

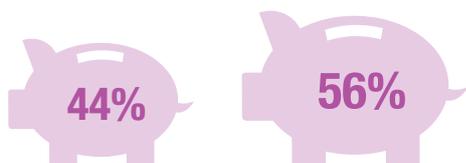
Benefits and the cost of living

Pressures on the cost of living and attitudes to benefit claiming

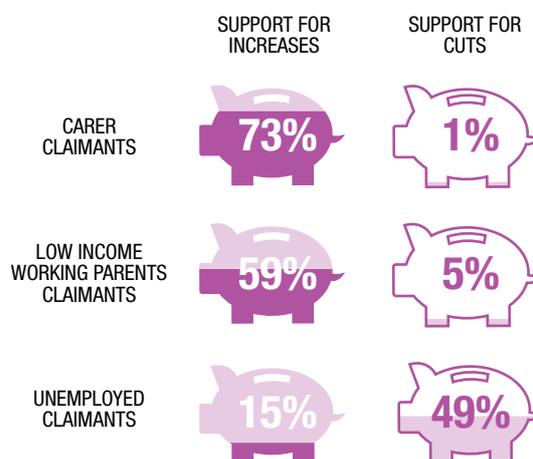
Throughout the relative economic prosperity of the 1990s and early years of the 21st Century, British Social Attitudes tracked falling public support for benefit claimants and the benefits system. While the ten-year period in which working-age households' incomes have not risen might be expected to turn the attitudinal tide on benefit claiming, until recently there has been little sign of this. This chapter updates the picture on public attitudes to the benefits system, and looks in particular at the views of Britain's working 'squeezed middle'. What do people in working households think about benefit claiming – and how closely are their attitudes linked to their feelings about their own financial situations or their views about levels of poverty in Britain? To what extent might recent increasing pressures around the cost of living for these working households have changed people's views about benefit claiming?

The resilience of support

There has been a long-term decline in levels of support for benefit claiming – but many people still do not feel that benefits provide enough to live on, and support more spending on most types of claimant, bar the unemployed.



44% of people think that unemployment benefits are not enough to live on. When told the actual amount that unemployed claimants receive in benefit, this figure rises to 56%. However, noticeably fewer people think this now than in past decades.



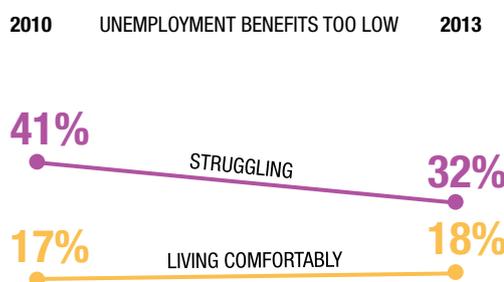
More people support increases in spending than support cuts for nearly every type of benefit, except unemployment benefits.

Pressures on the cost of living

People in working households feel more pressures around the cost of living than they used to, and think that poverty levels are rising.



Since the start of the recession, more working households feel they are struggling financially and there has been a sharp increase in the perception of these people that levels of poverty in Britain rose over the preceding decade. In 2000, 36% felt this way. In 2013, 64% did.



People in working households are more supportive of the benefits system when they themselves are struggling to make ends meet, but there are signs that this is changing – at least when it comes to attitudes to unemployment benefits.

Introduction

Author

Ben Baumberg

Ben Baumberg is a Lecturer in Sociology and Social Policy at the University of Kent and at the Centre for Analysis of Social Exclusion, London School of Economics

In recent decades, British Social Attitudes has provided much-cited evidence of public attitudes hardening towards the benefits system. Over a period of economic growth from the mid-1990s, the British public has come to view benefit claimants as less deserving and the disincentive effects of the benefits system as greater. Partly as a result, people have become generally less supportive of spending on benefits (e.g. Taylor-Gooby and Martin, 2008; Clery et al., 2013). Last year's British Social Attitudes report pointed to *some* signs that attitudes towards benefit claiming might be starting to soften (Pearce and Taylor, 2013). This seems likely to be what has been called a 'thermostat' effect (Stuart and Wlezien, 2005; Curtice, 2010): as a room gets warmer or colder we want to turn the heat down or up, even if our ideal temperature is unchanged. When it comes to the benefits system, this would mean that when people think that benefits are being cut – for example, as a result of the coalition government's reductions in benefits spending – they may be more likely to want an increase in spending on benefits, even if their underlying view about the ideal level of spending is unchanged. As described above there is some evidence for this.[1] Given that spending cuts on benefits are likely to continue – only six per cent of the proposed public spending cuts were implemented by the time of the 2012 British Social Attitudes survey cited in last year's report (Adam et al., 2012:47) – we might expect this kind of thermostatic trend to carry on.

Yet there is another way in which attitudes can change to reflect the world around them: as levels of social need rise, support for the benefits system may change. We have seen considerable changes in social need in recent years, although this is less to do with rising unemployment than might be imagined. Unemployment among the working-age population rose during the economic downturn, from five per cent in late 2007 to a peak of nine per cent in late 2011, and still high at almost eight per cent in mid-2013. However, the unemployment peak is lower than in recent recessions, and inactivity has also declined, so the overall employment rate is only just below the pre-2007 level.[2]

Rising social need instead reflects a number of other trends. Increasing numbers of people do not claim unemployment benefits – for example, the take-up of income-based Jobseeker's Allowance among those who would be eligible fell from 71–84% to 51–60% over the decade from 1997/8, before rising slightly back to 60–67% in 2009–10 (DWP, 2012). Moreover, for those people who are reliant on the benefits and tax credits system, there have been various reductions in spending as a result of policy changes which total over £15 billion for 2013/14 (Downing and Kennedy, 2013:21), alongside a more than doubling in the sanctioning/disallowance rate for JSA claimants since 2006 (Webster 2014: Figure 2). There is also a debate about whether some food bank networks are right to say that the single largest reason that rising numbers of people come to them is because of difficulties with the benefits system – a claim that has been heavily contested, with little robust evidence by which to adjudicate (Downing and Kennedy, 2013).

The change that has captured the public mood the most, though, is the 'cost of living' debate. This debate was partly prompted by rising costs in household essentials: the cost of energy bills rose by more than 60 per cent between the start of the economic crisis in 2008 and 2013, and food, water and transport costs all rose by more than 20 per cent (Adams et al., 2014). Yet rises in costs have not been matched by rising earnings: one reason why unemployment has not risen further is because the downturn was absorbed through lower earnings,



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following an earlier period in which median earnings stagnated. In combination, all of this means that the average (median) household is six per cent worse off in real terms in 2013/14 than its pre-crisis peak (Adams et al., 2014), and the average working-age household in 2011/12 was no better off than they were fully ten years earlier (Office for National Statistics, 2013). This is a sharp change from the year-on-year improvements in living standards to which we had become accustomed. As a result, a greater proportion of those living in poverty in 2011/12 were in working families rather than in workless ones, unlike in the previous fifteen years (MacInnes et al., 2013:27).

It is therefore perhaps unsurprising that the cost of living has therefore become central to political and media debate. The term ‘the squeezed middle’ was the Oxford Dictionary’s word of the year for 2011 after being popularised (although not coined) by the Labour leader Ed Miliband; and while the Prime Minister David Cameron and Liberal Democrat leader Nick Clegg have eschewed the term ‘the squeezed middle’, living standards are a key issue across the political spectrum. For example, the Labour Party is promising to freeze energy prices if elected, and the government is cutting energy bills by reducing environmental obligations on energy companies in 2013.

There has been little written on the perceptions towards the benefits system of those people struggling with the cost of living within working households (barring brief mentions in Hills, 2001; Bromley, 2003). There are certainly at least two schools of thought about how they might feel. One argument is that if people themselves are struggling then they may be more likely to support the benefits system. There is certainly evidence that self-interest is one influence on people’s attitudes towards benefits (Sundberg, 2014) resulting in economic downturns often being times of raised support for benefits (Clery, 2012). Rising awareness of the financial struggles of other people may also make us see claimants as more ‘deserving’ (van Oorschot, 2000). A second argument, however, is that the financial worries of people in working households will lead to a resentment towards benefit claimants, whose ‘unfair’, undeserving claims are contrasted with the daily struggles of ‘hard-working families’ (Hoggett et al., 2013). While all political parties have talked this way at times, it is most famously captured in George Osborne’s 2012 remark:

Where is the fairness, we ask, for the shift-worker, leaving home in the dark hours of the early morning, who looks up at the closed blinds of their next door neighbour sleeping off a life on benefits?[3]

This political stance has been covered in the dramatic rise in press coverage of the benefits system since the start of the recession. While this raised coverage cannot be described simply as being more negative towards benefit claiming than before, there is a definite longer-run trend for benefits to be increasingly described as ‘handouts’ (Baumberg et al., 2012). One possibility, then, is that the attitudes of the ‘squeezed middle’ may follow the winds of these political and media discourses like a ‘weathervane’ (Curtice, 2010), hardening attitudes further.

In this chapter, we first look at trends in attitudes in the population as a whole to see if cost of living pressures – or policy changes, or rising social need – have led to recent changes in attitudes (as well as putting these in the context of the sweeping longer-term shifts that previous researchers have shown). We then look for evidence as to whether, within the current economic and political context, Britain’s struggling working households are becoming more or less sympathetic to those claiming benefits.

Public attitudes to the benefits system: are they changing?

So, we return firstly to the question of whether, ten years after the income of working-age households began to flatline, five years into recession and three years since the coalition government came to power, British Social Attitudes can identify any shifts in public attitudes to the benefits system. With this overall question in mind, we look at public opinions about three issues: Are benefits enough to live on? Are benefit claimants deserving of help? And should government benefit spending be reduced or raised?

The generosity of benefits

People's views of the benefits system are in part related to their perceptions of 'how well' benefit claimants live on the benefits provided. Since 1994, British Social Attitudes surveys have periodically asked people to:

Think of a 25 year-old unemployed woman living alone. Her only income comes from state benefits. Would you say that she ...

... has more than enough to live on ...

... has enough to live on ...

... is hard up ...

... or, is really poor?

They are then asked a follow-up question, in which they are told how much money the unemployed woman receives in state benefits which, in 2013, was £72 a week:

Now thinking again of that 25-year-old unemployed woman living alone. After rent, her income is £72 a week. Would you say that she ... has more than enough to live on, has enough to live on, is hard up, or, is really poor?

These two questions together show how far general public perceptions of the adequacy of benefit levels are based on assumptions rather than knowledge about the actual amounts paid. They are particularly helpful in understanding the public's views of unemployment benefits, rather than about welfare support more widely, as they focus on a single person without dependents, whose sole eligibility for benefits is through their worklessness status.^[4] (We see later that this group generally receives far lower levels of public support than other claimants.)

In 2013, before being told the actual benefit level, under half (44 per cent) of the British public think that the benefits available to an unemployed single woman would not provide her with enough to live on (that is, they think she would be "really poor" or "hard up", Table 6.1). The same percentage think she would have "enough" or "more than enough" to live on, and one in eight (12 per cent) say they do not know. When they find out that she would be given £72 a week, the proportion who thinks that she would not have enough to live on increases to 56 per cent, although the increase is primarily accounted for by people who could not provide an answer to the first question – the proportion thinking that benefits are not enough to live on only drops slightly (from 44 per cent to 42 per cent). This fits other evidence that unemployment benefits are less than most (but not all) people think is enough to live on. For example, in a study in which researchers priced up

what a representative group of British people considered necessary for people to live on, benefits for single people were found to cover less than 40 per cent of the minimum income considered to be an acceptable standard of living (Hirsch, 2013).

Table 6.1 Perceived standard of living of 25-year old woman living alone on state benefits, 1994–2013

	Before knowing the true amount of benefits			After knowing the true amount of benefits		
	1994	2000	2013	1994	2000	2013
Would say that she is ...	%	%	%	%	%	%
More than enough	1	3	7	2	3	6
Has enough	21	31	37	25	28	36
Hard up	54	46	38	55	55	46
Really poor	16	10	6	16	13	10
(Combined answers)	%	%	%	%	%	%
<i>Enough (or more than enough) to live on</i>	22	34	44	27	31	42
<i>Not enough to live on (hard up or really poor)</i>	70	56	44	71	68	56
<i>Weighted base</i>	1187	3426	3244	1187	3426	3244
<i>Unweighted base</i>	1167	3426	3244	1167	3426	3244

However, the public in 2013 appear to be *more* likely to think that the benefits available to an unemployed single person are enough to live on than they were in earlier decades. When the question was last asked in 2000, more than half (56 per cent) of people thought that the benefits were not enough to live on, a figure which rose to 68 per cent when they heard the actual benefit amount. And it is an even greater change from 1994, when 70 per cent of people felt the unemployed woman would not have enough to live on (71 per cent after knowing the amount). These findings are of particular interest given that the real value of unemployment benefits has fallen slightly over that period. In 2011/12 prices, an unemployed person's benefits fell from £76 per week in 1994 to £71 in 2012. Moreover, in a study by Rutherford (2013), its value compared to average earnings fell from 14 per cent of average earnings in 1994 to 12 per cent in 2012. So, rather than reflecting *actual* changes in the generosity of benefits, the shift in attitudes towards the adequacy of the benefits may be linked to increasingly inaccurate perceptions about the level of benefits (the trend is sharper before people are told the true value of benefits), to wider feelings about the 'deservingness' of unemployed, or perhaps to the *perceived* difference between benefit levels and stagnating wages, discussed further below.

However, while public perceptions of the adequacy of unemployment benefit levels have hardened over the past twenty years, it is worth stressing that even today there is very little feeling that benefits provide a very *generous* standard of living; only seven per cent of people believe that benefits provide "more than enough to live on", whereas 81 per cent think they only provide "enough to live on" or less.

Deservingness of claimants

Deservingness of welfare support is a multifaceted concept (van Oorschot, 2000; Baumberg et al., 2012), and, for three decades, British Social Attitudes has included a number of questions which cover different aspects of deservingness.



The public in 2013 appear to be *more* likely to think that the benefits available to an unemployed single person are enough to live on than they were in earlier decades

People are asked to respond using a scale from “agree strongly” to “disagree strongly” to statements such as^[5]:

Around here, most unemployed people could find a job if they really wanted one

Many people who get social security don't really deserve any help

Most people on the dole are fiddling in one way or another

Large numbers of people these days falsely claim benefits

British Social Attitudes also captures whether people think the benefits system itself is encouraging ‘undeserving’ people to remain on benefits, with high benefit levels disincentivising paid work, or whether in fact levels are set unfairly low – combining people’s attitudes to the generosity of benefits with their perceptions of deservingness. People are asked:

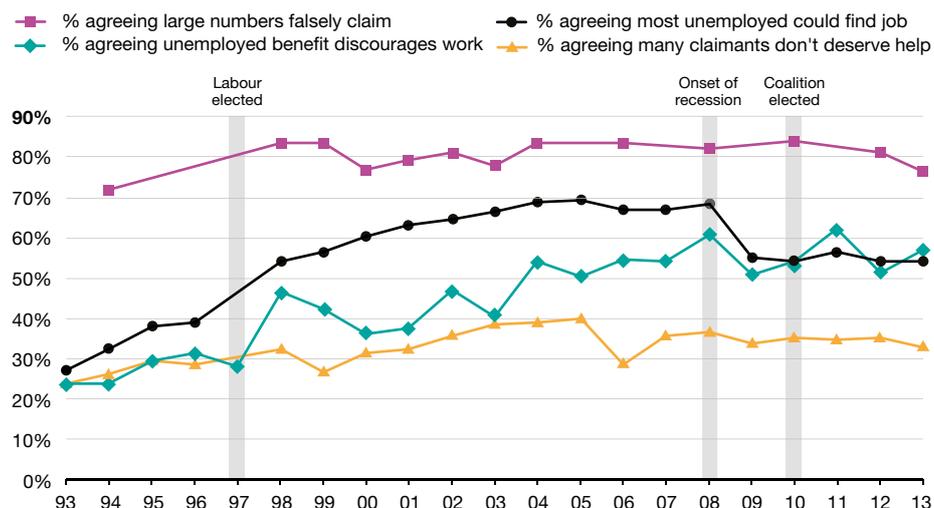
Opinions differ about the level of benefits for unemployed people. Which of these two statements comes closest to your own view:

- 1. Benefits for unemployed people are too low and cause hardship, or ...*
- 2. Benefits for unemployed people are too high and discourage them from finding jobs?*

The trends in responses to these questions since 1993 are shown in Figure 6.1 (with further detail in appendix Table A.1), with levels of agreement to the first four statements above combining those who “agreed” or “agreed strongly”. In 2013, there is widespread concern about benefits for unemployed people. Over half of the British public agrees that “most unemployed people could find a job if they really wanted one” (54 per cent) and thinks that “unemployment benefits are too high” and discourage people from finding paid work (57 per cent). Beyond unemployment benefits, three-quarters (77 per cent) of people agree that “large numbers of people” falsely claim benefits. Yet only minorities agree that “most people on the dole are fiddling in one way or another”, or that “many people who get social security do not really deserve any help”. The most likely explanation here is that the “large numbers” that people believe claim falsely make up a sizeable minority of claimants (who are large in number), rather than a majority of claimants per se. This fits with other evidence that people *are* very concerned about some undeserving claimants getting benefits, *but* they do not think that most claimants are outright false or fraudulent – rather, they think this applies only to a substantial minority of claimants (Baumberg et al., 2012).

77%
of people agree that
“large numbers of people”
falsely claim benefits

On the face of it, it also seems slightly puzzling that so many people think that unemployment benefits do not provide enough to live on (44 per cent, reported in the previous section), while only 22 per cent of people think that unemployment benefits are too low and cause hardship, rather than too high and disincentivising work (see appendix Table A.1). One possible explanation may be that people think that low-paid work *also* leaves people with too little to live on, so that inadequate benefits may still provide a disincentive to work. This seems to be confirmed by an earlier (1999) British Social Attitudes question, where 68 per cent of people said that a 25-year old single woman on the minimum wage would not have enough to live on, and by more recent polling elsewhere.^[6]

Figure 6.1 Trends in perceived deservingness of benefit claimants, 1993–2013

The data on which Figure 6.1 is based can be found at Table A.1 in the appendix to this chapter

Looking over time, it is clear that attitudes have changed considerably over the past two decades. As previous British Social Attitudes reports have catalogued, claimants are today viewed as noticeably less deserving than they were up until 1996, and this is particularly true for attitudes to unemployment claimants (e.g. Clery et al., 2013). Our particular interest is in whether there are signs of the impact of the growing pressures on living standards since around 2003 and particularly since the financial crisis in 2007, and of the public's reactions to the coalition government's austerity cuts regarding benefits. On the issue of living standards, there is some evidence that attitudes towards benefit claimants in general, and unemployed claimants in particular, softened in the late years of the Labour government as the economic recession hit in 2008/9 (although levels of support for claimants by no means returned to that of the earlier period of the Labour government). For example, public agreement that many social security claimants do *not* deserve help rose from 24 per cent in 1993 to 31 per cent in 2000, and to 40 per cent by 2005, before falling back by 2009 to the current level of 33 to 35 per cent. Similarly, 2008/9 saw a sharp decline in the number of people agreeing that most unemployed people could find a job – not enough to cancel out the earlier rise, but still easily visible to the naked eye.

In the years of the coalition government (2010 to 2013), there has also been a slight fall in levels of public agreement that large numbers of people falsely claim benefits, back to a level last seen in 2000 – providing some further support for the idea that attitudes have been 'softening' in response to changes in government policies and to rising social need. Yet beyond this, there are only small signs of any other changes since 2010. For example, the minority proportion in 2013 who agree that many claimants do not deserve help (33 per cent) is only slightly different from the 35 per cent in 2010. Views on whether most unemployed people could find a job have stayed static, and views on whether unemployment benefits discourage work have fluctuated with no clear pattern.

So, overall, while there are some signs of attitudes softening slightly in recent years, the picture is primarily one of a long-term decline in the perceived deservingness of benefit claimants (primarily happening in the late 1990s and early 2000s), with little change since. Nevertheless, it is worth stressing that public attitudes to benefits are not quite as negative as they are sometimes portrayed, an issue to which we return in the Conclusions.

Support for benefit spending

So far we have reported on what the British public think about benefit claimants and about the level of benefits. But perhaps the most important indicator of public support for the benefits system (at least from the short-term perspectives of politicians looking to garner votes) is whether people say they want increases or cuts to benefits spending. This issue depends not only on people's attitudes to benefits, but also whether or not they support higher taxes, and whether or not they perceive a need to change levels of public spending. This latter point is made in the context that all three main political parties have talked about the need to reduce the public spending deficit. British Social Attitudes has frequently asked how far people agree or disagree (using a five-point scale) that:

The government should spend more money on welfare benefits for the poor even if it leads to higher taxes



The public is split on this issue, with slightly more people agreeing than disagreeing that there should be more spending on welfare benefits for the poor

In 2013, the public is split on this issue, with slightly more people agreeing than disagreeing that there should be more spending on welfare benefits for the poor (36 per cent versus 32 per cent). However, levels of support are now at their highest since the economic downturn in 2008. Looking over the past 15 years in Table 6.2, support for more spending declined between 2002 and 2004, and further declined again between 2008 and 2011 in the economic downturn, only to have risen by 2013. This seems to follow a 'thermostatic' pattern as we outlined in the Introduction: as benefit spending is (perceived to) increase, fewer people believe that we should spend more, and vice versa. So, after a period of government cuts, public support for more spending on benefits seems to be rising.

Table 6.2 Attitudes to spending on "welfare benefits for the poor", 1998–2013

	1998	2002	2004	2006	2008	2011	2013
Government should spend more on welfare benefits for the poor, even if this means higher taxes	%	%	%	%	%	%	%
Agree	43	44	36	35	35	28	36
Neither agree nor disagree	29	27	30	34	28	32	30
Disagree	26	26	32	29	35	39	32
<i>Weighted base</i>	2546	2929	2610	2813	2956	2841	2825
<i>Unweighted base</i>	2531	2900	2609	2822	3000	2845	2832

However, "welfare benefits for the poor" covers a diverse set of different benefits, and it is revealing to look at the public's responses to the following question which asks about spending more or less (again on a five-point scale) on each of a series of *different* types of benefits and tax credits:

*Some people think that there should be more government spending on social security, while other people disagree. For each of the groups I read out please say whether you would like to see **more** or **less** government spending on them than now. Bear in mind that if you want more spending, this would probably mean that you would have to pay more taxes. If you want less spending, this would probably mean paying less taxes.*

49%
 think that government should spend less on benefits for unemployed people

- Benefits for unemployed people?*
- Benefits for single parents?*
- Benefits for disabled people who cannot work?*
- Benefits for people who care for those who are sick or disabled?*
- Benefits for retired people?*
- Benefits for parents who work on very low incomes?*

The answers in Table 6.3 show a clear distinction between the public’s perception of ‘deserving’ and ‘less deserving’ claimants. In 2013, there is majority support for more spending on those who cannot work because they are disabled (54 per cent) or caring for someone who is sick or disabled (73 per cent), and for working parents on very low incomes (59 per cent). For these three groups, almost no one (five per cent or fewer) believes there should be less government spending. For retired people and single parents, more people think that government should raise spending rather than cut it (48 per cent versus seven per cent; and 31 per cent versus 19 per cent respectively). In stark contrast, far more people think that government should spend *less* (49 per cent) on benefits for unemployed people than think it should spend more (15 per cent).

Table 6.3 Attitudes to government spending on different benefits claimants, 1998–2013

	1998	2002	2004	2006	2008	2011	2013
% would like to see <i>more</i> government spending on benefits for ...							
... people who care for those who are sick or disabled	82	82	81	82	83	74	73
... parents who work on very low incomes	68	69	62	66	67	58	59
... disabled people who cannot work	72	69	63	62	61	53	54
... retired people	71	73	73	72	72	57	48
... single parents	34	39	35	38	37	29	31
... unemployed people	22	21	15	16	14	15	15
% would like to see <i>less</i> government spending on benefits for ...							
... people who care for those who are sick or disabled	1	1	1	1	1	1	1
... parents who work on very low incomes	3	4	4	4	4	5	5
... disabled people who cannot work	2	2	3	3	4	5	4
... retired people	2	2	2	2	2	3	7
... single parents	21	18	18	19	17	21	19
... unemployed people	35	36	44	45	54	51	49
<i>Weighted base</i>	3146	3435	3199	3228	3333	3311	3244
<i>Unweighted base</i>	3146	3435	3199	3240	3358	3311	3244

Of course, these questions are not asking about absolute spending, but rather about whether the government should be spending more or less than it is currently doing. Therefore, the public’s views on whether there should be more or less state spending on particular groups are given in the context of *perceived* current spending on each. Thus, any suggested increases or decreases may reflect not only views on the ‘deservingness’ of each group, but also perceptions of whether real spending has got more or less generous – the ‘thermostatic’ element to people’s responses that we mentioned above.

Take retired people, for instance. It is notable that support for *more* spending on retired people fell noticeably between 2011 and 2013, unlike for other groups. This may well be a thermostatic response to the fact that pensioners' incomes have been rising over the past ten years, and even over the past five years, in stark contrast to working-age households (Office for National Statistics, 2013). It may also be a reaction to the very clear message from the coalition government that pensioner benefits are being protected for the life of this Parliament in contrast to other benefits, such as this statement from David Cameron in 2012:

There is also a debate about some of the extra benefits that pensioners can receive – and whether they should be means-tested. On this I want to be very clear. Two years ago I made a promise to the elderly of the country and I am keeping it. I was elected on a mandate to protect those benefits – so that is what we have done.[7]

In general, though, these attitudes appear to reflect the British public's perceptions of the deservingness of each group rather than actual spending. Indeed, there is a 'hierarchy of deservingness' that can be seen across nearly all countries at nearly all times, whereby unemployed people are seen as less deserving than disabled people or pensioners (van Oorschot, 2000).

In terms of changes in levels of support over the past 15 years, there has been a long-term reduction in support for more spending on unemployed people and disabled people (the change primarily occurring between 2002 and 2004). More recently we can see that support for more spending went down between 2008 and 2011, as politicians of all major parties spoke about reducing the government spending deficit. Yet, in general, it is remarkable how resilient these preferences for more spending are for all groups except for unemployed people. Even in the context of politicians stressing the need for reducing the deficit, there is more support for raising rather than lowering spending on benefits for all claimants except for the unemployed.

In this chapter, we have seen a long-term decline in support for benefits claimants and spending, but – despite changes in spending levels, social need and considerable media attention – there has been relatively little change in the past few years (barring occasional signs of slightly softening attitudes). So far, however, we have been looking at the views of the British population as a whole. We now explore in more detail the attitudes of those who are struggling financially themselves, or think that others are struggling. Are they more supportive of the benefits system than those living more comfortably, feeling closer to those living on low-income benefit levels and or more likely to feel the need for the benefits system? Or are they in fact less supportive, perceiving an injustice between their earned income and the income available from benefits?



We have seen a long-term decline in support for benefits claimants and spending

Benefits and the cost of living 'squeeze': the attitudes of working households

We might expect people's attitudes towards benefit claiming to be influenced both by whether they *themselves* feel they are struggling financially to live on earned income, and by whether they think that many *other* people are struggling on low incomes. We have used the following question to identify people who live in 'working households' – that is, working-age households whose main source

of income is *not* benefits, containing a person in work[8] – who are struggling financially, as well as those who live comfortably:

Which of the phrases on this card would you say comes closest to your feelings about your household's income these days?

1. *Living really comfortably on present income*
2. *Living comfortably on present income*
3. *Neither comfortable nor struggling on present income*
4. *Struggling on present income*
5. *Really struggling on present income*

44%

of people living in working households in Britain feel that they are living comfortably

In 2013, only a minority (44 per cent) of people living in working households in Britain feel that they are living comfortably on their current income (Table 6.4). While a similar proportion (38 per cent) of people report that they are neither financially comfortable nor struggling, our particular interest is in the one in five people (18 per cent) who tell us that they are struggling. These are the people who are earning money from work, but who find it difficult to make ends meet on that income.

Unsurprisingly, those with low household incomes are much more likely to feel they are struggling than those with higher incomes (for instance, those in the lowest income quartile are more than seven times more likely to say so than those in the highest income quartile – 42 per cent compared to six per cent). However, the fact that some higher income households struggle financially (perhaps due to the number of dependents on that income)[9] highlights the importance of using this subjective measure of financial ‘coping’ rather than simply raw figures on household income. It is striking that even among the second-highest income quartile, a majority (57 per cent) say they are not living comfortably.

British Social Attitudes does not include a question which captures people’s perceptions of how far *other people* in Britain are struggling financially. However, a reasonable proxy is a question which asks about people’s perceptions of poverty in Britain:

Some people say there is very little real poverty in Britain today. Others say there is quite a lot. Which comes closest to your view ...

*... that there is very little real poverty in Britain ...
... or, that there is quite a lot?*

Almost two-thirds (62 per cent) of people in working households believe that there is “quite a lot” of real poverty in Britain today. Although this is the view of a majority of people in each income quartile, slightly fewer of those in the highest-income households think this (54 per cent compared to 65 to 67 per cent of people in other income groups).

Table 6.4 Feeling about household's income, by household gross income quartile

	All	Low (<£20k)	Second- lowest (£20–32k)	Second- highest (£32–50k)	Highest (>£50k)
Feeling about household's income these days ...	%	%	%	%	%
Living (really) comfortably	44	15	34	43	66
Neither	38	42	41	48	28
(Really) struggling	18	42	25	10	6
Perceived amount of real poverty in Britain today ...	%	%	%	%	%
Very little	34	31	31	30	41
Quite a lot	62	67	65	67	54
<i>Weighted base</i>	1860	316	316	390	521
<i>Unweighted base</i>	1650	328	304	350	426

Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works (see note 8). The table also excludes those who did not respond to any of these questions (unlike other tables in this chapter)

While the focus here is on financial struggles among working households, in order to speak to current debates, we should also be aware of the much greater financial struggles of households whose main income source is benefits. Indeed, the majority of these households say they are struggling financially (58 per cent). It is also crucial to realise that 'working households' and 'benefit-claiming households' are neither mutually nor permanently exclusive categories. Most people who claim benefits do so for short periods and work at other times, and many British people claim benefits at some point in their lives. Moreover, the respondent or their partner in a small number (4 per cent) of these 'working households' claim out-of-work benefits while 15 per cent claim tax credits; it is just that these are not their main source of income. Similarly, just over 20 per cent of these 'working households' include an adult who is not working (either the respondent or their partner).

Still, our main interest is in the attitudes to benefits of working households, and whether their views differ dependent on the financial situation of their own household, and on their perception of how well others in Britain are faring financially. We are interested both in the current picture, and in whether attitudes converge or diverge in times of economic prosperity or austerity over the past 10 to 15 years.

The current picture

So, in 2013, around one in five people in working households say their household is struggling financially and almost two-thirds believe there is quite a lot of poverty in Britain – but how does this relate to their attitudes to the benefits system? As set out in the Introduction, we might expect the attitudes of the 'squeezed middle' to be different to those able to live comfortably on their income. Likewise, among people in working households, we might expect different views from those people who feel that there are a lot of British people living in poverty and those who think poverty is less common. However, it is hard to predict who will be more or less positive about the benefits system. The answers to this question are shown in Tables 6.5 and 6.6, where we show how levels of support for benefit claiming varies between those struggling financially and living comfortably, and those who think there is more or less poverty in Britain, revisiting six of the key questions that were discussed earlier in the chapter.



Around one in five people in working households say their household is struggling financially



In several respects, people in working households who are themselves struggling financially are more supportive of the benefits system than those living comfortably

In each table, higher percentages indicate a greater level of sympathy with claimants or support for the benefits system. In order to identify how someone's financial situation is associated with their views on benefit claiming, we have controlled for the socio-demographic differences between those who were struggling and those who were comfortably off. (For example, those struggling financially are more likely to be women, middle-aged (25–44) and to have lower qualifications than those living comfortably). So, the percentages in the tables assume that the profile of people in the two groups were the same in terms of gender, age, and education.^[10]

In several respects, people in working households who are themselves struggling financially are more supportive of the benefits system than those living comfortably. They are statistically significantly more likely to think that unemployment benefits are not enough to live on (9 percentage point gap) and that they are too low (seven percentage point gap). They are also more supportive of welfare spending than those who are comfortably off (16 percentage point gap). However, the other differences are not statistically significant, meaning that they are small enough that they could simply be down to chance.

Table 6.5 Attitudes to benefits, by how well households are coping financially

	Feeling about household's income these days		
	(Really) struggling	Living (really) comfortably	Difference struggling-comfortable
Adjusted* percentages agreeing that ...			
Benefits for unemployed are not enough to live on	53	44	9
Benefit of £72/wk after rent is not enough to live on	62	58	4
Unemployment benefits too low and cause hardship	22	16	7
<i>Disagreeing</i> that many on dole are fiddling	34	35	-1
<i>Disagreeing</i> that many claimants don't deserve help	31	28	3
Should spend more on welfare benefits for the poor	42	26	16
<i>Weighted base (varies by question)</i>	285–323	676–775	
<i>Unweighted base (varies by question)</i>	269–303	591–672	

Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works. Only certain differences are statistically significant at conventional levels (that is, they are unlikely to be due to random variation from only taking a sample rather than speaking to the full population) – see text
 *'Adjusted' means that we have controlled for differences between the groups in age, gender and education^[10]

The parallel results for those who think there is a lot or little poverty in Britain are shown in Table 6.6. Again the table focuses on people living in working households, and again we have controlled for differences in the socio-demographic profile of those who perceive a lot or little poverty. We also control for people's views of what 'poverty' is.^[11] Holding these other factors constant, people who think there is quite a lot of poverty in Britain today have different attitudes to the benefits system than those who perceive very little poverty. There are statistically significant differences across several measures: the perceived generosity of benefits, the view that unemployment benefits are too

36%

of those who perceive quite a lot of poverty agree that we should spend more on welfare benefits for the poor, compared to only 20% of those who perceive a little poverty

low and cause hardship (similar patterns are seen for the other deservingness questions, but the differences are smaller and not statistically significant), and whether people want more spending on benefits per se. So for example, 36 per cent of those who perceive quite a lot of poverty agree that we should spend more on welfare benefits for the poor, compared to only 20 per cent of those who perceive very little poverty (a 16 percentage point gap).

Table 6.6 Attitudes to benefits, by perceptions of poverty

	Perceived amount of real poverty in Britain today		Difference quite a lot–very little
	Quite a lot	Very little	
Adjusted* percentages agreeing that ...			
Benefits for unemployed are not enough to live on	50	36	14
Benefit of £72/wk after rent is not enough to live on	62	51	11
Unemployment benefits too low and cause hardship	21	11	10
<i>Disagreeing</i> that many on dole are fiddling	33	28	5
<i>Disagreeing</i> that many claimants don't deserve help	31	24	6
Should spend more on welfare benefits for the poor	36	20	16
<i>Weighted base (varies by question)</i>	515–594	955–1068	
<i>Unweighted base (varies by question)</i>	458–522	859–957	

Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works. Only certain differences are statistically significant at conventional levels (that is, they are unlikely to be due to random variation from only taking a sample rather than speaking to the full population) – see text
 *Adjusted' means that we have controlled for differences between the groups in age, gender and education[10]

It remains quite possible that people do not have different attitudes because they are struggling financially themselves or perceive others as having financial difficulties, with these patterns instead reflecting other, unobserved factors.[12] Still, in 2013, it seems that working households who perceive cost-of-living pressures (either their own struggles or wider poverty) are often more sympathetic to the plight of people living on benefits and more in favour of higher benefits spending than those who are more comfortably off. But has this always been the case, and do recent pressures on the cost of living appear to have affected the views of these working households? To answer this, we must first understand whether there have been changes in households' financial struggles and, likewise, whether people in working households have shifted perceptions on the amount of people in Britain living in poverty.

Trends in financial struggling and perceived poverty levels

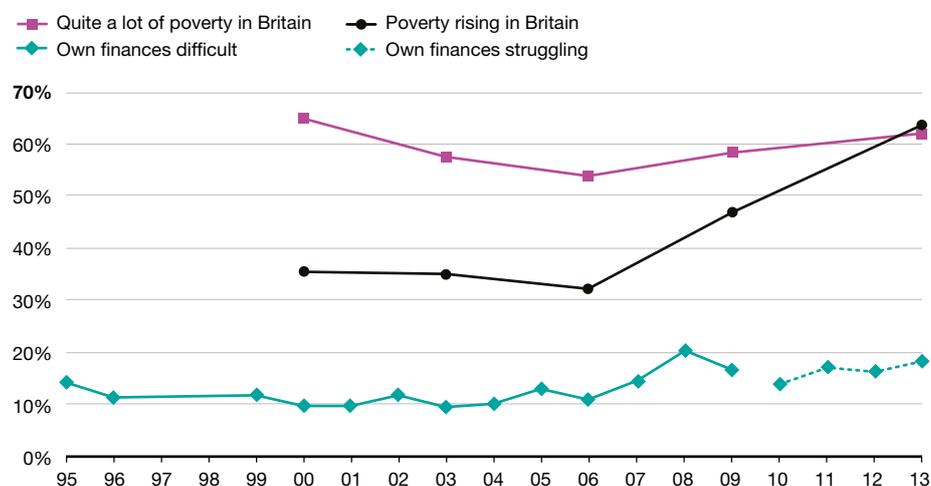
While there is little question that public discourse about the cost of living has grown, underpinned by some hard economic data (see Introduction), there is relatively little evidence on whether, over time, people in working households have come to feel more or less able to cope on their household's earnings, or feel that increasing numbers of people around them are living in poverty. British Social Attitudes offers an opportunity to examine this, having asked questions on these two issues for at least twenty years. The answer categories for the

question on the extent to which people themselves are living comfortably or struggling on their current income changed in 2010, moving from a four to a five-point response scale, and from asking about “finding things difficult” to “struggling”.^[13] Although these changes do appear to have affected how people answered the question (and therefore the periods 1995 to 2009 and 2010 to 2013 are shown separately in Figure 6.2), they provide a pattern of how working households feel they have coped over the past two decades.^[14]

Within working households, people’s views on their financial situation do appear to have followed what has happened in the British economy over that period. In the period of economic growth from the mid-1990s to 2002, the proportion of people in working households who found things financially difficult fell from 14 per cent in 1995 to 10 per cent in 2003. (Appendix Table A.2 shows there was also a reduction in those saying they were merely coping, and an increase in those feeling comfortably off.) Proportions reporting financial difficulties began to increase from 2003 when median incomes stopped rising, at which point ever-fewer people felt financially comfortable and increasing numbers found things difficult. But there was a step-change from 2007 with the financial crisis, with 21 per cent of people in working households saying they were finding things financially difficult in 2008. Since the change in question wording from 2010, the numbers reporting financial struggles have increased from 14 to 18 per cent. Likewise, the number perceiving “quite a lot” of poverty rose from 58 per cent to 62 per cent between 2009 and 2013, and there was a particularly sharp rise in people thinking that poverty had risen over the past ten years (from 47 per cent in 2009 to 64 per cent in 2013).^[15] The recent rise in perceived poverty is particularly striking as people have become slightly less generous between 2010 and 2013 in what they take ‘poverty’ to mean.^[16] All of these changes are statistically significant.

If we assume that the year-on-year changes would have been the same with the old question responses as we see with the newer ones, then the numbers of people struggling or finding it difficult in 2013 is at the same level as in 2008 but otherwise higher than any other time during the period 1995 to 2013 (see also note 14). This also fits much of the picture that we can get from other sources.^[17]

Figure 6.2 Trends in people’s perceptions around cost of living, 1995–2013



Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works. The data on which Figure 6.2 is based can be found at Table A.2 and Table A.3 in the appendix to this chapter

Attitudes towards benefit claiming and trends in financial struggling and perceived poverty levels

We know that, in 2013, people struggling financially within working households are generally more positive about the benefits system, as are people in working households who feel that quite a lot of people in Britain are living in poverty. Is this feeling of cohesiveness or support for their benefit dependent working-age counterparts from these groups a function of the recent increases in pressures on the cost of living? Or has this been the case in earlier times of greater economic prosperity?

To address this question, we focus on those questions in the section on ‘the current picture’ that were measured repeatedly over time: whether unemployment benefits are too low and cause hardship (or too high and disincentivise work), whether many dole claimants are fiddling, whether many claimants don’t deserve help, and whether people think we should spend more on welfare benefits for the poor. Clearly, there may well have been some changes in the socio-demographic profile of those who view themselves as “struggling financially” or “living comfortably” over this period. If we want to understand whether the gap between the two groups has narrowed or widened over time, we need to control for these differences, as we did in Tables 6.5 and 6.6. The changes over time in the benefit attitudes of those struggling vs. those living comfortably are therefore shown in Tables 6.7 and 6.8, after controlling for any changes in age, gender and education, separating the results for 2000–2009 and 2010–2013 due to the change in question wording.

So for example, in 2000 in Table 6.7, 55 per cent of those who were finding it difficult financially and 33 per cent of those who were living comfortably thought that unemployment benefits were too low: a 22 percentage point gap. By 2009, these figures were 41 per cent and 24 per cent, with the gap between them now 17 per cent. Although this appears to be a convergence of opinions between the two groups, this five percentage point narrowing of the gap was not statistically significant. However, between 2010 and 2013 in Table 6.8, the gap has narrowed statistically significantly. In 2013, those who are struggling financially are still more likely than those who are living comfortably to support the benefits system. However, their views are not as different to those of the more comfortably off than they were in 2010. This is consistent with the hypothesis set out in the Introduction that people struggling financially but not claiming benefits may become more sensitive to a perceived lack of incentives to work in a context where real median wages are not rising.

Looking at the rest of Table 6.7 and 6.8, we see no other such *statistically significant* shift in the attitudes towards welfare spending. However, in nearly every case the direction of change has been for the gaps between those with financial struggles and those living comfortably to narrow both 2003–2009 and 2010–2013. (Furthermore, the 2010–2013 change is close to being statistically significant for the question on whether many on the dole are fiddling).^[18] In other words, working households struggling financially are generally more supportive of the benefits system than those living comfortably, but the extent of this has fallen since the year 2000 – particularly for views about unemployment benefits since 2010. The one exception to this is for agreement that we should spend more on welfare benefits for the poor in the more recent period: 17 percentage points more of those struggling financially agreed with this in 2010 than those living comfortably, and this increased to a 21 percentage point gap in 2013.



Working households struggling financially are generally more supportive of the benefits system than those living comfortably, but the extent of this has fallen since the year 2000

Table 6.7 Attitudes to benefits, by living comfortably vs. finding it difficult on present income (working households only), 2000–2009

	2000		2009		Difference: finding it difficult vs. living comfortably		
	Finding it difficult	Living comfortably	Finding it difficult	Living comfortably	Gap in agree in 2000	Gap in agree in 2009	Change in gap from 2000 to 2009
Adjusted* percentages agreeing that ...							
Unemployment benefits too low and cause hardship	55	33	41	24	22	17	-5
<i>Disagreeing</i> that many on dole are fiddling	32	27	28	30	6	-3	-8
<i>Disagreeing</i> that many claimants don't deserve help	49	35	36	29	14	7	-7
Should spend more on welfare benefits for the poor	50	34	35	22	17	13	-3
<i>Unweighted bases</i>	335–389	797–897	184–221	314–360	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Weighted bases</i>	303–345	868–976	175–210	325–374	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

Table 6.8 Attitudes to benefits, by living comfortably vs. struggling on present income (working households only), 2010–2013

	2010		2013		Difference: struggling vs. living comfortably		
	Struggling	Living comfortably	Struggling	Living comfortably	Gap in 2010	Gap in 2013	Change in gap from 2010 to 2013
Adjusted* percentages agreeing that ...							
Unemployment benefits too low and cause hardship	41	17	32	18	25	14	-10
<i>Disagreeing</i> that many on dole are fiddling	34	28	32	33	6	-1	-7
<i>Disagreeing</i> that many claimants don't deserve help	38	26	34	28	12	6	-6
Should spend more on welfare benefits for the poor	42	25	51	30	17	21	4
<i>Unweighted bases</i>	426–526	1251–1450	523–613	1168–1329	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Weighted bases</i>	422–515	1274–1471	512–598	1169–1338	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

Restricted to those of working age (men aged 16–64, women 18–59, as used in official statistics at the start of the period), excluding people whose main source of income is benefits or where neither the respondent nor their partner works. Only some changing gaps are statistically significant (that is, we are reasonably confident that they are real patterns rather than just random statistical noise in the data) – see text

**Adjusted' means that we have controlled for differences between the groups in age, gender and education[10]*

This is noticeably less pronounced when we look at people's perceptions of whether other people in Britain are struggling financially. Working households who believe there is quite a lot of poverty are considerably more supportive of the benefits system than those who believe there is a little (as above), but the size of this gap has changed little over the entire period 2000 to 2013.^[19]

So for example, in 2000, 45 per cent of those who believed there is quite a lot of poverty in Britain agreed that there should be more spending on welfare benefits for the poor, compared to only 26 per cent of those who believe there is very little poverty. However, the respective figures in 2013 are almost identical at 43 per cent and 23 per cent (after holding constant people's age, gender and education).

Overall there is therefore *some* support for the idea that people's cost of living pressures have been associated with a greater sensitivity to the disincentives to work in the benefits system, in that the additional support for unemployment claimants among those struggling financially and those living comfortably has narrowed between 2010 and 2013. However, we only see a statistically significant pattern for this on one measure. Otherwise, the general picture is therefore much as it was described above: people's financial struggles are only a relatively weak determinant of most attitudes, while the perception of widespread poverty in Britain remains a moderately strong determinant of what people think of benefits claimants and benefits spending.

Conclusions

Attitudes to benefits

There has been a widely-reported hardening in public attitudes to the benefits system in the past two decades. More recently, though, there are good reasons to have expected public attitudes to benefit claiming to have changed. If people's views respond like a thermostat, reacting to how much they think is being spent on benefits, we might expect to see an increased proportion in favour of raising benefits spending following recent reductions in spending. There have also been rises in levels of social need in Britain – rising unemployment, benefits cuts and sanctioning – and also cost of living pressures even for those who are working. It is hard to predict whether this might lead to more support for the benefits system (both through rising self-interest and rising perceptions of genuine need), or to less support (through increased resentment of benefit claimants).

However, despite all these changes, the first part of this chapter shows that attitudes have actually changed relatively little in the past few years. There are occasional signs of attitudes softening:^[20] fewer believe that “large numbers of people these days falsely claim benefits” and levels of support for spending more on welfare benefits for the poor are now at their highest since the economic downturn in 2008 (although there is no rise in support for spending when we look at benefits for specific groups, and there is even a drop in support for spending on benefits for retired people). Furthermore, one attitude that was thought in last year's report to be softening has since gone in the reverse direction, about whether unemployment benefits are too low and cause hardship versus disincentivisingly high. Overall, changes in attitudes since 2009 are relatively few, and much smaller in scale than the far-reaching shifts over the fifteen years that preceded them. This seems to confirm that the longer-term changes in attitudes were neither simply reactions to a period of economic



Attitudes have actually changed relatively little in the past few years

growth (which has now ended) nor to perceived increases in the generosity of the benefits system under the Labour government of the time (which has now been replaced).

However, it is crucial to stress that considerable support for the benefits system remains – a fact that is often lost when the longer-term trends are reported. Over 60 per cent of the British public believes that there is quite a lot of real poverty in Britain and that poverty has been increasing over the past ten years (both of which have risen since the question was last asked). People do not believe that benefits on their own are particularly generous; few people believe that unemployment benefits provide more than enough to live on, and when people are told the actual level of unemployment benefits, most people think they do not provide enough to live on. (That said, people also believe that low-paid jobs do not provide enough to live on, which seems to be the reason that a majority still believe that unemployment benefits are too high.) Previous British Social Attitudes reports have shown that majorities of people still believe that the government should be mainly responsible for ensuring people have enough money to live in retirement, if they become unemployed, or if they become disabled (Clery, 2012). Only a minority agree that many social security claimants do not deserve help, or that most unemployment claimants are “fiddling” – despite unemployment claimants being the most unpopular type of claimant in the benefits system – even if most people think that large numbers falsely claim benefits. Elsewhere we have shown that despite widespread concern about benefit fraud, most people do *not* think that most claimants are ‘false’ or ‘fraudulent’ (Baumberg et al., 2012). Finally, the numbers of people wanting to raise spending on benefits in general, or *raise* pensioner and single parent benefits are greater than the numbers who want to cut them – and there are outright majorities in favour of more spending on disabled people, carers, and parents working on low incomes.



Considerable support for the benefits system remains

This is not to deny that there has been a considerable hardening in attitudes towards claimants, or that many are ambivalent or favour lower spending on unemployment benefits, which are seen as too high compared to low-waged work. Still, an accurate view of public attitudes must be aware of the levels of support for benefits spending that nonetheless remain, which are often overlooked in debates about benefits in Britain.

Attitudes to benefits and cost of living pressures

While concerns about the cost of living are clear in both political debate and in hard economic data, the link between these concerns and people’s attitudes about the benefits system has rarely been explored. The slight recent changes in attitudes that have occurred – and the absence of more far-reaching changes – also raise further questions about the link between cost of living pressures and attitudes about the benefits system. We looked at whether ‘squeezed’ households (working-age households containing a working adult whose main source of income is not benefits, who report struggling financially) have different attitudes to benefit claiming, or whether there are any differences among those who perceive many others as struggling financially. And we report on how the attitudes of this group have changed over time.

In British Social Attitudes, just under one in five people say their household is struggling financially, a majority say they are not living comfortably, and a majority believe there is quite a lot of poverty in Britain. At the start of the chapter, we presented the fact that a reasonable case could be made that the

'squeezed middle' might have either harder or softer attitudes to benefit claiming than their more comfortably off counterparts. Their own financial struggles may make people more supportive of benefit claimants and the benefits system; yet equally plausibly the struggles of these 'hard-working families' may make them resentful of benefits spending. In practice, and after taking into account people's age, gender and class we find that people struggling financially are noticeably more supportive of greater spending on "welfare benefits for the poor", and they are more likely to think that unemployment benefits are not enough to live on. Likewise, where people in working households perceive that others' poverty is widespread, they are more supportive than those who think that poverty affects only a minority of claimants and benefits spending.



More people are struggling financially than they have in the past, and they also perceive others as being in the same plight

More people are struggling financially than they have been in the past, and they also perceive others as being in the same plight. Although comparisons over time are made slightly more complex by a slight change of question in 2010, we see an increase in the proportion of working households in financial difficulties from 11 per cent to 17 per cent between 2006 and 2009, and then a rise in the proportion struggling from 14 per cent to 18 per cent between 2010 and 2013. There has also been a rise in the proportion of people perceiving there to be "quite a lot" of poverty, from 58 per cent to 62 per cent between 2009 and 2013, and a very sharp rise over the same period in the perception that poverty has increased in the past ten years, from 47 per cent to 64 per cent. In this sense, people's experiences and perceptions do seem to have at least partly followed both political debate and the lack of growth in average living standards in the past ten years.

Finally, this raises the question of whether it has always been the case that those in working households who struggle financially are more supportive of the benefits system, or whether this is affected by the economic cycle. It appears that the answer is 'yes': most of the differences we see today are also visible in the year 2000. However, more recently financial strugglers in working households have become more sensitive to the disincentive effects of unemployment benefits, with their views converging a little with those living comfortably. This is not the case when we look at those who perceive there to be little or a lot of poverty in Britain, with the gap in attitudes between these two groups as wide now as it was in 2000.

Final thoughts

The cost of living debates in the past few years have happened alongside occasional signs of a softening of public attitudes to the benefits system, both in terms of the perceived deservingness of claimants and in terms of preferences for spending on "benefits for the poor". At the same time, those struggling financially also seem to have become more worried about the disincentive effects of unemployment benefits, relative to those living comfortably. However, there is little sign of change in other attitudes (including those around perceived deservingness and spending preferences), and even those trends that exist are relatively slight in comparison to the more far-reaching hardening of attitudes that came in the preceding 10 to 15 years. And despite this hardening, considerable sympathy for the benefits system does remain – which can be seen most clearly of all in the fact that even in 2013, there are greater numbers who want *more* spending on benefits for disabled people, carers, single parents, pensioners, parents working on low incomes and on benefits in general than the numbers who want *less* spending.

Notes

1. See also <http://inequalitiesblog.wordpress.com/2013/09/11/a-softening-of-attitudes/>.
2. ONS Labour Market Statistics, March 2014, Table A03 for people aged 15 to 59/64, seasonally adjusted (www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-301417 accessed 15/4/2014).
3. www.newstatesman.com/blogs/politics/2012/10/george-osbornes-speech-conservative-conference-full-text, accessed 20/3/2014.
4. See Baumberg et al. (in preparation) for a discussion of other scenario questions asked in previous BSA surveys, involving an unemployed single mother and a retired woman.
5. Survey respondents respond to the first three statements using a five-point response scale including a mid-point “neither agree nor disagree”, while the fourth statement has a four-point scale.
6. In a TUC poll, people said (i) that an unemployed couple with two children would have substantially less than they ‘need to live on ... without luxuries’, but (ii) that they nevertheless would be worse off if one of them took 30hrs/wk of a minimum wage job. Again, this implies that people do not regard a minimum wage job as sufficient to live on (www.tuc.org.uk/social/tuc-21796-f0.cfm, accessed 17/4/2014; this data is analysed further in Baumberg et al. in Preparation).
7. www.telegraph.co.uk/news/politics/david-cameron/9354163/David-Camerons-welfare-speech-in-full.html, accessed 2/4/2014.
8. We have followed the approach of the Resolution Foundation in focusing on working-age people, given that real incomes among pensioners have continued to rise while incomes among working-age households have been static (Office for National Statistics, 2013). The Resolution Foundation’s definition of the ‘squeezed middle’ is of people in households below average (median) income, excluding both the poorest 10 per cent and ‘benefit-reliant’ households (those that receive more than 20 per cent of their income from means-tested benefits, excluding tax credits). The definition here differs primarily due to the restricted income measure available in British Social Attitudes, which is banded (making it hard to exclude the poorest 10 per cent in a consistent way) and does not take into account the different sizes of households (known as ‘equivalising’).
9. Note that British Social Attitudes only includes information on raw household income, rather than equivalised income which takes account of household size. Therefore, those struggling on seemingly high incomes may have large households or other dependents outside of the household.
10. In the second half of the chapter, I look twice at the differences between those who say they are struggling financially vs. those living comfortably – the first time just looking at 2013, and the second time looking at how these differences have changed 2000–2013. In both cases, the results are presented using regression adjusted percentages, having ‘controlled’ for respondents’ age, gender, and education. This note explains how this ‘controlling’ was conducted.

The underlying logic between these comparisons is simple – they look at the average effect of these controls on the outcome, and then look at the association of financial struggles with the outcome, net of the average effects of the controls. In practice, because the outcomes were all categorical variables, we use multinomial logit models with dummy variables for age (dummies for 25–34, 35–44, 45–54, 55–59 and 60–64 (men only) vs. aged 18–24 as the base category), gender (female

vs. male as the base category), and education (degree, greater than A level but less than degree, less than A level qualifications vs. no qualifications as the base category).

Regression coefficients for categorical data are difficult to interpret, so to make these results easier to understand, we present the results in terms of the estimated percentage point differences across the sample (technically known as average marginal effects). It is these average marginal effects that are shown in the tables in the main part of the chapter, but the full regression tables for the models are available from the author's website www.benbaumberg.com.

11. British Social Attitudes also asks people how they define poverty. People were asked "Would you say someone in Britain was or was not in poverty ..." in three situations. Few people (19 per cent) agree that poverty is where people "had enough to buy the things they really needed, but not enough to buy the things most people take for granted". About half (47 per cent) agree that poverty is where people "had enough to eat and live, but not enough to buy other things they needed". And nearly everyone agrees (87 per cent) that someone is in poverty "if they had not got enough to eat and live without getting into debt". In Table 6.6, we control for whether people agree with each of these statements, and then look at whether people who perceive more vs. less poverty have different attitudes to the benefits system.
12. For example, these patterns might reflect the fact that people who are struggling financially, or think that many other British people are, might have different expectations about living standards (Hills, 2001), or that they have other features of their lives (such as disabilities) that make them simultaneously more likely to struggle financially and more positive about the benefits system. It might even be the case that people's beliefs about the benefits system – or their wider political beliefs – cause them to think differently about financial struggles, given evidence that people are much more receptive to information and ideas that fit with their pre-existing beliefs (Jerit and Barabas, 2012).
13. Question on feelings about household income: 2010–2013

Which of these phrases on this card would you say comes closest to your feelings about your household's income these days?

1. Living really comfortably on present income
2. Living comfortably on present income
3. Neither comfortable nor struggling on present income
4. Struggling on present income
5. Really struggling on present income

Question on feelings about household income: Pre 2010

Which of these phrases comes closest to your feelings about your household's income these days?

1. Living comfortably on present income
2. Coping on present income
3. Finding it difficult on present income
4. Finding it very difficult on present income

14. Comparable data on benefit claimants is only available from 1995, but we can look at longer-run trends if we look at the full population. The 2009 level of financial difficulties (21 per cent) is higher than any year since 1996 in the full population, but lower than any year between 1984 and 1995 (where it reached a high of 29 per cent in 1985). Likewise, perceptions of poverty hit a high in the pre-1995 period; in 1994 71 per cent believed there was quite a lot of poverty in Britain and

68 per cent believed that poverty had increased over the past ten years (up from 55 per cent and 51 per cent respectively in 1986).

15. This question asked:

Over the last ten years, do you think that poverty in Britain has been increasing, decreasing or staying at about the same level?

16. There has been a decline in the proportion believing that people are in poverty if “they had enough to eat and live, but not enough to buy other things they needed”.

Data shown here:

Trends in perceptions of poverty 2000–2013

	2000	2003	2006	2009	2010	2013
Would you say someone in Britain was or was not in poverty ... [% agreeing]						
Enough to buy the things they really needed, but not enough to buy the things most people take for granted	26	18	21	n/a	19	16
Enough to eat and live, but not enough to buy other things they needed	58	47	50	n/a	51	46
Not got enough to eat and live without getting into debt	93	91	89	n/a	91	88
<i>Weighted base</i>	2047	1935	1959	n/a	1872	1864
<i>Unweighted base</i>	1860	1777	1845	n/a	1697	1652

Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works

The change in people’s definitions of poverty is one possible explanation for why the rise in people’s contemporaneous perceptions of poverty (where definitions have changed) is less marked than the rise in people’s perception that poverty has increased in the past ten years (where people are making comparisons over time within whatever definition of poverty they prefer). See also Hills, 2001 for an in-depth discussion of these questions in the British Social Attitudes survey.

17. The findings here are similar to Ipsos MORI polling that asks people to describe how well they are “keeping up with their bills and credit commitments at the moment”. In 2006, 12 per cent of people said either they were “keeping up with all bills and commitments, but it is a constant struggle” or that they were “falling behind with some/many bills or credit commitments”, but by 2013 this has risen to 19 per cent ([Money Advice Trust 2013 report](#) and [2006 FSA baseline survey](#)).

A similar question is also asked in the major survey that follows a representative sample of British people over time (the British Household Panel Survey until 2008, Understanding Society afterwards), which asks respondents how ‘you yourself are doing financially these days’. The British Household Panel Survey finds a slight rise in the people saying they are finding it (quite/very) difficult from six per cent in 2001–2007 to 7.5 per cent in 2008 ([Measuring National Well-Being: Life in the UK, 2014](#): Table 6.4). However, Understanding Society then shows a decline (12 per cent to 11 per cent) in the new survey more recently, from 12.3 per cent in 2009/10 to 10.9 per cent in 2011/12. This seems likely to be because a certain number of people drop out of longitudinal surveys every year (particularly towards the start of the survey), making them a less robust way of looking at what the British population think than the British Social Attitudes series.

18. For the question on whether many dole claimants are fiddling, the change 2010–2013 is only just non-significant at conventional levels ($p < 0.07$), and the combined trend 2000–2009 + 2010–2013 is significant ($p < 0.05$).

19.

Trends in attitude gap, by perceptions of poverty

	2000		2013		Difference: quite a lot of poverty vs. very little poverty		
	Quite a lot of poverty	Very little poverty	Quite a lot of poverty	Very little poverty	Gap in agree in 2000	Gap in agree in 2013	Change in gap from 2000 to 2013
Adjusted* percentages agreeing							
Unemployment benefits too low and cause hardship	47	28	28	13	19	15	-4
<i>Disagreeing</i> that many on dole are fiddling	33	23	32	24	10	8	-2
<i>Disagreeing</i> that many claimants don't deserve help	43	30	32	21	13	11	-2
Should spend more on welfare benefits for the poor	45	26	43	23	19	19	0
<i>Unweighted bases</i>							
<i>Unemployment benefits too low and cause hardship</i>	2112	1190	1852	1028	n/a	n/a	n/a
<i>Disagreeing that many on dole are fiddling</i>	1846	1040	1639	879	n/a	n/a	n/a
<i>Disagreeing that many claimants don't deserve help</i>	1846	1040	1639	879	n/a	n/a	n/a
<i>Should spend more on welfare benefits for the poor</i>	1846	1040	1639	879	n/a	n/a	n/a

Restricted to those of working age (men aged 16–64, women 18–59 for consistency over time), excluding people whose main source of income is benefits or where neither the respondent nor their partner works. Weighted bases are given in the appendix to the chapter. None of the changing gaps over time are statistically significant (that is, we cannot be confident that they are real patterns rather than just random statistical noise in the data)

* 'Adjusted' means that we have controlled for differences between the groups in age, gender and education^[10]

20. While not covered in any detail in this chapter for reasons of space, other signs of softening looking at 2012 and 2013 British Social Attitudes data are that (i) there has been a rise in people thinking that it is the Government's responsibility to ensure a decent standard of living for the unemployed (see the 2013 British Social Attitudes report); and (ii) there has been a rise in agreeing that "cutting welfare benefits would damage too many people's lives" (a rise in agreement from 42% in 2011 to 47% in 2012 and effectively unchanged at 46% in 2013). More puzzlingly, though, there has been a decline in the proportion of people agreeing that 'Large numbers of people who are eligible for benefits these days fail to claim them' (from 77% in 2010 to 74% in 2012 and 69% in 2013).

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Appendix

The data on which Figure 6.1 is based are shown below.

Table A.1 Trends in perceptions of deservingness of benefit claimants, 1993–2013

	1993	1994	1996	1997	1998	1999	2000	2001	2002	2003
% agreeing that ...										
Most unemployed could find a job if they really wanted one	27	32	39	n/a	54	57	61	63	65	66
Most people on the dole are fiddling in one way or another	32	34	35	n/a	39	36	40	35	38	39
Large numbers these days falsely claim benefits	n/a	72	n/a	n/a	83	84	77	79	81	78
Many people who get social security don't deserve help	24	26	28	n/a	32	27	31	32	36	39
Opinion about level of benefits for unemployed people ...										
... Too low and cause hardship	55	53	48	46	29	33	40	37	29	34
... Too high and discourage them from finding jobs	24	24	32	28	47	42	36	38	47	40
Bases										
Weighted base – large numbers falsely claim	n/a	3469	n/a	n/a	3146	3143	3426	3287	3435	3276
Weighted base – opinion about benefits for unemployed people	2945	3469	3620	1355	3146	3143	3426	3287	3435	3276
Weighted base – other questions	2595	2957	3103	n/a	2546	2478	2991	2821	2929	881
Unweighted base – large numbers falsely claim	n/a	3469	n/a	n/a	3146	3143	3426	3287	3435	3272
Unweighted base – opinion about benefits for unemployed people	2945	3469	3620	1355	3146	3143	3426	3287	3435	3272
Unweighted base – other questions	2567	2929	3085	n/a	2531	2450	2980	2795	2900	873
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
% agreeing that ...										
Most unemployed could find a job if they really wanted one	69	70	67	67	68	55	54	56	54	54
Most people on the dole are fiddling in one way or another	41	39	32	40	36	34	35	37	37	33
Large numbers these days falsely claim benefits	84	n/a	84	n/a	82	n/a	84	n/a	81	77
Many people who get social security don't deserve help	39	40	29	36	37	34	35	35	35	33
Opinion about level of benefits for unemployed people ...										
... Too low and cause hardship	23	26	23	26	21	29	24	19	22	22
... Too high and discourage them from finding jobs	54	50	54	54	61	51	54	62	51	57
Bases										
Weighted base – large numbers falsely claim	3199	n/a	3228	n/a	3333	n/a	1083	n/a	3248	3244
Weighted base – opinion about benefits for unemployed people	3199	3210	3228	3082	3333	1134	3297	3311	3248	3244
Weighted base – other questions	2610	2697	2813	2663	2956	963	2810	2841	2865	2825
Unweighted base – large numbers falsely claim	3199	n/a	3240	n/a	3358	n/a	1081	n/a	3248	3244
Unweighted base – opinion about benefits for unemployed people	3199	3193	3240	3094	3358	1139	3297	3311	3248	3244
Unweighted base – other questions	2609	2699	2822	2672	3000	967	2791	2845	2855	2832

