

# Research Roundup – February 2023

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February 2023

- Huge amount of useful analysis regularly being published around financial inclusion
- Save time
- Draw out relevant points to our work and wider landscape
- Data and research always from the previous month

# Why?

# Left in the dark

- Inflation is still highest for the lowest income quintile, compared to the highest income quintile
- We are only halfway through this crisis
- Food price increases over the last 17 months ran in parallel to the increasing energy costs
- Citizens Advice reported surging figures, with more people in one year couldn't find the money to top up their pre-payment meter than in the last 10 years combined, with one in five of these people literally in the dark
- What credit are those unable to access home credit or high cost short term credit?

# UK Poverty 2023 - Joseph Rowntree Foundation

- 51% of all households headed by someone of Bangladeshi ethnicity were in poverty, 42% of Pakistani or Black ethnicity, or 19% from white ethnic groups. We will build on this analysis when we understand the parallels with our new research on how ethnicity influences access to financial products
- **Poorer households have a higher proportion of their spending on unavoidable costs (47%),** compared to the richest households (32%). This means economically poorer families have a smaller proportion of their budget to deal with unexpected costs and budgets are even further pressured by price increases for necessities
- **Almost a fifth of people in the poorest fifth of households (17%) and a tenth of people in the second poorest quintile (9%) lived in a household where at least one person found debt to be a heavy burden.** In comparison, it was very rare for people in the richest fifth of households to live in a household where debt was a heavy burden (2%). Highlighting again the need to support lower income quintiles, to support mental health
- [UK Poverty 2023 - Joseph Rowntree Foundation](#)



# Banking Response to Covid-19 - Fair4All Finance

- The report highlights just how important it is to develop and implement financial services and products that target the vulnerable, and the pace that this can happen
- **76% of customers surveyed found their financial position was positively affected** because of the support measured provided by the bank
- Offering a £500 interest free overdraft particularly helps customers displaying characteristics of vulnerability
- **Payment holidays had the highest level of satisfaction** for the survey supports measured, with 87% of satisfied or very satisfied with the impact on their financial situation
- [Banking Response to Covid-19 - Fair4All Finance](#)

Bank support  
measures helped

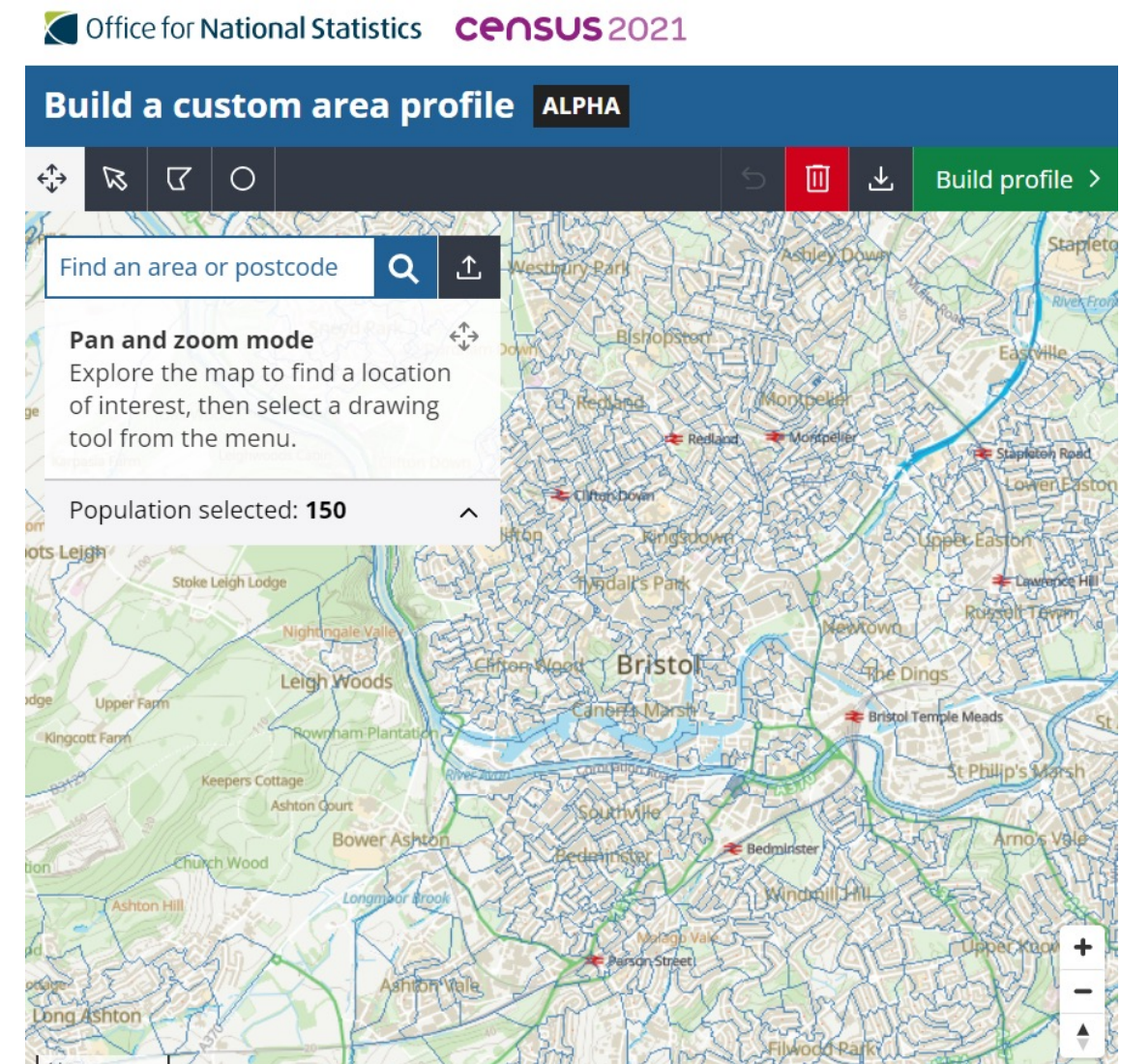
**76%**

of customers'  
financial  
position

# ONS Census Release, build and understand local areas

Using census 2021 data release.

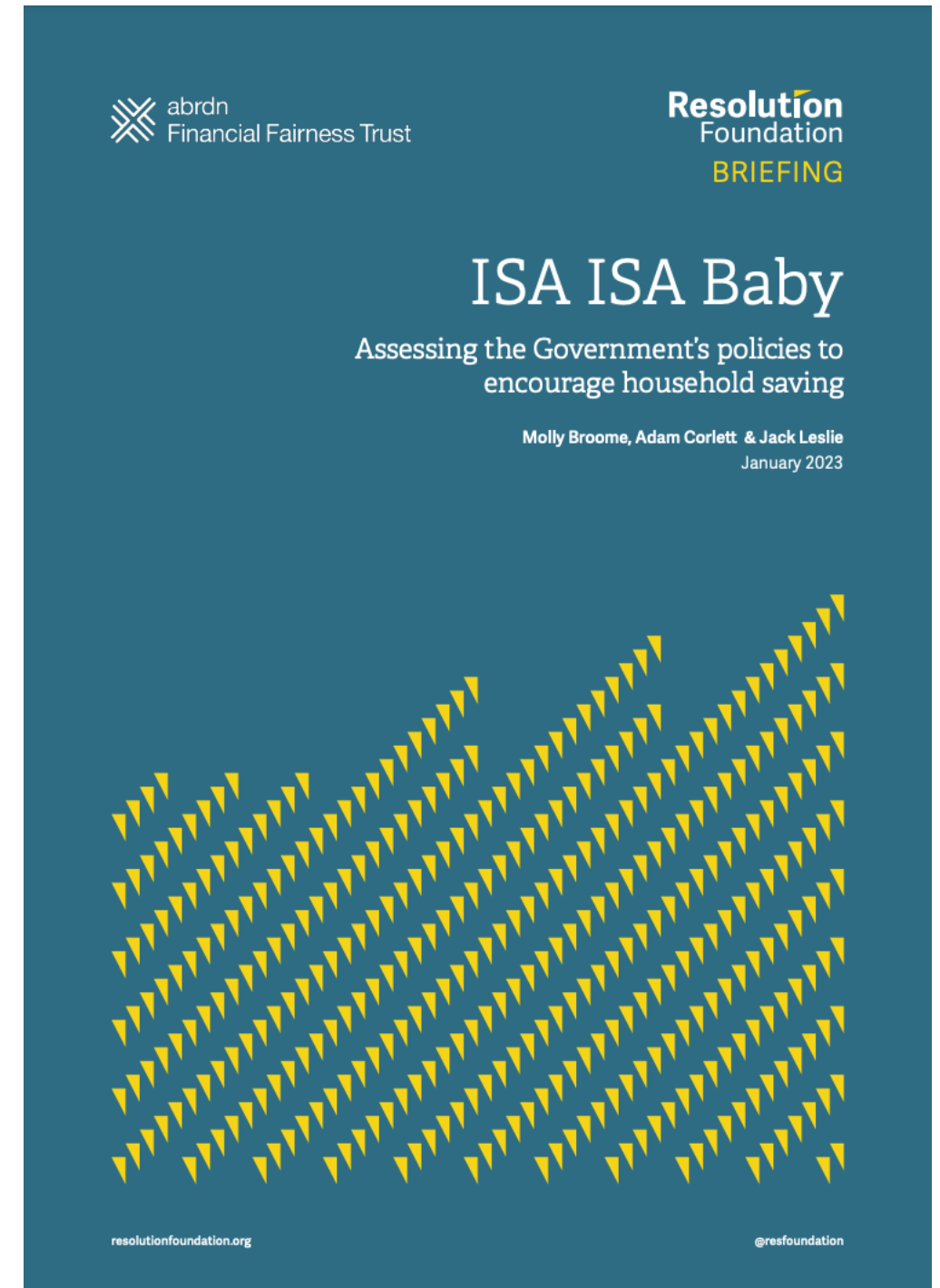
- An excellent resource tool to build, map, assess and export areas of interest. You can interrogate on topics like accommodation type, central heating and household deprivation
- A useful tool for partners we work with, or our projects looking to evidence any impact we might have, or why we continue to work in these localities
- As the data can be downloaded, we may also be able to append our own data and findings to local areas
- ONS Census Release, build and understand local areas





# ISA ISA Baby – Resolution Foundation

- General overview is that **lower-income families are not being encouraged to save through government incentives**. Issue of low savings is particularly acute for those on low incomes – the lowest income tenth of families are four times as likely to have no savings, compared to the richest tenths
- Lower-income families are **far less likely to have other sources of financial resilience**, not least because low income itself reduces resilience levels, but also because things like a higher share of consumption being on essentials and less access to low-cost credit
- Resolution Foundation propose that the Help to Save scheme is extended, increase the monthly saving limited by about £50, allow people who remain on benefits after the four-year limit on account and that UC applicants are automatically given an account, with a £50 starting bonus
- It appears that the **benefits accrued to many households through the pandemic when savings increased, have been used by lower income households for everyday living**, much more than higher income ones
- ISA ISA BABY – Resolution Foundation



# Unequality: When Inequality changes, our strategies must too, James Plunkett

This essay from James Plunkett with the Joseph Rowntree Foundation gives some food for thought around the importance of language, reframing inequality to 'unequality', and assessing its form, history and texture, to find the policy tools to reach for. Quotes include:

- 'The more I grapple with big challenges in public policy, the more I think our language holds us back. We use the same words year after year – abstract nouns like inequality, consumer choice, – even as the subjects of these words change beyond recognition'
- 'My sense, though, is that we don't just need a welfare system that's bigger; we need a system that works differently too. Welfare must be fundamentally enabling, and simple enough to give people the security they need in order to engage in the new economy with confidence'
- 'So my personal view is that this all points in one direction: a welfare system that is simpler and more universal, moving over time to a clear and emphatic offer, more on the model of a universal service than a labyrinth of means-tests: the security of a living income for all'
- [Unequality: When Inequality changes, our strategies must too – James Plunkett](#)