

New research shows that poverty, ethnicity and gender magnify the impact of austerity on BME women

EMBARGOED UNTIL 0.01 HOURS MONDAY 28th NOVEMBER

Low income black and Asian women are paying the highest price for austerity according to new analysis by the Women's Budget Group in partnership with the race equality think tank Runnymede Trust.

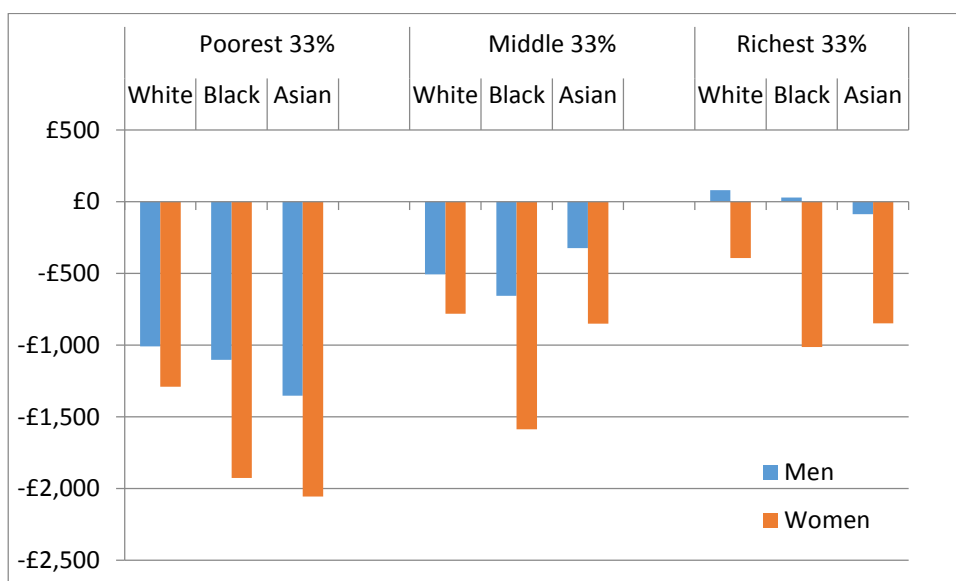
The new analysis shows the impact of tax, benefit and public service changes at the intersection of income, gender and ethnicity for the first time. It covers fiscal policy from 2010 up to and including the 2016 Autumn Financial Statement projected up to 2020.

The analysis shows that by 2020:

- Individuals in the poorest households lose most from tax and benefit changes, but in every income group BME women will lose the greatest proportion of their individual income.
- Low income black and Asian women will lose around twice as much money as low income white men as a result of tax and benefit changes.

The chart below breaks down the different impacts of tax and benefit changes on black, Asian and white men and women by their place in the income distribution.

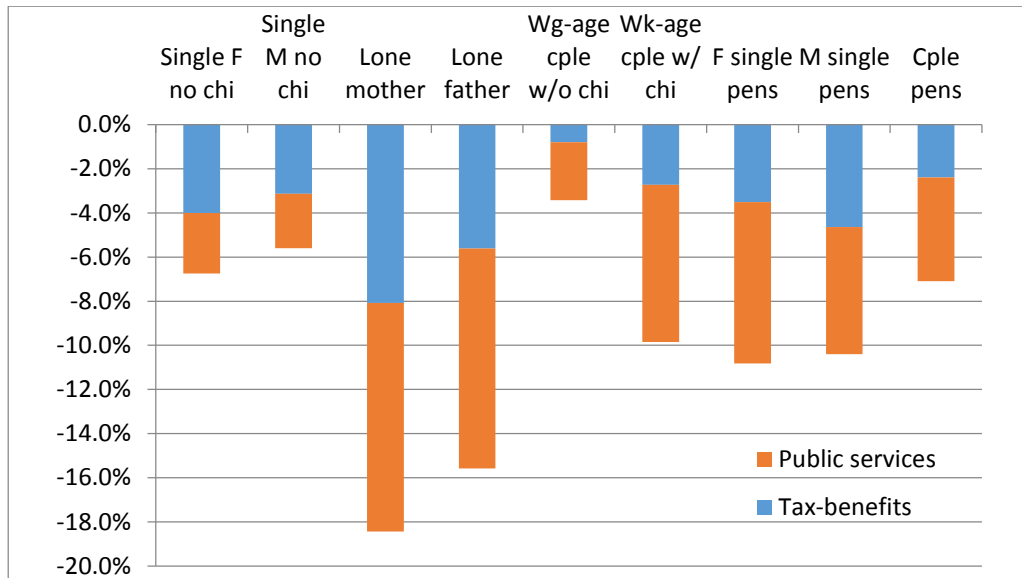
Figure 1a. 2010-20 cumulative individual impact of changes in taxes and benefits (real-term £ per annum by 2020) by household income groups and ethnicity (selected) (See Appendix for corresponding data table)



Lone mothers are hardest hit

- Out of all household types, lone mothers are hardest hit by cuts to services and tax and benefits changes followed by lone fathers and single female pensioners (see Figure 2).
- Among lone mothers, it is again BME women that lose the most (see Figure 3, Appendix)

Figure 2. Cumulative impact of changes in taxes, benefits and spending on public services for 2010-20 for different family types (change per annum in 2020 as % of household living standards)



Commenting on the results, Dr Eva Neitzert, Director of the Women’s Budget Group, said:

“We’ve known for some time that the poorest households and women have shouldered the greatest burden of austerity measures. This research shows the compounding effect of income, gender and ethnicity. Women lose more than men, and black and Asian households lose more than white households. Taken together this sees the poorest Black and Asian women triply disadvantaged.

“If the government is serious about building an economy and country that works for everyone, they need to take urgent action to redress this triple disadvantage. The measures announced in the Autumn Statement are insignificant when set against the backdrop of benefit and public spending cuts that these groups have borne. For lone parents, the new measures equate to only 2% of the total cash cut and for single female pensioners the figure is 1%.

“The government has repeatedly failed to carry out a meaningful analysis of the impact of their policies on different groups in society. This analysis both shows that it is technically possible and demonstrates its vital importance. It shows how the experience of austerity is determined by the combined interaction of ones income, ones gender and ones ethnicity.”

Commenting on the results, Dr Omar Khan, Director of the Runnymede Trust, said:

“The Chancellor has been clear that he wants an economy that works for everyone, yet this new analysis shows that his Autumn Statement does not begin to redress the disadvantages women in general and ethnic minority women in particular have faced as a result of austerity policies.

“We have previously shown that Budget cuts have fallen hardest on BME families, but this new and comprehensive data goes further to demonstrate this. Black women suffer the cumulative effect of

measures that disadvantage women and ethnic minorities and as a result are suffering the worst outcomes. This must be rectified in future budgets as a matter of urgency.”

Notes

- 1) The modelling uses Landman Economics simulation tools to analyse the impact of tax/benefit changes and public services against a baseline of policies in place prior to the Coalition government taking office in 2010. Results are for England only. The model accounts for all changes that were announced up to, and including, the 2016 Autumn Financial Statement.
- 2) For more information, contact Eva Neitzert on eva.neitzert@wbg.org.uk 07908 111344 or Mary-Ann Stephenson on 07957 338582. Twitter @WomensBudgetGrp
- 3) For interviews with Dr Omar Khan, please contact Lester Holloway on communications@runnymedetrust.org or call 07525 413 139
- 4) Runnymede published analysis of the 2015 Osborne budget here: <http://www.runnymedetrust.org/uploads/The%202015%20Budget%20Effect%20on%20BME%20RunnymedeTrust%2027thJuly2015.pdf>

Appendix: Further Data Tables and Graphs

Impact of tax and benefit changes by household income group, gender and ethnicity

Real Terms £ per annum by 2020

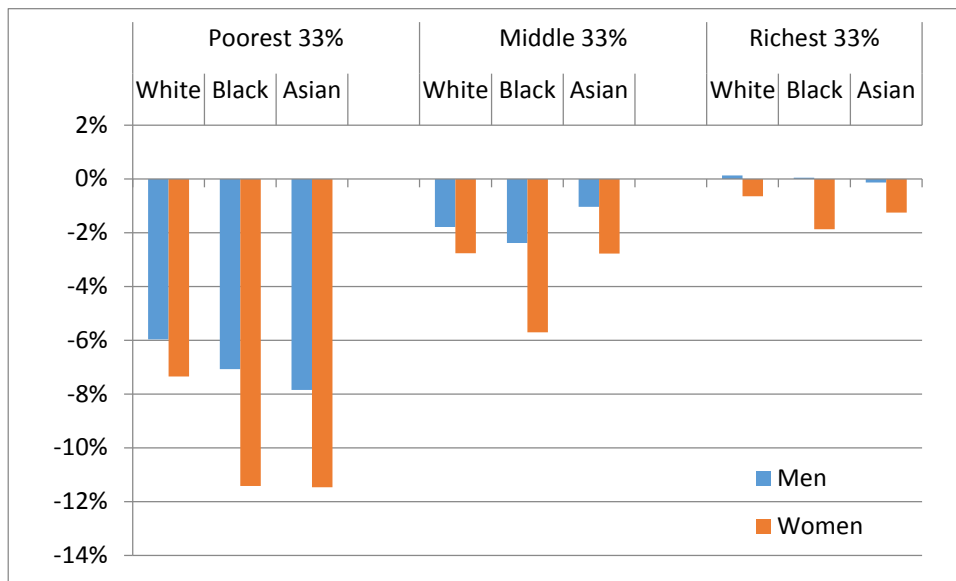
Data Table for Figure 1a: 2010-20 cumulative individual impact of changes in taxes and benefits (real-term £ per annum by 2020) by household income groups and ethnicity (selected)

| | | Men | Women |
|-------------|-------|---------|---------|
| Poorest 33% | White | -£1,010 | -£1,290 |
| | Black | -£1,103 | -£1,926 |
| | Asian | -£1,353 | -£2,057 |
| Middle 33% | White | -£508 | -£783 |
| | Black | -£657 | -£1,587 |
| | Asian | -£324 | -£851 |
| Richest 33% | White | £79 | -£393 |
| | Black | £28 | -£1,015 |
| | Asian | -£88 | -£849 |

Key to reading Figure 1a and Table 1a: By 2020, the cumulative effect of tax and benefit changes since 2010 on Asian women living in the poorest 33% of households will mean that their average individual income will be lower by £2057 per annum compared with what it would otherwise have been had the March 2010 system been carried through to 2020

Real term £ per annum as a % of individual income

Figure 1b. 2010-20 cumulative individual impact of changes in taxes and benefits (real-term £ per annum by 2020 as % of individual income) by household income groups and ethnicity (selected)



Corresponding table:

| | | Men | Women |
|-------------|-------|-------|--------|
| Poorest 33% | White | -6.0% | -7.4% |
| | Black | -7.1% | -11.4% |
| | Asian | -7.8% | -11.5% |
| Middle 33% | White | -1.8% | -2.8% |
| | Black | -2.4% | -5.7% |
| | Asian | -1.0% | -2.8% |
| Richest 33% | White | 0.1% | -0.7% |
| | Black | 0.0% | -1.9% |
| | Asian | -0.1% | -1.2% |

Key to reading Figure 1b: By 2020, the cumulative effect of tax and benefit changes since 2010 on Asian women living in the poorest 33% of households will mean that their average individual income will be reduced by 11.5% per annum as a proportion of what it would otherwise have been had the March 2010 system been carried through to 2020.

Household Types

Table 2: Cumulative impact of changes in taxes, benefits and spending on public services for 2010-20 for different family types (change per annum in 2020 in real terms and as % of household living standards) (Corresponds to Figure 2)

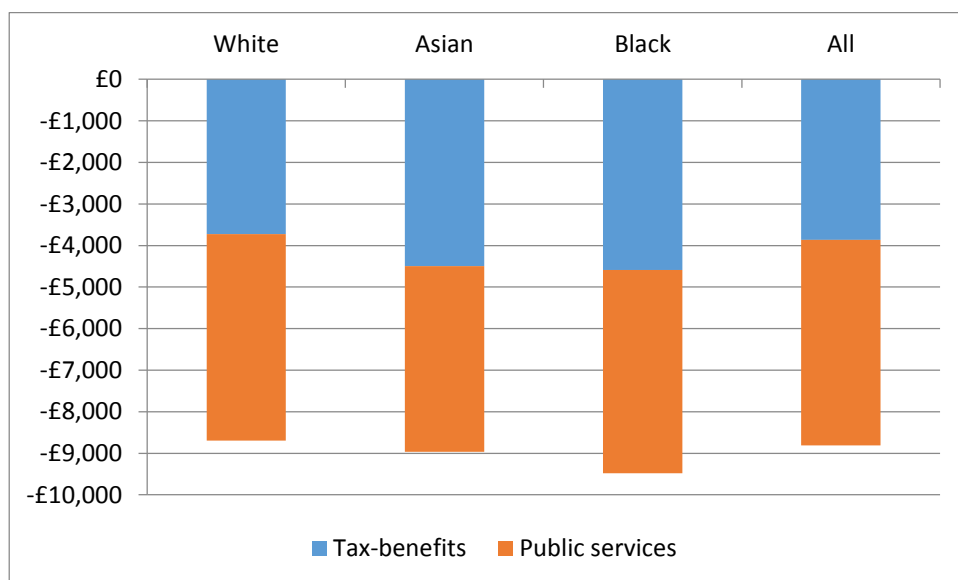
| | Cash changes | | % of living standards | |
|-----------------|--------------|-----------------|-----------------------|-----------------|
| | Tax-benefits | Public services | Tax-benefits | Public services |
| Single F no chi | -£1,130 | -£778 | -4.0% | -2.8% |

| | | | | |
|---------------------|---------|---------|-------|--------|
| Single M no chi | -£921 | -£725 | -3.1% | -2.5% |
| Lone mother | -£3,860 | -£4,951 | -8.1% | -10.4% |
| Lone father | -£2,993 | -£5,318 | -5.6% | -10.0% |
| Wg-age cple w/o chi | -£438 | -£1,424 | -0.8% | -2.6% |
| Wk-age cple w/ chi | -£2,016 | -£5,263 | -2.7% | -7.1% |
| F single pens | -£934 | -£1,940 | -3.5% | -7.3% |
| M single pens | -£1,365 | -£1,697 | -4.6% | -5.8% |
| Cple pens | -£1,184 | -£2,317 | -2.4% | -4.7% |

Key to reading Figure 2 and Table 2: Living standard refers to an individual's cash income and the value of public services they use

Lone Mothers

Figure 3. Cumulative impact of changes in taxes, benefits and spending on public services for 2010-20 for lone mother households by selected ethnicity (real-term £ per annum in 2020)



Corresponding table (including % changes)

| | Cash changes | | % of living standards | |
|-------|--------------|-----------------|-----------------------|-----------------|
| | Tax-benefits | Public services | Tax-benefits | Public services |
| White | -£3,726 | -£4,966 | -7.8% | -10.4% |
| Asian | -£4,498 | -£4,464 | -9.3% | -9.2% |
| Black | -£4,586 | -£4,897 | -9.3% | -10.0% |
| All | -£3,860 | -£4,951 | -8.1% | -10.4% |

ENDS.

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