Written Evidence Submitted by CLOSER, the home of longitudinal research, UCL Social Research Institute

(EMD0002)

Terms of reference

Our response focuses on the following topics in the call for evidence:

- Lessons from the Covid-19 pandemic in accounting for the economic impacts of pandemics.
- Additional policy initiatives and solutions needed in the UK and internationally to reduce the risk of the future spread of emerging diseases with pandemic potential, particularly vaccine hesitancy and prioritisation.

This submission approaches these topics by providing a comprehensive summary of the evidence from the Covid-19 pandemic from a range of publicly funded UK longitudinal population studies. This evidence is crucial to help illuminate the lessons from the Covid-19 pandemic that could be applied to future pandemic events.

Summary

- Longitudinal population studies provide a pre-pandemic baseline to compare against which is critical to understanding the impacts of a pandemic. They require sustained long-term funding to continue to capture data during ordinary and extraordinary periods in time.
- A full package of economic support can reduce the adverse impact of a pandemic on individual's finances and their mental health. The furlough scheme and benefits system reduced financial distress for many, but a universal basic income would be a more sustainable long-term alternative.
- During a pandemic, employers should be flexible with working arrangements, providing resources and equipment for working from home but also understanding that some people require on-site working.
- There needs to be increased protection and recovery support for some groups who suffer worse economic shocks and associated declines in mental health during a pandemic – the self-employed, those with low incomes or precarious employment, working parents, and ethnic minority groups should be prioritised.
- Vaccine programmes should provide a focused, localised, and empathetic response to counter misinformation, harness existing trusted community networks, and provide information in languages spoken locally.
- Community engagement, tailored communication, and the involvement of community leaders and health care practitioners are all key to successful vaccination programmes and generating trust, particularly within ethnic minority groups.
- Robust data disaggregated by ethnicities are needed to better understand barriers to and facilitators for vaccine delivery. It is crucial that longitudinal population studies continue to collect information from different ethnic groups and are given the resources to maintain survey participation from these groups, who are often under-represented and more likely to drop out of such studies.

1 About us:

1.1 CLOSER[1], the home of longitudinal research, is the interdisciplinary partnership of leading social and biomedical longitudinal population studies, the UK Data Service and The British Library. Our

[1] https://www.closer.ac.uk/

mission is to increase the visibility, use and impact of longitudinal population studies, data, and research to ensure that longitudinal evidence is used to address the health, social, economic, and environmental challenges facing the UK, now and in the future.

1.2 Our partner studies[2] comprise of both national and regional longitudinal population studies from across the UK. They include the British Birth Cohort Studies, ONS Longitudinal Study, English Longitudinal Study of Ageing, Born in Bradford, Southampton Women's Survey, Avon Longitudinal Study of Parents and Children, Generation Scotland, Understanding Society – the UK Household Longitudinal Study, and more.

1.3 CLOSER has been funded by the UKRI Economic and Social Research Council (ESRC) since 2012 and is based at the UCL Social Research Institute.

2.1 CLOSER represents multiple longitudinal population studies across the UK. These national scientific assets follow the same people and households over time, often from birth, collecting a wide array of data and information about study participants, which enable researchers and policymakers to explore people's complex lives and how changes in society affects them. In 2020 when the pandemic began, these studies began collecting specific information to allow researchers to study the economic, social, and health impacts of the Covid-19 pandemic on study participants.

2.2 Population-wide and nationally representative longitudinal population studies provide the best evidence during a pandemic, as identified in the "Technical report on the COVID-19 pandemic for future UK Chief Medical Officers and Government Chief Scientific Advisers"[1]. As these studies began collecting data many years and even decades prior to the Covid-19 outbreak, they are uniquely placed to allow researchers to compare pandemic-outcomes to pre-pandemic ones, which contemporary studies set up during 2020 were unable to do.

2.3 It is crucial that the evidence about the impacts of the Covid-19 pandemic on individuals and communities is tracked to be able to identify and implement the lessons that will improve the response to any new pandemic or a similar major event. Since May 2020, CLOSER has been tracking Covid-19 longitudinal research and evidence from the UK and Ireland's longitudinal population studies in our Covid-19 Research Tracker[3].

2.4 The following evidence is based on research from multiple UK longitudinal population studies:

- Understanding Society – the UK Household Longitudinal Study[4]
- The Millennium Cohort Study[5]
- The 1958 National Child Development Study[6]
- The 1970 British Cohort Study[7]
- The 1946 MRC National Survey of Health and Development[8]
- Next Steps[9]
- Born in Bradford[10]
- The Avon Longitudinal Study of Parents and Children[11]
- The English Longitudinal Study of Ageing[12]

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[2] https://www.closer.ac.uk/timeline/
[3] https://covid-19.closer.ac.uk/covid-19-research-tracker/
[4] https://closer.ac.uk/study/understanding-society/
[5] https://closer.ac.uk/study/millennium-cohort-study/
[6] https://closer.ac.uk/study/1958-national-child-development-study/
[7] https://closer.ac.uk/study/1970-british-cohort-study/
[8] https://closer.ac.uk/study/mrc-national-survey-health-development/
[9] https://closer.ac.uk/study/next-steps/
[10] https://closer.ac.uk/study/born-in-bradford/
[11] https://closer.ac.uk/study/alspac-children-90s/

2 Accounting for the economic impacts of pandemics

Understanding how this pandemic affected different groups in the UK, the circumstances that reduced or increased financial shocks, and whether the emergency financial measures were effective, is crucial to defining the lessons learnt. During the pandemic, longitudinal population studies collected evidence which allowed researchers to measure changes to personal finances and resources, financial inequalities, and the impact of financial support schemes, by comparing with pre-pandemic information.

2.1 Personal finances and resources

- There were abrupt falls in income for households (-6.9% on average) at the start of the pandemic and lockdown in April 2020 [2] which did not recover over the following months. The non-payment of bills increased during the initial lockdown meaning that additional debt was carried forward for some households. Missed bill payments in May 2020 were an average of £1,660 for mortgages, £660 for rent, £170 for council tax, and £140 for utilities [3].

2.1.1 The impacts of employment during the pandemic on financial circumstances

- By May 2020, 38% of Britain's workers across four generations (spanning ages 19 to 62) had stopped working [4]. For those still working, the number of hours worked overall fell by 40%. Mothers with primary age or younger children at home were more likely to stop work than fathers [4] while couples in the bottom 25% of the income distribution experienced the greatest increase in neither partner working [5].
- Those who were self-employed had more financial difficulty during the pandemic than employees. They were more likely to be furloughed or make use of the Self-Employment Income Support Scheme (SEISS), not work due to losing all of their scheduled working hours, need Universal Credit, use financial transfers, apply for a credit or mortgage holiday, and experience a poor financial outcome (e.g., be behind with or have decreased ability to pay bills) [6].
- The coverage of SEISS was much lower than the furlough scheme. Among Millennials aged 30, 70% of those who were self-employed before the outbreak became worse off, compared to 29% of those who were employed [4].
- Those who worked from home before and during the pandemic were less concerned about their future financial situation, whilst those who remained working at their employer's premises became more concerned about their future financial situation [7].
- Workers in low-paid sectors who were impacted by lockdown (e.g., hospitality and in-person services) and those working in the construction, art, entertainment and recreation industries, were more likely to see a drop in their financial wellbeing in the first few months of the pandemic [8].
- This was also true for those on insecure contracts. Nearly 21% of those employed with a non-fixed salary (i.e., with irregular hours or paid on commission) were behind on their bills during the first lockdown, 17% found it harder to meet their household bills, and 14% lost their job [6].

2.1.2 The impacts of financial support schemes on financial circumstances

- The Government's financial support schemes[13] protected many people from the worse financial difficulties. Those who accessed the schemes were substantially better off than those who could not, some of whom entirely lost their paid employment [6].
- The financial support schemes helped different age groups in different ways, with younger workers more likely to be furloughed and older workers more likely to be recipients of SEISS [9].
- Earning subsidies acted as the main insurance mechanism against income losses, whilst the increase to Universal Credit was particularly helpful to the poorest decile. The automatic

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[12] https://closer.ac.uk/study/english-longitudinal-study-of-ageing/

[13] Coronavirus Job Retention Scheme (furlough) and Self-Employment Income Support Service (SEISS)

reductions in income tax and national insurance contributions cushioned the financial impact of the pandemic, particularly for the middle and top of the income distribution [2].
- The furlough scheme minimised the amount of financial distress to workers, but increased wealth inequalities. Furloughed individuals reduced spending, on average, and used savings where possible to make up for income losses, with the financial distress following these measures the most severe among those with lower incomes and fewer educational qualifications [10].

2.2 Financial inequality

Over the course of the pandemic, some groups were affected more than others by financial and economic changes. The long-term effects of the pandemic are very likely to be unequal, with levels of deprivation experienced by disadvantaged groups already higher than seen for a long time in the UK [4].

- Some existing inequalities widened at the beginning of the pandemic and did not fully reverse after one year. The first wave of the pandemic had greater negative impact on the employment of ethnic minority groups, young adults aged 20-29, and those with less formal education, but these differential impacts had largely abated by March 2021 [11].
- People at the very bottom of the income distribution were more likely to see a decline in net wealth [11], and people who were struggling financially pre-pandemic were more likely to report being worse off after the first lockdown in 2020 [4].
- For some middle-income and affluent individuals, financial position and living standards strengthened during the pandemic [11]. Those who were living comfortably pre-pandemic were more likely to report being better-off in May 2020 than those who were finding it difficult or "just getting by" pre-pandemic [4].

2.2.1 Groups particularly experiencing negative financial impacts

- In April and May 2020, those with precarious employment, aged under 30, and from ethnic minority groups faced the biggest labour market shocks. 45% of individuals in the UK experienced declines in household earnings of at least 10%, but the declines were most severe in the lowest pre-pandemic income groups [12].
- By November 2020, people from ethnic minority backgrounds were twice as likely as white people to have experienced a negative impact to their individual and/or household income [13].
- Informal and unsustainable methods of mitigating financial shocks, such as borrowing and transfers from family and friends, were the most prevalent method among those most in need – people in the lowest income and education groups, ethnic minority groups, and single parents [12, 14].
- Losing a job was especially likely among social tenants, the Black ethnic group, and those not born in the UK, while furlough was more common among those from lower income backgrounds. 35% of those with the lowest household income were furloughed during the first lockdown, compared with just 18% of those with the highest income [6].
- Having pre-pandemic mental health problems increased the chance of job loss, seeking financial support from government support packages or family and friends, dis-saving (spending more than earnings), taking payment holidays, and borrowing [15].
- People's financial experiences differed by age. People who were largely unaffected financially by the pandemic tended to be aged 60 or older and less reliant on work-based income, while those who sought help from schemes were slightly younger than other groups [13].

- In June 2020, older adults aged 50+ who were adversely affected by the Covid-19 pandemic were disproportionately those who were in a less secure financial position before the crisis [16].

2.2.2 The benefit system helped reduce some inequalities

- Abrupt falls in employment, earnings, and income by April 2020 impacted the earnings of the poorest households the most. However, the total income (rather than earnings) of the poorest households did not fall further behind as benefits replaced a large share of lost earnings [3].

2.3 Accounting for the economic impacts of pandemics on mental health

The shocks to the economy and individual's finances during the pandemic had an adverse impact on mental health.

- Experiencing financial problems during the pandemic increased the risk of poor mental health for young and older adults alike [17-19]. People who looked for external help to negate an income shock (such as borrowing, benefits, or new employment) experienced the most sustained increases in mental distress. 42% of this group reported significant mental distress in January 2021, compared to 30% in November 2020 and 29% before the pandemic [13].
- The most economically vulnerable people who reported long-term and multiple financial struggles during the pandemic reported the highest levels of mental distress pre-pandemic, which increased during the pandemic and then reduced to pre-pandemic levels by January 2021 [13].
- Self-employed people reported greater financial worries during the pandemic which corresponded with a rise in mental distress, particularly when weekly working hours were reduced [20].
- The deterioration in mental health was worse for working parents, who experienced higher levels of mental and financial distress compared to working adults without children. This effect was more pronounced for women and poorer households [21]. Having children under the age of four was associated with a significant increase in mental distress over spring/summer 2020 among parents, particularly for women who worked from home often [8].
- A small amount of the increase of depression and anxiety symptoms were due to the direct effects of Covid-19 (e.g., fear of catching the disease or self-isolation), but most was attributable to the social and economic effects of lockdown, including increased loneliness and financial difficulties [22].

2.3.1 Effects of pandemic employment on mental health

- Those who completely worked from home experienced a negative impact on mental health, but not those who only occasionally worked from home [7].
- Compared to those who remained working, furloughed workers experienced an increased risk of psychological distress, low life satisfaction, and poor self-rated health. However, those who became unemployed showed a greater risk of psychological distress, low life satisfaction, and loneliness than furloughed workers [23]. Being furloughed was particularly associated with poorer self-rated health for women and among those aged 30–49 years [23].
- Working men from ethnic minority backgrounds saw an increase in mental distress nearly 3 times that of white men[14]. However, working women from ethnic minority backgrounds saw a smaller increase of mental distress compared to white women [8].

2.4 Accounting for the economic impacts of pandemics – policy recommendations

[14] Using the 12-point General Health Questionnaire (GHQ-12) scored from 0 to 36 which detects current mental distress. Working men from ethnic minority backgrounds saw an average increase of 1.6 points from 2017/19 to 2020 compared to 0.6 points for white men.

2.4.1 Employment schemes

It is important for employment to have rebounded by the time furlough and other relief schemes are ended to avoid drastic financial consequences for families [4].

- A furlough scheme mitigates some of the worst mental health impacts of a crisis, but it is not a sustainable long-term solution due to the scheme's cost and economic impact of holding jobs in stasis [8].
- In the long-term, the welfare system has a bigger role in providing temporary financial support and protecting workers' mental health. However, the current welfare system does little to buffer the impact of sharp falls in income, with individuals maintaining only approximately 18% of their previous in-work income after 2 months of unemployment [8].

2.4.2 Universal Basic Income

Different approaches to financial support measures would have different distributional effects. A Universal Basic Income (UBI) would have resulted in a different pattern of "gainers" and "losers" than the emergency policies deployed during the Covid-19 pandemic. These trade-offs and equity considerations are important for policymakers to consider when defining financial support packages in times of crisis.

- A budget-neutral (i.e., using the same fiscal budget as the emergency policies) UBI of £1744 per year per adult instead of the Covid-19 emergency measures would have supported the incomes of different vulnerable groups, but provided less support to other groups [2].
- Those benefitting more from a UBI would have been households with no earners, disabled or elderly people, those living in social housing, or women in single person households. Those who would not have received as much support, an average, with a UBI would be households with two-and-more earners (primarily in the upper half of the income distribution), as well as households with children and private renters [2].

2.4.3 Working from home

Employers should consider a frequency of working from home (WFH) that does not have detrimental effects on mental health and reassures workers about their future financial situation. A full-WFH model shows a negative impact on workers' mental health, while a never-WFH model promoted worries about future finances [7].

2.4.4 Directing support packages

The pattern of disadvantage is not equal across regions and neighbourhoods of the UK. The persistent dis/advantages in certain areas mean that, as well as support packages being directed to individuals in times of crisis, the Levelling Up programme should seek to break long-term disparities between local areas that result in unequal financial opportunities and outcomes during a crisis [6].

3 Additional policy initiatives and solutions needed in the UK and internationally to reduce the risk of the future spread of emerging diseases with pandemic potential

During the pandemic, longitudinal population studies collected information about Covid-19 vaccine uptake and hesitancy, which will prove critical for learning how and where to target interventions during a future pandemic.

3.1 Vaccine hesitancy

- Willingness for the Covid-19 vaccine was generally high across the UK population [24], and a positive opinion towards public sector officials and the UK government led to increase in vaccine willingness [25].
- Research using data from The Born in Bradford study found that vaccine hesitancy was attributed to three main factors: safety concerns, negative stories, and personal knowledge, which were all amplified by recent exposure to misinformation via social media. The more confused, distressed, and mistrusting participants felt during the pandemic, the less positive they were about a vaccine [26].
- Specific subgroups showed higher vaccine hesitancy. Those in Black, Pakistani and Bangladeshi ethnic groups and people with lower education levels had higher levels of vaccine hesitancy [24]. People from a South Asian background with a negative attitude towards public officials and government were found to be the most unwilling to be vaccinated [25].

3.2 Vaccine prioritisation

- Vaccine rollouts should consider including individuals experiencing mental distress in the priority group. Being vaccinated was found to reverse around one half of the decrease in psychological well-being caused by the pandemic, with the improvement larger for those experiencing mental distress prior to vaccination [27].

3.2.1 Policy recommendations

Vaccine programmes should provide a focused, localised, and empathetic response to counter misinformation, harness existing trusted community networks, and provide information in languages spoken locally [26].

Community engagement and tailored communication is needed. Community leaders and health care practitioners may be the most important agents to create trust within ethnic minority groups [26].

Robust data disaggregated by ethnicities are needed to better understand barriers and facilitators for vaccine delivery [26]. It is crucial that longitudinal population studies continue to collect information from different, often under-represented, ethnic groups and are provided with the resources to maintain their response rates from these groups, who are often more likely to drop out of such studies [28].

(March 2023)

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