



Cost of Living Guide for Employees



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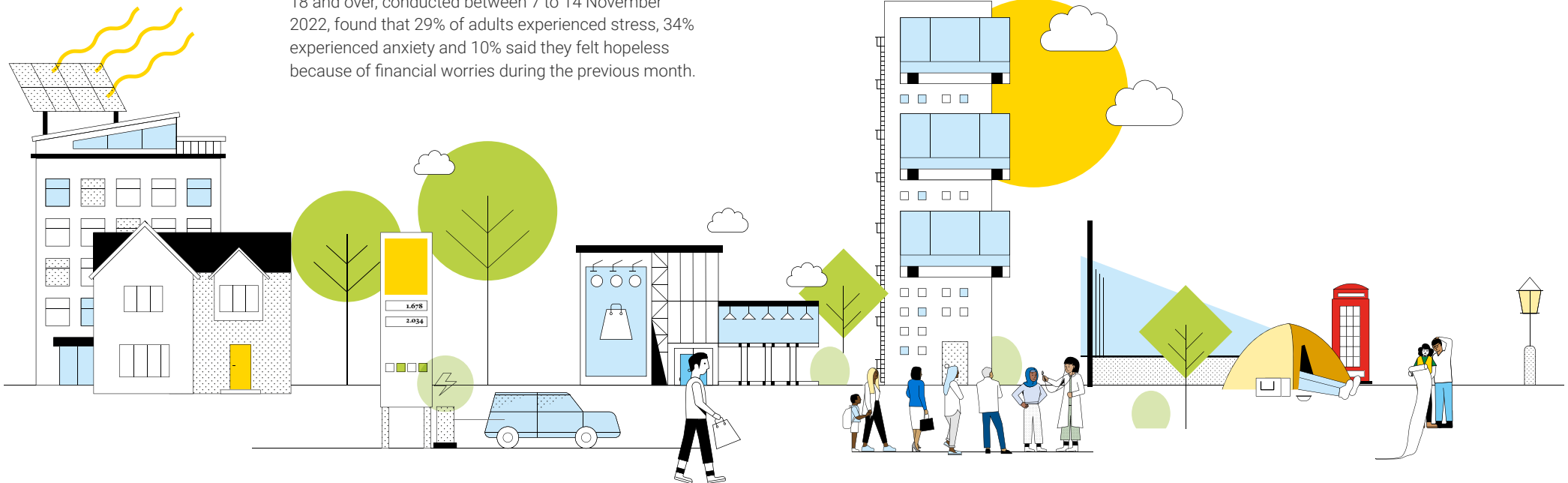
The cost-of-living crisis is having a huge impact upon the lives of many people in the UK. Costs rise faster than our wages, things like our energy bills and weekly shopping take up a larger proportion of our household budget. This means more of us are experiencing financial difficulties, and we know that money worries can have a big impact on our physical and mental wellbeing.

If you're finding yourself feeling worried or overwhelmed and struggling to cope with the very real impacts of the cost-of-living crisis, you are not alone. The UK population is experiencing widespread levels of stress, anxiety, and hopelessness in response to financial concerns according to a survey commissioned by the Mental Health Foundation. The survey of 3000 adults aged 18 and over, conducted between 7 to 14 November 2022, found that 29% of adults experienced stress, 34% experienced anxiety and 10% said they felt hopeless because of financial worries during the previous month.

When thinking about the next few months, UK adults are most concerned about not being able to maintain their standard of living (71%), heat their home (66%) or pay general monthly household bills (61%). Significantly, half (50%) of UK adults were at least a little worried about being able to afford food over the next few months, rising to 67% of younger adults aged 18 to 34.

When things feel hopeless or out of your control, it can have an impact on our mental health, our relationships, working life and general health. But, if you are struggling to cope, it's important to remember that you don't have to face it alone.

Here we've put together some tips to help you or that you can share with a friend or family member who may be finding things difficult.





Housing – mortgage or rent

Everyone needs a comfortable home to live in. Whether you're a homeowner who has already made their way onto the housing ladder, or you are living in a rental property, most people have either rent or a mortgage to pay.

Falling behind on your mortgage or rent payments can have serious consequences for people who continually fail to pay. If you find yourself behind on mortgage payments or rent, it's important to reach out to the relevant creditors, whether that's the letting agents or mortgage lenders. If you need help with payment, they may be able to come to an agreement with you.

Useful resources:

- If you're struggling with rent due to low income, or you're already on benefits, you could also be entitled to extra government support. Housing benefit is a regular payment towards your housing costs and can be backdated for up to six months. Try the government website and search for housing benefit: www.gov.uk

- The breathing space scheme can also help if you've missed rent or mortgage payments. However, you will need to be referred to the scheme by a debt adviser. For more information: https://england.shelter.org.uk/housing_advice/eviction/breathing_space_help_with_rent_or_mortgage_arrears
- Your local council may have grants or schemes to support you with anything you may need to take care of improvements and issues such as, loft/wall insulation, pest control: <https://www.gov.uk/find-local-council>
- If you are thinking of buying or selling a home, there are plenty of resources out there to help you work out what you can borrow and afford: <https://www.moneyhelper.org.uk/en/homes/buying-a-home/mortgage-calculator>
- If you or someone close to you is sofa surfing, you can obtain advice from the housing advice centre through your local council to find out if you are eligible for support: <https://www.gov.uk/find-local-council>

Bills

If you're finding it difficult to pay for food or your essential bills, it may seem like there's no help available. However, trust funds, credit unions, councils, energy providers, the government and charities all offer a range of practical support for people who need financial help urgently.

If you owe money, speak to the organisations you owe money to as they might let you pay smaller amounts or take a break from payments.



You could also speak to providers about the possibility of adjusting rates to help reduce future bills (see our section on energy costs).



Food banks and community larders, are community organisations that can help if you can't afford to pay for your essential groceries. In most cases, for food banks you will need to get a referral by contacting Citizens Advice. Alternatively, food banks or community larders set up by local churches and organisations may not require a referral, so it is worth doing some research into what is available in your local community.

Citizens Advice also provide lots of advice on how best to start dealing with your debt: <https://www.citizensadvice.org.uk>



Debt management

Facing up to mounting money issues can be off-putting but, if you don't understand how things like credit or mortgages work, you could end up losing out financially or getting yourself deeper into debt.

One of the first things to do is to start collecting information about your debts. Make a list of all the debts you have and work out which to deal with first. Establish if you can reduce your regular outgoings, research your options for getting out of debt, and plan to pay your debts.

Next, explore if you could consider reviewing your television, internet, or mobile phone package. Do you know what your usage is and therefore what level of cover you might need? Your providers may be able to help you find a better plan for you.

Look at your direct debits and standing orders for subscriptions. What are you paying for, and do you need them all? Track My Subs is a useful tool that lets you track up to 10 subscriptions online for free. <https://trackmysubs.com/>



Debt emergency

If your debts are becoming unmanageable or you are facing an emergency like court action or eviction, you are not alone. Even though you may be feeling overwhelmed, scared or you've just stopped opening the post, there is free help available to support you.

MoneyHelper describes a debt emergency as:

- court action
- bailiff action
- disconnection
- eviction for mortgage or rent arrears

If you are facing any of these it is important to get free independent debt advice urgently.

People and organisations that can help;



Financial advisers. Speak with a financial adviser who can advise on consolidating your debt. Please note that some financial advisers charge a fee for their advice.

Financial providers. Look at credit cards and overdraft limits to ensure you are getting the best rates.

Employee Assistance Programmes. Programmes which you may have access to through your workplace or insurance cover arranged by your employer. Are often designed to provide financial guidance and awareness, as well as, help your emotional wellbeing in what can be a stressful situation.

**NATIONAL
DEBTLINE**

**Money
Helper**

National Debt Line can help you make a plan www.nationaldebtline.org

Money Helper can help you set up a budget planner to better track your future outgoings and safeguard against further debt <https://www.moneyhelper.org.uk/en>

For the future consider setting up a budget planner to track more closely your out-goings and prevent debt from arising, where possible: <https://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner>

Energy costs

You can get help if you're struggling to afford your energy bills or top up your prepayment meter. You might be able to take advantage of certain benefits, grants and help offered by the government and energy suppliers.

Nearly 10 million households in the UK are on a standard variable tariff with one of the Big Six energy suppliers. This means on average they are likely to pay £220 more a year than if they switched to a cheaper deal. Ofgem recently found that the difference between the average dual fuel variable tariff and the cheapest bundle deal was over £400 a year.

LEAP is a free energy and money-saving service. They provide a free in-home advice visit offering free simple energy-saving measures such as installing LED:

<https://applyforleap.org.uk/eligibility/>

Warm Home Prescription is a trial aiming to prevent avoidable hospital admissions and save NHS time and money by paying energy bills of the vulnerable overwinter. Provided through a company called EnergySystems Catapult, the scheme aims to provide payment support for energy bills, to help those unable to afford heating to keep warm and well at home.

<https://es.catapult.org.uk/project/warm-home-prescription/>

Helpful resources:

<https://www.moneyhelper.org.uk/en/everyday-money/budgeting/what-to-do-if-worried-about-energy-bills-rising>

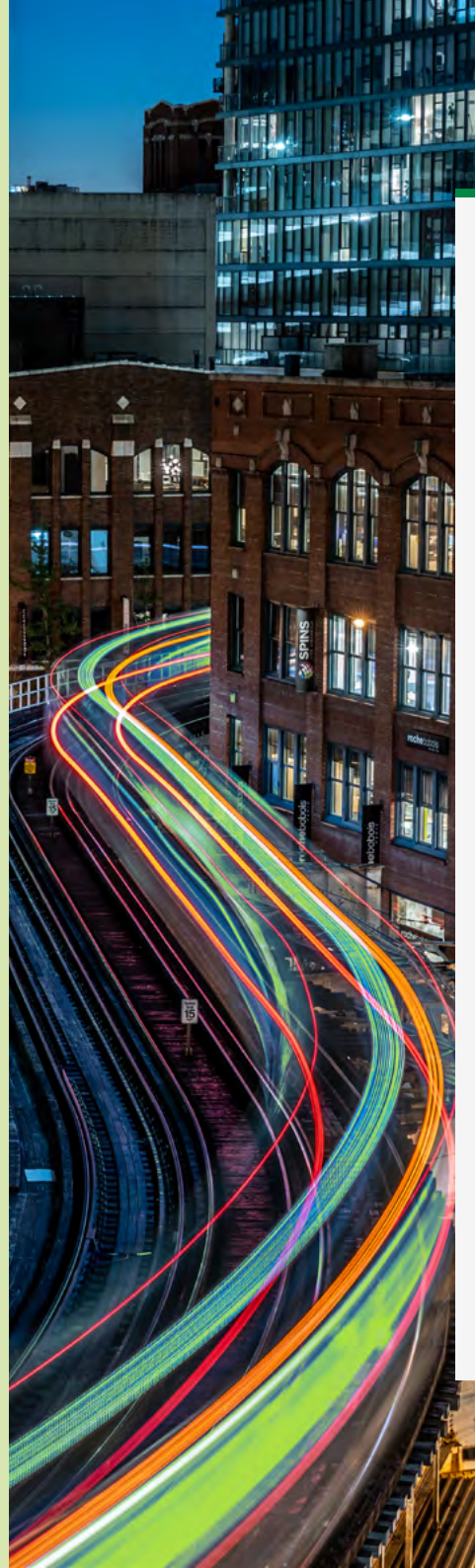
<https://www.moneyhelper.org.uk/en/everyday-money/budgeting/save-money-on-your-gas-and-bills.html>

<https://helpforhouseholds.campaign.gov.uk/help-with-your-bills/>

<https://www.moneysavingexpert.com/energy/>

Some hints and tips to consider;

- Close your curtains and use draft excluders
- Think about whether you could do your washing at lower temperatures
- Consider the time of day when using energy as some providers has variable energy costs with night-time tariffs
- Turning the heating down just 1 degree can save 4% of total energy costs
- Draught proofing could save you £30 a year
- Try heated blankets
- Consider whether a smart meter could help you monitor your usage
- Review different plans across different providers and consider whether switching to a fixed deal might be more cost-efficient
- Spread costs evenly throughout the year by paying bills by direct debit
- Review energy-efficient options for your home and appliances. You may be eligible for grants to improve the energy efficiency of your home, which could help to reduce your energy bills
- Research small hacks and changes to help make your home more eco-friendly
- Ensure you unplug phone chargers and do not leave electrical appliances on standby
- Turn off your Wi-Fi router at night





Working life

A third of employees have missed work because they have been unable to pay their travel costs. A quarter of workers have suffered from lack of concentration at work due to worry over their personal finances, with 19% saying it has affected their performance, and some 21% of workers admit to managing debt repayments during working hours (Vitreaous world online poll of 1,000 employees).

For advice around moving off benefits and returning to work, take a look at www.gov.uk

For help with travel costs, Turn2Us offers a range of useful advice:
<https://www.turn2us.org.uk/Benefit-guides/Getting-Into-Work/Getting-into-work-Travel-to-Interview>



Travel

Travelling can be essential for a person but it can also be expensive.

The government's Help For Households website, shows some of the ways you might be able to reduce your day-to-day travel costs. It includes some of the following suggestions:

- Using the bus and getting a bus pass
- Train passes, rail cards, universal credit discounts, cheaper travel times and buying your train ticket in advance

Visit the website for more information:

<https://helpforhouseholds.campaign.gov.uk/help-with-transport-costs/>

You could also consider:

- Using your bike
 - Sharing a taxi with another person
-

If you are a driver then consider your fuel-both the consumption and the cost:

- Find your cheapest local petrol station: <https://www.petrolprices.com/>
- Understand how changing the way you drive could help save on fuel and therefore money: <https://www.rac.co.uk/drive/advice/how-to/fuel-saving-tips/>
- Car share



Childcare

According to The Times, the average cost of raising a child from birth to 18 in the UK is £202,660, including housing and childcare costs. That's around £11,250 a year, or £938 a month.

(Source: <https://www.lv.com/life-insurance/cost-of-raising-a-child>, 2 Feb 2023)

However, there is help out there to help you with some of the associated costs.

Useful resources:

- If you're pregnant or have just had a baby: <https://www.moneyhelper.org.uk/en/benefits/benefits-if-you-have-children/benefits-and-entitlements-to-claim-when-you-have-a-baby>
- Be aware that there are planned childcare changes coming from the Government in 2024. For advice around childcare costs: <https://www.gov.uk/help-with-childcare-costs>, <https://www.moneyhelper.org.uk/en/family-and-care/becoming-a-parent/childcare-costs>
- To find days out on a budget: <https://www.visitengland.com/things-to-do/budget>



Useful resources:

- AgeUK has advice to help you plan how to pay for care for loved ones: <https://www.ageuk.org.uk/information-advice/care/paying-for-care/>
- If you are a carer trying to support someone needing care, then there might be services available to support you and help you to navigate what can be a confusing area. Sometimes, where covered, details on how to access support, can be found to be provided as part of the support available through your employer's private health insurance or group protection policy. Occasionally, an employer may offer some form of support. Look to CarersUK or Citizens Advice for advice: <https://www.carersuk.org/help-and-advice/financial-support/>
- The Care Concierge available through Legal & General for employees of our group protection customers, includes a consultation to discuss your specific situation and provide guidance and support: www.caresourcer.com
- Grace Consulting is a company that can assist individuals with carer responsibilities for a fee: <https://www.graceconsulting.co.uk/>

Elder care

Social care isn't free, and some care needs to be paid for. But how does the system work, and are there options to help your money go further?

Your health

A study carried out by Fruitful Insights in 2023 revealed that employees claiming their income was insufficient tended to have more health issues than those who felt their income was sufficient. It is likely that if this is causing you concern, you are not the only one.



A few ways you could look to save money on your health needs:

Annual prescription service for single items on prescription are £9.35 per item, £30.25 for 3 months, £108.10 for 12 months: <https://services.nhsbsa.nhs.uk/buy-prescription-prepayment-certificate/start>

Free bus travel if your driving license has been removed.

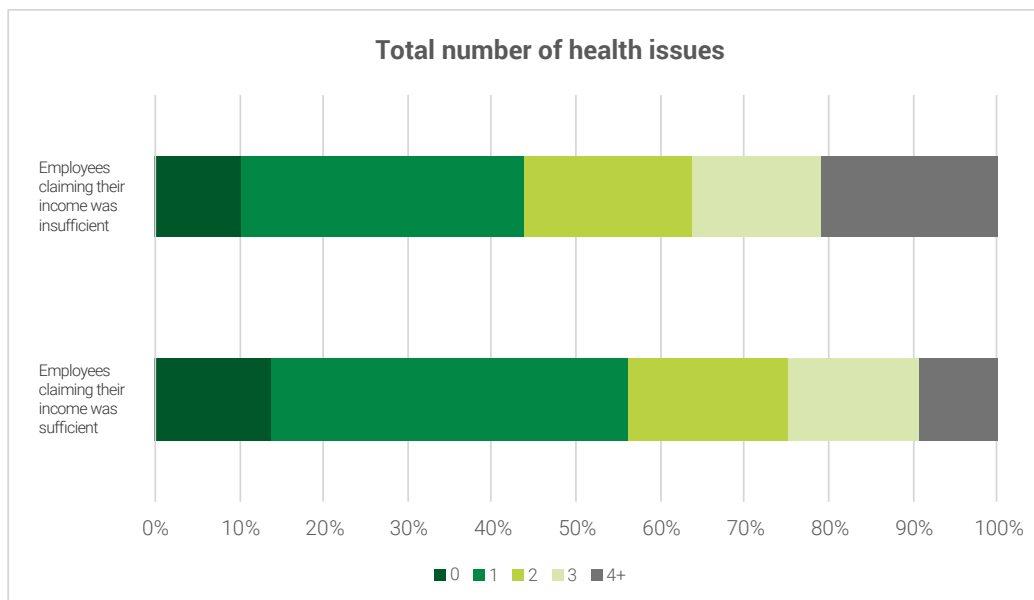
Useful resources:

The government's Access to Work facility can support if you are trying to get back to work but facing difficulty because of long NHS waiting lists (as of Jan 2023) <https://www.gov.uk/access-to-work>

Look at associated charities for long term conditions to see if any grants or support services are available. Money Helper has some guidance on this: <https://www.moneyhelper.org.uk/en/benefits/benefits-if-youre-sick-disabled-or-a-carer/charitable-grants-for-ill-or-disabled-people>

Social prescribing enables members of NHS primary care teams to refer people to a range of local non-clinical services. Each surgery has access to a social prescriber via the primary care network (PCN) structure in England. Legal & General Wellbeing Advisory Board can support with housing-related queries, welfare benefits, and debt advice, as well as help with daily living tasks, making lifestyle changes and combatting isolation and loneliness:

<https://www.gov.uk/government/publications/social-prescribing-applying-all-our-health/social-prescribing-applying-all-our-health#social-prescribing>



Leisure activities

Nine million people across the UK have no savings and another five million have less than £100, according to research from the Money and Pensions Service (MaPS). The survey of 3,000 adults, carried out for Talk Money Week (November 7th to 11th 2022), shows that one in six (17%) have nothing put away and another one in ten (9%) have £100 or less. It's no surprise that many of us don't have the money needed to have fun and relax. And yet, we know that having a break from the norm is good for our wellbeing.

(Source: <https://moneyandpensionservice.org.uk/2022/11/07/one-in-six-uk-adults-have-no-savings/>)



Ideas for budget-friendly leisure activities

- The Sun Holidays sell holidays from as little as £9.50: <https://club950.co.uk/>
- Your local library has magazines, books, DVDs, and CDs available to borrow for free.
- Librivox gives free access to audiobooks in the public domain: <https://librivox.org>
- Your local cinema may have offers available in partnership with banks, discount and voucher websites and subscription services.
- Free and cheap days out: <https://www.visitengland.com/things-to-do/budget>



Financial/Economic abuse

Economic and financial abuse affects both women and men and rarely happens without some other form of abuse. Financial abuse can leave people with no money for essentials, no access to their own bank account, and/or no independent income. Debts may be listed in the name of the abused person, meaning that financial abuse can continue beyond the ending of a relationship. Non-payment of child maintenance is an example of financial abuse.

Economic abuse is broader in its definition than financial abuse and includes a person restricting access to money for essentials as well as denying someone the opportunity to increase their potential to gain an income, for example through training, education, and employment. Economic abuse creates economic instability, limiting a person's choices and impacting their personal safety. This can create dependence on their abuser and expose them to greater harm through having to stay in an abusive relationship for longer.



Useful resources:

If it is safe to do so, look at some of the resources below, if you feel that you are experiencing financial or economic abuse – carefully deleting your search history if you need to.

<https://survivingabuse.org/>

<https://survivingeconomicabuse.org/i-need-help/>

<https://www.bitc.org.uk/case-study/safeguarding-employees-experiencing-domestic-abuse/>

Financial and economic abuse - Women's Aid ([womensaid.org.uk](https://www.womensaid.org.uk))

Financial and economic abuse - Men's Advice Line ([mensadvice.org.uk](https://www.mensadvice.org.uk))

A financial 'shock'

Whether it's a broken-down car, or a sudden change in your circumstances, unexpected unplanned life events can have a longer-term impact on your financial and mental wellbeing. Preparing in advance can help you manage these shocks.

If your partner has passed away, then where can you turn?

Life assurance can make a payment out on the death of someone to a named beneficiary. You can take out a policy as an individual, or a company may offer cover to their employees. The latter will normally be a multiple of an employee's yearly income (for example, 2 times salary).



Making your money go a bit further

Below are just a few ideas that we have pulled together when thinking about things we do to try and save some money

Points, rewards, and cashback

Many loyalty cards and credit cards reward holders with points and other rewards – think American Express Airmiles. Explore what benefits are available if, for example, you use your Tesco Clubcard in conjunction with a Tesco credit card.

We hope you feel inspired to make any changes needed to alleviate the financial pressures of the **cost-of-living crisis**. Remember, there are always organisations out there that can help you if you feel you have nowhere to turn – check back here for a reminder.

Useful resources for support:

Below are some websites that might be of use either generally or on specific matters:

<https://www.mentalhealthandmoneyadvice.org/en/toolkit/>

<https://www.hsbc.co.uk/savings/everyday-spending-hacks/>

The Government - <https://www.gov.uk/cost-of-living>

Find the latest measures in place to help support, covering the following main headers:

- Support with your income
- Support if you are disabled
- Support with your bills
- Support with your childcare costs
- Support with your housing costs
- Support with your travel costs

BBC <https://www.bbc.co.uk/news/topics/cljev4jz3pjt>

Martin Lewis <https://www.moneysavingexpert.com>

<https://www.gov.uk/find-local-council>

<https://www.citizensadvice.org.uk>

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