

POVERTY AND COVID-19

A report of the Social Metrics Commission

Chaired by **Philippa Stroud**, CEO of the Legatum Institute

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ABOUT THE SOCIAL METRICS COMMISSION

The Social Metrics Commission was formed in 2016 and is led by the Legatum Institute's CEO, Baroness Stroud. It is an independent and rigorously non-partisan organisation dedicated to helping policymakers and the public understand and take action to tackle poverty. Since its inception, its ultimate goal has been to develop new poverty metrics for the UK which have both long-term political support and effectively identify those who are in poverty. By doing so, it is hoped that Government and others will be better able to develop interventions that reduce the number of people experiencing poverty and improve outcomes for those people who do experience it.

The Commission would like to thank both the Legatum Institute for hosting the Commission and making available the resources of its Centre for Metrics, and the Legatum Foundation for their significant support of this work. This report would not have been possible without that support, and the research, editorial and functional independence that has underpinned the Commission's work.

SUPPORTERS OF THE COMMISSION

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- Jon Moulton; and
- Stuart Roden.

ABOUT THE LEGATUM INSTITUTE

As CEO of the Legatum Institute, Baroness Stroud is proud to Chair the Social Metrics Commission and for the Legatum Institute to host the Commission and contribute to the vital work that has been undertaken. The Legatum Institute is a London-based think-tank with a bold vision to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society.

We seek to fulfil our mission by raising up leaders of character, restoring an ethical vitality to all sectors of society, and developing the practical solutions and data tools that will help build inclusive and peaceful societies with open economies and empowered people.

Learn more about the Legatum Institute at www.li.com

CONTACTING US AND CONTRIBUTING

We welcome discussion on the issues raised in this report and would appreciate constructive feedback and comment on our approach. To contact the Commission's secretariat, please use the following email address:

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KEY FINDINGS

This report uses original analysis of a new YouGov poll of close to 80,000 people between March and May 2020. Based on the approach of the Social Metrics Commission's poverty measurement framework, it provides early indications of the likely scale and nature of poverty impacts coming from the economic fallout of the Covid-19 pandemic in the UK. It does this by considering how those employed prior to the crisis have fared in terms of whether they have experienced a negative labour market outcome (been furloughed, had reduced hours or wages, or lost their job), and breaking this down by each person's previous position in relation to the poverty line. It also considers broader aspects of the Commission's poverty measurement framework, including factors that are likely to impact on the Lived Experience of poverty, including loneliness; perceptions of, and engagement in, society; and people's confidence over the future for the economy and themselves.

The analysis shows that:

- Those employed prior to the crisis and already in the deepest forms of poverty have been most heavily impacted by the economic fallout. For example, compared to those more than 20% above the poverty line, those more than 50% below the poverty line have been 15 percentage points more likely to have experienced a negative labour market outcome.
- Groups already over-represented amongst the population in poverty have also been most heavily impacted by the crisis. For example, disabled people employed before the Covid-19 pandemic have been 4 percentage points more likely to have experienced a negative labour market outcome than people without a disability.
- The youngest and oldest workers have been impacted most by Covid-19. Compared to those aged between 35 and 44, those aged 18-24 have been 7 percentage points more likely to have experienced a negative labour market outcome, and those aged 55 and over have been 4 percentage points more likely to be negatively impacted.
- Some groups with already very high poverty rates have also been impacted more by the crisis. For example, those from Black and Asian ethnicities have been more likely to be negatively impacted (by 4 and 6 percentage points respectively) than those from White ethnic groups.
- Impacts vary significantly between workers in different industries. For example, 81% of those working in hospitality and leisure have been negatively impacted, compared to just 16% in financial services.
- Impacts also vary between different local authorities. On average, close to a half (47%) of the workforce have been negatively impacted in local authorities experiencing the biggest impacts. This compares to less than a third (30%) in local authorities experiencing the lowest impacts.

Whilst the overall impacts of the pandemic on UK poverty are by no means certain, given the scale of the negative changes in employment statuses for those in poverty, under the Commission's measure of poverty:

- Many of those already in poverty could move deeper into poverty as a result of losing their jobs or having lower earnings because of reduced hours or pay. This would exacerbate the already increasing trend in deep poverty seen over the last 20 years.
- Those previously close to, but above, the poverty line could move into poverty because of their changing employment status. This could result in a significant increase in poverty.

If this were the case, both the incidence and severity of poverty could increase.

Table 1: Impacts of different characteristics on the likelihood of a negative labour market experience on people employed prior to the Covid-19 crisis

| Compared to... | Being... | Leads to a change in the probability of experiencing a negative labour market experience |
|--|---|--|
| Compared to those more than 20% above the poverty line.... | More than 50% below the poverty line | 15 percentage point increase |
| | In poverty and within 50% of the poverty line | 8 percentage point increase |
| | Not in poverty and less than 20% above the poverty line | 5 percentage point increase |
| Compared to those from a White ethnic group... | Black | 4 percentage point increase |
| | Asian | 6 percentage point increase |
| Compared to those aged 35-44... | Aged 18-24 | 7 percentage point increase |
| | Aged 55 and over | 4 percentage point increase |
| Compared to those without a disability | Disabled | 4 percentage point increase |

Source: YouGov, SMC regression analysis.

Notes: 'Negative labour market experience' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Whilst the economic and labour market results paint a concerning picture, there are more positive signs in other parts of the Commission's measurement framework. For example:

- More people think that the crisis has brought society together than think it has divided it. For example, four in ten (40%) people in poverty and within 50% of the poverty line feel that society has unified, compared to 23% who say it has become more divided.
- Nearly a fifth (19%) of people say that they feel more positive about their relationships with others as a result of the crisis, compared to 12% of people who say that they feel more negative. The remainder (70%) say that they feel no different.

These positive signs of strengthening relationships could be all the more important in providing people with the support they need to navigate an uncertain economic future:

- The vast majority of people (85%) believe that the economy will either be weakened for a few years (45%), or damaged for many years (40)%.
- When asked about how they see the future for themselves, although more than half (58%) of those in poverty believe that they will be “okay”, a third (28%) say that they “fear for their future”. Nearly one in three people (32%) in deep poverty say they “fear for their future”. The figure amongst those more than 20% above the poverty line is 21%.

What these results show is that poverty, the Lived Experience of poverty and the impacts of the Covid-19 crisis, are complex and driven by an interlocking range of factors. Understanding, measuring and documenting these and using the findings to drive anti-poverty responses will be central to ensuring that, as the economy begins to emerge from the lockdown of previous months, the recovery leads to a situation where poverty after Covid-19 is lower and less severe than it was before the pandemic. The Commission’s poverty measurement framework provides a comprehensive approach both through which this can be undertaken, and against which the Government can be held to account for tackling poverty in the UK.

POVERTY IN THE UK BEFORE COVID-19

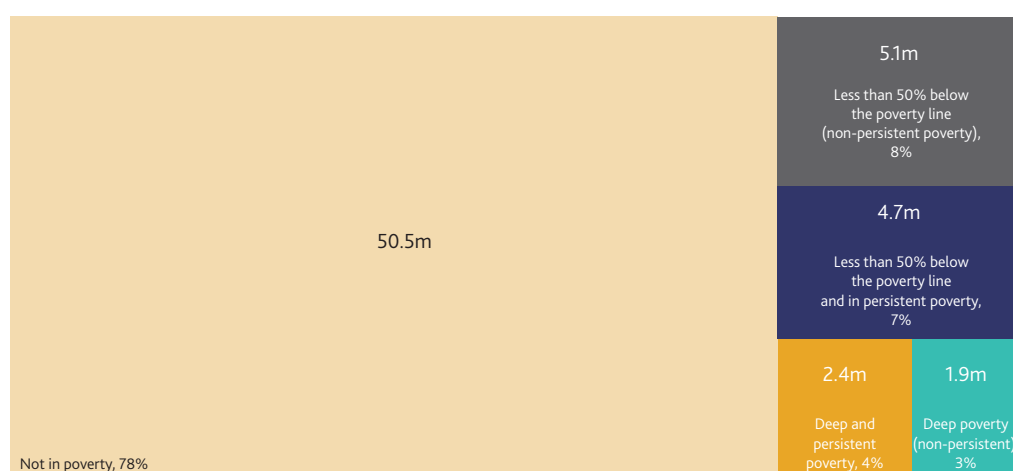
The Social Metrics Commission was formed in 2016, with the explicit goal of creating new poverty measures for the UK. The measurement framework that the Commission developed provides a comprehensive view of poverty in the UK, and the Department for Work and Pensions has now begun to develop experimental national statistics for the UK based on this approach. The Commission's *Measuring Poverty 2020* report provided the most up-to-date estimates of poverty prior to the Covid-19 pandemic;ⁱ detailing the incidence of poverty as well as poverty depth, poverty persistence and the Lived Experience of those in poverty compared to those not in poverty, against a range of indicators.

It showed that, while poverty rates have fallen notably for some groups (including pensioners and people living in lone parent families), the overall poverty rate for the UK stands at 22%; the same as last year and only slightly lower than the 23% seen in 2000/01. Concerningly, the Commission's report also showed that the incidence of deep poverty (those living more than 50% below the poverty line) has increased over the last two decades. Some 4.5 million people (7% of the population) in the UK now live in this deepest form of poverty, compared to 2.8 million people (5% of the population) in 2000/01.

For the first time, the Commission's report also split the overall group of people in poverty based on the nature of the poverty they experience, in terms of poverty depth and poverty persistence.

Figure 1 shows just over half (55%) of those in deep poverty are also in persistent poverty. This means that 2.4 million people in the UK are in families that are in deep and persistent poverty, with another 1.9 million people in families in deep poverty (non-persistent). Around 15% of the UK population is less than 50% below the poverty line and either in non-persistent (5.1 million) or persistent poverty (4.7 million).

Figure 1: UK population, by poverty status, 2017/18



Source: Understanding Society (2012/13 – 2017/18) and Family Resources Survey and HBAI dataset (2017/18), SMC analysis.

Notes: Estimates of the proportions of those in each type of poverty were taken from Understanding Society and calibrated against the SMC's headline estimates produced using the 2017/18 FRS/HBAI data.

UNDERSTANDING THE IMPACTS OF COVID-19

The Commission's *Measuring Poverty 2020* report provides vital insights into the extent and nature of poverty across the UK prior to the Covid-19 crisis, and how policies might be focussed in order to tackle it. However, the Commission is clear that this now acts as a benchmark against which the impacts on poverty of the health, social and economic fall-out of the Covid-19 pandemic can be judged.

These impacts could be significant. A range of analysis and data has already begun to point to the potential impacts on individuals, families and neighbourhoods right across the UK. The Commission's 2020 report used findings from YouGov polling with close to 80,000 people across Britain during March and May 2020 to show how those employed but living in families in poverty are already being impacted most by the economic fallout of Covid-19.ⁱⁱ

This report builds on that initial analysis to show how respondents believe that the Covid-19 crisis has impacted on their financial situation, their attitudes towards society, experiences of loneliness and the extent to which they are confident about the future. Importantly, the size of the sample means that results can be split by a range of characteristics, including age, ethnicity and different local authorities across the UK.

CHANGES TO EMPLOYMENT

Figure 2 replicates analysis from the Commission's *Measuring Poverty 2020* report to show how those employed prior to the Covid-19 crisis have fared since then in terms of their employment and earnings. It splits the population based on their pre-Covid-19 household income, between those:

- In deep poverty (50% or more below the poverty line);
- In poverty and less than 50% below the poverty line;
- Just above (within 20% of) the poverty line; and
- More than 20% above the poverty line.

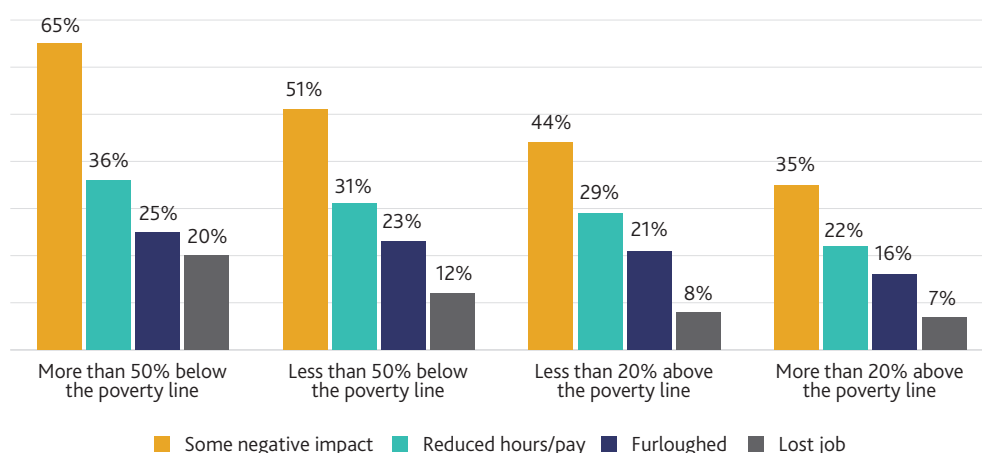
It clearly shows that the largest employment impacts have been felt by those in the deepest levels of poverty. Overall, nearly two in three (65%) of those employed prior to the Covid-19 crisis who were in deep poverty have experienced some kind of *negative labour change* (*reduced hours or earnings and / or been furloughed or lost their job*). This compares to one in three (35%) of those who were employed and more than 20% above the poverty line prior to the Covid-19 crisis.

Looking in more detail at the specific changes in circumstances shows that 20% of those who were previously employed and in deep poverty reported to have *lost their jobs*, compared to one in ten of those who were either just above the poverty line (8%) or in poverty and within 50% of the poverty line (12%). A lower proportion (7%) of those who were previously employed and more than 20% above the poverty line report to have lost their jobs.ⁱⁱⁱ

Alongside the impacts on employment, those in poverty or close to the poverty line who have remained employed have also been more likely to be *furloughed and / or to have seen their hours or wages cut* in response to the Covid-19 crisis. For example, a third or more of those in deep poverty (36%), within 50% below the poverty line (31%) and within 20% above the poverty line (29%) say that they have had their hours or pay reduced as a result of the Covid-19 crisis. For those more than 20% above the poverty line, the figure is 22%.

Overall, this means that more than a quarter (26%) of all of those in deep poverty (regardless of their labour market status prior to Covid-19) have experienced a negative change in their employment status or earnings. This compares to one in five of those within 50% below the poverty line (21%), within 20% above the poverty line (24%) and more than 20% above the poverty line (22%).

Figure 2: Employment and pay impacts for those employed prior to the Covid-19 crisis, by poverty status



Source: YouGov, SMC analysis.

Notes: Due to data constraints, the analysis uses 60% of median equivalised household (before housing costs) income as the poverty line. 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

The overall impacts of this on poverty are not certain. However, given the scale of the negative changes in employment statuses for those in poverty, this suggests that, even with the significant support provided through temporary increases in the generosity of the social security system and the Government's Coronavirus Job Retention Scheme, under the Commission's measure of poverty:

- Many of those already in poverty could move deeper into poverty as a result of losing their jobs or having lower earnings because of reduced hours or pay. This would exacerbate the already increasing trend in deep poverty seen over the last 20 years.
- Those previously close to, but above, the poverty line could move into poverty by their changing employment status. This could result in a significant increase in poverty.

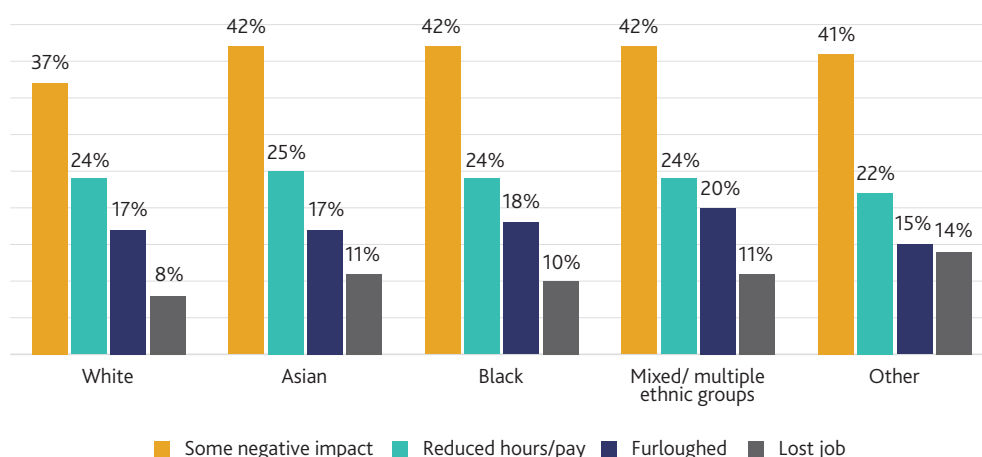
If this were the case, both the incidence and severity of poverty could increase.

Breaking down changes in employment

As well as varying by poverty status, the labour market impacts of Covid-19 also vary across a range of different characteristics.

Figure 3 demonstrates how the impact on those employed prior to the crisis varies by ethnicity. It shows that Black and Minority Ethnic (BAME) individuals who were employed prior to the crisis have been slightly more likely to experience some form of negative labour market impact. The largest differences can be seen in the likelihood of losing jobs, where 8% of those from a White ethnic background who were employed prior to the crisis have lost their jobs, compared to 10% or more from each of the other ethnic groups. This is concerning given the Commission's analysis of poverty before the crisis showed that poverty rates amongst Black and Minority Ethnic families were already far higher than among White families.

Figure 3: Employment and pay impacts for those employed prior to the Covid-19 crisis, by ethnicity



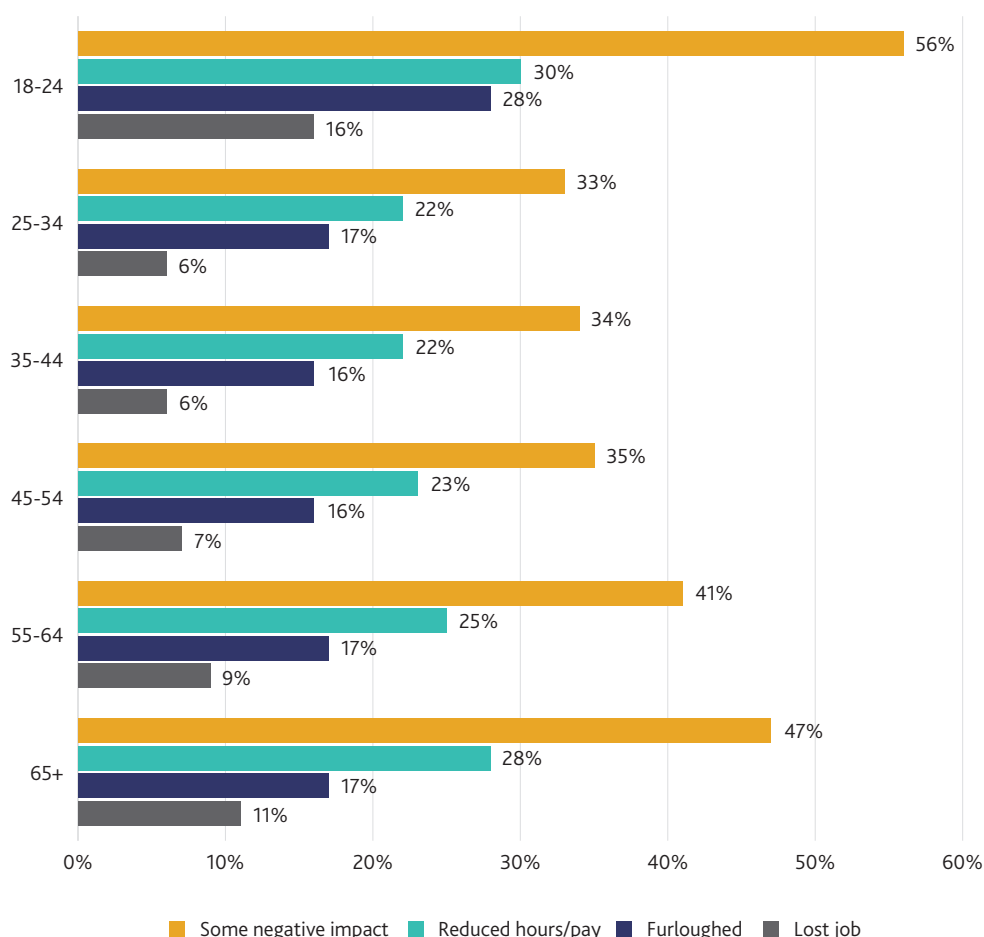
Source: YouGov, SMC analysis.

Notes: 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

As shown in other studies, labour market impacts also vary significantly by age. Figure 4 shows that 16% of those aged between 18 and 24 who were employed prior to the Covid-19 pandemic have lost their job. Together with those who have been furloughed and / or had reduced hours or pay, this means that nearly six in ten (56%) of those in this age group who were previously employed have experienced some kind of negative employment impact. This compares to a third of those previously employed and aged between 25 and 34 (33%), 35 and 44 (34%) or 45 and 54 (35%).

The other clear feature of the differences by age is that the labour market impacts increase again for those in older age groups. For example, more than one in ten (11%) of those previously employed and aged 65 and over have lost their jobs and nearly half (47%) of those previously employed in this age group have experienced some kind of negative labour market impact.

Figure 4: Employment and pay impacts for those employed prior to the Covid-19 crisis, by age group



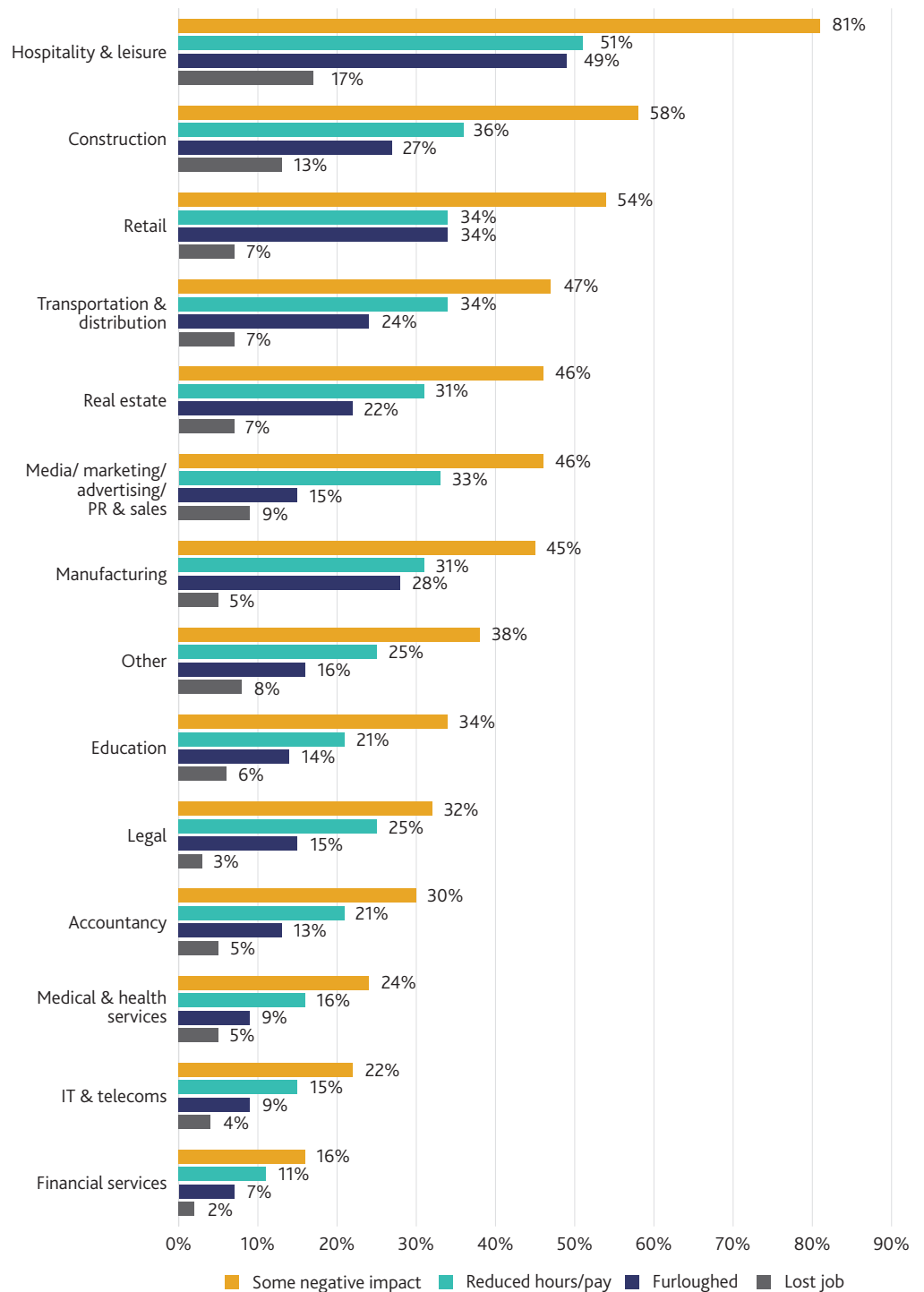
Source: YouGov, SMC analysis.

Notes: 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Given the nature of the restrictions introduced to slow the spread of the virus, it is unsurprising that the labour market impacts have been felt differently by those employed in different sectors. Figure 5 shows that nearly one in five (17%) of those previously employed in hospitality and leisure have lost their jobs. Just over eight in ten (81%) of those previously employed in this sector have experienced some form of negative labour market impact.

In contrast, one in three or fewer of those working in industries including education (34%), legal (32%), accountancy (30%), medical and health services (24%), IT and telecoms (22%), and financial services (16%) have experienced some form of negative labour market impact.

Figure 5: Employment and pay impacts for those employed prior to the Covid-19 crisis, by sector

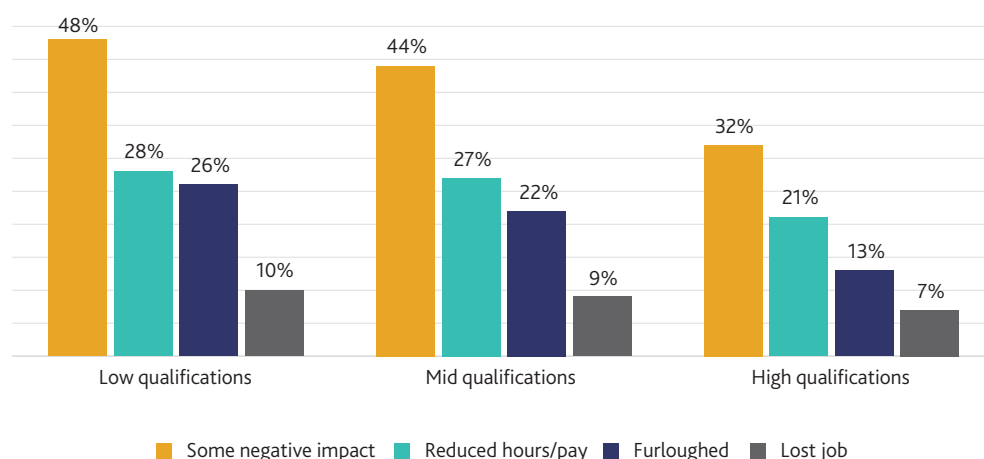


Source: YouGov, SMC analysis.

Notes: 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Figure 6 demonstrates how impacts for those employed prior to the crisis vary based on their level of qualification. It shows that those previously employed who had low qualifications have been twice as likely to be furloughed as those with degree level qualifications or above (high qualifications) (26% versus 13%). The overall experience of negative labour market outcomes have also been much higher for those with low qualifications; nearly half (48%) of those previously employed in this group have experienced some negative labour market outcome, compared to one in three (32%) of those with degree level qualifications or above (high qualifications).

Figure 6: Employment and pay impacts for those employed prior to the Covid-19 crisis, by highest qualification

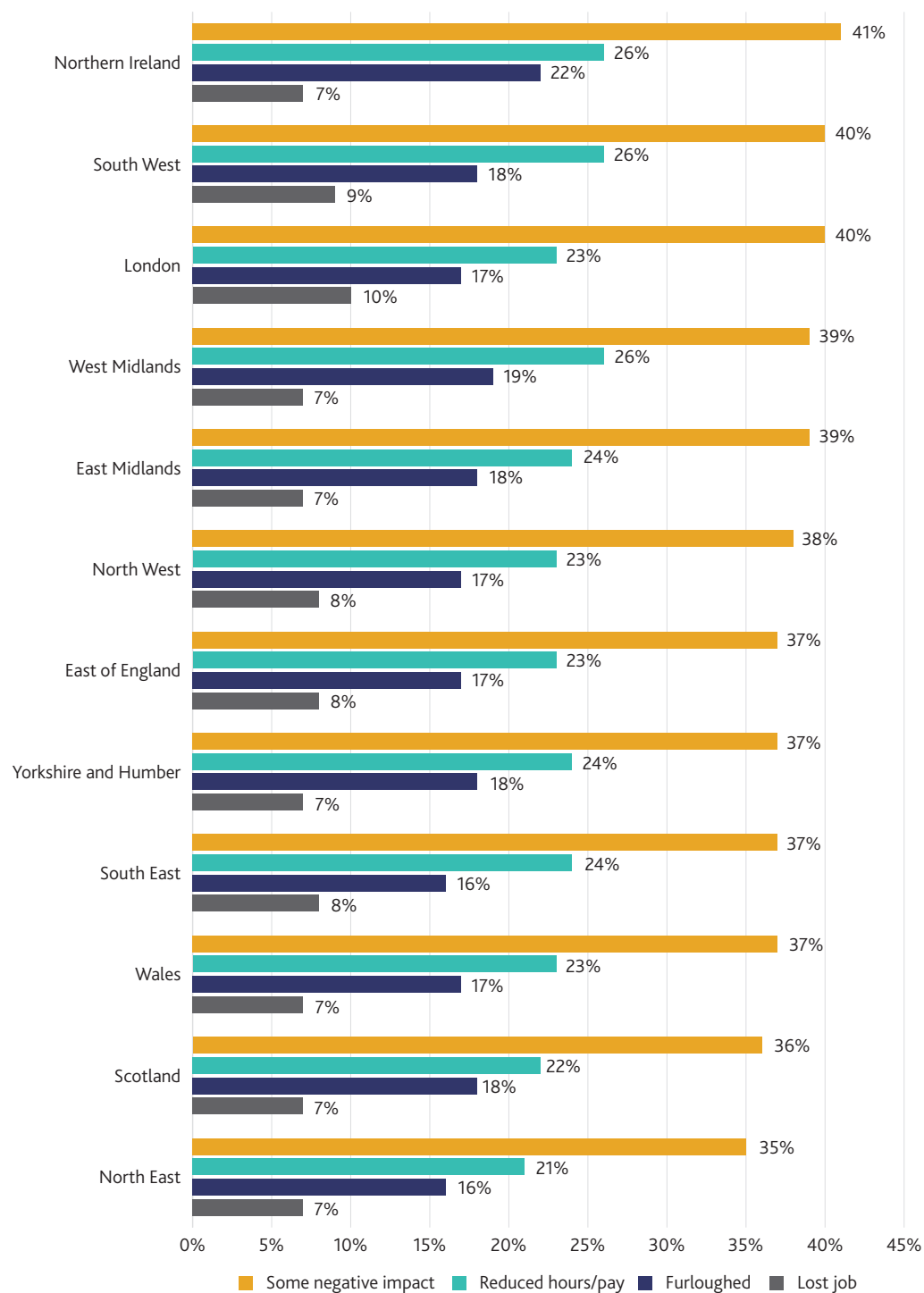


Source: YouGov, SMC analysis.

Notes: Low qualifications are below GCSE / equivalent; Mid qualifications are GCSE to A-level equivalent; High qualifications are degree level or above and equivalent. 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Figure 7 shows that the labour market impacts of the Covid-19 pandemic have been felt right across the UK, with between 35% and 41% of people previously employed in each of the UK's nations and regions experiencing some kind of negative labour market impact.

Figure 7: Employment and pay impacts for those employed prior to the Covid-19 crisis, by nation or region

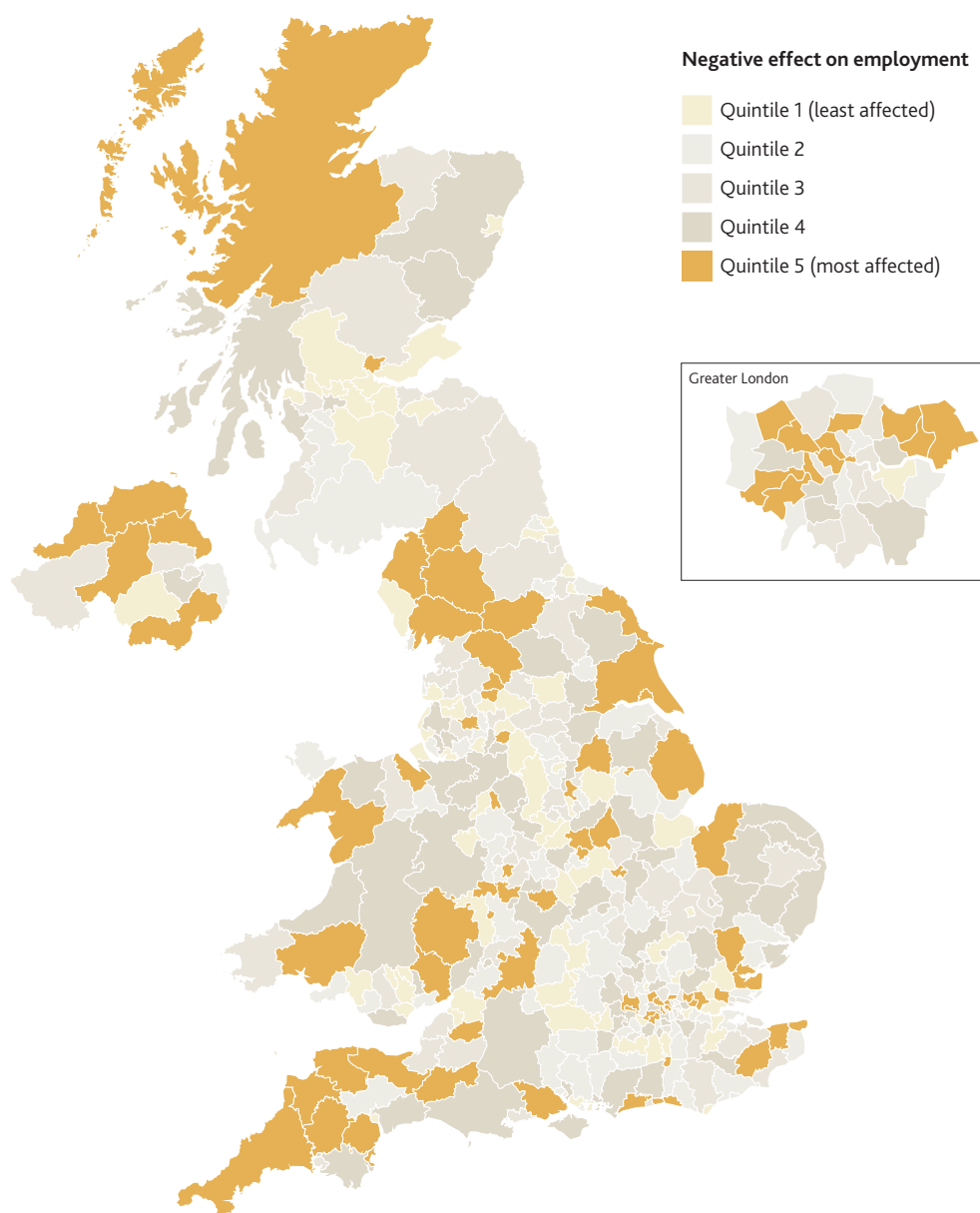


Source: YouGov, SMC analysis.

Notes: 'Some negative impact' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

A greater degree of geographic variation in the labour market impacts of the economic fallout from Covid-19 can be seen at a local authority level. Figure 8 splits local authorities into quintiles based on the proportion of those previously employed who have experienced some negative labour market outcome. Local authorities in the highest quintile of labour market impacts have, on average, seen 47% of their workforce negatively affected, compared to 30% in local authorities in the lowest quintile of impacts.

Figure 8: Ranking of negative impacts of Covid-19 crisis on employment, by local authority



Source: YouGov, SMC analysis.

Notes: 'Negative effect on employment' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Understanding changes in employment

The previous sections have shown how the labour market impacts of Covid-19 vary by various characteristics, including poverty status, age, sector and ethnicity. However, a key consideration is the extent to which each of these factors interact with the others. For example, we already know that BAME families are more likely to experience poverty and that workers of certain ages or with certain levels of pay might be more (or less) likely to be employed in some sectors. This makes it difficult to draw inferences about how impacts vary because someone has a given characteristic (e.g. is a higher impact for BAME workers linked to their ethnicity, or to the fact that they are more likely to be in poverty, or both?).

To understand this, we can conduct regression analysis that looks to simultaneously understand how the impacts vary across these characteristics. This allows us to understand how the probability of someone experiencing a negative labour market impact from the economic fallout of Covid-19 varies based on their characteristics. Findings from this analysis are shown in figure 9.

The bars show the change in the likelihood of experiencing a negative labour market impact that is associated with each characteristic. For example, compared to being in full-time work, someone in part-time work has been 18 percentage points more likely to experience a negative labour market impact. Some key findings are summarised in the table below.

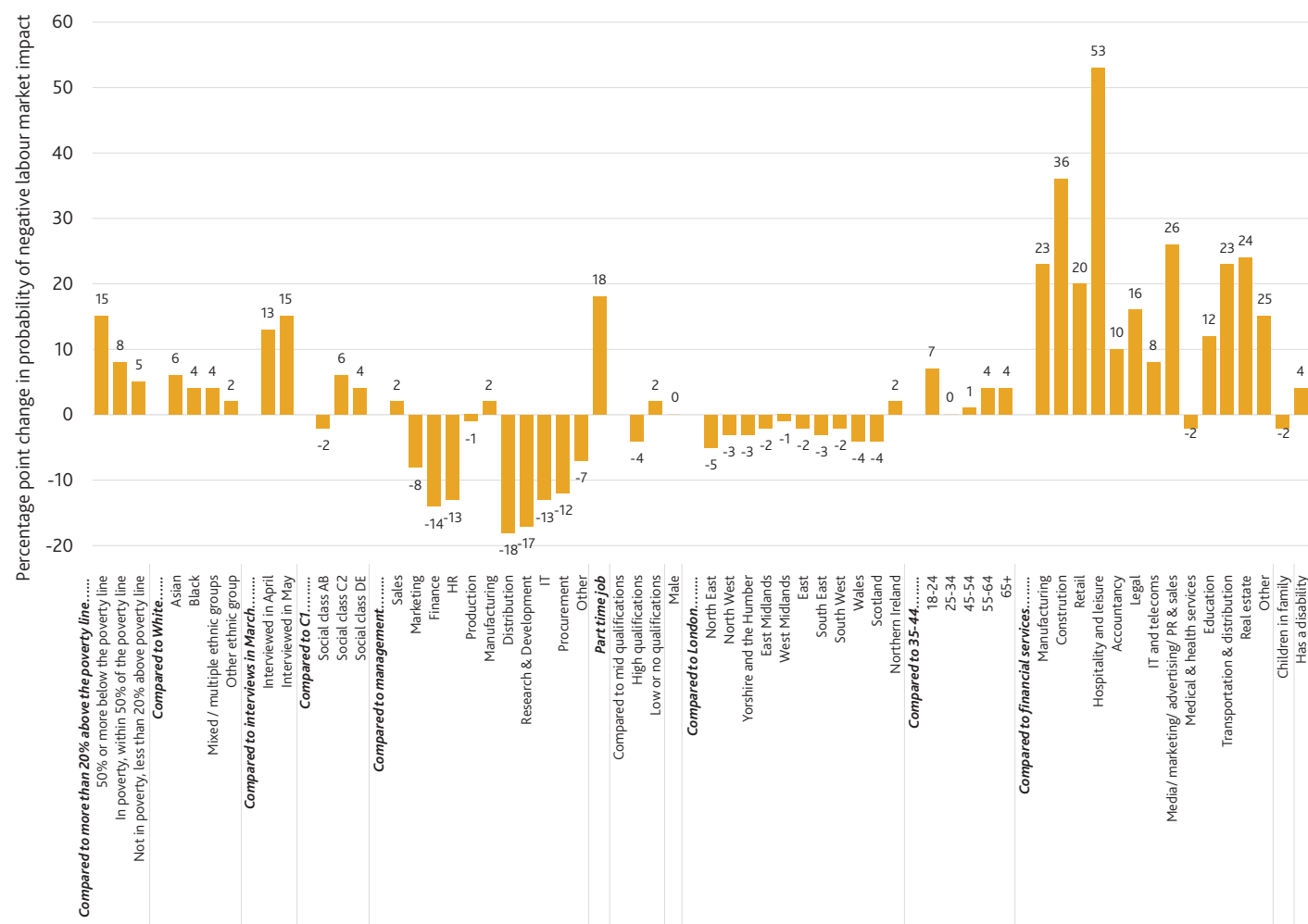
Table 2: Impacts of different characteristics on the likelihood of a negative labour market experience on people employed prior to the Covid-19 crisis

| Compared to... | Being... | Leads to a change in the probability of experiencing a negative labour market experience |
|--|---|--|
| Compared to those more than 20% above the poverty line.... | More than 50% below the poverty line | 15 percentage point increase |
| | In poverty and within 50% of the poverty line | 8 percentage point increase |
| | Not in poverty and less than 20% above the poverty line | 5 percentage point increase |
| Compared to those from a White ethnic group... | Black | 4 percentage point increase |
| | Asian | 6 percentage point increase |
| Compared to those aged 35-44... | Aged 18-24 | 7 percentage point increase |
| | Aged 55-64 | 4 percentage point increase |
| | Aged 65+ | 4 percentage point increase |
| Compared to those without a disability | Disabled | 4 percentage point increase |

Source: YouGov, SMC regression analysis.

Notes: 'Negative labour market experience' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

Figure 9: Impacts of different characteristics on the likelihood of a negative labour market experience on people employed prior to the Covid-19 crisis



Source: YouGov, SMC analysis.

Notes: 'Negative labour market experience' refers to those who have had their hours or earnings reduced and / or been furloughed or lost their job. Base: all employed prior to Covid-19 crisis (39,621 across all categories).

CHANGES IN LIVED EXPERIENCE

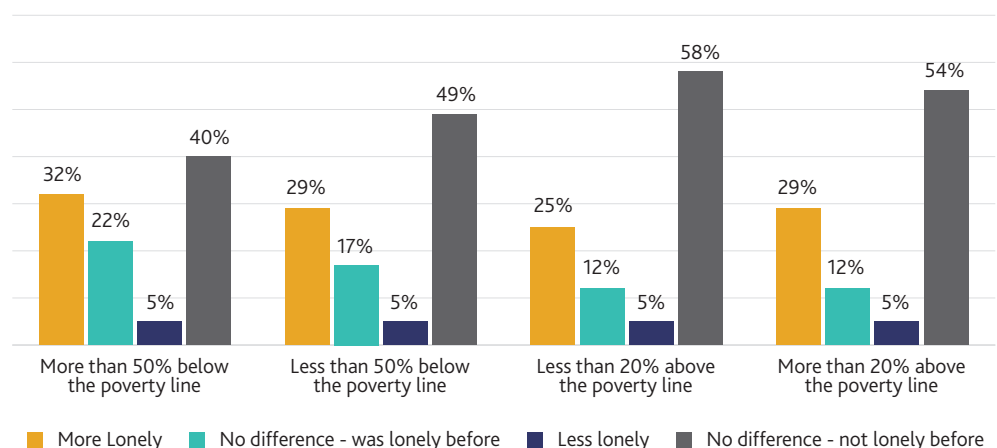
One of the key insights of the Commission's poverty measurement framework is that it is not just the incidence, depth and persistence of poverty that matters. In fact, the Commission's work has shown that across a range of indicators, people in poverty experience worse outcomes than those who are not in poverty. These include on family and relationships, health and perceptions of (and engagement with) their neighbourhood and society more generally.

To understand the potential impacts of the Covid-19 crisis on some of these indicators, respondents to the polling were asked about their experience of loneliness, confidence in the future of the economy, fears for their own future and whether their perceptions of society had changed.

LONELINESS

Figure 10 shows that people in poverty are more likely to report being lonely than those who are above the poverty line. Some 22% of those in the deepest form of poverty (more than 50% below the poverty line) say that the Covid-19 pandemic has not changed their experience of loneliness, as they were already lonely before the pandemic. This compares to 12% of those who are more than 20% above the poverty line. Another 32% of people in the deepest form of poverty report to have become more lonely over the course of the pandemic. However, this is a similar level as those in less deep poverty (29%) and those above the poverty line (between 25% and 29%).

Figure 10: Experience of loneliness and the impact of Covid-19, by poverty status

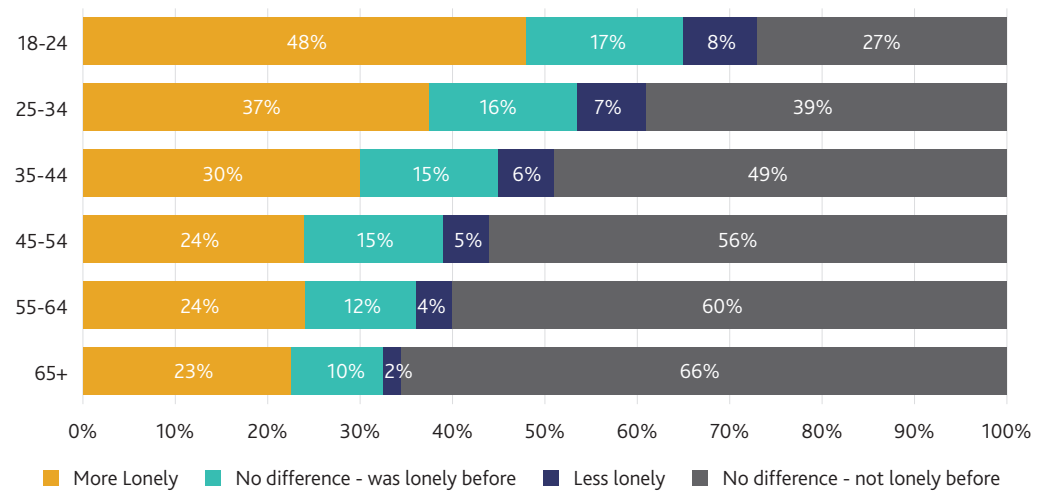


Source: YouGov, SMC analysis.

Notes: Due to data constraints, the analysis uses 60% of median equivalised household (before housing costs) income as the poverty line. Base: all respondents (77,668 across all categories).

Larger differences can be seen in the proportion of people reporting to have become more lonely as a result of the Covid-19 pandemic when results are split by age groups. In fact, figure 11 shows that those aged between 18 and 24 are more than twice as likely to report to have become more lonely than those aged 65 and over.

Figure 11: Experience of loneliness and the impact of Covid-19, by age



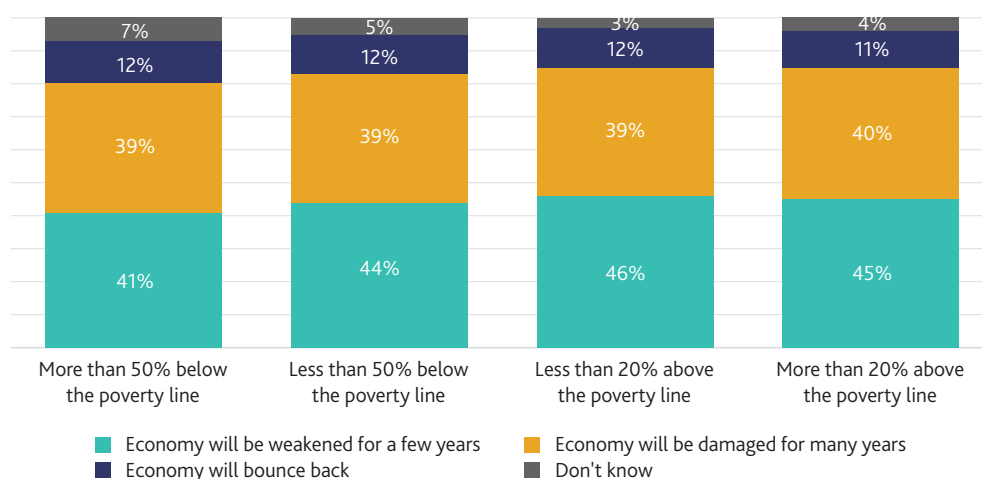
Source: YouGov, SMC analysis.

Base: all respondents (77,668 across all categories).

CONCERN FOR ECONOMIC FUTURE

Figure 12 considers respondents' views over the likely course of the economy, showing the extent to which people think the economy will bounce back quickly, or be weakened or damaged for a few or many years. Overall, there is very little variation in respondent's expectations of economic revival based on their experience of poverty. Across each of the groups, only around one in ten people think that the economy will bounce back quickly. This contrasts to four in ten people in each poverty category that believe the economy will be damaged for many years.

Figure 12: Views of economic damage, by poverty status

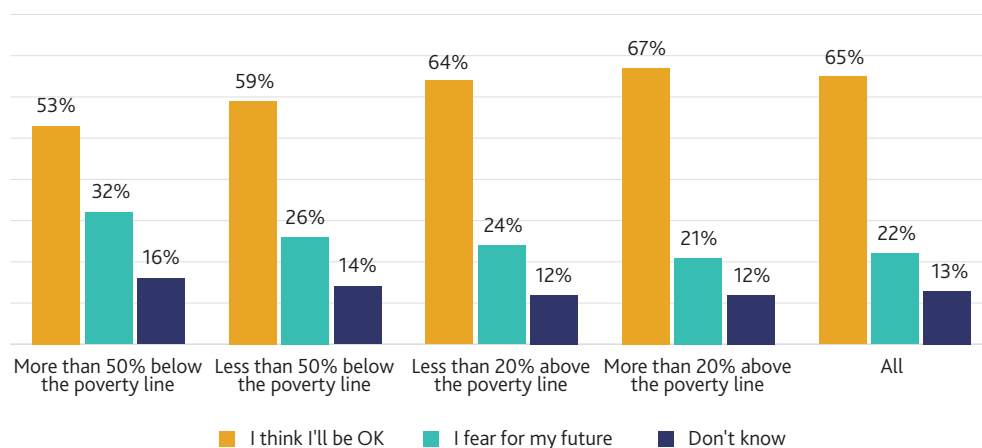


Source: YouGov, SMC analysis.

Notes: Due to data constraints, the analysis uses 60% of median equivalised household (before housing costs) income as the poverty line. Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Which of these do you think is the more likely economic outcome of this crisis?*

When considering their own future (figure 13), there are starker differences between those with different poverty statuses. For example, 32% of people who are more than 50% below the poverty line say that they fear for their future, compared to 21% of those who are more than 20% above the poverty line. Overall, almost two thirds of respondents (65%) say they think they'll be OK, compared to just over a fifth (22%) who say they are fearful. This positive response is more common for those living above the poverty line (67%) than below it (58%).

Figure 13: Confidence in own future, by poverty status

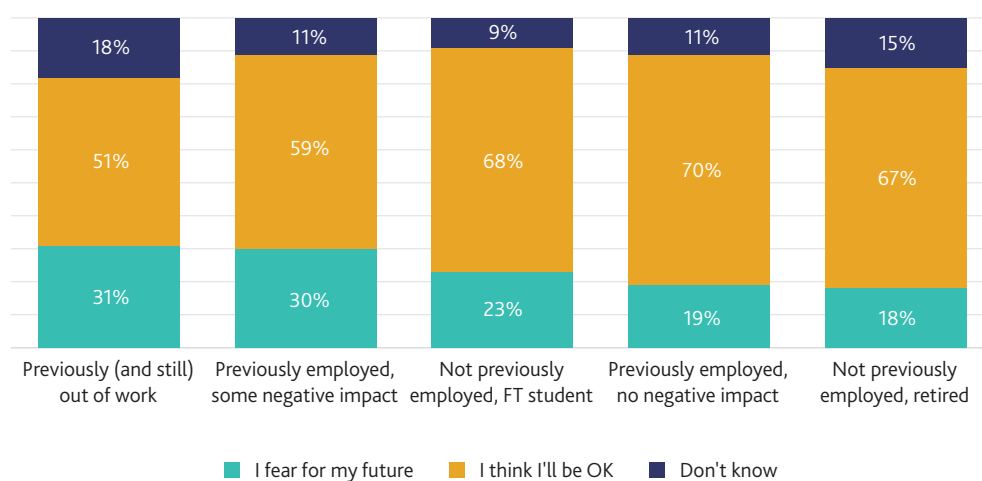


Source: YouGov, SMC analysis.

Notes: Due to data constraints, the analysis uses 60% of median equivalised household (before housing costs) income as the poverty line. Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Which comes closest to how you see the future for you?*

Figure 14 shows how those with different labour market experiences before and during the crisis view the prospects for their future. Those who were previously and are still out of work are most likely to fear for their future (31%), followed by those who were previously employed but have experienced a negative labour market change during the crisis (30%).

Figure 14: Confidence in own future, by labour market status before and during the crisis



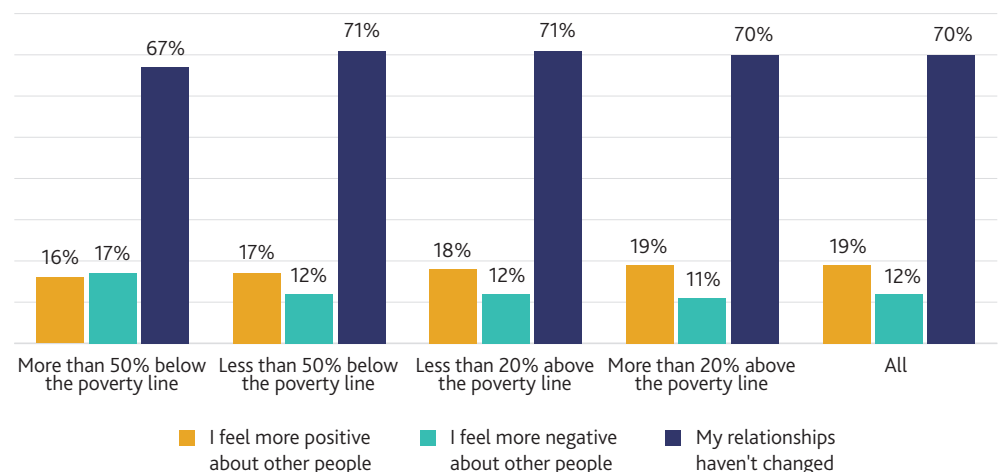
Source: YouGov, SMC analysis.

Notes: Due to data constraints, the analysis uses 60% of median equivalised household (before housing costs) income as the poverty line. The figure draws on data from the following question: *Which comes closest to how you see the future for you?* Base: all respondents (77,668 across all categories).

PERCEPTIONS OF RELATIONSHIPS

Figure 15 considers the extent to which respondents believe that their relationships with others have changed during the Covid-19 crisis. It shows that, regardless of their poverty status, more than two thirds of people say that their relationships have not changed. Across all groups, apart from those in the deepest form of poverty (more than 50% below the poverty line), slightly more people feel more positive about other people, than feel more negative about other people. Overall, almost a fifth (19%) of people say they feel more positive about others now, compared to just under one in eight (12%) who feel more negative. However, this positive response is more common for those living above the poverty line (19%) than below it (16%).

Figure 15: Views of whether relationships have changed during the crisis, by poverty status

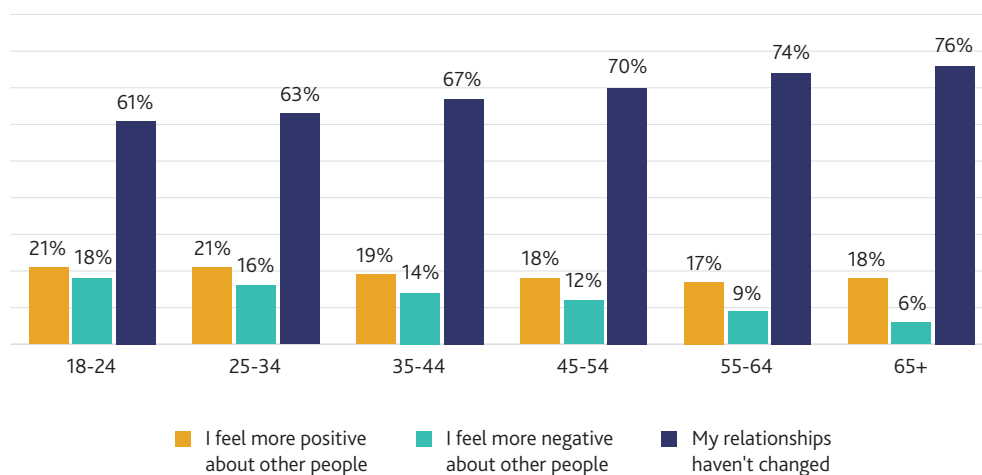


Source: YouGov, SMC analysis.

Notes: Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Have your relationships with others changed at all?*

Results again vary more when considering different age groups (figure 16). People aged between 18 and 24 are three times more likely than those aged 65 and over to say that they feel more negative about other people. However, even for this age group, there is a slightly higher proportion who say that they are more positive about people (21%) than say they are more negative about people (18%).

Figure 16: Views of whether relationships have changed during the crisis, by age group



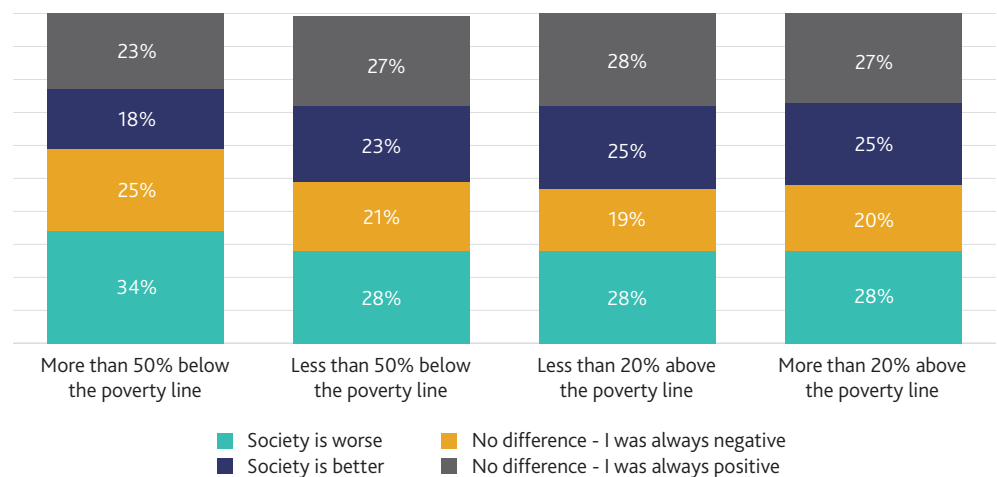
Source: YouGov, SMC analysis.

Notes: Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Have your relationships with others changed at all?*

PERCEPTIONS OF SOCIETAL CHANGE

Figure 17 considers the extent to which people in different poverty statuses say that the Covid-19 crisis has made them feel differently about the state of society. Overall, those in the deepest form of poverty (more than 50% below the poverty line) are most likely to feel that society has been made worse by the crisis. More than one in three (34%) of this group believe this to be the case, compared to 28% of the other groups. In contrast, one in four (25%) of those not in poverty say that the crisis has made them feel better about society, compared to 18% of those more than 50% below the poverty line. Overall, six in ten (59%) of those more than 50% below the poverty line either feel worse about society or have always been negative about it, compared to 48% of those more than 20% above the poverty line.

Figure 17: Views of the impact of the crisis on the state of society, by poverty status

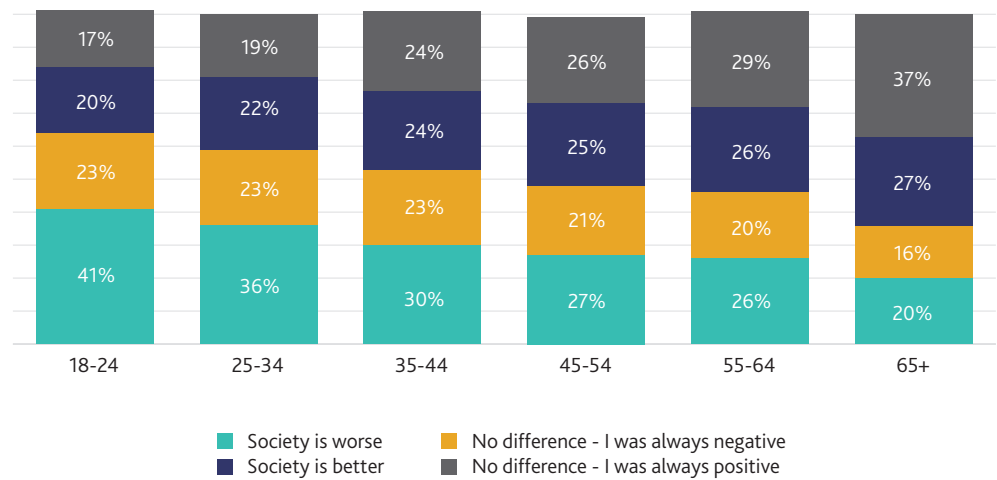


Source: YouGov, SMC analysis.

Notes: Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Has this crisis made you feel better or worse about the state of society, or has it made no difference?*

Figure 18 shows that there are also significant differences in perceptions between different age groups. For example, those aged between 18 and 24 are twice as likely as those aged 65 and over to say that they now feel worse about the state of society. Equally, 37% of those aged 65 and over say that they have always been positive about society, compared to just 17% of those aged between 18 and 24.

Figure 18: Views of the impact of the crisis on the state of society, by age

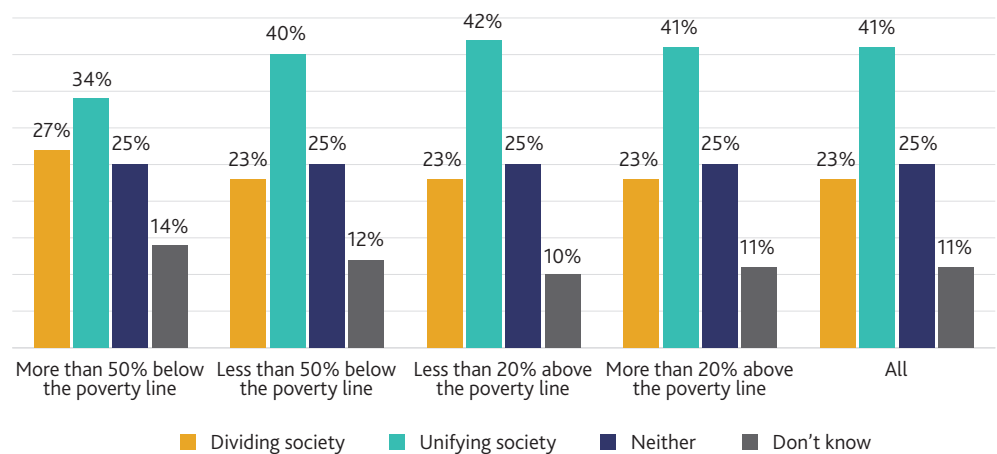


Source: YouGov, SMC analysis.

Notes: Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Has this crisis made you feel better or worse about the state of society, or has it made no difference?*

Respondents were also asked whether they thought the crisis was unifying or dividing society. Figure 19 shows that across all poverty statuses, a higher proportion of people believe that the crisis is unifying society, than think that it is dividing society. Overall, belief that the crisis is unifying society is stronger for those living above the poverty line (41%), compared to those below it (38%).

Figure 19: Views of the impact of the crisis on the state of society, by poverty status



Source: YouGov, SMC analysis.

Notes: Base: all respondents (77,668 across all categories). The figure draws on data from the following question: *Do you think this situation is mainly...?*

CONCLUSION

This report has shown that the economic impacts of the Covid-19 pandemic are most heavily impacting those who were already in poverty prior to the crisis, including those from Black and Minority Ethnic families, disabled people, those with low qualifications, in low-skilled sectors and in part-time work. For these groups, the likelihood is that, despite the significant support provided by the Government through the course of the crisis, their experience of poverty is likely to have deepened. Other groups most impacted include those aged 54 and over, for whom the economic shock risks tipping them into poverty.

Whilst the economic and labour market results paint a concerning picture, there are more positive signs in other parts of the Commission's measurement framework. For example, regardless of people's position in relation to the poverty line, more people think that the crisis has brought society together than think it has divided it. For example, four in ten (40%) people in poverty and within 50% of the poverty line feel that society has unified, compared to 23% who say it has become more divided.

What these results show is that poverty, and the impacts of the Covid-19 crisis, are complex and driven by an interlocking range of factors. Understanding, measuring and documenting these and using the findings to drive anti-poverty responses will be central to ensuring the economic recovery from the crisis leads to an economy with fewer people in poverty. The Commission's poverty measurement framework provides a comprehensive approach through which this can be undertaken.

ENDNOTES

- i All data on poverty prior to the Covid-19 pandemic is drawn from the following three sources:

Department for Work and Pensions, Office for National Statistics, NatCen Social Research. (2020). Family Resources Survey, 2018-2019. [data collection]. UK Data Service. SN: 8633, <http://doi.org/10.5255/UKDA-SN-8633-1>.

Department for Work and Pensions. (2020). Households Below Average Income, 1994/95-2018/19. [data collection]. 14th Edition. UK Data Service. SN: 5828, <http://doi.org/10.5255/UKDA-SN-5828-12>.

University of Essex, Institute for Social and Economic Research. (2020). Understanding Society: Waves 1-9, 2009-2018 and Harmonised BHPS: Waves 1-18, 1991-2009: Special Licence Access. [data collection]. 11th Edition. UK Data Service. SN: 6931, <http://doi.org/10.5255/UKDA-SN-6931-10>.
- ii All figures from polling, unless otherwise stated, are from YouGov Plc data, analysed by the Social Metrics Commission. Total sample size was 84,520 adults. Fieldwork was undertaken between 25th March and 18th May 2020. The surveys were carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). After accounting for missing data on income, household size and economic status, all results use answers from 77,668 adults.
- iii Full questions from which data is drawn: *Has the Coronavirus outbreak changed your employment? And Are you currently "furloughed" from your job - i.e. are still being paid but not currently required to do any work?*



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