



The Effect of Inflation: Comparison of research data from the 1970's to a recent study in 2023

Better Statistics CIC/AMSR/Opinium Research Ltd

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The Archive of
Market and Social
Research



Purpose of Research

- The reasons for conducting general population research into the effect of Inflation were :
 1. To understand who is most affected by inflation in 2023
 2. Compare results with MR data from the 1970's, to see what can be learned
- Part One of this report addresses the first objective
- Part Two compares the data that we have from the 1970's period of high inflation



Part 1

2023: Who is affected most by Inflation?

Source: Opinium Political Omnibus, August 2023





Who is affected most by Inflation in 2023?

- The common ‘understanding’ is that it is the poor, and women with children who bear the brunt of inflation. Can this ‘understanding’ be quantified?
- We analysed those who said they were finding it more difficult to make ends meet than a year ago, and those who have saying they had cut down on food ‘a lot’
- In both cases it is women with children on a low household income who are most likely to agree. Though the numbers are high for all groups
- As an interesting political observation it is clear that many of those who voted Conservative in 2019, and now find themselves worse off than they were a year ago, are not planning to vote Conservative again



% Finding it 'more difficult' to make ends meet compared to a year ago

| | Total | No Children Total | No Children <£25K | No Children £60K+ | With Children Total | With Children <£25K | With Children £60K+ |
|-------|-------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Men | 50% | 49% | 54% | 41% | 53% | 63% | 44% |
| Women | 58% | 57% | 59% | 50% | 64% | 73% | 53% |

- Q4a. Regarding your own family circumstances, do you find it easier to make ends meet, more difficult or have things stayed the same compared to a year ago?
- Analysis by gender, whether have children under 18 or not, and Household income
- Women are finding it 'more difficult' generally than men
- **Three quarters of women in the poorest households** are finding it 'more difficult'
- Source Opinium Political Omnibus August 2023 – note Unweighted data



Q5a Thinking about food, have you cut down or given anything up because of the cost of living crisis? % Saying they have given up 'a lot'

| | Total | No Children Total | No Children <£25K | No Children £60K+ | With Children Total | With Children <£25K | With Children £60K+ |
|-------|-------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Men | 20% | 17% | 21% | 8% | 28% | 43% | 23% |
| Women | 27% | 25% | 30% | 15% | 36% | 42% | 26% |

- Analysis by gender, whether have children under 18 or not, and Household income
- Both Men and Women in the poorest households with children say that they have cut down on food 'a lot', with c90% of both men and women in this segment saying they have cut down on food 'a little' or 'a lot'
- Interestingly this finding contrasts with qualitative data from the 1970's where women implied that they and the children would 'go without' – but the husband, as breadwinner, would be protected.



Thinking about, have you cut down or given anything up because of the cost of living crisis?

| Year 2023 | TOTAL | MEN | WOMEN |
|-----------------|-------|-----|-------|
| FOOD | | | |
| Yes – a lot | 23% | 19% | 27% |
| Yes – a little | 52% | 50% | 54% |
| Net - YES | 75% | 69% | 80% |
| | | | |
| NON FOOD | | | |
| Yes – a lot | 25% | 21% | 29% |
| Yes – a little | 48% | 47% | 49% |
| NET - YES | 73% | 67% | 78% |

- If we look at both food and non-food we see that women more likely to be making sacrifices than men, though overall figures are high for both genders
- (Source: Opinium Political Omnibus August 2023 – Weighted data)



Do you think your family are better off, worse off or about that same as you were a year ago?

| Year | 2023 Total | Current Voting Intention: Cons. | 2019 Vote: Cons. |
|----------------|------------|---------------------------------|------------------|
| Polling Co. | Opinium | Opinium | Opinium |
| Better | 10% | 11% | 10% |
| Worse | 59% | 44% | 54% |
| About the same | 28% | 41% | 35% |
| Don't Know | 2% | 2% | 2% |

- Additional analysis is required – but it's clear that the large numbers of people who voted Conservative in 2019 and do not intend to vote Conservative in the next election are those are feeling 'worse off' than a year ago' (Source: Opinium Political Omnibus August 2023 – Weighted data)





Part 2

Comparison of 2023 results with 1970's data from the Archive of Market and Social Research





Introduction: comparing the effect of inflation in the 1970's with now

- In some ways it doesn't seem useful to compare the experience of inflation in the 1970's with that of inflation today
- The world was a very different place in the 1970's: we were much less affluent; women with children tended not to work; they had 'housekeeping budgets'; meals were cooked from scratch and families sat down to them; children played outside, not on video games; men didn't do the shopping; we were a lot thinner and we smoked a lot more
- But some of the effects **are** the same: the effect of inflation is much greater on the less well off, now as it was then, and it is women who still tend to bear the burden of 'doing without' to lessen the effect on their children and families. Though there is some evidence that men share the burden now more than in the 1970's



Summary: Inflation and Inequality

- In 1975 only 24% of those with higher than average household income said they were worse off than a year ago compared with 40% of those with below average income*
- However inflation was so bad that by 1977 even the better off were really feeling the pinch, with more than 53-55% of all income groups feeling worse off
- In August 2023 59% of all households are already feeling worse off – though inflation is half what it was in the 1970's.

*Ave Income was c £2570

** Source NOP 1975 & 1977, Opinium 2023





Summary: Inflation and Women

- We don't have quantitative data on the effect of inflation on women in the 70's – though the qualitative evidence is very clear*. And inflation was definitely a key factor which led to more women entering the workplace in the following years
- In 2023, we see from the Opinium Omnibus that women are more affected than men
 - 58% finding it more difficult to make ends meet vs 49% men
 - 27% having had to cut down on food vs 19% men

*An example: In September 1975 a *Times* headline announced, "Poorest wives are getting poorer". Husbands pass on less than half their pay rises to their wives for housekeeping, according to a survey of 4,000 readers of *Woman's Own*. One mother in five had no increase in a year of 25 per cent inflation, the survey shows. One in three of the poorest wives on £10 a week or less had no increase in her housekeeping allowance. Two wives in five find it difficult to keep up with food prices (Source NOP Poll)



Historical Comparisons

- The following tables show quantitative data from the AMSR archive on inflation in the 1970's compared to the same questions asked on the Opinium Omnibus in August 2023
- The questions asked are shown on the following slide
- Unfortunately the same questions were not asked in the 1980's although inflation was still at 10% in the early 80's



Historical comparisons – Comparable questions from the 1970's asked in 2023

1. How well do you think the government is progressing in keeping prices and wages under control?
2. Is your family income the same as last year, or more, or less?
 - 2a. When did you last receive an increase in any pay or pension you receive?
3. Do you think you and your family are better off, worse off, or about the same as you were a year ago?
4. Regarding your own family circumstances, do you find it easier to make ends meet, more difficult or have things stayed the same compared to a year ago?
5. Thinking about food, have you cut down or given anything up because of the crisis?
6. And have you given up anything else because of the crisis? (treats, holidays, clothes, etc)
 - 7a. if yes at Q5 or Q6: What have you yourself given up or done without?
 - 7b. if yes at Q5 or Q6, and Children in family: And what have your children had to give up or go without?
8. Who in your family is most affected by the crisis?
 - 8a. Why do you say that?
9. Who or what do you think is to blame for the crisis?



Inflation and wages

Inflation figures from Bank of England Inflation Calculator

Wages figures from ONS Wages and Salaries Annual growth rate

**In every year except 1976 and 1977
growth in wages exceeded inflation**

**By the end of the decade wages had
increased by 30% more than Inflation**

| Year | Inflation | Wages |
|-------------|-----------|-------|
| 1960 - 1969 | 3.6 | 6.6 |
| 1969 - 1970 | 5.9 | 11.9 |
| 1970 - 1971 | 8.5 | 9.5 |
| 1971 -1972 | 6.7 | 12.4 |
| 1972 - 1973 | 8.9 | 15.3 |
| 1973 - 1974 | 14.7 | 18.3 |
| 1974 -1975 | 22.1 | 29.4 |
| 1975 -1976 | 15.3 | 12.3 |
| 1976 - 1977 | 14.7 | 10.6 |
| 1977 -1978 | 7.5 | 14.3 |
| 1978 -1979 | 11.0 | 17.3 |
| 1979 - 1980 | 14.7 | 18.6 |
| 1980 -1981 | 11.3 | 7.5 |
| 1981 - 1985 | 5.6 | 7.4 |
| 1986 -1989 | 4.0 | 10.1 |





How well do you think the govt is progressing in keeping prices and wages under control?

| Year | 1971 | 1980 | 2023 |
|--------------------------|-------------|------|---------|
| Polling Company | Harris Poll | NOP | Opinium |
| Very/Quite well | 25% | 24% | 16% |
| Not very/Not at all well | 72% | 72% | 78% |
| Don't Know | 3% | 4% | 6% |

- Interesting that the public opinion of how well the govt is performing is lower now than in 1970 and 1980. In the 1970's the government was perceived to be actively involved via the 'Social Contract'



Is your family income the same as last year, more, or less ?

| Year | 1973 | 1975 | 1977 | 2023 |
|-----------------|------|------|------|---------|
| Polling Company | NOP | NOP | NOP | Opinium |
| Same | 32% | 25% | 33% | 37% |
| More | 55% | 57% | 44% | 31% |
| Less | 10% | 12% | 18% | 29% |
| Don't Know | 3% | 6% | 5% | 3% |

- The perception of the effect of inflation on family income is greater in 2023.
- This is because throughout the 1970's, although Inflation was high, in most years wage-rises outpaced inflation. Whereas in Aug 2023, Real wages have declined c 1% in the last 12 months





Do you think your family are better off, worse off or about that same as you were a year ago?

| Year | 1973 | 1974 | 1975 | 1977 | 1985 | 2008 | 2014 | 2023 |
|----------------|------|------|------|------|------|---------------|---------------|---------|
| Polling Co. | NOP | NOP | NOP | NOP | NOP | Lord Ashcroft | Lord Ashcroft | Opinium |
| Better | 13% | 13% | 16% | 8% | 35% | 15% | 18% | 10% |
| Worse | 44% | 43% | 35% | 54% | 28% | 44% | 37% | 59% |
| About the same | 41% | 42% | 45% | 36% | 35% | 39% | 43% | 28% |
| Don't Know | 2% | 2% | 4% | 2% | 0% | 2% | 1% | 2% |

- People perceive themselves more badly off in 2023 than they did in the 1970's when inflation had been much higher for several years .- because pay-rises generally outpaced inflation in the 1970's
- Only in the heady '80s did a high proportion of people really think they were better off than a year ago.



Regarding your family circumstances, do you find it easier to make ends meet, or more difficult, or have things stayed the same compared to a year ago?

| Year | 1973 | 1974 | 1975 | 1977 | 2023 |
|-----------------|------|------|------|------|---------|
| Polling Company | NOP | NOP | NOP | NOP | Opinium |
| Easier | 7% | 7% | 9% | 5% | 7% |
| More Difficult | 67% | 61% | 49% | 66% | 54% |
| About the same | 24% | 31% | 37% | 26% | 37% |
| Don't Know | 2% | 1% | 5% | 3% | 3% |

- Views in 2023 are similar to those in 1975 (when Inflation was much higher than now) .
- The question is perhaps dated, People have much more money to spare now





Causes of Inflation/ Who is to blame

- In the 1974/1975 NOP quant. surveys the causes of inflation and then the most important causes were asked. In the CRAM qual surveys respondents were asked who they thought was to blame. In the 2023 poll we asked who is to blame.
- In 1974/5 it was general world issues – prices of food and raw materials – there had been an oil crisis in the early 70's. Decimalisation, joining the Common Market, and the Trade Unions were also blamed as causing Inflation.
- In 2023 the Govt is held to blame by the highest percentage



Who is to blame: 1974 quotations

- *“It's difficult to say who's to blame for rising prices-I'm not very much up on anything like that”*
- *“Decimalisation was the biggest con you ever saw. The shopkeepers and manufacturers must have made a bomb then. Something at 7d suddenly became 7p”*
- *“They're trying to bring us into line with the Common Market and going in has put the prices up an awful lot”*
- *“There's great profiteering – the great combines – not the small shopkeepers”*



Q9. Who or what do you think is to blame for the crisis?

| Year | 2023 Opinium |
|-----------------|-----------------|
| Government | 61% |
| War in Ukraine | 51% |
| Covid | 45% |
| Brexit | 44% |
| Bank of England | 28% |
| Supermarkets | 26% |
| Globalisation | 18% |
| Trade Unions | 16% |



'Cutting down' or 'Giving up' things because of the crisis

- We do not have a direct comparison between the 1970's and 2023. In the 1970's we have quotes from focus groups, in 2023 an open-ended question. Some typical quotations are given on the next 2 slides.
- There are few differences to be observed in these examples.



What women/children gave up: 1974

CRAM qualitative research

"Eggs used to be for breakfast. Now it's a meal."

"If I buy five chops , I give two to my husband, give the three kids one each, and buy myself a hamburger - they're only 5p each."

"My little girl goes tap dancing. She could go 3 times a week, but she goes once. She says: "why can't I go 3 times?" I can't afford to send her - it's four bob a time."

"I used to enjoy having a Woman or Woman's Own, but I've stopped that because it's ridiculous - I begrudge paying for it. And the children used to get two comics , now they only get one."

"We used to go out regularly for a meal, but not now."

"We haven't even thought of going on holiday this year."

"If they've done some thing to their trousers I pounce straight away and say "They cost enough - be careful". I wouldn't have bothered to say it before, but lately I'm a bit fed up with paying a lot for things, and then having them come home and something's happened to them. I'm more irritable now, I am, seriously."

"You try and let it not affect your children too much - you try and give them a sweet when they come out of school same as they've always had ... but you know you really can't afford it."



What Children have given up: 2023

Opinium Political Omnibus - verbatims

- *Cinema trips, eating out, take outs, days out, less family time outside and more indoors. Less social time with friends as costs spiral.*
- *No TV or heating on in daytime. No dessert after tea. No eating at restaurants. No cinema. No presents or treats.*
- *Less heating, less eating out, less family days out, no more pets and she really wants guinea pigs or mice.*
- *Days out, cinema nights, treats, new clothes, Xbox subscriptions, I've also stopped pocket money as I can't afford it anymore.*
- *Nothing, I have given up what I have needed to to ensure my children are not affected as drastically as other children.*