

## As interest rates soar, new study reveals insecure workers are 'trapped' and 42% fear job losses

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Researchers from the Work Foundation at Lancaster University say the notion that people are choosing to stay in insecure work for the "perk" of



flexibility is flawed—as almost half (46%) would find another job if given the chance.

However, they feel trapped due to limiting factors such as the cost and availability of childcare and transport, as well as a lack of local job opportunities.

With persistent inflation, rising interest rates and the cost of food on the rise, the think-tank warns that millions of insecure workers in the UK are most vulnerable due to the volatility in their pay, working hours and a lack of core protections like sick and redundancy pay. And, its latest study now finds one in four insecure workers (28%) are struggling to get by—with women suffering most.

Its warning comes on the back of survey responses from 4,000 UK workers (2,000 in insecure work and 2,000 in secure work) conducted by the Work Foundation in March. This data informs new research which aims to understand why people opt to work in insecure jobs—or roles that have unpredictable pay, no guarantee of set hours or future work, and no access to employment rights and protection—and explores the factors that shape their choices.

Researchers say insecure workers are more than three times as likely as secure workers to perceive a risk of job loss—with 42% of insecure workers expecting to lose their jobs within the next 12 months, compared with just 13% of secure workers. Survey responses also suggest younger and older workers are significantly more likely to feel they have more limited choices when looking to move out of insecure work, along with those on low-incomes and people working part-time.

Women in insecure work are also impacted more than men. One in three women (32%) say they are struggling to get by financially, compared to less than one in four men (23%); and 16% of women in insecure



employment say they are suffering from poor mental health, compared to 11% of men (this affects 10% of men and 11% of women in secure employment).

Ben Harrison, Director of the Work Foundation at Lancaster University, said, "As inflation continues to bite and <u>interest rates</u> rise, workers in insecure jobs are under enormous strain. While many might believe that the benefit of flexibility offered to workers on temporary, part time or zero-hour contracts outweigh the risks of this form of employment, our new research shows that nearly half of these workers disagree.

"The reality is they feel trapped in these jobs by circumstances out of their control—and, without Government intervention to overcome these obstacles, they're likely to be prevented from accessing more secure work in future.

"As our living standards continue to decline and the UK teeters on the edge of another recession a stable and well-paid job has never been more important. Workers in more secure employment are better able to weather economic turbulence, but this isn't the case for the millions of workers in this country trapped in severely insecure work. They are already struggling, and it isn't just impacting on their pockets—it's affecting their mental health, too."

UNISON general secretary Christina McAnea, said, "The cost-of-living crisis is hitting those on the lowest incomes the hardest.

"To make matters worse, many people on zero hours and other kinds of insecure contracts are also losing out on sick pay and other employment rights most workers take for granted.

"It's no surprise that precarious work has the greatest negative impact on disabled employees and women juggling jobs with caring commitments.



They don't choose to work in this way.

"Many are stuck in an insecure rut because other opportunities simply aren't open to them.

"This has to change. The government should ensure everyone feels secure at work and is able to thrive in their jobs.

"No-one should feel trapped or be exploited because of the circumstances in which they find themselves. Genuine choice and flexibility must become a part of every job."

The survey also reveals:

- One in three insecure workers are uncertain of how much they will earn in the next three months and are twice as likely (26%) to experience job related stress four to six days a week than those in secure employment (13%)
- Insecure workers are also over four times more likely to see their shifts change at the last minute, with over half saying this led to decreases in their pay
- Over 52% of insecure workers earn less than Joseph Rowntree Foundation's Minimum Income Standard of £25,500—and more than one in four insecure workers (28%) say they are finding it difficult to get by
- Part-time insecure workers and freelancers are significantly more likely than other workers to indicate they are struggling financially, at around 34% from both groups, compared with 23% of full-time workers



• Workers are 3.7 times more likely to say they suffer from poor mental health when they also lack confidence in being able to afford an unexpected expense.

"A political battleground is opening up on the future of the UK labor market with both major political parties pledging tackle labor shortages and drive up the quality of jobs on offer to UK workers," Ben Harrison continues. "This report provides crucial new evidence to inform these debates, shedding new light on the choices and experiences of those in insecure work, and outlines the interventions needed to support workers into better paid, more secure jobs in the future."

The Work Foundation calls on Government to oblige employers to embed flexibility into all job roles from day one of employment, and make it available to all. It also encourages organizations to design campaigns to promote flexible working specifically to men and disabled workers.

Among the report recommendations it also urges the Government to increase the rate of pay for workers on maternity, paternity and <u>parental</u> <u>leave</u> and develop a long-term plan to bolster the childcare sector, in line with parents' needs and ambitions.

**More information:** To read the report and full recommendations, please visit: <u>https://www.lancaster.ac.uk/work-foundation</u>

Provided by Lancaster University

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