

# Briefing | The impact of the cost-of-living crisis on homeless young people



With the annual rate of inflation reaching a 40-year record of 11.1% in October 2022, households across the UK have seen their purchasing power for goods and services considerably affected. In addition to supply chain bottlenecks and post-pandemic rise in demand for consumer goods, another important driver of the high inflation is energy price, with household energy tariffs and petrol costs increasing. Despite the support from the government with the Energy Price Guarantee and Cost of Living Support schemes, the increase in the cost of living has dramatically worsened the conditions of the most vulnerable households, with inflation often named ‘the most regressive tax of all’.

**This research is based on a survey of 28 homelessness organisations across England who support over 12,000 young people, analysis of data from Centrepoint Helpline, which offers advice and signposting to any young person who is facing homelessness, and a focus group with Centrepoint Helpline Advice Workers.**

## Key findings:

- **Centrepoint Helpline has seen its busiest months since it opened five years ago with record numbers of callers in October and November 2022.** It supported a record number of young people in October, answering the calls of 721 young people, a third more than the same month last year (548 young people supported in October 2021). In November, the service exceeded that record – with 850 young people in need of support, a 44 per cent increase on the same month last year (592 number of calls in November 2021), doubling the pre-pandemic number of young callers (427 calls in November 2019). In October-November 2022 the Helpline saw a 45 per cent increase in young callers who were sleeping rough, compared to the same period last year.
- **77 per cent of the surveyed organisations say that demand from young people has increased due to the cost-of-living crisis.** Almost 3 in 5 organisations (57%) say that young people needing food support has increased significantly and almost half of the organisations (46%) say that young people needing emergency financial support has increased significantly. Centrepoint Helpline Advice Workers have noticed this rise as well, drawing attention to the fact that young people are clearly worried about the cost-of-living even though they might not have realized and attributing for instance to *“mum’s asking for more rent”*.
- **The anxieties over budgeting to pay rent, bills and food, are having a negative impact on young people’s mental health, with 44 per cent of the organisations mentioning that more young people with mental health issues are reaching out for support.** Organisations look ahead to a serious increase in the number of young people needing support with mental health needs – three quarters of organisations spoken to expect this over the next six months. A challenge that has been highlighted by Centrepoint Helpline Advice Workers too, with only *“a small minority of the calls [that] don’t interlink to their mental health”*. In addition, an alarming number of young people on the line are feeling suicidal, with a Helpline Advice Worker who commented *“before we had barely any calls regarding suicide, now many spoke about ending their life or being at a place where they can’t see themselves living”*.

- **More young people in full-time employment are reaching out for support.** Helpline Advice Workers at Centrepont have noticed a considerable increase in the number of young people working full-time who cannot afford private rents, especially in London and Manchester. In the last few months, Centrepont Helpline has been *“catching people who wouldn’t normally use the service”*. Some mentioned callers wondering whether they should quit their job in order to be able to access support from councils. Even if young people have only a part-time job, during the homelessness assessment they are told to look for private accommodation. However, private renting is not a realistic expectation, they are in the middle zone as they are *“not earning enough for private rent, not little enough for council support”*.
- **Family breakdowns remain the main cause of homelessness for over half of the young callers,** with the Helpline Advice Workers noticing a rise in parents calling since they cannot afford to keep their children at home due to cost-of-living. This is confirmed by surveyed homelessness organisations which believe that more young people will be vulnerable to homelessness, as 71 per cent expect to see significant increases in families breaking down with cost-of-living being a catalyst factor. Regarding other causes of homelessness, a significant rise has been recorded in the young callers mentioning evictions as the reason they are facing homelessness with the number which has almost doubled (92% year-on-year increase).
- **More opportunities for scams and dodgy behaviours taking advantage of young people’s desperation in finding a home.** The Helpline has received many calls from young people who had been scammed through Facebook or SpareRoom in the private housing market, with a young person who had lost £700. In addition, the lift of the eviction ban increased the dodgy behaviours of some landlords with a Helpline Advice Worker who said that *“you hear from a lot of people who have been wrongfully evicted, with the due process not followed”* and some young callers who mentioned *“the risk of landlords getting more aggressive if decide to stay in home with keys”* when told to leave.

## Recommendations:

### The Department for Work and Pensions (DWP) should:

1. Introduce a new **Youth Independence Payment** for young people living independently without family support. This would raise their overall Universal Credit entitlement to the rate that over 25s receive in recognition that they face the same living costs.
2. Uprate the current **Local Housing Allowance** rates, taking into account latest data on inflation in the private housing market and making sure it is aligned with the 30<sup>th</sup> percentile in all the broad rental market areas (BRMA).
3. Support a **national communications campaign** to reduce stigma and tackle misconceptions about the social security system, and help drive a move from the language of ‘welfare’ in favour of a vision of social security as an essential public service.

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