

Consumer Experiences of the Cost-of-Living Crisis



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Introduction

The cost-of-living crisis is a fundamental challenge to Scottish society, both in terms of personal health and well-being, and social cohesion. The crisis brings to the fore structural problems in Scotland and similar countries, building on a combination of neoliberal market economy and state-funded support mechanisms.

Millions of families in Scotland and across the UK live on disposable incomes that cannot cover the cost of rising food and energy bills. The Joseph Rowntree Foundation¹ have recently documented the persistence of the crisis for low-income families with millions continuing to go without essentials, and destitution in the UK more than doubling since 2017. Although the crisis has been most severe for low-income families particularly those living on universal credit, it has also impacted the working-poor for whom full-time employment is insufficient to cover the cost of living. As such, the cost-of-living crisis indicates deep flaws in contemporary society.

A viable solution will have to address the root causes and, thereby, requires substantive political intervention and, some might argue, systemic change. However, until such solutions are designed and implemented, consumers are largely left to their own devices.

This report discusses how consumers from various backgrounds across Scotland have experienced the cost-of-living crisis. Giving voice and perspective to the lived experience of the cost-of-living crisis is important: it gives concrete insights into the personal, emotional and psychological reality of poverty; it reveals the potential and limitation of consumer coping and resilience; and it offers a sense of hope that if we are willing to overcome entrenched ideologies and work across various stakeholder priorities, real change is possible.

Method

A multi-level research approach was undertaken to explore the perceptions and experiences of stakeholders across different levels of society on the cost-of-living crisis. The project explored the experiences and perceptions of consumers themselves, the third sector, industry, and experts. This included interviews with consumers and third sector employees in Stage 1 of the research, followed by a stakeholder symposium in Stage 2 to co-design ideas for solutions that can be implemented by a range of actors across the different levels of society.

In this report we focus on data collection on consumers' lived experience of the cost-of-living crisis. We conducted 15 semi-structured interviews to explore how consumers mobilise personal, inter-personal and community-based resources to manage the adverse impact of the cost-of-living crisis. We recruited Scottish consumers (largely based in the cities of Glasgow and Dundee) who have been impacted in different ways, but who share the experience of being forced to make adjustments to their usual lifestyle in order to cope with the cost-of-living crisis. Table 1 gives some information about the interview participants in relation to household and employment. The majority of those in full time employment were in minimum wage jobs. For anonymity reasons we refrain from providing further personal details for each individual participant. Pseudonyms are used throughout the report.

¹ <https://www.jrf.org.uk/report/autumn-statement-2023-addressing-evolving-crisis>

Table 1: Interview Participants: Consumers

Pseudonym	Household Information	Employment
Anna	2 adults	Student
Josie	2 adults, 4 children	Full time employment
Nadia	2 adults, 2 children	Student
Gabrielle	2 adults, 3 children	Part time employment
Marcel	2 adults, 2 children	Full time employment
Donna	1 adult, 2 children	Universal credit
Karen	Single person household	Part time employment
Rihanna	1 adult, 2 children	Universal credit
Elaine	Single person household	Full time employment
Emma	Single person household	Full time employment
Grace	4 adults	Student, PT employment
Joelle	Single person household	Universal credit
Paul	Single persona household	Part time employment
Jane	2 adults	Full time employment
Charlie	Homeless	Universal credit

Although a relatively small number of interviewees participated in the project, we wanted to prioritise depth over breadth. We are very grateful to all the participants who were openly willing to share their lived experiences of the cost-of-living crisis with us. It is their voices that we want to represent throughout this report and, in the findings that follow, we draw heavily on extracts from the interviews. We believe hearing these direct experiences provides useful insights by reinforcing the ongoing urgency of the cost-of-living crisis.

To build on the consumer perspective, we also conducted interviews with five third sector employees who have specialist insight into the cost-of-living crisis and its impact due to their professional role. Details of these participants are provided in table 2. Again, we use pseudonyms and avoid mentioning specific organisations for anonymity purposes.

Table 2: Interview Participants: Third Sector Employees

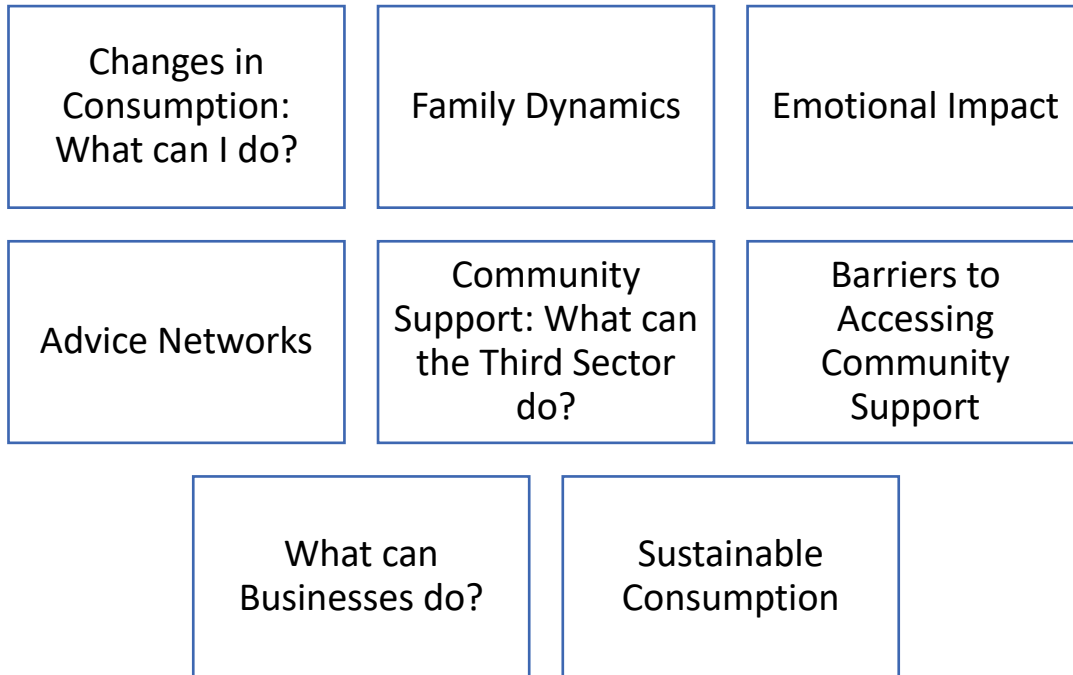
Pseudonym	Professional Expertise
Neil	Social entrepreneur with experiences in various organisations who work with disadvantaged communities
Jamie	Food Bank
Andrew	Various third sector organisations tackling poverty
Rory	Community Fridge
Jenny	A charity that focuses on supporting the homeless/those at risk of becoming homeless

Both sets of interviews were audio recorded and transcribed. Ethical approval for the project was obtained from the University of Dundee.

Findings

Overview

The interviews reveal the complexity and wide-ranging impact of the cost-of-living crisis. The main themes arising in the research are depicted below:



Changes in Consumption: What can I do?

“I’m constantly thinking. Do I really need this? And can I save money? If so, where?”

Our interviewees have been forced to change their consumption patterns as a result of the cost-of-living crisis. This includes changes in food, energy, leisure, clothing consumption and more. The crisis is clearly more severe for those on lower incomes. These consumers, who spend a higher percentage of their income on essentials, are falling deeper into poverty with many people reaching their limits in terms of saving costs.

Given significant rises in food prices, it is unsurprising that many of the consumption changes identified were related to food. Table 3 illustrates the most common strategies discussed in our interviews. Collectively these strategies illustrate that consumers are very savvy at stretching their budgets as far as possible.

Table 3: Consumer Strategies to Maximise Food Budgets

Strategy	Definition	Illustrative Quote
Cook from scratch	Preparing a meal with fresh ingredients instead of pre-processed ingredients.	“Cooking from scratch is probably the main thing. You can save an absolute fortune, because sometimes you don't even realise how much you're spending on convenience. Basically, anything that makes your life easier, it's more expensive.” [Josie]
Batch cook	Preparing a large amount of food at once and storing some for later use.	“That is a cheaper way, you are only using your oven once to make the lasagne and then portion it up. I can have one for lunch, take one out of the freezer for dinner and then I only need to use the microwave to reheat it.” [Emma]
Bulk buy	Purchasing large quantities of a particular product to receive a better price per unit.	“Sometimes we organise with a few friends, and we go to the shops and buy, let's say 10 kilos of chicken and we just share between us.” [Elaine]
Price comparison	Comparing the price of the same product in different supermarkets to identify the cheapest outlet.	“I would buy between like Tesco, Sainsbury's, and Lidl, definitely the past year I take pictures now of the different products, and then that way I determine where it is cheaper and then I'll go back to the supermarket and get it there.” [Grace]
Bargain hunting	Shopping strategies that involve looking for discounted prices.	“I try and be more strategic with the time that I go shopping. If I go at 5 o'clock there's often reductions, so you can get like vegetables and things like meat, sometimes a lot cheaper.” [Paul]

Consumers also discussed the need to respond to the sharp rise in energy prices by finding ways to reduce gas and electricity consumption:

“One thing we were doing was all sleeping in the living room. Because then if we're all sleeping in the living room, my son doesn't have to turn the heat on in his room, and I don't have to turn the heating on in my room.” [Rihanna]

“I am consciously thinking about energy use all the time, like constantly.” [Josie]

“I got myself a little treadmill that I put under my desk when I work. That keeps me warm, and that stops me from putting the heating on.” [Jane]

“I bought more hot water bottles as well. I layer a lot more now. I invested in warmer and bigger winter coats as well and I mean, even now I wear my big furry jacket in the house sometimes, because it's so cold. So I invested in more robes, more throws and things like that, and gloves as well just to be as warm as possible.” [Joelle]

Despite the variety of coping strategies identified by the consumers who participated in our interviews, it is clear that many people have no room left to manoeuvre. These consumers already feel they have done everything in their power to cope with the cost-of-living crisis.

In discussing these issues with interviewees from third sector organisations, there is a strong recognition that the cost-of-living crisis in a sense is not “the real crisis”: the severity of the current situation is due to a structurally flawed system where large sections of society already live in low-income households, many of which are below the poverty line. As such, there is a strong call for society to accept that a real solution to the cost-of-living crisis must focus more broadly on the structural eradication of poverty:

“The cost-of-living crisis would be exacerbating a pre-existing issue for young people who grew up in poverty. A lot of the communities we work with have faced poverty a long time before the cost-of-living crisis.” [Neil]

“we’ve seen with increased clarity that actually the problem cost of living puts right in your face is that we don’t have a problem about a shortage of food in this country. We’ve got a problem about a shortage of money in too many people’s pockets [...] There is a danger that much of our focus is on those who’ve just fallen into that trap rather than actually recognizing that there is another group of people who, before this happened, were already deep in poverty.” [Andrew]

Family Dynamics

The parents who took part in our interviews often expressed worry that restricted family budgets have a negative impact on their children. For families who were already living in poverty prior to the crisis, we heard of the struggles involved in meeting essential needs. Parents’ responses are typically geared at prioritising the needs of their children over their own needs. Many also referred to having less opportunities to take part in social and leisure activities. For families on the lowest incomes, sacrifices were unavoidable:

“My children get on the bus for free and I have to pay. Sometimes I may cut down activities for them because I don't want to pay for the bus, so I've had to deal with a few occasions where my son had football practice and I'm like, do I really want to spend four pounds today? [...] I shouldn't have to give up my children's activities, because I'm thinking of the cost of the bus” [Rihanna]

“The kids don't get to do fun things like we used to. We haven't had a takeaway for... I don't even know how long, we've not eaten out for even longer. We've had to cut everything that is, like luxury, anything luxurious.” [Josie]

Family dynamics become even more complex when there are additional needs to consider. For example, we heard of the anxieties created during periods of family ill health or in families with special educational needs.

Marcel's story

Marcel is married, has two children, and works as a janitor. He wants to find another job more aligned with his undergraduate degree but has not been able to secure an alternative position. Before the cost-of-living crisis, he says they were “stable,” “an average family” who could “take care of ourselves.” In contrast, Marcel is now struggling to cover the costs of essentials. He explains how he and his wife “kind of starve ourselves” in order to direct more of the family food budget towards their children:

“Me and my wife we don't take as much food as we used to take before [...] for the kids, we still try to feed them well because they are growing kids. We don't take breakfast, just the kids take breakfast.”

Marcel explains that his children are showing symptoms of being autistic but have not yet been diagnosed. They are currently being home-schooled until a diagnosis can be reached which has added additional expenses to an already tight budget. This has had significant emotional impact for Marcel:

“The main emotion that goes through my mind is fear. The fear is - will this be forever? how long will this take? I fear for the future [...] what about having a third child, it will make it more difficult for us, so we kind of had to take a pause in that, we already had a plan on having three kids, but we had to pause on that. So that fear has kind of made me pause my life.”

Emotional Impact

The consumption changes and family dynamics reported above have led to significant negative impact on people's emotional well-being. Those participants who are falling deeper into poverty expressed particularly strong emotional responses to the crisis:

“It's really upsetting. I feel desperate, I am at the limit of what we can actually put up with because you shouldn't have to go into debt just to live. And that's where we're at right now. It's completely unfair.” [Josie]

“It's frustrating, to be honest. Because I feel like... no one should go through this. I wish I didn't have to worry about what I'm gonna eat or what do I have to cook so I don't have to spend more money? Or when should I wash my clothes?” [Anna]

Participants link their ongoing, persistent anxieties associated with rising costs with a decline in their mental health:

“Very unhappy. Because that’s also my mental health and my happiness. If you live day for day counting pennies, it doesn’t make a happy life.” [Karen]

“It’s really saddening, because I can call this situation hopeless. You know, the price of things just gets to increase. They don’t get to decrease at all. And so there’s no going back. There’s no hoping that all will go back to normal.” [Gabrielle]

Overall high levels of stress coupled with uncertainty about the future means that a mental health crisis comes hand-in-hand with the cost-of-living crisis.

Advice Networks

Given the challenges reported above it follows that people need to turn to external sources of advice to source resources to help with money management.

For some consumers who have less experience of economising, the need to implement budgeting strategies is a new experience. These consumers need to learn new consumer skills to cope with, in the words of one participant, their “loss of comfortability”:

“And just really having to learn how to get savvy, I’ve used a lot of money saving blogs and implemented quite a lot of changes from that. Blogs help with tips because it’s not something I’ve ever had to do before. Like Martin Lewis and stuff like that.” [Josie]

Others report receiving useful tips on how to reduce energy prices from organisations such as Home Energy Scotland. However, for those who have always been vigilant about minimising costs there is a feeling that turning to external sources is of little value because they are already doing everything possible to keep costs low:

“I looked at some articles and so on. But the problem is that almost all of them are basic common sense, and I already have it. You know, switching off the lights when you’re not at the room, sorry, I’ve always done it.” [Karen]

Others report difficulty in navigating Government support funds, often relying on informal word of mouth and sharing of information amongst family and friends. There was a strong feeling that the Government are out of touch with the realities of how the cost-of-living crisis is impacting people:

“It was my friend that told me about what I could apply for because that information is really not very easily available at all in terms of like government assistance and things like that [...] I’ve just been feeling very let down by the systems that are meant to be helping me.” [Joelle]

“It may not be necessarily their fault that we’re in a cost-of-living crisis, because I do appreciate that it’s global, but I don’t feel cared for, they don’t do anything to help us.” [Josie]

Community Support: What can the Third Sector do?

Local community groups have a significant role in supporting people through the cost-of-living crisis. Whether they are providing food or other consumer goods, offering access to a warm space, or developing a social support network, it is clear these groups have the potential to offer a positive impact.

Nadia’s Story

Nadia is an international student that came to Scotland from Pakistan in 2020 with her husband and two daughters. Nadia’s husband’s wage covers some bills, but there is no money left for food and clothing:

“My husband is working, but the only money he earns is to pay the flat rent and the bills. We're just left with hardly 50 pounds, and you know, it's very difficult to run your house with 50 pounds.”

Nadia has been very resourceful in finding help in her local community and explains the multiple benefits she has obtained from local groups such as support to furnish her home, free food and clothing, and access to a warm space. Nadia uses a variety of sources, such as a community fridge, an app where supermarkets donate surplus food, parents’ organisations, and a charity shop:

“There is a lot of help available. That's why we are surviving here. Otherwise, if this help would not be here, we couldn't have survived.”

We interviewed key informants from various third sector organisations to understand the standpoint of organisations who are working directly with those worst affected by the cost-of-living crisis. Given the high number of service users these key informants are working with, they offer valuable general insight into the scope and nature of the cost-of-living crisis, especially for low-income households living under the poverty line. Similar to the consumer perspective, the value of the resources and programs offered by such groups was recognised:

“There are a lot of organizations who are running really good programs. Those programs might not immediately lift you out of the poverty you may be facing, but they will go towards ensuring that you can eventually get out

of that situation. So, yeah, definitely utilize research, find the available opportunities and plug yourself into your community.” [Neil]

However, it was strongly felt across the interviews that the third sector is at a breaking point. This is due to a combination of factors compounding at the same time: charitable donations are down whilst the number of users is increasing sharply; third sector employees often love their jobs but as these are relatively low-paid due to the non-commercial nature of the sector, there is an outflux of people finding better paid jobs in the private sector to enable themselves and their families to cope with the crisis; and finally, the number of volunteers seems to be permanently down after the pandemic:

“It does feel like we're coming to a breaking point. Donations are down, service users are up. It's difficult to know whether or not it's the cost-of-living crisis, or if it's the post-Covid hangover... we can't get as many volunteers as we used to.” [Jamie]

“People don't work in this field for money.... because people are in such a pinch themselves, they're going to better paid jobs [...] I do think more funding is needed.” [Jenny]

Finally, an important theme in the interviews with third sector stakeholders is the involvement of the end-user in the co-creation of solutions. Too often services – both in the public and third sector – are top-down interventions where the citizen is seen as a passive receiver:

“Real lasting social change never happens unless those most directly impacted are involved in the development of that change.” [Andrew]

Barriers to Accessing Community Support

Although the benefits of community support are noted above, we found that many of our interviewees were reluctant to access this kind of support. As interviewee Anna articulated, “it's sad, but people are basically paying for each other's survival at this point, and I think there's some organisations that help out, but I think average people, they just try and fend for themselves.” We identified two key reasons for the reluctance to access community support: 1) Stigma and 2) Guilt. We elaborate below.

1. Stigma

Our interviews suggest that although there are resources available, many perceive a stigma in taking up community support that could help them:

“There's a big larder, just a few streets down from me, not far at all. I haven't used it yet, but I do follow them on Facebook. I have thought about it quite a few times, but there's a bit of a stigma and I find it difficult to do these things because you're having to admit that you need help.” [Josie]

“I think that often those of us who struggle against poverty feel enormous shame not having the essentials that we require. And I think that it has been

a narrative that has been embedded in our political system, in our media and in our culture over the last 30 plus years. So people would often rather go without food, rather than reach out to their wider neighbourhood for support.” [Andrew]

These interview quotes illustrate that consumers often feel an expectation that they should be able to manage independently without external support. As a result of this perceived stigma, they do not take advantage of support that could improve their well-being.

2. Guilt

Some interviewees explained their avoidance of community support in terms of comparisons with others who are more severely impacted by the cost-of-living crisis. The knowledge that there are others in more extreme difficulties is a deterrent from “using up” resources that might be needed more by others:

“I do sometimes use the community fridge. But because lots of people are much more shocked than I am, I used to use it more. [...] now they say there's a very big demand. They don't have much stuff in, so I'm not using it now.” [Karen]

Our research reveals that organisations are aware of these factors of stigma and guilt and make significant efforts to destigmatise the need for community support and encourage use by all who need it (see Rory’s Community Fridge Vignette on page 13).



Rory's Community Fridge

Rory runs a community fridge, a social enterprise that redistributes short-dated, surplus food from supermarkets to the community. All food is free of charge; users can donate if they want to ('pay as you feel') but this is not expected. Anyone can come to the community fridge and no sign-up or assessment is required:

“We don't turn anyone away. We want people to know that they can come. Some people think, oh, I can't go there. I want to leave it for someone else to take. But what we say is no, we want the food to go, so if you can use the food, then please take the food regardless of your situation.”

The community fridge is also linked to a clothing shop that encompasses a free section where customers can take up to three free items:

“We also have the clothing shop, the wardrobe, and through there we stop clothing waste by selling second-hand clothes at low prices. We also have a free section there as well. So people can take items without any judgement or without having to prove anything, they just can take items from there.”

By linking their mission to broader societal challenges such as food waste and sustainability, this organisation ensures that shame and guilt are not the dominant narratives. Rory explained how relying on the community for free food and clothing was presented *not* in terms of poverty and need for help, but in terms of redistributing surplus food and clothing to minimise waste. This is a powerful strategy given the stigmatisation felt by those who rely on food and clothing banks: it offers a brand positioning that transforms the need for help and donations into a proactive action to help sustainability.



What can Businesses do?

Our interviews clearly reflect the multidimensionality of the cost-of-living crisis. There is a clear appreciation of the underlying reasons being a complex combination of various factors beyond the control of individual consumers or businesses such as falling living wages, persistently high inflation, geopolitics (e.g., the war against Ukraine) and supply chain disruptions. Yet, businesses are highlighted as powerful societal actors with real agency to alleviate the worst symptoms of the cost-of-living crisis. We identified two different areas where consumers are calling for urgent business and wider political responses.

1. Responsibilisation

The interviews reveal consumer experiences of responsabilisation whereby poverty is unfairly turned into the individual's problem when it is in fact a manifestation of structural problems in the neoliberal, capitalistic market. There is concern that consumers on low incomes – including those on living wages – are effectively working poor for whom the cost of daily essentials is higher than job income:

“We've swallowed the narrative that poverty is the individual's responsibility rather than society's fault and responsibility. [...] This is also about generating employment that is sustainable. The employment that actually means that the state isn't constantly having to top up the wages for people.” [Andrew]

The experience of responsabilisation is compounded by the associated experience of commercial exploitation: the interviews clearly suggest concerns about profiteering as some businesses are seen to use inflation as an excuse to raise prices disproportionately.

“I know companies have their costs, but in the last month the number of emails I've had from Sky “your broadband is going up”, O2 “your mobile bill is going up” you know. They start with the softly-softly “we know the cost of living” and then boom it's still going up.” [Anna]

2. Emergency responses

The cost-of-living crisis has increased the need for businesses to offer emergency relief to consumers and citizens more generally to help them meet basic needs. Our interviews particularly underscored the need for businesses to help with free food and provided some examples of what businesses are already doing:

“ASDA were doing like a free kid's meal in the school holidays. I thought it was good because some families get free school meals, but they don't get anything in the holidays. A hot meal is so much better than a sandwich, so I think it's good for companies to be able to offer some sort of discount.” [Anna]

“A restaurant... you can actually phone them if you're hungry and they will provide you with food.” [Josie]

“The Olio app... volunteers will pick the food from Iceland and they will put it on Olio and then you request it.” [Nadia]

Whilst these emergency-response solutions are sticking plasters that do not address the root cause of the problem, consumers nonetheless appreciate – and expect – businesses to proactively help consumers cope.

Sustainable Consumption in a Cost-of-Living Crisis

The cost-of-living crisis intersects with other societal challenges. Our interviews indicated a complex relationship between the cost-of-living crisis and sustainable consumption. Many of the coping strategies that consumers identify to help them cope with the cost-of-living crisis are also beneficial from a sustainability perspective. For example, people spoke about reductions in private transport or the purchase of second-hand clothing rather than new clothing. Unsurprisingly, one of the consumer coping strategies detected in our dataset is to make the most of what you have, including minimising food waste:

“On social media I would follow vegan places, they tend to be more sustainable in terms of meals. Even though I’m not vegan, I understand their message and it helped me to save more money. If, for example, I’m on Instagram there’s like series called Scrappy Cooking, and it’s basically utilizing all your scrap foods to make meals. It’s for zero waste of course, but also just to get the most out of buying produce.” [Joelle]

The urgency of more sustainable consumption patterns has been recognised by consumers in recent years. However, for many of our interviewees the motivation for sustainable consumption was financial rather than an underlying concern for the environment.

Our research suggests there is an opportunity to tackle these two societal challenges together. For example, there is a general call for action aimed at retailers and the wider food industry to minimise food waste by distributing surplus food to consumers, food banks, etc. Similarly, Andrew sees the potential to generate employment with a sustainability agenda in mind:

“If we were to look at the green revolutions that we need to embrace as a world ... jobs that were deliberately about shifting the UK away from a dependency on fossil fuels into renewable energies and better insulated homes, and making homes more carbon neutral. That could produce vast numbers of jobs. They would be jobs that would then be making a real difference to some of the other outcomes that we need as a society.”
[Andrew]

Conclusion

Collectively the range of themes identified within the research reiterates the urgent need for action. It is impossible for one group to tackle the crisis alone and our research illustrates the need for multiple stakeholders to work together. Andrew, one of our third sector interviewees with decades of experience working in poverty organisations, explains the need for a collaborative approach as follows:

“If you think of our society as a three-legged stool and one leg of the stool is a contribution that the public sector can make to people’s wellbeing. One leg of the stool is the contribution that business or the private sector can make to society. The third leg is about community, and the contribution that communities or wider civic society can make to the well-being of a society. We too often imagine that all of the answers are in the public sector or space, or in the private sector or space. In actual fact, for a stool to be stable it needs to have at least 3 legs.” [Andrew]

We used the research insights from our interviews as a knowledge platform for a stakeholder symposium to bring together experts on the cost-of-living crisis from a variety of sectors and disciplines. The image on the front cover of this report offers ‘visual minutes’ of this discussion. For further information on this aspect of the project and other project outputs please see our [webpage](#).