



“We can’t keep up.”

The impact of the cost of living crisis on vulnerable young people in Leicester, Leicestershire and Rutland



Summary

This report presents the findings of Leicestershire Cares' rapid assessment of the impact that the cost of living crisis is having on vulnerable young people in Leicester, Leicestershire and Rutland.

We consulted with 20 young people from across our projects to explore if and how rising costs of living were affecting them, the impact of increasing energy costs in particular, what (if any) support they had received, and what their concerns were for the future.



Key issues young people raised

- The **cost of food** is a significant concern for vulnerable young people. Our participants were changing where they shop, using cheaper brands, skipping meals and going to relatives' houses for dinner (if this was an option).
- The **rising cost of electricity and gas** was also a significant worry for young people. Participants described not turning on lights, avoiding cooking with gas where possible, batch cooking, and staying with friends/family to share resources.
- Rising costs were having a considerable **impact on young people's mental health**, due to stress about their financial situation and the pressure on their families. Cutting out gym memberships and social activities to save money exacerbated this.
- **Young parents** spoke about their struggles affording baby wipes and clothes, and considering at what point they should skip meals to ensure their children could eat three meals a day.
- Young people highlighted the **additional cost of living alone**, as their individual outgoings were much higher than someone who could split bills with a housemate.

Support received and needed

- Most participants had **not received any support** on how to manage rising living costs. Some had received food parcels or looked up advice on the internet, but this was limited.
- The **cost of living payment** for those on Universal Credit had been useful, but the majority admitted that they had not put this aside to cover rising living costs. Young people felt reintroducing the £20 uplift would have enabled them to budget more effectively.
- Other support requested included **advice on saving**, budgeting and what to do if you cannot afford a bill, as well as support with the stress caused by rising living costs.

Worries for the future

- Young people were very **worried about how much living costs and energy prices would increase** in the coming months, and especially how much their bills would be in the winter.
- Those living with their families were **worried about the pressure that future rises in living costs would place on their parents/carers**, and what impact it might have on their siblings.
- Young people also spoke about having to go to a **foodbank**, struggling to **travel to work/college**, and their **rent and bills** starting to exceed the amount they earn each month.



Introduction

This report presents the findings of Leicestershire Cares' rapid assessment of the impact that the cost of living crisis is having on vulnerable young people in Leicester, Leicestershire and Rutland.

We consulted with 20 young people from across our projects to explore if and how rising costs of living were affecting them, the impact of increasing energy costs in particular, what (if any) support they had received, and what their concerns were for the future. We used a range of methods to capture young people's voices, including a group workshop with our participation group, one-to-one phone calls and an online survey.

Background

While our young people bring a wealth of different experiences, backgrounds and identities, one common factor that underpins the majority of our participants' experiences is poverty. Most of our participants come from low-income families, often with single parents who struggle to make ends meet. Many are single parents themselves and/or are estranged from family support networks that many of us take for granted.

Consequently, our participants are some of the most vulnerable to soaring costs of living and energy prices. We are seeing the impact that dealing with the mental, emotional and physical stress that comes with this is having on our young people on a daily basis.

While we welcome the government capping energy prices at £2,500 a year for the next two years, realistically this cap will make little difference to our young people, who are used to paying around £50 a month for their energy usage. A bill of over £200 a month would therefore still be a huge struggle for our participants to pay (for some, up to a seven-fold increase), as they already live frugally and do not have the financial cushion to cope with this increase.

We hope this report demonstrates the need for immediate and wide-reaching action to support these young people in or at the edge of poverty to overcome the adverse impacts that rising living costs are having on their current and future lives.

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Findings

Impact of rising living costs

Of the 20 young people we consulted, 18 said that increased living costs were already affecting them. Participants particularly highlighted the cost of food as a concern, and gave examples of basics like bread, pasta and milk costing more. Another key concern was increased rent and bills, not just for energy but council tax, water, insurance and other necessities.

Some participants with children said they were struggling to afford baby wipes and clothes. Young people who had got jobs or were on courses spoke about increases in the cost of travel making it difficult for them to afford to get to work or college. This also impacted their ability to see family and friends.



“Everything is getting more expensive. Food costs enough that I feel guilty eating... water, council tax, rent, gas, electric all seem to be increasing. If bills keeps going up I won't have any money left to keep up.”

To save on food, participants talked about changing where they shop, eating different foods, using alternative and cheaper brands, skipping meals and going to relatives' houses for dinner (if this was an option). Some talked openly about feeling guilty for eating what they do and one young parent was already thinking about skipping meals herself so that her children can still eat.

“Eventually I'm not going to be able to eat everyday to make sure my children can eat 3 meals a day.”

Young people spoke about cutting down on “spending on themselves” so they could pay bills. This included ending subscriptions to streaming and gaming services, cancelling gym memberships, stopping driving lessons and not spending money on treats. They also talked about swapping clothes with friends or shopping in charity shops instead of buying new. All of this was having an impact on their social, mental and emotional wellbeing.



Some participants said they were working longer hours or had got a second job to cover increased living costs. Those who were struggling to find work were struggling to make ends meet on benefits. Some spoke about using their savings to pay bills, which they had never had to do before.

“Being as I'm unemployed and currently on Universal Credit, it's been a struggle with paying for food throughout some weeks and having to plan out on saving enough for other things.”

A strong theme amongst our young people was the impact that rising costs were having on their emotional and mental health. Participants spoke about the stress they felt about their financial situation and the pressure on their family members. Cutting out exercise and social activities such as gaming and going out with friends exacerbated this.

Increased energy bills

The rising cost of electricity and gas was a significant worry for our participants. Most had experienced an increase in their energy bills, or were concerned about what the cost will be when their fixed price came to an end.

One young person reported that their monthly bill had trebled from £48 to £148 per month, and another said theirs had risen from £30 to £75 to £110 per month. Those on prepaid meters commented that the amount they used to top up no longer sees them through the week – on average they were spending £10-15 more a month than a few weeks previously.

“I haven’t had gas for 4 months, I boil the kettle to be able to do dishes. I have a pay as you go meter, £20 just does not last at all.”



One young person who was a student had their bills included in their accommodation prices, but was very concerned about how they will afford to live when they move out after university. Another who was about to start university said that heating systems and insulation were a key consideration when looking at properties, as she wanted to ensure they were efficient.

The majority of the participants involved in our rapid assessment were estranged from their families and living alone. A key issue that these young people raised is that it does not cost much less to heat a one-bedroom flat than a two-bedroom property, but they were solely responsible for paying the bills. As such, their individual outgoings were much higher than someone sharing a property with a partner or friend.

“Some of my friends who live with their boyfriend or girlfriend, their bills might be a bit more than mine but they split the cost between them. So, their bill might be £180 but they only pay £90 of that, whereas I’m stuck paying £148 on my own.”



When discussing the fact that energy companies charge more than you use on a monthly basis so your account builds up credit, young people had differing opinions. Some felt this was unfair as they were struggling for money and felt they needed this income now, however, others recognised that this credit would be useful to manage bills in the winter months when they use more gas and electricity.

To reduce energy costs, participants described not turning on lights, avoiding cooking with gas where possible, batch cooking, and staying with friends/family to share resources. Many described having to budget much more carefully, especially when they were paid monthly.

“Prices for gas and electric are ridiculous, we have to keep the lights off and use minimal gas. We have solar panels in the back which helps. We don’t do showers in the night time, we use electricity in the mornings. We make sure all lights are off so we are saving power that way.”

Support young people had received and needed

Most participants said they had not received any support on how to manage rising living costs. Some had received food parcels or had looked up advice on the internet, but this was limited.

Those on Universal Credit had received the cost-of-living payment in July. Announced by the government earlier in 2022, this is a payment of £650 paid in two lump sums: one in summer and one in autumn of 2022. While participants said that this money had been useful, the majority admitted that they had not put this aside to cover rising living costs. Rather, it had been used to pay off debts or been spent on small treats such as new clothes, a haircut, or a short break with siblings.

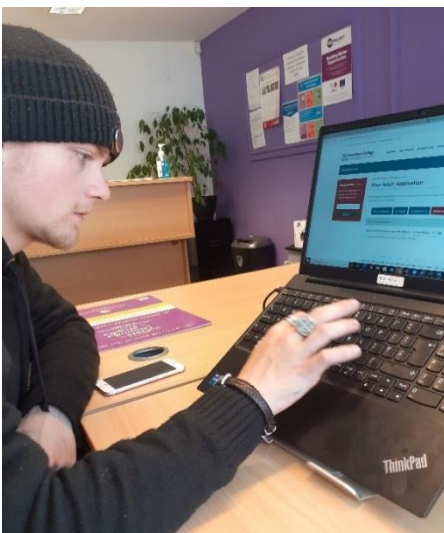
Young people pointed out that they receive so little on Universal Credit, they had not had the opportunity to treat themselves for a long time. As such, this lump sum was too good an opportunity not to pay for some small treats that many of us take for granted each month. They said that if the government wanted people to use the money to cover increased living costs, they should instead have reintroduced the £20 uplift that was in place during lockdown. This would have enabled them to budget more effectively, and would not have cost much more in the same timeframe.



“The £20 uplift made such a difference. This would really help again now.”

Other support that young people said would help included advice on saving, budgeting and what to do if you cannot afford a bill. They said tips on how to save money – for example, how to find cheaper alternatives when shopping, the cheapest suppliers for electric/gas, and how to cut costs – would be very useful. Also, advice on how to plan for the future, not just immediate money needs, would be appreciated by young people, and having support with the stress caused by living costs was also highlighted.

“I think talking to someone would help a little. Sometimes I even feel guilty for using things at home. And I know I need a job but that's still a struggle which also worries me.”



Consistency in support was also raised, with some young people saying they would like to have the same work coach each time they go to the Jobcentre, so they understand their situation and they feel more comfortable discussing their financial situation with them.

A few young people said that financial support and bursaries were needed. However, they were unsure where this would come from.

Finally, some young people highlighted that increased electricity and gas bills demonstrates the need for more sustainable energy sources to be put in place. They suggested that all council properties should have solar panels and other sustainable energy technology installed, where possible.

Worries about the future

Young people were acutely aware that living costs and energy prices are predicted to increase drastically in the coming months. They all expressed worries about this, and especially how much their bills were likely to be in the winter.

Those who lived with their families were worried about the pressure that further increases in living costs would place on their parents/carers, and what impact this might have on their siblings.



“Everything is getting more expensive... I am worried that parents will have more pressure. I feel bad for my dad so we try to make up for it. That’s impacting us right now.”

Young people also spoke about having to go to the foodbank if costs continued to rise, and feeling like their rent and bills will start to exceed the amount that they can possibly earn.

“I will go from less money to spend to likely no money. We don’t earn enough as it is and I wish people saw this. In the future it will flip where we will earn less than the bills and rent we have to pay.”

A few care experienced young people highlighted that they were turning 25 in the next one or two years, and then their support from social services would end. They were very worried about how they were going to afford to live once this support was withdrawn.

Conclusion

This rapid assessment has highlighted some of the key impacts that the cost of living crisis is already having for vulnerable young people in Leicester, Leicestershire and Rutland. This not only includes changes to their spending and eating habits, but also significant impacts on their physical, emotional and mental health as the stress of their financial situation takes its toll and they have to choose between seeing friends and family, and being able to eat or pay their bills. With the news of further increases in energy prices and the rate of inflation, we anticipate that these will only get worse in the coming weeks and months.

At Leicestershire Cares, we will be using the findings of this rapid assessment to support our young people to budget effectively, receive the support they are entitled to and access the expert advice they need to get by. We urge other organisations working with vulnerable young people to do the same, and ensure that their services adapt and respond to participants’ needs throughout this current crisis.





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