WELFARE—AT A SOCIAL DISTANCE

The Health Foundation

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Non-take-up of benefits at the start of the COVID-19 pandemic

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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 about the project or to contact the team, please visit distantwelfare.co.uk

EXECUTIVE SUMMARY

The benefits system – particularly Universal Credit (UC) – has played a major role in Britain's COVID-19 response, and it is no surprise that there has been an emphasis on how well it has responded.

Most experts so far have suggested that UC has performed well, even if historic weaknesses remain. Yet the situation of those who did not claim UC has been given little attention – particularly those who were eligible for UC but did not claim it. In this report, we present the findings of exploratory research into this group, funded by the Health Foundation.

We estimate there are around half a million people – our best estimate is 430,000–560,000 people – who were eligible for UC during the start of the COVID-19 pandemic but did not claim it.

This includes a quarter of a million (220,000) people who thought they were eligible for UC (mostly correctly) but didn't want to claim it. One-third of those who didn't want to claim said that this was because they did not need benefits. But more commonly, people hadn't applied for UC because of the perceived hassle of applying (59%), including the challenge of figuring out if they were eligible, the claims process itself, or the threat of sanctions. (Indeed, an outright majority said that conditionality would put them off applying in future). A further sizeable minority (27%) didn't claim UC because of benefits stigma.

We have also estimated survey respondents' eligibility for UC — something that has never previously been done. Estimating eligibility for UC is complex and there are a number of caveats to the figure. Bearing this in mind, we estimate that 280,000–390,000 people wrongly thought they were ineligible for UC. Some people had actively considered applying for benefits and decided they weren't eligible, but mostly people just had a 'sense' that they were not eligible for anything.

Since the start of the COVID-19 pandemic, income had fallen amongst a majority of both of these groups of people not taking-up UC. To make ends meet, people relied on savings, friends/family (for more than a quarter) or borrowed from banks. Relatively small numbers had used emergency help like food banks. However, these strategies were often still not sufficient for those not taking-up UC to avoid financial strain:

- **Nearly half reported severe financial strain** – either falling behind on housing costs, not keeping up with bills/debts, or not being able to afford fresh fruit and vegetables daily.
- **Nearly two-thirds were unable to deal with an unexpected expense** like replacing a fridge.

- **More than one-in-six had skipped a meal in the previous two weeks because they could not afford to eat** (equivalent to 80,000 people) – compared to one-in-forty members of the general public excluding claimants.
- **Those not taking-up UC also had worse mental health on average than the general public excluding claimants.**

We also estimated eligibility for new style Jobseekers' Allowance (JSA) (again, something that has not previously been attempted). Although subject to even greater uncertainty, we estimated that 80,000 people were probably eligible for new style JSA but did not claim it. There were also other indications that awareness of contributory benefits is lower than awareness of UC. Amongst people who had lost a job, the overwhelming majority said that it had never occurred to them to claim. Even amongst those who had applied for UC and been rejected due to earnings/savings, the overwhelming majority said that they had not considered applying for new style JSA/new style Employment and Support Allowance (ESA).

In conclusion, we recommend that the Department for Work and Pensions (DWP) publishes its own 'benefit take-up strategy' for the UK.

This could include at least four components:

- **Publish take-up estimates for UC and new style JSA:** without this, non-take-up is becoming an invisible problem.
- **Ensure that people claim the right benefits as quickly as possible:** although the DWP has taken positive steps to provide clearer information on the benefits system, there should be further efforts to ensure that people are directed to the benefits that they are most likely to be eligible for. There is also a strong argument for integrating the application process for all benefits into a single gateway.
- **Correct misperceptions about the benefits system:** we estimate that about half of non-take-up is among people who wrongly think they are ineligible for benefits. Although the DWP already does work in this area, it is important to redouble efforts, particularly to ensure that working low earners are aware that they can claim UC.
- **Attempt to address benefits stigma:** benefits stigma is a longstanding issue, which the DWP does not have full control over. Nevertheless, there are several ways that they could attempt to reduce stigma, including (i) ensuring that claimants are treated with dignity; and (ii) ensuring that the DWP and its Ministers speak consistently respectfully about claimants. These both appear to have improved from the situation 5-10 years ago (particularly during COVID-19), and if this is sustained then we might expect stigma to reduce – and take-up to rise – further still.

There are also a number of wider aspects of the system that discourage people from claiming, including the fear of getting into debt to the DWP and conditionality. Although the policy debates about both issues are wider than the issues raised here, the impact on take-up should be considered in wider debates.

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1. INTRODUCTION

The benefits system – particularly Universal Credit (UC) – has played a major role in Britain's COVID-19 response, and it is no surprise that there has been an emphasis on how well it has responded. Most experts so far have suggested that the system has performed well: it has processed a large new cohort of benefit claims very quickly, helped by its digital platform, even if historic weaknesses of the system remain, particularly around the system of advances and general financial adequacy.[1] In two recent reports for the Welfare at a (Social) Distance project,[2] we looked in detail at successful claimants' experiences of the benefits system, and the organisations providing support to those seeking financial assistance during COVID-19.[3]

Yet the situation of those who did not claim benefits has been given little attention – particularly those who were eligible for UC but did not claim it. In this report, we present the findings of exploratory research into this group, funded by the Health Foundation. We focus on three key working-age benefits: UC, contribution-based ('new style') Jobseeker's Allowance (JSA) and 'new style' Employment and Support Allowance (ESA).[4] In the rest of this introduction, we explain exactly why it is important to present their experiences.

WHAT POLICY ISSUES DOES NON-TAKE-UP RAISE?

Some people may be eligible for UC but not claim it – something that is usually called 'non-take-up' of benefits. The DWP has historically tried to estimate levels of benefits non-take-up, although it has not yet tried to do this for UC[5] or contributory JSA/ESA. However, previous research suggests that non-take-up of benefits is common: in the most recently available statistics, 44% of those eligible for means-tested JSA, 16% of those eligible for means-tested ESA, and 23% of those eligible for Housing Benefit did not claim them.[6] The general public are aware of this, with most agreeing that 'Large numbers of people who are eligible for benefits these days fail to claim them'.[7]

In principle, there are several reasons why those who are eligible for benefits may not claim them, including:

- **Need:** some people may avoid claiming because they think that they do not need benefits.
- **Perceived eligibility:** some people may wrongly think that they are ineligible for benefits, or even be unaware of these benefits at all;
- **Challenges to claiming:** some people may struggle to claim or be put off by the perceived challenges of applying (also termed the 'costs of compliance'[8]). In the case of UC, various concerns have been raised about the system being 'digital by default';[9]
- **Stigma:** some people may feel that claiming benefits is stigmatised, so avoid it even if they need them and know they are eligible for them.

These reasons do not work in isolation; people need to decide if the amount that they (think they) will receive is worth the time and effort involved in claiming.

Where people do not claim benefits because they feel that they do not need them, then some policymakers may view non-take-up as less of a policy problem (though others would maintain that we should try to make sure that people get the benefits that they are eligible to receive, which may reflect years of paying National Insurance contributions). However, where non-take-up is due to incorrect assumptions about eligibility, challenges to claiming or benefits stigma, then it is a more worrying policy problem – all of these are reasons that people may need benefits and be eligible for them, yet not receive them.

Finally, people may ultimately claim benefits after a period of non-take-up. Delays in claiming have been commonly found in other research,[10] and a recent Welfare at a (Social) Distance report shows that 14% of UC/JSA/ESA claimants at the start of COVID-19 had delayed more than a month before claiming.[11] The reasons for these delays mirror the reasons for non-take-up above: thinking that they did not need benefits (often because they thought they would quickly be able to find work), a lack of understanding that they were eligible, or benefits stigma. While we here focus on non-take-up, we return to the issue of benefit delays in our concluding policy recommendations.

How was non-take-up affected by COVID-19?

It is an open question whether the COVID-19 pandemic worsened these barriers. The challenge of claiming may have increased during the COVID-19 pandemic, because of an unprecedented increase in new claims in the weeks after the first lockdown in March, which put an acute strain on the claiming process.[12] For example, the DWP stated that the online verification system faced 'capacity challenges' at first,[13] with widespread news reports and social media images of claimants being placed in online queues of tens or hundreds of thousands of people.[14] Those who did not successfully verify their identity online faced parallel problems in verifying their identity manually, with the UC helpline receiving over two million calls on a single day at one point.[15] These challenges were being faced by a cohort of new claimants who (on average) had less prior knowledge about how the benefits system works than existing claimants.

Yet the DWP also made significant steps to ameliorate these issues. 10,000 staff were redeployed to claims processing, and a policy of 'Don't call us, we'll call you' to avoid the problems of people getting through by phone (from 9th April).[16] Online verification capacity issues were partly resolved by allowing people to use the Government Gateway rather than just Verify (from 17th April).[17] Additionally, unlike the pre-COVID-19 situation, claimants were not required to physically go to a Jobcentre, nor were they required to sign a Claimant Commitment. Allied to this, new claimants on average had a higher socioeconomic status than existing claimants (as we have shown in a previous report[18]), and therefore may have been more able to

navigate the system because of stronger digital skills and greater access to digital tools.

In terms of stigma, there are good reasons to expect that people would feel less embarrassed to claim benefits during the pandemic – given their lack of control over the situation, and the fact that many others were 'in the same boat'. However, we presently have almost no direct evidence on whether this was the case, or whether any stigma remained. We return to this below.

Taken together, these factors mean it is not clear whether levels of non-take-up were increased or decreased by the pandemic. More generally, there has been much discussion about which groups should be eligible for benefits, but little empirical evidence the numbers of people who failed to claim, nor of their financial situation.

IN THIS REPORT

In this report, we discuss the findings of our new exploratory research into UC non-take-up at the start of the COVID-19 pandemic. The work was funded by the Health Foundation and builds upon our wider ESRC-funded Welfare at a (Social) Distance project. The research involved two methods:

Survey

We conducted an online screening survey of over 170,000 YouGov panel members, of whom 2,763 then completed our full survey. The screening survey was conducted between the start of May and late July 2020, and the final survey was conducted online from the 23rd July to 10th August 2020. Data were weighted to account for the proportions of different groups we invited to take part in the follow-up survey, and to be representative of the working-age (18-64) population. Further details about this survey can be found in Appendix A, and the anonymised dataset is available via the UK Data Archive.[19] We compare these non-claimants to two other groups:

- **Benefit claimants:** using our survey of 7,497 UC, ESA, JSA and Tax Credit claimants, conducted 21st May to 15th June 2020
- **The general public:** using (i) a YouGov survey of 6,000 working-age people conducted May 6-11th for the Resolution Foundation (also funded by the Health Foundation); and (ii) a YouGov survey of 1,600 working-age people conducted May 21st – June 15th for the Welfare at a (Social) Distance project.

We would like to thank the Resolution Foundation for their help with the survey,[20] and Owen Boswarva (Datadaptive) for helping us map people's addresses to the relevant Local Housing Allowance rate (see Appendix B).

Interviews

We conducted 21 in-depth interviews with non-claimants during August and September 2020. To help facilitate this rapid research, participants were contacted via a research participant recruitment agency (Acumen), aiming for 4–6 people within each of the four main quota groups of the survey (see Appendix A). The interviews

allow us to better interpret the survey findings, and to examine the experiences of non-claimants in greater detail. (All interviewees were given pseudonyms.)

We firstly present our results, and then conclude by considering the implications for policy, making specific recommendations for how the social security system could be improved.

2. FINDINGS ON NON-TAKE-UP

Non-take-up includes two different situations: those who thought they were eligible, and those who (wrongly) thought they were ineligible. We consider each group in turn.

2.1 PEOPLE WHO DIDN'T WANT TO CLAIM UC

Our first focus is on people who thought they were eligible,[21] but did not want to claim UC – we refer to them as people who 'didn't want to claim'.[22] We start by looking at people's perceptions of being eligible, as this helps us to understand why they did not make a claim for UC. (Just below we look at whether we think they would actually have been eligible for UC). **We estimate that 220,000 people** [180,000–270,000] [23] **thought they were eligible for UC but did not try to claim it** (this is 0.56% [0.45 to 0.66%] of the working-age population).

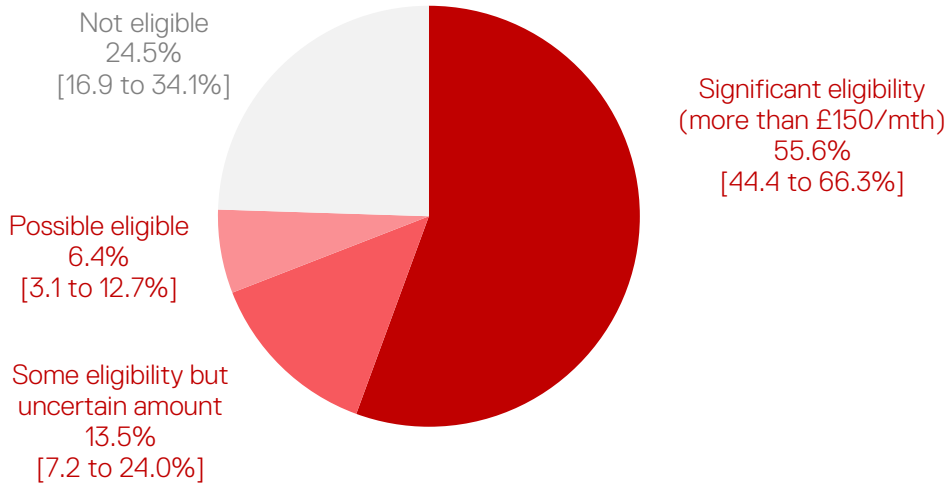
People were not always very sure about their eligibility. The vast majority (79.4% [72.9 to 84.6%]) of those who thought they were eligible thought that they were probably (rather than definitely) eligible. This vague sense of eligibility was also found amongst some of the people we interviewed:

> **"Yes, I reckon [I was eligible], just at the top of my mind. I know I'm not looking at any numbers, but I reckon when I was on furlough because obviously my contracted hours are not too high, so I reckon I probably would have been eligible for maybe just some amount of money, a little bit extra"** Kevin, 18–34

To see how accurate these perceptions were, we estimated all our survey respondents' eligibility for UC[24]. These estimates depend on a number of decisions about how to fit people's survey responses into benefits system criteria, particularly when respondents are unsure about their/their partner's income and savings. To make this more transparent, we have estimated both a minimum and maximum eligibility that differ in the assumptions about respondents' income/savings when they only report a range; respondents' uncertainty about whether earnings were gross or net; and for unknown levels of savings (see Appendix B for details). We ignore the 25.4% [18.3% to 34.2%] of people who said they were eligible for UC in the past but are not now (for whom it is impossible to estimate current eligibility).

Still, estimating UC eligibility is challenging, and has never previously been attempted (even if take-up estimates for other, simpler benefits have been common in the UK). Conducting such estimates is therefore complex and requires a number of caveats, particularly where people's income was volatile and does not consistently fall into the monthly UC income assessment periods. Because of this, estimated UC eligibility from a survey will never be completely accurate, and our estimates are subject to some uncertainty. Bearing this in mind, the results for people who currently think they are eligible are shown in Figure 1 below.

Figure 1: Estimated UC eligibility among those who currently think they are eligible



Notes: sample size=121 people who thought they were currently eligible for UC, and for whom we could estimate eligibility. (This excludes 43 people who were out of scope of the eligibility model, and 20 people who were missing income data; data are reweighted to account for missing income data – see Appendix B). Source: WASD/YouGov survey of non-claimants, July—Aug 2020.

Put simply, people's perceptions of eligibility were mostly but not entirely accurate. Among those who thought they were currently eligible for UC, we estimate that a minority (24.5%) were ineligible – though it is difficult to know if these people's perceptions were wrong, or if it is instead our estimated eligibility that is wrong because of the challenges in estimating UC eligibility described above.

Overall, **we estimate that 100,000–110,000 people** [70,000–150,000] ***correctly*** **thought that they were currently eligible for UC but didn't try to claim it.**[25] There are also 60,000 people [40,000–90,000] who thought that they were eligible for UC earlier during the pandemic and did not claim (as we said above, we cannot estimate their eligibility as their situation had since changed).

Why hadn't people claimed, despite thinking they were eligible?

There were several reasons why people did not make or complete a claim, as shown in Table 1 below. Two reasons are particularly important for policy: perceived stigma/deservingness and perceived 'hassle'.

Over a quarter (27.8%) of people who didn't want to claim said that this was because of **stigma** – or as phrased in the survey question, they "didn't want to be the kind of person who claims benefits." We return to issues of stigma in more detail below. Other people did not necessarily feel that receipt of benefits was stigmatising, but suggested that benefits should be a last resort, reserved only for people who were in more extreme need than they were. One-fifth (21.4%) said they did not claim

because "other people needed benefits more than me", which we also heard from several interviewees, including Paul below:

> **"I did look into it, but I just thought I don't need it as much as the next person, who really, really needs it. I mean, if I was desperate then I would have claimed for everything."** Paul, 50—65

Table 1: Reasons for not claiming UC among those who think they are/were eligible

	Reason for not claiming (estimate, 95% CI)	
Stigma/deservingness	**41.6%**	[33.9 to 49.8%]
which includes...		
Didn't want to be the kind of person who claims benefits	27.8%	[21.3 to 35.3%]
Thought other people needed benefits more than me	21.4%	[15.7 to 28.6%]
Hassle	**59.3%**	[50.6 to 67.4%]
which includes...		
Didn't think it would be worth the hassle	41.3%	[33.8 to 49.2%]
Heard that it was hard to claim during the pandemic	16.6%	[12.0 to 22.4%]
Didn't want to be forced to do things by sanctions	32.0%	[25.1 to 39.8%]
Need-related	**34.1%**	[27.2 to 41.7%]
which includes...		
Comfortable financially so didn't need it	13.0%	[8.9 to 18.7%]
Struggling, but thought things would get better soon	22.2%	[16.6 to 29.0%]

Notes: A further 1.6% [0.7 to 3.6%] gave other reasons, and 7.0% [2.4 to 19.1%] said they didn't know why they hadn't claimed. Respondents could give more than one reason, so totals do not sum to 100%. Sample size = 243 people who did not claim despite thinking they were eligible. Full question text is given in endnote. [26] Source: WASD/YouGov survey of non-claimants, July–Aug 2020.

The second reason not to claim was the perceived '**hassle**' of applying. This was the most common reason given for not applying (41.3% of those who didn't want to claim). We also heard this phrase – "it wasn't worth the hassle" (Kevin, 18–35) or "I just don't want any hassle" (Marianne, 30–49) – in the interviews, and it seemed to reflect several different things:

- **Figuring out eligibility:** People sometimes found it difficult to figure out what they were eligible for (we discuss this in more detail later in this chapter).
- **Claims process:** Some believed that the claims process would be long and 'painful', particularly at the start of the first COVID-19 lockdown. For example, Amara

(18–35) had seen a social media post showing a picture of "five hundred thousand people waiting... in the queue", which made applying seem problematic. In the survey, 16.6% said that they did not claim because they "had heard that it was hard to claim during the pandemic."

- **Conditionality:** 'Hassle' could also be connected to conditionality – that is, the requirement for claimants to demonstrate that they are looking for (or taking steps towards) work with the application of benefit sanctions a possibility in some cases of non-compliance Nearly a third of those who didn't want to claim said this was a factor (32.0%), even though conditionality requirements were suspended at the start of the pandemic. Moreover, an outright majority of those who didn't want to claim said that conditionality – needing to "show that [they] are looking for work, otherwise [their] benefits are cut' – would put them off applying in future (58.8%).[27] As Safina put it

  "In the past, when I was made redundant about fifteen years ago from a job, I did have to sign on for a while and it was just really stressful. Going to the Jobcentre, applying for jobs. It just felt like there were so many hurdles. It's not a pleasant experience of being on benefits and applying for benefits."
  Safina, 30–49

- **Debt:** Some were also apprehensive that any payments might be required to be repaid later (including Amara, who as we saw just above, was also worried about the claims process). As Kevin (18–35) stated, "I know that eventually if I go back to work then I had to cancel it or I had to give the money back, whatever I owed them." This is only partly correct: people never have to pay back money that they were eligible for. However, they do have to pay back advances if they take them, or (in the case of Tax Credits) overpayments when they received more money than they were eligible for.

In total, 59.3% of those who didn't want to claim said that this was related to the perceived hassle of claiming (i.e. related one or more of the issues outlined above).

In addition, 34.1% of people who didn't want to claim explained that they did not **need** UC. Some said they were "comfortable financially and didn't need' benefits. However, more commonly, people said they were struggling financially, but thought that things would get better soon (22.2% of those who didn't want to claim). This was yet another consideration for Amara, for example, who thought that lockdown would be time-limited, so combined with all of the perceived hassles above, decided against applying. Others were more like Isabella (50-65), who started a claim but then stopped it because her husband's continued income made the household's financial situation less pressing.

Finally, deciding to claim is partly a matter of **weighing up the costs vs. benefits of applying – around half of those who didn't want to claim UC said that they did consider claiming** (50.5% [42.3 to 58.6%]). People will decide if the amount of money that they think they will receive will be worth the perceived 'hassle' or stigma.

It is these factors in combination which will explain why some people did not take up UC at a time when unprecedented numbers of other people were claiming.

As such, when people think they will only receive a nominal amount of UC, each of the reasons not to claim (outlined above) will matter more. For example, if someone thinks that they will only receive limited financial support from UC, then it takes a smaller amount of perceived 'hassle' for them to decide that it is not worth claiming. It is therefore concerning if those who didn't want to claim may be underestimating the amount of UC that they would receive. Of those who thought that they were currently eligible for UC, 24.1% thought they would receive less than £150 per month, whereas we estimate that only 11.3-13.5% would receive this amount (as shown in Table 2 below).

Table 2: Perceived and actual UC eligibility among those who think they are currently eligible for UC

Amount of UC entitlement	Perception	Our estimate
Nothing	n/a	24.5% to 30.9%
Less than £150 per month	24.1%	11.3% to 13.5%
More than £150 per month	37.2%	55.6% to 64.2%
Don't know	38.7%	n/a

Samples sizes: for perception, n=184 people who thought they were currently eligible for UC. For our estimated UC eligibility, n=120. (This excludes 43 people who were out of scope of the eligibility model, and 20 people who were missing income data; data are reweighted to account for missing income data – see Appendix B).

2.2 PEOPLE WHO WRONGLY THOUGHT THEY WERE INELIGIBLE FOR UC

Non-take-up also occurred among people who wrongly thought they were ineligible for UC. **We estimate that 280,000–390,000 people** [230,000–450,000] **did not claim UC because they wrongly thought they were ineligible for it.**[28]

Estimating benefit eligibility was a challenge for many people. Some people checked their eligibility using online benefits calculators, which gave them a clear picture of their likely eligibility.[29] But for others, it was not always easy to figure out if they were eligible for UC. Indeed, 24.6% [18.4 to 32.0%] of those who wrongly did not think they were eligible simply could not guess whether they were eligible or not, and a further 33.5% [26.1 to 41.7%] thought they were probably (but not definitely) ineligible. This includes Amara (18–35), who we saw earlier in this chapter. She had visited gov.uk but felt that the guidelines appeared "far too complicated for me', particularly without the possibility of speaking directly to someone about her eligibility. This was also true of some people who started applying for benefits, as we cover in Chapter 3.

More commonly though, people just had a 'sense' of their eligibility, rather than researching it. Few of those who wrongly thought they were ineligible had actively

considered claiming – active consideration was reported by only 13.1% [9.1 to 18.4%] of those who wrongly thought they were ineligible. Instead, most just said that they 'knew' that they were not eligible (58.2% [50.2 to 65.9%]) or that it had never occurred to them to claim (28.7% [22.1 to 36.4%]).

There were also some suggestions in the in-depth interviews that being a migrant made this situation even more confusing. For example, as Geraldine describes, even having obtained British citizenship did not necessarily make things clearer:

> **"A lot of us actually, immigrants, we don't know much about the system unless somebody advises us to do it. Even if somebody gets, like if I get unwell or something in future, I probably won't know what to do."**
> Gabriela, 50–65

As well as a lack of knowledge, migrants may also have a mindset of ignoring the benefits system that stems from when they first arrived in the UK when many were not eligible for benefits. This was another factor for Gabriela who had No Recourse to Public Funds during her first four years in the UK (now over a decade ago). As a result, she had "got used to being financially independent", and it had never occurred to her to apply for UC during the pandemic, particularly as she was working full-time (although she later reflected that she may indeed have been eligible).

In total, non-take-up includes both people who thought they were eligible but didn't want to claim, and also those who wrongly thought they were ineligible. We estimate that there are about half a million people – our best estimate is 430,000–560,000 people [370,000–630,000] – who were eligible for UC during the start of the COVID-19 pandemic but did not claim it.[30]

Why did people think they might not be eligible?

There were many reasons why people wrongly thought they might not be eligible for UC, as shown in Table 3. Most of these reasons genuinely do influence eligibility, though some do not.

The foremost reason (52.7%) related to earnings, whether their own or their partners. From the interviewees, it seems these impressions come from a variety of sources: sometimes from using benefits calculators, sometimes a vague sense of eligibility, and sometimes from previous attempts to claim ("I know from past experience that because I earn £28,000 a year, I can't claim on anything", Veronique, 30–49).

Table 3: Reasons why people though they might not be ineligible for UC, among those we estimate probably would have been eligible

	Wrongly thinks ineligible (estimate, 95% CI)	
Respondent or partner **earnings**	**52.7%**	**[44.5 to 60.9%]**
Respondent earnings	39.6%	[31.6 to 48.1%]
Partner earnings (of those with p)	44.2%	[33.4 to 55.6%]
Respondent or partner **savings**	**9.2%**	**[5.9 to 14.1%]**
Respondent savings	8.2%	[5.1 to 12.8%]
Partner savings (of those with p)	4.1%	[1.5 to 10.6%]
Still **had a job** or **wider gov't support**	**36.1%**	**[28.4 to 44.5%]**
Still had a job	12.7%	[8.0 to 19.7%]
Furloughed	25.4%	[18.7 to 33.6%]
Claimed SEISS	3.4%	[1.6 to 7.1%]
People like me just aren't eligible	**13.5%**	**[9.1 to 19.4%]**
No idea who is eligible	**16.5%**	**[11.6 to 23.0%]**
Other reasons	**4.2%**	**[2.2 to 8.2%]**

This includes reasons given by both people who thought they were ineligible and people who just could not guess if they were eligible. **Key:** 1 'Still had a job or wider support' includes those who thought they were ineligible because they still had a job, because they were furloughed, or because they had claimed from the Self-Employment Income Support Scheme (SEISS). 2 'Other reasons' include those who thought they were ineligible due to other income (beyond own/partner earnings), having No Recourse to Public Funds or not being able to satisfy the Habitual Residence Test (see 1. Introduction), full-time students, or 'other'. Sample size=206.

A third (36.1%) of those who wrongly thought they were ineligible felt that their ineligibility was due to the fact that they still had a job or were furloughed (possibly incorrectly, as these would not make them ineligible *per se*, if their income was below the threshold that applied for their household's situation). This may reflect a feeling that 'benefits' are for people who are not working, without understanding that UC is both an out-of-work and an in-work benefit. Still, this perception could drive behaviour, as in the case of Kevin, who stopped applying after being furloughed:

> **"I feel like it was mainly for people that lost their job or got redundancy because of the coronavirus. I felt like it wasn't for me because I still had a job. I'm still getting paid."** Kevin, 18–35

A smaller number reported that they were not eligible because of other earnings in the household; in the case of one of our interviewees, this was because of the income of adult children who still lived with them (Steve, 50-65). This may reflect misunderstandings about the way that household income is assessed for UC, which does not include non-dependent children (even if they are cohabiting).[31]

2.3 BENEFITS STIGMA AND UC NON-TAKE-UP

'Benefits stigma' is when benefits convey a devalued social identity,[32] and it is the most widely-studied explanation for non-take-up. In one study, nearly half of Britons gave some direct sign that they felt benefits were stigmatised.[33] However, benefits stigma is a complex concept, and it is helpful to separate stigma into three strands:[34]

- **'Personal stigma':** a person's own feeling that those claiming benefits should be looked down upon.
- **'Stigmatisation':** this is the perception that other people will look down upon those claiming benefits.
- **'Claims stigma':** this is the feeling of being looked down upon that happens while claiming benefits. This can come from issues such as a lack of privacy, but is often associated with whether people feel Jobcentre/DWP staff are looking down on them.

We found a wide variation in these types of stigma amongst the people we spoke to. Some people – particularly younger interviewees – did not personally feel benefits were stigmatising. Indeed, some saw it as a source of national pride ("that's why we love being British and why we are so different to many other states is because we offer welfare", as Amara (18–35) put it). Likewise, Safina (30–49) remarked:

> **"Yes, the stigma doesn't put me off from claiming if I'm entitled to something. I strongly believe in a welfare state as being a safety net for everyone"**

Others believed that claiming benefits during periods of need was legitimate when contributions had been made to the system through tax and National Insurance, as Tyrone (18–35) described:

> **"I've paid my taxes, I do contribute to society... I'm helping other people... I did get Universal Credit at one point, yes I did, so I'm not going to criticise anybody or anything... I just think, it was my time of need, that was the only income me and my family were going to get, just because my missus was still on maternity leave, so I had to do it, so I didn't feel ashamed."**

Others, in contrast, felt more of a sense of stigma. Ezekiel (30–49) worried that if he claimed, others would "laugh at me the way I laugh at them [benefit claimants]". Feelings of stigma were more common amongst older respondents, but even some younger respondents such as Tom (18–35) said they deliberately had not asked any of their friends for advice when they considered claiming. (For context, about a third of successful claimants do seek support from friends or family when claiming).[35]

Benefits stigma was also more common amongst the migrants that we spoke to.[36] It seemed that migrant non-claimants felt a need to distinguish themselves from 'welfare tourists', as found in other research.[37] For example, Marianne (30–49) had heard her friends talk about migrants only coming to the UK for benefits, which made

her keen to avoid the benefits system: "Because I'm not British, I don't want to feel like I'm here to take anything from others." Marius' (30–49) view was similar:

> **"I have to be honest, one of the main reasons we never increased our level of benefits is probably the stigma around it, especially for foreign citizens, especially from European citizens coming from Eastern Europe, but that's probably more on my part. I just didn't want to take more than was actually needed and I didn't want to use it for longer than I needed it."**

These views were complex and sometimes ambivalent. It was not just that different people held different views, because even a single person could hold conflicting views. For example, Steve (50–65) talked about not being a "dole scrounger", but at the same time was annoyed with other people who viewed benefit claimants as "freeloaders". Similarly, Tyrone defended people's right to claim benefits, but he also contrasted his own 'genuine' previous claim for a back injury with those who fraudulently claim or are not really seeking work:

> **"There's genuine people that I saw that were genuinely looking for work, and then there's certain people that have no interest in finding a job"**

People could therefore simultaneously say they felt stigmatised at the same time as explaining why they should not feel any stigma:

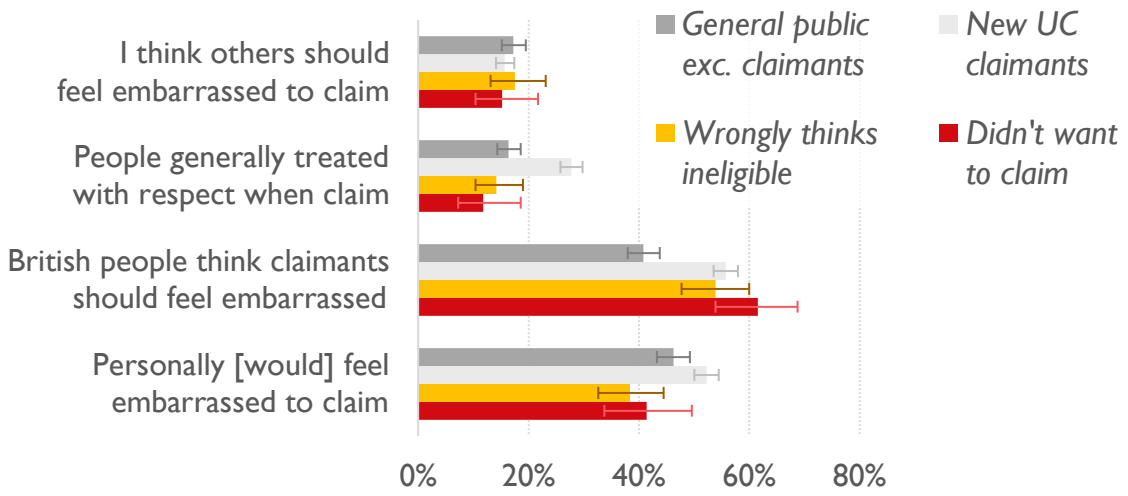
> **"From that point of view, very much I felt a stigma. Then, there was the overriding feeling of entitlement and justification of where I am in life and the fact that, actually, I wasn't asking for something, I just wanted what I'd paid in... having worked for 40 years teaching and paying my taxes, I'm as entitled as anybody else, irrespective of whether I've got savings or not."**
> Mandy, 50–65

Measuring benefits stigma during the COVID-19 pandemic

To measure the balance of these different views, we asked a series of questions in our survey to capture different aspects of stigma.[38] The results are shown in Figure 2 below.

This shows that personal stigma is low – less than 20% of those who did not take up UC agreed that people should feel embarrassed to claim benefits. Only a small minority thought that people are generally treated with respect when they claim, and 50-60% agreed that British people in general think that people should feel embarrassed to claim ('stigmatisation'). Overall, around 40% of those who did not take up UC said that they personally would feel embarrassed to claim.

Figure 2: Benefits stigma among different groups



Notes: some questions took slightly different forms to different groups – see footnote 38. Sample sizes are 213 people that wrongly thought they were ineligible, 243 people who didn't want to claim, 1,429 members of the general public excluding claimants, and 2,601 UC claimants. Sources: 'wrongly thinks ineligible' / 'didn't want to claim' use the WASD/YouGov survey of non-claimants, July-Aug 2020. 'General public excluding claimants' uses the WASD/YouGov survey the general public, May-June 2020. 'New UC claimants' uses the WASD/YouGov survey of successful claimants, May-June 2020.

However, there is a puzzle here – those not taking up UC did not feel stigma more strongly than other people,[39] even though more than a quarter explicitly cited stigma as the reason that they did not claim.

How do we explain these apparently contradictory results? The best explanation seems to be that many people felt some stigma and tried to avoid claiming but would claim if they felt they had no alternative ("the ultimate bad-luck thing", as Veronique put it). This is borne out by our separate research with successful UC claimants, some of whom had delayed for a month or more before claiming. Stigma, combined with the hope that things would improve, were common reasons that people gave when explaining why they had delayed so long in claiming.[40]

Steve – whose view is discussed above – exemplifies this desire not to claim, but an acceptance that he would claim if he had to. He said that "I have no moral qualms with claiming benefits... but ideally, I would never have to claim them", and then explained that he could just about get by without claiming:

> **"I do remember I'd got to a place where I thought, 'do you know what, I'm not going to bother with this. I'll live on my savings. This hopefully isn't going to last more than a couple of months and I'll live on that."**
> Steve, 50–65

Similarly, even those who stigmatised claiming would often defend their right to claim as a last resort. For example, Tom (18–35) felt benefits stigma strongly enough that he did not ask any friends for advice on claiming (see above), but nevertheless said

he would claim if he had to "because I've paid in. That's how I feel, I've paid in and I've supported with my income tax and my national insurance when other people need it and now's the time that I need it. I would."

The picture is therefore complex – benefits stigma was widespread, and not inconsiderable numbers of people tried to avoid claiming UC because of it. But many people said that they would ultimately claim benefits if they felt they really had to. This suggests that many people may delay claiming benefits unnecessarily because of stigma, something we explore in our recent report on successful claimants.[41]

A key question, though, is how far people were struggling while trying to avoid claiming. This is the focus of the remainder of the chapter.

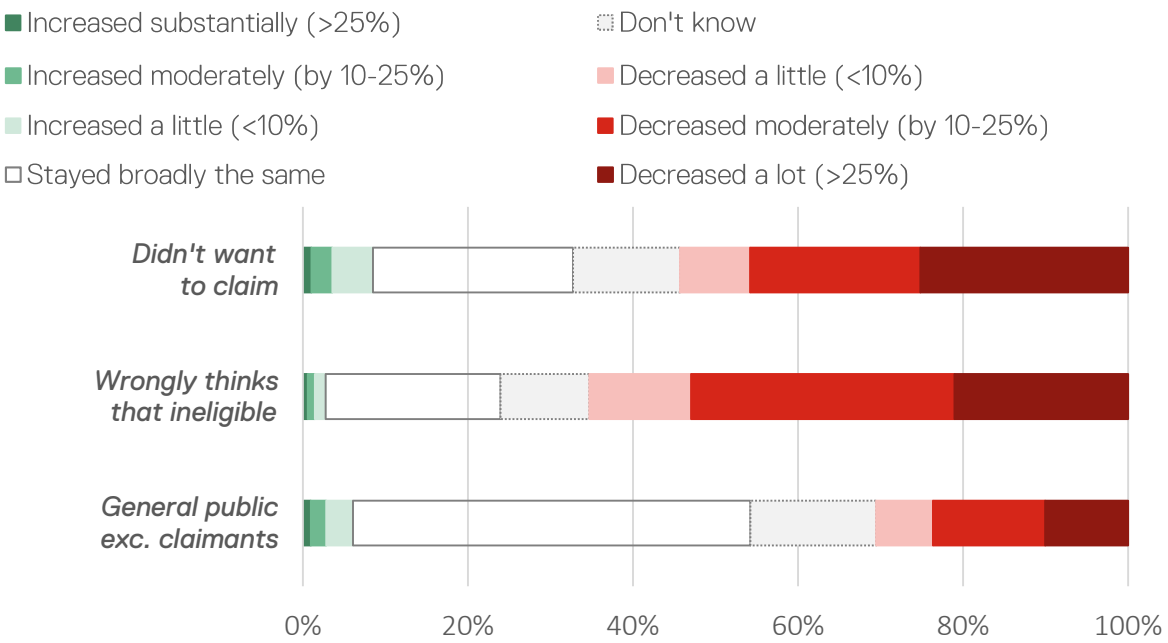
2.4 THE EFFECT OF THE PANDEMIC ON THOSE NOT TAKING UP UC

To understand the financial situation of those not taking up UC, we first look at how their income has changed (and why), and the ways in which people tried to manage financially in the face of this.

Changes in income

The majority of those not taking up UC had seen their household income fall during COVID-19, as shown in Figure 3. Indeed, 51.7% of those who didn't want to claim and 54.1% of those who wrongly thought they were ineligible had seen noticeable income drops of at least 10%. In contrast, less than a third (32.9% [31.6 to 34.3%]) of the general public (excluding benefit claimants) had seen their incomes fall even slightly.

Figure 3: Change in household income in July-August 2020 vs. before the start of the COVID-19 pandemic



Notes: Sample size = 243 people who didn't want to claim, 213 who wrongly thought they were ineligible, and 4,786 members of the general public excluding benefit claimants (that is, those claiming UC/JSA/ESA/Tax Credits). Sources: 'wrongly thinks ineligible' / 'didn't want to claim' use the WASD/YouGov survey of non-claimants, July-Aug 2020. 'General public excluding claimants' uses the Resolution Foundation/YouGov survey the general public, May 2020.

There were a wide variety of reasons for these income falls, as shown in Figure 4. For a minority, they or their partner had completely lost their job (9.5% of those who wrongly though they were ineligible; 19.5% of those who didn't want to claim). This could be because they were made redundant due to COVID-19, made redundant for other reasons, or saw their contract expire without being renewed. Some had lost their job because of concerns over safety, like Marianne (30–49), who had resigned from her local authority role after being asked to continue to come into the office:

> **"I didn't want to put so much risk for my family, especially my husband being an ethnic minority and these other elements that do really worry me. So yes, from that point then it kind of – I don't know, they were really rigid for some reason and they offered no flexibility at all and we kind of left it there."**

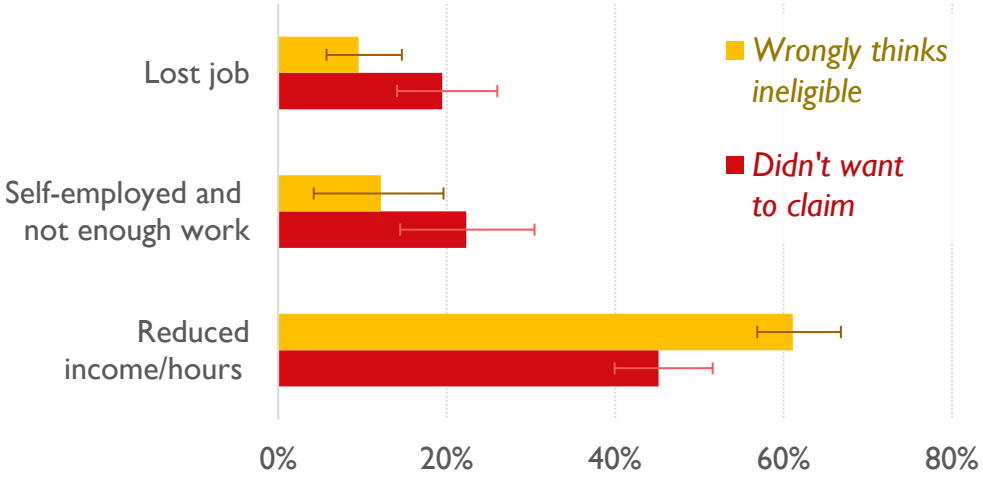
Among the people we spoke to, this was particularly common for those with more precarious forms of employment, such as Gabriela (50–65, migrated) whose agency work simply stopped during the first national lockdown.

A similar number were self-employed (or had self-employed partners) and could not get enough work (12.2% of those who wrongly thought they were ineligible, and 22.3% of those who didn't want to claim). Some self-employed people could access the Self-Employment Income Support Scheme (SEISS), but 23.0% of those who wrongly thought they were ineligible for UC said they were ineligible for SEISS, as did 13.3% of those who didn't want to claim UC.[42] The self-employed people seemed particularly precarious in our interviews, often losing all their work very rapidly after the first lockdown commenced. For some this was temporary; as the first lockdown restrictions began to ease, some were able to get back to work (although they have likely since faced further interruptions to their income with the additional local/national lockdowns). Helen, for example, was able to resume her health and beauty business with the use of PPE and other safety measures:

> **"Income went pretty much back to how it was in the first – probably towards the end of the second week, I was getting what I was before lockdown."** (Helen, 30–49)

The most common situation, though, was that respondents and/or their partners were still connected to their work, but that they faced reduced hours/income because of the pandemic (45.2% of those who wrongly thought they were ineligible; 61.1% of those who didn't want to claim), as we examined in detail in a previous report.[43] Most commonly this came from being furloughed, but in other cases taking pay cuts while continuing to work (as happened for one of our interviewees, Tom, 18–35). Some, like Tyrone (18–35), were initially expecting their income to stop completely, and were relieved when they were furloughed. This was much more preferable to those who were technically still in a job but not getting paid at all. This was the situation that Isabella (50–65) found herself in, working on a zero-hours contract for a local authority as an exam invigilator: "if I work, they pay me. They pay me per hour, so if I don't go to work, I don't expect to get any pay."

Figure 4: Changes in employment since the start of the COVID-19 pandemic



Notes: Sample size = 243 people who didn't want to claim, 213 who wrongly thought they were ineligible. Source: WASD/YouGov survey of non-claimants, July-Aug 2020.

A few people were also able to find new income from other sources. Even by the time of our survey in July–August 2020, and looking at those who were not still working in their old job (or who were not working in February 2020), 8.3% [4.6 to 14.3%] of those who didn't want to claim and 4.8% [1.9 to 11.5%] of those who wrongly thought they were ineligible had found a new job / self-employed work. We also found this amongst some interviewees, though it seemed that the additional income they received was smaller than the amount that they had lost. Two interviewees (Gabriela, 50–65 and Veronique, 30–49) had raised additional income by boosting their selling on eBay and Facebook Marketplace, while another (Helen, 30–49) had started a dog walking service while her business was closed.

Overall, most people in all of these groups had experienced some loss in their hours/earnings or lost a job completely – 65.1% [57.0 to 72.4%] of those who didn't want to claim and 70.3% [62.7 to 77.0%] of those who wrongly thought they were ineligible. Even this does not exhaust the reasons that people may have been struggling; for example, there were some people whose capacity to work had decreased because of e.g. shielding or caring responsibilities (13.1–20.2% of those who did not take up UC), and some who were not working just before the pandemic started and were since struggling to find work (19.4% of those who didn't want to claim).

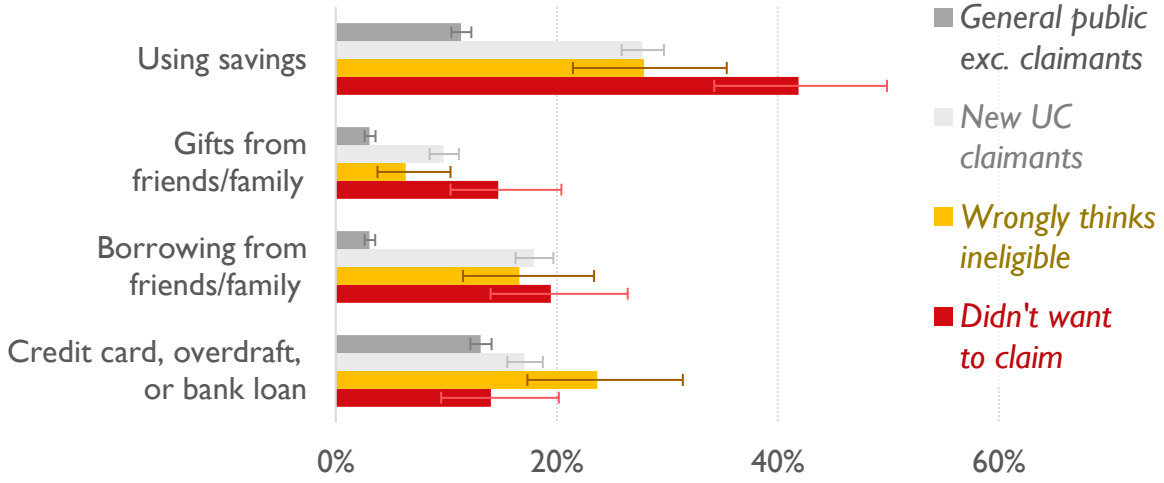
How people were managing financially

In the face of these income shocks, people often tried to reduce their outgoings, but this was often challenging; indeed, sometimes people faced higher costs because of COVID-19.[44] This left many people finding other financial strategies, the most common of which was to use savings – 41.9% of those who didn't want to claim and 27.9% of those who wrongly thought they were ineligible were using their savings, as shown in Figure 5. Overwhelmingly these savings were small amounts (as larger

amounts would make them ineligible for UC[45]). For example, savings were lower than £6,000 for 77.0% [70.8 to 82.3%] of those who didn't want to claim and 88.9% [83.9 to 92.6%] of those who wrongly thought they were ineligible, and even within this, more than twice as many people had savings of less than £1,000 than £1,000–£5,999. Kevin was grateful to have some savings to fall back on though, even if small:

> **"I still have certain savings just ready for it in case anything like that happens. I feel like now that saving needs to be so huge because of everything, just in case something like that does happen."** Kevin, 18–35

Figure 5: Things that people are doing to get by financially in July-August 2020



Notes: Sample sizes are 213 people that wrongly thought they were ineligible, 243 people who didn't want to claim, 4,786 members of the general public excluding claimants (that is, those claiming UC/JSA/ESA/Tax Credits), and 2,594 new UC claimants. Sources: 'wrongly thinks ineligible' / 'didn't want to claim' use the WASD/YouGov survey of non-claimants, July–Aug 2020. 'General public excluding claimants' uses the WASD/YouGov survey the general public, May–June 2020. 'New UC claimants' uses the WASD/YouGov survey of successful claimants, May–June 2020.

Yet others needed to find different ways of making ends meet. Sometimes this meant relying on friends/family, in the form of either borrowing or gifts: in total, around one in four of those not taking up UC were relying on friends/family, compared to only about 1 in 20 of the general public excluding claimants.[46] Alternatively people got money from banks, whether in the form of credit cards, overdrafts or bank loans (14.0% [9.5 to 20.2%] of those who didn't want to claim, and 23.7% [17.3 to 31.4%] of those who wrongly thought they were ineligible).

For example, Ezekiel (30–49) had decided to take out a large pre-emptive loan since lockdown because of concerns about his employment status during COVID-19. Thinking that he may lose his current job, he had taken out a loan while he was still working, so that the money could be used to cover costs if he was required to search for a new job. Borrowing was also used by Gabriela who, as we saw above, had not thought about applying for benefits due to her ineligibility during her first few years of

living in the UK. Rather than claiming UC, she instead planned to take more shifts at work, and had borrowed on a credit card and taken out a loan.

Relatively small numbers of those not taking up UC had used emergency help. Amongst those who didn't want to claim, 1.5% [0.6 to 3.9%] were using food banks and 1.7% [0.4 to 7.3%] were using emergency help from the council or a charity. Use of emergency help was even lower amongst those who wrongly thought they were ineligible, with 0.6% [0.2 to 1.7%] using food banks and 0.3% [0.1 to 1.3%] relying on the council or a charity.

2.5 FINANCIAL STRUGGLES AND MENTAL HEALTH DIFFICULTIES

Were those not taking up UC struggling financially?

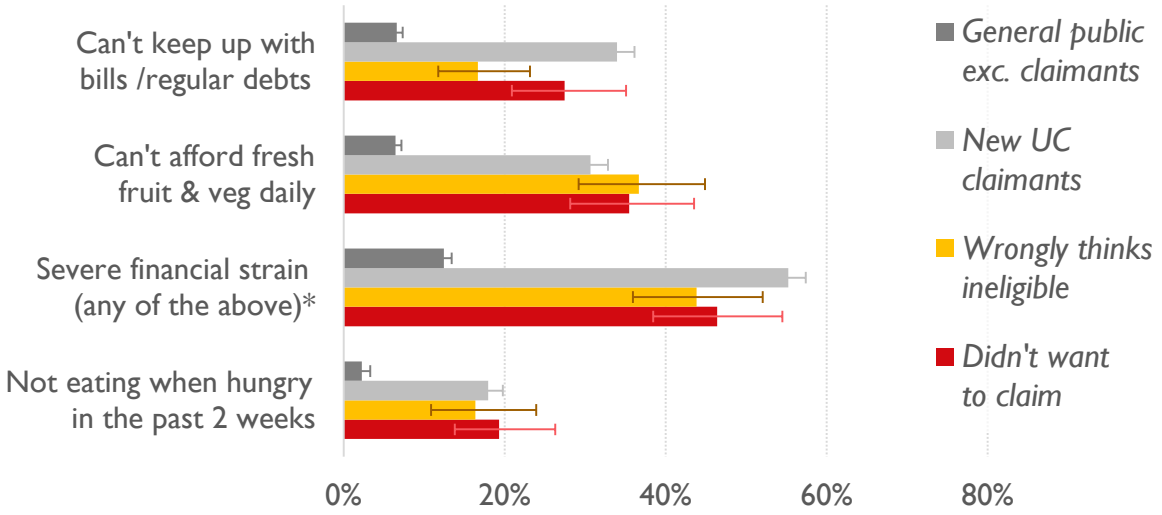
We have seen that many of those not taking up UC had suffered income losses, and were relying on small amounts of savings, borrowing and other help to get by. In the remainder of this chapter we look at how people were coping with the level of income that remained, firstly in terms of their living standards, and secondly in terms of their mental health.

Put simply, these ways of managing financially were often still not sufficient for those not taking up UC to avoid financial strain. Most could not afford unanticipated exceptional costs: six in 10 could not afford to replace/repair major electrical goods such as a fridge (62.5% [54.2 to 70.2%] of those who didn't want to claim; 58.9% [50.5 to 66.8%] of those who wrongly thought they were ineligible). Beyond this, as shown in Figure 6, many experienced a more severe indicator of financial strain:

- 35.5% of those who didn't want to claim and 36.7% of those who wrongly thought they were ineligible could not afford to eat fresh fruit and vegetables daily;
- 14.6% of those who didn't want to claim and 10.6% of those who wrongly thought they were ineligible had fallen behind on part/all of their rent or mortgage;
- 27.4% of those who didn't want to claim and 16.7% of those who wrongly thought they were ineligible could not keep up with their bills or regular debt payments.

In total, nearly half of those not taking up UC reported at least one of these forms of financial strain (46.4% of those who didn't want to claim and 43.8% of those who wrongly thought they were ineligible). These levels of financial strain were significantly higher than in the general public excluding benefit claimants, and not far behind the levels seen amongst new UC claimants (after they have received their benefits).

Figure 6: Financial strain among non-claimants



Note: Sample sizes are 213 people that wrongly thought they were ineligible, 243 people who didn't want to claim, 4,786 members of the general public excluding claimants (that is, those claiming UC/JSA/ESA/Tax Credits), and 2,601 new UC claimants. Sources: 'wrongly thinks ineligible' / 'didn't want to claim' use the WASD/YouGov survey of non-claimants, July-Aug 2020. 'General public excluding claimants' uses the Resolution Foundation/YouGov survey the general public, May 2020 (apart from for 'not eating when hungry', which uses the WASD/YouGov survey the general public, May-June 2020). 'New UC claimants' uses the WASD/YouGov survey of successful claimants, May-June 2020.

We also found that more than one in six of those not taking-up UC had skipped a meal in the previous two weeks because they could not afford to eat, compared to one in 40 members of the general public (excluding claimants).

This is equivalent to 80,000 people [60,000–110,000] **going hungry in the past two weeks when they were eligible for UC but not claiming it.**

Mental health amongst those not taking up UC

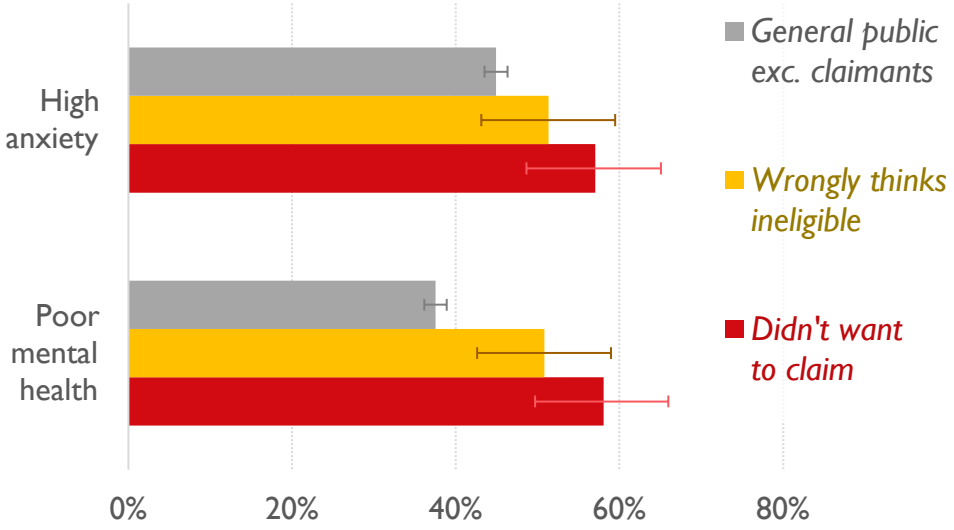
Finally, we look at mental health amongst those not taking up UC and how it compares to the general public (excluding claimants). We do this using two measures of mental health: high anxiety (six or more on a 0–10 scale)[47] and poor mental health (based on reporting 4+ out of 12 indicators of poor mental health).[48]

We know that people's mental health tended to be noticeably worse in early May 2020 (when the general population survey was done) than in late July 2020 (when the non-claimant survey was done). In the UCL COVID-19 Social Study for example,[49] average depression scores were around 6.5 in early May, falling to around 5.0 in late July. All things being equal, we would therefore expect those not taking up UC to show better mental health because of when we spoke to them.

However, those not taking up UC had worse mental health on average than the general public excluding claimants, as shown in Figure 7 below. This effect was small but noticeable for high anxiety, which compared to the general public excluding

claimants was 12.1 percentage points [3.7 to 20.5pp] higher among those who didn't want to claim, and 7.7 percentage points [-0.8 to 16.1pp] higher among those who wrongly thought they were ineligible. It was more marked for our wider multi-item measure of poor mental health, which compared to the general public excluding claimants was 20.5% and 14.5% higher respectively.

Figure 7: Mental ill-health in those not taking-up UC (but eligible for it)



Note: Sample sizes are 213 people that wrongly thought they were ineligible, 243 people who didn't want to claim, and 4,786 members of the general public excluding claimants (that is, those claiming UC/JSA/ESA/Tax Credits). Sources: 'wrongly thinks ineligible' / 'didn't want to claim' use the WASD/YouGov survey of non-claimants, July-Aug 2020. 'General public excluding claimants' uses the Resolution Foundation/YouGov survey the general public, May 2020.

2.6 NON-TAKE-UP OF CONTRIBUTORY BENEFITS (JSA/ESA)

As we explained in the Introduction, people who lost their job were sometimes also eligible to claim contributory ('new style') JSA or ESA. The DWP have never attempted to estimate non-take-up of contributory benefits, which is again difficult to do accurately (in this case, in estimating people's history of National Insurance contributions). In this section we present a crude estimate of non-take-up of contributory JSA, alongside other evidence that suggests that non-take-up of these benefits was a problem at the start of COVID-19. However, we do not look in detail at the situation of those not taking up JSA, partly because we asked fewer questions about JSA/ESA (due to limited space), and partly because we are less confident in identifying people correctly.

We estimate that there were potentially around 80,000 people [70,000–100,000] **who were eligible for new style JSA during the start of the COVID-19 pandemic but did not claim it.** To reiterate: this is a crude estimate as we had little detail on people's history of National Insurance contributions in the past 2–3 years (see Appendix C). Still, it provides some idea of the possible scale of non-take-up of JSA. (By way

of context, there were 270,000 new claims for JSA in Feb–Aug 2020, compared to 65,000 in the previous six months[50]). While there is some uncertainty around our estimates, the non-take-up rate for new style JSA at the start of the pandemic seems likely to be noticeably larger than that for UC. Unfortunately, it was not possible to estimate non-take-up of new style ESA.

More broadly, it is clear that awareness of JSA/ESA was low:

- **Amongst people in our survey who had lost a job, the overwhelming majority said that it had never occurred to them to claim JSA/ESA (72.6%** [61.9 to 81.1%]).[51] This is very different from the situation for UC; even amongst people who wrongly thought they were ineligible for UC, only 27.6% [21.1 to 35.3%] said that it had never occurred to them to claim UC.
- **Amongst people in our survey who had applied for UC (and not JSA/ESA) and been rejected due to lack of eligibility, the overwhelming majority (65.2%** [59.8–70.2%]) **had not considered applying for new style JSA/ESA.** Our crude estimate of eligibility for new style JSA suggests that at least 9.0% [6.1–13.2%] of all people rejected from UC would have been eligible for new style JSA (and again, the majority of them had simply not considered JSA/ESA). Although the exact figures are subject to considerable uncertainty (due to our crude estimate of JSA eligibility), this is further evidence of low awareness of JSA/ESA.
- **Moreover, although there are no studies of media coverage of benefits during COVID-19, many experts suggest that UC was publicised much more widely than JSA/ESA (particularly in the first weeks of COVID-19).**[52] Although we cannot be certain about the precise numbers, the evidence consistently suggests that there may have been a problem of non-take-up of JSA/ESA during the start of COVID-19.

3. POLICY IMPLICATIONS

This report has presented the findings of exploratory research into those who were eligible for UC but did not claim it during the start of COVID-19. We estimate that around half a million people were eligible for UC but did not claim it. It is concerning that even in the midst of a global pandemic, with widespread positive publicity about UC and an unprecedented surge in claims (5+ million people claiming UC at the time we conducted our survey), such a large number of people did not take up the benefits that they were eligible for.

We should note that estimating UC eligibility is complex and requires a number of caveats. However, even ignoring our UC eligibility model, there were 230,000 people who thought they were eligible for UC but did not try to claim it (in addition to those that we estimate were eligible for UC but did not realise it).

Our research suggests that it is not that these people simply did not need UC. We found relatively high levels of financial strain, as well as mental ill-health amongst those not taking up benefits: not as high as amongst benefit claimants, but far higher than within the general population. Moreover, UC take-up during the start of COVID-19 is likely to be a high-water mark (due to reduced stigma and increased awareness), which suggests that the extent of the problem is likely to worsen.

The DWP already undertakes work to support benefit take-up, ranging from communication strategies to the support provided to people through 'Help to Claim'. Nevertheless, there is no explicit strategy for tackling non-take-up (in contrast to the devolved nations, each of which has their own benefit take-up strategy).[53] We strongly recommend that the DWP publishes its own strategy for the UK as a whole, including the following elements:

PUBLISH TAKE-UP ESTIMATES FOR UC AND NEW STYLE JSA

Until recently, the DWP published regular estimates of take-up amongst key means-tested benefits. These showed that e.g. take-up of means-tested JSA declined from 69% in 2009/10 to 56% in 2015/16 (the latest year statistics are available for), which follows an earlier decrease during the period 1997/8 to 2009/10.[54] These statistics made visible the increasing problem of non-take-up of certain benefits.

However, the DWP have not attempted to estimate UC non-take-up, which means that non-take-up is again becoming an invisible problem. Moreover, the Government's claims for the increased generosity of UC (compared to the system it replaces) appear to depend upon an estimated 700,000 families taking up benefits to which they were eligible, but were not previously receiving.[55] Without estimating take-up in practice, there is no way of seeing if this aspiration has been met.

While these estimates are difficult (as Appendix B makes clear), this report demonstrates that it is possible to estimate take-up, even if the resulting estimates are subject to caveats. The DWP should commit to regularly publishing take-up

rates for UC and new style JSA (and potentially new style ESA, although estimating disability-related eligibility is a further challenge), revising our methodology here to produce more accurate estimates,[56] thereby providing a basis to understand the effectiveness of the DWP's take-up strategy as a whole.

Some of the people who are not taking up benefits at one moment in time will later go on to claim benefits. However, delays in claiming benefits can also lead to problems, particularly in the context of the assessment period (which creates a five-week wait for first payment), as we explore in another Welfare at a (Social) Distance report. [57] The DWP's take-up strategy should aim to reduce both long-term non-take-up and delays before claiming. As such, it would be important to publish estimates of delays before claiming as well as non-take-up.

ENSURE THAT PEOPLE CLAIM THE RIGHT BENEFITS AS QUICKLY AS POSSIBLE

In a previous report, we found that some successful claimants initially applied to the wrong benefit because they were confused about what benefits they were eligible to claim.[58] In this report, we have found that some people who were rejected from UC are likely to have been eligible for JSA/ESA (although it is difficult to estimate the exact number). As such, there is a concern that confusion over which benefit to apply for leaves some people with unnecessary delays in being signposted to the correct benefit or even missing out on benefits completely.

Some positive steps have been taken by the DWP (including an ambition to simplify the benefits system[59]), and they have recently launched their own 'benefits checker', alongside their previous policy of signposting people to other external benefits eligibility calculators.[60] However, these do not appear to be well integrated into the application process; for example, when people are rejected from one benefit, they are not automatically told that they may be eligible for a different benefit (let alone informed of this during the application process itself). Echoing recent calls by the Institute of Government and the Social Security Advisory Committee,[61] further efforts are needed to ensure that people are directed to the benefits that they are most likely to be eligible for, at every point of the application process.

Moreover, although different benefits have different purposes and should be kept separate, there is a strong argument for integrating the application process for all benefits into a single gateway (mirroring developments in e.g. Australia),[62] to help claimants more easily navigate through "what is often experienced as a complex, at times, confusing system".[63]

CORRECT MISPERCEPTIONS ABOUT THE BENEFITS SYSTEM

We estimate that about half of non-take-up is amongst people who wrongly think that they are ineligible for benefits, particularly those who are working and who think that this disqualifies them from support (without realising that UC is both an in-work and out-of-work benefit). Misinformation is also a reason why some of those eligible for UC do not claim it, fearing that benefit payments *per se* are merely a loan,

or believing the application process to be more difficult than it really is. Although the DWP already does work in this area (and we may expect awareness to rise as Tax Credit claimants are migrated onto UC), it is important to redouble efforts, particularly to ensure that working low earners are aware that they can claim UC.

Independent welfare rights advice and the voluntary sector more broadly are clearly relevant to this aim but were not the focus of our report. The DWP's take-up strategy should therefore consider the recommendations in our recent Welfare at a (Social) Distance report on support organisations.[64]

ATTEMPT TO ADDRESS BENEFITS STIGMA

Over a quarter of those who thought they were eligible for UC but did not claim said that this was partly because of benefits stigma. This is particularly striking given that the start of COVID-19 was likely to be a less stigmatising context for claiming. It may also be the case that stigma plays a role in people's incorrect perceptions that they were ineligible;[65] for example, one in eight of those wrongly thinking they were ineligible for UC said that this was because "people like me just aren't eligible."

Benefits stigma is a longstanding issue, which the DWP does not have full control over. Nevertheless, previous research has identified several ways that the DWP could attempt to reduce stigma.[66] A plan for reducing benefits stigma should be central to the UK benefit take-up strategy, including two major elements.

- **Ensuring that claimants are treated with dignity:** This is an explicit aim of the social security charter approved by the Scottish Parliament, and has wider roots in international human rights law and claimant-led advocacy.[67] Practical ways of achieving this could include adding DWP commitments to providing a certain level of support into Claimant Commitments (to make them more reciprocal), and allowing elements of claimant choice into the system (e.g. over the way in which people speak to their work coach, as also suggested by our research with claimants).[68]

  Anti-fraud campaigns can also give potential claimants the impression that they will not be treated with dignity: in some of the DWP's own research, 20% of the general public said that one anti-fraud campaign had "put me off putting in a new claim for benefits, even if I might be entitled to them".[69] Representatives from the take-up strategy should therefore feed into the design of any DWP anti-fraud campaigns.

- **Ensuring that the DWP and Government Ministers speak consistently respectfully about claimants. More broadly, the way that the DWP (as an organisation) and its Ministers talks about benefits can also influence stigma.**

These both appear to have improved from the situation 5–10 years ago[70] (particularly during COVID-19), but public attitudes change slowly, and some of the stigma we found in this report may reflect the language of several years ago. If these are sustained then we might expect stigma to reduce – and take-up to rise – further still.

There are also a number of wider aspects of the system that discourage people from claiming. This includes the fear of getting in debt to the DWP (due to advances or overpayments), and conditionality (the requirement to demonstrate that they are

looking for work, with the possibility of a benefit sanctions in some cases of non-compliance), which a majority of those not taking up UC said would put them off applying in future. While the policy debates about both issues are wider than the issues raised here, the impact on take-up should be considered in wider debates about both policies.

4. NOTES AND APPENDICES

Acknowledgements

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Authorship

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APPENDIX A: OUR SURVEY OF NON-CLAIMANTS

New YouGov survey of unsuccessful claimants

For this report, we conducted a new YouGov survey of unsuccessful claimants, kindly funded by the Health Foundation. This survey included two parts:

- **Screening survey:** to find probable non-claimants, we asked two screening questions to 170,000 participants in YouGov surveys from April-July 2020. These asked people (i) if they had claimed benefits during the pandemic; and (ii) if they had not tried to claim benefits, why not.
- **Follow-up survey:** we conducted a follow-up survey of 5,120 probable non-claimants in the screening survey, based on five quota groups, of whom 2,763 were eligible for the full survey. The survey was conducted 23rd July to 10th August 2020.

The four quota groups in the follow-up survey were:

- **probable non-claimants due to migration status** (explicitly flagging this at the 2nd screening question) – 325 people started the follow-up survey, of whom 260 were eligible for the full survey;
- **probable non-claimants who would have been eligible** (who said they might be eligible, but don't think it will be worth the hassle or just don't want to claim benefits – among this group, we focused only on those likely to be struggling financially)

– 977 people started the follow-up survey, of whom 720 were eligible for the full survey;

- **probable non-claimants who would not have been eligible but are still struggling** (who said they had too much income/savings to claim – among this group, we focused only on those likely to be struggling financially) – 1,077 people started the follow-up survey, of whom 828 were eligible for the full survey.
- **probable unsuccessful claimants** (who had tried and unsuccessful to claim benefits at the 1st screening question, or said that the reason they were not claiming benefits was because they had struggled to claim – 2,669 people started the follow-up survey, of whom 910 were eligible for the full survey;
- **probable unsuccessful claimants from our claimant survey:** we also add a small number of people who indicated in the screening survey that they were successful claimants, but when followed-up for our survey of claimants indicated that they were unsuccessful claimants – 72 people started the follow-up survey, of whom 45 were eligible for the full survey.

Note that people's status in this report is not the same as their original quota allocation. For example, the final group of 'unsuccessful claimants' is not the same as the quota group of probable unsuccessful claimants – the more detailed follow-up survey provides a better understanding of people's current situation (many probable unsuccessful claimants said that they had not actually tried to claim, and instead make up one of the groups of people not taking-up benefits or who were ineligible).

Data are weighted to account for the proportions of different groups we invited to take part in the follow-up survey, and to be representative of the working-age (18-64) population.[71] The anonymised dataset is publicly available via the UK Data Archive <link to add>.

Estimating the share of the population in each group

To estimate the prevalence of e.g. those not taking-up benefits that they were eligible for in the general population, we need to combine (i) the share of each quota group that did not take-up benefits, with (ii) how common each quota group is in the general population. The anonymised dataset therefore includes a screening survey that enables the second step, together with some Stata code that enables these two proportions to be combined into a single estimate.

Some people in the screening survey refused to tell us their income, but otherwise would have been included in one of the quota groups – and a certain proportion of these people would have been in the various groups that we look at in this report. To avoid biasing all of our estimates downwards, our main estimates re-weight the data to adjust for this non-response.[72]

YouGov surveys of the general public

We compared the mental health and financial situation of unsuccessful claimants to the general population. To do this, we used two surveys: (i) a YouGov survey of 6,000 working-age people conducted May 6-11th for the Resolution Foundation (also

funded by the Health Foundation); and (ii) a YouGov survey of 1,600 working-age people conducted May 21st-June 15th for the Welfare at a (Social) Distance project. Many thanks to the Resolution Foundation for making their data available for this report.

A general note on YouGov surveys

The surveys all use the YouGov platform – which not only has an established online panel that enables rapid data collection during lockdown(s), but is also the largest online panel in the UK. It has been extensively used for academic research, including during the COVID-19 pandemic (for an early list, see here).

The YouGov panel represents a diverse group of people recruited from a variety of sources, at the current time numbering 400,000 (UK) active users – about 0.7% of the total UK population. To generate approximately representative samples from this non-probability panel, YouGov offer incentives to a sub-sample of the panel to take part, who are designed to be representative of the national adult population (which they term 'active sampling'). Non-response weights are also calculated to ensure that the final sample match these known population totals.[73] YouGov provides more general descriptions of its panels here and via the YouGov ESOMAR statement [accessed 11/8/2020].

It is not possible to provide a conventional response rate (as a proportion of the YouGov panel members invited to participate), because participants are allocated to surveys at the point they log in to the YouGov site, rather than at the point that they are invited to participate – something that has been noted by other political scientists using YouGov data (e.g. Kootstra, 2016). For the same reason, however, this non-response is likely to be unrelated to interest in the benefits system – participants will not be aware of the topic of the survey in question, which avoids a major contributor to non-response bias (Groves et al., 2006). Across different surveys, about 1 in 5 of those invited to participate will ultimately do so, on average 19 hours after receiving the invitation email.

Note that there are two limitations to the representativeness of our weighted YouGov surveys:

- While being broadly representative of the population, the YouGov panel inevitably under-represents those with weaker written English language skills (and therefore under-represents first-generation migrants) and who struggle to access the internet via a computer/smartphone.
- Weighting ensures representative results where the weighting variables fully capture those factors that influence both participation in the survey and the phenomenon under investigation. To the extent that they fail to do this, biases can result.

It is worth noting that even 'gold standard' social research surveys – those using random samples of the population, with high response rates – must contend with threats to representativeness, as non-respondents may differ from respondents. Overall, our judgement is that for most purposes, weighted YouGov data can be

treated as broadly representative of the population – but there are particular issues in capturing some groups of unsuccessful claimants, as mentioned in the main report.

APPENDIX B: ESTIMATING ENTITLEMENT TO UNIVERSAL CREDIT

The detailed rules setting out eligibility for benefits are complex, and partly as a result, it is not easy to estimate eligibility for benefits in a survey. We here estimate eligibility for Universal Credit (UC), and in this appendix we explain how the eligibility model works in as simple terms as possible.[74] Note that we do not estimate eligibility to new-style JSA/ESA as we do not have sufficient data to check people's National Insurance contributions.

Many thanks are due to the Resolution Foundation for supplying their survey-based UC eligibility model,[75] which forms the basis for our own model – it would simply not have been possible to create this model from scratch for this rapid response project, and we are therefore indebted to the Resolution Foundation for enabling this piece of research. We adapted their model using the slightly greater detail available in our benefits-focussed survey; we note below where our model differs from the Resolution Foundation ('RF') model. The model has several components:

- Individual and partner earnings
- Alternative income measure
- Housing costs
- UC entitlement
- Accounting for missing data

We explain each part of the model in turn.

Individual and partner earnings

UC eligibility depends on household earnings. We asked respondents for the exact amount that they (and their partner) earned last week, what time period this payment refers to, and whether these earnings are net or gross. The model then converts gross into net earnings.

We amended the RF model by asking follow-up questions to those who were unable to give detailed pay data, to ask for their pay within income bands. This substantially reduced missingness: of the 832 who did not provide detailed pay (out of the 1,987 working respondents), 579 were able to provide their pay within a broad band, with only 253 being unable to do so. (Similarly for people's partners, of the 828 who did not provide detailed pay out of the 1,422 working partners, 494 were able to provide their partner's pay within a broad band, with only 334 being unable to do so).

For these people, we are obviously uncertain exactly within the pay band their pay falls; and a further 87 people (and 65 talking about their partner) were unsure whether the figure they gave was gross or net. We therefore estimate two eligibility models: a 'minimum eligibility' model (which assumes that people's pay falls at the top of these bands, and that reported pay is net if they are unsure) and a 'maximum

eligibility' model (which assumes that people's pay falls at the bottom of these bands, and that reported pay is gross if they are unsure). In the report, affected estimates are given as ranges, and 95% confidence intervals range from e.g. the lower bound of the minimum eligibility model to the upper bound of the maximum eligibility model.

There are also two more minor ways we amended the RF model. Firstly, where people's partners were paid hourly, we asked people's partners for their exact hours of work (rather than assuming 35 hours/week). Secondly, we allowed an 'other' (open text) category for the period that earnings covered, which we then coded manually.

Alternative income measure

We amended the RF model by checking the estimates of individual and partner earnings against a separate question on people's current gross annual household income. We used this broad household income measure instead of the more detailed respondent/partner earnings measures where there was reason to think that the latter were incorrect, namely:

- **Where people reported zero pay but said they were furloughed (94 respondents talking about themselves, and 13 talking about their partners);**
- **Where people reported zero pay but there were good reasons to think they were working, including:** listing their own work as a current income source and reported either working currently in their job or working some hours last week (21 people) /// listing work as a current income source and saying they have a new job since the pandemic began (2 people) /// not listing own work as a current income source but saying that last week they were working in their job (9 people);
- **Where people reported that their partner had zero pay but they seemed to be working (either they listed their partner's work as an income source, or that they worked last week – 30 people).**

Just as for individual/partner earnings, we assumed income was at the top of these bands for our 'minimum eligibility' model, and at the bottom of these bands for our 'maximum eligibility' model. Note that the alternative income measure will overestimate relevant income (and underestimate benefit eligibility) where people receive other benefits that are disregarded in calculating UC eligibility (e.g. Child Benefit or PIP).

We should emphasise that even after making these corrections, there are several major limitations to our income data. Firstly, we ask about people's earnings last week, but people's eligibility for UC will depend on a longer time period. (Given the volatility of the early lockdown period, this was a deliberate choice to make it easier for people to respond). This relates to a wider point that estimating benefits eligibility is difficult in the face of income volatility (which is common among those with low earnings)[76] – people are not just 'eligible' or 'ineligible' for fixed periods, but may cycle in and out of eligibility. Secondly, it is sometimes not clear what the right definition of someone's

'household' (or more precisely, their 'benefit unit') is, particularly for young people who are living with their parents.

Housing costs

UC eligibility depends on housing costs, up to a maximum set by the Local Housing Allowance (LHA) rate in that area.[77] (These areas are called Broad Rental Market Areas or 'BRMAs').

We amended the RF model for private renters in two ways. Firstly, we had people's exact rent, so where this was lower than the LHA level we used this (rather than using an estimated LHA level). Secondly, we have much more precise LHA rate data, as we had detail on the exact area that people lived in (at LSOA level). We therefore matched people's address to the maximum LHA rates in their BRMA. We do not have data on the number of bedrooms in people's houses, so this is imputed based on the ages of people's children.[78] Many thanks to Owen Boswarva (Datadaptive – see https://www.datadaptive.com/) who kindly provided the LSOA to BRMA lookups free of charge for this project.

(In Scotland and Northern Ireland where we do not have this data, we approximate Local Housing Allowance rates using Valuation Office data on the lower quartile of rents in that region for properties with that number of bedrooms. This is the same approach taken in the calculation of the voluntary Living Wage. These rents are likely to be underestimates on average (because these levels are often lower than LHA rates), and are subject to a certain degree of error (because the areas that these rents are applied to are different in the Valuation Office data than in the calculation of LHA).

For social renters, we amended the RF model by simply asking people to tell us their rent, and assuming that this was covered in full by UC (as social renters are not covered by LHA).

There are two things that we have insufficient detail to include in our mode: (i) Government support for owner-occupiers to pay mortgages (known as 'Support for Mortgage Interest' (SMI)); and (ii) the 'bedroom tax' / 'under-occupancy charge'. The former will lead to underestimates of eligibility, the latter will lead to overestimates.

UC entitlement

We estimate people's initial entitlement to UC (excluding earnings) by adding the basic element (which depends on whether they have a partner and their age), the child element (which is based on their number of children; see just below), and the housing element (as calculated above). We then apply the taper reduction (which reduces people's UC by the taper rate multiplied by people's earnings above any work allowances that apply).

We do not estimate entitlement to childcare support or enhanced allowances due to ill-health/disability (due to data limitations). This will underestimate benefit income in some cases.

We amended the RF model in multiple ways to improve the accuracy of estimated entitlements:

- **We take work allowances into account** (which were ignored in the original RF model);
- **We take into account the two-child limit** (albeit only for 3rd children born from July 2018 rather than April 2017);
- **We take into account people's level of savings** (UC is reduced by £4.35 for each £250 of savings that people have about £6,000; those with savings of £16,000 are ineligible for UC. This differs in our two models: in our 'minimum entitlement' model we use the top of the bands that people reported their savings were in, and assume that those who refused to tell us their level of savings were ineligible /// in our 'maximum entitlement' model we use the bottom of the bands that people reported their savings were in, and assume that those who refused to tell us their level of savings had less than £6,000 of savings);
- **We take into account if people report having No Recourse to Public Funds** (we treat as ineligible anyone who says they came on a NRPF visa), or if they say they thought they were ineligible because "I can't establish that I am present and habitually resident in the UK";
- **We updated the parameters of the UC system to match the 2020–21 financial year (including pandemic-related adjustments).**

Accounting for missing data

We were not able to estimate UC eligibility for all respondents, because a small minority of respondents could not provide any estimate of their or their partner's earnings. (This was true of 369 of 2,094 people). If we simply ignored these people then our results might be biased, because some types of people may be systematically more likely to fail to provide detail on their earnings.

To minimise this effect, we follow the RF model in creating new weights that account for differential non-response. We do this by estimating a probit regression model that looks at how non-response varies by age, region, gender, pre-pandemic working status (of themselves and their partner), number of children, highest qualification and tenure. We then scale the initial YouGov weights by the inverse of the probability of non-response.

Separately to this, we do not estimate eligibility for 669 people (out of our 2,763 respondents) who were either students or where they/their partner was retired.[79] We do not reweight the data to account for this as these are people where data are not missing, but where instead we lack sufficient detail to estimate eligibility for these groups. The numbers of people in the population who are/are not eligible for UC will therefore be slightly underestimated.

APPENDIX C: ESTIMATING ENTITLEMENT TO NEW STYLE JSA

Due to limited space, our survey focused primarily on establishing eligibility for UC. Nevertheless, we have attempted to crudely estimate entitlement to new style JSA, as follows:

Working status

New style JSA is available to people who are currently working less than 16 hours per week. However, the situation at the start of COVID-19 is complex – some people were technically attached to jobs but not being paid.[80] We have conservatively focused on those who say that they did not have a job (excluding those who said they had a job but had no shifts).

Moreover, because people's hours in the week before interview were affected by the pandemic, it is difficult to check the exact hours that people were usually working. We have therefore conservatively excluded those who reported any earnings from work at the current time.

National Insurance contributions

The main complexity in estimating entitlement to new style JSA is checking if people had made sufficient National Insurance (NI) contributions to be eligible to claim. The detailed rules on NI contributions can be found in the DWP's Advice to Decision Makers chapter R1 at https://www.gov.uk/government/publications/advice-for-decision-making-staff-guide (particularly sections R1067 and R1074). In simplified form, this requires that people were employees who earnt at least ≈£3,000 in either of the last two tax years, and ≈£6,000 across both of the last two completed tax years. (Tax years start/end in April, so for this project the relevant tax years are 2018-19 and 2019-20).

We do not have people's working history over the past 2½ years, let alone the exact amount that they earnt in each year. Instead, we approximate eligibility by assuming that anyone recently working as an employee was likely to be eligible for new style JSA. Combined with the previous criteria on working status, this means that we treat someone as possibly eligible for new style JSA if (i) they were working as an employee in February 2020 just before COVID-19; (ii) they say they are no longer working in this job; (iii) they say they have not found another job; (iv) they report no earnings from work at the present time.

It seems likely that this results in an underestimate of new style JSA eligibility. For example, there were 50,000 people not counted in the main estimate who were previously working as employees (using YouGov profile data) in the 6 months before COVID-19 (that is, since September 2020) who were not currently working, some of whom are likely to have been eligible for new style JSA.

ENDNOTES

1 See Brewer M and Handscomb K. (2020) This time is different – Universal Credit's first recession. London: Resolution Foundation. https://www.resolutionfoundation.org/app/uploads/2020/05/This-time-is-different.pdf /// House of Commons Work and Pensions Committee. (2020a) DWP's response to the coronavirus outbreak. First Report of Session 2019–21. London: House of Commons. https://committees.parliament.uk/publications/1558/documents/14743/default /// House of Commons Work and Pensions Committee. (2020b) What we learned from our survey into people's experiences of the benefits system during the coronavirus outbreak. https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/correspondence/coronavirus-survey-responses.pdf /// SSAC. (2020) COVID-19: SSAC letter to the Secretary of State /// Timmins N. (2020) Coronavirus is giving Universal Credit its moment in the sun [blog post].

2 **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. It is led by the same team as the present report. For more information, please visit https://www.distantwelfare.co.uk

3 Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications /// Edmiston D, Robertshaw D, Gibbons A, et al. (2021) Navigating Pandemic Social Security: Benefits, Employment and Crisis Support during COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

4 We exclude people who before the pandemic (in Feb 2020) were claiming UC, JSA, ESA, Income Support, Carer's Allowance, or Tax Credits. We also exclude those who had applied for Income Support or Carer's Allowance at the start of the COVID-19 pandemic. However, some UC/ESA/JSA non-claimants may have been claiming other types of benefits that are not related to work, such as Personal Independence Payment (PIP) or Child Benefit.

5 See https://www.gov.uk/government/collections/income-related-benefits-estimates-of-take-up--2, and specifically on UC, https://www.gov.uk/government/publications/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/background-information-and-methodology-2018-to-2019#context-of-the-statistics.

6 Figures are for 2015/16 and refer to income-related JSA/ESA (now replaced by UC) – see https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-201516. The DWP do not produce statistics on take-up of non-income-related benefits, which includes contribution-based JSA/ESA (now known as 'new-style' ESA/JSA).

7 Our analysis of British Social Attitudes Survey data for 2013 (the most recent year that the question was asked) finds that 69.3% agree with this statement. For most of the thirty years before this, agreement was nearer 80%.

8 Bennett F, Brewer M and Shaw J. (2009) Understanding the Compliance Costs of Benefits and Tax Credits. London: Institute of Fiscal Studies. https://www.ifs.org.uk/publications/4558

9 'Digital by default' means that the default way in which people apply for UC (and manage their claim) is online. There have been concerns that this is challenging for people who are digitally excluded ONS. (2019) Exploring the UK's digital divide /// Cheetham M, Moffatt S, Addison M, et al. (2019) Impact of Universal Credit in North East England: a qualitative study of claimants and support staff. *BMJ Open* 9: e029611 /// Beatty C and Povey L. (2018) Universal Credit in Rotherham: A transition to full service. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University. http://shura.shu.ac.uk/22800/1/universal-credit-rotherham-report.pdf. In response, the DWP has made considerable efforts to help people with weaker digital skills to navigate the system (e.g. by introducing 'Help to Claim', a DWP-funded service provided by Citizens Advice to help people until the first full payment of UC has been received). For more on Help to Claim, see https://wearecitizensadvice.org.uk/help-to-claim-the-story-so-far-63c1ab5510c8

10 The vast majority of single parents receiving benefits in the USA had not applied as soon as they become eligible (Walker R. (2005) *Social Security and Welfare: Concepts and Comparisons*, Maidenhead, UK: Open University Press.), and the same seems to be true for claiming DLA in the UK (Kasparova Kasparova D, Marsh A and Wilkinson D. (2007) The take-up rate of Disability Living Allowance and Attendance Allowance: Feasibility study. *DWP Research Report* No 442. London: Policy Studies Institute on behalf of the Department for Work and Pensions).

11 See section 2.1 of Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

12 Geiger BB, Karagiannaki E, Edmiston D, et al. (2020) Claiming but Connected to Work. Welfare at a (Social) Distance, Rapid Report #1. http://hub.salford.ac.uk/welfare-at-a-social-distance/claiming-but-connected-to-work /// House of Commons Work and Pensions Committee. (2020b) What we learned from our survey into people's experiences of the benefits system during the coronavirus outbreak. https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/correspondence/coronavirus-survey-responses.pdf /// House of Commons Work and Pensions Committee. (2020a) DWP's response to the coronavirus outbreak. *First Report of Session 2019–21*. London: House of Commons. https://committees.parliament.uk/publications/1558/documents/14743/default

13 https://www.rightsnet.org.uk/welfare-rights/news/item/verification-process-for-universal-credit-is-facing-capacity-challenges-as-477000-claims-are-made-in-just-nine-days

14 See e.g. BBC 25th March, 'Coronavirus: The newly jobless struggle to claim benefits', https://www.bbc.co.uk/news/uk-52028644

15 Letter 3rd April 2020 from Peter Schofield, DWP Permanent Secretary, to the Chair of the Work & Pensions Select Committee, https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/correspondence/Letter-from-Peter-Schofield.pdf

16 https://www.gov.uk/government/news/don-t-call-us-we-ll-call-you

17 https://www.ukauthority.com/articles/dwp-directs-universal-credit-claimants-to-government-gateway/

[18] Edmiston D, Baumberg Geiger B, de Vries R, et al. (2020) Who are the new COVID-19 cohort of benefit claimants. Welfare at a (Social) Distance, Rapid Report #2. http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/09/WaSD-Rapid-Report-2-New-COVID-19-claimants.pdf

[19] The project's page on the UK Data Service website (containing freely-available datasets and documentation to registered users) is https://beta.ukdataservice.ac.uk/datacatalogue/studies/study?id=8689

[20] Firstly, the Resolution Foundation have shared with us their separate YouGov study of the general population in early May 2020 (also funded by the Health Foundation; see Appendix A), which enables us to compare non-claimants to the general population. Secondly, we also make use of the Resolution Foundation survey-based benefit eligibility model to estimate how much each survey respondent would have received in Universal Credit; see Chapter 2.

[21] We asked, *"Still thinking about the time since the Coronavirus (COVID-19) outbreak started in March 2020 to today…At any time, do you think you / your partner would have been eligible for Universal Credit?"* This chapter focuses on those who said they would "Definitely would have been eligible" or "Probably would have been eligible". The next chapter focuses on the other possible responses: "Probably would **not** have been eligible" /// "Definitely would **not** have been eligible" /// "Can't even guess".

[22] Note that we only have 259 respondents in this group: enough to produce reasonable estimates, but often surrounded by quite a wide margin of uncertainty.

[23] Ranges in brackets refer to 95% confidence intervals. These show the range of uncertainty around our estimates due to using a sample (rather than speaking to everyone), but do not capture other sources of uncertainty, which are discussed separately in the text/appendices. The main estimate in normal text is our single best estimate of the true figure, but given the uncertainty that comes from using sample surveys, we can be more confident that the true figure is somewhere in the range in brackets.

[24] Thanks to the Resolution Foundation for supplying their benefits eligibility model, to which we have added additional details – see Appendix B.

[25] This is 0.59% [0.48 to 0.69%] of the working-age population.

[26] The full question text was, *"At the time that you thought you might be eligible, why did you not apply for Universal Credit? (Please select all that apply)."* Possible answer categories were <1> I was comfortable financially so didn't need it /// <2> I was struggling financially, but thought things would get better soon /// <3> I didn't want to be the kind of person who claims benefits /// <4>I didn't want to be forced to do things under the threat of sanctions /// <5>I would be worse-off if I claimed benefits /// <6>I had heard that it was hard to claim during the pandemic /// <7>I didn't think it would be worth the hassle /// <8> I thought other people needed benefits more than me /// <9> I didn't claim for other reasons /// <10 xor> Don't know.

[27] We asked, *"Under normal circumstances, some people receiving Universal Credit (UC) need to have meetings with the Jobcentre and show they are looking for work, otherwise their benefits are cut. If you were to consider applying for UC in the future, would this put you off applying, or would it not affect your decision?"* The response options were: <1> Yes, it would put me off applying in future /// <2> No, it wouldn't affect my decision to claim.

[28] This includes both our minimum and maximum estimates of people's eligibility for UC. With minimum estimated eligibility, we estimate that 0.69% [0.56 to 0.81%] of the working-age population wrongly think they are ineligible, equivalent to 280,000 people [230,000–330,000]. With maximum estimated eligibility, we estimate 0.96% [0.81 to 1.12%] wrongly think they are not eligible for UC, equivalent to 390,000 people [330,000-450,000].

[29] However, the estimated eligibility from benefits calculators does not always match the DWP's final judgement of what people are eligible for (see Chapter 3).

[30] This is 1.07% [0.91 to 1.24%] to 1.38% [1.19 to 1.57%] of the working-age population. It includes (i) those who think they are **currently eligible**, who we estimate would be eligible for UC; (ii) those who think they were **eligible at some point** during the COVID-19 pandemic but were not eligible at the time we spoke to them (for whom we cannot estimate eligibility); and (iii) those who **thought they were ineligible** for UC, but we estimate that they would have been.

[31] While we use the term 'household' in this report for clarity, UC entitlement is primarily based on the income of a 'benefit unit' – that is, a single person or married/cohabiting couple and any dependent children. Income from non-dependents (including non-dependent children) is not included, although there is a deduction usually made of £75.15/pcm for their assumed contribution to housing costs – see https://www.entitledto.co.uk/help/non-dependants

[32] See Baumberg B. (2015) The stigma of claiming benefits: a quantitative study. *Journal of Social Policy* 45: 181-199 /// Baumberg B, Bell K and Gaffney D. (2012) *Benefits Stigma in Britain*. London: Elizabeth Finn Care/Turn2us. http://www.turn2us.org.uk/about_us/media_centre/news_archive/benefits_stigma.aspx

[33] Baumberg B. (2015) The stigma of claiming benefits: a quantitative study. *Journal of Social Policy* 45: 181-199.

[34] This way of thinking about stigma is taken from following Baumberg et al (2012; 2015), in turn based on earlier stigma researchers.

[35] Edmiston D, Robertshaw D, Gibbons A, et al. (2021) Navigating Pandemic Social Security: Benefits, Employment and Crisis Support during COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

[36] The one exception was Paul, who had migrated earlier in life (as a 12-year old) than the other migrants we spoke to.

[37] This is also found in the wider literature, e.g. Schweyher M, Odden G and Burrell K. (2019) Abuse or Underuse? Polish Migrants' Narratives of (Not) Claiming Social Benefits in the UK in Times of Brexit. *Central and Eastern European Migration Review* 8: 101-122 /// Martin P, Scullion L and Brown P. (2017) "We don't rely on benefits": challenging mainstream narratives towards Roma migrants in the UK. *Social Policy Review* 29. Policy Press.

[38] We measured personal stigma by asking if people agree that *"I think* [people/most other claimants] *should feel embarrassed to claim benefits"* /// We measure stigmatisation by asking if people agree that *"British people generally think claimants should feel embarrassed to claim benefits."* /// We measured claims stigma by asking if people agree that "*People are*

generally treated with respect when they claim benefits." /// We capture the extent to which people themselves feel stigma by asking if they agree that *"I personally would feel embarrassed to claim benefits"* (if they had not claimed) or *"I personally felt embarrassed to claim benefits"* (if they had).

39 Compared to the general public, those who didn't want to claim were much more likely to feel that other people would stigmatise them for claiming (61.6% agreeing with this, compared to 40.8% of the general public excluding claimants). However, these views are similar to those who wrongly thought they were ineligible, and similar to new UC claimants. Moreover, looking at a different measure, those who didn't want to claim UC are less likely than the general public to say that they would feel embarrassed to claim benefits.

40 See section 2.1 of Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

41 A joint letter on benefit take-up to the UK Secretary of State for Work and Pensions from all the devolved administrations (November 2020) is available from https://www.gov.scot/publications/benefits-take-up-joint-letter-to-the-uk-government/

The Scottish take-up strategy 2019 is available at https://www.gov.scot/publications/social-security-scotland-act-2019-benefit-take-up-strategy-october-2019/pages/2/ . The existence of the strategy was welcomed by a coalition of charities, who also stressed ways that it could be improved – see https://cpag.org.uk/sites/default/files/files/post/SCoRSS%20benefits%20take-up%20final.pdf

The Welsh Child Poverty Income Maximisation Action Plan 2020 is available at https://gov.wales/child-poverty-income-maximisation-action-plan-2020-2021-html . Details of their March 2021 benefit take-up campaign 'Claim What's Yours' are available at https://gov.wales/written-statement-first-national-welfare-benefit-take-campaign

The latest figures on the long-running Northern Ireland 'Make the Call' campaign are available at https://www.northernireland.gov.uk/node/47513

42 This was slightly greater than the proportion saying they had applied (the others either said they didn't need it or hadn't heard of it, or selected 'other').

43 Geiger BB, Karagiannaki E, Edmiston D, et al. (2020) Claiming but Connected to Work. Welfare at a (Social) Distance, Rapid Report #1. http://hub.salford.ac.uk/welfare-at-a-social-distance/claiming-but-connected-to-work/.

44 See Brewer M and Patrick R. (2021) Pandemic Pressures: Why families on a low income are spending more during Covid-19. London: Resolution Foundation. https://www.resolutionfoundation.org/publications/pandemic-pressures/.

45 Note that the 'didn't want to claim' group includes a small number of people with higher levels of savings that would make them ineligible for UC. This is for two reasons: (i) some people thought there were eligible for UC but we estimate that they were wrong (see earlier in this chapter); and (ii) some of the 'didn't want to claim' group thought they were eligible earlier in the COVID-19 pandemic, and no longer think they are eligible – so they may have received lump sums that raised their savings above the previous level.

46 That is: 29.1% [22.6 to 36.6%] of those who didn't want to claim and 20.3% [14.7 to 27.4%] of those who wrongly thought they were ineligible were relying on borrowing or gifts from friends/family , compared to 5.2% [4.6 to 5.8%] of the general public excluding claimants.

47 Our anxiety measure is one of the Office of National Statistics' (ONS) four measures of national wellbeing. It asks people "*Overall, how anxious did you feel yesterday*?" on a 0–10 scale from 'not at all anxious' to 'completely anxious'. Following the ONS, we use a score of 6+ as indicating high anxiety.

48 Our measure of poor mental health is the widely-used series of 12 questions known as the General Health Questionnaire (GHQ-12), which is a well-validated and widely-used measure of probable mental ill-health (Goldberg and Williams, 1988). It includes questions on e.g. whether people feel happy, whether they have lost sleep due to worry, and whether they can concentrate. Each question is on a four-point response scale; the standard cut-off for poor-mental health is if someone reports either of the two most serious options on the response scale for four or more of the 12 questions.

49 Fancourt D, Bu F, Hei Wan Mak, et al. (2020) Covid-19 Social Study: Results Release 19 (26th August 2020). https://www.covidsocialstudy.org/results

50 JSA data from Stat-Xplore, 25/3/2021; figures refer to the number of claims of less than 3mths duration in Nov/19, Feb/20, May/20 and Aug/20. There were also 75,000 new ESA claims in Feb-Aug 2020, compared to 50,000 in the previous six months.

51 This included 12.8% who said that they had not heard of JSA/ESA at all, and 59.7% who said that they had heard of JSA/ESA, but it hadn't occurred to them to claim them.

52 See Rod Hick, 22nd May 2020, 'COVID-19 and the bypassing of contributory social security benefits', http://blogs.bath.ac.uk/iprblog/2020/05/22/covid-19-and-the-bypassing-of-contributory-social-security-benefits/

53 https://www.gov.scot/publications/social-security-scotland-act-2019-benefit-take-up-strategy-october-2019/pages/2/ . The existence of the strategy was welcomed by a coalition of charities, who also stressed ways that it could be improved – see https://cpag.org.uk/sites/default/files/files/post/SCoRSS%20benefits%20take-up%20final.pdf

54 For 2009/10 to 2015/16 data, see https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-201516, supplementary table JSA1. For the earlier series, see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/222915/tkup_full_report_0910.pdf Table 6.5.1 in the main report. In both cases, statistics refer to take-up by caseload rather than expenditure. The declining take-up of unemployment benefits is also visible using a slightly different methodology used by Phillips T. (2017) Falling through the cracks: The widening gap between unemployment and benefit statistics. London: Resolution Foundation. https://www.resolutionfoundation.org/app/uploads/2018/01/Claimant-gap.pdf, which compares the claimant count with the ILO measure of unemployment in the Labour Force Survey; the gap between these rises from effectively zero in the early 1990s to 50% in the mid-2010s.

55 See Finch D. (2018) The benefits of moving: Managing the transition of existing claimants to Universal Credit. London: Resolution Foundation. https://www.resolutionfoundation.org/publications/the-benefits-of-moving-managing-the-

transition-of-existing-claimants-to-universal-credit/. These claims were still being made in 2020 just before COVID-19: in oral questions in the House of Commons on 27th Jan 2020, in response to a question about whether UC will be more generous than the system it replaces, DWP Minister Will Quince said, "Compared with the system it replaces, universal credit will, in total, give claimants an extra £2.1 billion a year once fully rolled out. Around 1 million disabled households will receive, on average, around £100 more per month, and 700,000 families will get the extra money to which they are entitled. In short, the answer is yes" (see here).

56 Our survey and eligibility model (both available in the Data Archive here) allow estimates of UC take-up to be made, and (more crudely) also JSA take-up. However, future data collection could improve on this by:

- Looking at respondents' employment status over the past month, rather than the past week, to align with UC assessment periods;
- Looking at respondents' past income over a longer period (say the past three months), as well as their expected future income;
- Looking at respondents' employment status and income over the previous two tax years, to better enable an estimate of whether they meet the National Insurance contribution conditions that would entitle them to contributory benefits (much as by necessity these estimates will be imperfect).

57 Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications.

58 Ibid.

59 On the ambition to simplify the system in the move to UC (and whether this actually produces a simplified process for claimants), see Summers K and Young D. (2020) Universal simplicity? The alleged simplicity of Universal Credit from administrative and claimant perspectives. *Journal of Poverty and Social Justice* 28: 169–186.

60 See https://dwp-benefits-checker.shorthandstories.com/step-1/index.html and https://dwp-benefits-checker.shorthandstories.com/step-1/index.html

61 As Timmins N, Tetlow G, Emmerson C, et al. (2021) Jobs and benefits: The Covid-19 challenge – A joint report by the Institute for Government and Social Security Advisory Committee Institute for Government and Social Security Advisory Committee. https://www.instituteforgovernment.org.uk/sites/default/files/publications/jobs-benefits-covid-challenge.pdf say, "When individuals or households are debarred from Universal Credit by their savings, the government should much more actively – on its websites and in its contacts via Jobcentres – point individuals to the possibility that they may qualify for contribution-based JSA or ESA."

62 See https://www.servicesaustralia.gov.au/individuals/centrelink/get-centrelink-payment

63 Quote taken from Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications from research among successful claimants

64 Edmiston D, Robertshaw D, Gibbons A, et al. (2021) Navigating Pandemic Social Security: Benefits, Employment and Crisis Support during COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

65 This issue is discussed in more detail in Baumberg B, Bell K and Gaffney D. (2012) Benefits Stigma in Britain. London: Elizabeth Finn Care/Turn2us. http://www.turn2us.org.uk/about_us/media_centre/news_archive/benefits_stigma.aspx

66 Ibid.

67 See Patrick R and Simpson M. (2020) Conceptualising dignity in the context of social security: Bottom-up and top-down perspectives. *Social Policy & Administration* 54: 475-490. and Baumberg B, Bell K and Gaffney D. (2012) Benefits Stigma in Britain. London: Elizabeth Finn Care/Turn2us. http://www.turn2us.org.uk/about_us/media_centre/news_archive/benefits_stigma.aspx

68 Summers K, Lisa Scullion, Geiger BB, et al. (2021) Claimants' experiences of the social security system during the first wave of COVID-19. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/publications

69 GfK NOP Social Research. (2011) Targeting Benefit Thieves Campaign Tracking Research: Report on the launch and first burst of the new 'And they thought they'd never be caught' campaign. London: A research report for the Department for Work and Pensions [made available via the Freedom of Information Act]. http://www.dwp.gov.uk/docs/foi-905-2011-reprtc.pdf

70 Baumberg B, Bell K and Gaffney D. (2012) Benefits Stigma in Britain. London: Elizabeth Finn Care/Turn2us. http://www.turn2us.org.uk/about_us/media_centre/news_archive/benefits_stigma.aspx

71 Within each of the four quota groups, the data is weighted by age (18–24/25–49/50–64), gender, region (North/Midlands/London/South/Wales/Scotland/NI), education (low/medium/high). We then weighted again by the four non-claimant groups so the overall sample was also representative. To create targets for these weights we used a large weighted nationally representative file (n=77,358) that included the screening variables. We then crossed the four non-claimant groups by our weighting variables to produce representative targets for these groups. We used the same method to produce targets for non-claimant type in the overall sample.

Because we based the data on answers to the screening variables, those who were screened out of the survey for not matching the criteria of the four groups due to answers within the survey were still included in the weighting. Similarly, the small group of respondents who were invited to the survey based on answers provided in a separate claimant survey, were not included in the weighting as we were unable to allocate them a group from the screening variables.

72 That is: for the group of people who did not think they were eligible for benefits (but might need them), 2.4% of the working-age population were in the low-income group (<£30/45k), 2.5% were in the high-income group, and 1.2% were missing income data. For the group of people who thought they were eligible (and might need them), 1.4% of the working-age population were in the low-income group (<£30/45k), 0.9% were in the high-income group, and 1.0% were missing income data.

We estimated the probability of having missing income data (within each of these two groups separately) based on age, gender, number of children, and education (we experimented with including region, but it had no effect on response). We then adjusted the existing weights of those that gave their income data in each group by dividing the weights by the predicted probability of non-response, and then rescaling the weights so that the two groups were the correct size (that is, 6.1% of the working-age population for those who did not think they were eligible, and 3.3% of the population for those who did think they were eligible). Full code is given in the replication file at https://www.distantwelfare.co.uk/publications

73 Normal YouGov weights are based on age, gender, social class, region and level of education. For political work they also weight by how respondents voted at the previous election, how respondents voted at the EU referendum and their level of political interest. The known totals are taken from large random surveys (the Labour Force Survey, the National Readership Survey and the British Election Study) and administrative data (the Census, official ONS population estimates, electoral results).

74 The full Stata code of the eligibility model (along with the code for the analyses) are published <here>.

75 As used in e.g. Brewer M and Gardiner L. (2020) Return to spender: Findings on family incomes and spending from the Resolution Foundation's coronavirus survey. London: Resolution Foundation. https://www.resolutionfoundation.org/app/uploads/2020/06/Return-to-spender.pdf

76 Hills J, Smithies R and McKnight A. (2006) Tracking income: how working families' incomes vary through the year. *CASEpaper 32*. London: Centre for Analysis of Social Exclusion (CASE), LSE. https://sticerd.lse.ac.uk/CASE/_NEW/PUBLICATIONS/abstract/?index=2310

77 LHA is set at the 30th percentile of rents in a given area (the 'Broad Market Rental Area') for properties with that number of bedrooms. LHA rates were set in 2012 and not uprated until the start of the COVID-19 pandemic – see https://www.resolutionfoundation.org/comment/key-take-aways-chancellors-package-of-measures-to-support-workers-coronavirus-crisis/ . The exact LHA rates used in our model are available at https://www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2020-to-march-2021 (England) and https://gov.wales/local-housing-allowance-lha-rates (Wales).

78 We assume that (i) people need one bedroom if they have no children; (ii) they need an extra bedroom for every 2 children aged under-10 (who are assumed to share a room) or every 1 child aged 10–18; (iii) they need three bedrooms in all other circumstances. This assumes that children aged 10–16 need their own room (when the Government's assumptions are that two siblings of this age of the same sex can share a room).

79 164 people indicated that they were a student. 509 people indicated that they or their partner were retired – 160 people said their partner's pre-lockdown employment status was 'retired', while 462 people said that their household income currently included a pension ('whether state, occupational or private, for me or my partner').

80 Geiger BB, Karagiannaki E, Edmiston D, et al. (2020) Claiming but Connected to Work. Welfare at a (Social) Distance, Rapid Report #1. http://hub.salford.ac.uk/welfare-at-a-social-distance/claiming-but-connected-to-work/

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