

The coronavirus storm: exposing pre-existing racial inequalities and poverty in the UK

Dr. Andrea Barry, Senior Analyst, JRF

Approach

Poverty

Housing

Income

Work

Coronavirus storm

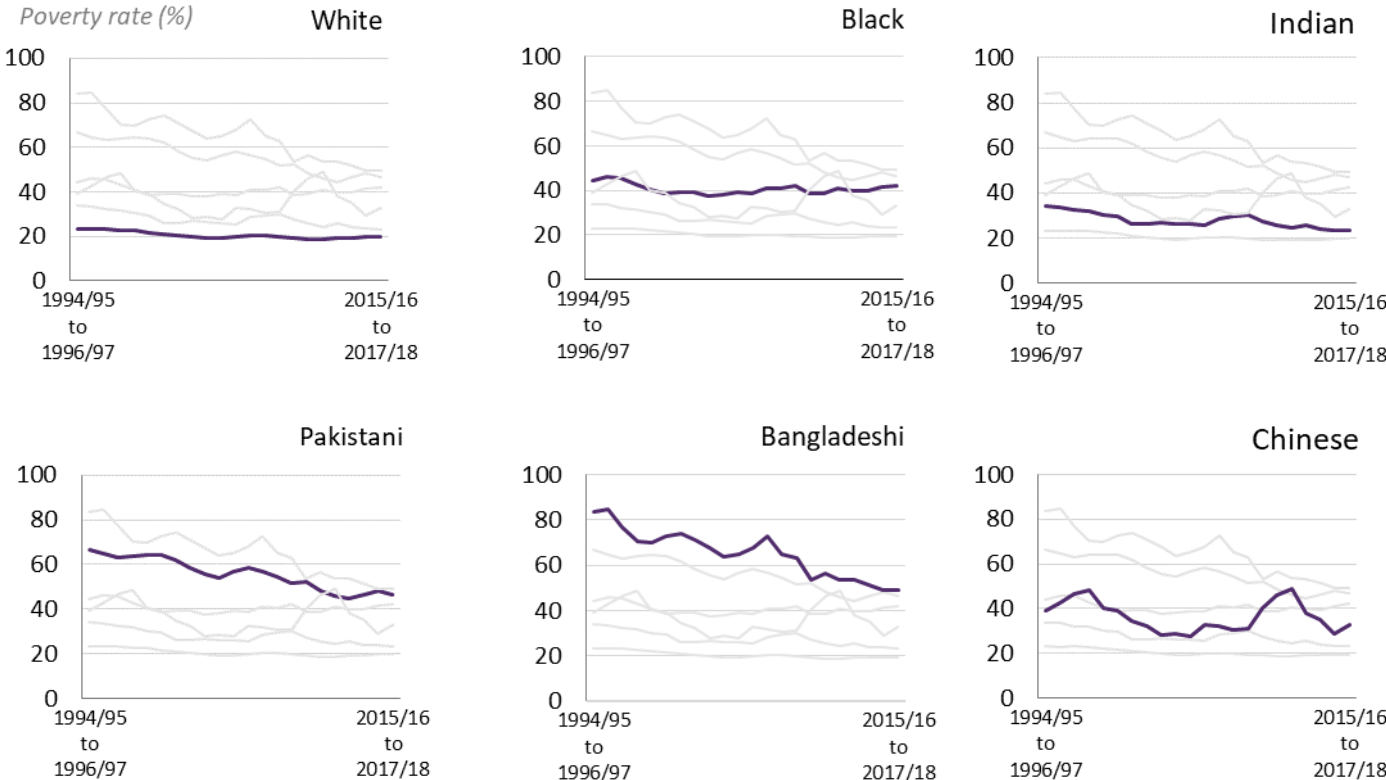
Key stat

Around 19% of households are privately renting compared with 10% 20 years previously – a third of this group are in poverty.

Key stat

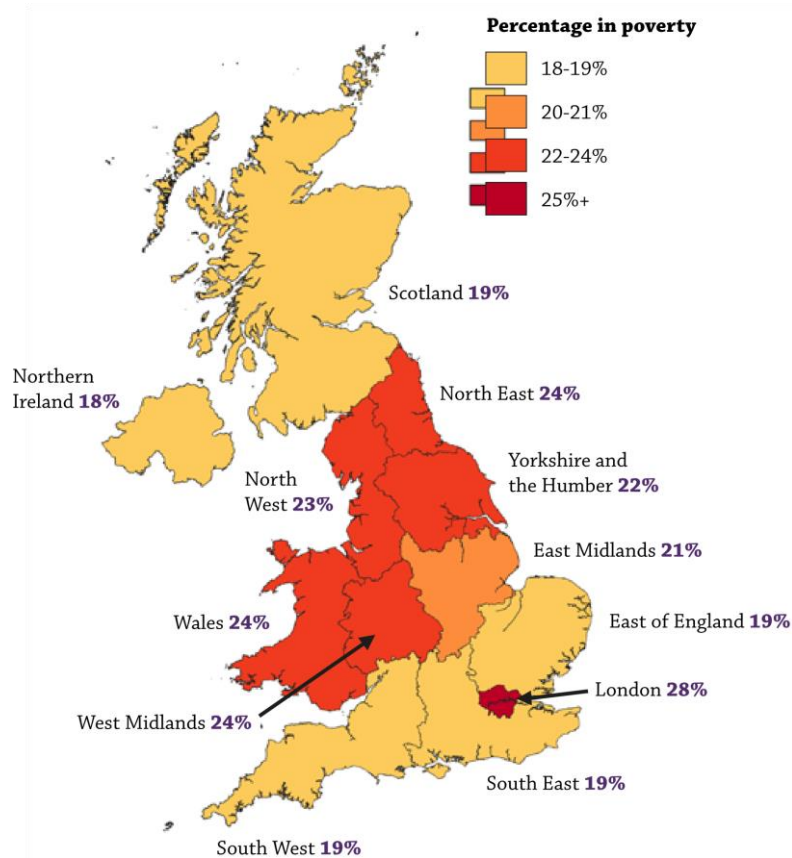
Around 56% of people in poverty are in a working family. In-work poverty has risen from 10% of workers 20 years ago to 13%.

Poverty by ethnicity



Source: UK Poverty 2019/20, Overview: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

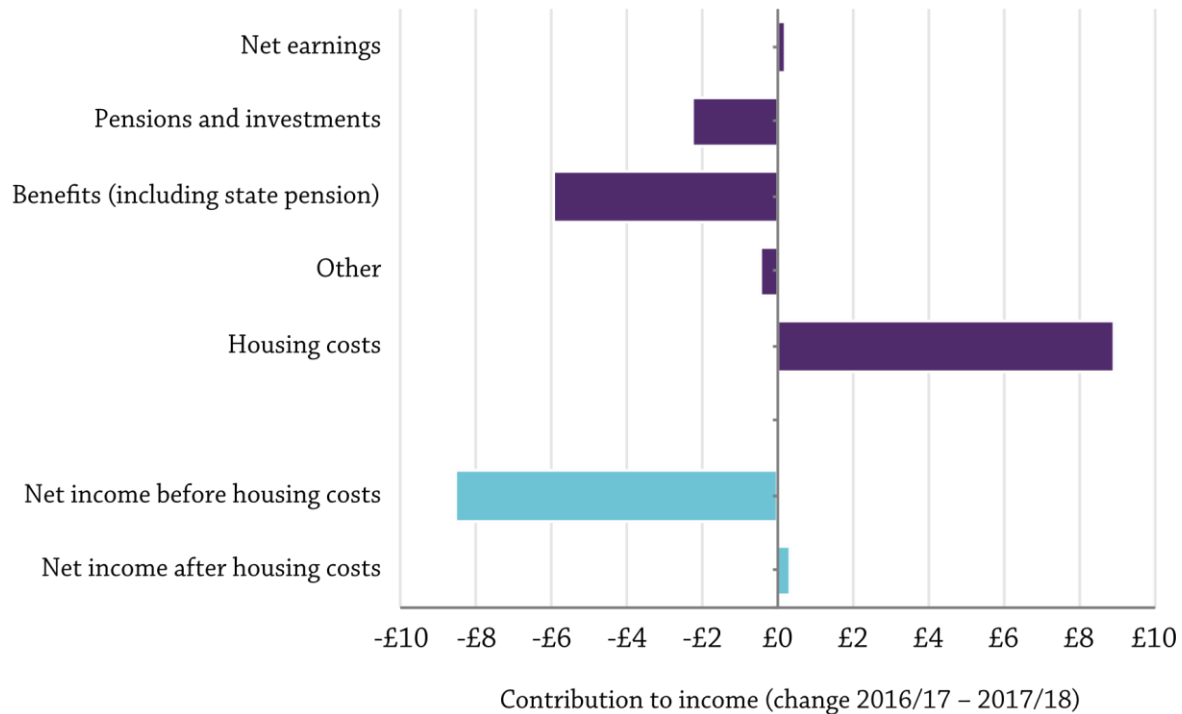
Poverty by region



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Source: JRF (2020), UK Poverty 2019/20: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

Income changes



Source: Households Below Average Income

Source: JRF (2020), UK Poverty 2019/20: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

Housing

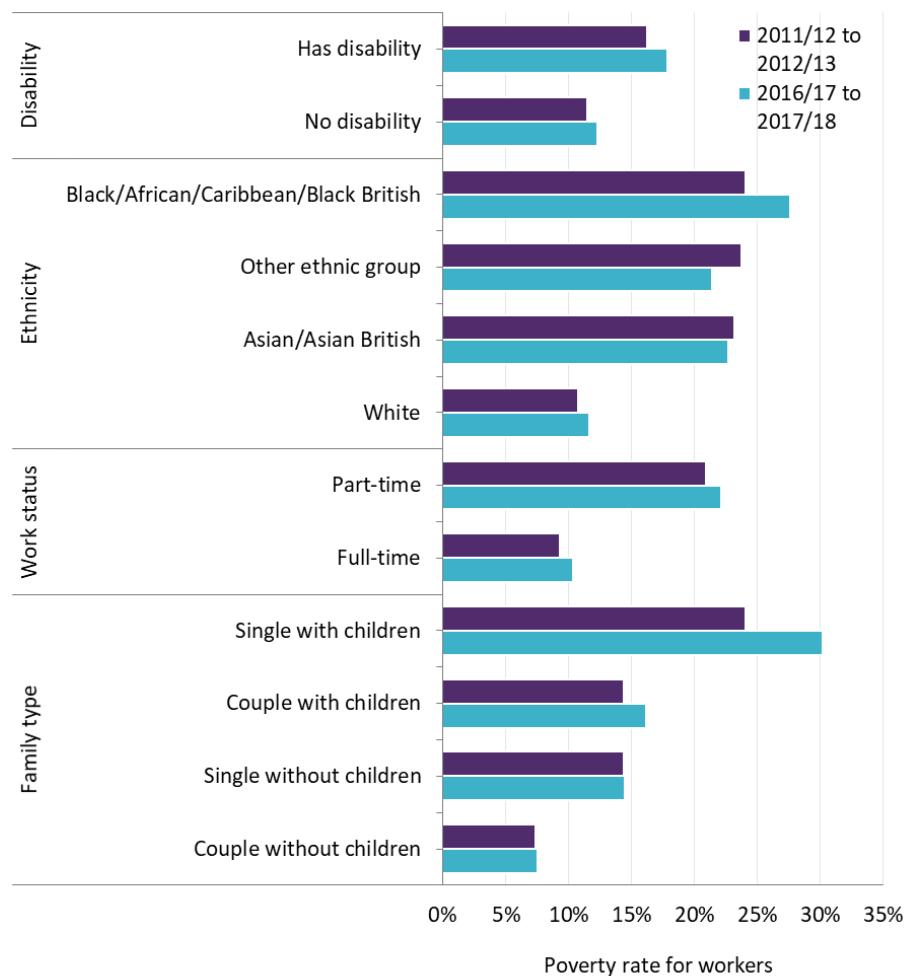
- Affordability
 - Increase in private renting
 - Lack of home ownership
- Overcrowding
 - Black and ethnic minority households (11%) are more likely to live in overcrowded housing than white households (2%)

Housing

ethnicity of HRP	all owner occupiers	private renters	local authority	housing association	all social renters	all households
white	91.1%	82.9%	78.8%	85.1%	82.6%	88.1%
black	1.8%	4.2%	11.7%	7.5%	9.2%	3.5%
Indian	2.5%	3.1%	0.8%	0.8%	0.8%	2.3%
Pakistani or Bangladeshi	2.1%	2.4%	3.7%	2.3%	2.9%	2.3%
other	2.5%	7.5%	5.0%	4.3%	4.6%	3.8%
all ethnic minority	8.9%	17.1%	21.2%	14.9%	17.4%	11.9%
all Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

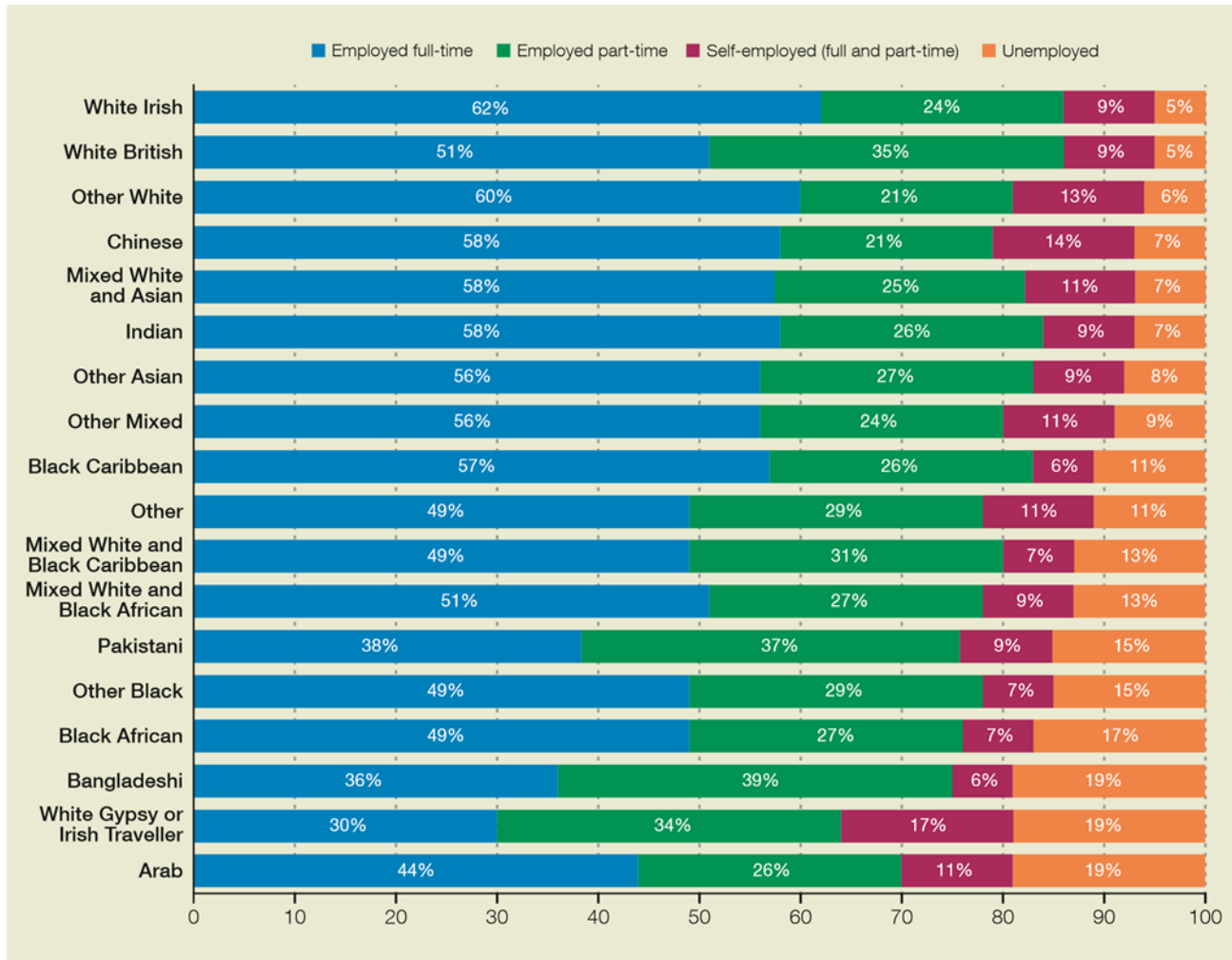
Source: BMENational (2020)

Rising tide of in-work poverty



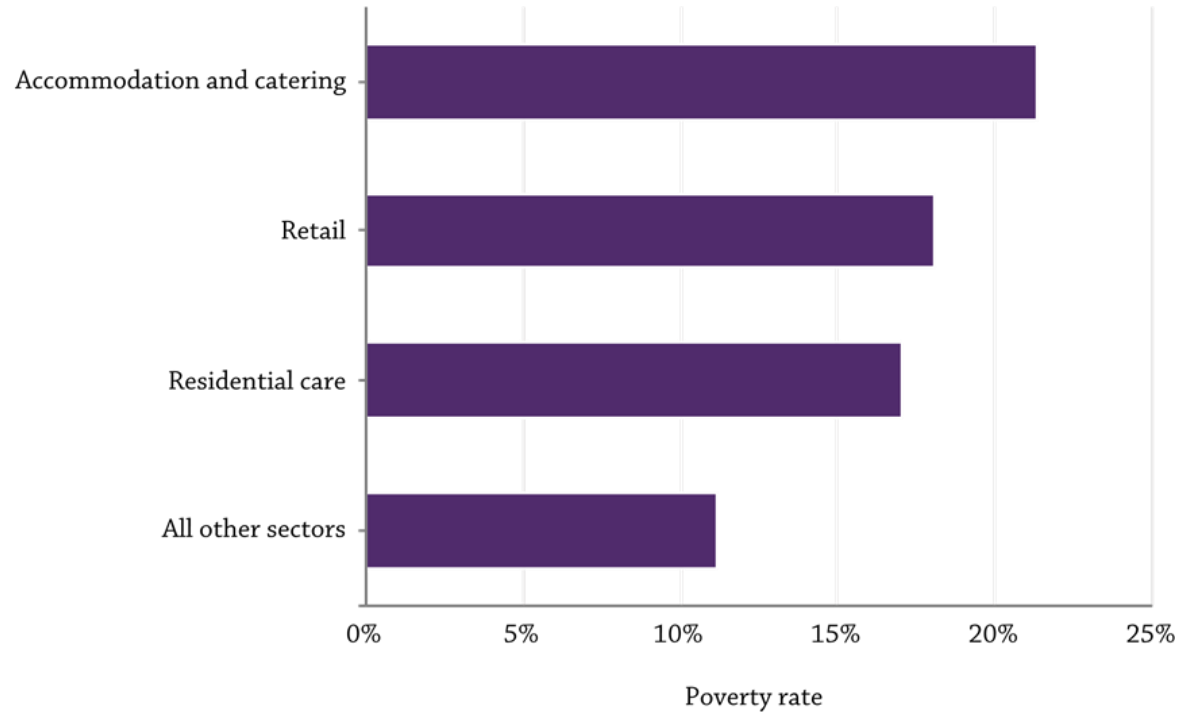
Source: JRF (2020), UK Poverty 2019/20: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

Work



Source: The Runnymede Trust (2020), The Colour of Money: <https://www.runnymedetrust.org/blog/the-colour-of-money-race-and-economic-inequality>

Sector inequalities



Source: Households Below Average Income and Family Resources Survey

Place

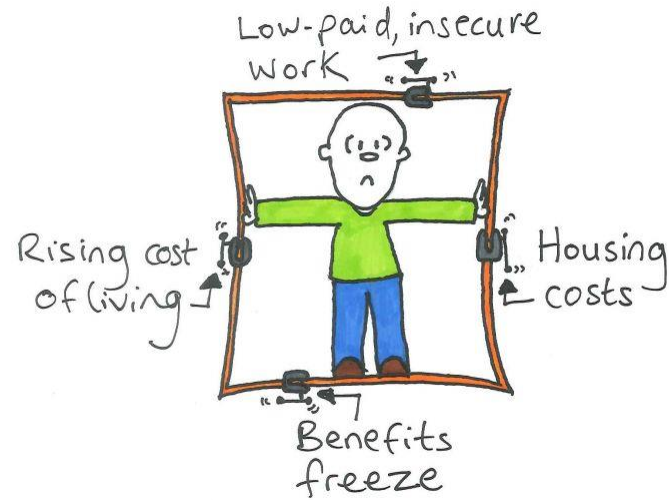
Pay inequities and wealth gap

Pay penalties compared with white men aged 22-64, 2007-17, UK

	Black men	Indian men	Pakistani/Bangladeshi men	White women
Raw pay gap, graduates	-24%	-4%	-27%	-18%
Adjusted pay gap, graduates	-17%	–	-12%	-7%
Raw pay gap, non-graduates	-15%	-12%	-31%	-19%
Adjusted pay gap, non-graduates	-9%	-8%	-14%	-12%

Source: The Runnymede Trust (2020), The Colour of Money:
<https://www.runnymedetrust.org/blog/the-colour-of-money-race-and-economic-inequality>

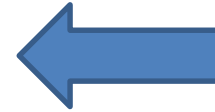
Storm hits



Same storm, different boats

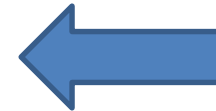
Coronavirus storm

	Employer cuts	Loss of self-employment		Unemployed	Health
		Furloughed	business		
All reporting a decline in hours	9.8	43.3	13.8	8.0	7.4
Gender:					
Men	9.6	43.9	17.4	8.0	7.5
Women	9.9	42.7	10.7	8.1	7.4
Ethnicity:					
Not BAME	9.7	44.2	13.7	7.1	7.2
BAME	10.7	30.9	15.5	20.9	10.6
Age:					
Age 20-29	9.1	54.0	5.7	14.2	4.2
Age 30-39	9.7	44.9	13.4	7.1	5.0
Age 40-49	8.8	40.3	15.7	4.5	8.3
Age 50-59	11.9	39.9	16.5	6.0	8.9
Age 60-65	7.3	35.0	19.3	10.7	12.5
Education:					
GCSE or lower	11.6	47.8	14.1	8.3	7.6
A-level	7.8	50.8	10.9	8.6	9.2
Degree	9.8	35.3	15.6	7.6	6.2
Household type:					
Single adult, no children	10.6	43.5	15.8	7.9	9.8
Single adult, children	11.1	46.4	11.0	5.7	3.7
Multiple adult, no children	9.3	44.7	12.8	9.9	8.3
Multiple adult, children	10.1	41.3	14.9	6.2	6.3
Long-run income quintile:					
1	10.6	43.1	15.5	11.3	9.4
2	10.0	49.9	12.9	8.0	7.7
3	10.9	50.7	11.2	4.6	7.4
4	8.0	40.1	11.8	8.3	7.0
5	9.1	30.2	18.5	8.8	5.7
Worker type:					
Fixed hours	11.4	53.8	0.0	7.3	6.2
Flexible hours	9.5	43.4	0.0	8.7	3.3
Employer sets (sure min.)	16.0	59.2	0.0	9.0	6.9
Employer sets (no sure min.)	14.8	58.8	0.0	19.7	6.1
Self-employed	2.1	7.4	61.0	7.1	12.2
Works at home (Feb):					
Sometimes or always	8.1	25.6	25.7	5.5	5.8
Never	10.4	50.1	9.3	9.0	8.1



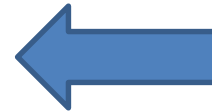
Coronavirus storm

	Behind with bills		Behind with housing		Hunger	Reduce spendin
	2017-18	April 2020	2017-18	April 2020		
All	5.2	7.4	7.5	7.4	4.6	37.1
Gender:						
Men	4.1	6.4	7.2	7.0	4.5	36.4
Women	6.1	8.2	7.8	7.7	4.7	37.7
Ethnicity:						
Not BAME	4.7	6.6	7.0	6.4	4.4	36.5
BAME	10.6	15.8	12.4	16.7	6.4	43.6
Age:						
Age 20-29	5.4	8.4	10.4	10.0	10.4	41.2
Age 30-39	6.7	9.1	7.4	6.6	5.0	37.9
Age 40-49	5.4	8.2	6.8	8.0	3.4	39.0
Age 50-59	5.2	6.5	6.8	6.4	2.8	35.7
Age 60-65	2.4	4.0	6.0	5.1	1.6	30.1
Education:						
GCSE or lower	8.1	12.4	10.9	11.6	6.6	39.2
A-level	5.0	6.9	8.4	7.1	5.7	38.9
Degree	3.4	4.5	4.9	4.9	2.7	34.7
Household type:						
Single adult, no children	7.3	11.0	11.8	9.4	4.8	29.5
Single adult, children	14.0	19.6	17.7	12.6	5.9	39.5
Multiple adult, no children	3.5	4.7	6.3	6.8	4.5	35.3
Multiple adult, children	6.0	8.8	6.9	7.0	4.5	41.0
Long-run income quintile:						
1	12.6	17.8	17.9	15.9	7.7	44.6
2	7.8	11.0	9.7	7.6	7.4	41.6
3	3.1	4.0	5.5	4.3	3.4	36.3
4	2.2	2.7	3.1	4.6	3.1	33.0
5	0.6	2.0	1.0	4.6	1.5	30.3



Coronavirus storm

	Used savings	Borrowed	New work	Mortgage hol.	Universal credit	Family transfer etc.	Used foodban
All	25.9	7.0	2.7	9.7	7.3	9.9	1.0
Gender:							
Men	24.7	5.6	3.0	9.0	7.6	7.6	1.0
Women	26.9	8.4	2.3	10.3	7.1	11.9	1.0
Ethnicity:							
Not BAME	25.3	6.4	2.7	9.4	6.9	9.7	1.0
BAME	33.0	15.7	2.7	13.3	12.8	12.0	1.1
Age:							
Age 20-29	26.1	7.0	3.1	4.5	9.5	15.8	0.3
Age 30-39	21.6	9.4	3.0	14.7	9.8	11.7	2.0
Age 40-49	24.5	7.6	2.3	15.1	5.8	9.6	0.2
Age 50-59	30.1	7.1	3.1	7.7	6.9	7.8	1.3
Age 60-65	25.8	1.9	1.2	2.9	3.8	3.2	0.9
Education:							
GCSE or lower	24.6	6.1	2.4	9.8	8.7	11.8	1.9
A-level	24.5	7.2	3.2	7.9	7.0	11.3	0.7
Degree	27.5	7.4	2.6	10.5	6.7	7.9	0.5
Household type:							
Single adult, no children	20.3	5.5	0.7	3.6	10.0	12.1	4.1
Single adult, children	18.4	12.7	2.0	3.3	5.3	25.6	0.0
Multiple adult, no children	28.5	5.4	3.0	5.4	7.1	6.9	0.5
Multiple adult, children	24.5	8.8	2.7	16.2	7.2	11.7	1.1
Long-run income quintile:							
1	30.1	8.9	1.8	7.5	11.6	16.4	2.1
2	25.4	11.0	2.1	9.5	10.1	12.2	1.8
3	24.7	4.9	3.3	9.7	6.6	7.7	0.8
4	23.9	5.1	2.1	10.6	4.1	7.2	0.0
5	25.6	5.1	4.1	11.0	4.2	6.0	0.2



JRF Polling

- Our polling found that 86% of BAME respondents have had to cut back on at least one essential compared with 69% of white respondents, and that 65% of BAME respondents were behind with at least one out of council tax, their rent/mortgage, or other bills compared with 48% of white respondents.
- Debt is also a more common experience for BAME respondents, with 74% reporting that they have had to resort to borrowing compared with 57% of white respondents.

Source: JRF (2020), A Lifeline for our Children: <https://www.jrf.org.uk/report/call-stronger-social-security-lifeline-children>

Next Steps

- How can we solve this?
 - An increase in LFA to cover median rents in all areas and access to more affordable housing.
 - Relaxing labour market constraints and removing labour market inequities to alleviate in work poverty
 - Strengthen the support for self-employed people in Universal Credit by removing the ‘Minimum Income Floor’ rule