



GETTING BY?

A year in the life of 30 working families in Liverpool



Investment bank Goldman Sachs handouts £367 million to 121 UK bankers and bosses on average £3 million each.

Daily Mail 31st December 2014

Absolute poverty exists because poorer families experience bigger increases in living costs than richer households once inflation is taken into account.

Institute for Fiscal Studies 5.11.14

Pope Francis's strategy is to eliminate inequality and to attack myopic capitalism

(Market Watch November 18 2014)

The government's proposal of a "compulsory insurance scheme" means anyone working more than 20 hours a week must contribute £5 a week.

The Independent 15.10.14

The world's leading economic think tank says evidence does not show a 'trickle-down' effect from the rich to the poor.

Organisation for Economic Co-operation and Development 9.12.14

The wealthiest 85 people on the planet owned as much as the poorest half of the world's population.

(Even it Up - Oxfam October 2014)

The number of people earning under £7.70 an hour now stands at 5.2 million, with more women than men in low paid employment.

The Low Pay Britain 2014.

Britain is the only country amongst the G7 leading economies where inequality has grown since 2000.

Global Wealth Report 2014, Credit Suisse Research Institute October 2014

Pay gap widens with one in three young UK workers on low pay

(The Observer, 30 August 2014)

There have been just two prosecutions of companies paying below the statutory minimum wage since the Coalition came to power.

New Policy Institute / The Guardian 22.11.14

Austerity and recession mean that the "couple-with-two-kids" would need to earn 46% more than they did in 2008 to reach the MIS threshold.

2.7.14 Guardian

Government cuts to local authority spending show that councils in the most deprived areas have been the worst affected.

July 16th 2014, University of Sheffield

Only one job in every 40 created between 2008 and 2014 has been a full-time job.

Guardian 12.11.14

The Chancellor is proposing a freeze on benefits that will see working families lose up to £490 a year in child benefit and tax credits.

Guardian 30.9.14

Lower income working families have typically lost four times as much from cuts to In work benefits as they have gained in tax allowances

2.7.2014, Guardian

805 million people in the world suffer from hunger

(Oxfam, September 2014)

For 2013, real household disposable income per capita was 2.6% below its peak according to the latest data.

1.10.14: Office for National Statistic/TUC

The new UK Living Wage Rate is set at £7.85 and the new London Living Wage rate is £9.15.

11.3.14

A couple with two children need to earn £40,600 before tax to be able to have an acceptable standard of living due to increases in the cost of food, energy prices and bus fares.

30th June 2014 Joseph Rowntree Foundation.

Childcare costs soar by 19% in just one year.

12 Jan 2014 The Observer.

Workers earn less than £7.65 an hour in the government's Department for Work and Pensions

24.6.14 – Guardian.

British government has blocked £3 million of European funding of food banks, saying that food aid should be decided nationally.

Independent 26.2.14

More than 8,000 people in Liverpool have had their benefits stopped for a period of time as Jobcentre says they were not looking for work.

Liverpool Echo 5.3.14.

The richest 20% of the population in Britain will have, on average, £18,680 to put into their savings this year but the poorest 20% will spend £1,910 more than they earn.

The Centre for Economics and Business Research

More than 4,000 households across England are at risk of losing their home every week as a result of eviction or repossession.

Guardian 21.5.14 quoting a report by the charity Shelter.

One in seven families have received eviction risk letters and are unable to find anywhere cheaper to live because of a shortage of smaller homes.

12.2.14, survey by National Housing Federation.

Top rate of income tax on earnings above £150,000 was reduced from 50% to 45%.

HM Revenue and Customs. April 2013.

Last year saw the highest number of tenants in England and Wales forcibly evicted from their homes after court action since records began in 2000.

13.2.14 Ministry of Justice.

David Cameron says welfare reform is part of his 'moral mission' for the country and that "they are about giving new purpose, new opportunity, new hope."

Daily Telegraph 20.2.14

Bishops state, "We must, as a society, face up to the fact that over half of people using food banks have been put in that situation by cutbacks to and failures in the benefit system, whether it be payment delays or punitive sanctions."

Open letter from 27 Bishops published in Daily Mirror 20.2.14.

Welfare cuts have pushed 1.75 million of the UK's poorest households deeper into poverty over the last three years.

Oxfam and the New Policy Institute 22.4.14

The Chief Executive of HSBC's basic salary is £1.2 million plus bank's allowances worth £32,000 a week.

25.2.14 (Guardian).

The charity Oxfam shows that the five richest families in Britain own more than the 12 million poorest.

Independent 17.3.14.

A survey by the Government's Office for National Statistics shows that 1.4 million people are on zero hour contracts.

13.8.14

A year after the bedroom tax and other benefit changes were introduced, hard-up residents are now at least £1.4m behind with their rent.

1st April 2014 Housing News.

Contents

Acknowledgments.....	6
Sponsors	7
Foreword	8
1 Introduction	11
background	12
the families	14
structure of the book	15
2 Work	17
introduction	17
the national minimum wage.....	18
the wage freeze.....	20
a lack of family time.....	22
unpaid work	24
sick pay	25
maternity and paternity leave.....	27
self-employment	28
escaping low pay	29
job insecurity	31
pensions	32
collective bargaining	34
the importance of work	34
views about low pay.....	38
welfare and tax benefits.....	39
working tax credits	40
council tax and housing benefit.....	42
complexity and confusion	43
disability living allowance	46
benefit scroungers.....	46
universal credit	47
advice and support	50

3 The cost of living	53
introduction	53
cutting back	54
savings	55
fuel poverty	57
saving on heating	57
cold homes	58
pre-payment meters	59
extra costs	61
switching supplier	63
cost of child care	63
shopping	66
new and old	68
budgeting	69
travel	71
public transport	71
cars	73
rent	74
bedroom tax	76
debt	77
getting into debt	77
banks and credit cards	80
payday loans	81
door to door lending	83
cash converters / pawning	84
catalogues / shop credit	85
television meters	85
credit unions	85
individual voluntary arrangements IVA	86



4 Family life	89
introduction	89
children	90
clothing growing children	90
school uniforms	91
school dinners	93
out of school activities	94
pocket money	95
effects on children	96
family health	98
mental health	98
partners	101
sick children	102
a healthy diet	105
the NHS free at the point of use?	108
relationships	110
pressure on relationships	110
reliance on family	112
support from ex-partners	115
the child support agency	117
social life	118
going out	118
holidays	120
family occasions and Christmas	123
giving to charity	124
home	125
security of tenure	125
housing conditions	126
social housing	127
the neighbourhood	128
5 A fairer future	131
introduction	131
life opportunities – whinging scousers?	132
opportunities for children	136
britain today	137
income inequality	137
discrimination	138
making britain a fairer society	140

Postscript	145
Appendix 1: The families	147
Appendix 2: Reflections of the community researchers	157
Appendix 3: Our approach	161
Notes	163

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Finally we must give thanks to the thirty families who, despite often difficult circumstances, shared their lives with us over the year. For all of them we hope that the **Getting By?** project achieves its aim of seeing national commitment and action to improving the lives of working families in low paid employment.



Paul Kyprianou

Getting By? project co-ordinator: February 2015

Sponsors



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Mersey Care NHS Trust

PSS

LCVS

The University of Liverpool

Blackburne House

Together Liverpool



Foreword

“Poverty is not due to a weakness of individual character, but is a problem of social structure and economic mismanagement” Beatrice Webb 1909

In January 2013 the elected Mayor of Liverpool Joe Anderson asked me to chair a Mayoral Action Group on Poverty. He was determined to pursue the recommendations of the Liverpool Fairness Commission - which concluded in autumn 2012 - and address the huge impact we knew impending welfare reforms would have on our citizens. Councillor Jane Corbett was given Cabinet responsibility for tackling poverty and together we set to work co-ordinating activity between the City Council, the Liverpool Clinical Commissioning Group, the third sector and the North West TUC. We wanted to be the Council conduit to the Department of Works & Pensions (DWP) ahead of the Government’s Welfare Reforms and we wanted to tell the people of the city that we were on their side in difficult times.

For two years we have worked closely with advice agencies, supported the work of the foodbanks and credit unions, tried to address digital exclusion in the city, encouraged social landlords working with people in crisis and developed a robust relationship with the DWP / JCP on fundamental welfare reforms. We have worked with other core cities and national charities to develop a narrative about the impact of austerity on families. We have worked with the All Party Parliamentary Group (APPG) on Poverty and individual MPs and developed a poverty tracker for the city, with statistics to illustrate the real situation facing so many of our people.

Time and time again we were told that the statistics were interesting but that we needed to tell “real stories” about the impact of poverty in the 21st century. So, here it is – **‘Getting By?’** the compelling testimonies of 30 working families showing precisely why inequality remains the single greatest challenge facing society today.

I thank everyone who took part in this project. It has been a privilege to chair the Action Group on Poverty in Liverpool and our work to tackle inequality and campaign for a better future for the families and children of this great city continues.



Frank Hont

Cabinet Member for Social Inclusion,
Fairness and Equalities Liverpool City Council

What is different about this report? We don’t have to look far for other accounts of the impact of the credit crunch and austerity measures. But though analysis of the financial effects on different parts of the country or particular population groups might shock us, stories are more effective than statistics in conveying the human consequences. This report looks behind the aggregated figures at the reality of life for the individuals and families most affected.

The model for this study was one conducted early in the twentieth century, spurred then by the links between poverty and maternal ill-health and infant mortality. Distressingly, one hundred years on, although much has changed, some similar factors still apply. Both studies focused on working families. Both give accounts of insufficient household income. Both reveal the tendency to blame the victims that makes it easier for the rest of us to ignore the issue. Both raise the question ‘what is poverty?’ and in a society that is increasingly affluent overall and where consumer goods are used as a measure of success and satisfaction, what is the significance of relative poverty?’ According to Peter Townsend, poverty means lacking the resources to have the living conditions that are customary in their society. Here we see families having to fight a constant battle – and frequently losing – to keep a toehold in the expected British way of life today. On the other hand, the picture is also one of hard work and resourcefulness, especially amongst mothers.

Half of the 13 million people living in poverty in Britain today are part of a working family. Wages are falling, static or scarcely rising but basic costs are higher. Low income can lead to interconnected problems extending into every sphere of life. Employment which is frequently insecure; anti-social hours, shift work or juggling multiple jobs all lead to accumulated stresses that strain relationships and impact on health and family.

These stories ought to make us indignant, cause us to question the inevitability of the struggles they document, inspire us to find a better vision for our life together and challenge us to translate that vision into more effective countervailing policies and practices.



Hilary Russell

Emeritus Professor of Urban Policy, Liverpool John Moores University
and Chair of Liverpool Council for Voluntary Service

Figures compiled by 12 Merseyside housing associations show that at the end of August, rent arrears were £19,909,707 which they attribute to the bedroom tax.

(Daily Post 1.10.13).

Four of the six main energy providers announce rises in cost of fuel to households of an average of 9%.

National Minimum Wage rates rise by 12p for adults to £6.31 an hour, for 18-20 year olds. It goes up 5p to £5.03 and for 16-17 year olds to £3.72.

First annual report of Social Mobility & Child Poverty Commission – says Britain not on track to meet goal of ending child poverty and that the country is deeply divided. Key recommendation is to reduce in-work poverty.

Birkenhead MP Frank Field calls on the Government to launch a public inquiry into “hunger, food poverty and the huge increase in demand for food banks”. The North Liverpool Foodbank says figures had doubled in the last year; almost one in 10 were simply because working people did not earn enough. (Daily Post 2.10.13).

1 Introduction

“So yeah, times are probably more desperate than I have ever seen them in my lifetime, concerning benefits and housing benefit, and all that, and its worse when you work so hard and you don’t get any help.” **Eileen**’

‘There are clear signs that the economic recovery is not being matched by a social recovery. There are 600,000 more children in working households who are living in absolute poverty after housing costs than there were in 2009-10. Too many of the jobs that are being created in the economic recovery are low-income and high-insecurity. They are a dead-end, not a road to social progress. There are five million low paid workers in the UK and, despite the success of the National Minimum Wage in eradicating extreme low pay, the proportion has barely changed in two decades. Worse still, only one in five workers who were low paid in 2002 had managed to escape low pay by 2012. Too many poor workless parents have simply gone on to become poor working parents.’

State of the Nation 2014: Social Mobility & Child Poverty Commission’

Getting By? voices the experiences over a year of thirty Liverpool families where one or both parents were in low paid employment. Through weekly spending diaries tracking their income and expenses and regular in-depth interviews, they revealed the challenges they faced in their daily lives during 2014, as they sought to manage the impact of low income on their finances, health and well-being, social and family lives. They are typical of many other families, not just in Liverpool, but across Britain. These are families trying to get by on incomes below the Minimum Income Standard (MIS)² – the rate deemed by the public in 2014 to be the minimum necessary to achieve an acceptable standard of living. They are the families experiencing the reality of austerity Britain at the sharp end.

Getting By? is not an academic research project, though we have worked to ensure its rigour. Many individuals have contributed their time and effort to the project, much of this on a voluntary non-paid basis, because they are concerned about the growth of inequality and the need for urgent action to reverse this. Our aim from the outset has been to influence the political debate on working poverty so as to lead to positive change, while at the same time being non-partisan.

We have tried across the year to capture the reality of life for the thirty families, and through this book, to portray this as best we can. The project has been driven throughout by a tangible feeling that Britain has a political class which is out of touch with the lives of working families. The comment by Carol, who was one of the women taking part in the project, captures this:

OCTOBER 2013

“There’s so much injustice right across the nation, it’s like where do you start? Where can you possibly tackle that sort of thing? A lot of it is attitude as well, I think, and ignorance as well. The government are just, I don’t know what world they’re living in at the end of the day, I think they’re seriously out of touch with people.”

Getting By? is not meant as a primer for politicians who want to ‘get in touch’ with voters but we hope it will influence political debate ahead of the 2015 general election, encourage people to think more broadly and question the iniquities of a system under which millions of our fellow citizens work for pay that leaves them and their families struggling to get by. There is compelling evidence to show that the more unequal a society, the greater the extent of social ills it experiences. These include higher rates of crime, mental illness, and drug and alcohol addiction through to lower life expectancy, social mobility and educational attainment³. Are we prepared then to accept that Britain should be one of the most unequal nations in the world and yet still one of the richest?

Maybe we have become inured to the statistics on poverty, or are we too used to simply expressing our concerns passively by watching the latest programme on people living on benefits? Too often, the coverage of these issues appears voyeuristic and sometimes exploitative. We hope to help counter this by enabling the **Getting By?** families to talk extensively about their lives and by reporting their experiences in their own words. In doing this, we want to encourage a greater understanding amongst politicians, and the population more generally; a greater understanding of working poverty, and a resolve to end it. With all major political parties committed to further austerity following the May 2015 election, this appears even more a priority.

background

The **Getting By?** project was inspired by a study – completed one hundred years previously to document the lives of thirty working families in Lambeth. ‘Round about a Pound a Week’⁴ sought to influence the national debate on infant health and mortality and the health of mothers. Discussion at that time was dominated by eugenics and the belief that the condition of the poor was due to their improvidence. The families that took part in the study were by no means the poorest, but rather typical of working families in the district. By keeping a weekly record of family income and expenditure, the study showed that the parents simply had insufficient money to enable them to adequately care for their children, or indeed themselves. It also showed that the mothers were independent, resourceful and hardworking, along with the need for state intervention to establish a legal minimum wage and ‘state endowment of motherhood.’

We have followed the same strategy and found much the same, both in terms of families having insufficient income and mothers who are independent, resourceful and hardworking. The tendency to blame the poor for their poverty still exists, a current example being the suggestion that poor families could make meals for just a few pence

if they only learned to cook. Of course, comparisons with 1913 can only be taken so far; the hard-earned triumphs of the Welfare State and the NHS have dramatically improved the lives of everyone.

There is an often repeated statement that there is no real poverty in Britain today or at least in terms of absolute poverty. This is largely an attempt to deflect attention away from the nature and extent of inequality and poverty in this country. We have no doubt that there is absolute poverty and that it is increasing - and there is compelling evidence to show this. However, we believe our goal should be much more than just eradicating absolute poverty; it must be to ensure that everyone is able to have a decent standard of living and bring an end to the gross inequality that exists in our society.

A further impetus for the **Getting By?** project came from a conference organised by the Mayor of Liverpool in the summer of 2013. The Mayor’s Hope Conference brought together agencies working at the front line of poverty in the city – CAB and welfare rights organisations, credit unions, foodbanks and other third sector organisations. The intention was to identify priorities and actions to help address the serious challenges Liverpool faced as a result of the combination of the economic downturn, changes to Welfare and the loss of funding to the City. Among the messages coming out of the conference was the need to highlight the impact of working poverty and get beyond the statistics to tell the story of the families concerned.

Liverpool City Council’s Action Group on Poverty responded to this by supporting the proposal to replicate the ‘Round about a Pound a Week’ study in the form of the **Getting By?** project. The fact that the **Getting By?** families are from one of the most deprived local authorities in England has a relevance, not least because Liverpool has been amongst the local authorities hardest hit by the reduction in central Government funding. Between 2010/11 and 2016/17 Government funding to the City will have been cut by 56% in real terms⁵. The services that are affected by the reduction in funding are services that families in working poverty disproportionately rely on. This is a pattern that is repeated throughout the country with the most deprived local authorities seeing the highest cuts in government funding and with the same implications for working families. As such, while there are things that are unique to the Liverpool families, this in no way makes their overall experience different from other families reliant on low paid employment in Britain today.

¹ Names have been changed to provide anonymity

the families

We started recruiting the thirty families in late November 2013. Information about the project was widely circulated, with coverage also by local media. In the main, the families were recruited via contact with community and voluntary organisations from across the city. An effort was made to include ethnic minority families to reflect Liverpool's demographic, but also because they are disproportionately represented amongst groups in low paid employment. We successfully recruited families from Chinese, Black British, Polish and Somali backgrounds.

We did not try to identify families whose situation was particularly difficult or extreme, but rather were concerned that they should be typical of families in low paid employment. The main criterion was that their combined earned income and receipt of tax credits and benefits still left them below the 2014 Minimum Income Standard. Most of the families were in rented accommodation, with the largest number being in social housing.

About half of the families were lone parent households, though, as we will see, this is not as straightforward a category as it might seem. The majority of the lone parents were in part time employment; lone parents are also disproportionately represented amongst groups in low paid employment. In some cases there were two parents who were both in paid employment, though generally the mother would only be working part time. In other instances just one partner was in paid employment. To reflect the fact that many adults are in some form of training and employment, we included a student nurse in her last year of training who also had to do agency work. We also included three families where a parent was self-employed, again reflecting an increasing trend towards people being self-employed.

People's employment broadly came from the sectors where low pay is prevalent, including hotel and leisure, catering, manufacturing, retail and the voluntary sector. It also included individuals working in the public sector as a teaching assistant and admin worker. A number were paid the National Minimum Wage and others around about the rate for the Living Wage outside of London.

structure of the book

There are three main sections to this book. The first covers the families' working lives and gives fuller profiles of each family. There is also a sub-section on welfare and tax benefits. The next section looks at how families are trying to cope with the cost of living, including fuel poverty, rising prices and high rents. A sub-section considers the significant impact of debt on the way in which families manage their finances. The section on family life covers the costs involved in raising a child, the impact of low pay on family relations, health and, also, on social life. By way of conclusion, the families give their views on the state of Britain today and their hopes and fears for their own futures. Finally, they set out their views on how, together, we can build a fairer society for Britain.

The project has maintained a website, www.gettingby.org.uk, which has included a weekly record of news items with relevance to working poverty and inequality. Some of these may well have been seen by the families and provide part of the context to the project. We have included these headlines and slightly longer sections of the reports from which they come throughout the book.

The appendices include brief summaries of the weekly spending diaries that the families were asked to keep. These records are referred to at relevant points in the book when looking at the experience of the families. We plan to make the detailed versions, with further analysis, available on the **Getting By?** website. The appendix also includes the observations of the community interviewers who learnt about the realities of working poverty throughout their regular contact with families over the year. The final appendix explains our approach to undertaking this work and the methods we have used.

Research by the Joseph Rowntree Foundation says that the largest group of working households' with children in poverty are those where only one parent goes out to work. Of the 1.3 million families living in poverty 400,000 are where one parent goes out to work.

Liverpool has second highest number of households affected by bedroom tax. 10,075 households in the city affected; up to 25% of housing benefit taken from people who have what is deemed to be one or more spare rooms.
(Daily Post 25.11.13).

Liverpool Mayor Joe Anderson launches a new charity to help support the city's foodbanks.
(Liverpool Echo 22.11.13)

Report by Save the Children says that on average families on prepayment meters pay £250 more a year.

NOVEMBER 2013

2 Work

"I'm like, I don't have enough time, and if I do have the time it's either to sleep, to be able to just sit and do nothing or clean up....but even though things have changed, I'm still only just getting by now. It's kind of like I'm putting all this time in but I'm not with the kids and for what? I am getting by but you'll see in the diary, my wages went up by only 12p an hour, so I went from £6.19 to £6.31; its minimum wage." **Brenda**¹¹

'There are 5.24 million workers in Britain who are paid below a living wage. This is an increase of 420,000 over the last 12 months. That means that more than one in five workers are paid less than the amount they need to enjoy a basic, but socially acceptable standard of living. For the first time, the majority of people in poverty in the UK are working....For many, rather than being the lowest rung on the ladder, low pay is a life-long existence that passes from generation to generation.'

The interim report from the Living Wage Commission 2014⁶

In 1975 15 per cent of workers were in low paid employment, in April 2013 it was 22 per cent 'Growing numbers of workers over the last decade have found that being in work no longer guarantees economic security.'

The Resolution Foundation 2014⁷

introduction

Millions of people in the country cannot reach an acceptable minimum standard of living⁸ because their wages do not provide a sufficient level of income. Even when wages are subsidised by tax credits, they cannot achieve a minimum standard of living. In Liverpool alone, 32,600 families in work receive working tax credit because their incomes are too low⁹. Low pay is a fundamental problem but it's not the only issue. Poor employment practices and working conditions make work and family life even more difficult. From trying to raise a family on earnings of £6.50 an hour to coping with job insecurities and pay freezes, this is the reality of the working lives for the **Getting By?** families.

¹¹ £6.31 was the hourly rate for the National Minimum Wage prior to the most recent increase to £6.50; this interview happened before this.

the national minimum wage

Even before the 2008 financial crisis, wages were failing to keep pace with price rises. Since then wages have continued to stagnate while prices have increased. Between 2008 and 2013 the National Minimum Wage has fallen in value in real terms by 27 pence. For someone working full-time on the National Minimum Wage this represents a weekly reduction of £13 a week, for a part time worker it is £6 a week¹⁰. Given the rising cost of living over the same period it is hardly surprising that families with wages at or about the minimum wage are struggling to get by.

Gill and her partner Pete have two young children, one of whom has health problems, and Gill is also pregnant. Pete worked for the same large international company for many years managing a team of staff before being made redundant. He was unemployed for about 18 months during which time he was on job seeker's allowance and as Gill says, applying for fifty to sixty jobs a week to make sure his benefit wasn't stopped. He then got a job in a fast food outlet:

"He was working for Burger King. He was going out and working all hours there and he wasn't seeing us. And that was a trial, a six week trial. At the end of six weeks they just said no, you've not got the job."

Following this, Pete got his current job in the service sector. He is paid £6.31 an hour and is on a zero hour contract so has to phone in every day except Sunday to see if he has work. In practice he finds he is working every day:

"He goes in at 8am every morning and he's there all day. Last week he did 47 hours, the week before that was 50 hours. I think the zero hour contracts are for holiday pay aren't they, so they don't have to pay you holiday pay or sick pay."

On an average weekly basis the family is spending £95.40 more than their combined income from earnings, child tax credit and child benefit. They can only manage this while drawing on Pete's redundancy payment and money Gill's father left when he died the previous year. The hope is that Pete can get a better job that also pays more.

Rose is a lone parent with one young child, Joseph. Since she left school at 16 she has always worked and sees it as important to do so but she is struggling financially:

"Rent, gas and 'leccy bills are just outrageous, water bills everything. You can't go a week without having a bill. There is always a bill there and it needs to be paid, no matter what. By the time you get to the end of the month and you think 'Oh, there is a week free,' then something else happens, and there never is, there never is."

Rose has been employed in her current job in catering for about nine months. She works two shifts, one of ten hours, and the other of six hours and is paid £6.19ⁱⁱⁱ an hour. If it has been a slow day she has to wait for her pay and hope she can get it at the end of the next shift, or when her employer has her money. Rose is not given payslips and while the work is not difficult, her work situation is stressful:

"Me boss, the bosses that work there, they are just unreal and she is constantly threatening me with me job, accusing me of everything. But there is nothing I can do and everyone is like 'just walk out, go on the dole,' but I can't do that. I know that me job keeps me and Joseph. So I couldn't just walk out of work, I have to stay there and take it....It is stressful especially with the work situation. You feel like you are working for nothing and you are going to work and you are working and working and you are coming home and you have still got nothing. It does really get you down."

Both Phil and his partner Dot are paid minimum wage. Dot has two jobs, working as a care worker and as a cleaner, while Phil works full-time in the hotel and leisure sector. They live in social housing near the city centre and have one child. Even with their combined income, including tax credits, it is hard to make ends meet. Phil compares how things are now with how they were a few years ago:

"Oh no, much worse. I'd say over the last two years we've noticed the likes of tax credits. We used to get like £100-odd off them in 2010 and it's only £50-odd now. The wages haven't gone up; they're only rising with the minimum wage. And we were on minimum wage then. So basically what they've done, the money hasn't gone up, it's only gone up with the minimum wage but the tax credits and things like that are going down. And it's not what we had in 2010 and what we could afford to pay out. We could afford to say, 'Yeah, we can pay that bill', but now we've got to rob Peter to pay Paul....We struggle, basically, we really struggle, juggling bills. So what generally happens now is a lot of companies are always pressuring us to pay more and more, like electricity and gas, but our financial situation doesn't allow us to do that, so we just pay what we can pay."

Michelle is a lone parent with one child. She is working in a supermarket and is struggling to pay off rent arrears on her privately rented property and also a payday loan. On average she is left with just £8.39 a week once her combined earnings, tax credits and benefits are taken away from her weekly expenditure:

"Yeah, the living wage is £7.50 but we're only on £6.50 minimum wage and this is what's happened. I'm getting penalised 'cos I have to do extra hours to get the money in 'cos I've got more going out than I've got coming in. And I'm getting hit in other places because I've done a few extra hours. My rent and my council tax benefits, that all went down when my wages went up. Now I'm even thinking, 'Is it even worthwhile working?' I've worked nearly all my life apart from for five years where I brought my daughter up. I've worked since I was 16 and sometimes I feel like, well, what is the point?"

ⁱⁱⁱ At the time of the interview the national minimum wage was £6.31 so she was still being paid the old rate.

the wage freeze

'For most working households, however, the increase in numbers below MIS can be explained more by stagnant wages and cuts to in work benefits than people having less work. This means the risk of a household falling short of MIS can increase, despite their work status remaining the same.'

Households below a Minimum Income Standard: 2008//9 to 2012/13. JRF January 2015¹¹

While there have been small increases in the National Minimum Wage, not everyone in low paid employment has benefitted. Where earnings have been above the national minimum some families have seen little or no increase in their wages. With the effects of inflation, these families have seen their incomes fall.

Ric and Carol have two children. Carol had to give up her job due to chronic ill-health and the family now relies on Ric's pay as a care worker. He is paid just above £7 an hour and he hasn't had a pay increase for a number of years. Even with the long hours he works, they are in permanent debt and owe nearly £4,000. Though Ric's hourly rate has stayed the same, changes in how it is calculated mean he is now earning less. Carol's description of Ric's work situation is not unusual for care workers:

"Money-wise, as well, there's been no raise at all since, I can't remember when. In fact they cut hours. I wouldn't say they fiddle the hours, but Ric works from 12-10pm. It used to be 12-12 and he was paid for 12 hours then he'd finish his shift and then he'd get the sleep-in rate, but they've changed that. They've taken the 2 hours off and now he only gets paid from 12-10 and the two extra hours go onto the sleep-in and there's no increase there. So for every shift he's two hours pay down. And even things like staff expenses in work, they're £3 a day and, if the lad wants to go to town, that's it gone, isn't it? It's more than gone and so there are no expenses for anything like the food and drink and he's out from 12 noon till 8 the next morning. He'll take his packed lunch with him that he'll have when he comes in at 10 at night and that's it. And they're basic things; there are numerous other things like the staff bedroom and conditions and that sort of thing really. But you're tied in, what can you do about them at the end of the day? And you're back to that same old thing, you're lucky to have a job, like it or lump it really, you've got no choice about it."

'The working conditions of care workers are among the worst of any in England. Their wages tend to be either National Minimum Wage or no more than 15% above that minimum. Frequently, even the National Minimum Wage is ignored, with employers unlawfully refusing to pay Domiciliary Workers for the time to travel in between their clients. Many Care Workers don't even know what hours they'll be working from week to week – exploitative 'Zero Hours Contracts' play a huge role in the sector and destabilise workers' lives.'

The Kingsmill Review: Taking Care¹²

Ruth has four children and her partner Michael has been looking for work for a long period. She works as an admin worker and is paid £7.80 an hour, or just about the Living Wage. Financially things are very difficult and on average the family spends £10.76 more each week than it has coming in from wages, child tax credit and in work benefits. They have debts of nearly £6,000. Things have been made worse by Ruth not having any increase in pay for a number of years:

"When I started working, seven years ago it was, the wages were quite good. But now I have not had a wage increase in seven years, or five years it was. It's been tough. Don't get me wrong. We got a bonus at Christmas (£200). So that was good, it makes you feel a bit more appreciated. But I would like a bit more pay. I would love a bit more pay.....obviously we look alongside and when you see someone else getting a 3 per cent rise or a 1.5 per cent rise, you're a bit jealous of them like 'cos we are just left on the same wage."

Beth is a lone parent with one child and lives in privately rented property. She works as a receptionist and continually struggles financially. She gets no support from her ex-partner. On a weekly basis her outgoings exceed her combined earnings, working tax credit and benefits by £27.08. As a result she often relies on help from family members:

"Nothing, until last year, I think we got something like a 20p an hour, so I didn't see nothing for it. Five years ago when we used to have different bosses, we used to get a raise each year, even if it was like 20p or something, we'd get it every year, but now we don't. That's all we've had in the five years is 20p, but I didn't even see nothing for it at all."

Lynn also relies on financial help from her family in order to cope. She is a lone parent and has two children and also does not get any help from her ex-partner. Lynn works full-time as a teaching assistant. Her outgoings currently far exceed her combined income from wages, working tax credit and child benefit. On an average weekly basis she has £134.04 more going out than she has income. Not surprisingly she has debts of over £3,000:

"I can't remember the last time my wages went up. They've stayed the same for years now, but no, it's got worse really. I love my job but everything's gone up apart

from my salary. They do it a lot, not just me, all the other girls and staff and school are doing three times more than what they use to do. We were only talking about it the other day, how much it's changed.....I come home with just over £1,000 a month after tax and everything and I do overtime. Like today, I've been in since 7:10am. I'm paid for today, it's breakfast club, so we get paid overtime, but by the time you get taxed it's nothing. And it's only going to get taken out of my Working Family Tax Credit, so you do it out of the goodness of your heart don't you?"

Cuts in public sector funding have made things hard for the voluntary sector organisation where Luke works. As a result, he has had no increase in his pay in six years. He also gets no additional payment for being on standby and having to deal with emergencies. His partner has recently had their second child and is on maternity leave from her job in a supermarket. They have a mortgage which accounts for nearly a third of their outgoings and they are only just about managing financially with an average weekly surplus of £25.61:

"In the last one or two years, the budget cutting for the local authority and the Government [means] we haven't got any opportunity to get more funding like there used to be, so we have to think about alternatives. We can generate income but at the moment everyone's salary has been frozen, no increases at all. We provide a critical service to the elderly, so sometimes we've got to deal with emergencies, so we've got some unexpected working hours during the weekends and evenings. It's classed as emergencies, but it's quite often...we don't get paid but we can claim back the time."

a lack of family time

The need to grab overtime when it's available and working long anti-social hours, limits the time families have together. With both of them working, Phil and Dot have to manage their time to have at least one of them home with their daughter:

"We see each other now on a Monday and a Tuesday, we spend Wednesday, Thursday, Friday, Saturday evenings together and then Sunday we don't see each other at all. She goes into work and as soon as she's coming home, I have to leave. It tallies out with the daughter so we don't have to get people to mind her."

Norma has three children, one of whom has a chronic health condition. They live in the north of the city and rent from a private landlord. Childcare costs and rent of £600 a month are a major drain on her budget. She recently started full-time work and worries about the impact on her family that the hours she is now working will have. As she is separated from the father of her three children and, as they spend time with him, it means she has even less time with the children. One of the children has been very upset:

"She was like, 'I hate your new job cos we only get a weekend together.' They have

access with their father and then they are back to me. Then they are gone again and it's horrible for me. I am getting quite emotional talking about it. I miss them loads.....That's something that is going to impact massively on them not having as much time with me any more. But you know the price of living is going up and you just go to work as much as you can now to get enough."

Karolina and her partner Micha are Polish, live in the north of the city and have been in Britain for eight years. She works part time in a shop, while he is a full-time manual worker and does as much overtime as he can so they can manage financially. In one week, he did 18 hours overtime on top of his full-time hours. Both Micha and Karolina are on minimum wage. They have one young child and another on the way. Karolina's comments written at the end of her spending diary capture both the financial pressures she and Micha are under and the impact this has on their family life:

"For these 52 weeks that I had this diary there were a few changes: rent increase, council tax increase, our child tax credit has gone down from £54 per week to £26 per week (due to overtime that Micha was working last year which was necessary for our financial needs), food has gone up, minimum wage has gone up from £6.31 to £6.50 an hour (which we are both getting) but that is the change that we can't really feel. Micha still needs to work hard and long hours and days to bring in 'just enough' money to live but we can't buy anything for the house or go on holiday for cash, it has to be on credit card. And we are having another baby very soon. It's going to make it harder. Instead of spending some time as a family and having fun, we spend it at work to provide for the kids. It is very sad. I hope this project is going to change, even a little bit, the life of families [like ours]."

June and John have four children and live in social housing in the south end of the city. Family time together is limited because John has to work long irregular hours in his job in the catering industry. He is paid just above the national minimum. Even with the hours John works, they are struggling. Each week their average expenditure exceeds their combined income from wages, working tax credit and benefits by £31.64. They are trying to pay off debt of over £6,000:

"Well, to be honest, it is a struggle; it's a struggle, 'cos the kids' shoes, they're growing fast. You find the shoes just don't last. The coats, the uniforms everything, the food, I just find it's a struggle. A loaf of bread's a pound now.... and I'm thinking, 'We work, my partner works his butt cheeks off and we're always struggling'."

Brenda went to university as a mature student to get a degree and has a student debt of £30,000. She now works in the hotel and leisure sector and has just gone back to work after having her third child. On a weekly basis her expenditure exceeds her combined income from wages, child tax credit, child and housing benefit by £98.91 and she is currently trying to pay back debt of £2,280. Her relationship with her long-time partner has become difficult since having the baby and she worries about how she will cope with shift work. She relies on help from her mum:

“Basically, when I’m in work the kids are at home. So then I have to rely on their dad to take over, and if he’s not doing it now I’m just wondering if he’ll do it then. So that’s when my mum comes into it. Sometimes, I kind of feel like I use her...”

Sarah has two children and lives with members of her extended family, though not with her partner. She is trying to establish her own business and as such is self-employed. As yet she isn’t able to take a wage from the business and her main source of income is working tax credit which amounts to £840 a month. She is paying back debt of nearly £3,500. The flexibility that Sarah hoped she would get from working for herself to give her more family time doesn’t always work as planned:

“I did a 14 hour day. I did this whole thing so I could spend time with the children, just the way things fell.... I went home and had a boring sandwich ‘cos couldn’t be bothered to make proper food. I guess that’s what I’ve got to do if I’m to pay myself money.”

unpaid work

It seems remarkable that people in low paid employment should be expected or even required to do extra unpaid work but this is a common experience amongst the families.

Beth works part time, which enables her to take her child to and from school. While this suits her, she finds that she is expected to do extra unpaid work by coming in early and finishing later than when she is supposed to:

“So it’s only ever like half an hour at most, although I suppose during the week that’s 2.5 hours, isn’t it? I’ve never thought of that really, but, no, I don’t get paid for it. It’s expected. No flexi time. I suppose if I wanted to I could note it down and probably push for it to get your time back but I never have. You just go along with it.”

Rob works full-time in manufacturing and he and Carla have three children. Carla had a good job but had to give it up due to chronic ill-health. They now have debts of nearly £4,000 and each week their expenditure in 2014 exceeded their income by £104.31. Their financial difficulties are added to by the requirement that part of Rob’s employment is unpaid:

“He’s salaried, so he’s got to work at least 10% of his hours more a week. He doesn’t get paid extra for that, it’s just part of his contract”

Because of the nature of her work Brenda often finds she cannot take breaks when they are due and gets an unsympathetic response from her manager:

“I didn’t have a break today, but if you were to mention anything it would be, well that’s your fault, because you chose not to have your break.”

As a shop worker on minimum wage Karolina is expected to work unpaid beyond her finishing time:

“I’m paid minimum wage, plus sometimes I’ve got to stay. Say I finish work at 5:30 on Saturdays, I’m never out of the place at 5:30, because we need to cash up the tills. Whoever is cashing up the till can’t do it on their own because they need a witness to sign off the money that’s there. So I’m spending hours, even if its 20 minutes every week, not getting paid, and I don’t think it’s right. But then when you come in late to work, you get asked why are you late?”

Finding work means that some people spend a considerable amount of time travelling once they have secured employment. Helen and Dave have three children one of whom has serious health issues. They live in social housing in the north of the city. They spend nearly £2,500 a year putting petrol in their car, which Dave needs to get to work. As well as having to travel well outside of Liverpool for work, Dave is expected to be available on standby:

“For the people on standby, they don’t get paid for that time on standby, they have to be available at any time and that’s if you want to get paid.....and also his time, he’s got to leave a lot earlier, so even if he doesn’t start till half-six, he’s got to leave at half-past four, two hours before so he doesn’t get stuck in the rush hour traffic.”

sick pay

The pressure to come into work even when you’re sick and your employer doesn’t pay sick pay, is huge if you are in low paid employment and can’t afford to lose the money. Phil, who only gets the national minimum, explains:

“No, I can’t see no end to it at all. I really can’t see an end to it. It’s just, the way of dealing with it. You’ve just got to try and carry on with what you’ve got. I know I can’t take sick days and things like that because obviously they don’t pay sick anymore, so you’ve got to come into work. So even if you wanted a little day off somewhere along the way, or to take a holiday, you can’t do that. Working here you do see the people with the money, but I’m not a jealous type of person, I’m given what I’m given, that’s how I’ve got to get by.”

John’s in a similar situation and can’t afford to take time off sick, as June says:

“He’s a proud man and it’s awful to see someone that works so hard get a pittance.... No, if he’s off sick, he doesn’t get paid. To be honest, he’s never been off, touch wood. Oh, he worked with his foot broken for six weeks, and didn’t know it was broken. Then he couldn’t get his shoe on so went to Whiston and they said it was broken. And when he had the operation on his back, he had an open wound on his back. It wasn’t like he was in bed with a cold. They were the only times he was off. Whenever he feels sick it’s always on his days off. But he’s that exhausted lately he comes home and he’s asleep on the couch, his hours are so long.”

Liverpool City Council presents its three year budget to save £156 million following cuts of £173 million in previous three years. Between 2010/11 and 2016/17 Government funding to the City will have been cut be 56% in real terms.

(Liverpool Express 13.12.13).

Industrial action takes place at University of Liverpool in response to proposed cuts to take home pay of lowest paid staff including cleaners, cooks and security staff.

New Economics Foundation says that more than 5 million people are officially classed as low paid (60% of average national income, equivalent of £7.47 an hour or £13,600 a year; they are experiencing biggest decline in their living standards).

Research commissioned by Joseph Rowntree Foundation shows that there are more working families in poverty than non-working families. 6.7 million working families live below the poverty line up 500,000 since previous year.

Work and Pensions secretary accuses Trussell Trust of 'scaremongering' and refuses to meet the charity that has opened more than 400 foodbanks in UK.

DECEMBER 2013

maternity and paternity leave

Chen and Ai have two young children. Chen works long hours in a Chinese restaurant and is paid about £200 a week. Ai is paid £6.31 an hour working part time and doesn't get paid when she takes a break or goes for lunch. In 2014 the family's expenditure exceeded their combined wage income and child tax credit and child benefit by £5.34 a week. Ai has worked in the same supermarket for about five years. On returning to work after her baby, she found her pay was reduced:

"Because after giving birth to children, the period when I was off for my maternity leave was more than a year, so when I went back, it was to the minimum wage, which is the lowest wage that they can give you. When I worked there before, they had given me a pay rise. Because it is as if you're starting fresh in the job, so it has to be in accordance to that standard."

Gill says that Pete can only take two weeks' paternity leave because he's on a zero hours contract and that he isn't getting paid for having to take time off recently to help look after their sick child:

"The baby's due the [date], so not long to go now. Tom hasn't been well. Pete has been off this last week, so he won't get paid either, because of the zero hour contract. He only took it off because, with me being the way I am, he's too much now. This last month has been really hard basically and with him being sick he's dead clingy to Pete when he's not well and Pete took the week off. They've rung up today to see why he hadn't rung in and he's meant to have rung in every day, but why? You're on a zero hour contract, so why do you have to ring in every day to tell them when you're going to be back? He leaves here at 6:30am and comes back at 7pm at night, a full day isn't it? He's taking a month off, he's already told them that. He should get two weeks' paternity leave because you're entitled to that aren't you, so realistically you should get paid for that. Then he's got two weeks' holiday that he's taking as well."

Micha can't afford to take paternity leave because of the paternity rate that he will get paid, as Karolina explains:

"I didn't even mention that, he's not even going to go on paternity leave because when I looked up online, it's £130 a week, so he said, just forget about it, I'm not going to go on it. Say if mine's going to be £100 roughly paid every fortnight, which is worse, and if he's going to go on it for £130, probably paid fortnightly as well because the jobcentre pay it. So that would be £230 a week for both of us. He makes more when he goes to work and makes overtime as well. So he says, 'I'm not going to go on it.' He might just take a week off as a holiday which is going to be paid more rather than take paternity leave. It's a joke, £130. He didn't take it with Lydia, but the reason he didn't was because he wasn't working long for his employer, but he can do it now."

self-employment

'The number of people who are self-employed is at the highest level since records began and accounts for 15% of the total UK workforce. People in self-employment have on average experienced a fall in real pay of 22% since 2008-09. They work longer hours and on average earn £207 a week, less than half of that of employees. At the same time they do not receive sick or holiday pay or get any contribution towards a pension.'

ONS report August 2014 Guardian 20.8.14¹³

Treating workers as 'self-employed' is one of a number of strategies employers are increasingly using to reduce their costs – with negative consequences for employees. For an employer, if the individual is classed as self-employed, it means they can avoid paying for holidays, sick leave or maternity and paternity leave.

Matt and Avril have two children. He earns round about the Living Wage, but that still left the family over the year spending on average £10.76 more each week than they had from their combined income of wages, working tax credits and benefits. They have current debts of over £1,200 and frequently need help financially from family members. Matt has worked for the same company for a number of years on a full-time basis. Therefore, it is difficult to see on what basis his employer can say he is self-employed and treat him as such. Avril describes Matt's work situation:

"He's classed as self-employed, he's a ground worker and he's been with the firm for seven years. He's on just under £8. They asked for a pay rise last year and they said, 'No', but he gets his petrol paid. There's a works van they all get in to go to work in, but his wages, they're not enough for what he does."

Kate has four children. One is working and another is in full-time education. She works as a self-employed cleaner and earns £6.20 an hour. On a weekly basis her outgoings exceeded her combined income from pay, child tax credits and child benefit in 2014 by £59.60 a week. She is at present paying back debt of £1,584.00. Kate would much rather be employed than have the insecurity of not knowing if she will have work:

"I just find it a struggle to go out to work and then at the end of the week there's nothing left, it's just disheartening, it gets me down. I worry about my credit cards, but saying that though I still use them, I've got to, there's no other way I can work round it. I think a lot of people are in a very similar situation...I'd like not to be self-employed, work for a company, [so I] didn't have to do all the book work and knew from one week to the next that my job was safe. Knew what money was coming in 'cos being self-employed I can't be off 'cos I don't get paid. If anyone cancels a job at the last minute I don't get paid, it's not reliable. I would much prefer to be

working for someone 40 hours a week with a wage and enough money to do stuff."

Sarah made a positive decision to set up her own business and become self-employed:

"Obviously being self-employed is always a risk because there's no real protection if it all goes wrong, but I don't feel like I'm in a particularly precarious position with it."

While she has not been able to take any income from the business so far, Sarah is quite optimistic about how it is going:

"I hope that the business side of things is picking up and running without financial input from me so often. It means that, before long, I will be able to take out money for the time and effort. I feel quite positive about that side of things."

escaping low-pay

'For thousands of low paid workers, low pay is a permanent state, rather than the first rung on the pay ladder. The Resolution Foundation tracked low paid workers from 2002-2012 and found that only 18% had escaped low pay by 2012. 1.3 million employees remained stuck in low pay for the subsequent decade, and a further 2.2 million workers held higher paid jobs but returned to low paid jobs by the end of the decade.'¹⁴

The interim report from the Living Wage Commission 2014¹⁴

Pat is a lone-parent with one child and lives in the south of the city in privately rented property. She works part time as a receptionist, which she has been doing for the last twelve years. She gets no support from her ex-partner and is paying back debt of over £2,000. Pat sees no real prospect of improving her situation:

"There's nothing within my workplace that would affect my pay rate.....they can just pay minimum wage, unless there's a manager's role, but we only have like one manager. There's nothing really to increase the pay. I've just picked up a day in work to increase my monthly pay."

Apart from increases linked to the national minimum wage, Beth doesn't feel her financial situation will improve or her job prospects:

"I've been in the same job. I've been doing it for ten years this year. I don't get nothing major, just like when the minimum wage goes up.....I don't even know what it is to be honest, but whenever we get a rise, it's not really noticeable, especially because I'm part time.....We get graded on what we do but to be honest with you, they try and keep you at the basic rate if they can anyway, so it doesn't matter what you do. To be honest with you, I'm that used to it now that I'm just like I never think

"I'll get increases and anything I do get is a bonus. I've never put in for a promotion and because of the hours that I work there probably aren't any opportunities."

Having already got into debt through going to university as a mature student to improve her employment prospects, Brenda feels she will have to do further training to escape being on minimum wage:

"Like I said I'm in £30,000 of debt from uni, so I don't want to be getting minimum wage all my life, so I was looking to kind of maybe do a bit more training to become a (occupation). I'm not sure I can move up within here, but within my profession, yeah, kind of just look elsewhere for something that pays a salary."

However, she already has to find a £1,000 a year to keep her training up to date and can't afford to do further training on top of this:

"For me to improve my training we have to do continuing development courses every year, its self-funded isn't it? So, that's another thing for me to keep going, it's like £1000 a course, just for me to do the (training course) and it's like £1400 for that course and it's a six week course. It's nothing that, it's for a piece of paper, it's just more expense isn't it, on top."

Micha used the last of their savings at the time to pay for training. He hoped this would enable him to get a better position within his work, but it hasn't worked out as planned and Karolina doesn't feel he has any prospects with his current employer:

"Micha just said that because he's got that card to be able to (job description), he had to pay for it, because when he was jobless he got it himself. Because he asked the people in the job centre if they would arrange that for him and every time they said, 'Oh, we need to find out, we haven't got that course at the moment'. So he spent the last of our money on that and he paid about £300 for it, and he got that done because he was hoping to get a job as (job description) because it's better paid. It's not usually a minimum wage, but then he couldn't get the job."

Louise is working full-time as a teaching assistant, but on a temporary contract. She has two children and lives in privately rented property in the east of the city. On a weekly basis her financial outgoings exceed her combined wages, child tax credit and child benefit by £8.46 and she has debts of over £1,300. Louise sees training as a way of improving her prospects, but doing training on top of work and looking after a family just seems impossible:

"At the moment I am a trained NVQ level 2. I have got an opportunity to become a level 3. But I struggle with that because it is done out of work hours, and also I have got the childcare to worry about, plus the exhaustion. I am absolutely shattered when I come home at the moment. I don't think I could go to university and study and as you can see, trying to get some peace and quiet, I could only do it when they have gone to bed."

Being self-employed Kate can only see one way of earning more:

"I can't really, I'm self-employed, the only way I could improve what I'm doing would be to take more hours on. But I'd have to take a huge amount of hours on because I think the next step for the working tax credit, I dunno if it's 30 hours. But then it's picking Luke up and it's like holidays over the summer. If I work 30 hours it's getting somebody to mind him for 30 hours and I couldn't afford to pay for him to go to school clubs or that type of thing. The other thing would be to maybe bring work home with me, i.e. like ironing, which I could do at home, in the evenings, and then obviously Luke is with me anyway, so that could be a bit of a boost."

job insecurity

Ric's job isn't secure and is a cause of stress for the family. Carol makes the point that as a care worker he has no guarantee of work:

"Everything is constantly hanging on a thread; there is no permanency to it. Although it's a permanent position, it could be swept away at any moment and again funding is being cut and cut and cut. There are other people, this has happened to them. Their services have been cut and they've been left without, but you're paid for the hours you work, and then you're basically relying on them, but you haven't got the redundancy money. You're just left in a situation where you're picking up shifts that can't be filled, or somebody goes off sick or whatever it is, that's all you've got for the time being, it's no better than a zero hours contract at the end of the day is it?"

Changes in her firm's management and cost cutting are a source of real concern for Pat:

"It is permanent; I've been there twelve years. My new boss, to be honest, seems to go through staff a lot more quickly. We all worked for the same company for years and she seems to be different, she's more cost-effective so she's trying to employ trainees and apprentices who are on £2.30 an hour. We do often, myself and two of the old girls, think that we are at risk really on account of the wage bill. So it is always a worry. We try not to think about it really. There were times when there have been things getting said in work about the wage bill and she needs to get rid of the highest waged people. It's one of them really, I know she couldn't just get rid of us, but we're always thinking she could do things, like obviously change my hours so I couldn't work them. It is always a worry, but I try not to worry about it."

Beth is not optimistic about keeping her job because of redundancies and closures:

"They're closing branches down constantly at the minute, there's people getting offered redundancies left right and centre.....we think it's going to close.... they're only allowing two of us to go off at a time now because they've got no staff, they're cutting down, so it's hard."

The charity that Luke works for has serious financial problems due the cuts in funding, which means there is a great deal of uncertainty about his job in the medium-term:

“We have been told by the trustees that this organisation is only able to survive for another 18-24 months, so unless we can get a big opportunity or big funding comes in, the charity may be shut down....the money that we’ve been getting from Government has been getting less and less....I can’t guarantee after two years. I’m negative about it.”

Rachel is a lone parent who has four children. She has two jobs that amount to full-time employment and pay above the national minimum. Even so she is in serious debt and almost a third of her income goes to pay back debt of nearly £9,000. Rachel has been anxious about one of her jobs with a third sector organisation that has been far from secure:

“To be honest with you, up until a couple of months ago it wasn’t month by month, it was 6 month by 6 month. They’d say the funding runs out in July, but then, it’s from all different places, so the funding that was paying our wages would run out in July then it would be the second week in July. Then they would say we’ve secured some more funding so you’re ok up until December. Then we’d go back and they’d say they’ve got more funding until March.”

pensions

‘Official figures today showed the number of people in an occupational pension scheme had plunged to 8.2 million or 35 per cent. This compares with 12.2 million in 1967 and is the lowest recorded since 1953 – the year of the Queen’s coronation. Experts blamed the collapse in final salary schemes, the plunge in savings rates and the huge pressure on parents to cut savings to find money to help make ends meet.’

The Telegraph 16th July 2013¹⁵

Contributing to a pension scheme can be unrealistic for families in working poverty who are already struggling to meet their immediate financial commitments. Carol and Ric are among many facing the same situation:

“Again, that’s a concern. It’s hard isn’t it, because I know you’ve got to put something away for your future, but we’re living hand to mouth, day by day. We have to start making some provision. It’s like all those things we’re really, really crap at. We’ve got no savings or anything like that, we’ve got no insurance, no life insurance, nothing like that, because as I say it’s that hand to mouth, living day to day. We can’t plan for the future.”

Eileen is a single parent with three children and has two jobs so effectively she is working full-time. Her combined hourly rate works out at about £7.75 an hour. She is still paying back a loan she got from a ‘legalised loan shark’ three years ago to pay the deposit on her rented property and her current debt is over £3,000. She is aware of the introduction of the workplace pension scheme, but so far has not been able to afford to make any provision for a pension:

“I’ve heard that it’s coming in and it’s starting soon, but I haven’t got a pension and I’m 48 years of age. No life insurance, no insurance on anything at all and no pension. But apparently they’ve got to have them by law..... I want to work for as long as I can and it worries me that the day will come when I can’t. My biggest concern is ever being a burden on my kids.”

Ai recognises that she and Chen should have pensions but it’s not something they can resolve now:

“At the moment, there isn’t much thought on how to deal with this problem. At the end of the day, age is an issue. Even if you can work ten or twenty years more, you would get old, and your functions would deteriorate. Your hands and feet wouldn’t be as fast as other people. It is still a problem.”

Rachel’s reaction on being asked about the future and retirement wasn’t untypical:

“You’re joking aren’t you? I don’t worry about it at the moment. Maybe it’s something I will be doing in a few years’ time.”

For Kate, earning minimum wage as a self-employed cleaner, retirement isn’t an option:

“I’ll keep working. I don’t pay into a pension so retirement is out of the question. I have thought about it, but I think for me to get any type of pension now I’d have to pay a big amount, to benefit.”

collective bargaining

'Around 6.5 million employees in the UK were trade union members in 2013. The level of overall union members was broadly unchanged from 2012, with a reduction of only 6,000 over the year (a 0.1 per cent decline), but well below the peak of over 13 million in 1979.'

Statistical Bulletin, Department of Business, Innovation & Skills, May 2014¹⁶

The extent to which declining trade union membership and the weakening of collective bargaining have impacted on the growth of low paid employment can be debated, but it is perhaps significant that, amongst **Getting By?** families Eileen is one of the very few trade union members:

"I don't think they've got a sway any more myself. Mrs Thatcher put an end to that. They're good for individual cases I suppose, if you're looking for support in an unfair dismissal claim or something like that. But I don't think they've got any sway with any huge organisation or any workplace anymore."

Job insecurity is the reason Louise hasn't done anything about joining a union or a pension scheme:

"I keep saying I am going to join the union and the pension scheme. But I keep holding back until they make me permanent 'cos I don't want to start paying in to something and then they say no you are not staying on."

the importance of work

The employment experience of the **Getting By?** families is not just about being low paid, it is frequently defined by poor working conditions and employment practices. For all this, the families are adamant about the importance of having jobs because of the message it sends to their own offspring of being role models as parents and because it was engrained in them by their own parents. The importance of setting an example for the children was emphasised by Lynn:

"It's important for me to have a job because I want my kids to follow in my footsteps, and I don't want them to (think) it probably would be easier for me to go on benefits or stuff like that. But no, I want to work. I want my kids to work as well. The amount of money I get paid and the amount of money I pay out, it's still not an excuse not to work, but I understand why people choose not to. It's too easy for them. The system should change, shouldn't it? They shouldn't be given that money

the way they do. People look at it and say I only earn £50 more to be in a full-time job, that's a good excuse for not doing work.

Eileen makes a similar point:

"The main reason why it's majorly important for me is because I need my kids to see me getting up and working for a living every morning. I'm leading by example. I think it's important that they know that you get nothing unless you get out of bed and earn it."

Bill and Jane have two children. Bill works full-time in the leisure sector but even so, their average weekly expenditure in 2014 exceeded their income by £59.52 and they are paying back debt of over £1,600. They get help from Jane's father and have also made use of pay day loans. However, Bill says he will stress the importance of working to his children, as his father did with him:

"I mean, I've always worked, it's always been instilled in me that you work, even with my disability, you work. It's a pride thing as well. It makes you feel better if you work, I would never, unless my disability got so bad that I couldn't, I would never not work.....My dad had his own business for 47 years, so he says I don't care what you do, you work, and that's what I want to instil into my kids. I think it will be very difficult in the future but I will instil it into them."

Phil shares Bill's view and sees employment as making a contribution to society:

"I do think it's important, it's a 'self-thing'. You need to work. And I like to think I'm working and then later on in life I can think I've put my fair share into the pot type of thing and I'm expecting a fair share back. I don't have a pension at the moment.... we've both worked, I've worked in various other jobs, from the age of sixteen, I think the only time I've been unemployed was for about four years and then I managed to get back into work."

Even though Ruth is not much better off in work she stresses its importance:

"It is very important to me that I have a job at the moment basically for my children, to be a role model to them. I don't want them sitting on the dole, you know what I mean..... Yeah, set a better example. It's good for myself, for me wellbeing, getting out, getting away from four kids....Yeah, basically at the moment the way my wages and everything goes, I am only about £15 better off working."

For Rachel, work gives you a sense of purpose:

"To be fair I've always worked. I left school at 16, worked for the summer in a factory and then went back to sixth form and then left school and went to the factory. And even in between the kids I've always had part time work and stuff. If I didn't work I'd be absolutely devastated. I'd have to do something.....but I always said if I came into money I'd still do voluntary work, because I think it's nice to have a break, and you need a reason to get up of a morning."

A report by the Princes Trust finds that around 12% of young people in Liverpool have experienced suicidal thoughts, self-harm, panic attacks, feelings of self-loathing and other mental health symptoms as a direct result of unemployment
(Liverpool Echo 2.1.14).

Welfare reform has had a “shocking” impact on lone parents, according to research published by the Poverty Alliance. The study identified the rising cost of fuel and food as other key concerns. Peter Kelly director of the Poverty Alliance said: “This research shows that for people living on benefits it is frequently a life of struggle, and of going without.”

BBC News 11th January 2014.

10 most deprived areas in England experience cuts in Government funding on average of 25.3%, while 10 least deprived have cuts on average of 2.54%. Liverpool as most deprived area has cuts of 27.1% compared with 1.5% for Harts district the least deprived.

(Guardian 30.1.14).

Three people charged with taking discarded food from wheelie bin behind Iceland Store in London. Crown Prosecution Service claims ‘significant public interest in’ prosecuting.

(Guardian 28.1.14).

Dee is a lone parent who has five children and they live in privately rented property in the north of the city. She works part time but values her employment because it reduces her social isolation:

“Oh, yes, I feel better in myself, and I feel better than like when I didn’t have no money. Before I was just stuck in the house with no money, but now, I’ve still got no money but I can go out and talk to my friends. You know my work colleagues, they always cheer me up.”

Adam and Fawzia have five children. Adam used to work full-time as a support worker but was made redundant and now works in a fast-food outlet and gets paid about the minimum wage. He works shifts and has to be on-call for when he might be needed. He would like to work more hours because he isn’t earning enough, but generally only gets three days’ work a week. Fawzia stresses the importance of work even though she thinks they are no better off financially:

“It’s important because it gets depressing if you’re both out of work, because, if you think about it, there’s no future for the kids either so it’s like...it gives him a bit of confidence, thinking that he’s always working. Occasions when we were both not working, it was hard. In terms of our abilities, we were thinking how can we both not have a job? Other people put you down when you’re not working. I want to go back to work.”

Samantha also knows that her partner Don would get down if he wasn’t in work. They have two children and live in privately rented accommodation in the south end of the city. Samantha had to give up her job due to ill health; Don works part-time and has experienced depression:

“He would get depressed if he was in the house. I know he would ‘cos he has worked since he was 16. Since I have been with him, which is 16 years he started work in (company) and then he started working for (company) that do the docks and the trains and he loved it and they laid him off.”

Avril’s mother couldn’t afford to support her once she got to sixteen and so she got herself a job. Like others, she makes the point that she has always worked, often having more than one job:

“I’ve always worked, and when I looked at it I’ve had twenty-three jobs! I’ve never been sacked from them though; it was like natural progression really. Sometimes, I’ve had three jobs at once, like at a call centre and an off-licence and a club of an evening. So I was single and I could work hard, always, I’ve always had a second job like in a pub. I’ve worked for the minimum wage for most of my life and I think it’s just atrocious.....people work hard on the minimum wage, and the price of everything’s gone up and everyone’s struggling. Everyone’s in the same boat.”

Since leaving school Mary has also always worked, in shops and bars. She is a lone parent with three children and lives in social housing. She says being employed gives her

a sense of self-sufficiency, of doing something with herself, but also she sees it as a basic necessity of having an income and not being dependant on family:

"It gets you down, days that, you know, I'm working for nothing. Nothing left, you know, but it's life, you know. But I don't let it get me down, just got to get on with it. To be honest, it's a case of you have to, isn't it? Nowhere to turn to, can't keep turning to family members all the time for money; have to pay them back, you see, so it's hard."

Apart from the financial necessity of working, Carol says there is a moral dimension to being in work:

"I don't know, I suppose it's a moral thing isn't it? It's a 'how you've been brought up' kind of thing, really. We've both been brought up in working families, so that's what you do. I wouldn't cope any other way, anyway. Somebody's got to work, that's all there is to it. To us it's important that at least one of us is working."

views about low pay

Even with the importance they attach to working, the families have strong views about low paid employment. Rachel and Norma highlight the failure of the national minimum wage to keep pace with inflation:

Rachel: "To be honest with you, I think it's pie in the sky isn't it, £6.50? The way things are increasing, everything is increasing, your rent, your council tax, your food, your fuel, everything is going up and the rate of pay isn't going up to meet that. To me it doesn't, and when you think that you've got these bigwigs that are on hundreds of thousands of pounds a year, who sit there and get somebody else to do their work for them."

Norma: "Like, when you think the minimum wage ten years ago when I was working in a McDonald's, it was probably about £5.80 something. So that has only increased by 80p in ten years as opposed to the increases you know, like, you can't even get a packet of 10p crisps any more. Everything has increased, everything, council tax, gas, electric, it is all increasing by a massive percentage and yet the national wage isn't. I think that's wrong. I think as well there are a lot of jobs now that are minimum wage that 10 years ago would not have been."

Sue feels that working makes you feel part of society and wants to become a nurse so that she can make a difference. She is in the last year of her nursing training and has to do agency work to cope financially. The agency pays the national minimum. She estimates that the bursary she is paid as a student nurse pays her about £3 an hour for working thirty hours on the ward, even if she is being trained. She is paying back debt of nearly £4,000 and has an average of just £8.75 a week left after expenditure. She has a daughter who is currently living away from home and a teenage son on an

apprenticeship. She makes the point that families on minimum wage rely on tax credits that in effect subsidise employers:

"I think we talked about this another time and I was saying I kind of find that I benefit loads from the tax credit system and it's a fantastic short term measure. But I think as a long term measure, it does allow businesses that could afford to pay people more not to pay people more.....I don't at all see how big, massive corporations can justify declaring massive profits but relying on the government to pay their workers extra money if they've got children to care for."

Sarah has reservations about how the national minimum wage works in practice:

"I understand why we have the minimum wage and now we've got it, it absolutely should be a living wage. But again I have that thing of perhaps, even with good intentions, governments mess things up an awful lot of the time. By having a minimum wage you're actually setting a lower bar, which if they can get away with paying it, they will. So it's good news for people on the minimum wage that there's a rise, but it isn't that much is it? 19p an hour? And it's not going to make a substantial difference for many people. I like the tax threshold increase more. I think it's less bureaucratic."

The need to increase wages to improve the incentive to work was suggested by Louise:

"I think as well, with regards to benefits and stuff, I am £10 better off working full time and I want to work. There are plenty of people who would say (why work) for the sake of £10? They need to give you more incentive to work and make it more worth your while. Yeah, in that sense wages should go up. You would not want to be on benefits if you knew you would be earning a lot more working."

welfare and tax benefits

'For a second year in a row benefit values have increased below prices. At the same time, council tax and housing benefit has been cut for 1.75 million of the poorest families. This leaves affected families with even less money to pay for essentials such as food and transport.'

Oxfam Research Report April 2014¹⁷

'The one notable fall (in the benefits bill) is in family benefits and tax credits component. This has been an area where there have been significant cuts – in the real value of Child Benefit, the coverage of Child Benefit (now excluding high earners) and the value and coverage of tax credits, specifically the limit of Working Tax Credit to families working at least 24 hours a week, instead of 16 as previously.'

Monitoring poverty and social exclusion 2014: JRF & NPI¹⁸

The Coalition Government has sought to reduce the overall costs of welfare and tax benefits by introducing a number of changes to the benefit system. These have adversely affected working families in low paid employment. Whatever the outcome of the May 2015 election, it seems certain there will be efforts to limit or reduce the benefits bill further and these may well have additional negative consequences for them. The Conservative Party has said that working age benefits, including tax credits (excluding independence payment / disability living allowance) would be frozen for two years if they are elected in May 2015. The Secretary for the Department of Work and Pensions has also said that he wants child benefit limited to a family's first two children.¹⁹

The introduction of Universal Credit is intended to simplify means-tested benefits and tax credits as part of wider welfare reform and to ensure that individuals are better off in work than on benefits. There are serious concerns about whether this can be implemented effectively and fairly.

For many of the **Getting By?** families the difference between what they might receive from the benefits system if they were not working and what they get from being in employment is relatively marginal. This is particularly true for lone parents working part-time, yet, despite this, they continue to place high importance on working. Many lone parents working part-time would like to increase their hours, but the costs of childcare act as a real disincentive to doing so.

If Universal Credit does simplify the benefit and tax credit system, and is administered efficiently, it is likely to be welcome at least to that extent. The current system can be difficult to understand and often appears inefficient in its operation. Having access to welfare advice from agencies like the Citizen Advice Bureaux (CAB) can be invaluable, yet cuts in funding continue to threaten this service both locally and nationally.

working tax credits

The changes to tax credits have had a major impact on Ruth's income and help explain why the family is now over £5,500 in debt:

"When the Government came in last time, the new government, the Coalition, I lost a hundred and twenty a week in working tax credits so I only get child tax credits now and me wage. Previously I had had working tax credits so it was like a massive amount of money to lose, so it is completely different now to then."

This has been compounded by the loss of housing benefit, caused, Ruth thinks, by her daughter leaving school:

"I don't think it is mistakes. I just don't think things are not made very easy for people for the transition. They stop everything and I just think, if you know that transition is going to happen, why can't it be made that little bit more simple for people? Especially when they are sending letters out saying the next step is eviction."

Eileen has seen her working tax credits go down by £60 a month and has also been affected by one of her children turning eighteen:

"I've got a lot less money coming in now because Joe has turned eighteen. I used to get help towards Joe's rent, I used to get child benefit for Joe and I used to get a few quid for family tax credit. That's all stopped even though he's doing nothing. That all stopped all of a sudden, so there's a lot less money coming in, so we're feeling it."

The change in the hours rules on working tax credits affected Don and Samantha:

"You could work whatever, like twenty hours a week, and you'd get working tax credits.....They stopped me working tax credit without telling me because my partner did not work enough hours."

Rachel was told she had been overpaid working tax credits and does not understand why:

"From last August I've lost tax credits for my son because he was at school leaving age....my tax credits had stopped for him and my family allowance had stopped for him as well, the child benefit had stopped for him. But I've had a letter from the tax credits recently saying that there's been an overpayment, although all the changes of circumstances were notified to them. So my tax credits have now reduced as well and they're taking back money for an overpayment. Because it's a little time anyway, I've got the letter there to phone up and renew, so I will query it when I phone them, because I really don't understand where the overpayments come from....it was a couple of thousand pounds the overpayment."

A forced reduction in her working hours by her employer means a double loss of income for Michelle:

"Mine are like down to 13 hours a week anyway, that's what my contract is. I lose my working tax below 16 hours and then I'll be down to £66 a week..... Well hopefully, more work will come up but it's just when really, 'cos 13 hours a week just isn't good enough and it took me 18 months to get the job that I've got now. I don't want to wait another 18 months for another job. I've had this job for a year and she still hasn't like offered me extra hours."

When Brenda saw her wages increase by 10p an hour, her council tax went up from £20 to £80 an month (this includes arrears) so that she was no better off. She has been offered more hours at work but would not benefit and would not have time with her children:

"Like I said last time, I'd even do more hours, but it doesn't financially benefit me if I did more hours. I'd lose so much in tax credits so it's not worth it."

council tax and housing benefit

Some of the families have experienced considerable difficulties and confusion with the payment of council tax and housing benefit. For some this has resulted in payments being stopped or reduced, causing anxiety and stress. Brenda assumed she didn't need to tell the council how the increase in the minimum wage had affected her pay and has now got into serious difficulties over the payment of council tax:

"It's minimum wage and that just happened automatically over the period of a year and then all of a sudden I got a letter to say, 'Have your wages changed?' I was like, 'I dunno?' I didn't think I needed to let anyone know, it was just a small increase. Don't forget, like I said, I've only been in proper employment for a few years now. So I got a letter from work to say the wages had increased and then all of a sudden I got a letter from the council saying, 'You've been overpaid by', I think it was £1400, 'And we want it back'..... It turns out that the overpayment is for the rent and they want £11.50 a week and then my council tax is £30 a week, so I'm paying out £41.50 a week. That's over £160 a month, for what? For council tax and for my wages going up 10p, I don't get it; really I should go to the CAB."

As well as difficulties over tax credits, Rachel has had problems with her housing benefit, through no fault of her own. She was informed that a previous tenant was living with her. In fact, the other tenant hadn't lived there for fourteen years. Eventually the mistake was acknowledged, but not before she was threatened with eviction and had suffered considerable worry and anxiety:

"Then I got another letter saying that they'd stop the payments because they had reason to believe, not only was he living in the property, but he was earning £499 a week. So I said, 'If you find him and he's earning £499 then tell him he can squeeze into the house any time.' But that stopped me housing benefit payments and then that caused rent arrears on my account and I'm in the middle of trying to sort it out now because they want me to go to court for eviction for my house, even though the letters and everything had gone in."

When her son went on an apprenticeship scheme, Sue saw her housing benefit unexpectedly cut:

"My housing benefit has dropped to £56 a week....I just thought with my son it would be classed as education, training. He gets £90 a week and I didn't think it would affect me that much."

She experienced a lot of stress caused by mistakes in the way her housing benefit was calculated:

"I think housing benefit were a bit naughty though 'cos they got me so stressed and, in the end, I hadn't done anything wrong, it was just.... I thought I was going to go to court. And all the letters they sent me showed that I had given them the changes but it was their fault. So all that worry and all that 'anything you have to say will be

taken down,' I was thinking I was going to lose my place before I had got it."

Beth has had problems with her housing benefit, with confusion about what she should be paying:

"I get housing benefit that changes all the time, because one minute they say I'm entitled to stuff then they say I'm not entitled to it. Then they say I am again and then they say I'm in debt to them and they're taking money off me. Every year, without fail, it happens, every single year, and then half way through the year I'll get another letter off them changing their mind again. My council tax, I get the sole home occupancy discount, but my council tax is still £77 a month or something like that."

There has been uncertainty as to whether Avril and Matt should be getting housing benefit:

"We don't get any housing benefit at all. I recently phoned them up 'cos what they had us down for was a lot more than he actually earned. What they had was sixteen and a half, and he's only on thirteen and a half."

Pat is prepared to go to court over what she feels is the unfair way in which her housing benefit and council tax arrears are being dealt with:

"My housing benefit was overpaid and now they have cut it down to £100. I appealed against it, and the council tax as well, but I still owe them the money. And whereas I was paying £50 a month council tax, they now want £300 a month up until April and then I will go back onto the £100 per month. I'm not entitled to any help now and I have got to pay everything out of my wages. I thought they had made a mistake and that's why I appealed but they have come back for £300. I shouldn't have been getting any council tax benefit but they said they are still entitled to claim it back off you. I think I was paying £50 a month instead of £75 over a couple of years. They said you can either pay it or not and wait until they take you to court. I asked if I could come to some other arrangement and they said no, just wait until they take you to court. Since I got that letter I have made one payment of £100. So I'm not paying and am going to wait until the court try to sort something out. It was their mistake....out of my wages I wouldn't be able to pay the rent and council tax and all the other bills with it."

complexity and confusion

The complexity of the current tax and benefit system is at least partly responsible for the difficulties and mistakes the families have experienced with payments Samantha's situation illustrates this:

"If me partner worked more hours I would lose my housing benefit. So we are in a catch. He works 20 hours, then I get me housing benefit. But if he was to go up I would get working tax but lose my housing benefit, so I would not gain."

City Councillors to have their allowances slashed as part of council budget cuts. Some will face a reduction in their pay of 25%. Budget options drawn up by the senior management team show that by 2016 the council will be saving £477,000 a year on allowances.

Merseyside has the highest rate of employers in the country paying the bare minimum of less than half the minimum wage to young people on apprenticeships. An ECHO investigation has found evidence suggesting that up to three quarters of companies offering on-the-job training to school-leavers were paying the lowest amount legally possible – just £2.68 an hour. While the sum is the legal minimum for apprentices, it is less than 50% of the £6.31 an hour paid to non-apprentices (Liverpool Echo 10.2.14)

Bonuses in Barclay's bank increase by 10% in spite of 32% drop in profits and predicted cuts of 7,000 jobs in its UK workforce. Frances O'Grady, general secretary of the TUC, said: "Today Barclays has stuck two fingers up to hard-pressed families across Britain by announcing another multi-billion pound bonus pool".

Last year saw the highest number of tenants in England and Wales forcibly evicted from their homes after court action since records began in 2000. (Figures from the Ministry of Justice 13.2.14).

David Cameron says welfare reform is part of his 'moral mission' for the country and that "they are about giving new purpose, new opportunity, new hope – and yes, new responsibility to people who had previously been written off with no chance" (Daily Telegraph 20.2.14).

Bishops blame welfare changes for foodbank crisis. "We must, as a society, face up to the fact that over half of people using food banks have been put in that situation by cutbacks to and failures in the benefit system, whether it be payment delays or punitive sanctions." (Open letter from 27 Bishops published in Daily Mirror 20.2.14).

British government has blocked £3 million of European funding of food banks, saying that food aid should be decided nationally. (Independent 26.2.14)

HSBC is avoiding EU cap on bonuses that limit them to 200% of annual salary by paying allowances. The Chief Executive of the bank's allowances is worth £32,000 a week. Presumably he struggles on his basic pay of £1.2m salary. 239 of its bankers received more than £1m last year. (Guardian 25.2.14).

The chair of the independent Living Wage Commission, the Archbishop of York says, "Right now, millions of people are not receiving a fair day's pay for a fair day's work. The scale of low pay in the UK is a national scandal. Around five million people, the majority of them women, aren't paid a wage high enough to provide a basic but acceptable standard of living. In too many workplaces, the basic moral imperative that workers be paid enough to live on has been lost in the pursuit of profit."

Kate had to calculate whether she should try to increase her working hours from sixteen to twenty-four hours. This would mean asking her mother to pick up the children from school which she feels would be too much for her. The fact that her son is now working and that she had increased her hours to sixteen, means that she now has to pay council tax and doesn't get free school meals for one of her other children:

"And the other big thing was when, before I started working the sixteen hours I didn't have to pay any council tax, now I have to pay £112 a month. Because Sam works as well, it works out that his wages and my wages are on the cut off, so I don't get any. He works four days, but it's shift work, so it's classed as full-time."

Conversely, if Dee increases her hours she will lose her housing benefit:

"I'm only doing sixteen hours for thirty-nine weeks a year, so that entitles me to full housing benefit. So as soon as I do any extra hours or the extra weeks, I won't get that, and that's when it's going to hit me."

She knew it would affect her benefit payments when her eldest child became eighteen but did not know by how much and whether it accounted for the reduction she received:

"I seem to be about £70 down a week. I'm not sure why that is. Not sure if it's because of the change, but I'm sure it will level itself out, won't it? But it's £70 a week less than what it was."

Uncertainty about what they are entitled to, and how the system works, was not an uncommon experience for the families. Gill admits that she and Pete don't understand the system:

"I've said to Pete we'll have to look into it, because you get your child tax credits and were entitled to working tax credits. But when you don't know the system.... I get child tax credits now, but he's entitled to working tax credits, we've just applied for that. Someone told us you had to work a minimum number of hours to get something. I was thinking that maybe we should look at going to the CAB or something."

Phil and Dot discovered that they had been overpaid working tax credits, but do not understand how this has been calculated:

"We've got a tax credit debt of an overpayment that was a couple of thousand that they've paid us and we have to pay it back. They really haven't explained it. They just lumped the figures together and, honestly, you look at it and you phone them up to contest them and they said 'No, it's an overpayment.' We've got to pay it back.... We are getting tax credits, but we have to pay that back by direct debit, £20 a week. How it is with my partner, she's scared in case they send bailiffs or someone from the authority round to the house."

disability living allowance

The payment of disability living allowance (DLA) has made a significant difference to both Helen and Norma's families. Helen says the extra financial support it provides is important:

"Now having a child with special needs, we get that extra money. If he didn't have his condition then we wouldn't get that extra money. We would struggle even more because we wouldn't have that extra you get with the DLA and I think it's called a premium with the child tax credits. So you get a little top up, but it's got to be a certain rate though, not everyone qualifies so you have to be on a certain rate of the DLA and then you qualify for a little bit extra. Now that's not a luxury, and I've said many times I would prefer my son not to have anything, to have a 'normal' life."

Norma had to fight to get disability living allowance for her son:

"A lot easier now because I have been awarded DLA. I was not awarded DLA two years ago..... I can't get him on transport 'cos of the way he is. That was a massive struggle as we did live so far away from the school at that time, so I was getting a taxi every single morning with him at about £7 a taxi. So we are looking at £14 a day, it was outrageous."

Both Ric and Carol's children have chronic health problems and are hoping to get DLA for them. However, Carol has not had a good experience of applying:

"I'm just thinking about applying for DLA for the kids actually, nothing like mobility allowance, I've applied but they just turn me straight down. I've got this, my leg dislocates, so I spend quite a lot of time on crutches and in a leg brace. It certainly is a lot of steps for a leg brace, but I'm kind of stuck, if you know what I mean."

benefit scroungers

Politicians and the media have made sure that the issue of welfare benefits has never strayed far from the news headlines during the year. Continued media focus on 'benefit scroungers' has created a climate where there is almost a shame and stigma attached to receiving benefits. One of the most commonly perpetuated stereotypes is that of the lone female parent having children so she can live off the state. Both Louise and Beth are lone parents who are only marginally better off working and challenge the cliché:

Louise: "Funnily enough I was discussing this with my mum the other day. Because my contract is up for renewal, we worked out the worst case scenario if I lost my job and could not get another one and had to go back on benefits. I would have to move from here 'cos I would not be able to afford the rent and we worked out I am £10 better off for working thirty-five hours a week. But I said it is about your own self-respect and for what I am showing them (the children)."

Beth compared her finances with a friend who was also a lone parent but not in work:

"We sat down and worked out that I was £5 better off than she was a week....I feel like I am working, mainly for my own sanity, and I want to instil it into Aaron as well, because I don't want him to think that you can just sit at home and get paid for doing nothing, you know. My dad never did that, my dad's always worked, my mum looked after us and brought us up and looked after the home and stuff. But my dad did work, so in mine and Aaron's family, I've got to be both parents to him. So I think I need to be his role model and I need to work to show him that he's got to work as well when he's older."

The 'welfare tourist' has been another popular demon figure in the media, with little attempt to examine the underlying issues in any meaningful way, and such coverage has, not surprisingly, influenced the views of some of the **Getting By?** families.

Bill voices concerns and views that have gained popular currency:

"Can I say how I feel? They can still afford fags can't they? And beer, which I see every day, and they start moaning. When you see Benefit Street, which is obviously done for TV, I realise that. When you see the Xbox in the lounge when they've come from reputable sources or not, and flat-screen TV....When the Polish people come over here, they come over here for a reason, because what we give them in this country, they don't get in Poland. The difference is a Polish guy comes over and for the same money, works so much harder than the Briton does. And I think, again as my dad says to me, my mum and dad have done it, if you work for it then we'll help you out, if you don't, then you should get nothing. You've got to. No one owes you anything in this world. Too many people think they're owed something. I know I'm on a low wage, I have been on more money in the past, but I would love to earn more and not claim benefits, but I think for 90% of the people in this country they would say the same."

universal credit

As we've seen, Sarah is trying to set up her own business. She has concerns about the changes to the system and how they will affect her, because even though she can work very long hours she is not taking any money from the business. She thinks this may mean she will not be entitled to Universal Credit, which would see her having to give up the business:

"What is slightly concerning is what will happen if the Universal Credit scheme comes through, because of the limits on how long you can run a business without making a profit. And that's a little bit terrifying, especially because no one seems to know how it will work, what the restrictions will be. I kind of keep watching that with hints of terror."

Institute for Fiscal Studies report finds incomes for bottom income range have fallen by 5.1% since 2010 due to stagnant pay and rising prices and taking account of tax and benefit changes. The Office for Budget Responsibility commented “Further discretionary cuts to benefits and tax credits will put downward pressure on real incomes, particularly for low-income households. Given this, it seems highly unlikely that living standards will recover their pre-crisis levels by 2015-16”.

(Guardian 18.3.14).

Councils spending £3m on food poverty and food banks

Almost £3 million of public money is being used to help tackle food poverty, BBC ‘Panorama’ has discovered. A third of all councils in England and Wales said they had subsidised food banks.

(Local Government Association. 3rd March 2014).

More than 8,000 people in Liverpool have had their benefits stopped for a period of time as Jobcentre says they were not looking for work.

(Liverpool Echo 5.3.14).

All in it together? A report by the charity Oxfam shows that the five richest families in Britain own more than the 12 million poorest.

Rachel is well aware of the negative stereotyping of welfare claimants and also has concerns about how Universal Credit will work:

“There’s a lot of talk about people being on benefits, people saying, ‘Go out and get a job’. And then there’s other people at the other end of the spectrum, the rich, and when they give statistics about benefits they automatically assume its people out of work, but for the majority of the time it’s not. It’s people who are working on a low income or part-time wages and that’s where a lot of the benefits bill comes from. But too often it’s categorised as ‘too lazy to get off their bums and get a job’ lot. We are just forgotten about.....I’m OK in that I’ve got a contract for thirty-seven hours but there are lots of people with zero hours. How do you budget with a contract like that, forty hours one week and ten the next? People need proper contracts and fair pay as well. The pay has to reflect living costs. Universal benefits are coming in and you’ve seen in my spending diary that if something comes up then something doesn’t get paid. People are going to fall into the trap if you get £600 in your hand you are not going to pay your bills; you are going to buy your kids Christmas presents.”

Hannah and Steve have four children, the youngest being just a baby. Hannah was made redundant from her job at the start of the year. They now rely on Steve’s public sector admin job that gives him about £1,000 a month after tax. Hannah doesn’t know what the changes will mean for her:

“I’m still going to struggle, a massive struggle. You hope something nice is going to happen to you. I don’t think there is going to be any help out there for us..... There are going to be a lot of changes in benefits and universal credits. Things are changing. I’ve started with my Credit Union and trying to put a little bit away. What’s going to change? There should be more help.”

advice and support

'This surge in demand for advice will be in the context of the biggest ever cuts to the funding of independent advice agencies in the city. Liverpool CABx lost 17.3% of their core funding from the Local Authority because of the expenditure cuts necessary in 2011-12, and we expect to face a further reduction from 2014. And CABx are also set to lose £587,736 from the Legal Service Commission – used to provide specialist assistance with welfare benefits, debt and housing problems'.

The impact of Social Welfare Changes on CAB service in Liverpool²⁰

'Initially the scheme saw some customers referred by the Department for Work and Pensions where benefit advances could have been paid and there was some confusion about where sanctions were applied. Following feedback from the CAB and other groups, action was taken to ensure the scheme was always sufficiently flexible to support people subject to sanctions. Help was also extended to include people moving into work or moving house or at risk of eviction because of rent or mortgage arrears.'

Making welfare work locally-CAB showcase: Liverpool Citizen Support Service²¹

From April 2013 responsibility for Community Care Grants and Crisis Loans switched from the Department of Work and Pensions to local authorities. For low income families dealing with crisis situations local welfare provision can be a vital source of help. While the funding for this support was initially ring-fenced, it is to be subsumed within the overall rate support grant, with no clarity as to whether this will be increased as a result. The likely outcome would appear to be a further erosion of the support available to the vulnerable and those on low incomes.

As noted many of the families have seen sudden reductions in their tax and benefit payments, while also experiencing unexpected calls on already stretched budgets. The Liverpool Citizens Support Scheme provides assistance to low income families who meet its eligibility criteria. The scheme was established by the City Council to provide urgent assistance often to meet the cost of food, clothing and fuel, as well as costs associated with setting up or maintaining a home. The need for this service frequently results from the use of sanctions and delays in payment by the Department of Work and Pensions. The scheme is delivered through the Council's existing Benefits Service.

The level of complexity and the errors and inefficiencies in operating the benefit system, coupled with the need for advice on matters such as personal debt and housing, makes the CAB and other advice services more needed than ever. Carol's debt problems and uncertainty about her entitlements illustrates this:

"I get child tax credit but we don't get working families. I'm not sure if you both have to be working for that or not? It's been checked numerous times. I've had lots of help from the CAB. I've been to debt counselling and all that. Actually I am currently, I'm just coming to the end of, it's not a bankruptcy order it's the..., I can't remember what it's called. But basically it only lasts a year, it wiped out all my debts and I started again with a new bank account, so I can't borrow or anything.... and basically it amounted to £10,000 that I just couldn't pay off and over the years I'd made an arrangement through the CAB. I was paying them off at like £25 a month."

Without the advice and assistance they received from their local CAB, Samantha and Don wouldn't have known what to do when the bailiff arrived at their door:

"I came home one day and there was a letter posted through the door and a man in a van and so I looked at the letter and I went to me partner, 'That's a bailiff letter' and I had only just paid them the £50. So I rang them and said 'What's he sitting outside for?' The man said 'Would you like to come out and speak to me', so I said 'Yeah, I would'. So I went out and said, 'It's lowered' (the repayment amount). He said, 'No they want you to pay £50 to me as well and I said, 'I can't do that.'....So I flew round to (name at CAB) and I said, 'He is demanding I pay him as well'. She said 'hang on' and she rang the enforcement officer for Liverpool City Council and they said 'No, £50 and that's it'. So I have been paying that now."

Samantha then got advice on other debt:

"Well (name at CAB) told me to put in for support tariff and the other thing the water do, the Trust Fund. So I did, and I get a letter saying they'd give it to me, the Trust Fund, which cleared it and put me £15 in arrears and I don't have to pay them now till 7th April and its £3 water."

Support and advice services such as Liverpool Citizens Support Scheme and local CABx play a vital role in assisting people in crisis and helping them navigate the complexities of the welfare system. At a time when pressures on these services are increasing the funding they require is diminishing. To date there is nothing to indicate that the introduction of Universal Credit is going to improve things, at least in the short to medium-term.

A survey by the Government's Office for National Statistics shows that 1.4 million people are on zero hour contracts.

The number of people using a Liverpool food bank has risen fivefold in the three years of its existence. The Central Liverpool Foodbank served 10,293 between April 2013 and March 2014, up from 2,126 people between April 2011 and March 2012 (BBC Liverpool News 4.4.2014).

UK workers have suffered a 7.6% fall in real wages over the past six years according to the Office for National Statistics. The UK economy grew by 1.7% in 2013, ending the year with quarterly growth of 0.7% between October and December. At that point the economy was still about 1.4% below its pre-crisis peak.

A survey of local housing associations has found that they have referred at least 553 tenants to food banks over the past year and believe the true figure is much higher. A year after the bedroom tax and other benefit changes were introduced, average rent arrears in households affected by the shake-up in housing benefit have soared by 35% and hard-up residents are now at least £1.4m behind with their rent. (Housing News 1.4. 2014).

A report by Oxfam and the New Policy Institute says that welfare cuts have pushed 1.75 million of the UK's poorest households deeper into poverty over the last three years. There has been a drop in the overall value of benefits which rose by less than inflation. At the same time changes to housing benefit and council tax support that have meant some families have to pay housing costs they were previously deemed too poor to pay.

Liverpool Echo reports that Merseyside is the foodbank capital of the country. Research shows that it's the worst hit region in the country, with 56,111 per year, or 154 people each day, reliant on emergency parcels of food and basic household supplies. Of these, more than 20,000 were children. This equates to one person accessing a foodbank every nine minutes. (Liverpool Echo 16.4.14).

3 The cost of living

"I just constantly feel I am on a treadmill. Keep saying to myself there is light at the end of the tunnel. I just can't see it yet." **Louise**

'The cost of living is rising faster for lower income households than high income households. Weekly household expenditure for the poorest 10 per cent of households has risen at more than double the rate of the richest 10 per cent of households over the last 10 years.....The annual rise in prices are occurring at a rate faster than wage increases. The weekly expenditure of the poorest 10 per cent rose by 42% from 2003 to 2012, 5% more than the National Minimum Wage over the same period. With constantly rising living costs, the challenge for pay growth is therefore greater, so as to keep the poorest above the poverty line.'

The interim report from the Living Wage Commission 2014²²

introduction

Most of the thirty families describe their financial situation as a struggle. The description is not intended to exaggerate or dramatise their circumstances but is plainly, simply and literally the best expression of the predicaments faced by working families forced to consider how every precious pound is spent. The sheer reality behind the word was highlighted during an interview with Avril. Weekly household outgoings exceed income by around £11 for Avril and Matt. They started using Creditfix, a company that deals with individual and family insolvency, to help manage and reduce their debts. They are currently paying back over £1,200. Their financial situation became even more difficult when Matt was off work sick:

"We genuinely, we are struggling, but I would have just struggled on. You just do don't you? Just that day it was amazing though, loads of stuff (food) in the house and I gave my nan the UHT milk so it was all used....."

At this point the interview was interrupted by an urgent phone call from Matt. When she returned she was very angry and flustered:

"Sorry, sorry, he's saying he's just had a text from the bailiffs. The bailiffs are coming to remove stuff. I think it was Newmans, can't really remember. The Creditfix people need to speak to them but they're always texting. They've told me to ignore them but it gets a bit, you know."

APRIL 2014

cutting back

The only option when faced with an escalating cost of living - and falling wages - is to cut back on spending. For Michelle, who usually has just £10 left at the end of each week, everything to do with family finances is a struggle. She has cut back everywhere she can except for spending on her daughter:

"Virtually everything, everything. Oh clothes shopping, I haven't been clothes shopping for a very long time. Hair don't get done very often, maybe once every six months. It's hard like Diane gets everything, gets everything, what she needs she gets.....and if there's anything left, I might go and get my hair cut or get myself a new pair of knickers or a bra or just something."

In the same way Sue, with nearly £4,000 of debt and less than £10 left in her purse at the end of the week, has also cut back spending on just about everything:

"Yeah, petrol, shopping, the bills in the house, heating, social time. We don't go the movies anymore; we don't go for a meal, nothing like that. That's like gone, holiday....The TV package; it's something I have got to ring them up about. I have got to cancel it and buy a little box now."

Ruth is spending more each week on household bills and shopping than she has coming in. Like other families she has also looked to cut back on everything she can, including insurance:

"So it will be saving me another £30 a month, I have cancelled insurance on the house. I haven't got no house insurance no more. Yeah I have had to cut back on lots of things. You know certain things that I have.....me and my daughter were going through it the other day and she was saying we worked out what we paid the window cleaner. And she said maybe if we got shot of the window cleaner and clean the windows mum?"

With two new babies, Minnie and Luke spent £1,357 on nappies and baby items over the course of the year. Luke has been surprised at just how much has to be spent on babies. The family have had to cut back on spending and have looked to make other savings:

"There's quite a lot we've had to cut back on, like clothes. In the past I could just buy what I like, but at the moment I need to keep considering. So we spend less money when we buy clothes, also maybe, we consider our food more, we buy cheaper products and that type of thing, we need to consider. We have broadband but we need a cheaper package. In the past we could spend quite a lot of money on it and the mobile phones of course."

Kate has had to stop using her credit card and now is cutting back as much as she can, including on food:

"Now I've had to cut back on food. I use to save up for social, leisure money. It's not for me, I don't do anything. But I used to save it up and now I'm going to have to use that to buy important things or a fund for unexpected things."

savings

It is little surprise to find that most of the families have few if any savings and rely on either help from family or borrowing from wherever they can, often at high rates of interest. Dee couldn't remember a time when she had anything left at the end of the month that she could save. Pat had the same experience of wanting to save for her and her daughter to go on holiday and just could not do it. Mary's situation is also typical:

"Don't really have any money left by the end of the week or the end of the month. I've just got to budget all the time. Make sure I've got money put away to do something, especially like they're on half term next week, you know. You've got to find the money then to do things with them. Sometimes I just haven't got it so it is hard you know. It's just hard, very hard."

Over the course of the year Lynn's expenditure exceeds her income by over £7,000. Most of this was unexpected costs and paying back debt. Not surprisingly, she is finding things very difficult:

"No, probably about the second week of the month it's gone. That's once you've got a big shop in and stuff like that, paid all your bills."

Coming from Poland, Micha and Karolina have tried to keep something for an emergency in case they have to return home urgently. During the year they also had to make provision for the arrival of a new baby. On average they had a surplus of about £44 a week in 2014:

"So I can't let myself or my family have no money at all, because the way that I'm thinking is maybe one day, I think that maybe we will need to go back, all of us. So I need to have the money just to buy the tickets and get us ready to go back if something happens. I know it's not right, it's a pessimistic way of thinking, but what happens if someone dies? I've got a nan, she's 84, so I'll need the money to go there for her funeral and get back."

Over the course of the year Beth had nearly £3,000 of unexpected expenses recorded in her spending diary, or almost 14 per cent of her total income. With a weekly deficit of about £27 it's extremely difficult to manage unexpected costs. She tries to do this by using her overdraft, but also has to turn to her family for help:

"Cry to my dad, that's usually what I do. Go to my mum and dad. To be honest, not really, it's only if something goes really wrong. If something breaks, that kind of thing, I'd go to them then, but most of the time, to be honest with you I'd just use my overdraft. I'm always in my overdraft, always... but touch wood nothing has ever

gone majorly wrong. Things like my washing machine broke and my dad bought me a new one. I wouldn't have been able to just (buy one). I probably would have had to go to one of those places where you pay monthly, like Brighthouse. I'd probably go to something like that."

Pat's description of trying to cope with additional costs over the weekly norm while also paying back debt of over £2,000 is typical:

"I do find it a struggle, especially for things like birthdays, Christmas and buying clothes and uniforms for school. Trying to do things in the school holidays, fun things for my daughter really, I find it a bit of a struggle sometimes and just keeping on top of the bills, maybe the gas and electricity at the moment, especially the gas."

Without savings and an average weekly deficit of over £30, coupled with debt of more than £6,000, Jane has to wait until she can get enough money together to get things fixed or replaced:

"There's things that we can't do, like my tumble drier, we're really lucky to have my tumble drier at home, a lot of people don't have one. I use it when I'm trying to get the kids things dry or in an emergency, but I just can't afford to get it fixed. It's things like that; we can't do that this month so we have to wait again, so it's things like that."

When something does go wrong and you cannot just go out and replace it, you have a problem. Over the course of 2014, Ric and Carol had to contend with nearly £3,000 of unexpected expenditure. A washing machine breaking down becomes a real difficulty for a family with children and no money to get it fixed:

"It broke down just before Christmas and I had nothing. I was washing, doing all my washing in the bath and basically asking round if anybody had a washing machine that they didn't want. My auntie had just bought a new one so she gave me her old one, so I've got that. The tumble drier was my birthday present last year, no it was my Christmas present, my birthday present was the printer I needed for Peter's school."

fuel poverty

"Well yesterday because it was really cold I went home and washed the girls' dressing gowns. And so I knew as soon as they came in, they put on them onesie things, so they keep them warm. And we all try to huddle. It sounds stupid in this day and age that you've got to do it, but you have to." **Samantha**

'Low paid workers often face a choice between heating and eating. In 2011 there were 926,000 working households in England needing to spend more than 10% of their income on fuel to maintain a satisfactory heating regime.....average electricity, gas and water bills have risen by 88% in the last five years alone. Apart from 2010, there were year on year rises of as much as 12.2%. Crucially, these rises do not take into account the recent announced energy price hikes by the big six energy suppliers, which will take this amount even higher. The National Audit Office expects bills to rise for a further 17 years.'

The interim report from the Living Wage Commission 2014²³

'The number of households in fuel poverty is projected to increase from 2.28 million in 2012, to 2.33 million in 2014, with increases in energy costs as a key factor.'

Annual Fuel Poverty Statistics Report 2014: DECC²⁴

The winter of 2013/14 was particularly mild, and the winter of 2014/15 as the project came to an end had started the same way. Even so, meeting the cost of gas and electricity bills and keeping homes warm was a major concern for all the families and especially for those with babies and young children at home. The costs were even greater when the home was not in good condition and had poor insulation.

saving on heating

The efforts the families take to reduce their domestic fuel bills show just how strained their finances are. Beth spends nearly £1,400 on her domestic fuel bills for herself and one child, or 6.5 per cent of her income. That is difficult enough without receiving a large and unexpected energy bill:

"Last year I found it really hard with my gas and electric because they hadn't been taking out enough on my direct debit because they said it was like a budget. So I got hit with a whopping bill that I was devastated about, but then I upped my payments and it turns out that I've ended up in credit with them."

The amount Brenda is spending on her domestic fuel is similar at nearly £1,200 or 6.3 per cent of her income. Even though she tries to save on energy use, she is struggling to pay her bills. She has also been told she has long standing arrears:

“Don’t talk to me about my gas and electric. For some reason, I don’t know why, but £200 came out this month and I don’t know why. It’s kind of maybe it’s me or the household, maybe we’re not budgeting, but I always switch everything off and try and manage it as much as I can. But for some reason it just seems to be really expensive, everything though, not just your gas and electric. I mean I’ve got the water company coming to me from years ago saying you owe us this much and it’s just one thing after another. Finding the rates (money) for your energy bills, it’s something now, what they’re asking for you to pay.”

Rose is typical of the other families in trying to reduce heating costs to a minimum especially if her child is not at home:

“I don’t put the heating on if Danny is not here. I won’t have the heating on. Like if he goes to visit my mum for the night I won’t put the heating on if he is not here.”

Even when the children are at home Dee does much the same thing to keep warm:

“Sometimes we get the duvets down ‘cos if you’ve got the heating on all the time, it’s at least £5 a day, so that’s £35 a week on the gas which is something. So there are odd occasions when I say, come on, get the duvets down and then we all get snuggled under them and then it’s actually quite warm. That’s the truth that! We’ve done it for years to be honest, to save on the gas.”

Samantha has got her domestic fuel bills down to just under £1,000 a year or 4.8 per cent of the family income. Part of her strategy to achieve this is putting extra clothing on to go to bed:

“I went to bed last night in a jumper. I took my jeans off put me jama pants on and went to bed in me jumper I’d been wearing all day ‘cos it was so cold.”

cold homes

People living in privately rented accommodation have the highest rates of fuel poverty. Michelle says that the poor insulation of her privately rented property adds to her fuel bills. She is spending £2,155 on her domestic fuel bills - or over 10 per cent of her total income – on just herself and one child. Not surprisingly she only puts the heating on when it is absolutely necessary:

“I am going to be moving out of this house. It’s just costing me a fortune in gas and leccy bills. It’s more gas really, because my house just has single pane windows. It hasn’t got double glazing. I just feel like I’m throwing money out the window. Just like ‘Go on, here you are...here’s twenty quid, you spend that. Here’s twenty quid.’ So really I can’t really afford to put my central heating on.....sometimes the gas is £40 or £50 a week if I put the central heating on. It just swallows it.”

Mary also has a poorly insulated home. She says it costs her a fortune to heat, though recently she got a fuel rebate:

“Yeah, don’t know why, someone said to me that the leccy companies are doing this now, people are being paid back. They’ve been paying through their noses and now being paid back. But I don’t know, will they find out and take it back? I don’t know. Well I just know I put £15 on the card and they gave me £140.....it’s a 4 bed-roomed house, and it’s constantly freezing, constantly. I mean I have to have the heating on day and night. You can’t feel the heat at all cos it’s so big.”

Ruth lives in social housing with a family of six. Her domestic fuel bills are almost half of Michelle’s and account for 5.3 per cent of the family income. Even so she delays putting the heating on:

“You know I’ll say ‘put a house coat on if you’s are cold’ you know when the kids are sitting round. Well I am always moving so I am always warm anyway but they can just sit there and they go put the heating on mum and I go ‘no’... Well I sort of say ‘no’ to them. Now we don’t put it on as much but you’ve got no choice when it’s freezing though.”

pre-payment meters

‘Government figures show that more than one in five households in Merseyside uses a pre-payment meter for gas, and almost a quarter have one for electricity – adding an extra 8-10%, on average to their energy costs. This is the highest proportion in the country....There are 29,484 Liverpool households being crippled by gas and electric bills, according to a Department of Energy and Climate Change report. This accounts for 14.4% of all properties in the city.’

Liverpool Echo 15th December 2014²⁵

Though people are often aware that pre-payment meters for domestic fuel cost them more than monthly or quarterly meter readings, many still have them. Sometimes they are not given the option because of previous arrears, while others prefer what they feel is the control they have on how much they spend by having a meter. Dave and Helen have a pre-payment meter, but they are getting it changed:

“We’ve gone on a meter, pre-payment meter, but we’re getting that changed because, well you know there’s been a mild winter, but we’ve still had to keep putting money in. And then it runs out, and then everything cuts off. Not ideal! Now I tried to explain it to my husband but he believes, well it’s a good pay off, because in the winter you pay, but then in the summer when it gets warmer you don’t pay at all. But I tried to explain that it’s set higher anyway, so you are paying more. Maybe he’s listened to me, ‘cos we’re getting a meter now.”

John and June are spending over £1,300 on their domestic fuel bill, or 5.7 per cent of the family income. June is clear that the higher cost of using meters is unfair:

“Because we’re on those meters, because I have to have a meter ‘cos you know where you’re going and it’s dear. You get penalised ‘cos you’re poor....Yes, you have a card and you go to a shop and you put say, a fiver on or a tenner and a fiver lasts for hardly anything anytime at all. You’re just putting money into it constantly.”

A key reason for choosing meters, where they have had the choice, is to avoid a large quarterly bill that the families know they won’t be able to pay. Meters also enable people to see exactly how much they are spending and to limit it as much as possible. As Rose says:

“I try me best, I don’t like having direct debits going out me bank ‘cos I just can’t control them. I’d rather like I have payment cards for everything now that I am in this house. I have payment cards for them all but in the past it’s been hard.”

Rachel spends over £1,200 on her domestic fuel bills. She is quite typical in how she uses her meters:

“I’m on a meter, so usually when I get paid, I get £60 each for both at the start of the month, but I usually have to top up about £20 towards the end of the month on each. I think my kids aren’t very cold kids anyway. So they’re quite happy to sit on the couch with a blanket rather than putting the heating on. If it’s not too bad we’ll sit with blankets rather than putting the heating on.

Hannah and Steve are also on meters:

“It’s a meter, we put about £15 a week in each, but we need more in this weather. Its central heating but the radiators downstairs don’t work, so the heating has to be on for ages before it heats up....the only times we have it on is of a morning and then when the kids come home from school for a little bit. It’s not on all the time, I couldn’t afford that.”

Phil says he and Dot are falling behind on their fuel bills even though they keep their heating down to a minimum, trying to limit it only to when their child is home:

“We’re on quarterly meters; we’re paying £30 every two weeks to the electric then £30 every two weeks to the gas. That’s what we have to pay and that’s all we can afford but they would like us to pay more. Because the bill’s going up we’re starting to owe them money and we can’t afford to pay them more because we haven’t got the money. What they generally do is, they cancel the payment card, then they write us a letter saying they’ve cancelled it. So you’re forced then to phone them up and then you’ve got to explain to them why you can’t pay any more and that’s how you get another one. It’s not right.”

Because of the problems she has had with her supplier, Louise wants to stop having to use the pre-payment cards they have given her:

“I am having all sorts of problems with British Gas at the moment. When I moved in, in September, I gave them meter readings from August and said, ‘This is what I am paying on my property at the moment which was £50 gas and £30 electric, can I carry on doing that’?. They were like ‘Yeah, that’s fine’. They sent me 2 payment cards one for gas and one for electric so I have been paying £50 a month. Then a couple of weeks ago I got a bill saying I owe £203, pay immediately sort of thing. So we are going through a lot of problems with them. It turns out they never actually set up an account to pay £50 a month. They are acknowledging that I have been paying that but they never set up an account for that so I am trying to go direct debit.”

extra costs

Having very young or sick children means that some families cannot avoid having their heating on, as is the case for Norma:

“Me other son is asthmatic, severely asthmatic and so I have to have the house warm so the heating is normally on all the time, however much it is going to be. As I say it’s outrageous. As I say it’s (the bill) not normally that high but the past few months’ with winter, it has been.... and I mean as you say it’s not ideal but it’s what I have got to do for him. I can’t not have the heating on and him being freezing. He goes blue round the mouth, all of that.”

With a baby at home, Sarah also has to have the heating on:

“The utility bills, even though it’s a shared house and we share bills, they are ridiculous, they’re very high at the moment. I think having a baby in the house even now she’s over one we can’t sort of skimp on it the way you would at other times of your life....even though our energy use on the little graph on the website says it’s about the same as last year, some of the bills are nearly a third higher than last year. There doesn’t seem to be any reason for it other than gas prices.”

Chen and Ai also prioritise having the heating on because of their young children. Their domestic fuel bills come to over £1,700 a year or over 9 per cent of the family’s income:

“For some things saving really cannot be made. For example, like now the weather is so cold, your heating in the house. Your children are so young, so you must have to have it on. I won’t save on those things. If it has to be used, then it must be used.”

Avril and Matt’s domestic fuel bills came to £2,340 in 2014 or 9.5 per cent of the family income. Avril has taken to trying to save on the cost of heating the bath water:

“The kids share a bath anyway, but I get in now, when they get out I get in. You know I’m not dirty...but he has to have a bath every night after work, ‘cos he does ground works. Pity we haven’t got a shower.”

Children at Roscoe Primary School are being given free breakfasts following a partnership with housing association Liverpool Mutual Homes and high street baker Greggs. Clubmoor primary school is in an area of Liverpool in which 40% of people are living in poverty, 96% of the ward falls in the top 10% of disadvantaged neighbourhoods nationally and nearly 66% of the ward is in the UK's most deprived 5%

(BayTV 27.5.14).

Figures from the Office for National Statistics showed Britain's richest 1% had accumulated as much wealth as the poorest 55% of the population.

The Centre for Economics and Business Research reports that the richest 20% of the population in Britain will have, on average, the spare sum of £18,680 to put into their savings this year. In contrast the poorest 20% will spend £1,910 more than they earn. Over the last 12 years the poorest 40% of the population have spent more than they have earned over this period, while the top 40% of earners had money to save every year. The gap between the wealthiest and poorest will continue to grow.

Research undertaken by the charity Shelter has shown that more than 4,000 households across England are at risk of losing their home every week as a result of eviction or repossession.

Figures from HM Revenue and Customs show that over the past year, the share of national post-tax income of the top 1% of taxpayers has risen from 8.2% in 2012-13 to 9.8% in 2013-14. At the same time the bottom 90% have seen their share of post-tax income fall from 71.3% to 70.4%. These figures cover the year when the top rate of income tax on earnings above £150,000 was reduced from 50% to 45%.
(Guardian 13.5.14)

In February 2014, there were 5.3 million on working age benefits. 15% of respondents had experienced verbal abuse. 15% of 5.3 million is 795,000. 4% of respondents had experienced physical abuse. 4% of 5.3 million is 212,000.
(WHO benefits report).

switching supplier

The Government recommendation that we should 'shop around' and switch supplier to make savings has been met with scepticism by some of the families who have tried. Domestic fuel bills came to nearly £1,300 in 2014 for Bill and Jane, or 8.6 per cent of their income. Bill says switching utility company has not helped with the cost of their bills:

"We pay a month £115 for gas and electric. Now I think last month I looked online at our account, I don't do it every day, obviously, but I looked back and they put it up without telling me to £175 a month. I went nah, I can't afford that, I am fully expecting, I think it's at the end of June, we'll get our next bill and I'm fully expecting that we'll pay out more then. A lot more.... What I do get quite annoyed about is you keep switching to save money, but when you look into it, it's nahh, they're all going to make money aren't they....the hassle it is to switch and the savings you get from it are negligible, it's just repackaged in a different way."

Ai and Chen also have a similar view about switching energy supplier:

"There isn't a solution.... sometimes their electricity rate is more expensive in comparison to other providers, but their gas rate is cheaper than others. So it compensates on each other."

cost of childcare

"I can't really put on people to do childcare. It didn't work out, childcare was costing £10 an hour and I am only getting paid £8, so it didn't work out." **Ruth**

'Even part time childcare costs outstrip the average mortgage. For a family of two children, the cost for one child in part time nursery care and one in an after school club is £7,549 a year compared to the average UK mortgage of £7,207.'

Childcare costs Survey 2014²⁶

For many families the prohibitive cost of childcare is the crucial factor in deciding whether mothers stay at home instead of returning to work – or go back to work and increase the hours that they do, especially if the child is under-two. In practice, very few of the **Getting By?** families pay for childcare, relying on grandparents and other family members to help mind children. When this is not practicable, the decision may be that it is simply not worth returning to work or increasing hours because there is little, if any, financial benefit once childcare is paid for. With older children the costs of after-school care and for holidays is still high. Norma with three young children explains what this costs her:

“Just after school care which comes to £108 a week (and they have just been off 2 weeks for Easter and they were only in, what 8 of the 10 days) that cost me £360- quite expensive. It’s hard, and, as I say, with me and me partner working and him doing shift work he is never off the same days each week so I can’t confuse the nursery by saying I need them that week (or) that week (or) that week. I just have to pay it and just let them go in. There is nothing really I can do.”

Later in the year with the summer holidays approaching Norma talked about how she felt about the costs involved:

“I just want to highlight the cost of childcare. I think it is outrageous and it needs to be regulated. I don’t know how anyone is expected to afford it, especially me and I have got multiple children, it is ridiculous. We used to live in a Sure Start area so that nursery was reasonable and we could afford that, but now ‘cos we live in (area) the only nursery linked to our school is a private day nursery and as I say it is £210 a week. It is just outrageous. I am just not in a position where (I can afford it). I am worried genuinely about the 6 weeks coming up what is going to happen. I mean my partner’s going to try and get his mum to have them and stuff ‘cos I could not....”

At the time of writing, plans were announced for ten of Liverpool’s Sure Start Children’s Centres to close due to further reductions in central government funding. Liverpool currently provides fifteen hours free early learning for children over two for parents receiving working tax credit. Taking advantage of this has been difficult for Ai due to the hours she works. At the same time she can’t afford to pay childcare:

“I now go to work and asking people to look after (the children) would cost me £30. I only earn £50 a day.”

Luke and Minnie have been talking with their grandparents because of the costs of childcare for their two young children:

“The places are available at nursery, but we’re considering the cost, to be honest. If we put the kids in the nursery for 5 days it means almost a full time wage. That’s why we were thinking that the first option was my parents looking after them. To be honest with you, it costs about £50 per day, or even a half day is £30. Because I’m still working full time there is no help. We have to sort out our own, unless the kids reach 3 years old and then they’re entitled to 15 hours a week. That’s still one year’s time for my first kid.”

As Pete is on a zero hour contract with uncertain hours, it makes it difficult for Gill to get a job and for them to look after the children between them. This is especially so because of the cost of childcare:

“It’s just hard with childcare and the only time I’d be able to go out and work is when Tom goes to full-time school. He could go to nursery but your childcare costs are just horrendous aren’t they, then that’s another expense you’ve got to look for throughout the month, isn’t it?”

Helen’s situation is complicated by having a child with special needs who refuses to go to after school club. Even though she wants to return to work, she thinks she may have to wait until he goes to senior school. At the moment Helen feels that it wouldn’t make financial sense, especially as the youngest would have to go into nursery:

“Yes, even going to work it’s tricky, like with three children. The cost of nursery for the youngest ones pretty much rules out working because I would probably pay more for nursery than I would get in income.”

With a new baby and working shifts, Brenda would have to pay the costs of all day nursery. She is reluctant to do this, not only because of the costs involved, but also due to her poor experience of nursery care with another of her children:

“Lily went back to nursery. She started at the age of one and when I look back I think it was too early. Because the nursery that she was in, there were a lot of kids in there, a lot of babies. I remember going to pick her up and she’d be in a part of the nursery, but on the floor, on like baby mats and then, like, at the time, I thought, ‘It is what it is, I have to do this’. And now when I look back, I go, ‘No’, I don’t want to do that with the baby.”

June feels that working at night seems to be the only option she has if she wants to return to work:

“I mean I want to go and get a job myself, but we’re really going to struggle working round my partners hours and my hours and then if I pay for childcare, what’s that going to cost? For four kids? I can’t leave an eleven year old....I’ve looked for jobs to do of a night, to try and work it around the kids, ‘cos there’s no job you can get from 9 o’clock to 3 o’clock.”

With no family in this country, Karolina has limited options when it comes to childcare. She sees the cost of childcare as the biggest barrier to mothers returning to work:

“Childcare, cheaper childcare, I would say that’s the most important. Because once someone’s got a baby it’s not as easy as it was before to find another job, especially people like me when they haven’t got any family to help them with the child.... I was looking for a place for Lydia it was about £33 a day. And that wasn’t even like eight hours; it was a six or seven hour days. If I go for six hours even at that time that was still minimum wage, that would be £36, so it would only be a few quid left for me, so what’s the point? Getting the bus pass for that few pounds left, working for nothing.”

shopping

“Everything’s gone up, all the food’s gone up, the bills have gone up, my wages don’t go up.” **Lynn**

‘The prices of ‘everyday’ items have risen faster than high priced goods. Food costs 44% more than in 2005 and energy costs have more than doubled, while vehicle costs have remained stable and the cost of audio-visual equipment has halved. Weekly household expenditure for the poorest 10 per cent of households has risen at more than double the rate of the richest 10 per cent of households over the last 10 years’.

The interim report from the Living Wage Commission 2014²⁷

Most of the families know that their financial situations are significantly worse compared to a few years ago because of the increase in prices, the failure of wages to keep pace with these and impact of changes in tax credits. The weekly shop is where the increase in the cost of living is most obvious. Just over 20 per cent of Eileen’s income goes on the weekly shop, with three-quarters of this on food. She knows just how much prices have gone up over the last few years:

“Food’s gone up tremendously, electric, gas, massively, I can’t believe it. I shop in Farmfoods usually. That’s the cheapest, so as to put stuff in the freezer and that. I’ll go to Farmfoods. I know I could get a decent week’s shopping four years ago for about £60-70 but its £110 now, for a normal shop. Not loads of treats, not loads of goodies, but a normal shop, you know with fruit and veg and all that. But sometimes it can’t be done, so we do have a beans on toast night and we do have cheese on toast nights. That’s the only way I can do it.”

Even shopping as prudently as she can, Eileen is still in debt and is currently paying back over £3,000 without including the things she isn’t paying:

“I haven’t paid the TV license for twelve weeks, I’ve not paid the water rates for God knows how long and when the council tax catch up with me, I’m finished.”

The small increases in the minimum wage have made little difference for Karolina and Micha. Just over 23 per cent of their income goes on the weekly shop:

“I think first of all the prices have gone up and I know the minimum wage has gone up every year, but by 20p.....Two years ago, the money was there and now all the money is just getting spent. The food and bills, everything is going up. I think that’s the main problem, everything is going up, but wages are not going up in the same proportion as the food goes up. I think that’s the main problem.”

Avril and Matt have two young children and spend almost a quarter of their income on the weekly shop. They have almost nothing left after paying the bills and shopping to get through the week:

“After we’ve paid everything out, we’ve got about £20 left spare for through the week. Out of what I pay, the rent, Bighthouse and a few bills, like, I’m in so much debt. But then I’ve got £20 and that’s for like a paper or milk or bread, there’s always something you need a pound for. And when he gets his wages on a Friday we go to Park Foods, usually £40-60 on food and then gas, leccy....so it all adds up by the end of the week and we just manage again.”

As with all the other families, the children are the priority for Adam and Fawzia:

“We just have to pick and choose, like we always feed the kids and clothe them, because they’re my priorities, as long as we get the kids’ stuff. I haven’t got anything, I don’t smoke, I don’t drink, so I don’t have a habit to give me financial problems. It’s hard because you have to think about all the food and things. I have priorities, but every day at school they have to have like new things, but they don’t get anything at school to help them, nothing, so it’s hard. You have to buy your own uniform, shoes; my daughter’s going on about her cardigan, school dress, summer dress. I don’t even have, like a carpet, we can’t have mobile phone contracts, just pay as you go. The gas and the electric are on a meter. We just buy what we can afford.”

Norma’s observation on packaging and ‘two for one’ offers is something with which many will identify with and makes things just that much harder for families on limited budgets:

“Everything seems to have gone up in price and smaller in packaging. Does that make sense? I have noticed like crisps and things the packets have gone smaller but the price has gone up. Chocolate bars have gone smaller you know even big food packaging like Birds Eye Chicken fingers there are only three in that and there used to be four. Things like that have changed and it’s like you know Asda do these you pay £4 for one or you can get two for a fiver so you end up spending more because it’s on offer, you know what I mean.”

Rising prices means cutting back, as Hannah comments:

“I just give them the bare essentials really; three meals a day. Sometimes I get things that are on offer.”

June spends 13% of the family income on food and finds it hard to see how she spends this much:

“I mean we don’t eat extravagant food, no takeaways. I mean the kids, we went to McDonalds the other day and it was the first time in like two months, which I don’t think is like living beyond our means, it’s a treat like. And I buy basic meat, I don’t

go and get the most expensive meat, I'm always buying basics so I don't understand sometimes how I spend so much on food, but there's six of us."

The families have become experts in getting their money to stretch as far as possible when shopping. This not only includes shopping in the cheapest shops and looking for the cheapest items, but also, as Ai says, buying food near its sell-by date:

"For example, when buying things, when I see those approaching the use-by date and are reduced in price, vegetables that are looking not too bad, then I would buy them, but for meat, I won't buy. Vegetables and fruits, I would buy some."

On average Sue spends 15.4 per cent of her income on her weekly shop. She focuses on buying reduced items and admits to being almost obsessed with trying to save on her weekly shop:

"I just go for the reduced stuff at Aldi like where everything is cheaper. I am obsessed with it. I am proud of that in a way. I do manage. I'm quite good at that, making use of reduced stuff. I never buy, you know, pre-packed. I am always making my own things."

Louise, who spends just over 20 per cent of income on the weekly shop, doesn't go shopping without a list to stick to:

"So definitely I've found more so lately we are back to doing shopping lists and budgeting on things. You know you don't just 'willy-nilly' go into the shops and pick stuff up any more."

The family weekly shop for Bill and Jane takes just under 19 per cent of their income. Avoiding the temptations of the supermarket by shopping on line is a tactic Jane uses:

"I mean, every time I do shopping it's always more and I try to do mine online because once you're in the supermarket it is tempting just to throw things in, even if it is just a pound. You know, it does add up. So I do try my best with little things and stuff, but even then, we have to cut down on other things just to live."

Planning meals and making extensive use of the freezer helps Samantha save. She spends 13 per cent of the family income on food:

"I pick chicken bits up or something each week so my freezer is always full. I freeze bread, I freeze milk, I freeze butter so it's always in. I freeze soup as well so I am quite nifty in me shopping. It's just me bills and everything else that's suffocating."

new and old

Clothes shopping is one of the areas where families try to cut back on spending, sometimes through the use of charity shops. Helen spends under £1,000 on clothes and shoes a year, or 2.4 per cent of the family income. Carol spends a bit more at £1,369 or 4 per cent of family income and Samantha also spends 4 per cent. All three make use of charity shops.

Helen: "Well, we shop in all the cheap shops.... and definitely cut back on clothes and a lot of my friends like myself, we go to charity shops. You know for us. For the children they get new clothes but we go to charity shops and we'd rather do that and buy second hand."

Carol: "A lot of my clothes come from the sales. I either buy in the sales or the charity shop, or whatever I'm donated basically."

Samantha: "Well, I have put it down in here (spending diary) just to show you like. I think one month I spent here on 19th August, I used £150 for the rest of the school uniforms which was skirts, jumpers, shirts and PE kit and trainees.... and I think I put I got their blazers in a charity shop."

Avril has recorded almost no expenditure on clothing and shoes over the year:

"I've looked at myself and, it's like, 'Oh, I've got a hole in my shoe!' And one of my friends, she's the same, she goes, 'The kids are all walking round in their trainees and I've got holes in my shoes!' You literally have to wear your shoes out and then you have to go and buy a new pair."

Kate also spent very little on clothes and shoes over the course of 2014. She says she stopped buying clothes for herself and, instead, gets her daughter's passed down to her:

"Like stuff for myself, clothes for myself, I don't really. Louise's stuff gets passed down to me. Luckily we're the same size and height and so on, so stuff comes down to me."

June no longer gets her hair done, but does it herself and buys clothes through a catalogue as a way of getting credit. But, as she admits, this can be an expensive option:

"Well, we have to look at catalogues and things like that, and then you get penalised for using them, then that costs more, so it's just like a vicious circle. It's the only way you can do it; that or get loans, and then again it's going worse, so it's a vicious circle."

budgeting

Budgeting is something that most people have to do but it is especially important for families in working poverty - and also more difficult. Sue, who spends over 15 per cent of her income on the weekly shop, explains how she tries to budget:

"I was trying to keep to a budget of £50 but then other weeks I would only spend £40. I do struggle with food you know and household stuff trying to keep to the £50 'cos that is what would keep me even."

Kate whose weekly shop accounts for over 22 per cent of her income, changed to shopping at one of the discount supermarkets. This has resulted in a big saving on her weekly shop. Later in the year she had reduced her spending further:

"I got my shopping down to £50 per week which is not as bad as I thought 'cos I'm making things like soup so what I'd spend on soup I would spend three times as much on a whole chicken. I've sat the kids down, we've talked about it and they were fine now I've had to cut back on food. I used to save up for social, leisure money. It's not for me, I don't do anything. But I just used to save it up and now I'm going to have to use that to buy important things or a fund for unexpected things."

Chen and Ai have a very definite budget that they try to work to:

"Usually our income is divided into different portions; one portion, no matter how much would go into saving for their (children's) education fund. Then a portion is some money when necessary for use in an emergency. Some parts go into living cost say daily living (cost), some parts for insurances or so forth that definitely have to be paid."

Even though their sofa needs replacing, Karolina would rather budget to save than get it on hire purchase:

"As you can see the sofa is split in pieces. It's time to think about getting a new one but that has to be well planned, or we could get one but that would be from that one where you pay some money and then you pay monthly and I don't really like that. I would rather prefer to put ten or five pounds away each week and then pay the cash, because you never know these days, if my husband lost his job there wouldn't be the money left to be paid."

Keeping the project spending diary has been helpful for Brenda - up to a point:

"I've been looking through it and thinking where can I pull back to save money here? But I'm kind of, there's nothing that I can pull back on. It's helped me see where my money goes, but nothing's really any different. It's kind of depressing when you see your outgoings and you try and think where you can pull it back, should I starve the kids this week, or can I save a little bit? It's just getting by, isn't it? You see it coming in on one hand and then it goes the next, but at the same time you get by, you make do, you have to."

It's also helped Carol but she makes the same point about the difficulty of budgeting when the money just does not stretch far enough. She spends nearly a quarter of the family income on the weekly shop:

"I keep saying this, the diary definitely has heightened my awareness of what I spend, but it's finding places to make the changes. That's my big one, the food. It's having the lump of money to be able to do that. It's all very well to be able to say I pay my bills. It goes through my head, if everything is paid, what I've got left. I then have to divide between four weeks. It doesn't work like that because things come up constantly; schools are terrible for constantly wanting money off you, money for this, money for that."

travel

'Reductions in public transport mean that people increasingly need to supplement bus travel with other means of transport.'

'A minimum income standard for the UK in 2014'; JRF²⁸

Public transport remains the only means that many of the families have for getting to work and getting children to school. However, for some, owning a car is a necessity because of the distance from work, doing shift-work, disability and juggling childcare with work.

public transport

Over the course of the school year the weekly cost of bus tickets mounts up for the families. Beth spends nearly £22 on average a week on bus fares, amounting to 5.4 per cent of her income. She walks her son to school when she can, even though it's a good distance:

"I pay weekly for my bus pass for work. It would probably be better if I could pay a yearly pass. It's the same with Sam; his school is on (name) road. It's like a 25-30 minute walk. Now in the summer I don't mind doing it, and when it's nice, it's lovely, but in the miserable weather when it's raining and stuff, his favourite words are 'Can we get a taxi,' to which he's told 'No, we can't'. But I will get a bus with him, but then, in the last few weeks he's wanted bus tickets. But the other day I was like, 'We're going to have to just walk', or we get the bus round the corner that's like the cheaper bus-the little one, called the Comfy Bus, because the other buses are too much. It's like £1.40 for him on the bus now. It used to only be 19p when I got it. It's like I can't expect him to walk in that weather so I have to. When I get him a weekly bus ticket and me a weekly one, it's like £25 a week, and that's just the bus, so it's not cheap."

The cost of getting children to and from out of school activities also adds up. John and June spend nearly £30 a week on bus fares, or 6.5 per cent of their income:

"You're trying to get the kids to do activities after school which all cost money, and then you have to get a bus to get there, 'cos there's nothing in this local area. So then you're spending again, but you don't want the kids to be sitting at home, you want them to be socially active and fit so it is, it's a vicious circle."

Eileen spends over £30 a week on bus fares but getting a weekly ticket helps:

"Bus fares, you know, £9 for a weekly bus ticket, for the two kids it's £18. We have

One in seven Liverpool households is living in fuel poverty. Nearly 30,000 households spend at least a tenth of their monthly income on gas and electricity bills according to a Department of Energy and Climate Change (DECC) report published this week. This accounts for 14.4% of all properties in the city. (Liverpool Echo 22.6.14).

Research for the Joseph Rowntree Foundation has found that a couple with two children need to earn £40,600 before tax to be able to have an acceptable standard of living. This is 46% more than in 2008 and is explained by increases in the cost of living including a 26% increase in the cost of food, 45% for domestic energy and 37% increase in bus fares.

Department for Work and Pensions is government's 'worst at providing living wage'. Figures obtained by MP Frank Field show Iain Duncan Smith's department accounts for half of government workers known to be earning less than £7.65 an hour (Guardian 24.6.14).

In work poverty is now a reality in the UK. This undermines the assumption that employment is a guaranteed way out of poverty. People in work are finding it increasingly difficult to meet essential costs due to stagnant wages, freezes to working benefits and rising cost of living. (Caritas Social Action Network, June 2014).

The Economist, a respected financial magazine, accused the Pope of following the founder of Soviet communism in adopting an "ultra-radical line" on capitalism. (The National Catholic Reporter, 25.6.2014).

to, it's far so we have to. So I have to give them a weekly bus ticket because it works out a lot cheaper. I get a bus ticket to get to work and back."

Samantha notices that even the small savings matter and mount up over the year:

"I'll buy Saveaways, cheaper than bus tickets. Bus tickets £10 and a Saveaway is £7.80.

CARS

It is increasingly accepted that for families with children, a car is not a luxury but a necessity.²⁹ Both Phil and his partner work and need to run a car but say it ends up as cost effective as using buses:

"We're buying it in instalments. That's £132 a month. We've worked it out about £35 a week, which by the time we worked it out from the old car to the new car over the year it would balance out. The insurance stayed the same which we were really made up with, because that's the biggest one. It's a second hand car, but it's only had one prior owner and it was low mileage as well.....I work up to 11:30 pm here of a night and obviously the last bus from over by (name) is like 11:45 pm and there's no chance of running for that. And if not it's a taxi or walking, and it's to (name a considerable distance). When we looked at bus fares and things like that it would cost us £30 a week for both of us to travel on a bus and that's just a weekly pass. So obviously it's just get the bus and pay the £30 or have a car and it's a bit more comfortable, it works out more or less the same."

Brenda works shifts and can't do without a car. Allowing for the costs of taking the children to school and after school activities, a car works out cheaper than public transport. Both Carol and Helen see having a car as essential because they each have a child with health problems. In Carol's case, she and Ric spend 8 per cent of their income on transport, most of it going on running their car. Jane and Bill also spend over 8 per cent of their income on running their car. Jane explains why they need one:

"My husband is disabled and he can't walk very far and so does need the car so things like that play a big part in it."

Buying and running a car, however, is a serious expense, as Luke says. He and Minnie spend nearly 6 per cent of their income on transport, mostly on running the car:

"Because of the two babies I need to change my car. I changed my car and so I have some expenses for my new vehicle. I used some of my savings for a deposit and also I paid by loan for the car. I part exchanged my old car so this got a bit of money towards it.... the new vehicle that I bought. The situation is the tyres aren't that good, so I have to spend more than £250 to exchange all for new tyres"

The costs of car ownership for Michael and Ruth just became unmanageable and they are left reliant on public transport again:

“No, it was just costing too much basically. It was costing insurance and it was costing everything, petrol, diesel, so the car has gone.”

rent

The number of people in poverty in the private rented sector doubled in the last decade....For private renters in poverty though, most (2.3) million) were in working families and the number has more than doubled over ten years. The number in workless families has also increased.

‘Monitoring Poverty and Social Exclusion 2014:’ JRF & NPI³⁰

At least 1.3 million families on lower incomes in England have to spend more than a third of their net income on housing. Housing prices have increased by one and half times the amount wages have risen³¹. It is hardly surprising, then, that housing costs are a continual challenge for most of the families and are nearly always the biggest single item of monthly expenditure. Nearly all the **Getting By?** families live in either privately rented accommodation or social housing, with the private sector being most common. Ensuring that children grow up in a safe, damp free and warm home is increasingly difficult for families in working poverty.

Norma is in privately rented property. She doesn’t have a tenancy agreement and her landlord has told her that he is putting the property up for sale. She has seen her rent increase from about £400 to £600 a month. She is clear why this has happened:

“There is not being much social housing available so I think it’s like people are forced into buying. Sorry, not buying, renting privately. And the private landlord knows this and they bump their prices up.”

It isn’t simply the high cost of rent that’s an issue for families in the private sector. Pat spends more than a third of her income on rent at over £6,500 a year. She had to find a large deposit when she moved into her property and now the landlord is looking for her to sign and pay for a new tenancy agreement. She is reluctant to do so because of his failure to deal with the damp and repairs the property requires:

“I haven’t got £50 to pay at the moment just to pay out for paperwork, but even when I moved in I had to pay for all the checks. It ends up at well over £1,000 before I can move in. And that was what got me in debt with my overdraft, because I had to pay my rent a month in advance and then all of the paperwork costs as well which was a ridiculous amount. And now they want £50 each time they renew it,

so every 6 months they want £50 just to sign a piece of paper..... I’ve been here for 18 months and there’s things that I’ve asked for, so I’m not going to sign any more until they’ve done the work that needs to be done. It’s just been like ongoing problems like damp in my bedroom, I’m not going to sign another contract plus I haven’t got the £50.”

Eileen spends over a quarter of her income on her privately rented property, costing over £7,000 a year. She struggled to find the deposit and ended up getting into debt that she is still paying off:

“I’ve always been chasing that deposit ever since because I had to find £1,100 to move. I borrowed it from a glorified loan shark. Well, legalised loan shark, ‘Shop-a-Check’ like a provident organisation, so I’ve been chasing that ever since.”

Because of overcrowding, Rachel had been looking to move from her social housing to private rented but can’t afford to:

“I was looking at private, to move, because my landlord’s saying that my house is too small a size for the five of us, but the rent was just too much. It was like £1,100, and that was only a parlour house.”

Carol and Ric’s rent has doubled in the seven years they’ve been in social housing and say it’s a big increase. They are overcrowded but don’t feel they can afford to move to a four bed roomed house, particularly as one of the children may be leaving to go to college, which would leave them still having to pay the higher rent. There are also the costs of moving that the family would struggle with:

“Even just to hire the van to move, if I was offered somewhere. Apart from anything else, you’ve got to rely on friends and family and things like that. The place needs decorating right through, it needs painting and as long as I’ve lived here we’ve never even had a carpet in my bedroom. The kids have got theirs but I’ve never had a carpet. I’ve got rugs down, bits of old rugs because I can’t afford to buy a carpet, things like that, and again it’s not something I want to get in debt for. All my furniture, everything you see in the room, apart from the telly which we’ve just bought has been passed on from my mum and dad. Nothing, not one item here have I actually gone out and bought.”

bedroom tax

'A year after the bedroom tax and other benefit changes were introduced, average rent arrears in households affected by the shake-up in housing benefit have soared by 35%. A survey of local housing associations has revealed they have gone up from £276 this time last year to £374 – and hard-up residents are now at least £1.4 million behind in their rents.'

Liverpool Echo, 1.4.2014³²

Mary and her three children have lived in the same four bedroom house for four years. She has to pay the bedroom tax and was unsuccessful in getting a discretionary housing payment towards this. She knows she may have to move to a smaller house but with two boys and a girl she is aware they will need their own rooms as they get older, so is reluctant to move. Even though she is in receipt of working tax credit and housing benefit she simply couldn't afford to pay the increase in her rent and get into arrears:

"Well just at the minute, I've been put back and don't have to pay until March; I just have to pay the housing arrears. I was like £700 in arrears with the housing, so I couldn't get no repairs done, nothing at all. Now I've paid them, well I'm paying a fiver a week, bit by bit. I could have been homeless to be honest."

She is now paying her rent arrears of at the rate of £18.50 a week, £13.50 of which is for the bedroom tax, which she is finding very difficult. She has been successful in now getting payment of the bedroom tax postponed. Mary says moving to a smaller house is not an option because she couldn't afford the costs of the move:

"You know they want me to move, but it's not as easy as that. I said to them 'Are you going to give me the money for the move? You going to get me the money for all the furniture, new carpets? No, so I'm not moving then. So I have to struggle and pay that, and now I'm glad that I've won that little bit of appeal back, only until March but it's something isn't it? You know, they're going to want it again in March, but I'll just have to work my way round it somehow. It's a lot of money. Basically, they've said I've got to start paying it again in March. That's all I know. Every little helps in the meantime. Don't get me wrong, it's helping me quite a lot. But I don't agree with it. I think it's disgusting, I really do."

debt

'Low, reduced or irregular income is a major contributory cause of problem debt, with low-income households being particularly at risk due to their lack of savings and financial vulnerability....The growing pressures on household budgets and restrictions on mainstream lending have led increasing numbers of low-income households to turn to high-cost lenders including pawnbrokers, payday lenders, home credit and illegal moneylenders. There is a worrying minority of users who are already struggling with debt and for whom high-cost credit can often quickly drive them deeper into problem debt.'

'Maxed Out:' Serious personal debt in Britain; CSJ November 2014³³

'Surging numbers of cash-strapped families in Liverpool are desperately seeking help with debt. Charity StepChange says it has seen a massive 18% increase in the last year in numbers of city residents struggling to make ends meet.'

Liverpool Echo 1.2.15³⁴

Nearly all the **Getting By?** families are in debt, in some cases, amounting to several thousand pounds. Their debt has, in the main, been incurred simply by not being able to manage on an inadequate income. Without savings, meeting unexpected costs leaves few options but to turn to various forms of high cost credit. It can then become a case of borrowing again from another source to pay back the original loan. Over time it becomes a juggling act of deciding what debt to pay. This is coupled with a feeling of being trapped with debts which they see no prospect of paying back. In a few cases, families have agreed an Individual Voluntary Arrangement (IVA) with their creditors, but then face the problem of managing without access to any form of credit.

getting into debt

The arrival of unexpected bills is one of the most common reasons for debt amongst the families. For Beth, who spends 36 per cent of income on rent, the problem started after moving house:

"It's just when things hit you all at once. Like it must have been coming up to a year ago and apparently they hadn't had the original meter readings when I moved in. And it turned out that I owed them about £500 to £600 in gas and electricity because they hadn't done the meter readings properly when they first came out, or the landlord hadn't given them the proper readings or something. And so I was devastated, because I hate the idea of being in debt. There's nothing worse, so I've had to struggle trying to pay that back, because for the last few months I've been having to pay £167 a month gas and electric, and it's not the easiest thing to do when you're on your own."

The Institute for Fiscal Studies report on living standards, poverty and inequality in the UK in 2014 says that the poor have become worse off in recent years, particularly when the costs of housing are taken into account. Some groups are especially falling behind including young adults.

The recession and its aftermath have been much harder on the young than the old. The employment rate of those in their 20s has fallen, while employment among older individuals has not; and real pay among young workers has fallen much faster than among older workers. As a result, young adults' real incomes have fallen much more than any other age-group.
(Institute for Fiscal Studies: July 15 2014).

There's the convenient political fantasy that low paid work is a guaranteed route out of hardship. Yet austerity and recession mean that the "couple-with-two-kids" would need to earn 46% more than they did in 2008 to reach the MIS threshold (wages have risen by just 9% over that period). Lower income working families have typically lost four times as much from cuts to In work benefits as they have gained in tax allowances, according to the JRF.

(The Guardian, 2.7.2014).

Research undertaken by the University of Sheffield has found that councils in the North-West have been most affected by government cuts to local authority spending. Councils in the most deprived areas have been most affected with an average cut of £228.23 per person across the top 10 per cent most deprived local authority areas compared to just £44.91 per person in the 10% least deprived areas. Hart district council in Hampshire, the least deprived local authority, is losing £28 per household, while in Liverpool District B, the most deprived area, the figure is £807.

Ruth is paying back over £5,500 of debt, or 18 per cent of the family income. She is clear that the changes to working tax credit had the biggest impact on the family's ability to cope with the cost of living and got them into debt:

"I am not 100% sure but I think it was when the government come into power, when I lost the money (working tax credit). That made a massive impact on our lives 'cos that was when for a while you just cope without it but I did not realise I was spiralling into debt."

Family bereavements and associated costs helped get Matt and Avril into debt. The fact that Matt is treated as being self-employed by his employer and so does not get paid over the holidays, or for other time he takes off, added to their difficulties. These were compounded by a long-standing TV licence fine:

"Over the last year we've had a couple of occasions with family tragedies, loads of things. He's had to take time off so we've got a bit in debt over the last year or two, over, you know, with our bills and stuff. With one wage coming in the house it is hard. Obviously we get working tax credit, only £15 at the moment. And I haven't paid the school dinners for ages. I need to do that and there's load of things like over Christmas he doesn't get paid. So we didn't pay the rent over Christmas so we got more in arrears so it's a catch up really."

Their situation became very difficult:

"We're all grieving and in November we had a bailiff turn up, put his hands on the car and said he was seizing the car for the TV licence fine that we had in 2005, and we had 24 hours to get that. We got it off his brother but then obviously before Christmas we had to get that back to him. So it's a constant challenge."

Rob and Carla are paying back nearly £4,000 of debt, or 11 per cent of their income and, with Rob off sick, the family got even more into debt:

"I fell behind with the rent last week because, I just basically, we didn't have the money, things crop up. Rob was off work for a few days. He doesn't get paid when he's off sick, so they sent me a letter straight away because they didn't get paid on the Friday. And I was just like, 'urgh'. So then it was like juggling then. Rather than getting all the letters and getting the hassle, it was a case of, 'You know what? We'll just buy the shopping on the credit card. And then what shopping money we have we'll pay the rent,' and that's how we worked it, but again it's just getting deeper and deeper into debt. We owe £3,800 on one credit card, and now with everything breaking and stuff in the house we're back up to £4,600."

Pat's debts partly go back to when she moved from a furnished house to an unfurnished one. She had to get finance to furnish it, while at the same time the house costs more to run:

"I have got quite a few debts, like something from Christmas. I'll get stuff from catalogues or stuff on finance. When I moved house, I've had to get stuff on

finance, it's like an ongoing problem trying to pay them. Or I'll ask family members. If I'm struggling for bills and ask them for money."

Mary has long-standing council tax arrears and doesn't know how she will be able to afford to pay them off:

"Last week I had a bailiff's letter for council tax I had about six years ago. I haven't paid it 'cos I can't afford to give it them in one go. So they're waiting for a payment now, threatening me with letters. But it's scary, though, to be honest. I haven't got it to be honest, it's been that long. Then you've got to find it.....But they're saying to pay and I don't think I can. They say I could go bankrupt, but I don't know about that, how it would work."

Avril and Matt also have council tax arrears dating back over several years:

"I don't know whether I mentioned it last time, I had quite a few bills from 2010, for my council tax. I have actually paid that. I had letters from three different bailiffs, and from 10 years ago and 8 years ago. So what I've done is I've asked for an attachment of earnings. I felt a little bit embarrassed when a letter got sent to my workplace explaining what it was for...but at the end of the day, I'm quite an open person so I'll probably make a joke of it when I go up to HR."

banks and credit cards

The families often have to make use of high cost credit, partly because many do not have access to the financial services that charge lower rates of interest and are available to those in better paid employment. Those that do have bank accounts and use credit cards are often at the limit of their overdraft facility and manage only to pay back the interest on their cards. Kate has a high level of debt on her credit cards. In 2014 nearly 9 per cent of her income was spent on debt repayment:

"To be perfectly honest with you, I use credit cards an awful lot. So, say something breaks, I'll use my credit card to replace it or clothes for the kids and stuff like that. I usually get my shopping on my visa card as well most weeks. I've got debts on my credit card, about £7,000.... It's not going up and it's not coming down to be honest. It's just the interest rate is really high. Each month the interest is about £80 a month, so I'm only paying literally £20 off what I owe and the rest is the interest."

Hannah was left with £19,000 of debt by her ex-partner and after ten years is still paying it back. She has asked the CAB to help her in getting an arrangement to reduce what she has to pay back on her credit cards:

"I've got my credit card debt. I think it's about £400 or £500. Since like August I haven't been able to make any payments."

Ruth has steadily seen her overdraft increase, with little prospect of reducing it any time soon:

"Now I live on my overdraft I am not in credit I don't ever credit me bank no more. Do you know what I mean? It's gone from being a £200 overdraft to being a £900 overdraft in the space of two years."

Rachel also relies on her overdraft. In 2014 almost a third of her income was spent on paying back debt. She knows she should seek help with managing her debt:

"I've got an overdraft of £1,250. I live on my overdraft. Basically, as the money goes in, it goes back out. There is a charge on it, but it's about £12 a month or something like that, because basically if my wages went in and I didn't live on my overdraft I wouldn't have any money for the week or the month. So that then pays for the month.....credit cards, the like of Shop-a-Check I had to pay, water rates, council tax, I'm still in arrears with now. I keep hiding from them because it scares me, that debt. I think it's about £4-5,000."

Phil and Dot have a permanent overdraft and are only able to pay the monthly interest:

"I've got a bank overdraft; it's just an overdraft of £750. They charge me £20 a month to maintain it. It just stays the same, there's nothing I can do about it. So I think that's just going to be there until we can manage to save something. I can't foresee that."

In 2014 over 12 per cent of Brenda's income was spent paying back debt. She cannot increase her overdraft anymore and is paying charges on it:

"I've maxed it out. I arranged a £1,500 overdraft but it's gone. So every month I'm getting charged £1 per day and I've been doing that for a month or two."

Pat has taken action to try to get on top of her bank debt:

"I had my overdraft sometime last year it was going up and up and up. I was getting bank charges and it was just like never-ending, so eventually I got a loan to pay off the overdraft which I pay each month. And I have got quite a lot of credit which I have to pay, with my bank."

payday loans

Rose's experience illustrates the need for the recent introduction of a cap on the amount payday lenders can charge. She found herself struggling to pay her bills, trying to put back payment while paying others and constantly moving payments around to find a way to get through the month. Then she got behind with her rent:

"It was through Mini Credit. It was only £80 I took out and it's now gone to I think its £700 because I haven't paid it. What it was, I was on the internet in me mums trying to do it 'cos I was in a bit of a panic about this rent situation. So I was applying for a few on-line and they were all coming up decline, decline, decline and I thought there is nothing I can do now. So I left it. The next day I went to check

me bank and me rent had gone out of me bank and I was thinking 'That's strange'. Didn't realise and I thought I must have miscalculated the rent, it was in there and it's all alright."

In fact her bank balance had been increased by a payday loan payment she didn't know had been given.

"I was just relieved seeing that my rent had gone out ok. I didn't even look into it, which was my own silly mistake. And then that was in the September and then it was around Christmas time. I got a letter to say that I owed this £700 and odd pounds and I was thinking off what? So I phoned up and I was like 'I never got a payday loan off you, I asked for one and I got declined.' They said, 'We will give you the bank account number it's been put in to and then check it against yours. If it is not yours we can rectify it', and I done it and it was mine."

Eileen had the experience of a payday lender taking money from her account, even though she also believes she hadn't entered into an agreement with them:

"I tried to get a payday loan, like an idiot, and they took nearly £200 out of my account and I never got nothing. Apparently they're legal if you search and look for one on the internet. And my son had got one many moons ago and swore that he would never do it again and they used his bank account. So Wonga, I think it was, they still had his bank account details and sold it to the ones I was looking at and they're entitled by law, they can take up to £100 out of your account just for you looking, so it's an absolute nightmare. You just go, 'Where has that money gone?'

The stress caused by getting into debt with a payday lender is evident in what she says:

"I've got about seven letters sat on my back kitchen worktop and I haven't got myself to open them, because I know. I know I should go for help, I know, but... This is why I'm thinking I could phone these loan people and say, 'There's no way, I mean I'm not going, there's no way they're going to take me to court, because a judge will say, why did you give it to a single mum?' I'm going to have to reduce that loan over the next week or so, instead of trying to find it. The council tax has to be sorted. I'm still catching up on Christmas, that's why. I was just blinkered and stupid."

Jane says that they only turn to Bill's dad as a last resort and instead have used payday loans:

"We have used a few payday loans, and at the time it's good, because it's instant money and we can deal with our bills or whatever we need it for. So we have to pay double or whatever it is, so we try and avoid them where possible, but it's not always possible. We try not to get into debt, it's really hard, but we try."

Rachel's experience shows just how easy it is to access payday loans - even when you already have a number of other debts. She owes over £10,000, a significant part of

which is debt left behind by her ex-partner. As we have already seen, over a third of her income in 2014 was spent servicing debt:

"I'd managed to spend all my wages, took out a loan and then had to use the catalogue as well, and then I had to take out a payday loan at the end of the month to pay my bills that were due. I got that online, I think I got £700 all in all, and I think it worked out to just on £900 and something pounds to pay back. So what I've done is I've split it over three months, so it's about £350 a month to pay it back. I think it's something like 1000% interest rate, I've used them before."

She is unhappy about her thirteen year-old son being offered payday loans:

"As soon as I'd put it in his phone to install it, three messages came up on the phone for payday loans. Now my son's thirteen, so obviously someone's selling the numbers onto these companies. I get quite a lot of text messages about payday loans. In my son's case I don't know how it's happened because obviously he's never had a payday loan."

Michelle got into debt due to initially having to repay a wages overpayment, which then led to her getting into difficulties with her housing benefit:

"I had to do one with Wonga. Yes, last year. I've took one out with them and still I'm paying it back, only 'cos Liverpool City Council overpaid me. Yes, not once, twice. Once in August 2013 and once three months later in October 2013...it was their mistake. Then because of the overpayment, my rent got stopped. So from August to December, where my landlord would normally get £103, he wasn't, he was getting £74 so there was a shortfall. So from now, I'm in £305 in rent arrears because of this."

Norma found that she could not afford to pay back her loan:

"I did go the money shop, but they were just being outrageous so I just didn't pay them. I said, 'Look I can't pay on this day, you are going to have to wait'. It was like, 'Oh well, you are getting charged £30 something like that, can't remember now cos it was a while back. So I just said, "You are putting me in a position where I can't pay you back so you are going to have to take action against me now" but they haven't bothered."

door to door lending

Door to door lending makes borrowing easy, with collectors often arriving on the doorstep each week and building up a friendly relationship with the client. A company like the Provident will charge interest from between 170% to 500%. Rachel had not appreciated quite how much she was paying out in total until she started using the project spending diary. Because she kept up the repayments, she was regularly offered top-ups, which she says were difficult to refuse because she was 'broke'. She describes how door to door lending works:

“My collector is like a family friend now he’s been coming that long and that’s why, I think they get something like 10% of what they collect, or something like that. So I didn’t want to (not pay) ‘cos obviously it would be a reduction in his wages. I used to pay him every week religiously. Whether I had the money or not because I did see him as a friend rather than a debt collector... but obviously with the reduction in the tax credits, I thought I really couldn’t afford to pay it, so the payments I’ve reduced by over half. Obviously they just said to me, if my circumstances change I can go back onto....but then I thought, if I do reduce the payments then they’re not going to offer me anything else so I’m not going to get myself further and further into debt with that.”

Eileen is also in debt to a door to door lender:

“I’ve also got a Homes-for-Loan, which is the same, they’re all posh words for Provident and that. They all change their name, disgusting interest, but great, as I say, when school uniform time comes up, or Christmas comes up. And I go, ‘Oh yeah, go on,’ it’s there and I’ll just get it and regret five days later ever getting it and it’s gone. And a catalogue; I’ve probably got £7,000. I pay one £40 a week and one £70. They’re lovely, in all fairness, the people who come, they are lovely. They’re on commission on what they collect, aren’t they? It’s just a big vicious circle though, isn’t it? You find yourself on that wheel and it’s very difficult to get off.”

Mary uses the Provident because she has not got other alternatives:

“To be honest with you, I don’t really have credit cards ‘cos I can’t get none! That’s a good sign really! As for loans, I’ve had the odd Provvy loan, ‘cos I’ve had to, to help me through, things like that, but apart from that, I haven’t got no big debts or nothing.”

cash converters / pawning

Pawn brokers or their more modern equivalent, Cash Converters, are another way that Rose has got access to ready cash. When it’s something personal that she has had to pawn it has been an upsetting experience, especially as she has not been able to afford to get items back:

“I have put things in Cash Converters, things that I don’t use, like necklaces and that that me mum had bought me for me birthday and things like that. I pawned all of them.”

Samantha and Don have not been able to get credit elsewhere and so have pawned items:

“No, I’ve tried but in the long run I think it’s better they’ve said ‘no’. If we struggle, my partner’s X Box goes into Cash (Converters). Yeah, on buy back. So what we tend to do is put it in there if we need it at the beginning of the month and then when the wages come in, go and get it back, and that’s what we try to do.”

Norma has done the same thing:

“Plenty of times yeah. Not recently but I was doing it with the kids computers and everything ‘cos I just didn’t have (money).”

catalogues / shop credit

One way round a lack of access to credit is to get things through a family member. Rachel has done this to buy children’s clothes, furniture and a washing machine. Because it’s in her mum’s name, it’s a priority for getting paid:

“It’s in my mum’s name but I pay the bill. I think that’s about £1,200 outstanding, so it’s about £200ish a month. But I got the likes of, the kids needed new bedroom furniture, new beds, so I got that, it’s Littlewoods.”

Samantha has used a friend to get a mobile phone contract for the same reason:

“I mean I have got a mobile phone in me friend’s name ‘cos I can’t get credit.”

television meters

A way of purchasing televisions when you don’t have the cash up front is to get one that has a pay-as-you-go meter. This is an expensive option and cost Eileen £800 for a television that would normally have cost less than half that:

“It was somebody who came knocking at the door with a brochure, and you know when your kids have only got a small portable telly in the corner and you think, ‘Yeah, sounds great’. The meter’s on the back of the TV so you get four hours for a pound, can you believe that still goes on? But they wouldn’t give anybody in my position credit. So I couldn’t go to Curry’s and go, give me that TV which is only £300 and I’ll pay for it monthly, because they just (wouldn’t). You’ve got to go and pay the top whack.”

credit unions

Credit unions do provide a source of low interest loans, but only a few of the families are members – partly because in the past there was a stipulation that you had to be a saver with the credit union before you could borrow. Credit unions in Liverpool can now offer loans to people who have not been able to save first. However, this may not be widely known; Carol and Ric no longer belong to one because they can’t save:

“We used to have a credit union when Ric worked for the council, but again I can’t afford to pay into a credit union to borrow from it.”

Carla makes a similar point:

"I've actually got a credit union, but I've never got no money. I used to use it all the time, I used to save up and then at Christmas, I'd take a loan out and then throughout the year I'd pay the loan back off and then the following Christmas I'd do the same. Last Christmas there was no money to save. Now that I can't, I couldn't take a loan out because I wouldn't have had the money to pay it back, so therefore no. That's totally cut off from us."

Rachel is among other **Getting By?** families who have also used a credit union to cover the costs of Christmas:

"I've got credit union loans. I topped it up at Christmas and I think it was about £1,600. I've got Shop-and-Check, that's like a Provident. I don't know exactly what it is, but I know how much I pay them-£80 a week off one loan and a monthly one of £160. I think I've got four on the go with them."

Eileen is getting a credit union loan for Christmas, while still paying back payday loans and other debts:

"I've just put in for a credit union loan that will see me over Christmas. I've still got one outstanding with them and I owe £300 and something on that. But when I say that will see me over Christmas, but it won't do Christmas. And I've got loans for home, I think its Provident or Greenwoods under a different name, and I pay that £70 a week. I'm constantly turning that over, in fact probably, it only gets to about half of what I owe and I'm getting it back and usually I'm getting it back for shopping."

For Dee, the credit union is the only option for a loan:

"I've got a credit union, and I've had catalogues but because of having no money, I've got no credit now. But I use the credit union, go to them now."

individual voluntary arrangement (IVA)

Carol and Ric got an IVA with help from their local CAB. Matt and Avril have also chosen to go for an IVA, with no other prospect of dealing with the size of their debt:

"I've got all types of bills so I've decided to go for an IVA. I'm in the process of getting it through now. I've got about £9,000 of debts since last April when I came off benefits. I have stuff coming from 2005, council tax that I didn't, that I wasn't aware about, I forgot about, so they've crept up. The bailiffs have crept up about them. And then there's things that, it's just an ongoing battle at the moment. So what they've said is that, if I could pay £100 a month for sixty months, my debts will go down to £6,000 from £9,000 and then that should be, the payments to each one should be. I've got what they call a practitioner, they get around £200 to set it up but then after that is all goes to the debts."

Kate has also got an IVA, having seen no chance of paying off her debts, but it means she now cannot get any form of credit:

"First I have been accepted for an IVA which is an Independent Voluntary Assessment, which is regarding my VISA cards 'cos I couldn't afford to pay them, so now I have one payment per month of £100 which lasts for five years and in five years the debt will be written off. It's a lot less because I don't think I would ever have paid it off and the minimum payment I was making was £280 per month. That was the minimum and out of that I was only paying about £40 off the actual debt. So I'm quite pleased with that but I've been to the bank to try and pay my mortgage today but my account has been blocked by the IVA so I couldn't pay my mortgage and because the account is in joint names...You can't use the credit cards. You are not declared bankrupt. But it comes up on every computer. I couldn't buy anything on credit until 5 years is up."

Families on low wages frequently cannot manage on their meagre incomes and end up spending beyond their means. Whether it's being forced into high cost loans or taking the extreme step of going for an IVA, there are few effective escape routes from the downward spiral of debt that follows and none which don't add significant further strain to their personal and financial circumstances in the short, medium and even long term.

The Mayor of Liverpool Joe Anderson launches the Mayor's Hope Fund to aid the relief of poverty in Liverpool.

Public Health England reports that Liverpool has worse health and higher deprivation than national average. A third of children are in poverty while life expectancy for men in the most deprived areas is 10 years lower and for women 9 years lower.

The Faculty of Public Health warns that more people are suffering from malnutrition as a result of worsening food poverty. Conditions like Ricets were becoming more apparent because people could not afford quality food in their diet. Health figures recently revealed a 19% increase in the number of people admitted to hospital with malnutrition over the past year.

(BBC article 22.8.14).

A review of evidence by Joseph Rowntree Foundation says that the policy of promoting employment as a way out of poverty is increasingly challenged by the growth of In work poverty. Households in work now constitute the highest group in overall poverty.

The Trussell Trust launches a pilot scheme to provide financial advice after research showed that more than one in ten using foodbanks took out a payday loan last year. 900,000 people received three days' emergency food from Trussell Trust food banks in the last financial year, an increase of 163pc over the previous year.

(Telegraph 13.8.14).

4 Family Life

"I've thought to myself I should just write a letter to David Cameron and just say, 'If you want to keep families together, I tell you what, you come and show me how to live then.'" **Carla**

introduction

Raising children is an expense for any household but more of a struggle for families in low paid employment than affluent families. This includes the financial pressures of clothing growing youngsters, buying school uniforms and the added expense of school activities and holidays. More important are parents' concerns about the way in which the lack of money affects their children including peer pressure and children worrying about the family's situation.

These financial pressures impact on other aspects of family life, with parents experiencing high levels of stress and anxiety which, in some cases, need medical intervention. For families not eligible for free prescriptions, this can add even more strain. Working poverty also places couples' relationships under considerable pressure. We have already seen the lack of family time together caused by long hours and shift work. Money to spend on any kind of social life is regarded as a luxury that few of the families feel they can afford. It's perhaps less of a shock then to find that over the course of the year, three of the **Getting By?** couples saw their relationships end.

children

'Today child poverty is overwhelmingly a problem facing working families, not just the workless. Two-thirds of Britain's poor children – compared to less than half in 1997 – are now in families where an adult works. The available data suggests that in three-quarters of those, someone already works full-time. The principle problem is that those working parents simply do not earn enough to escape poverty.....Too often, the working poor are the forgotten people of Britain'.

Social Mobility & Child Poverty Commission October 2013³⁵

'Around 90,000 children in the Liverpool City Region are living in poverty. Many of these children will have an unequal start in life. A child from a poor family is less likely to achieve their academic potential and secure employment in adulthood, plus they are more likely to experience a wide range of health inequalities and live in an unsafe environment.'

Liverpool City Region: Child and Family Poverty Needs Assessment 2011³⁶

clothing growing children

Like most children as they grow older, Ruth's kids want to be wearing the same clothes and fashions as their peers. At the same time, she has to find the money for clothes for an activity one of the children is involved in and "proper" shoes for another child's first job interview. Nearly 10 per cent of the family income is spent on clothing and shoes:

"At the minute we will go without, you know. Where previously I have just gone out and bought my kids' shoes, if they needed a pair of shoes. Now I am having to wait until I get paid. I can't just go and put it on me card, you know what I mean. Normally I would just go and take me bank account card and put it on me card but at the moment I can't. I have got to wait for money to go in before it's available to spend."

Children's clothing and shoes are one of the things that Avril and Matt find most difficult to find the money for:

"So we don't really spend that much, it's food really, or something happens, they need shoes. Our Amelia needs a new pinny, a school pinny, she's grown already, so it's stuff like that. The white shirts constantly, my little boy's always rolling round in the mud, and you can't get the stains off the white shirts, so constantly those things you've got to buy."

The speed at which children grow out of their clothes is something that Louise knows only too well and simply something she can't afford to deal with for now:

"The biggest demand at the moment actually is that I can't really afford clothes and shoes because they have both had a growth spurt. Unfortunately, they are both going to have to wait a couple of weeks, you know what I mean, until I can put a bit of money from this week aside for the following week to then go to the shops. I just haven't sort of got it spare at the moment."

Norma's children have also gone through growth spurts which has been a big expense:

"I have had to replace the children's clothes. As I say, they are at an age where they just growth spurt and I have had to do a full wardrobe revamp on the three of them. It cost about £600 for all of it."

Mary has three young children and keeping them properly clothed is a continual struggle:

"Well they always need something, if it's not shoes or a coat, it's clothes. It's awful."

For Luke, the expense of having two babies and his wife being on maternity leave means using what savings remain to buy things the children need:

"I did not realise that I had that many expenses. I spend quite a lot on the food and on the babies, their clothes and so that's a bit of a surprise. Because I'm not in that much control of my budget, maybe sometimes I overspend my money. It's quite difficult because for the kids, you've got to spend it, there's no choice. That's why I said in the last two years because of the two children all my family's savings will be gone. So maybe it's a difficult time if my wife doesn't get a job in the future."

Chen and Ai largely count on getting 'hand-me-downs' from other family members:

"Buying, I would rarely buy for her. But if it's her birthday, or if her clothes don't fit anymore, then would buy one or two for her. Normally, they are relatives' sons and daughters whose clothes don't fit anymore, and save for her (to wear). So in terms of buying clothes, I don't have to especially spend."

school uniforms

Many schools still require their pupils to be in school uniforms that are expensive to buy. Though Ruth could get a less expensive jumper from a supermarket, she has to go with the one the school requires and has to buy sports kit as well:

"They are the ones that have been like catching me sort of thing 'cos I have to go out and I have to get new shoes for football 'cos he can't go to football if they don't fit him. So its £17, I think it is £17 for a school jumper."

So far Chen and Ai have been able to buy school uniform items from a supermarket for their young child:

"But for buying uniform for her, I'm really embarrassed to say that I have never

bought a proper one. A proper uniform for her.....now maybe this school isn't very strict and the supermarket does sell uniform and the school haven't requested you have to have their school badge, so buying is relatively cheap."

Samantha has had to find a cheaper option than the one stipulated by the school:

"It's so hard. They have school polo shirts at the Academy with an emblem. I haven't bought them 'cos I can't afford them. So they've got a black men's one from Primark for £3. Yes, so everything, it's terrible, finding the cheapest of everything."

The cost of shoes for school has been a particular expense:

"I mean, my daughter came in the other day and her shoes have cracked right across the sole and I went to her, 'Have you got a pair upstairs you can use?' She'll be getting black ones for Christmas which is only in two weeks' time. So she found a pair and I said, 'Wear them 'cos I can't afford now and Christmas.' She said, 'OK Mum'. They are so good like that."

June makes a similar point about the expense of shoes:

"The shoes are £40 each. So by the time you get them, before they go back in the September, in the school holidays I go and get them all their school shoes to go back. They need to have shoes, the shoes fall apart after a few weeks, so I had to go and get them black trainers then, 'cos they last a bit longer. And one's in a size 4 which is adult prices for shoes, and he's only eleven, so you can't win, can you?"

The cost of their child's new school uniform as she moves to senior school is something that Phil and Dot find very difficult to find:

"She's going into seniors this year, in September. We've just been told there's another expense coming in now of a school uniform. That's about £200-odd; we don't get no help for that. Generally we'll try and go to charity shops, things like that, maybe the Asda as well, but we don't go to any of these upmarket things, we can't afford to do that."

Lynn has been fortunate that her mum has been able to help:

"My mum helped me out a little bit, uniforms. That was a big part as well, because I had to come home to make sure all the uniforms were there, money I haven't got. Lucy's was easy, Asda or Tesco. It cost me over £300 for Antonia's uniform, bearing in mind it's her last year as well. I could have done without it. She was trying to wear her old shoes to go back to school, but she got new ones in the end."

school dinners

The Play Healthy Scheme was developed by Liverpool Council for Voluntary Service (LCVS), Merseyside Partnership and schools in response to concerns that during school closures for the summer period children may be left without adequate nutrition. The scheme was implemented by the Liverpool Play Partnership and LCVS with funding from Big Lottery, Liverpool Clinical Commissioning Group and Liverpool Mayoral Hardship fund.

Liverpool City Council briefing paper January 2015³⁷

The extent of concern that many children in the city rely on school dinners to ensure they receive adequate nutrition resulted in the Play Healthy Scheme being extended. In 2014 it covered all school holiday periods and involved seventy play schemes across the city. It is difficult not to see the necessity of this scheme as a shocking development, which at least in part reflects the financial pressures on low income families. The introduction of free school meals for infant-aged children has been a help to some families, but affording school dinners is still a headache for others, as Carla explains:

"I can't afford the school dinners anymore, so it's trying to put them on packed lunches. But by the time you do for two or three of them, it works out the same anyway. So you've got two kids saying, 'I don't want packed lunches I want hot dinners.' That's £16, then you've got one, 'Oh I don't like the school dinners, I want packed lunch.'"

School meals are just one of the expenses that Rachel is struggling with and she misses the help that the school uniform grant provided before it was cut:

"They stopped the uniform grant. It costs me £5 a day to send Jane to school at the moment, so it will cost me £10 a day. She gets a bus ticket, which they've recently reduced. They do a £2 ticket now, whereas she used to have to get a weekly bus pass from Arriva which was £11 a week. But again the £2 a day ticket and £3 for her dinner, she has school dinners. I'm going to try and look into whether they are eligible for bus passes. I actually went into it. It was a couple of years ago actually, when they were in junior school. And I went in and asked them and she said, 'Do you get working tax credit?' And I said, 'Yeah', and she said, 'They've changed it all. If you get working tax credit you're not entitled to free school meals.' They're bringing in from this year aren't they, that every key stage 1 child has a school meal, so that's every child from when they go to juniors. That won't affect me unfortunately."

out of school activities

Families in low paid employment are restricted in what they can do with the children out of school, as well as during school holidays, as Avril says:

"So our days out are kind of 'go for a walk around Sefton Park', rather than going out to spend money in any type of shows and activities. It would be literally after tea going out for a walk and get their scooters."

Similarly Carol and Ric look to do things that are free with their children:

"We'll go and do something with the kids but it will mean that we'll have to go somewhere that's free basically, go to the museum or something. I couldn't afford to take them bowling or anything like that."

Dee's children are all involved in out of school activities and she says the costs all add up:

"The kids have all got their hobbies, and they cost a lot. By the time you've bought their kits- they do majorettes the girls, and the boys do football. At the moment it's not too bad as there's no dancing on till April. Then there's twenty weeks when the girls dance out and then you're talking coach fares and stuff like that. Some £30 to let them go dancing, so every week for twenty weeks, that's really horrendous that."

After school activities can represent a significant cost. Rob and Carla's children are members of sports teams but couldn't take part without sponsorship:

"The membership for them was £60 a month for the three of them. Luckily we've just been given sponsorship for the three kids by (name), otherwise we would have had to pull them out."

Beth finds it difficult to meet the costs of her child's out of school activities:

"His after-school clubs, they're the only other things but they're not cheap. They say to you its only £40! Only! You have them for an hour after school. I don't put him in anything like breakfast club or that....but in the half-terms he goes to Little League, so I have to pay for that, because my mum and dad would go grey if they had him for a week, because he's hard work. So he goes to Little League for three days and that's £25 to £30."

Sarah is helped by her parents:

"I'm very lucky because my mum and dad pay for a lot of activities for the girls as presents and things, so by doing that they can have quite a good thing. But it's not money that comes from me, but it makes you feel quite bad actually that you can't afford to give them the opportunities, but I know I'm lucky to have that."

Brenda struggles to find the money to pay for her children's out of school activities and also relies on help from her family:

"My son, you know he's doing more activities and he does basketball and he's got

fees....so I'm just kind of robbing Peter to pay Paul kind of thing.... I can't afford to do anything really. Maybe just go to the park for days out, things like that. I am going to be struggling with child care over the summer holidays. I'm struggling with child care as it is now. You know I'm having to rely on the family to be able to look after the kids."

For Karolina and Micha, it's taking time off work that's the issue with their young daughter, who goes to a Sure Start Children's Centre:

"She just missed a trip on Saturday because there was a trip for dads which was good, so I said to Micha, just don't go to work on Saturday, just take her for a trip. I've booked a place, because it was only for dads so I couldn't go anyway and I was in work. Because you know, he's working that many hours, so he doesn't spend much time with her, so it was a trip to the farm. But then because she wasn't well, I just had to cancel it. I've missed my overtime on Fridays, this Friday I didn't go."

pocket money

Many of the families find it hard to afford to give their children pocket money, or at least to do so on a regular basis, as Lynn says:

"They just have to save, my mum and dad kind of give. She's got a godmother who gives her some money, so she tries to save her own money. My other daughter gets some money from my mum and dad, so whatever she gets, they meet it. They don't get pocket money they just get what they need if they need it."

It is a similar situation with Carol and Ric's children:

"No, nothing at all. The jar of coppers, the coppers go in and my mother-in-law and my mum both do the same, put the coppers in the jar. And they go (the money) to the kids when its summer holidays and things like that."

Avril also can't afford to give the children pocket money and is helped out by grandparents:

"My nan spoils them rotten. She gives them pocket money. I don't give them pocket money. My nan gives them £2.50 a week; we haven't seen her for a fortnight so it's going to be £5 each so then we're going shopping. I can say, 'That's your money. I'm not giving you a penny more!' So in the end they do get money."

The move to senior school means that Phil and Dot will need to find more money for their daughter's pocket money each week and, even now, she wants to be able to buy things herself:

"She gets £2 a week pocket money. Obviously that's going to have to go up soon. She complains about the money, she wants things. We'll be in the shopping centre and she sees something and we have to say, you can't have that. So what we'll do is

pass it off with some sweets or something, but that's instead of what she wants, you know what I mean."

Don and Samantha's children know their parents do not have spare money:

"Other than that they know we struggle, they know. I mean the kids ask for a pound every morning. I have a moneybox and I say to them see what you can get out of that. If you can get a pound each, have a pound each. Some mornings they only get 50p but they are made up. I don't know many kids that are made up with 50p."

effects on children

The parents constantly worry about the impact of money problems on their children. Michelle is aware that she is continually saying she cannot afford to do things. They have not had a holiday for four years and her daughter gets upset when she cannot have things. Though she thinks she understands that her mum does not have the money, she is aware that it has an effect on her:

"My little girl, it does affect her, I think, it does. She'll like, she goes on about her friends have got this and her friends have got that and I'm just thinking, well, I'm not her friend's mum, sweetheart, I can't, I haven't got it you know."

Norma's children don't understand why their mum does not have any money:

"The kids have this attitude when I say there is no money: they just say well go to the bank. They just assume that there is never-ending money just coming out that bank. They don't really understand, I don't think, 'cos as I say, I have never really involved them in stuff like that. I don't want them to worry."

In contrast Ruth knows her eldest is aware of the family's lack of money:

"Yeah, me eldest daughter, she knows now. She is old enough to sort of understand. She's like 'we are poor, why couldn't of I have been born to a rich family?'"

Mary can see that the family's financial situation is affecting her children as they are getting older:

"I mean, it doesn't affect them all the time, but there are times when it does affect them. Especially as my oldest daughter's getting that bit older and now she likes to go out more and socialise. Sometimes I have to go, 'I haven't got the money for you to go there', and it does put a bit of a downer on her because she thinks, 'Well, why? You work, what about the money.' I just have to explain to her, you know what I mean."

Rachel's children appreciate what they get and, realise that, while they are not as well off as some of their friends' families, they are better off than others:

"They do realise that I work hard to bring money in and stuff like that. And like I say,

if they want to go to the pictures at the weekend, the money just isn't there, so I get a bit of, 'Oh, it's not fair,' and stuff. But then on the other hand like, little things will trip them off to be really thankful. But I just want to instil in them they've always seen me going off to work and hopefully, like, I keep talking them into getting better jobs so they can look after me when they're well off."

Eileen is very aware of peer pressure on her children but is grateful for their understanding attitude. Her daughter got herself a part time job while still at school to help out, she appreciates her mum's situation and says it doesn't matter that she cannot afford things:

"She knows everything's a struggle and very rarely asks but being in the sixth form there was an eighteenth birthday party every other week. And she couldn't go to them all 'cos of outfits, shoes and that. But there was one she really had to go to and I usually borrow the money or beg steal or borrow and buy her a cheap dress from Primark and give her money to be able to go. And she was always really grateful. I felt really awful and I would have loved her to go to every one of them but if I was that sort of a mum she wouldn't have turned into the lovely girl she is. I don't believe they should get everything they want. If Sadie gets money the first thing she does is give Josh money or buy him something and she always buys me something."

June's son is much younger, but still understands the family do not have any money, which is upsetting for her:

"It comes to the point where your seven year old son's going, 'I know you haven't got any money mum.' So it's a bit upsetting 'cos you don't want them to go without. It's heart breaking hearing your seven-year-old worrying if we can afford something."

family health

"I had a really bad, like, anxiety breakdown. It was horrendous. I was backwards and forwards to A & E 'cos I was just convinced that something else was wrong with me. It was generalised anxiety." **Norma**

"Reducing health inequalities is a matter of fairness and social justice. Inequalities are a matter of life and death, of health and sickness, of well-being and misery. The fact that in England today people in different social circumstances experience avoidable differences in health, well-being and length of life is, quite simply, unfair. Creating a fairer society is fundamental to improving the health of the whole population and ensuring a fairer distribution of good health....Social and economic differences in health status reflect, and are caused by, social and economic inequalities in society."

'Fair Society, Healthy Lives': The Marmot Review³⁸

"Liverpool continues to be ranked as the most deprived local authority in England. The scale of the gap between Liverpool and more affluent parts of the country is very significant on a whole range of health, social and income indicators. A man in Liverpool will live an average of eight years less than a man in the least deprived district in England and a woman on average seven years."

Liverpool Fairness Commission May 2012³⁹

In work poverty has material effects on the health of individuals and their families. Liverpool Health Observatory⁴⁰ has provided compelling evidence of the detrimental consequences of the economic downturn on people's health, and disproportionate impact on the most vulnerable, including those in poverty. Patients are increasingly presenting with problems involving debt, employment, benefits or housing issues and the associated stress and anxiety to their GPs. Liverpool Clinical Commissioning Group became so concerned that it has commissioned a city-wide service to provide support for people vulnerable to mental ill-health caused by these pressures⁴¹.

mental health

The continual worry about paying the bills and the stress of dealing with mounting debt can undermine the emotional health of most people. This may be compounded by family tensions caused by financial pressures, partners working long hours and anxieties about the impact on children. Potential outlets for the pressures created are limited through social isolation that working poverty creates.

Samantha was working as a cleaner but had to give it up due to ill health. The family

relies on Don's earnings which are just above minimum pay level. Debt is a constant worry and the family have been dealing with bailiffs over rent and council tax arrears:

"It's hard. I don't know if you have been told, but I suffer from depression and anxiety as well. I was off my tablets and the Doctor has put me back on them. When I was first on them it was one and then two and now it's three a day. It's the worry of the money and I am not sleeping....but me mum says she's finding it very hard, so everybody, no matter who you speak to, whether they are in work or on benefits, they are all struggling. But I find it terrible, sometimes I just go to bed and shut myself away."

Samantha has been diagnosed as suffering from anxiety and recounts what happened on one occasion:

"And then me mum gets a phone call from me children and it was 'Nan we can't wake mum up'. But I hadn't taken anything, I was awake but I couldn't open my eyes. I've had a panic attack as well. I thought I was having a heart attack."

Michelle has not had a holiday for four years. Council tax and rent arrears to a private landlord, and a payday loan she is still repaying from last year, have all heaped pressure on her:

"But even though the stress I'm going through, I've never been on anti-depressants. I didn't, like but now I've had to go on anti-depressants just 'cos of the stress that they've left me in."

Rose is already in a stressful working environment and finds managing the family budget is a continual worry:

"Constantly, constantly worry about money getting into the bank and money getting out and paying me money into the post office and it's a constant worry of when it's coming in and when it's got to go back out."

The sense of having nothing to look forward to comes through from Kate's comments:

"It's been a really bad year. ...The other day I got dressed, done my hair (first time in ages) and put my make-up on, and it was only a hospital appointment to get her finger checked, and then we did the school run and I didn't want to go home. Because I know as soon as I go home, it's tidying up – it's dinner, it's tea, and then we are in bed by 7pm. There's nothing to look forward to."

Eileen collapsed in work and was taken to hospital for tests. She has never previously had high blood pressure, but as she says, "it was through the roof." She attributed this directly to the stress she is under due to her debts and harassment from her landlord. She feels that many people are developing mental health problems as a result of financial pressures:

"So sometimes when I am worried I just go to bed, and that way I don't force the worry on the kids then. It's that bad though, it seriously is that bad. Thankfully,

I'm a strong person, so as for mental health, I've not felt anything give yet, but anyone with a weaker disposition would have gone under if they'd been me, by about twelve months ago....but it's depressing because I can't see a way out in the near future, and I'm in that state, not because I'm a habitual drug taker, or not because I go to the bingo five nights a week. I like the odd bottle of wine, do not get me wrong, and all that, but I'm in that state, literally, for keeping a roof over my kids' heads and feeding them and clothing them, you know what I mean? I don't know how people who have got rank and file problems manage, I don't know. I'm actually looking for a night job in a chippy or something, that's what I'm looking for at the minute, for regular cash coming in, maybe weekly and I've been looking round.....My eldest son came down and said, 'Don't you dare, you do enough.' I said, 'Yeah.'

Beth's child has quite serious health problems and will probably need an operation. Her financial situation and worry about her child are a cause of stress:

"It does stress me out sometimes. I get dead upset, I'm a cryer. I do get like, I'm dead emotional about things, I am, but then, I'm like that anyway. I wouldn't say I was like depressed, but I have been really down about stuff in the past."

Two of Norma's three children have health problems. Because of her financial situation she says she cannot justify a night out with her friends. Whatever money she has left over after paying her bills is spent on the children. Anxiety about her finances had an impact on her health two years previously:

"I got diagnosed with OCD. It was like constantly being anxious and then having panic attacks on top of that. It was horrible. I still get them now but no, not to the same extent."

Sue is continually stressing about money:

"We used to go out a bit more. I am always stressed a bit and always like trying to cut corners, 'Don't get that, get this one, it's cheaper'. It's like obsession.... it's shown me that in order to get a nice calm manageable life which I want, I have got to watch me spending 'cos it causes me stress. It makes me feel so insecure, you know. I have this constant... and then I think, 'No, you can get on top of this if you plan'."

Pat too feels money worries getting on top of her, is unable to see a way to get over them and feels like she is doing nothing more than working to survive:

"There have been times when I have been, like, stressed or really down, just like with bills getting on top of me and stuff and when I've got a few to pay and I just haven't got the money and I've been getting phone calls saying I owe money and it's been quite stressful. It seems like the same every month, I can't really get out of it because I've got all these payments, it's just hard to get on top of.... I'm not going to over exaggerate and say, 'Oh, you know, I'm really down', but I do feel like all I

do is work to pay bills, to support the kids and then when I'm not working, I'm kind of at home, trying to make a home kind of thing. I just feel like I've got no life, kind of thing, I'm just there doing what I need to do to get by and pay my bills and look after the kids, that's how my financial situation makes me feel."

Mary experiences similar feelings:

"Yeah, it gets you down, days that you, you know I'm working for nothing, nothing left, you know but it's life you know. But I don't let it get me down, just got to get on with it. To be honest, it's a case of you have to, isn't it? Nowhere to turn to, can't keep turning to family members all the time for money – have to pay them back you see, so it's hard. So I just try to avoid it if I can, you know getting into debt. I try to budget, but it's not easy."

The beginning of the economic downturn in 2008 saw a 2.1 million increase on 2007 in prescriptions for anti-depressants. Prescription rates for Merseyside's five PCT's were five times higher than rates in some South of England PCT's.

Liverpool Public Health Observatory 2012⁴²

partners

Both Carol and Ric's two children have health problems and have to go to Alder Hey Children's Hospital most weeks. There is never money spare at the end of the month and they always have to borrow. Carol gets depressed and also worries about Ric working very long hours and doing shift work:

"Ric was worried because he was off with stress for a week this month, but had to go back in, basically had no choice about it. He's got to go back in, we can't afford for him to be off work for any length of time whatsoever. Statutory sick pay is really bad and then he was worried sick that when he goes back in, 'am I going to have a job to go to' and that kind of thing."

Karolina, who is having her second child, also worries about her partner, Micha, and the long hours he works:

"I do get stressed, especially now with being pregnant. When I found out I was pregnant, we'd just been talking with my Micha all about it and the first thing that hit me, it wasn't the, 'Woo, I'm pregnant,' like I was with Lydia, I mean I was happy, don't get me wrong and we are happy that were going to get another member of the family and all that, but the first thing that hit me was, how are we going to cope? How are we going to manage? But then I felt, if we can manage with one, then we're going to manage with two. It's going to need some cuts, but we'll get there somewhere, but now I can see the bump growing, I don't really much think about it, I just think more about the baby than the financial thing, but that was the

first reaction, how are we going to manage? Micha said, 'Oh, I think I'm going to have to find another job'. If there was another week, another few days in the week maybe yes, it would be possible. He's just over tired, he does work such long hours, sometimes coming home dead frustrated saying, 'I don't get that, I'm working that many hours, where is the money? What am I working for?' "

June worries about the long hours John works and the stress he is under, particularly given his health problems:

"Well his hours are really long, he doesn't get a break, as you know he's a chef so he gets no break. I've noticed the last few years where he's working now he comes home and he's absolutely knackered. It's not fair to be on your feet all day, especially in the summer, the heat was unbearable. He had a lot of trouble 'cos he was sweating so much, he got like an infection on his back and we thought... maybe it was cancer. He's been really stressed out, he went to see a specialist yesterday and he said, 'No, it's fine'. But he is under a lot of stress as well, you know he works hard and he gets paid a pittance really."

Helen recognises the stress she has been under, while at the same time worrying about her partner:

"He was on nights last night and this morning he didn't get home till about quarter past eight....it's exhausting for him sometimes just getting home...he's such a hard working guy. Yes, no doubt."

Money worries cause arguments between Carla and her partner Rob and both are stressed. Carla is anxious about Rob's health as well. He works full-time in manufacturing and rides a bike about twenty miles to and from his job each day. He doesn't have proper weather proof gear and often gets wet. Rob leaves for work at 6am and doesn't get home till 7pm. He doesn't feel like eating a proper meal when he gets home and has lost a lot of weight:

"He's 50 next year and again it's good for his health, riding, but the stress he's under? No, you know what I mean? Its horrific, he's not eating properly, he's not sleeping properly because he's worried constantly about money and what's this, and how am I going to save money to do this, that or the other?"

sick children

Having a child who is ill or has a long-term health condition compounds further the stresses of trying to get by on a low income. As well as the concerns of trying to make sure the children have a healthy diet, there are often practical and financial difficulties, ranging from the costs of regular visits to hospital, additional laundry costs, and the need to make special provision for holidays and child care.

While regular visits to the children's hospital can usually be done on the bus, sometimes Fawzia has the extra cost of using a taxi:

"One of my kids suffers with asthma and so we're often spending time in Alder Hey, so we've got to ride the buses. If we have to take a taxi, then it costs me ten pounds and it can't wait because you've got kids, we've got no car and sometimes people can offer you a lift to Alder Hey, but it's a distance isn't it?"

Kate also has to deal with the costs of frequent hospital visits with one of her children:

"Sometimes I was going up twice a day. I tended to go straight from work, so that I could pick Amelia up from school, or if I couldn't do it that way, I would go up in the evening when Joe could mind Amelia for me. Parking was £3 each visit, so it was working out on average about twenty pounds a week. I borrowed, like a lump sum off my mum which I'm paying back now."

Beth also has the cost of regular hospital visits and at the same time pressure to be in work:

"With Sam, he's got arthritis, so I've got a lot of hospital appointments with him and that costs, going up to Alder Hey hospital and stuff. We have to get the bus and then we'll wait and if you're waiting and you've got an appointment and the bus doesn't come, it's like ten pounds in a taxi up there and it's like, 'Oh God', but it's, like, something that I've got to do because he's got to be seen and he's got to be up to date with his consultations and things..... I know after that I know he's going to be sick for two or three days, but I'm expected to be back in work the next day, so he's going to have to go to my mum and dad."

The main reason Carol and Ric pay to run a car is the frequent hospital visits they have to make with their children:

"We've got a car....it is essential at the moment, for getting Emma around more than anything, cos Emma's health is not great either. She's asthmatic but she's also had a chest infection that will not go away for the last two years so she's under Alder Hey. We're there nearly every week and she's just in and out of hospital like that, basically. My son Peter has got health problems as well. He suffers a lot from anxiety so sometimes he has vomiting issues and things like that, we're going backwards and forwards to Alder Hey."

They have also had difficulties in getting a hospital appointment for their son Peter and Carol is concerned for the future of the NHS:

"We tried the other hospitals, the only hospital that had any appointments left at all was the Royal and when I phoned up there was one appointment left between now (November) and April. In Whiston, St Helens, Runcorn, all the hospitals, one appointment and that's it. It's just not good enough. Let's hope there's a cancellation, but again it's funding, that's what it's all down to at the end of the day

isn't it? The Government are talking about wanting us to pay for our medical care and things and I think you're creating a situation where we're going to end up like America, if you haven't got the health cover then what are you left with? Those free hospitals in America, good grief, they're just atrocious and it's like the worst possible care. You can't treat people like that, you really can't, just because they can't afford to pay for the medical care, there's something very, very wrong, you know? Poor politicians are debating about whether they should have their champagne budget cut, dear me, what a dilemma."

One of Eileen's children has developed asthma and she goes to a lot of effort to make sure he has a dust-free environment:

"I'm washing a lot more, changing his bed every other day instead of once a week. He's developed severe hay fever and asthma, so I said to the consultant, 'I just need to know why, with a perfectly healthy thirteen year-old'. He's got a brown inhaler of a morning, and of a night, he's got to carry the blue one around and he probably uses it twice a day, and he's on antihistamines twice a day, so it's really bad. That's another big thing that's happened since February. And it put a bit of a jinx through me to be perfectly honest, but if you're going to nitpick that's probably added £5 onto my electric. The electricity has gone up fourfold."

Eileen has also had worries about her daughter, who has tried to help with the family finances while still going to school:

"She worked every Saturday and Sunday for about eighteen months in town and it became far too much for her. She was going out of the door early hours seven days a week and it got a bit too much for her, her school work suffered a bit. To be fair she got a bit depressed. I had to take her the doctors as she was under too much pressure and the doctor said maybe the job is too much with all the school work, so that stopped. And I did explain to her that I just wouldn't have the money to give to her. She doesn't go out much, she's a very good girl, I'm lucky."

Extra heating costs have also been an added worry for Norma:

"And me other daughter is asthmatic, severely asthmatic and so I have to have the house warm so the heating is normally on all the time; yeah, however much it is going to be. As I say, it's outrageous. As I say, it's not normally that high but the past few months' with winter, it has been and.... Yeah, and I mean, as you say, it's not ideal but it's what I have got to do for her. I can't not have the heating on and her being freezing. She goes blue round the mouth, all of that."

One of Dave and Helen's children is autistic and can be violent and aggressive. Helen recognises the increasing pressure she has been under. Coping with the school summer holidays and not being able to have a family holiday together has been a particular strain:

"So I do struggle, really struggle to find something suitable so most of the time we

split up (for holidays) it's hugely stressful, more than usual compared to the average family, and all of us going away together....we can't actually afford the type of holiday that would help."

a healthy diet

'Low pay is closely linked with food poverty and unhealthy diets. The Church Poverty Action Group found that at least four million people in the UK do not have access to a healthy diet, and the Office for National Statistics have shown that there is a difference of over one portion of fruit a day per person between the highest and lowest income groups. A 2012 Defra study showed the poorest households were only able to buy 2.7 portions of fresh fruit and vegetables a day- a 30% decline from 2006 and considerably lower than the average of 4 portions a day.'

The interim report from the Living Wage Commission 2014⁴³

Trying to ensure that the children at least have a healthy diet is a serious concern for families in work poverty. Having to rely on food banks should not have to be part of this, yet the report of the All Parliamentary Inquiry into Hunger in the UK estimates that up to a quarter of people relying on food banks are in low paid employment. It concludes that the National Minimum Wage is too low, even when combined with tax credits, to provide a failsafe against hunger⁴⁴. At least four of the **Getting By?** Families had to use food banks over the course of the year. June was too embarrassed to talk about it, but resorted to them when she had got into rent arrears. Avril had serious debts and had to make use of a food bank when there was simply no alternative for feeding her family. Mary and Dee both briefly talked about when they also used a food bank:

Mary: "I have struggled, getting food banks for myself for me, and I'm a worker. I shouldn't have to do that, but sometimes I struggle that much I have to. It's hard."

Dee: "Well, every now and then, as I've said, I rely on the food bank.....but I still find, well, I'm just going to have to go to one of them. It does help, it's a meal."

Norma finds feeding her children a healthy diet a real challenge:

"Well, I would say food; obviously the price of food now is just outrageous. To feed a family, you know, on a healthy diet is just outrageous. Not only that, my son has autism so he will only eat certain foods so I am having to have a separate shopping budget for him."

Some weeks she can only afford the very basics and cuts back on fresh fruit and vegetables:

"Beans, Spaghetti, yeah, and we will just have beans on toast, noodles, small

Nine out of ten children in parts of Merseyside are living in poverty. (BBC report 18.9.14).

TUC holds its annual conference in Liverpool and calls for an end to in work poverty and the yawning wage inequality.

The social cost of fuel poverty is massive, and growing. In the winter of 2012/13, there were 31,000 extra winter deaths in England and Wales, a rise of 29% on the previous year. Around 30–50% of these deaths can be linked to being cold indoors. And not being able to heat your home also takes a huge toll on health in general: those in fuel poverty have higher incidences of asthma, bronchitis, heart and lung disease, kidney disease and mental health problems. (Guardian September 11th 2014).

The Chancellor is proposing a freeze on benefits that will see working families lose up to £490 a year in child benefit and tax credits, with an average loss of £300 per household if the Conservatives win next year's general election. (Guardian 30.9.14).

SEPTEMBER 2014

little teas you know I'd literally just go to the Asda and spend about £15 and just get Asda's own nuggets, Asda's own chips and just that week you know it's not... cut fruit and veg out completely during that week, only when I can't afford it. It's literally a bag of cornflakes from Asda. It's all smart price and it will literally be cornflakes and bread."

Carla spends over 15 per cent of the family income on food. The cost of fresh food had seen her using more frozen food, which she feels has not been good for the children's health:

"I've always tried to give them healthy fresh food, whereas now I'm thinking, 'Oh, God', so I'm buying more frozen stuff. I've noticed the difference in them because they never used to get sick - now all of a sudden, they're catching every cough and cold and it's just horrendous the price of the shopping that's coming and it's, as I say, it's just too much....But it's a case of the kids eat fresh, I'll eat a pack of noodles. As long as they're eating healthy, that's my priority. Whereas with me, that's why I do get sick all the time, that's why I can't lose weight, so I get even more sick, because I can't afford to eat healthy, you can't."

June's spending on food amounts to 13 per cent of the family income. These days she buys a lot less meat because of the expense and avoids ready meals:

"I did buy the really cheap stuff once but it was disgusting - but what can you do? And I cook all my food from scratch. I don't buy all ready meals. The only thing they have that's bad is once every couple of weeks, they'd have a pizza, and one of them doesn't eat that because he's allergic to dairy. I used to buy the cheap noodles but then I found out they're really bad for you so now I just get the plain egg noodles, they're dearer, and I put a bit of soup in."

Carol's own health problems mean that eating healthy is a priority, but it is something she struggles to do. The family are spending over 17 per cent of their income on food:

"Every time you go the supermarket prices are going up and going up before your eyes and I do have to shop around and basically get the cheapest of everything and I check everything on the shelves and I just have to get the cheapest, that's all I can afford."

The loss of child benefit has seen Eileen cutting back on what she spends on food. Over the course of 2014 she was still spending over 15 per cent of her income on food:

"I've definitely noted I am spending a little less on food 'cos I can't afford as much as I could. I try to do the fresh veg and meat thing once a week but it doesn't always work out like that. I'm spending less on food now than at the beginning of the year. But that's because my money has gone down with Sadie leaving school - I'm losing benefits I was getting for Sadie."

the NHS – free at the point of use?

While children, pregnant women, state pensioners and other groups don't have to pay for their prescriptions, this is not the case for many working adults. The BMA has said that the current system is unfair. Though prescription charges have been done away with in Wales, Northern Ireland and Scotland, they still exist in England. Prescription charges increased by 20p in April 2014 to £8.05, with the cost of an annual prescription plan going to £104 or £29.10 for three months. At the same time dental charges increased by up to £5.

The cost of prescriptions, dental work and optician costs can be significant for families in working poverty, which they can ill afford. Financial problems can lead to people neglecting their own health. Concerns about the health of family members add to the anxiety and stress caused by money worries:

Carla has been in poor health for a number of years and should be taking various medications for serious health issues. However, she cannot afford the prescription pre-payment plan and so does without, getting pain killers from family and friends. The prescription for her eyesight also changed and she had to find the money for new glasses.

"The likes of prescriptions, I've had really bad health over the last five years and it's a case of I can't get my tablets so I've had to stop taking them because we can't afford the prescription, so even getting the yearly one, we literally can't afford it.... Since I went back to work, I've actually been getting prescriptions every month, well trying to get them every month. Sometimes I leave the painkillers off.....I was getting to the point where wrong thoughts were coming in, like I didn't want to cook, didn't want to go out.....I do work full-time I get exhausted and I end up collapsing anyway. I just don't see a way out unless I get another part-time job of a weekend."

One of Carla and Rob's children has developed bad eczema and the medication prescribed by the family GP has not worked. Carla asked the GP to prescribe a different treatment which a friend had introduced her to, but the GP would not do so:

"I took him to the doctors and asked for it and got told we don't prescribe that 'cos it's too expensive. I said, 'Are you messing?' He's ten years of age and if it is something that actually works, why can't we have it? We argued and argued with them but they wouldn't give it us because it costs them too much. I was fuming over it....he was upset as well. It took my friend to go back to her doctor's to get this tape and she gave it me. Otherwise it is £30 odd to buy."

Lynn is aware of the anomalies in prescription charges and the difficulty people can have paying for them:

"When are we going to get free prescriptions as well? Scotland do it, Wales do it, any chance that we can? Wales have had it for years haven't they? They don't have to pay for theirs.....I'm lucky enough that I don't have to pay because I'm on

working families tax credit, that's why I don't pay for my prescriptions, but if you're not then you're snookered aren't you? I think it's about nine pound something, it's bad isn't it? That's for everything that you're getting, every prescription that you get. I've got a friend over the road, he works for the (name) and his wife's really poorly at the moment and she has to get six or seven items every month, that's like £60, that's terrible."

Carol had to give up her own job due to ill health and continues to have health problems, but her entitlement to free prescriptions is about to run out due to an improvement in one long-term condition:

"I'll no longer be eligible for my free prescriptions and I do have quite a lot of health problems and numerous deficiencies. So I have God knows know many items each month on prescription and, again, I don't know how I'm going to pay for them once the free prescription runs out."

Both June and John have had health problems and while they can get free prescriptions for their four children for minor ailments, June would rather not go to the doctor's even though family finances are very difficult:

"Well, honestly, I don't know how we manage. It cost me the other week £25 for prescriptions and obviously it was for me. Me and my partner have to pay, but it's something that could go on gas or electric. Cost of living just keeps going up, doesn't it? But his wages don't keep going up..... I never want anyone to think I won't make an appointment for my kids to get them medicine, but I buy the medicine over the counter, I don't go to the doctor and say he needs Calpol, I don't. I go and buy it. I use that Care in the Chemists.... but I just get like you feel like you're begging for stuff, and I'm just not into that, I'd rather just pay for it."

At the same time the family have had to fight to get their youngest child diagnosed with a speech impediment. They had a similar experience with their eldest and think it makes a difference if you can pay:

"It's like with his speech, I've had to fight all the way. His speech isn't clear, and I've waited since last year and it's infuriating. Like if you've got money you'll get seen. If you blend in the background like my eldest son, all the way through I've had to fight for him to get proper tests to see what learning disabilities he's got and they just said now he's dyslexic."

For a family like Karolina's, where both parents are on the National Minimum Wage, the cost of dental care is a significant expense:

"So I went to the dentist and I've asked if he would have to pay, and she said £18 for a test and then about £33 to take it off (remove part of a broken tooth)....so it's like for £50 to take it out, only a tiny bit of tooth, but it's still £50."

relationships

'One might expect recessions to take a toll on family life and relationships – arguments over money are known to be a major cause of relationship problems. Sure enough, our findings indicate that a 'social recession' has occurred alongside economic recession, in terms of significant correlation between negative experiences of economic recession and deterioration in relationships: people who are disadvantaged economically during the recession were considerably more likely to have experienced deterioration in their relationship quality and stability.'

Relationships, Recession and Recovery: Relate 2014⁴⁵

The financial and practical assistance provided by their own parents and extended family is something that most of the **Getting By?** families rely on. This kind of family support can be even more important for lone parent households, particularly in helping with childcare. However, not everyone can call on such help, especially where family members live a distance apart, are in dire financial straits themselves or there are other difficulties. The stresses caused by continual worries about money put pressure on relationships and can bring them to breaking point. At the same time, there can be financial disincentives to couples living together. Where couples have separated, the Child Support Agency (CSA) has proved ineffectual in ensuring ex-partners provide a financial contribution for their children.

pressure on relationships

Throughout the year financial pressures have been a significant factor in putting couples relationships under strain. When long hours of overtime are needed to pay the bills, there are even more stresses, as Karolina explains:

"I was complaining, moaning to him about him working a lot and I'm always on my own and when he comes back after working 11 hours he just wants to sit down quiet. I'm on my own and so I'm talking and talking and talking. Sometimes we have an argument about that. I said to him, 'If we could just have two days to take Lydia somewhere or just stay in the house.'"

It's much the same for Carla and Rob:

"We used to get out once a month and make time for ourselves but we can't do that. He's working longer hours. We don't see each other and then we are arguing all the time.....The stress of Christmas means it's going to come to a head. We literally cannot afford to carry on like this."

While Rob is the father of their children, for many years they had not lived together.

Carla is clear that she was financially better off when this was the case, but feels it is important for the children that they live together. Now she thinks it may be better to go back to when he just came and stayed twice a week. This is an arrangement that she has seen others make:

"I know loads now, they've actually split up. They still go out, but they don't live together. They've both got the separate houses, they go out with the kids, they do everything with the kids; they just don't live together. They've got their house, or the fellas have moved back home to their mum and dad's. They're better off, they just come and stay now and then...it's tearing families apart because no one can handle it, no one can."

Phil and Dot have been in the situation Carla describes:

"We actually split up one time because of it, and when we did split up we found that we were actually better off when we split up. That was not last year, but the year before. We lived separately. I went into a room accommodation, like a hostel type of thing, she stayed in the house. She was able to claim then, her housing benefit and whatever else and tax credits, council tax benefit; she was getting a lot of help with that. We were a lot better off.I would say we were apart for about 9 months. Then we realised that, there's more than the money at the end of the day, you know. When we were with each other then, there was so much happening at that time and, as I say, we've got back together. And the first thing we've done is the tax credits. When they heard we were back together everything got stopped."

The fact that Michael can't find work causes arguments with Ruth. She tries to hide the pressure she feels from him, but it does not work:

"When you are more stressed out about money it comes out in the family and people pick up. My partner picks up on it all the time, 'You are stressed'. He can see it. I can see him stressed as well. So I have sort of got to put a mask on 'cos I don't want to put my stress on to him."

Brenda's partner has not been able to get work either and this is one of the reasons they do not live together and always argue about money. The arrival of the new baby has brought things to a head:

"Things are not going to change with me and the kid's dad. That's getting worse. We can't even talk to each other. Any time we are together, we are at each other's throats. I'm saying, 'You are not doing this' and he's going, 'Leave me alone, stop moaning....'. When anything happened it always fell to me. I was the one who paid for everything, sorted everything out. I was out at work while he was in the house with the kids. If I came home from work and the place was a mess, I'd be saying 'What have you been doing all day?' We are still in the same situation. He's not better off financially. It is a big part of it. He said, 'Let me, be me.' He wanted me to apologise 'cos one day I just exploded. I'd worked ten shifts back to back. Next

thing he just walked out and it just carried on from there. (If he had a job) I would stop saying 'You are not giving the kids a future'. He's just surviving and has been for a long time."

Another mother does not live with the father of her children anymore because she feels he is not responsible enough with money and because she knows how it would affect her financial position if he did live with them: ^{iv}

"Well, for financial reasons I can't live with him 'cos he's not very sensible with the money. So I've got the kids to think about really, they come first....I'd lose a lot of money if he moved back in anyway, and I don't trust him enough to be wise enough with what he does get. He does work, but he's not very sensible, so it's not fair on the kids. To be honest, obviously I still love him 'cos it's gone on for years and years and years, but I think until he grows up, he's 35, and unless he grows up, I can't. I'd lose a lot of money if he moves back in anyway."

Jane separated from her husband during the year. She does not feel it was particularly due to financial pressures, but is aware of how money worries can lead to couples separating. Her situation is now radically different and illustrates some of the welfare costs that can accompany separation:

"So I went from living in a house when we were on a low wage and living with my husband and two children. I've actually had to move and me and the two children are now in rented accommodation. I have had to put in a claim. I'm on income support and I've got my tax credits and my child benefit and everything. So it's sort of, it's hard for me, because I'm having to deal with money and I was used to not dealing with claiming benefits."

reliance on family

Parents, brothers and sisters and extended family have been a vital source of help to the families. This extends beyond just emotional support to financial assistance and practical help, especially child care. The difference that having family makes is something that Pat appreciates:

"I just do find it a struggle and obviously there must be people worse off than me as well who must find it even harder. And I think it must lead to other problems if people can't get money or don't have family who can help. I mean, I've been quite lucky that my mum and dad can help me. Not that I like to ask, but sometimes there's no other option and I have to ask."

Mary's feelings about having to get financial help from her parents captures what other families also feel on still needing to turn to them for help:

"They do, they do help me a lot. Like my mum and my dad help me quite a lot, but sometimes I'm like a let-down when I can't give it them back. And they're like,

'Why? Why? Why?' and it's 'cos I've got to pay for this, and pay for that, and it gets me down that I can't pay them back. I wish I could but then I haven't got any spare to give them back. My mum's very good. She's always coming round with a bag of shopping or stuff for the kids. But she's a pensioner, it shouldn't be like that, it should be the other way round. I should be going round taking stuff round to hers."

Michelle feels much the same:

"My mum gave me some money, me and my sister and brothers, some money to get a start on Christmas. But really it shouldn't be down to my mum, it should be down to myself really. Oh my mum's wonderful, she's my little guardian angel. But she shouldn't be, like she's getting on now, a pensioner."

Rachel's dad used to help her by taking out loans on her behalf. Since his death her mum hasn't been in a position to help financially, however she helps in other ways:

"She's in a worse situation than me I think, but she has borrowed for me in her name. I've got a catalogue in her name. I don't know if it's a good thing or a bad thing, but it's helping me out, I mean obviously I pay it. She only works part time, she's sixty this year, she works as a cleaner but she's got osteoarthritis and she can't get any benefit top ups or anything, so she struggles. Occasionally, she will help out with babysitting."

Ric's parents will buy shopping for the family, while Carol finds she needs to regularly borrow money from her parents, who are pensioners. They have had help with other things as well:

"I don't know what I'd do without my dad quite honestly. I just, well my mum and my dad, borrow off them every month and the guilt that goes with it.....I'd love a new suite, even down to things like bedding and towels, all those sort of things. I just haven't got the money to go out and buy all that stuff new, so I feel like I just live off hand me downs basically, still. Rapidly approaching fifty and still living off hand me downs from my mum and dad and Ric's mum and dad and things. It's like I still don't feel like we're self-sufficient."

Feeling guilty about asking for help is a common experience as Louise describes:

"I try not to, and I absolutely hate, asking for anything, you know what I mean, but last week I had to borrow £40 off my mum for her (daughter's) birthday. Will give it back to mum today but I absolutely hate it. As long as I have got enough food in for them I will go without rather than ask."

Coming from a large family means that Sue is aware that other family members are in financial difficulties, which makes her feel guilty asking her father for help:

"Well I do feel guilty 'cos me dad's getting on you know.....I did ask him and he said, 'Look, I've just lent to this one and that one but I will be there for you in a real emergency but try and do it yourself'."

^{iv} A request was made not to attribute this comment even in using a different name. We have also not given some other quotes or not given them in full due to their sensitivity to personal relationships within families.

Brenda estimates that she must now owe her mother thousands of pounds, given the number of loans she has made over the years. Brenda and other families do not always have to ask for help, it is often just volunteered:

"I've been doing as much as I can, sometimes if she goes shopping she'll buy the kids clothes or she'll buy the food. The kids' uniforms cost me, it cost £300, but my mum paid £100 of it, in Matalan, when we got to the till she's thrown her card in and I've gone, 'Are you sure, mum?'. And she's like, 'Yeah', and you don't get nothing for school uniforms anymore and Neil is a size ten in shoes, so his shoes are like £60-£70, it's non-stop isn't it? Constantly."

Helen's mum also helps with shopping for clothes for the children:

"I'm very fortunate, I've got a wonderful mother. She doesn't buy shoes but she'll buy some clothes quite regularly. Several times a year she'll buy them clothes, and she'll pay for a meal out, and without that I would struggle even more, and not everyone's in that position, not everyone is that lucky."

Eileen has no close family to turn to:

"I've got no family, my mum and dad are dead and any other family I've got are in Ireland."

Like many, Karolina is reluctant to ask a friend to help on a regular basis with childcare. She says she would feel differently if it was her mother, but this is not possible because she lives in Poland:

"I think it's very nice of her, but I wouldn't ask for help. I would rather she say, 'No, I can't help', because I don't think it's right asking people..... I don't think it's right to drop your child to a friend to go to work, even if she's only there for two hours because Micha is then going to pick her up. But no, I don't really want to do it, not every Friday. But say if my mum was here, I'd have no problem."

Since Adam was made redundant, he and Fawzia have had to manage on the irregular work he gets in the fast food outlet. As a result they struggle and Fawzia's family are not in a position to help financially:

"No, because my mum is on a pension herself and my brothers and sisters, they struggle themselves. It's hard, even the ones that work, it's hard isn't it?"

Helping with childcare is often the most practical form of help from families, as Ruth says:

"She takes my son to school for me, things like that, all sorts. She will cook a leg of lamb and give it to me to take home. She is great. Yeah, I don't want to exploit her and I am conscious of that, do you know what I mean?"

Kate's mum is there to look after her children if they are ill:

"My mum, she helps out a lot if Amelia's off sick and I have to go to work, she'll look after her."

Brenda stressed the importance of social support and the fact that, even though she does not live with Colin, he was there to look after the children. This was prior to Brenda having the baby:

"I think social support is really, really important. I couldn't afford to do childcare, so when I do come in, because it's shift work, sometimes I have to be in at 6am. So I rely on the children's dad to have them in the morning and pick them up from school and just be there with them. He doesn't do as good a job as I do, but he's there, they're safe, so, yeah, I think it's really, really important. If I didn't have him and my mum, my sisters, I'd be really buggered."

Luke and Minnie rely on his parents for help with childcare:

"I really rely on my grandparents, because my wife, she's only got two hands so two babies is a bit heavy. They're both really small at the moment, so we quite rely on my grandparents. They give a hand during the terms, but we try to really be independent on the financial side, so we don't ask for any money from them. Parents, what it is, they are retired, they've got more time than what we have. Because we can't afford the full amount when the children go to nursery, if both of us are working, we have negotiated with my parents. They are happy to help us out three days a week and then we put the kid in the nursery for two days and then we still have to look after them over the weekend. That's what the family plan is after Christmas."

Living in a shared house with her parents means that Sarah has ongoing support and childcare:

"My mum's fantastic, she supports us, not quite financially but with low cost accommodation and my dad watches the baby once a week. It's good to have. I couldn't see my way out of a low income without that family support."

support from ex-partners

The financial difficulties of lone parents working in low paid employment are exacerbated when ex-partners fail to pay maintenance or otherwise support their children. In some cases, they have also had to take responsibility for debts the family had from when their partner left. This was Rachel's situation and her ex-partner makes no financial contribution to the family, only picking the children up from school twice a week so that she can work longer hours:

"Most of the bills and the debts were all in my name because when we first registered I was the first person on the tenancy agreement, so I got stuck with all the debt. It was all left to me. That was, I think, at the time I had to go to court, not long after we split up because I was getting evicted from the house, because I thought he'd been going to the meetings and stuff like that to make arrangements because

Child Poverty Manifesto which has been written by young people from some of the most deprived areas across the UK is launched on 15 October.

Britain is the only country amongst the G7 leading economies where inequality has grown since 2000. At the turn of the century the wealthiest 10% controlled 51.5% of wealth in Britain. This increased to 52% before the financial crisis and since then has risen to 54.1%.

(Global Wealth Report 2014, Credit Suisse Research Institute October 2014).

The number of people earning under £7.70 an hour increased last year, the figure now standing at 5.2 million workers. More women (27%) are in low paid employment than men (17%) and Britain compares worse than many other countries. The Low Pay Britain 2014 report predicts that a generation of Britain's will be stuck in low paid employment barely above the minimum wage for years.

A report by Oxfam says that the wealthiest 85 people on the planet owned as much as the poorest half of the world's population. Between March 2013 and March 2014 their wealth increased by \$668 million each day (Even it Up - Oxfam October 2014).

The UK's fall in living standards has been worse than previously thought, the TUC claimed, after new figures showed a bigger squeeze on households' disposable incomes. For 2013, real household disposable income per capita, described by the TUC as "the most comprehensive measure of living standards", was 2.6% below its peak according to the latest data. It was £16,881 in 2013 down from a peak of £17,324 in 2007.

A report by the End Child Poverty campaign shows a quarter of children in Merseyside are living in poverty and families across the region are living with nearly £200m of debt.

(Liverpool Echo 17.10.14)

The Chancellor is said to be considering a "compulsory collective insurance scheme" that would see anyone working more than 20 hours a week having to contribute £5 a week to a personal "welfare account".

(The Independent 15.10.14).

there were rent arrears. The arrears were £3500, nearly £4000, at the time but I thought he was dealing with it and then I found out he never, so I had to go to court and make arrangements to pay it, which I've paid off."

Lynn was in a similar situation, with even more debt:

"I'm completely blacklisted. He's left me about twenty grand's worth of debt. Just all the visa bills and all that stuff, so it was all left to me because it was all in my name, so I'm completely blacklisted. So I've got nothing like that, no back up at all. I've never taken a loan out, maybe a good few years ago in my other place that was completely paid off, but more to do with visa cards and stuff like that. I'm still paying all of that back. He can walk away scot free; it's all in my name. I don't know how long that's going to take to pay off, probably ten years or something."

the child support agency

Couples divorcing or separating have not had good experiences of the child support agency (CSA), as Louise's case illustrates:

"It's been an ongoing battle for over five years now and in five years I think I have had about five payments. They give the fathers too much leeway, too much choice. They rang me, must have been the beginning of March, to say the February payment hadn't gone in. Might have been the end of February to say the February payment had not gone in, that they would have to wait for the March one and see if that comes in. So I said, 'Well do an attachment of earnings 'cos that's what the council did to me when I started work to deal with council tax debt my ex-husband left me with. They basically said 'cos he said he will pay we are going to leave it at that for now. Yet again at the beginning of April I get a phone call to say he has not paid and we are going to try and hold off on March. So I said do an attachment of earnings. They said well we have spoken to him and he said he is going to leave his job if we do that so we would prefer to wait till May and they said we need to know what you would rather do. I said I would rather you do that now if he is going to leave.....All they say to me is sorry Mrs (name) there is only so much we can do by law. They seem to have a go at me and I'm the victim in it. Well not me personally they (the kids) are the victim in it.... so he is on a blooming good wage where we are living off fresh air you know what I mean. It just makes my blood boil it really does. It has nearly given me a breakdown this last week."

Norma has not received any payment from her ex-partner who now has little contact with his children:

"Never paid a penny, he is £6,700 in arrears with CSA at the moment..... I have told the CSA time after time after time to chase him. They just don't seem to be doing nothing. I called up in November and they said it would go through to their enforcement team. I was like, 'Ok, I will wait for a letter'. I phoned back up in

OCTOBER 2014

January. 'Oh no,' they said, it's been closed. I said, 'Why has it been closed?' They said, 'Cos he said he paid you direct'. I said to them, 'Did you not think to contact me and ask me if that was true? You just took his word'. No letter got sent to me. No phone call got made to me. This has gone on for years now, absolutely years it has gone on. Last week they told me it's been pushed forward again to enforcement officers but I might not ever get a payment. They are not guaranteed to get me a payment."

Helen receives maintenance but feels her ex-partner should be contributing more:

"He pays the minimum of maintenance. I reported him to the CSA and I believe he ought to pay more. He used to pay £400, now he pays £228 as calculated by the CSA. He claims that his income has gone down. I don't see how that can be now that he's moved in with his partner who has a house paid for outright..... as far as I know she earns over £30,000 a year part time. So they are both very comfortably off. And he could afford to buy shoes, uniforms, he could afford to buy more clothes for our son, but he doesn't because he only believes, he pays what he believes is what he should pay, and that's it. But I've had to swallow that, had to just grit my teeth and be as good a parent as I can."

social life

'Groups agreed that it was important for people to be able to pursue interests and socialise outside the home on a weekly basis. It was acknowledged that sometimes this could be achieved without cost – for example by going walking or cycling – but that certain activities would need to be paid for and therefore money should be included for this.'

A minimum income standard for the UK in 2014: JRF⁴⁶

The **Getting By?** families face restrictions on what they can and cannot afford when it comes to enjoying the kind of basic social activities that most of us take for granted. The harsh irony is that they, even more than most, have need for the 'release' and change of scenery that comes with a good night out with friends or a family holiday.

going out

Going for a meal as a couple or for a drink with friends is seen by the families as a luxury, something that has to be calculated in terms of what bills or expenses the money might otherwise have been used for. June and John do not drink and say, if they did have a spare £50 or £60, it would go towards paying a utility bill or buying shoes:

"We can't, we've never been out. We've been together fourteen years and since we've had the kids, we've never in eleven years, we've never been out, 'cos if you go on a family trip that costs us about a hundred pounds. We went to Chester Zoo that cost us £100, plus our travelling which was £30. That's a week's shopping just for a day out."

As money has got tighter Phil and Dot have increasingly cut back on their social life:

"I've packed in the cigarettes which is a good thing probably. We used to enjoy a glass of wine at the weekends, but we can't do that anymore. It's just like pleasurable things that we used to be able to do, they've all gone. Even, like, we used to be able to go out at the weekends, we used to be able to visit somewhere, you had £30-40 over, so you could put a bit of petrol in for the distance to go somewhere, but you can't even do that now."

It's a similar story for other families, as Ruth says:

"Socially, going out and things, I have not been out for ages because we have got no money basically to go out now."

Others, like Hannah and Steve, do not ever go out and rely on the TV as their sole source of entertainment. Some families have internet TV packages. They're not cheap, but they are often the main source of entertainment for families and provide a degree of compensation for working people who can't afford the social lives most people take for granted.

The fixed costs of a TV package can even be a help for people like Kate because it enables them to keep control of spending on recreation and leisure time:

"I don't really go out, not really. I mean, I go out, I take Luke out, I don't actually go out in the evening or socialise. My mum will babysit for you; Philip and Louise are really good. But then I think, well if it's going to cost me £40 to do something, I'd rather spend that on my shopping or my visa card or things like that. I just watch the TV. We've got Sky, that's within the phone bill. I think it's £45 a month, it's just so I don't get overdrawn with the bank because then you have to pay bank charges you see."

Beth would sooner spend money on her child than go out:

"To be honest, most of my money goes on him. It's not like I go out drinking every weekend or anything like that, because it's just not an option. It wouldn't be an option, even if I did have the money. I can go out for someone's birthday, but I have to budget and make sure I've got money."

Having friends who can afford to go out when you cannot can be a cause of social embarrassment for people like Carol and Ric:

"Ric hasn't heard from his friend for a while and he's thinking, 'He's fallen out with me', but it's because every time he phoned him it was 'Come for a drink, come for

a drink'. And he can't. He says, 'I think he's got to the point where he's that pissed off with me he doesn't phone anymore.....' The same myself, I haven't been out for months, months and people go, 'What's up with you?' You're being antisocial and you go, oh yeah, I haven't been in the mood lately or whatever. Because you don't want to turn round and constantly go, 'I'm skint, I'm skint, you know what I mean'.....It's embarrassing as well, because you almost feel like you're inadequate because you can't do those things."

holidays

It seems generally accepted that all families should be able to afford at least a week's holiday away from work and home with the children⁴⁷, but holidays are an additional expense that the families struggle to meet. While people have time off work, holidays are often taken at home and involve days out, as Fawzia says:

"We can't afford holidays, we can't afford certain things like cars, it's just struggling. I just think as long as they get fed and they go to school and have an education, you know? We haven't been on holiday since before I had kids (seven years). The places where I have taken them are just to the park and places like that."

Rose also struggles to afford holidays:

"It's a lot more stressful like when it comes to taking the baby on days out and things like that in the summer. When she is off school obviously you want to do something with them. Money, the way it is, it's going to be very tight at the minute. When she's coming home we are staying in because it's so cold but when it gets warmer.....we just go to the park. There's like a Sure Start we go to. We go swimming there once a week, it's only £2.50 to go in the swimming baths for an hour so I take her there and do things like that. Even if it's just like going to me mums or me mates coming down with their children."

In the same way Louise looks to do things that do not cost anything over the holidays:

"The general things like I'd love to take them on holiday. We sort of choose to go to the park rather than a play centre where you have got to pay. You know what I mean. We obviously go for the cheaper options all the time. Every now and then you'd love to just splash out but at the end of the day things like that aren't really important, it's just about spending time together isn't it?"

Ruth describes how not having the money for family holidays makes her feel:

"Sometimes it makes me feel, how can I put it and I don't really know how to explain it. I don't feel I am able to express, you know, like I have not got the funds to be able to do what I would like to be able to do at the moment. You know when people are saying to me I am booking a holiday and I am going here, there and everywhere, I do feel a tinge of jealousy towards them. I want to go away. I want to

go on holiday with my kids. I want to do that as well, you know, it is just a case of, right now, we have not got the money and that is it."

Pat does not see any prospect of being able to save enough to afford a holiday:

"No, never any savings or anything. I wanted to save for me and my daughter to go away on holiday but there's just nothing at the end of the month to save, to put away."

Parents like Carla often feel guilty that they cannot afford to take children away on holiday and she has not had a break for four years:

"My brother, he said to me last week, I've got a caravan for a few days, do you want to come up with the kids? And we had to say no, because I didn't have any money, and he said, 'Well, I'll pay for you'. And I said, 'Well, no, I don't want that, because I still want at least a bit of money in my own pocket'. So I felt guilty on that because I feel like the kids have missed out because I haven't got the money to take them. It's hard now because they're seeing all their friends going on holiday and they're like, 'Mum when can we go on holiday?' And I'm like 'Argh, the 12th of never, the way it's going'."

Eileen has similar feelings of guilt but feels lucky to have children who understand:

"As a family we've never been on holiday.... They understand; they're good kids. It's not a case that I don't want to take them, it's just a case that I can't. I don't know many families that don't go on holiday."

Being a self-employed cleaner means that Kate is not paid for time off work and so holidays represent an even more significant cost and she has to rely on help from family:

"I can't afford it, so it sounds horrible, but it depends if my mum can pay for us to go, but then it gets my mum away as well. But it just depends on what she can afford. I have got relatives, but I don't go to visit them. Because if I don't go to work, I don't get paid, I don't work weekends, so I can take them, but if I take a week off, I won't get paid for that week."

A child moving school and the cost of a new school uniform mean that a family holiday is out of the question for Phil and Dot:

"Because the kid's going into senior school now, we've got expenses there, uniforms, things like that. Rather than going and spending all the money on holidays, what we're going to have to do is save up for a school uniform."

Dee could not afford a holiday last year and is not sure how she will manage this year:

"We didn't have a holiday last year 'cos my little boy had his holy communion..... we normally go to Butlins, but there's quite a lot of us and we have to have two chalets, 'cos there's six, you can get four or five in one chalet, but six? Know what I mean?"

Occupying the children is a challenge for most families, but it is that much more difficult when money is not available. Samantha has plans for keeping the children occupied:

“Well, I have told them the first two weeks we are doing bedrooms and moving them into my room and they are going to share. I said to them, ‘I will paint and decorate it for you’. Budgeted for that, I reckon £50 will get paint and stuff for their room. So that’s one that will keep us occupied for a fortnight, so we will do that. Then other than that, it’s me mums or they will ring me and we will go to the museum or days out. I am not too worried about it and I have got Sky which is the best thing. They will just watch films and the other one likes reading.”

Planning the school summer holidays includes thinking about how to save money and avoid costs, as June explains:

“I take drinks and food with me most of the time, but its hard work having to carry everything. We go on day trips, try and go to the beach, we try to do things that are as cheap as possible and stay away from fairs and things, where they just want to take your money. But we’re going to see the Giants which is going to cost me a fortune (free street entertainment, but with cost of travel into town). Then maybe on week three we’re going to try and do camping in a tent, see how we go there.... Well last year the school donated a holiday to us which was nice. I mean we did feel like paupers, but it was nice, we’d never been away.”

Mary would like to be able to afford to take a foreign holiday one day, but she is not sure she can take the children away at all this year. She finds it very difficult to put any money aside:

“Don’t really have any money left by the end of the week or the end of the month. I’ve just got to budget all the time, make sure I’ve got money put away to do something, especially, like, they’re on half term next week, you know. You’ve got to find the money then to do things with them, sometimes I just haven’t got it so it is hard, you know. It’s just hard, very hard.”

Luke and Minnie would like to be able to take their new baby to see his grandparents, but they do not live in Britain. Luke and Minnie can’t afford even a simple holiday let alone the cost of going abroad:

“After baby we can’t afford to go on holiday and also my wife cannot make money, so the income has certainly dropped. Also the mortgage, we only rely on my own wage, so that’s a lot, in the last couple of years.”

family occasions and christmas

Family occasions and Christmas or religious celebrations add an additional strain to budgets that are already overstretched. Rose tries to save for Christmas, but always finds it hard:

“Well, any money that I do have left like, if it’s one week and I have like 5 or 10 pounds left, I have got a post office card where I go and put on for Christmas.....like last year and the year before and all the years before, I have got me self into a big mess over Christmas and it takes me forever to try and get me self back out of it”

Like other **Getting By?** families, Rose tries to limit the cost of presents by just buying for the children. She also keeps the costs of Christmas down by going to her mum’s, while her uncle helps by buying clothes for birthdays:

“I go to me mums. Things like his Christmas clothes and things like that, it’s his birthday in October and me uncle always buys his clothes for his birthday ‘cos he never buys him toys so I always keep two sets of what he buys him for his birthday and for Christmas.”

The pressure of costs associated with Christmas make it more a season of dread than celebration for families like Rachel’s:

“Christmas is horrendous, it costs me about £10-12 per child for different activities, the pantomime, Christmas parties, Christmas lunch, there’s quite a few things and it’s very expensive.”

Pat’s experience of family occasions and Christmas is similar:

“I do find it a struggle, especially for things like birthdays, Christmas and buying clothes and uniforms for school. Trying to do things in the school holidays, fun things for my daughter really, I find it a bit of a struggle sometimes and just keeping on top of the bills.”

Gill and Pete only buy presents for the children and not for each other:

“As I said to him because there’s nothing that I need, there was nothing that he needed. So we just told family and that, ‘Don’t buy us nothing and we won’t buy you nothing. I know it sounds like, but just buy for the kids.”

Samantha also struggles with the cost of Christmas:

“I’ve struggled, but I have had to do it. When they open their presents they won’t get what other kids get. I mean my daughter came home the other day and said, ‘Mum, there’s a coat’. It’s called Montcler, I think skiing coats, four hundred and odd. I said, ‘You can’t have one of them’. So I went to Primark and bought her a £20 coat which is the same with a furry hood.”

Eileen was lucky and received a generous contribution to her Christmas costs from her son's grandparents:

"They said they are sending him a £100 for Christmas but also said they are sending me a £100 for the Christmas dinner which I thought was lovely. I've ordered meat today on the back of that.....that was lovely. Christmas dinner has been sorted and now I've only got to be Father Christmas."

Brenda makes regular savings to cope with Christmas, but it is money she cannot afford:

"We saved each month with a savings, like a hamper-type company, my sister does it, and we put away £20 a month. That's really hard, it's really, really hard. That means then at Christmas we've got £200, it means the kids can get something nice at Christmas. It means it is a big chunk out of it, but we wouldn't be able to find that money at Christmas. You know, we miss it so much that money, each month, but we've got this lump sum that we can get at Christmas."

Like some of the other families, Avril and Matt save for a food hamper and limit what they spend on presents:

"I do Park (hampers), so I pay £7 a week, so I get about £300 that helps....just takes a bit of pressure offWhat we buy each other is only a couple of quid or whatever. This year we went to his mum's for Christmas Day. Just play it by ear really, we do what we can."

Some families, like Mary's, are able to save with a credit union:

"I didn't really cope but I managed in the end, the Credit Union. I get loans off them every year so I got them, I would have been lost this year. But I managed, just paying it back now, that's nice ...but we managed to have a nice Christmas, that's the main thing."

Michelle was struggling and went to her parents for Christmas:

"Christmas was OK. We got by, didn't have no food (laughs). So we went to my mum's....and his dad helped out, but can't keep going to him for stuff really. So yeah, I went to my mum's for dinner, like all over the Christmas. I even stayed there a few nights, 'cos I didn't like...didn't like want to be in the house on my own at Christmas time."

giving to charity

Families will often say that there are people a lot worse off than themselves. Feeling that you are able to contribute something to help others is an important part of how you see yourself as an active member of society. Even though they struggle to manage, some families, like Eileen's, still regularly give to charity:

"Yes, I do give to charity. I give to the Salvation Army, only because when I was homeless I would have been in serious trouble without them. £19 at Christmas for the gloves and that and then I give them £10 a month. I know you might say it's ridiculous, but to be fair they do help and my heart breaks for anyone who's on the streets in this weather."

Karolina gives to people she sees homeless in the street and Luke and Minnie regularly give to charity, as does Rachel:

"I sponsor Children's Miracle and Radio City cash for kids. I give them £5 a month, I used to sponsor Macmillan, but I had to stop. That one was £10 and it was just, at the time I was doing the Cash for Kids, British Heart Foundation £5 a month. I've cut it down now."

home

'While the number of non-decent social rented and owner-occupied homes has fallen the number of private rented ones has not. Private rented households have the highest rates of non-decency and the rate is higher for households in poverty.'

'Monitoring Poverty and Social Exclusion 2014:' JRF & NPI⁴⁸

security of tenure

Housing conditions for the families in privately rented property are generally poorer than those in social housing and, in practice, their tenancies are less secure. Eileen has had particular difficulties with her landlord, which highlights the housing insecurity that private renters can face. The family have lived in their current home for more than four years and have always paid the rent. The landlord wants the property back and Eileen says all he has to say is that his circumstances have changed, without giving any further explanation to terminate the tenancy. She believes the real reason he wants to sell the property is to take advantage of a dramatic increase in the value of local housing:

"I got an email saying basically the landlord wants his house back so get out, and you've got two months. That was four months ago, so things are getting a bit fraught.....I'm getting a few knocks on my door. I wouldn't go as far as to say heavies, but it's getting a bit threatening, that you know, you need to get out. I did explain to them that I did have rights and I knew what my rights were and they laughed and walked away, which is a bit threatening and a bit intimidating I believe. It's two men from the letting agency that look after the house and, quite frankly,

they're gangsters. They only deal in cash; you have to go to a shop front with £550 in an envelope, your rent every month. If you're two days late you get a threatening phone call, and, when I say threatening phone call, it is, 'Where are you? You should have been here with your rent. If you're not here by the end of the week we'll be looking for your house back'."

The tension and anxiety this was causing affected the children and Eileen herself:

"The kids are upset, 'Mum there's a knock, there's a knock'. I said, 'Don't worry about it, answer the door'. But when I come in, if they're home from work or school, they come in and pull the blinds straight down and won't answer the door to anybody. And I hate them being like that, but I can understand why they're being like that. I keep telling them not to worry and yet I'm not sleeping at night. I probably had about two hours sleep last night, worrying about it myself, but I'm trying to keep upbeat."

Norma does not have a tenancy agreement and her landlord has told her that he is putting the property up for sale. She has seen her rent increase from about £400 to £600 a month. She is clear why this has happened:

"With there not being much social housing available, I think it's a bit, 'cos people are forced into buying, sorry not buying, renting privately. And the private landlord knows this and they bump their prices up."

housing conditions

Families in private rented accommodation often experience problems with damp and sometimes struggle to get the landlords to do the necessary repairs. Samantha's house has a hole in the bedroom ceiling and damp problems:

"I have just had a text message and I am getting me repairs done. He said I will be out the next day to do that and he hasn't. It is still like that now. So I showed him that and then he come to see the leak in me bedroom....It is still like that in my bedroom (hole in ceiling and damp)."

Louise's landlord told her that she will have to pay him to get the damp treated in her rented property:

"My house is damp. I have got damp patches in my kid's room that are growing. I've got to pay him before I can get out. He's give me a new boiler only because last winter I was left without heat for two weeks and that wasn't my fault."

Gill and Pete have had a number of issues over the condition of their accommodation and been left waiting for repairs to deal with problems like the spread of green mould throughout the property. They believe the landlord lives abroad and have to deal with a letting agency:

"We've got the Environmental Health coming out 'cos the landlord is doing nothing. Someone said that if we report it to the city council they'll do something about it and come out and do all the jobs that need doing, because it's a massive priority with having kids, and they'll send him the bill. They'll give him the option first to do the job within seven days. In the long run he is better off doing the job himself."

social housing

'Reforms such as the Housing Benefit size criteria (also known as the 'under-occupancy charge', 'spare room subsidy' and the 'bedroom tax'), changes to Council Tax charges and benefit cuts are all changing the way social landlords relate to their tenants and how tenants manage. The benefits system is becoming tougher and tighter, with more sanctions, reclassifications, exclusions and suspensions of payments.

Having to focus on existing property and current tenants limits the capacity of housing associations to provide more homes. They increasingly exclude the poorest applicants from new lettings.'

JRF April 2014⁴⁹

Towards the end of the year, Eileen was offered social housing, thanks to the intervention of her local councillor. However, she mentioned that she had been subject to a Housing Benefit investigation:

"It's now gone to the CEO and he's going to meet with me and my local councillor, and it was a huge mistake. I mentioned that fact and because of that fact I was refused the house – a social landlord? I don't think so! I showed them the letters and one said I owed £8,000 and two days later I got a letter saying it's not £8,000 it's £800. Then the week after they said you owe £249 and stopped my Housing Benefit. I've had no Housing Benefit for three months. I wouldn't go near them. I would rather struggle."

Eileen has now signed for a privately rented property even though it has no floor coverings and she will have to try and find the money for carpets. The rent, however, is considerably less at £313 a month as opposed to £550. She wants to challenge the policy of the social landlord:

"Them doing credit checks, who's going to get a house if they are doing credit checks? Very few people haven't got debt or problems with debt as surely then they'd buy their own house."

John and June have found their social landlord inflexible in dealing with the family and far too ready to take court action for rent arrears. John is paid monthly, but the rent has to be paid weekly and June finds it difficult budgeting to do this:

“October was the worst month ever, it was five weeks and it was a terrible struggle, and what it was, she’d come round and said I hadn’t paid it but I had paid it and it doesn’t clear on their account until the next week. But she still put court proceedings through, even though I’d paid. She wouldn’t take my word for it that I’d paid. Now if I’d ever owed money at the most it would be £300 and then it gets cleared. But I pay it, it’s never left to mount, never, but she still put court proceedings through..... Now I could have been evicted and I thought, ‘Why have you done that?’ So I got a letter and I phoned them up and put in a complaint.”

The condition of their social housing – and ongoing problem with damp - has been an issue for Micha and Karolina. She believes the social landlord has been reluctant to do necessary repairs because of the expense involved:

“The house that we moved into, there was damp previously, we knew there was, it’s been treated but we only moved into this house 4-5 months ago but it’s started to show up even in the kitchen, in the cupboards, damp, black spots, where I’ve got my plates and as far as I know, for now, the landlord doesn’t want to do anything about it and my daughter has had a cough for a month.”

the neighbourhood

The families have contrasting views about the neighbourhoods in which they live, and different experiences of the level of community support around them. Rachel and Avril’s comments capture this contrast.

Rachel: “People have been trampled on and finding it hard to come back. Where I live people are community-minded and pull together. They have swop shops, people coming in who can’t afford to buy clothes and it’s like a jumble sale. But it shouldn’t have to be like that. You’ve got your food banks, and in 2014 people shouldn’t be living like that. The communities have pulled together to make sure that the service is there for people who are struggling.”

Avril: “The old community spirit’s gone, people are really negative and they’re down, don’t know where to go. How do you turn that round?”

There’s more agreement amongst the families over the impact that cuts in community services are having on working households. Michelle has seen what is happening in her area and blames the Government:

“Yeah, like the Sure Start centres, most of them have gone. They’ve just cut the resource centre in (name) where the adults with learning difficulties go every day..... I know it’s going soon but the resource centre’s gone. The library’s going; they’re trying to get rid of the lollipop ladies and the men, trying to get shut of them. But these are things that people need. Like there used to be a group I used to go to in the (name) centre, it’s like confidence building and health and well-being for

women, just little groups like that that they used to put on. They used to be free but its £25 a session now, which is quite expensive. They used to have sessions for like post natal depression and stuff like that, for people who would self-harm. They used to do like relaxation classes, and some people need that, some people need to get out and maybe talk to someone, and these are the type of groups that we need around here, there’s nothing like that around here anymore.... Yeah, they just keep taking things away and people put forward ideas, but they just keep getting knocked back all the time.”

Mary’s aware of services under threat due to the cuts in her own area:

“Yes, well the baths was threatened to be closed down, but we’ve turned that round and it’s being kept open. Schools and everything were getting threatened, weren’t they? But they seem to have not done it, all still seem to be open.”

Sue has lost her local library and swimming pool and suffered cuts to projects supporting young people, including one that helped one of her own children:

“They have just closed down all the Connexions haven’t they? That was like a service for young people. It helped me with my girls getting apprenticeships but... Yeah, yeah there was a couple round here and they were brilliant. That’s gone and I do think it is the government.”

The GP practice that Luke’s mum used has stopped providing an interpreter and it’s caused problems because the alternative - a phone-based interpretation service - is not always appropriate:

“The hospitals still have interpreters, but the GPs don’t provide that any more, only language line. So maybe my mum sometimes needs to see a GP, I need to take time off, my holiday, to take her or my grandmother to see the GP.”

Like a number of the families, June directs her anger at the Government:

“The children’s centre is getting closed down, it wasn’t generating enough money. But they don’t have anything on for the kids to generate any money. They just want to take everything off here, they’re not pumping any money into anywhere. It’s like the government are just taking and taking, and giving themselves these pay advances.”

The struggle of working families to manage on low incomes is replicated by a struggle to sustain stable and secure family lives amidst the pressures of their own financial circumstances and the increasing loss of networks and services beyond the home which once provided support.

Those lucky enough to have extended family close at hand make full use of the support it can provide. The rest can only fall back on their personal resilience and knowledge that, however hard things are, they are doing the very best they can for the people who most depend on them.

A report by the Institute for Fiscal Studies says that the number of people in absolute poverty is about 300,000 higher in 2013/14 than official figures suggest and also higher for people in 'relative poverty'. This is due to poorer families experiencing bigger increases in living costs than richer households once inflation is taken into account.

(5.11.14).

The North West TUC and Frank Field MP have called on both Liverpool and Everton Football Club to become Living Wage employers. One in four workers in the North West is paid below the Living Wage.

The new Living Wage rates for 2015 have just been announced. The new UK Living Wage Rate is £7.85 and the new London Living Wage rate is £9.15.

(3.11.14).

One in five working age adults without children is living in poverty. Half of the 13 million people living in poverty in Britain live in a working family. At the same time a report in the Guardian notes that there have been just two prosecutions of companies paying below the statutory minimum wage since the Coalition came to power.

(New Policy Institute, 22.11.2014).

Only one job in every 40 created between 2008 and 2014 has been a full-time job. In contrast 26 have been part time and 24 self-employed. This helps explain why so many families have substantially lower incomes than in the past .

(The Guardian, 12.11.2014).

NOVEMBER 2014

5 A fairer future

"It's not just that. It seems to be like they only care about the rich people. Like the higher classes, like they just keep getting rid of things that people need." **Michelle**

'Income inequality has a sizeable and statistically negative impact on growth, and the redistributive policies achieving equality in disposable income has no adverse growth consequences. Moreover, it (the data) suggests is inequality at the bottom of the distribution that hampers growth.'

OECD December 2014⁵⁰

'The top 1 per cent contribute to rising inequality, not just by taking more and more, but by suggesting that such greed is justifiable and using their enormous wealth to promote the concept. As Warren Buffett, the second richest American in 2011, put it: "There's been class warfare going on for the last twenty years, and my class has won. We're the ones that have gotten our tax rates reduced."⁵¹

Inequality and the 1%: Danny Dorling, Verso 2014⁵¹

introduction

In recording the voices and experiences of 30 low paid families, the **Getting By?** project has found parents determined to work and promote a positive example to their children and mothers who, despite the day-to-day stresses of trying to manage on inadequate incomes and cope with other pressures of family life, still ensure their children are well looked after and cared for.

They are not alone. More than five million workers in the UK get less than the living wage and have faced years in which price rises have outstripped wages, a decade in which energy costs have doubled and changes in tax and benefits which have left them worse off.

Getting By? set out to highlight the human impact of these changes, the resilience and endurance of families just trying to 'get by', for a reason.

The struggle we have documented is the result of fundamental political and economic failure to deliver on the rhetoric of 'doing the right thing by hardworking families' and to tackle inequalities that have been growing steadily for 40 years.

Britain's position as one of the wealthiest societies in the world is matched by its ranking as one of the most unequal - and it is no coincidence.

The growth of working poverty is a result of the political decisions made about the British economy and taxation and welfare policies. It is a result of a deeply flawed belief that 'trickle down' economics and huge growth in the wealth of a small minority would benefit everyone. As the recent OECD report shows, it is a self-serving and discredited belief that has seriously harmed our economy.

More importantly, it has had a corrosive impact on society, leaving millions of people earning below a living wage, while others receive incomes beyond all comparison.

When the **Getting By?** project was conceived, there was much political and media comment about British values in the context of discussion about migration and social cohesion. Today it is legitimate to ask whether a genuine commitment to fairness is a British value. Should we accept that calls to reduce income inequality are simply dismissed as the 'politics of social envy,' when made by some of the wealthiest in our society? Is it not time that we establish fairness as a fundamental principle which should apply to everyone and actively and urgently pursue policies that seek to achieve it?

In this final section, the families expand on their views on this political and economic context, setting out the factors that, they believe, shape and fix both the opportunities they have now, and future life for their families. They comment on the influence of their own family backgrounds, the importance they place on education and the significance of class and wealth. They also voice views about the state of British society today.

We leave their comments on making a fairer society in Britain as the most fitting recommendations and conclusion that this project could provide.

life opportunities - whinging scousers?

Over decades, Liverpool has endured some of the some hardest blows any British city has ever had to face, only for leading media to brush off legitimate protest and complaint with the withering phrase, 'whinging scousers.'

The experience of the **Getting By?** project could not do more to undermine the stereotype. Almost without exception, the families have spoken of how, 'there are lots more much worse off than us.' Even in the depths of their financial struggles, the majority do not see themselves as being in working poverty. Without any expression of self-pity, some blame themselves for not making the most of life's opportunities:

Mary: "Well, to be honest, I think that's just my own fault. I did go to school, don't get me wrong, but I didn't do very well, and I think that's why I've had to go back now. And I think to myself, well I'm 32 now, I've had to go back to college, and do maths and English again, and it's all new to me, when I should have just got my head down at school. But I just couldn't then. Well, I tried my best, I just wasn't good enough."

In recent years, Mary has gained a qualification at level three NVQ:

Kate: "I just think I have chosen badly. I think I've made a lot of wrong choices and so, in a way, it's my own fault for where I am now, because I think, you know, but people do make wrong choices don't they?"

Carol: "I think I've probably wasted opportunities really, and again it's down to circumstance, things like the kids and stuff like that come along and I've got a good education, I've got a good brain in my head, I can apply myself to all sorts of things."

Rachel: "I left school to go into a factory where I was earning £119 a week when I was 16, 20 years ago. It was a lot of money and I just saw the pounds.....Thinking back now, I think it probably was, because obviously it was like twenty-two years ago or something since I left school. So, even though things had changed and like the feminism-thing movement, but we were still expected to leave school, get married, have kids, bring our families up type of thing. That was always still there at that point. To be honest with you my family always encouraged me to do what I wanted to do and my mum always worked as well as my dad. I was thinking about it last night, how some people do always seem to work and even within families."

Other families identify the influence— positive and negative — that their own upbringings had on the opportunities they faced in later life:

Louise: "Well, I think that is down to an individual and the way they are brought up. I was brought up not to be on the dole and to work for a living, you know what I mean, so that is what I instil in my kid.....I never saw my parents doing anything but going to work every day."

Pat: "I think now, when I look back, I would have liked to have gone to university and done something, but at the time, at that age, my family didn't have any money and I wouldn't have been able to afford it. My mum and dad were separated when I was younger and, yeah I think I would have liked to have done more education and gone to university when I could have, when I was still at home, and I don't think I'd be able to now. It would have been a good opportunity, but I think my mum was always short of money, because she had me and my brother and I started working when I was fourteen. We used to work after school and weekends to help my mum out with money. So it was more like, we had to get straight to work really to help out. University was never an option really, we had to get into work. For my daughter, I'd like her to have the opportunity of university, even that's more expensive now isn't it? But I would like her to have that opportunity, so fingers crossed she will."

Samantha: "It is only now we have realised, me dad can't read very well. It is only now we have picked up on it. Don't get me wrong me mum was quite clever and stuff but me dad, all he knew was, well he taught us wrong 'cos he used to say, 'look, book and cook' and we'd go, 'No, dad, it's 'look.' All me dad can really do is write his name so. Yeah 'cos we were always in school, I mean they tried."

Brenda: "And also, one of the things as well that used to come up a lot with my family was there's no jobs, no opportunities for Black people in Liverpool. They said Liverpool's a racist city, so it was a case of, this is how it is kind of thing. They said people like you, don't try and succeed, don't try and push yourself because it's pointless, there's only a certain level that you'll be able to get to. I've always wanted to travel but there's just no money to do it, struggling to get by really. I remember when I was doing a course when I was about eighteen. It was winter and the only shoes that I had were open toed, so I quit the course because I didn't have the shoes to do it. I'm not saying I was poor, but it was that embarrassment thing. Getting up in the morning and sometimes I didn't have the bus fare, so you'd walk, just struggling to get by."

June: "But as a child I think I missed her (mother) not coming to the school play, to watch me being an angel, and things like that. She'd always be like, 'Hurry up I've got to go to work' and I'd think, 'oh you think work's more important than me'. She didn't, but growing up, that's how I felt. And I mean I do two days here (volunteering) just to try and better myself, just to try and get into a job which fits round the children, even a dinner lady, anything, just a few hours each week."

The families recognise the privilege and opportunity that comes through the accident of birth, of being born into wealthy circumstances and the enduring impact of social class and also gender. They also stress individual responsibility and the need to work hard and take opportunities. Education is viewed as being central to this:

Helen: "I think there are factors like class and the area even you're born in and brought up. But I think a huge factor is how hard you are willing to work and take the opportunities as well, because the opportunities are there for everyone. Not everyone wants them, and then there are those who can't actually access them. I don't know if I can be called lucky, I am very well qualified in a lot of areas but that's been through hard work really, sheer hard work and effort and determination and not giving up."

Beth: "Because it is a class thing, people who've got the money seem to be able to pay for whatever they want. They can pay for the best education, the best. Obviously, everyone has got opportunities and everyone's entitled to an education, but it's the standard of your education isn't it?"

Sue: "Sad to say, but where you are born, education, geographical you know, if you are in a deprived area.....They are just taking everything from the working class aren't they?"

Karolina: "I think it's all about money, everywhere that you go, everything that you do. If you haven't got money, there's no life; and class as well. It depends where you've been born, what country, what family, even to pay for education is that much."

Rachel: "I do believe that there is a class system and I think if you're born into a certain class it is very hard to move away from that, and obviously money and class go hand in hand don't they? That's how you determine whether you're working class, middle class, upper class, but education yeah."

The importance of education was further stressed:

Ruth: "You can make opportunities for yourself. Once you are educated you can go on then to get a better job, a well-paid job, you know it makes a massive difference.....I do think the opportunities, when you come from like this area, for women was basically when you got out of school, you had children and that is what you done. You just had babies and then you just went on the dole, there was nothing."

Brenda: "Its support, having that support, it's where you come from, it's who you are, it's the difference between having, being a parent who can assist your children into doing whatever it is that you want them to do..... I funded myself in university, but now I'm in £30,000 worth of debt, and now I'm going, 'Was it worth it?' I could have done what I'm doing now without that, but it made me grow up and it made me understand the world a lot more than what I did when I went to university. I do think that what I learned in university should be offered anyway without those charges being put on, because it was just basically opening up the world to me and letting me see."

Sarah:

"I think access to appropriate education is a massive one isn't it? Certainly how you're able to interact with those opportunities for education really can make a big difference to children. As you get older things like being able to study again or go back to re-train or keep adding things make a big difference to the level of work, to where you fit into your career path or whatever. And sometimes it's not that the opportunities aren't there, it's being able to take them up isn't it?....Money though, money's the big one, if you can't afford to just get by you're not going to be able to afford to develop."

opportunities for children

'Poor children fall behind in development before the age of three, and never catch up again. Educational attainment gaps result in low social mobility. Only one child in eight from low-income homes goes on to achieve a high income as an adult.'

**State of the Nation 2013: Social Mobility & Child Poverty Commission
October 2013⁵²**

As we have seen, the families value having a job because it means they can act as positive role models for their children. They also place a heavy emphasis on the need for their children to get a good education so they can make the most of opportunities that arise.

Lynn: "It has to be a good education, doesn't it? It's having the opportunity to be able to make something of themselves and have good teachers. Money is going to come later on, isn't it? You're going to have to get a good job before the money comes into it. I think it's what you make of it, and as long as your kids are happy and stuff like that, I think everything else is extra isn't it? You just want to make sure your kids are getting brought up properly and they've got all the opportunities that you probably didn't have when you were younger. It's the only thing you can do, isn't it?"

Avril: "I think it's also important to be an individual as well, and show your children drive and passion and work. Maybe that stems back years from when mums never worked and that's may be why there's so much unemployment in the area. They haven't seen that side of life.....I think it's like a drive with me, I've always been a little bit like that. I was walking donkeys on the beach when I was 12! I've done dog walking and worked in hotels when I was 13. I've always wanted my own money, and my own bit of independence and I think that's just normal to me. So I want that for the kids."

Eileen: "I think education is very important and I don't necessarily mean academic education. I mean you will find young people who aren't academic, they're never going to be academic, but they need more vocational training for young people. I think more hands on, more opportunities, more apprenticeships. Definitely more apprenticeships for young people. So education is very important."

Kate: "I have really pushed them, and motivated them. I mean they're all in some type of either employment or further education, or I hope they're all like career-minded."

britain today

Some of the families believe that Britain is as it is today because the political classes are out of touch with the reality of the lives of working families and have no appreciation of what it is like to have no money:

Carol: "There's so much injustice right across the nation, it's like where do you start? Where can you possibly tackle that sort of thing? A lot of it is attitude as well, I think, and ignorance as well. The government are just, I don't know what world they're living in at the end of the day, I think they're seriously out of touch with people."

Eileen: "It sickens me and saddens me, that they've (the government) never known what it's like to come home from school and nothing be in for tea. They've never known what it's like to have holes at the bottom of their shoes, I did. I'm not saying kids should live like that because mine certainly do not. What I'm saying is, they've had everything handed to them, including top of the range education and they take it all away from our young people and it just saddens me. It upsets me and, as I say, I'm trying to remain completely polite."

Avril: "They're saying there's no money and people are scroungers and this that and the other. And they're all millionaires in their own right, and they get expenses and getting jobs, and how can that be justified, how? But the rich get rich and the poor get poorer."

June heard that the Prime Minister had spent £90 – more than the cost of her weekly shop - on a haircut and made the following comment:

"They're cutting everything, but not their wages, disgusting. But they get all their expenses paid for don't they? Why doesn't the normal Joe Bloggs get their expenses paid? My partner pays £15.50 a week and he can't get that back in expenses. We're supposed to live on so much, how come they can, say like, when they're earning say £60K, and they're still claiming expenses for the house and the mortgage and when they've got a house somewhere else. You only need one house, surely, you don't need any more, it's pure greed, pure greed."

income inequality

It was recently reported that a cleaner would have to work 13 years to earn what a top professional football player earns in a week⁵³. The gross examples of salaries for footballers and celebrities make the scale of income inequality very apparent. Similar comparisons could have been made with others in working poverty and investment bankers and CEOs of major companies. Most of the families see such gross inequality as unacceptable, though one or two felt it was acceptable if a person had worked to earn a large salary:

Sue: "I mean, I don't lose sleep over it, I just get really emotional about the inequalities. I just think of the greedy fat cats at the top. It does annoy me but I am more compassionate about the poor people who don't even realise the Government puts so much stress on them. I suppose it is me really as well....we are one of the richest countries in the world aren't we? Everyone has deficits. Everyone."

Samantha: "John Terry (footballer) got slated for shopping in the Pound Shop. Normal people like us have to shop in the pound shop and I was thinking, 'He does not have to shop in the pound shop, he really doesn't. Look, at the money he is on'. There was a footballer on the news this morning moaning that he does not play football anymore. He is moaning 'cos he does not get the wage anymore. That is what he is moaning for. Driving round in these cars that we can only dream of if we drove. I don't drive, but if we did and houses that I could only dream of owning a house like that."

Kate: "Some of them work their way up to being wealthy, so they deserve it don't they? Some people start at the bottom and grow and work so hard for what they've got, so you know, why should they be punished by not getting say child benefit or something like that? They've worked really hard for what they've got, but then saying that though there's people who have worked really hard and got nothing."

Karolina: "It is unfair, it should be smaller the (pay) gap, because some people have got everything. They don't need to think about tomorrow, what they are going to cook, what they're going to buy, whether they've got money for that. People who do work that hard, they need to have that in mind every single day. It's like sometimes I do think, sometimes that I keep thinking about the money every day....it's such a difference between the lifestyle of these groups saying that, saying the lower group and the higher group. It's getting wider."

discrimination

Income inequality is generally regarded by the families as socially divisive because perceptions about lack of wealth lead to people being treated differently and looked down upon.

June: "Well, I think there is a class thing. They think if you are working class then you're not educated or you're thick. You do get that day to day. I've worked in a hotel and you get some people coming in and they go, 'Hi' and they think you're stupid, but I'm not illiterate. I might sound common to you. Just because I've got a slight accent doesn't mean I go home and sit in a pile of poo. My house is spotless but you know how people come across. They do think they're better than you. I would never treat anybody any different whether you're a cleaner or a doctor. I want to treat people all on the same level and I say that to all my children, that you treat

everyone the same. If they give you respect, you give respect back. But I do think there is a class issue. I think that people who do have money think they're better. They probably have had better education, that's why I fight for all my children."

Sarah: "I think it varies depending on the people, I think there are things you're certainly excluded from if you haven't got money or access to people with money.... and nobody really knows your exact financial situation, but only what they can see like the symptoms of it. I suppose, but yeah, people make judgements don't they?"

Carla: "They look down their nose at you and they're like, 'What do you mean you can't afford that?' And you're like, 'I can't afford it'. 'What you're not going away again?' The poor kids, and you're like, you know what? And it is horrible, budget your money better, how can we budget, you know what I mean?"

For a few of the families whose background isn't White British, xenophobia is increasingly a reality in our society. Helen's parents originally came from Hong Kong and she appreciates how hard they worked to make a life in this country. She is concerned at the growth of anti-migrant rhetoric:

"I hear people talk and moan and complain about these 'immigrants' and 'send them back' and 'we shouldn't have any more.' Then the first thing that springs to mind is that people who consider themselves British who are here, sounds very harsh I know, but they weren't originally here. They weren't indigenous. They came from other countries. Some Vikings from Scandinavia, and some, a lot, from Ireland, we have a lot of Irish immigrants and we have a vibrant Afro-Caribbean community here, and I think Somalis, there's quite an established community as well. But you get lots of, 'Oh they should go back, we should close our borders,' and I like to challenge those attitudes because a lot of them are very ignorant."

The negative portrayal of Eastern European migrants has made Micha and Karolina question whether they can continue living in the UK. Karolina feels unhappy about the situation:

"I keep feeling that way. Look at me, I'm foreign. And I don't ask people for money. I'm trying to sort out my life. I know some people are where they are because of drugs or alcohol, but it is a different way to be Polish than being English and live in the UK. It is, especially now with the Government blowing everything up about the immigrants."

The cuts in ESOL classes has affected Ai and her attempts to improve her English. She realises that her language difficulties are an important barrier to accessing opportunities. Otherwise, there are few options beyond working in the catering trade or Chinese supermarket, and the family would not want to be dependent on state benefits:

"I have thought about it. I think it is, after all, still the language barrier. I have been to those English classes and actually have studied for a few years....now the government has cut the funding on many enormously. Many places have now closed down, so I cannot go there again."

making britain a fairer society

“Despite the growth in national wealth the age-old inequalities remain....If civilized life is to continue, the rich must strike a new social contract with the poor to the extent of breaking the cycle of inequality.”

Unequal Britain: Frank Field 1973⁵⁴

Academic research, Government commissions, campaign and social concern reports on poverty usually conclude with a series of recommendations but we have no wish to rehearse the conclusions of the Social Mobility and Child Poverty Commission, the Living Wage Commission and others – however valid they are.

Instead, we conclude by simply commending the voices of the **Getting By?** families and their views on how we go about making a fairer Britain.

income and the NMW

Rachel: “The Living Wage and employers need to realise that there has been no increase in benefits or a 1% increase and it just doesn’t cover. You are talking about years and years of debt and vicious circles building. I would like someone to come along and offer me a job that pays good money. Ideally, I wouldn’t want to claim benefits. ”

Louise: “I think things needs to be sort of levelled out with regards to money. I think I used the example last time of the footballers. It is a ridiculous amount of money when there are people begging on the streets who are trying to get a job ‘cos they have got no home and things like that. I am not saying they should not be paid a good wage.... It would be nice for us all to have a wage and be able to go to the shops and not take the calculator sort of thing. Not have to buy the value stuff ‘cos you can’t afford the non-value, you know what I mean.”

inequality

Brenda: “I’m always talking about it, decrease the gap between the richer people and the poorer people, it’s simple. The way I see it, the more I work, the more I earn, the more I’m going to get taxed. So the Council Tax for one, if we need to lower the debt, why can’t we lower the debt from some of the people who are getting paid big amounts of money? We’re all the same, we all feel the same, we all bleed the same. What’s so different is where we have to really, really struggle and people who have got loads of money that don’t have to struggle? They kind of flow through life and their priorities are just what colour car they’re going to buy and those types of things, what holiday they’re going to go on this year. Why can’t it be fairer basically? And then I think, that would get rid of the deprivation and you would probably see a lot less crime, a lot less in loads of different things.

tax, benefits and scapegoats

Sarah: “I think if you talk about fairness it’s got to be about removing the barriers so people can achieve and do what they’re capable of without removing those safety nets for people who for whatever reason can’t. It’s really hard isn’t it? I kind of don’t think that it’s ok to, I dunno, once you start talking about taxation of things, it’s really hard to find that balance, and it’s not a surprise that governments struggle with it all the time, but I suppose it is about making sure that people see things as a society, isn’t it? I don’t know, what’s the quote about your societies only as strong as the weakest people and how you look after and care for those people, whatever the reasons are. I don’t think there should be kind of anything about punishing people for being in that position, even if it’s through choice, even if they are choosing not to work and to live on benefits, it’s hardly a desirable lifestyle, so you know, as somebody who works really hard, if I get to be really successful and have to pay tax that supports other people, I don’t begrudge paying that, I would rather people who wanted to work, had the opportunity to, than trying to force people who are happy just getting by on £60 a week to do it.”

Pat: “I don’t blame people who are on the dole and not working, because at the moment it seems as though they’re better off. I just think there should be more of a balance between everyone. At the moment there have been times in the last few weeks where I’ve thought am I better off not working, because I feel like I’m getting penalised all the time for having to give extra money back. And it’s just hard really when you’re trying to make something and I don’t want to not work, I just think there should be more encouragement and more help really. It just doesn’t seem fair does it?”

Rachel: "Everybody's feeling the pinch, there are people who live off benefits and they really need those benefits and people are getting sanctions. I really feel for them 'cos they have got no income what so ever once that sanction goes into place. We are struggling as well, everything is going up in price and the benefits don't go up to meet those needs so the money has to come from somewhere else."

child tax credits

June: "Well for a start, if you think about it, people who are earning £250 grand, all those celebrities, do they really need child tax credits? Why do they need that, why do they get it? If I was earning £50k a year I wouldn't expect anything like that, I really wouldn't."

working tax credits

Ruth: "I would not penalise people for going to work. I think people who are on benefits are probably on more money than me. I have got six in a family, six people in a family who probably, if you were on benefits, would have more money. Do you know what I mean, and I just think that is sad. You need to make people feel more appreciated and give them more back. Do you know what I mean?....Working tax credits you have got to work 24 hours, with a family of 4 children, I can't physically work 24 hours to get working tax credits and it's like a bonus. It is given to you like a bonus. It is not a bonus if it's needed."

corporate tax avoidance

Avril: "What is stopping it being fairer, I think is the Government. By saying that people on benefits are scroungers. I'll tell you, the biggest thing, culprit is taxes. Billions and billions all these big companies owe, and they're discriminating against people who they call scroungers who are claiming benefits and making life that hard, no wonder they're stressed out going the job centre..... They say the Government's got no money, but what about all the backhanders, they're all part of them companies, they've all got something in these companies that go offshore, and owe billions. I just don't understand. And the press, they just publish what they want us to know, it's ridiculous."

Eileen: "What I would change now is for the Government to stop taking money off the welfare bill and make Starbucks and Vodaphone pay their tax bills. Simple solution, £6 billion pounds Vodaphone owed in 2010 and they cut £7 billion off the welfare. Stop taking off the poor. Does the Government want to be a government to be remembered as the government that introduced food banks?"

the NHS

Sue: "You know, as a nurse, they are all saying, 'Oh it costs this much to look after alcoholics, you know what is happening now with the young culture so many millions, it is costing with all the alcohol problems.' But why don't they go to the alcohol companies? They don't care do they? You know, make a healthier option and just say no more blank cheque.... Yeah, and all the big companies that sell all the bloody products should be made accountable. They should pay the bill for the NHS."

education

Brenda: "I think what needs to happen is more opportunities for education. They need to be available, that's the key word, the opportunities and being able to have the choice, like as well. When I was growing up, it was kind of like what do you want to be? So yeah, just more. The way the fees, for kids to go off and get a good education now (University fees), it's not helping anyone. The kids who are benefitting are the kids whose mum and dad's have got loads of money to give them."

overall

Gill: "Things can only get better for the kids, can't they? That's my answer to it....I'd like to see them abolish zero-hours; up minimum pay and better opportunities for kids leaving school. More apprenticeships. Life isn't living on the dole. Realise that things aren't handed out on a plate, you've got to work for it."

and finally

Carol: "I do feel that the Government is just not in touch with us. I really do feel that that's the beauty of this (**Getting By?**) at the end of the day and that's where that's going isn't it? And I hope they do read it and I hope it opens some eyes for them."

The Mayor's budget, 2014/15, 2016/17 states that the previous three years had been extremely tough for Liverpool City Council. Since 2010, £173 million was taken out of the budget and over the next three years, there has to be a further £156 million in savings. This means around a 58% cut in real terms since 2010/11. The financial challenges are unprecedented and many tough choices lie ahead.

Feeding Britain Report: The report says structural issues such as benefits delays and cuts, coupled with low wages and rising living costs are predominantly to blame for tens of thousands of families experiencing hunger.
(The Guardian, 8.12.2014).

An Oxfam tweet linking benefit cuts to poverty could have been "misconstrued as party political campaigning", the charity commission said.

(BBC, 19.12.2014).

The world's leading economic think tank says that the top 10% of the population now earn 9.5 times the income of the poorest 10%, up seven times what it was in the 1980s and that this is damaging economic growth. The evidence does not show a 'trickle-down' effect from the rich to the poor.
(OECD 9.12.14).

Postscript

2014 saw an improvement in circumstances for some of the **Getting By?** families. Gill's partner Pete got a new job that wasn't on a zero hour contract. One of Ruth's children started at university and Beth's child got an opportunity that may mean them moving to London. While three relationships ended, a couple of others began and there was one marriage.

But there was also trauma for some. One family had to cope with the suicide of a young member of their extended family. It is also very sad to report the death shortly after the end of the project of one of the interviewees.

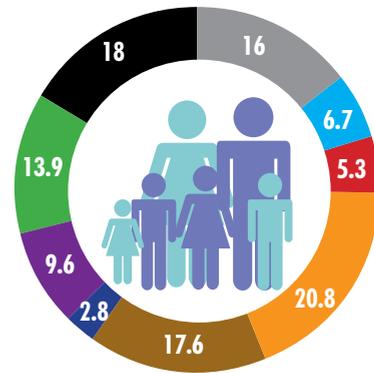
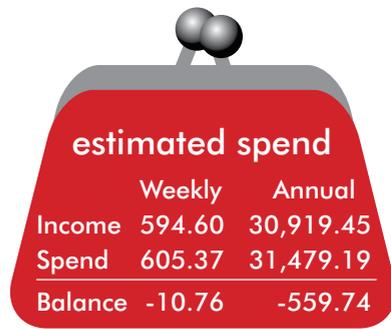
The families

The following gives brief information about the families including summaries of key data from their spending diaries. Income is after tax and national insurance payments, but includes working tax and child tax credits if applicable and also housing benefit and other benefits if they apply. The families recorded their own income and expenditure and as a result there will inevitably have been inconsistencies in how they went about this, even though they received guidance from the community researchers. The weekly expenditure totals do not add up to 100% as there will have been items that have not been recorded. This may also explain why a few families have what appears to be a moderate surplus of income over expenditure.

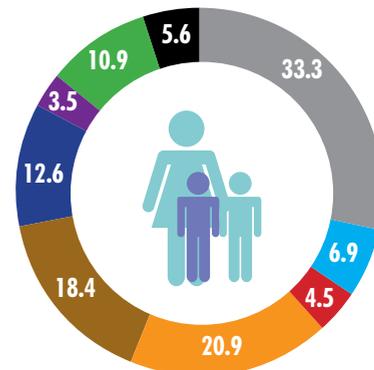
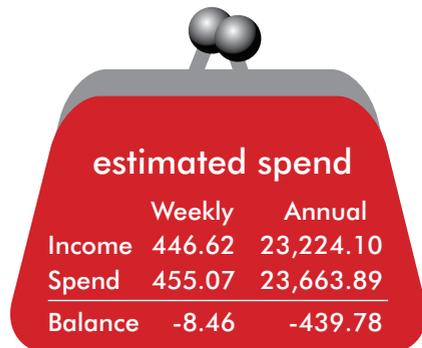
Twenty-four families completed the spending diaries and these are presented first. As previously noted the names of individuals have been changed along with other minor details to ensure anonymity.



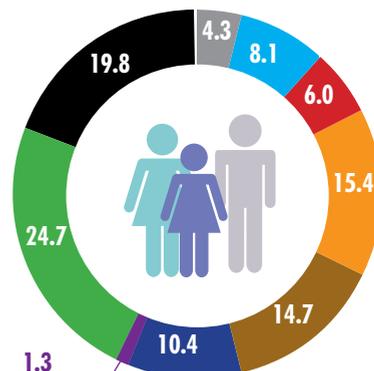
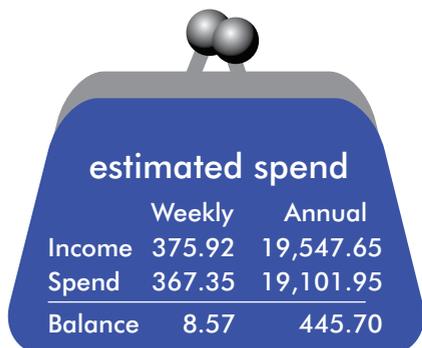
Ruth and Michael have four children the youngest just two years old, while the oldest started a university course towards the end of the year. They live in the south of the City in social housing. Michael has been unemployed for a considerable length of time. Ruth works part-time as an office worker.



Louise has two children and works full-time as a teaching assistant, but is on a temporary contract. They live towards the east of the City in privately rented property.

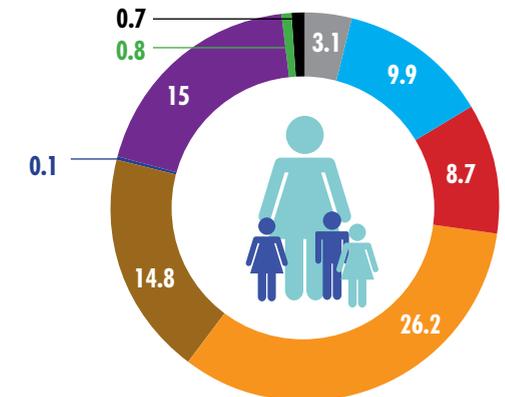
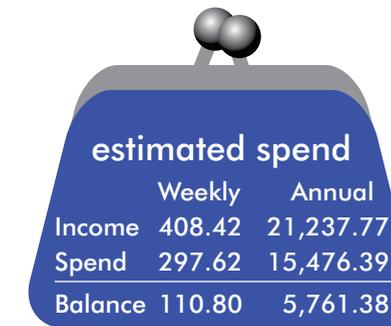


Sue is the parent of two, one of whom is now an adult and currently lives away from home, while the other is in her late teens and started an apprenticeship. Sue is studying to be a nurse and to has to do agency work to supplement her student bursary.

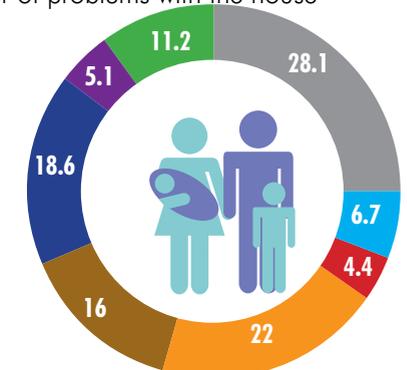


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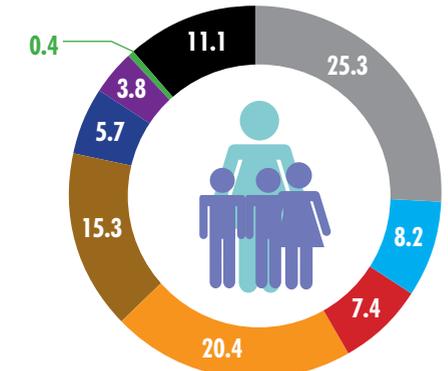
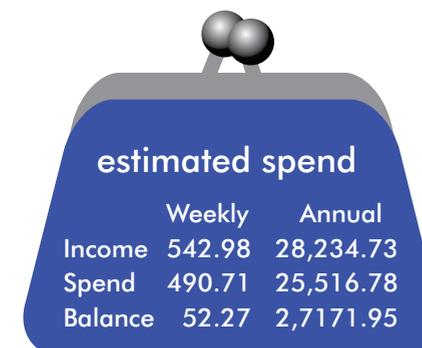
Mary is a single parent with three young children. Mary works part-time and is in social housing that she has lived in for more than four years. She has been affected by the bedroom tax.



Gill and Pete have two children; one is just a baby while the older child has health problems. Pete works in the service sector on a zero hour contract at £6.31 an hour. They rent from a private landlord and have a number of problems with the house including damp.

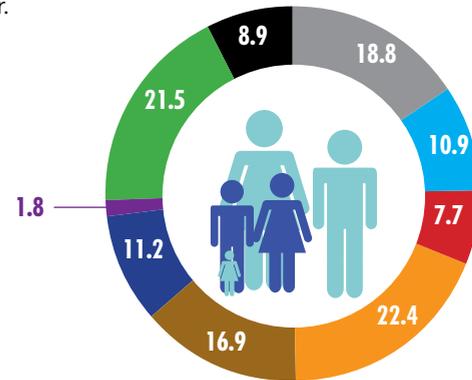
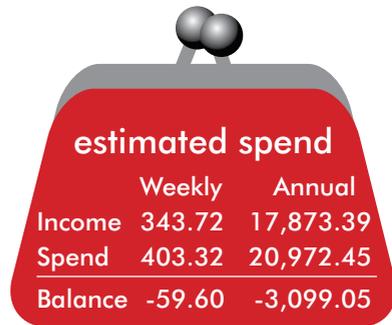


Eileen is a single parent with three children, one of whom is an adult not living at home. She works full-time by having two jobs. She lives in the south of the City in a privately rented property.

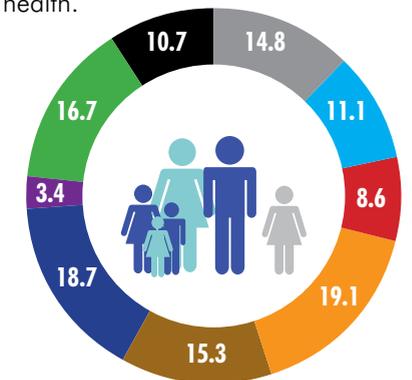
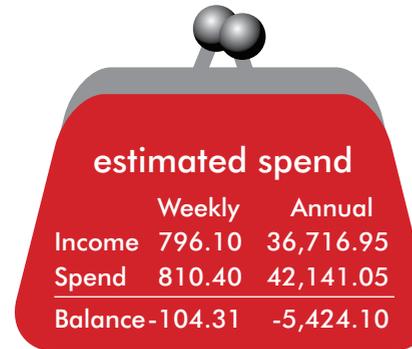


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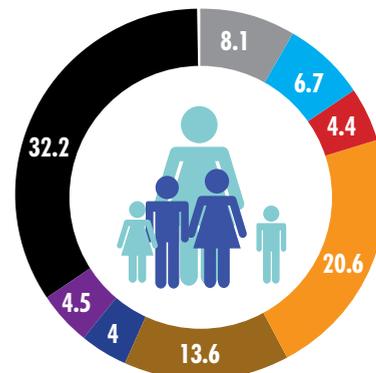
Kate has four children one of whom is working and another is in higher education, while the youngest is just four. Kate is a self-employed domestic cleaner working 16 hours a week and earning just £6.20 an hour.



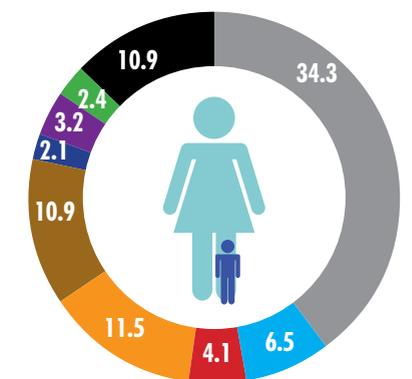
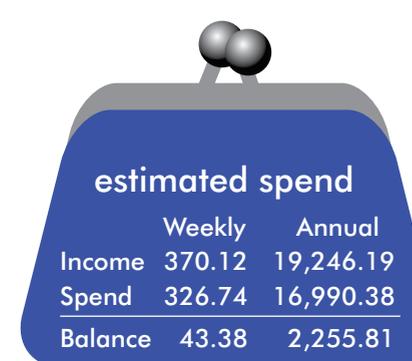
Carla and Rob live in the north of the city with Carla's three children and at weekends Rob's child by a previous marriage. Rob works full-time in manufacturing, while Carla had a good job that she had to give up due to poor health.



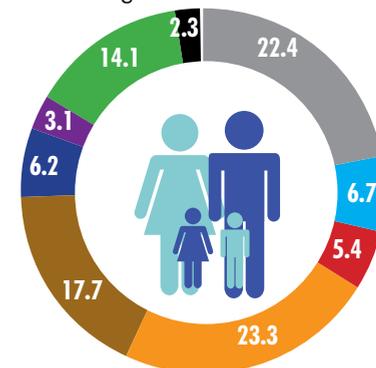
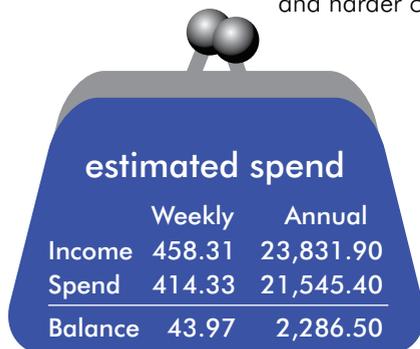
Rachel is a single parent with four children who lives in the south of the City. She has two jobs so works full-time. One of the jobs was due to end and she was concerned about what would happen as she can hardly manage on her current income and has a number of debts including a payday loan.



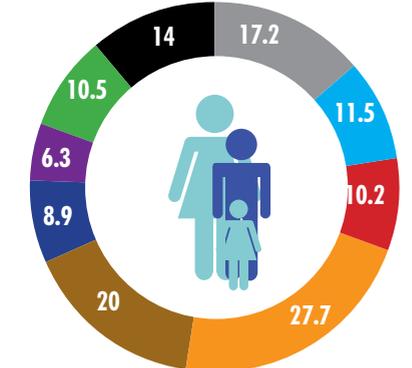
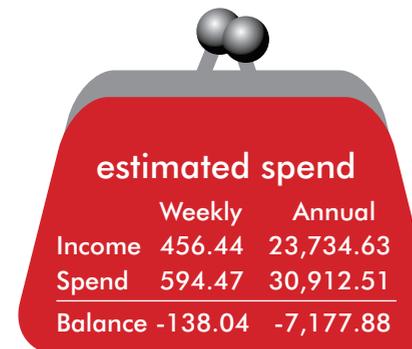
Pat lives in the south of the city with her young child in privately rented property. She works part-time as a receptionist. She does not get any financial support from her ex-partner and continually struggles financially, often relying on help from family members.



Karolina and Micha are Polish and came to Liverpool about seven years ago. They have two young children recently moved into social housing near the city centre. Karolina works part-time in a shop and Micha full-time in a factory. He works as much overtime as he can as both he and Karolina are on minimum wage and find it harder and harder coping financially.



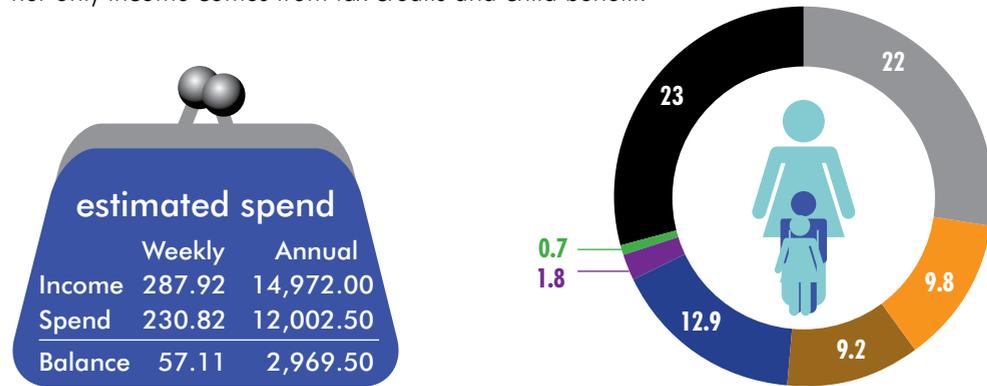
Lynn is a single parent with one teenager and another younger child. She works full-time and is trying to pay back debts that her ex-partner was responsible for incurring but which she has to pay. Lynn relies on help from her parents but still finds it very difficult and has no money left at the end of the month.



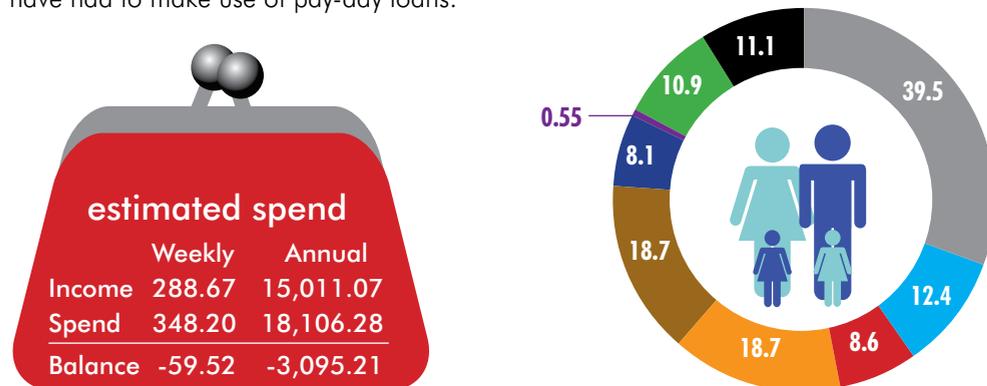
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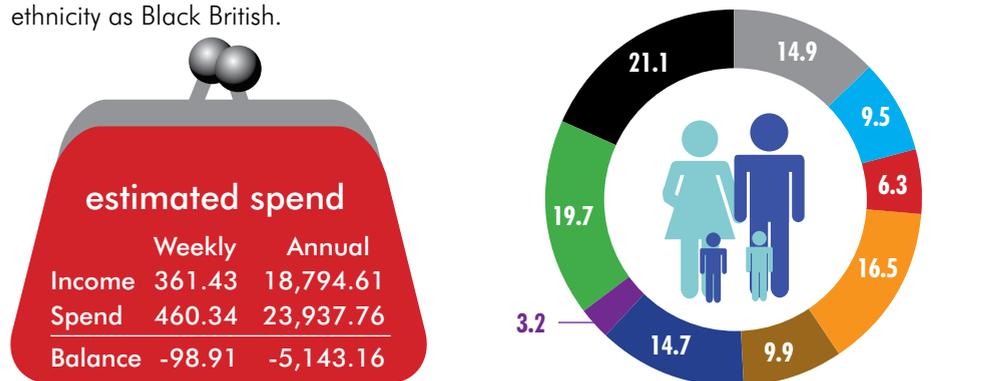
Sarah has two young children and lives to the east of the City in a shared house with her parents. Sarah is self-employed and is trying to open a small shop. At the moment her only income comes from tax credits and child benefit.



Bill and Jane have two young children. Bill is disabled and works full-time in the leisure industry. The family struggle to get by and Jane's father helps sometimes, but they still have had to make use of pay-day loans.

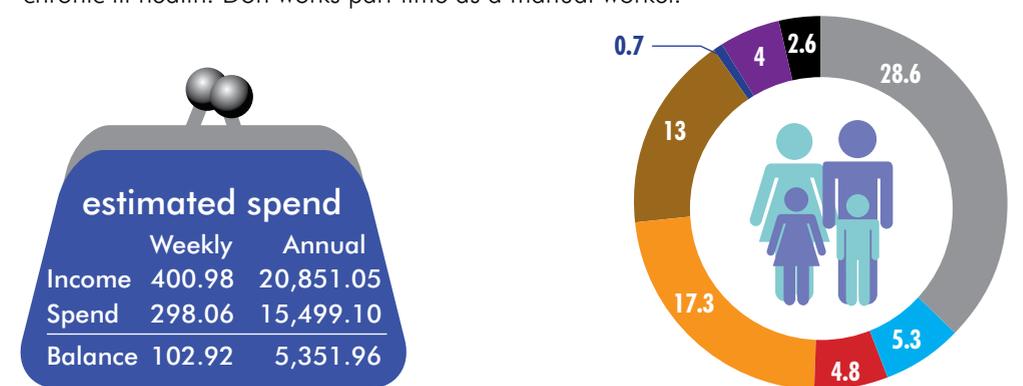


Brenda and Colin have two children with another on the way. While they have been in a relationship for many years they do not live together. Brenda works part-time in the leisure industry and is on minimum pay and has a number of debts. She describes her ethnicity as Black British.

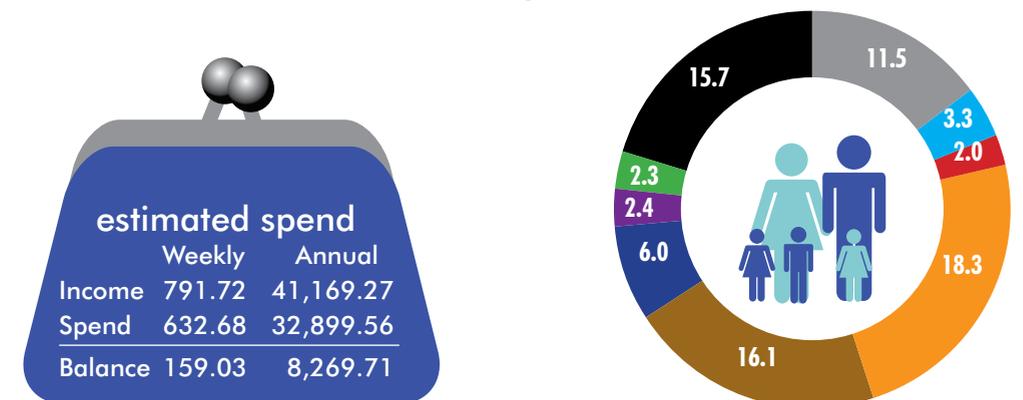


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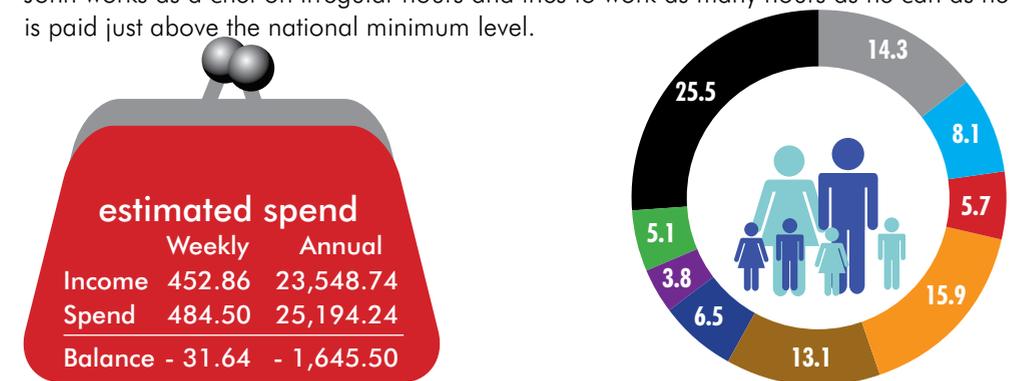
Samantha and Don have two children and live in the south end of the city in privately rented accommodation. Samantha worked as a cleaner but had to give it up due to chronic ill health. Don works part-time as a manual worker.



Dave and Helen live in the north of the City in social housing. Helen's parents came from Hong Kong. They have three young children one of whom has a long-term health condition. Dave works full-time and Helen is a carer. Payment of DLA and carers allowance for one of the children makes a big difference to their income.

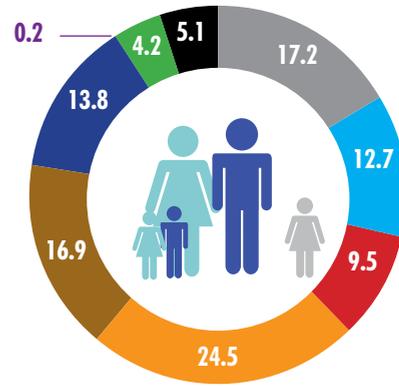
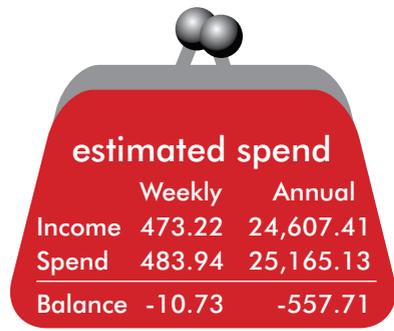


John and June have four children and live in social housing in the north of the City. John works as a chef on irregular hours and tries to work as many hours as he can as he is paid just above the national minimum level.

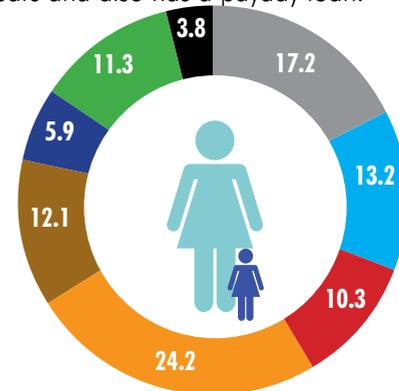
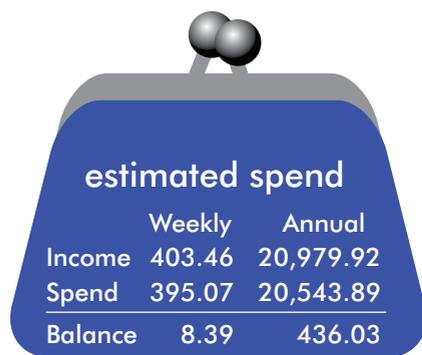


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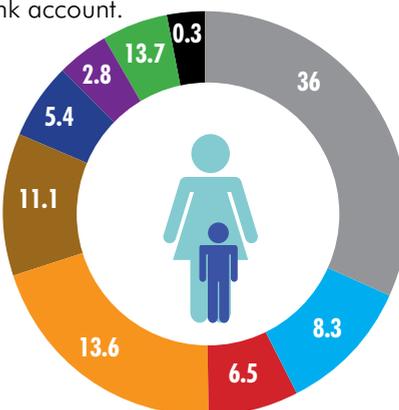
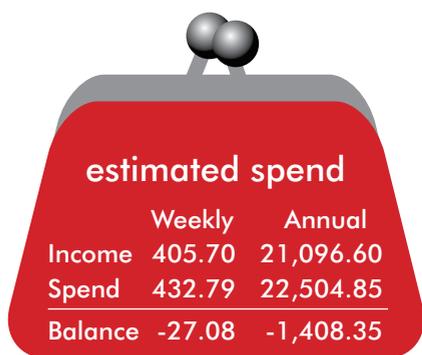
Avril and Matt have two young children and Matt has a child by a previous partner who he makes maintenance payments for. He is self-employed and earns around the minimum wage. The family has extensive debts and are frequently helped out by family members.



Michelle is a single parent with one young child. Michelle has three jobs including being a cleaner and working in a supermarket. She lives in a privately rented house and is finding it very difficult financially; she is in rent arrears and also has a payday loan.

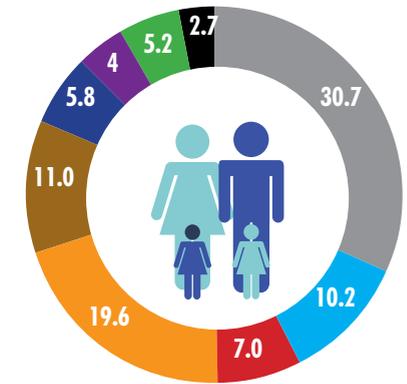
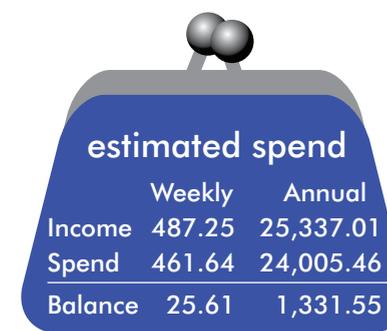


Beth is a single parent with one child. She works part-time as an admin worker and lives near the city centre in privately rented property. Beth often has to get financial help from her parents and is always overdrawn in her bank account.

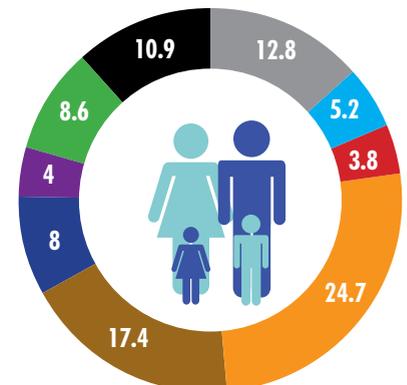
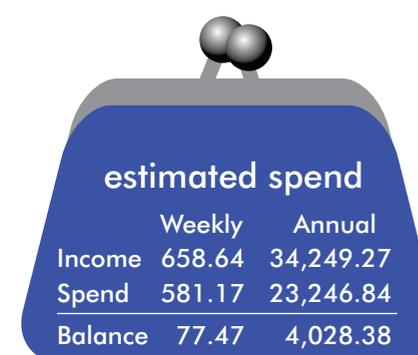


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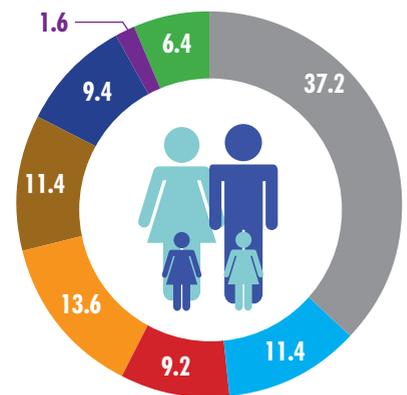
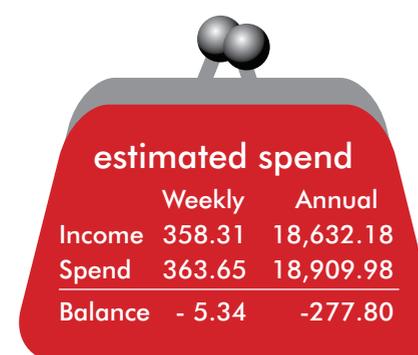
Luke and Minnie have Chinese heritage and have two very young children. Luke works full-time for a third sector organisation. Minnie is on maternity leave.



Carol and Ric have two children in social housing a couple of miles from the City centre. Ric is a care worker and works very long hours. Carol had to give up her job due to poor health and both the children also have chronic health problems.



Chen and Ai have two young children and describe their ethnicity as Chinese. Chen works full-time in a Chinese restaurant and Ai works part-time in a supermarket.



• Transport • Clothing & shoes • Unexpected costs • Paying back debt

Adam and Fawzia are Somali and have five children. Adam works in the catering industry and is on the national minimum wage. They find it difficult getting by on the money coming into the household.

Rose is a single parent with one young child and lives towards the south end of the City centre. Rose works part-time for a caterer and gets paid £6.19 an hour. She rents from a private landlord and finds it very difficult to get by. Rose took out a payday loan for £80 that she hasn't been able to pay off and now owes £700.

Norma has three young children one of whom has health problems. Norma recently got work and meeting childcare costs is a major issue for her as is paying rent of £600 a month to a private landlord.

Phil and Dot have one child and live in social housing near the city centre. Dot works as a care worker and Phil works full-time in the leisure sector. Both are on NMW.

Hannah and Steve have four children, the youngest being a baby. Steve is a Civil Servant, while Hannah was made redundant from the shop she worked in at the start of the year. They find it hard to manage financially on Steve's pay which is about £1000 a month after tax.

Carol has five children and doesn't currently live with their father. They live in privately rented housing in the south of the city. Carol works 16 hours a week and even with working tax credit and child benefit has to rely on food banks sometimes to feed the family.

Appendix 2:

Reflections of the community researchers

As well as undertaking five in depth interviews with the families, the community researchers kept in regular touch with the families. This was to see if they had any problems with keeping the spending diaries and to generally maintain contact with them. This has given the community researchers a unique insight into the experience of the families and the reality of working poverty. The following are the reflections of the community researchers on this.

Helen O'Gorman:

Fortitude, tenacity and professionalism are all words I would use to describe the qualities I observed in the women I interviewed as part of the **Getting By?** project. What struck me was the resolute way they handled the roller coaster of their lives as they struggled with both bureaucratic nightmares and breakthroughs. In some interviews I was worried for them as they struggled to keep their heads above water and in others their resilience shone through as they tottered back from a financial precipice, often the result of a mistake by a public body. The two single parents were particularly striking. It was as if they had found a strength in themselves they hardly believed existed. Both had the determination to develop careers in the most extenuating circumstances.

All the families were selflessly trying to do the best for their kids and I felt that the education they were receiving in Liverpool was serving them well - they stand a chance of breaking the cycle of poverty. All my interviewees reiterated time and again the importance of immediate family in providing financial and practical support even when they had limited resources themselves. All the women placed a high value on not only completing the diary but learning from it and changing their spending habits. All valued the dignity of work and the importance of it in providing a role model for their children. One of the most important things I learnt was that these families were as far away from the media stereotypes of families on low incomes as it is possible to be. There were diverse views on what it is important to spend money on but no more than in the general population. I admire the strong women I have met and feel it was a privilege to be part of the project.

John Holiday:

Looked at in a superficial way or one dominated by media dominated perceptions, the lives of the people who form the subject of this project could appear chaotic and lacking focus or 'aspiration'. My experience and what emerges from the interviews I have conducted and the accompanying data, about the resources available to the families involved, shows a quite different picture. It is one in which it is the life that the individuals and families face that is chaotic, constantly throwing up new problems and demands for them to struggle with, on incomes which are completely inadequate to make available to them or to 'aspire' to, any settled or comfortable lifestyle.

Consecutive interviews I conducted revealed an ever changing drama about births, deaths, health, accommodation problems and tragedies (some of which have had to be omitted from the record for reasons of identification and privacy) against a background of insecure employment, associated stress and financial uncertainty. Each time an interview concluded with some new, seemingly insurmountable problem, I have thought 'surely things have to improve?' by the next time we meet, only to find a new set of problems or complications have emerged. Life appears as a constant and unacknowledged struggle to those here portrayed.

All this against a background cultural message, I have been aware of and to which the families are subjected, saying they are responsible for their predicament, through fecklessness or laziness. This despite the fact that the subjects of this project are working, often long hours, in demanding jobs when sometimes it would pay them not to.

In my experience the priority for the parents, reflected in the interviews, has always been the needs of their children and dependents, rather than their own and this has had to include their value and need to belong to the wider community. This creates a situation in which birthdays, holidays and particularly Christmas, for the parents become not celebrations but something to be dreaded. Against all this, I have found that the families lives are not dominated by their material needs, important as they are, but by the need to have pride, be caring, responsible and show respect for other people.

Again, this goes against the grain of the stereotypical image of families in 'poverty' (and they are reluctant, understandably, to define themselves as 'in poverty' with all the negative connotations it entails for them and their children) conveyed in much of the media.

I am grateful for being allowed to be part of this project and can only hope that it can play a part in some meaningful change for the families involved or at least some more informed debate about their real situation and problems. They deserve so much more than this.

Maria McCann:

I was very privileged to be welcomed into the homes of the participants, and for their willingness to share the story of their lives with me. They engaged immediately with the project and the women somehow managed to hold everything together despite, through no fault of their own, the situation that they were in. They sacrificed everything to feed and provide for their children. They were meticulous about filling in the diaries and constantly reflected on where savings could be made, even when it was impossible to make any more than they had. They all stressed the value of work both as a role model for their children and for their own self-worth.

Maria Shuttleworth:

I worked with five working families, all with different circumstances, all surviving on low wages. There were ups and downs for all of them during the year, and one of the main things I learnt was how strong all of these women were, how skilled they were at managing the relentless struggle to make ends meet. Looking back over their spending diaries, most of them said 'I don't know how I do it'. They do it through sheer determination to do the best for their children, and by going without themselves. Their children don't go hungry, they always come first. They do it because they can rely on support from their own mums, and from having a good network of friends and community support. Even when things weren't going well and they were under a lot of financial pressure, they showed a lot of humour and optimism, and all had hopes that things would get better. They always had a cheery smile for me and made me feel welcome in spite of the sometimes difficult questions I had to ask them. It was an honour to get to know them and have them share their lives with me.

Winnie Wong:

Families in the Chinese community often face barriers in getting employment which can offer them fair employment conditions. This includes a wage which reach the minimum wage, no zero hours contract, a break time when they work over a certain number of hours and paid annual leave and paid break/lunch hours. This is due to language barriers and in getting information on their employment rights.

With the cut of public funding in many areas such as funding to ESOL classes, help on childcare, employment advice and trainings, and benefit, welfare and debt advice services, there is basically no hope for these families ever to be able to make a breakthrough on their financial circumstances no matter how hard they've worked.

Furthermore, even though the water seems to be all peaceful on the surface, most families are actually juggling hard just to meet their everyday needs. The current situation already fails to offer them employment opportunities, job security, adequate and secure income source, and a path for progression in both career and finance. As a result families may become socially isolated, stressed, depressed and demotivated. The

most ironic thing is the Government has pulled the plug on funding where people may last turn to when they have hit hardship leaving these families only a dead end to go to, which often leads to the source of crime such as benefit cheat, fake marriage and illegal exporting.

Leo Kyprianou:

Working with the families involved with the **Getting By?** project was very rewarding as I got to know them throughout the year, as they struggled with the impact of austerity on their lives. The families managed to maintain a largely positive disposition even as they worked hard to try and maintain their standard of living for them and especially their children. It was noticeable how difficult it was for them to get by, even in the midst of a notional economic recovery, there was very little evidence that they would see any benefit from it for some time to come.

Appendix 3: Our approach

From the outset we have wanted to evidence what life is like for typical families in low paid employment and the extent to which they are able to maintain an 'acceptable living standard'. In defining 'acceptable living standard' we made use of the work undertaken by the Centre for Research in Social Policy (CRSP) and the Family Budget Unit of the University of York in establishing a Minimum Income Standard (MIS). The MIS is based on detailed research with groups of members of the public specifying what items need to be included in a minimum household budget. This is regularly updated and can be accessed as an online calculator. The MIS forms the basis for setting the Living Wage (outside London).

Participation in the project was open to Liverpool families that had at least one child less than eighteen years of age and with at least one member of the household in paid employment, whether this was part or full-time work. The family income after tax and national insurance, but taking account of tax and welfare benefit payments and paid employment, had to fall below the minimum income standard in the UK using the MIS calculator. The families could be either lone parents or couples and could include extended families living within the same household and sharing their finances. A decision was taken not to seek out families whose situation was known to be extreme for instance families who were about to become homeless or where there were issues with alcohol or substance misuse.

The project was widely publicised through an interview on local radio at peak listening time (Radio Merseyside) and through local community and voluntary sector organisations including CABs, housing associations/ RSLs and credit unions. Publicity was circulated via electronic newsletters and broadcasts such as Liverpool CVS as well as widespread circulation of a flyer for interested groups or organisations that might help disseminate information about the project. An information sheet was also produced for families who expressed an interest in the project.

From late November 2013 the process of recruiting the thirty families began. In the main the families were recruited via contact with community and voluntary organisations from across the City. An effort was made to include ethnic minority families to reflect Liverpool's demographic, but also because they are disproportionately represented amongst groups in low paid employment. We successfully recruited families from Chinese, Black British, Polish and Somali backgrounds.

At the same time six community researchers were recruited and trained, one of these a Cantonese speaker. In addition a paper was produced detailing our methodology including how we would ensure informed consent, confidentiality and deal with analysis of the information gathered. One of the project's two academic advisors then informally put this through the ethics approval process of the University of Liverpool. This ensured

we met appropriate ethical standards and that our approach had the necessary rigour to be credible.

The families each took part in five separate recorded in depth interviews. The initial interview included ensuring informed consent and gathered basic demographic and income data about the family. It also explained the use of the spending diary. In addition the interview asked for general information about how the family was managing financially and how this impacted on the family. The initial round of interviews took place at the end of 2013 and the start of 2014.

In the spring, summer and autumn of 2014 (approximately three month intervals), the families took part in further interviews. These were informed by the responses to the first and subsequent interviews which were subject to thematic analysis by two members of the project group. They were also informed by a debriefing of the community interviewers after each set of interviews. Common issues or concerns were identified and were the subject of further enquiry. In addition the interviewers were asked to follow up any specific issues affecting their families e.g. the particular challenges facing a family with a disabled member.

In the months when the families were not being interviewed the community researchers contacted them by phone. The aim of this was to find out whether the family were having any difficulties keeping their spending diary and to see if there had been any significant change in their circumstances that would need to be taken account of in the next interview.

The final interview at the end of 2014 reviewed the families' experience of the previous 12 months in managing their finances and use of the spending diary. It also focused on their thoughts about the future and further changes to tax and welfare payments.

Participation in the project was incentivised, with the payment of £30 for the first interview and then £5 a week being saved over the duration of the family's involvement. At the end of the project the families received the remaining amount.

Each family's income and expenditure was recorded by them in a printed spending diary. The data from the spending diaries was collated and analysed using an Excel spreadsheet. Where families had not completed 52 weeks, their aggregated weekly spend was weighted to provide an annual figure for various items of income and expenditure.

Over the course of the year six families dropped out of the project. Perhaps not surprisingly the first were the two with the most children. One person decided not to continue when they got married and their partner was in a well-paid job. Another person didn't want to continue when they lost their job, while another got a new job and decide not to continue. The last person dropped out due to family circumstances. None of these families completed spending diaries.

A website associated with the project was established (www.gettingby.org.uk). The **Getting By?** website is primarily designed to provide an open forum for discussion about issues to do with poverty and austerity as it affects Liverpool. It also provides links to advice and help e.g. to local CAB offices.

Notes

- ¹ State of the Nation 2014: Social Mobility and Child Poverty in Great Britain, Social Mobility & Child Poverty Commission, October 2014
- ² A Minimum Income Standard for the UK in 2014: A. Davies, D. Hirsch and M. Padely; Joseph Rowntree Foundation, July 2104
- ³ The Spirit Level: why equality is better for everyone. R. Wilkinson and K. Pickett, Penguin Books 2010
- ⁴ Round about a Pound a Week: P. Reeves 1913, reproduced by Virago Press 1979
- ⁵ Liverpool Express 13.12.13
- ⁶ 'Working For Poverty - the scale of the problem of low pay and working poverty in the UK': The interim report from the Living Wage Commission 2014
- ⁷ Low pay Britain 2014: The Resolution Foundation 2014
- ⁸ See note two
- ⁹ Average number of families benefiting and annual entitlement in each local authority 2012/13, revised December 2014: Government statistics
- ¹⁰ See note two
- ¹¹ 'Households below a Minimum Income Standard: 2008//9 to 2012/13.' JRF January 2015
- ¹² The Kingsmill Review: Taking Care
- ¹³ Office for National Statistic report August 2014 as reported in the Guardian 20.8.14
- ¹⁴ See note six
- ¹⁵ The Telegraph 16th July 2013
- ¹⁶ Trade Union Membership 2013: Statistical Bulletin, Department of Business, Innovation & Skills, May 2014
- ¹⁷ 'Multiple cuts for the poorest families:' Oxfam Research Reports, H. Aldridge & T Macinnes, New Policy Institute & Oxfam, April 2014
- ¹⁸ Monitoring Poverty and Social Exclusion 2014: Tom MacInnes et al, Joseph Rowntree Foundation & New Policy Institute
- ¹⁹ The Guardian 16th December 2014, citing an interview between the DWP secretary Ian Duncan Smith and Andrew Neil on the BBC's Sunday Politics programme
- ²⁰ 'The impact of Social Welfare Changes on the Citizen Advice Service in Liverpool:' Praxis 2013
- ²¹ The Liverpool Citizen Support Service was highlighted as an example of good practice in the national CAB: 'Making welfare work locally' showcase 2014.
- ²² See note six
- ²³ See note six
- ²⁴ Annual Fuel Poverty Statistics Report 2014: DECC
- ²⁵ Liverpool Echo 15th December 2014
- ²⁶ Childcare costs Survey 2014: J. Rutter and K Stocker, Family and Childcare Trust

- ²⁷ See note six
- ²⁸ See note two
- ²⁹ This was one of the findings from the panel surveys conducted for the JRF report on a minimum income standard – see note two
- ³⁰ See note 18
- ³¹ See note two
- ³² Liverpool Echo 1st April 2014
- ³³ ‘Maxed Out:’ Serious personal debt in Britain; Centre for Social Justice, November 2014
- ³⁴ Liverpool Echo 1.2.15
- ³⁵ State of the Nation 2013: social mobility and child poverty in Great Britain: Social Mobility & Child Poverty Commission October 2013
- ³⁶ Liverpool City Region: Child and Family Poverty Needs Assessment 2011
- ³⁷ Liverpool City Council briefing paper January 2015
- ³⁸ ‘Fair Society, Healthy Lives’: The Marmot Review, Strategic Review of Health Inequalities in England post 2010
- ³⁹ ‘Come Together’: the Report of the Liverpool Fairness Commission May 2012.
- ⁴⁰ ‘Assessing the impact of the economic downturn on health and wellbeing;’ L. Winters et al. Liverpool Public Health Observatory 2012
- ⁴¹ The Liverpool Clinical Commissioning group has commissioned CAB to deliver the ‘Advice on Prescription’ initiative in GP / Health Centres throughout Liverpool
- ⁴² See note 40
- ⁴³ See note six
- ⁴⁴ ‘Feeding Britain; A strategy for zero hunger in England, Wales, Scotland and Northern Ireland:’ The report of the All-Party Parliamentary Inquiry into Hunger in the United Kingdom, December 2014
- ⁴⁵ ‘ Relationships, Recession and Recovery: The role of relationships in generating social recovery.’ D. Kneale, D. Marjoribanks, C. Sherwood, Relate September 2014
- ⁴⁶ See note two
- ⁴⁷ All the groups taking part in the JRF research on a minimum income standard (see note two) agreed that all families should be able to afford a week’s holiday away from home
- ⁴⁸ See note 18
- ⁴⁹ The impact of welfare reform on social landlords and tenants: JRF April 2014
- ⁵⁰ Organisation for Economic Co-operation and Development: December 2014 as reported in the Guardian 9.12.14
- ⁵¹ Inequality and the 1%: Danny Dorling, Verso 2014
- ⁵² See note 35
- ⁵³ Citizen UK report on poverty wages in the premier league: 2014
- ⁵⁴ Unequal Britain – a report on the cycle of inequality Frank Field 1973 (Arrow Books)