

Precarious Lives, Time Perspectives, and Financial Wellbeing

Kristian Fuzi (@KristianFuzi)

Centre on Household Assets and Savings Management (CHASM), University of Birmingham

www.linkedin.com/in/kristianfuzi

“... I will start thinking about [my pension] at some point but not for the next couple of years, at the minute it is just about surviving.”

– Caroline*, 36

Rising insecurity in contemporary UK society has led to an increasing need for citizens to focus on the present or short-term future. Shorter time perspectives limit citizens’ opportunities to consider and plan their future biographies. To investigate these issues, from June 2021 to July 2022, I conducted qualitative research with 24 precarious workers who were self-employed or freelance or working on a fixed-term, zero-hour, or part-time contract. Fieldwork consisted of three phases: a 90-minute semi-structured interview, a two-week financial diary, and a follow-up 60-minute semi-structured interview. The research was designed to build a contextual understanding of the lived experience of precarious workers, and revealed insecurity that stemmed from their work, housing, gender, and relationships. The following draws on findings from this research, highlighting the usefulness of a ‘time perspective’ approach to explore how precarity and insecurity impacts financial wellbeing across the lifecourse.

When investigating money and financial wellbeing, a consequence of rising insecurity is uncertain and tighter monthly budgets, with less or no money available for building savings or pensions. Insecurity becomes an even more concerning issue when factoring in the UK’s neoliberal shift to individualised responsibility in pension planning. Citizens are expected to engage more with workplace and private pensions to build later life financial wellbeingⁱ and the current state pension offers the very basic standard of living at a maximum of £221.20 per weekⁱⁱ. In short, contemporary citizens are facing insecurity throughout their working lives and into retirement. Working lives are characterised by precarious working and housing conditions and the compounding insecurity of navigating these lived experiences whilst raising a family. Retirement for many will be an extension of this insecurity if inequalities faced in their working lives act as a barrier to building savings for their later life.

A key finding from my research revealed workers to “maintain present-orientated or short-term future-orientated time perspectives as a consequence of their precarious present”, which resulted in financially getting by each month or prioritising the building of financial resilience in the present above later life financial wellbeingⁱⁱⁱ. A person’s ‘time perspective’ can be understood as lived experiences “assigned to temporal categories ... that help to give coherence, order and meaning” to everyday life^{iv}. This psycho-social

process results in past-, present-, or future-orientated time perspectives and, when investigating financial behaviour, Zimbardo, Clements, and Leite^v argue that different orientations can indicate whether a person is more likely to engage in saving behaviour. The concept of scarcity helps to explain why a past- or present-orientated time perspective might lead to a person not saving. Scarcity is a lack of economic or mental resources that can cause tunnelling behaviour, where an individual “creates a powerful goal – dealing with pressing needs – that inhibits other goals and considerations”^{vi}, such as saving or pension planning.

Sociological analysis extends understandings by investigating the specific inequalities leading to scarcity or a present-orientated time perspective. In my research, precarious working conditions were characterised by financial inconsistency, unpaid labour, uncertainty in work tenure, and a lack of employer protections and therefore exposure to individualised responsibility and risk. Chris* had experienced various form of precarious work in his working life. In the years leading up to his participation, Chris worked on a zero-hours contract whilst retraining in psychotherapy and had recently transitioned to working as a self-employed counsellor. Here, Chris explains how his experience of precarious work had shaped his thoughts about pension planning and retirement:

“I’ve spent my best years, my mid-20s to my mid-30s, ... in low-income employment on the promise that one day it might get better. And I kind of feel relatively confident that it will do now. [...]. Erm, but there was like a lot of uncertainty [...]. So, when I think about retirement, at this point I can’t imagine it.”

– Chris, 35

Chris’ inability to imagine his future biography and prepare financially for retirement was shaped by years of precarious working conditions. This follows Bourdieu’s^{vii} argument that one’s sense of time “is closely dependent on the effective chances of controlling the future that is [sic] inscribed in the present conditions.” In other words, Chris’ lived insecurity and uncertainty in his past and present working conditions loosened his perception of control over his future. Indeed, Chris later expressed ambiguity towards the UK private pension system as he perceived inherent risks in its ability to provide him with later life security.

Housing was revealed as a wider source of insecurity for the precarious workers in my research. Ivy* had spent much of her working life in freelance or temporary work and described how the financial inconsistencies of this work created further complications when looking to privately rent a property earlier in her life. At the time of her interview, she owned a property with her fiancé, but the persistent presence of financial inconsistency created uncertainty in relation to their fixed-term mortgage rates. When I asked Ivy what she prioritised, her mortgage or her pension, she said the following:

“Oh, the mortgage definitely. I mean it sounds terrible, but I do kind of tend to assume that I am going to get some kind of inheritance from somebody at some point. I mean, I also might not [...]. There is no point worrying about it until it happens, is basically what I am trying to live by, because it is just less stressful.”

– Ivy, 40

The insecurity of her work and housing grounded Ivy in her precarious present and detached her from an uncertain future. Similar present-orientations have been reported in younger adults and described as temporary dislocations to their lifecourse trajectories as a result of transitional uncertainty^{viii}. Many of the precarious workers in my research had experienced prolonged periods of insecurity – the longest insecure work trajectory spanned 20 years. Only 3 out of 24 precarious workers were regularly contributing towards a pension. Those workers experiencing a heightened sense of insecurity relative to their peers held a present-orientation that limited their behaviours to financially getting by each month. Precarious workers experiencing less insecurity were able to navigate a short-term future-orientation that allowed for engagements with saving behaviour. Limitations remained, however, as savings were utilised for supporting more immediate financial needs, such as a career change, saving for a mortgage deposit, or building financial resilience against the risks of precarity.

My conclusions reveal how insecurity places financial constraints on precarious workers which have significant consequences for their financial wellbeing in later life. Living precariously results in workers holding shorter time perspectives that limit their abilities to plan and save for their future financial wellbeing in retirement. Furthermore, I evidence the usefulness of time perspectives as a concept for revealing both how biographical disruptions emerge and the consequences of this disruption. These findings make space for future investigations into precarity, insecurity, and/or austerity.

*All names are pseudonyms.

ⁱ Rowlingson, K. (2002) 'Private pension planning: The rhetoric of responsibility, the reality of insecurity', *Journal of Social Policy*, 31(4), pp. 623–642. doi: 10.1017/S0047279402006773.

ⁱⁱ Department for Work and Pensions (2024) *Your State Pension Explained*. London: GOV.UK. Available at: <https://www.gov.uk/government/publications/your-new-state-pension-explained/your-state-pension-explained> (Accessed: 16 May 2024).

ⁱⁱⁱ Fuzi, K. (2023: 177) *Precarious Lives and Financial Behaviour: An Investigation into the Impact of Insecurity on Saving and Pension Planning*. Thesis, University of Manchester.

^{iv} Zimbardo, P. and Boyd, J. (1999: 1271) 'Putting Time in Perspective: A Valid, Reliable Individual-Differences Metric', *Journal of Personality and Social Psychology*, 77(6), pp. 1271–1288.

^v Zimbardo, P., Clements, N. and Leite, U. R. (2017) 'Time Perspective and Financial Health: To Improve Financial Health, Traditional Financial Literacy Skills Are Not Sufficient. Understanding Your Time Perspective Is Critical', in Kostić, A. and Chadee, D. (eds) *Time Perspective*. London: Palgrave Macmillan, pp. 9–40.

^{vi} Mullainathan, S. and Shafir, E. (2013: 31) *Scarcity: The True Cost of not Having Enough*. London: Penguin Books.

Carmel, E., Leiser, D. and Spivak, A. (2020) 'The Arrested Deployment Model of Financial Literacy', in Zaleskiewicz, T. and Traczyk, J. (eds) *Psychological Perspectives on Financial Decision Making*. Switzerland: Springer Nature, pp. 89–105. doi: 10.2139/ssrn.3502422.

^{vii} Bourdieu, P. (2000: 223) *Pascalian Meditations*. Cambridge: Polity Press.

^{viii} Cook, J. (2018) *Imagined Futures: Hope, Risk and Uncertainty*. London: Palgrave Macmillan.