

Press Release – Women’s Budget Group and the Runnymede Trust

Strictly Embargoed until 00.01 hrs Tuesday 10 October 2017

New report reveals huge racial disparities in income for ethnic minority women

Economic analysis from two organisations specialising in gender and race research – and released on the same day that the government publish their racial disparity audit – has found that the poorest black and Asian families will suffer a massive 20% drop in living standards by 2020.

Theresa May has said her racial equality audit will “hold up a mirror” to British society and “reveal uncomfortable truths.” A new report by the Runnymede Trust and the Women’s Budget Group, does just that.

The report provides a comprehensive analysis of the cumulative impact of austerity policies since 2010. It shows that austerity is hitting the poorest hardest, women are losing more than men and BME households are losing more than white households.

The intersection of poverty, race and gender means that these cuts are leading to a dramatic fall in the standard of living of many BME women.

Dr Omar Khan, of the Runnymede Trust, said the findings of their report “hold a mirror up to society”. Dr Mary-Ann Stephenson, Co-Director of the Women’s Budget Group said it was crucial that all future budgets and laws were subject to equality impact assessments to “root out discrimination before it occurs.”

The report called *Intersecting Inequalities: the impact of austerity on BME women* shows that as a result of tax and benefit changes and lost services since 2010, by 2020:

- The poorest families will lose the most; with an average drop in living standards of around 17%
- Black and Asian households with the lowest fifth of incomes will experience the biggest average drop in living standards of 19.2% and 20.1%, respectively. This equates to a real-terms average annual loss in living standards of £8,407 and £11,678.
- Lone mothers (who represent 92% of lone parents) will experience an average drop in living standards of 18% (£8,790).

The findings are further evidence of the “burning injustice of inequality” that Theresa May pledged to fight. In 2010 she warned that austerity might impact hardest on women and BME communities. She has been proven right. The challenge now is to take action.

The report will be launched in parliament on Tuesday (see below).

Dr Mary-Ann Stephenson, Co-Director of the Women’s Budget Group said:

“Theresa May has been proved right. In 2010 she warned that ‘there are real risks that women, ethnic minorities, disabled people and older people will be disproportionately

affected' by the spending cuts planned by the Coalition Government. *This report shows that for the poorest BME women in particular the impact of austerity has not simply been 'disproportionate', but devastating.*

"Theresa May recently said that 'we should not be apologetic about shining a light on injustices as never before. It is only by doing so we can make this country work for everyone, not just a privileged few'.

"The devastating impact of austerity on the living standards of BME women is surely one such injustice. This is the sort of analysis that the Government itself should be doing but the Treasury has repeatedly failed to publish meaningful analysis of the cumulative impact of austerity policies. If we are truly to see a country that works for everyone then the government needs to take urgent action to both analyse the impact of its policies and take action to reverse the damage caused by austerity."

Omar Khan, Director of the Runnymede Trust said:

"Our economic analysis is the counterpart to the government's racial disparity audit. What our research shows is that those who are already facing the greatest disadvantages and injustices are most affected. The data holds a mirror up to society, and it shows that we need a new era of partnership between government, employers and BME communities to tackle the problem together.

"The government has a legal obligation to work towards eliminating racial disparities, but more than that they have a moral obligation. To her credit, Theresa May is showing every sign of wanting to make changes in this area. We now know the extent of the problem. We now need to come up with creative and comprehensive solutions."

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The report will be launched at a meeting of the All Party Parliamentary Group on Sex Equality and the All Party Parliamentary Group on Race Equality:

Tuesday 10 October 2017

4pm – 5.30pm

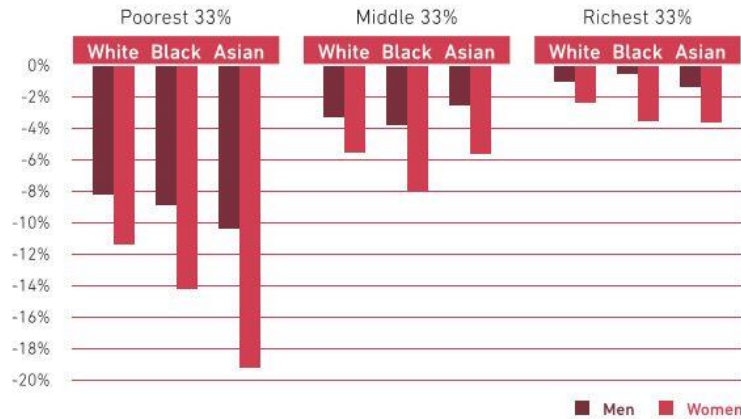
Committee Room 19, House of Commons

Notes to Editors:

1. The report '*Intersecting Inequalities: the impact of austerity on BME women*' will be launched on a new website: www.intersecting-inequalities.com which will be live from 00:01 on Tuesday 10th October. Copies of the report and executive summary are available for journalists on request and embargo. The report will also be available on the respective websites of the Women's Budget Group and the Runnymede Trust.
2. The Women's Budget Group scrutinises government policy from a gender perspective. For more information visit: <https://wbg.org.uk>

- The Runnymede Trust is a race equality thinktank, established in 1968. For more information visit: www.runnymedetrust.org
- Analysis of the cumulative impact of tax and benefit changes covering the period 2010-2020 show that the poorest third are hit hardest, but that black (African and Caribbean) and Asian households are worst affected.

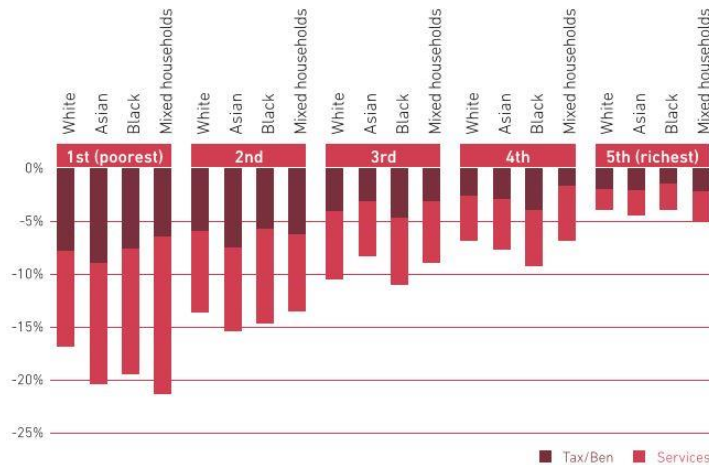
2010-20 cumulative individual impact of changes in taxes and benefits (percentage of net individual income per annum by 2020) by household income groups, gender and ethnicity (selected)



Source: Women's Budget Group 2017

- Analysis of tax and benefit changes and cuts to public services (2010-2020) shows that in addition to the poorest quintile being hardest hit, Asian and Mixed ethnicity households are set to suffer a loss in living standards of over 20% annually.

Cumulative real-term impact of tax and benefit changes and public service spending cuts on living standards in % terms between 2010 and 2020 by income and ethnicity



Source: Women's Budget Group 2017