



# Women's Experiences of the Cost-of-Living Crisis in Northern Ireland: *Debt and the Ability to Save*



## Context

Borrowing and debt is far from gender neutral. Women are more likely than men to claim social security benefits, more likely to be in low-paid, part-time and insecure work, more likely to be providing care for children/family members and more likely to have to make up for cuts to services through unpaid work. As women's incomes are generally lower over their lifetimes this leaves them more vulnerable to short-term financial problems or income shocks making them more likely to have to rely on borrowing and debt to make ends meet. Research by the Money and Pensions Service shows that women have lower financial wellbeing, have fewer retirement plans and smaller pension pots than men as well as being less likely to save regularly (56%) compared to men (63%). More women (52%) have never put their money into an investment product compared to 37% of men.

Research by the Women's Regional Consortium showed that 87% of the women involved in the research had needed to borrow money in the last three years much of it for essential items or to make ends meet. Many had little or no savings and no ability to save due to low income or living on benefits. Many had resorted to high-cost lending and difficulty meeting their debt repayments was a common problem.

Christians Against Poverty (CAP) research found that the most common forms of priority debts owed by clients in Northern Ireland were benefit overpayments and Social Fund or Budgeting Loans – in short, debts owed to the Government which are deducted from benefits. The Work and Pensions Committee reported in February 2022, that 45% of Universal Credit claims have a deduction, with an average of £62 deducted.

There are increasing concerns about the issue of paramilitary lending among organisations working with people on low incomes and in poverty. There is a fear that the Cost-of-Living Crisis will force more and more people, particularly women, to borrow from these illegal money lenders.

**You can read the full research paper “Women's Experiences of the Cost-of-Living Crisis in Northern Ireland” here: <https://bit.ly/44UPleX>**

## Findings

Borrowing is a fact of life for many of the women who took part in this research as they are unable to make ends meet with what they receive on a low income through social security benefits or in low paid work. Many of the women were forced to borrow simply to enable them to meet their most essential bills.

- 56% of the women who took part in the research said they were in debt.
- 82% of the women who were in debt reported that they had to borrow money/increase their debts as a result of Cost-of-Living increases.
- 62% of the women said that they had not been able to save recently.
- 31% reported that they had seen their savings decrease.
- An inability to save makes them more vulnerable to income shocks and therefore more likely to get into debt.
- Women who were using their savings to cope with Cost-of-Living increases were very fearful what would happen when they ran out.
- None of the women reported being in a position to increase their savings.

## Recommendations

- We support the recommendations from the Independent Review of Discretionary Support and want to see increased investment in this vital fund to address rising levels of financial hardship and the impact of the Cost-of-Living Crisis.
- We support the recommendations from the Independent Review of Welfare Mitigations and the Cliff Edge Coalition's key asks to mitigate the two-child limit, resolve the five-week wait in UC and increased support for private renters.
- We want to see the urgent development and implementation of a fully funded Anti-Poverty Strategy for Northern Ireland taking into consideration the recommendations from the Anti-Poverty Strategy Co-Design Group.
- We support the Essentials Guarantee campaign from the Joseph Rowntree Foundation and the Trussell Trust to ensure the basic rate of benefits at least covers life's essentials and can never be pulled below that level including through deductions from benefits to repay Government debts.
- We recommend increased provision of face-to-face generalist advice, debt advice and awareness raising campaigns in community spaces including in Women's Centres. We want to see more awareness around debt solutions and the help available through the benefits system. We suggest that in order to reach the most marginalised this needs to be broader than simply online awareness.

## Quotes from Participants

*I'm a single mum and I don't have anyone to mind my child and I only have what I get in – all the bills are on me. There is no one to help me out, I'm in debt and my credit cards are maxxed out, my PayPal is maxxed out, ClearPay is maxxed out just to put clothes on my child's back. She grows out of clothes every couple of months.*

*You've no choice but to use a credit card if you've got no money.*

*I'm borrowing off friends and family and then Discretionary Support. I'm constantly limited out of it. They're taking so much off you weekly.*

*If something breaks down you have to put it on the credit card, you get into debt.*

*You're having to borrow just for the ordinary things.*

*I have loans just to cover loans, one borrowed to pay another. So I'm not actually getting anywhere I'm constantly paying loans. I feel like it will go on for ever and ever. You get it down a bit and then something happens and you need to borrow again.*

*Any savings I had are gone. I had to spend them on oil, diesel, food and rent.*

*I use Clearpay and Klarna – it allows me to get the kids clothes and without it I wouldn't be able to. I'm not really able to manage the repayments at the minute – I'm still struggling with a big bill from Christmas.*

*I'm having to borrow for the way I normally live. I used to have a certain amount of money to cover my ordinary bills but that's not there anymore. So I'll have another week until I get paid so I'll use my credit card to get whatever I need. It's all essential stuff, it's just living.*

*I just got offered a credit increase on my credit card. I really didn't want to take it because it was nearly double what I have at the minute but I'd already used up my credit over Christmas and had already paid my rent but had no money for gas and shopping and I had to take the credit increase just to have something to live on. It's just really hard.*

*The money I had to cover weekly shopping no longer covers it. I find myself using credit cards to pay for weekly food, extra fuel in the car and unexpected bills.*

*Increases in energy and food bills have meant I need to use and live in my overdraft plus the increases in mortgage interest rates and borrowed overdraft interest – I feel like I'll never get out of it.*

*I had to get a credit card, it was supposed to be for emergencies but I've had to use it a lot for day to day things. They offered me a credit increase that I would rather have declined but I ended up having to take it as I'd ran out of credit and needed money for food, gas, etc.*

*I see the postman coming and I'm thinking God what now. I'm thinking I've just got that bill sorted and paid then there's something else and you're in tears. There's literally no money left and the bills just keep coming.*

*Before last year I had about £400 saved. It was like a wee fund for my oldest. I've had to go into that, that's gone. I know that's horrible, going into your kid's money. I feel so guilty but what can I do?*

*I keep finding that I put money into my savings and then I take it back out again – it never stays there. I can maybe save £20 this week but then apparently I can't and I have to take it back out again.*

*My mummy always had teapot money. I tried it but see now the teapot is always empty. I think I'll go to the teapot for a wee treat but there's nothing there now, it's hard to fill.*

*I'd be lucky if I could save a £1. My daughter comes home from school and asks mummy can I have a £1. My purse is empty. Now everything's going up so even if you have a £1 there's not much you can get with it.*

*I used to be able to save but now there's nothing left to save and I'm dipping into my savings significantly. That terrifies me. Whenever that runs out what will I do?*

*I used to be able to save. I used to have a couple of hundred pound in a tin upstairs for emergency or if the car broke down or if I needed to buy a new washing machine. I always liked to have £500 in the tin for an emergency. I can't afford that anymore I just don't have it.*

*There's no give anymore – this time last year with my earnings I had a wee bit of money set aside if something breaks down or the car needs repaired, etc. But I don't have that now and it's worrying. Anything breaks down I just don't know what to do – it will have to go on a credit card but in the long run that just makes it worse as then you have to pay that off.*

*I have no money to save as the cost of everything.....rent, food, oil, electric, nappies, formula is all taking all my money at the end of the month.*

*My savings weren't great anyway but I maybe had a couple of hundred which was quite good for me. But then my wages were running out and I had to use my savings or credit card to top up my monthly wage. My savings went down to 12p. It's so sad.*