

bhmuk

Cost of Living Report

Understanding the crisis and how it affects
African immigrants



Table of Contents

| | |
|-----------|---------------------------------|
| 03 | Introduction |
| 04 | Key Findings |
| 05 | Meet The Respondents |
| 07 | How They Feel |
| 10 | How Their Finances Are Impacted |
| 13 | How They Are Coping |
| 14 | Their Mental Health |
| 16 | Recommendations |
| 19 | How We Did It |
| 20 | Conclusion |
| 21 | About BHM UK |

Introduction

The UK is currently battling a cost of living crisis that has been exacerbated by rising prices of essential needs such as energy, fuel, and food. According to the Office of National Statistics (ONS), the Consumer Prices Index has risen by 9.2% in the 12 months to February 2023, up from 8.8% in January.

The Ukraine-Russia crisis has also contributed to the situation by disrupting global supply chains, leading to high prices.

While several people from various backgrounds are feeling the pinch, no studies have been done to highlight the condition of African immigrants residing in the UK.

Around 1.4 million people, or 2.5% of the population of England and Wales, are estimated to be of African origin, according to the UK Government.

Evidence from SBM Intelligence suggests that a sizable number of Africans emigrated from their home countries to the UK to seek better education and career opportunities. African immigrants contribute immensely to the UK economy; however, like other communities in the UK, they face challenges due to the high cost of living. Therefore, it is important for both the Government and the business sector to recognise the valuable contributions made by African immigrants to the UK economy and find ways to support them.

BHM UK has initiated this research project aimed at examining the impact of this crisis on the African immigrant population. The purpose of this report is to offer insights to governments and organisations that are focused on supporting this community. By doing so, BHM UK hopes to support African immigrants in managing the current economic situation effectively.

Key Findings

47.9%

of respondents feel worse off than they did a year ago.

77.3%

support family and friends back home in Africa.

44.5%

of those surveyed borrow to pay for everyday needs.

84%

do not claim any form of credit from the government.

25.2%

have opted out of their workplace pension since the start of the pandemic.

69.4%

of respondents plan to reduce their power usage.

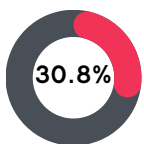
24.4%

of participants plan to cut down on essentials like food.

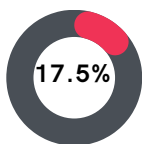
58.8%

say the current economic situation is affecting their mental and physical health.

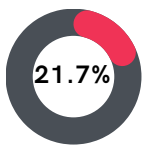
Top 5 financial concerns for African Immigrants in the UK are:



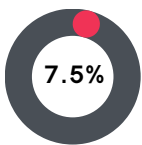
Job security



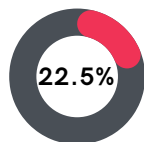
Clearing debt



Housing



Security in retirement



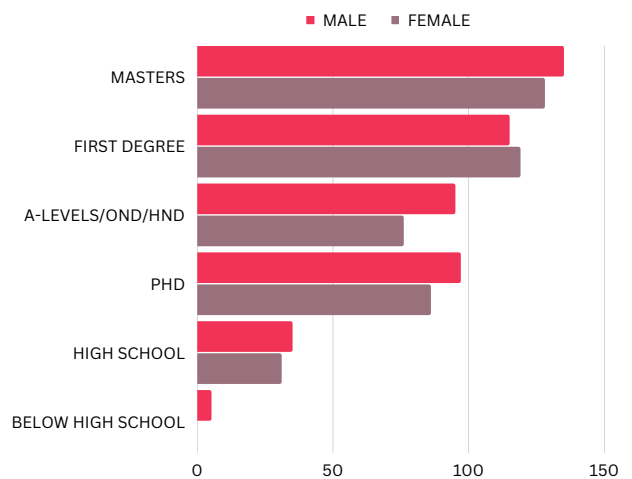
Paying monthly bills

Meet The Respondents

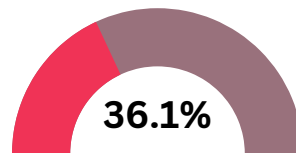
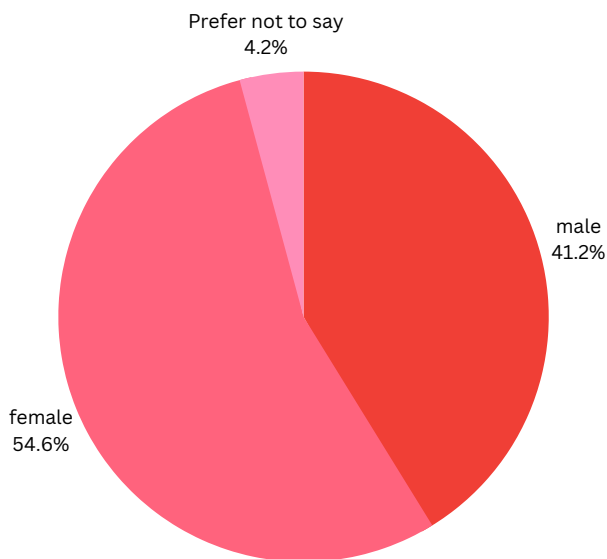
Over 1,200 African immigrants in the UK from across different nationalities, occupations, interests, and age participated in this study.

Only 17.6% of them are unemployed and have indicated that they're searching for employment. While 52.9% of respondents did not specify sectors of employment, it was discovered that tech employs the highest number of African immigrants in the UK with 12.6%. Results also revealed that more female African immigrants are currently in education than males.

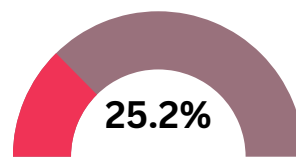
Educational Level



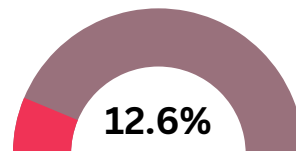
Gender Spread



have lived in the UK for less than a year



have lived in the UK for less than 5 years



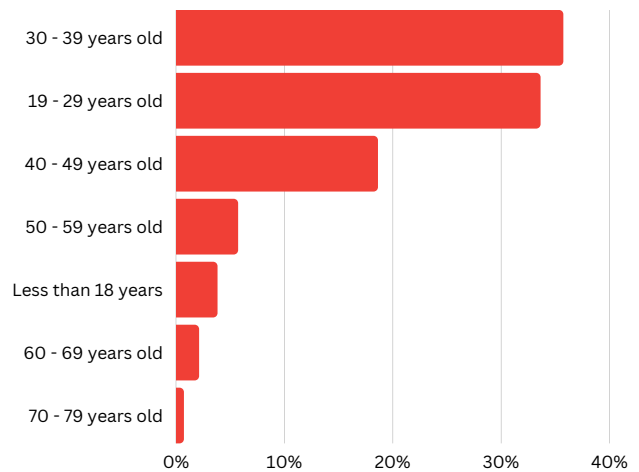
have lived in the UK for 5 - 10 years



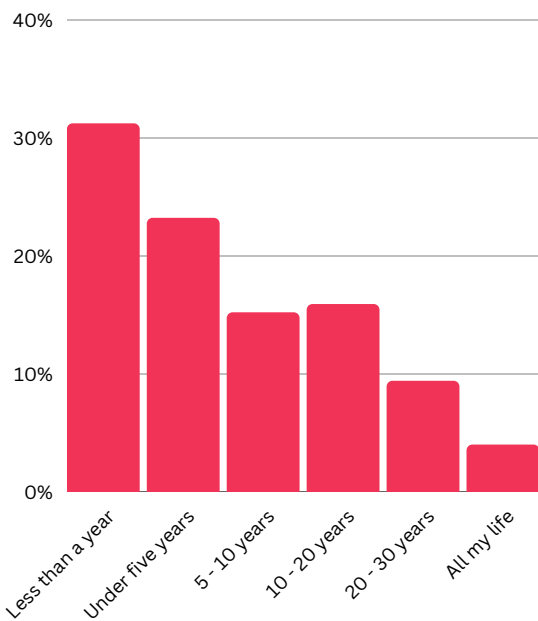
Meet The Respondents

The study reveals that a majority (73.1%) of African immigrants in the UK are engaged in full or part-time work and have lived in the UK for less than five years. An important revelation is that more males are involved in full or part-time work, while females lead the unemployment, retired and full-time education data.

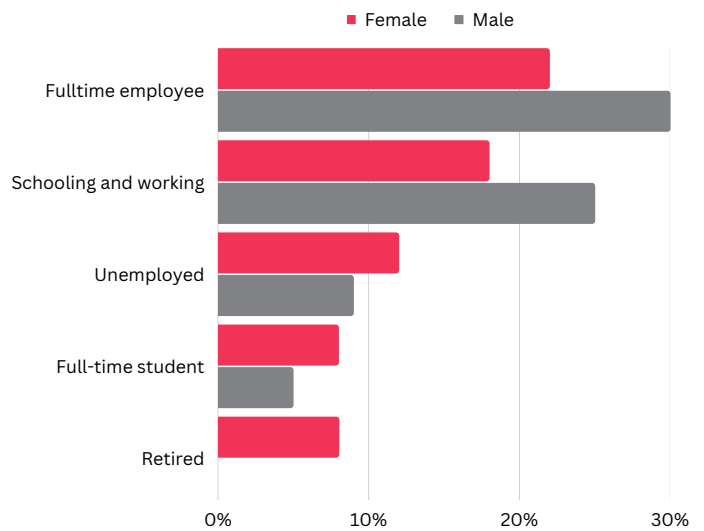
Spread of Age



Duration of Stay in the UK

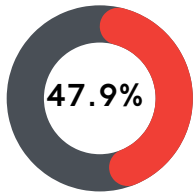


Employment Status



How They Feel

The times can be described as enormously tough for African immigrants in the UK. An analysis published by the UK Labour Group to coincide with Race Equality Week (7-13 February) shows that over 1.2 million (78%) adults from households headed by someone from a Black or African background reported having less than £1,500 in savings and investments. It further states that over half a million (24%) reported zero savings.



OF AFRICAN
IMMIGRANTS
FEEL WORSE OFF

A myriad of issues plagues their minds. Money is at the centre of their worries.

“

"IT'S BECOMING HARDER TO LIVE IN A COUNTRY THAT WAS MEANT TO BE EASIER AND BETTER, AS THE COST OF EVERY PRODUCT IS GOING UP," SURVEY RESPONDENT (SR98) SAID.

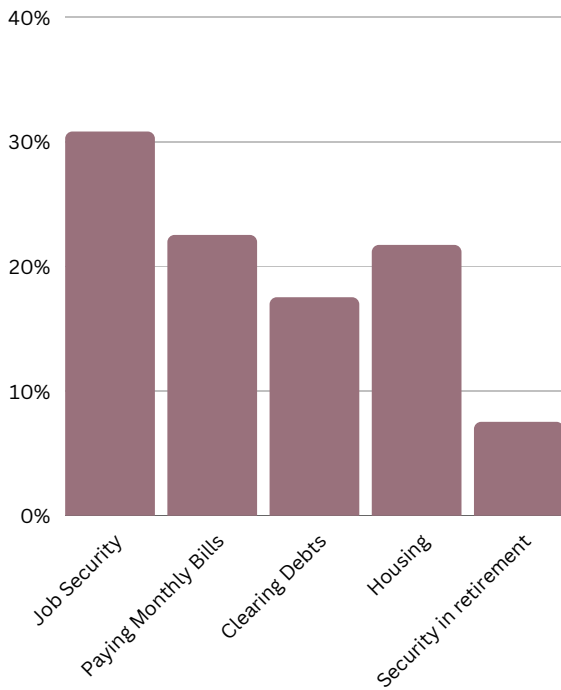
”



How They Feel

Job security is the biggest financial concern of African immigrants in the UK with 28.6%. A report by the Institute of Chartered Accountants of England and Wales (ICAEW) states, "A fifth of working accountants have said their job progression is being negatively affected by the cost-of-living crisis and more than one in four believes the crisis has meant there are simply fewer opportunities available at work."

Top Five Concerns For African immigrants Living In The UK



How They Feel



77.3% SUPPORT FAMILY AND FRIENDS BACK HOME IN AFRICA.



75% SAY THEY HAVE HAD ISSUES IN SUPPORTING THEIR DEPENDANTS IN AFRICA.

The World Bank estimates that Africa's diasporans' remittances reached over \$80bn sent to and within Africa in 2020.

The cost of living crisis hits African immigrants in the UK hard as 77.3% of them support family and friends back home in Africa. Among these people, 75% say they have issues keeping up with this responsibility.



28.6% STRUGGLE TO AFFORD GAS MONTHLY.



57.1% EXPECT TO BE UNABLE TO AFFORD HOLIDAYS THIS YEAR.

Some survey respondents had these to say about their current feelings on the situation:

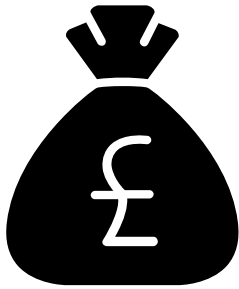
“THEY KEEP TAXING THE YOUNG TO PAY FOR THE OLD. A LOT OF THE INCREASE IS HAPPENING AT THE SAME TIME. IT'S EXHAUSTING.” - SR92.

“I'M REALLY WORRIED ABOUT HOW I'LL COPE WITH MY MEAGRE SALARY.” - SR93

“AS I AM ALREADY ON AN NHS PENSION, I DON'T KNOW HOW MUCH MORE WOULD BE TAKEN OFF THE LITTLE EXTRA I EARN FROM MY PART-TIME JOBS.” - SR95

“I AM CONCERNED ABOUT THE DEDUCTIONS FROM MY SALARY BY HRMC.” - SR108

How Their Finances Are Impacted



Lateness with rent or mortgage payment:

69.7% have never been late.

17.6% miss occasionally.

8.4% miss regularly.

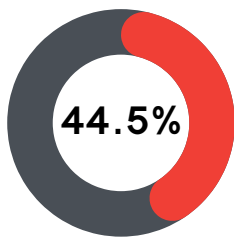
4.2% have a mortgage/rent.

With rising prices, African immigrants face immense pressure on their finances. A UK Parliament publication writes, "from January 2022 to January 2023, domestic gas prices increased by 129% and domestic electricity prices by 67%." While Russia's war on Ukraine is responsible for the increase in gas prices, there is a spill-over effect on the price of electricity.

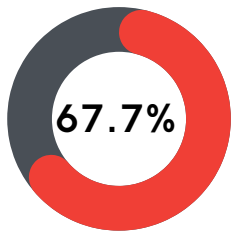


How Their Finances Are Impacted

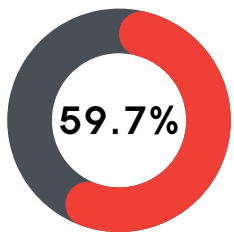
Russia and Ukraine are also large producers and exporters of agricultural products, such as wheat, and some metals. The prices of food and some other material items, in the international market, including the United Kingdom, have been affected by the ongoing war.



**BORROW TO PAY FOR
EVERYDAY NEEDS.**



**STRUGGLE TO KEEP UP
WITH REPAYMENTS.**



**HAVE HAD TO ASK
FAMILY MEMBERS FOR
SUPPORT IN RECENT
TIMES.**



How Their Finances Are Impacted



84% of African immigrants living in the UK do not claim any form of credit from the government.

While African immigrants in the UK can access public funds conditionally in the areas of child-schooling, child benefits and state housing, these are either insufficient or often inaccessible.

In October, 2022, the UK government cut up to £1,040 (US\$1,439) per year from social security support to people on the Universal Credit system, despite widespread warnings that doing so would further exacerbate poverty. While 84% of the respondents do not claim public funds, this decision can inherently affect other Africans who have lived in the UK their entire lives.

The findings reveal a paradox in the circumstances of these people; they are regarded by their loved ones at home in Africa as well-to-do with the capacity to send money back. Sadly, 59.7% of them have had to ask for support from family members in recent times.

28.6%

STRUGGLE TO AFFORD GAS MONTHLY.

25.2%

HAVE OPTED OUT OF THEIR WORKPLACE PENSION SINCE THE START OF THE PANDEMIC.

“I WILL APPRECIATE ANY FORM OF SUPPORT WE CAN GET WITHIN THE AFRICAN COMMUNITY,” SURVEY RESPONDENT (SR93) SAID.

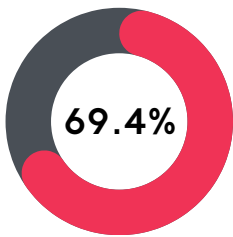


How They Are Coping

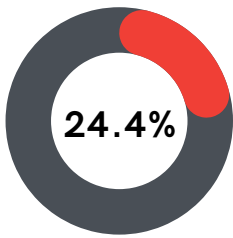
When SSE, one of Britain's largest energy companies, advised in 2022 that people should "eat ginger or buy socks made of Merino wool to keep heating costs down", it sparked a lot of ridicule. But several months down the line, absurd and insensitive tips are being applied to survive.

From the responses to our survey, it is clear that African immigrants are also applying coping measures.

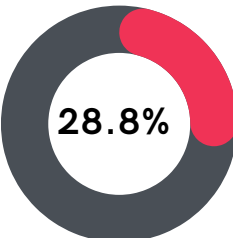
To cope with the crisis:



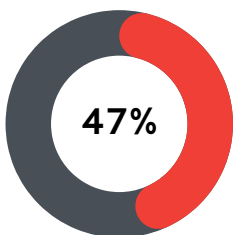
**PLAN TO REDUCE THEIR
USE OF POWER.**



**PLAN TO CUT DOWN ON
ESSENTIALS LIKE FOOD.**



**HAVE HAD TO USE A
FOOD BANK IN THE LAST
ONE YEAR.**

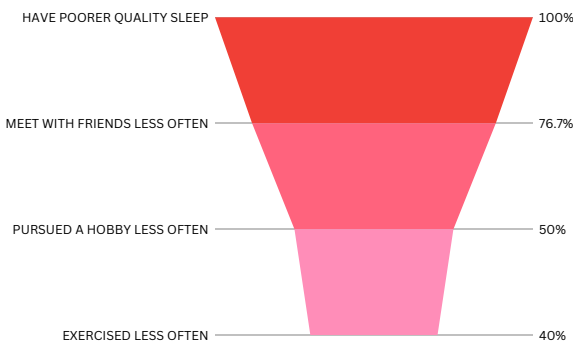


**HAVE HAD TO MISS
MEALS SO THEY COULD
PAY BILLS.**



Their Mental Health

The financial strain on African immigrants in the UK is making them go without basic essentials such as food and a warm home. A survey by UK Mental Health Foundation shows that this makes many people across the UK anxious, stressed and hopeless.



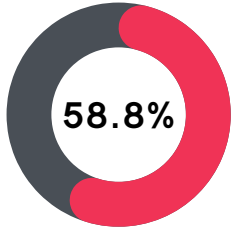
SOURCE: MENTAL HEALTH FOUNDATION

While the crisis may be making African immigrants in the UK poorer, research from the Mental Health Foundation UK shows that children and adults living in households in the lowest 20% income bracket in Great Britain are two to three times more likely to develop mental health issues. It causes stress and what psychologists term negative affective states or emotions: fear, anger, disgust and sadness.

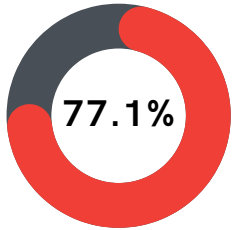
This may lead to depression and potentially affect job performance and security.



Their Mental Health



SAY THE CURRENT ECONOMIC SITUATION IS AFFECTING THEIR MENTAL AND PHYSICAL HEALTH.



SAY THEY ARE WORRIED

“

"IT MAKES ME UNHAPPY WHENEVER A NEED THAT I CAN'T CATER TO AS A RESULT OF THIS CRISIS ARISES," A SURVEY RESPONDENT (SR111) SAID.

”

“

"IT KILLS ME TO HAVE TO GO THROUGH THIS," A SURVEY RESPONDENT (SR116) SAID.

”



Recommendations

For Individuals:

- Streamline your budget: It is important to track your expenses and income and create a budget that reflects your financial situation.
- Explore government support: The UK offers various forms of financial support to those in need, including Universal Credit, Tax Credits and Housing Benefits. Check your eligibility for these programs and apply as required.
- Look for discounts and deals: Many supermarkets offer loyalty programs or discounts for bulk purchases.
- Consider alternative sources of income: Look for alternative sources such as part-time work, freelance work, or entrepreneurship. Consider your skills and expertise and explore opportunities to monetise them.
- Practice self-care: Managing financial stress can be challenging, so prioritising self-care is important. Make time for activities that help you relax and recharge, such as exercise, meditation, or spending time with friends and family.



Recommendations

For Governments and Organisations:

- Improve diplomatic ties: African Governments must work to strengthen diplomatic ties with the UK Government to facilitate better collaboration on issues affecting their citizens living in the UK.
- Advocate for policy change: civil society organizations can advocate for policy change to improve the economic conditions and protect the rights of African immigrants in the UK eg advocating for fair wages, affordable housing, and better access to basic services.
- Develop programs to support entrepreneurship: African Governments can develop programs to support entrepreneurship among their citizens living in the UK, providing training, funding, and other resources to help them start and grow businesses.



Recommendations

For Governments and Organisations:

- Establish/Strengthen diaspora engagement programs: African governments can establish diaspora engagement programs or strengthen existing ones. This will help their citizens connect with their home countries and seek help when necessary.
- Counselling and support for adaptation, and acculturation: One reason African immigrants may be harder hit by the cost of living crisis is that they have very little information about how the system works in the UK. The UK government can fill this gap by providing guides on where to live, school, work, access to health, manage finances, etc.



How We Did It

**1,278 AFRICAN
IMMIGRANTS IN THE
UK REACHED**

We structured a mixed-method survey, using an open and close-ended digital questionnaire. Content analysis which involved a review of available literature was also adopted to interrogate the collected primary data.



For a period of two weeks, using digital platforms, simple random and snowball sampling techniques, we reached out to African immigrants who are residents in the United Kingdom, ranging from less than a year to a lifetime.

Conclusion

African immigrants in the UK are impacted by the cost of living crisis and that has taken a toll on their finances with consequential effects on feeding, energy consumption, social responsibilities and even mental health.

This study has highlighted their travails with qualitative and quantitative data to help organisations and governments understand their pain points and design approaches for intervention.

Acknowledgements

For their time, efforts and advice during the development of this report, our gratitude goes to:

- Stephen Waddington: Founder and Managing Partner, Wadds Inc., and Director BHM UK.
- Dotun Ayeni: Doctoral Researcher, University of Edinburgh Business School and Director BHM UK.
- Femi Falodun: Chief Executive Officer - ID Africa and Director BHM UK.
- Robert Ekat: Senior PR and Comms Adviser, ID Africa.

Most importantly, we would like to thank all African immigrants who took out time to participate in this research.

About BHM UK

We are a UK-based communications company, working bilaterally to help organisations in the UK and Africa communicate for impact.

We're championing a digital resource intervention for students, workers, and organisations in the comms industry and related areas.

From our base in London and Edinburgh, we develop and deliver problem-solving products and services to professionals, companies, and governments across Africa and the UK.

For more information, contact us at:

Phone: +44 7899410249

Email: info@bhmng.uk

London: Level 3 207 Regent Street, London, England, W1B 3HH.

Edinburgh: CodeBase Edinburgh, 37A Castle Terrace, Edinburgh, EH1 2EL.

Lagos: 32 Community Road, Ikeja, Lagos.



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