

## COVID-19 and Consumers: *key insights series* – CALD consumers

**Wednesday 31<sup>st</sup> March**

### **Consumers from Culturally and Linguistically Diverse (CALD) backgrounds experienced greater hardship during COVID-19 lockdown due to financial stress and poor industry practices**

The impact of the COVID-19 pandemic has been devastating across Australia. Whilst job losses and financial instability did not discriminate, consumers from culturally and linguistically diverse (CALD) communities have been disproportionately impacted.

CPRC undertook this research to measure the economic fallout of COVID-19 with consumers who speak a language other than English at home, compared to English-only speaking households.

The most recent survey results from Nov and Dec 2020 show CALD consumers resorted to much higher levels of debt, drawing down on superannuation and accessing emergency relief to meet everyday living costs such as rent, food, and bills compared to the rest of the nation. Our data indicates CALD consumers:

- Accessed personal loans at rates two times higher
- Took on high-cost payday loans at rates four times higher
- Borrowed from friends and family at rates two times higher
- Accessed superannuation early and twice the rate
- Sought emergency assistance at rates four times higher (November)

“It’s pretty clear from our data this group has really struggled with a shortfall in income, are far more reliant on informal income and capital, and seem to be accruing debts and arrears” said Ben Martin-Hobbs, Senior Policy and Research Manager.

These findings are consistent with other recent research highlighting those in insecure employment - predominately in sectors which were hit the hardest by COVID-19 such as retail, hospitality, aged care, hygiene, construction, and fast food, with day labour arrangements or labour hire contracts – the most severely impacted.

“In addition to insecure employment, a lack of inclusive approaches to policy design, delivery of customer service, and the communication of supports is creating a chasm between the experiences of English and non-English speaking communities” said Lauren Solomon, CEO.

While State Government support mechanisms provided important immediate relief for many CALD students and renters, CPRC data indicates high levels of concern about financial wellbeing persist across the nation. 73% of CALD consumers are still concerned about their financial wellbeing, compared to 56% of the broader population.

“As debts have been accruing with essential service providers, we’ve seen this translate into higher proportions of CALD consumers reach out for help in managing their bills, but they also report significantly more difficulty accessing supports” said Mr Martin-Hobbs. “Sufficient income clearly must remain at the forefront of the policy response, but we also need to drastically change the way we engage and communicate with diverse communities.”

CPRC findings backs up other recent reports of the wide impact of COVID-19 on the Australian community as whole and in this instance suggests regulators, policymakers and industry have an important role in preventing this issue from becoming a crisis.

“Australia is a diverse nation, yet our approach to policymaking and customer service delivery does not reflect this. Our markets and businesses should not be creating further vulnerability and disadvantage in the community. Inclusive practices must be the way forward – our communities and the economy will be all the stronger for it” said Ms Solomon.

**Media Contact:**

Ned 0411 616 723

Attachment: Full Report