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Financial Fragility in UK Migrants: The Role of Financial Education, Capability and Stress, A Gender and Ethnicity Perspective

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ABSTRACT

This study examines the influence of financial stress and financial capability (used interchangeably with financial behavior) on financial fragility, with a particular focus on gender and ethnic disparities. Using a unique dataset on UK skilled migrants, we perform multiple regression analyses to understand how these factors interact to affect financial fragility. Our results reveal that financial capability significantly reduces financial fragility across various models. The interaction between gender and financial stress suggests that women are more adversely affected by financial stress than men. Ethnic disparities are also prominent, with Black Caribbean individuals exhibiting significantly higher financial fragility in response to poor financial capability and stress, while other ethnic groups show varying degrees of vulnerability. These findings highlight the need for targeted financial education and support programs to reduce financial fragility, especially among the most impacted demographic groups.

Keywords: Ethnicity, Financial Well-being, Financial Vulnerability, Immigration