EMERGING FROM LOCKDOWN

Key Findings from the 3rd Coronavirus Financial Impact Tracker Survey

Elaine Kempson, David Collings, Christian Poppe and Jamie Evans
September 2020

Standard Life Foundation has commissioned YouGov to conduct a regular cross-sectional tracker survey on the financial impact of the coronavirus pandemic across the UK. Researchers questioned 5,825 householders on how their personal and household finances were affected by the pandemic and the likely impact it will have over the next 12 months. They were asked about their income, payment of bills, borrowing, debt, savings and ability to pay for other essentials such as food.

The first two surveys were conducted in April and May 2020. The third – the findings of which are presented in this report – was conducted two months later in July. The findings were analysed by a team from the University of Bristol.

OVERVIEW

The COVID-19 pandemic has had a rapid and widespread effect on household finances

The effect of the COVID-19 pandemic on household finances was both rapid and widespread. By the end of July a third (34 per cent) of households reported a fall in income as a direct consequence of the pandemic – that is a total of 9.7 million households across the UK.

Even though about a third of those furloughed had returned to work, the effects of the lockdown on household finances were still apparent. At the end of July, 10 per cent of households were *in serious financial difficulty* and a further 16 per cent were *struggling to make ends meet*.[1] This raises important questions about future support for those affected, which are discussed below.

[1] This categorisation is based on a composite measure using four measures of financial strain (assessment of current financial situation; how much of a struggle to pay for food and other necessities; how much of a struggle to pay bills and other commitments; arrears (including payment holidays) on bills and household commitments) and three of financial resilience against income shocks (ability to cover an unexpected bill equivalent to a month's income, how long could make ends meet if experienced a fall in income of a third or more; amount held in savings).

Government support schemes have protected the jobs of many of those affected

Government action was bold and included, among other things, introducing a Coronavirus Job Retention Scheme (CJRS) for employees and a Self-Employment Income Support Scheme (SEISS) to help the self-employed whose businesses had been adversely affected. In addition, the amounts paid to households receiving Universal Credit were increased by around £1,000 a year. By the end of July, 9.6 million jobs had been covered by the CJRS, spread across 1.2 million employers of all sizes and across all sectors, and 2.7 million self-employed people had received support from the SEISS.[2] Between the middle of March and the end of June, almost 2.6 million households had claimed Universal Credit.[3]

There can be little doubt that the two Government job retention support schemes have enabled many employees to retain their jobs, and helped self-employed people to stay afloat financially while they have found it difficult or impossible to trade. This has contained the escalation of financial difficulties among households. Since the initial effect on household budgets, the situation has stabilised and by the end of July had even improved very slightly as large numbers of workers furloughed under the CJRS returned to work and some self-employed people were able to resume (or increase) trading.

Our July survey data shows that around seven per cent of householders had returned to work having previously been affected by the economic impacts of the pandemic, and the great majority of these (85 per cent) had avoided getting into financial difficulty. So too had the six per cent of households whose earned income was currently supported by either the CJRS or SEISS and who had avoided a fall in their household income.

But an estimated six and a quarter million households are still living on reduced incomes with a heightened risk of financial difficulties

At the end of July, one in five households were still experiencing a loss of income as direct a result of the COVID-19 pandemic: one in ten (11 per cent) who currently had their earnings supported (in part) by the CJRS or SEISS, and one in ten (11 per cent) who had no support from these Government schemes (*Partially supported* and *Unsupported* householders). Around a third of *Partially supported* and *Unsupported* households (31 per cent and 35 per cent, respectively) were experiencing financial difficulties – between four and five times the level among working households whose earnings had been *Unaffected* by the pandemic.

There were some important differences between these two groups. *Partially supported* householders were more likely than average to be in skilled manual work (31 per cent) and to work in the arts, entertainment or recreation (16 per cent), construction (13 per cent), manufacturing (11 per cent), accommodation or food service (11 per cent) and transport (nine per cent) sectors.

In contrast, almost half (48 per cent) of the *Unsupported* households included a householder that had suffered a total loss of earnings through redundancy, a temporary lay-off or ceasing to trade (either temporarily or permanently). They included the highest proportion of householders that were self-employed (41 per cent) or working in the gig economy (23 per cent).[4] And while they included an above-

[2] https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics
[3] https://www.gov.uk/government/publications/universal-credit-declarations-claims-and-advances-management-information
[4] Zero hours contracts, people finding work through an agency or online platform or working on short-term contracts.

average proportion of semi-skilled and unskilled workers on the one hand (27 per cent), they also had the highest level of higher/intermediate managerial, administrative or professional workers compared with other groups (16 per cent). They worked (or had worked) across a diversity of industrial sectors.

Multivariate analysis showed that both *Partially supported* and *Unsupported* households had a greatly increased risk of current payment difficulties relative to others, even when household income and other factors were taken into account, including age, type of work done as well as strategies deployed to make ends meet. This suggests that the income shock has had an effect over and beyond the income they were now living on.

Extended support is needed for workers in the arts, entertainment and recreation sector from the end of October 2020

Further multivariate analysis found that arts, entertainment, and recreational workers were significantly more likely to be experiencing financial difficulties than any other group – almost certainly because they were still unable to return to work at the end of July. There is, therefore, a strong case for selectively extending the period covered by the CJRS and SEISS in some form to protect the jobs of these and other workers unable to return to work as a result of social distancing requirements. Consideration also needs to be given to extending support to the *Unsupported* households (many of them freelance and short-term contract workers) that have fallen through the safety net provisions.

The financial outlook for many is poor and affected sectors will need further support to keep people in work

The financial outlook[5] over the next three months was poor for one in six households (17 per cent) and quite poor for a further 23 per cent. Again, it was the *Partially supported* and *Unsupported* households that were likely to fare worst.

Three in ten of *Partially supported* and *Unsupported* households (each 30 per cent) were judged to have poor financial prospects – three times the level of households that had been *Unaffected* (nine per cent). And a further three in ten of them had prospects that were quite poor (31 per cent and 29 per cent respectively).

Partially supported households were especially likely to anticipate being made redundant (13 per cent) or ceasing to trade as self-employed (10 per cent). And, given the high incidence of job loss and cessation of trading that *Unsupported* households had already experienced, it is concerning that one in ten of them (ten per cent) expected to be made redundant and eight per cent to cease trading either temporarily or permanently.

Multivariate analysis confirmed that, when other factors were taken into account, these two groups had poorer prospects than *Unaffected* workers. But so too did those that had been *Previously affected* and those that were currently *Supported* by the CJRS or SIESS.

---

[5] Calculated from a Principal Components Analysis of six questions on the following subjects: likelihood of being laid off, losing income, or business being affected in next three months (future); confidence about financial situation in the next three months (a3); expectation of ability to meet bill and other commitments over next three months (b18_1); ability to meet the cost of an unexpected bill (c3); how long could make ends meet without borrowing if income fell by a third or more (c5); and amount held in savings expressed as number of months of income in February 2020 (c10).

Longer-term Government assistance will be required for less-skilled and manual workers in hard-hit sectors

Further multivariate analysis showed that poorer future prospects were associated with lower skill levels – with households headed by unskilled manual workers hardest hit. It also showed that (when skill levels were taken into account) those working in the hospitality, construction and arts, entertainment or recreation sectors had poorer financial prospects than those working in other sectors. Working in manufacturing or retail did not have an effect once household income and other factors were taken into account. The large-scale redundancies by key retailers had not, however, been announced at the time of the survey.

Employers in these sectors will therefore need Government support to keep lower-skilled workers – in particular – in these types of job, and job creation policies coupled with retraining schemes will be required for those that cannot.

Enhanced Universal Credit payments have helped households to avoid financial difficulty and should be continued

Multivariate analysis showed that while households claiming Universal Credit (UC) since March 2020 have a *reduced* chance of current financial strain, for existing UC recipients the likelihood of difficulty was *increased*. This may, of course, be largely a matter of time – the longer one lives on the income afforded by UC, the more the level of financial strain builds up. But there is another implication too. In March 2020, levels of UC payments were temporarily increased for a year. It is possible that the new higher level of payments have prevented new claimants from falling into such financial strain as those who had previously been receiving the lower level of UC. This raises questions about what happens at the end of the year: if UC is returned to its previous level at the end of that period it may cause considerable hardship to households hit by the COVID-19 pandemic who have been unable to return to work by then.

Around 3.7 million households currently have a payment arrangement on one or more of their commitments and creative forbearance measures are needed for when these end

Creditors of all kinds have offered either full 'payment holidays'[6] or reduced payments to their customers whose incomes have fallen because of the pandemic. Altogether 13 per cent of households had taken advantage of these payment arrangements at the end of July 2020 (equivalent to 3.7 million households across the UK). Payment arrangements on mortgages, credit cards and council tax were the most common.

The majority of households that had a payment arrangement were in financial difficulty, and will likely find it very difficult either to pay back the money they owe or to meet payments after the arrangements end – in most cases on 31 October 2020. Around six in ten of them were already either *in serious financial difficulty* (29 per cent) or were *struggling to make ends meet* (34 per cent). Half (46 per cent)

[6] 'Payment holiday' is the term commonly used to refer to payment deferrals that have been agreed with creditors. The term 'holiday' is a misnomer because the missed payments ultimately have to be paid and those on mortgages and unsecured credit continue to accrue interest.

had no money in savings at all and a further 15 per cent had less than a month of their February 2020 income saved. Moreover, half of them thought it was very likely (26 per cent) or quite likely (20 per cent) that they could experience a loss of earnings as a direct result of COVID-19 pandemic in the next three months.

Creditors of all kinds and their regulators need to ensure that a creative suite of sympathetic forbearance measures are in place, reflecting the diversity of circumstances of their customers, as the current payment arrangements come to an end. At present there is limited or – in some cases – no guidance on what customers with a payment arrangement should do when it ends.

Up to 1.6 million households could need debt advice when payment arrangements end

According to our July survey, 2.5 per cent of all households – equivalent to 700,000 households across the UK – currently had a payment arrangement (either a full payment holiday or making reduced payments) and were *in serious financial difficulty*. Creditors should be referring them to a debt advice agency for assistance – if they have not already contacted one.

Arguably these referrals should also extend beyond those *in serious financial difficulty* to also include all those with a payment arrangement who were *struggling to make ends meet* and had not already sought advice to avoid serious difficulties building up. This would add a further 3.2 per cent of all households – equivalent to 900,000 – making 1.6 million in total.

Should this level of demand materialise debt advice charities will face a difficult situation after the current payment arrangements end this autumn. In June 2020, HM Treasury announced that it was providing an extra £43.7 million to increase the capacity of free debt advice services across the UK.[7] The Money and Pensions Service (MaPS) plans that the £37.8 million it has been allocated for England will be used to ensure that a further one million people get debt advice over the next 12-18 months, and that enhanced money guidance is available for a further two million people across the UK.[8] But it will take time to put this planned increase in debt advice and enhanced money guidance in place.

Creditors and regulators should work with debt advisers and the Money and Pension Service to find ways to prevent households falling into serious difficulty and to assist those that do

To avoid large numbers of household facing enforcement action, including losing their homes, creditors of all kinds and their regulators need to work with debt advisers and the Money and Pension Service to consider how the situation should be managed between the end of October 2020, when the current payment arrangements are due to end, and the additional debt advice and money guidance capacity becomes available.

[7] https://www.gov.uk/government/news/almost-38-million-support-package-for-debt-advice-providers-helping-people-affected-by-coronavirus

[8] https://moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus/

Technical note

The survey was undertaken by YouGov between 20 and 27 July 2020 for the Standard Life Foundation and was conducted online. It is the third in a series of cross-sectional surveys tracking the financial impact of the coronavirus pandemic on UK households, by asking key questions repeated at several time points. In each wave, these key questions are supplemented by new questions that aim to capture and reflect the evolving situation.

The sample for this report consists of 5,825 respondents randomly recruited from YouGov's online panel. It includes booster samples for Scotland, Wales and Northern Ireland, that have been weighted back to their correct proportions for the tables in this report. The base for analysis is people who are responsible for the household finances. Non-householders who are responsible only for their own personal finances (most of whom were aged under 25 and lived at home with their parents) are not included in the analysis for this report.

The segmentation of households into four categories is based on scores from a principal component analysis of nine survey questions that cover the extent to which households could meet their financial obligations and the resources they had for dealing with an economic shock. These questions are shown in Tables 1 and 4, marked with an asterisk. Those with a score of less than 30 out of 100 were deemed to be in serious financial difficulty; scores of 30-49 were taken as indicative of struggling to make ends meet and scores of 50 to 79 of being potentially exposed financially. Full details of the methodology employed can be found in Kempson, Finney and Poppe (2017).

The estimation of the proportion of households at risk of falling into financial difficulties in the next three months was also based on scores from principal component analysis in the same way. This analysis is based on two questions relating to income shocks experienced or anticipated in the next three months, two questions relating to financial resilience and two questions about expected ability to meet financial obligations over the next three months.

All analysis was tested for statistical significance and this is reported in the Tables at the end of the report. The report itself only covers findings that were found to be statistically significant at significant at, at least, $p<.05$ (chisq).

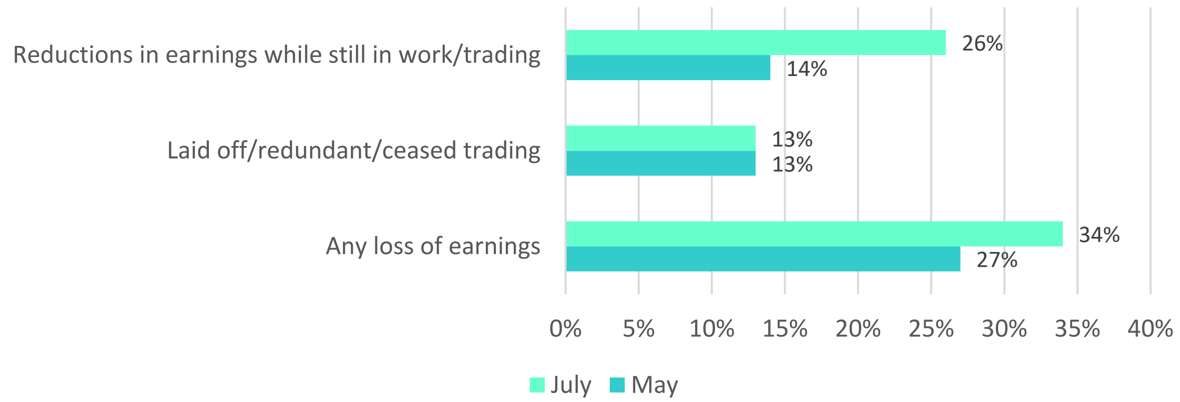
KEY CHANGES SINCE MAY 2020

More households have now suffered an income loss because of the COVID-19 pandemic

There has been a steady rise in the proportion of households that have lost earned income as a result of the COVID-19 pandemic at any time since March 2020. This stood at 34 per cent in July compared with 27 per cent in May and 25 per cent in April. The proportion that had been laid off, made redundant or ceased trading had remained steady at 13 per cent. So the increase was entirely due to a rise in the proportion of households that had seen a reduction in earnings while still in work or trading as self-employed (up from 14 per cent to 26 per cent) (Figure 1).[9]

Some four per cent of the 26 per cent who reported a reduction in earnings were, however, people who had been temporarily laid-off without wages who had returned to work on a reduced wage and self-employed people who had temporarily ceased trading but resumed at a lower level than before.

Figure 1 – Changes in proportions of UK households with earnings affected by COVID-19



Base: July 5,825; May 5,794

There has been a fall in the proportion of households covered by the Coronavirus Job Retention Scheme (furlough)

The proportion of households where the head of household or their partner was currently furloughed had declined from 20 per cent in May to 14 per cent in July – a fall of nearly a third. This is consistent with national figures.[10] There was no change in the proportion of households with a self-employed person currently with earnings covered by a Self-Employment Income Support Scheme grant (SEISS) (six per cent).

---

[9] The wording of the question relating to reductions in employee's earnings changed slightly between wave 2 and wave 3, but these findings are consistent with the increase in the proportion of employees furloughed between May and July.

[10] https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessimpactofcovid19surveybicsresults

It seems most likely that those leaving furlough had returned to work as there was not a significant rise in the number of households where someone had been laid-off temporarily or who had become unemployed. This is discussed more fully below.

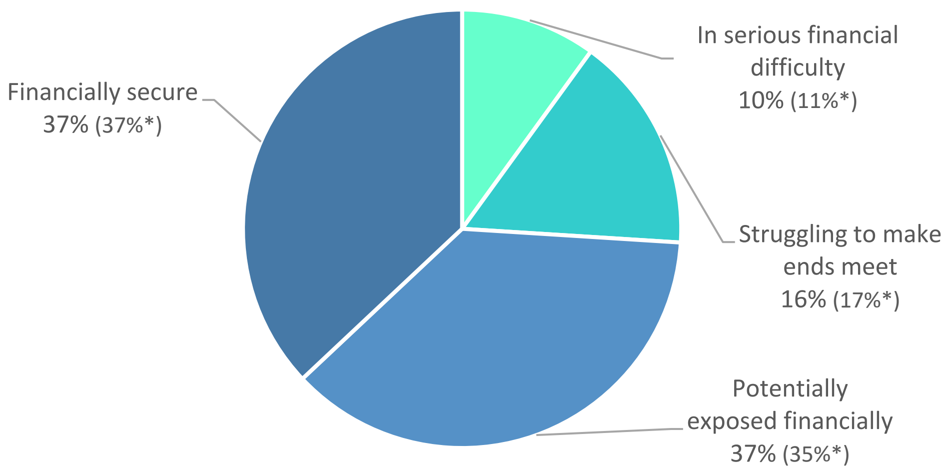
It is, however, important to note that the SEISS provides a lump sum payment covering a three-month period and at the time of the survey this still had almost another month to run. So, although some self-employed people may have been able to resume (or increase) trading, this would not yet be reflected in the numbers receiving help from the SEISS.

Levels of financial wellbeing seem to have improved very slightly

The return from furlough was reflected in a very modest improvement in the overall levels of financial wellbeing of UK households.[11] The proportions of households *in serious financial difficulty* or *struggling to make ends meet* had each fallen by one percentage point to ten per cent and 16 per cent respectively. The proportion that was *potentially exposed financially* correspondingly rose by two percentage points to 37 per cent.

The average financial wellbeing scores for each of these four groups had not, however, changed since May or even April. In other words, although there had been a modest shift *between* groups the level of financial wellbeing among households *within* groups has neither improved nor deteriorated to any significant extent.

Figure 2 – Segmentation of households – comparing the May and July surveys



Base: July 5,825; May 5,794
*Figures for May 2020

[11] This is a composite measure based on four measures of financial strain (assessment of current financial situation; how much of a struggle to pay for food and other necessities; how much of a struggle to pay bills and other commitments; arrears (including payment holidays) on bills and household commitments) and three of financial resilience against income shocks (ability to cover an unexpected bill equivalent to a month's income, how long could make ends meet if experienced a fall in income of a third or more and amount held in savings).

More households had missed payments on household commitments

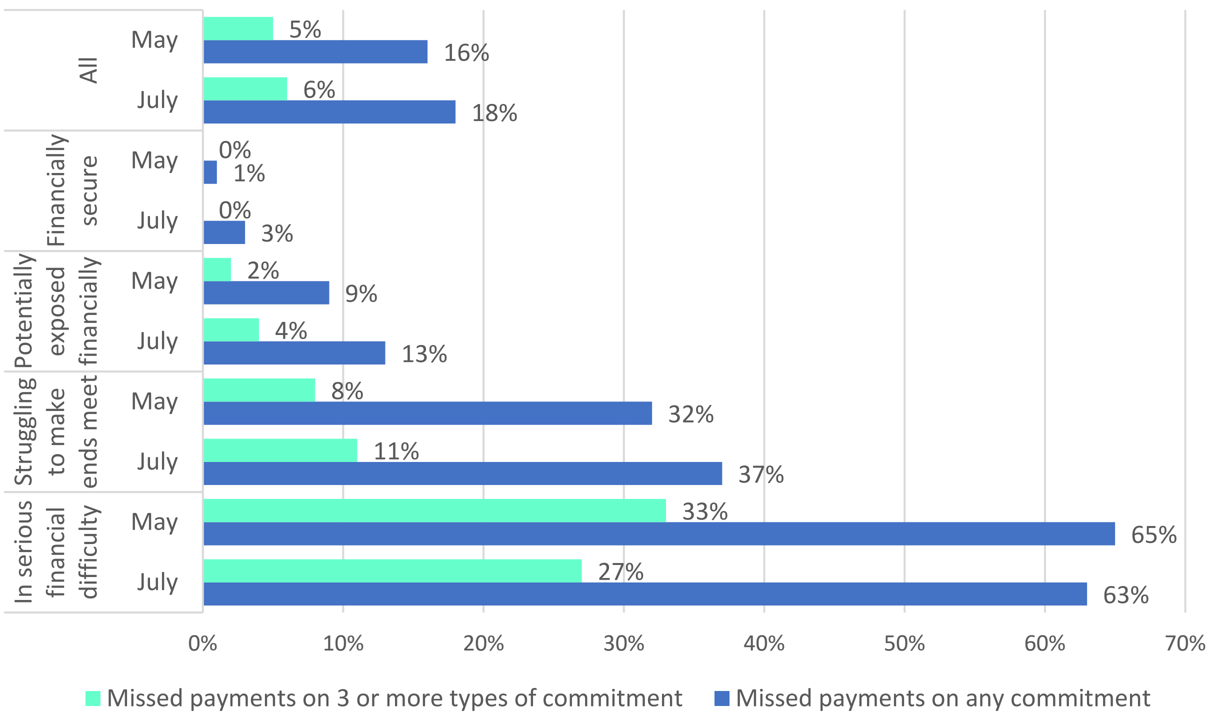
Between May and July 2020 the proportion of households that currently owed money in missed payments (including agreed 'payment holidays') had increased from 16 to 18 per cent. This increase was, however, unevenly distributed across households.

The proportion of households *struggling to make ends meet* that currently owed money in missed payments on any of their commitments (including payment holidays) had risen from 32 per cent in May to 37 per cent at the end of July, while the proportion with missed payments on three or more types of commitment had increased from 8 per cent to 11 per cent (Figure 3). Much of this increase could be accounted for by people applying for payment holidays.

Likewise, there was an increase of four percentage points in the proportion of households that were *potentially exposed financially* that owed money through missed payments (from nine to 13 per cent) (Figure 3).

In contrast, the proportion of households *in serious financial difficulty* that were in arrears with payments had eased slightly since May. There was a fall from 65 per cent in May to 63 per cent at the end of July in the proportion that had fallen behind with payments on any of their commitments (including payment holidays), while the proportion owing money in missed payments on three or more types of commitment had eased from 33 per cent to 27 per cent (Figure 3).

Figure 3 – Changes in levels of missed payments on household commitments between May and July, by current level of financial wellbeing



Base: July 5,825; May 5,794.

For further details see Table 1 and the comparable table in the report of the May survey.[12]

[12] Kempson, E. and Evans, J (2020) *Coronavirus Financial Impact Tracker – Findings from a National Survey*, June 2020

But, as we note above, the average financial wellbeing scores for each of the four groups had remained the same between May and July, even though missed payments are one of the six measures included in the financial wellbeing score. This suggests that by applying for payment holidays households had eased the financial strain as captured in the other variables, such as struggling to pay for food or to meet other household commitments, which are included in the financial wellbeing score. Payment holidays are discussed in more detail below.

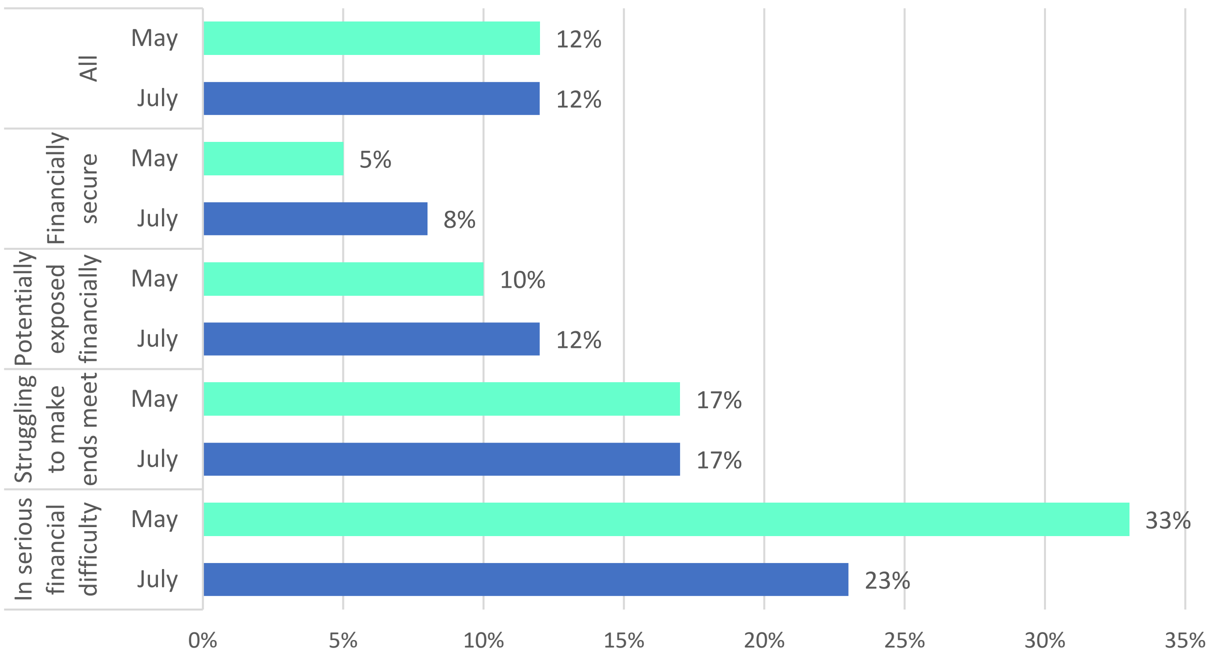
Households facing financial difficulty were running down savings

Compared with the situation in May, a greater proportion of the households *in serious financial difficulty* in July appeared to have depleted their savings in the previous month: up from 15 per cent in May to 20 per cent in July (Table 3). One in ten (10 per cent) of households *struggling to make ends meet* had also depleted their savings over the previous month, but there was no statistically significant change since May.

Future income loss resulting from the COVID-19 pandemic

Overall, there had been no change in the overall proportion of households anticipating that it would be very likely that they would lose earned income in some way as a result of the COVID-19 pandemic over the next three months. But there have been some important shifts across the four financial wellbeing groups (Figure 4). Although those *in serious financial difficulty* remained the most pessimistic, there had been a decline in the proportion of them saying an earnings loss would be very likely. In contrast there were small increases for households who were *potentially exposed financially* or *financially secure*, indicating pessimism was now more widely spread.

Figure 4 – Earnings loss very likely in next three months by current level of financial wellbeing



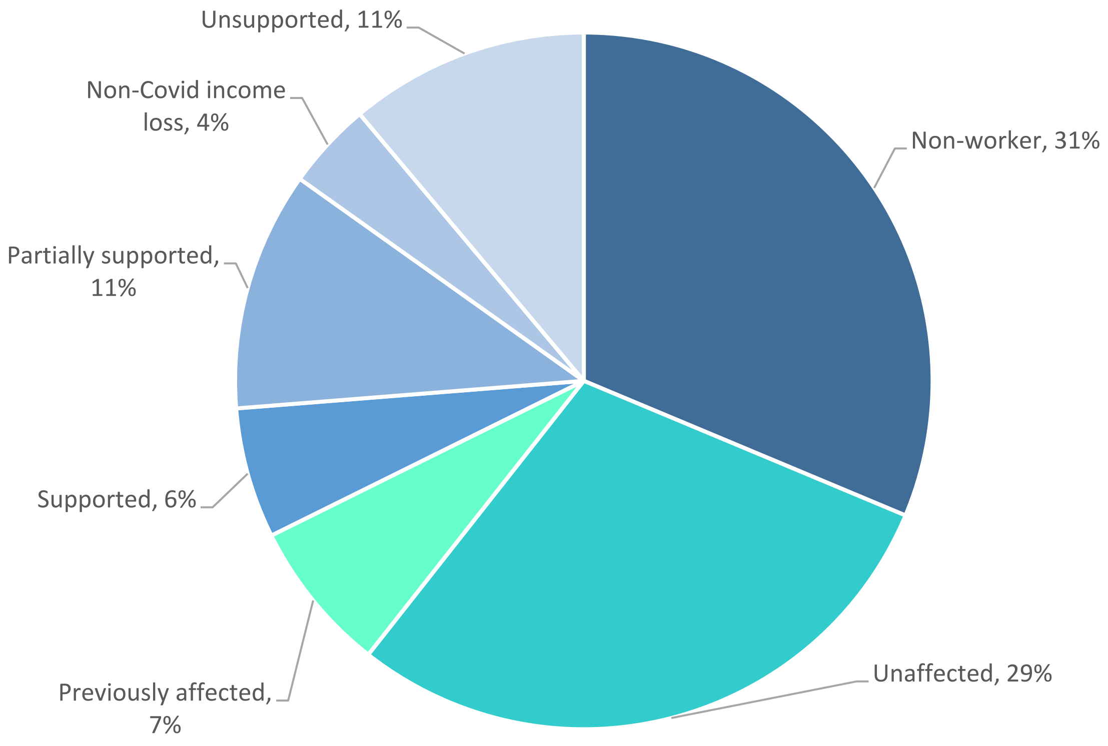
Base: July 5,825; May 5,794

IMPACT OF GOVERNMENT SUPPORT SCHEMES

As in our May 2020 report, we have created a classification of households to reflect the impact that the COVID-19 pandemic has had on their earned income and their receipt of support from either the Coronavirus Job Retention Scheme (CJRS) or the Self-Employment Income Support Scheme (SEISS). Because of changes to the July 2020 questionnaire to reflect the evolving situation, the two classifications are not directly comparable. Consequently, we have not commented on changes that have taken place.

As Figure 5 shows, in 31 per cent of households neither the respondent nor their partner, if they had one, was working in February 2020. Indeed, seven in ten (71 per cent) of them were fully retired (Table 10). Consequently, they had been unaffected by a COVID-19-related loss of earnings (*Non-worker* households). In addition, there was a similar number of households (29 per cent) where there *was* an earner but they, too, had not had a loss of earnings (*Unaffected*). There was also a small group of households (four per cent) whose household income in July was lower than it had been in February, but this income loss was not due to a loss of earnings as a direct result of the COVID-19 pandemic (*Non-COVID income loss*).

Figure 5 – Impact of COVID-19 on earned incomes and receipt of Government support



Base: 5,825

That still leaves 36 per cent of households that had been affected in some way. They included:

- Seven per cent that had experienced a loss but reported that their income currently was the same, or more than, it had been in February 2020 (*Previously affected*)
- 11 per cent whose incomes were lower than they had been in February, but their earned income was not currently covered by either the CJRS or the SEISS (*Unsupported*)
- Six per cent that had their earnings covered currently by either the CJRS or the SEISS, but reported no overall fall in their household income compared with February (*Supported*), and
- 11 per cent that had their earnings covered currently by either the CJRS or the SEISS and reported that their household income currently was lower than it had been in February (*Partially supported*).

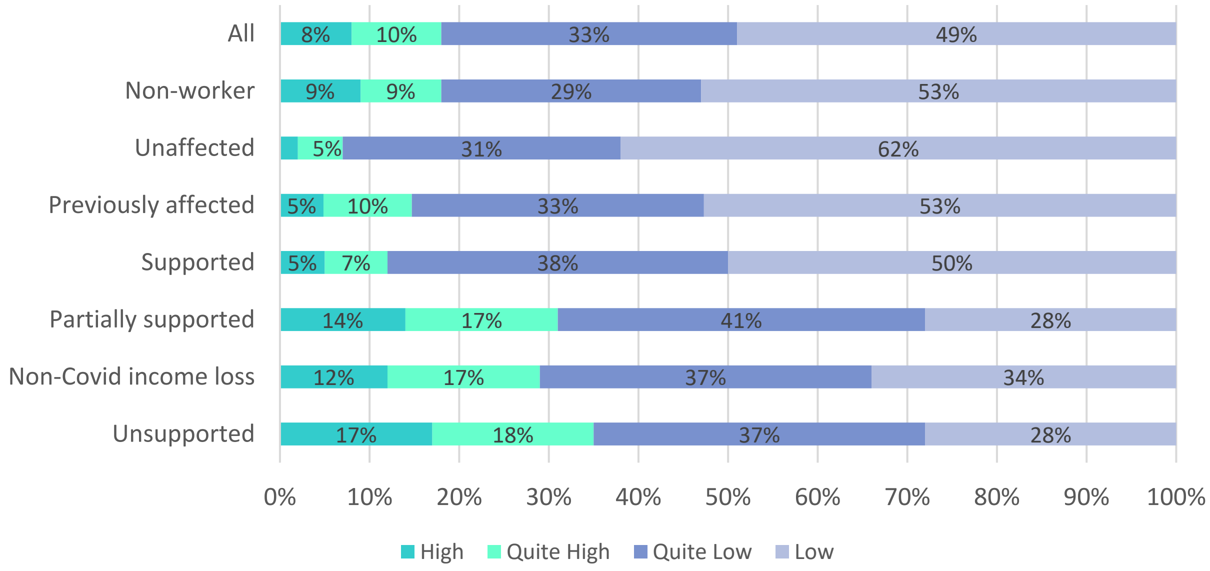
It is worth noting that there was no significant difference between these last two groups in proportions covered by each of the Government job retention schemes. In both cases eight in ten were covered by the CJRS and a third by the SEISS (Table 10), reflecting the fact that some *Supported* and *Partially supported* households had their earnings protected by both schemes, either because both partners had been affected and one was employed, the other self-employed or because one of them had two jobs, both as an employee and in self-employment.

In terms of their overall financial wellbeing it was *Unsupported* and *Partially supported* households that stood out – with 20 per cent and 18 per cent of these households respectively *in serious financial difficulty*. This is four to five times higher than households that were *Unaffected*, *Previously affected* or *Supported* by CJRS or SEISS. The proportions of *Unsupported* and *Partially supported* households that were *struggling to make ends meet* were also almost double the average (25 and 21 per cent respectively) (Table 12). Table 12 also give figures for specific measures of financial strain which follow this general picture.

Figure 6 below shows the levels of financial strain being experienced using a composite measure of a subset of the financial wellbeing variables.[13] This shows quite clearly that the two groups experiencing the highest levels of financial strain are those *Partially supported* by either the CJRS or SEISS and those who are *Unsupported*.

[13] Variables included in the financial strain score were: assessment of current financial situation; how much of a struggle to pay for food and other necessities; how much of a struggle to pay bills and other commitments; arrears (including payment holidays) on bills and household commitments.

Figure 6 – Level of financial strain by impact of COVID-19 on earned incomes and receipt of Government support



Base: 5,825.

Unaffected and previously affected working households

Unaffected households and *Previously affected* households had quite a bit in common. Compared with other working households both included a higher proportion of clerical or junior managerial, administrative or professional workers (20 per cent and 18 per cent respectively). And the *Unaffected* working households also had the highest proportion of skilled manual workers – at 35 per cent (Table 10). Reflecting this, they each included a relatively high proportion of people educated to degree level or above (58 per cent among *Unaffected* working households and 54 per cent among *Previously affected* households) – far higher than either group that was being covered by either CJRS or SEISS (Table 14).

Their average age was very similar to the average ages of other working households (46 in both cases). They both included relatively few people who had a disability that limited their daily activities a lot. Just four per cent of *Unaffected* working households and five per cent of *Previously affected* households had such a disability (Table 14).

But there were some important differences between them too.

Unaffected households had by far the highest average incomes at £40,500 a year (gross) and included by far the highest proportion of full-time workers (69 per cent) and the smallest proportions or self-employed workers (nine per cent) and people in gig work (seven per cent). Consequently, only six per cent got the majority or all their income in one of these ways (Table 10). As might be expected, they were much more likely than others to include someone working in the education (20 per cent) or health and social work sectors (18 per cent) – both of which are predominantly in the public sector. In contrast they included the smallest proportions of retail or wholesale workers (nine per cent) and workers in the arts, entertainment or recreational sector (three per cent) (Table 11).

Previously affected households were also relatively well-off, with the second highest average gross income (£35,500). In terms of security of employment, they were more like other working households than the *Unaffected* working households and 35 per cent of them included a self-employed worker and 23 per cent a gig worker. But the proportion for whom self-employment or gig working was their main or only source of income was slightly lower than others at 14 per cent (Table 10). They included an over-representation of workers in the construction (10 per cent), wholesale and retail (17 per cent) and arts, entertainment and recreation (10 per cent) sectors (Table 11).

Although the future financial prospects for both groups were better than average, they were rather better for the working households who had been *Unaffected* (only nine per cent of whom had a poor outlook) than for the *Previously affected* (13 per cent with a poor outlook) (Table 13).

Indeed, hardly any of the *Unaffected* households expected to lose income in the next three months as a result of the COVID-19 pandemic (just two per cent). In contrast 20 per cent of those *Previously affected* considered it very likely that they could lose income in this way (Table 13).

Comparing households with their income supported by the CRJS or SEISS with those whose income was partially supported

Households with their income *Supported* by the CJRS or SEISS and those whose income was *Partially supported* had similar gross household incomes (£35,000 and £33,500 respectively) (Table 10). Their average ages were similar (47 and 45) and they included fewer single people (16 and 21 per cent), and more families with dependent children (34 and 35 per cent) than other working households (Table 14).

But, on the whole, there were more differences than similarities between these two groups of households.

Supported households included many fewer self-employed workers than those who were *Partially supported* (28 per cent compared with 39[14] per cent). There was, however, no real difference between them in the proportions that included someone working in the gig economy (21 per cent and 22 per cent respectively). Earnings from self-employment or gig working were the main or only source of income for 21 per cent of *Supported* households, but 24 per cent of those *Partially supported*. Setting this in context, both forms of insecure employment and the proportion of income derived from them were a great deal higher than they were for the *Unaffected* households described in the previous section (Table 10).

More of the *Partially supported* householders were in skilled manual occupations than was the case among *Supported* ones (31 per cent compared with 28 per cent). But they each included considerably more workers in semi-skilled or unskilled occupations (29 per cent and 28 per cent respectively than among *Unaffected* households (20 per cent) (Table 10).

There were some notable differences in the sectors that they worked in.

The proportions of *Partially supported* householders working in the arts, entertainment or recreation (16 per cent), construction (13 per cent), manufacturing (11 per cent) and accommodation or food service

[14] Variables included in the *financial strain* score were: assessment of current financial situation; how much of a struggle to pay for food and other necessities; how much of a struggle to pay bills and other commitments; arrears (including payment holidays) on bills and household commitments. The *financial wellbeing* score included both these variables and three measuring the level of financial resilience the household had: ability to cover an unexpected bill equivalent to a month's income, how long could make ends meet if experienced a fall in income of a third or more and amount held in savings.

(11 per cent) sectors were the highest of all the seven groups. While *Supported* households included the highest proportion working in retail or wholesale (19 per cent).

Other statistically significant differences included higher proportions of private tenants (25 per cent) and mortgagors (40 per cent) among *Partially supported* households than there were among the *Supported* ones (18 per cent and 35 per cent respectively), who, in turn, included the second highest proportion of outright owners of all the seven groups (31 per cent) and considerably more than among *Partially supported* households (23 per cent).

There were also some statistically significant geographical differences. Most notably an above-average proportion of *Supported* households in Scotland (11 per cent, compared with the UK average of eight per cent). In contrast, England had a higher number of *Partially supported* households (88 per cent, compared with the UK average of 84 per cent), while *Supported* households were under-represented (81 per cent) (Table 14).

Financial prospects over the next three months were far worse for the *Partially supported* households than they were for the *Supported* ones, who in many respects shared the same outlook as those who were either *Unaffected* or had been *Previously affected* (Table 13). Three in ten (30 per cent) of *Partially supported* households were judged to have poor financial prospects – about three times the levels of these other three groups. And a further three in ten of them (31 per cent) had prospects that were quite poor. They were especially likely to anticipate being made redundant (13 per cent) or ceasing to trade as self-employed (10 per cent) (Table 13). In fact, their outlook was much more like that of the households who were *Unsupported* by either the CJRS or SEISS.

Households with a COVID-related income loss that were not supported by either the CJRS or SEISS

Households with a COVID-19 income loss and not supported by either the CJRS or SEISS were by far the most likely of all the groups to include a householder who had been laid-off with no wage or salary (10 per cent), had been made redundant (22 per cent) or had ceased trading as self-employed either temporarily (20 per cent) or permanently (seven per cent). Indeed, almost half of them (48 per cent) had lost income in one of these ways.

This was reflected in levels of claims for Universal Credit since the beginning of March, which was highest among the seven groups at 11 per cent – almost four times the national average (Table 10).

They included the largest proportion of householders that were self-employed (41 per cent) or gig workers (27 per cent), with 23 per cent getting all or main income in one of these ways. Only the *Partially supported* households came close to these figures (Table 10).

They were the most diverse group in terms of the type of work these householders did. On the one hand, they included above-average levels of semi-skilled and unskilled workers (27 per cent), but they also had the highest level of higher/intermediate managerial, administrative or professional compared with other groups (16 per cent) (Table 10). Mirroring this, they included more householders educated to degree levels than either those who were *Supported* or *Partially supported* and on a par with those who were *Previously affected* (Table 14). They were spread across a diversity of industrial sectors although they did include the largest proportion of workers in the information and communication sector (10 per cent) (Table 11).

In terms of their personal circumstances, their average age was 45 – much the same as other groups – but they included the largest proportion of householders aged under 40 of all the groups (41 per cent) and the highest proportion of families with dependent children (36 per cent) (Table 14).

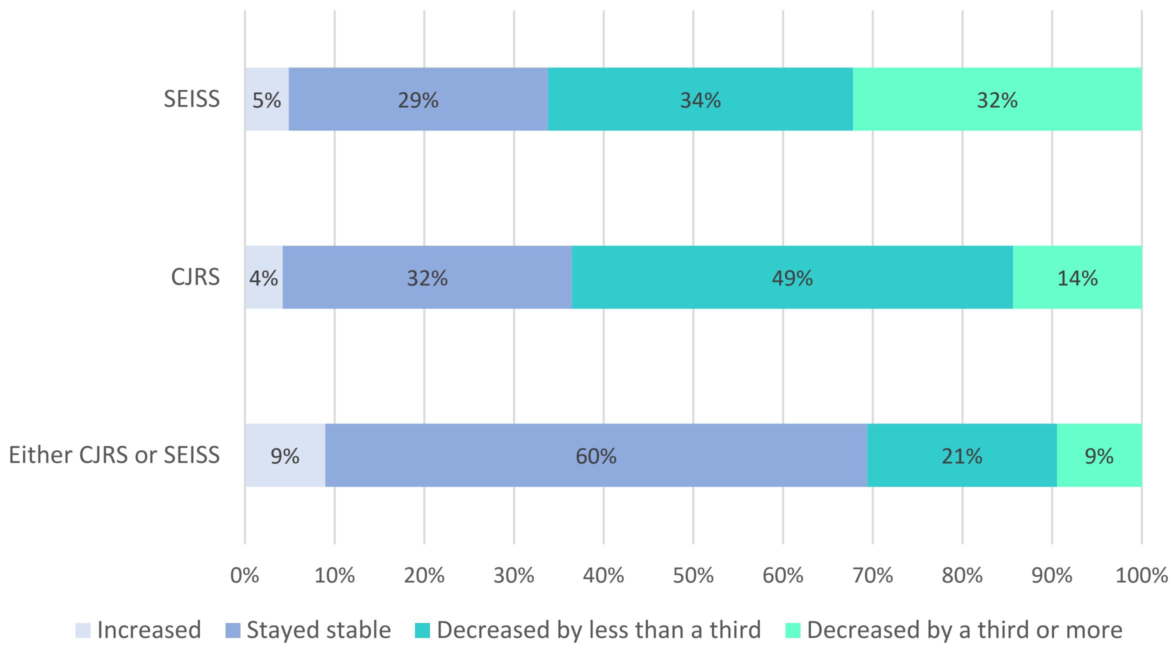
On the whole, their future financial prospects were worse than other groups, except those with their income *Partially supported*. Three in ten (30 per cent) had an outlook that was judged to be poor and a further 29 per cent quite poor. One in ten (ten per cent) expected to be made redundant and eight per cent to cease trading either temporarily or permanently – with both figures the second highest of all the groups. This is concerning given the high incidence of job loss and cessation of trading that this group had already experienced.

Comparing the effectiveness of the Coronavirus Job Retention and Self-Employment Income Support Schemes

At the end of July two in ten households where the respondent or partner was an employee still had someone furloughed under the Coronavirus Job Retention Scheme (CJRS), while three in ten of those containing a self-employed person were receiving assistance from the SEISS.

Although around two thirds of both groups (CJRS, 64 per cent; SEISS, 66 per cent) reported that their household income was lower at the end of July than it was in February 2020, the size of the falls reported by self-employed people claiming SEISS were far greater, with twice as many of them reporting a fall of a third or more – 32 per cent compared with 14 per cent of households with wages covered by CJRS (Figure 7).

Figure 7 – Income change between February and July 2020 among CJRS and SEISS recipients



Base: All receiving CJRS or SEISS, 1,021.

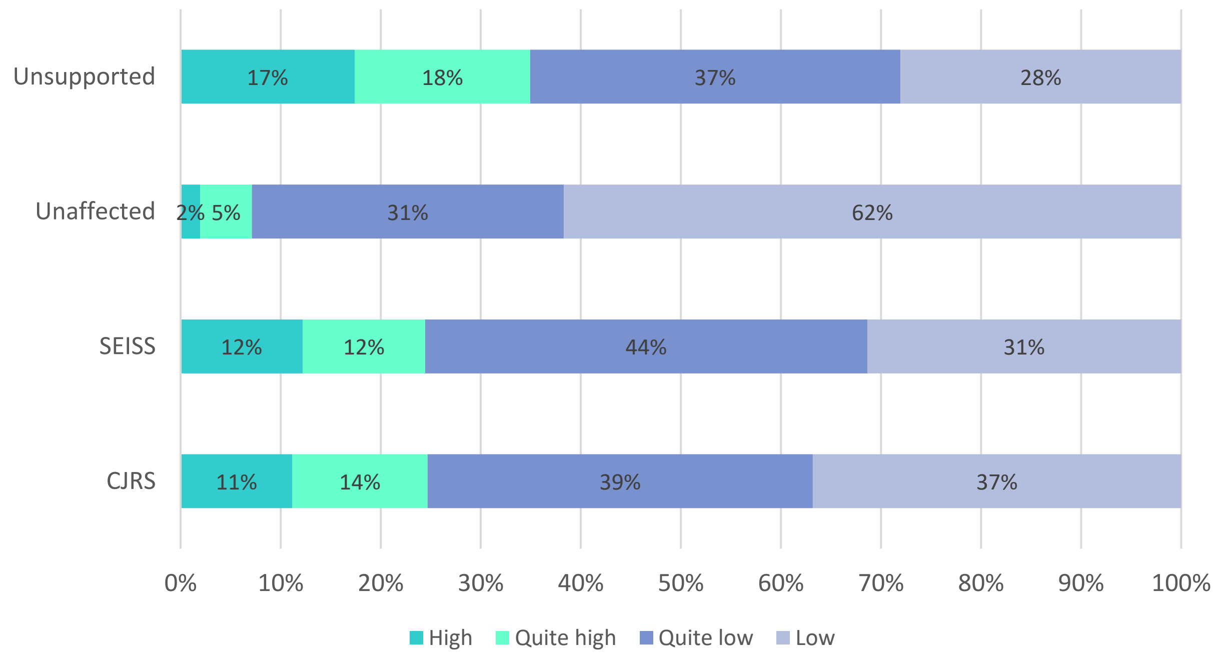
This reflects the extent to which they had lost earned income. Among households with income covered by the CJRS, just four per cent included a householder that been temporarily laid off without a wage and 11 per cent had been made redundant. In contrast, 36 per cent of SEISS recipients had ceased trading temporarily and seven per cent permanently (Table 10).

Current household incomes of SEISS recipients were, however, only slightly lower than those with income covered by the CJRS (£32,500 gross, compared with £34,500) (Table 10). Although family sizes were slightly larger too. Nearly four in ten of SEISS recipients (34 per cent) were couples with dependent children; for those covered by the CJRS it was 30 per cent (Table 14).

This was not, however, reflected in their comparative levels of financial wellbeing (Table 12) or the level of financial strain they were experiencing currently (Figure 8). Indeed, they had similar proportions of households that were experiencing high levels of financial strain (Figure 8)

However, compared with working households whose finances had been *Unaffected* by the COVID-19 pandemic both included about six times as many exhibiting high levels of financial strain. But they were faring rather better than their counterparts whose incomes had been affected by the COVID-19 pandemic, but who were *Unsupported* by either CJRS or SEISS (Figure 8).

Figure 8 – Level of financial strain, comparing CJRS and SEISS recipients with *Unsupported* and *Unaffected* workers

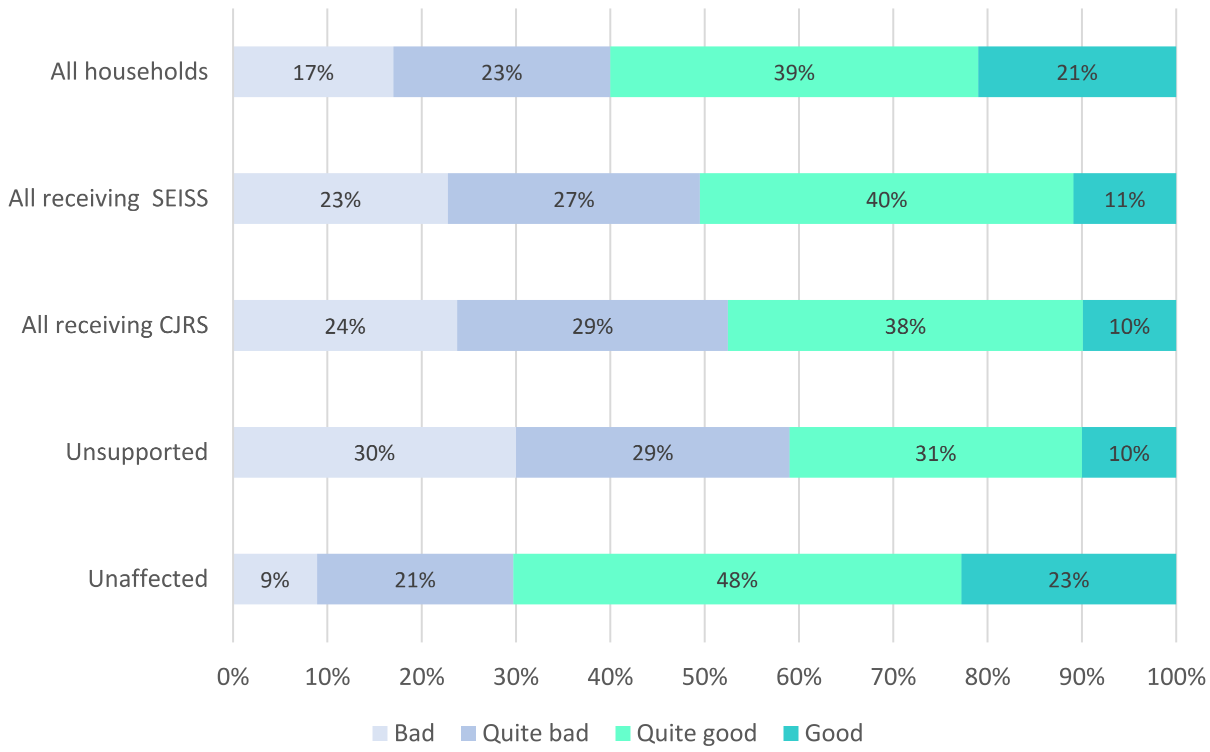


Base: 5,825.

In part, the differences in financial strain between households with incomes covered by the CJRS and those receiving a grant from the SEISS can be explained by the strategies they had used in the last month to make ends meet. SEISS recipients were far more likely to be drawing on savings to make ends meet (39 per cent compared with 29 per cent) and also more likely to have used credit to buy food and pay bills (28 per cent compared with 25 per cent). Finally, more of them had agreed both payment holidays (27 per cent compared with 17 per cent) and reduced payments (16 per cent compared with nine per cent) on their household bills and credit commitments (Table 12). And this was the case across all types of payment. In other words, SEISS recipients appeared to be living on borrowed time.

Their future prospects, however, seemed to be much the same, with just short of a quarter (SEISS, 23 per cent; CJRS, 24 per cent) having an outlook that was poor – more than double the rate of working households whose earnings had been *Unaffected* by the COVID-19 pandemic (nine per cent) and only slightly below that among households with a COVID-related income loss but *Unsupported* by the CJRS or SEISS (Figure 9).

Figure 9 – Future financial prospects[15], comparing CJRS and SEISS recipients with *Unsupported* and *Unaffected* workers



Base: 5,825.

Multivariate analysis to identify key factors associated with current financial strain

Many of the factors described above are linked to one another; people working in managerial jobs tend to be older, have higher levels of education and higher incomes, for example. Regression analysis of financial strain scores takes account of these inter-relationships and enables us to isolate the relationship between a given household characteristic (such as working in a managerial job) and financial strain, by controlling for other factors which may also be associated with better/worse scores (such as age). In so

[15] Calculated from a Principal Components Analysis of six questions: likelihood of a fall in income future in the next three months, confidence about their financial situation over the next three months, how easy it would be to pay will and other commitments over the next three months, ability to meet the cost of an unexpected bill, how long could make ends meet without borrowing if income fell by a third or more and amount held in savings.

doing, it provides a deeper consideration of the factors (both demographic and past/present economic situation) associated with higher or lower scores.

The regression model was run twice, first including the variables that captured the extent to which households had been affected by the COVID-19 pandemic (see Table 15 for the full results), and the second omitting these but including the industrial sectors that seem to have been hardest hit by the pandemic (Table 16).

This analysis indicates that the factors associated with significantly **higher levels of financial strain** in both models were:

- **Using savings to make ends meet** – unsurprisingly, households using savings in this way scored 14.9 points less than those who did not (on a scale from 0, no strain, to 100, high strain) (Table 15).
- **Having no savings to draw on to make ends meet** – which reduced the score by 21.5 scale points (Table 15).
- **Using credit to pay for food and other necessities** – those using credit in this way scored 17.6 scale points lower than those who did not (Table 16).
- **Unemployed or receiving benefits in February 2020** – with existing recipients of Universal Credit having the lowest scores (-8.7), followed by Employment and Support Allowance recipients (-7.5), Jobseeker's Allowance recipients (-6.9) and finally low-paid workers receiving Working Tax Credit (-4.5). All of these effects take household income into account.
- **Working in the gig economy** – householders working on zero hours contracts, who were contract or agency workers scored 1.6 points lower than those who did not work in this way, even when income and social grade were taken into account.
- **Having been affected by the COVID-19 pandemic** – relative to working households that had been *Unaffected,* those who were *Partially supported* by CJRS or SEISS scored 8.6 points lower, those suffering an income loss, but who were *Unsupported* by CJRS or SEISS scored 8.8 points lower, and those who had been *Previously affected* scored 2.7 points lower (Table 15). The fact that current income is controlled for in the model indicates that it is the income shock that has had the effect.
- **Householders working in the arts, entertainment or recreational industries** – who score 2.5 points lower than those not working in this sector (Table 16). Working in manufacturing, retail, construction or hospitality did not have an effect, once household income and other factors were taken into account. This is almost certainly because at the end of July many arts, entertainment and recreational workers were still unable to return to work.

On the other hand, the factors associated with significantly **lower levels of financial strain** were:

- **Higher incomes** – so, for example, a household with a current gross annual income of £150,000 or more would score 17 points higher than one with an income below £10,000 (Table 15).
- **Social grade** – relative to those in unskilled manual work, working casually or not in the labour market, levels of financial strain was lowest among households where the chief income earner was a manager or professional worker (+ 2.9 points), a junior white collar worker (+2.4 points points) or a skilled manual worker (+1.5 points) (Table 15). All these effects were net of household income, which is included in the models. Note, though, that being a skilled manual worker was not statistically in Model 2 which included industrial sector.
- **Age** – the level of strain was lower the older the householder, so, for example, a householder aged 70 would have a score that was 4.4 points higher than one who was 30 (Table 15).

- **Having made a claim for Universal Credit since March 2020** – this reduced the level of financial strain by 5.9 points, taking into account all the other factors in the model, including income. This means that, relative to someone with the same (low) income who had not claimed Universal Credit, someone who had done so experienced a lower level of financial strain. It is also in contrast with the effect of having been in receipt of Universal Credit in February 2020, which increased the level of financial strain by 8.7 points (Table 15).

Multivariate analysis to identify key factors associated with financial prospects over the next three months

Similar regression models were run to identify the factors associated with the financial prospects of households over the next three months. Again the model was run twice, first including the variables that captured the extent to which households had been affected by the COVID-19 pandemic (see Table 17 for the full results), and the second omitting these but including the industrial sectors that seem to have been hardest hit by the pandemic (Table 18).

This analysis indicates that the factors associated with significantly **better financial prospects over the next three months** in both models were:

- **Social grade** – relative to those in unskilled manual work, working casually or not in the labour market, financial prospects were highest among households where the chief income earner was a manager or professional worker (+4.6 points), or a junior white collar worker (+2.8 points points) (Table 17). Working as a skilled manual worker was only statistically significant (+2.3 points) in Model 1 which included the effects of COVID-19, not in Model 2 with industrial sector included instead (Tables 17 and 18). All of these effects were net of household income, which is included in the models.
- **Age** – with financial prospects being better the older the householder, so for example a 70-year-old householder would have a score that was 8 points higher than one who was 30 (Table 17).
- **Higher incomes** – as might be expected financial strain fell with higher incomes, so that, for example, a household with a current gross annual income of £150,000 or more would score 10 points higher than one with an income below £10,000 (Table 17).

In contrast, factors associated with **poorer financial prospects** over the next three months are:

- **Using savings to make ends meet** – reduced scores by 15.2 points compared with those who did not (Table 17).
- **Having no savings to draw on to make ends meet** – this reduced the score by 29.1 points (Table 17).
- **Using credit to make ends meet** – using credit in this way scored led to a reduction of 13.1 points compared not borrowing for these purposes (Table 17).
- **Unemployed or receiving benefits in February 2020** – Universal Credit and Employment and Support Allowance recipients both had scores that were 5.2 points lower than others not claiming these benefits – net of the effects of income.
- **Having lost income due to the COVID-19 pandemic** – relative to working households that had been *Unaffected,* those *Partially supported* by CJRS or SEISS scored 3.9 points lower and those who had been *Previously affected* 2.7 points lower. Somewhat surprisingly, though, the effect was largest for those who were *Supported* (-5.5). And being *Unsupported* by CJRS or SEISS was not statistically significant. The explanation for this last finding could be that that these

households had already experienced the highest levels of job loss and cessation of trading (Table 17).

- Industrial sector – householders working in the arts, entertainment or recreation industries (-2.5 points), construction sector (-2.5) and hospitality sector (-2.5) had poorer financial prospects than others not working in these sectors. Working in manufacturing, or retail did not have an effect, once household income and other factors were taken into account (Table 18).

Overview of the impact of Government support schemes

There is no doubt that the CJRS has enabled large numbers of employees to retain their jobs and that around a third of those previously furloughed have now returned to work, with no major damage to their household's financial wellbeing. Similarly, the SEISS has helped to keep many self-employed people afloat financially until they are able to resume (or increase) trading.

Moreover, about a third of those still having their earning supported by either the CJRS or SEISS reported incomes that were no lower at the end of July than they had been in February 2020. These *Supported* households had also generally avoided falling into financial difficulty.

But that leaves one in ten of all UK households who have experienced a fall in income since February 2020, despite having earnings supported by either the CJRS or SEISS (*Partially supported*), and a further one in ten who had had a loss of earned income as a result of the COVID-19 pandemic but were not currently covered by either the CJRS or the SEISS (*Unsupported*) – half of them because they had lost their jobs or ceased trading. Together these two groups amount to six and a quarter million households across the UK, many of whom were currently in financial difficulties.

Multivariate analysis showed that both *Partially supported* and *Unsupported* households had a greatly increased risk of current payment difficulties relative to others, even when household income and other factors were taken into account, including age and type of work done, as well as strategies deployed to make ends meet. This suggests that the income shock has had an effect over and beyond the income they were now living on. It also showed that householders that worked in the arts, entertainment or recreation sector were significantly more likely to be experiencing current payment difficulties than any other group of workers – almost certainly because they were still unable to return to work at the end of July. There is, therefore, a strong case for selectively extending the period covered by the CJRS and SEISS in some form to protect the jobs of these and other workers unable to return to work as a result of social distancing requirements.

Multivariate analysis showed that, compared with working households that had been *Unaffected* by the COVID-19 pandemic, the future outlook was poorer for all households that were affected in some way, including the *Supported* households and, to a lesser extent the *Previously affected* ones, as well as those that were *Partially supported* or *Unsupported.*

It also showed that poorer future financial prospects were associated with lower skills levels – with households headed by unskilled manual workers hardest hit. Householders working in the hospitality, construction and arts, entertainment or recreation sectors had poorer financial prospects than others not working in these sectors. Manufacturing and retail work did not have an effect, once household income and other factors were taken into account. The large-scale redundancies by key retailers had not, however, been announced at the time of the survey.

Employers in these affected sectors will, therefore, need Government support to keep workers in their current type of job, where possible. Job creation policies, coupled with retraining schemes, will be required for those where comparable jobs cannot be found.

Finally, it is worth noting the positive effect that claiming Universal Credit (UC) since March 2020 had on the levels of financial strain experienced by households, in multi-variate analysis which included household income. This means that, compared with other households with similar income levels, UC recipients were experiencing less financial strain. There are two possible interpretations of this. First, that UC recipients had been living on higher incomes previously and consequently had higher levels of financial resilience. And secondly, that receipt of UC brings with it assistance with rent and council tax, and often with energy and water bills.

This lower level of financial strain among new UC claimants is in stark contrast with existing UC recipients for whom the level of financial strain was higher. Of course, this may be largely a matter of time – the longer one lives on this low level of income, the more the level of financial strain builds up. But there is another factor too. In March 2020, levels of UC payments were temporarily increased for a year, so new claimants since March will only have received the increased level of payment. This finding suggests that withdrawing the temporary UC uplift will cause considerable hardship.

PAYMENT ARRANGEMENTS

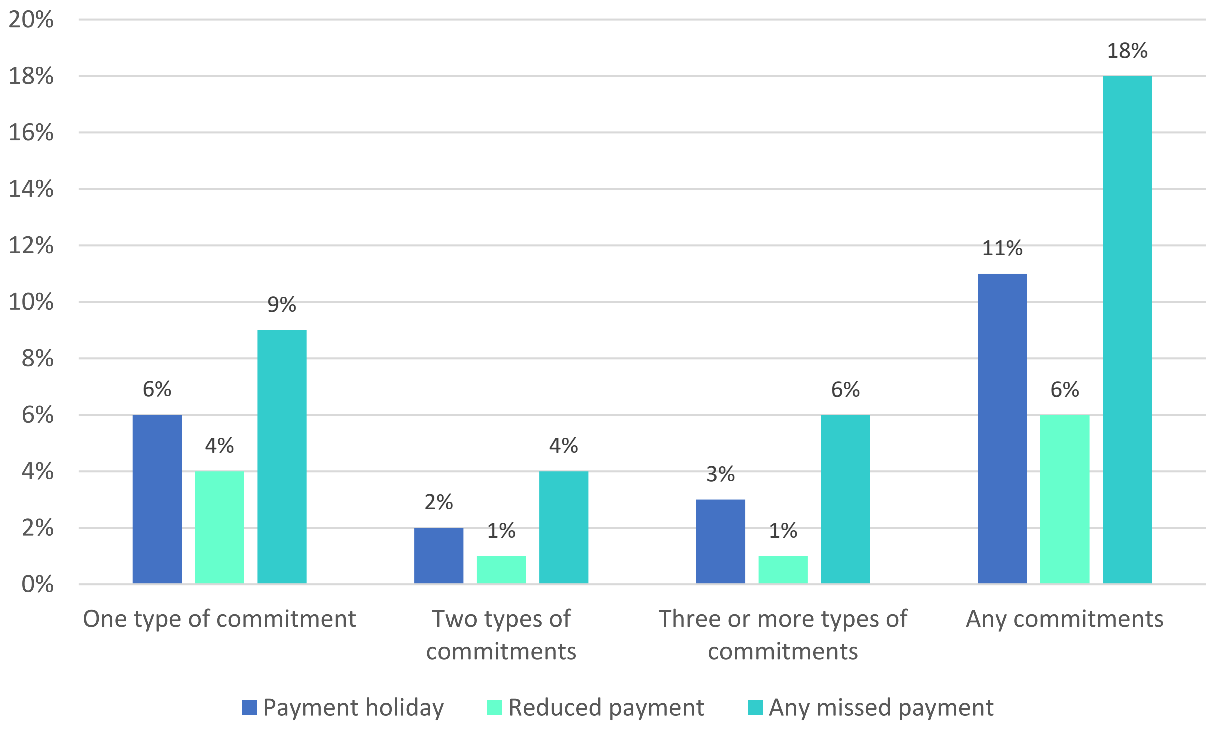
Most creditors have been offering some form of payment assistance to people adversely affected by the COVID-19 pandemic. But the exact provisions differ across the various commitments a household might have (see Box 1 below).

The Financial Conduct Authority (FCA) has been particularly proactive in this regard, requiring mortgage lenders and all other authorised lenders to make full payment holidays available, generally with guidance on how the repayment of any arrears accrued should be handled. These requirements currently run until 31 October 2020, and the FCA has recently published draft guidance for lenders that looks beyond the end of the payment holiday period (see Box 1 for further details).

While payment holidays, reduced payments and other forms of forbearance are offered for rents, and energy, water and council tax payments, these vary across providers and are often negotiated on a case-by-case basis.

Many households have taken advantage of these arrangements. Our survey data shows that, altogether one in eight households (13 per cent , equivalent to 3.7 million households in the UK) had been granted a payment arrangement of some kind, with full payment holidays being twice as common as reduced payments (11 per cent and 6 per cent). Just under half of those who had a payment arrangement had done so on two or more types[16] of commitment (Figure 10).

Figure 10 – Payment arrangements and all missed payments on household commitments



Base: 5,825

[16] A greater proportion may have applied for a payment arrangement on two or more commitments of the *same type*. For example, someone who had arranged payment holidays on two different credit cards but no other commitments would be included under 'one type of commitment' in Figure 10.

Box 1 – Details of payment holidays and other arrangements by different types of creditor

Mortgage payment holidays were introduced at the start of the pandemic in March 2020, and in early June were extended until 31 October. They last for three months, during which no full (or part) payments have to be made but interest accrues. Lenders cannot repossess homes until after 31 October 2020.

Mortgagors who can't start making full or part payments on their mortgage once their initial deferral comes to an end, can request a further three-month payment holiday. Lenders can, however, decline this if they believe it would put the mortgagor into payment difficulty and offer other help instead, such as freezing interest, or agreeing a repayment plan.

On 26 August the FCA published draft guidance looking beyond 31 October, proposing that firms consider a range of flexible long- and short-term forbearance measures, avoiding a 'one size fits all' approach, in order to tailor support to customers continuing to feel the financial impacts of the pandemic. This support should be extended to all mortgagors, regardless of whether they have benefited from payment holidays under the current guidance. Forbearance strategies proposed include extending a mortgage term, changing the type of mortgage (e.g. switching to an interest-only mortgage) or deferring payments. The guidance also proposes that firms prioritise support to vulnerable customers who are most at risk of detriment, or who are in greatest financial difficulty.

In contrast the assistance offered to tenants regarding **rent** payments is much more variable. Government guidance is *"encouraging tenants and landlords to work together to put in place a rent payment scheme"* and this guidance is being interpreted in different ways. While some landlords are contacting tenants proactively to work out new repayment arrangements if they suffer financial hardship, others are not offering to make any adjustments. Government is asking private landlords to be compassionate and allow tenants to stay in their homes wherever possible. For social landlords, local government and housing association representatives have already said that no social renter should be evicted due to coronavirus. In all cases, there has been a ban on evictions until 23 August in England and Wales and 9 July in Scotland, although in Scotland landlords are required to give six months' notice of an eviction, compared with three months in England and Wales. No date had been announced for Northern Ireland at the time of writing.

Since April, the FCA has required banks to offer payment holidays of up to three months to households struggling to repay **personal loans and credit cards.** This can take the form of a full payment holiday or reduced payments. In early July, the FCA confirmed proposals to extend credit card and loan payment holidays until 31 October. As with mortgages, interest continues to accrue during the holiday, and borrowers who are unable to start making full or part payments after their initial deferral comes to an end, can request a three-month extension. Lenders can decline this if they believe it would put the borrower into payment difficulty and offer other help, such as freezing interest, or agreeing a repayment plan.

People owing money on **store cards**, **catalogue credit**, **guarantor loans**, **logbook loans**, **credit union loans**, **home-collected credit** and **community development finance institution** (CDFI) loans can access the same payment holidays.

The FCA has introduced three month full and partial payment holidays for **car finance** where the loan is secured on the vehicle, which are available until 31 October. Lenders cannot repossess vehicles before 31 October. Similar arrangements exist for **buy-now pay later, pawnbroking** and **rent to own.**

Box 1 – Continued

Payday lenders are required to allow their customers to take a one-month payment holiday, during which time no interest should be charged. Lenders can choose to give a longer holiday, though there is no regulatory requirement to do so or to extend a payment holiday beyond one month. But they must let customers make the deferred payment in an "affordable way", for example: accepting token payments, agreeing a repayment plan or reduce or waive interest while the customer repays. These provisions are also in force until 31 October.

All **domestic energy** suppliers have agreed to provide support to anyone in financial distress, which can include debt repayments and bill payments being reassessed, reduced or paused. Disconnections of standard credit meters have been suspended. The help suppliers offer depends on a customer's circumstances, but can include: delaying bill due dates; allowing repayment over longer periods; reassessing monthly payments; removing late payment charges and offering alternative ways to pay. Of these, the first two are the ones most commonly offered.

Likewise, **water** companies in England and Wales have introduced measures to assist households and all debt collection visits and applications for court orders have been suspended. Individual companies differ in the help that they offer, which can include: payment breaks or payment holidays; flexible and reduced payments; social tariffs that reduce or put a cap on payment, and capped tariffs for those on water meters who receive certain social security benefits and need to use a lot of water for medical of family reason. Some companies also have schemes to help people to repay arrears and/or have charitable trusts that offer grants to households facing financial difficulty.

Local authorities have introduced payment holidays, payment deferrals and/or payment plans to help people who are struggling to make **council tax** payments, with arrangements being agreed on a case-by-case basis.

Table 8 shows the types of commitments on which survey respondents had payment arrangements, with mortgages, credit cards and council tax being by far the most common. For example, four per cent of all households had a full payment holiday on their mortgage and one per cent were making reduced payments. For credit cards, the proportions were four per cent (payment holiday) and two per cent (reduced payments), while for council tax they were two per cent (payment holiday) and two per cent (reduced payments). As Table 9 shows, mortgagors were more likely to have a mortgage payment holiday (11 per cent) than tenants were to have been given a rent holiday (three per cent of private tenants and five per cent of social tenants). However, many tenants would have their rent covered in full or part by Housing Benefit or Universal Credit. Table 9 also gives full details of the personal and household characteristics of households with payment arrangements as well as those who owed money in missed payments for a range of reasons, including payment holidays and reduced payments.

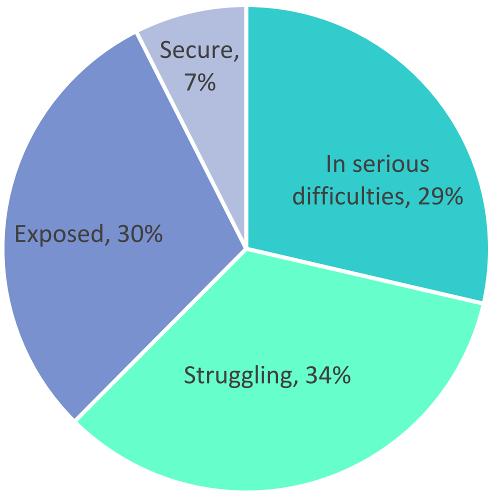
The prevalence of payment arrangements almost certainly explains why the proportion of households that currently owed any money in missed payments had risen from 16 per cent in early May to 18 per cent at the end of July.

Unless there is a further extension to these arrangements, most households will need to agree a means of repaying the money they owe with their creditors at the end of October 2020. This will vary from supplier to supplier and, within them, from customer to customer (see Box 1 above). Almost certainly, some creditors will be better prepared than others to deal with a high volume of customers needing assistance as their payment arrangements end. And there are likely to be large variations between creditors in terms of how they treat their customers coming to the end of a payment arrangement, including the options they offer for repaying the money owed.

Financial circumstances of those with payment arrangements and the need for sympathetic and creative forbearance measures

We have investigated the wider financial circumstances of households with one or more payment arrangement in some detail (see Tables 1, 8 and 9). Figure 11 below looks at the levels of financial wellbeing of households with payment arrangements (both full payment holidays and reduced payments) with one or more of their creditors. This shows that 29 per cent of them were *in serious financial difficulties* and 34 per cent were *struggling to make ends meet*. In other words, more than six in ten had low levels of financial wellbeing – indicating that they were in current financial stress across a range of indicators, and had little or nothing in savings. Most of them will find it difficult to repay the money owed and will require sympathetic and creative forbearance, both to repay the arrears they have accrued and quite possibly in meeting future payments too.

Figure 11 – Current financial wellbeing of households with a payment arrangement

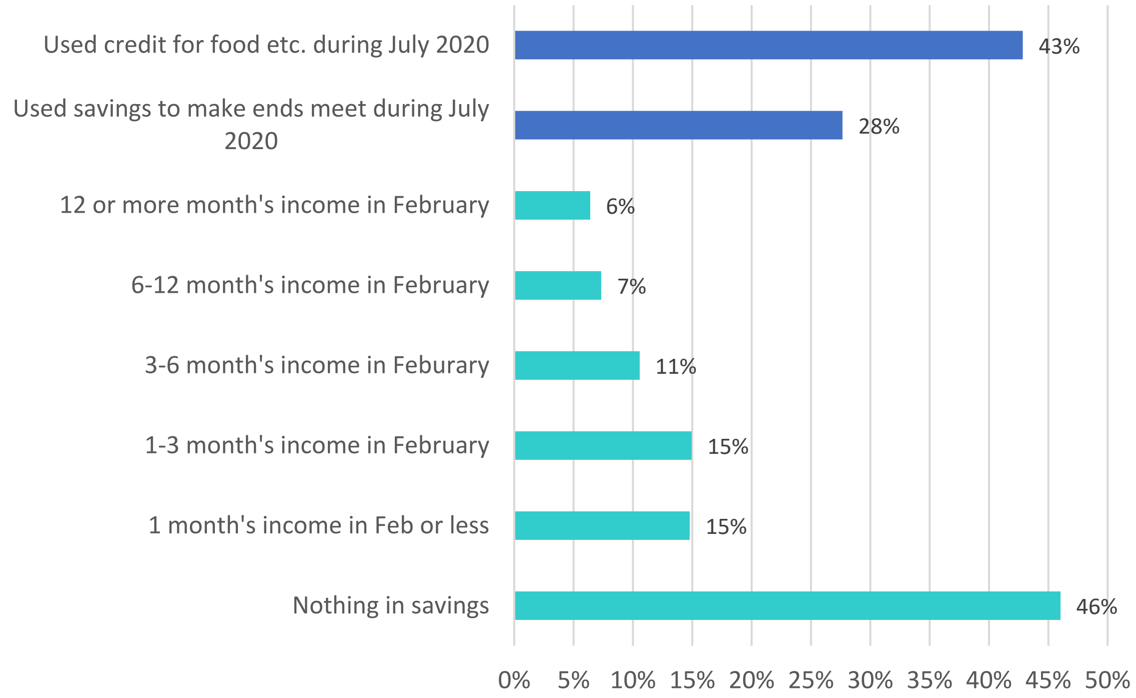


Base: 780.

That said, three in ten (30 per cent) were households that were *potentially exposed financially* (due to lack of financial resilience) but were not currently experiencing financial difficulties, and a further seven per cent were *financially secure*. It should almost certainly be possible to move these households back onto full payments at the end of October and for creditors to negotiate a way of dealing with the amounts outstanding. But this does serve to further emphasise that a nuanced approach will be required.

These findings are borne out when we look at how people with payment arrangements were attempting to make ends meet during July. More than four in ten of them (43 per cent) had used a credit card, overdraft or had borrowed money to buy food or to pay expenses because they had run out of money; three in ten (28 per cent) had drawn on savings to make ends meet, while 43 per cent had had no savings to draw on.

Figure 12 – Use of credit and savings to make ends meet during July 2020 and level of savings in July, among those who had a payment arrangement



Base: 780.
Note: Levels of saving at the end of July expressed as number of months of their total household income in February 2020.

Our survey data showed that the future financial outlook was not good for many of the households with a payment arrangement. More than a quarter (26 per cent – almost a million UK households) thought it was very likely that they could experience a loss of earnings as a direct result of the COVID-19 pandemic in the next three months, and a further two in ten (20 per cent) thought it quite likely (Figure 13 on page 29).

On our composite measure of future financial prospects, seven in ten households with a payment arrangement had prospects that were either very poor (38 per cent) or quite poor (33 per cent) (Figure 13).

Given the extent to which these households were also experiencing current financial difficulties, this has important implications for creditors and their regulators, who should be working together to find a suite of creative and sympathetic forbearance measures. Both to ensure that current payments can be met, and that the amounts owed in missed payments can be repaid or – in certain circumstances – written off. Box 2 on the following page provides a case study example of the type of tailored forbearance strategies creditors might implement, in cases where they are not already doing so.

This also has implications for debt advice agencies. This is discussed in the following section on debt advice.

Box 2 – Tailored forbearance strategies – Wessex Water case study

During the pandemic Wessex Water has offered households that are having short-term payment problems both payment breaks and flexible payment plans, where reduced payments are made for an agreed period. As these arrangements come to an end, they are proactively contacting customers and more than three-quarters (76%) have either now paid the money owed or have agreed a new flexible payment arrangement. Customers without a new arrangement have been contacted by phone or by letter to advise them to seek debt advice and to consider applying for a range of assistance and forbearance schemes available to households unable to pay their water bills. This includes three social tariffs: *Assist*, *WaterSure Plus* and *Pension Credit Discount*, and *Restart*, which supports households with arrears on charges that they cannot repay:

- **Flexible payment plans** are available to households who are having short-term problems paying their bill. Households make reduced-amount payments towards their water bill for an agreed period and catch up on payments later.

- **Assist** aims to help households in extreme financial difficulty who cannot afford their water bill and sets a lower level of payments based on the customer's ability to pay. This requires a statement of income, expenditure, and any other debt and savings, compiled by an advice agency. It can be used alongside the Restart scheme.

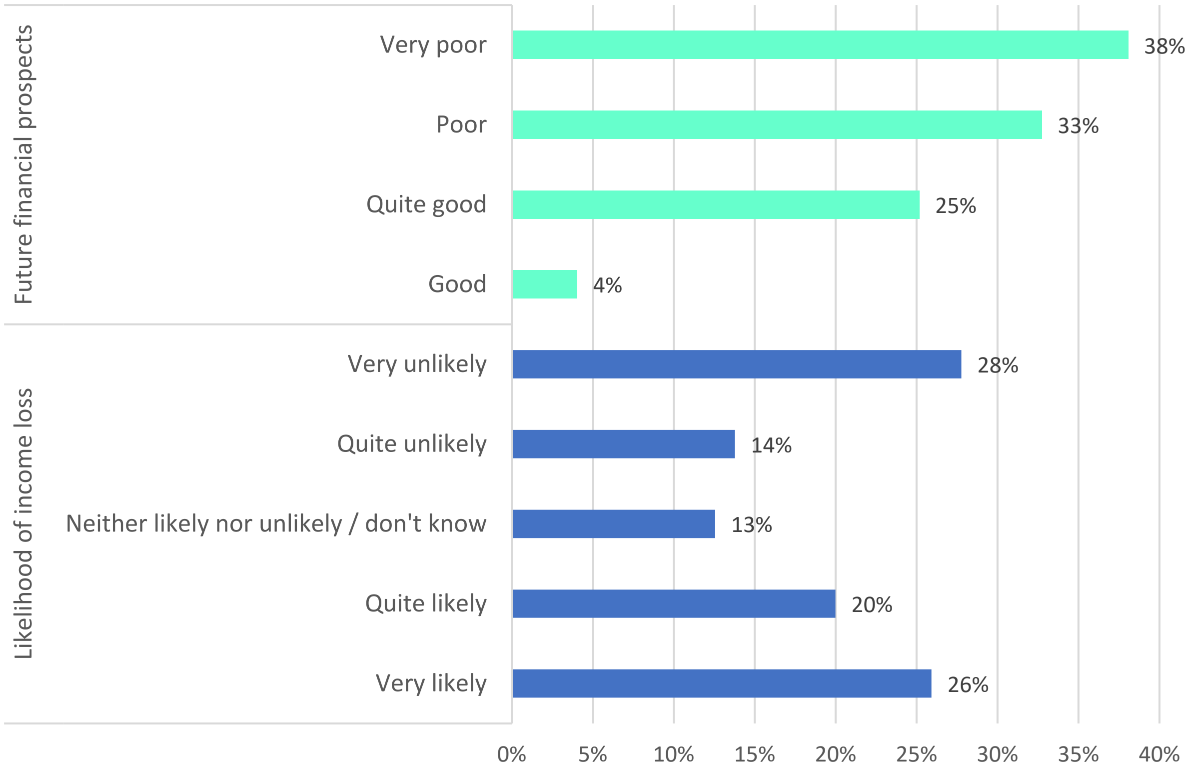
- **WaterSure Plus** is a reduced tariff for customers receiving social security benefits or tax credits who are on a water meter and need to use a large amount of water either for medical reasons or because they have three or more children under the age of 19 living at home.

- **Pension Credit Discount** is a 20% discount on the water bills of households either receiving Pension Credit or have the State Pension as their only source of income.

- **Restart** is for households with a significant water debt that they cannot repay and who cannot afford their ongoing bills – including reduced bills under the Assist scheme. As with Assist, access is through advice agencies. If agreed charges are paid for the current year, the outstanding debt is reduced by an equivalent amount at the end of the year. If the agreed charges are paid for a second year, the outstanding debt is written off. As with Assist, access is through advice agencies.

Wessex Water also signpost to the Money and Pensions Service, as well as providing financial support to local and national advice agencies and working closely with them in the administration of these schemes.

Figure 13 – Overview of future financial prospects, and likelihood of an income loss in the next three months as a result of the COVID-19 pandemic among those with payment arrangements



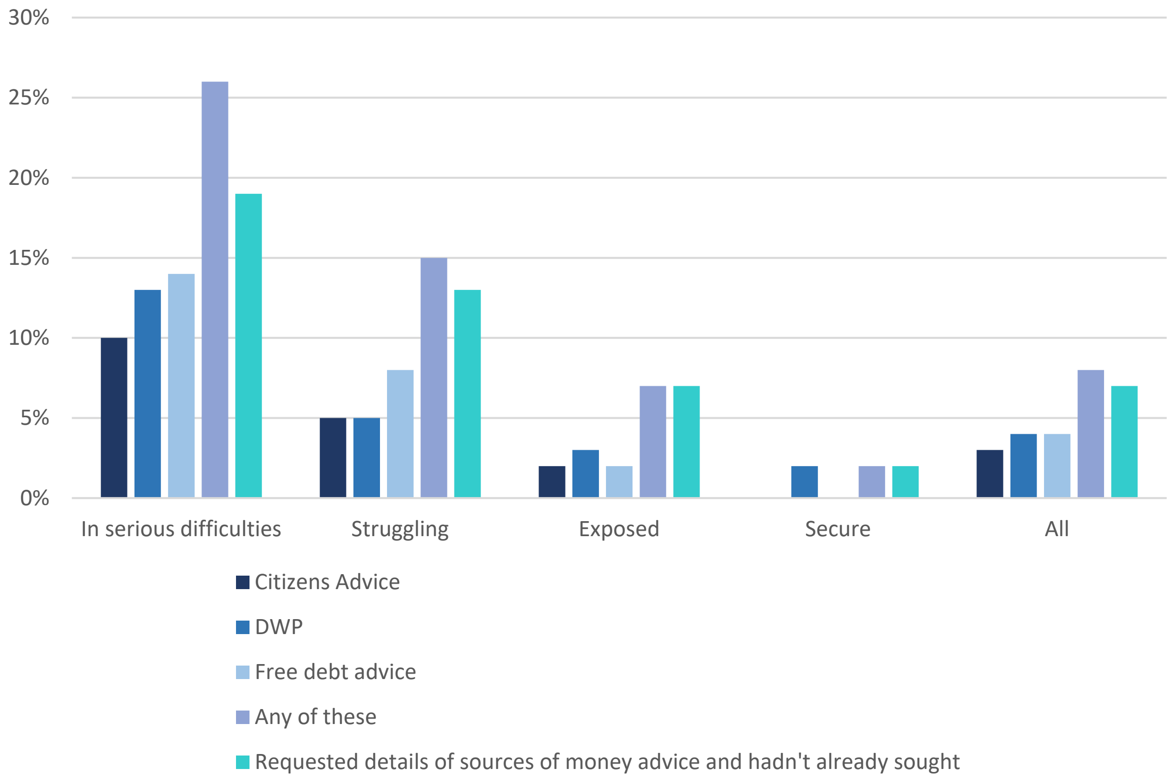
Base: 780.

DEMAND FOR DEBT ADVICE AND POTENTIAL UNMET NEED

At the end of July 2020, eight per cent of all households said that they had sought advice about 'their financial situation' since the beginning of March, with four per cent having contacted a debt advice charity, three per cent a Citizens Advice office and four per cent the Department for Work and Pensions (Figure 14 and Table 3).

A further seven per cent indicated that they would like details of where to get advice about financial difficulties but had not already sought it (Figure 14 and Table 3). In other words, half the households who needed advice had not yet sought it, an estimated two million households across the UK.

Figure 14 – Advice sought and requests for advice source details by level of current financial wellbeing



Base: 5,825

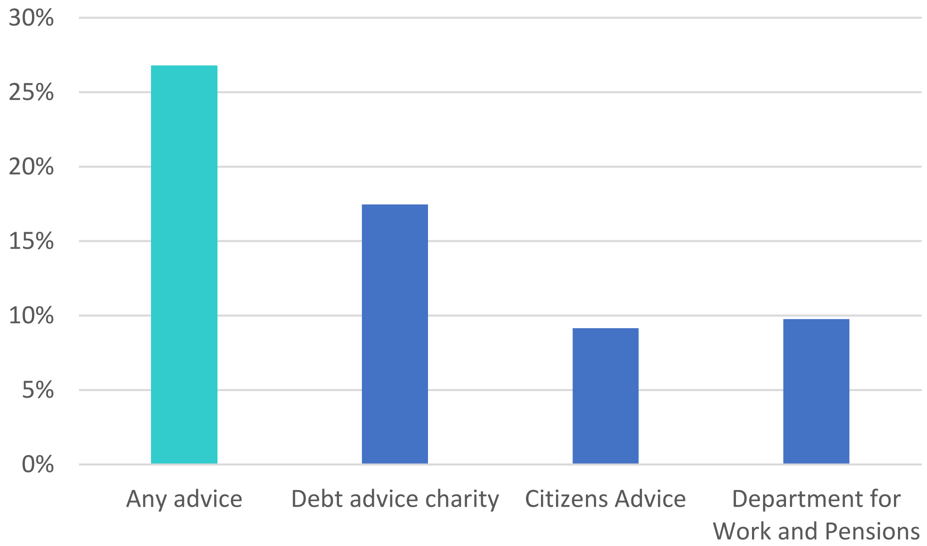
Unsurprisingly, it was the households *in serious financial difficulty* who had most often sought advice (26 per cent of this group) and who also requested details of where they could get advice on their financial situation and had not already done so (19 per cent) (Figure 14). But that still leaves 55 per cent of those *in serious financial difficulties* who were not recognising a need for debt advice when they might reasonably be expected to benefit from it. This equates to over 5.5 per cent of all households or 1.5 million households in total.

More reassuring, is the fact that almost two in ten of households who were *struggling to make ends meet* (15 per cent) had sought advice – before their problems had become too serious – and a further 13 per cent of them had requested details of where to obtain it (Figure 14).

Advice needed by households with payment arrangements

Finally, we look at the levels of advice sought by the households that currently had a payment arrangement. Altogether more than a quarter of them (27 per cent) had done so, with 17 per cent contacting a debt advice charity (not including Citizens Advice), nine per cent a Citizens Advice office and 10 per cent the Department for Work and Pensions (Figure 15).

Figure 15 – Advice sought by households with payment arrangements



Base: 780

It is reasonable to anticipate that creditors should be referring people with payment arrangements that are ending and who are *in serious financial difficulty* to a debt advice agency for assistance – if they have not already contacted one. Further investigation showed that this would be the case for 2.5 per cent of all households – equivalent to 700,000 households across the UK.

If it were also to include all those with a payment holiday who were *struggling to make ends meet* and had not already sought advice, this would add a further 3.2 per cent of all households – equivalent to 900,000 – making a total of 1.6 million in total.

Should this level of demand materialise debt advice charities will face a difficult situation when the current payment holidays are scheduled to end this autumn. In June 2020, HM Treasury announced that it was providing an extra £43.7 million to increase the capacity of free debt advice services across the UK.[17] The Money and Pensions Service estimates that the £37.8 million it has been allocated for England will be used to ensure that a further one million people get debt advice over the next 12-18 months, and that enhanced money guidance is available for a further two million people across the UK.[18] But it will take time to put this extra resource in place and in the meantime creditors and their regulators need to consider how they will manage the situation from the end of October 2020 and avoid large numbers of household facing enforcement action.

---

[17] https://www.gov.uk/government/news/almost-38-million-support-package-for-debt-advice-providers-helping-people-affected-by-coronavirus

[18] https://moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus/

TABLES

List of tables

Table 1 – Financial strain at different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	
***Current financial situation**					
Is very bad (a2)	22	2	-	-	3
Is bad (a2)	60	26	4	-	12
Thinking about my financial situation makes me anxious (bekymret) [1]	96	81	50	16	47
***Struggle to pay for food/expenses** (b3) [1]	86	24	3	-	13
***Current ability to pay bills and credit commitments** (b18)					
Constant struggle to pay bills	82	17	1	-	11
Struggle from time to time to pay bills	18	80	45	1	32
Pay bills without difficulty	-	3	54	99	57
***Arrears on bills and credit commitments (including payment holidays and reduced payments)**					
Arrears on rent/mortgage (misspay_housing)	27	16	6	1	8
Arrears other bills (misspay_bills)	40	18	6	1	8
Arrears on unsecured credit and car finance (misspay_comm)	44	23	7	1	11
Any arrears (arr_all_cat)	63	37	13	3	18
1	*20*	*17*	*8*	*2*	*9*
2	*15*	*9*	*2*	*-*	*4*
3+	*27*	*11*	*4*	*-*	*6*
Payment holidays					
Payment holiday on mortgage	7	8	4	1	4
Payment holiday on rent	4	2	1	-	1
Payment holiday on other bills	10	6	3	1	3
Payment holiday on unsecured credit and car finance	19	15	5	1	6
Any payment holiday	29	22	10	2	11
1	15	13	6	2	6
2	7	5	1	-	2
3+	7	5	3	-	3
Reduced payments					
Payment reduced on mortgage	-	2	1	-	1
Payment reduced on rent	3	2	1	-	1
Payment reduced on other bills	9	6	2	1	3
Payment reduced on unsecured credit and car finance	13	9	2	-	4
Any reduced payment	20	15	4	1	6
1	12	9	3	1	4
2	3	2	1	-	1
3+	5	4	1	-	1
Credit card repayments					
Missed last payment on at least one card (b19_13_new)	20	12	3	0	5
Minimum payment on at least one card (card2_pop)	31	24	12	2	12

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
All results are significant at p<.05 (chisq) and t-tests using multinomial logistic regression
[1] All agreeing/agreeing strongly.
*Included in the financial well-being score that was used to create the categorisation of households used in this and other tables.

Table 2 – Economic circumstances by levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	
Gross household income					
Mean	£20k	£27.5k	£33.8k	£37.5k	£32.5k
Income loss since March (c17)					
Decreased by one third or more	32	15	7	4	9
Decreased by less than a third	26	30	21	16	21
Stable	37	50	63	68	60
Increased	5	5	8	12	9
Lost income sources because of the COVID-19 crisis					
Temporarily laid off work, not receiving salary (IP and/or partner)	5	4	3	1	3
Lost job, now unemployed (IP and/or partner)	10	10	5	2	5
Lost income including furloughed (IP and/or partner)	27	24	20	14	19
Temporarily ceased trading (IP and/or partner)	8	9	6	4	6
Permanently ceased trading (IP and/or partner)	3	3	2	1	2
Still trading but income has fallen (IP and/or partner)	8	9	9	6	8
Any of these (corona_impact)	48	44	35	25	34
Income has fallen further change since initial loss because of COVID-19 crisis (change)*	63	36	22	14	29
Social security benefits					
Out of work benefits before crisis (benefits_feb)	33	21	8	2	10
WTC before crisis (benefits_feb)	9	4	3	1	3
UC since crisis (uc_mar_new)	9	8	3	1	3
Government support					
Job retention scheme received (furloughed)	17	16	16	10	14
Job retention scheme expected (furloughed)	4	6	5	2	4
Self-emp income support received or expected (selfemp_support3)	10	8	10	5	8
Number of earners in the household (before the crisis) (earners)					
Two	23	30	39	30	33
One	40	36	33	29	33
None	37	34	28	41	35
Respondent work status (before the crisis)					
Full time (wrk_full)	36	40	50	39	43
Part time (wrk_part)	16	16	15	13	15
Students	3	2	2	1	2
Retired (wrk_ret)	10	14	21	40	26
Unemployed (wrk_unempl)	11	7	3	1	4
Economically inactive (wrk_soc)	20	16	6	5	9
Partner work status (before the crisis)					
Full time	30	35	39	31	35
Part time[1]	7	8	9	10	9
Students[1]	0	2	1	1	1
Retired	5	8	14	28	17
Unemployed	4	2	1	1	2
Economically inactive	10	8	4	3	5

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
All results are significant at p<.05 (chisq) and t-tests using multinomial logistic regression (income), except:
[1] Not statistically significant: partner is 'student' or 'part-time'; self-employed (partner), online platform worker, temporary contract; work sector (respondent); work sector (partner) is 'private' or 'third/voluntary'.
*Base, all experiencing an income loss because of COVID-19 crisis (covid_impact).

Table 2 (Continued) – Economic circumstances by levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	
Self-employment					
Self-employed (respondent)	12	12	11	10	11
Self-employed (partner)[1]	9	9	9	7	8
Self-employed (self or partner)	18	17	18	15	17
Insecure employment (respondent or partner)					
Zero hours (insecure2)	9	9	7	4	6
Agency worker (insecure3)	4	4	3	2	3
Online platform worker (e.g. Uber) (insecure4)[1]	1	1	1	-	1
Temporary contract (insecure5)[1]	4	4	3	2	3
Any insecure employment (gig_dum)	15	16	11	7	11
Main income from insecure work	14	13	10	6	10
Secondary income from insecure work	7	7	9	10	9
Both main and secondary income from insecure work	4	5	4	3	4
Work sector (respondent) (work_sector)[1]					
Private	63	64	63	64	63
Public	27	22	28	28	27
Third/voluntary	8	11	8	9	9
Work sector (partner)					
Private[1]	60	63	62	60	61
Public	24	24	30	33	29
Third/voluntary[1]	9	6	6	7	6
Social grade (profile_socialgrade_cie)					
A	6	8	10	19	13
B	7	13	16	20	16
C1	21	26	30	30	29
C2	23	21	23	19	21
D	17	12	8	6	9
E	26	21	13	7	13

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
All results are significant at p<.05 (chisq) and t-tests using multinomial logistic regression (income), except:
[1] Not statistically significant: partner is 'student' or 'part-time'; self-employed (partner), online platform worker, temporary contract; work sector (respondent); work sector (partner) is 'private' or 'third/voluntary'
*Base, all experiencing an income loss because of COVID-19 crisis (covid_impact)

Table 3 – Strategies to make ends meet at different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Use of savings to make ends meet (c10_1)					
Didn't have any savings	68	46	14	1	20
Have used savings last four weeks to make ends meet	29	36	25	9	21
Have savings but did not use any of them	2	16	59	90	58
Has depleted savings[1]	20	10	2	-	4
Use of credit to make ends meet (b10)					
Have used credit for food and other expenses last four weeks (b10)	65	41	12	1	18
Advice/help sought about financial situation					
Citizens Advice (advice_ca)	10	5	2	-	3
Dept for Work and Pensions (advice_dwp)	13	5	3	2	4
Free debt advice agency (exc Citizens Advice) (debt_free_dum)	14	8	2	-	4
Fee-charging debt advice company (debt_fee)	-	1	-	-	-
Any of these (advice_dum)	26	15	7	2	8
Requested details of sources of money advice for people in financial difficulties					
All who requested details (con_3)	30	18	9	2	10
All who requested details and had not already sought advice	19	13	7	2	7

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq).
[1] Calculated from Amount currently held in savings (c10 Table 4) and Whether has had savings to draw on in the past 4 weeks c10_1 above

Table 4 – Financial resilience at different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
***How much of a large unexpected expense could be covered?** (c3) [1]					
None of it	79	42	10	2	19
Some of it	16	52	58	5	33
All of it	5	7	32	93	48
***Ability to make ends meet if income were to fall (has fallen) by a third or more**					
Income has increased, remained stable or fallen by less than one third (c17)	68	85	93	96	91
Could not cope (c5a) [2]	*58*	*29*	*9*	*1*	*13*
Could cope up to month without borrowing (c5a) [2]	*29*	*27*	*10*	*0*	*10*
Could cope between 1 and 3 months without borrowing (c5a) [2]	*11*	*28*	*34*	*2*	*19*
Could cope for longer than 3 months without borrowing (c5a) [2]	*2*	*15*	*47*	*97*	*59*
Income has fallen by one third or more (c17)	32	15	7	4	9
Could not cope (c5b) [3]	*54*	*15*	*2*	*1*	*22*
Could cope up to one month without borrowing (c5b) [3]	*23*	*19*	*4*	-	*14*
Could cope between 1 and 3 months without borrowing (c5b) [3]	*19*	*48*	*28*	-	*26*
Could cope for longer than 3 months without borrowing (c5b) [3]	*4*	*18*	*66*	*99*	*38*
***Amount currently held in savings** (c10)					
No savings	88	56	16	1	24
One month's income in February or less	7	23	23	1	13
One to three month's income in February	3	13	29	9	17
Three to six month's income in February	1	4	15	16	12
Six to twelve month's income in February	0	2	8	17	9
Twelve or more month's income in February	0	1	8	56	24

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq).
[1] Unexpected expense corresponding to 1 month's income.
[2] Base all whose income has increased, remained stable or fallen by less than one third = 5,322.
[3] Base all whose income has fallen by one third or more = 503.
*Included in the financial well-being score that was used to create the categorisation of households used in this and other tables.

Table 5 – Future prospects at different levels of financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Likelihood of an income fall next three months (future)					
Very likely	23	17	12	8	12
Quite likely	18	19	15	11	14
Neutral	21	15	11	6	11
Not very likely	11	17	19	16	17
Unlikely	27	32	43	59	46
How confident about the financial situation next three months (a3)					
Not at all confident	29	5	1	0	4
Not very confident	46	35	12	3	16
Neutral	18	37	25	9	20
Quite confident	7	23	54	54	44
Very confident	0	1	7	35	15
Ability to pay bills and credit commitments next three months (b18_1)					
Will be a constant struggle	66	13	1	0	9
Will be a struggle from time to time	34	81	50	6	37
Will be done without any difficulty	1	6	49	93	54
More difficult to pay bills/debt commitments next three months (more_diff) [1]	4	6	12	6	8
Earning loss very likely next three months*					
Will be temporarily laid off with no pay, but expect to return to work	4	3	2	1	2
Will permanently lose job/be made redundant	9	6	3	2	4
Will still be employed, but wages will fall (including being furloughed)	8	5	4	2	4
My/their business will temporarily cease trading, but expect to restart	5	3	2	2	2
My/their business will permanently cease trading	4	1	1	0	1
My/their business will still be trading, but income will fall	9	7	5	3	5
Outlook for household financial situation over next three months [2] (fut7_fwbs_cat)					
Poor	92	43	2	-	17
Quite poor	8	52	38	-	23
Quite good	-	5	59	44	39
Good	-	-	1	56	21

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq).
[1] Calculated from replies to b18_1 above and b18 on Table 1
[2] Calculated from a Principal Components Analysis of questions: future, a3 and b18_1 (above) and c3, c5 and c10 (in Table 4)
* All answering very or quite likely

Table 6 – Demographics at different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Nation (nation)					
England[1]	82	82	84	85	84
Wales[1]	5	5	5	5	5
Scotland[1]	10	10	8	8	8
Northern Ireland	2	3	3	2	3
Family types (famtyp)					
Single[1]	29	29	26	26	27
Couple	18	22	31	42	32
Lone parents	13	9	5	1	5
Lone parents with adult children only	6	4	4	3	4
Couples with children	25	26	24	13	20
Couples with adult children only	7	9	10	14	11
Family with dependent children	39	35	29	15	25
Age					
Under 30	10	11	11	6	9
30-39	24	25	22	14	19
40-49	26	23	20	13	18
50-59	21	18	17	17	17
60-69	14	14	17	26	20
70 or over	5	9	13	24	16
Disability					
Limited a lot	26	18	10	7	12
Housing tenure					
Outright owner (o_owner)	9	16	29	56	35
Mortgagor (m_owner)	21	31	38	29	32
Private tenant (p_rent)	32	26	18	9	17
Social tenant (s_rent)	32	22	11	3	12
Other (t_other)	5	5	4	3	4
Urban/rural					
City (city) [1]	78	78	75	74	76
Town and surroundings (town) [1]	10	9	10	11	10
Rural (rural)	10	9	12	12	11
UK regions that were statistically significant					
North East of England	6	5	6	4	5
South East of England	12	11	12	15	13
Education level (profile_education_level_regroupe)					
Degree (or equivalent) and above	37	41	48	57	49
A level or equivalent	16	17	17	15	16
GCSE or equivalent	27	25	23	17	21
Other (mainly professional) qualifications	10	10	8	7	8
No qualifications	10	8	5	4	6

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq), except:
[1] England, Wales, Scotland; Single people; City, towns – not statistically significant

Table 7 – Work sector by different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Respondent					
Agriculture, forestry and fishing	1	1	2	1	1
Manufacturing	4	7	6	6	6
Electricity, gas, steam and air conditioning supply	3	3	1	1	2
Construction	5	3	4	4	4
Wholesale and retail	15	9	9	8	9
Repair of motor vehicles/motorcycles	-	1	1	-	1
Transportation and storage	2	6	6	5	5
Accommodation or food service	6	4	3	2	3
Information and communication	2	4	4	7	5
Finance and insurance	5	5	7	8	7
Real estate	3	2	2	2	2
Professional, scientific or technical	4	3	5	8	6
Administrative services	3	4	4	2	3
Public administration and defence	1	4	5	5	4
Education	13	12	13	12	12
Human health and social work	11	8	8	8	8
Arts, entertainment and recreation	7	6	5	4	5
Other service activities	2	2	2	1	2
Other household employment	2	1	1	-	1
Other[1]	21	24	20	21	21
Partner					
Agriculture, forestry and fishing	-	1	2	1	1
Manufacturing	6	4	5	4	5
Electricity, gas, steam and air conditioning supply	1	3	3	1	2
Construction	10	9	6	4	6
Wholesale and retail	11	12	9	6	9
Repair of motor vehicles/motorcycles	1	1	1	-	1
Transportation and storage	7	3	4	3	4
Accommodation or food service	3	6	5	3	4
Information and communication	2	3	3	6	4
Finance and insurance	4	4	5	7	5
Real estate	3	1	1	1	1
Professional, scientific or technical	4	2	6	8	6
Administrative services	2	3	3	2	3
Public administration and defence	-	1	4	5	3
Education	6	11	12	13	12
Human health and social work	12	12	11	12	11
Arts, entertainment and recreation	4	6	4	3	4
Other service activities	2	1	2	3	2
Other household employment	1	-	2	1	1
Other[1]	23	22	18	20	20

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=3,403.
Significance testing using chi-square conducted for headings in bold, rather than for individual industries. All results are significant at p<.05 (chisq).
[1] 'Other' also includes classifications with fewer than 20 respondents.

Table 7 (Continued) – Work sector by different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Either respondent or partner					
Agriculture, forestry, and fishing	1	1	2	2	2
Mining and quarrying	1	1	1	-	1
Manufacturing	7	9	8	8	8
Electricity, gas, steam and air conditioning supply	3	5	2	1	3
Water supply (e.g. sewerage, waste management and remediation activities etc.)	2	4	1	1	2
Construction	8	9	7	6	7
Wholesale and retail	17	14	13	11	13
Repair of motor vehicles/ motorcycles	0	2	1	-	1
Transportation and storage	6	7	7	6	7
Accommodation or food service	7	7	6	4	5
Information and communication	3	5	6	10	7
Finance and insurance	6	7	9	12	9
Real estate	3	2	2	2	2
Professional, scientific or technical	5	4	8	12	8
Administrative services	4	6	6	4	5
Public administration and defence	1	4	6	7	6
Education	14	17	19	19	18
Human health & social work	16	14	14	14	14
Arts, entertainment & recreation	8	8	7	6	7
Other service activities (e.g. member in a professional organisation, repairing	3	3	3	3	3
Other household employment (e.g. tutor, babysitter etc.)	2	2	2	1	1
Other[1]	25	26	25	27	26

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=3,403.
Significance testing using chi-square conducted for headings in bold, rather than for individual industries. All results are significant at p<.05 (chisq).
[1] 'Other' also includes classifications with fewer than 20 respondents.

Table 8 – Payment holidays/missed payments by different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*16*	*37*	*37*	*100*
Missed payments					
Mortgage loan	8	9	5	1	4
Personal loan from a bank or building society	14	6	2	-	3
Credit card or store card	28	17	5	1	8
Credit from a retailer/hire purchase	8	6	1	-	2
Goods bought on credit from a mail order catalogue/online	12	6	1	-	3
Loan from a payday lender	4	2	1	-	1
Loan from home-collected credit company	5	3	1	-	1
Car finance / car leasing	5	3	2	-	2
Rent	19	7	2	-	4
Electricity	16	8	3	-	4
Gas	13	6	2	-	3
Council tax	26	9	4	1	6
Phone, broadband	6	3	-	-	1
TV licence	7	4	-	-	1
Any of these	*63*	*37*	*13*	*3*	*18*
Payment holidays					
Mortgage loan	7	8	4	1	4
Personal loan from a bank or building society	7	3	2	-	2
Credit card or store card	11	8	3	-	4
Credit from a retailer/hire purchase	3	2	0	-	1
Goods bought on credit from a mail order catalogue/online	3	4	1	-	1
Loan from a payday lender[1]	1	1	-	-	-
Loan from home-collected credit company[1]	2	-	-	-	-
Car finance / car leasing	3	2	1	-	1
Rent	4	2	1	-	1
Electricity	5	4	2	-	2
Gas	4	3	2	-	2
Water	4	3	2	-	2
Council tax	8	4	2	1	2
Any of these	*29*	*22*	*10*	*2*	*11*
Reduced payments					
Mortgage loan	1	2	1	-	1
Personal loan from a bank or building society	3	1	-	-	1
Credit card or store card	8	4	1	-	2
Credit from a retailer/hire purchase[1]	1	2	1	-	1
Goods bought on credit from a mail order catalogue/online	3	2	1	-	1
Loan from a payday lender[1]	1	1	1	-	1
Loan from home-collected credit company[1]	2	2	-	-	1
Car finance / car leasing[1]	0	1	-	-	-
Rent	3	2	1	-	1
Electricity	3	2	-	-	1
Gas	3	2	-	-	1
Water	2	3	-	-	1
Council tax	5	4	1	1	2
Any of these	*20*	*15*	*4*	*1*	*6*

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq), except where footnote 1 applies.
[1] Chi-square results may be invalid due to low expected cell counts

Table 9 – Payment holidays/missed payments by demographics and SIC

	Number of missed payments				Missed payment on mortage/rent	Missed payment on other bills	Missed payment on unsecured credit/car finance	Number of payment types reduced				Number of payment holiday types				Payment holiday on mortgage or rent	Payment holiday on other bills	Payment holiday on unsecured credit and car fin
	0	1	2	3+				0	1	2	3+	0	1	2	3+			
Nation																		
England	82	8	3	6	8	10	11	94	4	1	1	89	6	2	3	5	4	6
Wales	82	10	4	4	6	8	12	94	4	1	1	90	6	2	2	4	3	7
Scotland	80	10	4	6	11	10	12	94	4	0	1	89	6	2	2	7	3	5
Northern Ireland	79	10	5	5	9	6	15	93	4	2	1	88	7	3	2	5	1	10
Region																		
North East	80	10	2	8	9	12	10	95	2	1	2	87	9	1	2	5	5	6
North West	81	8	5	6	7	11	12	93	4	1	1	90	5	1	3	4	3	7
Yorkshire and the Humber	82	9	3	5	7	10	10	93	5	1	1	90	7	1	1	4	3	5
East Midlands	83	8	2	6	7	7	12	93	5	1	2	88	6	2	3	5	3	7
West Midlands	83	7	2	8	7	10	12	93	3	2	2	88	7	1	4	6	3	8
East of England	82	10	6	3	9	7	11	95	3	1	1	90	6	2	2	6	2	5
London	79	9	2	10	10	14	12	91	6	1	2	88	5	3	4	6	6	7
South East	84	8	4	5	9	8	9	95	3	1	1	89	7	2	3	6	3	6
South West	84	7	4	5	5	8	10	95	4	1	1	92	5	2	2	3	3	5
Family types																		
Single, no children	81	10	4	5	8	10	10	93	5	1	2	90	6	1	3	5	3	5
Couple, no children	89	6	2	3	4	5	6	96	3	0	1	93	4	1	2	3	2	4
Lone parents	61	17	5	17	16	28	24	82	10	3	5	81	9	5	5	6	8	13
Couples with children	72	12	6	10	15	13	18	91	5	2	2	81	11	5	4	10	4	12
Lone parents with adult children	79	9	6	6	6	12	14	94	5	0	1	92	3	3	2	2	4	5
Couples with adult children only	89	5	1	4	3	5	8	97	2	1	0	93	4	1	2	2	3	5
Families with dependent children	70	13	6	11	15	16	19	89	6	2	2	81	10	5	4	9	5	12
Educational attainment																		
Degree or higher	84	8	3	5	7	7	9	95	3	1	1	90	6	2	2	5	3	6
A Level or equivalent	81	9	4	7	10	10	11	94	4	2	1	88	6	3	3	6	4	6
GCSE or equivalent	78	9	6	8	9	13	15	92	5	1	2	88	8	2	3	5	4	7
Other	80	8	4	8	9	10	14	93	6	1	1	87	7	4	2	5	3	9
No qualifications	80	8	4	8	8	15	12	93	4	2	2	90	5	2	3	3	4	6

Row percentages. Weighted results. United Kingdom, July 2020. N=5,825.
Sub-tables in black are significant at p<0.05 (chisq). Those greyed out not statistically significant.

Table 9 (Continued) – Payment holidays/missed payments by demographics and SIC

	Number of missed payments				*Missed payment on mortgage/rent*	*Missed payment on other bills*	*Missed payment on unsecured credit/car finance*	*Number of payment reduced types*				*Number of payment holiday types*				*Payment holiday on mortgage or rent*	*Payment holiday on other bills*	*Payment holiday on unsecured credit and car fin*
	0	*1*	*2*	*3+*				*0*	*1*	*2*	*3+*	*0*	*1*	*2*	*3+*			
Disability																		
Limits day-to-day activities a lot	69	12	6	13	12	21	23	88	7	1	4	84	7	4	5	5	7	11
Housing tenure																		
Outright owner	94	3	1	2	1	4	4	98	1	0	1	96	2	0	2	0	2	3
Mortgagor	82	10	4	4	13	5	9	95	3	1	1	86	9	3	2	11	2	6
Private tenant	72	12	7	8	8	16	17	90	7	2	1	87	8	3	3	3	5	8
Social tenant	61	15	7	18	17	29	26	85	9	2	4	82	9	3	6	5	8	13
Other	76	8	6	10	6	13	16	90	7	1	2	85	8	3	4	4	5	9
Urban/rural																		
City	81	9	4	7	9	10	12	93	4	1	2	89	6	2	3	5	4	7
Town	83	9	3	5	7	9	10	93	4	1	1	90	7	1	2	5	3	6
Rural	87	8	3	2	5	5	8	98	2	0	0	92	4	2	2	4	2	4
Age																		
Under 30	68	13	5	13	14	18	20	83	10	2	5	81	11	3	5	7	6	12
30-39	75	11	5	10	12	13	15	91	5	1	2	85	8	4	3	7	3	10
40-49	75	12	4	9	13	13	14	93	5	1	1	85	8	3	3	9	4	8
50-59	82	9	4	5	7	8	10	95	3	1	1	91	6	1	2	5	3	5
60-69	89	6	2	4	3	6	7	97	2	1	0	94	3	1	2	2	3	3
70 or over	93	4	1	2	1	3	4	98	1	0	0	97	2	0	1	1	1	2

Row percentages. Weighted results. United Kingdom, July 2020. N=5,825.
Sub-tables in black are significant at p<0.05 (chisq). Those greyed out not statistically significant.

Table 10 – Economic circumstances by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Gross household income											
Mean	£20k	£40.5k	£35.5k	£35k	£33.5k	£34k	£33k	£32k	£34.5k	£32.5k	£34k
Covered by CJRS (furloughed)	-	-	-	81	78	-	-	14	100	36	79
Expect to be covered by CJRS (furloughed)	1	5	12	2	1	5	9	4	-	4	1
Covered by SEISS (selfemp_support)	-	-	-	32	34	-	-	6	15	100	33
Expect to be covered by SEISS (selfemp_support)	-	1	6	1	1	2	6	2	1	-	1
Lost income sources because of COVID-19 crisis											
Temporarily laid off work, no salary/wage	-	-	8	6	4	-	10	3	4	9	5
Lost job, now unemployed	-	-	10	8	10	-	22	5	11	10	10
Lost income, including furloughed[3]	-	-	54	47	65	-	47	19	72	21	58
Temporarily ceased trading	-	-	12	10	17	-	20	6	9	36	14
Permanently ceased trading[2]	-	-	5	4	2	-	7	2	2	7	3
Still trading but income has fallen	-	-	23	17	24	-	22	8	10	55	21
Any of these (corona_impact)	-	-	100	75	95	-	100	34	86	94	88
Social security benefits											
UC/JSA/ESA before crisis (benefits_feb)	19	4	7	9	9	8	8	10	9	10	9
WTC before crisis (benefits_feb)	-	3	4	9	6	2	5	3	5	17	7
UC since crisis (uc_mar_new)	1	1	4	5	8	3	11	3	5	14	7
Work status respondent (before the crisis) (work_status_feb20)											
Full time	-	69	53	60	62	50	57	43	62	56	61
Part time	-	16	26	26	25	21	28	15	24	30	25
Student[1,2,3]	2	1	4	2	1	4	2	2	1	2	1
Retired (as of February)	71	6	9	6	2	7	3	26	4	3	4
Unemployed	8	1	1	1	2	5	2	4	2	-	1
Economically inactive	16	6	5	4	6	10	6	9	5	5	5
Work status partner (before the crisis) (work_status_feb20_partner)											
Full time	-	48	47	54	57	51	47	35	57	51	56
Part time	-	10	20	20	14	10	12	9	16	22	16
Student[2,3]	1	1	2	1	1	3	2	1	1	1	1
Retired (as of February)	45	5	6	6	2	6	5	17	3	4	4
Unemployed[1,2,3]	2	1	1	-	1	2	2	2	1	1	1
Economically inactive[1,2,3]	6	5	4	3	5	3	6	5	4	3	4
Respondent worked in Feb 2020[4]	-	87	89	89	90	81	91	61	88	91	90
Partner worked in Feb 2020[4]	-	61	71	76	73	64	64	45	74	76	74

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.

All results are significant at p<.05 (chisq) except:

[1] Not statistically significant for COVID impact categories (first seven columns): respondent was a student, partner was unemployed, partner was economically inactive

[2] Not statistically significant for receipt of CJRS: permanently ceased trading, respondent was a student, partner was a student, partner was unemployed, partner was economically inactive

[3] Not statistically significant for receipt of SEISS: lost income (inc. furloughed), respondent was a student, partner was a student, partner was unemployed, partner was economically inactive

[4] Includes those not working full-time or part-time but who were doing work of some kind either as an employee or self-employed e.g. while studying or partially retired

Table 10 (Continued) – Economic circumstances by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Self-employment and insecure work											
Self/partner self-employed (insecure_1)	-	9	35	28	39	15	41	17	19	86	35
Self or partner worked in the gig economy (gig_dum)	-	7	23	21	22	16	27	11	21	30	22
Main/all income from self-employment or gig economy (insecure2_1)	-	6	14	21	24	13	23	10	15	49	23
Number of earners (respondent and partner, if they have one)											
None	100	3	12	5	3	11	7	35	4	6	4
One	-	52	39	37	40	52	50	33	38	36	39
Two	-	44	49	58	57	37	43	33	58	58	57
Social grade (profile_socialgrade_cie)											
Higher/intermediate managerial, administrative or professional AB	11	14	13	12	11	13	16	13	11	15	11
Clerical and junior managerial, administrative or professional C1	12	20	18	16	14	19	15	16	15	11	15
Skilled manual occupations C2	21	35	31	28	31	32	28	29	30	24	30
Semi- or unskilled manual occupations D	16	20	22	28	29	17	27	21	27	38	28
State pensioners, unemployed and casual workers E	6	9	13	13	10	13	10	9	13	6	11

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825.
All results are significant at p<.05 (chisq) except:
[1] Not statistically significant for COVID impact categories (first seven columns): respondent was a student, partner was unemployed, partner was economically inactive
[2] Not statistically significant for receipt of CJRS: permanently ceased trading, respondent was a student, partner was a student, partner was unemployed, partner was economically inactive
[3] Not statistically significant for receipt of SEISS: lost income (inc. furloughed), respondent was a student, partner was a student, partner was unemployed, partner was economically inactive
[4] Includes those not working full-time or part-time but who were doing work of some kind either as an employee or self-employed e.g. while studying or partially retired

Table 11 – Industrial sector of employment by impact of COVID 19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Respondent											
Agriculture, forestry, and fishing	-	1	2	2	1	-	1	1	1	3	1
Manufacturing	-	5	5	7	8	7	6	6	8	4	7
Electricity, gas, steam and air conditioning supply	-	1	2	5	-	-	3	2	2	4	2
Construction	-	2	5	4	7	2	5	4	6	7	6
Wholesale and retail	-	6	13	10	12	7	10	9	12	8	11
Repair of motor vehicles/ motorcycles	-	-	-	1	-	-	2	1	-	1	1
Transportation and storage	-	6	5	4	5	7	4	5	4	3	4
Accommodation or food service	-	1	3	4	8	1	5	3	7	3	7
Information and communication	-	6	6	4	2	3	7	5	2	2	3
Finance and insurance	-	9	7	7	4	8	5	7	5	6	5
Real estate	-	1	3	2	1	4	2	2	2	2	2
Professional, scientific or technical	-	6	5	5	5	6	5	6	5	5	5
Administrative services	-	4	3	3	3	6	1	3	4	3	3
Public administration and defence	-	7	3	1	1	6	1	4	1	1	1
Education	-	15	9	9	12	16	9	12	11	9	11
Human health & social work	-	11	7	5	5	11	7	8	6	5	5
Arts, entertainment & recreation	-	2	8	7	12	4	5	5	8	13	10
Other service activities (e.g. member in a professional organisation, repairing	-	1	1	1	1	1	3	2	1	2	1
Other household employment (e.g. tutor, babysitter etc.)	-	-	1	1	1	-	2	1	-	1	1
Other[1]	-	20	19	27	20	16	24	21	21	27	23
Partner											
Agriculture, forestry, and fishing	-	1	3	2	2	-	-	1	2	3	2
Manufacturing	-	5	3	5	6	2	5	5	6	3	6
Electricity, gas, steam and air conditioning supply	-	1	2	3	-	-	4	2	1	2	1
Construction	-	3	10	6	8	7	7	6	6	14	8
Wholesale and retail	-	6	10	14	9	8	9	9	11	8	11
Repair of motor vehicles/ motorcycles	-	-	1	-	1	-	1	1	1	1	1
Transportation and storage	-	4	3	2	6	1	3	4	4	5	5
Accommodation or food service	-	1	5	6	9	4	5	4	9	5	8
Information and communication	-	4	2	2	3	4	7	4	3	1	3
Finance and insurance	-	7	6	5	2	5	6	5	3	4	3
Real estate	-	1	2	1	1	5	1	1	1	1	1
Professional, scientific or technical	-	9	6	6	3	2	6	6	4	4	4
Administrative services	-	4	3	5	3	1	1	3	3	5	4
Public administration and defence	-	6	3	2	1	3	2	3	1	1	1
Education	-	14	11	9	9	17	13	12	8	10	9
Human health & social work	-	16	10	4	8	12	11	11	7	5	6
Arts, entertainment & recreation	-	2	3	3	9	5	3	4	5	10	7
Other service activities (e.g. member in a professional organisation, repairing	-	1	3	3	3	-	3	2	2	3	3
Other household employment (e.g. tutor, babysitter etc.)	-	-	2	2	1	-	2	1	1	2	1
Other[1]	-	18	16	28	20	25	19	20	25	24	23

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
Significance testing using chi-square conducted for headings in bold, rather than for individual industries. All results are significant at p<.05 (chisq)
[1] 'Other' also includes classifications with fewer than 20 respondents

Table 11 (Continued) – Industrial sector of employment by impact of COVID 19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Either respondent or partner											
Agriculture, forestry, and fishing	-	1	4	3	2	-	1	2	2	5	2
Mining and quarrying	-	-	-	5	-	-	1	1	2	5	2
Manufacturing	-	7	6	8	11	8	9	8	11	6	10
Electricity, gas, steam and air conditioning supply	-	2	3	5	1	-	5	3	2	4	2
Water supply (e.g. sewerage, waste management and remediation activities etc.)	-	1	1	3	-	2	4	2	2	3	1
Construction	-	4	10	8	13	6	9	7	10	16	11
Wholesale and retail	-	9	17	19	16	10	14	13	18	11	17
Repair of motor vehicles/ motorcycles	-	-	-	2	1	-	3	1	1	2	1
Transportation and storage	-	7	7	5	9	7	6	7	7	7	7
Accommodation or food service	-	1	7	9	11	3	8	5	12	6	11
Information and communication	-	8	7	5	3	4	10	7	4	3	4
Finance and insurance	-	11	10	10	5	9	8	9	7	7	7
Real estate	-	1	4	3	2	4	2	2	3	2	2
Professional, scientific or technical	-	10	7	7	6	7	8	8	7	6	6
Administrative services	-	5	5	7	5	7	2	5	6	7	6
Public administration and defence	-	9	5	2	2	8	2	6	2	1	2
Education	-	20	16	14	17	24	15	18	16	15	16
Human health & social work	-	18	13	7	10	15	14	14	10	8	9
Arts, entertainment & recreation	-	3	10	8	16	5	7	7	11	18	13
Other service activities (e.g. member in a professional organisation, repairing	-	2	3	3	3	1	5	3	3	4	3
Other household employment (e.g. tutor, babysitter etc.)	-	-	2	2	1	-	3	1	1	3	2
Other[1]	-	24	26	32	27	24	26	26	28	30	29

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
Significance testing using chi-square conducted for headings in bold, rather than for individual industries. All results are significant at p<.05 (chisq)
[1] 'Other' also includes classifications with fewer than 20 respondents

Table 12 – Current financial situation by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Current financial well-being (curr2_fwbs_cat)											
In serious financial difficulty	11	4	6	4	18	15	20	10	13	12	13
Struggling to make ends meet	15	11	16	12	21	25	25	16	18	15	18
Potentially exposed financially	29	42	39	52	41	34	31	37	44	48	45
Financially secure	44	43	39	33	21	25	24	37	25	24	25
Current financial situation is bad[*a]	12	6	11	10	27	23	30	14	20	25	21
My financial situation makes me anxious[*b]	38	39	48	50	69	60	67	47	62	59	62
Struggle to pay for food/expenses (b3)[*c]	14	5	11	9	23	20	26	13	19	19	18
Ability to pay bills											
Constant struggle	11	4	8	4	19	17	23	11	14	13	14
Struggle from time to time	28	26	32	39	44	43	38	32	41	45	42
Arrears on bills and credit commitments											
Arrears on rent/mortgage (arr_housing)	4	4	7	13	16	12	18	8	14	23	15
Arrears other bills (arr_bills)[1]	10	5	8	11	11	12	18	10	11	16	11
Arrears on unsecured credit and car finance (arr_comm)	9	5	8	16	17	12	23	11	16	23	17
Any arrears (arr_all)	16	11	16	21	29	24	35	19	25	35	26
1	7	6	7	7	15	14	14	9	12	13	12
2	2	2	4	4	6	3	7	3	5	7	5
3+	6	3	5	10	8	8	15	7	8	15	9
Credit card repayments											
Missed last payment on at least one card (b19_13_new)	4	2	3	9	7	3	13	5	7	14	8
Minimum payment on at least one card (card2_pop)	7	11	11	16	21	17	21	12	20	21	19
Payment holidays											
On mortgage or rent	1	3	4	8	11	10	12	5	10	14	10
On other bills[1,2]	3	2	5	4	4	6	5	3	3	5	4
On unsecured credit and car finance	4	3	6	12	11	9	14	6	11	18	11
Any payment holiday	6	7	11	16	19	17	23	11	17	27	18
1	3	4	7	5	10	12	14	6	8	10	8
2	1	1	1	6	6	1	5	2	5	10	6
3+	2	2	3	5	3	4	4	3	4	7	4

Households. Weighted results. United Kingdom, July 2020. N=5,825

All results are significant at p<.05 (chisq) except:

[1] Not statistically significant for receipt of CJRS: arrears on other bills, payment holiday on other bills, payment reduced on other bills, sought advice from fee-charging debt advice company.

[2] Not statistically significant for receipt of SEISS: payment holiday on other bills, all who requested details and had not already sought advice.

* [a] All answering 'bad' or 'very bad'. [b] All answering 'fits well' or 'fits very well'. [c] All answering 'tend to agree' or 'strongly agree'.

Table 12 (Continued) – Current financial situation by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	Total	All receiving CJRS	All receiving SEISS	All Receiving either Gov support
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Agreed payment reductions											
On mortgage or rent	1	1	2	6	3	3	3	2	4	8	4
On other bills[3]	3	1	4	3	3	2	5	3	2	5	3
On unsecured credit and car finance	3	1	4	8	5	3	8	4	6	10	6
Ny agreed payment reductions	6	2	8	12	9	7	11	6	9	16	9
1	4	2	5	5	7	3	7	4	6	9	6
2	1	-	2	2	1	2	2	1	1	2	1
3+	1	-	1	5	1	2	2	1	3	5	3
Any payment holiday or reduced payment	9	8	13	17	23	19	26	13	20	30	21
Use of savings to make ends meet (c10_1)											
Didn't have any savings	21	17	13	17	23	24	27	20	20	20	20
Have used savings last four weeks to make ends meet	19	11	22	20	36	29	36	21	29	39	31
Have savings but did not use any of them	59	72	64	63	41	45	36	58	50	41	48
Use of credit to make ends meet (b10)											
Have used credit for food and other expenses last four weeks	14	12	15	20	28	26	33	18	25	28	25
Advice/help sought about financial situation											
Citizens Advice (advice_ca)	2	1	2	5	6	5	6	3	6	7	6
Dept for Work and Pensions (advice_dwp)	4	1	3	7	9	6	7	4	6	13	8
Free debt advice agency (exc Citizens Advice) (debt_free_dum)	3	1	3	7	4	3	9	4	5	7	5
Fee-charging debt advice company (debt_fee)[3]	-	-	1	2	-	-	1	-	1	2	1
Any of these (advice_dum)	7	3	6	14	13	11	17	8	12	22	14
Requested details of sources of money advice for people in financial difficulties											
All who requested details (con_3)	7	6	9	15	17	10	20	10	17	18	16
All who requested details and had not already sought advice[4]	5	6	6	9	13	7	14	7	12	10	11

Households. Weighted results. United Kingdom, July 2020. N=5,825

All results are significant at p<.05 (chisq) except:

[1] Not statistically significant for receipt of CJRS: arrears on other bills, payment holiday on other bills, payment reduced on other bills, sought advice from fee-charging debt advice company.

[2] Not statistically significant for receipt of SEISS: payment holiday on other bills, all who requested details and had not already sought advice.

* [a] All answering 'bad' or 'very bad'. [b] All answering 'fits well' or 'fits very well'. [c] All answering 'tend to agree' or 'strongly agree'.

Table 13 – Future prospects by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Confidence about financial situation next 3 months (a3)											
Not at all confident	4	1	3	3	11	5	11	4	7	9	8
Not confident	13	7	15	13	30	27	29	16	25	21	24
Neutral	20	18	23	17	24	25	24	20	21	21	22
Confident	45	53	47	53	31	34	30	44	39	40	39
Very confident	19	21	12	15	4	10	7	15	8	8	8
Ability to pay bills next 3 months (b18_1)											
Constant struggle	9	3	6	4	19	13	19	9	13	14	14
Struggle from time to time	33	29	39	42	53	52	46	37	49	48	49
It will become more difficult to pay bills next 3 months	6	6	9	9	14	9	11	8	12	11	13
Future loss of earnings (very likely) (future)											
Will be temporarily laid off with no pay, but expect to return to work	1	-	3	5	5	1	4	2	5	6	5
Will permanently lose job / redundancy	1	1	4	6	13	1	10	4	12	5	10
Will still be employed but wages will fall (inc. Furloughed)	1	-	4	9	14	1	8	4	15	8	13
My/their business will temporarily cease trading but expect to restart	1	-	3	4	8	1	6	2	4	14	6
My/their business will permanently cease trading	1	-	4	1	2	-	2	1	2	3	2
My/their business will still be trading but income will fall	2	1	9	7	16	2	12	5	7	30	13
Any future loss of earnings very likely (future_very)	-	2	20	24	42	5	30	12	31	46	35
Future financial prospects[1]											
Bad	17	9	13	11	30	25	30	17	24	23	24
Quite bad	19	21	26	25	31	30	29	23	29	27	29
Quite good	34	48	43	47	32	29	31	39	38	40	37
Good	30	23	18	17	6	16	10	21	10	11	10

Column percentages. Households. Weighted results. United Kingdom, July 2020. N=5,825
All results are significant at p<.05 (chisq)
[1] Calculated from a Principal Components Analysis of six questions: future, a3 and b18_1 (above) and variables capturing ability to meet the cost of an unexpected bill (c3), how long could make ends meet without borrowing if income fell by a third or more (c5) and amount held in savings expressed as number of months of income in February 2020 (c10)

Table 14 – Demographics by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Nation (nation)[1,2,3]											
England	83	83	85	81	88	83	86	84	85	86	86
Wales	5	5	4	5	5	5	4	5	5	4	5
Scotland	9	8	9	11	6	8	8	8	8	7	8
Northern Ireland	3	3	2	2	1	4	3	3	2	2	2
Region[1,2,3]											
North East	5	4	4	6	5	9	4	5	4	7	6
North West	11	11	12	9	11	7	8	10	10	9	10
Yorkshire and the Humber	10	8	9	8	6	10	8	9	7	6	7
East Midlands	8	9	6	7	7	6	8	8	7	8	7
West Midlands	8	7	7	10	8	9	9	8	9	8	9
East of England	11	7	9	8	10	8	9	9	9	10	9
London	10	14	14	12	15	12	16	13	13	14	14
South East	11	14	15	10	15	13	14	13	14	10	13
South West	9	9	9	12	11	9	8	9	10	14	12
Family type[1,2,3]											
Single, no children	35	25	23	16	21	22	24	27	19	19	19
Couples, no children	38	28	35	34	32	25	30	32	32	29	33
Lone parents	5	5	4	5	5	8	6	5	5	5	5
Couples with children	3	27	25	30	30	26	30	20	30	34	30
Lone parents with adult children only	6	3	2	3	2	4	2	4	3	2	2
Couples with adult children only	13	10	10	12	10	14	7	11	10	12	10
Family (lone parents and couples) with dependent children	8	32	28	34	35	34	36	25	35	39	35
Education level[2,3]											
Degree (or equivalent) and above	38	58	54	46	49	48	53	49	48	48	48
A level or equivalent	14	16	19	18	16	17	17	16	17	16	17
GCSE or equivalent	25	18	19	24	23	18	18	21	23	24	24
Other (mostly professional) qualifications	12	5	7	6	8	13	7	8	7	9	7
No qualifications	11	3	2	5	4	4	4	6	6	3	5
Age											
Under 30[3]	3	11	12	14	12	12	13	9	15	11	13
30-39	6	26	27	24	25	22	28	19	24	27	24
40-49	7	25	19	19	25	23	21	18	22	24	23
50-59[3]	10	22	17	20	22	26	19	17	21	19	21
60-69	32	13	18	15	14	14	14	20	13	15	14
70 or over	42	4	6	7	3	3	5	16	5	4	4
Mean age	*64*	*46*	*46*	*47*	*45*	*46*	*45*	*51*	*45*	*46*	*46*

Households. Weighted results. United Kingdom, July 2020. N=5,825

All results are significant at p<.05 (chisq) except:

[1] Not statistically significant for COVID impact categories (first seven columns): Wales, Scotland, all regions except London and the South East, lone parents, other types of tenancy, city, town, rural

[2] Not statistically significant for receipt of CJRS: England, Wales, Scotland, all regions, couples without children, lone parents, lone parents with children aged 18 plus, couples with children aged 18 plus, education, social renters, other types of tenancy, city, town, rural

[3] Not statistically significant for receipt of SEISS: England, Wales, Scotland, N. Ireland, all regions except the South West, couples without children, lone parents, couples with children aged 18 plus, education, under 30s, 50-59 years, mortgagors, social renters, other types of tenancy, city, town

Table 14 (Continued) – Demographics by impact of COVID-19 crisis

	Non-worker	Unaffected	Previously affected	Supported	Partially supported	Non-COVID income loss	Unsupported	**Total**	All receiving CJRS	All receiving SEISS	**All Receiving either Gov support**
Percentage of households	*31*	*29*	*7*	*6*	*11*	*4*	*11*	*100*	*14*	*6*	*17*
Disability											
Limits daily activities a lot	23	4	5	10	6	14	7	12	7	12	7
Housing tenure											
Outright owner (o_owner)	60	22	28	31	23	26	22	35	25	28	26
Mortgagor (m_owner)[3]	7	49	38	35	40	40	41	32	39	33	38
Private tenant (p_rent)	10	19	22	18	25	20	22	17	22	22	23
Social tenant (s_rent)[2,3]	21	6	7	11	9	11	11	12	10	10	9
Other (t_other)[1,2,3]	3	3	4	5	4	3	5	4	3	6	4
Urban/rural											
City (city)[1,2,3]	74	77	77	79	74	77	74	76	77	71	76
Town and surroundings (town)[1,2,3]	11	10	8	8	10	9	11	10	10	11	9
Rural (rural)[1,2]	12	10	13	10	13	10	12	11	11	15	12

Households. Weighted results. United Kingdom, July 2020. N=5,825
All results are significant at p<.05 (chisq) except:
[1] Not statistically significant for COVID impact categories (first seven columns): Wales, Scotland, all regions except London and the South East, lone parents, other types of tenancy, city, town, rural
[2] Not statistically significant for receipt of CJRS: England, Wales, Scotland, all regions, couples without children, lone parents, lone parents with children aged 18 plus, couples with children aged 18 plus, education, social renters, other types of tenancy, city, town, rural
[3] Not statistically significant for receipt of SEISS: England, Wales, Scotland, N. Ireland, all regions except the South West, couples without children, lone parents, couples with children aged 18 plus, education, under 30s, 50-59 years, mortgagors, social renters, other types of tenancy, city, town

Table 15 – Linear regression of current financial strain (Model 1)

	Coefficient	Significance	
Age	-0.1	0.000	***
Social grade (Ref=social classes D &E)			
A/B	-2.9	0.000	***
C1	-2.4	0.000	***
C2	-1.5	0.033	*
Household income	-1.3	0.000	***
Strategies to make ends meet (Ref= No)			
No savings to draw on	21.5	0.000	***
Used savings to make ends meet	14.9	0.000	***
Used credit to make ends meet	17.6	0.000	***
Effects of COVID-19 (Ref= Unaffected worker)			
Unaffected, non-worker	0.6	0.379	
Previously affected	2.7	0.004	**
Income loss covered	-0.5	0.583	
Income loss partially covered	8.6	0.000	***
Income loss not covered at all	6.5	0.000	***
Non-COVID income loss	-8.8	0.000	***
Benefit receipt (Ref= No)			
Already receiving Universal Credit in Feb 2020	8.7	0.000	***
Working Tax Credit in Feb 2020	4.8	0.000	***
Jobseekers Allowance in Feb 2020	6.9	0.000	***
Employment and Support Allowance in Feb 2020	7.5	0.000	***
Claimed Universal Credit from March 2020	-5.9	0.000	***
Worked in gig economy (Ref= No)	1.6	0.030	*
Constant	58.4		

Notes: statistically significant results indicated by asterisks, where * = p<0.05 and ** = p <0.01 ** *= p <0.001
R^2 .55

Table 16 – Linear regression of current financial strain (Model 2)

	Coefficient	Significance	
Age	-0.15	0.000	***
Social grade (Ref=social classes D &E)			
A/B	-2.3	0.001	***
C1	-2.0	0.004	**
C2	-0.6	0.426	
Household income	-1.3	0.000	***
Strategies to make ends meet (Ref= No)			
No savings to draw on	22.2	0.000	***
Used savings to make ends meet	16.9	0.000	***
Used credit to make ends meet	18.6	0.000	***
Industrial sector (Ref= No)			
Manufacturing	0.9	0.317	
Construction	0.9	0.388	
Retail	1.2	0.140	
Hospitality	0.8	0.498	
Arts, entertainment and recreation	1.2	0.018	*
Benefit receipt (Ref= No)			
Already receiving Universal Credit in Feb 2020	8.4	0.000	***
Employment and Support Allowance in Feb 2020	6.2	0.000	***
Claimed Universal Credit from March 2020	-8.5	0.000	***
Constant	49.5		

Notes: statistically significant results indicated by asterisks, where * = p<0.05 and ** = p <0.01 ** *= p <0.001
R^2 .53

Table 17 – Linear regression of future financial prospects (Model 1)

	Coefficient	Significance	
Age	0.2	0.000	***
Social grade (Ref=social classes D &E)			
A/B	4.6	0.000	***
C1	2.8	0.000	***
C2	2.3	0.001	***
Household income	0.8	0.000	***
Strategies to make ends meet (Ref= No)			
No savings to draw on	-29.1	0.000	***
Used savings to make ends meet	-15.2	0.000	***
Used credit to make ends meet	-13.1	0.000	***
Effects of COVID-19 (Ref= Unaffected worker)			
Unaffected, non-worker	2.3	0.001	***
Previously affected	-2.7	0.015	*
Income loss covered	-5.5	0.000	***
Income loss partially covered	-3.9	0.000	***
Income loss not covered at all	-3.6	0.002	*
Non-COVID income loss	-1.2	0.214	
Benefit receipt (Ref= No)			
Already receiving Universal Credit in Feb 2020	-5.2	0.000	***
Employment and Support Allowance in Feb 2020	-5.2	0.000	***
Claimed Universal Credit from March 2020	2.3	0.058	
Constant	46.3		

Notes: statistically significant results indicated by asterisks, where * = p<0.05 and ** = p <0.01 ** *= p <0.001
R^2 .55

Table 18 – Linear regression of future financial prospects (Model 2)

	Coefficient	Significance	
Age	0.3	0.000	***
Social grade (Ref=social classes D &E)			
A/B	3.9	0.000	***
C1	2.2	0.001	***
C2	1.2	0.073	
Household income	0.7		
Strategies to make ends meet (Ref= No)			
No savings to draw on	-29.4	0.000	***
Used savings to make ends meet	-16.2	0.000	***
Used credit to make ends meet	-13.6	0.000	***
Industrial sector (Ref= No)			
Manufacturing	-1.4	0.138	
Construction	-2.5	0.014	*
Retail	-0.9	0.243	
Hospitality	-2.5	0.033	*
Arts, entertainment and recreation	-3.4	0.001	***
Benefit receipt (Ref= No)			
Already receiving Universal Credit in Feb 2020	-4.8	0.000	***
Employment and Support Allowance in Feb 2020	-3.9	0.000	***
Claimed Universal Credit from March 2020	3.9	0.002	**
Constant	40.8		

Notes: statistically significant results indicated by asterisks, where * = p<0.05 and ** = p <0.01 ** *= p <0.001
R^2 .54

Authors:
Elaine Kempson, David Collings, Christian Poppe and Jamie Evans

Elaine Kempson is Emeritus Professor of Personal Finance and Social Policy Research at the University of Bristol.

David Collings is Centre Manager at the University of Bristol's Personal Finance Research Centre.

Christian Poppe is a Senior Researcher based at SIFO (Consumer Research Norway) at Oslo Metropolitan University.

Jamie Evans is a Senior Research Associate at the University of Bristol's Personal Finance Research Centre.

Acknowledgements
Our thanks to the team at YouGov, and to the members of their online panel who answered the questions willingly and honestly. We hope that this report accurately reflects the situations they are experiencing.

There are also many people whose input was vitally important to this report. First, thanks to Nick Smith who helped to design the questionnaire. Secondly, thanks to Wendy Loretto, Sharon Collard and Mubin Haq, who peer reviewed the report for us. Our thanks also to Mubin, Charlotte Morris and the team at Standard Life Foundation for their input and support. Thank you all of you.

About the Standard Life Foundation
Standard Life Foundation is an independent charitable foundation supporting strategic work which tackles financial problems and improves living standards. Its focus is improving the lives of people on low-to-middle incomes in the UK

www.standardlifefoundation.org.uk