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Does difference make a difference in financial planning for risk?

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ABSTRACT

Current policy-making assumes people perceive and respond to financial risk in a uniform and rational way. This research sought to investigate whether social and cultural differences along the dimensions of disability, sexuality, faith and ethnicity influence attitudes to money and approaches to planning for possible financial risk eventualities. Eighty in depth interviews with individuals committed to different faiths (Muslim and Christian), Disabled people, gays, lesbians and bisexuals, and members of Black and minority ethnic groups (Black and Asian) were conducted in 2005/2006. Mainstream cultural reference points were dominant in respondent' accounts, however difference was also found to be more determining in some areas than has previously been documented. The paper explores the impact of these relationships on financial planning and draws out the policy implications of the different elements of difference on financial planning. The study argues that socio-cultural approaches to risk need to be better understood at the policy making level.

Keywords: Risk, financial planning, money, difference, social group.

Introduction

Over the last two decades, the risk society thesis with its focus on individualization has been privileged over socio- and cultural-theories in attempts to explain how people think about risk in their everyday lives. More recently, some commentators have argued that 'risk cultures' and social group membership may have more of a bearing on determining people's behaviour, reviving and developing Douglas' earlier work on cultural relativity and risk (Tulloch, 2008; Abbott *et al*, 2006; Tulloch and Lupton, 2003).

However, to date, there has been very little empirical data available to test these theories in real life (Taylor-Gooby, 2006). This study sought to investigate whether social and cultural differences along the dimensions of disability, sexuality, faith and ethnicity influence risk perceptions and responses. The research focused on risks associated with financial security and planning, a key social policy focus in recent years and one where the risk society's 'informed citizen' is given centre stage. Below the policy and risk theories associated with this area are outlined. The paper then presents the empirical data from the study and concludes with a consideration of the policy (and theoretical) implications of difference for financial planning.

Financial planning: Policy and risk theories

More than ever before, people are being asked to make decisions and take responsibility for managing their finances.... Meanwhile, the comforting arms of the state, and of employers, are steadily being withdrawn. (FSA, 2006, p2)

Government policy is increasingly encouraging individuals to plan financially for their short and long-term future, in so doing attempting to transfer the responsibility for key life-course events away from traditional universal welfare services towards individuals and households (Quilgars and Abbott, 2000; Skinner and Ford, 2000; McRae, 1995). A 'new contract for welfare' between the citizen and the state is presumed, whereby 'wherever possible, people are [privately] insured against foreseeable risks and make provision for their retirement' (Department of Social Security, 1998: 2).

This emphasis on individual responsibility and the curbing of state intervention in New Labour's 'third way' approach to welfare, derives its intellectual underpinning from the risk society theory originally developed by Beck (1992) and adapted in the UK by Giddens (1991, 1994 and 1998). Here, nation states are put under pressure by globalisation to modernize their structures and policies to better respond to new socio-economic world relations. A process of individualization results, both in terms of shifting responsibilities away from a perceived, constrained state, and in terms of how individuals think and behave. New risks and uncertainties arise, for example, from an increasingly flexible labour market. Individuals are required to become more informed citizens, reflexively reflecting on and reacting to these changes, and the increased array of choices, to create their own biographies. There is a presumption that people are less constrained by the old inequalities and traditions of class and socio-structure, and rather influenced by a myriad of new features of late modern societies. Reflexive individuals become less likely to trust the state and expert advice, relying more on their ability to interpret 'knowledge' within the information society.

Influenced by the risk society thesis, current policy-making tends to assume that people will perceive financial risks in a uniform way and respond 'rationally' to cuts in state welfare by turning to private sector provision (Skinner & Ford, 2000). However, research has demonstrated that households have been slow to make this shift and are often poorly prepared for risky events (Actuarial Profession, 2004; FSA, 2002; Quilgars & Abbott, 2000; Sadler, 2002). Low levels of financial literacy also challenge the notion of informed consumers (Jones, 2005). Policy has acknowledged this latter point, with the Financial Services Authority (FSA) being charged with the task of promoting public understanding of the financial system, including the launch of a national financial capability strategy in 2003. A baseline survey (Atkinson *et al*, 2006) confirmed varying capability levels which were influenced by key demographic and socio-economic variables, including age, household type, income, housing and gender. It also noted an association with religion which it commented was 'hard to explain' (Atkinson *et al*, 2006, p62).

The FSA survey results were, in the main, unsurprising. A considerable body of research exists that demonstrates that some individuals and groups are less able to plan for, and deal with, contingencies, and that traditional socio- structures continue to shape life experiences (Cebulla, 2007; Glennerster *et al*, 2004; Taylor-Gooby, 2001). Ability to afford

financial products is the key determinant of take-up for low income workers (Abbott & Quilgars, 2001), with those on benefits most likely to experience financial exclusion (Kempson & Whyley, 1999). It is now generally accepted that the risk society thesis has largely ignored the continuing influence of structure in late-modern society (Lupton, 1999). More recently, risk theorists have also begun to question whether the risk society has also understated the potentially enduring impact of cultural processes that affect both perceptions and responses of groups of people within society. Douglas's work (1985; 1992) highlighted how different groups of people within the same culture may frame and understand risk differently according to symbolic and shared assumptions held by particular social groups. Lash (1993) also subsequently suggested that reflexivity is influenced by other social factors such as sub-cultural group membership and lifestyles. Tulloch and Lupton (2003) have more recently highlighted the role of 'risk cultures' that are developed at a local level, and influenced by factors such as gender, age, occupation, nationality and sexuality.

However, empirical studies that explore the possible relationship between social group membership or difference and risk are few and far between (Abbott *et al.*, 2006; Taylor-Gooby, 2006). Yet, some mainly small scale policy-related research suggests that different groups may perceive and respond to risks differently due to both structural issues associated with specific, often disadvantaged, positions in society and cultural and lifestyle influences derived from membership of a social group with its attendant values and norms. For example, financial planning may be influenced by religious and cultural attitudes to money amongst some minority ethnic and faith groups, whilst low incomes may also be a restriction (Collard *et al.*, 2001; Pilley, 2003; Whyley *et al.*, 1997). Disabled people face particular risks and obstacles in relation to financial planning given more limited access to the labour market than their non-disabled peers and increased risk of experiencing poverty (Burchardt, 2003). Gay men and lesbians may face discrimination in the workplace and in accessing financial services (Collinson, 2003; Keogh *et al.*, 2004) and societal and family responses to sexuality may lead people to place greater reliance on friendship social networks than family links (Heaphy, B. *et al.*, 2003).

This study began with a hypothesis that risk discourses may be influenced by difference and that the risk society does not adequately describe responses to risk. If substantiated this has important policy, as well as theoretical, implications for future approaches to risk.

Research approach

A qualitative research approach was chosen in order to explore the meaning given to risk and financial planning amongst respondents. A total of eighty interviews were conducted across four groups of interest in 2005/6: Disabled people (people with physical impairments as well as people with learning disabilities); people from different faiths (Muslims and Christians); people who identified as lesbian, gay or bisexual, and; people from diverse Black and minority ethnic backgrounds.

Individuals were recruited using a professional recruiting company, with quotas set to ensure representation of both genders and different socio-economic backgrounds. All respondents were working and between the ages of 25-50. Interviews were conducted in two areas (Bristol and Leeds) with broadly similar labour markets and populations, including significant numbers of people from Black and minority ethnic backgrounds.

Three main areas of inquiry were pursued: firstly, the role of finance in people's everyday lives, most particularly their attitudes to work and money; how and whether financial risks were perceived, and; whether and how they planned financially for risk eventualities. Purposively, issues of difference were not the main focus of discussion (to illicit whether these issues arose naturally) although participants were aware that they had been recruited because of their membership of a certain social group.

A semi-autobiographical approach to interviewing was utilised, with the substantive issues of work and income located within a discussion of people's everyday lives.

The interviews tended to last between 1.5 and 2 hours. The conversations were digitally recorded with the consent of group members. The recordings were transcribed and analysed using the qualitative software system, MaxQDA. A grounded theory approach (Taylor and Bogdan, 1984) was utilised in the analysis.

Below, the findings from the interviews are outlined, firstly with respect to the meaning that respondents' gave to the role of work and money in

their lives, secondly, their perceptions of any risks to their financial security, and thirdly, their approaches to financial planning.

The role of work and money in people's lives

A number of themes on the role of work and money were common across the groups. Firstly, the importance of work for its provision of an income was strongest amongst those on lower incomes. Secondly, respondents often talked about the need to attain a work-life balance; and a work-home balance was also emphasised by many female respondents (particularly in the faith and ethnicity groups where a traditional gender division of labour was quite common). Thirdly, many respondents spoke about having chosen particular jobs to fulfil a vocation (and to reflect people's value systems) and/or achieve job satisfaction. Sometimes jobs offered comparatively low salaries but people were generally happy to sacrifice luxury items and financial benefits to achieve this. Finally, analysis revealed that the meaning of money varied considerably between respondents but there were more similarities between groups than differences - within any one group, respondents described approaches to money from cautious to carefree and everything in between.

However, there were a number of important distinctions evident in the accounts of social groups on some issues. Disabled people's relationship with the labour market was often a more complex one than non-disabled respondents. Many (though not all) were constrained by the type of job they could undertake, and some had faced retraining after the onset of disability. People with learning disabilities found it very difficult to access jobs and usually received low wages. Work was also particularly crucial for many Disabled respondents as this was associated with independence, providing a vital foothold to an ordinary life. Few of the Disabled respondents linked work explicitly with financial security.

Being gay, lesbian or bisexual did not seem to have a particularly prominent effect on approaches to work and money. A couple of people explained that they had chosen to work in the public sector as this was hoped to be a more tolerant setting. However, respondents were unsure as to whether their sexuality exerted an impact on their attitudes to money. A few people explained that they did seem to conform to gay stereotypes in placing a high value on lifestyle factors such as 'living well' and 'looking good', but others did not feel that such a link existed. Respondents also challenged whether there was such a thing as a 'pink

pound'.

I think there's a lot of pressure within the community to look good and wear the right labels and to have the latest gadgets or gizmos and bigger purchases. And that's all thrust upon you by people who think that there is a pink pound and that we all have massive disposable incomes. (Sexuality group)

A dominant theme in Asian and/or Muslim male respondent' accounts was that the main purpose of work was to make money to be able to support their family. A number of respondents explained that this reflected the values that were more broadly held within the Asian community where working hard for the family was expected. It was also evident that people thought it important to work long hours in order to save, to pay off mortgages early, and to reinvest money in other properties and/or businesses. Job satisfaction was often of relatively minor importance. However, Asian and/or Muslim women often remarked that they would have preferred their husbands to spend less time at work and more time at home.

It's a means to an end...there are a lot of mouths to feed. I dare say if I didn't have a family it probably wouldn't happen, no... I just find it a bit a boring... Know what I mean, it's not a challenge. But at the end of the day, I just look at the wage packet that I pick up at the end of the week and pay for the mortgage. (Faith group (Muslim))

Attitudes towards debt also appeared to be more pronounced amongst some of the faith and/or ethnicity respondents, most specifically Muslims. People tended to say that they or their partner 'did not like' debt or servicing debt by paying interest. Only a couple of respondents directly attributed this to Shari'ah law. None of those who had a mortgage had a Shari'ah compliant product but a few people said they were trying to pay the mortgage off as quickly as possible to avoid paying interest for too long whilst others preferred to borrow money from family members. Others talked about other family members who did observe Shari'ah law.

The meaning of money was also quite distinct amongst people with a faith, most particularly Christians. There was a firmly held belief that money belonged to God rather than individuals. This had two implications; it meant that money was placed in people's trust bringing

with it a responsibility to use it wisely and not to waste it. Because of this, some respondents explained that this meant that money was not something they felt they should worry about, on principle. In addition, money was not only something that one 'received' (from work and other sources) but it was also something that one should 'give away'. This is not necessarily to say that people without a faith do not give, but that giving has a specific cultural meaning within a faith. Most said they gave money to charity, friends or relatives and a smaller number tithed a proportion of their income to the church. The act of giving was also understood as a contract with God to the extent that by giving one may also expect to receive money or gifts in kind as needed.

I genuinely do feel that I only have what I have because I am blessed, that actually my money is God's...I have a responsibility to use it properly and I give a certain amount away on a regular basis and I also do on ad hoc kinds if things as well because it is not actually mine to be precious about. (Faith group (Christian))

...I shouldn't be worrying about money, I mean that's quite, you know, Jesus said, 'Don't worry'. (Faith group (Christian))

Cos in our faith it says give to charity, I always, and I'm always giving to charity. ...if you give to the poor God gives you more in that sense, and that's my theory really, you know. I give to the poor and I'm surviving. (Faith group (Muslim))

Perceptions of 'risk' to financial security

As with previous research, it was clear that most respondents perceived the labour market as generally more risky now than in previous decades (Quilgars and Abbott, 2000; Tulloch and Lupton, 2003; Abbott *et al*, 2006). Nonetheless, when thinking about their own position, the majority of people did not see job loss as a key risk to their household. Some respondents felt relatively secure in their present jobs, particularly within the public sector. However, more typically, people perceived that any risks were manageable ones for a number of reasons. Firstly, many felt 'work secure' (Quilgars and Abbott, 2000), if not job secure, that is they were confident that they would be able to find another similar job quite easily, or at worst within a different albeit lower paid sector. Whilst most respondents did mention health problems as a possible risk to financial security, they also largely presumed that their health was a constant.

So I'm not worried about, I mean they're always having restructures at work... First one's a bit daunting and then you just realise it's just run of the mill....you can always go back and get a temp job somewhere else or do, you know, it's not a big deal, you can talk, you can walk, you've got your arms and legs... (Ethnicity group (Black Caribbean))

Secondly, people talked about having other things to fall back on at a time of job loss, including the earnings of a partner as well as specific financial resources. A minority appeared to have worked hard to try and make themselves financially secure, including a number of Muslim respondents who had paid off their mortgages or had small mortgages. More generally, housing equity was seen by many as a cushion to possible future financial difficulties, echoing other studies that suggest that home-ownership makes people feel secure (Jones *et al*, 2007).

I feel financially secure. And I think probably it comes with purchasing the house.... I just keep thinking, if anything happens or if push comes to shove I'll just sell the house, use that money to look after me if I'm ill or whatever... and that's why I don't worry about pensions, I sort of look at that as a pension. (Ethnicity group (Black Caribbean))

Some respondents did perceive a moderate risk to their financial security but explained that this was acceptable given the positive benefits that arose from being self-employed or the choice of a particular area of work. The risk itself was not experienced as positive (like some risks may be, for example, pursuit of dangerous sports or physically risky jobs (Fincham, 2007, for example), however the fact that respondents had elected to take this risk appeared to mitigate against its potential impact.

A minority of respondents identified the impact of potential job or income loss as a significant risk. Usually this was associated with particularly poor labour market positions. In addition, for some the experience of a loss of income in the past (to them or their family) meant they were more aware of possible future risks (cf. Cebulla (2007)). Others felt that risks were compounded in a number of areas

Oh I do, I do [worry]. Firstly because I am self-employed...an employer wouldn't be able to help me. And secondly, I've got a

large family and thirdly I am financially very committed you see.
(Faith group (Muslim))

However, in contrast to the other groups, there was widespread identification of risks around work and money for the Disabled respondents. Some explained they were simply in quite precarious jobs, sometimes reflecting their more marginal place in the job market. There was also an overriding concern centred around the impact of health on people's ability to work, particularly for people who had become disabled more recently. Some also explained that it was generally more difficult to be flexible within the labour force – *there's a whole gamut of jobs that you couldn't do because you're not physically able to*. Most crucially, many anticipated worsening health in the future arising from the progressive nature of their condition. Whilst retirement was a concern across the social groups, this appeared to be a particular worry for some Disabled respondents.

There's not much distance between you being okay and then how quickly it can change. There's a vulnerability that I'm much more conscious of. (Disability group)

I worry about the future. I worry about money. I worry about how I'm going to be in, please God if I live, another 10 years time. If I'm like this, what'll I be like in 10 years? (Disability group)

People with learning disabilities identified a specific risk to their financial security of financial exploitation. This reflected a lack of control over their financial resources, with support staff often in charge of their finances and them having to request money for specific needs, as well as more general risks of people taking advantage of them.

I think you go very careful who you talk to about your money and say how much is in your account. People might not be so very trusting as I found out. (Disability group)

Interestingly, changes to welfare benefits were not identified as a risk to the maintenance of income security. Most respondents did not identify benefits as being relevant to them in terms of maintaining an income. Disabled people, in contrast, were often already dependent on some benefits however, despite media coverage at the time of possible attempts

to reform and restructure Incapacity Benefit (now confirmed), only one respondent said that threats to social security benefits were a risk and source of worry.

Whilst health risks were seen as a heightened risk in the disability group, relationship breakdown was only mentioned (unprompted) as a specific risk within the sexuality group. One person thought this reflected the more fickle approach to relationship formation within some parts of the gay community. Others felt that societal structures still did not support same-sex relationships to the same extent adding to the potential impact of relationship breakdown. Some had experienced financial difficulties on splitting up with a previous partner which had led to them placing a greater emphasis on keeping finances separate to avoid such risks in the future. Other recent research has shown that cohabiting couples make similar preparations to protect themselves against the risk of relationship breakdown (Lewis and Sarre, 2006), suggesting that the responses of the sexuality group may accord with mainstream developments. It is possible that other groups, for example faith and ethnicity respondents, have more confidence in traditional structures such as marriage.

I think there is a different agenda with being gay – certainly when you are in a partnership, the partnership perhaps isn't as secure initially because of the gay world and how fickle it is...so that makes you very guarded as regards to money and finance and maybe you take out financial restrictions. I would be very protective. Regardless if I move in with somebody or I buy a house with somebody, I would always have my own property in case something goes wrong, because we don't have any other security blanket of children and things like that. (Sexuality group)

One of the strongest findings of the research was the potential protective factor that faith may provide against the fear of risks. A common theme amongst the faith respondents, particularly Christians, was that a personal belief appeared to mitigate the feelings of risk. A number of Christians gave examples of past experiences which made them think that God was 'taking care' of them, or they had a belief that whatever happened in the future, God would provide and things would turn out alright in the end.

I don't think having a faith makes me less likely to get run over by a bus or anything like that....I don't think "Well I'm a Christian so therefore I'm less likely to be, to have to face stuff". I just don't

think I fret about this side of life so much... (Faith group (Christian))

...I just naturally think, 'Oh God will take care of that,' Jesus will make sure that's right. (Faith group (Christian))

In society's eyes, I'm not financially secure... But it boils down for me to faith again, that I've never been without a job when I wanted one. And even when it's come to, say the eleventh hour to pay a bill or whatever, it's always got paid... I'm not worried. (Ethnicity group (Black Caribbean))

In addition, a few of the respondents in the disability group recognised a heightened risk to their financial security, but explained that their belief in the social model of disability meant they conceived as these risks of being a result of society's disabling attitudes and structures. This made them less likely to worry about these risks. Here, as with faith, a protective factor appeared to arise from assigning responsibility externally, rather than adopting an individualized approach. A few Disabled people also explained that they worried less about finances *because* that they had learnt that life was outside of their control.

You can't plan to be blind; you can't plan to be in a wheelchair. When it happens you have to deal with it. I've had to deal with it and now I'm ready for anything else that happens because my mind's set that way. Finances will take care of themselves at the end of the day. (Disability group)

Financial planning for risk

There was widespread recognition across respondents in all groups that, in principle, it was important to plan financially for some risk eventualities, particularly for older age and retirement. Most people felt that there was simply no other option but to plan privately if possible, explicitly recognising the retrenchment of the welfare state.

We've recently decided that we've got to plan. If we have to go without things we have to go without things because I'd rather have something when I'm a bit older, to be able to enjoy myself when I get to retirement. And I think you've got to plan. People are

living longer, the government can't afford to keep paying what it pays now. (Sexuality group)

Alongside this, there were varying degrees of belief in the importance of individual responsibility. Some respondents held quite strong views about deserving and undeserving groups, with a concern that some people abused the welfare system. This idea was particularly prominent in Christian accounts. It may also contribute to an understanding of why Christians explained that they still planned despite being sometimes less afraid of potential risks (see previous section).

...there are many people who can't work because they are ill, be it physical or mental illness and they need to be looked after but there are people who...put it on, they are scroungers. (Faith group (Christian))

I suppose I've always been a great believer in the saying, 'God helps those who help themselves', it's no good praying asking God for help if you haven't done your best to help yourself... (Faith group (Christian))

Sometimes the belief in individual responsibility and the state system existed together – this appeared to be the case for many Asian and Muslim respondents who placed a high value on self-reliance at times of financial hardship but were also the most likely to say that they thought they *should* be able to depend on the state as they had contributed into the system. Respondents in the disability group appeared to have the strongest support for state welfare provision, partly reflecting their past and/ or possible future reliance on benefits. Nonetheless, most Disabled respondents believed in a mixed economy of welfare and were reluctant claimers.

I think if you have worked all your life, you have paid your taxes and you do find yourself in a situation where you're unable to work because of health or whatever, you should be able to feel comfortable for that time [of claiming] and not feel guilty, not feel bad... (Disability group)

The commonly held belief in individual, or at least mixed, responsibility did seem to influence people's overall attitude towards planning. Only a

minority of people believed that there was no point in planning financially. Most people did plan to some extent (if they could afford to) and/or said that they would do more if they had more money. Most people who did not plan or only planned a little simply could not afford to do more. However, whilst respondents often firmly believed in the merits of planning, they often had an equally strong belief in the importance of quality of life. With the possible exception of Asian men (see earlier), many respondents were searching for a work/life balance. There were also competing priorities for household financial planning, for example helping out extended family, particularly key amongst the ethnicity group.

Some respondents did however appear more relaxed than others about planning. Young people across the groups tended towards this attitude, although most realised that they would have to start planning sooner or later. Enjoying life was placed at a quite a premium although very few said that they were reckless with their spending. There was also sometimes a gender division in planning responsibilities and attitudes. Some Disabled people felt that spending was actually the most rational way to proceed given their possible worsening health or shorter life expectancy. However, this did depend on the type of disability or health conditions with a few people saying the opposite – that they had become more prudent rather than less since becoming disabled.

I suppose because of my health I'm a bit more carefree because at any point I'm thinking, health goes, I've gone. So I might as well spend it while it's there and not worry about next week...
(Disability group)

Since being on the sick we've been very prudent with money, we've learnt how to buckle our belts and stuff like that. (Disability group)

Some planning was complicated by a mistrust or confusion about financial products and advice. Respondents in all groups mentioned this to some extent though it was a particular issue for Disabled people. Some of the mistrust was borne of experience of examples where insurances had not paid out or people had been excluded from taking certain products out. People with learning disabilities did not feel they possessed the information that would enable them to understand financial decision making. There were also a few specific instances where lesbian, gay or

bisexual respondents had also had difficult experiences with financial products.

There is more you could do – like increasing my pension... Yes I've got the money to do it but it's just the hassle... half a dozen people coming around, all supposedly independent advisors, coming up with completely different companies that you should be going for. (Sexuality group)

It's got to be explained to me in plain English. I don't want all this small print you know... (Disability group)

Similar methods of planning were mentioned across the groups, including savings, equity, pensions and insurances. Most saw reliance on family and friends as a last resort safety net – different ethnic groups did not place any greater emphasis on this despite the importance of extended families. Lesbian, gay and bisexual respondents were no less likely to talk about relying on family despite other research that might suggest that this support may be less available to gay people. Two approaches to planning did however emerge as particularly important to certain groups. Firstly, Asian and/or Muslim respondents tended to prioritise reducing debts as quickly as possible, enabling them to save later in life (see earlier). Respondents explained these attitudes were culturally transmitted within Asian communities rather than being explicitly faith based.

It's heavily indoctrinated within Asian community, parents really do put it down to the kids – to save and not be too frivolous. (Faith group (Muslim))

Secondly, some faith respondents spoke about 'living within their means' – both as a preventative function (that is, not over-spending to avoid too much debt) as well as a strategy to cope should income be reduced in the future.

But we're happy, we would happily take pay cuts, I'd take a pay cut and do my job, that wouldn't be an issue as long as we can pay the mortgage, you know, we don't, it would be easy to cut back if we needed to. (Faith group (Muslim))

Conclusion

The central hypothesis of this research was that the risk society thesis insufficiently explains the framing and response to risk for many groups in society (Jones *et al.*, 2006). This does not mean that some elements of the risk society thesis do not still hold. There was some evidence of individualization in terms of an intention and willingness to plan (possibly more so than in earlier studies (Quilgars and Abbott 2000)). There was widespread recognition that one can no longer rely on the state (with varying levels of belief in state support evident) and a tendency to see any failure to plan as a result of their own choices and actions (Mythen, 2004; Zinn, 2004). There was also some evidence of personal risk reflexivity with people reflecting on a number (though not all) potential risks and developing their strategies to respond to this (Pidgeon *et al.*, 2006). Trust in private provision was low, often following past experiences (Cebulla, 2007), as well as exclusions from provision.

In terms of current policy, there was evidence that an emphasis on financial capability is not misplaced as many respondents found financial advice and/or products confusing. However, a much more complex picture emerged as to the reasons why people might not always plan quite as policy (and theory) predicts, with both mainstream – and social group specific – cultural reference points emerging as important. For example, respondents were often prepared to balance risk of greater insecurity in the work place, or a lower salary and a subsequent inability to plan as extensively for the future, with other values - most notably a work-life balance. Younger people in our study were more likely to cite this work-life balance, or values alternative to work, as important (cf. Devadason, 2007). As suggested by Lash, reflexivity was revealed to be ‘multilayered and... understood in relation to a sweep of cultural practices and behaviours’ (Mythen, 2004, p.147).

Most centrally, the research revealed that risk perceptions and responses were influenced by difference in a number of ways. Firstly, Disabled people faced much more constraint than any of the other groups in making choices about work, security and planning. Whilst the creation of a more flexible labour market may offer new opportunities (in both highly paid, specialist sectors and lower paid, part-time jobs) to some in society (Jones *et al.*, 2006), Disabled people in the study did not feel the ‘luxury’ of a range of job choices should their current job end. At the same

time work was an important platform for access to independence and an important sense of citizenship, contribution and identity – in some ways work meant more to this group than to others. However, they felt the most precariously placed group - excluded on the whole from market options which might insure against risk and uncertain as to how future health issues would affect their security and well being in old age. Other research in this area confirms that these constraints and concerns are very real (Howard, 2002; Watson *et al*, 2005), and how Disabled people face higher day to day living costs than their non-Disabled peers (Smith *et al*, 2004), with the impact of this tending to be cumulative, so that disadvantage and dependency increase over time (Zarb, 1999). So whilst policy is rightly focused on helping Disabled people enter and stay in the labour market (PMSU, 2005), not enough is known about the barriers that they face to planning in the medium and long-term for financial security, and about built-in policy disincentives to planning for old age (Morris, 2003).

People with learning difficulties meantime have barely reached first base with autonomy over their own money (mostly from benefits) let alone opportunities to plan for their futures or access the world of work (Williams *et al*, 2003). The barriers to work and control over money are highlighted in recent policy reports (Department of Health, 2007; Joint Committee on Human Rights, 2008) but change is slow. Whilst the move towards people with learning difficulties accessing an individual, personalised budget instead of using congregate services will lead to people with learning difficulties being more in control of their money (Department of Health, 2006), it is unclear how people with learning difficulties will be supported to make choices about how they plan their financial affairs and futures.

The role of difference was found to be more determining in some areas than has previously been documented – particularly in terms of the role of faith. Attitudes towards money and resisting debt amongst faith respondents stood out more sharply than other groups. Clark and Lelkes (2008) also found that, in common with the Christians here, that faith can provide a ‘buffer’ for coping with risky life events such as job loss. At the same time, the current study found there are incentives to plan derived from a highly developed sense of individualized responsibility and a focus on living within one’s means. Only a few of the Muslim respondents talked about Shari’ah compliant products, however almost all Muslims expressed a dislike of debt and interest. Khan & Bhatti (2008) have highlighted the growth in Islamic banking and financial products,

however it may be that religiosity is more important than religion (Voas, 2007). There is a view that Muslims are more culturally or ethnically Muslim rather than observant and that many have adapted religious rules to a more Western lifestyle (Mirza *et al*, 2007). The findings on faith challenge the presumption within the risk society that fate or destiny is no longer a feature of modern societies.

In some areas, the impact of difference was not always as strong as predicted by existing literature. For example, the impact of the 'pink pound' was challenged and lesbian, gay and bisexual respondents often struggled to find links between their approach to financial planning and sexuality. In addition, we did not uncover significant differences in relation to ethnicity (as opposed to where ethnicity cross-cut with faith/religion) and risk perception and planning. Explicit racial discrimination did not appear to inform respondents' experiences of risks, although some respondents did speak about the need to work hard to prove themselves and challenge 'stereotypes'.

Overall, the research revealed two elements of difference that impacted on risk perceptions and responses. Firstly, structural factors that placed constraints on people's ability to plan financially, including access to financial services and the labour market (and therefore income effects) (Abbott *et al*, 2006). Secondly, some social groups also held culturally embedded attitudes that affected perceptions, and sometimes, behaviour. Here, the impact of culture is likely to be influenced by the extent to which people ascribe to particular social groups and affiliated 'identities'. For example, it is probable that practising Christians will ascribe to some of the beliefs identified to a greater extent than people who describe themselves as Christians but do not practice this belief. Quantitative research is needed to test this further. However, where culture is deeply embedded, it may be retained despite movement away from specific practices (for example, attitudes towards debt amongst some of the Muslim respondents).

Social policy does tend to acknowledge the role of structural constraints, although the longer-term implications of positions are not always taken into account. However, to date policy has tended to ignore the potential impact of more culturally determined assumptions (with the possible exception of faith based financial products). Without explicit recognition of difference, some social groups may risk further marginalisation,

compared to other groups where social group cultural values may actually support risk responses.

Theories of risk inevitably tend to polarise the different approaches to understanding uncertainty. Real life is inevitably more complex: individuals behave rationally and irrationally, as highly reflexive individuals and more traditional constrained agents, and as members of mainstream and particular social groups. They do so at different times and places, and sometimes at the same time giving rise to seemingly contradictory accounts. Compromises inevitably emerge as individuals try and balance work and the rest of life, and a present and future standard of living. The nature of mortality means that people can never be expected to make accurate predictions as to their future. A combination of group membership (class/income based and social/cultural group based value systems), along with individual predisposition, is what accounts for people's real life decisions. Despite a plethora of risk literature, further research is still required to understand under what circumstances each of these competing factors win over other factors (Zinn and Taylor-Gooby, 2006), and importantly, the points at which real life undermines policy.

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