Women’s Healthy Strategy. Covid-19, Women and Poverty.

**Introduction**

The UK Women’s Budget Group (WBG) welcomes the opportunity to contribute to this consultation. The WBG is an independent network of leading academic researchers, policy experts and campaigners that analyses the gendered impact of economic policy on different groups of women and men and promotes alternative policies for a gender equal economy.

**Women and Poverty**

**The links between poverty and poor health outcomes are well established** [[1]](#footnote-1). Poverty creates barriers to accessing adequate housing and nutrition, factors which greatly impact health. Poverty has psychological as well as material consequences, like stress, which is felt more keenly by women who are the ‘shock-absorbers’ of the family’s poverty[[2]](#footnote-2). This is because women undertake most of the management of family poverty; stretching household income in order to manage budgets for food and pay for household bills. As such, a commitment to improve women’s health must include a recognition of the social determinants of health and seek to address the poverty that women are more likely to experience across their lifecourse. Reducing the level of women’s poverty will lead to increased positive health outcomes.

**Poverty is a gendered experience**. Women in the UK are slightly more likely to live in poverty than men when this is measured on the usual household basis (23% of adult women, compared to 21% of adult men in 2019-20) and female-headed households are poorer than comparable male-headed households[[3]](#footnote-3). For example, almost half (48%) of single-parent households are living in poverty, compared to a quarter (23%) of couple households with children[[4]](#footnote-4). In the vast majority (86%) of such households, the single parent is the mother[[5]](#footnote-5). In older age-groups, 27% of single female pensioners are living in poverty compared to 23% of single male pensioners[[6]](#footnote-6).

**Women face specific challenges** in achieving financial security for themselves and their families including low paid work, unaffordable childcare, high housing costs and financial abuse. The position of women in the labour market, women’s entitlement to benefits, and women’s roles and expectations within the family all play a role in determining women’s worse economic situation and their generally higher risk of living in poverty.

**How Has Covid increased women’s poverty?**

**Childcare**

The lack of formal childcare provision during Covid has had ‘the biggest impact on the poorest in childcare’ with lasting impacts on the attainment gap[[7]](#footnote-7). One in three nursery estimated closures will be in poorer areas[[8]](#footnote-8). Continued underfunding, and the decision to stop funding at pre-Covid attendance levels in January 2021, is threatening the survival of providers[[9]](#footnote-9). 58% of local authorities expect some childcare providers in their area to shut permanently[[10]](#footnote-10). 46% of mothers being made redundant said that lack of childcare was a factor in their selection for redundancy and 72% have worked fewer hours and cut their earnings due to lack of childcare[[11]](#footnote-11).

**Social Security**

Women are more likely than men to rely on social security for a larger part of their income because of their generally lower earnings, longer lives and greater caring responsibilities. The number of individuals on Universal Credit doubled to 6 million in January 2021 compared to March 2020. Food bank use and lone-parent poverty are also increasing[[12]](#footnote-12). The Government has acted quickly to protect jobs but not enough has been done to reform the social security system to protect those out of work and/or on legacy benefits, with only a temporary reprieve to sanctioning (to July 2020), uplift for those on UC/WTC (£20 per week to April 2021) and pegging of LHA to 30th percentile of rents (to April 2021)[[13]](#footnote-13).

By the end of 2020, 546,000 women had made SEISS claims, compared with 1,376,000 men[[14]](#footnote-14). There was a clear gendered difference in actual take up rate, with only 51% of eligible women claiming, compared to 60% of eligible men[[15]](#footnote-15). A considerable problem with SEISS has been for women who have taken maternity leave within the past three years. SEISS payments are calculated based on average income over the past three-year period. Where women were taking maternity leave, this is counted, bringing down the average payment for mothers. It has been estimated that this has affected an estimated 75,000 women[[16]](#footnote-16).

**Employment**

Women are the majority of employees in some of the most Covid-impacted sectors, including retail, accommodation, and food services. Overall, more women than men have been furloughed across the UK, and young women have been particularly impacted. Since the furlough scheme only covers 80% of earnings, more women than men have taken a pay cut this year. Once the furlough scheme ends in September, many of these women will be at risk of redundancy. Black, Asian, and Minority Ethnic (BAME) women began the pandemic with one of the lowest rates of employment[[17]](#footnote-17). In 2020 this was still the case, with BAME women’s employment at 62.5% and the highest rate of unemployment at 8.8% (compared with 4.5% for White people and 8.5% for BAME people overall)[[18]](#footnote-18). Between Q3 2019 and Q3 2020, the number of BAME women workers had fallen by 17%, compared to 1% for White women[[19]](#footnote-19).

**Debt**

By the end of 2020, a third of households had reported a fall in income, 6 million people had fallen behind on at least one household bill, and 17% of the population had borrowed more or used credit as a result of the coronavirus outbreak[[20]](#footnote-20). Covid-debt is gendered: 30% of women report being negatively affected financially by the pandemic compared with 26% of men, with mothers, lone parents, BAME women, young and disabled women are most at risk[[21]](#footnote-21). For example, in April 2020, a quarter of BAME mothers reported that they were struggling to feed their children and 32% of young women reported finding it hard to pay for essentials[[22]](#footnote-22).

**Conclusion**

As we emerge from this crisis, it is crucial that restrictions to social security are lifted, and rates of payment are permanently increased. Removal of the temporary £20/week uplift for those on Universal Credit and Working Tax Credits threatens to drag hundreds of thousands into poverty. Our recommendations included targeted job support and retraining for sectors hardest hit, funding childcare free entitlement hours to full cost of delivery and revision of childcare funding model in the medium term.

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