



THE IMPACT OF THE COST-OF-LIVING CRISIS ON OLDER ETHNIC MINORITY PEOPLE IN GREATER MANCHESTER

Background

This research is being carried out by members of the Manchester Urban Ageing Research Group (MUARG) based at the University of Manchester. The group have been involved in a range of projects over the past two decades, developing innovative research on the lives of older people living in areas where there is often a mix of low incomes and poor housing.

In 2020, the group carried out a study on the impact of the challenges facing lower income communities in the context of COVID-19. The research found that COVID-19 had the greatest impact on areas characterised by high levels of deprivation, people living alone, and people from African Caribbean and South Asian Communities¹.

Following on from this work, the research team are now carrying out

a study exploring the impact of the **cost-of-living** crisis on older adults from ethnic minority backgrounds living in Greater Manchester. They are working in partnership with the Manchester BME Network to understand the lives of older people during this period of unprecedented challenge.

Research questions

- What *impact* is the **cost-of-living** crisis having on the everyday lives of older ethnic minority people?
- What types of *support* are available to different groups of older people? And, what gaps in support are there?
- What new *services* and additional support for existing groups might be needed given the present crisis?



Methodology of the study

The first stage of the research will involve a workshop with older people and partner organisations who work with ethnic minority older people (including Manchester BME Network, Greater Manchester Ageing Hub, the Kashmiri Youth Project, the Caribbean and African Health Network). The aim of the workshop is to *share experiences and learning*, including a series of roundtable discussions.

The second stage of the research will involve telephone interviews with older people identified through the partner organisations. Questions will be asked about what *impact the cost-of-living crisis is having on the everyday lives of older ethnic minority people*, what types of challenges they face due to the rise in energy and food prices, and the types of support on offer

from community and voluntary organisations. Interviews will be carried out in the language of choice of the participants.

What impact is the **cost-of-living crisis** having on older people?

The UK is experiencing the greatest living standards crisis in modern times. But the pressures facing people in the winter of 2022 are not new. They should be understood in the context of *austerity* and the impact of COVID-19 on the older population, which drastically rationed support of all kinds.

While the **cost-of-living** crisis is likely to affect the financial security and quality of life of the vast majority of the population, its impact will be felt differently by older generations ⁱⁱ.

Older people are likely to face the following issues:

1. FUEL POVERTY

Older age groups will experience the largest reduction to their disposable incomes due to rising energy prices. Research by Independent Age suggests that an increasing number of older people are at a 'budgetary crisis point' ⁱⁱⁱ.

UK households with older occupants already spending around *twice as much* on energy as younger households and are *twice as likely* to be living in draughty homes.

The vast majority of households - including 70% of pensioners - are expected to be spend a tenth or more of their income on fuel from April 2023, when support for energy costs will be reduced ^{iv}.

2. COLD HOMES

Living in cold homes with limited income is the reality facing 66% of the population this winter in 21st-century Britain. Even with the **cost-of-living** packages and the energy price guarantee, more people are living below an acceptable standard of living than pre-pandemic ^{vi}. A *quarter of adults* are struggling to keep warm in their living rooms – and many are going to bed earlier to stay comfortable this winter in the face of high energy bills ^{vii}.

Data compiled by the Office for National Statistics (ONS), reveals that 63% of adults reported using less gas and electricity because of increases in the **cost-of-living**, and 96% of those adults are using less heating.

The UK has some of the *least energy efficient housing* in Western Europe. Poorly insulated housing has been associated with excess winter mortality ^{viii}. Health impacts of cold homes include: increased risk of heart attack or stroke, respiratory illnesses, poor diet due to 'heat or eat' choices, mental health issues, and worsening or/slow recovery from existing conditions.

Those most at risk of ill health from fuel poverty include: children, the elderly, and long-term sick and disabled people. In 2019, it was estimated that the NHS spends at least 2.5 billion per year on treating illnesses that are directly linked to cold, damp, and dangerous homes ^{ix}.



3. FOOD INSECURITY

It is likely that many older people, particularly those living alone, will be forced to skip meals this winter.

People aged 80 or above devote a higher share of their expenditure on food and energy, which have rocketed in price this year. And this means they could face inflation rates of around 15% – five percentage points higher than expected rates for 18–20 year olds^x.

A decade ago, food banks were fairly unfamiliar but by last winter, the country's largest food bank supplier, the Trussell Trust, was delivering 2.2m emergency parcels a year. So much so that there are now more food banks in the UK than there are McDonald's restaurants^{xi}.

4. DETERIORATION IN PHYSICAL AND MENTAL HEALTH

More than a million people living with heart and breathing problems could be at greater risk of hospitalisation or death owing to poverty leaving them more likely to be exposed to the cold

^{xii}. Office for National Statistics (ONS) estimated that there are 1.3 million people with cardiovascular and respiratory conditions living in poverty, and that they are more likely to be older people. Before the pandemic, life expectancy – a key indicator of the nation's health – had

started to stall for the first time in a century. Much of the reduction is being caused by preventable illness.

The evidence suggests this deterioration in health is driven by austerity politics as billions of pounds have been cut from public services and social security since 2010, decimating welfare and the social safety net and there are now far fewer services promoting good health.

The *cost-of-living* crisis is also likely to lead to a rise in demand for emergency and mental health care over the coming winter. Money worries mean millions will be cutting back on social activities, increasing the risk of loneliness. Age UK's new research shows how frightened many older people are about surviving the next few months, with significant numbers anticipating a more solitary and lonely because of a lack of money^{xiii}.

A report by the Resolution Foundation^{xiv} found that *two-in-five* people with mental health problems were living in materially deprived households. The relationship between disability and a person's living standards may be a two-way one – with the psychological stress caused by financial difficulties contributing to poor mental health.

What impact is the **cost-of-living** crisis having on older people from ethnic minority backgrounds?

The cost-of-living crisis will have a particular impact on older Black, Asian and other ethnic minorities, who tend to be poorer, have lower quality housing, lower pensions and are often in poorer health. To date, there is very little information about the impact on their lives of high levels of inflation. Hence, the importance of undertaking further research in Greater Manchester.

Older people from Black and Asian ethnic groups are around twice as likely to be living in poverty as White pensioners, and older minority ethnic groups have lower average incomes, are more likely to receive means-tested benefits, and less likely to receive private pensions ^{xv}.

Ethnic minority people have up to three years' lower life expectancy, up to seven years' lower healthy life expectancy and worse health-related quality of life compared with their white counterparts. Health outcomes in recent decades have been consistently poor for Pakistani and Bangladeshi people. They have the worst health out of all ethnic groups at almost every stage of the life course. But older age is where the ethnic inequalities

are starkest, with Pakistani and Bangladeshi people displaying levels of poor health up to twice as high as those of the white majority group ^{xvi}.

Ethnic minority households will be among the hardest hit by the cost-of-living crisis ^{xv}. The rising **cost-of-living** in the UK is not being uniformly felt, due to inequalities that place minority ethnic groups at a heightened risk from high inflation and a stalling economy ^{xvi}.

Black and minority ethnic people were most affected by the economic shocks associated with the 2007-08 global financial crisis and COVID-19. These groups were also unequally hit by the pandemic with higher death rates, higher unemployment rates, and higher levels of poverty.

The UK is home to more than 8 million people who identify as belonging to an ethnic minority group. In England, around 17.7% of non-white ethnic minority households are in energy poverty, in contrast to the average of 10.3% and 9.3% of White households ^{xvii}.

Despite only making up around 15% of the population in the UK, more than a quarter (26%) of those in 'deep poverty' (i.e. more than 50% below the poverty line) are from an ethnic minority background and

make up a growing share of those on the lowest incomes. As a result, Black and minority ethnic people are currently 2.2 times more likely to be in deep poverty than white people, with Bangladeshi people more than three times more likely ^{xviii}.

Compared to white households, Black and minority ethnic households have less wealth, savings and income at their disposal to absorb these additional costs, with Black African and Bangladeshi households having the lowest level of wealth by a considerable margin . In 2022 the ONS found that around 4 in 10 (44%) White adults reported finding it difficult to afford their energy bills, compared with around two-thirds (69%) for Black or Black British adults and around 6 in 10 (59%) Asian or Asian British adults .

In May 2022, the New Economics Foundation published an analysis warning that Black, Asian and other minority ethnic households will experience an average increase in the cost-of-living 1.6 times higher than their white counterparts .

The reason for this is that individuals on low or insecure incomes are often forced into pricier arrangements such as prepayment meters, higher-cost credit, or being unable to buy everyday goods such as food in bulk.

Benefits of the research

This study will produce important findings on *the impact of the **cost-of-living** crisis on older population* which will be published in a report. The findings will also be used for a funding application for a major programme of research and will support the University's social responsibility agenda, in particular in relation to community engagement.

The benefits of the study include:

- Creating innovative research to generate *new knowledge* about the impact of the **cost-of-living** crisis, with a particular focus on exploring different experiences of older people from ethnic minority backgrounds.
- Development of *methodologies* for undertaking research with older people from a range of backgrounds.
- Contributions to discussions in Greater Manchester about *new approaches* to supporting older ethnic minority people.



Project team

For further details please contact:

Camilla Lewis

Sophie Yarker

Chris Phillipson

camilla.lewis@manchester.ac.uk

sophie.yarker@manchester.ac.uk

christopher.phillipson@manchester.ac.uk

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