

The impact of the coronavirus pandemic on young women on low incomes

Key facts

- **1 in 3 (30%) of furloughed young women from low-income households (£0 - £19,999) had their salary topped up by their employer** compared to almost half (47%) of both furloughed young women from higher-income households (£40,000+) and young men from low-income households and two-thirds (66%) of men from higher-income households.
- **Twice as many (43%) young women from low-income households said their financial situation had become worse because of the pandemic** compared to 21% of young women from higher-income households and 35% of young men from low-income households and just 16% of men from higher-income households.
- **Young men (38%) and young women (35%) on low incomes were just as likely to be worried about losing their job when the furlough scheme ends** compared to 17% of young women and 19% of young men on higher incomes.
- **Over a half (57%) of young women from low-income households said their mental health had become worse** during the coronavirus pandemic compared to 49% young women from higher-income households and 42% young men of all income levels.
- **Over one third (35%) of young women on low-incomes were less likely to buy a house** in the following 12 months as a result of the pandemic compared to 12% of young women on higher-incomes and 20% of young men (at all income levels).

Introduction

This report explores the impact of the pandemic, and what life is really like, for young women in low-income households. Even before the pandemic, young women reported facing serious financial issues, with the Young Women's Trust finding that in 2019, almost 40% of young women struggled to make ends meet each month.¹ The coronavirus pandemic has created a further economic crisis for young women on low incomes in particular: 1.5 million young women have lost their income since the coronavirus

¹ Young Women's Trust (2020) Debt: Young women facing constant financial struggle.

<https://www.youngwomenstrust.org/our-research/debt-young-women-facing-constant-financial-struggle/>

pandemic. Young women are also more likely to work in sectors that have been hit the hardest by Covid-19 including retail and hospitality, where low pay is common; 36% of young women work in sectors that have been closed down during the national lockdowns, compared to 25% of young men.² Young women in low-paid sectors are less likely to have savings to fall back on which potentially pushes young women into further poverty. In addition, women's redundancies in the UK hit 178,00 between September and November 2020 and their redundancy rates are far greater than in previous recessions.³ As a result, it is unsurprising that young women, and particularly those on low incomes, told us they are worried about losing their jobs and this highlights the need for the Government to prioritise these women who have remained invisible to policymakers.⁴

The crisis not only poses a threat to the employment of young women on low incomes but their mental health and future plans as well. Our previous research has highlighted the impact of the pandemic on mental health with women reporting higher levels of anxiety during the outbreak, than men⁵ and 55% of young women reporting their mental health became worse over the course of the pandemic compared to 39% of women aged 46 and over.⁶ This new research investigates the mental health of young women further, finding clear differences between young women on low and higher incomes and young men of all income levels and highlighting that whilst attempting to 'build back better' the government must prioritise not only the economy but also public health.

With the Government and the public increasingly looking to life after the pandemic, we have investigated how the pandemic has impacted young women's plans for the future. Previous research found over three quarters of Britons are re-evaluating their lives socially and economically, with women more concerned about burnout than men.⁷ When asked about the likelihood of becoming self-employed, buying a house, or pursuing education or work in another part of the UK, more young women on low incomes told us they would be

² Joyce, R. and Xu, X. (2020). Sector shutdowns during the coronavirus crisis: Which workers are most exposed? Institute for Fiscal Studies. <https://ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

³ Alexandra Topping (2021). 'Women face significant job risk during Covid pandemic, UK analysis finds', *The Guardian*. <https://www.theguardian.com/world/2021/may/04/women-jobs-risk-covid-pandemic-uk-analysis>

⁴ Young Women's Trust (2021) Young Women's Missing Data and Voices. <https://www.youngwomenstrust.org/wp-content/uploads/2021/04/Young-womens-missing-data-and-voices-report.pdf>.

⁵ The Fawcett Society, Women's Budget Group, Women's Equality Network Wales, Northern Ireland Women's Budget Group, Close the Gap and Engender (2020) Exiting Lockdown: The Impact on Women. <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=a561cc61-04be-42f6-8461-dd90978f3dd2>.

⁶ The Fawcett Society, Women's Budget Group, Women's Equality Network Wales, Northern Ireland Women's Budget Group, Close the Gap and Engender (2021) One year on: Women are less likely than men to feel the Government's response to Covid-19 has met their needs. <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=6e66d84e-f1ec-4726-b7e0-7d327396d416>.

⁷ Robyn Vinter (2021). 'Over three-quarters of Britons re-evaluate their lives during Covid', *The Guardian*. <https://www.theguardian.com/world/2021/jul/12/over-three-quarters-britons-re-evaluate-lives-covid>

less likely to do these things in the next 12 months compared to young women on higher incomes as well as young men of all income levels. Policy responses must account for the concerns of young women from low-income households to ensure that they are not left behind as our society rebuilds.

Before the pandemic, the Resolution Foundation found that young women were the most educated they have ever been. Therefore, by not supporting young women through the pandemic, the government has missed the opportunity to utilise their knowledge and skills to better the situation as well as restrict their potential, wasting the investment in their education.⁸ The Government must do more to invest in young women.

This report presents the findings from a survey of 1026 young people aged 18-30 (505 men and 517 women), with 176 women and 157 men with household incomes below £20,000, 179 women and 158 men with household incomes between £20,000-£39,999 and 132 women and 151 men with household incomes above £40,000. Official data on young women from low-income households during the pandemic was rarely available.

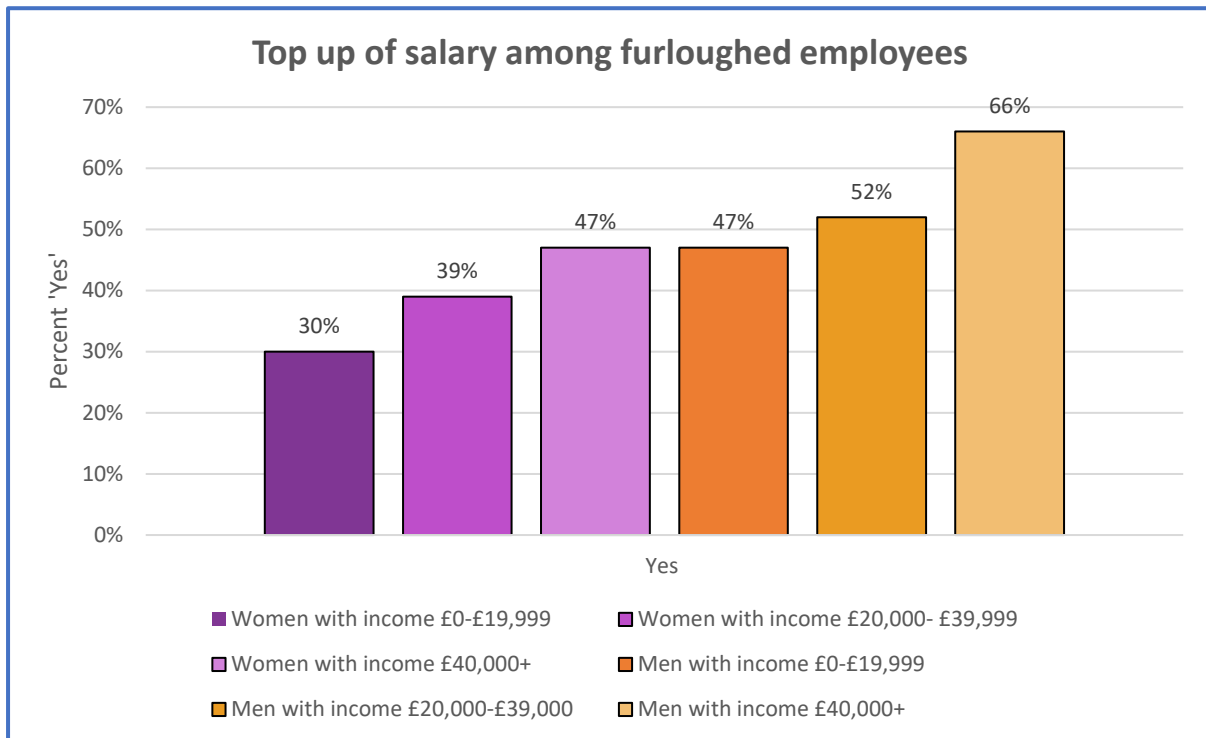
Therefore, the findings detailed in the report provide a snapshot of the experiences of young women from low-income households and how their experiences differ to those of young women from higher-income households and young men of all income levels.

Financial impacts and work

Responses to the survey indicate that young women on low incomes (household income of £0 - £19,999 a year) are bearing the brunt of the economic impacts of the coronavirus crisis. Higher proportions of these women report suffering financially compared to young women on higher incomes and young men across all income levels. Young women on low-income households were twice as likely (43%) to say that their financial situation had become worse as women from higher-income households (21%). This is in comparison to 35% of young men on low incomes who reported that their financial situation had gotten worse compared to 16% of young men on higher incomes.

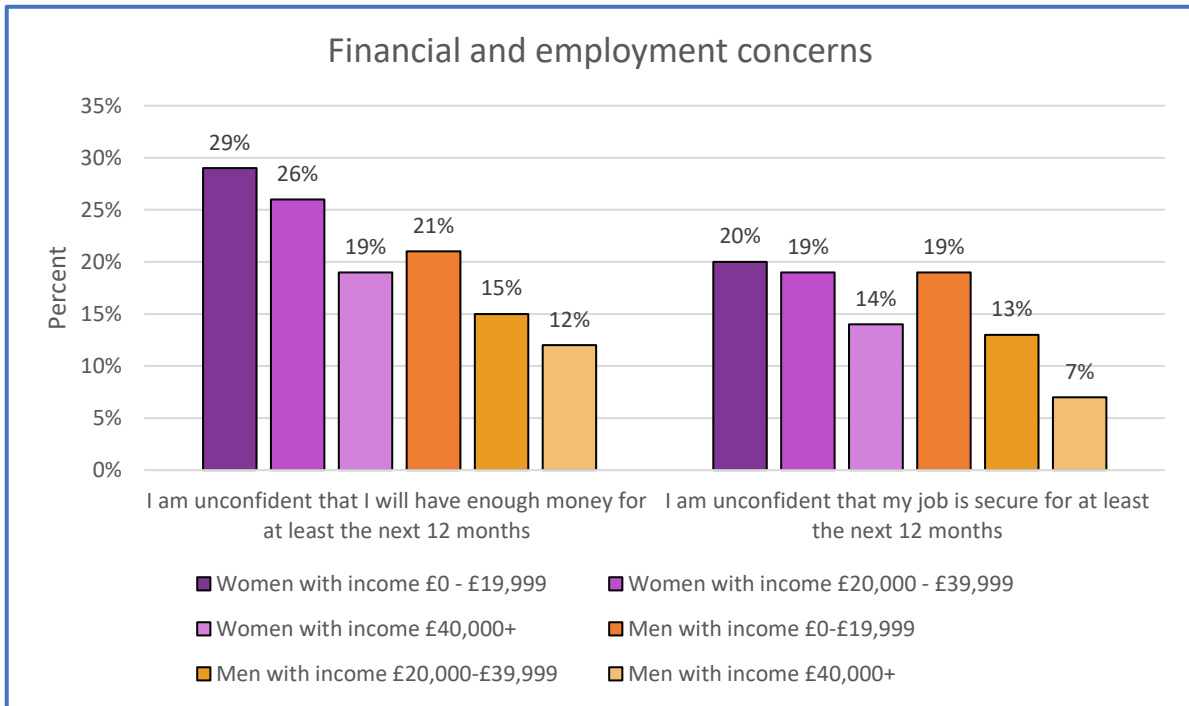
It is likely that many young people aged 18-24 were in less secure, precarious forms of employment at the start of the pandemic and so they were more likely to lose their jobs than to be offered furlough. Young women on low incomes were least likely to have their furlough topped up from 80% to 100%. Young women in low-income households were least likely to say their employer had topped up their salary (30%), compared to young women from middle-income households (39%) and young women from higher-income households (47%) – as well as young men of all income levels. Men were more likely to have their furlough topped up compared to women at the same income level and men on low incomes were just as likely to have their employer cover the remaining 20% as women on the highest incomes (both 47%).

⁸ Resolution Foundation (2021). Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people. <https://www.resolutionfoundation.org/app/uploads/2021/05/Double-trouble.pdf>.



There was a higher proportion of young women living in low-income households (29%), compared to young women living in higher-income households (19%) and young men of all income levels (16%), who were unconfident that they will have enough money for at least the next 12 months. As well, young women on low incomes were less confident that their job is secure for at least the next 12 months, compared to women on higher incomes and men of all income levels. This is likely due in part to the higher proportion of women working in industries that were hit the hardest in the coronavirus pandemic, such as retail and hospitality. Young men on low incomes were also less confident that they will have enough money (21%) and that their job is secure for the next 12 months (19%) in comparison to both young men and young women on higher incomes. Resolution Foundation found that people on lower incomes were less likely to be able to work from home and this may threaten their employment in the long term.⁹ However, women on higher incomes reported being less confident of having enough money than men on higher incomes. Overall, young women on low incomes were the most affected group in terms of employment.

⁹ Resolution Foundation (2020) Doing what it takes: Protecting firms and families from the economic impact of coronavirus. <https://www.resolutionfoundation.org/app/uploads/2020/03/Doing-what-it-takes.pdf>

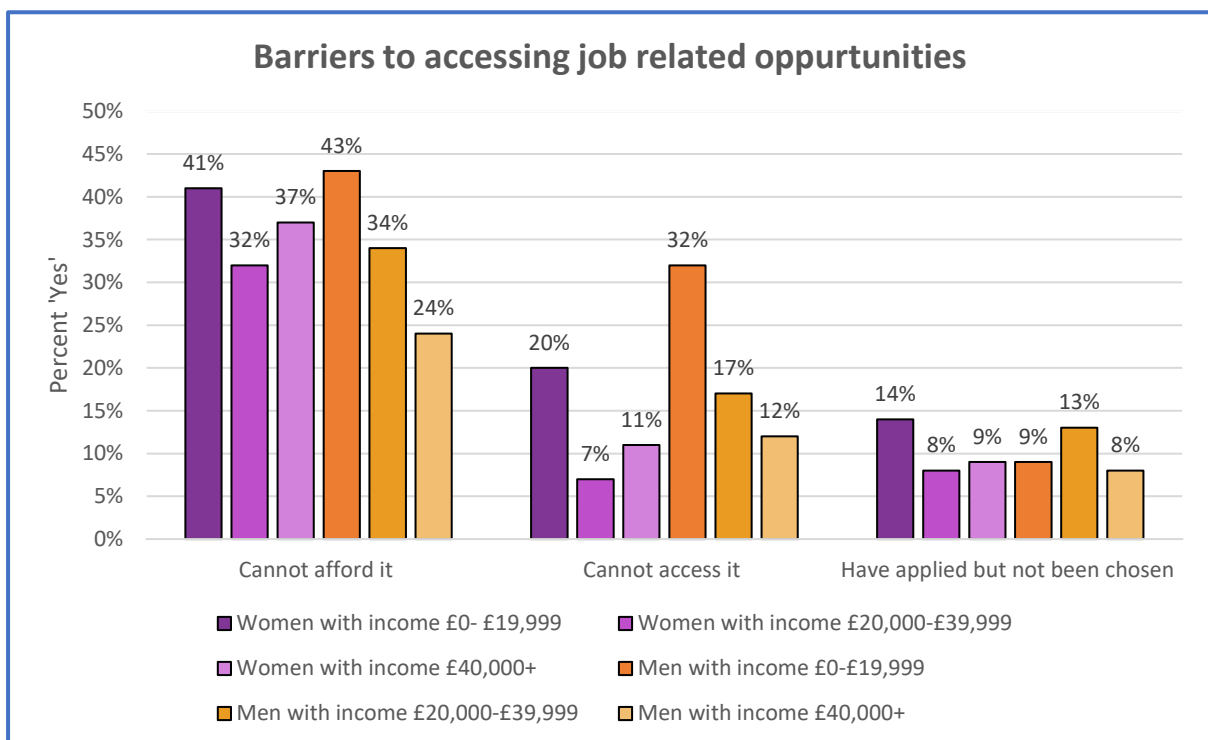


Relatedly, more than a third of young women (35%) with household incomes below £20,000 said they were worried about losing their job/working hours when the furlough scheme ends, compared to 17% of young women with household incomes above £40,000. Young men (38%) and young women (35%) on low incomes were just as likely to be worried about losing their job. However, young men on low incomes (47%) were more worried about losing working hours compared to young men on higher incomes and young women of all income levels. Again, this could be due to insecure work.



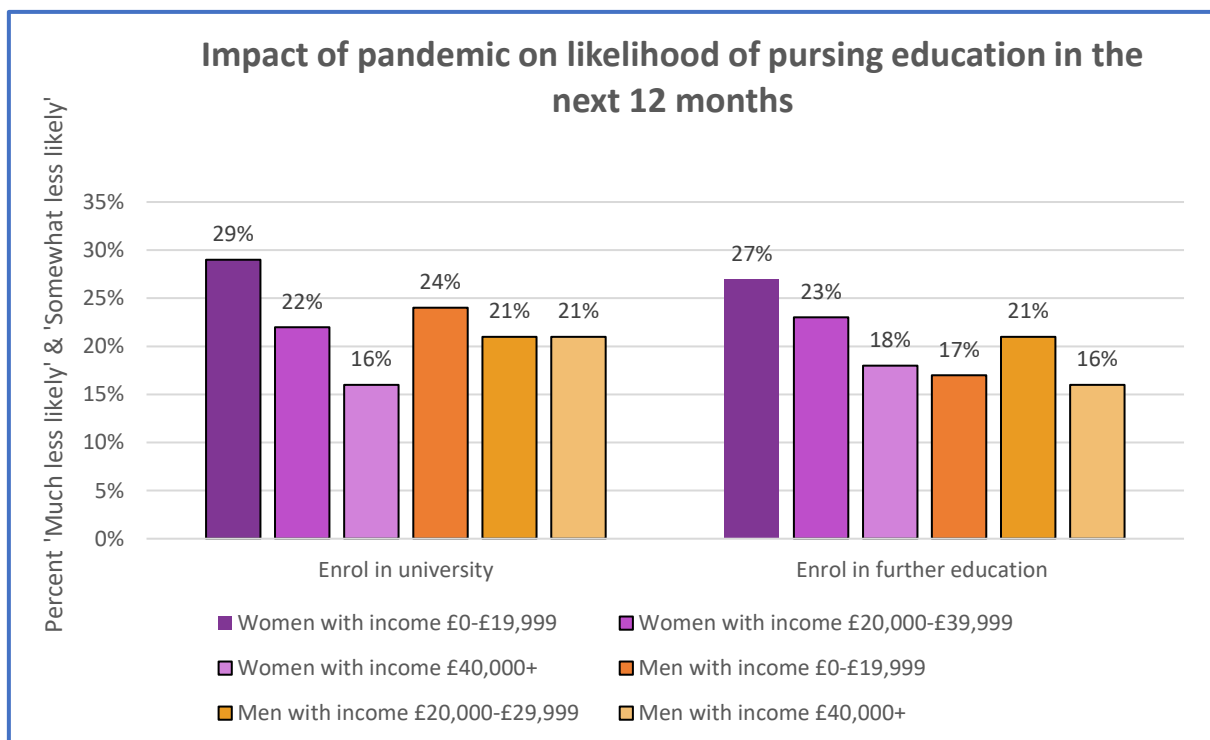
Furthermore, we asked respondents if they were able to access job related training opportunities and the survey results found that nearly half of young women (45%) and 33% of young men from low-income households said that they have not been able to access job related training opportunities in comparison to 34% of young women and 24% of young men with a higher household income.

Surprisingly, the rates of women who could not afford to access job training opportunities was fairly similar regardless of income level. Nonetheless, there were differences in the lack of accessibility to job training (i.e., not enough bandwidth at home for video training or no transport to get to training location), with young women from low-income households being nearly twice as likely to report not being able to access training as young women on higher incomes and young men on higher incomes. Women on low incomes were also more likely to say they have applied for job training related opportunities but have not been chosen compared to a small proportion of young women and young men on higher incomes. Likewise, there was a significant proportion of young men on low incomes who were not able to access job related opportunities due to unaffordability (43%) and inaccessibility (32%) compared to young men on higher incomes and young women of all income levels. Overall, affordability was a key issue among both young men and young women on lower incomes.



Education

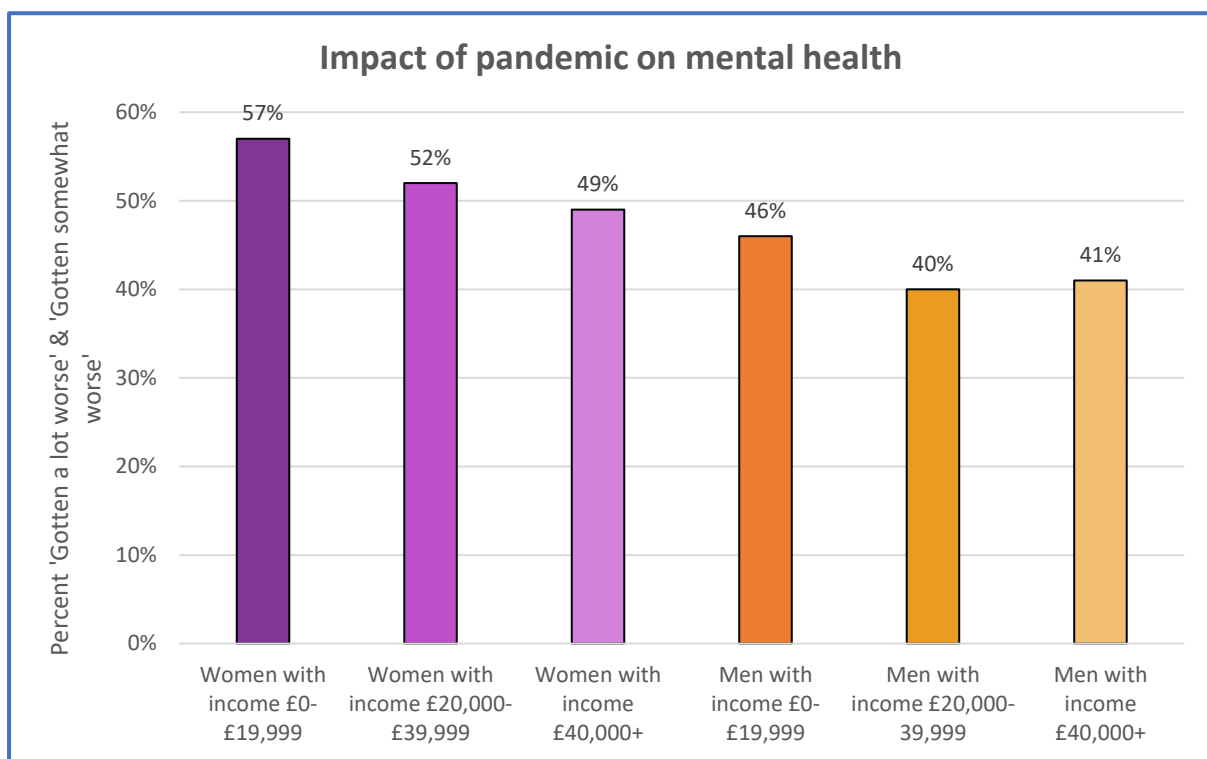
We asked respondents if they were more or less likely to enrol into university or further education in the next 12 months as a result of the pandemic. Not only are young women from low-income households facing difficulties in work but their decision to enrol into further education or university has been affected negatively by the coronavirus pandemic. There is a significant proportion of young women from these households who are less likely to enrol into further education and university in comparison to young women and young men in higher-income households. This is similar to young men on low incomes who are also less likely (24%) to enrol in university. Perhaps, this could be due to the high costs of education combined with lack of employment opportunities to cover tuition and living costs over the pandemic. In general, young women on low incomes were less likely to pursue education compared to women on higher incomes and men of all income levels. If less young women on low incomes enrol in further education or university, this could further perpetuate income inequalities, further widening the income gaps.



Mental health

Unsurprisingly, health has been one of the major concerns during this time. This is evident in our previous coronavirus research reports where among women, mental health in

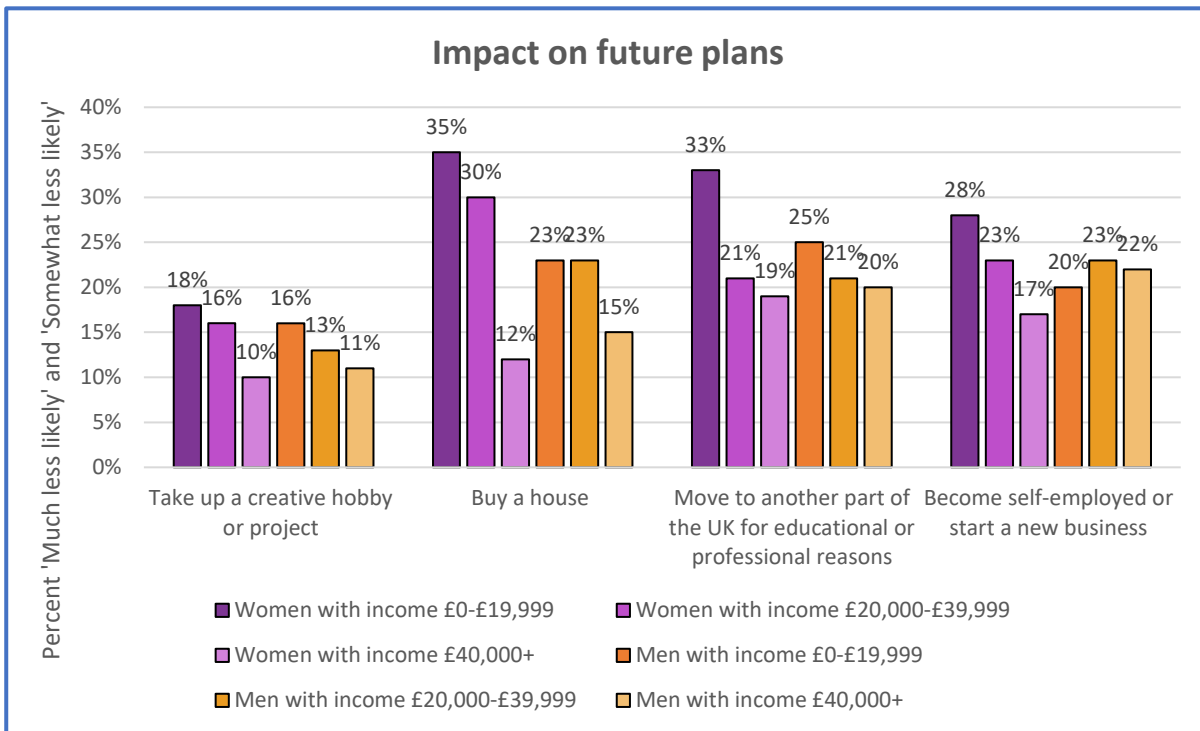
particular has been a challenge, especially amongst disabled women¹⁰. Looking at how mental health has impacted young women on low incomes during the pandemic, we see that the percentage of respondents who said their mental health had become worse during the pandemic is significantly higher for those on low incomes, compared to those on middle and higher incomes. However, over a half of young women from low-income households said their mental health had become worse (57%) as a result of the pandemic. This is higher than the numbers for young women from higher-income households and young men of all income levels. More young men on low incomes (46%) also reported their mental health had become worse compared to higher income men (41%). However, in general, young women experienced more mental health struggles than young men of all income levels.



Future Plans

Not only have health, work and education been affected by the coronavirus pandemic but so have been young men and young women’s decisions about their plans for the next 12 months. This tends to be more impactful for young women in low-income households. We asked respondents if they were more or less likely to take up a creative hobby or project, buy a house, move to another part of the UK for education or work, and become self-employed in the next 12 months as a result of the pandemic, with results outlined below.

¹⁰The Fawcett Society, Women’s Budget Group, Women’s Equality Network Wales, Northern Ireland Women’s Budget Group, Close the Gap and Engender (2021) Disabled mothers three times more likely to have lost work during the pandemic. <https://www.fawcettsociety.org.uk/disabled-mothers-three-times-more-likely-to-have-lost-work-during-the-pandemic>



The differences between young women on low incomes and women on higher incomes as well as men of all income levels were stark in their future plans. More (18%) young women from low-income households reported that they were less likely to take up a creative hobby or project compared to young women from higher-income households (10%). The rates were similar for young men on low incomes (16%) who were less likely to take up a hobby compared to young women and men on higher incomes (11%). This may be due to lack of time or financial issues such as affordability. Also, young women on low incomes (35%) were less likely to buy a house compared to 12% of young women on higher incomes and young men of all income levels.

Once again, work and education of young women on low incomes was impacted by the coronavirus pandemic, as over a third of these women responded that they were less likely to move to another part of the UK for educational or professional reasons in the next 12 months. One quarter of young men on low incomes were also less likely to do this compared to young women and men on higher incomes (20%). Additionally, one in three young women (28%) on low incomes said they were less likely to become self-employed or start a new business compared to 17% of young women on higher incomes and young men of all income levels. Unfortunately, women on low incomes remained the group affected the most. This suggests that financial challenges have played a role in the future plans of young women from low-income households, whether that be work or personal.

The impact on the pandemic on young women’s future was also evident when respondents were asked about how optimistic they felt about the future. There was a greater proportion of young women on low incomes who were ‘much less optimistic’

about the future than young women on higher incomes, with those on low incomes three times more likely (12%) to say they were 'much less optimistic' about the future, compared to 4% of those on higher incomes, while the rates were smaller for young men (5%).

Conclusion

The survey findings on the impact of the pandemic on young women in terms of their finances, work, education, mental health, and future plans point to a worrying trend of greater inequality as a result of the pandemic. We have found that young women living in households that earn less than £20,000 a year have become further disadvantaged over the course of the pandemic compared to young women living in higher income households and men of all income levels. The fact that young women on low incomes have reported worsening finances and mental health, a greater fear of job loss when the furlough scheme ends, and lower intentions to enrol in further education or university is concerning for the future generation of young women. The Government must recognise the challenges young women on low incomes have faced over the pandemic, and will continue to face, and act to offer them a more stable and secure future.

Recommendations

Together, as women's organisation, we have consistently called for the following actions throughout the pandemic and the current research only strengthens the urgency of these recommendations as well as demonstrating widespread support for these measures:

Stronger safety net: This pandemic has highlighted the importance of social security for alleviating and preventing poverty, and the current research shows that there is strong support for this among young people from across the political spectrum. This runs counter to the recent decision to remove the £20 per week uplift to UC and we strongly urge the government to not only reconsider this, but also to further increase support for low-income families and unemployed people.

Sectoral support: A significant proportion of young people in our survey were concerned about losing their job, or hours being cut, when the furlough scheme ends in September. It is vital that the post-COVID recovery includes support for hardest-hit sectors such as retail, hospitality, leisure and tourism, which are important employers of women and young people. Such measures should be joined up with the transition to a zero-carbon economy as well as with those that seek to address regional inequalities.

Investment in care: Urgent funding is required for the early years sector to avoid widespread closures that would have a huge impact on women's employment as well as to ensure that social care for the elderly and people with disabilities is properly resourced. Both measures would reduce the burden of unpaid caring, which continues to disproportionately fall to women and has intensified in the course of the pandemic. Nearly two-thirds of young people in our survey supported greater investment in care.

More representation: To ensure policy addresses diverse needs within society, the Government needs to include more women at the decision-making table as well as other key stakeholders, such as young people and people from Black, Asian and minority ethnic backgrounds.

Methods

The figures cited in this briefing are drawn from data collected by Survation with fieldwork conducted 3rd-4th June 2021. The survey was conducted via an online panel. Invitations to complete surveys were sent out to members of online panels. The UK-wide statistics cited in this briefing are drawn from a nationally representative sample of 1,026 adults in the UK aged 18 to 30.

About us

This research was conducted by the UK Women's Budget Group, Fawcett Society, Northern Ireland Women's Budget Group, Women's Equality Network (WEN) Wales, Close the Gap and Engender. We would like to acknowledge the support of Young Women's Trust in designing the polling questionnaire and providing feedback on the report.

Standard Life Foundation has supported this as part of its mission to contribute towards strategic change which improves financial well-being in the UK. The Foundation funds research, policy work and campaigning activities to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable foundation registered in Scotland (SC040877).

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