

EXCERPTS: Debt & Financial insecurity:

Background: The three-year Community in Action Programme (2012 – 2014) has been designed to chart the impact of the recession and the proposed changes to the welfare benefit system on individuals and families. Part of this programme involves a series of focus groups over time in a series of local communities at the sharp end of these changes.

To date seven focus groups have taken been facilitated by Community Foundation Northern Ireland including discussions with groups of women, older people and youth. From these community conversations it is clear that economic insecurity and poverty are increasing and that there is palpable fear and uncertainty about the nature and likely impact of the welfare changes augmenting already very high levels of stress and community fragmentation. Those in work are struggling as well as those dependent upon benefits.

Community Foundation Northern Ireland has devised a framework to identify the emerging themes from the focus groups. Issues highlighted in this first set of focus groups include (not necessarily in order of significance):

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The focus groups' discussions reflect all of these. In some groups certain issues are to the fore and different areas experience poverty differently. But there is significant agreement across all the groups that the experience of poverty is worse now than it was 5 years ago and the proposed welfare changes will make it even worse.

For more information on the Communities in Action programme contact Geraldine Wilkins gwilkins@communityfoundationni.org. CFNI and community groups across Northern Ireland are working in collaboration with the Poverty and Social Exclusion project (PSE UK). You can find out more about the PSE at www.poverty.ac.uk

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The job market- unemployment, underemployment and threat of redundancy

The focus groups reflected the experience of people in work as well as those excluded from the labour market. Job insecurity and reductions in earnings were reported as well as lack of jobs. The whole job market has changed drastically in recent years:

In past times jobs were two a penny, you could have left a job on a Friday evening and started a new job on a Monday morning, jobs are scarce, within the building trade particularly. I know that very often teams, it's difficult for local people to get a job because even when a big contractor moves into an area he brings his team with him so there's limited chance for local people to get a job.¹

Self-employed tradespeople are seeing work drying up and rates being cut:

I'm in the building trade but I would be not building houses but in renovating houses or fitting bathrooms and kitchens...We missed the fallback in the actually building trade, because people were then not moving, not selling their houses, so they were doing houses up and now what we're finding is people who have saved money up ...they're just cutting backwhereas we were never out of work, never...You usually got two jobs a month, so that was getting you a good £500 or £600 a week ...now it's less than half of that, less.²

One young person described his father's predicament:

Because he's self-employed he's to try and keep up with other people so he's to try and cut his (rates) down to get to work.³

No one is safe in the current economic recession:

I think in years gone past if you were in a job like a banker or a solicitor or a civil service or something like that there your job was more or less guaranteed for life but that is not the case now and I think because of the economic recession we're in as regards even the building trade, that in fact has a knock on effect for everybody, solicitors, everybody, so even solicitors now are in

¹ d p.3

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*part time employment as builders have gone bust so a big knock on effect in everything.*⁴

*My husband has been a temporary worker for it must be over 3 years now and we don't get no help whatsoever, if he has no work he just doesn't get paid, he gets sent home during the week, he could go into work at one o'clock and he's home at ten past one, no holiday pay, nothing, he's not entitled to any benefits whatsoever and you're just expected to live on it, being treated like dirt...It's just temporary because they won't take him on full time, every like 12 weeks they renew their, the agency would just give them another 12 weeks, 12 weeks and that's the way it's been going.*⁵

*In my workplace there have been a lot of staff cutbacks, skeleton staff and redundancy has been talked about – no-one's job is safe and it worries me. They are taking on staff on flexible hours – one week you could get 21-40 hours work, the next week you could be down to 7 hours work. Families need a set wage every week.*⁶

Long term commitment to an employer is no guarantee of a job. This participant has been working for the same firm for more than five years:

*They don't really have much work at the minute so they don't know, they're just going month by monthIt's been like that for about a year and a half or 2 years but I think things are getting worse...I work in reception in a consulting and engineering place so they rely on the building industry and it's not good, so if there's no work there then it's a follow on effect for us.*⁷

Young people are finding it particularly hard to get work:

*My daughter was put on one of the schemes and she was working 40 hours a week for £15 extra on top of her £40 benefit. So she was getting £40 benefit plus £15 for working a 40 hour week and if she didn't do it then she would have no benefits and no work and that was her with all her qualifications and at the end she never even got a job, not even an interview for a job.*⁸

⁴ d p.2

⁵ g p.3

⁶ c p2

⁷ b p.1

⁸ d p.4

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Who I actually feel sorry for more now is the kids leaving school, there's no jobs whatsoever, like my daughter as I said she's 20, did all her GCSEs, passed them all, stayed on at school for an extra 2 years, did A Levels, passed them all, applied for over 30 jobs and never got one interview, not one interview, there's no jobs for them, they tell you need qualifications and you get qualifications and you can't get a job because you've no experience.⁹

An older participant commented:

There's a lot of despair in young people who have applied for, in my grandsons' case, had applied for literally hundreds of jobs and didn't get a single reply until eventually after about 2 years of nonstop application, they each got an interview, each was for a temporary job, both of them obviously did well enough when they got the jobs because they were kept on 18 months / 2 years later but you find a lot of despair against young ones, they're saying what's the point in applying for a job when they're going to not even give you an acknowledgement that you've applied.¹⁰

Borrowing and debt

Credit and borrowing plays an important part in people's lives; participants borrow from family members and a number of other credit sources including the Credit Union, credit cards, catalogues, and vouchers for day to day needs, for Christmas and to meet unexpected demands on the family budget. This working parent relies on debt to finance Christmas:

I do Christmas every single year by getting vouchers and that's the only way I would get through Christmas and I pay them off throughout the year...They're like from Shop Check, I'm not actually sure of the name.¹¹

There's no money in the bank for unexpected expenses:

I find that too if something goes wrong in the house, like your washing machine breaks, you're running about trying to borrow money because you haven't got money to buy a new washing machine or you haven't got money to buy if your fridge freezer breaks or your Hoover or whatever, you haven't got that spare money to just go so you're running about, whether it be some family member or who it be but then again you're then trying to pay them back

⁹ d p.3

¹⁰ g1 p.4

¹¹ b p.4

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each week to pay back what you owe, it would be like things in the house as well.¹²

Focus groups reported the activities of “loan sharks” in their communities.

Yeah, I know a man that goes round, he doesn't personally come to me but yeah I see him going into houses and I can see people not answering the door; switching off lights and hiding; not answering the door and it happens quite regular.

He's been about a long time.

It's the same with a basic milk man or the window cleaner, you see people avoiding them because they genuinely can't afford them until their money comes in or too many outgoings.¹³

For some, debt repayments are placing severe pressure on the family budget:

Because I'm on maternity leave, from next month my pay is going to half, I'm actually getting a good rate of pay but once the national insurance and the tax comes out of it.... I've to pay £400 a month out of that for rent so I'm ending up with like £200 and then I have a debt that I pay monthly at £160 so I need to pay that off.¹⁴

Credit cards are seen as a threat:

I don't have a credit card for the simple reason I would be scared to get a credit card because I probably wouldn't be able to pay it back on time so I would go without, I only buy what I can afford which isn't a big lot but I would not get a credit card.

I had quite a lot of debt from credit cards, it's a spiral you get into, you're paying one credit card off with another credit card and it just kind of spirals until you have no money.¹⁵

Others manage them very carefully:

I find I use the credit card a lot more now, just because it means then I can tide over payments until the end of month and I always make sure I pay the

¹² b p.8

¹³ f p.11

¹⁴ g3 p.17

¹⁵ d pp.7,8

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*credit card off in full at the end of the month but it means that I could do like £20 worth of petrol when I haven't got £20 in my purse and then at pay day I would be able to pay the credit card off and still get the use of the car so I tend to use the credit card a lot more now but again I do try and ensure that it's paid off every month.*¹⁶

Provident loans and pay day loans are every bit as bad:

"My mumhas borrowed at times off Provident, now if she's borrowed £100 off them she's paying about £180 back and it's serious money but they come every week to your house so they do and you don't have to go anywhere for the money, they reach you the money, but for £100 you're paying near enough 100% money back.

*I actually feel very sorry for young people because I think that so much TV advertising buy now pay later, buy now pay later, and we also have a big problem in Ballymena with these money shops or pay day loans and I know working with people that pay day loans are a curse because they run people in so much debt and yet when you see it advertised on the tele it all looks so glossy and so lovely and so easy.*¹⁷

*For £1000 loan you're paying £1800 back. Who's that from? Provident.*¹⁸

Ruthless and cynical targeting of single parents:

I actually had a fella call to my house a few weeks back there and he was actually from Provident, he asked me would I have been interested in taking a loan out and I said no definitely not and his question was, which I was quite shocked at, was did I know of any single parents.

So they're going door to door?

Yeah and I said no I don't and even if I did I wouldn't bloody tell you so take yourself off.

*Well they're not stupid they know who to target.*¹⁹

¹⁶ d p.8

¹⁷ d p.8

¹⁸ a p.10

¹⁹ a p.12