More in Common

How can Labour tackle Britain's cost-of-living crisis?

E.ON | Resolution Foundation

Introducing the seven segments

The British seven segments were developed to move beyond traditional left-right or party-based analysis by exploring the deeper psychological, cultural, and value-driven foundations that shape public opinion.
This approach helps explain why political loyalties have fractured and offers a more nuanced understanding of what drives attitudes on issues like immigration, climate, and the economy—enabling more effective engagement with the public across a fragmented political and social landscape.



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Progressive Activists



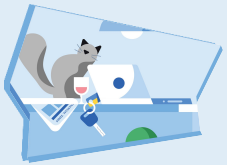
...an outspoken group that is politically engaged and globally minded, championing social justice but feeling alienated from mainstream politics

Incrementalist Left



...a group that leans left and trusts institutions, often stepping back from the news and avoiding politically fraught debates

Established Liberals



... a prosperous group that is confident in institutions, values expertise, and believes the system broadly works

Sceptical Scrollers



...a disengaged group that has lost trust in mainstream institutions and increasingly looks online for sources of truth

Rooted Patriots



...a patriotic group that feels overlooked by elites and wants leaders with common sense to protect local identity

Traditional Conservatives



... a nostalgic group that respects tradition, authority and personal responsibility, while remaining sceptical of rapid change

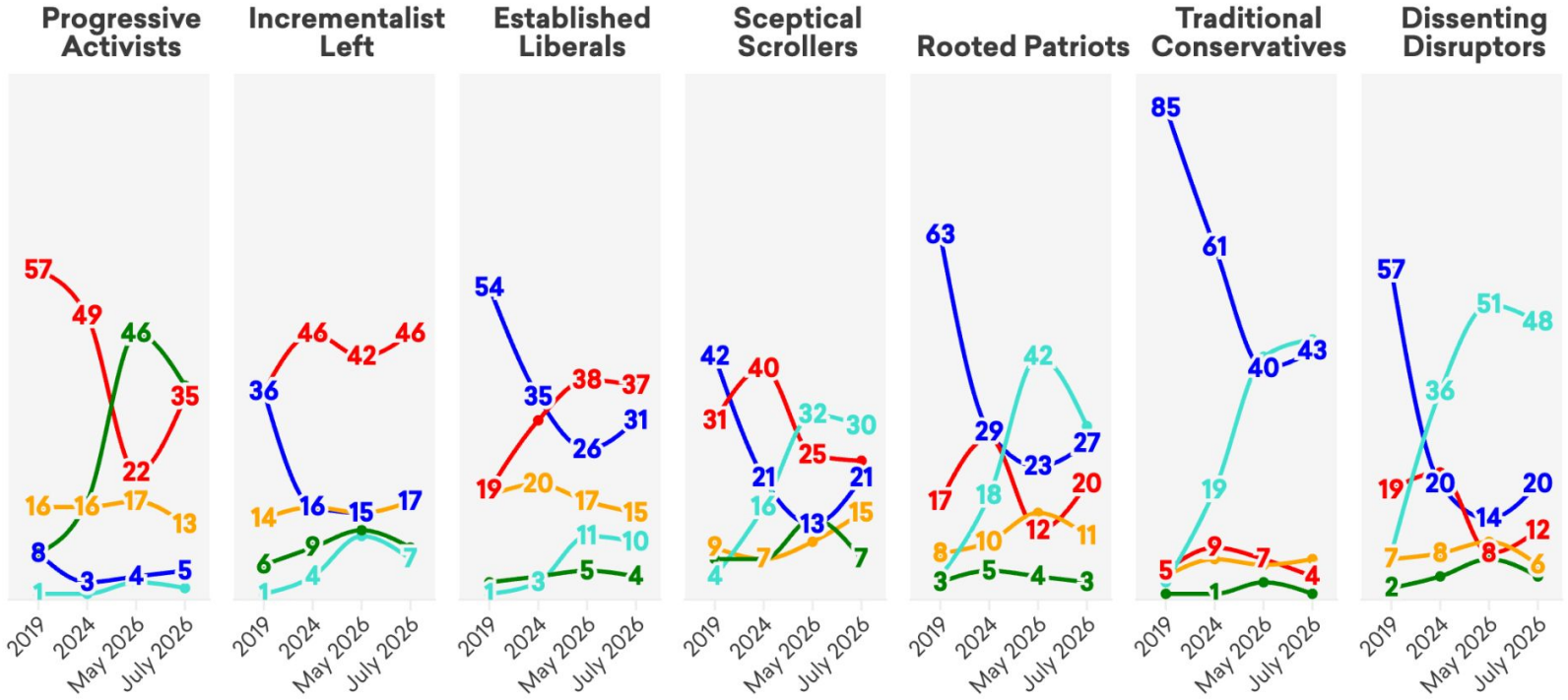
Dissenting Disruptors



... a frustrated group that craves radical change and backs strong leaders who promise to shake up a broken system

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Historical voting habits of the seven segments



Labour's 2024 GE coalition

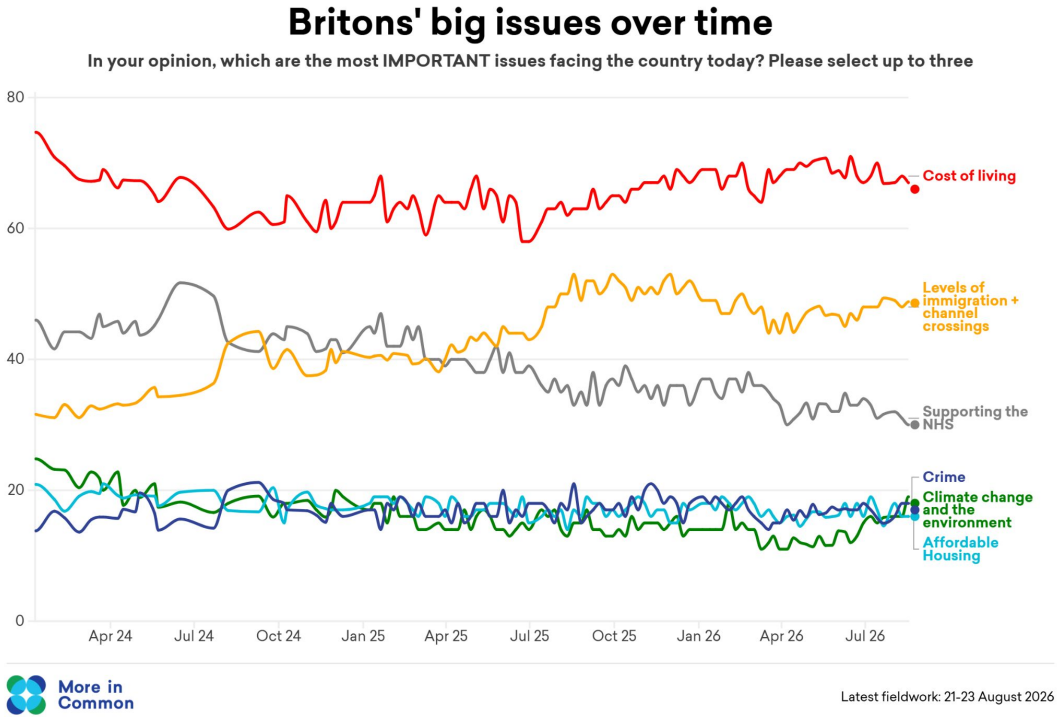
Cost of living has been the defining issue for multiple governments

Almost seven in ten Britons name the cost of living as the biggest issue facing Britain today. This has been consistent since the pandemic.

To many Britons, what was the ‘daily struggle’ has become years on end of exhaustion.

> *I think people are more worried about money in the pockets at the minute. And so (climate change) has taken a bit of a back seat unfortunately (...) there won't be a world for us to have if we don't tackle it (...) But I do think people have been so distracted by the current situation of the cost of living.*

Claire, social worker, Huddersfield



Inflation as the Government killer

The cost-of-living crisis, throughout Keir Starmer's premiership, was the issue of most salience for the public. At the same time, it was one of the issues on which Labour was seen as performing worst.

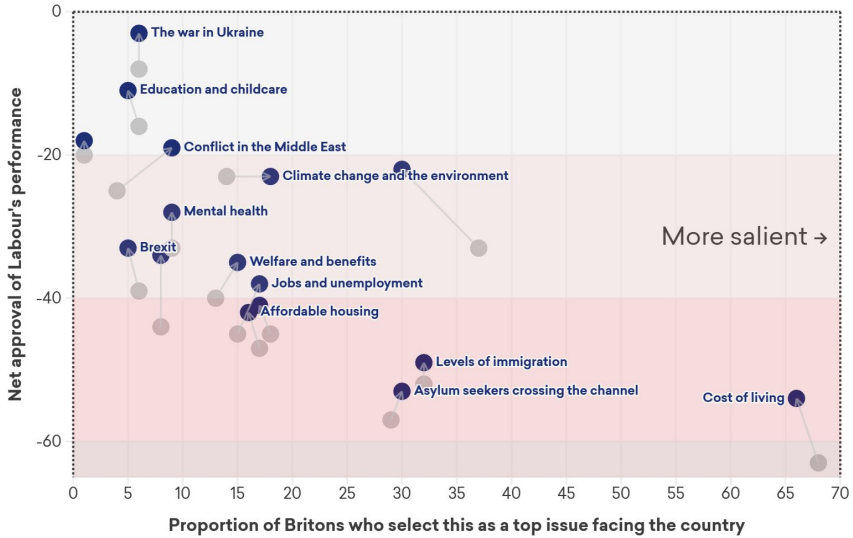
While Burnham's approval ratings are higher than Keir Starmer's and the party is enjoying a bounce in the polls, overall the public do not trust any party to tackle the cost of living crisis and think that not enough is being done to support them.

It feels like a lot of the time it doesn't matter about people that perhaps are you lower income, you're perhaps from more deprived areas, that kind of thing. And instead of the help side being there, it just sort of gets pushed aside".

Ellie, Dog photographer, Sheffield

The Government's ratings improved on every issue between February and August

Net performance rating against issue salience. Arrows run from February 2026 to August 2026.



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Labour perform best with those on the highest income

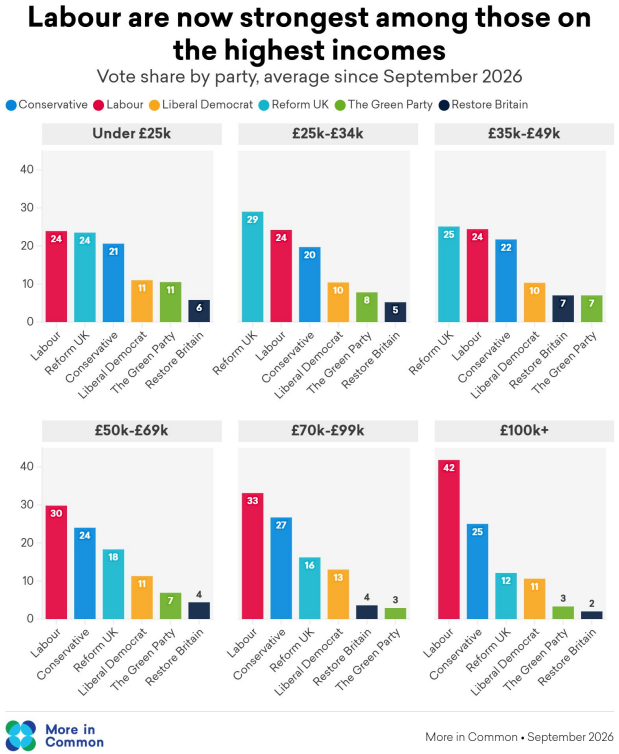
Labour currently out perform with those on the highest salaries, but underperform with those on lower salaries.

The public's view that Labour is unable to tackle the cost-of-living crisis damages the Government's credibility in two main ways.

First, it creates the feeling that politicians are out-of-touch, and don't understand that the cost of living is the biggest issue facing the public today.

Second, is the perception that the Government does not have the capability to tackle the biggest issues facing Britons, whether it understands them or not.

This ultimately drives the anti-system sentiment upon which Reform and the Greens have made gains.



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A broken economy feels like a broken system

I mean, in my role in the industry that I'm in, I've been in over 20 years and it doesn't get easier.... I seem to feel I have to work harder to achieve the financial side of what I'm aiming for and struggling with the work-life balance. It's a lot harder. And yeah, I thought as I got older, it would become a bit easier, but it seems to be the opposite."

Magda, property manager, South London

There's no point working more hours, because the tax man gets it all (...) why should people be penalised for grafting, while there are people sitting on their ass."

Chelsea, social worker, Hull

It's about not chasing to earn as much as you can just to have a semi-decent life... A six-figure salary used to get you a house, now it's just getting you by."

Alex, electrician, South London

I'm frustrated by the money side of it sometimes. I mean, I work hard for what I get. I'm really dedicated to my job, but unfortunately, our customers, 99% of them do not work. And don't get me wrong, some of them, it's very justified. They need those top-ups, the PIP and whatever else, but it amazes me how easy they get that. I have some young girls who are coming out with not much less than what I am for working and they're not doing anything... nothing. I find that really, really frustrating."

Lisa, housing officer, Manchester

Energy bills and food prices are the top concern in the cost of living

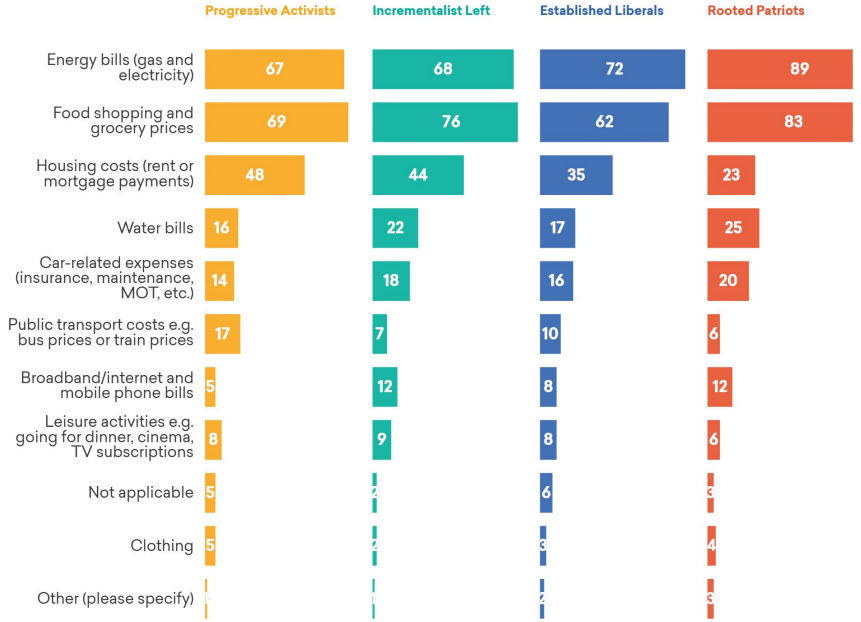
The two costs which are of the highest concern to Labour's coalition, and the public in general, are energy and grocery bills.

Over half of Britons say that they have been turning on the heating less to help meet the cost of their energy bills. Three in ten say they have cut back on going out. A quarter are cutting back on their weekly shop to make ends meet.

Solutions to the cost of living most urgently need to be seen to address these two key areas of pain experienced by the British public.

Energy bills and food shopping are the two costs which cause the greatest levels of concern among the public

Which of the following are causing you to be most concerned about the cost of living at the moment? Please select up to three.



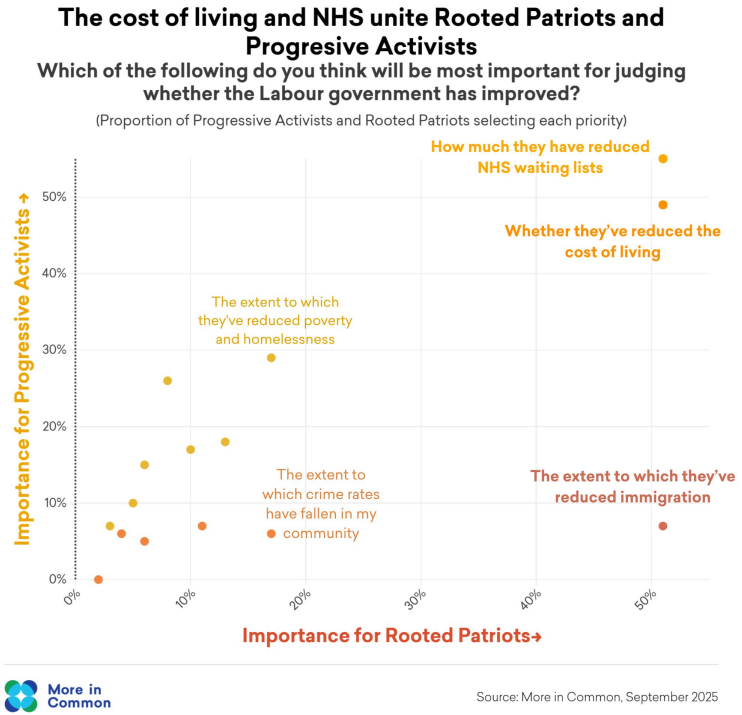
Source: More in Common • March 2026

Cost of living matters to both flanks of Labour's coalition

Looking at the Progressive Activists and Rooted Patriots specifically, both again are united in wanting to see the Government take bold action on the cost of living.

These segments make up the right and left flanks of the Labour Party's support base. While they have very different views on social issues such as immigration, they are united in prioritising government action to tackle the cost of living.

In other words, the cost of living has the potential to be a glue that holds together the wings of Labour's coalition.



short term fixes alone aren't popular...

When testing a series of policies to deal with the cost of energy in the UK, the cancellation of debt was the least popular. This one-off debt cancellation is seen as being less effective than other measures for dealing with the cost-of-living crisis. In conversations people describe these payments as 'scratching the surface' of the current issue.

Instead, the public favours policy that makes long-term changes to the production, pricing and delivery of energy in the UK.

That is not to say that early measures from the Burnham Government - for instance removing VAT from electricity bills - are unpopular, quite the opposite. Instead voters want short term measures to lead to longer term change.

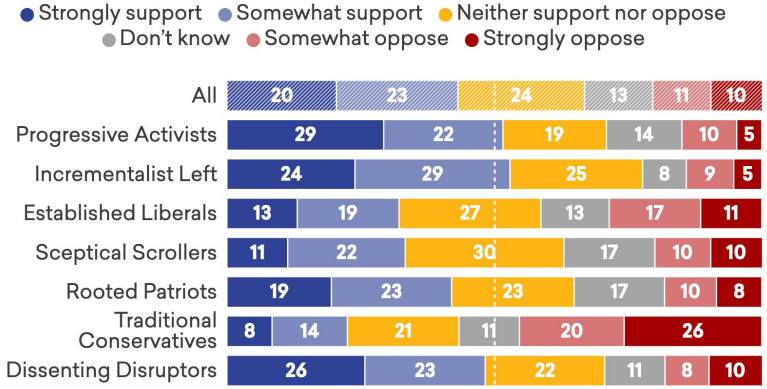
> *The UK right now is not really focusing on trying to improve the lives of the next generation, essentially, the people who are going to be building it in the future.*
>
> **Izaac, Systems developer, Birmingham, Progressive Activist**

> *We need to look at where we're getting our energy from and strike better deals with those countries. We also need to generate more of our own energy.*
>
> **Simon, energy administrator, Liverpool, Incrementalist Left**

Less than 45 per cent of Britons would support an energy debt cancellation

This is a policy that a government could potentially implement to try and deal with a rise in energy prices caused by the war in Iran. To what extent would you support or oppose this policy?

"A one-off cancellation of energy debt for all households, with every household (including those with no debt) saving £50 as the cost of unpaid debt would no longer be spread across all bills"



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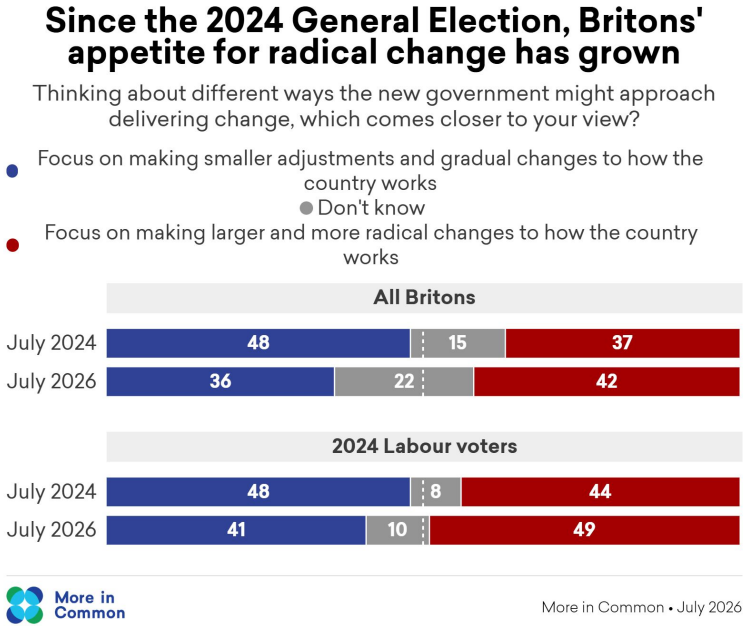
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Britons increasingly want radical change to address the country's challenges

The cost of living has, for many Britons, ultimately resulted in struggle and sacrifice – making the prospect of rolling the dice for radical change and relief more appealing.

If mainstream parties such as Labour are going to tackle this 'burn it all down' sentiment, they have to demonstrate they can bring about structural change to the economy that makes life feel easier and more affordable.

While signals from the Burnham Government around subscription fees, bus fares and VAT on electricity buy him the Government its own breathing space, this will not last forever.



I think what they seem to have said is that they've managed to create a long-term plan, but a long-term plan is not what people really care about. They want things to be happening now."

Reagan, youth worker, Sheffield, Progressive Activist

There's no spare money now for anything fun, basically. If the kids need some clothes or stuff for school … or if I want to go out for one evening out, then my husband will stay in that month."

Stacey, insurance officer, Birkenhead, Rooted Patriot

Coming up tomorrow...

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MENTAL HEALTH FOUNDATION

Too anxious to work? Why work is failing young people's mental health - and how to fix it

Tuesday 29 September

09:15 to 10:15

Derwent Arena Room, Secure Zone, ACC



Alexandra Topping
The Guardian
(Chair)



Luke Tryl
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Alison McGovern MP
Minister for Social Care and Mental Health



Patrick Hurley MP
Member, Work and Pensions Committee



Alexa Knight
Mental Health Foundation

The solar panel: How do we deliver the benefits of solar to homes and businesses?

10:45 to 11:45 · Derwent Arena Room

Response to the leader's speech 2026

17:30 to 18:30 · Derwent Arena Room

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