



Transforming lives through
Money Advice & Education

Supporting Diverse Ethnic Communities

Money A+E (2019)

By Cassandra Azumah

Money A+E is an award-winning social enterprise that provides money advice and educational services. Based in Newham it provides services in the boroughs of London. The organisation focuses primarily on the provision of advice and education to BAME (Black, Asian and minority ethnic) groups as well as disadvantaged communities. Started in 2011 and taken forward by two executive directors, Money A+E was created, and its services built, based on both their experiences working in the third sector in London and their personal experiences with financial difficulty. The organisation supports people and provides them with the right information and advice to claim their financial rights and entitlements. Although the organisation is relatively new, beneficiaries of its services agree that it provides a safe space for those facing financial difficulties and it plays a vital role in helping individuals address money problems. Through its services, it has helped with the improvement of financial literacy in the local communities in which it works and has greatly improved locals' confidence in their ability to budget and manage their money.

Money A+E currently provides 6 services:

- Money Mentors Schools - School students are given courses on and trained to teach their peers about money management and personal finance.
- Money Mentors Community - Volunteers are trained and ASDAN customised accredited and / or OCN London qualified to become Mentors, helping their peers in the community to achieve their money goals. Many money mentors have previously received support from Money A+E and are now giving back. Volunteers are usually very accessible to those receiving the services because they have experienced and overcome similar problems.
- Money Coaches - One to one money advice and guidance sessions are given to those suffering from personal debt or benefit problems. The service is largely used by BAME and disadvantaged socially excluded groups.

- Money Champions - Volunteers and frontline staff from community facing organisations are trained to provide money tips and signposting support to their peers in the community.
- Financial confidence workshops - Workshops are delivered to residents with the aim of increasing financial knowledge, skills and confidence through practical activities and information.
- Newsletter - Members receive the latest money news and tips from Money A+E.

Money A+E occupies a unique space in the industry as it is committed to providing advice in ways that vulnerable people and those in stressful situations can find useful and accept. It takes a holistic view of financial difficulty, recognising that it often comes with a social stigma and psychological problems. By partnering with charities and other third sector organisations, Money A+E helps to ensure that debt issues are less hidden, as this is the first step to addressing the problem. The organisation aims to increase general awareness of local money support services, to increase the financial knowledge, skills and confidence of the communities in which they work; and to increase the awareness of the range of financial products and services.

Although poverty rates are falling across the UK, London is still the region with the highest poverty rates in the UK. In London, the boroughs with the highest poverty levels continue to be Tower Hamlets, Hackney and Newham, with Hackney and Newham being the only two boroughs in London which do not have areas with a poverty rate below 28%¹.

The falling poverty rates across the UK obscure the rising poverty rates amongst children and pensioners that has taken place over the last few years. These rising poverty rates can be attributed to skyrocketing housing costs, low paid and insecure work as well as changes to social security. Changes to social security in particular are negatively affecting the very people the social safety net was created to help. There has been reduced support to low income families and a freeze on tax credit and most working age benefits. This is particularly harmful because prices and housing costs have continued to

¹ Tinson et al., "London's Poverty Profile 2017," 40.

rise, meaning that people have had to spend larger portions of their incomes on basic necessities. The freeze was introduced in 2016, and is expected to stay in place until 2020, and it is expected to result in 470,000 more people living in poverty in 2020/21². Another stumbling block placed in front of the city's poor is the introduction in 2017 of the "two-child limit" to most means-tested benefits. This means that families with more than two children will no longer receive any extra benefits for extra children born into the family after April 2017³. All of these changes have a negative compounded effect on the financial and psychological wellbeing of people who receive benefits.

Low income households tend to have a lower amount of financial reserves partially as a result of the strain placed on them from the structural changes in social security. As a result of this, these households are more vulnerable to falling in debt as living costs rise⁴ or they face an unforeseen circumstance like the loss of a job, bereavement or making mistakes when paying off their benefits⁵. Falling into debt places people under a significant burden, and this can affect their ability to work productively. In the same way, this stress can prevent unemployed people from successfully securing jobs. To make matters worse, the inability to find work can reinforce these negative feelings, making it even harder to secure a job. In such situations, the longer one stays out of work, the harder it is to keep up with the costs of living, and pay off their debts. This leads to people being trapped by their debt.

It is in this context that Money A+E operates. Money A+E provides preventative services which help individuals learn how to manage money better. It also provides confidential and non-judgemental debt advice which helps people recover from problem debt issues and start afresh.⁶ Runnymede Trust, "Researching Older Black and Minority Ethnic People and Financial Inclusion" finds that nine out of ten people who seek out debt advice are able to achieve either a formal or informal resolution.

² Barnard, Heykoop, and Kumar, "How Could Brexit Affect Poverty in the UK?," 3.

³ <https://www.gov.uk/guidance/claiming-benefits-for-2-or-more-children>

⁴ Barnard, "UK Poverty 2018: A Comprehensive Analysis of Poverty Trends and Figures," 4.

⁵ LSE Housing and Communities, "Facing Debt: Economic Resilience in Newham," 9.

⁶ Friends Provident Foundation, "Clients' Perspectives on How They Access Debt Advice," 3.

Money A+E focuses primarily on BAME and disadvantaged groups because they fall disproportionately into the low-income household threshold.⁷ Runnymede Trust, “Researching Older Black and Minority Ethnic People and Financial Inclusion” finds that compared to 16% of white pensioners living in poverty, 46% of Bangladeshi and Pakistani pensioners and 25% of Black Caribbean pensioners live in poverty. BAME households generally have less total wealth, they are less likely to own their homes, and even amongst those who are in work, are less likely to have a private pension. In 2010, Bangladeshi and Black African households on average had a total wealth of £15,000 and £21,000 respectively as compared to £221,000 held by white British households⁸. Money A+E’s work with BAME communities is highlighted by the money advice services it provides to clients from a Latin American background primarily in and around Lambeth. Most of these clients are immigrants, who moved to the UK in search of better lives. However, due to the language barrier and their vulnerability they have had to endure low paying jobs and deal with the complex welfare benefit system. Money A+E’s work with them has led towards greater financial inclusion. This is a testament to the work Money A+E does, it provides services to people who would not have been able to access their financial rights and entitlements otherwise. Money A+E helps its clients navigate the system and gives them access to services they would have otherwise been excluded from.

Money A+E’s “Money Mentors Schools” service was created with the aim of equipping students with necessary money skills. According to Money Advice Service, “Higher-Education Students Money :Money Advice Service Briefing Note”⁹, in 2018 there were over 431,000 students in higher education finding it extremely difficult to keep up with the costs of studying, additionally, about “38% of students have some form of outstanding credit with 18% owing £1,000 or more. Additionally, 26% of students from C2DE backgrounds are more likely to have no personal savings as compared to those from a more affluent background (16%)¹⁰. Money Mentors schools works in secondary schools and colleges in Hackney, Tower Hamlets and Newham, teaching students about savings, and spending wisely in order to avoid ending up in precarious financial situations.

⁷ Runnymede Trust, “Researching Older Black and Minority Ethnic People and Financial Inclusion,” 2.

⁸ Runnymede Trust, 2.

⁹ Money Advice Service, “Higher-Education Students Money :Money Advice Service Briefing Note,” 4.

¹⁰ Money Advice Service, 4.

Money A+E is committed to getting feedback from clients and participants of various workshops in order to identify what it is they do right and work on areas in which they are lacking. This is how they strive to ensure that they provide the best services possible. Feedback is often collected through pre and post intervention questionnaires.

A difficulty currently facing Money A+E is that the post-intervention questionnaires are answered immediately after the workshops. This means that only the short-term impact of the workshops is assessed, as a result of this the effectiveness of the programmes in the long run cannot be ascertained. Money A+E has tried to rectify this problem by following up with clients three to six months after the workshops in order to ascertain their long-term impact, however, participants were not so enthusiastic about this, and half of them refused further contact. Those who agreed to further contact were followed up. However, collated effect of workshops might be skewed, because it is likely that those who are more likely to accept further contact are also those who are more likely to have positive outcomes anyway. Another way to ascertain the long-term impact is to have repeated interventions. However, although Money A+E offers repeated interventions, very few people come back to engage in other courses or services. They do however keep track of those who have been trained and try to keep in contact with them as part of the money mentors programme. With recent funding from the Big Lottery fund, Money A+E expects better tracking of clients and participants and have partnered with the University College London to create a monitoring and evaluation report by 2021.

While Money A+E does well within its means to provide the services it does, it still finds its activities severely constrained by a lack of funding. Access to finance and funding is important with regards to helping the organisation scale up its services and support its core running costs.

Money A+E's struggle to access funds is not specific to the organisation, but to similar organisations owned by ethnic minorities which are geared towards the provision of services to BAME and other disadvantaged groups. Compared to the mainstream social sector, the Black, Minority, Ethnic (BME) third sector has been historically underfunded, and has faced a plethora of funding challenges. This includes being disproportionately affected by the government's reduction in grant funding since the onset of austerity

measures. This is for two reasons. First, ethnic minority owned social organisations receive most of their funding from the government, and secondly, they are less likely to get funding from other grant making organisations. Voice4Change found that about 53% of BME third sector enterprises receive a majority of their funding from government sources while they received only 3% of charitable funding and 2.3% of lottery grants in 2007¹¹.

In many areas in the UK ethnic minorities face greater social and economic exclusion that might lead to inequalities. ¹² Cite the Social Enterprise Coalition (SEC) which states that, it must also be recognised that BAME communities also face prejudice that both aggravates these inequalities and presents barriers to developing solutions. Exclusion often prevents these communities accessing information or support to help them develop social enterprises. This exclusion of BME social enterprises and charitable organisations has led to them being weakly engaged in the policy process as compared to their more established counterparts. This means that they are poorly served in terms of policy delivery, which is demonstrated by unequal access to mainstream support infrastructure¹³. Social Enterprises created and run primarily for the benefit of minority and disadvantaged groups are less established than their counterparts. As a result of this, organisations like Money A+E lack the ability and the network to compete with mainstream organisations and this has left little space for small sized BME organisations to access public funds.

Due to the scale and the pooling of resources, consortia are better able to reach their shared objectives while reducing transaction costs per firm. In order to improve its chances of accessing funds, Money A+E has joined consortiums in order to promote the organisations interests. In addition to this, it is crucial to campaign for the creation of an organisation which connects BME owned social (not for profit) organisations to funds. This organisation would allow for a setting in which funding issues can be discussed between funds and the social (not for profit) organisations. Such an organisation would be key to facilitating discourse and to reducing the perceived distance between funds and BME owned organisations. It is also important for boroughs to commit to engaging

¹¹ <http://www.voice4change-england.co.uk/content/state-bme-sector-0>

¹² Sepulveda L, Syrett S, "Social Enterprise and Ethnic Minorities," 6–7.

¹³ Sepulveda L, Syrett S, 7.

more with voluntary and charitable organisations by and for BAME communities and other disadvantaged groups. The vitality of such organisations is highly correlated with a supportive relationship with the local authorities. A close relationship with the local authority translates to an increase in access to grant funding, and as such an increase in the reach of the organisation.

At Money A+E, we care deeply about the people who are excluded and/or poorly served by the financial sector and the government. Each day we strive to make living in London a little easier for the financially underserved. If you would like to fund us, work in partnership or collaboration with us to create a fairer, more financially inclusive society, please get in touch and talk to us at info@moneyaande.co.uk or visit us at Mansfield House, 30 Avenons Road, London, E13 8HT.



Cassandra Azumah is passionate about helping to create a world that is more inclusive of people regardless of their social status. She has recently completed a master's degree in Political Science and Political Economy and hopes to use and build on her academic foundations to serve and empower marginalised peoples.