



The Peabody *Index*

14th edition - December 2023



About Peabody

We're one of the oldest not-for-profit housing associations in the UK and our purpose is to help people flourish. We do this by providing great homes and services, making a positive difference in our communities and creating an inspiring and inclusive place to work.

We're responsible for more than 107,000 homes in London and the home counties. And we have over 220,000 residents and around 17,000 care and support customers.

Created 160 years ago to alleviate poverty in London through quality affordable housing, we provide homes to those who need them most. At an average of £127 a week, our rents were £621m lower than the market in 2022-23 and 78 percent of our new homes were for affordable rents and shared ownership.

We're committed to getting closer to our residents so we can provide the services they really need, including improving our repairs and complaints-handling services. We work closely with councils and communities to promote economic inclusion, tackle inequality and poverty and prioritise wellbeing, making sure everything we do improves local communities and the lives of those that live in them.

17,000
care and support
customers

£621m
lower rents than
the market
in 2022-23



About the Index

London is one of the world's most vibrant cities. However, people on low incomes in the city continue to experience significant cost-of-living challenges. To better understand the issues facing London social housing tenants and to help ensure our residents' voices are heard, we began publishing the Peabody Index in June 2018.

Since our first edition, the Index has tracked the experiences of social housing tenants of working age, including throughout the pandemic, drawing on this to make evidence-based recommendations to policymakers and others. We also use the findings to help everyone at Peabody understand our residents' experiences better, and shape and tailor our services so we're delivering what residents actually need.

To do this, we carry out regular surveys of our social housing tenants in London. For this issue of the Index, we surveyed 1,013 residents in August 2023 using a combination of phone and online surveys.

Research methodology



Our survey was open from **23 August to the 4 September 2023** using a mixture of telephone and online surveys



1,013 of our residents completed the survey



770 responses were from an online survey



243 responses were from a phone survey

All residents were of working age – 20 to 65. This is the first time we spoke to the 60 to 65 age group, as previous Peabody Index runs had stopped at 60. However, we felt it was important to now include 60-65 years as these residents are still of working age.

Our key findings



In this edition of the Peabody Index, more residents described their finances as 'difficult' than 'ok'. The majority said their household's financial situation had got worse over the past year. Residents in every age group told us they've cut back on essentials like food and energy because of their worsening finances.



Almost a third of those surveyed have a household income of less than £20,000. This is below the full-time salary on the London Living Wage and below the Minimum Income Standard, which is widely accepted as the amount households need to reach an acceptable standard of living. Most of those surveyed are in work and, of that group, 37 percent said live in households earning less than £30,000.



Of those who are unemployed or in unpaid work, over half have a household income of less than £20,000. A large majority don't have a financial safety net if things go wrong. And many are unable to afford necessities, let alone a large unexpected but necessary cost.



Health issues are the biggest barrier to improving residents' career prospects or broader financial situation. Many also see changing careers as potentially destabilising, but that skills training, or other types of practical support could help them improve their career prospects.

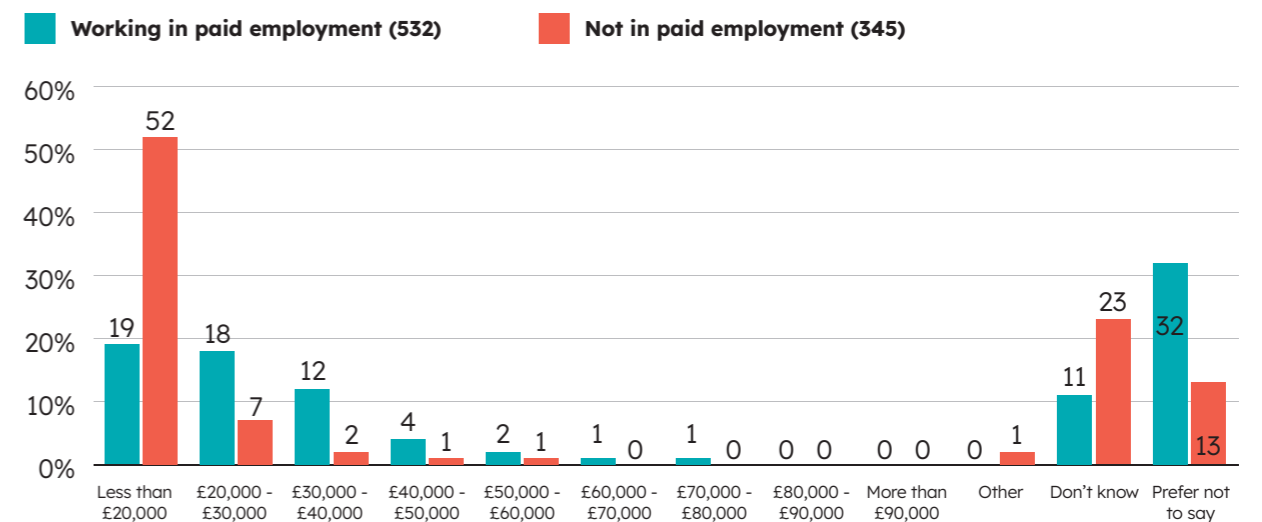
The current outlook for the UK economy is negative. Despite inflation stabilising in recent months, the cost of living continues to rise.

People on low incomes feel inflationary pressures more keenly than the rest of the population. They spend a proportionally larger amount of their income on essentials, reducing the opportunity to cut back on spending.

We are seeing residents make some very difficult choices about how to cope with rising costs. Nearly half have cut back on heating to save money over the last year. And over a quarter have gone without food in the past year because they couldn't afford it.

Residents' very low earnings help to explain this, despite over 53 percent saying they are in paid employment. Of those surveyed, 32 percent told us they have a household income of under £20,000. By comparison, the median annual pay in London is £36,700.

If you're happy to tell us, what is your household income?

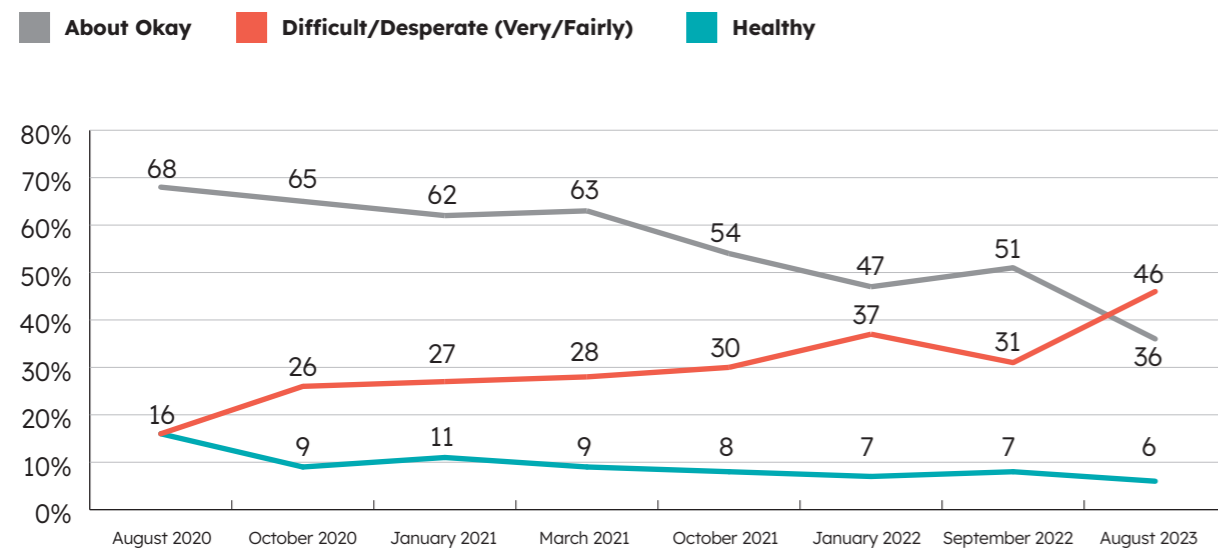


Our key findings continued

It's not surprising, then, that 46 percent of residents now describe their finances as 'difficult'.

The proportion of residents describing their household finances as either 'healthy' or 'about ok' is the lowest since we started the Index. Now more of those surveyed described their household finances as 'difficult' than said they were doing 'about ok'. Only 6 percent said their household finances were 'healthy'.

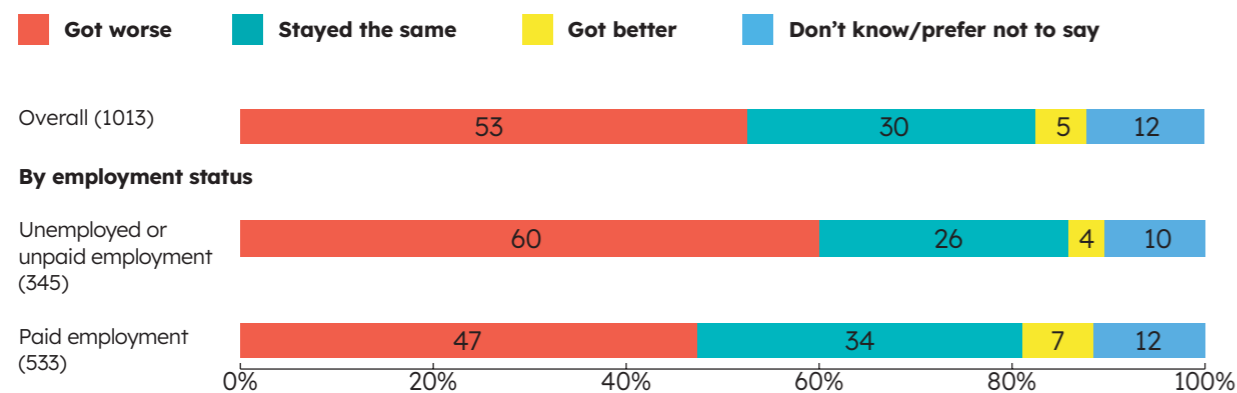
Overall, how would you describe your household finances at the moment?



This trend can be seen across all groups of residents, regardless of their age or employment status. And although those who are either unemployed or in unpaid employment are more likely to describe their household finances as 'difficult' (58%), we're seeing this sentiment spread to those in paid employment.

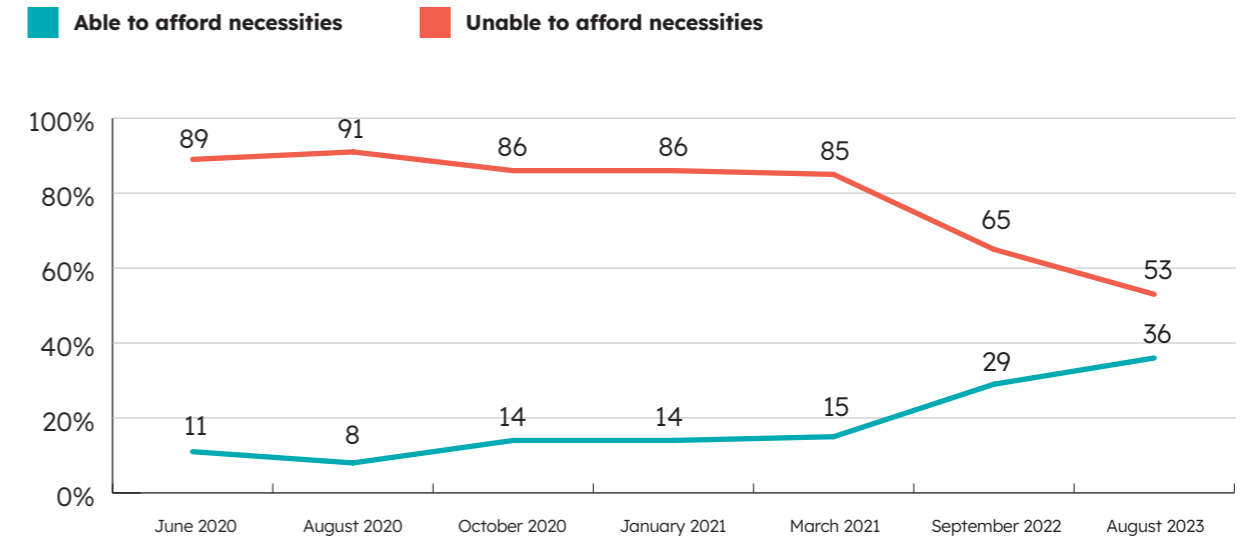
More than half of residents report that their finances have got worse over the past year, and only 5% said they've got better.

Overall, how has your household financial situation changed in the past year? Has it:



The proportion of residents saying they are unable to afford necessities is also at its highest level since June 2020, when we started asking this question. Only just over half of the residents we surveyed said they had been able to afford necessities such as food and electricity at all points in the last year. The number saying they've not been able to afford necessities has been steadily increasing since March 2021.

Have you been unable to pay for necessities such as food or electricity at any point in the last year?



All these pressures add up to a sense that our residents are living very close to the wire financially. Almost three quarters say they would not be able to pay for an unexpected but necessary expense of £850. This rises further amongst residents not in paid employment (81%), highlighting how stretched residents' finances are. This is compared to a 32% national average.

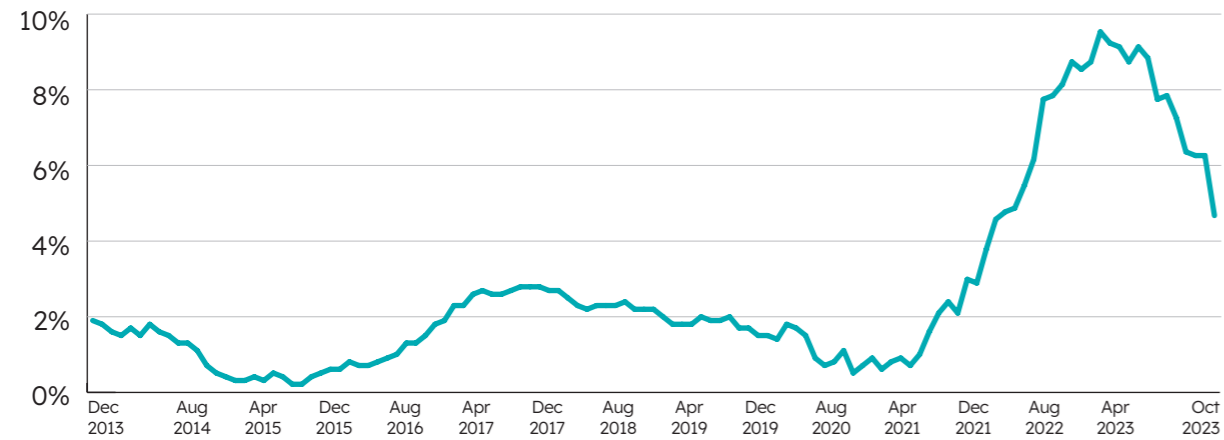


The economic context

We know the cost of living has been challenging for a proportion of our residents since we started running the Index in 2018, before the sharp increase in prices spelled the start of the current 'crisis'.

Inflation slowed more sharply than expected to 4.6% in October thanks to a retreat in energy prices. But the recent period of high inflation has pushed up the price of essentials like food and fuel for everyone in the UK. The current level is still more than double the Bank of England's 2% target.

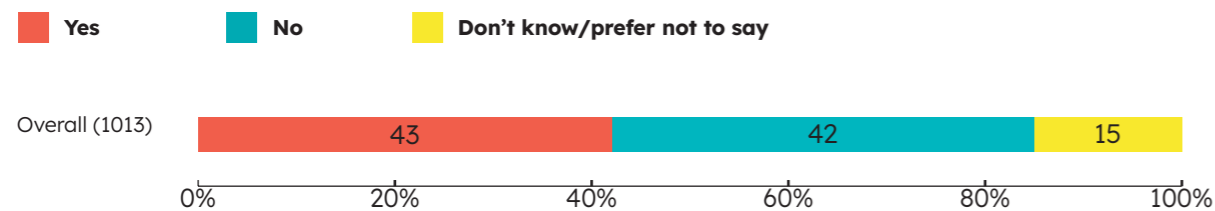
CPIH annual rate



Debt

On top of this, the interest people are paying on any debt has increased (the Bank of England base rate is currently 5.25%). This will likely be a worry for the 43% of our residents who told us they were currently in some form of debt as it makes it harder to pay off.

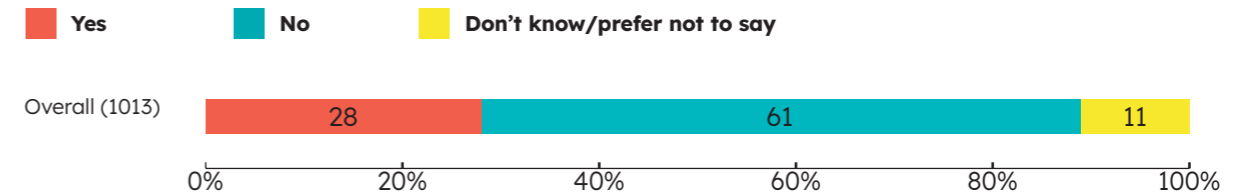
Are you currently in any debt?



Food

Rocketing food prices are also a concern, with 28% of our residents telling us they have gone without food in the past year because they couldn't afford it.

Have you gone without food because you couldn't afford it in the past year?



The Food Foundation's Basic Basket is a shopping basket tracker. It measures weekly price changes in what the average man and woman could typically buy as part of a reasonably costed, adequately nutritious diet. Since they began tracking in April 2022, the woman's basket of food has increased in price by 23.6% to £49.41 per week. The man's basket has increased by 27.1% to £54.05 per week.

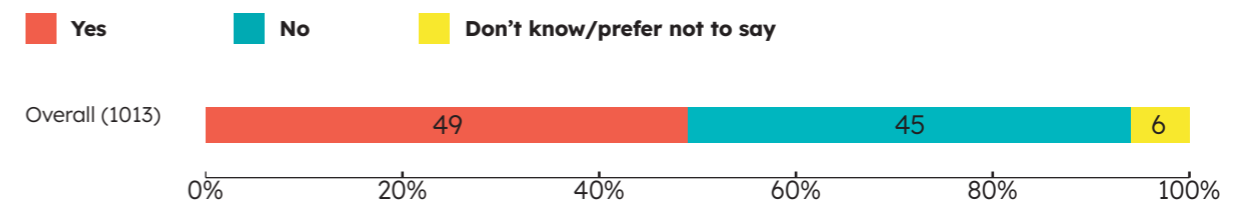
A medium Extra Value meal at McDonalds has increased by 42% compared to 2022 prices and Happy Meals have gone up 33%.

Energy costs

The government intervened to protect people from the worst of the rising energy costs last year. Along with other housing associations, we have called on the government to provide more targeted support through the Energy Bills Support Scheme and Energy Bill Discount Scheme over winter 2023-24.

Still, almost half of those we surveyed had gone without heating in the past year to save money, up 6.4% on the number who said they had gone without in 2022.

Have you gone without heating to save money in the past year?



How can we help?

As well as our usual tracking questions, which help us get a sense of how our residents' finances are changing over time, we also asked some questions for this edition about their employment and career. We wanted to know whether respondents were in the job or career they wanted, and if not, what could help them change career or get started in a new job.

Through our Peabody Community Foundation (PCF) we team up with residents, partners and local authorities to help people become healthier, wealthier and happier. We aim to address the root causes of economic inequality and basic housing issues. Through our economic inclusion team we help people to get better-paid, higher-quality jobs and reduce their debts. We do this by helping them access training opportunities and business support so they can broaden their horizons and achieve their goals.

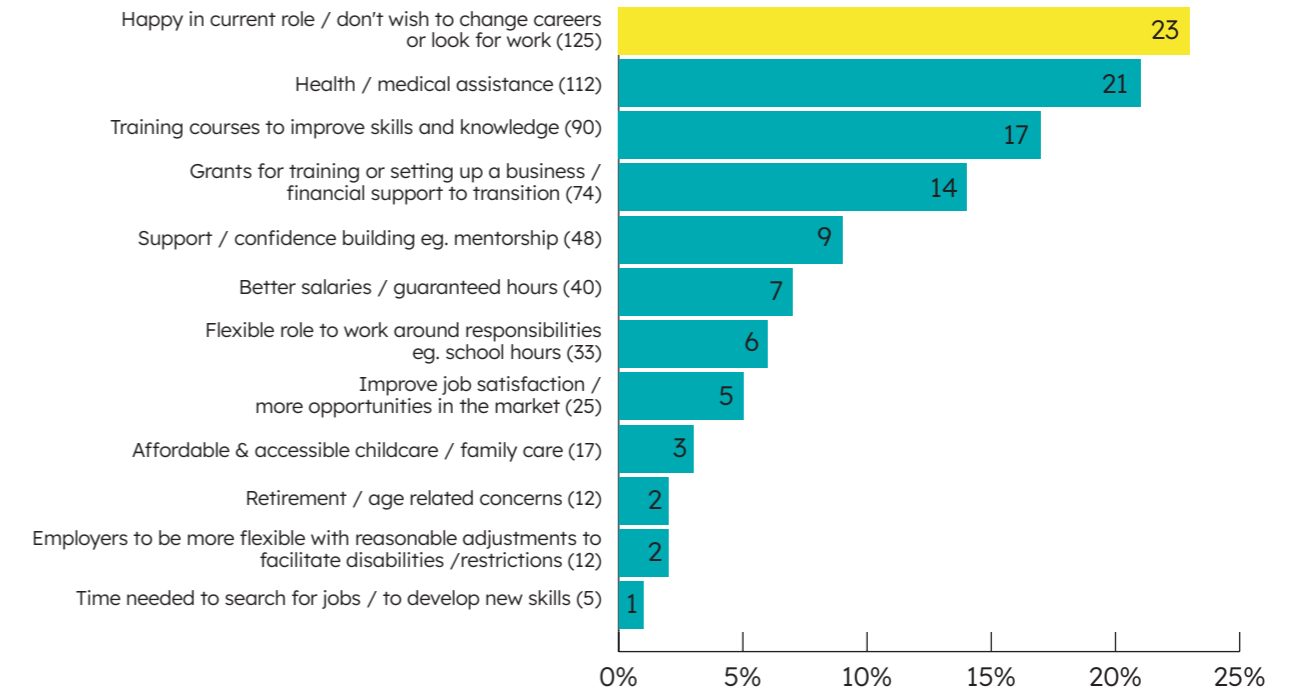
We often speak to residents about getting into work or changing careers. And we had an anecdotal sense that the people we help sometimes face practical barriers to improving their financial situation that we could help them overcome.



[Link to the Peabody PCF Annual Report](#)

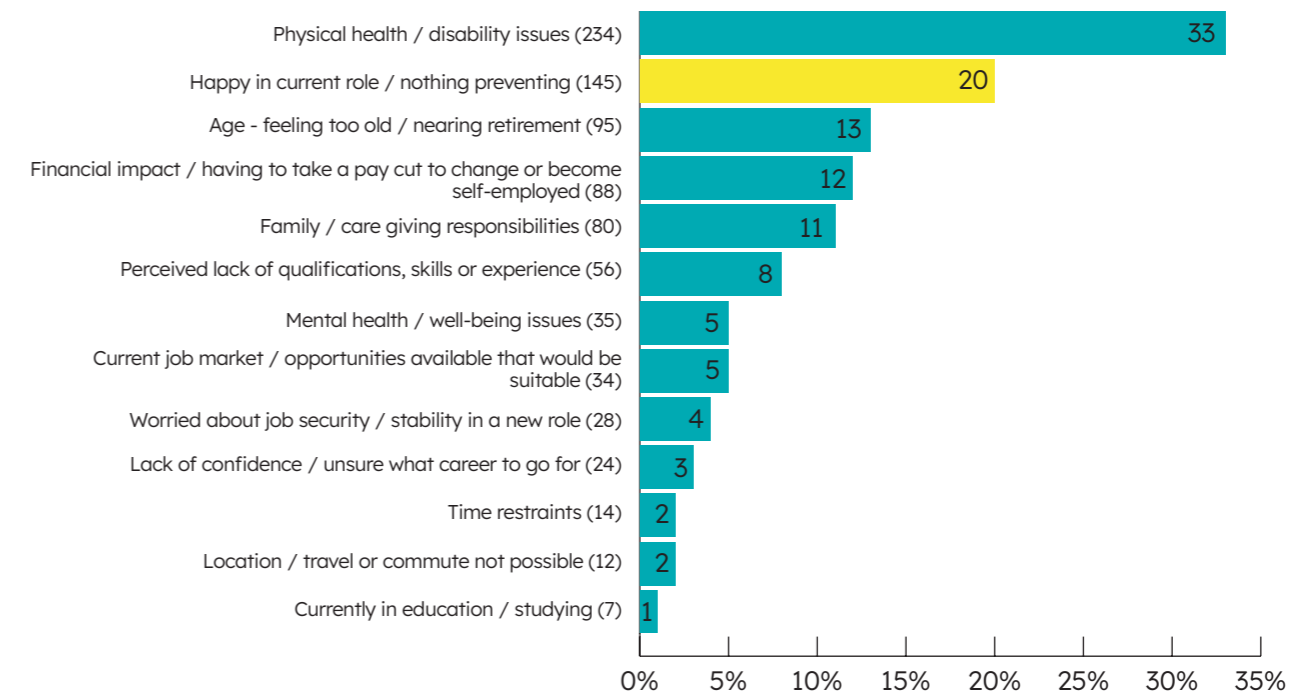
Of those surveyed for this Index, 23 percent said they were happy in their role and weren't looking to change careers. Of those who would like to change careers, the thing that could help them most, was health or medical assistance. This was followed by several answers relating to skills, training or other types of practical support.

What would help you to change career or, if you're not in paid employment, going for a job you would like to do?



We also asked what stopped people from changing careers, and physical health was again the biggest factor our residents cited as a barrier. A third of people mentioned physical health or a disability as the main thing that stopped them changing careers or getting into work in the first place.

What are the main things that stop you from changing to a different career or, if you're not in paid employment, going for a job you would like to do?



Here's what some of our residents said

Interestingly, many of the comments made by respondents also suggested that people felt that trying to change careers was a risk, and one that was not always worth taking. It's great that some residents said their current role offered them the flexibility they needed to fit work around caring responsibilities, particularly for children. However, some people also described moving roles as potentially destabilising. And while they could perhaps take a step up in their career or earn more money, this flexibility is perhaps seen as too precious to risk for a better role.

“Being a single mother and the sole provider for my child feels like destabilising the household finances if I don't get the same benefits as what my current work already offers.”

“My son has autism and my job is very flexible with my shifts if I have to look after my son.”

“I work term time only so I am at home for my children when they are on school holidays and I don't have to pay for child care. My job also means I can take them to school and pick them up.”

“My daughter being so small and young I really want to open up a cooking business.”

We have a range of services to support our residents to overcome some of the barriers they told us were stopping them changing careers. In 2022-23 we:



Helped over 1,100 people to find a job, start an apprenticeship, access training and achieve qualifications



Provided support and resources to 476 local social enterprises



Provided 81 businesses with opportunities to trade locally



Helped 223 people secure childcare qualifications so they can not only work themselves, but also enable others to work



Case study

Haider was working for Smart move Estate Agents in Stoke Newington as a Senior Lettings & Sales Negotiator until September 2022. He was ideally looking for a work from home or hybrid role and was open to anything housing related, sales or telesales. Haider was looking for support accessing roles and support updating his CV.

We supported Haider to gear his CV more towards his job goals. We showed him how to modify his CV for the different roles he applied for highlighting skills that matched the role profile.

Haider was added to the Employment Caseworker email alerts and would regularly receive roles that matched his job goals to apply for.

During his weekly 1-1 appointments, our team facilitated motivational and confidence building sessions with a caseworker, along with job searching activities, job application support and mock interview techniques. After completing several job applications, Haider attended an interview for a Lettings Manager with High Castle Estates and he was successful.

Haider is very happy as he is much more financially stable now, and is able to support himself.

In Haider's own words "I am so happy to have secured employment, with the cost of living crisis things have been a bit of a struggle. My life has completely changed and I feel that without your help and support I would not be where I am today".



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