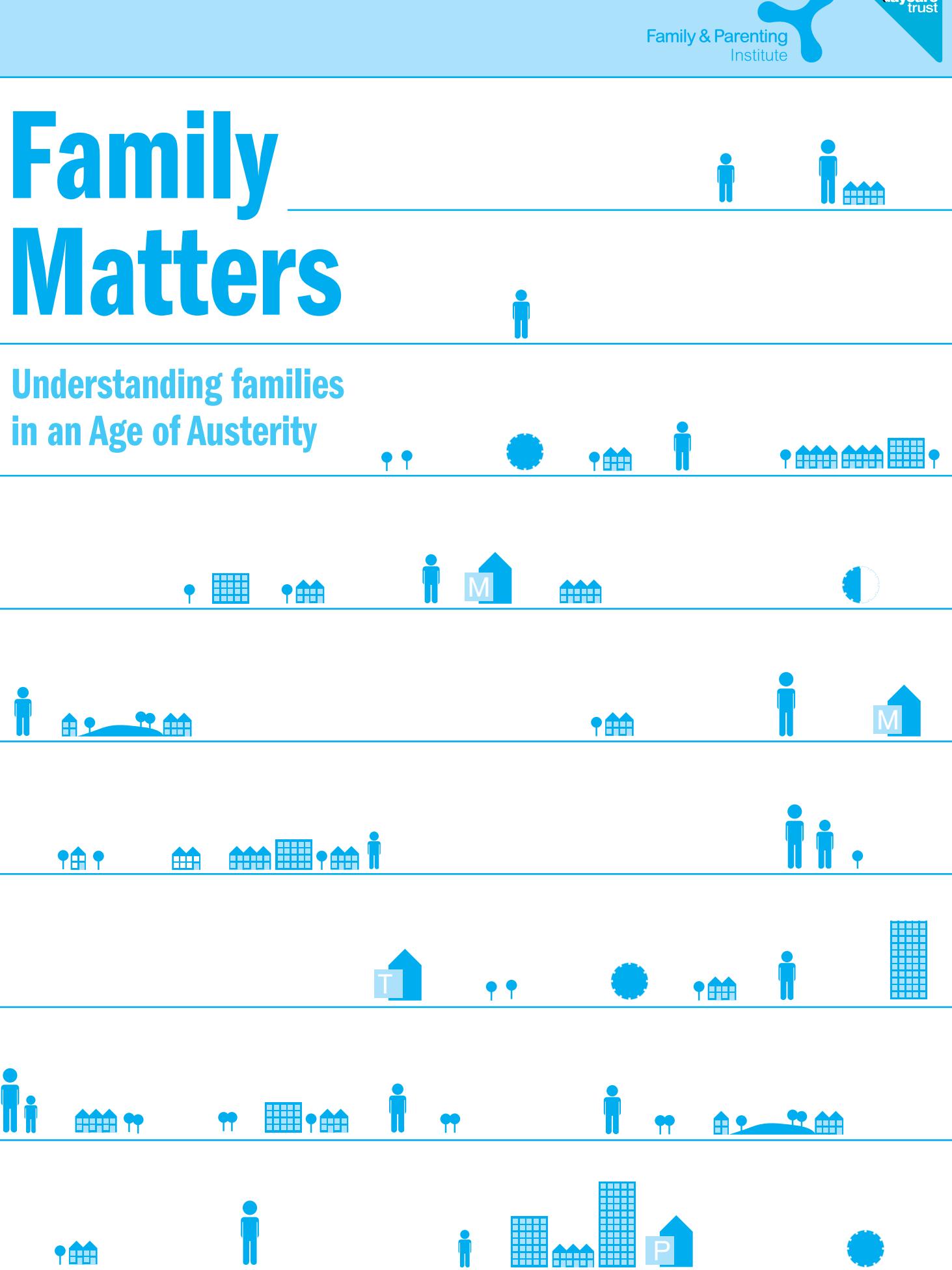


Family Matters

Understanding families
in an Age of Austerity



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We hope that the final output of the research does justice to the family life of those we worked with and we accept full responsibility for any error or misrepresentation.

Suzanne Hall
Chris Perry

Introducing Family Matters

Outline of the project

Family Matters started in the autumn of 2011 and we began working with the families in December 2011 through January 2012. The study comprised five, often day-long, family visits with a mixture of varyingly structured interviews and participant observation. In addition, we kept up regular contact with our families by telephone throughout the fieldwork period.

Aims of the study

This study aimed to understand and convey:

- the lived experience of families against a backdrop of austerity;¹
- the various impacts of austerity on family life;
- and what matters to families and supports them under conditions of austerity, with a particular focus on family finances and wellbeing.

To explore these questions we employed a hybrid but predominantly qualitative approach containing elements of case study and ethnography. Each family in the study was subject to and participated in an “empirical inquiry that investigates a contemporary phenomenon within its real life context”.² Moreover, as it has been established that a good ethnography is the result of triangulation, using multiple methods of data collection,³ we went beyond purely qualitative data collection to attempt to better respond to the aims of the study.

The study was never intended to have more than a small number of cases or participants. We started with 15 families, to allow for attrition, and ended with 11. The relationship of this kind of study to the larger population the cases are expected to reflect is necessarily a complex and uncertain one.⁴ Given the problems with generalising from case study research, this work follows in the tradition of the extended case method⁵ and has two main aims:

- to explain a social situation and phenomenon (the family) – in relation to the broader social forces shaping it⁶ (austerity) – the focus of the main report;
- to develop an understanding of process and how events are linked to one another over time – the focus of the case studies.

Sample

Sampling in qualitative research is not and cannot be representative of the wider population of interest. However, even with a small number of cases it was possible to purposively select families according to key sampling criteria to ensure maximum diversity across the sample. Our primary sampling criteria were family structure and household income. We attempted to ensure as full a range as possible across these criteria while also incorporating other relevant secondary criteria including ethnicity, geography and housing tenure.

Our approach to the sample was also influenced by analysis of family income and welfare reform undertaken by the Institute for Fiscal Studies (IFS) for the Family and Parenting Institute (now merged with the Daycare Trust).⁷ This work suggested that families with children, families with children under five, larger families, black and minority ethnic (BME) families – particularly Pakistani and Bangladeshi families – and lone parents not in employment were set to be hardest hit by austerity measures such as tax and benefit changes, and rises in child poverty. We were therefore keen to ensure the study included some families drawn from these groups.

However, this study was never specifically focused on poverty or families in poverty and the sample was not restricted to those living on the lowest incomes. That said, the sample did not extend all the way up the income spectrum to higher income families because we were keen to focus the research on the experiences of families with greater vulnerability to income shocks associated with austerity.

Figure 1. A visual sample of the families

	household members	geography	housing	work	financial standing (% people richer/poorer than the family)
The Akhtars					richer 81% 19% poorer
The Youngs					richer 81% 19% poorer
The Stanton					richer 76% 24% poorer
The Samuels					richer 68% 32% poorer
The Browns					richer 63% 37% poorer
The Mortons					richer 63% 37% poorer
The Peacocks					richer 59% 41% poorer
The Clarkes					richer 51% 49% poorer
The Lewises					richer 51% 49% poorer
The Williamses					richer 47% 53% poorer
The Taylors					Data collected for this family was insufficient to make an indicative calculation
Key					
Adult Older child Younger child Rural Suburban Urban Mortgage Social Private Rented Temporary accommodation Full time Part time Part time Unemployed					

The families at the lowest point on the income distribution in the sample were richer than 19 per cent of the population and the best off family was richer than 53 per cent of the population. These calculations were made using the Commission on Living Standards (CLS) 'Where do I Stand' calculator.⁸ The calculator uses data from the Family Resources Survey and allowed us to compare the data we collected on the families with the incomes of other people in the UK. Crucially, the calculation provides an equivalised income for each family that takes account of and allows for comparison between households of different sizes.⁹

However, it is important to note a caveat about the accuracy and purpose of these figures. The calculations were made on the basis of the data that we collected during the time we worked with the families, which does not necessarily reflect longer term variations in income. Nevertheless, while the data may not be completely accurate it should give a good indication of where these families lie in relation to the rest of the population. It is worth noting that income alone is a blunt indicator of living standards and that income should be looked at alongside expenditure and existing assets to give a better indication of the financial circumstances of these families.¹⁰

To give some indication of where these families fit in it may also be helpful to contextualise our families according to the current terminology on position in the income distribution. The Resolution Foundation defines low to middle income (LMI) families as those working-age households with equivalised gross incomes in deciles 2–5 of the income distribution (£12,000–29,000 for a couple with no children) with less than one fifth of income from means-tested benefits.¹¹ While our families are almost all within deciles 2–5 of the income distribution there are several that are benefit reliant and therefore do not fit the LMI categorisation.

The definitions provided by the Guardian's "How Wealthy am I?" comparison tool¹² are also instructive and the calculations we made using the CLS calculator transfer to it. Using their definitions, we can see that the three worst off families with the lowest income (those richer than 17 per cent of the population but poorer than 31 per cent) are "living on the edge of poverty", while the eight better

off families (those richer than 31 per cent of the population but poorer than 29 per cent) are in the "squeezed middle". However, given that the best off family in our sample is richer than 53 per cent of the population we are talking about the more squeezed of the 'squeezed middle'. We therefore think that the term 'low to moderate income households' best describes the sample of families that we have tracked.¹³

It is worth pointing out that some of our families closely resembled other well known typologies including "troubled families"¹⁴ (the Browns and the Taylors) and some of the Poverty in Perspective typologies¹⁵ developed by Demos and Natcen – including "Managing Mother" (the Stantons), "Full House" (the Akhtars), "Vulnerable Mothers" (the Browns and the Taylors again) and "Grafter" (the Youngs) – even if they did not wholly meet the criteria for these typologies.

Recruitment

Sampling and then recruitment for a study like this is very much a battle between the desirable – recruitment of families perfectly fitting a predefined, theoretically informed quota¹⁶ – and the possible – finding as good a range of families as possible whose members are willing to take part in a relatively unusual and demanding exercise.

Not only was it important to recruit families that met our sampling criteria but it was vital to try and ensure that we recruited families who would remain engaged over the long term. Recruitment was conducted face-to-face by professional recruiters using a combination of a short screening questionnaire and a composite profile – a 'pen portrait' – of the families we were looking for. Where possible we accompanied our recruiters into the field in order to meet potential recruits. In cases where the researchers weren't able to go out with the recruiters this initial contact was followed by a further telephone conversation, not only to ensure the family met the sampling criteria, but also to get a sense of how possible it would be to work with the family and to ensure that the family were fully aware of what the research entailed.

All families were offered a financial incentive as a means to thank and reimburse families for their time. Incentives were also designed and structured over the course of the study to avoid sample attrition, which given we only started with 15 families, was a key priority.¹⁷

Data collection

There were two main forms of data collection used throughout the study: semi-structured in-depth interviews and self-completion diaries.

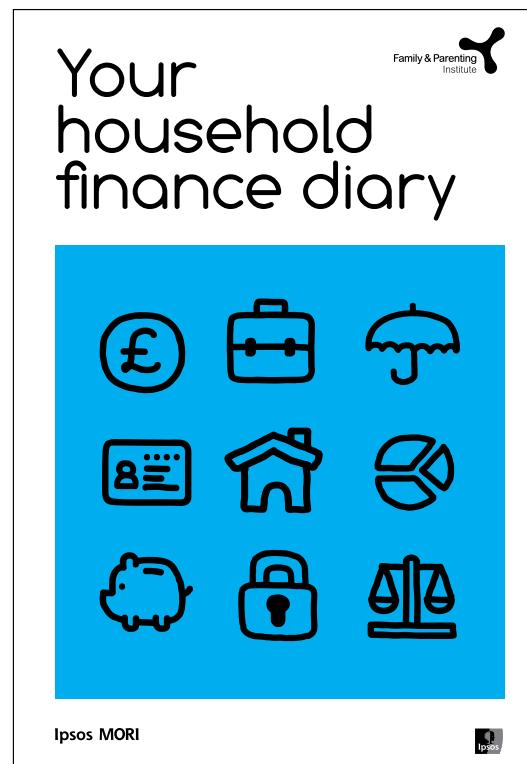
Semi-structured in-depth interviews

Discussion guides were used to ensure consistency of coverage across interviews at each visit. We developed a new guide for each visit to address different aspects of family life, often as an iterative adjustment to what we learnt from the families as the study progressed. The semi-structured interviews always included a review of the self-completion diaries (see below) and a more in-depth consideration of family finances and wellbeing.

Self-completion diaries

At the outset of the study we asked each family to nominate a financial respondent, and from the second visit we asked this primary respondent to complete a diary of household financial information, initially at fortnightly intervals. Not all financial managers continued to complete their diaries fortnightly throughout the year, some preferring to do so monthly. While this may not have been ideal from the perspective of data accuracy it was important that participants found an approach to completion which ensured they continued to fill in the diary regularly.

We built on existing work¹⁸ looking at developing these kinds of tools, and reviewed other useful sources, such as key large scale surveys covering consumption and family finances¹⁹ and other financial tracking work.²⁰ We also used the first family visit to pilot prototype designs of the diaries and as an opportunity for training in how to complete them. We tried to strike a balance between an approach that would deliver accurate data and a tool that was visually appealing, usable and not too onerous.



We accepted from the outset that the data recorded in the diaries could never be completely accurate and we treat all the financial data presented as indicative – especially expenditure data, which is notoriously difficult to record accurately²¹ and the reporting of which may correlate with household characteristics.²² However, we tried to address potential inaccuracy of recording through our regular phone calls, and asking for physical evidence of documentation, e.g. tax credit awards, payslips and shopping receipts where possible. In some instances we were assisted by the fact that some families already kept detailed records of their financial life.

Unlike the finance diary, the wellbeing diary was intended for completion by everyone who was willing in the family from age 10 and up, again over fortnightly periods. We consulted²³ at an early stage on how best to design the questions for younger family members and again used the first visit as a pilot. Building on work by Kahneman and Deaton²⁴ we decided to ask both a life evaluation question and an emotional wellbeing question, given their different relationships with money.



Subjective wellbeing data is problematic – prone to adaptation effects²⁵ and personality dependent.²⁶ Even the life evaluation question we selected (considered to be one of the most reliable subjective wellbeing indicators available)²⁷ is still cognitively demanding and unreliable. Once again, we're aware of the problems of relying on this data but we found it a helpful form of triangulation – and on an indicative level it often helped us to ask better questions and gain deeper insight into what matters for families over time.

In addition to interviews and diaries we also undertook two other complementary forms of data collection: participatory photography and a survey.

Participatory photography

On our third visit we undertook a participatory photography exercise with consenting families. Before the visit we asked families to come up with suggestions for photographs that summed up the most important aspects and features of their lives. During the visit, we worked with a trained visual anthropologist and photographer with experience of participatory photographic method in order to co-produce a family photo essay, loosely structured around the theme 'what matters to family life'.²⁸ Not only did this exercise give us a different form of data to draw on for analysis, but it served as a stimulus for further conversation with the families.

Survey

Later in the study we used the emerging findings from the qualitative work – as well as a specifically tailored policy-related exercise – to design a survey that would gather family responses (from the perspective of parents) to the experiences and challenges of austerity.

The final part of the survey was a policy testing section in which we asked families to prioritise the kinds of policies or interventions which they thought would have the greatest positive impact on family life. The full results of the survey are available to download on the Ipsos MORI website:

www.ipsos-mori.com

The survey was conducted online with 1,009 parents across Great Britain between 20th - 27th March 2013. Respondents were aged between 16 - 65 and living in the same households as a child aged 17 or under. Quotas were set on age and region and data were weighted at the analysis stage for gender.

Overview

Fragility and austerity

If this research is to convey the lived experience of the families participating in this study, it is important to emphasise just how fragile some dimensions of their day-to-day life were. Family life could be considered fragile in a number of different ways – emotionally, relationally, physically and mentally – but as this study focused on the families' financial circumstances it primarily identified the ways in which they were financially precarious. Nonetheless, the families demonstrated remarkable resilience to shocks over the course of the year and remained hopeful for their future.

All the families in our study experienced financial fragility to a greater or lesser degree. Even the highest income household, the Williamses, was only ever a couple of negative shocks – typically car, tax bill, tax credit or childcare costs – away from having to rely on informal financial assistance from other family members. Our survey work reflected this, with almost 8 in 10 (79 per cent) parents concerned about their ability to find the money to pay for an unexpected major expense.

Financial fragility – whether making ends meet in the day to day or dealing with large shocks – was at the root of much emotional, relational and even physical distress. Financial difficulties were often the trigger for stress and anxiety, which was typically transmitted via the primary earner to the rest of the family:

Finance makes it difficult because it's stressful if you're worrying about money all the time... It's always money that causes strains... the one time we argue is when money is tight.
(Lynsey Peacock)

I start getting migraines because I'm always thinking "what am I going to do." (Sarah Lewis)

This is consistent with findings reported in the wider literature, which suggests that a lack of control over finances can have significant costs for psychological wellbeing – similar to those

associated with unemployment or divorce.²⁹ Further, our survey work suggested that this experience was common to other families. 3 in 5 (60 per cent) parents had experienced increased levels of stress and anxiety as a result of changes in their financial circumstances, and a third (33 per cent) suggested that financial changes had resulted in relational problems with family and friends.

The four C's

This study suggested that there were four key drivers of fragility in family life in austerity: cost of living, cars, credit and childcare.

Cost of living as constant pressure

All the families in the study felt the impact of the rising cost of living, especially food and petrol. There was a strong sense that household incomes were either struggling to keep up or had been significantly eroded by everyday costs:

Everything is getting so expensive apart from what you're earning. (Salim Akhtar)

The price of everyday things; fruit, meat, fuel... has just skyrocketed. (Mark Williams)

This tended to reduce the ability to save – whether for emergencies or the future – and further reduced financial resilience and the ability to deal with the unexpected. Additionally, the cost of living led to families having to employ a range of innovative coping strategies, including selling unwanted possessions on eBay, growing food, negotiating better deals with service providers and practising fuel-efficient driving.

Parents in the survey also reported cost of living pressures. At least 8 out of 10 parents felt they had been affected by increases in the amount spent on food (89 per cent), petrol (80 per cent) and household bills (89 per cent) in the past year. Compounding this, 6 in 10 (62 per cent) had not

been able to save as much money for emergencies or for the future as in the past. Not surprisingly, therefore, when asked to list their top three priority areas for investment and action to help families in Britain manage the impact of austerity the most popular response, by some margin, was “making the cost of living more manageable for families”, mentioned by 77 per cent of parents.

Credit as a way of life

Partly as a result of the pressures of the cost of living, borrowing from family and friends or using high cost credit – payday and doorstep loan companies – was a common strategy families used to get by. However, there was often a ‘relationship premium’ in borrowing from friends and family, which meant straining close relationships and a financial premium for using high cost credit. Those using high cost credit were often well aware of this, but felt they either had no other option or that the products they were using suited their needs:

You are going to get these unexpected bills but unless you're able to get credit you're screwed... I had to do something and had to do it now, sod whether it was going to be 15,000% interest. (Bridget Stanton)

Looking beyond the families participating in this study, the survey also suggested that there was clear demand for policies that would allow wider access to affordable credit for families with over a third (34 per cent) of parents thinking that this would have a positive impact on family life.

Cars as most likely source of negative financial shocks

Cars were considered absolutely essential to family life, reflecting the findings of Minimum Income Standard (MIS) research: 2012 was the first time that a car was deemed by MIS as “essential in order to meet the needs of both parents and children and particularly to enable them to have opportunities and choices relating to work and social activities.”³⁰

Cars were considered a “necessary evil” not least because they’re a source of frequent costs, expected and unexpected. Expected costs – car insurance, road tax, MOTs and petrol – tended to be manageable although all part of the squeeze on living standards. Less manageable were breakdowns and repairs. Because these unexpected costs were often large, borrowing from friends or family, particularly when others were managing financial pressures, was difficult. As a result, even the most debt averse families, like the Youngs, had no choice but to borrow at high cost.

Again, the survey was consistent with the findings from the qualitative study. We have already seen that 8 in 10 (79 per cent) parents were concerned about their ability to pay for an unexpected major expense – of which the car is a likely candidate. Further, a similar proportion (80 per cent) felt they had been affected by an increase in the cost of petrol in the last year. It is also clear why the car is such an important means of transport for family life – with three-quarters (76 per cent) concerned about the rising cost of public transport.

Childcare as a primary financial pressure on families

Despite valuing formal childcare highly, families using it – and even those who weren’t – commonly found it unaffordable and inflexible. As a result, the costs and inflexibility acted as a significant barrier for second earners. High costs left some parents unable to work as much as they would like, a situation often compounded by unsympathetic and inflexible employers and cuts to subsidies and assisted places. As a result of these challenges around affordability, several in the study found themselves relying a great deal on family to provide childcare – such as Marion Williams:

Childcare is pretty extortionate... If I didn't have Mark's parents I wouldn't work. We need the money but at the same time childcare is so expensive that you end up just paying to work. (Marion Williams)

The survey also confirmed that affordability and availability of childcare were concerns for a significant minority of families. Almost 4 in 10 (37 per cent) suggested that increasing the affordability of childcare was among their top three priority areas for investment to help families in Britain in the future, with this proportion rising to half (52 per cent) of parents of the under fives.

Looking to the future

Far and away the main concern parents in the survey had for the future (80 per cent of parents were very or fairly concerned) was regarding the prospects of their family and children. This is perhaps an unsurprising finding but it is also consistent with the findings from the qualitative study. A common theme across the families was how much importance parents attach to the success – especially educational success – and development of their children, which contributed significantly to the pride, happiness and general wellbeing of families. It is hardly surprising then that parents focused on prospects for their children and did what they considered to be in the best interests of their families for the future.

However, while families often mentioned the importance of the future, much of their thinking was necessarily directed to the present, given the many and various demands on their time, money and mental resources.³¹ Many felt financially trapped, usually by some combination of the four Cs, and struggled to see how they would be able to extricate themselves from their constrained circumstances. While the resilience, ingenuity and optimism of these families throughout the study was striking, often families regarded the future more in hope than expectation:

We're more like in a trap... chained to your job... no time for social life... having to pay the mortgage... you have to think about it all the time. (Salim Akhtar)

At the moment, I'm trapped, my life's on hold. In two year's time I'm hoping that I would have moved, changed job, maybe at uni. (Sarah Lewis)

I just want to live comfortably, not be on top of each other. I just need another room and a bit more money. I suppose I'll get it one day. One day I'll get myself straight again. Hopefully. (Joanne Taylor)

This is not intended to be defeatist or pessimistic. Rather, it is a note of caution so that we don't underestimate exactly how challenging life can be for families in austerity. It may be instructive to bear in mind that data from the US,³² UK³³ and Iceland suggests that self-reported wellbeing often remains remarkably stable throughout both good and bad – in the case of Iceland extremely bad – economic times.³⁴ This so-called "adaptation" to difficult circumstances is an important and valuable form of resilience, but adaptation and optimism for the future may underplay or not fully convey exactly how difficult life can be for families in austerity.

What matters?

It is well documented that people who feel control over outcomes enjoy higher levels of psychological wellbeing.³⁵ Conversely, in this study we see how instability and a lack of control – usually as a result of the effects of one of the four Cs – could undermine the quality of family life. To a large extent, the themes and focal points of this report explore families' efforts to retain agency, find stability and gain control in the face of a set of different forces and financial pressures.

At its core, the question 'what matters?' to family life might be reduced to a consideration of the factors that help families manage risk and fragility. This question was asked consistently throughout the research period, sometimes directly and sometimes indirectly. In interrogating the question, we have found it helpful to think about four resources or forms of capital available to families³⁶ – **money, time, support and environment.**

Crudely put, sufficient access to these resources is likely to protect families from fragility. All four forms of capital matter in different ways to families, and assume varying levels of significance at different stages of the life course – something reflected in the secondary literature and the experiences of the families we studied. The following chapters detail the extent to which these resources mattered to families and consider how features of austerity may have created deficits.

Money

Along with time, money is one of the key constraints on what people, and by extension families, can achieve in their lives.¹ The money available to families is derived from a number of different sources including pay, benefits, tax credits, informal assistance and savings, and is negatively influenced by debt. Money allows people to live longer and healthier lives, to buffer themselves against worry and harm, to have leisure time to spend with friends and family, and to control the nature of their daily activities – all of which are sources of happiness.² And although money doesn't buy as much happiness as people might think,³ a scarcity of money may bring "both emotional misery and low life evaluation".⁴ Further, a lack of control over personal finances – often prompted by a negative income shock – may have significant costs for psychological wellbeing.⁵

How did families experience a year in austerity?

Income

It's not about having tons of money it's about having enough. (Bridget Stanton)

With the obvious exception of those out of work, pay was the primary source of income for the families in this study, as it is for most LMs.⁶ However, for many, especially those earning less than a living wage – one in five workers in the UK – wages cannot guarantee families a "minimum acceptable quality of life".⁷

Over the year, we regularly asked families how well they felt they were managing financially using a variant of the question and response set from the British Household Panel Survey.⁸ Those on relatively higher incomes typically felt they were "just about getting by" while those on lower incomes – especially those out of work and reliant on benefits – usually responded that they were either finding it "quite difficult" or "very difficult" and often simply "struggling".

While all families with one or more members in work experienced the austerity effect of 'real wages' suffering as a result of rising prices and wage stagnation,⁹ some felt a more direct impact than others. Those working in lower-skilled professions,

around minimum wage levels, faced particularly hard times. Salim Akhtar works as a security guard and by spring 2012 had received his third wage reduction in about a year. Malcolm Peacock, who worked as a carer, was informed of an unexpected pay cut in the autumn and at the same time had to start paying for the previously subsidised food at his workplace. The self-employed also suffered. As a self-employed sports instructor David Samuel's main source of work is through local authorities, but the work has dried up as these organisations now have less money at their disposal.

Families' typical responses to these scenarios were to make cut backs, most often to food and spending on recreation and going out, but this impacted on the families' living standards and quality of time they had together. Unsurprisingly, financial resilience usually suffered too. This usually implied a heightened anxiety about meeting the normal cost of living and especially any real or imagined unexpected expenditure, exacerbated by the fact that all the families were either completely or largely reliant on a primary earner.

Even where primary earners in our families were making much more than the minimum wage, what they earned was often completely swallowed up by the cost of living. Often, the only reason families were able to do anything more than meet essential costs was as a result of income from a second earner – whether another adult or an older child – but even this didn't necessarily leave much disposable income. In the Morton family, Gary works full time at above living wage but never "sees any of his wage" and tells his wife, Emily, "our standard of living depends on your wage" or, more specifically, the tips she earns from her two weekly shifts at a local pub. Second earners, like Emily, often wanted to be able to contribute more financially, but, usually as a result of barriers around childcare or skills, were unable to do so. This not only places considerable pressure on the primary earner but is also often a source of guilt for the other adult in the relationship:

We're just relying on David for everything... it comes down to him earning more each month... It's more pressure on him and things aren't good if he doesn't feel well and can't work. (Rachel Samuel)

Perhaps the most obvious instances of not having enough – or rather those who felt furthest from living comfortably in British Household Panel Survey terminology – were the Taylor and Akhtar families. The former, a lone parent family with four children, was reliant on benefit payments and board paid by the eldest son, who worked full time at the minimum wage (of £3.68ph until he turned 18 in the spring and so started earning £4.98ph).¹⁰ The latter, a two parent family, relied on Salim's near minimum wage salary to support five other members of the household. In both instances, despite working long hours and getting assistance from tax credits, the families were left financially vulnerable. Further, in neither family was it clear that the minimum wage was set at a level sufficient to support the household as opposed to the individual. This is arguably consistent with work which suggests a "premium minimum wage for adults above a certain age" could improve the focus of the system away from the individual towards the household.¹¹

Whether as a result of low income or a reduction in pay, or both, a scarcity of money took a considerable toll on many different aspects of family life. When money was tight, as it was more often than not for the families we spoke to, it was a constant source of stress and anxiety. Further, stress-related conditions – typically lack of sleep or in several cases irritable bowel syndrome – and mental health issues were common to families who struggled the most. The stress experienced, usually initially by parents and particularly those responsible for generating income, was often transmitted to other members of the family:

Finance makes it difficult because it's stressful if you're worrying about money all the time... especially if you're struggling or have a big expense... It's always money that causes strains... the one time we argue is when money is tight. (Lynsey Peacock)

When dad's work don't get his hours right or when it's pay day we all get tense in case there are any changes... We're on a tight income as it is and it gets quite stressful. (Liam Peacock)

Similarly, being in a state of scarcity and not having enough can, at a very basic level, mean restricted choice, which provides another source of tension in family relationships:

The money side of things makes things difficult. They want to go out and I can't afford it. It was Haifa's birthday and she's only 4 and she was going on about it... I do feel a bit bad sometimes... That's what the arguments are about... not having enough money. (Salim Akhtar)

In contrast, having more – or just having enough – may have an equally pronounced impact on family life, relationships and health. In the experience of the families we spoke to this was associated with either moving into work – the case for Martin Young and Bridget Stanton – or in the case of the Peacock family becoming eligible for DLA, resulting in a permanently increased household income. Many families associated having enough with having "breathing space" or some degree of financial slack that meant worrying less about making ends meet each day and being able to afford the occasional expenditure beyond the absolute essentials:

It's the right order of things now that I'm back at work. We're not under each other's feet at home... It's now fine again if the kids ask for some new school shoes. It gives you a bit of breathing space. (Martin Young)

The most pronounced change in family life overall came when Martin and Bridget moved back into work. Not only was the move associated with decreased stress, but it also had a marked impact on self-esteem, confidence and general happiness. This immediately resulted in improved family relationships and, in Bridget's case, significantly improved health:

When I know I need to get up in the morning and it's the same routine and I'm going to have no money to do it with... Yeah, that's a really big effect on my health. But I know that when I'm not so stressed about money then my health will improve... I've noticed that when you feel happier with yourself then everything else just falls into place. (Bridget Stanton)

So, how much is enough? When we asked how much income would be sufficient for family life or enough to get by with some degree of comfort, we received a fairly consistent response. ‘Sufficient’ typically meant having enough money to meet the cost of living, plus the occasional emergency. ‘Enough’ meant having “leeway” and “breathing space” and “not having to count every penny”. Although difficult to quantify, a common spontaneous response was that an additional £200–300 per month would mean the “difference between struggling and having something left over”.

Although not necessarily part of what constituted ‘enough’, many families emphasised the importance of being able to put some money aside for the future – specifically for their children’s future. Some relatively better off families, like the Clarkes and Williams, did put money aside monthly for this purpose and even those on lower incomes like Bridget Stanton prioritised saving a small amount every month in her youngest child’s trust fund account. However, our findings were generally consistent with those of other research:¹² LMI households, and benefit and tax credit recipients in particular, often have little or nothing left at the end of the month, and less than a third of LMI households make monthly savings¹³ – many families weren’t able to make even the small kinds of savings they would have wanted. The inability to save for the future as a result of the abolition of the Child Trust Fund was a particular source of frustration for the Mortons.

Tax credits

The importance of tax credits to LMI households has been well documented. Taken together, they explain around a third of the total rise in household income for LMI households in the last 40 years, with tax credits particularly important since 2000-01.¹⁴ LMI households often see tax credits as a necessary top-up to existing income¹⁵ although clearly they are not necessarily sufficient to ensure families have ‘enough’. In lower income families, tax credits were often the only reason they were ‘getting by’ and often represented a substantial component of overall household income:

The only reason we’re getting by is because of what the kids are getting... If it was just my wages we’d have to eat peanuts. (Salim Akhtar)

In this sense, tax credits were very much a way of life, essential to topping- up otherwise insufficient earnings, and it was difficult for the families to envisage what they would do without them. As a result, any changes to support via tax credits often had more than just a financial impact on families.

However, tax credits have been reduced as part of the Government’s austerity measures over the past couple of years,¹⁶ some of which affected the families in this study. The Mortons were notified in August of an overpayment at the same time as having their entitlement reduced from £118 per month to £50 for the year, possibly as a result of the income limit for Child Tax Credit being reduced. This came as a complete shock and meant they had to borrow from family members to get through the month and completely readjust their spending. Emily Morton, in particular, felt resentful of this change as she felt that, with both parents in work, the family were doing all they could to get by and that they genuinely needed the additional support:

When I renewed it, I thought nothing had changed... They could have given us some warning... I don't think they realise how much it affects a family by paying it, and then taking it away... [Tax credits] are just not very steady and I'd rather not have it. (Emily Morton)

Because of their importance to the household income, families relied on tax credits financially and psychologically, so tax credits were often a source of considerable stress, anxiety and instability – not only because of the effects of overpayments¹⁷ but also because changes to tax credit awards often came as a complete surprise to those receiving them.

Bridget Stanton received notice of a tax credit overpayment in autumn 2012 but at the time didn’t understand why. Around the same time, her pay dropped significantly because the book-keeping work she had been doing for her sister dried up and she also stopped receiving child benefit for her eldest son. Her considerable anxiety was further exacerbated by the fact that she felt HMRC was

unwilling to discuss any kind of repayment options that might have made the tax credit repayment more manageable. Even in the converse situation, when David Samuel received a significant tax credit repayment – partly as a result of having intentionally over-reported his income, a common approach among the self-employed¹⁸ – the money, while welcome, almost became a psychological burden because David and his wife Rachel were worried that HMRC had just made an administrative mistake and would ask for the money back.

Stability and reliability of income

Wages or benefits – it doesn't matter as long as it's reliable. (Gary Morton)

An important feature of income generally, and certainly tax credits, was that they were stable and reliable for the families over the course of the year. The Clarke family made a comparison between tax credits and Disability Living Allowance (DLA). Where DLA was thought to be stable, permanent and transparent, tax credits were experienced as the complete opposite. DLA was also felt to be a kind of vindication and recognition of the needs of those with a disabled child. Tax credits were similarly sometimes considered to be recognition of the realities of hard working families, and any reduction or negative change became that much harder to cope with for that very reason. Part of this is possibly explained by loss aversion¹⁹ – people are often more sensitive to losses than gains – and if families receive extra money and have this taken away, they may feel less satisfied than if they'd never had the money at all.²⁰ Certainly Bridget Stanton and the Mortons, who both experienced substantial losses via tax credit reduction, found the uncertainty, stress and loss involved was a recipe for substantially increased stress and reduced wellbeing.

Loss aversion in relation to tax credits was also a consideration in whether or not to take promotions

or pay increases, especially in lower skilled, lower paid occupations. Malcolm Peacock knew that the promotion he was offered in 2012 was in no way compatible with family life because it would have meant working longer and more uncertain hours; an additional concern was that the relatively small pay rise would result in him losing working tax credit support. While his award was low, it meant that he was able to get free prescriptions, which he valued and didn't want to lose. Perhaps more important, however, was the prospect of income and tax credit instability that might result from this change to a settled situation:

It would have meant being constantly on call and a constant fluctuation of wages, which would have been very difficult... For the Working Tax Credit you need to be on a steady, even keel... with fluctuations it's a nightmare. (Malcolm Peacock)

Drivers of scarcity in austerity

Cost of living

Everything is getting so expensive apart from what you're earning. (Salim Akhtar)

Families had noticed the rising cost of living for some time and usually since well before 2012. This is consistent with other research that suggests that food, energy, housing and transport costs have all increased over a long period – where 10 years ago spending on essentials such as food, utilities, petrol and mortgages constituted just 56 per cent of disposable income, the figure is now 67 per cent.²¹ All our families felt this squeeze in living standards and struggled to cope with the rising cost of living. Further, keeping up with what often felt like incessantly rising prices was wearing financially and emotionally.

Food

The price of everyday things; fruit, meat... has just skyrocketed. (Mark Williams)

Rising food costs were mentioned as a challenge by all families, not surprisingly given that secondary sources confirm that the price of food outstripped inflation in 2012.²² Food was also often the first area to be cut in the family budget²³ with families trading down to cheaper products within their existing supermarket – usually buying less fresh food and more frozen – or moving to a different supermarket altogether:

The price of everything is constantly rising... Even though I'm working now I'm still having to buy cheap food. If I go shopping with a friend we split the two for one deals as it's cheaper. (Bridget Stanton)

You can still run out of money on £40,000, you can still not afford food, it depends how much is going out. There's mortgages and bills, everything's rising. (Kerry Brown)

This actually worked out quite well for the Young family as they found their new supermarket to be cheaper than their old one, while providing the same quality of food. Similarly, Rachel Samuel found that she was able to reduce food costs without compromising on quality by bulk buying 'quality' brands at budget and wholesale shops. Another common way to reduce costs was to cut back spending on non-food items like shampoo, washing powder and toiletries. However, as Lynsey Peacock pointed out, this could be a 'false economy' if, as she discovered, the non-brand washing-up liquid was cheaper but much poorer quality and didn't last as long. Those with a little outdoor space were sometimes able to come up with more creative ways to save on food bills: the Williams family started growing vegetables in their garden and the Mortons were able to eat the eggs their pet hens laid.

Overall, trading down was a common strategy but it wasn't always possible to do this – for example, if households were already buying cheaper products²⁴ or had to meet specific dietary

requirements. Mothers with young children were hit with the double whammy of expensive necessities in the form of nappies and baby formula milk. Kerry Brown decided that the baby milk she was getting for her youngest was too expensive so ignored the doctor's advice and bought cow's milk, although she worried about the impact this might have on her daughter.

Another aspect of trading down, especially for those on lower incomes and with more mouths to feed, was a preference not only for cheaper food (so less fresh fruit and vegetables) but also food that would be eaten by their children and would fill them up. Typical meals for the Akhtar family consisted of curry made with bulk bought rice or pasta, or ready-made value samosas with chips. Fridays would often involve a trip to the kebab house where the food was not only cheap but plentiful and could sometimes stretch to another meal or Salim's packed lunch for work. Again, this is consistent with other work, which suggests that those with less money prioritise cost and familiarity – knowing that family members will eat and be satisfied by what is bought²⁵ and that when parents have less money, are tired or simply lack time, fast food offers an easy solution.

Joanne Taylor wanted to be able to provide her children with proper meals, especially Sunday lunch, but when things were tight after Christmas in January 2012 sometimes all the family could afford was chips and bread. Not only did she feel guilty at not being able to provide her children with a proper meal but she also sometimes went without so the children could eat, which Kerry Brown also felt obliged to do when money was lacking. Furthermore, the inability to provide anything more than a basic meal was a source of tension between Joanne and her eldest son whose board money she used to do the food shop:

Sometimes if I give him egg and chips or something he'll say, "Why am I paying you for this rubbish?" (Joanne Taylor)

I give my children a very healthy diet, but in order to do it, I'm not eating right now. (Kerry Brown)

Before Emily started working evenings and her pay increased, food was the first thing the Mortons cut back on. Emily immediately noticed that she had much less energy as a result and found it increasingly difficult to keep up with her young daughter and carry out her part-time job. Again, this is consistent with the literature, which suggests that parents may go without in order to provide for their children, although in doing so parents may feel ill and tired as a result of physical neglect.²⁶ Further, not only did eating and buying cheaper food make Emily feel physically worse off but she felt guilty about giving low quality food to the rest of the family, especially as her husband Gary is a chef:

We just can't afford luxuries like proper meals... Cooking for a family is really expensive; it has to all go further... But Tammy is my main priority on the food shop... You'd feel quite guilty feeding her rubbish food.

(Emily Morton)

Utilities

Energy, like food, also got more expensive for many as all of the big six energy companies increased their prices at some stage during 2012.²⁷ Although families noticed the cost of energy, especially in the winter months, those who struggled to pay the bills tended to be using a pre-pay method already so there was often no obvious change to the amount they spent. This is consistent with reports suggesting that lower income households are often willing to pay a premium to have control over utility costs.²⁸ In the Akhtar family, Salim suspected he was paying a premium for his energy by pre-paying until he received a letter from his supplier telling him that this was not the case. While pre-pay gave him control over energy use in the household, it didn't help in the winter when the prices were higher: as he continued to spend the same amount, he had to ration it more carefully. He tried to make sure that the heating was on when the girls were in the house and that it was off much of the rest of the time. As a result his asthma worsened and he worried about the health of his youngest daughter in particular.

Where families lived in poor quality accommodation some felt obliged to use more energy and so spend more money than they

would have liked. Sarah Lewis, living in temporary accommodation with two young children, felt she had little choice but to leave the heating on for long periods to try and negate the effect of the flat's damp, which worsened her son's respiratory problems.

Before their move into more suitable accommodation the Clarkes had a similar problem. They were particularly worried about the impact of the condition of the house on their disabled daughter and often paid over the odds for energy. They were also well aware that the winter months tended to be more expensive as a result of higher prices and their increased energy use. With this in mind they tried to overpay their bills in the summer in order to create a surplus to put towards their winter bills, but their provider didn't allow them to do this and just credited the money back to their account.

Keeping the car on the road

The one rising cost other than food that families mentioned spontaneously was petrol, perhaps unsurprisingly in a year when petrol prices hit a record high.²⁹ Although the cost of petrol is only one small aspect of the cost of cars, a car is an absolute necessity for many families. Alternative transport options are increasingly expensive and inflexible, and cars are arguably the most time-saving possession³⁰ a family can own, especially for those in rural areas. Minimum Income Standard research also suggests that cars are increasingly important to family life; 2012 was the first time that a car was deemed "essential in order to meet the needs of both parents and children and particularly to enable them to have opportunities and choices relating to work and social activities".³¹

A key priority for families was to 'keep the car on the road', perhaps most obviously in the case of Sarah Lewis. Despite living in London and relatively close to family, her children's nursery and work, she described the period in which she didn't have a car because of a break-down as the "worst time of my life... it was a nightmare". Left reliant on buses, Sarah estimated that she spent about three hours a day just travelling, as well as using taxis to go food shopping.

Therefore, while essential, cars were often a 'necessary evil' not least because they were a

source of frequent expected and unexpected costs. The costs of car insurance, road tax, MOTs and petrol all mounted up but tended to be manageable – or could at least be planned for – because they were expected. However, cars were also a main source of unexpected financial shocks for the families we spoke to, and therefore represented a key driver of family financial fragility.

Cars therefore assumed huge psychological importance in family life. Indeed, there is some suggestion they become a source of “constraint focus”³² – they are so important there is a tendency to shift attention towards them in a way that may inadvertently cause people to neglect other important aspects of life. Malcolm Peacock regularly takes his car to a mechanic friend to get it checked out even when it’s not clear that there’s anything wrong with the car. This is sometimes a source of tension between him and his wife, not least because the checking is a regular expense and not one that it’s obvious need be made. Nonetheless, Malcolm’s wife Lynsey also recognises the importance of their car and the impact it would have on them financially, practically and emotionally if it broke down:

The money we have wasted on cars over the years is beyond me... Malcolm doesn't understand if it ain't broke don't fix it but on the other hand if it does go wrong and we can't fix it... (Lynsey Peacock)

Debt

It's like juggling 15 balls in the air and trying to get them all to stay up. (Bridget Stanton)

Debt was a consistent feature of family life, often acting as a substantial drain on available income.³³ That debt should be so prevalent among these families is hardly surprising bearing in mind that average household debt in the UK (excluding mortgages) was £5,988 by January 2013.³⁴ The experiences of many of the families is also consistent with the fact that over 7 million adults in the UK do not have access to affordable credit³⁵ and that indebtedness often arises because income

levels make borrowing a necessity in order to meet basic day-to-day needs.³⁶ Household debt is a key barrier to economic growth in the UK, which in turn “remains the fundamental prerequisite of any improvement in the living standards of low to middle income families”³⁷

Those we spoke to often thought indebtedness and having to make debt repayments was the key barrier to having enough to live reasonably comfortably and having room “to breathe” or live a “normal life”.

This was certainly true for the Peacocks; when their youngest son, Carl, became eligible for DLA their increased income effectively negated their debt repayments, which had constituted over a quarter of their overall outgoings. During this time they felt as though they had enough financial resources as they weren’t having to “count every penny” and could pay for birthdays and occasional family trips and treats.

It was also the case that debt, particularly when repaid at a variable rate, was a constant source of anxiety and stress as well as being a drain on available income. Until Carl was eligible for DLA, Malcolm Peacock “lived in fear” of any possibility of interest rate changes that might cause their debt repayment to increase. Indeed, debt repayments were very stressful for many families. The idea of removing debt was associated not only with having enough but also with physical responses that come from having a little more financial slack:

I feel like I need to win the lottery to pay off my overdrafts, pay my loans, pay off the boiler... and then I'll be able to breathe. (Emily Morton)

Sarah Lewis would regularly get to the end of the month with no money left but needing something to tide her over. Sometimes, this had a direct impact on her health:

I start getting migraines because I'm always thinking "What am I going to do?" (Sarah Lewis)

When she couldn't borrow from family, which she didn't like to do too much, she would take out a payday loan. As a bank employee, she was very aware that the rates of interest she was being charged were high but the products she used suited her needs because they were easily accessible, she received the money very quickly, and she could borrow small amounts over a short term. She was clear about when and how much she had to repay and it was easy to make the repayment – thus payday loans were easy to use and easy to understand.³⁸

Sarah's circumstances were the product of both limited access to credit and a preference for the types of products available via payday and high cost credit providers, which she finds easy to use while recognising that she has to pay a premium. This is consistent with other research into debt, which has found that choice of lender "reflects people's circumstances in rational ways".³⁹ Sarah Lewis observed:

Short term loans are bad, of course they are, everyone knows they are, but if I didn't have them then I wouldn't always be able to get through the month... it's better to take it from family but if I do that then I need to pay it back straightaway, so if I'm not being paid for three weeks then there's no point in taking it from my mum.

Home credit or doorstep lenders provide credit that comes at a premium but is not necessarily perceived as being incompatible with managing on lower incomes. Kerry Brown actively chose to use a doorstep provider in order to get through the period after she broke up with her partner and had to wait six weeks for Income Support.

When faced with what she thought would be a six- to eight-week wait for a budgeting loan from the Social Fund, which she wasn't sure she would qualify for, and waiting three days for guaranteed money from a high cost credit provider, she chose the latter option. She had experience of using the provider in the past, and liked the regularity and affordability of weekly repayments, the flexibility

of repayment and especially the home collection aspect. She struck up a friendly relationship with the representative from the loan company and looked forward to having a cup of tea with him as he was one of the few people she saw other than her kids and the next door neighbour.

Again, this is consistent with the findings of previous research,⁴⁰ which suggests that people on lower incomes with greater financial insecurity may pay a premium for credit if flexible repayment makes their lives easier to manage. Furthermore, these behaviours may be consistent with experimental evidence, which suggests⁴¹ that those suffering from resource scarcity – whether of time, money or mental resources – may be prone to spending money impulsively⁴² and over-borrowing to their detriment.⁴³

In a report on time and income poverty Tania Burchardt⁴⁴ points out that lone parents tend to be at the greatest risk of this sort of poverty and therefore resource scarcity and perhaps it is no coincidence that we saw an association between use of credit and being a single parent in this study. In the context of the stresses and demands they faced, Kerry, Sarah and others' credit decisions are an entirely understandable, if not necessarily financially sound, response to their circumstances.

Bridget Stanton, another lone parent, found herself in a similar position. Despite being a capable book-keeper she regularly incurs bank charges from exceeding her overdraft and often struggles to reach the end of the month with money left. When she's out of regular work and reliant on her mobile hairdressing business, she borrows regularly from her mother to get by. The only time in recent years that she couldn't borrow either from family or using a budgeting loan – she had some unexpectedly large bills and needed to repair the car – she ended up taking out a high interest door step loan:

You are going to get these unexpected bills but unless you're able to get credit you're screwed... I had to do something and had to do it now, sod whether it was going to be 15,000% interest. (Bridget Stanton)

After taking out the loan she found that she was "hounded" by the loan provider so preferred to use a debt management company to both re-negotiate the repayment and act as an intermediary. Despite paying the provider a cut of the repayment she is incredibly grateful to the debt management company for removing this worry. In this instance, Bridget effectively ended up paying a premium for control of this problem in the same way as others were happy to pay a premium for being able to control the amount of energy they used, or like the Young's by renting white goods to avoid the risk of them breaking:

Everything was about the debts... When the bills going out are more than you've got coming in you think "how the hell am I going to pay for food, for gas and electricity?"

(Bridget Stanton)

Others using debt management organisations also tended to value the peace of mind they recovered from not having to deal with loan providers. The Peacocks considered StepChange (formerly CCCS) "brilliant" for the peace of mind the organisation had provided and because, unlike Bridget, they didn't have to pay a cut of the repayment. In retrospect, Bridget would have preferred to work with an organisation that didn't charge her an additional fee, but as she wasn't aware of StepChange, she was just happy that she didn't have to worry about it. However, while Ellie and Geoff Clarke appreciated what StepChange did for them they didn't welcome the fact that any increase in income – like Geoff's pay when he moved into his new job – immediately went towards debt repayment rather than paying for another aspect of family life.

Negative financial shocks

Researchers in the US have found that although financial fragility – defined as the inability to come up with \$2,000 in 30 days – is more severe among low-income households, a sizable fraction of seemingly middle-class Americans are also at risk,⁴⁵ especially when they lack access to savings, informal financial support or affordable credit. It was noticeable in this study that even the most financially well-off family according to their position on the income distribution – the Williams – was only ever a couple of negative shocks away from severe financial fragility. The main financial shocks experienced by the families we spoke to were primarily related to either cars or large tax bills.

Tax bills

Tax bills incurred after a period of self-employment were a source of significant shock for the families. The arrival of these bills usually came as a genuine surprise because – similar to tax credit overpayments – the recipient didn't understand why they were liable, and, more specifically, weren't prepared for the amounts they were liable for. Marion Williams didn't expect the tax bill she received but came to realise that she had made a mistake in completing her tax return. While the amount – over £1,000 – came as an unwelcome surprise, it was experiences with HMRC that caused her anxiety:

I made a mistake, I get that... but then to charge me daily interest and a penalty fee and they didn't tell me for a month! It's unfair. The letter was written as though I'm personally trying to deceive them, and I really wasn't.

David Samuel incurred an even larger tax bill of £8,000 in November 2011, despite never having done so in his previous years of self employment. Like the Williams family, the Samuels were grateful to have sufficient savings to make the payment, but paying such a large amount of money meant they ended up in "scary" uncharted territory and it was the first time the family had felt truly financially vulnerable. Fortunately they were sufficiently well informed to be able to negotiate a manageable payment plan – an initial lump sum followed by monthly instalments – with HMRC.

In contrast, when Malcolm Peacock had a £5,000 tax bill in 2005, the family decided to use a secured loan to pay it. Like Marion Williams, who found that the rates of interest for payments offered by HMRC were less affordable than those of some commercial lenders, the Peacocks felt that they would be better off paying the amount via an external loan. Unfortunately they took out a loan with a now defunct lender, which they have already repaid many times over and will continue to do well into the future. At the time they were unaware that they might be able to pay the amount in instalments.

Although they had a positive experience with HMRC, the Peacocks would have liked advice at the time they incurred the bill. It was not uncommon for families – especially where an earner was self-employed – to express an interest in good advice and assistance, particularly in dealing with large tax bills or tax credit overpayments, and HMRC was seen as a source that could provide this kind of advice:

People want the help. Sometimes they're afraid to ask or embarrassed to ask and it's easier to accept help if someone turns round and says, "We feel that you may be struggling, we can help or we can put you in touch with someone who can." If someone had said to me there are these companies out there who can help, you don't have to struggle. (Bridget Stanton)

Cars as shock providers

As mentioned above, cars were the most common source of financial shock for families: five of the seven families in our study with cars experienced one such shock over the year or in very recent history. Cars provided a significant financial challenge because usual sources of support – family and friends – often didn't have the kinds of amounts needed to help deal with serious problems. Further, given the importance of cars to family life, even the highly debt averse were left with little choice but to become indebted.

For example, Martin and Lauren Young are in some ways the model of frugality and sound, controlled financial management. They work as a team⁴⁶ to manage their finances and Martin has received professional advice in the past about how to budget and keep track of finances. The Youngs' emphasis on control and risk reduction was so pronounced that they not only pre-paid their gas and electricity but also rented their white goods in an effort to avoid any unwelcome shocks as had happened previously. Their whole approach was intended to avert the possibility of unexpected shocks, as they knew their access to credit was limited as a result of their debt history. However, despite their strategy, they still had to take on debt when the only aspect of their finances that they didn't control, their car, broke down and they had to replace it via a high cost loan provider. Their repayment was just about manageable but it put pressure on other aspects of family life and the repayments became difficult when Martin had to take time off work to look after Lauren when she was ill.

Sarah Lewis experienced something similar to the Youngs, with the difference that it wasn't clear that she needed to buy a new car. Although she was certain that the car needed replacing, it hadn't had any problems until then. Sarah did not have access to affordable credit so she took out a high cost loan for £2,000 as well as borrowing some money from her mother and friends in order to pay for a new car. While the repayment initially seemed manageable, at least in isolation, in practice it became very challenging and possibly unsustainable in the longer run as she also had greatly increased childcare costs.

Financial capability is no guarantee of control

In a period of austerity – when the amount people have to spend on anything but essentials has dropped to its lowest in over 20 years⁴⁷ – the role of financial capability – the ability to manage money and take control of finances⁴⁸ – is particularly important. Indeed, the impact of income on family life usually depends on financial skills⁴⁹ and when family

incomes are under pressure and people don't have enough money to go round, coping is difficult even for the most capable.⁵⁰

Those better able to deal with shocks typically had some form of savings. The Williams were the only family to systematically save and put a specific amount aside at the beginning of the month in order not to have to borrow money from friends, family or credit providers (Table 1).

Table 1 Monthly savings of the Williams family

Amount saved	Saving location	Reason for saving
£ 5	Bank account	For their animals
£ 11	Bank account	Car tax
£ 5	Bank account	MOT
£ 25	Bank account	Christmas
£ 20	Bank account	Car repairs
£ 10	Bank account	Mark's contact lenses
£ 20	Bank account	Holiday
£5	Bank account	Trust fund for god-daughter
£ 20	Mark's ISA	Personal savings
£ 20	Marion's ISA	Personal savings

At the beginning of every month the Williams family mentally allocates a certain amount to a number of different pots. Marion and Mark are very strict about what the money is used for and rarely, if ever, use money allocated to one pot for another purpose. Interestingly, their approach to their finances mimicked more formal savings products – like RBS and NatWest's 'Your Saving Goals' – that use goal-setting and commitment mechanisms to encourage effective saving.⁵¹ However, while their approach to saving gave them some slack to deal with emergencies, ultimately it gave them limited protection.

The family's savings buffer had already been somewhat diminished by Marion's tax bill, but,

later in the year, Marion and Mark were told that that they would be given help – through Marion's university place – with their child's nursery costs. However, after paying for the childcare, again using their savings, they were informed that they weren't entitled to support after all. They were, therefore, unable to pay their last childcare bill, which came to £300. The incident brought home to them just how little resilience they actually had despite being very careful with their money:

If we needed £300 tomorrow, if the boiler broke or something, I think we would ask Mark's parents. We wouldn't want to, but we'd have to. (Marion Williams)

What might help families manage in the face the rising cost of living, debt and shocks?

Addressing barriers to take-up

Under conditions of austerity, families often need all the financial assistance they can get in order to make life easier, but there may be substantial barriers – stigma, awareness and information or just 'hassle' – to being able to take up available support. Indeed, take up of financial support via benefits has been shown to be an issue for almost every non-universal benefit, particularly Council Tax Benefit and Working Tax Credit.⁵²

In some instances this is related to stigma, with some researchers suggesting that some people may experience shame in claiming benefit,⁵³ although others suggest that people are less concerned about the shame attached to claiming; than about what they think others might think, and the way they would be treated if they actually claimed benefit.⁵⁴

Free school meals (FSM) is an area of support which has a problem with stigma as a barrier to take up – more than a quarter of children entitled to FSM take a packed lunch instead for this reason.⁵⁵ Parents we spoke to whose children received FSM were often grateful for the support although there was evidence of non take-up because of the stigma affecting children. While Helena Taylor was at school she was eligible for FSM but chose to walk

to school in order that she could buy lunch with her bus money rather than use her FSM card in the lunch hall.

While stigma is important for non take-up there are other equally powerful barriers in evidence. A recent Cabinet Office review looking at the barriers to exercising choice in public services suggests that the biggest barriers are a combination of access and information, which is a problem not just of “providing basic information” but also one about “a lack of signposting and interpretation of that information”.⁵⁶

On the basis of our own better-off calculation⁵⁷ we worked out that it was very likely the Akhtar family would have been entitled to at least some Council Tax Benefit as well as Working Tax Credit, but Salim had assumed that he was ineligible for both because he had in the past been told that he earned too much, and he also assumed that Council Tax Benefit was dealt with by HMRC. When asked about Working Tax Credit he was adamant that he was not eligible, and while this may have been true it may also have been the case that his claim had lapsed and he didn't realise. Overall, he was very open about wanting any support that was available but he just wasn't sure how to go about it:

You got to know about how to get them [benefits]... I know they're out there but it's about getting it and it could be a bit difficult.
(Salim Akhtar)

Finally, the behavioural literature has shown that low take-up of social programmes for those on lower incomes may be more about the ‘hassle costs’ that come with demanding application procedures.⁵⁸ This was certainly true of the Peacocks, who were perfectly aware that they were entitled to support with their Council Tax but chose not to apply because the application process was perceived to be complex, time consuming and “way too much hassle”.

These examples might seem to be minor as improving this kind of take-up is not necessarily going to protect families against shocks, but even small increases in assistance can help families cope better with living costs, have a better chance of avoiding debt, and take some of the stress out of family life. The barriers to making take-up easier are hardly insurmountable.

Lump sums as leapfrogs

In contrast to negative financial shocks, families also received positive shocks at times during the year. Some of these positive shocks had a pronounced positive impact on family life – sometimes allowing families to make transformative changes to their lives.

This idea of these lump sums should not be confused or thought of in zero-sum terms with smaller, more regular payment of benefits. For example, the provision of food stamps in monthly sums has meant that individuals tend to overspend in the first part of the month and are left with too little money for food by the end.⁵⁹ Likewise, other research suggests that the proposed method of monthly payments of Universal Credit was a source of concern to many partly because it was seen as making budgeting harder and increasing the risk of running out of money.⁶⁰ These monthly sums can create financial stress for the recipient.

In this study we identified instances of the transformative effect of different forms of lump sum – the type that may sit alongside existing support but facilitate a significant improvement in family life. This is in line with evidence on earned income tax credits in the US that lump sums can be a tool for asset building and social mobility. The idea of the lump sum has been realised in one form by the Family Independence Initiative, which makes modest lump sums available to families as part of an effective anti-poverty intervention,⁶¹ and by the charity Save the Children, which provides grants to replace crisis funds that used to be more readily available from central government.⁶² Working with the families over such a long period helped us to identify the kind of transformative impact lump sums can have on family life.

In 2012, the Clarkes were desperate to move from their cramped and unsuitable accommodation, but, without the money for a large deposit, they had little choice but to remain where they were. However, when Geoff Clarke was made redundant and given a redundancy package of several thousands of pounds the family gambled that he would find a job again soon and used the money to pay a deposit on a more suitable property. Without the lump sum they don't see how they could have escaped their housing situation. Moving to a new place had a big impact on family life as there was much more space and the property was in a better condition.

As mentioned earlier, the Peacock family started to receive DLA for their youngest son in spring of 2012. The impact of DLA and the associated increase in tax credit income significantly changed the whole family's quality of life, facilitating activities, outings and social interactions that had previously been impossible. Consistent with the literature, it was noticeable that when there was a little more money than usual available to families, children were usually the focal point for spending and that even small amounts of additional resource can lead to significant improvements in family life.⁶³

However, as for the Clarkes, it was also noticeable that one of the most important levers of positive change for the Peacocks was not the increase in regular income but the provision of a lump sum in the form of an initial back payment of DLA. This allowed the family to pay for Carl to have his own birthday party, a family holiday (for three of them), replacement beds for the boys and the conversion of their conservatory into an additional room in their small house. This last change was crucial, making their home seem much less cramped and significantly improving family relationships at the same time.

The Samuels also got a lump sum when they received a tax credit underpayment and a concomitant reimbursement of £2,500. This enabled them to take a holiday together and deal with the costs of an MOT and car insurance, which they otherwise would have struggled to meet. The lump sum also had a positive impact, particularly on David, as he felt much less stressed and obliged to take whatever work was available. This helped him share the caring responsibilities with Rachel, which also helped their relationship.

Support at key transition points, such as birth of a child

The birth of a child was a key point of transition for the families, affecting financial and practical support. Financial support around birth had certainly been subject to austerity measures. For example, the Sure Start Maternity Grant for all but the first child in a family has been abolished,⁶⁴ as has the baby element of the Child Tax Credit.⁶⁵ The removal of both of these substantial lump sums was noticeable to better off families like the Samuels and even more important to lower income families who were less

able to manage financially and less well informed about the changes.

Kerry Brown wasn't aware that various forms of support including the Sure Start Maternity Grant, Health in Pregnancy Grant and the baby element of the Child Tax Credit were no longer available, and the family ended up having to take out a bank loan of £1,000 to cover some of the costs they'd expected the grants and credits to cover:

Suddenly the money you thought you were going to get for buying baby things disappeared, hence the bank loan...

Similarly, when Joanne Taylor had her youngest child in September 2011 she struggled to meet the cost of her new baby and ended up selling her car to try and make ends meet. This cut her off from her mother, her main source of support, and put significant pressure on household finances, leading to considerable tension within the rest of the family and a breakdown in her relationship with her eldest son:

I didn't realise how much a new baby was going to cost.

The Akhtars have a fifth child due in the summer of 2013 and Salim was aware and concerned that the support the family had received towards previous births – particularly the Sure Start Maternity Grant – is no longer available. While he thinks they will be able to make do with a lot of hand-me-downs, for instance using their old cot, he's not sure how they'll manage given that they are already having difficulty getting by. Furthermore, he knows that "there's nobody really that's going to come to help us" – family and friends who might provide informal support, financial or otherwise.

Time

Both the amount and quality of time available to families matter to family life. Families can often consider time a scarce resource with some parents perceiving lack of time to be their greatest challenge.¹ Furthermore, spending more time with family is widely thought to be very important to happiness and unpressurised time to do things together is a key ingredient of family life² as shared time is seen as a chance to improve and strengthen family relationships.³

The amount and quality of time available to families tended to be influenced by employers – for those in work – and money. Crudely speaking, employers determined the amount of time employees had to spend with their families, and to a lesser degree, money determined the quality of that time. Having said that, plenty of families found ways to spend time together enjoyably and affordably, although celebrations tended to come at a premium and were a potential source of tension. Time spent together had a range of relational and emotional benefits and was a way for families to bond and be diverted from the stress of the everyday.

Life-work balance

Balancing work and life is often hard at the best of times but this difficulty may be exacerbated under conditions of austerity. The amount and quality of time available to families in work is largely mediated by hours of employment;⁴ working unsocial hours can significantly reduce parental time with children.⁵

The Mortons found themselves managing time scarcity at the end of 2011. Gary worked 60 hour weeks as a chef and as Emily worked night shifts in a local pub, he tended to have just one day at the weekends with his wife and young daughter. This only got worse in November 2011 when Gary started working six days a week. Gary rarely got to see his wife and daughter but although this period put pressure on their relationship, they didn't feel they had much choice but to continue with this arrangement:

I feel like Gary really misses out on things... like putting [Tammy] to bed... and it would be nice to have a [regular] family dinner... I do feel a bit like a single mum sometimes. (Emily Morton)

We don't get to spend any real time together... but it's got to happen because of the money. (Emily Morton)

This experience is certainly consistent with work that suggests low income dual-earning couples are more likely to do 'tag-team' parenting as a result of working different shift patterns, which in turn places stress on a couple's relationship.⁶ However, in the Mortons' case, it is not so much tag-team as a kind of parallel living where most childcare responsibilities fall to Emily.

Something similar happened in the Akhtar family. Salim used to work five 12-hour night shifts until as a result of cutbacks at work he started to work fewer hours but became a "floater", with no fixed site of work and little certainty about his working days. Although he was contracted for fewer hours than in the past he had to travel further to work as a result of no longer having a permanent site, and found that he had even less time with his family than he had before, despite his reduction in working hours. Salim is constantly amazed and grateful that his wife is able to look after their four daughters effectively single-handed, but he wishes that he could be around more to spend time with them, eat with them and help them with their homework. His situation is consistent with other work that suggests variable hours can play havoc with family budgets, but also with family time.⁷

Travelling far for work is taking up a lot of time... I see even less of my family. I only see them two hours in every day anyway. In the time I do have I just get ready for work or pick up the kids from school or got to my parents' house or do chores... All I'm doing is going to work and back. (Salim Akhtar)

The circumstances of the Mortons and Akhtars are consistent with the wider literature that suggests parents working non-standard shifts are less likely to eat meals with their children, less likely than other parents to provide help with homework, and more likely to be concerned about not being sufficiently involved in their child's education.⁸ This is likely to be important given that having time together and activities like eating meals together and general attentiveness to children's social lives and school days have been shown to be part of positive parenting styles⁹ and strongly associated with child well being.¹⁰ Furthermore, parents – especially fathers – have been shown to be happier taking care of their children than carrying out most other daily activities.¹¹ Again, this was borne out very obviously in the cases of those families with fathers experiencing time scarcity like Gary and Salim.

The experience of the Young family was in stark contrast to that of the Mortons and Akhtars. One of the aspects of Martin Young's new job that he valued the most was the working hours. Working from 7am until 4pm five days a week meant he was home in time to eat together with the rest of the family, something that the whole family consider important.

Other work has suggested that it is not necessarily the specific activity of eating together that matters as much as the bonding time that accompanies the period in which families are together.¹² The Peacocks regularly used to eat together, usually while watching a TV programme or discussing their days, and could do this more frequently after Malcolm was able to renegotiate his hours. When their youngest son Carl, became eligible for DLA, it gave Malcolm the grounds to argue that he needed to be able to look after his son and support his wife more effectively in looking after their disabled child. As a result of the negotiation he was able to work weekend shifts and be at home in the week.

This had a considerable impact on family life allowing Malcolm to support Lynsey and his youngest child, significantly reducing Lynsey's stress and allowing him to spend more time with his son,

which he values. Lynsey noticed the change too, and appreciated that she and her husband were able to have some time to themselves. Again, having a little bit of breathing space and respite from day to day life was as important to them as having a little extra money:

We have noticed we get on better since the change of hours... we can have some downtime. (Lynsey Peacock)

Sometimes I think it's not too bad to have time instead of money. (Lynsey Peacock)

Research has suggested that the kind of work lone parents aspire to is that which fits in with their caring responsibilities, and that practicalities come far ahead of personal ambition: the number of hours of work, childcare availability and affordability are key to lone parents' success in moving into work and staying there.¹³ This was certainly true for Bridget Stanton, a lone parent, who found working from home, book-keeping for her sister, gave her the ideal life-work balance:

I think this is the ideal job for me. I can do it as and when I want around the children. If I don't want to [go out to] work during the day because Thomas is ill home from school, I can still work as I'm in the same building. Working from home is perfect if you've got kids. (Bridget Stanton)

It is not clear that this aspiration to find work that fits with caring responsibilities is relevant only to lone parents. Although there were limited opportunities for Malcolm Peacock to increase his pay in his job, his renegotiated work hours were the next best thing. Similarly, Salim Akhtar's ideal work situation was to have a modest increase in pay alongside a substantial reduction and greater stability in the number of hours he had to work.

Quality time

As might be expected in a period of austerity and rising living costs, Minimum Income Standard research from 2012 showed there was a significant reduction in the social and cultural element of family budgets especially in the amounts included for buying presents for parents and older children and a decrease in the cost and/or frequency of leisure activities.¹⁴ The families in our study certainly experienced an 'austerity effect' on their budgets for leisure and participation, which made spending time together at home very important for many of them. Going out, going on holiday or spending time together during celebrations were often seen as a key part of a 'normal' family life but often came with financial pressures, which sometimes detracted from the experience.

At home

Home entertainment was crucial to many families, not only as an affordable alternative to going out but also as one of the main opportunities for families to spend time together, even when there are children with a range of ages. Nintendo Wii's were often popular with families because they allowed for multiple players at one time while the games were felt to be accessible across gender and age – so much so that the whole Young family used to play Wii Dance together. Consoles like the Wii also had an external social function when friends – of children and parents – would come over to play.

One of the first things the Peacocks bought with their DLA back payment was a new TV; then they had one room for TV watching and one room for playing games, where Carl could have his friends round without occupying the living room:

Internet and TV are a release... a cheaper version of going out... You need it to be able to spend time together, almost working as a team, so you have mutual interests... almost like a social lubricant. (Liam Peacock)

Proximity to a good library can also enhance the experience of spending time together at home. The Peacocks use their library almost daily, usually to borrow DVD's they watch together or computer games for Carl. It is close to Carl's school so they sometimes go as part of the school run but it is only 10 minutes' walk if the car isn't available. The Akhtars also value their local library but it is a 15-minute car journey and Salim doesn't make the trip often because of his working hours. As a result they make a family trip once a month for to borrow DVDs and books.

Going out

While home entertainment was important as a cost saving measure and a way of spending time together it also mattered to families that they spend time away from the home for a range of reasons, from escaping day to day stress to strengthening family bonds:

It depends on what the budget allows. If you don't have the money there you don't go out... If you haven't paid for your amenities and your priorities you shouldn't be standing in a pub... Socialising is more of a treat without a doubt. At some point you need to go out though, or you go stir-crazy. (Martin Young)

It's nice to be able to do things away from home to be able to focus on each other... When you're at home you have more distractions... After a day out you can all come home and say that was a lovely day. (Lynsey Peacock)

It is important to families that opportunities to get out of the house are affordable and, in particular, unpressurised – whether financially or socially. Salim Akhtar told us that one of the high points of his and Rima's year was visiting a botanic garden with their daughters; everyone enjoyed themselves and their only cost was the petrol to get there. In contrast, one of the low points of the year for Salim was feeling obliged to visit a theme park with a friend's family and his own because his friend had told him that he'd already spent money on the tickets. The tickets

cost £90 around the time the car was being fixed and the additional expenditure worried him.

Common to all families was the importance of the local area to getting out in the first place. Families with access to green space and low cost opportunities for recreation were much better served than those without (see also Chapter 4) and the Akhtars had neither – and also lacked time and money.

Holidays

If the household finances change then I can actually say to the kids "I've booked us a holiday, we're going to have quality time away." Or "right, tonight we're all going to go out and have dinner together." That will then create those opportunities to be closer and spend time together. (Bridget Stanton)

The families thought of holidays as highly desirable, if not essential. Again this is consistent with MIS research in 2012 that suggests it is essential for families with children to have a break away from home each year, such as a one-week self-catering caravan holiday at a family resort like Haven or Butlins.¹⁵ This was exactly what the Young family did. Lauren and Martin felt guilty that their five year old, Lois, had never been on holiday and so managed to pay for a holiday in instalments. Being able to pay in this way was crucial to making the holiday affordable, but it was only because Martin found work not long before the holiday that they had any spending money once away. With Martin in apparently secure work, they decided to book the same holiday for 2013 immediately after their 2012 holiday, to take advantage of an early booking discount.

Even when holidays weren't strictly affordable families tried to make sure that they took one. At the beginning of 2012 Sarah Lewis, a lone parent, had wanted to be able to take her two sons on a foreign holiday, but by the time it got to the summer holidays she realised she couldn't afford to. However, she thought it was so important to give herself and her sons a holiday that she took out a high interest loan in order to be able to go on a weekend break. Although the holiday came at a cost, she deemed it worthwhile in providing respite and enabling her to feel she could have a life that was in some way 'normal':

If I just stick to getting the essentials then sometimes I can get through without borrowing but then sometimes I think "I'm not going to live my life like this". (Sarah Lewis)

In general, though, despite the importance of holidays they were often deemed to be unaffordable without some assistance. The only reason that the Samuels and the Peacocks were able to take a holiday was because of the lump sum tax credit repayment (the Samuels) and DLA back payment (the Peacocks) they received. But despite the back payment, the Peacocks still couldn't afford for Malcolm to go with them, nor to go in the summer holidays when prices were twice the amount of those earlier in the year. As a result, Lynsey pulled Carl out of school before the end of term, which she would have preferred not to do, but she felt she had to take the opportunity to have a holiday. Some families like the Mortons had to borrow from family members in order to be able to go on holiday, and some, like the Stantons and Akhtars, just couldn't afford a holiday, even though one of Salim's dreams was to be able to afford a family trip to Disneyland and to give Rima the money to perform Umrah (make a pilgrimage to Mecca).

Social imperatives and pressurised time

As many researchers have pointed out, participation in cultural norms and expectations at times of special celebration like Christmas and Eid¹⁶ can be challenging for families. Participation in celebrations often comes with a social imperative to be part of "ordinary living patterns"¹⁷ and household budget surveys often reveal relatively high expenditure on these types of event by even the very poorest.¹⁸

Christmas certainly has the potential to be an expensive time for families. In some instances, as with the Peacocks, a combination of savvy present-buying – using vouchers and buying a Nintendo DS for Carl second-hand from his brother – and the parents largely going without made Christmas manageable without borrowing. Some, especially lone parents, sometimes saw Christmas as a time when they could compensate for difficult periods over the course of the year. Over Christmas 2011 Joanne spent much more than she could afford, at least partly as a result of feeling guilty about having to spend so much time with her new baby, at the expense of her other children.

The Akhtars drastically reduced their spending on Eid this year, substantially cutting back on the money given to relatives and on presents for wider family, but Salim still made sure that his wife and four daughters had new dresses for the occasion, an important feature of spending time with wider family. Aside from school uniform and their yearly trip to the Matalan sale to buy clothes for the year, this is the only time the family spend a large amount on clothes; it is almost a mandatory expenditure even though Salim would prefer not to have to make it.

Birthdays also mattered a great deal to the families because of the quality of the time spent together, related expenditure and the family relationships when celebrating. Where families could provide a birthday for their child without 'sharing' with another child's family – as the Peacocks had done in the past – it was a source of enormous happiness. Where families couldn't meet normal expectations there was sometimes a noticeable emotional and relational impact. By the time Haifa Akhtar's birthday came round in May the family only had enough to buy a cake and some balloons, which Rima took into school for her. Haifa didn't understand why she didn't have any presents, Rima was "really upset about it" and this led to tension and arguments in the household.

Support

All families benefit from some combination of bonding capital – support via close relationships with family and friends – and bridging capital – support through membership of or interaction with organisations like the workplace or formal services, whether voluntary or state provided.¹ These two forms of capital provide access to a variety of different forms of support – financial, emotional or practical – which can reduce the fragility of family life.

Family and friends can compensate for a scarcity of money and time. They may provide direct financial assistance or access to goods and services without monetary payment,² most obviously in the case of informal childcare, freeing up time that allows for work or study to generate income,³ or in order to help people meet their responsibilities.⁴ This kind of informal support can be particularly important given Government cutbacks to formal services and often provided a vital element of the families' support environments. Employers provided important support for many families in terms of acting as gatekeepers for the amount and quality of time families could have together and by providing opportunities for building emotional and financial resilience through professional development. Finally, belonging to social networks involving communication and supportive relationships has been shown to be protective of good health and positive wellbeing.⁵

Indeed, people who have close friends and confidants, friendly neighbours and supportive co-workers are less likely to experience sadness, loneliness, low self esteem and problems with eating and sleeping.

Strong bonds with family and friends

In conditions of austerity, bonding social capital⁷ may provide a crucial source of support for many families and arguably matters more than ever. However, as the need for support – financial, emotional, or practical – increases, so too does the pressure on these bonds, which in turn, can damage them. Further, times of cuts and shortages are as likely to affect those providing the support as those in need of it. The result is that it may be less possible for people to provide the same levels of help that

they did before, so families either miss out or need to find something else that can bridge the gap.

The family bank

In the absence of savings or affordable credit, family and friends are usually the first port of call for financial assistance in an emergency,⁸ but relying on social networks for support – especially money – often comes with some kind of relational cost, even if no monetary interest is charged.⁹

Bridget's mother and sister helped her out financially all the time, whether through lending at the end of the month to help her get by, providing her with work, or paying for Christmas and her daughter's mobile phone contract. Bridget often feels guilty at the amount she owes her mother and frustrated that she can't pay what she owes her more easily, especially as her mother tends to be judgemental about Bridget's spending decisions, which she finds stressful. On a more practical note, Bridget uses most of her child maintenance money to repay her mother, which obviously reduces the amount she has to spend on the rest of the family and her youngest son in particular.

This disruptive effect of relying on family and friends for help can be even more pronounced when parents are forced to look to their own children for financial assistance. Bridget regularly asks her son Ryan for board, which has sometimes put a strain on their relationship. In the most serious case, relationships significantly deteriorated. Joanne had to ask her son Bradley for board of £150pm – a significant chunk of his income given he was paid less than £5 per hour, the National Minimum Wage for people his age. This changed the dynamic between them, and he became increasingly critical of her and distant from family life.

In austerity, the kind of family support that used to be available in the past may no longer exist, leaving some families more vulnerable to financial shock. In the past, Salim Akhtar has been able to borrow substantial amounts from family and friends in order to help him with car problems, but that kind of support is no longer available. Consequently, he has had to fall back on his ever decreasing 'savings' buffer, leaving the family further exposed to financial shock and poorly positioned to deal with the costs of a new baby in the summer of 2013.

Close friends as (potential) stabilisers

Not all support relationships are directly concerned with money and in some cases this is thought to be an advantage. Bridget greatly values the relationship that she has with her friend Niamh, who helps her in a variety of ways, from making shopping lists to cooking the family meal, thus giving Bridget a degree of stability and control that she otherwise would lack:

Niamh and I are almost like sisters now. She and I are so in tune that I can pick the phone up and she'll say, "Alright, what's going on?"... Whereas before I used to stew on it, I'd panic, I wouldn't sleep at night, I'd always be worrying, thinking "the next letter, the next phone call"... Niamh is near enough on my doorstep... I can be there in five minutes. (Bridget Stanton)

Friends can also help bridge the gap left by family members and formal support services. Kerry Brown's next door neighbour, Debbie, officially became her carer after the period in which she was eligible for support from the community mental health services came to an end. Initially this worked well, with Debbie helping her manage daily tasks and providing companionship and emotional support. Furthermore, their proximity meant they saw each other frequently and each was able to give the other some respite from childcare and cooking, especially in the summer holidays when all the kids were around. However, later in the year Kerry had to provide care and support for Debbie and not the other way round:

If I don't have Debbie, I don't have anybody. I speak to her every day. We confide in each other, we tell each other everything; she's the sister I never had. (Kerry Brown)

Older siblings as a crucial support

Older siblings may also provide another vital source of financial and practical support for families. The most obvious example of this in our study was Liam Peacock. His parents describe Liam as a "safety valve" for the family and their own relationship. He is largely financially autonomous, has his own car, and is almost a third parent to his brother Carl, who has epilepsy and autism. Liam not only pays for many

things himself but also pays occasional board to his parents depending on how much other help he's given to the family in the month.

The fact that Liam bought and pays for the running of his own car is particularly important to the family as having just one car in the past had been a source of tension. Having a second car in the family means that Malcolm and therefore Lisa tend to be much less stressed about the possibility of the "family car" breaking down. The Peacocks also value Liam's help with Carl. The two boys share a bedroom and Lisa knows that she can rely on Liam to look after Carl and that he knows what to do when Carl has a bad day or a seizure. Liam's help is particularly valuable as children with a disability tend to take up relatively more parental time and family money than other children and lead to their parents being more stressed than those without children with disabilities.¹⁰

When you have a child with autism you know what a bad day is... a bad day is meltdown, from the minute you get up to the minute you go to bed. (Lynsey Peacock)

Susie Young plays a similar role although to a slightly lesser degree, in that she works, she pays for certain things she needs – the bus to school, clothes, toiletries, books for school, mobile phone – and is also around to provide childcare. When her mother Lauren Young had serious health problems the whole family stepped in to take on the various roles she normally played, including making meals, looking after the youngest child and arranging pick-ups from nursery.

Even when not directly contributing financially, older siblings – and younger siblings in the case of Jordan Brown – often provided childcare for their parents. Although this was appreciated by parents it was also a potential source of parental guilt and resentment on behalf of the older child:

It's unfair on Adele as I rely on her more to do things for me. And he [Thomas] is the same. He treats her like a second mum and she should really be a teenager. (Bridget Stanton)

Liam and Susie – and other older children among the families – often pointed out the impacts of not having enough money, especially the stress this causes their parents and the negative effect it tended to have on family relationships. This often motivated older children to help out in whatever way they could, but this kind of assistance was not without drawbacks, as these siblings who helped their families financially, practically or otherwise often had less money and time for themselves.

Liam certainly found it challenging to balance study and paid work, as did Susie, who found that, balancing work, her increased family responsibilities and study – especially in the period when her mother was ill – all contributed to her deciding to drop her Physical Education A-Level, a decision she knows might make it more difficult to get into university as she will have fewer points.

The importance of childcare that recognises the realities of family life

Childcare is arguably the most important forms of external support for families with children, as it often makes work, or even study, possible, and work, in turn, can improve emotional wellbeing and financial standing.¹¹ Furthermore, the benefits of using childcare for the development of the child are also well documented;¹² parents and policy-makers alike recognise that a child's education starts long before a child enters the school classroom, with early years provision being a focus of policy interventions in recent years, for instance, through the 15 hours of provision for three and four year olds.

Affordability

The benefits offered by childcare do not come cheap. While most do not experience difficulties with payments, a large minority of families (26 per cent)¹³ struggle to meet their childcare costs. Even when an affordable childcare provider is found, sometimes it can be difficult to find one to provide care that fits with the hours of employment: currently, one in five parents (20 per cent) reports problems finding childcare that is flexible enough to fit their needs, and, in London, the problem is felt more acutely still.¹⁴

Further, some mothers feel they are not better off working after they have paid for childcare following recent government policy changes – like the cut to the childcare element of Working Tax Credit, which offers financial assistance for formal childcare, and the increase in the number of hours from 16 to 24 that a family have has to work before it is eligible to claim. Indeed, maternal employment fell from 63 per cent in 2010 to 60 per cent in 2011.¹⁵ This has a knock on effect for informal carers, too, with family and friends having to pitch in to fill the gap left by inflexible or unaffordable childcare providers. These are all issues that have been experienced by the families in our study. Bearing all this in mind it is perhaps no surprise that research suggests that childcare costs "keep many in poverty."¹⁶

Sarah Lewis was directly affected by the reduction in the childcare element of the Working Tax Credit.¹⁷ Throughout 2011 childcare was affordable; her youngest stayed with her aunt while her other son had a free assisted childcare place because of his speech development needs, but in 2012 things changed. First, the funding for the free assisted place was cut. Second, Sarah applied for her younger son to go to nursery to get the same educational benefits that his brother had. She received the childcare element of the Working Tax Credit to help pay her childcare costs, but found that as she had two children in childcare, even if only part-time, she had to use the entire amount she received in tax credits on childcare alone. Sarah was reluctant to change her level of childcare usage given the clear developmental benefits of the nursery and because if she did so she would have to rely more on family members to look after her boys.

As Ridge and Millar point out, although employment may be associated with increased stress for lone mothers, it is also expected to have positive effects on child wellbeing, and mothers' self-esteem, and to provide discipline and structure to family life.¹⁸ Sarah recognised all these aspects of her situation and was keen to stay in work despite the lack of financial benefit. She felt that was doing all she could to remain in work and raise a family at the same time, but was not being given the help she needed, or indeed, much of an incentive to do so:

It wouldn't make sense for me to work if I had to pay any more in childcare, so if my aunt didn't take Leon for two days a week then I would have to stop working. (Sarah Lewis)

Like Sarah, Rachel Samuel felt that childcare was incompatible with work. Rachel is grateful that her employer is flexible and accommodating in allowing her to work one day a week, or in providing more work if she is able to take it on. However, she still only works one day a week and would ideally like to "go back and do three days and do something more normal" but feels the cost of childcare is prohibitive. She's grateful that her parents and her husband David's parents are close by and regularly available to look after the children, but feels that quite apart from the financial penalty, prohibitive childcare costs come with a psychological and developmental penalty:

Work is important for your sanity and to give the children what they need, and for them to have time away from you. (Rachel Samuel)

Rachel and David Samuel make sacrifices in the short term, to help them cope with the high cost of childcare they will incur. Even though they are no longer eligible for financial help with childcare costs, they believe the developmental benefits they saw in their eldest son, now of school age, are important for their younger twins. So, from October 2012, they started putting around £250 each month into tax free childcare vouchers through David's employer. Rachel hopes that having a large amount already available to them in vouchers might enable her to negotiate a discount on nursery fees, but even if this doesn't happen the vouchers should help soften the financial blow once they need to pay for childcare.

Even the financially best off family in our study considered childcare unaffordable and incompatible with work without significant family support:

Childcare is pretty extortionate... If I didn't have Mark's parents I wouldn't work. We need the money but at the same time childcare is so expensive that you end up just paying to work. (Marion Williams)

Most families, especially those on lower incomes with young children, found the most they could hope for was to use the free 15 hours available. While this provision was very much appreciated by those who used it, it was the bare minimum that families needed, especially lone parent families:

I think I'd [go] completely crazy if he didn't have some time away, regardless of working. Just having that time away [15 hours] and letting him socialise with children his own age... (Bridget Stanton)

Flexibility

Affordability of childcare is clearly an issue for families but flexibility of childcare is similarly important. As the literature suggests, finding a job that fits around childcare can be very difficult¹⁹ and working parents in particular can find existing provision incompatible with working life.²⁰ While Rachel appreciates the 15 hours of early years provision, she would prefer to be able to use it in blocks rather than spread across the week with her being entitled to three hours per day, as it is now. Were this the case she would be able to work on the days the twins are at nursery and look after them the rest of the time.

This inflexibility is also problematic for parents of school age children. Bridget has found it hard to obtain work compatible with her youngest child's school hours. She thinks that if there was more in the way of before and after school provision she could leave her youngest at school and it might be easier to get a regular job:

That [low cost after-school childcare] would mean I could work extra hours or I could spend that time with the older two, even if it's only for an hour each day. With time I could work more; more work equals more money.

Without this, the only option open to her is to rely more on the informal care provided by her mother and her daughter. She's reluctant to take this course, recognising the extra strain such care could place on family relationships.

Services

There's just no funding for anything – everything is just an advice service nowadays.
(Ellie Clarke)

Services provided a key form of bridging capital for a number of the families in the study, often being an important part of the system of support on which they relied. As a result, cuts affecting services like Home Start²¹, Connexions²² and Citizens Advice²³, as well as the impacts of cuts at the local authority level, all affected family life. The reliance of families on services varied greatly but the overall picture was one of patchy, reduced provision and difficulty of access.

Support at transition points

Financial lump sum support at birth was valued and missed by some of the families, and they also missed receiving non-financial support. The Samuel and Clarke families had worked with and spoke highly of Home Start,²⁴ a volunteer-led family support charity that provides one-to-one support for parents with new children. Rachel Samuel had heard about the charity through a friend and had self-referred while Ellie and Geoff Clarke were referred as a result of their eldest daughter's disability. Both families received a few hours of assistance a week over a limited period of time.

While the support was extremely welcome both families would have liked more help, although Rachel in particular felt lucky to have had any support at all. She was aware of cuts to the service and realised she was probably not a priority case. There were a number of other families in the study who would have been likely to need such services but none had accessed them in the past and they were apparently unaware that this kind of assistance was available.

The transition into further education was important to a number of older children in the families. Ryan Stanton had been referred to Connexions at age 15 and used the service provided – through his key worker – until it was cut around the time he left school. Bridget believed the support provided by the key worker had been 'vital' in giving Ryan direction, confidence and independence, not least because the service paid

for his provisional bike licence, and training, and put him in touch with an organisation that provided him with a moped at a reduced monthly rate:

He definitely needs the support that they offered... It's more emotional support, they were there to chat to him and just generally be like a buddy to him. But he hasn't got that and he's not as likely to talk to me about problems or any other members of the family... He had got on very well with a man called Grant but we just don't see him anymore. If he'd had trouble before he would have phoned Grant up and said "I'm struggling with this can you help?"

Ryan dropped out of his course in September 2012, which was a source of great anxiety and concern for Bridget. She thought it would damage Ryan's – and the family's – future prospects by jeopardising the possibility of him taking over his grandfather's business. It's not clear that Ryan wouldn't have dropped out had the Connexions support still been available, but Bridget certainly notices the difference in Ryan's wellbeing and general mental health since it was cut, as well as in their own relationship, which has become more distant.

Some effects of reduced services

Those who had worked with Citizens Advice in the past generally spoke extremely highly of the service. Indeed, Martin Young partially credits the assistance he received from Citizens Advice for his vastly improved financial capability after declaring bankruptcy a few years ago. This enabled him to become a resource for many of his friends who had questions about debt and financial management.

The Akhtars were also grateful to Citizens Advice for the help they received in transferring their daughters to a school nearer to their home at a time when their car wasn't available so they had to pay for taxis to school that they couldn't afford. Without the help of Citizens Advice, which helped Salim write a letter to the headmaster of the girls' old school and showed him the correct procedures for applying for a transfer, he doesn't think they would have been able to make the change.

However, there was evidence that the cuts experienced by Citizens Advice were starting to be felt by some families. Kerry Brown, used to go to Citizens Advice for help, usually on financial matters, but she had become less sure of the quality of support the staff could provide and put this down to the cuts the organisation had suffered:

Citizen's Advice used to be a great place for everybody to go. You used to be able to go in if you had a problem with a bill but they don't have the training they used to.

Families needing support for disability found it was increasingly hard to come by anything in addition to their existing support, and that some aspects of their existing support were being gradually reduced.

Carl Peacock used to receive extra-curricular funding for after school activities, including swimming lessons, via the local authority, but it was cut in 2012. Research has found swimming lessons to be an important developmental opportunity,²⁵ and the Peacocks too found swimming lessons to have more value than just encouraging Carl to swim, as they enabled him to overcome his difficulties in being around other people, which have sometimes resulted in seizures. The funding the school received for one-to-one reading time for Carl was also cut, but fortunately the headmaster of the school decided to take on that role himself.

Lynsey is grateful that staff at Carl's school are "very good" in trying to fill any gaps left by cuts but still thinks that support for Carl and autistic children is insufficient. Indeed, it was partly with this in mind and because she believed that there was a gap in support for the parents of autistic children that she decided to set up an autism support group with one of her closest friends, a process facilitated by her close links with Carl's school where she's a member of the Parent Teacher Association.

Ellie and Geoff Clark also felt that they were lacking support for themselves and their disabled daughter, Olivia, and were worried about the impact of cuts on the limited service provision they already used. One of the forms of support they value most highly is provided by a charity subsidised through corporate investment. The support, although limited, has made a big difference to Olivia's development

and how the family communicates, especially since all the family have started to learn Makaton, a simple signing language. However, it is unclear how much longer the funding is going to be available and both parents worry about what this will mean for Olivia and the family as a whole, as Ellie feels home life has eased considerably since Olivia has been going to the charity. However, Ellie also feels that the charity provides "all the things that the occupational therapist should be doing" and is frustrated how difficult it has been in the last year to either book an appointment or see an occupational therapist. Again, she puts this down to the cuts to local services.

Support in and through work

Work and supportive employers can make a significant difference to family life, particularly in times of heightened job insecurity that come with conditions of austerity²⁶ as being in a bad job – characterised by lack of variety, autonomy, security, good workplace relationships and proportionate financial rewards²⁷ – may result in having lower wellbeing than not being in work.²⁸

Supportive managers

The fact that Malcolm Peacock was able to renegotiate his hours to better support his family was partly the result of having a sympathetic line manager. Research suggests that supportive colleagues, specifically line managers, can have a significant impact on family life and may make the difference between someone remaining in work and leaving altogether or moving to a different job.²⁹ One of the things Malcolm and Lynsey appreciate about his workplace is that his immediate manager has been generally understanding of their situation. He knows of Carl's disability and Lynsey's health problems and has given Malcolm time off in the past so he can look after Lynsey. The family know that not everyone has this kind of treatment in the workplace, so Malcolm feels a certain loyalty to his employers and especially his manager:

His boss was the one who told him that if he got his level 3 then his job would be safe... He's actually very good to Malcolm... he made sure he can do weekends. (Lynsey Peacock)

In contrast to Malcolm, Salim could not imagine being able to renegotiate his hours with a line manager he suspects purposefully tries to give him difficult and inconvenient shifts. This problem became particularly pronounced after he had become a "floater" without a permanent site or stable work hours. Around this time, an acquaintance at work suggested that he might join a union. To have someone looking out for him at work as well as the support from the union gave him more confidence and he credited joining the union with receiving his contract through the mail (albeit two months later than promised):

It made me feel better to have someone on my side... If things get worse I'll ring them. They've got my back and I'm not alone. (Salim Akhtar)

Supportive management was also important for working mothers. In contrast to Rachel Samuel's understanding employer, Emily Morton's employer did not appreciate even the mention of childcare. The family currently rely on Emily's mother and sister to look after her daughter, Tammy, but Emily is unsure how much longer the support from her sister is going to be available as her brother-in-law would prefer that his wife didn't have to look after Tammy as well as their own child. Emily felt guilty about asking other family members for help but knows that her employer won't understand or accommodate her. This casts further doubt on Emily's future work status and the living standards of the family, as they are so reliant on Emily's earnings:

They don't like it when you say you can't get childcare... They have other mums too and they moan about them. (Emily Morton)

Opportunities for progression at work

Whether families have enough income via pay or enough financial resilience to see them through difficult times is often a function of available human capital – skills, qualifications, experience and health.³⁰ We have already seen the impact that a supportive employer can have on the time available to families but organisations and companies are often the route through which employees build their human capital. Human capital is clearly important in

providing opportunities for progression for families and a strength of the ethnographic approach taken in this work was that it was possible to investigate the extent to which human capital acted as a buffer to financial instability.

Geoff Clarke was made redundant from his old IT job in June 2012. He had been studying for an Open University technology degree since 2009 and found this helped him get interviews and a job with better pay and working hours very soon after his redundancy. His redundancy payment and confidence in finding another job allowed the family to move house, which had a pronounced positive effect on family life.

Most of the other families in the study do not have this kind of position in the labour market and a feature of the lives of those in lower paid, lower skilled roles is the lack of opportunity for genuine progression. This is consistent with research that suggests the UK workforce contains a long tail of people who lack basic skills needed to progress,³¹ which is in turn a major barrier to economic growth.

Salim Akhtar left school at 17 and has worked for the same company for 12 years. In this time he had been offered one promotion with a negligible pay increase for a significant increase in responsibility and hours. Malcolm Peacock experienced something similar when he was offered a promotion but found that it was a 'sideways' move rather than a genuine step up.

Just having confidence or knowing what to do when finding a new role also made a difference to some of the families in this study. Mark Williams lacked self-confidence in his skills and ability to find a new job, but did know how to construct a CV and eventually found a better paid and more convenient job after a recruitment consultant saw his CV on a job search website. In contrast, Salim talked all year about trying to find a better job and sorting out his CV, but was unsure how to write a CV and his existing one was over 10 years old. Quite apart from not having many obvious better employment options available to him he wasn't sure how to go about searching for a job and relied on word of mouth via friends and family, which did not prove a productive strategy.³²

The opportunity to study or train and to develop new skills can have a beneficial impact on the participating individual, which is often transmitted to the rest of the family. The experiences of those parents taking part in learning and development is consistent with research that suggests that adult learning increases life satisfaction, optimism and efficacy,³³ particularly when it is a personal choice and goal.³⁴

Geoff Clarke's course was not only intellectually stimulating but also helped him cope with his often stressful previous job thanks to the boost it gave his confidence and self-esteem, and it offered an outlet and respite from the demands of his hectic home life too. Further, it was because of his Open University qualification that he was able to get a better paid job with hours (8am – 4pm) more compatible with his caring responsibilities:

Geoff finishing earlier really helps.
(Ellie Clarke)

Being able to train for an occupational therapy qualification significantly improved Marion Williams' emotional wellbeing and gave her hope that in the future she would be able to get a better paid and more fulfilling job. This had a positive impact on her relationship with her husband and helped her cope better with the demands of looking after her young child, again as it gave her some respite and an alternative focus.

Even where gaining qualifications does not result in an obvious progression in employment, as with Malcolm Peacock and Sarah Lewis, just being able to complete a qualification resulted in many of the positive effects Geoff experienced as well as making individuals feel more secure in their jobs. Conversely, for those without these opportunities, it can seem as if there is no obvious way to improve family circumstances, which increases their sense of being trapped.

A lack of support for second earners

Human capital, and skills in particular, were also a barrier for actual or aspiring second earners. Ideally, Emily Morton wanted to work in a different sector, doing something that pays better and has more of a career path – but she needs financial assistance if she is to train and doesn't think that it would be possible to find childcare for Tammy anyway:

Now that I have a child I want to do something good with my life... be a nursery nurse, or a teacher, and now I want to [do] something different that pays better and has more of a career, [but] there's no help for me to train and no childcare.

Before pregnancy, Rima Akhtar wanted to become a teacher but Salim was sure that it could never be financially worthwhile. Not only was there the initial cost of training and potential logistical and financial problems of finding childcare for their four girls, but Salim was also concerned about the impact that Rima working would have on their tax credits.

Without significantly more support, aspiring second earners, like Rima, and second earners who would like to move beyond low skill, low pay employment, like Emily, simply don't have the support in place to realise their hopes. Sufficient support is likely to involve some combination of support through formal service provision and financial assistance or informal support through friends and family, or more likely both. Perhaps unsurprisingly, childcare is once again a vital component of the necessary support for facilitating and realising the aspirations of second earners.

Environment

Environment can be understood to comprise the immediate environment of the home that families live in as well as the external environment or local area in which families are situated. Environment as a resource or form of capital can be understood to comprise aspects of both home and local area, which in turn clearly interact with the money, time and support available to families.

Homes that are affordable, spacious and in decent condition can provide a solid foundation that positively impacts the financial and emotional life of the people who live in them. Conversely, expensive, cramped and poor quality accommodation can create a recipe for financial fragility and poor emotional and psychological wellbeing. Local areas and the environment in which families are situated mediate the quality of family life to a large extent. At a very basic level, it matters to families that they can access the things they value – support networks, vital institutions like work and school, as well as opportunities for time together – relatively easily. A lack of access to these things impacts on the connectedness of families, which not only affects wellbeing – especially feelings of isolation¹ – but also families' ability to draw on the resources at their disposal.

Homes that families can afford without worrying

While housing, or “physical capital”² may be used to generate income it may also be a drain on income. In fact, housing costs have been shown to constitute perhaps the most important and most direct impact of housing on poverty and material deprivation.³ Further, while housing costs may be a drain on income they may also affect wellbeing. A number of studies suggest the positive health effects of owner-occupation compared with renting,⁴ but home buyers who choose or are forced to be pre-occupied with the financial aspects of housing tend to “cluster disproportionately towards the bottom of the well-being scale”⁵.

The families in our study lived in a range of tenure types, with five families owner occupiers, three in the private rented sector, two in the social rented sector and one in temporary accommodation.

Housing costs were often substantial but many received assistance either through Housing Benefit or Local Housing Allowance. Those with mortgages tended to have to deal with the greatest financial burden although some found that owning their own home and the security and control they believed that brought was worth the cost. Emily and Gary Morton were also very grateful that they were able to buy because the options they initially looked at in the private rented sector were “disgusting” and unsuitable for a family:

If I were sat here now in a council flat I'd be nowhere near as happy... [Here] we can do what we want. (Gary Morton)

However, owning property was by no means a recipe for happiness. Salim Akhtar was in some ways glad to own his place, but his mortgage was around half of his take home pay, which, even by the Mayor of London's standard definition, is “extremely unaffordable”.⁶ The mortgage dominates Salim's thinking and his entire financial strategy is aimed at paying off as much of it as he can before the product expires in 2017. Therefore money which might be spent on other things is almost always directed towards making the mortgage payment, and Salim is constantly anxious about being able to make the payments – particularly since his income dropped. In retrospect, he wishes that the family had been able to move into a council property, but, when they looked five years ago, there were none suitable. As they couldn't live with his parents anymore, nor find anything suitable in the private rented sector, they felt obliged to buy.

The sentiment that families would be better off in council housing was not uncommon. While the Peacock family love their home, Malcolm worries constantly about paying the mortgage alongside their debt repayments. Indeed, he is sceptical of the security that home ownership actually brings, not least because he's had to remortgage in the past and the ability of the family to meet their relatively modest mortgage costs is contingent on their interest-rate-related debt repayment. He therefore thinks the family would be better off in a council place if they could get one:

It's hell to be an owner but at least with a mortgage there is some security... Although I don't really feel that secure because it's down to the mortgage and interest rates.
(Malcolm Peacock)

Those in receipt of Housing Benefit or Local Housing Allowance were never comfortable. Both Joanne Taylor and Martin Young experienced reductions in the amount of Local Housing Allowance they received in 2012. While the Youngs didn't much notice the reduction because Martin moved into work at the same time, Joanne ended up with a rent shortfall of £170pm on top of existing arrears. This was the point at which she had to ask her son for more in board, which triggered a deterioration in their relationship. It also marked the start of and a downturn in the family's living standards as to save money they had the landline removed, cancelled the TV subscription and found it increasingly hard to buy good quality food. Around Christmas, Joanne's landlord agreed that she could pay less rent in order to meet her other outgoings, but it is not clear for how long her landlord will be this understanding.

The importance of space and condition for time together and apart

The house isn't big enough. They're falling over each other just to be able to sit down. These two fight like cat and dog, and that's another space issue. (Kerry Brown)

The Minimum Income Standard specification in most cases assumes that for a house to be of a sufficient size for a family there needs to be one bedroom per child⁷ and suggests that bedroom space is the key priority in determining whether or not a home is suitable. However, it may also be the case that available shared space in conjunction with the number of bedrooms is a better gauge of whether a property is suitable for a family than number of bedrooms alone.⁸ Homes lacking space have been linked to educational underachievement, relational

tension and depression.⁹ Further, when families lack space in which they can spend time with one another then relationships can suffer and bonds weaken.¹⁰

The family that best demonstrated the positive impact of having sufficient space available was the Youngs. Their "lovely" four-bedroom house is in good condition and the rent is fair and affordable; above all, they appreciate how spacious it is. The house not only has a small garden but "the girls have their own bedrooms", there's a dining area where the family eats together almost every day and enough space in the living room so that they can all play Wii Dance together at the same time. These features are all noted in a research report by the Royal Institute of British Architects as being required and expected by people in the UK in the twenty-first century.¹¹ Indeed the only thing that might have improved the housing situation for Martin Young was a little more security of tenure. He suggested that he would "love to have a lease for five years" rather than the rolling six-month agreement the family are currently on.

Although the Stanton family lived in social rented accommodation their situation was very similar to that of the Youngs in that they had access to green space and their rent was affordable, but again having sufficient space was deemed to be a vital component of suitable accommodation:

If I won the lottery I would probably end up living in a place very similar to what I'm living in now... It gives us the space to escape from each other.... Now that the older two are much older they need privacy. They can close the door and it's their space. (Bridget Stanton)

The importance of space for privacy was something that families often mentioned, but, interestingly, some prioritised having an extra living room over extra bedroom space. The Akhtars only use two bedrooms in their house with the two youngest daughters usually sleeping in their parents' room and the two eldest in the room next door. Despite this, Salim's preference was for an extra family room as the girls currently tend to congregate in the one front room. This makes it difficult for the parents to get any sort of respite from the kids, which can be a cause of tension for Salim. When

Salim's stressed he "doesn't want anyone to be near me" but with the amount of space in their home there is "nowhere to hide", so he sometimes loses his temper. With another room he thinks the girls could play together and the adults would have somewhere "to relax and talk to friends."

An extra room certainly made a difference to the quality of life of the Peacocks. The family used part of the DLA back payment they received to make their conservatory into an additional family room, something they believed to be more valuable to the family as a whole although they would have also liked to be able to give their two sons separate bedrooms:

It's definitely added to our family relationship having the conservatory as an extra family room. The extra space makes a big difference; it takes the stress out of things... Four of us in one place is chaos. (Lynsey Peacock)

The condition of the families' homes was also an important aspect of family life – unsurprisingly so given that homes in poor condition have been linked to depression, distress and physical illness.¹² Damp of varying degrees of severity was a common and unwelcome phenomenon in several homes, as were other problems including rats, cockroaches, dangerous and faulty heaters, and a garden that flooded with sewage. Having to deal with these issues naturally had an impact on family life, but it was the ability to deal with these things at all which impacted on the sense of control families had. It was one thing for a home to be in poor condition, but another not to be able to do anything about it, either because it cost too much or the landlord or local authority wasn't responsive.

Those in the private rented sector, like the Clarkes, found that control over these issues depended on the responsiveness of the landlord. Despite complaining to the landlord and even the environmental health team at their local authority their damp problems were not dealt with. This left them in a difficult situation: while they were worried about their daughters' health, they did not know what avenue to explore next and were wary about pushing their landlord too much.

Those in the social rented sector did not necessarily fare any better when attempting to deal with problems in the home. When Kerry Brown reported the numerous problems affecting her home, the local authority stated that because of budget cuts they lacked the funds to make necessary repairs. In contrast, Bridget Stanton loves the fact that her property is looked after by the local authority and sees it as a distinct advantage over owning, though this is clearly highly context specific:

I'm guaranteed that the property will be kept up to a very specific standard. That every five years they do their pre-planned maintenance so the property will be re-painted on the outside, the fences will be re-done. I had a new kitchen put in a few years ago. I had the new boiler. If I owned my own property I wouldn't be able to do that at all. (Bridget Stanton)

Sarah Lewis, who lived in temporary accommodation, probably found herself in the most difficult situation. In the winter months her boys tended to have ongoing chest problems, which their GP attributed to the severe damp in their flat. However, neither the housing association nor the landlord was responsive to Sarah's requests for improvement and each suggested the other was responsible. To try and remedy the problem, Sarah left the heating on constantly, though this was an additional expense she could have done without. Later a surveyor told Sarah that her flat wasn't suitable for her family but "the council wouldn't want to say it isn't good enough because then they couldn't move someone else in". Throughout the year Sarah felt powerless to do anything about her housing situation and was desperate to move to somewhere more permanent, stable and "somewhere I can call home".

In my last place, I was happy and the day I moved here I knew I wouldn't be happy the whole time I lived here. I hate this house so much, it really depresses me... (Sarah Lewis)

Being able to access what matters

The advantages of living in a suitable home can be increased by being located near to the things that matter to families, especially school, work, things to do and support networks. Whether families have convenient access to these things impacts on money, time and quality of support available to them. Further, a lack of access to these things can have a pronounced impact on wellbeing and lead to feelings of isolation.¹³

Reduced assistance to help meet the costs of travelling to school

The importance of proximity to educational institutions is implicitly recognised in the way that the Department for Transport measures satisfaction with local areas – three of the eight key services are primary schools, secondary schools and further education institutions.¹⁴ Being able to access services such as nurseries, schools and colleges may become harder under conditions of austerity especially for those on lower incomes, if only because unless schools and colleges are within walking distance it costs money (and time) to get there – and families may be facing diminishing quantities of both.

In a number of cases, older children in the families in our study relied on buses to access their school or college. However, as has been well documented, a combination of rising fuel costs and cuts to government grants have caused bus fares to outstrip inflation¹⁵ and even where there was no obvious price rise in fares it was still sometimes difficult for those in our study to afford bus travel.

In a number of cases, older children either had used the Educational Maintenance Allowance (EMA) or its less generous replacement, the bursary fund, to pay for travelling to school or college. However, these older children found that the bursary fund

does not give recipients the financial back up they need, a view supported by others.¹⁶ Given the success the EMA had in improving staying-on rates and qualifications for students from poorer backgrounds, this has implications for long-term economic growth and in addressing the skills gap.¹⁷

Lack of financial support for the eldest son in the Taylor family, Bradley, which would have enabled him to stay in college to complete an apprenticeship, was a trigger for numerous other problems. As Bradley's course was three days a week he was considered part-time and so didn't qualify for support through the bursary. As a result, he could not afford the cost of travel so had to quit his course and get a factory job at the youth rate minimum wage. As in many other cases, one change to existing support can have a significant ripple effect. Because Bradley left education, his mother lost the Child Benefit and Child Tax Credit support she used to receive for him. Struggling financially, she was obliged to ask Bradley for board, which damaged their relationship. Her inability to afford to provide for Bradley and Helena was a source of considerable guilt and unhappiness for her.

Similarly, Liam Peacock said that he used to rely on his EMA to pay for his bus to college. He was able to deal with the reduction of his EMA because, like Bradley's sister Helena, he was already working. Even so, he hated having to use what he considered an over-priced and unreliable form of transport and was relieved – and more often on time for school and work – when he could start driving:

EMA helped so much... They have this bursary scheme now and it doesn't work at all... I used to get £30 and then £20 in my second year of sixth form... the cut to £20 had a really big impact and it was only because I started working that I didn't notice it.
(Liam Peacock)

Getting to work

In making longer journeys to work households may incur larger costs in time and money, especially given the rising costs of fuel, and commuting has also been shown to affect wellbeing¹⁸ and relationships significantly. Those with longer commutes report systematically lower subjective wellbeing with some research suggesting that a person with a one hour commute has to earn 40 percent more money to be as satisfied with life than someone who walks to the office.¹⁹ Further, length of commute can put significant pressure on relationships. A commute of longer than 45 minutes for just one partner in a marriage may make the couple significantly more likely to divorce.²⁰

Families often took measures to deal with the costs of having to drive to work. Both Martin Young and Mark Williams started to car pool with colleagues in order to cut back on petrol costs, although Martin's arrangement was relatively short-lived as his friend was laid off after a few months.

Malcolm Peacock's renegotiation of his hours – so that he worked over the weekends – not only meant he was able to spend more time with the family during the week but also left him with just the return journey to make to his workplace per week. This helped to reduce the anxiety he feels about not only the costs of petrol but also general wear and tear on the car and "keeping the car on the road". In many ways, the Akhtars' situation is the opposite. The cuts at Salim's work place resulted in him working further away from home. It may be no coincidence that since then he has had more car problems, additional money worries, a longer commute and less time to relax and spend with his children, all of which has contributed to extremely low subjective wellbeing.

In contrast, when Mark Williams moved into his new job he was close enough to be able to cycle to work. Not only did he enjoy this much more than having to drive, but he was able to save money and be home earlier. This was particularly important for Marion because she missed Mark's support with their young son when he was in his old job. Their relationship improved a lot as a result, and Mark appreciated being able to spend more time with his son.

Green spaces

Access to a green space has been shown to lessen stress, refocus attention²¹ and generally have a wide range of benefits for health and wellbeing,²² and in the absence of a garden and in urban locations, safe outdoor space is thought to be especially valuable for families with children.²³ Work with families suggests that when parents are asked what changes they would make to their neighbourhoods a common answer was in the provision of facilities for children as well as organised activities. For the families in the study, access to suitable green space provided opportunity for getting out of the house and facilitated unpressured, quality time together.²⁴

The Peacocks were grateful to be surrounded by green space and to have somewhere for Carl to play nearby with his friends, particularly as their garden isn't very big. When Lynsey picks up Carl from school they often go back via the park in the summer or an area that's good for sledging when there's snow in the winter. In fact, the only thing Lynsey would change would be for their local park to be supervised, so she doesn't always have to be with Carl when he's out of the house. In contrast, the Akhtars don't have immediate access to any suitable green space. Salim said that as there is "nothing close... within walking distance" it is difficult for him to do anything with his four daughters. As the eldest daughter puts it, "we do the same thing every day... that's all we do", something that Salim corroborates:

*We're always in the house really... the only place they go is my parents' house.
(Salim Akhtar)*

As a result, the four Akhtar daughters tend to get bored very quickly as their options for entertainment in the house are limited, especially after their laptop broke and was too expensive to replace. This lack of opportunities for recreation can create conflict, which in turn exacerbates the problems they have with limited space.

Social and sports clubs

Another valued outlet for some families, in terms of going out and spending time together, was social and sports clubs. The Youngs value their proximity and access to the local social club. The club offers an affordable (cheap drinks), accessible (in the village) and safe environment to relax away from their house. Furthermore, there's a youth club attached to the main social club which Jade, their 13-year-old daughter, particularly appreciates because she can hang out with her friends and meet new people.

In contrast, Adele Stanton gets very bored in the summer holidays. While there is a social club in the area, she thinks it's on the "worst estate in England" and so doesn't want to go there. As a result, Adele really misses school in the summer holidays as it tends to be the place she gets opportunities for recreation and taking part in things she enjoys:

Things like the talent competition. I wouldn't usually do those things, it's quite good to do that. (Adele Stanton)

Without very much to do in the holidays, Adele looks after her youngest brother a lot. She doesn't mind as she wants to help her mother out, not least because she recognises that they all get on better when Bridget is less stressed, but she finds her childcare responsibilities pretty stressful and would rather she didn't have to do it.

Marion and Mark Williams are both avid rugby fans, and spend much of their spare time at the local rugby club. Although they have to pay a small membership fee the drinks are cheap in compensation. Visiting the club also provides a chance to get out of the house, get exercise, relax and spend time with each other and their friends. Overall they think it's a "worthwhile... healthy and social way to spend our time" but the locality of the club is key.

Putting down roots – belonging, access and isolation

As we have already suggested, access to support networks was crucial for the families in our study and integration and belonging to a community helped them build strong support networks. Once again, transport and cars were vital in facilitating this connectedness.

When Bridget Stanton found herself with less regular work she started having to ration her car use and couldn't take her children out as frequently as before, thus cutting down the family's opportunities for leisure activities and making her unable to spend as much time as she would have liked with her closest friends, whose support she valued:

I had to be very specific with my mileage. I knew I could do say three trips to the nursery, one trip to the supermarket and one trip to my mum's in a week. So there's none of this "Come on kids, let's hop in the car and visit so and so". (Bridget Stanton)

Joanne Taylor found herself in a similar situation after she sold her car to help pay for the costs of a new baby in autumn 2011. Without the car she had to rely on the increasingly expensive and unreliable bus service to see her mother – her only source of practical and emotional support. Not only did she feel more isolated but she found that she ended up having to pay a premium for food too. Getting to the supermarket took a long time by bus so sometimes she went to the local shop to buy food, which was noticeably more expensive.

Although the Peacocks often use their car it's not nearly as important in facilitating social and support connections as for other families because friends, family, schools and services are all within walking distance. Lynsey regularly sees her parents, who live around the corner and help her out by looking after Carl, and many of her "fantastic" friends also live nearby:

I have lovely family and friends... I don't ever feel I'm alone... You should prize friends and family above anything else. (Lynsey Peacock)

The Peacocks are truly embedded in their community, partly as a result of having grown up in the area – Lynsey even attended the same primary school as her boys and one of her teachers is still there. This sense of belonging and community is a great source of comfort, helping to compensate for what might otherwise be shortcomings of family life:

It doesn't bother us we live in this tiny house because this is home. Because we feel happy in our area and community, we don't feel the need to move on... I see staying in the same area... as continuity and a thread that runs through family life... that feeling of belonging is a steady influence. (Lynsey Peacock)

In stark contrast, the Akhtars are somewhat isolated from support and feel no sense of belonging to their neighbourhood or area. Given the choice, they would live closer to Salim's parents. Moreover, Rima's elderly parents live in Pakistan and her closest source of emotional support – her sister – lives in Bradford and only visits a few times a year. Rima, therefore, feels isolated and has run up a number of very large phone bills speaking to her family, which have been a source of some tension between her and Salim. Furthermore, they have had problems with a neighbour of theirs. He has acted threateningly towards Salim and the family, racially abusing them:

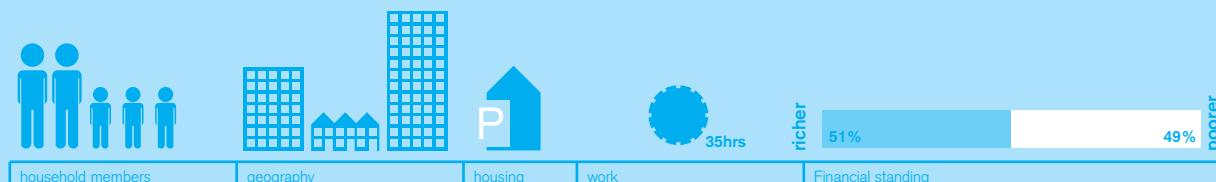
*It's not nice to live in fear in your own house.
(Salim Akhtar)*

Sarah Lewis was relatively well connected to her support networks and her local area having grown up there and being able to drive. While she was desperate to move she knows that it's likely she'll be moved into temporary accommodation again and that her new place could be in a different area, away from her family, her work, the nursery her two boys attend and the primary school she has applied to for her eldest son. Such a move, therefore, could be highly destabilising for family life. Further, her lack of control over the situation is particularly hard for her and a great source of stress and worry:

The whole temporary accommodation issue is a struggle in itself. I can't plan or relax. (Sarah Lewis)

The Families

The Clarkes



Ellie and Geoff live with their three children, Olivia, Charlotte and Chloe, in a privately rented three-bedroom house in London. Geoff works full-time as a desktop support engineer while Ellie cares for their children, in particular, Olivia who has multiple health problems, including Down syndrome and autism. Although Geoff was made redundant in the summer, he managed to get a new job quite soon afterwards and the money from the redundancy allowed them to move into their current place, which benefited everyone in the family. These changes happened against a backdrop of high levels of personal debt, which left them lacking in financial resilience and declining levels of service provision.

February – a new arrival

February saw the arrival of Chloe but marked the start of financial difficulties for the family. As a result of paternity leave, Geoff's wages were reduced by £250, a shortfall which was compounded by a Local Housing Allowance overpayment, the rising cost of living, and unexpected bills.

The family made efforts to cut back – shopping online to help them budget – but there were only so many savings they could make. The children's health problems meant they had to buy expensive supplements, ones which used to be provided free of charge: "There's just no funding for anything – everything is just an advice service nowadays." Further, with half the family's incomings going on rent, and a further £360 on debt repayments, the family lacked a "buffer for unexpected bills".

The arrival of Chloe also reinforced the division of labour in the home. Ellie "never intended to be a stay

at home mum" but the precarious nature of Olivia's health, coupled with an unsympathetic employer, meant that, reluctantly, she gave up her job in 2007. Now, the high cost and inflexibility of childcare makes finding work difficult, particularly when Olivia's complex care needs are taken into account. Despite these challenges, Ellie is keen to find work one day as she thinks a job would help improve her wellbeing and ensure she "holds onto her sanity for a bit longer".

March and April – Work-related stress

Geoff's employment situation and, in turn, his health began to deteriorate. He was already feeling under-appreciated, when rumours about impending redundancies began to circulate. He was subsequently treated for stress by his GP, which culminated in him being signed off for two weeks – a period that was immediately followed by a scheduled operation. This meant that Ellie, who herself was unwell, was having to look after the whole family single-handedly.

At less than full strength they began to feel the effects of being socially isolated. With friends and family living some distance away, the two hours respite care they received each week was invaluable, but nowhere near enough to help them fully recuperate and manage the demands of their busy household. Further, while friends offered to come over and help with their caring responsibilities, both Ellie and Geoff felt unable to accept due to the challenges posed by Olivia – "they do offer, but our friends just wouldn't know what to do".

Being at home all the time, they also acutely felt the deficiencies of their accommodation. Not only was the house too small and had faulty wiring but the severe damp worsened the children's respiratory problems. Not surprisingly, this was a very stressful time, which left them keen to make significant changes.

June – Geoff is made redundant

June proved to be pivotal. Their worries about the fragility of Geoff's job were realised when he was made redundant. While financial concerns were paramount, this marked the beginning of a happy two months for the family. With Geoff off work, Ellie was able to share the burden of her caring responsibilities while Geoff was able to spend more time with the children, and had the opportunity to "see Chloe growing up that I didn't get with the other two". This extra time together was valued by the family; though many activities were simply too expensive for them to do, they still enjoyed a day out at the Paralympics, which they hoped would inspire the children – particularly Olivia.

July – The family moves home

Gambling on Geoff finding work quickly, they used his redundancy payment to put down a deposit on a rented house nearby, a move that would otherwise have been prohibitively expensive. Even with the deposit money, though, they found few landlords willing to take on benefit claimants which meant, in reality, they lacked choice about where to live.

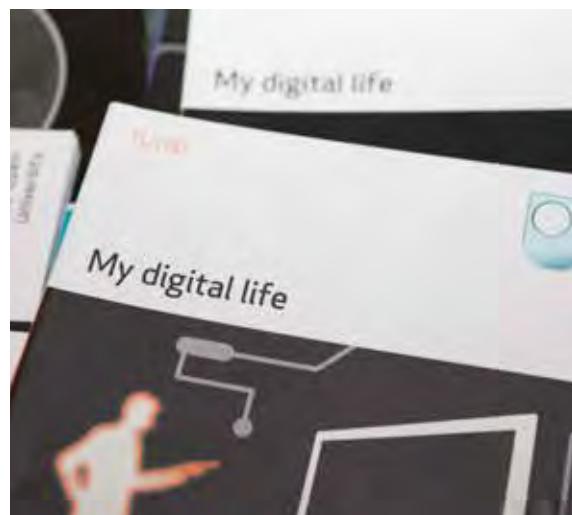
The three bedroom house they eventually found was a significant improvement on their previous home. Not only was it more spacious, it was also located close enough for them to continue using the services they most relied on, like Olivia's SEN school. It also enabled Charlotte to start attending a better nursery, something Ellie and Geoff hoped would help her progress educationally.

However, located on a busy main road, the house poses safety problems and means that they can no longer park their car, purchased with a Motability

grant, outside their home. This makes getting out and about more difficult, particularly when Olivia is using her wheelchair. Further, as it is rented they cannot make the necessary adaptations to address Olivia's needs, like installing a wet room downstairs. They hope to eventually move into the Social Rented Sector but in spite of being a priority case have been told they have a waiting time of over five years.

August – Geoff gets a new job

Geoff and Ellie's gamble about using his redundancy money to move house paid off. He was successful in getting the first job he applied for; a desktop



support engineer for a public sector organisation. This made the effort he had put into his technology degree, which he studied for at home via the Open University, worthwhile. The job came with a small pay rise and the peace of mind that comes with the increased job security thought to accompany public sector roles. His hours (8am – 4pm along with one weekend in three on call) also enable him to get home in time to help Ellie with caring – "Geoff finishing earlier really helps". For Ellie, however, while Geoff's job brought financial stability it also meant a return to the status quo and a temporary end to her thoughts about finding work.

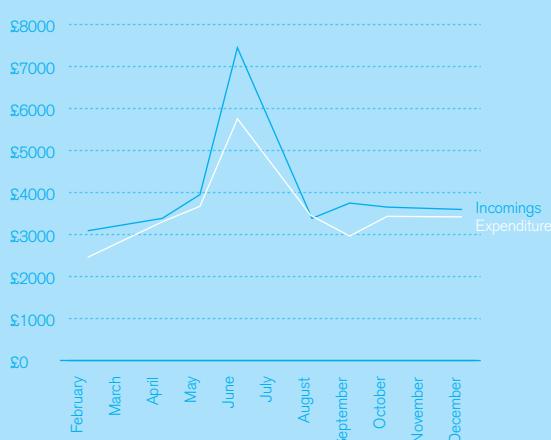
Into 2013

The family start 2013 in better shape than they did 2012 and are looking forward hopefully – “I’m more optimistic that things are changing”. At face value, the family are not constrained financially; Ellie stated that “having seen what comes in, we shouldn’t be scrimping at the end of the month”. Further, while not perfect, their new home means that they’re “not living in such crowded conditions” yet still close enough to the amenities they rely on. Their new home, however, doesn’t feature in their long-term plans for their family. They are keen to move into social housing believing that they would “be a bit safer if anything happened job wise and we would be financially better off too”. With a five year waiting

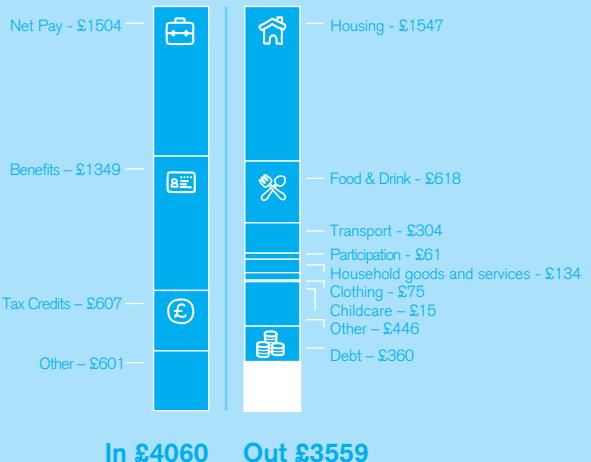
list, despite them being a priority case, this move isn’t likely to happen any time soon.

In addition, they still face other considerable pressures, notably around the fact that they are “desperately struggling for time” and also lack a network of support. Ellie and Geoff see these two factors as intertwined and, when taken together, they mean that they “don’t have any choices”. This is compounded by a growing sense of injustice; to them, the cuts are disproportionate and a case of the government “punishing people who are working, making out benefits claimants are all skivers. The cuts aren’t fair, and they’re not equal – they don’t spread the problem.”

In 2012



In an average month



- June:** The family received Geoff's redundancy payment and used it to pay the large deposit they needed to move into their current place.
- August-December:** From August the family have to pay more in rent and their expenditure on food drops at the same time.

- Housing** includes a large rental payment of £1069, £621 of which is covered by Local Housing Allowance.
- Childcare** costs are low as Ellie is at home and cares for the children. She cites the high cost and inflexibility of childcare as factors that make caring preferable to finding paid employment and use of formal childcare.
- Other income** includes Geoff's redundancy payment and a lump sum inheritance payment.
- Transport** is high for a number of reasons: Geoff relies on public transport to get to and from work in central London every day; the family car is not fuel efficient; and they have had to buy a good deal of safety equipment for the car.
- Other outgoing** includes a lot of disability-related costs but also some savings. Geoff and Ellie put money into Child Trust Funds for the two eldest children and into a high street equivalent for Chloe, as the CTF had been abolished by the time she was born.

The Stantons



BrIDGET, a lone parent in her late 30s, lives with her three children, Ryan, Adele and Thomas. Bridget is self-employed and works part-time, when work is available, combining book-keeping with occasional hair-dressing and beauty appointments. Ryan left school at 16 and is taking an apprenticeship to become an electrician and plumber within his grandfather's business, which he hopes to take over some day. Adele is studying for her GCSEs and Thomas recently started school.

2012 has been a year of extremes for the Stantons, largely driven by the family's financial situation, a function of employment and debt. Bridget's move into more stable part-time work allowed her to deal more easily with the household's debt burden and make significant improvements to family life. When the work dried up and Bridget received notice of a tax credit overpayment, however, she and the family once again found themselves financially constrained.

February – Dealing with debt

Bridget has almost always been able to rely on her mother for financial support. However, when she encountered an unexpected problem with her car and had some bills she had to cover quickly in December 2010 and her mother couldn't help out, her poor credit rating meant she felt she had no option but to take out a high-interest door-step loan of £900 – "I had to do something and had to do it now, sod whether it was going to be 15,000 per cent interest."

When the car broke down again in 2011, Bridget's mother stepped in but, as a result, her formal and informal loan repayments came to over £400pcm – a third of the available household income. Struggling to manage, Bridget turned to a debt management company. They took a significant cut of the repayment amount, negotiated lower monthly payments and dealt directly with the loan provider, which Bridget appreciated.

While this put Bridget more in control of her finances, she still noticed the pressure of rising living costs and reduced any non-essential spending to a minimum; cutting back on the amount and quality of food that she bought, substituting frozen for fresh food and making fewer car journeys:

Everything was about the debts... when the bills going out are more than you've got coming in, you think "how the hell am I going to pay for food, for gas and electricity?" It's like juggling 15 balls in the air and trying to get them all to stay up.



March – The impact on family relations

Bridget's financial difficulties had a marked physical and psychological impact, affecting her ability to sleep and her health as she developed a number of stress-related conditions. A combination of the pressure of having to pay some unexpected bills as well as being concerned about Ryan's physical and mental health acted as the trigger for "an all-time low" and family relationships suffered accordingly.

This tension was exacerbated by the fact that she couldn't give much attention or time to either Ryan or Adele with her youngest son, Thomas, needing a lot of looking after and no one else around to provide this except, on the occasional weekend, his dad:

Really stressed, really awful. I took it out on the kids, I know I did... they would come in and I would literally be ready to pounce, rip their heads off... they would come home from school wondering what they had done... I had to have someone to yell at and unfortunately it was the kids.

April – The impact of increased earnings

Bridget's sister offered her 15 hours of book-keeping work a week to supplement the hairdressing work she already did. This enabled her to move off Income Support and to claim Tax Credits instead which, along with her increased earnings, meant on average an extra £600pm.

The extra money was used to buy better food and to pay for recreational activities. It also benefited Bridget personally; she felt she no longer had to worry about money all the time and enjoyed her work with the result that, by July, the stress-related illnesses she had suffered from cleared up. In turn, the atmosphere in the family home became much more relaxed and Bridget also found that her relationships with her mother and sister improved as they stopped "harassing" her about her financial affairs. Bridget and her oldest son, Ryan, even

started to go to the gym together; an indication of how much family relationships had altered in a short space of time:

The kids see that I'm happier, not stressed, not worried about money and more outgoing... there are hardly any arguments now.

That she worked flexible hours for an understanding employer meant Bridget could take full advantage of the 15 hours of 'free early learning' available to 3-4 year olds. However, to enable Bridget to have a social life – to "spend time with people who are not my kids, to have an adult conversation" – it was necessary for Adele, and occasionally Ryan, to regularly step in and look after their younger brother.

November – A tax credits overpayment

In November, Bridget was informed by HMRC that she had received a tax credits overpayment. As a result, her payments decreased by £40pw while, at the same time, she had to pay another £40pw to get down the debt. Finding the money for this was difficult as the work she was doing for her sister dried up and she was no longer receiving Child Benefit for Ryan. With the family struggling again, Bridget implemented the cost saving measures she had tried and tested earlier in the year and also had to use Ryan's Christmas present to her, of £40, to pay the bills.

In spite of their financial difficulties, Bridget did not succumb to stress-related health problems. Key to her coping was the practical and emotional support she received from her friend Niamh:

This particular week I only had £35 to spend on food. I was panicking... Niamh wrote me a shopping list and a menu for the entire week... £32.30 it came to. She offers me the same emotional support as my parents and sister but she'll find a quick short-term solution to stop me from freaking out.

Into 2013

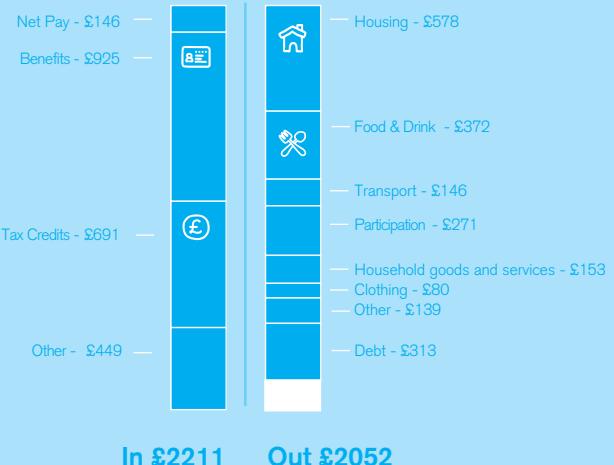
The prospects for 2013 hinge on Bridget's work situation and, if she could wave a magic wand, it is this aspect of her life that she would change. The status of work from her sister remains unclear and though she is keen to find regular employment she is uncertain about whether she will be able to combine this with her caring responsibilities, especially given the competitive job market. This is exacerbated by the high cost of childcare and the fact that she doesn't want to ask Adele to take up the slack.

Another priority for the year ahead is to spend more time with both Adele and Ryan. While Thomas demands a lot of time and attention, Bridget wants to be able to devote herself equally to each of her children, mindful of the beneficial impact on family relationships this can bring. Now that Thomas' dad is more able to share the responsibility of caring for him, it is likely that Bridget will be in a better position to achieve this in the year ahead.

In 2012



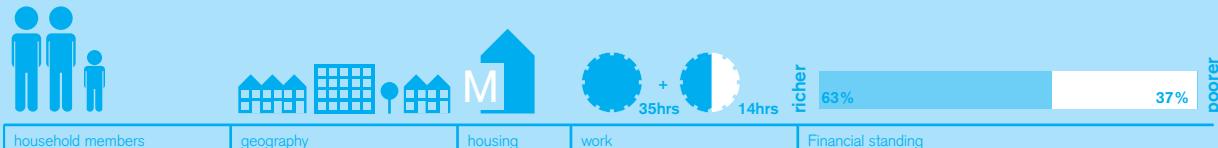
In an average month



- April:** Bridget gave her mum a larger than usual repayment on an informal loan, as she knew that she would have more work from May.
- May:** Bridget moved into more regular work and started to receive Child Tax Credit and Working Tax Credit. The extra money was mainly used to buy better food and to pay for recreational activities.
- August:** Bridget broke her wrist and was unable to work for several weeks.
- November:** Bridget found some work and received a gift of £350 from her mum, which went towards Christmas presents for the family and Thomas' birthday party.
- December:** Bridget started making repayments on the tax credit overpayment she had received, which meant a reduced amount in tax credits.

- Housing** costs are predominantly covered by housing and council tax benefit of £409 combined.
- Childcare** for Thomas comprises of informal care by his siblings, and, before he began school in September, the use of the fifteen hours of 'free early learning' available to 3-4 year olds.
- Tax credits** are a hugely important component of family income but the family didn't start to receive them until May and they were reduced again in December.
- Debt** is a key outgoing for the family. Bridget makes regular repayments to her mum and to her debt management company.
- Other incomings** are mainly a combination of regular family assistance, typically from Bridget's mother, child maintenance payments from the children's fathers and the board Ryan pays to Bridget.

The Mortons



Gary and Emily are married and live just outside Birmingham with their young daughter, Tammy. Gary works long hours as a chef in the city, commuting in each day by bus. Emily works part-time in a local pub, a role she combines with caring for Tammy. In 2011, their lives saw a lot of changes: they bought a house, moved in together, Tammy was born and they got married. 2012 therefore saw them coping with the financial and practical challenges that their new lives brought them. Indeed, Emily reflected that "a lot happened in 2011, and now we're paying for it".

During the year, these challenges were compounded by the loss of their tax credits entitlement – but, just as importantly, the year also brought the happiness of their daughter becoming less demanding to care for and more enjoyable company: "it's been a pleasure to watch Tammy growing up this year... we've seen her change every day".

2011 – a year of big changes

Emily and Gary began 2011 by buying a house. Given their incomes, the first sector they looked to was social housing. However, they assumed they would be a low priority for the council so investigated renting, but found that the homes they could afford were "disgusting" and often unsuitable for a family. Luckily, through a family contact, they discovered they would be eligible for a mortgage so



pursued this instead. They felt that owning their own home would bring them security in the long-term and greater control over their surroundings:

If I were sat here now in a council flat I'd be nowhere near as happy... [here] we can do what we want.

Tammy arrived soon after they started paying the mortgage and the family's financial situation was further constrained when Emily moved from maternity pay to the statutory minimum. Consequently, they consolidated some older debts in June and also borrowed some money to pay for their wedding in September.

January – dealing with debt and tight finances

The start of 2012 saw Emily and Gary dealing with the effects of the financial decisions they had made the year before. The monthly cost of paying their mortgage, loan repayment and regular utility bills typically swallowed up most of Gary's wage. As Emily had just returned to part-time work, the family were left living off her income. They were acutely aware of their precarious financial situation with Gary observing that "our standard of living depends on Emily's wage". Emily also noted the pressure on Gary: "it's hard for him; he works really hard and he doesn't see any of his wages".

This prompted them to reflect that, were they to have their time again, they might have tried harder to avoid the debt they accrued for their wedding. However, for this to have been the case, they would have needed appropriate advice at the time:

We probably shouldn't have got married in the way that we did... it turned into a big affair once we got the loan. I wish we'd had more advice on spending for the wedding.

In spite of these pressures, there were some household expenses they were unwilling to compromise on; making good quality meals for Tammy was one example:

We just can't afford luxuries like proper meals... Cooking for a family is really expensive; it has to all go further... But Tammy is my main priority on the food shop... you'd feel quite guilty feeding her rubbish food.

Emily's car was another priority as, without it, she would be unable to see her family – a key source of support – or go to work. However, the rising cost of petrol was a continual concern. Along with irregular expenses such as insurance and regular costly repairs, it meant that they felt that "every time either [of us] gets a pay rise, something else goes wrong... and we just can't catch a break".

April – enjoying holidays and time at home

Spring was a happy time for the family – they had planned holidays together to Cornwall and Euro Disney with other close family members, although Emily had to borrow money from her sister to help pay for these. Emily also changed her role at the pub where she worked, moving from working behind the bar to waitressing in the restaurant. This meant she was able to earn tips, giving the family more disposable income and an opportunity to spend some money on improving their home for their child – and their growing collection of pets – to enjoy:

Emily is pretty much earning double now... we used it to do the garden... it would be nice if Tammy could go outside and play there in the summer.

July – Gary turns down a job offer

Gary, who had been looking for a new job since the start of the year, was offered the role of head chef in a small restaurant start-up in July. It was just what he wanted to do, and also came with more pay – but he felt it was too risky to accept:

If he didn't have a child and a mortgage he would have taken the job... we just have to be cautious... his wages are the biggest bulk of income we've got. If anything happened... we'd lose everything.

Gary was happy with the decision and his boss improved his role as a result of the offer which made him feel more respected at work. Nonetheless, his working life still presented major challenges: his long hours meant he was rarely at home, and he and Emily did not spend as much time together, and with Tammy, as they would have liked:

I feel like Gary really misses out on things... like putting [Tammy] to bed... and it would be nice to have a [regular] family dinner... I do feel a bit like a single mum sometimes.

August – tax credits income falls dramatically

At the end of August the family were informed by HMRC that their entitlement for tax credits had reduced from £118 per month to £50 per year. They also discovered that they had been overpaid by around £800 meaning that, in effect, their award dwindled to nothing. This was a shock, and necessitated them borrowing money from family members to pay for bills. They had used their tax credits to pay for toiletries and other essentials for their baby; finding enough money for these things within their new budget was now very hard to do. Suddenly any “extra money” became “needed money”. The episode made them both feel unhappy that they had become dependent on the tax credit payment, and that they had not been warned about this change:

When I renewed it, I thought nothing had changed... they could have given us some warning... I don't think they realise how much it affects a family by paying it and then taking it away... [tax credits] are just not very steady and I'd rather not have it.

Losing their award also made saving money for the future more of a concern. It also heightened their sense of unfairness about the abolition of the Child Trust Fund, something Emily's niece benefits from:

They shouldn't have cut it... it's not fair for the parents who can't save, for that to be there for their child is such a big thing... it's such a good start. I don't want Tammy to have nothing, and [her cousin] to have £1000 on her 18th birthday.

November – combining work and care

Over the year, Emily has at times found her working life frustrating. She would like to train to do better paid work, but feels the support is not available for her to do so, as she needs to earn money for the family. She also became concerned about the sustainability of her childcare support; her sister was pregnant and would soon be unable to babysit to cover one of Emily's restaurant shifts. She was loathe to ask other family members because she felt “guilty”, but knew her workplace was unlikely to be sympathetic:

They don't like it when you say you can't get childcare... they have other mums too and they moan about them.

Gary and Emily often find they are “shift parenting” and seeing little of each other; a situation that worsened in November when Gary had to work six days a week. As a result, they spent less time together than normal and noticed the effect that was having on their relationship:

Things are monotonous and you don't have money to do anything... it's hard to maintain a relationship when you just see each other in passing.

Into 2013

The family feel they are still looking backwards, and paying off debts for things in the past rather than planning for the future:

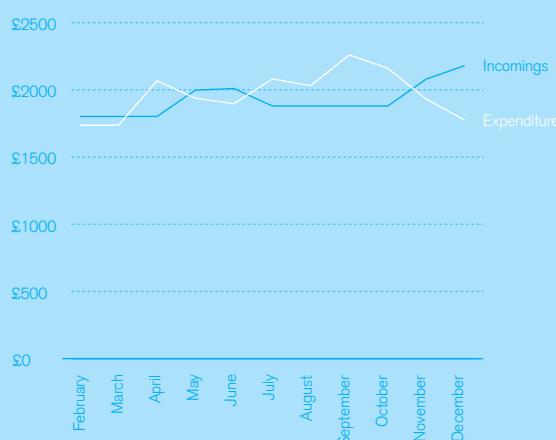
We feel a bit deflated a lot of the time... we should be looking forward, but we're paying for something that's gone... the wedding took so much money it's ridiculous.

Where their income is concerned, their priority for the coming year is stability: "wages or benefits – it doesn't matter as long as it's reliable". But losing their tax credits has meant they are struggling, and

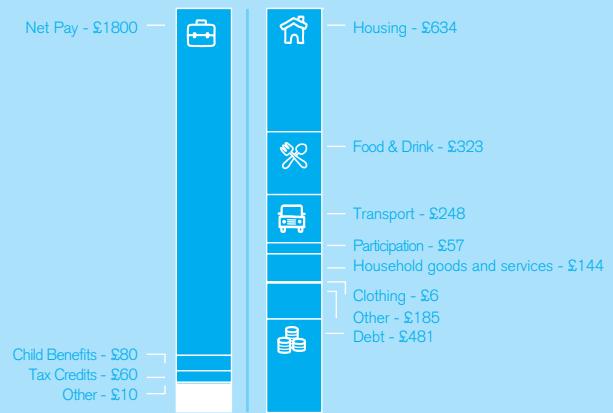
their short-term ambitions – for example, to create a playhouse at home for Tammy – are hard to realise without more disposable income. They hope Gary will earn more this year – an extra "£300 a month" would make enough difference to them to "be OK and maybe have a treat occasionally". For now they are managing, but are concerned about spending so little time together and being unable to save and make plans for the future:

We don't spend real time together, but it's got to happen because of the money... we just use all our time earning and all our money to pay the bills.

In 2012



In an average month



- **April:** Expenditure rises to pay for two short holidays.
- **May:** Emily starts working at the restaurant and the family's income increases through the addition of her tips.
- **August:** Loss of tax credits – their income dips. At the same time, car repairs mean their expenditure increases.
- **December:** Emily works extra shifts and some Christmas present money from family sees their income rise a little.

- **Tax credit** payments decrease dramatically during the year. In August the family discovered that they are no longer entitled to them, and must also pay back an overpayment.
- **Debt** consumes a considerable proportion of their outgoings, and includes repayments on formal and informal loans.
- **Childcare** costs are low as Emily does not believe she would be better off working if she paid for childcare too. Instead she cares for Tammy, using family members as babysitters when she works.

The Browns



Kerry is a lone parent in her late twenties with three young children, Jordan, Bella and Emma. Mental health problems mean she can't work so she looks after her children full-time.

2012 has seen significant upheaval for the family. Kerry's relationship with her long-term partner, Dan, broke down in April which caused a great deal of emotional and financial upheaval. Kerry was left socially isolated and found it difficult to manage on her own in an unsuitable home. However, with the support of her neighbour and regular maintenance payments from Dan, life gradually became more stable. By the end of the year Kerry had managed to pay off her outstanding debts, her relationship with Dan had improved and she was thinking about trying to work part-time.

2011 - A new home and a new baby

The family experienced much change in 2011. Dan wanted to move closer to his parents so the family moved down from Scotland into a council house, but the place was in a very poor condition. The council weren't able to make repairs due to cutbacks so Dan's parents paid for the necessary renovations to make it habitable. Even now, the garden floods with raw sewage when it rains and holes in the roof mean the house is cold which Kerry believes has exacerbated Bella and Emma's breathing problems:

As soon as I put Emma in the back bedroom, she's had coughs and runny noses – but now both of them at night you can hear them coughing all the time.

Kerry and Dan had also been expecting to receive the level of state support they had previously been entitled to in order to help with the costs of their new baby, and had budgeted accordingly. However, it was only once Emma was born that they realised that the Sure Start Maternity Grant was only available for the first child in the family and the Health in Pregnancy Grant had been abolished, and that the Child Trust Fund and the baby element of Child Tax Credit were no longer available. All of this came as a shock, and with the family already struggling a little financially as a business venture of Dan's had failed, they ended up taking out a bank loan of £1000:

Suddenly the money you thought you were going to get for buying baby things disappeared, hence the bank loan.

April 2012 – Kerry and Dan's relationship breaks down

Dan and Kerry's relationship had been strained for some time, especially as the demands of his job meant he didn't spend much time at home. As a result, they broke up in the spring.

Quite apart from the emotional distress, Kerry was also in a precarious financial situation. To help make ends meet while she waited for her and Dan to come to an agreement about maintenance payments, she put in a claim for Income Support. However, the six week processing period meant she had to take out another loan – this time with a high cost provider – to tide her over in the interim. Although she realised she'd get a better rate

elsewhere, she was already familiar with the provider and appreciated the speed with which she could get the money and the flexibility of the repayments, which she saw as a major advantage over a bank loan:

It's when you've no money, and you need money... I don't even know what the interest rate is... It's ideal. And as much as people say they hound you for the money, they don't, but then I've never had any trouble paying it back.

However, with less support from Dan and his parents, Kerry found it increasingly difficult to manage, and her mental health conditions worsened. It didn't help that one of the first things she cut back on was food and she often went without in order that the kids could eat properly:

I give my children a very healthy diet, but in order to do it, I'm not eating right now.

She also felt increasingly guilty that she wasn't able to take Jordan to Scouts and the sports activities he enjoyed, partly because they were less affordable given the family's straitened conditions, but mainly because it was logistically impossible with two other young children to look after and put to bed:

Jordan wants to go out in the evening to scouts and hockey, but I can't take him because there's no-one else to do the evenings with the little ones.

Summer 2012 – Finding some neighbourly support

Having to look after three young children single-handed was sometimes too much for Kerry, so she started to rely on Jordan to "take up the slack" by looking after his siblings when she needed to cook or sleep:

Basically mum takes care of Emma and I take care of Bella.

Despite this, the stress she was under meant Kerry found that she was being increasingly strict with the children so the time they spent together was often quite strained. Kerry bought a kitten to try and improve family relationships as well as providing entertainment for the children, but vet's bills and the cost of pet food were an unwelcome additional cost:

For quality time, you need to be unstressed, and money's a major factor in that. It all ties in. If you're worrying about money, you're not enjoying your kids. Your kids cannot enjoy life if your parents are stressed out.



In the summer, Kerry became much closer to her next door neighbour, Debbie, also a lone parent. They were able to provide each other with emotional and practical support, not least sharing childcare duties and helping each other out financially when needed. Kerry came to value Debbie's friendship and found life much more manageable with a little additional support:

If I don't have Debbie, I don't have anybody. I speak to her every day. We confide in each other, we tell each other everything, she's the sister I never had.

October 2012 – Getting more time and space

Kerry feels that their home is too small for the demands of the family. With only three small bedrooms – one for Kerry, one for Jordan and one for Bella and Emma – the family lacks space where they can be alone. This has a negative impact on family relationships with Kerry, in particular, feeling the effects of everyone being on top of each other all the time.

Dan, recognising that Kerry needed more time to herself, increased the financial support he provided so that Emma could attend nursery one day a week. With Bella there full-time as she turned four and Jordan at school, Kerry was under considerably less pressure. A skilled seamstress, she even found time to start sewing again.

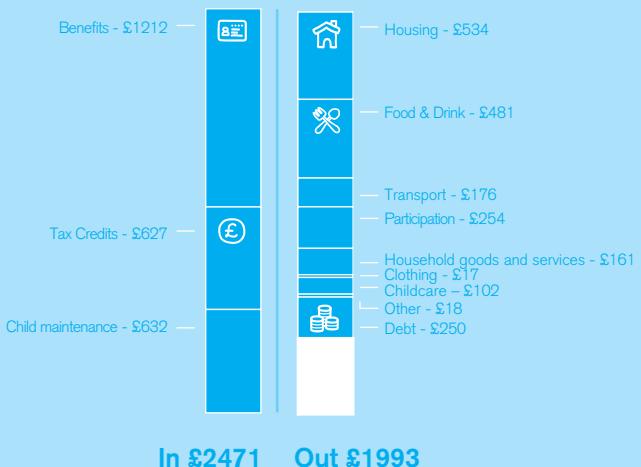
Into 2013

Having approached Christmas carefully, spreading the cost of presents over a few months, Kerry started 2013 almost debt free and in a much better financial position than she had been for much of the previous year. Further, with the demands of childcare easing and Debbie round the corner, life has become much more manageable. Kerry is also hopeful that the coming year will see her becoming more financially independent. She would like to use her sewing skills to start her own business, working as a seamstress making wedding dresses. While she is concerned about what such a move would mean for the benefits she is eligible for, she does see the potential such a change carries with it, suggesting it would “be exciting to see adults, make friends, have a life”.

In 2012



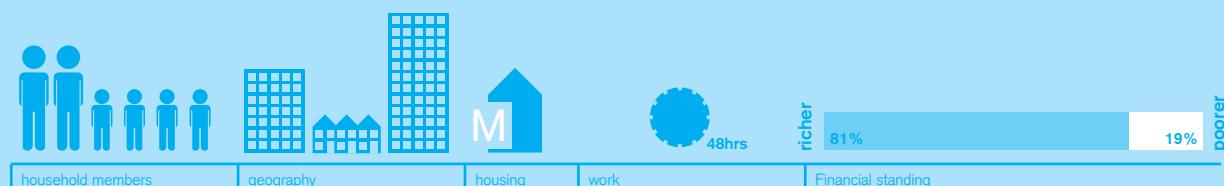
In an average month



- January:** Kerry had paid off her loan as well as completely cutting back on any non-essentials after an expensive Christmas.
- May:** Kerry started receiving Income Support and she also decided to buy a kitten for the children.
- June:** The car needed almost £500 worth of repairs.
- September:** Dan's child maintenance payments decreased significantly.
- December:** Kerry made a large repayment on her doorstep loan.

- Housing** costs include a £372 monthly rental payment, largely covered by £334.80 of housing benefit.
- Benefits** also include DLA, Income Support and Council Tax Benefit.
- Child maintenance** from Dan is substantial throughout the year, but decreased as the year went on.
- Childcare** costs are lower than might be expected because Bella has a free place and Emma attends nursery only one day a week.

The Akhtars



Salim and Rima have been married for 12 years. Salim is second generation Pakistani-British but Rima came to the UK from Pakistan when they got married. She was a teacher in Pakistan but now looks after their four young daughters full-time while Salim works twelve hour night shifts as a security guard.

2012 has been challenging. Reductions in Salim's wages and decreasing job stability have made making the mortgage repayments difficult and the car has been a constant financial drain in expected and unexpected ways. Once the car and mortgage have been taken care of there hasn't been much left to go round whether for big things like Eid or smaller things like school dinners.

Autumn 2010 – Rima's car accident

Rima was having a driving lesson when she had an accident in the family car. It was a write-off and the insurance didn't cover it. Salim had to use £5000 of savings he'd planned to put towards the mortgage, along with substantial financial assistance from his mother and a friend, to buy a new car:

I think the only time life was better was before the accident happened. I think because I had a bit of savings, I had a bit of money. And obviously all of my money went towards the new car... I think from there we went sort of downhill.

The family "go everywhere" in the car and need it for "everything". With the exception of the girls' school there's "nothing close... within walking distance". Before September 2011 the girls went

to a school further away and whenever Salim worked day shifts they had to pay for taxis because he couldn't do the school run. Without the help of Citizens Advice, who helped Salim write a letter to the headmaster of their current school and showed him the "right steps" to getting them transferred, he doesn't think they would have been able to make the change.

It's not just that the car is essential to everyday life; it's the knock on effect of losing the savings. Salim intended to put much of these towards his interest only mortgage which would, in turn, have reduced his monthly repayments with some left over for emergencies:

When I say to you that when I'm saving money I know I say the mortgage is a big thing but in reality it could be for anything... It could be for any emergency... because I know that anything could happen and any time that I would need that money for backup because I should have something... and that's my insurance.

April 2012 – Salim keeps his job

Salim had been worried about losing his job for a while and dissatisfied with it for even longer, not least because he has a terrible relationship with his manager, by whom he regularly feels intimidated.

Finding out he had kept his job was initially a relief but there were several catches: his wages decreased by another £100pm and the extra shifts he used to rely on to earn more dried up; he became a "floater" with no fixed site of work and even less certainty about his working days; and unlike his old

site he lacked access to a designated prayer room so felt much "less accepted".

What's more, the increased uncertainty of his shifts and greater travelling time meant that work became even less compatible with family life. The only redeeming feature was that he kept his night shifts meaning he could do the school run, saving Rima from having to do "missions" to and from school with the girls:

Travelling far for work is taking up a lot of time... I see even less of my family. I only see them two hours in every day anyway. In the time I do have I just get ready for work or pick up the kids from school or got to my parents house or do chores... all I'm doing is going to work and back.

May – Paying for the car insurance

The car insurance was not far off £1000 this year – a £300 increase from the year before. Salim prefers a one off yearly payment because it works out cheaper than monthly payments. However, covering this payment meant significantly adjusting the household finances.

Food and shopping was the main focus for cutting back. The family had noticed the rising cost of living – "everything is getting so expensive apart from what you're earning" – and in the run up to May they cut back on anything that wasn't absolutely essential; avoiding supermarkets, known brands, and more expensive items like meat, fruit and vegetables. They also bought more in bulk from local "bargain stores for the Asian community" especially staples like rice – "one sack of rice for £19 which lasts us about 8 months" – and washing powder which can be very expensive given that Rima does a wash every other day. Clothes are a constant expense for the family but fortunately Rima is an excellent seamstress and is able to "make and sew clothes rather than buy them".

Salim tries to ensure that "we only buy things we really need" but occasionally there are things that the girls want which are hard to say no to. Safia had a 'bring your bike to school' day in March but Salim was mindful of the car insurance, so Rima used "her money" – child benefit – to pay for one.

By the time Haifa's birthday came round in May there was only enough to buy a cake and some

balloons which Rima took into school for her. Haifa didn't understand why she didn't have any presents and Rima was "really upset about it":

The money side of things makes things difficult. They want to go out and I can't afford it. It was Haifa's birthday and she's only 4 and she was going on about it... I do feel a bit bad sometimes... that's what the arguments are about... not having enough money.

August – Eid-al-fitr

Eid, like the car insurance, is an expected annual expenditure. What Salim hadn't expected were problems with the car around the same time. He couldn't afford the "headache of something going wrong" so decided to get everything fixed. The bill came to £700 so he had to use his "savings" – the money he keeps for emergencies and paying off the mortgage. Partly as a result, Eid was very different to past years. Salim said that he "didn't give my missus much... only £100 for the kids" and had to avoid many of the celebrations because he didn't have the money for gifts.

The summer holidays are often challenging because it's difficult to know what to do with the girls. Although they have a TV subscription, a laptop – "as soon as they get through that door it's a war, it's like a fight to get to that" – and a computer, which they like to play on with their dad when he's around, they get bored quickly because "we do the same thing every day... that's all we do". This can be difficult for their relationships as "when they're bored they'll start quarrelling". That's when Salim wishes they had more than the one family room because there's "nowhere to hide" and things can get quite stressful, especially when he's having a tough time at work.

December – School dinners

Salim and Rima were both worried in December because Haifa was "losing a lot of weight and her health is really getting bad". The girls have taken in packed lunches for a while because school dinners are too expensive but they rarely eat what they're given and often leave it completely – something that was noted by a concerned teacher:

Even the teacher said could she eat her dinners in school because then maybe she'll start eating properly because the food is fresh and she sees other children eating it and her friends as well, and she can't understand that why can't she have it.

Salim felt he had no choice but to pay “another £40 a month” for school meals but it came at an awkward time as December had already been expensive. As usual, the family had been to the Matalan sale to get clothes and shoes for the year and Salim had also decided to pay off in one go the sofas he had previously been paying off in instalments because he just wanted to get rid of the “headache”.

Into 2013

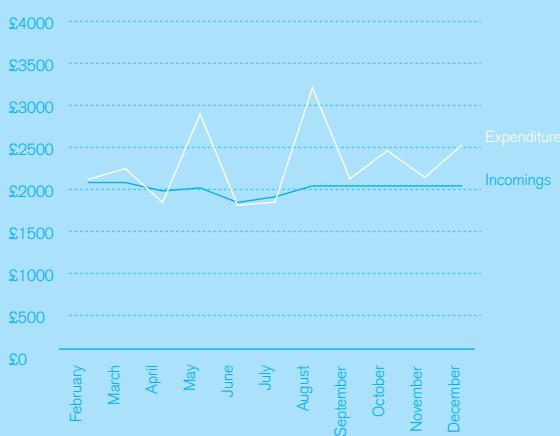
At the beginning of 2012 it was “all about how to survive and how to keep a roof over head”. That remains the case for 2013 except that the families’ situation feels more like a ‘trap’

than ever with even fewer choices given that ‘options are to do with money’. Salim’s ‘savings’ have kept the family afloat at times but he had to go into them again in December and is not sure he can get the same financial support from family and friends as he has in the past.

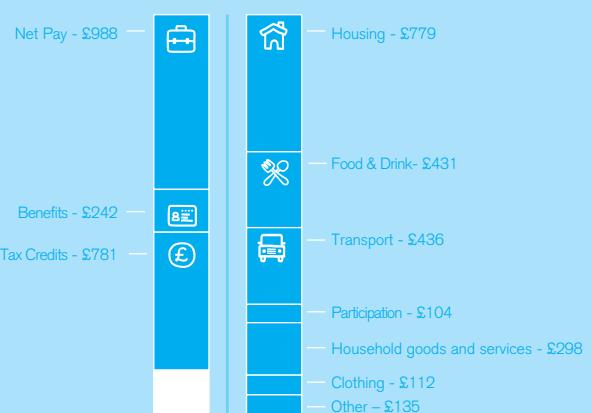
The main concern at the moment is how to manage with a new addition to the family. Rima is due to give birth in the summer and Salim’s already concerned about how they will cope without the support that used to be available, “the government, they used to actually give a certain amount... £500 or something for the child”.

The main worry at this stage is being able to support Rima and look after the children while working – “there's nobody really that's going to come to help us” – especially as his parents are too elderly and ill to help out much with childcare. If he could get a new job he would but he's not sure how to put his CV together and the few people he's asked haven't got any jobs going. He just hopes that the car keeps running, he's able to replenish his savings and that the secondary school Safia will start at in September is nearby.

In 2012



In an average month



In £2011 Out £2296

- **April:** The family reduced food and supermarket spending by £200, in order to save for an annual car insurance payment.
- **May:** Paying the car insurance.
- **June and July:** Salim worked fewer than the 48h he had been promised and received reduced wages.
- **August:** Paying for Eid al-Fitr and car repairs.
- **October:** Paying for Eid al-Adha and replacing the garden fence.
- **December:** Paying off the sofas and buying clothes for the whole year in the Matalan sale.

- **Housing:** costs include the monthly repayment of £475 of the family's interest only mortgage.
- **Transport:** This average figure includes two large payments – the car insurance and the cost of repairs in the summer.
- The discrepancy between incomings and outgoings can be explained by the use of the family's savings as a buffer to meet unexpected expenditure.

The Peacocks



Lynsey and Malcolm have been married for over twenty years. They have two sons, Liam and Carl, and a dog. Malcolm is a support worker for adults with behavioural difficulties. Lynsey used to be a hairdresser but serious health problems have meant that she hasn't been able to work for years. Much of her time is taken up with looking after Carl, who has Autistic Spectrum Disorder and epilepsy. Liam did his A-levels last summer and is now at university.

On the whole, 2012 has been a good year. Getting Disability Living Allowance for Carl made a huge difference in terms of coping with their significant debt burden and the rising cost of living, not to mention the fact that Malcolm could spend more time with the family after re-negotiating his hours. Liam passing his driving test and buying his own car was also important in terms of his own independence, and the flexibility of having another car. However, Malcolm's pay cut and Lynsey's health were significant worries towards the end of the year.

2005 – Taking out a loan

Lynsey and Malcolm took out a loan, to pay off a large tax bill accrued after Malcolm worked self-employed for a year, after seeing ads for it on TV. In retrospect, they realise they clearly hadn't understood the "small print". The repayments started at £270pm but since then have only ever increased – they now pay almost £500pm. Lynsey has talked to the lender and Citizens Advice and there is nothing the family can do to reschedule or reduce the payments. All their other financial problems stem in some part from the loan, although they

appreciate having access to the "brilliant" CCCS (now StepChange) to help them with their credit card debt:

If we didn't have the loan we'd manage the mortgage no problem... We're between a rock and a hard place because the loan is secured against the house.

At the beginning of the year the family rarely got to the end of the month with any money left over and just concentrated on keeping their "heads above water" and "keeping the car on the road". They tried to keep costs down but found it difficult to cut back on essentials, especially petrol and food, the prices for which they thought were increasing on an "infinite scale". They can't cut back on petrol because Malcolm has to have the car for his 50 mile round trip to work, and Lynsey doesn't like to compromise too much on food quality where she can help it. Carl also has very specific eating requirements and while they could save some money on school dinners, he won't eat a packed lunch. For Lynsey, the beginning of the year was "always a struggle financially" and "the constant ongoing battle" of "counting every penny" made the old saying "love goes out the window when poverty comes in the door" more relevant than ever:

Lack of money is what wakes you at four in the morning so you can't get back to sleep because you're worrying about how to pay for things this month.

January – being able to claim DLA

Everything changed in January when Carl was diagnosed with Asperger's. Not only did this mean that he qualified for DLA but Malcolm had grounds to renegotiate his hours at work. The new arrangement meant he could support Lynsey much more with looking after Carl and they both noticed an improvement in their own relationship as they got more "downtime".

For Malcolm, the DLA and a rise in Child Tax Credits meant the family were now "living a normal life". Lynsey no longer had to "dread letters about school trips" or got "a sick feeling" when Carl needed new shoes, and the whole family benefited. After a back-payment in March they were able to get a new TV to replace the one Liam had bought, Lynsey was able to pay for the summer holiday she goes on with the boys and her parents – which they usually pay for – and they were even able to give Carl his own birthday party where "before [DLA] we had to share parties". It also meant that Carl could have little treats like a weekly Moshi Monster. Carl is very conscious of being different to his classmates and Lynsey says that having Moshis that he can trade with his friends "makes him feel normal":



It's nice to be able to do things away from home to be able to focus on each other... when you're at home you have more distractions.

Perhaps most significantly for their relationship as a family, the DLA allowed them to renovate their conservatory, effectively creating an extra family

room. Lynsey and Malcolm had always been very conscious of the lack of space and especially the fact that Carl and Liam had to share a bedroom, but this one additional room had a positive effect on everyone:

It's definitely added to our family relationship having the conservatory as an extra family room. The extra space makes a big difference, it takes the stress out of things... four of us in one place is chaos.

March – Mitchell the car

Liam bought his car, which he named Mitchell, shortly after finding out that he'd been given a permanent role, as well as an increase in the hours he worked, at a department store. After weighing up various options, he decided to use a £3000 loan to buy the most fuel efficient car he could find.

He believes having his own car is essential. In the past he's often been stranded at the bus stop unable to get to college or work and almost lost his old job as a result. Having another car and another driver also took some of the stress out of having to rely on the family car, but Lynsey notes that Malcolm still worries constantly that something might go wrong with it:

The money we have wasted on cars over the years is beyond me... Malcolm doesn't understand if it ain't broke don't fix it, but on the other hand if it does go wrong and we can't fix it.

Both Malcom and Lynsey recognise that Liam is a real "safety valve" for them and for the family in general and Mitchell is just one of many contributions that he makes to family life.

August – Malcolm's wages are reduced

Malcolm had known for a while that he'd "lose the food" – no longer have his food paid for while at work – but the news in July that his wages would be "drastically less" from August came as a shock. The two combined had a noticeable effect on household finances, on Malcolm's morale and stress levels, and on family relationships because "the one time we argue is when money is tight":

When dad's work don't get his hours right or when it's pay day we all get tense in case there are any changes... we're on a tight income as it is and it gets quite stressful.

Malcolm would love to make more money and had been offered a promotion after he got his level 3 NVQ in April but it would have been a "sideways step":



The promotion would have added kudos but stress-wise it would have been so detrimental... you end up with all the shit of a manager's job but none of the perks... It would have meant being constantly on call and a constant fluctuation of wages which would have been very difficult... for the working tax credit you need to be on a steady, even keel... with fluctuations it's a nightmare.

September – Lynsey's health declines

Around September, Lynsey started to get "monumental headaches", which started to get very bad after a particularly stressful period. Malcolm had been on holiday with his parents – they take him away a few times a year to give him a break – so Lynsey was looking after Carl and Liam single-handedly. At the time, Carl was having trouble adjusting back to the school routine and had recently had a seizure, while Liam was stressed about his applications for financial assistance for university. Without Malcolm there to share the load, Lynsey struggled to cope and her health suffered:

When you have a child with autism you know what a bad day is... a bad day is meltdown, from the minute you get up to the minute you go to bed.

Lynsey always puts a brave face on things because she doesn't want to worry anyone but Malcolm knows how fragile her health is. The headaches could mean a spell in hospital and, with Liam not around as much and Carl now too much of a handful for her parents, Malcolm would have to take time off work. In the past, Lynsey notes that Malcolm's boss has been sympathetic but it's not clear whether that will remain the case and how they will manage if not:

Last year I ended up in hospital three times... last year wasn't as good a year as this one... but if I was in hospital I knew Liam could look after Carl... I'm worried there will be a time when Liam won't be here and my parents can't cope.

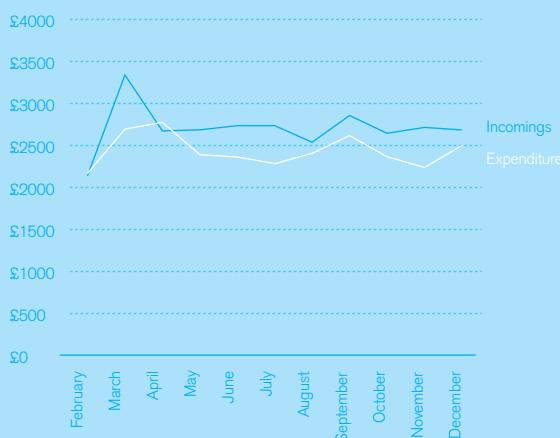
Into 2013

Despite Lynsey's health the family were probably in a better position at the beginning of this year than last.

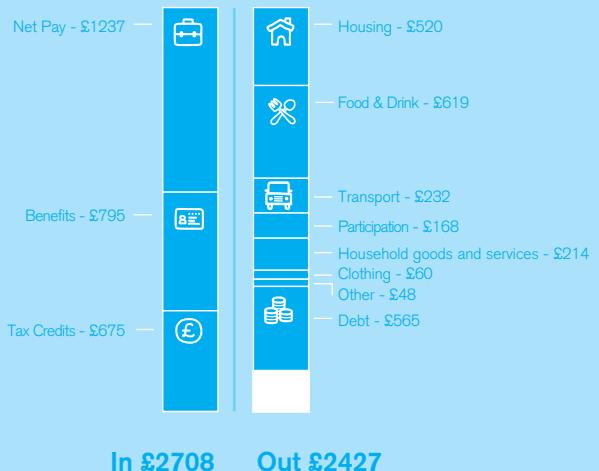
Sometimes she thinks that "it's not too bad to have time instead of money" and the family all think that they'd stay in their "tiny" house even if they won the lottery "because this is home because we feel happy in our area and community... we realise we're lucky to live where we do" surrounded by their friends and family which Lynsey firmly believes "you should prize... above anything else".

Malcolm's work situation remains a concern but he thinks he's secure for the moment. He considered taking a second job but he says he had friends who did that and actually ended up worse off because they lost their tax credits. Having said that, a little extra help to manage with essentials wouldn't hurt, so Lynsey's thinking about finally getting round to applying for council tax benefit, which before now has been "too much hassle". Given their situation, she now feels this extra effort to apply for their entitlement will be worth it.

In 2012



In an average month



- **March:** The DLA back payment for Carl.
- **April:** Consistently higher income level with regular DLA payments and adjusted Child Tax Credit amount. Expenditure remains steady due to Lynsey's careful money management.
- **August:** Malcolm's wage reduction and loss of his subsidised food.
- **September:** Malcolm received a £200 'bonus' and Malcolm and Lynsey spent over £300 on university 'essentials' for Liam.

- **Housing** costs include a monthly mortgage payment of £192, and council tax of £118.
- **Benefits** significantly increased after Carl started receiving DLA and the average figure also includes the lump sum back payment early in 2012.
- **Debt** represents a large proportion of the family's outgoings; the bulk is from the secured loan repayment.

The Taylors



Joanne (40) lives with her four children, Bradley, Helena, Ben and Sara in a three bedroom house in the Midlands. Joanne has been out of work since suffering a serious illness in 2007; though she tried to return to her job as a school cook, the physical nature of the role was simply too much. The family are therefore almost entirely reliant on benefits, though Bradley works full time in a factory and contributes monthly to the running costs of the household.

Even so, the family's financial situation is very tight and they have run up debts. This has been exacerbated by the fact that they have lost out on some of the financial support they used to receive – a situation which came to a head when their Local Housing Allowance payment was cut in April. These changes are set against a backdrop of rising living costs – something Joanne particularly noted at the beginning of the year when raising Sara – and difficult living conditions for a large family.

September 2011 – Sara's birth

Sara was an unexpected arrival and buying baby things for her highlighted to Joanne just how much prices have risen over the past eight years. Joanne also suspected that a lot of the help and support she had been able to access last time she had a child had was no longer available. Around this time, Bradley left college as he couldn't afford the travel costs anymore; he had lost out on EMA and was not eligible for any financial assistance from the college as his course was only part-time. As a result of his move into work, Joanne could no longer claim Child Tax Credit or Child Benefit for him:

I didn't realise how much a new baby was going to cost.

To help make ends meet, Joanne sold the car in November and put the money towards a birthday present for Ben and food for Christmas. This decision had practical and emotional implications: the shops were a long walk away and it also cut Joanne off from her main source of support, her mother. As a result of the time and attention she had to devote to Sara, and the fact that the new arrival meant their already small home felt even more cramped, family relations were tense – “When we're all in, it gets really hard”. Joanne started sending Ben to his Nan's at the weekend to give her some company and to defuse this situation.

January – The financial impact of Christmas

Joanne spent a lot on presents at Christmas, mainly from catalogues, and the ensuing repayments meant she got even further behind with her rent arrears. By the time Helena badly burnt the carpet in February Joanne had to take out a £400 Social Fund loan to redecorate. Around the same time, the bailiffs contacted Joanne about an unpaid phone bill which she had to negotiate a repayment plan for. This was a low point in a challenging year and Joanne was “in a mess with everything and really depressed” and generally struggling to manage everything on her own:

Money's a massive part of your life, not to have to worry each week. At the end of each month I hit rock bottom when all the bills are coming out. I panic.



April – Coping with a Local Housing Allowance reduction

As Bradley turned 18, Joanne's Local Housing Allowance award was reduced by £20 and he had to start paying council tax. The change was unexpected and Joanne was confused about why she was suddenly receiving less support even though the needs of her family had not changed. Joanne now faced a shortfall in her housing costs of £170 each month on top of the arrears that she already owed, further adding to her considerable financial anxieties:

I lie in bed at night wondering what I'm going to do, how I'm going to pay for things. Sometimes I cry myself to sleep.

She didn't want to but felt obliged to ask Bradley to increase the board he already paid her by £50 to £150 overall; a significant chunk of his income given he is only paid £4 per hour – the going National Minimum Wage for people his age. This changed the dynamic between them and he became increasingly critical of her:

Sometimes if I give him egg and chips or something he'll say, "Why am I paying you for this rubbish?"

Even with Bradley's support it was still a struggle to make ends meet and in April the landline was removed and Joanne downgraded their TV subscription. She also found it increasingly difficult to buy the food she wanted to give the kids. While she likes to cook nice meals for the whole family her

priority are the bills – "I feel better if there's nothing in the fridge but the bills are paid" – and sometimes this meant that the main meal would be a loaf of bread and a large bag of chips shared between them. With Helena eligible for Free School Meals Joanne assumed this would ensure that at least she got one good meal a day. However, Helena is uncomfortable claiming these believing that the Free School Meals identity card she has to show in the lunch hall opens her up for judgement by her fellow pupils.

September – Helena goes to college

Helena hopes one day to move to London to work as a make-up artist in the West End and left school after GCSE's to pursue a theatre make-up course at the local college.

The end of her time at school brought with it a number of unexpected expenses. There were a number of trips and activities organised by the school for leavers, all of which cost money. On top of this there were items like sweatshirts for sale so that pupils could remember their time there. By far the biggest cost, however, was the school prom. Helena was keen to go – all her friends were and she didn't want to be left out. However, she wanted to do it in style: asking for a new dress, and inquiring whether she could hire a limousine for her and her friends to arrive in. For Joanne, this was simply out of the question but, nonetheless, it made her feel guilty that she couldn't offer her children all the things they want. In the end, Helena went to the prom and her father paid for her dress while Joanne covered the costs for everything else, meaning she got behind on her debt repayments for a couple of months:

There were loads of things she needed that I had to think about. She's so understanding but you know they want to do it, it was my guilt but to go out and spend £150 on a dress is impossible. I'd go without anything to do that for her but it's just not possible. She wanted to get her nails done and it was £25, just to get her nails done for one day – that's half my shopping for the week.

Helena was dealt a further blow a few months later when she found out in October that she would not receive a bursary from her college to help fund

her travel. Helena is determined not to follow in Bradley's footsteps and leave education so is using all the money she earns from her part-time job working in a shoe shop to cover her travel costs to and from college; a sacrifice which adds to the guilt that Joanne feels about being unable to provide for her children:

I've always felt a bit guilty that Helena pays for her own travel. She's still in full time education and I should be supporting her but I just can't afford it.

December – a better Christmas

The family's financial situation eased considerably in the run up to Christmas as Joanne came to an agreement with the catalogue companies she owed money to that she would pay £10 per week, a much more affordable sum. In addition, she negotiated with her landlord to allow for a lower rent payment in December – something he was amenable to given she had paid down her arrears. She also planned ahead, spreading the cost of Christmas over two months and searching out bargains. These measures, along with the £50 she received from Ben's Nan, ensured that Christmas in 2012 was not the financial drain it had been the year before.

Joanne also took the time to reflect on why, in the past, she has bought items that she couldn't afford. She explained that, due to the guilt she feels about the situation her family is in, she over-compensates by buying nice presents. Determined not to do this again, Joanne limited what she spent, with the children's presents coming to around £50 each. Happily, they all understood why this needed to be the case and didn't put pressure on her to buy more:

Last year I thought 'the kids come first' and then before I knew it everything was on top of me and I only just started to get straight again in October and then it was Christmas again.

Into 2013

Joanne goes into 2013 in a better position than she started 2012, something that in no small part is due to the way she approached Christmas. In addition, now Sara is older she is less demanding and also less expensive which is having a noticeable difference in how easy it is for them to get by:

It's a bit easier now Sara eats normal food and she doesn't need so many nappies.

That's not to say that the coming year does not hold problems. Joanne's health is deteriorating, something which is a constant worry. This also prevents her from returning to work which means there is little scope for her to dramatically change the family's financial situation further still:

I miss working and having a bit of extra money but I have to get myself right first.

On top of this, she is keen to address the issues caused by their living conditions. For Joanne, "what you see and live in each day" is of paramount importance and shapes the way that the family interacts. Currently, the lack of space at home means it is difficult for Joanne to do the things that make her happiest – spending time with her four children together. She is hopeful that this can be resolved and has inquired about the possibility of adding on a small conservatory as she has seen her neighbours do, as she is certain that she couldn't afford the deposit to move somewhere bigger:

I just want to live comfortably, not be on top of each other. I just need another room and a bit more money. I suppose I'll get it one day. One day I'll get myself straight again. Hopefully.

The Samuels



Rachel and David are married and with three young children: Robert and twins Abigail and Simon. They live in a three-bedroom semi-detached house in London, which they bought with a mortgage four years ago. David is self-employed, working full-time as a sports coach and Rachel works part-time as an administrator.

2012 found them coping with a new set of financial circumstances. After paying an unexpected tax bill, the Samuels were left without the savings buffer they had worked hard to build. This left them less able to deal with unexpected large expenses – a difficulty exacerbated by the seasonal nature of David's work and the fluctuations this means for their income.

January/February 2012 – coping with a tax bill

The family started the year still dealing with the after-effects of an £8,000 unexpected tax bill David received in November 2011. While they made a lump sum payment drawn from their savings to get the bill down, the rest came from monthly instalments which finished in January. Their disposable monthly income was therefore depleted and, further, they were concerned that they lacked protection from further financial shocks and were unable to plan for the future. "I don't feel like we have anything behind us if we really did need it... I know it's 10 years off, but we have to make bar mitzvahs and we should be saving for it now." Their financial situation was further constrained by the rising cost of living and, as the twins moved onto solids, Rachel became increasingly concerned about the price of food:

People have to eat, and things are going up and up. Food is now more expensive as the children are on proper meals... I try to think about how I can cut it back, but there are five of us.

She also noted the increased cost of petrol which has an important impact on the household as their cars are essential: David needs his to travel to work, while Rachel's people carrier is the only way the whole family can travel together.

To cope, Rachel made cuts to the household's expenditure by negotiating with all her service providers over costs. She also supplemented their income by selling bundles of unwanted children's clothes on the internet and to second hand shops. In spite of these measures though, they still struggled to find the money to pay for some essential repairs in their home.

April – David's work and income fluctuation

As David's main source of work is contracts for local schools, he has less work and therefore less money during the Easter and summer holidays. While work in holiday clubs is available at these times, it is paid at minimum wage level so they don't feel it financially worthwhile.

Public sector spending freezes have also meant that there is less work available generally than in previous years, and the family now wonder how sustainable his self-employment is: "Early in the year he said he can't see himself maintaining a freelance job unless more business comes in; he may need to

look for different work soon, for example, in a gym." This strain, Rachel noted, often negatively affected David's wellbeing:

We're just relying on David for everything... it comes down to him earning more each month... it's more pressure on him and things aren't good if he doesn't feel well and can't work.

July – Improved family finances

July brought notification that the family had received a tax credit underpayment and, accordingly, a reimbursement of £2500. This enabled them to do more as a family, including taking a holiday to Bournemouth, something they had been missing out on as a result of their financial circumstances:

We've given up going to the park... ice creams, drinks, it all adds up... normally we'd have a holiday abroad; perhaps go away for the weekend. We used to eat out a lot more.

David also felt relieved from the pressure of accepting all the work offered to him and enjoyed spending time with his children. That he was able to share caring responsibilities with Rachel also improved their relationship:

In the last month or so, the relationship between us all has improved – I don't snap at the children.

Though they spent the extra money made available to them, it was a cause of some concern to Rachel who worried that perhaps HMRC had made a mistake:

It's helped, but you still worry... you feel like it's going to get taken away again.

July – October – schools and the cost of childcare

To their great relief, Robert won a place at the schools they hoped he would get into, and one that was their "first choice". This school is not only the feeder for a good secondary school, but siblings are prioritised for places too. Rachel is delighted about this – even though there will be fees of at least £50 per month to pay for each child which she knows they will find hard to budget for:

It's the relief – it's changed everything, it's mapped out everything.

That the twins benefit from the same opportunities afforded to Robert is very important to the family. They are therefore planning ahead for nursery fees and, from October, put £243pm from David's wages into tax-free childcare vouchers:

I don't know if we're doing the right thing or not... but now we could afford to send them and if we put the money aside now we'll always be ahead of ourselves... we're hoping for a discount if we can pay for a term in advance.

Their ability to do this, however, has been constrained by the fact that Rachel feels she gets less support for the twins than she did for Robert for whom she got "the maximum back [for childcare] through tax credits" – whereas now she gets none. She also knows she has missed out on the additional support she received when Robert was born, via the 'baby' element of tax credits. All this is important to Rachel's calculation for whether she would be better off working more – and at the moment she doesn't feel it would be worth her while:

This is what's holding us back... we are a family who do want to work... we need the extra money... I do understand the logic behind [the cuts] but how would I be able to put my children in childcare [now]... Childcare would have to cost half of what it does... then it would be worth working.

November – David's car needs replacing



When David's car broke down and proved more expensive to fix than anticipated, the family were forced into buying a new one. While a cheap second hand car was a consideration, it prompted concerns that it may break down and so prove more costly in the long run. They therefore decided to spend money on a better quality, more fuel-efficient car. However, it's still a compromise – it's smaller than David's old car, so if there's something wrong with Rachel's, they "need to call on other people". Further, the £3800 it cost negated all the household economies Rachel had made over the year: "we had just broken even and the car died... so now I think we're worse than we were before".

To get the money together they reluctantly drew on the funds available to them through their offset mortgage. While an essential purchase, they felt very uncomfortable about spending this money:

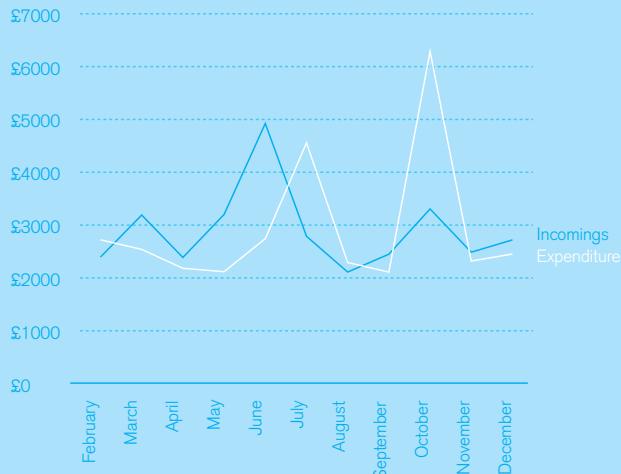
We've gone into our mortgage now.... We paid £800 'savings' against our mortgage and now we've gone into it... this is the most we've ever been... we don't know how we'll get back.

Into 2013

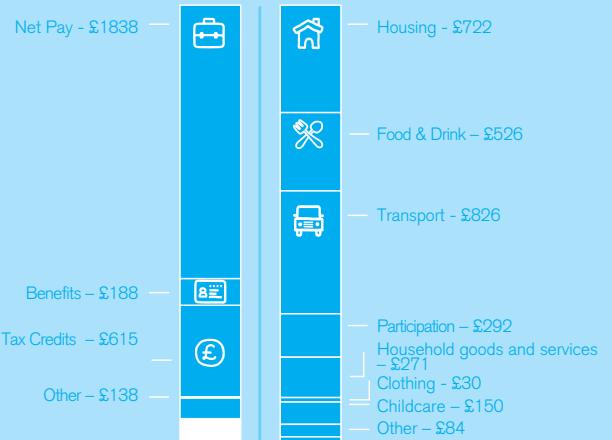
Looking to the future, the family are hoping to save money and spend more time together: "our goal was we want a proper summer holiday... David having two weeks off is a massive thing because he won't be earning". But they know they need to increase their earned income to do this – and to get time together and for the children individually throughout the year: "if you had the money you'd be able to send them to childcare more... and we'd be able to do more things as a family". Rachel and David's solution is therefore to find a salaried position for David, which will give them a more reliable income and therefore stability. He has applied for jobs, and they are also considering his taking a second job as a security guard at schools to supplement their income:

We know fluctuating income is an issue... we're thinking of prioritising a stable income rather than part-time jobs that pays more sometimes.

In 2012



In an average month



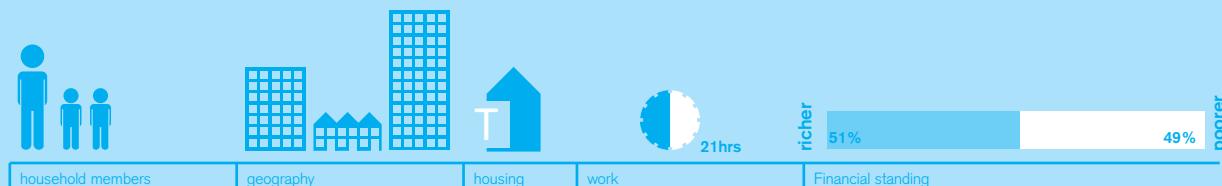
In £2779

Out £2988

- **April:** Their income dips in the Easter holiday as David has less work.
- **June:** The family receive a tax credits repayment.
- **July:** Again, David finds work more difficult to come by in the summer holidays.
- **July:** A week's holiday to the seaside with more spent on going out as well. Further, the family use the money from the tax credits repayment to pay their car insurance and MOT.
- **October:** The family is forced to spend nearly £4000 on a new car.

- **Net pay:** The majority is via David but Rachel contributes over a quarter of net pay.
- **Benefits** increase following a tax credit underpayment in June.
- **Tax credits:** Include the amount from the £2500 repayment in June.
- **Transport:** Is high because they run two cars and the figure is skewed by the large lump sum payment for a new car in October.
- **Childcare:** Most of this is the family putting money towards tax free childcare vouchers.
- **Debt:** This is all derived from the unexpected tax bill the family received at the end of 2011.
- **The discrepancy** between incoming and outgoings here is the result of having to buy a new car.

The Lewises



Sarah lives with her two young sons Michael and Leon in London. She works part-time in a bank and looks after the boys the rest of the time. She has been living in temporary accommodation since 2008, moving four times in four years.

2012 was a challenging year for the family. Sarah feels she has little control over their housing situation and it's a source of considerable instability and stress. Debt is an ever present feature of financial life as making ends meet on a small salary while coping with fluctuating benefits is often hard. Decent childcare and keeping the car running are her other two priorities but this can also complicate financial management and destabilise family life. Fortunately Sarah is able to call on substantial support from friends and particularly family that makes her current life possible, however unstable it sometimes is.

January – damp problems in the home

Sarah has been in her current flat since the beginning of 2011. Over the winter the boys had serious, ongoing chest problems which their GP attributed to severe damp in the flat. Accordingly, Sarah kept the heating on 24 hours a day to try and keep the house warm for the boys. The Housing Association are responsible for the flat but neither they nor the landlord are responsive to Sarah's requests for improvements. She had to wait until April for the landlord to partially deal with the damp, at which point it was less of a problem anyway.

The council also eventually sent a surveyor round who told her that their home wasn't suitable for the family. Despite this she was sceptical that anything would change because "the council wouldn't want to say it isn't good enough because then they couldn't move someone else in". Nothing happened, as predicted, and her housing situation "really depresses" Sarah and is a considerable source of unhappiness and stress. She feels she has no control and that "everyone fobs you off". She desperately wants somewhere permanent, "somewhere I can call home", but does not have enough points to make successful bids on social housing:

The whole temporary accommodation issue is a struggle in itself. I can't plan or relax.

June – a family holiday

Sarah took the boys away for a weekend in June. She's very aware that "apart from nursery, there's nothing" and in the summer holidays she feels that the boys deserve to be able to do something given that they are prevented from doing many of the things they want to, like going to the football club, as they are unaffordable. Trying to keep up with the cost of living – especially food, petrol and baby products like formula and nappies which she feels cost her much more for Leon than for Michael – also meant that the family never had anything apart from the absolute essentials and Sarah certainly couldn't "spend on myself anymore". Ultimately, she just wanted to be able to give the boys a treat and have something to look forward to as well as needing a

change of scenery and a break from the flat and day-to-day routine and thought a holiday would be able to provide all this.

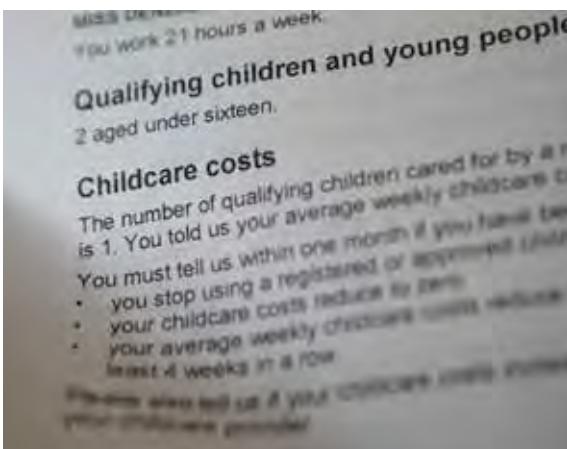
The trouble was that Sarah had been repaying Council Tax and Housing Benefit overpayments since March and was struggling to make ends meet. So much so that she'd become increasingly reliant on friends, family and high interest payday loans just to "get through every month". Although she "hates" using this kind of credit and knew that it wasn't necessarily a sensible decision to pay for the holiday this way she felt at the time that "sometimes you need to do it, there's no other way". The holiday was also funded by money Sarah had left with her mother for safe keeping:

If I just stick to getting the essentials then sometimes I can get through without borrowing but then sometimes I think, "I'm not going to live my life like this.

September – Paying for childcare

Last school year Michael had a fully paid for assisted place – in recognition of his developmental support needs – at a local nursery. Since going, Michael has "really developed with his speech and his behaviour" which has, in turn, had a very positive impact on family relationships. Understandably, Sarah wanted to be able to send Leon to the same nursery, partly to not have to rely on her aunt who currently provides care for him four days a week, but mainly so Leon would experience the same developmental benefits as his brother.

To facilitate this, Sarah applied for the childcare element of Working Tax Credit which covers up



to 70 per cent of the formal costs of childcare for eligible families. Sarah's claim was successful so, from September, she started to receive substantially more in tax credit support. However, the cost associated with sending both boys to the same nursery – even though Leon only attends for two days – meant her whole tax credits award was used to fund the nursery fees. With both boys in childcare, monthly outgoings regularly exceeded what Sarah had coming in but she still thinks it is money well spent. She just wishes that it was much more worth her while to be in work:

It wouldn't make sense for me to work if I had to pay any more in childcare so if my aunt didn't take Leon for 2 days a week then I would have to stop working.

September/October – Problems with the car

Sarah took out a £2,000 loan in August and bought a second hand car to replace her existing one because she felt it was becoming unreliable and didn't want to worry about it breaking down. She also borrowed well over £1000 from her mother and some friends but the loan was the big problem. The repayments are £161pm but her poor credit rating – a result of an inability to repay a loan for her first car when she was a teenager – meant "it was the only one I could get". Looking back, Sarah admits that almost all of the substantial loans she's taken out have been for cars. While cars "are the roots of all my problems" she still believes that "having a car is a life or death situation for me".

The new car seemed pretty reliable at first but had to be returned at the end of September due to problems leaving her without for about a month. During this time she estimates that she spent about three hours every day just travelling in order to drop the kids off to her aunt or the nursery or both as well as getting to work. She also had to spend money on taxis to do the food shopping which was expensive. The one silver lining was that she started to shop for food on the internet which saved her time if not necessarily money.

It was the worst time of my life. I couldn't get to work on time; I couldn't get on the bus and had to walk everywhere. It was a nightmare.

October – Getting a new qualification

Sarah works in a high street bank and is keen to progress professionally. With this in mind she had been studying for a work-based qualification over the previous year. This had meant a lot of hard work, sacrificed evenings, relying on family members for childcare and no little guilt about not spending time with the boys.

When she finished the qualification in October 2012 she was relieved it was over and proud of her achievement. However, she was left feeling frustrated as the new qualification didn't have any obvious impact in terms of pay or prospects and she wondered whether the sacrifices she had made were actually worth it. Gaining the qualification has made her realise two things; one, that "I could study but not while I'm working, it's too much"; and two, that she wants to study towards something other than working in a bank:

I'm still only [young] and I thought that in 35 years time, do I still want to be in the bank?

Into 2013

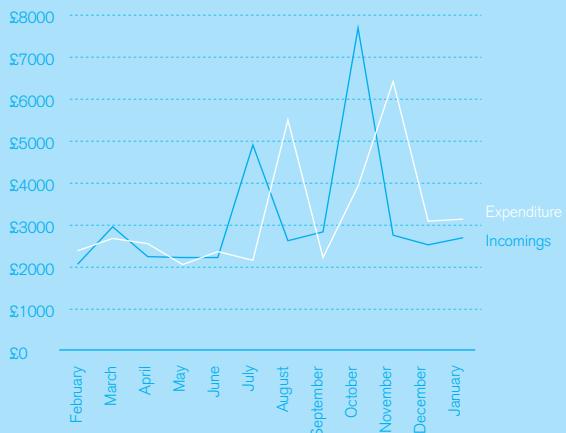
Sarah ran out of money in early January and took out two payday loans of about £50 after Christmas despite only buying presents for the boys and not buying anything for her wider family as she normally does. This makes her minimum debt repayments about £250 per month and means that she doesn't have that money for the things the family needs so "there's always something else which means I have to take a loan out". Despite the help she gets from her friends and family she still feels she's in a cycle that's difficult to break.

Two things that she thinks could make a big difference to family life would be "getting a new job or a new house". She's increasingly dissatisfied with her job and wants to train to be a midwife although she doesn't think she'd be able to support the kids or pay off her debts if she did. She also knows that the family will be moved out of their flat soon as the landlady has not renewed her contract with the Housing Association. She hopes that when she is moved she'll get somewhere permanent but knows it's unlikely. She's also keen that her new home is in the same area because it's close to her family, work, childcare and the schools she's applied to for Michael and worries that if she is moved somewhere else in the borough, it will have a detrimental impact on the boys' education and development as well as the amount of support she is able to call on from her family.

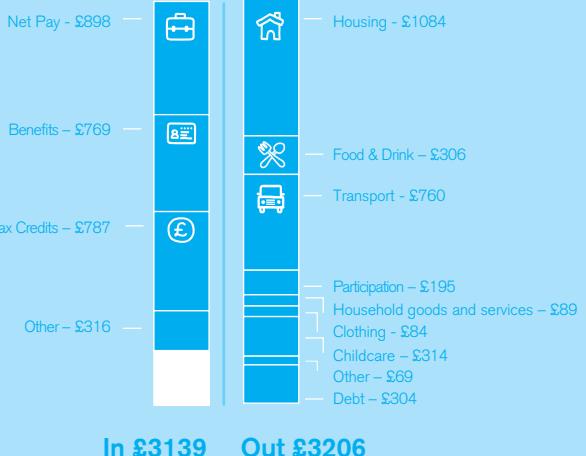
Mainly though, Sarah just hopes that "we're more settled" and knows that her finances are the key to this. She is, however, cautiously optimistic about the year ahead believing that if she pays off her loans and they're moved somewhere decent to live then life could certainly improve:

At the moment, I'm trapped, my life's on hold. In two year's time I'm hoping that I would have moved, changed job, maybe be at uni.

In 2012



In an average month



- **July:** Sarah took out a £2000 loan with a high cost credit provider in order to pay for a new car.
- **August:** Paying for the new car.
- **October:** Sarah receives a temporary refund for the value of the car while repairs take place, a tax credit lump sum and a bonus from work.
- **November:** Giving back the temporary car refund, and paying back the loans to buy the car.
- **December-January:** Outgoings clearly exceed income as childcare costs start to tell.

- **Housing** represents almost a third of total outgoings, and includes an average monthly rental payment of £804. Sarah receives £600 in Local Housing Allowance.
- **Other** incomings includes the proceeds from selling the old car.
- **Transport** is a significant cost for Sarah but this figure also includes the large lump sum outgoing when she bought the new car.
- **Childcare** costs increased significantly in September when Leon started at nursery.
- **Debt** varies a great deal from month to month but is an ever present feature of family life.
- The discrepancy between incomings and outgoings indicates the increased costs of childcare later in the year, buying a new car and Sarah's use of high cost credit providers.

The Youngs



Lauren and Martin are in their forties and have been married for over 10 years. Lauren has two daughters from a previous relationship, Susie (17) and Jade (13), and another daughter, Lois (6), with Martin. Martin has been working in a factory since spring 2012 after a period of unemployment and Lauren is a full-time mother.

Martin was out of work at the beginning of the year but careful financial management saw them through until he found a new job in the spring.

The family went on their first holiday in seven years in the summer and with Martin in work they were better able to cope when unwelcome shocks, like having to replace the car, came along. Still, relying on one salary not far off minimum wage was not easy especially when Lauren became very ill towards the end of the year and Martin had to take time off work. The whole family pulled together to make sure everything ran as smoothly as possible especially Susie who started to work part-time to help pay her way a little bit.

Early 2012 – Dealing with unemployment

The year started with Martin out of work leaving the family reliant on what he received in unemployment benefit. Things weren't easy but they were able to make ends meet, not least because of Martin's experience of bankruptcy and Lauren's with credit card debt. Since clearing their debts, partly as a result of help and advice received from the Citizen's Advice Bureau, both recognised it would be "stupid to go down that route again" and they radically altered their approach to finances and became

committed to living within their means.

In February they started to shop at cheaper supermarkets and were pleasantly surprised to find that while the prices were lower they didn't feel like they were compromising on quality – "the children are the biggest critics and they haven't complained once."

Sometimes they admit they may not get the best price – when they pre-pay for gas and electricity and rent white goods – but they feel it's worth it to protect themselves from unexpected shocks that have made life difficult in the past. A crucial part of their approach to finances is that they work as a team – Lauren looking after the spending on food and clothes and Martin being responsible for spending on the car for instance – and "pull in the same direction":

It depends on what the budget allows. If you don't have the money there you don't go out... If you haven't paid for your amenities and your priorities you shouldn't be standing in a pub.



April 2012 – Martin goes back to work

April looked like it was going to be difficult when the family's benefits dropped by £80 due to a reduction in Child Tax Credit. This could have made things difficult for the Youngs but fortunately Martin found full-time work in a local factory at the end of the month. Although he is earning just above the minimum wage, his salary, along with Working Tax Credits mean that the family were more than £500 better off per month.

Rediscovering his role as provider boosted Martin's confidence and reduced the constant stress and worry of being able to cover the essentials. Not only did he now have a little disposable income for himself and the rest of the family but his work hours – 7am until 4pm – meant that his work was compatible with being able to spend time with Lauren and the kids in the evenings:

It's the right order of things now that I'm back at work. We're not under each other's feet at home... It's now fine again if the kids ask for some new school shoes. It gives you a bit of breathing space.

July 2012 – A family holiday

In July the family went on a caravan holiday together – the first holiday they had been able to take for seven years due to the impact of their debt repayments, and something they were keen to do given Lois had never been away. Martin and Lauren had been paying instalments towards it even before he found work but his new job meant that there was a bit of spending money as well. Everyone had a good time and with they decided to book again for next year at a reduced rate.

While before April they couldn't afford to go out much things changed after Martin got into work. For example, they were able to visit the village social club more. It's close by, the drinks are cheap, they know lots of people there and they have Sky TV. The youth club is next door too and Jade in particular likes to hang out with her friends and meet new people there. The family are also in a better position to go out

together but they still take advantage of things like Spree Book if they go to the cinema or eat out:

If you've got the money to go out and socialise then if you're having a bad day it can make you feel a lot better. It doesn't need to be much money, just enough to go out and visit people.

August 2012 – The car breaks down

In August, the family car broke down and despite their strong debt aversion, Martin and Lauren were forced to take out a relatively high-interest loan to cover the cost of a new one. They can't do without a car both for Martin to get to work and to enable them to take days out as a family. They would have preferred to get a cheaper loan but couldn't due to their poor credit history.

Around this time Susie decided to start working. She works part-time for £4.35/hour but she now pays for her school books, clothes, toiletries and mobile phone contract. She also contributed £100 towards her bus pass. She enjoys being a little more financially independent but has struggled to balance work and school since starting her A-levels. Before she decided to reduce her hours she found herself juggling her family, boyfriend and her studies and she often felt too tired to do her homework. This partly contributed to her deciding to drop her PE A-Level, something that she was passionate about and a decision that she knows might make it more difficult to get into university as she will have fewer points.

October 2012 – Lauren's health deteriorates

Lauren discovered that she was very unwell at the beginning of October and was admitted to hospital for an operation in November. Everyone was worried but they worked together to ensure that life went on as normally as possible. Martin's hours made it easier to be around for the kids in the evenings but Susie still had to pick Lois up from school and the leader of Lois' after-school club helped out by taking her to school in the mornings. Despite his hours Martin still had to take time off

work to look after Lauren and the family which in turn meant a reduction in earnings.

With Lauren ill and less money coming in it was a particularly stressful time for Martin but he appreciated the way Susie helped out with Lois. Lauren also appreciated the way everyone helped out in her absence and was grateful that Martin was able to take time off even if this did mean having a bit less money. Although the family barely went out during the three months of Lauren's illness, if anything, the experience brought them closer together and they continued in their family routines of eating together every evening, watching their favourite TV shows together and playing their favourite computer games together.

Into 2013

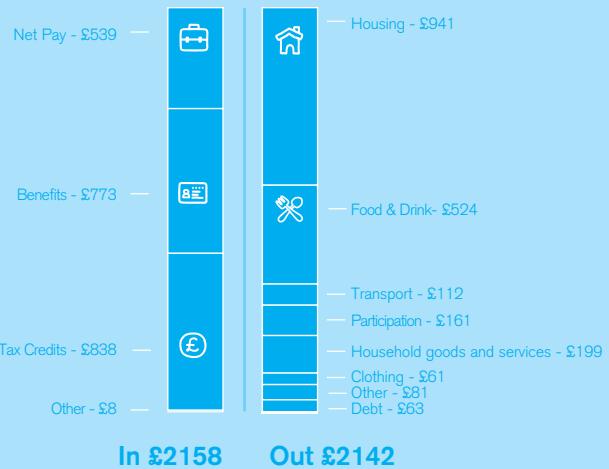
A very close family, Martin and Lauren have faced a number of considerable challenges throughout 2012 that they have been able to cope well with due to the emotional support they provide one another. Further, with Martin back in work they head into the year practically debt free and better able to cope with financial shocks.

Lauren is looking ahead and thinking about returning to work when her health allows. She'd like to become a dinner lady at Lois' school if possible as this will enable her to bring in an income, as well as being there for the children.

In 2012



In an average month



- **June:** Martin moves off JSA and back into work at which point his earnings are supplemented by Working Tax Credit.
- **July:** The family went on holiday and spent around £300 on activities and going out while they were there.
- **August:** Outgoings are generally higher because of the loan repayments for the car.
- **November-December:** Martin's wages drop a little as he has to take some time off work whilst Lauren was ill.

- Net pay has become a bigger contributor than these averaged figures suggest since Martin got back into work.
- Housing is a significant expenditure, and includes a monthly rental payment of £660, though the family receives Local Housing Allowance of an average of £371.
- Debt: The only debt the family has is the loan repayments on the new car at £152pm, which began in August.
- Childcare costs were avoided even when Lauren was ill, as Susie stepped in to look after her sister.

The Williamses



Marion and Mark Williams live with their son, Daniel (16 months), and two cats in a three bedroom house in the Midlands. Mark works full-time as a data analyst and Marion studies Occupational Therapy part-time at University as well as looking after Daniel.

The family came into 2012 still feeling the aftershocks of the financial crisis; their mortgage was with Northern Rock and its subsequent collapse and the fact they were left in negative equity caused them a good deal of worry. These issues, along with the high cost of childcare and the general rise in the cost of living, have all but wiped out their savings buffer. However, towards the end of the year Mark was headhunted for a new role which came with a pay rise leaving the family in a distinctly better financial position than at the beginning of 2012.

October 2011 – a new addition to the family

Autumn brought good news with the arrival of Daniel. However, it also was the trigger for financial and emotional challenges for the family. Before going on maternity leave, Marion had only just recently returned to work juggling two part time roles. Before this, long periods of ill-health had left her unable to work. However, what this meant practically was that she was not entitled to Maternity Pay and, instead, was only able to access Maternity Allowance at a much lower rate.

This wasn't ideal but they coped thanks in no small part to how well networked they are in their local community. For instance, they were able to

save on all of the costs associated with having a baby as friends and family gave them all of the equipment, toys, clothes and furnishings that they needed. Marion also appreciated the mother and baby classes subsidised by the local authority, and the local play group during maternity leave as they helped her feel less isolated and lonely.

Spring 2012 – the rising cost of living

By the spring, covering the cost of an extra mouth to feed – especially given rising prices – made living off Mark's income increasingly difficult. This marked the start of a period of reflection for the family, in which they reviewed their expenditure so they could earmark essential items and cut back on those things that were not deemed to be necessary given their straitened conditions. As a result of this, they reduced the amount of fresh meat, fruit and cheese they bought as these were the most expensive items on their weekly shopping receipts. Further, while they purchased a freezer, they reasoned that this initial outlay would be offset by the fact that frozen food is cheaper than fresh. They also changed where they shop, choosing instead to frequent lower cost supermarkets, and began growing vegetables in their back garden and travelling by bike in an attempt to cut back on their outgoings:

We are living on the borderline between going into debt and not going into debt, you know, can we run the car this week, can we not.

Their worries about their family's financial situation were compounded when Marion was informed that, if she wished to return to work, she would have to reapply for her job. Furthermore, she was told that if she was successful, due to funding cuts she would be earning over 50 per cent less than before. While Marion was keen to go back to work, partly to address the feelings of isolation she felt, she wasn't convinced that it would be financially worthwhile, particularly when the high cost of childcare was taken into account:

If you had a proper job, if you were earning a decent wage then you could probably do it [cover the cost of childcare], but I reckon it's around £40 a day, £200 a week, £800 a month so after tax it just doesn't work at all.

Summer – spending time together

The summer is a busy time for the Williams. Both Marion and Mark play rugby on a weekly basis and, in addition, Mark plays cricket throughout the summer months meaning his only free day is a Sunday. Marion also volunteers at a summer camp which provides support for disadvantaged and disabled children and their families in the local area. These activities are very important for both Marion and Mark; they're things that they enjoy doing and, in the case of the summer camp, Marion thinks it important to try and help those who do not have the same opportunities as her family where possible. However, they place a considerable time constraint on the family, meaning they don't always have as much time to spend with each other and Daniel as they would like.

Their lack of time together as a family was curtailed further still when Marion learnt that she had been successful in re-applying for her job. She subsequently returned to work which, at least initially, was a relief for the family. However, the cuts to her pay meant that her earnings were entirely subsumed by the cost of childcare leaving them just £10 per week better off. Further, an internal reorganisation at Marion's place of work meant her

role had changed considerably and team morale was low. These factors prompted the family to think that Marion working "wasn't worth the bother and stress" and so she decided to resign from her post in order that she could spend more time at home with Daniel while also considering her next move.

September – Marion goes back to university

While out of work over the summer months, Marion took the time to apply for part-time courses at university with a view to retraining. Much to her delight, she found out she was successful in her application and, in September, Marion was able to fulfil her long term goal of studying Occupational Therapy. Marion receives a bursary for this course, meaning the family do not have to cover study fees. In realising her aspirations, Marion's wellbeing significantly improved. Further, Marion and Mark realised that her retraining could bring the whole family benefits in the long term, by virtue of her being able to get a better paid and more fulfilling job.

With Marion attending university on a part-time basis and Mark in full-time work, the decision was made to put Daniel into nursery. Daniel's nursery is located on the same site as Mark's work which makes the logistics of combining work and childcare less problematic. It also provides the added bonus of meaning that Mark is able to spend more time with his son, thus countering some of the challenges the family faced in the summer. However, there was a high price attached to the convenience of Daniel's nursery. At £45 per day it was more expensive than others they looked at, but given that Marion had been told that she would be able to claim a high percentage of her childcare costs back from the NHS, they did not think it would be too much of a problem for them financially. Two months down the line, however, the family had still not received this childcare bursary, and were only managing to keep Daniel's nursery place by depleting the savings they had worked hard to accumulate.

December – Mark gets a new job

In December, Mark was contacted out of the blue by a head hunter who had seen his CV on a dedicated job search website. Off the back of this, Mark was invited to an interview for a better paid position that was located much closer to home. Mark was subsequently offered the role which was a huge personal confidence boost for him.

As well as improving his wellbeing, Mark's new job also benefited the family financially. Not only did the role come with a pay rise meaning the family had more disposable income each month but, also, it meant that the family were no longer reliant on the expensive nursery that Daniel used to attend at Mark's former place of work.

This good news was, however, countered by the fact that around the same time Marion was informed by the NHS that they were not eligible for help with their childcare costs after all. This left them with one last bill of around £300 to pay and, because they had run down their savings already, this was unaffordable for them. Debt-averse, they turned to Mark's parents rather than investigating formal borrowing options. This incident highlighted to Marion just how little financial resilience the family now have and that, until their savings buffer is rebuilt, they are reliant on the financial help of others should the need arise:

If we needed £300 tomorrow, if the boiler broke or something, I think we would ask Mark's parents. We wouldn't want to, but we'd have to.

Into 2013

The past year has not been without its challenges for the Williams'. The high costs that they have encountered throughout the year, particularly for childcare, have left them without savings which, in turn, has lowered how financially resilient they are. Further they are concerned more generally about rising costs and especially about what an increase in the interest rate would mean for their mortgage payments.

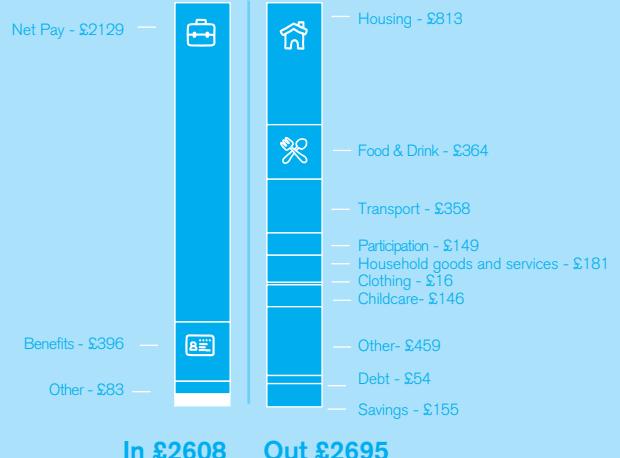
In spite of these challenges, they are hopeful about the prospects that 2013 brings. Marion is settling well into university and finding the course every bit as enjoyable as she hoped she would. Further, Mark, with his confidence boosted, feels valued in his new role at work and the extra income will help ease the family's financial concerns. Family relations have also been strengthened by these changes; Marion is happier, and as Mark now works closer to home he is able to spend more time sharing childcare duties which are now less arduous as Daniel has grown. Therefore, while they may not be more financially resilient, the family certainly approach the year ahead with greater reserves of emotional resilience to call on.

Their involvement with the church and various community groups also affords them a different perspective. While they recognise the challenges that they have faced as a family, they are also quick to realise that "that there is always someone worse off than us".

In 2012



In an average month



- **April:** Mark was awarded a bonus at work.
- **May:** Mark received a pay rise.
- **June-July:** Marion went back to work and was still receiving Maternity Allowance.
- **October-December:** Outgoings much higher because the family were faced with a large childcare bill each month.

- **Other incomings:** Marion's NHS Bursary.
- **Childcare:** has been a bigger contributor than these average figures suggest since Daniel only started attending nursery in September.
- **Clothing:** Marion and Mark buy their clothing out of their monthly allowances and most of Daniel's has been donated by friends and family.
- **Other outgoings** include a combination of regular charitable donations of nearly £100pm and allocation of money into personal allowances which can then be spent on non-essentials.
- **Debt:** From some student loan repayments.
- **Savings:** A regular, monthly sum that all goes into one savings account but are mentally subdivided into specific 'pots' e.g. car, car tax, MOT, Christmas etc.
- Discrepancies between incomings and outgoings were met by the family using their savings and asking Mark's parents for help, primarily for childcare.

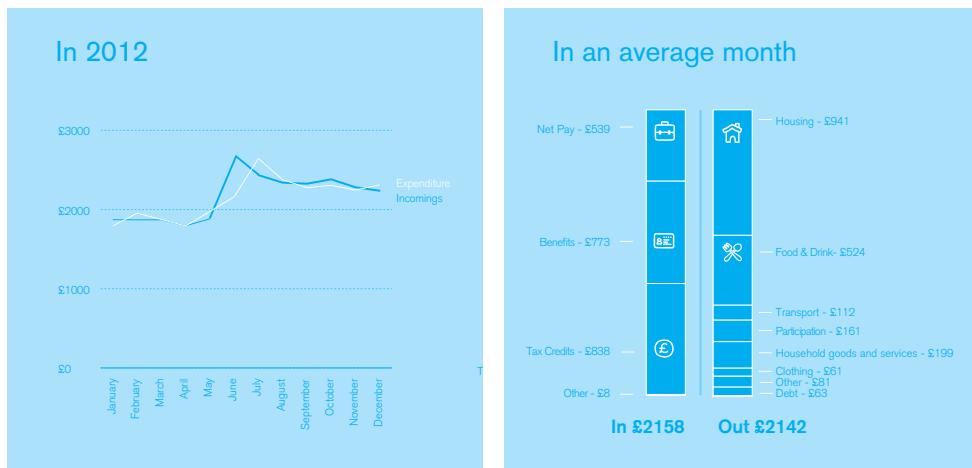
Appendix

Explaining the graphics



Household members

For the sake of simplicity there are only two categories of child: younger and older. Younger children are those of primary school age or younger. Older children are those of secondary school age or older.



Financial standing

The graphic in this example indicates that 81% of people are richer and 19% poorer than this family in terms of position in the income distribution. We explain in the 'Sample' section of the introduction how this calculation was made, that it should be only be considered to be indicative and that it is a limited indicator of living standards.

In an average month

These figures, as with the calculation for financial standing can only be considered indicative. Clearly a monthly average does not take into account the variation in reported income and expenditure over the year (shown in the 'In 2012' graphic) but it does give a snapshot of household finances.

'In' & 'Out' categories

- Net pay is the remaining amount after deductions from the gross salary.
- Housing includes rent or mortgage payments, household bills and council tax.
- Food and drink includes personal goods often bought as part of the food shop.
- Transport includes any outgoings for both private transport i.e. cars and public transport.
- Participation includes all expenditure on leisure and recreation from pocket money to holidays.
- Household goods and services include home insurances, items bought for the house, communications such as phones, computers and internet access.

We appreciate that some of the component parts of these categories could have been allocated to others but again, the figures are indicative and the categories are at least consistent across the case studies. These categories are similar but not identical to those used by the Joseph Rowntree Foundation's Minimum Income Standard research.

For those families without a visualisation of their income, then this was a result of insufficient data.

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