of three or more necessities to define poverty. This is the definition that we have used in the present research.

The detailed findings of the PSE project are contained in, *The Impoverishment of the UK, PSE UK first results: Living Standards, 2013*¹⁴, by Gordon *et al.* Among the findings are the following:

- *Almost 12 million people are too poor to engage in common social activities considered necessary by the majority of the population.*
- *Around 4 million children and adults are not properly fed by today's standards.*
- *Around 2.5 million children live in homes that are damp.*
- *Around 1.5 million children live in households that cannot afford to heat their home*¹⁵.

The questionnaire developed in the PSE project containing the list of agreed necessities was used in the present research which looks at the living standards of NHS workers who are members of the UNISON NHS Glasgow Clyde & CVS Branch.

¹⁴ <http://www.poverty.ac.uk/pse-research/pseuk-reports>.

¹⁵ <http://www.poverty.ac.uk/editorial/pse-report-reveals-impoverished-nation>.

4. METHODOLOGY & RESEARCH DESIGN

4.1 Introduction

In this chapter we outline the methodology and the research design that underpinned this research. To address the objectives specified in the brief, we adopted a flexible methodological approach that employed both quantitative and qualitative methodologies: allowing the responses obtained by the survey to be supplemented by the qualitative data.

4.2 Data Collection Stages

The data collection stages are listed below in Table 4.1, followed by a brief description outlining their rationale, focus and execution.

Table 4.1: Data Collection Stages

| Stage | Task |
|-------|--|
| 1 | Desk research |
| 2 | Postal Survey of UNISON NHS Glasgow Clyde & CVS Branch Members |
| 3 | Qualitative Interviews with UNISON NHS Members |

Stage 1: Desk Research

The first stage of the evaluation involved the identification and collation of relevant primary data materials from UNISON NHS. This included the following data sources:

- Details of UNISON NHS Glasgow Clyde & CVS Branch members: current membership numbers, AfC pay bands and job titles.
- Details of AfC pay levels and NHS pensions, and changes in these over the past five years.
- Documentation on UNISON NHS Glasgow Clyde & CVS Branch materials on pay.

The above material contributed to the design and administration of the research process.

Stage 2: Postal Survey of UNISON NHS Members

Compared to costly telephone and face-to-face methods, postal surveys are very cost-effective approaches: especially where the contact details for a sample are known, current and complete. Given the lack of any telephone or electronic contact details on members and the geographical spread of the sample, a postal approach was the most appropriate means of surveying members. This was also the least intrusive and most anonymous approach for asking members about sensitive financial issues.

Consequently, we adopted a postal method for this survey using an adapted version of the wider PSE survey (outlined in Section 3.2). Our questionnaire version was piloted on a group of 15 trade unionists following a branch meeting on 29 May 2013. The feedback from the pilot exercise was then incorporated into the final version of the questionnaire which was administered by post by the UNISON NHS Glasgow Clyde & CVS Branch to their 13,621 NHS members. The questionnaire was issued on 15/06/2013 with a cut off date of 15/07/2013 for the data entry and analysis of returns.

A copy of the questionnaire is in Appendix A.

Prior to the issue of the questionnaire we conducted a pre-survey marketing exercise in UNISON's in-house magazine issued to all NHS members to make them aware of the research. This exercise was repeated during the survey fieldwork to try and maximise response. From the survey, a total of 1718 completed survey forms were obtained. This represented a response rate of 13%, which raises the issue of non-response bias.

Sample

The demographic characteristics of the survey sample (unweighted) are outlined in Table 4.2.

Table 4.2 Sample Demographic Characteristics (n, %)¹⁶

| Demographic Characteristics | No. of Respondents | % |
|---|---------------------------|----------|
| Gender | | |
| Male | 228 | 13 |
| Female | 1481 | 86 |
| Age | | |
| 16-24 | 11 | 1 |
| 25-34 | 165 | 10 |
| 35-44 | 364 | 21 |
| 45-54 | 729 | 42 |
| 55-64 | 420 | 24 |
| 65+ | 21 | 1 |
| Home Ownership¹⁷ | 1379 | 80 |
| Household Composition | | |
| Single/ no other adult | 556 | 33 |
| Living with others | 1139 | 67 |
| Children at Home | | |
| Yes | 897 | 52 |
| Dependent Children at Home | | |
| Yes | 554 | 32 |
| Financial Responsibility for any child | | |
| Yes | 807 | 47 |

The respondents were mainly female (86%), in mid to late career age groups with the highest proportion in the 45-54 group (42%). In terms of their housing, most were owner-occupiers (80%) with only 13% in social housing. In terms of their household composition, 67% were living with someone, 52% had children at home and 35% had children under 18 at home. Over two-fifths (44%) had financial responsibility for children (this includes children not living at the respondents' home).

The employment characteristics of the survey sample are outlined below in Table 4.3. Nearly two thirds of the respondents were in full-time employment (63%) and only just over a tenth

¹⁶ All of the figures presented in Table 4.2. and others (with the exception of Tables 5.1. and 5.2) are given as whole numbers. Consequently, the percentage figures may not always add up 100% because of the process of rounding up or down as appropriate or because of missing responses. Similarly, sample numbers do not always add up to 1718 because of missing data in returns.

¹⁷ This includes those who own their house outright, who have a mortgage or who are paying part rent and part mortgage.

(13%) had a second job outside the NHS. In terms of their household economic characteristics, most of those who were living with a partner were living in dual-income households.

In terms of their own individual income, just over a half of the respondents (52%) had a gross monthly income of between £1040 and £2079. Nearly a quarter earned over this amount (24%), while nearly a fifth earned below this amount (18%). Only 3% reported that they had a gross monthly income of up to £519.

Table 4.3 Sample Demographic Characteristics (n, %)¹⁸

| Demographic Characteristics | No. of Respondents | % |
|--|---------------------------|------------------|
| Hours | | |
| Full-time | 1053 | 63 |
| Part-time | 631 | 38 |
| Second Job | | |
| Yes | 219 | 13 |
| No | 1467 | 87 |
| Partner in Employment | | |
| Yes | 541 | 82 ¹⁹ |
| No | 119 | 18 |
| Gross Monthly Income (Individual) | | |
| Up to £519 | 45 | 3 |
| £520 and up to £1039 | 253 | 15 |
| £1040 and up to £1559 | 521 | 31 |
| £1560 and up to £2079 | 361 | 22 |
| £2080 and up to £2599 | 216 | 13 |
| £2600 and up to £3119 | 233 | 14 |

Sample Weighting

The purpose of the current research project is to gain some understanding of the standard of living of a particular group of NHS employees. The survey consists of a sample of those employees as outlined above but an adjustment has to be done to make the sample more representative of the wider population of NHS employees. Examination of the characteristics of the sample respondents together with information about the characteristics of the wider NHS population are used to create statistical weights which are applied to the data before analysis. For example, if there are proportionally more women in the sample than there are in the wider population, as is the case for most surveys, then the weight applied to responses from women is taken as less than one and the weight applied to the response of men is taken as greater than one. This ameliorates the effect of bias in the results which arises from the over-representation of some groups and the under-representation of others. Weighting however, depends on the availability of statistical information on the wider population. In the present case a number of characteristics were examined and it was decided to weight the survey by the characteristics of sex and by age on the basis of what was known about the wider population of NHS employees. This allows us to analyse the results using a more representative sample for these key variables. However, more detailed income data would have been required in order for us to take into account the variations in income across the

¹⁸ All of the figures presented in Table 4.2. and others (with the exception of Tables 5.1. and 5.2) are given as whole numbers. Consequently, the percentage figures may not always add up 100% because of the process of rounding up or down as appropriate.

¹⁹ Of those living with a partner

occupational grades. The absence of this means that some caution must be exercised in generalising these results to the population of NHS workers as a whole - even after excluding doctors.

The analysis of the main weighted data derived from the survey responses are presented in Chapters 5-7.

Stage 3: Qualitative Interviews

As part of the survey we asked all respondents whether they would be willing to be contacted by the research team to participate in individual depth interviews or focus groups on the issues covered in the survey. If they volunteered to take part in further research participants were asked to provide their contact details (i.e. name, address, telephone number and e-mail address). A total of 183 survey participants agreed to take part in follow-up research and provided contact information. In other words, 11% of these respondents agreed to participate in further research.

We adopted an approach based on semi-structured depth interviews for the qualitative stage. This method recognised the potential sensitivity that some people may have about discussing and disclosing their individual and household financial issues, and changes in these circumstances in a group setting. Generally, group settings are more intrusive with negative implications for disclosure on the topics under investigation in this study. This makes a group approach relatively less useful in generating what may be seen as ‘sensitive’ and personal’ data on issues such as the use of credit or the personal circumstances behind either taking on debt or borrowing money from various sources.

We conducted a total of 22 depth interviews by telephone using a semi-structured interview schedule. A copy of the topic guide for these interviews is in Appendix B. Respondents were selected on the basis of those who felt that their current standard of living was either average or below that of others and those who felt that their standards of living over the past 5 years had either stayed the same or had declined. We then targeted respondents in four main household groups (the numbers of interviews that were achieved for each group are in brackets):

- those living in households with dependent children under 12 years of age (6).
- those living in single households with children under 12 years of age (6).
- those living with children aged 12 and over (5).
- those in other household groups (5).

In each category we also tried to obtain a mix of interviewees in dual and single income households. These were key groups for the qualitative interviews and allowed us to generate a representative range of opinion across different household and income groups.

The achieved sample comprised 18 female respondents and 4 males. The interviewees were from a range of pay bands from Band 2 to Band 7 across Nursing and Administrative & Clerical occupations.

5. AFFORDING NECESSITIES

5.1 Introduction

In this Chapter we examine we analyse and present the results of those survey questions in which we asked respondents about their access to a range of consumer necessities and their participation in a range of basic activities. We were specifically interested in the question of how many of these items and activities that they couldn't afford. We also looked at both necessities and activities in terms of terms of the household in general and specifically for children. We then look more closely at the data to identify the range of necessities and activities that respondents could not afford and compare these with data from the PSE in Scotland and the wider UK.

5.2 Necessities and Activities: Households & Children

Table 5.1 shows the number of necessary items which respondents indicated they did not have because they could not afford. The data show that the average number of unaffordable items from our survey list was just over three and the average number of unaffordable activities was just over one. There was some variation in the sample for unaffordable items with those in the middle of the range (i.e. the median) reporting two unaffordable items and less than 1 unaffordable activity.

Table 5.1 Number of Unaffordable Items/Activities: General Household (n)

| Measure | Value | n |
|--|---------|-----|
| Items that people don't have and can't afford | Average | 3.1 |
| | Median | 2.0 |
| Activities that people don't do and can't afford | Average | 1.1 |
| | Median | 0.0 |

Table 5.2 outlines the results in relation to those items and activities specific to children. Those who had children living at home, or who were financially responsible for children, reported not being able to afford just over one item and just less than one activity on average - there was less variation in this case with the mid-range of respondents reporting less than one unaffordable item and less than one unaffordable activity.

Table 5.2 Number of Unaffordable Items/Activities: Children (n)

| Measure | Value | n |
|---|---------|-----|
| Items children don't have and can't afford | Average | 1.2 |
| | Median | 0.0 |
| Activities children don't do and can't afford | Average | 0.8 |
| | Median | 0.0 |

Looking at these results in combination, respondents were clearly:

- Relatively *poorer in terms of items compared to activities* at both the level of the general household and in relation to children.
- Relatively *poorer in terms of their items and activities in their household rather than in relation to children*. In terms of spending this may suggest that they prioritise the items and activities of children compared to the general household. It appears that even those who struggle the most prioritise the needs of their children.

These points were also reflected in the depth interviews, particularly the prioritisation on cutting down less on children's items and activities than those in the household. For some respondents there was a very clear, explicit recognition that spending on children - particularly those in younger age groups - was more of a priority in terms of how they allocated their household budget. In other words, when cutting their costs, they tried to minimise the impact on children (particularly those in younger age groups). These points are reflected in all of the quotes presented below:

"I don't like cutting out stuff for the children, you try and give them as much as you can."

(Female 35-44 years, Single-Income household)

"I kinda try and keep their (children) spending going because you don't want them to lose out on things too much."

(Female 35-44 years, Dual-Income household)

"I often have cereal for dinner as the food I have. I would rather my children ate."

(Female 35-44 years, Single-Income household)

Prioritising household items over activities and minimising the impact on children are also borne out below when we looked in more detail at what items and activities were reported as unaffordable.

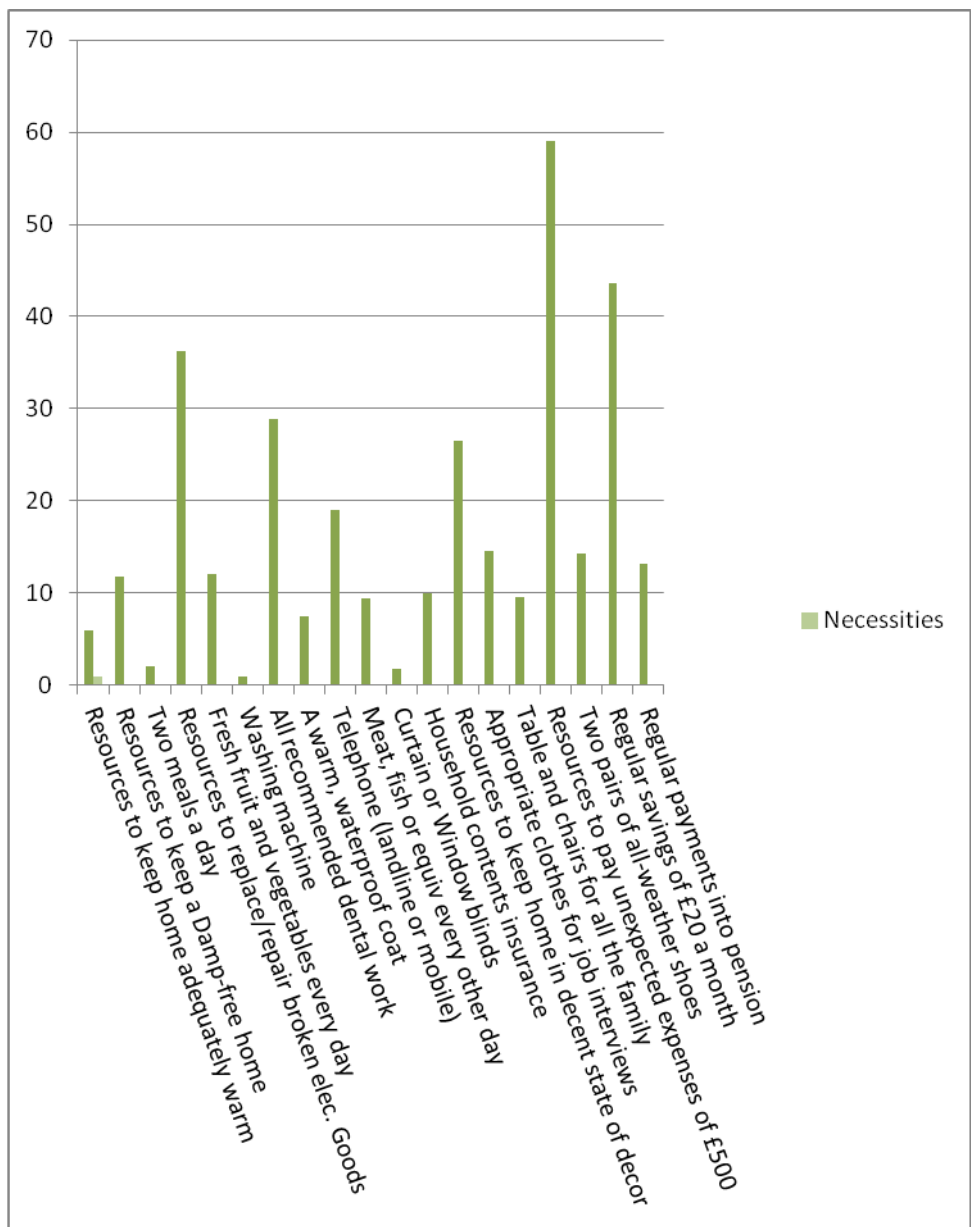
5.3 Unaffordable Necessities and Activities: Household

In terms of a breakdown by category of item (Figure 5.1), there was significant variation in the items which people reported as unaffordable. The items which had the biggest response concerned short and long term economic security: having the 'resources to pay an unexpected expense of £500', was rated as unaffordable by nearly three-fifths of respondents (59%): and, just over two-fifths reported that they were unable to afford to save a minimum of £20 per month (43%). Concerns about having access to 'emergency' funds and being unable to save a minimum amount each month, are both indicative of the 'fragile' and 'uncertain' households with reduced economic contingencies reported by many in our sample. This is worrying given that there is considerable evidence worldwide on the negative consequences for mental and physical health of the stress associated with financial vulnerability.

There were also other unaffordable items that are worth noting. Firstly, the inability of nearly two-fifths of respondents to replace or repair broken electrical items (36%). Secondly, nearly a third of respondents reported that they were unable to resource all recommended dental work (29%): a potentially key issue in terms of individual health and well-being.

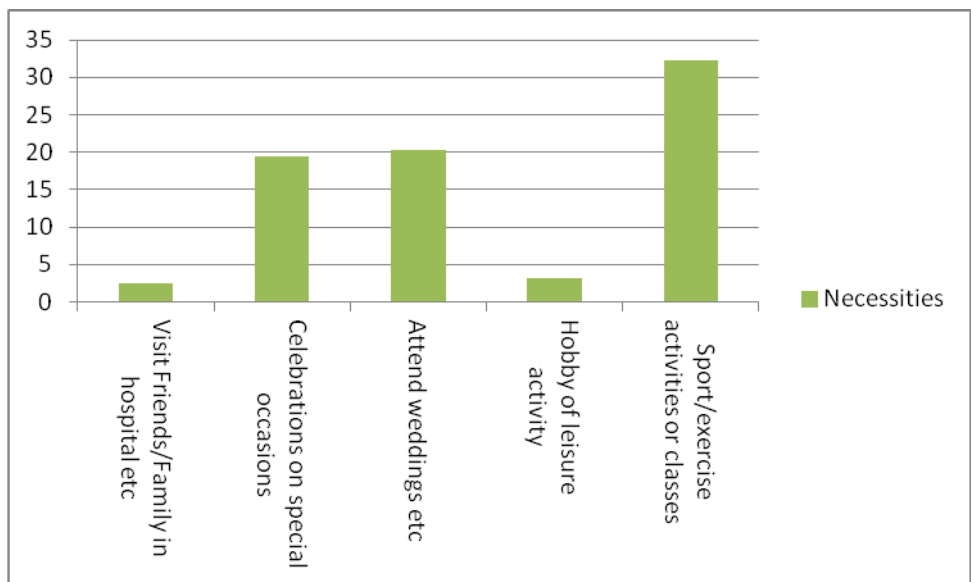
In terms of unaffordable activities (Figure 5.2), nearly a third of respondents also reported not being able to afford sport/exercise classes (32%), while around a fifth reported being unable to attend events such as weddings (20%) and celebrations on special occasions (19%).

Figure 5.1: Unaffordable Items By Category: General (%)



Base=1718

Figure 5.2: Unaffordable Activities by Category: General (%)



Base=1718

5.4 Unaffordable Necessities and Activities: Children

Figure 5.3 shows the breakdown of unaffordable children-specific items. It was particularly striking that the numbers of respondents reporting unaffordable children-specific items were far fewer than for the general household items. The average percentage of households reporting unaffordability across all items for adults is 17% while the equivalent figure for children is 7%. The items in the two lists are not the same but for those that are e.g. warm winter/waterproof coat, the percentage of adults who report not being able to afford one is 8% while the figure for children is less than 3%

In relation to items for children again the main issues of affordability concerned having disposable income: to invest in savings for children, which was an issue for nearly a quarter of the sample (24%); and to provide children with regular pocket money (16%). Of more concern however, were the (albeit) very small numbers of respondents who could not afford to provide their children with new shoes that fitted (5%), fresh fruit/vegetables at least once a day (4%), meat and fish or their equivalent at least once a day (3%), a warm winter coat (3%) or three meals a day (2%). Although the numbers of respondents reporting these latter items was relatively small, it should still be a matter of concern that these issues are featuring at all in a survey of what is a working population.

Figure 5.2: Unaffordable Items by Category: Children (%)

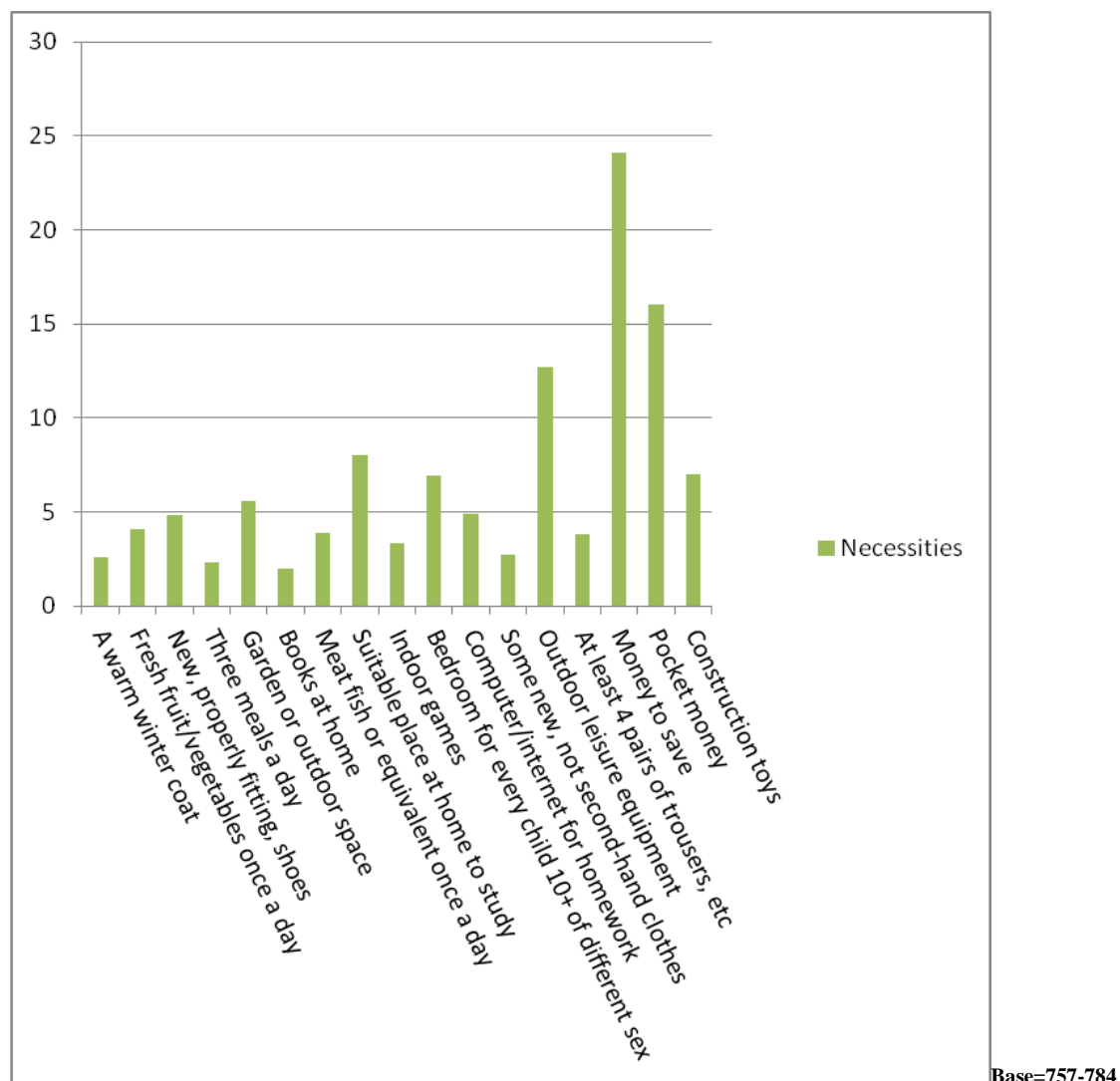


Figure 5.4 shows the corresponding figures for child-specific activities. Again, the numbers are less than those for the general activities, i.e. for the whole household. However the extent of the disparity between those reporting unaffordable activities for adults and those for children was much less (16% and 10% respectively as opposed to 17% and 7% for items). Again this indicates the extent to which survey respondents were prioritising children in spending. However, they also indicate that in relation to children, these respondents were more likely to prioritise spending on items rather than activities, which can possibly be explained by the relatively bigger household expenditure that would be required to resource some of these activities and that these ‘activities’ are considered less essential to households in the context of cutting aspects of their expenditure.

Figure 5.4: Unaffordable Activities by Category: Children (%)

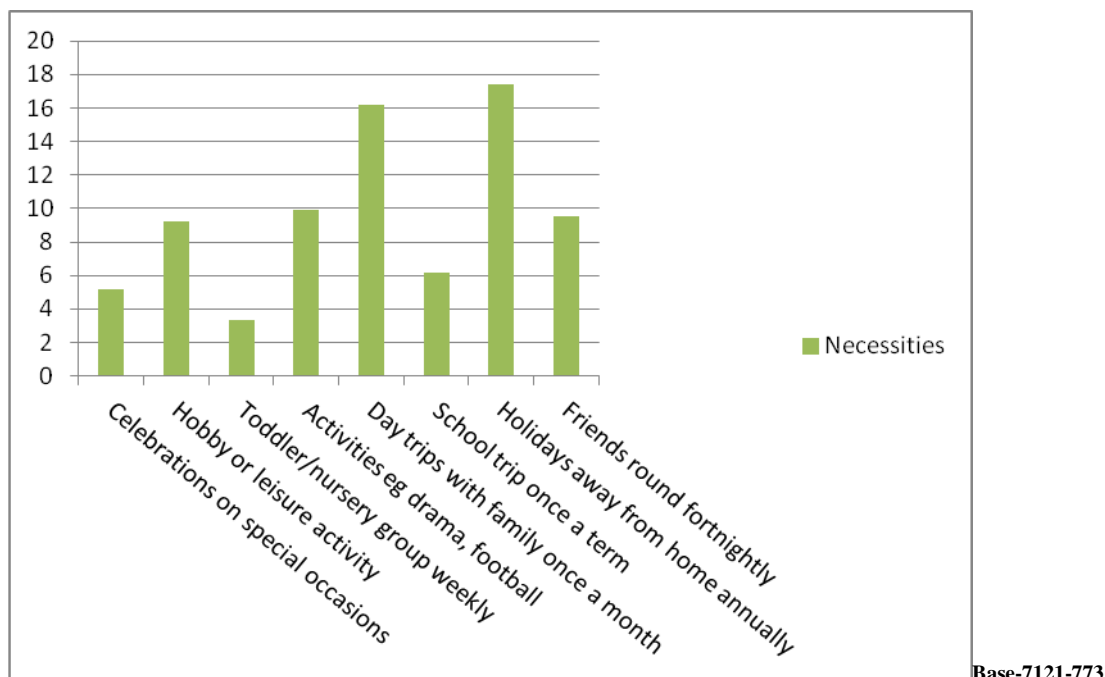


Figure 5.4 shows the impact on activities for children of the lack of household resources. Nearly two-fifths of respondents with responsibilities for children were unable to afford regular holidays away from home (18%), or day trips away from home (16%). Some examples of these issues in the qualitative interviews are outlined below. All of these quotes emphasise the issue of a decline in ‘non-essential’ spending in the context of children.

“Outings with the children are treated as special occasions now. Cinema is so expensive now as is the indoor play areas, just can’t afford it as we used to.”
(Female 35-44 years, Single-Income household)

“My boys pals get pocket money but I can’t afford to give them (children) pocket money. Would love to do it but its just not possible on our incomes. Holidays are out as well.”
(Female 45-54 years, Single-Income household)

“We go away on holiday but we can’t afford to go away for two weeks and we can’t afford to go away every year, maybe every other year now”
(Female, 45-54 years, Dual Income household)

5.5 Comparison with PSE Data

The PSE study provides data which can be used for the purposes of comparison. The PSE data is available for Scotland and for the UK²⁰. These statistics are provided in Table 5.3²¹.

Looking across these measures we can see that in terms of the full Glasgow-based UNISON NHS sample and the PSE Scotland data there is a close relationship between the proportions of respondents lacking an item in both samples. The correlation between the two is 0.87 (a score of 1 would suggest that exactly the same percentage of respondents in each sample reported lacking each item). In terms of the ranking of items between the least affordable (i.e. that most people want but can't afford) to the most affordable (i.e. with the least numbers of people saying they want but can't afford) then the overall sequence of rankings for both surveys are very close. This gives us confidence that the PSE measures are reliable and are picking up the underlying indicators of poverty in our sample.

In terms of the figures, compared to the PSE data, there is a tendency on almost every measure for the figures relating to this group of NHS employees to be around between one and a half to twice the level of the general population in the UK and Scotland.

²⁰ UK means all of the UK including Scotland and not the rest of the UK without the Scottish figures (i.e. rUK).

²¹ The differences between our sample and PSE should be clear. PSE is a geographically spread random population sample that includes non-working groups and economically active group contain those working in the private and third sectors. In addition, the PSE Scotland sample size is comparatively very small compared to our sample which does raise issues of reliability. In contrast to PSE, our sample is wholly public sector and geographically concentrated in a shrinking local labour market in one of the UK's/ Scotland's endemically poorest Cities covering some of the UK's and Scotland's poorest neighbourhoods.

Table 5.3 UNISON NHS Employees Data Compared with PSE Data (n, %)

| Households who can't afford these items | PSE Scotland Data (%) | PSE UK Data (%) | NHS UNISON Data (%) | NHS-Dependent Data²² (%) |
|---|------------------------------|------------------------|----------------------------|--|
| Could household afford unexpected, but necessary, expense of £500 | 33 | 34 | 59 | 66 |
| Regular savings (of at least £20) for rainy days | 28 | 31 | 44 | 48 |
| Regular payments into an occupational or private pension | 23 | 27 | 13 | 17 |
| Enough money to replace/repair broken electrical goods | 23 | 26 | 36 | 46 |
| Enough money to keep home in a decent state of decoration | 15 | 19 | 27 | 35 |
| All recommended dental work/treatment | 7 | 17 | 29 | 33 |
| Home Insurance | 8 | 12 | 10 | 16 |
| Damp-free home | 7 | 12 | 12 | 14 |
| Appropriate clothes for job interviews | 7 | 8 | 15 | 18 |
| Two pairs of all weather shoes | 6 | 7 | 14 | 18 |
| Heating to keep home adequately warm | 6 | 7 | 6 | 15 |
| Fresh fruit and vegetables everyday | 5 | 6 | 12 | 12 |
| Table and chairs at which all the family can eat | 5 | 5 | 10 | 11 |
| Meat, fish or vegetarian equivalent every other day | 4 | 4 | 9 | 9 |
| A warm waterproof coat | 3 | 4 | 8 | 4 |
| Two meals a day | 2 | 2 | 2 | 2 |
| Base | | | 1718 | |

Nevertheless there are some noticeable differences. Perhaps the most noticeable are firstly, the lower percentage of these NHS employees who report they can't afford to pay into an occupational or private pension compared with the general population in both Scotland and the UK. This may be a feature of public sector workers which would be replicated in similar workforces. The other noticeable feature is in relation to dental treatment. Examination of the data in all categories show a significantly higher proportion of our sample reporting that they want to have, but can't afford, all recommended dental treatment. The PSE sample of the general population in Scotland shows a very low figure for this item (7%); less than half that for the UK (17%); the UNISON NHS sample is more than 4 times this level (29%) and the NHS subsample is almost 5 times the level reported for the general population in Scotland.

²² This calculation is based on those respondents who are the sole wage earners in the household either because there are no other working adults present or because their household partner does not currently earn an income from employment. We have no data available for a comparator group in the PSE sample in Scotland or the wider UK.

Possible explanations for the difference between NHS employees/UNISON members in Glasgow and the general population in relation to dental treatment may include the likelihood that the former will place a greater value on dental health and the differences between Scotland and the UK may lie, at least partly, in the poorer state of dental health found in Scotland compared with the UK. If there is a greater fear of having dental treatment, then it may be that respondents are more likely to report that they don't have 'all recommended dental treatment' but they don't want it. However, such subtleties lie well beyond the scope of the present report.

Beyond these two points it is fair to say that NHS workers, for most categories, are reporting a higher percentage of 'don't have, can't afford' answers. If we compare columns 4 and 5 of Table 5.3, we can see that the percentage reporting a lack of affordability is higher, on almost every item, for those respondents living in single income households that are largely dependent on their NHS wage than for UNISON NHS members as a whole. These differences are especially evident in terms of their respective ability to: repair/ replace electrical items (10% more in single-income households); heat their homes (9%); and, keep their homes in a decent state of decoration (8%).

6. MAKING ENDS MEET: BILLS & CREDIT

6.1 Introduction

The following sections continue on the theme on the resource efficacy of households and the ability of respondents to make ends meet. In this Chapter however, we focus solely on two key sources of financial pressure on households: their ability to pay bills, the types of borrowing behaviour that they have engaged in, and also the sources of credit they have used. It should be appreciated however, that we do not have any access to other information on the extent of people's actual financial liabilities. If anything in studies such as this there is a slight tendency and bias on these issues to avoid disclosing too much information, which introduces a level of caution to our reporting.

6.2 Paying the Bills

Table 6.1 presents the results to a question about the numbers of respondents who fell into arrears in the preceding 12 months and where these arose.

Table 6.1: Arrears in Last 12 months Due to Lack of Money (n, %)

| Types of Arrears | % of cases |
|---|-------------|
| Mortgage/Rent | 11 |
| Council Tax | 17 |
| Electricity/gas/fuel bills | 16 |
| Telephone bills | 13 |
| Income Tax or VAT | 3 |
| Hire purchase instalments (catalogues, car finance etc) | 15 |
| Loans (banks, Bsoc, CU) | 10 |
| Credit card payments | 20 |
| Other loans/bills | 10 |
| TV licence | 7 |
| Private education or health bills | 1 |
| Child support or maintenance | <1 |
| None of these | 60 |
| Base (n) | 1718 |

It should be immediately apparent that three-fifths of our sample did not report any arrears in the past year at all (60%). This left two-fifths who reported falling into arrears of some description (40%). Of those who fell into arrears the most significant areas concerned credit card payments. These were reported by a fifth of the sample (20%) which is quite a significant proportion but not surprising in terms of an era of relatively 'cheap and easy' credit. In a similar vein, a further 15% reported that they fell into arrears on their hire purchase payments. Both of these issues have implications for people's credit rating and their ability to borrow finances.

Just as significantly, however, around a fifth of the sample reported arrears in their Council Tax (17%) and their utility (16%) payments. Just over a tenth also reported falling into arrears on their telephone bills (13%).

From the qualitative interviews, for some respondent, arrears were bound up in wider changes in the domestic and economic circumstances of the household and their adverse effect on the

finances available to meet all of their existing financial commitments. These concerned issues such as partnership breakdown, changes to the employment status of their partner and the effects of their partner becoming unemployed, or re-entering further and higher education. For most others however, arrears in bills were a reflection of the increased financial strain on household finances generated by higher living costs.

“We couldn’t manage anymore, falling behind in too many things so we took a debt repayment plan.”

(Female 35-44 years, Single-Income household)

“We did fall behind in bills but my husband was paid off from a good job and was unemployed for a while and we had to sort things around because he went back to College.”

(Female 35-44 years, Dual-Income household)

“So much has been discarded from my day-to-day living and ability to plan for the future. I live on my overdraft as I feel that at least the debt is all in one place and my bills get paid to keep a roof over our heads.”

(Female 35-44 years, Single-Income household)

6.3 Financial Strain

We also asked about financial strain and the ability of respondents to meet their current financial commitments in terms of their perceptions of how difficult they found it to keep up with bill payments. The responses are outlined in Table 6.2.

Table 6.2: Ability to Meet Current Financial Commitments (n, %)

| Financial Strain | % |
|--|-------------|
| Keeping up with all bills without any difficulties | 19 |
| Keeping up with all bills but it is a struggle from time to time | 40 |
| Keeping up with all bills but it is a constant struggle | 29 |
| Not keeping up with all bills - have fallen behind with some of them | 10 |
| Not keeping up with all bills - have fallen behind with many of them | 2 |
| Base (n) | 1715 |

Interestingly, only a fifth of respondents thought that they were able to keep up with bills without any difficulty (19%), meaning that the vast majority experienced a degree of difficulty (81%). Half of this latter group only experienced an intermittent struggle to pay bills from time to time (40%). However, nearly a third of the sample reported that they faced a constant struggle to meet their ongoing household bills (29%) and of most concern, 10% of respondents said that they were not keeping up with their bills and had fallen behind with some of them. Only 2% reported that they had fallen behind with many of their bills.

In the depth interviews, none of the respondents discussed their ability to keep up with their bills as unproblematic. Most spoke about bills as either an intermittent struggle from time to time, a constant struggle or as having fallen behind with only some of them. Some typical examples from the qualitative interviews that illustrate these points in more detail were as follows.

“I have fallen behind on some bills but it’s just, you know, robbing Peter to pay Paul kind of thing every month, you know.”

(Female, 45-54 years, Children Over 12, Single-Income Household)

“Find things hard now, just to survive month to month every penny is accounted for. The wages don’t take you to the end of the month and I constantly worry about bills”.

(Male 55-64 years, No Dependent Children, Single-Income household)

“My daughter’s (activity) fees were due last week and I had to explain that I couldn’t pay them until pay day. Constantly struggle from month to month”.

(Female, 35-44 years, Children Over 12, Single-Income Household)

6.4 Emergency Expenses & Borrowing

We also asked respondents about whether they could afford to pay a necessary but unexpected expense of £500. We had asked this previously in an earlier question about whether people could afford a range of necessary items but we also asked it as a question in its own right. The consistency of the responses to this question (either as part of a larger set of items or on its own right) is quite striking. Again, nearly three-fifths of respondents told us that they could not afford this expense (58%), indicating a very worrying lack of flexibility in not only how people manage their disposable income but of more concern an absence of any support strategy for meeting this cost from other sources such as savings should this expense arise (Table 6.3).

Table 6.3: Ability to Meet Emergency Expenses of £500 (n, %)

| Ability to Meet Emergency Expense | % |
|-----------------------------------|-------------|
| Yes | 32 |
| No | 58 |
| Don’t Know | 10 |
| Base (n) | 1719 |

We also asked about various sources that respondents had used to borrow money for expenses in the 12 months prior to the survey from a prescribed list of sources containing a range of low and high interest sources of credit (Table 6.4). Reassuringly, the majority of the respondents (and nearly the sample) had not used any of these sources to borrow money in the past year (47%). In addition, just over two-fifths of those who did borrow money had done so from other family (a relatively traditional and ‘safe’ source of credit) members (44%). This was the majority source of borrowing for our respondents. A further 13% had also borrowed from friends.

A further 16% had also used low interest sources of borrowing through Credit Unions which have been relatively long-established in the Greater Glasgow area and growing in coverage since the late 1970’s.

Table 6.4 Sources of Borrowing (n, %)

| Sources of Borrowing Money | % of cases |
|--|-------------|
| Pawnbroker (e.g. Abermarle & Bond or Cash Converters) | 5 |
| Payday loan companies (e.g. Wonga, Quick Quid) | 4 |
| Other lenders (e.g. doorstep, Monday Shop, Provident, etc) | 4 |
| Unlicensed lender (e.g. loan shark) | <1 |
| Social Fund loan | 1 |
| Credit Union | 16 |
| Friends | 13 |
| Family | 44 |
| None of these | 47 |
| Base (n) | 1718 |

However, while using social networks of family and friends, and low-interest sources such as Credit Unions were the majority sources of borrowing for our respondents, it was not the only means of accessing finance. There has been an obvious wider concern about the longstanding use of traditional high credit sources such as pawnbrokers, ‘loan sharks’ and the ‘provident’, which has been supplemented in recent years by the growth of payday loan companies. In terms of our sample, however, very few respondents had used these sources. Only 5% reported that they had used a pawnbroker, or taken out a payday loan (4%) or used another lender (4%), and less than 1% reported that they had used an unlicensed lender.

Some quotes from the qualitative interviews that illustrate the economic value attached to help from family and the impact of this are outlined below.

“I couldn’t survive without family help, just couldn’t. And its not help to buy luxurious items, it’s for things like food and clothes, or something goes wrong with the car or the heating or something like that. It’s for basic things, like food”
(Female 45-54 years, Children Over 12 Years, Single-Income household)

“I have three children in primary school and I often struggle to buy food for them, adequately heat my home and buy petrol. If it wasn’t for help from my parents we would not survive, just couldn’t do it”
(Female 35-44 years, Children Under 12 Years, Single-Income household)

“Hate to think what it would be like without help from my parents to help us out. Myself and my daughter would be much worse off without help”.
(Female 35-44 years, Children Under 12 Years, Single-Income household)

“I have borrowed from my parents to make ends meet. They’ve paid bills for me that were stressing me because I had no way of paying them myself”.
(Female 35-44 years, No Children, Single-Income household)

7. MAKING ENDS MEET: CUTTING CLOTH

7.1 Introduction

In the previous Chapter we primarily looked at various sources of financial pressure and strain on the households of our respondents. In this section we look at this aspect from another perspective and how respondents have had to adapt their behaviour to the current financial climate and the rising cost of living. We focus primarily on those changes that people have made to their use of fuel and other wider household means of cutting expenditure.

7.1 Turning Down the Gas

We asked respondents about their methods of reducing their fuel use last winter. We already know that fuel either in terms of utility bills or in vehicles has been one of those items that has rapidly increased in price over the past five years. This has led to widespread concerns about issues such as the costs of travel and an expanding population of people on low incomes suffering from fuel poverty. The responses of our respondents to these fuel cost-cutting measures are outlined below (Table 7.1)

Table 7.1: Methods Used to Reduce Fuel Use Last Winter (n, %)

| Fuel Efficiency Measures | % of cases |
|--|-------------------|
| Turned heating down or off | 63 |
| Only heated and used part of house | 45 |
| Cut the number of hours the heating was on | 81 |
| Used less hot water than needed | 42 |
| Turned out more lights | 70 |
| Had fewer hot meals/drinks | 14 |
| Cut back on fuel/petrol | 56 |
| Other | 3 |
| None of these | 6 |
| Base (n) | 1718 |

A striking feature of the figures is that only 6% of our respondents reported that they did not adopt any of these measures last winter. The vast majority of the respondents proactively did something about to reduce their use of fuel (94%). The average number of fuel-reducing measures that respondents used was four but there were a smaller number of cases where respondents claimed that they used as many as eight different measures to reduce household fuel use.

Turning to the figures, the vast majority of respondents responded to rising fuel costs by reducing inefficiencies: cutting their heating hours (81%), turning off more lights (70%) and the heating down or off (63%). A majority had also actively consumed less fuel (56%) and presumably reduced their journeys, while just under a half also partially heated their homes (45%). It was a striking that given the variation in the circumstances of respondents and

despite the fact that many reported that their households were not actively struggling to make ends meet, that many still adopted a variety of these energy cost-cutting measures.

While these responses are all relatively reasonable attempts to cut rising fuel costs, over a tenth of respondents had also had fewer hot meals and drinks (14%).

Energy costs were a prominent topic in discussions on where respondents most acutely felt the impact of rising living costs. It was striking that *all* of the qualitative respondents spoke of: becoming more ‘aware’ of the rising impact of energy costs on their household bills; these costs being a shared concern among their colleagues at work; and, making attempts to improve home efficiency largely in response to increased consumer energy prices²³. Efficiency measures largely concerned being more likely to: turn their heating systems (and household lights) off when not in use; and reduce the level and coverage of heating across the house. In addition, about a half of these respondents said that they had looked more actively at switching energy providers and trying to get the ‘best deal’ from utility companies.

A few examples from the qualitative interviews that illustrate these points in more detail are outlined below:

“Never used to really bother with my gas bills but I watch everything now and if I can find better deals elsewhere I’ll take it.”

(Female 45-54 years, Children Over 12 Years, Dual-Income household)

“I make sure I look out with my heating. It comes on later in the morning and in the evening, and I look at price comparisons now when I never used to bother.”

(Female 45-54 years, Children Over 12 Years, Single-Income household)

“I make sure I turn the radiators down in some rooms. I’ve just become a lot better at not wasting it (i.e. heating)”.

(Female 35-44 years, Children Under 12 Years, Dual-Income household)

²³ And not for other issues such as environmental reasons.

7.2 Household Cuts

In addition to taking greater efficiency measures on fuel, we also asked whether respondents had adapted to rising costs by other means to reduce their household expenditure in the past year (Table 7.2).

Table 7.2 Measures Taken to Reduce Expenditure in Last 12 Months (n, %)

| Measure | % |
|---|-------------|
| Skimped on food yourself | 24 |
| Cut back on food items | 81 |
| Bought second hand clothes for yourself | 30 |
| Continued wearing clothes/shoes worn out | 54 |
| Cut back on visits to hairdresser/ barber | 66 |
| Postponed/stopped visits to the dentist | 42 |
| Spent less on hobbies | 64 |
| Gone without or cut back on social visits | 81 |
| Cancelled/cut back on pension contributions | 12 |
| Made less car journeys to save fuel | 57 |
| Other | 4 |
| None of these | 6 |
| Base (n) | 1718 |

These figures bear a striking consistency to those presented in Table 7.1. Again, only a very small number of respondents reported that they had adopted none of these measures (6%) and over half claimed that they made less car journeys to save on fuel (57%). It perhaps illustrates a wider point that irrespective of their household circumstances and their abilities to make ends meet, most of our survey respondents were engaged in actively cutting and reducing their ongoing household costs

However, the really interesting figures in this table concern cutting back other measures of everyday consumption. For example, over four-fifths claimed that they had cut back on items of food (81%) and almost a quarter reported they had skimped on food for themselves to save money (24%). A further four-fifths also claimed that they had reduced their social visits (81%) and over three-fifths said that they had spent less on their hobbies (64%).

There was also a range of cuts made by people in terms of their appearance which may be consistent with less social activity outwith the home: two-thirds claimed that they had reduced visits to hairdressers (66%), over half reduced clothing consumption by continuing to wear clothes or worn out shoes (54%) and nearly a third had bought second-hand clothes (30%).

Of obvious concern, however, is that just over two-fifths reported that they had either postponed or stopped visits to their dentist (42%). Dental health is a key part of people's general wellbeing and this figure raises health concerns about the impact of living costs.

In the interviews, rising food prices were the most popular topic in discussing cost-cutting measures. Interviewees generally estimated the costs of food as increasing by between 20-50%. Similar to discussing energy costs, *all* of the qualitative respondents spoke of: becoming more 'aware' of rising food prices; these costs being a shared concern among their colleagues at work; and, have to adapt their consumer behaviour in response to these rising

costs through compensatory strategies and measures: a marked change from their purchasing behaviour in past years of lower prices.

These cost-cutting measures were:

- Reducing volume by reducing waste (i.e. the amount of food purchased that was not consumed).
- Reducing volume by avoiding items that were seen as ‘unnecessary’ or non-essential.
- Shifting from more expensive ‘branded’ products towards cheaper Supermarket ‘own brands’ and less expensive similar items.
- Switching from more expensive Supermarkets towards those with cheaper prices and shopping in a greater range of stores for cheaper items.
- Paying more attention to items in special deals.

We have provided a few quotes below to illustrate these points in more detail. In all of these quotes the respondents outline how their behaviour has changed in terms of their purchases of food.

“My food bills, I buy weekly, so my weekly bills used to be about £50 to £60 pounds two or three years ago. Now I spend just under £100 each week and I look out for deals more, and I even switched from (X Supermarket) to (Y Supermarket) to try and get the food bills down. (X Supermarket) was just too expensive for me.”

(Female 35-44, Children Under-12, Dual Income Household)

“I changed the Supermarket where I buy, prices were too dear and I don’t buy you know branded items, I buy the store brand, the cheapest brands because I can’t afford it anymore. I even went into (X Supermarket) which I never done before and bought food there because it was cheaper. I would have never done that before but you have too now”.

(Female 35-44, Children Under-12, Single Income Household)

“Go around the Supermarket adding up food as I go and if it becomes too expensive then I stop and have to decide between certain foods, what to buy”.

(Female 35-44, Children Under-12, Single Income Household)

Other prominent aspects of cost-cutting for the survey sample concerned saving money on fuel by making less car journeys. In the interviews it was clear that this aspect was also bound up with related issues such as going out less to visit and socialising with friends but it was also interestingly associated with increased costs for those who worked for the NHS in community settings (e.g. District Nurses, Midwife’s) which required travel and who used car transport as part of their everyday working role. For seven of our interviews who operated in these ‘community’ roles, all of them spoke about the rising costs of fuel in the wider context of the increased costs of using this transport for the purposes of work without seeing any increases in the reimbursement of their expenses.

A number of quotes are outlined below that illustrate the extent of this problem for these respondents.

“The cost of fuel has gone up but our petrol and car maintenance allowances haven’t. And it isn’t just the fuel costs, it’s the money involved to run a car for work that is getting more expensive. In the past six months my car has been hit three times in the car park at work and I have to find the money for that”

(Female 35-44 years, Children Under 12 Years, Dual-Income household)

“Car allowances are becoming a big problem and I’ve spoken to other people about it and we are all in the same boat. It sounds great but everything is going up and our

allowances have stayed the same. Sometime you think you are the one paying them (i.e. employer) money for the car”.

(Female 35-44 years, Children Under 12 Years, Single-Income household)

Other cost-cutting measures were also mentioned by interviewees. These concerned issues such as the cost of public transport and discretionary spending on items such as eating out and socialising.

“We do without a lot more now. We’ve cut back on food, clothing, petrol and eating out. My social life as well has just stopped, we can’t afford it, just can’t”.

(Female 35-44, Children Under-12, Dual Income Household)

“(Public) transport prices have gone up, well everything has gone up. Try to use the car much less than before, the cost of fuel means that you cut back on doing a lot of thing, like going out for the day or just running around”.

(Male 35-44, Children Under-12, Dual Income Household)

8. LIVING STANDARDS AND POVERTY

8.1 Introduction

In previous Chapters we have looked at issues of financial strain and responses to rising living costs in terms of measures to reduce household expenditure. In this Chapter, we focus on the people's perceptions of their standard of living and how they feel this has changed over the past five years and how they think of their current standards. We also take a closer look at the issue of poverty in our sample using the material in Chapter 5 on necessities to define a portion of our sample that may be empirically defined as 'in-work' poor.

8.2 Standards of Living

We asked respondents how they thought their standard of living had changed over the past five years (Table 8.1).

Table 8.1 Reported Standard of Living Over the Past Five Years (n, %)

| Change | % |
|----------------------|-------------|
| Increased a lot | 6 |
| Increased a little | 8 |
| Stayed much the same | 26 |
| Decreased a little | 37 |
| Decreased a lot | 23 |
| Base (n) | 1712 |

From Table 8.1 it is apparent that comparatively few thought that their standard of living had increased (14%), although 6% reported that it had increased a lot. Also, just over a quarter thought that their standard of living had remained much the same (26%). For two-fifths their standard of living has increased despite the financial crisis, recession and the impact of a pay freeze over recent years.

However, three-fifths felt their standard of living had decreased (60%): 37% by 'a little'. At the sharp end, nearly a quarter of respondents reported that their standard of living had decreased by 'a lot' over the past five years (23%).

For the qualitative interviews, we had targeted those who reported that their standard of living had stayed the same or decreased over the past five years. In these interviews it was clear that the main factors associated with immobilism or decline for most of the respondents, were rising consumer living costs, stagnant wages and increased pension contributions. For eight of the qualitative interviewees, however, there were also other explanatory factors involved:

- Changing household circumstances around their partnership status (i.e. relationship breakdown and marriage).
- Changes to the employment status of their partner (i.e. periods of unemployment and/or career change).
- New additions to the size of the household in terms of children.
- Over-spending financial in previous years and having to take on debt repayment plans.

Like most of the survey respondents, there was recognition among all the qualitative interviewees that their standards of living had markedly changed over this period of time and

a general view by all of the interviewees was that this had negatively impacted on their household costs and involved and necessitated changes to their previous consumption patterns. We have outlined below a number of quotes that illustrate these points in greater detail.

“I often asked myself over the past few years why I was unable to manage the household budget at times and then I realised that I was trying to juggle prices in 2013 with 2009 wages”.

(Female 45-54 years, No Children, Dual-Income household)

“I was better off as a single parent working part-time. I now have a car, a bed a sofa all on HP and my household bills don’t seem to ever be going down just up.”

(Female 45-54 years, Children Over 12 years, Dual-Income household)

“Over the past few years most of my bills are up by 15 to 20 percent and my pay has stayed the same and not increased enough to keep up with costs”

(Female 35-44 years, No Children, Single-Income household)

“I work part-time (in the NHS) and I have to say that I wouldn’t be able to cope without my other (i.e. second) job. It (i.e. second job) pays really well. I couldn’t rely on working in the NHS, just couldn’t.”

(Female 45-54 years, No Children, Single-Income household)

We also asked respondents how they rated their own current standard of living (Table 8.2).

Table 8.2 Current Standard of Living (n, %)

| Change | % |
|--------------------|-------------|
| Well above average | 2 |
| Above average | 15 |
| Average | 59 |
| Below average | 20 |
| Well below average | 4 |
| Base (n) | 1713 |

Positive ratings were similar to those in Table 8.1 (14%). Only 2% thought their standard of living was well above average. Most rated it as average (59%) and nearly a quarter as below average (24%) with only 4% ‘well below average’. Clearly most respondents felt that their living standards had declined and that their current standard of living was either average or below average. This was also reflected in the qualitative interviews.

In the latter, this sense of ‘wage’ stagnation and decline was also reflected in a general sense of ‘pessimism’ among most interviewees when they were asked about how they thought their wages and living standards would change in the short-term future over the next 2-3 years. While there was recognition and appreciation by some that mortgage costs hadn’t risen (because of capped interest rates), with the exception of five interviewees, all of the other respondent’s views of the near future concerned:

- Further increases in the costs of living in areas, especially for commodities such as food, fuel and energy.
- Further years of low wage rises.

This pessimism about the short-term future was also reflected in the views of some respondents about their role in the NHS. Most of these respondents were close to or had reached the top of their current pay scale but did not anticipate being progressed in the near

future. Younger respondents anticipated and had considered a possible change in the future to private health establishments, while others reflected that wider organisational changes to the NHS and the falling value of their incomes meant that they no longer valued working in the organisation as they had once done. For example:

“The NHS is just not the same anymore, it really isn’t. If I was back fifteen years, doing my training and I knew what I know now then I wouldn’t have bothered coming into it, its not worth all that training to end up now struggling like this to meet costs that are going up and up with no wage rises that compensate for it.”

(Female 35-44 years, Children Under 12 years, Dual-Income household)

8.3 ‘In-Work’ Poverty

The PSE team have, as indicated earlier, devised a method to locate the division between the poor and the non-poor. Specifically they determine that those who cannot afford three or more necessities from among the adult or general goods and those children who live in households who cannot afford two or more of the child-specific goods are poor.

On that basis we can examine the extent of actual poverty among this group of NHS workers. From the list of adult/general items and activities 48% of respondents report not being able to afford 3 or more items. To understand this figure in context, we note that the PSE data for the UK as a whole reveals that 34% of respondents are unable to afford 3 or more items from the adult list. The corresponding figure for the Scottish population is 28%.

Almost half of the UNISON NHS Glasgow and Clyde branch membership are nurses who are classed as Professionals in the Standard Occupational Classification (SOC2010²⁴). The PSE data can be broken down by the NS-SEC (National Statistics Socio-Economic Classification) which is itself based on SOC2010. The group into which nurses fall is Lower Managerial and Professional Occupations and the PSE calculate the poverty rate in this group, for the UK as a whole, to be 23%.

²⁴ <http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/soc2010/soc2010-volume-1-structure-and-descriptions-of-unit-groups/index.html>

Here we consider the characteristics of our respondents who are classified as poor and compare them to the characteristics of the rest of the group of NHS employees in our sample²⁵.

| Demographic Characteristics | Poor (%) | Non Poor (%) |
|------------------------------------|-----------------|---------------------|
| Sex | | |
| Male | 13 | 13 |
| Female | 86 | 86 |
| Age | | |
| 16-24 | 1 | 1 |
| 25-34 | 10 | 10 |
| 35-44 | 23 | 19 |
| 45-54 | 44 | 41 |
| 55-64 | 22 | 27 |
| 65+ | 1 | 2 |
| Home Ownership²⁶ | 74 | 88 |
| Have Second Job | 15 | 11 |
| Household Composition | | |
| Single/ no other adult | 39 | 26 |
| Living with others | 61 | 74 |
| Dependent Children at Home | | |
| Yes | 36 | 29 |

These figures show that a greater proportion of the 35-54 age groups in our sample are poor. This may be related to the presence of dependent children given that the poor in our sample are more likely to have dependent children at home. Another risk factor for poverty appears to be related to living alone with no other adult, although this may again be linked to the presence of children i.e. single parenthood rather than being single *per se*. Single parenthood is a well-known risk factor for poverty. Another notable characteristic of the poor in our survey is that they are more likely to be renters rather than owners or part owners. Given that the definition of ownership used here is quite broad (see footnote 26) this difference is likely to be an underestimate of the importance of the tenure variable. In our sample 15% of the poor have a second job compared with only 11% of the non-poor. The direction of causation here is, we suggest, more likely to be from poverty to second job i.e. the poor, being financially strained, are more likely to take on second jobs rather than the non-poor avoiding poverty by having a second job.

²⁵ These figures are based on unweighted data to make them comparable to the figures quoted in Chapter?

²⁶ This includes those who own their house outright, who have a mortgage or who are paying part rent and part mortgage.

9 FINDINGS & CONCLUSIONS

The main findings arising from the data analysis are:

- In terms of consumer necessities, items were more unaffordable than activities: the average number of unaffordable items was 3 while the average number of unaffordable activities was 1. Those who had children living at home, or who were financially responsible for children, reported not being able to afford just over one item and just less than one activity on average. This suggested that respondents prioritised spending on children compared to the general household.
- The most *unaffordable items* concerned short and long term economic security: having the 'resources to pay an unexpected expense of £500' (59%); and, just over two-fifths reported that they were unable to afford to save a minimum of £20 per month (43%). Concerns about access to 'emergency' resources and being unable to save a minimum amount each month, are both indicative of the 'fragile' and 'uncertain' households with reduced economic contingencies.
- In terms of *unaffordable activities*, nearly a third of respondents also reported not being able to afford sport/exercise classes (32%), while around a fifth reported being unable to attend events such as weddings (20%) and celebrations on special occasions (19%).
- In terms of *unaffordable items for children* concerned having disposable income: to invest in savings for children, which was an issue for nearly a quarter of the sample (24%); and to provide children with regular pocket money (16%).
- Respondents were more likely to prioritise spending for children on items rather than activities. The main *unaffordable activities for children* concerned holidays (17%) and monthly day trips (16%).
- Compared to the PSE data on *unaffordable items*, there was a tendency on almost every comparable measure for the UNISON NHS sample figures to be around between one and a half to twice the level of the general population in the UK and Scotland. We have drawn appropriate attention to the nature of this comparison in the text in the main findings.
- Most survey respondents (60%) did not report any arrears in the past year. Two-fifths reported falling into arrears of some description (40%). Of those who fell into arrears the most significant areas concerned credit card payments (20%) Council Tax (17%), utility bills (16%) and hire purchase payments (15%).
- Nearly fifth of respondents thought that they were able to keep up with bills without any difficulty (19%), meaning that the vast majority experienced a degree of difficulty (81%). Half of this latter group experienced an intermittent struggle to pay bills from time to time (40%). However, nearly a third of the sample reported that they faced a constant struggle to meet their ongoing household bills (29%) and of most concern, 10% of respondents said that they were not keeping up with their bills and had fallen behind with some of them. Only 2% reported that they had fallen behind with many of their bills.

- The majority of the survey respondents (and nearly the sample) had not used any of our listed sources to borrow money in the past year (47%). Of those who did, just over two-fifths borrowed from other family members (44%). A further 13% had also borrowed from friends. Only 5% reported that they had used a pawnbroker, or taken out a payday loan (4%).
- Most survey respondents proactively did something about to reduce their use of fuel last winter (94%). The average number of fuel-reducing measures that respondents used was four. Most responded to rising fuel costs by reducing inefficiencies: cutting their heating hours (81%), turning off lights (70%) and heating (63%). A majority had also actively consumed less fuel (56%) and presumably reduced their journeys, while just under a half also only partially heated their homes (45%).
- Most had also cut household expenditure (94%), mainly concerning cuts in everyday consumption: items of food (81%) and skimmed on food for themselves (24%); reduced social visits (81%) and spent less on hobbies (64%); reduced visits to hairdressers (66%); continued to wear clothes or worn out shoes (54%) and bought second-hand clothes (30%). Of concern, however, just over two-fifths reported that they had either postponed or stopped visits to their dentist (42%).
- Food and fuel were the most salient issues for qualitative interviewees and these respondents outlined a number of strategies on how their households had cut costs. These strategies largely centred on being more cost-conscious about purchases: switching suppliers and stores, buying cheaper items and consuming less food, energy and fuel.
- Over the past five years 60% felt their standard of living had decreased (60%): 37% by 'a little'. At the sharp end, nearly a quarter of respondents reported that their standard of living had decreased by 'a lot' over the past five years (23%).
- Two-fifths reported that their standard of living has increased over the past five years despite the financial crisis, recession and the impact of a pay freeze over recent years. Just over a quarter thought that their standard of living had remained much the same (26%). From the qualitative interviews, most associated declining living standards with rising costs and stagnant wages.
- Only 2% thought their current standard of living was well above average. Most rated it as average (59%) and nearly a quarter as below average (24%) with only 4% 'well below average'. Most respondents felt that their living standards had declined and that their current standard of living was either average or below average. From the qualitative interviews, most expected that the immediate future would bring further rises in living costs and continuing years of stagnant wages.
- Using the PSE approach to 'poverty' 48% could not afford 3 or more necessity items and were defined on this approach as experiencing 'in-work poverty'. When we consider the poverty rate of comparable occupational groups this figure is high.
- The risk factors for poverty in our sample are being 35-55 years of age; single; having dependent children; living in rented accommodation and having a second job (the direction of causation may be the reverse in the case of the final factor).

In conclusion, the survey and qualitative data highlight significant proportions of respondents in households who manage fragile economies: who have responded to rising living costs and

stagnant wages by trying to cut consumption, particularly their costs in areas such as food, fuel and energy. This is consistent with the wider literature on people's responses in a stagnant economy with high inflation as it constricts household budgets. In the current economic climate, people felt that their household budgets were being increasingly squeezed. This not only reduced their everyday household consumption but adversely affected their ability to plan for emergencies and save for the future. Not surprisingly, many expressed a concern over tight household's budgets and the strain this put on their ability to meet their bills and make ends meet. Most felt that their standards of living had declined over the past five years with every expectation that living costs would continue to increase without much if any compensation in wages.

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Appendix A: Survey Questionnaire



University
of Glasgow



NHS Glasgow Clyde & CVS
Branch

Empire House
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Glasgow G1 2XR

Branch Secretary: Cathy Miller

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Dear Branch Member

Members Cost of Living Survey 2013

UNISON NHS Glasgow & Clyde Branch is working with independent researchers at the *University of Glasgow* to conduct a survey of UNISON members employed by NHS Glasgow and Clyde and GJNH. The aim of the survey is to help us gain an understanding of the impact of current NHS pay levels on your living conditions and consumer choices. The work will be used at a Scottish and UK level to influence our political and bargaining position. Your views will be very helpful to us to try and influence NHS pay for the benefit of **ALL** of our members.

The survey should take 8-10 minutes to complete and covers a number of issues: your job and pay; your access to household necessities; the extent to which you feel financially stressed and some very limited information on your personal details. For each question, please follow the instructions that are written in the questionnaire. Many questions simply require you to make one response only, some let you record more than one answer and others allow you to record written comments.

All of the information that you send to us is strictly **confidential**. It is processed and held in accordance with the requirements of the Data Protection Act (1998). The information will only be used for research purposes. No details about your response as an individual will be passed on to any other individual, organisation or agency.

We will be grateful for any help you can give us by providing this information and would encourage you to play your part by completing the survey forms as soon as possible. The more people that complete the survey, the more useful the results will be for us.

If you have any questions about this survey and what is being asked, or require clarification about a question in the survey please contact Jeanette Findlay (Jeanette.Findlay@Glasgow.ac.uk) or Robert Stewart (robertstewart9911@gmail.com). Please return your completed questionnaire in the enclosed FREEPOST envelope we have provided (no stamp required) and post it to us as soon as possible by **15th July 2013**.

Yours sincerely

Cathy

Cathy Miller
Branch

Secretary

Your Job in the NHS

Firstly, we would like to ask you a few questions about **your job in the NHS**

Q1 Are you employed?

Tick One Only

Part-time (under 35 hours a week)

Full-time (35 hours or more a week)

Q2 What is your total monthly income before deductions for tax, National Insurance etc?

Tick One Only

Up to £519

£520 and up to £1039

£1040 and up to £1559

£1560 and up to £2079

£2080 and up to £2599

£2600 and up to £3119

£3120 and up to £3639

£3640 and above

Don't know/ prefer not to say

Q3 Apart from your job in the NHS, do you currently have any other paid jobs?

Tick One Only

No – I have no second paid job

Yes - I have a second paid job

Necessities & Standards of Living

The next few questions are about what household necessities you currently have and can afford, your standard of living and how this has changed over recent years. In Questions 4 – 7 tick one box only for each item.

Q4 All of the items listed below tell us something about our standard of living. Please tell us which of these items you have or do not have by ticking the appropriate response box in the row for each item

| | Have | Don't have but don't want | Don't have and cannot afford |
|---|--------------------------|----------------------------------|-------------------------------------|
| Resources to keep home adequately warm | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources to keep a Damp-free home | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Two meals a day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources to replace/repair broken elec. goods | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Fresh fruit & vegetables every day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Washing machine | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All recommended dental work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A warm waterproof coat | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Telephone (landline or mobile) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Meat, fish or equiv. every other day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Curtains or window blinds | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Household contents insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources to keep home in decent state of decor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appropriate clothes for job interviews | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Table and chairs for all the family | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources to pay unexpected expense of £500 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Two pairs all-weather shoes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Regular savings of £20 a month | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Regular payments into pension | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q5 And, thinking about activities?

| | Do | Don't do but don't want to do | Don't do and cannot afford | Don't do for any other reason |
|---------------------------------------|--------------------------|--|---------------------------------------|--|
| Visit friends/family in hospital etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Celebrations on special occasions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Attending weddings, etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Hobby or leisure activity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sport/exercise activities or classes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q6 Now if you could do the same thing as you did for Q4 but this time thinking of financially dependent children in your household (or children you support wholly or partially e.g. grandchildren).

If you do not financially support any children then go to Q8.

| | Have | Don't have but don't want | Don't have and cannot afford |
|--|--------------------------|---------------------------|------------------------------|
| A warm winter coat | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Fresh fruit/vegetables once a day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| New, properly fitting, shoes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Three meals a day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Garden or outdoor space | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Books at home | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Meat, fish or equivalent once a day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Suitable place at home to study | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Indoor games | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bedroom for every child 10+ of different sex | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Computer/internet for homework | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Some new, not second-hand clothes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Outdoor leisure equipment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| At least 4 pairs of trousers, etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Money to save | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Pocket money | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Construction toys | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q7 And, again in terms of children in your household (or children you support wholly or partially e.g. grandchildren) and thinking about activities?

| | Do | Don't do but don't want to do | Don't do and cannot afford | Don't do for any other reason (e.g. children too old for nursery) |
|--------------------------------------|--------------------------|-------------------------------|----------------------------|---|
| Celebrations on special occasions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Hobby or leisure activity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Toddler/nursery group once a week | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Activities e.g. drama, football etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Day trips with family once a month | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| School trip once a term | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Holiday away from home once a year | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Friends round once a fortnight | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q8 Did your household cut back on fuel use at home in any of these ways last winter, because you could not afford the costs?

Tick All That Apply

- Turned heating down or off, even though it was cold in the house/ flat
- Only heated and used part of the house
- Cut the number of hours the heating was on to reduce fuel costs
- Used less hot water than I/we needed to reduce fuel costs
- Turned out more lights in my home than I/we wanted to, to try to reduce the electricity bill
- Had fewer hot meals or hot drinks that I/we needed to reduce fuel costs
- Cut back on fuel/ petrol use to reduce costs
- Other: *Please write in:*

- None of these

Q9 In the last 12 months, to help you keep your living costs down, have you done any of the following....

Tick All That Apply

- Skimped on food yourself so that others in the household would have enough to eat
- Cut back on your food items, or started to shop in cheaper stores
- Bought second hand clothes for yourself instead of new
- Continued wearing clothes/ shoes that had worn out instead of replacing them
- Cut back on visits to hairdresser/ barber
- Postponed/ stopped visits to the dentist
- Spent less on hobbies than you would like
- Gone without or cut back on social visits, going to the pub or eating out
- Cancelled/ cut back on pension contributions
- Made less car journeys to save on fuel
- Other: *Please write in:*

- None of these

Q10 Generally how would you rate your current standard of living?

Tick One Only

- Well above average
- Above average
- Average
- Below average
- Well below average

Q11 Over the past five years, generally how would you say your own personal standard of living has changed?

Tick One Only

- Increased a lot
- Increased a little
- Stayed much the same
- Decreased a little
- Decreased a lot

Bills & Credit

The next few questions are about the types of bills you receive and other financial matters.

Q12 Sometimes people are not able to pay every bill when it falls due. Have you (or your household) been in arrears on any of the items mentioned below during the last 12 months, due to a lack of money?

Tick All That Apply

- Mortgage/ Rent
- Council Tax
- Electricity, gas, fuel bills
- Telephone bills (including mobile phone, broadband)
- Income Tax or VAT payments
- Hire purchase installments or similar (mail order catalogues, car finance, interest free credit etc.)
- Loans from Banks, Building Societies or Credit Unions
- Credit card payments
- Other loans/bills
- TV Licence
- Private education or health bills
- Child Support or Maintenance
- None of these

Q13 Which one of the following statements best describes how well your household has been keeping up with bills and credit commitments in the last 12 months?

Tick One Only

- Keeping up with all bills - without any difficulties
- Keeping up with all bills - but it is a struggle from time to time
- Keeping up with all bills - but it is a constant struggle
- Not keeping up with all bills - have fallen behind with some of them
- Not keeping up with all bills - have fallen behind with many of them

Q14 Could your household afford to pay an unexpected, but necessary, expense of £500?

Tick One Only

- Yes
- No
- Don't Know

Q15 Have there been times during the last 12 months when you had to borrow money from any of the sources listed below, in order to pay for your day-to-day needs?

Tick All That Apply

- Pawnbroker (e.g. Albemarle & Bond or Cash Converters)
- Payday loan companies (e.g. Wonga, QuickQuid, etc)
- Other lenders (e.g. doorstep, Money Shop, Provident, etc.)
- Unlicensed lender (e.g. loan shark)
- Social Fund loan
- Credit Union
- Friends
- Family
- None of these

Personal & Household Details

Finally, we would like to ask you a few questions about yourself and your household.

Q16 Are you...

Tick One Only

- Male

Female

Q17 What age are you (at last birthday)?

Tick One Only

16-24

25-34

35-44

45-54

55-64

65+

Q18 In which of these ways do you occupy your current accommodation?

Tick One Only

Own it Outright

Buying it with the help of a mortgage or loan

Pay part rent and part mortgage (shared ownership)

Rent it from Council/ Housing Association/ Co-operative

Rent it from a Private Individual or Company Landlord

Live here rent-free (including rent-free in relative's/friend's property; excluding squatting)

Squatting

Other: Please write in:

Q19 What are the first three digits of your postcode (e.g. G32)?

Postcode Digits: *Please write in:*

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Don't know/ Can't Remember

Q20 Are you living with someone in your household as a couple/ partner/ spouse?

Tick One Only

Yes

Go to Q22

No

Go to Q23

Q21 What is the current employment status of your partner/ spouse?

Tick One Only

Self employed

Employed full time

Employed part time

Looking after the home or family

Permanently retired from work

Unemployed and seeking work

In further/higher education

Government work or training scheme

Unable to work due to short-term illness or injury

Q22 What is the total monthly income of your household before deductions for tax, National Insurance etc?

Tick One Only

Up to £519

£520 and up to £1039

£1040 and up to £1559

£1560 and up to £2079

£2080 and up to £2599

£2600 and up to £3119

£3120 and up to £3639

£3640 and above

Don't know/ prefer not to say

Q23 Which of the following normally live with you in your household?

Tick all that Apply

- Children aged 0-5 years (or not yet at primary school)
- Children aged 5-12 years (or not yet at secondary school)
- Children aged 12-18 years
- Older Children aged 19 years or over
- Relatives/ Parents/ Grandparents
- Other individuals
- None of the above: I/We live alone

Q24 As part of this research we are also asking people if they would be willing to be contacted by our research team to take part in a focus group or follow-up interviews about the issues raised in this survey.

If you would be willing to take part in further research please record your contact details in the space below.

Name: _____

Address: _____

Phone Number (Telephone and/ or Mobile):

Email:

_____@_____

Q25 Finally, if you have any comments that you would like to make on the issues raised in this questionnaire please do so in the space provided below.

Thank you for completing the questionnaire.

Please put the completed survey form in the enclosed Reply Paid envelope we have provided (no stamp required) and post it to us **as soon as possible by 15th July 2013**. If you have lost your envelope, or it has not been included, please send your completed survey free of charge to:

UNISON NHS Glasgow Clyde & CVS Branch, Freepost RRSJ-LKZK-RUAB, 4th Floor, Empire House, Glasgow G1 2RX (no stamp required).

Appendix B: Qualitative Interview Guide

UNISON NHS Glasgow & Clyde Depth Interviews: Topic Guide

INTRODUCTION

Explain reasons for the study - to help inform how your Trade Union understands the impact of wage in the NHS on your living conditions. This part is a supplement to the survey that you all undertook a few months ago and this component will add to this work.

To ensure that we do not miss any of your comments, we record each interview. I listen to this tape and the material will not be passed to any second or third person. Confidentiality is assured. We will use this material to supplement the data we received from the survey.

MRS guidelines, confidentiality.

We are interested in your views and how you see these issues.

Any questions before we start?

2: Background:

- Name
- Job (and how long working in the NHS).
- Household structure and members of the family living at home.

3: Rising Living Costs:

Thinking of these past five years, do you think that the cost of living for you has risen?

Explore reasons for anyone *not* thinking that the cost of living has increased.

Identify the areas that respondents feel that the costs of living have increased the most:

For example:

- Fuel & Petrol
- Household Energy
- Food
- Childcare
- Public Transport

RANK BY AREAS OF THE GREATEST PRICE RISES AND GET THEM TO ESTIMATE A PERCENTAGE RISE IN COSTS IN EACH OF THESE AREAS.

RANK BY MOST IMPORTANT TO THEM AS INDIVIDUALS/ FAMILIES

Any areas of rising costs outside the examples above?

4: Reasons for Cost of Living Increases:

Ask whether prices in these areas have risen beyond what you could have expected anyway? What do you think are the main reasons for this?

Prompt if necessary: Is it not simply the case that the cost of living always increases and people always complain about this because they just don't like spending more money? Is that a fair statement? Why not?

Awareness of wage increases: how have your wages increased over the past 3-5 years?

Prompt if necessary: Is the problem about actual rising living costs, or the decreasing value of wages, or a bit of both (i.e. the wage increases you receive have just not kept up with inflation)?

So compared to say three or five years ago, how would you say that your own standard of living for your household has changed?

If *got better* ask why and in what ways?

If *stayed the same* ask why and in what ways?

If *got worse* ask why and in what ways?

For all three types of response ask: Is this largely due to you cutting costs at home or changes in your situation at home (e.g. children leaving home, partners losing or getting better jobs or higher wages)?

One way of compensating for the lower value of wages is to cut household spending but another is to increase your income and take on a second job? Has anyone here taken on a second job or considered taking one? Is this becoming more common among other people you know in the NHS?

What level of wages increases would better help people in your situation?

Prompt with: Obviously we would all like better wages but what level of wages increases would at least start to make a difference for workers like yourselves in the NHS? In other words, what is the minimum increase that you would like to see?

Are there some groups of workers in the NHS you are aware of for whom the decreasing value of wages is more of a problem than others (e.g. lower-paid groups, younger entrants)?

5: Reducing the Effects of Price Rises

Have you tried to reduce their living costs in recent years? If not, why not?

Get respondents to discuss their actual experiences around reducing their living costs.

Let's look at some areas where prices have actually risen quite significantly.

Food: Have you because of costs: **(prompt if necessary)**

- Reduced the amount you buy?
- Reduced the types of food bought (e.g. focused more on special offers)?
- Changed the shops you buy ?

Fuel & Transport: Have you because of costs: **(prompt if necessary)**

- Reduced the amount you use/ trips made?
- Changed your travel-to-work arrangements (e.g. switched to public transport, shared costs)?

Household energy: Have you because of costs: **(prompt if necessary)**

- Switched energy suppliers/ if so, how often?
- Looked for better deals from suppliers (e.g. longer-term contracts)?

Discretionary Spending: Have you because of costs: **(prompt if necessary)**

- Reduced holidays.
- Spending on leisure/ clothes/ eating out/ kids and toys/ Christmas and birthdays.
- Reduced/stopped savings/ increased indebtedness.

Are there any other areas in which you have cut household costs to make ends meet?

6: Prospects:

What level of wage increases do you think you are likely to get in the next year or two (and explore reasons for their responses)?

What would you like to see happen in terms of your wages over the next two years (**If necessary prompt with:** should they just continue to have a 1% increase in your wages)?

And how do you think your wages will *actually* change over the next two years (and reasons for this)?

How do you think your living costs (in areas such as food, fuel, energy and transport) will change over the next two years (and reasons for this)?

And how do you think the standards of living for your household will change over the next two years (and reasons for this)? **If necessary prompt with:** if we were to repeat the earlier survey in two years time, what do you think:

- you would be saying about the cost of living and your wages (and reasons for this)?
- employees in the NHS more generally would be saying about the costs of living and their wages (and reasons for this)?

What would make a difference to your standard of living outside of a wage increase?

What more do you think UNISON should be doing about *wage levels* in the NHS over the next two years (and reasons for this)?

What more do you think Trade Unions like UNISON should be doing about *rising living costs* for their members over the next two years (and reasons for this)?

7. Thank and close