

Sinking & Swimming

Understanding Britain's
Unmet Needs



Summary

About the Young Foundation

The Young Foundation combines creativity and entrepreneurship to tackle major social needs. We work on many different levels to achieve positive social change – including advocacy, research, and policy influence as well as creating new organisations and running practical projects. The Young Foundation benefits from a long history of social research, innovation and practical action by the late Michael Young, once described as “the world’s most successful social entrepreneur”, who created more than 60 ventures which address social needs. www.youngfoundation.org

About the Big Lottery Fund

The Big Lottery Fund is the largest distributor of Lottery money to good causes, responsible for giving out half the money raised by the National Lottery for good causes. When it was set up by Parliament in December 2006 the Big Lottery Fund took over the residual responsibilities of the National Lottery Charities Board (Community Fund), the New Opportunities Fund, and the Millennium Commission. Every year BIG gives out millions of pounds from the National Lottery to good causes. BIG provides funding to charities and to projects that improve health, education and the environment. It seeks to bring about real improvements to communities and the lives of those most in need.

About the Programme

‘Sinking and Swimming: Understanding Britain’s Unmet Needs’ (2009) is the culmination of a series of studies undertaken by the Young Foundation between 2007 and 2009. Their aim was to map the state of need in the UK, using a wide range of research tools and combining national analysis with local case studies. Copies of the full report are available to order on the Young Foundation website.

The research team included Beth Watts, Dan Vale, Geoff Mulgan, Michael Dale, Rushanara Ali and Will Norman, with additional help from Alessandra Buonfino, Carmel O’Sullivan, Jane Franklin, Caspar le Fanu, Cressida Jervis-Read, Jacob Garber, James Copeland, Jonathan Graham, Katrina Forrester, Reema Mehta, Robert Patrick and Sarah Hewes.

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In addition to the main report, the programme has produced a series of detailed case studies (including reports on needs in Bedford, Teesside and London, and one on people managing difficult transitions), as well as background reports on a range of issues from theories of need to an interim report looking at the impact of recession, and a related study of rural needs.

This summary was kindly sponsored by the Big Lottery Fund.

Sinking and swimming: A summary

This study provides an overview of where the most acute needs are in Britain today, and which needs may become more pressing in the future. It looks at why some people can cope with shocks and setbacks and others can't, and at the implications for policy, philanthropy and public action.

The study combines statistical data, research based on conversations with citizens as well as professionals, case studies and reflections on both past patterns of need and future possibilities. It has been supported by many of the UK's leading foundations, together with the Big Lottery Fund, the Economic and Social Research Council and a group of leading academics.

The current position

In recent years, there has been intensive action to address poverty with some progress in how needs are met, including lower child and pensioner poverty and a narrowing of the gap between schools in richer and poorer areas. But according to many measures, inequalities of health, wealth and income have widened. A large minority of teenagers (one in eight) remain detached from the education system and the labour market. Over two and a half million people remain on incapacity benefit and employment and support allowance. And the very poorest have seen their living standards stagnate or even decline.

**Britain is a brittle society,
with many fractures and
many people left behind**

Over the last year, the recession has raised unemployment, put downward pressure on incomes and will soon be followed by sharp cuts in public spending which are likely to affect the poorest most. The full effects of the economic downturn will not be clear for many years. Some of the patterns so far have been surprising: for example, less homelessness, reduced mortality (as in past recessions) and a rise in part-time work for women alongside sharp declines in full-time jobs for both men and women. Other patterns are more predictable, including rising problems with debt, stress and pressure on the family, and blocked opportunities for young people.

The landscape of support

People meet their needs through four main routes. They buy goods and services – like food or housing – through the market. They receive services – like healthcare – from government. They get support from charities, for example homeless shelters or drugs treatment. And they rely on family members and friends. To understand the landscape of needs it is important to understand both how these routes overlap, and their relative scales. The size of the UK economy is around £1300bn in total. Government spending is around £620bn – an unusually high proportion of GDP, partly thanks to the recession. There are roughly as many

hours of unpaid work as paid work each year in the UK, mainly within the family. By comparison, total charity income is around £34bn and total foundation spending around £3.5bn to 4bn. These figures put into perspective just how much capacity foundations have in meeting needs directly. Their role is bound to be shaped by the failings of the bigger systems of the market and the state. That may mean intervening to meet needs that the other sectors either ignore or are ill-equipped to serve. And it may mean using their power as advocates and brokers.

Part of the purpose of this study has been to identify priority fields for action. These include areas of need that are serious and ones that are set to worsen, as well as ones where existing government and business services are likely to be inadequate.

Defining Needs

Many people may feel that they need a new car or a holiday. Our concern here is with socially recognised needs that can make a legitimate claim on others, whether through charitable giving or public support. These tend to be needs for things which help people avoid unnecessary harm and suffering. Our research shows that the public think of needs in this way and that they see psychological wellbeing and material prosperity as equally important. There is no simple hierarchy of needs: for some people, whether refugees or unemployed teenagers, a mobile phone may be as high a priority as having a square meal.

A PARENT'S STORY

"I'm worrying now because I've got to get an iPod Touch for my daughter ..."

It's all pushing together in my brain. How am I going to sort out this £165 thing for her sixteenth birthday ... This has been pressurising me for about eight weeks ... going round and round and round. Then I sat there the other night and I just thought, Oh shit to it, I'm just going to cancel my poll tax for a month. I just thought, I've paid it every single month for the last God knows how long. They can just piss off this month ... I'll use that money. I'll phone up and say I went online to my bank and I cancelled the wrong direct debit. I will pay it, but I need that breathing space."

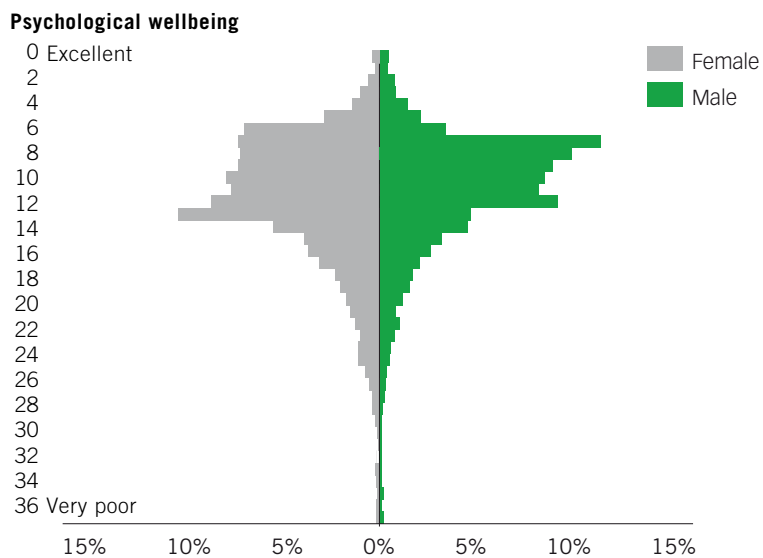
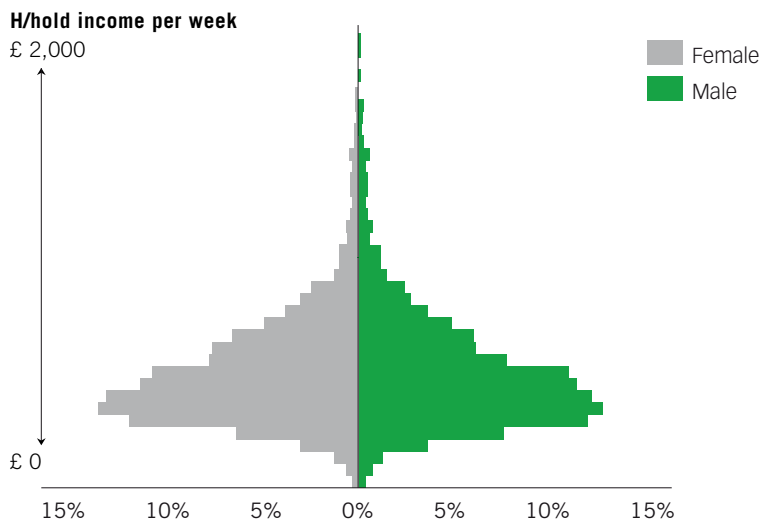
Statistics: measuring material and psychological needs

Needs can be measured in many different ways. The chart on the top shows the growing inequality of material wealth, with the rich getting much richer and a minority experiencing stagnant or falling incomes. Material deprivation remains significant, though much less than in the past. While obesity is a major problem, particularly for younger people, some older people still get sick and 350 die because of poor nutrition each year. Although the numbers have fallen, some still sleep rough on city streets, and those that do have a life expectancy of around 42 years. Some get by on very little money – like the asylum seekers surviving on £5 a day. Debt has always been a fear for poor families and communities, and recent years have seen a worsening incidence of unmanageable debt (which is not just an economic nightmare for many families but also a psychological one, closely correlated with mental ill health). Average household unsecured debt (excluding mortgages) is now over £9,000.

| Inequalities of health, wealth and income have widened

The second chart shows that although most people are content with their lives, a significant number, particular of women, are not. Between one-in-six and one-in-four people in the UK experience mental health problems at some point in their lives. The number of prescriptions for anti-depressant drugs increased from 9 million in 1991 to 34 million in 2007. There are also important psycho-social needs, like the people who have no one to talk on a daily basis. A million people have no-one to turn to and no-one who appreciates them. Overall, the groups most likely to have acute and persistent needs include the unemployed, lone parents and many living with disabilities, as well as half a million irregular migrants, 140,000 child runaways, a third of a million problematic drug users and 80,000 looked-after children.

Distribution of equivalised household income (pounds per week) and subjective wellbeing (GHQ12), 2006-7



Source: BHPS analysis

Case studies

A series of case studies look deeper into people's lives, experiences and conditions. The study on transitions examines how people cope, or don't cope, with the transitions out of prison, out of families in crisis, or out of local authority care. Many of the most acute needs are associated with difficult transitions, and this is where many current policies and institutions fail. Difficult transitions can push people into homelessness, poverty or isolation and cause stress and anxiety. However, for some a transition can trigger a positive change, prompting them to access treatment for drug addiction, rebuild damaged relationships or rethink their goals and priorities.

A few basic foundations can make people's experiences of **transitions** much easier. These include having a stable home, an adequate income, supportive relationships and a positive and optimistic attitude. When transitions can be foreseen, preparation can help ease the process of change and minimise destabilising effects. Support and advice from reliable individuals – before, during and after the transition – can also be critical.

The studies on **London** investigate several groups living in a city that combines great wealth and poverty. One looks at refugees, showing just how materially poor refugees are, but also the importance of religious and family networks for many. Another looks at teenagers coming out of care, confirming the importance of their direct supports, whether these are family members or statutory services. Research on older people shows just how isolated many feel, as friends and family have either died or moved away.

The people who are losing out most are now the immobile and the stuck. New analysis shows that 16% of Londoners – about a million people – are living in material poverty and are unhappy with their lives. These are predominantly elderly, sick and disabled, and lone parents. They are the people who are living in the middle of a great world city but are afraid to go out, or lack the resources to make anything of the city. They feel bypassed by the world, ignored and forgotten. Many are not good at asking for help and their social networks are small. Many were born and brought up in London, but have seen their traditional sources of support disappear.

The study in **South Wales** looks at workless households, particularly in communities where unemployment has been high for many years. The study confirms that these communities are resilient to shocks, such as the current recession. But they may be lacking in 'adaptive resilience', the ability to connect to new opportunities.

A very different kind of study looks at which needs become apparent at night, whether in the lives of **night workers**, or through the cases that emergency

services deal with when many marginalised people are out on the streets or hitting crises. By following the night workers throughout their shifts, we uncovered a largely invisible workforce with distinct needs of their own. A growing volume of medical research highlights the serious health implications of working night shifts and, as this case study shows many of the medical dangers are amplified by the unhealthy lifestyle choices being made by – or forced upon – the night workers.

A case study on **Teesside** brings out the importance of family and informal support in helping people get by in a relatively poor working class community. The study shows how important non-financial assets, resilience and social support are within the household economy. Family ties and commitments remain strong. On the whole, not having family support can be even more of a problem in communities like this.

The study on **Bedford** focuses on teenagers, particularly those not in jobs, education and training. This study confirms that young people tend not to seek help from professional sources, especially for stigmatised issues such as mental health and sexual health or substance dependencies, preferring to seek informal help before they turn to formal resources. They tend to turn first to friends for support with emotional and sensitive personal problems, before seeking the counsel of parents. Young women were significantly more likely to seek help than young men, particularly for mental health problems. Young men were more likely not to recognise when they had important problems that needed to be solved. Relationship advice was sought from friends, health advice from parents, and educational advice from teachers and so on. Assistance from others was often seen as a mixed blessing, and as a consequence, some young people in need decide not to seek help from available resources at all – effectively working against their own self-interest.

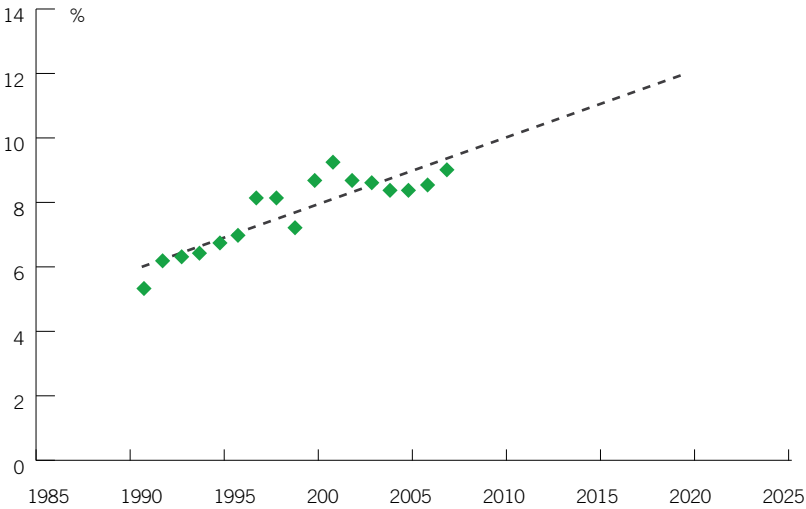
Needs in the future

Which needs might intensify in the future? Highly likely trends include: a long period of constrained public spending; an aging population requiring significantly more care and healthcare; a generation of teenagers facing even more difficult transitions thanks to the economic climate; and the effects of global phenomena such as climate change and rising fuel and food prices.

Anxiety and depression looks set to double during the course of a single generation.

Some less appreciated trends include worsening levels of stress and anxiety: anxiety and depression looks set to double during the course of a single generation.

Those self-reporting anxiety or depression



Source: BHPS analysis

The family will continue to be an area of challenge – from children having children to a growing number of adults wanting to have children but being unable to do so, and from growing pressures on children and spouses to look after parents and partners to the unpredictable impacts of ubiquitous social networks.

Implications and directions for action by foundations and policy-makers

Most people in Britain are living good lives and believe that they live in strong and supportive communities. Material poverty has declined in recent years, with significantly fewer people unable to afford necessities. Most are safer from crime and violence than they were a decade ago, and dramatically safer than their equivalents were a century ago. When they face setbacks most people bounce back.

But Britain is a brittle society, with many fractures and many people left behind. Even during the long economic boom, with unmatched wealth and prosperity, millions experienced harm and suffering. Although Britain is a rich country, it still suffers some very old-fashioned types of material want. Longstanding arguments about financial entitlements – from levels of state pension to benefits – and redistribution will not go away. How much tax is raised from the relatively prosperous, or from relatively prosperous periods of people's lives, and redistributed to others, or to other periods of our lives, remains a centrally defining feature of any society.

JODIE'S STORY

Jodie is 18 years old and five months pregnant. She lives with her 17-year-old boyfriend Lewis in London.

Jodie was severely bullied in her early teens and described school as a miserable experience. She rarely attended, and eventually left school at 16 with no qualifications and few friends. At the same time she left home as a result of a violent relationship with her mother. Jodie spent months living in various forms of emergency accommodation and hostels. When she became pregnant she was offered the flat she now lives in.

The flat is sparsely furnished with a couple of old sofas they were given and a mattress on the floor. Jodie and Lewis both receive income support of £46.95 a month, which covers their rent and food. "We're living off tins and takeaways at the moment. When we can get a cooker and a fridge, we'll be able to eat properly. We can live off what we have now, but it will be difficult when we have the baby."

Opportunities are also very unevenly distributed, whether in terms of jobs, skills, networks or mindsets. Twelve percent of 16-19 year olds are not in education, training or a job. A generation of teenagers coming to adulthood in the next

few years, against a backdrop of high unemployment, are likely to be at risk of living a lifetime of insecure employment and low income. Some of the answers lie in the hands of government, including radical reform of the curriculum and opportunities to re-engage the thousands of teenagers now doing all they can to escape schooling and college. Just as important is concerted action to support very young children, since many of the patterns of long-term disadvantage are set early. But foundations have a big role to play in spotting the major gaps in funding and policy, promoting more effective alternatives and funding promising innovations. An example is the growing importance of life skills of all kinds. There is extensive evidence on their importance to life chances and social mobility. But educational policy and practice has been slow to take these lessons on board.

A generation of teenagers coming to adulthood in the next few years, against a backdrop of high unemployment, are likely to be at risk of living a lifetime of insecure employment and low income

In what follows, we draw out some of the broad conclusions about directions for change. All of these are areas where foundations could have a significant impact, both in directly meeting needs and in mobilising more effective action by others.

Support organisations providing preparation, bridges and support for difficult transitions

A first priority is to help people make successful transitions. Many of the worst clusters of need result from difficult transitions. The ways in which we help people make these transitions – from being a teenager to being an adult, or from being in care or prison to independence – are inadequate. Three-quarters of a million 16-24 year olds are not in education, training or work. Existing services miss many of the things that matter most in making successful transitions: good preparation, bridging support from people who understand you, and resources such as housing or money as well as emotional help. Many of these needs are entirely foreseeable, yet the unnecessary misery that results from these failed transitions is striking. If only children in care could rely on someone to help them through to their mid-20s; if only people leaving prison could rely on an initial home and work placement, then life for them might be very different. Yet responsibilities tend to be divided up. Public agencies' responsibilities are divided by chronological age,

and both public and voluntary organisations tend to divide by function in ways that cut against what people need.

CHRIS'S STORY

Chris is 25 and has been in and out of prison four times in the last few years. After falling out with his family, Chris had been sleeping rough, begging and stealing to fund his drug habit.

On leaving prison on past occasions Chris received little support. He has no family he could turn to and he was reluctant to contact old friends, as he was sure that he would start drinking and taking drugs again. He said that leaving prison felt like “walking out of that gate back into the big bad world again”. He had been told he would get help finding accommodation but this never materialised. When he left first left prison, Chris said that he just went “back to square one” – straight to the nearest off licence and drug dealer.

But the last time Chris left prison was different because he knew what it would be like and where he might be able to go for help. Before he was released he had organised to return to a drug treatment centre that he'd been to in the past, “This time, I knew I wasn't just walking out of them gates into the hell, as I call it. I knew I was going to be safe, I'm not gonna be on the streets, I'm not gonna be in the cold.”

At a time of acute pressure on money, providing more assistance and support for those managing difficult transitions could be an area for long-term savings as well as one where much greater human wellbeing could be achieved. Failed transitions are invariably costly, not just for the individual involved but also for the state. Persistent unemployment, high levels of recidivism and the costs to the health service of mental illness are all unnecessarily high. These could be substantially cut if services were shaped more along the lines we suggest, with fewer cut-offs and handovers.

For foundations this is already an area of considerable activity. But the time might be ripe for some more ambitious projects that link together civil society activity and public sector activity to find out what could make the biggest difference to outcomes (for example for care leavers, or young people leaving prison). We know some of the elements that work, but nowhere has yet put in place a comprehensive new approach.

Psychological fitness – support projects that enhance resilience and coping with shocks

A second priority is to take resilience seriously. Resilience matters and can be influenced. Everyone is bound to face shocks and setbacks at some point in life. But what makes the difference is how well we cope with these shocks, how well we bounce back. This is in part a matter of social support from family and friends, teachers or GPs, as well as skills and financial assets. Children's dedication and capacity for concentration at the age of 10 has a much bigger impact on earnings 20 years later than their ability in maths. This kind of discipline and resilience – and psychological fitness in a broader sense – can also be learned, and enhanced. Some areas have introduced resilience classes into the school curriculum; some agencies have integrated it with help in finding jobs; and some are beginning to integrate it into healthcare, and in particular the coaching and support for people with long-term conditions, recognising that psychological fitness is as important to life as physical fitness. Moreover, resilience can be supported not just for individuals but also for communities (for example, through the availability of assets, leadership and entrepreneurial skills, and social capital).

Not all kinds of resilience are equally useful. Some communities are proving very resilient to economic shocks – particularly the old working class communities that have now experienced several decades of high unemployment. They are good at providing mutual support, and good at absorbing setbacks. But this kind of passive or survival resilience does not necessarily help people to adapt and prosper – people survive the fall but fail to get up and maximise their potential. Passive resilience can stifle innovation and cut people off from opportunities. In these communities, what is most needed is a more active or adaptive resilience, that is less comfortable with getting by and more willing to seek out help and build stronger networks outside the community as well as within it.

1,000,000
people have no-one to turn to and
no-one who appreciates them.

A final reason for focusing on psychological fitness is its importance for behaviour. Inequality is now closely interwoven with issues of behaviour: obesity, smoking, alcohol and gambling. Many factors shape these behaviours, including the environment in which people live, the influence of peers and the availability of damaging consumption. But they are also shaped by people's level of self-efficacy: their abilities to cope with stress and setbacks in ways that are ultimately good for them.

This field should be a strong priority both for more research and for better understanding of what works, and what could be scaled up. So far, although there is much promising academic work, less has successfully translated into effective practice, whether for teenagers or vulnerable older people, the unemployed or people living chaotic lives. The priority for foundations should be to turn new knowledge into effective practical programmes, and to help scale the practical programmes that are already showing promise.

Back projects that tackle isolation

A third priority is to reduce isolation. Loneliness and a lack of social networks have become a stark feature of a more individualistic society. Millions like living on their own but we found that many are suffering because of the absence of people they can turn to for help and support. Half a million pensioners spend Christmas Day alone, and seven million people suffer a ‘severe’ lack of social support. A growing body of evidence points to the psychological and physical harm that loneliness can bring. There are many good initiatives trying to address these needs – from befriending schemes to mentoring – but they remain very much on the margins of policy and small in scale. Being without a roof over your head or a job to go to brings you entitlements, however meagre; having no one to talk to does not.

PATRICIA’S STORY

Patricia is in her late 70s and lives alone in a flat in a sheltered housing block.

She often feels lonely and isolated despite several hundred people being housed around her. Patricia sometimes attends activity clubs during the week but she finds weekends especially hard as all her family live abroad. The accommodation complex gets eerily quiet at weekends, “After 6 o’clock on a Friday it’s like walking round a mortuary even though there are over 200 flats here.”

She is not alone in feeling isolated, recently a neighbour she didn’t know asked her for help. “He just knocked on the door and said ‘I’m sorry to trouble you but I was at my daughter’s in Cardiff last weekend and I miss her. Could I come in for a chat?’”

Isolation is not something that government programmes are well suited to tackle. Much of the responsibility for addressing it must lie with civil society, with family members and neighbours that keep an eye out and help. But there are also policies that could make a difference – from ensuring funding for low-level supports, street concierges or wardens in sheltered housing, and programmes to support the young elderly in looking out for people ten or twenty years older than them.

Mutual support is bound to be part of the answer – using support circles and devices like time banks to connect people with needs to people with something to give. This is territory where evidence is thin. We need more energetic and systematic innovation to find out what works best and at a reasonable cost, whether in crowded cities or remote rural areas. Many of the solutions are likely to combine some publicly funded support, some voluntary help, and methods to help buy in support from the market with greater guarantees. Foundations could be taking the lead in developing more effective, and low cost models with the potential to be replicated.

Support projects providing access with ‘no wrong door’

A fourth priority is to help people find the support they need. People often access services that are not the right ones for meeting their underlying need. They may show up at A&E when their real problem is alcohol; they may turn up at a homeless shelter when their underlying problem is a mental illness. People may present the symptoms of a specific issue, but be suffering from a complex combination of multiple unmet material and psychological needs.

Access points need to be less devoted to functions and more to people. We need more institutions, advisers and access points which are holistic, rather than function specific. Equally, we still need better ways to route people quickly to the support they need. These are not easy, they require highly trained staff; better tools to diagnose and assess; and much more sophisticated information systems (as a society we do much better in tracking money and shopping than we do in making sense of human journeys).

None of these are new insights, but it is surprising how rare it is to find institutions or front line workers who are able to deal with people or places in this way. Foundations could be much more active in supporting the nuts and bolts of effective service coordination – from assessment tools and referrals systems to training. Funding of this kind isn’t glamorous. But it may be vital for making the most of existing capacities.

Getting service coordination right is also vital for another reason. We repeatedly found that the people and families that most need help are the least likely to

take it up, sometimes because of chaotic lifestyles but also for reasons of stigma, distrust and disengagement. That is particularly true of ‘preventive’ services. It is not enough to provide something useful, how it is provided also needs to build trust and confidence.

SARAH'S STORY

Just after midnight the ambulance crew get a call to attend a woman who has cut her wrists. A police car arrives at the small housing estate at the same time as the ambulance.

The flat has a new unpainted front door. “I’ve been here before,” one of the policemen says. “My mate kicked in the old door.” The one bedroom flat is dimly lit and sparsely furnished. The floor is strewn with clothes, shoes and litter. Sarah, who is in her early twenties is sitting on a sofa, smoking a cigarette, sobbing. The ambulance crew try to comfort her and put a dressing on the wound on her wrist which they don’t think is serious. “I thought I was getting over depression,” she cries, “but I’m obviously not.”

The police are anxious for the ambulance crew to take her into hospital, as they are unsure what to do. “I don’t want to go to hospital,” the girl insists. “I’ve been in loads of times. They don’t do anything. They don’t give me anything. They can’t help.” She has self-harmed on a number of occasions and her wrists are covered in scars. The ambulance crew persuade her to see a doctor, but they know the girl is right. “She’s not serious enough to be admitted, so she’ll sit around in A&E, a nurse will look at her, she’ll go home and we’ll be back out here in the early hours again. It’s a cycle.”

Support provision of both new and old necessities

A fifth priority is to focus on the things people need most. Over time, many items move from being luxuries to becoming necessities. People living in rural areas are not alone in thinking of the car as a necessity. But the mobile phone is the clearest example of this shift – invaluable and prioritised by almost everyone from refugees to unemployed teenagers. Given the importance of social contact to mental wellbeing and life opportunities, perhaps this should be reflected in how essential support is provided to people in hardship, and in regulation that already treats some other utilities as necessities.

For some the mobile phone was prioritised over necessities such as food.

Access to the Internet is also becoming a necessity (not least as public services go more fully online): 75% of young people say they couldn't live without it. For many the mobile phone will be the main point of access. Other, more traditional, necessities - in particular fuel and food - have meanwhile risen in price and could rise much more, having the most significant impact on those already among the most vulnerable. Many communities are looking at new ways of providing these cheaply and reliably, connecting the imperative of carbon reduction with addressing poverty. For foundations the main priority may be advocacy as action – for example influencing the decisions taken by regulators or major businesses. But there is also room for direct support for innovative models providing cheap energy, easy mobility or access to technology.

Speed of response – pre-empting needs and understanding what's changing

A general message for foundations and funders is that they need to be able to respond quickly and dynamically, spotting which needs are emerging and intensifying. In these cases there may be a need for fast innovation and preventive work to stop problems becoming too serious. Past examples include the appearance of AIDS in the 1980s, and the dramatic rise in numbers of asylum seekers in the 1990s. Current examples include the problems of transition for teenagers against a backdrop of high unemployment, and worsening care provision for older people.

We therefore advocate more systematic and regular attention to changing patterns of need. In some respects the data on need in the UK is extensive, yet it is also patchy and incomplete. Some of the most important issues – such as feelings of loneliness or autonomy – are not adequately measured or understood. In order to adequately monitor the state of unmet need and how the most vulnerable are coping with societal change, more comprehensive longitudinal datasets are required. Specifically we advocate a regular survey of material and psychological need, bringing together the best resources of the Office of National Statistics and academia, but at arms length from government. We have laid the ground with the ‘cognitive testing’ of questions on unmet need and how it is experienced. This shows that a survey of this kind is feasible and would provide important insights. The UK has a strong track record of statistics and longitudinal studies. But while we still publish regular economic accounts, we do not publish comparable social accounts. And while government shares extensive data on production, consumption and finance, it does comparably little to map wellbeing. Yet there is no reason why regular GDP reports should not be accompanied by regular reports on the psychological fitness and health of the population. This would help to illuminate the many poorly understood connections between wealth and wellbeing. These social accounts should become as prominent in our national consciousness as economic accounts are today.

Rethink welfare provision through the lens of wellbeing

A final recommendation is to engage in a wider debate about where welfare is headed. The welfare state grew up to deal with physical and material needs (although it was often justified by its impact on people’s dignity as well). It evolved to provide enough food to eat, cures for sickness, homes and jobs. As we have seen, in a society with relative material abundance, the critical issues of welfare have become as much about psychology and relationships as about material need. Few people now go seriously hungry, and few have literally nowhere to sleep. Decades of economic growth have created a society which by past standards is materially abundant, a society that is as concerned with excess consumption – whether in the form of obesity, smoking, alcohol – as it is with under-consumption. And although nearly half of the adult population has little or no savings, a substantial proportion of the population now owns significant assets.

Yet during this same period society’s ability to meet people’s psychological and psycho-social needs appears to have declined. The buffers of religion and family that helped people cope with setbacks have weakened. There has been a rise of individualism. A more overtly meritocratic society has encouraged people to be more ambitious for themselves, but also made them more vulnerable to failures – and more likely to blame themselves (rather than fate or the class system) if

things go wrong. Some of the shock absorbers – from faith to family – that helped us cope in the past have atrophied.

The risks that matter most include mental ill health and relationship breakdown, as well as unemployment and poverty in old age. Indeed, these psychological and psycho-social risks are more common across classes and regions than the economic ones, and are perhaps a stronger basis for mutual support and solidarity. ‘It could be you’ certainly applies to mental illness, which affects a third of the population at some point in their life, and most families. Moreover, it intersects closely with other welfare issues, for example in the numbers of unemployed out of work because of mental illness. Currently mental health services remain the poor cousin of services concerned with physical health, despite extensive research showing how much physical health (including recovery from surgery or disease) depends on mental state.

Perhaps the time is right to rethink welfare through this new lens, addressing the most important risks that individuals and families cannot deal with on their own. Foundations have already often led the way in supporting mental health services, and during the 20th century often led debates about welfare reform. The time may be right for them to do so again.

What next?

At a time of sharply constrained public spending, foundations have a vital role to play in supporting research on the needs that matter most; supporting innovation to find out what works best in meeting needs; and helping to grow the new methods which really do work well to develop resilience or combat isolation.

Foundations have the freedom to think and act much more flexibly than public agencies that are constrained by statutory obligations and departmental silos. Foundations can focus on the needs of whole population groups – such as 65-75 year olds coping with life after work, many of whom are ill-prepared for the changes that lie ahead for them. They can focus on themes – such as mental health. And they can focus on the holistic needs of places, involving communities in decision-making. These freedoms and flexibilities need to be used to the full – perhaps even more at a time when all budgets are being squeezed.

Over the next few years a majority will probably see their incomes rise. But it's likely that for a large minority needs will worsen, thanks to slower growth, cuts in public spending and pressures in many communities. Foundations need to act as a force against complacency, relentless in finding out how more can be achieved with what are bound to be limited resources.

Funders



This is a study of who is sinking and who is swimming in Britain today. Based on new analysis of statistical data, case studies, surveys and hundreds of conversations with people across the country, the study shows where the most acute needs are and how they interrelate. It looks at why some people can cope with shocks and setbacks and others can't. And it draws out the implications for policy, philanthropy and public action.

The welfare state that was built up after the great economic crisis of the 1930s was designed to address Britain's material needs – for jobs, homes, health care and pensions. It was assumed that people's emotional needs would be met by close knit families and communities.

Sixty years later psychological needs have become as pressing as material ones: the risk of loneliness and isolation; the risk of mental illness; the risk of being left behind. New solutions are needed to help the many people struggling with transitions out of care, prison or family breakdown, and to equip people with the resilience they'll need to get by in uncertain times.

Britain is still a rich country – but one with many poor people. And it is a largely happy country – but with many unhappy people. This study is a guide to the changing landscape of need – and a guide to how we can reduce the unnecessary suffering around us.

