

Northern Ireland Citizens' Panel: Belfast

30 September 2025

This session explored two topics with members of the public. The first looked at the impact on their lives of increases in the cost-of-living; the second focused the local labour market.

First, we would like to say a big thank you to all the participants for your important contributions. We are very grateful for your participation and continued support. This session was important in helping the Bank of England understand more about people's individual economic experiences.

The Panel

The citizens' panels were set up in 2018 to help the Bank of England improve engagement with members of the public rather than solely professional stakeholders. Every year we hold about 12 panels across the UK, covering all government regions and the devolved nations in both a virtual and in-person format. For this event we talked to 36 members of the public from the Belfast area.

If you know anyone who might like to join the panel, why not tell them about it? The easiest way is to give them the web page address <https://www.bankofengland.co.uk/get-involved/citizens-panels>

Discussion Summary

Group discussion 1:

The latest official data show that the current rate of inflation in the UK is 3.8%, which is above the Bank of England's target of 2% but well below its peak of 11.1% in October 2022.

- **How are changes in the prices of goods and services affecting you and your family?**
- **Do you expect prices to rise further in the next 12 months?**

Overall: Although the inflation rate has decreased, the prices of many goods and services remain far higher than three years ago. Some participants opined that the increase in prices feels higher than the current rate of 3.8%. Some noted the compounding effect of years of high inflation on their spending ability and the affordability of lifestyles. For many wages have not kept up with inflation, leading them to adjust their spending in response to ongoing financial pressures.

Participants also noted that the higher cost of living has meant that poverty is increasing, particularly in-work poverty. A school worker noted that she and her colleagues are bringing food from home for children whose families cannot afford to give them full breakfast or lunch. A charity worker also shared that 1 in 5 of their food bank users were in full-time employment.

There was also discussion about the differences in the impact of the cost of living on different generations. Younger people, for example, struggle to get on the property ladder, and many are living back at home. Some retirees (who are perceived to have more purchasing power) noted that, despite having savings, their income isn't stretching as far as they had anticipated.

Many believed the current financial situation is a permanent change and did not expect a significant improvement soon. While some noted that prices of everyday items have stabilised or even gone down over the last several months (e.g. groceries, utilities), many expected prices to continue to increase. A few participants attribute this to current events (which generate a high level of uncertainty), and the inflation of goods from the Republic of Ireland (which has a higher US tariff rate).

Day-to-day expenditure: The rising cost of living was experienced differently across groups, but the most pronounced effects were noticed in food and utility costs. Food prices continue to rise faster than other expenses. Many had to change their shopping habits. Some shared that to reduce spending they have changed the supermarkets they frequent (or visit multiple shops to get the best deals) and bought more “yellow-sticker” items. Some participants are buying from local farm shops (which they have found are cheaper than the big supermarkets) for produce.

There is some frustration about the price of electricity and gas. A participant commented that the lack of competition in the energy market in Northern Ireland exacerbates this. Power NI has recently increased its unit price by 4%. Some retirees noted that they have the heating on less and are using blankets/layering up more to keep warm.

Many attendees observed that salaries tend to be lower than the rest of the UK, but food and utilities prices have gone up by the same amount. Housing (rents, mortgages and other housing costs) also consumed a considerable proportion of people’s budgets. Some participants shared that, in their view, the local housing market was distorted by buyers outside the area. They are buying in Belfast as house prices are lower compared to other areas in the UK and Republic of Ireland. This has had knock-on effects on other areas of the housing market, and rent has more than doubled in some areas.

Parents shared that education costs (such as school expenses and university fees (especially outside Northern Ireland)) were also expensive for their households. One parent noted their child has decided not to go to university based on the cost it would incur for the family.

Many noted that their disposable income has tightened, and even those who have not changed their lifestyles found it increasingly difficult to save or afford as many leisure and social activities as they did previously. Several participants noted how prices in the hospitality industry in Northern Ireland has increased significantly. Some noted the price of eating out has increased by 25-30%.

Savings and debt: Some participants mentioned using savings to supplement their income, or to support their families. A retired teacher shared that they were using their ISA to top up their pension pots.

Other attendees have been able to save and invest. They shared that they were unhappy with how much interest they were earning on their savings, especially as rates were often lower than inflation. A few people were exploring AI stocks, cryptocurrency and riskier options.

Group discussion 2: What are your recent experiences of the local labour market?

Overall: There seems to be a divergence within the labour market in Belfast. Some sectors, such as construction, operations (e.g. logistics), and manufacturing, struggle to recruit. A participant

mentioned that a leading delivery company was offering a £3,000 signing bonus as an incentive for drivers. The health and social care sector is also struggling to recruit and retain workers due to working conditions and pay. At the same time, other sectors are inundated with applications such as parts of the public sector, which provide long-term security if not the highest salaries. Private sector opportunities are more limited, though some noted that roles in the financial sector are increasing, as well as tourism.

Several participants noted that there seems to be a mismatch in skills and appetite within the workforce compared to the opportunities that are available. Local people are reluctant to take on entry-level jobs, and tradespeople are diminishing.

Across all sectors, salaries were generally considered to be low when compared to other areas of the UK and the Republic of Ireland. There is an ongoing drain of talent to higher-paid roles, especially to London and Dublin. For example, a participant recently spotted an identical job in London that is two pay grades above his current level. Nurses and doctors are seeking opportunities abroad (examples included Australia and Canada).

The rise of AI and its impact on the labour market were discussed by participants. Many feel that businesses will choose to invest in AI rather than employ people in the near future, particularly in entry-level jobs. They fear that this will disrupt the job market.

Employees: Those looking for jobs are finding opportunities are hard to come by. One retiree mentioned that his son is finding it difficult to find a job in his field of expertise (biomedicine). While the sector had expanded as a result of Covid, US tariffs had a negative impact. He is now working for a property developer.

Another participant who works in the tech industry was made redundant 1.5 years ago. It took him three months to find a job, which is based in London. He could not find a job in Northern Ireland. It is mostly remote and he travels twice a month to London. Despite this, it is a better package overall compared to what was offered in Northern Ireland.

Some parents of recent graduates shared that the environment is difficult for university graduates who are facing short-term contracts (e.g. 6 months) and a lack of job security. One graduate shared that he is not currently looking to upskill or change jobs. He noted that experience is often valued more than a degree, making it hard for recent graduates to find work. He prefers to stay where is for now as a result. Other participants have also shared that they have chosen to prioritise job security and flexibility over pay.

Some older participants shared their concerns about retirement. One commented that she is now working full time in a pharmacy having moved from being part time within the last year. She felt retirement was now unachievable because of the higher cost of living.

Employers: Some employers shared that they were struggling to recruit local talent. An employer in the charity sector noted that she receives up to 3 times as many applications in other areas of the UK compared to Northern Ireland. Another employer in construction noted that his sector is competing with other parts of the UK and the Republic of Ireland in wages and he is also struggling to recruit.

At the same time, an individual who hires for project management roles noted that the number of people applying has more than doubled but the quality of the applicants and level of skill has greatly reduced. He felt that people need a higher salary to survive but don't have the skills to meet the salary requirements.

Some employers noted that while the increase in the minimum wage was generally positive, it has resulted in wage compression among lower earners. Operational roles have seen larger wage increases so it is harder to recruit as the incentive to do harder or more demanding roles for very little differential isn't there.

Retirees: Some retirees expressed their concerns about the affordability of living off their pensions. One retiree noted they were cutting back on expenditures to avoid returning to work.

Reflections from the Bank (2025)

Inflation has fallen back significantly since its peak of over 11% in 2022. Lower global energy prices and higher UK interest rates have helped to slow the pace of price increases. Inflation has increased again over 2025, but by a much smaller amount. It is likely to rise to around 4% in the next few months, with higher food prices being one of the main contributors to the rise in overall inflation. High inflation has affected everyone, but it particularly hurts those who can least afford it.

The outlook for the global economy remains uncertain, in part because of changes in trade policies in the US and other countries. We continue to watch closely what this could mean for UK inflation.

Inflation is expected to fall in 2026. Past increases in UK interest rates have reduced demand for goods and services in the economy. This has created additional spare capacity in the economy, and this will help to slow price increases. The progress we have made on inflation means we have been able to reduce interest rates gradually since last year. At the September meeting, the [Monetary Policy Committee \(MPC\)](#) voted to hold the Bank Rate at 4%.

Low and stable inflation is good for the economy in that it gives people and businesses confidence about the value of money to make sound financial decisions. You can read more about the Bank of England's work to combat the cost of living [here](#).

We asked participants about the local labour market. In the [latest Monetary Policy Report](#), we outline that underlying employment growth has been around zero since the end of last year. While part of this can be attributed to weak underlying momentum in GDP, this can also be due to increases in employment costs. The latest data suggest that the unemployment rate rose to 4.7% in the three months to May, up from 4.4% at the end of 2024. We expect the unemployment rate to increase to around 4.8% for 2025 Q3.

During the session, we were asked about the inflation rate and how it is measured. This short [explainer](#) gives more information. We were also asked about economic trends, which can be found in August Monetary Policy Report (the next one is in November). Some participants were interested in quantitative easing (QE) and quantitative tightening (QT). More information can be found [here](#).

We have been asked what we do with the information we hear from these sessions. Insights from these conversations are summarised alongside the Agents' latest findings in regular reports prepared for the [Monetary Policy Committee](#) ahead of each meeting to decide on the level of [Bank Rate](#). You can find it here: [Agents' summary of business conditions](#).

Each year we publish an annual report. [Your voice 2025: insights on the Bank of England's outreach programmes](#) details the themes raised in our Citizens' Panels and other programmes.

There's lots more information on our website at www.bankofengland.co.uk, including forthcoming online and in-person Citizens' Panel events which you may wish to attend.

