



## ‘Terrified for this winter’

Why the cost-of-living crisis is far from over for families on a low income

Ruth Patrick, Uisce Jordan, Maddy Power, Jim Kaufman, Emily Mann, David Young, Amanda Light, Hannah Aldridge, Katie Pybus & Thomas Rochow with Changing Realities participants

...while the price of some things has gone back down a bit ... there are still millions of families, like mine, that are going to have no choice but to leave the heating turned off this winter and stay cold in our own homes due to the cost. ... I am starting to lose hope that anything will change for low-income families no matter what government is in place within my lifetime. Whenever there is a price increase in utility bills, internet connection, food or anything else, it means I have to make more and more cutbacks in other areas to stay afloat. – **Erik W, single, disabled parent, 8th September 2023**

If benefits do not increase in line with inflation it would mean we will become homeless. I am already in receipt of full housing benefit

and I still need to pay extra to the private landlord. I struggle to cover this and energy bills, food and necessities. It causes me anxiety on a daily basis of losing our home. We have lost 2 homes already in [the] last 6 years. – **Bessie J, single parent with health conditions,**  
**15th September 2023**

## Summary

As we approach another winter, politicians and the media are suggesting that the worst of the cost-of-living crisis is behind us. Headlines point to falls in the rate of inflation, and reductions in energy prices following their peak in 2022. But families on a low income with dependent children continue to face a daily struggle to get by. This is a consequence of the ongoing high costs for essentials (on which the bulk of their income is spent), and the continued inadequacy of social security support. Families are fearful of what another winter will bring, already planning for the cutbacks they will have to make. This rapid-response briefing brings together real-time evidence from families living in poverty with new, population-level analysis of the spending patterns of different household types. It shows the extent, nature and consequences of the hardship families experience, which leave them facing no choice but to navigate perpetual crisis, constantly seeking to make impossible financial decisions about what to prioritise. It also shows the negative health impact this is having on individuals affected, who report deteriorating mental health and a constant feeling of anxiety and worry. The briefing sets out a clear agenda for change, bringing together proposals co-produced with parents and carers themselves in October 2023. Parents call for urgent action by the Chancellor in his Autumn Statement, stressing it is essential that he uprates benefits in line with inflation and takes action to better support families with children. Other recommendations include a switch from flare-rate, one-off payments to longer term investments and the abolition of policies that directly punish families with children such as the Benefit Cap and the Two-Child Limit. A longer-term vision is set out, which makes the case for rethinking social security as a force for good and a vital component of a socially just society.

## Context

### Is the cost-of-living crisis coming to an end?

The cost-of-living crisis has been with us since late 2021. It arrived fast on the tail of the Covid-19 pandemic, creating a context of perma-crisis, and requiring urgent and repeated government intervention. Across [2021 and 2022](#) we witnessed [soaring prices](#) particularly for the essentials of food, energy and fuel. In response to rapidly rising needs, the Government introduced various temporary [support packages](#), including caps on energy prices, winter fuel and other targeted cost-of-living payments, all of which are now due to end in 2024.

Most recently, and in the run up to the forthcoming budget, a narrative has started to dominate which suggests that the cost-of-living [crisis is over](#). Prominent economists have said that the cost-of-living crisis “[appears to be coming to an end](#)”. Prime Minister Rishi Sunak has [repeatedly emphasised](#) that halving inflation is his most important priority. The annual rate of inflation [reached a 41-year high of 11.1%](#) in October 2022, but has fallen more recently. It stood at [6.7% in August 2023](#), but high prices continue to [detrimentally impact household budgets](#), with the greatest impact on the poorest, who spend a higher proportion on basic essentials, the prices of which continue to rise. Against this context, there have been suggestions that the Government may introduce real-term cuts to benefits [by not raising benefits](#) in line with inflation, as previously agreed. Explicitly questioned on this, Rishi Sunak said he would [not rule out cutting working-age benefits](#) ahead of the general election.

In this briefing, we explore whether claims that the cost-of-living crisis is coming to an end resonate with the everyday experiences of parents and carers living on a low income. These families have already been [amongst those hardest hit](#) by the cost-of-living crisis. For those families who have already felt its impact [most severely](#) the cost-of-living crisis is far from over. A significant portion of UK households were already facing severe financial difficulties prior to this ‘crisis’ as a consequence of over a [decade of austerity policies](#) and the severe, lasting economic repercussions of the [global Covid-19 pandemic](#). The concealed nature of hardships both [prior to and during](#) the pandemic risks the cultivation of an inaccurate perception

of shared experience, ignoring how people confront the challenges presented by the ‘cost-of-living’ crisis from unequal starting points. Indeed, while some households may experience a reduction in financial pressures this winter, for others the picture may be very different. With the decision on benefit uprating expected in the next month, this briefing provides vital new evidence, which together makes a persuasive case for why further investment and support is so urgently needed.

## **Changing Realities: documenting life on a low income**

The evidence shared in this briefing is drawn from [Changing Realities](#), a participatory research programme working in partnership with over 100 parents and carers living on a low income. The aim has been to document everyday life and collaboratively develop recommendations for change. We draw specifically on diary entries from parents and carers as well as responses to video-elicited questions posed by members of the research team and participants themselves in September 2023. These questions (what we call our ‘Big Questions of the Week’) centred on the cost-of-living crisis, people’s views on benefits rising with inflation, and people’s feelings about the forthcoming winter. The participants include people from across the UK, spanning full-time workers, part-time workers, active job seekers, and individuals not working due to health and/or disability. All self-identify as living on a low income and have a dependent child living at home.

This briefing also sets out co-produced recommendations for change, encompassing both proposals for urgent action that the Chancellor needs to take in his forthcoming budget, and a longer term vision for more radical change. These recommendations were co-produced during an online discussion group session in October 2023 (what we call our ‘Big Ideas’ meetings). In the session we set out the evidence base and discussed different options for change. The discussion was facilitated by the project team, which includes representatives from Child Poverty Action Group and our briefing partner, Resolution Foundation. The recommendations for change are based on the outcome from this discussion and are the product of collaboration between people with different forms of expertise, including by experience and policy, campaigning, and academic expertise.

Changing Realities will continue to document life on a low income across this winter, and we encourage readers to engage with and draw on the

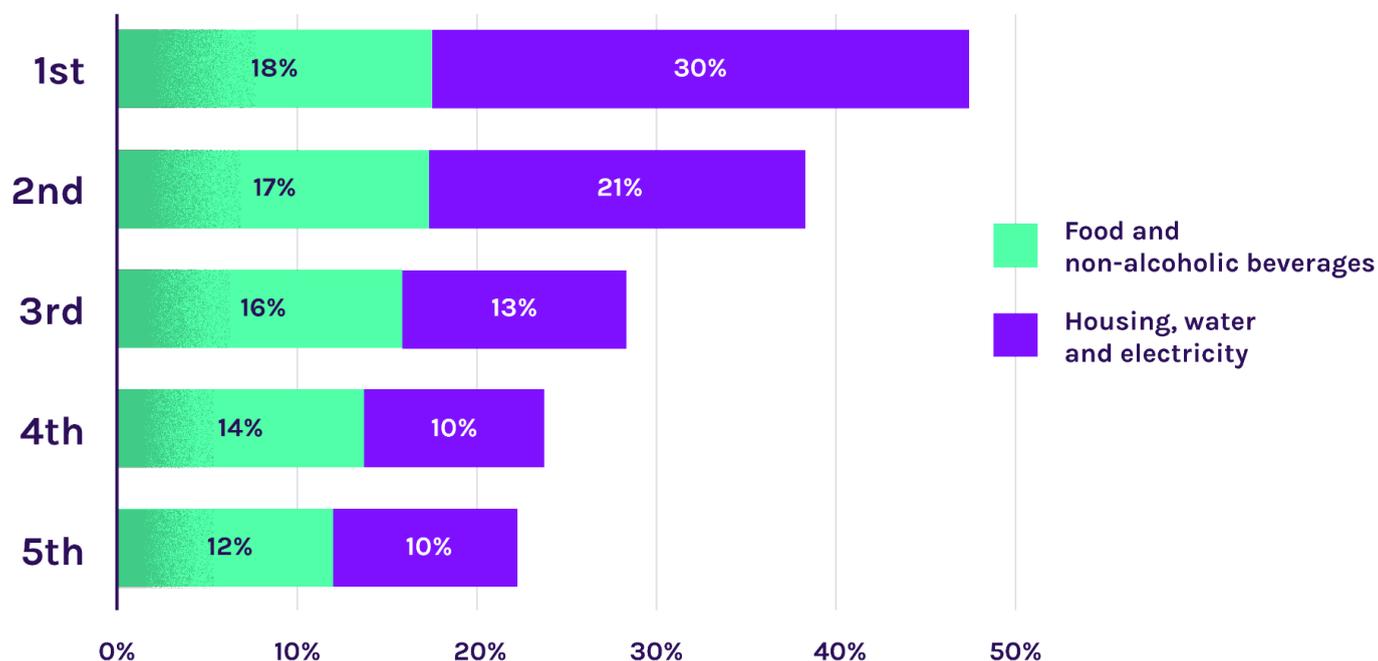
real-time evidence base that it will generate through its innovative combination of online diaries and responses to ‘Big Questions’. The live archive, which shares this evidence base, is available to access [here](#).

## **Understanding why families on a low income are particularly vulnerable to the high cost-of-living**

Exploring the everyday experiences of families in the UK provides essential and powerful insights into lived realities; merging these insights with economic analysis, as we have done here, allows for both a broad and rich picture of poverty, inequality and the impact of public policy in the UK.

As part of our analysis for this briefing, colleagues at the Resolution Foundation carried out new quantitative analysis, shown in this section. Figure 1 shows the proportion of household expenditure on essential areas where costs have particularly risen during the cost-of-living crisis for families with dependent children, by income quintile. What this very clearly demonstrates is the high proportion of their overall expenditure that the lowest income quintile spent on essential items, whose costs have risen [more rapidly than higher income households](#) have during the recent crisis. Indeed, while the third (middle) quintile spent nearly 30% of their combined income on food, housing, and energy, for the bottom quintile this represented almost half of their expenditure in the year preceding the pandemic. Notably, food takes up nearly 20% of the bottom quintile’s total expenditure – leaving them especially vulnerable to the continued high and rising food prices that the UK is facing (in August 2023, food inflation was 13.6%). Going into the crisis, low-income families were more vulnerable to the cost-of-living crisis than high-income households, due to the higher proportion of their spending dedicated to essentials such as energy and food, where prices have risen the most, and where it is almost impossible and detrimental to cut back on spending.

**Figure 1 – Proportion of expenditure, by item and income quintile (households with dependent children only): UK, 2019-20.**

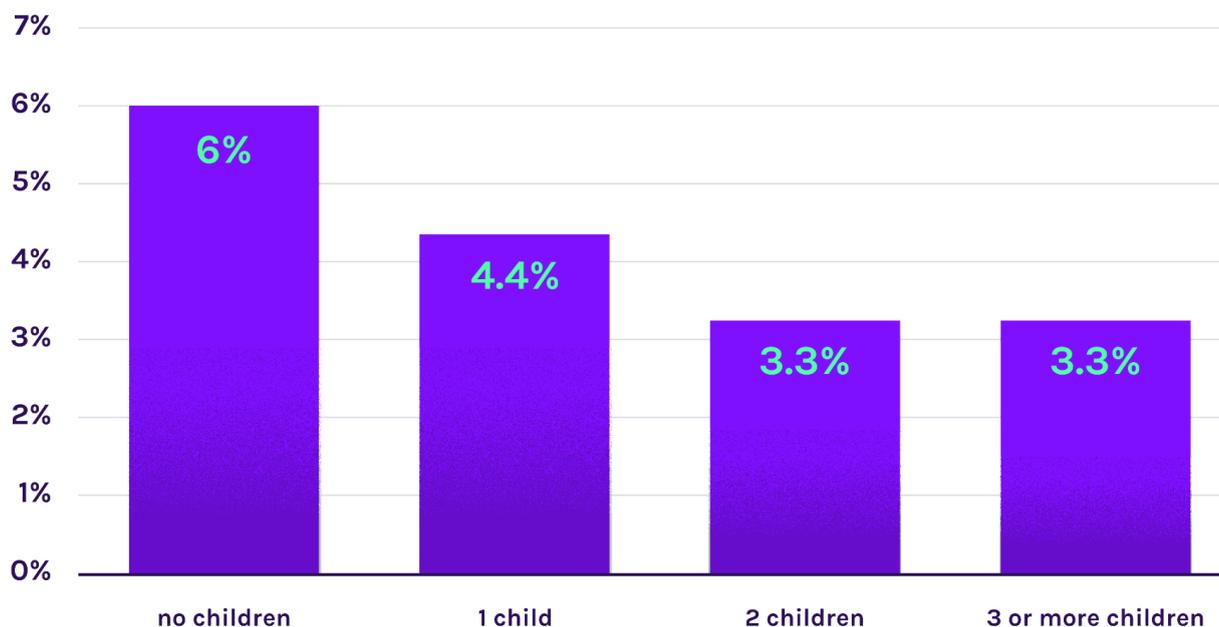


**Notes** Income quintiles calculated using After Housing Cost equivalised income.

**Source** Resolution Foundation analysis of ONS, Living Costs and Food Survey.

One of the main ways in which the Government has sought to shore up households as they weathered the cost-of-living crisis has been through targeted cost-of-living payments to people on means-tested benefits, with a disability, and pensioners, who are particularly vulnerable to the crisis. However, these have been paid at a flat rate, meaning that a single person receiving means-tested benefits has received the same amount from the cost-of-living payment as a family of five. Figure 2 below shows how this plays out for different household types, and the extent to which the cost-of-living payments made a much bigger difference to those without children. Despite this support for vulnerable households, [Resolution Foundation analysis](#) shows that real incomes are set to remain relatively stable across the income distribution: meaning that the cost-of-living payments prevented low-income households from experiencing disastrous income falls, as opposed to boosting their incomes in real terms. The lack of cost-of-living payments scheduled for the next financial year is projected to result in [falling incomes for low-income families in 2024-25](#), with the poorest quarter of families in the income distribution facing an income fall of 3 per cent.

**Figure 2 – Average change in non-pensioner household income from cost-of-living payments for households in receipt of means-tested benefits, by number of children: UK, 2023-24.**



**Notes** Cost-of-living payments includes £900 means-tested benefit payment and £150 disability payment. The income changes shown in the chart are compared to a counterfactual where there were no cost-of-living payments.

**Source** Resolution Foundation analysis of DWP, Family Resources Survey using the IPPR tax-benefit model.

Taken together, what this analysis shows is the extent to which families with dependent children on a low income are 1) especially vulnerable to continued high prices of basic essentials; and 2) have not been very well targeted through the support provided by cost-of-living payments to date. We now turn to review the evidence provided by parents and carers, evidence that powerfully brings to life the everyday experiences of families on a low income this winter.

## **Living with perpetual crisis**

Parents and carers taking part in Changing Realities describe how they routinely and repeatedly struggle to get by, with their finances precariously

balanced. The cost-of-living crisis compounds daily pressures. Sadie P, a parent to three children told us:

The cost-of-living crisis is absolutely NOT over. Did all the rising prices go back to what they were? No! Did we all get pay rises? No! Things are still creeping up. And the culmination of everything being more expensive is putting more pressure than ever before on my household finances. Cuts have been made to cope with rising costs, but there are fewer options for making any more cuts now. And as my children get older, there are bigger costs associated with them. It still feels very overwhelming. – **Sadie P, 8th September 2023**

Against the current context of continued high prices, people's budgets remain stretched to the limit. The need to purchase basic necessities, like [clothing for children](#), leaves families struggling to afford routine essentials, like food and fuel. Roxy N explains:

The cost of petrol is going up to more than what it was at the peak. Gas and electric hasn't come down. No bills have come down. Everything's going up. My mobile phone bill, they went up 10%. That's not come down. Nothing's come down. Food shopping hasn't come down. Nothing. We're just having to survive any way we can. It's definitely not getting any better, if not worse. – **Roxy N, 8th September 2023**

Parents on a low income describe how the high cost of essential items is difficult, if not impossible to manage. Reflecting the quantitative analysis above, parents like Annie W explain the challenge of navigating high and rising food costs on a low income:

Food cost has always been a main issue for my family. It is still going up. There is nothing that is falling much or quick enough. I don't think this is something that will be over any time soon.

**- Annie W, 8th September 2023**

[Analysis](#) shows that lower-income households are being hit hardest by price increases, and this is reflected in our evidence base. Aurora T, a widowed parent with two children, describes how difficult making ends meet is for people relying on in work or out of work benefits:

Surely if the crisis was over, then families like ours would not be paying a larger proportionate percentage of income for food, housing and energy. This September has hit the hardest. I have had to make cuts to what I buy in terms of school uniform, eking out last year's tattered uniform and making do with items outgrown. The cost of childcare has increased, too, and that has put an enormous strain on my budget. **- Aurora T, 8th September 2023**

Savanna R, a parent of two with mental health problems, sets out the toll this is having on her life, highlighting the particular [challenges of affording childcare](#) in order to return to work:

I'm finding now more than ever I'm really losing sleep over worrying about money. The price of everything is beyond a joke and it doesn't seem to be getting any easier. I've just got my daughter a place in playgroup because it's cheaper than 'childcare' to try and free up some hours for me to be able to get back to work and I honestly don't know how I'm going to manage. It's £210 a month for only 12 hours a week. Jobs don't even pay an hourly rate that's enough to cover it. I don't know how anyone is expected to live at the minute.

**- Savanna R, 8th September 2023**

Diary entries underscore the persistent and highly damaging impact of the cost-of-living crisis on families' daily routines, particularly in relation to the ability of families to afford adequate food. This aligns with broader, well documented evidence of [sharply rising](#) food bank use.

When asked if the cost-of-living crisis is indeed over, parents described their disappointment – and often anger – about narratives perpetuated by sections of the media and some politicians, that the cost-of-living crisis is over. In sharp contrast to this dominant narrative, parents described facing ever greater struggles, and reported frustrations over the absence of [sustainable solutions](#) from the government:

I'm so fed up of seeing the portrayal of this cost-of-living crisis. It's not a cost-of-living crisis, it's a cost of greed crisis. It's by far not over. I've never had such expensive shopping, such expensive services, and just generally the amount that is coming in won't be enough to cover what's going out. And I'm frightened and I'm really sick of being frightened ... I'm really sad and angry that it's being portrayed that it is over, because it absolutely isn't. Certainly not for myself, my son, and many friends and acquaintances. It's very much not over and it's very frightening because it's just not sustainable.  
– Evelyn D, 9th September 2023

## **The cumulative harm caused by inadequate social security support**

The insecurity and poverty created by what has become an increasingly inadequate social security system was a key reason for the hardship families experienced as the cost-of-living crisis has deepened. Mollie U, a mother of two with a partner in work and claiming Universal Credit, described not only the profound financial hardship she and her family experienced, but also the continued stigma of receiving social security:

As a family who already have used food banks to get by in the last 6 months, to then not have benefits increased in line with inflation would be a devastating blow to our already struggling finances. Everything is costing more and more, I can't remember the last time we went out to the cinema or had a meal out – increasing days are spent at home, wondering how we can utilise what we already have and thinking about different revenue streams. To then have to worry further about our household income demonstrates how profoundly the cost-of-living crisis is still affecting families like mine. The stigma attached to people claiming benefits continues, as the general feeling surrounding increasing benefits is often frowned upon. I've heard people saying "They get enough already. Why don't they get up and work for a living". We still have a long way to come as a society and increasing benefits will at least give those struggling a sense of dignity. – **Mollie U, 17th September 2023**

In diary entries, participants continually describe how insufficient benefit levels render them unable to fulfil their most basic needs which, in turn, impacts negatively on their dignity and self-esteem. Beverly W, a single parent with a long-term health condition, writes:

I have basically gone without so much of this last year just to afford to cover the day to day bills. I've been wearing old bikini tops as I haven't been able to afford new underwear as it's no longer fitting or falling apart. Does nothing for your self-esteem at a medical appointment to not have clean well fitting underwear.  
– **Beverly W, 8th September 2023**

Experiences, such as Beverly's, inevitably compound the [mental health strain of living in poverty](#), which is further exacerbated by the cost-of-living crisis. Savanna R, a mother of two young children, described the impacts of the cost-of-living crisis, and the poverty it creates, on her mental health:

All I seem to be able to think about at the minute is money and how much worse it's going to get in winter. My doctor has prescribed medication for my anxiety again because I'm constantly on edge and worrying about it. – **Savanna R, 22nd September 2023**

All the Changing Realities participants have children at home, children who they cannot always protect from the impact of their poverty. Charles K, a single parent with disabilities, describes how his daughter responds as they face the first cold spell of this winter:

The first time since the weather has turned – am on emergency gas and my daughter's telling me she's cold. It breaks my heart as she just turned around and said, "I'll just put a jumper on". It's gonna be a long cold winter, I can't keep my heating on. – **Charles K, 22nd September 2023**

## **Getting through this winter: cutbacks and near impossible decisions**

At the start of 2023, Changing Realities published a briefing: '[Keeping Warm This Winter](#)', which provided stark evidence of the hardship families were facing that winter and the strategies they had been forced to adopt in their effort to keep their children warm. Sadly, as another winter approaches, families are deeply fearful about how they will manage and what further cutbacks they will have to make. This comes through vividly in the accounts of Beverly W (previously introduced) and Sadie Q, a single mother of three with mental health problems, who both approach winter with a sense of dread:

What's in our bank account is all the money we have to our names. So is it any wonder we tend to feel so stressed about the balance between increasing costs and inadequate benefit levels. I really am not looking forward to more mould, condensation, rationing the heating and the overall expense of paying for "Christmas" in all its glory. – **Beverly W, 25th September 2023**

I am really not looking forward to the winter. I have 3 children at home, I know the heating bills will be high and the food bills. The cost-of-living crisis is not over .... The added pressure of winter bills, more food, dark nights, is very depressing indeed. – **Sadie Q, 25th September 2023**

Edison P, a mother with long-term illness, feels the same, already planning the steps they will take to try and keep warm without putting the heating on:

I'm terrified for this winter, the cost-of-living has hit us so bad, recently it wasn't as bad as I thought it was before but now it really is a case of eat or heat: I'm worried about keeping the house warm through the colder months as the last few nights have been very bitter, the cold air is definitely creeping in. It's going to be another year of extra layers going to sleep, hot water bottles filled up twice a day as I really can't afford any more than that and just praying that somehow we get through. – **Edison P, 22nd September 2023**

Fully aware of the hardship to come as the temperature dropped, parents were taking steps to try and plan for the winter as best they could. Gabriel K, a disabled single parent described physical illness that came from the cold last year, and how he had used DIY insulation measures to try and retain what heat he had, while Katie S set out the steps she was taking in preparation for winter:

Over the summer I have bought thermal blinds in clearance bins to put on windows as well as my curtains. I will get out the bubble wrap from last year. I hated it but helped a bit. I can't be as cold as last year I got so poorly. I'm very worried. – **Gabriel K,**  
**25th September 2023**

I've been buying draft excluders, door mats, fleece blankets, sock slippers and hot water bottles. I plan on wrapping myself and my family up as much as possible and using my slow cooker for hearty meals. We also have electric blankets and lots of dressing gowns/fluffy pjs – **Katie S, 22nd September 2023**

Reflecting on last winter, Evelyn D, a single mother to a child with SEN, described how she felt she had no choice but to avoid putting on the heating at all costs:

I'm trying to insulate the house as much as possible and just eat food that's cheap but hearty. So try and batch cook so that I'm not hungry and cold. And really just try and be quite resilient because I'm really scared about putting the heating on. I had the biggest bill I've ever had in my life from February to May this year, and I've only just paid it off, so the prospect of that happening again is terrifying. I don't have any backup, I don't have any sort of savings or anything like that, so just going to be really frugal and try hard not to put the heating on because there's no real choice. – **Evelyn D,**  
**25th September 2023**

Families on a low-income approach this winter fearful of how they will manage; indeed many, such as Erik W, are already going without and have no cuts left to make:

If next April all benefits are not increased in line with inflation, I genuinely believe that we will end up malnourished and needing hospital treatment or simply freezing to death in our home, unable to put the heating and lights on even for a short period of time. I am now unable to remember the last time I ate a cooked meal or used the heating. I am now not even boiling the kettle in order to make a hot drink. There are just no more areas to cut back on so if there is no increase in benefit rates in April it will have a devastating affect on myself and my daughter, who is already struggling to work her way through school studying for her A levels. – **Erik W, 15th September 2023**

What the evidence above shows is the everyday hardship that families are facing and the very real fears they have as they enter winter. As winter brings with it rising costs, it is vital that the Government provides meaningful support to families who – in Erik’s words – simply have ‘no more areas to cut back on’. It is to the changes that are needed that we now turn.

## **Making change happen: co-produced recommendations from Changing Realities**

The following recommendations were developed with Changing Realities participants during an online meeting in early October 2023. The discussion was facilitated by the project team, which includes representatives from Child Poverty Action Group. The recommendations for change are based on this discussion and are the product of collaboration between people with lived experience and people with policy, campaigning, and academic expertise.

The collective and unanimous view of the thirty-four parents and carers who took part in the meeting is that the cost-of-living crisis is not over. This echoes the experiences and sentiments expressed in diary entries and video question responses submitted by the wider cohort of Changing Realities participants, some of which have been reported here. Furthermore, there is a strong sense among Changing Realities participants that MPs

and the Government simply do not understand the daily realities of families facing poverty and who are reliant on social security for all or most of their income. Reflecting both the urgency of the immediate situation, but also an analysis of deeper systemic problems with the UK security system, Changing Realities' recommendations are divided into a call for urgent action – the bottom-line changes which need to happen right now – and a longer term vision.

- **A call for urgent action: Benefits must increase by at least inflation and local housing allowance be unfrozen**

There is an urgent need for incomes to – at the least – keep pace with rising costs in the lives of families with children. At a very minimum, benefits must continue to rise in line with inflation. In the context of rising rents and plummeting housing affordability, it is also imperative that the Local Housing Allowance – frozen since April 2020 – is unfrozen and restored so that it better reflects market rents.

- **Flat-rate and one-off payment must be replaced by long term investments**

During the cost-of-living crisis there has been a worrying turn toward the use of temporary, one-off, and flat-rate payments to address ongoing problems of poverty and hardship. Our evidence shows that this approach often intensifies rather than relieves the insecurity that people face, and leaves families with children at a real disadvantage. It also fails to meet differing levels of need. Instead, the government should invest in people and in the social security system through regular payments that are proportionate to need.

- **Abolish policies that punish families with children.**

The two-child limit and the benefit cap have a disproportionate impact on women and children and damage the ability of low-income households to provide for their families. These policies sever the link between need and entitlement, and by withdrawing support from larger families, in effect, punish children from those families.

## A longer-term vision

Changing Realities participants call on the government to:

Invest in social security for the long term to ensure accountability, dignity, and to protect children.

- **Thinking about the longer-term:** Changes should be preventative rather than reactive and be part of a long-term view. Benefits should always increase in-line with prices so families aren't left in a state of uncertainty. We also need to look more systematically at what would constitute adequacy within social security provision, and this requires concerted action and real, sustained investment.
- **Political leaders should be accountable** and consider the experience of those on a low income. Increased engagement with the expertise that comes from direct experience would provide a measure of how political choices impact on people's lives but also improve future policy.
- **Ensuring dignity through preventative action** to increase incomes and reduce costs before people reach points of crisis and need short-term measures to keep them afloat.
- **Protecting children through universal provision (for example, universal free school meals)** and lowering costs associated with school attendance. Current income thresholds for free school meals leave many low-income households responsible for these extra costs.

## Conclusion

This briefing explored whether the cost-of-living crisis is really coming to an end, making clear why this is far from the case for families on a low income. Across this briefing, we have highlighted the everyday realities for families living on a low income and the urgency of providing additional, effectively targeted support. Our hope is that it can contribute to broader demands for the Government to refocus attention on the cost-of-living crisis ahead of

the November budget. What is needed – of course – is longer-term investment in social security, and a reframing of ‘welfare’ as a force for good. But, in the immediate term, it is vital that the government does not back away from its commitment to uprate benefits in line with inflation. Families are struggling, day in, day out to get by, and this is ultimately the result of political choices. We need to see concerted, committed action to right this wrong, and to make families’ lives a little bit more manageable this winter. This should not even be up for debate.

We started the briefing with the experiences of Erik. We end it with his call for change:

It is NOW that changes must be made in order for a fairer society, where we can all have a reasonable standard of living, bring up our families to have the best possible start in life that is achievable, and be in a situation to lift themselves out of a life of poverty. – **Erik W, 8th September 2023**

## Acknowledgements

This briefing is a result of collaboration, and we are thankful to each of the parents and carers who take part in Changing Realities, documenting their everyday realities and working together to push for change. We are also very grateful to Resolution Foundation (and Lalitha Try in particular) who worked with us on the analysis for this paper. This was a very valuable collaboration, too. Changing Realities is funded by Abrdn Financial Fairness Trust, and we are thankful for their support.

Illustration by Catherine Fortey

[changingrealities.org](http://changingrealities.org)

A collaboration between

UNIVERSITY *of York*



Supported by



abrdn  
Financial  
Fairness  
Trust