



# POVERTY PREMIUMS



## BEING POOR CAN COST EXTRA MONEY

The old saying is that “money makes money”, but the reverse is also true: lack of money makes for extra cost burdens.

People on low incomes have costs that others with more money and resources can buy their way out of, avoid or minimise.

### WHEN YOU CAN'T AFFORD MONEY-SAVING TECHNOLOGIES



mobile internet

VS



home internet

A GB of data is much cheaper when you have a home internet plan. If you're homeless or poor, your only internet connection might be via your phone.

**+328% Poverty premium**



Standard electricity

Renters and people who can't afford rooftop solar pay more for electricity

**+52% Poverty premium**

VS



Solar Customers



payday lender  
effective interest rate

68%

**+46% Poverty premium**

VS



bank credit card  
effective interest rate

22%



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## WHEN EXTRA FEES AND CHARGES ARE MORE LIKELY



Bank dishonour fees are more likely to apply and accumulate to those on the lowest incomes resulting in a

**5X**

HIGHER IMPACT ON THE FAMILY BUDGET

compared with someone on an average wage.

Most energy companies offer discounts for customers paying on-time



If you don't have the money up front, you can pay

**28%**

EXTRA ON YOUR BILL

## WHEN FLAT-RATE COSTS HURT MORE

In Finland traffic fines are set as a proportion of weekly income



Our flat-rate traffic fines shoulder low income people with a

**5.8X**

HIGHER BURDEN

The poorest households spend proportionately more on food.

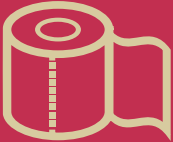


This can mean a

**2.5X**

HIGHER IMPACT ON THE FAMILY BUDGET

## WHEN YOU CAN'T AFFORD TO BUY IN BULK



toilet paper costs

**74%**

MORE PER ROLL

if you don't have money to buy the largest pack



public transport costs

**50%**

MORE PER TRIP

if you buy single trip compared to the same Metrocard trip



phone data costs

**490%**

MORE PER GB

if you can't afford a high-data phone plan