

Appendix: Mapping the groups most financially impacted by the economic fallout of the Coronavirus pandemic

Appendix I: Groups in need of additional financial support

As of May 5, 2020

Group		Pop Size (mil)	Gap Size (mil)	Summary	Severity
Employees	Employed full-time/part-time	21	6	<ul style="list-style-type: none"> IFS finds low-earners are seven times as likely as high earners to have worked in a shut down sector, and that one in 12 people have lost more than 80% of household income. The JRS¹ will pay 80% of employee's wages (capped at £2,500/month) for people hired before 19 March 2020 and who can no longer work for their employer. People excluded are those: (1) made redundant (for those still employed the probability of job loss is 33% over the next four months); (2) with reduced working hours or rely on overtime pay; and (3) hired after 19 March. 	➔
	Off-Sick, in self-isolation, or off-work for other reasons	2.4	2.4	<ul style="list-style-type: none"> People earning more than an average of £118/week are eligible for SSP or EAS and can get £94.25/week paid by employer for up to 28 weeks. This is one-sixth of the average pay of a full-time employees, therefore people are worse-off. IFS finds large economic impacts could come from parents/other carers remaining at home. 	↑
	Very low wage earners (earning less than £118/week)	2	2	<ul style="list-style-type: none"> Not eligible for SSP therefore they must apply for UC. Issues with UC: (1) long queues and delays for applications; (2) 5-week wait period before benefits are granted; (3) one-week time limit to schedule over the phone jobcentre appointments 1.5mil for UC applications since the start of the lockdown. This is a 412% increase for monthly new claims. 	↑
Employees of small businesses	People employed by small and medium businesses	12.1	2.4	<ul style="list-style-type: none"> Employees on PAYE scheme are eligible for JRS. One-off grant of £10,000 to eligible small businesses to be dispersed by local authorities. Almost one fifth of all UK small businesses are at risk of collapsing within the next month 	➔
Liquid workforce	Self-employed (including independent contractors and people working in the 'gig' economy)	5	2	<ul style="list-style-type: none"> 25% of self-employed people earning less than £50,000/year do not have enough liquid assets to cover three months' lost earnings, and 15% do not have enough to cover a single month. Can claim taxable grant worth 80% of trading profits (capped at £2,500/month) for people with profits up to £50,000 and whose income largely comes from self-employment. Funds granted in June. People excluded are those: (1) with less than half income from self-employment; (2) with profits exceeding £50,000; (3) who started their business after April 2019. 	↗
	Zero-hour contracts	1	0.68	<ul style="list-style-type: none"> Many people on zero-hour contract workers not covered by JRS Entitled to SSP if earning an average of at least £118/week, they are entitled to SSP (see self-isolating and/or informal carers) or can apply for UC (see very low wage earners); however 225,000 don't earn enough for SSP 28% are key workers, and 28% are employed in shutdown sectors. 68% are currently applying for benefits. 43% of have fallen behind on a bills due to coronavirus compared to 16% of everyone in the workforce 	↑
	Off-Sick, in self-isolation, or off-work for other reasons	1.7	0.3	<ul style="list-style-type: none"> See off-sick, in isolation, or off-work for other reasons above. 	↑
Unemployed or existing universal credit recipients	People already claiming universal credit	2.3	0.08	<ul style="list-style-type: none"> Increase allowance of UC and WTC by £1000 per year (upping payments by £20/week). Issues with the benefit cap (£26,000/year)—increases in UC benefits mean more people fall out of cap (e.g., including couples with 2 children renting a typical 3-bedroom home in 107 of 152 local areas). 	➔

Appendix I: Sources and calculations

Group		Calculation (if applicable)	Sources
Low-wage employees	Employed full-time/part-time	Citizens Advice: when asked 'has your work situation changed as a result of the coronavirus outbreak?' 233 respondents answered either 'I've had my hours/shifts reduced', 'I've been temporarily laid off/made redundant until the crisis is over' or 'I've been laid off/made redundant permanently.' This makes up 18.48% of the working population and 11.56% of the overall population. Using the ONS mid-year 2018 population estimate of 52,383,965 adults (18+) in the UK, we can therefore extrapolate that this has affected 6.05 million individuals.	Total: ONS, Employment in the UK, March 2020 Gap: Citizens Advice update, April 21 2020
	Off-Sick, in self-isolation, or off-work for other reasons	Total was calculated by adding proportion of "People off-sick or in self-isolation due to Covid-19" and "Other covid-related reasons" (to include parents that are taking time off to care for their children) and multiplying with the total UK population in employment (28 million).	ONS Coronavirus Roundup, 2020
	Very low wage earners (earning less than £118/week)	N/A	Total: House of Commons, 2020 Gap: N/A
Employees of small and medium businesses	People employed by small businesses	SME's account for 60% of employment in the UK private sector, which is roughly 21 million people. The gap was calculated by using estimates that one fifth of all small businesses (5.82 million) are at risk of collapse within the month. If 5.82 million businesses employ 12.1 million people (average of 2 people per business) then roughly 2.4 million people are at risk of losing their job this month.	Total: Federation of Small Businesses, 2018 Gap: IPPR update, 2020 and Federation of Small Business, 2018
Liquid workforce	Self-employed (including independent contractors and people working in the 'gig' economy)	This number was calculated by the IFS; according to the ONS, this number is significantly smaller (151,000)	Total: Demos, The Liquidity Trap: Financial experience and inclusion in the liquid workforce, 2019 Gap: IFS, Income protection for the self-employed and employees during the coronavirus crisis, 2020
	Zero-hour contracts	Gap was calculated by taking the proportion of zero-hour contract workers applying for universal credit benefits. According to Citizens Advice, 68% are expecting benefits or plan to apply for benefits.	Total: Demos, The Liquidity Trap: Financial experience and inclusion in the liquid workforce, 2019 Gap: Citizens Advice update, April 21 2020
	Off-Sick, in self-isolation, or off-work for other reasons	See above	See above
Unemployed or existing universal credit recipients	People already claiming universal credit	Gap was calculated using the IFS estimate for the number of families impacted by the benefit cap on the eve of the crisis (76,000), therefore this is likely an underestimate	Total: DWP, Universal Credit Statistics, 2019 Gap: IFS, If the cap doesn't fit?, 2020

Appendix II: People in vulnerable circumstances

Group	Pop Size (mil)	Summary	% Employed
Young people	6.8	<ul style="list-style-type: none"> People under 25 are 2 times more likely to work in a shut down sector; a fifth may be ineligible for schemes because they are in low-paid or insecure work 4.2m people aged 20-30 do not live with their parents; low-earners living with parents are less likely to be affected 	57
Low-income women	5.3	<ul style="list-style-type: none"> Roughly 30% of all working women in the UK do not earn a liveable wage and 1.3 million are receiving state benefits. 69% of the 2 million people who do not qualify for statutory sick pay are women, because they are in low paid or insecure jobs Women are about one third more likely to work in a sector that is now shut down than men, and are more likely to take time off to care for family 	73
Renters and social housing tenants	8.8	<ul style="list-style-type: none"> Over 70 per cent of renting households have no savings to fall back on and are particularly vulnerable during the crisis Shelter finds 1.7 million private renters expect to lose their job in the next 3-months and 1 in 4 have already had a reduction in their income Emergency legislation states that landlords cannot evict tenants for at least a 3-month period, but evidence to show evictions are still increasing 	58
People with mental health and addiction problems	13	<ul style="list-style-type: none"> 1.5 million people are experiencing both problem debt and mental health problems Gamblers are switching from wagers on sports to far riskier online casino and slot games amid lockdown The Coronavirus Act lowers threshold for detention on mental health grounds and extends time limits on detaining people in mental health setting 	43
Migrants and asylum migrants	6.2	<ul style="list-style-type: none"> Employees earn less than UK-born (55% less/week); 21% in employment are self-employed (compared to 14% UK-Born); 37% report long-term illness No specific government scheme to protect this group during the disruption 	51
Ethnic minorities	7.8	<ul style="list-style-type: none"> Disproportionately higher numbers of BAME deaths from coronavirus—demonstrates inequalities in the social determinants of health (e.g. employment) More likely to work in insecure, low-paid work, or to be unemployed—nearly 3.1mil BAME workers in temporary jobs or on zero-hour contracts. BAME millennials are at risk as 47% are more likely to be on zero-hour contracts than their white peers, and 58% more likely to be unemployed. 	66
Care-experienced young people	0.01	<ul style="list-style-type: none"> Overwhelming time for care-experienced young people—more likely to experience mental illness due to loneliness/isolation The Coronavirus Act gives local authorities ability to suspend duties under the Care Act to assess/arrange required services for this group No specific government scheme to protect this group during the disruption 	19
People with long-term conditions*	26	<ul style="list-style-type: none"> 52% of those in low-paid employment report a long-term illness (compared to 33% in higher paid professions); link between poverty and long-term health conditions means people are at a higher risk as they are unable to isolate People in this group are vulnerable to high rates of serious infection and mortality, therefore urged to stay at home 	59
People experiencing homelessness	0.28	<ul style="list-style-type: none"> People have multiple chronic conditions and are in cramped accommodation or on the streets, thus vulnerable to high rates of infection/mortality Covid-19 Homeless Sector Plan will house key works and vulnerable groups including people who are homeless in empty B&B's and hotels 	-
Domestic./economic abuse survivors	2.6	<ul style="list-style-type: none"> The National Domestic Abuse helpline has seen a 700% increase in calls/online requests for help since start of lockdown UC is issued in a single payment per household, meaning a person's ability to claim depends on their partner's eligibility—problematic for survivors No specific government scheme to protect this group during the disruption 	-
People with disabilities	14	<ul style="list-style-type: none"> No specific government scheme to protect this group during the disruption. See Care Act in care-leavers/care-experienced young people Disability benefits have <u>not</u> been increased similar to universal credit benefits. 	50
Older people (65+)	12	<ul style="list-style-type: none"> 15.2% of pensioners are living below the minimum income standard; also more vulnerable to fraud and less adept to online shopping in this period People over the age of 65 are vulnerable to high rates of serious infection and mortality, therefore urged to stay at home 	16
People who are unbanked and/or cash dependent	1.3	<ul style="list-style-type: none"> No new measures to bring more people into the banking system, which can help in dispersing financial support Cash use is down 70% from this time last year as there is a higher reliance on online and card purchases during this period 	-

Appendix II: Sources and calculations

Group	Calculation (if applicable)	Source
Young people	N/A	ONS Labour Market Statistics , 2020
Low-income women	There are 20.8 million adult (aged 16 to 69) women in the UK and the employment rate is 73%. There are 15.6 million female workers. Roughly 26 per cent of all working women (15.6 million) in the UK do not earn a liveable wage, and 1.3 million women are receiving benefits. Roughly 5.3 million low income females in the UK.	Gov.UK, Male and Female Population Stats and Universal Credit Statistics, and Living Wage Foundation Employment rate: ONS 2020 Labour Market Statistics
Renters and social housing tenants	Employment rate of private renters is 70% and of social housing tenants is 45%. Average is 58%. In the UK, there are 4.5 million people in homes let by private landlords, 2.4 million in homes let by housing associations, and 1.6 million in homes let by local authority.	Ministry of Housing, Communities, and Local Government, English Housing Survey, 2017-18 Employment rate: Centre for London, 2012
People with mental health and addiction problems	NHS England states that 1 in 4 adults experience a mental health condition; total UK adult population is 52.38 million (ONS 2018) which means roughly 13 million people experience mental health problems.	NHS England Employment rate: Public Health England and The Work Foundation Infographic
Migrants and asylum migrants	N/A	Kone, Z., Ruiz, I., Vargas-Silva, C. (2019) Refugees and the UK Labour Market.
Ethnic minorities	Asian (66%); Indian (76%); Pakistani, Bangladeshi (57%); Asian Other (65%); Black (67%); Mixed (67%). Average is 66%	Gov.UK, Population of England and Wales, 2019. Employment rate: ONS 2019, Employment
Care-experienced young people	For care-leavers aged 17, 18, and 19, roughly 15, 18, and 25 per cent (respectively) are employed. The average is 19%.	National Audit Office, 2015
People with long-term illness*	N/A	NHS England, 2018
People experiencing homelessness	N/A	Shelter Update, 2019
Domestic/economic abuse survivors	In 2019, an estimated 2.4 million adults aged 16 to 74 years experienced domestic abuse in the last year (1.6 million women and 786,000 men). If we assume that the number of cases don't vary month-to-month (understanding this is a big assumption as domestic abuse cases can increase in the winter), that is an average of 200,000 cases per month. There has been a 25% increase in the number of calls to the National Domestic Abuse Hotline since the start of coronavirus. If we assume that this 25% increase will last over the course of the lockdown (3 months), then the number of cases over the 3-month period increases from 600,000 to 750,000. This would mean roughly 2.6 million cases this year.	ONS Domestic abuse in England and Wales overview: November 2019
People with disabilities	N/A	ONS Disability, 2019
Older people (65+)	N/A	ONS Population Statistics, 2019
People who are unbanked and/or cash dependent	N/A	FCA Financial Lives Survey, 2018

Graphs and Charts

What we knew before the coronavirus pandemic

12.5mil

Of UK adults have little or no confidence in their ability to manage money

Financial Capability

11.5mil

People have less than £100 in savings

Financial Resilience

1.5mil

People are experiencing both problem debt and mental health problems

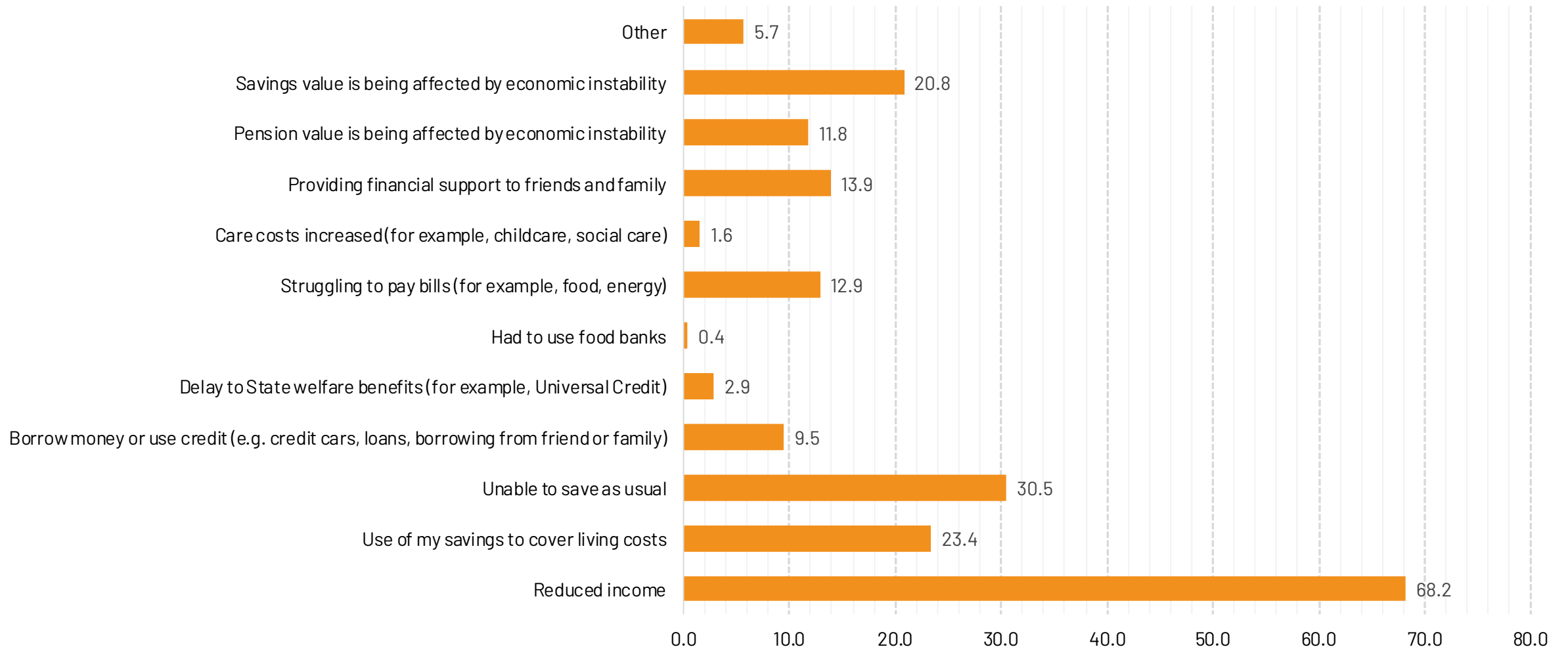
Health

4-6mil

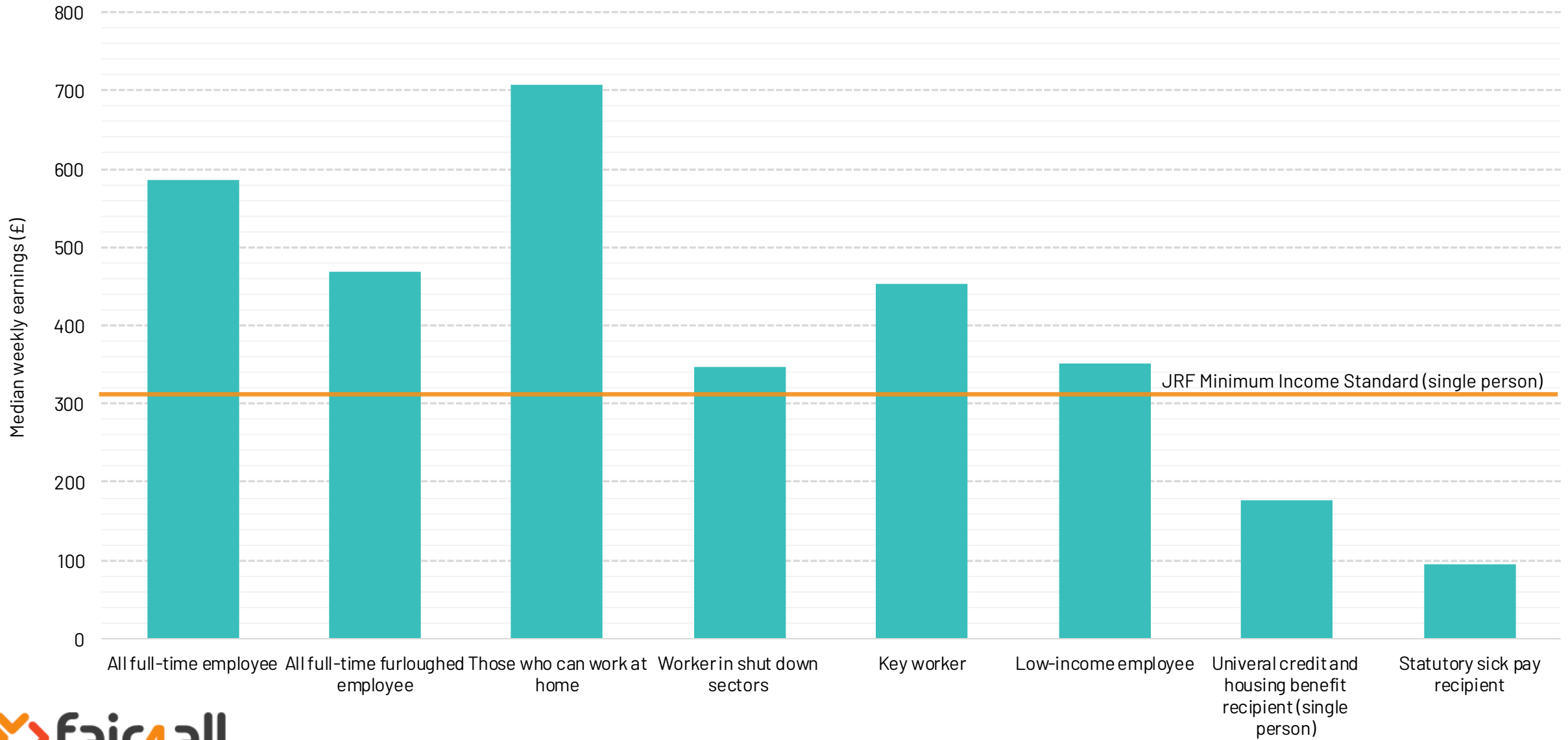
Working age people experience a life event annually which may cause an income shock

Life Events

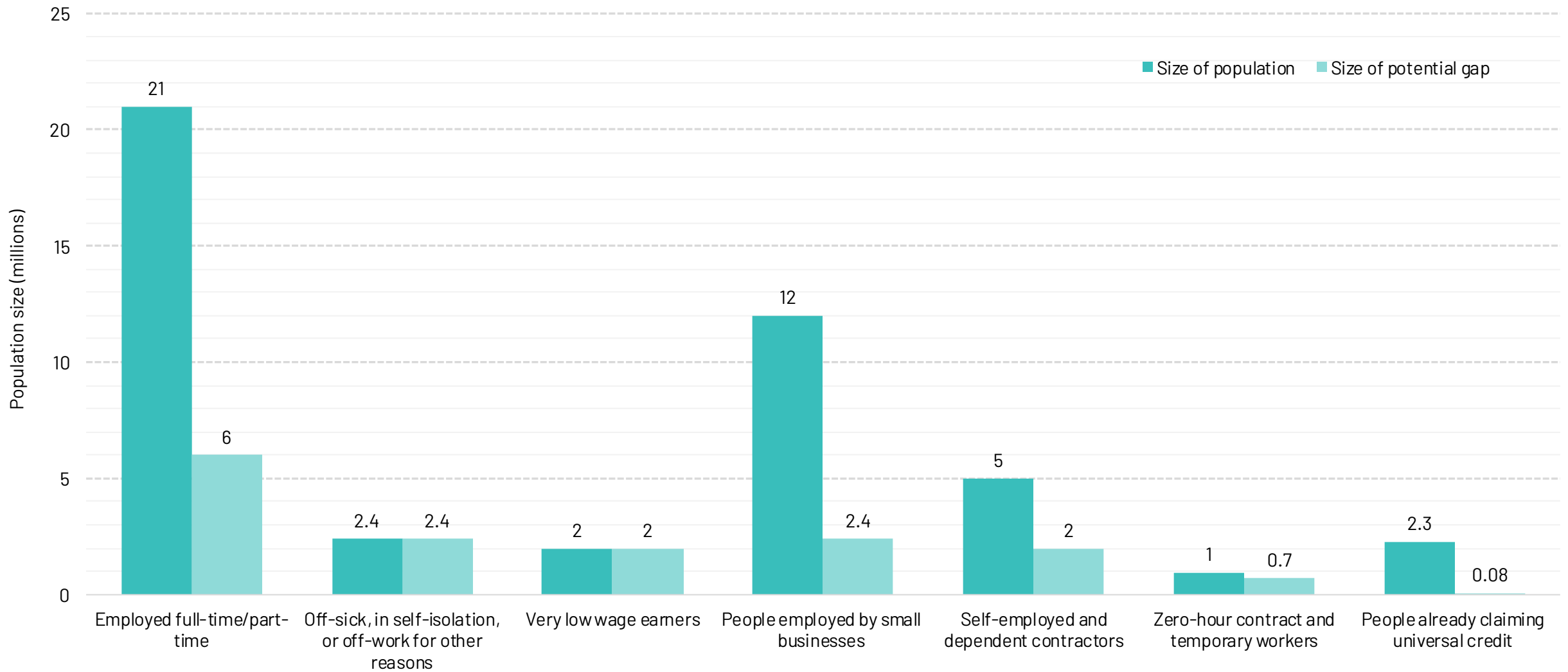
Percentage of people with concerns about household finances



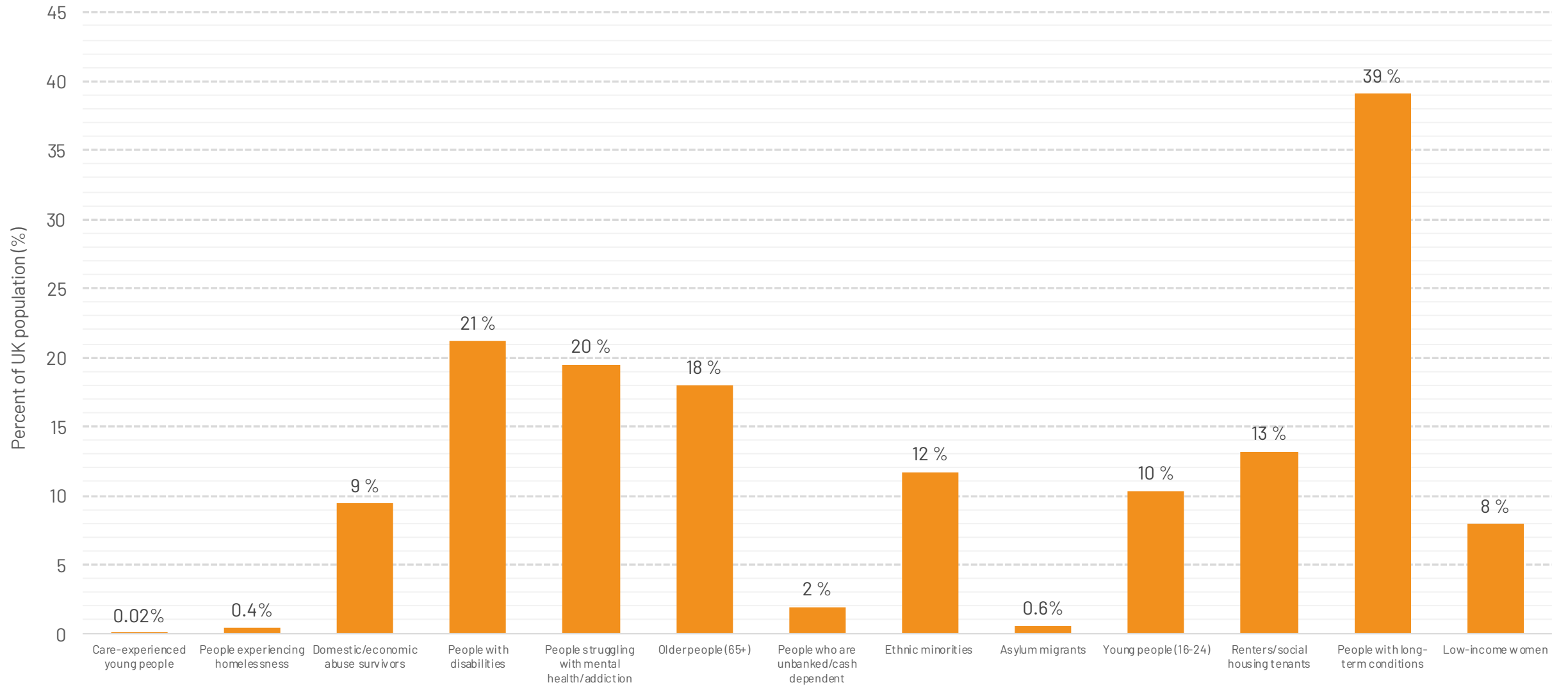
Median weekly earnings for impacted groups (£)



Groups in need of additional financial support (millions)



Groups of people in vulnerable circumstances as a % of the UK population



Groups of people in vulnerable circumstances in employment (millions)

