



The  
**Community Foundation**  
for Northern Ireland

## HARD TIMES 2

### FEELING THE STRAIN

*“I feel like I am walking on the edge of a cliff and at any moment I will fall off”.*

#### Key Messages

- People are becoming trapped in a cycle of debt just to pay the basics.
- Events like Christmas which were once celebratory are now a burden for many.
- Few people are able to save for a rainy day.
- Money worries, anxiety and fears over changes to Social Security provision are profoundly impacting on people’s physical and mental health.
- These stresses are also placing great pressure on family life and on relationships.
- People desperately need more emotional and practical support at a local level.

This is the second in a series of four In-Briefs presenting the latest findings from the Communities in Action (CiA) Programme, a unique community-led research project with eight working class communities across Northern Ireland.

Since July 2012, local people have been documenting their experiences of the recession, cost of living increases and changes to the Social Security system in the run up to anticipated Welfare Reform legislation.

This In-Brief, Feeling the Strain, looks at the impact of these factors on people’s financial situation, their family life and their physical and mental health.



***“I think it’s scary what lies ahead. If we really sit down and think about it, what lies ahead of us? You know there are no jobs out there, you know there’s nothing to look forward to.”***

Collectively, these experiences tell a damning story of families struggling to cope, borrowing from friends and family, living on credit or falling into a seemingly endless cycle of debt. Some families are in deep personal and financial crisis.

***“My husband, he won’t go into the shop for a newspaper, because he thinks there’s a stigma if you don’t work, that you’re lazy.”***

The stigma associated with being on benefits, the stress and anxiety about their financial situation and fears of future changes to Social Security have exacerbated the sense of isolation people feel. This has led to a significant increase in mental health issues with many people desperately in need of help and support. Community groups are doing what they can to help. There is a general feeling, however, across all communities

that their political representatives are unaware of the desperate situation people are in and that action is needed.

## **A Cycle of Debt**

***In Northern Ireland, more than one in four people had to borrow in the last year to pay for their day to day needs.***

***(Source: PSE NI 2013)***

As living costs rise and rise and incomes remain the same or fall, people report how they have

found themselves struggling to pay for the basics. This situation has led to a cycle of borrowing and, as people turn to families and friends for support, the wider community and older generations (grandparents) are all feeling the strain.

***“You would find people would maybe get their money on a Tuesday, lending their friends money to pay back on a Thursday when they get theirs, and they would get through that way.”***

***“You borrow from Peter to pay back Paul, and when Paul’s due you’re wondering who’s the next person you can borrow off.”***

Faced with increasing outgoings, many families find it difficult to put savings away for a rainy day. This has left people without anything to fall back on if an emergency comes up – whether it is the need to fix a broken washing machine or to pay a big heating bill.

***“It’s raining every day ... you’ve exhausted all your savings, all your limits of loans, I don’t know anybody that’s saving.”***

***“You feel embarrassed to have to ask your friends. Every couple of weeks I’d have to get money off family members.”***

These families are not alone in their inability to save. Increasing levels of financial insecurity have been documented across the UK, with people in Northern Ireland finding it the hardest to put money by.

**43% of households say they could not afford to pay unexpected but necessary expenses (of £500) compared to 33% in the UK.**

*(Source: PSE NI 2013<sup>1</sup>)*

Northern Ireland also has the fastest growth in clients who are seeing Credit Counselling Services in the whole of the UK, up by 80% over the last three years, suggesting a growing debt problem.<sup>2</sup>

### Turning away from banks

Across all of the participating communities, banks are rarely seen as a viable option for financial support or for money management. This is in keeping with a recent NICVA report which stated that an estimated 13% of adults in Northern Ireland do not have a bank account, compared to just 6% across the UK.<sup>3</sup> Many people taking part in these community conversations say they do not qualify for bank loans or find themselves declined for debit cards. Meanwhile, those with bank accounts who have chosen to pay bills by direct debit (often a more economical option) complain of very high bank charges if they ever default on payments – a risk for those on low income – putting them further into debt.

*“The bank tells you that it’s £15 charge if you are late paying on*



*every direct debit. And I have 4 Direct Debits coming out in one day and there’s no money there to cover them, that’s £60 you’re down.”*

Credit Unions are seen as one source of affordable credit and are highly valued by those that use them. Many older people also talked about the importance of educating younger generations about budgeting, saving and putting money into Credit Unions.

*“The only reason I have survived this last 30 years is through a Credit Union.”*

### Turning to store cards, loans and loan sharks

Most people have gone to great lengths to try and avoid getting into debt, but where there are no other choices some are turning to using store cards to ‘buy now and pay later’ and so end up paying more in the long run.

*“I found myself using store cards more often, because my salary isn’t stretching... so I’ll go up and get some groceries with the intention of paying it off when I get paid, but when pay day comes only paying a quarter or half of it.”*

***“I’d be scared of having no money in the bank, and then you get charged an extra £28. So I do everything by card so that I know everything that I’m paying.”***



Others, who had run out of options, turn to money lenders and payday loans. And so the debts continue to mount.

*“You’ve used all the things that you’ve turned to in the past, like your store cards, Credit Union, and you’re at the point now where you’re not allowed any more money, so what’s next?”*  
*“I have seen firsthand experience of all these loans and the difficulty people get themselves into ... they start off with something small and it ends up with massive interest charges and they’re hounded.”*

Community experiences are in keeping with wider trends. Data

on pay day loans is not available for Northern Ireland specifically but a recent report on *Expensive Lending in Northern Ireland* estimates that the number of people who have taken out payday loans across the UK has risen steeply from 0.3 million in 2006 to 1.2 million in 2010.<sup>4</sup>

## The Burden of Christmas

Christmas time in particular, is when people feel they got into the greatest debt. Many expressed a sense of dread in the run up to Christmas as they faced increasing pressures to provide ‘a

good Christmas’ for their children, adding to the existing burden of debt.

*“I’m cutting way back, I know it’s going to kill me saying no, and they [the children] have to learn too ... I’m just dreading this Christmas and I’ll be the one who carries the guilt.”*

This pressure is fuelled, not only by TV ads and peer pressure, but for some people it also comes from their own childhood experiences of poverty - something they felt they had, until recently, escaped. Now they have found history repeating itself and are determined to protect their children, whatever the cost.

*“When I was growing up I didn’t have much. I lived with my daddy, I used to lie about what I had, because I wanted to be the same as everybody else. I don’t want my kids being like that.”*

*“I always got the least at Christmas [as a child] ... that hurt came with me all those years - when I had to go over and see them wains getting more than I got. I don’t want my wains feeling like that.”*

Other parents talk about how their young children were noticing that they were struggling and how painful this was for them.

*“My wee boy says he knows Santa is bringing him a bike ... and he says the cheapest one is £99. He was looking at Argos at the cheapest one so he’s not putting me out. I felt like crap. I said: ‘Never you worry, Santa doesn’t worry about money.’ The way I look at it my kid should never see how much I struggle. It broke my heart.”*

***“Christmas, the electric and the gas, you just cannot hold out to it...”***

Some people find themselves overwhelmed by their situation. As one single parent explains:

*“To be honest with you, if I didn’t have good friends and my kids I don’t know how I’d be living, because half the time I have felt suicidal over pressures. Money-wise, it’s like there’s no way out, it’s a vicious circle. The money is in one hand and away out the other.”*

## Families Under Pressure

*“What you’ve lost... it’s not just financial; it’s emotional and mental support.”*

The long recession, high cost of living and recent austerity measures, coupled with the feeling for many that their lives are ‘going backwards’, is affecting all aspects of people’s lives. And with money tight, people’s social lives have narrowed too, leaving little outlet for the pressure building up in the family home. The strain on family life is evident.

*“The children in the house, because there’s so much stress and pressure, they can hear the arguments.”*

For mothers, the overwhelming feeling seems to be one of guilt:

*“It gets you down and you feel like a failure to your children if you can’t support them. You feel bad within yourself if you can’t give them what they want.”*

For many men, being unemployed or on benefits, the current climate of ‘strivers or scroungers’ has also affected their confidence and their mental health and some



### Resilience Story: Tackling stress and anxiety in Donegall Pass

*“It would cause me to self-harm as I have been so depressed. I feel I have let my children down and I am a failure.”*

People taking part in community conversations revealed high levels of stress and anxiety over debt and Welfare Reforms, highlighting an acute need for crisis support and intervention. The Donegall Pass Community Forum is also the community based administrator for Lifeline’s community counselling service in South Belfast. Through this work, the community group has an awareness of the range of mental health issues people are facing linked to the recession and the extent of need locally and across South Belfast.

Community conversations provided firsthand information of where people are struggling most and where some of the gaps in service provision lie. As a result, Donegall Pass Community Forum has decided to use some of their CiA funding to provide targeted support.

The CiA group will provide counselling and group support sessions for individuals as follow up support after they have received an initial crisis intervention, with the aim of developing sustainable self-help groups.



## People in Crisis

*“The constantly worrying about money, it really does get you down. Not just that you’re hungry. If you can’t eat, your head’s going too because you are worrying about it.”*

People in poverty experience more health problems which may be caused or compounded by damp and cold housing or unhealthy eating. In Northern Ireland 22% of people in the most deprived areas felt that ‘their health was worse than 12 months ago’. This is compared to 14% of those in the least deprived areas.<sup>5</sup>

are considering leaving the country and their families to find work.

*“My husband has been dealing with depression. He’s fed up being in the house, he’s exhausted looking for work, he feels useless, he’s at the point where he won’t take the children to school or lift them because he doesn’t want anybody to see him not working.”*

*“I think an awful lot of people hide it and they won’t admit they’re in so much debt and it gets to the stage where they might lose their home and everything that they have... they don’t want other people knowing their business. It gets to a stage when they are suicidal and that’s when they go for help.”*

## Relieving the pressure

Money worries alongside changes to Disability Living Allowance and Incapacity Benefits are also taking a psychological toll. To deal with the pressure many people find themselves drinking and smoking more.

*“I went back on the fags again with the stress ... I know for my own health it’s not good... But it’s either smoking or hitting the drink, and I think I’d rather smoke.”*

*“Go to shops on the Antrim Road any day of the week, especially the weekends, and you’ll see how many people are buying carry-outs to sit in the house, and that’s the same all over.”*

*“Kids are seeing their parents sitting drinking at night ... whereas before we wouldn’t take a drink unless we went to the bar.”*





## Stress and anxiety

***“I think that people will just take the tablets [anti depressants], to get a few wee hours happy mood. I’ll go to the chemist and I’ll be happy for a couple of hours.”***

In community conversations, people describe how increasing levels of stress and anxiety are having a profound impact on their mental health. These findings are in keeping with a wider pattern. In Northern Ireland 20% of people

surveyed by the Public Health Agency in 2012/ 2013 said they experienced moderate anxiety or depression and 6% experienced severe anxiety of depression, with those most affected living in deprived areas.<sup>6</sup>

People also report how waiting lists for counselling services are growing. Many are concerned by what they see as short term measures by an overstretched health service, such as anti-depressants being prescribed by GPs, and highlight the need for

more local counselling and crisis support.

***“Advice organisations locally, they’re that stretched now too. They can’t cope with the amount of people coming for advice”***

***“We’re going back to the 60s and 70s about Valium. We’re giving all the mothers Valium – ‘Here, you can’t cope? Have some Valium.’ They’d rather give you a box of tablets, and it doesn’t help. Some people, when they’re feeling like that, it’s not tablets they need, it’s somebody to talk to. And to leave them 4-6 weeks waiting, sometimes it’s too late.”***

***“I am not coping at all, not sleeping either so I find it hard to function the next day.”***

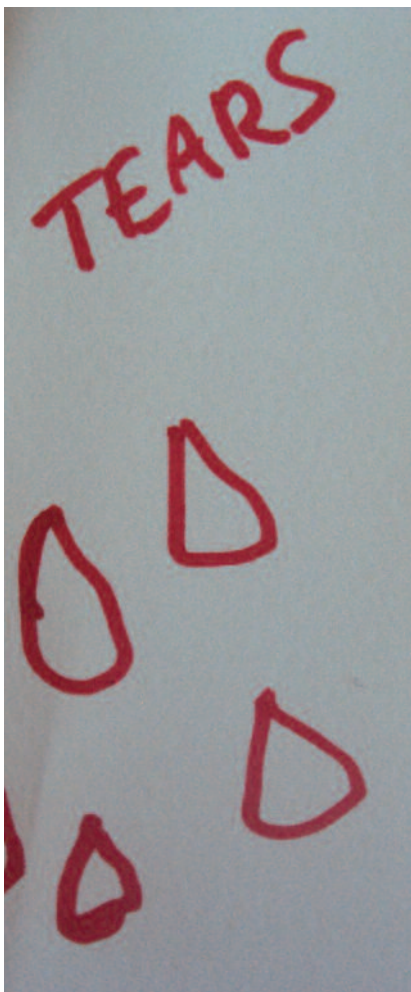


## Community support

*“Emotional support is very important ... to have a friendly ear and know that you can talk to people, sit and have a cup of tea, have a discussion.”*

Many CiA groups have noted the strength they have gained both from talking to each other in their local communities and by discovering their experiences are common across all communities.

*“I had to give up my business because there was no business! It was only here at my local community group where I was able to come down and talk and realise there was something else out there.”*







## Key Community Recommendations

### **1. People feel more funding is needed for the local delivery of financial advice sessions.**

In addition to money management, budgeting and debt advice, targeted advice is needed for mortgage related debt problems, as this is a hidden but growing problem in Northern Ireland. This is in keeping with recommendations in a report by the Financial Inclusion Centre, *Families and Debt 3: Debt in the Regions* (2012).

### **2. People feel there should be stricter government regulation of payday loans.**

A recent discussion paper *Expensive Lending in Northern Ireland* (CEE 2013) offers policy options for consideration to address this issue.

### **3. People feel there is a need for more choices of affordable credit from reputable sources. The government also needs to consider how to make banking a real option for poorer people.**

*Expensive Lending in Northern Ireland* (CEE 2013) offers policy options for consideration to address issues related to affordable credit, including expanding the role of credit unions and addressing high banking charges.

### **4. People feel that politicians and the government must recognise that cutting Social Services and benefits to the poor puts additional stress on the health sector and respond accordingly.**

### **5. People feel there needs to be more funding for the delivery of local community based counselling**

Greater support must be given to community organisations providing essential local services, emotional support and a listening ear. More broadly there is a feeling that the role community organisations play in providing vital local services is undervalued. A recent NICVA report highlighted that 29.1% of organisations believe the general health of their organisations will worsen over the next 12 months. Community organisations meanwhile are under greater pressure as a demand for services increases at a time of rising costs and funding cuts.<sup>7</sup>



<sup>1</sup> PSE NI (2013) Northern Ireland Faring Badly available at: <http://www.poverty.ac.uk/pse-research/pse-uk/pse-northern-ireland>

<sup>2</sup> Financial Inclusion Centre (2012) *Debt and the Family, Report 3 – Debt and the Regions* page 2

<sup>3</sup> Centre for Economic Empowerment (2013) *Expensive Lending in Northern Ireland: A discussion paper*

<sup>4</sup> Centre for Economic Empowerment (2013) *Expensive Lending in Northern Ireland: A discussion paper* (page 2) and Consumer Focus (2010) Keeping the plates spinning: Perceptions of pay day loans in Great Britain

<sup>5</sup> DHSSPS (NI) *Health Survey Northern Ireland 2012–2013* [www.dhsspsni.gov.uk](http://www.dhsspsni.gov.uk)

<sup>6</sup> See above

<sup>7</sup> NICVA (2012) *The State of the Sector Report VI*





## About Communities in Action

To date, between 60 and 80 local people have joined a series of community conversations facilitated by the following community groups, under the Communities in Action Programme:

- Cregagh Community Association, Belfast
- Donegall Pass Community Forum, Belfast
- Doury Road Development Group, Ballymena
- Fountain Street Community Development Association and Springhill Park Community Development Association, Strabane.
- Grace Women's Development, Ardoyne, Belfast
- Lettershandoney District Development Group, Co. Derry/L'derry
- Taghnevan Community Development Association, Lurgan
- The Villages Together encompassing the villages of Donemana, Bready, Magheramason, Artigarvan, Ballylaw, Ballymagorry and Newbuildings.

Communities in Action is a unique community led action-research project developed by Community Foundation Northern Ireland (CFNI) working in collaboration with BBC Children In Need. Communities in Action is part of CFNI's Social Justice Approach to Community Development Programme that is supported by The Atlantic Philanthropies. Queen's University Belfast and the Open University supported the development of the research process as part of their community engagement remit for a major academic research project on poverty and social exclusion in the UK (PSE UK).

For further information on Communities in Action go to:

<http://www.communityfoundationni.org/Programmes/Communities-in-Action->

Community portraits and short films made by Communities in Action groups with support from the Open University can be viewed at:

<http://www.poverty.ac.uk/community/northern-ireland/communities-action.>

For more information on **Communities in Action** contact:

Community Foundation for Northern Ireland (Derry Office)  
Units 3&4 Rath Mor Centre  
Bligh's Lane, Derry City, Co. Londonderry BT48 0LZ  
Phone: 02871 371547

Community Foundation for Northern Ireland (Belfast Office)  
Community House, Citylink Business Park, Albert Street  
Belfast BT12 4HQ  
Phone: 02890 245927

Author: Gabi Kent (researcher and consultant)  
[Gabi@GKcreativesolutions.com](mailto:Gabi@GKcreativesolutions.com)

**Published: April 2014**