



RSA

21st century enlightenment

**Thriving, striving,
or just about
surviving?
Seven portraits of
economic security
and modern work
in the UK.**

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and Fabian
Wallace-Stephens*

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**FUTURE
WORK
CENTRE**

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About Us

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The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) believes that everyone should have the freedom and power to turn their ideas into reality – we call this the Power to Create. Through our ideas, research and 28,000- strong Fellowship, we seek to realise a society where creative power is distributed, where concentrations of power are confronted, and where creative values are nurtured. The RSA Action and Research Centre combines practical experimentation with rigorous research to achieve these goals.

The Future Work Centre is a programme that aims to bring about a better world of work through a combination of rigorous research and practical experiments. The Centre is exploring trends such as the impact of robotics and AI, the rise in self-employment, the nature and characteristics of gig work, and the hidden activities of the informal economy. In each case, our work seeks to lead the debate by digging behind the headlines, unpicking the nuance of issues and canvassing views from across the political spectrum. We believe that good work for all is an achievable goal – one that can only be realised through radical but pragmatic interventions. Over the coming year, the RSA will publish further content with ideas on how to boost economic security, meaning and dignity in every workplace.

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Special thanks to Nic Hinton of Karoshikula for creating the featured visuals.

Foreword

I very much welcome this report, *Thriving, striving, or just about surviving? Seven portraits of economic security and modern work in the UK*. Not only does it contain important data and analysis but it has a number of significant implications. First, the report challenges the common but unhelpful assumption that people's life chances and experiences can be directly determined from their employment status. Being a casual worker can mean one thing to a middle aged person with no savings and few prospects, and something completely different to a younger person on gap year who can turn to their parents for financial backing.

Second, we need to understand the phenomenon of economic insecurity in the round at both a personal and systemic level. To take one aspect of the individual level, whether or not someone is the sole earner in a household can make a big difference to their sense of financial vulnerability. At the system level, a full understanding of economic insecurity requires us to see the interaction of labour market conditions, welfare rules, public service provision and educational opportunities. It is interesting to see the continued success of 'flexicurity', a model which enables a high degree of flexibility in the Danish labour market, but is balanced by the provision of social security and the promotion of an active labour market policy.

Third, despite the differences between the seven segments persuasively described in this report we can clearly see how many people are impacted by common problems. Precarious work is a theme, as is a lack of autonomy or control at work (both issues underline the call for good work in the Review I undertook for Government last year). It is also important to be reminded that differences in the possession of assets are even more pronounced than income inequality. I hope this study will prompt the RSA to undertake more work on asset based welfare.

Fourth, the many interesting nuances of this report underline the need to look beneath national employment statistics and understand how economic insecurity varies in different places and different employment sectors.

Finally, and this is more speculative, the report should make interesting reading for those seeking to tackle insecurity beyond the efforts of the state. 'Flexibility' is often seen as a euphemism for employers transferring risk onto the shoulders of the most vulnerable workers. But flexibility might also be a way for people with changing domestic needs and circumstances to alter their hours and earnings in response. Perhaps it is hard for companies in highly competitive consumer markets to pay higher wages but could they explore providing low cost financial and insurance services so employees have somewhere to turn when they face unexpected costs? From major companies to housing associations, this report offers fresh and insightful analysis into the growing and complex phenomenon of economic insecurity. The next stage of the journey is to develop new and more effective interventions at every level from the national state to the local neighbourhood. The RSA is committed to that journey.

Matthew Taylor, Chief Executive, RSA

Summary

As we usher in a new year, our optimism for 2018 is tempered by concern for workers in the UK. Employment may have reached a record high last year, but workers aren't necessarily more secure. If anything, wider economic trends would suggest that workers are worse off as real wages fall and in-work poverty rises.¹ Growth forecasts have been repeatedly revised down, and productivity remains low.² Little progress has been made to resolve a lack of social mobility or persistent income inequality.³ The pay of black and minority ethnic (BME) workers and women still lags behind that of their white, male counterparts, and those who are unemployed are routinely denied support as the welfare state increasingly operates on the basis of targeting and conditionality.⁴

Moreover, of the jobs that have been created, many are atypical in nature, meaning that workers have been shifting from full-time, permanent employment to zero-hour or temporary contracts, and are increasingly taking up self-employment or gig work.⁵

1. Office for National Statistics (2017) *Analysis of real earnings: December 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/supplementaryanalysisofaverageweeklyearnings/latest#real-average-weekly-earnings; JRF Analysis Unit (2017) *UK Poverty 2017: A comprehensive analysis of poverty trends and figures*. York: Joseph Rowntree Foundation.

2. Office for Budget Responsibility (2017) *Economic and fiscal outlook – November 2017*. Available at: www.budgetresponsibility.org.uk/efo/economic-fiscal-outlook-november-2017/

3. (2017) 'Social mobility board quits over lack of progress' Social mobility commission quits'. BBC News, 3 December, [online] Available at: www.bbc.co.uk/news/uk-politics-42212270; Dorling, D. (2015) 'Income inequality in the UK: Comparisons with five large Western European countries and the USA'. *Applied Geography*, 61(2015), 24-34.

4. Longhi, S. and Brynin, M. (2017) *The Ethnicity Pay Gap*. Manchester: Equality and Human Rights Commission; GOV.UK (2018) 'Gender pay gap data'. Available online: gender-pay-gap.service.gov.uk/Viewing/search-results; Patrick, R. (2017) 'Wither Social Citizenship? Lived Experiences of Citizenship In/Exclusion for Recipients of Out-of-Work Benefits'. *Social Policy and Society*, 16(2), 293-304.

5. While employers aren't obligated to fulfil these sorts of responsibilities under the law, many businesses have long upheld a culture of supporting workers by expanding on basic rights and protections.

There are now nearly a million people on zero-hour contracts and 1.7 million are in temporary work; a record 4.8 million are in self-employment, while there are an estimated 1.1 million people in Britain's gig economy, which – in a mere five years – is around as many workers as in the National Health Service (NHS) England.⁶

This rise in atypical work has been followed by fears that the labour market is fragmenting into low paying, poorly protected jobs. The more flexible the workforce becomes, the more insecure workers appear to be, which has prompted questions about whether workers' interests are still being safeguarded under the law. In response to this unease, the government appointed Matthew Taylor to carry out a review of modern working practices. The Taylor Review was published in July 2017 and the government will soon set out how it intends to act on the Review's recommendations.

The review sought to achieve more than the reform of labour law for atypical workers. Its ultimate conclusion – that, as a society, we should strive for all work to be 'good work' – is relevant to workers across the labour market, no matter what the job. Good work is described as work that is fair and decent, with realistic scope for development and fulfilment.⁷ It is, in essence, capturing the two most important considerations for many people when pursuing a job – the offer of economic security as well as a rewarding experience. This RSA report expands on these dimensions of good work, theoretically as well as practically.

We commissioned a survey in partnership with Populus to get a wider sense of experiences of economic security, which we define as 'the degree of confidence that a person can have in maintaining a decent quality of life, now and in future, given their economic and financial circumstances.'⁷ For a third (or even as much as 40 percent) of our sample, this degree of confidence can be low; for a significant minority, their insecurity is extreme – these workers are precarious. In our segmentation of the labour market, we discovered that in addition to experienced insecurity, there was hidden insecurity; for example, some workers are in steady jobs, but have little to no savings and wouldn't be able to tide themselves over in the event of a financial shock.

Our survey and segmentation also reveal that experiences of work are highly variable. On the whole, most workers in the UK feel positively about their experiences on the job and would work even if they didn't

6. Zero-hour contracts are characterised by a lack of a guaranteed minimum hours. 883,000 people are currently on zero-hour contracts. Office for National Statistics (2017) *Contracts that do not guarantee a minimum number of hours: September 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contracts-that-do-not-guarantee-a-minimum-number-of-hours/september-2017; Office for National Statistics (2017) *EMP07: Temporary Employees*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/temporaryemployeesemp07; Office for National Statistics (2017) *UK labour market: December 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2017; Balaram, B., Warden, J., and Wallace-Stephens, F. (2016) *Good Gigs: A fairer future for the UK's gig economy*. London: RSA, [online] Available at: www.thersa.org/discover/publications-and-articles/reports/good-gigs-a-fairer-future-for-the-uks-gig-economy

7. Taylor, M. (2017) *Good Work: The Taylor Review of Modern Working Practices*. Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf

need the money.⁸ A majority (71 percent) of workers find their job interesting, 70 percent of workers believe their job makes good use of their skills, and 64 percent are satisfied with the sense of achievement from work.⁹ However, some workers are also really struggling. These workers may not feel like they are adequately supported or protected in their jobs, they lack autonomy or a sense of freedom and control in work, and they feel so stressed and unfulfilled by their jobs that they report being unhappy.

While we are encouraged by the enthusiasm for good work among businesses, trade unions and government, there are still great challenges ahead. We are not convinced that traditional ‘objective’ measures of security, such as contract type or employment status, are sufficient, nor do they reflect the scale of these challenges. To understand the modern experience of work – and how we can improve it – a wider lens is needed and we have endeavoured to provide that here.

Structure of the report

Section 1: Good work in today’s labour market

In our first chapter, we discuss indicators of a good experience of economic security and work, as well as the relationship between the two. We draw on these indicators, and their underlying variables, in a survey with Populus that was designed to learn more about how workers are faring. Our survey of the UK’s workforce provides us with an overview of how economically secure workers are, as well as how they are experiencing their jobs.

We’ve uncovered some acute problems across the workforce as a whole. With regard to economic security, over a quarter of workers do not feel like they earn enough to maintain a decent standard of living. One in five workers sometimes have trouble making ends meet because of income volatility and nearly half (43 percent) of workers do not have anyone in their household whom they could depend on to support them financially in the event of hardship. Moreover, many workers lack the necessary savings to withstand financial shock – 32 percent have less than £500 in savings and 41 percent hold less than £1,000. A further 40 percent do not expect to have enough in savings to maintain a decent standard of living in retirement. Overall, a third (34 percent) of the workforce would consider themselves to be ‘just about managing’.¹⁰

Similarly, when it comes to experiences of work, while most workers appear to be content in their jobs some workers aren’t as fortunate. We found that 28 percent of workers feel less secure in their jobs than they did five years ago. A lack of autonomy in work is a problem for a quarter of the workforce – one in four workers report that they do not have freedom and control over day-to-day tasks. Nearly half (47 percent) of the

8. According to the most recent British Social Attitudes (BSA) survey, a majority say they would enjoy working even if they didn’t need the money - and this proportion has been slowly increasing over time. In 2015, 62 percent of people said they would enjoy having a job even if they didn’t need the money. Twice as many in 2015, compared with 1989, strongly agree that they would enjoy having employment even if their financial circumstances did not require it.

9. 2017 RSA/Populus survey.

10. An additional 5 percent are unable to make ends meet.

workforce find work stressful; about a third report a poor work-life balance (29 percent) and work excessive hours (32 percent). Only 44 percent of workers feel they have progressed within their careers over the last five years, and looking ahead, just 40 percent feel they have good opportunities to progress in future. As many as 26 percent of workers are unhappy or depressed about their jobs.

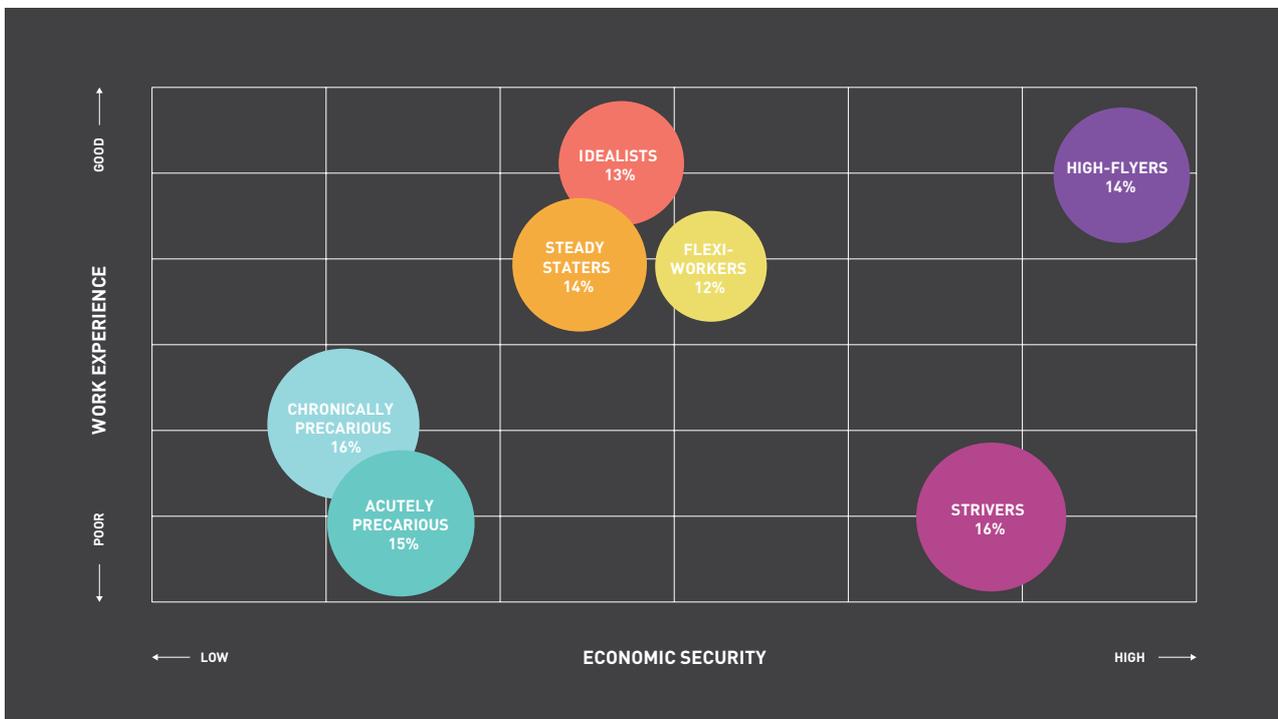
These numbers should merit concern. Issues such as poor savings or high stress are not anomalies contained in certain corners of the labour market; rather, they appear to be widespread.

However, as important as it is to see the overall picture, we are also interested in the nuances behind these headline figures. In our second section, we offer a more detailed analysis of how workers are faring.

Section 2: Seven portraits of modern work

To better understand the state of good work in the modern labour market, we partnered with Populus to construct a segmentation, using the data from our RSA/Populus survey. A segmentation is a way of grouping respondents based on the similarity of their characteristics and attitudes, as measured by survey responses. Within the context of our research, the segmentation helped us identify patterns in experiences of economic security and work, which are ultimately expressed as the seven portraits of modern workers presented in this report. To bring these portraits to life, we've included case studies, compiled from supplementary interviews we conducted with workers who participated in our survey.

Figure 1: Overview of segmentation



THE CHRONICALLY PRECARIOUS

A low paid segment of the labour market. Most of these workers have typical employment contracts but still struggle to make ends meet. Their work experience is negative in many aspects.

15% of the workforce have a similar experience.



There are two groups of precarious workers. This first group is employed on typical contracts, and thus have certainty of hours. However, they still worry about job security because of wider trends in the labour market; in particular, they are concerned about the pace of technology and the possibility of their job succumbing to automation. They report low autonomy and excessive monitoring, which could worsen with the rise of algorithmic and data-driven management. Progression among low-paid workers is also rather limited.

THE ACUTELY PRECARIOUS

A low paid segment of the labour market. Many are in atypical forms of employment or have unpredictable working hours. They struggle to make ends meet, partly because their income is volatile. Many have a negative experience at work, but some find that it offers them flexibility.

16% of the workforce have a similar experience.



This second group of precarious workers are usually the ones who make headlines – many are in atypical work (for example, in low-skilled gig work or on zero-hour contracts) and find the lack of job security to be difficult. Some of these workers still struggle with the level of autonomy they have, or to make ends meet on the hours they are able to work. Of significance is that these workers, unlike most ‘flexi-workers’ (a segment that similarly values, and pursues, flexibility), are less likely to be able to turn to others in their household for financial support.

While they are more optimistic about being able to progress, they will likely have to change professions in order to advance their careers. Given how young and highly-educated this segment is, for many, this kind of work is likely to be a stop-gap in their careers as they try to transition into their ideal professions; however, some will feel ‘stuck’, signifying a divide between those who are upwardly mobile and those who are not.

THE FLEXI-WORKERS

Many are in atypical forms of employment or have unpredictable working hours. While their work does not always pay well it does offer them flexibility, fulfilment and autonomy.

12% of the workforce have a similar experience.



This group is mainly found in atypical work, including in highly-skilled gig work as well as in other forms of self-employment (ie owners of microbusinesses); however, unlike the acutely precarious, they enjoy their experience of this work.

What these workers have in common is that they find their jobs more meaningful and have greater autonomy than they believe they would (or have experienced) in traditional employment.

However, while there is much to laud, flexi-workers also have their difficulties. In particular, they lack job security and employment protections and benefits, such as holiday pay, sick pay, and an employee pension. These workers may also find it challenging to invest in their skills themselves because of their relatively low levels of pay and the ‘on-demand’ or ‘on-call’ nature of the work, which could mean that they lack the resources or the time for further training and education.¹¹

THE STEADY STATERS

A middle income segment of the workforce. Most have typical employment contracts and predictable working hours. They value work that provides them with stability and security.

14% of the workforce have a similar experience.



Steady staters may appear to be in a relatively secure position because they are in long-term jobs with typical contracts and are satisfied in their work. Yet, they have few savings – more than half have less than £1,000 saved (a sum which is considered necessary to withstand financial shocks), and some (37 percent) are concerned about debt.¹² This may constrain their prospects in terms of home ownership or planned retirement; for example, millions of workers in their 50s have been forced to postpone

11. OECD Economic Review and Development Committee (2017) *OECD Economic Surveys: United Kingdom 2017*. Paris: OECD, [online] Available at: www.keepeek.com/Digital-Asset-Management/oecd/economics/oecd-economic-surveys-united-kingdom-2017_eco_surveys-gbr-2017-en#page130

12. (2016) *An Action Plan on Problem Debt*. Leeds: StepChange Debt Charity.

their retirement by eight years due to a lack of pension savings and high levels of debt.¹³

Steady staters are among the most vulnerable to economic shock. They are highly dependent on work to maintain a living, and it is not clear how they would cope if they were to be displaced from their jobs. Although they may be satisfied with their work, some appear to be stalled in their careers and overly complacent in their circumstances. Wider trends would suggest that this middle segment of the workforce is likely to be reshaped; for example, jobs are being shed in office and administrative support (ie in bookkeeping and clerical accounting) and in production (ie machine operating), but are being created in providing personal support (ie in healthcare) and working in artisanal trades.¹⁴

In effect, many steady staters are experiencing hidden insecurity.

THE IDEALISTS

A middle income segment. Most have typical employment contracts and predictable working hours. They are 'engaged employees' who are optimistic about their future scope for progression.

13% of the workforce have a similar experience.



Idealists place a strong emphasis on the pursuit of purpose and meaning through work. Some of these young workers may be in the same sector as certain strivers (ie those in healthcare), but are not as far along in their careers or are holding different jobs that they feel more passionately about. It may be that because idealists are among the most likely to be able to depend on others in their household to support them financially, they are relatively free to pursue wider objectives than a high-paying job.

Idealist are clearly driven, and many may be in a transitional phase in their careers. Unlike other segments which may have reached a plateau, we would expect idealists to continue on an upward trajectory given their age and optimism about the future. As they have less flexibility relative to other segments, they may have one eye on a future in which work offers them a greater degree of freedom.

13. (2016) *Working Lives report 2016*. London: Aviva.

14. McIntosh, S. (2013) *Hollowing out and the future of the labour market*. London: Department for Business, Innovation and Skills, [online] Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/250206/bis-13-1213-hollowing-out-and-future-of-the-labour-market.pdf

THE STRIVERS

A relatively affluent segment. These workers have typical employment contracts and job security. However, many are stressed and work excessive hours.

16% of the workforce have a similar experience.



Some of the sectors that strivers are concentrated in have been widely restructured, particularly in the recent years of austerity.¹⁵ Strivers tend to be found in the public sector, health and social care, and transport and logistics. It may be that some strivers once found their jobs to be meaningful, but have since felt worn out by greater demands and increasing pressure.

According to the TUC, stress in the workplace has reached record highs.¹⁶ However, workers are also less supported in the workplace now as trade union membership continues to decline. Traditionally, the sectors that strivers are found in have had strong trade unions, but according to the most recent statistics published by the Department for Business, Energy and Industrial Strategy, membership has fallen sharply, particularly in the public sector.¹⁷ As the trade union movement appears to be in crisis, workers must increasingly shoulder problems on their own.

THE HIGH-FLYERS

The most affluent segment. Many are self-employed or have access to flexible working arrangements. They are secure in their jobs, have autonomy and find their work fulfilling.

14% of the workforce have a similar experience.



High-flyers are the most likely to thrive even if the labour market were to become increasingly hollowed out or reshaped in other ways. They have the skills to take advantage of new opportunities in a changing labour market, and the assets to coast through most challenges. They are the most likely to see new technology as exciting. However, given the disparity in experiences of security and work between high-flyers and precarious workers at the other end of the spectrum, there is concern about widening inequality. This appears to be further exacerbated by asset-based

15. Bach, S. (2016) 'Deprivileging the public sector workforce: Austerity, fragmentation and service withdrawal in Britain', *The Economic and Labour Relations Review*, 27(1), pp. 11-28.

16. (2016) *Focus on health and safety: TUC biennial survey of safety reps 2016*. London: TUC.

17. Department for Business, Energy and Industrial Strategy (2017) *Trade Union Membership 2016: Statistical Bulletin*, 31 May, [online] Available at: www.gov.uk/government/statistics/trade-union-statistics-2016

inequities as home ownership increases among those in the top 10 percent and becomes out of reach for the least wealthy.¹⁸

Section 3: Shaping the future of work

Segmenting the whole workforce disrupts a binary narrative about the difference between traditional employment and forms of atypical work. In one corner, there is a tendency to claim that people are being driven into insecure, exploitative work by unscrupulous businesses; in the other, this work is touted as a choice people are drawn to because it offers more freedom and control. The reality is much more complex.

Our segmentation appears to substantiate the theory that there are different degrees of economic security and that experiences of work can range across a spectrum. What this means is how secure a worker is or how rewarding they find their experience of work to be depends on any number of variables, such as their household circumstances or level of autonomy over tasks, as well as what they value in work at this point in their lives. Within atypical work, there are both positive and negative experiences, as is the case in traditional employment. Our seven portraits help us derive greater nuance about the modern workforce, and pinpoint opportunities for policymakers and others to intervene in support.

Overall, there are five key implications from our segmentation.

1. Conventional jobs are no panacea.

We identify more than a dozen indicators of economic security and quality work. So although, contract type and employment status are certainly factors in workers' experiences, they are not proxies for security or precarity. When we confuse them for such we overlook the many workers in seemingly secure jobs who are struggling to get by.

2. Insecurity is both a personal and systemic phenomenon.

People's feelings, perceptions and lived experiences matter alongside objective measures of economic security. This means that it's possible for two people to be in the same kind of job and have completely different perspectives about economic security and quality of work. However, as personal as insecurity is, it is also influenced by systemic factors. For example, changes to welfare rules, public service provision, and educational opportunities can relieve or heighten insecurity. Wider forces such as globalisation and new technology may reassure some and aggravate others.

3. Shared challenges across segments betray common and pervasive problems in and beyond the labour market.

Although we may have seven distinct portraits of modern workers, there are shared challenges between them, driven in part by the systemic forces mentioned above. This is evident by

¹⁸. Falls in home ownership are concentrated among those with the least wealth, with ownership falling by 12 per cent between 2006-08 and 2012-14 in the bottom half of the overall wealth distribution. See: D'Arcy, C. and Gardiner, L. (2017) *The generation of wealth: asset accumulation across and within cohorts*. London: Resolution Foundation.

the sheer number of workers who are having trouble making ends meet; can't turn to others in the household for support; feel stressed out by their jobs; haven't progressed in the last five years, and aren't optimistic about future prospects. This reinforces the point that economic insecurity is more than just a labour market challenge and will likely need policies that extend beyond labour markets into areas such as asset ownership and new institutions for sharing risk and reward.

4. Different places and different sectors can have a significant bearing on experiences of work.

Places and sectors can shape people's experiences of economic security and work, and the seven segments are distributed differently in different places and sectors. The implication is that it is worth pursuing place-based and sectoral approaches to raising the security and quality of work, which reflect the support needs of specific segments.

5. More flexibility shouldn't mean less security.

Flexibility benefits both businesses and workers.¹⁹ However, in exchange for offering workers greater flexibility, businesses shouldn't relinquish their sense of responsibility for ensuring that these workers are also able to maintain a decent living. Our own segmentation showed that some workers have both flexibility and security in work. To achieve this may mean that the obligations of businesses to workers will change, but we do not believe that overall they should be lessened.

No single reform will improve the economic security and employment experiences of British workers. The RSA posits that there are three types of interventions that can be made to improve the circumstances of workers in the UK:

- 1. Alleviating interventions** ease challenges that workers are experiencing over the short-term through a targeted approach; they are not designed to disrupt the status quo.
- 2. Transformative interventions** seek to address systemic problems over the long-term to change circumstances for workers.
- 3. Innovative interventions** are efforts to bridge the two, working towards transformation through experimenting with and trialling different approaches.

In this report we have sought to gain deeper insight into the experiences of economic security and the quality of work. Our purpose is to help ensure that policies and practice that aim to improve economic security and broaden access to high quality work are based on a sufficiently detailed and nuanced understanding of the current reality of work. We need to get beyond simplistic binaries focussing on the type of job contract or

¹⁹. Clarke, S. and Holdsworth, L. (2017) *Flexibility in the Workplace: Implications of flexible work arrangements for individuals, teams and organisations*. London: Acas.

employment status. We do not purport to be offering all of the necessary solutions and our suggested interventions are a starting point. In our future programme of work we will consider how the portraits we have painted of today's workplace might be impacted by macroeconomic forces such as automation, demographic change and globalisation. We will also carry out more detailed research into those potential reforms and innovations that hold the most promise in realising the RSA's vision for an economy in which everyone can enjoy economic security and have access to good quality work that supports the pursuit of a larger life well-lived.



1. ‘Good work’ in today’s labour market

Against a backdrop of anaemic growth and ailing productivity, the relative health of the UK’s labour market has been astonishing.²⁰ Over 75 percent of the working age population has been in employment this past year – the highest since comparable records began in 1971.²¹ However, like most miracles, this one also had its share of doubters. While the employment rate may have been at an all-time high, few found comfort in these figures, arguing that this number has overshadowed other signs of a labour market in crisis.²² It now seems that what should matter more than the rate of employment is how the very nature of work has changed in recent years.

For some, the labour market has been radically transformed. Nearly a million people are on zero-hour contracts, 1.7 million are in temporary work, and a record 4.8 million are in self-employment.²³ Gig work – the trend of using online platforms to source small, sometimes on-demand jobs, such as providing a ride or making a delivery – has become an increasingly significant phenomenon in the short space of five years. There are now an estimated 1.1 million people in the UK’s gig economy, and nearly 8 million workers would consider some form of gig work in future.²⁴

This rise in atypical work has been followed by fears that the labour market is fragmenting into low-paying, poorly protected jobs. In her first speech as Prime Minister, Theresa May acknowledged that while there may be more people in work, there are a contingent of workers who are ‘just about managing’.²⁵

20. Worstall, T. (2017) ‘UK Unemployment at 42 Year Low – So Why Aren’t Things Vastly Better?’ *Forbes*, 16 August, [online] Available at: www.forbes.com/sites/timworstall/2017/08/16/uk-unemployment-at-42-year-low-so-why-arent-things-vastly-better/#3b18bd6fd8c2

21. Office for National Statistics (2017) *UK labour market: December 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/september2017

22. Allen, K. (2017) ‘Employment statistics tell skewed story about UK jobs market’. *The Guardian*, 6 August, [online] Available at: www.theguardian.com/business/2017/aug/06/employment-statistics-wages-uk-jobs-market

23. Office for National Statistics (2017) *Contracts that do not guarantee a minimum number of hours: September 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/september2017; Office for National Statistics (2017) EMP07: Temporary Employees. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/temporaryemployeesemp07; *ibid.*

24. Balaram, B. et al. (2016) *op cit.*

25. May, T. (2016) ‘Statement from the new Prime Minister Theresa May’. 13 July, [online] Available at: www.gov.uk/government/speeches/statement-from-the-new-prime-minister-theresa-may

The worry is that atypical work is undermining the economic security of millions of workers in the UK.²⁶ Such work is characterised as insecure and unpredictable; it is considered to be work that cannot be depended on. It is common to hear gig workers in particular being referred to as the ‘new precariat’.²⁷

Although zero-hour contracts had long been a feature of the labour market and self-employment in ascent since 2000, unease about exploitation seemed to peak with the surge in gig work.²⁸ The more flexible the workforce became, the more insecure workers appeared to be, raising questions about whether workers’ interests are still being safeguarded under the law.²⁹

In response, the government appointed Matthew Taylor to carry out a review of modern working practices. The Taylor Review was published in July 2017. The review sought to achieve more than the reform of labour law for atypical workers. Its ultimate conclusion – that, as a society, we should strive for all work to be good work – is relevant to workers across the labour market, no matter the job.

Good work is described as work that is fair and decent, with realistic scope for development and fulfilment.³⁰ It is, in essence, capturing the two most important considerations for many people when pursuing a job – the offer of economic security as well as a rewarding experience.

In this chapter, we reflect on the tenets of good work, arguing that contract type and employment status are not adequate ways of inferring whether an individual is economically secure or in an agreeable working situation. We propose an alternative means of understanding how workers are faring in the UK, taking into account the relationship between economic security and a good work experience.

26. Clark, T. (2014) ‘Self-employment surge across UK hides real story behind upbeat job figures’. *The Guardian*, 6 May, [online] Available at: www.theguardian.com/society/2014/may/06/self-employment-uk-job-figures-analysis; Stewart, H. (2015) ‘In Britain’s labour market ‘flexibility’ means letting employers off the hook’. *The Guardian*, 25 February, [online] Available at: www.theguardian.com/uk-news/2015/feb/25/in-britains-labour-market-flexibility-means-letting-employers-off-the-hook; O’Connor, S. (2017) ‘Driven to despair – the hidden costs of the gig economy’. *Financial Times*, 22 September, [online] Available at: www.ft.com/content/749cb87e-6ca8-11e7-b9c7-15af748b60d0

27. The precariat is a social class formed by people suffering from precarity, or a lack of predictability or [job] security in their lives. Moody, K. (2016) ‘The state of American labour’. *Jacobin*, 20 June, [online] Available at: www.jacobinmag.com/2016/06/precariat-labor-us-workers-uber-walmart-gig-economy/; Zahidi, S. (2016) ‘The gig economy is changing the way we work. Now regulation must catch up’. *World Economic Forum*, 28 June, [online] Available at: www.weforum.org/agenda/2016/06/gig-economy-changing-work/; Heller, N. (2017) ‘Is the gig economy working?’ *The New Yorker*, 15 May, [online] Available at: www.newyorker.com/magazine/2017/05/15/is-the-gig-economy-working.

28. Zero-hour contracts first surged between 2012 and 2013, but according to analysis from the ONS this mainly appeared to be because of increased recognition of these types of contracts.

29. Kelly, G. (2015) ‘Worker protection in the gig economy: why the rules of the game may change in 2016’. *Gavin Kelly’s blog*, 15 December, [online] Available at: gavinkellyblog.com/worker-protection-in-the-gig-economy-why-the-rules-of-the-game-may-change-in-2016-eeef03f2887b; Gingell, M. (2016) ‘Is employment law fit for the gig economy?’ *The Guardian*, 13 September, [online] Available at: www.theguardian.com/money/work-blog/2016/sep/13/is-employment-law-fit-for-gig-economy-uber-deliveroo

30. Taylor, M. (2017) op cit.

The limits to current measures of economic security

Often, economic security is broached by drawing attention to seemingly insecure or precarious forms of employment. Attempts are made to quantify the number of insecure workers as a way of raising awareness of their hardship.³¹ In 2017 alone, estimates varied wildly between three million and 10 million.³²

The problem with trying to capture insecurity is that most measurements of who is in insecure work are both too broad and too narrow. Take, for example, how estimates of insecure workers are produced: by counting up the number of workers on certain types of contracts or in arrangements that are considered to be insecure because they do not guarantee fixed hours or offer statutory rights, such as sick pay – two hallmarks of traditional employment.³³ This is too broad a metric because it captures many people in atypical work who are economically secure. Either they are able to earn a decent living and in a manner that suits them, or they are prioritising other gains in work, buoyed by alternative financial means (ie savings, household income). It is too narrow a measure because it fails to account for all of the workers on different types of contracts – including full-time, permanent employees – who lack economic security, such as some retail assistants or public sector workers who may still face redundancy in the aftermath of austerity.

The reality is that full-time employment is still the norm. Moreover, the labour market is not as dynamic as might be assumed given all the talk of ‘disruption’. People are actually staying in their jobs for longer.³⁴ They’re less likely to move around for work or move from job-to-job than they were in the early 2000s.³⁵ Even millennials, contrary to popular belief, are not the job-hoppers they’re made out to be.³⁶ This is all to say that it’s not volatility in hours or careers, or even an absence of employment rights, which are definitive markers of insecure work. **Many workers in seemingly secure jobs are struggling to get by, yet they are overlooked in debates about how to improve economic security when contract types or employment status are used as proxies for precarity.**

There are now around 3.7 million workers experiencing in-work poverty in the UK – the equivalent of 12 percent of the workforce.³⁷ A recent study from Cardiff University found that while low pay is a trigger for in-work poverty, the primary determinant is the number of workers in a

31. (2016) ‘More than 7m Britons now in precarious employment’. *The Guardian*, 15 November, [online] Available at: www.theguardian.com/uk-news/2016/nov/15/more-than-7m-britons-in-precarious-employment

32. TUC estimates there are three million insecure workers in Britain; Citizens Advice Bureau estimates there are four million, and GMB estimates there are ten million.

33. O’Connor, S. (2016) ‘One in 10 UK workers in insecure employment, says TUC’. 16 December, [online] Available at: www.ft.com/content/9705866e-c2e1-11e6-81c2-f57d90f6741a

34. Gregg, P. and Gardiner, L. (2015) *A steady job? The UK’s record on labour market security and stability since the millennium*. London: Resolution Foundation.

35. Clarke, S. (2017) *Get a Move On? The decline in regional job-to-job moves and its impact on productivity and pay*. London: Resolution Foundation; (2017) *The Resolution Foundation Earnings Outlook: Job-to-job moves*. Available at: www.resolutionfoundation.org/data/job-to-job-moves/

36. A global study from Deloitte earlier this year found that millennials are demonstrating greater loyalty to employers as they age. (2017) *The 2017 Deloitte Millennial Survey – Apprehensive millennials: seeking stability and opportunities in an uncertain world*. New York: Deloitte.

37. JRF Analysis Unit (2017) op cit.

household; single-earner families are particularly at risk of deprivation.³⁸ What this means is that low pay shouldn't necessarily be equated with in-work poverty. Most low-paid workers are not poor given that they live in households with other earners. The lead researcher, Rod Hick, concluded, "Tackling in-work poverty requires rethinking our approach – it's about improving the circumstances of the whole household, not just those of an individual worker."

For these reasons, we explore how to capture the complexity of economic security rather than trying to gage insecurity from the types of contracts workers have or how they are classified under employment law. While important, these are only partial factors of what we need for a fuller understanding of economic security.

A recent RSA report, *Addressing economic insecurity*, defined economic insecurity as harmful volatility in people's economic circumstances.³⁹ This includes their exposure to objective and perceived risks to their economic wellbeing, and their capacity to prepare for, respond to and recover from shocks or adverse events. The report makes the case for those who design and decide on public policy to understand dimensions of insecurity at a household-scale, to focus on consumption and living standards as well as income, and to consider both objective and subjective perceptions of security longitudinally over the life-course. In this report, we expand on economic security specifically, focusing on this concept in the next section.

Breaking down the concept of economic security

In considering economic security, it's important to bear in mind that **this concept encompasses many different kinds of security**. The International Labour Organisation (ILO) developed an approach to understanding individual economic security, suggesting there are two distinctive elements: basic social security and work-related security.⁴⁰ Basic social security refers to a person's access to the infrastructure or services that meet their basic needs, such as housing, healthcare, and education; thus, **collective institutions, including the state, have a major role to play in supporting economic security**, in addition to employers. The ILO singles out the government and trade unions, for example, as necessary actors in ensuring economic security.

Work-related security further separates into seven strands. The ILO distinguishes between security within work, within the labour market, and within the law. For example, work security relates to the nature of working conditions in organisations, and specifically whether they are safe and promote workers' wellbeing; labour market security concerns the level, and types, of opportunity for adequate income-earning activities in the economy at present and in future; and representation security indicates the degree to which individual workers' rights are enshrined in law

38. Hick, R. and Lanau, A. (2017) *In-work poverty in the UK: Problem, policy analysis and platform for action*. Cardiff: Cardiff University, [online] Available at: www.cardiff.ac.uk/__data/assets/pdf_file/0009/758169/Hick-and-Lanau-In-work-poverty-in-the-UK.pdf

39. Shafique, A. (2018) *Addressing economic insecurity*. London: RSA, [online] Available at: www.thrsa.org/discover/publications-and-articles/reports/addressing-economic-insecurity

40. (2004). *Economic security for a better world*. Geneva: International Labour Organisation (ILO) Socio-Economic Security Programme.

as well as individuals' access to institutions, such as trade unions, that can advocate for rights on their behalf.⁴¹ We found that some forms of work-related security may better serve as indicators of job experience (more on this below), but the broader point about economic security being akin to an umbrella term still stands.

There are also other points to keep in mind, the first being that **there are both short and long-term views of economic security**. In expanding on income security, the ILO notes that, in part, income security is based on expectations in the near and more distant future.⁴² Expectations may reflect current income and the nature of the economic system, but they also reflect other considerations, such as labour market policy or the strength of social solidarity. Workers find it much easier to anticipate short-term security than long-term security, but uncertainty or pessimism about the long-term can affect how they feel in the short-term.⁴³

In including individuals' expectations, and thus perceptions, of their income security, there is recognition that **in any assessment of economic security there are objective and subjective elements**. In particular, key subjective aspects include the perceived probability and the perceived severity of job loss,⁴⁴ either of which could be informed by making comparisons to other workers. There are also differences between workers' expectations of income and employment security, based on characteristics such as age, education, and social status, meaning that **individual traits can also be helpful in analysing economic security** as they will affect both the objective and subjective experience of workers.⁴⁵

Given the different factors that are being taken into consideration, it is clear that **economic security is not a binary**. Determining workers' economic security is not as straightforward or as a black and white interpretation as 'secure' or 'insecure'. Rather, **there are degrees of economic security**. Translating this into policy terms, it may be useful to think of different dials that can be turned to support greater degrees of security. For example, when turning the dial on income security, policymakers may tinker with minimum wage legislation and progressive taxation. To adjust employment security, they may fine-tune protections against arbitrary dismissal or regulations on hiring and firing, trying to find the right balance for both workers and businesses.

41. Ibid.

42. Ibid.

43. Ibid.

44. Klandermans, P. G., van Vuuren, T., & Klein Hesselink, J. (2010). Employment status and job insecurity: On the subjective appraisal of an objective status. *Economic and Industrial Democracy*, 31(1), 1-21, [online] Available at: research.vu.nl/en/publications/employment-status-and-job-insecurity-on-the-subjective-appraisal/

45. NatCen found that respondents to the British Social Attitudes survey in 2015 perceived that their level of job security had not increased over time since 2005. Comparing the data for 2015 with 2005, they could see some indication that certain groups have fared disproportionately badly. The proportion with a secure job has fallen for those in the lowest social class, and for older workers - while younger workers have seen increases.

Working out economic security

We define economic security as the degree of confidence that a person can have in maintaining a decent quality of life, now and in future, given their economic and financial circumstances. We envision economic security as a spectrum, imagining that most, if not all, workers experience at least some degree of insecurity, and some much more than others depending on where they fall along the range.

The different degrees relate to different variables that affect workers' economic circumstances. Some of these variables were derived from the forms of basic social security and work-related security set out by the ILO, and others we've introduced reflecting on what we know about in-work poverty.⁴⁶ Although each variable is distinct, there may be some overlap.

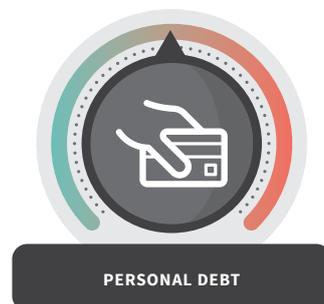
These variables are encompassed under the following indicators of economic security:



1. Refers to a worker's income level; stability of income; the extent to which volatility, if any, impacts their household's financial circumstances; and whether a worker can turn to others in their immediate household for support.⁴⁷



2. The extent to which a worker is protected in their job (ie safeguarded from job loss).



3. How much debt a worker is in and the extent to which their debt concerns them.⁴⁸

46. While the ILO may distinguish between employment and job security, we equate employment and job security to mean the extent to which a worker is protected from job loss. We prefer to capture what the ILO means by job security – the extent to which a worker has control over what they do and is able to progress – under indicators of a good work experience.

47. Income can include sources other than job earnings.

48. We have distinguished between debt and savings because it is possible to be debt-free, but also have no savings to cushion financial shock.



4. How much a worker has accrued in wealth and has available to withstand economic shock and/or invest.



5. The extent to which a person feels like they are able to make a decent living, however they interpret this.⁴⁹



6. The extent to which a worker feels free to enter or exit the labour market, and change jobs or careers as opposed to feeling restricted in their circumstances.



7. The extent to which a worker can reliably turn to the state, civil society, or others in their community for support to maintain a decent standard of living.

We partnered with Populus to carry out a survey to learn more about how workers are faring. Our survey of the UK's workforce provides us with an overview of how economically secure workers are, taking into account the different indicators and the underlying variables we've outlined.

Our aggregate findings reveal that **some workers are experiencing acute problems** with regard to economic security.

49. What is required to sustain a decent living is ultimately subjective in contemporary society, and thus it is possible for both low and high-income workers to reach a similar conclusion about their ability to make ends meet or 'just about manage'. They may share other social traits, such as low resilience or high concern for loss of status.

When it comes to their household circumstances and job security:

- 26 percent of workers do not feel like they earn enough to maintain a decent standard of living.
- 19 percent, or one in five workers, sometimes have trouble making ends meet because of income volatility.
- 43 percent do not have anyone in their household who they could depend on to support them financially in the event of hardship.
- 19 percent believe it is highly likely they will experience unemployment in the next two years.
- 34 percent, or a third of the workforce, would consider themselves to be ‘just about managing’.⁵⁰

Workers’ levels of debt and savings may significantly affect their perceptions of whether they are able to make ends meet, and for some this is very bleak:

- 29 percent are concerned with their level of debt.
- 32 percent have less than £500 in savings; 41 percent have less than £1,000.
- 40 percent do not expect to have enough in savings to maintain a decent standard of living in retirement.

In terms of their perceived agency in the labour market:

- Less than half (44 percent) feel they have progressed within their careers over the last five years.
- Only 40 percent feel they have good opportunities to progress in future.

Many of these findings are also telling of people’s experiences of work. As we explain in the following section, **there is a relationship between how much workers depend on their jobs for economic security and how they feel about their experience of work accordingly.**

The relationship between economic security and a good work experience

As part of our survey, we set out to understand both what workers value in a good job and whether their values or expectations align with their experience of work.

To inform our survey, and in particular the features of a good job we presented to respondents, we referred to the QuInnE indicators of quality work, which were also referenced in the Taylor Review. These indicators were developed by a multidisciplinary team of experts from nine partner institutions across seven European countries, including the Institute of Employment Research (IER) in the UK.

⁵⁰. An additional 5 percent are unable to make ends meet.

We imagine that, similarly to economic security, each of these indicators should be assessed based on a spectrum. We've thus also represented them as dials that can be adjusted.

The indicators are as follows:⁵¹



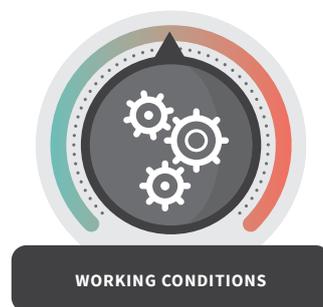
1. Refers to a worker's pay level, relative to national minimum pay and the average for required qualifications, as well as pay variability.



2. Denotes permanent/temporary status; job security; internal progression opportunities; predictability of weekly hours (overtime – zero hours); presence/absence of involuntary long hour week (40+ hours); and presence/absence of involuntary part-time work (<30 hours).



3. Encompasses a worker's learning opportunities on the job, training incidence, training quality, and opportunities for general vs specific skills acquisition (and the transferability of such skills).



4. Represents a worker's level of discretion or autonomy over tasks; semi-autonomous teamwork; job variety; work intensity; health and safety (physical and psychosocial); supervisory social support, and peer group support.

51. Wages also account for whether wages align with a worker's expectations (ie a 'fair' wage).



5. Includes hours of work; whether a worker is scheduled during unsociable hours; whether a worker has personal control over their work hours, and whether there are provisions so he or she is able to take time off for personal needs.



6. Describes the extent to which a worker can directly participate in organisational decisions; the presence/absence of consultative committees-works councils; presence/absence of unions; and a worker's decision-making involvement in trade unions.

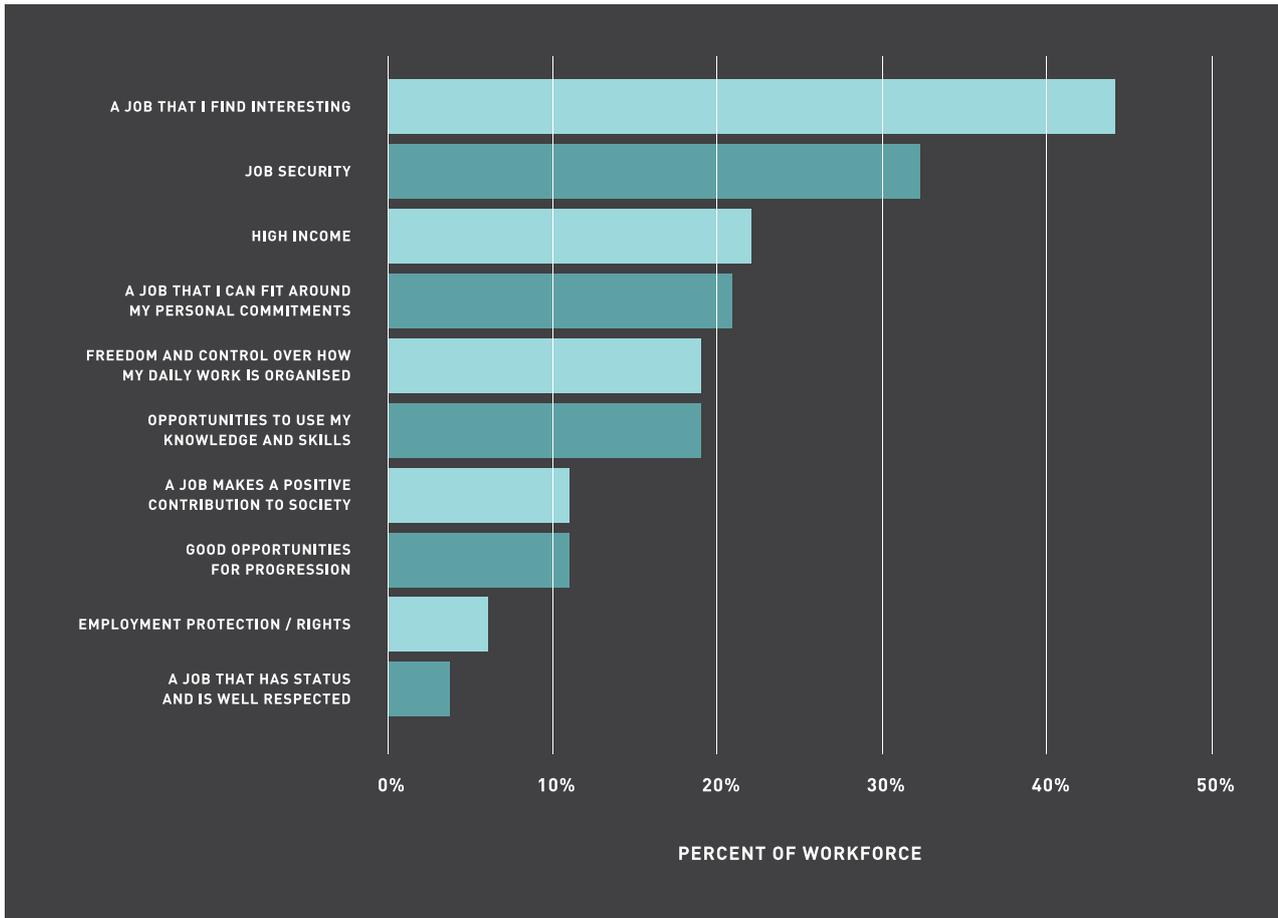
In addition to referring to QuInnE, we conducted background research on existing surveys, including the Workplace Employment Relations Study (WERS) and the Skills and Employment Survey (SES), to arrive at our survey options.

Drawing inspiration from the British Social Attitudes (BSA) survey, we asked respondents about what the two most important aspects of a job are to them.

We analysed the results by socio-demographic variables – age, sex, education and social – because these affect people's experiences of, or relationship with, the labour market.⁵² These characteristics are also associated with different values, or attitudes to and expectations of work.

52. McKay, S. and Simpson, I. (2015) 'Work: Attitudes and experiences of work in a changing labour market'. British Social Attitudes (BSA) survey. London: NatCen, [online] Available at: www.bsa.natcen.ac.uk/media/39061/bsa33_work.pdf

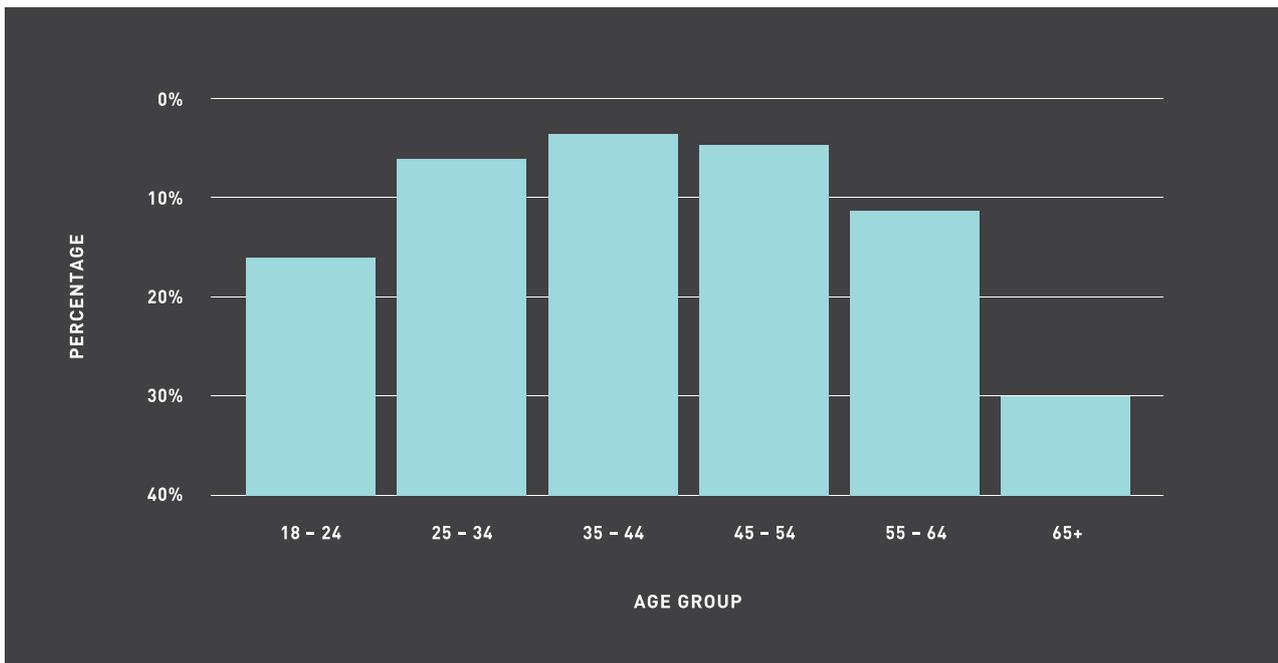
Figure 2: Aspects of a job perceived as the most important by today's workforce



Overall, workers identified ‘a job that is interesting’ to be of primary importance. This finding holds true for nearly half of the workforce (44 percent) and is consistent across key demographics, including age, gender, social grade, and education. The exception here is 35 – 44 year olds, who are equally likely to value job security.⁵³

53. It may be that this group is equally likely to value job security because they are the most likely to have young children to support.

Figure 3: Percentage of workers, by age group, who perceive job security to be one of the most important aspects of a job



Job security was the second most valued aspect of a job, cited by 32 percent of respondents as most important. This is broadly consistent across key demographics, but again, there are exceptions here for particular age groups. **Workers between 18 – 24 years old are more likely to value high income and good scope for progression, while workers over 65 rarely value job security and are more likely to look for jobs that offer flexibility, autonomy or opportunities to use their skills.**⁵⁴

High income is prioritised by 22 percent of workers, but this is where we start to see the most divergence in opinion by age group. High income and progression appear to be more important to younger workers than older workers, who may be satisfied with how much they have already achieved at this stage in their careers.

Flexibility (‘a job that I can fit around my personal commitments’) is more important to older workers, particularly those that are middle-aged. This is most likely down to caring and family responsibilities that require a better work-life balance.

Autonomy (‘freedom and control over how my daily work is organised’) is positively associated with age. Older workers are much more likely to identify freedom and control as one of the two most important aspects of a job to them.

In summary, different beliefs about what is important in work are related to differences in age in particular, or the stage an individual is at in life or in their career. For those who have yet to build up a high level of economic security (through assets such as a home or savings), they value

⁵⁴. Flexibility is explained in our survey as ‘a job that I can fit around my personal commitments’, and autonomy is specified as ‘freedom and control over how my daily work is organised.’

aspects of a job (like job security or high income) that can help them feel more secure. For these individuals, their experience of work will be determined by whether they believe their jobs are well aligned to their values, or match their expectations for economic security. For others who place greater emphasis on flexibility or autonomy in work, for example, it may be that they are already in an economically secure position and, thus, are less dependent on work to maintain a decent standard of living. For these individuals, their experience of work will be determined more so by whether their jobs enable a greater sense of freedom, for example, than how much it supports them financially.

On the whole, workers in the UK feel positively about their experiences on the job and would work even if they didn't need the money.⁵⁵ A majority (71 percent) of workers find their job interesting, 70 percent of workers believe their job makes good use of their skills, and 64 percent are satisfied with the sense of achievement from work.⁵⁶ As many as 60 percent of workers believe they are making a positive contribution, and just over half (51 percent) of workers agree that their job provides their life with meaning and purpose.⁵⁷

However, some workers are also really struggling. These workers may not feel like they are adequately supported or protected in their jobs, they lack autonomy or a sense of freedom and control in work, and they feel so stressed and unfulfilled by their jobs that they report being unhappy.

Specifically, around **one in four workers**:

- **Feel less secure than they did five years ago**⁵⁸
- **Do not feel protected by employment law**⁵⁹
- **Do not feel supported by HR**
- **Report that they do not have freedom and control over day-to-day tasks**
- **Worry about being treated unfairly at work**
- **Feel unhappy or depressed by their jobs.**⁶⁰

These findings reflect what many report to be poor experiences of work. Nearly half (47 percent) of workers find work stressful, nearly a third (32 percent) work excessive hours, and 29 percent have an unhealthy work-life balance. Some predict their experiences of work will only worsen over time – almost a third (31 percent) of workers are concerned about having less freedom and control at work in future.

In the following section, we offer a more detailed analysis of how workers are faring in the labour market in terms of their experiences of security and work, helping us to better understand who is having a good experience and who needs more support.

55. McKay, S. and Simpson, I. (2015) op cit.

56. 2017 RSA/Populus survey.

57. These respondents are expressing that their jobs are a primary source of meaning and purpose.

58. 28 percent of workers feel less secure than they did five years ago

59. 23 percent do not feel protected by employment law.

60. 26 percent of workers are unhappy or depressed about their jobs.



2. Seven portraits of modern work

In an attempt to understand the state of good work in the modern labour market, we partnered with Populus to construct a segmentation, using the data from our RSA/Populus survey. A segmentation is a way of grouping respondents based on the similarity of their characteristics and attitudes, as measured by survey responses. Within the context of our research, the segmentation helped us identify patterns in experiences of economic security and work, which are ultimately expressed as the seven portraits of the modern workforce presented in this chapter. To bring these portraits to life, we've included case studies, compiled from supplementary interviews we conducted with workers who participated in our survey.

Constructing a segmentation of the UK's workforce

1. Questionnaire design

We compiled a list of relevant questions adapted from those asked in major social surveys such as the Labour Force Survey (LFS), Family Resources Survey (FRS) and the Workplace Employment Relations Survey (WERS), which help us understand how people experience work and the current state of economic security in the UK. Additional variables were added, based on insights from recent RSA research on self-employment and gig work, and the Taylor Review, in order to update the list to ensure that it addresses issues relating to new forms of employment. The survey also asked people about their attitudes towards work, the role of employers and the government and wider economic trends such as Brexit and automation.

2. Online survey (conducted by Populus)

Populus interviewed 2,083 GB adults online. Populus' online omnibus speaks with a nationally representative sample of GB adults 18+, with quotas set on age, gender and region and the data weighted to the known profile of Great Britain using age, gender, government office region, social grade, taken a foreign holiday in the last three years, tenure, number of cars in the household and working status.

3. Factor analysis

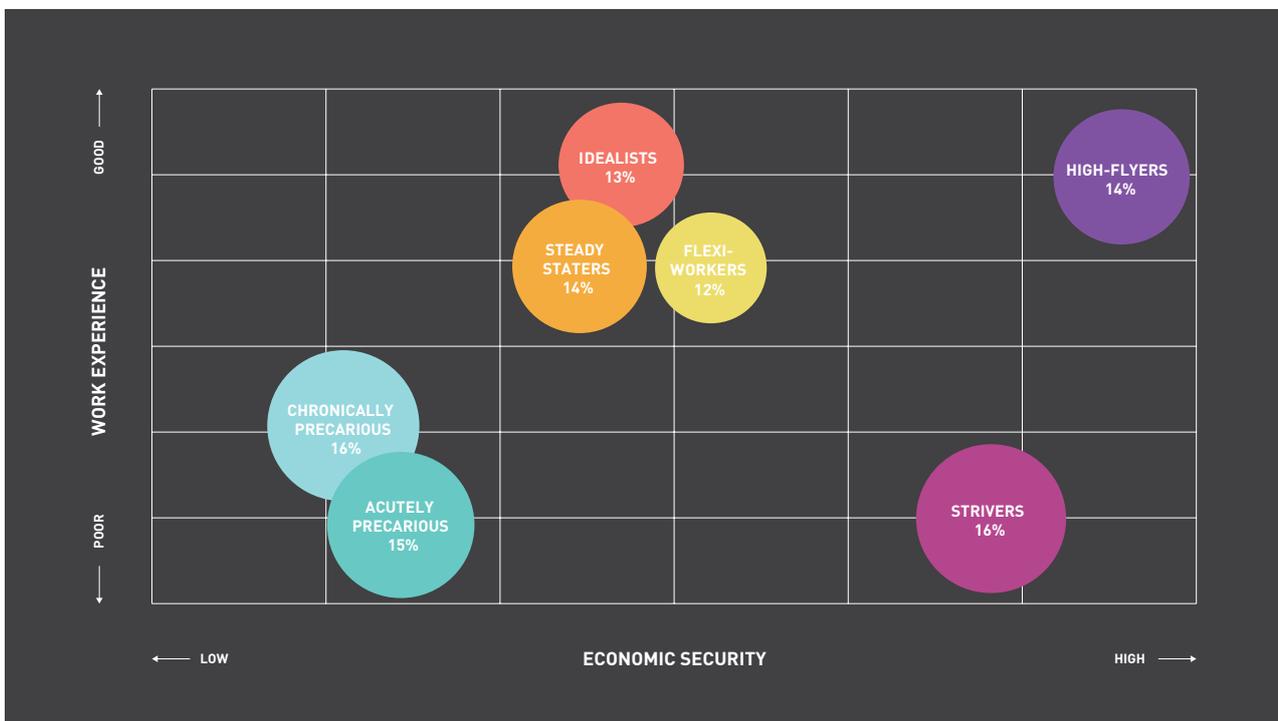
A factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. This approach creates orthogonal dimensions, meaning that the segmentation is unaffected by questionnaire design or high correlation between certain variables. Take our autonomy factor as an example. This factor analysis reduced strongly correlated responses such as whether the worker has freedom and control over when they start work and

their workplace tasks, or are involved in decision making, to a single score. For a summary of our factor analysis, please see the appendix.

4. Cluster analysis

The segmentation was then constructed using a cluster analysis. The chosen cluster algorithm was k-means. This aims to group individual workers in such a way that workers in one cluster are more similar to each other than those in other clusters. In technical terms, it aims to maximise homogeneity within segments and maximize heterogeneity between segments. A range of 6, 7 and 8 cluster solutions were run, the final output being the seven portraits of modern work illustrated in the next section.

Figure 1: Overview of segmentation



THE CHRONICALLY PRECARIOUS

A low paid segment of the labour market. Most of these workers have typical employment contracts but still struggle to make ends meet. Their work experience is negative in many aspects.



15% of the workforce have a similar experience.

ECONOMIC SITUATION

WORK EXPERIENCE



LOW INCOME



LOW SAVINGS



LOW AUTONOMY



POOR WORK RELATIONS



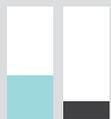
LOW WELLBEING



Few feel that their work pays them enough to maintain a decent standard of living (**16%** v **51%** of all workers).



60% have less than £1,000 in savings and **29%** have no savings at all.



Some (**39%**) are concerned about debt but they don't typically experience income volatility (**16%**).



Many feel excessively monitored (**55%** v **24%** of all workers).



Most (**68%**) worry about being treated unfairly.



They often find work stressful (**72%** v **47%** of all workers).

“ The pay is difficult. For what we do, they can pay us more than that. ”

“ I'm not passionate about the job, it's not what I wanted to do. I'm in it because I didn't have much of a choice. ”

WHO THEY ARE



They have typical employment contracts and predictable working hours.

“ I have to pay my bills. I have to survive. I have two children to take care of. ”

The Chronically Precarious

Economic situation

The chronically precarious are in one of the worst positions financially. Two-thirds earn less than £21,000 and around a quarter (22 percent) earn less than the taxable threshold (£11,500). Only 16 percent report they are paid enough to make ends meet, while a mere 11 percent feel fairly paid. However, they are certain about when they work, so unlike the acutely precarious they do not struggle with income volatility.

Most (60 percent) have less than £1,000 in savings; nearly a third (29 percent) have no savings at all. Many (39 percent) are concerned about debt and these workers typically cannot depend on others in their household.⁶¹ When asked about whether they are able to make ends meet each month, many (58 percent) report that they are ‘just about managing’ or unable to.

Work experience

Job security is a problem for the chronically precarious. Only 29 percent report feeling secure in their jobs. Nearly half feel that their job has become less secure in the last five years, citing technology as the cause. They may be on typical employment contracts that are full-time and/or permanent in nature, but are still anxious about whether they will be able to count on their job given other factors.

The chronically precarious have low autonomy. Many feel excessively monitored in the workplace (55 percent vs 24 percent of all workers), while also being locked out of decisions that affect how they work.⁶² They typically do not have access to flexible working arrangements; only a third – 34 percent – are able to work flexibly compared to 57 percent of all workers. Most (73 percent) find their work stressful and many feel unhappy or depressed.

Twice as many of the chronically precarious are worried about being treated unfairly (63 percent), and a majority (85 percent) feel unsupported by HR. They are less likely than other segments to feel respected by their colleagues, and among the most concerned about being discriminated against (37 percent vs 15 percent of all workers).

The chronically precarious have relatively poor scope for progression – a mere 27 percent reported they have good opportunities to progress or that they have already progressed within the last five years (in contrast with 44 percent of all workers). At present, they do not find their work as fulfilling as other workers, but 59 percent do feel that their job makes a positive contribution.

Generally, while the chronically precarious value the same traits of work as the other segments, they are unlikely to find these traits in their work. More than half are considering a career change.

Characteristics

The chronically precarious are a younger segment – 41 percent are under the age of 35. Relative to other segments of the workforce, they have low

61. 22 percent are able to depend on others in their household financially.

62. Only 24 percent feel involved in decision-making that affects their work.

educational attainment. Sixty-one percent are school leavers. Many work in customer or personal service roles. Although the majority (88 percent) are in typical employment contracts and are certain about when they will be working, they are more likely than other workers to want more hours (17 percent vs 12 percent). They are the most concerned about automation, viewing it as a threat.

Black and minority ethnic (BAME) groups are over-represented in this low-income segment.

Portrait of a Chronically Precarious Worker – Kafui, 34



Kafui works for a clothing and jewellery store in one of London's busy train stations. She has been a sales associate at the store for the past six years, but has been working in retail for much longer. While studying for a degree in pharmaceutical science, Kafui first held a job as a carer, but turned to retail in the hopes that it would be easier to balance with school. When she graduated in 2009, the UK was in a recession and she found it especially difficult to find a job in her field because of her immigration status. Under the system, companies prioritised natives, and then EU migrants, so the odds were not in her favour. Next year, she will be entitled to indefinite leave to remain (IRL), and she is considering pursuing a Master's degree so that she can revive employment prospects in the pharmaceutical industry.

Kafui is on a permanent contract, and is paid an hourly wage of £8.30. There are no bonuses or commissions for sales, and staff are expected to regularly purchase discounted clothing to wear to work in an attempt to attract customers. "The pay is difficult. For what we do, they can pay us more than that."

Kafui has been working part-time for a number of years, so that she could continue searching for other work and, in recent years, care for her two young children. She was offered a management position, but turned it down to maintain flexibility. After the birth of her second child five months ago, she reduced her hours to an average of 12 per week, but has struggled with some volatility in her income. "Sometimes they call you when you cannot work, like when I'm looking after my kids. Sometimes if you say you are not supposed to do it, then they say they won't give you extra work shifts and that they'll give it to someone else. It's stressful when you're not getting the pay you expected to because you aren't getting the hours."

Sometimes Kafui wonders how she will be able to pay her bills. Her partner is self-employed and is running a catering business that also has its ups and downs. "At the moment, I don't think I can turn to someone for help [with financial hardship]." She finds the cost of living, and particularly housing, to be expensive, but for now they're finding ways of managing.

Key insights

There are two groups of precarious workers. This first group is employed on typical contracts, and thus have certainty of hours. However, they still worry about job security because of wider trends in the labour market; in particular, they are concerned about the pace of technology and the possibility of their job succumbing to automation. This is not a concern that can be easily allayed – we are already seeing the first attempts to automate jobs in driving, manufacturing and retail with the introduction of self-driving cars, 3D printing technology in factories, and cashier-free stores like Amazon's Go that will only require between three to 10 employees to run.⁶³

Moreover, for workers who still have a job, there are reports of low autonomy and excessive monitoring, which could worsen with the rise of algorithmic and data-driven management.⁶⁴ Dr. Phoebe Moore and Andrew Robinson note that the increasing use of 'quantified self technologies', such as wearables that enable the tracking of individuals, may cause harm to workers through sustained pressure to be productive at all times.⁶⁵ Amazon, for example, has recently developed wristbands for their warehouse workers that would help managers monitor their performance and give instant feedback.⁶⁶ In addition to lacking autonomy over how they undertake their tasks, the chronically precarious are denied flexibility over when they start and finish work.

In general, progression among low-paid workers is rather limited – there is evidence from the Social Mobility Commission that only 17 percent of low-paid workers have gone on to get better pay.⁶⁷ This means that one in four workers are "permanently stuck" in poorly paid jobs, with little chance of earning higher salaries.⁶⁸ Research from the Joseph Rowntree Foundation (JRF) suggests that workers are sometimes averse to progressing because they perceive that they'll have even less flexibility with seniority.⁶⁹ In some cases, they found that workers were "actively afraid" of progression; for example, in the private care sector, workers believed that greater responsibility would simply mean more stress and scrutiny for little additional pay.⁷⁰

63. Burgess, M. (2017) 'WIRED's need-to-know guide to driverless car testing in the UK'. *Wired*, 19 September, [online] Available at: www.wired.co.uk/article/driverless-cars-uk-self-driving-cars; (2017) 'Adidas' high-tech factory brings production back to Germany'. *The Economist*, 14 January, [online] Available at: www.economist.com/news/business/21714394-making-trainers-robots-and-3d-printers-adidass-high-tech-factory-brings-production-back; Statt, N. (2017) 'Amazon's cashier-free Go stores may only need six human employees'. *The Verge*, 6 February, [online] Available at: www.theverge.com/2017/2/6/14527438/amazon-go-grocery-store-six-human-employees-automation

64. Algorithmic management entails assigning, optimising, and evaluating work through the use of algorithms and tracked data.

65. Moore, P. and Robinson, P. (2015) 'The quantified self: What counts in the neo-liberal workplace'. *New Media & Society*, 18(11).

66. Pritchard, T. (2017) 'Amazon Just Patented a New Wristband to Help Direct Warehouse Employees'. *Gizmodo*, [online] Available at: www.gizmodo.co.uk/2017/10/amazon-just-patented-a-new-wristband-to-help-direct-warehouse-employees/

67. D'Arcy, C. and Finch, D. (2017) *The Great Escape? Low pay and progression in the UK's labour market*. London: Social Mobility Commission, [online] Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/652973/The_Great_Escape_-_Report.pdf

68. Ibid.

69. Hay, C. (2015) *What Do Low-Paid Workers Think Would Improve Their Working Lives?* York: Joseph Rowntree Foundation.

70. Ibid.

The Commission revealed that low pay in the UK was especially endemic among women in their early 20s who juggle work with childcare responsibilities. In our segmentation, we found that black and minority ethnic groups are over-represented, which may in part explain why this group expressed more apprehension about being treated unfairly in the workplace. According to the TUC, more than a third of BAME workers have been subjected to racism, including bullying, abuse, or being singled out for unfair treatment; almost a fifth of BAME workers said they had been passed over for training or a promotion.⁷¹

The costs of childcare and housing are particular concerns for this segment, especially given that both costs are rising much faster than wages.⁷² They may have access to some level of welfare (ie working tax credits), but it is unlikely that this is enough to offset the high costs of living;⁷³ moreover, this sort of state support does not afford them the opportunity to disrupt their chronic condition of precarity.

71. (2017) 'Racism affects third of ethnic minority staff, says TUC'. *BBC News*, 13 September, [online] Available at: www.bbc.co.uk/news/business-41243550

72. Collinson, A. (2017) 'Working parents feel the squeeze as childcare costs rise four times faster than wages'. *TUC*, 20 October, [online] Available at: www.tuc.org.uk/blogs/working-parents-feel-squeeze-childcare-costs-rise-four-times-faster-wages

73. Goulden, C. (2014) 'Yes, you're better off working than on benefits – but it's not enough to reduce poverty'. *Joseph Rowntree Foundation Blog*, 14 March, [online] Available at: www.jrf.org.uk/blog/yes-youre-better-working-benefits-%E2%80%93-its-not-enough-reduce-poverty

THE ACUTELY PRECARIOUS

A low paid segment of the labour market. Many are in atypical forms of employment or have unpredictable working hours. They struggle to make ends meet, partly because their income is volatile. Many have a negative experience at work, but some find that it offers them flexibility.



16% of the workforce have a similar experience.

ECONOMIC SITUATION

WORK EXPERIENCE



INCOME VOLATILITY



LOW SAVINGS



LOW JOB SECURITY



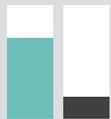
POOR WORK RELATIONS



FLEXIBILITY



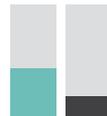
58% earn less than £21,000, with 31% earning less than the personal allowance (£11,500).



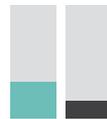
They are the most likely to have problems managing their finances due to a volatile income (71% v 19% of all workers).



69% have less than £1,000 in savings and 35% have no savings at all.



Many feel there is a high likelihood they will experience a period of unemployment in the next two years (44% v 19% of all workers).



They are twice as likely to worry about being a victim of discrimination (32% v 15% of all workers).



Some (66%) can fit work around their caring responsibilities and 47% feel they have freedom and control over when they start and finish work.

“ I am on minimum wage and the sole breadwinner. ”

“ [The company] say they value people, but they push people around on their days in and their days off, and get people to work on their holiday. ”

WHO THEY ARE



Many are self-employed or have atypical employment contracts.

“ In theory, you have flexibility and control over when you want to work, but it doesn't always work that way in practice. ”

The Acutely Precarious

Economic situation

The acutely precarious are among those with the lowest income and savings, and are struggling to make ends meet. Most earn far below the median income of £23,000 per year;⁷⁴ 58 percent earn less than £21,000 and 31 percent earn less than the tax free personal allowance (£11,500). A significant number (69 percent) of The acutely precarious have less than £1,000 in savings and many (35 percent) have no savings at all.

In contrast with the rest of the workforce, they are much more concerned about debt (74 percent vs 29 percent of all workers). The acutely precarious are the most likely to experience difficulties managing their finances due to a volatile income (71 percent vs 19 percent). While some (44 percent) feel they have others in their household who they can turn to for financial support, on the whole they find their economic circumstances challenging; when asked about how they manage to make ends meet each month, 74 percent of The acutely precarious report that they are just about managing, or unable to.

Work experience

The acutely precarious do not feel secure in their jobs – 44 percent agree that it is highly likely that they will experience a period of unemployment in the next two years (compared with 19 percent of all workers). Many (45 percent) feel less secure than they did five years ago, and some feel like technology is responsible for this deterioration in security.

The acutely precarious have some autonomy in work, but not to the extent that flexi-workers or high-flyers do. Specifically, they have autonomy over working hours. Some (47 percent) have control over when they start or finish work and are able to arrange their schedule to fit work around caring responsibilities. However, when it comes to autonomy over tasks, they lack the freedom to complete work as they see fit. A third (35 percent) report feeling excessively monitored and less than half feel involved in decision-making that affects the way that they work. Many also feel like their autonomy is dwindling, reflecting that they have less autonomy in work than they did five years ago, again largely because of new technology.

On the whole The acutely precarious do not find their work particularly fulfilling,⁷⁵ and some struggle with wellbeing and work-life balance.⁷⁶ They are also more likely to be concerned about being treated unfairly or discriminated against than most other segments.⁷⁷

More than half wish to change professions. Fortunately, they are relatively optimistic about progressing their careers.⁷⁸ Unlike the chronically

74. Source: Annual Survey of Hours and Earnings

75. 37 percent are worried about being dismissed without good reason (c.f. 17 percent). They are more than twice as likely to be worried about being a victim of discrimination (32 percent vs 15 percent).

76. 41 percent feel unhappy or depressed often (c.f. 26 percent); 43 percent find it difficult to fulfil commitments outside of work (c.f. 29 percent).

77. 37 percent are worried about being dismissed without good reason (c.f. 17 percent). They are more than twice as likely to be worried about being a victim of discrimination (32 percent vs 15 percent).

78. 45 percent are satisfied with their scope for progression (c.f. 40 percent).

precarious there are indications, such as the number of degrees held, that many will be able to move up in their careers and into other segments of the workforce.

Characteristics

The acutely precarious are a young segment; 46 percent are under the age of 35. A considerable number are highly educated – 45 percent hold university degrees. Nearly half have dependent children, who are typically younger than 10 years old. They are more likely to rent than the other segments (44 percent vs 33 percent) and few own their homes outright (13 percent). The acutely precarious are the most likely to be black and minority ethnic (BAME).⁷⁹

A relatively high share work in low skilled sectors such as retail, hospitality and transport and storage, highlighting these areas of the economy as hotspots for poor workplace practices. Many are in atypical forms of employment or have unpredictable working patterns.⁸⁰ They have the highest levels of underemployment; 24 percent want to work more hours in their current job, and 17 percent are looking for an additional job. Compared to other segments, they are more likely to be concerned about significant political and economic trends such as Brexit and automation.

79. Compared to other segments, they are nearly twice as likely to be non-white.

80. 20 percent are self-employed; 22 percent have an atypical contract, 67 percent know well in advance when they are working (c.f. 82 percent of all workers).

Portrait of the Acutely Precarious – Polly, 23



As a care worker, Polly rises early to make it to her first call at 7am. She helps clients wash, dress and take their medication in the mornings and then squeezes in some paperwork before heading home for a break at noon. She eats her dinner and then returns for a second shift from 4pm to 10pm, although she'll often clock out later. She has been in the job for a year and a half and feels passionate about the work. "What I like most about my job is helping people to get better... the clients and the carers are all like a family. We try to support each other whenever we can; we know it's a difficult job."

Polly is recognised for doing her job well; she has been asked to train new recruits and has been given the opportunity to undertake a paid NVQ in health and social care. However, when asked if she plans to progress, Polly responded, "I don't see myself staying for long enough to want a promotion. We are under-staffed and underpaid." She is on a minimum wage and is the sole breadwinner; her partner is waiting for a disability living allowance, but is unsure if it will be granted, so they rely on her income to make a living.

While Polly enjoys caring for her clients, there are a number of aspects of her job that she finds stressful. "It's emotionally difficult seeing people you love getting worse and worse and eventually die." The organisational culture and management further strain what is already a trying job. Polly has had a new supervisor every three months during the year and a half she has been with the company. "The supervisors don't know the area or where things are. They don't really know us, or clients, and don't communicate or know how to communicate properly with us." One consequence of this is that she will be scheduled for calls that are spread out over a great distance, forcing her to travel for longer and without adequate compensation. She explains, "I work 40 hours [with travel time], but I don't get paid for travel time – I get paid for the 25 hours I am with clients. Travel time between calls doesn't get counted."

When Polly is at work, she is required to complete her calls, and thus her tasks, within a certain amount of time. She finds that the time constraints are unrealistic, however, and often finishes late. There isn't enough support from management, nor respect for her time. "They'll call you when you're not available [for work]. I'll get calls at 6am on my day off. I feel like I have to accept because they'll plead 20 times and won't let you off the phone... I've cancelled doctor's appointments because I have been guilted into going into work." Polly has been injured at work while lifting clients, and is still recovering from a damaged nerve.

Polly is not concerned about job security because the company cannot afford to let anyone go. Yet, job security does not mean economic security for Polly. "To be economically secure means to have enough hours to pay rent while not having to physically injure myself attempting to do that." For now, Polly is managing to survive in her job, but hopes to change careers once she completes her NVQ.

Key insights

This second group of precarious workers are usually the ones who make headlines – many are in atypical work (for example, in low-skilled gig work or on zero-hour contracts) and find the lack of job security to be difficult. Their experience of work fits the archetype of what we understand to be precarious (ie variable hours, volatile earnings, uncertainty about their job status) or they may be referred to as belonging to the ‘precariat’.⁸¹

While the chronically precarious experience the condition of precarity on an ongoing basis, the acutely precarious feel a sense of precarity more intensely in periods when their work is drying up or they’re allocated fewer hours; when the work and hours are flowing, the sense of precarity may temporarily ebb away or feel less severe. We are distinguishing the chronically precarious and the acutely precarious by how they experience the state of precarity; either work is a consistent point of pain or leads to sharp pangs of distress depending on whether workers are constantly teetering on the edge of poverty or crossing back and forth between that threshold without any certainty of how long they will be able to remain on the side of better times.

They may benefit from greater flexibility, but some of these workers still struggle with the level of autonomy they have, or to make ends meet on the hours they are able to work. As we know from RSA research, while most gig workers find that they have more freedom and control, over a third (37 percent) do not agree. Likewise, the ONS has determined that of the 883,000 people currently on zero-hour contracts, about a quarter (27 percent) want to work more hours.⁸² These workers tend to be much more dependent on this kind of work than their more satisfied peers.

Of significance is that these workers, unlike most ‘flexi-workers’ (a segment that similarly values, and pursues, flexibility), are less likely to be able to turn to others in their household for financial support.

While they are more optimistic about being able to progress, they will likely have to change professions in order to advance their careers. As the OECD notes, those in atypical work are among the least likely to be trained up as there is little incentive for companies to invest in their short-term and temporary workforce.⁸³ This is especially true for the acutely precarious in low-skilled work, although there may be some exceptions in sectors desperately trying to stave off a skills shortage, such as the social care sector.⁸⁴

Given how young and highly-educated this segment is, for many, this kind of work is likely to be a stop-gap in their careers as they try to transition into their ideal professions.

81. The precariat is a term coined by the economist Guy Standing to distinguish a social class of people suffering from a lack of predictability or job security in their lives. However, the acutely precarious have many more defining features than a lack of predictability or job security (both of which are traits also shared by the flexi-workers, which is a more economically secure segment).

82. Office for National Statistics (2017) *Contracts that do not guarantee a minimum number of hours: September 2017*. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/september2017

83. OECD Economic Review and Development Committee (2017) *op cit*.

84. Slawson, N. (2017) ‘UK social care sector in crisis due to staff shortages’. *The Guardian*, 8 March, [online] Available at: www.theguardian.com/society/2017/mar/08/uk-social-care-crisis-staff-shortages

THE FLEXI-WORKERS

Many are in atypical forms of employment or have unpredictable working hours. While their work does not always pay well it does offer them flexibility, fulfilment and autonomy.

12% of the workforce have a similar experience.



ECONOMIC SITUATION

WORK EXPERIENCE



LOW INCOME



HIGH SAVINGS



FAIRLY ECONOMICALLY SECURE



FULFILLMENT



AUTONOMY



59% earn less than £21,000, with **34%** earning less than the tax-free personal allowance (£11,500).



64% have more than £5,000 in savings, with **43%** holding more than £10,000.



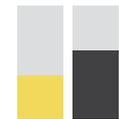
Compared to other segments, they are more likely to be able to depend on others in their household to support them financially (**61%** v **36%** of all workers).



83% are satisfied with their sense of achievement.



69% have freedom and control over what they do on a day-to-day basis.



They don't always feel secure in their work (**38%** v **60%** of all workers) but value autonomy and flexibility more than job security.

For many, their household or financial circumstances enable them to take on work that pays less but which they find more rewarding.

“ I love the aspect of being able to work flexibly; you can structure your day the way you want to. ”

WHO THEY ARE

Atypical employment

26%

Self-employment

31%

“ It [working hours] can vary wildly. Some weeks it can be 10 or 15, others 65 – 70... it's not set in stone. ”

The Flexi-workers

Economic situation

Flexi-workers are among those with the lowest incomes, but they are fairly economically secure with decent savings. Only one in five workers earn more than £28,000 per annum. More than half (59 percent) earn less than £21,000 per annum, and over a third (34 percent) earn less than the tax free personal allowance (£11,500). However, many (64 percent) have more than £5,000 in savings, and 43 percent hold more than £10,000. With the exception of a small minority (8 percent), few are concerned about debt. When asked about whether they manage to make ends meet each month, 70 percent reported that they are able to do so comfortably in contrast with 60 percent of all workers.

Many flexi-workers (61 percent) are able to depend on others in their household. They are the least likely of all workers to have children to support (79 percent do not have any children under the age of 18). They are nearly twice as likely to own their home outright (47 percent vs 24 percent). Although they have the least predictable hours of all segments, only 19 percent have any trouble maintaining a decent standard of living due to a variable income.⁸⁵ This is likely to be because their wider household or financial circumstances provide a buffer against financial shocks.

Work experience

Flexi-workers are in jobs that extend them autonomy and the opportunity for fulfilment. Most have freedom and control over what they do on a day-to-day basis (69 percent vs 57 percent of all workers) and when they work (59 percent vs 41 percent). They feel involved in or oversee decisions that affect their work (72 percent vs 55 percent of all workers).

Flexi-workers are the most likely of all workers to feel satisfied with their sense of achievement.⁸⁶ Most find their work interesting, and believe that it makes good use of their knowledge and skills.⁸⁷ Many also feel that their work provides their life with meaning and purpose (61 percent), makes a positive contribution to society (63 percent), and gives them opportunities to be creative (59 percent).

In terms of wellbeing at work, flexi-workers have few issues.⁸⁸ In general, they enjoy a good work-life balance – most (76 percent) have access to flexible working (76 percent vs 57 percent of all workers) and can fit work around their caring responsibilities (77 percent vs 62 percent). On the other hand, few feel secure in their job (38 percent vs 60 percent of all workers) or protected by employment rights (21 percent vs 43 percent). This is more likely to be attributed to the nature of their work rather than poor workplace relations. Of those in workplaces, most feel fairly treated by their manager (78 percent vs 68 percent) and respected by their colleagues (83 percent vs 75 percent).

85. This figure is in line with the workforce average.

86. 83 percent of our respondents reported feeling satisfied in contrast with 64 percent of all workers.

87. More than 80 percent find their work interesting and 75 percent feel that it makes good use of their knowledge and skills.

88. Few 12 percent are depressed or unhappy (c.f. 26 percent); 36 percent find work stressful (c.f. 46 percent of all workers).

Progression is also a challenge that flexi-workers face. They are less likely to feel that they good scope for progression in their career (29 percent vs 40 percent of all workers), or have received a pay increase in the last five years (44 percent vs 59 percent). Some are worried that future changes to their job will reduce their pay (44 percent vs 28 percent).

Despite having a high share of atypical workers, this segment has relatively low levels of underemployment. When directly compared with the acutely precarious segment, which also has a high number of atypical workers, flexi-workers were less likely to report that they wanted to work more hours in their current job (11 percent vs 24 percent of the acutely precarious). This suggests that they are more likely to prefer these working patterns to those typical of full-time, nine-to-five employment.

Moreover, there are signs that they don't appear to be seeking out the job security associated with typical employment – unlike other segments, flexi-workers value autonomy and flexibility more than job security. Most are committed to this way of working (only 14 percent are interested in a career change).

Characteristics

Flexi-workers tend to be older. They are often self-employed or in other forms of atypical work. For example, they may be in gig, agency, or part-time work, or on fixed-term temporary or zero-hour contracts. For many, their economic circumstances enable them to take on work that pays less, but which they find more rewarding.

Portrait of a Flexi-worker – Martin, 44



Martin left his job in the public sector around three and a half years ago to start his own business as a self-employed photographer. Reflecting on his change of career, Martin shared, “I was tired of the bureaucracy... I needed to escape and become my own boss. I wanted to be creative. I wanted better job satisfaction.”

Another major draw for Martin was the flexible nature of the job. “I love the aspect of being able to work flexibly, you can structure your day the way you want to.” Martin’s hours can vary wildly; some weeks he will put in 10 or 15 hours, other weeks between 65 and 70. “It depends on the weather, or the season; it’s not set in stone... I go with the flow.”

While Martin enjoys the autonomy he has in deciding when and how he works, he feels like the up and down nature of his business means that he is “just about treading water”. While some months are steady, he hasn’t been able to count on it remaining that way. “Small businesses always have that financial worry. We have to earn a certain amount of money in our jobs in order to survive.” Fortunately for Martin, if he is in a tight spot he can turn to his partner, who is in a relatively secure job. He is also supplementing his income through bits and pieces, including submitting stock photography and selling through e-Bay. That said, when Martin was first starting out on his own, he and his partner suffered the loss of their first baby soon after childbirth, which made him more aware of the safety net he had given up when he transitioned away from being an employee. There was no paid parental or compassionate leave and he couldn’t afford to take time out, so he returned to work shortly after.

Martin acknowledges that there may be some day-to-day interactions with colleagues that can be fun and that he may be missing out on, but he is comfortable with the solitude of his work. He has also become a part of a network of local business owners in his hometown that meets biweekly and offers him another route to connection. “It’s a way of sharing skills and understanding.”

Reflecting on where he is in his journey, Martin concluded, “At the moment, I’m happy.”

Key insights

This group is mainly found in atypical work, including in highly-skilled gig work as well as in other forms of self-employment (ie owners of microbusinesses); however, unlike the acutely precarious, they enjoy their experience of this work.

As an RSA/Populus survey found, 84 percent of respondents agreed that being self-employed meant that they were more content in their working lives.⁸⁹ This may in part be because the self-employed are more

⁸⁹. Dellot, B. (2014) *Salvation in a start-Up? The origins and nature of the self-employment boom*. London: RSA.

likely to favour ‘softer’ benefits, such as greater meaning and freedom in work, over ‘harder’ attributes, such as a high income.⁹⁰ Of those polled in the survey, 82 percent said that the work that they do is more meaningful than that found in a typical job, and 87 percent reported that they have more freedom to do the things they want.⁹¹ On average, the full-time self-employed earn £166 a week less than their employed counterparts, but many are willing to endure this sacrifice because of these ‘softer’ gains.⁹²

Many gig workers are likely to identify with the self-employed freelancers and micro-business owners surveyed by the RSA/Populus. As the RSA’s research on gig work revealed, the majority (59 percent) of gig workers are providing highly-skilled services that are of a professional, creative, and administrative nature; these services are likely to be similar to those associated with the aforementioned self-employed. For example, they may be offering consultancy, legal advice, or accountancy services through websites or apps such as Upwork, or sourcing writing, graphic design, or web development gigs through a platform like Fiverr. What these workers have in common is that they find their jobs more meaningful and have greater autonomy than they believe they would (or have experienced) in traditional employment.

However, while there is much to laud, flexi-workers also have their difficulties. In particular, they lack job security and employment protections and benefits, such as holiday pay, sick pay, and an employee pension. These workers may also find it challenging to invest in their skills themselves because of their relatively low levels of pay and the ‘on-demand’ or ‘on-call’ nature of the work, which could mean that they lack the resources or the time for further training and education.⁹³

90. Ibid.

91. Ibid.

92. According to RSA analysis of the Family Resources Survey 2015/16, median earnings for full-time self-employed workers are £309 per week, compared with £475 per week for employees.

93. OECD Economic Review and Development Panel (2017) op cit.

THE STEADY STATERS



A middle income segment of the workforce. Most have typical employment contracts and predictable working hours. They value work that provides them with stability and security.

14% of the workforce have a similar experience.

ECONOMIC SITUATION



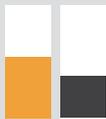
DECENT INCOME



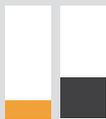
LOW SAVINGS



69% feel fairly paid.



54% hold less than £1,000 in savings and **37%** are concerned about debt.



Few are able to depend on others in their household to support them financially (**16%** v **36%** of all workers).

Most manage to get by on their income from work but, for many, this is their only source of economic security.

WORK EXPERIENCE



JOB SECURITY



GOOD WORK RELATIONS



DON'T WANT A CAREER CHANGE



77% feel secure in their job.



They feel fairly treated by management (**90%** v **68%** of all workers).



They are the least likely to be considering a career change (**7%** v **31%** of all workers) and value job security more than other segments.

“ Progression in the job has become less important to me over time. I turned down a promotion this year because my priorities in life have changed. ”

WHO THEY ARE



They have typical employment contracts and predictable working hours.

“ [Job security means] knowing I've got the job for a long time. When I took this job, I knew it would be around for a while. ”

The Steady Staters

Economic situation

Steady staters have average incomes, which rarely fluctuate.⁹⁴ Most are comfortable with their pay packets; however, they don't typically have much in savings. More than half have less than £1,000 saved and over a third are concerned about debt. Some (39 percent) have young children (typically between the ages of 5 – 15), and few are able to depend on others in their household to support them financially.⁹⁵

While most (64 percent) report being able to make ends meet with ease, their economic security is highly dependent on their income from work; this may in part be why they value job security so strongly. If their steady state was disrupted, it is not clear how easily they would be able to manage the transition.

Work experience

The majority (77 percent) of steady staters feel secure in their job. Their working patterns are highly predictable, and they are unlikely to work excessive hours or have difficulties fulfilling their commitments outside of work. They enjoy good wellbeing at work as well as a decent work-life balance.

Steady staters are engaged employees who are likely to share the values of their organisation (74 percent vs 59 percent of all workers). They feel supported by HR and respected by their colleagues. They are the most likely to be satisfied with their training and many feel that they have made progress in their careers in the last five years.⁹⁶

Steady staters are very likely to find their work interesting (80 percent) and are satisfied with their sense of achievement (73 percent), but unlike idealists they do not feel like work is a strong part of their identity. This may be because they are less likely to feel that their work makes a positive contribution to society, or that it provides their life with meaning and purpose. However, above all else they value job security (more than any other segment) and are content in their careers as they are.

Characteristics

Steady staters can be found in a mix of sectors and occupations (notably, in manufacturing and in government), but a relatively high share identify as office workers (35 percent).

94. Few (5 percent) experience income volatility.

95. 39 percent of them have children (typically aged 5-10, or 11-15).

96. 75 percent are satisfied with their training, compared to 57 percent of all employees. 74 percent report that they earn more from work than they did five years ago.

Portrait of a Steady Stater – Kathryn, 35



Kathryn has been working in local government for the past 19 years. Over this period, she has held three different jobs in the same department, and is currently working in a full-time, 9 – 5 role as a debt management officer. She entered local government through a training scheme when she was 16 years old, and while she did return to her studies to complete a degree in English and History, she remained committed to her job at the council. Most colleagues at her level in the department similarly joined at 16 and stayed on.

Kathryn's job on a day-to-day basis involves making calls to follow up with local residents who are in arrears to work out a way of collecting the council tax owed. While these calls are routine, every day feels different because her interactions with residents will vary. Kathryn regularly feels a sense of accomplishment, especially when she is able to make contact with residents that have been difficult to reach and to support them onto repayment plans. "I definitely feel my job is worthwhile."

Kathryn enjoys the flexibility her current position affords her. She is able to work at home most days, sparing her a commute and the noise of the office. Earlier this year, she turned down a promotion because it required coming into the office to supervise staff, which would mean that homeworking would no longer be an option. "Progression in the job has become less important to me over time... my priorities in life have changed, really. I value flexibility and my current role provides a better home life option."

Although Kathryn works at home, the work she is doing is carefully tracked. "The supervisors monitor how many calls and customers the workers address per day. Everything you look at is recorded... If you looked at 21 customer records yesterday and only five today, your supervisor will ring you up to ask why." If Kathryn isn't meeting her targets, she'll have to go back into the office, but she feels her targets are reasonable.

Working in the public sector has meant that Kathryn has not had a pay rise in five years. While she finds this challenging, she considered the money to be "alright" and was grateful to be in a secure position. "It's difficult to not get a pay rise, but just got to think at least I have a job." Knowing that she can count on having a job for a long time is very important to Kathryn. "When I took this job, I knew the job would be around for a while."

Key insights

Steady staters may appear to be in a relatively secure position because they are in long-term jobs with typical contracts and are satisfied in their work. Yet, they have few savings – more than half have less than £1,000 saved, and some (37 percent) are concerned about debt. This may constrain their prospects in terms of home ownership or planned retirement; for example, millions of workers in their 50s have been forced to postpone

their retirement by eight years due to a lack of pension savings and high levels of debt.⁹⁷

The Money Advice Service notes that a good rule of thumb is to have three months' essential outgoings available in savings that can be easily accessed in case of an emergency.⁹⁸ Those who are unable to set aside the recommended amount for a 'rainy day' (for example, an unexpected home or car repair) risk accumulating debt, particularly if they fall prey to payday loan companies.⁹⁹ In its largest ever survey of households, the Financial Conduct Authority (FCA) found that half of adults (26.5 million people) display one or more characteristics that signal potential vulnerability to financial harm.¹⁰⁰ Young people between the ages of 25 – 34 are particularly at risk; 19 percent have no savings, and a further 30 percent have less than £1,000 saved.¹⁰¹ The survey also found that 36 percent had overdrawn in the last 12 months, and 37 percent had taken out payday loans.

Steady staters are among the most vulnerable to economic shock. They are highly dependent on work to maintain a living, and it is not clear how they would cope if they were to be displaced from their jobs. Although they may be satisfied with their work, some appear to have stalled in their careers and are sometimes overly complacent in their circumstances. Wider trends would suggest that this middle segment of the workforce is likely to be reshaped; for example, jobs are currently being shed in office and administrative support (ie in bookkeeping and clerical accounting) and in production (ie machine operating), but are being created in providing personal support (ie in healthcare) and working in artisanal trades.¹⁰² To understand the possible trajectory of steady staters, we need a broader picture of the economy as a whole.

97. Aviva (2016) op cit.

98. 'Emergency savings – how much is enough?'. *Money Advice Service*, [online] Available at: www.moneyadviceservice.org.uk/en/articles/emergency-savings-how-much-is-enough

99. In spite of introducing more stringent rules for offering short-term, high-cost credit, the Financial Conduct Authority revealed that nearly 150 pay day loan companies still operate. Dunkley, E. (2016) 'Payday lenders still active after UK watchdog's crackdown'. *Financial Times*, 4 December, [online] Available at: www.ft.com/content/db25ea2e-b7b9-11e6-961e-a1acd97f622d

100. Older, C., Ripley, E., Watmough, M., and Weir, J. (2017) *Understanding the financial lives of UK adults: Findings from the FCA's Financial Lives Survey 2017*. London: Financial Conduct Authority, [online] Available at: www.fca.org.uk/publication/research/financial-lives-survey-2017.pdf

101. Ibid.

102. McIntosh, S. (2013) op cit.

THE IDEALISTS

A middle income segment. Most have typical employment contracts and predictable working hours. They are 'engaged employees' who are optimistic about their future scope for progression.



13% of the workforce have a similar experience.

ECONOMIC SITUATION



ECONOMICALLY SECURE



DECENT INCOME

WORK EXPERIENCE



FULFILLMENT



HIGH WELLBEING



PROGRESSION



67% feel their work provides them with enough to maintain a decent standard of living.



59% hold more than £1,000 in savings, with some (25%) holding more than £10,000.



Of all segments they are the most likely to be able to depend on others in their household to support them financially (66% v 36%).



70% feel that they make a positive contribution to society.



They have the lowest stress levels (26% feel stressed v 47% of all workers).



73% expect to receive a pay rise in the next 5 years.

“ I live in London and it's an expensive city. I can't envisage a lifestyle in which I didn't have to work. ”

“ I was always interested in working for a company with a social aim. ”

WHO THEY ARE



50% are under 35

18-24	13%
25-34	37%
35-44	20%
45-54	16%
55-64	10%
65+	4%

The Idealists

Economic situation

Idealists are fairly economically secure. While their incomes are not particularly high,¹⁰³ the majority (78 percent) report that they are comfortably making ends meet each month. Their income is steady and they feel fairly compensated. Most have some savings and are unconcerned about debt.¹⁰⁴ Of all segments they are also the most likely to be able to depend on others in their household to support them financially (66 percent vs 36 percent of all workers).

Experience of work

Idealists are highly engaged in their organisation and find their work fulfilling. They typically find their jobs interesting, have opportunities to use their skills, and are satisfied with their sense of achievement. Most are proud to tell people who they work for and share the values of their organisation. They are the most likely to feel that they make a positive contribution to society.

Idealists are also the most likely to feel secure in their job (87 percent vs 60 percent of all workers). They feel supported by HR and treated fairly by their managers.

Most have typical employment contracts and predictable working hours. However, this way of working does not offer them much flexibility relative to other segments. Few have freedom and control over when they start and finish work and they are also less likely than other segments to have access to flexible working arrangements.¹⁰⁵ However, this lack of flexibility does not appear to affect their wellbeing – idealists are the least likely to be stressed of all workers. When it comes to autonomy over tasks, they are in line with the workforce average.

Idealists are clearly driven, and many may be in a transitional phase in their careers. Unlike other segments which may have reached a plateau, we would expect idealists to continue on an upward trajectory given their age and optimism about the future. Most (73 percent) idealists expect to receive a pay rise in the next five years (compared with 59 percent of all workers). While they are not particularly likely to express an interest in changing careers, many (54 percent) are open to working for themselves in the future. It may be that they have one eye on a future where work offers them a greater degree of flexibility.

Characteristics

Idealists are a young segment – half are under the age of 35. Most (72 percent) are married or cohabiting, and many have young children. Nearly a third (29 percent) can be found working in education or health.

^{103.} 37 percent earn £11,500-£21,500; 38 percent earn £21,501-£34,000.

^{104.} 59 percent hold more than £1,000 in savings, with some (25 percent) holding more than £10,000.

^{105.} 26 percent have freedom and control over when they start and finish work, compared to 41 percent of all workers.

Portrait of an Idealist – Sarah, 32



Sarah works in an administrative and communications role at a university, coordinating a project on global health. She feels motivated by how meaningful her work has been and finds it fulfilling. “I’m very passionate about it... it’s really important to work in a job that means something to me.” For Sarah, her work is an extension of who she is. “It is a big part of my identity. I feel quite proud when I explain what I do.”

Sarah feels like she has good relationships with her colleagues and line manager, and works in a supportive organisation. “The university does seem to be aware of [workers’] wellbeing and trying to make others aware of it, in order to support them in improving it.” In her current job, Sarah does not experience much stress, but she wasn’t always so lucky. In a previous job, she was so stressed she experienced severe depression and had to take three months off before ultimately deciding to leave.

Reflecting on the differences between her experiences of work, Sarah explained that having more autonomy in this job has improved her wellbeing in work. “Looking back, it did make me feel quite depressed to have someone watching me on a detailed level and even what time I went home. I respond much better to a little bit more freedom in my hours and the way that I do things... [In this job], no one is sitting over us noting what time we arrive and leave work. The attitude is that I can come in and get the job done and leave again.”

Remarkably, job security was once a source of anxiety for Sarah. “Because of the nature of my [previous] job, the security of the contract didn’t bring me comfort like it does in my current role – it brought stress.” Sarah was similarly committed to a project for five years, which she felt pressure to see through, but now that Sarah is in a job she enjoys she hopes she can stay on for longer. She is only guaranteed another two years, but feels more fortunate than many of her colleagues who were given shorter contracts.

Some of Sarah’s colleagues have raised concerns that there do not seem to be many opportunities for administrative staff to progress, especially when compared with those for academic staff. However, every year she moves up a point in her salary grade, so she considers that an indication she is moving up the ladder. “I could progress by gently working my way up through the grades. The grades above me start to line manage people and I’d be looking at that in a few years’ time.”

Key insights

Idealists place a strong emphasis on the pursuit of purpose and meaning through work. Some of these young workers may be in the same sector as certain strivers (ie those in healthcare), but are not as far along in their careers or are holding different jobs that they feel more passionately about.

Idealists are disproportionately ‘millennials’, but the two shouldn’t necessarily be conflated – millennials are a diverse cohort. It may surprise

some that many millennials are idealists given that our survey shows that workers are more likely to value ‘softer’ outcomes, such as the ability to make a positive contribution to society, at an older age. According to Erik Erikson’s eight stage theory of identity and psychosocial development, young adults (or millennials, between the ages of 18 and 35) are primarily motivated to establish an income, home, and family life.¹⁰⁶ However, idealists are already considering their social contribution as well, which is typically a focus at later stages. It may be that because idealists are among the most likely to be able to depend on others in their household to support them financially, they are relatively free to pursue wider objectives than a high-paying job, for example.

Compared to other workers, idealists lack flexibility in work, which can broadly be understood as the opportunity of workers to make choices influencing when, where, and for how long they engage in work-related tasks.¹⁰⁷ In our survey, we analysed flexibility as an extension of autonomy, or the concept of having more freedom and control over when and how you work (ie over when you start and finish, or the way in which you undertake tasks). As these are job traits that are more valued with time and experience, we expect idealists will seek out greater flexibility and autonomy as they grow older. In general, there is good reason to introduce more flexible working arrangements (FWAs). A report from Acas found that although organisations are often reluctant to implement a widespread roll-out of flexible working arrangements, they also benefit alongside individuals and teams.¹⁰⁸ Contrary to fears of lower productivity, flexible working increases both personal and team effectiveness.¹⁰⁹

106. David, L. (2014) ‘Erikson’s Stages of Development’. *Learning Theories*, 23 July, [online] Available at: www.learning-theories.com/eriksons-stages-of-development.html

107. Bal, P.M., and De Lange, A.H. (2014) ‘From flexibility human resource management to employee engagement and perceived job performance across the lifespan: A multi-sample study’, *Journal of Occupational and Organisational Psychology*, (88)1, 126–154.

108. Clarke, S. and Holdsworth, L. (2017) *op cit*.

109. *Ibid*. Other benefits include greater commitment from employees and a willingness to ‘give back’ to the organisation; for example, these employees are more willing to work overtime, change work hours, or take work home. They are also less likely to experience occupational stress, (ie related to commuting and interruptions), but companies should be mindful of any stress due to work intensification.

THE STRIVERS

A relatively affluent segment. These workers have typical employment contracts and job security. However, many are stressed and work excessive hours.

16% of the workforce have a similar experience.



ECONOMIC SITUATION



UNHAPPY WITH PAY



HIGH SAVINGS



ECONOMICALLY SECURE

WORK EXPERIENCE



LOW WELLBEING



JOB SECURITY



Despite their relatively high earnings, just **20%** feel they are paid a fair wage.



Half hold more than £10,000 in savings, with **26%** holding more than £30,000.



Few are concerned about debt (**6%** v **29%** of all workers).



They often find work stressful (**73%** v **47%** of all workers).



Many feel they work excessive hours (**56%** v **32%** of all workers), which can make it difficult for them to fulfil commitments outside of work.



70% feel secure in their jobs.

“ Economic security gives me the freedom to enjoy my wages. I can buy things and go on holiday. ”

“ I work shifts. I work starting in the morning at 4, or 12 at midnight. I work 7 days a week. ”

WHO THEY ARE

Full-time employees



Feel supported by HR



“ I’d like to have more control [over my hours] – you have to do what you get given. It’d be nice to pick and choose. ”

The Strivers

Economic situation

Strivers are in the second best position financially. Nearly half (44 percent) earn a salary of more than £28,000, while half hold more than £10,000 in savings.¹¹⁰ When asked about how they manage to make ends meet each month, the majority (76 percent) reported that they do so comfortably. Most are homeowners – a third own their home outright (33 percent) and some (45 percent) are paying off their mortgage.

While strivers are rarely concerned about debt or income volatility, some are unhappy with their pay packets. Despite having above average earnings, just 20 percent feel they are paid a fair wage. Although they are, for the most part, economically secure, they have a sub-par experience across many dimensions of work, which may in part be why they feel under-paid (especially considering they also report working excessive hours). Yet, in spite of this, they are unlikely to want to change careers.¹¹¹ This suggests that many will continue to strive onwards to preserve or improve their material circumstances, even if they do not fully enjoy or feel adequately acknowledged for their work.

Experience of work

Most strivers feel secure in their jobs and their satisfaction with training and career progression is in line with the workforce average.¹¹² However, they have less autonomy at work than some other segments. Just 44 percent (in contrast with 57 percent of all workers) feel they have freedom and control over their daily tasks, and only 25 percent (compared with 41 percent) feel they have control over when they start and finish work. One in three feel excessively monitored.

Strivers have the lowest wellbeing at work of all segments. More than half feel they work excessive hours, which can make it difficult for them to fulfil commitments outside of work. They often find their work stressful and many are unhappy or depressed at work.¹¹³ Some (32 percent) are worried about being treated unfairly. While 90 percent are full-time employees, few (23 percent) feel supported by HR.

Strivers are some of the least ‘engaged’ employees. Relative to other segments, they are less likely to share the values of their organisation or feel proud to tell people who they work for.¹¹⁴ On the whole, they are among the least likely of the segments to find their jobs to be fulfilling.

Characteristics

This segment has a mix of age groups, broadly mirroring that of the working age population. Most do not have any dependent children. Of those that do, their children tend to be adolescents as opposed to very young. Relative to other segments, strivers are more likely to be middle

110. Few (21 percent) hold less than £1,000 in savings.

111. 26 percent want to change careers.

112. 57 percent are satisfied with training and 44 percent feel they have progressed in the last five years.

113. 73 percent find their work stressful and 40 percent are unhappy or depressed at work.

114. 45 percent share the values of their organisation or are proud to tell people who they work for, compared to 59 percent and 62 percent of all workers.

managers (16 percent) or professionals (18 percent), and found working in transport and logistics, health and social care, and the public sector.

Portrait of a Striver – Adam, 23



After finishing his A-levels, Adam decided to find a job rather than go to university or college. He first started working in a bank, progressing from frontline roles in customer service to an analyst of mobile banking. Around two and a half years ago, he began working for a railway company managing trains. He was drawn to the job because of the employment benefits and opportunity to travel for work.

Adam works shifts that can start as early as 4am, or as late as midnight, and can be on any day of the week. If he could change anything about the job, he'd like more flexibility and the option to choose his own hours rather than adhere to a schedule set for him. Even his holidays are allocated to him.

For the most part, Adam's job is routine. "Some days you can get something that throws you a curveball, but nine times out of 10 things are the same." He'd prefer more variety in his tasks. "My job gets a bit repetitive." That said, when something out of the ordinary happens, it can really take a toll. "Customers can be stressful. Especially on Friday and Saturday nights, you get people who have had a few too many drinks. Also, if things are delayed, you can get stuck in the middle of nowhere. I've had to manage the disruption. [Stress] can vary – up from nothing at all to nine or 10 when something is kicking off."

While he's not worried about job security right now, he recognises it may be an issue in future. "I don't think any job is secure. I don't worry about it on a daily basis, but it is in the back of my mind that this job won't be around forever. It's a long-term thing though, it's not like I need to get another job quick."

Adam reckons that automation will affect his industry within the next decade. However, he hasn't joined a trade union yet and is uncertain about whether he will. "I don't always agree with the way they go about things... They're always doing what's best for them rather than what's best for the staff. They don't listen to all of the members, all of the decisions are made within the union."

Adam sees himself as a natural leader, and is interested in progressing his career. He'd like a job that pays more, but is currently waiting for the right opportunity.

Key insights

Some of the sectors that strivers are concentrated in have been widely restructured, particularly in the recent years of austerity.¹¹⁵ Strivers tend to be found in the public sector, health and social care, and transport and

115. Bach, S. (2016) op cit.

logistics. It may be that some once found their jobs meaningful, but have since struggled with greater demands and pressures.

According to the TUC, stress in the workplace has reached record highs.¹¹⁶ In their most recent biennial survey of health and safety reps in the UK, stress was identified as the greatest hazard troubling them and their workforces – seven in 10 reps (70 percent) cited stress as a problem. However, workers are also less supported in the workplace now as trade union membership continues to decline. Traditionally, the sectors that strivers are found in have had strong trade unions, but according to the most recent statistics published by the Department for Business, Energy and Industrial Strategy, membership has fallen sharply, particularly in the public sector.¹¹⁷ In 2016, around 6.2 million employees in the UK were trade union members, but this is the lowest level of trade union membership recorded since 1995 when the series began. The level of overall trade union members decreased by 275,000 (of which 209,000 was in the public sector) over the year from 2015, the largest annual fall since 1995. As the trade union movement appears to be in crisis, workers must increasingly shoulder problems on their own.

116. TUC (2016) *op cit*.

117. Department for Business, Energy and Industrial Strategy (2017) *op cit*.

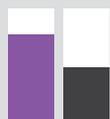
THE HIGH-FLYERS

The most affluent segment. Many are self-employed or have access to flexible working arrangements. They are secure in their jobs, have autonomy and find their work fulfilling.

14% of the workforce have a similar experience.



ECONOMIC SITUATION



Most feel fairly paid (**77%** v **48%** of all workers).



55% have at least £10,000 in savings, with **32%** holding more than £30,000.



However, they rarely have others in their household which they can depend on financially (**9%** v **36%** of all workers).

WORK EXPERIENCE



77% are involved in decision-making that affects their work.



84% think their job makes good use of their skills.

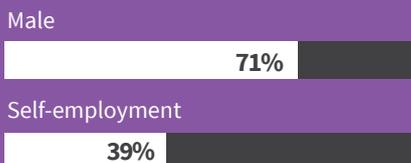


74% feel secure in their jobs.

“ Economic security enables me to plan an early retirement and live a better life. In my free time, I travel and enjoy doing things with my family. ”

“ To me, autonomy means independence: deciding what I get to do and which jobs I take on. It’s about having choice. ”

WHO THEY ARE



“ What I like most about my job is the flexibility. I usually work from home four days a week. ”

The High-flyer

Economic situation

High-flyers are in the best position financially of all workers. When compared to other segments of the labour market they are much more likely to have a high income and savings. Most (65 percent) earn more than £28,000 from work. More than half (55 percent) have at least £10,000 in savings, and nearly a third (32 percent) have more than £30,000 to their name.¹¹⁸ Few are concerned about debt or income volatility. However, the high-flyers rarely have others in their household whom they can turn to for financial support (9 percent vs 36 percent of all workers), suggesting that they are often the main breadwinner.

Overall, when asked about how well they manage to make ends meet each month, 77 percent of high-flyers report that they do so comfortably in and many have money left over to save, spend or invest.¹¹⁹

High-flyers have reached a point of success in their careers. They are the most affluent and have a good work experience. But while they don't appear to be making any trade-offs, it is possible that some may face pressure to continue performing or providing for their households at a high level, as in the case of Alan, who we interviewed for our portrait of a high-flyer. They may also be interested in even greater autonomy than they already enjoy, which may only be found if they follow through on opportunities to become their 'own boss' through self-employment.

Experience of work

High-flyers report that they have autonomy and flexibility in work, and find their jobs to be fulfilling. Many have freedom and control over when they start and finish work,¹²⁰ and what they do on a day-to-day basis. The majority (77 percent) are involved in decision making that affects their work. A significant number (70 percent) are able to access flexible working arrangements. They find their work interesting and believe that their jobs make good use of their skills.¹²¹ Relative to other segments, they are more likely to feel like their job has status and is well-respected.¹²²

By and large, high-flyers are happy at work, free from worry about being treated unfairly. They report relatively low levels of stress (33 percent vs 47 percent of all workers). High-flyers tend to share the values of their organisation and are proud to tell people who they work for. They are more optimistic than other segments about their scope for progression (50 percent vs 40 percent of all workers).

Like most segments, high-flyers are most likely to value a job that they find interesting. However, unlike some other segments, they value autonomy and the opportunity to use their skills more than job security. Few are considering a career change (20 percent), but more than half are open to working for themselves. Many are already self-employed.

118. C.f. 32 percent of all workers earn more than £28,000 from work or hold more than £10,000 in savings.

119. 42 percent have money left over to save, spend or invest.

120. 76 percent of high-flyers have freedom and control over when they start and finish work in comparison to 41 percent of all workers.

121. 85 percent find their work interesting and 84 percent agree that their job makes good use of their skills.

122. 59 percent agree that their job has status and is well respected by society, compared to 44 percent of all workers.

Characteristics

High-flyers tend to be older (59 percent are over 45) and most (64 percent) no longer have any dependent children. These workers are typically male (71 percent) and are well-educated.¹²³ In terms of their occupations, many are company directors or senior managers, skilled tradespeople, or business owners.¹²⁴

Portrait of a High Flyer – Alan, mid-40s



Alan works for a small business specialising in computer sales. He was attracted to the job because of the financial incentive and the opportunity to travel. For every sale, staff are awarded bonuses, and big contracts are especially lucrative. As of late, Alan also appreciates how mindful the company is of workers' family responsibilities and their generosity with offering flexible working arrangements; Alan works from home four days a week.

Alan enjoys a high degree of autonomy in his job, which he values more at this stage in his career. To Alan, having autonomy in work means having independence. "It means deciding what I get to do, which jobs I want to take on, and which contracts and relationships. It's about having choice."

Although Alan is satisfied in his job and finds it rewarding, he acknowledges that it is high-pressured. "If we don't meet sales targets, it can be quite stressful. Sometimes you can't – it's just how it is really." He finds that the goal posts are constantly moving. "With most employers, there is a tendency to push, push, push. When you attain certain targets, they see that as a target plus 10 percent gross. It all hinges on performance. You are as good as your last assignment." Alan may have economic security, but this does not mean he has job security. "If I didn't meet sales targets for three months, I would probably be out of a job." However, the likelihood of Alan easily finding another job is high.

In his many years in sales, Alan has learned to cope with the pressure. "Stress goes with the job and is part of the territory." He takes advantage of some of the perks his company offers to unwind; they pay for his gym membership and offer the staff courses in pottery and Tai Chi. He is also trying to find a better balance between his work and family life, and takes comfort in being able to make the most of his time with them when he is has it. "Financially, I am in a position that when I can find balance, I am able to make the best use of our time."

Alan is working hard to secure his family's future as the sole breadwinner. His ambition is to retire within the next 10 years.

¹²³. 55 percent have university degrees vs. 44 percent of all workers.

¹²⁴. 10 percent are company directors or senior officials, 15 percent are skilled trades people and 17 percent are business owners.

Key insights

High-flyers are the most likely to thrive even if the labour market were to become increasingly hollowed out or reshaped in other ways. They have the skills to take advantage of new opportunities in a changing labour market, and the assets to coast through most challenges. They are the most likely to see new technology as exciting. However, given the disparity in experiences of security and work between high-flyers and precarious workers at the other end of the spectrum, there is concern about widening inequality. This appears to be exacerbated by asset-based inequities as home ownership increases among the top 10 percent of adults and becomes less attainable for those with the least wealth.¹²⁵

125. D'Arcy, C. and Gardiner, L. (2017) *op cit.*



3. Shaping the future of work

In 2014, the RSA carried out a similar exercise, developing a segmentation of the self-employed. The aim was to challenge the fallacy that those in self-employment are either driven by ‘necessity’ or pursuing ‘opportunity’.¹²⁶ Our colleague Ben Dellot argued that the self-employed are a highly heterogeneous community, and splitting them into two camps diminishes our understanding of them. Recognising the diversity of the self-employed enables policymakers and business support groups to tailor policies and initiatives to specific types of self-employed people, or to develop these schemes with all in mind.¹²⁷

Equally, segmenting the wider workforce disrupts a binary narrative about other forms of atypical work. In one corner, there is a tendency to claim that people are being driven into insecure, exploitative work by unscrupulous businesses; in the other, this work is touted as a choice people are drawn to because it offers more freedom and control. The reality is much more complex. Our segmentation appears to substantiate the theory that there are different degrees of economic security and that experiences of work can range across a spectrum. What this means is how secure a worker is or how rewarding they find their experience of work to be depends on any number of variables, such as their household circumstances or level of autonomy over tasks, as well as what they value in work at this point in their lives. Within atypical work, there are both positive and negative experiences, as is the case in traditional employment. Our seven portraits help us derive greater nuance about the modern workforce, and pinpoint opportunities for policymakers and others to intervene in support.

Overall, there are five key implications from our segmentation.

1. Conventional jobs are no panacea.

As we set out in our first chapter, there are more than a dozen indicators of a good experience of economic security and work (and these encompass many more variables). Contract type and employment status are certainly factors of workers’ experiences, but they are not proxies for precarity – when we confuse them for such we overlook the many workers in seemingly secure jobs who are struggling to get by.

Taking a wider view of what it means to be economically secure and to have a rewarding experience of work illuminates

¹²⁶. Dellot, B. (2017) op cit.

¹²⁷. Ibid.

that there are different kinds of precarity. Some workers – whom we characterise as the chronically precarious – are on typical employment contracts, but are persistently insecure because of low pay and low savings, little in the way of assets, and no one to turn to in times of financial hardship. Their experience of work is similarly bleak; they have no autonomy over when or how they work, nor much prospect of progressing.

Other workers – known as the acutely precarious – do not have the security of a full-time, permanent employment contract, and are thus prone to income volatility and problems managing their finances. Similarly, their experience of work is mostly negative, although they do have some autonomy over when they work. They thus have a greater sense of flexibility and can work in agile ways, manoeuvring around caring responsibilities for example. It's important to note that even within this group, there is diversity - many workers (44 percent) are highly educated, suggesting that the job they're in is simply a stop gap whereas others may feel as if they're ensnared.

Had we simply tried to gauge economic security from contract type or employment status we would not have captured these nuances in precarity. Moreover, we would have missed that insecurity is experienced across the income distribution to varying degrees rather than exclusively felt by zero-hour contract workers, for example.

2. Insecurity is both a personal and systemic phenomenon.

Our segmentation takes into consideration that people's feelings and lived experiences matter alongside objective notions of economic security. What people value in work as individuals affects their feelings and experiences, meaning that it's possible for two people to be in the same kind of job and have completely different perspectives on whether it is secure enough. As we found in our survey, different beliefs about what is important in work are related to differences in age in particular, or the stage an individual is at in life or in their career. Young workers tend to seek out job security and a high income, whereas older people may sacrifice these traits for greater autonomy.

In general, it's necessary to accord weight to the subjective when assessing economic security. Indicators such as perceived agency or perceived ability to make ends meet help us capture the social and psychological dimensions of economic security. For example, there are middle and high-income earners who may be objectively secure, but perceive themselves to be 'just about managing' because they feel the pressure of being sole breadwinners and are anxious about maintaining their socio-economic status.¹²⁸

However, as personal as insecurity is, it is also influenced by systemic factors. For example, changes to welfare rules, public

128. Corlett, A. and Clarke, S. (2017) *Living Standards 2017: The past, present, and possible future of UK incomes*. London: Resolution Foundation, [online] Available at: www.resolutionfoundation.org/app/uploads/2017/01/Audit-2017.pdf

service provision, and educational opportunities can relieve or heighten insecurity. Wider forces such as globalisation and new technology may reassure some and aggravate others. Likewise, current political and economic trends can instil confidence in the future or exacerbate uncertainty. For example, as Brexit looms, some are forecasting that UK growth will seriously lag behind other EU countries.¹²⁹ This is especially worrying given that both productivity and wages are already stagnating, while the cost of living soars.¹³⁰

3. Shared challenges across segments betray common and pervasive problems in and beyond the labour market.

Although we may have seven distinct portraits of modern workers, there are shared challenges between them. This is evident by the sheer number of workers who are having trouble making ends meet, can't turn to others in the household for support, feel stressed out by their jobs, haven't progressed in the last five years and aren't optimistic about future prospects.

Some problems are ticking time bombs that will be acutely felt in future; for example, the proportion of workers (40 percent) who do not expect to have enough in savings to maintain a decent standard of living in retirement. Others are problems that must be tackled now, such as the quarter of workers who do not feel like they earn enough to maintain a decent standard of living.

These challenges reflect inequality in the labour market, but also more broadly in the economy in terms of asset ownership, for example. The Resolution Foundation has found that wealth inequality is on the rise and can be attributed to falling home ownership. In a recent study, they concluded that wealth is distributed far less evenly than earnings or household income.¹³¹ It was noted that since the financial crisis, home ownership among the least wealthy 50 percent of the population has fallen by about 12 percent while rising by 1 percent for the wealthiest tenth.¹³²

This reinforces the point that economic insecurity is more than just a labour market challenge and will likely need policies that extend beyond labour markets into areas such as asset ownership and new institutions for sharing risk and reward.

4. Different places and different sectors can have a significant bearing on experiences of work.

Some segments may be concentrated in particular places or sectors, and these places and sectors can be in turn shape people's experiences of economic security and work. For example, it can be especially challenging to be a part of the chronically

129. European Commission (2017) op cit.

130. D'Arcy, C. (2017) *Low Pay Britain 2017*. London: Resolution Foundation, [online] Available at: www.resolutionfoundation.org/app/uploads/2017/10/Low-Pay-Britain-2017.pdf; A recent RSA report, *Addressing economic security*, explores the systemic drivers of insecurity in more detail: see Shafique, A. (2018) op cit.

131. D'Arcy, C. and Gardiner, L. (2017) op cit.

132. Ibid.

precarious in London because of the high cost of living, but this may be more bearable as a single person living in a smaller, less expensive city. Similarly, we've noted that some segments, such as the strivers, are predominantly middle managers or professionals working in transport and logistics, health and social care, and the public sector. The implication is that it is worth pursuing place-based and sectoral approaches to raising the security and quality of work, which reflect the support needs of specific segments.

5. More flexibility shouldn't mean less security.

As the report from Acas demonstrated, flexibility benefits both businesses and workers.¹³³ However, in exchange for offering workers greater flexibility, businesses shouldn't relinquish their sense of responsibility for ensuring that these workers are also able to maintain a decent living. As the Taylor Review advocated, there should be two-way flexibility, meaning that businesses also help workers maintain a level of security even as the particular job or wider labour market becomes more flexible. There could be a revival of the Quaker industrialist tradition, for example, in ensuring that workers have access to housing, transport, and recreational space.

Yet, it's important to keep in mind that no single reform will improve the economic security and employment experiences of British workers.

The following are suggestions of the kinds of interventions that could be made to support workers across the labour market.

1. Enabling local enforcement of the National Living Wage

Powers for enforcement of the National Living Wage could be devolved to local authorities.

Enforcement of employment law, and minimum wage in particular, is a concern shared by local authorities, trade unions, progressive businesses, and workers. In its most recent list naming and shaming employers who underpaid the minimum wage, BEIS revealed that 260 businesses had failed to comply, affecting 16,000 workers – the highest number of employees on record since the list was first published in 2013.¹³⁴

Newham Council has made a strong case for devolving powers for enforcement of the National Living Wage to local authorities, arguing that underpayment is an increasing problem that could be better tackled through sharing the burden of ensuring compliance. According to Newham Council's proposal, local enforcement would be a freedom, not a duty, empowering councils to enact the localism agenda alongside continued national-level work and co-ordination by HMRC. Councils

¹³⁴ Department for Business, Energy and Industrial Strategy (2017) '£1.7m back pay identified for a record 16,000 workers as 260 employers are named and shamed for underpaying minimum wage rates'. 8 December, [online] Available at: www.gov.uk/government/news/17m-back-pay-identified-for-a-record-16000-workers-as-260-employers-are-named-and-shamed-for-underpaying-minimum-wage-rates

are in a position to draw on intelligence within their organisation and their relationships with local businesses to join up enforcement work. Additional research has suggested that local enforcement of the minimum wage could be self-funding if local authorities are permitted to retain all income from the fines collected, assuming that they are able to increase the proportion of investigations that result in penalties.¹³⁵

Introducing such a policy would ensure that workers are being paid a fair wage and would help turn the dial to improve household circumstances and workers' perceived ability to make ends meet.



2. Reviving sectoral collective bargaining

The government could recreate sector bodies where worker and employer representatives can discuss and agree pay and working conditions standards.

Sectoral collective bargaining (SCB) enables trade unions to negotiate a collective agreement with employers that would apply to all workers across a sector. SCB is advocated by a number of prominent organisations, including the Institute of Employment Rights (IER) and the OECD.¹³⁶ The IER describes SCB as presenting an opportunity to “deliver social justice and greater equality at work”.¹³⁷ They note that establishing sectoral standards could also prevent good employers from being undermined and undercut by bad employers, ending further exploitation.

The UK previously practiced SCB in the 1980s; it was overseen by the Joint Industrial Councils or Wages Councils before they were dismantled.¹³⁸ The last 26 Wages Councils were abolished under the 1993 Trade Union Reform and Employment Rights Act. However, according to academics at the London School of Economics (LSE) the government's case for abolishing wage councils was flawed.¹³⁹ These councils could be

¹³⁵. Hull, A. (2013) *Settle for Nothing Less: Enhancing National Minimum Wage Compliance and Enforcement*. London: Centre for London.

¹³⁶. Hendy, J. and Ewing, K. (2017) 'IER Fact News: The Purposes and Benefits of Sectoral Collective Bargaining'. 12 May, [online] Available at: www.ier.org.uk/blog/ier-fact-news-purposes-and-benefits-sectoral-collective-bargaining; OECD (2017) 'Trade unions, employer organisations, and collective bargaining in OECD countries'. 11 December, [online] Available at: www.oecd.org/els/emp/Flyer-Collective%20bargaining.pdf

¹³⁷. IER (2017) *op cit*.

¹³⁸. Dickens, R., Gregg, P., Machin, S., Manning, A., and Wadsworth, J. (1993) 'Wages councils: Was there a case for abolition?' *British Journal of Industrial Relations*, 31(4), pp. 515-530.

¹³⁹. *Ibid*.

resurrected in modern form to address pervasive problems of poor job quality in the UK.

It is possible to take the concept of these councils even further by following the Swedish model of Trygghetsrådet (TRR), or 'job security councils'. This would entail also developing a body that helps manage experiences of volatility by supporting workers when they are made redundant. In Sweden, employers pay into these job security councils, and in the event that workers must be let go, those workers are entitled to financial support and job counseling from the council to help transition back into the labour market. In essence, what could be created here is a stronger coordinating body for sectors and workers that holds a number of responsibilities ranging from sectoral collective bargaining to supporting workers through difficult phases in their careers.

Sectoral bargaining in particular has the potential to positively influence a number of indicators affecting workers' experiences of economic security and their quality of work.



3. Giving workers control over their own training

The government could support personalised training, either through 'Workforce Development Personalised Budgets' which allow workers to fund training from future increases in earnings, or through annual training credits for each worker.

The RSA has previously highlighted that more should be done to address concerns that half of all workers in the lowest socio-economic group have received no training since finishing formal education. In previous RSA reports, it has been suggested that the government support personalised training.

One option would be to pilot 'Workforce Development Personalised Budgets' (WDPBs) for individuals in employment, building on the potential of Advanced Learner Loans.¹⁴⁰ All adults should have the ability to borrow from government and repay their loans, or WDPBs, through an earnings-linked tax. Employers could top up WDPBs based on contributions, which are reimbursed by extended Employer Allowances (zero contribution on National Insurance) in future years (up to a total of £2,000 in foregone NI payments over a three-year period). This would mean that in addition to loans, the government co-funds workforce development of up to £2,000 only if and when it results in higher earnings for the worker. Ultimately, higher earnings will raise employee NI and tax contributions, and reduce recourse to in-work benefits.

Alternatively, government could pilot personal training accounts modelled on those developed in France and Singapore.¹⁴¹ By reconfiguring the Apprenticeship Levy into a wider 'skills levy' (as suggested by CIPD and the Taylor Review), government would be able to provide an annual credit of a few hundred pounds per worker to spend on any training course provided by accredited institutions.¹⁴² Some of the funds from the levy could also be ringfenced for marketing to ensure take-up among workers.

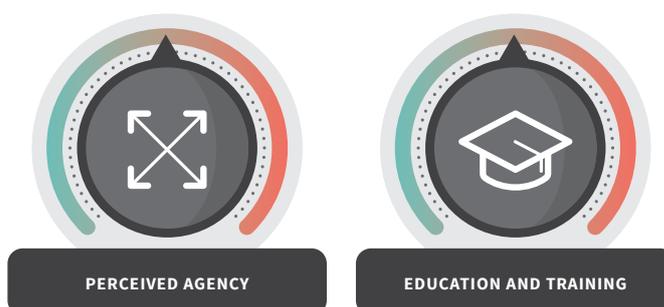
In general, giving workers more control over their own training and development needs would help precarious workers in particular move up and out of their current circumstances. Other segments of the workforce would also benefit; it would offer flexi-workers the development opportunities they currently cannot afford, and it could improve the resilience of the steady staters who might otherwise struggle to adapt in the event of job loss. This would ultimately change workers' perceptions about how much agency they have, which we've described as the extent to which they feel free to enter or exit the labour market, and change jobs or careers as opposed to feeling restricted in their circumstances.

^{140.} (2014) *Human Capitals: Driving UK Metro Growth through Workforce Investment*. London: RSA, [online] Available at: www.thersa.org/discover/publications-and-articles/reports/human-capitals-driving-uk-metro-growth-through-workforce-investment

^{141.} Dellot, B. and Wallace-Stephens, F. (2017) *The Age of Automation: Artificial intelligence, robotics and the future of low-skilled work*. London: RSA, [online] Available at: www.thersa.org/discover/publications-and-articles/reports/the-age-of-automation

^{142.} Ibid.

There is also an opportunity here for workers to take more ownership over their education and training, which can feel more empowering than solely depending on an employer to offer the right sort of support.



4. Supporting atypical workers to save more

Bodies like the UK's Financial Capability Strategy Board and government could review their policies to ensure that they explicitly consider and address the needs of atypical workers.

The UK's Financial Capability Strategy is currently being delivered under the Money Advice Service, a flexi-worker service set by government. It strives to improve people's ability to manage money well on a daily basis and also during periods of financial difficulty. However, the Strategy's remit does not encompass non-standard or atypical work, such as self-employment, employment on a zero-hour contract, and gig work. Earnings from atypical work can be prone to fluctuation and thus it can be difficult to set aside savings, particularly for the long-term.

Expanding the UK's Financial Capability Strategy to include atypical workers would be beneficial in terms of strengthening financial savvy and stability in a growing proportion of the workforce. Given how important a sense of a secure foundation is, there could also be more experimentation with 'nudging' to encourage saving for the long-term.

In a previous RSA report, *The Entrepreneurial Audit*, it was also recommended that the government could support the self-employed to save more effectively for their retirement. For example, the government could boost pension enrolment among the self-employed through presenting them with a 'forced choice' question asking whether they would like to opt in or out of a private pension scheme.¹⁴³ This question could be asked when the self-employed complete their tax self-assessment.

The report also suggested that the Lifetime ISA (LISA) could be transformed into a suitable savings gateway for the self-employed. Government could do this by making adjustments to the LISA to ensure it runs with the grain of self-employed lifestyles; this could entail raising the age limit for opening an account from 40 to 50; scrapping the five percent penalty

¹⁴³ Dellot, B. and Wallace-Stephens, F. (2017) *The Entrepreneurial Audit: Twenty policy ideas to strengthen self-employment and micro businesses in the UK*. London: RSA, [online] Available at: www.thersa.org/discover/publications-and-articles/reports/the-entrepreneurial-audit

for early withdrawals, and allowing account holds to freely draw down on their savings on the condition that they promptly repay the funds.

Enabling workers to save more also helps them manage their levels of personal debt and improves their perceptions of whether they are able to make ends meet. Moreover, as workers accumulate savings, they will be able to invest in themselves (ie by pursuing education and training opportunities) and this may change their perceptions about the agency they have in the labour market.



5. Seeding and supporting new technology in the best interests of workers

Government technology strategy could include an explicit strand on forms of technology and institutional governance of technology that can strengthen the ability of workers to enjoy more secure and higher quality work.

Previous RSA research has emphasised the need to invest more in technology, and increasingly in automation, to stimulate productivity. However, even if automation is introduced as complimentary to workers, rather than as a replacement, it would still be useful to invest in technology that is explicitly intended to empower workers, such as WorkerTech.

In our report on the gig economy, we suggested that government could seed and support promising technology for worker empowerment through ringfencing a proportion of its new R&D fund and introducing a ‘regulatory sandbox’ for experimentation with WorkerTech and other technology, such as the blockchain, that could better the labour market as a whole.¹⁴⁴

144. Balaram, B. et al. (2017) op cit.

This sort of intervention could improve working conditions on the job as well as lead to initiatives that strengthen workers' ability to directly participate in organisational decisions.



6. Creating the conditions for co-operative initiatives to thrive

Government could demonstrate its commitment to improving corporate governance in the UK by enabling new, co-operative forms of governance that demonstrate value for workers.

Co-operatives enable wider distribution of wealth among workers, but they also present an opportunity for companies to create a sense of 'stickiness', or cultivate loyalty from workers in an increasingly transient labour market. To stimulate the trend towards co-operatives and reaffirm its commitment to good corporate governance, government could set up a new fund providing long-term equity investment in the absence of options for sustainable funding.¹⁴⁵

Previous RSA research on the self-organising self-employed suggested that the government create a BEIS-appointed taskforce of civil servants to ensure the UK's regulatory system creates the best environment for self-organising (ie of co-operatives) to succeed.¹⁴⁶ This taskforce could review which of the relevant EU laws that are repatriated in the Great Repeal Bill should be maintained in the long term, as well as how existing domestic legislation could be improved.

The report also proposed drawing on the success of self-organised co-operatives by weaving aspects of their schemes into the delivery of welfare and employment services. For example, the Department for Work and Pensions could open up a salary guarantee fund for Universal Credit claimants.¹⁴⁷

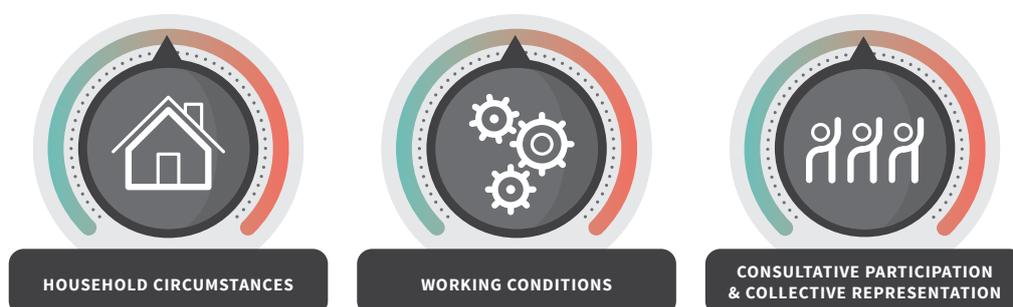
Given that many co-operatives present an opportunity to share more equally in profits or to collectively manage finances, it is likely that

¹⁴⁵. Ibid.

¹⁴⁶. Dellot, B. and Wallace-Stephens, F. (2017) *The Self-Organising Self-Employed: Empowering grassroots collaboration in the new economy*. London: RSA, [online] Available at: www.thersa.org/discover/publications-and-articles/reports/the-self-organising-self-employed

¹⁴⁷. A salary guarantee fund (SGF) is created through individual members' contributions to help members' manage late payments as well as transitions between projects. For example, SMart is a Belgium-based co-operative that provides a one-stop shop support service for freelancers, including a SGF that allows Smart to pay its members within seven working days of the end of contracts, as well as to pay an advance on grants.

workers' incomes, and thus household circumstances, will be boosted. In addition to this, co-operatives can transform working conditions and are strong enablers of organisational participation.



7. Supporting families with the costs of childcare

Government could strengthen workers' sense of economic security by supporting families with the full burden of early childcare costs.

Some segments struggled with the costs of starting and maintaining a family, particularly the flexi-workers and the chronically precarious. Flexi-workers in atypical work, particularly those that are self-employed, lack paid parental leave, which means that they may only be able to take a short period of time off from work when their child is born or that they may not be able to afford to take any time off at all. In *The Entrepreneurial Audit*, Dellot and Wallace-Stephens suggest that government use the proceeds from an increase in Class 4 NICs to create a Paternity Allowance for fathers and an Adoption Allowance for self-employed parents.

However, the government could also go further for those who are already in work and fully subsidise the costs of early childcare. A number of proposals for universal childcare have been produced by a wide range of think tanks and other organisations, drawing inspiration from countries such as Denmark and Sweden. For example, the Citizens' Advice Bureau (CAB) suggested initially trialling the use of childcare accounts for universal credit claimants, and the Women's Budget Group recommended investing in high-quality childcare providers as a means of expanding availability.

It is possible to take the concept of these councils even further by following the Swedish model of Trygghetsrådet (TRR), or 'job security councils'. This would entail also developing a body that helps manage experiences of volatility by supporting workers when they are made redundant. In Sweden, employers pay into these job security councils, and in the event that workers must be let go, those workers are entitled to financial support and job counseling from the council to help transition back into the labour market. In essence, what could be created here is a stronger coordinating body for sectors and workers that holds a number of responsibilities ranging from sectoral collective bargaining to supporting workers through difficult phases in their careers.

Supporting families with the costs of childcare could make a big difference to workers' household circumstances, enabling them to accumulate savings, assets or other forms of capital, and thus changing their perceptions about their ability to make ends meet. It would strengthen workers' sense of economic security if they were able to turn to the state for support in order to manage the burden of childcare costs, and thus maintain a decent standard of living.



8. Tackling wealth inequality through a UK sovereign wealth fund

Government could address the urgent problem of widening wealth inequality by experimenting with a new sovereign wealth fund for citizens.

In the RSA's *Age of Automation* report, it was recommended that the UK draft a blueprint for its own sovereign wealth fund (SWF), which is a collective investment vehicle that is typically owned and managed at the level of nation-state. Many of the other funds in existence are premised on wealth from environmental resources, such as oil, but the UK could depart from this by siphoning off shares listed in every company IPO, for example. This would enable the UK to then pay out dividends to every citizen once it has reached maturity.

A forthcoming RSA report will scope out the possibility of creating a sovereign wealth fund in the UK. The intent would be to guarantee periods of basic income style support for families to enable them to navigate challenges in their economic circumstances. For example, the support could enable education and training, setting up a business, or a sense of resilience in the event of financial shock.

A sovereign wealth fund that is set up to address wealth inequality could be a game changer for workers, improving various indicators relating to their economic security and quality of work, as well as positively strengthening their relationship with the state.



In this report, we have sought to gain deeper insight into the experiences of economic security and quality of work. Our purpose is to help ensure that policies and practice that aim to improve economic security and broaden access to high quality work are based on a sufficiently detailed and nuanced understanding of the current reality of work that gets beyond simplistic binaries focussing on the type of job contract or employment status. We do not purport to be offering all the necessary solutions and our suggested interventions are a starting point.

There are three types of interventions that can be made to improve the circumstances of workers in the UK:

- 1. Alleviating interventions** ease challenges that workers are experiencing over the short-term through a targeted approach; they are not designed to disrupt the status quo.
- 2. Transformative interventions** seek to address systemic problems over the long-term to change circumstances for workers.
- 3. Innovative interventions** are efforts to bridge the two, working towards transformation through experimenting with and trialling different approaches.

In our future programme of work we will consider how the portraits we have painted of today's workplace might be impacted by macroeconomic forces such as automation, demographic change and globalisation.

We will also carry out more detailed research into potential reforms and innovations, including those outlined above that hold the most

promise. Over the next two years, the RSA's Future Work Centre intends to examine different scenarios for the future of work that draws on these seven portraits. We will take a more detailed look at particular sectors where change is rapid and disruptive, collaborating with stakeholders across business, government and the workforce.

Our seven portraits enhance our understanding of workers' current experiences of economic security and the quality of work in the UK today, as well as offering a glimpse of how workers can enjoy high levels of both. However, it also makes clear the scale of the challenge if we are to realise the RSA's vision of an economy in which everyone can experience economic security and have access to good quality work that supports their pursuit of a larger life well-lived.



The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) believes that everyone should have the freedom and power to turn their ideas into reality – we call this the Power to Create. Through our ideas, research and 29,000-strong Fellowship, we seek to realise a society where creative power is distributed, where concentrations of power are confronted, and where creative values are nurtured.



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