



The Work Couch

NAVIGATING TODAY'S TRICKY PEOPLE CHALLENGES TO
CREATE TOMORROW'S SUSTAINABLE WORKPLACES

Episode 2 – Cost of living crisis with Kelly Thomson

Ellie Hi and welcome to the Work Couch Podcast: your fortnightly deep dive into all things employment, brought to you by the award winning employment team at law firm RPC. We discuss the whole spectrum of employment law with the emphasis firmly on people. Coming up in this episode we discuss how the cost of living crisis is impacting diversity, equity, inclusion and belonging and we look at how businesses can support employees. My name is Ellie Gelder. I am a senior editor in the employment equality and engagement team here at RPC and I will be your host as we explore the constantly evolving and consistently challenging world of employment law and all the curve balls that it brings to businesses today. We hope by the end of this podcast you'll feel better prepared to respond to these people challenges in a practical, commercial and inclusive way. Today, as the world continues to weather the storm that is the cost of living crisis we shine a light on how increasing levels of financial hardship are having a significantly disproportionate effect on people from diverse communities and importantly, how business leaders and people managers can take meaningful action to alleviate this

I am delighted to be joined on the work couch today by our very own Kelly Thomson, partner in RPC's employment, equality and engagement team and the firm's ESG lead. Kelly leads our DEIB work for clients and she's passionate about helping businesses to achieve genuinely inclusive cultures where diversity, equity and belonging are paramount. Hi Kelly, thanks so much for joining me today on The Work Couch.

Kelly Thanks so much for having me, Ellie.

Ellie Thank you. So just to start off there's some really quite shocking statistics on how some people are feeling the strain from the cost of living much more than others. So I'm just going to read out a few of these as I think it really provides some context to this issue. So according to the New Economics Foundation think tank their research has found that black, Asian and ethnic minority households are on average, 1.6 times more affected by the cost of living than white households and polling by the TUC suggests that the LGBTQ+ pay gap remains at around 16% while the disability pay gap in the UK stands at 17.2%. Now that actually effectively means that workers with disabilities are earning around £3,700 less than their non-disabled colleagues. So in reality according to the TUC, they're working 54 days a year for no pay. I could go on but I think for now Kelly it's fair to say that there are some really unique challenges for those from different communities.

Kelly Yeah that's absolutely right Ellie, I mean, if we kind of look for a minute at workers living with disabilities you mentioned this, the disability pay gap, which is a pretty stark number, it's over 17% and you know the first question for me when I hear a figure like that is well why, what's causing it and I think it's quite clear that this is a sort of structural issue, this is about systemic barriers and we know that, you know, disabled workers find themselves quite often in low paid work, in part time jobs, in jobs that aren't maybe particularly secure

and then there's the kind of compounding effect because that in turn means that those people are not going to have the same level of access to job opportunities as workers who don't live with disabilities might do. So that then affects their earning ability and career progression, and you can see these sorts of layers upon layers of systemic challenges building on each other.

Ellie Absolutely. So, before the cost of living crisis even gathered pace, there were already massive barriers faced by workers living with disabilities and then this has been compounded by the fact that their disability benefits may have been cut or they've certainly not increased in line with inflation.

Kelly Yeah and not to mention the increased impact of fuel and food poverty. I always remember this article I read right at the start of the pandemic, I think it was in The Guardian newspaper, and it was talking about Covid and it described Covid as a situation where we're all on the same river but we're not in the same boat and it just really stuck with me. I think as a description of, actually of any sort of challenge or crisis in relation to DEIB, the impact of it, but it applies equally to this cost of living crisis doesn't it, you know, for many disabled people just sticking with that particular community, there are visible challenges that a person might face but there's also lots of challenges that, you know, aren't immediately apparent to their friends, colleagues and therefore their employers. So I mentioned sort of food and fuel poverty and if you think about for the disability community, all those kind of day to day expenses that they're already disproportionately facing and they've rapidly become more prohibitive, so some of them, you know, I've been reading about, and lots has been written about this recently, which itself is a good thing, we're starting to recognise these disparities more openly right, but some of them you might not think about like, you know, if you've got an electric wheelchair, that needs charging, electricity is more expensive. Actually your disability itself might make it harder to shop around for the best deals on food or fuel or anything else and then you know lots of disabilities might make it challenging to take public transport, you know, there are physical disabilities but also let's say if you're a person who is neurodivergent and you have a sensory processing disorder, you might find the noise and the lights of public transport too overwhelming so you're going to need to travel by car, that's more expensive etc. But pre all of the current crisis and the current sort of astronomical rise in inflation, the charity Scope, the disability charity, did some work looking at what extra expenses do people with disabilities have. For things like the sorts of things we've been talking about, you know, charging mobility scooters, petrol, heating, dietary requirements and the average additional expense for a disabled person was £583 a month but for one in five disabled people it was £1,000 extra a month and that is before all of what we're talking about.

Ellie Goodness.

Kelly Exactly so you can immediately see the challenge that we've got to address.

Ellie Yeah. As you said earlier all those layers that you might not always see going on behind the scenes and The Resolution Foundation recently reported that the number of people of working age who are reporting that they have disabilities, that's jumped from 17% in 2013 to 23% in 2022 so that's a staggering rise of over 2.6m people so this community's needs are, they're going to be a priority for people teams across all businesses. But what sort of support then might they be asking for? Are there any red flags to watch out for?

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- Kelly** Yeah, I think that, just picking up what you were saying, it absolutely is a priority for people teams so I think I would add to that as well actually, it should be a priority for anyone with a leadership or kind of people management role. We talk about this a lot don't we in our team about...
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- Ellie** Yeah
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- Kelly** Fundamentally if you're leading or managing people it's a privilege and a responsibility right and I think doing that properly requires you to understand those people as the individuals that they are and present and so, you know, that kind of overarching part really, it's sorting recognising, yes this cost of living crisis is impacting everyone but for some of you people like people with disabilities that we were talking about just now, that impact may well be disproportionate. To your question Ellie about red flags, there's a brilliant piece published by the Business Disability Forum which we can link to in the show notes because it's got such good guidance in it and one of the things they point out is, you know, for disabled employees or people who might have recently become disabled so you might not know that they are as an employer or a manager, look out for things like them asking for an increase in working hours if they've been working part time because of these additional financial concerns that we're talking about and similarly you might find a kind of, a worrying pattern of people trying to return to work after being poorly sooner than perhaps the medical advice would recommend if they've run out of sick pay or run out of full pay sick pay. So those sorts of things it's just kind of be mindful of like the extra stress and the pressure that that kind of mental juggle brings for that person.
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- Ellie** Yeah absolutely. And touching on that point, the mental strain, that leads us on nicely to the issue of mental wellbeing because we know a person's mental health is often affected by their financial hardship.
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- Kelly** Absolutely and that article I mentioned, The Business Disability Forum one, they flag this as well and you know one of the things that we're always taught to look out for from a people management perspective is sort of uncharacteristic behaviour in your people and again that for me is why it's really important to know your people because you can't know what's uncharacteristic if you don't really focus on what's "normal". You know, for somebody it might becoming withdrawn or quiet or you can tell that they've been crying. For others it might mean people who are more sort of irritable or even aggressive and that's obviously an extra challenge with remote and hybrid working you know you need, as a manager, to be sort of hyper-vigilant and some of the things we talked about a lot at the start of the pandemic continue to be relevant really. Things like you know people who never put their camera on, on calls and people who maybe seem like they're trying to hide that they're perhaps distressed or there have been physical changes even, things like weight gain might indicate depression. Uncharacteristic again, it's that word, uncharacteristic requests for extra hours or overtime or declining invitations to social events, the kind of things that might be because they're withdrawing, could be because they're worried about the financial side of things and you can see, and again it's different for different people, some people you might find are asking to work from home permanently because they're worried about the cost of travelling to and from the office. Others might be coming into the office or to the workplace, more often because then you know, it's that kind of reducing the cost of heating etc at home. You know, no employer can remove the cost of living crisis of course but I think there is a lot that you can do to

support and sort of ease some of those burdens if you're mindful and aware of them in the first place really.

- Ellie** I think that's it isn't it? it's being really aware and mindful and it's really using your emotional intelligence as well to spot those red flags. Can we look at the specific issues that the LGBTQ+ community are experiencing. So I mentioned the pay gap for that community and as with people living with disabilities, this community also faced huge work place barriers again, well before this crisis.
- Kelly** Yeah, that's so true. I've got to mention more research, I'm such a geek Ellie, you and I are such geeks.
- Ellie** Research is great.
- Kelly** We love reading a bit of research don't we? But I actually think it's really important in this space story because you need that combination of individual lived experiences. That's really important. It's also helpful I think sometimes, to zoom out and see, you know what, this isn't an isolated issue, this is something that applies across a community and on the LGBTQ+ community side of things, people management did some research in 2019, so pre the current situation and the recent situations that we've been through, and even then, as you said Ellie, it was pretty stark and it was quite a comprehensive survey, they looked at about 4,000 workers across the UK in a whole range of different jobs and ultimately they found that there was a LGBTQ+ pay gap of 16%. So that's essentially, if you're in that community, as a worker you're earning around £6,700 less than your colleagues who aren't in that community. And they also found, a really worrying statistic that about a quarter of the LGBTQ+ respondents to this survey said they weren't open about their sexuality at work, they were kind of hiding, and three in ten of them thought they feared that they would be judged by their colleagues if they were open and that to me is really worrying because that suggests that there are all sorts of other barriers and gaps and concerns as well as the pay gap that we can measure but there are also some other ones that maybe we're not measuring and can't measure and that was pre-pandemic and you'd think well on one level, if you had your glass half empty sort of head on you might think well, you know, we've had two years of people being more open, bring their whole selves to work, kind of recognising the human in our employees etc. maybe that's changed but unfortunately the TUC that you mentioned earlier, they did some research back in last summer, so summer 2022, and they found the pay gap was still lying at around 16% and they also found that as many as one in five work places didn't have any policies in place to support their LGBTQ+ staff and maybe I shouldn't say this as a lawyer, as an employment lawyer, but policies like that they're not going to fix this but you've got to ask yourself, you know, if you don't even have a policy how are you ever going to get to the point of making those behavioural, practical changes and systems that are needed to support your people because you haven't even sort of put pen to paper to start on that journey.
- Ellie** Exactly.
- Kelly** Yeah, it's quite concerning.
- Ellie** Really, really stark figures and this community are also struggling in unique ways in this economic climate so let's look at how they're struggling now.

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- Kelly** Many trans people from a cost of living perspective, they're having to choose between eating and getting their hormones to be, you know, to be able to live and present in the identity that is theirs and then there are things that might not be immediately apparent if you're not part of that community, like the closure, the threatened closure of lots of gay clubs because of stuff like the increasing energy prices for all hospitality businesses and there's a worry that quite a lot, you know, up to a quarter or more even of the nightlife venues in the UK are expected to close in the next few months and for that community that can provide a really safe space where people can express their identities and be themselves. There's a really important role that that sort of venue plays and again it's kind of removing that physiologically safe space. So, there's a compounding of all of these things happening at the same time I think.
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- Ellie** Yeah, as you said earlier you know, if people can't feel like they can be themselves at work and they then don't have that place to be themselves that's really compounding it, isn't it?
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- Kelly** Absolutely.
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- Ellie** So, we've looked at just two communities. We don't have time to go on, but I think it's really important to stress at this stage the importance of the intersectional nuances here.
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- Kelly** Yes.
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- Ellie** It's not separate groups, it's...
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- Kelly** Yeah.
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- Ellie** those nuances.
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- Kelly** Humans. Yeah.
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- Ellie** Yeah.
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- Kelly** That's so true. It's a really fine balance to strike actually because it is important to kind of appreciate and understand the specific challenges for individual communities like sort of the conversation we've been having and that's really important. But it's also critical to I suppose, see your people as people, you know we're all weird and hopefully wonderful combinations of our characteristics, our backgrounds, our experiences and so on and so you can't, you know, there's a danger if you focus too much on a particular characteristic that you're effectively, ironically boxing somebody in. But the sad reality is for that intersectional point that you mentioned Ellie, you know, I think of it as you know, the more minority or marginalised probably is the better way to describe it, the more marginalised characteristics you have, the more barriers you will inevitably face in our society and therefore in the workplace because the workplace is part of society right. So, my experience as a white woman is not the same as if I was a black woman or if I was a black woman with a disability and it's recognising this and not sort of treating each group as a homogenous group is really important. And the other point is that you know, just to understand how those different identities and challenges intersect with each other and then create by that intersection sort of unique experiences of prejudice and of challenge really.

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- Kelly** There's a campaign group here in the UK Pregnant Then Screwed and they did some quite wide-ranging research in the summer last year, looking at the cost of childcare and they said, you know, that is particularly bleak if you are a member of the black African Caribbean or black British group as a parent in this country. 10% of those people who'd responded were saying they would have to skip meals to pay for formal summer childcare and that was compared to sort of 3.6% of everyone else. That's quite a stark difference in lived experience and I just think it's important to be really mindful of that when we're trying to design solutions or at least these to help mitigate that we're actually not doing that in a vacuum or in a bubble.
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- Ellie** Absolutely and I came across a really interesting article on The Voice where a lady was talking about her experience as being black, disabled and a woman and I thought what she said really struck a chord. So, she said "I exist at the intersection of all of this dis-privilege and these three marginalised identities despite being well presented, living as a black with a disability means people just find it very difficult to do the cognitive gymnastics that they need to do to also understand that I am incredibly vulnerable" she adds. So, it's just being mindful isn't it and making yourself do the cognitive gymnastics frankly.
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- Kelly** Absolutely. Being empathetic right. Empathetic.
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- Ellie** Yeah.
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- Kelly** ... leadership, trying to put yourself in someone else's shoes but also listen to them about...
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- Ellie** Exactly.
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- Kelly** ... their experience of being in their shoes.
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- Ellie** Absolutely yeah. Listening to their voices, their unique voices. So how are workers viewing the support that their employers are offering in response to this sort of, this issue where the cost of living is disproportionately impacting some people more than others?
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- Kelly** Yeah. There's a bit of a challenge here I think for all of us as employers. There was some research, our favourite, that found that only 5% of employees felt like their employer was doing enough to support to them through the cost of living crisis.
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- Kelly** So, at the very least there's a perception gap, you know, even if as an employer, you're doing absolutely everything you can, chances are on the basis of this research anyway, that not all of your people appreciate or agree. So even if you've got loads of fantastic things, perhaps they're not being communicated properly and then there will be some employers for whom genuinely there is more that could be done perhaps, should be done at least in communicating where you can't do things and ideally perhaps in doing more if that's possible to you from a financial and everything else perspective. I think we've got a war for talent, I hate that phrase, war for talent but I mean it's just the reality in pretty much ever sector I think and so we can't really, as organisations afford to ignore this gap.

- Ellie** Absolutely yeah. It's going to have a detrimental impact on retention, recruitment and engagement as well as general worker morale. So would you say it's fair to say that actually we should be seeing this cost of living crisis as a really important opportunity to make sure that DEIB actually works its way to the top of the business agenda as a top priority and stays there?
- Kelly** Yeah. I do think the cost of living crisis is an opportunity as you said Ellie, to kind of bake DEIB into every part of the business, it just becomes part of the DNA, becomes part of how decisions are made, becomes part of how each person in the organisation does their job. Ultimately it needs to become more BAU, I always use the example of finance, you know, you don't, in pretty much every organisation, certainly every profitable and financially kind of healthy organisation, you won't just have a finance department that deals with finance, of course you will have those experts and those specialists who do that but you'll also make sure that everybody in the business understands what their role is in relation to the financial health of the organisation and plays their part and I think DEIB needs to be like that so I know how to further this in running a meeting, I know how to further this in performance management, I know how to further this in my engagement with the outside world etc. etc. and I think getting it right, it's not an option, but it is also a business opportunity. We should think of it with its positive head on, if we get this right we not only help our people, we also are best able to sort of grow, sustain our businesses, it's kind of a win-win.
- Ellie** So, just to sum up then Kelly, what would your three key takeaways be for those who really want to do something to address this problem?
- Kelly** Am I only allowed three? No, I will keep it to three.
- Ellie** You can have four if you want.
- Kelly** It might be worth that classic quote, was it George Bush who was like each of them had about four different parts, but I'll try not to do that.
- Ellie** Yes, don't do that.
- Kelly** I won't. I think my first one is about, it's the kind of people, human piece I think, understand your people's real life lived experiences, you know, most or many large organisations have got employee networks, employee resource groups, talk to them, they're such a valuable resource for understanding the reality of people's lives and working lives and also as well as that be alive to the sort of intersectional challenges. So that's my first one. For parts A, B and C, which is all about people and being sort of, you know, people literate I suppose. And then the second one is around, thinking about baking, kind of, financial equity into your DEIB programs and strategy. Be canny, think about you know, people's wealth gaps, pension gaps, you can measure that. These are things where data can be really powerful. Think about gaps in access to opportunities within your organisation, within your sector and what you can do to improve and support that again within your business or perhaps within your sector, can you get together with other organisations and look at sectoral level kind of advancements and opportunities and then finally I would say be really active and proactive about fostering a sort of physiologically safe work environment. If you want to be able to support your people, the

first thing is creating an environment where they can be who they are, thinking back to that statistic of how many people don't reveal their sexual orientation at work.

Ellie Yeah.

Kelly That suggests to me that lots of environments for those people don't feel physiologically safe and that's a real missed opportunity.

Ellie Absolutely. I think there are some brilliant takeaways there Kelly. So thank you so much for giving us such a detailed insight into how this crisis is impacting DEIB and importantly for providing some brilliant practical ideas for our listeners to consider using as part of their D&I efforts

And if you want to learn more about how organisations are navigating this particular aspect of their DEIB journey, do look out for the second part to this podcast when we'll be joined by Elaine Wrigley, head of people experience and inclusion at clothing retailer New Look and fully signed up member to the British Retail Consortium's D&I charter who is going to tell us about how New Look is supporting its staff through the economic crisis, the initiatives that she's found work most effectively and the lessons she has learnt. . If you'd like to revisit anything we discussed today you can access transcripts of every episode of the work couch podcast by going to our website www.rpc.co.uk/theworkcouch or if you have any questions for me or any of our speakers or perhaps you've got suggestions of topics you'd like us to cover in the future please get in touch by emailing us at theworkcouch@rpc.co.uk, we'd really love to hear from you. And finally, if you enjoyed this episode we'd be super grateful if you could spare a moment to rate, review and subscribe and please spread the word by telling a colleague about us. Thank you all for listening and we hope you'll join us again in two weeks.



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