

ARTICLE

# Beyond individual responsibility – towards a relational understanding of financial resilience through participatory research and design

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## Abstract

This paper contributes to an increasingly critical assessment of a policy framing of ‘*financial resilience*’ that focuses on individual responsibility and financial capability. Using a participatory research and design process, we construct a ground-up understanding of financial resilience that acknowledges not only an individual’s actions, but the contextual environment in which they are situated, and how those relate to one another. We inductively identify four inter-connected dimensions of relational financial resilience: *infrastructure* (housing, health, and childcare), *financial and economic factors* (income, expenses, and financial services and strategies), *social factors* (motivation and community and family), and the *institutional environment* (policy and local community groups, support and advice services). Consequently, we recommend that social policies conceptualise financial resilience in relational terms, as a cross-cutting policy priority, rather than being solely a facet of individual financial capability.

**Keywords:** financial resilience; relationality; participatory research; participatory design; community; public policy

## Introduction

Resilience in the context of financial or economic hardship (which we refer to as financial resilience) has become the subject of increasing attention in academia and public policy worldwide, especially in the light of the financial shocks and policy responses of the 2008 financial crisis and, more recently, the COVID pandemic and the so called cost-of-living crisis (Andres & Round, 2015; Dagdeviren et al., 2015; DeVerteuil & Golubchikov, 2016; Dagdeviren & Donoghue, 2018; Erdem & Rojahn, 2022; McKnight & Rucci, 2020; Salignac et al., 2019; Sun et al., 2022). Financial resilience is now widely used as a frame for assessing how able individuals are to withstand financial or economic shocks, such as a sudden expense or loss of income and, in research, is often linked to financial indicators at an individual level, such as financial literacy or level of savings and debt (see e.g. Clark et al., 2020;

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Demertzis et al., 2020; Erdem & Rojahn, 2022; Lusardi et al., 2020; McKnight & Rucci, 2020; Sun et al., 2022). This mirrors the policy focus where financial resilience has been mostly incorporated into a financial capability agenda (Finney, 2016). Financial capability in the UK is largely conceived as the ability of individuals to ‘manage money well’ (Money & Pensions Service, 2023), while US definitions broaden the understanding to include both the skills to navigate life financially as well as an individual’s access to the right financial services (Sherraden, 2013).

Framing financial resilience primarily as a measure of an individual’s capability and engagement with financial services concentrates on what *individuals* can do to help themselves and their households, but gives little attention to the social, economic, and institutional context of individual and household finances. As Harrison (2012, p. 99) puts it, financial resilience in its current policy use ‘depoliticizes and shifts responsibility for dealing with crisis away from those in power. It also creates an expectation that people *should* “bounce back”’. However, an increasingly critical view of this policy framing draws attention to the importance of the structural, institutional, and social conditions that can enable or hinder resilience (Abbi et al., 2023; Andres & Round, 2015; Dagdeviren et al., 2015; Dagdeviren & Donoghue, 2018; McKeown et al., 2021).

We use a participatory research and design process with community researchers and local partners to inductively construct a ground-up understanding of financial resilience that emphasises this relationality. Our core contribution is to identify four inter-connected dimensions of what we describe as relational financial resilience: *infrastructure* (housing, health, and childcare), *financial and economic factors* (income, expenses, and financial services and strategies), *social factors* (motivation and community and family), and the *institutional environment*, shaped by policy on a larger level and community organisations and advice services more locally.

Within each dimension, we explore current strategies employed by individuals to manage their financial lives as well as the barriers they perceive. Rather than viewing financial resilience as something that individuals alone need to build and be accountable for, financial resilience as experienced by the participants in our study is dependent on, built within, and supported or hindered by the four dimensions we identify. Our findings emphasise the relationality between individual strategies and broader, exogenous structural, social and institutional factors, as well as the relationality between those factors themselves. We suggest adopting this relational view within social policy, in turn emphasising that enabling financial resilience requires policies and interventions that go beyond strengthening individual financial capability alone.

The remainder of the paper is laid out as follows: Firstly, we review existing literature on financial resilience, particularly as this relates to the context of policy making. We then describe the research design, methods, sampling, and data collection that we undertook within two community research projects conducted in Bristol, United Kingdom, before going on to detail the key findings induced from these and their policy implications.

## Background

In recent decades, the concept of resilience – originally a term in ecology (Holling, 1973) – has increasingly been adopted in the realms of social and economic science and policy. As mentioned in the introduction, the term ‘financial resilience’ is usually used to describe how individuals or households are able to deal with

financial or economic shocks, such as a sudden expense or the loss of income. Accordingly, studies into financial resilience often converge on specific financial indicators of individuals or households to describe resilience. For example, Lusardi et al. (2020) explicitly link financial resilience to financial literacy, correlating financial literacy with the ability to come up with \$2,000 in one month (p.185) as a core indicator. Similarly, an intra-European study of the financial resilience of households (McKnight & Rucci, 2020) used the characteristics of those households and indicators of savings and debt held as their measure of resilience.

The focus in policy has been similar. The UK Money and Pension service for example includes financial resilience as a part of its conceptual framework of financial capability – defined broadly as the extent to which individuals have the skills and attitude to plan financially day-to-day and for the future, as well as manage unexpected events (Finney, 2016). Similarly, the UK Financial Lives Survey assesses resilience by asking participants how easy they would find buffering a financial shock or recollection of their last shock (Financial Conduct Authority, 2021). In the US, the definition of financial capability is broadened to include not only an individual's actions, but also how financial institutions engage with and serve those individuals – defined by Sherraden as 'a person's *ability to act* with their *opportunity to act*' (2013, p. 4). Nonetheless, even in the US, the National Financial Capability Study (NFCS) assesses access to financial services in terms of products owned by individuals and how they have been used, defining financial resilience<sup>1</sup> as the 'lack of capacity to deal with an unexpected expense' (Lin et al., 2022, p. 5).

These framings of financial resilience have drawn criticism. Firstly, as Dagdeviren et al. (2015) point out, the notion of one-off shocks that individuals bounce back from inadequately describes the reality of those households who are battling with chronic economic adversity, not necessarily always in poverty, but always in danger of falling into this. Golubchikov (2011) uses the term 'persistent resilience' to describe an active and dynamic process through which individuals and communities engage with and continuously negotiate more enduring and lasting financial challenges. Béné et al. (2012) challenge the assumption that bouncing back always results in a return to a status quo and identify three resilience capacities: (1) *absorptive capacity* (as the ability to use coping mechanisms to mitigate or prevent the impacts of negative events), (2) *adaptive capacity* (as the ability to adjust and change in preparation for future shocks), and (3) *transformative capacity* (as the ability to create a fundamentally new system or opportunity when shocks get too large to cope with).

Secondly, while Holling's original definition understood resilience as the ability of a system to respond to change, financial resilience remains largely understood as being an individual's responsibility. The predominance of individual agency and responsibility can be seen as being positive as it acknowledges the resourcefulness of individuals when faced with adversity (Hoggett, 2001). However, newer empirical research highlights the limits of individual strategies: structural forces were found to have constrained households' agency in responding to the 2008 economic crisis (Dagdeviren & Donoghue, 2018), and variations in household characteristics such as levels of savings and debt can at least be partly linked back to differences in financial institutions, welfare states, and cultural norms across countries (McKnight & Rucci, 2020). Likewise, public funding for community infrastructure has been

found to be essential for individuals to develop social networks and relations that they in turn rely on for building financial resilience (Andres & Round, 2015). Focusing on individual agency or capacity alone can come at the expense of acknowledging the structural, institutional, and relational factors that influence resilience and, as DeVerteuil and Golubchikov (2016) warn, risks shifting responsibility from the state to the individual, such that ‘Needy people and regions can be cast off under the cynical pretence that they are ostensibly resilient’ (p. 145).

In response to the points raised above, Dagdeviren et al. (2015, p. 4) call for a focus on understanding the ‘social conditions of resilience’. Looking at the evolution of the term resilience more generally, the field of psychology is informative in that respect: early studies focused on individual traits for resilience (Southwick et al., 2016), but it was subsequently found, as Secombe (2002, p. 385) put it, that ‘The widely held view of resiliency as an individual disposition, family trait, or community phenomenon is insufficient. (...) Instead careful attention must be paid to the structural deficiencies in our society and to the social policies that families need in order to become stronger, more competent, and better functioning in adverse situations’. In response, studies went on to identify different factors that contribute to psychological resilience at different levels – individual traits (both inherent and learned), social support (e.g. friends and family), and the external system (e.g. demographics, health care, teachers) – and highlighted the intrinsic relationality between these factors (Afifi, 2018; Howard, 1996; Liu et al., 2017; Southwick et al., 2016).

In this spirit we identify dimensions of financial resilience from a relational perspective to develop and add specificity to what we describe as ‘relational financial resilience’ as our core contribution. In doing so we build on a small but important emerging body of work that acknowledges the importance of structural and exogenous factors relating to financial resilience (Abbi et al., 2023; Salignac et al., 2019; Vaughan & Frankenberger, 2018), here for the first time exploring this through an empirical, inductive and participatory study. In doing so we are able to add specificity to the dimensions and factors that enable or hinder financial resilience grounded in the lived experience of participants and partners.

## Method

We adopted an inductive approach to explore and investigate the social construction of financial resilience, underpinned by a philosophical paradigm that combines constructivism, interpretivism, and pragmatism (see Grix (2016) for definitions). Our aim was to highlight the perspectives and lived experiences of our research participants, while focussing on the problem to be researched and the real world application of that research (Feilzer, 2009). To achieve this, we drew on principles of participatory and community-based research and design, co-leading both projects with community researchers and local partners, prioritising mutual learning, and using an iterative process focused on generating ideas and policy-relevant recommendations (Banks et al., 2013; Bustamante Duarte et al., 2018; Di Salvo et al., 2013; Guta & Roche, 2014).

### **Research focus and partners**

Over the course of 2022, we conducted two participatory research and design projects to explore the lived experience of financial resilience and to develop community-driven ideas to help foster this. In our first project, we partnered with Boost Community at the Wellspring Settlement, Bristol, UK, a collective of advice services with the mission to empower residents of Lawrence Hill, one of Bristol's most diverse and low income wards (BCC, 2021). We worked with four community researchers – two women and two men – all of whom are residents of Lawrence Hill, (former) clients of Boost and migrants to the UK. In our second project, we extended this first study to allow exploration of the lived experience of mothers, as women are known to particularly face the stress of managing the household budget on limited resources (Howard & Bennett, 2021). Here we partnered with the Great Western Credit Union (GWCU), the majority of whose borrowers are mothers on low incomes (BCU, 2021), and three community researchers – all mothers, one a GWCU team member, one a GWCU client, and one a mother not affiliated with GWCU. Both studies received ethical approval from the University of Bristol.

### **Interviews and co-analysis**

Interviews were led by community researchers after two initial training and introduction sessions. Noting the lack of empirical research in this space, we used an exploratory, semi-structured interview format that allowed participants to focus on the areas related to financial resilience that mattered most to them. Rather than directly asking for the participant's understanding of, or attempts to build, resilience, community researchers and the participants created a visual map of the participant's financial life, outlining income, expenses, shocks, and responses, as well as their worries and hopes for the future.

Using these maps and including reflections from community researchers, we subsequently induced key themes during several co-analysis sessions. We started each session with community researchers recounting their interviews and main takeaways, then used facilitation techniques to encourage the group to challenge each other's accounts, discuss similarities and differences, and highlight overarching themes. Once themes had started to emerge, we mapped these out on a growing mural on the wall – noting down links, moving them around, adding and removing with each session and as further interviews were undertaken.

Following the analysis, the group held several sharing and design sessions, whereby community researchers presented their findings to participants, suggested opportunities for change, and brainstormed and prioritised ideas for action with members of the partner organisations. These are outlined in the concluding section of the paper.

### **Participant sampling and demographics**

Community researchers employed a purposive sampling approach to recruiting participants from their own and partner's networks. In both projects, we encouraged researchers to recruit participants of different ages, ethnicities, and household composition. In the Boost project, participants were residents of Lawrence Hill

**Table 1.** Participant demographics

	Total	Boost	GWCU
Total participants	32	16	16
<b>Gender</b>			
Male	5 (16%)	5 (31%)	0
Female	27 (84%)	11 (69%)	16 (100%)
<b>Age</b>			
18–24	1 (3%)	1 (6%)	0
25–44	13 (41%)	7 (44%)	6 (38%)
45–64	14 (44%)	7 (44%)	7 (44%)
65+	4 (13%)	1 (6%)	3 (19%)
<b>Ethnicity</b>			
Asian	1 (3%)	1 (6%)	0
Black	15 (47%)	7 (44%)	8 (50%)
White	13 (41%)	5 (31%)	8 (50%)
Arab	1 (3%)	1 (6%)	0
Mixed	2 (6%)	2 (13%)	0
<b>Household</b>			
Single	7 (22%)	4 (25%)	3 (19%)
With partner or parents	3 (9%)	1 (6%)	2 (13%)
With partner and children	11 (34%)	7 (44%)	4 (25%)
With children	11 (34%)	4 (25%)	7 (44%)
<b>Employment</b>			
Employed	14 (44%)	4 (25%)	10 (63%)
Self-employed	3 (9%)	2 (13%)	1 (6%)
Unemployed or long-term sick	10 (31%)	8 (50%)	2 (13%)
Retired	4 (13%)	1 (6%)	3 (19%)
Student	1 (3%)	1 (6%)	0
<b>Disability</b>			
Yes	7 (22%)	6 (38%)	1 (6%)
No	19 (59%)	10 (63%)	9 (56%)
Health issue	4 (13%)	0	4 (25%)
N/A	2 (6%)	0	2 (13%)
<b>Housing</b>			
Own	17 (53%)	4 (25%)	13 (81%)
Rent – private	0	0	0
Rent – council	15 (47%)	12 (75%)	3 (19%)

(Boost's area of focus) while the GWCU recruitment focused on mothers only (GWCU's focus). We did not stipulate participants be drawn from specific income or wealth brackets, this being sensitive information for our participants. This allowed for a more free and open discussion about participants' financial lives that disclosure may have hindered. However, all participants had some experience of financial struggle and the challenges of building financial resilience.

Community researchers interviewed sixteen participants in each project, i.e. thirty-two in total (Table 1). Because of the intentional focus on mothers in the GWCU project, we oversampled women (twenty-seven), many of whom were single mothers, and thus the findings in this article are more likely to represent a woman or mother's perspective than a male one. As is apparent in Table 1, the sample itself also differed between projects with Boost participants more likely to be unemployed, have a disability or health condition, and live in social housing.

## Results

We induced ten factors relating to financial resilience that we group within four overarching dimensions: infrastructure, economic and financial factors, social factors, and the institutional environment<sup>2</sup>. Within and across these dimensions we uncovered strategies employed by participants to actively try to build financial resilience, as well as external barriers limiting their ability to do so. Ultimately these create a web of 'relational financial resilience' that combines and entangles the actions and strategies of individuals with key dimensions in their external environment. Figure 1 shows these dimensions as conceptualised during the co-analysis sessions: financial resilience as a tree, rooted and grounded through strong infrastructure but equally dependent on financial, economic, and social factors to grow and thrive, and impacted overall by the institutional environment in which it lives.

While we identified broadly the same dimensions and associated factors across both projects, each project provided additional and more nuanced insights into the experiences and strategies of participants within different contexts and as a result of their different demographics: participants within the Boost project showed the lived experience of a diverse community with high rates of vulnerability while the GWCU project added an additional gender perspective – highlighting the experience of mothers within each dimension and the additional barriers or challenges they might face.

In the following sections we describe and synthesise each of the dimensions and associated factors in turn, using quotes and vignettes from participants to illustrate their experiences and highlighting commonalities and differences across both projects.

### *Infrastructure*

Having robust infrastructure emerged as an essential foundation of financial resilience. We identified three associated factors – housing, health, and childcare and support – as fundamental building blocks of infrastructure, which in turn influenced expenses, opportunities to gain income, and ways of building community support.

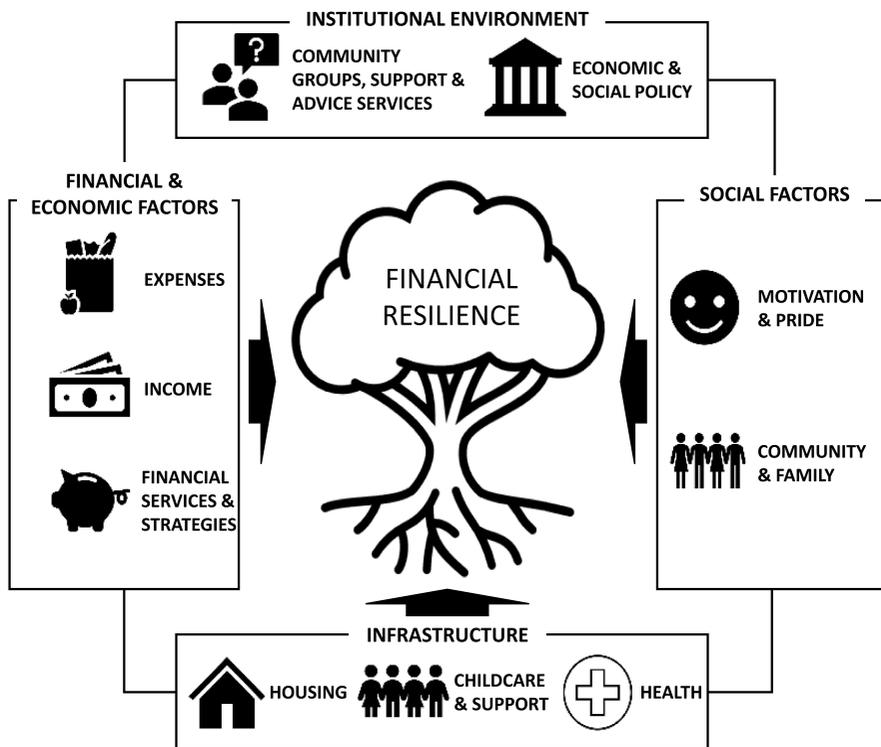


Figure 1. The financial resilience tree.

### Housing

Those participants whose housing was inadequate – primarily those living in social housing – described the impact substandard housing could have in terms of costs and health. Saeed\*(All names marked with \* have been changed to ensure participant anonymity.), a man in his sixties living on his own in social housing, spoke of needing constant use of a fan or dehumidifier to prevent the damp in his flat from affecting his health. However, the cost of this was a persistent worry, as he felt little able to afford this, and so was constantly tracking his rising electricity costs. Overcrowded accommodation also undermined financial stability: Farah\*, a single mother with four young children, was currently living in a two-bedroom flat, limiting storage space and thus her ability to benefit from discounts for buying in bulk and increasing costs to replace items that her children – cramped in a small space – would break.

Conversely, for homeowners, owning a property was seen as a basis for security, offering both freedom and an investment that could be passed down to children. While some noted the financial sacrifices that were needed to pay off a mortgage, or related maintenance costs, almost all felt this was worth it.

### Health

Across both projects, good health emerged as another foundation of financial resilience. Health was considered a priority, and poor health could increase expenses whilst simultaneously limiting opportunities to gain income. Sarah\*, mother to a son with a physical disability, described the additional costs of providing a special diet, and only partially funded physiotherapy for him, along with her inability to go back to work, as she felt unable to balance this with her caring responsibilities. Jacinda\*, a single female pensioner of Asian descent, had needed to reduce her working hours in the years before retiring due to health issues, which had impacted her pension. She was now unable to live off her pension, despite also receiving disability benefits, and was therefore still working part-time. She noted how her health issues left her too tired to cook after days working, which in turn increased her expenditure as she then opted for take-away food.

Participants also spoke of the impact of poor health on *managing* finances, finding it difficult to focus on financial management when their health was low and in turn believing their health to be negatively affected when struggling financially. Joanne\*, a young single mother, was clear about the link between her mental health and financial struggles. She had turned to private therapy to manage her mental health, but, when unable to afford the expense during the previous year, had ended up in a downward mental spiral that at the time of the interview had led to rent arrears and serious debt:

‘It makes me feel trapped. It’s a never-ending cycle. I’m at a deficit every month. I don’t open my letters (. . .) I don’t open my door (. . .) It’s just a hole that you drown in. (. . .) I lose my health if I worry about it, so I don’t think about it. I ignore it which is equally not good. (. . .) My financial problems have come when I’m in a really depressed state. I can’t address one without also addressing the other.’

### Childcare and support

Parents in both projects cited a lack of suitable and affordable childcare and support for children’s expenses as a key cost factor and a fundamental barrier to increasing income and, in some instances, building a supportive network. Childcare responsibilities generally fell heavier on mothers and impacted on their ability to earn: either preventing them from working more hours or – especially for those who would likely only be able to access low-paid work with irregular hours – preventing them from working at all. Jodie\*, who recently separated from her husband, described how childcare was both a major expense for her and a limiting factor for her income:

‘I’ve had a lot of issues with my childminder and her being ill or not being able to have my little one. That affects obviously how much I can work. (. . .) My Mum and Dad live close by and they help out and that’s made a big difference for the cost, but it’s still a massive chunk. I basically don’t come out with much at the end of the day if I pay for childcare.’

### *Financial and economic factors*

Stable and manageable expenses, a predictable and sufficient income, and targeted financial services and support stood out as key financial and economic factors influencing financial resilience. We saw the impact infrastructure could have on each of these – inadequate housing or health needs increasing expenses while lack of childcare or health issues limited income – but also the link to social factors, with community and family being an important source of credit and financial support for many.

#### *Expenses*

As interviews were conducted mostly in the spring of 2022 at the start of the UK ‘cost of living crisis’ with inflation increasing rapidly, the impact of already rising costs as well as fear of what was to come, was palpable across both projects. Along with energy costs, participants identified food as a major expense. For homeowners with access to storage space, bulk shopping and batch cooking were two ‘go-to strategies’ to manage and reduce food costs, as Veronica\*, a mother of two adult children, shared:

‘With gas and electric going up, I’ll make enough for meals to go in the freezer – saves me time and saves money by saving energy. In the winter, we go to a farm shop, we buy the big fifty-two pound sack of potato (. . .) between me and my children (. . .) and then when they start to go off, I just use them up and freeze them. That’s cheaper than going to the supermarket.’

Participants in the Boost sample who mostly lived in small spaces without sufficient storage space saw little opportunity for them to further decrease food expenses.

#### *Income*

For most participants, their primary source of income alone was insufficient to cover increasing costs. Instead, they were juggling a variety of income sources, for example combining state pension with additional work, working multiple jobs, getting support from family members, or claiming various in-work benefits. Josie\*, a single mother and retired social worker, described complementing her two small pensions with part-time work, as well as taking in exchange students to gain an income sufficient to cover expenses.

These challenges were even greater for participants who had immigrated to the UK. Without the resources or support to gain or recognise their qualifications, only low-paid opportunities were open to them. Zainab\*, a mother of five, had worked as a teacher before coming to the UK and told us of her plans to go back to university to receive her teaching qualification, but that she had been unable to do so due to a lack of childcare and instead worked part-time in a lower paid job. Hassan\*, a single father of two teenage daughters, was hoping to transition from working as an Uber driver to a better paid role as a heavy goods vehicle driver instead, but didn’t know where to turn to get support to cover the cost of driving lessons.

### *Financial services and strategies*

Participants spoke at length about the effort it took, the multiple strategies employed by them, and the variety of services (e.g. current accounts, savings, debt) they relied on to manage finances within constrained budgets – using several accounts for different purposes, tracking all incomings and outgoings on a list, using an app, cash savings, carefully dipping into but not going over their overdraft, taking out informal and formal loans, or managing food shopping so that pantries were never empty at the end of the month when cash had run out. For those able to do this successfully, this was an important source of pride. But others felt the strain of the constant juggling – echoing the connection between managing finances and health. Julia\*, a single mother nearing retirement age, described both the pride and the cost of constant financial management:

‘I get by by the skin of my teeth. (...) I never had gas cut off, electric cut off. Never. (...) I had to make sure that the biggest bill, or the biggest debt I owed (mortgage) was paid. (...) By the time I got to fifty-four, I suffered burnout. (...) I’d like my financial life to be that I could just manage and didn’t have to penny pinch and be quite so frugal. That you got enough. But I’m not sure that’s gonna happen.’

Attitudes amongst participants to credit differed: For participants such as Farrah\*, credit was a lifeline and source of safety:

‘I use credit cards and overdraft. (...) (I pay them back) bit by bit. When they send me a letter, then I pay that, then another one. (...) Sometimes, I borrow from my sister (...). There is no interest when she loans me. Sometimes when I need to pay back overdraft, she gives me the money and I pay back the bank (...) I’m very proud to manage myself (...). If my children want milk, want food, I’m not empty handed, I’ve never been empty handed. (...) You have to because you got children.’

Others said they would use credit only in emergencies or for large expenses and prioritised paying it off as soon as possible. Ramona\*, a now retired single mother, has not accrued any debt on her credit card since using it to pay for childcare when she was a young mother still at university:

‘I hate paying interest. (Since paying off my debt for childcare), I swore they’re never going to get any interest out of me again. Unless it’s life and death.’

Savings were seen as positive and important. Common goals were saving up for children, for emergencies and for larger goals or the future. Saving could be seen as so important that it was worth dipping into credit on other fronts. Anne\*, a mother living with her partner and child, explained the safety net and sense of achievement she got from saving in cash that she considered more important than staying debt-free:

‘I go to my tin and I see it (the money saved) and I tell myself “keep going, keep going”. (. . .) Every month I live out of my overdraft (. . .) I go into the black when my wages go in, then usually on the second of the month when the bills go out, I go into red again (. . .). But it’s (savings) there as an emotional buffer, if something happens.’

### *Social factors*

A strong and supportive community and family along with a source of motivation and pride – often found in that community and family – were key social factors for participants. Having friends or family to help often determined how easy it was for participants to receive both direct and indirect support, relieve the weight of responsibility they felt on their shoulders, and how they managed their finances.

### *Motivation and pride*

Being able to manage and provide for their family and raising children to be better set up in the future were strong motivations to keep going in the face of adversity and a source of pride.

As Helen\* described: ‘My husband’s not got the best of wages, but we do manage and if the girls need anything they don’t go without. We’re not behind with our rent, all our bills are paid on time. It is a bit of a juggling act sometimes, but we manage and that’s something to be proud of.’

### *Community and family*

Communities and wider family circles also offered motivation as well as support. Participants spoke about how being part of a community helped keep them positive, served as a source for advice and information and often provided direct support – both financially and indirectly. Ramona\* recounted how advice from a colleague on a council scheme for first-time buyers allowed her to buy a flat when she was younger. Since, she has been committed to repay the favour, frequently sharing advice on finances and opportunities with her network.

Financial support from family members was often essential. Support could come in the form of regular contributions from a family member – Claire\*, for example, said she wouldn’t be able to manage without her grandmother’s stipend. Others mentioned one-offs for specific items, such as Sarah\* whose mother-in-law sometimes chipped in for her son’s physiotherapy, or Annie\*, whose father helps out with larger expenses such as house repairs. Or family provided informal loans as in the case of Farrah\*, who receives zero interest loans from her sister when money is tight.

Conversely, those without a supportive community or family struggled, finding it harder to persevere with less direct support and sometimes feeling reluctant to ask for help. Saeed\*, who had left his family behind when migrating to the UK and hasn’t been able to reunite with them since, told us that he runs out of cash routinely at the end of the month, but prefers to skip meals and use water to quell his hunger rather than going to a food bank or other direct community support for ‘handouts’.

The immediate family structure and support mattered even more acutely for mothers. Single mothers faced increased pressure – especially if their partners were

not involved in childcare or contributing financially – but also described the newfound freedom and control. Emma\*, a single mother of two children, described her experience:

‘When I lived with my husband, I didn’t work and I stayed home with my children and my husband worked. Our situation was bad. (...) When he left the house, I didn’t have any money, no job, nothing. Now my situation is better. (...) I don’t have expensive hobbies. I don’t spend money on alcohol, smoking. When my husband left, I started working. I work 16 hours per week and I have benefits. I love my work. (...)’

However, mothers in partnerships still felt strongly, and sometimes uniquely, responsible for providing for their family. Some did not trust their partner and preferred to have money stashed away as security for them and their children. Sarah\* described how managing her money separately was important for her, even though it created some financial inequality:

‘My income is not the same, sometimes it’s more, sometimes it’s less, because the benefits depend on my husband’s salary. His salary is bigger now, so I receive less. I think my (expenses) are bigger than his and sometimes he gives me money. (...) (But) I don’t want to have a joint account because we’ve had some issues in the past and I don’t feel very well with joint account. (...) I’m good at saving. (...) I save month to month. (...) I’m more responsible than my husband and I need to take care of my kids.’

### *Institutional environment*

The institutional environment stood out as an overarching dimension affecting all other areas – from setting the availability of appropriate housing, childcare, and health care to shaping the economic environment that impacts income and expenses to determining the support available for communities and families. In interviews, participants spoke specifically about two factors they had experienced personally: firstly community groups, support and advice services, and secondly the local impacts of social and economic policy.

### *Community groups, support, and advice services*

Attitudes and engagement with support and advice services differed across the two projects. In the Boost sample, many participants were receiving support such as debt advice or legal support, often around housing and bills. Some described how confusing navigating help could be, however, and how a lack of language skills, feeling of belonging or information could mean they weren’t getting the support they needed. In the GWCU sample, there was little use of formal advice, e.g. from financial advisors, and a general lack of clarity on what advice or support would be available. In both samples, participants relied on informal support and advice from family and friends much more frequently than on formal channels.

Some participants pointed out that they felt a gap in financial advice targeted especially at women. Aisha\*, a single mother of two who had migrated to the UK ten years ago and at first struggled to understand the UK financial system, asked:

‘What do you do, how do you invest? Whoever can come and say I’m investing for Mums (...) or for single women or for those who can only afford a bit. That’s what’s needed. Someone who can explain how it works to me.’

Liz\*, who is currently going through a divorce, explained:

‘I think there’s a massive gap (...) for women to get very specific advice about finances (...) I know that a lot of people end up in very precarious financial positions when they’re married (...) and that can be the reason they don’t separate. (...) There is a bit of a dearth in good advice there for women what they’re entitled to fight for.’

### *Social and economic policy*

As with the differences in attitudes concerning advice, participants differed in opinions of the local effects of social and economic policy. While there was a general discord with rising expenses and the lack of rises in income, few GWCU participants brought up policy or local government action directly and often were unsure what support was needed. In contrast, having often interacted more directly with government, at a local level, participants in the Boost sample were more outspoken, and many expressed their dissatisfaction with what they felt was a reduction in support from the council and a perceived lack of interest in their opinions. John\*, who had lived in Lawrence Hill for decades, shared his disappointment:

‘I worry about (...) the way housing development is going for high-density tall buildings. There’s a lack of space. (...) You don’t have community facilities, you don’t have garden space when you have children (...). You lost your swimming pool – it was shut down by the council. They shut down all the community pubs (...). They’re destroying that community feeling by getting rid of these facilities. (...) I feel very sceptical of the leadership of the country and the council. (...) They don’t listen to what you want. It’s all ticking boxes. It’s all about their own vision, not what’s best for people themselves.’

## **Discussion**

Financial resilience as experienced by the participants in this study is supported or hindered by the four dimensions of relational financial resilience we identify: infrastructure (housing, health, and childcare), financial and economic factors (income, expenses, and financial services and strategies), social factors (motivation and community and family), and the institutional environment (policy and local community groups, support and advice services). The experience of each dimension is likely to differ between geographies and demographics, evident in the nuances between the Boost and GWCU participants. This offers opportunity for further research, for example exploring the role of gender that emerged in our interviews

with mothers. Notwithstanding, we suggest our research makes an important step in identifying key dimensions and factors that in total contribute to a relational understanding of financial resilience – relating individual strategies to a range of external dimensions and stressing the relationality between these. We suggest that framing financial resilience in relational terms requires social policy to move away from the current emphasis on individual financial capability and responsibility and emphasizes the importance of context, dependencies, and collective responsibility in understanding and supporting financial resilience.

Our study extends an emerging body of research on the diversity of strategies employed to mitigate economic hardship (Heflin et al., 2011; Snel & Staring, 2001) and strengthens our understanding of how those ‘on the financial fringe’ are forced to internalise the risks imposed on them in an increasingly financialised society (Appleyard et al., 2021; Donoghue, 2021). Participants in our study were found to employ a range of strategies across the dimensions – from patching together income from various sources, constantly managing expenses, and using a variety of financial tools and strategies to investing in the building of social networks and seeking out advice. However, we found that these strategies could come at a cost (e.g. on health) and had limits, whereby individual efforts were hampered by an external institutional and policy environment that is perceived to be beyond their control. Overwhelmingly we found the experience of participants to be one of persistent adversity, with ongoing and often exhausting attempts to manage and mitigate, rather than fully overcome, the associated challenges facing them. They are ‘active, calculative, and responsible financial subjects making difficult decisions in a financially ‘constrained choice’ environment’ (Appleyard et al., 2021, p. 42).

Ignoring the constraints within which individuals can act and the contextual dependencies to which they are subjected can limit a policy focus to what we suggest are narrow considerations of individual financial literacy or access to financial services. The relational view of financial resilience we have described instead strongly implies that as a society, we have reached the limits of policies that centre on individual resilience. In the co-design phase of each project community researchers and local partners identified areas for immediate change<sup>3</sup> and developed a range of policy-relevant recommendations<sup>4</sup> - summarised in Figure 2. Some of these add important nuance to ‘more traditional’ financial resilience interventions. These include designing financial services to meet the need of ‘non-standard’ users such as mothers or zero-hour contract workers and developing tools and support to encourage more transparent discussion and equal sharing of finances within households. Others go firmly beyond what is usually considered to be an enabler for financial resilience, including increased support to initiatives that strengthen community and family networks, improvements in social housing, and suggestions for the expansion of accessible, affordable, and convenient childcare. Their variety is a direct testament to how well community researchers understood the limits to an individual’s capacity to ‘be resilient’.

Rather than treating financial resilience as a policy area focused on individual financial capability, we thus recommend conceptualising it as a cross-cutting priority that is affected by a range of policies, from cuts to government funding for communities that threaten social networks (Andres & Round, 2015) to overcrowding as a result of the continued reduction in value of the Local Housing

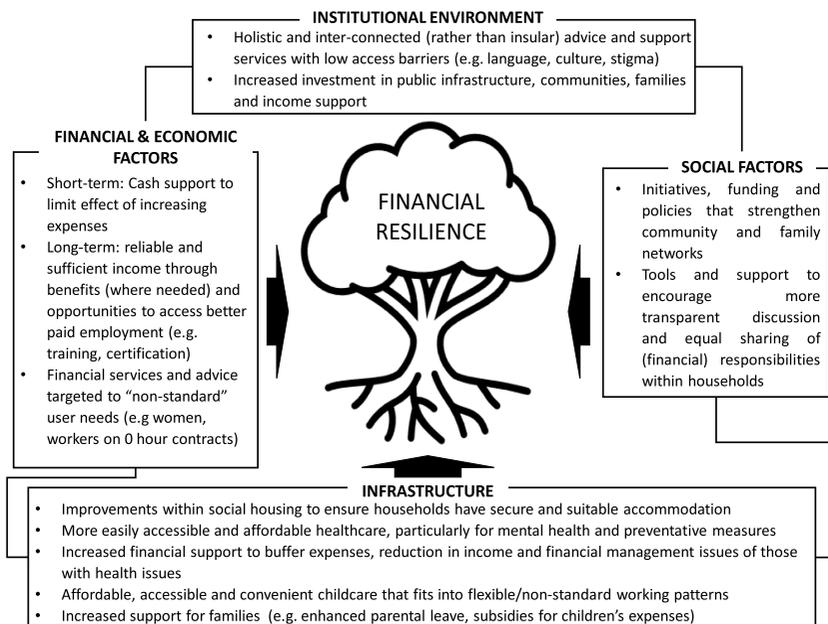


Figure 2. Policy recommendations emerging from co-design.

Allowance (Clair, 2021) to the effect of rising childcare costs on the short- and long-term income prospects of low earners (Corfe, 2022) to the impact of cuts in welfare benefits on mental health and thus finances (Biosca et al., 2021).

Lastly, we draw attention to the process adopted in our study. Community researchers and partner organisations were an integral part of our process – from creating an environment of trust that allowed participants to share their experiences openly to adding their own lived experiences to the analysis, to linking findings back to already ongoing work. These demonstrate the value of participatory methods that invite local voices from communities and integrate their ideas, as a productive means of informing policy development and interventions from the bottom up.

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**Notes**

- 1 US literature often uses the term financial fragility instead of financial resilience when describing the same concept.
- 2 We adopt Hodgson’s definition of institutions as being ‘systems of established and prevalent social rules [formal, informal] that structure social interaction’ (Hodgson, 2006).

- 3 Boost worked with community researchers on outreach materials and held a community event to make it easier for residents to understand what services were available and how these were connected to each other while GWCU led a workshop with participants and key stakeholders on opportunities for change and is currently piloting a parent-focused savings product.
- 4 Policy briefs summarising each project can be found here: GWCU: <http://www.bristol.ac.uk/policybristol/policy-briefings/financial-resilience-mothers/>. Boost Community: <http://www.bristol.ac.uk/policybristol/policy-briefings/community-centred-services/>

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