

# Spending Patterns of Displaced Ukrainians in Poland

## Understanding the Economic Benefits and Opportunities for Inclusion

Fact Sheet | April 2024

In 2023, HIAS and Mastercard collaborated on a project to better understand displaced Ukrainians' prospects for economic inclusion in Poland. This was done through analysis of Mastercard's aggregated and anonymized transaction data in Poland from cards issued in Ukraine. This analysis covered the period from June 2021 (a few months before the Russian invasion of Ukraine) through June 2023 (over a year after the war began). This fact sheet showcases the estimated local impact of Ukrainians displaced to Poland and highlights the ways in which this population can be better supported in different stages of displacement and integration into their host country.

Since February 2022, holders of Ukrainian-issued credit and debit cards contributed to the Polish economy in several ways, including consumer spending and approximately USD \$760 million in value-added tax. Understanding their spending patterns provides important insights into the disaggregated economic impact of displaced Ukrainians in Poland. During the initial phase of displacement (February–July 2022), cash withdrawals accounted for the majority of transactions, while spending on employment services increased over time. This changed as they spent longer periods of time in their host country. By the end of the project period, from March to June 2023, their spending was concentrated primarily on food, transport, and clothing (which was significantly overrepresented relative to Polish-issued cards).

Having a greater understanding of Ukrainian spending at various time points since the Russian invasion also shows how emergency cash assistance and economic inclusion programming can be adapted in this context.

### Background

Since the start of the Russian invasion of Ukraine in February 2022, millions of people have fled to neighboring countries and beyond. From February 24, 2022 through December 31, 2023, government authorities recorded over 18.1 border crossings from Ukraine to Poland.<sup>1</sup> Poland also hosts the largest number of displaced Ukrainians in Europe, with over 1.5 million refugees registered there as of March 2023.<sup>2</sup> A study conducted by OECD in October 2023<sup>3</sup> finds that Ukrainians in Poland compared to other receiving countries exhibit the highest rates of labor market participation, at 65 percent of adults. But some continue to express difficulties in finding employment or concerns with accepting employment below their skill-level, in particular due to language barriers.<sup>4</sup> A 2002 European Commission report found more than half stated that they planned to return to Ukraine when the war ends.<sup>5</sup> This corresponds to UNHCR findings in Europe as well.<sup>6</sup>

### Key Findings

To gain more insight into the financial situation of people who relocated to Poland in the aftermath of the Russian invasion, HIAS and Mastercard collaborated to analyze spending insights based on Ukrainian-issued cards used in Poland. It is important to note that not all Ukrainian-issued Mastercard cards in Poland are held by Ukrainian refugees, and Ukrainians employed in Poland and receiving refugee assistance from the Polish government have most likely opened additional Polish bank accounts and cards. However, Mastercard's data still provides an overview of the main sectors of spending and how this changed over time.

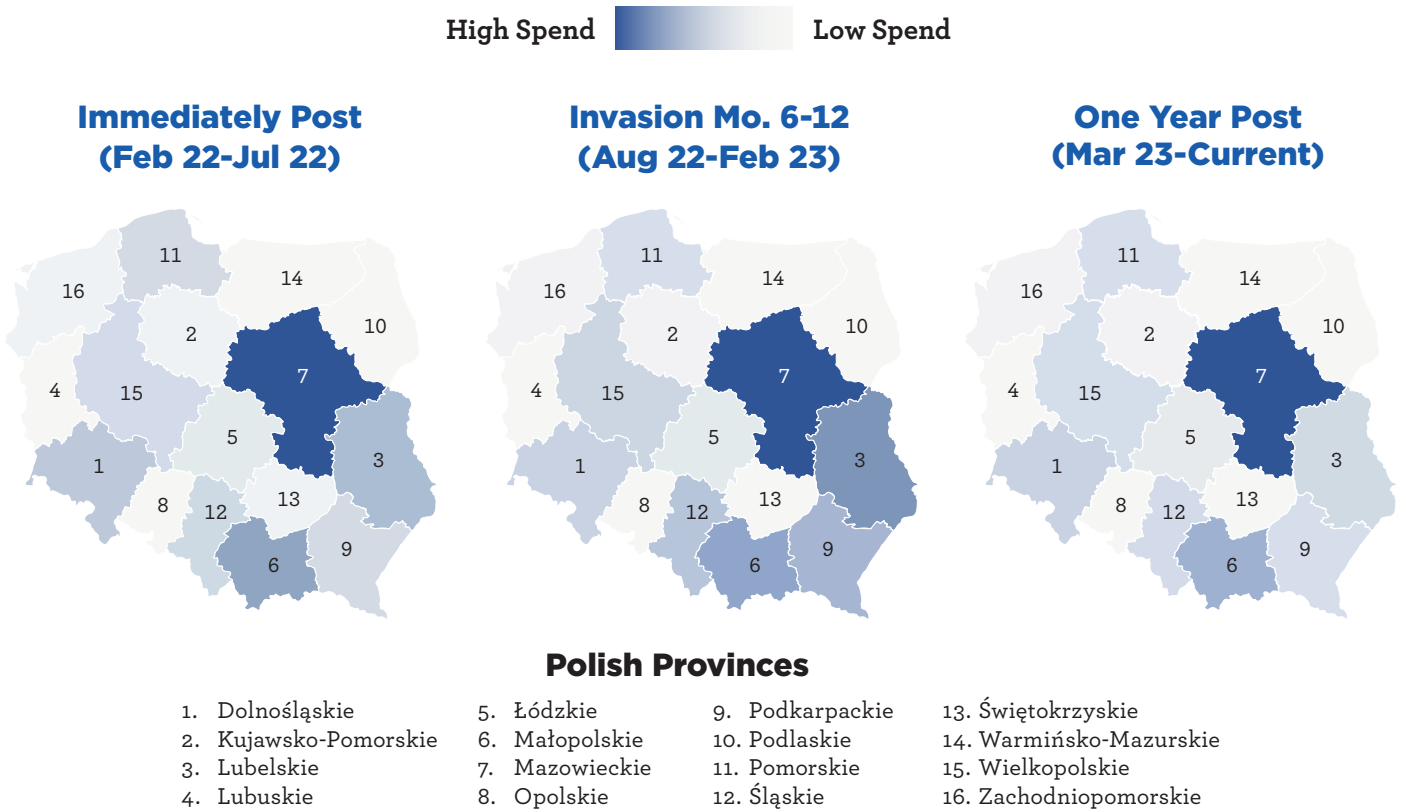
Several key insights came to light following the analysis:

- **Holders of Ukrainian-issued cards contributed an estimated USD \$760 million into the Polish economy in the form of value-added tax revenue.** This contribution came specifically from Ukrainian-issued cards (about 50 percent of which are Mastercard<sup>7</sup>).<sup>8</sup> This is in addition to income tax revenue generated by Ukrainian nationals who found work in Poland.
- **While revenue tracked by the spending patterns of these cards was initially concentrated in border towns, this revenue was eventually concentrated further into the country in larger cities like Warsaw.** These spending patterns correspond with the movement of Ukrainian refugees to major cities, away from the border, as the war continued.
- **Spending on employment services increased over time.** The increase suggests that longer term settlement encouraged more refugees to seek employment and employment assistance.
- **Cash withdrawals accounted for the majority of transactions in the initial phase of displacement.**

These comprised roughly 80 percent of Mastercard transactions at border cities during the first year of the invasion. The high percentage of cash withdrawals suggests the importance of cash and voucher assistance as an immediate response to a migration crisis, particularly as people continue their migration journey across different cities and countries. A survey conducted of HIAS recipients of cash assistance between August-December 2022 corresponds with these findings as well. The survey responses revealed the importance of cash to meet basic and immediate needs like housing, food, and clothing, as well as transportation. Since Ukrainian cardholders withdrew more cash during the first period of the war, it may have been used for similar purposes.

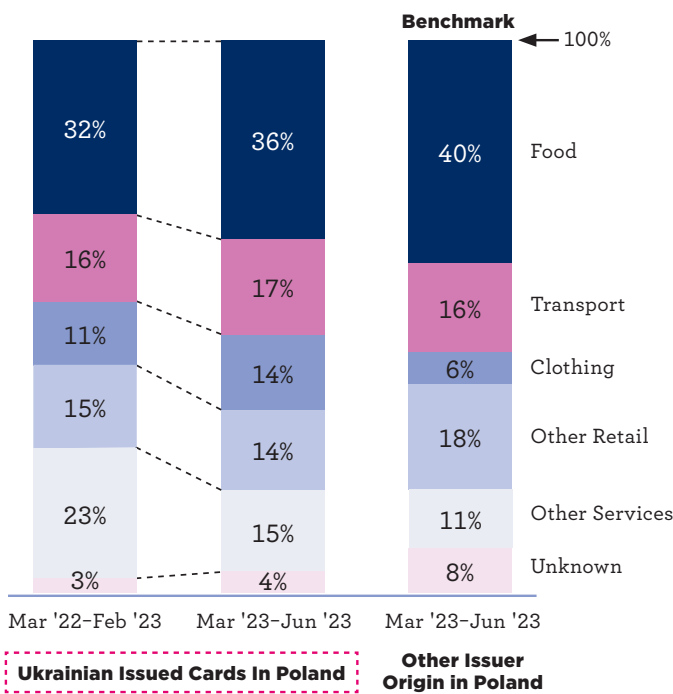
- **While frequency of cash withdrawals did not change much over time, the volume of cash withdrawals decreased.** This may be due to depletion of savings, or because Ukrainian card holders opened Polish bank accounts in order to access Polish refugee assistance services.

Figure 1: **Ukrainian Card Spend per Province Over 3 Phases**



- From March 2023 to June 2023, Ukrainian-issued card spending concentrated primarily on food, transport, and clothing (which was significantly overrepresented relative to Polish-issued cards). Spending in these sectors supports the recommendation to provide targeted assistance for food, transport, and other basic needs like clothing.
- There was a surge in Ukrainian-issued card spending in the education sector during the 12-month interval of this study. This highlighted Ukrainians' interest in investing in skills and knowledge, as well as the potential difficulties of many families to integrate their children into the Polish public education system. Furthermore, it should be noted that this data analysis did not include data on health services, since this falls under sensitive information and remains private.

Figure 2: **Spend Percentage by Industry**  
Ukrainian Cardholders



- One year following the invasion, Ukrainian-issued card spending patterns became similar to those of Polish-issued cards, indicating that Ukrainians' needs stabilized with time.

## Insights and Key Takeaways

This spending data provided several key takeaways for refugee assistance and emergency programming:

- Priorities and needs change over time. Programming should be tailored to meet not only the diverse needs of a specific population but should also evolve as people move on or become more settled. Cash assistance can be extremely beneficial for populations on the move, particularly in their initial phases of displacement. During that period, there is an urgent need for cash to address a variety of priorities and basic needs.
- The surge in spending on education suggests that the Polish public education system is not sufficiently meeting the needs or preferences of Ukrainian families. According to some media accounts and reports, Polish public schools and preschools in many cities are overwhelmed with new students and capacity for teaching Polish as a second language is inadequate.<sup>9</sup> Additional investment is needed, and integration efforts must be improved to prevent migrant children from missing key education and development opportunities.
- There is a geographical consideration to take into account as people tend to move from border towns to larger cities, and then some move on to other countries. This underlines the importance of designing interventions with local partners who understand the context of their own town or city.
- The influx of spending by displaced people translated into financial contributions to the economies of both border towns and major cities. Their spending also produced tax revenue for the Polish government, which benefits the country overall and counters the narrative that displaced populations are an economic burden.

Although the data analysis conducted within the framework of this partnership between HIAS and Mastercard remains limited in its scope, it offered a first look at the economic situation for displaced Ukrainians and how their needs (shown through their spending patterns) have changed over the course of the war. This analysis provides key insights for humanitarian programming within the context of the Russian invasion, while also highlighting the positive impact that refugees and displaced persons can bring to their host countries.

## Appendix

**Methodology:** To conduct this analysis, Mastercard held a 48-hour “datathon” which utilized aggregated and anonymized transaction data with the goal of understanding the spending patterns at different time points: pre-invasion (June 2021-January 2022); immediately post invasion (February-July 2022); invasion months 6-12 (August 2022-February 2023); and one year post-invasion (March 2023-June 2023). This analysis revealed the priority resources and services for Ukrainian cardholders, while also illustrating how their spending benefitted the host country’s economy.

## About the Center

The HIAS Center for Refugee Policy seeks to advance the rights of refugees and displaced people across the globe by publishing research and policy analysis, generating new policy-relevant ideas, and bringing new voices to the public conversation. The Center leverages HIAS’ global presence and over a century of experience to provide practical responses and policy solutions to the most pressing challenges concerning displaced populations.

## Endnotes

1. Sas, Adriana. 2024. “Cumulative number of refugees who came to Poland from Ukraine 2022-2023.” Statista. <https://www.statista.com/statistics/1293228/poland-ukrainian-refugees-crossing-the-polish-border/>.
2. Botelho, Vasco and Hannah Hägele. “Integrating Ukrainian refugees into the euro area labour market.” European Central Bank. <https://www.ecb.europa.eu/press/blog/date/2023/html/ecb.blog.230301~3bb24371c8.en.html>.
3. OECD (Organisation for Economic Co-operation and Development). 2023. International Migration Outlook 2023. October. Paris, France: OECD. <https://doi.org/10.1787/b0f40584-en>
4. *Id.*
5. European Commission. 2002. "Special report: refugees from Ukraine in Poland." April 12. [https://migrant-integration.ec.europa.eu/library-document/special-report-refugees-ukraine-poland\\_en](https://migrant-integration.ec.europa.eu/library-document/special-report-refugees-ukraine-poland_en).
6. United Nations. 2023. “Majority of displaced Ukrainians plan or hope to return home as war hits 500-days mark.” <https://ukraine.un.org/en/239260-majority-displaced-ukrainians-plan-or-hope-return-home-war-hits-500-days-mark>. UNHCR (UN High Commissioner for Refugees). 2023. “Lives on hold: Intentions and Perspectives of Refugees and IDPs from Ukraine.” <https://data.unhcr.org/en/documents/details/101747>.
7. Interfax. 2023. “Visa market share in Ukraine rose to 45.6%, Mastercard down to 53.9% in 2022 - NBU” <https://interfax.com/newsroom/top-stories/90549/>.
8. This was calculated assuming there was a 23 percent tax (with the exclusion of agriculture, cash, books, education, healthcare, courier services, insurance, transportation, and public administration).
9. See Waldie, Paul. 2002. “Schools Across Poland Strained As They Struggle to Cope with Influx of Ukrainian Refugee Students.” The Globe and Mail. May 16. <https://www.theglobeandmail.com/world/article-schools-across-poland-strained-as-they-struggle-to-cope-with-influx-of/>; Care, International Rescue Committee, Save the Children, and Triangle Policy, Research, and Media. 2024. “Out of School: Assessment on barriers to school enrolment for Ukrainian refugee adolescents in Poland.” Report. [https://www.rescue.org/sites/default/files/2024-02/Out-of-School-Report\\_en.pdf](https://www.rescue.org/sites/default/files/2024-02/Out-of-School-Report_en.pdf).