

# STILL STRUGGLING

**COST OF LIVING SURVEY RESULTS 2023**



A NEW

HOW

“Life just gets harder,  
not better.”

Retail Worker, Scotland

# Introduction from the General Secretary



**Wages are failing to keep pace with stubbornly high inflation, working people are faced with eye-watering bills and soaring prices, the cost of living crisis continues to have a devastating impact on low-paid workers. People are struggling month on month just to make ends meet. Meanwhile, the Government has washed its hands of the crisis by ending the Energy Bills Support Scheme and failing to take the action that is needed to protect working families.**

Our latest cost of living survey of over 6,000 union members starkly illustrates the significant pressures that low-paid workers remain under. When compared to some of our earlier survey results, it demonstrates the extent to which living standards have deteriorated. The Tories' promise of a high-wage economy lies in tatters, as figures show that real average weekly earnings today are at the same level as 2005.

This unprecedented period of no earnings growth reflects the endemic nature of low pay in this country and our weak employment rights framework. One-sided flexibility and insecure work, through late notice of shift changes and short-hours contracts, robs workers of financial certainty and leaves people vulnerable to short-term economic

headwinds. We need higher wages and a new deal for workers, based on:

- An immediate rise in the minimum wage to at least £12 an hour, as a step towards £15.
- A minimum contract of 16 hours per week for everyone who wants it.
- A contract based on an individual's normal hours of work.
- A ban on zero-hours contracts.
- Statutory Sick Pay for all workers from day one at their normal rate of pay.
- A fundamental overhaul of the failing Universal Credit system.

As is demonstrated by this survey, the situation for many low-paid workers remains perilous. Living standards are being squeezed and families are paying the price. With high inflation set to continue into the medium-term, rising interest rates and analysts warning that energy bills could remain at unusually high levels for the rest of the decade, we need action to strengthen employment rights, tackle the cost of living and give workers the financial security they need and deserve.



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**Paddy Lillis**  
General Secretary

# Summary

**As the Government continues to try and sell the narrative that the cost of living crisis is coming to an end, Usdaw's latest cost of living survey results tell a very different story.**

The rising cost of everyday essentials such as food and clothes are piled on top of the sky-high prices of electricity, gas and transport. Now, as interest rates are also rising pushing mortgage payments up and up, the cumulative effect on working people in Britain is taking its toll.

In the starkest cost of living survey results yet, a staggering 81.5% of members say they feel worse off now than they did 12 months ago.

The gradual decline in living standards is apparent when we compare year-on-year figures. At the beginning of 2021, just over 7% of members reported that they struggled to pay gas and electricity bills every month. Last year the figure had risen to 25%, this year nearly a third of respondents say they struggle every month. Furthermore, nearly 70% of people have struggled to pay these bills at some point in the last 12 months.

Meeting the cost of everyday essentials is increasingly a struggle for members. Around seven in ten are now relying on unsecured borrowing to pay everyday bills, a significant increase from around four in ten in 2021.

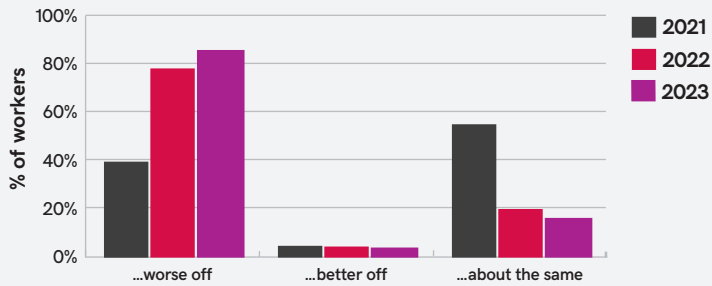
The findings from Usdaw's surveys reiterate similar findings from organisations such as the Joseph Rowntree Foundation and the Resolution Foundation.

When combined, these independent findings clearly show that those who are so essential to our economy, and did so much to help the country through the pandemic, are at significant risk of being left further behind. As such, Usdaw is calling on the Government to take the following immediate steps:

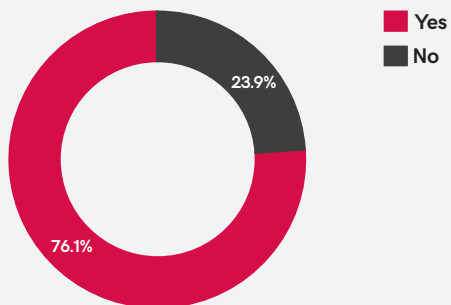
- Introduce a New Deal for Workers including immediately introducing a genuine living wage of at least £12 per hour and a commitment to tackling insecure employment.
- Immediate reform of the Statutory Sick Pay rules, so that sick people get enough to live on and part-time workers are not left without support.
- An urgent and fundamental overhaul of Universal Credit to ensure it provides a social security benefit that supports low-paid workers.

**STILL  
STRUGGLING**

### Compared to this time last year are you better off or worse off?



### Are you able to take time off work when you are ill?



# The Reality of High Inflation

## Energy

High energy prices continue to push household budgets to the limit. Paying gas and electric bills is a constant battle for many workers, with three in ten reporting they struggle to pay their energy bills every month. It's clear that the Government's support packages did not go far enough to mitigate the impact of surging energy costs.

*"We are sitting in the living room under the covers during winter. It's been really hard to keep positive."*

**Retail Worker, East England**

Making hard financial choices is now a part of everyday life for working people. Two thirds of respondents have significantly cut down on heating in order to cope with their energy bills over the last year. For some, cutting down on their usage still doesn't bring down bills far enough, and around a third have stopped using their heating entirely. Close to four in ten have been forced to cut out other essentials such as food. Shockingly, some reported taking extreme measures to bring down bills, such as turning off their freezer, only eating cold food, and taking cold showers.

## Food

Many workers can no longer afford the food items they used to buy, with three quarters of respondents to our survey reporting changing their shopping habits to bring costs down. Budgets are now under such severe strain that even changing shopping habits doesn't deliver enough of a saving. Nearly half of workers are worried about their food bills and one in six say they can no longer afford to feed themselves and their families properly.

A stark real world consequence of high food prices combining with other rising costs is workers skipping meals in order to pay their bills. Close to one in six skip meals every month, and a further quarter of respondents said they have done this at some point in the last year. This leaves some with no alternative but to use a food bank, with around 15% of respondents reporting having used a food bank at some point.

*"My wage covers my bills, but I don't have money for food unless I can get overtime."*

**Retail Worker, North East England**

## Debt

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The severe strain that the high cost of energy, food and other everyday bills is placing on workers means many are ending up in debt just to make ends meet. The unaffordability of the bare essentials has created a situation where nearly a third of survey respondents said they have borrowed money or used a credit card in the last year in order to cope with energy bill increases. Four in ten workers said clearing debt was a main concern for their future financial security.

A substantial majority of respondents (63.5%) reported relying on some form of borrowing in the last 12 months to pay their general everyday bills. While borrowing from family members or friends remains the most common form of loan used by workers in the last 12 months, less traditional forms of debt are also widespread. Concerningly, one in five reported taking out buy now, pay later loans as a means of affording everyday bills. Of those who have taken on borrowing, 45% are already struggling with repayments. As interest rates continue to rise, going into debt to pay everyday bills will become more and more unsustainable.

“I can’t sleep for worrying about bills. In December the water in my sink froze because I didn’t have the money to put the heating on.”

Retail Worker, Scotland

# Families Feeling the Crunch

The latest survey results show that working families continue to be particularly affected by the ongoing cost of living crisis.

Many parents are still at breaking point and their children's welfare is still suffering.

The number of parents who feel their finances have got worse over the last 12 months has increased hugely. 85% of parents said they felt financially worse off now than they did this time last year, compared to 44% saying this in 2021.

Over three quarters of parents (77%) said that the pressure of financial worries was having an impact on their mental health, significantly higher than the overall survey average (68%).

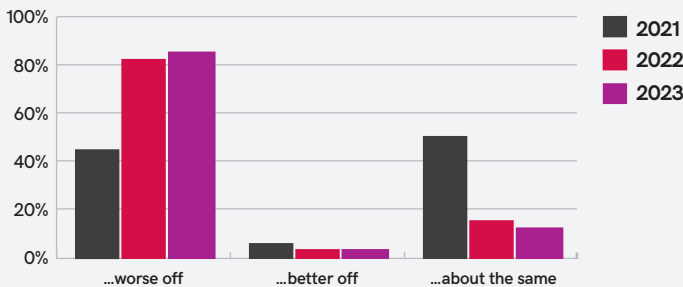
*"It now has reached the point where it is way too expensive to eat healthily as a family."*

**Retail worker, South East England**

Almost half of all parents (47%) said they had missed meals in the last year so they could afford to prioritise their children's food or pay bills, and within this group almost half said this was the case every month.

As well as parents missing meals, worries about being forced to cut corners on food bills also include children not eating nutritional meals, or having to choose between heating and eating.

**Families, compared to this time last year are you better off or worse off?**





## It's Not Just About Surviving

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Aside from just getting by, whether children have cultural and social enrichment available to them compared to their peers can be another indicator of poverty.

Children whose families work are increasingly falling into poverty, with many respondents saying they feel shame at having to cut back on treats for their families.

Children are increasingly aware of how tight money is for their parents. The next generation are often all too aware of impacts of this crisis, as their parents' incomes fail to keep up with further increases to the cost of living.

70% of parents who completed the survey said their children miss out on experiences because of money worries.

73% of families said they don't expect to be able to afford a holiday this year - many who suffered so much during the pandemic, and put themselves at risk when still going to work, will still not have been on holiday since Coronavirus.

*"I feel so guilty letting my child down when they see their friends having holidays, nice clothes or living in nice houses. We never have anyone round due to living in such poor accommodation."*

### **Retail Worker, Central England**

*"The shame I felt bringing home a leaflet about food banks was unreal. A parent shouldn't have to struggle to clothe their child."*

### **Retail Worker, Scotland**

*"I can't take any more away from my kids. They already suffer and I feel like I'm failing them as I can't provide properly. It's not just food and bills - it's clothing too."*

### **Retail Worker, Northern Ireland**

*"We have stopped trying for a baby as we can't afford it."*

### **Retail Worker, North West England**

# The Disproportionate Impact of the Continued Cost of Living Crisis

**The cost of living crisis continues to be amplified for groups of workers already more likely to be experiencing financial pressures because of their experience of discrimination and their position in the labour market. Where we may previously have seen greater disparities, differences have been eroded by the huge impact rising costs are having on all low-paid workers.**

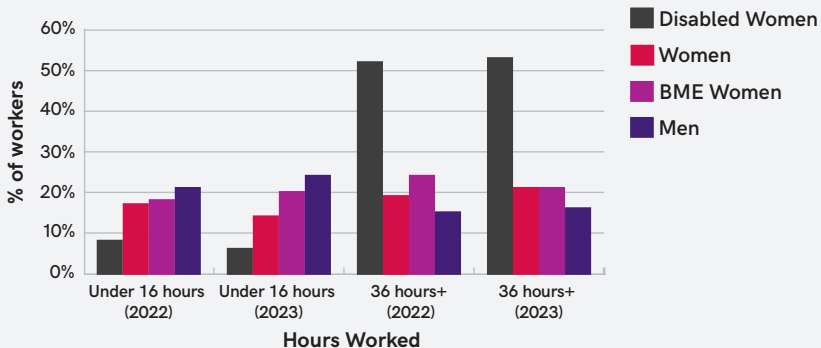
However, evidence remains that Women, Black Workers and Disabled Workers continue to have the least resilience. These workers have been hardest hit by 13 years of austerity, disproportionately impacted during the pandemic and now find themselves at the sharp end of rising prices.

Government and employers must take into account the specific issues for workers with protected characteristics

when looking at how to continue to tackle the ongoing cost of living crisis and improving pay and conditions for workers.

Little progress has been made in closing pay and employment gaps and in fact, in many cases, these gaps have widened. Action to improve pay has a disproportionately positive impact for workers concentrated in the lowest paid roles, but more robust measures are needed to improve opportunities for participation and progression at work. A key step is to build on mandatory gender pay gap recording to include reporting on race and disability. This must be accompanied by action plans to detail the steps employers intend to take and track progress towards closing pay and employment gaps.

**Women and Men by Contracted Hours 2022/2023**



## Women Unequally Affected

As well as bearing much of the financial stress that having a family puts on household finances and the financial independence of women, their pay and hours continue to pile additional stress onto the cost of living crisis.

Our survey data revealed that women remain concentrated in the lowest paid roles. 19% of women responding to the survey were paid at or below the current National Living Wage of £10.42 (compared to 11% of men), this rises to 23% for disabled women.

Improving the statutory National Living Wage would have a big impact for women in particular, and Usdaw's call

for the NLW to move to £12 an hour would have a significant positive impact for low-paid women, as 86% of women responding to the survey earn below £12 an hour (compared to 66% of men). This rises to 90% for BME women and 91% for disabled women.

Women remain over twice as likely to be contracted to less than 16 hours a week, with 14% of women working short hours contracts compared to just 6% of men.

The proportion of BME and disabled women on short hours contracts has also risen from our previous survey – and is now 20% for BME women (up from 18% in 2022) and 24% for disabled women (up from 21% in 2022).

“I’m always stressed and my kids are too. Things are so hard, but I’m not on benefits as I’m working too much. We need a new boiler, it gets cold in winter. We’ve got no car as the previous one failed its MOT and was too costly to repair. I hate my life.”

Retail Worker, Central England

## Black Workers Facing Job And Financial Insecurity

Job insecurity and financial insecurity are amplified for Black workers. BME workers were hit much harder by job losses and cuts to hours during the pandemic, and this impact continues to be felt.

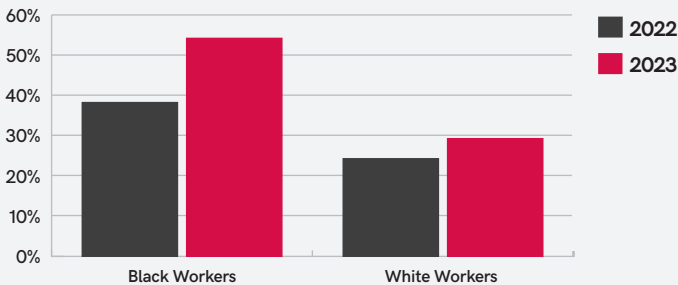
Black workers are more likely to report that their hours of work change every week at 21% (up from 19% in 2022) compared to white workers (17%). They are also more likely to be working in short hours jobs, which are characterised by low pay and lack of access to employment rights. 14% of Black workers report being contracted to less than 16 hours a week, compared to 11% of white workers.

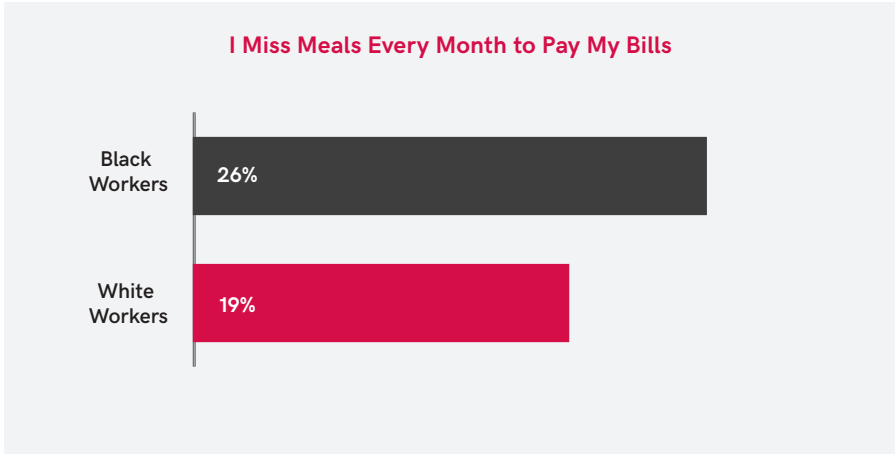
Future job security is also a bigger worry for Black workers. Half of Black workers (47%) are concerned about insecurity and redundancy, with this level remaining the same since 2022.

This insecurity is reflected in the huge leap in Black workers reporting they are unable to take time off work when they are ill. This has risen from 69% in 2022 to 80% in 2023, and for Black women it rises even further to 85%.

Black workers continue to be more likely to be struggling to meet daily costs of living and more reliant on unsecure borrowing to make ends meet. Black workers are almost twice as likely (54% - up from 38% in 2022) to be struggling to pay gas and electricity bills every month compared to white workers (29%). Black workers are also most likely to be paying for their energy through a prepayment meter. Workers on prepayment meters are often more vulnerable to cost of living pressures and are less able to spread their energy costs throughout the year. This means they are more likely to have their energy supply cut off over the winter.

**% of Workers Struggling to Pay Gas and Electric Bills Every Month**





Over twice as many Black workers (12% – up from 10% in 2022) report regularly missing their rent or mortgage payments compared to white workers (5%). The number of Black workers relying on unsecure borrowing to meet everyday bills remains at three quarters (73%), compared to 63% of white workers. 62% of Black workers are struggling to keep up with repayments, compared to half of white workers (46%).

Experiences of food poverty are increasing for all workers, however Black workers, like disabled workers, are disproportionately impacted. 26% are missing meals every month to pay their bills (compared to 19% of white workers). A quarter (25%) worry about being able to feed their family (compared to 16% of white workers). Black workers remain more likely to have relied on food banks in the past year (15%) to feed themselves and their families compared to white workers (10%).

Financial issues continue to fuel workers' decisions to drop out of their pension schemes. Numbers are rising for all workers, but Black workers remain most likely to have left (at 9%, compared to 7% of white workers) putting them at a further financial disadvantage as they enter retirement.

The results evidence that Black workers continue to be at the sharp end of rising costs. Though inflation has eased slightly since its peak, the huge increases to basic essentials continue to put pressure on low-paid workers. Black workers are feeling the full force of rising costs with the least financial resilience to absorb further ongoing price increases.

## Disabled Workers Hit Harder Than Most

Disabled workers continue to be overrepresented in low-paid and low hours work, with disabled women in particular at the sharp end. 1 in 5 (20%) disabled workers are paid at the NLW or below, compared to 15% of non-disabled workers. This rises to 1 in 4 (23%) for disabled women.

Usdaw's call for an immediate rise in the NLW to £12 an hour would significantly benefit disabled workers. 87% of disabled workers are earning less than £12 an hour compared to 78% for non-disabled workers.

*"I feel like the world is against me because I'm disabled and working. I got a job to cope with the cost of living crisis."*

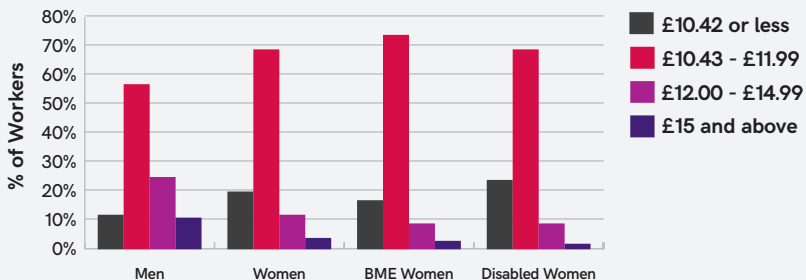
**Retail worker, North West England**

The employment gap between disabled workers and non-disabled workers has also grown. Over twice as many disabled workers are contracted to less than 16 hours (22%) than non-disabled workers (10%). This number has increased by 3% since 2022 (19%) while the number of non-disabled workers contracted to less than 16 hours has dropped by the same amount (2022: 13%).

Disabled workers remain most likely to be claiming in-work benefits, reflecting the fact that life costs more for disabled people and their families. A quarter (25%) of all respondents are claiming one or more in-work benefits, for disabled workers this remains around a third, 34% and for disabled women, 35%.

The eroding of in-work benefits and the wholly inadequate level of state support make it unsurprising that disabled workers (85%) are more likely than non-disabled workers (81%) to say they feel financially worse off than the

### Women and Men by Hourly Basic Pay 2023



previous year – up from 80% in 2022. Disabled workers are disproportionately likely to report negative experiences meeting the basics of food, fuel and rent. Scope’s 2023 Disability Price Tag survey found “disabled households with at least 1 disabled adult or child face extra costs of £975 a month on average” – therefore, ongoing cost of living increases could have a catastrophic impact on disabled people.

Experiences of food poverty are rising among low paid workers, and disabled workers are at the sharp end. 32% of disabled workers (up from 22% in 2022) are missing meals every month to pay bills, compared to 18% of non-disabled workers. A quarter (24%) worry that they cannot feed themselves and their family properly (compared to 16% of non-disabled workers). Disabled workers remain twice as likely to report using food banks in the last year to put food on the table. 18% of disabled workers have accessed a food bank in the last year (up from 17% in 2022), compared to 9% of non-disabled workers.

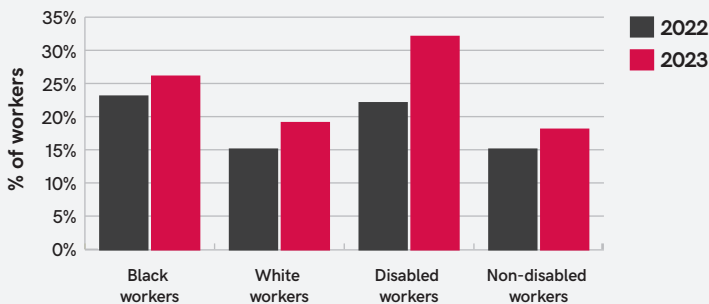
*“I’m not happy with my working hours, I work too few, but I physically can’t do any more than I do with my long term disability but I don’t earn enough money to take the financial pressure away.”*

**Retail worker, East England**

Disabled workers are most likely to be concerned about getting ill in the future (71%) and 79% report being unable to afford time off when ill. As disabled workers often require additional time away from work related to their disability this leaves many facing additional barriers at work.

Given the experiences above, it is no surprise that disabled workers are the most likely to say financial worries are impacting on their mental health at 80%, and 82% for disabled women – compared to 68% for non-disabled workers. The cost of living crisis continues to exacerbate and add to mental health problems for many workers.

**% of Workers Missing Meals to Pay Bills Every Month**



# In-Work Benefits

**As the cost of living crisis continues to hammer household finances, more working people have needed to claim benefits to support their household income.**

According to the survey results, the number of Usdaw members — who are all working people — who are in receipt of in-work benefits has risen. A quarter of all Usdaw members now receive benefits in addition to their wages.

Those in receipt of in-work benefits are another group who are particularly vulnerable to the effects of the cost of living crisis across a wide range of measures.

Those in receipt of in-work benefits are disproportionately skewed towards women (69%).

A staggering 83% of members who are in receipt of in-work benefits reported that they feel worse off now than they did 12 months ago.

*"I fear becoming ill. At the moment I use my annual leave to get paid if I get ill as this still covers bills. If I didn't use annual leave the statutory sick would nowhere near cover my outgoings and I would lose my home."*

**Retail worker, Scotland**

*"Being paid 4 weekly from work the monthly calculations from universal credit means some months I get absolutely nothing. It's very hard to manage as I never know how much I am actually getting each month. This has caused me a lot of financial difficulties."*

**Retail Worker, North West England**

84% of people who are already claiming in-work benefits say they cannot afford to take time off work even if they are ill; significantly higher than the overall figure of 76%.

Over half of members in receipt of in-work benefits have had to skip meals in the last 12 months to pay their bills.

And nearly 20% of members in receipt of in-work benefits have needed to use a food bank in the last 12 months, to feed themselves or their dependents.

Those in receipt of in-work benefits report high levels of financial fear, and a worryingly high number (79%) say that money worries are having an impact on their mental health, a full 10% higher than the average across all groups.



Statutory sick pay is paid at a rate of just £109.40 per week, and for many members who work part-time whilst also caring for children or other family members, the minimum earnings threshold of £123 per week means they are not entitled to any sick pay at all if they fall ill.

84% of members in receipt of in-work benefits reported that they could not afford to take time off work if they fall ill.

The idea of getting a proper break from work is a distant dream, with three quarters of those surveyed (75.48%) reporting that they will be unable to afford a holiday this year.

The structure of Universal Credit continues to have a significant detrimental impact on many low-paid workers. Assessing and paying in-work benefits monthly simply does not reflect the real working world for most Usdaw members, who are paid four-weekly. Insisting on 12 assessment periods each year, rather than 13, means that at least once a year members are paid twice from work in one assessment period and their benefits are either significantly reduced, or stopped altogether as a result.

“Universal Credit clashes with my 4 week wage period and I find myself struggling and playing catch up for months after a single reduced Universal Credit payment. Then I have to borrow to feed and heat the household.”

Retail Worker, Scotland

# Voices from the Frontline

**Behind every statistic is a person struggling every day with the cost of living. Thousands of real working people are living in poverty, being pushed into poor mental health and falling further into debt as a result of this rising cost of living.**

Usdaw is calling on the Government to tackle the cost of living crisis for working people by improving wages, sick pay and other working conditions. It is important that we stand together through this crisis and do not let these stories go untold.

*"All three of us have health disabilities. My parents need to subsidise us to keep heating the house and maintain the car. Without the car I couldn't get to work. We can no longer afford to do anything, even on birthdays. We don't feel we're 'living' a life. Each day is a struggle."*

## **Retail Worker, South England**

*"I feel so guilty letting my child down when they see their friends having holidays, nice clothes or living in nice houses. We never have anyone round due to living in such poor accommodation."*

## **Retail Worker, Central England**

*"The shame I felt bringing home a leaflet about food banks was unreal. A parent shouldn't have to struggle to clothe their child."*

## **Retail Worker, Scotland**

*"I have even taken to cutting my own hair and wearing clothes with holes in."*

## **Retail Worker, Central England**

*"My kids now ask 'can I have this, if you can afford it?' I can't hide money issues from them like I used to. My parents have to help me clothe and feed them. As a single parent I'm being financially crucified by the cost of everything."*

## **Warehouse Worker, North East England**

*"The sheer weight of financial worry from the winter with affording heating for my infant son has made me ill, led to a relationship breakdown, and near-homelessness."*

## **Retail Worker, Scotland**

*"My 17-year-old has a Saturday job. I had to ask him if he wouldn't mind paying his own train ticket to school."*

## **Retail Worker, Northern Ireland**

*"I can't take any more away from my kids. They already suffer and I feel like I'm failing them as I can't provide properly. It's not just food and bills – it's clothing too."*

## **Retail Worker, Northern Ireland**

*"We have stopped trying for a baby as we can't afford it."*

## **Retail Worker, North West England**

*"My husband was retired but had to go back working. At our age, we are terrified of getting ill and losing everything we worked all our lives for."*

**Retail Worker, East England**

*"My adult children have moved home. I worry they will never be able to be independent again."*

**Retail Worker, North West England**

*"Even my 6-year-old and 3-year-old are aware they don't have little treats like they used to. I'm classed as a key worker, yet what I'm paid barely puts food on the table."*

**Retail Worker, Central England**

*"There is no more I can shave off to make ends meet. I barely afford the essentials for my children. We didn't celebrate Christmas because I couldn't afford the expense. There is nothing much to look forward to. I am working to be poor."*

**Retail Worker, North West England**

*"We were sitting in the living room under the covers during winter. It's been really hard to keep positive."*

**Retail Worker, East England**

*"It's been so hard pretending everything is okay for the kids, but I'm scared the bailiffs will knock. It's heartbreaking. I can't take my children anywhere any more."*

**Retail Worker, North West England**

*"I have panic attacks when I worry about the credit card payments."*

**Retail Pharmacy Worker, Scotland**

*"I am in constant worry, we as a family are in hardship due to both the cost of living and the constant monthly rise in interest rates meaning my mortgage has doubled."*

**Logistics Worker, Scotland**

It was harrowing to read the testimonies from numerous members who, at dark times, view ending their own lives as a means of escape. We have decided not to re-print these quotes directly to protect others facing similar situations, however, the quotes show the desperate times facing many workers.



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