WELFARE—AT A SOCIAL DISTANCE

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Claiming but connected to work

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Welfare at a (Social) Distance is a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19. For more information on the project or to contact the team, please visit hub.salford.ac.uk/welfare-at-a-social-distance

KEY FINDINGS

This report presents the first findings from the *Welfare at a (Social) Distance* project, a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19. It draws upon a new survey of 2,364 new Universal Credit (UC)/Jobseekers' Allowance (JSA) claimants (carried out between 25th May and 3rd June) to look at how far benefit claimants are connected to the world of work, helping to better understand the emerging picture from recent UK labour market statistics.

Most new UC claimants who had a job before the crisis still had this job. Of those new UC claimants who were working before the COVID-19 pandemic, 29% had lost their job, but over two-thirds (70%) were still attached to their prior job. They were split between those working the same/more hours (19%), those working fewer hours with less pay (14%), those who did not work because they were furloughed or had no shifts/clients (29%), and those not working because of sickness or other reasons (7%). Overall, **over half of new UC claimants currently have a job (56%)**. However, it is important to note that substantial minorities of claimants who have a job but are not currently working are not sure if they will return to it after lockdown ends.

The headline figures of the number of UC applications since lockdown do not provide an accurate picture of the number of people claiming unemployment related benefits – and despite its considerable value, nor does the Office for National Statistics (ONS)'s 'claimant count'. This is partly because it is based on administrative categories which change as DWP policies change, but it is primarily because it includes those who are not currently working but nevertheless have a job to return to, who are not currently 'unemployed' as most people would understand it (even if many of these people may become unemployed). **We estimate that 750,000 new UC/JSA claimants are currently unemployed (that is, they do not have a job, and do not have disability/caring-related barriers to work) – a very large rise, but lower than the ONS estimate of 1,400,000.**

Many new UC claimants were self-employed before the crisis – 33% were self-employed, and over 50% of those in couples claimed partly because they or their partner were self-employed and could not get enough work. **Among claimants who were self-employed in February, nearly half (45%) have already received a payment from the Government's Self-Employment Income Support Scheme (SEISS)**. (People responded to our survey shortly after SEISS went live on 13—19th May). SEISS payments will reduce people's UC payments, but the effect of these payments on UC is highly complex and may be felt for several months.

Despite the suspension of job-search requirements and an extraordinary drop in job vacancies, the majority of workless new UC/JSA claimants (59%) are looking for work. They need help in doing so, with a majority (67%) of new UC/JSA claimants saying that they needed employment support such as helping them to think about what jobs they could do or improving their skills/getting training.

REPORT OVERVIEW

This report presents the first findings from the *Welfare at a (Social) Distance* project, a major national research project investigating the social security benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19. The report looks at how far benefit claimants are connected to the world of work. It helps us better understand the emerging picture from recent UK labour market statistics, which have seen a sharp rise in benefit claims and the 'claimant count', a sharp fall in hours worked, a smaller but sizeable fall in the workforce, and relatively little change in unemployment (as we discuss below).[1]

We here focus on the interim survey data collected online by YouGov from 25th May to 3rd June 2020, based on 2,364 responses from 2,080 new Universal Credit (UC) claimants and 284 new Jobseeker's Allowance (JSA) claimants. (Following DWP, a 'claimant' is someone who is successfully receiving UC/JSA, rather than someone who has only applied for it). Getting responses from so many new claimants required screening over 125,000 participants in YouGov surveys to find those who had put in an application for UC or JSA since the start of March; the resulting weighted data provides a nationally representative picture of new working-age (18—64) claimants of UC and JSA. Further details about this survey and the full set of surveys over the 18 months of the project can be found at the end of this report. The anonymised dataset itself will be publicly available in July 2020.

In this report we investigate several issues, including:

- How many new claimants have a job?
- How many people are claiming unemployment related benefits?
- How many claimants are self-employed?
- How many new claims are because people lost their job?
- Do claimants with jobs expect to keep this job?
- To what extent are claimants already looking for work?
- What employment support do these new claimants now need?

HOW MANY NEW CLAIMANTS HAVE A JOB?

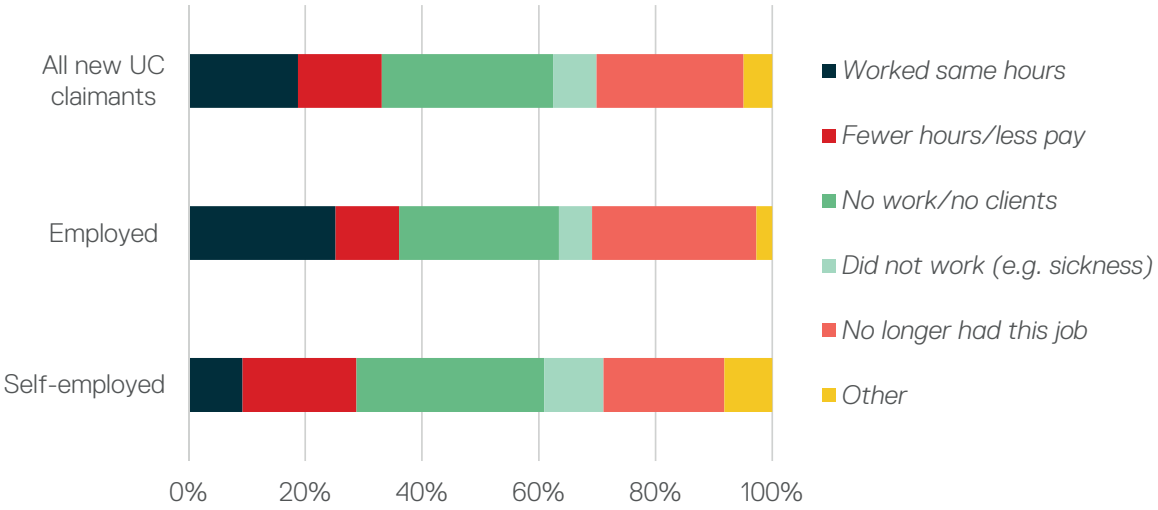
Most new UC claimants who had a job before the crisis still had this job.

Of those new UC claimants who were working before the COVID-19 lockdown, 29% had lost their job, but over two-thirds (70%) were still attached to it. They were split between those working the same/more hours (19%), those working fewer hours with less pay (14%), those who did not work because they were furloughed or had no shifts/clients (29%), and those not working because of sickness or other reasons (7%). The situation of those who were self-employed is similar to that of employees,

1 Office for National Statistics (ONS), *Labour market overview, UK: June 2020* (released 16th June 2020); www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/june2020

except that they are less likely to say that they 'no longer had this job' (presumably that their business had folded), and more likely to say that they had no work/no clients. These figures are roughly similar to a smaller recent survey by the Resolution Foundation of 250 new applicants to UC.[2]

Figure 1. Current situation of new UC claimants' main pre-lockdown job



Base = 1,689 new UC claimants who were working in February 2020, of whom 982 were employed and 707 were self-employed. Notes: 'current situation' refers to the week prior to the interview. Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

Overall, **over half of new UC claimants currently have a job (56%)**. This is likely to be a more accurate figure than the Department for Work and Pensions (DWP) measures based on administrative data, which show only 37% of new UC claimants are working.[3,4] The DWP figures are based on the 'conditionality group' that claimants are assigned to – that is, the group that in normal times would determine the maximum amount that claimants could be required to do as a condition of their benefit, if anything. The DWP have still been placing people in conditionality groups during lockdown, even though conditionality itself is suspended until 30th June. But these conditionality groups have problems for measuring work and are not designed to capture the unusual situation that people find themselves in during the COVID-19

2 Data were collected by YouGov from 6th to 11th May; see Figure 7 in Brewer, M., and Handscomb, K. (2020). *This time is different – Universal Credit's first recession*. London: Resolution Foundation, May 2020.

3 Stat-Xplore data (People on UC, 16th June update). This shows the conditionality regime that the DWP has put claimants in on the 'count date', which was 9th April (for 'April' data) and 14th May (for 'May' data). These statistical conditionality groups are different from those set down in legislation, and enable us to distinguish between individuals that are working (in the 'Working-with requirements' or 'Working-no requirements' groups) and those that are not (in the 'Searching for Work', 'Planning for work', 'Preparing for work' or 'No work requirements' groups); individuals in couples can be assigned to different groups. See stat-xplore.dwp.gov.uk/webapi/metadata/UC_Monthly/Conditionality%20Regime.html).

4 he DWP also produces another measure, which shows that 61% of those claiming between 12th March and 9th April had received employment-related earnings in the first month of claiming (technically, the one-month assessment period that includes 9th April). However, this fails to capture current employment status as it includes people's final pay packets and redundancy payments from jobs they have left. *Source:* Stat-Xplore data (People on UC, 16th June update); see stat-xplore.dwp.gov.uk/webapi/metadata/UC_Monthly/Employment%20indicator.html.

pandemic, where they may not be working but still be attached to their employer. We explore these issues in more detail in the following section.

The large numbers of people who still have a job but are not presently working may cause problems if/when conditionality is reintroduced to the benefits system. Due to the pressures on staff and lockdown more generally, DWP have temporarily suspended the requirement for face-to-face Jobcentre Plus appointments and suspended checks on whether claimants meet other conditionality requirements (i.e. preparing for, looking for and being available for work). This suspension runs until the end of June, and DWP are currently reviewing their position. We will return to conditionality in more detail in future reports from the *Welfare at a (Social) Distance* project.

HOW MANY PEOPLE ARE CLAIMING UNEMPLOYMENT RELATED BENEFITS?

The headline figures of the number of UC applications since lockdown do not provide an accurate picture of the number of people claiming unemployment related benefits.

COVID-19 has led to an unprecedented wave of claims for UC – with rapidly published DWP management information showing over 700,000 applications (which DWP term 'declarations') in one single week after lockdown (23rd March 2020), and over 3 million in total.[5] However, as the DWP make clear, this does not mean that the numbers of people claiming unemployment benefits has risen by 3 million people:

- The management information has been enormously useful for getting a rapid picture of UC claims, but as the DWP note, these are 'not classified as statistics' – they do not go through the usual quality assurance for published statistics. The actual number of eople applying for UC is around 10% lower than the management information suggests;[6]
- 16% of UC applications did not result in people receiving the benefit, either because they withdrew their claim, or because the DWP found them ineligible, e.g. because their partner was working or they had over £16,000 of savings. (A further 16% of UC applications had a nil award due to earnings);[7]
- Many UC claimants are working – this is by design, as UC incorporates previously separate out-of-work benefits like means-tested JSA with in-work Tax Credits. As

5 'Universal Credit Declarations and Advances: Management Information related to Universal Credit Declarations and Advances from 1 March 2020 to 9 June 2020' (by DWP, released 16th June 2020); www.gov.uk/government/publications/universal-credit-declarations-claims-and-advances-management-information

6 See Figure 3 in Brewer, M., and Handscomb, K. (2020). *This time is different – Universal Credit's first recession*. London: Resolution Foundation, May 2020; and also www.gov.uk/government/publications/universal-credit-declarations-claims-and-advances-management-information/note-on-methodology-and-voluntary-application-of-code-of-practice-for-statistics

7 This refers to official data on claims from 16th to 29th March (the first 800,000 of the three million UC declarations); the situation in Jan-Feb 2020 before lockdown was similar. *Source*: House of Commons written question 41056, 4th June 2020; www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-04-28/41056

such, we cannot think of the number of people claiming UC as a count of the number of unemployment related benefit claims.

The headline UC figures also miss out claims for the other unemployment related benefit: JSA. Contributory ('new-style') JSA still exists, and most people are eligible if they have been working consistently, while they may be ineligible for UC if they have savings above £16k or a partner who works. (It is also technically possible to claim JSA and UC simultaneously). We therefore need to look beyond the number of UC applications that have been made.

The Office of National Statistics' 'claimant count' is useful – but still does not provide an accurate picture of the number of people claiming unemployment related benefits.

The Office of National Statistics (ONS)'s 'claimant count' is the existing estimate of the number of people who are claiming unemployment related benefits. This is based on the numbers of people in the 'Searching for Work' conditionality group on UC, added to the numbers claiming JSA. On this count, there were 1.4m more people claiming unemployment-related benefits on 14th May than on the 12th March 2020. (Nearly 10% of this rise comes from JSA rather than UC).[8]

However, the claimant count has a number of issues (which will be explored more fully in an upcoming Resolution Foundation report), including:

- **Some people in the claimant count are working**: as we said in the previous section, it can be problematic to use DWP conditionality groups as measures of 'unemployment'. In particular, people who earn below the UC standard allowance (currently £95/wk for single people aged 25+) are put in the 'Searching for Work' conditionality group, even though they are working. The ONS caution against the use of their claimant count measure for this reason;[9]
- **It is affected by COVID-19-related changes to UC:** because the claimant count is based on administrative categories, the way it is measured changes every time that DWP policy changes. At least two sets of changes make it hard to track the rising number of claims due to COVID-19:
  - The £20/wk increase in the UC standard allowance means that slightly more people who work are included in the 'Searching for Work' conditionality group (see previous point). Again, the ONS caution particularly about looking at trends in the claimant count for this reason;[10]

8 The rise in JSA claims is 9% of the total rise in the claimant count, although a small number of people will be claiming both UC and JSA. *Source:* ONS labour market statistics tables CLA01 (the claimant count) and BEN02 (Jobseeker's Allowance), released 16th June 2020 (see note 1).

9 They note, the 'Searching for Work' group includes *"both those employed with low income or hours and those who are unemployed"* (www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest). See also www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics#claimant-count

10 The claimant count spreadsheet CLA01 within the ONS labour market release notes "*while some of any change in the Claimant Count would be due to changes in the number of people who are unemployed, a certain amount of the change will be due to changes in the number of employed people who are eligible for Universal Credit as part of the Government response.*"

  - » COVID-19 has accelerated the move from 'legacy benefits' to UC, partly due to the increased relative value of UC compared to legacy benefits (the extra £20/wk was not applied to them), and partly because publicity during COVID-19 has focused almost exclusively on UC. This move will raise the claimant count, because the UC 'Searching for Work' group is slightly broader than JSA;[11]

- **It does not account for people who are not currently working but are still connected to their job:** this is perhaps the most important issue of all – if someone is not presently working then they will be allocated to the 'Searching for Work' group, even if they are still connected to their employer. While temporary layoffs are always counted in the claimant count and usually rise during recessions,[12] the scale of this during the COVID-19 pandemic is likely to be much higher than usual. We should note however that an unknown number of people who technically have a job but are not currently working may ultimately become unemployed (see below).

The claimant count is a valuable measure of the number of claimants that are required to be actively seeking and available for work as a condition of their benefit (ignoring the present suspension of these requirements). It is also valuable as a measure of the numbers claiming unemployment related benefits – which is how the ONS describe it – particularly because it uses administrative data rather than a sample survey and is therefore available quickly; and as the effects of recent policy changes stabilise, it will become more useful for tracking changes over time. But at the present time, we need an alternative measure to understand how many people are claiming unemployment related benefits.

We estimate that 750,000 new UC/JSA claimants are unemployed (that is, they do not have a job, and do not have disability/caring-related barriers to work) – a very large rise, but lower than the ONS estimate of 1,400,000.

The idea behind the 'claimant count' is important: we want to know how many people are unemployed and claiming benefits. As above, the ONS 'claimant count' does not currently measure this accurately – but we can use our survey to create an alternative count of the numbers who are unemployed and claiming benefits.

In doing this, we need to be clear about what we mean by 'unemployment'. The standard definition – based on whether people lack a job, are looking for work and are available to start work – was not designed for these unusual times.[13] For example, someone who is out-of-work and wants a job, but not looking for work until they feel

11 The UC 'Searching for Work' group is broader than JSA because it includes disabled people whose disabilities have not yet been assessed by the DWP, who would previously have claimed ESA; it includes Housing Benefit and Child Tax Credit claimants; and it includes the partners of unemployed claimants. For these reasons, the DWP published an 'alternative claimant count' measure that estimated what the claimant count would have been since 2013 if UC had been fully rolled-out; see the House of Commons Library Briefing (2020) *Universal Credit and the Claimant Count*, 21st Jan 2020; and the alternative claimant count measure at www.gov.uk/government/collections/alternative-claimant-count-statistics

12 See e.g. Nekoei, A and Weber, AM, *Seven Facts about Temporary Layoffs* (June 2, 2020). Available at SSRN: papers.ssrn.com/sol3/papers.cfm?abstract_id=3617226

13 The official definition of unemployment (based on the standard ILO measure) is that people are unemployed if they are (1) not working in the past week (excluding those temporarily away from work), are available to start work within the next 2 weeks, and have actively sought work in the past 4 weeks; or (2) if they are waiting to start a job; see www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics#unemployment.

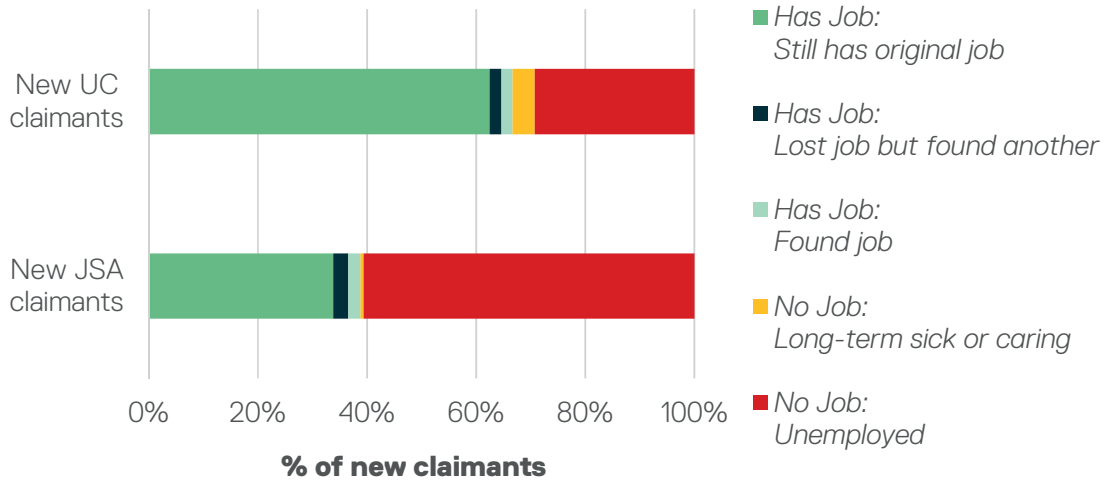
they can safely travel to work, or who says they are not available to start work in the next two weeks because of COVID-19, is not unemployed according to the standard definition. (This probably explains why the official labour market statistics for April show little change in the unemployment rate, but a sharp fall in the number of hours worked, and a rise in inactivity – that is, people without a job who are not looking for/ available for work).[14]

We therefore instead use a definition that seems more suited to the present situation: claimants are unemployed if they have no job, and there is no substantive (non-COVID-related) reason why they are not looking for work. Using this definition, we estimate that 29% of all new UC claimants and 62% of new JSA claimants are unemployed (33% overall), as shown below. If we apply this to the official statistics on the number of new claims, then this suggests that there are 800,000 new unemployed claimants – a very large rise, but noticeably lower than the official claimant count rise of 1,400,000.[15] The difference between our estimate and the claimant count is unsurprising, given that we do not count as unemployed (i) those who still have jobs, even if they are not presently working; (ii) those with jobs paying less than £95/wk; (iii) those with long-term disabilities that substantially limit their capacity for work (who will be included in the claimant count until they have had a disability assessment).

14 The rise in inactivity is primarily among those who say they 'would like to have a regular paid job at the moment', further supporting this interpretation. See the ONS release 16th June 2020 at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest (the 'want to work' figures are in table INAC01), and also the comment by Tony Wilson in the Guardian the same day at www.theguardian.com/business/2020/jun/16/uk-jobcentre-claimants-coronavirus-crisis-unemployment

15 We calculate this figure by multiplying the total number of new claims (in administrative data) by the unemployment rate among claimants (from our survey). Note that:
New claims: the total number of new UC claims is 2,261,823, of new JSA claims is 127,900, and of UC/HAS claims is 2,389,723. Note that 'new claims' refers to the growth in claims from 12th March to 14th May 2020 (the respective count dates in each month). *Source:* Stat-Xplore for UC; ONS table BEN02 for JSA. *(This uses non-seasonally-adjusted data; note that there are minor discrepancies between Stat-Xplore and the UC claims implied by ONS claimant count table CLA01: the latter shows a rise of 1,252,228 claims, the former a rise of 1,284,917 claims).*
Unemployment rates: the unemployment rate from our survey is 35.1% (JSA/UC combined), 31.6% (UC only), and 63.4% (JSA only).
Count of unemployed new claimants: we estimate the number of unemployed claimants for UC and JSA separately by multiplying the unemployment rate by the count of new claimants, which produces a total of 796,337 unemployed new claimants.

Figure 2. Current employment situation



Base = 1,975 new UC claimants and 268 new JSA claimants. Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

It is important to remember that some unemployed people will not be claiming UC/JSA. Before the COVID-19 pandemic, it has been estimated that 300,000-500,000 people who were eligible for unemployment benefits were not claiming them.[16] We will return to benefit non-claimants in a future *Welfare at a (Social) Distance* report.

We should also note that there are benefit claimants without work that are not unemployed. In our survey, this includes the 4% of new UC/JSA claimants who said they were not looking for work due to long-term sickness/disability or caring responsibilities.[17] There are also those with long-term sickness/disabilities who applied to Employment and Support Allowance (ESA) but not UC/JSA; while not covered in this report, they were included in our survey of new claimants, and represent 3% of the total of new UC/JSA/ESA claims. While it is helpful to know the number of benefit claimants who are unemployed, policymakers should not neglect other claimants, particularly as some of this group will want to work if given the necessary support and if a job that accommodates their sickness/disability/caring responsibilities can be found.

16 No estimates are yet available of non-take-up among UC claimants, but the DWP estimates that up to 500,000 families who were entitled to income-based JSA in 2015/16 did not claim it (www.gov.uk/government/collections/income-related-benefits-estimates-of-take-up—2). The Resolution Foundation in 2018 estimated that *"300,000 people in need of financial support who aren't claiming unemployment benefits that they are entitled to"* (www.resolutionfoundation.org/press-releases/300000-forgotten-unemployed-people-arent-accessing-the-state-support-to-which-they-are-entitled/).

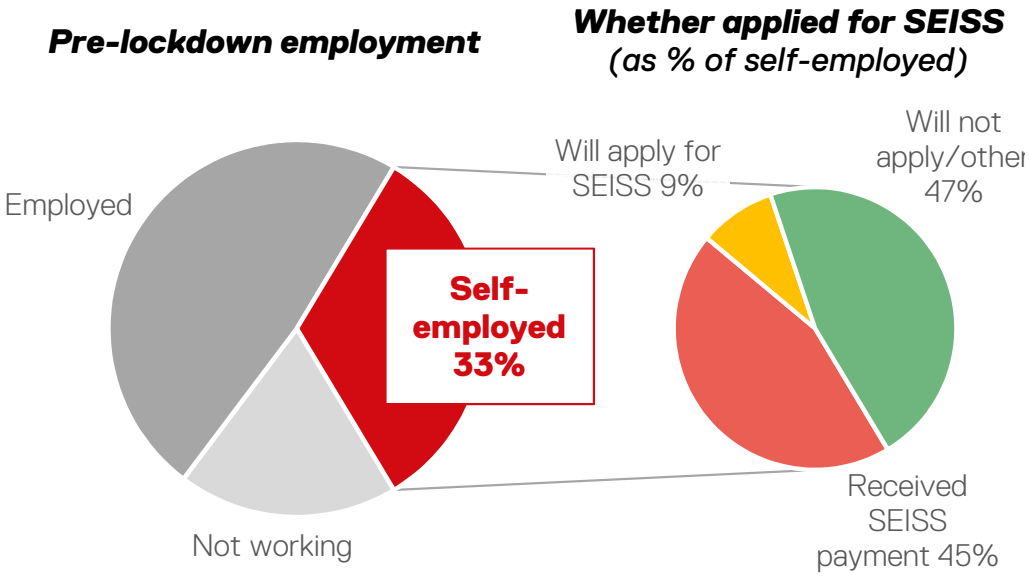
17 According to the DWP's conditionality group data, there are 180,000 new claimants who are exempt from conditionality requirements due to caring responsibilities/disability, accounting for 8% of the total. This is unsurprisingly higher than our estimate as it includes those who are still connected to work, who would be in the 'has job' category in Figure 2. *Source:* Stat-Xplore – see note 3.

HOW MANY CLAIMANTS ARE SELF-EMPLOYED?

Many new UC claimants were self-employed, and nearly half have already claimed from the Government's Self-Employment Income Support Scheme (SEISS).

Like others,[18] we find that a substantial minority of new UC claimants were self-employed before the crisis (33% were self-employed compared to 48% who were employed and 19% who were not working). Of these self-employed people now claiming UC, 45% had *already* received a payment from SEISS, and a further 9% had applied or were planning to apply.[19] This will reduce people's UC payments, but the effect of these payments on UC is highly complex and may be felt for several months (see the footnote for more detail).[20]

Figure 3. Self-employment among new benefit claimants



Base = 2,080 new UC claimants who were self-employed in February 2020. Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

18 Brewer, M., and Handscomb, K. (2020). *This time is different – Universal Credit's first recession*. London: Resolution Foundation, May 2020.

19 People were responding to our survey between 25th May and 3rd June, just after SEISS went live (people were invited to apply at some point 13-19th May); the scheme promises payments within six working days. Figure 3 shows the situation for all benefit claimants, but the figures just looking at UC claimants are similar (45% received payment, 9% have applied/intend to apply).

20 The impact of the initial SEISS payment may last 2-3 months due to the complex surplus earnings rules within UC, as explained by Gareth Morgan at benefitsinthefuture.com/lets-take-the-same-money-off-you-not-once-not-twice-but-three-times/ (see also www.opendemocracy.net/en/opendemocracyuk/revealed-receiving-coronavirus-self-employment-grant-could-cost-you-months-universal-credit/). The SEISS scheme has been continued into a second tranche of payments in August (albeit at 70% rather than 80% of averaged profits over the past three years), so for some claimants their UC claim will be affected by the 2nd tranche of payments.

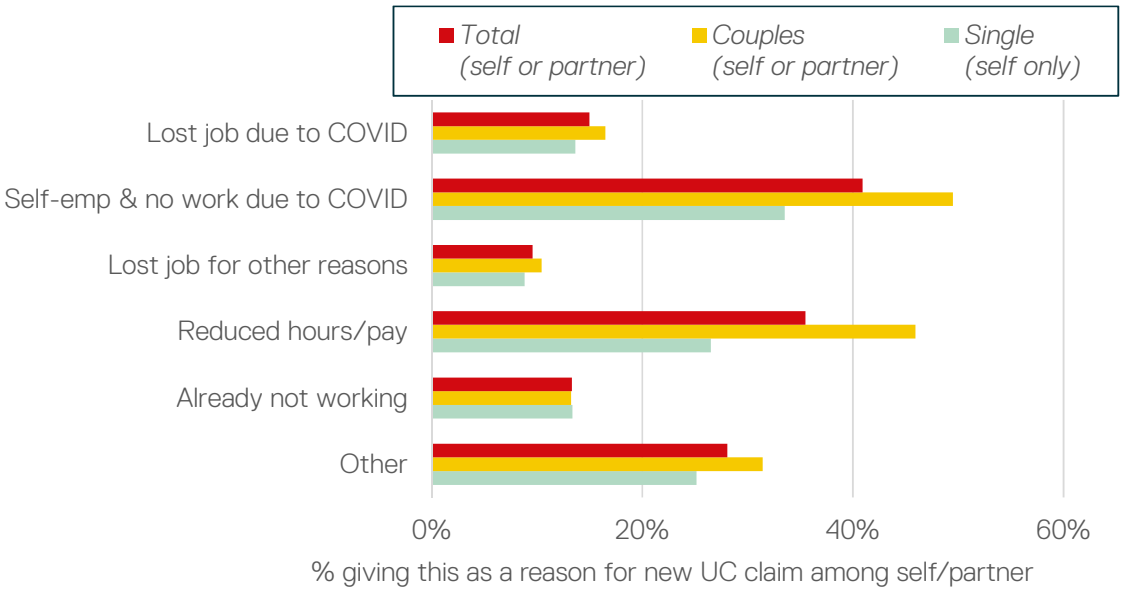
HOW MANY NEW CLAIMS ARE BECAUSE PEOPLE LOST THEIR JOB?

Few new benefit claimants say that they applied for benefits because they or their partner had lost a job due to COVID-19.

The reasons *why* people say they applied for benefits are shown below (people could put more than one reason, which is why the totals do not add to 100%. People in couples unsurprisingly gave more reasons than those who are single because the claim could relate to *either* their situation *and/or* their partner's situation, which is why the numbers for couples are higher).

Relatively few people applied because they or their partner lost a job due to COVID-19 (only 15% overall). This is only slightly more than the numbers who had lost their job for other reasons (10%). This is roughly what we might expect given ONS early estimates that payrolls shrank by over 600,000 employees between March and May 2020.[21]

Figure 4. Reasons why people put in a new UC claim



Base = 2,058 new UC claimants (1,123 single, 935 in couples) who gave 1+ reasons for claiming UC. 'Other' includes respondents who said that they needed to shield from coronavirus; ill due to coronavirus; other health/disability issues; new care responsibilities; household situation changed; and an 'other' category. Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

Instead, it was much more common that they were/their partner was self-employed and had no work due to COVID-19 (41% overall, and as many as 50% of those in couples), or that they/their partner had seen reduced hours and pay, including being furloughed (35% overall). This echoes the findings that show that many claimants are still attached to their old job.

Beyond this, the reasons that people claimed benefits during COVID-19 are complex and varied. A non-negligible number of claimants were already out-of-work when the pandemic hit and were finding it harder to find work (13%). Many claimants gave other reasons, most commonly that their household situation had changed (8%), they/their partner needed to shield from COVID-19 (8%), and health/disability issues unrelated to COVID-19 (8%).

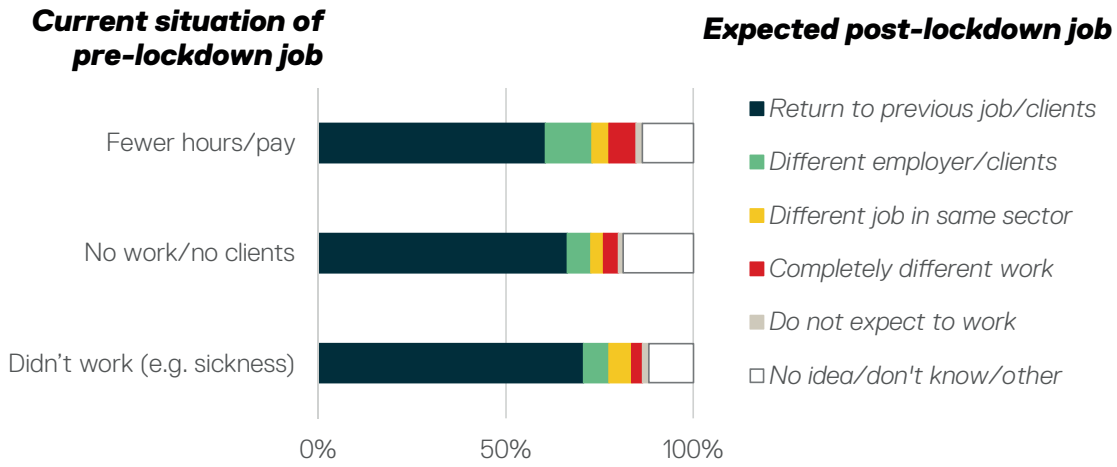
DO CLAIMANTS WITH JOBS EXPECT TO KEEP THIS JOB?

Most new UC claimants with a job who are not currently working (or working less than usual) expect to keep their job.

It is reassuring that relatively high numbers of new claimants currently have a job in principle. However, given that they are often working reduced or no hours in it, it is unclear if they are likely to go back to this job in practice. While it is difficult to make predictions about the future, we asked claimants what they *expected* to happen when lockdown ends, social distancing is in place, and most workplaces re-open.

As shown below, most claimants expect to return to their previous job (or in the case of self-employed people, to their previous clients). However, some of them do not – 26% of those working reduced hours, 15% of those on furlough or with no shifts/ clients (many of whom are self-employed), and 17% of those not working for other reasons (primarily people off sick or self-isolating) do not expect to return to their job, even excluding the 10-20% that currently have no idea what will happen. So while it seems reassuring that many claimants do still have an attachment to their pre-lockdown job, some expect to lose their jobs in the end.

Figure 5. **Work expectations when lockdown is lifted & most workplaces are open**



Base = 1,329 new UC claimants who were working in February 2020 but not working in the past week.
Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

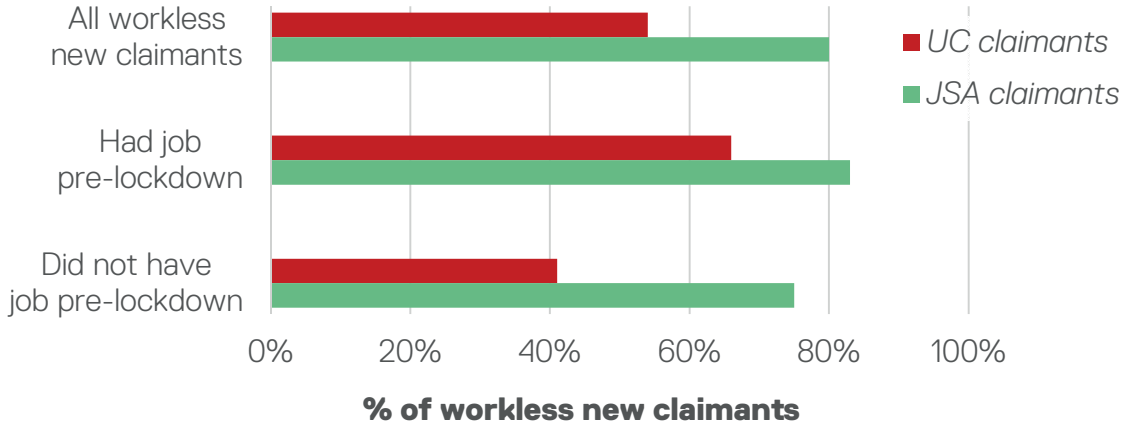
TO WHAT EXTENT ARE CLAIMANTS ALREADY LOOKING FOR WORK?

Despite the suspension of job-search requirements and an extraordinary drop in job vacancies, the majority of workless UC/JSA claimants (59%) are looking for work.

We spoke to benefit claimants between 25th May and 3rd June – so this was before non-essential shops and other workplaces re-opened on 15th June, at a time when job vacancies had fallen by more than during the 2008 recession,[22] and when the DWP/Jobcentre Plus were not requiring claimants to look for work as a condition of receiving benefit.

Despite this, the majority of new UC claimants who do not currently have a job (54%) had already looked for work in the past four weeks, as shown below. (This excludes those who have a job and did not work last week). Job search is most common among those who have recently lost a job: 66% of new UC claimants who had a job before COVID-19 had looked for work in the past four weeks, compared to 41% who did not have a job before the lockdown. The figures for new JSA claimants are even higher: 81% had looked for work, rising to 83% of JSA claimants who had a job pre-lockdown. Overall, 59% of new UC/JSA claimants have looked for work in the past four weeks.

Figure 6. Searching for work in the past four weeks



Base = 658 new UC claimants and 170 new JSA claimants who do not currently have a job. (This excludes claimants who said they had a job, even if they were not working in the past week). Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

22 Vacancies in the latest quarter (March-May) fell to the lowest level since the present series started in 2001, according to the official ONS vacancy statistics; www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/june2020. The IES analysis of Adzuna vacancy listings allows a more fine-grained analysis, and suggests that the sharp fall in new vacancies had lasted into the first week in June when our survey ended; see www.employment-studies.co.uk/resource/weekly-vacancy-analysis-vacancy-trends-week-ending-7-june-2020

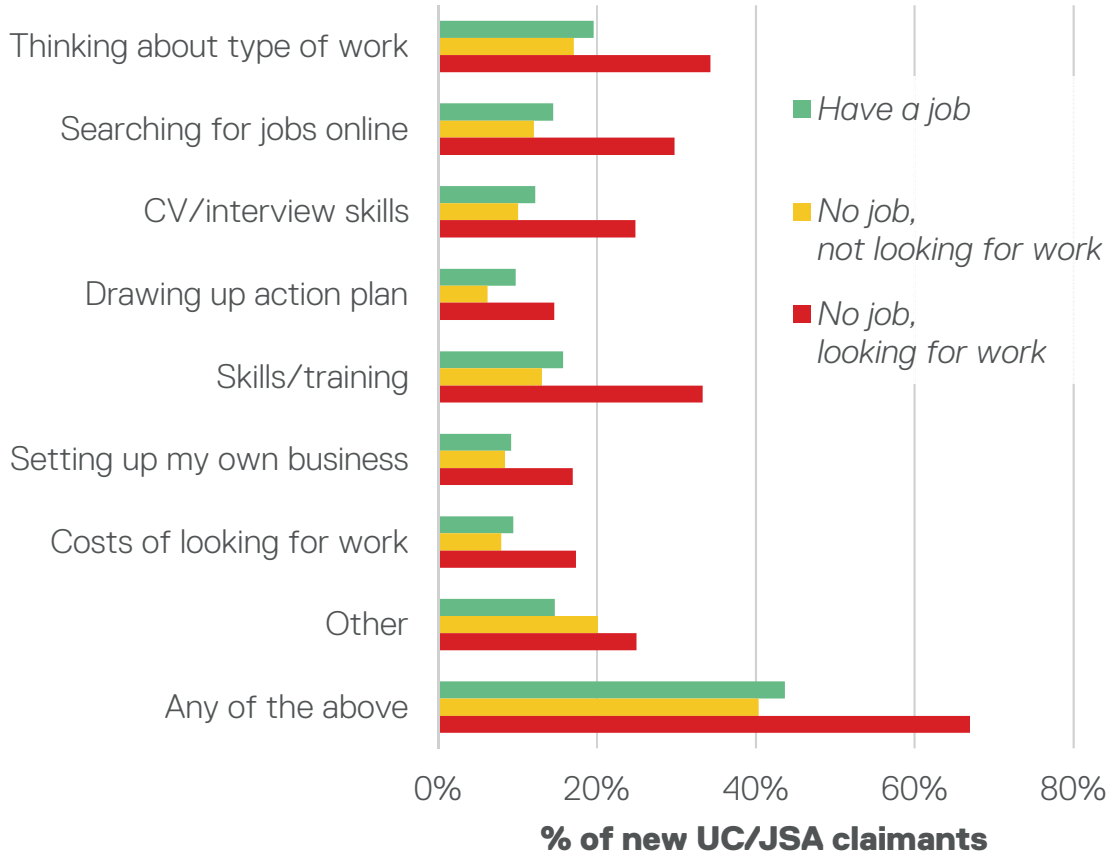
Of those new UC/JSA claimants who were not looking for work, the majority (51%) gave COVID-19-related reasons. This includes that there are no jobs available at the moment (19%), worrying about safety at work or travelling to work (12%), caring for one or more children while schools/childcare are closed (11%), or being ill with COVID-19, self-isolating or shielding (9%). Again, these circumstances need consideration if/when conditionality is reintroduced to the benefits system. (Of the rest, 16% said they were long-term sick or disabled, 8% that they were undertaking a caring role for non-COVID-19-related reasons, 5% simply said they had 'not started looking', 1% were sick, and 19% gave another response, including being a student, that they do not want a job, that they are waiting to start a job, or 'other').

WHAT EMPLOYMENT SUPPORT DO THESE NEW CLAIMANTS NOW NEED?

The majority of new UC/JSA claimants who are looking for work – and substantial minorities of other new claimants – need employment support over the next few weeks.

We asked new UC/JSA claimants what sorts of support they thought they would find useful in the next few weeks to find work or find more hours of work. Among those who are currently looking for work, two-thirds (67%) said they would find some support useful. The most common answers were support in thinking about the sorts of jobs they could do, searching for jobs online, writing a CV/interview skills, or improving skills/getting training (all suggested by 25—34% of those looking for work). This suggests that personalised coaching support is needed, particularly in relation to helping individuals to think about how their skills and experience could be translated into another occupational sector. Beyond this, a range of other sorts of support is also required by new claimants, as the figure below shows.

Figure 7. **Employment support that new UC/JSA claimants would find useful in the next few weeks**



Base = 2,181 new UC/JSA claimants for whom we could derive an employment status variable (1,353 who have a job, 334 with no job who are not looking for work, 494 with no job who are looking for work). Source: authors' analysis of YouGov survey of adults aged 18—64, 25th May to 3rd June 2020.

CONCLUSIONS

With reports that three million people have applied for Universal Credit (UC) since the COVID-19 arrived in the UK, it is easy to assume that many people have lost paid employment and are now claiming unemployment benefits. While there is some truth in this – we estimate that there are 750,000 new UC/JSA claimants who are unemployed, which is an astonishing rise in a short period – the scale of this is lower than the 1.4m rise in the claimant count estimated by the ONS, and is far lower than the three million new UC claims. Some new UC/JSA claimants are currently working, and many others are still attached to the labour market, either via their previous employer, or with the intention of resuming their self-employment as soon as possible.

This is a rapid report, and we therefore do not focus on policy recommendations. However, it is worth noting that employment policies in this context should be two-pronged. Firstly, the Government should try to keep people attached to their existing jobs. This will be particularly important as the Treasury's COVID-19 schemes (the Job Retention Scheme and Self-Employment Income Support Scheme) are gradually

wound up over the autumn, with forecasts suggesting large rises in unemployment.[23] Yet this is not just a matter of reducing the size of the next wave of benefit claims; the majority of new claimants still have jobs/self-employment, though it is not yet clear how many will return to these in practice. Secondly, the Government should ensure that those claimants who have lost jobs receive the right support to quickly find new employment or self-employment. Employment support should not however be confused with conditionality; many claimants are already looking for work (despite the lack of pressure from the DWP and sharp fall in the number of vacancies), and the pressing challenge is to support them in doing so.

ABOUT THE PROJECT

Welfare at a (Social) Distance is a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19 (grant ES/V003879/1). The project includes a major YouGov survey of over 7,000 new and existing benefit claimants (followed over 12 months), alongside 80 in-depth interviews with claimants going through the system (followed over six months) and interviews with organisations and networks that support them.

Over the course of the project we will be publishing regular reports, blogs, and briefings about different aspects of the benefits system. For more information on the project, to sign up to our email list, or to contact us with your ideas or personal experiences please visit hub.salford.ac.uk/welfare-at-a-social-distance

ACKNOWLEDGEMENTS

Rapid response projects require greater efforts in shorter timescales than usual. Enormous thanks to YouGov for their extremely rapid work and help; to our Project Advisory Board (see hub.salford.ac.uk/welfare-at-a-social-distance) for their invaluable help in the design of the survey and comments on this report; and particularly to the survey participants who completed the survey. None of them bear any responsibility for the analysis and interpretations in this report.

AUTHORSHIP

This report was written by Ben Baumberg Geiger (BBG) based on analysis done by BBG and Eleni Karagiannaki in discussion with Daniel Edmiston; the wider team contributed editorially to the repor and contributed extensively to the design of the survey.

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23 For a thoughtful analysis of the potential employment impacts of the COVID-19 crisis, see Paul Gregg, 'Unemployment: The Coming Storm' 17th June 2020, blogs.ucl.ac.uk/cepeo/2020/06/17/unemployment-the-coming-storm

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APPENDIX: METHODOLOGY

As the main text states, this report presents results from the interim survey data collected online by YouGov from 25th May to 3rd June, based on responses from 2,080 new Universal Credit (UC) claimants and 284 new Jobseeker's Allowance (JSA) claimants. This required screening over 125,000 participants in other YouGov surveys to find those who had put in an application for UC or JSA since the start of the COVID-19 outbreak in Britain. We define a 'new claimant' as someone who put in an application for UC or JSA since the start of March; from the unweighted data, 15% of respondents claimed before the Government announced that schools would close (18th March), 11% claimed after this point but before lockdown (23rd March), and the overwhelming majority (73%) claimed after lockdown began.

The resulting data have been weighted by YouGov by age, gender, region, education level and (where applicable) benefit type (UC vs. JSA); the estimated targets for the weights were taken from a large sample of the wider population. The final weighted data provides a nationally representative picture of new working-age claimants of UC and JSA. This is an interim data file; future reports will use a slightly larger sample of new claimants, a longer fieldwork period until 14th June, and weights based on administrative data. All analysis of the data has been conducted by the Welfare at a (Social) Distance team (rather than YouGov), and readers with queries should therefore contact us via hub.salford.ac.uk/welfare-at-a-social-distance.

Note that YouGov surveys obtain a nationally representative picture of the 18-64 population who are currently claiming benefits by using a sophisticated quota system to invite a cross-section of YouGov panel members to take part in the survey, who are then weighted to represent the wider population. This is not as robust as a fully random sample survey (in particular, it will under-represent those with poor digital skills or poor written English), although face-to-face random sample surveys are both expensive and have been suspended during lockdown.

The survey of new UC and JSA claimants is only a part of the quantitative data being collected for this project; we have also conducted a large YouGov survey of existing claimants of UC, JSA, ESA, and Tax Credits (n=4500), which – like the survey of new claimants – will be repeated twice over the next year. We are making the full dataset publicly available as seen soon as practicable – we estimate that the data will be available in late July (given the time needed to clean and document the data, validate against other sources, calculate a revised version of weights, and write a full methodological report).

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WELFARE—AT A SOCIAL DISTANCE

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