Economic impact of coronavirus
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Introduction

A tumultuous decade or so

- two global crises with a national political crisis in between
- poor social outcomes pre-pandemic

Coronavirus has had wide health, social and economic impacts

- most of these have been highly unequal by age, sex, class, ethnic group and place

Three things I will talk about today:

- employment
- housing
- social security incomes
Claims for unemployment benefit

Unemployed claimant count, Oxfordshire 2019-21

Source: Office for National Statistics
Claims for unemployment benefit

Unemployed claimant count, Oxfordshire 2019-21

Source: Office for National Statistics
Claims for unemployment benefit

Unemployed claimant count, Oxfordshire 2019-21 by age

- 25-49
- 50+
- 16-24

Source: Office for National Statistics
Furlough scheme

Current numbers

- July 2020: 27% of all Oxfordshire employments were furloughed (94,700)
  - highest rate in Cherwell district (31%)
- November 2020: 11% of employments furloughed (37,400)
  - highest rates in Cherwell and West Oxfordshire districts (12%)
  - female take up rate slightly higher than male take up rate (11% v 10%)

Who was on furlough in November 2020?

- national take up rate is higher for 18-24 year-olds (18% v 14% average)
- in the South East, 52% of furloughed employments are accounted for by three sectors:
  - accommodation & food services
  - wholesale and retail
  - arts, entertainment and recreation
Employment: looking ahead

Extent of job losses is unclear - furlough is freezing a portion of the labour market

Uncertain outlook for retail, hospitality and the arts & entertainment

Particular impact on young people

- education opportunities
- early career labour market opportunities

Neighbourhoods with high rates of unemployment pre-pandemic have been hit hardest
Housing

Pre-pandemic:

- a tight housing market, especially in and around Oxford
- more low income households living in private rented housing
- reduced state support for housing costs
- high rates of homelessness

Pandemic interventions included:

- mortgage holidays and a moratorium on evictions
- 'Everyone In' approach to rough sleeping
- restoration of 'Local Housing Allowance' rates to market rates

Looking ahead:

- households may be struggling with debts and rent arrears
- possible evictions and rise in homelessness once the moratorium is lifted
- Local Housing Allowance rates to be frozen
Social security incomes

Pre-pandemic: the erosion of the state basic minimum

- reductions due to the Benefit Cap, two child limit, cash terms freeze
- reductions in eligibility due to the five week wait and sanctions
- a rise in child poverty with large families at particular risk
- conversely, pensions were protected with the 'triple lock'

Pandemic interventions

- increase of £20 per week in basic rate of Universal Credit
- increase in Local Housing Allowance
- but more families affected by the Benefit Cap

Looking ahead:

- £20 increase is temporary - impact on families if this is removed
- increase in families relying on state support if unemployment rises
- increase in disability claims due to long Covid?
Looking ahead

Areas for concern:

- extent of potential job losses is unclear - uncertain outlook for retail, hospitality and the arts & entertainment
- educational and early career disadvantage for young people
- impact on more deprived areas
- households may be struggling with debts and rent arrears
- possible evictions and rise in homelessness once the moratorium is lifted
- impact on families if £20 Universal Credit increase is removed

Plus capacity in charities and local authorities

The bright spots:

- Oxfordshire's economic fundamentals are very strong
- some households and businesses have done well economically