A Serving the Future report

Understanding Experiences of Low-Paid Work in the Hospitality Sector Over Time

February 2025

About Serving the Future

Serving the Future is an action research project working with hospitality employers and workers. The project is seeking to understand, reduce and prevent in-work poverty and identify changes that could be made within the hospitality sector. By working directly with employers and people with experience of low-paid work, the project is taking a variety of approaches to identify changes that can take place at an organisational level as well as necessary policy or systems-wide changes that are required across Scotland. The objectives of the Serving the Future project are to:

- Identify actions that can be taken by individual businesses to reduce and prevent in-work poverty.

- Support employers to identify changes that will enable them to prevent their staff moving into poverty or to alleviate their levels of poverty.

- Identify and support transformational change to address issues of in-work poverty that can take place at an organisational level as well as necessary policy or systems-wide change.

- Provide businesses and their employees with the confidence to adapt to changing external conditions beyond the life of this study so that good practices are sustained beyond the project.

- Help Scotland to meet its statutory child poverty targets by engaging with both employers, parents, and caregivers working within the hospitality sector.

Acknowledgements

Authors

Chirsty McFadyen, Laura Robertson, Brodie Gillan, Fiona McHardy, Anna Hirvonen

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Contents

the POVERTY ALLIANCE — WORKING TOGETHER TO COMBAT POVERTY

UNIVERSITY of STRATHCLYDE FRASER OF ALLANDER INSTITUTE

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Executive summary

This report explores the experiences of low-paid workers in Scotland's hospitality sector, looking to understand the structural challenges and personal experiences in their employment.

Conducted over three waves of longitudinal interviews from 2022 to 2024, the Serving the Project has captured the evolving realities of a group of hospitality workers' lives within the context of rising living costs, job insecurity, and broader societal changes such as Brexit and COVID-19.

The report identified factors that distinguish positive from negative experiences in the hospitality workplace and the challenges of sustaining employment in the sector over time:

- Positive experiences often stemmed from supportive management, fair scheduling of shifts, and access to training and career progression.

- Conversely, unpredictable hours, and poor management practices drove dissatisfaction and prompted some workers to leave the sector entirely.

- Workers also highlighted high turnover, a lack of progression opportunities, and physically and emotionally demanding work as challenges related to sustaining employment in the hospitality sector.

Almost half of participants remaining in the final interview wave had left the industry, with several more reducing their hours. Those who remained cited factors such as personal fulfilment or strong social connections at work as reasons for staying in the sector.

Whilst workers in the research had differing circumstances, most reported that they had been impacted by the cost-of-living crisis to varying degrees. Around half of the participants were struggling financially; for example, they reported being in debt or relying on family and

friends for support. Not being able to save or saving less in comparison to before the cost-of-living crisis was a common experience amongst the participants.

To tackle in-work poverty, findings from this research highlight the importance of considering drivers outside of employment. For example, high costs of childcare and private rent were reported as key challenges by some of the participants in the research.

Participants provided valuable suggestions for improving the sector, such as better regulation of working conditions, increased transparency in pay practices, and greater access to affordable childcare.

This report highlights the need for targeted actions by policymakers to tackle the root causes of in-work poverty and for employers to improve job quality in the hospitality sector. Taking decisive steps to address these underlying issues will provide stronger support for the hospitality workforce, paving the way for a more sustainable and equitable industry.

Introduction

In-work poverty has been increasing in Scotland during the last ten years, with the cost-of-living crisis, beginning in 2022, putting low-income households at greater risk of poverty (Joseph Rowntree Foundation, 2023). In-work poverty is when a working person's income, after housing costs, is less than 60% of the national average. In 2020-23, 60% of working-age adults (430,000 working-age adults each year) in relative poverty after housing costs were living in a household where someone was in paid work (Scottish Government, 2024). Existing research shows that key drivers of in-work poverty include employment, increasingly characterised by insecure hours, alongside a fall in real term incomes, which has particularly affected people living on the lowest incomes in Scotland (Joseph Rowntree Foundation, 2023).

To understand both the causes of in-work poverty and what prevents adults and families from being able to move out of in-work poverty, between 2022 and 2024, the Poverty Alliance and the Fraser of Allander Institute conducted longitudinal research with low-paid workers working in the hospitality sector in Scotland.

Through interviews with workers at three different timepoints, we explored their perspectives on the challenges they face in relation to their employment alongside wider drivers of in-work poverty in Scotland and the UK, including higher costs of living since 2022, housing affordability, and affordability of childcare.

Through in-depth analysis of workers' experiences over time, this report addresses four core research questions:

1. **What differentiates positive and negative experiences of work in the sector?**

2. **What are the key challenges of sustaining work in the hospitality sector?**

3. **What are the key structural drivers and impacts of in-work poverty?**

4. **What are workers' perspectives on local and national solutions to in-work poverty?**
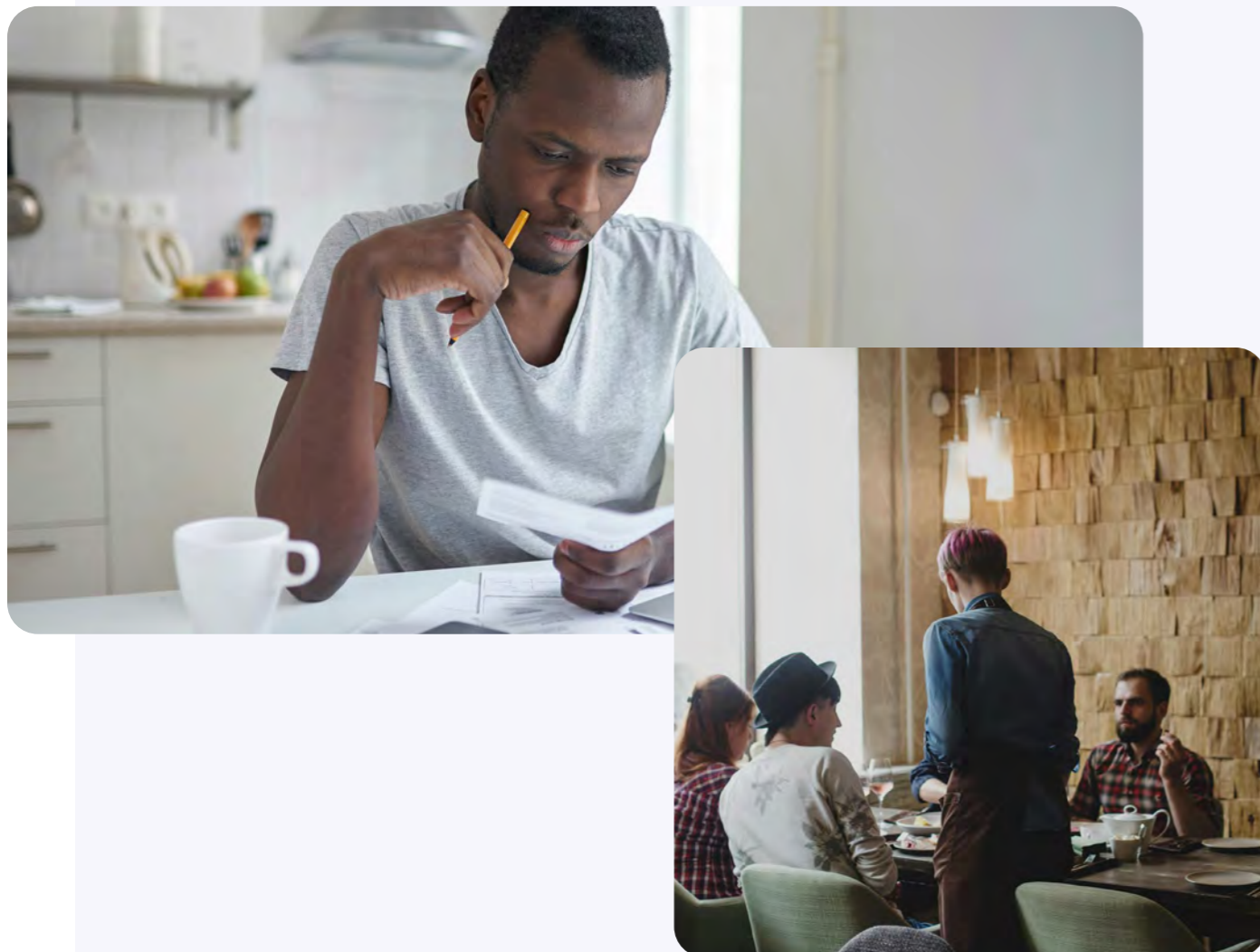
Overview of methods

Using a longitudinal approach to explore the experiences of a group of workers over time, we conducted semi-structured interviews at three timepoints beginning in autumn/winter 2022/23 and following up roughly six months after the first and second interview. At each interview, we asked participants about their experiences of work since the previous interview as well as other key changes in their lives.

Participant recruitment

Twenty-seven hospitality workers were recruited to take part in the study at wave one of the research. Initially, recruitment focused on two local authority areas to provide a mix of urban and rural areas where hospitality was a key industry. Challenges with recruitment led us to extend recruitment to the City of Edinburgh and to accessible and remote rural areas throughout Scotland. Participants were recruited via social media and via Poverty Alliance member community organisations.

Overview of the research participants

Appendix A provides an overview of individual workers' circumstances at each wave of the research highlighting changes in their employment over the 20-months period of fieldwork. Names used in this report are all pseudonyms.

At wave two, twenty participants continued in the study and at wave three, sixteen participants remained in the study.

The focus of the project was on workers whose main job was in the hospitality sector, and we did not include students working part-time in the sector in the research. Workers taking part in Serving the Future had a range of roles across the industry with the largest number working in front-of-house as waiting staff and servers/bartenders (10) during the wave one interviews.

Workers also included kitchen chargehands (2), housekeeper (1), staff with multiple responsibilities (3), receptionist (1), tourism assistant (1) and a chef (1). Eight workers were in a range of senior or management positions; one of these was self-employed. At wave one, just over a third of participants reported that they were on a zero-hour contract or had not signed a contract. During the project, of the 20 participants interviewed at least twice, seven participants had left the industry by the end of the research period, and two moved roles within the industry during that time. Two of the participants were in roles that involved seasonal employment and did not work between November and March.

We aimed to include a mix of socio-demographic characteristics in the sample that were reflective of characteristics of the hospitality sector in Scotland (see Table 1). At wave one, the twenty-seven participants included 19 women and eight men with most participants aged between 30-44. The sample included a mixture of household circumstances including single adults (5), participants living with a partner (5), and families with children (16) and one adult living with their parents. Six participants reported that they were from an ethnic minority group and five were migrants. Lastly, at wave one, eight participants worked in a rural area, three in a town and 16 in large or other urban areas.

Table 1: Scottish Hospitality Industry Characteristics

	Number	%
Gender		
Men	77,054	45.1%
Women	93,753	54.9%
Age		
16-24	65,273	38.2%
25-34	32,581	19.1%
35-49	43,765	25.6%
50 and over	29,188	17.1%
Other Equalities Characteristics		
Those who are from minority ethnic groups (as % of all employed in sector)	20,762	12.2%
Those who are Equality Act Disabled (as % of all employed in sector)	34,198	20.7%
Major Occupational Group		
Managers, Directors And Senior Officials	19,045	11.2%
Professional Occupations	1,210	0.7%
Associate Professional Occupations	5,065	3.0%
Administrative And Secretarial Occupations	4,932	2.9%
Skilled Trades Occupations	28,572	16.7%
Caring, Leisure And Other Service Occupations	9,612	5.6%
Sales And Customer Service Occupations	5,150	3.0%
Process, Plant And Machine Operatives	1,615	0.9%
Elementary Occupations	95,606	56.0%
Employment Characteristics		
Those who are Self-employed (as % of all employed in sector)	17,640	7.3%
Those who are Part-time (as % of all employed in sector)	122,300	54.9%
Employment by Nationality Group		
UK	139,785	81.8%
EU	16,588	9.7%
Non-EU	14,434	8.5%
Urbal Rural Classification (% of total Scottish Employment)		
1 Large Urban Areas	86,380	43.6%
2 Other Urban Areas	54,480	27.5%
3 Accessible Small towns	12,430	6.3%
4 Remote Small Towns	8,210	4.1%
5 Accessible Rural	18,610	9.4%
6 Remote Rural	17,990	9.1%
Total	*198,110*	

Sources: Annual Population Survey (October 22 – September 23), Businesses in Scotland (2023), Workforce Jobs (September 2024), Business Register and Employment Survey (2023).

Limitations of the methods

This research offers valuable insights into the experiences of hospitality workers in Scotland, but there are a few important limitations to consider.

Firstly, the recruitment of participants through social media and community organisations may have introduced an element of sampling bias. Individuals who chose to participate were likely those with strong opinions or experiences they were motivated to share. This may mean the findings reflect a more vocal subset of workers rather than the full diversity of perspectives within the sector.

The study aimed to include a diverse mix of workers from various backgrounds, roles, and locations within the hospitality industry. However, it is possible that certain groups—such as senior management or those in more specialised roles—were less represented in the research. As a result, the findings may not fully capture the range of experiences across all demographics or job roles within the hospitality industry.

Another challenge was keeping participants involved over the course of the study. While the first round of interviews included twenty-seven workers, only sixteen were still participating by the third round. This means that some perspectives were lost as the research progressed, which could limit how fully the findings reflect the ongoing experiences of workers in the sector.

Lastly, the research took place during a particularly challenging time for the hospitality sector, as businesses continued to recover from the impacts of COVID-19 alongside rising costs of living. These unusual circumstances may have influenced participants' experiences and responses in ways that reflect this specific moment in time, rather than longer-term trends.

This report does not seek to represent the entire hospitality sector; instead, it focuses on exploring the experiences of a specific group of workers over time. By highlighting these particular perspectives, it offers valuable insights that contribute to a deeper understanding of the experiences within the sector. This focus provides essential context for the findings and aims to enrich the broader conversation around the hospitality sector, in-work poverty, and job quality.

Findings

Experiences of low pay and in-work poverty

The hospitality sector is the lowest paid industry in Scotland on average (Gillan and Congreve, 2024). Tables 2 and 3 show the median pay of workers in the research, in employment in the sector at all waves, was less than the low-pay threshold (less than two-thirds of median hourly pay in Scotland).

Table 2: Median hourly pay for the hospitality sector and Scotland as a whole (Annual Survey of Hours and Earnings)

	APR 22 - MAR 23	MAR 23 - APR 24
Median hospitality sector pay	£10.96	£12.00
Median hourly pay	£16.70	£17.54
Low paid threshold	£11.02	£11.58

Table 3: Median hourly pay of the sample the hospitality sector at each wave

	WAVE ONE OCT 22 - APR 23	WAVE TWO MAY 23 - NOV 23	WAVE THREE JAN 24 - APR 24
Median pay of the sample	£10.55	£10.60	£10.60

We did not ask the participants whether they perceived themselves to be living in in-work poverty. The following quotes from workers who took part in the research shows that their overall experiences of financial difficulty varied, with some experiencing higher levels of difficulty (e.g. debt) than others.

"I am in my overdraft. My rent, I'm late in paying rent."
ANNA

"we've coped, we've managed to... I've managed not to, you know, have any serious issues. But that's basically because I've taken on more work."
CHRISTINE

"Because me and my husband, we both work extra hours every week to be afford-like to be able to afford to live kind of thing. Without the extra hours, we wouldn't be able to survive."
CARLA

"I basically live out of my overdraft."
ROSE

"We're not, we're not struggling in terms of how I see other people struggling, we are managing. But it's taken a lot of management. You know, it's taken us meal planning and meal prepping and, you know, not going out for dinner."
KATY

"I didn't have savings so it's like I live month-to-month."
JOANNE

"But in the end of the month, kind of like we are zero."
ARAM

In the wave three interviews, participants completed a material deprivation questionnaire to understand how many were going without certain resources (see Appendix B for more information). Of the six single adults who completed this questionnaire, two were materially deprived. We also found that two of the eight parents were living in materially deprived households.

What differentiates positive and negative experiences of the sector over time?

This section of the report examines the factors that contribute to positive and negative experiences in the hospitality sector, based on insights from the workers. The findings highlight the significance of supportive management, access to training, fair scheduling of shifts, financial stability, and safe working conditions as key areas that impact employee satisfaction and well-being.

Central to this research project has been considering job quality using a range of job quality measures developed by the Measuring Job Quality Working Group established by the Carnegie UK Trust and the RSA Future Work Centre in 2017 (Irvine et al., 2018). Below, we explore how each of these factors plays a distinct role, yet they often intersect—demonstrating how a truly positive work environment relies on multiple elements working together.

Supportive management and respectful workplaces

For many hospitality workers, positive experiences in the sector were often tied to the quality of their relationships with managers and the degree of respect and empathy shown generally in the workplace. Supportive management translated to a more enjoyable work environment, often making up for other job challenges like irregular hours or the physical demands of hospitality work. Workers appreciated it when managers took the time to understand their individual circumstances and offered accommodations where possible, such as flexibility for family needs, physical or mental health. In these settings, employees felt their well-being mattered, creating a more positive and fulfilling workplace.

One participant shared how her employer's understanding and accommodations made a difference during a difficult time:

"They're a very good place to work for, they take mental health stuff really seriously. And my friend had died, so I kind of wasn't able to really function. So, I was able to take some time off, or work a bit less..."

"I suffer sometimes from insomnia ... so I wouldn't be sleeping until like five or six am, would sleep through my alarms and not be able to turn up or whatever. They've started putting me on at ten instead of like half eight, which has helped immensely."

ANNA, WAVE ONE

In contrast, the absence of empathy and support from management often turned day-to-day work into a source of stress. Some workers described managers who showed little regard for staff well-being, dismissing or even invalidating issues with insensitive comments. This lack of support created feelings of isolation and devaluation among workers. One participant recounted an experience with a manager who was dismissive about health concerns:

> "The manager was asking 'what's wrong' and I told her... she says, 'well I get migraines and blurry vision, and I work through it' I went back downstairs... and just felt so crap about myself."
>
> ROSE, WAVE ONE

Others shared experiences of direct disrespect from managers, which could erode morale and prompt them to question their future in the industry. As one worker shared:

> "It was the 23rd of December, and the assistant manager was stood in my face screaming at me... I thought, 'nah, I only work here to give money for my kids, this isn't my life.'"
>
> CARLA, WAVE THREE

Similarly, another participant spoke about leaving previous hospitality employment because:

> "There was a lot of lying going on with managers, you know, like telling you one thing, it's actually something else. Weird gaslighting situations before with my managers. And it's just, I think... I think if people are unpleasant, it's just really difficult to work for them."
>
> MEGAN, WAVE ONE

Megan then joined a new hospitality workplace, where she felt there was a strong team dynamic and respectful communication. She enjoyed this new role and stayed in it throughout our interviews.

The above examples underscore the emotional toll of feeling undervalued and disrespected, particularly around holidays or high-stress times. When the quality of the managerial relationship breaks down to this extent, it becomes challenging for workers to remain committed, often prompting them to reduce their hours (as Carla did) or change jobs (like Megan).

This finding connects to the next theme of training opportunities, as many hospitality workers told us that more formalised management training could improve both their own job satisfaction, and the effectiveness of those promoted into managerial roles.

Training and progression opportunities

The next factor differentiating positive and negative experiences in the hospitality sector that emerged during our interviews was access to training and professional development opportunities. Notably, very few participants mentioned being aware of any formal training or progression opportunities within their workplaces. Those who did discuss training highlighted how it could help signal their employer valued them and supported their growth, which fostered a sense of belonging and motivation.

One worker described her enthusiasm about her employer's training offerings, which included specialized skills development beyond her regular duties:

"It's the first time that I work in a place that gives me training opportunities... they pay us to be here trying wine... it was amazing."

PAULA, WAVE ONE

Paula continued working in her hospitality job over waves one and two of the interviews and continued working part-time in hospitality when she began a new job in another sector.

Another participant (Katy, wave one) highlighted their experience with a large national company that offered a formalised internal progression pathway. This initiative allowed staff to move from entry-level roles to management, including degree-level apprenticeships and other qualifications. The participant noted that the program extended to both front-of-house and kitchen staff, who are often overlooked in training.

In contrast, the lack of structured training in other workplaces left many workers feeling underprepared and, in some cases, overwhelmed by new responsibilities. Many participants noticed that people were promoted into managerial roles without adequate support or training, which left both the managers and their teams in a difficult position.

As mentioned, this connects closely with another key factor: supportive management. Likewise, training also links closely to another factor: financial stability and pay transparency. Workers who are clear about how they can progress within the industry are more likely to feel financially secure and motivated. Positive experiences in the workplace are rarely about a single factor; they depend on these elements coming together to create a truly supportive environment.

Reflecting on this, Jack told us about his previous experience working abroad – see case study below.
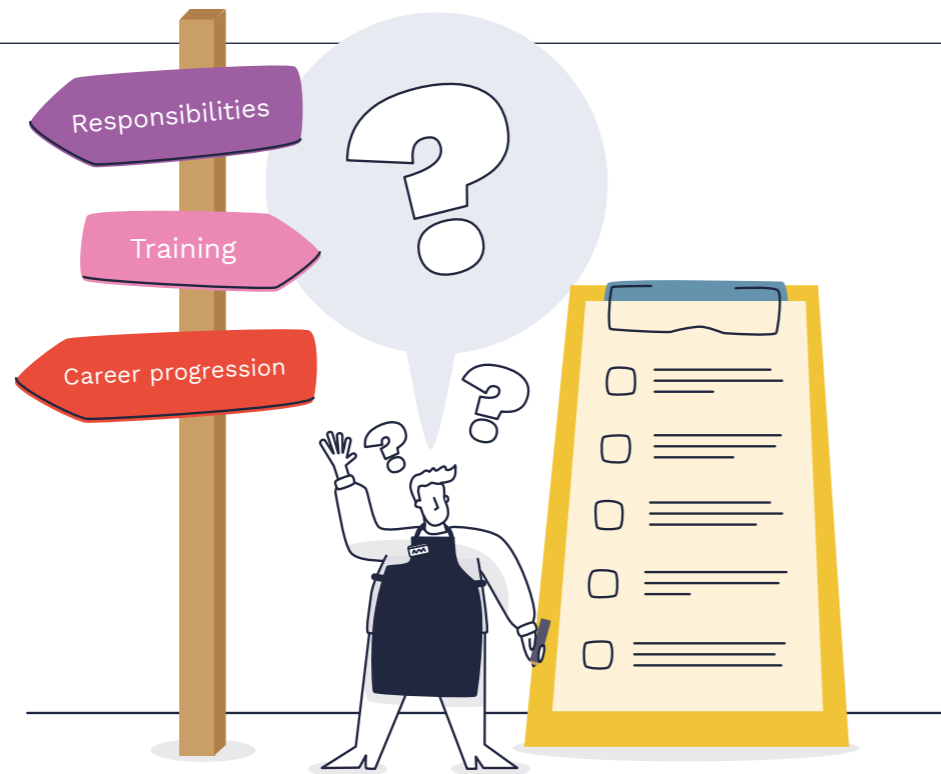
Jack's experience with training and growth opportunities

Jack's journey in hospitality reveals how structured training impacts satisfaction and commitment. Previously, he worked in the hospitality sector in Australia, before moving to a Scottish city. His previous experiences set a high standard, where he received thorough, regimented training that included monthly one-on-ones with his manager. He reflected:

"The first job I started in, in Australia, had a really, really great system for management, and really well-trained managers... the training process was really clear and regimented. I would take on a new responsibility, and then if there were areas for improvement, we'd receive training and then have an opportunity to practice."

In this role, clear processes and regular feedback allowed Jack to grow and feel valued, strengthening trust and respect with his managers.

Before each one-on-one meeting, he would enter feedback on his performance and areas for growth into a digital system, accessible only to his direct manager, HR, and venue leadership - ensuring privacy and accountability. In these meetings, his manager would highlight strengths and frame areas for growth constructively, setting concrete action plans with deadlines and follow-up.

This approach allowed Jack to identify and pursue specific goals; for example, moving from a server to a bartender. The transparent system and structured feedback created a sense of trust, as commitments made by his manager were regularly followed up and recorded.

In contrast, Jack's experiences with training and support in Scotland were limited. In his bar job, he noticed a distinct lack of training for both new hires and existing staff. Jack thought that hospitality workers often receive promotions based on operational skills alone, with little additional training in people management or leadership. Jack remarked that:

"I think a lot of folks end up moving into management because they have great hospitality skills, and then they don't get the support and training in management skills, like being a great bartender doesn't make you a great manager of bartenders, you know?"

Despite these challenges, Jack stayed with the bar for waves one and two. However, stagnant wages and limited career growth led him to seek work outside hospitality. By wave three, Jack had transitioned to a full-time role in another sector, driven by frustrations over the lack of training and support in his workplace.

Jack's story shows how structured training fosters skills and long-term commitment. His positive experiences in Australia set high expectations for hospitality as a career, but his Scottish roles fell short, ultimately prompting him to leave the industry.

Scheduling and work life balance

Scheduling practices played a vital role in shaping experiences. In positive cases, workers appreciated predictable shifts, with some workplaces even allowing staff to choose preferred working days and hours. Predictable hours were seen as a foundation for a stable work-life balance, particularly for those with children or other responsibilities. Some workers shared how her employer accommodated their availability requests:

> "I would dare to say she's a pretty good boss, our boss. She's flexible ... I've really got the hours that suit me. If people want mornings, they get morning shifts, if they want evening shifts she'll try and try her best to do that. Yeah, it's quite a nice atmosphere to work in, I'm mostly quite happy there, really."
>
> SUZANNE, WAVE ONE

> "I asked for Saturday, Sunday off, and they always actually give it to me. It's amazing."
>
> PAULA, WAVE ONE

On the other hand, last-minute schedule changes or erratic shift patterns contributed to a negative work experience, often causing financial and emotional stress. In some cases, rotas were released only a day before the work week began, limiting workers' ability to plan their personal lives.

> "They'd have the rota done on a Sunday night for the next day... [in hospitality] it's hard... everything is so... everyone's leaning on each other... you do want to stay extra if it's been a particularly crap day."
>
> ANNA, WAVE ONE

Such unpredictability left workers feeling undervalued and disposable, as it was challenging to manage life outside of work when they didn't know when they would be required. For workers with family responsibilities, this lack of control and respect for personal time was particularly draining, leading some to consider leaving the sector altogether.

Transparent scheduling not only affects work-life balance but also impacts financial stability – the next factor in this section. Workers in roles with erratic hours often faced fluctuating incomes, which increased financial strain. Those who received regular, predictable shifts reported feeling more financially secure, as they could depend on a steady income each month. This consistency was essential for some workers, especially as the cost of living continues to rise.

Financial stability and pay transparency

The structure and transparency of pay, including overtime, were crucial in determining worker satisfaction. Those who received fair overtime compensation felt encouraged to invest more in their roles. Conversely, issues like unpaid overtime and low hourly rates undermined trust and commitment.

In positive cases, employers recognised additional hours or responsibilities with higher pay rates, demonstrating a commitment to fair compensation. One participant described how her employer respected overtime hours by offering increased pay rates:

> "I was meant to do a, I don't, five until six or something like that, and then they asked me to stay two more hours... instead of being paid £9, they were paying £13, because they're extra hours they're asking you."
>
> PAULA, WAVE ONE

On the other hand, many participants described hospitality as lacking structured raises or regular reviews common in other fields, which left them feeling overlooked. As one worker observed:

> "[In other sectors], if you've been there for a year, and you get a raise automatically, or you get a, you know, you have a review... these processes. are pretty baked in at most places, and for some reason the hospitality industry just feels a bit like the wild west sometimes, you know?"
>
> JACK, WAVE ONE

This lack of structure often contributed to workers' feelings of instability, as they could not rely on gradual raises or career development within the sector.

In addition, salaried positions frequently created issues, with some workers finding that despite securing more senior positions, their pay had effectively dropped below minimum wage due to extensive unpaid hours. One participant expressed his frustration at how this impacted them:

> "I was on salary, which originally excited me... but my hourly rate worked out below minimum wage... And you know, it's always the extra hours, come in an hour early, you go an hour later, and it just all adds up, you know? I calculated in a year I'd worked for two weeks for free, I'd done a hundred and odd hours over my contracted hours, and ... that was kind of nearly the final straw when I stopped, stepped out of operations. I worked for two, two weeks for free. Who would do that?"
>
> FRANCES, WAVE ONE

Tip distribution practices also contributed to financial insecurity for many workers, especially in cases where distribution methods were unclear or perceived as unfair. Some workers described inconsistencies in how tips were allocated, with managers taking a larger share or lacking transparency in their calculations. The lack of transparency in tip distribution, and other pay practices, ties into the issues of broader ethical practices and conditions within the workplace.

Safety and general working conditions greatly influenced workers' overall satisfaction. In positive cases, employees described environments where health and safety concerns were promptly addressed, making employees feel protected and valued. However, these cases were exceptions rather than the rule, as many participants reported troubling neglect of both physical safety and ethical standards.
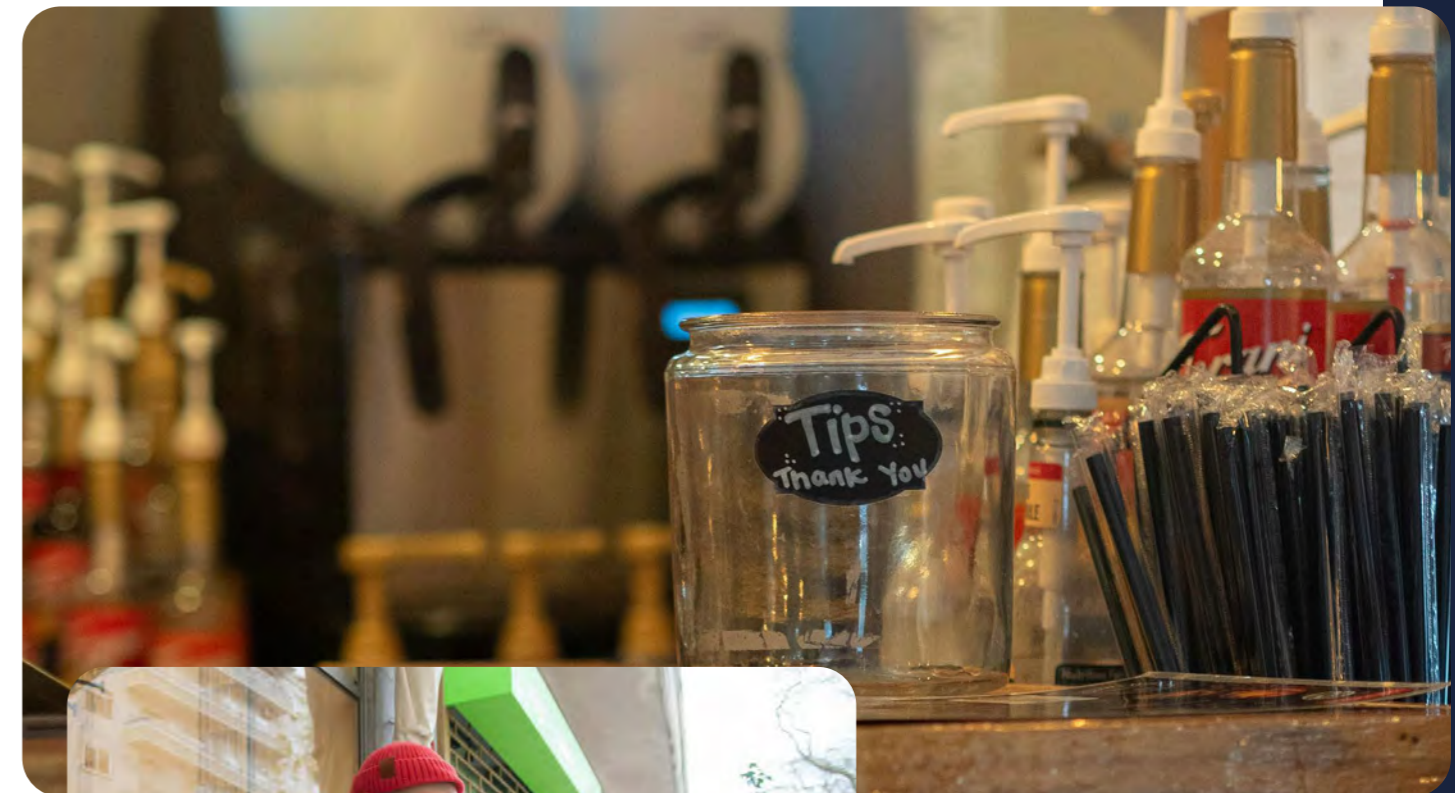
Ethical practice and safety in the workplace

Ethical practices and safety in the workplace are vital for ensuring that employees feel secure, respected, and valued. However, many participants shared experiences that highlighted significant gaps in these areas, revealing how neglect can undermine trust and well-being.

One participant shared a particularly alarming safety incident:

> "I'd noticed that there was a piece of timber lying on the ground... it had fallen from the cladding from about fifteen feet above... but they just didn't care."
>
> CHRIS, WAVE ONE

This disregard for physical hazards left workers feeling vulnerable, as their safety appeared to be a low priority. This wasn't an isolated issue; workers also raised concerns about lax health and safety standards, such as staff cleaning floors during open hours without proper signage, posing risks to both workers and customers. Attempts to address these issues were often met with resistance, especially from senior staff, with one worker commenting, "resisting change is almost a sport in there... it's like health and safety stuff, they just need to deal with it."

Some described situations where staff were expected to work while ill due to a lack of backup support. One participant shared:

> "Scott who's in the kitchen has had the shits all day and been sick, and he's in the kitchen working... because there's no other staff, they don't have a choice."
>
> ROSE, WAVE TWO

The absence of sick leave options forced employees to work under physically demanding conditions, risking not only their own health but that of colleagues and customers. Similarly, workers described the emotional toll of having to work through personal losses without adequate bereavement support. For some, the only choices were to use up holiday time (if they had it) or go without pay, which felt "cruel" given the public-facing nature of their roles.

In some cases, basic adjustments, like providing appropriate seating for pregnant workers, were overlooked, signalling a disregard for both health needs and inclusivity. Without these systems, workers felt unprotected and unsupported in times of personal or physical need, diminishing their trust in management.

Workers also noted a lack of HR structures that might support ethical standards and safety, with hospitality's informal culture often dismissing these needs. One worker explained:

> "The attitude in hospitality... is a bit like, 'we don't do that admin HR stuff.'... But that bureaucracy and those systems exist for a reason... things like employee retention."
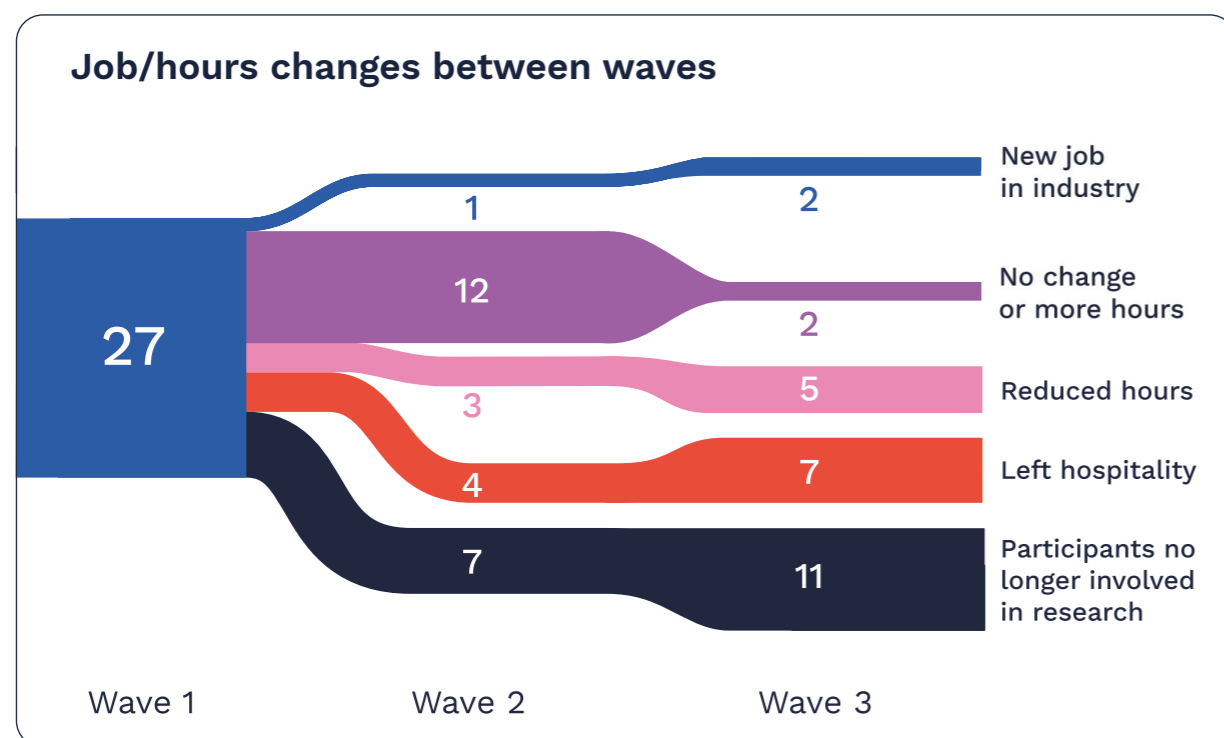>
> JACK, WAVE ONE

Overall, the experiences of hospitality workers are shaped by interconnected factors such as supportive management, training, fair scheduling, transparent pay, and safe working conditions, all of which contribute to creating a workplace where employees feel valued, secure, and motivated.

What are the key challenges of sustaining employment in the sector?

The previous section highlighted the factors which contributed to positive and negative experiences in the workplace for participants. This section focuses on where these (and other) factors influenced participants' decisions to stay in, or leave, the hospitality industry over time.

There is no doubt that it was challenging for participants to sustain employment in the hospitality sector over time: of the 20 participants interviewed at least twice, seven participants had left the industry by the end of the research period, and two moved roles within the industry during that time. A further five remained in the same roles but had reduced their hours and were hoping to leave the industry (two of these participants had secured second jobs outside of hospitality/tourism). The figure below shows employees' transitions over time.

Job/hours changes between waves

Wave 1	Wave 2	Wave 3	
27	1	2	New job in industry
	12	2	No change or more hours
	3	5	Reduced hours
	4	7	Left hospitality
	7	11	Participants no longer involved in research

Workers chose to stay in or leave the industry for many varied and complex reasons. Two key themes which summarise these experiences are feelings around job quality/work quality as discussed in the previous section, and changes in the industry due to wider economic challenges. Both of these themes are discussed in more detail in the following sections.

Job quality and work quality over time

As the workers' sample progressed through time, it became clear that those who remained in the hospitality industry reported higher job quality than those who decided to leave. In particular, there were several aspects of job quality which significantly impacted on workers being able to sustain employment in the sector over time. These are discussed in the below sections.

This section also includes a discussion of work quality, a wider measure of job quality which includes how work interacts with people's roles and responsibilities outside of work. Personal circumstances played a key role in many participants' choices to stay in or leave the industry. For a summary of literature on work quality and its potential impact on transitions in low paid work, see McFadyen (2024).

Pay and security

The Work Foundation (2024) defines insecure workers as workers who experience insecurity across at least two of the three following dimensions:

- Contractual insecurity, where people are not guaranteed future hours or future work;
- Financial insecurity, where people have unpredictable pay, or their pay is simply too low to get by; and
- Lack of access to employment rights and protections.

Insecure work is a key driver of in-work poverty in the UK; zero-hour contracts, short notice of shifts, breaks that do not meet legal requirements are all features of working in the hospitality sector.

Insecure work was a risk and/or the reality for many participants in the sample: as mentioned in our first longitudinal report, a third of participants had either a zero-hours contract or no contract, and many were being paid below the real living wage. Five participants who left the industry said they were looking for higher pay, more regular pay, or better security such as visa sponsorship or more regular hours.

Interestingly, many participants who experienced insecurity did not explicitly say that they left the industry due to financial concerns. It was more common for these participants have different reasons for leaving, such as the impact the industry was having on their mental or physical health, or due to unsociable hours.

Pay was also a motivator for within-industry job changes, including better pay structure for one participant. Some participants felt that the pay they were receiving was not enough to compensate for the effort required for their job, and wanted to move to industries such as retail which would pay a higher rate and where roles were seen as 'easier'.

Holly, a waitress/front of house staff member who had recently received a 40-hour permanent contract in hospitality, reflected on the insecurity she had previously experienced in comparison to her new situation.

"Well it's just different now, because I've... like I've got a steady income. But before it was just sporadic, depending on what I worked or like what I couldn't. And like, I mean, some weeks I would have £200, and then the other weeks I would have... what, you know, whatever. It was just very difficult, and like you feel that you're kind of pitting against yourself, you know, trying to make... or you're making up the difference, and then you're putting yourself... so it's just very difficult that way, for... but now, this is why I'm just like really happy and overjoyed that I've got this opportunity, because I love working in hospitality."

HOLLY, WAVE ONE

These findings show that reducing the number of hospitality employees who are classed as insecure workers is one potential option for improving retention in the industry. This action would also reduce the risk of in-work poverty for hospitality workers.

Fulfilment, social aspects & autonomy

Four participants cited poor management as a key reason for them leaving the industry or changing roles, with further participants who stayed in their roles highlighting the importance of good management in their experience of job quality. This is discussed further in an earlier section.

For many hospitality workers, the decision to stay in the industry over time was shaped by their experiences of fulfilment, teamwork, and autonomy in their roles. While the sector has its challenges, participants frequently described moments of pride in their work, connection with others, and a sense of agency that motivated them to remain despite the difficulties.

Fulfilment

Fulfilment in hospitality work often came from the ability to create memorable experiences, pride in performing well, and the dynamic, varied nature of the job. Workers who found this sense of purpose were more likely to stay, even in challenging circumstances, and this factor was specifically highlighted by three participants during our interviews.

Corinne spoke of the pride she felt in her role, particularly when receiving positive feedback from guests:

> "You get the compliments from the guests who just think the place is great. They appreciate what you're doing, and it makes you feel good about your work."
>
> CORINNE, WAVE TWO

This pride in her work and the sense of fulfilment she derived from making guests happy played a key role in Corinne's decision to stay in her role throughout the interviews.

Similarly, Alison described the satisfaction she felt in managing busy service periods and creating a welcoming environment for guests:

> "There's actually quite a good buzz. If you've got eighty covers booked, and forty of them haven't showed up until seven o'clock, and you know that it's going to be finished by nine... you just head down and get on with it."
>
> ALISON, WAVE TWO

For Alison, this sense of fulfilment was tied to the autonomy she enjoyed as a self-employed café owner, allowing her to create a work environment that reflected her values and priorities.

These examples illustrate how pride and fulfilment helped workers maintain a deeper connection to their roles. By aligning their work conditions with their skills, values, and aspirations, participants like Corinne and Alison were able to sustain their engagement in the sector, even when faced with industry challenges.

The social nature of roles

Positive relationships with colleagues and customers were a recurring theme among four participants who chose to remain in their roles. The camaraderie of working closely with others and the opportunity to engage with the public provided a sense of community and belonging.

Carla highlighted the importance of strong team dynamics in her satisfaction:

> "The good things are like, there's a great team of people to work with. I enjoy going to work because of the people I work with."
>
> CARLA, WAVE ONE

For Alison, the hospitality industry provided unique opportunities to form meaningful connections with both customers and colleagues:

> "I quite like the social aspect of it. I've made more friends in the last ten years through having the café than I probably would have in any other industry. Because you get to know people and you get to know what they like, and... and there's some really nice people out there."
>
> ALISON, WAVE TWO

These relationships often served as a buffer against the sector's fast-paced and sometimes stressful nature, helping participants stay motivated and engaged.

Voice and autonomy

Feeling trusted and having a say in their roles were significant factors in participants' satisfaction and decisions to remain in the industry. Workers who experienced autonomy and opportunities to contribute to decision-making expressed greater contentment in their work.

Megan described the freedom and creativity she experienced in her kitchen role:

> "We're very trusted in the kitchen to be creative and to just get on with it. You know you're valued when people come back year after year because of what you do… there's a lot of freedom and creativity."
>
> MEGAN, WAVE TWO

This autonomy was closely linked to Corinne's sense of fulfilment, showing how control over one's work environment and tasks can foster pride and motivation. Alison also emphasised the value of autonomy in her role, particularly as a self-employed café owner:

> "I suppose one of the benefits of doing it yourself is you've got no one to answer to. You do it your way, or you don't do it at all."
>
> ALISON, WAVE TWO

For both participants, having autonomy not only contributed to their overall satisfaction but also strengthened their commitment to their roles.

Fulfilment, social connections, and autonomy were key factors that influenced workers' decisions to stay in the hospitality industry over time. Participants who found pride in their work, formed strong bonds with colleagues and customers, and enjoyed a sense of agency were more likely to report satisfaction and remain in their roles. Conversely, those who lacked these experiences often sought opportunities outside the sector.

Lack of progression and future aspirations

The hospitality industry is known for its relatively flat structure, which creates limited progression opportunities compared to other sectors (Webb et al., 2018). Furthermore, the limited number of progression opportunities available (such as promotion to supervisor or manager) often come with little financial reward. As mentioned in the previous section, there was a clear absence of within-industry progression in the Serving the Future sample: only one participant was promoted within their original organisation, and one participant managed to progress within-industry by applying for new roles at different organisations. The lack of progression opportunity frustrated some participants, and there were shared concerns across the sample when workers were asked about their hopes and aspirations for the future.

No participants in the sample talked about building a career in hospitality when asked about their hopes and aspirations for the future. Those who saw themselves as more career-oriented discussed when and how they would like to move away from the hospitality industry. Those who remained in the same roles throughout the research did not tend to report career-related aspirations (this is discussed further in the work quality section below).

Progression is likely to become more important for people as they age, particularly in hospitality where lower-paid roles are typically more physical demanding than salaried roles. Megan, a chef who progressed in hospitality during the research period and had positive views overall of the industry, discussed potentially leaving the sector due to the physically demanding nature of the role.
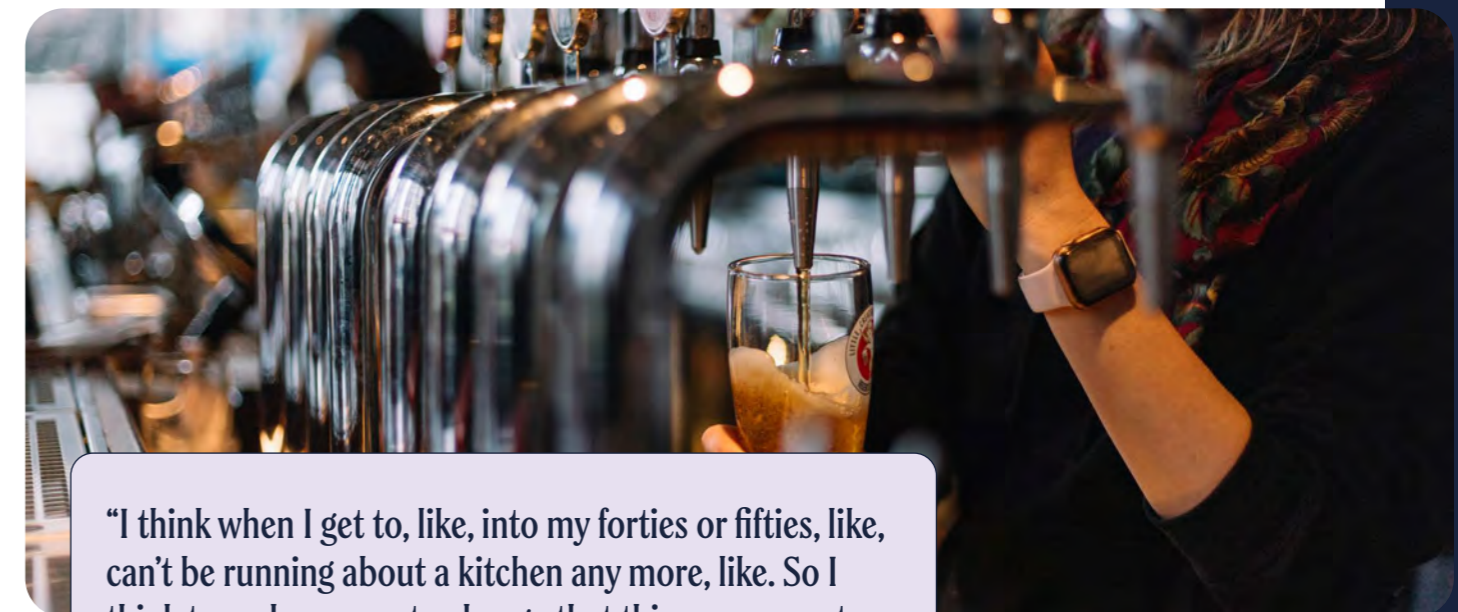
> "I think when I get to, like, into my forties or fifties, like, can't be running about a kitchen any more, like. So I think to make moves to change that this year or next year would be the best thing."
>
> MEGAN, WAVE THREE

Suzanne, a slightly older worker who had not progressed in the industry, reflected on similar concerns.

> "I mean, because obviously I was brought up thinking I would retire at 60 because that's the way it used to be. And now I'm going to have to probably wait 'til I'm – is it 66 or even 67. But what I would have liked to have done, supposing I'd got my pension now, I probably would have just cut down to two days a week instead of four. But as it is, I'm thinking I'll probably just have to keep going with my 20 hours until I get to retirement age, because I know my pension plan won't pay out much and my husband hasn't got much of a pension plan either."
>
> SUZANNE, WAVE TWO

Progression is clearly a challenging issue in the hospitality industry, since structural constraints limit the number of opportunities available. This drove some participants to move organisations or consider different industries as they thought about their long-term financial stability and health. The industry was also not seen as a long-term career option for most participants, due to the lack of progression opportunities – particularly into less physically demanding roles, upon which older participants placed greater value.

Other stakeholders in our research have been clear that hospitality has 'an image problem', in the sense that it is often not regarded as a sector where people can pursue a career. Our research shows that this sentiment is also present in workers, and consideration of how to improve hospitality's image – and, importantly, increase progression opportunities – are likely to be of benefit to the industry.

Work quality

Work quality is a wider measure of job quality which includes how work interacts with people's roles and responsibilities outside of work. It considers work as one component or building block of a person's life, which must compliment other components such as care responsibilities, hobbies, volunteering, and socialising (Cooke et al., 2013). In some ways it is difficult to summarise participants' reasons for staying in or leaving the industry, as they are all deeply personal and related to individuals' understanding of their own work quality. Some examples are provided below to show the variety of reasons for staying in or leaving the sector among participants of this research.

- Anna left hospitality because she was passionate about something else, and struggled with management/staffing challenges

- Paula left hospitality because she wanted more regular and sociable hours so that she could see her friends and family more often

- Jackie left the industry because after maternity leave, she did not want to return to nightshifts and couldn't find another solution with her employer

- Aram was still in the industry by wave three, but was about to start a new job outside of hospitality. He wanted to spend more time with his family and felt his manager in hospitality was treating him with disrespect

- Jamie was still working in hospitality at wave three, but was working more hours in his new retail job. Previously he had a long-distance partner and seasonal work meant he could spend long periods out of the country visiting. When their relationship ended, he preferred his regular hours in retail

- Suzanne was happy to stay in her role as she enjoyed her work environment, her role was flexible and she felt supported. She also felt she had a good level of work-life separation, i.e. she was not thinking about work while at home.

Participants who left the industry during the research reported feeling happier and less stressed in their new roles. It is important to note here that some participants took a pay cut when leaving hospitality and still reported higher wellbeing. This research shows that another option to improve retention in the industry could be hospitality employers considering how roles in the industry can better accommodate individuals' preferences for work. If employers can cater work better to individuals' circumstances and desires, there is likely to be an increase in retention in the industry.

The changing nature of the hospitality and tourism industry

Employers who participated in Serving the Future's Action Learning Set research reported that the hospitality industry has been facing some of the most challenging times in recent memory due to the combination of Brexit, COVID-19, and high levels of inflation (Timbrell et al., 2023). These effects filtered down to workers' experiences over time too, with many participants reporting the 'tightening of belts' by their employers. This negatively impacted employees' experiences, in some cases changing the way they felt about the industry. Some participants decided to leave the industry because of the changes they saw, such as hours being cut significantly, or increased expectations without further compensation from both owners/management and customers.
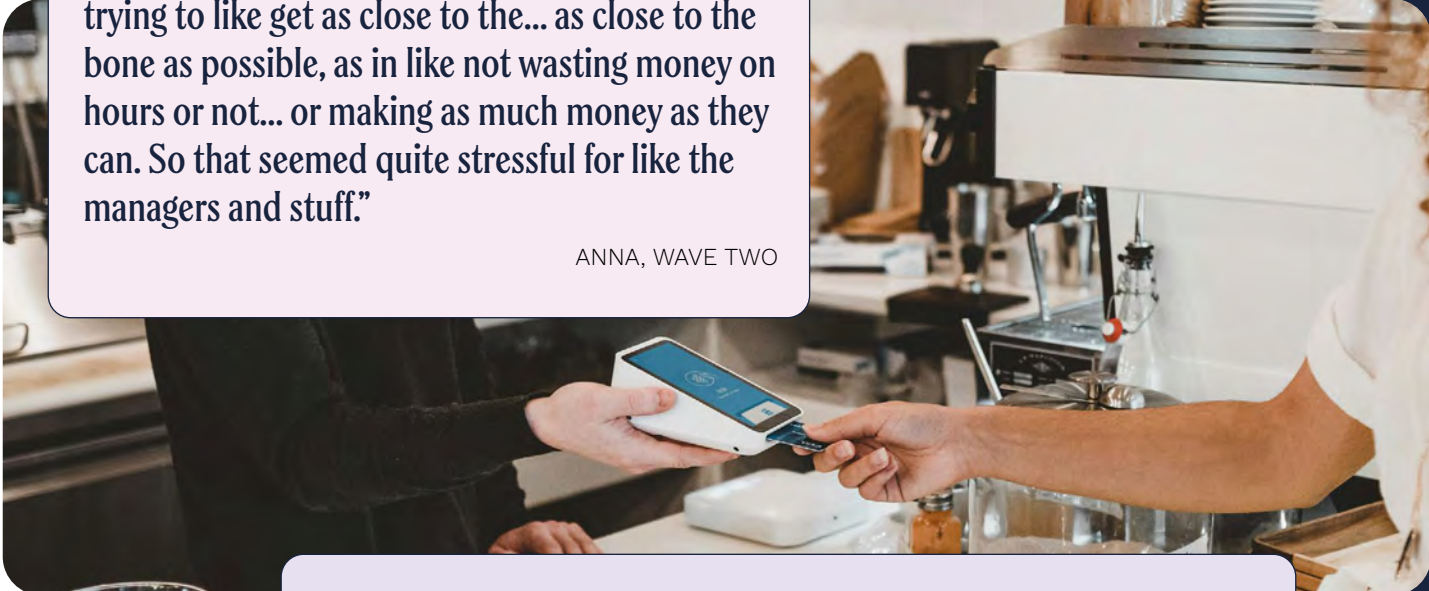
Many participants felt the impacts of efforts by their employers to cut costs or increase efficiency during the cost-of-living crisis and COVID recovery period. The following quotes offer some examples of participants' experiences.

"So how it happened was just from one month to the next, really, there was zero warning. It's very short notice, and it was kind of the end of the month, and they said, "Ah well, by the way, next month you'll be… you're gonna… yeah, your shifts have been cut down to two. But you're not the only one" – just to make you feel better – "everyone except for the supervisors have the same thing.""

ELENA, WAVE THREE

"Yeah, as I mentioned earlier that I'm feeling unhappy from my restaurant work. It's started to be nippy, you know, whatever you do it's not enough, they are expecting from you more and more, and you are kind of like… you are just being greedy, guys."

ARAM, WAVE THREE

"So work was pretty stressful because they're trying to like get as close to the… as close to the bone as possible, as in like not wasting money on hours or not… or making as much money as they can. So that seemed quite stressful for like the managers and stuff."

ANNA, WAVE TWO

"But I just feel there was a lot of people that thought hospitality was their career, and they're moving away of it. Like and there's less, less, less people, and the majority of people that get hired, not just in my workplace, but I just speak with people that work in hospitality, and everyone… every new hire, they're students, which are people that are going to leave eventually. So there's not… There's not long-term talent, there's no people that want to stay there. And the people that stay there are getting older. The people that are actually doing hospitality as career, they're getting older, and they're going to retire."

PAULA, WAVE THREE

"Hospitality's just not what it used to be and I need out now."

CARLA, WAVE TWO

This section highlights that employers are not the only stakeholders impacted by wider economic conditions: these effects filter down to workers and can be felt in many ways. Employers may benefit from involving their staff in discussions about financial pressures, such as was discussed in our Action Learning Set report (Timbrell et al., 2023).

Exploring drivers and impacts of in-work poverty

Our analysis reveals that a range of factors, other than low pay and insecure work, place workers in the sector at greater risk of in-work poverty . Low pay and insecure hours are key drivers but there are also many non-employment related drivers of in-work poverty that Serving the Future has highlighted. For families, high costs of childcare and costs of activities and items for children were causing financial stress for households involved in the research (see also Shields et al. (2024)). Continued high costs of living were also raised at each wave of the study. Monthly cycles of just managing to get by until the next pay day meant that saving was not possible for many of the workers in the research. The effects on workers are unsurprising: stress and experiences of struggling with mental health were mentioned by some of the workers; for families, tiredness and struggling to afford activities and childcare were a key concern.

This section examines issues that workers in the research were facing and reflects on drivers of in-work poverty outside of factors related to job quality and work including: the effects of the cost-of-living crisis, housing, childcare, public services and interactions with social security.

Costs of living and financial insecurity

When this research began, in the autumn of 2022, households in the UK had been hit with increases in costs-of-living with high costs of food and fuel causing greater financial insecurity and worry for low-income households. Two years on, costs of living remain high: over a three-year period between May 2021 and May 2024, UK consumer prices increased by 20.8% in total (Harari et al., 2024). Wages in the UK have not kept pace with energy, food and housing costs with those on the lowest incomes most affected by rising costs of living.

> "You know, you're in a job getting paid, like, a tenner, which I think is going to be harder to adjust to that now the cost of living has went up, when the wages don't match it."
>
> MEGAN, WAVE TWO

Participants were asked how they were managing with the cost-of-living crisis at each timepoint of the research. Our analysis revealed that, over time, the impacts of higher costs of living varied amongst the participants; although, saving less or not being able to save at all was a collective experience. All the participants had also made long-term changes to their spending; for example, cutting back on shopping to try to be '*as economic as possible*' and limiting use of heating.

Whilst most of the participants said that they were managing; a few of the participants reported that the cost-of-living crisis led to daily worry and lives navigated around how to save on spending. For some participants struggling on low incomes, unexpected costs were difficult to manage (e.g. dentistry costs). Participants struggling on low incomes who had no savings also shared experiences of having to access emergency forms of support. Around half of the participants had family or friends that they had had to turn to for financial support.

> "I'm, like, warm enough, probably, but I'd love to have the heating on all the time, but it is probably warm enough."
>
> MEGAN, WAVE THREE

> "My parents also gave me some money recently, which is, I'm very lucky and it just kind of startled me about like how much I've actually needed that."
>
> ANNA, WAVE ONE

> "Scottish Power gave me fifty pound. I paid it – like, I pay it back off – onto my meter. It was because I was skint and I didn't have money for the electricity."
>
> JOANNE, WAVE THREE

Corinne's experiences of the cost-of-living crisis

For Corinne, a full-time cafe manager, living with her partner (who was in full-time employment) and her two children, higher costs of living were manageable on the family's income, but had led to ongoing cutbacks and discussions on whether they could afford to continue to have two cars. The quotes below highlight the various household day to day costs that Corinne had had to reassess.

> We have, we have managed so far, but obviously with the cost of energy and fuel, we're really lucky that in our current house we have a log burner. So the heating has been tweaked so that it's not on constantly... Be more economical with the food that we eat."

In Feb 2023, Corinne's family had to make changes to try to reduce their outgoings at the beginning of the cost-of-living crisis.

> Yeah, cost of living... we're not doing too bad, we've tried, we've tried to be, you know, as economic as possible."

In August 2023, her family continue to be impacted by ongoing higher costs of living.

> I mean, there has been maybe the odd time where I've, like, oh my God, we're going into the overdraft, we've not done that for years. But it's just because we've had an expensive month due to cars, you know? Maybe we'd gone away on holiday or we've maybe, you know, the kids have needed stuff."

By March 2024, she has had to use her overdraft and shares that she has not been able to save much money over the last year.

WAVE ONE   **WAVE TWO**   **WAVE THREE**

Corinne often spoke about feeling "lucky"; lucky that she had been able to save on heating, lucky that her family had been able to help with childcare in the past and lucky that "we're able to put stuff into a bank account for the kids so that they've got that when they're older". This sense of being lucky, compared to others who are struggling more, was a common theme across the interviews. It raises a question around perceptions of what incomes should cover. Whilst the levels of financial difficulty varied across the participants with clear examples of around a third of the participants not always being able to meet 'core needs', experiences of not being able to afford items or activities, deemed as essential by the public to have a decent standard of living (JRF, 2024), such as being able to eat out occasionally or go on holiday, were not possible for many of the participants.

> "We do not go on holidays."
>
> ARAM, WAVE TWO

> "Do you have a small amount of money to spend on yourself each week?"
>
> "No."
>
> CARLA, WAVE THREE

One participant shared that they 'felt bad' as they had been able to go on a holiday because other people "are in real poverty" (Jackie, wave two).

For families with children, low incomes meant not being able to afford children's activities or classes. There was also evidence of particular times, such as Christmas, being a difficult time for families to manage:

> "I think Christmas really dunted[1] me, but that's Christmas. That was my own sort of fault. I bought too many presents for my daughter, so yeah, and I was not organised, so yeah."
>
> JOANNE, WAVE TWO

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1   Scots word meaning a heavy blow

> "I think kind of like coming up to Christmas was hard. That was kind of like when they'd started cutting our hours and stuff, and if my mum and gran gave me a lot of money. I think my mum and gran paid for the kids' Christmas, because I just was like I don't ha- I've got enough to pay my bills, I've got enough to put food on the table, but I don't have enough then to like give you."
>
> CARLA, WAVE THREE

The quote from Carla above shows the impact of cuts to her hours during a quiet time during the winter period on her financial security.

Experiences of debt

We were able to explore experiences of financial insecurity over time by asking the participants whether they were in any form of debt at each wave of the interviews. Table 4 shows that at wave one (autumn/winter 2022/23), 12 participants shared they were in a form of debt, with three of these having a 'priority debt'.[2] Over the following 20 months, for participants who were in debt and continued in the research, all but one continued to struggle with various debts. Most of the participants had had debt for years. The participants in debt often used credit cards to pay for daily costs. Housing costs had led to debt for a couple of the participants, due to high costs of rent and expectations to pay more than a month's rent in advance to secure a flat.

Table 4: Experiences of debt over time

	WAVE ONE	WAVE TWO	WAVE THREE
Anna	In overdraft and in arrears with rent	Rent arrears	Credit card and overdraft, a month behind on rent
Jack	Student loan and credit line		Student loan and costs of Visa
Chris	Not mentioned	Debt from energy provider	Some debt
Jason	Overdraft and council tax (didn't realise it had to be paid when dropped out of university)		
Andrew	Loans from friends and family	In overdraft, one credit card	Some council tax debt because flat mate didn't organise. Mentions credit from shops.
Holly	About £4k from multiple sources		
Christine		Multiple loans from bank. Approx. £3,500	Has been paying off debt and has one smaller loan left which is £60/70 a month
Carla	Credit card and overdraft, Klarna	Credit card	Credit card debt at £5,000
Rose	Lives out of overdraft. Credit store card.		
Megan	Overdraft only. No other debt.	No	No
Katy	Debt for household furnishing like flooring and furniture	No	
Joanne	Has previous debt so not able to get credit	Had to get a loan from Scottish Power for energy	Debts paid off

Note: if box is blank participant dropped out or did not provide informatoin on debt

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2 Priority debts are debts that can result in someone losing their home, having their energy supply cut off, losing essential goods or going to prison. They include things like: rent and mortgage; gas and electricity; council tax and court fines.

Anna's experiences of costs of living

"I think you see a big disparity there between like pay...and I'm single...I'm like it is a bit frustrating sometimes to not be part of a team like that."

Anna is a single adult living in a flat share. At wave one, she was working full-time as a waitress. By wave two, she has started a traineeship and by wave three, her traineeship had come to an end, and she was looking for work. In one of Anna's interviews, she discussed the challenges of managing on an income as a single adult, compared to couples:

" The rent has just gone up, which is terrible. And I think I'm like a week late on paying it."

Anna was working full-time as a waitress earning the national minimum wage. She was struggling to pay her rent which had recently increased.

" I am a month behind in rent."

At wave two, she was really struggling financially and worried about the future.

" I'm still a month behind in rent. That's just over my head, which worries me...It went up to £875, and now they want to put it up by another like, it was something like four or six percent...and then you get an email about the electricity going up, or the, whatever else going up, and it's like, my income isn't going up."

At wave three, she was looking for work and still in rent arrears.

WAVE ONE   WAVE TWO   WAVE THREE

Housing insecurity

Across the participants, costs of housing were a key pressure for private renters and owner occupiers. During the period of the research, a cap on rent increases for existing tenancies was introduced for private landlords. This came to an end in April 2024 at the end of the study (SPICe, 2023).

A couple of the private rent participants were not affected by the rent cap as they were receiving the housing element of Universal Credit. A couple of the participants who remained in the study at wave three shared their concerns about the end of the private rent cap. Izzy, a lone parent, and living in a mid-market rental property, was interviewed just after the rent cap came to an end. She said:

"So basically, I am trying to kind of go against the rent as well, because that's gone up a lot. Like obviously they've took the cap off, and they've just hiked it right up. And yeah, I'm trying to kind of, if possible, keep... like try and figure out how I can keep that to the same amount, because it's just going up... I mean, this is mid-market, so it is supposed to be affordable, but it's not affordable. It's basically on the same as private rent, what I pay."

IZZY, WAVE THREE

Worry about the financial impacts of increased mortgage interest rates varied. Alison described being 'really lucky' that her mortgage had been fixed for years. For couples in the research, increases in monthly mortgage payments had been manageable due to both having incomes or an increase in income of a partner. However, Jackie, who lived with her child and her partner, who was unemployed at the second wave of the research, was uncertain and anxious about what the upcoming renewal of her mortgage would mean. Daily cutting back and worry was evident in both waves of the research that she took part in. She also spoke of making sure she put money aside in case her partner became unemployed again.

Participants in the project living in social housing largely did not report any issues during the timeframe of the research. However, the case study below of Joanne, shows the impacts of not being able to access adequate social housing.

Joanne's housing journey

In her first interview, Joanne was in temporary accommodation with her 1-year-old having been in inappropriate housing during her pregnancy. Between her wave two and three interviews, despite several years of uncertainty, and with a now 3-year-old, Joanne described the process of getting housing through her local council as a 'nightmare', with the permanent council house she was shown having 'black ceilings'. She was told by a housing officer:

"Because you work, you'll probably not get a grant."

Whilst juggling work and being a lone parent, she had to contact Shelter and her MP to try to get support, as she felt that she had no other option but to take the inadequate housing. She was told: "If you don't take that flat, you're going to be homeless". Her refusal to take the flat meant that her 'silver priority' for her housing application was removed. After more than three years in temporary accommodation, at her third interview, Joanne had been given a suitable flat and described feeling lucky.

Social security

For workers receiving Universal Credit (UC), the research gave us an opportunity to explore how working in hospitality interacts with receiving social security. One participant raised the potential implications of tips added to her wages on her UC claim. Another participant did not end up applying for UC during the three months of the winter season as she was told she would be expected to look for and work during those three months. Experiences of varied hours and fluctuating incomes had caused confusion for a few participants about whether they would receive UC or not each month. There was also a couple of participants who had not applied for UC as they were unsure if they were eligible and a couple who had applied but were earning just over thresholds.

> "So I had a look to see if we could claim anything and Universal Credit tole me 83p... I'm sure I'll survive without it."
>
> CARLA, WAVE TWO

Overall, the participants generally seemed to understand the concept of earnings thresholds and none of the participants had job search expectations because they either worked above the hours required or had children. Amounts being received through UC were generally described as quite low. During the wave three interviews, a few participants shared positive perspectives on the newly introduced Help to Save. A few participants shared that they really liked the UC system because it made things simpler as they do not have to report their earnings.

There were some examples of issues navigating the social security system. These quotes illustrate issues around communication and incorrect information.

> "there's about three different people I've been speaking to, and I think there's been a miscommunication...it is frustrating, because they're very much "Get back to work, get back to work," and then you're back to work, and it's just like kind problem after... after problem with it."
>
> IZZY, WAVE THREE

> "there's one [council tax letter] that says that I'm like entitled to like a entitled to a reduction for like a hundred quid...And then another one came recently saying, 'actually that was a mistake, we're not going to do that anymore.'"
>
> ANNA, WAVE TWO

In Izzy's third interview, she was worried about her son turning two and how she would manage increased job search expectations which as a lone parent she was worried about how she would manage:

> "I think as soon as he turns two, there's going to be a lot of change, and a lot of issues. Because I think you've got to do like a certain amount of hours. I'm trying not to think about it too much, but it's moving, how fast time is going, it's coming around."
>
> IZZY, WAVE THREE

Parents receiving Scottish benefits for children including the Scottish Child Payment and Best Start Grants and Foods shared positive experiences and impacts.

> "Definitely, that [Scottish Child Payment] helps loads. I mean, the card as well. The card that you get, that buys your fruit and veg. That, between both of them has been a huge help. 'Cause it... I mean, the fruit and veg is, the price of it."
>
> IZZY, WAVE THREE

> "It's not coming out of anything I've earned or none of my money and [...] it has been a great thing. And I think a lot of other families probably feel the same with that, because it – I've got a lot of friends and – aye. I've got a friend who's got four kids and I think it's been a big – like, a big help for, for her."
>
> JOANNE, WAVE THREE

Public services

Over the three waves of interviews, a lack of awareness of locally based services/organisations for single adults and families struggling on low incomes was a common theme. For Georgia, a lone parent, getting advice and information from a new housing officer was pivotal at a time when she was struggling financially and homeless.

> "...she explained all the things that I was then – like the Scottish Child Payment and all this stuff. And she helped me understand about the help...So she really explained the whole system for me...And that's how I got on the private rental market and that took a few months, to get on that."
>
> GEORGIA, WAVE TWO

Lack of awareness and support around employability and training was also raised in some of the interviews. When Anna was asked whether she had accessed any employment support, she replied: "I didn't know that was a thing...I kind of thought you just had to like figure it out myself".

Childcare

Lack of affordable childcare and challenges finding childcare with spaces were explored in an earlier report (see Robertson et al., 2023). In this report, we shared how parents in this research were paying large proportions of their incomes on childcare for 1 and 2-year-olds. Analysis of parents' experiences over time show that managing childcare, particularly for children aged one and two, is a constant challenge for households where families are in work (see the table below). Quotes by women in the study show that lack of affordable childcare over time has prevented them from returning to work, being able to consider new opportunities or extend their hours.

> "I've been put off with it, because my sister used to work in a private nursery, and in her relationship, it was sort of agreed without her... her one, that her child would go into the private nursery. And her wages just, it was... well she walked out with £50 spare. So why would you work all those hours, only to get £50? So in my mind I've listened to that, and that's just at the back of my mind. Why would I do that?"
>
> JACKIE, WAVE TWO

At wave one, Carla's family, including her partner's mum, looked after her two children. But by wave two, new employment meant she was no longer able to help, with childcare then juggled between various grandparents. She said that juggling childcare between different family members only worked because they all live in proximity to one another.

> "My gran, she does it but she's in her eighties, and she's not in the best of health. So she, like, can maybe do two days at a push and then we have ... other grandpa who also hasn't the best of health. He has heart problems, but he still will take the kids."
>
> CARLA, WAVE TWO

For all the families, childcare was a constant juggling act, and managing this alongside work in the hospitality sector was challenging:

> "So it does get a bit... because I work some night times as well, like the following morning – so on a Friday – like I'm full of these like, 'oh we'll... we'll go and do something on the Friday...' It's like I do manage, but my mood and everything's low because I've been... she's been sleeping since seven, and I'm working until one, do you know, and it's... it's tiring. It does get a bit stress- it gets a bit hectic."
>
> (JOANNE, WAVE ONE)

Table 5: Childcare arrangements over time

	WAVE ONE	WAVE TWO	WAVE THREE
Carla (couple with two children, aged two and five at wave one)	Family providing childcare	Same as wave one	Same as wave one/two
Jackie (couple with baby at wave one)	On maternity leave and worried about how they will manage childcare when returning to work	New job working sessional hours at home and looks after toddler at same time	
Katy (couple with pre-school child at wave one)	Work hours and location are flexible which helps with managing childcare	Same as wave one	
Elena (couple with child aged two at wave one)	Child in nursery 2 days a week: £563 per month	Child in new nursery: approx. £750 a month with 20% tax reduction	Same as wave two and on waiting list for extra days
Izzy (lone parent, baby at wave one)	On maternity leave	On maternity leave	Returned to work. Receiving 85% childcare costs on Universal Credit and pays £80 per month
Chang (couple with children aged one and three at wave one)	Couple manage childcare with different day and night shifts	Same as wave one	
Aram (couple with child aged one, wave one)	Child in nursery 2 days a week: £280 per month	Same as wave one	Same as wave one
Joanne (lone parent, child aged two at wave one)	Ex-partner and her mum look after child when she is in work	Ex-partner and her mum look after child when she is in work	Same as wave three
Georgia (lone parent, child aged two at wave one)	Free nursery provision 2.5 days a week. Half a day private nursery a week: £140 per month	Receiving 85% childcare costs on Universal Credit and pays £21 per month.	Receiving 85% childcare costs on Universal Credit and pays £70 per month

Note: Boxes are blank where a participant was no longer involved in the study.

Local and national solutions to in-work poverty: workers' perspectives

During the longitudinal interviews, we asked hospitality workers about their thoughts on what changes—at both a local and national government level—could help address the challenges they faced in their jobs. These conversations frequently referenced themes such as childcare affordability, the impacts of zero-hour contracts, training opportunities and the need for government oversight in employment standards. Below, we explore these themes and workers' perspectives in more detail.

Childcare affordability and accessibility

The high cost of childcare was a recurring theme in the interviews, with many participants describing it as a significant barrier to work (especially full-time work) in the hospitality sector. Some participants proposed solutions such as workplace-based childcare or extended nursery hours:

> "A night-time nursery, or until like pick up at seven, you know, just like a wee bit more extended… If you were doing a breakfast shift in the morning, and you start at eight, you could drop them off at seven, or something like that."
>
> HOLLY, WAVE ONE

While Scotland's childcare provision[3] from age three was praised, workers felt it did not go far enough, particularly for families with younger children or dual-income households struggling to manage costs:

> "The free childcare from three is really fantastic. And I know that there are some circumstances where you can get that from two years of age … but I'm not sure that the scope is wide enough, because we're a one and a half income household and we can't afford childcare for us to make more money to become better off."
>
> KATY, WAVE ONE

Participants recognised the challenges of expanding childcare, noting the financial and resource constraints within the early years sector. However, many saw this as a key area where government action could improve working conditions in hospitality. Affordable, flexible childcare would enable more parents to stay in work, reduce financial strain, and support businesses by decreasing staff turnover.

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3   As of January 2025, in Scotland, children aged three and four are eligible for up to 1,140 hours of free early learning and childcare per year. This is about 22 hours per week if used all year, or 30 hours per week if used during term time.

Zero-hour contracts and job security

When asked what they would change about the sector, four participants specifically called for an end to zero-hour contracts, with some advocating for minimum guaranteed hours instead:

> "Zero-hour contracts. Outlawed, banned. Like, illegal. Like, if you're part-time, you have minimum fifteen if that's what you want. If you want full-time, thirty-five, forty. Nothing less than that. I don't want it to be quiet in January, and suddenly this place that's promised me forty hours a week is giving me twenty five because they don't have the business, you know what I mean? And I'm still stuck with all the bills that you've got, kind of thing."
>
> JASON, WAVE ONE

Recent proposals under the UK Government Employment Rights Bill would grant employees the right to a guaranteed-hours contract if they work regular hours over a defined period—initially proposed as 12 weeks. Employees would retain the option to remain on zero-hours contracts if that suits their needs.

In our research, participants supported the idea of government intervention to address this issue, advocating for a legal requirement for minimum-hour contracts. Workers told us that such measures would provide employees with a safety net to cover basic expenses while still allowing flexibility for busier periods.

Transparent employment standards and oversight

A recurring concern raised by participants was the lack of effective regulation and oversight in the hospitality industry. Many workers felt that the absence of clear standards allowed exploitation and unfair practices to persist, contributing to poor working conditions. Several participants recounted firsthand experiences of being underpaid or working unsustainable hours without adequate support:

> "I've seen people getting paid under the minimum wage. There needs to be investigations into contracts and what people are actually being paid."
>
> ARAM, WAVE ONE

Likewise, unsustainable scheduling practices, such as "clopens" (closing late at night and opening early the next morning) were another common frustration that workers wanted Government action on:

> "Sometimes I could finish at twelve at night and be in at ten the next day... That's very common, as well, like 'clopens.' I think they shouldn't be legal."
>
> JASON, WAVE ONE

To address these issues, workers suggested measures such as mandatory HR training for managers to ensure better treatment of staff, stronger union representation to empower employees, and the development of clear policies for addressing grievances effectively.

Some participants called for direct government oversight to monitor workplace practices and ensure compliance with employment laws.

Ultimately, workers stressed that improving conditions in the hospitality sector goes beyond implementing regulatory changes. They advocated for a cultural shift that places respect, dignity, and fairness at the forefront, with government playing a key role in facilitating this progression.

Conclusions

The overarching aim of the Serving the Future project has been to identify actions that make paid employment an adequate and sustainable protection against poverty. From the outset, the project has recognised both employers and UK and Scottish Governments have roles to play to prevent in-work poverty. Alongside the research with workers, Serving the Future has published learning on actions that hospitality employers can take to become more sustainable and support workers in the sector (Timbrell et al., 2023) and the findings from the longitudinal research have fed into our work with employers to draw these two parts of the project together.

This report shows that experiences of hospitality workers are shaped by many connected factors. For workers in this research, a combination of factors lay behind decisions to leave the sector and those who took pride in their work and felt valued were more likely to stay. Supportive management, proper training opportunities, fair scheduling, transparent pay practices, and safe working conditions are all essential in shaping how workers feel about their jobs. Ultimately, what sets positive and negative experiences apart in the hospitality sector is how well these key factors come together—no single element stands alone. Supportive managers who offer training make workers feel appreciated, while predictable schedules and fair pay build trust and financial security. Creating safe and ethical work environments shows employees that their well-being truly matters. By focusing on these interconnected elements, employers can build better working conditions, encourage employees to stay longer, and make the sector more sustainable.

Drivers of in-work poverty are complex, and this report has sought to highlight a range of challenges that households in low-paid work experience over time as well as impacts on them and their families. We are publishing this report just months before the Scottish Government's interim child poverty target was set to be reached – that 18% of children live in relative poverty. Despite child poverty being a central mission of the Scottish Government, the numbers of children living in poverty, and in working households, continues to be high. For families in low-paid work in this research, friends and family were often described as a buffer to worsening financial insecurity. This research also highlights the challenges lone parents, the vast majority of whom are women, and single adults face in low-paid, insecure work, as households who are more likely to live in poverty.

For workers in the project, debt was an ongoing challenge for around half of the participants over the nearly two years period of the research. The impacts of just managing to get by each month until the next pay day took its toll. For parents, high childcare costs and lack of access to childcare over time put stress on households and had direct consequences on progression and opportunities for women in this study over time. Housing costs, for private renters in this research in particular, are another concern, particularly since the end of the rent freeze.

This research has also taken place during a period of increased costs of living impacting low-income households and the hospitality sector. Findings in this report indicated negative impacts on experiences of employment in the sector in the context of inflation and post-Brexit. The effects of cost-of-living on low-paid workers in this research have also been significant – to varying degrees – with lone parents and single adults in particular having to make significant changes to their lives.

Although families in the research shared positive views on Scottish social security support for children, overall, evidence from this research shows that social security and public services were not providing sufficient support to ensure adults and families in low-paid work had an adequate income or standard of living. By speaking directly with hospitality workers, we have gained valuable insights into the challenges they face and the changes they believe could make a difference. Workers made it clear that government intervention is essential to addressing key issues such as childcare, zero-hour contracts, and employment standards.

Ultimately, addressing in-work poverty in the hospitality sector requires coordinated action from employers and governments alike. By implementing meaningful changes across employment practices, social policies, and support systems, we can create a sector where workers are valued, households are supported, and poverty is no longer an accepted reality for those in low-paid work.

Appendix A: Participants' summary

Pseu-donym	Job Title (Wave 1)	Type of contract (Wave 1)	Employment status (2nd wave)	Employment status (3rd wave)	Receiving benefits (excluding child benefit)	Housing	Health
Anna	Kitchen charge-hand	Contract around 23 hours a week but usually works around 30 a week	new full-time job outside of sector	job coming to an end	Yes	private rent	Previous experience of anxiety/depression
Paula	Waitress	zero-hours	same employer	new p/t job outside of sector but continuing to work 1 day a week with hospitality employer	No	private rent	no
Jack	Server/Bartender	35 hours on their contract over 4 working days, with the understanding that hours may be lower than 35 hours some weeks which they are fine with.	same employer	new f/t job out-with hospitality sector	No	private rent	no
Ali	Waiter				Yes	private rent	no
Chris	Charge-hand	new owner hasn't given a contract	not working	not working	Yes	other (partner owns house)	physical disability and experience of mental health problems
Lucy	Bar staff, cook	2 jobs - employed on one part-time contract and one zero-hour contract			No	owner occupier	no
Jason	Assistant Manager	Hasn't signed one - been told he's zero hours and has holidays but no physical contract			No	private rent	no
Jamie	Visitor assistant/until recently cook	zero hours, often seasonally employed	Same employer	Same employer	No	other (lives with parents)	no
Andrew	Head Waiter	part-time (8 hours per week) but works 50+ hours	new job as assistant manager with new employer in hospitality venue	new job in new bar/venue as duty manager	No	private rent	no
Frances	FOH Manager	no contract but zero hours arrangement			No	other (seasonal accommodation)	no

Pseu-donym	Job Title (Wave 1)	Type of contract (Wave 1)	Employment status (2nd wave)	Employment status (3rd wave)	Receiving benefits (excluding child benefit)	Housing	Health
Holly	Waitress/front of house	permanent 40 hours			Yes	owner occupier	no
Christine	Cleaner/housekeeper/kitchen assistant/dishwasher	No contract. 40 hours during summer & 20 hours during winter (plus other jobs)	same employer (more hours during summer)	same employer (moving to kitchen from housekeeping)	Yes	social rented	Arthritis and minieres disease.
Carla	Housekeeping supervisor	zero hours, permanent (works 50)	same employer (given up nighttime bar shift) - 40 hours housekeeping and reception during some of the holidays	same employer - hours reduced to 18. Also at college	No	social rented	Mentions having had struggles with mental health.
Rose	Team Leader	full-time (37 hours per week) on contract but 26 hours owing to less demand at workplace.			Yes	private rent	Mentions she gets sick a lot, appendicitis, and mental health.
Suzanne	Waitress	Part-time (20 hours per week)	Same as first wave		No	owner occupier	no
Megan	Chef de Partie	Seasonal contract	promoted - same employer	Promoted - same employer	No	other (seasonal accomodation)	no
Alison	Cafe manager	Self-employed	Same as first wave	Same as first two-waves.	No	owner occupier	no
Corinne	Cafe manager	Permanent, salary, full-time 35 hours. Works a mixture of shift patterns.	Same as first wave	Same as first two-waves.	No	owner occupier	no
Jackie	Hotel night auditor (receptionist) (currently on mat leave)	Has permanent contract. 169 hours a month. 5/6 nights a week	finished maternity leave and did not return to job after months of conversations with employer. Now doing session hours as seamstress.		No	owner occupier	Struggling with mental health in second wave. Potential diagnosis also of ADHD/autism.
Katy	Training manager	Permanent part-time	same employer (about to increase hours from 20 to 30 a week)		No	owner occupier	no
Izzy	Waitress	zero-hours	still on maternity leave	returned to work 1 day a week	Yes	mid-market rent	no

Pseu-donym	Job Title (Wave 1)	Type of contract (Wave 1)	Employment status (2nd wave)	Employment status (3rd wave)	Receiving ben-efits (excluding child benefit)	Housing	Health
Joanne	Waitress/ bar staff	zero-hours. Usually works 16-20 hours 3 shifts a week.	no change	left hospitality. p/t cleaner	Yes	temporary accommo-dation. By wave 2 is in social housing	asthma, potentially ADHD of child, wave 3 mentions mental health and psychologist support
Elena	Front of house/ barista	No	working 3 days a week in same place	shifts cut down to two	No	owner occupier	at second wave, mentioned post-natal depression
Chang	Team member/ front of house/ range of roles	permanent, salary	Same as first wave	Same as first two waves	No	owner occupier	no
Aram	Waiter	3 shifts a week (around 7 hours a shift). Also works p-t in support role.	working in same job but fewer hours (10)	new job working in charity and continuing 15 hours in restau-rant	No	social rented	in second and third interview mentions struggling with mental health
Georgia	Duty Manager	4 hours a week but works 16 hours a week	left hospitality job. now a self-employed cleaner working around 14 hours a week	self-employed cleaner	Yes	private rent	provides care to mum
Sarah	House-keeper	thinks it is zero hours			Yes	social rented	no

Note: grey box means information was not provided or participant dropped out.

Appendix B: Material deprivation

Material deprivation is a measured used to understand how many families are going without certain resources and is primarily used in the Households Below Average Income (HBAI) survey. Survey respondents are asked if they can afford certain items, and they can answer yes or no, or say that they did not want that particular item. Households with children are asked a total of 21 questions (9 concerning the adults in the household and 12 related to the children), and each question is given a weighted figure. The sum of all the weighted figures add up to 100, with each item a household cannot afford adding to their score. A household is classed as materially deprived if they score 25/100 or more on the questions asked. For weightings and methodology see the latest HBAI quality and methodology report.

An experimental weighting system has been introduced so that working age adults without children can also be asked the 9 adult questions. For more information on this please see this quality and methodology report.

In wave three of interviews, a selection of our participants completed a survey where they were asked the same material deprivation questions used in the HBAI survey. Not all participants in the wave were able to complete the survey – the 14 who were able to have their results summarised below.

Table B1: number of households classed as materially deprived

Household Type	Number in sample	Households materially deprived
Adult(s) only	6	2
Adult(s) with child(ren)	8	2
Adult(s) with child(ren) using adult only material deprivation weights	8	3

Table B2: individual scores for material deprivation

Participant number	Household type	Adult questions only score (rounded)	Adult and children questions score (rounded)
P3		0	N/A
P5		**56**	N/A
P8		0	N/A
P9		0	N/A
P12		11	5
P13		**73**	**55**
P16		24	N/A
P17		20	N/A
P18		0	0
P21		0	16
P22		**40**	24
P23		19	7
P25		21	8
P26		**41**	**30**

Scores in bold mean participant is classed as materially deprived

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