

Managing Financial Disappointment

For most refugees, integration and financial security are interlinked, especially when they are resettled to a relatively wealthy country like the UK. Refugees will have also heard rumors from their networks about the UK and other countries that may lead them to believe that resettlement equates to not having to worry about money. Addressing financial disappointment is a common challenge faced by Community Sponsorship Groups.

Managing expectations

It's likely that the refugees you support have been in contact with a network of their friends, relatives or contacts living in the UK, some of whom are receiving more benefits or who are living in a larger accommodation. It's only natural to compare circumstances but it's also important to help the family understand that the income represented through benefits are highly individual and based on your own circumstances. For example, if someone in the family has a disability and another family member is designated as their carer, then that family may receive more money than a family of the same size where no one has a disability.

To newly arrived refugees, Group members might appear to be in a position of power and influence so when they discover that they will receive only a limited amount of money each month, they may expect you to be able to 'pull strings' or work the system in their favour. The disappointment in finding out that their new life in the UK will not be as financially secure as they expected and that your Group is unable to change this may lead to refugees disengaging with your Group's support plans and create a barrier to integrating into the community.

You will need to be realistic about what support you can provide in these circumstances, both to your Group members and the refugees themselves and repeating what you can and can't control as the Community Sponsorship Group from the very beginning and regularly will help. Some issues, such as the housing benefit cap, will be outside of your control. Others, such as processing errors or delays in receiving benefits, may be areas that you can help refugees to address, but you will need to be clear with them about the limitations of the support you can offer. Although you can support them to raise the issue, advocate on their behalf, or refer them to specialist advice services, you should clearly communicate that you cannot guarantee how quickly the issue will be resolved or what the outcome will be.

Managing expectations will be key in helping the family to understand their new circumstances, especially when they first arrive. Groups have found it helpful to explain that the benefits the family receives are calculated in the same way as those of a British family of the same size. We've heard that many refugees refer to their benefits as their "salary from the government" and although they will receive money each month, which reflects the way a salary is paid, this can be an unhelpful way to think of benefits and where

they come from. Instead, Groups have found it useful to explain early on that the money for the benefits system comes from everyone who is working in the UK through the taxes they pay and when the family members start working, they too will pay into this system.

Being the person who breaks the news to the newly arrived family that they will need to live on a tight budget is probably not the reason you got involved in Community Sponsorship. However, by encouraging refugees to have realistic expectations of their financial future in the UK, you will empower them to make the best choices for themselves and their families.

Tools for financial empowerment

Your role as a Community Sponsorship Group is to help [empower refugees](#) to take control of their lives, including managing their finances. The following are some tools different Groups have used to help refugees work toward [their financial goals](#):

- In partnership with the family you support, create a monthly budget while taking into consideration any long term saving goals that the family might have and talk openly about necessary and unnecessary expenses they have been incurring. Remember: it's not up to your Group to tell refugees how to spend their money, but you can encourage them to make smart financial decisions. The Job Centre will also be able to provide budgeting advice and support. [A budget planner](#) is also available with this resource.
- If the family is struggling to make ends meet, they must speak to the Job Centre, who may be able to apply for additional payments for them.
- Explain the difference between cost in shops in the UK like Aldi and Waitrose so they can choose to shop at a more affordable grocery store.
- Help the family to find cashpoints that do not charge for taking out money.
- Help the family to search for and supply for grants in your local area; some Groups have been able to help families access funding for bikes, activities and training courses.
- Encourage adult family members to [volunteer with a local charity](#). This will help them gain UK-based experience and will improve their English skills. It's important to convey that stronger English and references will lead to higher paid work in the future.
- Communicate the effect working will have on their [benefits](#) and help the refugees understand how this will affect their monthly income.
- Set up grants or loans that the refugees can apply for to pay for activities they would otherwise not be able to do, if your Group is happy to do so. This could be to fund things like a trip to see family and friends in another part of the country or paying for [driving lessons](#).

- Some Groups have found that money that has been provided to the family has been used to send money to those left or to repay debts in the family's country of origin or the host country. Whilst it is not your place to tell the family how to use their money, we recommend that you are clear, should you provide additional funding, that you are told what it is for. If that money is not used for the intended purpose, do not make another payment to cover the original expense.

Setting boundaries

Even with careful budgeting, the benefits the family receives may not be enough to cover all their expenses and many Groups have found that at some point during their year of support, Group members have been asked for money, or a loan by the refugees they're supporting. There is no right or wrong way of handling this situation, however, you don't want to create a situation where refugees are not working towards their financial independence. Giving money to refugees whenever they ask is a quick fix to their financial troubles but can be disempowering, especially when your support is finite. Ultimately, refugees will need to live within their means and the most valuable support you can provide is to help them to carefully budget their expenses and support them in making informed decisions about how they spend their money.

So that you don't create a situation where refugees are not working towards their independence, your Group will find it helpful to set clear boundaries around giving and loaning money and communicate these boundaries to the refugees as well as your Group members regularly. This is not to say that your Group will never give or loan money to the family, but that you have established clearly communicated guidelines about when and how this is done. Your Group may set a boundary that individual Group members cannot give money to the family, but as a Group, you could decide to provide funding for certain purchases or activities on a case by case basis. For example, if the children in the family would like to attend an activities during the summer holiday, a cost their parents cannot afford, you could discuss giving or loaning this money as a Group, all while communicating to the family that this will not be a regular occurrence. If you make a loan to the family, for example, should their first benefits payment be delayed, you should make it clear that this must be repaid, how, and in what timeframe.

Need further help?

Please contact the Reset Team at any point; we're always happy to provide advice and support to your Group.