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Who are the new COVID-19 cohort of benefit claimants?

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Welfare at a (Social) Distance is a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19. For more information on the project or to contact the team, please visit hub.salford.ac.uk/welfare-at-a-social-distance

KEY FINDINGS

Since March 2020, we have witnessed the fastest increase in the number of people claiming working-age social security benefits in the UK since records began.¹ The incorporation of a new group of benefit claimants into the social security system has presented its own procedural and administrative challenges for the Department for Work and Pensions (DWP). Some commentators have lauded the government's response to the crisis amidst a surge in new claims.² Beyond the sheer volume of claimants, recent developments present a fresh set of priorities for those working in benefit, income and employment support. These priorities stem from the considerable challenges facing the UK labour market with sizeable portions of the economy having to adapt to a 'new normal' of altered hours and working practices alongside shifting demand and capacity. Additionally, these priorities stem from a large new group of claimants who face their own unique challenges in accessing adequate social assistance and appropriate employment support during the course of the pandemic.

At present, we currently know relatively little about who the new cohort of COVID-19 benefit claimants are. What differences currently distinguish new claimants from existing ones? What are the factors behind new claimants seeking social assistance? What will their financial and employment trajectories look like? Answers to these questions can give a sense of the practical steps needed to best support claimants. This includes identifying the resources and training necessary to ensure central and local government are responsive in delivering appropriate services that engage with the needs of claimants and the extraordinary circumstances many currently face.

This rapid report provides an overview of some of the key characteristics of benefit claimants and distinguishes between those who made their claim either before or after the COVID-19 outbreak in the UK. Here, we draw on survey data collected online from 7,601 new and existing claimants by YouGov between 21st May and 15th June 2020. The findings suggest that the socio-demographic profile of new claimants differs considerably from those who were already claiming before COVID-19. The new cohort of COVID-19 benefit claimants are more likely to be:

- **younger:** almost half (46%) of new benefit claimants are aged between 18-39 years old, compared to 37% of existing claimants.
- **BAME:** 8% of new claimants are from BAME backgrounds compared to 6% of existing claimants. New BAME claimants have been disproportionately impacted by job loss and/or a reduction in their hours.
- **men:** 49% of new benefit claimants are male compared to 43% of existing benefit claimants.
- **not experiencing a disability:** only 38% of new benefit claimants experience some kind of health condition or disability compared to 67% of existing claimants.

1 ONS (2020) Labour market overview, UK: August 2020, Office for National Statistics (11th August 2020): <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020>

2 Timmins, N. (2020) Credit where it is due: Universal Credit during the coronavirus lockdown, Institute for Government (4th May 2020): <https://www.instituteforgovernment.org.uk/blog/universal-credit-dwp-coronavirus>

- **from a higher ‘social grade’³**: more than a quarter (26%) of new claimants are from social grade AB compared to 15% of existing claimants.
- **university graduates**: almost a third (32%) of new claimants had a University Diploma or above, compared to 26% of existing claimants. In part this is driven by the younger age profile of new claimants who are more likely to be university graduates. However, this is also evident when focusing exclusively on those aged 18-39. Amongst this age group, 41% of new claimants hold a university diploma or above, compared to 28% of existing claimants.
- **owner occupiers**: 29% of new benefit claimants were owner occupiers compared to 25% of existing claimants. In addition, only 13% of new claimants were social renters compared to a 33% of existing claimants.

Where possible, we explore whether these differences can be explained by ‘churn’ within the benefits system: when the characteristics of newer, short-term, claimants tend to differ from those of claimants who remain in the benefits system for a longer period of time. Here, we find that the profile of new claimants is atypical to that of pre-pandemic claimants. However, it should be noted that particular differences between existing and new claimants may be explained by others. These differences are observed in our weighted dataset which provides a nationally representative picture of working-age (18-64) claimants. Further details about this survey and the full set of surveys planned over the 18 months of the project can be found at the end of this report.

It remains to be seen whether the distinctive characteristics of existing and new claimant groups will endure over time. In the medium term though, the demographic profile of new claimants highlights a unique set of challenges facing the DWP and those who have made a claim since March 2020. The uneven impacts of the pandemic are partly reflected in the new COVID-19 cohort of benefit claimants. These differences raise questions about the inequalities that exist as people enter into the benefit system, but also the administrative and operational features that risk amplifying these inequalities or creating new ones. It is beyond the remit of this report, but demographic differences between new and existing claimants raise a series of important questions about the policies and support needs of those navigating the benefits system in the months and years to come. In the conclusion, we briefly reflect on these, but a more detailed consideration will be a key focus of our project over the next 18 months.

³ ‘Social grade’ is a classification system commonly used in market research on the basis of employment status and occupational classification. See MRS (2020) Social Grade, Market Research Society: <https://www.mrs.org.uk/resources/social-grade>

INTRODUCTION

There is significant evidence to suggest that particular people and places are being disproportionately affected by the socioeconomic fall-out from COVID-19.⁴ The scale of the crisis is reflected in the numbers and profile of people seeking financial assistance from the social security system. Many individuals have made a new claim for benefits as a result of job loss, a change in their hours/pay or other COVID-19 and health-related reasons.⁵ Since the beginning of March, the claimant count in the UK has increased by 116.8% rising from 1.2 million to 2.7 million in just five months.⁶ The majority of new claims have been for Universal Credit (UC) but also include other unemployment-related or out-of-work benefits.

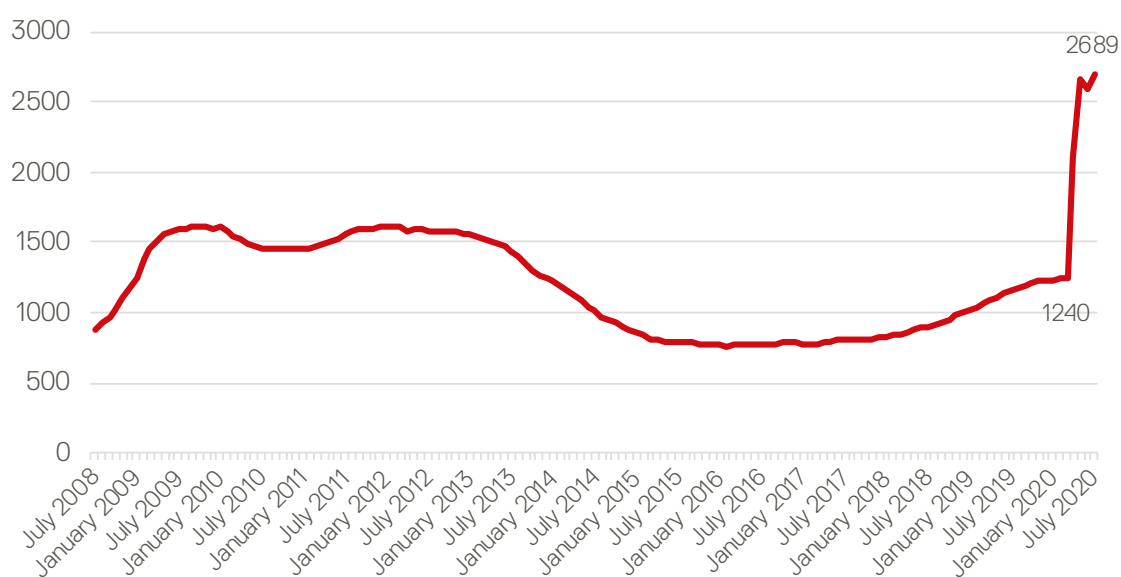


Figure 1. UK Claimant Count (Thousands), July 2008 – July 2020

These trends are unprecedented but perhaps not surprising. Since the start of the pandemic, we have witnessed the biggest fall in GDP on record and a profound, if uncertain, longer term impact on the paid labour market with the effects of lockdown and social distancing disrupting workplace operations, demand and capacity.⁷ It is not yet clear how, when or which sectors of the economy will ‘bounce back’. In the meantime, a new cohort of claimants have entered the benefits system – many of them for the first time. However, we currently know relatively little about who they are, the challenges they face and what their trajectories will look like in the months to come.

4 Blundell, R. et al. (2020) COVID-19 and Inequalities. London: Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/inequality/covid-19-and-inequalities/>

5 Geiger, B.G. et al. (2020) Claiming But Connected to Work: Welfare at a (Social) Distance Rapid Report #1. Available at: <http://hub.salford.ac.uk/welfare-at-a-social-distance/claiming-but-connected-to-work/>

6 The ‘Claimant Count’ (seasonally adjusted) up to 9 July 2020. See ONS (2020) in Footnote 1. As noted in Geiger, et al. (2020), there are limitations to this measure that overestimates the ‘unemployed’ at this time. The ‘claimant count’ is presented but understood as distinct from the ‘claimant’ category used in this report.

7 ONS (2020) Coronavirus (COVID-19) roundup: Economy, business and jobs, Office for National Statistics (3rd September 2020): <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundupeconomybusinessandjobs/2020-07-02>

- As we might expect, **there are important demographic differences between those currently claiming social security and those not currently claiming benefits amongst the working-age population.** In part, these differences reflect inequalities intrinsic to the paid labour market that disproportionately disadvantage certain social groups who find themselves on the periphery of, or not realising returns from, economic productivity. Since March, many of these inequalities have been amplified by COVID-19 with women, younger people and BAME groups all cited as some of the worst affected by the pandemic.⁸
- In this report, we highlight **a number of differences between the demographic profile of existing and new benefit claimants.** In light of the existing evidence available, certain trends are perhaps to be expected, but others less so. Evidencing these is important for identifying inequalities in terms of who is more likely to experience job insecurity and/or financial difficulty as a result of the pandemic, who is currently able to access the social security system, and what support is required to enable people to return to the labour market if this is appropriate. Once claiming, **there are a range of operational and administrative features within the benefits system that either exacerbate or create new inequalities when it comes to living standards, a return to work, and employment support.** In a recent report reflecting on the performance of Universal Credit (UC), the House of Lords Economic Affairs Committee stated that the ‘coming jobs crisis will not affect everyone equally’.⁹ Highlighting features (in terms of eligibility, design and implementation) that disadvantage people on the basis of employment status, gender, digital access, regional cost, and opportunity, race and ethnicity, children and larger families, the authors of the report stated that when it comes to UC there are ‘existing power inequalities that are reproduced in its design’.¹⁰
- Our project focuses on those who have made a successful claim for benefits¹¹ but **many people are currently ineligible despite losing their job or having their hours or pay reduced as a result of the pandemic.** For example, those with No Recourse to Public Funds have not benefited from the social security measures introduced by the UK government since March. We will return to those not claiming benefits (but who might need them) in a report later in 2020, using parallel survey/interview-based research funded by the Health Foundation.

Inflows of claimants vs. all claimants

We highlight differences between existing and new claimants by benefit type where possible, and draw on data from DWP’s Stat-Xplore to contextualise our data. As detailed in this report, there are non-trivial differences in the demographic profile and labour market engagement of existing and new benefit claimants. We know that there is a certain amount of ‘churn’ in the benefits system with some people moving on and off benefits on the basis of their personal and household circumstances. Overall, those making a new claim for benefits tend to differ in terms of their household and individual characteristics compared to those who

8 Blundell, R. et al. (2020) COVID-9 and Inequalities. London: Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/inequality/covid-19-and-inequalities/>

9 House of Lords Economic Affairs Committee (2020) Universal Credit isn’t working: proposals for reform. London: HMSO. Available at: <https://committees.parliament.uk/publications/2224/documents/20325/default/>

10 Ibid. (p. 27)

11 See the methodological note at the end of this report for further details on the survey data.

remain on benefits for a longer period of time.¹² When making comparisons between existing and new claimants then, it is necessary to account for this and distinguish between those claiming different benefit types. For example, by virtue of the eligibility criteria, those claiming Employment and Support Allowance (ESA) are more likely to experience a disability, greater barriers to paid work and are likely to be older compared to those claiming Jobseeker's Allowance (JSA) or UC.¹³ In light of this, we draw on data from DWP's Stat-Xplore for two reasons.

First, to cross-check our survey data against existing administrative records. Second, to compare the characteristics of inflow claimants during the pandemic to the characteristics of inflow claimants in the previous year. From this, **we are able to establish whether there is something distinctive between the new COVID-19 cohort of benefit claimants by accounting for the demographic differences that tend to be observed between those incoming into the benefits system and those who remain in it for a longer period of time.** Unfortunately, publicly available administrative records only provide timely demographic data on the basis of age and gender of relevance to this report. Our survey data therefore provides a unique opportunity to evidence changes in the demographic profile of benefit claimants on the basis of race and ethnicity, disability, social grade and educational qualifications, and housing tenure.

Without attention to these differences and the tailored support they demand, the benefits system risks exacerbating unequal access to timely income and appropriate employment support through the course of the pandemic. This report provides a broad outline of the demographic profile of existing and new benefit claimants. In light of the distinctive profile of the new COVID-19 cohort of benefit claimants, we conclude by reflecting on the implications this has for the policies and support systems underpinning the benefits system.

AGE

Existing evidence suggests younger people have been some of the worst affected by the socioeconomic impact of COVID-19.¹⁴ Young adults are concentrated in sectors of the economy such as hospitality, retail and leisure, which have experienced significant disruptions to their operations since social distancing requirements were imposed. As a result, the age profile of new benefit claimants is considerably younger than existing benefit claimants. Our survey suggests that almost half (46%) of new claimants are aged 18-39 years old compared to 37% of existing claimants. Despite a younger age profile of those typically claiming UC, this change is also driven by a younger cohort of new JSA and ESA claimants.¹⁵

Reviewing administrative data from the DWP, the age profile of new claims for JSA and UC has changed considerably since the start of the pandemic. In the year preceding COVID-19 (March 2019-February 2020), 25.6% of new JSA claims were

¹² DWP (2020), Stat-Xplore 'Alternative Claimant Count On Flows'. Available at: <https://stat-xplore.dwp.gov.uk/>

¹³ Throughout this report, comparisons are made between those claiming ESA and JSA benefits. However, it should be noted that this (particularly amongst existing claimants) includes both legacy ESA and JSA benefit claimants and 'New style' ESA and JSA benefit claimants

¹⁴ Henehan, K. (2020) Class of 2020: education leavers in the current crisis. London: Resolution Foundation.

¹⁵ It is worth noting the difference here between the legacy JSA and ESA benefits of many existing claimants and the more recent contributory JSA and ESA benefits that are likely to be driving this change (the income/savings of your partner do not affect entitlement levels with new style JSA and ESA).

made by 18-39 year olds but this has jumped to 45.1% since March 2020.¹⁶ Whilst the majority of UC claimants are young adults,¹⁷ the profile of new claims has also changed: 18-39 year olds made up 64.2% of all new claims in the year preceding the pandemic but this has since fallen to 60.4% of all new UC claims since March.¹⁸ Differences in the age profile of new claimants then are atypical and do not correspond with 'churn' in and out of the benefits system usually observed.

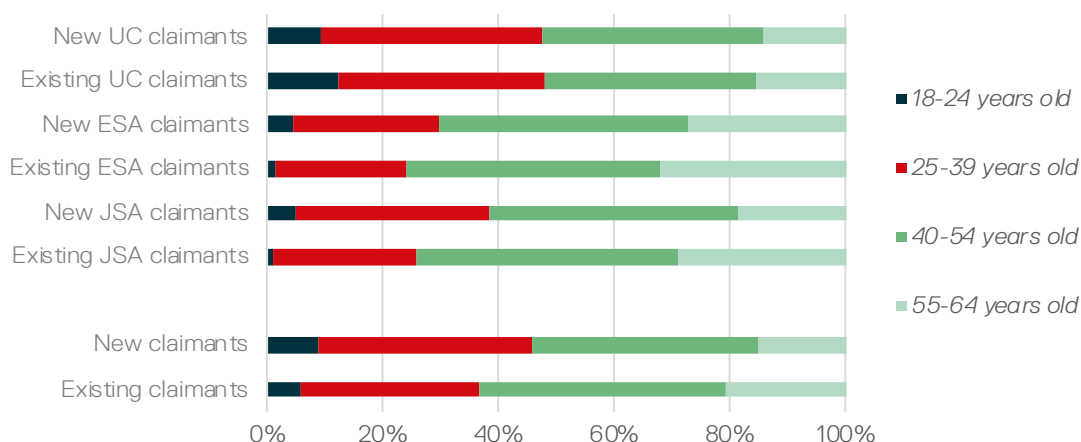


Figure 2. Age profile of claimant groups

Base = 1,549 new claimants and 5,622 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

Looking only at new benefit claimants, our survey suggests younger claimants are more likely to have experienced job loss compared to older claimants. Almost half (48%) of claimants aged 18-24 had either lost their job or still had no job. By contrast, only 37% of claimants aged 55-64 were in the same position.

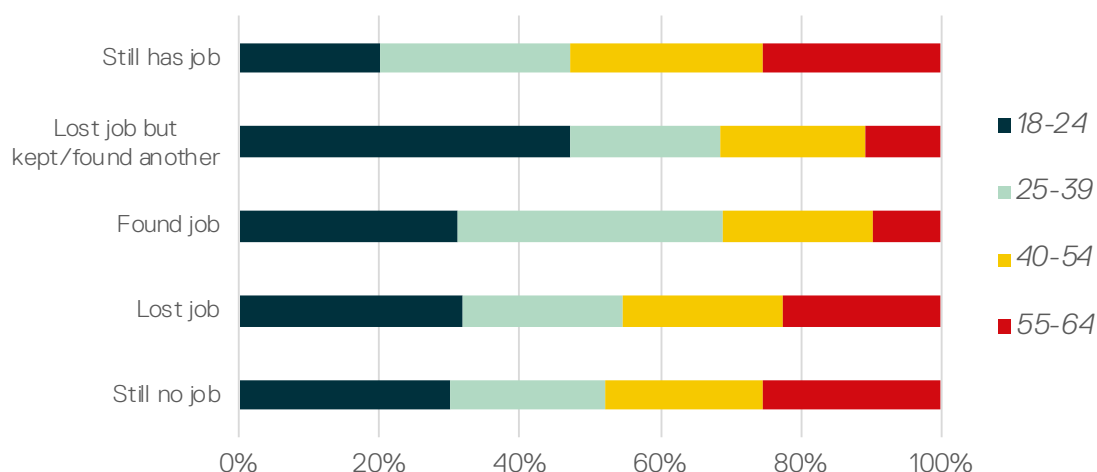


Figure 3. Work status of new claimants by age

Base = 3,078 new claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

¹⁶ DWP (2020), Stat-Xplore 'Alternative Claimant Count On Flows'. Available at: <https://stat-xplore.dwp.gov.uk/>

¹⁷ Brewer, M. and Handscomb, K. (2020) This time is different – Universal Credit's first recession. London: Resolution Foundation. May 2020

¹⁸ Ibid.

In response to the pandemic, the government has temporarily uprated the UC standard allowance and Working Tax Credit (WTC) basic element. These changes have disproportionately benefited younger people as older people are much more likely to be claiming JSA, ESA and disability-related benefits.¹⁹ However, differential payment levels for claimants on the basis of age means the youngest claimants are already beginning from a lower starting point. The UC single standard allowance and weekly JSA rate for those aged under 25 is considerably lower than it is for those aged 25 and above. In light of the temporary uprating, a younger age profile and increased number of UC claims, differences in income adequacy between younger and older claimants may be tempered in the short-term, but aggregate differences in benefit entitlement (between those above and below 25) are likely to grow in the longer term. It is noteworthy however, that 16-24-year-olds are a priority group in the Government's employment support strategy: the £2bn *Kickstart* scheme seeks to facilitate circa. 250,000 subsidised work placements for young people that have been on UC for six months or more (though significantly the first published guidance did not refer to young people receiving ESA or JSA).²⁰

RACE AND ETHNICITY

Similarly to younger people, those from Black, Asian and minority ethnic (BAME) backgrounds are understood to have been disproportionately impacted by COVID-19.²¹ As a result, there has been an increase in the proportion of BAME people claiming benefits since the start of the pandemic: our survey suggests that 6% of existing claimants were BAME compared to 8% of new claimants.²²

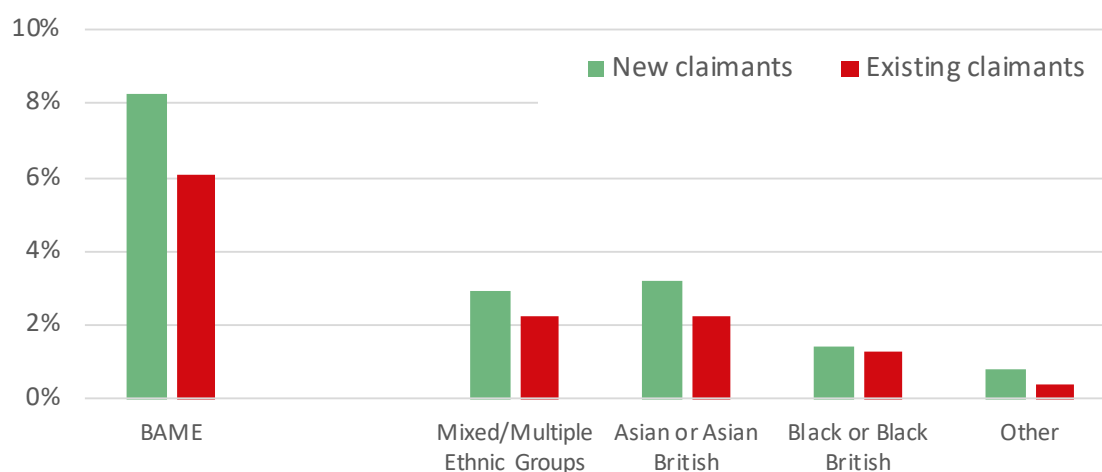


Figure 4. Claimant groups by 'race' and ethnicity

Base = 1,539 new claimants and 5,579 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

19 Hobson et al., (2020) Coronavirus: increases to benefits payments, House of Commons Library (27th May 2020): <https://commonslibrary.parliament.uk/insights/coronavirus-increases-to-benefits-payments/>

20 DWP (2020) Guidance: Check if you can apply for a grant through the Kickstart scheme (2nd September 2020): <https://www.gov.uk/guidance/check-if-you-can-apply-for-a-grant-through-the-kickstart-scheme>

21 Hu, Y. (2020) Intersecting ethnic and native-migrant inequalities in the economic impact of the COVID-19 pandemic in the UK. *Research in Social Stratification and Mobility*, 68 August 2020: 100528. and Haque, Z. et al (2020) Under-protected: The devastating impact of COVID-19 on Black and Minority Ethnic Communities in Great Britain. London: Runnymede Trust.

22 This difference is significant at the .05 level ($p < .05$).

In our survey, this difference is less observable between UC claimants and more so amongst those claiming ESA and JSA. Only 5% of existing ESA claimants were BAME compared to 11% of new ESA claimants. Similarly, new JSA claimants were more likely to be BAME (10% compared to 5% of existing JSA claimants).²³ As before, it is worth noting that existing JSA and ESA claimants are more likely to be in the legacy system of means-tested and contributory benefits whilst new JSA and ESA claimants will be in the new system based on contributory entitlement.

Looking exclusively at new claimants, it is clear BAME groups have been disproportionately impacted by job loss and a reduction in their hours or pay as a result of COVID-19. Overall, 17% of new claimants made a claim because they had been made redundant due to COVID-19, but this rises to 29% of new BAME claimants compared to 16% of new white claimants. Almost a quarter (24%) of new BAME claimants made a claim because they had lost their job due to a reason other than COVID-19, compared to just 12% of new white claimants. Finally, 41% of new BAME claimants made a claim because their hours and/or pay had been cut compared to 30% of new white claimants.²⁴ Overall, these trends have resulted in an increase in the proportion of claimants in workless households that are BAME (rising from 6% of existing claimants to 9% of new claimants).²⁵ How long this trend will last is unknown and will depend on the recovery of sectors in which BAME people tend to be concentrated.

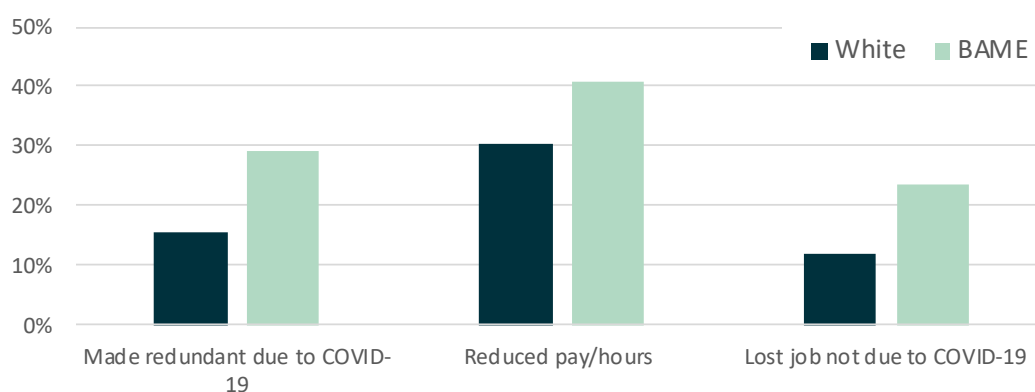


Figure 5. Reasons for making a new claim by ethnicity

Base = 3,060 new claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

It should also be noted that BAME individuals are over-represented amongst those with No Recourse to Public Funds. As such, the number of BAME people unable to access timely income amidst the pandemic is likely to be considerable and not reflected in our survey. Beyond this, administrative rules such as the two-child limit and benefit cap disproportionately impact BAME claimants who are more likely to live in households with more than two children.²⁶ As conditionality returns and localised

23 These are based on a relatively small number of observation but are still significant at the .001 level ($p < .001$).

24 This difference is significant at the .05 level ($p < .05$).

25 This difference is significant at the .05 level ($p < .05$).

26 Portes, J. and Reed, H. (2018) The cumulative impact of tax and welfare reforms. London: Equality and Human Rights Commission.

discretion becomes increasingly necessary, there is also evidence to suggest BAME claimants are at higher risk of experiencing a sanction.²⁷ The exclusive tendencies of who is deemed eligible and the unequal treatment of households when in receipt of means-tested benefits, means the risk and depth of poverty amongst many BAME claimants is likely to be considerable in the months to come.²⁸

GENDER

There is considerable evidence to suggest that women are more likely to be negatively affected by COVID-19. Controlling for other factors, women are more likely to be concentrated in jobs with greater exposure to COVID-19; they are more likely to have lost their job, decreased their work hours and be more pessimistic about their future employment prospects.²⁹ However, we do not see this reflected in the changing demographic composition of benefit claimants. In our survey, 57% of existing benefit claimants are women, compared to 51% of new benefit claimants. This changing gender split is not observed across all benefit types. The majority of new benefit claims have been for UC and our survey shows a slight increase in the proportion that are men: 46% of existing claimants compared 48% of new claimants. A more pronounced trend is observable amongst those claiming ESA where 46% of existing claimants are men, compared to 66% of new claimants.³⁰ Reviewing administrative data from the DWP, we can see that the gendered composition of new claims for unemployment-related benefits has changed considerably since the start of the pandemic. In the year preceding COVID-19 (March 2019-February 2020), 53% of new claims (contributing towards the ‘claimant count’) were made by men. Since March 2020, this has risen to 61% of all new claims.³¹

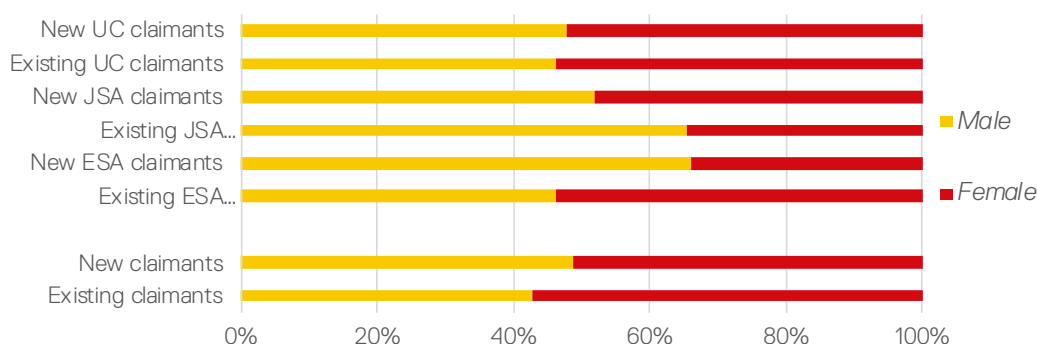


Figure 6. Claimant groups by gender

Base = 3,157 new claimants and 4,014 existing claimants. Source: authors’ analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

27 De Vries, R. et al., (2017) Inequalities in the application of welfare sanctions in Britain. LSE International Inequalities Institute Working Paper 15, London: London School of Economics.

28 Edmiston, D. (2020) The depth and profile of UK poverty has changed considerably – official statistics must start capturing this reality amidst COVID-19, LSE British Politics and Policy: <https://blogs.lse.ac.uk/politicsandpolicy/depth-and-profile-of-uk-poverty/>

29 Oreffice, S., & Quintana-Domeque, C. (2020). Gender inequality in COVID-19 times: Evidence from UK Prolific participants. Bonn: Institute of Labor Economics.

30 Again, this could be driven by differences between legacy and ‘new style’ ESA benefits that tend to co-occur with existing and new claimants respectively.

31 Department for Work and Pensions, Stat-Xplore “Alternative Claimant Count On Flows”. Available at: <https://stat-xplore.dwp.gov.uk/>

Speculating on the drivers behind this, it is worth noting the gender employment gap: the employment rate was 8% higher amongst working-age men than it was for women prior to the pandemic.³² Although women tend to be concentrated in sectors disproportionately affected by COVID-19, men are also more exposed to aggregate changes in the overall labour market given they are more likely to be working (full-time). Correspondingly, men are slightly more likely to say they made a new claim because they had been made redundant due to COVID-19 (18% compared to 15% of women) whereas women are slightly more likely to say they did this because their hours/pay had been reduced (32% compared to 30%).³³

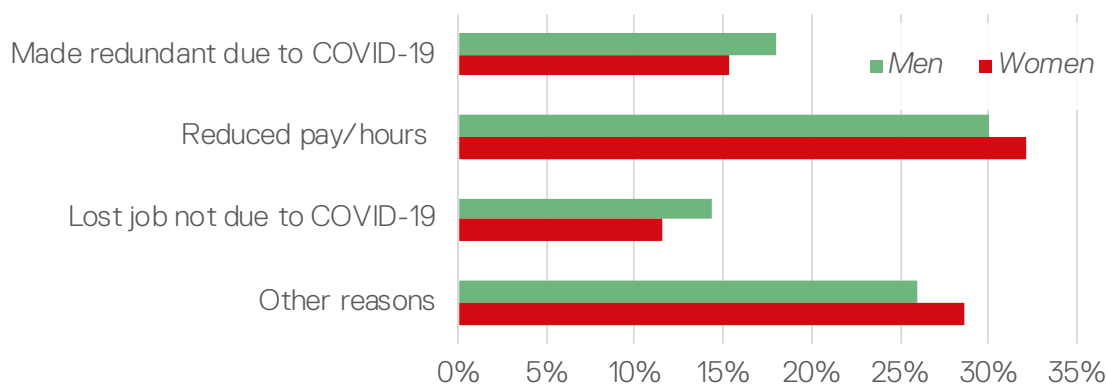


Figure 7. Reasons for making a new claim by gender

Base = 3,081 new claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

Overall, men tend to be over-represented amongst those making new claims for benefits. This was evident before the pandemic but is now even more pronounced. There also tends to be more women than men receiving UC overall which suggests a certain amount of churn where men are more likely to move on, and then off UC over a shorter period of time. However, the atypical increase in the proportion of new UC claims made by men since COVID-19 (outlined above) is also changing the overall gender profile of UC claims: 44% of UC claimants were men prior to the pandemic in February 2020, compared to 49% in June 2020.³⁴ Despite these trends, there are still slightly more women than men claiming benefits. As a result, women are more exposed to cuts and reforms to working-age social security that have been implemented over the last ten years.³⁵ Despite temporary benefit uprating³⁶, the two-child limit and benefit cap continue to disproportionately disadvantage women. However, as more men enter into the system, these differences may change in terms of prevalence and exposure.

32 Francis-Devine, B. and Foler, N. (2020) Women and the economy. London: House of Commons Library.

33 This difference is significant at the .05 level ($p < .05$).

34 Department for Work and Pensions, Stat-Xplore "Alternative Claimant Count On Flows". Available at: <https://stat-xplore.dwp.gov.uk/>

35 Hall, S., McIntosh, K., Neitzert, E., et al. (2017) Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK, London: Runnymede and Women's Budget Group.

36 Hobson, F. et al. (2020) Coronavirus: withdrawing crisis social security measures. London: House of Commons Library

DISABILITY

With regards to health conditions and disabilities, there are considerable differences in the profile of existing and new benefit claimants. In our survey, we asked whether respondents had any longstanding health conditions or disabilities that limited their day-to-day activities, and which affect them in a range of areas including vision, hearing, mobility, learning and mental health. However, it should be noted that this measure is different to the criteria by which claimants are classified as eligible for certain forms of disability and health-related social security by the government.

Over two thirds (67%) of existing claimants were experiencing some kind of activity-limiting health condition or disability, compared to 38% of new claimants. This difference is observable across all benefit types, including ESA claims. For example, 96% of existing ESA claimants were experiencing health conditions or disabilities, compared to 65% of new ESA claimants.

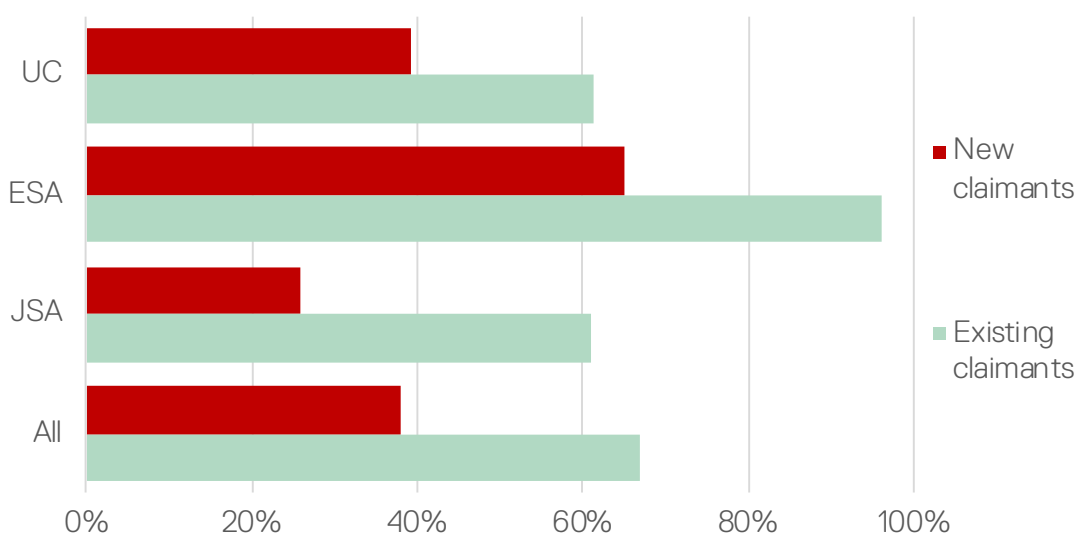


Figure 8. Experiencing a health condition or disability by claimant group

Base = 1,549 new claimants and 5,622 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

The result of this is that the prevalence of activity-limiting health conditions and disabilities amongst claimants in both workless and working households has – as a proportion of all claims – fallen quite substantially. For example, 83% of existing claimants in workless households were living with a health condition and/or a disability, compared to 43% of new claimants in workless households. Similarly, 49% of existing claimants in working households were living with a health condition and/or disability, compared to 36% of new claimants in working households.

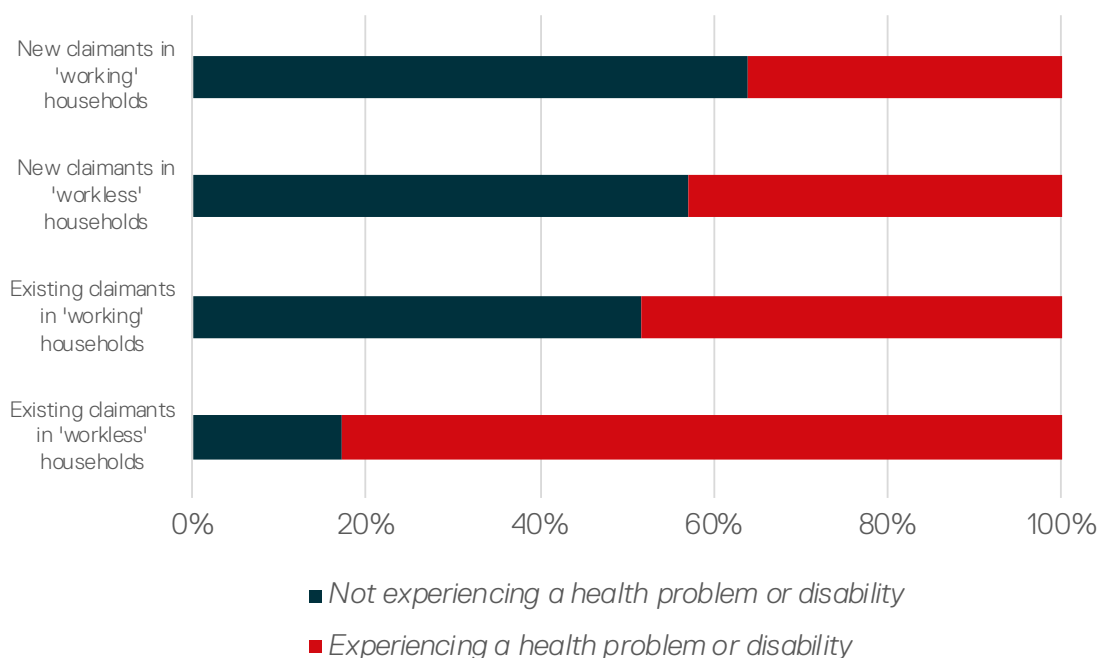


Figure 9. Experiencing a health condition or disability by household work status

Base = 7,170 claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

This highlights some of the unique challenges facing existing and new benefit claimants. For example, when asked about the support that would help them find work or find more hours of work, those who were claiming prior to the pandemic were more likely to say they would like help managing their health condition or disability: 14% compared to 8% of new claimants. Aside from this, we know that benefits typically available to those with health conditions and/or disabilities such as ESA and Personal Independence Payments have not been uprated like the UC standard allowance and WTC basic element since the outbreak of COVID-19.³⁷ It is important to highlight the income and employment support needs of such claimants who are, in many respects, widely understood to be furthest away from the labour market.³⁸ Whilst there has been a reduction, it is still striking that almost two fifths (38%) of new claimants are experiencing a longstanding health condition or disability that limits their day-to-day activities. The process of claimants moving into or gaining additional hours in work may not be as swift for those experiencing such challenges and so additional support and ongoing easements should be considered given the prevalence of long-term health conditions and disability amongst the existing claimant population.

³⁷ Hobson, F. et al. (2020) Coronavirus: withdrawing crisis social security measures. London: House of Commons Library

³⁸ Power, A. (2020) Disabled people in employment. London: House of Commons Library.

SOCIAL GRADE AND EDUCATION

Those who have made a new claim for benefits since the start of the COVID-19 pandemic tend to be from working backgrounds of a higher professional status than existing claimants.³⁹ Overall, new claimants are more likely to come from social grade *AB* (*AB* refers to those in managerial, administrative and professional occupations): 26% compared to 15% of existing claimants. In addition, new claimants are more likely to come from social grade *C1C2* (*C1C2* refers to those in skilled manual jobs and lower level professional, administrative and managerial roles): 50% compared to 32% of existing claimants. Correspondingly, only 24% of new claimants were from social grade *DE* (i.e. semi-skilled, unskilled work or unemployed), compared to 53% of existing claimants. To varying degrees, this difference is observable across all the primary benefit types: UC, JSA and JSA.

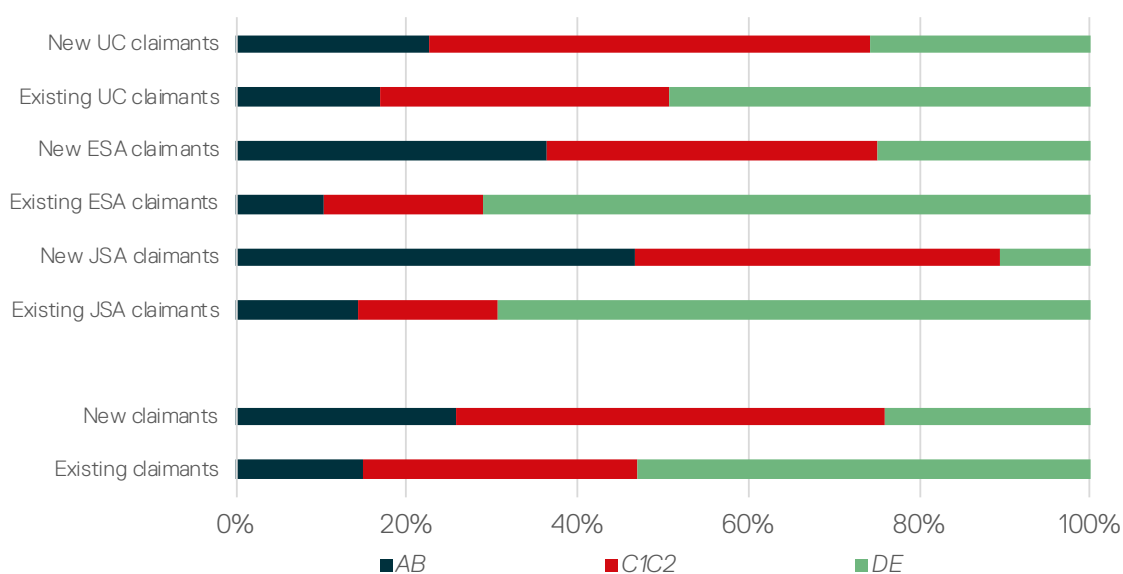


Figure 10. Social grade by claimant group

Base = 1,539 new claimants and 5,622 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

Overall, 22% of new *AB* claimants made a claim because they had been made redundant due to COVID-19, compared to 14% of new *C1C2* claimants and 17% of new *DE* claimants. Similarly, 20% of new *AB* claimants made a claim because they had lost their job for a reason other than COVID-19, compared to 12% of new *C1C2* claimants and 7% of new *DE* claimants. Almost a third (32%) of new *DE* claimants said they made a claim for other reasons (including needing to shield, being ill with COVID-19, new caring responsibilities, etc.), compared to 26% of new *AB* claimants.⁴⁰ Even if temporary, it is clear that the labour market disruption instigated by COVID-19 has led to a considerable change in the socioeconomic profile of those currently claiming working-age social security benefits.

³⁹ This is based on the YouGov social grade classification (NRS) of respondents. "AB" = High managerial, administrative or professional, intermediate managerial, administrative or professional. "C1C2" = Supervisory, clerical and junior managerial, administrative or professional and skill manual workers. "DE" = Skilled and unskilled manual workers, casual or lowest grade workers and the unemployed.

⁴⁰ This difference is significant at the .05 level ($p < .05$).

Additionally, new claimants tend to have higher educational qualifications. Almost a third (32%) of new claimants had a university diploma or above⁴¹, compared to 26% of existing claimants. In part this is driven by the younger age profile of new claimants who are more likely to be university graduates. However, this is also evident when focusing exclusively on those aged 18-39. Amongst this age group, 41% of new claimants hold a university diploma or above, compared to 28% of existing claimants. Although graduates are recognised as enjoying a relative advantage in the labour market compared to those with fewer educational qualifications, existing evidence suggests employment support services aren't always well-suited to university graduates and more attention may therefore be needed to better tailor the nature of the support available for this group of claimants.⁴²

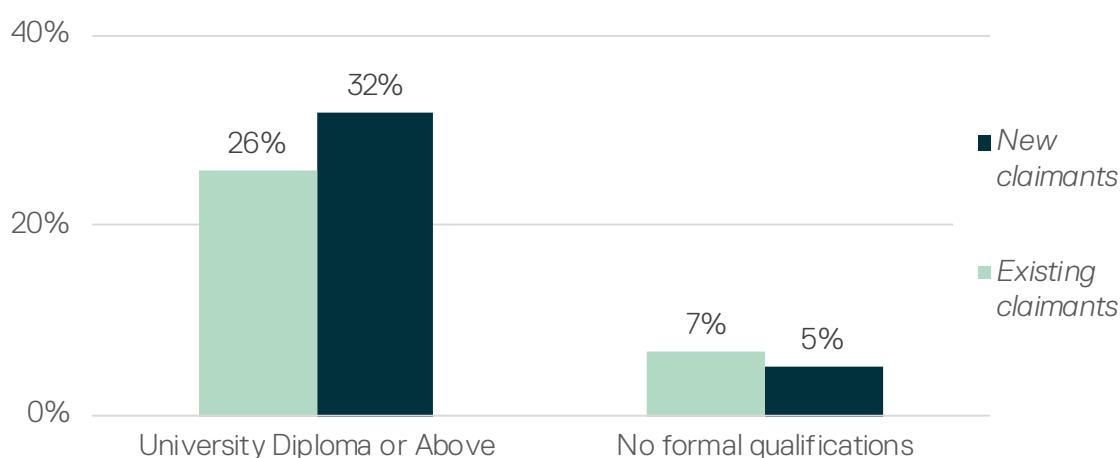


Figure 11. Educational qualification by claimant group

Base = 1,549 new claimants and 5,623 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

HOUSING TENURE

Our survey found that new claimants are more likely to be owner occupiers with 37% being in this situation, compared to 27% of existing claimants. New claimants are also more likely to be in the private rented sector: with 30% being private renters compared to a quarter of existing claimants. New claimants are also more likely to be living with parents, family or friends (either paying rent or rent-free): 15% of new claimants are in this situation compared to 10% of existing claimants. Overall, the most notable difference between these two claimant groups is that more than a third (36%) of existing claimants live in social housing compared to just 17% of new claimants.

⁴¹ This includes a University Diploma, University of CNAA first degree (e.g. Bsc) and University or CNAA higher degree (e.g. Msc and PhD)

⁴² Formby, A. (2017) Got a degree... all of a sudden I'm in a Jobcentre': The role of 'stigma' in 'precarious' graduate transitions. *Journal of Poverty and Social Justice*, 25(3), 249-262.

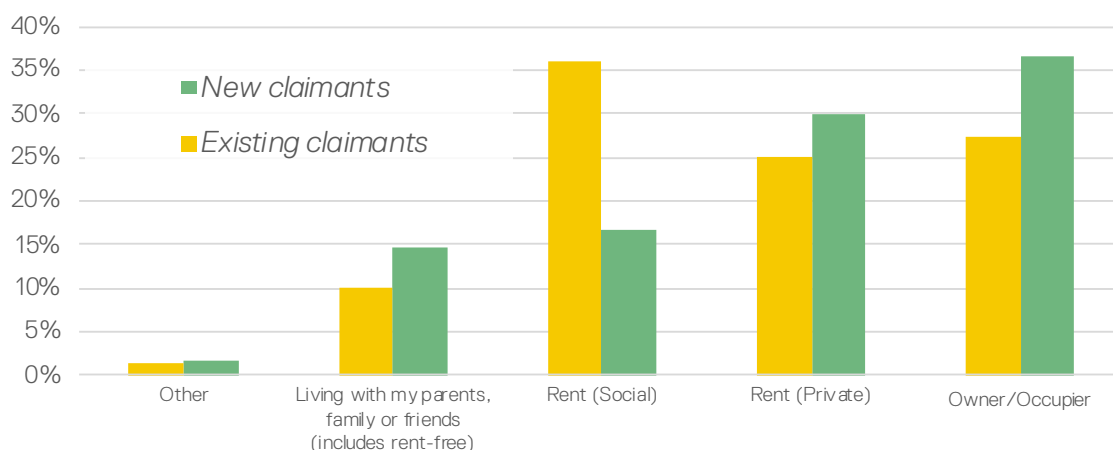


Figure 12. Housing tenure by claimant group

Base = 1,550 new claimants and 5,622 existing claimants. Source: authors' analysis of YouGov survey of adults aged 18-64, 21st May to 15th June 2020.

These differences highlight a number of financial considerations in relation to new claimants. For owner occupiers, new regulations mean mortgage payment holidays are available for up to six months and mortgage lenders cannot repossess homes until 1st November 2020. Beyond this, financial assistance for the costs associated with mortgages is partial and limited. Support for Mortgage Interest is currently only available to those who aren't in paid work and is a repayable loan. For many new claimants who already are, or will be, connected to the paid labour market over the coming months, they will not be eligible for this assistance. For those eligible, there is a considerable wait time for working-age claimants (39 weeks) and an increased likelihood of incurring debts if a return to work and previous wage levels are not possible. For private renters, a permanent uplift in the Local Housing Allowance has been put in place as well as an extended ban on evictions until 20th September.⁴³ However, additional risks remain, especially for those on UC for the first time with ongoing fixed housing costs alongside a potentially significant drop in income.

⁴³ Cromarty, H. and Wilson, W. (2020) Coronavirus: a ban on evictions and help for rough sleepers, House of Commons Library: <https://commonslibrary.parliament.uk/research-briefings/cbp-8867/>

CONCLUSIONS

Prior to COVID-19 and the crisis social security measures put in place by the UK government, the main rate of unemployment benefit fell to its lowest ever level relative to average earnings.⁴⁴ The benefits system's ability to support people keep pace with prevailing living standards has been significantly undermined as a result. In a recent report reflecting on the performance of Universal Credit, the House of Lords Economic Affairs Committee concluded that there are 'substantial problems with its design and implementation that have undermined the security and wellbeing of the poorest in our society'.⁴⁵ Commentators have concluded that COVID-19 has highlighted current weaknesses within the UK social security system: where many people affected by the pandemic are falling through the cracks of the social safety net currently available.

Having said that, a series of adjustments have been made that have 'softened the edges' of the benefits system since the start of the COVID-19 outbreak. These include uprating key benefits (such as the UC standard allowance), temporarily suspending work-related requirements (conditionality), pausing assessments and deductions, and streamlining decision-making to ensure claimants are able to access timely social assistance where necessary. For some, these temporary measures have made working-age social security more accessible, but not necessarily more effective at protecting livelihoods and incomes. That said, many people (including those with No Recourse to Public Funds) have been left out of crisis social security measures altogether and remain ineligible for even minimal financial assistance. In addition to this, conditionality (in varying local forms and degrees), assessments and deductions have been re-introduced over the summer, despite social distancing requirements still being in place.

As outlined in this report, the partial application of crisis social security measures and their staged withdrawal in the wake of COVID-19 are generating new inequalities within the benefits system in terms of who is deemed eligible and/or in need of additional social assistance. For example, younger people and those from a BAME background are more likely to be claiming benefits than they were before the pandemic, but aspects of the benefits system remain that mean they may lose out relative to others. In addition, well-established inequalities embedded within administrative features of the benefits system are being consolidated or extended that continue to disproportionately disadvantage women and people experiencing a health condition or disability, in spite of a changing demographic profile amongst new claimants. Other people are being incorporated into the benefits system for the first time with the potential to mitigate differences between claimant and non-claimant populations. However, demographic changes in the claimant population also expose gaps in current provision and coverage for particular groups: university graduates, those from working backgrounds of a higher professional status and owner occupiers. Of course, these claimant groups are likely to find it easier to 'bounce back', but their capacity to

44 Gardiner, L. (2020) Doing what it takes: Protecting firms and families from the economic impact of coronavirus, London: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/app/uploads/2020/03/Doing-what-it-takes.pdf>

45 House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for reform. London: HMSO. Available at: <https://committees.parliament.uk/publications/2224/documents/20325/default/> (p. 77)

do so will only be as good as the health of the sectors to which they intend to return (or move into). As the pandemic proceeds, further attention is needed on the distinctive income, employment and support needs of new claimants.

Overall, we find that the new COVID-19 cohort of benefit claimants is atypical. Reflecting on crisis social security measures, their staged withdrawal and pre-existing features of the benefits system, we believe more support needs to be tailored and personalised to this diverse cohort of benefit claimants (and those that fall outside the current remit of eligibility). Without doing so, the social security system risks exacerbating existing inequalities and creating new ones in terms of access to timely income and appropriate employment support through the course of the pandemic.

Finally, it is worth flagging a few notes of caution when it comes to researching the new COVID-19 cohort of benefit claimants. First, as researchers we need to be careful not to give disproportionate attention to new benefit claimants affected by the pandemic: there are many existing claimants who are financially struggling and/or have been left out of the crisis social security measures introduced since March 2020. Better understanding of how the pandemic (and its associated crises) are affecting new *and* existing claimants during COVID-19 and its aftermath is crucial. Second, the extent to which demographic differences between new and existing claimants are lasting remains to be seen. Our project will be exploring how both groups fare in terms of navigating the benefit system and their capacity to 'bounce back' over the next 18 months. Third, whilst differences in the new cohort of benefit claimants are noteworthy, we should be mindful of the fact that they are unlikely to represent the full COVID-19 cohort of benefit claimants in its entirety. We do not know whether the current cohort of benefit claimants (surveyed in our project) will be the same as forthcoming waves of claimants as the full effects of COVID-19 are felt. Indeed, the reasons motivating new claimants seeking social assistance will be subject to the distinctive phases of the economic crises surrounding the pandemic. It is worth noting that these phases can and should be anticipated to ensure support services are in place for the increased and changed demand on the benefits system that is likely on the horizon.

ABOUT THE PROJECT

Welfare at a (Social) Distance is a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19 (grant ES/V003879/1). The project includes a major YouGov survey of over 7,000 new and existing benefit claimants (followed over 12 months), alongside 80 in-depth interviews with claimants going through the system (followed over six months) and interviews with organisations and networks that support them. Over the course of the project we will be publishing regular reports, blogs, and briefings about different aspects of the benefits system. For more information on the project, to sign up to our email list, or to contact us with your ideas or personal experiences please visit hub.salford.ac.uk/welfare-at-a-social-distance

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APPENDIX: METHODOLOGY

This report presents results from survey data collected online by YouGov from 21st May to 15th June 2020, based on responses from 7,601 claimants. This required screening over 125,000 participants in other YouGov surveys to find those who had put in an application for benefits since the start of the COVID-19 outbreak in Britain. We define a 'new claimant' as someone who put in an application for benefits since the start of March. Note that YouGov surveys obtain a nationally representative picture of the 18-64 population who are currently claiming benefits by using a sophisticated quota system to invite a cross-section of YouGov panel members to take part in the survey, who are then weighted to represent the wider population. This is not as robust as a fully random sample survey (in particular, it will under-represent those with poor digital skills or poor written English), although face-to-face random sample surveys are both expensive and have been suspended during lockdown.

The resulting data have been weighted by YouGov by age, gender, region, education level and (where applicable) benefit type (UC vs. JSA); the estimated targets for the weights were taken from a large sample of the wider population. The final weighted data provides a nationally representative picture of working-age claimants. All analysis of the data has been conducted by the Welfare at a (Social) Distance team, and readers with queries should therefore contact us via hub.salford.ac.uk/welfare-at-a-social-distance. All analysis is based on weighted data. Unless otherwise stated, all differences reported are statistically significant at the .001 level.

We are making the full dataset publicly available as soon as practicable (subject to data cleaning, validating against other sources, calculating a revised version of weights, and writing a full methodological report).



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