

# The Financial Landscape of the Counselling & Psychotherapy Sector Cost of Living Crisis

A stylized illustration of several diverse human faces in profile, overlapping each other. The faces are rendered in various colors including purple, orange, yellow, green, blue, and pink. The illustration is semi-transparent, allowing the text below to be visible.

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**Commissioned by Counsellors Together UK**  
**(CTUK)**  
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# INTRODUCTION

This second financial landscape report attempts to mark the changes in the wages and working conditions of counsellors and psychotherapists as a result of the cost of living crisis. Our 2020/21 survey reviewed the impact of Covid-19 and respondents' sense of how the landscape is changing, including how SCoPEd will affect their working lives. Using the same questions but including questions about the cost of living crisis we carried out a second survey in 2023 to see what if any changes have taken place.

The first section of this report gives an overview of the survey results and, where appropriate comparative data from the UK to underline the specific characteristics of the cost of living crisis and broader financial issues for workers in the counselling and psychotherapy profession. The second section of this report looks at the impact of the cost of living crisis with some final questions around SCoPEd on the future of training and work and we raise some future workforce issues that will have a long term impact on this financial landscape including the impact of digitalization and the growing platformisation and automation of therapeutic work.

The big take homes from the 2023 survey are:

- Although we see a higher level of debt for trainees and therapists and an increase in paid work the cost of living crisis has only compounded the pre-existing financial crises in mental health.
- Inequalities have deepened within the profession with a growing and marked distinction between those reliant on their own incomes and those able to call on family or spousal support.
- People are working significantly less unwaged and more for money although average wages have not increased in keeping with increased costs.
- The sector is shifting to private/online therapy/EAPs with higher referrals and intensification of case loads.
- Clients are managing their own cost of living crisis by maintaining shorter periods of therapy and more bi-monthly sessions.

# SURVEY RESPONDENTS

744 responses

- Professional bodies: BACP 58%, UKCP 8%
- Job type: part time 41%, full time 34%, self-employed 44%, NHS 6%
- 38% of respondents identified as disabled
- 75% of respondents are women
- 77% white British

Age:

- Under 44 - 30%
- 45-54 - 33%
- 55+ - 37%

Wages (£ %)

	2019	2020	2023
0-99	36	3	17
100-199	13	14	10
200-299	13	13	12
300-399	10	11	13
400-499	8	10	15
500-599	7	7	11
600-699	3	4	7
700-799	3	2	5
800-899	2	3	3
900-999	2	2	1
1000+	3	4	6

Working unwaged:

Never worked unwaged	36%
Currently working unwaged	18%
Previously worked unwaged	46%

## THE IMPACT OF THE COST OF LIVING CRISIS – QUOTES

"I feel there's a cognitive dissonance in society and the people around me. I struggle to pay for things my children need yet many people seem to be carrying on as usual. As a therapist working with many high income clients the cost of living is clearly disproportionately impacting people like myself. It's tough being a counsellor who can't afford my own therapy and struggle with food bills working with clients who have no idea. Before the cost of living crisis this wasn't an issue."

"I now increased my general fee, but my low cost work remains. Referrals have increased significantly. However, clients often end therapy explicitly because they cannot afford to continue, or alternatively they enter with the intent for therapy to be short term for the same reason."

"A third of my clients come fortnightly, which is a new development. Sometimes for financial reasons, sometimes tapering. I charge the same so have not had any fall in income. They fill the gaps when people are away and keep my numbers up."

"I've stopped taking private referrals as they don't commit due to earnings."

"Taken up work for a referral company who pay less than national minimum for therapists but need to make a living somehow whilst I build my client base."

"I've had a large number of people go fortnightly due to cost of living - this reduces my earnings whilst increasing my admin. Others have said they had to finish altogether, on which I've usually offered them a substantial discount to continue. Some have taken the discount, others have stopped anyway. I'd rather work than not work."

"The EAP I work for pays less for phone work. Most clients are now phone work, I queried this they said it was client choice, I'm not convinced, when asking the clients they didn't seem to have been given clear options. I have had to increase my hourly rate."

"I dropped my private work due to increase in overheads making it unsustainable to continue and work in my salaried position."

"I'm earning £200-£300/month less than my outgoings and have racked up £5000 debt in the last year alone. I have no means to pay this off and it's horrifying."

"I really feel the pressure to lower fees but can't afford to. Very frequently a client will end even though we both think there is a strong clinical benefit to continuing. Sometimes I will be able to offer reduced fees in these circumstances, but this too complicates the work as the client may find it difficult to accept this shift, and prefer to discontinue. I am seeing more clients than I usually would to make ends meet."

## MENTAL HEALTH IMPACT ON THERAPISTS – QUOTES

"I had to ring the crisis team. Straw that broke the camels back. I have cancer and 4 jobs to feed me and 2 girls. As a single parent I rely on UC. They wanted to see me face to face every week. I had no time left. I was exhausted. I wanted to kill myself. Price of everything meant I can't drop a job as planned."

"As I am still training and working full time, I find myself financially stretched. My pride has taken a hit as well as my finances due training fees and alternative fees. I was saving to buy my first home and now that seems impossible. But financially the rest of my training is looking bleak too."

"I worry I won't be able to work full time as a Counsellor as I rely too much on my other earnings to support me."

"It's added a lot of stress to training as it looks like the money I'll be able to earn once qualified won't come near to covering my London mortgage."

"Currently on antidepressants and struggling with low self-esteem, don't feel good enough or of value anymore."

"I was so worried about money all the time it hugely contributed to a feeling of compassion fatigue and burnout, meaning I had to reduce the few clients I still had left, which obviously exacerbated the issue! I have taken on more teaching recently to try to make ends meet but I feel very depressed, anxious and hopeless about my profession as people cannot afford to pay what I need them to for me to live."

"I am sixty years old and am concerned for the future. I do not expect to be able to retire. I have never earned enough to pay into a pension. But now I am rather worried that I may not have the stamina for a large enough practice to cover my living costs."

"My private client case load has consistently dropped with few to no referrals. As a result, I'm unable to afford to take time off work to look after myself. Avoiding burn out is a constant going concern."

"It has been demotivating and on days when I'm not working with clients I can sometimes feel scared."

"Working continuously in order to cover my rent using the referral company has left me emotionally drained, fatigued, narky and ambivalent about this whole situation, I have been looking at work outside of counselling which I love but need to eat and not become homeless. Feelings of anger towards this government and their regime have begun to surface."

"Increased overwhelm and anxiety affecting my physical health and ability to work."

## ANALYSIS OF THE DATA

### Key survey findings:

- 49% worried about covering their costs of living this year.
- 42% increased therapy workload to cover increased costs.
- 59% of respondents earn their main income in counselling and psychotherapy.
- 23% increasing work outside of therapy to cover costs.
- Reduction in part time work from 51% in 2020 to 41% in 2023.
- Significant reduction of unwaged work at 18% down from 36% in 2020.
- Significant reduction in earnings £0-99 per week to 17% in 2023 down from 30% in 2020.
- Shifting patterns of providing twice monthly instead of weekly sessions, losing clients early and having to introduce low/no fee systems.
- 63% cut their professional costs: 46% cut CPD and 29% cut personal therapy.
- 33% cannot see a future earning a living as a counsellor or psychotherapist.

The demographics of the sector revealed a familiar picture of 76% women, 77% white British and ages clustered between 35-65 years with 70% of respondents 45 years and older. There is a high level of disability within the sector at 38% (28% in 2020), higher than the UK national average of 18%.

There has been mainly small shifts in income patterns since the cost of living crisis with many therapists continuing to earn low weekly wages. However, we are seeing a drop in people earning £0-99 per week from the 2020 figure of 30% to 17% in 2023. This may be in part due to people moving out of working in the sector or that people have increased their case loads as we see part-time work go down from 51% in 2020 to 41% in 2023. Although we see slight increases since 2020 in weekly earnings across all categories still over 65% earn less than £600 per week (gross income) which is the median earning for employed people in the UK.

The very high levels of part time work convey a mixed picture of insecure income linked to insecure patient numbers. For many this is a situation of involuntary underemployment in private practice, supplemented by temporary work such as Employee Assistance Programmes (EAPs) and short term contracts with providers, increasingly online therapy providers.

We saw a reduction in the level of self-employment from 61% in 2021 to 44% in 2023 and NHS workforce static at 6%.

We saw a fall in the percentage of people earning a living outside of counselling and psychotherapy at 21% down from 30% in 2020 with 59% of respondents earning their main living through counselling and psychotherapy work.

In relation to debt we saw 55% (51% in 2020) of respondents went into debt while training and 36% while in work, up from 30% in 2020.

Most significantly unwaged work has fallen to 18% in 2023 down from 36% of respondents in 2020. The unwaged system of work has traditionally been part of most training courses, and is a way of gaining sufficient clinical hours for membership of the psychotherapy and counselling professional bodies. The therapists in both surveys worked across the range of public and private mental health employers, including services set up to respond to the Covid-19 impact on healthcare workers. Although the largest section of un-waged work continues to be relatively low at 1-4 hours per week this is likely to underestimate the real cost to counsellors and psychotherapists who will in addition have to attend supervision for these clients and, if clients are not seen in the same location on the same day, consist of working for free across a number of days and therefore reducing the possibility of maintaining paid work in other jobs.

Unsurprisingly then, 16% (14% in 2020) of respondents receive income based welfare benefits with 4% accessing food banks while training and 3% while working as counsellors/psychotherapists, the same figures for 2020.

As a result of these financial realities, a high level of 33% (30% in 2020) of respondents cannot see a future earning a living as a counsellor or psychotherapist.

## THE DATA IN CONTEXT

The combination of the post-Brexit rise in costs and fuel prices and sustained wage squeezes on top of decades of suppression of real wages has pushed already depleted working people into a genuine crisis. Although the cost of living crisis has exposed and deepened the inequalities of the labour market, the causes of this crisis go further back to the cumulative hit of austerity and the pandemic which further suppressed wages. When 57% of the families living in poverty are working families it underlines the nature of the problem of depressed wages and the gigification of working conditions and the subsequent growth in socio-economic inequalities. The UK increasing has a two tier system with low income households experiencing the greatest hit in terms of wage suppression, increase in costs and reduction in government support. In this context it is hardly surprising then we are facing the longest period of sustained industrial action since the 1980s in an attempt to reignite collective wage bargaining in order to address the earnings crisis.

Within the psychotherapy and counselling sector we are beginning to see a similar two tier system of low income workers divided into those living in low income households and those who have access to additional family or spousal income. Although many in the sector are relatively protected from the crisis itself, we are seeing a rise in paid work and a fall in unwaged work across the sector. The fall in self-employment in the sector may relate to the insecurity of self-employed work which continuously underestimates the insecurity of income and the link to work intensification.

What the data shows is that the counselling and psychotherapy sector exhibits the precarious characteristics of the UK labour market such as wage insecurity and the growing degradation of wages and working conditions in the profession. Further, as the digitalisation, automation and growth of online therapy platforms compounds the issues around working conditions and leads us into the important collective attempts to regulate platformisation.

It is this financial landscape that must now inform the current professional debates and negotiations about the future of therapy.



## ATTITUDES TO WORKING IN THERAPY – QUOTES

**33% of respondents do not see a future earning a living working in counselling and psychotherapy.**

"I am unsure. I feel very out of step with the direction our professional body is taking us. I had anticipated working in private practice when I retire from full-time employment but now I am not sure."

"At my age, there's not much wiggle room for doing anything else."

"I really hope so. I find myself increasingly asking if it is financially worth it."

"I hope to find work but do not expect to be able to make a viable living from counselling alone."

"I have a partner. If I was single I would be unable to meet my living costs."

"I am often anxious due to the precarious nature of being a self-employed therapist without family, money or a partner."

"Not at the moment but I'm relying on the agency being able to source me more work when I need it. They seem pretty confident about being able to do that."

## THE IMPLICATIONS OF THE COST OF LIVING CRISIS

As a result of the cost of living crisis deepening entrenched inequalities are a result of austerity and the Covid-19 pandemic we are seeing multiple professional tiers appearing across occupations. Wages and working conditions are often mapped onto class, race, sex and geography. The cost of living crisis has disproportionately affected the most vulnerable groups both in terms of health risk but also finances. The Trussell Trust recorded a rise of one third in use of food banks – although we do not know how many people have had to regularly use food banks we do know that there were 3 million referrals in 2022 and a rapid growth in poverty, particularly amongst the old and young. Most graphically in the current housing crisis where an estimated 400,000 eviction notices were served in 2021 year affecting a disproportionate number of low paid and part time workers and areas of the UK where there are already higher levels of deprivation.

The hit will be both in terms of paid jobs within the sector but also on family incomes where paid work outside of counselling and psychotherapy has subsidised working without sustainable pay. Repeatedly in this and the previous survey respondents said they did not claim benefits because of family support which highlights the impact of job loss both direct and indirect of the pandemic and subsequent cost of living crisis.

The associated mental health and wellbeing landscape combined with sustained industrial and strike action across health, social care and education during 2023 highlight the need for an informed debate within mental health about the future of work. This means that the discussions about wages and working conditions within counselling and psychotherapy have to be more informed, underpinned by clear data in order for us to navigate what is likely to be a deepening of existing professional splits.

## THE PROFESSIONAL LANDSCAPE AND SCOPED

The Scope of Practice and Education for the counselling and psychotherapy professions (SCoPEd) is a proposed competency framework for setting standards for counsellors and psychotherapists to practice in the UK. This was originally developed by three of the largest psychodynamic professional bodies – the BACP, UKCP and BPC - and was later adopted by another three of the professional bodies, NCPS, ACC and HGI, confirmed by the Chair of the SCoPEd Committee on 8th February 2023. Part of the regulation of therapists is to arbitrate on the 'quality' of training and clinical experience required to practice.

Although the concerns about the impact of SCoPEd are mixed and often under-represented as many respondents continue to not feel they know enough about it there continues to be a distinct lack of optimism about the impact on earnings and progression.

For those respondents who had a view on SCoPEd only 3% felt that it offered them higher opportunities for paid work and only 1% felt it would lead to income increase, rising to 13% responding they anticipated a fall in income. 10% felt they would fail to get accredited under this new system and 19% felt it would lead to lower diversity within the profession, down from 40% in the previous survey and only 1% felt it would lead to higher diversity.

The major professional and training bodies have acted as a conservative force in their role of maintaining the current system of training and professional registration within the sector. There continues to be an over-supply of psychological and psychotherapeutic training, and the number of people being trained in long-term mental health qualifications has no apparent relationship to the availability of paid employment. Within mental health services approximately 45 per cent of workers will come from a mental health nursing background, but many will also have undertaken Continuing Professional Development and further training, often in counselling and psychodynamic trainings. The vast majority of psychotherapeutic trainings are self-funded, as, increasingly, are clinical psychology trainings. Despite the decline in decent jobs, the training industry continues to be robust, and it is increasingly directed towards attracting international students, and promoting a model of post-qualification working life in private practice.

To read the original CTUK report on SCoPEd click [here](#).

## THE FUTURE – QUOTES

"This is something as a working class trainee I am passionate about. I worked hard to get to where I am now and the crisis is having a significant impact on my own mental health as well as my own finances."

"Please stop calling it a cost of living crisis. It is the result of shutting down the economy and putting people on furlough. The increased cost of living was predicted by so many people but ignored as they were called 'granny killers' and ostracised."

"It seems ironic that when therapy is needed more than ever, significantly less people can access it either because they can't afford it, or because free services have been closed or significantly scaled back."

"SCoPEd plus the cost of living crisis feels like the perfect combination to massively increase inequalities and reduce access to training. It was already out of reach for many marginalised people and now the hierarchies in the system locks out the potentially better paid work at the end unless you can afford a UKCP course."

"Having just worked all the way through the pandemic managing the fact that myself and my clients were going through the same anxiety together, to now go through this has left me with no further resources and I am barely able to continue client work quite honestly."

"Even before this financial crisis, psychotherapy was becoming increasingly fear-driven. E.g. regulations to 'protect the client', which we all know comes from fear of organisations being sued. Clients do not need to be protected from therapists with integrity; they do need to be protected from 'rogue' therapists. The more rigid the regulations become the more onerous it is to decent professionals while those without integrity still get away with abusing clients. Increasing financial concerns seem to exacerbate the culture of fear that is making a mockery of the principles of our profession."

"Again the inequalities of society and the importance of family wealth will create barriers to working class people training or continuing to work in the profession. Having my own anxiety about money impacts on my capacity to limit my caseload and to perhaps skimp on support and training although this has not happened yet."

"Counsellors are still underpaid in most charities where they engage in really complex and traumatic work. We are expected to implement self care, however, low pay means counsellors have to work more, this impacts on how many clients or days we work because of low earnings."

"As counsellors do we invest an incredibly large amount of money into training and memberships and love the work we do, that we continue to be counsellors. However, it's come to a point where cost of living is affecting us and we have to do something about the inequality and stand up for our pay to be increased. Unfortunately I think many counsellors undervalue themselves, this does have an impact on everyone because the companies won't pay more while counsellors accept less."

## THE FUTURE FINANCIAL LANDSCAPE

The counselling and psychotherapy employment landscape will continue to be shaped heavily by the emergence of digital services, including within the NHS as well as the rapid growth of online therapy platforms. We can anticipate the emergence of large and new digital providers and online therapy platforms as key 'employers' for counsellors and psychotherapists.

One aspect of remote working is the link to work intensification – a model of targets and performance management already introduced through the IAPT/NHS Talking Therapies model but significant for digital workers evidenced in research about call centres and teleworkers, a type of work organisation now much more clearly relevant to counsellors and psychotherapists. This 'platformisation' of work raises with it issues of confidentiality, data protection and surveillance which will need to be managed both at individual and professional levels.

Working at this intersection of work and vocation requires taking a view beyond our own disciplines or professional positions and engaging in debates about the future of therapy as a profoundly political project. It means seeking workforce data and clarity about the hard industrial facts of employment law, the professional debates about skills and ethics and the social science research about the future regulation of work in an emerging system of digitalization and algorithmic management. It is only through this interdisciplinary lens that the specific professional prospects for counsellors and psychotherapists can be understood and navigated.

It is widely understood that this will be a two-tier mental health crisis where existing inequalities are exposed and deepened each with their impact on the mental health of counsellors and psychotherapists. It is not a coincidence that the CTUK has carried out this survey because of its interest in the inequalities within the profession that are at play here. More importantly CTUK offers a space for counsellors and psychotherapists to raise these difficult issues, such as income and professional standing, in a way that attempts to find consensus and joint platforms for campaigning and relating to the institutions of mental health. It is this everyday work of organising and relating to people within the profession that is a matter of profound importance as we navigate through the pandemic and attempt to carve out a sustainable basis for counselling and psychotherapy in practice.

To become a member of CTUK and support their work click [here](#).

## ABOUT US

**Counsellors Together UK** is an organisation which dedicates itself to understanding and addressing the inequalities which exist within the counselling and psychotherapy profession. Since its inception in 2017, Counsellors Together UK has become increasingly aware of the deeply ingrained and complex mechanisms which perpetuate a culture of volunteerism. As this knowledge unfolded, it became clear that it was not an issue with a singular source but one which was a series of institutional and systemic factors working dynamically to maintain the status quo. Counsellors Together UK's work has been to make the unknown known. This started with discussions amongst a small group of counsellors and has grown into being the UK's largest counsellors campaign group with over 10000 members. We work across multiple levels of the sector as well as operating within the political arena to affect change and increase knowledge of equality issues within counselling and psychotherapy.

**Dr Elizabeth Cotton** is an academic researching employment relations and mental health. She has worked as Head of Education for a Global Union Federation in the extractive industries and as an unwaged psychotherapist in the NHS. She is a sociologist and a Trustee and Publications Director of the British Sociological Association and Chair of the Editorial Board of its journal *Work, Employment & Society*. Her current research involves The Digital Therapy Project ([www.survivingwork.org](http://www.survivingwork.org)) working with researchers and practitioners looking at digitalization and AI technologies in therapy. She is currently writing her book *UberTherapy: The new business of mental health* to be published by Bristol University Press in 2024.