

Understanding the impact of the current cost-of-living crisis upon BAMER-led non-profits

By conducting this temperature-check, we intend to highlight the crucial role played by BAMER*-led non-profits and community organisations in supporting the most marginalised communities in the UK. We assert that these organisations require sufficient funding and support to sustain their efforts amid the deepening cost-of-living crisis. The outcomes of this brief study are intended to serve as a catalyst for UK financiers to increase their support for BAMER-led organisations, acknowledging the indispensable contribution they make towards creating a more equitable and just society for all.

*The term 'BAMER-led' incorporates Black, Asian, multi-ethnic and refugee led organisations. It is important to note that we recognise that the term 'BAMER' is not without its limitations and requires constant review and refinement as we continue to strive towards more inclusive and accurate language. The respondents to this survey have self-identified as 'BAMER-led'.

Context

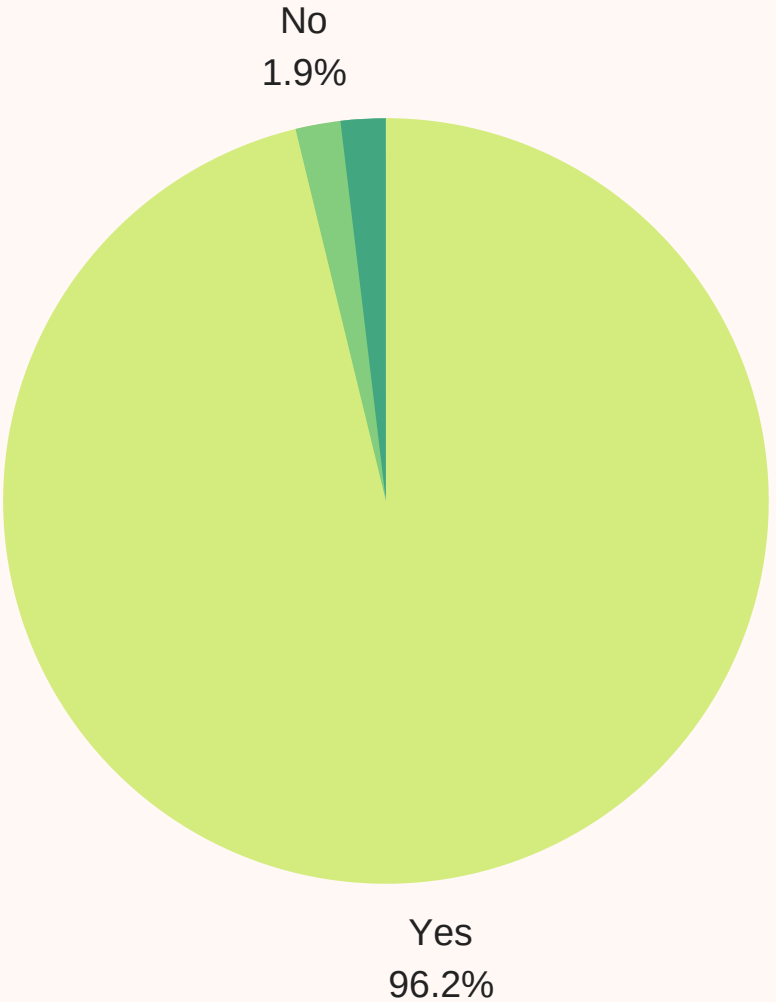
The current cost of living crisis has been a growing concern across the UK, especially for those already marginalised groups within society. To better understand the impact of this crisis on BAMER-led non-profits, a high-level survey was conducted, with 54 self-identified BAMER-led organisations participating anonymously.

The respondents were invited to take part through BAMER HUB; the growing membership network founded by BAMER-led infrastructure organisation Money4YOU.

The survey aimed to gather insights into the challenges and financial pressures faced by these organisations, including any effects on their ability to achieve their missions and serve their communities. Our findings seek to provide valuable insights into the immediate, shorter-term priorities and challenges faced by BAMER-led organisations across the UK, and highlight the urgent need for increased investment and funding to be made accessible to these organisations in the face of the deepening cost-of-living crisis.

High-Level Insights

“ HAS THE COST-OF-LIVING CRISIS IMPACTED YOUR ORGANISATION’S ABILITY TO ACHIEVE ITS MISSION? ”



The cost-of-living crisis remains an escalating concern for many across the UK, including BAMER-led non-profits and community organisations. More than 96% of respondents to the survey report the current crisis to have impacted their organisation's ability to achieve its mission.

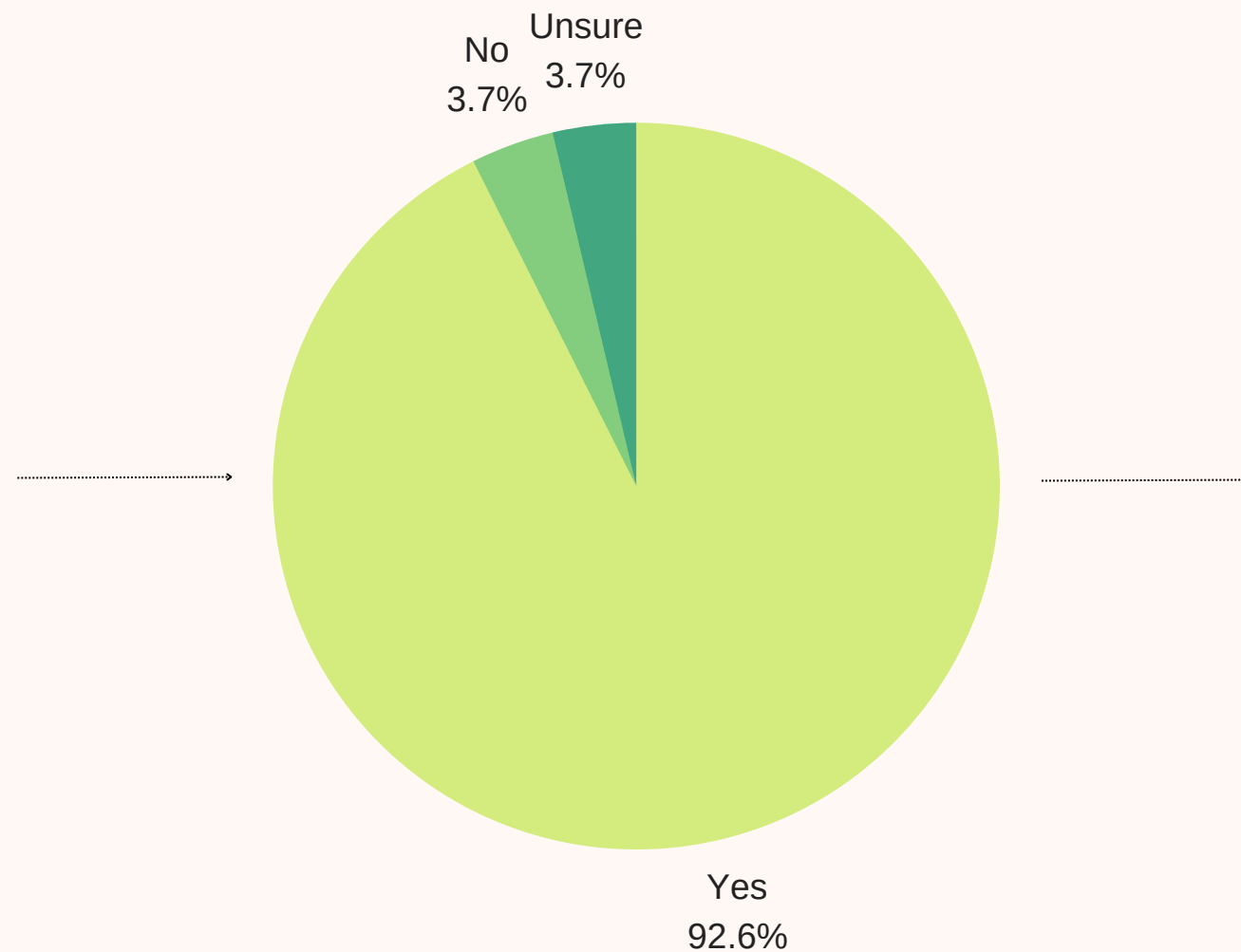
In respondents' own words:

“*The pressure on our limited number of staff (1 flt, two plt) has been overwhelming coming so soon following the Covid 19 pandemic, the wars against Armenians and in Ukraine. Similarly external factors such as the cost of living crisis and 10%+ inflation was not anticipated when we made grant applications 2-3 years ago.*

“*Our overheads have increased considerably but our funding was agreed prior to the cost of living crisis.*

“*We are facing an avalanche of rising demand far outstripping our resources. Our energy bills have increased significantly. Our staff and volunteers are under financial pressure because salaries are now more squeezed. We are struggling to raise core funding etc.*

“ HAVE YOUR SERVICE USERS REPORTED BEING AFFECTED BY THE COST-OF-LIVING CRISIS?”



Over 92% of respondents' service users or beneficiaries have reported being affected by the cost-of-living crisis. The extent of this impact on service users is a clear indication of the urgent need for increased support and intervention for BAMER-led non-profits and community organisations.



**OF BAMER-LED ORGANISATIONS HAVE HAD TO
REDUCE STAFF HOURS OR MAKE REDUNDANCIES
DUE TO FINANCIAL PRESSURES IN THE PAST YEAR**



This data point indicates that a significant proportion of BAMER-led organisations are struggling financially, with 83% of them having to take measures such as reducing staff hours or making redundancies. This then has a serious impact on the ability of these organisations to deliver services that are crucial for their communities, particularly as the cost-of-living crisis persists.

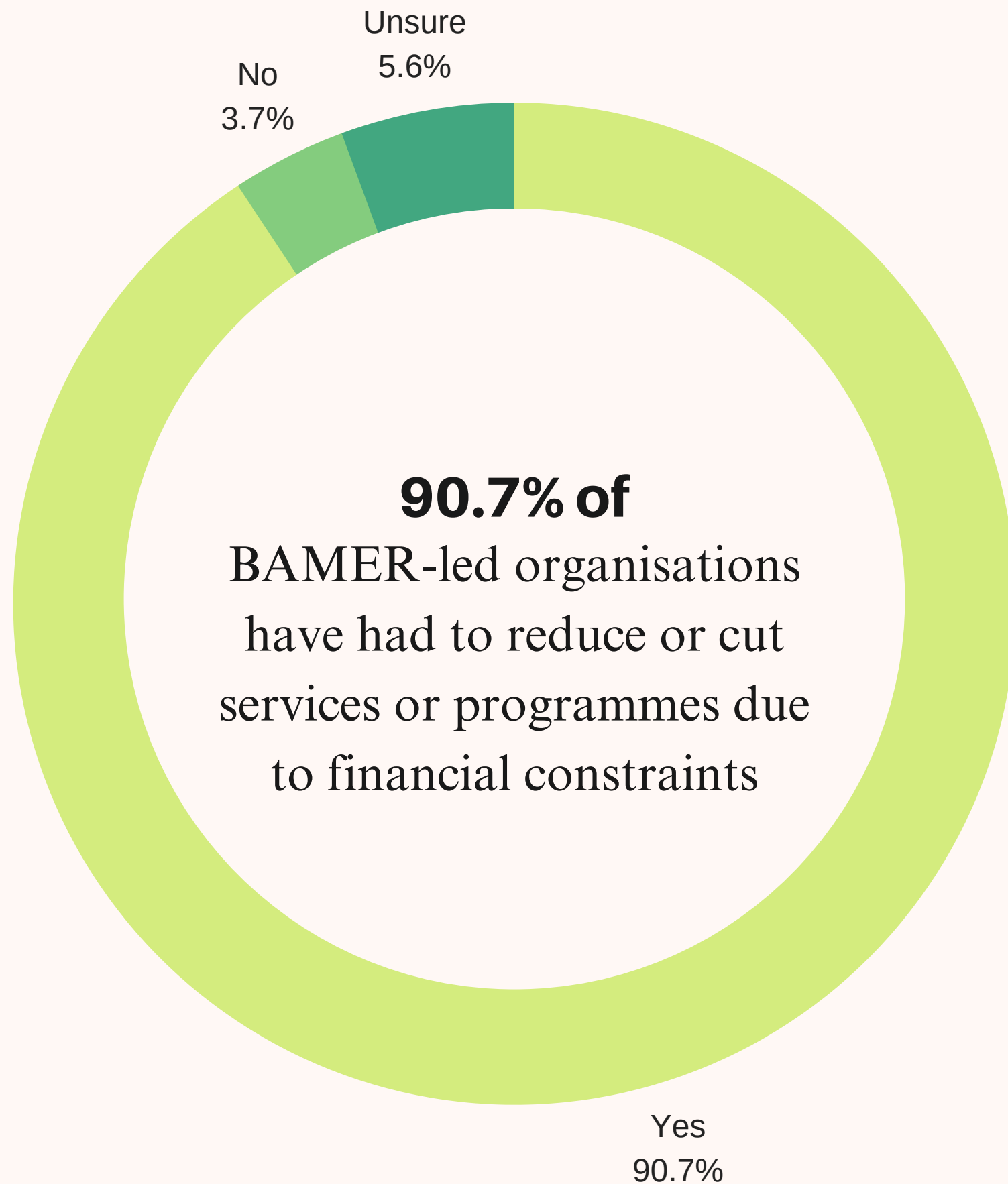
In respondents' own words:

“As a user led membership BAMER community charity we are not in a position to reduce our services. Our staff/volunteers are extremely dedicated and put many unpaid hours to assist disadvantaged members of our community.

“We have cut delivery of our work with young men and work with young women. We have also postponed delivery of projects that were in development.

“We've not been able to provide our youth programme and open as a warm hub as we can not afford the bills electric and gas as all bills have gone up.

“We want to do more educational projects to focus on issues within the community to empower us. What we are having to do is campaign to fight local politics instead. Joining groups giving temporary services like food or clothes as they are now a priority. We are having to refocus our outreach because of the cost of living crisis. Fun and wellbeing are not the focus at the moment.



The statistic that 90.7% of BAMER-led organisations have had to reduce or cut services or programmes due to financial constraints is a concerning trend. This suggests that many organisations are struggling to maintain their operations and support their communities during a time of increased financial pressure. For BAMER-led organisations this is further entrenched by a chronic, historic lack of equitable funding amongst these groups. Further analysis could be done to identify the specific types of services and programmes that have been impacted and the extent to which this has affected the communities these organisations serve. This data point further emphasises the urgent need for increased support and funding for BAMER-led non-profits in the UK.



**OF BAMER-LED ORGANISATIONS HAVE SOUGHT
ADDITIONAL FUNDS, EXPLORED OTHER REVENUE
STREAMS OR HAD TO BORROW MONEY FOR
ORGANISATIONAL EXPENSES DUE TO THE COST-
OF-LIVING CRISIS IN THE PAST YEAR**



Almost all of the respondents reported that they have had to take some form of action to address financial constraints. The fact that 98.3% of BAMER-led organisations have sought additional funds, explored other revenue streams, or had to borrow money to cover organisational expenses in the past year is a clear indication of the growing financial pressure that these organisations are under.

In respondents' own words:

“ We are faced with a number of uncertainties, we have postponed taking on the hire of new premises, because we are unable to realistically budget. This has impacted on staff well being as people have felt isolated working from home and not seeing their colleagues. We have lost a number of staff and have not replaced them in order to make savings, this has led to reduction in service provision to some of our vulnerable young people.

“ Food insecurity, period poverty, no money to pay for sports shoes or kit to compete in. People we support not using their electric and heating due to bills so hygiene is impacted and mental health - isolation when they can't afford to attend our services.

“ It affected our sustainability as an organisation. We lost staff members. Staff are looking for higher salaries elsewhere. Our ability to grow and expand is dented due to the rising inflation which makes everything more expensive etc.

“ *Because of the need to raise wages some of our three year planning was wrong. What we need is more unrestricted funding.*

“ *It has taken us to the brink of existence. We have to volunteer more hours as we can't afford to pay staff wages.*

“ *The family has been quarrelling because of the rising cost of living*

“ 因为物价的上涨，导致开支跟不上，希望政府反映能够改善

Due to the rise in prices, we cannot keep up with expenses. It is hoped that the government can respond to improve the situation.

“ *We are doing a lot more leafletting rather than activities. We are doing more research and information giving rather than activities because the council tax went up by 15%. Even local Black business is affected by the millions less people have to spend. It has impacted us because there is less funding for certain projects now.*

“ *We can not afford to open the centre as frequently as we would like as we can not meet the bills, having cut programmes at a time where more are needed. We would run advice and money management sessions but have no funds to continue this.*

Recommendations

- **Increase funding and investment:** Our survey highlights the urgent need for increased funding and investment for BAMER-led non-profits and community organisations to sustain them through this current cost-of-living crisis. With 90.7% of organisations having to reduce or cut services due to financial constraints, the impact of the cost-of-living crisis on these organisations and their ability to serve their communities is clear. Emergent funds should be allocated to support the specific needs of BAMER-led organisations as a priority, on an unrestricted basis.
- **Address systemic inequalities:** The cost-of-living crisis has disproportionately affected BAMER communities, as evidenced by our survey where 92% of respondents' service users or beneficiaries have reported being affected by the crisis. It is imperative that any funding or support provided to BAMER-led organisations is designed with flexibility in mind and accompanied by a commitment to addressing the systemic inequalities that underlie the current crisis.

Recommendations

- **Support innovation and collaboration:** With 98.3% of BAMER-led organisations having sought additional funds, explored other revenue streams or had to borrow money due to the cost-of-living crisis, there is a need for greater partnerships, innovation and collaboration among organisations. Emergent investment and funding should be accompanied by support for these organisations to develop new revenue streams, explore collaboration opportunities, and increase their capacity to respond to emerging needs.
- **Encourage transparency and accountability:** It is crucial that the distribution of funding is transparent and accountable. There must be a clear process for organisations to access funds and investment, and BAMER-led organisations should be able to trust that their voices will indeed be heard and that funding that is made available will meet their specific needs (both in terms of scale and terms).

Conclusion

Our brief, high-level research aimed to gather insights into the challenges and financial pressures faced by BAMER-led non-profits in the UK due to the cost-of-living crisis; functioning as a ‘temperature-check’ for the present landscape.

The survey found that more than 96% of respondents report that the current crisis has impacted their organisation's ability to achieve its mission, and over 92% of respondents' service users or beneficiaries have reported being affected by the crisis. The survey also found that 83% of BAMER-led organisations have had to reduce staff hours or make redundancies due to financial pressures in the past year, and 90.7% of them have had to reduce or cut services or programmes due to financial constraints.

We conclude that these findings highlight the critical role played by BAMER-led non-profits and community organisations in supporting the most marginalised communities in the UK, and the urgent need for an increased flow of financial resources into BAMER-led organisations in order to sustain them through this deepening crisis.

Conclusion

It is crucial for financiers and policymakers to recognise the indispensable positive impact of BAMER-led non-profits in supporting the most marginalised communities in the UK and to also acknowledge the precariousness of their operational positions in the face of perma-crisis.

Key BAMER-led infrastructure organisations have emerged as the only viable way to effectively reach the most marginalised groups and communities within the UK, and it is imperative that emergent funds released in the wake of the cost-of-living crisis further resolve to sustain, bolster and grow this critical social infrastructure.



Footnotes

The survey continues to be live; and is receiving further respondents from a wider network. The data and figures presented in this summary paper are accurate on **7th April 2023**.

This summary paper is not for publication or circulation; and presents key findings ahead of the closure of consultations around a 'Cost-of-Living Fund' derived from recent dormant assets redistribution.



Money4YOU works to eradicate economic inequalities faced and experienced by under-represented youth, non-profits and entrepreneurs by providing financial education and interventions that equip people to make the most of their resources. In the wake of the Covid-19 pandemic, Money4YOU founded BAMER HUB; a growing membership of (presently 620+) BAMER-led non-profits and a platform for members to network, collaborate, access technology tools, find relevant training and resources and gain meaningful support.

As a vital infrastructure support provider, Money4YOU has first-hand understanding and lived experience of the urgent need to address the impact of the cost of living crisis on BAMER-led non-profits in the UK. Money4YOU stands ready to collaborate with partners, conduct further research to deepen our understanding of the challenges faced by BAMER-led organisations in this time of perma-crisis, and explore solutions to effectively alleviate these disproportionate pressures.

www.money4you.org | info@money4you.org

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