

Challenge 1: Create Prosperity

“More than anything, as a nation we need to recommit to ending poverty, as a national priority.”

– Child Poverty Action Group

Creating Sustainable Prosperity

A financially healthy nation is good for individuals, communities, businesses and the economy. However, with an estimated 14.3million people in poverty in the UK, and 50% of adults being financially vulnerable, there is significant work to be done to help establish Britain as a financially healthy nation. The current Covid-19 crisis has magnified and worsened many of the key issues people living in poverty or financial instability face.

We are looking for innovative ideas and dynamic new financial products and services that respond to the key changes and needs of contemporary society, and in particular, those who are underbanked or living in ‘in-work’ poverty. How can we help create sustainable prosperity, and prevent society’s most vulnerable from becoming marginalised from mainstream financial systems?

Conversely how can the growth of online networks and technology be utilised to create ‘fin-tech’ products and services that target marginalised groups or individuals currently excluded from mainstream financial structures.

Enabling sustainable prosperity is a complex issue, but there is huge scope for new, impactful ventures and partnerships to improve:

- Financial literacy and capability
- Financial inclusion and citizenship
- Financial wellbeing and resilience

We would like the following vulnerable groups to be considered:

- Children and young people
- Young families
- Older people
- Non-UK citizens, migrants and refugees living in the UK
- Unbanked consumers (those who live with cash only)
- People with poor mental health
- Working age ‘struggling’ and ‘squeezed’ people

SDGs addressed

1 (no poverty); 4 (quality education); 6 (gender equality); 8 (decent work and economic growth); 9 (innovation and infrastructure); 10 (reduced inequalities); 17 (partnership for the goals)

The UK at a glance

<p><u>Children and young people</u></p> <p>30% of children grow up in poverty.</p> <p>The current unprecedented rise in infant mortality disproportionately affects the poorest areas of the country.</p>	<p><u>Young families</u></p> <p>Single-parents aged 18 to 34 are 3x more likely to have to rely on a doorstep loan, payday loan or pawn-broking loan.</p> <p>The cost of childcare rose four times faster than wages between 2008 and 2016.</p>	<p><u>Pensioner poverty</u></p> <p>UK elderly suffer the worst poverty rate in western Europe.</p> <p>1.6million older people live in poverty, of whom 900,000 are living in severe poverty.</p>
<p><u>Unbanked consumers</u></p> <p>1.5million adults remain unbanked in Britain today.</p> <p>The poverty premium can cost nearly £500 per year for unbanked, low-income households.</p>	<p><u>People with poor mental health</u></p> <p>Children and adults living in households in the lowest 20% income bracket are 2 – 3x more likely to develop or experience mental health problems.</p> <p>Half of all people in problem debt also have a mental health problem.</p>	<p><u>Working age ‘struggling’ and ‘squeezed’ people</u></p> <p>11.1million adults on low-to-moderate, or unstable incomes, who don’t, or are unable to save regularly.</p> <p>13million people lack any savings to fall back on should they suffer a 25% cut in income.</p>
<p><u>Gig economy workers</u></p> <p>Almost 90% of Britain’s gig economy workers earn less than £10,000 per year.</p> <p>Households on volatile income are 5x more likely to have to turn to higher cost credit.</p>	<p><u>People who use credit for food and bills</u></p> <p>9million adults regularly rely on credit to pay for essentials.</p> <p>7.8million people are unable to access mainstream credit.</p>	<p><u>Non-UK citizens, migrants and refugees living in the UK</u></p> <p>There are 2.64 million migrant workers in the UK, and they tend to concentrate in low-wage, low-skill work.</p> <p>Asylum seekers are banned from working and are provided with just over £5 per day from the Government to cover the costs of basic necessities. Once they are awarded status this support stops after just 28 days.</p> <p>The number of refugees and asylum seekers living in food poverty soared by 20% in 2017.</p>

Create Prosperity further reading:

- [Measuring Poverty 2019](#), Social Metrics Commission
- [The Facts](#), Financial Inclusion Commission
- [The UK Strategy for Financial Wellbeing 2020-2030](#), Money and Pensions Service