BEARING THE BRUNT:
THE IMPACT OF THE CRISIS ON FAMILIES WITH CHILDREN

Findings from the 4th Coronavirus Financial Impact Tracker Survey

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Standard Life Foundation has commissioned YouGov to conduct a periodic cross-sectional tracker survey on the financial impact of the coronavirus pandemic across the UK. The first three surveys were conducted in April, May and July of 2020. The fourth – the findings of which are presented here – was conducted in January 2021. The findings are based on responses from 6,071 individuals about their income, payment of bills, borrowing, debt, savings and ability to pay for other essentials such as food. A team from the University of Bristol analysed the data and produced these findings.

OVERVIEW

Families with dependent children have been badly hit by the pandemic. In January 2021, around three in ten UK families with children (27%) were currently living on a lower income than in February 2020, as a direct result of a pandemic-related loss of earnings – compared with 17% of households without children. Overall, around four million of the UK's 14 million children live in a family that has a reduced household income because of the pandemic; and 1.6 million of these children live in a family that has lost a third or more of its total household income since February 2020.

The fact that families with children are badly affected by the pandemic's economic impact, combined with low financial resilience, means many are finding it very difficult to manage financially – much more so than households without children. As a result, three million children in the UK live in a family that is struggling to buy food and other essentials; 4.5 million live in a family that is using consumer credit to make ends meet; and almost five million live in a family with no savings buffer.

In terms of family financial wellbeing, of UK households that are *in serious financial difficulty*, four in ten (40%) are families with dependent children – up from 37% in April 2020. Some families with children are much harder hit than others, though, and those bearing the brunt include single parents; families on lower incomes; families in rented homes; and families with a parent whose daily activities are limited a lot by ill health or disability.

4m children live in a family which has lost income

1.6 million of these live in a family that has lost a third or more of its income

3m children live in families who find it a constant struggle to buy food and other necessities

27% of UK families with children are living on a reduced income

vs

17% of those without children

Twice as many families with children are using credit to make ends meet

31%

vs

15%

13% of families are behind with their rent or mortgage payments, 5% of households without children are behind

16% of families with children are behind with household bills, compared with 7% of those without children

4.9m children live in households with no savings

INTRODUCTION

In January 2021, national lockdowns were in place across all four UK nations, with the imposition of a general ‘stay at home’ order along with restrictions on social gatherings and high-street business closures.[1] A mass vaccination programme had started in December 2020, with more than two million people receiving the vaccine by mid-January 2021.[2]

Fieldwork for the 4th Coronavirus Financial Impact Tracker Survey took place between 6-14 January 2021, with 6,784 people responding to the survey.

The first part of this report examines the financial wellbeing of UK households in January 2021 and how it has changed since July 2020. The second part takes an in-depth look at the impact of the pandemic on the UK’s 8 million families with dependent children.

Explanatory notes

- While 6,784 people responded to the survey, most figures in this report are based on the 6,071 householders who are responsible for their household finances.
- When we talk about ‘all households’ or ‘UK households’ we are referring to households with and without children. When we talk about ‘families’ or ‘families with children’ we are referring only to households with children.
- Our financial wellbeing 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).
- For further details see the **technical note** at the end of this report.

[1] Ferguson, D, Brown, J and Barber, S (2021) Coronavirus: the lockdown laws, House of Commons Library.
[2] Department of Health & Social Care (2021) UK COVID-19 vaccines delivery plan.

HOW HAS THE FINANCIAL WELLBEING OF UK HOUSEHOLDS CHANGED SINCE JULY 2020?

While fewer UK households in January 2021 said they were currently experiencing a COVID-related financial shock, we have yet to see any big shifts in household financial wellbeing. Around a quarter of UK households (nearly seven million households in total) continue to either be *struggling to make ends meet* or are *in serious financial difficulty*.

Fewer households reported a financial shock due to COVID-19

Fewer households in January 2021 reported that they were currently experiencing a COVID-related financial shock than had done so in July 2020 - 28% compared with 34% (see Table below). This fall was mainly among households with a householder still employed but with reduced earnings (this includes many of those who have been furloughed), which was the case for 13% of households in January 2021, compared with 19% in July 2020. There was also a small drop in the number of households with a householder that had temporarily ceased trading as self-employed (4% compared with 6% in July 2020).

Fewer households reported a COVID-related financial shock

	Jul 20	Jan 21	% Change
Still trading as self-employed but reduced income	8%	8%	0%
Permanently ceased trading as self employed	2%	2%	0%
Made redundant	5%	6%	1%
Laid off without pay	3%	2%	-1%
Temporarily ceased trading as self employed	6%	4%	-2%
Employed on reduced earnings (inc. furloughed)	19%	13%	-6%
Any COVID-related financial shock	***34%***	***28%***	***-6%***

This suggests that some employees and self-employed people were seeing a return to work and earnings, which is supported by a fall in the number of households with at least one earner furloughed or expecting to be furloughed (from 26% in May 2020, to 18% in July 2020 and 11% in January 2021[3]) (Table 2) and a slight drop in the number of households whose income at the time of survey was lower than it was in March 2020 (28% compared with 30% in July 2021) (Table 2).

There were few or no changes in COVID-related income drops among households where householders had been laid off without pay or made redundant; and where self-employed householders had permanently ceased trading or were trading but with a reduced income. This indicates that the 'economic scarring' effects of COVID-19 are likely to impact some groups of workers more than others.

[3] Provisional estimates show that 4.7 million employments were furloughed as of 31 January 2021. See: HM Revenue & Customs (2021) Coronavirus Job Retention Scheme statistics: February 2021.

There has been little change in the UK's financial wellbeing

Unique to the Tracker Survey, we have a composite measure of financial wellbeing based on the extent of financial strain experienced by households and the level of their financial resilience. This allows us to segment UK households into four groups depending on their financial wellbeing: from *financially secure*, through to *potentially exposed financially*, *struggling to make ends meet* and *in serious financial difficulty*.

Overall, the financial wellbeing of UK households has remained stable over the pandemic and we have yet to see any big shifts between the four segments:

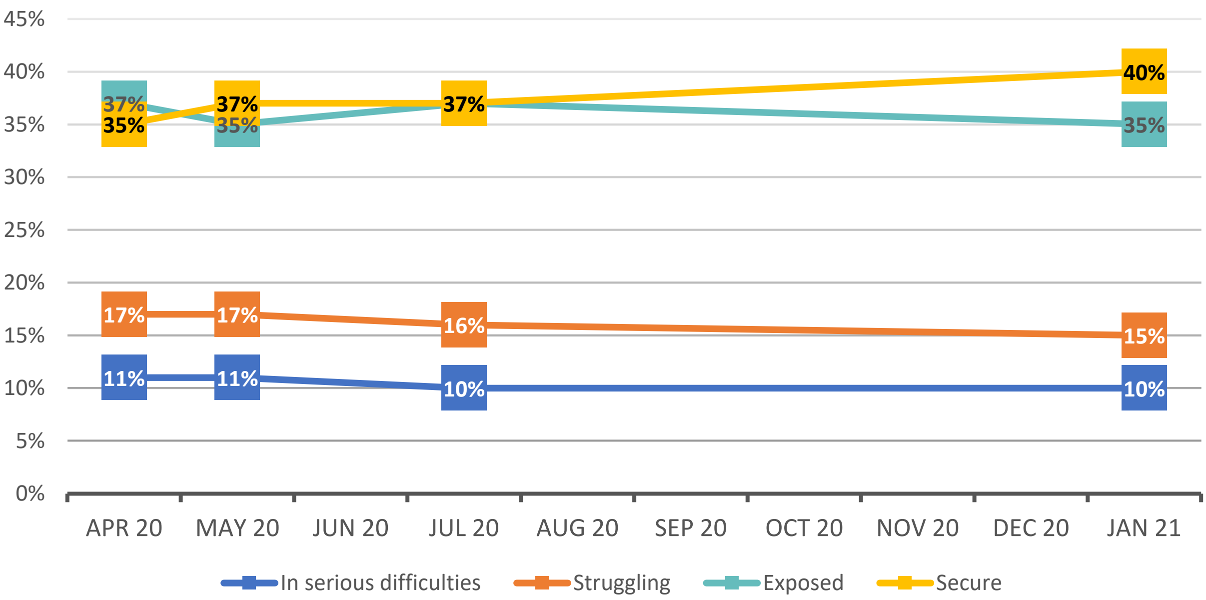
Financially secure: Over a third of UK households (equivalent to 11 million households) have been largely unaffected economically by the pandemic and are financially secure, with a slight upturn in their numbers in Jan 2021 (40% c.f. 35% in Apr, and 37% in May and Jul 2020).

Potentially exposed financially: Another third of UK households (10 million) are currently managing but potentially exposed due to factors such as low savings or high borrowing. The size of this segment has changed little over the pandemic (35% in Jan 2021 c.f. 37% in Apr, 35% in May 2020, and 37% in Jul 2020).

Struggling to make ends meet: Around two in ten (4 million) UK households are struggling to keep up with living costs, bills and commitments but have mostly avoided falling into arrears. This group has decreased very slightly in size over time, from 17% in Apr and May 2020, to 16% in Jul 2020 and 15% in Jan 2021.

In serious financial difficulty: One in ten (almost 3 million) UK households face serious financial difficulty, with the majority in arrears on at least one bill and almost all feeling anxious about money. The size of this group has changed little over time (10% in Jan 2021 c.f. 11% in Apr and May 2020, 10% in Jul 2020).

Figure 1 – Small changes in financial wellbeing since April 2020



This stability suggests that the Government's crisis support has been broadly effective at protecting the income and living standards of those who are eligible for it. However, while the level of Government support has remained relatively constant, so have the gaps in support that have emerged since the onset of the pandemic. This means that there has been little reprieve for those excluded from support – as the consistent numbers *struggling to make ends meet* and *in serious financial difficulty* indicate.[4] Overall, nearly seven million UK households fall into these two groups.

Households have also been drawing on their own resources to manage the financial impact of the pandemic. Indeed, more households report using their savings to make ends meet in January 2021 (25%) (Table 3) than in July 2020 (21%). This increased use of savings was true across all household segments except those *in serious financial difficulty,* where use of savings remained the same (29%). In fact, just about all households *in serious financial difficulty* had drawn on any savings they had in the past month (Table 3), meaning there was almost no scope for increased use of savings among this group. As households deplete what savings they have, the risk of more households with lower financial resilience to future economic shocks increases. Indeed, recent evidence suggests that financial resilience has worsened in the UK, when compared to resilience levels prior to the pandemic.[5]

Although the proportion of households *in serious financial difficulty* is holding steady, the extent of their financial problems seems to be increasing

As we have noted, the proportion of households *in serious financial difficulty* has remained steady over the four Tracker Surveys at around one in ten households. Their financial situation remains concerning, with little or no sign of relief from financial stress. Indeed, more households *in serious financial difficulty* were now in arrears with three or more commitments[6] compared with July 2020 – 33% in January 2021 (Table 1) compared with 27% in July 2020. And more had borrowed money to buy food or meet other day-to-day living expenses (70%, up from 65% in July 2020)[7] – the only group where there was an increase on this measure (Table 3).

In addition, the proportion of households *in serious financial difficulty* constantly struggling to keep on top of bills was unchanged since July 2020, at 82%; as was the number making the minimum payment on at least one credit card (30%). Eight in ten of these households (80%) said their current financial situations was bad or very bad in January 2021 (Table 1), just slightly down from July 2020 (82%).

The data also indicates that for some of these households, their financial precarity pre-dates the pandemic:

- **Low or insecure income**: Four in ten households *in serious financial difficulty* (37%) said their household income is the same now as it had been in February 2020 suggesting their financial difficulties relate to living longer-term on a low or insecure income (Table 2).

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[4] Collard, S, Collings, D, Evans, J and Kempson, E (2021) Who are the excluded?, Standard Life Foundation.
[5] The FCA estimates that the number of adults with low financial resilience increased by 5 million to 14 million (27% of UK adults) when comparing separate February and October data sources. See: Financial Conduct Authority (2021) Financial Lives 2020 survey: the impact of coronavirus.
[6] This includes payment deferrals.
[7] This increase was just outside the 0.05 level of statistical significance.

- **Social security:** Supporting this, in more than half of all households *in serious financial difficulty* (55%) the householder was receiving a benefit of some kind in February 2020 (Universal Credit, Working Tax Credit, Child Tax Credit, Jobseeker's Allowance, Employment Support Allowance or Income Support) compared to 18% of the overall population (Table 2). This highlights the ongoing issue of social security payment adequacy, which was brought home to many first-time Universal Credit claimants when the pandemic hit.[8]

More households fear they will lose (further) income because of the pandemic in the coming months

January 2021 saw some small negative shifts in household's views about their financial outlook, with 15% of households saying it was very likely they would experience a (further) fall in income due to the pandemic, up from 12% in July 2020; and a corresponding drop in the number saying this was quite likely (from 14% to 12%). These negative shifts are more pronounced among households *in serious financial difficulty*, 28% (Table 5) of whom felt they were very likely to experience a pandemic-related fall in income, up from 23% in July 2020. Anxiety about their financial outlook stemmed from growing fears among employee householders of being laid off without pay (6% in January 2021 compared to 4% in July 2020) or receiving a pay cut (10% up from 8%); and more self-employed householders expecting to cease trading permanently (7% up from 4%).

Single parents have been particularly hard hit

The profile of people most seriously economically impacted by the pandemic remains much the same as July 2021. Those disproportionately affected are tenants (64% *in serious financial difficulty* were private and social tenants compared with 29% among the whole population); working age households; and those with a householder with a health problem or disability that limits their daily activities to any extent (48% – almost half of those *in serious financial difficulty* – compared with 19% of the *financially secure*, and 28% among the whole population) (Table 6).[9]

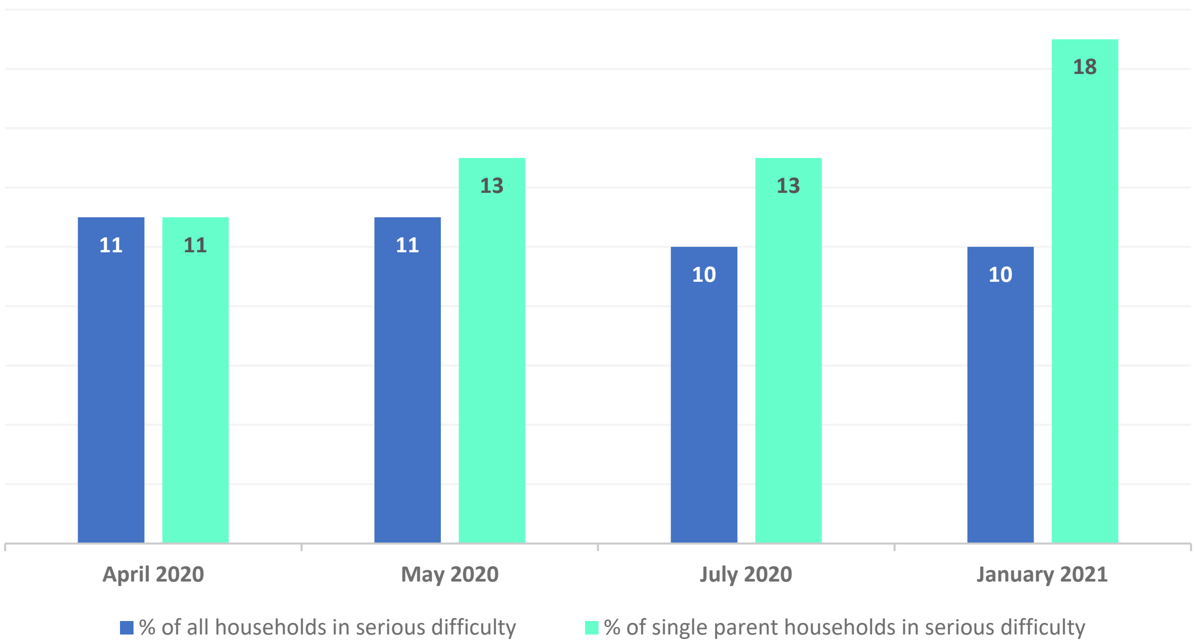
In addition, families with dependent children continue to be badly hit. Altogether, four in ten households *in serious financial difficulty* (40%) are families with dependent children – up slightly from 39% in July 2020. This increase is accounted for by a rise in the proportion of households *in serious financial difficulty* that are single parent households – from 13% in July 2020 to 18% in January 2021 (Table 6 and Figure 2). This is because single parents were much more likely to have been economically and financially impacted by COVID-19, and to have lower financial resilience on which to fall back.[10] For example, single parents were more likely than other families to get their main income from insecure work in February 2020 (17%, c.f. 12% of other families). And since the crisis, they were more likely to

[8] For example, by 2019/20, a single person aged 25+ with no dependents was entitled – before any applicable deductions – to a benefit at a level *less than half* of the poverty line (defined as 60% of median income after housing costs); while a couple with two young children was entitled to a benefit roughly a third below the poverty line. See: Vizard, P and Hills, J (2021) The Conservative Governments' Record on Social Policy from May 2015 to pre-COVID 2020: Policies, spending and outcomes, London School of Economics and Political Science.
[9] Almost half of all people living in poverty in the UK are either disabled themselves or live with a person who is disabled: Oakley, M (2021) Time to think again: Disability benefits and support after COVID-19, Social Market Foundation.
[10] Our sample included 313 single parents, 69% of whom were women. The Office for National Statistics Labour Force Survey (made up of 41,000 households) estimates 88% of single parents are mothers, suggesting that single fathers are over-represented in our survey: Office for National Statistics (2021) Dataset: Families and households.

have newly claimed Universal Credit (15%, c.f. 7%) or to have seen their household income decrease by more than a third (18%, c.f. 13%). Single parents were also more likely to live in private rented accommodation, and this is particularly notable among single parent families *in serious financial difficulty* compared with other families in the same financial position (41%, c.f. 26%). They have therefore been less likely as a group to have had access to mortgage payment holidays (6%, c.f. 10%[11]), which are likely to have been more generous than those afforded to tenants in the private rented sector. Finally, we find that a greater proportion of single parents have recently depleted their savings (14%, c.f. 7%) or do not have any savings at all (43%, c.f. 24%) (no table).

However, as with households *in serious financial difficulty*, the data indicates that – for some single parents – their financial precarity pre-dated the crisis. For example, three in five single parents (59%) were already claiming some form of benefit (including Child Tax Credit) in February 2020.

Figure 2 – A marked increase in the number of single parent households in serious financial difficulty



This means that of the 2.5 million children living in a family that is *in serious financial difficulty,* one million live with a single parent. Other research points to a combination of poverty, income insecurity and 'lumpy' expenses (i.e. irregular and/or unpredictable expenses) as major causes of over-indebtedness and debt spirals in single parent households, and half of single parents report having taken on more borrowing since the pandemic.[12]

Because the pandemic has disproportionately affected the household finances of families with children, the second part of this briefing focusses on its impact of the pandemic on them and the 14 million dependent children that live in them.

[11] Though please note that this finding was not statistically significant at $p<0.05$.

[12] Richardson, J and Butler, A (2021) The single parent debt trap, StepChange and Gingerbread.

THE IMPACT OF THE PANDEMIC ON FAMILIES WITH DEPENDENT CHILDREN

Prior to the pandemic, child poverty levels were already rising, with 4.2 million children living in poverty in the UK in 2018/19 – 600,000 more than in 2011/12[13] – an increase that occurred during a decade of changes and cuts to the social security system. COVID-19 has been a particular struggle for families with children, with some households losing income, and some parents – particularly those with lower incomes – facing increased costs as a result of having children home from school.[14]

The fact that families with children are badly affected by the pandemic's economic impact, combined with their low financial resilience, means that many are finding it very difficult to manage financially – much more so than households without children. Some families with children are harder hit than others, like single parents, as we have already seen, but also families on lower incomes; in rented homes; and with a parent whose daily activities are limited a lot by ill health or disability.

Four million children in the UK live in a family that is financially impacted by COVID-19

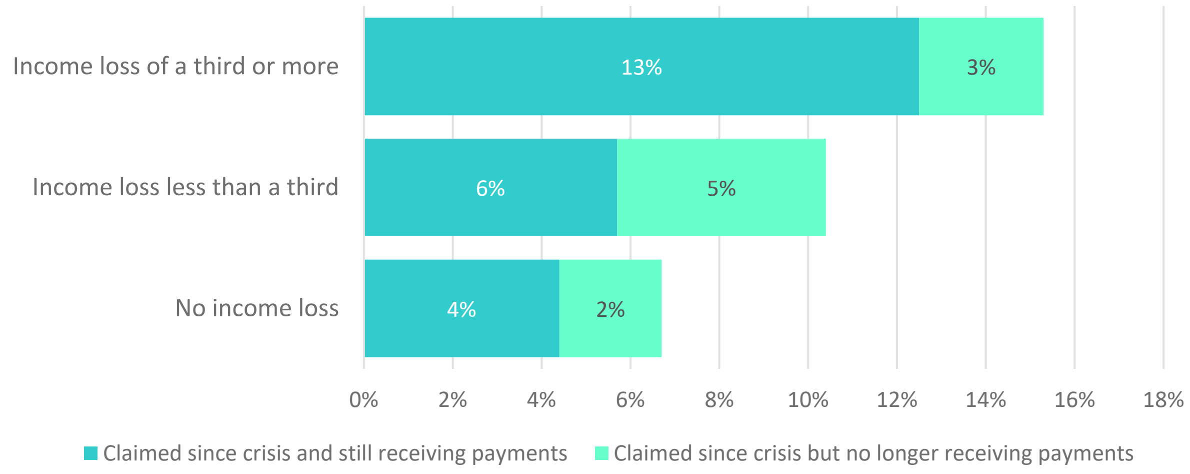
The household incomes of UK families with dependent children have been disproportionately hit by a pandemic-related loss of earnings. The 4th Tracker shows that in January 2021 around three in ten of families with children (27%) were currently living on a reduced income compared with February 2020, as a direct result of a pandemic-related loss of earnings – compared with 17% of households without children. One in ten UK families (11%) had lost a third or more of their household income because of the pandemic[15] compared with 8% of households without children (Table 10).

In reality, this means that around four million of the UK's 14 million children live in a family that has a reduced household income because of the pandemic, including 1.6 million children who live in a family that has lost a third or more of its total household income since February 2020.

Families with dependent children are three times as likely as other households to have claimed Universal Credit since March 2020 (9% of families c.f. 3% of households without children), and to still be claiming it in January 2021 (6% c.f. 2%) (Table 10). This means that about 1.2 million children live in families that have claimed Universal Credit because of the pandemic; 800,000 of whose parents are still claiming it.

[13] Social Mobility Commission (2020) Monitoring social mobility.
[14] Brewer, M and Patrick, R (2021) Pandemic pressures – why families on a low income are spending more during Covid-19, Resolution Foundation.
[15] Families that have experienced a large pandemic-related loss of household income are by no means all living on low incomes. Many seem to have been on above-average incomes before the pandemic – for example while they have below-average gross household incomes (£29,900 per year compared with £36,550 for all families) the difference is not nearly as great as we might expect given that they have experienced a loss of one-third or more of their household income. Similarly, only one in ten of this group (13%) is currently claiming Universal Credit (Table 16).

Figure 3 – Ongoing Universal Credit claims are particularly high among families with a pandemic-related income drop of a third or more

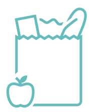


Three million children in the UK live in a family that is struggling to buy food and other essentials

The 4th Tracker shows that families with children have especially low financial resilience that leaves them highly exposed to financial shocks. They are more likely to have no money at all in savings (34%) compared with other households (21%); and to have less than a month's income saved (16% c.f. 11%). As a result, two thirds of families with children could not cover the full cost of a large, unexpected bill or expense[16] without borrowing (64% c.f. 46% of households without children) (Table 12).

The consequence of families with children bearing the brunt of the pandemic's economic impact, while having low financial resilience, is that many are finding it very difficult to manage financially – much more so than households without children.

Families with children are finding it hard to meet basic living costs and keep on top of bills (Tables 9 and 11):



Food and other necessities: One in five families – affecting around three million children – find it a constant struggle to buy food and other necessities, which is nearly double the proportion of households without children (21% c.f. 11%). Other research has shown families on low incomes have needed to spend more on food and energy during the pandemic.[17]

Borrowing for necessities: Three in ten families – affecting around 4.5 million children – are using consumer credit to make ends meet, which is twice the proportion in other households (31% c.f. 15%).

[16] Equivalent to a month's income.
[17] Brewer, M and Patrick, R (2021) Pandemic pressures – why families on a low income are spending more during Covid-19, Resolution Foundation.

Housing arrears: More than one in 10 families – affecting around 1.8 million children – are behind with their rent or mortgage payments, which is almost three times the proportion in other households (13% c.f. 5%).

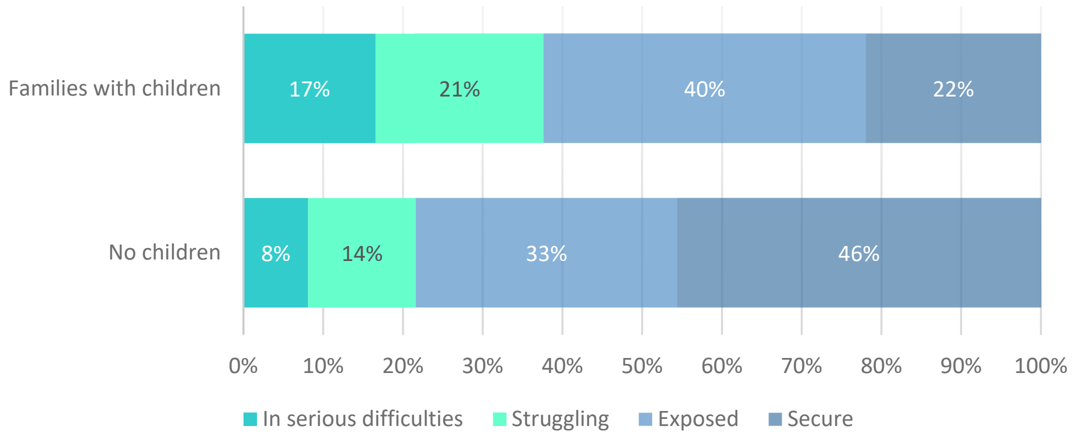
Other arrears: Nearly two in ten families – affecting around 2.3 million children – are behind with electricity, gas, water, Council Tax or other bills, which is more than double the proportion in other households (16% c.f. 7%).

5.5 million children live in financially distressed families

The 4th Tracker shows that, on our composite measure of financial wellbeing, families with children are much more likely to be in financial distress – and much less likely to be financially secure – than households without children.

Our financial wellbeing measure shows that four in ten families (38%) – affecting around 5.5 million children – are showing signs of financial distress, compared with 22% of households without children. Of these families, almost 2.5 million children (or 17% of the UK's 14 million children) live in families that are *in serious financial difficulty*. A further three million children – 21% of children in the UK – live in families that are *struggling to make ends meet*. As a consequence, only one in five families with children (22%) are *financially secure*. This is half the likelihood of households without children (46%) (Figure 4).

Figure 4 – Families with children are more than twice as likely as households without children to be in serious financial difficulty



As we might expect, families that have seen their household income drop because of the pandemic are heavily over-represented among households that are *in serious financial difficulty* and *struggling to make ends meet*. For example, 29% of families with a current pandemic-related income loss are *in serious financial difficulty* compared with just 12% of those whose income was not affected (Table 16).

The impact is greatest among families that have lost a third or more of their household income since February 2020 – around half of whom (47%) are *in serious financial difficulty* and only 9% are *financially secure.* The equivalent figures for families that have not experienced a pandemic-related income loss are 12% *in serious financial difficulty* and 26% *financially secure* (Table 16). However, as noted earlier, the serious financial difficulties faced by some families clearly pre-date the pandemic.

Financial distress is unequally distributed across families

The uneven distribution of financial distress in the general population is mirrored among families with children. As a result, some families with children are much harder hit – like single parents, as we have already seen. Here we consider some of the other characteristics that mark out families with children that are *in serious financial difficulty* from other families who are faring better financially (Tables 9, 10 and 14):

Household income: There is a strong link between household income and financial wellbeing. The total gross household incomes of families that are *in serious financial difficulty* are just 60% of the average for all families with children (£22,300 c.f. £36,550). Four in ten of families *in serious financial difficulty* have gross household incomes of less than £20,000 a year (41% c.f. 17% of all families).

Work: Two-thirds of families *in serious financial difficulty* (67%) had at least one earner in their household in pre-crisis, which was lower than families generally (86%) but does also suggest that their earnings may not have been sufficient to stave off financial problems. Pre-pandemic, 22% of families *in serious financial difficulty* received their main earned income from insecure work, leaving them particularly exposed to economic shocks.

Health: Families where a parent has a disability or health problem that limits their daily activities a lot make up 17% of families *in serious financial difficulty* – twice the proportion found among all families with dependent children (8%). This means that over 400,000 of the 2.5 million children living in families *in serious financial difficulty* live with a disabled parent.

Financial anxiety: Almost all families *in serious financial difficulty* reported feeling anxious about their financial situation, compared with six in ten families generally (97% c.f. 61%), highlighting the impact of financial precarity on people's mental wellbeing.

Housing: Two-thirds of families *in serious financial difficulty* rent their home – 33% in the private sector and 31% in the social sector. This is twice as many renters as there are among all families with children (31%). Consequently, 1.6 million of the 2.5 million children living in families *in serious financial difficulty* live in a home that is rented.

Family size: The Tracker shows some relationship between financial stress and the number of dependent children in a family. A quarter (25%) of families *in serious financial difficulty* having three or more dependent children, compared with 20% of families generally (no table).

THE CURRENT SUPPORT LANDSCAPE

We conclude this report by discussing the current support landscape for UK families with children in light of the March 2021 Budget, with reference to the headline findings from the Tracker Survey.

Despite the extension of the Government's support schemes, many low-to-moderate income families will remain excluded

The Tracker shows that nearly seven million UK households continue to *struggle* or are *in serious financial difficulty,* and the financial situations of those in most difficulty appear to be gradually worsening, as savings are eroded and people fall further into arrears.

There is little doubt that the Government job support schemes have protected the incomes of most households who required that support. But to date, little has been done to address the significant gaps in financial support that have arisen. In the March 2021 Budget, the Chancellor announced an extension to the furlough and self-employment schemes through to the end of September, as well as extending self-employment grant eligibility to include 2019/20 tax return data, meaning up to 600,000 more people will now be eligible to claim.[18] However, many on low to moderate incomes – including freelancers and many gig economy workers – will continue to be excluded from support, because the eligibility criteria fail to capture those with more complex patterns of employment.[19] This may particularly impact families with children who are *in serious financial difficulty*, who were twice as likely to draw their main income from insecure work than households without children.

The extension of the Universal Credit uplift is a short-term lifeline for families

Families with children are more likely to have lost a substantial proportion of their income because of the pandemic and to be *in serious financial difficulty*. Three million children live in families that are struggling to buy food and essentials; 4.5 million live in a family that is using consumer credit to make ends meet; and almost five million live in a family with no savings. Additionally, families are three times as likely to have claimed Universal Credit since the crisis – and to still be claiming it – as households without children.

The Budget announcement of a six-month extension to the £20 per week Universal Credit uplift (to end of September 2021) provides a short-term lifeline for those families in receipt of it, but its eventual removal will have an inversely detrimental impact. Fabian Society analysis estimates that removal of the uplift would pull 760,000 more people into poverty – 540,000 of whom live in families with children.[20] Its removal in October 2021 will coincide with the end of government job support schemes – when unemployment is likely to be rising and more families will be moving into the benefits system – which

[18] HM Treasury (2021) Budget 2021 – Protecting the jobs and livelihoods of the British people.
[19] For a fuller discussion on gaps in government support and possible policy solutions see: Collard, S, Collings, D, Evans J and Kempson E (2021) Who are the excluded?, Standard Life Foundation.
[20] Harrop, A (2021) Who loses? The impacts of planned Universal Credit cuts across society, Fabian Society and Standard Life Foundation.

means these numbers may be considerably higher by the Autumn. If cut, the real terms value of unemployment support will fall to its lowest level since the early 1990s.

Moreover, it is important to bear in mind that the £20 uplift is a flat payment, regardless of household size, which benefits small households far more than it does families with children. In other words, a flat £20 increase stretches a lot further for a single person than it does for a family with three children.[21] The Budget also failed to extend a commensurate level of support to the 3.3 million households and families on legacy benefits, who have not benefited from additional financial support during the pandemic. However, families with children require more support than the temporary Universal Credit crisis measures can offer, as we go on to discuss below.

Single and disabled parents are subject to multiple inequalities

The slight increase in the proportion of families with children that are *in serious financial difficulty* is accounted for by single parent families. The Tracker shows that, of the 2.5 million children living in families *in serious financial difficulty*, one million children live with a single parent; and 400,000 children live with a disabled parent or carer.

Single parents face increased risk of poverty and greater health inequality, while working single parents face significant labour market disadvantages, gender discrimination, and the challenges and costs that arise as a result of balancing caring responsibilities with work – challenges that have become more pronounced during lockdowns.[22,23]

There is evidence that single parents are disadvantaged by the social security system too – both in terms of policy/system design and benefit cuts over the last decade. Comparing the legacy benefits system with Universal Credit, Child Poverty Action Group found that families with children lost more than any other group under Universal Credit, with single parent families particularly severely hit (at £2,380 worse off per year, on average, compared with £960 among couples with children).[24] Other research looked at the transition to Universal Credit and its effect on entitlements over an eight-year period. It showed that Universal Credit represented a substantial cut in entitlements for the 'persistently poor', with single parents identified as one of the family groups more likely to lose out over the short run; estimating that around a quarter would experience losses over £1,000 per year (compared with 15% and 12% respectively for single people and couples with children). Disabled people were also likely to lose out over the longer run, because they are disproportionately represented among the persistently poor.[25]

[21] The temporary increase to Universal Credit resulted in larger increases in income replacement rates for single adults with no children, because of the uplift's flat rating. But it is worth noting that single people often face markedly lower income replacement rates than other family types, as they do not have a partner's income to act as a financial cushion, and because Universal Credit has been designed to be less generous to single people with no additional needs. See: Brewer, M and Handscomb, K (2020) This time is different – Universal Credit's first recession, Resolution Foundation, Standard Life Foundation and The Health Foundation.

[22] Kelly, M (2017) Single parent families, benefit conditionality and wellbeing – why conditionality is unnecessary, unjust and ineffective, One Parent Families Scotland.

[23] Clery, E, Dewar, L and Papoutsaki, D (2020) Caring without sharing – Single parents' journey through the Covid-19 crisis, Gingerbread.

[24] Child Poverty Action Group (2017) Broken promises: What has happened to support for low-income working families under Universal Credit?

[25] Brewer, M, Joyce, R, Waters, T and Woods, J (2019) Universal credit and its impact on household incomes: the long and short of it, Institute for Fiscal Studies.

Of the 760,000 people who would be pulled into poverty by the eventual removal of the £20 Universal Credit uplift, the Fabian Society estimates that 200,000 live in a single parent family, while 360,000 live in households with at least one disabled adult, and 100,000 with at least one carer.[26]

Beyond the financial impacts, research has shown that single parents are at particular risk of unfair sanctions. Benefit conditionality disproportionately affects single parents – in particular those who are disabled or with health conditions – with consequent negative impacts on the children in those families.[27] While conditionality was temporarily suspended following the start of the pandemic, it was gradually re-introduced, albeit with some discretionary forbearance, meaning that 'work coaches' could take lockdowns, distancing and health advice into consideration.[28]

More radical change is required to support families with children

The Office for Budget Responsibility predicts that unemployment will rise by 500,000 to 6.5% by the end of 2021[29], and the Tracker shows that families with children will be harder hit than other households. This means that Universal Credit will play an increasingly pivotal role in supporting families and the economic recovery.

For many, the pandemic has shed new light on the social security system, and there has been a marked shift in public attitudes, with 35% of people now believing that benefit levels are too low (up from 21% in 2013).[30] The temporary changes to social security have demonstrated that the Government can implement changes swiftly in response to needs, and the arguments for retaining many of these changes over the long-term remain compelling. The challenge for Government is to balance the cost of changes with the pressing need to reform Universal Credit's *"design and implementation, the adequacy of its awards, and how it supports claimants to navigate the system and find work."*[31]

If an increase in the basic rate of Universal Credit is eventually secured (and an equivalent increase for those on legacy benefits) it will be a positive first step, albeit just one of many that could be taken to improve the overall adequacy of Universal Credit payments, and redress the substantial cuts that have eroded the protective capacity of social security over the last decade.[32,33] A permanent uplift would help to keep many more families afloat – and prevent others from falling into poverty. However, as we have noted, it would not take into account the additional costs incurred by families with children.

The Government should, therefore, consider how greater support can be extended to children, particularly those who live in families that have been hardest hit by the crisis, and people who have

[26] Harrop, A (2021) Who loses? The impacts of planned Universal Credit cuts across society, Fabian Society and Standard Life Foundation.
[27] Kelly, M (2017) Single parent families, benefit conditionality and wellbeing – why conditionality is unnecessary, unjust and ineffective, One Parent Families Scotland.
[28] House of Commons Library (2021) Coronavirus: Universal Credit during the crisis.
[29] Office for Budget Responsibility (2021) Economic and fiscal outlook – March 2021.
[30] The Times (2021) More people think benefits are too low.
[31] House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for reform.
[32] Ibid.
[33] Vizard, P and Hills, J (eds) (2021) The Conservative Governments' Record on Social Policy from May 2015 to pre-COVID 2020: Policies, spending and outcomes – Summary Report, London School of Economics.

protected characteristics that place them at increased risk of poverty[34] or disadvantage within the social security system itself.[35] Changes that would help to achieve this include:

- **A direct anti-poverty intervention targeted at low-income families with young children in receipt of Universal Credit**, such as the recently introduced Scottish Child Payment[36];
- **An increase in the child element of Universal Credit and tax credits**[37];
- **An increase in (or removal of) the Benefit Cap limit** – Gingerbread and StepChange estimate that 62% of those impacted by the Benefit Cap are single parents – and those affected have not been able to benefit from the £20 uplift[38];
- **Removing the two-child limit** (a cap that is unique among European welfare states) – almost one million children are affected by the cap, and nearly three in five households affected are working households[39];
- **Further supporting working parents by increasing the caps on the Universal Credit childcare element** (including removing the two-child limit) – being able to afford childcare is crucial, particularly for single parents.[40]
- **Increasing Child Benefit**.

Additionally, future reforms should carefully consider and model the impacts of change on different family groups, genders, disabilities, ages, Black and minority ethnic groups, and people with other protected characteristics.[41]

[34] Davies, S and Collings, D (2021) The inequality of poverty: exploring the link between the poverty premium and protected characteristics, Fair By Design.
[35] As the House of Lords Economic Affairs Committee has noted, Universal Credit can disadvantage women, disabled people and Black and minority ethnic people. See House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for reform.
[36] For further information see: GOV.SCOT (2021) Scottish Child Payment.
[37] For example, the Child Poverty Action Group and Church of England have called for an increase of £10 to the UC child element and Child Benefit payments; JRF and Save the Children called for a temporary £20 uplift to the UC child element and Child Tax Credit. See: House of Commons Library (2021) Coronavirus: Universal Credit during the crisis.
[38] Richardson, J and Butler, A (2021) The single parent debt trap, StepChange and Gingerbread.
[39] Stewart, K, Patrick, R and Reeves, A (2020) The two-child limit now affects almost one million children – and it is being implemented when poverty is rising for larger families, Child Poverty Action Group.
[40] Gingerbread and StepChange also recommend that the Government introduce interest-free budgeting advances to single parents to meet up-front costs of childcare. See: Richardson, J and Butler, A (2021) The single parent debt trap, StepChange and Gingerbread.
[41] House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for reform.

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*	*15*	*35*	*40*	
***Current financial situation**					
Is very bad	25	1	0	0	3
Is bad	55	29	4	0	12
Thinking about my financial situation makes me anxious [1]	96	82	53	16	47
***Struggle to pay for food/expenses** [1]	83	24	3	0	13
***Current ability to pay bills and credit commitments**					
Constant struggle to pay bills	82	18	1	0	12
Struggle from time to time to pay bills	18	78	49	2	31
Pay bills without difficulty	0	4	50	98	57
***Arrears on bills and credit commitments (including payment holidays and reduced payments)**					
Arrears on rent/mortgage	27	11	6	1	7
Arrears other bills	48	16	6	1	10
Arrears on unsecured credit and car finance	49	29	13	2	15
Any arrears	69	37	16	3	19
1	22	20	10	2	10
2	14	9	3	1	4
3+	33	8	3	0	6
Payment holidays (ever)					
Payment holiday on mortgage	10	7	5	1	4
Payment holiday on rent	21	12	6	1	7
Payment holiday on other bills	26	11	4	1	6
Payment holiday on unsecured credit and car finance	28	18	7	1	8
Any payment holiday	50	31	14	3	16
1	21	17	10	2	9
2	11	9	3	0	4
3+	18	5	2	0	3
Payment holidays (current)					
Payment holiday on mortgage	3	2	1	0	1
Payment holiday on rent	8	4	2	0	2
Payment holiday on other bills	15	6	3	0	4
Payment holiday on unsecured credit and car finance	15	9	3	0	4
Any payment holiday	28	16	6	1	8
1	16	11	5	1	5
2	7	4	1	0	2
3+	6	2	1	0	1

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).
[1] All agreeing/agreeing strongly.
* Included in the financial wellbeing score that was used to create the categorisation of households used in this and other tables.

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

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Reached repayment agreement					
Mortgage	6	6	4	1	3
Rent	11	9	5	1	5
Other bills	11	5	3	0	3
Unsecured credit and car finance	16	13	5	1	6
Any reduced payment reached	*31*	*23*	*11*	*2*	*11*
1	20	17	9	2	9
2	7	4	1	0	2
3+	4	2	1	0	1
Credit card repayments					
Missed last payment on at least one card	17	9	4	0	4
Minimum payment on at least one card	30	25	11	3	12

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).

Table 2 – Economic circumstances by levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Gross household income					
Mean	£19,700	£25,300	£32,800	£36,400	£31,750
Income loss since March 2020					
Decreased by one third or more	34	17	9	4	11
Decreased by less than a third	24	25	18	12	17
Stable	37	51	60	65	58
Increased	5	7	13	18	14
Experiencing current income loss and has ever been financially affected by COVID					
Affected with income loss (any size)	42	29	20	11	20
Affected with income loss less than a third	14	16	13	7	11
Affected with income loss of a third or more	28	13	7	3	8
Lost income sources because of the COVID-19 crisis (since March 2020)					
Temporarily laid off work, not receiving salary (IP and/or partner)	7	4	3	2	3
Lost job, now unemployed (IP and/or partner)	17	12	7	4	8
Lost income including furloughed (IP and/or partner)	22	23	20	12	17
Temporarily ceased trading (IP and/or partner)	6	6	5	3	5
Permanently ceased trading (IP and/or partner)	6	3	2	1	2
Still trading but income has fallen (IP and/or partner)	11	9	9	7	8
Any of these	51	44	37	24	34
Lost income sources because of the COVID-19 crisis (currently)					
Temporarily laid off work, not receiving salary (IP and/or partner)	3	2	2	2	2
Lost job, now unemployed (IP and/or partner)	14	9	5	3	6
Lost income including furloughed (IP and/or partner)	17	19	14	8	13
Temporarily ceased trading (IP and/or partner)	7	5	4	2	4
Permanently ceased trading (IP and/or partner)	6	2	2	1	2
Still trading but income has fallen (IP and/or partner)	11	10	8	7	8
Any of these	45	38	29	19	28
Social security benefits					
Any benefits before crisis (UC, WTC, CTC, JSA, ESA, IS)	55	33	16	5	18
Out of work benefits before crisis	20	13	6	2	7
WTC before crisis	11	5	3	1	3
UC since crisis (still receiving)	12	7	2	0	3
UC since crisis (but no longer receiving)	3	4	2	1	2
Government support					
Job retention scheme receiving	12	12	10	6	9
Job retention scheme received	6	8	8	5	7
Job retention scheme expected	2	4	3	1	2
Self-emp income support received or expected	6	7	7	4	6
Number of earners in the household (before the crisis)					
Two	18	32	39	31	33
One	34	32	30	24	29
None	48	36	31	45	39
Respondent work status (before the crisis)					
Full time	37	45	49	39	43
Part time	18	18	16	13	16
Students	3	2	3	2	2
Retired	8	12	20	41	26
Unemployed	12	6	2	1	3
Economically inactive	17	12	7	4	7

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).

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

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Partner work status (before the crisis)					
Full time	27	34	42	30	34
Part time	7	10	9	10	10
Students	2	2	2	1	2
Retired	4	7	13	28	17
Unemployed	4	1	1	1	1
Economically inactive	8	6	5	5	5
Respondent work status (current)					
Full time	27	40	46	37	40
Part time (8-29 hours/week)	13	14	13	9	12
Part time (less than 8 hours/week)	4	2	1	3	2
Students	4	3	3	1	2
Retired	10	13	21	42	27
Unemployed	17	9	4	1	5
Economicially inactive	19	15	9	4	9
Partner work status (current)					
Full time	23	33	42	32	35
Part time (8-29 hours/week)	7	9	8	8	8
Part time (less than 8 hours/week)	1	2	1	1	1
Students	1	1	2	1	1
Retired	4	6	14	29	18
Unemployed	5	3	2	1	2
Economicially inactive	9	9	5	4	6
Self-employment (before the crisis)					
Self-employed (respondent)	15	11	11	10	11
Self-employed (partner)	10	8	10	7	8
Self-employed (self or partner)	22	17	17	15	17
Insecure employment (respondent or partner, before the crisis)					
Zero hours	11	9	7	5	7
Agency worker	5	5	4	2	3
Online platform worker (e.g. Uber)	2	2	1	0	1
Temporary contract	4	4	4	4	4
Any insecure employment	18	17	14	11	14
Main income from insecure work	18	12	10	6	10
Secondary income from insecure work	9	8	11	11	11
Both main and secondary income from insecure work	5	5	4	3	4
Work sector (respondent, before the crisis)					
Private	69	57	56	58	58
Public	20	31	35	33	32
Third/voluntary	9	9	8	9	9
Work sector (partner, before the crisis)					
Private	62	59	60	61	61
Public	24	29	30	32	30
Third/voluntary	8	8	5	6	6
Social grade					
A	3	7	10	18	12
B	7	10	17	22	17
C1	21	27	31	29	29
C2	28	23	22	18	21
D	16	14	10	6	10
E	26	19	10	7	12

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq), except for: partner work status before the crisis (part-time, student); insecure employment (temporary contract, both main and secondary income from insecure work); work sector (third/voluntary); partner work sector (private sector, third/voluntary).

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*	*15*	*35*	*40*	
Use of savings to make ends meet					
Didn't have any savings	69	42	14	1	18
Have used savings last four weeks to make ends meet	29	43	30	12	25
Have savings but did not use any of them	1	13	55	86	56
Has depleted savings [1]	21	18	3	0	6
Use of credit to make ends meet					
Have used credit for food and other expenses last four weeks	70	41	13	1	18
Advice/help sought about financial situation					
Citizens Advice	5	4	1	1	2
Dept for Work and Pensions	9	3	2	1	2
Free debt advice agency (exc Citizens Advice)	11	6	2	0	3
Fee-charging debt advice company	0	0	0	0	0
Any of these	18	11	4	1	5
Online advice/help sought about financial situation					
Citizens Advice online	13	7	3	1	4
Dept for Work and Pensions online	14	7	5	2	5
Free debt advice agency (exc Citizens Advice) online	16	8	3	0	4
Fee-charging debt advice company online	2	1	0	0	0
Any of these online	27	15	8	2	9
Received the help or information needed as a result of seeking advice	60	72	72	83	70
Requested details of sources of money advice for people in financial difficulties					
All who requested details	29	18	9	3	10
All who requested details and had not already sought advice	22	14	7	3	8

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071
All results are significant at p<.05 (chisq), except for: advice sought (from fee-charging debt advice company).
[1] Calculated from Amount currently held in savings and Whether has had savings to draw on in the past 4 weeks.

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

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
***How much of a large unexpected expense could be covered?** **					
None of it	87	44	9	1	19
Some of it	10	48	60	5	31
All of it	3	7	31	94	50
***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	66	83	91	96	89
Could not cope [1]	62	27	10	1	13
Could cope up to month without borrowing [1]	26	28	10	0	10
Could cope between 1 and 3 months without borrowing [1]	9	28	31	3	17
Could cope for longer than 3 months without borrowing [1]	3	16	48	96	61
Income has fallen by one third or more	34	17	9	4	11
Could not cope [2]	47	16	1	1	20
Could cope up to one month without borrowing [2]	29	18	4	0	15
Could cope between 1 and 3 months without borrowing [2]	19	36	28	1	23
Could cope for longer than 3 months without borrowing [2]	5	30	67	98	43
***Amount currently held in savings**	90	61	16	1	24
No savings	7	20	21	2	12
One month's income in February or less	3	11	30	10	16
One to three month's income in February	1	4	17	15	12
Three to six month's income in February	0	3	9	17	10
Six to twelve month's income in February	0	1	8	56	25
Twelve or more month's income in February	90	61	16	1	24

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).
[1] Base: all whose income has increased, remained stable or fallen by less than one third. N = 5,448.
[2] Base: all whose income has fallen by one third or more. N = 623.
*Included in the financial wellbeing score that was used to create the categorisation of households used in this and other tables.
** Unexpected expense corresponding to 1 month's income.

Table 5 – Future prospects at different levels of financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Likelihood of an income fall next three months					
Very likely	28	19	15	9	15
Quite likely	12	17	14	8	12
Neutral	24	17	12	9	13
Not very likely	11	15	19	15	16
Unlikely	25	32	40	59	45
How confident about the financial situation next three months					
Not at all confident	34	5	1	0	5
Not very confident	41	35	14	2	15
Neutral	19	39	28	9	21
Quite confident	5	20	51	53	43
Very confident	0	1	6	36	17
Ability to pay bills and credit commitments next three months					
Will be a constant struggle	69	15	2	0	10
Will be a struggle from time to time	30	78	53	6	36
Will be done without any difficulty	0	7	45	94	54
More difficult to pay bills/debt commitments next three months [1]	4	5	12	5	7
Earning loss very likely next three months [2]					
Will be temporarily laid off with no pay, but expect to return to work	6	2	2	1	2
Will permanently lose job/be made redundant	8	3	2	1	3
Will still be employed, but wages will fall (including being furloughed)	10	9	6	3	6
My/their business will temporarily cease trading, but expect to restart	6	4	2	2	3
My/their business will permanently cease trading	7	3	1	1	2
My/their business will still be trading, but income will fall	8	7	5	3	5
Outlook for household financial situation over next three months [3]					
Poor	95	43	3	0	17
Quite poor	5	53	39	1	22
Quite good	0	4	57	42	37
Good	0	0	1	57	23

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at $p<.05$ (chisq).
[1] Calculated from replies to b18_1 above and b18 on Table 1.
[2] All answering very or quite likely.
[3] Calculated from a Principal Components Analysis of questions: future, a3 and b18_1 (above) and c3, c5 and c10 (in Table 4).

Table 6 – Demographics at different levels of current financial wellbeing

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Nation					
England	81	81	83	87	84
Wales	5	7	5	4	5
Scotland	10	10	9	7	8
Northern Ireland	3	3	3	2	3
Family types					
Single	30	29	25	26	27
Couple	18	22	31	43	33
Single parents	18	10	5	1	5
Single parents with adult children only	6	6	3	3	4
Couples with children	22	25	24	13	19
Couples with adult children only	6	8	10	13	10
Family with dependent children	40	35	29	14	25
Age					
Under 30	10	12	12	8	10
30-39	26	22	22	14	19
40-49	27	25	20	11	18
50-59	21	20	15	15	16
60-69	14	14	18	28	21
70 or over	3	7	12	24	15
Disability					
Limited a lot	27	17	9	4	10
Limited a little	21	24	18	15	18
Housing tenure					
Outright owner	11	16	28	56	36
Mortgagor	21	32	39	27	31
Private tenant	31	24	19	11	18
Social tenant	33	23	10	3	11
Other	4	6	4	3	4
Urban/rural					
City (city)	77	78	77	73	76
Town and surroundings (town)	10	10	9	10	10
Rural (rural)	10	9	11	14	12
UK regions that were statistically significant					
London	13	9	12	15	13
South East of England	10	13	13	15	14
Education level					
Degree (or equivalent) and above	29	32	43	53	44
A level or equivalent	23	21	16	13	16
GCSE or equivalent	15	17	16	13	15
Other (mainly professional) qualifications	21	22	20	17	19
No qualifications	11	8	5	4	6

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq), except for nation (Scotland) and regions that have been excluded.

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

	In serious difficulties	Struggling	Exposed	Secure	All
Respondent					
Agriculture, forestry, and fishing	2	1	1	1	1
Manufacturing	4	6	5	5	5
Electricity, gas, steam and air conditioning supply	0	1	2	1	1
Water supply (e.g. sewerage, waste management and remediation activities etc.)	1	1	0	1	1
Construction	6	5	3	4	4
Wholesale and retail	15	10	8	7	9
Repair of motor vehicles/ motorcycles	0	1	1	1	1
Transportation and storage	2	4	3	4	4
Accommodation or food service	7	4	4	2	3
Information and communication	3	3	5	7	5
Finance and insurance	1	5	5	6	5
Real estate	1	1	1	1	1
Professional, scientific or technical	3	3	5	8	6
Administrative services	3	3	4	3	3
Public administration and defence	2	3	4	6	4
Education	13	17	20	19	18
Human health & social work	12	9	9	7	9
Arts, entertainment & recreation	7	5	5	4	5
Other service activities (e.g. member in a professional organisation, repairing	2	1	1	2	2
Other household employment (e.g. tutor, babysitter etc.)	4	0	1	0	1
Other[1]	20	24	21	17	20
Partner					
Agriculture, forestry, and fishing	1	1	2	2	1
Manufacturing	6	6	6	5	6
Electricity, gas, steam and air conditioning supply	3	2	3	1	2
Construction	6	10	6	3	6
Wholesale and retail	11	9	7	6	7
Repair of motor vehicles/ motorcycles	3	1	1	1	1
Transportation and storage	5	3	3	3	3
Accommodation or food service	8	3	4	2	3
Information and communication	3	4	5	5	5
Finance and insurance	2	5	5	8	6
Real estate	0	0	1	1	1
Professional, scientific or technical	3	4	5	8	6
Administrative services	1	3	3	3	3
Public administration and defence	2	2	3	5	4
Education	9	14	11	12	12
Human health & social work	10	8	10	14	11
Arts, entertainment & recreation	2	4	4	4	4
Other service activities (e.g. member in a professional organisation, repairing	4	4	1	2	2
Other household employment (e.g. tutor, babysitter etc.)	0	0	1	1	1
Other[1]	22	24	22	18	21

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=3,645 for respondent; N=2,690 for partner.
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
Either respondent or partner					
Agriculture, forestry, and fishing	2	2	1	1	2
Manufacturing	7	8	8	8	8
Electricity, gas, steam and air conditioning supply	2	2	3	1	2
Water supply (e.g. sewerage, waste management and remediation activities etc.)	1	2	1	1	1
Construction	9	10	7	5	7
Wholesale and retail	18	14	11	9	12
Repair of motor vehicles/ motorcycles	2	1	2	1	1
Transportation and storage	4	5	5	6	5
Accommodation or food service	9	5	5	3	5
Information and communication	4	5	7	9	7
Finance and insurance	2	7	8	9	8
Real estate	1	1	1	2	1
Professional, scientific or technical	4	5	7	12	8
Administrative services	3	5	6	4	5
Public administration and defence	3	3	5	9	6
Education	15	22	23	23	22
Human health & social work	14	12	14	14	14
Arts, entertainment & recreation	7	6	6	6	6
Other service activities (e.g. member in a professional organisation, repairing	4	3	2	2	3
Other household employment (e.g. tutor, babysitter etc.)	4	0	1	1	1
Other[1]	23	26	26	23	24

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=4,081.
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*	*15*	*35*	*40*	
Missed payments					
Mortgage loan	9	7	5	1	4
Personal loan from a bank or building society	14	7	3	0	4
Credit card or store card	17	9	4	0	4
Credit from a retailer/hire purchase	10	4	1	0	2
Goods bought on credit from a mail order catalogue/online	16	6	2	0	3
Loan from a payday lender	6	1	1	0	1
Loan from home-collected credit company	4	2	0	0	1
Car finance / car leasing	8	5	2	1	3
Rent	18	4	1	0	3
Electricity	21	4	2	0	3
Gas	17	4	1	0	3
Water	20	6	1	0	3
Council tax	32	8	3	0	6
Phone, broadband	7	1	1	0	1
TV licence	8	1	1	0	1
Any of these	69	36	15	3	18
1	22	20	10	2	10
2	14	9	3	1	4
3+	33	8	3	0	6
Payment holidays					
Mortgage loan	3	2	1	0	1
Personal loan from a bank or building society	4	2	1	0	1
Credit card or store card	9	5	2	0	3
Credit from a retailer/hire purchase	3	2	0	0	1
Goods bought on credit from a mail order catalogue/online	4	2	1	0	1
Loan from a payday lender	2	0	0	0	0
Loan from home-collected credit company	2	1	0	0	0
Car finance / car leasing	2	0	0	0	0
Rent	5	2	1	0	1
Electricity	4	1	0	0	1
Gas	3	1	0	0	1
Water	4	2	1	0	1
Council tax	10	4	2	0	3
Any of these	28	16	6	1	8
1	16	11	5	1	5
2	7	4	1	0	2
3+	6	2	1	0	1

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).

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

	In serious difficulties	Struggling	Exposed	Secure	All
Percentage of households	*10*	*15*	*35*	*40*	
Payment holidays (ever)					
Mortgage loan	10	7	5	1	4
Personal loan from a bank or building society	9	6	2	0	3
Credit card or store card	19	11	4	0	5
Credit from a retailer/hire purchase	6	4	1	0	2
Goods bought on credit from a mail order catalogue/online	7	3	1	0	2
Loan from a payday lender	3	2	1	0	1
Loan from home-collected credit company	3	1	0	0	1
Car finance / car leasing	5	2	1	0	1
Rent	11	4	2	0	3
Electricity	11	4	1	0	2
Gas	9	3	1	0	2
Water	8	3	1	0	2
Council tax	20	8	3	1	5
Any of these	47	27	13	2	14
1	21	17	10	2	9
2	11	9	3	0	4
3+	18	5	2	0	3

Column percentages. Households. Weighted results. United Kingdom, January 2021. N=6,071.
All results are significant at p<.05 (chisq).

Table 9 – Financial strain at different levels of current financial wellbeing

	Families with children					
	In serious difficulties	Struggling	Exposed	Secure	All	**No children[1]**
Percentage of households	*17*	*21*	*40*	*22*		
***Current financial situation**						
Is very bad	23	1	0	0	4	2
Is bad	55	31	4	0	17	10
Thinking about my financial situation makes me anxious [2]	97	81	56	24	61	43
***Struggle to pay for food/expenses [2]**	82	26	4	0	21	11
***Current ability to pay bills and credit commitments**						
Constant struggle to pay bills	81	21	2	0	18	9
Struggle from time to time to pay bills	19	76	47	3	39	29
Pay bills without difficulty	0	3	52	97	43	62
***Arrears on bills and credit commitments (including payment holidays and reduced payments)**						
Arrears on rent/mortgage	32	16	9	2	13	5
Arrears other bills	50	20	8	1	16	7
Arrears on unsecured credit and car finance	52	32	16	3	22	12
Any arrears						
1	20	17	8	2	11	9
2	12	11	5	1	6	3
3+	40	14	6	0	12	3
Payment holidays (ever)						
Payment holiday on mortgage	13	14	8	3	9	3
Payment holiday on rent	24	18	9	4	12	5
Payment holiday on other bills	27	11	5	1	9	5
Payment holiday on unsecured credit and car finance	35	22	10	1	15	6
Any payment holiday						
1	22	20	12	4	14	7
2	12	10	4	0	6	3
3+	20	7	3	1	6	2
Payment holidays (current)						
Payment holiday on mortgage	4	3	2	0	2	1
Payment holiday on rent	8	5	2	0	3	2
Payment holiday on other bills	15	6	2	0	5	3
Payment holiday on unsecured credit and car finance	18	12	6	1	8	3
Any payment holiday						
1	16	13	6	1	8	4
2	8	5	2	0	3	1
3+	7	2	1	0	2	1

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq).
[2] All agreeing/agreeing strongly.
*Included in the financial wellbeing score that was used to create the categorisation of households used in this and other tables.

Table 9 (Continued) – Financial strain at different levels of current financial wellbeing

	Families with children					No children[1]
	In serious difficulties	Struggling	Exposed	Secure	All	
Percentage of households	*17*	*21*	*40*	*22*		
Reached repayment agreement						
Mortgage	7	12	6	3	7	2
Rent	11	15	6	4	8	3
Other bills	11	5	3	0	4	3
Unsecured credit and car finance	20	17	7	1	10	4
Any reduced payment reached						
1	19	23	13	4	14	7
2	9	5	1	0	3	1
3+	6	3	1	0	2	1
Credit card repayments						
Missed last payment on at least one card	19	12	7	0	9	3
Minimum payment on at least one card	33	33	17	5	20	9

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq).

Table 10 – Economic circumstances by levels of current financial wellbeing

	Families with children					No children[1]
	In serious difficulties	Struggling	Exposed	Secure	All	
Percentage of households	*17*	*21*	*40*	*22*		
Gross household income						
Mean	£22,300	£30,300	£39,400	£47,950	£36,550	£30,200
Income loss since March 2020						
Decreased by one third or more	37	15	8	6	14	10
Decreased by less than a third	26	30	21	12	22	16
Stable	33	47	56	60	51	61
Increased	5	8	16	22	14	13
Experiencing current income loss and has ever been financially affected by COVID						
Affected with income loss (any size)	48	33	23	14	27	17
Affected with income loss less than a third	16	23	16	10	16	10
Affected with income loss of a third or more	32	10	7	5	11	8
Lost income sources because of the COVID-19 crisis (since March 2020)						
Temporarily laid off work, not receiving salary (IP and/or partner)	8	5	3	2	4	3
Lost job, now unemployed (IP and/or partner)	22	13	8	4	11	7
Lost income including furloughed (IP and/or partner)	26	29	27	20	25	15
Temporarily ceased trading (IP and/or partner)	7	6	5	1	5	4
Permanently ceased trading (IP and/or partner)	6	5	4	1	4	2
Still trading but income has fallen (IP and/or partner)	15	12	10	10	11	8
Any of these	58	52	43	33	45	31
Lost income sources because of the COVID-19 crisis (currently)						
Temporarily laid off work, not receiving salary (IP and/or partner)	4	4	2	1	2	2
Lost job, now unemployed (IP and/or partner)	19	7	5	3	7	5
Lost income including furloughed (IP and/or partner)	20	24	19	12	19	11
Temporarily ceased trading (IP and/or partner)	7	5	4	1	4	4
Permanently ceased trading (IP and/or partner)	6	4	3	1	3	1
Still trading but income has fallen (IP and/or partner)	15	12	9	10	11	7
Any of these	51	43	35	24	37	25
Social security benefits						
Out of work benefits before crisis	13	12	6	2	8	6
WTC before crisis	20	10	8	4	10	1
UC since crisis (still receiving)	13	8	3	1	6	2
UC since crisis (but no longer receiving)	2	6	2	1	3	1
Government support						
Job retention scheme receiving	13	15	14	10	13	8
Job retention scheme received	8	10	11	9	10	6
Job retention scheme expected	3	5	4	2	4	2
Self-emp income support received or expected	10	13	11	4	10	4
Number of earners in the household (before the crisis)						
Two	24	45	63	67	54	26
One	43	34	31	27	32	27
None	34	21	7	6	14	47
Respondent work status (before the crisis)						
Full time	40	47	61	68	56	39
Part time	23	26	23	15	22	13
Students	3	1	1	0	1	3
Retired	1	3	2	6	3	33
Unemployed	7	4	1	2	3	4
Economically inactive	21	13	8	6	11	6

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq), except for: lost income sources since March (lost income including furloughed, still trading but income has fallen); currently lose income sources (still trading but income has fallen); Government support (all variables), respondent work status before the crisis (students).

Table 10 (Continued) – Economic circumstances by levels of current financial wellbeing

	Families with children					
	In serious difficulties	Struggling	Exposed	Secure	All	No children[1]
Percentage of households	*17*	*21*	*40*	*22*		
Partner work status (before the crisis)						
Full time	36	47	65	58	55	28
Part time	11	17	14	22	16	7
Students	0	0	1	0	1	2
Retired	2	3	1	3	2	22
Unemployed	4	2	1	0	1	1
Economically inactive	9	9	7	9	8	4
Respondent work status (current)						
Full time	30	44	58	68	53	35
Part time (8-29 hours/week)	18	22	20	13	19	10
Part time (less than 8 hours/week)	2	3	1	2	2	2
Students	4	2	2	0	2	2
Retired	2	2	2	7	3	35
Unemployed	14	5	3	2	5	5
Economicially inactive	20	14	10	6	12	8
Partner work status (current)						
Full time	31	44	65	62	54	28
Part time (8-29 hours/week)	11	15	12	19	14	6
Part time (less than 8 hours/week)	1	5	1	1	2	1
Students	1	1	2	0	1	1
Retired	2	1	1	4	2	23
Unemployed	6	2	1	1	2	2
Economically inactive	11	12	6	7	8	5
Self-employment (before the crisis)						
Self-employed (respondent)	14	11	10	12	12	11
Self-employed (partner)	13	14	14	10	13	7
Self-employed (self or partner)	24	20	19	18	20	16
Insecure employment (respondent or partner, before the crisis)						
Zero hours	12	10	8	6	9	7
Agency worker	9	9	5	2	6	2
Online platform worker (e.g. Uber)	2	3	3	1	2	1
Temporary contract	4	3	3	4	3	4
Any insecure employment	23	20	16	10	17	13
Main income from insecure work	22	16	12	7	13	9
Secondary income from insecure work	10	9	11	13	11	10
Both main and secondary income from insecure work	5	7	4	4	5	3
Work sector (respondent, before the crisis)						
Private	65	55	52	56	55	59
Public	26	33	41	33	35	31
Third/voluntary	8	8	7	11	8	9
Work sector (partner, before the crisis)						
Private	60	53	58	59	58	63
Public	31	38	33	36	35	27
Third/voluntary	5	7	5	5	5	7
Social grade						
A	3	10	12	22	13	12
B	7	15	20	21	17	17
C1	23	26	31	32	29	28
C2	31	22	23	15	22	20
D	17	17	10	5	12	9
E	19	10	4	3	8	13

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422
[1] Base: Households with no children. N=4,649
All results are significant at p<.05 (chisq), except for: partner work status before the crisis (student, retired, economically inactive); self-employment (all variables); insecure employment (online platform, temporary contract); respondent work sector (third/voluntary); partner work sector (all).

Table 11 – Strategies to make ends meet at different levels of current financial wellbeing

	Households with children					
	In serious difficulties	Struggling	Exposed	Secure	All	No children[1]
Percentage of households	*17*	*21*	*40*	*22*		
Use of savings to make ends meet						
Didn't have any savings	71	42	17	1	28	16
Have used savings last four weeks to make ends meet	27	39	31	10	27	24
Have savings but did not use any of them	1	16	52	88	44	59
Has depleted savings [2]	21	19	3	0	9	5
Use of credit to make ends meet						
Have used credit for food and other expenses last four weeks	79	49	20	2	31	15
Advice/help sought about financial situation						
Citizens Advice	4	3	2	1	2	2
Dept for Work and Pensions	9	3	2	1	3	2
Free debt advice agency (exc Citizens Advice)	15	11	5	1	7	2
Fee-charging debt advice company	1	1	1	0	1	0
Any of these	21	14	7	2	10	5
Online advice/help sought about financial situation						
Citizens Advice online	12	8	4	1	6	4
Dept for Work and Pensions online	15	4	5	1	6	5
Free debt advice agency (exc Citizens Advice) online	18	9	4	1	6	3
Fee-charging debt advice company online	2	1	1	0	1	0
Any of these online	27	15	9	3	12	9
Received the help or information needed as a result of seeking advice	56	77	66	84	66	70
Requested details of sources of money advice for people in financial difficulties						
All who requested details	29	29	11	3	16	8
All who requested details and had not already sought advice	21	21	8	3	12	7

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422
[1] Base: Households with no children. N=4,649
All results are significant at p<.05 (chisq), except for: help sought (from fee-charging debt advice); received the help needed.
[2] 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 12 – Financial resilience at different levels of current financial wellbeing

	Families with children					No children[1]
	In serious difficulties	Struggling	Exposed	Secure	All	
Percentage of households	*17*	*21*	*40*	*22*		
***How much of a large unexpected expense could be covered?** **						
None of it	91	45	8	1	28	16
Some of it	5	46	61	6	36	30
All of it	4	9	31	93	35	54
***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	63	85	92	94	86	90
Could not cope [2]	65	28	9	3	18	11
Could cope up to month without borrowing [2]	23	30	10	0	13	9
Could cope between 1 and 3 months without borrowing [2]	9	24	37	4	23	15
Could cope for longer than 3 months without borrowing [2]	4	18	44	93	46	65
Income has fallen by one third or more	37	15	8	6	14	10
Could not cope [3]	44	19	0	0	24	18
Could cope up to one month without borrowing [3]	37	29	7	0	25	10
Could cope between 1 and 3 months without borrowing [3]	14	32	31	6	21	23
Could cope for longer than 3 months without borrowing [3]	5	20	62	94	30	49
***Amount currently held in savings**						
No savings	92	59	15	0	34	21
One month's income in February or less	5	22	24	4	16	11
One to three month's income in February	1	7	34	20	20	15
Three to six month's income in February	2	6	17	23	13	12
Six to twelve month's income in February	0	4	6	18	7	11
Twelve or more month's income in February	0	2	5	36	10	30

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
[2] Base all whose income has increased, remained stable or fallen by less than one third. N = 1,234 (Households with children) and 4,214 (No children).
[3] Base all whose income has fallen by one third or more. N = 188 (Households with children) and 435 (No children).
All results are significant at p<.05 (chisq).
*Included in the financial wellbeing score that was used to create the categorisation of households used in this and other tables.
** Unexpected expense corresponding to 1 month's income.

Table 13 – Future prospects at different levels of financial wellbeing

	Families with children					No children[1]
	In serious difficulties	Struggling	Exposed	Secure	All	
Percentage of households	*17*	*21*	*40*	*22*		
Likelihood of an income fall next three months						
Very likely	32	20	18	8	18	13
Quite likely	12	20	16	13	16	11
Neutral	19	14	7	6	10	13
Not very likely	15	15	22	21	19	15
Unlikely	22	31	36	51	36	48
How confident about the financial situation next three months						
Not at all confident	34	5	1	0	7	4
Not very confident	41	34	15	2	20	13
Neutral	19	36	24	9	22	20
Quite confident	6	22	53	54	39	44
Very confident	0	2	8	35	11	19
Ability to pay bills and credit commitments next three months						
Will be a constant struggle	69	13	4	0	16	8
Will be a struggle from time to time	30	79	48	9	43	34
Will be done without any difficulty	0	8	49	91	41	58
More difficult to pay bills/debt commitments next three months [2]	5	5	11	7	8	7
Earning loss very likely next three months [3]						
Will be temporarily laid off with no pay, but expect to return to work	10	2	4	1	4	2
Will permanently lose job/be made redundant	9	3	3	1	3	2
Will still be employed, but wages will fall (including being furloughed)	11	10	9	4	8	5
My/their business will temporarily cease trading, but expect to restart	6	4	2	1	3	3
My/their business will permanently cease trading	8	1	1	0	2	2
My/their business will still be trading, but income will fall	9	7	6	3	6	5
Outlook for household financial situation over next three months [4]						
Poor	95	45	3	0	26	14
Quite poor	5	49	42	1	28	21
Quite good	0	6	55	56	36	38
Good	0	0	0	43	9	27

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq).
[2] Calculated from replies to b18_1 above and b18 on Table 9.
[3] All answering very or quite likely.
[4] Calculated from a Principal Components Analysis of questions: future, a3 and b18_1 (above) and c3, c5 and c10 (in Table 9).

Table 14 – Demographics at different levels of current financial wellbeing

	Families with children					No children[1]
	In serious difficulties	Struggling	Exposed	Secure	All	
Percentage of households	*17*	*21*	*40*	*22*		
Nation						
England	84	79	82	85	82	85
Wales	4	8	4	5	5	5
Scotland	10	9	9	6	9	8
Northern Ireland	2	5	4	4	4	2
Family types						
Single	0	0	0	0	0	35
Couple	0	0	0	0	0	45
Single parents	44	28	16	9	22	0
Single parents with adult children only	0	0	0	0	0	5
Couples with children	56	71	83	91	78	0
Couples with adult children only	0	0	0	0	0	14
Age						
Under 30	10	12	9	3	9	11
30-39	36	36	41	32	37	14
40-49	34	38	37	38	37	12
50-59	17	12	11	20	14	17
60-69	3	2	2	6	3	27
70 or over	0	1	1	1	1	20
Disability						
Limited a lot	17	12	6	3	8	11
Limited a little	19	20	12	7	14	19
Housing tenure						
Outright owner	5	6	10	27	12	43
Mortgagor	29	43	63	60	53	24
Private tenant	33	21	15	6	17	18
Social tenant	31	24	9	2	14	11
Other	3	5	3	4	4	4
Urban/rural						
City	77	77	78	74	77	76
Town and surroundings	11	11	8	9	9	10
Rural	10	8	10	13	10	12
UK regions that were statistically significant						
South East of England	10	12	12	17	13	14
Education level						
Degree (or equivalent) and above	28	34	44	64	44	44
A level or equivalent	18	20	16	8	16	16
GCSE or equivalent	15	18	16	13	16	15
Other (mainly professional) qualifications	28	21	21	12	20	19
No qualifications	11	7	3	2	5	6

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq), except for: nation (Wales, Scotland, Northern Ireland); age (30-39, 40-49, 70+), tenure (other), urban/rural (all).

Table 15 – Payment holidays/missed payments by different levels of current financial wellbeing

	Families with children					
	In serious difficulties	Struggling	Exposed	Secure	All	**No children**[1]
Percentage of households	*17*	*21*	*40*	*22*		
Missed payments						
Mortgage loan	12	11	9	2	8	3
Personal loan from a bank or building society	15	8	4	1	6	3
Credit card or store card	19	12	7	0	9	3
Credit from a retailer/hire purchase	15	5	1	0	4	2
Goods bought on credit from a mail order catalogue/online	22	9	4	0	7	2
Loan from a payday lender	7	1	1	0	2	1
Loan from home-collected credit company	6	3	1	0	2	1
Car finance / car leasing	9	7	3	1	4	2
Rent	20	5	1	0	5	2
Electricity	25	6	3	0	6	2
Gas	20	6	2	0	5	2
Water	24	8	2	0	7	2
Council tax	32	10	3	0	9	5
Phone, broadband	8	2	1	0	2	1
TV licence	7	2	1	0	2	1
Any of these	72	42	19	4	29	16
1	20	17	8	2	11	9
2	12	11	5	1	6	3
3+	40	14	6	0	12	3
Payment holidays						
Mortgage loan	4	3	2	0	2	1
Personal loan from a bank or building society	4	3	1	0	2	1
Credit card or store card	12	6	4	0	5	2
Credit from a retailer/hire purchase	4	2	0	0	1	1
Goods bought on credit from a mail order catalogue/online	6	4	2	0	2	1
Loan from a payday lender	2	1	1	0	1	0
Loan from home-collected credit company	3	2	0	0	1	0
Car finance / car leasing	4	0	1	0	1	0
Rent	4	2	0	0	1	1
Electricity	4	1	0	0	1	1
Gas	2	1	1	0	1	1
Water	5	2	1	0	2	1
Council tax	9	4	2	0	3	2
Any of these	31	19	8	1	13	6
1	16	13	6	1	8	4
2	8	5	2	0	3	1
3+	7	2	1	0	2	1

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq)

Table 15 (Continued) – Payment holidays/missed payments by different levels of current financial wellbeing

	Families with children					
	In serious difficulties	Struggling	Exposed	Secure	All	**No children[1]**
Percentage of households	*17*	*21*	*40*	*22*		
Payment holidays (ever)						
Mortgage loan	13	14	8	3	9	3
Personal loan from a bank or building society	9	8	3	1	5	2
Credit card or store card	22	12	6	0	9	4
Credit from a retailer/hire purchase	10	6	1	0	3	1
Goods bought on credit from a mail order catalogue/online	11	6	2	0	4	1
Loan from a payday lender	4	3	1	0	2	1
Loan from home-collected credit company	4	2	1	0	1	0
Car finance / car leasing	6	4	2	1	3	1
Rent	12	5	2	1	4	2
Electricity	12	2	2	1	3	2
Gas	9	3	2	1	3	1
Water	9	4	2	1	3	1
Council tax	19	9	3	1	6	4
Any of these	51	35	17	5	24	11
1	22	20	12	4	14	7
2	12	10	4	0	6	3
3+	20	7	3	1	6	2

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,422.
[1] Base: Households with no children. N=4,649.
All results are significant at p<.05 (chisq).

Table 16 – Families with children financially impacted by COVID and currently experiencing an income fall

	Experiencing a financial shock as a result of the pandemic		Ever financially impacted by COVID and currently experiencing an income fall (binary)		Ever financially impacted by COVID and currently experiencing an income fall			All
	No	Yes	No income loss	Income loss of any size	No income loss	Income loss less than a third	Income loss third or more	
Percentage of households	*55*	*45*	*73*	*27*	*73*	*16*	*11*	
Financial wellbeing								
In serious difficulties	13	21	12	29	12	17	47	17
Struggling	19	24	20	25	20	30	19	21
Exposed	42	39	43	34	43	41	25	40
Secure	27	16	26	12	26	13	9	22
Financial strain								
Current financial situation is bad or very bad	15	29	14	41	14	31	54	21
Thinking about my financial situation makes me anxious [1]	54	70	54	79	54	73	89	61
Struggle to pay for food/expenses [1]	14	28	15	35	15	26	48	21
Constant struggle to pay bills and credit commitments	14	24	14	30	14	17	48	18
Economic circumstances								
Social security benefits								
Out of work benefits before crisis	8	7	9	4	9	5	4	8
UC since crisis (still receiving)	4	7	4	9	4	6	13	6
UC since crisis (but no longer receiving)	2	4	2	4	2	5	3	3
Government support								
Job retention scheme receiving	4	25	9	25	9	27	21	13
Job retention scheme received	5	16	8	16	8	13	20	10
Job retention scheme expected	2	6	4	4	4	5	1	4
Self-emp income support received or expected	2	19	5	21	5	22	20	10
Demographics								
Family types								
Single parents	21	22	20	25	20	26	24	22
Couples with children	78	77	79	74	79	73	75	78
Housing tenure								
Mortgagor	54	51	54	50	54	51	48	53
Private tenant	14	21	16	21	16	23	18	17
Social tenant	15	14	14	14	14	13	17	14

Column percentages. Households with children. Weighted results. United Kingdom, January 2021. N=1,481.
All results are significant at p<.05 (chisq).
[1] All agreeing/agreeing strongly.

Technical note

The survey was undertaken by YouGov between 6 and 14 January 2021 for the Standard Life Foundation and was conducted online. It is the fourth 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 6,071 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) Financial Wellbeing: A Conceptual Model and Preliminary Analysis. 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 on pages 17 to 40. The report itself only covers findings that were found to be statistically significant (at least $p<.05$ chisq), unless otherwise stated.

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About the Personal Finance Research Centre (PFRC)
PFRC specialises in social research across all areas of personal finance, mainly from the consumer's perspective.

www.bristol.ac.uk/geography/research/pfrc/

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.

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