

The Salvation Army is an international Christian organisation working in 104 countries worldwide. As a church and a registered charity, The Salvation Army demonstrates its Christian principles through its church activities and social work, and is now the largest, most diverse provider of social welfare in the world.

The Salvation Army was formed in England in 1865 by the Methodist William Booth, who believed that an essential part of his ministry was to fight against poverty and social injustice. This remains true for The Salvation Army today.

In the UK alone, The Salvation Army's work includes: 50 centres for the homeless, 23 homes for the elderly, 5 substance misuse centres and 810 church centres with 1,638 serving officers (church leaders).

The Salvation Army also supports the work of the emergency services by providing refreshments, shelter and counselling services at major incidents as well as providing international emergency response in disasters, for example in the Kosovo refugee crisis in 1999.

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The Paradox of Prosperity

The Salvation Army/The Henley Centre

The Paradox of Prosperity

A report for the Salvation Army

The Henley Centre has been commissioned by The Salvation Army to prepare an independent report on the major social issues facing them in the next ten years. The views and opinions expressed in this report are those of The Henley Centre. They do not necessarily reflect the views of The Salvation Army.

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Since The Salvation Army was created over 130 years ago, it has been committed to serving the needs of all sections of society through social welfare activities.

The Army has therefore commissioned The Henley Centre to analyse current social trends in 1990s Britain as we enter the new Millennium. This is in order to anticipate future concerns and predict important changes likely to occur over the next ten years.

This report clearly identifies a series of challenging issues facing society today that are likely to become even more crucial over the next ten years. Included in this document is a section entitled Vision 2010 - The Response of The Salvation Army. This provides an indication as to how The Salvation Army plans to tackle the various issues highlighted in this report.

I believe The Salvation Army is very well placed to campaign for any changes in the law that may help to alleviate suffering and will seek to influence the policy-making process wherever necessary.

The Salvation Army is determined that its programmes will remain just as well attuned to the issues in 2010 as they were back in 1870.



A handwritten signature in black ink, appearing to read 'Alex Hughes', written in a cursive style.

Commissioner Alex Hughes
Territorial Commander

Foreward by Roy Hattersley

Times are changing - more quickly, more dramatically and (in most ways) more beneficially than ever before. And The Salvation Army knows that it has to keep pace with the new realities of a more prosperous society. The industrial poor - on whom William Booth founded his Army - are, mercifully, dwindling. Indeed in some ways William Booth's social dream is coming true. Gradually the way out of darkest England is being charted. However, for the poor who remain, life - surrounded by the affluence of their more fortunate contemporaries - is more painful than ever before.

In the century that lies ahead The Salvation Army has to find a way of both providing its historic help to the disadvantaged and dispossessed and of reminding the well-to-do majority that they should not live by bread alone. The best way ahead is to follow the Founder's example. Throughout his long life he was always prepared to adjust tactics to the realities of the time. Indeed his entire technique for recruiting new members and preventing them from "backsliding" evolved with the years. But not for one moment did he compromise on his principles. W T Stead, in his memorial essay, said that he was a man who believed in old age exactly what he had believed in youth.

In one of her most famous sermons, Catherine Booth dealt with what she called "adaptation". She made clear that practical people do not pretend that the world is different from the realities that they see around them. But there could, she said, be no adaptation of basic beliefs. It is that spirit that The Salvation Army will take into the 21st century. No compromise on principle but the application of what it knows to be true and right to the changing world.



Executive Summary preview of 2010

- The economic outlook for 2010 is bright, with living standards set to rise by around 35% between 1998 and 2010 and potentially by more if there is any truth in the idea that information technology is creating a 'new economy'. But we expect to see growing evidence of a 'paradox of prosperity' in which the economic fortunes of many people become decoupled from consumer confidence and quality of life.
- We expect the wealth gap to become even more pronounced by 2010, with The Henley Centre forecasting that the top 10% of people will be 10 times richer than the bottom 10%. Other divisions will contribute to a 'poverty cycle' for some sections of society. Those born into poverty are statistically more likely to suffer ill-health, to receive a substandard education and to obtain poorly paid jobs (or no job at all). Their children are therefore likely to suffer in a similar way.
- The professional classes are under increasing pressure, working longer hours and suffering higher levels of stress. As this trend continues into the next millennium, alcohol and drug abuse could become an even greater scourge than at present. People will be less able to withdraw from this rat-race due to the increasing need to make private provision for their old age. These sort of life pressures, combined with increasing job insecurity (more than one in five will be self-employed by 2010), means that even the materially privileged will suffer reduced immunity from crisis and poverty.
- Increasing working hours and associated pressures will impact upon the family:
 - fewer people will form families
 - there will be a 33% increase in lone-parent households and a 55% increase in one-person households by 2011 (measured from 1991)

- by 2010, around 22% of women aged 45 will be childless compared with 16% in 1997

Other societal problems which can be traced back to family breakdown are likely to see a corresponding increase, eg, child neglect, homelessness, loneliness, fear of crime. Although most people aspire to a stable family life, the tendency for dysfunctional families to be a hereditary phenomenon means that these problems are likely to continue into the next generation.

- Various issues will be linked to the 'ageing population':
 - by 2010, those retiring on the state pension, or on an under-funded personal pension, could experience a dangerously reduced standard of living
 - a generation of people currently in middle-age will form a particularly vulnerable 'care sandwich', which requires them to look after their own children and pay taxes towards their parents' welfare, whilst also making private provision for their own old age
 - a new generation of 'active' old will have time on their hands and will be seeking to play an increased role in society
 - family breakdown will mean that the traditional support system for elderly people will be lost, resulting in greater social exclusion and loneliness - particularly lethal in combination with reduced incomes
- Symptoms of the paradox of prosperity have contributed to a general loss of meaning in our lives. But the failure of traditional institutions such as the Church to inspire sufficient trust and confidence has encouraged people to cast the net wider in their search for 'spirituality'.

Introduction

Without a doubt, the economic lot of the average household has improved quite dramatically in the last few decades. Even since 1986, we have become over 40% better off, with real household disposable incomes growing by around 2.5% a year. Discretionary incomes (ie, income remaining after essential costs such as food, housing, fuel and clothing have been subtracted) have displayed even more striking growth. The average household has half as much again to spend on non-essential items as it did twelve years ago. This is partly because the prices of these essentials have gone up more slowly than average, but also because our consumption of them has nearly reached saturation levels - however wealthy we are, we can only eat so much food each week!

Given the favourable economic outlook that we present below, we can expect to see disposable incomes rise by a similar amount between now and 2010. Assuming annual growth of 2.5% in incomes, this would put the index at 135 in 2010. This would put them 90% higher than in 1986, a massive increase in living standards in just a quarter of a century. If the predictions of a new economic era created by information technology and the Internet prove true, the rise in incomes could be even larger than this.

Figure 1: Real household disposable incomes (index: 1998 = 100)

1958	1978	1986	1998	2010
32.7	57.7	70.1	100	135

In 1998 we were:

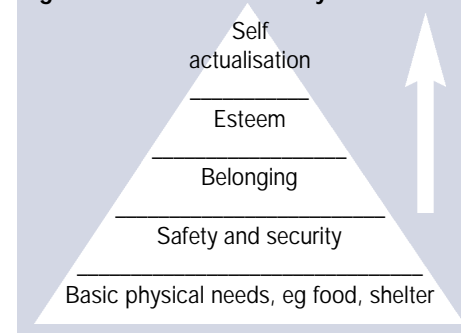
- 3 times as well off as we were in 1958
- 70% better off than 1978
- Over 40% better off than we were in 1986
- Living standards forecast to almost double in quarter century to 2010

Source: The Henley Centre

Overall, the UK has reached a period of economic development where the majority of households are relatively well-off in terms of basic necessities and consumer durables such as fridges, cookers, TVs and VCRs. A recent Gallup poll backs this finding, showing that a majority (78%) of Britons agree that 'there are no material comforts missing from my life'. Not surprisingly, this figure rises to 85% of the top 'AB' social groups (Source: Gallup, Religion Survey 1998).

Over the next few years, the economic outlook is bright. Inflation, which is currently close to just 1%, will remain subdued and help to keep interest rates low. In turn, this will mean the economy can continue to grow steadily from year to year, averaging annual growth of 2.5% over the five years to 2004. This raises the prospect that the jobless total could actually fall below one million for the first time since the mid seventies. However, as always, there are risks to these forecasts, such as the vulnerability of the US stockmarket. The likely recession in the United States that would follow from any sort of crash would not leave Britain unscathed. In addition, as holders of private pensions, Britons are now also far more vulnerable to a fall in the stockmarket.

Figure 2: Maslow's hierarchy of needs



According to the psychologist Abraham Maslow, rising consumer affluence should catalyse our progress through a 'hierarchy of needs' - from the satisfaction of basic sustenance needs, to the materialist, status-conscious mid-levels, right up to the highest echelons of personal growth, self-fulfilment, quality and integrity. In other words, those living under the auspices of the UK economy

should reflect its bright, positive, secure outlook. As we will see in the next three sections, the evidence indicates otherwise...

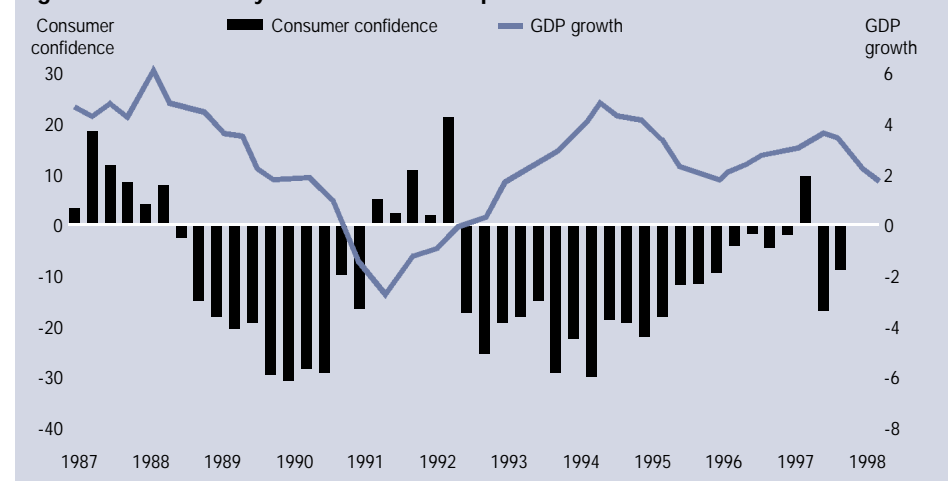


The Paradox of Prosperity

Findings from public attitude surveys, when compared against economic trends, reveal an interesting and quite new phenomenon. Whereas previously, economic upturns or downturns were matched by a corresponding swing in consumer confidence, for many people the economy has now become decoupled from 'real life'. For a long time in the early '90s, the UK's progress out of recession into positive GDP growth failed to impress consumers. Although most measures of consumer confidence are now positive, the improvements in prosperity have taken a long time to register with consumers and are at lower levels than would be expected after seven years of economic growth.

This is partly because, even in a strong economy, low inflation can dampen the impression of prosperity. It holds down wages so that people feel their living standards are not improving, and it prevents borrowers from wiping out the value of their debt.

Figure 3: The economy has become decoupled from 'real life'



Source: ONS; Gallup; The Henley Centre

However, the ‘decoupling’ phenomenon is also apparent in a wider context. Concern about issues such as job insecurity, crime and disease is recorded at levels that outweigh the actual risk entailed. This shows that the relationship between people’s needs and their economic fortunes is actually far more subtle than Maslow’s hierarchy might suggest. For all its benefits, long-term economic growth cannot immunise us against some of the shorter-term pressures of living in a modern materialist society.

Figure 4: Which of the following do you feel at risk from? %

Burglary of your home	60
Theft of your property	56
Vandalism of your neighbourhood facilities	44
Youngsters ‘hanging around’	42
Drunken drivers	41
Attack on your person	39
Intimidation - eg threat of violence	25
Not being able to pay your bills	23
Undesired urban development	21
Redundancy	16
Obscene telephone calls	15
Sexual discrimination	10

Source: *The Henley Centre, Planning for Consumer Change 2000*

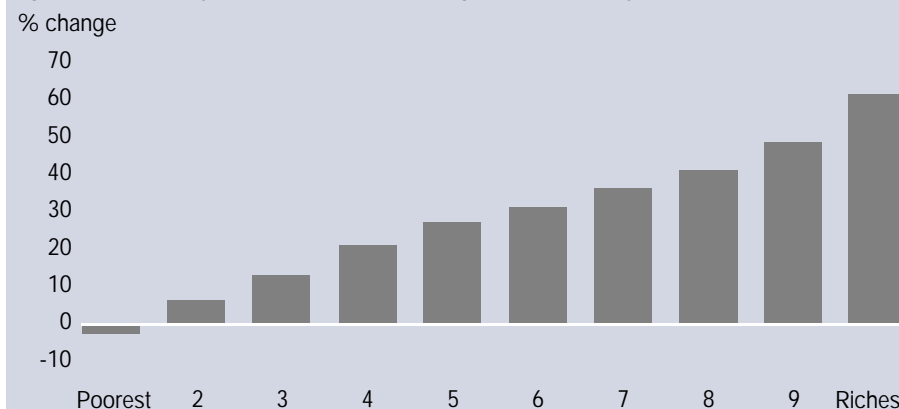
In many ways, our present economic circumstances even contribute to these pressures. What we are seeing is a ‘paradox of prosperity’. As well as driving value up Maslow’s hierarchy of needs, prosperity is, at the same time, driving value back down the hierarchy to the levels of basic physical and security needs. The ‘Risk Society’ is a theme first coined by the German sociologist Ulrich Beck, and it describes an age in

which traditional conventions and directives break down, to be replaced by overwhelming change and choice - or, as Beck himself proposes: ‘Society has become a laboratory where there is absolutely nobody in charge.’ This results in an increased exposure to risk, a ‘high stakes’ scenario that is manifested in two ways:

1 Inequality

Although the UK has become more prosperous overall, not everyone has enjoyed equal access to its good fortune. Macroeconomic growth figures mask serious inequalities in wealth and prospects.

Figure 5: Inequality is on the rise (% change in incomes by decile, 1979/80-1994/5)



Source: *DSS 1997*

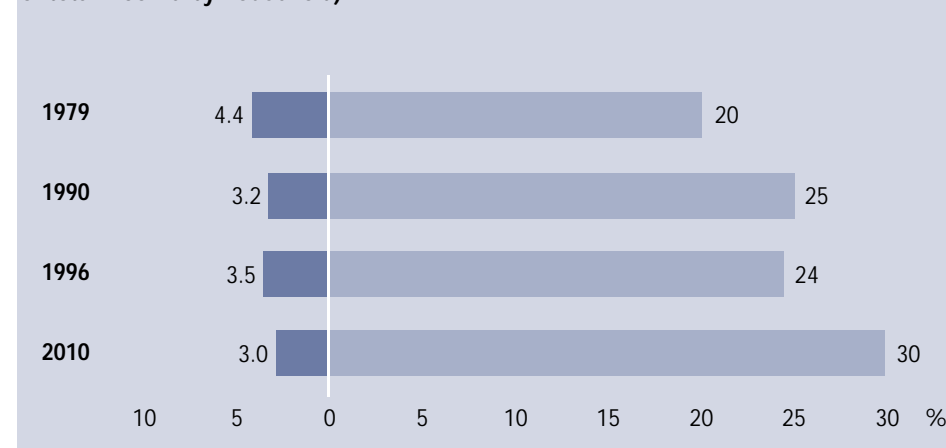
- ‘Average’ household incomes, as defined by the Department of Social Security, grew by about 40% between 1979 and 1994/95. For the richest tenth of the population, growth was 60-68% while the top 50% enjoyed increases of at least 30%. However, the lowest segments of the population

failed to keep pace with this and, on some definitions, may have actually seen their incomes fall.

- Income inequality was greater in the mid-1990s than at any time since the late 1940s, and this exceptional rate of inequality growth has taken the UK near to the top of the international range, close behind the US (*Source: Joseph Rowntree Foundation, March 1998*).
- A third of British children are living in poverty - three times as many as in the 1970s, according to a report by the London School of Economics (July 1999). Whilst 'poverty' is a relative term due to an overall rise in living standards, this still has important implications for the health gap (see below).
- In 1997, the Institute for Fiscal Studies estimated that the richest 10% in the UK had as much income as the whole of the bottom half of the working population put together.

Since the mid-1990s, the trend to greater inequality has slowed, helped by the abolition of the poll tax, the introduction of the minimum wage and a variety of changes to the social security. However, we expect this to prove a temporary pause. The key driver of trends in income distribution is the labour market. Information technology is creating a global marketplace for many categories of workers. This will raise the rewards for the most skilled workers but depress them for the more plentiful workers at the lower end of the skill spectrum, as well making their jobs less secure. We expect the wealth gap to become even more pronounced by 2010, with The Henley Centre forecasting that the top 10% will be 10 times richer than the bottom 10%.

Figure 6: The wealth divide is set to widen again over the next decade (% share of total income by household)



Source: Households Below Average Income; The Henley Centre

In tandem with this wealth gap, we are also seeing a 'health gap' between the most and least advantaged, with poverty having a detrimental effect on people's health and life chances. In the late 1970s, death rates were 53% higher in the lowest social classes compared with the highest. By the late 1980s, death rates were 68% higher in the poorest groups (*Source: The Independent Inquiry into Inequalities in Health*). Infant mortality is at a higher level in Britain than Slovenia and mothers from deprived areas are more likely to have premature, low birth-weight babies. Coupled with markedly poorer diets, this means that children born into poverty are more prone to diseases, poor mental and physical development, or dying from accidents in unsafe homes or on the streets (*Source: BMA*). The fact that poverty can affect the health of generations born into it foreshadows a continuation of these problems into the next century and is therefore an important societal concern.

We can see inequality in both opportunity and outcomes in education from the distribution of under-performing schools, as defined by the Department for Education and Employment. Looking at the proportion of pupils in under-performing schools by local authority shows that in such cases as Tower Hamlets, this affects 100% of pupils. Looking at just the ten worst areas shows that the worst schools are concentrated in inner-city areas generally seen as deprived, eg, Tower Hamlets and Lambeth (London), Sandwell (West Midlands county), Knowsley (Merseyside) and Monklands (Glasgow). Differences in educational attainment clearly have a profound effect on career outcomes, both in terms of earnings and other factors such as job security and access to pensions. For example, the average weekly earnings of a male managerial worker now stands at £640 compared with just £290 for those in 'other elementary jobs', a difference of over 120% even before allowing for pensions, bonuses and the fact that this average disguises considerable variations.

Inequality can also be geographically defined, with cities increasingly being polarised into prosperous/poverty-stricken areas. In London these extremes sit side by side. For example, London has ten of the top twenty areas in the country for both long-term unemployment rates (ie those out of work for more than a year as a percentage of all unemployed) and house prices. Four districts are in both lists - Hammersmith and Fulham, Kensington and Chelsea, Camden and Enfield. Many rural communities continue to decline, hit by the continuing fall in farming incomes and employment, a trend that is likely to continue.

Poverty and deprivation are not simply the afflictions of a stable population of 'other people'. Increasingly, our lives will resemble a game of 'snakes and ladders' in which those who once enjoyed prosperity and recognised social status could suddenly find themselves at the bottom of the pile. For example, a large percentage of homeless people are former military services personnel, whilst redundancy, alcohol and drug problems and family breakdown can also take their toll, as we will see in the next

section. Inequality is also a universal issue for the reason that it fosters resentment and is a major cause of crime. It therefore represents a threat to public safety, and feeds the fear and concern which reduces the quality of all our lives. Though the causes of crime are many, the fact that crime has risen by 16% and street robberies by 35% in London in the past three months according to Scotland Yard cannot be unconnected with the growing contrast between extremes of poverty and wealth. The recent 'Day of Action' in the City of London, which descended into violence and resulted in several arrests, highlighted issues which protestors attributed to the inequalities of capitalism. Even if actual crime figures do not continue to rise, it is likely that, by 2010, people's fear of crime will be higher than ever due to highly publicised incidents such as this.

2 'Meaningless' prosperity

The second way in which material wealth is decoupled from personal fulfilment is also a universal issue, being perhaps more directly relevant to those who have access to this wealth. Contrary to previous representations of well-to-do people as idle landed gentry, the modern axiom seems to be that those earning the most money often have the least time to enjoy the fruits of their labour. In other words, high 'standards of living' are not necessarily accompanied by high 'quality of life':

- 59% of UK citizens are now burdened by excessive time pressure, believing they 'never seem to have enough time to get things done' (against a European average of 49%), whilst 21% claim to be 'very concerned about the amount of free time I have' (*Source: The Henley Centre: Planning for Consumer Change in Europe 1998/9*). This time pressure tends to be work-related, which is connected to the fact that UK full-time workers record the longest average weekly working hours in Europe.
- Worryingly, 37% of people feel that their working hours are still increasing

while 55% believe that they have been subjected to more pressure at work in the past three years. This is particularly true of the top AB social groups. Against this, only 30% of people believe they are deriving more satisfaction from their work, leaving a significant deficit of those who have lost out over all (Source: *The Henley Centre: Planning for Consumer Change 2000*).

“I think we’re a lot richer in monetary terms, but not in other ways. We don’t have as much time - travelling, work commitments...”

Verbatim from consumer research, Planning for Consumer Change 1999

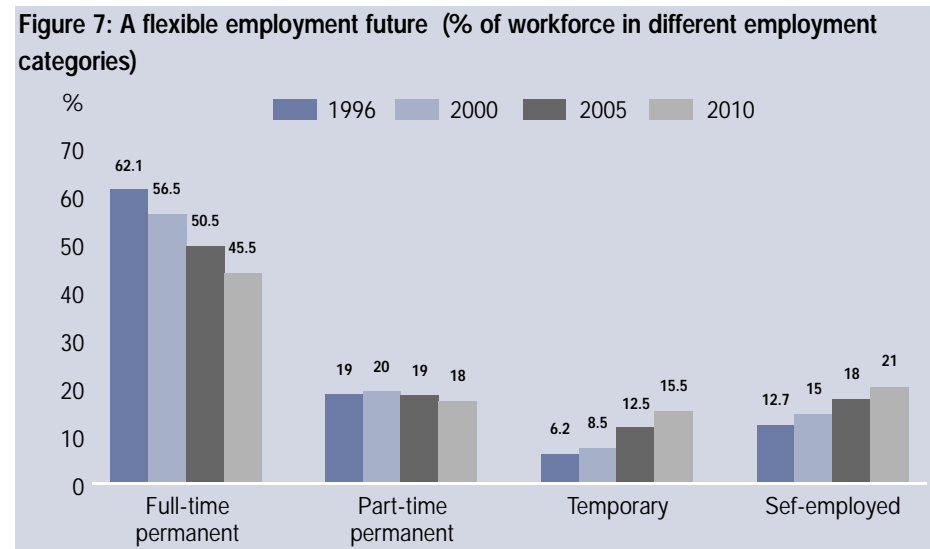
Working late hours and skipping holiday entitlement exerts huge damage on family life and relationships, as we see below, but ‘downshifting’ to a lower paid job with less stress and more free time remains an option that people are reluctant to take. Although they may aspire to a more relaxed lifestyle, they have also become accustomed to the material trappings of the high-powered career and would find it difficult to live without a house full of expensive consumer durables or to remove their children from expensive schools and extra-curricular activities. In addition, the need to contribute to pension plans, insurance policies and other areas of private provision may take people beyond the point of no return. For women especially, there is more pressure these days to ‘do it all’ - to manage an executive career rather than ‘simply’ being a housewife or mother (although they frequently end up having to juggle these conflicting roles). Essentially, people have become trapped on a merry-go-round of demands, pressures and expectations, resulting in a constant plateau of stress.

22% of full-time workers would be willing to take a lower paid job if it meant less stress and more free time, but...

48% of workers say they need more money to keep up their quality of life

Source: The Henley Centre: Planning for Consumer Change 2000

In addition to longer working hours, the trend towards new working practices such as short, fixed-term contract work adds its own pressures. Such practices may allow companies flexibility and the potential to manage their costs more efficiently, but they also entail long-term job insecurity for employees.



Source: Labour Force Survey; The Henley Centre

- Currently, 30% of workers express some degree of concern that their job may not be secure over the next twelve months (Source: *The Henley Centre: Planning for Consumer Change 2000*).

Although the actual risk falls short of these figures (average job tenure has hardly changed in the last thirty years), people’s perceptions are still a valid barometer of their fears and concerns. In particular, the end of the ‘job for life’ has required people

to take far more responsibility for managing their careers. Both perceived and actual job insecurity look set to rise further as more embark on part-time, temporary or self-employed work. Those over the age of 50 are likely to suffer the most. It has been estimated that displaced workers (ie, those who have lost their jobs through redundancy, dismissal or the ending of a temporary contract) lose, on average, 10% in wages in their next job. For workers over 50, however, this loss in earnings rises to 23% (Source: *Centre for Economic Performance 1998*).

Adding to this job-related stress is the increasing need to take responsibility for a vast number of other life management issues. The retreat of the welfare state since the 1980s has meant that we must make more private provision in areas such as pensions, health and further education, a trend that will continue in the next ten years. Every day, we are forced to take more decisions of varying importance and complexity: Which pension should I get? Are GM foods safe? How do I fill in my tax returns? Should I reskill and change my job? The huge choice available, and the amount of information we must digest in order to choose well, is not compatible with extreme time pressure. It is hardly surprising that we are not confident about making the right decision, especially where a potentially large debt burden is entailed.

For all these reasons discussed above, more people from all levels of the income scale are reaching crisis point. The number of people visiting counsellors testifies that many have already reached this point. However, other more destructive outlets for stress, such as alcohol and drugs, have also gained ground. Although these may primarily be used in a social context, there is an ever-present risk that a proportion will come to depend on these substances as props, leading to habitual use and then addiction. 4.7% of adults can now be classified as dependent on alcohol and 2.2% are dependent on drugs (Source: *Social Exclusion Unit*). Drug abuse has been a particularly malign influence, with growing dependency on sleeping pills, Valium, Prozac or even cocaine amongst the ranks of average working people living

middle-class, suburban lifestyles. The Chief Medical Officer estimates that one in 28 men and one in 12 women is now on antidepressants, including a significant number of elderly people. The recent spate of high-profile public figures visiting The Priory and other institutions for drug rehabilitation or counselling is testament to the extent of this problem. As life-pressures such as job insecurity, working hours and private provision continue to exert their influence, it is likely that stress figures will rise along with drug and alcohol dependency.

82% of the UK population (15 and over) claim to suffer from stress.

Almost a quarter of the population claim to have suffered a stress-related illness in the past year (Source: *The Henley Centre, Planning for Consumer Change 1999*)

White-collar staff were absent for 7.6 days on average last year compared with 6.8 days in 1997. This is largely attributed to the stress under which they work. Workplace absenteeism cost British business £10.2 billion last year (Source: *CBI*)

Summary of the paradox of prosperity

- For many people, the economy has become decoupled from real life, with consumer confidence and perceptions of risk at odds with the optimistic economic outlook.
- We expect the wealth gap to become even more pronounced by 2010, with The Henley Centre forecasting that the top 10% of people will be 10 times richer than the bottom 10%.
- Other divisions will contribute to a 'poverty cycle' for some sections of society. Those born into poverty are statistically more likely to suffer ill-health, to receive a substandard education, and to obtain poorly-paid jobs (or no job at all). Their children are therefore likely to suffer in a similar way.
- The professional classes are under increasing pressure, working longer hours and suffering higher levels of stress. As this trend continues into the next millennium, alcohol and drug abuse could become an even greater scourge than present.
- People will be less able to withdraw from this rat-race due to the increasing need to make private provision for old age.
- These sort of life pressures, combined with increasing job insecurity (more than one in five will be self-employed by 2010 compared with 12% today) means that even the materially privileged will suffer reduced immunity from crisis and poverty.



Family Breakdown

The decline of the family as an institution forms one of the primary symptoms of the paradox of prosperity. Significant factors contributing to family breakdown are the growing pressures of work and the pursuit of material gains. Women, in particular, consider that they have sacrificed the chance of having children or even forming relationships for the sake of their career. Men, on the other hand, are more likely to miss out on a home life due to short- or long-term work travel. Existing families are sacrificed in the same cause of putting work before family. A significant number of men and women believe they have missed their children growing up, or even blame work pressures for their divorce or other strains on relationships.

Figure 8: The high cost of work (“What is the single biggest personal sacrifice in your home life you have made in your career so far?” %)

	Men	Women
Missed children growing up	23.7	22.2
Work put before family	23.8	21.3
Moving home for employer	10.8	4
Missed leisure/hobby time	7	15.7
Away from home, short term	8.9	3.1
Divorce/strain on relationship	7.1	7.3
Away from home, long term	4.7	1.3
Time spent on work-related education	2.7	2.5
Not having/postponing children	1.2	1.2
Unable to form relationships	1.2	3.7

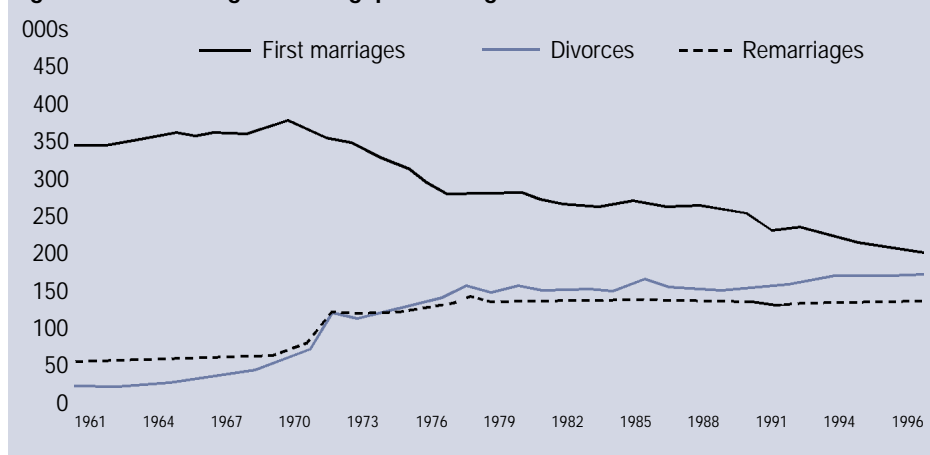
Source: WFD/Management Today: The Great Work/Life Debate 1998

Interestingly, most people still aspire to the traditional norms of family life. When asked, “Which do you think is the most desirable way to live?”, an overwhelming majority (69%) considered it was to be married with children (Source: Nestle Family

Monitor, 1998). However, the evidence shows that an increasing number of people are failing in this aspiration. The number of divorces is fast catching up with the number of first marriages in the UK. A third of marriages now end in divorce after 10 years.

- People now seem resigned to marriage breakdown, with 28% believing it is "very likely" that, in the next five to ten years, it will be much more common for people to get married several times in the course of their life.

Figure 9: The marriage/divorce gap is closing



Source: ONS; Social Trends 1999

Two in five marriages end in divorce

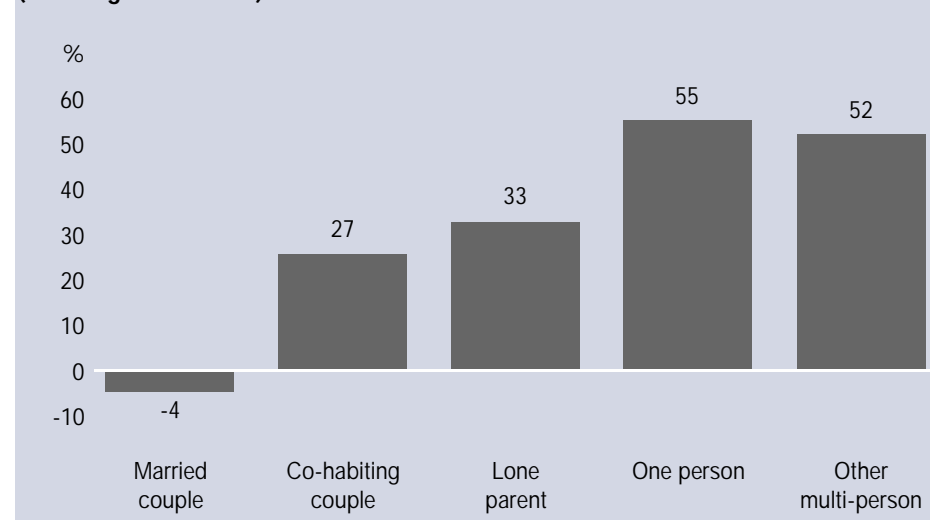
36% of all marriages are re-marriages

25% of all divorces are re-divorces

21% of all families with dependent children are single parents

Source: ONS: Special Focus on Families

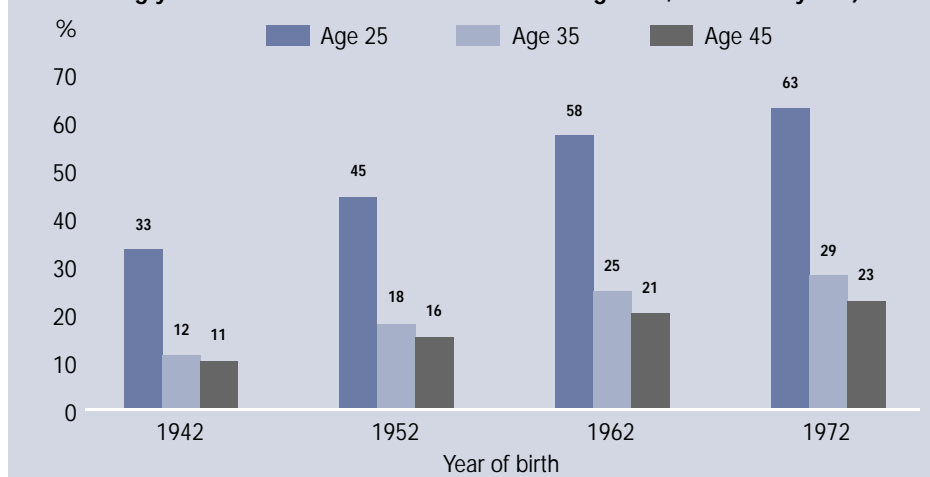
Figure 10: Non-traditional households are showing the fastest growth (% change 1991-2011)



Source: Department of the Environment; The Henley Centre 1999

In future, fewer people will form their own families. As well as a fall in marriage in favour of co-habitation, there will be an increasing number of one-person households, partly as a result of more people remaining single. More women are also remaining childless - of all women born in 1972, 23% are expected to remain childless at 45 years old (in 2017).

Figure 11: A steady rise in the number of childless women (% of women born in the following years who were/will still be childless at ages 25, 35 and 45 years)



Source: ONS, *Social Trends*, 1999
(projections for 35-year-olds in '72 and 45-year-olds from '62)

Many other societal problems can be traced back to family breakdown, and as such, this will continue to be one of the major issues we must face up to in the next ten years. Children can suffer varying degrees of neglect due to their parents' long, stressful working hours, or to divorce. In addition, homeless children are frequently the product of broken homes or unhappy step-family lives. These children may lack the role-models (especially male role-models) and the moral guidance that a stable family unit is able to provide. For this reason, parental neglect and loosening family ties are blamed for being major influences on crime and violence, proving again the universal relevance of these sort of problems. In fact, 42% of people say they feel at significant risk from 'youngsters hanging around', a figure which has almost doubled since 1990 (Source: *The Henley Centre: Planning for Consumer Change 2000*).

The fact that dysfunctional family life can often be a 'hereditary' phenomenon with history repeating itself through generations is a further cause for concern and does not bode well for our situation in 2010. The challenge will be to break this cycle, or at least to ease its troublesome side-effects.

Figure 12: Perceived major influences on crime and violence, %

Lack of parental discipline over children	66
Drugs	56
Unemployment	39
Alcohol abuse	22
People less involved in their community's life	17
Loosening family ties	16

Source: *The Henley Centre: Planning for Consumer Change 2000*

One of these side-effects, which operates at a more personal level, is the loneliness that results from fragmentation of families or exclusion from family life. 17% of people are very worried about being lonely, and this is a particular problem for the elderly, as we will see in the section overleaf.

Summary of family breakdown

- Increasing working hours and associated pressures will impact upon the family:
 - fewer people will form families
 - there will be a 33% increase in lone-parent households and a 55% increase in one-person households by 2011 (measured from 1991)
 - by 2010, around 22% of 45-year-old women will remain childless, compared with 16% in 1997

- Other societal problems which can be traced back to family breakdown are likely to see a corresponding increase, eg child neglect, homelessness, loneliness, fear of crime

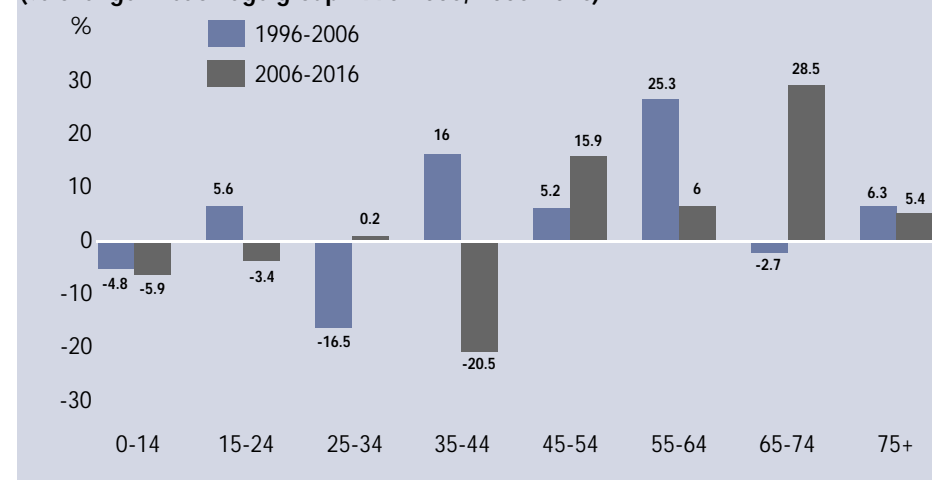
- Dysfunctional family life tends to be hereditary, which means that these problems are likely to continue into the next generation



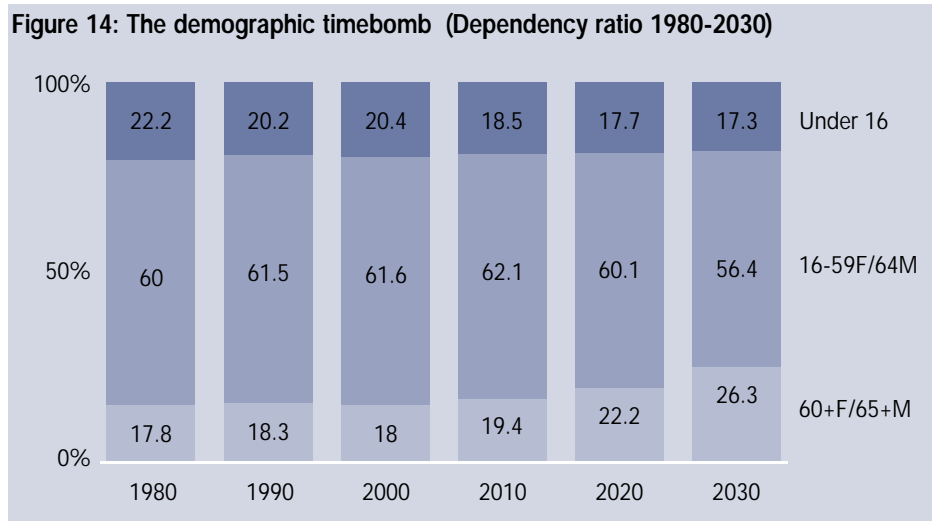
Ageing population

Discussions about the 'ageing population' usually centre on the 'demographic time-bomb' which is forecast to cause a pensions crisis from 2020 onwards. By this time, those born during the post-war population boom will have reached retirement age, but there will be a reduction in the number of tax-payers of working age. In Britain, this is less of a problem for the taxpayer than elsewhere in Europe, because there the value of the state pension has been allowed to fall relative to the incomes of those in work. Britain faces the opposite problem - the potential for large numbers of people retiring on low incomes. Those most at risk are those who have not been able to secure an adequate personal or occupational pension.

Figure 13: The ageing population
(% change in each age group 1996-2006, 2006-2016)



Source: Government Actuary 1998; The Henley Centre

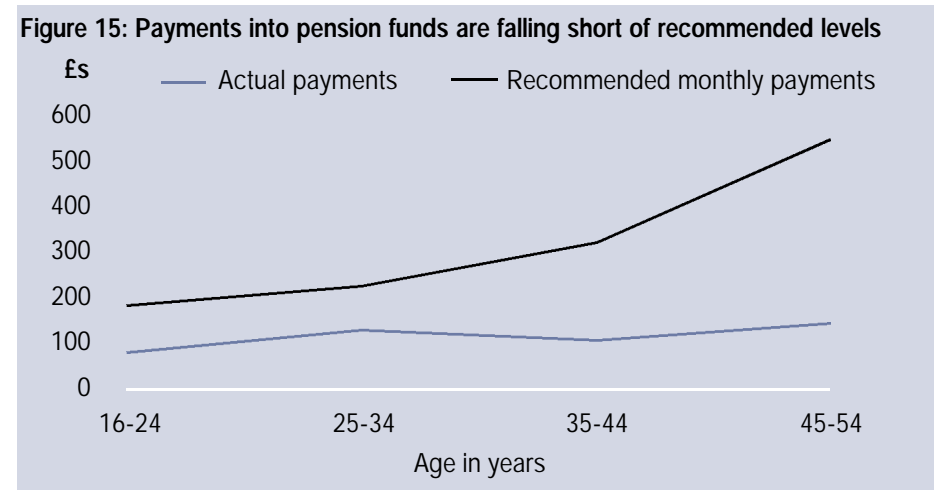


Source: Henley Centre analysis of OPCS data

Although the demographic time-bomb will not reach its full impact until 2030 and beyond, long-term care of the elderly will have become a major policy issue well before then, especially as it is estimated that people’s current pension contributions fall well below the level required to secure their comfortable future. This could potentially result in a reduced standard of living for many - particularly dangerous if there has been a significant extension of privatised healthcare and nursing homes. 55% of people are already worried that they will not have enough money on which to retire (Source: *The Henley Centre: Planning for Consumer Change 2000*).

The problem is exacerbated through the additional dimension of increased life expectancy. This means that, if people cannot fund themselves through a longer period of retirement, they will have to postpone their retirement age. In the US, some are already lobbying to raise the retirement age to seventy, and it is possible this

campaign could be taken up in the UK too. Whilst this may ease the pensions burden, it could also result in more of the pressure and stress associated with working life, as described above.



Source: Barclay’s Life

However, as with the paradox of prosperity issue, the ageing population is not simply an economic issue. Those who can afford to take early retirement may not be ready to sink into inactive dependency. Longer life-expectancy also means that a new subsection of ‘old people’ is emerging. These are the ‘young old’ as opposed to the ‘frail old’. These people can and want to continue making a contribution to society, and this contribution should be better utilised and appreciated. With time on their hands, older people can deliver valuable assistance in voluntary services, and in doing so, they retain their dignity and sense of worth, and find a level of fulfilment that is as important as financial security.

Another issue which supersedes financial well-being (but can be especially lethal when combined with it) is that old age can be made miserable through loneliness. This links to our previous discussion of family breakdown, entailing a loss of the traditional networks of family support. The obligation to look after one's parents in old age will be less recognised by future generations, for a number of reasons:

- People may lack the time or money to look after their parents, especially if they are the generation caught in the 'care sandwich', who are looking after their own children, making private provision for their future welfare, and still paying taxes towards their parents' welfare. 19% of people now admit that they feel worried they might have to look after a member of their family in his/her old age
(Source: *The Henley Centre: Planning for Consumer Change 2000*).
- The geographical dispersal of families, often due to work mobility, can also cause old people to lose regular contact with their families.
- Marriage breakdown will further weaken family ties: will the children of divorced couples stay in touch with their fathers? Equally, will they be prepared to care for their ex-mothers-in-law? Elderly men, in particular, will find they have no one to look after them in later life as they tend not to establish the same bonds with their family that women do.
- If people have chosen not to marry and/or have children, then family support in old age will not even be an option.

"As I've got older and my parents have become very infirm, I've suddenly realised I'm caring for them additionally. It's complete role reversal, and I am actually caring for every member of the family including the extended family.

I was really angry - this sounds so mean - but I planned to go to the gym on Monday. My mother had a fall on Monday morning, and so my Dad rings me, and that's my whole week blotted out, and I just thought aaah... And I've three older brothers - two of them are in the local vicinity, but he doesn't phone them he phones me..."

Verbatim from consumer research, Planning for Consumer Change 2000

Summary of the ageing population

- By 2010, those retiring on the state pension, or on an under-funded personal pension, could experience a dangerously reduced standard of living.
- A generation of people currently in middle-age will form a particularly vulnerable 'care sandwich', which requires them to look after their own children and pay taxes towards their parents' welfare, whilst also making private provision for their own old age.
- A new generation of 'active' old will have time on their hands and will be seeking to play an increased role in society.
- Family breakdown will mean that the traditional support system for elderly people will be lost, resulting in greater social exclusion and loneliness. This will be especially serious for those already trying to manage on a low retirement income.

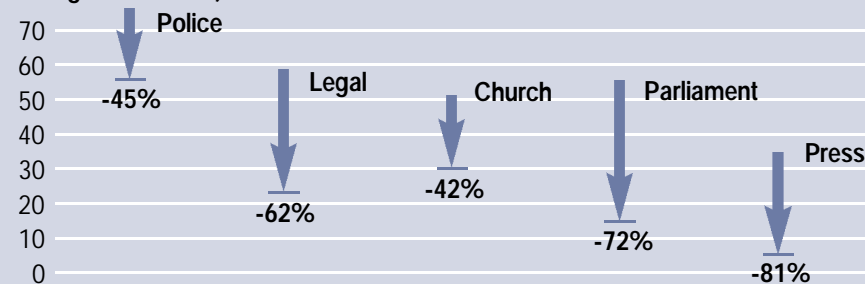


The emergence of new 'spirituality'

The sort of problems associated with family breakdown and the ageing population can be traced back to the competitive materialism by which we live, or to its accompanying inequalities. Even beyond their personal circumstances and problems, people are beginning to question whether economic growth engenders equivalent progress in terms of morality or values. In particular, the social paradigm of scientific and technological progress has been undermined by its apparent failure to provide solutions. Diseases such as TB have reappeared, largely due to overuse of antibiotics; genetically modified foods raise new potential risks; a technological masterpiece, the mobile phone, becomes the subject of the latest cancer scare. It is not surprising that 40% of people feel that 'Britain, as a place, is getting worse' and a further 33% believe it is staying the same, rather than improving (*Source: MORI, 1998*). This cynicism felt towards scientific solutions is a symptom of a general decline in faith in traditional sources of authority. Major institutions such as the police, Parliament, the legal system and the Church no longer command people's automatic respect and confidence, and are therefore unable to assuage people's fears about personal or societal risks. The breakdown of this old order leaves a trust vacuum and exacerbates people's feelings of uncertainty and vulnerability.

Figure 16: Dramatic fall in confidence in traditional institutions

(% change 1983-1999)



Source: The Henley Centre, Planning for Social Change: Planning for Consumer Change

Given the problems and concerns described above - family breakdown, ageing population and the overarching 'paradox of prosperity' - together with the loss of trust in traditional institutions to address these issues, there is growing demand for some sort of alternative approach to life, for new answers to old questions. This has led to the emergence of a renewed emphasis on spirituality. There is recognition that true 'wealth' comes from spiritual as much as material sources, and people are drawing up an alternative scale of 'value' that will restore meaning to their lives. 27% of people claim to have successfully changed their spiritual life and a further 20% would like to do so (Source: *The Henley Centre: Planning for Consumer Change 2000*). However, this is not necessarily a narrowly defined spirituality that adopts the tenets of organised religion.

72% of people now believe that "Religion no longer provides the answers to many of today's problems", with 33% of them agreeing 'a great deal' with this statement

Only 20% of people claim they generally agree with what the Church or religious leaders have to say, a figure lower than that given to radio stations, magazines, books and work colleagues. Only the government scores worse!

A mere 12% believe that the Church or religious leaders have quite a lot of influence on what they think and do

Source: *The Henley Centre, Planning for Consumer Change 2000*

The 'spirituality' that is seen as more relevant today is found in a variety of shapes and forms, many of which are directed towards inner development or ethical lifestyles: yoga; self-help and counselling; aromatherapy and feng shui; ethical investment trusts - all of these have found a place in our language or our lifestyles. The number of alternative health practitioners in the UK has now actually overtaken

the number of GPs. Recently, there has been a visible accommodation of multi-cultural influences, including Eastern religions, Chinese medicine and even the definition of health, which is now changing from 'not ill' to 'general mental and physical well-being'.

This looser sense of 'health' fits well with the looser sense of 'spirituality', as was suggested in a recent report by the Centre for Policy on Ageing. The report's author believes that, even where an elderly person has no religious belief, a 'spiritual dimension' should be included in their care to improve their well-being and to preserve their sense of value.

Our search for meaning does not, however, imply that we want a belief system to be dictated to us. The essence of our 'post-modern' age is the denial of a single Truth, along with the assembly and adoption of different influences in an experimental 'pick 'n' mix' fashion. In the current period of transition, 'alternative' values and practices are frequently synthesised with conventional, scientific ones. For example, Great Ormond Street Hospital has a Chinese herbalist.

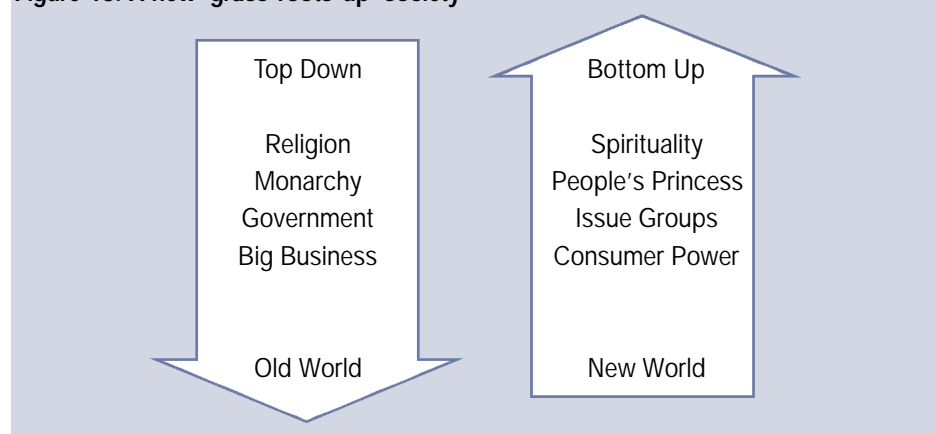
Figure 17: % of people who feel they have a lot or a fair amount in common with other people who...

Like the same music as you	42%
Enjoy the same film as you	32%
Are the same nationality as you	31%
Read the same magazines as you	27%
Went to the same school as you	23%
Support the same sports teams as you	22%
Go on holiday to the same places as you	22%
Have the same religious beliefs as you	21%

Source: *The Henley Centre: Planning for Consumer Change 2000*

The same 'pick 'n' mix' approach can be applied to religious beliefs. Interestingly, only 21% of people consider that they have a lot or a fair amount in common with other people who share their religious beliefs. 18% state that they have 'virtually nothing' in common. This demonstrates that, despite some hardening of religious fundamentalism, a counter-trend is growing whereby religion has become more of a personal initiative than a group identity. People have become used to negotiating their own terms in other areas of their life - as consumers, as employees, even as children against their parents. As figure 18 shows, this can be represented as a transition from 'old world' to 'new world' themes, one aspect of which is the transition from organised 'religion' to popular 'spirituality'. Therefore traditional religious institutions which try to command allegiance are rejected in favour of grass roots activity and 'build-your-own' religion. To some extent, this has resulted in greater fragmentation, with new religious movements emerging all the time. On the other hand, it has also broken down barriers between different religions, so that religious identity has become far more blurred.

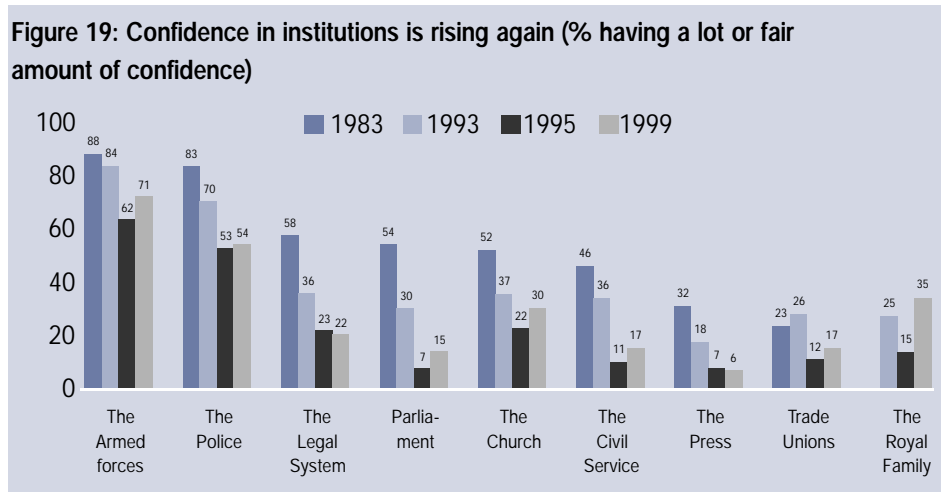
Figure 18: A new 'grass-roots-up' society



Source: *The Henley Centre*

As an extreme example, a person could feasibly adapt various elements from Christianity, Buddhism or even perhaps voodoo, into a personalised set of beliefs and practices. In the next ten years, this trend towards religious pluralism and pliability is likely to continue. This is well-represented by the 'spiritual zone' within the Millennium Dome, which presents Christianity as part of Britain's history, but appears to devote most of its space to a mixture of other faiths.

Although the renewed search for meaning represents an opportunity for the Church, it must recognise that it is competing with any number of other options to fill this 'spiritual' gap. Just as commercial organisations have had to take account of a wider competitive set amidst an environment of diversification, the Church must also avoid complacency. Whatever their background, people are now as likely to turn to Buddhism, yoga classes or even self-hypnosis as to organised Christianity. In order to secure a place in people's lives as we enter the next millennium, the Church will need to put its credentials on the table, offering a greater degree of flexibility to accommodate people's needs and preferences. Evidence that it has already absorbed this lesson can be seen in new figures measuring people's trust in traditional institutions. Whereas certain institutions such as the legal system and the press continue to fall in the public's estimation, others such as the royal family and, notably, the Church, have regained ground. Whilst this may, in the case of the Church, be partly due to the general revival in 'spirituality', it could perhaps also be linked with the increasing willingness to listen and adapt to people's changing needs.



Source: *The Henley Centre: Planning for Social Change 1983/93/95; Planning for Social Change 2000*



Issues for The Salvation Army

The role of charities in occupying the increasingly important middle ground between public and private welfare provision is well illustrated by The Salvation Army. In recognising the nature and extent of the problems facing people today, it has shown itself to be a committed, professional and, crucially, progressive organisation. As a church, the traditional nature of its doctrine is expressed (through the provision of services) in a notably practical, inclusive way.

Policies that have been championed by The Salvation Army for over a hundred years are only now being developed into government policies. In particular, the Army places an emphasis on providing people with a 'hand up' rather than a 'hand-out' - on releasing the potential within people to help themselves. Similarly, government policies in their new guise as the 'social responsibility' model, are designed to ease the burden on the welfare state by encouraging people to become self-reliant.

Its involvement with homeless people and other socially excluded people, is well known. However, The Salvation Army also has something to offer those who have 'everything' in material goods but are seeking something more in the way of spirituality. The very sense of 'salvation' is built upon not just holiness, but also wholeness. The Salvation Army applies this wholeness to heal the fragmentation that is endemic in modern society. For example, in the area of family breakdown, support is provided in the form of counselling services, residential childcare, playgroups and nurseries, breakfast clubs and afterschool clubs to ease the load of time-pressured parents. Often, this support comes from elderly people who are able to play a 'surrogate grandparent' role, thereby contributing to the self-worth of both 'helper' and 'helped'.

Recent debate about social service provision has centred on the role of 'social entrepreneurs' who occupy the space between public and private sectors, developing innovative answers to some of the most pressing problems. The Salvation Army is ideally placed to contribute to this debate and should consider taking a higher profile

in campaigning and lobbying activities, acting as a source of advice as well as a thorn in the side of government. Whilst the Army must take care not to undermine its relevance by appearing old-fashioned, this report has shown that the need for its services will be as strong, if not stronger, in 2010 as for today. We therefore expect The Salvation Army to affirm its prominent position as a social commentator, activist and aid worker, and to take a central role in 21st century society.

Issues for 2010

- The British working week is already the longest in Europe - how much worse can time-pressure become?
- Even more choices will be made available by new technology, resulting in a huge variety of products and services, on-line and on-demand. How will people cope with the 24-hour/7-days-a-week culture?
- During periods of temporary unemployment between job contracts, people could potentially make more productive use of their time by taking on voluntary work.
- How can people achieve their aspirations of stable family life, and so avoid the hereditary cycle of family breakdown?
- Whilst old age will be postponed by many, children will become more world-aware and self-sufficient from an earlier age, rendering them more vulnerable to 'adult' life issues, such as the need to manage their finances carefully (eg, to fund their higher education) and the risk of 'early burn-out' due to competitive pressures in education and for jobs.
- In order to avoid a situation where large numbers of people are plunged into poverty through lack of private provision (for pensions, healthcare, education etc), self-reliance will become an even more valuable quality. People may use 'life coaches' and 'stress counsellors' to help them achieve this.
- In a world of choice, there will always be less popular 'options'. These options may actually be people, who will become outcasts if they cannot stand the pace of change or be self-sufficient.
- The gap between the 'haves' and the 'have nots' could even become physical in form, with gated estates and isolated ghettos taking the place of traditional communities.
- Growing emphasis on new technology could add a further dimension of exclusivity, exacerbating the knowledge gap and, through this, the wealth gap.

Vision 2010 - The Salvation Army's response

Introduction

The commissioning of this report, *The Paradox of Prosperity*, by the Henley Centre to look at current and future societal trends is consistent with the ongoing commitment of The Salvation Army to addressing and meeting the needs of society in a changing world.

From its inception The Salvation Army has been inextricably involved in fighting for improvements in social welfare and providing services to meet both spiritual and material needs of those most greatly affected by society's shortfalls. It has a history of being responsive to change in both its church and social welfare programmes through effective planning.

The analysis and forecasts found in *The Paradox of Prosperity* will assist us as we work to respond to the coming century in a planned, strategic manner so that we can effectively meet the needs of society now, in the year 2010 and beyond.

This approach is consistent with the strategic goals and objectives for The Salvation Army as defined by our vision of how the Army should best act to undertake its mission of evangelisation and practical service by 2020.

Key Response

The Salvation Army's key response to *The Paradox of Prosperity* is to accommodate its findings into the production of a 10-year corporate strategic plan. This will build on *In Search of Excellence*, the plan which has taken us through the 1990s. It will encompass an appraisal of the validity and effectiveness of our current programme.

The strategic plan will include areas for development of our church through evangelism,

and also for growth in our social welfare programme; the latter would be achieved through social action, by campaigning for policy changes to improve conditions whilst continuing to provide services where society currently fails individuals.

This exercise requires detailed and careful consideration, and it would be inappropriate at this stage to set out a definitive outline for the plan. However, there are a number of key themes covered in *The Paradox of Prosperity* to which The Salvation Army can make an immediate response.

Key Themes in The Paradox of Prosperity

Spiritual Vacuum

The report identifies that, in spite of increasing levels of stress and pressures on their time, people continue to be aware of a spiritual vacuum and seek to fill it.

Building on its traditions of bringing its message and music out of the church building to where people can be found, The Salvation Army will need to be flexible in its approach to church attendance in order to accommodate society's growing shortage of free time. Examples of practices already in place, and which could be developed, include lunchtime services in city centres for business and shop workers, supermarket Sunday schools and the use of new and emerging technology, such as the Internet and community TV stations.

The campaigning stance of The Salvation Army and its involvement in issues of great significance in modern life, such as homelessness and substance abuse, is providing opportunities for many to regain a sense of community and self-worth through the giving of themselves. Such activities are particularly attractive to young people, enabling them to become more aware of their community and to use their energy to play a useful role in society.

The Salvation Army relies heavily on thousands of volunteers to assist in the running of our nation-wide programme of community services. In general it believes that wider and better promotion of the personal gain achieved through volunteering on such projects as soup-runs to the homeless, parent and toddler groups and luncheon clubs for the elderly, can assist in helping more people fill a spiritual vacuum.

For example, the active elderly can be empowered by providing them with an opportunity to serve others in their community.

Similarly, the increasing numbers of people in temporary employment can remain active, motivated and self-assured by involvement in such projects during periods of unemployment.

The Salvation Army finds that many people who volunteer to assist with its community and social welfare programmes are attracted to find out more about the Christian motivation which drives the Army to its work. In so doing many join the church, discovering a new purpose and fulfilment in their lives.

In the ways outlined above, we can seek to add the missing dimension to the lives of an increasingly discontented yet affluent society by bringing people back into contact with their community and giving them a sense of purpose and self-worth.

Care of The Elderly

The Salvation Army's work with the elderly is extensive, covering provision of residential care as well as many community services.

We would seek to campaign for better recognition of the social burden of caring for the elderly. This currently includes a state of the art resource centre for the elderly in West Sussex and an innovative project to support people living alone in their homes

in Angus, Scotland.

Our network of clubs and subsidised meals, as well as the many opportunities for voluntary work in the community, should be developed. This would assist with combating loneliness amongst coming generations of elderly people who are becoming increasingly isolated from their family and community.

Family Life

The Salvation Army would continue to seek to influence policy to promote circumstances in society which enable the strengthening rather than breaking down of the family unit.

For a growing number of people outside a family unit, The Salvation Army community often acts as their family. It can mitigate for the possible isolation faced by those in single unit households, with geographically disparate extended families or separated nuclear families.

Family support services to enable dysfunctional families to solve their problems and ease other burdens of pressurised family units have been well received. Estranged parents are able to visit their children when supervision and counselling is required by law, and there has been a growth in demand for pre- and after-school clubs. There is obviously room for continuing expansion of such services.

Substance Abuse

In the course of its work The Salvation Army has gained a reputation for campaigning on issues relating to substance abuse as well as addressing the direct needs of those affected. Sadly the problems of alcohol abuse which devastated parts of society when The Salvation Army was first established, have continued and developed into this century and look set to proceed into the next millennium.

In the next decade we shall pursue the development of our National Addiction Service. Among its many strategic aims, this service sets out to integrate further and develop its existing addiction support services to meet the needs of all people requiring this expertise however they interface with the Army; from those in our specialist rehabilitation centres to the homeless seeking assistance with resettlement.

This co-ordinated approach stretches beyond our own network as we seek to form useful partnerships with statutory and non-statutory agencies to provide continuity of the highest quality of support for individuals.

In addition to expert technical grounding in issues of substance abuse, our training programmes encourage staff to take a holistic approach to the individual which addresses social, emotional, physical and spiritual issues which impact on their ability to succeed with treatment and achieve long-term stability in the community.

As the problems persist so will the Army's work as it continues to campaign to protect the vulnerable through stricter application of laws restricting the sale of alcohol, anti-smoking initiatives and maintaining pressure on government and all responsible agencies to approach substance misuse in a co-ordinated and integrated fashion.

Social Exclusion

The Salvation Army holds a unique place in the care of homeless people, with the widest geographical coverage of support services and the most comprehensive and cohesive approach to managing this problem of any UK agency operating in this field.

As the make-up of the homeless community and the issues they face continue to evolve into the next century, so we shall continue to innovate to meet their needs. Already our services look beyond the street homeless to finding solutions for families who are homeless and children who are in foster homes and other care. We also tailor

our approach to meet the specific needs of the elderly and long-term homeless.

In line with the emphasis on empowerment which runs across our social welfare services, offering 'a hand up' not 'a hand-out', our programmes focus on the resettlement of homeless people and helping them to live independently. We shall continue to strengthen the continuity of care provided which stretches from soup runs and crisis accommodation to resettlement training, monitoring during independent living and support in settling into the community.

In parallel with reinforcing our service provision, we shall campaign to ensure that the system of benefits for individuals and funding for services safeguards this co-ordinated approach, recognises the specific needs of different types of homeless people and remains fair and workable for all.

Funding of Social Care

The final theme, which runs through *The Paradox of Prosperity*, is the issue of provision of funding to meet society's burden of care. This is an area where The Salvation Army is well placed to provide government with authoritative advice and comment.

By placing itself where society's most vulnerable can find help in times of need, the Army is in touch with the reality of failures in the benefit system and the provision of health and social services. Through analysis of those we help, we can identify those groups in society for whom inadequate provision has been made. The Army could effectively counsel government on the impact of policy changes in these areas.

This report predicts that there will be a growing need for the sort of services The Salvation Army currently supplies, such as residential care for the elderly and homeless. It will therefore become increasingly urgent for the Army to highlight an issue which has been of concern for some time. There is a growing gap between

government funding for such services and the subsidy provided by The Salvation Army fund. At present when operating rehabilitation centres for the homeless and homes for the elderly, The Salvation Army not only meets a large part of the capital costs but also a growing percentage of revenue costs. There is a need for government to recognise the burden currently borne by the Army and the fragility of this situation.

The Army's message to government is that if these problems are not rectified, ultimately The Salvation Army will run out of funding, services will close down and the care of thousands of people will be thrown back on the government.

Recent public opinion research undertaken by the Army identified that, whilst our work generates feelings of goodwill amongst the public, there is little understanding from the public that we rely increasingly on their support rather than government funding to provide these services. It is therefore important for the public to recognise its role in continuing to sustain the work of The Salvation Army through financial giving.

Summary

Each of the initiatives outlined above is designed to impact positively on community life as a whole, thus specifically and generally addressing and helping to arrest some of the negative trends highlighted in the report *The Paradox of Prosperity*.