

In-work poverty and social insecurity

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Two ongoing studies

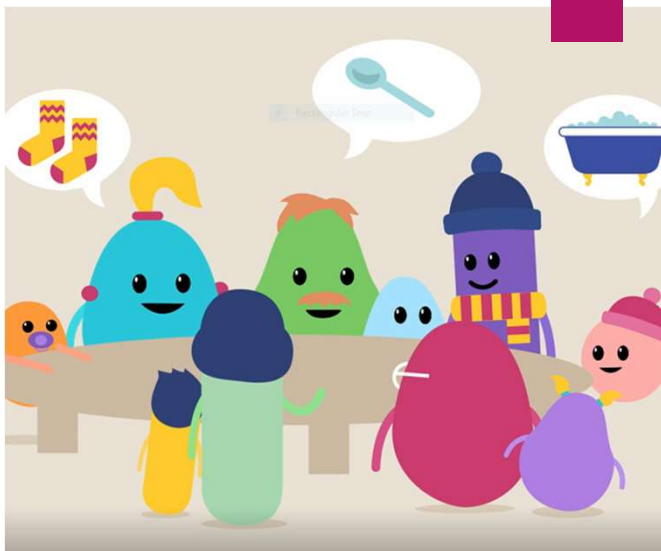


A Minimum Income Standard for the UK – published annually since 2008. New research every two years helps us to understand our society and how it changes over time. Including how many households are able to meet the standard and who's at risk of falling below it.

Staying afloat in a crisis by Katherine Hill and Ruth Webber reports the 4th wave of our longitudinal study Bringing Up a Family on a Low Income. We've been visiting these families since 2015 and in this latest wave Katherine and Ruth explored the effects of the pandemic on these households and their limited resources.

The Minimum Income Standard

▶ How much is enough?



The Minimum Income Standard, or MIS, is a way of answering the question

How much is enough?

What do you need to live in dignity?

We bring together members of the public from different backgrounds to discuss what's needed, not just to survive but to be able to take part in society and not feel excluded.

We ask pensioners to talk about the needs of pensioners, working-age people to tell us what working age people need and parents to discuss the needs of parents and children.

From socks to spoons, broadband to bath towels, groups tell us **what** is needed, and help us to understand **why** those things are important.

Once we have an agreed list, we price everything up and work out the income required in order to meet the standard.

How earnings and benefits compare with MIS

MIS Budget £213

A single adult needs a minimum budget of £213 a week

On out of work benefits

MIS Budget £213

On out of work benefits, they get well under half what they need....

Out of work:
£89

A single adult needs a minimum budget of £213 a week

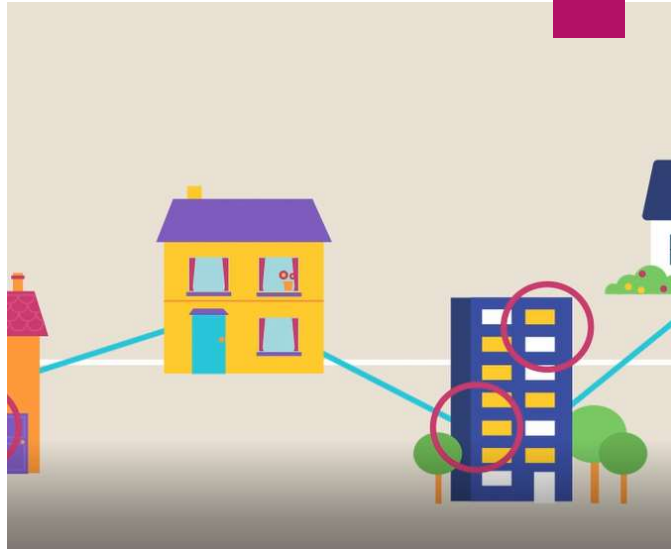
Cutting Universal Credit by £20 means even those working full-time on the NLW will fall further below MIS

MIS Budget £213



Families with children – in brief

- ▶ Out of work, they reach around 60% MIS
- ▶ With the £20 cut in UC, this is reduced to just over half
- ▶ Couple with two children can just reach MIS on NLW if both parents work full time (but many aren't able to do this)
- ▶ Lone parent with two children can't reach MIS on NLW, even working full time



Out of work, around 60% MIS.

£20 cut in UC, just over half MIS

Couple with two children can just reach MIS on NLW if both parents work full time (but many aren't able to do this)

Other caring responsibilities e.g. their parents, children with disabilities and health issues, their own health problems, lack of availability of hours that fit with other constraints

Lone parent with two children can't reach MIS on NLW, even working full time.



Dealing with pandemic challenges under financial pressure

Moving on to the findings from our longitudinal study, as I said, we've been following the path of 14 households since 2015. In September and October 2020 Katherine and Ruth caught up to them to see how they were faring 6 months into the pandemic. Unfortunately Katherine can't be here today, but I'm pleased to say that Ruth has kindly joined us in case anyone would like to know more about the study when we get to the Q&A section.

REVISITING IN NOV TO EXPLORE LT IMPACTS

Challenges at home

- ▶ Digital access
- ▶ Higher food costs
- ▶ Energy bills
- ▶ More juggling



Home schooling was challenging for many households, and this was made more difficult for those with limited digital access. Not being able to provide a laptop to support children with home learning left some parents feeling 'guilty'. AT THAT TIME LITTLE EVIDENCE OF GOV SUPPORT WITH DIG ACCESS – maybe diff in further LD

For others, finding information and support online was difficult if they were not confident internet users.

Some parents found that their costs increased because they were having to heat the home with the kids not at school IN THE SUMMER BUT WAS FEAR FOR WINTER, whereas for many a common way to cut back on energy bills was to turn it off during the day when they weren't at home.

FOOD BIGGEST EXPENSE AT THAT TIME ISSUE MORE QUANTITY OF FOOD EATEN WHEN CH AT HOME –ESP OLDER, MORE CH. In addition to this, having to find the resources to keep the fridge and cupboards stocked was more challenging than when they had been able to access free school meals or control costs through carefully budgeted for packed lunches.

The continuation of free school meals and vouchers during the holidays played an important part for families with school aged children. MENTION WITH FOOD COSTS?

OCCAS SAVINGS EG TRAVEL IF WFH, Some were able to work from home, but by no means all. Those with young children found it particularly difficult to juggle work with childcare and/or supporting home learning.

Work and the pandemic



Job security



Reduced earnings



Effects on formal and
informal support

PRECARITY / INSTABILITY / LIMITATIONS IN WORK IS WHAT CAUSED DIFFICULTY OVER TIME. Some parents had lost their jobs as a consequence of the pandemic, particularly in the service industry – e.g. hospitality, cleaning. Others affected were doing factory work and manufacturing and those on zero hours contracts, employed through an agency or on temporary contracts were particularly vulnerable.

Not everyone experienced reduced earnings – there were some cases of being able to change job or becoming self-employed, and those on furlough were particularly appreciative of the scheme, especially those whose employers had topped up the government's 80% of wages to maintain it at pre-pandemic levels.

However, many had their hours or earnings reduced. Young adults in these households were particularly likely to be laid off and to struggle to find another job. This could have a serious effect on family finances as often their contribution to household costs played a significant part in making ends meet. ALSO IF EX PARTNER LOST WORK / INC IMPACT ON LP AS CHILD MAINT REDUCED

Many parents found that there was less support, both formally and informally. Where schools stayed open for children of key workers, they were often not offering the

same wrap around care of breakfast and after school clubs. Older relatives who had previously helped out could be unable to do so, due to shielding and their own health problems.

ADD STABLE WORK – MADE KEY DIFF OVER TIME + IN PANDEMIC SUPPORTIVE EMPLOYER, BEING ABLE TO WORK AT HOME MADE THE DIFFERENCE – PLUS FOR 2 PARENT FAMILIES WHERE 2 INCOMES, COULD JUGGLE / MORE OPTIONS WITH CHILDCARE

What next?

- ▶ Impacts on social inclusion
- ▶ The 'new normal' and the 'old normal'
- ▶ Multi-generational effects
- ▶ Further strains on already constrained incomes



The pandemic changed all kinds of aspects of every day life. In some ways there was an element of 'levelling down'. When there were no school trips or after school activities being held, families who struggled to afford these so their child wouldn't feel left out no longer had to face that problem. No one could go on holiday, so our families for whom that was out of reach under normal circumstances did not feel that their children were missing out more than others. RELIEF AT NOT HAVING TO KEEP UP WITH THE JONES'S – SHOWS HOW EVERYDAY PRESSURE THEY NORMALLY FEEL UNDER

However, having not been able to do those things without making sacrifices meant that they were also not accumulating the savings that other families were experiencing. And for those who were required to continue to work throughout the pandemic, there weren't the savings on bus fares or petrol costs that people working from home were able to make.

The new normal, while still unclear for many is likely to look very similar in many ways to the old normal for families on constrained incomes because they still won't be able to go out to socialise, or relax on a family holiday, or afford school trips that others take for granted.

The effects can be seen across the generations – on the school aged children, the young adults, the parents and their parents and grandparents. From anxiety to isolation to the sheer exhaustion of having to keep everything going under such difficult circumstances. More crucially we know that prices are rising, energy bills are increasing and the £20 uplift to Universal Credit has been withdrawn.

What helps?

- ▶ Information and support
- ▶ Stable and supportive employment
- ▶ Assistance meeting children's needs



Accessing information and support – the digital divide became hugely apparent and those who were less confident online were less likely to know how to get support – for example young adults not being aware that they were eligible for benefits if their work had been affected. The lack of in person support was difficult for some, for example those who had been receiving help with mental health issues.

Support at a level that is genuinely supportive. The removal of the £20 uplift to UC is likely to have a significant impact on some of our families. Reassessing state support levels in light of rising costs would be of help to many who have found the pandemic particularly difficult financially.

The furlough scheme was universally welcomed, and those with stable and secure employment and **supportive employers** were generally better able to withstand the multiple shocks that the pandemic brought. HOW THIS PLAYS OUT IN LONGER TERM EG WITH MULTIPLE SPELLS OF ISOLATION / IMPACT ON INCOME / JOB?

Being able to access flexible childcare was key to parents being able to stay in work (INCL INFORMAL SUPP WHICH SHOWS HOW DEP FAMS CAN BE ON UNPAID CARE – SAYS SOMETHING ABOUT FORMAL

Meeting children's needs

While most children are back at school, there are still many having to stay at home from time to time and they are likely to fall further behind if they are unable to connect for online lessons.

KEY ISSUE IS PRECARITY / TIGHTROPE – HARD TO ABSORB INC SHOCKS – AND PPL ON LOW INC HAVE TO DEAL WITH UPS/ DOWNS ALL THE TIME – GOV/ SOC SEC SYSTEM SHOULD BE AN ADEQUATE SAFETY NET THROUGHOUT LIVES, NOT JUST EXTRA HELP IN A PANDEMIC

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