# Cost-of-living crisis deepens inequalities for South Asian and Black communities in Britain



Britain’s Indian, Pakistani, Bangladeshi, and wider South Asian communities, alongside Black working-class families, are bearing a disproportionate burden in the ongoing cost-of-living crisis, warns the Indian Workers Association (Great Britain). The association has accused the UK government of safeguarding corporate profits at the expense of ordinary working families who are grappling with escalating prices and stagnant wages.

Sital Singh Gill, general secretary of the association, underscored the financial hardships faced by these communities, stating that while the government speaks of economic stability, many working-class families endure relentless struggle. The crisis is evident in soaring inflation rates projected by the International Monetary Fund, which expects the UK to experience the highest inflation among G7 countries this year at approximately 3.2 per cent, with only a slight easing anticipated by 2026. Everyday expenses remain steep, with grocery prices rising over 5 per cent and average annual energy bills reaching £1,755, as reported by Ofgem, the energy regulator.

Gill has criticised policies such as the fixed daily energy charges, which he believes unfairly penalise low-income and low-usage households, including pensioners. This system forces such households to pay the same standing charge regardless of energy consumption, intensifying the financial strain on those already struggling.

Research from organisations like the Runnymede Trust and analyses of UK government data reveal that minority ethnic households, particularly those of South Asian origin, are among the most impacted by this crisis. For instance, 22 per cent of Indian households fall below the low-income threshold after housing costs, a figure rising sharply to 47 per cent for Pakistani families and 53 per cent for Bangladeshi ones. Child poverty rates are similarly stark, with over a quarter of Indian-origin children living in poverty, climbing to 59 per cent for Pakistani children and 65 per cent for Bangladeshi children.

These families, who were essential frontline workers during the pandemic in roles such as taxi driving, healthcare, and factory labour, now face intensified economic hardships. Overcrowding exacerbates the crisis; official statistics indicate 4 per cent of Indian households and nearly one in five Bangladeshi households experience overcrowding, compared with just 2 per cent of White British families. Such housing pressures compound social and economic inequalities.

The Indian Workers Association has criticised government policies that it views as benefiting corporations while working families face rising taxes and deteriorating public services. Gill remarked poignantly on the paradox of paying high taxes akin to Scandinavian levels but enduring inequality reminiscent of American extremes. The association highlights the troubling reality of families resorting to food banks despite official claims of economic recovery.

Broader data supports the disproportionate impact of the crisis on ethnic minorities. For example, fuel poverty affects 15 per cent of Black households in England, the highest among ethnic groups, compared to 11 per cent of White households, though the average fuel poverty gap is largest among White households. Moreover, surveys show that in 2022 nearly 70 per cent of Black or Black British adults and 59 per cent of Asian or Asian British adults struggled to afford energy bills, compared to 44 per cent of White adults. The rising number of elderly individuals from ethnic minority backgrounds further underscores the urgency of addressing poverty and energy cost challenges in these communities.

In response to these challenges, the Indian Workers Association is advocating for targeted government action ahead of the Autumn Budget. Their demands include reforming standing energy charges to alleviate unfair penalties on low-usage households, addressing the ethnicity pay gap, regulating supermarket pricing to curb exploitative cost increases, investing in energy efficiency measures, and reversing cuts to local services that disproportionately affect minority families.

Gill reaffirmed the association’s commitment to pressing the Treasury and other government departments for meaningful reforms. “We, the Indian, Asian and Black communities, are part and parcel of the British working class,” he emphasised. “We helped build this country — and we stand shoulder to shoulder with all working people, Black, White and Asian alike, to demand fairness, dignity and justice.”

This collective call for fairness comes against a backdrop of data showing persistent and widening inequality in the UK, where ethnic minority groups remain significantly more likely to experience poverty. Poverty rates for Black, Asian, and other minority ethnic groups are consistently higher than for White British people, with profound implications for social cohesion and economic recovery prospects.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[4]](https://www.tribuneindia.com/news/london-letter/cost-of-living-crisis-britains-indian-asian-communities-bear-brunt-of-austerity/)
* Paragraph 2 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[4]](https://www.tribuneindia.com/news/london-letter/cost-of-living-crisis-britains-indian-asian-communities-bear-brunt-of-austerity/), [[5]](https://theasianindependent.co.uk/asian-and-black-families-hit-hardest-by-inflation-says-indian-workers-association/)
* Paragraph 3 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[4]](https://www.tribuneindia.com/news/london-letter/cost-of-living-crisis-britains-indian-asian-communities-bear-brunt-of-austerity/)
* Paragraph 4 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[6]](https://irr.org.uk/research/statistics/poverty/), [[7]](https://www.easterneye.biz/british-asian-families-poverty-uk/)
* Paragraph 5 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/)
* Paragraph 6 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[2]](https://www.ethnicity-facts-figures.service.gov.uk/housing/housing-conditions/households-in-fuel-poverty/latest), [[3]](https://blog.policy.manchester.ac.uk/posts/2023/11/the-unequal-impact-of-the-cost-of-living-crisis/)
* Paragraph 7 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/)
* Paragraph 8 – [[1]](https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/), [[6]](https://irr.org.uk/research/statistics/poverty/)

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## Bibliography

1. <https://khalsavox.com/opinion/british-asian-families-bear-brunt-of-cost-of-living-crisis-warns-indian-workers-association/> - Please view link - unable to able to access data
2. <https://www.ethnicity-facts-figures.service.gov.uk/housing/housing-conditions/households-in-fuel-poverty/latest> - In 2024, 11% of all households in England were in fuel poverty. Black households (15%) were the most likely to be in fuel poverty, while White households (11%) were the least likely. The average fuel poverty gap was £407, with White households having the largest gap (£432) and Black households the smallest (£270).
3. <https://blog.policy.manchester.ac.uk/posts/2023/11/the-unequal-impact-of-the-cost-of-living-crisis/> - The cost-of-living crisis has disproportionately affected ethnic minority groups. In 2022, 69% of Black or Black British adults and 59% of Asian or Asian British adults found it difficult to afford energy bills, compared to 44% of White adults. Additionally, the number of over-65s from ethnic minority backgrounds increased by 70%, highlighting the need to address poverty and rising energy costs.
4. <https://www.tribuneindia.com/news/london-letter/cost-of-living-crisis-britains-indian-asian-communities-bear-brunt-of-austerity/> - The Indian Workers Association (Great Britain) has criticised the UK government for failing ordinary families while protecting corporate profits. Rising energy bills and food prices are pushing thousands of Indian, Pakistani, Bangladeshi, and Black working-class families to breaking point. The International Monetary Fund projects the UK will have the highest inflation in the G7 this year, at around 3.2%, with only a modest decline expected by 2026.
5. <https://theasianindependent.co.uk/asian-and-black-families-hit-hardest-by-inflation-says-indian-workers-association/> - The Indian Workers Association (Great Britain) has warned that rising inflation, energy bills, and food prices are pushing Asian, Indian, and Black working-class families in Britain to breaking point. The government’s current economic policy is failing ordinary families and leaving minority communities disproportionately exposed to the cost-of-living crisis. The International Monetary Fund projects the United Kingdom will record the highest inflation rate among G7 nations in 2025, around 3.2%, easing only slightly next year.
6. <https://irr.org.uk/research/statistics/poverty/> - Black, Asian, and other minority ethnic groups in the UK are more likely to be in poverty than White British people. In 2018, 50% of Bangladeshis and 46% of Pakistanis were in the most deprived fifth of the population after housing costs, compared with 20% of White British people. In 2020, 46% of people in families where the household head was Black/African/Caribbean/Black British were in poverty, compared to 19% of those in families where the head of household was White.
7. <https://www.easterneye.biz/british-asian-families-poverty-uk/> - A report by the Joseph Rowntree Foundation indicates that British Asian families are significantly affected by poverty in the UK. The report highlights that Asian households have higher rates of child poverty, deep poverty, and persistent poverty. Between 2019 and 2022, around half of people in Pakistani (51%) and Bangladeshi (53%) households, and around four in ten people in households headed by someone from an Asian background (39%), excluding Indian, Pakistani, Bangladeshi, or Chinese, were in poverty.