



*Transforming lives through  
money advice & education*

## **Money A+E issues urgent call as debt and poverty surge in Diverse Ethnic Community (BAME) and low income households**

### **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

Money A+E have issued an urgent call to support community-led money advice to counter a surge in debt and poverty among Diverse Ethnic Community (BAME) and low income households.

New figures released by the East London-based social enterprise show that its Advice service supported 260 clients with debt, benefits and money guidance between April and November 2020, a 152% increase on the same period last year.

- Clients of the service are predominantly non-White British, from vulnerable groups and/or on low incomes.
- The service supported clients to manage debts totalling £1,544,253 between April and November 2020, an increase of 77% on the same period in 2019.
- The organisation is calling for funding to community-led money advice services, to support individuals to rebuild their financial health long-term.

Money A+E's Community Fund also provided 46 crisis grants during the same period. The grants cover household costs such as food and utilities and reflect the growing number of individuals who are unable to pay for essentials.

Among those using the Money A+E Advice service, 52% were out of work, nearly half (47%) had rent arrears and over a quarter (26%) had Council tax debts. Clients seeking support with debt owed an average of £10,295 to creditors.

However the organisation's Directors warn that the figures represent the tip of the iceberg, as Money A+E operates on a relatively small scale and it is common for those in financial difficulty to delay seeking help.

Many of those supported by the social enterprise were struggling financially before the pandemic. Money A+E's home borough of Newham was ranked as having the second highest child poverty rates of any UK local authority in 2019\*. It now ranks at number one\*<sup>1</sup>.

**Case Study:** [Lila](#)<sup>\*3</sup> is an office cleaner and single mother of three. Money A+E's advisers supported Lila to manage rent arrears and Council tax debts, and to make financial gains of £4,294.

#### **Money A+E CEO Jerry During said:**

'These new figures show the true extent of the hardship experienced by Diverse Ethnic Communities and those on low incomes during the Covid-19 pandemic. It is not right that so many have been driven into problem debt, or have no choice but to rely on crisis grants to feed their families, stay warm or stop services being cut off.

'Our communities have shown compassion and hard work in their response to these challenges. Money A+E's staff and volunteers have worked tirelessly to provide life-changing advice and support. We welcome government support including the job retention schemes, the Covid Winter Grant Scheme and the £20 uplift to Universal Credit.



*Transforming lives through  
money advice & education*

‘Support for money advice must form another vital pillar of efforts to counter the Covid-19 economic crisis. Community-led advice, often provided by smaller agencies, is especially effective in reaching vulnerable individuals and supporting them to escape the cycle of debt and poverty long-term.’

**Rt. Hon. Stephen Timms, MP for East Ham (Newham), said:**

‘Many hard-working families in our community have been pushed over the brink in the pandemic – for example, because their work has been cut, and their immigration status means they can’t claim benefits. I applaud the work of Money A&E in supporting families with precarious finances, and I echo their call for funding for this vital work.’

---END---

For media enquiries please contact **Suzy Kirby**, Marketing/Comms Lead: **07989 385566** or [suzy@moneyaande.co.uk](mailto:suzy@moneyaande.co.uk)

#### **Notes to Editors**

- Money A+E’s ‘Money Coaches’ is a free one-to-one advice service providing support with debt, benefits and money guidance. During the Covid-19 pandemic the service has operated via phone and video link. Money A+E works in Newham, Tower Hamlets, Barking and Dagenham, Hackney and other London boroughs with above-average levels of deprivation.
- Money Coaches is part-funded by the British Gas Energy Trust as part of the Money in the Community project.
- Money Coaches is part-funded by The National Lottery Community Fund.
- Money Coaches operates in partnership with referring organisations, many of which have trusted relationships supporting excluded or vulnerable groups. The service is open to all and individuals can also self-refer.
- Money Coaches supported 260 clients between 1 April and 30 November 2020. Many clients received support with multiple ‘cases’ ie. debt, benefits or money guidance. There were 359 cases during the period.
- 79% of Money Coaches clients seen between 1 April and 30 November 2020 identified as non-White British.
- Money Coach advisers supported clients to manage debts totalling £1,544,253.14 between 1 April and 30 November 2020. This represents an increase of 77% compared to the period 1 April to 30 November 2020 (when total debts managed were £873,049.22).
- The average completed (ie. now closed) debt client case 1 April - 30 November 2020 owed a total of £10,295.02.
- 52% of Money Coaches clients seen between 1 April and 30 November 2020 were unemployed or unfit for work.
- The Money A+E Community Fund provided 46 grants of £285 on average during the period 1 April to 30 November 2020.
- Money Coach advisers supported clients to make financial gains totalling £1,027,434.44 between 1 April and 30 November 2020.
- \*End Child Poverty Coalition <http://www.endchildpoverty.org.uk/child-poverty-in-your-area-201415-201819/>
- \*<sup>1</sup> End Child Poverty Coalition <https://www.newhamrecorder.co.uk/news/child-poverty-in-newham-6541326>



*Transforming lives through  
money advice & education*

- \*<sup>3</sup> Name has been changed

#### **About Money A+E:**

Money A+E is an award-winning social enterprise that helps people find solutions to their money problems through friendly, compassionate advice and education. It particularly targets its services to Diverse Ethnic Communities (BAME) and disadvantaged groups. The staff and volunteers are beneficiaries of the service and are trained to deliver courses and mentoring advice to members of their local communities.

Money A+E's courses combine dealing with debt as well as building financial capability to prevent future financial crisis. Expert debt advice and high quality financial literacy are combined to amplify the impact that Money A+E's services have on the lives of individuals facing debt and poverty.

#### **Our terminology:**

The term Diverse Ethnic Communities (DEC) refers to any and all ethnic communities.

We prefer to avoid terminology that uses colour to describe people, as this is not always accurate. We also prefer to avoid using continents to describe people, as this may group many culturally disparate people together. We believe that both of these options can lead to inaccurate labelling and stereotyping of people and communities.

We commit instead to describing people using their chosen nationality and/or country of origin wherever possible. We believe that this is more accurate and more respectful towards everyone with whom we work at Money A+E.