

# The intersecting impacts of mental ill-health and money problems on the financial wellbeing of people from ethnic minority communities

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## 1. Introduction

Financial difficulties and mental health problems are well-known to be inter-related. Money worries can lead to worsening mental health, while mental health conditions can also cause or exacerbate difficulties with finances – as shown in Box 1.1. The relationship between the two is often described as a vicious cycle.

Over the past two decades, this relationship has been the subject of growing attention and policy focus in the UK.<sup>1</sup> Action to-date has included:

- the production of new guidance for financial firms and advice organisations supporting customers with mental health conditions – including regulatory [guidance from the Financial Conduct Authority \(FCA\)](#) on supporting customers in vulnerable circumstances;
- the 2007 introduction of the [Debt and Mental Health Evidence form](#), which is completed by health professionals and allows creditors to understand how somebody’s mental health may be affecting them. The form has subsequently been revised several times, and since 2021 doctors are no longer allowed to charge for completing the form (in England).
- the publication in 2020 of [The UK Strategy for Financial Wellbeing](#) led by the Money and Pensions Service (MaPS), which included tasking a Mental Health and Financial Wellbeing Challenge Group with applying a cross-cutting focus on mental health to the five strategic goals set-out in the strategy.
- the introduction in 2021 of [Breathing Space](#) for those in mental health crisis. While the standard Breathing Space scheme prevents creditor action for 60 days, the mental health crisis scheme lasts as long as the individual’s mental health crisis treatment (plus 30 days).

With as many as one-in-four people in a given year in the UK experiencing a mental health problem<sup>2</sup>, the above actions have necessarily been targeted at the population at-large; however, there is growing recognition of the importance of understanding whether relationships, such as that between money problems and mental health, differ between (and within) different communities of people.

Ethnic background is an important part of this. Research highlights how people from some minoritised ethnic backgrounds are disproportionately affected by certain mental health conditions: people from African Caribbean backgrounds, for example, are three times more likely to be hospitalised by schizophrenia than any other group; while Irish Travellers are six times more likely to die from suicide than non-Travellers.<sup>3</sup> Inequalities in access to treatment also persist, with black and minority ethnic communities being “less likely to access mental health support in primary care (i.e. through their GP) and more likely to end up crisis care” as a result of “a wide range of different barriers”.<sup>4</sup>

As such, one of the recommendations of MaPS’ Mental Health and Financial Wellbeing Challenge group was that research should be conducted into the combined impact of money and mental health problems from the perspective of ethnic minority communities.

MaPS has begun this process by commissioning this research – qualitative research with professionals who support people from ethnic minority backgrounds with issues connected to financial difficulty and/or poor mental health, as well as a desk review of published research on the area.

<sup>1</sup> For a timeline of policy action on vulnerable customers, see Fitch *et al* (2017) [Vulnerability: a guide for debt collection. 21 questions, 21 steps](#). University of Bristol: PFRC.

<sup>2</sup> McManus *et al* (2009). [Adult psychiatric morbidity in England, 2007: results of a household survey](#). The NHS Information Centre for health and social care.

<sup>3</sup> Race Equality Foundation (2020) [Racial disparities in mental health: literature and evidence review](#).

<sup>4</sup> *Ibid.*

### Box 1.1 – What is known about the relationship between financial difficulty and mental health?

- At a societal level, there is a general link between ‘low socio-economic status’ and a range of mental health problems.<sup>5</sup> Areas of greater socioeconomic deprivation in the UK have higher rates of self-harm and psychiatric admissions.<sup>6,7</sup> Economic recessions are shown to have increased the prevalence of mental health problems, substance use and suicidal behaviour.<sup>8</sup>
- For individuals, financial difficulty is associated with higher risk of mental health conditions. Those in debt are three times more likely to have a mental disorder<sup>9</sup>, while having a utility disconnected or having to borrow money from informal sources are also linked to poor mental health.<sup>10</sup>
- Over 100,000 people in problem debt in England were estimated to have attempted suicide in 2018. Both long-term financial difficulties and sudden financial shocks – including aggressive debt collection practices – were found to play in role in the link between money problems and suicidality.<sup>11</sup>
- Mental health conditions may make it harder to manage money – for example, through impulsive, manic or nihilistic spending, anxiety around checking bank statements, difficulty communicating with financial firms and increased vulnerability to scams.<sup>12,13</sup>

The intention of this work is to build the evidence-base about the differing ways that various ethnic communities can be affected by the vicious cycle of money and mental health problems, and to assist MaPS and other organisations in designing interventions that support ethnic minorities more effectively. MaPS has also published reports based on its 2021 Adult Financial Wellbeing survey focused on mental health<sup>5</sup> and ethnicity.

#### 1.1. Research aims and approach

The aims of this research project are two-fold:

1. To investigate the compounding impact of mental health and money problems on members of ethnic minority communities

2. To identify the factors that limit ethnic minority communities’ engagement with debt advice and money guidance services.

To address these aims, MaPS commissioned the research team to undertake interviews with policy professionals and practitioners in the fields of ethnicity and social disadvantage or inequality, financial capability and exclusion, debt advice and mental health. The intention was to learn from the experiences that these professionals have of supporting individuals from minoritised ethnic communities, as they have good insight both into the broad range of issues encountered by their clients / service users and the challenges of delivering support to these individuals.

<sup>5</sup> Money and Pensions Service (2022) UK Adult Financial Wellbeing Survey 2021: Mental Health Report

<sup>6</sup> Kivimäki *et al* (2020). Association between socioeconomic status and the development of mental and physical health conditions in adulthood: a multi-cohort study. *The Lancet Public Health*, 5(3), e140-e149.

<sup>7</sup> Koppel, S. & McGuffin (1999). Socio-economic factors that predict psychiatric admissions at a local level. *Psychologist medicine*, 29(5), 1235-1241.

<sup>8</sup> Hawton *et al* (2001). The influence of the economic and social environment on deliberate self-harm and suicide: an ecological and person-based study. *Psychol Med*, 31(5), 827-836.

<sup>9</sup> Frasquilho *et al* (2016). Mental health outcomes in times of economic recession: a systematic literature review. *BMC Public Health*, 16, 115.

<sup>10</sup> Richardson *et al* (2013). The relationship between personal unsecured debt and mental and physical health: A systematic review and meta-analysis. *Clinical psychology review*, 33(8), 1148-1162.

<sup>11</sup> Jenkins *et al* (2008) Debt, income and mental disorder in the general population. *Psych Med*, 38(10), 1485-93.

<sup>12</sup> Bond & Holkar (2018) A silent killer. Breaking the link between financial difficulty and suicide. MMHPI.

<sup>13</sup> MMHPI (2016) Money on your mind.

<sup>14</sup> Holkar & Lees (2020) Caught in the web. Online scams and mental health.

In total, 21 semi-structured interviews were completed between February and March 2022. As described in Appendix A, these professionals worked for a variety of types of organisation, operating in different parts of the UK and supporting people from a range of ethnic backgrounds. The interviewees varied in their specific job roles, from advisers on the frontline to those in more senior management roles. A number of the people who took part identified as being from the ethnic group that their organisation supports.

With the permission of participants, all interviews were recorded and transcribed, before being analysed both for key themes that were common across interviewees and also for unique insights that may be specific to the communities they support or their particular organisational context.

Throughout the report, we provide the name of participants' organisation next to quotes only where they have given us permission to do so.

## 1.2. Some important considerations

We recognise that when speaking or writing about issues of ethnicity and race, it is important to carefully consider the language that we use to do so. It is clear that catch-all terms such as 'Black, Asian and Minority Ethnic (BAME)' are no longer considered appropriate, as they group a wide range of diverse individuals, communities and cultures into a single category. As per the recommendation of public health experts, we prefer to use the term 'minoritised' ethnic groups – which recognises that people become minoritised or marginalised by power imbalances and the actions (or inaction) of others, rather than naturally existing as a minority.<sup>15</sup> <sup>16</sup> In other aspects of the report, we follow Government guidelines on writing about ethnicity.<sup>17</sup> For example, where possible, we aim to be as specific as possible when referring to particular ethnic groups. Where we report findings from other research, however, for accuracy we use the term employed by the original authors.

<sup>15</sup> Milner and Jumble (2020) Using the right words to address racial disparities in COVID-19. *The Lancet*, 5(8).

Many of those we interviewed were keen to stress the importance of nuance and recognising that there is no single, homogenous experience within or between minoritised ethnic groups:

**“Just because somebody is from Syria or**

**somebody is from China or somebody is from**

**Poland doesn't mean that they're all from the**

**same cultural or religious background.”**

It is also important to note that those we interviewed typically work with some of the most vulnerable people within their communities. If they highlight language issues or a lack of digital skills, for example, this doesn't necessarily apply to everyone of that ethnicity.

Lastly, it is important to highlight that our interviewees are people who support people from minoritised ethnic groups, not necessarily people who themselves are from these communities. While some of the people we interviewed may have lived experience of being from a minoritised ethnic group, this was not a criterion for participation and we should avoid describing our findings as directly reflecting the views of those from minoritised ethnic groups in this sense. Rather, the research reflects the experiences of those providing support to people from these backgrounds. Further research produced in partnership with people from minoritised ethnic groups may be beneficial, as this would help capture data on experiences of accessing (or not accessing) support that more directly captures the needs and experiences of members of the communities in question.

## 1.3. Structure of this report

Chapter two gives an overview of academic research on the subject of the intersections between financial difficulty and mental health for members of minoritised ethnic groups, predominantly based on a review of epidemiological research studies. In chapters three to five, we then present the results of our qualitative research. The third chapter focuses

<sup>16</sup> Gunaratnum (2003) Researching 'race' and ethnicity: methods, knowledge and power..

<sup>17</sup> 'Writing about ethnicity'. UK Government.

on the financial difficulties that our interviewees reported being most common among members of minoritised ethnic groups, while chapter four considers how these financial difficulties impact upon people's mental health. Chapter five explores how organisations can best offer support to members of minoritised ethnic groups with their mental health and/or finances, focusing particularly on the barriers that they face in supporting people. We then offer some recommendations in the concluding chapter.

## 2. Research on money and mental health in minoritised ethnic groups to-date

In this chapter, we outline the findings of academic literature which has examined the link between financial difficulties and mental health in minoritised ethnic groups specifically. We do so via a desk review, based on a systematic search of academic publication databases that resulted in a total of 309 articles being screened (full methodology explained in Appendix A).

### 2.1. Desk review findings

#### Overall patterns of results

Overall, the academic papers that looked at the relationship between financial variables and mental health could be categorised into five broad groups in terms of how they examined ethnicity:

- Papers that control for ethnicity when looking at the link between money and mental health, but did not look at its impact on this relationship (this was the majority of papers).
- Papers that looked at the impact of both financial variables and ethnicity on mental health, but not their interaction (11 papers).
- Papers that look at link between financial variables in particular minority ethnic groups (11 papers).
- Papers that look at how financial variables moderate the impact of ethnicity on mental health or vice versa at a population level. For example, showing that neighbourhood deprivation moderates the link between ethnicity and mental health (7 papers).
- Papers which looked at if financial variables and mental health were linked in a differing way depending on ethnicity (24 papers).

Examples of the papers found under each category are given in Appendix B. Seven systematic reviews about the link between

economic variables and mental health were reviewed, none of these systematic reviews had conducted a meta-analysis of the impact of ethnicity.

#### Papers controlling for ethnicity

Many papers, if not most in the area, control for ethnicity along with other demographic variables, such as age and a gender, when calculating the statistical link between financial variables such as income or socioeconomic status and risk of mental health. Ethnicity was controlled for in statistical models, based on the prediction that it may be a confounding variable which may explain the relationship. In other words, if members of a minoritised ethnic group are more at risk of *both* low income and poorer mental health, then there may appear to be a statistical relationship between low income and poor mental health, even if this relationship is actually largely accounted for by ethnicity.

These papers therefore assume that ethnicity is important in the relationship between financial variables and mental health, but they do not specifically look at whether ethnicity moderates the impact of finances on mental health, for example by conducting analyses separately depending on ethnicity – despite the fact that many are large studies so have the sample size to allow for this.

Lang *et al* (2011), for example, used a nationally representative sample of over 100,000 adults in England taken from an annual health survey to show that increased prevalence of distress and common mental disorder in midlife only occurred in low-income households.<sup>18</sup> The authors separated the analysis by gender, but not ethnicity, although they did control for ethnicity in the model. Most other studies are from the USA.

<sup>18</sup> Lang, I., Llewellyn, D., Hubbard, R., Langa, K., & Melzer, D. (2011). Income and the midlife peak in common mental disorder prevalence. *Psychological medicine*, 41(7), 1365-1372.



### **Papers on the impact of both financial variables and ethnicity on mental health, but not their interaction**

There are also a number of papers (13 found in this search) which analyse the impact of both economic variables and ethnicity on mental health, but do not look at their overlap or interaction. These studies were from a range of countries though weighted heavily to the USA, and included a range of populations including adolescents, adults and those with specific health conditions.

These papers typically found that socioeconomic variables and ethnicity both had independent impacts on risk of poor mental health. There were often large sample sizes allowing for analyses to be stratified by ethnicity but these were not conducted. One of these studies (Terhaag et al., 2021)<sup>19</sup> looked at whether the impact of ethnicity on mental health differed by age, finding that overall children from ethnic minority backgrounds had fewer ‘emotional symptoms’ (for example, worries, nerves or appearing unhappy) at age 11 and 14 than the white majority population, but that children of Pakistani and Bangladeshi heritage fared the worst when ethnic groups were disaggregated. Low parental income in the UK was a strong predictor of emotional symptoms, whereas in Australia parental education and employment status was more important. Thus the analysis was stratified by age to determine differential impact of parental income on mental health by age, but although ethnicity was examined as a predictor, the analysis was not separated by ethnicity to similarly examine if the parental income impact on child mental health differed in different ethnic groups.

<sup>19</sup> Terhaag, S., Fitzsimons, E., Daraganova, G., & Patalay, P. (2021). Sex, ethnic and socioeconomic inequalities and trajectories in child and adolescent mental health in Australia and the UK: findings from national prospective longitudinal studies. *Journal of child psychology and psychiatry, and allied disciplines*, 62(10), 1255-1267. <https://doi.org/10.1111/jcpp.13410>

### **Papers on the link between financial variables and mental health in particular minority ethnic groups**

There are also a number of papers (10 found in this search) which explore the relationship between financial variables and mental health in particular ethnic minority populations. These were predominantly from the USA and consisted of cross-sectional, longitudinal and qualitative studies. These tended to examine economic predictors of poor mental health in certain minority ethnic groups usually sampled from disadvantaged areas. Evans *et al* (2020), for example, conducted a survey of 740 African American older adults in Los Angeles, USA, finding that greater financial difficulties were associated with increased symptoms of depression.

### **Papers that explore how financial variables moderate the link between ethnicity and mental health**

There are also a number of papers (5 found in this search) which considered whether financial variables account for the link between ethnicity and mental health or vice versa. Therefore, they look at the overlap between financial variables and ethnicity in terms of how these impact on mental health, but do not look specifically at whether financial variables have a different impact on mental health depending on ethnicity.

Kim and Fredriksen-Goldsen (2017), for example, found that lower mental health quality of life among US Hispanics was accounted for partially by their greater levels of reported stress around their socio-economic status.<sup>20</sup> Another study from the US (Gazmararian *et al*, 1995) found that while black women had higher rates of depression than white women, these differences were only observed in poorer women, not

<sup>20</sup> Kim, H.-J., & Fredriksen-Goldsen, K. I. (2017). Disparities in Mental Health Quality of Life Between Hispanic and Non-Hispanic White LGB Midlife and Older Adults and the Influence of Lifetime Discrimination, Social Connectedness, Socioeconomic Status, and Perceived Stress. *Research on aging*, 39(9), 991-1012. <https://doi.org/10.1177/0164027516650003>

among those who were wealthier.<sup>21</sup> The opposite, however, was found in a 2016 study in Brazil (Loret de Mola *et al*, 2016), which found a greater link between African ancestry and risk of depression among those of higher socio-economic status.<sup>22</sup>

### **Papers that look at whether the link between financial variables and mental health differs depending on ethnicity**

There were 34 papers in total which examined if the link between economic variables and mental health differed depending on ethnicity.

Only one of these studies was based in the UK (England specifically), which showed that the impact of lower income on increased risk of common mental disorders differed depending on ethnicity. It found that the relationship between being on a low income and having a greater prevalence of common mental disorders was greater for people from African Caribbean, Pakistani or Bangladeshi backgrounds than it was for those from white, Irish or Indian backgrounds. Other studies summarised from the USA show a somewhat mixed picture with some studies showing no differences in the impact of economic variables on mental health by ethnic groups, whilst others show that the relationship does differ depending on ethnicity.

## **2.2. Summary of desk review findings**

Overall, epidemiological research tends to control for ethnicity when examining the relationship between economic variables and mental health. This shows a widespread acknowledgment amongst researchers about the considerable overlap at a population level between poverty, ethnicity and mental health: ethnicity is seen as such a reliable predictor of both poverty and poor mental health that researchers control for ethnicity in their analysis to be sure that any apparent links between

poverty and mental health are largely due to minoritised ethnic groups being at greater risk of both.

There are some papers which have looked at both the impact of ethnicity and financial variables on risk of poor mental health at the same time but have not looked at their interaction or to see if the relationship differs depending on ethnicity. There is great potential for further analyses on this subject, as many of the studies cited here have sufficient sample sizes to allow analysis to be stratified by ethnicity.

Some studies, however, have examined the link between financial variables such as poverty and mental health in particular minority ethnic groups, although these are mostly from the USA. These tend to show a link between greater poverty and greater risk of poor mental health in these communities.

Several studies have considered whether ethnicity moderates the impact of financial variables on mental health. Whilst there are somewhat inconsistent findings, it is clear that the relationship can differ based on ethnic group. Future research is needed with the UK population, as there is only one study in the area at present. It has been suggested that health researchers always use sex-disaggregated data to examine if predictors of health differ in men and women (Perez, 2019), and perhaps future epidemiological research on the relationship between economic variables and mental health should take a similar approach in the future, where sample size allows. Researchers may wish to also consider intentionally over-sampling minority ethnic groups to allow for such analyses.

Overall, it is clear that the relationship between economic variables, ethnicity and mental health problems is complex with all of these factors

<sup>21</sup> Gazmararian, J. A., James, S. A., & Lepkowski, J. M. (1995). Depression in black and white women: the role of marriage and socioeconomic status. *Annals of epidemiology*, 5(6), 455-463.

<sup>22</sup> Loret de Mola, C., Hartwig, F. P., Gonçalves, H., Quevedo, L. d. A., Pinheiro, R., Gigante, D. P., Motta, J. V. d. S., Pereira, A. C., Barros, F. C., & Horta, B. L. (2016). Genomic ancestry and the social

pathways leading to major depression in adulthood: the mediating effect of socioeconomic position and discrimination. *BMC psychiatry*, 16(1), 1-8.

overlapping, intertwined and interacting with one another.

### 3. Financial problems faced by people from minoritised ethnic backgrounds

In this chapter, we explore the broad range of financial challenges that our interviewees encounter among the people they support from ethnic minority groups. These include effects on income of employment- and benefit-related issues, reasons for higher expenditure, debt and borrowing, and issues around financial inclusion, knowledge and capability.

While the results of our qualitative research give an idea of the types of financial problem that appear *more common* among minoritised ethnic groups, they do not necessarily indicate exactly *how common* these problems are – and it should be born in mind that most interviewees are dealing with those who are particularly vulnerable. For this reason, we also draw upon other sources of relevant literature to contextualise the findings.

#### 3.1. Income-related issues: employment

Our interviewees were clear that those they support from minoritised ethnic groups often face living on a lower income as a result of difficulties achieving well-paid, secure employment. The five key themes that arose from the interviews were:

- General difficulties finding good-quality work, often as a result of language barriers but also because of a wider lack of opportunities
- A tendency towards insecure forms of employment, such as working in the ‘gig economy’
- Discrimination when applying for jobs or promotion
- Higher risk of facing exploitation or working in the grey economy
- Women being more removed from the labour market in some communities, though this is changing over time

Collectively, our interviewees explained how these issues may lead to a longer-term lack of financial resilience / limited savings among many people from minoritised ethnic backgrounds. This could make people more vulnerable to income or expenditure shocks such as reduction in work or being furloughed during the covid-19 pandemic, and can lead to other practical problems such as finding the first month’s rent as a deposit for housing, thus further narrowing an individual’s options.

#### Difficulties finding good-quality employment

The difficulties faced in the labour market by those with limited English skills were summed up well by this participant, who supports many first-generation migrants most commonly from Polish, Chinese, Syrian and Lithuanian backgrounds:

**“I mean it’s hard for anybody to look for job but if you don’t really feel confident in using the language it’s even harder.” (Building Communities Resource Centre)**

One respondent suggested that this is especially likely for older migrants or refugees, who are left more isolated than younger generations at least partly as a result of their English skills:

**“The parents do tend to be older folks so the language barrier and the fact they are older and maybe have poor health because of everything they’ve come through on their refugee journey to get here, has left them in a position where, you know, they’re not able to work in paid employment. Their children are in a slightly better position because a lot of them have assimilated into the community a little better and speak more English.”**

This is supported by analysis of official statistics from the 2018 Labour Force Survey (LFS), which reveals how an individual’s age at the time of

migrating to the UK affects their likelihood of experiencing language difficulties in finding/keeping work or with their education.<sup>23</sup> While 15% of those who migrated when they were 30 or older reported experiencing such difficulties, this falls to 4% of those migrating between the ages of 6 and 11. Across all ages, 10% of foreign-born individuals said they experience these problems – though the researchers point out that the LFS (and other surveys) may undercount certain hard-to-reach groups due to both non-response and the fact that residents of communal establishments such as hostels are excluded from completing the survey.

A survey of 280 refugees originating from Ethiopia, the Democratic Republic of Congo, Iraq and Somalia who came to the UK between 2006-2010 found that language barriers were the most common perceived barrier for those who had been unable to find work.<sup>24</sup> Close behind, the second biggest barrier was the issue of qualifications from abroad not being recognised in the UK. This was an issue raised by one of our participants, who described the difficulties that people face through either not having the relevant certificates to prove their qualifications (often as a result of fleeing conflict) or having to wait a considerable time to get their certificates translated into English.

**“She came to this country and because she was coming from one of the war-torn places she didn’t have her qualification or her certificates... We were like okay what kind of work are you looking for then, knowing what her experience was and she said I’d be happy with like a kitchen assistant job or if I’m lucky maybe I’ll get a lunchtime supervisor job in a school. Now there’s nothing wrong with those jobs, they’re fine, you’re earning money, but**

**compared to her skills and what she could earn... She’s got nothing she can do about it, she has to wait, it takes absolutely ages getting the certificates, getting your qualifications, even if you’ve got the qualifications in your hand in a different language, it will take ages to go through the whole process of trying to get through whatever organisation to get those in English.”**

To contextualise these findings, it is important to note that employment outcomes vary considerably depending on the reason for migration – with those who have claimed asylum typically faring worse than those who migrated for family or economic reasons. Analysis of data from 2010-2017 suggests that those who had claimed asylum (no longer asylum seekers) had an estimated unemployment rate nearly twelve percentage points higher than UK-born individuals, which adjusts down to seven percentage points when controlling for education, age and other demographic characteristics.<sup>25</sup> The unemployment gap was nearly four percentage points higher for those migrating for family reasons, which adjusts down to three percentage points with the introduction of controls; while those migrating for employment reasons had an unemployment rate 2.5 percentage points *lower* than UK-born individuals (with and without controls). Meanwhile, since 2005, asylum seekers – those waiting on an asylum application – have generally only been able to seek permission to work after waiting twelve months or more for the result of their application.<sup>26</sup>

Issues finding employment were not limited just to migrants or those with language barriers. Interviewees also described the general lack of opportunities that people from minoritised

<sup>23</sup> Fernández-Reino (2019) [English language use and proficiency of migrants in the UK](#). The Migration Observatory, University of Oxford.

<sup>24</sup> Tip (2015) [Optimising refugee resettlement in the UK: a comparative analysis](#). University of Sussex.

<sup>25</sup> Kone *et al* (2019) [Refugees and the UK Labour Market](#). COMPAS, University of Oxford.

<sup>26</sup> House of Commons Library (2021) [Asylum seekers: the permission to work policy](#).

ethnic groups can face as a result of where they live. One interviewee described a “compounding” effect, where starting from a low income leads to living in a cheaper area where it may be harder to find or make the most of any economic opportunities:

**“If you’re on a lower income or if you’ve just moved into a place you might end up living in an area where rents are a bit cheaper and it feels like it’s a good place to start off but if there are fewer services in that area or transport isn’t great that you just end up being a bit more excluded and the chance to make the most of those opportunities that might potentially be out there is just made that much harder.” (MMHPI)**

One interviewee described how a lack of opportunities was particularly pronounced for those who have been in the criminal justice system:

**“We also prior to the pandemic were working with people who were in the criminal justice system and I suppose there was a big issue for them about knowing where to go to get support and levels of support as well for them to kind of, I suppose turn their lives around, it was a lot easier for them to kind of go back to the problems that they would have, so yes, lack of kind of opportunities for some of those socially excluded groups there.” (Money A+E)**

This is particularly relevant given the over-representation of many minoritised ethnic groups in the criminal justice system. As of March 2020, over a quarter (27 per cent) of the total prison population was from ‘BAME’ backgrounds – despite just 16 per cent of the overall population being from such

backgrounds.<sup>27</sup> This is predominantly driven by those from black ethnicities (13 per cent of prison population, compared with 4 per cent of overall population). The Lammy Review of outcomes for ‘BAME’ individuals in the criminal justice system finds that re-offending is higher among those groups with higher unemployment rates: “For example, two years after a caution, conviction or release from custody, 28% of Asians were unemployed, compared with 40% unemployment among black ex-offenders. Black offenders have the highest reoffending rates and Asians the lowest.”<sup>28</sup> More broadly, the review highlights how issues around criminal records can harm ex-offenders chances of finding employment, and how various forms of discrimination conspire to lead to over-representation of people from ‘BAME’ backgrounds in the criminal justice system.

#### **Insecure employment & discrimination**

Many of our interviewees described how the general difficulties finding or keeping work pushes the people they support towards less secure forms of employment, with a large proportion becoming self-employed or working in the gig economy, through platforms such as Uber. Sometimes this may be the result of language barriers, but that is not to say that those with good English skills don’t also face challenges. Interviewees who work with people from Gypsy, Traveller and Roma (GRT) backgrounds frequently talked of how discrimination can force people to take-up self-employment:

**“A lot are self-employed – so they will pursue self-employed from the old-fashioned trade or business that their dad did, so it might be landscape gardening, it might be tarmacking, it might be scrap metal, it might be waste collection, obviously you’ve got the Showman doing the fairs, so a lot of self-employed. It’s quite hard to get a job with an employer**

<sup>27</sup> House of Commons Library (2021) [Race and ethnic disparities](#).

<sup>28</sup> [The Lammy Review](#) (2017)

**outside of the community if you live on a Traveller site.”**

This participant described how people they supported from Traveller backgrounds were much less likely to be invited to interview for jobs when they used the address of their Traveller site when applying for jobs. They felt this was an example of institutionalised racism that people from Traveller backgrounds face.

Similarly, we heard how some members of the Money and Mental Health Policy Institute’s research community of people with lived experience of mental health problems had reported being unfairly treated when applying for jobs or promotion, with their race or ethnicity seen as the cause:

**“People I think have a sense of particularly in the labour market – but also sometimes when they’re trying to use new services – that the responses people give them aren’t as positive as they would have been if they were white, essentially... People feel like there’s the right kind of, you know, whether your face fits and whether you match the image of what people think they’re looking for when they’re seeking to promote people.” (MMHPI)**

### **Exploitation**

Those organisations that worked specifically with migrants described how difficulty finding work pushes people towards less official forms of employment, which lend themselves more easily to being exploited:

**“That is like a vicious circle because if they cannot break from coming and getting into some work, officially working, employed, then**

**they’re finishing into their circle of friends, they’re going to car washes, cash in hand and they are victims of other people who try to exploit them.” (Migrant Centre NI)**

Such issues go hand-in-hand with themes common across our interviews of individuals from minoritised ethnic backgrounds being less aware of laws/their rights (e.g. in the workplace) and being generally more reluctant to apply for benefits (as described in more detail later in this section). Poor literacy – in any language, not just English – was also raised as an issue connected to modern slavery.

One participant, who alongside their current job has worked as an interpreter for the police, described how economic difficulties could push migrants towards petty theft of basic items such as clothing. Such crimes, the participant said, start to become more infrequent as these communities embed themselves locally and achieve better financial stability. This tallies with previous research that shows how, at a country-level, income inequality across ethnic groups is significantly linked to participation in ‘underground economy activity’.<sup>29</sup>

### **Gender-based differences**

A final theme related to employment – and to many other aspects of personal finance – was gender-based differences, with women being less likely to participate in the labour market in some communities. One participant who supports those from Traveller backgrounds described how, in many but by no means all households, traditional gender roles persist:

**“As a Traveller man, your role is to provide for your family, as a Traveller woman your role is to look after your family and keep the home nice, and the gender roles are still really quite definite and quite defined. Not every family, I**

<sup>29</sup> Berdiev *et al* (2020) ‘Dimensions of ethnic diversity and underground economic activity: cross-country evidence’. *Public Finance Review*, 48:2.

**come back to that point, there are families that that’s not true for but certainly amongst the clients that I work with the gender roles are still very definitely defined.”**

This was supported by a second interviewee who frequently works with people from Traveller backgrounds. They described how some Traveller families may remove their daughters from school at around age 14, which may have long-lasting implications for women in these families getting good-quality jobs in future.

One interviewee, speaking from her personal experience of being a British Asian Muslim, felt that within her community the expectation that women stay at home had disappeared – while it was true of her “mum’s generation”, it was no longer the case for women of her generation.

It was not just cultural norms and expectations that were mentioned in relation to exclusion of women from the labour market. Practical issues, such as childcare and the fact that some migrant

women may end up with smaller support networks, were also given as barriers to work:

**“It’s very hard for a woman to go to work if you’re from ethnic minority, again it’s down to the fact that, you know, the support network is either non-existing or is very, very small and not always dependable.... You always have to think, you know, who is going to pick [the children] up, where are they going to be or, you know, even if you do make some friendships here it’s all very kind of new and they’re not always maybe people you can depend on... That pushes woman to maybe stay at home or not going to work as much as they would be able to.” (Building Communities Resource Centre)**

Racism and discrimination may also play a role in preventing women from some ethnic

**Figure 3.1 – Percentage of 16 to 64 year olds who were employed in 2019, by ethnicity and gender**

<b>Ethnicity</b>	<b>All</b>	<b>Men</b>	<b>Women</b>	<b>Gender gap</b>
Asian	65	77	54	-23
Indian	76	82	69	-13
Pakistani, Bangladeshi	56	73	39	-34
Asian Other	65	74	58	-16
Black	69	71	67	-4
Mixed	69	71	67	-4
White	78	81	74	-7
White British	77	80	74	-6
White Other	83	89	78	-11
Other	63	73	54	-19
All	76	80	72	-8

Data source: Annual Population Survey (2019).  
UK Government (2021) Ethnicity facts and figures: Employment.



backgrounds entering work. One participant, for example, described the racism that can be faced by women wearing traditional Islamic clothing:

**“When you go out you have that fear... when you're wearing a scarf and you're visibly Muslim, you know, Islamophobia, you know, is anybody going to say anything?”**

Data from the Annual Population Survey (Figure 3.1) sheds light on the gender gap that exists in employment between men and women from different ethnic backgrounds. While those from black and mixed backgrounds have gender gaps smaller than average (caused at least partially by having the lowest unemployment rates among men and traditionally high rates of female employment), the largest gender gap was for people from Pakistani and Bangladeshi groups, followed by those from an Asian background. Analysis of the same data but by age not gender reveals that the largest difference between white people and those from ethnic minority groups (excluding white minorities) is largest among 16-24 year olds, where 58% of white people and 36% of those from ethnic minorities were employed. This highlights the intersectional nature of the employment-related issues facing those from minoritised ethnic backgrounds.

### 3.2. Income-related issues: social security

To improve the incomes and living standards of those they support, many of the organisations that we interviewed help people from ethnic minority backgrounds to understand the welfare support that exists and how to access it. There were three key areas that emerged from our interviews regarding minoritised ethnic communities’ experiences of the UK benefit system:

- Access – it can be difficult for those from ethnic minority backgrounds to access benefits for a number of reasons including:
  - The UK benefit system is seen as complicated and can be difficult to understand
  - It can be difficult to know where to find the right information
  - Digital and financial exclusion can make accessing benefits more challenging
  - Language barriers
  - Not all people from minoritised ethnic groups will be entitled to benefits (e.g. no recourse to public funds for some

**Figure 3.2 – Percentage of families receiving different types of state support, by ethnic group (in three years to March 2020)**

	Any state support	Any tax credits	Any income-related benefit	Any non-income-related benefit	Non-income related state support				Income-related state support			
					Child Benefit	State Pension	Disability Living Allowance (care component)	Disability Living Allowance (mobility component)	Council Tax Reduction	Housing Benefit	Income Support	Pension Credit
All	52	7	16	49	18	24	7	6	12	10	1	3
Asian	43	13	14	40	26	9	4	3	10	8	1	3
Bangladeshi	49	23	26	45	34	6	8	4	19	20	2	3
Chinese	26	5	9	22	13	7	1	0	7	6	0	2
Indian	39	6	9	37	20	12	3	2	6	4	0	3
Pakistani	51	22	18	47	34	7	6	5	12	8	2	3
Asian other	43	12	17	37	27	7	2	2	13	12	1	2
Black	49	14	23	44	28	10	6	4	18	17	2	2
Mixed	39	9	20	34	21	8	6	4	14	12	3	2
White	53	6	16	50	17	26	8	6	11	10	1	3
White British	54	6	16	51	17	28	8	6	12	10	2	4
White other	35	8	10	33	22	8	3	2	7	7	1	2
Other	40	12	19	36	22	8	6	4	14	15	2	2

Data source: Gov.uk – Ethnicity facts and figures.

migrants, limited access to universal credit from immigrants outside of the EU)

- It can take too long to access benefits or hardship funds in emergency situations
- Policies- participants pointed to welfare benefit policies which impact on larger households, which are more common among some ethnic minority communities.
- Uptake – even where those from minoritised groups were able to access sufficient support more readily, there was still evidence of a reluctance to apply, due to stigma and cultural beliefs held by some ethnic groups.

For context, Figure 3.2 gives an overview of the proportion of people from different ethnic groups who receive different types of state support. White British people are most likely to be in receipt of any form of state support, though this is driven by the older population of white British people who receive income via the state pension. People from Bangladeshi (26 per cent) and then black (23 per cent) backgrounds are most likely to be in receipt of any income-related benefits.

### 3.2.1 Access to social security

A key theme that emerged from the interviews was that the UK benefit system is complex and can be difficult to understand, even for those born in the UK:

**“We’ve also got quite a complicated benefits system which people who speak reasonably good English in Northern Ireland have difficulty navigating.”**

**“[It is difficult for the average person but for minority ethnic groups]: they’re clueless”  
(Migrant Centre NI)**

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<sup>30</sup> See, for example: NAO (2005) [Dealing with the complexity of the benefits system.](#); Summers and Young (2020) [Universal simplicity? The alleged simplicity of Universal Credit from administrative and claimant perspectives.](#); Morris *et al* (2020) [Digitalised welfare: systems for both seeing and working with mess.](#)

As one respondent noted, especially for people who have newly arrived in the UK it can be very difficult to navigate a totally new environment. It was emphasized by a couple of respondents that it isn’t that those from minoritised ethnic backgrounds aren’t capable of understanding, rather the sheer amount of information that there is to try and comprehend that makes it difficult to navigate access to benefits:

**“It’s just the sheer of information which they have to understand” (Migrant Centre NI)**

**“It’s not, you know they’re perfectly capable people, like some of them they have brilliant qualifications... but it’s just not so easy to adapt your life to a completely new environment” (Building Communities Resource Centre)**

It was also noted by one respondent that it can be difficult for those from ethnic minority groups to know exactly what they need and how to access it, noting a lack of confidence:

**“When applying for benefits or financial help to cover the costs of childcare or trying to find financial solutions, many are unconfident about what exactly they need and how to get it” (East European Resource Centre)**

The above findings chime with various reports exploring the complexity of the UK benefits system over at least the past two decades.<sup>30 31</sup> The need for simplicity was one of the justifications for welfare reform in the 2010s with the introduction of Universal Credit in 2013 aiming to make the system easier to navigate. However, based on comments during our research some challenges still persist which may be exacerbated for those from ethnic minority

<sup>31</sup> Please note that some reports of the system’s complexity relate to administrative complexity, i.e. the complexity of running the system, while others relate to the complexity of the system for claimants. Comments from those we interviewed related to complexity for claimants.

backgrounds: if some people find the system difficult to understand in the first place, not speaking the language or knowing how to access help can make it even more challenging.<sup>32</sup>

### **Difficult to access the right information**

Not only is the system viewed as complex but respondents noted that it can be difficult, for those arriving in the UK especially, to know where to get the right information from:

**“It’s really hard to get to the right people who can support you with helping you to navigate through that system.”**

**“They are facing a lot of difficulties because they don’t know how to explore, they’ve come out from, they are from far in this country and they don’t do much exploring things, which website is a really security one and they are giving true information like that and especially the legislation and policies and all they are using different jargon, they aren’t able to understand. We are working, we are helping them to which is the correct organisation, which one is the correct website to have a look and approach the places, like that and then we are signposting them to approach.”**

One participant noted that some people from ethnic minority backgrounds rely on whatever information they hear because it is ‘mentally paralysing’ knowing how to navigate the system.

**“[It is like if we were thrown into China,] the total system, different language which you have no clue you’ll be relying on whoever is coming and it’s just whatever that person is**

**telling you or some average friend who you have, you just rely on that information...you’re just kind of mentally paralysed”. (Migrant Centre NI)**

Another participant noted that when supporting those from minoritised ethnic backgrounds they often have to spend time explaining why the information they have heard isn’t accurate (debunking myths they had heard from family and friends).

**“Because of fake news in our [East European] community and I would say some kind of lack of the access to the reliable source of information we as advisors and gateways need to deal with people who are sure they are always right and it’s common that in our community for example people think that they are entitled to something or they should receive the grants or they should be entitled to receive a council flat or something just because their friend got it.”**

And not knowing who to speak to for help can leave people from ethnic minority backgrounds in a vulnerable position and open to exploitation from others. For example, one respondent talked about how some migrants were misled by people claiming to be able to help them to apply for benefits, when in fact they asked for their personal details and information and then used the information for fraudulent purposes:

**“So right now I’m working with a couple of them, I’m trying to get their debt off, because they’ve been victim, you know, they’ve been told give me all your details, personal details, national insurance all their personal details and other people make these type of**

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<sup>32</sup> Scharf (2010) Entitled to Benefit? A Review of State Benefit Take Up by Older People belonging to Black and Minority Ethnic Groups

**application claims, they never got any money from it and now they have big debt of £1000, £3000.”**

### **Language and digital skills**

Another theme that emerged from the interviews was that not being able to speak English can make understanding and accessing benefits very difficult. It was noted that not being able to speak English made navigating online systems difficult which in turn made it more of a challenge to apply for support:

**“Sometimes the communication is really very, very difficult and therefore how is someone expected to go out and be able to interview for a job or fill in forms that are required for benefit purposes, going and get themselves a bank account set up, understand the banking system without having the proper communication.” (Mindwise NI)**

**“I don’t know if you’ve tried to claim benefit lately, it’s really hard, you have to be able to get onto a computer and create an email and do all of those things through universal credit, it’s really, really hard.”**

More than one respondent noted ‘hand holding’ people from minoritised ethnic backgrounds throughout the process, often sitting down with them to help them apply and physically having to do it for them.

**“Wouldn’t have language skills, they would need somebody...to work on their behalf” (Building Communities Resource Centre)**

A report by Ipsos Mori conducted on behalf of HM Revenue and Customs back in 2010, looking at the experience of Black, Asian and Minority

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<sup>33</sup> Ipsos MORI (2010) The experience of Black, Asian and Minority Ethnic communities with HMRC services.

Ethnic communities within HMRC services, highlighted very similar issues with regard to accessing benefits that were touched upon in our research.<sup>33</sup> They too noted that a lack of understanding of government systems, a reluctance to engage with services and language skills were key barriers for those from Black, Asian and Minority Ethnic groups when it came to accessing benefits.

### **Eligibility**

Not everyone from minoritised ethnic backgrounds has access to benefits. One participant, for example, noted that those coming to the UK with certain visas aren’t able to access public funds:

**“Because [the female Asian clients supported] are coming from different visa they can’t be able to approach for the public funds – that kind of issues the ladies are facing.”**

For some people entering the UK, their visa may include the condition that they have ‘no recourse to public funds (NRPF)’. This means they will be unable to claim most non-contribution-based benefits. Almost 1.4 million people in the UK are estimated to have no recourse to public funds.<sup>34</sup> They noted that work, study and family visas (time-restricted visas) granted to people coming to the UK from outside the EU, deny access to most benefits. This condition does not apply for those who are granted indefinite leave to remain (ILR), as they no longer need to reapply to remain in the UK. The NRPF condition applies to non-EEA residents who are subject to immigration control.

Various participants described the vulnerability of those unable to access public funds, describing how this could lead to destitution in some cases:

**“They don’t get any money from Home Office, you know, that means then they're destitute**

<sup>34</sup> The Migration Observatory (2020) Between a rock and a hard place: the COVID-19 crisis and migrants with No Recourse to Public Funds (NRPF)

**so they're solely relying and I've had clients that have been destitute for about 4, 5 years and they've been solely relying on friends, charity, so whether that's sleeping on someone's floor, handouts, things like that and wherever really they can get somewhere to sleep and food and clothing."**

**"The migrant women are more vulnerable, they're more isolated, they're less likely to be able to speak the language, they're less likely to have friends or relatives in this country, they're therefore more likely to be imprisoned within their home. They're less likely to have the skills or the knowledge on where to go for help or get work and they have no recourse to public funds in most cases so they are also more likely to face destitution, not just poverty, destitution."**

Other research supports the suggestion that those with NRPF may be more financially vulnerable: for example, a report by Citizens Advice, based on a survey and qualitative interviews with those with NRPF, found that 81 per cent of people with NRPF are behind on at least 1 bill, compared to 1 in 5 (20 per cent) people in the UK overall.<sup>35</sup> During the coronavirus pandemic, Citizens Advice reported that the number of clients they advise on issues related to NRPF almost doubled.

### **Takes time to access financial support**

A final point on accessing financial support was that it can take a long time for money to reach people in emergency situations. One interviewee described an asylum seeker client who had enough food in the house to cook but whose cooker had broken down, leaving no means of

heating up food. They couldn't afford to get it fixed or replaced, but there was also no way of them receiving hardship funds quickly enough to get it sorted so they could feed their children. In this instance – and in many others – our interviewee was forced to ask the local community for support, as they could do so much more quickly than via any official channels:

**"Obviously I could have done DAF [Discretionary Assistance Fund application] but that would have taken me 2, 3 days so I've just reached out to all the local community groups I had, I said 'look here's a family... can you help?', so I had two families come forward they said 'look I'll order pizza for the children – as soon as they come from school the pizza will be delivered', and then I had another family from the community saying 'I'll do an evening meal, I will deliver if you give me the address' and I had some cash donation as well. So for crisis like that I do reach out to the community groups rather than any funding opportunity we may have and which takes longer to process."**

### **3.2.2 Social security policies**

Interviewees highlighted that certain policies of the UK's current approach to welfare have a disproportionate impact on minoritised ethnic groups because they're more likely to have larger family sizes or live in high rent areas (in particular London).

The benefit cap is a limit on the total amount of benefits a household can access, with current caps ranging from £13,400 to £23,000 per year depending on location (inside vs outside of Greater London) and family circumstance (e.g. in a couple vs a single adult).

Families can also only receive the child element of Tax Credits or Universal Credit for a maximum of two children, unless they were born before 6 April 2017.

Both the benefit cap and 'two child limit' were policies mentioned by one respondent in our research who noted that the larger family size of Bangladeshi households results in a disproportionate financial impact of the bedroom tax, benefit cap and two child policy.

**“it would be fair to say Bangladeshi household is bigger compared to a standard, 2. 3 children that you get in the Anglo-Saxon household. So naturally there are more mouths to feed but yet the cost of feeding isn't enough, so we're dealing with bedroom tax and benefit cap, 2 child policy, those sort of things really that were really impact no doubt, for sure” (Ripon Ray, debt expert)**

This chimes with previous research from the Joseph Rowntree Foundation who noted that 8 in 20 households affected by the benefit cap in England are from Black and Ethnic Minority backgrounds even though they only make up 3 in 20 of the population.<sup>36</sup> They also noted that the number of households affected by the benefit cap doubled from February to August 2020 and so this is likely to have become an increasing issue over the course of the pandemic. Large families and those in high rent areas (e.g. London) are particularly affected by the cap, both issues that have a disproportionate impact on minoritised ethnic groups.<sup>37</sup>

In relation to maximum child element payments, a report by the House of Commons Work and Pensions Committee noted that there is evidence to suggest that communities which tend to have larger families will be disproportionately impacted.<sup>38</sup> For example, they noted that Muslim, Jewish, Pakistani, Bangladeshi and

Gypsy, Roma and Traveller groups, and families in Northern Ireland are all disproportionately affected by the policy. They noted, for example, that on average 31% of children in the UK live in families with three or more children, but that this figure is much higher for Muslim (60%) and Jewish families (52%).

### **Uptake of benefits**

A further issue identified was reluctance to apply for benefits among many from minoritised ethnic backgrounds because of pride and the stigma associated with accessing benefits within their communities.

More than one respondent mentioned that for many people from ethnic minority communities, they may be too proud to ask for help or ashamed to ask for it.

**“I'm not the person who claims benefits, I never wanted anything from this government' and they are quite ashamed to even ask for help even if they have no money at all left to live.” (East European Resource Centre)**

**“Lots of them would be sort of too proud to ask for help, they think they can still manage with what they have. A big number of them also think that they have no right to ask, it's not for them, even if they qualify, they feel like the environment maybe is quite hostile and they don't feel like they can ask for help.” (Building Communities Resource Centre)**

One respondent noted that for those from Traveller backgrounds in particular this pride was especially relevant for men, who in turn relied more heavily on women to access benefits.

**“A lot of the men are really reluctant to claim benefits because it's a pride thing, you know,**

<sup>36</sup> Hetherington (2021) [New research highlights 'shameful' racial disparities in housing system](#). JRF.

<sup>37</sup> House of Commons Library (2016) [The benefit cap](#).

<sup>38</sup> House of Commons Work and Pensions Committee (2019) [The two-child limit](#).

unfortunately that means that they will rely on the women in their family, so maybe their mother if it's a son, to claim benefits and then she's expected to give money to him to enable him to live, so benefit that's meant for one person is actually trying to cope with two."

### 3.3. Expenditure-related issues

#### Cost of living

A number of the organizations we spoke to noted that their clients were struggling to manage the rising costs of living, but this was generally a reflection of the same struggle that many in low-income UK households face, whether they are from minoritised ethnic groups or not. For example, those in rural communities were effectively paying more for groceries due to the cost of getting to the supermarket. Similarly, the trade-off between increasing hours, paying more childcare and losing eligibility for benefits was raised as an issue among people from minoritised ethnic groups in rural Northern Ireland, reflect the dilemmas that many low paid mothers face.

The need to live in a particular location, to be near others in your community was raised as a particular issue for Jewish communities in London, given the house prices in these areas, but has also been an issue for lower income Londoners in non-Jewish communities.

There were some instances where managing the cost of living was related to factors specific to different communities. For settled Travellers living in rural communities, for example, the rising cost of fuel is an issue, given the necessity of owning a car, and the reliance on oil or gas as means to cook or heat your home.

**"Fuel costs have gone up... particularly if you live in a caravan on a site or on the side of the road, you probably rely on calor, they aren't necessarily calor but they're the big gas bottles and it's almost like a closed market, so it's not like 'you can shop around really to find the cheapest one or you can't go on, you know, Go Compare or Meerkats or whatever it's called to 'find the cheapest one, and some gas people won't deliver to Traveller sites."**

Recent migrants to rural areas may not have been able to afford, or been able to buy a car,

and the cost of getting around on public transport was therefore a considerable burden – especially where it was for essential things, such as hospital appointments.

Other interviewees noted that language barriers, and unfamiliarity with how finance works in the UK, particular among recent migrants, could result in paying more for things.

**“Unfortunately for ethnic minorities, again you’re back to that barrier [communication], going into a shop and being able to say to the guy in the shop this is what I want and can I do this.” (Mindwise NI)**

More broadly, research has shown that those from minoritised ethnic groups are more likely to pay more for certain essential goods and services, a ‘poverty premium’, including paying more for gas and electric bills<sup>39</sup> and increasingly, it is evident that there is an ‘ethnicity penalty’ in insurance pricing<sup>40</sup> – recent analysis found that customers who live in areas with a high black or South Asian population were quoted £280 more for car insurance in comparison to areas where the population is more white. Latest statistics to September have also shown that 44% of White adults have found it difficult to afford energy bills, compared to 69% of Black or Black British and 59% of Asian or British Asian respondents.<sup>41</sup>

### **Family and social obligations**

Among a number of minoritised ethnic groups, financial and social obligations to their wider families played a very important role, often as a way of consolidating the bonds within the community; these obligations could be costly, however.

**“I think as with all ethnic communities the idea that families stick together and you have to**

**celebrate together and make a big fuss of things counts very heavily, right. Big family weddings, a bar mitzvah or something you can’t let your own side down and you, I won’t say you’ll beg, steal or borrow, but you’ll certainly put yourself into more debt than you would otherwise.” (The Paperweight Trust)**

For Jewish people the cost of hosting these celebrations was compounded by the need to buy Kosher food, which was estimated to be 1.5 to 2.5 times the price of the non-Kosher equivalent. There was also an expectation of new clothes, makeup, and flowers at these events, to ensure that the family wasn’t being ‘disadvantaged’ – the implication being that social standing within the community was often gained or lost in this way.

Other groups had similar expectations in terms of attending family events; amongst Traveller communities, people were expected to attend funerals or weddings, irrespective of whether they could afford the cost of getting to the event. Those who didn’t attend would face ‘strong criticism and difficulties’, which added to the pressure.

For those in other communities, the social and familial obligations were more directly financial. It was not uncommon for migrants to send remittances to support family, either in their home country, or in other countries. Research from the Migration Observatory found that 30% of migrants born outside of the EU sent money abroad at least once in 2016/16.<sup>42</sup>

The complexity of family networks amongst refugees could complicate where money was needed, and invoke emotions that might outweigh rational spending decisions. One interviewee gave the example of a Syrian couple, who were sending money to a family in Lebanon who had taken in their 18-year-old son. The

<sup>39</sup> Davies and Collings (2020) [The-Inequality-of-Poverty-Full-Report.pdf](#)

<sup>40</sup> Cook et al (2022) [Discriminatory Pricing](#) Citizens Advice

<sup>41</sup> Office for National Statistics (2022). [Impact of increased cost of living on adults across Great Britain.](#)

<sup>42</sup> The Migration Observatory (2020) [Migrant Remittances to and from the UK](#)



hundreds of pounds they were sending each month was leaving them very short of money, but the father felt this was the least he could do.

**“He actually described it as shameful to him that he wasn’t able to look after his family and that he was living here in relative luxury and his son was in Lebanon being subjected to horrible condition.”**

Among those from South Asian backgrounds, there was similarly an obligation to support family financially to **“make sure that everybody is taken care of”**, although it was noted that this could leave some open to exploitation by other family members. There was also a further gendered element to family financial spending in this community, as families within some cultures still paid bride prices and dowries, or had an expectation that women should be married before buying a property, which could impact on the timing of women being able to improve their financial position. Overall, the impact that the cultural financial expectations had within families could be described as **“multidimensional, everyone is very nuanced, every culture is very nuanced as well.”**

### 3.4. Debt and borrowing behaviours

In 2020, the FCA found that overall, those from Black and Minority Ethnic households were less likely than white households to hold formal credit such as credit cards, personal loans or motor finances, but more likely to have borrowed from friends and family<sup>43</sup>. Overall, the views of our interviewees echoed this picture and broadly speaking, there was a consensus that consumer credit debt was less prevalent among minoritised ethnic groups than white communities. On the whole, as noted in the previous section, finances were perceived as a wider family issue, and therefore borrowing, when needed, would generally be done within the family.

In some communities, the belief that individuals should rely on each other financially could lead to stigma around debt owed to a person or agency outside the community. In Irish Traveller communities, it was noted that there was real worry over any debts that had been accrued, such as rent arrears. This was the case even if the arrears were because of a temporary halt to housing benefit, or Universal Credit, rather than as a result of overspending. This stigma appears to arise in part from concern over how those in debt would be perceived within the community, in much the same way that spending on family events could impact on positively on perceived standing.

**“I don’t know maybe it’s because it’s more of a cash based [economy], I think and it’s quite close, I think a lot of people know everyone’s business, you know. Well maybe that’s the perception that people will find out, that people will find out you’re in arrears or in debt and I think there’s that stigma amongst their own community that maybe they won’t seem as credit worthy.”**

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<sup>43</sup> <https://www.fca.org.uk/insight/ethnicity-personal-finances-and-coronavirus>

This may be of particular concern in communities where it may be harder to access formal borrowing, as others in the community may be the only source of credit. Perhaps as a consequence of this stigma, an interviewee from an organisation in Northern Ireland had come across many instances when those from Traveller backgrounds had used illegal money lenders. It also suggests that, in fact, debt issues may be greater than is generally evident in minoritised ethnic communities, as the borrowing is less likely to be formal borrowing.

Other minoritised ethnic groups have formalised the informal borrowing that happens within the community. There is no religious objection to borrowing within Jewish communities, for example, and many synagogues will have set up a Free Loan Fund. Wealthier members contribute to the fund, which is then loaned interest free to lower income members, when they are in need. However, as with those from Traveller backgrounds, there was concern that worry over stigma when letting others know your personal financial situation may prevent those in need from taking up this offer.

**“There’s definitely an emotional and personal barrier to approaching them saying I am on my last pennies, I really need this because I’ve got a gas bill and an electricity bill and so on and so forth.” (The Paperweight Trust)**

The shame felt from being indebted could also impede those with language barriers from getting the help they need to resolve their debt issues; some were reluctant to bring a friend with good English skills to help them, as they don’t want them to know they have fallen into arrears with bills.

On occasions, debts were accrued to finance the family obligations discussed in the previous section; however, more commonly, the debt held within the minoritised ethnic communities was household bill arrears, fines, and low-level borrowing, often at high cost; in many respects, the same debt that is seen in low-income households across all ethnic backgrounds. However, unfamiliarity with the systems of

government or businesses, or language barriers could impact on how debt was experienced in minoritised ethnic communities.

Literacy levels can be low among some in Gypsy, Roma and Traveller communities, and this can be a barrier to dealing with any fines incurred.

**“Unfortunately, because people aren’t literate they don’t pay it within 14 days so they get the reduced rate, so it builds up and up and up and then they bring it to us 6 months later saying these people keep writing to me, what’s it about?”**

The interviewee also noted that often there is no phone number on these letters, making it difficult for those who have lower literacy or digital capability to address and sort out these debts.

The language and cultural barriers could also leave some from minoritised ethnic communities vulnerable to more exploitative forms of credit. One interviewee gave the example of a client who had had a stroke, who was thinking about taking out a loan for an electric scooter with what was described as a ‘very suspicious lender’.

Given the concerns that many in minoritised ethnic communities have about others knowing that they are struggling, many will borrow when it is offered to them. Lack of awareness of other options they may have, compounded by language issues that result in borrowers not fully understanding the terms of the lending can mean taking on high-cost credit.

**“We would have quite a high number of clients that use Provident from an ethnic minority and that’s simply because Provident came and knocked on the door and offered them money or offered them goods and that, it made it easier, if you like and took away the need for the client to have to go to somewhere to borrow money.” (Mindwise NI)**

For those of Islamic faith, it was important to have access to non-usury credit products (that don't charge interest) but finding such products could be difficult. One participant, for example, described how the limited market in the UK for such products meant that the fees charged for them were not as competitive as the equivalent interest rates charged by mainstream lenders. They explained that this could lead to people taking out credit products that were not Sharia-compliant and then hiding this from their family:

**“Some people are hiding what financial products they’re using because of religious grounds and so husbands won’t tell their wives that they’re actually borrowing on a loan that’s interest-bearing.” (Fair Money Advice)**

An inadequate income, or not accessing support that people are entitled to can lead to borrowing if its easily available. One organisation observed that for some in the Eastern European groups, a reluctance to claim benefits or other financial assistance that they may be eligible for means that they take on unnecessary debts to manage.

There is also the issue of access to cheaper, mainstream credit. Both recent and older evidence found that those from minoritised backgrounds are more likely to be excluded from mainstream credit access in the UK. During the period of generally widening access to credit in the UK (2004 – 2007), those from Asian backgrounds were likely to have less access to bank loans, whereas those from a black background had greater levels of exclusion from the credit card market<sup>44</sup>. More recently, an evidence review of lending practices in the UK confirmed discriminatory practices impacting on those from Afro Caribbean and Asian households.<sup>45</sup> Our understanding of the borrowing behaviour of those from minoritised

ethnic groups should therefore be contextualised within this reduced access to mainstream credit.

## **Financial inclusion, knowledge and capability**

### **Financial inclusion**

Related to the aforementioned issues of access to credit, a wider theme emerged from our interviews of the difficulties that some from minoritised ethnic groups have in accessing financial services, specifically bank accounts. Having access to bank accounts and other financial products is considered an integral part of being financially included in society – given they enable easier receipt of income, whether that is from employment, benefits or a pension.<sup>46</sup> Bank accounts are also important with regard to paying for services, such as utilities via direct debit, which are often cheaper than other alternatives.

Many of the most vulnerable people whom our participants supported were described as being financially excluded in some way. To contextualise this, previous research shows that – while overall the proportion of people in the UK without access to a bank account is low – lack of access was more common among those from ethnic minority backgrounds: 4 per cent of ‘BAME’ people were ‘unbanked’ in February 2020, compared to 2 per cent of white people.<sup>47</sup> This was highest among Asian (6%) and mixed-race consumers (5%). Further analysis, however, suggested that other demographic factors – namely age and income – were the key drivers of this relationship. In other words, ‘those who are young or on low incomes are more likely to be unbanked, regardless of the ethnic group to which they belong. Because as a group, BAME consumers tend to be younger and have lower incomes they are overrepresented in the unbanked group.’ Factors such as migration status and first language, however, were not controlled for.

Our research identified a range of barriers that may prevent people from minoritised ethnic groups accessing or making the most of financial

<sup>44</sup> Deku et al (2013) [Working papers RBF13\\_006](#) Uni of St Andrews

<sup>45</sup> Thompson (2020) [Relationship between Consumer Credit Card Debt and Immigrants in the UK](#)

<sup>46</sup> McKay & Rowlingson (2021) [Financial Inclusion: Annual Monitoring Report 2021](#)

<sup>47</sup> FCA (2021) [Ethnicity, personal finances and Coronavirus](#)

services – each of which are then discussed in more detail in turn:

- Lack of documentation
- Language barriers and difficulty communicating with financial services
- Lack of digital access
- Discriminatory and unhelpful attitude of some banks
- People assume that they will be excluded, so do not try to access services
- Reliance on basic banking services or sharing accounts

### Documentation

Our interviewees reported that it can be difficult to access banking services because of a lack of ID or paperwork needed to open accounts. For example, those from Gypsy, Roma and Traveller backgrounds were highlighted as being less likely to keep paperwork and therefore struggling to prove their identity.

**“I don’t know if you’ve tried to open a bank account lately but they seem to think everybody... wants to launder money even though you actually only want to create a bank account for your 15 year old to pay her pocket money into. So if you come from a community where actually holding onto paperwork is not the strongest point in your life because you don’t know whether it’s useful paperwork or not, proving your identity can be quite difficult.”**

This is a long-standing issue, with previous research showing the difficulties that migrants can have with documentation.<sup>48</sup> For example, it may be difficult to obtain proof of address

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<sup>48</sup> See, for example: Winkelmann-Gleed and McKay (2005) [Migrant workers in the East of England](#).

because of living in shared or temporary accommodation without access to a tenancy agreement.

Some banks are working with charities to try and change this. For example, Lloyds banking group teamed up with The Cotton Tree to improve access to banking for refugees and asylum seekers in the UK.<sup>49</sup> Halifax, Lloyds and Bank of Scotland will now accept additional forms of identity (including biometric residence permits), and they are also conducting pilots at 12 branches to test the potential of using a letter from a charity as a form of identity.

### Language barriers

Language barriers were again highlighted as an issue, in terms of financial inclusion. It was commonly noted that it can be very difficult for those from ethnic minority backgrounds to open accounts or get the right financial products if they do not speak English. For example, it can be difficult to communicate their needs to a bank:

**“It’s the language barrier but as well the inability of expressing what they want when they go into a bank and a bank or people from a bank they don’t know how to assist them.”**  
(Migrant Centre NI)

It was common among those with limited English to use friends or even children to interpret for them when attending a bank branch – an issue not unique to financial services and one we return to in more detail in chapter 5.

A lack of literacy – in any language, let alone English – can also cause profound difficulties for the most vulnerable:

**“The fact that they couldn’t even read or write obviously made it difficult for them to access other things including banking services, perhaps benefits like somebody would have to**

<sup>49</sup> The Cotton Tree (n.d.) [Cotton Tree helps refugees to access banking](#).

**tell them this information, they wouldn't be able to see it, you know, even if it was in their own language because they couldn't read or write in their own language either.” (East European Resource Centre)**

### **Digital access**

Difficulties accessing a range of digital services were raised by a number of participants – as described in Section 3.2, for example, some people from minoritised ethnic groups may struggle to access ‘digital first’ benefits systems. These broad challenges with digital access could potentially lead some to struggle to access financial services. One interviewee noted how people from Roma backgrounds sometimes found it difficult to access a bank account online, as they weren't confident completing the online application.

It is unclear as to the extent that digital access affects financial inclusion more broadly. Evidence on digital uptake among different minoritised ethnic groups, for example, is somewhat mixed. Analysis of Ofcom's Adults' Media Use and Attitudes survey suggests that, compared to 'extensive users' of the internet, 'limited users' are 1.5 times more likely to be from Black, Asian and minority ethnic groups.<sup>50</sup> Such users are not 'offline' but may not have constant access to affordable internet or may lack the digital skills, confidence, or motivation to use the internet. The Lloyds Bank UK Consumer Digital Index on the other hand actually estimates that the percentage of people from non-white backgrounds who were digitally excluded (1 per cent) was lower than that of the white population (6 per cent).<sup>51</sup> It is unclear whether this differs when disaggregated to more detailed ethnic groups and whether the research accurately captures the hardest to reach groups.

### **Discrimination and attitude of financial services**

In addition to practical issues such as not being able to speak English or having access to the right documentation, interviewees highlighted that discrimination can also play a role in preventing people from minoritised ethnic groups accessing financial services.

For example, one interviewee talked about a client from a Roma background who was told to leave the bank because they weren't allowed to bring a large family in:

**“Another thing that [an adviser] told me about was Roma clients not being able to access banking products or help from other charities because of the kind of stigma and some of the reasons given to them are just really obviously discriminatory. Like you can't come to the bank in a large family, I mean that's just crazy, of course you can go to the bank in a large family.” (East European Resource Centre)**

Others talked about how banks might dismiss those from ethnic minority backgrounds because they think they are untrustworthy or not worthy of an account.

**“The bank wouldn't open to them, they just disregard them, okay, you're not trustworthy enough. They wouldn't say that in a way we'd find all kinds of reasons.” (Migrant Centre NI)**

**“An unwillingness of some of the banks of working with them...these people are from Roma backgrounds, you know, they dismiss them right away as they walk in, kind of oh you are kind of a second class citizen, no, they're just humans, because you know they have other issues you should not disregard them okay you're not worth having an**

<sup>50</sup> Good Things Foundation (2021) [Digital Nation 2021: Sources](#).

<sup>51</sup> Lloyds Bank (2021) [Essential Digital Skills Data Tables](#).

**account with our bank. I think it's the mindset of the banks." (Migrant Centre NI)**

As mentioned in chapter 5, there was, however, a sense that creditors had generally improved the way they support individuals in vulnerable circumstances in recent years. In particular, where people were able to access specialist support teams within creditor organisations, their experience had generally been more positive.

#### **Assumption of exclusion**

Lack of trust may also limit engagement with banking services. One interviewee suggested that some from Gypsy, Roma and Traveller backgrounds have a mistrust of the banks and assume that they would be excluded from them:

**"Maybe a mistrust of it as well to be honest, mistrust of getting in with banks. It's definitely also it's sort of feeling that they would be automatically excluded that they didn't know that they would be able to get these services or they wouldn't expect to get these services from a bank, they would expect to be excluded from them."**

#### **Reliance on basic banking or sharing accounts**

It was not uncommon for certain minority groups who do have access to banking to rely on basic facilities or use non-mainstream banking providers. For example, one interviewee mentioned that for those from Gypsy, Roma and Traveller backgrounds, although they could access banking, it was 'underutilised' and they were therefore more likely to use basic banking facilities:

**"It's quite underutilised, their accounts, so they often have like simple accounts where it's just like a cash card account and they don't seem to have adopted like, you know, like setting up**

**direct debits or using online banking as much."**

Another talked of how bank accounts were sometimes shared across multiple members of Traveller families:

**"There does seem to be almost a communal pooling of monies sometimes. So three or four family members money will go into one bank account and that person then kind of divvies it up and provides for all of those people."**

In an attempt to improve access to banking services, one organisation we interviewed had worked with a local Credit Union to try and encourage people from Traveller backgrounds to sign up, with some success:

**"We had like, we tried to do a deal with the local Credit Union so they could join the Credit Union and we've managed to get a few of them to join the Credit Union, the local community to join the Credit Union, we gave like an incentive if they joined up and they were really, you know, people took it onboard and there was good sign up at the start. I suppose it's keeping those relationships going because you do a lot of work at the start and then things fall away, so you really need to keep at it."**

### **3.5. Financial knowledge and capability**

It is important not only that members of ethnic minority communities have access to financial services but also that they have the confidence and ability to utilise products that are available. A theme from the interviews, however, was that some people within minoritised ethnic groups can lack the financial knowledge to do so:

**“Knowledge of money, knowledge of debt, knowledge of financial inclusions, it’s much, much more still limited [within Bangladeshi communities] compared to the wider communities”. (Ripon Ray, debt expert)**

Cultural stigma around talking about money is also seen as a barrier to improving financial knowledge:

**“There’s definitely cultural ideas around not talking about things such as life insurance and wills and tempting fate, and I think that spreads across people from maybe black Caribbean backgrounds and also black African backgrounds as well, you know, you’re kind of bringing bad luck upon yourself if you kind of talk about these things” ... “If you’re not from an environment that talks about how to manage and budget, you know, the end result can be a lot of debt, so going into life and accumulating a lot of debt and then maybe having a realisation a bit later on that you need to unpick why you’ve made those decisions.”**

It was also suggested by an interviewee that some people from minoritised ethnic groups might be scared to say they don’t understand something because they don’t want to look ‘stupid’:

**“A lot of the time people will be scared to say I didn’t understand something in case they look stupid or they, you know, they think that you’re, and you’re like no, and so as an advisor especially on the telephone service you have to make it clear, if you do not understand what I’m saying or you have any**

**questions it’s not stupid, it’s not showing that you’re not smart enough, this is a very technical and very specialist subject area, we’re not expecting you to know everything and anything about this, so ask questions, there’s no such thing as a stupid question.”**

Wider evidence shows that while many people of all ethnicities may have difficulty managing money, issues may be particularly common among minority ethnic groups.

## 4. Mental health and money problems in minoritised ethnic communities

This chapter considers the intersectional relationship between money problems and poor mental health within minoritised ethnic groups. To contextualise this, we begin by exploring some of the mental health challenges that our participants described that have particular impacts upon the communities they support. We then look at our interviewees' views on how these communities experience the relationship between mental health and money, focusing on similarities and differences to what we already know about this relationship based on existing research.

### 4.1. Mental health in minoritised ethnic communities

The organisations that we interviewed described how people they support from minoritised ethnic groups would often show additional burdens on their mental health – regardless of their financial situation. These included the effects of:

- Trauma & grief – for those fleeing conflict, they may see high rates of PTSD or trauma; others may have experienced high levels of bereavement (for example, throughout the coronavirus pandemic; or higher levels of child loss among Traveller communities).
- Isolation, bullying & racism – for example, participants described cases of loneliness among migrants who were isolated from family or friends; others experiencing race-, culture- or religion-related bullying or name-calling.
- Sense of belonging – some described a general feeling of 'not belonging' to the UK.

- Disability / physical health – for some communities, rates of physical illness and disability were especially high, potentially causing added mental health strain. One participant, for example, described higher rates of 'glue ear' in Traveller communities caused by a lack of access to grommets for Traveller children.

Wider research to-date also shows significant disparities in the prevalence of some mental health conditions in minoritised ethnic communities within the UK. An analysis of three national mental health surveys with more than 26 thousand participants, for example, showed that those from black ethnic minorities had 2.9 fold increased risk of psychosis compared those of white ethnicity.<sup>52</sup> Black patients with psychosis also have worse outcomes across the course of 10 years than white patients.<sup>53</sup>

The largest study of mental health in the UK to date, the 2014 adult psychiatric morbidity survey looked at differences by ethnicity and gender.<sup>54</sup> For common mental disorders such as depression and anxiety, there were no differences based on ethnicity for men, however depression was more common in black women and panic disorder was more common in black, Asian and mixed women. Black or black British adults had a prevalence of Post-Traumatic Stress Disorder (PTSD) of 8.3% compared to 4.2% for white British adults, though this difference was not statistically significant. There was no difference in the prevalence of personality disorder or bipolar disorder based on ethnicity, and white British groups had higher levels of alcohol problems. Finally, there were no significant differences in suicidal thoughts based on ethnicity.

Throughout the interviews, participants described the added mental health burden that the coronavirus pandemic had had on many members

<sup>52</sup> Qassem *et al* (2015). Prevalence of psychosis in black ethnic minorities in Britain: analysis based on three national surveys. *Social psychiatry and psychiatric epidemiology*, 50(7), 1057-1064.

<sup>53</sup> Morgan *et al* (2017). Ethnicity and long-term course and outcome of psychotic disorders in a UK sample: the AESOP-10 study. *The British Journal of Psychiatry*, 211(2), 88-94.

<sup>54</sup> McManus *et al* (eds.) (2016) Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. Leeds: NHS Digital



of minoritised ethnic groups. This was related both to a sense that mental health pressures had been exacerbated as a result of working in more precarious jobs, but also because many ethnic minority communities had seen higher levels of bereavement during the pandemic.

### **Inequalities in mental health care in the UK**

The recent NHS race and health observatory found ethnic inequalities in a range of NHS mental health services.<sup>55</sup> They concluded that there are barriers to help-seeking which can relate to distrust and a fear of being discriminated against by services. There was evidence for minoritised ethnic communities being less likely to self-refer or be referred by their GP to Increasing Access to Psychological Therapy (IAPT) services, as well as less likely to receive Cognitive Behavioural Therapy (CBT) for psychosis. They suggest that this is the case for a number of minoritised ethnic communities, though there was less evidence for Chinese populations and Gypsy, Roma and Irish Travellers. The report also concluded that there was *“strong evidence that there were clear and persisting ethnic inequalities in compulsory admission to psychiatric wards”*, this was especially the case for black groups but also mixed black and white and south Asian. People from black backgrounds also appear to be more likely to be restrained or put in seclusion whilst in hospital.

## **4.2. Mental health and money problems in minoritised ethnic communities**

Our interviewees recognised the importance of the relationship between mental health and money problems – both for the population at-large and for minoritised ethnic groups. Key points raised were:

- A ‘vicious cycle’ between money and mental health exists regardless of ethnic background.
- Many members of minoritised ethnic groups face a ‘double stigma’ where it is particularly

difficult to discuss both money or mental wellbeing, so discussing the two together may be especially challenging.

- This – coupled with close-knit family and community ties – can lead people to delay seeking help and may cause ‘poor’ financial decisions, such as prioritising debts in an order that wouldn’t usually be advised by trained debt advisers.
- There was concern about the long-term mental health impacts on children of using them as translators when talking about financial difficulties and/or mental health problems.
- People with limited English skills may experience additional stress or anxiety about dealing with paperwork or written communications about their finances.
- Some people with no recourse to public funds face particular anxiety if they find themselves unable to work (often due to poor mental health in the first place) as they are unsure what support they may be able to access, if any.
- A lack of trust in the system can result in fears over facing penalties or even sanctions when seeking help, which can cause people to put off looking for support.
- Additional difficulties for those from minoritised ethnic groups who are experiencing domestic or economic abuse.

### **A ‘vicious cycle’**

Multiple interviewees described the relationship between financial difficulties and poor mental health as a ‘vicious cycle’ or ‘vicious circle’. There was widespread recognition that – for most people, regardless of ethnic background – poor mental health could exacerbate financial problems, while financial problems could certainly make someone’s mental health worse.

<sup>55</sup> Kapadia *et al* (2022). Ethnic Inequalities in Healthcare: A Rapid Evidence Review.

As one interviewee described it, the link between finances and mental wellbeing is:

**“The strongest magnet you will ever come across, the link between the two.” (The Paperweight Trust)**

Another participant described in detail how financial worries could come to dominate an individual’s thoughts, with knock-on impacts for how they feel and act:

**“If you have financial worries that is going to impact on your thoughts, your feelings and your behaviour...”**

**It impacts on your sleep, we have people coming in here ruminating who are not able to focus on anything else..., especially now with the latest news, you know, we’re going to see a lot of choosing between heating or eating and people who then become isolated because they aren’t able to go out and do the things they would maybe want to be able to do to engage in the community...**

**...Self-esteem takes a huge battering and all of that has, you know, it just has an overall knock-on effect.... I suppose the three biggies would be stress, anxiety and depression.”**

A feeling that also commonly came up throughout the research was shame. Many people, regardless of ethnic background, feel ashamed if they are struggling with money and this can have significant impacts for either their mental health or ability to seek help for their problems:

**“You might be dealing with the Bangladeshi or the Indian community, you might be dealing with people from the African subcontinent who are Somali or Nigerian or West African or East African... they all have different cultural kind of ideas and perceptions around money and even within families and individuals they’ll have different relationships and understanding about money. But one thing that we’ve seen that seems to be quite universal is the kind of shame around money especially when you’re not doing well with it or there’s a problem or you’ve got a lower income, there’s less communication, conversation, getting support around those issues. So shame and embarrassment seem to be a big thing and people don’t necessarily want to talk about it.” (Money A+E)**

Previous research has also shown that shame mediates the relationship between financial hardship and anxiety in the general UK working age population, highlighting the universal nature of this relationship.<sup>56</sup>

Creditor actions, such as letters from debt collectors or bailiffs, or difficulty dealing with Government bodies were also highlighted as a trigger for mental health crisis:

**“We will get phone calls from people in mental health crisis and when you scratch under the surface of what might have triggered that, it’s a letter from a bailiff or their benefit has been dropped because they didn’t fill in the form properly.”**

<sup>56</sup> Frankham *et al* (2020). Do locus of control, self-esteem, hope and shame mediate the relationship between financial hardship and mental health? *Community Mental Health Journal*, 56(3), 404-415.

Collectively, these issues are consistent with the findings of other research that highlights the ‘vicious cycle’ between money problems and mental health.<sup>57</sup> The Money and Mental Health Policy Institute, for example, summarise several ways in which money problems can cause mental distress:<sup>58</sup>

- Cognitive load of dealing with financial difficulties
- Demands on time of dealing with financial difficulties
- Bad creditor practice, such as excessive contact by debt collectors or unaffordable demands
- Being forced to go without essentials
- Exclusion from social activities due to lack of money
- Relationship difficulties caused by money problems

The Money and Mental Health Policy Institute also describes how the relationship can work the other way around, with mental health problems causing or worsening financial difficulties / ability to deal with finances:

- Loss of income due either to period of mental health crisis or persistent low income as a result of un- or under-employment
- Relationship with physical health conditions that may lead to further loss of income or higher costs
- Mental health condition or side effects of mental health treatment affecting cognitive capacity and ability to handle finances
- Psychological barriers to engaging with finances, such as denial about problems or phobic about finances

<sup>57</sup> See also: Richardson *et al* (2017). A longitudinal study of financial difficulties and mental health in a national sample of British undergraduate students. *Community Mental Health Journal*, 53(3), 344-352.

<sup>58</sup> MMHPI (2016) *Money on your mind*.

- Higher spending (e.g. through manic, impulsive or addictive spending)

Research interviewing those with Bipolar Disorder has shown several mechanisms whereby poor mental health can lead to financial difficulties such as impulse shopping, excessive generosity to others, negative impact on employment (for example having to reduce hours or take lower-paid work), comfort spending, and poor planning or avoidant coping (for example avoiding opening bills when depressed).<sup>59</sup> A systematic review also found evidence that greater personal agency (feeling like you have some control over your financial situation), higher self-esteem and active coping all help to protect against the mental health impact of financial hardship.<sup>60</sup>

It is interesting to note that our research participants tended to talk more about how money issues affect mental health than vice versa. This may be an outcome of the sample of organisations recruited into the research; while a number of mental health professionals were interviewed, these tended to be those who work in public health rather than clinicians involved in mental health treatment (such as psychiatrists, psychologists, or psychological wellbeing practitioners). Further research could look to explore this issue from a more medical perspective.

### **‘Double stigma’ causing delayed help-seeking and ‘poor’ financial decision-making**

The strongest theme from the interviews on how mental health problems and financial difficulties interact for people from minoritised ethnic communities was that of a ‘double stigma’, whereby individuals may find it especially difficult to open up about both money and their mental health. While it is true that many people from all ethnic backgrounds may find it deeply difficult to talk about either of these subjects, it

<sup>59</sup> Richardson *et al* (2017). The relationship between Bipolar Disorder and financial difficulties: A qualitative exploration of client’s views. *Clinical Psychology Forum*.

<sup>60</sup> Frankham *et al* (2020) Psychological Factors associated with Financial Hardship and Mental Health: A Systematic Review. *Clinical Psychology Review*, 77, April, 101832.

appears that such difficulty is often heightened for those from minoritised ethnic groups, as seeking help for either financial difficulties or mental health issues can be particularly difficult.

**“There is a stigma around debt and there's a stigma around mental health, when you are someone who has got debt and mental health issues it's almost having a double whammy effect and certainly the stigma of being in debt in those situations will impact heavily on a client's mental health because the stress and the anxiety and the worry of constantly not being able to pay it back or not paying it back fast enough.”**

Because of this stigma, some participants observed how members of minoritised ethnic groups may be more likely to delay seeking help until crisis point, which ultimately may worsen both their financial situation and/or their mental health:

**“The expectation for them to have to put themselves forward to access mental health services when they're feeling particularly low is difficult anyway... with the additional delay in accessing mental health services, a bit of a reluctance to access mental health services for whatever reason, it just meant that perhaps the crises continued for longer and maybe stabilising, you know, getting to a stable place took a bit longer and hence all of those better financial decisions were delayed because they're in crises a bit longer. ”**

When people do come forward for support with their finances, their decision-making may also be affected by this stigma. We heard how some

debt advice clients from minoritised ethnic groups put themselves under excessive pressure to resolve their debt issues as fast as possible, even if this means placing themselves under enormous strain – both financially and mentally.

**“The stigma of being in debt in those situations will impact heavily on a client's mental health because the stress and the anxiety and the worry of constantly not being able to pay it back or not paying it back fast enough... A lot of the time you can set up a payment plan...but in their mind it's not clearing it fast enough and that keeps adding stress on.”**

Stigma and issues around social standing appear to affect the way that some members of different groups might view certain types of debt. While debt advisers know very well that some types of debt (such as council tax) tend to be higher priority than others, debt advice clients will have their own views on what they think should be paid first. Research from Citizens Advice (2016) found, for example, that “28 per cent of people would prioritise consumer credit debts – such as credit card bills, personal loans or overdraft repayments – ahead of household bills, like rent, mortgage or utility bills”.<sup>61</sup> The priority, the charity suggests, should be household bills but people are often unaware of the consequences of not paying these.

Being unsure how to prioritise debts appears to be a common issue regardless of ethnic background; however, people from different cultures or with different past experiences appear to view some debts differently to others. One interviewee, who works for a Housing Association in Northern Ireland, described how tenants from the Irish Traveller ethnicity tended to be much more concerned about rent arrears than was usually the case among tenants that they encounter from white backgrounds:

<sup>61</sup> Citizens Advice (2016) ‘[People putting themselves at risk by debt decisions](#)’.

**“It’s a stressful time for anyone being in arrears but sometimes it just seems to hit harder with [Traveller communities]”.**

The interviewee described **“a lot of issues of people self-harming”** from Traveller backgrounds after receiving notices seeking possession. They tended to find that Travellers would **“make a really big effort to try and get it sorted but sometimes they lack the confidence to sort it out themselves”**. Similarly, a debt advice professional described how stigma around debts could cause people from certain ethnic or religious minoritised ethnic groups to want to pay back certain debts sooner than others:

**“[The stigma and shame of debt] has a massive weight on a client and the way they make a decision because if they owe money to a certain institution and it’s seen as that’s like frowned upon then the more they want to pay that back more than say pay their council tax arrears or their rent arrears, it can skew their objectivity when it comes to prioritisation of debts because they think well I borrow money from my church so I need to pay my church back first.”**

### **The role of community and family ties**

Related heavily to the theme of stigma was the view among many of our interviewees that the relationship between money problems and poor mental health within minoritised ethnic communities is strongly affected by an individual’s ties with their family and wider community. Either living in a very close-knit community or being particularly isolated were both seen as potentially exacerbating the link between poor mental health and financial issues.

Where a minoritised ethnic community was relatively sizeable and established within an area, there was generally a sense among our

interviewees that such communities tend to be quite close-knit. While from some perspectives having a close-knit community is seen as a good thing, interviewees expressed concern about the added impact of mental health or debt stigma in communities where **“a lot of people know everyone’s business”**. Participants also described how some clients were keen to avoid ‘dishonouring’ their family by getting into difficulty with money and/or mental health.

An interviewee who supports people from Jewish communities described how until very recently poor mental health was actively hidden for fear of the wider community’s reaction:

**“[Poor mental health] was certainly covered up and certainly, well disguised in any which way, you wouldn’t wish for anybody to know that you had a sibling who had mental health issues because certainly in the more Orthodox circles it would affect the marriage chances of your other children, that was always a consideration, the marriage chances of your other children are a big, big, big, big factor.”**  
**(The Paperweight Trust)**

In Traveller communities meanwhile, interviewees spoke of how exclusion from mainstream consumer credit can lead to greater levels of borrowing within the community from friends and family. This may bring with it an added need for secrecy around any debt or financial issues, through fear of jeopardising a key source of borrowing, or of damaging financial standing more broadly:

**“If they don’t have access to credit elsewhere, maybe they’re borrowing between themselves, you know, they’re borrowing money from there and if they found out they’re in debt with someone else maybe it’s the risk of their sort of internal credit borrowing, you know, if you’ve got to pay**

**somebody back they're within the local community then you're going to struggle to borrow money in the future."**

Another interviewee described how – given how gender roles remain quite traditional in some Traveller families – there is particular stress for younger men in these communities to find work and provide a decent standard of living for the family which maintains their status within the wider community:

**"As soon as somebody you don't know turns up you 'show out', it's called 'showing out', so you would show what you've got to that person and it's a status thing... I think that does still exist and I think there's a lot of pressure on young men to provide for their family in a way that enables that 'showing out' to still happen, but actually it's really hard for young men to make a living because of all the reasons I mentioned earlier... I think there's a link there, this is my own theory, between that and the high suicide rate for Traveller men."**

Separately, problems may also occur where people take actions to support the finances of someone else in their extended family. One interviewee – who largely works with black communities – described the long-term stress and anxiety experienced by those who had taken out debts on behalf of other family members:

**"I have spoken to clients who have been very anxious because they've perhaps taken out debt again to support other family members and they've kind of regretted it and they perhaps not wanted to deal with it and kind of bury their head in the sand because it's quite**

**painful that maybe so many years along the line you've still got to deal with this debt."**

### **Impacts of using children to translate when discussing finances or mental health**

It was not unusual for interviewees to describe situations where children had to act as interpreters between a support organisation and their parent(s) with limited English skills. The practicalities of this are discussed further in Section 5, but here we consider how this might impact upon the mental health of the children involved or their understanding of their own place in the world.

Interviewees were concerned that using children to translate difficult subject matters could have long-lasting, detrimental impacts on their wellbeing, by exposing them to topics they might not necessarily be old enough to process:

**"I think it's sad that the child is at that age, it can't, that child at such a young age can be very aware of the difficulties, the heartbreak and the distress... that's within that family at such a young age and it would be, I just see it as very detrimental I think, I suppose to the child."** (Mindwise NI)

**"It just means that you're having to try and explain to a 9 year old child what bankruptcy means so that they can translate and explain to the parent what you're trying to say, and then vice versa."**

One interviewee described more broadly how financial difficulties can impact upon the mental health of children. They spoke of examples of children being unable to invite friends over to play because their house was either overcrowded already or in poor condition (e.g. mould/damp). This can have a damaging long-term effect on a child's mental health.

This tallies with other research showing the impact of debt and financial difficulty on children’s mental health, regardless of ethnicity.<sup>62</sup> Analysis of survey data showed that children in households who have debt with arrears were five times more likely to have low levels of wellbeing than those with no debt problems. The research revealed feelings of shame, embarrassment and guilt among both parents and children, as well as arguments over money and missing out on key social activities.

### **Added anxiety over letters and written communication**

It is well-known that many people affected by financial difficulties suffer from anxiety when they receive letters from financial institutions, debt collectors or utility suppliers.<sup>63</sup> Many will simply choose to ignore these communications and may need support in dealing with their paperwork, while others may experience suicidal thoughts as a result of threatening language within debt collection letters.

For members of minoritised ethnic groups with limited English-language skills, we found evidence of an increased burden on their mental health of these written communications. As one charity supporting East European people living in the UK described, failing to act on letters early can result in a worse situation later on:

**“We also have clients who suffer from anxiety and they are really scared to open letters. But it leads them again to have more problems later, the time, because they don’t open the letters, they cannot pay bills on time...”**

Advisers at the charity also highlighted how their clients will often unnecessarily doubt themselves and their ability to read English, so will require extra support to give them the reassurance they need to alleviate their concerns:

**“Even if it's some simple letter like some really simple unimportant letter, and they can understand it, but they don't trust themselves. They are afraid that it might be something bad and they prefer to send to us a copy of this letter or come to the office and show us the letter, just to confirm it's nothing bad. They seem to be stressed about receiving the letters.” (East European Resource Centre)**

### **Added stress from lack of safety net**

Our interviewees described the added mental health impacts that can be experienced by those who believe they are not entitled to benefits. Where an initial mental health condition (or any other health condition) means that someone with no recourse to public funds is likely to be unable to work, they may experience additional stress and anxiety about their financial situation compared with those who know they have a safety net to turn to.

**“If you are low mood, anxious and you have a mental health difficulty that is impacting you to the point that your GP has said I'm going to sign you off work, quite often these folks, you know, their entitlement to benefits and everything isn't the same as somebody who was born here. So therefore they get into like a vicious cycle of well I can't actually take time off work, you know, if I am working because I lose my only source of income and that puts the roof over my head and then, you know, you head down that rabbit hole of catastrophisation.”**

<sup>62</sup> Pinter *et al* (2016) The damage of debt. The impact of money worries on children’s mental health and well-being. The Children’s Society.

<sup>63</sup> MMHPI (2018) A silent killer.

**“For people who are not able to access benefits and are not working then there is no, you know, the girl that I'm actually talking about with the family that I'm dealing with at the minute.. she's just in tears all the time, you know, she just is constantly worried about the roof over her head, where the food is going to come from, her lack of income is just, it's horrible and her mental health is just, you know, there's very little help and support for her, to be honest.” (Mindwise NI)**

As previously mentioned, a lack of understanding of the benefits system can cause confusion and this is multiplied when coupled with the fact that some migrants are unclear whether they have recourse to public funds – one survey of approximately 300 migrants estimated one-in-eight (12%) were unsure whether they could access public funds or not.<sup>64</sup>

Contribution-based benefits such as Employment and Support Allowance (ESA) may be available to migrants with no recourse to public funds who have limited capability for work due to sickness or disability. This only applies where they have made sufficient national insurance contributions over the past two-three years (or in some circumstances where they previously made national insurance contributions in an EU country, Norway, Switzerland, Iceland or Liechtenstein).<sup>65</sup>

While help may therefore be available, this doesn't prevent extreme concern among migrants about whether they will actually be able to access support. As research from Citizens Advice shows, 83 per cent of people with no recourse to public funds (and 92 per cent of black women) say that it has had a negative impact on their mental health – with half

reporting that it has had a 'very negative' impact.<sup>66</sup>

### **Fear of being penalised or sanctioned**

Mental health and financial problems may also be exacerbated by fears that some people from minoritised ethnic groups have that they will somehow be punished or sanctioned if they seek help. There were concerns that some, for example, may be worried that disclosing a mental health condition could lead to being detained:

**“Perhaps you come from a country where if you disclose that you have a mental health difficulty then you're taken away to, you know, an institution and nobody really knows what happens behind those doors. So people think that that's what happens here as well, so they're reluctant to actually talk about any of that.”**

As raised in research by the East European Resource Centre (2013), there can be fears that statutory agencies are 'hostile and omnipotent' with one intervention leading to another.<sup>67</sup> Those they interviewed, for example, were worried that accessing mental health services could ultimately result in their children being taken into care.

For migrants who are struggling financially, there was also some concern about how seeking help could impact upon their visa status – with one interviewee describing how a client had **“even said things like I'm worried that they might kick me out of Northern Ireland if I don't have enough money to live here.”**

These fears may be compounded by the fact that some communities see little difference between charitable organisations and public bodies,

<sup>64</sup> Joint Council for the welfare of immigrants (2021) '[Migrants with No Recourse to Public Funds' Experiences During the COVID-19 Pandemic](#)'.

<sup>65</sup> See: Citizens Advice – [Check if you can claim ESA](#); UK Government – [Guidance: New Style Employment and Support Allowance](#).

<sup>66</sup> Smith *et al* (2021) [How do I survive now? The impact of living with No Recourse to Public Funds](#). Citizens Advice.

<sup>67</sup> EERC (2013) [East Europeans in London. A peer led study of the issues faced by East Europeans in London relating housing, employment, household income and support needs](#).



viewing them all as part of the same system – at least until trust is built up:

**“Lots of these communities maybe they're first or second generation feel like they're excluded from the system or a system that's out there and they may not see the difference between a typical advice agency like a CAB which I've worked for, a law centre or an advice agency or even a local authority or housing association advice agency, they often see them as being connected to the problem in a way, or the system and don't often trust that.” (Money A+E)**

### **Economic or domestic abuse**

Throughout the research we heard evidence of the intersectional relationship between ethnicity and gender in relation to various aspects of money. As raised in Section 3.1, interviewees discussed the gender gap in employment levels, with women from some minoritised ethnic groups being less likely to be part of the labour market. Section 3.5 meanwhile highlights issues around sharing of bank accounts between family members, which could increase the risk of economic abuse or coercive control over finances.

Issues of domestic and economic abuse (typically of women) came up in multiple interviews, despite the fact that official statistics do not suggest that people from minoritised ethnic groups are especially likely to be affected by domestic abuse. Figures for the year to March 2020, for example, show that white people (5.7 per cent) were more likely to report experiencing domestic abuse than black (3.7 per cent) or Asian people (3.6 per cent).<sup>68 69</sup> This may have occurred as a particular theme in our research due to some of the organisations interviewed focusing largely or specifically on supporting

victims of abuse. Thus whilst domestic violence is not known to be any more common in minoritised ethnic communities, the interviewees we spoke to saw it as a significant factor in the link between financial difficulties and mental ill-health in these communities.

Interviewees described how the women they support from some minoritised ethnic groups may be more vulnerable to certain types of abuse as a result of having less control of household income. One participant from an organisation that supports women (mainly from migrant communities) experiencing gender-based violence spoke of how patriarchal money practices can make it easier for abusers to control the amount of money that women have access to.

They described how women can “get plunged into poverty” if they leave a violent relationship. They may, for example, have to leave their job or may have an insecure immigration status where their right to stay in the country was dependent on being economically supported by a violent spouse or family member. With no independent means of income, they may not have the right to work and may not have the relevant skills to find their own job.

Having no recourse to public funds “means total destitution” for some people affected by gender-based violence:

**“[Those with no recourse to public funds] cannot claim... most benefits and therefore they can't claim housing benefit, which means they can't even get into a Women's Refuge which is the safest option for accommodation because refuges usually depend on rental income to survive and if you can't pay your rent, you won't get a space. Now the thing is obviously some refuges are now getting funding for those with no recourse to public funds, but usually that's limited and**

<sup>68</sup> Gov.UK (2021) ‘Domestic abuse – Ethnicity Facts and Figures’. Figures from Crime Survey for England and Wales.

<sup>69</sup> It should be noted that figures for some ethnic groups are unreliable due to small sample sizes.

**temporary. So, after that period and we have what we call the No Recourse Fund which allows us to pay some rent and subsistence but a refuge may still refuse them because they're worried about what happens when the funding ends because of course it's temporary, so they may still refuse them.” (Southall Black Sisters)**

This can lead to women turning to alternatives, such as hotels, hostels, friends or family – sometimes they even up with strangers, opening them up to further abuse.

**“Part of the abusive, pattern of abusive behaviour that migrant women experience is the abuser saying well you can't leave me because you have no recourse to public funds, you're not going to have any money and you'll be deported.” (Southall Black Sisters)**

An additional issue raised was that of dowry-related abuse. In these cases, a dowry may be taken away from the woman, despite it being something that she can take as security should she choose to leave her husband, or an abuser may force her to obtain one from her parents, regardless of whether they live in the UK or overseas.

Participants described the extremely damaging relationship between finance, abuse and mental health:

**“Most of the women we deal with, about 80% or 90% have mental health or emotional issues that result from the abuse and of course worries about finances and money. So there's an intersection between the finance, abuse and mental health and that kind of compounds their situation.” (Southall Black Sisters)**

There are also more barriers for those from ethnic minority groups – particularly migrant communities – to escape abusive relationships. They may, for example, lack an informal support network and may not trust family GPs:

**“They came here as a family, a husband goes to work, there is an issue of violence in the house and the woman is trapped and there is no support network.” (Building Communities Resource Centre)**

**“Family GP also sees the perpetrator usually so they know the family as a whole, so again the victim may not feel they can confide in their GP and even if they do confide in their GP there is a risk of breaches of confidentiality and judgement because the GP themselves maybe are quite conservative around women and culture.” (Southall Black Sisters)**

Perpetrators of abuse may also insist on accompanying the person they are abusing to the GP, again making it difficult for them to disclose abuse to the GP. Many GPs do not receive sufficient training on domestic abuse, so may not be able to recognise and act on any signs of abuse they see.

Participants described how collectively such barriers can result in them staying for longer, which may lead to more extreme outcomes, even including suicide or homicide.

## 5. Supporting minoritised ethnic groups with money problems and poor mental health

This section considers what money and debt advice organisations and policy-makers should try to do when supporting members of minoritised ethnic groups to resolve the financial issues that they face, and to understand the way in which these interact with their mental health. We base this on what our interviewees told us their organisations do which currently works well for minoritised ethnic communities, as well as what they think the barriers are to better supporting people.

We cover the following key points:

- Assessing who is not being reached by a service and listening to communities' needs, as well as the barriers to good evidence on this at present.
- Resolving language barriers, including issues with interpreters, provision of information in different languages, difficulties accessing English classes, and understanding that different groups may use language in different ways when talking about their mental health or money problems.
- Building trust in the support available – by building rapport over time within communities and by ensuring that advice clients receive a sustainable solution.
- Building understanding of the support available given the complexity of benefit, debt, healthcare and migration rules.
- Overcoming cultural barriers to support by tackling stigma around money and mental health, and by providing culturally adapted support.
- Tackling digital exclusion among vulnerable clients.

- Ensuring customers receive the right support when contacting creditors.

### 5.1. Understanding who organisations are not reaching and listening to communities' needs

Interviewees spoke about the importance of understanding who they as an organisation were not reaching. In other words, are there particular minoritised communities or people within communities who don't seek or access advice, and why is this the case? Without understanding this, these communities simply remain 'unknown unknowns' – it is difficult to assess how better to support them if you don't know who 'they' are in the first place.

This is critical not just in debt and money advice, but has also been recommended in other sectors. Best practice guidance for primary mental health service providers on supporting those from minoritised ethnic groups, for example, highlights the importance of developing a good understanding of the local community.<sup>70</sup> It suggests that by mapping the demographics of the local community and comparing this to the profile of service users, missing groups can be identified.

For those organisations that had established who is not currently accessing support, they were able to conduct outreach within these missing communities to understand how best to engage with them and how to meet their needs. Several organisations that we spoke to talked of the importance of doing this, not just once but on an ongoing basis:

**“The idea was the way that we would reach some of those hard-to-reach groups, as they were called, or those groups that weren't coming in the doors was to talk to them through their peers in their community,**

<sup>70</sup> Beck *et al* (2019) [Improving Access to Psychological Therapies \(IAPT\). Black, Asian and Minority Ethnic Service User Positive Practice Guide](#), BABCP.

people who look like them, people come from the same communities, their families, people who have been through the same problems that they have faced... So that's how we got to some of the groups, it's really through evaluation and seeing who is coming through the doors and we don't discriminate if anyone has got a money problem and they come in, but through evaluation and monitoring we've seen the diverse ethnic communities, those who are facing some form of social barrier and disadvantage." (Money A+E)

**"What is great about our CABs (Citizens Advice Bureau's) is that they work really hard to understand their communities needs and they will reach out to other projects in the area and other community groups and try and make those connections, so that their presence is known and we can, you know like we say we try and be available as possible."**

More broadly, interviewees commonly described the success they had by being as embedded as possible within local networks of community groups and support groups. Strong links between organisations not only enable services to better understand the communities they support, but also allows for smoother referral or signposting processes.

### **Ethnicity data issues**

Interviewees spoke of various barriers to understanding the needs of different groups. Resource constraints aside – which were a common theme of our interviews – there remain difficulties with how we collectively measure the

issues that different communities face. One interviewee, for example, talked of problems in the measurement of health outcomes data among Gypsy, Roma and Traveller communities because of the way in which the NHS Data Dictionary doesn't capture sufficiently detailed ethnicity data for patients from these groups.<sup>71</sup>

Similarly, another organisation spoke of difficulties in achieving fully representative samples when conducting research – especially where language is an issue – and also cited issues with the lack of data on the outcomes of people from different groups:

**"The lack of knowledge out there on like outcomes for different groups just feels like a really big black hole... The fact that there isn't a really good, detailed picture on people's mental health and their ethnicity that covers a whole range of financial areas just feels like a massive gap and 8 or 9 years is obviously way too long to leave it between [Adult Psychiatric Morbidity Surveys]. So more regular check ins on this and using other kind of more customer data that DWP or other bits of government might have or indeed whether debt advice organisations are collecting the sort of outcomes data for different groups would be a really interesting way to see if it is being effective and where not." (MMHPI)**

In relation to this, the Government's Race Disparity Unit in 2022 published its recommendations, which include one to 'use data in a responsible and informed way'.<sup>72</sup> It will 'consult on new standards for government departments and other public bodies on how to record, understand and communicate ethnicity data', 'engage with people from different ethnic groups to better understand the language and

<sup>71</sup> For discussion of this issue, see: Women and Equalities Committee (2019) Tackling inequalities faced by Gypsy, Roma and Traveller communities – 4 Data Gaps and how to deal with them.

<sup>72</sup> Race Disparity Unit (2022) Inclusive Britain: summary of recommendations and actions.

terminology that they identify with' and 'stop using aggregated and unhelpful terms such as 'BAME''.

## 5.2. Resolving language barriers

### Provision of interpreters

The biggest barrier that organisations struggled with was in supporting those with limited English skills. In some cases, this was resolved by employing staff who speak community languages; however, in many cases interviewees reported how – particularly at point of first contact – they and their colleagues often end up with a client's friend or family member, even children, acting as an interpreter. This is challenging, as not only can children be subject to very difficult conversations but "some things always get lost in translation" if they don't understand key technical terms (like 'bankruptcy'). Where adult family members act as interpreters there is also a risk that they may push their own agenda or promote a particular course of action, which might not necessarily be what the client themselves would have chosen. Clearly, this leaves a big risk of economic abuse.

An equal problem is that people with limited English often won't attempt to seek help at all if this means relying on someone else to translate. As explained by one interviewee:

**"When contacting some debt advice agencies clients are advised to bring a friend while, you know, in this particular situation when people have debts they don't really want to share it with family members or friends, it's a very, very private area and that's why people are getting all sorts of mental problems as well all around it, I think, because they feel like it's a vicious circle, they cannot bring a friend or their child, for example a single mum cannot**

**bring a 12 years old daughter to interpret for her about a huge, you know gas or council tax bill." (East European Resource Centre)**

Lack of provision for less common languages could be an issue; as an organisation which supports East European communities in the UK, the EERC described how – while most of their own staff speak multiple languages – there are few outside organisations that they can signpost or refer their clients to where they can be confident that language won't be a barrier.

Many of the organisations that we interviewed had encountered barriers in trying to use professional interpreters within their services. The cost of interpreters could be considerable, with the free language services provided by local authorities often not available. This extra cost has to come from somewhere, but not all funding will currently take it into account.

**"Obviously our service is free to use so we would never ask a client to pay, so that's where a barrier can be from a bureau's perspective because you can't turn around to that client and say 'oh well to access our service you need to pay this translator £20'... There's not a section in the budget for that... it usually just comes part of other overheads."**

A survey of 83 frontline debt advisers in 2021 found that just over half of advisers had interpreting costs paid for by their project funder (rising to around four out of five of the 54 MaPS-funded advisers surveyed, with most of the remainder saying either that their employer funds it or that they do not pay for this).<sup>73</sup> About one-in-ten advisers surveyed were encountering clients on a daily basis who need extra support with English.

The survey also asked advisers to estimate how long a 'typical' appointment takes with English-

<sup>73</sup> Agboh-Davison (2021) [Supporting foreign language speakers in debt advice. Access to interpreters and translators](#). Yorkshire & North Lincolnshire Money Advice Group.

speaking clients and with non-English speaking clients. This showed that appointments with non-English speaking clients were thought to take around half an hour longer than appointments with clients who speak or understand English (from a mean of 65 minutes to nearly 100). The issue of added-time cost was also raised in our interviews:

**“It actually ends up costing more because you have to wait for LanguageLine, you have to wait for an interpreter on the phone and it's not as connectable... I think the whole process gets lost; the messaging gets lost on the way. And I think it delays the conversation and I think when you are already bottling things in for so long and you hear, apart from communication difficulties through a telephone call service providing you're also having cultural barriers and it's ways to find a way to overcome that.” (Ripon Ray, debt expert)**

Another interviewee talked of telephone interpreting services that they use which cannot be booked in advance, so advisers and clients end up waiting on the phone for someone who speaks the right language to become available. One organisation, who supports people in a particularly rural part of the country, mentioned additional difficulties with booking interpreters to come out from the largest nearby city to do a block of meetings in one go.

Face-to-face interpreter services were seen as providing a more useful service for advisers:

**“Being face-to-face is so much easier when you're dealing with those situations because you can read the interpreter and translator but you could also read the body language and the non-verbal communication from your**

**client that you cannot get from the telephone and you definitely cannot get it from digital.”**

The quality of interpreting can also impede in the provision of appropriate support. For instance, some respondents spoke of the difficulty in fully understanding a client's situation, especially if they are talking about their mental health, when the interpreter gives only a very condensed version of what the client has said:

**“Somebody talks for 10 minutes and the interpreter gives you a 5 word answer and you're going, I know he said more than that. ... You know, I need verbatim what he just said to you and the interpreters don't get that, they give you the edited highlights.”**

One participant said that among those they worked with there had been some 'suspicion' that male interpreters were particularly guilty of this when being asked to translate on very personal issues.

A final issue raised by one participant was that among those from very small, close-knit communities (a common theme in the research more broadly), there can be concern that the interpreter will be someone that they know: and have implications for confidentiality.

**“You're asking them not just to talk to you but to talk to someone else as well, you know. And also do you know what we have found too is we would have people who don't want their local interpreter, so they may be attending, they may attend like a support group, an ethnic minority support group, but they don't want that person to maybe know about their problems.” (Mindwise NI)**

Given potential stigma about both mental health and money problems, this represents an additional challenge for supporting clients to open-up about these issues.

### Providing information in different languages

As explored in more detail later in this chapter, a common theme of the research was the need to build awareness of the different support services available to help different ethnic groups. Where language difficulties are an issue, participants reiterated the importance of organisations working to make leaflets and other written material available in as many languages as possible to reflect the local community.

### Provision of English language classes

Several participants described how any efforts to support people with learning English would be money and time well-spent in terms of reducing their dependence on interpreter services.

However, there were some doubts raised as to whether this provision would be taken up among some groups. One participant questioned how likely some of the people from Roma communities that they supported would be to take-up such opportunities, noting that it can be difficult to encourage them to take part in any type of formal training.

Another participant described how English for Speakers of Other Languages (ESOL) classes could be hard to access and do not work for everyone:

**“It's almost like a wheel you go to the places that are providing those languages and they're fully booked up, you have to wait another 2, 3 months before you can get onto that course and then it will take you a few months before you're ready to take that test, you can't even speed through it because it's classroom based.”**

This echoes research from Refugee Action, who describe long waiting lists and barriers to taking

part, such as limited childcare provision for those with young children.<sup>74</sup>

### Understanding how language use differs

Interviewees described how language being a barrier to supporting people is about more than just whether someone has difficulty communicating in English or not. They pointed out that there may be nuances about the way that different groups of people, from different cultures or originally brought up speaking a different language, can interpret words or phrases. This can occur regardless of someone's English-speaking ability.

One participant, for example, described how there are no (commonly-used) words for depression and anxiety in Punjabi or Urdu. It may be more common instead for the English term to be used. Similarly, the participant talked of how the literal translation for feeling like you are about to faint is 'my heart is getting sad' or 'my heart is feeling sad' – and spoke of an incident in their family where this had made it more challenging to get the right medical help with a UK doctor. There may also be an issue finding 'like for like' words relating to public services here that don't have a ready equivalent in the country of origin. Similarly, another participant described how the word 'majnoon' is often used in Arabic to describe someone with mental illness – a word which literally translates as 'crazy' in English.

There is a large body of literature which considers how different cultures may use language differently when exploring mental health concepts.<sup>75</sup> For example, 'western' cultures have been found to have a tendency to 'psychologise' symptoms of depression, i.e. focus on psychological symptoms such as low mood, hopelessness or guilt; in cultures where physical and mental health are seen as more interlinked, meanwhile, there is a tendency towards reporting symptoms of physical health to indicate psychological distress. This may be exacerbated where concepts of mental illness

<sup>74</sup> Refugee Action (2017) [Locked out of learning. A snapshot of ESOL provision in England.](#)

<sup>75</sup> For an overview, see: Loveys *et al* (2018) [Cross-cultural differences in language markers of depression online.](#)

are more highly stigmatised, such as in some Asian and Middle Eastern cultures. Levels of individualism or collectivism in a culture may also affect how someone perceives or describes the causes of problems, with members of ‘individualist’ cultures focusing on factors related to the individual, while those in collectivist cultures might view depression as a ‘family, community, or tribal problem’.

This was picked up in one of our interviews, who described how financial firms and other organisations could do more to test how different words or phrases might be understood differently by various ethnic groups:

**“What we do a lot of is testing communications that firms are sending out that they think are really encouraging and offering support and helping people to help themselves often. But members of our research community often say this comes across as patronising or condescending or they're sending the completely wrong message from what the firm thought they were sending. So I can imagine that, you know, digging in, in more granularity into how is this picked up by different groups, are there different messages and phrasing that work differently here and that sort of more kind of more granular insight into the different groups I think would be helpful.” (MMHPI)**

### **5.3. Building trust in the ‘system’**

One of the most common themes to come through from the interviews was the issue of trust. Simply put, members of minoritised ethnic groups will be less likely to seek help or will not fully disclose their situation if they do not trust the organisation that they are approaching. As raised in chapter four, there can be genuine fear of being sanctioned when approaching any kind

of ‘official’ organisation, regardless of whether it is a charity, the NHS or another public sector body. This is a clear indication of the extent of the lack of trust.

#### **Building rapport over time**

Given the ‘double stigma’ of money problems and poor mental health described in chapter four many of the organisations interviewed spoke of the importance of building rapport with clients in order to get them to open up; this is not something that can be rushed. Building rapport can take time:

**“In the living room sitting there with all their papers and just crystallising their dilemma, their financial dilemma is a big step and it's not like the first meeting you go to them saying right show us all your papers and we'll work out how much you owe, you've got to build up the trust. It might be 3 or 4, 5 meetings before they'll actually say well actually I've also got this to deal with and you look at these statements” (The Paperweight Trust)**

Many interviewees believed trust was much easier to gain where those providing support looked or sounded similar to the communities that they were trying to support:

**“The idea was the way that we would reach some of those hard to reach groups, as they were called, or those groups that weren't coming in the doors was to talk to them through their peers in their community, people who look like them, people come from the same communities, their families, people who have been through the same problems that they have faced, and we found that that**



**was a really effective way of actually reaching a number of different people.” (Money A+E)**

Where advisers are not from the same ethnic background as those they are supporting, it was important to have key individuals who had worked with and almost embedded themselves within particular communities for a long period of time. This may require good job security for advisors, to incentivise them to stay in the same place for many years.

Working with local community groups was also crucial for fostering trust and brokering introductions. Previous research from Deloitte suggests that this is beneficial not just for the advice sector but also for the wider financial services system: they noted that people from deprived communities are more likely to see support from local community groups who they feel they can trust than financial institutions and that local communities will better understand the needs of those who seek their help.<sup>76</sup> They also highlight that if financial services were to work in partnership with charities, they might be able to develop a ‘warm handover’ approach and improve the experience of those from minoritised ethnic groups. By charities and financial services working together they could better meet the needs of ethnic minority communities.

### **Finding the right solution for people**

Where people from minoritised ethnic groups do receive support with their finances (or mental health), it was seen as critical that the client receives the right advice and right solution for their situation. If not, trust could easily be lost where the advice fails to achieve the goals that the client has or if they end up in a ‘revolving door’ with advice agencies. This leads to significant demotivation, particularly when someone has opened up about their mental health:

**“The advice they would get would help them maybe for the short-term but not in the long-term, problems would come up again and often if they’ve had one experience of getting support it kind of meant that it was either difficult for them to come back to an agency or they’d have to go to a variety of different agencies to get support and they just came kind of demotivated and just wouldn’t really bother because their issues would just essentially get worse basically and be reoccurring. It’s almost like ‘well I’ve gone and got support, I’m still in the same situation, what’s the point?’” (Money A+E)**

This interviewee described how some of their more vulnerable advice clients are really in need of ‘very final’ debt solutions, such as bankruptcy or Debt Relief Orders (DROs) – but they often end up continuing with arrangements to pay back their creditors. While advisers will base any agreement on their income and expenditure, these clients are often in a more volatile financial situation. This can mean that within six months they may be failing to meet their payments and may again have debt collectors contacting them. When this happens, trust can be lost:

**“A lot of people won’t necessarily come back and they disengage and then the debt gets worse and the creditors contact them and the mental health conditions get worse as well. So those are often some of the examples that we see of people who feel disempowered, unable to engage with the advice process and they will disengage and often their situations will get worse.” (Money A+E)**

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<sup>76</sup> Deloitte (2021) [Growth through financial inclusion](#).

As described in chapter three, there are many ways that the financial situation of members of minoritised ethnic groups might be different or more complex than that of the majority population. As mentioned, one aspect of this in some communities is greater informal borrowing from friends or family members, which people may feel more of a duty to pay back quickly. Situations such as these may affect the extent to which clients are satisfied with the advice they receive – with knock-on impacts for their overall trust in debt advice more broadly.

Interviewees also raised the issue of both debt advice organisations and mental health services being “swamped now and the wait to see them is huge”. Organisations that were specialists in working with a particular ethnic group, but not specialist in debt advice or mental health, are finding themselves with limited options to refer or signpost their clients to. Again, there appeared to be a sense that this further erodes people’s trust and belief that they will be able to get their problems sorted. This is particularly important given our earlier evidence that people from minority ethnic groups might leave it relatively late to seek help for debt (or mental health) problems and therefore cannot afford to wait.

#### **5.4. Building understanding of the system**

There was widespread feeling among our interviewees that getting help with your money in the UK is not a simple thing to do – and it is especially hard to fathom if you’re new to the country or aren’t a native English speaker. As mentioned, there is confusion over the roles of different types of organisation – charities and public bodies – and a sense that all are part of the same system. Rules surrounding benefits, debt, healthcare and migration are just very complex:

**“[Benefits] come with all different types of complexities, different eligibilities, different criteria, and these, creating these anxieties,**

**this stress... I would fight with anybody saying like ‘oh they don’t have enough knowledge’, rubbish, it’s not, it’s just the sheer of information which they have to understand it. It took me a lot of time, years, living in this country from experience and as well settlement scheme, welfare benefits to grasp it and I’m still struggling myself.” (Migrant Centre NI)**

**“[Doctors] ask you a million questions before they actually let you tell them what’s wrong.”**

**“I mean a lot of these benefits you do need a PhD or a degree to understand how to fill out a form, so individuals filling this stuff out themselves unless it’s a glaringly obvious disability will not necessarily know what they need to highlight and how to write a benefit application or complete a benefit application form, and assessments will be made saying that these people who have life limiting conditions are not eligible for it.” (Money A+E)**

Even seemingly small and relatively common phrases used on forms can act as a barrier for those who are not that fluent in English:

**“Things like ‘what’s your marital status?’, some of my clients will look at me and I’ll say ‘are you married?’, because they don’t know what marital status means. It’s really simple things that act as barriers to people.”**

Collectively, this complexity risks causing people from minoritised ethnic groups to turn to support from unofficial sources – which may result in them receiving poor advice:

**“They would come to us and say ‘please help me to sort it out, I’m not eligible, why I can’t access that or this grant?’ or for example that kind of advice ‘I did it because my friend of my housemate did it or told me so’. So there were people who were helped by someone else who were not qualified but just did it and now they came to ask to help them to solve the problem.” (East European Resource Centre)**

Beyond simplifying language, the challenge of removing complexity from the system was not necessarily seen as something with easy solutions. There were, however, a number of different practices that interviewees described positively, which may help:

- **Services set-up with a wide remit** – for example, local authority public health teams who **“address health inequalities in their widest sense... things like benefits, housing, all the thing that contribute to health but you’re not actually ill”** .
- **Co-location or joining-up of different types of services** – such as combining debt advice and migration services to create more holistic services. One adviser interviewed, for example, had worked for years on immigration advice before switching to welfare advice, which they felt had given them a strong grounding in tackling the wider range of issues that their clients faced. Good connections between the advice sector and statutory agencies such as the police were also seen as vital.
- **Teaching the basics** – for those new to the country, it was felt much more effort needs to be put into explaining the basics of how different systems work, and this works better when it is not just about providing information but about actively teaching people.
- **Training for advisers and other support workers** – it was seen as important for advisers to have at least a basic grounding in

other issues that they don’t specialise in; for example, mental health training for money advisers.

### 5.5. Overcoming cultural barriers to support

As previously mentioned, stigmas around talking about mental health or money problems can persist in some communities, which can make it more difficult for these subjects to be raised by advisers:

**“For me to go and speak with a client and say ‘look you may benefit from speaking with some counsellor or whoever’, they would kick me out of their houses. You know, because it’s still a mental stigma in their background they’ve been brought up, you know, it’s still very hard to pass that.” (Migrant Centre NI)**

There were several key suggestions from interview participants about how this issue might be best approached:

- **More visibility of people from diverse backgrounds talking about these issues** – for example, Selina Flavius wrote her book *Black Girl Finance* precisely because there were so few books written by British people with a black Caribbean background. She felt that ‘story sharing’ is critical to help make people feel ‘seen’.
- **Framing conversations differently** – stigma can be removed by having “empowering conversations about money, rather than what a client is not doing or what they’ve not done before”.
- **Opening up conversations about money in different ways** – some organisations talked about the importance of starting conversations about things like money or health in a variety of different contexts – for example, through outreach at local community events.

- **Choosing the right geographical location** – the closer the better was generally seen as a good mantra, but not always. One organisation, for example, decided against offering advice on a Traveller site, instead locating about a mile away – which a) allowed enough distance to protect confidentiality; and b) wouldn't prevent those from other sites accessing the service. Broadly speaking though, it was seen as more effective for organisations to be highly embedded within local communities.
- **Including diverse voices in policy-making forums** – the inclusion of people from diverse backgrounds in policy-making and strategy was viewed positively: it “signals to people from minoritised backgrounds that actually that they are relevant within these conversations, within these plans that are being made to support them.”

### Culturally adapted support

More broadly – beyond just questions of tackling stigma – there was a clear need for services that are tailored to particular cultural communities. While there is a place for improving how *all* advice organisations support people from minoritised ethnic communities, there was a feeling among some interviewees that the provision of more specialist culturally adapted debt advice would be beneficial:

**“There needs to be more... community led organisations than what there is so far... [Provision] has been very one size fits all. I think we need to look at tailoring it or focusing on specific communities... We need to make it more localised – localised based on the specific need of your clientele, and if it's one size fits all we will come back to this table and probably talk about it again.” (Ripon Ray, debt expert)**

One of the organisations we interviewed, Enfield Saheli, could be considered a good example of culturally adapted support. The organisation was set-up in the 1990s to meet the needs of Asian women in Enfield who are affected by domestic abuse and who until then had not been accessing other support organisations as much as expected. Those working for the organisation came from similar backgrounds, which they felt helped people to open up and led to more women in the community telling other women about the services they offer. When interviewed, they spoke about how the organisation takes into account the specific culture of those they support – for example, recognising how their spirituality might impact upon the way they perceive their situation.

Other examples given included learning basic greetings in community languages, offering to take off shoes when entering someone's house, recognising the potential importance of gender separation to some, and being cognisant of how religious festivals such as Ramadan may impact on when appointments might be suitable.

Best practice guidance for mental health services on working with ethnic minority groups distinguishes between ‘culturally adapted support’ and ‘culturally responsive’ support:

**“Culturally adapted therapy takes an existing therapy as a starting point and then specifically adapts the language, values, metaphors and techniques of that approach for a particular community. The adaptation and provision of this therapy is typically carried out by therapists who are members of that community.”**

**“Culturally responsive therapies may be more helpful for teams which do not reflect the ethnic composition of the communities served... This approach means that therapists are able to recognize and value diversity and draw on the support of team members and**

**supervisors to make adaptations to evidence-based therapies, so that they will fit with the particular culture and context of the service user.”**

Such a distinction might also provide a useful starting point for developing advice services that meet the needs of the communities they serve.

## 5.6. Tackling digital exclusion

A further theme from our interviews was the difficulty of supporting those from minoritised ethnic groups (and more broadly) who are digitally excluded. One participant, for example, described how those they supported from Traveller backgrounds were more likely to miss appointments because they were forced to change phone numbers regularly (for example, if cut off from the old network).

Another, who also worked with Traveller communities, spoke of severe digital exclusion for older members of the community. They said that while younger Travellers were more likely to use smartphones, this was by no means guaranteed. They spoke of there being three separate elements of digital exclusion:

**“To me there are three things that feature in digital exclusion, there's capability so have you got the sufficient literacy skills to work the thing, the device. Then there's the availability of the device and then there's the availability of the data or the digital data or the Wi-Fi or whatever. And two of those things have a cost to them so a lot of our clients are on pay as you go mobiles, old mobiles that aren't smartphones.”**

## 5.7. Working with creditors

Where mentioned during interviews, participants spoke of improvements in the way that most mainstream creditors treat their customers since FCA regulation came in:

**“Most banks and lenders now do have vulnerability teams, it would be the vulnerability teams that we concentrate getting through to when we're trying to get communication or get something sorted out for a client. We would stress if we have someone who has communication difficulties and that can even be their hearing or their speech as well as people who don't have the same language, we'd be very much stressing to the lender that this needs, this may need a wee bit more work on it and a wee bit more understanding. But I have to say like we know, you take back to the way debt advice used to look and I would have been shouting at creditors down the phone like literally roaring my head off at them trying to make them see sense. They are much more approachable now, that is one good thing that has come out from FCA regulation.” (Mindwise NI)**

The Debt and Mental Health Evidence Form (DMHEF) was also mentioned positively. The challenge when working with creditors, however, was mostly around ensuring that vulnerable people from minoritised ethnic groups were able to access vulnerability / specialist teams within creditor organisations. Most simply wouldn't know such teams exist and may be more reluctant to mention issues such as mental health that might see them referred for this additional support:

**“I think that a lot of clients don't, they never get to the vulnerability teams before they come to**

**us, you know, they maybe haven't even tried to communicate to be honest so, but I'm sure some people maybe who are maybe better capable of making calls getting through to that vulnerability team is key, I think, with any of the lenders.” (Mindwise NI)**

Another challenge raised by one debt advice organisation was the difficulty of getting creditors to accept remittances as essential expenditure when creating a budget for a client:

**“When we’re trying to present [income and expenditure] to creditors, remittance is seen as a luxury, and costs that people have outside of this country or to friends and family are seen as things that should be cut back on, to pay your debts... They may be paying for schooling back home, they may be paying for health costs for somebody, having that front and centre and it being accepted I think would make people feel that their situation and their cultural sensibilities are being understood.”  
(Fair Money Advice)**

The participant warned that this could lead to the client hiding such costs, either completely removing them from their financial statement or merging them in with other categories of expenditure.

Lastly, a couple of participants also referred to the Breathing Space scheme for those in mental health crisis, which allows respite from creditors chasing an individual for debt repayments. One commented that they felt the Northern Irish version of the scheme (which has not been laid out in legislation in Northern Ireland yet) should have wider inclusion criteria in relation to mental

health, as many people in crisis don’t necessarily access mental health services.

It remains unclear to what extent people from minoritised ethnic groups would be affected by a widening of the access criteria, but it might be relevant to consider factors such as: greater uncertainty among mental health professionals in diagnosing emotional problems and depression in minority ethnic patients; and evidence that minoritised ethnic groups are less likely to access mental health support through primary care but more likely to do so through crisis care.<sup>77</sup>

Another participant commented that Breathing Space is a good tool for dealing with debts, but that it doesn’t solve underlying issues of low income and requires clients in mental health crisis to have sufficient support to make the most of the time granted to them.

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<sup>77</sup> Bignall *et al* (2019) [Racial disparities in mental health: literature and evidence review](#). Race Equality Foundation.

## 6. Conclusions

This research provides an overview of the experiences of those who work to support people from minoritised ethnic groups with money problems and/or their mental health. The aims of the research were to identify the relationships between financial difficulties and mental health among members of ethnic minority communities, and to better understand the barriers to supporting these communities in accessing support related to their finances.

The research reveals that the relationship between money problems and mental health in different minoritised ethnic groups cannot be understood without first recognising that both the money problems and the mental health challenges that these communities face can be very different to those faced by the white British majority population. While a low income is a low income regardless of one's ethnic background, and many of the issues faced could be faced by anyone in poverty, the reason for the low income in many cases we heard about were at least partly related to the person's ethnicity or migration status. Our participants described cases, for example, of people's low income being caused by language barriers, by organisations not recognising qualifications from abroad, and by racism. Likewise, the experience of accessing social security or financial services can also be very different – leading more people from some minoritised ethnic groups to lean on informal sources of financial support. It is also important to acknowledge that 'minoritised ethnic groups' represents a wide range of ethnicities, communities and cultures, with unique challenges for specific groups.

Generally-speaking, the relationship between money problems and poor mental health was described as a 'vicious cycle' regardless of ethnicity, reflecting the difficulties that low-income households / those in poverty experience in the UK more broadly. It was apparent, however, that various specific issues can alter the impact of this relationship on minoritised ethnic groups. These issues include: a 'double stigma' about both money and mental health within some communities; social difficulties

associated with the use of informal financial support from family or friends; added anxiety due to language barriers; and increased anxiety about the future due to fears over possible sanctions or being unable to access financial support.

Some of these issues are common across different ethnic groups, while others are more reflective of an individual's migration status or English-language ability. Many of those supported by the organisations interviewed and who appear most vulnerable are those who are new to the UK, regardless of their country of origin or ethnic background. This was summarised by one of our interviewees as follows:

**“The migrant women are more vulnerable... they're more isolated, they're less likely to be able to speak the language, they're less likely to have friends or relatives in this country. They're therefore more likely to be imprisoned within their home. They're less likely to have the skills or the knowledge on where to go for help or get work and they have No Recourse to Public Funds in most cases so they are also more likely to face destitution – not just poverty, destitution.”**  
**(Southall Black Sisters)**

That is of course not to say that serious issues do not affect those from longer established ethnic communities in the UK. There is a long-term scarring effect of poverty, so those whose parents or grandparents were poor remain more likely to be impacted by deprivation. Nonetheless, it is as important to distinguish between the needs of different people within minoritised ethnic groups, as it is to do so between different communities.

Racism was an issue raised by multiple participants. In 21<sup>st</sup> century Britain, this takes a number of different forms. Some participants described the evolving nature of racism, highlighting the overt racism people from ethnic

minorities faced from members of the public just a few decades ago and how this had become generally less accepted but still far from erased:

**“We grew up being told to go back to our own country, people were openly racist, so this is going back maybe to the 80’s... I think in a way it's better that my daughter, I don't think she's ever been told to go back to her own country... If somebody did scream at you go back to your own country there'd be others around you, not necessarily from the same background, they could be white British people, who would stand up for you. So I think it's improved in that sense but I don't think it's gone away it's just gone sort of under the covers.”**

**“Racism and neighbours being racist towards people, having your property damaged, even having a remark, you know, the amount of emotional, I think, stress that that causes knowing that people are being racist or Islamophobic or whatever they're being towards you, that can have a huge impact.”**

Others talked of employers discriminating against people from minority ethnic backgrounds, while some also described Government policies which disproportionately impact minoritised communities as racist:

**“The State is trapping you in poverty and in abusive relationships... That actually is racism in the sense that it's only going to affect**

**migrants... If it's not direct, it's certainly indirect discrimination.”**

Finally, the UK is currently in a significant cost of living crisis with the highest inflation for decades and record energy costs. The interviews were completed by March 2022 when this crisis was still emerging. It is important to acknowledge that the recommendations made are framed within this context and that it is acknowledged that the true mental health impact of this cost of living crisis has yet to be seen in terms of the interviews of this report. Research from the Personal Finance Research Centre found that 61% of households in October 2022 felt anxious when thinking about their finances<sup>78</sup>, while the Money and Mental Health Policy Institute found that 54% of adults in the UK reported feeling “anxious, depressed, filled with dread or unable to cope” because of concerns about finances due to the cost of living crisis.<sup>79</sup> Around one-in-six (17%) reported suicidal thoughts due to money worries, with this rising to 49% among those who were in debt. Therefore, the recommendations here need to be monitored and revised in line with the likely fall of living standards and increasing poverty levels over the course of 2022 and beyond.

The Government's own statistics for the 2 years to March 2021 have reported that fuel poverty is significantly higher for minoritised ethnic groups (19.1% vs. 12.6% in white households).<sup>80</sup> Whilst fuel poverty has decreased for ethnic minority households from 39.4% to 19.1% in the 11 years to March 2021. However, the energy price cap for dual electricity and gas has increased during this time from an average of £1,138 per year in summer 2021 to £3,549 in October to December 2022.<sup>81</sup> As a result it is estimated that more than three-quarters of households will be in fuel

<sup>78</sup> Evans & Collard (2022) [Prices Rising, Temperatures Falling. The financial wellbeing of UK households in October 2022.](#)

<sup>79</sup> D’Arcy (2022). [Bombarded: reducing the psychological harm caused by the cost of living crisis. Policy Note Number 25.](#) Money and Mental Health Policy Institute. December 2022.

<sup>80</sup> Department for Business, Energy & Industrial Strategy. (2022). [Fuel poverty trends 2022. Long-term trends under the Low Income](#)

Low Energy Efficiency (LILEE) indicator. [Fuel poverty trends 2022 - GOV.UK \(www.gov.uk\)](#)

<sup>81</sup> Statista. (2022). [The UK Energy Price Cap is Through the Roof. Chart: The UK Energy Price Cap Is Through the Roof | Statista 31/08/2022](#)



poverty by the start of 2023.<sup>82</sup> Thus, it is reasonable to predict that these increased energy costs are going to disproportionately impact the financial health and therefore mental health of minoritised ethnic communities within the UK.

### 6.1. Improving support

The organisations that we interviewed clearly offer a lifeline for many vulnerable people. They face barriers, however, to offering support as effectively as possible.

We summarise below some of the key barriers and suggestions from the organisations as to how their capacity to provide support could be improved. Some of these are about helping ensure that support reaches the right communities, while others are about making sure it is effective for these communities. More broadly, there is also an important point about preventing problems from occurring in the first place – given that this would reduce overall strain on support services.

#### Resolving language barriers

- To improve the use of interpreters, funding for advice/support services should include dedicated budgets for interpreter services. Funding should also recognise the extra time that it may take to deliver appointments for those with English as a second language. This is essential for organisations who are regularly dealing with refugees and asylum seekers.
- Continued efforts are needed to ensure recruitment of staff who speak community languages.
- Organisations should ensure that different language services are clearly advertised, with an easy way for people to tell which staff speak which languages. Lloyds Bank, for example, includes a logo on staff name

badges indicating if they speak Welsh.<sup>83</sup> Such an approach could be beneficial for other languages.

- Written material should also be provided in community languages, wherever possible.
- Testing of how different words and phrases (in English) are perceived by different groups of people – such as those from minoritised ethnic communities and/or those living with mental health conditions should take place. This informs sector-wide guidance on the most appropriate language to use in different situations.

#### Building trust and understanding

- To allow rapport to be built up with communities:
  - debt and money advice funding (as well as other key support services) should, wherever possible, be contingent on quality of longer-term outcomes such as proportion of clients needing a re-referral within a year, rather than short-term number of clients seen. This would enable advisers to offer extra time to clients who may take longer to support and deliver sustainable improvements.
  - efforts should be made to improve longer-term job security of advice staff, so that relationships built up over time are not lost. Where staff do leave, efforts should be made by advice organisations to retain connections where a previous relationship existed.
  - support organisations should continue efforts to ensure their workforce reflects the characteristics of the local population, wherever possible.
  - support organisations should continue to build partnerships with local community organisations.

<sup>82</sup> Jonathan Bradshaw. Estimates of Fuel Poverty in January 2023. Blogspot: [jonathan bradshaw blog: ESTIMATES OF FUEL POVERTY IN JANUARY 2023](https://jonathanbradshaw.blogspot.com/2023/01/estimates-of-fuel-poverty-in-january-2023.html)

<sup>83</sup> Lloyds Bank (n.d.) [Welsh Language Policy](#).

- Clients need to receive the right debt solution first time, every time. This means recognising nuances in people’s financial situations and the meaning that they assign to different debts or solutions (e.g. where there is a mismatch between advisers’ and clients’ views of what a ‘priority’ debt is).
- To build understanding of financial support available in the UK:
  - Investment is needed in teaching the ‘basics’ of how the system works, arguably both for those new to the country and those born and raised in the UK. This includes provision of information around: working in the UK, including workers’ rights; the benefits system; banking and borrowing in the UK; consumer rights, including how to access best-value goods and services; the immigration system; and healthcare services.
  - Information sites such as Moneyhelper.org.uk should consider the circumstances and needs of a wider range of people and communities in terms of how the information is structured; giving advice on basic bank accounts that may be specifically useful to those in the travelling community, for example. This may include tackling common ‘myths’ or misinformation about finances in the UK.
  - There is a need for more ‘one-stop shops’ of support services, i.e., well known, single points of entry to advice services. This could be achieved through greater co-location of services, improved connections between services, or services being set-up with wider remits, i.e. more holistic services. Training for advisers and healthcare professionals on signposting / referring to other support services is an important part of this to help encourage individuals in those communities to seek help.
  - Healthcare professionals need training on how and when to ask about financial difficulties. This includes asking about more than just receipt of benefits (given

stigma around claiming and difficulties in accessing benefits), to wider issues of debt and financial difficulty. Financial issues should be routinely assessed in NHS mental health services. For minoritised ethnic groups in particular, clinicians should be careful to ask about sources of debt and financial stress outside of mainstream financial services (e.g. credit card debt) for example enquiring about lending from informal sources. At a minimum clinicians should signpost to debt advice services, however this risks clients ‘falling through the gap between services’. An ideal situation would involve close collaboration and co-location of money advisors nested within mental health services.

#### **Overcoming cultural barriers to support**

- All advice organisations should ensure that the support they provide is ‘culturally responsive’ – meaning that the support provided can recognise and take into account the needs of diverse communities. Training for staff on supporting vulnerable individuals should recognise the importance of intersectionality – groups within groups – who may have differing needs.
- But there is a need to also encourage the provision of ‘culturally adapted’ support – which is best led by people who are members of the community being supported.
- Wider campaigns to reduce the stigma or shame around both financial difficulties and mental health could be launched and should take into account the effect of ethnicity on these feelings of stigma. In particular, there is a need to challenge concerns around being sanctioned / punished for engaging with authorities. More visibility of people from diverse backgrounds talking about issues of money and mental health is needed. This is needed to encourage early, preventative help seeking from minoritised ethnic groups.
- Diverse voices should be included in the policy-making process to ensure that

proposed policies or strategies are challenged from multiple perspectives.

- MaPS should provide greater clarity to debt advisers about how to complete Standard Financial Statements in relation to remittances / spending on family abroad and culturally -related items of expenditure that might be challenged by creditors. There is also a need for guidance for creditors on how to approach such expenditure (which they may currently perceive to be discretionary spending) in a culturally-sensitive way.

### **Improving collective understanding of communities' needs**

This research has highlighted the limit of our current understanding of the needs of minoritised ethnic communities. The following may help improve this understanding:

- Issues with the way that data around ethnicity is recorded in a range of settings need to be resolved so that nuances between different ethnic groups can be detected. This may include going beyond ethnic categorisation to also collecting data on migration status and language ability.
- A range of data have already been collected which could be used for understanding money and mental health within minoritised ethnic groups, but this has not yet been done. Where possible, re-analyses of data should be conducted to explore interactions within the data.
- The findings of this qualitative research serve as a useful starting point for further quantitative research questions. Such analyses would help to quantify the extent of some of the issues raised.
- Further research on minoritised ethnic communities' experiences of financial difficulty support within secondary mental health services would also be beneficial, as would focus on similar experiences within the criminal justice system. These areas were only briefly touched upon by participants in the current research.

- This research study focuses on the experiences of people who support particularly vulnerable individuals. This means that it isn't necessarily reflective of the views of people from ethnic minority groups themselves, and also that it reflects barriers to supporting only the most vulnerable, not the barriers faced by wider communities. Future research with both of these groups could be beneficial.

### **6.2. Beyond the advice sector**

The focus of this research has predominantly been on the support that debt advice and money guidance services can offer people from minoritised ethnic groups with money problems and poor mental health. It is clear, however, that the issues that such communities face are not solely the responsibility of the advice sector.

Participants raised a range of issues and many of these fall beyond the remit of MaPS. The findings of this research therefore may be of interest to a wide range of stakeholders including other Government departments, the financial services sector, the wider social welfare legal advice sector, health and care providers.

There is only so much that an adviser can do to support someone living on an insufficient income. This is particularly challenging given the current cost of living crisis. There is only so much that families can do to cut back their expenses without damaging the long-term health and wellbeing of their children. With the cost of living set to spiral, there is only so much pressure that support services can absorb.

## Appendix A - Methodology

### Qualitative research

#### Sampling and recruitment

We aimed to interview approximately 20 organisations with expertise in supporting people from minoritised ethnic backgrounds with their money and/or mental health. We wanted to achieve a sample with good geographical representation across the UK that included a mixture of different ethnic groups supported. While the focus of our research was predominantly on organisations that supported people's finances, we also wanted to involve at least some organisations which were more health-focused.

We began by compiling a list of organisations with relevant expertise. This was based on: an initial list of organisations provided by MaPS; organisations known already to the research team; and desk research of organisations' websites. The initial list also snowballed throughout the research as organisations recommended others who may be suitable to be involved.

The initial list contained 98 organisations, of which 25 were specialists in mental health, 71 were focused on money-related issues (whether this be specifically debt advice, general money advice, benefits support for refugees or asylum seekers, skills and employability, or housing-related issues), and two were specifically focused on the relationship between mental health and financial difficulty. The majority of organisations were involved in delivering a service to their communities, while ten of the organisations focused on research and representation.

Assigning these organisations into categories based on the communities they serve is not a simple task. To ensure we were reaching organisations supporting people from a range of minoritised ethnic backgrounds, we grouped them based on how they described the groups they work with on their website. It should be noted that many may not mention a specific group, but the majority of clients/service users may in fact be from one particular background. Our sample therefore covered the following

communities – with some organisations falling across multiple groups: 32 who work with 'all' (including people from white majority backgrounds) or were not specific; 23 who support all (unspecified) minoritised ethnic groups; 15 who support asylum seekers or refugees; 14 who support people from black backgrounds; 9 who support Gypsy, Roma or Traveller communities; 7 who support people from Asian backgrounds; 4 who support Muslim groups; 3 who support Jewish groups; and 2 who support people from Eastern European backgrounds.

Organisations were then invited to take part in the research in a staggered way to ensure a range of organisation types, communities and geographical areas were included – though no specific quotas were applied.

Where a telephone number was available, the research team attempted to contact the organisation to determine the best person to email the research invitation to. Otherwise, an email invitation and participant information sheet was sent to the most relevant email address listed on an organisation's website, whether this was a central mailbox, a project-specific email address or a named staff member with relevant responsibilities. Due to the project's short timetable, follow-up emails were sent where there was no response within a week. In some cases, MaPS also reached out to organisations that it had had prior contact with.

In total, throughout February and March 2022, 95 organisations were contacted about participating in the research. Of these, 13 organisations declined, mostly citing capacity reasons. 55 organisations did not respond. 4 responded positively initially but we were not able to arrange an interview with them in time. 21 organisations, however, took part in the research. The following organisations and individuals took part in the research and agreed to be named:

- Building Communities Resource Centre
- Cambridgeshire County Council Public Health
- Causeway GP Federation

- Clanmil Housing Association
- East European Resource Centre
- Enfield Saheli
- Ethnic Minorities and Youth Support Team Wales
- Fair Money Advice
- Migrant Centre NI
- Mindwise
- Money A+E
- Money and Mental Health Policy Institute
- Rethink Mental Illness
- Ripon Ray, debt expert and founder of BritBanglaCovid
- Selina Flavius, Black Girl Finance
- Southall Black Sisters
- The Paperweight Trust

- 6 were based in Northern Ireland
- 1 was based in Scotland
- 3 were based in Wales

- Expertise:
  - 5 were more (mental) health-focused than financial-focused
  - 16 were more financial-focused than (mental) health-focused

### Interview structure

Interviews were semi-structured, covering a number of topics: an overview of the support offered by their organisation; the financial difficulties experienced by communities they support; the relationship between financial difficulties and mental health that they see within the communities they support; how they adapt their support for these communities; any barriers which prevent the people they work with from seeking support or which prevent the organisation from being able to help them fully.

### Analysis

Interviews were recorded with participants' permission and transcribed. These written transcripts were then gridded against a framework developed which closely matched the structure of the topic guide. Once gridded, the research team analysed the grid as a whole, identifying key themes that repeatedly came up in the interviews – as well as pulling out key pieces of information that may have only been raised in one or two interviews, but which were particularly relevant to the research questions.

### Ethics approval

The project received ethical approval from the University of Southampton ethics committee in February 2022 (ERGO number 70184).

### Desk research

#### Search strategy

The aim of our desk research was not to conduct a full systematic review, but a systematic search

The composition of the organisations that took part was as follows:

- Support particular ethnic backgrounds:
  - 8 support 'all' ethnic backgrounds but may encounter high proportions of people from a particular ethnic group
  - 6 focus generally on supporting people from any minoritised ethnic group
  - 2 support people from Asian backgrounds
  - 2 support people from black backgrounds
  - 1 supports East European groups
  - 1 supports Gypsy, Roma and Traveller groups
- Geography:
  - 5 were UK-wide
  - 5 were based in London
  - 1 was based in England, outside of London

was carried out to ensure that the search was thorough.

The academic databases Psychinfo and Medline were searched for peer-reviewed papers written in English using the following search terms:

- ‘ethnic\*’ or ‘minority’ or ‘asian’ or ‘black’ or ‘traveller’ or ‘eastern european’ or ‘irish’.

AND

- ‘mental\*’ or ‘depression’ or ‘anxiety’ or ‘psychiatric’

AND

- ‘debt’ or ‘income’ or ‘financial’ or ‘poverty’ or ‘socioeconomic’.

This produced a total of 309 articles which were screened.

Seven key systematic reviews on the link between finances and mental health were also reviewed (Amit et al., 2020; Frankham et al., 2020; Guan et al., 2022; Patel et al., 2018; Richardson et al., 2013; Tibber et al., 2021; Tsai, 2015). These systematic reviews were examined to see if any meta-analysis had been conducted on differences depending on ethnicity and searched to identify any additional cited papers within the reviews that had looked specifically at minoritised ethnic groups. Lastly, we also searched for articles that had cited any of these reviews, in case any of these more recent papers contained additional findings that might be relevant.

## Appendix B – Papers found in desk review

**Appendix Table B1: Examples of studies controlling for ethnicity.**

Study	Country	Sample	Method	How ethnicity was examined	Results
Cummings (2014)	USA	1133 adolescents with depression.	Analysed data from two waves of a longitudinal study, looked at differences between counties.	Controlled for ethnicity of county in analysis.	County socioeconomic status predicted increased likelihood of reciting counselling for mental health due to availability of specialist mental health professionals.
Gunasinghe et al. (2018)	England (South East London)	1698 adults randomly selected from two boroughs.	Analysed data from two phases of a population based survey.	Controlled for ethnicity in analysis.	Debt predicted increased risk of common mental disorders and mental health service use.
Katz et al. (2018)	USA	892 pregnant women	Cross-sectional survey	Controlled for ethnicity in analysis.	Anxiety and depression linked to lower income and greater levels of material hardship.
Lang et al. (2011)	England	100,457 nationally representative sample age 16 plus.	Data from annual health survey for England.	Controlled for ethnicity in analysis.	Increased prevalence of distress and common mental disorder in midlife was only in low income households. Analysis separated by gender but not ethnicity.

**Appendix Table B1 (cont.): Examples of studies controlling for ethnicity.**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>How ethnicity was examined</b>	<b>Results</b>
Lee and Singh (2021a)	USA	778,819 nationally representative sample	Data from Census Bureau's Household Pulse Survey	Controlled for ethnicity in analysis.	Lower income predicted greater risk of delayed mental health care.
Naya et al. (2021)	USA	202 children	Data from MATCH study based in Los Angeles	Controlled for ethnicity in analysis.	Lower neighbourhood average income predicted greater depression symptoms and worsening symptoms over time.
Richardson et al. (2017)	UK	454 British undergraduate students	Longitudinal cohort study	Controlled for ethnicity in analysis.	Worse financial difficulties increased alcohol problems, and symptoms of anxiety and poorer global mental health over time.



**Appendix Table B2: Papers that look at impact of both financial variables and ethnicity on mental health, but not their interaction**

Study	Country	Sample	Method	How ethnicity was examined	Results
Dagher et al. (2021)	USA	1573 women who had given birth, ethnic minorities intentionally over-sampled	Used existing data from cohort of women who had given birth.	Examined ethnicity predicted seeking help for mental health.	Employment reduced likelihood of seeing help, high income increased risk of seeking help, Latinas less likely to seek help than white mothers.
Lee and Singh (2021b)	USA	1,144,405 adults	Data from Census Bureau's Household Pulse Survey, national representative sample taken during covid pandemic.	Examine as a predictor of depression.	Lower education and income predicted greater risk of depression. Depression risk greater in white, Hispanic and other minority ethnic groups.
Deighton et al. (2019)	England	28,160 adolescents	Online surveys and data from national pupils database.	Examined as a predictor of mental health (emotional symptoms).	Free school meals (index of deprivation) increased emotional symptoms as did black, Asian, Chinese, mixed and other ethnicity (compared to white ethnicity).
Terhaag et al. (2021)	UK and Australia		Used data from the longitudinal study of Australian children and UK millennium cohort study.	Examined as a predictor depression symptoms.	Ethnicity predicted depression symptoms but this varied depending on country and age group. Income a strong predictor in UK, parental education and employment a strong predictor in Australia.

**Appendix Table B2 (cont): Papers that look at impact of both financial variables and ethnicity on mental health, but not their interaction**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>How ethnicity was examined</b>	<b>Results</b>
Solomon et al. (2022)	England	724 women aged 45-60 with HIV	Observational study (PRIME study) recruited from HIV clinics.	Examined ethnic differences in income, depression diagnosis and distress.	Black African and black Caribbean women less likely to have enough money to meet their basic needs. Black African women (compared to white British) had higher rates of distress but lower likelihood of having been diagnosed with depression.
Zelekha and Zelekha (2020)	Israel	10,331 adults age 21 and over	Nationally representative survey of health.	Examined impact of ethnicity on mental health.	Low income and non-Jewish Arab ethnicity did not predict depression or anxiety but did predict negative mental health.

**Appendix Table B3: Papers that look at link between financial variables and mental health in specific minority ethnic groups**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>Results</b>
Bryant-Davis et al. (2010)	USA	413 African American sexual assault survivors.	Cross-sectional survey	Low income increased risk of depression, drug use and post-traumatic stress disorder.
Yao et al. (2011)	USA	301 adults age 37-39 (93.4% black, 6.6% Hispanic)	Data from Chicago Longitudinal Study, interviews on mini neuropsychiatric interview	No differences in prevalence of depression, post-traumatic stress disorder or alcohol use disorder based on whether grew up in a higher poverty neighboured. However substance use (cannabis and other) higher for those growing up in high poverty neighbourhoods.
Wenzel et al. (2021)	USA	178 black and Latina pregnant women.	Longitudinal study during pregnancy, self-report measures of mental health.	No impact of income on risk of depression and anxiety.
Lazear et al. (2008)	USA	138 women of colour from low income communities.	Qualitative focus group.	Women described financial pressures as a risk factor for depression, felt 'constant pressure; it find employment and earn.
Evans et al. (2020)	USA	740 African American older adults from low income Los Angeles.	Cross-sectional survey.	Greater financial difficulties predicted increased symptoms of depression.

**Appendix Table B4: Papers that look at how financial variables moderates link between ethnicity and mental health and vice versa**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>Results</b>
Gazmararian et al. (1995)	USA	534 black and 836 white women.	Data from 1986 Americans Changing lives national survey. Self-report measure of depression.	Black women had higher prevalence of depression than white women, however these ethnic differences were only observed in poorer women not wealthier women.
Kim and Fredriksen-Goldsen (2017)	USA	2,560 adult participants aged 50-95 (102 hispanic and 2036 non-hispanic white)	Data from national health, aging, sexuality and gender study. Self-report measure of mental health quality of life.	Hispanics had lower mental health quality of life compared to whites, this was accounted for partially by greater levels of reported stress around socio-economic status.
Loret de Mola et al. (2016)	Brazil	3,576 adults	Birth cohort study, genetic analysis looked at black ancestry, mini neuropsychiatric interview for depression at age 30.	Socioeconomic status impacted link between African ancestry and risk of depression with this being higher for those of higher socioeconomic position due to higher levels of discrimination.

**Appendix table B5: Papers that look at whether the link between financial variables and mental health differs depending on ethnicity**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>Results</b>
Alegria et al. (2017)	USA	3,417 adults with common mental disorders, plus 1,006 adults on welfare for mental health.	Used two existing data sets (national institute of mental health social security administration), simulated impact of changes to financial variables on mental health.	Increasing income by \$10k predicted to have no impact on psychiatric symptoms for any ethnic group, increased by \$20k predicted to improve mental health for white, Latino and African-American groups but not Asian.
Assari & Caldwell (2018)	USA	1,117 black adolescents	Data from National Survey of American Life-Adolescents Supplement. Modified Composite International Diagnostic Interview for depression.	Higher interaction between ethnicity (African American vs. black Caribbean) and income on risk of depression: In African American males greater household income was linked to a greater risk of depression whereas for black Caribbean adolescents (male and female), higher household income was linked to a reduced risk of depression.
Assari and Lankarani (2017)	USA	18,237 adults	Data from collaborative psychiatric epidemiology surveys. Self-rated mental health.	Greater income linked to better mental health for all ethnic groups (Vietnamese, Filipino, Chinese, Cuban, Puerto Rican, Mexican, other Hispanic, African American and white), but not for other Asian group.
Assari et al (2018)	USA	881 adults.	Data from 2017 State of the State Survey for Michigan. One question to rate overall mental health. Composite international diagnostic interview used.	Household income predicted self-reported mental health for white but not black participants.

**Appendix table B5 (cont.): Papers that look at whether the link between financial variables and mental health differs depending on ethnicity**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>Results</b>
Boisvert and Harrell (2014)	Canada	1,204 adults	Telephone Survey, measured body mass index and self-reported eating disorder symptomology.	Significant interaction between income and ethnicity: No difference in eating disorder severity depending on income in white participants, but in non-white participants lower income linked to higher eating disorder symptoms.
Chen et al (2019)	USA	13,775 adults	Data from Collaborative Psychiatric Epidemiology studies dataset.	Greater income linked to lower risk of alcohol problems in Asian group only. Greater neighbourhood inequality linked to greater risk of drug use problems in black group only.
Do et al. (2019)	USA	1,600 black and 56,000 white participants.	Data from 2008-2013 National Health Interview combined with data from US census. Measure of psychological distress.	Poverty predicted greater psychological distress in both black and white communities. The impact of poverty on greater distress was stronger where there were high levels of segregation for black groups but not white.
Mangalore and Knapp (2012)	England	3,565 adults	Data from a nationally representative survey of ethnic minority (EMPIR survey).	Relationship between lower income and increased risk of common mental disorders was greater for African Caribbean, Pakistani or Bangladeshi than it was for white, Irish or Indian communities.

**Appendix table B5 (cont.): Papers that look at whether the link between financial variables and mental health differs depending on ethnicity**

<b>Study</b>	<b>Country</b>	<b>Sample</b>	<b>Method</b>	<b>Results</b>
Valdez and Langelier (2015)	USA (Arizona)	7,578 adults	Data from 2010 Arizona Health Survey, self-report measure of psychological distress.	Greater psychological distress and greater risk of a mental health diagnosis linked to lower socioeconomic status in both white and Hispanic populations.  In Hispanic groups, higher socioeconomic status increased risk of drug use, in white communities it was the reverse: lower socioeconomic status linked to greater levels of drug use.
Walsh et al. (2012)	USA	8,331 adults, representative sample	Data from national longitudinal survey of youth, self-report measure of depression.	Greater depression predicted by lower parental socio-economic status for all ethnic groups, no differences in this group based on ethnicity.
Xu (2011)	USA	2,554 latina adults	Data from National Latino and Asian American Study, measure of psychological distress.	Effect of debt on distress greater for Puerto Ricans and Cubans than Mexicans. Impact of household income on distress differed between Cubans and Puerto Ricans.

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