



BRITAIN AT WORK REPORT 2025

Analysing the impact of a cost-of-living squeeze on the nation's workforce



Preface

This research paper reveals the results of an annual survey of UK employees conducted by Health Shield Friendly Society.

Reflecting rising living costs since the pandemic it seeks to analyse the impact of a cost-of-living squeeze that is still impacting individuals in every workplace and their families.

As a member-owned, not-for-profit, employee-led health benefits provider, Health Shield is dedicated to helping people live healthy and happy lives.

These results can help businesses understand the anxieties and issues their employees are facing – and consider how best to help them through targeted employee benefits.

Health Shield, established in 1877 to support railway workers, has grown to serve over 445,000 Members as well as 4,500 organisations across all industries.

Guided by its mutual values it prioritises people over profit, offering affordable and accessible health benefits such as health cash plans, health checks, everyday healthcare coverage and wellbeing tools.

The Britain At Work Report 2025 will be published in three sections.

- Part 2 to focus on access to healthcare
- Part 3 to focus on work-life balance

A total of 975 working adults over the age of 18 who were in full or part-time employment in the UK in December 2024 responded to the Britain At Work Survey.

01

02

03

04

05

06



Contents

01 Foreword – by Jacqui Carr	4
02 Crisis over? The evidence says otherwise	5
03 Analysing anxieties	8
04 Storing up problems for the future	11
05 Conclusion and advice	14
06 Report contributors	15

01

02

03

04

05

06

01. Foreword

Jacqui Carr,
CEO Health Shield Friendly Society



The ongoing cost-of-living squeeze continues to place immense pressure on individuals and workplaces across the UK and it is hard to imagine that anyone has been left untouched by its impact.

The Britain at Work survey sought to find out whether those pressures are easing since we last researched the topic in 2023 – and to find out more about the issues that employees really worry about.

That's important, because previous surveys have shown us that employees don't always talk to employers about the problems they battle with at home, especially when they are due to financial concerns.

The big question we wanted to answer was whether people are still suffering in the wake of the UK's cost-of-living crisis – and what is worrying them the most.

We found that although the word 'crisis' has often been dropped in media coverage of the issue, rising costs are still contributing to heightened financial stress that compromises mental health, physical wellbeing and even job performance.

For employers, these challenges can translate into reduced productivity, employee disengagement, and retention risks at a time when employee satisfaction is critical for business continuity and growth.

Most importantly, of course, we hope this survey will provide employers with key insights into what employees are going through – and help them to deliver the right support at a time when it is so desperately needed.

To support that aim we asked Perry Timms, an HR influencer and founder and Chief Energy Officer of PTHR, to provide an independent assessment of what the statistics mean for businesses and HR departments. His analysis and advice is included throughout the report.

Businesses, of course, are also feeling the pinch in a challenging economy. But by helping to develop a more resilient and supported workforce, and by understanding their people better, they can mitigate the adverse impacts of financial stress on performance - whilst enhancing overall employee wellbeing and operational efficiency.

01

02

03

04

05

06



02. Crisis over? The evidence says otherwise

Whether or not economists think the cost-of-living crisis is behind us, there is convincing evidence to suggest that employees across the country are still feeling the squeeze.

The phrase 'cost-of-living crisis' first came to prominence in 2013, coined by Labour's Ed Miliband¹. It was then picked up by the media in 2021 and came to define a period which saw real disposable income fall dramatically as inflation rose to a peak of 11.1% by October 2022 - at a time when wages were growing far slower.

In 2025, with inflation at 3% at the start of the year and annual wage growth of 5.6% according to government statistics², it would be easy to think the issue has gone away.

The Britain At Work Report suggests otherwise:

Financial challenges remain front of mind for the majority of employees - and financial anxiety is a pervasive issue.



are still worried about the cost of living



of women are still worried about the cost of living



are more worried than last year



are less worried than last year

The results contradict a perception that the crisis is over and people are moving on. In fact, they are still suffering, or at the very least feeling the aftereffects of tough times.

Anxiety about the cost of living has reduced year on year, from 89% of people in 2023, but the numbers remain high.

For some, it has got worse – and 28% say they remain 'very worried'.

It's no surprise that the Bank of England and the BBC have continued to use the phrase 'cost-of-living squeeze' to describe what many people are going through³.

¹ <https://www.channel4.com/news/factcheck/factcheck-cost-living-crisis>

² <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/january2025>

³ <https://www.bankofengland.co.uk/about/get-involved/citizens-panels/insights-from-the-bank-of-englands-outreach-programmes>



So, what next?

Many household bills are rising in April 2025, including:⁴

Water bills: rising by £1200 on average a year in England and Wales, but by far more in some regions.

Energy bills: rising by an average £111 a year to £1,849

Council tax: rising by up to 4.99% (capped by government - although some councils are being allowed to breach the cap). Rises of between £81.05 to £297.75 a year in Scotland.

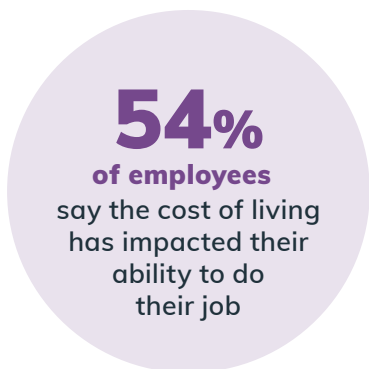
Car tax: rising by £5 to £195 a year - with electric vehicles no longer tax exempt

TV licence: rising by £5 to £174.50 a year

Stamp duty: Now payable in England on properties over £125,000 (instead of £250,000 previously)

What does this mean to businesses?

The risk of financial stress for workers remains high - and the potential for a knock-on effect in the workplace is significant.



With an average 6 days off work for illness per employee in 2024 and 4 days for mental health, there are warning signs to consider.

01

02

03

04

05

06

Paul Shires' verdict

An important reminder for employers

“These statistics are an important wake-up call for businesses and HR departments because they indicate that a sizeable proportion of their people are still suffering. Many businesses introduced emergency support packages during the cost-of-living crisis, but the Britain At Work report suggests employees may require longer-term support. The cost of living is still a significant issue for most people.”

⁴ <https://www.bbc.co.uk/news/articles/cvg18pvz7kko>



Perry Timms' verdict

It's time to listen

"What this section of the report starkly and representatively provides is a stimulator to all organisations to act. It shows that we cannot ignore the detrimental impacts of financial worries on our people.

"Whether we believe we pay a fair wage or are operating within our means as an enterprise, if we are expecting our people to perform to the best of their abilities in return for that fair wage and continued operations, it's time to listen. The statistics show that people are frightened (at worst) or distracted (at best).

"This will inevitably have an impact on how they show up at work and strive to perform."

01

02

03

04

05

06

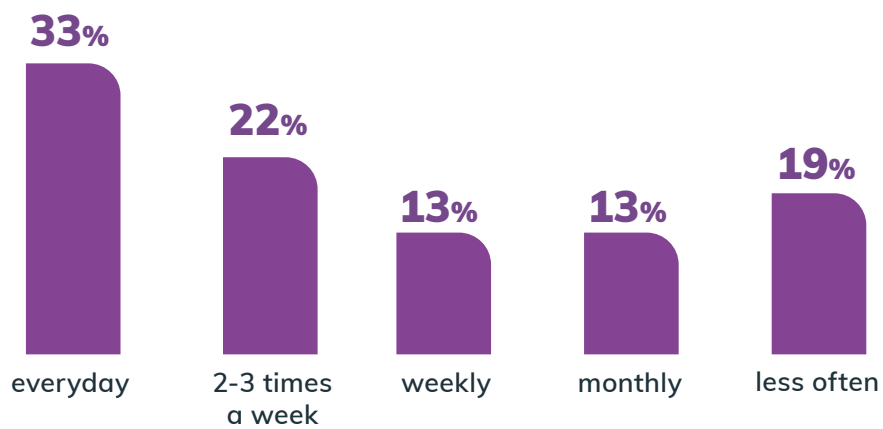


03. Analysing anxieties

The figures below paint a picture of how anxieties around money and the cost of living are having a significant impact on people's lives.

How often do you worry about money?

1 in 3 employees worry about money every day



The number of employees worrying about money every day is down from 74% in 2023 to 68% in 2024 - but the figures remain alarmingly high.

In fact, the majority of people are still worrying at least two or three times a week.

For women, the figures are even higher:

- 74% of women at work worry weekly about money compared to 62% of men
- 39% of women at work worry about money every day, compared to 27% of men.

It's not clear from the statistics why women worry more, but the results provide strong insight for HR teams looking to support employees through challenging times.

People still worry about money every day

Anxiety levels are also higher amongst those on lower wages. While the number of employees saying they are concerned about the cost of living varied little in relation to income, it was a different matter when it came to how often they worried:



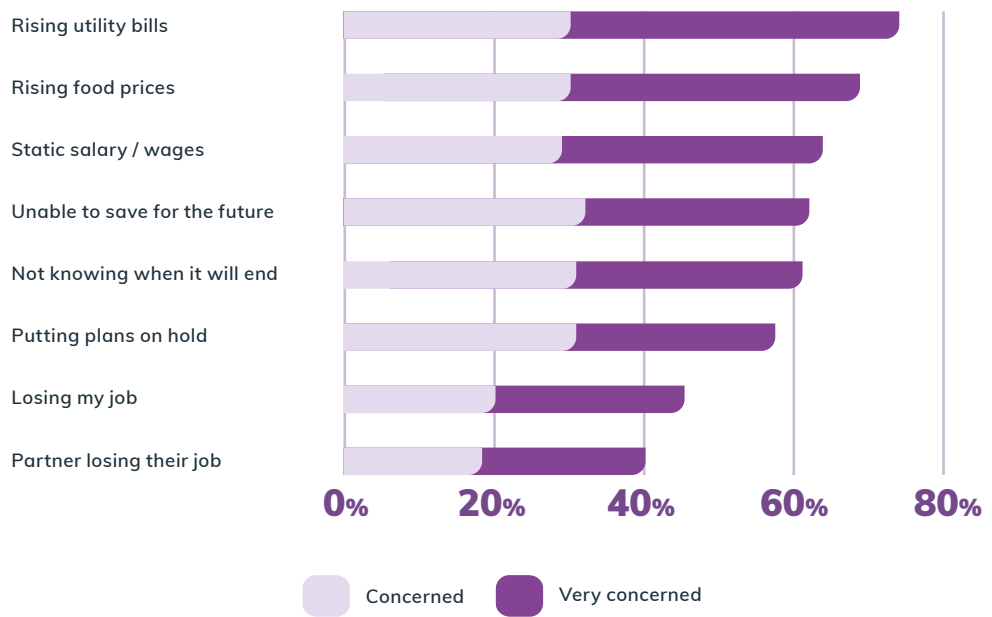


What are employees concerned about?

Understanding what employees are worried about and analysing the origins of their stress can help businesses develop ways to help.

What is clear from our results is that anxiety about the cost of living is endemic and deeply felt.

How concerned are you about the following due to the cost of living?



In an era in which bills are still going up, it's clear that employees find it stressful. Three-quarters are concerned about rising utility bills - and 69% about rising food prices.

But uncertainty also plays a major part, here. Almost two-thirds, 62%, said that not knowing when the cost-of-living squeeze will end made them worry.

The fact that 44% fear they could lose their job is a major indicator, too.

01

02

03

04

05

06



Paul Shires' verdict

Potential threat to health

"With so many employees worrying about the cost of living, employers should be aware of the potential impact on the physical and mental health of their people.

"Finding ways to mitigate those impacts is important. Health cash plans, which enable employees to claim money back on everyday health care such as dental, optical and physiotherapy costs, can help ease financial worry, for instance - and may even offer discounts from major retailers.

"Just as importantly they can also provide Remote GP appointments and mental health support.

"An Employee Assistance Programme can also help people navigate life's challenge through the provision of qualified counsellors.

"Importantly, the package can include counselling for financial concerns - in fact, for any personal challenges employees are facing that might impact their work performance and wellbeing."

Perry Timms' verdict

The impact of fear

"That 44% of people in this survey fear they will lose their jobs is a worrying statistic.

"Not just because of the prevailing sense of a cloud hanging over them, but because this constant, unabated fear will cause them to be less socially inclined or engaged, potentially withdraw from helping others like them - and ultimately be less inventive about their work.

"What can employers do to mitigate against this?

"Firstly, be open about the financial state of the company. If it's doing well, say so, and if it's up against challenges, also say so. Explain what the company intends to do about successes and challenges alike and what that means to people throughout the enterprise.

"Secondly, invite participation, sharing and support. Foster a sense that we're all in this together - as a venture and as people facing continued struggles with income, revenue, spend and commitments.

"To counter withdrawn social feelings when in fear, open up to more regularised, destigmatised and safe sharing of how people feel, what ideas, hopes and concerns they have and deal with them, together.

"Lastly, be both a listening and learning organisation through declaration and actions."

01

02

03

04

05

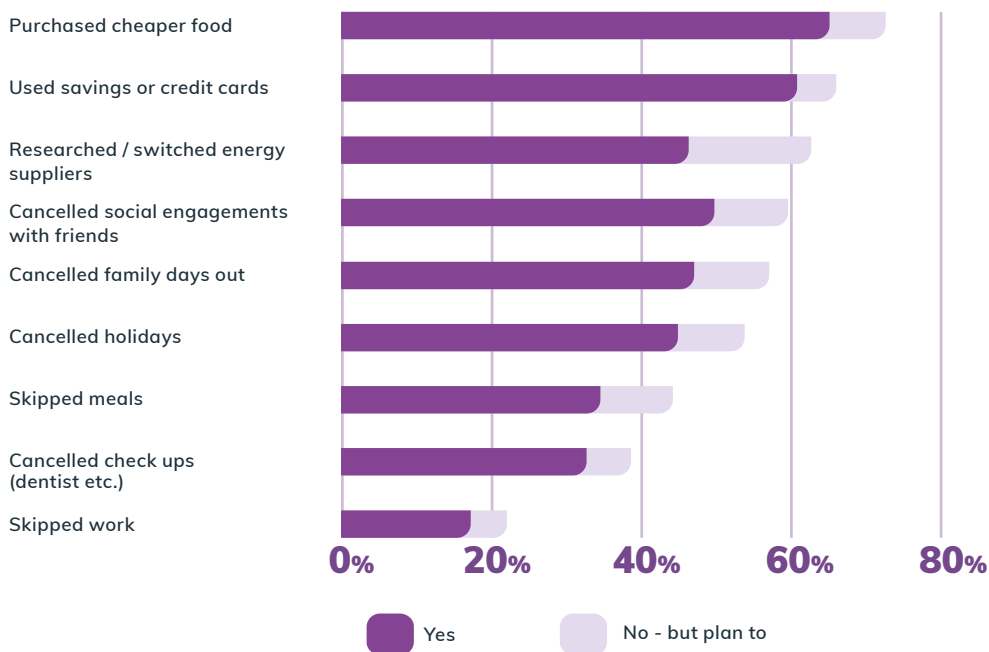
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04. Storing up problems for the future

There is significant evidence in the Britain At Work Report that employees are taking actions now to cope with the cost-of-living squeeze that could have an impact on their health or mental health in future.

Which of the following have you done to help with the cost of living?



A third have cancelled check-ups, including dental checks. In addition, an alarming 41% are skipping, or planning to skip meals.

These decisions are understandable when money is short and bills are rising. But are Britain's workers storing up problems for the future?

It's an issue that employers should be keeping a close eye on.

It's not only physical health at stake. By cancelling family days out and meetings with friends – and by choosing not to go on holiday – the risk of burnout and poor mental health could also rise.

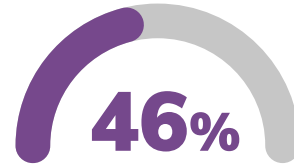
With 38% of employees choosing to work from home to save money and 16% admitting skipping work, it's clear the cost-of-living squeeze could have an impact on the workplace - and on employee performance - long into the future if not addressed.



What does this mean to businesses?



Think their employer cares about the impact of the increased cost of living



Would tell their employer if they were struggling financially

These statistics provide a double impact for businesses and HR departments.

They suggest almost half of employees feel their employer doesn't care about how the cost-of-living squeeze is hurting them - and just as many wouldn't tell their boss if they were struggling with finances.

The clear risk for businesses is that they may be unaware of the numbers suffering - and therefore failing to support them.

- Only 41% of women would tell their employer if they were struggling financially (compared to 50% of men)
- 3 in 4 employees think that their employer should support them with the increased cost of living. For women, the figure is 78%

Paul Shires' verdict

A conundrum for employers

"It's hard to know which is most concerning for businesses – the fact that employees are reducing spending on healthcare to cope with the cost-of-living squeeze, or that half think their employer doesn't care about it.

"Even for employers who do show they care; how do they know when their people are suffering? Especially when less than half of employees say they would tell their boss. The figure is as low as 41% for women.

"The important aspect here is for businesses not to assume that an improving economic outlook since the peak of the cost-of-living crisis, including lower inflation rates, means support for employees is no longer a priority. What these statistics show is that the impact of a cost-of-living squeeze is going to be felt a long way into the future. Not least because employees are sacrificing spend on health – and on family activities that support mental health and reduce stress."



Perry Timms' verdict

Be a safehouse for your employees

"These statistics underline that anxiety around the cost of living could have long-term implications. So, how can businesses provide some hope?"

"As human beings, we need comfort. But mostly we need hope, activism and positive impacts.

"As employers, we can strengthen the use of programmes and discounted incentive schemes and reframe and change the way we are "being" about this ongoing, pervasive and complex crisis by openly recognising people's ongoing challenges.

"By doing so, we can become everyone's safe house – simply by showing that care is what makes a company also a community. If employers are action-oriented and not just bystanders to the challenges of life, we can change the way that statistics in the Britain At Work Report look in future."

01

02

03

04

05

06



05. Conclusion and advice from Jacqui Carr

This report has delivered key statistics around the impact of a cost-of-living squeeze on employees in the UK. These include:

- 78% are still worried about the cost of living
- 45% are more worried, or much more worried than last year
- 54% say the cost of living has impacted their ability to do their job - up from 48% last year
- 68% of people worry about money at least every week
- Only 46% would tell their employer if they were struggling financially
- 76% have reduced spending on routine healthcare to cope with the cost-of-living

The clear conclusion is that the cost-of-living squeeze is continuing to hurt UK employees in 2025, despite lower inflation and rising wages since the peak of the crisis.

There is also evidence that these issues have the potential to impact performance at work – and to result in long-term health and mental health complications for many employees.

For employers, it's a wake-up call that their people need help and support more than ever before.

The rising cost of living presents a chance for employers to make a real difference. Start by listening to the needs of your employees through surveys or open forums. Offer tangible support, like cost-of-living bonuses or meal vouchers, to ease financial stress. Prioritise holistic wellbeing with enhanced benefits, mental health programs, and financial education.

Embed care as a core part of your culture and demonstrate your commitment to financial and workplace wellbeing with initiatives such as:

- Flexible working – home working and / or flexible hours can reduce travel and childcare costs
- Sustainability – demonstrate that your organisation is avoiding waste and unnecessary costs, encourage employees to use ALL the food they buy and move away from single use items by recycling / upcycling
- Car sharing – encourage car sharing or active travel which can save money and also have a positive impact on mental health and physical wellbeing

The perception is that the 'crisis' is over. But the Britain At Work Report shows that, in reality, people are still suffering – and could be for years to come if nobody is there to help. Employers have an opportunity to turn these challenges into meaningful change, creating workplaces where employees feel valued, supported, and empowered to thrive.

01

02

03

04

05

06

06. Report contributors

Jacqui Carr

CEO, Health Shield Friendly Society

Jacqui joined Health Shield Friendly Society in 2022 as CEO. A visionary and inspirational leader with expertise in business transformation and human resources, Jacqui is highly experienced in delivering transformational change through sustainable, results driven strategies within regulated operating environments, across various industries including financial services and travel.



Paul Shires

Commercial Director, Health Shield Friendly Society

Paul joined Health Shield Friendly Society as Commercial Director in 2021 and is responsible for propositions, marketing and distribution. A chartered director with over 35 years of experience working in financial services, he has served as an executive in the mutual health insurance sector for 15 years, working across Asia, North America, Australia and Europe.



Perry Timms

Founder and Chief Energy Officer of PTHR

Perry has over 30 years of experience in business change and performance, with the last 21 in HR/Organisation Development. He ranked Number 1 in HR's Most Influential Thinkers 2022 (his fifth inclusion in that list) and is now in the HR Most Influential Hall of Fame. He is a four-times Engagement 101 Global Influencer and will publish his third book this year. Perry is a Chartered Member of the CIPD, a Fellow of the RSA and in 2024 was honoured with a Lifetime Achievement Award for his work in self-managed, democratic organisations, and a Global Culture Icon Award.



Find out more, visit

www.healthshield.co.uk