

# Stability or Stagnation?

The UK's difficult recovery from the cost-of-living crisis

Findings from the 13<sup>th</sup> Financial Wellbeing Tracker Survey

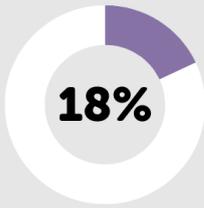
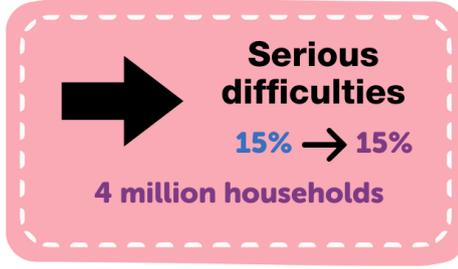
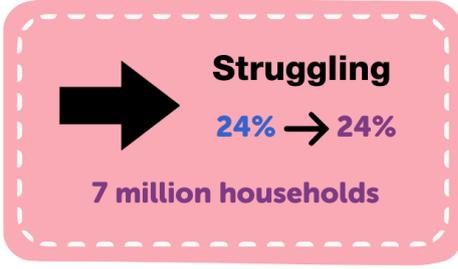
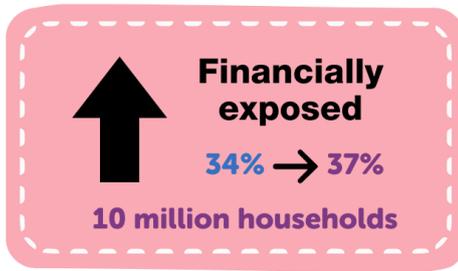
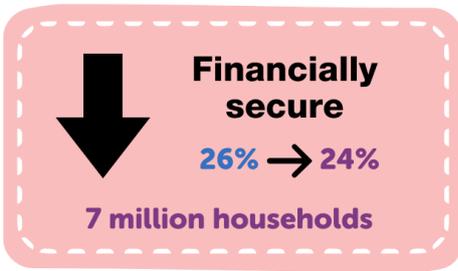
Since the coronavirus pandemic in early 2020, a team from the Personal Finance Research Centre at the University of Bristol has been tracking the financial situation of UK households via a periodic cross-sectional survey. This report gives results of the 13<sup>th</sup> survey wave, based on the responses of nearly 6,000 households surveyed in November 2025. The survey was funded by the Aberdeen Group Charitable Trust and conducted by fieldwork company Opinium.

## KEY FINDINGS

- Heading into winter, over 4 million households (15%) were in 'serious financial difficulties' in November 2025 – around 1.3 million more households than four years ago. Nearly 7 million (24%) were 'struggling', while over 10 million (37%) fell into our 'exposed' category and 7 million (24%) were 'secure'.
- There has been limited improvement in overall financial wellbeing in recent waves, despite cost-of-living pressures easing to some extent. Rather, since May 2025, we have seen growth of the 'exposed' group (from 34% to 37%) – driven mainly by a fall in the proportion who were financially 'secure' (from 26% to 24%).
- Reflecting wider concerns about a rise in consumer credit use, the Tracker indicates an uptick in the proportion of households borrowing on credit cards (40%, up from 38% in May 2025) and via Buy-Now-Pay-Later (BNPL) (18%, up from 15%). While BNPL use is highest among younger households, growth has been fastest among those aged 40-69. A third (34%) of low-income working age households had been declined for credit in the past six months.
- Women generally reported lower confidence making decisions about financial products and services than men, with this gender confidence gap widest among younger adults.
- Wave 13 also shone a spotlight on barriers to moving into work. For householders who were currently applying for or wanting work, the barriers differed depending on the reason for being out-of-work. Notably, 70% of households where someone wasn't working due to poor health said that their health condition or disability made working or finding work more difficult, but they also had worries about losing benefits or other financial support (21%). Among households where someone was unemployed, the most common barrier was limited job opportunities in their local area or chosen field (37%), followed by not having the right skills, qualifications or experience in the jobs available (32%). For those with caring responsibilities, 55% mentioned these responsibilities as a barrier to work, along with the lack of flexibility provided by jobs (37%) and a lack of affordable childcare (15%).

Heading into winter 2025, over 4 million households (15%) were 'in serious financial difficulties'

We saw a growth of the 'exposed' group between **May 2025** and **November 2025**, driven mainly by a fall in those who were 'secure'



Households borrowing via Buy Now Pay Later (BNPL) increased from 15% to 18% between **May 2025** and **November 2025**

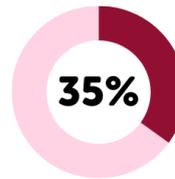
While BNPL use was highest among younger households, growth was fastest among those aged 40-69 (from 16% to 21% in the last 2 years)



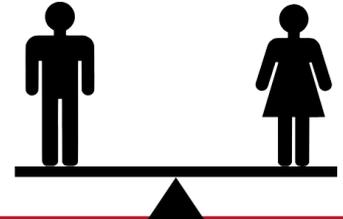
**3 in 10 women had 'nothing in savings'**



43% of female-headed lone parent households were in serious difficulties compared with 17% of male-headed lone-parent households



of women were highly confident financial decision makers compared to 49% of men



**Among households where someone was unemployed, the most common barriers to working were...**



Limited job opportunities in local area of chosen field

Not having the right skills, qualifications or experience for the jobs available



**For those with caring responsibilities the most common barriers were...**



Caring responsibilities

Lack of flexibility provided by jobs



Lack of affordable childcare



## INTRODUCTION

As 2026 gets underway, the current economic landscape remains challenging for UK households. Real household disposable income growth per capita is [projected to slow](#) to just 0.2% in 2026, which reflects expectations of slowing real wage growth and rising taxes. This stagnation occurs alongside [a rise in unemployment](#) to 5% and a decline in the overall employment rate, due to ongoing weak demand for labour, highlighting a precarious environment for many working-age households.

Against this backdrop, in November 2025 the Government launched its [Financial Inclusion Strategy](#), which mainly targets those households that the Tracker categorises as struggling financially and in serious financial difficulties. To build savings and resilience, the strategy proposes to promote workplace payroll schemes and expand the affordable credit market through a £30 million credit union transformation fund. It also seeks to close insurance protection gaps for groups such as social renters. To support households that experience financial difficulties, there are plans to improve public sector collection practices; increase funding for specialist advice; and, reflecting ongoing issues with energy affordability, set up a new Consumer Energy Debt Advice service (CEDA) to help consumers in England and Wales. Efforts to improve financial capability include plans to bring financial education in the English curriculum in line with other nations of the UK, through new compulsory financial education at primary schools and an increased focus on money skills in secondary schools. Money guidance for adults will also be expanded.

The [Child Poverty Strategy](#), published in December 2025, highlights how the impact of household financial pressures is acutely observed in children, with 4.5 million children (31%) currently living in relative low-income households after housing costs. Almost three-quarters of children in poverty now live in working families where pay often fails to cover essential costs like housing and energy. The strategy proposes a three-pronged approach to drive down child poverty rates, which includes initiatives to build wider household resilience: (1) Boosting family incomes, notably removing the two-child limit for entitlement to the child element of Universal Credit; (2) Driving down the cost of essentials, including investment in social and affordable homes; and (3) Strengthening local support, including a £1 billion [Crisis and Resilience Fund](#) for England to help families manage financial shocks.

This thirteenth edition of the Financial Fairness Tracker provides an overview of the financial wellbeing of UK households as we head into 2026. The findings emphasise the scale of the task faced by the organisations that will help deliver the Financial Inclusion and Child Poverty Strategies. We begin with an overview of household financial wellbeing, before looking in more detail at a range of costs facing households. We then explore people's use of financial products (in particular consumer credit) and, new for this wave, their confidence making financial decisions. We also look in detail at income and employment, focusing on work-related income shocks, employment-related preferences and barriers to employment. We round off this briefing with an overview of household financial confidence for the coming three months.

### Box 1 – Key methodological details

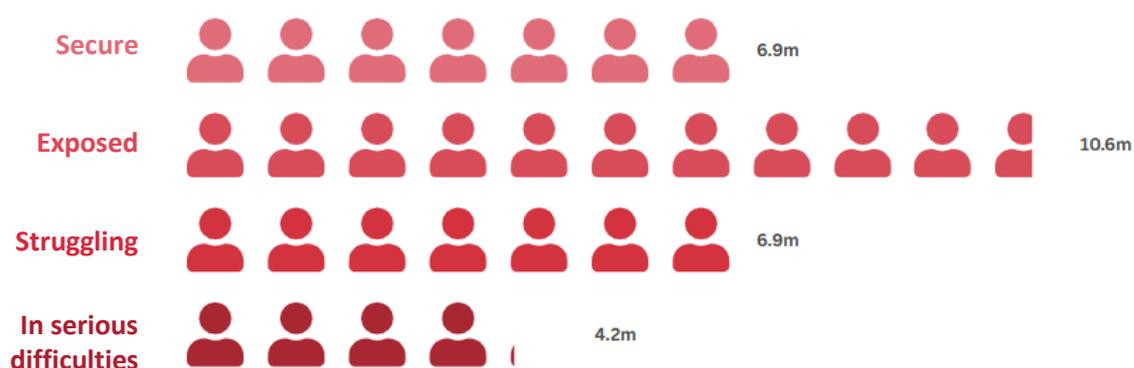
Sample size:	Fieldwork dates:	Type of survey:
5,528 householders (with some responsibility for bills / household finances)	11 <sup>th</sup> – 24 <sup>th</sup> Nov 2025	Online, cross-sectional survey of Opinium's nationally- and politically-representative panel

Our **Index of Financial Wellbeing** is a composite measure based on seven key questions, covering: households' perceptions of their day-to-day finances and ability to meet bills, their number of missed payments or arrears, and their longer-term financial resilience (such as level of savings). The Index is a score from 0 to 100, with those scoring <30 being considered as 'in serious financial difficulties', those scoring 30-49 'struggling', those scoring 50-79 'exposed' and 80+ 'financially secure'. For more information on this index please see the Technical Note on the back page.

## THE FINANCIAL WELLBEING OF UK HOUSEHOLDS IN WINTER 2025/26

Figure 1 presents our headline measure of financial wellbeing, which breaks the population of UK households down into four categories based on their answers to seven key questions covering a range of aspects of their household finances. We estimate that over 4 million households (15%) were in ‘serious financial difficulties’ heading into winter, meaning that they scored less than 30 out of 100 on our financial wellbeing index. Nearly 7 million (24%) were ‘struggling’ (scoring 30-49), while over 10 million (37%) fell into our ‘exposed’ category (scoring 50-79) and 7 million (24%) were ‘secure’ (scoring 80+). Box 2 gives a brief overview of each of the four categories.

Figure 1 – Number of households in each of the four financial wellbeing categories (Nov 2025)



Notes: Sample size is 5,528 householders. Based on [ONS estimate](#) of 28.6 million households in the UK (latest year available: 2024). Financial wellbeing categories determined based on seven key survey questions, as outlined in Box 1. Chart made using [Flourish](#).

### Box 2 – Key characteristics of the four financial wellbeing segments

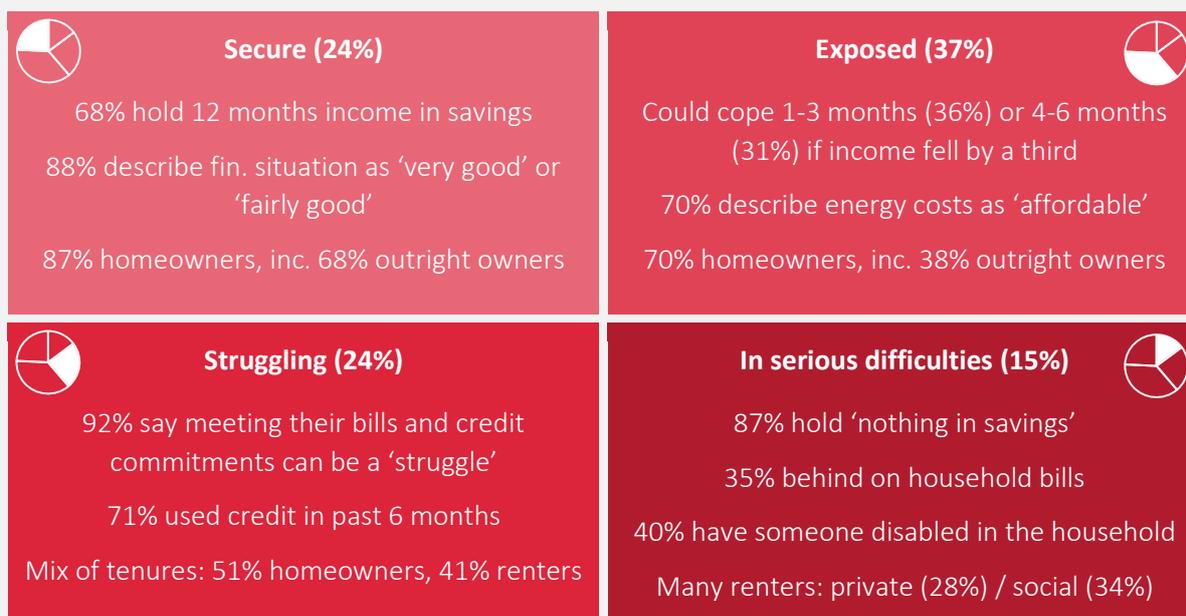
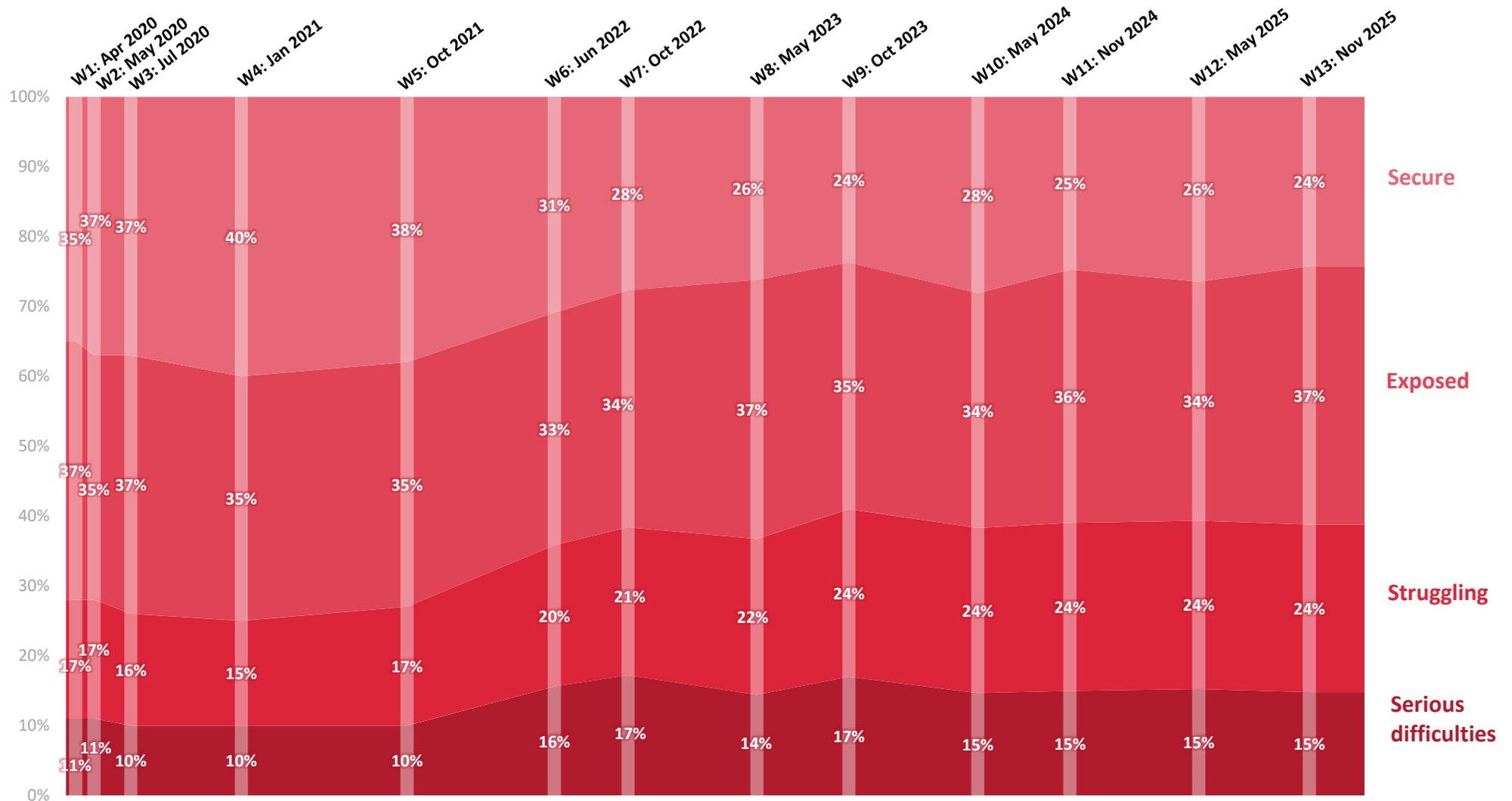


Figure 2 – The financial wellbeing of UK households, April 2020 to November 2025. Percentages indicate the proportion of UK households in each of our four financial wellbeing categories at each wave.



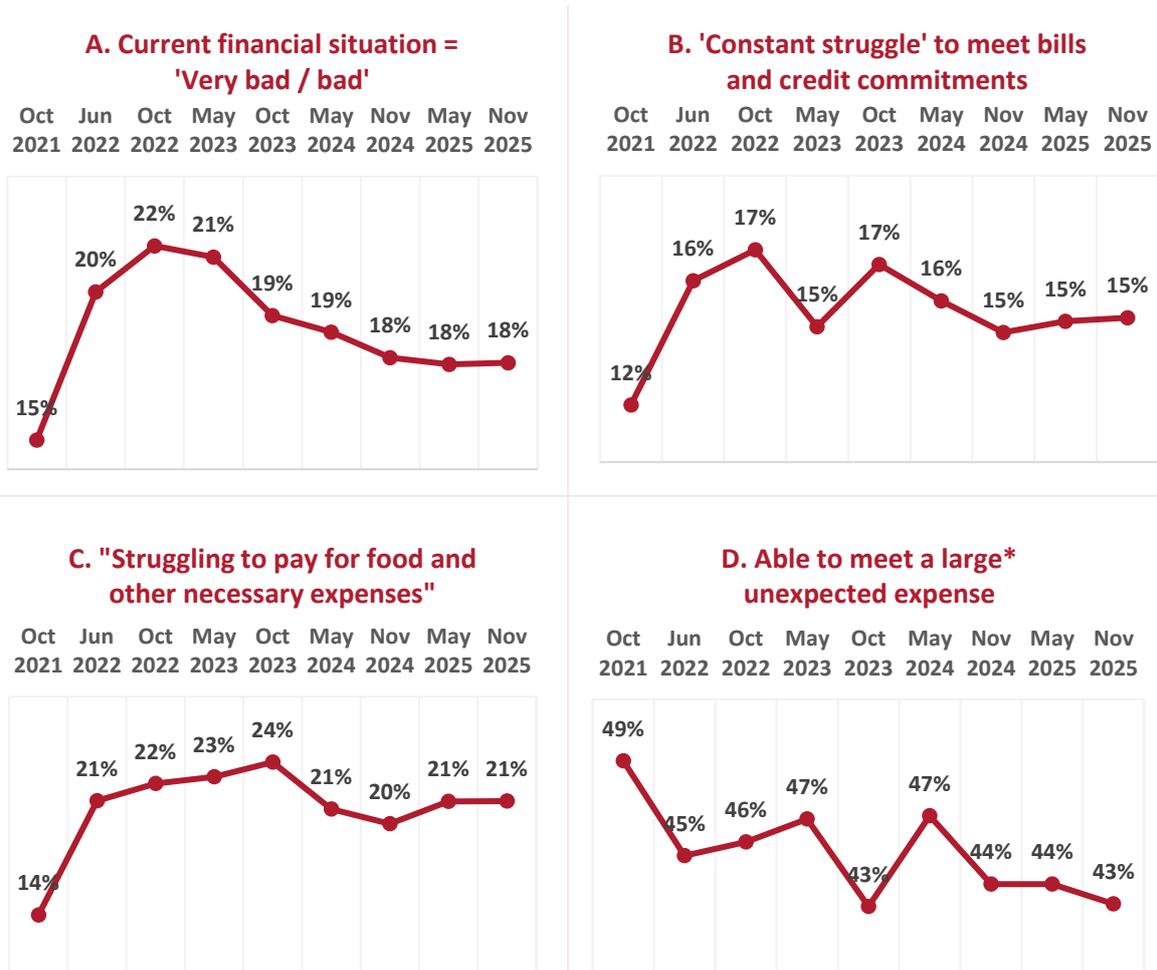
Notes: Sample sizes range from 5,528 to 6,108. Financial wellbeing categories determined based on seven key survey questions.

Figure 2 tells the story of the past five or so years. After initial uncertainty caused by the coronavirus pandemic, financial wellbeing throughout 2020 and 2021 was relatively stable. This took a substantial hit in 2022, however, as energy prices and then interest rates spiked and these financial pressures intensified in 2023 as the broader ‘cost-of-living crisis’ took hold.

Since 2024, the worst of the crisis appears to be over – but it is hard to conclude that household finances have fully recovered. As of November 2025, there were an estimated 1.3 million extra households in serious financial difficulty compared with the same period four years prior (4.2 million, compared with 2.9 million in October 2021). This figure has virtually flatlined for the last four survey waves, covering 2024 and 2025. The most notable movement since the previous wave is the flow of approximately 600,000 households from ‘financially secure’ to the ‘exposed’ category (with a smaller upward movement into this category from the bottom two categories as well).

In Figures 3a-d, we present several of the underlying variables from the survey. Again, these broadly demonstrate the speed of the financial shock, followed by a slow and possibly stalling recovery. The exception appears to be Figure 3d, showing household’s ability to meet a large unexpected expense equivalent to a month’s income. Here, the indicator is as bad as it has been in the past five years – suggesting that household financial resilience continues to be chipped away at.

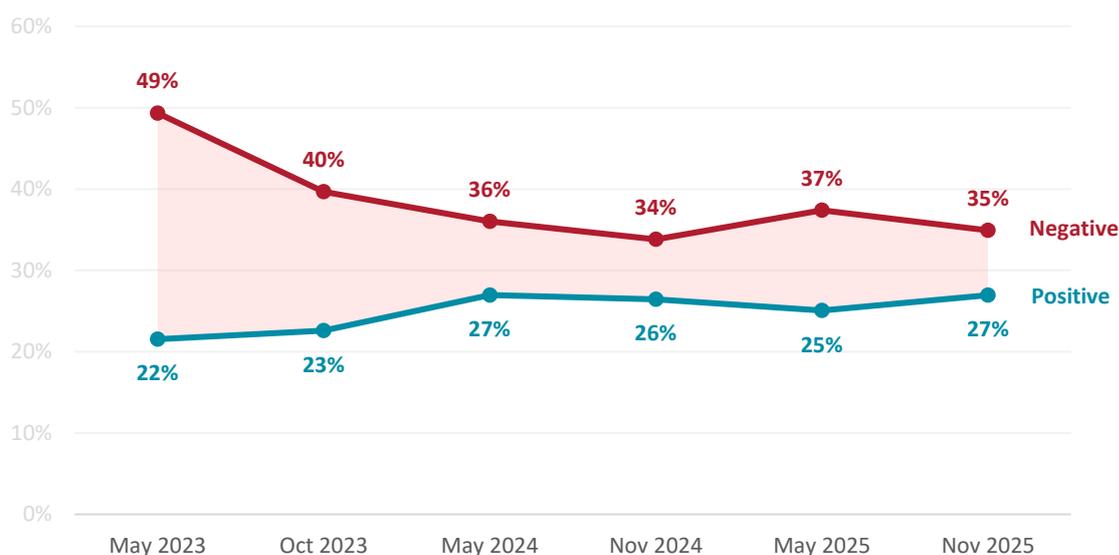
Figures 3a-d - Percentage of UK households struggling on various indicators of financial wellbeing (October 2021 to Nov 2025). Please note that the y-axes of each chart have different maximum and minimum values.



Notes: \* large unexpected expense defined as an expense equivalent to a month’s income.

In the survey, we also routinely ask households to consider changes in their financial situation over the past six months. As shown in Figure 4, in all the waves that this has been asked (since May 2023), more households described the last half-year as ‘negative’ than did ‘positive’. The gap between these two, however, has diminished considerably over time: from 27-percentage point skew towards ‘negative’ in May 2023 (49% negative: 22% positive) to an 8-percentage point difference in November 2025 (35% negative: 27% positive).

Figure 4 - Percentage of UK households who report that the last six months have been ‘negative’ or ‘positive’ for their household finances (May 2023–Nov 2025).



### How does financial wellbeing vary across different types of households?

As alluded to in Box 2, each financial wellbeing category is comprised of households with quite differing characteristics. Through regression analyses, we explore this further, looking at the extent to which different household and respondent characteristics are more, or less, associated with 1) being in serious financial difficulties and 2) being financially secure (while holding other factors constant). As Table 1 shows, the groups shown to have the highest odds of being in serious difficulties – relative to a hypothetical household<sup>1</sup> – are: social renters, who have four times higher odds than outright homeowners of being in serious difficulties (Odds Ratio = 4.67); private renters (O/R = 4.20); those in the bottom and second income quintiles (O/R = 3.33 and 2.53 respectively); those with an ‘other’ tenure type (O/R = 2.56); those with no qualifications (O/R = 2.49); and single parent households (O/R = 2.37). For our second model, looking at the odds of being ‘financially secure’, all of these characteristics are again statistically significant, but this time in the opposite direction, *lowering* the odds of financial security.

<sup>1</sup> The reference categories used in the regression are: male respondent, aged 30-39, couple with no children, White British, no one disabled in the household, outright homeowner, educated to degree-level or above, top income quintile (after housing costs), living in England.

**Table 1 – What types of households are most and least financially well?**

Results of regression analysis looking at the extent to which different household and respondent characteristics are associated with changes in the likelihood of: 1) Serious financial difficulties, and 2) Being financially secure. Orange indicates **lower** odds, while teal indicates **higher**.

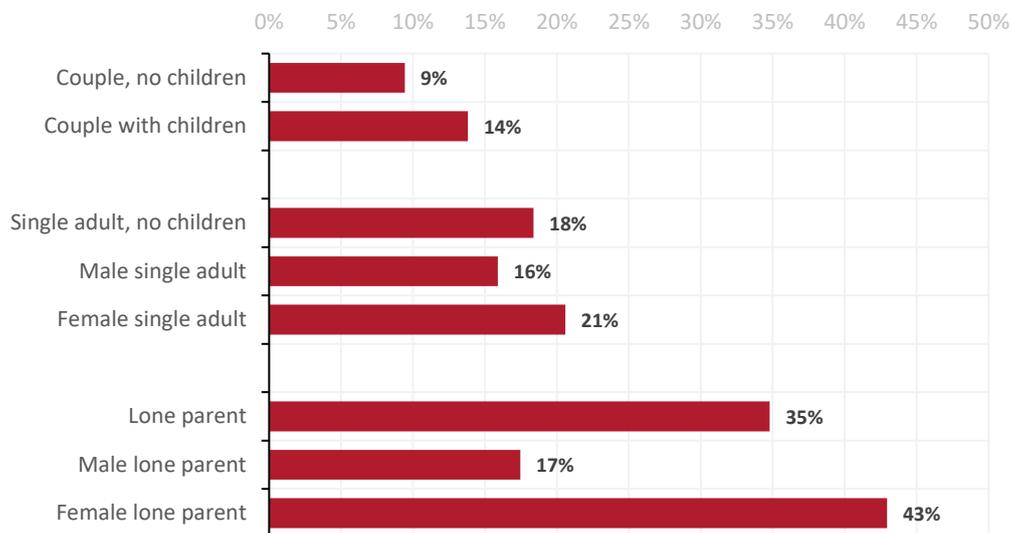
Household / respondent characteristic	Model 1: Serious financial difficulties			Model 2: Financially secure		
	Odds Ratio	Sig.		Odds Ratio	Sig.	
Female (Ref=Male)	1.62	<.001	**	0.74	<.001	**
Age group (Ref = 30-39)						
Under 30	0.58	<.001	**	1.08	0.623	
40-49	1.27	0.071		1.80	<.001	**
50-59	1.03	0.842		2.40	<.001	**
60-69	0.60	0.003	**	3.63	<.001	**
70 or over	0.31	<.001	**	4.24	<.001	**
Household composition (Ref = Couple, no children)						
Single, no children	1.63	<.001	**	0.68	<.001	**
Single parent	2.37	<.001	**	0.46	0.001	**
Couple with children	1.20	0.166		0.61	<.001	**
Ethnic group (Ref = White British)						
Other White	0.85	0.456		1.82	0.003	**
Asian	0.78	0.161		0.86	0.342	
Black	0.45	0.010	*	1.16	0.517	
Mixed or other	0.68	0.218		1.28	0.364	
Someone disabled in household (Ref = none)	1.98	<.001	**	0.45	<.001	**
Housing tenure (Ref = Outright owner)						
Owned with mortgage	1.89	<.001	**	0.39	<.001	**
Private renter	4.20	<.001	**	0.22	<.001	**
Social renter	4.67	<.001	**	0.22	<.001	**
Family/friends	1.44	0.204		0.45	0.004	**
Other	2.56	0.001	**	0.23	<.001	**
Highest qualification (Ref = Degree or above)						
GCSE or equivalent	1.97	<.001	**	0.54	<.001	**
A-Level of equivalent	1.55	0.001	**	0.85	0.127	
Other	1.90	<.001	**	0.54	<.001	**
No qualifications	2.49	<.001	**	0.40	<.001	**
Household income (Ref = Top quintile)						
Bottom 20%	3.33	<.001	**	0.19	<.001	**
2nd	2.53	<.001	**	0.28	<.001	**
3rd	1.31	0.139		0.42	<.001	**
4th	0.93	0.724		0.73	0.005	**
Unknown	1.40	0.059		0.29	<.001	**
Nation (Ref = England)						
Wales	1.42	0.062		1.03	0.865	
Scotland	1.08	0.581		1.07	0.574	
N. Ireland	1.09	0.725		0.54	0.003	**
Constant	0.02			1.45		

Notes: Statistical significance indicated by asterisks, where \*\* = p<0.01 and \* = p<0.05. Sample size = 5,338. Adjusted R-Squares = 0.277 and 0.327 respectively. Binary logistic regression used, so in model 1, 1 = serious financial difficulties and 0 = other three categories.

Other factors also give notable results. Even controlling for other characteristics (such as household composition), we find that women were significantly more likely than men to be in serious financial difficulties (O/R = 1.62) and less likely to be financially secure (O/R = 0.74). Looking at constituent parts of the financial wellbeing index, we see that women were more likely to report having no, or a low level of, savings: 31% said they had ‘nothing in savings’ and a further 14% reported having up to one month’s income saved (compared to 18% and 12% respectively among male respondents). Women also typically reported worse financial wellbeing on the more subjective indicators; for example, only 39% self-rated their household’s financial situation as ‘good’, compared to 51% of male respondents. Despite this, female respondents were marginally *less* likely (but not significantly so) to say that their household had fallen behind on any of their household bills (12%, compared with 14% of male respondents).

While single parent households and single adults without children both had significantly higher odds of serious financial difficulties than couples without children, we find no statistically significant increase in this risk for couples with children. We do, however, find a significant decrease in couples with children’s odds of being financially secure (O/R = 0.61). They faced a 40% reduction in the odds of financial security relative to couples without children, which is lower than the 32% reduction experienced by single adults (O/R = 0.68) but better than the 54% reduction in odds that single parent families faced (O/R = 0.46). Adding a gendered lens to this, we note that female-headed lone parent households had significantly lower financial wellbeing (43% in serious financial difficulties) than those that were male-headed (17%).

Figure 5 - Percentage of UK households in **serious financial difficulties**, by household composition



Notes: Sample sizes as follows: Couple, no children = 2,125; Couple with children = 1,351; Single adult, no children = 1,705; Male single adult = 740; Female single adult = 965; Lone parent = 347; Male lone parent = 91; Female lone parent = 256.

There are few statistically significant results when looking at ethnic group, but one result stands out as unexpected. We find that those from the Black ethnic group were significantly *less* likely to be in serious financial difficulties than White British respondents (O/R = 0.45). Indeed, without controlling for other factors, 9% of Black respondents were shown to be in serious difficulties, compared to 15% of the White British group. This appears to be the result of quite a mixed picture when looking at individual Tracker questions. On the one hand, we see that Black respondents were significantly

more likely than White British to have described their current financial situation as ‘very good’ (24%, compared with 9%) or to have said they are meeting their bills and credit commitments ‘without any difficulty’ (53%, compared with 40%). Black respondents were also less likely (although not significantly so) to have said they have ‘nothing in savings’ (16%, compared with 26% of White British respondents). On the other hand, they were significantly less likely than White British respondents to have reported holding more than 12 months’ income in savings (13%, compared with 22%). Most importantly, they were also significantly more likely to have fallen behind with one or more household bills (28%, compared with 12%). Such results suggest that subjective perceptions of their finances among this group are perhaps more optimistic or rose-tinted than that of other groups, despite more objective measures painting a less rosy picture. We would also urge caution over-interpreting these results given the sample size of Black respondents (n=207) and self-selecting nature of the panel (despite efforts from the fieldwork company to encourage representativeness).

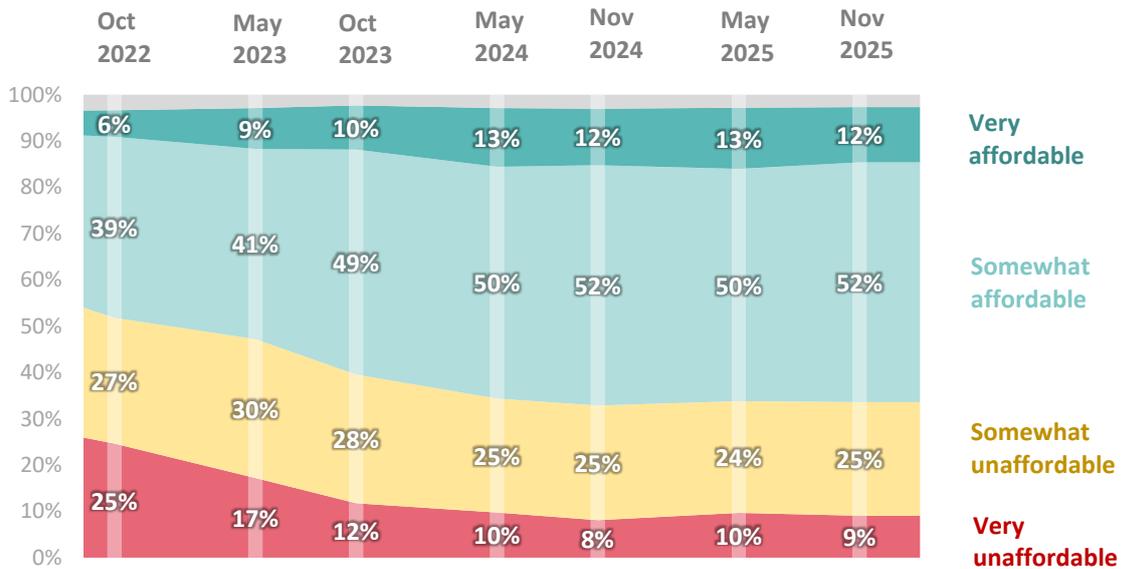
Disability is associated with nearly double the odds of difficulties (O/R = 1.98) and over half the odds of financial security (O/R = 0.45) (relative to households where no one is disabled). A quarter of disabled households (26%), for example, describe meeting their bills and credit commitments as a ‘constant struggle’, compared to one-in-eight non-disabled households (12%). While not included in the regression due to its overlap with other characteristics in the model, benefit receipt was also strongly associated with poorer financial wellbeing. Two-in-five (43%) households receiving Universal Credit (UC) were in serious financial difficulties, as were 25% of households receiving Personal Independence Payment (PIP). This led to one-in-eight (12%) UC-claiming households and 7% of PIP-claiming households using a food bank in the past four weeks.

## Main cost pressures facing households

**Energy bills** continued to be an important concern for many households. The proportion of respondents describing their energy bills as ‘very’ (9%) or ‘somewhat unaffordable’ (25%) was largely unchanged compared with the same period a year earlier (see Figure 6). Nevertheless, these numbers were significantly below their level in 2022-23. While the [energy price cap rose](#) by an average of £3 per year from January 2026, from April 2026 households will see the costs of certain environmental policy schemes removed from their bills – which the [Government suggests](#) will save the average household £150 per year. This means that energy bills will have come down by approximately £25 per year compared with when Labour took power, according to the [Resolution Foundation’s calculations](#).

**Food costs** are also putting pressure on household finances, despite a slight [slowing of food price inflation](#) towards the end of 2025. Two-in-five households reported that they had been unable to ‘afford a balanced and healthy diet’ in the past month (41%), unchanged from the previous survey wave but an increase of six percentage points compared with May 2023. Two-in-five also described how they had ‘shopped at a cheaper supermarket / food store or switched to cheaper food products’ in the past six months due to concerns around cost (41%). The latter was most common among respondents in the 50-59 age group (51%).

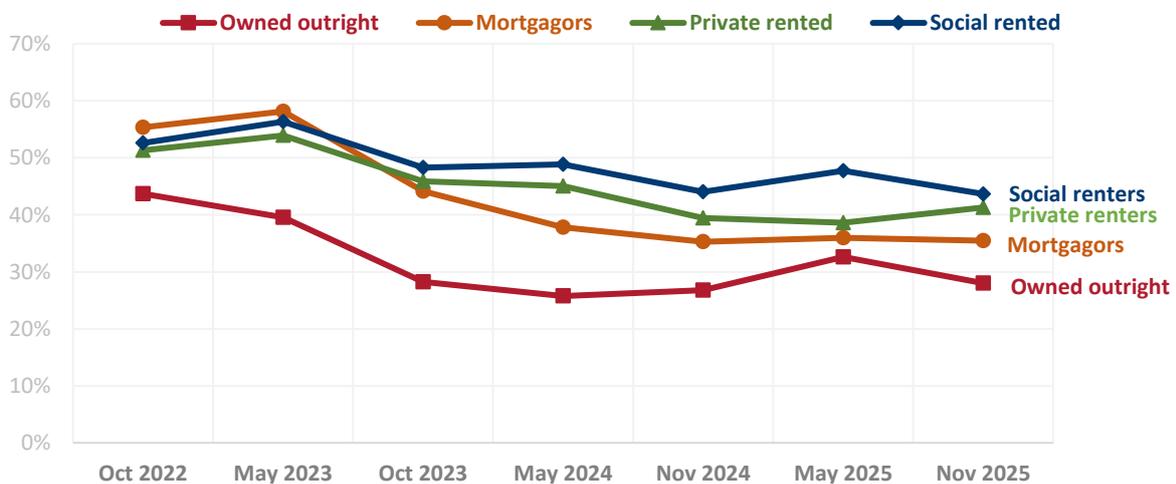
Figure 6 – How households describe the affordability of their energy bills (Oct 2022-Nov 2025)



Notes: The light grey section at the top of the chart represents those who answered 'Don't know' at each survey wave.

**Housing costs** of course remain a large chunk of many households' budgets, and as shown previously (in Table 1), tenure was a significant predictor of broader financial wellbeing. Controlling for other factors, private and social renters were over four times more likely than outright owners to be in serious financial difficulty. In raw percentages, this meant that over a third of social renters (34%) were in serious difficulties, as were a quarter of private renters (25%), compared to one-in-eight mortgagors (12%) and only one-in-twenty outright homeowners (5%). Figure 7 charts the proportion of households that described the last six months as 'negative' for their household finances at each wave since October 2022, broken down by tenure type. While renters have fared the worst in recent waves, mortgagors have had the most up-and-down journey; they were the most negative about recent financial impacts in autumn 2022 and spring 2023, as interest rates spiked, but as rates began to cool, this group has returned to their more expected placing.

Figure 7 – Percentage of UK households who report that the last six months have been 'negative' for their household finances, by tenure type (Oct 2022-Nov 2025).



Despite these cost-of-living pressures, the majority of UK households were able to keep up with their household bills (e.g. rent/mortgage, utilities, Council Tax) in the previous six months. One-in-seven households (14%), however, had missed payments on one or more of their household bills. Households disproportionately likely to have missed bill payments included single parent households (34%); those headed by someone aged under 30 (30%); and households on the lowest incomes (29%). Consequently, these types of household were also more likely to have been subject to debt collection activity, particularly debts being collected on behalf of local councils (i.e. Council Tax debt, 37% of all households currently subject to debt collection activity); energy (26%); and water (20%).

### Life impacts of cost-of-living pressures

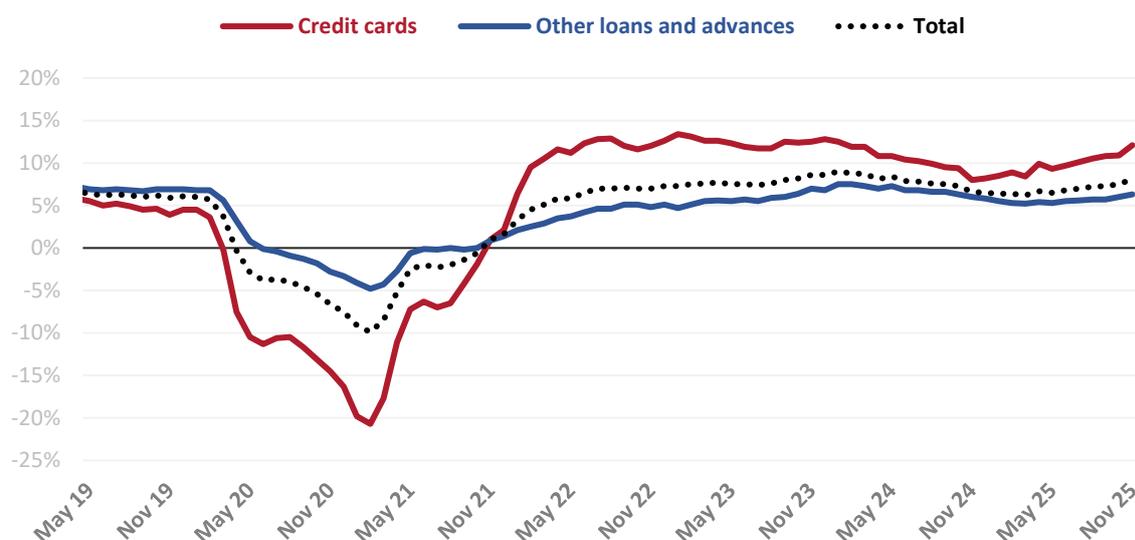
The Tracker provides an important reminder of the intrinsic links between money, health and wider wellbeing, which impact on people's ability to engage in work, study and other activities. Three-in-ten (29%) of UK householders in November 2025 reported that their financial situation was making their physical health worse, rising to a third (33%) of working-age householders. The picture is more stark in relation to mental health: 35% of all UK householders said their financial situation was making their mental health worse, rising to four-in-ten (40%) of working-age householders. Also concerning is that over a quarter of UK working-age householders (28%) said their financial situation was negatively impacting their ability to work or study.

More generally, dealing with current financial pressures can erode households' ability to build or maintain financial safety nets for the future. Three-in-ten UK households (31%), for example, reported putting less money away in savings than they normally would over the past six months, in order to make ends meet. Relatively few households said they had accessed pension savings earlier than planned to make ends meet (6%) or cancelled/not renewed an insurance policy in order to save money (8%).

## USE OF FINANCIAL PRODUCTS

In early January 2026, [a number of major debt charities](#) reported that 'unprecedented' numbers of people had been seeking help with their debts after Christmas and into the new year. While it may be positive if a greater proportion of people who need help are actually seeking help, there are some indications that use of consumer credit is on the rise. Data from the Bank of England (Figure 8) shows that annual growth in credit card borrowing crept up to 12.1% in November 2025 – its highest figure since January 2024. Growth in the use of other consumer credit had also risen to 6.3%, its highest point since October 2024.

Figure 8 – Annual growth in consumer credit borrowing (source: Bank of England)



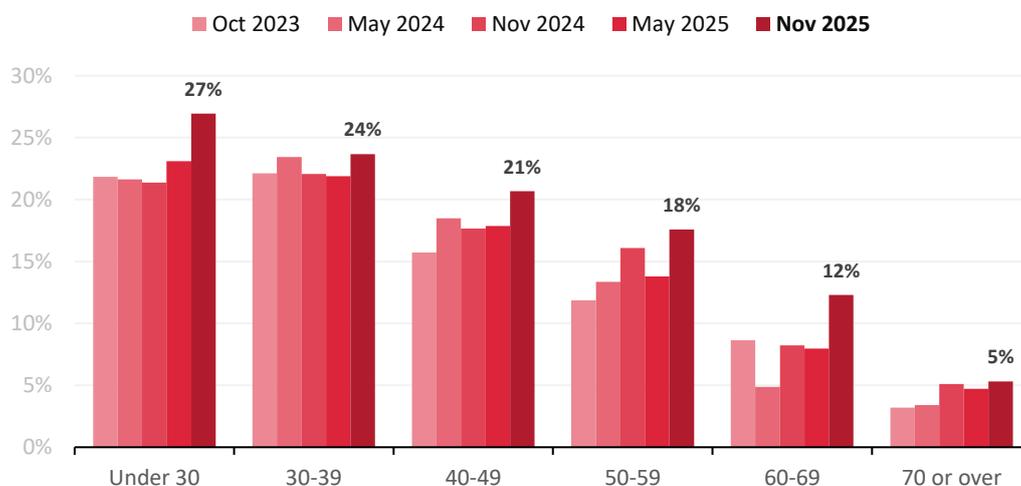
Notes: Chart recreated using data from the [Bank of England](#).

Data from the Tracker suggests that nearly three-in-five (59%) of households had used some form of borrowing in the past six months (excluding mortgages and student loans). This was most commonly on credit cards, with 40% of all households either spending on a credit card or making credit card repayments in recent months, followed by Buy-Now-Pay-Later (BNPL) (18%). Both had seen a slight uptick in our data in this wave compared with previous waves: credit cards had increased from 38% in May 2025, while BNPL had increased from 15%. Use of personal loans had increased to 15% from 14% or 13% in previous waves, whereas overdrafts had remained relatively constant in recent survey waves at around 12%. Other forms of borrowing had seen slight decreases in their usage over time, such as borrowing from family and friends (11% in October 2023 to 9% in November 2025), goods bought on credit (such as mail order) (12% to 7%), loans from a payday lender (3% to 1%), and home collected credit (2% to 1%).

Breaking this down by different socio-demographic groups, we see that BNPL was most commonly used by younger adults (27% of under 30s and 24% of those aged 30-39); however, statistically significant growth occurred primarily among middle-aged respondents (see Figure 9). For example, 40-49 year olds saw usage increase from 16% to 21% over the past two years; 12% to 18% for 50-59 year olds; and 9% to 12% for those aged 60-69. Meanwhile, looking at statistically significant changes by tenure, we see that credit card usage increased significantly only among mortgaged households (from 50% to 54%), overdraft usage increased among private renters (17% to 22%); and personal loans increased among social renters (13% to 16%).

Around one-in-six (16%) households reported having been declined for some form of credit in the past six months. This was unchanged from previous waves. Most commonly, this was credit cards (7%), personal loans (5%) and overdrafts (4%). Declines were significantly more likely among working age households (19%) than those of pension age (2%), and income of course is clearly a factor, with as many as a third (34%) of working age households in the bottom income quintile reporting being declined for some form of borrowing.

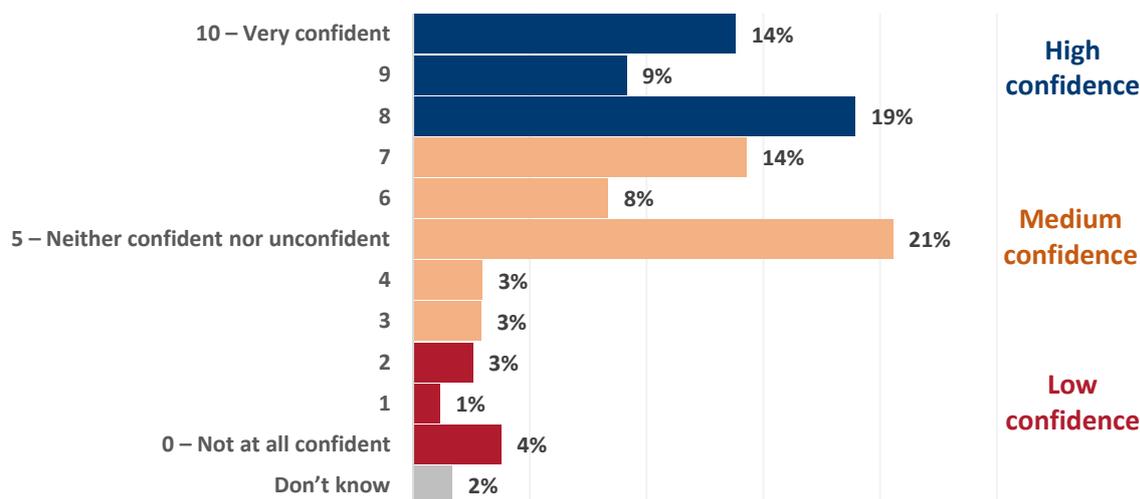
Figure 9 – Percentage of households using Buy-Now-Pay-Later (BNPL) in past six months, by survey wave and respondent age



### Confidence making decisions about financial products and services

For Wave 13 of the survey, we asked respondents about financial decision-making. As shown in Figure 10, around two-in-five (42%) of respondents felt highly confident making decisions about financial products and services – defined as rating their confidence as between 8 and 10 out of 10. Half (49%) had medium confidence (rating between 3 and 7), while a relative minority (7%) felt they had low confidence (0 to 2).

Figure 10 – Confidence making decisions about financial products and services



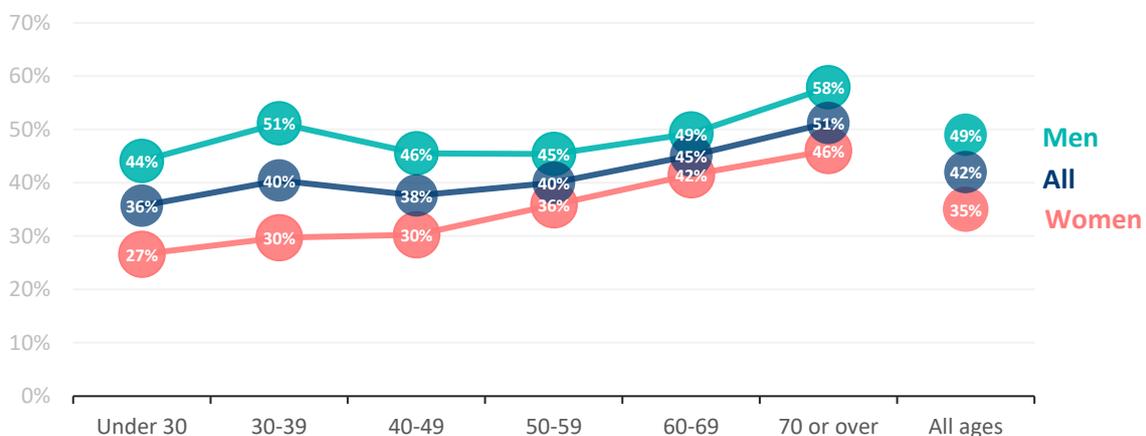
This varies across different groups of respondents. Regression analysis shows that – all else being equal<sup>2</sup> – the following groups were significantly less likely to have high confidence in their ability to make decisions about financial products: the bottom and 2nd income quintiles (O/R = 0.50 and 0.53

<sup>2</sup> The reference categories used in the regression are: male respondent, aged 30-39, couple with no children, White British, no one disabled in the household, outright homeowner, educated to degree-level or above, top income quintile (after housing costs), living in England.

respectively); private renters (O/R = 0.50); social renters (O/R = 0.54); those living with family or friends (O/R = 0.54); those in Northern Ireland (O/R = 0.56); those with no qualifications (O/R = 0.57); female respondents (O/R = 0.62); Asian respondents (O/R = 0.72); and mortgagors (O/R = 0.72). Groups significantly more likely to have high confidence (outside of the reference categories used in the regression) were: respondents over 50 (O/R = 1.32 for those aged 50-59 to 2.04 for those aged over 70), Black respondents (O/R = 1.73) and couples with children (O/R = 1.60). By way of interpretation, this means that householders aged over 70 had around double the odds of rating themselves over 8 on this scale (compared with those in their thirties), while householders in the bottom income quintile had around half the odds of doing so (compared to those in the top income quintile).

As mentioned, female respondents had around 40% lower odds of being highly confident in their financial decision-making than male respondents. In raw percentages, this equates to just 35% of women being highly confident, compared to 49% of men. This pattern is exacerbated among younger adults, but the gender gap closes to some extent among older age groups (Figure 11). High confidence does not, of course, equate to high aptitude. Various studies across a range of fields report a gender ‘confidence gap’, whereby women appear to underestimate their abilities and men overestimate them. This gap is likely to be related to a range of external systemic and social factors that can undermine women’s financial self-efficacy, such as the design of financial services and advice.<sup>3</sup> This may ultimately affect women’s financial outcomes, as subjective financial confidence has been shown to be strongly related to actual long- and short-term financial behaviours among young adults – more so than objective financial knowledge.<sup>4</sup>

Figure 11 – High confidence making decisions about financial products and services, by gender and age



Notes: ‘High confidence’ equates to scoring 8 to 10 on self-rated confidence on a 0 to 10 scale. Sample sizes for men range from 293 (under 30) to 448 (60-69) and for women range from 360 (under 30) to 563 (50-59).

We also find that confidence in financial decision-making is correlated strongly with confidence in working with numbers generally. Despite this, we find that the gender confidence gap is slightly less stark when looking at general numeracy than financial decision-making. Here, we find that 62% of men are highly confident working with numbers, compared with 51% of women – an 11-percentage point gap, compared with the 14-percentage point gap for financial decision-making.

<sup>3</sup> Shipp (2026) [It’s not about confidence: the hidden forces shaping women’s financial futures](#). Edinburgh Futures Institute.

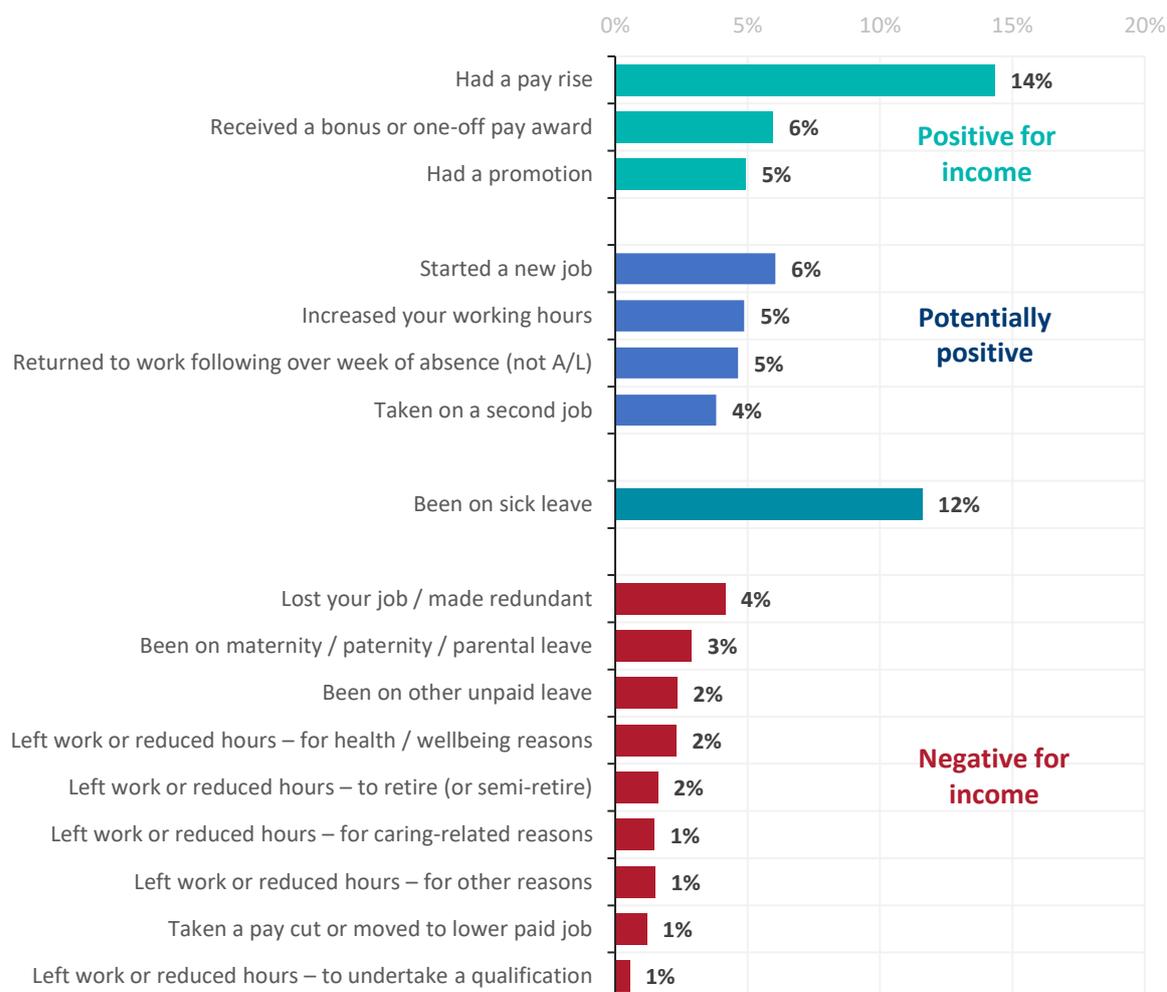
<sup>4</sup> Henager & Cude (2016) [Financial literacy and long- and short-term financial behaviour in different age groups](#). *Journal of Financial Counseling and Planning*, 27(1), pp.3-19.

## INCOMES AND EMPLOYMENT

### Positive and negative income shocks

Life is often full of ups and downs, so we asked survey participants about a range of events that may have affected their income from work, either positively or negatively (Figure 12). Over two-in-five (44%) working age households reported that either they or their partner had experienced some kind of income-related event in the past six months. One-in-five (20%) reported a positive income shock – either a pay rise (14%), a bonus or one-off pay award (6%), or a promotion (5%). One-in-six (16%) reported events that are potentially positive for household finances, such as starting a new job (6%), increasing working hours (5%), returning to work following extended absence (5%), or taking on a second job (4%). It should be noted, however, that the latter three in particular may indicate some form of underlying financial stress. One-in-eight (12%) reported having been on sick leave in the past six months, but the impact of this will have depended on its duration and whether it had any effect on their remuneration. Nearly one-in-six (15%) reported at least one negative income shock, with job loss or redundancy being reported by 4% of working age households.

Figure 12 – Income-related events reported by working age households in past six months



## Employment-related preferences and barriers to employment

New for Wave 13, we asked working households whether they would prefer to work more or less hours than they currently were (assuming that their pay would change accordingly); and whether they would prefer to work in a different field of work or type of job.

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**In terms of hours worked**, a quarter (24%) of working respondents said they (and/or their partner) would prefer to work more hours – rising to four-in-ten among the under-30s (37%) and households with the lowest incomes (37%). However, among working couples, it was usual for only one member of the couple to want to increase their hours; only in 6% of couples did both want to do so.

Looking at the main barriers to working their preferred number of hours:

- **22%** said jobs did not offer the hours or flexibility they needed, rising to 28% among female respondents.
- **19%** cited limited job opportunities in their local area, in their field, or type of work. This increased to 34% among households living in rural areas.
- **17%** mentioned caring responsibilities, and unsurprisingly this was a much bigger issue for single parents (27%), couples with children (27%) and female respondents (21%).
- Similarly, **9%** of all working households felt that lack of affordable childcare or other care cover was a barrier to working more hours, rising to nearly two-in-ten single parents (18%) and couples with children (16%).

Households were more likely to say that they would prefer to work fewer hours than work more hours (even if their pay changed accordingly). Over a third (36%) said they would prefer to cut their hours. This was especially common among those aged 50-59 (42%).

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**In terms of field of work or type of job**, three-in-ten (31%) working households said that either they (the respondent) or their partner would prefer to work in a different field or type of job. As with wanting more hours of work, younger householders (39%) and the lowest-income households (38%) felt more strongly about this. The main barriers to working in a different field or type of job included:

- **26%** felt they did not have the right skills, qualifications, or experience for the jobs available in their preferred field or type of job.
  - **25%** cited limited job opportunities in their local area, preferred field or type of job.
  - **22%** mentioned a lack of opportunities to progress or move into different types of work.
  - **19%** said they felt unsure or lacked confidence about applying for jobs.
- 

Households where either the respondent or their partner was out-of-work (for any reason, other than retirement) were asked about their **intention to apply for work**, either now or in the future. This reveals significant differences in work intention depending on the reason for their absence from the job market. Table 2 shows, for example, that households where someone was unemployed were most likely to be actively seeking work (33% full-time and 22% part-time), while students were most likely to be applying for part-time work (49%). Those not working due to caring responsibilities were most likely to say they wanted to work at some point in the future but not now (33%), though the same proportion said they do not want or need to work (33%). Nearly three-in-ten (29%) of those not working due to poor health wanted to work at some point, but 35% said they didn't want or need to work and a greater proportion were unsure (39%).

Table 2 – Job-seeking behaviour or intention, by current household work status (non-retired only)

Job-seeking behaviour / intention	Households where at least one person is...					
	Unemployed	Not working due to poor health	Full-time caring	A student	Working full-time (but another is out-of-work)	Out-of-work for any of these reasons
Applying for full-time work	33%	3%	6%	12%	9%	9%
Applying for part-time work	22%	2%	6%	49%	8%	12%
Would like to work but am not applying for it	13%	6%	7%	13%	8%	8%
Would like to work at some point, but not now	25%	29%	33%	19%	29%	27%
Do not want or need to work	12%	35%	33%	11%	26%	26%
Not sure	21%	39%	26%	22%	21%	32%

Notes: These questions were asked first about the respondent, then about their partner. The above figures represent a derived version of these variables calculated at household-level. Columns will not add up to 100% as it is therefore possible for a household to fall into two different rows (and two different columns). Sample sizes were: unemployed = 182; not working due to poor health = 454; full-time caring = 296; a student = 111; working full-time (but another is out-of-work) = 312; and out-of-work for any reason = 1,032.

We asked those who were currently applying for or wanting work if they had faced any barriers to doing so. Clearly barriers differ substantially depending on the reason for being out-of-work:

- 70% of households where someone wasn't working due to poor health said that their health condition or disability made working or finding work more difficult, while this was the group also most likely to say they had worries about losing benefits or other financial support (21%). Additionally, 20% of this group described how many employers, recruitment processes or jobs didn't support their access needs – and a similar proportion cited some form of discrimination (20%).
- Among households where someone was unemployed, the most common barrier was limited job opportunities in their local area, field or type of work (37%), followed by not having the right skills, qualifications or experience in the jobs available (32%). 28% meanwhile mentioned issues with the hours or flexibility provided by the available jobs.
- Student households were more likely than other groups to mention barriers related to their immigration status or work restrictions (11%), transport difficulties (23%), and difficulties managing work alongside studying or training commitments (22%).
- For those with caring responsibilities, 55% directly mentioned their caring responsibilities as a barrier to work, while 37% talked about the lack of flexibility provided by jobs and 15% mentioned a lack of affordable childcare.
- Those who said they did not want or need to work were disproportionately couples without children, aged in their 50s or 60s (but not yet retired) and 'financially secure'.

Understanding these preferences and barriers, and providing appropriate help to support people into their preferred work, will be important if the government is to achieve the improvements it wants to see in living standards for adults and children.

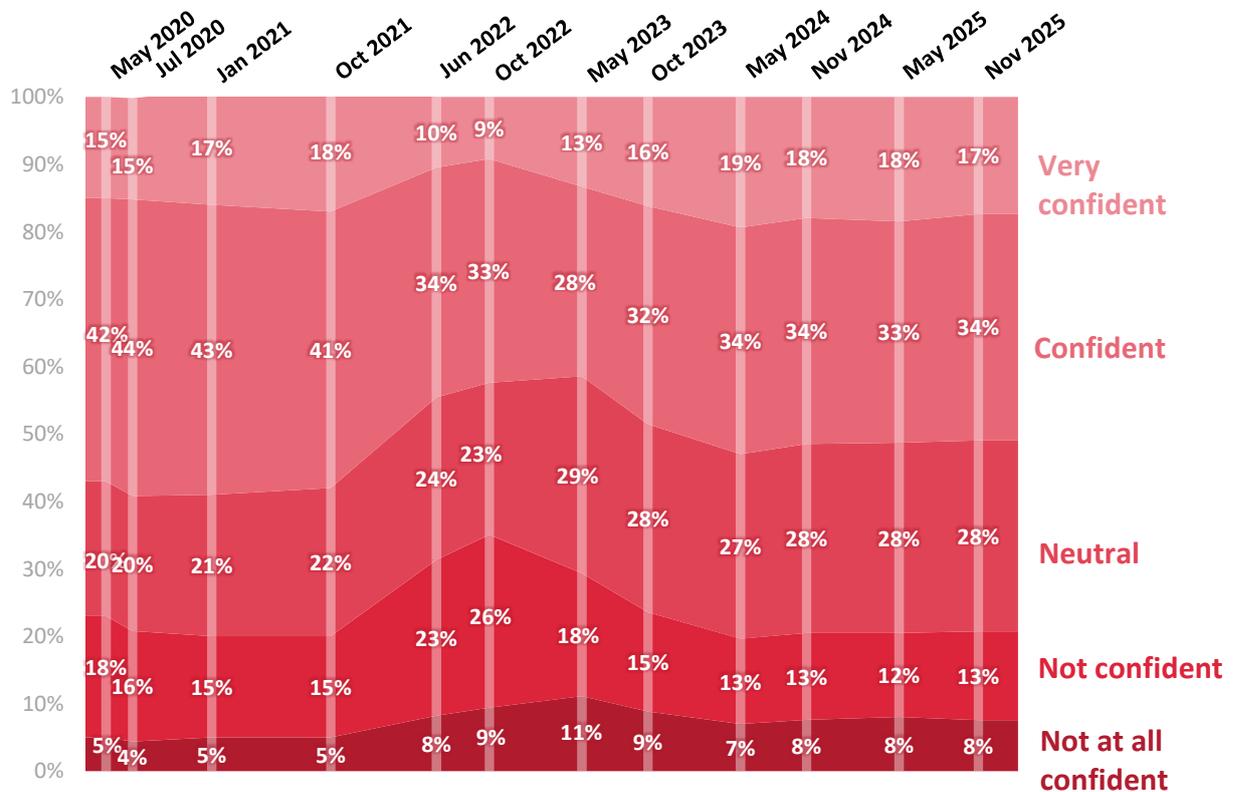
## FUTURE OUTLOOK

### Financial confidence remained steady overall in 2025

Looking to the future, in each Tracker we ask households how confident they feel about their financial situation in the coming three months (Figure 13). The overall picture is that households in 2025 have remained more optimistic than they were at the peak of the energy crisis throughout 2022-23. Half of households (51%) in November 2025 said they were either ‘very confident’ (17%) or ‘confident’ (34%) about their finances in the short-term, unchanged from May 2025 but up from 42% in October 2022. Even so, one-in-five households (21%) in November 2025 said they were ‘not confident’ (13%) or ‘not at all confident’ (8%) about their financial situation in the coming three months. A further three-in-ten households (28%) expressed a neutral view, feeling ‘neither confident or unconfident’.

Unsurprisingly, household financial confidence is closely linked to socio-economic situation. As a result, in November 2025 the types of household that were most likely to feel unconfident about their financial situation in the coming months include single parents, many of whom have low incomes (38% not confident/not at all confident); those living on the lowest incomes (35%); private renters (32%) and social renters (31%); working-age households with no earners (30%); and households where someone is disabled (29%). The association with financial wellbeing is also stark: six-in-ten (64%) of households that our index categorises as ‘struggling financially’ were ‘not at all confident’ (33%) or ‘not confident’ (31%) about their financial situation in the short term.

Figure 13 – Confidence in household financial situation in next three months, by survey wave



## Technical note

The survey was conducted online by Opinium between 11<sup>th</sup> and 24<sup>th</sup> November 2025 and was analysed by a team at the University of Bristol's Personal Finance Research Centre (PFRC). It is the 13<sup>th</sup> in a series of cross-sectional surveys commissioned by the abrdn Financial Fairness Trust (now known as the Aberdeen Charitable Trust) tracking the financial impact of the coronavirus pandemic and subsequent cost of living crisis on UK households, by asking key questions repeated at several time points. In each wave, these key questions are supplemented by new questions that aim to capture and reflect the evolving situation.

The sample for this report consists of 5,528 respondents recruited from Opinium's online panel (which is designed to be nationally- and politically-representative). The sample for analysis includes only people who are solely or jointly responsible for the household finances. Non-householders who are responsible only for their own personal finances (most of whom were aged under 25 and lived at home with their parents) are not included in the analysis for this report.

The segmentation of households into four categories is based on scores from a principal component analysis of seven survey questions that cover the extent to which households could meet their financial obligations and the resources they had for dealing with an economic shock. Those with a score of less than 30 out of 100 were deemed to be in 'serious financial difficulties'; scores of 30-49 were taken as indicative of 'struggling' to make ends meet and scores of 50 to 79 of being potentially 'exposed' financially. Those scoring 80 to 100 were classed as 'financially secure'. Full details of the methodology employed can be found in [Kempson, Finney and Poppe \(2017\) Financial Wellbeing: A Conceptual Model and Preliminary Analysis](#).

If you are interested in potentially using data from this report or seeing more detailed results tables, please email [pfrc-manager@bristol.ac.uk](mailto:pfrc-manager@bristol.ac.uk).



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### About the Personal Finance Research Centre (PFRC)

PFRC is an interdisciplinary research centre exploring the financial issues that affect individuals and households. It combines multi-method approaches with specialisms drawn from social policy, human geography, psychology and social research.

[www.bristol.ac.uk/pfrc](http://www.bristol.ac.uk/pfrc)

### About Aberdeen Group Charitable Trust

The Trust aims to tackle challenges people face at key life stages by helping partners to build financial capability, create pathways to fair work and recognising nature's vital role in creating healthy communities and economies. More information can be found on [www.aberdeengroupcharitabletrust.org](http://www.aberdeengroupcharitabletrust.org)

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