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WELFARE — AT A SOCIAL DISTANCE

The Health Foundation

PROJECT REPORT MAY 2021

Should social security reach further? Ineligibility for benefits at the start of COVID-19

Ben Baumberg Geiger, Lisa Scullion, Kate Summers, Philip Martin, Cormac Lawler, Daniel Edmiston, Andrea Gibbons, Jo Ingold, David Robertshaw and Robert de Vries

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. However, there is a political question about whether more people should be eligible for benefits *per se*. This is partly about whether more people should be eligible for UC, by amending the household means test (so that people are less affected by their partner's earnings), amending or removing the wealth test, or amending the restrictions on access to benefits by migrants. But it is also about the role of contributory benefits – 'new style' Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA) – and whether the contributory benefits system needs reform.

In this report, we present the findings of exploratory research funded by the Health Foundation focusing on people who are ineligible for benefits but who may be in financial need.

PEOPLE INELIGIBLE FOR UC

Among people who may have been financially struggling, we estimate that in July–August 2020 there were:

- **200,000 people ineligible for UC solely due to their partner's earnings;**
- **200,000 people ineligible for UC solely due to their savings; and**
- **At least 50,000 people ineligible for UC solely due to migration status.**

In total, among people who may have been financially struggling, there were 470,000-480,000 people ineligible for UC for a single reason.

More broadly, **we estimate that there were about half a million (480,000–540,000) people who had lost 10% or more of their income during the pandemic and may have been financially struggling, but were ineligible for both UC and contributory benefits** (new style JSA). Half of this group overlaps with the three previous groups, but half of this group were ineligible for UC for more than one reason.

These are mostly not employees that had completely lost their jobs, but were instead primarily people with reduced income/hours (including furlough) or who were self-employed and not getting enough work. Other than any remaining work-related income, many were using savings, but large minorities were relying on friends/family or borrowing from a credit card or bank.

Levels of financial strain among most of these groups was relatively high (with the exception of those ineligible solely due to savings). Around 40% of each group reported severe financial strain, and about 50% of each group reported poor mental health. These levels are slightly lower than among successful claimants, but much greater than among the general public excluding claimants.

We estimate that there were 70,000 people [50,000-90,000] **recently skipping meals where their income fell but they were ineligible for benefits**

Many people in these groups had strong feelings about the fairness of being ineligible for benefits (if they thought they were ineligible). Among those who may have been financially struggling, the majority of those ineligible solely due to their migration status felt it was unfair, as did around half of those ineligible solely due to savings or partner earnings, or who had experienced an income shock and were ineligible for benefits.

UNSUCCESSFUL UC/JSA/ESA CLAIMANTS

We estimate that 290,000 people unsuccessfully tried to claim UC, JSA or ESA during the start of the COVID-19 pandemic (and a further 350,000 people considered making a claim without beginning an application).

Some of those who had tried and failed to claim were confused about their eligibility, were worried about the 'hassle' of claiming, or had experienced problems in claiming. But it was rare for this to stop them claiming (only 43,000 people). This is surprising given the unprecedented increase in claims after lockdown and may be testament to the process changes made by the DWP, although we should stress that our survey is also likely to have underestimated this group.

The most common reasons people reported for their claims being rejected were that they/their partner were still earning too much money (45.4%) or had too much in savings (23.9%). Often these were because of people's partner rather than the respondent themselves, again raising issues around the household means test. There were also those who never understood why their claim was rejected (12.4%), showing the confusion that some people faced in navigating the benefits system.

In the absence of benefit income and often facing sharp income drops, unsuccessful claimants used several different ways of getting by financially: most commonly using savings, relying on friends/family, or borrowing from a bank/credit card. Yet even so, many were struggling financially. Nearly half (46.9%) reported severe financial strain. Some (15.2%) had been hungry because they had skipped a meal in the previous two weeks, equivalent to 45,000 people. Unsuccessful claimants also had much higher levels of mental ill-health than the general population (excluding claimants).

CONCLUSIONS

We have shown that among people who may have been financially struggling, there is significant financial strain amongst those who are ineligible for benefits (UC and new style JSA); much more than amongst the general public, although usually not quite as high as among successful claimants. This was particularly amongst those who were ineligible for UC due to partner earnings, and amongst those experiencing income shocks who were ineligible for both UC and contributory benefits. Many (though not all) also felt it was unfair that they were not eligible.

Given the exploratory nature of this initial research, we do not make specific recommendations here about changing eligibility for benefits. These issues may require a fundamental redesign of the benefits system, and we need many pieces of information to underpin such radical shifts in policy. Alongside our research here, we need to consider issues of fairness, economic impacts, modelling of precise policy options, and the wider legitimacy of the benefits system. However, we will return to consider how to reform the social security system as a whole later in 2021 as our *Welfare at a (Social) Distance* project concludes.

Nonetheless, we do make one specific recommendation here. It is clear that there are relatively high levels of need amongst people who apply for benefits but are rejected. Irrespective of any changes to eligibility criteria, it should be straightforward for the DWP to offer additional guidance when telling people that they are ineligible for benefits. This could include information on (i) other benefits that they may be eligible for (ideally tailoring this to the information about their situation that they submitted when applying); (ii) other sources of financial support that may be available (e.g. from the local council); and (iii) other organisations that can provide advice and support (e.g. Citizens Advice).

CONTENTS

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 recent reports from the Welfare at a (Social) Distance project,[2] we looked in detail at successful claimants' experiences of the benefits system during COVID-19[3]; the organisations providing support to those seeking financial assistance during COVID-19[4]; and non-take-up of benefits by those who were eligible for them.[5]

Yet the situation of those who were ineligible for benefits but who may be in financial need has been given less attention. In this report, we present the findings of exploratory research into this group funded by the Health Foundation.

SHOULD ELIGIBILITY FOR UC BE BROADENED?

Decisions about who should be eligible for UC are fundamentally political. They reflect views about the purpose of social security policy and how this can best be achieved, balanced against wider impacts including poverty, health and wellbeing; public finances; and the wider economy. Here, we were particularly interested in three aspects of eligibility that are relevant to social security during COVID-19, but also echo more longstanding debates:[6]

The household means test

Like other means-tested benefits, UC looks at financial need in people's whole household rather than just themselves as an individual (in UC's case defining this as a 'benefits unit', which means either single people or married/cohabiting couples, plus their dependent children). This means that people who have lost their job will sometimes be ineligible for UC if their cohabiting partner is still working and earns above a certain level (the exact level depending on their situation).

The household basis for eligibility raises many practical challenges amongst couples,[7] and there has been some public discussion about the fairness of people being 'financially punished because [they are] in a relationship',[8] particularly as wider social norms emphasise individuality rather than dependence within couples. There has also been a concern that the system discourages second earners in a household from working.[9] While the household means test is integral to UC and indeed means-tested benefits across the world, it is possible to 'partially individualise' means-tested benefits so that each individual at least has a work allowance and therefore has a financial incentive to work, as occurs in e.g. Australia.[10] Moreover, one of the changes made in Australia in response to COVID-19 was to temporarily give higher benefit payments to people whose partners where working.[11]

A related issue is whether benefit payments can be split so that some money goes directly to each partner. Currently UC can only be made in a single payment, and concerns have been raised about the extent to which this can lead to greater poverty or even financial abuse where which money is not shared equally within a couple.[12] Again, this does not have to be the case, with the Australian means-tested benefits providing each individual with their own access to payment.[13]

2. Wealth testing

UC also has a 'wealth test' or 'asset test': that is, it restricts eligibility based on the level of savings held by the claimant and their partner. UC is reduced where people have assets above £6,000 (excluding people's home or pension), and if the couple has £16,000 or more, then they have no entitlement to UC whatsoever.

One concern with wealth testing is that the limit was set too low. It has not been raised since 2006, and if it had been uprated in line with prices then the £16,000 limit would now be £23,500.[14] A recent report by the Social Security Advisory Committee and Institute for Government called for the limit to be raised to £25,000, and for this higher level to then be indexed to prices so that it continues to rise appropriately each year.[15]

More broadly, several organisations have called for 'wealth testing' for UC to be temporarily changed or removed during COVID-19,[16] as has occurred in other countries such as Australia.[17] However, the DWP have strongly argued that wealth tests should be maintained.[18]

3. Migrants and non-UK nationals

Recent years have seen various changes to the circumstances under which migrants and non-UK nationals are eligible for benefits.[19] Ineligibility partly stems from coming to the UK on 'No Recourse to Public Funds' visas, which prevents people from claiming means-tested benefits like UC (the Migration Observatory at the University of Oxford has recently estimated that there are 1.4m people in the UK with No Recourse to Public Funds).[20] Ineligibility also arises where people struggle to show that they meet the benefits systems' requirements about habitual residency and a genuine prospect of work (GPoW), which has been a particular problem for EU nationals.

Concerns about migrants' ineligibility were raised during the initial COVID-19 lockdown, because some people faced practical challenges in returning to their country of origin so were left ineligible for benefits, but in acute need.[21] Indeed, our own research with local organisations providing benefits, employment and crisis support demonstrates how migrants are some of the worst affected by COVID-19, but also those most poorly served through digital or remote platforms, and therefore in urgent need of assistance.[22]

THE ROLE OF CONTRIBUTORY BENEFITS

Most attention during COVID-19 has been focused on UC, but it is also crucial to consider 'contributory' benefits; that is, benefits only available to people who have paid enough recent National Insurance contributions. Two contributory benefits exist, new style Jobseeker's Allowance (JSA) and new style Employment and Support Allowance (ESA), and people who have mostly been in work in the previous two years are likely to qualify for them.[23] Some people will claim ESA/JSA instead of UC, although it is possible for people to claim both simultaneously (with the ESA/JSA topped-up by UC).

In one sense, contributory benefits respond to all three of the concerns around eligibility raised in the previous section:

- **The household means test:** contributory benefits like new style JSA/ESA are based on individuals: they look at an individual person's contributions and income, ignoring their partner. People will therefore be eligible to claim new style JSA/ESA even if their partner is working.
- **Wealth testing:** new style JSA/ESA do not include wealth testing and are available to people who are not working irrespective of their savings and other assets.
- **Migrants and non-UK nationals:** migrants are eligible for contributory benefits if they have paid the required National Insurance contributions, even if they have a 'No Recourse to Public Funds' visa.

However, the current contributory benefits do not resolve these issues for three further reasons:

4. Lack of awareness of contributory benefits

There are several signs that awareness of contributory benefits is much lower than awareness of UC,[24] as we summarised in a recent *Welfare at a (Social) Distance* report.[25] Amongst people who had lost a job, the overwhelming majority said that it had never occurred to them to claim; and even amongst those who had applied for UC and been rejected, the overwhelming majority said that they had not considered applying for new style JSA/ESA. Overall, we crudely estimated that 80,000 people were probably eligible for new style JSA but did not claim it. Contributory benefits do not meaningfully address the eligibility issues above if people are not aware that they exist.

5. Financial inadequacy

New style JSA/ESA are also much less generous than UC. They do not include certain elements that many claimants are eligible for, e.g. for housing and children,[26] and do not provide 'passporting' for people to claim things like free school meals and free prescriptions. Even this level of support in JSA/ESA is mostly time-limited (e.g. six months for JSA claimants). Moreover, the basic level of new style JSA/ESA is currently less generous than UC, because the UC £20 uplift — the increased generosity due to COVID-19 — was not extended to new style JSA/ESA. This raises issues of fairness; the Social Security Advisory Committee and Institute for

Government have recently said that the lower generosity of contributory benefits "hardly seems equitable, when those who qualify for contribution-based JSA do so precisely because they have directly paid into the system." [27]

6. Providing broader income protection

New style JSA/ESA are flat-rate benefits; everyone in the same situation receives the same amount. This is different to the furlough scheme (officially the 'Coronavirus Job Retention Scheme'), which paid people 80% of their previous wages, providing them with a broader level of income protection. (The principles behind the Self-Employment Income Support Scheme (SEISS) were similar). Those not eligible for furlough or SEISS therefore had much less of their income protected during COVID-19.[28]

In fact, the UK is rare amongst high-income countries in not providing similar income protection as part of its contributory benefits system. (All the high-income (OECD) countries except Finland, Greece, Poland and the USA pay initial unemployment benefits at a fixed share of previous wages, at least to some extent.[29]) As a result, while unemployment benefits are low by international standards for all claimants, they are particularly low for people who were previously average earners; for example, for single people without children among 27 OECD countries, the UK has the 3rd most ungenerous unemployment benefit for average earners.[30]

There is now some discussion about whether there should be a bigger ambition for contributory benefits than simply matching the generosity of UC. In the words of a recent report from the Social Security Advisory Committee and Institute for Government, "Beveridge, in what became the founding document of the UK's post-war welfare state, judged that the British people wanted a 'something for something' system – benefit in return for contributions. That has been progressively eroded. The time has come to restore at least an element of that." [31]

IN THIS REPORT

In this report, we discuss the findings of our new exploratory research into people ineligible for UC and new style ESA/JSA at the start of the COVID-19 pandemic. This research is unusual in that it looks at financial struggles and mental health among people ineligible for benefits (rather than making arguments about fairness, legitimacy or economic issues). Other issues are also important in future discussions about benefits eligibility, and we return in the final chapter to set out a framework for these discussions going forward.

The research was funded by the Health Foundation, building upon our wider ESRC-funded *Welfare at a (Social) Distance* project, and 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 Open Science Foundation.[32]

- **We mainly focus on people who may have been financially struggling** - that is, they were on low-to-middle incomes, and didn't say they were comfortable financially or that their income hadn't changed in lockdown.
- **We focus on non-claimants of UC, ESA and JSA** (we also exclude Tax Credit claimants [33]). 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.
- **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 would like to thank the Resolution Foundation for their help with two parts of this research.[34]

Our findings are organised into two chapters: (1) Ineligible claimants; and (2) Unsuccessful claimants (that is, those ineligible claimants who applied but were rejected.)

1. PEOPLE INELIGIBLE FOR BENEFITS

In this chapter, we look at two sets of people ineligible for benefits (and who may have been financially struggling[35]) who are of particular policy interest given the issues raised in the Introduction. Firstly, we look at people ineligible for UC for a single reason, to show the situation of people who would become eligible for UC if a single aspect of policy was changed. Secondly, we look more broadly at people who have had an income shock but who are ineligible for both UC and JSA (we are unable to estimate eligibility for ESA due to the challenges in replicating benefits disability assessments within a survey). The chapter begins by outlining each group in more detail, before looking at their financial situation and mental health.

To enable this analysis, we estimated all of our survey respondents' eligibility for UC and new style JSA (see Appendices B and C). 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 UC 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).

Still, estimating eligibility for UC and contributory benefits are both challenging, and have 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. Our UC eligibility estimates are subject to some uncertainty, particularly where people's income was volatile and does not consistently fall into the monthly UC income assessment periods. Our JSA eligibility estimates are subject to even greater levels of uncertainty, given that we have not attempted to capture people's history of National Insurance contributions, and as a result they underpin fewer analyses in this chapter. While the results below should be interpreted with these caveats in mind, we hope that they contribute to current debates about benefits eligibility, as well as prompting future research that reduces some of these uncertainties.

1.1 PEOPLE NOT ELIGIBLE FOR UC FOR A SINGLE REASON

In this section we look at those who were ineligible for UC because of one reason only: partner earnings, savings and migration status. In each case, there have been calls to make some/all of the group eligible for benefits, and defining these groups enables us (in the rest of the chapter) to examine the extent to which these groups were struggling financially.

1. Partner earnings only
Among those who may have been financially struggling, we estimate that 200,000-220,000 people [95% confidence interval 160,000–260,000] **were ineligible for UC solely because of their partner's earnings:** about 0.5% of the working-age population.[36] (As explained above, the range in the central estimate is because we run our UC eligibility model twice, once making assumptions that lead to a minimum UC eligibility, and once estimating a maximum UC eligibility; see Appendix B). Note that these estimates remove a person's partner and their earnings from the household, so the reduction in earned income is partially offset by the reduced entitlement from only having one adult in the household.

This excludes people who were ineligible for UC because of their partner's assets, as we cannot split household assets by partner. However, in a previous report we found that 8.9% [5.8 to 13.2%] of people rejected from UC said that this was because of their partner's savings.[37]

2. Savings only
Among those who may have been financially struggling, we estimate that 210,000-220,000 people [170,000–270,000] **were ineligible for UC solely because of their savings/assets:** about 0.5% of the working-age population. These are mostly people who have at least £16,000 of savings, although a small number (about 2%) had savings of £12,000–£16,000, which led to a small UC entitlement being eroded to nothing.

Of the people telling us about their assets in detail,[38] more than one in three had savings of £16,000–£30,000, while 60% had savings of more than £30,000. This suggests that about 80,000 people would have been eligible for UC if the wealth test limit was raised from £16,000 to £30,000. However, we have too few respondents to focus only on those who were ineligible for UC because of savings/assets in the £16,000-£30,000 range, so in this chapter we focus on the broader group of people ineligible solely because of savings of any amount.

3. Migration status only
Finally, we look at people who are ineligible solely because of their migration status. In our screening survey of 170,000 people, we asked people if they had applied for benefits since the start of COVID-19, and if not, why not. Relatively small numbers said they were not eligible for benefits 'due to my immigration status', and we went back to 260 of them for our follow-up survey. However, not all of these people then repeated that they had any migration-related reasons for their ineligibility.[39] Of those who did, some were also ineligible for other reasons (e.g. earnings or savings). This leaves only 67 respondents who are ineligible solely due to their migration status, which means that there is considerable uncertainty around our estimates for this group (as shown by the confidence intervals).

Readers should also note that YouGov have explicitly stated that their surveys often under-represent migrants, particularly non-English-speaking, first-generation migrants. Nevertheless, it is still valuable to look at the situation of migrants in this exploratory research. They are a group that experts, politicians and charities have raised particular concerns about during COVID-19.They are also a group that are seldom heard in social surveys, because of a range of barriers that make it difficult for researchers to reach them (including language and both physical and digital access). These barriers were even harder to overcome during COVID-19, where the impossibility of face-to-face research required researchers to use online panels, which suffer from exactly the same problems as the YouGov panel. Despite the issues around this data, it is important to look at migrants in this report.

Acknowledging the above caveats, we estimate that *at least* 50,000–60,000 people [30,000-80,000] **were ineligible for UC solely because of their migration status: about 0.1% of the working-age population. Around half of these people were students,**[40] and overwhelmingly these are people who have not applied for benefits, rather than those who have applied and been rejected. But we should stress that the true figures are likely to be higher.

Overall, we estimate that among those who may have been financially struggling, there were 470,000–480,000 people [410,000-540,000] **who were ineligible for UC for a single reason.**

1.2 LOOKING AT BROADER INELIGIBILITY FOR UC AND JSA

The second way that we look at ineligibility in this report is to look beyond specific UC issues and instead look at people who have had an income shock who are ineligible for benefits. To understand the analyses that follows, readers should be aware of the following:

- **By ‘income shock’, we mean a sudden sharp drop in household income.** This is not meant to suggest that income shocks should be a direct criteria for benefits eligibility, particularly not at the household level. Instead, looking at people suffering income shocks allows us to create a crude group of people who might be struggling financially for a variety of reasons, each of which could lead to benefits eligibility in a reformed system (we look at the explanations for these income shocks in the following section).
- **Our precise definition of ‘income shock’ is a 10% or greater drop in household income since before COVID-19** (i.e. between February 2020 and July/August 2020). We also briefly look at the numbers who have seen 25% or greater drops in income: fewer people will meet this stricter definition of an ‘income shock’ and they will have greater levels of financial strain.
- **Due to the design of our survey, we exclude people with moderate-to-high-incomes41 and who said they simply did not need benefits.**[42] This will both reduce the number of people in our ‘income shock’ group and increase the average level of financial strain among people within it.

- Unlike the previous section, we here look at people who were ineligible for UC for any number of different reasons and also look at people ineligible for new style JSA. This is because the previous section was focused on specific UC eligibility debates, but here we are concerned with the broader question: how many people are struggling financially who are currently ineligible for support by the benefits system?

On this definition, **we estimate that there were at least**[43] **480,000–540,000 people** [420,000-610,000] **who had suffered an income shock during the pandemic and who may have been financially struggling but were ineligible for benefits** (UC or new style JSA). This is equivalent to 1.2%–1.3% of the working-age population who had lost at least 10% of their household income at the start of the pandemic and who may have been financially struggling, but who were not eligible for benefits. There is obviously considerable variation within this group: some people's income had fallen by 10%, but 200,000–220,000 people [170,000-260,000] had seen more severe income shocks of 25% or more of their household income.

This group partially overlaps with the groups ineligible for UC for a single reason: 3% [2–5%] were ineligible solely due to migration status; 23% [18–28%] solely due to partner earnings; and 23% [19-27%] solely due to savings. But about half (51% [46–57%]) were ineligible for UC due to a combination of these reasons and/or their own earnings.

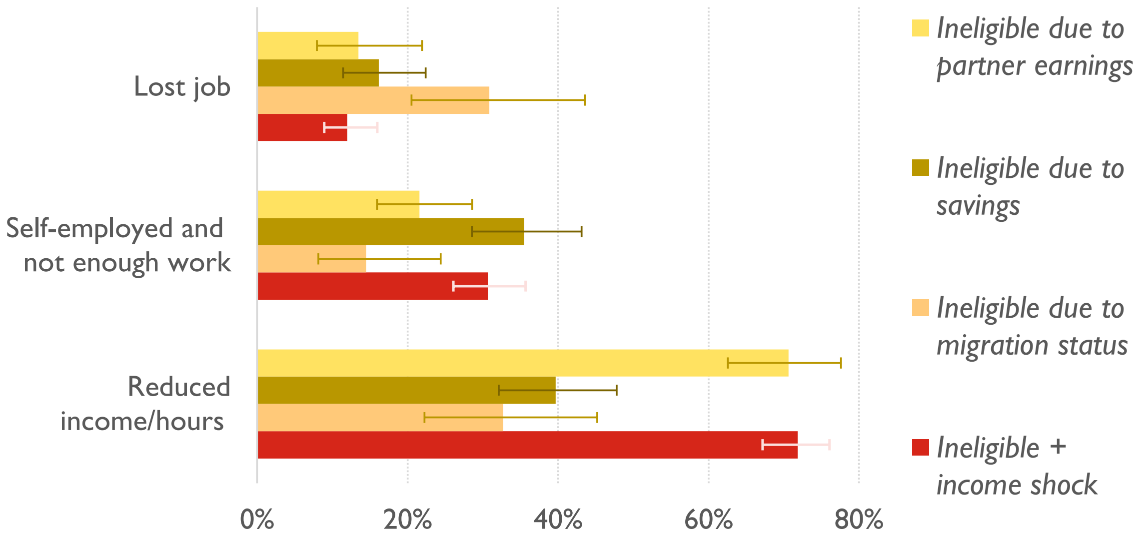
1.3 WERE THESE EMPLOYEES WHO HAD LOST THEIR JOB?

To avoid misunderstandings, we should stress that relatively few of the people in these groups were employees who had lost their job completely. Instead, nearly everyone had seen work-related earnings fall for a variety of different reasons, as shown in Figure 1, below. The most common form of this for all groups was that their income/hours of work were reduced (including via furlough), but the balance of these differed across the different groups:

- Those who were ineligible solely due to partner earnings or ineligible and having an income shock were very likely to have had reduced income/hours (over 70% in each case);
- Those who were ineligible solely due to their migration status were less likely to see reduced income/hours (32.7%), but particularly likely to have lost their job (30.9%);
- Those who were ineligible solely due to savings were also less likely to have reduced income/hours (32.7%), and were more likely to be self-employed and not have enough work (35.5%).

Putting these together, those ineligible solely due to partner earnings or ineligible and having an income shock were overwhelmingly likely to have experienced one of these changes in employment (81.4% [74.0 to 87.1%] of those ineligible due to partner earnings, and 89.3% [85.8 to 92.0%] of those ineligible and seeing an income shock). But even in the other groups of people ineligible for UC, over 60% had experienced one of these reasons for reduced work-related earnings.

Figure 1: Changes in employment since the start of the COVID-19 pandemic



Note: all groups refer to people who may have been financially struggling. Within this, 'i all groups refer to people who may have been financially struggling. Within this, 'ineligible due to partner earnings' refers to people who are ineligible solely ineligible for UC because of their partner earnings (and not own earnings, savings or migration status). Ineligible + income shock refers to people who were ineligible for both UC and new style JSA, who had seen at least a 10% drop in household income since before COVID-19.
Source: WASD/YouGov survey of non-claimants, July-Aug 2020. Sample size is 186 ineligible due to partner earnings, 235 ineligible due to savings, 67 ineligible due to migration status, and 498 ineligible + income shock.

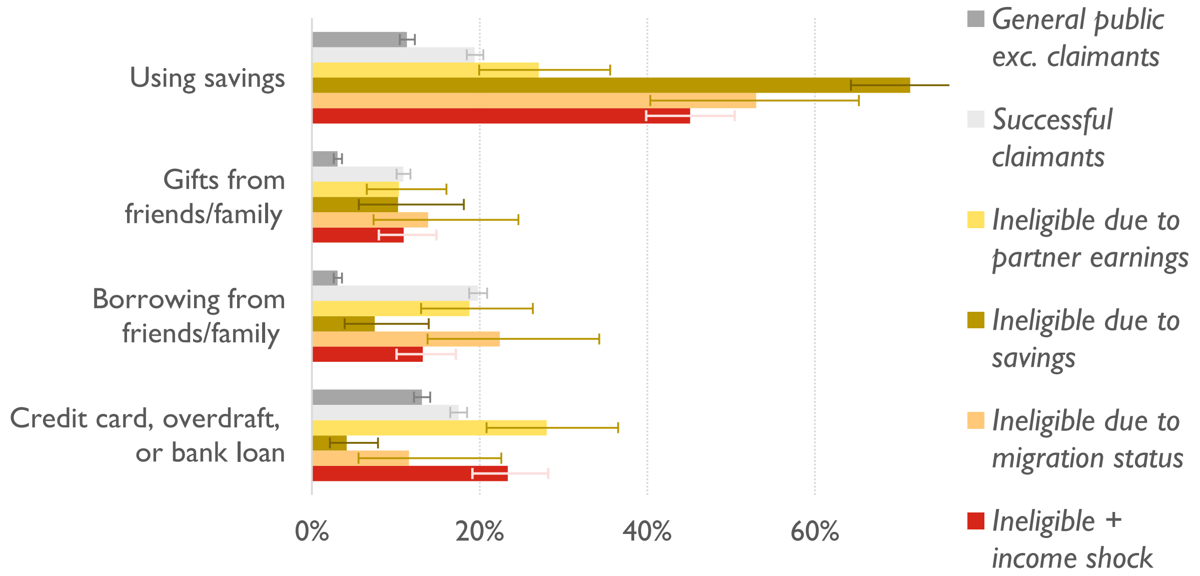
The first three groups were defined by being eligible for UC but ignoring our crude estimated eligibility for JSA. Nevertheless, because relatively small numbers of these groups had lost their jobs completely, it should be no surprise that relatively few would have been eligible for new style JSA: we estimate that only 4% [2–7%] of those ineligible for UC solely due to their partner, 8% [5-13%] of those ineligible solely due to savings, and 9% [4–19%] of those ineligible solely due to their migration status would probably have been eligible for new style JSA. As we have stressed, our JSA eligibility estimates are relatively crude, but even if we estimate JSA eligibility more broadly (including anyone working as an employee in the previous six months and not working now), then less than 15% of each of these groups was eligible for new style JSA. (The income shock group by definition excludes people who would probably have been eligible for new style JSA).

1.4 FINANCIAL STRUGGLES AND MENTAL HEALTH DIFFICULTIES

Aside from any work-related income, these groups were also using a range of other ways of managing financially, as shown in Figure 2. Unsurprisingly, a large majority of those ineligible for UC solely due to savings were relying on their savings (71.4%) and were less likely to have to use other strategies. Amongst the other groups, many were using (often more limited levels of) savings too, but they were also more likely to be using other ways of getting by: over 20% of those who had an income shock or who were ineligible solely due to partner earnings were relying on friends/family, rising to over 30% of those ineligible solely due to their migration status. Over 20% of those who had an income shock or who were ineligible solely due to partner earnings were using borrowing from a credit card or bank.

Only small numbers of each group were using food banks or other emergency support (not shown in the figure): about 1%–2% in each case, far lower than among successful claimants (among whom 7.0% were using food banks and 3.8% using other forms of emergency support).

Figure 2: Things that people are doing to get by financially at the present time

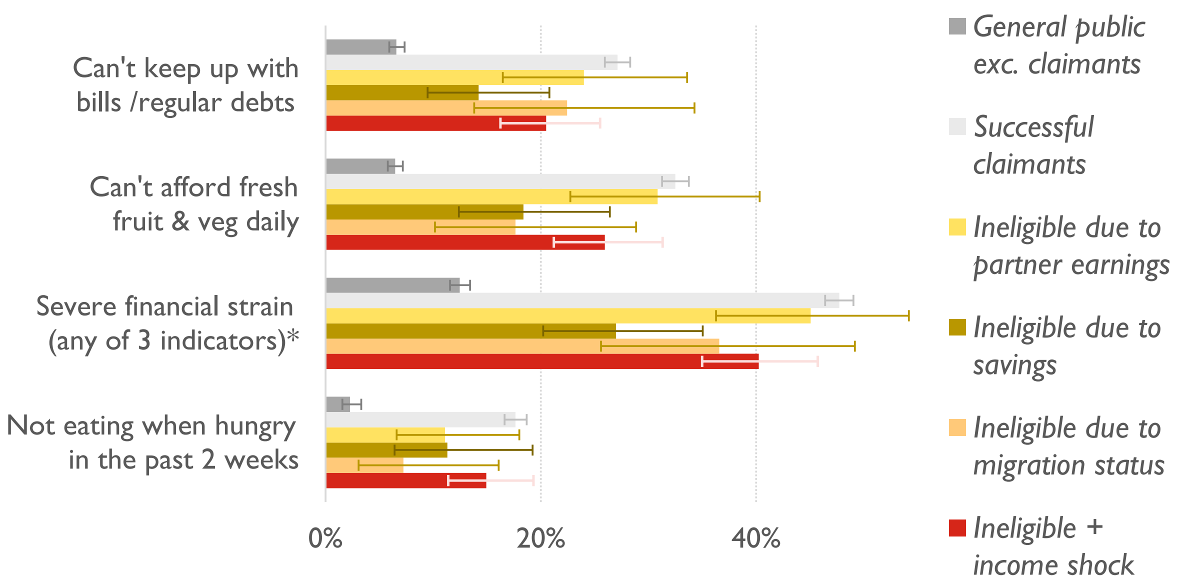


Note: 'Ineligible due to partner earnings' refers to people who are ineligible solely ineligible for UC because of their partner earnings (and not own earnings, savings or migration status). Ineligible + income shock refers to people who were ineligible for both UC and new style JSA, who had seen at least a 10% drop in household income since before COVID-19.
Source: WASD/YouGov survey of non-claimants, July-Aug 2020. Sample size is 186 ineligible due to partner earnings, 235 ineligible due to savings, 67 ineligible due to migration status, and 498 ineligible + income shock.

Levels of financial strain amongst these groups are shown in Figure 3. It is interesting to note that those who were ineligible for UC solely because of savings had relatively lower levels of financial strain, though still consistently higher than among the general public. Amongst the other groups, financial strain was much higher – around 40% reported severe financial strain (falling behind on housing costs or other bills/debts, or not being able to afford daily fresh fruit and vegetables). These levels are slightly lower than among successful claimants (48% of whom reported this type of financial strain), but much greater than among the general public excluding claimants (13%).

The most severe indicator of financial strain that we investigate is recent hunger: not eating when hungry at some point in the previous two weeks because they could not afford food. For all of the groups of people ineligible for UC solely because of a single reason, hunger is much higher than amongst the general public (7%–11% in those ineligible for UC vs. 2% in the general public excluding claimants).

Figure 3: Financial strain among those who were ineligible for benefits

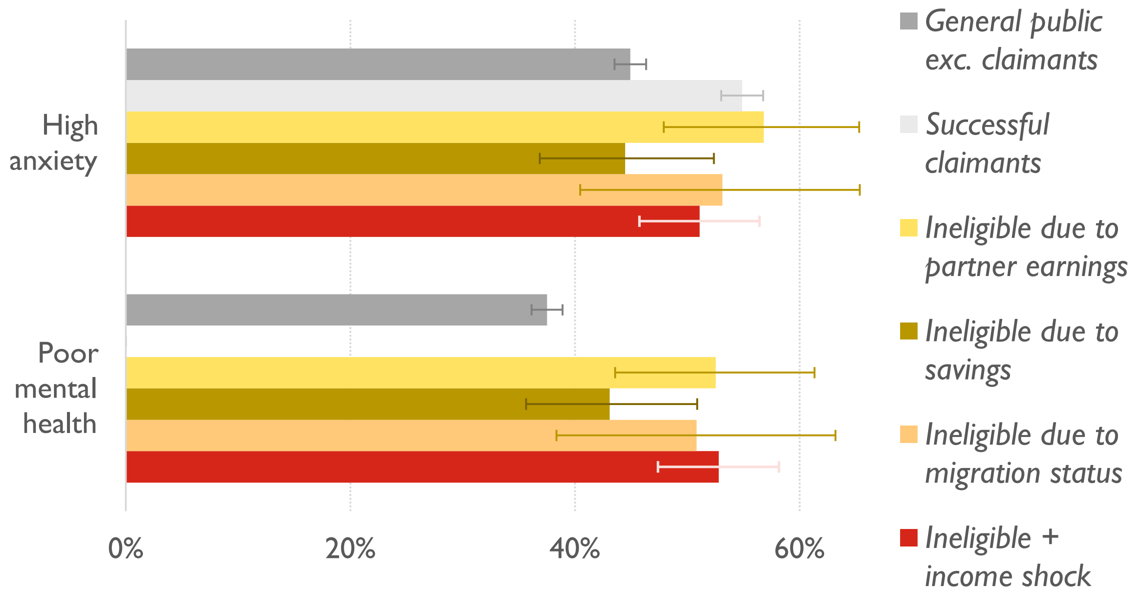


Notes: 'Severe financial strain' refers to those that report any of (i) can't keep up with bills/regular debt payments, fallen behind with part of/all housing costs, or can't afford to eat fresh fruit and vegetables daily.
Sample size is 186 ineligible due to partner earnings, 235 ineligible due to savings, 67 ineligible due to migration status, and 498 ineligible + income shock (all from the WASD/YouGov survey of non-claimants, July-Aug 2020) /// 4,786 members of the general public excluding existing benefit claimants (Resolution Foundation/YouGov survey of the general public, May 2020) except for 'not eating when hungry', where sample size is 1,429 (WASD/YouGov survey of the general public, May-June 2020) /// 7,483 successful benefit claimants (WASD/YouGov survey of successful claimants, May-June 2020). 'Benefit claimants' here refers to UC, all forms of JSA/ESA, and Tax Credits.

The highest rates[44] of hunger, however, are amongst those who were ineligible, may have been financially struggling and who had an income shock: 15% of whom report recent hunger (more than six times as many as the general public excluding claimants). **This is equivalent to 70,000 people** [50,000–90,000] **recently skipping meals where their income fell but they were ineligible for benefits.**

Finally, in Figure 4 we show levels of mental ill-health among people ineligible for UC. Again, we find that the position of those ineligible solely due to their savings is better than among the other ineligible groups. However, all of the other groups of people ineligible for benefits see noticeably higher levels of mental ill-health and anxiety than the general public (again, levels of uncertainty are quite wide and we cannot be confident about the differences between the different groups of people ineligible for benefits).

Figure 4: Mental ill-health among those who were ineligible for benefits



Sample size is 186 ineligible due to partner earnings, 235 ineligible due to savings, 67 ineligible due to migration status, and 498 ineligible + income shock (all from the WASD/YouGov survey of non-claimants, July-Aug 2020) /// 4,786 members of the general public excluding existing benefit claimants (Resolution Foundation/YouGov survey of the general public, May 2020) /// 7,483 successful benefit claimants (WASD/YouGov survey of successful claimants, May-June 2020). 'Benefit claimants' here refers to UC, all forms of JSA/ESA, and Tax Credits.

1.5 DID PEOPLE THINK THEIR INELIGIBILITY FOR UC WAS UNFAIR?

Finally, although we have mostly focused on the financial situation and mental health of people who were ineligible for benefits, we also asked them if they felt it was unfair that they were not eligible for UC;[45] the results are shown in Table 1. A majority of those ineligible for UC solely due to their migration status felt it was unfair, as did around half of those ineligible solely due to savings or partner earnings, or who had seen a sharp income drop and who were ineligible.[46]

Table 1: Perceived fairness of not being eligible for benefits

	Agrees that unfair that ineligible	
	Estimate	95% CI
Ineligible solely due to migration status	60.8%	[47.3 to 72.8%]
Ineligible solely due to savings	49.3%	[41.2 to 57.4%]
Ineligible solely due to partner earnings	46.6%	[37.3 to 56.2%]
Ineligible & sharp income drop	45.8%	[40.3 to 51.4%]

Respondents were given the option of choosing six answer categories: Strongly agree // Agree // Neither agree nor disagree // Disagree // Strongly disagree // Don't know. The table shows the percentage (strongly) agreeing (vs. (strongly) disagreeing, neither agreeing nor disagreeing, or saying 'don't know'). Sample sizes are 61, 212, 164, and 468 respectively. Source is the WASD/YouGov survey of non-claimants, July-Aug 2020.

In our interviews, several people felt frustrated at their ineligibility for UC (if they thought they were ineligible), which was expressed in various ways. For some, it was frustration that their partner's income or savings meant they themselves were not eligible for benefits, even if they were the ones who had lost their job. For others, it was frustration at the perceived inequitable spending by policy makers during the pandemic:

> **"Well, do you know, my feelings as I've been sitting watching television almost nightly and hearing various ministers who are pledging billions of pounds for various areas within the community and within society – all of whom I agree need some help, I completely agree with that. Then, I'm questioning, if you can find billions of pounds to help these sectors why can't we have some benefit from that?"** (Mandy, 50–65)

2. UNSUCCESSFUL CLAIMANTS

This chapter focuses on 'unsuccessful claimants': that is, those that started a claim for benefits, but did not ultimately receive them. This includes people who may have reached one of the following stages:

- Started but not submitted an application.
- Submitted but never completed: some people will have completed their initial application form but will not have done the further steps necessary to complete their application in full. For example, if claimants had not verified their identity online, then they needed to verify their identity by phone instead (the claim may never be completed if they do not,[1]) or if they decided to withdraw their claim during the telephone verification conversation. Before COVID-19, claimants were also required to attend an interview at Jobcentre Plus and complete their Claimant Commitment (though both of these requirements were switched-off during the pandemic). There will be much variation here: claimants may decide not to complete their application before or after having spoken to DWP staff, some may formally withdraw, while others will simply abandon their application;
- Rejected: some people will have completed their application and have been rejected because they are not eligible for the benefit they applied for.

We looked in detail at unsuccessful claimants in an earlier report,[47] but here extend the quantitative and qualitative analyses slightly and relate this to the analysis of people ineligible for benefits more broadly in the previous chapter.

2.1 HOW MANY UNSUCCESSFUL CLAIMANTS ARE THERE?

We estimate that 290,000 people [250,000–330,000] unsuccessfully tried to claim UC, JSA or ESA at the start of COVID-19[48]: equivalent to 0.7% of the working-age population. In our earlier report, we discuss the likely accuracy of our estimates in detail, comparing them to other surveys and the DWP's administrative data. We conclude that our figures are more likely to be accurate than other surveys but may be a slight underestimate of the true figure.

There is some overlap between unsuccessful claimants (particularly rejected claimants) and people ineligible for benefits (who we considered in the previous chapter), although this overlap is relatively small. Unsuccessful claimants account for 15%–20% of each of the groups that we looked at in the previous chapter (people ineligible solely due to savings or partner earnings, and people who had seen an income shock who were ineligible). The one exception is people ineligible solely due to migration status, only 8% of whom had started making an application for UC/JSA/ESA.

These unsuccessful claimants are mostly people who applied and were rejected as they were not eligible (230,000 people [190,000–260,000]), with smaller numbers withdrawing their claims due to frustration or perceived ineligibility (33,000

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1 DWP have a process in place where they try to contact people that they haven't heard from after a certain time, but if they never hear back from someone, then eventually they close the claim.

[23,000-42,000]) or never completing their application (43,000 people [31,000–55,000]). We now explore each of these groups in turn.

How close had people come to claiming?

It is easy to think that there is a simple and clear divide between those who claimed and those who did not. In practice, however, the situation is more complex. Firstly, people could make an application even if they were not sure they would be eligible, and even if they thought they might withdraw their application before receiving the benefit. This could happen if they were trying to access other forms of support, but without a clear idea what they would get or how long it would take, and they therefore considered claiming benefits as a 'fall back' option. This was the case for several people we spoke to who were self-employed and looked into small business grants or SEISS. As Steve said:

> **"If it turned out that I could access money through some other source, I could always tell Universal Credit and halt the claim, so I thought it'd be better to get into the queue to begin with."** (Steve, 50–65)

Many people had also *considered* making a claim, even if they never actually started the application. We estimate that 350,000 people [300,000–400,000] **considered making a claim without beginning an application.**

2.2 WHY HAD PEOPLE'S APPLICATIONS FOR BENEFITS BEEN UNSUCCESSFUL?

Understanding failures to complete the application

We estimate that only 43,000 people [31,000–55,000] failed to complete their application for benefits. This is a surprisingly small number given the unprecedented increase in claims after lockdown, on top of the pre-existing challenges associated with the rollout of UC (see Introduction). This may partly reflect three factors:

- The greater digital literacy of the new cohort of benefit claimants;
- That online surveys such as ours under-represent people with weaker digital literacy; and
- The process changes made by the DWP, which successfully avoided a large number of people missing out on benefits due to process issues.

Our existing research suggests that the switch to remote support has meant some would-be claimants that previously relied on face-to-face assistance are currently out of reach and therefore at risk of not receiving the assistance they need to initiate or sustain a claim, with many support agencies worried that some people are falling through the cracks in support.[49] Similarly, some of the people we spoke to had started and then abandoned a claim for benefits because they found the process too confusing. For example, Tom had struggled with the online application form:

> **"I was never really getting answers of anything valuable. It just kept giving me more and more questionnaires to answer, so I gave up in the end."**
> (Tom, 18–35)

Similarly, we found confusion about eligibility even amongst those who completed an application and were found to be ineligible.[50] Ezekiel (30–49) was rejected because of his partner's income but criticised the complexity of the process despite being an IT specialist himself. He found it particularly difficult to provide data on pensions, profit from savings/business, and family members helping you or giving you money.

We focused on Helen (30–49)'s similar situation in a previous report.[51] After exploring her options and finding herself ineligible for a business loan/grant, Helen phoned the UC helpline as she wanted to speak to someone about her eligibility. However, she described a number of frustrating and time-consuming attempts to speak to anyone, eventually giving up and deciding to just try to apply online:

"So this phone call must have gone on for, I'd say probably an hour to an hour-and-a-half, every single day, working day, for eight days. That's when I decided, I can't do this any longer, it's not happening. So, I tried to go online and apply online."

Yet the online process proved extremely confusing for Helen. Her self-employed status seemed to lead to a series of 'dead ends' in the application:

> **"If I was a layman and I'd come out of Tesco and they'd finished me, that was dead obvious. With self-employment, it didn't give me any options to say the self-employment has gone. It was too confusing."**

Frustrated, she next tried calling a benefits helpline and HMRC without success. At this point she gave up her application without completing it: "I was completely at a dead-end."

In other words, confusion about eligibility and 'hassle' in claiming were found not only among those who did not submit a claim (as found in the previous chapter), but also among some of those who had tried to claim, and at extremes this could prevent people from claiming.

Overall, though, it seems likely that the numbers of people who tried and failed to complete a claim were relatively low. However, we should emphasise that these figures are likely to be underestimates, because online YouGov surveys may miss out the very people that are likely to struggle with the process of applying online.

Understanding withdrawal due to frustration or perceived eligibility

We estimate that 32,000 people [23,000–41,000] made a claim that they subsequently withdrew due to frustration or perceived ineligibility. These are people who did not say that they withdrew because they did not need benefits any more,[52] instead saying (i) they thought that their application would be rejected, (ii) they realised how little they would receive, or (iii) they got too frustrated and gave up.

Steve (50–65) is an example of this group. He says that “as I got further and further into [the application], I just found questions that I couldn’t answer. Not because I didn’t particularly understand them, but they were just asking for information that I couldn’t give them” (e.g. about his children’s income). He did eventually submit the application, but it was returned with a request for more information. Feeling overwhelmed, fearful of getting ‘too stressed’, and with the option of living on his savings/freelance work, he “just thought, I don’t need this money that badly”:

> **“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)

Since Steve’s interview, however, we have experienced further national lockdowns and a complex tier system that impacts disproportionately on particular sectors of the economy and particular regions of the UK. Some people that withdrew their applications may therefore have since reapplied, as the duration of COVID-19 became clear.[53]

Understanding rejected applications

The largest group of unsuccessful claimants are those who applied for benefits but were rejected because they did not meet the eligibility criteria (230,000 people [190,000–260,000]). Some never understood why their claim was rejected (12.4% [9.3 to 16.3%]). However, most were able to give one or more reasons, and these are shown in Table 2 below. The most common reasons were that the respondent or their partner were still earning too much money (45.4% [40.0 to 50.9%]), even after the drop in income that most had seen (see below). Following this were those whose claims were rejected because they or their partner had too much in savings (23.9% [19.7 to 28.6%]).

Table 2: Reasons why benefit claims were rejected

	Why claim was rejected (95% confidence interval)	
Respondent or partner earnings	**45.4%**	**[40.0 to 50.9%]**
Respondent earnings	17.5%	[13.8 to 22.0%]
Partner earnings	41.6%	[35.2 to 48.3%]
Respondent or partner savings	**23.9%**	**[19.7 to 28.6%]**
Respondent savings	20.1%	[16.3 to 24.6%]
Partner savings	8.9%	[5.9 to 13.2%]
Other income	**7.0%**	**[5.0 to 9.7%]**
National Insurance contributions[1]	**7.2%**	**[5.1 to 10.1%]**
Other reasons[2]	**10.5%**	**[7.5 to 14.4%]**
Never explained why I was ineligible	**12.4%**	**[9.3 to 16.3%]**

Note: multiple reasons possible, hence these do not total 100%. [1] National Insurance contributions refer to ESA and JSA only, but the percentage shown is as a share of all rejected claimants. [2] Other reasons include No Recourse to Public Funds, not being to establish habitual residence (both covered in more detail in the following chapter), full-time students, and those who said 'other'. Source/sample size: n=488 people whose claims were rejected, from the YouGov follow-up survey of non-claimants.

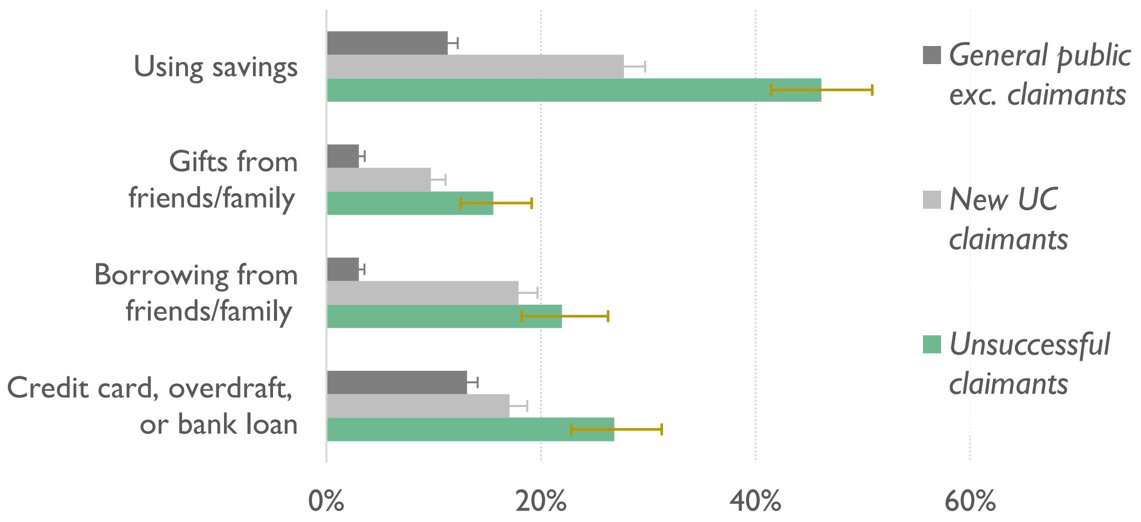
A number of other reasons were also given, although each of these were less common. Some unsuccessful JSA/ESA claimants (19% [13-28%]) did not have sufficient National Insurance contributions. Others were ineligible because they were full-time students (2.4% [1.1 to 5.3%]) or for reasons relating to their migration status, as discussed previously.

2.3 FINANCIAL STRUGGLES AND MENTAL HEALTH DIFFICULTIES

In our earlier report,[54] we showed that many unsuccessful claimants had seen sharp declines in their income: indeed, this was even more common than amongst those not taking up benefits above. At the time we spoke to them in July 2020, nearly half (46.1%) of unsuccessful claimants were relying on savings to get by financially, as shown in Figure 5. Others were relying on borrowing or gifts from friends/family (30.1% relied on friends/family in one form or another), and over a quarter (26.8%) were borrowing from banks/credit cards.

Unsuccessful claimants relied on all of these far more than the general public (excluding claimants)and were also relying on credit cards/bank loans more than successful claimants. Although rare, unsuccessful claimants were also more likely to be relying on food banks (4.2% [2.4 to 7.4%]) than the general public (excluding claimants; 0.6% [0.4 to 0.8%], although successful claimants were even more likely to be using them; 7.0% ([6.3 to 7.7%]).

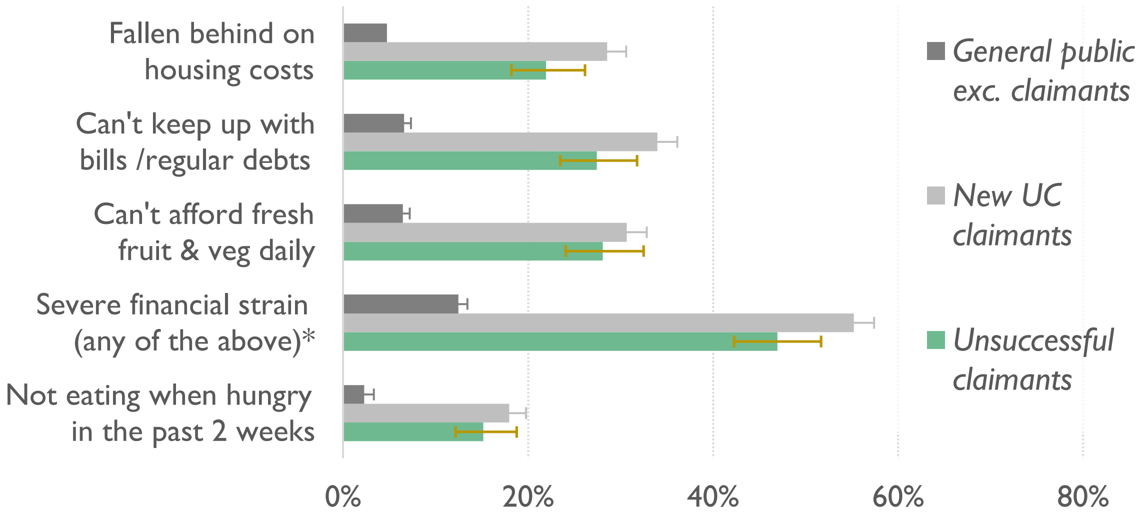
Figure 5: How unsuccessful claimants were getting by financially at the present time



Sample size is 628 unsuccessful claimants (WASD/YouGov survey of non-claimants, July-Aug 2020) /// 4,786 members of the general public excluding existing UC, all JSA/ESA and Tax Credit claimants (Resolution Foundation/YouGov survey of the general public, May 2020) except for 'not eating when hungry', where sample size is 1,429 (WASD/YouGov survey of the general public, May-June 2020) /// 2,601 successful new UC claimants (WASD/YouGov survey of successful claimants, May-June 2020).

Financial strain amongst unsuccessful claimants was similar to that of new UC claimants, as shown in Figure 6. Simply put, financial strain was not an uncommon experience for unsuccessful claimants: 21.9% had fallen behind on their housing costs, 27.4% couldn't keep up with bills/regular debts, and 28.1% couldn't afford to eat fresh fruit and veg daily. In total, nearly half of unsuccessful claimants (46.9%) had experienced one of these financial strains.

Figure 6: Financial strain amongst unsuccessful claimants



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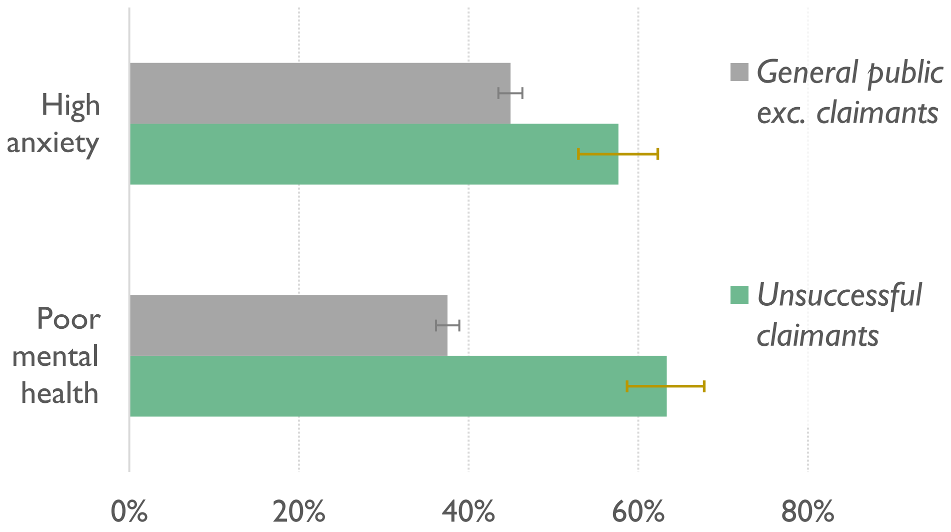
Most acutely, 15.2% [12.2 to 18.8%] had been hungry because they had skipped a meal in the previous two weeks. **This is equivalent to 45,000** [35,000–55,000] **unsuccessful claimants who skipped a meal in the previous two weeks because they could not afford food.**

Finally, we looked at mental health amongst unsuccessful claimants, using the same methods that we described above (summarised in Figure 4). As shown in Figure 7, both anxiety and a broader measure of mental ill-health were much higher amongst unsuccessful claimants than the general public: unsuccessful claimants were 12.7% more likely to have high anxiety and 25.8% more likely to have poor mental health.

Figure 7: Mental ill-health in unsuccessful claimants



Sample size is 628 unsuccessful claimants (WASD/YouGov survey of non-claimants, July-Aug 2020) /// 4,786 members of the general public excluding existing UC, all JSA/ESA and Tax Credit claimants (Resolution Foundation/YouGov survey of the general public, May 2020).

3. CONCLUSIONS

This report has presented the findings of exploratory research focusing on people who are ineligible for benefits but who may be in financial need. In this report, we have shown that there is significant financial strain among those who were ineligible for benefits (UC and new style JSA): much more than among the general public (although usually not quite as high as amongst successful claimants). This financial strain was particularly acute amongst those ineligible for UC due to partner earnings, and amongst those experiencing income shocks who were ineligible for UC and contributory benefits. Many (though not all) felt that it was unfair that they were not eligible.

Given the exploratory nature of this initial research, we do not make specific recommendations about changing eligibility for benefits here, because these issues may require a fundamental redesign of the benefits system, and we need many pieces of information to underpin such radical shifts in policy. Alongside this, we need to consider:

- **Fairness:** many of the arguments for extending UC eligibility and/or expanding the role of contributory benefits rest on considerations of fairness (see Introduction). This includes whether it is fair or unfair to penalise people who save, or who are cohabiting in a relationship, or who have migrated to the UK.
- **Modelling:** precise policy options need to be run through tax-benefit simulation models, to see the exact number of people affected and the total cost to government.
- **Economic impacts:** the benefits system has an important macro-economic function. As a recent report by the Social Security Advisory Committee and Institute for Government states, "When big macro-economic shocks happen… contributory benefits provide a stronger buffer against the drop in income that job loss entails… [Contributory benefits are] also good for the economy when abnormal shocks such as the pandemic occur – with more people in better-paid jobs suddenly losing them – because people are likely to reduce short-term expenditure by less than would be the case if they relied purely on means-tested benefits." [55]
- **Legitimacy:** it has long been argued that means-tested systems are unavoidably stigmatising, creating limited public support for increasing the level of benefits that claimants receive (for wide-ranging reasons[56]). Indeed, in other research we have found that even during COVID-19, some people who were eligible for UC did not apply for it, explicitly saying that this was because they felt it was stigmatising.[57] Any consideration of the future direction of the benefits system cannot avoid thinking about public legitimacy.

We will return to these issues and a more detailed examination of the future of the benefits system later in 2021 as our Welfare at a (Social) Distance project concludes.

Our intention with this report is to contribute to this rapidly developing debate by drawing attention to the levels of financial need among those ineligible for benefits. However, our analysis here does enable us to make one key recommendation. It is clear that there were relatively high levels of need amongst people who applied for benefits but were rejected. Irrespective of any changes to eligibility criteria, it should be straightforward for the DWP to offer additional guidance when informing people that they are ineligible for benefits. This could include information on (i) other benefits that they may be eligible for (ideally tailoring this to the information about their situation that they submitted when applying); (ii) other sources of financial support that may be available (e.g. from their local council); and (iii) other organisations that can provide advice and support (e.g. Citizens Advice).

4. NOTES AND APPENDICES

Thanks are due to the Health Foundation for funding this research. Rapid response projects require greater efforts in shorter timescales than usual. Thanks are due to YouGov and Acumen Fieldwork for their extremely rapid work and assistance, and to our advisory group for providing invaluable comments in a short timescale (see https://www.distantwelfare.co.uk/advisory-group). Particular thanks go to the survey and qualitative interview participants. This report is based on research undertaken by the study team, and the analysis and comment thereafter do not necessarily reflect the views and opinions of the Health Foundation, nor of our advisory group. The authors take responsibility for any inaccuracies or omissions in the report.

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.

For probable non-claimants who would not have been eligible, we focused on those who are likely to be struggling financially (to enable us find a sizeable group of people who were eligible for benefits but not taking them up). We defined ‘likely to be struggling financially’ as those with current household income of <£30,000/£45,000 (depending on whether they have children) and who did not say that the reason they were not claiming benefits is because they did not need them. 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.[58] The anonymised dataset is publicly available via the UK Data Archive.[59]

Estimating the share of the population in each group

To estimate the prevalence of e.g. those not taking-up benefits that they were entitled to 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. More precisely: to get at the reasons that people had not claimed benefits, we asked the following question:

> *Which of the following come closest to why you are not currently claiming any of these benefits/tax credits? (Please tick all that apply)*
>
> *<1> My income hasn’t changed during lockdown so I don’t need them*

<2> My income has gone down, but I am still comfortable financially so I don't need them

<3> My income has gone down, but I am still earning too much to claim them

<4> My income has gone down, but I have too much other income/savings to claim them

<5> I don't think I'm eligible due to my immigration status

<6> I don't think I'm eligible for other reasons

<7> I might be eligible, but have struggled to make a claim

<8> I might be eligible, but I don't think it will be worth the hassle

<9> I might be eligible, but I don't want to be the kind of person who claims benefits

<10> I might be eligible, but am not claiming for other reasons

<11> Don't know

The group of "probable non-claimants who would not have been eligible but are still struggling" comes from responses <3> and <4> to this question. That is, it excludes people who said that their income hadn't changed in lockdown, or who just didn't need benefits (or who thought they might be eligible but had decided not to claim).

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.[60]

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.[61] 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 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.[62] 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,[63] 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)[64] – 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.[65] (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.[66] 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.[67] 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.[68] 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

4 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

5 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.

6 Concerns have also been raised about students being ineligible for benefits, even where they have lost the paid work that was required to fund their studies. This includes Gilliam Martin MSP (https://twitter.com/GillianMSP/status/1258714079218335744?s=20) and the Child Poverty Action Group Early Warning system briefing for April 16th 2020; https://cpag.org.uk/projects/early-warning-system

7 See Griffiths R, Marsha Wood, Bennett F, et al. (2020) Uncharted Territory: Universal Credit, Couples and Money. Institute for Policy Research, University of Bath. https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money/ /// Millar J. (2003) Squaring the circle? Means testing and individualisation in the UK and Australia. Social Policy and Society 3: 67-74..

8 See BBC News, ''I'm being financially punished because I'm in a relationship'', 20th March 2021, https://www.bbc.co.uk/bbcthree/article/32c0a2c5-867b-43e6-84e3-5030c2401cd5

9 See e.g. 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.

10 For details, see Ingold J and Etherington D. (2013) Work, welfare and gender inequalities: an analysis of activation strategies for partnered women in the UK, Australia and Denmark. Work, Employment and Society 27: 621-638. and particularly Millar J. (2003) Squaring the circle? Means testing and individualisation in the UK and Australia. Social Policy and Society 3: 67-74.. As Millar describes it, partial individualisation means "applying the income test in sequence rather than in combination. Each person is first assessed on his or her own income. Income above a 'free area' reduces benefit, first by 50 per cent, and at a higher level by 70 per cent...If the partner is employed, then an amount equivalent to their own benefit 'cut-out point' (i.e. the point at which benefit entitlement would be lost) is disregarded, and any income above that amount is taken into account, reducing the award to the claimant by 70 cents for each dollar (Whiteford and Angenent, 2001). The means test thus excludes those with moderate or high earning partners but not those with partners themselves receiving allowances or who are in low paid work."

11 More precisely, the partner means test was made more generous "by lowering the amount payment rates are reduced by as a result of partner income"; see https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/COVID-19JobSeekerRecipientNumbersElectorateUpdate

12 Howard M and Bennett F. (2021) Distribution of Money within the Household and Current Social Security Issues for Couples in the UK. Women's Budget Group. https://wbg.org.uk/wp-content/uploads/2021/01/Money-in-the-household-FINAL-with-cover-2.pdf.

13 Jane Millar writes, "while [UC] may be paid into joint bank accounts (although this is not compulsory), entitlements in Australia are individual. This means that each person has their own access to payment, potentially giving greater financial independence to women." See https://blogs.bath.ac.uk/iprblog/2019/03/05/a-fresh-approach-to-universal-credit-are-there-lessons-from-australia/

14 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.

15 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.

16 E.g. 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 /// Labour Party. (2020) Urgent action needed on social security during coronavirus crisis – Reynolds [press release].

17 In Australia, both the assets test and the 'liquid assets waiting period' – an additional 1-13 week waiting period – were temporarily waived during COVID-19. (The main assets test is set at a much higher level than in the UK (£150,000 or more), but the additional waiting period applies from about £6,000 for couples or those with children and £2,500 for single people without children). These were re-introduced in September 2020. See https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/COVID-19JobSeekerRecipientNumbersElectorateUpdate

18 The role of savings is a major feature of a Patrick Butler article in the Guardian (see footnote 19). A DWP spokesperson quoted in the article said in response, "Universal Credit is a means-tested benefit and it rightly assumes that people with significantly above average levels of savings and access to the income of a partner will draw down on this support before receiving government help." Neil Couling – Director General for Universal Credit at the DWP – further added on Twitter, "Beveridge's system of National Assistance in 1948 had capital rule of £375, with deductions for income above £50. Supplementary Benefit in 1980 had a limit of £2000. UC has a limit of £16000 in capital with assumed income from £6000. Capital rules in UC are not a new feature." See https://twitter.com/NeilCouling/status/1311744408241483782?s=20

19 Kennedy S. (2015) Measures to limit migrants' access to benefits [briefing]. House of Commons Library Briefing Paper 06889. https://commonslibrary.parliament.uk/research-briefings/sn06889/ /// Dwyer PJ, Scullion L, Jones K, et al. (2019) The impact of conditionality on the welfare rights of EU migrants in the UK. Policy & Politics 47: 133-150.

20 See Citizens Advice, 26th June 2020: https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-reveals-nearly-14m-have-no-access-to-welfare-safety-net/

21 Citizens Advice. (2020a) Citizens Advice reveals nearly 1.4m have no access to welfare safety net [press release] /// Citizens Advice. (2020b) Lockdown Lifeline: Ensuring adequate support across the benefits system during the COVID-19 pandemic. https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/welfare-policy-research-surveys-and-consultation-responses/welfare-policy-research/lockdown-lifeline-ensuring-adequate-support-across-the-benefits-system-during-the-covid-19-pandemic /// 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/ . See also the Child Poverty Action Group Early Warning system briefings for September 29th, July 24th, July 9th, May 28th, April 28th; https://cpag.org.uk/projects/early-warning-system

22 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

23 More precisely, people qualify for contributory ('new style') JSA/ESA if they have paid Class 1 or special Class 2 National Insurance (NI) contributions for one of the past two complete tax years, and also paid or been credited for contributions for the other year. See the DWP's Advice for Decision Makers (ADM) R1 and U1, https://www.gov.uk/government/publications/advice-for-decision-making-staff-guide

24 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/

25 Geiger BB, Lisa Scullion, Summers K, et al. (2021) Non-take-up of benefits at the start of the COVID-19 pandemic. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/take-up

26 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

27 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.

28 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 /// Hicks R and Murphy MP. (2021) Common shock, different paths? Comparing social policy responses to COVID- 19 in the UK and Ireland. Social Policy & Administration 55: 312-325.

29 See the OECD 2020 income support policy tables at https://taxben.oecd.org/policy-tables/TaxBEN-Policy-tables-2020.xlsx, column 6.

30 The UK's low performance for average earners is similar across family types, but does vary slightly – while it is in the bottom 4 of 27 countries for single people (with or without children), some couples without children (if the partner is out of work or earnings at 67% of the average or at the average wage), and some couples with two children (where the partner earns 67% of the average wage or the average wage), it is 17th-20th for couples with two children where the partner is out-of-work or earning the minimum wage, and 20th for couples with no children where the partner is working at the minimum wage. See OECD Net Replacement Rate in Unemployment dataset for the year 2020, accessed 29th March 2021. See https://stats.oecd.org/Index.aspx?DataSetCode=NRR# . For slightly different figures basically showing the same thing, see p18 of 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.

31 Ibid..

32 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

33 We exclude people who before the pandemic (in Feb 2020) were claiming UC, JSA, ESA, Income Support, Carer's Allowance, or Tax Credits; or who had successfully applied for UC/JSA/ESA during the pandemic. 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.

34 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.

35 We defined 'likely to be struggling financially' as those with current gross household income of <£30,000/£45,000 (depending on whether they have children) and who did not say that the reason they were not claiming benefits is because they did not need them (see Appendix A for details)

36 These estimates were calculated by multiplying the prevalence of the group in the working-age population from our survey * the size of the working age population. (At the time of research the most up-to-date figures were for mid-2019 – see https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland table MYE2, adding UK-wide figures for 18-64 year olds).

37 See Table 1 of Geiger BB, Lisa Scullion, Summers K, et al. (2020a) At the edge of the safety net: Unsuccessful benefits claims at the start of the COVID-19 pandemic. Welfare at a (Social) Distance, Rapid Report #3. http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/10/Rapid-Report-3-Unsuccessful-claimants.pdf.

38 Some people refused to answer about (or didn't know) their level of assets. We then asked a follow-up question that asked people if they had more or less than £6,000 in savings, which most people were happy to answer. People who refused the first question but reported more than £6,000 in savings are treated as being ineligible for UC due to their savings level, even though some of this group may have had savings of £6,000-15,999 and may therefore be eligible. This affects 9% of the 'ineligible for UC solely due to savings' group.

39 This includes three reasons for ineligibility: No Recourse to Public Funds, the Habitual Residency Test, or currently applying for asylum. To give more detail, this includes (i) people who said their application was rejected due to No Recourse to Public Funds/the Habitual Residency Test (5 people); (ii) people who said they thought they were ineligible (or not sure if they were eligible) because of No Recourse to Public Funds/the Habitual Residency Test (48 people); (iii) those who said their current status was that they are on a visa of 'no public funds' (whether students or otherwise), or are currently seeking asylum in the UK, even if they did not give this as a reason for thinking they were ineligible (12 people). Note that this includes 4 people who fit these categories but did not give a migration-related reason for ineligibility in the screening survey.

40 52.0% [39.0% to 64.8%] said either that their employment status was a full-time student, that they were not eligible for benefits because they were a student, or said they were currently partly living off a student loan).

41 It was not possible to create a detailed measure of equivalised household income in the screening survey; we were restricted to using a small number of variables with near-universal coverage from the YouGov profile data, and had to create this very rapidly at a late stage of the screening process. We therefore defined low-to-moderate gross household income as less than £30,000 without children or £45,000 if they have children; we recognise that this is a crude measure (as it does not take into account household size).

42 More precisely, we looked only at those who did not say that the reason they were not claiming benefits is because they did not need them. This was done at the stage of the screening survey to focus the follow-up survey on those who are most likely to be suffering financial strain; see Appendix A.

43 This is a lower bound because (i) we do not account for those who did not know how their income had changed since before the pandemic (using reasonable assumptions, this lowers our estimate by about 6%); (ii) our survey did not cover people that said they had not claimed UC/JSA/ESA because they did not need it (see Appendix A).

44 As the figure shows, there are wide levels of uncertainty here, making it difficult to be confident about the differences between the different groups of ineligibles. The comparison of those ineligible and having shocks to the general public and to successful claimants, though, is more robust.

45 The full question wording is, "You have said that you don't think you are eligible (or are not sure if you are eligible) for Universal Credit. How far do you agree or disagree with the following statement? It is unfair that I am not entitled to any money".
(Rejected claimants were instead asked, "Thinking about when you heard that your application for [benefit] had been rejected, how far do you agree or disagree with the following statements? … It is unfair that I don't receive any money").

46 Not shown in the table is that it was those who had applied and been rejected felt most strongly that this was unfair (72.9% [67.6 to 77.6%] agreeing). We discuss the feelings of unfairness among rejected claimants in more detail in our earlier report, and their wider situation is discussed in Chapter 3 of the present report.

47 Geiger BB, Lisa Scullion, Summers K, et al. (2020a) At the edge of the safety net: Unsuccessful benefits claims at the start of the COVID-19 pandemic. Welfare at a (Social) Distance, Rapid Report #3. http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/10/Rapid-Report-3-Unsuccessful-claimants.pdf.

48 The calculation behind this figure differs slightly from the figure in our previous report, ibid.. This is partly because we include an estimate of the situation for people who refused to tell us their income in the screening survey (see Appendix A), and partly because we use updated estimates for the size of the working-age population. These balance each other out, leaving a total figure very similar to that in our earlier report.

49 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.

50 In one of our recent reports, we found that additional support in understanding eligibility and making a benefit claim proves important for a considerable minority of claimants; see ibid..

51 Geiger BB, Lisa Scullion, Summers K, et al. (2020a) At the edge of the safety net: Unsuccessful benefits claims at the start of the COVID-19 pandemic. Welfare at a (Social) Distance, Rapid Report #3. http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/10/Rapid-Report-3-Unsuccessful-claimants.pdf

52 That is, they did not say that they withdrew because they started working again, got more hours at an existing job, didn't need benefits (whether because they were furloughed/got money from SEISS/for other reasons), or decided to apply for another benefit.

53 This is also discussed in 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.

54 Geiger BB, Lisa Scullion, Summers K, et al. (2020a) At the edge of the safety net: Unsuccessful benefits claims at the start of the COVID-19 pandemic. Welfare at a (Social) Distance, Rapid Report #3. http://hub.salford.ac.uk/welfare-at-a-social-distance/wp-content/uploads/sites/120/2020/10/Rapid-Report-3-Unsuccessful-claimants.pdf

55 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.

56 See 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 /// Baumberg B. (2012) Three ways to defend social security in Britain. Journal of Poverty and Social Justice 20: 149-161. for one way into these debates.

57 Geiger BB, Lisa Scullion, Summers K, et al. (2021) Non-take-up of benefits at the start of the COVID-19 pandemic. Welfare at a (Social) Distance. https://www.distantwelfare.co.uk/take-up

58 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.

59 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 . In the interim period before data are available via UKDS, they can be accessed via the Open Science Foundation at https://osf.io/gvehw/

60 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 via the Open Science Foundation at https://osf.io/gvehw/

61 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).

62 The full Stata code of the eligibility model (along with the code for the analyses) are published via the Open Science Foundation at https://osf.io/gvehw/

63 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

64 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

65 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).

66 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).

67 164 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').

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