

“I feel like it's one big circle

“What's the
economy?”

Exploring how people feel about economics
and why we need to improve it

economy

This report is licensed under a Creative Commons Attribution–NonCommercial–NoDerivatives 4.0 International License

For comment press@ecnmy.org

Illustrations by **Laura Boardman**

Photographs by **Saman Sadeghi Afgeh**

Research conducted and report authored by **Ali Norrish**

1

Investigating the
'democratic deficit' ...12

2

Understanding
'the economy' ...22

3

Barriers to
engaging ...36

4

Recommendations ...44

5

Routes to
impact ...60

"I just imagine a big circle, and I'm not sure why. Maybe a black hole"

Foreword

Who are we, and why are we so interested in how people feel about the economy?

Ask an adult to define the economy. Most will wince, some will sigh, almost none will give you a confident answer. We've heard everything from "a blob sitting in government," to "a distant, abstract force that controls us, but we can't control," to "a circle – but I don't know what's in it."

Ask a group of 10-year-olds unlikely to have ever said the word 'economics' before whether it costs more than a penny to make a penny. Introduce them to the idea of 'labour costs', 'inflation', 'manufacturing', 'money creation', and you're likely to be surprised by the enthusiasm with which they debate the subject, recognising how powerful it is and how much it affects the world around them.

Economy is a charity campaigning for a more understandable economics. We emerged out of *Rethinking Economics*, a student movement calling for a plural economics education.

Since our launch in March 2016, we've spoken to tens of thousands of people about economics—in classrooms, conferences, and workshops; at beer festivals, beach-fronts, and skate-parks; in cafés, on the streets, and in workplaces. We've created hundreds of pieces of content experimenting with new ways of talking about the subject, and met with bankers, journalists, teachers, academics, and politicians to discuss what we could do to collectively change the way we talk about the economy on a national, and even global, scale.

We've realised that it doesn't take much to shift someone's perception of the subject of economics. The conversations we've had with people of all ages and backgrounds show that apathy is not the issue: people care passionately about where

their tax money is going, about their rights to health and education, about their ability to find meaningful work. They want to take an active role in the debate over these issues, but find it impossible to do so when it's conducted in a language that feels alien, abstract, and expert-dominated. Change the language, and your audience will grow at an exponential rate.

Our research exists to share our learnings with anyone and everyone interested in why communication around the economy is so ineffective, and how we could improve it. It's for people who talk about economics every day, and for people who don't talk about it at all (or perhaps they do, but they're not calling it 'economics'). It's for those of us who see themselves in the people we speak to, and for those who talk about the subject so much they may have lost sight of how most everyone else perceives it.

Together, we can find a new way of talking about economics. This report is not about any one idea or perspective on how to do it—it's about sharing the insights and ideas of people whose views we believe represent the vast majority of the British public, and their relationship to the subject. Our vision is a world in which *everyone* feels able to use economics as a tool to make more confident personal choices, and participate effectively in democracy.

To make it happen, we need to do what the economics establishment has not done enough: stop talking, and start listening.

Victoria Waldersee & Joe Richards, Co-Directors, *Economy*

With thanks to

In making this report, we've benefited hugely from the passion and dedication of several volunteers at our sister charity *Rethinking Economics*, from Laura Boardman for her wonderful illustrations, and from the generous funding from *Cardano Insights* and Theo Kocken. We would especially like to thank Hannah Looseley, Milouda Bouichou, Victor Smits, Yang Zhang, Antonia Jennings and Joshua Eyre for all the time, effort and skill they've dedicated to *Economy's* research, and of course to everyone who agreed to talk to us about their experience of economics and the economy.

Executive Summary

Economic literacy is critically under-investigated. Yet research has shown that people want to know more about economics... and that they don't trust economists to do the job for them.

- The economy is identified as the single most influential factor in determining one's political persuasion.
- Yet only 12% of the general public feel that the way the subject is communicated about in the media and politics is accessible and easy to understand.

This body of research set out to explore the demand for a more understandable economics among the UK public, and the barriers to engagement with discussion on the economy.

- Our research has identified a positive correlation between perceived economic understanding and propensity to vote. It indicates that those who self-identify as incapable of understanding economic narratives are less likely to participate in democratic processes.
- It also demonstrates that people from more disadvantaged backgrounds feel least able to engage in conversation on economics.

'The economy' makes us think of all sorts of things – from money, to a circle, to a complex network. We construct mental models of it as a budget, a relative state, or simply as personal finances.

- Our research highlighted that the vast majority of people feel disconnected from 'the economy'. They tend to perceive it as vast, distant, and too complicated to understand.
- This links directly to a conviction that it can't be influenced. Taking an interest in the economy or economics is pointless because we, and our limited power, are highly insignificant.
- The word 'economics' was off limits to the majority of people we spoke to: very few were comfortable using it. For many, it was simply a substitute for 'economy'.

The barriers which prevent us from engaging in economics are complex, multifaceted, and pervasive. They relate to class, power, education, self-confidence, emotion, and a sense that economics isn't about the thing we value the most: people.

1. A large amount of economic information is seen as complicated and inaccessible.
2. We distrust what we hear and find economic news depressing.
3. We feel socially inhibited from participating in conversations around the economy.
4. 'Economics' represents the opposite of what most of us value: people.



This report outlines a series of recommendations based on the conversations we've had with people across the nation on how to make economics more understandable.

- **Clear** – “Speak in a language I understand.”
- **Relevant** – “Tell me how it affects me.”
- **Transparent** – “Tell me where the money goes.”
- **Positive** – “I would like to see more positives in the news.”
- **Available** – “I wish I'd learned it in school.”
- **Human** – “It should be showing how people live.”

For us, it's not just about people saying they 'get' economics a bit more. We want to fundamentally transform their relationship with the subject, from something they can't possibly engage with, to something they find truly empowering.

*“Politics and economics are 100% related, I think it's the main sales chip for a political party. That and the NHS and education. They're the classic bargaining chips where they promise the world... When I hear that word I associate it with politicians chatting, “Oh, we've been in Parliament, we've improved the economy, economics”—it's just breeze, it's a bit of a buzzword. It is a fundamental keystone of our, sort of, society. But I don't think it is as clean cut as it's sometimes made out to be.” **Andrew***

Introduction

Why investigate people's relationship to the economy?

For many of the people we have spoken to in the course of this research, the economy is identified as the single most influential factor in determining one's political persuasion. Decisions about everything from public service provision to job creation are justified on the basis of the state of the economy – whether it's 'broken' or 'booming', 'growing' or 'shrinking', 'resilient' or 'fragile'.

But it's not just about politics. Our understanding of the economy can change how we make day-to-day choices, from small consumer decisions to larger life-changing ones: whether to go to university, relocate geographically, take out a mortgage, become a banker or train as a nurse.

Economists are incredibly powerful: they advise politicians on how to spend public budgets, regulate the financial system, and manage issues like immigration or education, providing them with the rationale behind the manifestos voters are then expected to vote on. Yet a 2016 poll we conducted among the UK public showed that only 12% feel the subject is communicated in a way that is accessible and easy to understand.

Despite all this, the relationship of the public to the subject of 'the economy' is critically under-investigated. While we regularly track public attitudes to and experiences of political communication, we do not do the same for economics communication. While attitudes to specific economic issues, such as immigration or the cost of housing, receive detailed attention¹, very little work measures how people relate to or understand the wider economic questions behind them. Studies of public understanding of economics tend to focus exclusively on people's personal financial capability, rather than their relationship to engaging with the economy as a citizen.

¹ For examples of what we are referencing here, we refer to regular publications such as the Hansard Report or the National Social Attitudes Survey, examples of the many public surveys which track attitudes to political communication, but only issue-specific economic attitudes.

A year and a half ago, *Economy* set out to investigate how people really feel about the economy. Through vox-pops, surveys, focus groups, in-depth interviews, and large-scale polls, we asked thousands of people what the word means to them, what they wish they understood about it, and how they would change communication on the subject if they could.

This report showcases what we've discovered so far. Though we have much more to learn, our findings highlight a severe democratic deficit when it comes to communication on the economy. We've observed a distinct drop in confidence engaging with the subject among the young, among those without further education, and among people from disadvantaged backgrounds. We've identified a series of recurring barriers to engagement with economics, from complex language, to a lack of relevance to daily life, to a serious distrust of all those communicating about the subject.

The core purpose of this work is to bring people's emotional experience of communication around the economy to the forefront, and highlight the urgent need for a new way of talking about the subject. In doing so, we are bringing a perspective sorely missing from the economics narrative into the growing body of work looking to turn the subject into a tool for people to make more confident personal choices and participate effectively in democracy.

We hope some of what follows can make an inspiring case for better economic communication from the point of view of the 'end user' – ordinary people. If you are communicating about the economy, this report should help you understand your audience and what they want from economics communication.



Methodology

In the past year, we've asked over 5,000 people how they feel about the economy

This report is based on *Economy's* research between 2016 and 2017. We conducted three *YouGov* polls, gathering 1,762 testimonials of people's understanding and attitudes to economics among a representative sample of the UK public and reaching over 5,000 people in total¹.

We combined this with deeper conversations with many more people, including holding 35 hour-long research interviews. We approached people at bus stops, cafés and shops as well as working with the student network of our sister charity *Rethinking Economics* to help us recruit people living across the UK.

Understand the different aspects of our experience of economics in the public sphere as citizens and identify key themes to explore.

In September, we also ran our first more detailed *YouGov* polling, asking a sample of 1,732 UK adults weighted to be representative of the UK public more detailed questions about how they would rate the qualities of their experience of economics and economic discussion in the public sphere.

We asked respondents to rate their experiences 'when you hear the economy discussed in the

media, or by politicians or economists' on a scale of 0 ('not at all') to 10 ('completely') for four factors. We asked to what extent do you:

- Understand what is being said
- See how it affects your day-to-day life
- Feel this information is reliable and trustworthy
- Feel you are able to engage in conversations about the economy to the level you would like to

First round—Preliminary study and polling the nation

In August – September 2016, we interviewed 16 members of the public to make our preliminary research report *The Case for Understandable Economics*. We asked participants to talk about different aspects of how they relate to hearing news of and talking about the economy and what economics means to them. Our aim was to un-

¹ During 2016-17, *Economy* ran three polls with *YouGov PLC*, reaching a cumulative total of 5480 people. For the breakdown of the number of participants in each poll and fieldwork dates, please see Section 1 of this report entitled 'Polling the Nation'.

We also gathered their responses to the open questions:

- When you hear the word 'economy', what does that mean to you? Please try and describe what you feel the economy is, how it relates to your life, how it makes you feel, what it affects for you and if you feel it is important
- What, if anything, would you change about how news reports, politicians or economists speak about the economy?

Second round—Interviews and workshops with young people

The second round of research involved expanding our collection of one-on-one interviews, this time with 4-6 people recruited from specific user groups and levels of experience with economics. Using these groups we pulled out the differences in user needs while identifying the similarities across the various sub-groups.

In this stage, we held in-depth interviews with a further 19 people, encouraging them to discuss their economic experience. Our questions were open and designed to allow us to analyse the different ways people relate to 'the economy' as an idea and to discussion of the economy in the public sphere.

We focused on identifying the answers to the following questions, the investigation of which form the basis of this report:

- What is our level of public understanding of economics and confidence discussing it?
- What are our attitudes towards the way economics is currently communicated in the public sphere?
- How can economics become a better tool for citizens and bridge a divide between experts and people?

To reach young people, we held two research workshops, which took place at Portsmouth College, Hampshire, engaging 30 young people between the ages of 16-18 with no prior experience of economics.

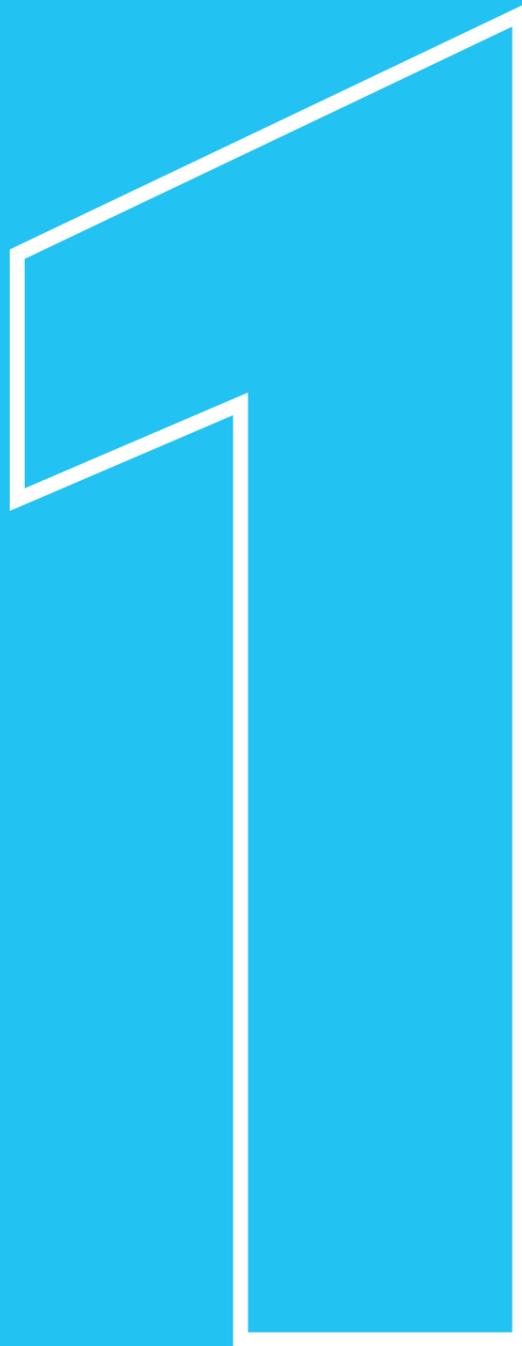
The conversations were varied, rich, exciting and surprising. It was often the first time our participants had spoken at length about the role economics plays in their lives. Many didn't think of themselves as part of the economy before they speak to us. An hour later, they see themselves as active agents of power and change within a wider system.

Synthesising this data

To synthesise this data, we conducted a thematic analysis of our interviews and mapped user needs onto a matrix of the types of experiences we heard described.

We then looked in depth at the verbatim statements we gathered in September 2016 from a representative sample of British adults to challenge these insights and evaluate their representativeness. This report presents the challenges, needs and stories we identified as held most widely and deeply across and within groups.

Finally, we used these insights to create initial recommendations and 'design principles' that our research suggests could have the greatest impact in improving the quality of economics communication in the public sphere. Here, we also drew on our direct experience of our impact engaging with people about economics over the last year, drawing on all we have learned just in *Economy's* first year as a live project.



Investigating the 'democratic deficit'

If we can't engage with economics, can we really engage with democracy?

"It's not like I try not having it in my life; it's just not in my life."

Investigating the ‘democratic deficit’:

Summary

Economic literacy is critically under-investigated. Yet research has shown that people want to know more about economics... and that they don’t trust economists to do the job for them.

For many of the people we have spoken to in the course of this research, **the economy is identified as the single most influential factor in determining one’s political persuasion.** Yet research shows the vast majority of people feel almost completely incapable of discussing the subject in a confident and meaningful way.

‘Economic literacy’ is an under-investigated, but extremely vital, term for public engagement with democracy. In exploring how people feel about the economy for this report, we set out to understand what research exists on the term, how much the public trusts economists to ‘do economics’ on their behalf, and the extent to which they are interested in learning more about the subject themselves. This section represents an overview of their key findings in relation to the above three areas of investigation.

Our own polling asked a representative sample of 1,732 UK adults to rate their experiences of ‘when they hear the economy discussed in the media, or by politicians or economists’ on a scale of 0 (‘not at all’) to 10 (‘completely’).

It then measured demand in the UK public for engaging in conversations about the economy to a higher level, asking respondents to rate how much they ‘feel able to engage in conversations

about the economy to the level you would like to’, so we could measure the deficit in desired economic engagement within the public.

Our research provided evidence of a **positive correlation between perceived economic understanding and propensity to vote**, leading to a hypothesis that those who self-identify as incapable of understanding economic narratives are less likely to participate in democratic processes. It also demonstrated that **people from more disadvantaged backgrounds feel least able to engage in conversation on economics.**

These findings, explained further below, help illustrate an evidence-based picture of the UK’s relationship with economics and the economy. It is clearer than ever that the inaccessibility of economics represents a democratic deficit, excluding those from disadvantaged backgrounds the most.

How ‘economically literate’ is the UK?

Economics is not part of statutory education in the UK. A recent poll by *YouGov*, *The Economics Network* and *ING Group* found that more than four out of five of us think that ‘economics is relevant to our everyday lives’, but concluded:

‘People instinctively understand that economics is relevant to their everyday lives – but the majority have never studied it and few understand what economists do.’

Though a widely accepted definition of ‘economic literacy’ does not yet exist, almost all current research in the field indicates a severe lack of public understanding of the economy, economic concepts, and personal finance in the UK. By exploring people’s barriers to engagement with economics, we hope this report will help identify the key causes and offer tangible solutions to the issue.

Our sister charity *Rethinking Economics* polled more than 1,500 UK representative adults weighted for voting in the previous election with *YouGov* in January 2015. Around 60% of those asked could not offer the correct definition of GDP when given five choices. A quarter did not know. Almost half were unable to pick the right definition for the government’s budget deficit from a multiple choice question. Only 30% could correctly define quantitative easing. A further 40% had ‘never heard of it’ or said ‘I have heard of it but I cannot define it.’²

Young adults in the UK are least likely to understand financial literature, with just 8% of 18 – 24 year-olds saying they have ‘high understanding’. Women, BAME people and those from a lower socio-economic background also consistently rate themselves lower in understanding and confidence in relation to financial literacy. In the same *Rethinking Economics* poll, 60% of 18-24 year-olds had never heard of quantitative easing.

The *OECD* has recently found that only 38% of the UK public understand inflation. In *Economy’s* own *YouGov* poll in May 2017, we found that over half of the UK public didn’t feel confident that they understood the economic impact of the policies they were voting on.

² YouGov Post-crash Economics Society, 2015 - https://drive.google.com/open?id=OB5Osl_ZDAaHuWXdJS18wU2EoQ00

What is ‘economic literacy’?

The definition of ‘economic literacy’ is a contested one. The first way of describing it is:

‘The ability to use basic economic concepts to make decisions about earning, saving, spending, and sharing money.’¹

Though increasing numbers of organisations are looking to explore a wider understanding of people’s engagement with economics, most efforts to improve ‘economic literacy’ normally address this initial definition, with impacts limited to young people’s personal financial sphere.

At *Economy*, we advocate for a wider definition of ‘economic literacy’...

...one which provides a way to look at whether we, as citizens, have the tools and understanding necessary to form an informed, critical view on economic options open to us in our democracy.

Here, economic literacy has broader impacts which resound through our democratic lives. It gives us the means to understand and evaluate economic concepts as they relate to personal finance, but also to our national and global interests and in the context of our political systems. It leaves us able to both make more confident decisions in our personal financial lives, and to engage more effectively in democracy.

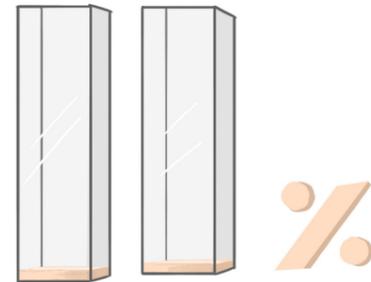
It is important to note that this body of research did not set out to measure economic literacy in the UK, but rather to explore the demand for a more understandable economics among the UK public, and the barriers to engagement with discussion on the economy. We hope this will provide thought leadership as to how economics communication needs to change in order for levels of economic literacy to increase.

¹ <https://www.girlsinc-durham.org/who-we-are/Economic%20Literacy.pdf>

To what extent do we trust economists?

Answer: we don't.

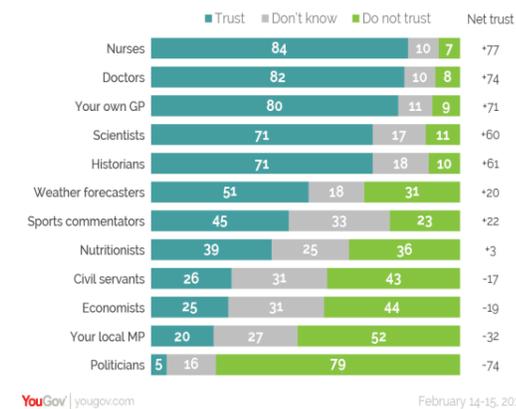
'Globally, almost 50 percent of university-educated, news-following members of society say the system is not working. In the UK, just 11 percent of the population think the system is working. 29% (3 in 10) are uncertain. 60% believe that the system is failing them. We recorded a strong sense of injustice, a lack of hope and a desire for change.' Edelman Trust Barometer 2017



The Edelman Trust Barometer (ETB) tracks trust in institutions globally. In January 2017, the barometer found that trust in the British government, already as low as 36% at the start of 2016, had fallen to just 26%. The UK's trust in the media also fell from 36% in 2016 to 24%¹.

Public trust in experts

Of the following, whose opinions do you tend to trust when they talk about their fields of expertise? %



Post-Brexit, the ETB found that 8 in 10 Brits do not trust political leaders 'to do what is right' and that only 18% of the population trust in the Chancellor of the Exchequer (Philip Hammond)

to communicate honestly².

In a 2017 YouGov poll, 79% stated they did not trust politicians when they talk about their field of expertise – only 5% did³.

A distrust of economics and economists seems to stand out among distrust in institutions as a whole. Our own YouGov polling has shown that only 4% of the UK population felt that discussion and information they heard in the news about the economy was 'completely reliable and trustworthy', dropping to 1% of respondents in Scotland. The average level of trust in economic discussion and reliability of information about the economy in the population was just 4.4/10.

In Scotland, trust is particularly low; nearly one fifth of respondents felt that discussion and information about the economy was 'not at all' reliable and trustworthy. 67% rated trustworthiness 5 or under, while only 15% of respondents rated trustworthiness over 7 out of 10.

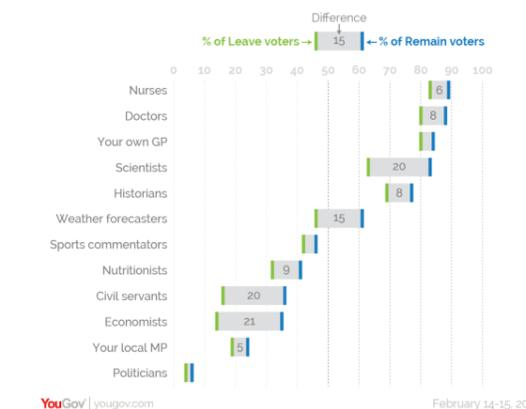
Economists were the group of 'experts' with the single biggest drop in trust for Leave voters. In a recent YouGov poll, only 14% of Leave voters stated they trust economists. 56% stated they

don't. Of Remain voters, 35% state they trust economists and 36% that they don't⁴.

Voting patterns in the EU referendum underline polarisations in attitudes towards the effect of specific issues on the economy on the basis of age and education. 'The young and highly educated are more likely to believe that immigration was **good** for the economy [and more likely to vote Remain], while older people and non-graduates were more likely to say it was **bad** [and more likely to vote Leave].' *British Social Attitudes Survey.*

Trust in experts: Remain vs Leave voters

The scale shows the % of Remain/Leave voters who trust each of the following experts when they talk about their fields of expertise, plus the gap between them



Finally, many have picked up a growing feeling of 'anti-politics' (for example: Clarke et al., 2016) that encompasses all or part rejection of current politics and parties, scandal-hit institutions, 'political correctness', and/or an 'elite' or 'establishment'.

'To rebuild trust and restore faith in the system, institutions must step outside of their traditional roles and work toward a new, more integrated operating model that puts people — and the addressing of their fears — at the center of everything they do.' Foreword, *Edelman Trust Index 2017*

4 YouGov survey on how far the British public trust various different types of experts when they talk about their own fields of expertise. 2040 people polled, UK representative, 14th-15th Feb 2017. 'Overall, 44% of UK representative sample state they do not trust economists when talking about their field of expertise. 31% don't know and 25% trust them.' - <https://yougov.co.uk/news/2017/02/17/leave-voters-are-less-likely-trust-any-experts-eve/>

1 Jan 2017 (UK Supplement) = 24% trust (32% in 2017, 36% 2016)
 2 'Trust in each political leader to communicate honestly - Hammond - 18% of general population and 23% of informed public. The Edelman Trust Index's 'Informed public' group is composed of those who are 'high income, college educated or follow business and public policy information several times a week or more'
 3 <https://yougov.co.uk/news/2017/02/17/leave-voters-are-less-likely-trust-any-experts-eve/>

Scotland's Story

People in Scotland are 5 times more likely to state that they do 'not at all' understand what is being said at all than in London, and twice as likely as any other regions in the UK to report this.

Scots are also nearly 3 times more likely to state that they do 'not at all' see how economic news affects their day-to-day life and are over twice as likely to state that they do 'not at all' feel able to engage in economic conversations to the level they would like to in comparison to the rest of the UK.

Who is most excluded from economics communication?

In September 2016¹, a few months after the Brexit vote that shocked the economics establishment, we asked the UK public how they would rate their experience of economics and economic discussion.

Our polling revealed a new and important finding regarding the importance of increasing accessibility of economics, highlighting who feels most disengaged from economics, and how their lack of confidence in engaging with the subject affected their participation in democracy.

sible for working class households

For people from a lower income household only 7% find economics accessible (compared to 15% of respondents with higher incomes).

They are over twice as likely to state that they don't at all see how it affects their day to day life, and 50% more likely (8% ABC1 vs. 12% C2DE) to state they are not sure if the information they receive in the media is reliable and trustworthy.

A regression analysis of our September 2016 YouGov findings also confirmed that social grade significantly affects our rating of our ability to engage. C2DE respondents were twice as likely as ABC1 to state they do not at all feel able to engage in conversations about the economy to the level they would like to.

This correlates with the findings of *Post-Crash Economics Society's* 2015 poll, in which 56% of lower income adults said 'I have never heard of Quantitative Easing' or 'I have heard of it but can't define it' in comparison to only 32% of people with higher incomes.

Among people from lower income households, **only 7% find economics accessible**² (compared to 15% of respondents with higher incomes).

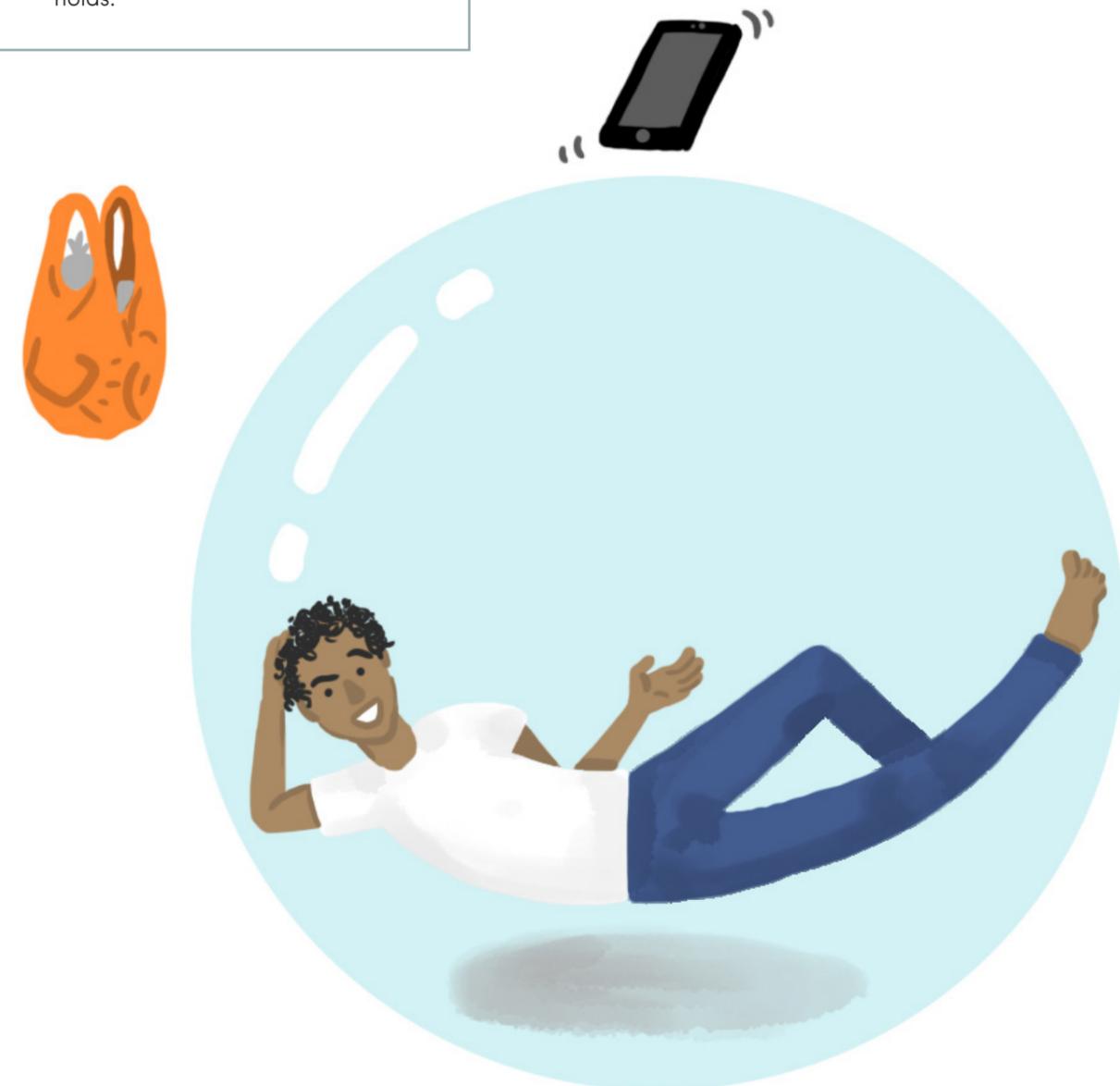
People with lower household incomes (C2DE) were twice as likely to state they do 'not at all' understand what is being said than ABC1, and nearly twice as likely to state that they are 'not sure' how much they understand what is being said.

In 2016, we found economics was even less acces-

¹ https://docs.google.com/spreadsheets/d/1QPQ1NjrtAXLNF_91gaxv_yKokhCW3dbQoGsgJpe_ms
² 7% of respondents in socioeconomic segment C2DE - Data

A February 2017 *YouGov* survey on how far the British public trust various different types of experts when they talk about their own fields of expertise found that trust in the statements of economists varied greatly by socioeconomic grade.

- 18% of those in lower income households (C2DE) state they trust in statements by economists vs. 30% of adults in higher income households (ABC1)
- 49% of adults in lower income households state that they don't trust economists vs. 41% in ABC1 households.



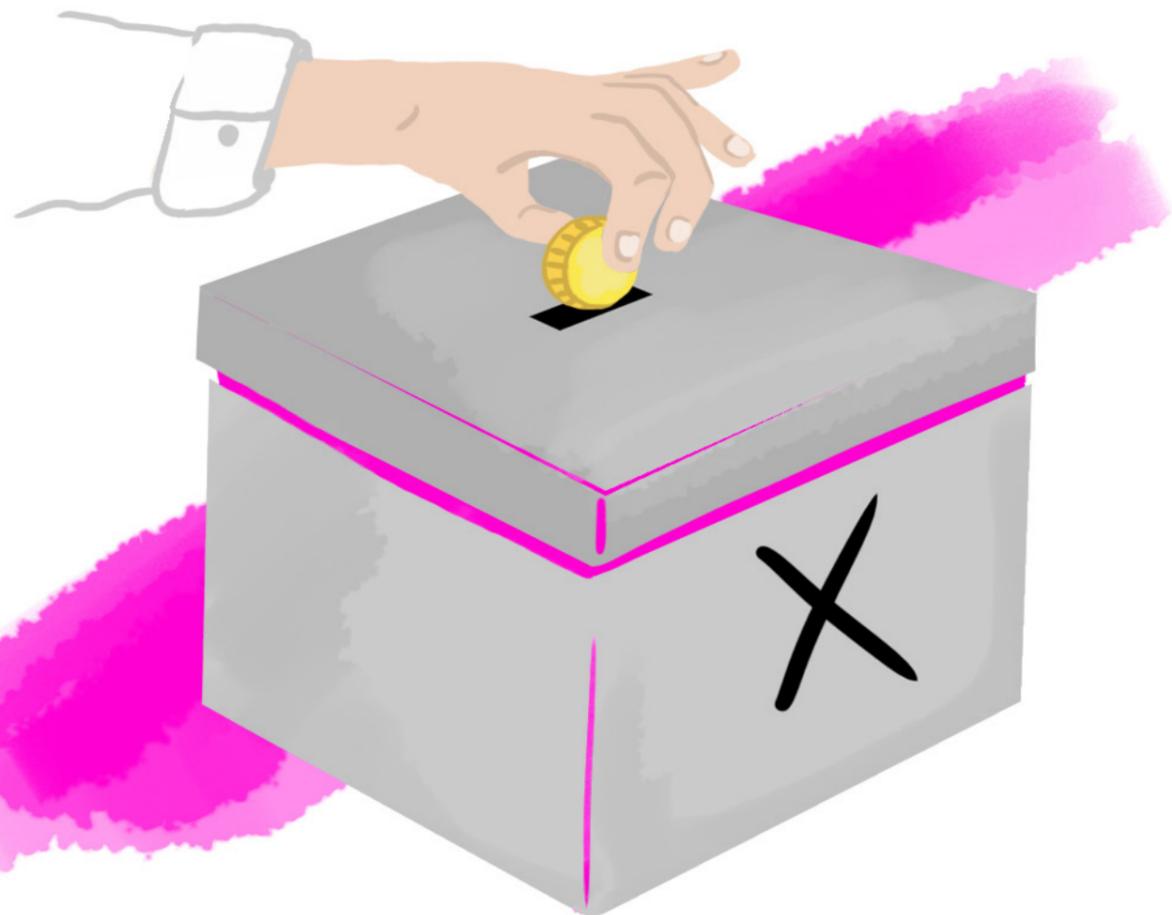
Without understandable economics, do we really have democracy?

The less people feel they can engage with economics, the less likely they are to vote, leading to a severe democratic deficit.

The 2015 election

Our regression analysis showed that people's propensity to vote in the 2015 General Election was significantly correlated to their perception of reliability of the media. In particular, people voting for the less dominant political parties (*UKIP, Other, Lib Dem*) tended to show less trust in media discussion of economics.

Those who did not vote in the 2015 General Election rated themselves lower on average than those who did vote in all factors of experiencing economics that we measured.



The EU referendum

Over a quarter of those who did not vote in the EU referendum rated themselves 0-3 (out of 10) in terms of the extent they feel able to engage in conversations about the economy 'to the level they would like to', in comparison to those who voted. 13% of non-voters in the EU referendum rated themselves '0', in comparison to 6% of voters.

Those who did not vote were 3 times more likely to state that they have 'zero' understanding of what is being said about the economy in the media.

Our data also highlighted demonstrable differences between perceived power to engage in economic conversations between Leave and Remain voters. A quarter of those who voted Leave felt a lack of power to engage in economic conversations. The feeling of a lack of power to engage was less in those who voted Remain where it was present in 19%—a difference of 6%.

However, we also see those who voted Leave were much more likely (12% vs. 7%) to state they have a 10/10 understanding of what is being said than those who voted Remain. They also reported greater relevance for seeing how the economy affected their day-to-day life.

Non-voters, those who voted *UKIP* in the last general election and people living in Scotland had markedly more likelihood than other groups to state zero or 10/10 on factors of economics experience.

The 2017 snap election

In May 2017, we polled the nation again in the run up to the snap election, this time asking about the quality of economics communication available to each of us.

Only 34% of people felt information about the economy in the media around election time is useful enough to make an informed voting choice.

Only 34% of us felt information about the economy in the media around election time is useful enough to help us make an informed voting choice.

54% felt the way information about the economy is communicated in the media around election time leaves them uninformed about the impact economic stories have on their lives.

Only 1 in 4 of us felt information about the economy is communicated in a trustworthy and honest way during election time.

Nearly 60% of young people did not feel the information they could access about the economy during election time was useful enough to inform their vote. 70% of 18-24 year-olds said they did not trust that information was communicated honestly.



Understanding 'the economy'

When we say 'the economy', what do we really mean? What about 'economics'? Or just 'economy'...?

"I feel like it's very big, like it refers to something"

Understanding ‘the economy’: Summary

‘The economy’ makes us think of all sorts of things – from money, to a circle, to a complex network. We understand it as a budget, a relative state, or simply as personal finances. Whichever ‘mental model’ we hold has important implications for how we understand the way the economy works, and our own agency within it.

The core purpose of this report was to build on current research detailing levels of engagement with economics to really explore people’s emotional reactions to, perceptions of, and thoughts on the subject and the narrative around it. We conducted 35 hour-long interviews with adults of all ages and backgrounds, with one thing in common: a sense of disengagement from economics communication.

Our questions were designed to ease the participant into exploring what inbuilt assumptions they’d formed about the subject of the economy, where those assumptions came from, and how the subject would need to change to make them feel able to engage.

We asked:

- Hearing the word ‘economics’, how does it make you feel? What about the words ‘the economy’?
- What does ‘the economy’ mean to you?
- How would you define ‘economics’? What does that word mean?

- How would you draw or imagine the economy?
- How personally connected does hearing about ‘the economy’ feel to your life?
- What’s the very last thing you would associate with economics?

Though certain themes were more prevalent in specific demographics than others, many of our interviews yielded the same responses time and time again.

Participants identified a lack of clarity around what the economy actually is, and how it works. Instead, they described mental models through which they conceptualised it – from money, to a cycle, to a network – which left them unable to process the complexity of the world around them. The economy feels vast and distant to many; our ‘personal’ economy is more connected. Few ever use the word ‘economics’.

How we imagine ‘the economy’

As part of our research we asked people to visualise the economy, so we might learn more about two areas.

Firstly, to corroborate our general findings about our reliance on mental models, we wanted to understand the level of detail, imaginative frameworks, understanding and conceptualisation that our participants had when thinking about the economy.

Secondly, for each participant it was a chance to reflect on what the economy means to them and reveal people’s emotional responses to thinking about ‘the economy’ as a whole, as a phrase widely used in the public sphere.

Again, we found that, despite ‘the economy’ holding a very important place in public discourse, for the people we spoke to, ‘the economy’ often lacked meaning and a majority of us lack a sense of the multiple relationships that form an economy.

For many young people especially, the only thing that rises to mind is ‘money’. For people who have spent longer being financially independent, ‘the economy’ just means ‘my personal economy’ or financial situation. Often, people chose images which helped express the vague and all-encompassing sensation they have around what the economy is.

“There’s a lot of things that I don’t understand. Um... I often don’t understand why cuts have been made. There’s so many things I don’t understand... there’s a lot of talk about how [Brexit] is going to affect the economy... that’s a topic I don’t understand—so for me I’m like, how is it going to affect the economy? Why, is the pound suddenly, sorry, like, why is it decreasing in value? Like, I don’t understand. Someone said to me it’s about like, the instability of the situation. But in my head I’m like, what does that mean?!” Sasha



What's the economy?

“Money.”

To most people without access to a background in economics, the phrase ‘the economy’ simply means ‘the financial situation of the country’. Those with the least comfort in speaking about economic topics described the economy as a function of money in other realms: ‘the price of things’, ‘how much things cost’.

Our interviews were designed to challenge these perceptions, pushing participants to explore where their associations with the term came from and what they meant for their personal relationship to the subject matter.

“The economy is the state of play of wages and living expenses. The economy is the price of things, the price of food, the price of oil and petrol, and gas and electricity. And a lot to do with economy is a lot to do with various companies who sometimes are out to make money, if you like.

“It affects what I’m spending each week on food and fuel in the car... I just know the cost of things and, even though you vote, you can’t, the economy isn’t the state of the government or what they’re doing to welfare or something like that—the economy is what things cost.” Ross

“Imagine the economy”...

To prompt more lateral, outside-the-box thinking on people’s associations with the economy, we asked our participants to describe how they would imagine or visualise it, and then to reflect on their answers. We found this question was very effective for revealing the general level of conceptualisation and knowledge that participants held when thinking about the economy, before asking them what exactly they thought it was.



Money

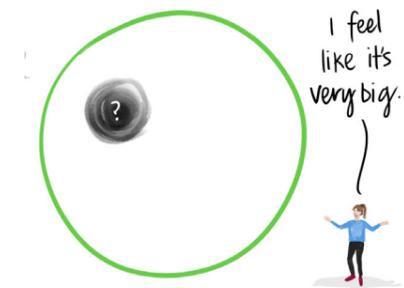
In the least confident or engaged of our participants, when asked to imagine or describe the economy, we simply heard the word ‘money’. Often, people offered a **money symbol to substitute in whole** for the economy, or a **graphic to represent what was happening with money**, with participants finding it hard to expand with any greater detail when prompted.

“The £ sign” Jason

“Inflation, the value of the £, someone going on holiday—Euros and Canadian dollars” Jean

“A picture of a graph. Spiking and going up or down. Down’s probably a more accurate version. Perhaps I was just being more optimistic in my mind first thinking of it going up—a zigzag up and down.... the pound losing its value.” Ben

“A dollar sign, some form of currency symbol. I know it’s a bit more than just money, but I feel like money and wealth play the biggest part.” Steven



The ‘big circle’

An image of the economy as a big circle was also used by our participants to overcome a lack of definition or specificity: people often discussed an idea of the economy as a **broad, all-encompassing concept signifying the world** or ‘everything’.

“Round. It encompasses the whole world, and it’s global...Yeah, a circle.” Tim

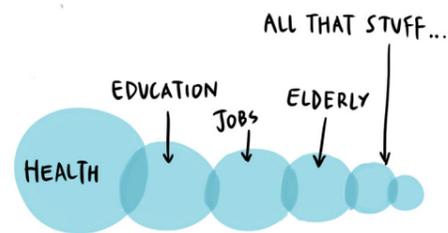
“A circular shape; the world or money, coins. Maybe a coin with the world in it.” Rebecca

“I think it is very big and there is no boundary so it is difficult to draw it and so maybe I would draw a very big circle” Andrew

Asking participants to expand on this image often revealed a lack of knowledge of what the economy is “made up of”.

“I feel like it’s one big circle, but I don’t know what’s in that circle” Hannah

“I just imagine a big circle, and I’m not sure why. Maybe a black hole” Kirstie

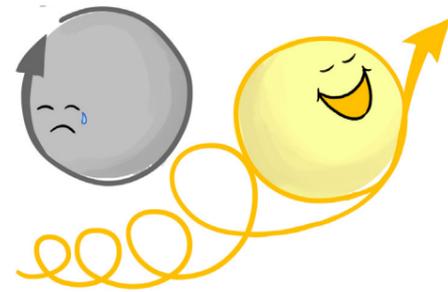


A 'populated' circle

Retaining the use of the circle, some people used imagery to represent the economy as **involving many different components or areas of concern in society**. Sometimes these 'smaller circles' also demonstrated a focus on distribution.

"It would probably be made up by other smaller circles that represent very important things in my society – things like health, education, opportunities for people, yeah, the elderly, jobs, all that stuff, culture" Julian

"I see a big circle... a big circle with smaller circles in it with the amount of money that's spent in each area. A pie chart showing spending" Christine



A cycle

Many of those who viewed the economy as a circle went on to discuss it in terms of a broad overall relationship, for instance as a **cycle or loop**.

"Circle. When the money goes out it all seems to end up back where it started..." Lee

"I think it does go round in circles because there's definitely a pattern to the way the economy works. There's a cycle to most things, to fashion, to music, to economy." Sofia

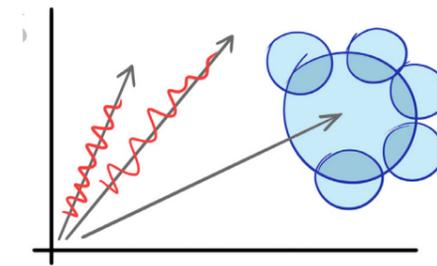
Among people with more **negative attitude towards the economy**, the cycle often represented **pointlessness and endlessness**.

"I suppose a circle and it's never-ending [Politicians] start at one point, get half way round the circle and [...] before you know it, they're right back where they started" Ross

"Going round in circles. It's like throwing money—lip service to things. They [...] just do a bit of superficial fixing. Knowing full well it's not going to help" Sarah

People with more **positive attitudes** focused around notions of **sharing or growth**.

"It's a system that all feeds into each other. The circle represents people [...] sharing, and this kind of circular motion of we receive to give and different parts of this circle benefits the whole" Julian



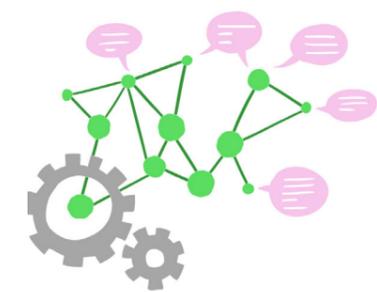
Diagrams

Those who were more confident were more able to discuss the economy as the outcome of **multiple connected domains and influences**. Several participants described their visualisation as a **'diagram', illustrating who does what, and what goes where**.

"A pretty massive flow chart—I would probably have to scribble bits out and start again a few times... I don't know what that would look like, or if it's even meaningful. It might need to be a series of diagrams" Ryan

"It comes up as a big diagram with arrows, with people to finance and pound signs moving and things like that" David

"It would have loads of like pie diagrams and stuff in it, and graphs and stuff like that... this much stuff is sold from this sector, this much debt, this much we're paying on debt" Joe



Networks & Nodes

The most complex visualisations of the economy we heard were those centred around a **system with moving actors and parts**. Participants were comfortable viewing the economy in greater detail and fluidity, choosing images that reference the economy as containing **changing or mutually dependent interactions** between multiple systems or individuals.

"I would see lots of different lines joining up different countries and cities and there's all these links, and how we get money coming into the countries and going out of the countries and how everyone's linked up somehow, through exporting, importing" Rachel

"It's how everything's connected—the economy is kind of buying and selling and making connections. So you could also imagine it as like a web. The lines are the connections and the nodules are whatever you're giving" Sarah

"Probably a cog—from a clock or a machine. It's a moving part affected by a lot of other things. And people drive it and money drives it. I would imagine it as a piece of clockwork. The main cog of economy is driven by other cog parts, other little cogs that keep it driving." Alissa

"A system. It means a system that helps make things work. I kind of see an economy as a collection of moving parts. Different things working together, multiple systems" Julian

Defining the economy...

Next, we asked people what exactly they felt the economy was. We found that most answers fitted within a certain ‘mental model’ of the economy: either as an amount (e.g. ‘the amount of money we have as a country’), centred on the idea of a budget; or a relative status of ability, health, and worth (e.g. spoken about in terms of ‘how we’re doing’).

More broad research would almost certainly uncover a whole range of further mental models – these are simply two examples which were especially prevalent in ours.

“Mental models help people make sense of the world—to interpret their environment and understand themselves. [They] capture broad ideas about how the world works and one’s place in it” World Development Report 2015: Mind, Society and Behaviour, World Bank Group, 2015

“Nobody in his head imagines all the world, government or country. He has only selected concepts, and relationships between them, and uses those to represent the real system” (Forrester, 1971)²

Mental models have the potential to simplify and clarify people’s understanding of the economy, providing them with a tangible metaphor to conceptualise the subject. Participants were likely to inherit ‘logics of action’ (see background box) from their most prevalent mental model of the economy through which they would interpret information on key changes happening within it.

However, we found these logics of action also had the potential to obscure people’s understanding

of the more complex nuances of how the economy works which could not be represented within the constraints of their mental model.

Using the word ‘economy’

People very often refer to ‘economy’ rather than ‘the economy’ in sentences. Our participants readily used the word ‘economy’ to refer to a subject matter or process – something perhaps more akin to economics. Even when referring to the academic subject, several participants substituted the word ‘economy’ rather than economics.

“Economy affects the whole world, good and bad and the economy obviously involves money, currency.” Rebecca

“I haven’t bothered to go out of my way to think about that. I’ve read about the stock exchange, the financial crash. I’m hesitant to say this is economy.” Richard

“There’s this idea of I’m swallowed up by there’s too much to take in. When you say ‘the economy’, it feels like it’s everything. That’s the scary thing. Whereas when you say the word ‘economy’ it feels more localised and easier to break down and mentally evaluate.” Ben

“Traditionally the other party have been about the working people and that other class, so it’s completely related to economy.” Sara

“In terms of economy, I think there’s a possibility that a lot of weight that the government had fudged stats of unemployment is getting more people into education..” Andrew

Background box: What is a mental model?

We use mental models all the time. ‘Mental models are the internal representations that individual cognitive systems create to interpret the environment.’ (Denzau & North)¹.

Our mental models of phenomena can affect how we direct our attention, how we process information and what we believe can happen on the basis of new information we receive. We also find it harder to take in or remember new information that is mismatched with our mental model of how something works, meaning that mental models tend to be reinforced over time.

‘Routine, everyday cognition relies heavily and uncritically upon culturally available schemata—knowledge structures that represent objects or events and provide default assumptions about their characteristics, relationships, and entailments under conditions of incomplete information.’ (DiMaggio)

Limits of models

‘Mental models enable thought and action, but also constrain them. When the mental models people use are well adapted to the task at hand, they make individuals better off: “Time and energy are saved, rumination and doubt are reduced, and nothing important is lost,” (Ross and Nisbett, 1991, 77; see also Todd and Gigerenzer 2000). But mental models may be out of sync with the real world, may substantially limit the amount of information decision makers use, and may cause them to fill in uncertain details of a situation with incorrect assumptions.’ (DiMaggio)

An example of a model’s limiting factor: ‘logics of action’

Because a mental model is a ‘simple, highly abstract concept [for example: container (D’Andraw 1995)]’ (DiMaggio), a mental model has its own ‘logics of action’. Taking a container as an example, the container will either contain things inside or outside the container—these inside/outside ‘logics of action’ will then be applied to everything seen through the mental model.

¹ Shared Mental Models: Ideologies and Institutions, ARTHUR T. DENZAU AND DOUGLASS C. NORTH



“FTSE? I know that’s a thing that you do with your feet under the table.” Sara

¹ <http://documents.worldbank.org/curated/en/645741468339541646/pdf/928630WDR0978100Box385358BooPUBLICo.pdf>

² https://en.wikipedia.org/wiki/Mental_model

Model 1: The economy as a personal or household budget

Many of our participants gave a definition of the economy which, broadly speaking, outlined an overall amount of money as a constraint to what we are able to do as individuals and as a society. Within this model, the key indicator of the state of the economy was the state of the budget, i.e. how much we owe and how much we available to spend.

"The economy is the money-related side of big government... the country's balance sheet, profit and loss account. I see it on a very large scale, macro scale. I see it as being the amount of money we get in, the amount of money we spend out and the amount of money we owe." Christine



"As in British economics, how much money's coming in and how much money's going out." Lee

"Economics is do I have a job in the morning? Can I afford to go on hol-

iday? Can I buy a car? You've got a budget, money in, money spent, and if you spend more then you're in debt." Liam

How does a 'budget' economy work?

If we view the economy as a national budget, we expect things to go 'into' and 'out of' the economy, according to what we earn or owe. When we view the economy as a total amount, we are likely to seek out and absorb information about the economy which fits into this model – participants who identified with it would often ask for economists to just 'tell us how much there is'. We expect the national budget to work much like our own household.

The 'budget' mental model often aligned with an idea that individuals go 'in' and 'out' of the economy at different

stages of their lives. Whether or not we are involved in the economy depends on whether we are currently contributing to it via taxes, or taking from it via using public services. Older participants would often feel they were 'out' of the economy, in a fatalistic, detached sense, where younger ones would feel not yet 'in' it if they had not started work.

A 'budget' economy was also viewed as highly objective and factual – it could be simple maths, if only politicians and the media didn't interfere and overcomplicate so much. People with this view would often ask to just be given 'the facts'.

Model 2: A relative state of ability, health or worth

The second most common mental model of the economy we encountered was the idea of a relative state of ability, health or worth. In this model, the economy is understood by how well we are doing, both on a national personal level, in a relative sense. Participants identifying with this model would assess the state of the economy not by how much money we have, but by how much it is worth, and how smoothly it flows around the system.

"Economics is how well a country is doing.... You can kind of relate the economy to the seasons, where it goes down. For example, winter, autumn. There is a drop in the economy, then it starts to rise again. It's the peaks in the economy..."

"I feel like it's very important to my life. It affects inflation you know. The bad economy affects the people in the country. You know, prices go up, you know and jobs are harder to get. Food becomes more expensive. It does have a direct effect on people in the country if the economy is not doing so good." Um Younis

"The economy is the state of the monetary affairs. Not just my own but especially within different [political] parties. Money, and of course, how the economy's affected with Brexit... I think of it as going up and down – because a bit like the weather, you can't predict it." June

"The economy is the state of play of wages and living expenses. The economy is the price of things, the price of food, the price of oil and petrol, and gas and electricity." Ross

How does a 'relative state' economy work?

When we view the economy as a status, we tend to think the ideal outcome is for it to go 'up' (often indicated by the value of the pound being up in comparison to other currencies) – though we don't necessarily understand what makes it go up or down. We see the economy as being capable of having a state of 'health', of being weak or strong, fragile or resilient.

Young people in particular expressed frustration at this way of describing the economy, and the rigidity of the 'good' or 'bad' labels assigned to it.

"I remember them saying that it's bad and that the economy's falling. I always think of the credit crunch, I remember watching that.

"The economy's falling'? What does that mean to you? I never really understand what they mean when they say that. A graph, up and down. I don't even know how they measure the economy—debt, profits, how much we're spending, I don't really know." Hannah

"I know that as long as it's good, it's good. But I know if the economy goes



down, that's bad, I know that's really bad... It seems like it's going really well or it's going terribly, there's no kind of in-between." Lauren

Am I in the economy?

Finally, we asked each of our participants to speak about whether they feel personally connected to the economy, to understand the level of relevance that the economy has in connection to their view of themselves, and the things that matter most in their everyday lives.

We found that participants often noted that ‘the economy’ feels very distant from their personal context. In general, participants felt disconnected from ‘the economy’ and tend to perceive it as vast, distant, and too complicated to understand.

“For me it feels really removed from the context that I live in. It just makes me think of politicians in a room talking. And I don’t really connect it to how that’s going to affect me.” Sasha

“With the economy, I feel it’s confusing, unclear and big, very big. It’s like this big global thing controlled by people with billions and billions of pounds.” Joe

“It’s a big vast place where bits of it you don’t understand because it’s ever-changing and it’s very vast and lots of different things going on in different parts of the world and things.... All I know is what affects me.” Ross

“I feel like it’s very big, like it refers to something very big.”

“Large scale, yeah.” Naomi & Kirsty

Because of the difficulty of breaking ‘the economy’ as a whole into a tangible framework, people reported feeling much closer to the notion of a ‘personal economy’.

“I’m not really connected on the economy of what’s happening in the world, but more on mine. It’s like, the money I have, how much I have to survive here,

to pay my uni, stuff like that.” Alissa

“What type of economy? The national economy, the global economy, my personal economy. I would like to relate to my economy [emphasis].” David

This sense of the economy as too vast to make sense of links directly to a conviction that it can’t be influenced. Taking an interest in the economy or economics is pointless because we, and our limited power, are highly insignificant.

“Economics is the way money flows on all sorts of levels in return for labour, services, goods. It’s a big ocean and we swim in a small part of it.” David

“I sometimes wonder if I’m even on the radar—I don’t buy a car, buy a lot of second hand goods online. If there was a chart or graph of my economic activity, I don’t think I would even register. No credit card, mortgage—the money that I spend I earn here. I live within my means, so I wouldn’t describe myself as a major economic force.” Geoff

The word ‘economics’ was off limits to the majority of people we spoke to

In finding out how people feel about conversation around the economy, we also gathered some interesting insights on how people view economics itself.

The word ‘economics’ was off limits to the majority of people we spoke to: very few were comfortable using it. For many, it was simply synonymous with or substituted for ‘economy’ – some saw it as describing what the economy ‘does’.

“The word economics is my grand-daughter talking about home economics in school. It’s a word I don’t use.” Jean

“I think economics, doesn’t that mean... I dunno actually. In terms of economy, economy is kind of like, um, I mean, like money, like how it’s kind of going and everything. Like if the FTSE is going up or down. Or with economics it’s all to do with, more of that but in depth really? I don’t know.” Stephanie

While politics and economics were almost universally described as related, we heard considerable differences in opinion on the extent to which politics and social choices are related to the economy.

Participants often used the phrase ‘the economics’, meaning a financial outcome. ‘The economics’ was used to describe a present-day snapshot of the economy (with the economy’s prevalent meaning of a “current financial status”).

“I don’t think economics is something with a purpose, I think it’s a description of a market.” Annabel

“Economics is an analytic process. It’s just a thing that is.” Ryan

More rarely, it was seen as the process by which the economy is influenced—meaning “decisions made which impact the economy”.

“The economics, they’ve really messed up the economics. Going forward, up, down, coming or going... we need people like you, people researching the economics, to put us on a path so we know where we’re aiming at, where we’re going. People feel lost, going nowhere, not like the 50s where people felt like they could make something of their lives.” Helen

“Economics is the state of the financial situation of the country, that how I understand it, whether that’s right or wrong, I don’t know. That’s what it means to me. It’s where you’re going in life, if you buy property, whether you’re renting that property, whether you can afford a car, what type of car, what you can do with your kids...”

“I don’t really know, is it the money the government are playing with, is it the businesses that are buying and selling into the UK? I don’t know...”

“You hear that we’re in that much debt but they’re loaning out money continuously to other countries. I dunno, is that the economics? I dunno... There is no affordable social housing, that’s part of the economics. Where’s all the housing gone?” Sam

This lack of awareness of the distinction between the economy and economics, and the purpose of economics as a discipline, presents an important point for discussion for civil society when so much of political communication is justified on economic terms.

Where policy-making is conducted on the basis of recommendations by academically trained economists, people’s lack of understanding of what exactly the discipline is or does is further proof of the democratic deficit that exists around public discussion of the economy.



Barriers to engaging

What gets in the way of us talking about the economy more?

“When people talk about the economy, it’s just talking about millions and billions of pounds. So I feel it’s not connected to me at all.”

Barriers to engaging:

Summary

The barriers which prevent us from engaging in economics are complex, multifaceted, and pervasive. They relate to class, power, education, self-confidence, emotion, and a sense that economics isn't about the thing we value the most: people.

Our research and other efforts in this field have demonstrated a clear demand for economics understanding among the UK public. The vast majority of people self-identify as wanting to know more about the subject, and be given the tools to make more informed personal choices, and participate more effectively in democratic debate.

In this section, we take a closer look at the specific barriers preventing people from engaging with economics to the level they would like to.

To gather these insights, we asked participants:

- When you hear about the economy on the news, how does it make you feel?
- Would you change anything about how the economy is spoken about in the news?
- Is economics on the news interesting?
- Is there anything that could make it more engaging and worth watching or reading?
- On a scale of 0 to 10 where 0 is “not at all” and 10 is “completely”, to what extent would you say you feel you are able to engage in conversations about the economy to the level you would like to?
- What would you say holds you back?

Similar barriers emerged across interviews, with certain nuances developing among people of different ages and educational levels. We have categorised people's responses into four distinct themes, representing the core barriers to engagement from economics:

1: A large amount of economic information is seen as complicated and inaccessible.

2: We distrust what we hear and find economic news depressing.

3: We feel socially inhibited from participating in conversations around the economy.

4: 'Economics' represents the opposite of what most of us value: people.



1: A large amount of economic information is seen as complicated and inaccessible

The language used to discuss economics is confusing

“They don’t seem to speak in English, they don’t seem to speak in terms that I can understand, all the politicians. All they do is just have all these debates and you don’t really get anywhere with it. It’s not put in layman’s terms.” Ross

“I probably won’t get my head around it to be honest. Around certain words and stuff like that. The language would confuse me more than anything else. I would probably read a sentence and probably not be able to understand it. I just like simple words, I’m not very... I get lost in proper English words.” Um Younis

“In order for you to read the Financial Times you have to sort of like break yourself in, break yourself into the news, find all these words out, find out what they mean, go back to the news and then have a full understanding of it.” Shadeen

“I know it’s quite a complex subject—they talk about in a really technical way so people glaze over. I have to force myself to power through it whereas other people might just leave. I’d say it comes down to the language used. I find sometimes that I’ve got to sit down with a dictionary.” Steven

We’re intimidated by the level of maths knowledge involved.

“With economics, I feel slightly panicked because it makes me immediately

think about statistics and graphs. It’s something I really wasn’t interested in at school. It makes me think a little bit of maths as well, so yeah, slightly panicked is what I feel when I hear economics.” Rachel

“Economics, I know it’s really important but I just don’t know how to understand it.... I don’t really feel that connected to it, I just know that I need it to be good for me to have a good future.” Lauren

Although we know it to be important, it doesn’t feel relevant to our day-to-day lives

“I sometimes struggle to see the, umm, the relevance of the figures that I’m given and appreciate the impact directly on one’s everyday life... The actual implications of economic decisions and economic changes aren’t explained fully, the implications of the numbers...” Christine

“For me it feels really removed from the context that I live in. It just makes me think of politicians in a room talking. And I don’t really connect it to how that’s going to affect me.” Sasha

“I don’t know the effect it has on me because I don’t understand it and it’s never really made clear anyway, like you personally.” Hannah

2: We distrust what we hear and find economic news depressing

We have very low trust in economic information and those who communicate it to us

“There’s a lot of information that you get bombarded with on a daily basis which is obviously someone’s viewpoint but it doesn’t mean it’s factual.” Alan

“Is there an agenda behind this? What’s this really about? Are they telling us the facts? And yeah, it’s normally skewed. There’s always a bigger story to be told or a fuller story that someone has to go and find out more about, so it’s not full and it’s not a wide perspective and it doesn’t give a variety of perspectives on a particular issue.” Julian

“People don’t seem to get told specifically where money goes. You see the money where it goes to the NHS and to education but everything else they don’t make it clear and that’s not because I’m not interested in it, it’s because it’s not made as clear. And when politicians are asked that on the news, they are very strange about it, it’s like they don’t even know either.” Rebecca

“It’s a feeling of a lack of control over the numbers that one’s given relating to the economy and feeling they’re largely politically manipulated.” Christine

It’s depressing and we feel we have no power to change it... so we lose interest

“In the news, there’s nothing that pleases you. It just saddens. I think the majority of the time it’s negative. I would like to see more positives in the news. It’s always times when its comparisons,

always like in a competition. People are trying their best you know.” Um Younis

“Everyone just gives up on it really. That’s why a lot of people don’t watch the news because they think ‘well I can’t do anything about it’ so there’s no point in watching it, it’s depressing and nothing’s going to change.” Kerry

“It’s disappointing. If you’re repeatedly disappointed with something you lose interest in a short time.” Rebecca

Conversations on the subject are negative and socially divisive

“There’s this negativity surrounding economy. When you speak with your friends, everyone’s divided. It’s a kind of a touchy subject because you can really easily upset people...” Alissa

“It can get quite politicised. When things take a political turn things can get quite awkward, can’t they? Some people have really polarised opinions.” Lee

“Generally people don’t really talk about it unless people are like, angry and that’s what patronises you because there are people that know a lot about it, or think they know a lot about it but probably do know a lot about it but kind of push you down, kind of like don’t let you have your say because you don’t know what you’re doing... Everyone’s so scared about talking about their opinions of it because everyone just gets so angry.” Kerry

3: We feel inhibited from participating in conversations around the economy

We're anxious that we don't know enough

"It's scary and it's quite inaccessible... I personally would shy away from it in the topic of conversation where I know it's in because I don't want to feel stupid or ignorant."

"I feel anxious to talk about the economy because I don't know everything. Because there's a lot of information to get your head around and because it's not black and white, there's many variables and factors that influence a decision and if I don't enough variables then I feel I can't give an opinion." Ben

"[It makes me feel] sort of awkward in a way. It's one of those things that people seem to feel they know nothing about or everything about..."

"I've got a good basic knowledge of it to the extent that I could sort of make that point and sound like I knew what I was talking about. But if they said something back, I wouldn't have the answers and they would pick my argument apart pretty quickly." Steven

"If someone talks to me about it, it's not a conversation because I feel like I can't give anything, I don't have anything to add. So I have to just take what this person's saying for granted." Sasha

Some of us, especially young people, feel like we're just not yet involved or 'in' the economy

"I feel so insignificant, and especially because I'm not actually working at the moment. At the moment I'm more of a taker than a giver, because I'm studying, and using the NHS and all the public services, but I don't work to contribute." Sasha

"I don't feel that connected to the economy as it stands. I don't think I have as much connection to the economy as an adult with a career. When you grow up and you get a job in the wider economy, you start getting involved with it [...] I'm not buying a house or anything or buying a car... I wouldn't say I am involved with it as much as I one day will be." Alissa

We perceive not having to care about economics as something to aspire to, suggesting our preferences may be to not have to feel involved in the economy at all

"If I had lots of money well I wouldn't need to relate to my economy, would I? I don't want to have to relate to the economy I suppose." David

"What the economy? Of course it affects me, but I don't want to be involved in it. I just want to go day to day so that's it. It's all London. It's all about the city and it's all about this and that. It's all about the big plain masters. No, I'm not no, as long as I can live, I don't care."

"The economy and economics is such a horrible word. What do we do with it, yes we all go on, we all do our thing and that's life. That's basically it, isn't it?" Tony

4: 'Economics' represents the opposite of what most of us value: people

When we ask people about the very last thing they would associate with economics they speak about their personal relationships and their freedom to choose. Love and belonging are often seen as the only thing 'outside of' economics. At the same time, 'my family and relationships' is also people's most often stated key value¹, resulting in an active mismatch between how economics is presented and what we most value in our lives.

"The economy can sometimes feel like a very rigid, quite a systematic and un-human and more inhuman thing. It can feel mostly mechanical... and that mechanical feeling makes things feel very kind of inhuman and very kind of impersonal." Julian

"Human interaction, feelings, relationships—that's very far away from economics. No matter how poor or how much money you have, everyone still has that in common." Hannah

"Love—because that's the only thing in my life that hasn't been affected by money or the news or anybody talking about economics; or there's other things you know, war, environmental change, my career, education, living situations, bills or economics. Not love." Rebecca

"I guess it could influence how I choose to spend my time, but who I choose to spend it with the economy doesn't have any influence on. What feels like home – that's I guess a personal thing [hand touches chest] that I decide." Sarah



¹ Our research interviews ended on a final question: 'What are the three you value most in your life?' Responses were strikingly similar, always primarily or partially focusing on people we care about, family or loved ones.

"Now I don't see it as so boring, because I don't just think of it as the exchange of money..."



Recommendations

How can economics communication become a better tool for real, relevant, engaging conversation on the world around us?

...I think of it more as the people behind it."

Recommendations:

Summary

Our research gave us new, tangible insight into what economics communication could be: clear, relevant, transparent, available and human.

This report has outlined why understandable economics is key to meaningful democratic debate, particularly when politics is so divided. It has explored how the UK public perceive economics and the economy, and the discussion around it, and what barriers prevent them from engaging in conversation on the subject in a meaningful way.

But our research also gave us new, tangible insights into what economics communication *could* be. For many participants, our interviews represented their first chance to not only explore why they felt disengaged from economics, but also to make their voices heard on what they would like from economics communication.

We heard a key set of common ‘asks’ for changes in economics communication and inspiring ideas about how, as citizens, individuals would like to relate to economics as a topic of discussion in our democracy. In our interviews, we often heard exact phrases repeated, or very similar statements made from many different participants.

Questions we asked which were directed specifically towards offering solutions for a more understandable economics were:

1. How would you like to be able to relate to economics?
2. What would need to change to make you feel more confident and interested in the economy?
3. I want you to imagine you have the power to change how the economy is spoken about in the news and media or by politicians or economists. You can change anything you like. What would you change and why?

The answers we heard were rich, fascinating, powerful and moving. They gave us a glimpse of how improving economics communication would impact on the quality of our democratic lives.

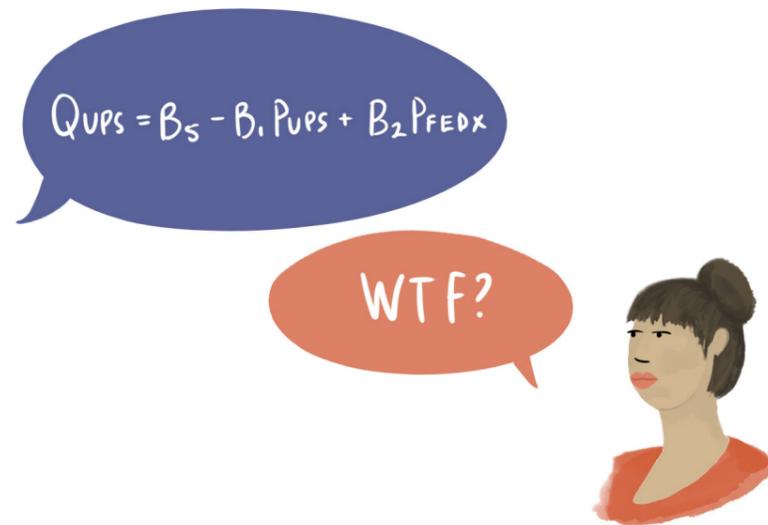
In this section, we have grouped the responses we received on what kind of economics communication people would like to see into key recommendations for economists, politicians, academics, educators, journalists, and anyone else communicating about economics in the public sphere.

Economy is already experimenting with testing these recommendations in our own products, and through collaboration with other institutions who communicate economics to citizens—the media, government, finance, education and

academic sectors. This report aims to add to the growing body of work looking to turn economics into a tool for people to make more confident personal choices and participate effectively in democracy.

What would ‘understandable economics’ look like?

- Clear
- Relevant
- Transparent
- Positive
- Available
- Human



“Speak in a language I understand.”

Almost all of our participants asked for those communicating about economics to eliminate jargon and difficult terminology when speaking about the economy. They want the language to be more representative of people’s real conversations about the issues at hand.

“I’d try and simplify it... They could explain it in layman’s terms.” **Steven**

“Have a normal person, someone that just can relate to everyone, that might be common, or not talk very good English or whatever, and just say, in simple terms ‘if it’s this, it’s this’... If you could just accommodate for all the people that talk and just understand these words.” **Kerry**

Barriers this ask addresses

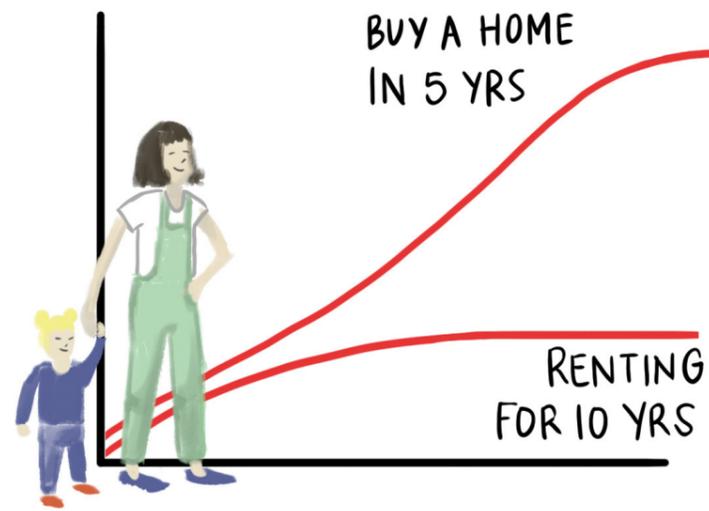
- The language used to discuss economics is confusing.
- We’re intimidated by the level of maths.

How to achieve a clearer economics:

- Avoid the use of jargon where possible. If necessary, include a means by which a reader not familiar with it can easily find an understandable explanation of the terms in question.
- Provide relatable examples to explain abstract theories and concepts.
- Use language that reflects the way people speak about the issues at hand in everyday conversation.

Barriers: “Currently economics is”	Enablers: “Economics could be”
Jargon-packed	Explained in layperson’s terms
Formal, corporate, dry	Speaking my language, representative of a wider range of society, real
Technical, academic, expert	Practical, informal, conversational

Clear



Barriers this ask addresses

- Although we know it to be important, it doesn't feel relevant to our day to day lives.
- Some of us, especially young people, just don't feel involved or 'in' the economy.

“Tell me how it affects me.”

Around two thirds of our participants said ‘Tell me how it affects me’ or an equivalent phrase in our interviews. They ask for a clearer understanding of how economics news affects their personal circumstances and everyday lives.

‘I’d be more interested in knowing how as individuals we are affected... I would like it to be better explained. I think most people relate to what the impact is on them.’ Christine

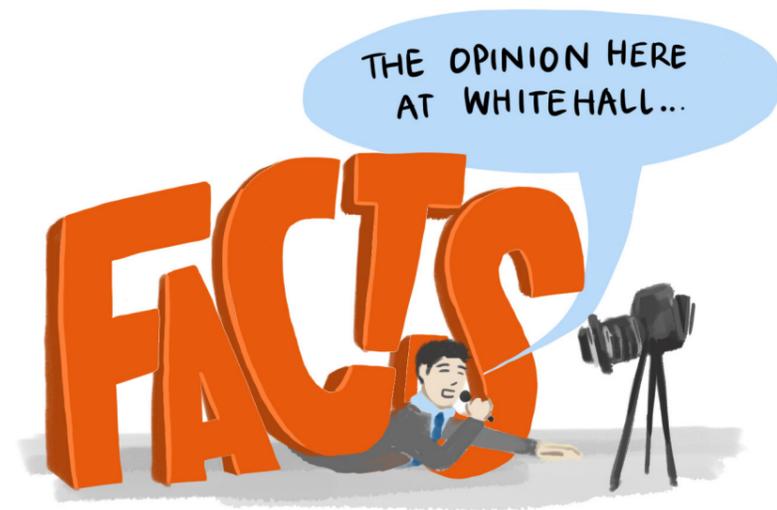
“They talk about the economy sometimes for a certain demographic of people and it really sometimes winds me up. It’s for often middle class white Brits—and that’s the news that’s being done, those are the presenters you see talking about economics on the news.” Julian

How to achieve a more relevant economics:

- Provide more real-world examples of how changes in economic indicators affect people’s day-to-day lives.
- Provide context and comparison for numbers and figures to help people make sense of their significance.
- Offer representative analysis which understands that a change in the economy can affect people differently based on their needs, concerns, and experiences.

Barriers: “Currently economics is”	Enablers: “Economics could be”
Complicated, mysterious and complex	Broken down, simpler and actionable. Related to people’s ‘personal economy’
Broad, high-level, not tangible	Specific, concrete and tangible, using everyday examples about effects on areas of day-to-day life
Not tailored to diverse audiences with different needs and concerns	Clear about who information is aimed at, their needs, and the different relevance for people in different situations

Relevant



“Tell me where the money goes.”

Almost all of our participants requested “easier access to reliable facts”, expressing a desire for clear, comprehensive, and trustworthy information which would enable them to regain trust in those communicating the information and draw their own conclusions.

“People giving straight answers that people can understand. Answering questions fully or confidently... I'd like a clear explanation of what's currently going on, where countries' situations are and where people's money is going. I want to know what things are going to be improved, and what things are not.”

Rebecca

“Just be honest and tell us what it is and where we are. I do think as Brexit comes on, it's going to get worse. Just tell us.” **Tony**

Barriers this ask addresses

- The language used to discuss economics is confusing.
- We have very low trust in economic information and those who communicate it.

How to achieve a more transparent economics:

- Provide figures and facts on big economic stories in easily explorable form.
- Use visuals, comparisons, and any other available tools to highlight as clearly as possible how public money is spent and where seemingly intangible figures come from.
- Provide sources and raw data where possible, to allow citizens to make a personal appraisal of the process by which conclusions were drawn
- Be open about the values and assumptions behind economic policies, rather than presenting them as fact.

Barriers: “Currently economics is”	Enablers: “Economics could be”
Not seen as trust-worthy communicated	Open, direct, honest
Lacking in raw data	Giving a full picture and allowing for additional exploration
Difficult to assess and missing key contextual information	Accessible and comparable information, such as visualisations of changes in numbers over time and relative rather than absolute numbers

Transparent



“I’d like to see more positives.”

Young participants consistently asked for a better balance of mood in reporting. Older participants, or those with young families, often highlighted how news on the economy could affect people’s morale, asking for a greater recognition of the effort people make in the economy.

“The language of economics gives us this feeling that we are on this roller coaster that we are going up and down all the time... I would show that we have got more levers to pull and take some control of your own destiny, so we are less at the mercy of these economic forces.” **Brent**

“If they put happy things on there sometimes! Like where our money’s gone and it’s done some good... Talk about how people are actually going to change this as well... let’s not just say ‘this is bad,’ well, how is it going to be good?” **Kerry**

Barriers this ask addresses

- It’s depressing and we feel we have no power to change it, so we lose interest.
- Conversations are negative and socially divisive.

How to achieve a more positive economics:

- Share positive stories connecting the work people do in their daily lives with relevant, positive outcomes.
- Tell real-life accounts of how a particular policy has improved lives, or where a change in an indicator has made a tangible difference to people’s quality of living.
- Demonstrate how people’s individual choices and experiences have an impact on the economy as a whole.

Barriers: “Currently economics is”

Depressing, disappointing, stressful

Gloomy, empty, limited

Something I can’t influence that controls me.
“I’m a drop in the ocean”

Enablers: “Economics could be”

Positive, encouraging, aspirational

Rich, colourful, populated, exciting

“I can see my contribution has an effect”

Positive



Barriers this ask addresses

- We're anxious that we don't know enough.

“I wish I’d learned it in school.”

For many, knowing the basics would be their first step to developing an interest in economics. People felt that adding topics like mortgages to the curriculum was an essential step to higher public understanding.

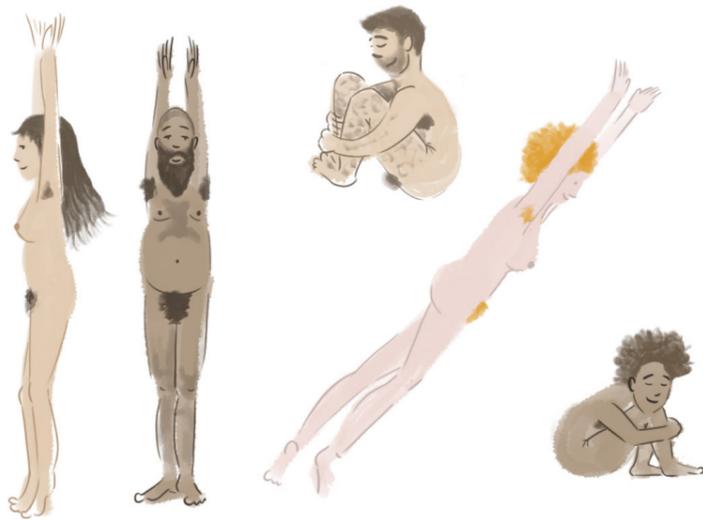
“I could see that my whole life is the economy. It was literally a revelation 15 minutes ago when looking at the map: that the economy is life. It’s everybody’s life. And it’s every aspect of everybody’s lives! We’re living and breathing economics. And before I started this [interview] I just would have said: ‘Economics? Oh, I’m too stupid.’ **Priya**

How to achieve a more available economics:

- Bring basic economics into schools. Making economics a statutory requirement would remove the notion that it is a specialist subject, creating an interest in it among young people which could last into later life.
- Provide the basics as well as the detail of economic news stories and media, enabling those who haven’t previously engaged with the subject to learn about it through a current story.

Barriers: “Currently economics is”	Enablers: “Economics could be”
Difficult and exclusive	Open to everyone, key to our democracy
Perceived primarily as to do with financial topics or ‘just money’	Also to do with ideas and values, how the world works, culture, society, psychology and behaviour
Limited in how much it can be engaging with overly simple mental models (an amount, or status)	A rich and meaningful framework for understanding the world

Available



“It should be showing how *people* live.”

Throughout our research, people asked for a way to ‘see’ themselves in economics. Particularly those with low confidence in their ability to ever engage with the subject saw economics as a distant and academic world, far removed from their personal values and experiences.

“[Economics should be] providing an accurate depiction of how the world is, how people are living. It should be showing how people live, and what their trends are, and how we affect the economy.” **Rachel**

“I think the economy is a word, it’s just a word that we use to describe society. It’s a perspective on how society functions. I think sometimes that words can be quite empty from human experience... Give people the power to be intrigued.” **Julian**

How to achieve a more human economics:

- People connect to economics when it is told through and includes people. Highlight how economics impacts our identities and relationships to each other.
- Reflect people’s motivations and values in how economic policy is rationalised, rather than exclusively focusing on abstract, figure-based analysis of the state of the economy.
- Tell stories that focus on people’s lived experience of the economy.

Barriers this ask addresses

- Although we know it to be important, it doesn’t feel relevant to our day to day lives.
- Some of us, especially young people, just don’t feel involved or ‘in’ the economy.
- ‘Economics’ represents the opposite of what most of most value: people.

Barriers: “Currently economics is”	Enablers: “Economics could be”
Highly mathematical and figures-based	Also explored through stories, ideas, visualisations, discussion, and examples
Mechanical and distant	Organic, to do with people and close to home
Something I’m involved in only if contribute financially. I’m insignificant.	Something that involves diverse forms of value where everyone is a part of shaping it
Big, vast, abstract	Human-sized, relatable
Very impersonal	To do with your freedom, your relationships and what makes you, you
At odds with your personal values and what is most important to you	Presented in line with people’s values—it’s important, but let’s not let it dominate our lives

Human



Routes to impact

Developing methods for improving
economic literacy

Good old 'supply-and-demand' thinking

For us, it's not just about people saying they 'get' economics a bit more. We want to fundamentally transform their relationship with the subject, from something they couldn't care less about or possibly engage with, to something they find truly empowering.

So how do we make that happen? In trying to map out this challenge, we thought we'd take a leaf out of economics' book, and think in terms of 'supply and demand'.

Transform the supply....

'Supply-side factors' are those that focus on the production and communication of information about economics. Only through a concerted effort by the key institutions communicating about the subject – finance, the media, politics, academia, and education – to speak about it in clearer, more accessible terms, can we achieve

a true culture shift in the way we talk about the economy in the public sphere.

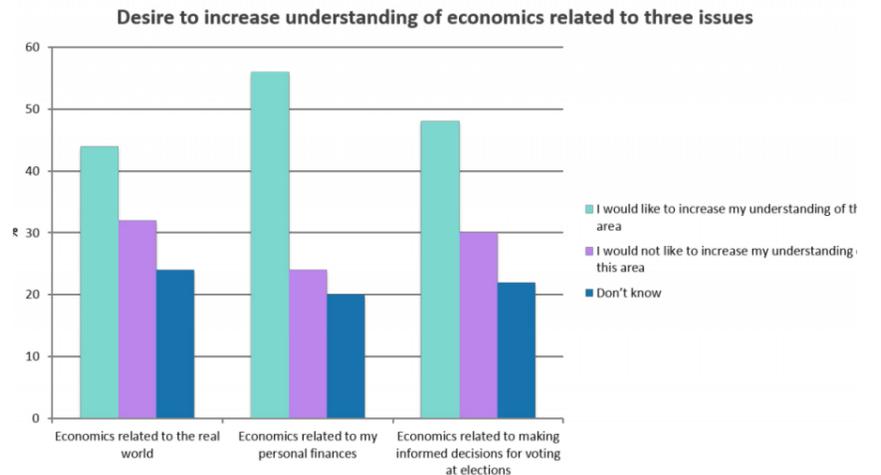
What this looks like in practice is complex, and we don't have all the answers. We accept that in some contexts, communications between specialists is better conducted in jargon, as a tool for more efficient communication. We're working with representatives from across the five institutions named above to identify the most pragmatic, productive, and effective means of transforming economics communication in a way that works for everyone.

...and watch the demand transform along with it

'Demand-side factors' are those that focus on the people who 'consume' economic information. That's the majority of the population, who feel locked out of the conversation for the various reasons outlined in Part 3 of this research.

Again and again, we've heard from people of all ages and backgrounds that they would be inter-

ested in economics if only it were articulated in a clearer, more engaging way. In April 2017, a survey of the British public's understanding of economics commissioned by ING and *The Economics Network* and conducted by *YouGov* revealed that nearly two thirds of respondents (64%) had not studied any economics, but that an average of 49% of people would like to increase their understanding of the subject.

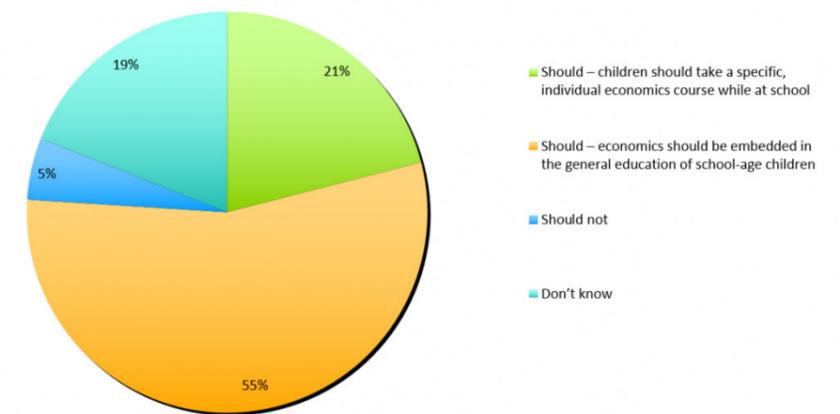


Source: economicsnetwork.ac.uk/research/understandingecon

The most popular domain was in increasing personal financial understanding but the poll also showed significant demand for increasing economic understanding to inform voting decisions (48%) and simply to understand the world around us (44%).

Three quarters of respondents (76%) felt that economics should form part of the school curriculum, with over half (55%) saying that economics should be 'embedded' in general education.

Do you think that economics should or should not be taught in school?



Source: economicsnetwork.ac.uk/research/understandingecon

All this convinces us that the demand for economics is much higher than we might think. Providing tools and materials by which people who wouldn't otherwise engage the subject can begin to identify with and explore it could create the momentum for a real transformation in the way we talk about the subject. We're starting to do this ourselves at *Economy*, working with other organisations wherever possible, and are keen to work with anyone else excited to take on the challenge with us.

Theory of change

When we set out to create *Economy*, we thought the problem was just making economics easy to understand. **But our research revealed that the first job to be done is a much more fundamental one; to make ‘the economy’ something we all feel aware and part of.**

So we designed our end-user theory of change, which represents our first attempt to map out an individual’s journey with economics and the narrative around the economy. Only once we’ve fully understood how people can better engage with economics, can we start to think about how to change the communication.

Awareness → Identity → Understanding → Empowerment

Beginning at a stage of total disconnect to the subject of economics, it progresses into awareness of the subject as something worth considering; identification with it as something relevant to their lives; understanding some of the terms and concepts within it; and feeling empowered by their knowledge to form opinions, and if they choose, take action to shape the type of economy they want to live in.

If we could live in a world where absolutely everyone felt able to use economics as a tool to expand their understanding of the world around them, voice their opinions, and take action, we’d call that a success.

Stage	What this looks like	How we change this
Awareness	<p>Perceives economics as a fearful or boring topic of conversation and something they would avoid</p> <p>Sees no point engaging or learning more about economics; it will have no influence on their well-being</p> <p>Feels excluded from economics/I ‘just get on with life’</p> <p>Makes statements about active or passive barriers to engaging, such as, ‘I’m too stupid; it’s too complicated; I just get on with my life; they talk in language I can’t understand.’</p> <p>Economics likely to be interpreted as ‘just money’ and objective and direct financial or ‘money management’. Low or no awareness of economic choices as a subjective topic of public discussion or the economy as a network of potential effects</p>	<p><i>Introduce economics as a discipline. Treat economics as a way of thinking or subject of study. Introduce our approach to what the economy is. Help paint a picture of the economy.</i></p>

Stage	What this looks like	How we do this
Identity	<p>Perceives economics to be to do with them as an individual, with impact on their wellbeing</p> <p>Identifies ways in which the public discussion around economics has an impact on their wellbeing and opportunities for economic resilience through individual and democratic choices</p> <p>Views economics as connected to things she or he already cares about</p> <p>Reports the relevance of learning more about economics to their daily life</p> <p>Articulates and expands on a concept of the economy as ‘my personal economy’ and ‘the wider economy’, referencing relationships between these domains. Makes connections between effects between their personal and the wider economy; starts to be able to discuss economics as being the outcome of personal and social choices and reports interest in understanding more</p>	<p><i>Highlighting the economics in everyday life, for those who feel it has nothing to do with them. Making a connection between being able to learn more about economics and individual wellbeing.</i></p>
Understanding	<p>Reports an increased awareness and sense of clarity around parts of an economy and economic terms and concepts</p> <p>Reports an increased awareness and understanding of how various parts of the economy relate to specific areas of their day to day life</p> <p>Reports an increased awareness and understanding of the interactions between areas of an economy and feedback loops between their ‘personal financial economy’ and the wider economy</p> <p>Reports an increased level of understanding of the definitions of and rationale behind key economic concepts in the news cycle, such as budget decisions, trade agreements, quantitative easing, deficit and debt</p> <p>Identifies as being better able to understand media discussions on economic topics and the implications of democratic economic choices or policies</p> <p>Describes the economy in greater detail demonstrating an understanding of an economy as a network of interrelated choices and effects with social outcomes. Has gained a more detailed and nuanced mental model of what economics is and its various potential influences on personal and social well-being</p>	<p><i>Demystifying jargon and breaking economics down in simple terms, for those who feel it’s unnecessarily complicated. Gaining an understanding of how different parts of the wider economy affect you and how you impact all parts of the economy. Gaining an understanding of how parts of the economy interact with each other and have impact.</i></p>
Empowerment	<p>Identifies as feeling able to engage in conversations about the economy to the level they would like to</p> <p>Reports that learning more about economics is something they do/will actively undertake</p> <p>Identifies as having a feeling of affect on economics in specific spheres of influence</p> <p>Identifies that they know how to access economics and when it might be of use to them</p> <p>Identifies economics is a useful way to solve problems they have</p> <p>Reports they feel able to make informed decisions when voting about a policy which would affect the economy</p> <p>Reports that they feel more able to apply economic knowledge to improve their quality of life in terms of personal finances and voting choices</p> <p>Reports increased capacity and describes strategies for adapting to economic changes which may affect them</p> <p>Actively describes the economy as primarily a network of interrelated personal and social choices and effects with many potential outcomes and points of influence. Identifies parts of the democratic process where economics influences and may be influenced. Has a feeling of positive affect and reports intention to engage with and discuss economics and democratic economic choices with people they encounter in their personal, family and community life</p>	<p><i>Giving people ways to question and shape economics, for those who feel they can’t change it. Gaining understanding of the feedback loops in both directions between ‘my personal economy’ and the wider economy, leading to positive identification with being able to adapt to new economic information and feeling able to discuss, be included in and influence economics.</i></p>

What's *Economy* doing to fix all this?

The research we're sharing in this report came about because we discovered that in trying to develop a more understandable way of talking about the economy, what we were learning about people's relationship to the subject was too valuable to keep to ourselves.

So we divided our work into **research**, **products**, and **campaign**: **finding out how people feel about economics**, **experimenting with new ways of talking about the subject**, and **encouraging others to do the same**.

Research

What you've just read represents the bulk of what we've learnt so far. But our research is by no means complete. We may have spoken to thousands of people about the economy already, but we want to speak to thousands more. Using a UX design approach, we want to delve deeper into people's relationship with and expectations of the narrative around the economy to design a human-centred approach to economics communication.

Products

A few of our products are:

Learn – a quick and simple guide to economics, sorted by the parts of your life you'll actually encounter it in (ecnmy.org/learn)

Engage – a series of fortnightly features with first-person stories, expert commentary, simple animations, and straightforward explainers exploring day to day topics we know to be 'economics'-related, but struggle to make sense of (ecnmy.org/engage)

Act – resources to use offline, including our **Crash Course**: a ten-week economics workshop for marginalised communities; and **Discovering The Economy**: a 13 part toolkit for classrooms, groups of friends, and anyone keen to explore what they'd like the economy to look like (ecnmy.org/act)

Campaign

Our campaign works to influence anyone and everyone communicating about economics in the public sphere to do so in an understandable way.

We've already formed a Press Working Group of editors and journalists from leading publications across the country to exchange ideas on how to improve economics communication in their field. We're partnering with the Bank Of England to help communicate their work to the public, and are forming alliances with politicians, educators, and academics to begin reforming the way we talk about economics across the board. We believe economics should be part of statutory education, and are campaigning to make it happen.

If you're interested in adding your voice to our campaign, we'd love to hear from you at ecnmy.org/campaign. If you work with or know an organisation that shares our vision, or might be interested in joining one of our working groups, please do put us in touch with them at hello@ecnmy.org so we can collaborate to create the change we want to see.

Get involved

Yes. Now is the time to change economics for everyone, forever. Join us in our crusade to banish the gobbledygook from economics communication.

Together, we can empower our society so that people's reaction to discussion is not one of disdain, but a desire to have their own, informed voice heard.

Economics is too important a subject to be so opaque to so many. If we want to live in a true democracy, then we all need to be able to join the discussion about how we shape the world we live in. Let's not lose any time in creating that future together.

ecnmy.org/join #DitchTheJargon

To read more about our research visit ecnmy.org/research or contact research@ecnmy.org

"It's not like I try not having it in my life; it's just not in my life."

Support economic literacy and help reduce the democratic deficit by donating at ecnmy.org/donate

Thank you to our funders & supporters



ecnmy



@EconomyAsks



ecnmy



ecnmy

ecnmy.org

Registered charity no. 1166046