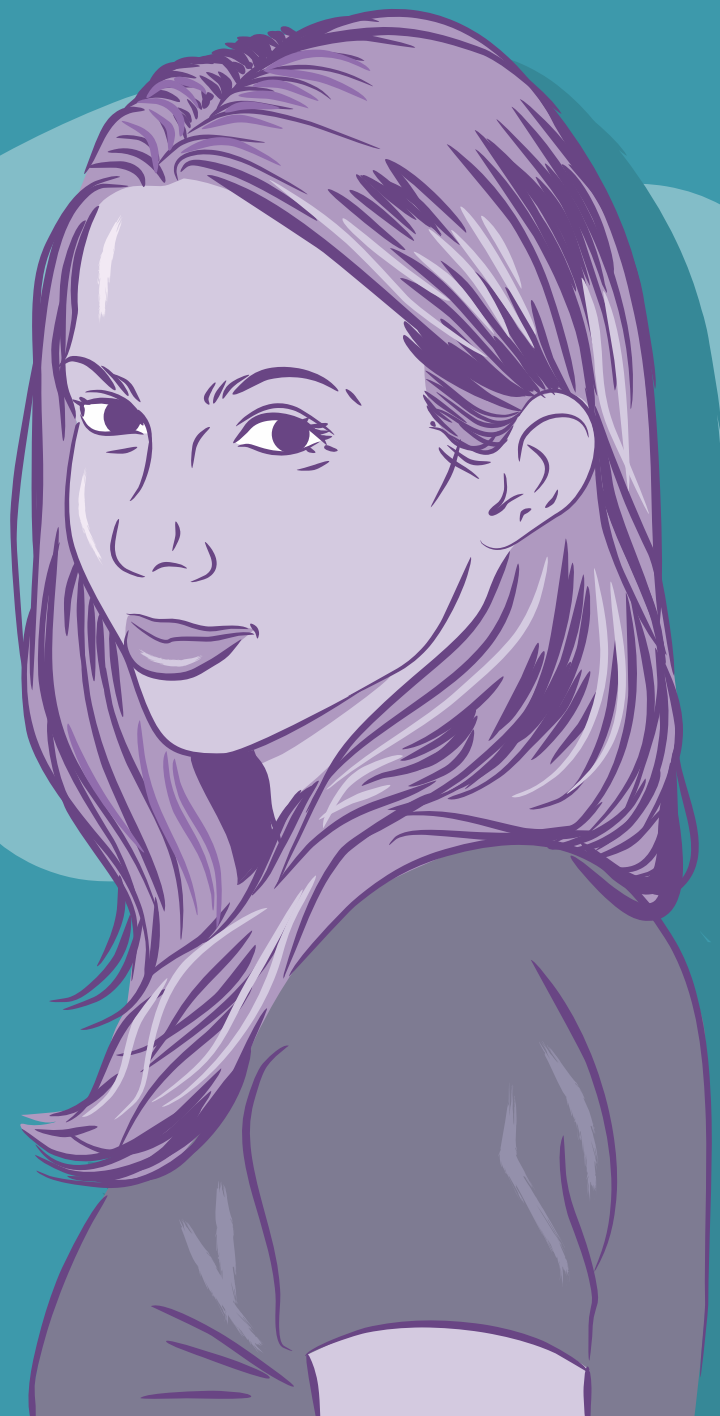


# THE COST OF LIVING CRISIS



THE IMPACT  
ON WOMEN  
SELLING OR  
EXCHANGING  
SEX OR IMAGES

ENCOMPASS NETWORK BRIEFING  
FEBRUARY 2023





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## BACKGROUND

**The Covid pandemic with its associated impacts has been closely followed by the cost of living crisis. The cost of living crisis is a result of increasing prices (caused by supply bottlenecks, the war in Ukraine, Brexit and rising energy prices) but the crisis is exacerbated by the stagnating and reduced incomes experienced by many. According to the Women's Budget Group (WBG), over a decade of austerity policies, low wage rises and cuts to social security have left many people in poverty. While the richest households saved money during the pandemic, the poorest fell further into debt, with no cushion to cope with rising prices now.<sup>1</sup>**

The Encompass Network is concerned that the combination of the Covid crisis followed by the cost of living crisis has placed women in increasingly vulnerable situations where selling or exchanging sex is seen as the only option or the most viable way to make enough money to pay bills, maintain their homes and avoid destitution. We are also concerned by reports from women already involved of increasing pressures, expectations and violence from punters/clients. The pressures women face also mean that many women who want to leave are unable to and feel trapped in the sex industry.

### This briefing aims to highlight:

- **The links between poverty and selling sex.**
- **How this can increase women's vulnerability to involvement.**
- **How it impacts on women already involved.**

## WOMEN AND POVERTY

Similar to the Covid crisis, the cost of living crisis is likely to have more serious impacts for women. Poorest households will be the hardest hit by the cumulative rise in prices and as women are already more likely to be poor and to have less savings than men, they are again going to take the brunt of this latest crisis.

Close the Gap have found that “women working full-time earn **6.6%** less than their male counterparts, while part-time women earn on average **26.9%** less than men working full-time. This illustrates the systemic undervaluation of 'women's work' which continues to be concentrated in low-paid, part-time jobs.” They found that women are more likely to be concentrated in sectors of the Scottish economy characterised by low pay, including care, leisure and other service jobs, and that after the age of 22 women's average hourly earnings are lower than their male counterparts.<sup>2</sup>

1. <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>

2. Close the Gap. Pay Gap Stats 2022, <https://www.closesthegap.org.uk/content/resources/Gender-pay-gap-statistics-paper-2022.pdf>



The consequences of this are that women are more likely to experience poverty at all points in their life and that women experience a 'motherhood penalty'. As such women are generally the shock absorbers of poverty. According to the WBG:

*“Women, once they have children, are more likely than men to have little or nothing in the way of savings and even less in investments. This is due to both the immediate and persistent effect that caring for children and frail adult family members has on paid work.”<sup>3</sup>*

Within families, women are more likely to oversee the household budget and are more likely to reduce food, heating or clothing for themselves to provide for children and other household members.<sup>4</sup> Research by the Living Wage Foundation found that low-paid women were more likely than men to have fallen behind on household bills (**42%** compared to **35%**), or skipped meals regularly for financial reasons (**35%** women, **29%** men).<sup>5</sup>

Particular groups of women will be hardest hit with higher poverty rates. These include Bangladeshi, Pakistani and Black ethnic groups, women with disabilities, single parents, survivors of abuse and women with no recourse to public funds. Lone-parent families, the vast majority (**92%**) of which are headed by women, experience poverty at a higher rate (**38%**) than the rest of the population.<sup>6</sup>



## WOMEN AND DEBT

Debt is rising as a result of the cost of living crisis and women are more likely to be in debt and borrow money from a range of sources. Even before the pandemic **61%** of those getting into debt to purchase everyday necessities were women, a quarter of BME women were struggling to feed children, and **32%** of young women were struggling to afford essential items. Women aged 25-34 are over a third more likely to become insolvent than men of the same age.<sup>7</sup>

The Women's Support Network on behalf of the Consumer Council found that **56%** of the women had debts of over £1,000 with **35%** reporting debts of over £2,000+ with the vast majority of borrowing linked with white goods, household bills, inability to make ends meet and unexpected expenditure. Many of the women had multiple debts with a variety of lenders with over half resorting to high-cost credit such as doorstep loans, credit/store card, payday loans with **6%** borrowing from illegal lenders.<sup>8</sup>

According to research by the Centre for Social Justice around 1.08 million people in the UK have borrowed money, not from a bank but from an alternative source who charged interest. Using a database of 1,200 victims and a survey of 4,000 people, **10%** had to provide sex for loans or signed agreements to provide sexual favours if they defaulted. All of those were women.<sup>9</sup>

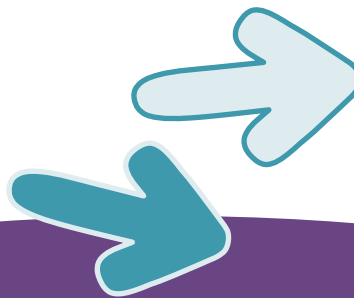
3. <https://wbg.org.uk/analysis/2018-wbg-briefing-tax-on-savings-and-investments-gender-issues/>
4. <https://wbg.org.uk/wp-content/uploads/2022/09/FINAL-VERSION-UPDATED-The-cost-crisis-paper-31082022.pdf>
5. Living Wage Foundation (2022) Low paid work and cost of living crisis disproportionately affecting women (<https://bit.ly/3ig4Rfe>)
6. <https://www.swbg.org.uk/content/publications/Womens-experience-of-the-cost-of-living-crisis---research-briefing.pdf>
7. Women's Budget Group (2021), Household Debt, gender and Covid 19
8. [https://www.consumercouncil.org.uk/sites/default/files/2022-09/Women\\_Living\\_with\\_Debt\\_Overview.pdf](https://www.consumercouncil.org.uk/sites/default/files/2022-09/Women_Living_with_Debt_Overview.pdf)
9. <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2022/03/CSJ-Illegal-lending-paper.pdf>



The RISE money survey heard that women in Commercial Sexual Exploitation (CSE) had to use savings, increase credit card limits, and borrow from friends/family and loan companies in order to stay afloat in the absence of appropriate support from the Government during the Covid crisis.<sup>10</sup> The CLiCK Needs Assessment found that **36%** of women identified money as their most urgent need at the beginning of the pandemic. Money became a more pressing concern as the pandemic progressed, with **52%** of women stating money as their most urgent need in November 2020.<sup>11</sup>

Nina Ballantyne, from Citizens Advice Scotland, highlighted the gender differences in searches for information on Scottish Welfare Fund Crisis Grants between February and May 2020, with a **184%** rise in women, compared to a **117%** rise in men. There has also been a **25%** rise in women searching for information on Universal Credit, compared to a **22%** rise in men. This stark gender difference was also reflected in searches for information on food banks with a **16%** rise by women.<sup>12</sup>

The Covid 19 pandemic and the impact of lockdowns and other public health restrictions meant that women involved in selling or exchanging sex who may have previously had savings, no longer have these to rely on to help them mitigate the impact of the cost of living crisis.



## UNIVERSAL CREDIT AND THE IMPACT ON WOMEN

Women are generally more likely to rely on benefits whether in or out of work, than men are. In late 2020, women made up **88%** of applicants for devolved direct application social security payments in Scotland.<sup>13</sup> The introduction of Universal Credit and rules surrounding it have created a system which does not provide an adequate safety net and can be a driver into the sex industry.

An enquiry by the House of Commons Work and Pensions Committee in 2019 found that Universal Credit played a role in some women entering or returning to selling or exchanging sex or images. The inquiry found that the digital nature of the claims process and ongoing journals, lack of bank accounts, the five-week wait for the first payment and advance payment repayments, deductions made to UC to cover debts and the sanctions regime could all add to women's poor economic position.

10. <https://www.clickmagazine.online/raise-survey-1.html>

11. CLiCK Needs Assessment

12. CLiCKCast 2020

13. Social Security Scotland client diversity and equalities analysis to November 2020



The enquiry was told that:

*“A lack of money to meet immediate survival needs is, inherently, a driving factor behind ‘survival sex’, irrespective of how that lack of money has come about.”<sup>14</sup>*

Women who took part in Your Voice and Rise via CLiCK reported that accessing Universal Credit during the pandemic was overwhelmingly negative. Women found the process frustrating and confusing, with women often spending hours on the phone waiting to speak to an advisor.<sup>15</sup>

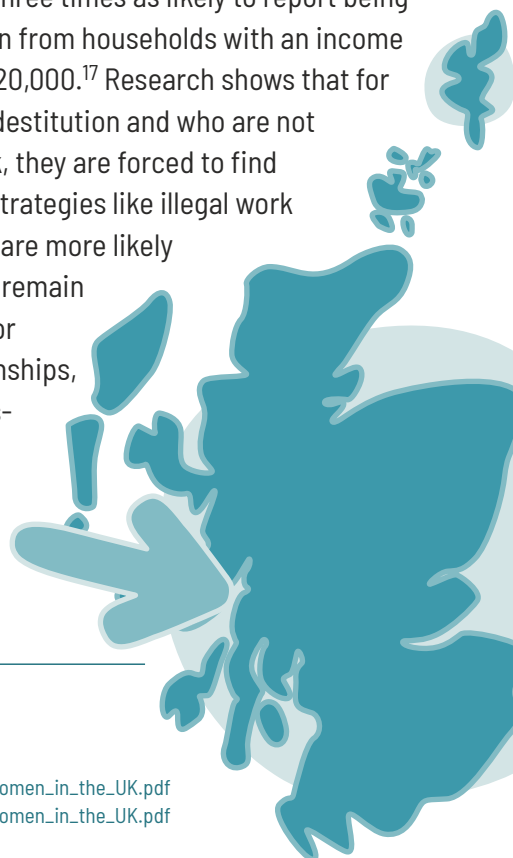


## MIGRANT, REFUGEE AND ASYLUM SEEKING WOMEN, DESTITUTION AND NO RECOURSE TO PUBLIC FUNDS

The government's policy on immigration heightens the risk faced by migrant, refugee and asylum seeking women. The 'hostile environment' created makes it almost impossible for people to survive legally in the UK by imposing destitution and denying people access to housing, health care, a bank account and benefits.

People seeking asylum in the UK are not entitled to mainstream benefits and the vast majority are not allowed to work. If they are destitute while waiting for a decision on their asylum claim, the only form of state support available to them is via a parallel housing and benefits system known as asylum support which provides a basic subsistence payment of £37.75 a week and 'no choice', usually shared, accommodation.<sup>16</sup> While migrant women are frequently not entitled to access public funds at all.

Poverty has specifically been documented as increasing the risk of sexual violence. Research shows that women living on less than £10,000 a year are more than three times as likely to report being raped as women from households with an income of more than £20,000.<sup>17</sup> Research shows that for women facing destitution and who are not allowed to work, they are forced to find other survival strategies like illegal work or begging and are more likely to enter into or remain in exploitative or abusive relationships, engage in transactional sex or resort to prostitution to survive.<sup>18</sup>



14. <https://publications.parliament.uk/pa/cm201919/cmselect/cmworpen/83/83.pdf>

15. <https://www.clickmagazine.online/click-cast-2-notes.html>

16. [https://www.asaproject.org/uploads/Safe\\_from\\_violence\\_in\\_the\\_UK.\\_ASAP-RC\\_report\\_.pdf](https://www.asaproject.org/uploads/Safe_from_violence_in_the_UK._ASAP-RC_report_.pdf)

17. [https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Briefing\\_-\\_experiences\\_of\\_refugee\\_women\\_in\\_the\\_UK.pdf](https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Briefing_-_experiences_of_refugee_women_in_the_UK.pdf)

18. [https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Briefing\\_-\\_experiences\\_of\\_refugee\\_women\\_in\\_the\\_UK.pdf](https://www.refugeecouncil.org.uk/wp-content/uploads/2019/03/Briefing_-_experiences_of_refugee_women_in_the_UK.pdf)

# INCREASING VULNERABILITY AND LINKS WITH SELLING OR EXCHANGING SEX

Home Office research in 2020 suggested that the majority of those selling sex are either doing so temporarily, intermittently or long term to make ends meet, including as a supplement to other paid work. Many are caring (often solo) for others, including children, partners or parents; some are managing long-term physical illness or mental health issues; many are migrants, some with insecure status; some are students; some involved are victims of partner abuse, or are misusing drugs or alcohol.<sup>19</sup>

Research has shown that women often become involved in selling or exchanging sex due to:

- The need to supplement insufficient income from other jobs; particularly for those in precarious or underpaid positions.
- The need to supplement insufficient student loans or other benefits.
- The need to fit work around caring responsibilities such as childcare or caring for family members.
- High rates of unemployment or difficulties accessing work within the mainstream labour market, such as for those with disabilities.
- Low pay for women (particularly women of colour) in mainstream work relative to some roles in sex industries.
- Difficulties accessing employment due to additional stigma they may face.
- Inability to access employment due to migration or asylum status.

Women who are in a more fragile financial position, as a result of their caring responsibilities, financial pressures due to low pay and having few other options or realistic alternatives, are likely to consider entering the sex industry or returning to it.

Certain groups of women are at increased risk of this, these include:

- Women who have no recourse to public funds (e.g. migrant women as they are not able to access Universal Credit).
- Women who are students as they are not typically eligible for Universal Credit.
- Women with disability and health issues as they are often unable to increase hours at work or find work that suits their needs and are more likely to be living in poverty as a result.
- Women who have experienced domestic abuse, as a result of coercion from abusive partners or because of increased costs associated with leaving an abusive partner.
- Women who have substance abuse issues.

The cost of living crisis will exacerbate pressures faced by women affected by these issues.

The 2022 Encompass Snapshot (carried out in October 2022) found that of 101 women supported in one week, 90 women had been affected by rising costs. It is important to highlight that the women supported were struggling ahead of this latest crisis and had already been relying on referrals to foodbanks and other emergency financial support. This was primarily due to issues driving women's involvement in selling or exchanging sex.



19. <https://blogs.lse.ac.uk/covid19/2020/06/08/the-impact-of-covid-19-on-sex-workers/>



## IMPACT ON THE SEX INDUSTRY

During 2020 and the Covid 19 pandemic, there was a huge increase in the numbers of women producing and selling sexually explicit images/pornography on online platforms. This increase has been maintained and is likely to keep increasing due to impact of the cost of living crisis. However, these platforms while promoted as a quick and easy way of making a lot of money can be difficult to earn any meaningful income from if you do not already have an established following on social media or through other forms of selling/exchanging sex. During the pandemic women reported little profit or a loss as they had to invest in new equipment, lighting, a range of backgrounds, costumes, sex toys and props. They also faced abuse, harassment and content piracy from subscribers.<sup>20</sup> Women, more latterly, have shared that they are having to spend many hours creating content along with marketing and promotion and dealing with increasing demands and expectations from subscribers who can cancel financial support at any time and also receive refunds for all previous fees if they have any complaints. Many men are now abusing this system.

Most OnlyFans accounts take home less than \$145 a month, but in the process, users are leaving sexual online footprints that could actually make their future employment prospects even more precarious.<sup>21</sup>

During the Covid 19 pandemic, research found that the number of women entering the sex industry increased and so within the 'marketplace' supply has gone up. This means that there is more competition – and even more so for vulnerable women at the 'low end' of the market. A more competitive market means that punters/client demand lower prices, or expect women to take bigger risks with the services they provide, or all at the same time.<sup>22</sup>

Women reported more pressure from men to perform sexual acts they did not want to do, or cross their personal boundaries with higher amounts offered for more risky sexual activities such as unprotected sex.

As Katie, a woman involved for 12 years said:

*“On a whole, it’s affecting us all. It means we are working longer hours for a lot less money and some women are taking massive risks to attract the clients in.”<sup>23</sup>*



20. <https://www.clickmagazine.online/>

21. <https://unherd.com/thepost/onlyfans-is-an-experiment-in-mass-grooming/>

22. <https://theconversation.com/how-sex-work-has-been-affected-by-the-pandemic-160736>

23. <https://www.bristolpost.co.uk/news/cost-of-living/cost-living-crisis-driving-more-7717093>





# INCREASING VIOLENCE AND ABUSE FROM BUYERS

Based on women's experiences during the Covid 19 pandemic the cost of living crisis is likely to mean that women will be forced into more dangerous situations, such as offering sex without a condom, or seeing clients they wouldn't have previously seen.

It is likely that men will expect women to buffer the impact of the cost of living crisis by asking for more for less and attempting to drive down prices. Women can face increased threats of violence such as 'outing' or 'doxing' along with risks and direct experiences of different forms of violence and abuse.

Punters/customers/clients are already well aware of their more powerful position and the cost of living crisis will place women in a further disadvantaged position. Clients will take advantage of the desperate situation's women find themselves in.

*"I'm afraid to set any boundaries now and just feel like I have to cater to a client's every want. The stakes of missing out on work are so much higher now, and I think some clients are very aware of this."<sup>24</sup>*



## RISKS TO WOMEN'S MENTAL HEALTH

Women involved in selling or exchanging sex face risks to their overall mental health which can be linked to:

- Their involvement in the 'sex industry' (physical and sexual violence, the impact of unwanted sexual contact, a constant fear of threat of violence, people finding out about their involvement or from the impact of coping mechanisms).
- Experiencing other forms of male violence – such as childhood sexual abuse, assault, domestic abuse, neglect.
- Everyday life experiences – poverty, having children removed from their care, homelessness.

The 2021 Encompass Snapshot found that **80%** of women supported in one week in November had some form of mental health issue.<sup>25</sup> In the 2022 snapshot, there was mental health issues amongst **85%** of the women included.

24. <https://prostitutescollective.net/huck-magazine-how-the-cost-of-living-crisis-is-endangering-sex-workers/>

25. <https://www.encompassnetwork.info/resources.html>

The RISE and CLiCK Needs Assessments both showed that the Covid 19 pandemic had impacted negatively on women's mental health as a result of worrying about money. One woman told us during this time that they were:

*“Very low, finding things difficult, no money for food for me, my partner or our dog. Having to work on the street to get money. Trying to get support for my drug use. It's a scary time.”*

It is likely that the cost of living crisis will bring similar issues for women involved in selling and exchanging sex and that this impact will be exacerbated by the strategies used to cope with reduced and low incomes used by women, such as eating less and not putting heating on – which in themselves impact on women's mental and physical health. Recent research by the SWBG and Poverty Alliance found that women are constantly worrying about how they will manage and cope financially with “Many women experiencing depression and anxiety, lacking energy and motivation, and that their sleep had been significantly impacted as a result of worrying about price rises. Some women were sleeping much more to pass the time and to avoid eating at mealtimes, while others were sleeping much less due to stress and worry.”<sup>26</sup>

## IMPACT ON WOMEN EXITING



As women's income shrink and their worries about paying bills or feeding their families increase, it is likely that many will consider entering or re-entering the sex industry in order to cover their costs. Many will see this as a temporary fix but once women enter the 'sex industry' it can be difficult for them to exit, indeed, for many it can be harder to leave than it is to remain.

*“It's a bloody hard thing to do to exit the sex industry.” – Barbie<sup>27</sup>*

The factors that prevent women from exiting are the same ones that encourage them to enter it. The need for an income, or a roof over their head is significant.

Women involved with the Encompass Network have spoken about the different and fundamental influences of money on them and their ability to exit including:

- Involvement with and coercion from organised crime and loan sharks.
- Partners and family relying on earnings.
- Internalisation of their worth according to how much money they make per booking.
- It being quick money but never easy money to make, which means in a household crisis (such as broken washing machine) it becomes/remains an option.

Without viable alternatives or support it can be almost impossible for women to exit the sex industry, the cost of living crisis and the potential for a recession in the UK mean that alternatives available to women will reduce and it will make it harder for women to exit once they have entered.

26. <https://www.swbg.org.uk/content/publications/Womens-experience-of-the-cost-of-living-crisis---research-briefing.pdf>

27. [https://www.encompassnetwork.info/uploads/3/4/0/5/3405303/exiting\\_prostitution\\_what\\_next.pdf](https://www.encompassnetwork.info/uploads/3/4/0/5/3405303/exiting_prostitution_what_next.pdf)

# WHAT IS NEEDED TO SUPPORT WOMEN INVOLVED IN SELLING OR EXCHANGING SEX DURING THE COST OF LIVING CRISIS?

## ACCESS TO FINANCIAL SUPPORT AND EMERGENCY FUNDS

Although emergency funds delivered by government and charities have been a vital support to women and will remain so, they are not an effective long-term solution to women's financial situations.

Whilst there is a need to get money directly to women quickly, there is also the need to ensure adequate incomes for all, long-term. This means addressing the structural barriers which mean women are more likely to experience poverty, i.e. addressing issues related to childcare and social care as well as ensuring that our benefits system provides an adequate safety net.

To address this, we need to:

- Uprate all Scottish Social Security Benefits in line with inflation.
- End benefit sanctions and reform Universal Credit to address the role it plays in creating financial vulnerability.
- Create a fund to support women looking to exit the 'sex industry' similar to that committed to by the Scottish Government to support women looking to leave an abusive partner.
- Follow the lead of the Welsh Government and provide additional financial support to care leavers.
- Provide support to women who are destitute because of the 'hostile environment' created by UK immigration policies.
- Boost the Scottish Welfare Fund and review and widen the access criteria to ensure migrant women can access these.
- Mitigate the two-child limit by extending the Scottish Child Payment for these families.
- Provide continuing support for those struggling with housing costs.

- The moratorium on evictions to be continued.
- Introduce a minimum income guarantee.

## EASY ACCESS TO ADVICE AND INFORMATION

Consider how information about debt and advice services is made available in local communities so that those who need support with their finances know where to go to for help.

This could include having a central point for clear and up to date information covering what help is available, what services can offer and how to access them. This information should be available in several languages and pictorial form to ensure women are able to understand it.

Train workers in advice services about CSE and its impacts and the role they have in helping women who are involved or are considering involvement.

## EASY ACCESS TO SUPPORT SERVICES

Women's wide variety of needs highlights the importance of accessible, holistic support services across Scotland Investment in longer-term financial support, harm reduction and long-term exiting services available across Scotland.

In particular these crises will exacerbate women's mental health it will be important to ensure that women have access to mental health services and that a gendered approach is taken to the implementation of the new Mental Health and Wellbeing Strategy.

*“On a whole, it’s affecting us all. It means we are working longer hours for a lot less money and some women are taking massive risks to attract the clients in.”*

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