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SNAPSHOTS OF INSECURITY

An exploration of personal values and economic
insecurity in 2021

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INTRODUCTION

In the wake of the Brexit referendum, austerity and more recently, the Covid-19 pandemic, much has been made of the growing divisions in British society. At least according to some commentators, the British public is being thrown into two camps — on the one hand, a traditionally-minded group unhappy with the pace of change, and hoping to wrest Britain towards a more stable path; and on the other, a group of progressives doggedly (and to their critics, blindly) pursuing change on a range of issues, such as diversity and gender equality.

This takes place on top of longer-standing divisions around class and economics in British society. The distinctions of 'working' and 'middle' class have lost their analytical bite in recent decades, and there have been numerous attempts to recharacterise Britain's social make-up. The RSA is particularly interested in one dimension of this conversation — that of the economic security. We define economic security as: "the degree of confidence that a person can have maintaining a decent quality of life now and in the future, given their economic and financial circumstances." It extends beyond bank-balances and pay-cheques: it includes measures of how our economic circumstances effect our wellbeing and quality of life. Economic insecurity has been the subject of greater attention as economic and technological change pushes secure groups into positions of precarity.

The RSA has a long-standing programme of work seeking to understand the impacts of economic security in the UK. This includes the work of the Future Work Centre, focusing on issues related to the gig economy and insecure work, our Economic Security Observatory, which has been exploring the impact of Covid-19 on key workers, alongside research on related issues such as housing, education and public services.

In late December 2020, we polled the public on their economic security, values, political outlook and policy preferences. Using cluster analysis, we have created seven 'snapshots', based on the values and economic security of different groups. We sought to discover both the public's outlook on societal issues — like diversity, the importance of tradition, and care for the environment — and personal ones, such as their perceived class attributes and level of optimism.

From this we have created seven personas, in order to provide a lens on how economic security and individual values interact. Our findings demonstrate that there is much more nuance than is often presented — our economic standing does not have a uniform effect on values and vice versa.

This kind of analysis is exploratory — we are not seeking to have the final word on class and financial status in the UK — but we hope that our findings shed some light on the economic fortunes of the British public in 2021. This work serves to highlight that economic insecurity can have contradictory impacts on values: on the one hand it



can foster an inclusionary politics and a desire for greater state action, on the other, a feeling of disenchantment with the political system, and a rejection of progressive values.

This short briefing is intended to act as the foundation stone for more comprehensive analysis of economic security and values which we are looking to carry out over the coming year.

KEY FINDINGS

Economic insecurity intersects with personal values in diverse ways. Our findings suggest that different value groups exist within similar brackets of economic security. While economic security does correlate with some demographic factors, such as age, the effect is not uniform, and looking for simple correlations can often obscure the nuances which exist in the population. Among our three most insecure groups, there is a diversity of location, housing tenure, age, and political persuasion. The same is true of our secure groups – the two most financially safe groups, for instance, are polar opposites across many of their ideals.

Despite these groups' differences, there is a coalition of support on many key policy issues, such as environmentalism, reducing regional inequalities, and including citizens in decision-making. While we should not underplay the impact of widening divisions in British society, consensus exists on many issues – such as helping the environment and giving citizens more say over policy decisions. There are also signs of solidarity between different groups – they all agree that today's young people have a harder time financially than previous generations, for instance.

Economically insecure groups are bearing the brunt of automation

Groups with a lower degree of financial security are far more likely to feel new technologies are a threat to their job. The public as a whole is reticent about jobs being automated: 48 percent are negative toward more jobs being carried out by machines, and just 20 percent positive. Our insecure groups are most likely to feel like their role is under threat from the introduction of new technologies, while those in more secure, managerial jobs are less concerned.

Young people exist in a two-strand economy

Two of our groups are distinctly young: one faces extreme precarity, the other financial surety, steady incomes and good job prospects. These groups are both among the most likely to be in full-time employment, but one group is not being rewarded for their efforts, and face issues like fluctuating pay-cheques and excessive working hours. The other, meanwhile, enjoys a stable income, high rates of home ownership and opportunities for progression.

Economic insecurity may also have a role in driving populism among certain demographics

The discontented right are unhappy with the status quo, displayed in a disaffection with the mainstream parties in British politics. This group faces stark financial insecurity and high rates of unemployment, and yet is not warm to



the idea of expanding the welfare state through higher taxes. They are among the least in favour of building more social housing, despite having the highest proportion of council renters.

Precarious groups have been most impacted by the pandemic

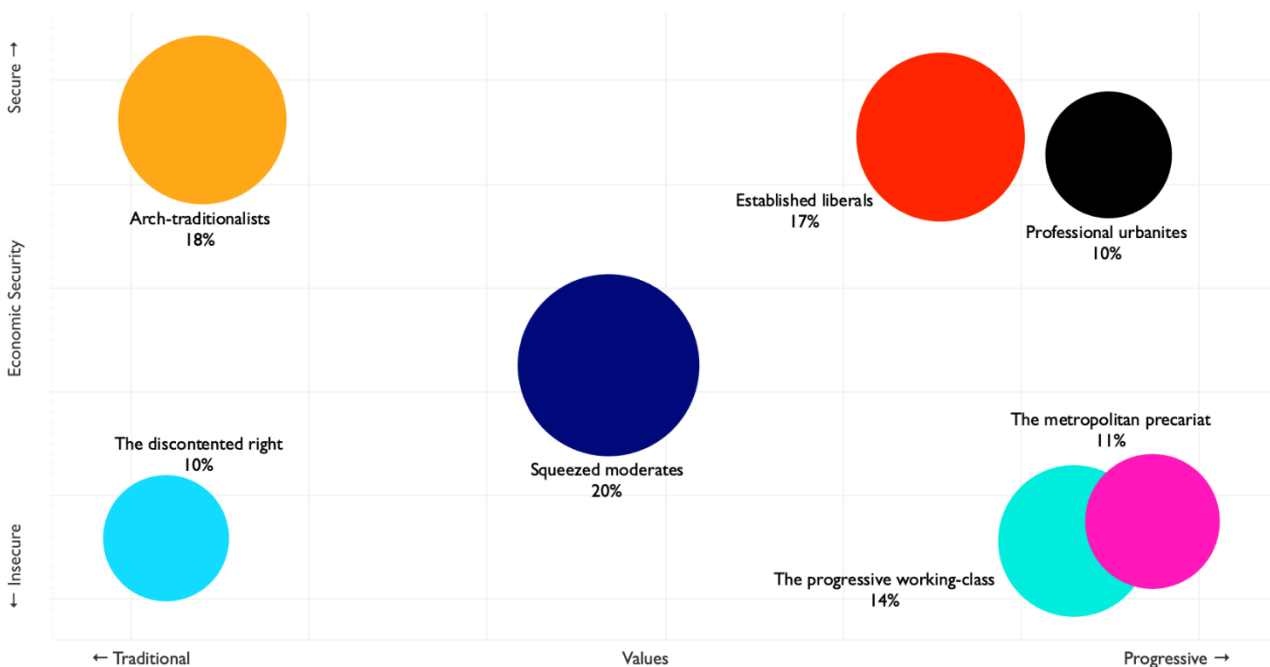
Among the most insecure, unemployment has increased since March 2020. By contrast, within secure groups workers are more likely to have been put on furlough than lose their jobs. Two of our insecure groups have the highest levels of furlough, and they are far more likely to say that they have been furloughed at some point in 2020.

Geography also plays a role

Two of our insecure groups feel that their local areas are unlikely to hold good job opportunities. While more data is needed to ascertain the impact on certain regions, our data shows that insecurity can impact populations in rural, fringe and urban settings, albeit in different ways.

SNAPSHOTS OF INSECURITY

An overview of the segmentation:





The progressive working-class

- Progressive, Labour supporting, of all ages, and highly economically insecure.
- More likely to be towns and rural settings, and fall into the DE social group.
- 14 percent of the sample

This group is Labour-supporting, female, and working class. This group is more centred in the countryside and urban fringes than other groups, and the most likely of any (75 percent) to say that they feel more working class than middle class. They do a lot to help the environment (80 percent) and are in favour of Britain becoming more diverse (83 percent).

The *progressive working-class* are very insecure - around 20 percent are currently unemployed, and 68 percent would struggle to pay an unexpected bill of £100. 72 percent say they have just about enough money to get them through the month, and one in five rely on loans to meet basic living costs. Nearly half (48 percent) have less than £21,000 of household income, the lowest of any group. This group feels the effects on their mental health - 82 percent say that they worry about money constantly, the highest of any group, and they are the most likely of all groups to feel that they will be financially worse off in 5 years.

Regional inequality is a big issue for this group - a massive 92 percent say that the government should reduce the gap between richer and poorer parts of the UK. This group has the lowest urban proportion of any - 40 percent live in town and fringe areas, and 27 percent in rural settings, and have relatively low levels of home ownership, with around half renting from the council, private landlords, or housing associations. They feel that their local areas are devoid of opportunity - almost no one in this category says that there are decent jobs with opportunities to progress where they live.

The discontented right

- Traditional, economically insecure, and disillusioned with the political system.
- This group suffers from high unemployment, low pay and poor working conditions.
- 10 percent of the sample.

This group faces extreme economic insecurity. More than two-thirds would struggle to pay an unexpected bill of £100, and almost none say they have money to save at the end of the month. 70 percent live pay-cheque to pay-cheque. A quarter rely on loans to meet basic living costs, and 56 percent say they are worried about the amount of debt they are in. This group is predominantly middle-aged, with over half between 35 and 55, and most are educated to a secondary school level (71 percent), compared to 52 percent for the population at large.

The *discontented right* are traditional on a range of issues - they are the least likely to say that diversity has made Britain a better place (52 percent disagree, with just 14 percent agreeing), and almost none identify as feminists. They are also the least likely of any group to say that they take a lot of measures to help save the planet (28 percent). Despite this, they do agree on issues like closing pay gap between men & women (46 percent) and on solving regional inequality.



Those in employment feel powerless in the workplace – 62 percent say they do not have freedom and control over when they start and finish work, and only 28 percent say they can influence their working conditions, the lowest of any group. They are the least likely to say that they feel secure in their job, at just 28 percent.

This group falls alongside older Tories about being unwilling to pay higher taxes to fund a more generous welfare state (56 percent). They are against building more social housing, despite 38 percent renting from the council and housing associations, the highest of any group. While the population as a whole agreed with the statement 'I get little or nothing from the government to help me financially', this group was the most likely to disagree (21 percent), suggesting that at least some of this group relies on a form of government support.

Their disillusionment with mainstream politics is evident in their party preferences – this group are relatively uninterested in the mainstream parties (25 percent Tory, and 19 percent Labour) with the largest amount of Brexit Party and UKIP supporters (16 percent), and those who support no party (28 percent).

The metropolitan precariat

- A high insecurity, disproportionately black, Asian and minority ethnic (BAME) and optimistic young group which faces some of the worst financial precarity and working conditions.
- 11 percent of the sample.

This group is extremely hard working, but faces some of the highest levels of economic insecurity - 60 percent would struggle to pay a bill of £100. This group are renters and are worried about housing costs, but they also remain optimistic about life in general and the prospect of climbing the ladder.

The *metropolitan precariat* is the youngest of our groups – around a third are 18-24, and another third 25-34. This group have the largest proportion of private renters (25 percent), and are the most worried about housing costs of any group, at 75 percent. They are concentrated in cities and large towns (59 percent) with a quarter living in London. Perhaps as a result, they are likely to feel that there are decent job opportunities in their area (40 percent).

Over half of our young precariat say they have trouble meeting their living costs because their income varies from month to month – the only group that does so. They are forced to borrow to make up for this – 62 percent say they are concerned by the amount of debt they are in.

Despite more than 1 in 10 of this group being on furlough at the time of our poll, the *metropolitan precariat* is among the most likely to be working full-time (41 percent) and contain the highest proportion of students (18 percent). Their household income is higher than other insecure groups – for 37 percent this is above £34,000. This is similar to some of our more secure groups – suggesting that the insecurity felt by this group is the product of low levels of assets or high living costs rather than income.

If the *discontented right* complain of poor job security and working conditions, this group is more likely to have trouble with over-work. The metropolitan precariat is most likely to work excessive hours (64 percent) and find life difficult to plan because of working hours (65 percent), far higher than other groups.



61 percent say that they struggle to balance work and home life. This group is far worried about workplace monitoring (59 percent) than other groups and feel that introduction of new technologies has made their jobs less secure (39 percent).

While caution should be exercised when considering BAME statistics in survey data, it is notable that a large proportion of BAME respondents fall into this group – this group is 29 percent BAME, compared to 9 percent for the sample as a whole.ⁱ

Despite economic insecurity, this group is optimistic - 77 percent say they are excited by their future, second only to our wealthy millennial group. They feel that there are good opportunities for progressing in their career (60 percent, second only to wealthy millennials on 68 percent). Amongst our other insecure groups this is less than 20 percent. They are slightly less optimistic about their economic prospects - 50 percent feel they are likely to worse off in 5 years, although 34 percent disagree.

Squeezed moderates

- In the middle both politically and financially, this group straddles ideological divides.
- Large numbers earn just enough to get by, but this group does suffer from some forms of precarity.
- 20 percent of the sample.

This group is in favour of both diversity and maintaining British values. They are broadly economically secure but not as much as some others and are generally reflective of the population at large on many metrics of economic security and working conditions.

This group is torn between the Conservatives and Labour (29 percent to 33 percent) and neutral on their future economic prospects – neither significantly pessimistic nor optimistic and is spread across different age groups.

While 60 percent say they live pay-cheque to pay-cheque, 29 percent say they manage to save each month. This group are not free of money worries, however: around a third say that housing costs are a big financial worry. Unlike our insecure groups, squeezed moderates can handle smaller unexpected costs, but still struggle with larger ones. 14 percent say they would struggle to pay an unexpected bill of £100, rising to 58 percent for a bill of £500. The majority (63 percent) own their own homes, mostly with a mortgage (36 percent).

They agree on both the importance of maintaining traditional British values (65 percent) and diversity (47 percent), but very few say that they would call themselves 'feminists'. While this group are in favour of closing the pay gap between men and women (57 percent), and reducing regional inequalities (69 percent), they are broadly unwilling or undecided about paying higher taxes to expand the welfare state.

ⁱ This is due to known problems in the polling community with reporting on BAME groups, namely: reporting all non-white groups as homogenous; underreaching those with poor English, and underreaching first generation immigrants.



Established liberals

- Wealthy and progressive, but not matched by political support, with large numbers supporting the Conservatives.
- Highly economically secure, and likely to be based outside of London. Large proportion of homeowners (84 percent) and pensioners (42 percent).
- 17 percent of the sample.

While conventional wisdom suggests that the public becomes more conservative as they get older, there is a group that bucks the trend. Our *established liberals* are progressive in many areas and enjoy a high degree of economic security. They lend support to various parties – a combined 43 percent say that Labour, the Liberal Democrats or the Greens best represent their values, but large numbers (31 percent) say that they identify with the Conservative party – perhaps demonstrating that economic concerns supersede values for some. They care passionately about the environment, with almost a third of all Green voters falling into this category, and 80 percent saying that they take action to help save the planet.

Around a third are retired, and this group is largely over 65. This group has the highest proportion of workers in the public and third sector of our groups. Among those who work, this group have relatively few concerns about their working conditions, hours and fair treatment.

Despite their high levels of economic security, this group has relatively middling household income – 45 percent earn less than £34k a year. Combined with high levels of outright home ownership, and a large proportion on private pensions, this suggests that this group's financial security is instead the product of healthy levels of assets. The same goes for our *arch-traditionalists*, below.

Professional urbanites

- Progressive, economically secure millennials.
- Concentrated in cities, particularly London, and likely to have a steady stream of income and a professional job.
- 10 percent of the sample.

This group is predominantly millennial, with good job prospects and few money worries. They are highly progressive, but not 100 percent sold on Labour – this group also large amounts of Tories, Liberal Democrats and Greens. They are heavily centred in London, and while there are large amounts of homeowners, many also rent. This group has the highest proportion in the AB social grades (44 percent) suggesting that they generally work professional and managerial roles.

This is the most employed of our groups, with 60 percent working at least 30 hours a week. 59 percent of this group is below 35, and 39 percent are millennials (25-34). This group generally works in professional or managerial roles (44 percent fall into the AB social grade) and is highly optimistic about their future job prospects. Of our seven groups, the *professional urbanites* are the only one that is more likely to agree than disagree that things are better now than they were a generation ago.

They are highly progressive on a range of issues. Despite having among the highest household incomes of any of our groups - 63 percent live in households with incomes of above £34,000 a year - they are also among



the most willing to paying more tax for a more generous welfare state. While this group can foot unexpected bills, and do not worry about debt, 21 percent say that housing costs are a big financial worry, perhaps due to the large amount of mortgage holders (40 percent) and renters (35 percent) in this category.

Arch-traditionalists

- This group is the most traditional by many metrics, and the most economically secure.
- Likely to be male, homeowners and private pensioners.
- 17 percent of the sample.

At the intersection of high economic security and traditional values, this group is keen on British values, and less so in issues like feminism and diversity. Older, homeowners and likely to have private pensions, this group is against improving the welfare state and many other issues.

They are highly secure across all of our metrics, being unfazed by unexpected bills, debt, housing costs or fluctuating incomes. A large proportion (35 percent) retired on private pensions, and 62 percent own their homes outright, with another 22 percent owning with a mortgage. Along with *established liberals*, this group is least likely to rent. This is our oldest group, with almost half over 65, and is predominantly male (63 percent).

Almost half of the arch-traditionalists feel that the Conservative party matches their values, and it also contains the highest proportion of Conservatives of any group (50 percent). This group are very traditional across a range of issues: only 17 percent agree that diversity has made Britain a better place, while 46 percent disagree. Almost none identify as feminists. They are against expanding the welfare state and are the least in favour of paying higher taxes for it.

In spite of this, they do agree with our progressive groups on some issues: the *arch-traditionalists* would like to see the UK on target to reduce its carbon emissions (57 percent), build more social housing (54 percent), and would like to see citizens have more say over policy decisions (41 percent, versus 18 percent disagreeing).

NEXT STEPS

These findings demonstrate that economic insecurity impacts groups either side of the values divide, and that all parties have a stake in improving work and financial resilience in this country. Our three insecure groups have issues unique to them: *the progressive working class*, deep-seated money worries and a perceived lack of opportunity in their surroundings, *the discontented right*, concerns about job security and a lack of agency in the workplace, and in the *metropolitan precariat*, over-work, and fluctuations in regular pay.

This work scratches the surface of what needs to be done – by those on both sides of the political coin – to improve economic security in the UK. The RSA is calling for a policy package inspired by President Joe Biden's



dual focus on both economic and cultural issues — including concrete measures like a higher living wage and hazard pay for blue-collar emergency workers, as well as appealing to national unity and a progressive, patriotic vision of the country. In particular, the RSA urges progressives in the UK - in all political parties, and none - to support:

1. **Retention of the £20 uplift in universal credit:** this is, as many have said, a short-term gap-fill and not a long-term solution. But it is currently a lifeline for many and crucial in keeping their head above water. Scrapping this now would remove important support and could push people to take further risks with their health to survive financially.
2. **Greater universalism:** as President Biden looks to extend the equivalent of child benefit in the US, the UK should look beyond 'targeting' - which we believe misses much of those who it's supposed to help - in favour of more universal benefits. Highly targeted benefits, what's more, could antagonise polarisation if certain groups are seen to be benefiting, especially if these are perceived as 'client groups' of particular parties, given at the expense of others.
3. **A focus on good work,** including greater commitment to the living wage, integration of the UK's labour bodies into a single enforcement agency, and stricter controls on employers' monitoring of employees.
4. **Greater devolution of employment and welfare:** over time, central and local government, including devolved bodies in the UK's nations as well as combined authorities in England, should allow local areas to experiment with innovative forms of employment support by devolving more welfare, particularly housing and employment support, to local areas. This would be within a universal framework of benefits but with greater room for experimentation. Locally-led schemes tend to be more effective, and our own findings suggest that 'the local' is important in building local solidarity. [Our experience in Scotland](#) is that local citizens' assemblies could help determine what this support could look like and can build solidarity by bringing polarised groups together and increasing people's understanding of the different experiences of economic insecurity.

As a next step, we would be interested in expanding this analysis with a more comprehensive consideration of economic security and personal values, to complement and drive forward our work on economic security in other areas. We are also looking to understand the relationship between values and economic security through qualitative, as well as more in-depth quantitative, research.

For more information, including the full data tables, or to discuss the proposed research further, contact Will Grimond on will.grimond@rsa.org.uk or Ash Singleton on ash.singleton@rsa.org.uk



APPENDIX I. METHODOLOGY

This research used data drawn from a bespoke survey with Yonder, who polled a nationally representative sample of 2012 people in December 2020. Questions were largely drawn from previous RSA research on economic security.

The analysis used factor analysis: a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. We used k-means cluster analysis to segment individuals into distinct groups, with the aim of maximising heterogeneity between groups and homogeneity within them. In simple terms this means making sure that individuals within each cluster are more similar to other individuals within their cluster than to those in others. There are numerous different ways to decide on the number of clusters in this kind of analysis: we clustered based on 5, 6, 7 and 8 clusters, and trialled different combinations of factors, ensuring that the size of the clusters did not vary too significantly, and that the algorithm did not produce clusters highly similar to one another.

For any questions or for more information please contact Will Grimond: will.grimond@rsa.org.uk.

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