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# ALL CLAPPED OUT?

## KEY WORKERS: LIVING THROUGH LOCKDOWN

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AUTHORS: JAKE JOOSHANDEH | ALAN LOCKEY



Key workers have been crucial for keeping the country going during the pandemic, but some are facing the worst of the economic turmoil created by it.

## 60-SECOND SUMMARY

1. At a time when many consumer goods and services were constrained, most key workers report doing financially well during lockdown: 42 percent of all key workers report having been able to save, compared to 16 percent who had to access their savings as a result of the pandemic. Over sixty percent (63 percent) say their household has been “very” or “relatively comfortable financially” during the pandemic.
2. However, not all did well. When looking at different key worker occupations, certain occupational groups still had to access their savings throughout the pandemic: 22 percent of supermarket workers; 20 percent of those working in transport, utilities or communication; 18 percent of school and nursery workers; 14 percent of social care workers; and 10 percent of NHS staff.
3. The poorest key workers were also the most likely to receive a pay cut: 29 percent of those who already received pay of less than £10,000 per year said they saw their pay go down, compared to just 7 percent of those on £30-35k per year and 11 percent of those on £45 – 60k per year.
4. 20 percent of key workers saw their hours decrease through the pandemic. This was largely driven, perhaps unsurprisingly, by school and nursery staff (36 percent saw fewer hours) and by transport, utilities, and communications workers (23 percent). However, only transport, utilities and communications workers stood out with significant numbers receiving reduced pay, with 26 percent reporting reduced personal income (compared to 15 percent of all key workers).
5. 27 percent of supermarket workers and 22 percent of social care workers also said they would find it difficult to pay an unexpected bill of £100.
6. 58 percent of all key workers said that they have found it more difficult to maintain their mental health as a result of the pandemic, with 21 percent finding it “much more difficult”.
  - a. This was particularly acute for NHS staff where 64 percent said they found it more difficult, quickly followed by 61 percent of both social care and supermarket workers.
  - b. Maintaining mental health was also particularly difficult for women, where 64 percent report finding it “much more difficult” or “more difficult” compared to 49 percent for men.
7. 79 percent of key workers think the economic situation of Britain will get worse in the next six months, while 61 percent think it will get worse in their local area specifically.



8. In response, the RSA is calling for an expansion of Statutory Sick Pay to all employees, greater provision of mental health services for key workers, and a one-off bonus of £500 for those working in social care.

## INTRODUCTION

According to the Office of National Statistics (ONS), there are 10.6m key workers across the UK, comprising a third of the total workforce.<sup>1</sup> During lockdown and the early phase of the Covid-19 pandemic, these workers faced a unique set of economic circumstances during. Although, like many of us, they experienced a rapidly changing environment at work, for the most part their job security was never in question. Moreover, as lockdown underlined society's wider dependence on their work, there was a collective outpouring of gratitude for their efforts culminating, most notably, in the weekly 'Clap for Our Carers' initiative. This has understandably encouraged a renewed public policy interest in their wellbeing and wider economic security.

This briefing details the first findings of the RSA's Economic Security Observatory (ESO). The ESO is a research project that aims to explore what gaps in support exist – whether state, community, business or other policy frameworks – that lead increasing numbers of individuals and families in Britain to live in a condition of economic insecurity. The ESO is supported by Standard Life Foundation and Trust for London.

*We define economic security as “the degree of confidence that a person can have maintaining a decent quality of life now and in the future, given their economic and financial circumstances” and, as such, believe this is a condition felt right across the social gradient, rather than just those in atypical or precarious employment arrangements.*

Reflecting their extraordinary social contribution, throughout the Covid-19 pandemic the ESO will focus primarily on uncovering the gaps in support that impact upon the economic security of key workers. To do this, we have worked with the polling agency YouGov to create a representative sample of 1281 adult key workers in Great Britain (i.e. excluding Northern Ireland). The definition of key worker used here reflects the Government's list of critical workers who had access to schools and educational settings for their children during lockdown.<sup>2</sup> The sample is then weighted based on ONS research on the number of key workers in the UK by occupational grouping.<sup>1</sup>

We will hold three surveys with key workers throughout the course of this project, supplementing this research with qualitative interviews and secondary data analysis that will track key financial and wellbeing metrics throughout the ongoing economic crisis. This first 'wave' looked primarily at how key workers' lives changed as a result of lockdown, with the fieldwork being undertaken between 20 and 26 July 2020.

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<sup>1</sup> This meant that around 32 percent of our sample were in health & social care, 21 percent in education, 18 percent in key public services (a combined grouping of some services such as those in the justice sector, local/national government, public safety, and national security), 15 percent in a utilities, communication and transport, and 14 percent in food and necessary goods.



## KEY INSIGHTS AND FINDINGS

### Most key workers did well financially in lockdown, but this hides real insecurity for some.

During lockdown, 22 percent of average household spending was prevented by the fact that usual services and goods were not available.<sup>3</sup> This meant that large proportions of the UK, with some notable exceptions, were able to save more than they ordinarily would. Key workers, overall, had a similar experience:

- 78 percent report either being able to save the same amount (36 percent) or more (42 percent) as a result of lockdown. This is also true across important demographics such as gender and location. Although not directly comparable, research from the Resolution Foundation conducted in June would suggest that this is likely to be a significantly higher amount than a national average where only 18% of adults are saving more, with 45% saving the same during lockdown.<sup>4</sup>

However, this headline finding obscures how some occupational groupings – in particular supermarket workers, social care workers, and those in transport, utilities and communications industries (which includes roles such as delivery drivers, transport workers, and infrastructure workers) – continued to experience high levels of economic insecurity, with some workers forgoing essentials or accessing savings during lockdown and the early phase of the pandemic:

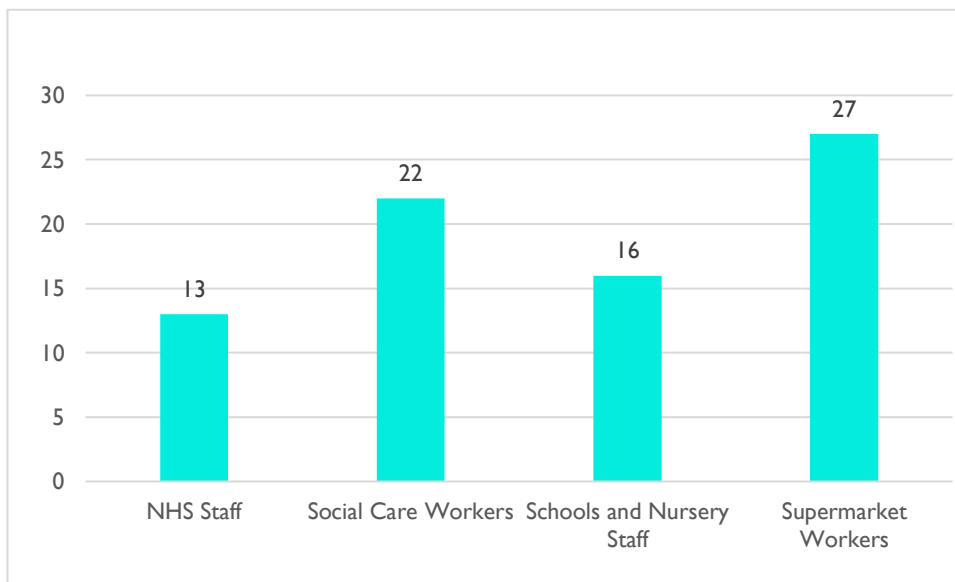
- Of all key workers 15 percent reported seeing their pay go down as a result of lockdown. This was broadly distributed quite evenly across most key worker occupations, with the exception of the transport, utilities and communication occupational group where 26 percent saw pay cuts.
- Overall it was the poorest key workers who were most likely to receive a pay cut: 29 percent of those who already received pay of less than £10,000 per year said they saw their pay go down, compared to just 7 percent of those on £30-35k per year and 11 percent of those on £45 – 60k per year.
- Supermarket workers were the occupational group most likely to “have had to access” their savings (22 percent), followed by transport, utilities and communications workers (20 percent) and school and nursery staff (18 percent).
- Supermarket workers were also the occupational group most likely to say that they “often struggled to make ends meet” (17 percent). They were also the occupational group most likely to say they would “struggle to pay an unexpected bill of £100” (27 percent), with social care workers the second most likely (22 percent). This contrasts with 14 percent of those working in key public services (i.e. justice sector, frontline charity staff, public safety, or government roles).
- Social care workers were also the most concerned about the level of debt and borrowing in their household – 41 percent report being concerned, with 16 percent stating they are “very concerned”. The next highest was supermarket workers (31 percent) followed by school and NHS Staff (both 28 percent).
- Social care workers were the most likely to say that during the coronavirus they had to borrow or go without essentials like food or heating (5 percent), while 9 percent said they “struggled to make ends meet”.

Across a range of measures, key workers in London appear to be the most financially precarious:



- London is the region where key workers would most struggle to pay an unexpected bill of £100 (24 percent compared to 17 percent across the UK)
- London key workers are the most concerned about their household debt: 39 percent of Londoners agreeing, compared to 29 percent across the UK.
- London key workers are also the most likely to say that they either “struggled to make ends meet” (11 percent compared to seven percent across the UK) and that they “had to borrow or go without essentials like food and heating” (four percent compared to 1 percent across the UK) during coronavirus.
- Finally, BME key workers are also more likely to struggle to pay an unexpected bill of £100 (25 percent versus 16 percent of white key workers) and are more concerned with their household debt (38 percent versus 29 percent of white key workers).<sup>ii</sup>

**Figure 1: Percentage of key workers who would struggle to pay an unexpected bill of £100, by role**



Indeed, perhaps unsurprisingly, the least well-off key workers have clearly struggled as a result of the outbreak. For example, we can see that many supermarket workers, social care workers, and less well-off workers in transport, utility and communications had to access savings, saw pay decrease or state they would struggle to pay a bill of £100.

<sup>ii</sup> Caution, however, must be noted with all BME statistics because of the known problems in the polling community with reporting on BME groups, namely: reporting all non-white groups as homogenous; underreaching those with poor English, underreaching first generation immigrants. Also, BME respondents account for around 14 percent of the overall sample meaning our findings are also constrained by sample size.



## Some key workers faced economic insecurity in lockdown because household members' lost income

Pay (including bonuses) in the UK declined by an annualised rate of 1.2 percent from April to June 2020, which the ONS suggests is driven by lower pay for those on furlough and reduced bonuses.<sup>5</sup> Our data shows 15 percent of key workers reported their pay reducing as a result of the coronavirus outbreak, whilst 26 percent said that a household member had their pay decrease.

The evidence in this survey suggests some key workers are becoming exposed to greater levels of economic insecurity because of the knock-on effect of household members' circumstances. This will be an important dynamic to monitor in future waves of the ESO as the economic fallout of the pandemic becomes more pronounced. Findings of this nature, include:

- Twenty-six percent of all key workers report having a household member have their pay go down, which is especially true for those who 'depend on the income of other household members' to maintain their living standard, of whom 31 percent said a household member's pay fell.
- Londoners (37 percent) and those already on the lowest household incomes (42 percent of those with household income of £20-30k, and 31 percent of those with household income <£20k) were also more likely to have experienced a hit to household members' pay.
- BME key workers (32 percent) were also more likely to have taken a hit to household pay, compared with 26 percent of white key workers.
- Finally, some of the most financially precarious key workers were also hit: 45 percent of those with less than £500 of household savings and 40 percent of those with no household savings at all, report having their household member lose income.

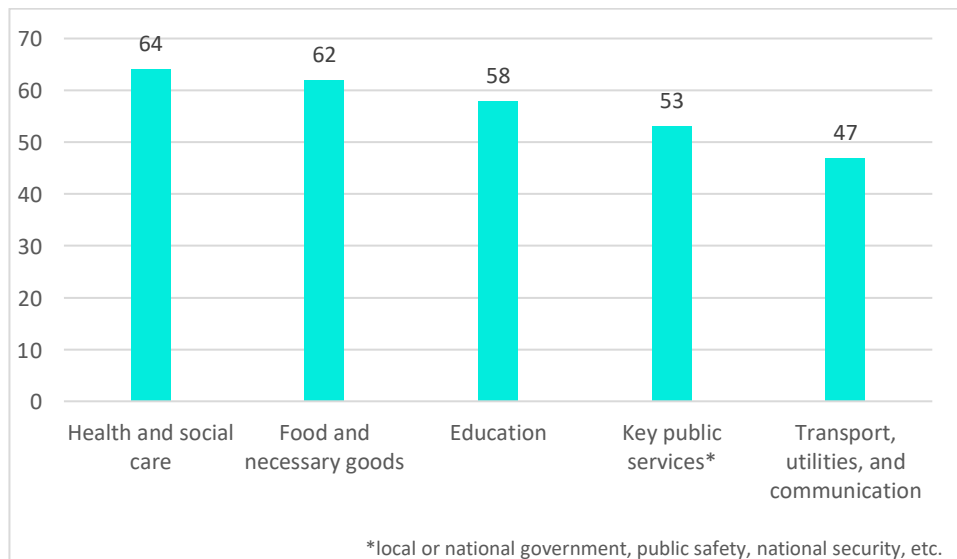
*This illustrates that, despite key workers' own job and economic security often remaining resilient during the pandemic, many key worker households became more economically insecure during lockdown and the early phase of the pandemic.*

If, as expected, the economic and labour market situation deteriorates further as government support is withdrawn, there is a danger that this dynamic will become more pronounced, thus threatening key workers and their families' economic security. This is perhaps reflected by their views about their medium-term economic prospects (see Figure 6 below).

## Key workers sacrificed their physical and mental health, and saw their job quality decline, because of lockdown

A standout issue, reported throughout the pandemic and reaffirmed in our survey, is the toll that lockdown has had on the mental health of the country. The ONS recently reported that one in five people were likely experiencing symptoms of depression, doubling from one in ten before the pandemic.<sup>6</sup>

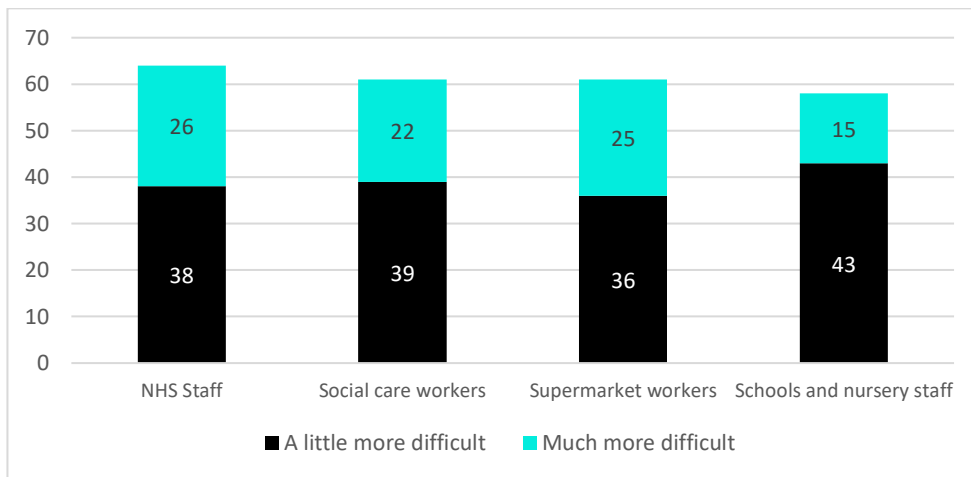
**Figure 2: Percentage of key workers who found it more difficult to maintain their mental health, by industry grouping**



Our survey shows that key workers faced similar challenges, reporting high levels of mental health decline:

- 58 percent of all key workers said that they have found it difficult to maintain their mental health as a result of coronavirus, with 21 percent reporting it was “much more difficult”.
- This was particularly acute for NHS staff where 64 percent said they found it more difficult, followed by 61 percent of those in both the social care and supermarket worker occupational groups.
  - This tallies with the latest figures from NHS Digital on sickness absences in the NHS, which covers April 2020. This data shows that absences increased by more than 50 percent across the UK in the year to April and that the largest single reason for sickness leave is ‘anxiety/stress/depression/other psychiatric illnesses’, accounting for 21 percent of all absences.<sup>7</sup>
- If we look by overall industry, it is clear that key workers in health & social care (NHS & social care), and those in food and necessary goods (supermarket workers and food production) found it most difficult: 64% and 62% respectively.

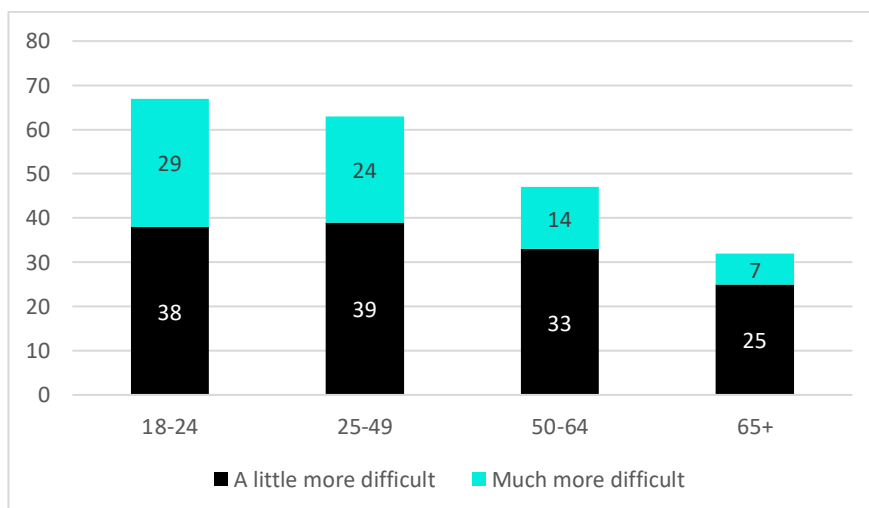
**Figure 3: Select key worker occupations who found it “more difficult to maintain their mental health” in lockdown**



*We also found a noticeable variation in the ability of different demographic groups to maintain their mental health, with the strain particularly pronounced amongst women.*

Overall, nearly two thirds (64 percent) of female key workers said they found it more difficult to maintain their mental health, compared with around half of all male key workers (49 percent). Young people also struggled: 67 percent of 18- to 24-year-olds, and 63 percent of 25- to 49-year-olds report finding it difficult to maintain their mental health.

**Figure 4: Percentage of key workers who found it more difficult to maintain their mental health, by age**







As well as strain on mental health, key workers also indicated they faced risks to their physical health, when asked “at the height of the coronavirus in late March and early April ... What risk, if any, they faced of catching the coronavirus”:

- Women report having felt at greater risk of catching coronavirus “while carrying out their work activities” compared to men: 59 percent of women say they felt they had a large or significant risk, compared to 46 percent of men.
- Supermarket workers (65 percent) and NHS staff (62 percent) were the occupations to report feeling at greatest risk of coronavirus while carrying out work activities.
- Supermarket workers were also the most likely to think their employers did badly in “taking steps to protect them against the virus” (25 percent), for instance through PPE provision or screens.
- Social care workers and NHS staff were the least likely to say so (17 percent and 16 percent respectively).
- However, worryingly, given the huge COVID death toll in care homes, those in social care were also the most likely occupation to say they found it harder to “take time off work if unwell” as a result of coronavirus (29 percent), followed by 24 percent of supermarket workers and 19 percent of NHS staff.
- Key workers in London were far more likely to say they felt at risk of catching coronavirus while travelling to work than all other regions: 45 percent of London key workers felt at risk while travelling compared to 26 percent in Scotland – the next highest region.

Finally, on top of the increased risks to physical health key workers job quality and work-life balance also suffered during the early phase of the pandemic:

- 43 percent of all key workers said they have found it more difficult to “maintain a healthy work-life balance” as a result of coronavirus.
- Women report finding it hardest to maintain a healthy work-life balance: 46 percent compared to 39 percent of men.
- NHS workers and social care workers were also most likely to say they found it difficult to maintain their work-life balance, with 51 percent each, compared to 34 percent of school staff and 36 percent of supermarket workers.
- 29 percent of all key workers report having “less control” of the conditions they work under since the coronavirus outbreak began.
- 29 percent of 25- to 49-year-olds report finding it more difficult to balance work and childcare as a result of the coronavirus, even in spite of the ability to send their children to school (education settings remained open for children of key workers throughout lockdown).

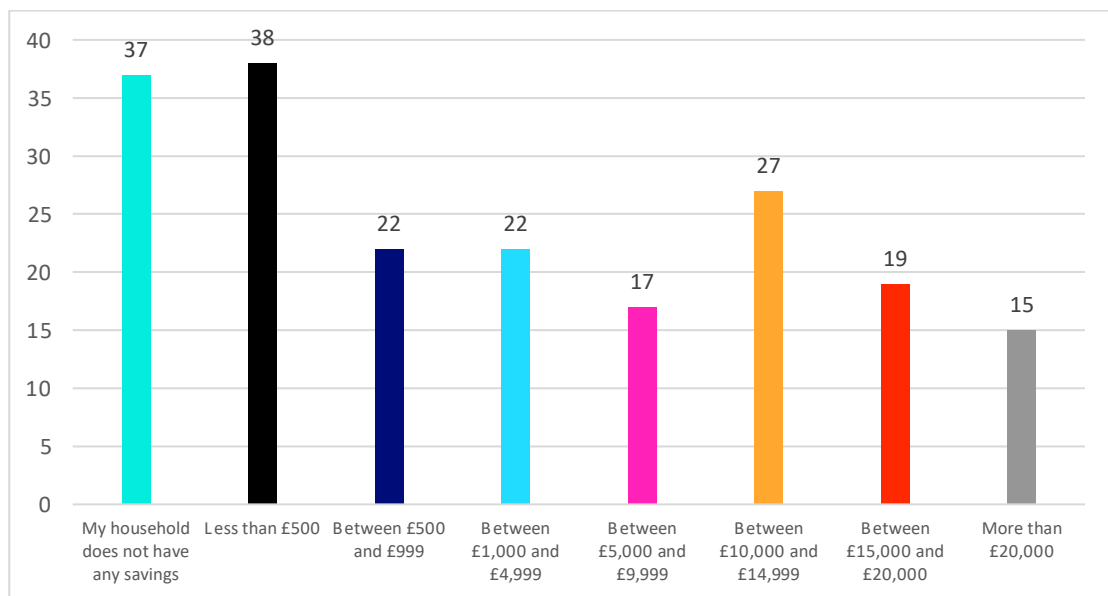
## Key workers predict very hard times ahead

The UK’s labour market has so far been largely protected from the devastating effects of lockdown and social distancing, through government schemes such as the Coronavirus Job Retention Scheme (CJRS). Moreover, for most key workers, the demand for their labour has generally remained high. However, as we have explored, even those who have continued demand for their skills, such as NHS staff, will not be immune from the wider economic effects – they may still rely on the income or other job benefits awarded to partners, parents, siblings or friends who support them through income, childcare, mental health support and more.

When asked about changes in the next six months in their household finances; the economic situation of their local area; and of Britain as a whole; key workers felt most optimistic about their household finances and most pessimistic about the economic situation for Britain as a whole. However, this again hides some interesting differences between groups:

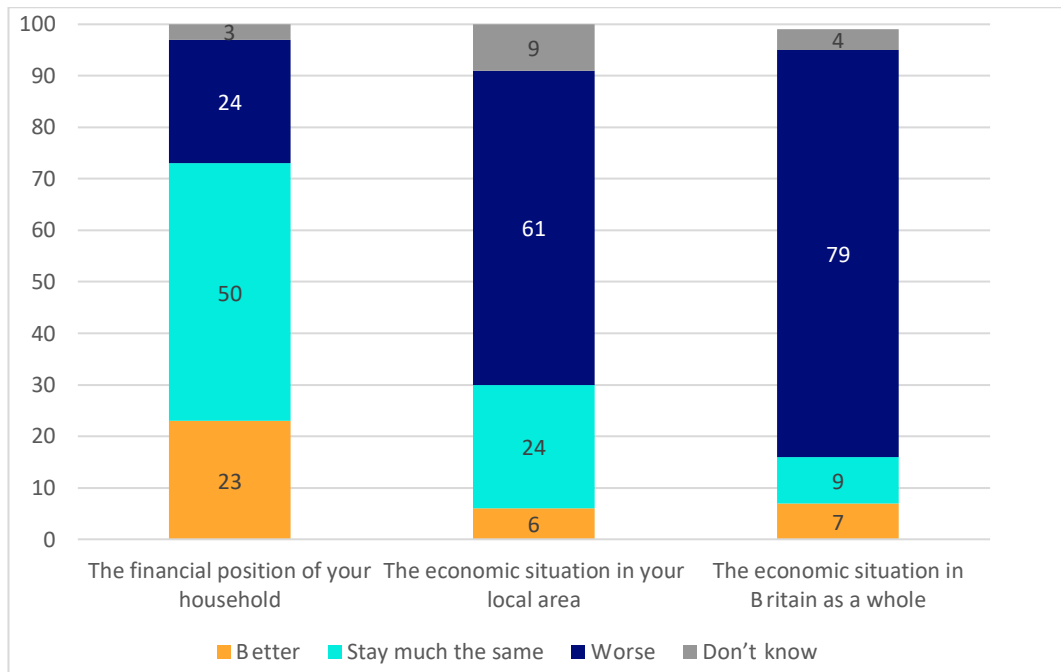
- While key workers were fairly evenly split between whether they felt their household finances would get better or worse in the next six months (23 percent said better, 24 percent worse, and 50 percent said about the same) those who were most pessimistic were those that were already the most precarious:
  - 27 percent of those who depend on the income of other household members felt their situation would get worse versus 18 percent who could survive on their own income

**Figure 5: Key workers who think the "financial position of my household" will get worse in the next six months, by approximate household savings**



- Overall, 61 percent of key workers felt the economic situation of their local area would get worse in the next six months, versus just six percent who said it would get better.
  - This was a relatively universal opinion across most demographics, with NHS staff (65 percent) and school staff (66 percent) slightly more pessimistic than other occupations.
  - However, a split across political lines is also noticeable: Labour (66 percent) and Lib Dem (67 percent) voters, and those who voted to remain (68 percent) in the 2016 EU referendum, were the most pessimistic. Only 52 percent of Leave voters said they thought the situation would get worse.
- Although key workers on the whole are even more pessimistic about the economic situation in Britain in the next six months - 79 percent saying worse versus seven percent saying better – the subtle divisions in opinion vary along similar lines to those above:
  - 85 percent of Remain voters versus 74 percent of Leave voters thought the situation would get worse
  - Again, school staff (86 percent) and NHS staff (81 percent) were the most pessimistic.

**Figure 6: The expectations of key workers for the next six months**



## How might we support key workers?

Our findings unsurprisingly confirm that key workers experienced unique challenges to their economic security during the pandemic so far. The ESO will continue to monitor these experiences throughout the course of this year and, in our final report, identify the policy solutions we need to make sure that the workers who most helped us get through lockdown are properly supported to enjoy secure and fulfilling lives – at work and beyond. However, as the Government prepares and plans for a potential second wave later this year, our findings suggest there are some areas of concern that need to be addressed more urgently.

In particular, the Government should seek to eradicate any ‘security traps’ which see the financial – or, in the case of many keyworkers, social - necessity of working traded off against the wellbeing, health or psycho-social components of economic security.<sup>iii</sup> To put it more bluntly, no key worker should have to choose between their wellbeing or work; money and mental health. Indeed, if we are to successfully defeat the virus, policies that allow key workers to stay healthy – both mentally and physically – whilst supporting themselves and their families will be needed. As such, the RSA is calling for immediate action on three policy areas:

### 1. **Expand Statutory Sick Pay Eligibility to all employees**

In terms of defeating the virus, arguably the most significant economic security trap of all is that faced by around 2m of the lowest paid employees, who fall below the eligibility threshold for statutory sick pay (SSP).<sup>8</sup>

<sup>iii</sup> For an in-depth exploration of the many components to the RSA’s definition of economic security see Shafique, A (2018), *Addressing Economic Insecurity*. London. RSA. Available at: [www.thersa.org/globalassets/pdfs/reports/rsa-addressing-economic-insecurity.pdf](http://www.thersa.org/globalassets/pdfs/reports/rsa-addressing-economic-insecurity.pdf)



A relatively small but significant proportion of key workers will work below this threshold, for instance we estimate that around 79,000 care workers (or 11% of all care workers) work below £118 per week.<sup>iv</sup>

However, our survey has found evidence that household factors also drive economic security for some keyworkers. The Government has reformed SSP for the pandemic so that it is now a day-one entitlement, but the lack of action on eligibility for the poorest workers remains troubling, particularly as it was one of the recommendations put forward by the *Taylor Review of Modern Working Practices* and welcomed by the then Government. The Government should correct this urgently – no key worker should contract Covid-19 and not be eligible for SSP whilst self-isolating.

**2. All frontline NHS and social care staff should be offered tailored wellbeing and mental health checks throughout the pandemic, including dedicated trauma support.**

The workplace stress that frontline NHS and social care staff have endured during the peak of the pandemic is barely imaginable and our survey suggests, whilst maintaining mental health has been a challenge for all keyworkers, it is most acute for NHS and social care workers. Due to the nature of infection control, high death rates and staffing capacity issues faced during the peak, many workers will have been placed in traumatic situations that they will not have been adequately trained to deal with. The Mental Health Foundation has suggested that the Government should make sure the NHS, local authorities and social care providers are given the tools to provide regular, tailored wellbeing and mental health checks throughout the pandemic – we support their call.<sup>9</sup>

**3. The UK Government should follow the Welsh Government's example by introducing a one-off £500 bonus for social care workers at a cost of around £400m, and supermarkets are strongly encouraged to do the same for their staff.<sup>v</sup>**

As our findings have shown, the economic security of social care and supermarket workers in particular can lead to real financial hardship, even at a time when spending is severely restricted. In order to address the insecurity that many of these workers face, a cash bonus is the start of a journey to reforming those sectors. In May 2020 the Welsh Government announced a £500 bonus for care staff, in thanks for their service through the pandemic, but also in recognition of the greater degree of risk they often faced. The UK government should follow suit.<sup>10</sup>

For further information, contact: Jake Jooshandeh ([jake.jooshandeh@rsa.org.uk](mailto:jake.jooshandeh@rsa.org.uk)) or Alan Lockey ([alan.lockey@rsa.org.uk](mailto:alan.lockey@rsa.org.uk))

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<sup>iv</sup> This figure represents part time carers and was estimated using the Annual Survey of Hours and Earnings (ASHE), weekly gross pay 2019.

<sup>v</sup> There were an approximate 800,000 care workers and senior care workers in the UK in 2019, according to ASHE data in 2019



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