

Financial Inclusion: Equality Impact Analysis

Financial services play a central role in people's everyday lives. People need bank accounts to receive wages, salaries and benefits and to pay bills, people rely on mortgages to buy a home and savings and pensions to plan for the future. For this reason, having access to mainstream financial products and services and the capacity to effectively make use of them is central to one's economic well being and sustainability.

Moreover, changes to the benefits system and the introduction of Universal Credit (UC) and Direct Payments (DP) make the need to ensure residents are as well informed and capable to deal with these changes as possible all the more pressing.

For Brent Council, tackling financial exclusion and promoting greater financial literacy, capability and inclusion is about more than addressing the symptoms of being excluded; it is about cultivating relationships with a broad range of partners to help residents to become more aware of the choices they have, take advantage of advice, and, where necessary, lead by example to develop innovative partnerships that foster broader financial independence and resilience.

With the exceptions of age and ethnicity, robust data on financial exclusion across all the groups protected by the Equality Act is unavailable. As with all commissioned services, Brent's Financial Inclusion strategy will be subject to the public sector equality duty, as such, it is required to be inclusive and accessible for all groups protected by the Equality Act 2010 each of which will now be examined in turn.

Age

Data from the Family Resources survey reveals that the largest age group not to have any type of bank account is men aged between 16-24 (14%) followed by 85+ (8%). Thus, the successful implementation of any financial inclusion strategy would have a positive equalities outcome for this protected characteristic

Ethnicity

According to data from the family resources survey that has been collated by Brent's Business Intelligence team the largest ethnic group (head of household) in the UK without any type of bank account is Indian (5%) and the lowest (1%) is Bangladeshi. As such, implementing a robust financial inclusion strategy would have positive equalities outcomes for this protected characteristic.

Sex

According to a needs analysis of advice services conducted by Brent's Business Intelligence team, there were more women likely to seek financial advice from Brent's advice and guidance services (56.2%) than men (43.1%). As such, the successful implementation of the financial inclusion strategy would have positive equalities outcomes for this protected characteristic.

Overall, the service would have a broad positive equalities outcome as it would have to have due regard for all groups protected by the Equality Act and it would help to break down patterns of poverty and disadvantage that disproportionately impact some of these groups.

Disability

Whilst Brent-only figures are unavailable, there have been several large-scale that have highlighted links between disability and financial exclusion. A 2010 analysis by the Institute for Social and Economic Research found that having a disability was strongly associated with being in rent arrears or debt being a heavy burden. Likewise, the study found that that risk of household over-indebtedness consistently increased where the respondent or their partner was either sick or a disabled person.

Developing and implementing a robust financial inclusion strategy would likely have a positive equalities outcome for this protected characteristic.

Gender-reassignment and Variance

Whilst Brent-only figures are unavailable it is estimated that approximately one per cent of the British population will experience gender variance at some point in their lives (3,100 people in Brent) and approximately 0.02% of the UK population will undergo gender re-assignment (60 people in Brent).

Research undertaken by Prudential into the financial resilience of the LGBT community in the US found that trans and gender variant people often face increased economic discrimination compared to the rest of the community. Based on this, it may be fair to assume that the financial resilience of Brent transgender residents is significantly lower than the rest of the population. As such, implementing a robust financial inclusion strategy would have positive equalities outcomes for this protected characteristic.

Pregnancy and Maternity

In 2013, there were a total of 7,022 conceptions in Brent according to the Office for National Statistics. Furthermore, in 2014 Brent had a teenage pregnancy rate of 16.0% (under 18) of all pregnancies. US research from Prudential has shown that having children places additional financial pressures on families; this would be particularly true for teenage mothers. As such, implementing the Financial Inclusion strategy would have a positive equalities outcome for this protected characteristic.

Race

According to Brent Citizens Advice Bureau, the main racial groups in the borough that are most likely to be in debt are Black African, Black Caribbean, White British, White Other and Asian Other are the most likely to be in debt.

The strategy will have to have due regard for all racial groups and make any adequate provisions that they may require.

Sexuality

Brent only statistics are unavailable however on LGB residents is unavailable. However, US research conducted by Prudential found that attitudes towards savings amongst LGB

Americans were slightly more moderate than amongst non-LGB residents. Overall LGBT Americans receive a Financial Confidence Index score of 48 out of 100 placing them almost squarely in the middle of the Index.

The report did also find that there are some differences regarding financial resilience within the LGB community. For example, Lesbian couples are more likely to have children than gay men which can place additional financial pressures on Lesbian couples.

Marriage and Civil Partnership

Brent council recognises that under the public sector equality duty, it is unlawful to discriminate against people who are married or in a civil partnership. The strategy will have due regard for this protected characteristic and be fully inclusive of it should any particular arrangements be required.

Religion or Belief

Certain religious groups may have specific beliefs that can affect their financial inclusion. As such, the strategy would have to be fully inclusive and make adequate provisions for any and all religious groups in the borough.